



City of Aurora

2011

Comprehensive Annual Financial Report



For the year ended
December 31, 2011

★ ★ ★ ★ ★
120th
Anniversary

★ ★ ★ ★ ★
1891 - 2011



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2011 Comprehensive
Annual Financial Report



Aurora, Colorado

The city of Aurora is located on the eastern slope of the Rocky Mountains and lies in the six county Denver/Aurora metropolitan area (the metro area). The metro area is the economic center of the State of Colorado (the State). Aurora is the third largest city in the State, with an estimated population in 2011 of 335,105, approximately 13% of the metro area’s population.



Front Cover

“**Then and Now.**” (Top, clockwise): Fitzsimons Army Medical Center (1919), Aurora Town Hall (c. 1906), Fletcher Trolley on Colfax Avenue (c. 1880s), first Aurora library (c 1923). (Bottom, clockwise): University of Colorado Denver Hospital – Anschutz Medical Campus at Fitzsimons, Aurora Municipal Center, “Ghost Trolley” sculpture on Colfax Avenue, Tallyn’s Reach Library.

Photos courtesy of Aurora History Museum



Comprehensive Annual Financial Report

City of Aurora, Colorado
For the Year Ended December 31, 2011

Prepared by the Controller's Office
Finance Department



Prepared by the Controller's Office
Finance Department

Jason Batchelor, Interim Director

Jo Ann Giddings, Controller

Nancy Wishmeyer, Accounting Administrator

Dan Cunningham, Senior Accountant II

Carisa Redlick, Senior Accountant II

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Ralph Cannon, Accountant II

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Dave Mullen, Control Management Administrator

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Introductory Section Divider



June 7, 2012

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, 2011.

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 is to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 2011, 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, 2011 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 auditor of the financial statements of the city is required to complete the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The results of this single audit are available in the city's separately issued Single Audit Report.

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 area (the metro area). The metro area is the economic center of the State of Colorado (the State). Aurora is the third largest city in the State with an estimated population in 2011 of 335,105. 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. 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.

As expected by local economists, 2011 proved to be a year of moderate economic growth, translating into moderate revenue growth for the City. For 2011, sales and use tax increased 1.8% on a budgetary basis (2.9% per GAAP basis), slightly below the growth experienced in 2010 as the state transitioned out of recession. The combination of sales and use tax is the most significant source of revenue, generating 62.8% of the total General Fund revenue, net of transfers, but is also the most susceptible to the economic changes. Property tax represents an important secondary general revenue source that is typically less impacted than sales and use tax by changing economic conditions. Property tax collections were 11% of the total General Fund budgetary and GAAP revenues, net of transfers in 2011. The 2011 biennial reassessment of property values is anticipated to capture the bottom of the real estate market, leading to a decrease in property tax collections for 2012. This decline is expected to be offset by moderate revenue growth, primarily in sales and use tax.

The city expects to maintain most of its General Fund reserves, through the financial discipline of matching expenditures to revenues, continued management of the growth of city expenditures and through evaluation of options for enhancing revenues. The city maintains a reserve for unanticipated major emergencies, but does not anticipate using these funds for the 2012 budget year.

The city expects to face budget challenges in the future as expenses (at current service levels) are projected to grow faster than revenues. In light of these challenges, the city continues to examine options that increase revenues and those that decrease expenditures. In 2011, the city made adjustments to Police staffing requirements that will provide significant ongoing savings. 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 inevitable periodic drought conditions. The Prairie Waters Project, originally budgeted at \$754 million, is 99% 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. Through 2011, the city has contributed \$22.7 million to the project, funded with American Recovery & Reinvestment Act funds, Colorado Department of Transportation funds, Federal funds, Fitzsimons Partnership funds and city funds. Additional funds of \$15.2 million, managed by the Colorado Department of Transportation, will also be applied to the total project cost. The project completion is projected to occur in the second quarter of 2013, with total project cost from all funding sources anticipated to be \$38-\$40 million.

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

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

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

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

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 branch of service and components. 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. However, the City was successful in receiving funding to extend the I-225 line from its current terminus at Nine Mile (Parker Road) north to Iliff Station. Planning is already underway with construction expected to be completed in 2015. Widening of I-225 will be completed by CDOT in conjunction with these improvements completing the widening of I-225 from Parker Road to Mississippi Blvd. 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 ten urban renewal areas. The city and Aurora Urban Renewal Authority (AURA) actively work with developers, where appropriate, to encourage development of blighted areas. Urban renewal and associated tax increment financing districts have been major factors in a number of important developments. The AURA Board has the same membership as the City Council.

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, 2010. 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-five consecutive years. We believe that our current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement program and we are submitting it to the GFOA.

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

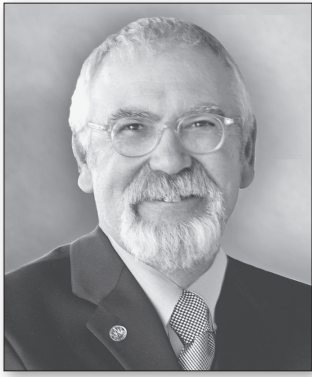
Respectfully submitted,



George K. Noe
City Manager



Jason Batchelor
Finance Director



George K. Noe
City Manager



**City Manager and
Council Members
2011**



Mayor Steve Hogan
(incoming)



Mayor Ed Tauer
(outgoing)



Renie Peterson
Mayor Pro-Tem 10/11
Ward II



Barbara Cleland
Mayor Pro-Tem 11/12
At-Large



Melissa Miller
Ward I



Marsha Berzins
Ward III



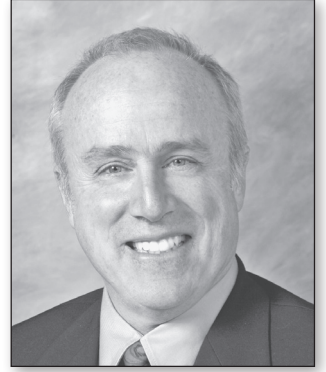
Molly Markert
Ward IV



Bob Roth
Ward V



Bob Broom
Ward VI



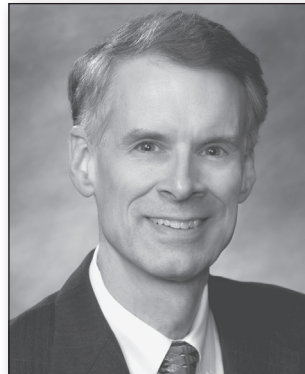
Bob Fitzgerald
At-Large



Ryan Frazier
At-Large
(outgoing)



Debi Hunter Holen
At-Large
(incoming)



Bob LeGare
At-Large
(incoming)



Brad Pierce
At-Large
(outgoing)



City Council 2011

City of Aurora, Colorado Terms of Service

Member	Position	Elected	Term Length	Total Service
Steve Hogan,	At-Large	1979 - 1983	4 years	28 years
		1985 - 1989	4 years	
		1989 - 1993	4 years	
		1993 - 1997	4 years	
		2001 - 2005	4 years	
		2005 - 2009	4 years	
Ed Tauer,	Mayor (incoming)	2011 - 2015	4 years	14 years
	At-Large	1997 - 2001	4 years	
	Mayor (outgoing)	2001 - 2003	2 years	
Melissa Miller,	Ward I	2009 - 2013	4 years	4 years
	Renie Peterson,	Ward II	2005 - 2009	
Marsha Berzins,	Ward III	2009 - 2013	4 years	8 years
	Molly Markert,	Ward IV	2009 - 2013	
Bob Roth,	Ward V	2003 - 2007	4 years	12 years
		2007 - 2011	4 years	
		2011 - 2015*	4 years	
		2010 - 2011***	1 year	
Bob Broom,	Ward VI	2011 - 2015	4 years	5 years
		2003 - 2007	4 years	
		2007 - 2011	4 years	
Barbara Cleland,	At-Large	2011-2015*	4 years	12 years
		1983 - 1987	4 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	24 years
		2003 - 2005**	2 years	
		2005 - 2009	4 years	
Ryan Frazier,	At-Large (outgoing)	2009 - 2013	4 years	10 years
		2003 - 2007	4 years	
Debi Hunter Holen,	At-Large (incoming)	2007 - 2011	4 years	8 years
		2011 - 2015	4 years	
Bob LeGare,	At-Large (incoming)	1995 - 1999	4 years	4 years
		1999 - 2003	4 years	
		2011 - 2015	4 years	
Brad Pierce,	At-Large (outgoing)	2011 - 2015	4 years	12 years
		2003 - 2007	4 years	
		2007 - 2011	4 years	8 years

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

Council Members are limited by City Charter to three consecutive four-year terms of office, excluding the Mayor who, per term limits in effect at the time of his election in 2003 was 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.

*** Appointed for remainder of vacated term in 2010.



Management Officials

City of Aurora, Colorado
As of December 31, 2011

City Manager's Office

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

Other Council Appointees

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

Commission Appointees

Laurie Cole, Public Defender (appointed by Public Defender Commission)	Since 1996
Matt Cain, Civil Service Administrator (appointed by Civil Service Commission)	Since 2009

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
Jason Batchelor (Interim), Finance	Since 2011
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

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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

About the Certificate of Achievement for Excellence in Financial Reporting

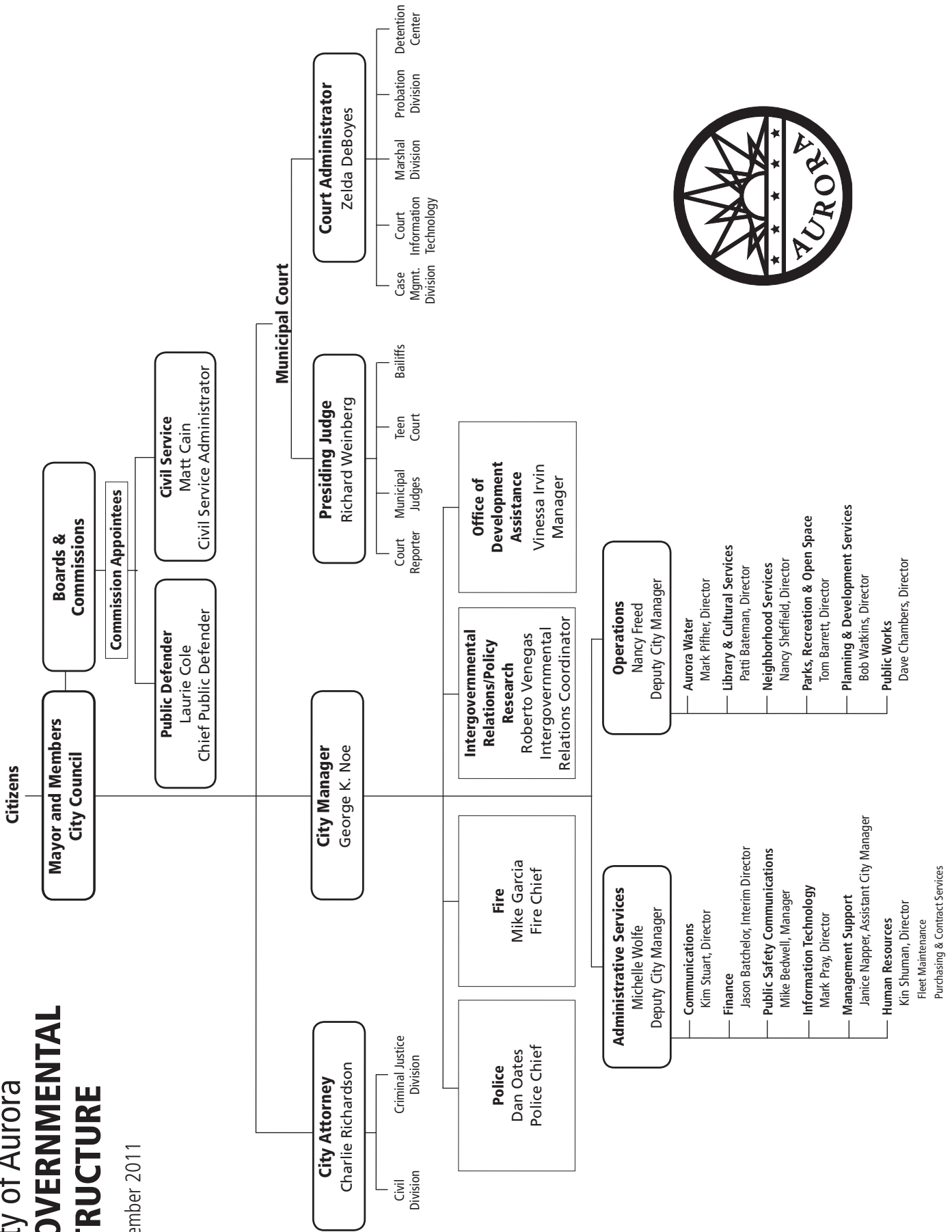
For over a century, the Government Finance Officers Association of the United States and Canada (GFOA) has been dedicated to enhancing the professional management of governments for the public benefit. The GFOA's Certificate of Achievement for Excellence in Financial Reporting Program has been promoting the preparation of high quality financial reports since 1945. More than 3,700 governments of all levels (state and local), types (general-purpose and special-purpose), and sizes participate in the program. Among cities with a population of over 100,000 people, 81% participate in the program. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year.

The City of Aurora has received the Certificate for the last twenty-five consecutive years, including this most recent year, 2010 and for thirty-five years in total, currently the highest number of certificates for any governmental entity in the State of Colorado. We believe that this, our 2011 comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement Program and are submitting it to the GFOA for its consideration.

City of Aurora GOVERNMENT STRUCTURE

December 2011

x



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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the General Employees' Retirement Plan (GERP), which represent 64% and 17%, 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 the Aurora Housing Authority (AHA) or the financial statements of the 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 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 the other accountants provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 18, in 2011 the City reporting entity changed to exclude Fitzsimons Redevelopment Authority as a discretely presented component unit by restating beginning net assets.

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

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

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

BKD, LLP

June 13, 2012

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, 2011. 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 2011 by \$4.5 billion (*net assets*). Of this amount, \$305.2 million, or 6.8% was unrestricted and may be used to meet the city's ongoing obligations.
- Citywide net assets increased \$78.0 million in 2011.
- At December 31, 2011, the city's governmental funds reported combined ending fund balances of \$145.8 million, a decrease of \$12.5 million from the prior year. Approximately 55.6% 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; \$32.0 million committed, \$37.9 million assigned and \$11.1 million unassigned.
- The city's General Fund total revenues were under budget (\$1.1) million and were offset by total expenditures which were under budget (\$3.6) million during 2011.
- Capital improvement and capital outlay activity increased \$98.0 million during 2011.
- The city's total debt decreased (\$66.6) 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 fund financial statements to the citywide statements and explains the differences between them. The governmental fund financial statements can be found on pages 5-8 of this report.

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

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

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

Other Information

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

Citywide Financial Analysis

As noted earlier, net 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 \$4.5 billion at the close of the fiscal year as shown in Chart 1.

The largest portion of the city's net assets, \$4.1 billion reflects its investment in capital assets less the outstanding portion of the debt that was issued to acquire or construct those assets. The city uses these capital assets to provide services to citizens; consequently, these amounts are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Citywide Net Assets December 31, 2011 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2011	2010	Change	%	2011	2010	Change	%	2011	2010	Change	%
Current and other assets	\$ 228,045	\$ 238,649	\$ (10,604)	(4.4)	\$ 334,665	\$ 411,038	\$ (76,373)	(18.6)	\$ 562,710	\$ 649,687	\$ (86,977)	(13.4)
Capital assets, net	2,938,295	2,915,159	23,136	0.8	1,962,260	1,887,436	74,824	4.0	4,900,555	4,802,595	97,960	2.0
Total Assets	3,166,340	3,153,808	12,532	0.4	2,296,925	2,298,474	(1,549)	(0)	5,463,265	5,452,282	10,983	0.2
Current and other liabilities	71,823	63,872	7,951	12.4	30,801	33,674	(2,873)	(8.5)	102,624	97,546	5,078	5.2
Noncurrent liabilities	166,173	175,664	(9,491)	(5.4)	718,765	781,358	(62,593)	(8.0)	884,938	957,022	(72,084)	(7.5)
Total Liabilities	237,996	239,536	(1,540)	(0.6)	749,566	815,032	(65,466)	(8.0)	987,562	1,054,568	(67,006)	(6.4)
Net Assets:												
Invested in capital assets, net of related debt	2,820,904	2,793,362	27,542	1.0	1,288,473	1,159,213	129,260	11.2	4,109,377	3,952,575	156,802	4.0
Restricted	53,462	77,187	(23,725)	(30.7)	7,673	4,828	2,845	58.9	61,135	82,015	(20,880)	(25.5)
Unrestricted	53,978	43,723	10,255	23.5	251,213	319,401	(68,188)	(21.3)	305,191	363,124	(57,933)	(16.0)
Total net assets	\$ 2,928,344	\$ 2,914,272	\$ 14,072	0.5	\$ 1,547,359	\$ 1,483,442	\$ 63,917	4.3	\$ 4,475,703	\$ 4,397,714	\$ 77,989	1.8

Chart 1

As shown in Chart 1, total restricted net assets at the end of 2011 were \$61.1 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 \$305.2 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 2 net assets increased \$78.0 million in 2011, of which \$14.1 million (18%) was attributable to governmental activities and \$63.9 million (82%) was attributable to business-type activities.

Governmental activities

- Total revenues increased \$10.5 million or 3.5%.
- Charges for services decreased as Neighborhood Stabilization Program (NSP) home sales decreased. The city is currently purchasing and renovating more NSP properties.
- The combined operating and capital grants and contributions increased \$10.7 million primarily resulting from increase in street infrastructure assets contributed by developers.
- Sales and use tax revenues increased \$2.8 million or 1.9%, a conservative growth rate reflective of a sluggish economy. Other taxes decreased \$1.3 million resulting from a decrease in tax audit revenue due to department staff turnover and more audits in appeal.
- Interest earnings decreased due to the drop in interest rates.
- Total expenses increased \$5.1 million or 1.8%. The largest increases were for Police and Fire at \$5.2 million (6.2%) and \$3.0 million (8.4%) respectively. The change is primarily due to an increase in old hire pension costs and personnel costs.
- General government function decreased \$1.4 million resulting from a smaller change in accrued compensated absence expense from the prior year.
- The community services function decreased \$1.2 million and corresponds to the decrease in charges for services revenue. More NSP properties are currently being purchased than are being sold. While purchases would normally increase expense, accounting rules require that the purchases are recognized as expense only when the property is sold.
- The culture and recreation function increased \$1.3 million as a result of increased spending on park and open space projects.
- Transfers increased due to the contribution of the Pier Point 7 sewer line from the Wastewater Enterprise Fund.

Governmental activities net assets increased \$14.1 million. Net current year activities, along with restricted net asset balances, were used, in part, to purchase or construct capital assets. "Invested in capital assets, net of related debt" increased \$27.5 million as capital assets were added and debt service payments were made.

Citywide Changes in Net Assets Year Ended December 31, 2011 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2011	2010	Change	%	2011	2010	Change	%	2011	2010	Change	%
REVENUES:												
Program Revenues:												
Charges for services	\$ 31,818	\$ 32,906	\$ (1,088)	(3.3)	\$ 163,238	\$ 165,116	\$ (1,878)	(1.1)	\$ 195,056	\$ 198,022	\$ (2,966)	(1.5)
Operating grants and contributions	32,140	30,135	2,005	6.7	8,361	6,493	1,868	28.8	40,501	36,628	3,873	10.6
Capital grants and contributions	32,672	24,013	8,659	36.1	19,760	22,709	(2,949)	(13.0)	52,432	46,722	5,710	12.2
General Revenues:												
Taxes												
Sales and use	150,088	147,240	2,848	1.9	-	-	-	-	150,088	147,240	2,848	1.9
Property	32,664	32,291	373	1.2	-	-	-	-	32,664	32,291	373	1.2
Other	25,262	26,552	(1,290)	(4.9)	-	-	-	-	25,262	26,552	(1,290)	(4.9)
Grants and contributions not restricted to specific programs	780	786	(6)	(0.8)	-	-	-	-	780	786	(6)	(0.8)
Unrestricted investment earnings	1,045	2,049	(1,004)	(49.0)	833	3,812	(2,979)	(78.1)	1,878	5,861	(3,983)	(68.0)
Total revenues	306,469	295,972	10,497	3.5	192,192	198,130	(5,938)	(3.0)	498,661	494,102	4,559	0.9
EXPENSES:												
General government	29,246	30,602	(1,356)	(4.4)	-	-	-	-	29,246	30,602	(1,356)	(4.4)
Judicial	7,907	8,052	(145)	(1.8)	-	-	-	-	7,907	8,052	(145)	(1.8)
Police	87,605	82,452	5,153	6.2	-	-	-	-	87,605	82,452	5,153	6.2
Fire	38,808	35,807	3,001	8.4	-	-	-	-	38,808	35,807	3,001	8.4
Other public safety	12,665	12,965	(300)	(2.3)	-	-	-	-	12,665	12,965	(300)	(2.3)
Public works	46,861	47,194	(333)	(0.7)	-	-	-	-	46,861	47,194	(333)	(0.7)
Economic development	15,199	15,580	(381)	(2.4)	-	-	-	-	15,199	15,580	(381)	(2.4)
Community services	11,919	13,100	(1,181)	(9.0)	-	-	-	-	11,919	13,100	(1,181)	(9.0)
Culture and recreation	34,852	33,602	1,250	3.7	-	-	-	-	34,852	33,602	1,250	3.7
Unallocated depreciation	3,316	3,304	12	0.4	-	-	-	-	3,316	3,304	12	0.4
Interest on debt	6,168	6,803	(635)	(9.3)	-	-	-	-	6,168	6,803	(635)	(9.3)
Water	-	-	-	-	70,904	63,690	7,214	11.3	70,904	63,690	7,214	11.3
Wastewater	-	-	-	-	47,041	41,986	5,055	12.0	47,041	41,986	5,055	12.0
Golf	-	-	-	-	8,181	8,828	(647)	(7.3)	8,181	8,828	(647)	(7.3)
Total expenses	294,546	289,461	5,085	1.8	126,126	114,504	11,622	10.1	420,672	403,965	16,707	4.1
Increase in net assets before transfers	11,923	6,511	5,412	83.1	66,066	83,626	(17,560)	(21.0)	77,989	90,137	(12,148)	(13.5)
Transfers	2,149	5	2,144	42,880.0	(2,149)	(5)	(2,144)	42,880.0	-	-	-	
Increase in net assets	14,072	6,516	7,556	116.0	63,917	83,621	(19,704)	(23.6)	77,989	90,137	(12,148)	(13.5)
Net assets January 1	2,914,272	2,907,756	6,516	0.2	1,483,442	1,399,821	83,621	6.0	4,397,714	4,307,577	90,137	2.1
Net assets December 31	\$ 2,928,344	\$ 2,914,272	\$ 14,072	0.5	\$ 1,547,359	\$ 1,483,442	\$ 63,917	4.3	\$ 4,475,703	\$ 4,397,714	\$ 77,989	1.8

Chart 2

Expenses Financed through Program Revenues – Governmental Activities

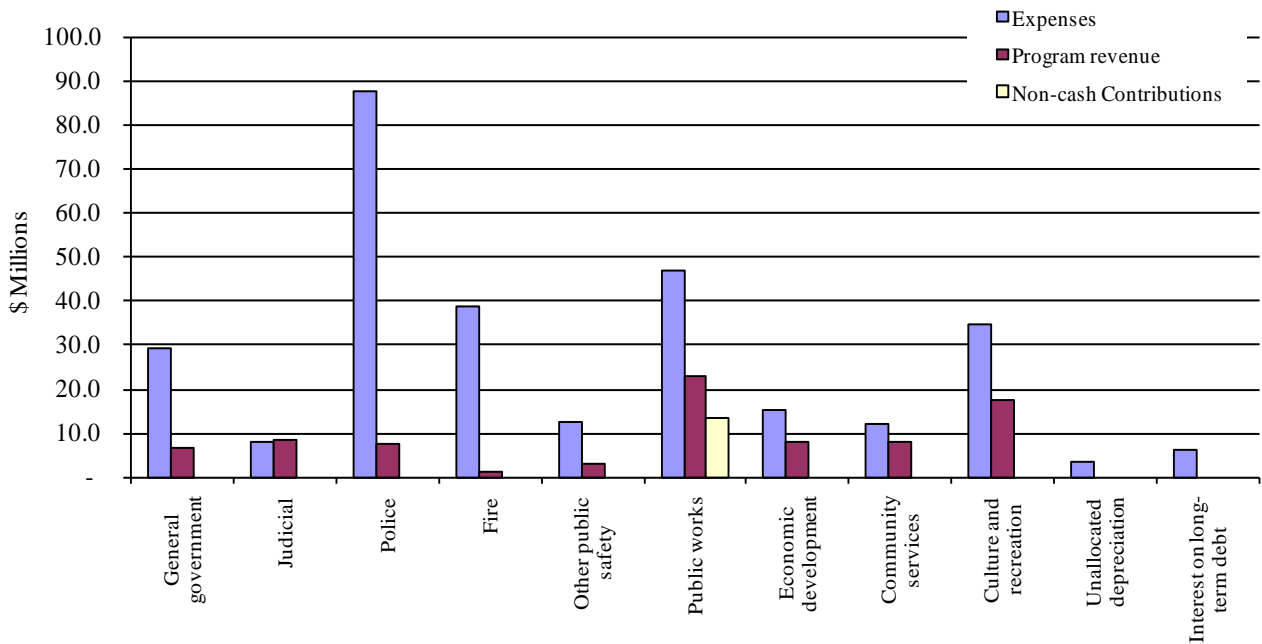


Chart 3

Revenues by Source – Governmental Activities

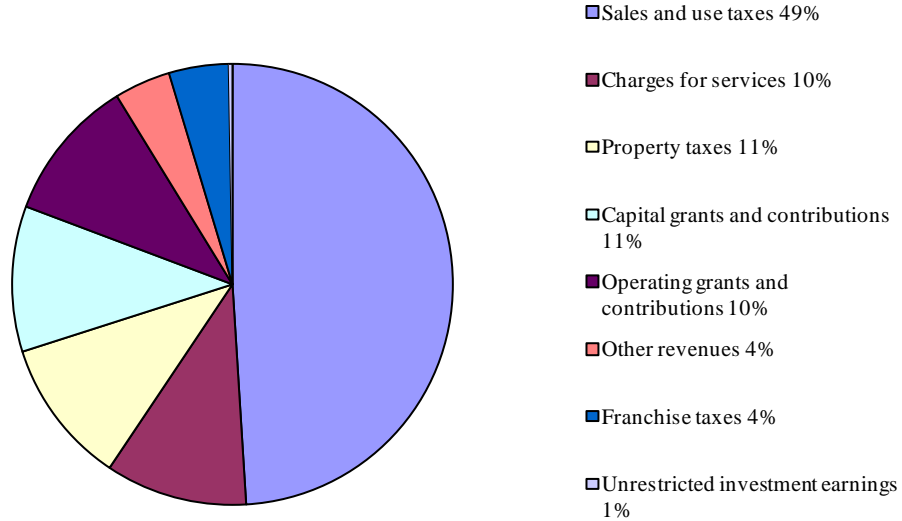


Chart 4

Business-type activities

Total revenues for business-type activities decreased \$5.9 million or 3.0%. Charges for services decreased resulting from a decrease in raw water resale to Eagle Park Reservoir Company per terms of the agreement. Additionally, water tap fees decreased due to fluctuations in development activity. There were no water or storm drain user rate changes in 2011. Sewer rates increased 4.1%.

Total expenses for business-type activities increased \$11.6 million or 10.1%. Depreciation expense increased \$4.6 million due to an additional quarter of a billion dollars worth of fixed asset additions in 2010 that began depreciating in 2011. The majority of these assets were related to the Prairie Waters Project. Interest expense in the Wastewater Fund increased \$2.4 million as a result of changing the capitalization rate to reflect an average rate rather than a project-specific rate. Total cost of sales increased \$2.6 million due to major capital projects, including the Prairie Waters Project, completing and coming on-line.

Business-type activities net assets increased \$63.9 million. Current and other assets decreased \$76.4 million and noncurrent liabilities decreased \$62.6 million as a result of paying off the outstanding balances of the Water 2003 general obligation bonds and the Water 2003A revenue bonds, and from making scheduled debt service payments. Invested in capital assets, net of related debt increased \$129.3 million as capital assets were added and debt paid off. Unrestricted net assets decreased \$68.2 million as available cash was used to pay off debt.

Expenses and Charges for Services – Business-type Activities

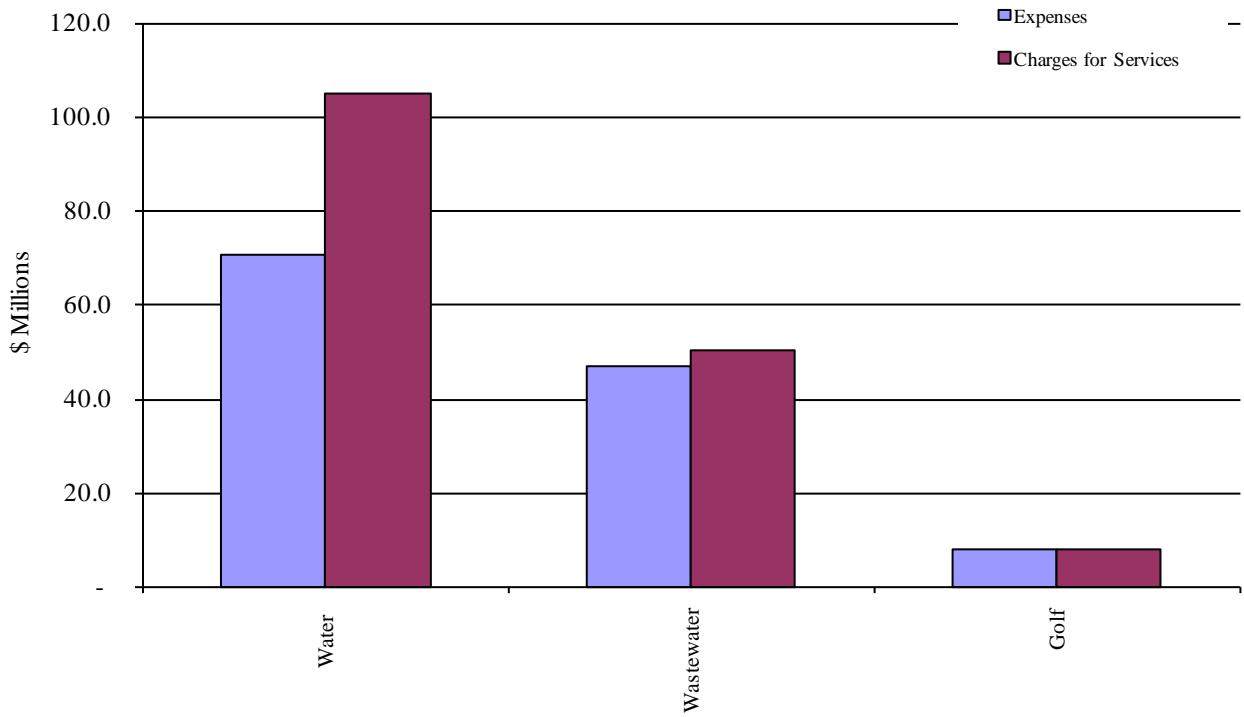


Chart 5

Revenues by Source – Business-type Activities

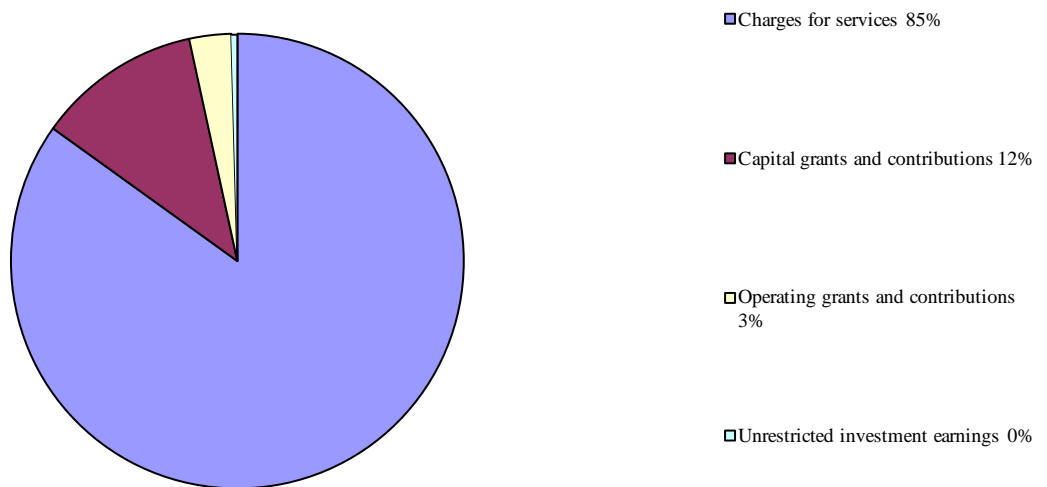


Chart 6

Financial Analysis of the Government's Funds***General Fund***

The General Fund is the main operating fund of the city. At the end of 2011, total fund balance for the General Fund was \$65.5 million. This amount includes: \$10.0 million restricted fund balance comprised primarily of the \$9.0 million TABOR reserve restricted for public safety; \$24.2 million committed fund balance comprised mainly of the \$20.4 million 10% policy reserve; \$20.2 million assigned fund balance comprised primarily of \$17.4 million assigned to payment of long-term liabilities; and \$11.1 million for the unassigned fund balance operating reserve.

All of the unassigned General Fund fund balance is maintained as the "unassigned fund balance Operating Reserve". The Operating Reserve has a minimum target policy range of 1% to 3% of annual budgetary revenues and is intended to be spendable in limited circumstances as determined appropriate and necessary by City Council. City policy provides for restoring the Operating Reserve to minimum levels as quickly as feasible. The General Fund unassigned fund balance Operating Reserve was \$11.1 million at December 31, 2011 and \$8.2 million at December 31, 2010. The Operating Reserve is 4.8% of 2011 annual budgetary revenues or \$8.8 million above the 1% minimum target range specified by Council. Total General Fund funds available was 17.0% of total General Fund budgetary revenues in 2011, compared to 14.4% in 2010.

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 2011, 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 14.2% of the General Fund's 2011 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, 2011.

General Fund Budgetary Highlights

General Fund revenues for 2011 were less than budget by \$1.1 million. Slight gains in sales tax, use tax and lodgers tax revenue totaling \$1.5 million were more than offset by shortfalls in property taxes (\$0.5 million) and other taxes (\$1.4 million). Most of the drop in other taxes is attributable to the collection of tax audit revenues. Tax audit revenues were down as a result of department staff turnover and more audits in appeal due to economic factors. General Fund expenditures were \$3.6 million under budget resulting primarily from vacancy savings, lower energy costs, and lower snow removal costs. December 31 ending funds available was \$4.3 million higher than original budget and \$2.5 million higher than the final budget. The city expects to maintain its financial condition through continued control over the growth of city expenditures and through evaluation of options for enhancing revenues.

Capital Assets and Debt Administration**Capital Assets**

The city's capital assets for its governmental and business-type activities as of December 31, 2011, were valued at \$4.9 billion (net of accumulated depreciation) and include: land and water rights, buildings and improvements, infrastructure, machinery and equipment and construction in progress. The city uses these assets to provide services to its citizens. Additional information on the city's capital assets can be found in the notes to the basic financial statements, footnote 6 on page 39.

