

City of Aurora, Colorado



2014

**Comprehensive Annual
Financial Report**

For the year ended December 31, 2014

Prepared by the Controller's Office



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 2014 of 347,953, approximately 13% of the metro area's population.



ON THE COVER

(clockwise from top right)

Colorado Freedom Memorial; "Steel Stampede" by Douwe Blumberg (Star K Ranch)
 "Ghost Trolley" by Lawrence Argent (Colfax Avenue & Elmira Street); Fox Theatre
 Marquee; "Aurora Eternal" by Marcus Akinlana (Aurora Municipal Center)

Cover photos courtesy of City of Aurora

A U R O R A M U N I C I P A L

**City of Aurora, Colorado for the Year Ended
December 31, 2014**



Comprehensive Annual Financial Report

Prepared by the Controller's Office



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Nancy Wishmeyer, Interim Controller
Carol Toth, Interim Accounting Administrator
Pamela Bradley, Accountant I
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Finance Department

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Introductory Section Divider



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June 2, 2015

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, 2014.

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

The City Charter requires an annual audit by independent auditors selected by the City Council. The goal of the independent audit is to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 2014, are free of material misstatement. The independent auditors, BKD, LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the city's financial statements for the fiscal year ended December 31, 2014 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Independent Auditor's Report on the city's financial statements is included in the Financial Section of this CAFR.

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

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

GOVERNMENTAL STRUCTURE

Aurora is located on the eastern slope of the Rocky Mountains and lies in the six county Denver/Aurora metropolitan area. The metropolitan area is the economic center of the State of Colorado. Aurora is the third largest city in Colorado with an estimated population in 2014 of 347,953. This is approximately 13 percent of the metropolitan area population. The city provides general government services including police, fire and emergency medical services, public works, water and wastewater, parks and recreation facilities, libraries and golf courses.

The city utilizes the Council-Manager form of government, adopted in 1954. In 1961, Aurora became a Home Rule city by adopting its own charter. In 1993, the City Charter was amended to provide for a full-time Mayor, beginning January 1, 1996. The duties of the Mayor and the Council-Manager form of government were not

changed. The eleven members of the City Council (including the Mayor, who is elected specifically to that position) are chosen biennially for staggered four-year terms in non-partisan elections. The City Manager is responsible for the administration of city operations and for carrying out policy as set by the City Council. The City Manager serves at the pleasure of the Council. 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 through economic cycles and is recognized as financially strong by independent bond rating agencies. Aurora maintains adequate fund balances for emergencies, 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 been supportive of the city's efforts. They have approved a number of bond issues for infrastructure and have approved two ballot questions that have changed the City's Charter to exempt city fees and its main revenue source, sales and use tax, from state constitutional "Taxpayer Bill of Rights" (TABOR) revenue limits. The city also maintains internal and budget controls to ensure adequate oversight of city assets, accounting information and expenditures.

As expected by local economists, 2014 proved to be a year of economic growth, translating into moderate revenue growth for the city. For 2014, General Fund revenue, net of transfers, increased 7.6% on a budgetary basis (8.1% per GAAP basis), above the growth experienced in 2013 as the state continued to recover from the recession. The combination of sales and use tax is the most significant source of revenue, generating 65.9% of the total General Fund GAAP 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 9.1% of the total General Fund budgetary and 8.9% of GAAP revenues, net of transfers in 2014. Moderate revenue growth is expected in 2015 with property tax collections maintaining positive levels of growth, combined with positive increases in sales and use tax.

The city expects to maintain most of its General Fund reserves, through the financial discipline of matching expenditures to revenues, continued management of the growth of city expenditures and through evaluation of options for enhancing revenues. The city maintains a reserve for unanticipated major emergencies, but does not anticipate using these funds for the 2015 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. 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 modest General Fund operating revenue growth (not including building materials use tax, which typically is used for capital purposes). While development activity is not expected to return to pre-recession levels, it has begun to increase in recent years. The lower levels of development of the city impact not only the growth of operating revenues, but revenues used for capital purposes including tap fees for new water and sewer connections. While 2014 was another healthy rebound for operating revenues, primarily due to sales tax, in the long term the city is planning for continued modest growth rates.

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 the city has a number of regional retail centers, including some on the city's borders. While Aurora does not expect any major new regional retail centers to be built in the near future, the city continues to maintain a development related retail specialist position to help support and enhance the retail environment.

Colorado voters legalized marijuana in the November 2013 general election. In 2014, a statewide general election on November 4, 2014, city voters approved a 5.0% excise tax to be imposed on the average market rate of retail marijuana that is sold or transferred from retail marijuana cultivation facilities and an additional 2.0% sales and use tax (in addition to the existing 3.75% city sales and use tax) to be imposed on the sale and use of retail marijuana and retail marijuana products. City Council has approved 24 stores with 4 in each City Council Ward.

The city has completed a major capital investment in its water system that helps protect Aurora against drought and meet future water needs. The system uses an innovative natural process to perform initial treatment of a sustainable water supply already owned by Aurora from the South Platte River. After the natural process, water is piped 34 miles south to the Binney Water Purification Facility, treated using a multi-step purification process, and delivered to Aurora customers. The Prairie Waters system can supply up to 20% of Aurora's current demand. It delivers as much as nine million gallons of water to the city daily and is expandable to 50 million gallons with additional infrastructure. The project is the cornerstone of a water supply plan that will help meet Aurora's needs for decades. It also enables the city to generate third party revenues through a regional water supply project (the "Water Infrastructure and Supply Efficiency Partnership" or "WISE Partnership") by putting the Prairie Waters Project to greater use in times when the full system capacity is not needed by City customers. The WISE Partnership allows regional sharing of water and infrastructure resources to meet future regional water supply needs.

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

Military Facilities. Buckley Air Force Base, home to the 460th Air Base Wing and the Colorado Air National Guard, is an Air Force Space Command base that serves more than 92,000 active duty, National Guard, Reserve and retired personnel throughout the Front Range community, as well as maintaining air operations, space-based missile warning capabilities, space surveillance operations, space communications operations and support functions. Buckley Air Force Base provides support for a wide variety of military and satellite-related activities.

Metropolitan Area. The Denver/Aurora Metropolitan Area, which includes Adams, Arapahoe, Broomfield, Denver, Douglas and Jefferson Counties (the "Metropolitan Area") is a major business center both in Colorado and the larger Rocky Mountain Region. Its central location, moderate climate and proximity to natural resources make the Metropolitan Area an attractive option for a wide variety of businesses and individuals.

Transportation, Infrastructure and Light Rail. Major infrastructure construction activity along Aurora's I-70, I-225 and E-470 corridors during the 1990's and more recent, large-scale transportation projects, along with the city's proximity to Denver International Airport ("DIA"), provide Aurora with a strong transportation and mobility base, facilitating population growth along with residential and commercial construction activity. As an example, the city, along with the Colorado Department of Transportation ("CDOT") and other regional and national entities recently made wholesale improvements to the I-225/Colfax interchange and constructed an additional exit/interchange off of I-225 just north of Colfax Avenue, enabling direct access into the Anschutz Medical Campus. Similarly, the Regional Transportation District's ("RTD") \$7.4 billion FasTracks program will include the East Rail Line, a 22.8 mile commuter transit corridor between Denver Union Station and DIA, and the Aurora Line, a 10.5 miles light rail line running virtually the length of I-225 with 8 stops in the city, including the Peoria Station junction with the East Rail Line, and connecting with existing RTD lines through Nine Mile Station to the south. Both rail lines are under construction and expected to begin operating in 2016.

Anschutz Medical Campus. The 578-acre former Fitzsimons Army Medical Center, which closed in 1999, is now the site of the Anschutz Medical Campus, a completely new education, research and patient care facility. The campus includes facilities for training future physicians and other health professionals, an internationally renowned research complex, and the University of Colorado Hospital and The Children's Hospital, the primary

adult and pediatric hospital partners of the University of Colorado School of Medicine. A new Veteran's Administration ("VA") Medical Center is also under construction within the Anschutz Medical Campus. The total redevelopment program for Fitzsimons calls for over 18 million square feet of new construction phased over 25 to 30 years. Approximately 9.7 million square feet are built-out to date. Current employment at the site is approximately 22,000 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 the city and the surrounding area.

Urban Renewal. The City Council and the Aurora Urban Renewal Authority (AURA) Board of Directors have common membership and actively work with the development community to eliminate blight and stimulate development and investment in the city's 13 urban renewal areas (URAs). Additionally, AURA's efforts are guided by the goals and objectives identified in the urban renewal plan adopted for each URA. Urban renewal and associated tax increment financing (TIF) areas have been major factors in important developments within each of the city's urban renewal areas.

Examples of these efforts include activity within the Havana North, Westerly Creek Village and Fitzsimons Boundary Area II Urban Renewal Areas. For example, AURA executed a purchase and sale agreement for a long-unutilized property at 333 N. Havana Street, known as the Fan Fare site, in November 2012, for \$4.0 million as part of the Havana North Urban Renewal Plan. The Fan Fare site remediation, final purchase and sale transaction were completed in March 2014, resulting in a catalytic property around which further redevelopment will be possible by private parties.

As a recipient of an Environmental Protection Agency (EPA) Brownfields Area-Wide Planning Pilot Program grant, the city initiated a community visioning process in an area now known as Westerly Creek Village in northwest Aurora.

In order to help stimulate future development in the area south of Colfax Avenue across from the Anschutz Medical Campus, the City Council created the Fitzsimons Boundary Area II Urban Renewal Area in February 2014. As an example, the city and Corporex Colorado, LLC, are in the process of constructing a 242 room Hyatt hotel, a 30,000 square foot conference center and a 506 space parking structure. The project was the catalyst for this new urban renewal. The hotel will be privately owned and the city will own the conference center and parking structure. AURA financed the project via a bank loan to pay for the conference center and parking structure, which will be paid back with TIF proceeds. In addition, AURA recently negotiated an agreement with a private developer for a 397 unit, upscale midrise residential mixed use project with first floor retail/commercial space at the corner of East Colfax and Potomac Streets. This project will be the city's first true transit oriented development of its kind.

Another project which will enhance the economic vitality of the city is the new Gaylord hotel and convention center project that will be built in the city at a cost of \$800 million. The project will cover 1.9 million square feet. The hotel and convention center will have 1,500 hotel rooms and 400,000 square feet of conference space. The project will bring 12,000 construction jobs to Aurora and 2,500 permanent jobs once the hotel and convention center is open. The build out is expected to be complete in 2017.

Aurora Campus for Renewable Energy (ACRE) ACRE is a 1,762 acre city-owned parcel in the northeast plains portion of Aurora and south of Denver International Airport. The land is set aside for renewable energy research and development. The city hopes that this site will become a premier research site for renewable energy research.

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, 2013. 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-eight 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



Terri Velasquez
Interim Finance Director



Aurora City Council



Mayor Steve Hogan



Bob Roth
Mayor Pro-Tem (Ward V)



Sally Mounier
Ward I



Renie Peterson
Ward II



Marsha Berzins
Ward III



Molly Markert
Ward IV



Bob Broom
Ward VI



Barbara Cleland
At-Large



Debi Hunter Holen
At-Large



Bob LeGare
At-Large



Brad Pierce
At-Large



Management Officials

City of Aurora, Colorado as of December 31, 2014

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
Roberto Venegas, Assistant City Manager	Since 2013

Council Appointees

Zelda DeBoyes, Municipal Court Administrator	Since 1992
Mike Hyman, City Attorney	Since 2014
Richard Weinberg, Presiding Judge	Since 2004

Commission Appointees

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

Department Directors

Marshall Brown, Aurora Water	Since 2012
Kim Stuart, Communications	Since 2000
Jason Batchelor, Finance	Since 2011
Mike Garcia, Fire	Since 2007
Mark Pray, Information Technology	Since 1998
Dan Quillen, Internal Services	Since 2012
Patti Bateman, Library & Cultural Services	Since 2009
Nancy Sheffield, Neighborhood Services	Since 1996
Tom Barrett, Parks, Recreation & Open Space	Since 2008
Robert Watkins, Planning & Development Services	Since 2004
Terry Jones, Interim Police Chief	Since 2014
Dave Chambers, Public Works	Since 2006



Government Finance Officers Association

**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, 2013

Executive Director/CEO

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 4,100 governments of all levels (state and local), types (general-purpose and special-purpose), and sizes were awarded the Certificate of Achievement for fiscal years ended in 2013. 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-eight consecutive years, including this most recent year, 2013 and for thirty-eight years in total, currently the highest number of certificates for any governmental entity in the State of Colorado. We believe that this, our 2014 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

ORGANIZATIONAL CHART

December 2014

CITIZENS OF AURORA

MAYOR & CITY COUNCIL

CIVIL SERVICE

CIVIL SERVICE ADMINISTRATOR
Matt Cain

CITY ATTORNEY
Michael Hymen

PRESIDING JUDGE
Richard Weinberg

CITY MANAGER
George Noe

COURT ADMINISTRATOR
Zelda DeBoyes

PUBLIC DEFENDER
Laurie Cole

PUBLIC DEFENDER COMMISSION

FIRE
Mike Garcia
Fire Chief

POLICE
Terry Jones
Interim
Police Chief

ADMINISTRATIVE SERVICES GROUP
Michelle Wolfe
Deputy City Manager

OPERATIONS GROUP
Nancy Freed
Deputy City Manager

OFFICE OF CITY MANAGER
Roberto Venegas
Assistant City Manager

OFFICE OF DEVELOPMENT ASSISTANT
Vinessa Irvin
Manager

OFFICE OF INTERNAL AUDIT
Wayne Sommer
Manager

COMMUNICATIONS
KIM STUART
Director

FINANCE
JASON BATCHELOR
Director

INFORMATION TECHNOLOGY
MARK PRAY
Director

INTERNAL SERVICES
DAN QUILLEN
Director

MANAGEMENT SUPPORT
JANICE NAPPER
Assistant City Manager
City Clerk

PUBLIC SAFETY COMMUNICATIONS CENTER
DIANE COUVERHOUSE
Manager

AURORA WATER
MARKSHALL BROWN
Director

LIBRARY & CULTURAL SERVICES
PATII BATEMAN
Director

NEIGHBORHOOD SERVICES
NANCY SHEFFIELD
Director

PARKS, RECREATION & OPEN SPACE
TOM BARRETT
Director

PLANNING & DEVELOPMENT SERVICES
BOB WATKINS
Director

PUBLIC WORKS
DAVE CHAMBERS
Director

Financial Section Divider

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Aurora, Colorado (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the General Employees' Retirement Plan (GERP), which represents 67 percent and 31 percent, respectively, of the assets and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for GERP, is based solely on the report of the other auditors. We also did not audit the financial statements of the Havana Business Improvement District (BID), which represents 100 percent of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for BID, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, in 2014 the City adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents, 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 auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory, statistical, and other schedules 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 in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Denver, Colorado

June 2, 2015



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, 2014. Readers should consider the information presented in this discussion and analysis in conjunction with additional information furnished in our letter of transmittal, which can be found on pages *i-v* of this report, and the city's financial statements, which begin on page 1.

Financial Highlights

- The city's assets plus deferred outflows exceeded liabilities plus deferred inflows at the end of 2014 by \$4.2 billion (*net position*). Of this amount, \$288.4 million, or 6.8%, was unrestricted and may be used to meet the city's ongoing obligations.
- Citywide net position increased \$80.5 million in 2014.
- At December 31, 2014, the city's governmental funds reported combined ending fund balances of \$209.9 million, an increase of \$37.5 million from the prior year. Approximately 60.3% 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: \$37.3 million committed, \$63.6 million assigned and \$25.5 million unassigned.
- The city's General Fund total revenues were over budget \$13.3 million and total expenditures were under budget by \$2.3 million during 2014.
- Capital improvement and capital outlay activity increased \$41.6 million during 2014.
- The city's total bonded and certificate of participation debt decreased \$13.5 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 investors refer to the fund financial statements to make spending and borrowing decisions as the availability of resources is controlled at the fund level. The citywide statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. Certain interfund activities, including interfund balances, transfers, and internal billings, are eliminated in the aggregation of data for the citywide statements. The citywide statements include not only the city itself, but also legally separate component units, entities for which the city is financially accountable. Accordingly, the citywide statements are divided into two groups, the "primary government" and "component units" (discretely presented). The primary government includes all activities of the city (including blended component units) except fiduciary funds. Fiduciary funds are not included in these statements because resources of these funds are not available to support city programs.

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

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

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

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

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

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

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

Governmental funds account for essentially the same functions reported as governmental activities in the citywide financial statements. Unlike the citywide statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of resources available at year-end. The governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the city's programs. Because the fund financial statements do not encompass the long-term focus of the citywide statements, additional information is provided that reconciles the governmental fund financial statements to the citywide statements and explains the differences between them. The governmental fund financial statements can be found on pages 5 through 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 through 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 and 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 19 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 defined pension plans and other postemployment benefits, the city's net pension liability and other information related to the Elected Officials' and Executive Personnel defined benefit plan 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 through 65 of this report.

Citywide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the city, assets exceeded liabilities by \$4.2 billion at the close of the fiscal year as shown in Chart 1 on the next page.

The largest portion of the city's net position, \$3.9 billion reflects its investment in capital assets less the outstanding portion of the debt that was issued to acquire or construct those assets. The city uses these capital assets to provide services to citizens; consequently, these amounts are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Citywide Net Position December 31, 2014 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2014	2013	Change	%	2014	2013	Change	%	2014	2013	Change	%
Current and other assets	\$ 276,410	\$ 234,333	\$ 42,077	18.0	\$ 290,849	\$ 287,502	\$ 3,347	1.2	\$ 567,259	\$ 521,835	\$ 45,424	8.7
Capital assets, net	2,515,563	2,508,819	6,744	0.3	2,030,015	1,995,205	34,810	1.7	4,545,578	4,504,024	41,554	0.9
Total Assets	2,791,973	2,743,152	48,821	1.8	2,320,864	2,282,707	38,157	1.7	5,112,837	5,025,859	86,978	1.7
Deferred outflows of resources	8,687	9,532	(845)	(8.9)	461	497	(36)	(7.2)	9,148	10,029	(881)	(8.8)
Current and other liabilities	17,244	10,420	6,824	65.5	33,248	27,158	6,090	22.4	50,492	37,578	12,914	34.4
Noncurrent liabilities	194,179	171,341	22,838	13.3	613,856	640,541	(26,685)	(4.2)	808,035	811,882	(3,847)	(0.5)
Total Liabilities	211,423	181,761	29,662	16.3	647,104	667,699	(20,595)	(3.1)	858,527	849,460	9,067	1.1
Deferred inflows of resources	30,134	33,608	(3,474)	(10.3)	-	-	-	-	30,134	33,608	(3,474)	(10.3)
Net Position:												
Net investment in capital assets	2,412,879	2,412,387	492	0.0	1,454,926	1,398,819	56,107	4.0	3,867,805	3,811,206	56,599	1.5
Restricted	71,215	57,788	13,427	23.2	5,869	7,463	(1,594)	(21.4)	77,084	65,251	11,833	18.1
Unrestricted	75,009	67,140	7,869	11.7	213,426	209,223	4,203	2.0	288,435	276,363	12,072	4.4
Total net position	\$ 2,559,103	\$ 2,537,315	\$ 21,788	0.9	\$ 1,674,221	\$ 1,615,505	\$ 58,716	3.6	\$ 4,233,324	\$ 4,152,820	\$ 80,504	1.9

Chart 1

As shown in Chart 1, total restricted net position at the end of 2014 was \$77.1 million. This amount represents net resources where use is constrained by external requirements dictating how the funds may be used. Restrictions result from grant requirements, legislation, agreements, or other requirements of the specific revenue source. The remaining net position of \$288.4 million was unrestricted. While there were no outside restrictions on these funds, city policies and budget plans limit the use of these amounts. Policy and budget plan limitations include: council policy reserve, enhanced development review program, commitment of surcharges to fund certain public safety programs, payment of long-term liabilities, and project-length appropriations.

Net position increased \$80.5 million in 2014, of which \$21.8 million (27%) was attributable to governmental activities and \$58.7 million (73%) was attributable to business-type activities.

Governmental activities net position increased \$21.8 million. Contributing to the increase in total net position is the increase in restricted net position of \$13.4 million that is primarily a result of the issuance of the 2014 Certificates of Participation (COPs) for the E-911 and Sports Park projects and the 2014 equipment lease. This resulted in increased current and other assets, primarily cash and investments, due to the unspent funds at year-end as well as a corresponding increase in current and noncurrent liabilities related to the current project payables at year-end as well as the associated debt of the issuances. Unrestricted net position increased \$7.9 million substantially due to increased sales and use tax receipts that will be used for funding current and future capital projects.

Business-type activities net position increased \$58.7 million. Noncurrent liabilities decreased \$26.7 million primarily as a result of the partial defeasance of the 2005D Colorado Water Resources and Power Development Authority (CWRPDA) revenue bonds for \$23.9 million. This partial defeasance was unscheduled and used available cash balances. Capital assets increased \$34.8 million resulting from water rights purchases and construction either completed or in progress for various water and sewer improvement projects most notably the \$27.9 million Homestake Reservoir dam rehabilitation project. These increases were partially offset by accumulated depreciation. The net investment in capital assets increase corresponds to the increase in capital assets and the decrease in noncurrent liabilities.