**Comparative Schedule of Capital Assets - net of accumulated depreciation December 31, 2011 and 2010
(in thousands)**

	Governmental Activities			Business-type Activities			Citywide Totals		
	2011	2010	Change	2011	2010	Change	2011	2010	Change
Land and water rights	\$ 246,801	\$ 244,568	\$ 2,233	\$ 364,576	\$ 351,806	\$ 12,770	\$ 611,377	\$ 596,374	\$ 15,003
Buildings and improvements	141,561	146,153	(4,592)	132,021	104,994	27,027	273,582	251,147	22,435
Infrastructure	2,510,539	2,488,780	21,759	1,299,420	991,069	308,351	3,809,959	3,479,849	330,110
Machinery and equipment	26,465	27,322	(857)	10,710	11,615	(905)	37,175	38,937	(1,762)
Construction in progress	12,929	8,336	4,593	155,533	427,952	(272,419)	168,462	436,288	(267,826)
Totals	\$ 2,938,295	\$ 2,915,159	\$ 23,136	\$ 1,962,260	\$ 1,887,436	\$ 74,824	\$ 4,900,555	\$ 4,802,595	\$ 97,960

Chart 7

Major capital asset activity for the year ended December 31, 2011 included the following:

Governmental Activities Capital Assets

- Additions to infrastructure included developer-donated streets valued at \$11.6 million, city constructed street overlays and improvements valued at \$11.5 million, additional improvements relating primarily to the Colfax/17th avenue project valued at \$9.5 million, contributed sewer mains for the Pier Point 7 GID valued at \$2.3 million, park infrastructure valued at \$1.4 million, traffic signal construction valued at \$1.0 million, and current year additions to accumulated depreciation of \$15.1 million.
- Developer-donated streets included land valued at \$0.5 million. Permanent easements within the city valued at \$1.5 million were also added to land.
- The increase in construction in progress was primarily due to the Beck Center remodel. Other projects that increased construction in progress included Springhill Park, Sable/Alameda interchange, Colfax interchange projects, and Dam East fence.
- The decrease in buildings and improvements is primarily due to additions to accumulated depreciation.

Business-type Activities Capital Assets

- The increase in land and water rights was primarily the result of Water Fund purchases of water rights valued at \$10.1 million from L.G. Everist, which included multiple ditch company shares.
- 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 \$1.0 million and wastewater lines valued at \$1.4 million were added.
- Prairie Waters Project construction in progress transferred to infrastructure accounted for over \$300 million of decrease. Other projects, including work on gravel pits to get them ready for water storage, were added to construction in progress.
- Buildings and improvements increased primarily from transfers from construction in progress. The majority of the assets transferred represent security system building improvements at Prairie Waters Project facilities.

Debt Administration

At the end of 2011, the city had total bonded debt of \$645.3 million and \$102.2 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, 2011, and 2010 was as follows:

Comparative Schedule of Outstanding Debt December 31, 2011 and 2010 (in thousands)

	Primary Government								
	Governmental Activities			Business-type Activities			Citywide Totals		
	2011	2010	Change	2011	2010	Change	2011	2010	Change
General Obligation Bonds	\$ 20,170	\$ 22,585	\$ (2,415)	\$ -	\$ 18,410	\$ (18,410)	\$ 20,170	\$ 40,995	\$ (20,825)
Revenue Bonds	4,765	6,350	(1,585)	620,376	659,542	(39,166)	625,141	665,892	(40,751)
Total Bonded Debt	24,935	28,935	(4,000)	620,376	677,952	(57,576)	645,311	706,887	(61,576)
Certificates of Participation	102,160	107,155	(4,995)	-	-	-	102,160	107,155	(4,995)
Totals	\$ 127,095	\$ 136,090	\$ (8,995)	\$ 620,376	\$ 677,952	\$ (57,576)	\$ 747,471	\$ 814,042	\$ (66,571)

Chart 8

Citywide net bonded and COP debt decreased (\$66.6) million during 2011 due to \$12.2 million in bonded debt payments and \$5.0 million in COP payments. In addition, during 2011, the water 2003A revenue bonds were defeased for \$33.6 million and the water 2003 GO bonds were paid off for \$18.4 million. These unscheduled, voluntary water debt payments were made from available funds and will result in significant savings along with improved debt coverage ratios. Also, during 2011 \$2.6 million of general obligation bonds were issued to the Pier Point 7 GID.

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 on page 117 and additional information on the city's debt can be found in the notes to the basic financial statements, footnote 7 on page 41.

Economic Factors and Rate Increases

- The unemployment rate for the city is currently at 9.0%. The city's rate is unfavorable compared to the state's average unemployment rate of 8.3% and slightly better than the national rate of 9.2%.
- Housing starts for the metro area are currently down (38.0%), which is favorable to the state decrease (45.0%) over last year and unfavorable compared to the national decrease of (32.0%).
- Water, wastewater, and storm drain user rates will increase 0.0%, 4.1% and 0.0%, respectively, in 2012 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.

* * * * *



Basic Financial Statements
Citywide Financial Statements



CITY OF AURORA, COLORADO

CITYWIDE

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 5,887,875	\$ 16,672,994	\$ 22,560,869	\$ 12,876,427
Investments	70,952,143	225,150,744	296,102,887	10,064
<i>Receivables (net of allowance)</i>				
Taxes receivable	45,758,598	—	45,758,598	311,941
Accounts receivable	1,407,948	15,804,872	17,212,820	—
Interest receivable	927,685	1,288,561	2,216,246	2,352,945
Due from other governments	1,197,162	2,779	1,199,941	—
Other receivables	422,102	517,492	939,594	5,978,710
Internal balances	822,531	(822,531)	—	—
Inventories	601,176	180,436	781,612	—
Deferred charges	1,508,129	5,273,916	6,782,045	781,916
<i>Restricted assets</i>				
Cash and cash equivalents	9,743,773	1,789,343	11,533,116	—
Investments	52,049,183	58,100,985	110,150,168	—
Taxes receivable	8,836,612	—	8,836,612	—
Accounts receivable	606,153	—	606,153	—
Interest receivable	25,836	901,988	927,824	—
Due from other governments	4,728,214	—	4,728,214	—
Other receivables	1,393,038	5,018,626	6,411,664	—
Inventories	3,182,780	—	3,182,780	—
Notes receivable	17,230,879	—	17,230,879	—
Notes receivable	762,988	2,407,224	3,170,212	26,389,015
Equity in joint venture	—	2,377,903	2,377,903	6,061,835
<i>Capital assets (net of accumulated depreciation)</i>				
Land and water rights	246,800,636	364,576,339	611,376,975	5,734,550
Buildings and improvements	141,561,375	132,020,598	273,581,973	44,616,992
Infrastructure	2,510,539,329	1,299,419,910	3,809,959,239	—
Machinery and equipment	26,464,456	10,710,066	37,174,522	375,897
Construction in progress	12,929,365	155,532,811	168,462,176	5,123,492
Total assets	<u>3,166,339,966</u>	<u>2,296,925,056</u>	<u>5,463,265,022</u>	<u>110,613,784</u>
LIABILITIES				
Accounts payable	7,310,443	15,220,471	22,530,914	3,635,757
Accrued interest	563,994	14,488,152	15,052,146	2,470,911
Other payables	11,155,904	502,911	11,658,815	185,294
Unearned revenues	52,792,878	589,410	53,382,288	338,788
<i>Noncurrent liabilities</i>				
Due within one year	19,145,252	6,150,625	25,295,877	814,380
Due beyond one year	147,027,292	712,614,791	859,642,083	57,050,193
Total liabilities	<u>237,995,763</u>	<u>749,566,360</u>	<u>987,562,123</u>	<u>64,495,323</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,820,903,641	1,288,472,848	4,109,376,489	18,862,723
<i>Restricted for</i>				
Culture and recreation	1,080,082	—	1,080,082	—
Debt related	—	1,250,000	1,250,000	—
Development	3,222,327	—	3,222,327	—
Gifts and grants	7,774,218	—	7,774,218	12,078,684
Open space	18,834,875	—	18,834,875	—
Public improvement	2,354,186	6,422,626	8,776,812	—
Public safety	17,416,827	—	17,416,827	17,322
Road and bridge	2,779,545	—	2,779,545	—
Unrestricted	53,978,502	251,213,222	305,191,724	15,159,732
Total net assets	<u>\$ 2,928,344,203</u>	<u>\$ 1,547,358,696</u>	<u>\$ 4,475,702,899</u>	<u>\$ 46,118,461</u>

CITY OF AURORA, COLORADO

CITYWIDE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2011

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	\$ 29,246,441	\$ 3,874,729	\$ 2,685,188	\$ 27,568	\$ (22,658,956)	\$ —	\$ (22,658,956)	
Judicial	7,907,221	8,383,766	6,137	—	482,682	—	482,682	
Police	87,605,189	3,664,486	3,703,063	—	(80,237,640)	—	(80,237,640)	
Fire	38,807,776	710,055	529,543	—	(37,568,178)	—	(37,568,178)	
Other public safety	12,665,189	80,749	2,973,780	—	(9,610,660)	—	(9,610,660)	
Public works	46,861,128	300,454	9,971,839	26,153,241	(10,435,594)	—	(10,435,594)	
Economic development	15,198,743	7,332,512	743,372	2,669	(7,120,190)	—	(7,120,190)	
Community services	11,918,520	1,082,000	6,749,410	—	(4,087,110)	—	(4,087,110)	
Culture and recreation	34,851,488	6,389,195	4,778,038	6,488,693	(17,195,562)	—	(17,195,562)	
Unallocated depreciation, excluding								
direct program depreciation	3,316,281	—	—	—	(3,316,281)	—	(3,316,281)	
Interest on long-term debt	6,167,732	—	—	—	(6,167,732)	—	(6,167,732)	
Total governmental activities	294,545,708	31,817,946	32,140,370	32,672,171	(197,915,221)	—	(197,915,221)	
<i>Business-type activities</i>								
Water	70,904,633	104,941,420	4,711,621	15,415,797	—	54,164,205	54,164,205	
Wastewater	47,040,747	50,363,242	3,603,263	4,344,696	—	11,270,454	11,270,454	
Golf	8,180,888	7,932,907	45,804	—	—	(202,177)	(202,177)	
Total business-type activities	126,126,268	163,237,569	8,360,688	19,760,493	—	65,232,482	65,232,482	
Total primary government	\$ 420,671,976	\$ 195,055,515	\$ 40,501,058	\$ 52,432,664	(197,915,221)	65,232,482	(132,682,739)	
Component units	\$ 29,289,308	\$ 26,004,095	\$ 4,062,385	\$ 1,561,065				\$ 2,338,237

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
General Revenues				
<i>Taxes</i>				
Sales and use	150,088,205	—	150,088,205	—
Property taxes	32,664,480	—	32,664,480	354,196
Franchise taxes	13,395,548	—	13,395,548	—
Lodgers taxes	4,520,210	—	4,520,210	—
Occupational privilege taxes	4,274,368	—	4,274,368	—
Other taxes	3,070,765	—	3,070,765	22,719
Grants and contributions not restricted to specific programs	780,050	—	780,050	—
Unrestricted investment earnings	1,045,073	832,727	1,877,800	570
Transfers	2,148,941	(2,148,941)	—	—
Total general revenues and transfers	211,987,640	(1,316,214)	210,671,426	377,485
INCREASE (DECREASE) IN NET ASSETS	14,072,419	63,916,268	77,988,687	2,715,722
NET ASSETS, January 1, before restatement	2,914,271,784	1,483,442,428	4,397,714,212	64,143,772
Adjustment for change in reporting entity	—	—	—	(20,231,935)
Adjustment for correction of error	—	—	—	(509,098)
NET ASSETS - January 1, after restatement	2,914,271,784	1,483,442,428	4,397,714,212	43,402,739
NET ASSETS - December 31	<u>\$ 2,928,344,203</u>	<u>\$ 1,547,358,696</u>	<u>\$ 4,475,702,899</u>	<u>\$ 46,118,461</u>



Basic Financial Statements

Fund Financial Statements



GOVERNMENTAL FUNDS

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

MAJOR GOVERNMENTAL FUND

General Fund

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

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

CITY OF AURORA, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2011

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,119,762	\$ 2,813,789	\$ 4,933,551
Investments	33,150,378	23,832,545	56,982,923
<i>Receivables (net of allowance)</i>			
Taxes receivable	45,758,598	—	45,758,598
Accounts receivable	737,718	670,230	1,407,948
Interest receivable	789,900	63,064	852,964
Due from other governments	1,182,181	14,981	1,197,162
Other receivables	146,310	4,518	150,828
Due from other funds	1,355,701	—	1,355,701
<i>Restricted assets</i>			
Cash and cash equivalents	980,208	8,763,565	9,743,773
Investments	9,044,419	43,004,764	52,049,183
Taxes receivable	—	8,836,612	8,836,612
Accounts receivable	14,906	591,247	606,153
Interest receivable	—	25,836	25,836
Due from other governments	—	4,728,214	4,728,214
Other receivables	—	1,393,038	1,393,038
Inventory	—	3,182,780	3,182,780
Notes receivable	—	17,230,879	17,230,879
Notes receivable	358,445	404,543	762,988
Total assets	<u>\$ 95,638,526</u>	<u>\$ 115,560,605</u>	<u>\$ 211,199,131</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts payable	\$ 2,783,893	\$ 4,211,485	\$ 6,995,378
Other payables	789,818	607,543	1,397,361
Due to other funds	—	1,114,813	1,114,813
Deferred revenues	26,537,021	29,333,032	55,870,053
Total liabilities	<u>30,110,732</u>	<u>35,266,873</u>	<u>65,377,605</u>
<i>Fund balances</i>			
<i>Restricted for</i>			
Culture and recreation	912,481	167,601	1,080,082
Debt related	—	11,265,532	11,265,532
Development	—	3,222,327	3,222,327
Gifts and grants	—	7,774,218	7,774,218
Open space	—	18,834,875	18,834,875
Public improvement	151,125	2,203,061	2,354,186
Public safety	8,972,548	8,444,279	17,416,827
Road and bridge	—	2,779,545	2,779,545
<i>Committed to</i>			
Capital improvement	—	1,611,660	1,611,660
Culture and recreation	1,015,350	518,217	1,533,567
Development	558,524	2,784,828	3,343,352
Open space	404,197	—	404,197
Public safety	1,758,093	2,952,186	4,710,279
Reserves	20,404,987	—	20,404,987
<i>Assigned to</i>			
Capital improvement	—	16,369,760	16,369,760
Culture and recreation	—	886,783	886,783
Debt service	—	478,860	478,860
Development	2,039,133	—	2,039,133
Long-term liabilities	17,378,325	—	17,378,325
Encumbrances	796,956	—	796,956
Unassigned	11,136,075	—	11,136,075
Total fund balances	<u>65,527,794</u>	<u>80,293,732</u>	<u>145,821,526</u>
Total liabilities and fund balances	<u>\$ 95,638,526</u>	<u>\$ 115,560,605</u>	<u>\$ 211,199,131</u>

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE CITYWIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

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)	\$ 145,821,526
Deferred charges represent unamortized bond issue costs. These costs are expenditures in governmental funds but are deferred and amortized at citywide.	1,508,129
Due to / due from amounts are eliminated for citywide reporting.	
Due to other funds	1,114,813
Due from other funds	(1,355,701)
The current and long-term portions of the interfund loans between the General Fund and Golf Fund are eliminated.	240,888
The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds.	271,274
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,937,685,884
Accounts payable and other current liabilities are adjusted for sick and annual leave payment in lieu, interest payable on bonds, and the net pension obligation which are not paid in the current period and, therefore, not recorded in the funds.	
Payment in Lieu for sick and annual leave	21,110
Interest payable on bonds	(563,994)
Net pension obligation	(9,758,543)
Deferred revenue / unearned revenue from special assessments, tax audits and notes receivable have been recognized as revenue at citywide.	3,077,175
The arbitrage liability will not be paid in the current period and, therefore, not recorded in the funds.	(76,075)
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	(15,145,246)
Due beyond one year	(141,338,241)
Internal Service Funds are used by the city to accumulate and allocate fleet management and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the citywide statement of net assets as they predominately benefit governmental activities.	
Governmental - type	6,259,561
Business - type	581,643
Net assets of governmental activities (see page 1)	<u>\$ 2,928,344,203</u>

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
<i>Taxes</i>			
Sales and use	\$ 148,241,977	\$ 1,846,227	\$ 150,088,204
Property	25,249,135	7,415,344	32,664,479
Franchise	13,395,548	—	13,395,548
Lodgers	4,433,417	86,793	4,520,210
Occupational privilege	3,870,700	403,668	4,274,368
Other	4,131,031	8,026	4,139,057
Charges for services	9,408,597	9,356,030	18,764,627
Licenses and permits	2,204,529	5,226,490	7,431,019
Fines and forfeitures	9,461,708	4,606	9,466,314
Special assessments	—	302,827	302,827
Intergovernmental	13,438,514	32,073,527	45,512,041
Surcharges	340,136	2,901,163	3,241,299
Miscellaneous	944,282	1,043,964	1,988,246
Investment earnings	870,779	958,451	1,829,230
Total revenues	<u>235,990,353</u>	<u>61,627,116</u>	<u>297,617,469</u>
EXPENDITURES			
<i>Current</i>			
General government	22,187,057	4,942,813	27,129,870
Judicial	7,768,466	3,729	7,772,195
Police	82,450,845	3,707,551	86,158,396
Fire	37,082,009	374,967	37,456,976
Other public safety	10,406,780	1,869,688	12,276,468
Public works	24,327,451	8,195,358	32,522,809
Economic development	4,775,615	10,420,159	15,195,774
Community services	3,475,560	8,284,528	11,760,088
Culture and recreation	15,915,515	15,555,971	31,471,486
<i>Debt service</i>			
Principal	851,310	11,815,000	12,666,310
Interest	57,517	6,193,203	6,250,720
Capital outlay	2,419,815	31,314,407	33,734,222
Total expenditures	<u>211,717,940</u>	<u>102,677,374</u>	<u>314,395,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,272,413</u>	<u>(41,050,258)</u>	<u>(16,777,845)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,539,107	31,565,034	34,104,141
Transfers out	(24,170,577)	(8,403,902)	(32,574,479)
General obligation bonds issued	—	2,600,000	2,600,000
Sale of capital assets	186,721	6,865	193,586
Total other financing sources (uses)	<u>(21,444,749)</u>	<u>25,767,997</u>	<u>4,323,248</u>
NET CHANGE IN FUND BALANCES	2,827,664	(15,282,261)	(12,454,597)
FUND BALANCES - January 1	<u>62,700,130</u>	<u>95,575,993</u>	<u>158,276,123</u>
FUND BALANCES - December 31	<u>\$ 65,527,794</u>	<u>\$ 80,293,732</u>	<u>\$ 145,821,526</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, 2011**

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)	\$ (12,454,597)
Sales and use tax audit revenue is recorded at citywide since the receivable amount is known, however it does not provide current financial resources and, therefore, is reported as revenue in the funds when collected. In 2011, amounts collected exceeded amounts accrued.	(1,068,291)
Charges for services generated internally are eliminated at citywide.	
Charges for services - revenue	(4,003,900)
Charges for services - expenditures	4,003,900
The change in special assessment revenue, deferred recreation note receivable and deferred aid to agencies note, deferred in the funds, is recognized at citywide.	(446,014)
Miscellaneous revenues from street infrastructure donated by developers is recorded as revenue at citywide, however, it is not a current financial source and, therefore, is not recorded in the funds.	13,681,410
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	17,750
Change in net pension asset / obligation	(3,313,519)
Change in OPEB obligation	(555,673)
Change in accrued compensated absences	630,434
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	12,666,310
Accrued interest	40,898
Amortization	42,092
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	33,734,222
Capital asset contributions from Enterprise Funds	2,101,557
Depreciation	(25,133,300)
Proceeds of new debt issuances are recorded in the funds but have no affect on net assets.	
Proceeds of debt	(2,600,000)
Issue costs and underwriter discount	75,280
Disposal of capital assets proceeds are recorded in the funds while the loss from the disposal is recorded at citywide and includes the write-off of the carrying value of the related capital asset.	(1,122,731)
Internal Service Funds are used by the city to accumulate and allocate fleet management, printing, and risk management costs to individual funds. The increase in net assets of the internal service funds are included in governmental activities in the citywide statement of net assets as they predominately benefit governmental activities.	
Governmental - type	(2,483,831)
Business - type	260,422
Increase in net assets of governmental activities (see page 3)	<u>\$ 14,072,419</u>

Basic Financial Statements

Fund Financial Statements



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, 2011

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Wastewater	Fund	Enterprise	Internal
		Golf	Funds	Service Funds	
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 10,749,819	\$ 5,676,413	\$ 246,762	\$ 16,672,994	\$ 954,324
Investments	144,770,911	79,392,708	987,125	225,150,744	13,969,220
<i>Receivables (net of allowance)</i>					
Accounts receivable	9,922,265	5,882,607	—	15,804,872	—
Interest receivable	965,614	322,873	74	1,288,561	74,721
Due from other governments	2,779	—	—	2,779	—
Other receivable	515,112	—	2,380	517,492	—
<i>Restricted assets</i>					
Investments	12,339,516	2,447,568	—	14,787,084	—
Current portion of notes receivable	—	1,159,181	28,034	1,187,215	—
Current portion of interfund loan	—	56,000	—	56,000	—
Inventories	—	—	180,436	180,436	601,176
Total current assets	179,266,016	94,937,350	1,444,811	275,648,177	15,599,441
<i>Noncurrent assets</i>					
Deferred charges	4,809,266	417,712	46,938	5,273,916	—
<i>Restricted assets</i>					
Cash and cash equivalents	1,789,343	—	—	1,789,343	—
Investments	37,801,449	4,999,250	513,202	43,313,901	—
Interest receivable	816,192	84,685	1,111	901,988	—
Other receivables	—	5,018,626	—	5,018,626	—
Notes receivable	—	1,190,854	29,155	1,220,009	—
Interfund loan	—	4,328,000	—	4,328,000	—
Equity in joint venture	2,377,903	—	—	2,377,903	—
<i>Capital assets (net of accumulated depreciation)</i>					
Land and water rights	339,869,935	9,414,801	15,291,603	364,576,339	—
Buildings and improvements	84,959,839	44,649,919	2,410,840	132,020,598	—
Infrastructure	949,659,872	338,068,347	11,691,691	1,299,419,910	315,660
Machinery and equipment	7,958,380	2,012,877	738,809	10,710,066	293,617
Construction in progress	136,937,339	18,595,472	—	155,532,811	—
Total capital assets	1,519,385,365	412,741,416	30,132,943	1,962,259,724	609,277
Total noncurrent assets	1,566,979,518	428,780,543	30,723,349	2,026,483,410	609,277
Total assets	1,746,245,534	523,717,893	32,168,160	2,302,131,587	16,208,718
LIABILITIES					
<i>Current liabilities</i>					
Accounts payable	12,154,074	3,043,550	22,847	15,220,471	336,175
Accrued interest	13,265,360	1,193,183	29,609	14,488,152	—
Other payables	70,756	432,343	(188)	502,911	—
Unearned revenues	—	—	589,410	589,410	—
Current portion - interfund loan	—	—	121,613	121,613	—
Current portion - long-term liabilities	2,508,633	3,092,102	549,890	6,150,625	4,000,006
Total current liabilities	27,998,823	7,761,178	1,313,181	37,073,182	4,336,181
<i>Noncurrent liabilities</i>					
Interfund loan	—	—	4,503,275	4,503,275	—
Due beyond one year	652,326,823	58,218,346	2,069,622	712,614,791	5,612,976
Total noncurrent liabilities	652,326,823	58,218,346	6,572,897	717,118,066	5,612,976
Total liabilities	680,325,646	65,979,524	7,886,078	754,191,248	9,949,157
NET ASSETS					
Invested in capital assets, net of related debt	905,241,416	354,485,954	28,745,478	1,288,472,848	609,277
<i>Restricted</i>					
Public improvements	1,404,000	5,018,626	—	6,422,626	—
Debt related	—	1,250,000	—	1,250,000	—
Unrestricted	159,274,472	96,983,789	(4,463,396)	251,794,865	5,650,284
Total net assets	\$ 1,065,919,888	\$ 457,738,369	\$ 24,282,082	\$ 1,547,940,339	\$ 6,259,561

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET ASSETS TO THE CITYWIDE
STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

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)	\$ 1,547,940,339
The current and long-term portions of the Murphy Creek interfund loan between the Wastewater Fund and the Golf Fund are eliminated.	
Wastewater Fund - asset	(4,384,000)
Golf Fund - liability	4,384,000
The current and long-term portions of the golf cart interfund loan between the General Fund and the Golf Fund are eliminated. As this loan crosses between Governmental Activities and Business-type Activities at citywide, these amounts are eliminated on the internal balances line.	
General Fund - asset	(240,888)
Golf Fund - liability	240,888
The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative Internal Service Fund loss.	(581,643)
Net assets of business-type activities (see page 1)	<u>\$ 1,547,358,696</u>

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	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	\$ 104,941,420	\$ 50,363,242	\$ 7,932,907	\$ 163,237,569	\$ 14,162,233
OPERATING EXPENSES					
Cost of sales and services	42,202,299	34,431,787	5,833,016	82,467,102	10,577,859
Claims losses	—	—	—	—	4,944,615
Administrative expenses	4,371,213	1,773,448	1,201,625	7,346,286	73,229
Depreciation	14,734,196	8,328,611	967,807	24,030,614	86,959
Total operating expenses	61,307,708	44,533,846	8,002,448	113,844,002	15,682,662
Operating income (loss)	43,633,712	5,829,396	(69,541)	49,393,567	(1,520,429)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	4,407,179	1,591,702	50,523	6,049,404	158,074
Intergovernmental revenue	556,905	2,660,855	—	3,217,760	—
Miscellaneous revenues/expenses	599,663	90,289	14,966	704,918	364,550
Interest expense	(8,334,345)	(2,319,742)	(335,189)	(10,989,276)	—
Amortization of premiums and (discounts), net	(848,667)	24,312	(27,545)	(851,900)	—
Gain (loss) on disposal of capital assets	(209,190)	(2,649,007)	(17,218)	(2,875,415)	(3,748)
Equity in joint venture	(31,334)	—	—	(31,334)	—
Net nonoperating revenues (expenses)	(3,859,789)	(601,591)	(314,463)	(4,775,843)	518,876
Income (loss) before capital contributions and transfers	39,773,923	5,227,805	(384,004)	44,617,724	(1,001,553)
Capital contributions	14,855,566	4,344,696	358,704	19,558,966	47,384
Transfers out	—	—	—	—	(1,529,662)
CHANGE IN NET ASSETS	54,629,489	9,572,501	(25,300)	64,176,690	(2,483,831)
NET ASSETS - January 1	1,011,290,399	448,165,868	24,307,382	1,483,763,649	8,743,392
NET ASSETS - December 31	\$ 1,065,919,888	\$ 457,738,369	\$ 24,282,082	\$ 1,547,940,339	\$ 6,259,561

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, 2011**

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)	\$ 64,176,690
The current year Internal Service Fund operating profit is eliminated for citywide reporting.	(260,422)
Increase in net assets of business-type activities (see page 3)	<u>\$ 63,916,268</u>

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental
	Major Funds		Nonmajor		Activities
	Water	Wastewater	Fund Golf		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received from:</i>					
Customers and others	\$ 104,693,061	\$ 52,136,860	\$ 8,017,518	\$ 164,847,439	\$ 393,246
Interfund services provided and used	—	2,660,855	—	2,660,855	14,133,537
<i>Cash payments to:</i>					
Employees	(19,644,219)	(10,732,057)	(3,999,315)	(34,375,591)	(3,225,247)
Suppliers for goods and services	(28,054,247)	(25,972,868)	(3,044,152)	(57,071,267)	(11,378,153)
Net cash provided by (used in) operating activities	56,994,595	18,092,790	974,051	76,061,436	(76,617)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash transfers out	—	—	—	—	(1,529,662)
Payment on interfund loan	—	56,000	—	56,000	—
Net cash provided by (used in) noncapital financing activities	—	56,000	—	56,000	(1,529,662)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
<i>Proceeds from:</i>					
Capital contributions	13,840,462	2,895,737	—	16,736,199	—
Sale of capital assets	27,160	8,095	—	35,255	—
Note receivable principal	—	1,153,306	—	1,153,306	—
<i>Payments for:</i>					
Capital assets	(44,754,276)	(18,409,265)	(8,545)	(63,172,086)	(123,092)
Capital assets acquired through construction payables	(12,439,667)	(1,010,315)	—	(13,449,982)	—
Principal on capital debt (golf amount includes interfund loan payment of \$119,162)	(54,817,494)	(2,910,843)	(672,988)	(58,401,325)	—
Interest on capital debt	(32,662,331)	(2,967,180)	(340,542)	(35,970,053)	—
Deposits for future construction	(515,112)	(3,444,383)	—	(3,959,495)	—
Net cash used in capital and related financing activities	(131,321,258)	(24,684,848)	(1,022,075)	(157,028,181)	(123,092)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in equity in pooled investments	59,987,911	1,114,458	2,619	61,104,988	—
(Increase) decrease in investments	(32,681,347)	1,550	—	(32,679,797)	1,492,958
Payments received on notes receivable	—	—	26,956	26,956	—
Interest received	5,634,008	1,751,966	44,264	7,430,238	206,956
Net cash provided by (used in) investing activities	32,940,572	2,867,974	73,839	35,882,385	1,699,914

	Business-type Activities - Enterprise Funds			Governmental	
	Major Funds		Nonmajor	Activities	
	Water	Wastewater	Fund	Internal	
		Golf	Enterprise	Service Funds	
			Funds		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(41,386,091)	(3,668,084)	25,815	(45,028,360)	(29,457)
TOTAL CASH AND CASH EQUIVALENTS, January 1					
(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	220,947	63,490,697	983,781
TOTAL CASH AND CASH EQUIVALENTS, December 31					
(including \$1,789,343 for the Water Fund reported as restricted cash)	\$ 12,539,162	\$ 5,676,413	\$ 246,762	18,462,337	\$ 954,324
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$ 43,633,712	\$ 5,829,396	\$ (69,541)	\$ 49,393,567	\$ (1,520,429)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Depreciation	14,734,196	8,328,611	967,807	24,030,614	86,959
Miscellaneous nonoperating revenues	1,156,568	2,751,144	14,966	3,922,678	364,550
<i>Changes in operating assets and liabilities</i>					
Receivables	(1,404,927)	1,683,328	(2,380)	276,021	—
Inventories	—	—	18,463	18,463	(28,302)
Accounts payable and accrued liabilities	(1,124,954)	(499,689)	(27,288)	(1,651,931)	1,020,605
Unearned revenues	—	—	72,024	72,024	—
Total adjustments	13,360,883	12,263,394	1,043,592	26,667,869	1,443,812
Net cash provided by (used in) operating activities	\$ 56,994,595	\$ 18,092,790	\$ 974,051	\$ 76,061,436	\$ (76,617)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	\$ 1,018,430	\$ 1,448,959	\$ —	\$ 2,467,389	\$ —
Capital assets acquired through payables	8,867,825	2,081,997	—	10,949,822	—
Increase (decrease) in fair value of investments	(781,968)	(81,269)	6,448	(856,789)	(41,326)
Amortization of issuance, discount and premium	(848,667)	24,312	(27,545)	(851,900)	—
Transfer of capital assets to other funds	(137,185,868)	(10,524,589)	—	(147,710,457)	—
Transfer of capital assets from other funds	137,182,543	8,020,269	358,704	145,561,516	47,384



Basic Financial Statements

Fund Financial Statements



FIDUCIARY FUNDS

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

Pension Trust Funds

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

Agency 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, 2011

	Pension Trust Funds	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
<i>Current assets</i>		
Cash and equivalents	\$ 3,300,143	\$ 8,175,186
<i>Investments</i>		
Equity securities and funds	143,543,342	—
U.S. government treasury and U.S. government agency obligations	13,223,641	—
Corporate notes, bonds and funds	99,927,707	—
Real estate funds	23,045,153	—
Alternative investments	34,188,423	—
<i>Receivables (net of allowance)</i>		
Interest receivable	749,226	—
Due from other governments	377,411	—
Other receivables	5,469	—
	<u> </u>	<u> </u>
Total assets	<u>318,360,515</u>	<u>\$ 8,175,186</u>
LIABILITIES		
<i>Current liabilities</i>		
Accounts payable and other current liabilities	539,652	\$ 8,175,186
	<u> </u>	<u> </u>
Total liabilities	<u>539,652</u>	<u>\$ 8,175,186</u>
NET ASSETS		
Held in trust for pension benefits	<u>317,820,863</u>	
	<u> </u>	
Total net assets	<u>\$ 317,820,863</u>	

CITY OF AURORA, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Pension Trust Funds
	<hr/>
ADDITIONS	
<i>Contributions</i>	
City	\$ 4,927,415
Plan members	4,580,527
	<hr/>
Total contributions	9,507,942
	<hr/>
<i>Investment activity</i>	
Investment earnings	8,468,435
Investment expense	(701,813)
	<hr/>
Net investment earnings	7,766,622
	<hr/>
Other income	40,734
	<hr/>
Total additions, net	17,315,298
	<hr/>
DEDUCTIONS	
Benefits	13,895,459
Administrative expenses	505,414
	<hr/>
Total deductions	14,400,873
	<hr/>
CHANGE IN NET ASSETS	2,914,425
NET ASSETS - January 1	314,906,438
	<hr/>
NET ASSETS - December 31	\$ 317,820,863
	<hr/> <hr/>

Basic Financial Statements

Fund Financial Statements



DISCRETELY PRESENTED COMPONENT UNITS

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

Fitzsimons Redevelopment Authority (FRA)

During 2011, the FRA Board approved changes in the composition of the Board which resulted in FRA no longer being a component unit of the city.

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, 2011

	Fitzsimons Redevelopment Authority	Aurora Housing Authority	Havana Business Improvement District	Total
ASSETS				
Cash and cash equivalents	\$ —	\$ 12,559,981	\$ 316,446	\$ 12,876,427
Investments	—	10,064	—	10,064
<i>Receivables (net of allowance)</i>				
Taxes receivable	—	—	311,941	311,941
Interest receivable	—	2,352,945	—	2,352,945
Other receivables	—	5,976,925	1,785	5,978,710
Deferred charges	—	781,916	—	781,916
Notes receivable	—	26,389,015	—	26,389,015
Equity in joint venture	—	6,061,835	—	6,061,835
<i>Capital assets (net of accumulated depreciation)</i>				
Land and water rights	—	5,734,550	—	5,734,550
Buildings and improvements	—	44,548,940	68,052	44,616,992
Machinery and equipment	—	330,371	45,526	375,897
Construction in progress	—	5,123,492	—	5,123,492
Total assets	—	109,870,034	743,750	110,613,784
LIABILITIES				
Accounts payable	—	3,611,719	24,038	3,635,757
Accrued interest	—	2,470,911	—	2,470,911
Other payables	—	185,294	—	185,294
Unearned revenues	—	28,300	310,488	338,788
<i>Noncurrent liabilities</i>				
Due within one year	—	814,380	—	814,380
Due beyond one year	—	57,050,193	—	57,050,193
Total liabilities	—	64,160,797	334,526	64,495,323
NET ASSETS				
Invested in capital assets, net of related debt	—	18,749,145	113,578	18,862,723
<i>Restricted</i>				
Emergencies	—	—	17,322	17,322
Gifts and grants	—	12,078,684	—	12,078,684
Unrestricted	—	14,881,408	278,324	15,159,732
Total net assets	\$ —	\$ 45,709,237	\$ 409,224	\$ 46,118,461

CITY OF AURORA, COLORADO
 COMPONENT UNITS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Fitzsimons Redevelopment Authority</u>	<u>Aurora Housing Authority</u>	<u>Havana Business Improvement District</u>	<u>Total Component Units</u>
Component unit								
Fitzsimons Redevelopment Authority	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Aurora Housing Authority	28,862,482	25,993,870	4,062,385	1,561,065	—	2,754,838	—	2,754,838
Havana Business Improvement District	426,826	10,225	—	—	—	—	(416,601)	(416,601)
Total Component Units	<u>\$ 29,289,308</u>	<u>\$ 26,004,095</u>	<u>\$ 4,062,385</u>	<u>\$ 1,561,065</u>	<u>—</u>	<u>2,754,838</u>	<u>(416,601)</u>	<u>2,338,237</u>
General Revenues								
<i>Taxes</i>								
Property taxes								
					—	—	354,196	354,196
Other taxes								
					—	—	22,719	22,719
Unrestricted investment earnings								
					—	—	570	570
Total general revenues and transfers								
					—	—	377,485	377,485
INCREASE (DECREASE) IN NET ASSETS								
					—	2,754,838	(39,116)	2,715,722
NET ASSETS - January 1, before restatement								
					20,231,935	43,463,497	448,340	64,143,772
Adjustment for change in reporting entity								
					(20,231,935)	—	—	(20,231,935)
Adjustment for correction of error								
					—	(509,098)	—	(509,098)
NET ASSETS - January 1, after restatement								
					—	42,954,399	448,340	43,402,739
NET ASSETS - December 31								
					<u>\$ —</u>	<u>\$ 45,709,237</u>	<u>\$ 409,224</u>	<u>\$ 46,118,461</u>

See notes to the basic financial statements.