Citywide Changes in Net Position Year Ended December 31, 2014 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2014	2013	Change	%	2014	2013	Change	%	2014	2013	Change	%
REVENUES:												
Program Revenues:												
Charges for services	\$ 42,423	\$ 39,190	\$ 3,233	8.2	\$ 189,428	\$ 158,405	\$ 31,023	19.6	\$ 231,851	\$ 197,595	\$ 34,256	17.3
Operating grants and contributions	22,044	25,065	(3,021)	(12.1)	4,957	5,116	(159)	(3.1)	27,001	30,181	(3,180)	(10.5)
Capital grants and contributions	31,328	33,663	(2,335)	(6.9)	30,085	27,750	2,335	8.4	61,413	61,413	-	-
General Revenues:												
Taxes												
Sales and use	192,398	175,629	16,769	9.5	-	-	-	-	192,398	175,629	16,769	9.5
Property	33,627	33,386	241	0.7	-	-	-	-	33,627	33,386	241	0.7
Other	30,984	28,428	2,556	9.0	-	-	-	-	30,984	28,428	2,556	9.0
Grants and contributions not restricted to specific programs	1,027	836	191	22.8	-	-	-	-	1,027	836	191	22.8
Unrestricted investment earnings	2,548	364	2,184	600.0	2,611	281	2,330	829.2	5,159	645	4,514	699.8
Total revenues	356,379	336,561	19,818	5.9	227,081	191,552	35,529	18.5	583,460	528,113	55,347	10.5
EXPENSES:												
General government	25,063	24,696	367	1.5	-	-	-	-	25,063	24,696	367	1.5
Judicial	9,253	8,553	700	8.2	-	-	-	-	9,253	8,553	700	8.2
Police	96,507	93,929	2,578	2.7	-	-	-	-	96,507	93,929	2,578	2.7
Fire	42,765	40,882	1,883	4.6	-	-	-	-	42,765	40,882	1,883	4.6
Other public safety	13,308	13,210	98	0.7	-	-	-	-	13,308	13,210	98	0.7
Public works	70,674	68,714	1,960	2.9	-	-	-	-	70,674	68,714	1,960	2.9
Economic development	19,705	17,711	1,994	11.3	-	-	-	-	19,705	17,711	1,994	11.3
Community services	10,163	11,095	(932)	(8.4)	-	-	-	-	10,163	11,095	(932)	(8.4)
Culture and recreation	38,385	38,522	(137)	(0.4)	-	-	-	-	38,385	38,522	(137)	(0.4)
Unallocated depreciation	3,743	3,784	(41)	(1.1)	-	-	-	-	3,743	3,784	(41)	(1.1)
Interest on debt	5,032	5,368	(336)	(6.3)	-	-	-	-	5,032	5,368	(336)	(6.3)
Water	-	-	-	-	106,723	102,908	3,815	3.7	106,723	102,908	3,815	3.7
Wastewater	-	-	-	-	53,568	53,493	75	0.1	53,568	53,493	75	0.1
Golf	-	-	-	-	8,067	7,915	152	1.9	8,067	7,915	152	1.9
Total expenses	334,598	326,464	8,134	2.5	168,358	164,316	4,042	2.5	502,956	490,780	12,176	2.5
Increase in net position before transfers	21,781	10,097	11,684	115.7	58,723	27,236	31,487	115.6	80,504	37,333	43,171	115.6
Transfers	7	(150)	157	(104.7)	(7)	150	(157)	(104.7)	-	-	-	-
Increase in net position	21,788	9,947	11,841	119.0	58,716	27,386	31,330	114.4	80,504	37,333	43,171	115.6
Net position January 1	2,537,315	2,527,368	9,947	0.4	1,615,505	1,588,119	27,386	1.7	4,152,820	4,115,487	37,333	0.9
Net position December 31	\$2,559,103	\$2,537,315	\$21,788	0.9	\$1,674,221	\$1,615,505	\$58,716	3.6	\$4,233,324	\$4,152,820	\$80,504	1.9

Chart 2

Expenses Financed through Program Revenues – Governmental Activities

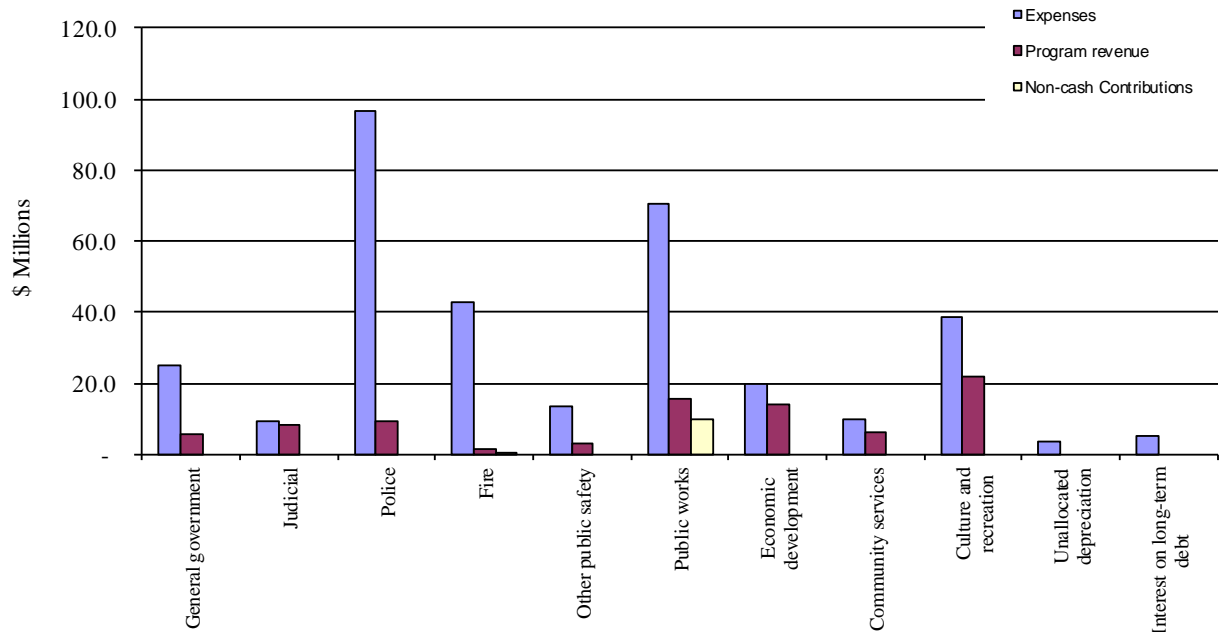


Chart 3

Revenues by Source – Governmental Activities

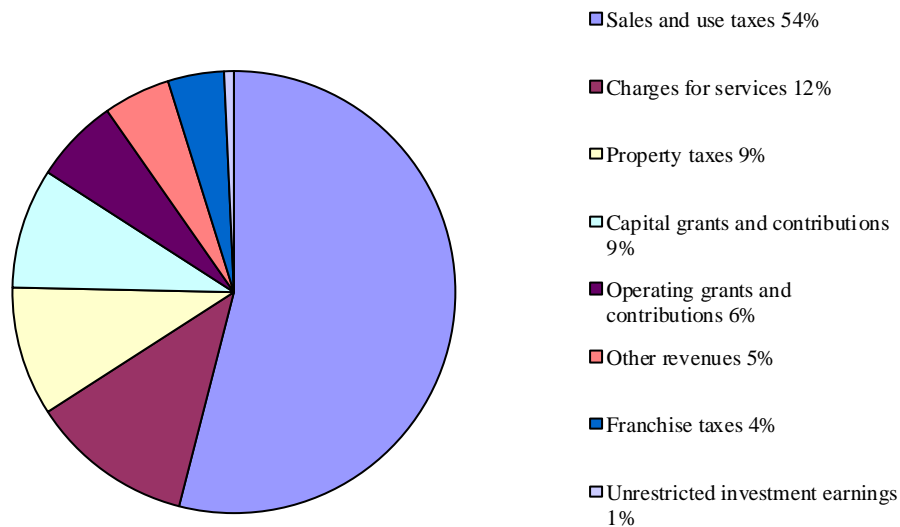


Chart 4

Refer to Chart 2 for changes in net position. Charts 3 and 4 graphically illustrate information concerning governmental activities revenues and expenses while Charts 5 and 6 graphically illustrate information concerning business-type activities revenues and expenses.

Governmental activities changes in net position

Total revenues increased \$19.8 million or 5.9%. Sales and use tax increased \$16.8 million due to the continued growth in the economy. Revenues in other areas were impacted similarly. Charges for services increased \$3.2 million as a result of increased development activity which impacted application fees and permits issued. Other taxes such as franchise, lodgers, occupational privilege, tax audit collections and specific ownership taxes also increased by \$2.6 million. Investment earnings increased due to the improved fair market value of the city's investments in 2014. The increases were partially offset by decreases in operating grants and contributions and capital grants and contributions. Operating grants and contributions decreased by \$3.0 million in 2014 due to the completion of several significant parks, recreation and open space projects during 2013 as well as completion of the Aurora Animal Shelter outdoor kennel area in 2013. Capital grants and contributions decreased \$2.3 million primarily due to contractual reimbursement requirements as well as a decline in annexation fees and developer contributions.

Total governmental activities expenses increased \$8.1 million or 2.5%. Police expenses increased \$2.6 million to meet mandated staffing and equipment needs. Economic development expense increased \$2.0 million as development activity increased in urban renewal areas around the city.

Business-type activities changes in net position

Total revenues for business-type activities increased \$35.5 million or 18.5%. Charges for services increased \$31.0 million primarily as a result of development and connection fees received from Roxborough Water and Sanitation District. Capital grants and contributions increased \$2.3 million due to an increase in the water and sewer mains contributed by developers in 2014. Investment earnings increased due to the improved fair market value of the city's investments in 2014.

Total business-type activities expenses increased \$4.0 million or 2.5%. Water operating expenses increased \$3.8 million primarily due to the expenses incurred in 2014 related to the Everist Reservoir repairs that resulted from the 2013 flood. In addition, engineering consulting expenses were incurred related to the development of an integrated water master plan and purchased water expenses returned to a more normal level in 2014 than the reduced expenses in 2013.

Expenses and Charges for Services – Business-type Activities

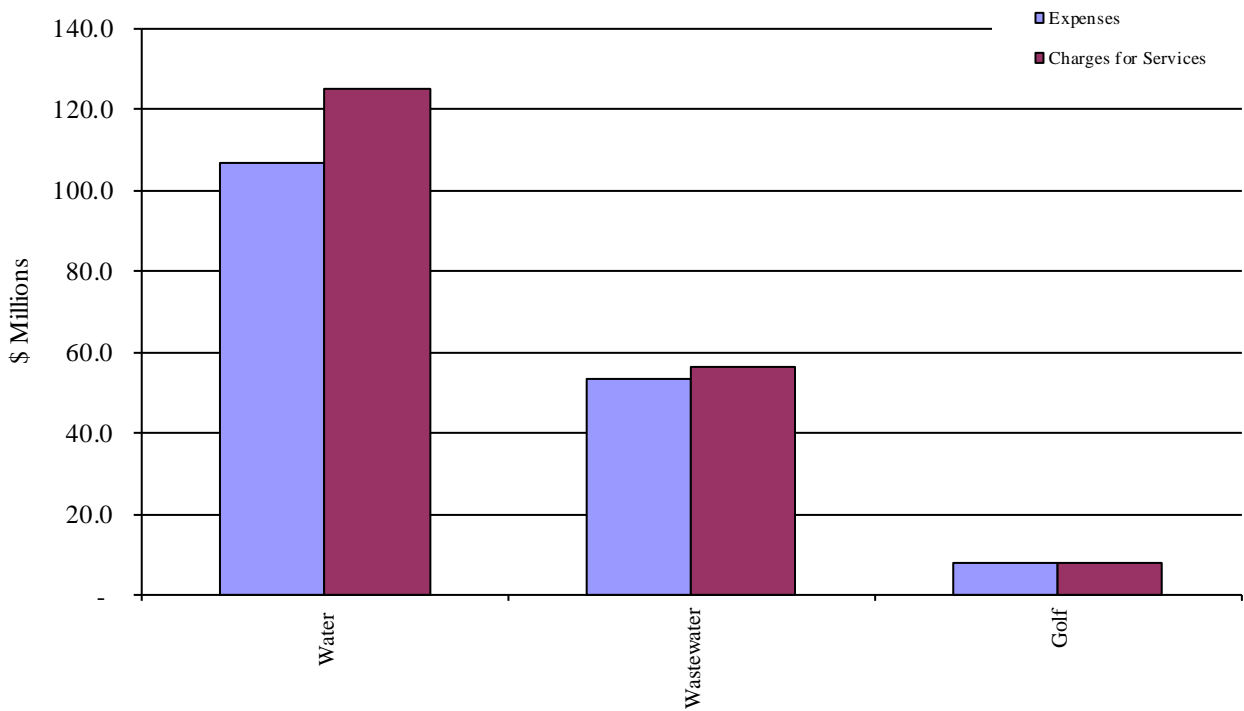


Chart 5

Revenues by Source – Business-type Activities

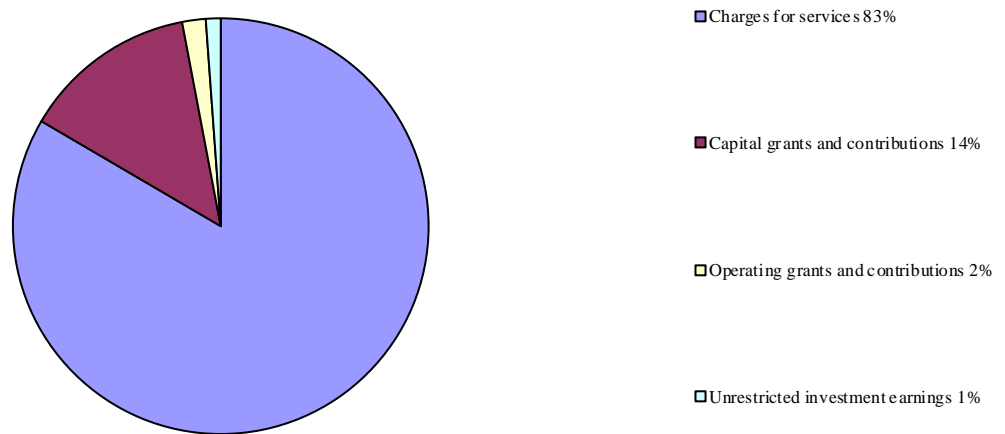


Chart 6

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

The General Fund is the main operating fund of the city. At the end of 2014, total fund balance for the General Fund was \$89.5 million. This amount includes: \$10.9 million restricted fund balance comprised primarily of the \$7.9 million TABOR reserve restricted for emergencies; \$28.2 million committed fund balance comprised mainly of the \$22.5 million 10% policy reserve; \$24.2 million assigned fund balance comprised primarily of \$21.8 million assigned to payment of long-term liabilities; and \$26.2 million for the unassigned fund balance operating reserve.

All of the unassigned General Fund fund balance is maintained as the "unassigned fund balance Operating Reserve". The Operating Reserve has a minimum target policy range of 1% to 3% of annual budgetary revenues and is intended to be spendable in limited circumstances as determined appropriate and necessary by City Council. City policy provides for restoring the Operating Reserve to those levels as quickly as feasible. The General Fund unassigned fund balance Operating Reserve was \$26.2 million at December 31, 2014 and \$20.5 million at December 31, 2013. The Operating Reserve is 9.2% of 2014 annual budgetary revenues or \$17.2 million above the 3% minimum target range specified by Council. Total General Fund funds available was 20.1% of total General Fund budgetary revenues in 2014, compared to 19.6% in 2013.

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 2014, 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 "Taxpayer Bill of Rights" (TABOR) Reserve balance restricted for emergencies was 13.3% of the General Fund's 2014 adjusted budgetary operating expenditures.

The TABOR Reserve is restricted for emergencies for fund balance purposes. This balance accounts for the emergency reserve required by TABOR, a State constitutional amendment (Note 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, 2014.

General Fund Budgetary Highlights

General Fund revenues for 2014 were greater than budget by \$13.3 million primarily due to continued growth in sales and use tax revenue as the economy continues its recovery and increased consumer confidence. General Fund expenditures were \$2.3 million under budget primarily from vacancy savings, lower utility costs driven by lower water usage due to early summer rains and mild temperatures throughout the year and lower than projected equipment replacement purchases. December 31 ending funds available was \$23.4 million higher than original budget and \$15.7 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, 2014 were valued at \$4.5 billion (net of accumulated depreciation) and include: land and water rights, buildings and improvements, infrastructure, machinery and equipment and construction in progress. The city uses these assets to provide services to its citizens. Additional information on the city's capital assets can be found in the notes to the basic financial statements (Note 6).

**Comparative Schedule of Capital Assets - net of accumulated depreciation December 31, 2014 and 2013
(in thousands)**

	Governmental Activities			Business-type Activities			Citywide Totals		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Land and water rights	\$ 273,885	\$ 264,385	\$ 9,500	\$ 383,412	\$ 376,576	\$ 6,836	\$ 657,297	\$ 640,961	\$ 16,336
Buildings and improvements	133,566	138,166	(4,600)	452,107	464,527	(12,420)	585,673	602,693	(17,020)
Infrastructure	2,054,780	2,071,930	(17,150)	1,048,033	1,015,003	33,030	3,102,813	3,086,933	15,880
Machinery and equipment	33,581	32,849	732	68,516	72,107	(3,591)	102,097	104,956	(2,859)
Construction in progress	19,751	1,489	18,262	77,947	66,992	10,955	97,698	68,481	29,217
Totals	\$ 2,515,563	\$ 2,508,819	\$ 6,744	\$ 2,030,015	\$ 1,995,205	\$ 34,810	\$ 4,545,578	\$ 4,504,024	\$ 41,554

Chart 7

Major capital asset activity for the year ended December 31, 2014 included the following:

Governmental Activities Capital Assets

- Land and water rights increased primarily as a result of the purchase of Sport Park land valued at \$4.0 million and Fitzsimons conference center and parking structure land valued at \$3.3 million. Additionally, permanent easements valued at \$1.4 million were contributed.
- Buildings and improvements decreased primarily due to additions to accumulated depreciation of \$5.8 million. Additions included the purchase of the Vintage Theatre for \$0.8 million and North Satellite building costs transferred from construction in progress at a value of \$0.5 million.
- Infrastructure decreased as a result of current year additions to accumulated depreciation of \$39.9 million. Additions to infrastructure included \$7.8 million for developer contributed roads. Transfers from construction in progress increased infrastructure by \$11.8 million for street overlays, \$1.2 million for traffic signals and \$1.6 million for parks and open space improvements.
- Construction in progress increased due to capital project costs including \$5.5 million for Del Mar pool renovations, \$3.0 million in various other parks, recreation and open space projects, \$2.7 million for the Fitzsimons conference center and parking structure project, \$2.6 million for the E-911 system upgrade, \$2.0 million for a public safety training facility, \$1.6 million for the history museum expansion and \$1.2 million for Tollgate Bridge improvements. Additionally, street overlays and traffic signal assets valued at \$13.0 million were added, completed and transferred to infrastructure.

Business-type Activities Capital Assets

- The purchase of \$4.2 million in Union Ditch water rights, the purchase of Lake County land valued at \$1.0 million, and the Brantor land valued at \$0.9 million accounted for the majority of land and water rights increases.
- The buildings and improvements decrease is the result of additions to accumulated depreciation.
- Infrastructure increased mainly due to transfers from construction in progress for various projects including \$27.4 million for Homestake Reservoir improvements, \$4.5 million for Hutch Channel improvements, \$2.6 million for Challenger Storage improvements and \$12.5 million for various water and sewer line improvements. Also, water and sewer mains valued at \$3.6 million were contributed from developers. Infrastructure decreased \$19.3 million through additions to accumulated depreciation.
- Machinery and equipment decreased as a result of additions to accumulated depreciation of \$7.4 million. Additions and transfers to machinery and equipment included \$3.5 million primarily for vehicles and street sweeper heavy equipment purchases.
- Construction in progress increased as a result of new capital projects including \$8.6 million for Everist storage improvements, \$8.5 million for Wemlinger treatment plant, \$6.9 million for Homestake Reservoir improvements, \$4.0 million for Baranmor Ditch improvements, \$2.6 for Rampart Reservoir, \$2.7 million for Prairie Waters Project storage wells, \$2.7 million for Hutch Channel improvements, \$2.2 million for Bolling Drive Tributary Outfall improvements and \$20.6 million for various line replacement and improvements. Additionally, assets valued at \$48.7 million were completed and transferred to infrastructure.

Debt Administration

At the end of 2014, the city had total bonded debt of \$529.8 million and \$108.8 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, 2014, and 2013 was as follows:

Comparative Schedule of Outstanding Debt December 31, 2014 and 2013 (in thousands)

	Primary Government								
	Governmental Activities			Business-type Activities			Citywide Totals		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
General Obligation Bonds	\$ 5,811	\$ 10,468	\$ (4,657)	\$ -	\$ -	\$ -	\$ 5,811	\$ 10,468	\$ (4,657)
Revenue Bonds	-	1,635	(1,635)	523,950	548,395	(24,445)	523,950	550,030	(26,080)
Total Bonded Debt	5,811	12,103	(6,292)	523,950	548,395	(24,445)	529,761	560,498	(30,737)
Certificates of Participation	108,800	91,570	17,230	-	-	-	108,800	91,570	17,230
Totals	\$ 114,611	\$ 103,673	\$ 10,938	\$ 523,950	\$ 548,395	\$ (24,445)	\$ 638,561	\$ 652,068	\$ (13,507)

Chart 8

Citywide net bonded and COP debt decreased \$13.5 million during 2014 due to \$6.8 million in bonded debt payments and \$4.6 million in COP payments. In addition, during 2014, the 2005D Colorado Water Resources and Power Development Authority (CWRPDA) revenue bonds were defeased for \$23.9 million. This unscheduled, voluntary water debt pay down was made from available funds and will result in significant savings along with improved debt coverage ratios. These decreases were partially offset by the issuance of the 2014 Certificates of Participation (COPs) for the E-911 and Sports Park projects for \$21.8 million.

The city's underlying general obligation debt rating is Aa1 by Moody's Investors Service and AA by Fitch Ratings.

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 in the Statistical Section of this report, Exhibit A-16, and additional information on the city's debt can be found in the notes to the basic financial statements (Note 7).