Basic Financial Statements
Notes to the Basic Financial Statements



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

1. Discretely Presented Component Units

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. During 2012, AHA received a new loan to refinance its outstanding debt under the line of credit, and collateralized it with the real property purchased with the line of credit funds. Therefore, the moral obligation provided by the city of Aurora is no longer needed. AHA will no longer be reported as a component unit in subsequent city reports.

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

Aurora Urban Renewal Authority (AURA) – AURA was formed by action of the City Council in 1981, pursuant to Part 1 of Article 25, Title 31, of the Colorado Revised Statutes. AURA has various expressed powers including the power to: undertake urban renewal projects, mortgage, sell or dispose of property, borrow money and accept grants, and issue tax-increment and other forms of securities. From time to time, the City Council has determined the existence of blighted conditions in the city and designated Urban Renewal Areas. AURA is a component unit because its exclusion would make the city's financial statements misleading. AURA is a blended component unit because AURA's governing body is 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 General Improvement Districts (GIDs) – Three separate fence GIDs and a sewer line GID have been created by action of registered voters in their respective neighborhoods to construct masonry fences and sewer line improvements financed by the issuance of general obligation bonds (repaid with property taxes assessed on their respective neighborhoods). Each GID is a blended component unit because its governing body is the

same as the City Council and it provides financial benefits solely to the city. The financial statements for each GID consist of a separate special revenue fund. The noncurrent debt of each respective GID is included in the citywide statement of net assets. There are no separately issued financial statements for any of the GIDs. The four GIDs are as follows:

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

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

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

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

3. Fiduciary Component Units

General Employees' Retirement Plan (GERP) – GERP was created to provide retirement benefits to career service and executive personnel. It has a separate, independent board that administers the plan. Three of the seven board members are appointed by City Council. GERP is a component unit because it is funded by contributions from the city and city employees, and its exclusion would make the city's financial statements misleading. GERP is a blended component unit because it provides services solely to the city. GERP is included in this report as a pension trust fund in the fiduciary fund statements. GERP is not included in the citywide statements because its assets are not available to finance city programs. Separately issued, audited financial statements are available by contacting GERP at 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, MC0930, Colorado Springs, Colorado 80947 or telephone (719) 668-4052.

B. Citywide and Fund Financial Statements

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

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

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

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

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

The citywide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, internal service fund, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenue in the year for which they are levied (the year subsequent to the levy year), and are reported as a receivable and deferred revenue in the year levied, as an enforceable legal claim occurs at this time.

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.

The city reports the following major governmental fund:

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

The city reports the following major proprietary funds:

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

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

Additionally, the city reports the following nonmajor funds:

Special Revenue Funds account for revenues that are restricted or committed for a specific purpose. The city has fifteen special revenue funds: Gifts and Grants, Development Review, Abatement, Community Development, Enhanced E-911, Conservation Trust, Parks Development, Open Space, Recreation Services, Cultural Services, Cherry Creek Fence General Improvement District, Meadow Hills Fence General Improvement District, Peoria Park Fence General Improvement District, Pier Point 7 Sewer General Improvement District and AURA General Fund.

Debt Service Funds account for the accumulation of resources and payments of principal, interest and fees related to general obligation, special assessment and revenue bonds and certificates of participation except those accounted for in proprietary funds. The city has five debt service funds: City Debt Service, SID Debt Service (includes the following special improvement districts: 1-03 Smith Road, 1-04 56th Avenue, 1-05 Ptarmigan Fence, and 2-03 Dam West Fence), Surplus and Deficiency (includes SID 1-02 Highpoint Fence), AURA Debt Service and ACLC Debt Service.

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

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

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

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

The city has 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, 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 the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 980, *Regulated Operations*, which requires the effects of the rate-making process to be recorded in the financial statements. Accordingly, certain expenses normally reflected in the statement of revenues,

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

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

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 is capitalized during construction of business-type activities’ assets in accordance with FASB ASC 835-20, *Capitalization of Interest*.

I. Accounts Payable

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

	Governmental Activities	Business-type Activities
Vendors	\$ 7,076,590	\$ 15,176,155
Salaries and Benefits	233,853	44,316
Total	<u>\$ 7,310,443</u>	<u>\$ 15,220,471</u>

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 beyond one year.” For the proprietary and pension trust funds, long-term liabilities are accounted for in the applicable fund. Additionally, proprietary fund long-term liabilities are accounted for in the business-type activities column of the citywide financial statements.

L. Bond Premiums, 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 Hours</u>	<u>Maximum Payment Hours</u>
Council Appointees	520	120
Police and Career Service	720	120
Fire Civil Service 8-hour shift	684	120
Fire Civil Service 24-hour shift	960	180

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 it for a specific purpose.

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

Net 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 GIDs, GERP, EOEP, 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, Open Space and Recreation Services. The Community Development Fund only adopts project-length budgets.

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

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

Basis of Budgeting

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

The city's budget disclosure presents funds available net of restrictions and commitments. While the restrictions and commitments are available to appropriate, funds available after restrictions and commitments represent funds that may be used for general purposes.

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

1. Governmental Funds

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

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.

2. CASH AND INVESTMENTS

Cash and investments as of December 31, 2011 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units	Total
Cash and cash equivalents	\$ 5,887,875	\$ 16,672,994	\$ 11,475,329	\$ 10,005,254	\$ 44,041,452
Investments	70,952,143	225,150,744	-	10,064	296,112,951
Restricted cash and cash equivalents	9,743,773	1,789,343	-	-	11,533,116
Restricted investments	52,049,183	58,100,985	313,928,266	-	424,078,434
	<u>\$ 138,632,974</u>	<u>\$ 301,714,066</u>	<u>\$ 325,403,595</u>	<u>\$ 10,015,318</u>	<u>\$ 775,765,953</u>

Component unit amounts shown above only include the primary government of the component units and exclude \$2,871,173 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 collateralized to 102% of the deposit. The city maintains all cash deposits in PDPA eligible financial institutions. The city will seek to maintain an investment portfolio which is diversified by maturity, type of security, corporate industry and, except for 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, 2011:

	Pooled Investments	Non-pooled Investments	Total Primary Government
Money market funds*	\$ 24,073,666	\$ 1,463,425	\$ 25,537,091
Repurchase Agreements	-	37,507,812	37,507,812
Certificates of deposit	40,500,000	-	40,500,000
US agency notes	123,576,340	12,303,744	135,880,084
US Treasury notes	10,444,140	1,599,451	12,043,591
Corporate notes	112,136,280	-	112,136,280
Corporate notes secured by TLGP	19,193,428	-	19,193,428
Commercial paper	19,942,166	-	19,942,166
Municipal bonds	29,049,694	-	29,049,694
Total	<u>\$ 378,915,714</u>	<u>\$ 52,874,432</u>	<u>\$ 431,790,146</u>

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

Reconciliation to the statement of net assets:

Investments in governmental and business-type activities	\$ 365,753,055
Cash and cash equivalents	
Money market funds	25,537,091
Pooled and other cash not included in investments	8,556,894
Certificates of Deposit (investment for financial reporting purposes but not for risk evaluation)	40,500,000
Total cash and cash equivalents and investments	<u>\$ 440,347,040</u>
Total Governmental activities	\$ 138,632,974
Total Business-type activities	301,714,066
	<u>\$ 440,347,040</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. See rating schedule on page 32.

Concentration of credit risk is the risk of loss attributable to the magnitude of the city’s investment in a single issuer. Concentration risk as defined by the Governmental Accounting Standards Board is any investment that represents 5% or more of the total investments to any one issuer. The city pooled fund investments are in compliance with city policy which limits unsecured investments with any single issuer other than the federal government to no more than 3% of its pooled investments. The city does have investments that represent more than 5% to a single issuer within specific funds of the city: the Water Fund repurchase agreements for bond reserve requirements and capital projects. The repurchase agreements represent 21% of the Water Fund’s total investments and are invested pursuant to specific requirements of bond indentures.

Primary Government

Repurchase agreements – Counterparties must have an investment grade credit rating and must be collateralized by 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.

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

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

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

Municipal bonds – Investments may not exceed:

<u>Rating</u>	<u>Maximum Percentage</u>	<u>Maximum Maturity (Years)</u>
AAA or AA	30%	5
A1 or A+	10%	3

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

Moody's	S&P	Repurchase Agreements	Money Market	Commercial Paper	US Agency Notes	US Treasury Notes	Corporate Notes secured by TLGP and Corporate Notes	Municipal Bonds
Aaa	AA+	\$ -	25,537,091	\$ -	\$ 128,092,897	\$ 12,043,591	\$ 20,948,566	\$ -
Aa1 to Aa3	AA+ to AA-	-	-	-	-	-	53,993,284	20,886,548
Aa1 to Aa3	A+ to A-	-	-	-	-	-	36,242,393	-
A1 to A3	AA+ to AA-	-	-	-	-	-	-	1,638,016
A1 to A3	A+ to A-	33,758,562	-	-	-	-	15,121,370	4,487,420
Baa1	A-	3,749,250	-	-	-	-	-	-
P-1	A-1+ to A-1	-	-	19,942,166	-	-	-	-
Not rated	AA+ to AA-	-	-	-	-	-	5,024,095	1,029,460
Aa1 to Aa3	Not rated	-	-	-	-	-	-	1,008,250
Not rated	Not rated	-	-	-	7,787,187	-	-	-
		<u>\$ 37,507,812</u>	<u>\$ 25,537,091</u>	<u>\$ 19,942,166</u>	<u>\$ 135,880,084</u>	<u>\$ 12,043,591</u>	<u>\$ 131,329,708</u>	<u>\$ 29,049,694</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, 2011, 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, 2011, the Plan did not invest in funds that had a greater than 5% exposure to any single fixed income issuer, other than the U.S. Government and its Agencies.

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

S&P	Corporate Bonds & Notes	Government & Corporate Bond Funds
AAA	\$ 4,656,507	\$ 17,615,417
AA+ to AA-	3,249,001	-
A+ to A-	16,671,231	46,775,305
BBB+ to BBB-	10,960,246	-
	<u>\$ 35,536,985</u>	<u>\$ 64,390,722</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 1.95 years for 2011. 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)
Money market funds	\$ 24,073,666	-	\$ 1,463,425	-
Repurchase Agreements	-	-	37,507,812	25.48
US agency notes	123,576,340	2.46	12,303,744	4.38
US Treasury notes	10,444,140	4.39	1,599,451	2.22
Corporate notes	112,136,280	2.23	-	-
Corporate notes secured by TLGP	19,193,428	0.53	-	-
Commercial paper	19,942,166	-	-	-
Municipal bonds	29,049,694	1.76	-	-
Total	<u>\$ 338,415,714</u>	<u>1.95</u>	<u>\$ 52,874,432</u>	<u>19.16</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, 2011:

Investment	Investment	Investment Maturities (in years)				
		Undetermined	Less than 1	1-5	6-10	>10
Money market funds	\$ 3,168,372	\$ 3,168,372	\$ -	\$ -	\$ -	\$ -
US Treasury notes and bonds	13,223,641	-	-	2,021,880	4,851,403	6,350,358
Corporate notes and bond funds	80,901,856	-	1,455,284	14,297,808	58,735,992	6,412,772
Equity securities	141,210,007	141,210,007	-	-	-	-
Real estate funds	22,556,836	22,556,836	-	-	-	-
Alternative investments	34,188,423	34,188,423	-	-	-	-
TIPS Fund	17,356,525	-	-	-	17,356,525	-
Total	<u>\$ 312,605,660</u>	<u>\$ 201,123,638</u>	<u>\$ 1,455,284</u>	<u>\$ 16,319,688</u>	<u>\$ 80,943,920</u>	<u>\$ 12,763,130</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	\$ 47,778	0.07
Government and corporate bond funds	1,669,326	8.59
Equity funds	2,333,335	-
Real estate funds	488,317	-
Total	<u>\$ 4,538,756</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, 2011 is \$42,691,738, 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 29 and June 15. Each county bills and collects property tax for all taxing entities within the county. Property tax collected by Arapahoe, Adams and Douglas counties for the city are remitted in the subsequent month. Property tax is reported as a receivable and as deferred 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, 2011 is \$25,205,060. 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, 2011 is \$252,050.

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, 2011 is \$17,378,325.

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, 2011 is \$2,201,697.

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, 2011 is \$1,225,566.

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, 2011 is \$1,407,948.

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, 2011 are \$10,888,799. Earned but unbilled utility charges at December 31, 2011 is \$5,019,969. 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, 2011 is \$103,896.

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, and the net pension asset.

F. Notes

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

1. Economic Development

The city has a participation interest in revolving loans made to various commercial and industrial enterprises. These loans are incentives for the relocation or expansion of these enterprises within the boundaries of the city. There are a total of 11 loans; two Brownfields loans with a 2% interest rate due to be repaid when property changes title and an interest only loan for a four year term with principal and interest due on the outstanding principal for six years with the remaining portion due in 2020. Economic development currently has 9 loans with interest rates ranging between 2% - 8.25% and maturity dates between 2012 – 2017 with real and business property as collateral. The balance outstanding as of December 31, 2011 is \$1,166,670, 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, 2011 is \$268,445, 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 1,393 loans with various maturity dates and interest rates. The balance outstanding as of December 31, 2011 is \$16,064,209, 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, 2011 is \$2,422, 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, 2011 is \$90,000.

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, 2011 is \$2,347,613 of which \$1,188,432 is not expected to be collected within one year.

3. Fitzsimons Redevelopment Authority (FRA)

The city entered into an agreement to assist FRA with required matching funds in conjunction with two grants it received from the U.S. Department of Commerce, Economic Development Administration (EDA) for the purpose of designing and constructing a bioscience incubation facility at Fitzsimons. The loan of \$1,371,888 is repayable in ten equal annual installments beginning June 1, 2005. The interest rate is variable and the maturity date is June 1, 2014. FRA also paid \$7,023 on the city's behalf per a separate agreement, reducing the principal balance owed. The principal balance outstanding and accrued interest as of December 31, 2011 are \$404,543 and \$4,840, respectively, which \$267,354 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, 2011 is \$57,189, which \$29,155 is not expected to be collected within one year.

G. Component Units

1. AHA

The AHA has four types of receivables: receivable for HUD vouchers and landlord over-payments; receivables from various related entities for the start up of operations; receivables for administrative fees earned on related parties; and tenant receivables for residents that live at various Authority sites. The total of these four types of receivable at December 31, 2011 is \$2,440,163, of which \$2,295,168 relates to the primary government and \$144,995 relates to its discretely presented component unit. Amount also includes \$410,235 due to the primary government from the component unit.

The AHA has various other receivables related to development fees and construction management fees. The total of other receivables at December 31, 2011 is \$3,126,527.

The AHA has fifteen outstanding notes receivable relating to real property. The total at December 31, 2011 is \$26,389,015, which is not expected to be collected within one year. Interest accrued on these notes at December 31, 2011 is \$2,352,945.

2. Havana BID

Property owners within the boundaries of the Havana Business Improvement District have been assessed \$311,941 in property taxes for 2011 to be collected in 2012.

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

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: \$912,481 per agreement for library and computer equipment funding. *Cultural Services Fund:* \$167,601 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*: \$1,479,479, *SID Debt Service Fund*: \$253,777, and *ACLCL Debt Service Fund*: \$9,532,276.

Restricted for Development

AURA General Fund and *AURA Debt Service Fund* are restricted for future development projects in urban renewal areas for \$104,138 and \$3,118,189, respectively.

Restricted for Gifts and Grants

Gifts and Grants Fund: \$1,787,384, for various grants. *Community Development Fund*: \$2,392,500 for the purchase of home inventory to be restored and resold for the neighborhood support program (NSP). *City Capital Projects Fund*: \$3,594,334 for the transportation improvement program (TIP) grants and the city's matching portion required by various grant agreements.

Restricted for Open Space

Conservation Trust Fund: \$4,260,386 lottery proceeds share back to be used for park and open space development. *Parks Development Fund*: \$2,875,178 developer contributions required to be used for the creation of city parks. *Open Space Fund*: \$11,699,311 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: \$151,125 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*: \$1,524,385 to the city as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport to be used to acquire land and make improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities. *Water Fund*: \$1,404,000 is an escrow and deposit restricted for the Prairie Waters Project "owner controlled insurance program". *Wastewater Fund*: \$5,018,626 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*: \$525,329 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*: \$43,426, *Meadow Hills Fence GID*: \$18,810, and *Cherry Creek Fence GID*: \$31,234 required by agreement for the purpose of constructing neighborhood masonry fences. *Pier Point 7 Sewer GID*: \$59,877 required by agreement for the purpose of constructing sewer line improvements.

Restricted for Public Safety

General Fund: \$8,972,548 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*: \$1,179,082 of seizure funds from state and federal courts forfeiture actions is used to support activities of the City Police Department. *E-911 Fund*: \$7,265,197 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: \$2,779,545 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 Capital Improvement

ACLCL Debt Service Fund: \$1,096,082 is committed by ordinance to purchase equipment by ACLCL for lease back to the city. *ACLCL Capital Projects Fund*: \$515,578 is committed by ordinance to purchase equipment by ACLCL for lease back to the city.

Committed to Culture and Recreation

General Fund: per city code \$1,015,350 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, 2011, no committed fee revenues are outstanding. *Cultural Services Fund*: per city code \$518,217 generated from the capital project budget is committed to fund the Art in Public Places program.

Committed to Development

General Fund: by city resolution, \$558,524 is committed for future city development. *City Capital Projects Fund*: by AURA resolution \$853,214 is committed for the City Center urban renewal area development. *Development Review Fund*: by city resolution \$1,931,614 is committed for the Enhanced Development Review program.

Committed to Open Space

General Fund: per city code \$404,197 from fee revenues committed for the community trees program to fund tree planting in the city.

Committed to Public Safety

General Fund: \$1,758,093, 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*: \$852,186, per city code weed, tree and demolition abatement fees are used to fund abatement activities. *ACLIC Debt Service Fund*: \$2,100,000 is committed by ordinance to purchase public safety equipment by ACLIC for lease back to the city.

Committed to Reserves

General Fund: \$20,404,987, 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 \$240,888 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: \$16,369,760 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: \$805,574 residual fund balance is assigned to Culture and Recreation through the budget process. *Cultural Services Fund*: \$81,209 is assigned to Culture and Recreation through the budget process.

Assigned to Debt Service

ACLIC Debt Service Fund: \$478,860 is assigned through the budget process to fund future debt payments.

Assigned to Development

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

Assigned to Encumbrance

General Fund: \$796,956 is assigned to pay commitments on open purchase orders.

Assigned to Long-term Liabilities

General Fund: \$17,378,325 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 expenses incurred in the operation and maintenance of the project.

2011 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
\$ 2,409,237	\$ -	\$ (31,334)	\$ -	\$ 2,377,903

6. CAPITAL ASSETS

Governmental Activities - Capital asset activity for the year ended December 31, 2011, is shown below:

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land	\$ 244,568,255	\$ 2,354,615	\$ (122,234)	\$ -	\$ 246,800,636
Construction in progress	8,335,847	29,574,677	-	(24,981,159)	12,929,365
Total capital assets not depreciated	252,904,102	31,929,292	(122,234)	(24,981,159)	259,730,001
Capital assets being depreciated:					
Building and improvements	203,740,637	-	(1,987,623)	1,499,431	203,252,445
Infrastructure	2,607,886,727	11,652,159	(14,588,510)	25,553,722	2,630,504,098
Machinery and equipment	77,249,596	3,752,727	(2,116,435)	62,008	78,947,896
Total capital assets being depreciated	2,888,876,960	15,404,886	(18,692,568)	27,115,161	2,912,704,439
Less Accumulated depreciation for:					
Building and improvements	(57,587,571)	(5,538,653)	1,435,154	-	(61,691,070)
Infrastructure	(119,107,179)	(15,143,323)	14,183,092	102,641	(119,964,769)
Machinery and equipment	(49,927,532)	(4,538,283)	2,070,077	(87,702)	(52,483,440)
Total accumulated depreciation	(226,622,282)	(25,220,259)	17,688,323	14,939	(234,139,279)
Total capital assets being depreciated, net	2,662,254,678	(9,815,373)	(1,004,245)	27,130,100	2,678,565,160
Governmental activities capital assets, net	\$ 2,915,158,780	\$ 22,113,918	\$ (1,126,479)	\$ 2,148,941	\$ 2,938,295,161

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

General government	\$ 1,324,581
Judicial	56,425
Police	901,577
Fire	1,117,456
Other public safety	364,391
Public works	14,454,939
Economic development	46,431
Community services	138,001
Culture and recreation	3,484,972
Unallocated	3,316,281
Depreciation expense governmental activities	25,205,054
Depreciation of internal service fund capital assets attributable to business-type activities	15,205
Total depreciation expense governmental activities	\$ 25,220,259

Business-type Activities - Capital asset activity for the year ended December 31, 2011, is shown below and includes capitalized interest of \$24,213,228 in the Water Fund and \$606,984 in the Wastewater Fund.

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land and water rights	\$ 351,806,193	\$ 11,884,835	\$ -	\$ 885,311	\$ 364,576,339
Construction in progress	427,951,592	86,053,290	(130,577)	(358,341,494)	155,532,811
Total capital assets not depreciated	<u>779,757,785</u>	<u>97,938,125</u>	<u>(130,577)</u>	<u>(357,456,183)</u>	<u>520,109,150</u>
Capital assets being depreciated:					
Building and improvements	141,722,288	-	(123,554)	30,667,031	172,265,765
Infrastructure	1,178,046,587	2,452,389	(228,126)	324,042,563	1,504,313,413
Machinery and equipment	41,942,087	795,917	(1,517,919)	612,587	41,832,672
Total capital assets being depreciated	<u>1,361,710,962</u>	<u>3,248,306</u>	<u>(1,869,599)</u>	<u>355,322,181</u>	<u>1,718,411,850</u>
Less Accumulated depreciation for:					
Building and improvements	(36,728,055)	(3,618,460)	101,348	-	(40,245,167)
Infrastructure	(186,977,519)	(18,015,564)	202,221	(102,641)	(204,893,503)
Machinery and equipment	(30,327,054)	(2,396,590)	1,513,336	87,702	(31,122,606)
Total accumulated depreciation	<u>(254,032,628)</u>	<u>(24,030,614)</u>	<u>1,816,905</u>	<u>(14,939)</u>	<u>(276,261,276)</u>
Total capital assets being depreciated, net	<u>1,107,678,334</u>	<u>(20,782,308)</u>	<u>(52,694)</u>	<u>355,307,242</u>	<u>1,442,150,574</u>
Business-type activities capital assets, net	<u>\$ 1,887,436,119</u>	<u>\$ 77,155,817</u>	<u>\$ (183,271)</u>	<u>\$ (2,148,941)</u>	<u>\$ 1,962,259,724</u>

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

Water	\$ 14,743,518
Wastewater	8,333,881
Golf	968,419
Depreciation business-type activities	<u>24,045,819</u>
Depreciation of internal service fund capital assets attributable to business-type activities	<u>(15,205)</u>
Total depreciation business-type activities	<u>\$ 24,030,614</u>

Component Units - Capital asset activity for the year ended December 31, 2011, is shown below:

	January 1 (as restated)	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land	\$ 1,980,453	\$ 412,637	\$ -	\$ -	\$ 2,393,090
Construction in progress	370,265	1,312,454	(17,270)	-	1,665,449
Total capital assets not depreciated	<u>2,350,718</u>	<u>1,725,091</u>	<u>(17,270)</u>	<u>-</u>	<u>4,058,539</u>
Capital assets being depreciated:					
Building and improvements	8,616,864	35,854	(229,531)	-	8,423,187
Infrastructure	29,552	45,870	-	-	75,422
Machinery and equipment	577,360	51,244	-	-	628,604
Total capital assets being depreciated	<u>9,223,776</u>	<u>132,968</u>	<u>(229,531)</u>	<u>-</u>	<u>9,127,213</u>
Less Accumulated depreciation for:					
Building and improvements	(3,501,633)	(259,279)	80,398	-	(3,680,514)
Infrastructure	(703)	(6,667)	-	-	(7,370)
Machinery and equipment	(503,488)	(33,134)	-	-	(536,622)
Total accumulated depreciation	<u>(4,005,824)</u>	<u>(299,080)</u>	<u>80,398</u>	<u>-</u>	<u>(4,224,506)</u>
Total capital assets being depreciated, net	<u>5,217,952</u>	<u>(166,112)</u>	<u>(149,133)</u>	<u>-</u>	<u>4,902,707</u>
Component units capital assets, net	<u>\$ 7,568,670</u>	<u>\$ 1,558,979</u>	<u>\$ (166,403)</u>	<u>\$ -</u>	<u>\$ 8,961,246</u>

Amounts above include the primary government of the component units and exclude \$46,889,685 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. The General Improvement Districts pledge the full faith and credit of the properties within the district.

Governmental Activities - The city and General Improvement Districts have five outstanding issuances of general obligation bonds. Amounts originally issued and amounts outstanding at December 31, 2011, respectively, were: 2009 Cherry Creek Fence \$700,000 and \$660,000; city 2010 Refunding (1998 Alameda/I-225 and 2000 FMP) \$21,035,000 and \$16,065,000; 2010 Meadow Hills Fence \$520,000 and \$480,000; 2010 Peoria Park Fence \$375,000 and \$365,000; and 2011 Pier Point 7 Sewer \$2,600,000 and \$2,600,000.

Business-type Activities – During 2011, the city made an early payoff of the 2003 general obligation water refunding bonds. The principal balance and the interest paid were \$18,410,000 and \$764,505, respectively.

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

Year Ending December 31	Governmental Activities 2.50-5.45%		Total
	Principal	Interest	
2012	\$ 5,241,000	\$ 906,020	\$ 6,147,020
2013	4,461,000	690,711	5,151,711
2014	4,657,000	511,327	5,168,327
2015	2,262,000	278,921	2,540,921
2016	163,000	166,294	329,294
2017-2021	921,000	710,615	1,631,615
2022-2026	1,145,000	473,793	1,618,793
2027-2031	1,320,000	181,608	1,501,608
Total	\$ 20,170,000	\$ 3,919,289	\$ 24,089,289

B. Revenue Bonds

Governmental Activities - The city has one outstanding issuance of revenue bonds. Amount originally issued and amount outstanding at December 31, 2011, respectively, were: 2009 Sports Park Refunding \$7,850,000 and \$4,765,000.

Business-type Activities – Water Fund has three outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2011, respectively, were: 2005D Colorado Water Resources and Power Development Authority (CWR&PDA) Governmental Agency \$100,000,000 and \$97,730,000; 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. During 2011, the Water Fund defeased the 2003A First Lien Water Improvement bonds. The principal balance and interest paid were \$33,550,000 and \$1,532,206, respectively.

Wastewater Fund has two outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2011, respectively, were: 1999 CWR&PDA Governmental Agency \$24,124,366 and \$5,716,215; and 2006 First Lien Sewer Improvement \$57,790,000 and \$53,515,000.

Golf Fund has one outstanding issuance of revenue bonds. Amount originally issued and amount outstanding at December 31, 2011, respectively, were: 2005 Golf Course Enterprise System Refunding \$4,625,000 and \$1,925,000.

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

Year Ending December 31	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	3.00-4.00%			3.20-5.375%		
	Principal	Interest	Total	Principal	Interest	Total
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	6,003,110	30,061,798	36,064,908
2014	1,635,000	24,525	1,659,525	6,298,820	29,765,184	36,064,004
2015	-	-	-	4,475,000	29,465,951	33,940,951
2016	-	-	-	4,150,000	29,258,788	33,408,788
2017-2021	-	-	-	50,045,000	142,574,676	192,619,676
2022-2026	-	-	-	121,900,000	121,724,900	243,624,900
2027-2031	-	-	-	154,665,000	88,971,031	243,636,031
2032-2036	-	-	-	175,110,000	48,315,100	223,425,100
2037-2041	-	-	-	91,930,000	9,342,500	101,272,500
Total	<u>\$ 4,765,000</u>	<u>\$ 217,275</u>	<u>\$ 4,982,275</u>	<u>\$ 620,376,215</u>	<u>\$ 559,750,657</u>	<u>\$ 1,180,126,872</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, 2011, respectively were: 2002 Public Safety \$15,380,000 and \$3,270,000; 2005 Open Space \$10,325,000 and \$4,035,000; 2006A-1 Refunding of the 2000 AMC \$20,290,000 and \$10,695,000; and 2009A refunding series (2005 Public Improvement and 2008 refunding) \$84,160,000 and \$84,160,000.

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

Year Ending December 31	<u>Governmental Activities</u>		
	3.00-5.00%		
	Principal	Interest	Total
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	3,640,000	4,082,975	7,722,975
2017-2021	20,645,000	17,969,400	38,614,400
2022-2026	26,135,000	12,482,750	38,617,750
2027-2031	33,740,000	4,876,000	38,616,000
Total	<u>\$ 102,160,000</u>	<u>\$ 57,510,852</u>	<u>\$ 159,670,852</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, 2011, respectively were: Dam West Neighborhood \$1,140,000 and \$360,000; and Ptarmigan Park Neighborhood \$1,075,000 and \$650,000.

Business-type Activities – Water Fund has two outstanding notes payable. Amounts originally issued and amounts outstanding at December 31, 2011, respectively were: 2004 Water Rights Notes \$8,280,091 and \$2,059,403 and Colorado Water Conservation Board (CWCB) \$75,750,000 and \$75,750,000 for the financing of the Prairie Waters Project. Repayment of the CWCB loan will begin May 1, 2013 and will continue for the next 27 years at a rate of 3.75%.

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

Year Ending December 31	Governmental Activities			Business-type Activities		
	4.89-5.00%			2.30-3.75%		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 20,000	\$ 49,857	\$ 69,857	\$ -	\$ 2,840,625	\$ 2,840,625 *
2013	20,000	48,868	68,868	2,162,746	2,943,595	5,106,341
2014	20,000	47,879	67,879	2,221,818	2,855,148	5,076,965
2015	340,000	46,890	386,890	1,872,494	2,764,487	4,636,981
2016	10,000	30,375	40,375	1,936,079	2,692,057	4,628,136
2017-2021	600,000	29,875	629,875	10,367,069	12,296,030	22,663,100
2022-2026	-	-	-	11,824,358	10,255,026	22,079,384
2027-2031	-	-	-	14,214,059	7,865,326	22,079,385
2032-2036	-	-	-	17,086,717	4,992,667	22,079,384
2037-2041	-	-	-	16,124,063	1,539,445	17,663,508
Total	\$ 1,010,000	\$ 253,744	\$ 1,263,744	\$ 77,809,403	\$ 51,044,406	\$ 128,853,809

*A principal and interest payment of \$587,494 and \$132,345, respectively, was made on the 2004 water rights note payable on December 31, 2011 due January 1, 2012.

E. Regulatory Liability

As allowed under FASB's ASC 980 (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 \$2,832,812 were accrued as a noncurrent liability as of December 31, 2011.

F. Component Units

The AHA has four mortgages payable with \$3,419,954 outstanding at December 31, 2011 with interest rates varying from 3.5% to 4.5% and one having a fluctuating rate based on the constant Maturity Note Index rate plus 0.60% with one maturing in 2019, two maturing in 2021 and the last one maturing in 2036. 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, 2011. 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 one HOME Funds payable to the State of Colorado for the acquisition of Residences at Trolley Park. Total outstanding at December 31, 2011 is \$228,000. If AHA stays in compliance with the terms of the loan agreement which is 15 years, the loan 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, 2011 is \$160,000.

The AHA has four bond issues outstanding at December 31, 2011 for a total of \$19,081,758. 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	Principal	Component Units	
		Various Rates	
		Interest	Total
2012	\$ 407,018	\$ 1,247,436	\$ 1,654,454
2013	452,005	1,226,228	1,678,233
2014	1,921,404	1,192,800	3,114,204
2015	502,919	1,136,309	1,639,228
2016	529,400	1,117,722	1,647,122
2017-2021	7,497,083	4,523,232	12,020,315
2022-2026	12,446,966	670,900	13,117,866
2027-2031	280,481	32,641	313,122.00
2032-2036	296,792	11,112	307,904.00
Total	<u>\$ 24,334,068</u>	<u>\$ 11,158,380</u>	<u>\$ 35,492,448</u>

Amounts disclosed above only include the primary government and exclude \$30,450,321 of debt payable relating to the component units. Amounts do not include other noncurrent liabilities of \$3,080,184.

G. Capitalized Leases

Governmental Activities - The city has entered into leases for three fire trucks 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 \$1,666,700 and \$426,901, respectively. Accumulated amortization on these leases is \$516,297 as of December 31, 2011.

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 \$220,535. Accumulated amortization on these leases is \$192,968 as of December 31, 2011.

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

Year Ending December 31	Governmental Activities			Business-type Activities		
	3.45-4.15%			5.075%		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 436,287	\$ 29,689	\$ 465,976	\$ 72,060	\$ 2,896	\$ 74,956
2013	407,079	12,056	419,135	-	-	-
Total	<u>\$ 843,366</u>	<u>\$ 41,745</u>	<u>\$ 885,111</u>	<u>\$ 72,060</u>	<u>\$ 2,896</u>	<u>\$ 74,956</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 1999 bonds provided for the creation of a youth sports complex. The bonds are payable solely from legally available General Fund funds and revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require approximately 6.3% of legally available funds or revenues from the General Fund. The total principal and interest remaining to be paid on the bonds is \$4,982,275. Principal and interest paid for the current year and total legally available funds or revenues were \$1,759,650 and \$27,787,776, respectively.

The city has pledged any special assessments levied and collected on the respective neighborhoods to repay \$1,010,000 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 \$426,994. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$137,250 and \$128,948, 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 \$836,750. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$141,875 and \$145,427, respectively.

Business-type Activities - The city has pledged future water system revenues, net of specified operating expenses, to repay \$559,220,000 principal currently outstanding, in water system revenue bonds issued in 2005, 2007 and 2008 and \$77,809,403, 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 2035, 2039, and 2033. Proceeds from the notes provided for the acquisition of certain water rights and for construction on the Prairie Waters Project. The notes are payable solely from water system revenues and are payable through 2019 and 2040. Annual principal and interest payments on the bonds and notes are expected to require approximately 26.9% of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$1,206,810,598. Principal and interest paid for the current year and total water system net revenues were \$68,305,320 and \$78,556,526, respectively. Of the total principal and interest paid, \$21,150,009 was scheduled debt service and \$47,155,311 was the prepayment of the series 2003 and 2003A bonds.

The city has pledged future wastewater system revenues, net of specified operating expenses, to repay \$59,231,215 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 28.9% of net revenues. The total principal and interest remaining to be paid on the bonds is \$100,036,383. Principal and interest paid for the current year and total system net revenues were \$5,878,023 and \$20,338,357, 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. The bonds are payable through 2015. Annual principal and interest payments on the bonds are expected to require approximately 55.7% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,133,700. Principal and interest paid for the current year and total golf system net revenues were \$533,125 and \$754,895, respectively.

I. Accrued Compensated Absences

Accrued compensated absences recorded in governmental activities are generally paid from the General Fund. Amounts outstanding at December 31, 2011 are \$26,867,759 for governmental activities and \$4,124,490 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, 2011 is \$87,873,538. 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, 2011, 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	\$ 22,585,000	\$ 2,600,000	\$ (5,015,000)	\$ 20,170,000	\$ 5,241,000
Revenue bonds	6,350,000	-	(1,585,000)	4,765,000	1,540,000
Certificates of participation	107,155,000	-	(4,995,000)	102,160,000	5,190,000
Less deferred amounts:					
Unamortized discounts	(34,530)	-	8,816	(25,714)	-
Unamortized premium	9,290,875	-	(837,993)	8,452,883	-
Unamortized amounts from refundings	(11,851,621)	-	630,401	(11,221,221)	-
Total bonds and COPs	<u>133,494,725</u>	<u>2,600,000</u>	<u>(11,793,776)</u>	<u>124,300,948</u>	<u>11,971,000</u>
SID Notes payable	1,230,000	-	(220,000)	1,010,000	20,000
Capitalized leases	1,694,676	-	(851,310)	843,366	436,287
Accrued compensated absences	27,594,446	4,644	(731,331)	26,867,759	2,743,092
Accrued claims payable	8,277,777	4,936,860	(3,974,873)	9,239,764	3,974,873
Arbitrage liability	93,825	76,075	(93,825)	76,075	-
Net OPEB obligation	3,278,959	555,673	-	3,834,632	-
Total Governmental Activities	<u>\$175,664,408</u>	<u>\$ 8,173,252</u>	<u>\$(17,665,115)</u>	<u>\$166,172,544</u>	<u>\$19,145,252</u>
Business-type Activities:					
Bonds payable:					
General obligation bonds	\$ 18,410,000	\$ -	\$(18,410,000)	\$ -	\$ -
Revenue bonds	659,542,058	-	(39,165,843)	620,376,215	5,799,285
Less deferred amounts:					
Unamortized premium	16,307,613	-	(2,959,514)	13,348,099	-
Unamortized amounts from refundings	(586,457)	-	16,894	(569,563)	-
Total bonds	<u>693,673,214</u>	<u>-</u>	<u>(60,518,463)</u>	<u>633,154,751</u>	<u>5,799,285</u>
Notes payable	78,396,897	-	(587,494)	77,809,403	-
Regulatory liability	4,477,986	-	(1,645,174)	2,832,812	-
Capitalized leases	190,886	-	(118,826)	72,060	72,060
Accrued compensated absences	3,993,228	188,312	(57,050)	4,124,490	279,280
Arbitrage liability	-	39,532	-	39,532	-
Net OPEB obligation	625,261	107,107	-	732,368	-
Total Business-type Activities	<u>\$781,357,472</u>	<u>\$ 334,951</u>	<u>\$(62,927,007)</u>	<u>\$718,765,416</u>	<u>\$ 6,150,625</u>
Component Units:					
Bonds payable	\$ 19,372,814	\$ -	\$ (291,056)	\$ 19,081,758	\$ 312,785
Notes payable	4,024,248	2,002,833	(774,771)	5,252,310	94,233
Total Component Units	<u>\$ 23,397,062</u>	<u>\$ 2,002,833</u>	<u>\$ (1,065,827)</u>	<u>\$ 24,334,068</u>	<u>\$ 407,018</u>

Amounts disclosed above only include the primary government and exclude \$30,450,321 of debt payable relating to the component units. Amounts do not include other noncurrent liabilities of \$3,080,184.

8. INTERFUND TRANSACTIONS

The balances between the General Fund and the Nonmajor Funds result from overdraft of cash balances in the Community Development Fund and the Meadow Hills Fence GID Fund, and an interfund loan between the General Fund and Golf Fund 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			
Payable Fund			
Receivable Fund	Nonmajor Governmental Funds	Nonmajor Business-type Funds	Totals
General Fund	\$ 1,114,813	\$ 240,888	\$ 1,355,701
Wastewater Fund	-	4,384,000	4,384,000
Total	\$ 1,114,813	\$ 4,624,888	\$ 5,739,701

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 Out				
Transfers In	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 1,009,445	\$ 1,529,662	\$ 2,539,107
Nonmajor Governmental Funds	24,170,577	7,394,457	-	31,565,034
Total	\$ 24,170,577	\$ 8,403,902	\$ 1,529,662	\$ 34,104,141

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, 2011, the city had various appropriations for the acquisition and construction of projects which totaled \$211,803,445.

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, 2011, 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, 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, 2011, 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

Fitzsimons Redevelopment Authority (FRA) has retained the city under contract to manage the operation, maintenance and repair of the Fitzsimons Golf Course. The agreement is for the period from January 1, 2004 through December 31, 2013. FRA compensates the city for such services with a management fee payable solely from revenues of the golf course. In return, the city pays FRA a minimum of \$150,000 per year as FRA's share of the proceeds from the operations of the golf course. Any additional net income above the management fee will be applied to the note balance between FRA and Fitzsimons Golf Course until such time the note is paid in full. Once the note is paid in full, any additional net income will be split equally between FRA and the city. The maximum remaining commitment to FRA is \$300,000 as of December 31, 2011.

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) (ended in 2011)
- Fire Department Statewide Full Defined Benefit Pension Plan (new in 2011)
- Fire Department Statewide Hybrid Pension Plan (new in 2011)
- Fire Department Statewide Money Purchase Pension Plan (new in 2011)
- 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 662 retirees and others receiving benefits with 1,560 active plan members. There are 199 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% for 2011 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 34 retirees and others receiving benefits with 37 active plan members. There are 9 former employees that are deferred vested and entitled to receive benefits in the future. Chapter 102, Article VIII of the City Code assigns the authority to establish and amend benefit provisions to City Council. No stand-alone financial report is issued for EOEP.

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

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

EOEP	EOEP
Statement of Fiduciary Net Assets	Statement of Changes in Fiduciary Net Assets
December 31, 2011	For the Year Ended December 31, 2011
ASSETS	ADDITIONS
<i>Current Assets</i>	<i>Contributions</i>
Investments	City
Cash and cash equivalents	\$ 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>4,547,115</u>	44,808
LIABILITIES	Total additions
<i>Current Liabilities</i>	<u>401,088</u>
Accounts payable and other current liabilities	DEDUCTIONS
8,061	Benefits
Total liabilities	Administrative expenses
<u>8,061</u>	Total deductions
NET ASSETS	<u>211,854</u>
Held in trust for pension benefits	CHANGE IN NET ASSETS
4,539,054	189,234
Total net assets	NET ASSETS - January 1
<u>\$ 4,539,054</u>	4,349,820
	NET ASSETS - December 31
	<u>\$ 4,539,054</u>

3. Fire and Police Pension Plans – Old Hire

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

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

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

In 2011 the city began contributing to the Fire Statewide Defined Benefit Plan, a cost-sharing multiple employer defined benefit pension plan administered by The Fire and Police Pension Association of Colorado. The plan provides retirement and death benefits to fire fighters hired on or after April 8, 1978. State statute assigns authority to establish and amend benefit provision to the FPPA. Currently 221 city firefighters are members of this plan. In 2011, plan members contributed 10.0%, \$506,504 and the city contributed 10.0%, \$506,504. As condition of membership in this plan, annual contributions are also made to a 457 plan. For 2011, contributions to the 457 plan were 0.5%, or \$25,237, for both plan members and the city. Publicly available financial reports for the plan can be obtained from the FPPA.

5. Statewide Hybrid Plan – Fire New Hire Pension Plan

In 2011 the city began contributing to the Statewide Hybrid Fire Pension Plan, a cost-sharing multiple employer pension plan administered by the Fire and Police Pension Association of Colorado. This plan contains a defined benefit component and a money purchase component. State statute assigns authority to establish and amend benefit provision to the FPPA. Currently, 49 city firefighters are members of this plan. Plan members and the city both contribute 10.5%, or \$124,372 for 2011. The percentage split is recalculated each year.

6. 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 2,371 active employees covered under the city's health insurance plan. Of these, 729 are fully eligible for the plan. In addition, there are 381 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, 2011 is \$996,000. Below is a summary of the Net OPEB obligation at the end of 2011 by Business-type and Governmental activities. OPEB expense recorded in governmental activities is generally paid from the General Fund.

<u>Fund</u>	<u>Amount</u>
Water Fund	\$ 424,045
Wastewater Fund	239,045
Golf Fund	69,278
Total Business-type Activities	732,368
Total Governmental Activities	3,834,632
Total Net OPEB Obligation December 31	<u>\$ 4,567,000</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)	\$ 8,002,631	\$ 356,280	\$ 1,755,747	\$ 2,872,439	\$ 1,632,000
Interest on net pension obligation NPO / (NPA)	468,616	-	(22,151)	28,291	176,000
Adjustment to ARC	(345,740)	-	27,764	(35,459)	(149,000)
Annual pension cost	8,125,507	356,280	1,761,360	2,865,271	1,659,000
Contributions made	(4,571,135)	(356,280)	(1,755,747)	(2,872,439)	(996,000)
Increase (decrease) in NPO/(NPA)	3,554,372	-	5,613	(7,168)	663,000
NPO/(NPA) - beginning of year	5,857,703	-	(276,887)	353,636	3,904,000
NPO/(NPA) - end of year	<u>\$ 9,412,075</u>	<u>\$ -</u>	<u>\$ (271,274)</u>	<u>\$ 346,468</u>	<u>\$ 4,567,000</u>

Net pension asset is recorded as other receivables and net pension obligation is recorded as other payables on the citywide statement of net assets.

Funded Status and Funding Progress. The city's funded status for the year ended December 31, 2011 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	1/1/11	\$ 297,494,555	\$ 335,310,191	\$ 37,815,636	88.72%	\$ 83,973,043	45.03%
EOEP	1/1/11	4,098,706	4,299,638	200,932	95.33%	-	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	1/1/11	-	17,898,000	17,898,000	0.00%	174,640,472	10.25%

Three Year Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<i>GERP</i>			
12/31/09	\$ 8,117,716	59.02%	\$ 2,027,148
12/31/10	8,457,545	54.71%	5,857,703
12/31/11	8,125,507	56.26%	9,412,075
<i>EOEP</i>			
12/31/09	351,991	100.00%	-
12/31/10	356,280	100.00%	-
12/31/11	356,280	100.00%	-
<i>Old Hire - Fire</i>			
12/31/09	12,697	0.00%	(290,781)
12/31/10	13,894	0.00%	(276,887)
12/31/11	1,761,360	99.68%	(271,274)
<i>Old Hire - Police</i>			
12/31/09	1,505,465	101.08%	371,381
12/31/10	1,503,935	101.18%	353,636
12/31/11	2,865,271	100.25%	346,468
<i>OPEB</i>			
12/31/09	1,861,432	51.41%	3,053,084
12/31/10	1,967,136	56.73%	3,904,220
12/31/11	1,659,000	60.04%	4,567,000

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	Police	OPEB
Actuarial valuation date	01/01/11	01/01/11	01/01/10	01/01/10	01/01/11
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level percent - open	Level dollar - open	Level dollar - open	Level dollar - open	Level percent - open
Remaining amortization period	30 years	15 years	20 years	20 years	30 years
Asset valuation method	3-year smoothing	3-year smoothing	3-year smoothed fair market value	3-year smoothed fair	Market
Actuarial assumptions:					
Investment rate of return *	8.00%	7.75%	8.00%	8.00%	4.5%
Payroll growth rate	3.5%	n/a	n/a	n/a	4.0%
Projected salary increases *	3.50% to 7.50%	n/a	4.75%	4.75%	3.50%
Cost of living adjustment	3.50% base, 0.00% supplemental	3.5% base, 0.00% supplemental	4.00%	4.00%	n/a
Health care cost trend	n/a	n/a	n/a	n/a	11% to 5%
*Includes inflation at	n/a	n/a	3.50%	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 New Hire Fire component of this plan was discontinued in 2011. The plan is administered by a committee established by the agreement. Plan provisions and contribution requirements are amended by an affirmative vote of 65% of the members as well as a City Council resolution. At December 31, 2011, there were 658 plan members, all police department employees. Plan members are required to contribute 10.5%. The city is required to contribute 10.5%. Contributions for 2011, including amounts for 300 fire fighters no longer in the plan, were:

	<u>Employee</u>	<u>Employer</u>
New Hire Fire	\$1,620,567	\$1,620,567
New Hire Police	\$5,068,751	\$5,068,751

2. Fire Money Purchase Pension Plan

In 2011, a new defined contribution money purchase pension plan became available. The plan is established by City Ordinance to provide retirement and death benefits for city firefighters and is administered by the Fire and Police Pension Association of Colorado. Plan provisions and contribution requirements are established and may be amended by City Council. At December 31, 2011, there were 24 plan members. In 2011, plan members contributed \$54,395 and the city contributed \$54,395.

3. Executive Retirement Plan (ERP)

ERP is a defined contribution money purchase plan established by City Ordinance to provide retirement and death benefits for city executive personnel that is administered by ICMA-RC. Plan provisions and contribution requirements are established and may be amended by City Council. At December 31, 2011, there were 26 plan members. Plan members contributed 10.0%, \$353,065 for 2011. The city contributed 10.0%, \$353,065 for 2011.

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 \$1,396,462 for the year ended December 31, 2011. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$ 1,038,943
2013	818,449
2014	490,689
2015	378,881
Total	<u><u>\$ 2,726,962</u></u>

13. RISK MANAGEMENT

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

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

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Amounts estimated to be paid on known cases are reported as case reserves. Case reserves are estimated through in-house methods and do include incremental claims adjustment expenses. Total self-insurance reserves are actuarially determined and include estimated costs for incurred but not reported claims (IBNR). The total liability has been recorded using the discounted method with an expected 1.05% interest return over the life of the liabilities. The city reports the current and noncurrent portions of the accrued claims liability and related claim settlements and judgments within the Risk Management Fund. Management believes any resulting judgments would not exceed insurance coverage by a material amount.

December 31, 2011

Self-Insured Program	Case Reserves	IBNR	Total	Discounted
Worker's compensation	\$ 1,575,489	\$ 4,124,404	\$ 5,699,893	\$ 5,480,764
Multi-line liability	2,283,055	1,557,522	3,840,577	3,759,000
Totals	<u><u>\$ 3,858,544</u></u>	<u><u>\$ 5,681,926</u></u>	<u><u>\$ 9,540,470</u></u>	<u><u>\$ 9,239,764</u></u>

**Reconciliation of Claims Payable
December 31, 2011**

Year	Balance January 1	Current Year Accrued Claims	Claim Payments	Recoveries	Balance December 31
2010	\$ 7,391,954	\$ 4,419,610	\$ (3,760,086)	\$ 226,299	\$ 8,277,777
2011	8,277,777	4,605,484	(3,974,873)	331,376	9,239,764

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, 2011 is as follows:

Issue Description	Date of Issue	Series	Balance December 31, 2011
Aurora Capital Leasing Corporation (ACLC) Certificates of Participation	3/16/05	2005	\$ 4,420,000
First-Lien Water Improvement Revenue Bonds Series 2003A	10/15/03	2003	<u>36,725,000</u>
Total			<u>\$ 41,145,000</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, 2011, 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 \$389,023,000.

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 2011, 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, 2011, was \$8,972,548 or 3% of fiscal year spending. The city's management believes the city is in compliance with the provisions of TABOR at December 31, 2011.

17. CURRENT ECONOMIC CONDITIONS

During 2011 the local economy remained stable and continued its slow recovery from the recession that officially ended in 2009. Revenues in 2011 were up slightly from 2010, but remain below the pre-recession peak of 2007. The city continues to focus on addressing projected budget shortfalls with expenditure reductions and cost containment efforts. For 2012 and future years, the city anticipates adjusting its expenditures to match revenues without drawing down its major reserves below policy levels.

18. RESTATEMENT OF BEGINNING NET ASSETS FOR REPORTING ENTITY CHANGE

During 2011, the Fitzsimons Redevelopment Authority board approved a change in composition of the board. Previously, FRA was governed by a ten-member board of directors, of which seven members are appointed by the City Council. With the approved change, City Council now has 3 appointees on a 12 member board. As the city no longer appoints a majority of FRA's governing board, it no longer meets the requirements for inclusion as a component unit of the city. Accordingly, the component units' beginning net assets have been decreased by \$20,231,935 to reflect the change in reporting entity.

19. SUBSEQUENT EVENT

On April 13, 2012, the city fully paid off its obligation on the 1999 Wastewater Colorado Water Resources and Power Development Authority revenue bond in the amount of \$5,033,000.

20. PRIOR PERIOD ADJUSTMENT

The beginning net assets of the Aurora Housing Authority, a discretely presented component unit, were adjusted by \$509,098 to correct revenue and other items not recognized in prior years.

* * * * *



Required Supplementary Information



CITY OF AURORA, COLORADO
DEFINED BENEFIT PENSION PLANS
AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
DECEMBER 31, 2011

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						
1/1/06	\$ 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%
1/1/11	297,494,555	335,310,191	37,815,636	88.72%	83,973,043	45.03%
EOEP						
1/1/03	2,342,205	3,772,442	1,430,237	62.09%	n/a	n/a
1/1/05	2,182,694	3,793,673	1,610,979	57.54%	n/a	n/a
1/1/07	3,241,175	4,462,141	1,220,966	72.64%	n/a	n/a
1/1/09	3,528,634	5,331,263	1,802,629	66.19%	n/a	n/a
1/1/11	4,098,706	4,299,638	200,932	95.33%	n/a	n/a
Old Hire - Fire						
1/1/04	85,014,289	99,587,091	14,572,802	85.37%	1,330,722	1095.10%
1/1/06	92,918,056	99,466,498	6,548,442	93.42%	647,157	1011.88%
1/1/08	103,965,149	102,757,130	(1,208,019)	101.18%	277,349	(435.56)%
1/1/10	88,066,465	104,279,437	16,212,972	84.45%	66,487	24385.18%
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%
1/1/11	-	17,898,000	17,898,000	0.00%	174,640,472	10.25%

CITY OF AURORA, COLORADO
DEFINED BENEFIT PLANS
AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
DECEMBER 31, 2011

Year		Annual Required Contribution (ARC)	Percentage Contributed
GERP			
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%
2011		8,002,631	57%
EOEP			
2006	\$	375,669	100%
2007		375,669	100%
2008		351,991	100%
2009		351,991	100%
2010		356,280	100%
2011		356,280	100%
OPEB			
2007	\$	1,751,000	39%
2008		1,843,000	42%
2009		1,836,000	52%
2010		1,931,000	58%
2011		1,632,000	61%



CITY OF AURORA, COLORADO

**GENERAL FUND
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2011**

	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	\$ 25,763,085	\$ 25,763,085	\$ 25,249,135	\$ (513,950)	\$ —	\$ —	\$ —	\$ —	\$ 25,249,135
Sales	124,158,129	124,158,129	124,854,610	696,481	—	—	—	—	124,854,610
Use	21,320,995	21,320,995	21,879,338	558,343	—	—	—	—	21,879,338
Lodgers	4,187,150	4,187,150	4,415,552	228,402	—	—	—	—	4,415,552
Franchise	14,042,056	14,042,056	13,395,548	(646,508)	—	—	—	—	13,395,548
Other	9,438,688	9,438,688	8,001,731	(1,436,957)	—	—	—	—	8,001,731
Total taxes	198,910,103	198,910,103	197,795,914	(1,114,189)	—	—	—	—	197,795,914
Intergovernmental	12,693,058	12,693,058	12,829,501	136,443	500,000	500,000	609,013	109,013	13,438,514
Licenses and permits	2,127,854	2,127,854	2,181,654	53,800	28,440	28,440	22,875	(5,565)	2,204,529
Charges for services	8,804,103	8,931,384	8,837,467	(93,917)	1,439,564	1,411,916	911,266	(500,650)	9,748,733
Fines and forfeitures	6,242,119	6,242,119	5,977,427	(264,692)	2,641,938	3,275,063	3,484,281	209,218	9,461,708
Investment income	650,000	650,000	871,209	221,209	53,218	53,218	58,021	4,803	929,230
Other revenues	739,022	847,614	952,702	105,088	59,526	82,262	67,745	(14,517)	1,020,447
Proceeds from sales of assets	180,000	180,000	186,721	6,721	—	—	—	—	186,721
Transfers in	2,361,192	2,381,638	2,264,512	(117,126)	341,713	341,713	419,196	77,483	2,539,107
TOTAL SOURCES	232,707,451	232,963,770	231,897,107	(1,066,663)	5,064,399	5,692,612	5,572,397	(120,215)	237,324,903
USES									
Operating Costs									
<i>Municipal Court</i>									
Judicial	2,082,556	2,082,556	1,946,484	136,072	120,023	120,023	86,909	33,114	2,033,393
Court Administration	7,093,362	7,093,362	6,947,575	145,787	—	—	—	—	6,947,575
Public Defender	647,009	647,009	637,160	9,849	—	—	—	—	637,160
Total municipal court	9,822,927	9,822,927	9,531,219	291,708	120,023	120,023	86,909	33,114	9,618,128
<i>City Attorney</i>	5,023,825	5,023,825	5,000,491	23,334	—	—	—	—	5,000,491
<i>General Management Group</i>									
City Council	1,004,063	1,028,395	929,792	98,603	—	—	—	—	929,792
Civil Service	542,864	704,594	704,129	465	—	—	—	—	704,129
General Management	1,340,883	1,318,883	1,313,831	5,052	12,000	32,446	20,445	12,001	1,313,830
Total general management group	2,887,810	3,051,872	2,947,752	104,120	12,000	32,446	20,445	12,001	2,947,751
<i>Administrative Services Group</i>									
Communications	1,822,115	1,822,115	1,777,062	45,053	372,605	372,605	332,325	40,280	2,109,387
Management Support	1,048,386	1,102,386	975,351	127,035	—	—	—	—	975,351
Human Resources	1,259,036	1,302,204	1,301,992	212	—	—	—	—	1,301,992
Finance	5,303,112	5,303,112	5,033,737	269,375	—	—	—	—	5,033,737
Information Technology	6,788,324	6,950,270	6,949,712	558	—	—	—	—	6,949,712
Internal Services	3,165,476	3,165,476	2,866,572	298,904	—	—	—	—	2,866,572
Public Safety Communications	6,055,616	6,055,616	5,606,194	449,422	—	—	—	—	5,606,194
Total administrative services group	25,442,065	25,701,179	24,510,620	1,190,559	372,605	372,605	332,325	40,280	24,842,945

(continued)

	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>Operations Group</i>									
Library and Cultural Services	\$ 3,144,271	\$ 3,207,271	\$ 3,171,721	\$ 35,550	\$ 617,792	\$ 617,792	\$ 342,422	\$ 275,370	\$ 3,514,143
Public Works	24,539,350	24,552,216	23,323,782	1,228,434	18,876	18,876	6,863	12,013	23,330,645
Parks, Recreation and Open Space	11,283,186	11,528,635	11,468,309	60,326	900,575	897,715	732,048	165,667	12,200,357
Neighborhood Services	2,896,546	2,896,546	2,866,719	29,827	131,965	131,965	130,509	1,456	2,997,228
Planning & Development Services	1,873,803	2,058,060	1,978,859	79,201	461,946	461,946	371,866	90,080	2,350,725
Total operations group	<u>43,737,156</u>	<u>44,242,728</u>	<u>42,809,390</u>	<u>1,433,338</u>	<u>2,131,154</u>	<u>2,128,294</u>	<u>1,583,708</u>	<u>544,586</u>	<u>44,393,098</u>
<i>Community Services Group</i>									
Police	80,017,471	80,038,461	79,964,818	73,643	1,806,259	2,439,384	2,331,970	107,414	82,296,788
Fire	37,010,385	37,197,852	37,197,849	3	68,000	100,957	100,957	—	37,298,806
Total community services group	<u>117,027,856</u>	<u>117,236,313</u>	<u>117,162,667</u>	<u>73,646</u>	<u>1,874,259</u>	<u>2,540,341</u>	<u>2,432,927</u>	<u>107,414</u>	<u>119,595,594</u>
<i>Non-departmental</i>	<u>28,744,800</u>	<u>28,250,297</u>	<u>27,753,505</u>	<u>496,792</u>	<u>1,872,227</u>	<u>3,246,368</u>	<u>1,640,234</u>	<u>1,606,134</u>	<u>29,269,584</u>
Continuing Appropriations									
Operations Group	—	—	—	—	—	9,773	9,773	—	9,773
Total continuing appropriations	—	—	—	—	—	9,773	9,773	—	9,773
TOTAL USES	<u>232,686,439</u>	<u>233,329,141</u>	<u>229,715,644</u>	<u>3,613,497</u>	<u>6,382,268</u>	<u>8,449,850</u>	<u>6,106,321</u>	<u>2,343,529</u>	<u>235,677,364</u>
CHANGE IN FUNDS AVAILABLE	21,012	(365,371)	2,181,463	2,546,834	(1,317,869)	(2,757,238)	(533,924)	2,223,314	1,647,539
FUNDS AVAILABLE - January 1	<u>35,133,129</u>	<u>37,318,803</u>	<u>37,318,804</u>	<u>1</u>	<u>6,680,675</u>	<u>7,450,778</u>	<u>7,450,778</u>	<u>—</u>	<u>44,769,582</u>
FUNDS AVAILABLE - December 31	<u>\$ 35,154,141</u>	<u>\$ 36,953,432</u>	<u>39,500,267</u>	<u>\$ 2,546,835</u>	<u>\$ 5,362,806</u>	<u>\$ 4,693,540</u>	<u>6,916,854</u>	<u>\$ 2,223,314</u>	<u>46,417,121</u>
Less: Restricted for public safety (TABOR)			(8,972,548)				—		(8,972,548)
Committed to reserves (10% Policy)			(20,404,987)				—		(20,404,987)
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS, AND COUNCIL COMMITMENTS - December 31			<u>\$ 10,122,732</u>				<u>\$ 6,916,854</u>		<u>\$ 17,039,586</u>
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE									
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 39,500,267				\$ 6,916,854		\$ 46,417,121
Add: Long-term interfund receivables			240,888				—		240,888
Sales, use and lodgers tax accrual			17,378,325				—		17,378,325
Current year encumbrances			803,554				38,886		842,440
Adjustment of investments to fair value			125,708				24,158		149,866
Deferred - sick leave buyout			496,095				3,059		499,154
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			<u>\$ 58,544,837</u>				<u>\$ 6,982,957</u>		<u>\$ 65,527,794</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	1/1/2011	1/1/2011	1/1/2010	1/1/2010	1/1/2011
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level percent - open	Level dollar - open	Level dollar - open	Level dollar - open	Level percent - open
Remaining amortization period	30 years	15 years	20 years	20 years	30 years
Asset valuation method	3-year smoothing	3-year smoothing	3 -year smoothed fair market value	3 -year smoothed fair market value	Market
Actuarial assumptions:					
Investment rate of return *	8.00%	7.75%	8.00%	8.00%	4.5%
Payroll growth rate	3.5%	n/a	n/a	n/a	4.0%
Projected salary increases *	3.50% to 7.50%	n/a	4.75%	4.75%	3.50%
Cost of living adjustment	3.50% base, 0.00% supplemental	3.5% base, 0.00% supplemental	4.00%	4.00%	n/a
Health care cost trend	n/a	n/a	n/a	n/a	11% to 5%
*Includes inflation at	n/a	n/a	3.50%	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 (encumbrances are commitments on purchase orders that remain open at year-end). Since expenditures may not legally exceed budgeted appropriations, appropriation amendments require City Council approval by ordinance. Budget transfers within a department may be made with administrative approval. Transfers between departments require City Council approval by resolution or ordinance.

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

- 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

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 and building demolition and board up on properties that have not been maintained in accordance with City Ordinances. Revenues are from fees collected from property owners and county collected liens on the properties.

Community Development Fund

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

Enhanced E-911 Fund

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

Conservation Trust Fund

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

Parks Development Fund

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

Open Space Fund

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

Recreation Services Fund

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

Cultural Services Fund

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

Cherry Creek Fence General Improvement District (GID)

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

Meadow Hills Fence General Improvement District (GID)

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

Peoria Park Fence General Improvement District (GID)

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

Pier Point 7 Sewer General Improvement District (GID)

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

Aurora Urban Renewal Authority (AURA) General Fund

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

DEBT SERVICE FUNDS

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

City Debt Service Fund

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

Special Improvement District (SID) Debt Service Fund

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

Surplus and Deficiency Fund

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

Aurora Urban Renewal Authority (AURA) Debt Service Fund

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

Aurora Capital Leasing Corporation (ACLC) Debt Service Fund

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

CAPITAL PROJECTS FUNDS

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

City Capital Projects Fund

The City Capital Projects Fund accounts for financial resources used for the construction and acquisition of major capital projects such as streets, parks, information systems and city facilities. Funding sources include General Fund Revenues and participation revenues from outside sources.

Aurora Capital Leasing Corporation (ACLC) Capital Projects Fund

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

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Special Revenue				
	Gifts and Grants	Development Review	Abatement	Community Development	Enhanced E-911
ASSETS					
Cash and cash equivalents	\$ —	\$ 127,105	\$ 31,828	\$ —	\$ —
Investments	—	1,860,534	465,893	—	—
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	362,390	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	4,518	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	1,993,653	—	—	92,221	450,134
Investments	—	—	—	—	6,588,981
Taxes receivable	—	—	—	—	—
Accounts receivable	439,783	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	1,275,481	—	—	1,911,781	—
Other receivables	—	—	—	—	234,192
Inventory	790,280	—	—	2,392,500	—
Notes receivable	1,166,670	—	—	16,064,209	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 5,665,867</u>	<u>\$ 1,987,639</u>	<u>\$ 864,629</u>	<u>\$ 20,460,711</u>	<u>\$ 7,273,307</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Accounts payable	\$ 379,401	\$ 56,025	\$ 12,443	\$ 816,773	\$ 8,110
Other Payables	—	—	—	972	—
Due to other funds	—	—	—	1,112,313	—
Deferred revenues	2,320,000	—	—	16,138,153	—
Total liabilities	<u>2,699,401</u>	<u>56,025</u>	<u>12,443</u>	<u>18,068,211</u>	<u>8,110</u>
<i>Fund balances</i>					
<i>Restricted for</i>					
Culture and recreation	—	—	—	—	—
Debt related	—	—	—	—	—
Development	—	—	—	—	—
Gift and grants	1,787,384	—	—	2,392,500	—
Open space	—	—	—	—	—
Public improvement	—	—	—	—	—
Public safety	1,179,082	—	—	—	7,265,197
Road and bridge	—	—	—	—	—
<i>Committed to</i>					
Capital improvement	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Development	—	1,931,614	—	—	—
Public safety	—	—	852,186	—	—
<i>Assigned to</i>					
Capital improvement	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Debt service	—	—	—	—	—
Total fund balances	<u>2,966,466</u>	<u>1,931,614</u>	<u>852,186</u>	<u>2,392,500</u>	<u>7,265,197</u>
Total liabilities and fund balances	<u>\$ 5,665,867</u>	<u>\$ 1,987,639</u>	<u>\$ 864,629</u>	<u>\$ 20,460,711</u>	<u>\$ 7,273,307</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Special Revenue				
	Conservation Trust	Parks Development	Open Space	Recreation Services	Cultural Services
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 487,962	\$ 151,184
Investments	—	—	—	582,657	486,213
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	70,244	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	14,981	—
Other receivables	—	—	—	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	242,606	184,818	767,552	—	120,517
Investments	3,551,223	2,705,335	11,235,278	—	—
Taxes receivable	—	—	—	—	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	751,243	—	—	—	48,731
Other receivables	—	—	6,328	—	—
Inventory	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 4,545,072</u>	<u>\$ 2,890,153</u>	<u>\$ 12,009,158</u>	<u>\$ 1,155,844</u>	<u>\$ 806,645</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Accounts payable	\$ 284,686	\$ 14,975	\$ 309,847	\$ 90,751	\$ 23,407
Other Payables	—	—	—	(929)	—
Due to other funds	—	—	—	—	—
Deferred revenues	—	—	—	260,448	16,211
Total liabilities	<u>284,686</u>	<u>14,975</u>	<u>309,847</u>	<u>350,270</u>	<u>39,618</u>
<i>Fund balances</i>					
<i>Restricted for</i>					
Culture and recreation	—	—	—	—	167,601
Debt related	—	—	—	—	—
Development	—	—	—	—	—
Gift and grants	—	—	—	—	—
Open space	4,260,386	2,875,178	11,699,311	—	—
Public improvement	—	—	—	—	—
Public safety	—	—	—	—	—
Road and bridge	—	—	—	—	—
<i>Committed to</i>					
Capital improvement	—	—	—	—	—
Culture and recreation	—	—	—	—	518,217
Development	—	—	—	—	—
Public safety	—	—	—	—	—
<i>Assigned to</i>					
Capital improvement	—	—	—	—	—
Culture and recreation	—	—	—	805,574	81,209
Debt service	—	—	—	—	—
Total fund balances	<u>4,260,386</u>	<u>2,875,178</u>	<u>11,699,311</u>	<u>805,574</u>	<u>767,027</u>
Total liabilities and fund balances	<u>\$ 4,545,072</u>	<u>\$ 2,890,153</u>	<u>\$ 12,009,158</u>	<u>\$ 1,155,844</u>	<u>\$ 806,645</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Special Revenue				
	Cherry Creek Fence GID	Meadow Hills Fence GID	Peoria Park Fence GID	Pier Point 7 Sewer GID	AURA General
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —
Investments	—	—	—	—	—
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	31,787	21,353	43,935	59,877	6,659
Investments	—	—	—	—	97,479
Taxes receivable	63,355	39,083	34,238	202,720	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	229	141	141	—	—
Other receivables	—	—	—	—	—
Inventory	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 95,371</u>	<u>\$ 60,577</u>	<u>\$ 78,314</u>	<u>\$ 262,597</u>	<u>\$ 104,138</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Accounts payable	\$ 782	\$ 184	\$ 650	\$ —	\$ —
Other Payables	—	—	—	—	—
Due to other funds	—	2,500	—	—	—
Deferred revenues	63,355	39,083	34,238	202,720	—
Total liabilities	<u>64,137</u>	<u>41,767</u>	<u>34,888</u>	<u>202,720</u>	<u>—</u>
<i>Fund balances</i>					
<i>Restricted for</i>					
Culture and recreation	—	—	—	—	—
Debt related	—	—	—	—	—
Development	—	—	—	—	104,138
Gift and grants	—	—	—	—	—
Open space	—	—	—	—	—
Public improvement	31,234	18,810	43,426	59,877	—
Public safety	—	—	—	—	—
Road and bridge	—	—	—	—	—
<i>Committed to</i>					
Capital improvement	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Development	—	—	—	—	—
Public safety	—	—	—	—	—
<i>Assigned to</i>					
Capital improvement	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Debt service	—	—	—	—	—
Total fund balances	<u>31,234</u>	<u>18,810</u>	<u>43,426</u>	<u>59,877</u>	<u>104,138</u>
Total liabilities and fund balances	<u>\$ 95,371</u>	<u>\$ 60,577</u>	<u>\$ 78,314</u>	<u>\$ 262,597</u>	<u>\$ 104,138</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Debt Service				
	City Debt Service	SID Debt Service	Surplus and Deficiency	AURA Debt Service	ACLC Debt Service
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ 235,310
Investments	—	—	—	—	3,444,428
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	94,609	18,030	33,594	228,026	119,801
Investments	1,384,870	263,924	491,735	3,337,810	9,386,639
Taxes receivable	5,938,846	—	—	2,558,370	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	25,836
Due from other governments	—	—	—	—	—
Other receivables	—	1,123,512	29,006	—	—
Inventory	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	\$ 7,418,325	\$ 1,405,466	\$ 554,335	\$ 6,124,206	\$ 13,212,014
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Accounts payable	\$ —	\$ 28,177	\$ —	\$ 447,647	\$ 4,796
Other Payables	—	—	—	—	—
Due to other funds	—	—	—	—	—
Deferred revenues	5,938,846	1,123,512	29,006	2,558,370	—
Total liabilities	5,938,846	1,151,689	29,006	3,006,017	4,796
<i>Fund balances</i>					
<i>Restricted for</i>					
Culture and recreation	—	—	—	—	—
Debt related	1,479,479	253,777	—	—	9,532,276
Development	—	—	—	3,118,189	—
Gift and grants	—	—	—	—	—
Open space	—	—	—	—	—
Public improvement	—	—	525,329	—	—
Public safety	—	—	—	—	—
Road and bridge	—	—	—	—	—
<i>Committed to</i>					
Capital improvement	—	—	—	—	1,096,082
Culture and recreation	—	—	—	—	—
Development	—	—	—	—	—
Public safety	—	—	—	—	2,100,000
<i>Assigned to</i>					
Capital improvement	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Debt service	—	—	—	—	478,860
Total fund balances	1,479,479	253,777	525,329	3,118,189	13,207,218
Total liabilities and fund balances	\$ 7,418,325	\$ 1,405,466	\$ 554,335	\$ 6,124,206	\$ 13,212,014