Economic Factors and Rate Increases

- For 2014, the average annual local unemployment rate for Denver-Aurora-Lakewood was at 4.9%. This rate compares favorably to the state's average unemployment rate of 5.0% and the national unemployment rate of 6.2%.
- Aurora-Denver nonfarm employment in 2014 is up 2.8% over last year.
- Although the number of new residential and commercial permits issued for the city in 2014 decreased 2.6% over last year, the permits issued for improvements to existing structures more than doubled.
- Water, wastewater, and storm drain user rates will increase 0.0%, 4.0% and 0.0%, respectively, in 2015 to fund operating expenses and system improvement needs.

Requests for Information

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

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Citywide Financial Statements



Basic Financial Statements

CITY OF AURORA, COLORADO

CITYWIDE

STATEMENT OF NET POSITION

DECEMBER 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 24,342,935	\$ 39,032,393	\$ 63,375,328	\$ 129,460
Investments	97,401,728	169,352,272	266,754,000	—
<i>Receivables (net of allowance)</i>				
Taxes receivable	50,550,966	—	50,550,966	312,779
Accounts receivable	1,710,018	13,948,081	15,658,099	676
Interest receivable	794,680	599,747	1,394,427	—
Due from other governments	1,205,954	1,404,458	2,610,412	—
Other receivables	368,097	1,084,834	1,452,931	—
Internal balances	(2,066,460)	2,066,460	—	—
Inventories	745,084	178,691	923,775	—
<i>Restricted assets</i>				
Cash and cash equivalents	32,960,941	374,000	33,334,941	—
Investments	52,230,089	52,866,765	105,096,854	—
Taxes receivable	4,750,823	—	4,750,823	—
Accounts receivable	38,863	—	38,863	—
Interest receivable	22,872	891,085	913,957	—
Due from other governments	4,665,518	—	4,665,518	—
Other receivables	1,535,970	5,495,466	7,031,436	—
Inventories	928,127	—	928,127	—
Asset acquired for resale	4,003,861	—	4,003,861	—
Notes receivable	40,000	—	40,000	—
Notes receivable	180,132	1,183,337	1,363,469	—
Equity in joint venture	—	2,371,466	2,371,466	—
<i>Capital assets (net of accumulated depreciation)</i>				
Land and water rights	273,885,364	383,412,383	657,297,747	—
Buildings and improvements	133,566,236	452,107,269	585,673,505	—
Infrastructure	2,054,779,433	1,048,032,877	3,102,812,310	35,728
Machinery and equipment	33,580,973	68,515,528	102,096,501	23,542
Construction in progress	19,750,576	77,946,594	97,697,170	7,088
Total assets	2,791,972,780	2,320,863,706	5,112,836,486	509,273
DEFERRED OUTFLOWS OF RESOURCES				
	8,686,738	461,548	9,148,286	—
LIABILITIES				
Accounts payable	13,801,856	16,428,942	30,230,798	33,409
Accrued interest	489,036	12,566,799	13,055,835	—
Other payables	1,229,165	3,572,899	4,802,064	—
Unearned revenues	1,723,803	679,263	2,403,066	—
<i>Noncurrent liabilities</i>				
Due within one year	17,429,797	2,781,680	20,211,477	—
Due beyond one year	176,749,503	611,074,267	787,823,770	—
Total liabilities	211,423,160	647,103,850	858,527,010	33,409
DEFERRED INFLOWS OF RESOURCES				
	30,133,578	—	30,133,578	310,755
NET POSITION				
Net investment in capital assets	2,412,879,281	1,454,925,609	3,867,804,890	66,358
<i>Restricted</i>				
Culture, recreation, and open space	27,094,730	—	27,094,730	—
Development	5,938,541	—	5,938,541	—
Gifts and grants	2,071,404	—	2,071,404	—
Public improvement	5,892,392	5,869,467	11,761,859	—
Emergencies	30,217,306	—	30,217,306	10,900
Unrestricted	75,009,126	213,426,328	288,435,454	87,851
Total net position	\$ 2,559,102,780	\$ 1,674,221,404	\$ 4,233,324,184	\$ 165,109

See notes to the basic financial statements

CITY OF AURORA, COLORADO
CITYWIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government								
<i>Governmental activities</i>								
General government	\$ 25,063,024	\$ 4,011,611	\$ 1,561,823	\$ 7,000	\$ (19,482,590)	\$ —	\$ (19,482,590)	
Judicial	9,252,901	8,228,586	218,661	—	(805,654)	—	(805,654)	
Police	96,507,512	4,620,738	4,558,215	—	(87,328,559)	—	(87,328,559)	
Fire	42,765,092	1,209,269	389,189	218,627	(40,948,007)	—	(40,948,007)	
Other public safety	13,307,961	—	3,119,173	—	(10,188,788)	—	(10,188,788)	
Public works	70,673,614	577,143	711,447	23,814,598	(45,570,426)	—	(45,570,426)	
Economic development	19,705,377	13,707,260	336,134	66,033	(5,595,950)	—	(5,595,950)	
Community services	10,162,986	2,721,134	3,682,119	—	(3,759,733)	—	(3,759,733)	
Culture and recreation	38,384,605	7,346,944	7,466,914	7,222,109	(16,348,638)	—	(16,348,638)	
Unallocated depreciation, excluding direct program depreciation	3,742,609	—	—	—	(3,742,609)	—	(3,742,609)	
Interest on long-term debt	5,032,167	—	—	—	(5,032,167)	—	(5,032,167)	
Total governmental activities	<u>334,597,848</u>	<u>42,422,685</u>	<u>22,043,675</u>	<u>31,328,367</u>	<u>(238,803,121)</u>	<u>—</u>	<u>(238,803,121)</u>	
<i>Business-type activities</i>								
Water	106,723,389	125,028,918	4,063,596	22,154,712	—	44,523,837	44,523,837	
Wastewater	53,567,660	56,250,431	870,105	7,922,205	—	11,475,081	11,475,081	
Golf	8,066,797	8,148,950	23,197	8,400	—	113,750	113,750	
Total business-type activities	<u>168,357,846</u>	<u>189,428,299</u>	<u>4,956,898</u>	<u>30,085,317</u>	<u>—</u>	<u>56,112,668</u>	<u>56,112,668</u>	
Total primary government	<u>\$502,955,694</u>	<u>\$ 231,850,984</u>	<u>\$ 27,000,573</u>	<u>\$ 61,413,684</u>	<u>(238,803,121)</u>	<u>56,112,668</u>	<u>(182,690,453)</u>	
Component Unit	<u>\$ 440,029</u>	<u>\$ 10,335</u>	<u>\$ 275</u>	<u>\$ —</u>				<u>\$ (429,419)</u>

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
General Revenues				
<i>Taxes</i>				
Sales and use	192,398,120	—	192,398,120	—
Property taxes	33,627,053	—	33,627,053	355,031
Franchise taxes	14,611,949	—	14,611,949	—
Lodgers taxes	6,572,979	—	6,572,979	—
Occupational privilege taxes	4,701,402	—	4,701,402	—
Other taxes	5,097,920	—	5,097,920	25,819
Grants and contributions not restricted to specific programs	1,026,619	—	1,026,619	—
Unrestricted investment earnings	2,547,655	2,610,512	5,158,167	—
Transfers	7,312	(7,312)	—	—
Total general revenues and transfers	<u>260,591,009</u>	<u>2,603,200</u>	<u>263,194,209</u>	<u>380,850</u>
INCREASE (DECREASE) IN NET POSITION	21,787,888	58,715,868	80,503,756	(48,569)
NET POSITION - January 1	<u>2,537,314,892</u>	<u>1,615,505,536</u>	<u>4,152,820,428</u>	<u>213,678</u>
NET POSITION - December 31	<u>\$ 2,559,102,780</u>	<u>\$ 1,674,221,404</u>	<u>\$ 4,233,324,184</u>	<u>\$ 165,109</u>

See notes to the basic financial statements.





Basic Financial Statements

GOVERNMENTAL FUNDS

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

MAJOR GOVERNMENTAL FUND

General Fund

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

Nonmajor governmental funds

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

Fund Financial Statements

CITY OF AURORA, COLORADO

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2014**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 11,220,226	\$ 10,640,134	\$ 21,860,360
Investments	46,247,224	39,751,823	85,999,047
<i>Receivables (net of allowance)</i>			
Taxes receivable	50,550,966	—	50,550,966
Accounts receivable	1,158,170	551,848	1,710,018
Interest receivable	683,278	65,644	748,922
Due from other governments	1,181,534	24,420	1,205,954
Other receivables	112,876	3,555	116,431
Due from other funds	33,349	—	33,349
Interfund loan receivable	405,971	—	405,971
<i>Restricted assets</i>			
Cash and cash equivalents	2,260,142	30,700,799	32,960,941
Investments	8,707,747	43,522,342	52,230,089
Taxes receivable	—	4,750,823	4,750,823
Accounts receivable	—	38,863	38,863
Interest receivable	5,408	17,464	22,872
Due from other governments	—	4,665,518	4,665,518
Other receivables	—	1,535,970	1,535,970
Inventory	—	928,127	928,127
Asset acquired for resale	—	4,003,861	4,003,861
Notes receivable	—	40,000	40,000
Notes receivable	76,000	104,132	180,132
Total assets	<u>\$ 122,642,891</u>	<u>\$ 141,345,323</u>	<u>\$ 263,988,214</u>
LIABILITIES			
Accounts payable	\$ 5,758,071	\$ 8,718,049	\$ 14,476,120
Other payables	901,318	327,847	1,229,165
Due to other funds	—	33,349	33,349
Interfund loan payable	—	4,000,000	4,000,000
Unearned revenues	—	1,723,803	1,723,803
Total liabilities	<u>6,659,389</u>	<u>14,803,048</u>	<u>21,462,437</u>
DEFERRED INFLOWS OF RESOURCES	26,444,274	6,168,335	32,612,609
FUND BALANCES			
Restricted	10,948,640	72,460,465	83,409,105
Committed	28,197,618	9,141,467	37,339,085
Assigned	24,236,802	39,394,695	63,631,497
Unassigned	26,156,168	(622,687)	25,533,481
Total fund balances	<u>89,539,228</u>	<u>120,373,940</u>	<u>209,913,168</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 122,642,891</u>	<u>\$ 141,345,323</u>	<u>\$ 263,988,214</u>

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE CITYWIDE STATEMENT OF

NET POSITION

DECEMBER 31, 2014

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

Total fund balance - governmental funds (see page 5) \$ 209,913,168

The current and long-term portions of the golf cart interfund loans between the General Fund and the Golf Fund are eliminated. As these loans cross between governmental activities and business-type activities at citywide, these amounts are recorded on the internal balances line.

General Fund - asset	405,971
Golf Fund - liability	(405,971)

The Fanfare interfund loan between the AURA Debt Service Fund and the Water Fund is eliminated. As these loans cross between governmental activities and business-type activities at citywide, these amounts are recorded on the internal balances line.

AURA Debt Service Fund - liability	(4,000,000)
Water Fund - asset	4,000,000

The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative internal service fund loss. 1,527,569

Due to / due from amounts are eliminated for citywide reporting.

Due to other funds	33,349
Due from other funds	(33,349)

The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds. (see Note 11) 251,666

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Less \$536,895 internal service fund capital assets. 2,515,025,687

Deferred loss on refunding is amortized over future periods and is not recorded in the funds. 8,686,738

Accounts payable are adjusted for interest payable on bonds, which are not paid in the current period and, therefore, not recorded in the funds. (489,036)

Deferred inflows of resources from tax audit receivables, notes receivable, and special assessments have been recognized as revenue at citywide. (see Note 1D) 2,479,031

Noncurrent liabilities including bonds, certificates of participation, accrued compensated absences, and the net pension obligation are not due and payable in the current period and therefore, are not recorded in the funds.

Due within year -

Due within one year on citywide statement of net position	17,429,797	
Internal service fund current portion long-term liabilities	<u>(5,969,891)</u>	(11,459,906)

Due beyond one year -

Due beyond one year on citywide statement of net position	176,749,503	
Internal service fund due beyond one year	(5,106,993)	
Funded portion of accrued compensated absences reclassified from accounts payable in the funds to long-term debt at citywide	<u>(1,017,412)</u>	(170,625,098)

Internal service funds are used by the city to accumulate and allocate fleet management and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the citywide statement of net position as they predominately benefit governmental activities. 3,792,961

Net position of governmental activities (see page 1) \$ 2,559,102,780

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
<i>Taxes</i>			
Sales and use	\$ 189,910,661	\$ 2,487,459	\$ 192,398,120
Property	25,213,420	8,413,633	33,627,053
Franchise	14,611,949	—	14,611,949
Lodgers	6,211,831	361,148	6,572,979
Occupational privilege	4,213,345	488,057	4,701,402
Other	5,298,479	23,842	5,322,321
Charges for services	12,235,023	11,438,899	23,673,922
Licenses and permits	3,590,412	10,277,130	13,867,542
Fines and forfeitures	10,651,519	10,050	10,661,569
Special assessments	—	351,941	351,941
Intergovernmental	13,871,528	22,906,106	36,777,634
Surcharges	339,603	3,101,603	3,441,206
Miscellaneous	958,921	2,770,965	3,729,886
Investment earnings	1,126,780	1,263,632	2,390,412
Total revenues	<u>288,233,471</u>	<u>63,894,465</u>	<u>352,127,936</u>
EXPENDITURES			
<i>Current</i>			
General government	26,394,874	1,386,534	27,781,408
Judicial	8,898,016	221,713	9,119,729
Police	90,437,109	3,436,966	93,874,075
Fire	41,182,038	263,847	41,445,885
Other public safety	10,914,973	1,854,723	12,769,696
Public works	25,463,990	6,330,806	31,794,796
Economic development	5,210,214	15,805,891	21,016,105
Community services	5,239,217	4,715,019	9,954,236
Culture and recreation	17,140,761	17,425,081	34,565,842
<i>Debt service</i>			
Principal	—	11,763,228	11,763,228
Interest	—	5,102,439	5,102,439
Capital outlay	3,978,437	44,551,679	48,530,116
Total expenditures	<u>234,859,629</u>	<u>112,857,926</u>	<u>347,717,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,373,842</u>	<u>(48,963,461)</u>	<u>4,410,381</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,433,553	49,394,113	50,827,666
Transfers out	(46,248,011)	(5,629,655)	(51,877,666)
Certificates of participation issued	—	21,775,000	21,775,000
Premium on certificates of participation	—	3,400,945	3,400,945
Proceeds from notes issued	—	5,646,425	5,646,425
Proceeds from capital leases	—	3,058,587	3,058,587
Sale of capital assets	208,056	14,642	222,698
Total other financing sources (uses)	<u>(44,606,402)</u>	<u>77,660,057</u>	<u>33,053,655</u>
NET CHANGE IN FUND BALANCES	8,767,440	28,696,596	37,464,036
FUND BALANCES - January 1	<u>80,771,788</u>	<u>91,677,344</u>	<u>172,449,132</u>
FUND BALANCES - December 31	<u>\$ 89,539,228</u>	<u>\$ 120,373,940</u>	<u>\$ 209,913,168</u>

See notes to the basic financial statements.

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, 2014

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)	\$ 37,464,036
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.	
Amounts accrued in the prior year exceeded amounts collected in the current year.	(224,401)
Charges for services generated internally are eliminated at citywide.	
Charges for services - revenue	(5,788,408)
Charges for services - expenditures	5,788,408
The change in special assessment revenue, deferred inflow of resources in the funds, is recognized as revenue at citywide.	(351,941)
Street infrastructure donated by developers and easement infrastructure are recorded as revenue at citywide, however, they are not a current financial source and, therefore, not recorded in the funds.	9,679,425
The change in miscellaneous revenues is recognized as revenue at citywide. The decrease represents write-off of developer funded traffic signal construction costs and the net of loans issued to payments received.	(113,948)
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 net pension asset / obligation (see Note 7 and Note 11)	(397,076)
Change in OPEB obligation (see Note 7)	(369,185)
Change in accrued compensated absences net of funded payment in lieu of \$51,230, less internal service funds of \$34,205	(145,222)
Change in aid to agencies	(26,033)
Debt service payments consume current financial resources and are included as expenditures in the funds. At citywide the payments are recorded as a reduction to long-term liabilities. The accrual adjustment for debt service interest and the amortization of debt discounts, premiums and loss on refunding are made at citywide only.	
Repayment of principal	11,763,228
Accrued interest	(22,328)
Amortization of premium and discount	937,429
Amortization of loss on refunding	(844,828)
Arbitrage expense	168,892
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 (see Note 6 less roads and easements and internal service funds)	48,530,116
Depreciation (see Note 6 less internal service funds depreciation)	(50,898,012)
Capital asset transfers from enterprise and internal service funds	179,220
Proceeds from capital leases, certificates of participation and notes payable are recorded in the funds but have no affect on net position.	(33,880,957)
Prior year interfund loan proceeds reversed to fund expenses in current year, but have no effect on net position as booked to interfund payable in prior year.	1,291,315
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.	(823,764)
Internal service funds are used by the city to accumulate and allocate fleet management and risk management costs to individual funds. The change in net position of the internal service funds are included in governmental activities in the citywide statement of net position as they predominately benefit governmental activities.	
Governmental - type	(543,107)
Business - type	415,029
Increase in net position of governmental activities (see page 3)	<u>\$ 21,787,888</u>

See notes to the basic financial statements.



Basic Financial Statements

PROPRIETARY FUNDS

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

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

MAJOR PROPRIETARY FUNDS

Water Fund

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

Wastewater Fund

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

NONMAJOR PROPRIETARY FUND

Golf Fund

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



CITY OF AURORA, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	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	\$ 26,972,038	\$ 11,124,810	\$ 935,545	\$ 39,032,393	\$ 2,482,575
Investments	119,057,067	48,611,517	1,683,688	169,352,272	11,402,681
<i>Receivables (net of allowance)</i>					
Accounts receivable	8,043,150	5,904,931	—	13,948,081	—
Interest receivable	483,453	116,294	—	599,747	45,758
Due from other governments	1,199,794	204,664	—	1,404,458	—
Other receivable	1,017,055	67,779	—	1,084,834	—
<i>Restricted assets</i>					
Investments	10,073,275	649,922	—	10,723,197	—
Notes receivable	—	1,183,337	—	1,183,337	—
Current portion of interfund loans	—	50,000	—	50,000	—
Inventories	—	—	178,691	178,691	745,084
Total current assets	166,845,832	67,913,254	2,797,924	237,557,010	14,676,098
<i>Noncurrent assets</i>					
<i>Restricted assets</i>					
Cash and cash equivalents	374,000	—	—	374,000	—
Investments	37,930,382	3,749,250	463,936	42,143,568	—
Interest receivable	805,289	84,685	1,111	891,085	—
Other receivables	—	5,495,466	—	5,495,466	—
Interfund loans	4,000,000	4,184,000	—	8,184,000	—
Equity in joint venture	2,371,466	—	—	2,371,466	—
<i>Capital assets (net of accumulated depreciation)</i>					
Land and water rights	355,459,266	12,983,737	14,969,380	383,412,383	—
Buildings and improvements	401,272,139	48,735,024	2,100,106	452,107,269	—
Infrastructure	669,073,317	368,732,261	10,227,299	1,048,032,877	266,294
Machinery and equipment	65,154,031	2,684,476	677,021	68,515,528	270,601
Construction in progress	60,761,156	17,185,438	—	77,946,594	—
Total capital assets	1,551,719,909	450,320,936	27,973,806	2,030,014,651	536,895
Total noncurrent assets	1,597,201,046	463,834,337	28,438,853	2,089,474,236	536,895
Total assets	1,764,046,878	531,747,591	31,236,777	2,327,031,246	15,212,993
DEFERRED OUTFLOWS OF RESOURCES	449,184	—	12,364	461,548	—
LIABILITIES					
<i>Current liabilities</i>					
Accounts payable	11,382,984	4,983,056	62,902	16,428,942	343,148
Accrued interest	11,899,207	648,509	19,083	12,566,799	—
Other payables	1,687,420	1,885,479	—	3,572,899	—
Unearned revenues	—	—	679,263	679,263	—
Current portion - interfund loans	—	—	230,218	230,218	—
Current portion - long-term liabilities	2,025,310	159,501	596,869	2,781,680	5,969,891
Total current liabilities	26,994,921	7,676,545	1,588,335	36,259,801	6,313,039
<i>Noncurrent liabilities</i>					
Interfund loans	—	—	4,409,753	4,409,753	—
Due beyond one year	576,521,266	33,886,055	666,946	611,074,267	5,106,993
Total noncurrent liabilities	576,521,266	33,886,055	5,076,699	615,484,020	5,106,993
Total liabilities	603,516,187	41,562,600	6,665,034	651,743,821	11,420,032
NET POSITION					
Net investment in capital assets	1,007,961,311	419,024,192	27,940,106	1,454,925,609	536,895
Restricted for public improvement	374,000	5,495,467	—	5,869,467	—
Unrestricted	152,644,564	65,665,332	(3,355,999)	214,953,897	3,256,066
Total net position	\$ 1,160,979,875	\$ 490,184,991	\$ 24,584,107	\$ 1,675,748,973	\$ 3,792,961

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION TO THE CITYWIDE

STATEMENT OF NET POSITION

DECEMBER 31, 2014

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

Total net position - proprietary funds (see page 10)	\$ 1,675,748,973
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	(4,234,000)
Golf Fund - liability	4,234,000
The current and long-term portions of the golf cart interfund loans between the General Fund and the Golf Fund are eliminated. As these loans cross between governmental activities and business-type activities at citywide, these amounts are recorded on the internal balances line.	
General Fund - asset	(405,971)
Golf Fund - liability	405,971
The Fanfare interfund loan between the AURA Debt Service Fund and the Water Fund is eliminated. As this loan crosses between governmental activities and business-type activities at citywide, these amounts are recorded on the internal balances line.	
AURA Debt Service Fund - liability	4,000,000
Water Fund - asset	(4,000,000)
The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative internal service fund loss.	
	(1,527,569)
Net position of business-type activities (see page 1)	<u>\$ 1,674,221,404</u>

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Wastewater	Fund	Enterprise	Internal
		Golf	Funds	Service Funds	
OPERATING REVENUES					
<i>Charges for services</i>					
Customers	\$ 125,028,918	\$ 56,250,431	\$ 8,148,950	\$ 189,428,299	\$ 15,784,212
OPERATING EXPENSES					
Cost of sales and services	49,351,361	42,138,859	6,650,737	98,140,957	11,300,575
Claims losses	—	—	—	—	6,756,620
Administrative expenses	2,138,358	1,006,166	358,928	3,503,452	94,793
Depreciation	29,495,894	9,530,485	907,876	39,934,255	95,260
Total operating expenses	80,985,613	52,675,510	7,917,541	141,578,664	18,247,248
Operating income (loss)	44,043,305	3,574,921	231,409	47,849,635	(2,463,036)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	3,858,080	1,152,389	34,543	5,045,012	157,243
Intergovernmental revenue	1,723,351	639,105	—	2,362,456	—
Miscellaneous revenues	240,691	29,104	2,152	271,947	884,594
Interest expense	(24,211,342)	(753,289)	(233,509)	(25,198,140)	—
Amortization of premiums and (discounts), net	677,935	29,655	(12,364)	695,226	—
Gain (loss) on disposal of capital assets	(271,577)	(158,999)	(227,671)	(658,247)	(21,908)
Loss on early extinguishment of debt	(1,563,264)	—	—	(1,563,264)	—
Gain on joint venture	59,356	—	—	59,356	—
Net nonoperating revenues (expenses)	(19,486,770)	937,965	(436,849)	(18,985,654)	1,019,929
Income (loss) before capital contributions and transfers	24,556,535	4,512,886	(205,440)	28,863,981	(1,443,107)
Capital contributions	22,167,754	7,940,762	8,400	30,116,916	—
Transfers in	—	—	150,000	150,000	900,000
CHANGE IN NET POSITION	46,724,289	12,453,648	(47,040)	59,130,897	(543,107)
NET POSITION - January 1	1,114,255,586	477,731,343	24,631,147	1,616,618,076	4,336,068
NET POSITION - December 31	\$ 1,160,979,875	\$ 490,184,991	\$ 24,584,107	\$ 1,675,748,973	\$ 3,792,961

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

RECONCILIATION OF THE PROPRIETARY FUNDS ON THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION TO THE CITYWIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

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

Net change in net position - total enterprise funds (see page 12)	\$ 59,130,897
The current year internal service fund operating loss attributable to business-type activities is eliminated for citywide reporting.	(415,029)
Increase in net position of business-type activities (see page 3)	<u>\$ 58,715,868</u>

See notes to the basic financial statements.