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2011

	Capital Projects		Total Nonmajor Governmental Funds
	City Capital Projects	ACLC Capital Projects	
ASSETS			
Cash and cash equivalents	\$ 1,264,822	\$ 515,578	\$ 2,813,789
Investments	16,992,820	—	23,832,545
<i>Receivables (net of allowance)</i>			
Accounts receivable	237,596	—	670,230
Interest receivable	63,064	—	63,064
Due from other governments	—	—	14,981
Other receivables	—	—	4,518
<i>Restricted assets</i>			
Cash and cash equivalents	4,254,393	—	8,763,565
Investments	3,961,490	—	43,004,764
Taxes receivable	—	—	8,836,612
Accounts receivable	151,464	—	591,247
Interest receivable	—	—	25,836
Due from other governments	740,467	—	4,728,214
Other receivables	—	—	1,393,038
Inventory	—	—	3,182,780
Notes receivable	—	—	17,230,879
Notes receivable	404,543	—	404,543
Total assets	\$ 28,070,659	\$ 515,578	\$ 115,560,605
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts payable	\$ 1,732,831	\$ —	\$ 4,211,485
Other Payables	607,500	—	607,543
Due to other funds	—	—	1,114,813
Deferred revenues	609,090	—	29,333,032
Total liabilities	2,949,421	—	35,266,873
<i>Fund balances</i>			
<i>Restricted for</i>			
Culture and recreation	—	—	167,601
Debt related	—	—	11,265,532
Development	—	—	3,222,327
Gift and grants	3,594,334	—	7,774,218
Open space	—	—	18,834,875
Public improvement	1,524,385	—	2,203,061
Public safety	—	—	8,444,279
Road and bridge	2,779,545	—	2,779,545
<i>Committed to</i>			
Capital improvement	—	515,578	1,611,660
Culture and recreation	—	—	518,217
Development	853,214	—	2,784,828
Public safety	—	—	2,952,186
<i>Assigned to</i>			
Capital improvement	16,369,760	—	16,369,760
Culture and recreation	—	—	886,783
Debt service	—	—	478,860
Total fund balances	25,121,238	515,578	80,293,732
Total liabilities and fund balances	\$ 28,070,659	\$ 515,578	\$ 115,560,605

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue				
	Gifts and Grants	Development Review	Abatement	Community Development	Enhanced E-911
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ 3,665	\$ —	\$ —	\$ —
Property	—	—	—	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	—	—	—	—	—
Charges for services	121,763	1,565,135	562,135	1,423,127	—
Licenses and permits	—	5,226,490	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	7,002,584	2,669	—	6,251,319	—
Surcharges	—	—	—	—	2,901,163
Miscellaneous	377,605	—	—	—	—
Investment earnings	49,845	25,170	15,201	—	65,285
Total revenues	7,551,797	6,823,129	577,336	7,674,446	2,966,448
EXPENDITURES					
<i>Current</i>					
General government	1,657,375	—	—	—	—
Judicial	3,729	—	—	—	—
Police	3,707,551	—	—	—	—
Fire	354,981	—	—	—	—
Other public safety	—	—	—	—	1,869,688
Public works	254,562	—	—	—	—
Economic development	190,383	6,660,748	—	938,149	—
Community services	1,379,862	—	880,749	6,023,587	—
Culture and recreation	754,340	—	—	—	—
<i>Debt service</i>					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	1,468,213	—	—	—	51,600
Total expenditures	9,770,996	6,660,748	880,749	6,961,736	1,921,288
Excess (deficiency) of revenues over (under) expenditures	(2,219,199)	162,381	(303,413)	712,710	1,045,160
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	256,338	1,710,000
Transfers out	(29,885)	(635,000)	—	—	(1,710,000)
General obligation bonds issued	—	—	—	—	—
Sale of capital assets	6,865	—	—	—	—
Total other financing sources (uses)	(23,020)	(635,000)	—	256,338	—
NET CHANGE IN FUND BALANCES	(2,242,219)	(472,619)	(303,413)	969,048	1,045,160
FUND BALANCES - January 1	5,208,685	2,404,233	1,155,599	1,423,452	6,220,037
FUND BALANCES - December 31	<u>\$ 2,966,466</u>	<u>\$ 1,931,614</u>	<u>\$ 852,186</u>	<u>\$ 2,392,500</u>	<u>\$ 7,265,197</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue				
	Conservation Trust	Parks Development	Open Space	Recreation Services	Cultural Services
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ —	\$ —
Property	—	—	—	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	—	—	—	—	—
Charges for services	—	—	—	4,451,089	594,017
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	2,817,375	—	5,564,201	226,804	238,580
Surcharges	—	—	—	—	—
Miscellaneous	—	125,876	—	136,991	153,035
Investment earnings	65,160	34,252	150,277	2,069	13,439
Total revenues	2,882,535	160,128	5,714,478	4,816,953	999,071
EXPENDITURES					
<i>Current</i>					
General government	—	—	—	—	—
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	—
Community services	—	—	—	—	—
Culture and recreation	1,745,236	97,228	2,373,497	8,192,014	2,376,287
<i>Debt service</i>					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	5,705,271	420,790	2,646,627	—	—
Total expenditures	7,450,507	518,018	5,020,124	8,192,014	2,376,287
Excess (deficiency) of revenues over (under) expenditures	(4,567,972)	(357,890)	694,354	(3,375,061)	(1,377,216)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	1,127,156	3,440,222	1,228,697
Transfers out	—	—	(1,198,442)	—	—
General obligation bonds issued	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	—	(71,286)	3,440,222	1,228,697
NET CHANGE IN FUND BALANCES	(4,567,972)	(357,890)	623,068	65,161	(148,519)
FUND BALANCES - January 1	8,828,358	3,233,068	11,076,243	740,413	915,546
FUND BALANCES - December 31	\$ 4,260,386	\$ 2,875,178	\$ 11,699,311	\$ 805,574	\$ 767,027

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue				
	Cherry Creek Fence GID	Meadow Hills Fence GID	Peoria Park Fence GID	Pier Point 7 Sewer GID	AURA General
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ —	\$ —
Property	60,423	36,925	37,157	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	3,597	2,199	2,230	—	—
Charges for services	—	—	—	—	10,000
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	—	—	—	—	—
Surcharges	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Investment earnings	25	18	35	12	1,068
Total revenues	64,045	39,142	39,422	12	11,068
EXPENDITURES					
<i>Current</i>					
General government	2,230	1,252	1,432	2,540,135	—
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	10,000
Community services	—	—	—	—	—
Culture and recreation	—	—	—	—	—
<i>Debt service</i>					
Principal	20,000	15,000	10,000	—	—
Interest	35,700	22,162	20,437	—	—
Capital outlay	—	—	—	—	—
Total expenditures	57,930	38,414	31,869	2,540,135	10,000
Excess (deficiency) of revenues over (under) expenditures	6,115	728	7,553	(2,540,123)	1,068
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	—	—
Transfers out	—	—	—	—	—
General obligation bonds issued	—	—	—	2,600,000	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	—	—	2,600,000	—
NET CHANGE IN FUND BALANCES	6,115	728	7,553	59,877	1,068
FUND BALANCES - January 1	25,119	18,082	35,873	—	103,070
FUND BALANCES - December 31	\$ 31,234	\$ 18,810	\$ 43,426	\$ 59,877	\$ 104,138

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Debt Service				
	City Debt Service	SID Debt Service	Surplus and Deficiency	AURA Debt Service	ACLIC Debt Service
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ 1,842,562	\$ —
Property	5,832,338	—	—	1,448,501	—
Lodgers	—	—	—	86,793	—
Occupational privilege	—	—	—	403,668	—
Other	—	—	—	—	—
Charges for services	—	—	—	10,000	—
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	287,632	15,195	—	—
Intergovernmental	—	—	—	—	—
Surcharges	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Investment earnings	56,420	74,109	8,794	43,709	137,689
Total revenues	<u>5,888,758</u>	<u>361,741</u>	<u>23,989</u>	<u>3,835,233</u>	<u>137,689</u>
EXPENDITURES					
<i>Current</i>					
General government	61,823	80,571	3,631	—	11,750
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	2,620,879	—
Community services	—	—	—	—	—
Culture and recreation	—	—	—	—	—
<i>Debt service</i>					
Principal	6,555,000	220,000	—	—	4,995,000
Interest	1,008,052	59,124	—	8,300	5,039,428
Capital outlay	—	—	—	—	—
Total expenditures	<u>7,624,875</u>	<u>359,695</u>	<u>3,631</u>	<u>2,629,179</u>	<u>10,046,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,736,117)</u>	<u>2,046</u>	<u>20,358</u>	<u>1,206,054</u>	<u>(9,908,489)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,761,100	—	—	—	9,113,286
Transfers out	(136,740)	—	(60,750)	(313,695)	(2,509,001)
General obligation bonds issued	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	<u>1,624,360</u>	<u>—</u>	<u>(60,750)</u>	<u>(313,695)</u>	<u>6,604,285</u>
NET CHANGE IN FUND BALANCES	(111,757)	2,046	(40,392)	892,359	(3,304,204)
FUND BALANCES - January 1	<u>1,591,236</u>	<u>251,731</u>	<u>565,721</u>	<u>2,225,830</u>	<u>16,511,422</u>
FUND BALANCES - December 31	<u>\$ 1,479,479</u>	<u>\$ 253,777</u>	<u>\$ 525,329</u>	<u>\$ 3,118,189</u>	<u>\$ 13,207,218</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>City Capital Projects</u>	<u>ACL Capital Projects</u>	
REVENUES			
<i>Taxes</i>			
Sales and use	\$ —	\$ —	\$ 1,846,227
Property	—	—	7,415,344
Lodgers	—	—	86,793
Occupational privilege	—	—	403,668
Other	—	—	8,026
Charges for services	618,764	—	9,356,030
Licenses and permits	—	—	5,226,490
Fines and forfeitures	4,606	—	4,606
Special assessments	—	—	302,827
Intergovernmental	9,969,995	—	32,073,527
Surcharges	—	—	2,901,163
Miscellaneous	250,457	—	1,043,964
Investment earnings	215,874	—	958,451
	<hr/>	<hr/>	<hr/>
Total revenues	11,059,696	—	61,627,116
EXPENDITURES			
<i>Current</i>			
General government	574,685	7,929	4,942,813
Judicial	—	—	3,729
Police	—	—	3,707,551
Fire	19,986	—	374,967
Other public safety	—	—	1,869,688
Public works	7,940,796	—	8,195,358
Economic development	—	—	10,420,159
Community services	330	—	8,284,528
Culture and recreation	17,369	—	15,555,971
<i>Debt service</i>			
Principal	—	—	11,815,000
Interest	—	—	6,193,203
Capital outlay	20,163,567	858,339	31,314,407
	<hr/>	<hr/>	<hr/>
Total expenditures	28,716,733	866,268	102,677,374
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	(17,657,037)	(866,268)	(41,050,258)
OTHER FINANCING SOURCES (USES)			
Transfers in	11,546,389	1,381,846	31,565,034
Transfers out	(1,810,389)	—	(8,403,902)
General obligation bonds issued	—	—	2,600,000
Sale of capital assets	—	—	6,865
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	9,736,000	1,381,846	25,767,997
NET CHANGE IN FUND BALANCES	<hr/>	<hr/>	<hr/>
	(7,921,037)	515,578	(15,282,261)
FUND BALANCES - January 1	<hr/>	<hr/>	<hr/>
	33,042,275	—	95,575,993
FUND BALANCES - December 31	<hr/>	<hr/>	<hr/>
	\$ 25,121,238	\$ 515,578	\$ 80,293,732

Combining and Individual Fund Statements



INTERNAL SERVICE FUNDS

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

Fleet Management Fund

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

Risk Management Fund

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

CITY OF AURORA, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total Internal Service</u>
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 53,100	\$ 901,224	\$ 954,324
Investments	777,273	13,191,947	13,969,220
<i>Receivables (net of allowance)</i>			
Interest receivable	—	74,721	74,721
Inventories	601,176	—	601,176
Total current assets	<u>1,431,549</u>	<u>14,167,892</u>	<u>15,599,441</u>
<i>Capital assets, net of accumulated depreciation</i>			
Infrastructure	315,660	—	315,660
Machinery and equipment	293,617	—	293,617
Total capital assets	<u>609,277</u>	<u>—</u>	<u>609,277</u>
Total assets	<u>2,040,826</u>	<u>14,167,892</u>	<u>16,208,718</u>
LIABILITIES			
<i>Current liabilities</i>			
Accounts payable	236,159	100,016	336,175
Current portion long-term liabilities	20,656	3,979,350	4,000,006
Total current liabilities	<u>256,815</u>	<u>4,079,366</u>	<u>4,336,181</u>
<i>Noncurrent liabilities</i>			
Due beyond one year	300,205	5,312,771	5,612,976
Total liabilities	<u>557,020</u>	<u>9,392,137</u>	<u>9,949,157</u>
NET ASSETS			
Invested in capital assets, net of related debt	609,277	—	609,277
Unrestricted	874,529	4,775,755	5,650,284
Total net assets	<u>\$ 1,483,806</u>	<u>\$ 4,775,755</u>	<u>\$ 6,259,561</u>

CITY OF AURORA, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total Internal Service</u>
OPERATING REVENUES			
Charges for services	\$ 8,116,005	\$ 6,046,228	\$ 14,162,233
OPERATING EXPENSES			
Cost of sales and service	8,170,706	2,407,153	10,577,859
Claims losses	—	4,944,615	4,944,615
Administrative expenses	44,779	28,450	73,229
Depreciation	86,959	—	86,959
Total operating expenses	<u>8,302,444</u>	<u>7,380,218</u>	<u>15,682,662</u>
Operating income (loss)	<u>(186,439)</u>	<u>(1,333,990)</u>	<u>(1,520,429)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	5,860	152,214	158,074
Miscellaneous revenues	27,085	337,465	364,550
Gain (loss) on disposal of capital assets	<u>(3,748)</u>	<u>—</u>	<u>(3,748)</u>
Net nonoperating revenues	<u>29,197</u>	<u>489,679</u>	<u>518,876</u>
Income (loss) before transfers	(157,242)	(844,311)	(1,001,553)
Capital contributions	47,384	—	47,384
Transfers in (out)	<u>—</u>	<u>(1,529,662)</u>	<u>(1,529,662)</u>
CHANGE IN NET ASSETS	(109,858)	(2,373,973)	(2,483,831)
NET ASSETS - January 1	<u>1,593,664</u>	<u>7,149,728</u>	<u>8,743,392</u>
NET ASSETS - December 31	<u>\$ 1,483,806</u>	<u>\$ 4,775,755</u>	<u>\$ 6,259,561</u>

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total Internal Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash received from:</i>			
Customers and others	\$ 55,781	\$ 337,465	\$ 393,246
Interfund services provided and used	8,087,309	6,046,228	14,133,537
<i>Cash payments to:</i>			
Employees	(2,624,414)	(600,833)	(3,225,247)
Suppliers of goods and services	(5,557,830)	(5,820,323)	(11,378,153)
Net cash provided by (used in) operating activities	<u>(39,154)</u>	<u>(37,463)</u>	<u>(76,617)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash transfers out	—	(1,529,662)	(1,529,662)
Net cash provided by (used in) noncapital financing activities	<u>—</u>	<u>(1,529,662)</u>	<u>(1,529,662)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
<i>Payments for:</i>			
Capital Assets	(123,092)	—	(123,092)
Net cash provided by (used in) capital and related financing activities	<u>(123,092)</u>	<u>—</u>	<u>(123,092)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in equity in pooled investments	147,925	1,345,033	1,492,958
Interest received	8,542	198,414	206,956
Net cash provided by (used in) investing activities	<u>156,467</u>	<u>1,543,447</u>	<u>1,699,914</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,779)	(23,678)	(29,457)
TOTAL CASH AND CASH EQUIVALENTS, January 1	<u>58,879</u>	<u>924,902</u>	<u>983,781</u>
TOTAL CASH AND CASH EQUIVALENTS, December 31	<u>\$ 53,100</u>	<u>\$ 901,224</u>	<u>\$ 954,324</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ (186,439)	\$ (1,333,990)	\$ (1,520,429)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	86,959	—	86,959
Miscellaneous nonoperating revenues	27,085	337,465	364,550
<i>Changes in operating assets and liabilities</i>			
Inventories	(28,302)	—	(28,302)
Accounts payable and accrued liabilities	61,543	959,062	1,020,605
Total adjustments	<u>147,285</u>	<u>1,296,527</u>	<u>1,443,812</u>
Net cash provided by (used in) operating activities	<u>\$ (39,154)</u>	<u>\$ (37,463)</u>	<u>\$ (76,617)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Increase (decrease) in fair value of investments	\$ (2,682)	\$ (38,644)	\$ (41,326)
Transfer of capital assets from other funds	47,384	-	47,384



Combining and Individual Fund Statements



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, 2011

	<u>GERP</u>	<u>EOEP</u>	<u>Total Pension Trust</u>
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 3,252,365	\$ 47,778	\$ 3,300,143
<i>Investments</i>			
Equity securities and funds	141,210,007	2,333,335	143,543,342
U.S. government treasury and U.S. government agency obligations	13,223,641	—	13,223,641
Corporate notes, bonds and funds	98,258,381	1,669,326	99,927,707
Real estate funds	22,556,836	488,317	23,045,153
Alternative investments	34,188,423	—	34,188,423
<i>Receivables (net of allowance)</i>			
Interest receivable	746,336	2,890	749,226
Due from other governments	377,411	—	377,411
Other receivables	—	5,469	5,469
 Total assets	 <u>313,813,400</u>	 <u>4,547,115</u>	 <u>318,360,515</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	<u>531,591</u>	<u>8,061</u>	<u>539,652</u>
 Total liabilities	 <u>531,591</u>	 <u>8,061</u>	 <u>539,652</u>
NET ASSETS			
Held in trust for pension benefits	<u>313,281,809</u>	<u>4,539,054</u>	<u>317,820,863</u>
 Total net assets	 <u>\$ 313,281,809</u>	 <u>\$ 4,539,054</u>	 <u>\$ 317,820,863</u>

CITY OF AURORA, COLORADO
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GERP</u>	<u>EOEP</u>	<u>Total Pension Trust</u>
ADDITIONS			
<i>Contributions</i>			
City	\$ 4,571,135	\$ 356,280	\$ 4,927,415
Plan members	4,580,527	—	4,580,527
Total contributions	<u>9,151,662</u>	<u>356,280</u>	<u>9,507,942</u>
<i>Investment activity</i>			
Investment earnings	8,413,399	55,036	8,468,435
Investment expense	<u>(691,585)</u>	<u>(10,228)</u>	<u>(701,813)</u>
Net investment earnings	<u>7,721,814</u>	<u>44,808</u>	<u>7,766,622</u>
Other income	<u>40,734</u>	<u>—</u>	<u>40,734</u>
Total additions, net	<u>16,914,210</u>	<u>401,088</u>	<u>17,315,298</u>
DEDUCTIONS			
Benefits	13,698,161	197,298	13,895,459
Administrative expenses	<u>490,858</u>	<u>14,556</u>	<u>505,414</u>
Total deductions	<u>14,189,019</u>	<u>211,854</u>	<u>14,400,873</u>
CHANGE IN NET ASSETS	2,725,191	189,234	2,914,425
NET ASSETS - January 1	<u>310,556,618</u>	<u>4,349,820</u>	<u>314,906,438</u>
NET ASSETS - December 31	<u>\$ 313,281,809</u>	<u>\$ 4,539,054</u>	<u>\$ 317,820,863</u>

Combining and Individual Fund Statements



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, 2011

	Payroll Clearing Fund			Balance December 31
	Balance January 1	Additions	Deductions	
ASSETS				
Cash and cash equivalents	\$ 7,932,445	\$ 225,059,551	\$ (224,816,810)	\$ 8,175,186
Total assets	<u>\$ 7,932,445</u>	<u>\$ 225,059,551</u>	<u>\$ (224,816,810)</u>	<u>\$ 8,175,186</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 7,932,445	\$ 453,378,528	\$ (453,135,787)	\$ 8,175,186
Total liabilities	<u>\$ 7,932,445</u>	<u>\$ 453,378,528</u>	<u>\$ (453,135,787)</u>	<u>\$ 8,175,186</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, 2011

SOURCES	General Fund				Designated Revenues Fund				Total of Funds
	Budgets	Final	Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final	Budgetary Actual
	Original				Original	Final			
Taxes									
Property	\$ 25,763,085	\$ 25,763,085	\$ 25,249,135	\$ (513,950)	\$ —	\$ —	\$ —	\$ —	\$ 25,249,135
Sales	124,158,129	124,158,129	124,854,610	696,481	—	—	—	—	124,854,610
Use	21,320,995	21,320,995	21,879,338	558,343	—	—	—	—	21,879,338
Lodgers	4,187,150	4,187,150	4,415,552	228,402	—	—	—	—	4,415,552
Franchise	14,042,056	14,042,056	13,395,548	(646,508)	—	—	—	—	13,395,548
Other	9,438,688	9,438,688	8,001,731	(1,436,957)	—	—	—	—	8,001,731
Total taxes	198,910,103	198,910,103	197,795,914	(1,114,189)	—	—	—	—	197,795,914
Intergovernmental	12,693,058	12,693,058	12,829,501	136,443	500,000	500,000	609,013	109,013	13,438,514
Licenses and permits	2,127,854	2,127,854	2,181,654	53,800	28,440	28,440	22,875	(5,565)	2,204,529
Charges for services	8,804,103	8,931,384	8,837,467	(93,917)	1,439,564	1,411,916	911,266	(500,650)	9,748,733
Fines and forfeitures	6,242,119	6,242,119	5,977,427	(264,692)	2,641,938	3,275,063	3,484,281	209,218	9,461,708
Investment income	650,000	650,000	871,209	221,209	53,218	53,218	58,021	4,803	929,230
Other revenues	739,022	847,614	952,702	105,088	59,526	82,262	67,745	(14,517)	1,020,447
Proceeds from sale of assets	180,000	180,000	186,721	6,721	—	—	—	—	186,721
Transfers in	2,361,192	2,381,638	2,264,512	(117,126)	341,713	341,713	419,196	77,483	2,539,107
TOTAL SOURCES	232,707,451	232,963,770	231,897,107	(1,066,663)	5,064,399	5,692,612	5,572,397	(120,215)	237,324,903
USES									
Operating Costs									
Municipal Court									
Judicial	2,082,556	2,082,556	1,946,484	136,072	120,023	120,023	86,909	33,114	2,033,393
Court Administration	7,093,362	7,093,362	6,947,575	145,787	—	—	—	—	6,947,575
Public Defender	647,009	647,009	637,160	9,849	—	—	—	—	637,160
Total municipal court	9,822,927	9,822,927	9,531,219	291,708	120,023	120,023	86,909	33,114	9,618,128
City Attorney	5,023,825	5,023,825	5,000,491	23,334	—	—	—	—	5,000,491
General Management Group									
City Council	1,004,063	1,028,395	929,792	98,603	—	—	—	—	929,792
Civil Service	542,864	704,594	704,129	465	—	—	—	—	704,129
General Management	1,340,883	1,318,883	1,313,831	5,052	12,000	32,446	20,445	12,001	1,313,830
Total general management group	2,887,810	3,051,872	2,947,752	104,120	12,000	32,446	20,445	12,001	2,947,751
Administrative Services Group									
Communications	1,822,115	1,822,115	1,777,062	45,053	372,605	372,605	332,325	40,280	2,109,387
Management Support	1,048,386	1,102,386	975,351	127,035	—	—	—	—	975,351
Human Resources	1,259,036	1,302,204	1,301,992	212	—	—	—	—	1,301,992
Finance	5,303,112	5,303,112	5,033,737	269,375	—	—	—	—	5,033,737
Information Technology	6,788,324	6,950,270	6,949,712	558	—	—	—	—	6,949,712
Internal Services	3,165,476	3,165,476	2,866,572	298,904	—	—	—	—	2,866,572
Public Safety Communications	6,055,616	6,055,616	5,606,194	449,422	—	—	—	—	5,606,194
Total administrative services group	25,442,065	25,701,179	24,510,620	1,190,559	372,605	372,605	332,325	40,280	24,842,945

	General Fund				Designated Revenues Fund				Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	Budgetary
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Actual
<i>Operations Group</i>									
Library and Cultural Services	3,144,271	3,207,271	3,171,721	35,550	617,792	617,792	342,422	275,370	3,514,143
Public Works	24,539,350	24,552,216	23,323,782	1,228,434	18,876	18,876	6,863	12,013	23,330,645
Parks, Recreation and Open Space	11,283,186	11,528,635	11,468,309	60,326	900,575	897,715	732,048	165,667	12,200,357
Neighborhood Services	2,896,546	2,896,546	2,866,719	29,827	131,965	131,965	130,509	1,456	2,997,228
Planning & Development Services	1,873,803	2,058,060	1,978,859	79,201	461,946	461,946	371,866	90,080	2,350,725
Total operations group	43,737,156	44,242,728	42,809,390	1,433,338	2,131,154	2,128,294	1,583,708	544,586	44,393,098
<i>Community Services Group</i>									
Police	80,017,471	80,038,461	79,964,818	73,643	1,806,259	2,439,384	2,331,970	107,414	82,296,788
Fire	37,010,385	37,197,852	37,197,849	3	68,000	100,957	100,957	—	37,298,806
Total community services group	117,027,856	117,236,313	117,162,667	73,646	1,874,259	2,540,341	2,432,927	107,414	119,595,594
<i>Non-departmental</i>	28,744,800	28,250,297	27,753,505	496,792	1,872,227	3,246,368	1,640,234	1,606,134	29,269,584
Continuing Appropriations									
Operations Group	—	—	—	—	—	9,773	9,773	—	9,773
Total continuing appropriations	—	—	—	—	—	9,773	9,773	—	9,773
TOTAL USES	232,686,439	233,329,141	229,715,644	3,613,497	6,382,268	8,449,850	6,106,321	2,343,529	235,677,364
CHANGE IN FUNDS AVAILABLE	21,012	(365,371)	2,181,463	2,546,834	(1,317,869)	(2,757,238)	(533,924)	2,223,314	1,647,539
FUNDS AVAILABLE - January 1	35,133,129	37,318,803	37,318,804	1	6,680,675	7,450,778	7,450,778	—	44,769,582
FUNDS AVAILABLE - December 31	<u>\$ 35,154,141</u>	<u>\$ 36,953,432</u>	39,500,267	<u>\$ 2,546,835</u>	<u>\$ 5,362,806</u>	<u>\$ 4,693,540</u>	6,916,854	<u>\$ 2,223,314</u>	46,417,121
Less: Restricted for public safety (TABOR)			(8,972,548)				—		(8,972,548)
Committed to reserves (10% Policy)			(20,404,987)				—		(20,404,987)
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS, AND COUNCIL COMMITMENTS - December 31			<u>\$ 10,122,732</u>				<u>\$ 6,916,854</u>		<u>\$ 17,039,586</u>
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE									
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 39,500,267				\$ 6,916,854		\$ 46,417,121
Add: Long-term interfund receivables			240,888				—		240,888
Sales, use and lodgers tax accrual			17,378,325				—		17,378,325
Current year encumbrances			803,554				38,886		842,440
Adjustment of investments to fair value			125,708				24,158		149,866
Deferred - sick leave buyout			496,095				3,059		499,154
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			<u>\$ 58,544,837</u>				<u>\$ 6,982,957</u>		<u>\$ 65,527,794</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, 2011

	Gifts and Grants				Development Review			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—	3,665	3,665
Other Tax	—	—	—	—	—	—	—	—
Intergovernmental revenues	4,713,761	7,324,737	5,640,467	(1,684,270)	—	—	2,669	2,669
Licenses and permits	—	—	—	—	5,986,158	5,986,158	5,226,490	(759,668)
Charges for services	71,500	71,500	76,016	4,516	1,168,914	1,168,914	1,565,135	396,221
Fines and forfeitures	500	500	—	(500)	—	—	—	—
Investment income	4,450	44,316	28,872	(15,444)	41,033	41,033	31,884	(9,149)
Miscellaneous revenues	545,400	625,400	661,530	36,130	4,443	4,443	—	(4,443)
Proceeds from sale of assets	—	—	6,865	6,865	—	—	—	—
Transfers in	—	—	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—	—	—
TOTAL SOURCES	5,335,611	8,066,453	6,413,750	(1,652,703)	7,200,548	7,200,548	6,829,843	(370,705)
USES								
Operating Costs								
Municipal Court	7,000	7,000	3,729	3,271	—	—	—	—
General Management Group	—	—	—	—	379,244	379,244	378,743	501
Administrative Services Group	—	25,000	24,799	201	—	—	—	—
Operations Group	1,340,115	1,564,597	1,129,931	434,666	6,463,333	6,317,099	6,286,630	30,469
Community Services Group	3,346,309	3,859,058	3,460,396	398,662	—	—	—	—
Non-Departmental	573	6,390	5,817	573	742,460	742,460	635,000	107,460
Continuing Appropriations								
Administrative Services Group	—	(1,361)	(1,361)	—	—	—	—	—
	949,949	2,220,829	2,220,829	—	—	—	—	—
TOTAL USES	5,643,946	7,681,513	6,844,140	837,373	7,585,037	7,438,803	7,300,373	138,430
CHANGE IN FUNDS AVAILABLE	(308,335)	384,940	(430,390)	(815,330)	(384,489)	(238,255)	(470,530)	(232,275)
FUNDS AVAILABLE - January 1	5,130,573	4,010,522	4,010,522	—	2,187,139	2,386,123	2,386,123	—
FUNDS AVAILABLE - December 31	<u>\$4,822,238</u>	<u>\$4,395,462</u>	3,580,132	<u>\$ (815,330)</u>	<u>\$1,802,650</u>	<u>\$2,147,868</u>	1,915,593	<u>\$(232,275)</u>
Less: Restrictions			—				—	
Commitments			—				—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER Adjustment of investments to fair value			<u>\$3,580,132</u>				<u>\$1,915,593</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$3,580,132				\$1,915,593	
Add: Current year operating encumbrances			288,148				4,625	
Carryforward of continuing appropriations			3,991,552				—	
Assets not available for appropriations			1,179,152				—	
Inventories			790,280				—	
Adjustment of investments to fair value			—				6,608	
Deferred - sick leave buyout			—				4,788	
Less: Unspent grant awards			(6,862,798)				—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$2,966,466</u>				<u>\$1,931,614</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, 2011

	Abatement				Community Development			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	—	3,981,229	3,383,288	3,383,287	(1)
Licenses and permits	—	—	—	—	—	—	—	—
Charges for services	861,950	861,950	562,135	(299,815)	—	—	18,355	18,355
Fines and forfeitures	—	—	—	—	—	—	—	—
Investment income	12,000	12,000	13,546	1,546	—	—	—	—
Miscellaneous revenues	—	—	—	—	1,775,000	1,397,070	1,378,715	(18,355)
Proceeds from sale of assets	—	—	—	—	—	—	—	—
Transfers in	—	—	—	—	291,515	256,338	256,338	—
Funds from restricted assets	—	—	—	—	—	—	73,277	73,277
TOTAL SOURCES	873,950	873,950	575,681	(298,269)	6,047,744	5,036,696	5,109,972	73,276
USES								
Operating Costs								
Municipal Court	—	—	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	1,295,371	1,295,618	912,030	383,588	—	—	—	—
Community Services Group	—	—	—	—	—	—	—	—
Non-Departmental	2,618	2,371	—	2,371	—	—	—	—
Continuing Appropriations								
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	—	—	—	—	6,047,744	5,109,973	5,109,972	1
TOTAL USES	1,297,989	1,297,989	912,030	385,959	6,047,744	5,109,973	5,109,972	1
CHANGE IN FUNDS AVAILABLE	(424,039)	(424,039)	(336,349)	87,690	—	(73,277)	—	73,277
FUNDS AVAILABLE - January 1	1,131,642	1,069,919	1,069,919	—	—	—	—	—
FUNDS AVAILABLE - December 31	<u>\$ 707,603</u>	<u>\$ 645,880</u>	733,570	<u>\$ 87,690</u>	<u>\$ —</u>	<u>\$ (73,277)</u>	—	<u>\$ 73,277</u>
Less: Restrictions			—	—			—	—
Commitments			—	—			—	—
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 733,570</u>				<u>\$ —</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 733,570				\$ —	
Add: Current year operating encumbrances			116,961				—	
Carryforward of continuing appropriations			—				5,856,748	
Assets not available for appropriations			—				—	
Inventories			—				2,392,500	
Adjustment of investments to fair value			1,655				—	
Deferred - sick leave buyout			—				3,826	
Less: Unspent grant awards			—				(5,860,574)	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 852,186</u>				<u>\$ 2,392,500</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, 2011

	Enhanced E-911				Conservation Trust			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	—	2,741,127	2,741,127	2,817,375	76,248
Licenses and permits	—	—	—	—	—	—	—	—
Charges for services	3,049,943	3,049,943	2,901,164	(148,779)	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—
Investment income	150,000	150,000	75,132	(74,868)	159,863	159,863	99,527	(60,336)
Miscellaneous revenues	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—
Transfers in	1,710,000	1,710,000	1,710,000	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—	—	—
TOTAL SOURCES	4,909,943	4,909,943	4,686,296	(223,647)	2,900,990	2,900,990	2,916,902	15,912
USES								
Operating Costs								
Municipal Court	—	—	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—	—	—
Administrative Services Group	2,264,450	2,264,450	1,660,966	603,484	—	—	—	—
Operations Group	—	—	—	—	1,514,672	1,562,237	1,489,659	72,578
Community Services Group	—	—	—	—	—	—	—	—
Non-Departmental	1,788	1,788	—	1,788	833	833	—	833
Continuing Appropriations								
Administrative Services Group	4,710,000	4,710,000	4,710,000	—	—	—	—	—
Operations Group	—	—	—	—	1,242,500	1,242,500	1,242,500	—
TOTAL USES	6,976,238	6,976,238	6,370,966	605,272	2,758,005	2,805,570	2,732,159	73,411
CHANGE IN FUNDS AVAILABLE	(2,066,295)	(2,066,295)	(1,684,670)	381,625	142,985	95,420	184,743	89,323
FUNDS AVAILABLE - January 1	5,040,967	5,287,155	5,287,155	—	82,013	372,729	372,729	—
FUNDS AVAILABLE - December 31	<u>\$2,974,672</u>	<u>\$3,220,860</u>	3,602,485	<u>\$ 381,625</u>	<u>\$ 224,998</u>	<u>\$ 468,149</u>	557,472	<u>\$ 89,323</u>
Less: Restrictions			—				—	
Commitments			—				—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$3,602,485</u>				<u>\$ 557,472</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$3,602,485				\$ 557,472	
Add: Current year operating encumbrances			14,870				—	
Carryforward of continuing appropriations			3,624,439				3,688,766	
Assets not available for appropriations			—				—	
Inventories			—				—	
Adjustment of investments to fair value			23,403				12,613	
Deferred - sick leave buyout			—				1,535	
Less: Unspent grant awards			—				—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$7,265,197</u>				<u>\$4,260,386</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, 2011