CITY OF AURORA, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Wastewater	Fund	Enterprise	Internal
		Golf	Funds	Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received from:</i>					
Customers and others	\$ 126,121,207	\$ 56,452,216	\$ 8,181,452	\$ 190,754,875	\$ 892,517
Interfund services provided and used	—	—	—	—	15,776,289
<i>Cash payments to:</i>					
Employees	(20,796,733)	(11,196,283)	(4,032,517)	(36,025,533)	(3,753,712)
Suppliers for goods and services	(30,533,177)	(31,241,598)	(2,955,467)	(64,730,242)	(13,442,098)
Net cash provided by (used in) operating activities	74,791,297	14,014,335	1,193,468	89,999,100	(527,004)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash transfers in	—	—	150,000	150,000	900,000
Interfund loan transactions	(2,708,685)	50,000	—	(2,658,685)	—
Net cash provided by (used in) noncapital financing activities	(2,708,685)	50,000	150,000	(2,508,685)	900,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
<i>Proceeds from:</i>					
Capital contributions	20,490,643	5,963,140	8,400	26,462,183	—
Sale of capital assets	76,602	2,568	11,713	90,883	—
Grants	—	440,828	—	440,828	—
Intergovernmental agreements	—	152,039	—	152,039	—
Note receivable principal	—	1,543,767	—	1,543,767	—
<i>Payments for:</i>					
Capital assets	(37,568,764)	(19,787,398)	(103,731)	(57,459,893)	(193,581)
Capital assets acquired through construction payables	(4,239,702)	(566,012)	—	(4,805,714)	—
Principal on capital debt (golf amount includes interfund loan payment of \$261,195)	(25,766,206)	—	(751,196)	(26,517,402)	—
Interest on capital debt	(27,572,705)	(1,559,812)	(236,904)	(29,369,421)	—
Prepayment on debt	(1,563,264)	—	—	(1,563,264)	—
Deposits for future construction	(30,052)	1,593,702	—	1,563,650	—
Net cash used in capital and related financing activities	(76,173,448)	(12,217,178)	(1,071,718)	(89,462,344)	(193,581)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in equity in pooled investments	7,498,083	313,801	(156,793)	7,655,091	427,147
(Increase) decrease in investments	(203,925)	—	56	(203,869)	—
Interest received	3,353,625	962,446	47,632	4,363,703	108,412
Net cash provided by (used in) investing activities	10,647,783	1,276,247	(109,105)	11,814,925	535,559

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Wastewater	Fund	Enterprise	Internal
		Golf	Funds	Service Funds	
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,556,947	3,123,404	162,645	9,842,996	714,974
TOTAL CASH AND CASH EQUIVALENTS, January 1					
(including \$374,000 for the Water Fund reported as restricted cash)	20,789,091	8,001,406	772,900	29,563,397	1,767,601
TOTAL CASH AND CASH EQUIVALENTS, December 31					
(including \$374,000 for the Water Fund reported as restricted cash)	\$ 27,346,038	\$ 11,124,810	\$ 935,545	\$ 39,406,393	\$ 2,482,575
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$ 44,043,305	\$ 3,574,921	\$ 231,409	\$ 47,849,635	\$ (2,463,036)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Depreciation	29,495,894	9,530,485	907,876	39,934,255	95,260
Miscellaneous nonoperating revenues	1,964,042	29,104	2,152	1,995,298	884,594
<i>Changes in operating assets and liabilities</i>					
Receivables	(923,738)	172,681	—	(751,057)	—
Inventories	—	—	(20,088)	(20,088)	(24,205)
Accounts payable and accrued liabilities	211,794	707,144	41,768	960,706	980,383
Unearned revenues	—	—	30,351	30,351	—
Total adjustments	30,747,992	10,439,414	962,059	42,149,465	1,936,032
Net cash provided by (used in) operating activities	\$ 74,791,297	\$ 14,014,335	\$ 1,193,468	\$ 89,999,100	\$ (527,004)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	\$ 1,664,069	\$ 1,959,065	\$ —	\$ 3,623,134	\$ —
Capital assets acquired through payables	8,499,158	2,183,262	—	10,682,420	—
Increase (decrease) in fair value of investments	(539,832)	(182,491)	13,089	(709,234)	(43,550)
Amortization of discount and (premium)	(677,935)	(29,655)	12,364	(695,226)	—
Loss on disposal of capital assets	(271,577)	(158,999)	(38,759)	(469,335)	—
Capital asset transfers (to) from governmental funds	13,042	18,557	(188,911)	(157,312)	(21,908)

See notes to the basic financial statements.





Basic Financial Statements

FIDUCIARY FUNDS

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

Pension Trust Funds

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

Agency Funds

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

CITY OF AURORA, COLORADO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2014

	Pension Trust Funds	Agency Fund
ASSETS		
<i>Current assets</i>		
Cash and equivalents	\$ 4,859,963	\$ 9,480,942
<i>Investments</i>		
Equity securities and funds	193,657,447	—
U.S. government treasury and U.S. government agency obligations	15,291,268	—
Corporate notes, bonds and funds	85,569,889	—
Real estate funds	40,133,081	—
Alternative investments	73,511,278	—
<i>Receivables (net of allowance)</i>		
Interest receivable	1,073,112	—
Due from other governments	595,235	—
Prepaid items	5,870	—
Total assets	\$ 414,697,143	\$ 9,480,942
LIABILITIES		
<i>Current liabilities</i>		
Accounts payable and other current liabilities	588,004	\$ 9,480,942
Total liabilities	588,004	\$ 9,480,942
NET POSITION RESTRICTED FOR PENSIONS	\$ 414,109,139	

See notes to the basic financial statements.

CITY OF AURORA, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

	Pension Trust Funds
	<hr/>
ADDITIONS	
<i>Contributions</i>	
City	\$ 5,654,339
Plan members	5,531,417
	<hr/>
Total contributions	11,185,756
	<hr/>
<i>Investment activity</i>	
Investment earnings	31,196,508
Investment expense	(1,634,823)
	<hr/>
Net investment earnings	29,561,685
	<hr/>
Other income	21,175
	<hr/>
Total additions, net	40,768,616
	<hr/>
DEDUCTIONS	
Benefits	17,825,827
Administrative expenses	565,056
	<hr/>
Total deductions	18,390,883
	<hr/>
NET INCREASE IN NET POSITION	22,377,733
NET POSITION RESTRICTED FOR PENSIONS - January 1	391,731,406
	<hr/>
NET POSITION RESTRICTED FOR PENSIONS - December 31	<u>\$ 414,109,139</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 of Aurora (the city) is a home-rule local government governed by an elected eleven-member council. These financial statements include the city and its component units. A component unit is a legally separate organization for which the city is considered financially accountable or whose exclusion would make the city's financial statements misleading or incomplete. Blended component units, although legally separate, are in substance, part of the city's operations. Therefore, data from these organizations are included with data of the primary government. Discrete presentation refers to presenting financial data of the component unit in a column separate from that of the primary government.

1. Discretely Presented Component Unit

Havana Business Improvement District (Havana BID) – The Havana BID was organized by the City Council on July 21, 2007 for the purpose of enhancing the economic vitality of the Havana Street corridor. It is a quasi-municipal corporation and political subdivision of the State of Colorado with all powers and responsibilities granted to business improvement districts by Title 31, Article 25, Part 12 of the Colorado Revised Statutes. The City Council appointed all the initial members of the Havana BID Board of Directors, which are not substantially the same as the City Council and the BID does not primarily benefit the city government. The city is able to impose its will on the BID as its operating plan and budget are approved by City Council. The Havana BID is a discretely presented component unit of the city. An election was held in November 2007 authorizing the Havana BID to levy property taxes. Separately issued, audited financial statements are available by contacting the Havana BID at 337 Oswego Street, Aurora, Colorado 80010 or telephone (303) 360-7505.

2. Blended Component Units

Aurora Capital Leasing Corporation (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 position. 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, a debt service fund, and a capital projects fund. The AURA general fund is presented in these financial statements as a special revenue fund. Noncurrent debt and noncurrent assets of AURA are included in the citywide statement of net position. There are no separately issued financial statements for AURA.

The General Improvement Districts (GIDs) – Three separate fence GIDs, a sewer line GID, and a conference center 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). The conference center GID currently has no debt outstanding. Each GID is a blended component unit because its governing body is the same as the City Council and it provides financial benefits solely to the city. The financial statements for each GID consist of a separate special revenue fund. The noncurrent debt of each respective GID is included in the citywide statement of net position. There are no separately issued financial statements for any of the GIDs. The five 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.

Aurora Conference Center General Improvement District (GID) – This GID was formed by action of registered voters in 2011.

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 online at www.auragerp.qwestoffice.net or by contacting GERP at 12100 East Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

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

4. Joint Venture

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

The city's share of the ACSJWA is accounted for in the Water Fund using the equity method. The Water Fund is a major proprietary fund and business-type activity. Separately issued, audited financial statements for ACSJWA are available at Colorado Springs Utilities, P.O. Box 1103, Mail Code 0930, Colorado Springs, Colorado 80947-0930 or telephone (719) 668-4052.

B. Citywide and Fund Financial Statements

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

The citywide financial statements (i.e., the statement of net position and the statement of activities) provide financial information about the city as a whole (the primary government and its component unit). 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 a legally separate component unit for which the government is financially accountable.

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

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

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. The city considers revenues, other than grants, to be measurable and available if collected within two months after year-end. Grants are considered measurable and available if 1) they are collected within one year after year-end and 2) all eligibility requirements, including incurring allowable costs, have been met. Property taxes are recognized as revenue in the year for which they are levied (the year subsequent to the levy year), and are reported as a receivable and deferred inflow of resources in the year levied, as an enforceable legal claim occurs at this time. Revenues susceptible to accrual under the modified accrual basis include fines, surcharges, intergovernmental, grants, interest and the following taxes: property, sales, use, lodgers, occupational privilege, franchise, and specific ownership tax. All other revenues are considered measurable and available only when cash is received. Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are recognized when matured.

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

The city reports the following major governmental fund:

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

The city reports the following major proprietary funds:

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

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

Additionally, the city reports the following nonmajor funds:

Special Revenue Funds account for revenues that are restricted or committed for a specific purpose. The city has sixteen 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 GID, Meadow Hills Fence GID, Peoria Park Fence GID, Pier Point 7 Sewer GID, Aurora Conference Center GID 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 four debt service funds: City Debt Service, Special Improvement District (SID) Debt Service (includes the following special improvement districts: 1-03 Smith Road, 1-04 56th Avenue, 1-05 Ptarmigan Fence, 2-03 Dam West Fence, and 1-10 Dam East Fence), 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 three capital projects funds: the City Capital Projects Fund, ACLC Capital Projects Fund, and AURA 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 accounts for the consolidation of payroll liabilities (taxes, pensions, insurance etc.) after the related payroll expenditures are recorded into the appropriate funds.

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

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

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

D. Deferred Inflows and Outflows of Resources

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

Deferred outflows of resources of the city consist of the loss on refunding recorded in the Water Fund and the Golf Fund, and in the governmental activities column at citywide related to the ACLC Debt Service Fund.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied in the fund statements. Deferred inflows of resources are comprised of property tax and unavailable fund resources. Unavailable fund resources include: special assessment receivables, tax audit receivables and notes receivables that are unavailable in the fund statements but are recognized as revenue in the citywide statements.

The components of the deferred inflows of resources balances as of December 31, 2014 are shown below:

Funds	Unavailable Fund		Total
	Property Tax	Resources	
General	\$ 25,382,755	\$ 1,061,519	\$ 26,444,274
Nonmajor Governmental	4,750,823	1,417,512	6,168,335
Total	\$ 30,133,578	\$ 2,479,031	\$ 32,612,609
Component Unit	\$ 310,755	\$ -	\$ 310,755

E. Cash and Investments

The city pools its cash and investments. All temporary cash surpluses are invested. Earnings on pooled investments are allocated among the funds based on an average daily balance of the individual fund's equity in pooled monies. The amounts shown as "cash and cash equivalents" and "investments" in the citywide and proprietary funds statement of net position and the governmental funds balance sheet include both unrestricted equity in the city's pool and unrestricted amounts held in non-pooled accounts. Restricted assets include cash and investments required to be used for specific purposes and may contain pooled and non-pooled amounts. Cash and cash equivalents are carried at fair value and include petty cash, demand deposits and highly liquid investments (readily convertible to known amounts of cash) with maturities of three months or less from purchase date. Investments are stated at fair value based upon quoted market prices in brokerage service reports. In regards to pension plan investments, real estate funds not actively traded on national or international exchanges are valued based upon appraisals of the real estate underlying the investment. Additionally, for alternative investments where no readily ascertainable fair value exists, the general partner of the partnerships, in consultation with investment advisors, determines the fair value.

F. Interfund Transactions

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

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

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

G. Inventories

Inventories are stated at the lower of cost determined using the first-in, first-out basis or market. The cost of inventories in the proprietary fund statements and citywide statements are recorded as an expense when consumed rather than when purchased. Restricted inventories included in the governmental fund statements and citywide statements represent housing purchased, rehabilitated and resold under the Neighborhood Stabilization Program grants for \$928,127.

H. Asset Acquired for Resale

Asset acquired for resale reflects a property acquired by the city for the express purpose of resale. Since this asset is intended to be converted to cash rather than used in daily operations, it is reported in governmental fund statements as a financial asset valued at the lesser of cost or net realizable value. This property is blighted and is intended to be sold for economic redevelopment purposes per state redevelopment statutes and is valued at \$4,003,861.

I. Capital Assets

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

Estimated Useful Lives Assigned by Individual Items

Description	Estimated Useful Life (Years)	Threshold Levels
Land and water rights	N/A	\$ 50,000
Buildings and improvements	40	50,000
Infrastructure		
Street overlay and improvements	10	250,000
Other utility improvements	20-65	250,000
Mains and conduits	65-95	250,000
Reservoirs/park improvements/roads	99	250,000
Machinery and equipment	3-20	5,000
Assets purchased with federal funds	Varies by category	5,000

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

Capital assets purchased by governmental funds are not included as assets in the governmental fund but as expenditures. These expenditures are reclassified on the reconciliation of governmental funds balance sheet to the citywide statement of net position. Interest incurred during construction is not capitalized. Estimated costs for streets constructed by developers and contributed to the city are reported as program revenue for the public works function in the citywide statement of activities and as additions to infrastructure in the citywide statement of net position.

Capital assets purchased by proprietary funds are included on the fund's statement of net position as well as in the business-type activities column of the citywide financial statements. Developers who construct water and wastewater lines for subdivisions are required to furnish cost figures to the city for contributed lines. If cost figures are not provided, the city estimates the value of the donated asset. Such costs are recorded as capital assets and capital contribution revenues when accepted by the city. Interest cost is capitalized during construction of business-type activities' assets in accordance with GASB 62.

J. Accounts Payable

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

	Governmental Activities	Business-type Activities
Vendors	\$ 11,576,830	\$ 16,101,845
Salaries and Benefits	2,225,026	327,097
Total	\$ 13,801,856	\$ 16,428,942

K. Unearned Revenues (Liabilities)

Unearned revenues reflect amounts that have been received before the city has a legal claim to the funds. In subsequent periods, when revenue recognition criteria are met, or when the city has a legal claim to the resources, the unearned revenue is removed from the statement of net position or governmental funds balance sheet and revenue is recognized.

L. Noncurrent Liabilities

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

M. Bond Premiums and Discounts

In governmental funds, bond premiums and discounts are reported as other financing sources/uses. For the citywide and the proprietary fund statements, bond premiums and discounts are capitalized and amortized over the term of the bonds using the straight-line method. Bond premiums and discounts are presented as a reduction of the face amount of bonds payable.

N. Compensated Absences

City policy allows employees to accumulate earned but not used annual leave up to maximum hours as indicated in the table below. Annual leave hours for Fire Civil Service 24-hour shift in excess of the maximum accrual permitted are forfeited on January 1 of the subsequent year. Annual leave hours for all other employees in excess of the maximum accrual permitted are forfeited on February 28 of the subsequent year. Accrued annual leave is payable to the extent earned.

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

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

Employees	Minimum Accrual Hours	Maximum Payment Hours
Council Appointees	520	120
Police and Career Service	720	100
Fire Civil Service 8-hour shift	684	120
Fire Civil Service 24-hour shift	960	120

The city records a liability for accrued compensated absences and related payroll taxes. The “vesting method” per GASB 16, *Accounting for Compensated Absences*, is followed to estimate the sick leave liability upon termination. Only the portion of compensated absences that is due is reported as a liability in a governmental fund while the entire liability is reflected in the citywide statement of net position as noncurrent liabilities. The liability for compensated absences for employees whose work primarily benefits a proprietary fund is recorded in the respective fund. The portion of amounts anticipated to be paid (in lieu of used) over the next twelve months are reported as “current portion of long-term liabilities” in the proprietary fund statements and as “due within one year” in the business-type activities on the citywide statement of net position.

O. 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, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

P. Fund Balances and Net Position

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

The Financial Policies and Guidelines, as approved by City Council, authorize the assignment of fund balances by informal action of City Council (no ordinance or resolution) or by the City Manager or the Finance Director as long as City Council has been advised of the assignment through either the budget process or some other process. Positive unassigned fund balance is the residual and may only be reported in the General Fund. Negative unassigned fund balance may be reported in any governmental fund other than the General Fund when expenditures incurred for specific purposes exceed amounts restricted, committed or assigned to those purposes.

Net position is assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources and is shown in the citywide, proprietary and fiduciary fund financial statements and is reported in three classifications. Net investment in capital assets reflects capital assets (net of accumulated depreciation) reduced by the outstanding amount of debt, which was issued to acquire or construct the capital assets. Restricted net position report amounts legally segregated for a specific future use. Remaining net position is reported as unrestricted.

Q. Budgets

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

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

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

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

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

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

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

Basis of Budgeting

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

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

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

1. Governmental Funds

- a) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- b) Grants are considered revenue when awarded, not when earned.
- c) Sales, use and lodgers taxes are considered revenue when received rather than when earned.
- d) Project-length (continuing appropriation) budgets are considered reductions of funds available when appropriated, not when expenditures occur.
- e) Purchases of inventory are considered expenditures when purchased, not when sold or used.
- f) Overspending of project length (continuing appropriation) budgets is considered to reduce funds available.
- g) Close-out of unspent project-length (continuing appropriation) budgets is considered to increase funds available.
- h) Proceeds from capital leases and related capital expenditures are not budgeted.
- i) The value received on the trade-in of capital assets and the related capital expenditures are not budgeted.
- j) Changes in investment income due to recording investments at fair value are not budgeted.
- k) January sick leave buyout is expensed for GAAP but not for budget until subsequent year.
- l) Transactions related to asset forfeitures 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) Grants are considered revenue when awarded, not when earned.
- h) Receipts of long-term receivables are considered revenues, not reductions of the receivable.
- i) Proceeds from the sale of assets are recognized as revenue; however, the related gain or loss is not.
- j) Purchases of inventory are considered expenditures when purchased, not when sold or used.
- 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) January sick leave buyout is expensed for GAAP but not for budget until subsequent year.
- m) Accrued compensated absences are not considered expenditures until paid.
- n) Interest earned on escrowed cash and investments is not considered revenue for budget purposes.
- o) 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.

- p) Project-length (continuing appropriation) budgets are considered reductions of funds available when appropriated, not when expenditures occur.
- q) Overspending of project length budgets is considered to reduce funds available.
- r) Close-out of unspent project length budgets is considered to increase funds available.
- s) Proceeds from capital leases and related capital expenditures are not budgeted.
- t) The value received on the trade-in of capital assets and the related capital expenditures are not budgeted.
- u) 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, 2014 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Unit	Total
Cash and cash equivalents	\$ 24,342,935	\$ 39,032,393	\$ 14,340,905	\$ 129,460	\$ 77,845,693
Investments	97,401,728	169,352,272	-	-	266,754,000
Restricted cash and cash equivalents	32,960,941	374,000	-	-	33,334,941
Restricted investments	52,230,089	52,866,765	408,162,963	-	513,259,817
Total	\$ 206,935,693	\$ 261,625,430	\$ 422,503,868	\$ 129,460	\$ 891,194,451

As a home rule city, the city is allowed by state statute to invest public funds as permitted by charter or ordinance of the city. The city, by resolution, has established an investment policy that does not include the pension funds. All non-pension Plan investments are governed by this policy except for bond proceeds, which are invested in accordance with state statute, terms of the bond indenture or to meet bond insurer requirements. In addition, the Public Deposit Protection Act (PDPA) requires that all deposits exceeding the amount insured by the FDIC be collateralized to 102% of the deposit. The city maintains all cash deposits in PDPA eligible financial institutions. The city will seek to maintain an investment portfolio which is diversified by maturity, type of security, corporate industry and, except for U.S. government obligations, by issuer. The objectives of the city's investment program, in order of their priority, are:

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

The city held the following investments at December 31, 2014:

	Pooled Investments	Non-pooled Investments	Total Primary Government
Money market funds*	\$ 10,047	\$ -	\$ 10,047
Repurchase agreements	-	37,507,815	37,507,815
Certificates of deposit	9,500,000	2,120,092	11,620,092
U.S. agency notes	63,869,813	12,444,810	76,314,623
U.S. Treasury notes	10,165,620	444,940	10,610,560
Corporate notes	88,623,016	-	88,623,016
Municipal bonds	65,782,269	-	65,782,269
Foreign securities - U.S. dollars	81,392,479	-	81,392,479
Total	\$ 319,343,244	\$ 52,517,657	\$ 371,860,901

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

Reconciliation to the statement of net position:

Investments in governmental and business-type activities	\$ 360,230,762
Cash and cash equivalents	
Money market funds	10,047
Pooled and other cash, not included above	96,700,222
Certificates of deposit (investment for financial reporting purposes, but not for risk evaluation)	11,620,092
Total cash and cash equivalents and investments	\$ 468,561,123
Total governmental activities	\$ 206,935,693
Total business-type activities	261,625,430
Total	\$ 468,561,123

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 30.

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 at the time securities are purchased to the total portfolio excluding bond proceeds. The city does have investments that represent more than 5% to a single issuer within specific funds of the city: the pooled investments contain Fannie Mae investments which represent 9.1% of total investments and the Water Fund repurchase agreements for bond reserve requirements and capital projects represent 10.1% of total investments and are invested pursuant to specific requirements of bond indentures.

Primary Government

Repurchase agreements – Counterparties must have an investment grade credit rating and must be collateralized by U.S. Treasury, agency, or instrumentality securities. Maturities must be 5 years or less and have a collateralization rate of 103% if the securities are direct obligations of the U.S. Government or a collateralization rate of 105% if the securities are not explicitly guaranteed by the U.S. Government.

The ratings of the repurchase agreements below, as of December 31, 2014, reflect the ratings of the underlying securities held as collateral.

	2014		
	<u>Collateral Securities</u>		
		Custodian	
	Exempt from	Portfolio	Moody's
	Disclosure	Percent	Rating
U.S. Treasuries or Obligations Explicitly Guaranteed By the U.S. Government	X	91%	
Government Agencies - FNMA		9%	Aaa
		100%	

Reverse repurchase agreements may be used in amounts up to 10% of the portfolio and maturities up to thirty days for cash management purposes. Reverse repurchase agreements for longer terms or greater amounts must be approved by resolution of City Council. Reverse repurchase agreements approved by resolution of City Council to provide interim funding of capital acquisitions may not exceed \$100 million or eighteen months maturity.

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

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

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

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

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

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

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

Municipal bonds – Investment maximums:

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

Domestic corporate bonds and foreign securities – Domestic corporate bonds must be issued by a corporation or bank organized and operating within the United States. Foreign sovereign, foreign political subdivision and foreign corporate securities issued in foreign markets and under foreign law must be denominated in U.S. dollars. Specific nations whose debt may be purchased shall be approved by council resolution. Diversification requirements may not exceed the following; 15% of obligations issued in any one authorized foreign country, 30% investment in foreign securities, 30% invested in domestic corporate bonds, or 50% combination in both, foreign and domestic. Securities must be rated by at least two Nationally Recognized Statistical Ratings Organizations (NRSROs). Those with a rating of AA- or the equivalent may be purchased with a maximum maturity of 5 years and up to 10% may be purchased in securities rated A+ or the equivalent with a maximum maturity of 2 years. The aggregate investment in corporate obligations shall not exceed 50% of the portfolio.

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

Moody's	Repurchase Agreements	Money Market	Certificates of Deposit	U.S. Agency Notes	U.S. Treasury Notes	Corporate Notes	Foreign Securities U.S. Dollars	Municipal Bonds
Aaa	\$ -	\$ -	\$ -	\$ 76,314,623	\$ 10,610,560	\$ 6,633,322	\$ -	\$ 8,954,961
Aa1	-	-	-	-	-	9,994,365	11,126,854	16,951,311
Aa2	-	-	-	-	-	24,313,204	48,475,326	36,118,832
Aa3	-	-	-	-	-	41,561,571	21,790,299	2,062,809
A1	-	-	-	-	-	6,120,554	-	1,694,356
Not Rated	37,507,815	10,047	11,620,092	-	-	-	-	-
Total	\$ 37,507,815	\$ 10,047	\$ 11,620,092	\$ 76,314,623	\$ 10,610,560	\$ 88,623,016	\$ 81,392,479	\$ 65,782,269

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 derivate 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, 2014, 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, 2014, 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:

	Corporate Bonds & Notes	Government & Corporate Bond Funds
Moody's		
Aaa	\$ 18,360,886	\$ -
Aa1 to Aa3	5,541,637	49,621,411
A1 to A3	15,396,949	909,821
Baa1 to Baa3	11,030,453	-
Total	\$ 50,329,925	\$ 50,531,232

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

Primary Government

As a means of limiting its exposure to interest rate risk, it is the city’s policy to invest in a manner that securities can normally be held to maturity, or close to maturity, and to limit the types and maturities of permitted securities. The city manages its exposure by limiting the weighted average maturities of the portfolio to less than 3 years, unless the investments are funded by specifically identified sources such as bond proceeds. Non-pooled investments are invested in accordance with state statute; terms of a bond indenture or to meet bond insurer requirements and may have a weighted average maturity exceeding 2 years.

	Pooled Investments	Average Maturity (Years)	Non-pooled Investments	Average Maturity (Years)
Money market funds*	\$ 10,047	-	\$ -	-
Repurchase agreements	-	-	37,507,815	22.1
Certificates of deposit	9,500,000	1.88	2,120,092	1.20
U.S. agency notes	63,869,813	2.73	12,444,810	3.00
U.S. Treasury notes	10,165,620	1.31	444,940	1.95
Corporate notes	88,623,016	1.98	-	-
Municipal bonds	65,782,269	1.85	-	-
Foreign securities - U.S. dollars	81,392,479	1.63	-	-
Total	\$ 319,343,244		\$ 52,517,657	

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

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, 2014:

Investment	Investment Maturities (in years)				
	Undetermined	Less than 1	1 - 5	6 - 10	>10
Money market funds	\$ 4,740,436	\$ -	\$ -	\$ -	\$ -
U.S. Treasury and agency bonds	15,291,268	4,911,227	4,832,298	1,007,558	4,540,185
Corporate notes and bonds	83,858,141	1,338,380	12,410,188	13,252,888	56,856,685
Equity securities	190,337,961	190,337,961	-	-	-
Real estate funds	39,416,405	39,416,405	-	-	-
Alternative investments	73,137,385	73,137,385	-	-	-
Total	\$ 406,781,596	\$ 307,632,187	\$ 6,249,607	\$ 17,242,486	\$ 61,396,870

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	\$ 34,591	0.09
Government and corporate bond funds	1,711,748	9.26
Equity funds	3,319,486	-
Real estate funds	716,676	-
Alternative investments	373,893	-
Total	\$ 6,156,394	

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 foreign 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, 2014 is \$63,160,695.

3. RECEIVABLES

A. Taxes**1. Property Tax**

Property tax is levied on December 15 and attaches as a lien on property the following January 1. The tax is payable in full by April 30 or in two equal installments due February 28 and June 15. Each county bills and collects property tax for all taxing entities within the county. Property tax collected by Arapahoe, Adams and Douglas counties for the city are remitted in the subsequent month. Property tax is reported as a receivable and as deferred inflow of resources when levied in both the funds and for citywide reporting. Revenue is recognized when collected in the following year. Collection begins on January 1 of the year following the levy. Total property tax receivable in the General Fund at December 31, 2014 is \$25,639,148. Based upon experience, one percent of outstanding receivables is recorded as an allowance and is deducted from the deferred inflow of resources and the receivable for reporting purposes. The allowance at December 31, 2014 is \$256,393.

Restricted property tax receivables recorded in the City Debt Service Fund and the General Improvement Districts (GIDs) represent tax levies collected to specifically repay general obligation bonds and interest. Restricted property tax receivables recorded in the Aurora Urban Renewal Authority (AURA) Debt Service Fund represent tax levies collected pursuant to C.R.S. 31-25 and must be spent on urban renewal within the tax increment district. Total restricted property tax receivables net of allowance at December 31, 2014, for the City Debt Service Fund, GIDs and AURA Debt Service are \$828,885, \$328,238 and \$3,593,700, respectively.

2. Sales, Use and Lodgers Taxes

Sales, use and lodgers taxes are recognized as revenue when earned. Sales tax collected and use tax incurred are due to the city by the 20th day of the following month. Total sales, use and lodgers tax receivable at December 31, 2014 is \$21,798,371.

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, 2014 is \$2,384,321.

4. Tax Audits

Amounts calculated as owed during sales and use tax compliance audits are recorded as receivables and deferred inflow of resources in the General Fund. Tax audit revenue is recognized in subsequent periods when payment is received. For citywide reporting, revenue is recognized when earned. Total tax audits receivable at December 31, 2014 is \$985,519.

B. Accounts**1. City Services**

Amounts billed for court fines, library fines, weed cutting, trash removal, demolition, tree trimming and removal, vacant property fees, liens for uncollected city service receivables, overtime inspection fees, recreation registrations and reimbursement for property damages are recorded as receivables and the revenue is recognized when services have been performed. Total accounts receivable for city services at December 31, 2014 is \$1,710,018 for governmental activities and \$67,922 for business-type activities.

Restricted accounts receivable primarily represent amounts collected by the county, state or other governments for specific grant-related expenses incurred by the city.

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, 2014 are \$8,596,864. Earned but unbilled utility charges at December 31, 2014 is \$5,312,762. 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, 2014 is \$29,467.

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

E. Other

Other receivables include E-911 surcharges, PEG access fees, special improvement district assessments, deposits to a special district for flood and drainage control improvements, and reclaimed water lease fees.

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 nine 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 five loans with interest rates ranging between 2% - 5% and maturity dates between 2015 – 2025 with real and business property as collateral. The balance outstanding as of December 31, 2014 is \$994,399, which is not expected to be collected and therefore is not reflected in the city's financial statements.

In 2013, the city advanced \$40,000 to a developer to assist with funding the demolition, removal and site cleanup of a blighted motel property in order to facilitate future sale and development of the property. Interest accrues at 2% and outstanding principal is due upon the sale of the property or 5 years from the date the project is complete, whichever occurs first. The project was completed in 2014. Principal balance outstanding at December 31, 2014 is \$40,000.

2. Community Services

In 2007, the city advanced \$90,000 to the Colfax Marathon Partnership, Inc. to assist with the costs associated with the organizing, planning, advertising and producing of the marathon. The balance outstanding at December 31, 2014 is \$76,000.

To assist in the redevelopment of low-income areas, the city makes loans from federal funds to assist in the renovation of housing and businesses. There are a total of 1,288 loans with various maturity dates and interest rates. The balance outstanding as of December 31, 2014 is \$16,527,798, which is not expected to be collected and therefore is not reflected in the city's financial statements.

In 2012, the city entered into an agreement with East Cherry Creek Valley (ECCV) to fund improvements to the sanitary sewer line from ECCV 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, 2014 is \$1,183,337 and all is 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. In 2013, the final installment of the original loan was rolled into a new loan of \$130,165, repayable in five equal annual installments beginning October 15, 2014. FRA negotiated the agreement to a zero percent interest rate. The principal balance outstanding as of December 31, 2014 is \$104,132, of which \$78,099 is not expected to be collected within one year.

G. Component Unit - Havana BID

Property owners within the boundaries of the Havana Business Improvement District (BID) have been assessed \$310,755 in property taxes for 2014 to be collected in 2015. Havana BID also had tax-related receivables due from the County Treasurer of \$2,024 as of December 31, 2014.

4. RESTRICTED, COMMITTED, ASSIGNED AND UNASSIGNED FUND BALANCES AND RESTRICTED NET POSITION**Order of Spending**

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

Restricted for Culture, Recreation, and Open Space

General Fund: \$644,816 per agreement for library and computer equipment funding. *Cultural Services Fund*: \$39,481 for the SCFD grant. *Conservation Trust Fund*: \$2,637,750 lottery proceeds share back to be used for park and open space development. *Parks Development Fund*: \$4,370,521 developer contributions required to be used for the creation of city parks. *Open Space Fund*: \$12,015,355 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. *City Capital Projects Fund*: \$1,365,525 from a capital impact fee for open space development. *ACLIC Capital Projects Fund*: \$6,021,282 for unspent debt proceeds related to the Sports Park improvements.

Restricted for Debt Related

Amounts held for debt service payments and required reserves include, *General Fund*: \$2,125,499 for a debt service reserve, including interest, for which the city has pledged a moral obligation relating to an AURA revenue note, *City Debt Service Fund*: \$1,527,279, *SID Debt Service Fund*: \$201,176, and *ACLIC Debt Service Fund*: \$8,340,778.

Restricted for Development

Amounts restricted for employee development per retirement plan agreements in the *General Fund* are \$111,094. Amounts restricted for future development projects in urban renewal areas per Colorado Revised Statutes include *AURA General Fund* and *AURA Debt Service Fund* for \$42,471 and \$5,784,976 respectively.

Restricted for Gifts and Grants

Gifts and Grants Fund: \$1,426,401 of which \$790,280 is for home inventory purchased under the neighborhood stabilization program (NSP). *Community Development Fund*: \$371,373 of which \$137,847 is for home inventory to be restored and resold under NSP. *City Capital Projects Fund*: \$273,630 for capital improvement program grants.

Restricted for Public Improvement

General Fund: \$158,882 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*: \$1,007,185 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, \$3,335,924 from capital impact fees for transportation development, and \$1,143,917 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*: \$374,000 is an escrow and deposit restricted for the Prairie Waters Project "owner controlled insurance program". *Wastewater Fund*: \$5,495,467 is held in trust by the Urban Drainage and Flood Control District to fund construction of storm drain infrastructure in the city. *Peoria Park Fence GID*: \$59,817, *Meadow Hills Fence GID*: \$40,610, and *Cherry Creek Fence GID*: \$54,576 required by agreement for the purpose of maintaining neighborhood masonry fences. *Pier Point 7 Sewer GID*: \$91,158 required by agreement for the purpose of maintaining sewer line improvements and *Aurora Conference Center GID*: \$323.

Restricted for Emergencies

General Fund: \$7,908,349 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*: \$1,757,173 of seizure funds from state and federal courts forfeiture actions is used to support activities of the Aurora Police Department. *E-911 Fund*: \$7,163,955 received from a phone surcharge is required by State law to fund E-911 infrastructure development, operations and maintenance. *City Capital Projects Fund*: \$1,037,694 from capital impact fees for public safety infrastructure. *ACLCL Capital Projects Fund*: \$12,350,135 for unspent debt proceeds relating to E-911 system improvements and equipment.

Committed to Capital Improvements

City Capital Projects Fund: \$33,579 is committed for Dam East Reserve per city ordinance.

Committed to Culture, Recreation and Open Space

General Fund: per city code \$776,020 from fee revenues is committed for the community trees program to fund tree planting in the city. Per city code \$214,547 is committed for various visitor promotion programs. Per city code, \$785,831 for public, educational and governmental television programming. *Cultural Services Fund*: per city code \$1,058,006 generated from the capital project budget is committed to fund the Art in Public Places program.

Committed to Development

City Capital Projects Fund: by AURA resolution \$49,443 is committed for the City Center urban renewal area development. *Development Review Fund*: by city resolution \$7,707,284 is committed for the Enhanced Development Review program.

Committed to Emergencies

General Fund: \$3,873,700, per city code court surcharges are committed to fund the DARE, teen court, victim witness and youth programs; traffic fines are committed to fund the photo red light program. *Abatement Fund*: \$293,155, per city code weed, tree and demolition abatement fees are used to fund abatement activities.

Committed to Reserves

General Fund: \$22,547,520, financial policies and guidelines adopted by City Council through resolution commit the 10% Policy Reserve. This reserve is to be used only in extremely rare circumstances resulting from major emergencies that are not recurring by nature and, in general, are not predictable. Examples of a major emergency may include a tornado requiring extensive additional city operational or capital costs, or a protracted health, civilian or military crisis requiring extensive operational or capital costs. The funds are not intended to be used to adjust for revenue variances due to the normal variance in the economy. Included in this reserve are three interfund loans totaling \$405,971 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: \$37,019,600 of residual equity is assigned to fund city capital improvements and virtually all has been appropriated to specific projects.

Assigned to Culture, Recreation and Open Space

Recreation Fund: \$67,046 residual fund balance is assigned to Culture and Recreation through the budget process.

Assigned to Debt Service

ACLCL Debt Service Fund: \$2,308,049 is assigned through the budget process to fund future debt payments.

Assigned to Development

General Fund: \$1,059,124 is assigned to pay existing development incentives through the budget process.

Assigned to Encumbrance

General Fund: \$1,379,307 is assigned to pay commitments on open purchase orders.

Assigned to Long-term Liabilities

General Fund: \$21,798,371 is assigned by management, with Council review, to pay long-term liabilities.

Unassigned Fund Balance Operating Reserve (minimum fund balance policy)

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

Unassigned Negative Fund Balance

AURA Capital Projects Fund: Loan proceeds are not recognized on accrued construction costs until cash reimbursement is requested in the subsequent year.

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. The investment on January 1, 2014 was \$2,312,110, plus the city's share of the change in net position of \$59,356 results in an ending investment on December 31, 2014 of \$2,371,466.

6. CAPITAL ASSETS

Governmental Activities - Capital asset activity for the year ended December 31, 2014, is shown below.

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated					
Land	\$ 264,385,541	\$ 9,228,710	\$ (51,110)	\$ 322,223	\$ 273,885,364
Construction in progress	1,488,502	34,287,667	(28,372)	(15,997,221)	19,750,576
Total capital assets not depreciated	265,874,043	43,516,377	(79,482)	(15,674,998)	293,635,940
Capital assets being depreciated					
Buildings and improvements	211,152,756	782,151	(3,074,960)	449,785	209,309,732
Infrastructure	2,650,564,551	7,932,052	(35,537,663)	15,432,673	2,638,391,613
Machinery and equipment	88,036,732	6,172,542	(4,117,971)	(99,944)	89,991,359
Total capital assets being depreciated	2,949,754,039	14,886,745	(42,730,594)	15,782,514	2,937,692,704
Less accumulated depreciation					
Buildings and improvements	(72,986,850)	(5,777,636)	3,023,684	(2,694)	(75,743,496)
Infrastructure	(578,634,579)	(39,909,487)	34,947,740	(15,854)	(583,612,180)
Machinery and equipment	(55,187,469)	(5,306,149)	4,014,888	68,344	(56,410,386)
Total accumulated depreciation	(706,808,898)	(50,993,272)	41,986,312	49,796	(715,766,062)
Total capital assets being depreciated, net	2,242,945,141	(36,106,527)	(744,282)	15,832,310	2,221,926,642
Governmental activities capital assets, net	\$ 2,508,819,184	\$ 7,409,850	\$ (823,764)	\$ 157,312	\$ 2,515,562,582

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	\$ 1,161,333
Judicial	46,582
Police	1,698,690
Fire	934,377
Other public safety	494,675
Public works	38,779,077
Economic development	83,459
Community services	174,281
Culture and recreation	3,878,189
Unallocated	3,742,609
Depreciation expense governmental activities	\$ 50,993,272

Business-type Activities - Capital asset activity for the year ended December 31, 2014, is shown below and includes capitalized interest of \$2,889,161 in the Water Fund and \$806,523 in the Wastewater Fund.