	Parks Development				Open Space			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	—	5,395,308	5,395,308	5,564,201	168,893
Licenses and permits	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—
Investment income	82,000	82,000	43,074	(38,926)	232,000	232,000	171,966	(60,034)
Miscellaneous revenues	224,000	224,000	125,876	(98,124)	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—	1,127,156	1,127,156
Funds from restricted assets	—	—	—	—	—	—	—	—
TOTAL SOURCES	306,000	306,000	168,950	(137,050)	5,627,308	5,627,308	6,863,323	1,236,015
USES								
Operating Costs								
Municipal Court	—	—	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	73,983	73,983	73,454	529	3,204,042	3,204,042	3,144,786	59,256
Community Services Group	—	—	—	—	—	—	—	—
Non-Departmental	210	210	—	210	2,900	2,900	—	2,900
Continuing Appropriations								
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	—	—	—	—	3,140,000	3,000,000	3,000,000	—
TOTAL USES	74,193	74,193	73,454	739	6,346,942	6,206,942	6,144,786	62,156
CHANGE IN FUNDS AVAILABLE	231,807	231,807	95,496	(136,311)	(719,634)	(579,634)	718,537	1,298,171
FUNDS AVAILABLE - January 1	1,570,425	1,792,849	1,792,849	—	3,614,136	3,039,822	3,039,822	—
FUNDS AVAILABLE - December 31	<u>\$1,802,232</u>	<u>\$2,024,656</u>	1,888,345	<u>\$(136,311)</u>	<u>\$2,894,502</u>	<u>\$2,460,188</u>	3,758,359	<u>\$1,298,171</u>
Less: Restrictions			—				—	
Commitments			—				—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$1,888,345</u>				<u>\$ 3,758,359</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$1,888,345				\$ 3,758,359	
Add: Current year operating encumbrances			—				—	
Carryforward of continuing appropriations			977,224				7,892,513	
Assets not available for appropriations			—				6,328	
Inventories			—				—	
Adjustment of investments to fair value			9,609				39,905	
Deferred - sick leave buyout			—				2,206	
Less: Unspent grant awards			—				—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$2,875,178</u>				<u>\$ 11,699,311</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, 2011

	Recreation Services				Cultural Services			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—	—	—
Intergovernmental revenues	146,500	146,500	293,234	146,734	221,158	221,158	253,380	32,222
Licenses and permits	—	—	—	—	—	—	—	—
Charges for services	4,642,581	4,642,581	4,451,089	(191,492)	586,735	586,735	594,016	7,281
Fines and forfeitures	—	—	—	—	—	—	—	—
Investment income	3,086	4,086	—	(4,086)	11,450	11,450	11,713	263
Miscellaneous revenues	271,453	291,453	136,992	(154,461)	128,430	170,830	147,936	(22,894)
Proceeds from sale of assets	—	—	—	—	—	—	—	—
Transfers in	3,549,496	3,440,223	3,440,223	—	1,228,697	1,228,697	1,228,697	—
Funds from restricted assets	—	—	—	—	—	—	—	—
TOTAL SOURCES	8,613,116	8,524,843	8,321,538	(203,305)	2,176,470	2,218,870	2,235,742	16,872
USES								
Operating Costs								
Municipal Court	—	—	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	66,705	66,705	65,984	721
Operations Group	8,604,688	8,486,530	8,089,743	396,787	2,275,205	2,317,605	2,317,604	1
Community Services Group	—	—	—	—	—	—	—	—
Non-Departmental	8,428	8,428	—	8,428	1,189	1,189	—	1,189
Continuing Appropriations								
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—	—	—
TOTAL USES	8,613,116	8,494,958	8,089,743	405,215	2,343,099	2,385,499	2,383,588	1,911
CHANGE IN FUNDS AVAILABLE	—	29,885	231,795	201,910	(166,629)	(166,629)	(147,846)	18,783
FUNDS AVAILABLE - January 1	157,424	546,640	546,640	—	844,222	901,964	901,964	—
FUNDS AVAILABLE - December 31	<u>\$ 157,424</u>	<u>\$ 576,525</u>	778,435	<u>\$ 201,910</u>	<u>\$ 677,593</u>	<u>\$ 735,335</u>	754,118	<u>\$ 18,783</u>
Less: Restrictions			—				—	
Commitments			—				—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 778,435</u>				<u>\$ 754,118</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 778,435				\$ 754,118	
Add: Current year operating encumbrances			48,000				17,300	
Carryforward of continuing appropriations			30,424				—	
Assets not available for appropriations			—				—	
Inventories			—				—	
Adjustment of investments to fair value			2,070				1,727	
Deferred - sick leave buyout			13,077				3,582	
Less: Unspent grant awards			(66,432)				(9,700)	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 805,574</u>				<u>\$ 767,027</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, 2011

	Pier Point 7 - GID				Cherry Creek Fence - GID			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ 63,000	\$ 63,000	\$ 60,423	\$ (2,577)
Use Tax	—	—	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—	3,597	3,597
Intergovernmental revenues	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—
Investment income	—	—	12	12	—	—	25	25
Miscellaneous revenues	—	—	—	—	—	—	—	—
Proceeds from sale of assets	2,765,000	2,765,000	2,600,000	(165,000)	—	—	—	—
Transfers in	—	—	—	—	—	—	—	—
Funds from restricted assets	—	—	(59,865)	(59,865)	—	—	—	—
TOTAL SOURCES	2,765,000	2,765,000	2,540,147	(224,853)	63,000	63,000	64,045	1,045
USES								
Operating Costs								
Municipal Court	—	—	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—	—	—
Community Services Group	—	—	—	—	—	—	—	—
Non-Departmental	2,765,000	2,765,000	2,540,135	224,865	63,000	63,000	57,930	5,070
Continuing Appropriations								
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—	—	—
TOTAL USES	2,765,000	2,765,000	2,540,135	224,865	63,000	63,000	57,930	5,070
CHANGE IN FUNDS AVAILABLE	—	—	12	12	—	—	6,115	6,115
FUNDS AVAILABLE - January 1	—	—	—	—	—	—	25,119	25,119
FUNDS AVAILABLE - December 31	<u>\$ —</u>	<u>\$ —</u>	12	<u>\$ 12</u>	<u>\$ —</u>	<u>\$ —</u>	31,234	<u>\$ 31,234</u>
Less: Restrictions			—	—			—	—
Commitments			—	—			—	—
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 12</u>				<u>\$ 31,234</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 12				\$ 31,234	
Add: Current year operating encumbrances			—				—	
Carryforward of continuing appropriations			—				—	
Assets not available for appropriations			59,865				—	
Inventories			—				—	
Adjustment of investments to fair value			—				—	
Deferred - sick leave buyout			—				—	
Less: Unspent grant awards			—				—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 59,877</u>				<u>\$ 31,234</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, 2011

	Meadow Hills Fence - GID				Peoria Park - GID			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property Tax	\$ 48,060	\$ 48,060	\$ 36,925	\$ (11,135)	\$ 36,825	\$ 36,825	\$ 37,158	\$ 333
Use Tax	—	—	—	—	—	—	—	—
Other Tax	—	—	2,199	2,199	—	—	2,230	2,230
Intergovernmental revenues	—	—	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—
Investment income	—	—	18	18	—	—	35	35
Miscellaneous revenues	—	—	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—	—	—
TOTAL SOURCES	48,060	48,060	39,142	(8,918)	36,825	36,825	39,423	2,598
USES								
Operating Costs								
Municipal Court	—	—	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—	—	—
Community Services Group	—	—	—	—	—	—	—	—
Non-Departmental	48,060	48,060	38,414	9,646	36,825	36,825	31,870	4,955
Continuing Appropriations								
Administrative Services Group	—	—	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—	—	—
TOTAL USES	48,060	48,060	38,414	9,646	36,825	36,825	31,870	4,955
CHANGE IN FUNDS AVAILABLE	—	—	728	728	—	—	7,553	7,553
FUNDS AVAILABLE - January 1	—	—	18,082	18,082	—	—	35,873	35,873
FUNDS AVAILABLE - December 31	<u>\$ —</u>	<u>\$ —</u>	18,810	<u>\$ 18,810</u>	<u>\$ —</u>	<u>\$ —</u>	43,426	<u>\$ 43,426</u>
Less: Restrictions			—				—	
Commitments			—				—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 18,810</u>				<u>\$ 43,426</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 18,810				\$ 43,426	
Add: Current year operating encumbrances			—				—	
Carryforward of continuing appropriations			—				—	
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>\$ 18,810</u>				<u>\$ 43,426</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, 2011

	City Debt Service				SID Debt Service			
	Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
	Original	Final			Original	Final		
SOURCES								
Property taxes	\$ 5,803,150	\$ 5,803,150	\$ 5,832,338	\$ 29,188	\$ —	\$ —	\$ —	\$ —
Special assessment taxes	—	—	—	—	348,450	348,450	287,632	(60,818)
Investment income	45,000	45,000	60,447	15,447	56,515	56,515	74,561	18,046
Transfers in	1,761,100	1,761,100	1,761,100	—	—	—	—	—
TOTAL SOURCES	7,609,250	7,609,250	7,653,885	44,635	404,965	404,965	362,193	(42,772)
USES								
<i>Operating Costs</i>								
Administrative Services Group	—	—	—	—	—	—	—	—
Non-Departmental	7,623,805	7,761,616	7,761,615	1	404,965	404,965	359,696	45,269
TOTAL USES	7,623,805	7,761,616	7,761,615	1	404,965	404,965	359,696	45,269
CHANGE IN FUNDS AVAILABLE	(14,555)	(152,366)	(107,730)	44,636	—	—	2,497	2,497
FUNDS AVAILABLE - January 1	1,445,549	1,582,290	1,582,290	—	246,489	213,543	213,543	—
FUNDS AVAILABLE - December 31	<u>\$ 1,430,994</u>	<u>\$ 1,429,924</u>	1,474,560	<u>\$ 44,636</u>	<u>\$ 246,489</u>	<u>\$ 213,543</u>	216,040	<u>\$ 2,497</u>
Less: Restrictions			—				—	
Commitments			—				—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER			<u>\$ 1,474,560</u>				<u>\$ 216,040</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE								
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 1,474,560				\$ 216,040	
Assets not available for appropriation			—				36,800	
Adjustment of investments to fair value			4,919				937	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$1,479,479</u>				<u>\$ 253,777</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, 2011

	Surplus and Deficiency			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Property taxes	\$ —	\$ —	\$ —	\$ —
Special assessment taxes	—	—	15,195	15,195
Investment income	15,000	15,000	10,168	(4,832)
Transfers in	—	—	—	—
TOTAL SOURCES	15,000	15,000	25,363	10,363
USES				
<i>Operating Costs</i>				
Administrative Services Group	35,750	35,750	35,750	—
Non-Departmental	25,000	28,631	28,631	—
TOTAL USES	60,750	64,381	64,381	—
CHANGE IN FUNDS AVAILABLE	(45,750)	(49,381)	(39,018)	10,363
FUNDS AVAILABLE - January 1	557,261	562,600	562,600	—
FUNDS AVAILABLE - December 31	<u>\$ 511,511</u>	<u>\$ 513,219</u>	523,582	<u>\$ 10,363</u>
Less: Restrictions			(470,000)	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 53,582</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 523,582	
Add: Assets not available for appropriation			—	
Adjustment of investments to fair value			1,747	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 525,329</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, 2011

	City Capital Projects			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Intergovernmental revenues	\$ 17,182,750	\$ 983,318	\$ 1,920,188	\$ 936,870
Charges for services	845,000	848,631	618,764	(229,867)
Fines and forfeitures	—	—	4,606	4,606
Investment income	479,467	479,467	308,673	(170,794)
Miscellaneous revenues	137,200	380,485	250,458	(130,027)
Transfers in	11,598,725	11,831,900	11,546,388	(285,512)
TOTAL SOURCES	30,243,142	14,523,801	14,649,077	125,276
USES				
<i>Operating Costs</i>				
Administrative Services Group	2,213,808	2,213,808	2,187,623	26,185
Non-Departmental	100,389	100,389	100,389	—
<i>Continuing Appropriations</i>				
Administrative Services Group	426,000	386,000	386,000	—
Operations Group	34,003,232	18,938,239	18,938,239	—
Community Services Group	20,000	(5,000)	(5,000)	—
TOTAL USES	36,763,429	21,633,436	21,607,251	26,185
CHANGE IN FUNDS AVAILABLE	(6,520,287)	(7,109,635)	(6,958,174)	151,461
FUNDS AVAILABLE - January 1	9,894,414	13,424,037	13,424,037	—
FUNDS AVAILABLE - December 31	<u>\$ 3,374,127</u>	<u>\$ 6,314,402</u>	6,465,863	<u>\$ 151,461</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER			<u>\$ 6,465,863</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 6,465,863	
Add: Carry forward of continuing appropriations			23,381,877	
Adjustment of investments to fair value			74,425	
Less: Unspent grant awards			<u>(4,800,927)</u>	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 25,121,238</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, 2011

	Water			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Charges for services	\$ 98,476,609	\$ 98,476,609	\$ 104,863,804	\$ 6,387,195
Intergovernmental	—	—	683,770	683,770
Licenses and permits	50,867	50,867	77,651	26,784
Fines and forfeitures	—	—	2,150	2,150
Investment income	4,796,139	4,796,139	5,189,532	393,393
Miscellaneous revenues	12,775,935	12,775,935	14,267,721	1,491,786
Proceeds from sale of assets	—	—	27,160	27,160
Funds from restricted assets	—	—	3,391,681	3,391,681
TOTAL SOURCES	116,099,550	116,099,550	128,503,469	12,403,919
USES				
Operating Costs				
Operations Group	94,984,493	142,984,493	134,048,219	8,936,274
Non-Departmental	41,972	41,972	—	41,972
Continuing Appropriations				
Operations Group	29,147,579	(11,242,452)	(11,242,452)	—
TOTAL USES	124,174,044	131,784,013	122,805,767	8,978,246
CHANGE IN FUNDS AVAILABLE	(8,074,494)	(15,684,463)	5,697,702	21,382,165
FUNDS AVAILABLE - January 1	44,177,470	34,085,325	34,085,325	—
FUNDS AVAILABLE - December 31	<u>\$ 36,102,976</u>	<u>\$ 18,400,862</u>	39,783,027	<u>\$ 21,382,165</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 39,783,027</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET ASSETS				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 39,783,027	
Add: Current year operating encumbrances			1,207,657	
Carryforward of continuing appropriations			110,451,253	
Deferred charges			4,809,266	
Adjustment of investments to fair value			39,410,276	
Long-term interfund receivables			—	
Equity in joint venture			2,377,903	
Capital assets net of depreciation			1,519,385,365	
Inventories			—	
Deferred - sick leave buyout			41,297	
Adjustment of investments to fair value			613,334	
Less: Current portion of long-term liabilities			(2,508,633)	
Long-term debt			(649,494,012) *	
Deferred Revenues			(156,845)	
NET ASSETS (U.S. GAAP BASIS) - December 31			<u>\$ 1,065,919,888</u>	

* Does not include Strontia Springs payable of \$2,832,812.

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, 2011

	Wastewater			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Charges for services	\$ 50,444,757	\$ 50,444,757	\$ 50,312,760	\$ (131,997)
Intergovernmental	—	450,000	2,660,855	2,210,855
Licenses and permits	—	—	50,799	50,799
Fines and forfeitures	—	—	613	613
Investment income	1,846,151	1,846,151	1,669,328	(176,823)
Miscellaneous revenues	2,122,855	2,122,855	3,252,894	1,130,039
Proceeds from sale of assets	—	—	8,095	8,095
Funds from restricted assets	—	—	—	—
TOTAL SOURCES	54,413,763	54,863,763	57,955,344	3,091,581
USES				
Operating Costs				
Operations Group	41,686,163	41,686,163	40,315,106	1,371,057
Non-Departmental	25,729	25,729	—	25,729
Continuing Appropriations				
Operations Group	31,460,780	22,591,962	22,591,962	—
TOTAL USES	73,172,672	64,303,854	62,907,068	1,396,786
CHANGE IN FUNDS AVAILABLE	(18,758,909)	(9,440,091)	(4,951,724)	4,488,367
FUNDS AVAILABLE - January 1	39,458,345	42,674,765	42,674,765	—
FUNDS AVAILABLE - December 31	<u>\$ 20,699,436</u>	<u>\$ 33,234,674</u>	37,723,041	<u>\$ 4,488,367</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 37,723,041</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET ASSETS				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 37,723,041	
Add: Current year operating encumbrances			396,608	
Carryforward of continuing appropriations			51,872,448	
Deferred charges			417,712	
Assets not available for appropriation			11,206,308	
Long-term interfund receivables			4,384,000	
Equity in joint venture			—	
Capital assets net of depreciation			412,741,416	
Inventories			—	
Deferred - sick leave buyout			12,165	
Adjustment of investments to fair value			295,119	
Less: Current portion of long-term liabilities			(3,092,102)	
Long-term debt			(58,218,346)	
Deferred Revenues			—	
NET ASSETS (U.S. GAAP BASIS) - December 31			<u><u>\$ 457,738,369</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, 2011

	Golf			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Charges for services	\$ 9,460,050	\$ 9,460,050	\$ 7,932,907	\$ (1,527,143)
Intergovernmental	—	—	—	—
Licenses and permits	—	—	—	—
Fines and forfeitures	—	—	495	495
Investment income	71,100	71,100	44,068	(27,032)
Miscellaneous revenues	72,700	72,700	14,471	(58,229)
Proceeds from sale of assets	—	—	—	—
Funds from restricted assets	—	—	—	—
TOTAL SOURCES	<u>9,603,850</u>	<u>9,603,850</u>	<u>7,991,941</u>	<u>(1,611,909)</u>
USES				
<i>Operating Costs</i>				
Operations Group	9,427,206	9,427,206	8,031,635	1,395,571
Non-Departmental	5,665	5,665	—	5,665
<i>Continuing Appropriations</i>				
Operations Group	90,000	(134,802)	(134,802)	—
TOTAL USES	<u>9,522,871</u>	<u>9,298,069</u>	<u>7,896,833</u>	<u>1,401,236</u>
CHANGE IN FUNDS AVAILABLE	80,979	305,781	95,108	(210,673)
FUNDS AVAILABLE - January 1	465,038	488,619	488,619	—
FUNDS AVAILABLE - December 31	<u>\$ 546,017</u>	<u>\$ 794,400</u>	<u>583,727</u>	<u>\$ (210,673)</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 583,727</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET ASSETS				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 583,727	
Add: Current year operating encumbrances			7,350	
Carryforward of continuing appropriations			36,138	
Deferred charges			46,938	
Assets not available for appropriation			456,304	
Long-term interfund receivables			—	
Equity in joint venture			—	
Capital assets net of depreciation			30,132,943	
Inventories			180,436	
Deferred - sick leave buyout			21,131	
Adjustment of investments to fair value			61,515	
Less: Current portion of long-term liabilities			(671,503)	
Long-term debt			(6,572,897)	
Deferred Revenues			—	
NET ASSETS (U.S. GAAP BASIS) - December 31			<u>\$ 24,282,082</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, 2011

	Fleet Management			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Charges for services	\$ 7,703,614	\$ 8,146,368	\$ 8,116,005	\$ (30,363)
Investment income	15,000	15,000	8,542	(6,458)
Miscellaneous revenues	2,800	2,800	27,085	24,285
TOTAL SOURCES	<u>7,721,414</u>	<u>8,164,168</u>	<u>8,151,632</u>	<u>(12,536)</u>
USES				
<i>Operating Costs</i>				
Administrative Services Group	7,732,962	8,368,153	8,368,150	3
Non-departmental	198,778	6,341	—	6,341
TOTAL USES	<u>7,931,740</u>	<u>8,374,494</u>	<u>8,368,150</u>	<u>6,344</u>
CHANGE IN FUNDS AVAILABLE	(210,326)	(210,326)	(216,518)	(6,192)
FUNDS AVAILABLE - January 1	796,430	794,014	794,014	—
FUNDS AVAILABLE - December 31	<u>\$ 586,104</u>	<u>\$ 583,688</u>	577,496	<u>\$ (6,192)</u>
Less: Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 577,496</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET ASSETS				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 577,496	
Add: Capital assets net of depreciation			609,277	
Inventories			601,176	
Current year operating encumbrances			12,960	
Adjustment of investments to fair value			2,761	
Deferred - sick leave buyout			997	
Less: Current portion of long-term debt			(20,656)	
Long-term debt			<u>(300,205)</u>	
NET ASSETS - (U.S. GAAP BASIS) - December 31			<u>\$ 1,483,806</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, 2011

	Risk Management			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Charges for services	\$ 6,046,228	\$ 6,046,228	\$ 6,046,228	\$ —
Investment income	224,793	224,793	190,858	(33,935)
Miscellaneous revenues	275,000	275,000	337,465	62,465
TOTAL SOURCES	6,546,021	6,546,021	6,574,551	28,530
USES				
<i>Operating Costs</i>				
Administrative Services Group	6,810,189	7,406,868	7,406,871	(3)
Non-departmental	1,530,662	1,530,662	1,529,662	1,000
TOTAL USES	8,340,851	8,937,530	8,936,533	997
CHANGE IN FUNDS AVAILABLE	(1,794,830)	(2,391,509)	(2,361,982)	29,527
FUNDS AVAILABLE - January 1	6,686,332	7,094,126	7,094,126	—
FUNDS AVAILABLE - December 31	<u>\$ 4,891,502</u>	<u>\$ 4,702,617</u>	4,732,144	<u>\$ 29,527</u>
Less: Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 4,732,144</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET ASSETS				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 4,732,144	
Add: Capital assets net of depreciation			—	
Inventories			—	
Current year operating encumbrances			49,112	
Adjustment of investments to fair value			46,855	
Deferred - sick leave buyout			—	
Less: Current portion of long-term debt			(4,477)	
Long-term debt			<u>(47,879)</u>	*
NET ASSETS - (U.S. GAAP BASIS) - December 31			<u>\$ 4,775,755</u>	

* Does not include IBNR adjustment.

Statistical Section Divider

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

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

Exhibit A-18 Demographic and Economic Statistics

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

OPERATING STATISTICS

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

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

Exhibit A-21 Operating Indicators by Function

Exhibit A-22 Capital Asset Statistics by Function

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



Exhibit A-1

**City of Aurora, Colorado
Net Assets by Component
Last Ten 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>	<u>2011</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	\$ 2,820,903,641
Restricted										
Construction (a)	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	17,416,827
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	1,080,082
Emergencies (b)	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	7,774,218
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	-	-
Development (d)	-	-	-	-	-	-	-	-	103,070	3,222,327
Open space (c)	-	-	-	-	-	-	-	-	23,137,669	18,834,875
Public improvement (a)	-	-	-	-	-	-	-	-	2,381,307	2,354,186
Road and bridge (a)	-	-	-	-	-	-	-	-	5,269,009	2,779,545
Unrestricted	91,381,281	87,399,854	76,870,105	76,210,900	85,548,045	80,282,944	72,658,454	59,211,198	64,302,977	53,978,502
Total governmental activities net assets	\$ 2,401,551,307	\$ 2,457,409,780	\$ 2,591,793,649	\$ 2,689,871,166	\$ 2,852,614,408	\$ 2,882,205,328	\$ 2,900,999,207	\$ 2,907,369,810	\$ 2,914,271,784	\$ 2,928,344,203
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	\$ 1,288,472,848
Restricted										
Public improvement (f)	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	6,422,626
Debt related (g)	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	1,250,000
Other	672,952	-	-	-	-	-	-	-	-	-
Unrestricted	121,493,852	115,611,638	161,607,602	182,168,952	201,213,673	280,587,656	260,154,817	303,180,315	319,401,005	251,213,222
Total business-type activities net assets	\$ 715,084,094	\$ 769,954,293	\$ 844,252,057	\$ 951,312,408	\$ 1,093,738,281	\$ 1,233,177,197	\$ 1,316,469,030	\$ 1,399,515,028	\$ 1,483,442,428	\$ 1,547,358,696

(continued)

Exhibit A-1 (continuation)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 4,109,376,489
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	17,416,827
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	1,080,082
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	7,774,218
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	1,250,000	1,250,000
Agreements	5,423,350	5,325,373	5,251,278	4,442,130	9,587,071	11,038,966	9,338,401	8,094,334	-	-
Urban renewal	1,750,963	2,110,891	1,170,124	721,486	127,822	11,382	11,682	71,673	-	-
Development	-	-	-	-	-	-	-	-	103,070	3,222,327
Open space	-	-	-	-	-	-	-	-	23,137,669	18,834,875
Public improvement	-	-	-	-	-	-	-	-	5,959,550	8,776,812
Road and bridge	-	-	-	-	-	-	-	-	5,269,009	2,779,545
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	383,703,982	305,191,724
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	\$ 4,475,702,899

- (a) In 2004, no receipts restricted for county road and bridge improvements remained unspent at yearend. In 2005, noise mitigation court settlements were received and restricted for capital related purchases (mainly land acquisitions). In 2006, dedicated open space revenues remained unspent. Beginning in 2010, accumulations for construction were split between Road and Bridge and Public Improvements.
- (b) Public safety restricted equity represents seizure funds. Fluctuation in this account is expected. Beginning in 2010 restricted for Emergencies and accumulations for E-911 Equipment and Services were 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. Beginning in 2010 Park Development funds and County Open space funds were moved from Culture and Recreation to Open Space.
- (d) Urban renewal activity reflects the spend down of funds dedicated to the Fletcher Plaza Enhancement Area. The increase in accumulations for Agreements from 2005 represents amounts anticipated to be paid out on future agreements. In 2010 new reporting requirements caused accumulations for Agreements and Urban Renewal to be combined with other activities, or reported as Unrestricted accumulations.
- (e) In 2009, an increase in grant funded activities and receipt of ARRA stimulus grants.
- (f) Represents accumulation and spend down of amounts set aside for storm drain projects.
- (g) Represents operation and maintenance reserve on Wastewater 99 CWR&PDA revenue bonds.

Exhibit A-2 (continuation)

	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>	<u>2011</u>
General Revenues & Other Changes in Net Assets										
<i>Governmental activities:</i>										
Taxes										
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	\$ 150,088,205
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	32,664,480
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	13,395,548
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	4,520,210
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	4,274,368
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	3,070,765
Nonspecific grants & contributions	883,670	832,315	862,890	793,718	855,949	784,891	848,779	1,007,868	786,119	780,050
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	1,045,073
Transfers	2,438	9,970	-	(200,000)	-	-	82,588	-	5,327	2,148,941
Total governmental activities general revenues	186,003,282	184,370,465	189,637,008	199,509,567	213,408,444	219,423,946	216,998,256	204,718,731	208,923,177	211,987,640
<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	832,727
Transfers	(2,438)	(9,970)	-	200,000	-	-	(82,588)	-	(5,327)	(2,148,941)
Total business-type activities	5,804,959	1,670,169	1,260,982	2,493,816	2,157,066	4,382,097	7,267,564	4,245,023	3,806,486	(1,316,214)
Total primary government	\$ 191,808,241	\$ 186,040,634	\$ 190,897,990	\$ 202,003,383	\$ 215,565,510	\$ 223,806,043	\$ 224,265,820	\$ 208,963,754	\$ 212,729,663	\$ 210,671,426
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	\$ 14,072,419
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	63,916,268
Change in net assets	\$ 130,936,640	\$ 110,728,672	\$ 208,681,633	\$ 205,137,868	\$ 305,169,115	\$ 169,029,834	\$ 102,085,712	\$ 89,416,601	\$ 90,137,549	\$ 77,988,687

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. Decrease in 2009 the result of decrease in water usage and storage due to conservation, wet weather and cooler temperatures, and budget reductions.
- (e) Increases reflect an increase in sewer treatment expense and an increase in sewer personnel costs.
- (f) Increase in 2005 represents exaction fees collected to offset bridge widening costs. Decrease in 2009 represents impact of reduced development due to the recession.
- (g) Increase from 2004 to 2005 represents an increase in the court fines schedule.
- (h) Increase from 2003 to 2005 represents an increase in developer review activity and permit revenue growth. Subsequent decreases reflect reduced development activity.
- (i) Increase in 2005 represents an increase in Dam West SID receipts to fund neighborhood fence costs.
- (j) Increase from 2004 to 2005 results from federal reimbursement for a landfill cleanup and a court settlement to mitigate airport noise. 2006 activity remained strong as more funding was received for the landfill cleanup. 2007 activity decreased as the landfill cleanup was completed. Additionally, highway road and bridge intergovernmental revenue was moved from operating grants to capital grants. 2009 increase is the result of additional ARRA grant funding.
- (k) Fluctuation primarily represents fluctuation in developer contributed streets from year to year.
- (l) Increase in customer charges due to an increase in water tiered rates.
- (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 and later decrease reflects reduced development activity.
- (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

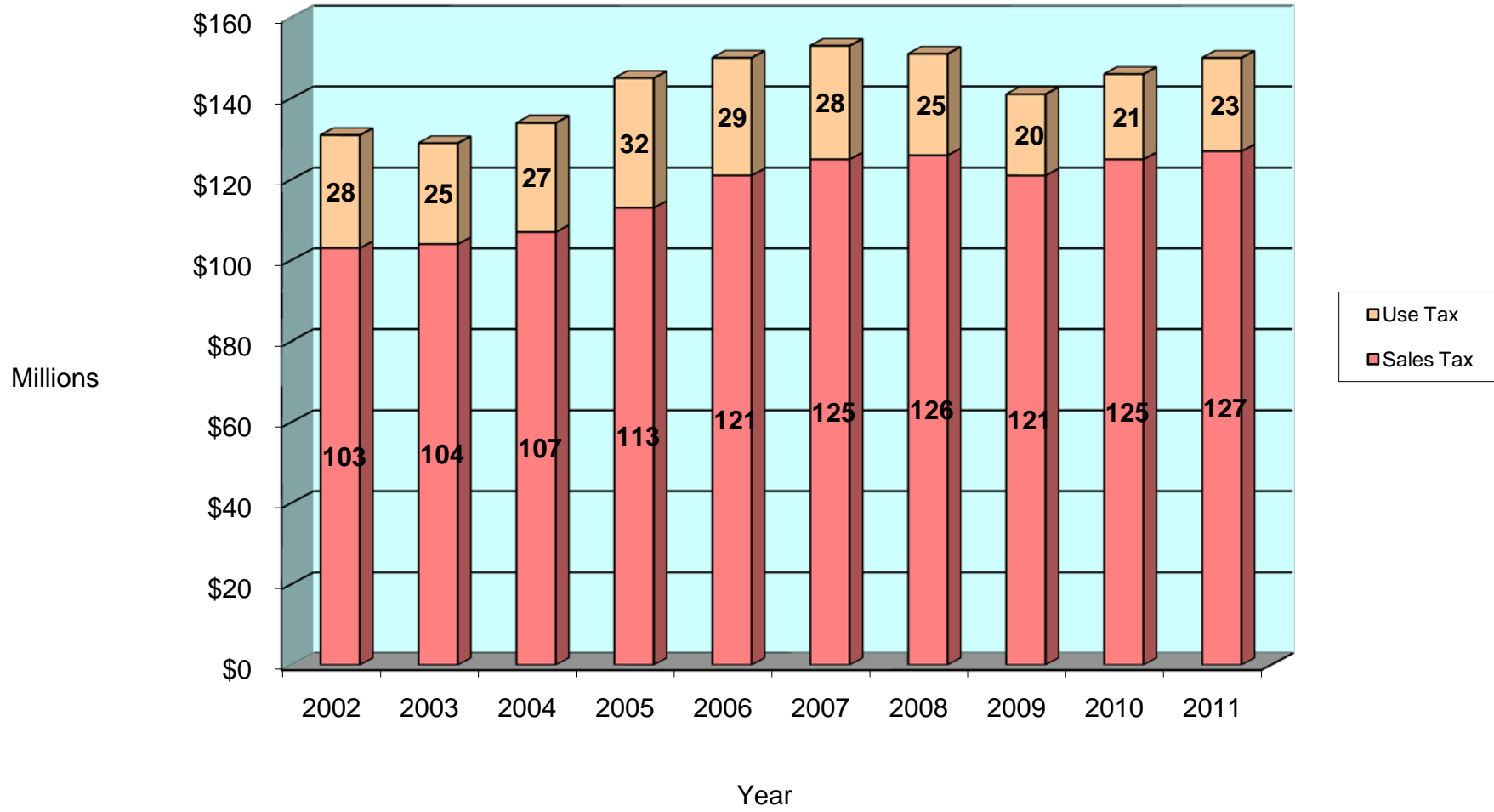
		Fiscal Year									
		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund											
Reserved		\$ 6,956,701	\$ 1,711,075	\$ 992,384	\$ 1,318,383	\$ 1,298,394	\$ 1,687,871	\$ 559,347	\$ 974,268	\$ -	\$ -
Unreserved	(b)	31,631,227	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	10,036,154
Committed	(b)	-	-	-	-	-	-	-	-	25,759,275	24,141,151
Assigned	(b)	-	-	-	-	-	-	-	-	18,993,600	20,214,414
Unassigned	(b)	-	-	-	-	-	-	-	-	8,224,844	11,136,075
Total General Fund		38,587,928	28,934,614	24,426,301	27,609,171	31,208,559	27,574,786	22,792,318	22,143,755	62,700,130	65,527,794
Unreserved, reported in:											
Special revenue funds											
Policy Reserve	(c)	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)	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		\$ 62,470,507	\$ 53,383,900	\$ 49,289,039	\$ 53,137,484	\$ 56,638,080	\$ 56,230,460	\$ 52,407,284	\$ 52,254,924	\$ 62,700,130	\$ 65,527,794
Other Governmental Funds											
Reserved		\$ 85,741,579	\$ 65,025,259	\$ 36,701,725	\$ 42,655,158	\$ 45,371,137	\$ 29,592,991	\$ 34,782,676	\$ 45,469,232	\$ -	\$ -
Special revenue funds											
Unreserved	(a)	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	31,884,124
Committed	(b)	-	-	-	-	-	-	-	-	4,082,737	3,302,017
Assigned	(b)	-	-	-	-	-	-	-	-	887,822	886,783
Debt service funds											
Unreserved	(b)	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	14,909,050
Committed	(b)	-	-	-	-	-	-	-	-	-	3,196,082
Assigned	(b)	-	-	-	-	-	-	-	-	-	478,860
Capital projects funds											
Unreserved	(b)	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	7,898,264
Committed	(b)	-	-	-	-	-	-	-	-	1,108,279	1,368,792
Assigned	(b)	-	-	-	-	-	-	-	-	22,032,405	16,369,760
Total all other governmental funds		141,723,564	112,107,778	87,156,522	99,643,348	106,533,329	94,748,521	96,624,817	105,885,129	95,575,993	80,293,732
Total fund balances		\$ 204,194,071	\$ 165,491,678	\$ 136,445,561	\$ 152,780,832	\$ 163,171,409	\$ 150,978,981	\$ 149,032,101	\$ 158,140,053	\$ 158,276,123	\$ 145,821,526

Notes:

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

Exhibit A-5

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



Note: See Exhibit A-4, Revenues, Taxes

Exhibit A-6

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

	<u>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>	<u>2011</u>
Sales and Use Tax Receipts by Business Sector										
Retail trade	\$ 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	\$ 70,688,223
Accommodation & food services	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	17,959,788
Information/Media	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	11,466,736
Utilities	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	11,749,053
Real estate, rental & leasing	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	3,690,601
Manufacturing	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	2,408,912
Wholesale trade	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	6,006,394
Finance and insurance	1,655,349	1,286,834	1,036,981	908,032	985,344	1,032,270	1,033,487	944,147	806,789	843,281
Health Care and Social Assistance (a)	-	-	-	-	-	-	1,278,344	1,628,884	1,235,574	1,359,860
Arts, entertainment & recreational	967,856	912,800	958,913	916,219	880,367	825,845	843,638	935,766	935,834	973,437
Professional, scientific and technical	648,743	801,065	728,034	1,025,581	958,251	1,050,971	939,483	1,206,693	1,263,796	1,748,739
Construction	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	1,280,502
Other services	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	3,852,438
Automobile use tax	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	10,597,687
Building materials use tax	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	4,889,066
Total Sales and Use Tax Receipts	\$ 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	\$ 149,514,717
City direct sales/use tax rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

SOURCE: City of Aurora's Sales Tax Division, except for automobile and building material use tax which is tracked within the Controller's Office.