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated					
Land and water rights	\$ 376,575,544	\$ 6,891,617	\$ (8,618)	\$ (46,160)	\$ 383,412,383
Construction in progress	66,992,496	62,278,921	(515,124)	(50,809,699)	77,946,594
Total capital assets not depreciated	443,568,040	69,170,538	(523,742)	(50,855,859)	461,358,977
Capital assets being depreciated					
Buildings and improvements	529,907,194	-	(116,231)	810,983	530,601,946
Infrastructure	1,250,910,721	3,623,134	(102,834)	48,712,983	1,303,144,004
Machinery and equipment	114,220,594	2,693,459	(820,461)	1,224,374	117,317,966
Total capital assets being depreciated	1,895,038,509	6,316,593	(1,039,526)	50,748,340	1,951,063,916
Less accumulated depreciation					
Buildings and improvements	(65,380,606)	(13,217,850)	101,083	2,696	(78,494,677)
Infrastructure	(235,907,244)	(19,296,911)	77,173	15,855	(255,111,127)
Machinery and equipment	(42,113,391)	(7,419,494)	798,791	(68,344)	(48,802,438)
Total accumulated depreciation	(343,401,241)	(39,934,255)	977,047	(49,793)	(382,408,242)
Total capital assets being depreciated, net	1,551,637,268	(33,617,662)	(62,479)	50,698,547	1,568,655,674
Business-type activities capital assets, net	\$ 1,995,205,308	\$ 35,552,876	\$ (586,221)	\$ (157,312)	\$ 2,030,014,651

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

Water	\$ 29,495,894
Wastewater	9,530,485
Golf	907,876
Depreciation expense business-type activities	<u>\$ 39,934,255</u>

Component Unit - Capital asset activity for the year ended December 31, 2014, is shown below:

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated					
Construction in process	\$ -	\$ 7,088	\$ -	\$ -	\$ 7,088
Total capital assets not depreciated	-	7,088	-	-	7,088
Capital assets being depreciated					
Infrastructure	75,422	-	-	-	75,422
Machinery and equipment	53,097	-	-	-	53,097
Total capital assets being depreciated	128,519	-	-	-	128,519
Less accumulated depreciation					
Infrastructure	(28,919)	(10,775)	-	-	(39,694)
Machinery and equipment	(21,604)	(7,951)	-	-	(29,555)
Total accumulated depreciation	(50,523)	(18,726)	-	-	(69,249)
Total capital assets being depreciated, net	77,996	(18,726)	-	-	59,270
Component unit activities capital assets, net	\$ 77,996	\$ (11,638)	\$ -	\$ -	\$ 66,358

7. NONCURRENT LIABILITIES

A. General Obligation Bonds

The city has issued governmental general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds pledge the full faith and credit of the city. The General Improvement Districts pledge the full faith and credit of the properties within the district.

Governmental Activities - The city and General Improvement Districts have five outstanding issuances of general obligation bonds. Amounts originally issued and amounts outstanding at December 31, 2014, respectively, were: 2009 Cherry Creek Fence \$700,000 and \$585,000; city 2010 Refunding (1998 Alameda/I-225 and 2000 FMP) \$21,035,000 and \$2,115,000; 2010 Meadow Hills Fence \$520,000 and \$435,000; 2010 Peoria Park Fence \$375,000 and \$331,000; and 2011 Pier Point Sewer \$2,600,000 and \$2,345,000.

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

Year Ending December 31	<u>Governmental Activities</u>		
	Principal	Interest	Total
2015	\$ 2,262,000	\$ 278,920	\$ 2,540,920
2016	163,000	166,293	329,293
2017	169,000	158,632	327,632
2018	174,000	150,697	324,697
2019	185,000	142,543	327,543
2020-2024	1,050,000	574,610	1,624,610
2025-2029	1,312,000	305,132	1,617,132
2030-2034	496,000	34,400	530,400
Total	\$ 5,811,000	\$ 1,811,227	\$ 7,622,227

B. Revenue Bonds

Business-type Activities – Water Fund has three outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2014, respectively, were: 2005D Colorado Water Resources and Power Development Authority (CWRPDA) Governmental Agency \$100,000,000 and \$29,655,000; 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 2014, the Water Fund defeased \$23,955,000 of the 2005D debt issue through payment to an escrow agent. The loss on the 2005D early extinguishment of debt is \$1,563,264 while the early payoff provided a cash flow savings of \$10,391,986.

Wastewater Fund has one outstanding issuance of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2014, respectively, were: 2006 First Lien Sewer Improvement \$57,790,000 and \$32,295,000.

Golf Fund has one outstanding issuance of revenue bonds. Amount originally issued and amount outstanding at December 31, 2014, respectively, were: 2005 Golf Course Enterprise System Refunding \$4,625,000 and \$510,000.

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

Year Ending December 31	<u>Business-Type Activities</u>		
	Principal	Interest	Total
2015	\$ 510,000	\$ 25,810,657	\$ 26,320,657
2016	-	25,788,343	25,788,343
2017	1,450,000	25,788,344	27,238,344
2018	1,510,000	25,728,531	27,238,531
2019	1,585,000	25,653,031	27,238,031
2020-2024	87,780,000	119,916,681	207,696,681
2025-2029	117,825,000	94,940,931	212,765,931
2030-2034	153,700,000	62,942,000	216,642,000
2035-2039	159,590,000	23,419,026	183,009,026
Total	\$ 523,950,000	\$ 429,987,544	\$ 953,937,544

C. Certificates of Participation

Governmental Activities - Certificates of Participation (COPs) are issued by Aurora Capital Leasing Corporation (ACLC) and represent participation in a capital lease financing. The COPs are payable from the city's lease payments to ACLC, which are assigned to the trustee for the COPs debt service. There are three outstanding COPs issues. Amounts originally issued and amounts outstanding at December 31, 2014, respectively were: 2006A-1 Refunding of the 2000 AMC \$20,290,000 and \$2,865,000; 2009A refunding series (2005 Public Improvement and 2008 refunding) \$84,160,000 and \$84,160,000; and 2014 Public Safety and Sports Park \$21,775,000 and \$21,775,000.

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

Year Ending	<u>Governmental Activities</u>		
	Principal	2.00-5.00% Interest	Total
December 31			
2015	\$ 3,625,000	\$ 5,132,154	\$ 8,757,154
2016	5,605,000	5,053,075	10,658,075
2017	5,815,000	4,844,925	10,659,925
2018	6,055,000	4,605,750	10,660,750
2019	6,305,000	4,353,275	10,658,275
2020-2024	36,430,000	16,883,500	53,313,500
2025-2029	30,255,000	8,363,250	38,618,250
2030-2034	14,710,000	735,500	15,445,500
Total	\$ 108,800,000	\$ 49,971,429	\$ 158,771,429

D. Notes Payable

Governmental Activities – The city has three Special Improvement District Revenue Notes for expenditures made by the city to construct certain masonry fences in the district payable from special assessments levied on the neighborhoods. Amounts originally issued and amounts outstanding at December 31, 2014, respectively were: Dam West Neighborhood \$1,140,000 and \$30,000; Ptarmigan Park Neighborhood \$1,075,000 and \$330,000; and Dam East Neighborhood \$1,230,000 and \$880,000.

The Aurora Urban Renewal Authority (AURA) executed a \$27,750,000 NBH Capital Finance note for the purpose of financing the construction of a public conference center and a parking facility in the Fitzsimons Urban Renewal Area (URA) and will be repaid by tax increment revenues of the URA. AURA will draw on this note until the project is substantially complete or December 31, 2017, whichever is earlier. Repayment of the principal amount will begin on December 1, 2019 and matures on December 1, 2024. Interest payments on the note are due quarterly beginning June 1, 2015 at the rate of 2.40% per annum through November 30, 2017. On December 1, 2017 and annually thereafter, the rate of interest on the outstanding principal balance of the note shall be reset to a rate equal to the 12-month LIBOR rate in effect as of such date plus 2.40%, times a tax-exempt factor of 0.70. The maximum interest rate is set at 12% per annum. The amount outstanding on the note at December 31, 2014 is \$5,646,425. As required by the AURA and the Public Finance and Redevelopment Agreement (PFRA), the city has a moral obligation pledge on this revenue note's debt service reserve fund in the amount of \$2,120,000. The moral obligation does not represent a guarantee of the note, but rather, it is merely a declaration of the city's present intent to consider appropriating funds to replenish the debt service reserve fund under the terms and conditions set forth in the agreement.

Business-type Activities – Water Fund has two outstanding notes payable. Amounts originally issued and amounts outstanding at December 31, 2014, respectively were: 2004 Water Rights Notes \$8,280,091 and \$707,532 and Colorado Water Conservation Board (CWCB) \$75,750,000 and \$72,540,424 for financing the Prairie Waters Project.

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

Year Ending December 31	<u>Governmental Activities</u> 2.1202-5.00% **			<u>Business-Type Activities</u> 3.75-5.00%		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 50,000	\$ 208,403	\$ 258,403	\$ 1,695,610	\$ 2,720,266	\$ 4,415,877 *
2016	20,000	175,072	195,072	1,936,080	2,692,057	4,628,136
2017	320,000	174,299	494,299	2,002,049	2,617,243	4,619,292
2018	10,000	142,850	152,850	2,070,493	2,539,955	4,610,448
2019	98,512	142,577	241,089	2,141,503	2,460,101	4,601,604
2020-2024	6,387,913	625,507	7,013,420	10,985,033	11,094,351	22,079,384
2025-2029	-	-	-	13,205,106	8,874,278	22,079,384
2030-2034	-	-	-	15,873,856	6,205,529	22,079,385
2035-2039	-	-	-	19,081,959	2,997,426	22,079,385
2040-2044	-	-	-	4,256,267	159,610	4,415,877
Total	\$ 6,886,425	\$ 1,468,708	\$ 8,355,133	\$ 73,247,956	\$ 42,360,816	\$ 115,608,772

* A principal and interest payment of \$176,883 and \$44,221, respectively, was made on the 2004 water rights note payable on December 31, 2014 due January 1, 2015.

**LIBOR rate at December 1, 2014 is 2.1202%.

E. Capitalized Leases

Governmental Activities - The city has entered into leases for four fire apparatus, five construction equipment, eight dump trucks and a site lease to finance the cost of additions and improvements to the Aurora History Museum. All leases are funded from the General Fund. The leases have been capitalized for financial statement purposes. The equipment and site lease are pledged as collateral and, upon final payment, will transfer to the city's ownership. The gross amount of the machinery and equipment acquired, and the cost of additions and improvements under each lease is \$2,187,373, \$1,029,393, \$1,487,748 and \$1,340,000, respectively. Accumulated amortization on these leases is \$403,359 as of December 31, 2014.

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

Year Ending December 31	<u>Governmental Activities</u> 1.34-2.56%		
	Principal	Interest	Total
2015	\$ 933,193	\$ 76,196	\$ 1,009,389
2016	936,138	74,566	1,010,704
2017	950,738	59,966	1,010,704
2018	965,581	45,123	1,010,704
2019	739,641	30,032	769,673
2020-2024	736,375	52,800	789,175
Total	\$ 5,261,666	\$ 338,683	\$ 5,600,349

F. Pledged Revenue

Governmental Activities - The city has pledged any special assessments levied and collected on the respective neighborhoods to repay \$1,240,000 current principal outstanding, in Special Improvement District Revenue Notes issued in 2005, 2007 and 2012. Proceeds from the notes provided for the construction of three masonry fences. The notes are payable solely from special assessments levied and collected on the respective neighborhoods and are payable through 2015, 2017 and 2022. Annual principal and interest payments on the notes are expected to require approximately 100.0% of net revenues as the city is expected to pay out all of the special assessments collected.

- *Dam West Neighborhood* - The total principal and interest remaining to be paid on the note is \$31,345. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$163,435 and \$94,691, respectively.
- *Ptarmigan Park Neighborhood* - The total principal and interest remaining to be paid on the note is \$377,625. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$131,000 and \$126,247, respectively.
- *Dam East Neighborhood* - The total principal and interest remaining to be paid on the note is \$1,064,002. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$207,778 and \$168,073, respectively.

The AURA has pledged incremental increases in property, sales, and lodger taxes, as well as net revenues from the operation of the conference center and parking facility, to the payment of the NBH Capital Finance note. Annual principal and interest payments on the note are expected to require 100% of pledged revenues. No pledged revenues have been received as of December 31, 2014. Total principal and interest drawn on the note is \$5,688,555. Debt service payments will begin in 2015.

Business-type Activities - The city has pledged future water system revenues, net of specified operating expenses, to repay \$491,145,000 principal currently outstanding, in water system revenue bonds issued in 2005, 2007 and 2008 and \$73,247,956, principal currently outstanding, in utility enterprise water resources revenue notes issued in 2004 and 2008. Proceeds from the bonds provided financing for the acquisition of water rights, the acquisition and construction of water facilities and additions and improvements to the water system, including funding the Prairie Waters Project. The bonds are payable solely from water system net revenues and are payable through 2035, 2039, and 2033. Proceeds from the notes provided for the acquisition of certain water rights and for construction on the Prairie Waters Project. The notes are payable solely from water system revenues and are payable through 2019 and 2040. Annual principal and interest payments on the bonds and notes are expected to require approximately 29.7% of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$1,017,640,053. Principal and interest paid for the current year, including the loss on early extinguishment of debt, and total water system net revenues were \$54,902,179 and \$99,062,786, respectively. Of the total principal and interest paid, \$29,383,915 was scheduled debt service and \$25,518,264 was the prepayment of the series 2005D bonds including the loss on early extinguishment of debt.

The city has pledged future wastewater system revenues, net of specified operating expenses, to repay \$32,295,000 in wastewater system revenue bonds issued in 2006. Proceeds from the bonds provided financing for the acquisition and construction of additions and improvements to the wastewater utility system. The bonds are payable solely from wastewater system net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require approximately 8.5% of net revenues. The total principal and interest remaining to be paid on the bonds is \$51,373,950. Principal and interest paid for the current year and total system net revenues were \$1,559,813 and \$18,330,633, 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 54.7% of net revenues. The total principal and interest remaining to be paid on the bonds is \$532,313. Principal and interest paid for the current year and total golf system net revenues were \$533,138 and \$974,361, respectively.

G. Accrued Compensated Absences

Accrued compensated absences recorded in governmental activities are generally paid from the General Fund. Amounts outstanding at December 31, 2014 are \$27,839,409 for governmental activities and \$4,294,951 for business-type activities.

H. Legal Debt Limit

The city's legal debt limit is 3% of the assessed valuation of taxable property. After certain deductions allowed by law, the legal debt margin as of December 31, 2014 is \$89,386,921. In 1992, Colorado voters approved an amendment to the state constitution (TABOR), which requires multiple-fiscal year debt and certain other financial obligations to be authorized by voters, regardless of whether or not the city is at its legal debt margin. Voter approval of additional debt typically includes a provision exempting the new debt from the debt margin. Consequently, the computation of the city's legal debt margin has little real significance.

I. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General obligation bonds	\$ 10,468,000	\$ -	\$ (4,657,000)	\$ 5,811,000	\$ 2,262,000
Revenue bonds	1,635,000	-	(1,635,000)	-	-
Certificates of participation	91,570,000	21,775,000	(4,545,000)	108,800,000	3,625,000
Less adjustments:					
Unamortized discounts	(8,080)	-	8,080	-	-
Unamortized premium	6,543,446	3,400,945	(945,509)	8,998,882	-
Total bonds and COPs	110,208,366	25,175,945	(11,774,429)	123,609,882	5,887,000
Notes payable	1,685,000	5,646,425	(445,000)	6,886,425	50,000
Capitalized leases	2,684,307	3,058,587	(481,228)	5,261,666	933,193
Accrued compensated absences	27,608,752	337,137	(106,480)	27,839,409	4,639,555
Accrued claims payable	9,816,155	6,756,620	(5,920,049)	10,652,726	5,920,049
Arbitrage liability	168,892	-	(168,892)	-	-
Net OPEB obligation	4,893,855	369,185	-	5,263,040	-
Net Pension obligation	14,275,379	398,824	(8,051)	14,666,152	-
Total Governmental Activities	\$ 171,340,706	\$ 41,742,723	\$ (18,904,129)	\$ 194,179,300	\$ 17,429,797

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue bonds	\$ 548,395,000	\$ -	\$ (24,445,000)	\$ 523,950,000	\$ 510,000
Less adjustments:					
Unamortized premium	11,434,986	-	(731,232)	10,703,754	-
Total bonds	559,829,986	-	(25,176,232)	534,653,754	510,000
Notes payable	75,059,163	-	(1,811,207)	73,247,956	1,695,610
Accrued compensated absences	4,196,477	104,219	(5,745)	4,294,951	576,070
Net OPEB obligation	889,435	68,802	-	958,237	-
Net Pension obligation	566,094	134,955	-	701,049	-
Total Business-type Activities	\$ 640,541,155	\$ 307,976	\$ (26,993,184)	\$ 613,855,947	\$ 2,781,680

8. INTERFUND TRANSACTIONS

The balances between the General Fund and the Nonmajor Governmental Funds result from an overdraft of cash balances and are recorded as a due to/due from. The balances between the General Fund and the Nonmajor Business-type Funds result from an interfund loan between the General Fund and Golf Fund for golf equipment purchases. The balance between the Water Fund and Nonmajor Governmental Funds is an interfund loan for purchase and development of land. The balances between the Wastewater Fund and the Nonmajor Business-type Funds result from the interfund loan between the Wastewater Fund and the Golf Fund for the construction of the Murphy Creek Golf Course.

Interfund Receivable	Interfund Payable		Totals
	Nonmajor Governmental Funds	Nonmajor Business-type Funds	
General Fund	\$ 33,349	\$ 405,971	\$ 439,320
Water Fund	4,000,000	-	4,000,000
Wastewater Fund	-	4,234,000	4,234,000
Total	\$ 4,033,349	\$ 4,639,971	\$ 8,673,320

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 In	Interfund Transfers Out		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 1,433,553	\$ 1,433,553
Nonmajor Governmental Funds	45,348,011	4,046,102	49,394,113
Nonmajor Business-type Activities Funds	-	150,000	150,000
Internal Service Funds	900,000	-	900,000
Total	\$ 46,248,011	\$ 5,629,655	\$ 51,877,666

Transfers between Governmental Funds and Business-type Activities Funds per above	\$ 150,000
Capital asset transfers:	
From Business-type Activities to Governmental-type Activities, including Internal Service Funds	(210,819)
From Governmental-type Activities to Business-type Activities	31,599
Net capital asset transfers, including Internal Service Funds	(179,220)
Elimination of Internal Service Funds	21,908
Net capital asset transfers, excluding Internal Service Funds	(157,312)
Total transfers between Governmental-type Activities and Business-type Activities	<u>\$ (7,312)</u>

9. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Continuing Appropriations

The city stipulates that appropriations for capital projects do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Additionally, any project is deemed abandoned if three years have elapsed without expenditure or encumbrance to the project. As of December 31, 2014, the city had various unspent appropriations for the acquisition and construction of projects which totaled \$178,186,752.

A. Tax Incentive Agreements

The city enters into tax incentive agreements to encourage retail and mixed use development, commercial expansion and public infrastructure within its borders. At December 31, 2014, the city had development incentive agreements with the developers of Town Center at Aurora, Pacific Ocean Marketplace Aurora and Serenity Ridge Marketplace. In addition, the city had industrial enterprise expansion incentive agreements with Raytheon Company, Whirlpool Corporation, Ecotech Institute, Metropolitan Medical Care, Inc., Niagara Bottling, LLC, Cooper Lighting, LLC, United Natural Foods, Inc., Advanced Circuits, Inc., Furniture Row COLO, LLC, ADT, LLC and Steven – Robert Originals, LLC. These agreements rebate city levied taxes to the enterprise.

B. Tax Increment Financing

At December 31, 2014, the Aurora Urban Renewal Authority had retail, commercial and residential agreements with Cornerstar, Fitzsimons Village, the Colorado Science and Technology Park, Gardens on Havana and Corporex Colorado, LLC.

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, 2014 through December 31, 2018. 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 \$26,033 per year as FRA's share of the proceeds from the operations of the golf course. The maximum remaining commitment to FRA is \$104,132 as of December 31, 2014.

10. DEFERRED COMPENSATION PLANS

The city offers its employees the opportunity to participate in one of four deferred compensation plans. All of the plans are created in accordance with Internal Revenue Code Section 457. The plans allow employees to defer a portion of their salary until future years. The deferred amounts are not available to the employees until termination, retirement, death or unforeseeable emergency. The plans available to employees are administered by: Nationwide Retirement

Solutions, International City Management Association Retirement Corporation (ICMA-RC), Lincoln National Life Insurance Company, and the Fire and Police Pension Association (FPPA). The amounts in the deferred compensation plans are held in trust for the benefit of the city's employees; the city is not the trustee.

11. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

The city of Aurora provides the following plans:

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

A. Defined Benefit Plans

1. General Employees' Retirement Plan

Plan Description. The city of Aurora General Employees' Retirement Plan (GERP) is a contributory single employer defined benefit pension plan covering all full-time and part-time city employees except police officers, firefighters, elected officials, contingent employees and executives who have elected to participate in the Executive Retirement Plan. The plan's administrator is selected by the Plan Board of Trustees and provides retirement, death and disability, and supplemental benefits. Currently 814 retirees and others are receiving benefits with 1,643 active plan members. There are 243 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 online at www.auroragerp.qwestoffice.net or by contacting GERP at 12100 E. Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

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

Funding Policy. City Code establishes contribution requirements for the employees and the employer. Actuarial studies are considered in establishing funding policies. However, contributions are not actuarially determined. Employee contributions are required as a condition of employment at 6.25% for 2014 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 (EOEP)

Plan Description

Plan Administration. The city has a non-contributory single employer defined benefit pension plan that became effective January 1, 2001. Chapter 102, Article VIII of the City Code, which establishes the plan, does not include a provision for a board of directors, but, instead, vests the management of the plan with the plan administrator, the city's Director of Finance. The plan provides base and supplemental retirement benefits to members of the City Council and a standard retirement benefit to executive personnel who are also members of the Executive Retirement Plan (ERP). The authority to establish and amend benefit provisions is assigned to City Council. The city has entered into a service agreement with the city of Aurora General Employees' Retirement Plan (GERP) to provide administrative services for the plan. No stand-alone financial report is issued for EOEP.