Amounts shown on this table from the City Sales Tax Division include taxes received for both the General Fund and AURA.

The amounts reflected in this table are gross amounts received and will not necessarily reflect U.S. GAAP as recorded in the financial statements; differences include refunds and accruals.

(a) For 2002 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
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%
2011	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
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%
2011	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%
2011	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 were presented for the first time.

Exhibit A-8

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

	2011			2002		
	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	\$ 16,323,007	1	10.92%	\$ 13,531,168	1	10.20%
Full-service restaurants	12,318,157	2	8.24%	10,406,738	2	7.84%
Electrical power generation, distribution	11,599,606	3	7.76%	9,896,382	3	7.46%
Building materials & supplies stores	7,952,296	4	5.32%	5,636,952	6	4.25%
Telecommunications	7,376,088	5	4.93%	5,691,539	5	4.29%
Clothing stores	6,460,110	6	4.32%	3,855,009	8	2.91%
Electronics and appliance stores	5,394,735	7	3.61%	-		
Limited-service eating places	4,578,062	8	3.06%	-		
Other general merchandise stores	4,319,113	9	2.89%	3,455,022	9	2.60%
Automobile dealers	4,269,519	10	2.86%	6,434,622	4	4.85%
Other miscellaneous store retailers				4,846,987	7	3.65%
Grocery stores				3,424,216	10	2.58%
Total	\$ 80,590,693		53.90%	\$ 67,178,635		50.64%

SOURCE: City of Aurora's Sales Tax Division

Note: Total city sales and use tax receipts were \$149,514,717 for 2011 and \$132,658,388 for the year 2002.

The 2002 and 2011 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
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
2011	2012	571,321,870	2,351,296,661	6,499,400	2,929,117,931	-2.6%	22,127,623,674	-2.8%	13.2%	10.653

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

The assessed valuation percentage is established each year and was as follows: Residential: 2002 - 9.15%; and 2003 through 2011 - 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: \$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 - 2009; \$4,553,030 - 2010 and \$8,453,960 - 2011 Adams; \$10,156,782 - 2010 and \$16,694,359 - 2011 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 and 2011 - \$10,911,020.

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
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
2011	2012	10.653	26.806	17.316	54.159	54.367	91.618	82.128	82.336

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

(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

	2011			2002		
	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation
Xcel Energy	\$ 103,754,180	1	3.54%	\$ 38,417,660	2	1.58%
Qwest Communications	42,422,800	2	1.45%	55,320,200	1	2.28%
Verizon	23,057,590	3	0.79%			
Columbia HealthOne	20,300,000	4	0.69%	19,753,000	3	0.81%
Arapahoe Crossings	16,593,220	5	0.57%			
CPT Operating Partnership	12,328,400	6	0.42%			
Weingarten/Miller/Aurora II	11,388,310	7	0.39%			
Retail Property Trust	9,570,000	8	0.33%	6,960,000	9	0.29%
Comcast of Colorado	9,390,480	9	0.32%			
Medical Center of Aurora	8,407,460	10	0.29%			
AT&T Broadband				17,474,490	4	0.72%
Glenborough Properties				15,397,910	5	0.63%
Qwest Wireless (formerly U.S. West Wireless)				11,004,950	6	0.45%
Security Capital Industrial Trust (formerly Pro Logis)				9,489,050	7	0.39%
Sumitomo Bank Leasing				7,018,000	8	0.29%
Nationwide Hospitality				6,380,010	10	0.26%
Total	\$ 257,212,440		8.78%	\$ 187,215,270		7.70%

Source: Data obtained from Certifications of Valuations provided by Adams, Arapahoe and Douglas Counties. The Total Assessed Value in assessment year 2011 is \$2,929,117,931 and 2002 was \$2,431,312,340. This total does not include the tax increment financing district assessed valuation for 2011 of \$25,148,319 or 2002 of \$6,685,640. It also does not include General Improvement District (GID) assessed value for 2011 of \$10,911,020. Collections for GIDs are reported beginning in 2010.

Exhibit A-12

City of Aurora, Colorado
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

Assessment/ Levy Year	Collection/ Budget Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Collections/ (Refunds) (b)	Total Tax Collections	Collections as % of Current Tax Levy	TABOR (c)		Tax Increment Collections	General Improvement District Collections (e)	Total Property Tax Revenues
								Excess Collections	Tax Credit			
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	31,564,907	31,160,862	98.72%	(204,378)	30,956,484	98.07%	-	-	1,275,143	59,084	32,290,711
2010	2011	31,852,540	31,428,726	98.67%	(347,252)	31,081,474	97.58%	-	-	1,448,501	134,505	32,664,480

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

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

Exhibit A-13

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

Year	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Personal Income (b)	Per Capita	Population (a)
	General Obligation Bonds	Revenue Bonds	Special Assessments Notes	Certificates of Participation	Capital Leases	Tax Increment Bonds	General Obligation Bonds	Revenue Bonds	Water Rights Notes	Capital Leases	Revenue Notes				
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
2011	20,170,000	4,765,000	1,010,000	102,160,000	843,366	-	-	620,376,215	2,059,403	72,060	75,750,000	827,206,044	22.4%	2,468	335,105

Notes:

- (a) The population for 2002 was provided by the Denver Regional Council of Governments (DRCOG). The population for 2003 through 2005 and 2011 was provided by Clarion Associates. The population for 2006 was provided by the Aurora's Economic and Development Council. For 2007 through 2009, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) See Exhibit A-18 (Demographic and Economic) for personal income (based on labor force) totals.

Exhibit A-14

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

Year	Population (a)	Assessed Value (b)	Debt		Total Gross General Obligation Bonded Debt (c)	Less: Debt Service 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					
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
2011	335,105	2,929,117,931	20,170,000	-	20,170,000	1,474,560	18,695,440	0.6%	56

Notes:

- (a) The population for 2002 was provided by the Denver Regional Council of Governments (DRCOG). For 2003 through 2005 and for 2011, population count was provided by Clarion Associates. 2006 population was provided by the Aurora's Economic and Development Council. For 2007 through 2009, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) Does not include tax increment financing district assessed valuation of: \$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 - 2009, \$4,553,030 for 2010, and \$8,453,960 - 2011 Adams; \$10,156,782 for 2010, and \$16,694,359 - 2011 Arapahoe. Does not also include General Improvement Districts (GIDs) assessed value of: 2010 - \$7,059,720 and 2011 - \$10,911,020. Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties.
- (c) Gross general obligation bonded debt includes general obligation bonds supported by General Fund revenues and general obligation bonds for GIDs which are paid from property tax levies. Includes \$19,080,000 of General Obligation Bonds Refunding Series 2010 and general obligation bonds for GIDs 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, 2011

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (d)</u>	<u>Estimated Share of Overlapping Debt</u>
<i>Direct:</i>			
City of Aurora (a)			\$ 129,468,253
<i>Overlapping:</i>			
Debt repaid with property taxes			
Adams-Arapahoe School District 28J General obligation bonds (b)	365,783,559	92.64%	338,860,014
Cherry Creek School District General obligation bonds (b)	420,097,946	27.28%	114,590,264
Other overlapping entities (c) General obligation bonds (b)	1,286,086,180	39.90%	513,143,994
Other debt	65,048,517	100.00%	65,048,517
Debt repaid from other sources (e)			
Cherry Creek School District	1,815,000	27.28%	495,078
Adams-Arapahoe School District 28J	3,634,970	92.64%	3,367,418
Other overlapping entities (c) Revenue bonds	543,543,807	93.36%	507,448,807
Other debt	310,554,262	90.68%	281,600,745
Total overlapping debt:			<u>1,824,554,837</u>
Total Direct and Overlapping Debt			<u>\$ 1,954,023,090</u>

Notes:

- (a) Includes all governmental activities debt of the city of Aurora, such as general obligation bonds, revenue bonds, certificates of participation and special assessments.
- (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 250 other taxing entities overlap the city in whole or in part and are located within the Arapahoe, Adams and/or Douglas County boundaries.
- (d) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for all debt paid from other sources.
- (e) This category includes any remaining debt held by overlapping entities which is paid from sources other than property taxes (e.g., sales tax, tolls, facility fees, etc.).

Exhibit A-16

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

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed valuation, all Counties:	\$	2,929,117,931	
Debt limit - 3% of assessed valuation			87,873,538
Amount of debt outstanding:			
Total bonded debt		645,311,215	
Other debt		181,894,829	
Total		<u>827,206,044</u>	
Deductions allowed by law:			
General obligation bonds exempt from limit		19,080,000	(a)
Revenue bonds		625,141,215	(b)
Capitalized lease obligations		915,426	(b)
Certificates of participation		102,160,000	(b)
Revenue notes		76,760,000	(b)
Water right notes		<u>2,059,403</u>	(b)
Total deductions		<u>826,116,044</u>	
Total amount of debt applicable to debt limit			1,090,000
Funds available in debt service funds		1,474,560	(c)
Amount of debt applicable to debt limit		<u>1,090,000</u>	<u>(1,090,000)</u>
Net amount of debt applicable to debt limit			<u>-</u>
Legal Debt Margin			87,873,538 (d)

	<u>Last Ten Fiscal Years</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>	<u>2011</u>
Debt limit	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	87,873,538
Total net debt applicable to limit	<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>	<u>-</u>
Legal debt margin	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	87,873,538
Total net debt applicable to the limit as a percentage of debt limit	10.0%	8.1%	6.9%	5.4%	4.5%	3.0%	1.8%	1.3%	0.7%	0.0%

- (a) A portion of the Refunding Series 2010 bonds and the General Improvement District bonds are exempt from the debt limit.
- (b) Revenue bonds and other forms of debt paid from revenues generated are exempt from the debt limit.
- (c) The funds available is assigned to pay down debt and is a reduction of outstanding debt. Utilize City Debt Service Fund funds available to the extent of outstanding debt applicable to debt limit.
- (d) Article X, Section 20(4)(b) of the Colorado Constitution requires the city to receive voter approval in advance for the creation of any multiple fiscal year direct or indirect debt or other financial obligation, regardless of whether or not the city is at its legal debt margin. Typically, voter approval of additional debt includes a provision exempting the new debt from the debt margin. Consequently, the computation of the city's legal debt margin has little real significance.

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

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF WATER REVENUE BOND COVERAGE

Last Ten Years

Year	Gross		Net Revenue Available For Debt Service	Debt Service Requirements								Coverage Ratios (g)			
	Revenue (a)	Expenses (b)		First Lien Revenue Obligations (c)		First & Second Lien Revenue Obligations (d)		Debt Secured by Net Pledged Revenues (e)		Debt Payable from System Revenues (f)		(c)	(d)	(e)	(f)
				Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest				
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
2011	125,130,039	46,573,513	78,556,526	5,300,000	29,365,365	5,300,000	32,205,990	5,887,494	32,367,710	12,252,494	33,104,110	2.27	2.09	2.05	1.73

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

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income. Excludes fair value adjustment and annexation fees.
- (b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.
- (c) Includes the city's portion of the Colorado Water Resources and Power Development Authority's (CWRPDA) Drinking Water Bonds Series 1999A and 2005D and the City's First Lien Water Improvement Revenue Bonds Series 2008, 2007 and 2003A. In 2010, the CWRPDA Drinking Water Bonds Series 1999A was paid off and in 2011, the 2003A 1st Lien Water Improvement Revenue Bonds were defeased. The legal covenant for debt service coverage for these obligations is 1.20 except for the CWRPDA Water Bonds which is 1.10.
- (d) Includes (c) above and for 2004 through 2007 Second Lien Water Improvement Revenue Bonds Series 2004A. The legal covenant through 2009 for debt service coverage is 1.05. In 2008, the 2004A issue was refunded with the 2008A 1st lien issue. In 2007, a note with the Colorado Water Conservation board was entered into and takes a second lien parity with existing obligations.
- (e) Includes (d) above and all Water Rights Notes Payable. The legal covenant for debt service coverage is 1.05.
- (f) Includes (e) above and General Obligation Water Bonds which are payable from revenues of the system but are not secured by the Net Pledged Revenues. In 2011, the General Obligation Water Bonds were paid off. The legal covenant for debt service coverage is 1.00.
- (g) Net Revenue Available for Debt Service divided by Total Debt Service Requirements for "c", "d", "e" and "f", respectively.

(continued)

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF WASTEWATER REVENUE BOND COVERAGE

Last Ten Years

Year	Gross Revenue (a)	Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements (c)			Coverage Ratio (d)
				Principal	Interest	Total	
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
2011	56,543,592	36,205,235	20,338,357	2,910,843	2,967,180	5,878,023	3.46

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

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income. Excludes fair value adjustment and annexation fees.
- (b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.
- (c) The Debt Service Requirements consist of the First Lien Sewer Improvement Revenue Bonds, Series 2006, and the Colorado Water Resources and Power Development Authority's (CWRPDA) Clean Water Revenue Bonds, Series 1999A.
- (d) Net Revenue Available for Debt Service divided by Total Debt Service Requirements. The legal covenant for debt service coverage is 1.20 for the Series 2006 and 1.10 for the CWRPDA Series 1999A.

(continued)

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF GOLF REVENUE BOND COVERAGE

Last Ten Years

Year	Gross Revenue (b)	Operating & Maintenance Expenses (c)	Net Revenue Available For Debt Service	Senior Debt Service Requirements (a)				Subordinate Debt Service Requirements (a)			
				Principal	Interest	Total	Coverage Ratio (d)	Principal	Interest	Total	Coverage Ratio (e)
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	256,000	174,862	430,862	0.76
2005	9,083,314	7,452,160	1,631,154	524,924	311,925	836,849	1.95	256,000	184,687	440,687	1.80
2006	9,331,298	7,966,640	1,364,658	584,563	208,773	793,336	1.72	256,000	219,261	475,261	1.20
2007	9,932,252	8,294,101	1,638,151	604,644	185,917	790,561	2.07	256,000	241,595	497,595	1.70
2008	9,769,750	8,674,373	1,095,377	625,189	160,373	785,562	1.39	56,000	200,102	256,102	1.21
2009	9,127,449	7,894,302	1,233,147	529,199	133,944	663,143	1.86	56,000	227,600	283,600	2.01
2010	8,408,174	7,655,245	752,929	420,000	114,925	534,925	1.41	56,000	224,800	280,800	0.78
2011	7,991,942	7,237,047	754,895	435,000	98,125	533,125	1.42	56,000	222,000	278,000	0.80

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

- (a) The Senior Debt Service Requirement consists of the 1995 Golf Revenue Bonds and, beginning in 2004, the 2004 Golf Revenue Note which was fully paid in 2009. In 2005, the 1995 Golf Revenue Bonds were replaced by the 2005 Golf Revenue Refunding Bonds. The Subordinate Debt Service Requirement is the 1994 Interfund Loan Payable to the Wastewater Fund which was refinanced in 2008.
- (b) Includes operating revenues, investment income, miscellaneous non-operating revenues, annexation fees and golf lot premium fees. Excludes fair value adjustment.
- (c) Includes operating expenses such as personal services, supplies, other services and charges and the principal and interest on the golf cart leases. Excludes depreciation expense.
- (d) Net Revenue Available for Debt Service divided by Total Senior Debt Service Requirements. For years beginning with 2005, the legal covenant for debt service coverage is 1.35. For years prior to 2005, the legal covenant for debt service coverage is 1.50.
- (e) Net Revenue Available for Debt Service less Total Senior Debt Service Requirements, divided by Total Subordinate Debt Service Requirements. The legal covenant for debt service coverage is 1.00. In 2011, 2010 and 2004 the ratio dropped below 1.00, as a result, a consultant was hired in accordance with the bond covenants to provide recommendations to bring the ratio to 1.00.

(concluded)

Exhibit A-18

**City of Aurora, Colorado
Demographic and Economic Statistics**

Last Ten Years

Year	General Population (a)	Personal Income (b)	Aurora Labor Force Population (c)	Personal Income Per Capita (Labor Force)	Unemployment Rate (d)
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%
2011	335,105	3,687,345,727	177,617	20,760	9.0%

Notes:

- (a) The population for 2002 was provided by the Denver Regional Council of Governments (DRCOG). For 2003 through 2005 and for 2011, population count was provided by Clarion Associates. 2006 population was provided by the Aurora's Economic and Development Council. For 2007 through 2009, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) Data was provided by the city's Planning Department. Personal income totals provided to the city by the State of Colorado, Department of Labor and Employment, Quarterly Census of Employment and Wages. These totals are based on data provided to the State by businesses (for unemployment purposes) and do not include businesses with 3 or less employees.
- (c) Data provided by the city's Planning Department through the Colorado Department of Labor and Employment. Totals include Aurora residents employed or potentially employable, sixteen years of age or older.
- (d) Data was provided by the city's Planning Department. Source - Colorado Department of Labor and Employment.

Exhibit A-19

City of Aurora, Colorado
Top Ten Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2011</u>			<u>2002</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	7.48%	9,375	1	6.05%
University of Colorado Anschutz Medical Campus	6,560	2	4.06%			
Aurora Public Schools	5,000	3	3.09%	2,850	3	1.84%
The Children's Hospital	4,270	4	2.64%			
University of Colorado Hospital	4,000	5	2.47%			
Cherry Creek Public Schools (c)	3,850	6	2.38%	4,200	2	2.71%
City of Aurora (d)	3,710	7	2.29%	2,633	4	1.70%
Raytheon	2,140	8	1.32%	1,850	5	1.19%
Kaiser Permanente	1,770	9	1.09%			0.00%
ADT Security Systems	1,600	10	0.99%	1,600	6	1.03%
Health One Medical Center of Aurora				1,500	7	0.97%
King Soopers				1,200	8	0.77%
Wal-Mart				1,100	9	0.71%
University of Colorado Health Sciences Center				885	10	0.57%

Note: Data provided by the Aurora Economic Development Council and the city of Aurora unless otherwise noted. Information on 2011 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 2011 was 161,671 and for 2002 was 155,075 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 2011 includes only those school district employees working within the city.
- (d) The city of Aurora employee count includes temporary and seasonal workers.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
City Council	13.00	14.00	14.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00
Finance	54.50	57.50	60.50	60.50	60.00	63.00	65.00	62.50	63.50	63.50
General Management (includes Civil Service) (g)	42.50	40.50	44.80	131.80	125.30	127.80	130.80	125.30	96.80	99.50
Human Resources (a)	29.00	28.00	27.00	26.00	24.00	24.00	24.00	24.00	24.00	-
Information Technology	49.00	48.00	45.00	43.00	43.00	47.00	47.00	46.00	42.00	42.00
Internal Services (b)	92.00	95.00	92.00	-	-	-	-	-	-	-
Communications (i)	-	-	-	-	-	-	-	-	-	21.30
Planning	49.12	49.12	46.12	45.12	44.10	45.10	45.10	34.12	31.00	31.00
Judicial										
City Attorney	49.00	50.00	50.00	50.00	50.00	51.00	52.00	50.50	49.00	49.00
Court Administration (includes Judicial) (c)	71.50	124.00	125.00	125.00	125.00	126.00	126.00	122.50	120.50	121.50
Public Defender	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.50	8.50
Police	797.00	787.00	732.00	740.00	759.00	773.00	778.00	778.00	772.50	786.00
Fire	356.00	346.00	318.00	309.00	325.00	329.00	329.00	323.00	325.00	325.00
Other Public Safety (d)	4.00	4.00	70.00	70.00	78.00	85.00	85.00	85.00	81.00	81.00
Public Works (h)	189.00	189.00	186.00	185.00	185.00	196.00	196.00	186.00	241.00	241.00
Community Services										
Neighborhood Services (f)	178.20	177.20	163.60	165.60	160.50	158.50	158.50	137.50	72.50	72.50
Culture and Recreation										
Library and Cultural Services (e)	187.80	198.20	187.80	182.00	177.00	183.50	184.50	183.50	65.90	67.40
Parks, Recreation & Open Space (e)	199.80	203.30	196.30	193.50	187.50	202.80	202.80	199.75	245.70	237.20
Water	167.25	183.16	195.37	206.00	241.00	258.15	266.70	270.30	270.72	269.40
Wastewater	98.75	101.84	108.63	123.00	134.00	144.85	148.30	155.70	152.28	152.60
Total	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	2,682.40

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

- Notes:
- (a) Starting in 2011, Human Resources became Internal Services and is reported under General Management.
 - (b) Internal Services positions included in General Management starting 2005.
 - (c) Positions for detention center moved from Police and included in Court Administration beginning 2003.
 - (d) Additional positions moved from Police and Fire for the communications center (Other Public Safety function) beginning in 2004.
 - (e) In 2010, approximately 67 Recreation positions were moved from the Library and Cultural Services department to the Parks, Recreation and Open Space department, and another 6 to other city departments. Also, the 2008 recession and resulting budget reductions required four libraries to be closed in 2010 with a corresponding decrease in full time employees (approximately 44 from Library and Cultural Services and 21, mostly Forestry, from Parks, Recreation, and Open Space).
 - (f) In 2010, some Community Services positions were moved to Public Works.
 - (g) In 2010, Facilities Management operations (part of General Management) was moved to Public Works function.
 - (h) In addition to the positions that moved into Public Works from General Management and Community Services, approximately 30 positions were cut from the Public Works function in the 2010 budget.
 - (i) Prior to 2011, Communications was reported as part of General Management.

Exhibit A-21

City of Aurora, Colorado
Operating Indicators by Function
Last Ten Years

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
<i>Building Permits: Data provided by COA Building Code Division</i>										
Permits Issued (a)	9,701	9,034	9,920	10,121	10,037	9,538	9,931	15,574	13,729	9,958
Value of Buildings (millions \$)	614	530	750	897	777	992	452	349	415	327
<i>Tax & Licensing: Data provided by COA Tax & Licensing Division</i>										
New business licenses	3,280	2,897	2,661	2,099	2,183	2,333	2,081	2,078	2,014	2,027
Police Protection: Data provided by COA Police Department										
Number of Law Violations (Part I Crime) (b)	18,206	17,050	16,895	16,506	14,872	13,583	12,393	11,758	11,760	11,446
Total calls dispatched & officer initiated	254,153	168,712	276,441	288,682	300,953	317,442	309,712	402,165	409,955	401,913
Total moving violations	41,631	41,834	40,841	44,487	42,801	49,043	48,500	46,818	47,853	47,920
Total parking violations	8,697	8,054	6,713	7,898	7,433	9,164	9,027	8,665	7,429	7,219
Fire Protection: Data provided by COA Fire Department										
Number of fire inspections	7,506	7,665	8,111	7,639	7,845	8,723	9,563	9,002	9,943	9,546
Total Fire calls (Fire, EMS, other)	23,268	24,042	23,857	26,011	26,870	29,839	30,088	30,648	33,268	35,446
Haz Mat calls	47	39	42	34	20	35	39	6	7	28
Community Services: Data provided by COA Neighborhood Services Department										
Total number of Code Enforcement Inspections	80,745	84,127	90,382	86,477	84,599	89,493	65,055	67,458	87,633	72,012
Culture and Recreation: Data provided by COA Parks and Open Space, and Library and Cultural Services Departments										
Library items circulated	(c)	1,001,651	1,136,356	1,152,630	1,173,261	1,163,463	1,248,501	1,181,843	764,866	762,302
Library patron visits	(c)	850,525	891,831	926,497	1,036,513	1,213,191	1,367,509	1,290,115	793,355	745,890
Recreational classes offered	(c)	7,407	8,013	8,363	8,229	7,697	7,523	5,889	6,876	7,659
Recreational attendance	(c)	314,485	306,898	289,539	286,292	278,216	296,228	295,937	302,565	330,621
Cultural services in house program attendance	(c)	221,464	174,673	186,783	186,976	124,916	146,542	129,052	151,008	157,958

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 2003.

Exhibit A-22

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police Protection: Data provided by COA Police Department										
Patrol Vehicles	138	138	156	165	167	167	158	151	151	155
Detention Facilities (a)	1	1	1	1	1	1	1	1	1	1
Fire Protection: Data provided by COA Fire Department										
Number of Fire Stations	12	13	13	13	15	15	15	15	15	15
Public Works: Data provided by COA Public Works Department										
Miles of Improved Streets (center-line miles)	1,014	1,054	1,095	1,118	1,172	1,174	1,174	1,174	1,174	1,175
Tons of asphalt for patching & overlay (b)	175,213	170,422	181,211	171,108	179,125	188,037	189,594	211,193	146,331	127,917
Square yards of street repair & overlay (b)	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	1,925,685
Culture and Recreation: Data provided by COA Parks, Recreation, and Open Space, and Library and Cultural Services Departments										
Number of Playgrounds	65	65	75	78	79	79	80	82	84	87
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	7	7	7
Parks - Number of Acres (c)	7,700	7,700	7,937	8,045	8,627	8,630	10,069	10,689	10,677	10,660
Number of Libraries (f)	7	7	7	7	7	7	7	7	3	4
Water: Data provided by COA Aurora Water Department										
Number of Water Taps (d)	65,933	67,953	70,709	70,759	76,240	76,422	76,655	76,707	78,423	79,006
Miles of water mains constructed (e)	35	35	54	63	52	25	19	7	12	4
Wastewater: Data provided by COA Aurora Water Department										
Number of Sanitary Sewer Taps (d)	72,920	74,616	76,901	79,974	82,754	84,384	85,177	85,645	86,268	86,850
Miles of Sanitary Sewer constructed (e)	27	24	25	47	38	10	8	2	3	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 (PROS) revised the methodology used to calculate totals. In 2008, PROS used more refined and updated information from their GIS data system. The 2011 reduction in park acreage is due to refined mapping techniques.

(d) Total includes inactive and stubbed taps.

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

(f) Due to ongoing declining General Fund budgets, four libraries were closed in 2010. The Mission Viejo Library was reopened in 2011 but on a limited service hours.



Other Schedules Section Divider

Other Schedules
(unaudited)



MISCELLANEOUS SCHEDULES

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

DEBT CONTINUING DISCLOSURES

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

EXHIBIT B-1
SCHEDULE OF INDEBTEDNESS – ALL FUNDS
DECEMBER 31, 2011

	Interest Rates	Dates		Debt		Current Maturities
		Issue	Maturity	Authorized and Issued	Outstanding	
GENERAL OBLIGATION DEBT						
Supported by Dedicated Property Tax Refunding Series 2010	2.50 - 5.00%	06/03/10	2015	\$ 21,035,000	\$ 16,065,000	\$ 5,110,000
Unamortized premium				-	1,447,409	-
Total supported by dedicated property tax				<u>21,035,000</u>	<u>17,512,409</u>	<u>5,110,000</u>
REVENUE BONDS						
Supported by General Fund revenues Refunding Series 2009	3.00 - 4.00%	10/14/09	2014	7,850,000	4,765,000	1,540,000
Unamortized premium				-	158,431	-
Unamortized deferred amount on refunding				-	(110,894)	-
Total supported by General Fund revenues				<u>7,850,000</u>	<u>4,812,537</u>	<u>1,540,000</u>
Supported by Water Fund revenues						
Governmental agency	3.20 - 5.00%	09/29/05	2035	100,000,000	97,730,000	2,340,000
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				-	12,154,203	-
Unamortized deferred amount on refunding				-	(520,108)	-
Total supported by Water Fund revenues				<u>561,490,000</u>	<u>570,854,095</u>	<u>2,340,000</u>
Supported by Wastewater Fund revenues						
Governmental agency	4.00 - 5.375%	07/01/99	2014	24,124,366	5,716,215	1,819,285
First-Lien Sewer Revenue	4.00 - 5.00%	04/25/06	2036	57,790,000	53,515,000	1,185,000
Unamortized premium				-	1,193,896	-
Total supported by Wastewater Fund revenues				<u>81,914,366</u>	<u>60,425,111</u>	<u>3,004,285</u>
Supported by Golf Fund revenues						
Golf Course Enterprise System refunding	3.50 - 4.375%	07/26/05	2015	4,625,000	1,925,000	455,000
Unamortized deferred amount on refunding				-	(49,455)	-
Total supported by Golf Fund revenues				<u>4,625,000</u>	<u>1,875,545</u>	<u>455,000</u>
NOTES						
Supported by Water Fund revenues						
Water Rights Rocky Ford II	2.30%	various 2004	2019	8,280,091	2,059,403	-
Colorado Water Conservation Board Note	3.75%	various 2008	2040	75,750,000	75,750,000	-
Total supported by Water Fund revenues				<u>84,030,091</u>	<u>77,809,403</u>	<u>-</u>
Supported by Special Assessments						
Special Improvement District - Dam West	4.89%	10/20/05	2015	1,140,000	360,000	10,000
Special Improvement District - Ptarmigan Fence	5.00%	11/28/07	2017	1,075,000	650,000	10,000
Total supported by Special Assessments				<u>2,215,000</u>	<u>1,010,000</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	3,270,000	1,600,000
ACLIC certificates of participation	3.00 - 3.625%	03/01/05	2014	10,325,000	4,035,000	1,090,000
ACLIC certificates of participation-refunding	4.00 - 5.00%	02/07/06	2015	20,290,000	10,695,000	2,500,000
ACLIC certificates of participation-refunding	4.099 - 5.00%	09/24/09	2030	84,160,000	84,160,000	-
Unamortized premium				-	6,847,043	-
Unamortized discount				-	(25,714)	-
Unamortized deferred amount on refunding				-	(11,110,327)	-
Total supported by Lease Payments				<u>130,155,000</u>	<u>97,871,002</u>	<u>5,190,000</u>
Supported by Property Tax Levies						
GO Bonds - Cherry Creek Fence GID	5.25%	12/02/09	2029	700,000	660,000	25,000
GO Bonds - Meadow Hills Fence GID	4.99%	12/22/10	2031	520,000	480,000	15,000
GO Bonds - Peoria Park Fence GID	5.45%	06/01/10	2031	375,000	365,000	11,000
GO Bonds - Pier Point Sewer GID	4.38%	10/31/11	2031	2,600,000	2,600,000	80,000
Total supported by Property Tax Levies				<u>4,195,000</u>	<u>4,105,000</u>	<u>131,000</u>
Total supported by Includable Entities				<u>134,350,000</u>	<u>101,976,002</u>	<u>5,321,000</u>
TOTAL INDEBTEDNESS				<u>\$ 897,509,457</u>	<u>\$ 836,275,102</u>	<u>\$ 17,790,285</u>

EXHIBIT B-2
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2011

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%		4.38-5.45%		3.00-5.00%		4.89-5.00%		3.45-4.15%		3.00-4.00%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 5,110,000	\$ 708,900	\$ 131,000	\$ 197,120	\$ 5,190,000	\$ 4,843,280	\$ 20,000	\$ 49,857	\$ 436,287	\$ 29,689	\$ 1,540,000	\$ 119,850
2013	4,325,000	504,500	136,000	186,211	5,400,000	4,634,600	20,000	48,868	407,079	12,056	1,590,000	72,900
2014	4,515,000	331,500	142,000	179,827	4,545,000	4,395,622	20,000	47,879	-	-	1,635,000	24,525
2015	2,115,000	105,750	147,000	173,171	2,865,000	4,226,225	340,000	46,890	-	-	-	-
2016	-	-	163,000	166,294	3,640,000	4,082,975	10,000	30,375	-	-	-	-
2017-2021	-	-	921,000	710,615	20,645,000	17,969,400	600,000	29,875	-	-	-	-
2022-2026	-	-	1,145,000	473,793	26,135,000	12,482,750	-	-	-	-	-	-
2027-2031	-	-	1,320,000	181,608	33,740,000	4,876,000	-	-	-	-	-	-
Total	\$ 16,065,000	\$ 1,650,650	\$ 4,105,000	\$ 2,268,639	\$ 102,160,000	\$ 57,510,852	\$ 1,010,000	\$ 253,744	\$ 843,366	\$ 41,745	\$ 4,765,000	\$ 217,275

Year Due	Business-type Activities									
	Revenue Bonds Supported by Water Revenues		Notes Payable Supported by Water Revenues		Revenue Bonds Supported by Wastewater Revenues		Revenue Bonds Supported by Golf Revenues		Capital Leases Supported by Golf Revenues	
	3.20-5.00%		2.30-3.75%		4.00-5.375%		3.50-4.375%		5.075%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 2,340,000	\$ 27,320,126	\$ -	* \$ 2,840,625	\$ 3,004,285	\$ 2,869,878	\$ 455,000	\$ 80,725	\$ 72,060	\$ 2,896
2013	2,420,000	27,242,906	2,162,746	2,943,595	3,113,110	2,756,367	470,000	62,525	-	-
2014	2,500,000	27,160,625	2,221,818	2,855,148	3,308,820	2,561,422	490,000	43,137	-	-
2015	2,625,000	27,035,625	1,872,494	2,764,487	1,340,000	2,408,013	510,000	22,313	-	-
2016	2,760,000	26,904,375	1,936,079	2,692,057	1,390,000	2,354,413	-	-	-	-
2017-2021	42,090,000	131,788,113	10,367,069	12,296,030	7,955,000	10,786,563	-	-	-	-
2022-2026	111,835,000	113,060,675	11,824,358	10,255,026	10,065,000	8,664,225	-	-	-	-
2027-2031	141,895,000	83,009,156	14,214,059	7,865,326	12,770,000	5,961,875	-	-	-	-
2032-2036	158,825,000	45,872,688	17,086,717	4,992,667	16,285,000	2,442,412	-	-	-	-
2037-2041	91,930,000	9,342,500	16,124,063	1,539,445	-	-	-	-	-	-
Total	\$ 559,220,000	\$ 518,736,789	\$ 77,809,403	\$ 51,044,406	\$ 59,231,215	\$ 40,805,168	\$ 1,925,000	\$ 208,700	\$ 72,060	\$ 2,896

* A principal and interest payment of \$587,494 and \$132,345 respectively, was made on the 2004 note payable on December 31, 2011 due January 1, 2012.