Plan Membership. The mayor of the city and all elected city council members are covered under this plan as elected officials. Individuals performing services as executive employees for the city on or after January 1, 2000, are eligible to participate in this plan as executive personnel if they participate in the city's Executive Retirement Plan. As of December 31, 2014, the city had 36 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.

Benefits Provided. EOEP provides basic retirement, supplemental retirement and death benefits. Elected official plan members and executive employee plan members are eligible for retirement based on the following period of service:

Service Type	Period of Service	Normal Retirement Age
Elected Official	Covered employment ended on or before December 31, 2000	Later of age 60 or completion of 6 years of service
	Covered employment ended on or after January 1, 2001	If first elected prior to November 5, 2013, then the later of age 56 or completion of 6 years of service
		If first elected on or after November 5, 2013, then the later of age 62 or the completion of 6 years of service
Executive	Covered employment ended between January 1, 2000 and December 31, 2000	Later of age 55 or completion of 3 years of service
	Covered employment ended on or after January 1, 2001	If first entered covered employment on or before November 5, 2013, then the later of age 50 or completion of 3 years of service
		If first entered covered employment after November 5, 2013, then the later of age 62 or completion of 3 years of service

There are no basic retirement benefits for executive employees; they are eligible for benefits from the Executive Retirement Plan. The basic retirement benefits for elected officials per year of service is adjusted annually for increases in the CPI, not to exceed 5% per year. For members in covered employment on or after November 11, 1999, the monthly basic benefit payable for 2014 is \$75.37 per year of service. The basic benefit for members who terminated employment before November 11, 1999 is based on a reduced indexed schedule. For officials who begin a new term on or after November 5, 2013, total years of service is limited to the greater of 12 years or total service earned before November 5, 2013, except an additional 8 years may be earned for service as mayor.

Supplemental retirement benefits for elected officials and executive employees are adjusted annually by the same cost-of-living adjustment determined by the Board of Trustees of GERP applicable to the supplemental benefit provided under that plan, not to exceed 5% per year. The monthly supplemental benefit payable for 2014 is \$244.44. Only elected officials who were in covered employment on or after November 11, 1999 are eligible to receive the supplemental benefit. Supplemental benefits for executive employees are the same, \$244.44, but are prorated based on years of services under the plan.

Death benefits are 100% of the participant's normal, late or deferred retirement benefits for a participant with service on or after January 1, 2000. For participants who terminated prior to January 1, 2000, the death benefit is 50% of the participant's normal, late or deferred retirement benefits.

Contributions. There are no contributions from participants of the plan. The contribution requirements of the city are established and may be amended by City Council. The city is required to contribute at an actuarially determined rate. Administrative costs are financed using contributions and earnings of the plan. For the year ended December 31, 2014, the city's average contribution rate was 2.94% of annual covered payroll.

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.

EOEP	EOEP
Statement of Fiduciary Net Position	Statement of Changes in Fiduciary Net Position
December 31, 2014	For the Year Ended December 31, 2014
ASSETS	ADDITIONS
<i>Current assets</i>	<i>Contributions</i>
Investments	City \$ 117,756
Cash and cash equivalents \$ 34,591	Total contributions <u>117,756</u>
Equity securities and funds 3,319,486	<i>Investment activity</i>
Corporate bond funds 1,711,748	Investment earnings 424,059
Real estate funds 716,676	Investment expense (8,832)
Alternative investments 373,893	Net investment earnings <u>415,227</u>
Interest receivable 8,867	Other income 19
Prepaid expenses 5,870	Total additions <u>533,002</u>
Total assets <u>6,171,131</u>	
LIABILITIES	DEDUCTIONS
<i>Current liabilities</i>	Benefits 198,391
Accounts payable 7,651	Administrative expenses 20,095
Total liabilities <u>7,651</u>	Total deductions <u>218,486</u>
NET POSITION RESTRICTED	NET INCREASE IN NET POSITION 314,516
FOR PENSIONS	NET POSITION RESTRICTED
\$ 6,163,480	FOR PENSIONS - January 1 5,848,964
	NET POSITION RESTRICTED
	FOR PENSIONS - December 31 <u>\$ 6,163,480</u>

Investments

Investment Policy. At December 31, 2014, the plan's securities are in the custody of and controlled by Northern Trust Corporation, the master custodian. The plan contracts with investment managers to manage all of the plan's investments. Assets are diversified and are intended to match, as closely as possible, the investment style, allocation and performance of GERP. Based on GERP's long-term performance, its relatively conservative investment practices, and the cost effective nature of this practice, the EOEP plan administrator, the city's Director of Finance, has determined that it is appropriate for EOEP to mirror GERP's investment strategy and that GERP's investment managers should be utilized to the extent practical.

Plan investments are reported at fair value. Short-term investments are carried at cost, which approximates fair value. Securities and funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate funds, not actively traded on a national or international exchange, are valued based upon periodic appraisals of the real estate underlying the investment units held by the plan. Alternative investments represent investments in funds composed of master limited partnerships which invest in securities traded in public markets and, therefore, have readily determined market values.

The plan includes, in the statement of changes in fiduciary net position, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments. Purchases and sales are recorded on the trade date. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustee after considering input from the plan's actuary. The estimates for each major asset class that is included in the plan's target asset allocation as of January 1, 2014 were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity - large cap	28%	5.93%
U.S. equity - small/mid cap	7%	6.63%
International equity	18%	5.35%
Fixed income	29%	2.18%
Private real estate	9%	3.43%
Global real estate investment trust	3%	5.65%
Master limited partnerships	6%	5.65%
Total	100%	

Investment Concentrations. Investment concentrations, as defined by the Governmental Accounting Standards Board, is any investment in any one organization (other than those issued or explicitly guaranteed by the U.S. government) that represents 5% or more of EOEP's fiduciary net position. EOEP held the following investments at December 31, 2014, that meet this criteria:

Investment	Value	% of Investments
iShares Core S&P 500 ETF	\$ 1,786,582	29.0%
Westcore Plus Bond Fund	909,821	14.8%
PIMCO Total Return Fund	801,927	13.0%
Dodge & Cox International Stock Fund	580,037	9.4%
BlackRock Granite Property Fund	496,141	8.1%
iShares Core S&P Small-Cap ETF	461,943	7.5%

Investment Rate of Return. For the year ended, December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset)

The components of the net pension liability (asset) of the city at December 31, 2014, were as follows:

Total pension liability	\$ 5,185,367
EOEP fiduciary net position	(6,163,480)
City's net pension liability (asset)	\$ (978,113)

EOEP fiduciary net position as a percentage
of the total pension liability 118.86%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2015. The actuarial assumptions included in the Actuarial Methods and Assumptions chart on page 52 reflect the January 1, 2013, actuarial date. For purposes of Governmental Accounting Standards Board Statement 67, the results of the January 1, 2015, valuation are reported within this footnote. The only changes between the 2013 valuation included in the chart and the 2015 valuation are a decrease in the investment rate of return from 7.75% to 7.50%, a decrease in the basic cost of living adjustment from 3.50% to 3.25% and the inclusion of expenses as a percent of actuarial value of assets of 0.75%.

Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by EOEP's actuary. The assumptions and methods generally follow those used by the city of Aurora General Employee's Retirement Plan (GERP). These assumptions are internally consistent and reasonably based on the actual and expected experience of the plan.

Mortality rates were based on the RP-2000 Healthy Lives Mortality Table for Males or Females, post-retirement or pre-retirement, as appropriate.

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2014, was 7.50%. Based on the projection of cash flows, EOEP's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on EOEP investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the sensitivity of the net pension liability (asset) to changes in the discount rate as of December 31, 2014. The table presents the city's net pension liability (asset) if it were calculated using a single discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(6.50%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (7.50%)</u>	<u>1%</u> <u>Increase</u> <u>(8.50%)</u>
City's net pension liability (asset)	\$ (381,697)	\$ (978,113)	\$ (1,479,148)

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 is available online at www.fppaco.org by contacting the Fire and 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

The Fire Statewide Defined Benefit Plan is a closed, cost-sharing multiple employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The plan provides retirement and death benefits to firefighters hired on or after April 8, 1978. State statute assigns authority to establish and amend benefit provisions to the FPPA. Currently 173 city firefighters are members of this transfer plan. In 2014, members of the transfer plan and the city each contributed 10.0%, \$1,423,963. In 2013 and 2012, both plan members and the city contributed 10.0%, \$1,478,279 and \$1,589,622, respectively. As condition of membership in this plan, annual contributions are also made to a 457 plan. For 2014, contributions to the 457 plan were 0.5%, \$71,198, each for both plan members and the city. In 2013 and 2012, contributions to the 457 plan for plan members and the city were each 0.5%, \$73,914 and \$79,487, respectively. In 2012, an updated plan was instituted for firefighters hired on or after January 1, 2012. Currently, 69 city firefighters are members of this plan. In 2014, plan members and the city each contributed 8.0%, \$214,623. In 2013 and 2012, both plan members and the city each contributed 8.0%, \$128,361 and \$70,943, respectively.

5. Statewide Hybrid Plan – Fire New Hire Pension Plan

The Statewide Hybrid Fire Pension Plan is a closed, cost-sharing multiple employer pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). This plan contains a defined benefit component and a money purchase component. State statute assigns authority to establish and amend benefit provision to the FPPA. Currently, 45 city firefighters are members of this plan. In 2014, plan members and the city each contributed 10.5%, \$390,519. In 2013 and 2012, plan members and the city both contributed 10.5%, \$406,408 and \$401,163, respectively. The percentage split is recalculated each year.

B. Other Postemployment Benefits (OPEB)

Plan Description. In addition to pension benefits, the city acts in a single-employer capacity in providing medical benefits to eligible retirees and their qualifying dependents through the city’s group health insurance plan. Based on city practice, eligible retirees are allowed to participate in the health benefit program up to Medicare age. Police and Fire employees are eligible at any age with 20 years of service, Elected Officials are eligible at a minimum age of 56 with 6 or more years of service and Executives are eligible at a minimum age of 50 with 3 or more years of service. All other employees are eligible at a minimum age of 50 with 10 or more years of service. Currently, there are 2,410 active employees covered under the city’s health insurance plan. Of these, 613 are fully eligible for the plan. In addition, there are 368 retired employees who are receiving medical coverage under this program. No stand-alone financial report is issued for the OPEB plan and it is not included in the report of GERP.

Funding Policy. Retirees pay 100% of the blended premium cost of their participation for health insurance coverage. Since current and retired employees participate in the same group plan, the city in effect is providing an “implicit subsidy” for the retirees in the plan. The required contribution will be annual premiums based on projected pay-as-you-go financing requirements. This expense is the net expected cost of providing retiree benefits including all expected claims and related expenses offset by retiree contributions. The pay-as-you-go expense for the year ended December 31, 2014 is \$1,792,547.

Summary of the Net OPEB obligation at the end of 2014 by Business–type and Governmental activities:

Fund	Amount
Water Fund	\$ 579,629
Wastewater Fund	289,857
Golf Fund	88,751
Total Business-type activities	958,237
Total Governmental activities	5,263,040
Total net OPEB obligation - December 31	\$ 6,221,277

Annual Pension Cost and Net Pension Obligation (Asset)

The city’s annual pension cost and net pension obligations (asset) for its defined benefit plans are as follows:

	GERP	EOEP	Old Hire Fire	Old Hire Police	OPEB
Annual required contribution (ARC)	\$ 5,803,254	\$ 117,756	\$ 1,963,632	\$ 3,367,555	\$ 2,191,000
Interest on net pension obligation (NPO/NPA)	1,124,680	-	(19,348)	24,710	260,248
Adjustment to ARC	(857,572)	-	25,651	(32,761)	(220,714)
Annual pension cost (APC)	6,070,362	117,756	1,969,935	3,359,504	2,230,534
Contributions made	(5,536,583)	(117,756)	(1,963,632)	(3,367,555)	(1,792,547)
Increase (decrease) in NPO/NPA	533,779	-	6,303	(8,051)	437,987
NPO/NPA - beginning of year	14,512,000	-	(257,969)	329,473	5,783,290
NPO/NPA - end of year	\$ 15,045,779	\$ -	\$ (251,666)	\$ 321,422	\$ 6,221,277

Net pension asset is recorded as other receivables and net pension obligation and net OPEB obligation are recorded as long term debt on the citywide statement of net position. Net pension obligation and net OPEB obligation recorded in governmental activities are generally paid from the General Fund. Water, Wastewater and Golf Funds report a proportionate share of the net pension obligation and net OPEB obligation as long term debt in business-type activities and are generally paid from their respective funds.

Summary of the net NPO obligation at the end of 2014 by Business-type and Governmental activities:

Fund	Amount
Water Fund	\$ 422,101
Wastewater Fund	218,261
Golf Fund	60,687
Total Business-type activities	701,049
Total Governmental activities	14,666,152
Total net NPO obligation - December 31	\$ 15,367,201

Funded Status and Funding Progress

The city’s funded status for the year ended December 31, 2014 can be seen below. The schedule of funding progress, presented as Required Supplementary Information 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	1/1/14	\$ 366,577,369	\$ 395,063,666	\$ 28,486,297	92.79%	\$ 84,105,129	33.87%
EOEP	1/1/13	5,056,265	4,572,082	(484,183)	110.59%	-	0.00%
Old Hire - Fire	1/1/14	79,258,302	102,032,674	22,774,372	77.68%	-	0.00%
Old Hire - Police	1/1/14	92,031,605	120,359,988	28,328,383	76.46%	100,856	28087.95%
OPEB	1/1/14	-	22,412,000	22,412,000	0.00%	187,379,810	11.96%

Three Year Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
GERP			
12/31/2012	\$ 7,686,848	61.33%	\$ 12,312,183
12/31/2013	7,207,346	69.48%	14,512,000
12/31/2014	6,070,362	91.21%	15,045,779
EOEP			
12/31/2012	182,057	100.00%	-
12/31/2013	182,057	100.00%	-
12/31/2014	117,756	100.00%	-
Old Hire - Fire			
12/31/2012	1,763,274	99.57%	(263,747)
12/31/2013	1,969,410	99.71%	(257,969)
12/31/2014	1,969,935	99.68%	(251,666)
Old Hire - Police			
12/31/2012	2,862,824	100.34%	336,853
12/31/2013	3,360,175	100.22%	329,473
12/31/2014	3,359,504	100.24%	321,422
OPEB			
12/31/2012	1,732,129	95.06%	4,652,485
12/31/2013	2,119,805	46.66%	5,783,290
12/31/2014	2,230,534	80.36%	6,221,277

Actuarial Methods and Assumptions

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

	GERP	EOEP	Old Hire - Fire	Old Hire - Police	OPEB
Actuarial valuation date	1/1/2014	1/1/2013	1/1/2014	1/1/2014	1/1/2014
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	5-year smoothed fair market value	5-year smoothed fair market value	N/A
Actuarial assumptions:					
Investment rate of return*	7.75%	7.75%	7.50%	7.50%	4.50%
Payroll growth rate	3.25%	N/A	N/A	N/A	N/A
Projected salary increases*	3.50% to 6.00%	N/A	4.00%	4.00%	3.50%
Cost of living adjustment	3.25% base (tier 1) 0.00% base (tier 2) 0.00% supplemental	3.50% basic 0.00% supplemental	3.50%	3.50%	N/A
Health care cost trend	N/A	N/A	N/A	N/A	10.00% to 5.00%
*Includes inflation at	N/A	N/A	3.00%	3.00%	N/A

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

The Police New Hire Plan is a defined contribution money purchase plan established by City Ordinance to provide benefits at retirement for full time police hired on or after April 8, 1978. The plan is administered by a committee established by the agreement. Plan provisions and contribution requirements are amended by an affirmative vote of 65% of the members as well as a City Council resolution. At December 31, 2014, there were 673 plan members. Plan members and the city are both required to contribute 10.5%. In 2014, plan members and the city each contributed \$5,369,103.

2. Fire Money Purchase Pension Plan

The Fire Money Purchase Pension Plan is established by City Ordinance to provide retirement and death benefits for city firefighters and is administered by the Fire and Police Pension Association of Colorado. Plan provisions and contribution requirements are established and may be amended by City Council. At December 31, 2014, there were 16 plan members. Plan members and the city are both required to contribute 10.5%. In 2014, plan members and the city each contributed \$158,348.

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, 2014, there were 26 plan members. In 2014, plan members and the city both contributed 10.0%, \$373,950 each.

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 \$1,055,254 for the year ended December 31, 2014. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2015	\$ 842,427
2016	359,895
2017	313,509
2018	64,747
2019	27,000
Total	\$ 1,607,578

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 \$350,000 per person up to a maximum of \$990,000 for any one claim for all claimants as of July 1, 2013. 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 1.00% interest return over the life of the liabilities. The city reports the current and noncurrent portions of the accrued claims liability and related claim settlements and judgments within the Risk Management Fund. Management believes any resulting judgments would not exceed insurance coverage by a material amount.

**Summary of the Accrued Claims Liability
December 31, 2014**

Self-Insured Program	Case Reserves	IBNR	Total	Discounted
Worker's compensation	\$ 2,880,938	\$ 4,184,212	\$ 7,065,150	\$ 6,504,460
Multi-line liability	1,138,062	3,104,545	4,242,607	4,148,266
Total	\$ 4,019,000	\$ 7,288,757	\$ 11,307,757	\$ 10,652,726

Reconciliation of Claims Payable

Year	Balance January 1	Current Year Accrued Claims	Claim Payments	Recoveries	Balance December 31
2013	\$ 9,937,336	\$ 5,197,979	\$ (5,571,007)	\$ 251,847	\$ 9,816,155
2014	9,816,155	6,049,632	(5,920,049)	706,988	10,652,726

14. CONTINGENT LIABILITIES

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

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

Proceeds of refunded debt were placed in irrevocable refunding escrow accounts. The funds deposited in these accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, are expected to provide amounts sufficient to pay all principal and interest on the following debt issues as they become due. Should these funds be insufficient to pay the maturing bonds and interest, the city would be liable for the deficiency. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the refunded bond issues is remote. Accordingly, the escrow accounts and the refunded bonds are not included in the city's financial statements. Escrowed debt outstanding at December 31, 2014 is as follows:

Issue Description	Date of Issue	Series	Balance December 31, 2014
Colorado Water Resources & Power Development Authority (CWR & PDA)			
Revenue Bonds Series 2005D	9/29/2005	2005	\$ 60,815,000
First-Lien Sewer Improvement			
Revenue Bonds Series 2006	4/25/2006	2006	17,510,000
Total			<u>\$ 78,325,000</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, 2014, there were seven series of revenue bonds outstanding, which included four Hospital Revenue Bonds payable from operating revenues, one Educational Development Bond payable from lease payments, one Multifamily Mortgage Bonds payable from rental and mortgage payments, and one Single Family Mortgage Bonds payable from mortgage payments. The total aggregate principal amount payable was \$246,100,000.

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 2014, 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. In accordance with TABOR, the city maintains an emergency reserve of 3% of the fiscal year spending by designating a combination of available cash and real property owned by the city in lieu of cash. Cash of \$7,908,349 is restricted for emergencies in the General Fund at December 31, 2014, and the real property is recorded in net investment in capital assets on the citywide statement of net position. The city's management believes the city is in compliance with the provisions of TABOR at December 31, 2014.

17. ADOPTION OF ACCOUNTING PRINCIPLES

The city adopted Governmental Accounting Standards Board Statement No. 67 (GASB 67) *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, in 2014 which has as its objective improving the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability.

For the city's defined benefit pension plans that issue stand-alone plan financial reports, GASB 67 does not require that the city include the information identified in the detailed disclosure and RSI requirements of GASB 67 within its financial report because the stand-alone plan financial reports are prepared in conformity with the requirements of GASB 67. All disclosures required by GASB 67 for the Elected Officials' and Executive Personnel defined benefit plan (EOEP) are presented solely in the financial report of the city because EOEP does not issue a stand-alone financial report.

Adoption of GASB 67 for EOEP had no effect on net position restricted for pensions or net increase in net position. It did, however, change the requirements for information disclosed in the footnotes to the financial statements and information required to be presented as RSI that are included within this financial report.

18. SUBSEQUENT EVENTS

On February 27, 2015, Aurora Capital Leasing Corporation (ACLC) entered into a lease purchase agreement (Series 2015A) in the amount of \$1,644,700 for Self Contained Breathing Apparatus (SCBA) equipment for the fire department.

On May 28, 2015, ACLC issued Certificates of Participation, Series 2015, in the amount of \$24,340,000 for the design and construction of a public safety training facility.

The city's Water Fund intends to defease the remaining principal balance of the 2005D Colorado Water Resources and Power Development Authority (CWRPDA) revenue bonds in early June, 2015, for \$29,650,000.