EXHIBIT B3
LOCAL HIGHWAY FINANCE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Aurora, Colorado			
		YEAR ENDING : December 2011			
This Information From The Records Of (example - City of _ or County of _ City of Aurora, Colorado)		Prepared By: Phone:	Laila Schmidt (303) 739-7793		
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)	17,110,315		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	15,082,775		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	2,679,123		
2. General fund appropriations		b. Snow and ice removal	2,158,121		
3. Other local imposts (from page 2)	25,715,600	c. Other	5,218,342		
4. Miscellaneous local receipts (from page 2)	6,854,439	d. Total (a. through c.)	10,055,586		
5. Transfers from toll facilities		4. General administration & miscellaneous	1,052,670		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,343,533		
a. Bonds - Original Issues		6. Total (1 through 5)	49,644,879		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	71,100		
7. Total (1 through 6)	32,570,039	b. Redemption	1,100,000		
B. Private Contributions		c. Total (a. + b.)	1,171,100		
C. Receipts from State government (from page 2)	9,086,020	2. Notes:			
D. Receipts from Federal Government (from page 2)	9,169,439	a. Interest			
E. Total receipts (A.7 + B + C + D)	50,825,498	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	1,171,100		
		C. Payments to State for highways	9,519		
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	50,825,498		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	2,190,000		1,100,000	1,090,000	
1. Bonds (Refunding Portion)			1,100,000		
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		50,825,498	50,825,498		0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2011	
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	1,176,990	a. Interest on investments	19,682
b. Other local imposts:		b. Traffic Fines & Penalties	6,204,647
1. Sales Taxes	20,304,063	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	4,234,547	g. Other Misc. Receipts	
6. Total (1. through 5.)	24,538,610	h. Other	630,110
c. Total (a. + b.)	25,715,600	i. Total (a. through h.)	6,854,439
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	8,138,995	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	947,025	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	9,169,439
f. Total (a. through e.)	947,025	g. Total (a. through f.)	9,169,439
4. Total (1. + 2. + 3.f)	9,086,020	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	760,927	208,997	969,924
b. Engineering Costs	1,247,281	1,696,949	2,944,230
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	7,984,977	1,112,533	9,097,510
(3). System Preservation		1,826,603	1,826,603
(4). System Enhancement & Operation	420,262	1,851,786	2,272,048
(5). Total Construction (1) + (2) + (3) + (4)	8,405,239	4,790,922	13,196,161
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	10,413,447	6,696,868	17,110,315
			(Carry forward to page 1)
Notes and Comments:			

**EXHIBIT C1
CITY OF AURORA, COLORADO
SUMMARY OF CONTINUING DISCLOSURES BY ISSUE
DECEMBER 31, 2011:**

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (a)</u>	<u>2011</u>
REVENUES					
Taxes	\$ 204,314,913	\$ 202,061,836	\$ 191,859,369	\$ 195,377,492	\$ 199,321,808
Charges for services	6,979,482	7,601,310	7,495,590	9,179,928	9,408,597
License and permits	2,742,650	2,508,560	2,197,837	2,234,954	2,204,529
Fines and forfeits	6,836,170	6,406,220	6,049,482	8,616,330	9,461,708
Intergovernmental	10,845,109	10,722,674	11,738,686	13,333,242	13,438,514
Miscellaneous	974,544	1,042,271	1,994,879	1,859,321	1,284,418
Investment earnings	3,285,013	2,284,390	1,908,658	878,984	870,779
Total revenues	<u>235,977,881</u>	<u>232,627,261</u>	<u>223,244,501</u>	<u>231,480,251</u>	<u>235,990,353</u>
EXPENDITURES					
<i>Current</i>					
General government	29,106,838	29,897,477	27,068,901	21,482,169	22,187,057
Judicial	7,615,855	7,988,412	7,786,061	7,981,058	7,768,466
Police	71,123,642	75,319,036	75,156,259	78,677,347	82,450,845
Fire	31,753,544	33,183,680	33,453,116	34,791,196	37,082,009
Other public safety	9,512,447	10,149,377	10,260,286	10,810,214	10,406,780
Public works	22,044,805	21,078,438	18,634,508	24,477,697	24,327,451
Economic development	3,783,893	3,552,855	3,575,405	3,968,567	4,775,615
Community services	3,935,571	3,783,371	3,703,618	3,635,491	3,475,560
Culture and recreation	19,950,167	19,884,480	17,391,932	16,089,424	15,915,515
<i>Debt service</i>					
Principal	913,952	987,802	1,326,664	1,114,833	851,310
Interest	141,443	114,434	149,021	100,287	57,517
Capital outlay	5,000,147	1,756,822	418,932	736,405	2,419,815
Total expenditures	<u>204,882,304</u>	<u>207,696,184</u>	<u>198,924,703</u>	<u>203,864,688</u>	<u>211,717,940</u>
Excess of revenues over expenditures	31,095,577	24,931,077	24,319,798	27,615,563	24,272,413
Net other financing uses (a), (b)	<u>(31,503,197)</u>	<u>(28,754,253)</u>	<u>(24,472,158)</u>	<u>(25,273,442)</u>	<u>(21,444,749)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(407,620)	(3,823,176)	(152,360)	2,342,121	2,827,664
FUND BALANCES - January 1	<u>56,638,080</u>	<u>56,230,460</u>	<u>52,407,284</u>	<u>(a)</u>	<u>62,700,130</u>
General Fund balance - January 1, before restatement	—	—	—	22,143,755	—
Adjustment for accounting changes	—	—	—	38,214,254	—
FUND BALANCES - January 1, after restatement	—	—	—	<u>60,358,009</u>	—
FUND BALANCE - December 31	<u>\$ 56,230,460</u>	<u>\$ 52,407,284</u>	<u>\$ 52,254,924</u>	<u>\$ 62,700,130</u>	<u>\$ 65,527,794</u>
General Fund	\$ 27,574,786	\$ 22,792,318	\$ 22,143,755	(a)	(a)
Policy Reserve (c)	20,910,375	21,426,288	21,332,318	(a)	(a)
TABOR Reserve (c)	7,745,299	8,188,738	8,778,851	(a)	(a)

- (a) In 2010, a new accounting pronouncement required a change in reporting of Special Revenue funds. As a result, the fund balances from the TABOR Reserve Fund and the Policy Reserve Fund and a portion of the Designated Revenues Fund were transferred to the General Fund.
- (b) Net other financing uses consist primarily of transfers to other funds. For 2007 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 2007 to 2009, transactions for the TABOR Reserve Fund and the Policy Reserve Fund were accounted for as a Special Revenue fund.

**EXHIBIT C-3
CITY OF AURORA, COLORADO
GENERAL FUND
COMPARATIVE SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE, ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:**

	2007		2008		2009		2010 (a)		2011	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
SOURCES										
Taxes	\$ 204,693,645	\$ 204,970,169	\$ 201,296,982	\$ 211,484,788	\$ 192,998,794	\$ 210,627,064	\$ 195,431,051	\$ 198,205,531	\$ 197,795,914	\$ 198,910,103
Licenses and permits	2,742,650	4,605,374	2,508,560	3,006,765	2,197,837	3,051,103	2,201,001	2,493,903	2,181,654	2,127,854
Intergovernmental	10,800,109	10,653,412	10,722,674	10,606,925	11,738,686	10,754,074	12,738,360	12,404,203	12,829,501	12,693,058
Charges for services	6,979,481	8,440,237	7,601,310	8,003,023	7,495,590	7,792,531	8,286,606	8,623,037	8,837,467	8,931,384
Fines and forfeitures	6,836,170	7,132,819	6,406,220	6,696,024	6,049,482	6,972,101	6,817,969	6,836,200	5,977,427	6,242,119
Investment income	2,912,596	2,367,280	2,146,268	2,917,408	1,602,567	1,932,340	661,468	750,000	871,209	650,000
Other revenues	4,354,898	4,751,348	4,249,395	4,451,845	8,440,912	9,084,632	1,308,040	1,435,638	1,139,423	1,027,614
Transfers in	—	—	—	—	—	—	31,272,714	31,015,125	2,264,512	2,381,638
Total sources	239,319,549	242,920,639	234,931,409	247,166,778	230,523,868	250,213,845	258,717,209	261,763,637	231,897,107	232,963,770
USES										
Municipal Court	9,466,802	9,647,682	9,713,134	9,929,763	9,613,306	9,999,209	10,204,166	10,318,823	9,531,219	9,822,927
City Attorney	4,553,931	4,654,138	4,873,897	4,935,696	4,861,669	5,011,576	4,866,155	5,010,311	5,000,491	5,023,825
General Management	5,473,084	5,629,535	5,501,075	5,947,110	6,220,487	6,653,297	6,186,184	6,606,384	2,947,752	3,051,872
Administrative Services	26,267,487	26,645,401	22,437,789	24,968,601	20,363,081	22,058,755	13,803,532	14,149,546	24,510,620	25,701,179
Operations Group Management	34,343,555	34,800,854	34,783,049	35,479,114	30,462,248	35,587,314	36,134,671	38,304,755	42,809,390	44,242,728
Community Services	124,381,954	125,335,624	130,204,150	131,522,188	129,861,362	134,603,464	123,966,797	125,233,927	117,162,667	117,236,313
Non-departmental	35,668,519	36,474,517	31,015,944	37,218,767	28,875,661	35,024,098	31,402,300	32,797,155	27,753,505	28,250,297
Total uses	240,155,332	243,187,751	238,529,038	250,001,239	230,257,814	248,937,713	226,563,805	232,420,901	229,715,644	233,329,141
Excess (deficiency) of revenues over (under) expenditures	(835,784)	(267,112)	(3,597,629)	(2,834,461)	266,054	1,276,132	32,153,404	29,342,736	2,181,463	(365,371)
FUNDS AVAILABLE - January 1	38,997,450	35,838,342	38,161,666	35,571,230	34,564,035	32,736,769	5,165,400	5,165,400	37,318,804	37,318,803
FUNDS AVAILABLE - December 31	38,161,666	\$ 35,571,230	34,564,037	\$ 32,736,769	34,830,089	\$ 34,012,901	37,318,804	\$ 34,508,136	39,500,267	\$ 36,953,432
Restricted for Reserves (10% policy)	—	—	—	—	—	—	(21,467,734)	—	(20,404,987)	—
Committed for Public Safety (TABOR)	(7,723,875)	—	(8,132,329)	—	(8,647,747)	—	(8,871,465)	—	(8,972,548)	—
Council designations	(9,585,220)	—	(5,153,040)	—	(5,165,400)	—	—	—	—	—
Funds available - after restrictions, and commitments	\$ 20,852,571	—	\$ 21,278,668	—	\$ 21,016,942	—	\$ 6,979,605	—	\$ 10,122,732	—
	(b)		(b)		(b)		(a)		(a)	
Reconciliation to GAAP fund balance										
Funds available - December 31	\$ 38,161,666		\$ 34,564,037		\$ 34,830,089		\$ 37,318,804		\$ 39,500,267	
Current year encumbrances	1,687,871		559,347		974,269		969,518		803,554	
Inventories	—		—		—		9,547		—	
Sales, use and lodgers tax accrual	16,280,560		17,045,414		15,905,989		15,852,432		17,378,325	
Long-term interfund receivables	—		—		—		304,050		240,888	
Deferred revenues-grant awards	—		—		—		496,095		496,095	
Adjust investments to fair value	100,363		238,486		544,577		186,300		125,708	
Adjust for accounting change	—		—		—		7,563,390		6,982,957	
FUND BALANCE - December 31	\$ 56,230,460		\$ 52,407,284		\$ 52,254,924		\$ 62,700,136		\$ 65,527,794	

(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 2007 to 2009, transactions for the TABOR Reserve Fund and Policy Reserve Fund were accounted for as a Special Revenue fund.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
OPERATING REVENUES					
<i>Charges for services</i>					
Customers	\$ 83,489,049	\$ 86,803,419	\$ 84,493,197	\$ 107,030,397	\$ 104,941,420
Total operating revenues	<u>83,489,049</u>	<u>86,803,419</u>	<u>84,493,197</u>	<u>107,030,397</u>	<u>104,941,420</u>
OPERATING EXPENSES					
Cost of sales and services	44,051,174	40,632,915	28,707,693	40,801,328	42,202,299
Administrative expenses	4,861,955	5,034,253	4,544,897	4,504,021	4,371,213
Depreciation	9,774,410	10,169,576	10,390,860	11,113,289	14,734,196
Total operating expenses	<u>58,687,539</u>	<u>55,836,744</u>	<u>43,643,450</u>	<u>56,418,638</u>	<u>61,307,708</u>
Operating income	<u>24,801,510</u>	<u>30,966,675</u>	<u>40,849,747</u>	<u>50,611,759</u>	<u>43,633,712</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	22,391,678	26,606,820	11,254,698	4,989,721	4,407,179
Intergovernmental revenue	126,077	34,322	183,494	71,361	556,905
Miscellaneous revenue	187,358	141,183	104,757	283,593	599,663
Interest expense	(15,544,841)	(21,809,027)	(6,527,282)	(7,757,051)	(8,334,345)
Amortization expense	392,284	551,052	559,950	597,435	(848,667)
Gain (loss)-disposal capital assets	12,486	(242,800)	(508,116)	(100,666)	(209,190)
Gain (loss)-joint venture	(33,395)	(32,008)	(31,680)	(31,512)	(31,334)
Net non-operating revenues (expenses)	<u>7,531,647</u>	<u>5,249,542</u>	<u>5,035,821</u>	<u>(1,947,119)</u>	<u>(3,859,789)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS					
CONTRIBUTIONS AND TRANSFERS	32,333,157	36,216,217	45,885,568	48,664,640	39,773,923
Capital contributions	61,707,007	31,628,255	16,669,965	18,344,367	14,855,566
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE IN NET ASSETS	94,040,164	67,844,472	62,555,533	67,009,007	54,629,489
NET ASSETS - January 1, before restatement	<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>
Adjustment for accounting changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,350</u>	<u>-</u>
NET ASSETS - January 1, after restatement	<u>719,641,873</u>	<u>813,682,037</u>	<u>881,526,509</u>	<u>944,281,392</u>	<u>1,011,290,399</u>
NET ASSETS - December 31	<u>\$ 813,682,037</u>	<u>\$ 881,526,509</u>	<u>\$ 944,082,042</u>	<u>\$ 1,011,290,399</u>	<u>\$ 1,065,919,888</u>

EXHIBIT C4
CITY OF AURORA, COLORADO
WATER FUND
OPERATING HISTORY

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

	2007	2008	2009	2010	2011
SOURCES					
Charges for services	\$ 83,373,085	\$ 86,688,316	\$ 84,439,067	\$ 106,961,809	\$ 104,863,804
Intergovernmental	126,077	35,906	183,494	321,361	683,770
Licenses and permits	116,101	115,395	54,326	68,667	77,651
Fines and forfeitures	—	—	—	2,513	2,150
Investment income	20,463,682	25,068,840	10,459,319	6,711,348	5,189,532
Miscellaneous revenues	42,744,831	24,336,194	11,868,590	17,058,348	14,267,721
Proceeds from sale of assets	12,486	55,095	70,366	5,857	27,160
Proceeds from long-term borrowings	434,379,428	58,620,865	34,064,530	23,432,250	—
Transfers in	—	—	—	—	—
Funds from restricted assets	(35,711,726)	(3,958,773)	—	(4,280,345)	3,391,681
Release of prior year designation	8,545,569	—	—	—	—
Total sources	<u>554,049,533</u>	<u>190,961,838</u>	<u>141,139,692</u>	<u>150,281,808</u>	<u>128,503,469</u>
USES					
Operating Costs					
Operations group	79,075,158	128,906,693	80,114,423	103,616,427	134,048,219
Continuing Appropriations					
Operations group	<u>197,486,872</u>	<u>232,988,828</u>	<u>240,213,265</u>	<u>28,232,525</u>	<u>(11,242,452)</u>
Total uses	<u>276,562,030</u>	<u>361,895,521</u>	<u>320,327,688</u>	<u>131,848,952</u>	<u>122,805,767</u>
Change in funds available	277,487,503	(170,933,683)	(179,187,996)	18,432,856	5,697,702
Funds Available - January 1	<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>
Funds Available - December 31	<u>\$ 365,774,148</u>	<u>\$ 194,840,465</u>	<u>\$ 15,652,469</u>	<u>\$ 34,085,325</u>	<u>\$ 39,783,027</u>

**EXHIBIT C5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
DECEMBER 31, 2011:**

Water Usage and Billed Revenues by Classification

Classification	Consumption	Percent of Consumption	Billed Revenue	Percent of Billed Revenue
Residential	\$ 6,705,889	41%	\$ 45,959,373	46%
Multi-Family	3,782,012	23%	22,168,444	22%
Commercial	3,079,080	19%	18,384,623	19%
Irrigation	1,418,481	9%	9,449,298	10%
Other (a)	1,245,141	8%	3,066,797	3%
Total	\$ 16,230,603	100%	\$ 99,028,535	100%

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

System Annual Billed Revenues and Cash Collection (b)

Classification	2007	2008	2009	2010	2011
Billed revenues	\$ 81,808,608	\$ 84,777,085	\$ 82,911,097	\$ 100,041,083	\$ 99,665,457
Cash collected during year for current and prior years' sales	\$ 80,240,575	\$ 85,534,196	\$ 82,724,654	\$ 99,055,513	\$ 99,874,709
Percentage of billed revenues collected	98.1%	100.9%	99.8%	99.0%	100.2%

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

Customers by Class (c)

Classification	2007	2008	2009	2010	2011
Residential (1-4 units)	67,972	69,258	70,035	70,609	71,374
Multi-Family (5+ units)	2,496	2,339	2,374	2,415	2,418
Commercial	2,963	2,854	2,872	2,883	2,908
Irrigation	831	1,098	1,108	1,113	1,116
Total	74,262	75,549	76,389	77,020	77,816

(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	2007	2008	2009	2010	2011
Base charge	\$ 8.50	\$ 10.39	\$ 11.22	\$ 12.06	\$ 12.06
Rates per 1,000 gallons	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure
Average annual bill	\$ 514.98	\$ 561.00	\$ 564.00	\$ 657.91	\$ 646.49

**EXHIBIT C5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
DECEMBER 31, 2011:**

The following table sets forth the ten largest consumers of the Water System, which, in aggregate, accounted for 9.0% of the total billed metered treated water sales in 2011.

Ten Largest Treated Water Customers of Water System

Customer	Consumption (a)	Percent of Top Ten Consumption	Billed Revenues	Percent of Top Ten Billed Revenues
City of Aurora	419,945	29%	\$ 2,687,789	31%
Aurora Public Schools	262,156	18%	1,527,367	18%
University of Colorado HSC	167,951	12%	972,403	11%
Buckley Air Force Base	146,348	10%	829,793	9%
Cherry Creek Schools	130,578	9%	756,652	9%
Heather Gardens HOA	120,217	8%	673,336	8%
Westdale Asset Management	55,872	4%	315,957	4%
Mountain View Associates, LLC	50,100	4%	333,431	4%
Tallyn's Reach Metro District	47,026	3%	307,518	3%
Medical Center of Aurora	43,060	3%	244,150	3%
Total	1,443,253	100%	\$ 8,648,396	100%

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

Monthly Service Charge (b)

Meter Size	2007	2008	2009	2010	2011
5/8" & 3/4"	\$ 8.50	\$ 10.39	\$ 11.22	\$ 12.06	\$ 12.06
1"	11.67	15.31	16.53	17.77	17.77
1 1/4"	11.67	15.31	16.53	17.77	17.77
1 1/2"	18.70	23.52	25.40	27.31	27.31
2"	27.20	33.37	36.04	38.74	38.74
3"	53.90	59.63	64.40	69.23	69.23
4"	145.38	89.17	96.30	103.53	103.53
6"	286.11	171.24	184.94	198.81	198.81
8"	356.51	401.03	433.11	465.60	465.60

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

Average Daily and Peak Day Demand

	In Millions of Gallons				
	2007	2008	2009	2010	2011
Average Daily Treatment	45.1	45.6	40.4	45.2	44.5
Average Daily Consumption	42.7	43.0	37.9	43.1	42.2
Peak Hour Treatment	160.9	164.0	111.4	122.8	140.6
Peak Day Treatment	98.9	99.3	79.0	85.4	87.4
Peak Day Consumption	97.0	95.2	77.1	81.4	83.7

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

Water Service Connection Fee

Type and Size of Connection	2007	2008	2009	2010	2011
Single Family Detached					
5/8" & 3/4"	\$ 18,638	\$ 20,875	\$ 22,754	\$ 24,460	\$ 24,460
1"	37,276	41,750	45,508	45,156	45,156
Single Family Attached	13,233	14,821	16,155	13,970	13,970
Multi-Family	10,996	12,316	13,424	12,954	12,954
Commercial					
5/8" & 3/4"	18,638	20,875	22,754	24,460	24,460
1"	32,281	36,156	39,410	42,365	42,365
1 1/2"	74,384	83,312	90,810	97,620	97,620
2"	132,106	147,962	161,279	173,374	173,374
3"	297,030	332,681	362,622	389,818	389,818
4"	528,426	591,850	645,117	693,500	693,500
6"	1,189,382	1,332,136	1,452,028	1,560,930	1,560,930
8"	2,114,781	2,368,605	2,581,779	2,775,412	2,775,412

Tap and Development Fee Revenues*

Year	Tap Fee Revenues	Development Fee Revenue	Total Tap and Development Fees
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
2011	13,689,898	125,460	13,815,358

* Development fees include main extensions, front footage and drought water replacement surcharge and exclude annexation fees reimbursed to others. Years 2007-2008 are restated due to change in methodology.

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

Type of Account	Usage Rates				
	Tiered Use Rate (a)	Tiered Use Rate (b)	Tiered Use Rate	Tiered Use Rate	Tiered Use Rate
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Single Family Detached					
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					
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	\$ 5.27
Tier 2- (20,001-40,000 gals)		5.17	5.58	6.00	6.00
Tier 3- (40,000 gals and above)		6.46	6.98	7.50	7.50
Multi-Family					
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	5.60
Tier 2- (greater than 100%)		5.30	5.73	6.16	6.16
Commercial/Industrial					
Tier 1-WQA	3.60				
Tier 2->100% & <150% WQA	4.50				
Tier 3->150% & <250% WQA	8.25				
Tier 4->250% WQA	10.75				
Commercial	(b)				
Tier 1- (up to 100% allocation)		4.88	5.27	5.67	5.67
Tier 2- (greater than 100%)		5.37	5.80	6.24	6.24
Irrigation					
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	6.48
Tier 2- (greater than 100%)		6.14	6.63	7.13	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				

(a) 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.

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net Pledged Revenue					
Charges for Services	\$83,489,049	\$86,803,419	\$84,493,197	\$107,030,397	\$104,941,420
Development Fee (a)	42,341,206	24,777,352	11,972,174	16,825,091	13,815,358
Other Non-Operating Revenue (b)	20,651,041	24,598,131	10,564,075	6,995,940	5,779,893
(Less) Operating Expense	(58,687,539)	(55,836,744)	(43,643,450)	(56,418,638)	(61,307,709)
Add: Depreciation	9,774,409	10,169,575	10,390,860	11,113,289	14,734,197
Total	<u>\$97,568,166</u>	<u>\$90,511,733</u>	<u>\$73,776,856</u>	<u>\$85,546,079</u>	<u>\$77,963,159</u>
Maximum Annual Debt Service					
First-Lien Revenue Obligations (c)	\$45,493,350	\$47,451,238	\$47,451,238	\$47,451,238	\$44,982,063
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations (d)	47,122,450	47,451,238	47,451,238	47,451,238	44,982,063
All Obligations Secured by Net Pledged Revenue (e)	47,122,450	47,451,238	47,451,238	51,867,114	49,397,939
All Obligations Payable From System Revenues (f)	47,122,450	47,451,238	47,451,238	51,867,144	n/a
Coverage					
First-Lien Revenue Obligations	2.14	1.91	1.55	1.80	1.73
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations	2.07	1.91	1.55	1.80	1.73
All Obligations Secured by Net Pledged Revenues	2.07	1.91	1.55	1.65	1.58
All Obligations Payable from Systems Revenues	2.07	1.91	1.55	1.65	n/a

(a) Includes tap, main extension, front footage fees. Does not include annexation fees. Total is net of any reimbursement of previously paid tap fees.

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

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

(d) Includes (c) above and the Second Lien Water Improvement Revenue Bonds Series 2004A for the years 2006 to 2007. In 2008 the 2004 Revenue bond was refunded and is now the First-Lien Improvement Revenue Bond, Series 2008A. Maximum annual debt service occurs in 2033.

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

(f) Includes (e) above and general obligation water bonds which are payable from revenues of the system but are not secured by the Net Pledged revenues. In 2011, the general obligation bonds were paid off.

EXHIBIT C7
CITY OF AURORA, COLORADO
OPERATING HISTORY
WASTEWATER FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
OPERATING REVENUES					
Charges for services	\$ 39,070,578	\$ 43,334,347	\$ 46,562,963	\$ 49,747,055	\$ 50,363,242
Total operating revenues	<u>39,070,578</u>	<u>43,334,347</u>	<u>46,562,963</u>	<u>49,747,055</u>	<u>50,363,242</u>
OPERATING EXPENSES					
Cost of sales and services	27,467,642	31,170,143	32,314,994	32,702,625	34,431,787
Administrative expenses	1,326,795	1,420,857	1,511,342	1,436,412	1,773,448
Depreciation	6,103,035	6,745,580	6,877,719	7,264,609	8,328,611
Total operating expenses	<u>34,897,472</u>	<u>39,336,580</u>	<u>40,704,055</u>	<u>41,403,646</u>	<u>44,533,846</u>
Operating income	<u>4,173,106</u>	<u>3,997,767</u>	<u>5,858,908</u>	<u>8,343,409</u>	<u>5,829,396</u>
NON-OPERATING REVENUES					
(EXPENSES)					
Investment income	5,843,767	4,719,791	4,047,641	1,576,473	1,591,702
Intergovernmental revenue	—	—	88,000	250,000	2,660,855
Miscellaneous revenue	76,850	46,325	319,680	3,586,581	90,289
Interest expense	(2,244,079)	(616,127)	(107,199)	38,429	(2,319,742)
Amortization expense	24,312	24,312	24,312	24,312	24,312
Gain (loss)-disposal capital assets	(23,065)	(804,634)	(8,480)	(658,635)	(2,649,007)
Net non-operating revenues (expenses)	<u>3,677,785</u>	<u>3,369,667</u>	<u>4,363,954</u>	<u>4,817,160</u>	<u>(601,591)</u>
NET INCOME BEFORE					
CONTRIBUTIONS AND TRANSFERS					
CONTRIBUTIONS AND TRANSFERS	7,850,891	7,367,434	10,222,862	13,160,569	5,227,805
Capital contributions	<u>35,458,051</u>	<u>9,400,956</u>	<u>10,671,083</u>	<u>4,036,633</u>	<u>4,344,696</u>
INCREASE IN NET ASSETS	43,308,942	16,768,390	20,893,945	17,197,202	9,572,501
FUND BALANCES - January 1, before restatement	<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>
Adjustment for accounting changes	—	—	—	106,331	—
FUND BALANCES - January 1, after restatement	349,891,058	393,200,000	409,968,390	430,968,666	448,165,868
NET ASSETS - December 31	<u>\$ 393,200,000</u>	<u>\$ 409,968,390</u>	<u>\$ 430,862,335</u>	<u>\$ 448,165,868</u>	<u>\$ 457,738,369</u>

EXHIBIT C7
CITY OF AURORA, COLORADO
OPERATING HISTORY
WASTEWATER FUND
SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
SOURCES					
Intergovernmental revenues	\$ —	\$ —	\$ 88,000	\$ 250,000	\$ 2,660,855
Charges for services	39,070,667	43,334,597	46,563,100	49,730,302	50,312,760
Investment income	5,124,442	4,300,273	3,424,319	2,225,016	1,669,328
Other revenues	7,751,110	3,096,633	2,173,524	3,789,649	3,304,306
Proceeds from sale of assets	19,335	16,279	16,194	15,723	8,095
Proceeds from long-term borrowings	56,921	—	—	—	—
Transfers in	256,000	256,000	256,000	—	—
Funds from restricted assets	—	—	304,838	296,631	—
Total sources	<u>52,278,475</u>	<u>51,003,782</u>	<u>52,825,975</u>	<u>56,307,321</u>	<u>57,955,344</u>
USES					
Operating Costs					
Operations group	34,175,355	38,827,660	40,239,806	37,808,537	40,315,106
Continuing Appropriations					
Operations group	<u>26,077,290</u>	<u>1,504,828</u>	<u>27,589,299</u>	<u>25,270,427</u>	<u>22,591,962</u>
Total uses	<u>60,252,645</u>	<u>40,332,488</u>	<u>67,829,105</u>	<u>63,078,964</u>	<u>62,907,068</u>
Change in funds available	(7,974,170)	10,671,294	(15,003,130)	(6,771,643)	(4,951,724)
Funds Available - January 1	<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>
Funds Available - December 31	<u>\$ 53,778,244</u>	<u>\$ 64,449,538</u>	<u>\$ 49,446,408</u>	<u>\$ 42,674,765</u>	<u>\$ 37,723,041</u>

EXHIBIT C8
CITY OF AURORA, COLORADO
WASTEWATER FUND
SEWER SYSTEM STATISTICS
DECEMBER 31, 2011:

Sanitary Sewer Usage and Revenues by Classification

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

Customers by Class

<u>Classification</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Residential (1-4) units	67,972	69,258	69,895	70,469	71,405
Multi-Family (5+ units)	2,496	2,339	2,373	2,414	2,417
Commercial	2,963	2,854	2,964	2,981	2,852
Total	73,431	74,451	75,232	75,864	76,674

Ten Largest Customers of the Sanitary Sewer System

<u>Customer</u>	<u>Billed Revenues</u>
University of Colorado HSC	\$ 248,261
Buckley Air Force Base	245,020
Heather Gardens HOA	193,275
Westdale Asset Management	127,759
Aurora Public Schools	120,578
Mountain View Apartments	105,563
Hickory Ridge Colorado LLC	101,398
Ridge Hill Apartments	87,973
Children's Hospital Colorado	82,180
Timbers HOA	79,041
Total	\$ 1,391,048

These ten customers accounted for 3.1% of the total billed sanitary sewer sales in 2011.

Sanitary Sewer Monthly Service Charge by Tap Size(a)

<u>Tap Size</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
5/8" and 3/4"	\$ 2.38	\$ 2.62	\$ 2.80	\$ 2.97	\$ 3.09
1" & 1 1/4"	5.65	6.22	6.66	7.06	7.35
1 1/2"	11.90	13.09	14.01	14.85	15.46
2"	19.03	20.93	22.40	23.74	24.71
3"	41.67	45.84	49.05	51.99	54.12
4"	119.08	130.99	140.16	148.57	154.66
6"	238.18	262.00	280.34	297.16	309.34

(a) The total monthly fee includes the monthly service charge plus a volume charge of \$2.84 per 1,000 gallons used.

EXHIBIT C8
CITY OF AURORA, COLORADO
WASTEWATER FUND
SEWER SYSTEM STATISTICS
DECEMBER 31, 2011:

Sanitary Sewer Tap Fees by Service Size

Customer	2007	2008	2009	2010	2011
Single Family Detached (per unit)	\$ 2,171	\$ 2,388	\$ 2,388	\$ 2,388	\$ 2,421
Single Family Attached (per unit)	1,759	1,934	1,934	1,934	1,961
Multi-family (per unit)	1,693	1,863	1,863	1,863	1,889
Commercial (per tap size):					
$\frac{3}{4}$ "	4,125	4,537	4,537	4,537	4,601
1" & 1 $\frac{1}{4}$ "	9,770	10,746	10,746	10,746	10,896
1 $\frac{1}{2}$ "	23,881	26,268	26,268	26,268	26,636
2	43,420	47,760	47,760	47,760	48,429
3	91,182	100,296	100,296	100,296	101,700
4	164,996	181,488	181,488	181,488	184,029
6	(b)	(b)	(b)	(b)	(b)

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

Sewer Tap and Development Fee Revenues*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Sanitary Sewer Tap Fees	\$ 6,281,758	\$ 4,289,728	\$ 1,867,919	\$ 2,445,331	\$ 1,675,452
Utility- Front footage	31,513	27,617	21,828	26,393	74,491
Total Tap and Development Fees	<u>\$ 6,313,271</u>	<u>\$ 4,317,345</u>	<u>\$ 1,889,747</u>	<u>\$ 2,471,724</u>	<u>\$ 1,749,943</u>

* Development fees include main extensions and front footage and exclude annexation, storm drain development and fees reimbursed to others. Years 2007-2008 are restated due to change in methodology.

Storm Drain Rates and Charges

The City imposes storm drainage fees upon the owners of property served by the System's storm sewer facilities. In addition, developers are charged a \$2,818 per acre storm drainage development fee at the time building permits are issued. The storm drainage fee is \$8.16 per month for single family detached and individually metered single family attached dwellings. The storm drainage fee is \$8.16 per month plus \$6.42 per month for each additional unit for multifamily and master metered single family attached dwelling. For commercial and industrial building, the storm drainage fee is \$8.16 per month for the first 2,500 square feet of gross floor space plus \$6.42 for each additional 2,500 square feet of gross floor space or portion thereof.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
OPERATING REVENUES					
Charges for services	\$ 9,332,171	\$ 9,511,487	\$ 9,027,618	\$ 8,328,381	\$ 7,932,907
Total operating revenues	<u>9,332,171</u>	<u>9,511,487</u>	<u>9,027,618</u>	<u>8,328,381</u>	<u>7,932,907</u>
OPERATING EXPENSES					
Cost of sales and services	6,970,572	7,250,362	6,991,138	6,354,240	5,833,016
Administrative expenses	1,124,552	1,207,345	903,164	1,301,004	1,201,625
Depreciation	<u>985,835</u>	<u>1,011,962</u>	<u>1,036,321</u>	<u>1,016,788</u>	<u>967,807</u>
Total operating expenses	<u>9,080,959</u>	<u>9,469,669</u>	<u>8,930,623</u>	<u>8,672,032</u>	<u>8,002,448</u>
Operating income (loss)	<u>251,212</u>	<u>41,818</u>	<u>96,995</u>	<u>(343,651)</u>	<u>(69,541)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	158,924	131,688	74,547	54,260	50,523
Miscellaneous revenue	72,679	122,031	20,166	32,561	14,966
Interest expense	(466,425)	(399,234)	(394,392)	(339,416)	(335,189)
Amortization expense	(13,412)	(13,412)	(13,414)	(27,545)	(27,545)
Gain (loss)-disposal capital assets	<u>(18,659)</u>	<u>(3,936)</u>	<u>(6,300)</u>	<u>3,917</u>	<u>(17,218)</u>
Net non-operating expenses	<u>(266,893)</u>	<u>(162,863)</u>	<u>(319,393)</u>	<u>(276,223)</u>	<u>(314,463)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(15,681)	(121,045)	(222,398)	(619,874)	(384,004)
Capital contributions	404,800	—	3,000	—	358,704
Transfers in	<u>—</u>	<u>50,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
INCREASE (DECREASE) IN NET ASSETS	389,119	(71,045)	(219,398)	(619,874)	(25,300)
TOTAL NET ASSETS - January 1	<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>
TOTAL NET ASSETS - December 31	<u>\$ 25,217,699</u>	<u>\$ 25,146,654</u>	<u>\$ 24,927,256</u>	<u>\$ 24,307,382</u>	<u>\$ 24,282,082</u>

EXHIBIT C10
CITY OF AURORA, COLORADO
GOLF FUND
GOLF COURSE ENTERPRISE SYSTEM STATISTICS
DECEMBER 31, 2011:

Golf Course System Usage - Total Rounds Played

Course	2007	2008	2009	2010	2011
Aurora Hills	54,550	56,331	54,043	51,671	49,818
Centre Hills	27,529	26,478	24,398	21,834	17,264
Fitzsimons	41,767	43,133	40,007	40,044	38,549
Meadow Hills	51,815	52,411	48,598	47,712	46,389
Murphy Creek	34,236	31,480	31,430	28,624	29,196
Saddle Rock	36,932	37,295	33,888	30,335	32,384
Springhill	41,036	41,472	37,359	34,544	30,260

2011 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	22.00	22.00	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	11.00	11.00	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
CITY OF AURORA, COLORADO
GOLF FUND
MAXIMUM ANNUAL DEBT SERVICE COVERAGE
FOR THE YEARS ENDED DECEMBER 31:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net Pledged Revenue					
Charges for services	\$9,332,171	\$9,511,487	\$9,027,618	\$8,328,381	\$7,932,907
Capital contributions (a)	404,800	—	3,000	—	—
Transfers in	—	50,000	—	—	—
Other non-operating revenue (b)	195,281	208,264	99,242	87,711	58,979
Less: Operating expenses (c)	(9,279,936)	(9,686,334)	(9,134,439)	(8,852,168)	(8,201,217)
Add back: Depreciation	985,835	1,011,962	1,036,321	1,016,788	967,807
Total	<u>\$1,638,151</u>	<u>\$1,095,379</u>	<u>\$1,031,742</u>	<u>\$580,712</u>	<u>\$758,476</u>
Maximum Annual Debt Service (d)					
Series 2005 bonds	\$793,336	\$793,336	\$539,300	\$539,300	\$539,300
Coverage					
Series 2005 bonds	2.06	1.38	1.91	1.08	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 through 2011, maximum annual debt service is for the 2005 bonds only, and it occurred in 2006.



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