* * * * *



AURORA MUNICIPAL

Required Supplementary Information



CITY OF AURORA, COLORADO

**DEFINED BENEFIT PENSION PLANS
AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
DECEMBER 31, 2014**

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						
1/1/10	\$ 300,704,227	\$ 333,831,950	\$ 33,127,723	90.08%	\$ 84,403,431	39.25%
1/1/11	297,494,555	335,310,191	37,815,636	88.72%	83,973,043	45.03%
1/1/12	320,996,231	354,416,941	33,420,710	90.57%	82,107,803	40.70%
1/1/13	340,856,093	369,696,290	28,840,197	92.20%	82,619,797	34.91%
1/1/14	366,577,369	395,063,666	28,486,297	92.79%	84,105,129	33.87%
EOEP						
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
1/1/13	5,056,265	4,572,082	(484,183)	110.59%	n/a	n/a
Old Hire - Fire						
1/1/06	92,918,056	99,466,498	6,548,442	93.42%	647,157	1011.88%
1/1/08	103,965,149	102,757,130	(1,208,019)	101.18%	277,349	(435.56)%
1/1/10	88,066,465	104,279,437	16,212,972	84.45%	66,487	24385.18%
1/1/12	80,886,666	101,430,286	20,543,620	79.75%	68,218	30114.66%
1/1/14	79,258,302	102,032,674	22,774,372	77.68%	n/a	n/a
Old Hire - Police						
1/1/06	98,845,438	116,106,755	17,261,317	85.13%	241,569	7145.50%
1/1/08	111,931,255	125,162,192	13,230,937	89.43%	93,795	14106.23%
1/1/10	96,468,415	124,458,499	27,990,084	77.51%	98,936	28291.10%
1/1/12	91,220,252	126,318,024	35,097,772	72.21%	99,532	35262.80%
1/1/14	92,031,605	120,359,988	28,328,383	76.46%	100,856	28087.95%
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%
1/1/13	—	21,227,000	21,227,000	0.00%	179,384,474	11.83%
1/1/14	—	22,412,000	22,412,000	0.00%	187,379,810	11.96%

CITY OF AURORA, COLORADO

DEFINED BENEFIT PLANS
AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
DECEMBER 31, 2014

<u>Year</u>		<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
GERP			
2010	\$	8,415,022	55%
2011		8,002,631	57%
2012		7,489,412	63%
2013		6,949,075	72%
2014		5,803,254	95%
EOEP			
2010		356,280	100%
2011		356,280	100%
2012		182,057	100%
2013		182,057	100%
2014		117,756	100%
OPEB			
2010		1,931,000	58%
2011		1,632,000	61%
2012		1,701,000	97%
2013		2,088,000	47%
2014		2,191,000	82%

CITY OF AURORA, COLORADO

**ELECTED OFFICIALS' AND EXECUTIVE PERSONNEL DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
DECEMBER 31, 2014**

	<u>2014</u>
Total pension liability	
Service cost	\$ 267,522
Interest on the total pension liability	737,394
Benefit changes	(123,776)
Difference between expected and actual experience	(263,711)
Assumption changes	389,217
Benefit payments	<u>(393,361)</u>
Net change in total pension liability	<u>613,285</u>
Total pension liability - beginning	<u>4,572,082</u>
Total pension liability - ending (a)	<u><u>\$ 5,185,367</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 299,813
Net investment income	1,194,551
Benefit payments	(393,361)
Administrative expense	<u>(37,490)</u>
Net change in plan fiduciary net position	<u>1,063,513</u>
Plan fiduciary net position - beginning	<u>5,099,967</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 6,163,480</u></u>
City's net pension liability (asset) - ending (a)-(b)	<u><u>\$ (978,113)</u></u>
Plan fiduciary net position as a percentage of total pension liability	118.86%
Covered employee payroll	N/A
City's net pension liability (asset) as a percentage of covered employee payroll	N/A

Source: Gabriel, Roeder, Smith & Company, EOEP Actuary,
GASB 67 Accounting Valuation as of January 1, 2015

Information is not currently available for prior years; additional years will be displayed as they become available.

CITY OF AURORA, COLORADO

**ELECTED OFFICIALS' AND EXECUTIVE PERSONNEL DEFINED BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST 10 YEARS**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 117,756	\$ 182,057	\$ 182,057	\$ 356,280	\$ 356,280	\$ 351,990	\$ 351,990	\$ 375,669	\$ 375,669	\$ 422,000
Actual contributions	117,756	182,057	182,057	356,280	356,280	351,991	351,991	375,669	375,669	428,000
Contribution excess	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (1)	\$ (1)	\$ —	\$ —	\$ (6,000)
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Actuarial valuations done every odd-numbered year on 1/1/20XX.

See Notes to Required Supplementary Information for other significant methods and assumptions.

CITY OF AURORA, COLORADO

**ELECTED OFFICIALS' AND EXECUTIVE PERSONNEL DEFINED BENEFIT PLAN
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN ON PLAN INVESTMENTS (UNAUDITED)
DECEMBER 31, 2014**

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	7.05%

Information is not currently available for prior years; additional years will be displayed as they become available.

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, 2014

SOURCES	General Fund				Designated Revenues Fund				Total of Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	Budgetary
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Actual
Taxes									
Property	\$ 25,378,119	\$ 25,378,119	\$ 25,213,420	\$ (164,699)	\$ —	\$ —	\$ —	\$ —	\$ 25,213,420
Sales	144,312,210	144,312,210	153,056,690	8,744,480	—	—	—	—	153,056,690
Use	30,300,323	30,300,323	34,456,665	4,156,342	—	—	—	—	34,456,665
Lodgers	5,047,576	5,047,576	6,173,287	1,125,711	—	—	—	—	6,173,287
Franchise	14,166,741	14,166,741	14,611,949	445,208	—	—	—	—	14,611,949
Other	9,358,930	9,358,930	9,511,824	152,894	—	—	—	—	9,511,824
Total taxes	228,563,899	228,563,899	243,023,835	14,459,936	—	—	—	—	243,023,835
Intergovernmental	13,353,285	13,412,194	13,871,528	459,334	—	—	—	—	13,871,528
Licenses and permits	2,516,285	3,001,745	3,590,068	588,323	—	—	344	344	3,590,412
Charges for services	11,647,976	11,662,476	11,518,183	(144,293)	1,341,166	1,341,166	1,056,443	(284,723)	12,574,626
Fines and forfeitures	5,831,447	5,831,447	6,040,711	209,264	4,614,178	4,614,178	4,610,808	(3,370)	10,651,519
Investment income	637,105	637,105	694,202	57,097	41,756	41,756	257,554	215,798	951,756
Other revenues	1,202,649	1,202,649	969,807	(232,842)	85,876	90,076	63,171	(26,905)	1,032,978
Proceeds from sale of assets	220,000	220,000	208,056	(11,944)	—	—	—	—	208,056
Transfers in	1,100,000	1,100,000	1,166,862	66,862	—	—	266,691	266,691	1,433,553
Funds from restricted assets	—	—	(2,120,000)	(2,120,000)	—	—	—	—	(2,120,000)
TOTAL SOURCES	265,072,646	265,631,515	278,963,252	13,331,737	6,082,976	6,087,176	6,255,011	167,835	285,218,263
USES									
Operating Costs									
Municipal Court									
Judicial	2,182,687	2,211,314	2,171,171	40,143	133,578	135,564	120,375	15,189	2,291,546
Court Administration	7,454,476	7,554,693	7,478,264	76,429	—	—	—	—	7,478,264
Public Defender	671,117	751,331	749,346	1,985	—	—	—	—	749,346
Total municipal court	10,308,280	10,517,338	10,398,781	118,557	133,578	135,564	120,375	15,189	10,519,156
City Attorney	5,393,697	5,543,534	5,543,534	—	—	—	—	—	5,543,534
General Management Group									
City Council	1,105,001	1,167,756	1,066,558	101,198	—	—	—	—	1,066,558
Civil Service	733,900	740,368	740,159	209	—	—	—	—	740,159
General Management	2,408,581	2,440,902	2,438,789	2,113	—	—	—	—	2,438,789
Total general management group	4,247,482	4,349,026	4,245,506	103,520	—	—	—	—	4,245,506
Administrative Services Group									
Communications	2,607,484	2,703,236	2,702,685	551	591,523	591,523	510,314	81,209	3,212,999
Finance	5,684,382	6,255,417	6,255,417	—	—	—	—	—	6,255,417
Information Technology	7,641,556	7,789,660	7,542,527	247,133	—	—	—	—	7,542,527
Internal Services	5,566,900	5,668,251	5,556,455	111,796	—	101,224	—	101,224	5,556,455
Public Safety Communications	6,150,452	6,248,066	6,224,796	23,270	—	—	—	—	6,224,796
Total administrative services group	27,650,774	28,664,630	28,281,880	382,750	591,523	692,747	510,314	182,433	28,792,194

	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	4,206,469	4,208,762	4,207,757	1,005	358,599	363,074	345,902	17,172	4,553,659
Public Works	24,174,816	25,398,977	24,733,146	665,831	18,876	23,076	4,393	18,683	24,737,539
Parks, Recreation and Open Space	11,965,985	12,047,483	12,047,097	386	775,702	1,016,826	842,090	174,736	12,889,187
Neighborhood Services	3,973,178	4,037,645	4,037,420	225	—	—	—	—	4,037,420
Planning and Development Services	2,352,940	2,466,286	2,451,806	14,480	341,769	346,914	266,691	80,223	2,718,497
Total operations group	46,673,388	48,159,153	47,477,226	681,927	1,494,946	1,749,890	1,459,076	290,814	48,936,302
<i>Police/Fire Group</i>									
Non-departmental	—	—	43,135	(43,135)	—	—	—	—	43,135
Police	87,038,556	87,344,861	87,099,784	245,077	3,093,860	3,176,421	3,176,421	—	90,276,205
Fire	40,374,985	41,213,540	41,209,806	3,734	—	—	—	—	41,209,806
Total police/fire group	127,413,541	128,558,401	128,352,725	205,676	3,093,860	3,176,421	3,176,421	—	131,529,146
<i>Non-departmental</i>	48,081,679	50,592,780	49,736,960	855,820	2,069,391	2,020,904	1,707,224	313,680	51,444,184
TOTAL USES	269,768,841	276,384,862	274,036,612	2,348,250	7,383,298	7,775,526	6,973,410	802,116	281,010,022
CHANGE IN FUNDS AVAILABLE	(4,696,195)	(10,753,347)	4,926,640	15,679,987	(1,300,322)	(1,688,350)	(718,399)	969,951	4,208,241
FUNDS AVAILABLE - January 1	37,423,063	51,202,088	51,202,088	—	5,156,204	8,064,387	8,064,387	—	59,266,475
FUNDS AVAILABLE - December 31	<u>\$ 32,726,868</u>	<u>\$ 40,448,741</u>	56,128,728	<u>\$ 15,679,987</u>	<u>\$ 3,855,882</u>	<u>\$ 6,376,037</u>	7,345,988	<u>\$ 969,951</u>	63,474,716
Less: Restricted for emergencies (TABOR)			(7,908,349)				—		(7,908,349)
Committed to reserves (10% Policy)			(22,547,520)				—		(22,547,520)
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS, AND COUNCIL COMMITMENTS - December 31			<u>\$ 25,672,859</u>				<u>\$ 7,345,988</u>		<u>\$ 33,018,847</u>
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE									
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 56,128,728				\$ 7,345,988		\$ 63,474,716
Assets not available for appropriation			2,125,499				—		2,125,499
Long-term interfund receivables			405,971				—		405,971
Sales, use and lodgers tax accrual			21,798,371				—		21,798,371
Current year encumbrances			1,379,307				373,074		1,752,381
Adjustment of investments to fair value			(17,710)				—		(17,710)
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			<u>\$ 81,820,166</u>				<u>\$ 7,719,062</u>		<u>\$ 89,539,228</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. 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	1/1/2014	1/1/2013	1/1/2014	1/1/2014	1/1/2014
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	5-year smoothed fair market value	5-year smoothed fair market value	N/A
Actuarial assumptions:					
Investment rate of return*	7.75%	7.75%	7.50%	7.50%	4.50%
Payroll growth rate	3.25%	N/A	N/A	N/A	N/A
Projected salary increases*	3.50% to 6.00%	N/A	4.00%	4.00%	3.50%
Cost of living adjustment	3.25% base (tier 1) 0.00% base (tier 2) 0.00% supplemental	3.50% basic 0.00% supplemental	3.50%	3.50%	N/A
Health care cost trend	N/A	N/A	N/A	N/A	10.00% to 5.00%
*Includes inflation at	N/A	N/A	3.00%	3.00%	N/A

There were no changes to actuarial assumptions or methods in the valuation reports referenced above during the year. This includes changes of benefit terms, changes in the size or composition of the population covered by the benefit terms or the use of different assumptions.

For purposes of Governmental Accounting Standards Board Statement 67, the results of the January 1, 2015, valuation are reported within Note 11 and, as applicable, Required Supplementary Information. The only changes between the 2013 valuation included in the chart above and the 2015 valuation are a decrease in the investment rate of return from 7.75% to 7.50%, a decrease in the basic cost of living adjustment from 3.50% to 3.25% and the inclusion of expenses as a percent of actuarial value of assets of 0.75%.

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) Sales, use and lodgers taxes are considered revenue when received rather than when earned.
- c) Proceeds from capital leases and related capital expenditures are not budgeted.
- d) The value received on the trade-in of capital assets and the related capital expenditures are not budgeted.
- e) Changes in investment income due to recording investments at fair value are not budgeted.
- f) January sick leave buyout is expensed for GAAP but not for budget until subsequent year.





Combining and Individual Fund Statements and Schedules

SPECIAL REVENUE FUNDS

Special revenue funds account for revenues from specific sources that are required legally or by management decision to be used for particular activities other than debt service or capital projects.

Gifts & Grants Fund

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

Development Review Fund

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

Abatement Fund

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

Community Development Fund

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

Enhanced E-911 Fund

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

Conservation Trust Fund

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

Non-Major Governmental Funds



Parks Development Fund

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

Open Space Fund

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

Recreation Services Fund

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

Cultural Services Fund

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

Cherry Creek Fence General Improvement District (GID)


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

Meadow Hills Fence General Improvement District (GID)

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

Peoria Park Fence General Improvement District (GID)

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



Pier Point 7 Sewer General Improvement District (GID)

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

Aurora Conference Center General Improvement District (GID)

The Aurora Conference Center GID accounts for the incentives for a conference center and related improvements. The 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 is 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.

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, a blended component unit, 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 and general revenues of the city.

Aurora Urban Renewal Authority (AURA) Capital Projects Fund

AURA Capital Projects fund accounts for the construction of a conference center and parking structure. Funding for these projects is provided by proceeds from external financing.

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014

	Special Revenue				
	Gifts and Grants	Development Review	Abatement	Community Development	Enhanced E-911
ASSETS					
Cash and cash equivalents	\$ —	\$ 1,402,311	\$ —	\$ —	\$ —
Investments	—	6,440,935	—	—	—
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	584	327,541	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	3,555	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	1,046,067	—	—	390,557	1,238,628
Investments	—	—	—	—	5,689,124
Taxes receivable	—	—	—	—	—
Accounts receivable	38,462	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	2,974,167	—	—	92,221	—
Other receivables	—	—	—	—	262,590
Inventory	790,280	—	—	137,847	—
Asset acquired for resale	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 4,848,976</u>	<u>\$ 7,843,830</u>	<u>\$ 331,096</u>	<u>\$ 620,625</u>	<u>\$ 7,190,342</u>
LIABILITIES					
Accounts payable	\$ 428,674	\$ 136,546	\$ 4,592	\$ 249,252	\$ 26,387
Other payables	—	—	—	—	—
Due to other funds	—	—	33,349	—	—
Interfund loan payable	—	—	—	—	—
Unearned revenues	1,236,728	—	—	—	—
Total liabilities	<u>1,665,402</u>	<u>136,546</u>	<u>37,941</u>	<u>249,252</u>	<u>26,387</u>
DEFERRED INFLOWS OF RESOURCES					
	—	—	—	—	—
FUND BALANCES					
Restricted	3,183,574	—	—	371,373	7,163,955
Committed	—	7,707,284	293,155	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
Total fund balances	<u>3,183,574</u>	<u>7,707,284</u>	<u>293,155</u>	<u>371,373</u>	<u>7,163,955</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,848,976</u>	<u>\$ 7,843,830</u>	<u>\$ 331,096</u>	<u>\$ 620,625</u>	<u>\$ 7,190,342</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014

	Special Revenue				
	Conservation Trust	Parks Development	Open Space	Recreation Services	Cultural Services
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 676,514	\$ 1,196,800
Investments	—	—	—	—	—
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	76,818	2,165
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	456	21,391
Other receivables	—	—	—	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	397,369	781,601	2,302,897	—	—
Investments	1,825,150	3,589,959	10,577,398	—	—
Taxes receivable	—	—	—	—	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	786,340	—	—	—	43,461
Other receivables	—	—	—	—	—
Inventory	—	—	—	—	—
Asset acquired for resale	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 3,008,859</u>	<u>\$ 4,371,560</u>	<u>\$ 12,880,295</u>	<u>\$ 753,788</u>	<u>\$ 1,263,817</u>
LIABILITIES					
Accounts payable	\$ 371,109	\$ 1,039	\$ 864,940	\$ 249,804	\$ 115,846
Other payables	—	—	—	347	—
Due to other funds	—	—	—	—	—
Interfund loan payable	—	—	—	—	—
Unearned revenues	—	—	—	436,591	50,484
Total liabilities	<u>371,109</u>	<u>1,039</u>	<u>864,940</u>	<u>686,742</u>	<u>166,330</u>
DEFERRED INFLOWS OF RESOURCES					
	—	—	—	—	—
FUND BALANCES					
Restricted	2,637,750	4,370,521	12,015,355	—	39,481
Committed	—	—	—	—	1,058,006
Assigned	—	—	—	67,046	—
Unassigned	—	—	—	—	—
Total fund balances	<u>2,637,750</u>	<u>4,370,521</u>	<u>12,015,355</u>	<u>67,046</u>	<u>1,097,487</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,008,859</u>	<u>\$ 4,371,560</u>	<u>\$ 12,880,295</u>	<u>\$ 753,788</u>	<u>\$ 1,263,817</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014

	Special Revenue				
	Peoria Park Fence GID	Meadow Hills Fence GID	Cherry Creek Fence GID	Aurora Conference Center GID	Pier Point 7 Sewer GID
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	59,595	40,302	55,398	321	89,911
Investments	—	—	—	—	—
Taxes receivable	31,696	38,788	55,707	270	201,777
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	222	308	428	2	1,247
Other receivables	—	—	—	—	—
Inventory	—	—	—	—	—
Asset acquired for resale	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 91,513</u>	<u>\$ 79,398</u>	<u>\$ 111,533</u>	<u>\$ 593</u>	<u>\$ 292,935</u>
LIABILITIES					
Accounts payable	\$ —	\$ —	\$ 1,250	\$ —	\$ —
Other payables	—	—	—	—	—
Due to other funds	—	—	—	—	—
Interfund loan payable	—	—	—	—	—
Unearned revenues	—	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>1,250</u>	<u>—</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES	31,696	38,788	55,707	270	201,777
FUND BALANCES					
Restricted	59,817	40,610	54,576	323	91,158
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
Total fund balances	<u>59,817</u>	<u>40,610</u>	<u>54,576</u>	<u>323</u>	<u>91,158</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91,513</u>	<u>\$ 79,398</u>	<u>\$ 111,533</u>	<u>\$ 593</u>	<u>\$ 292,935</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014

	Special Revenue	Debt Service			
	AURA General	City Debt Service	SID Debt Service	AURA Debt Service	ACLIC Debt Service
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ 412,661
Investments	—	—	—	—	1,895,388
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	7,594	273,468	66,166	1,223,782	69,320
Investments	34,877	1,256,061	135,010	5,620,934	8,253,994
Taxes receivable	—	828,885	—	3,593,700	—
Accounts receivable	—	—	—	401	—
Interest receivable	—	—	—	—	17,464
Due from other governments	—	—	—	—	—
Other receivables	—	—	1,273,380	—	—
Inventory	—	—	—	—	—
Asset acquired for resale	—	—	—	4,003,861 (a)	—
Notes receivable	—	—	—	40,000	—
Notes receivable	—	—	—	—	—
Total assets	\$ 42,471	\$ 2,358,414	\$ 1,474,556	\$ 14,482,678	\$ 10,648,827
LIABILITIES					
Accounts payable	\$ —	\$ 2,250	\$ —	\$ 1,064,002	\$ —
Other payables	—	—	—	—	—
Due to other funds	—	—	—	—	—
Interfund loan payable	—	—	—	4,000,000	—
Unearned revenues	—	—	—	—	—
Total liabilities	—	2,250	—	5,064,002	—
DEFERRED INFLOWS OF RESOURCES	—	828,885	1,273,380	3,633,700	—
FUND BALANCES					
Restricted	42,471	1,527,279	201,176	5,784,976	8,340,778
Committed	—	—	—	—	—
Assigned	—	—	—	—	2,308,049
Unassigned	—	—	—	—	—
Total fund balances	42,471	1,527,279	201,176	5,784,976	10,648,827
Total liabilities, deferred inflows of resources, and fund balances	\$ 42,471	\$ 2,358,414	\$ 1,474,556	\$ 14,482,678	\$ 10,648,827

(continued)

(a) Asset acquired for resale will provide relief for future incentive obligations.

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014

	Capital Projects			Total Nonmajor Governmental Funds
	City Capital Projects	AURA Capital Projects	ACLC Capital Projects	
ASSETS				
Cash and cash equivalents	\$ 6,951,848	\$ —	\$ —	\$ 10,640,134
Investments	31,415,500	—	—	39,751,823
<i>Receivables (net of allowance)</i>				
Accounts receivable	144,740	—	—	551,848
Interest receivable	65,644	—	—	65,644
Due from other governments	2,573	—	—	24,420
Other receivables	—	—	—	3,555
<i>Restricted assets</i>				
Cash and cash equivalents	1,036,683	38,238	21,582,902	30,700,799
Investments	6,364,206	175,629	—	43,522,342
Taxes receivable	—	—	—	4,750,823
Accounts receivable	—	—	—	38,863
Interest receivable	—	—	—	17,464
Due from other governments	767,122	—	—	4,665,518
Other receivables	—	—	—	1,535,970
Inventory	—	—	—	928,127
Asset acquired for resale	—	—	—	4,003,861
Notes receivable	—	—	—	40,000
Notes receivable	104,132	—	—	104,132
Total assets	<u>\$ 46,852,448</u>	<u>\$ 213,867</u>	<u>\$ 21,582,902</u>	<u>\$ 141,345,323</u>
LIABILITIES				
Accounts payable	\$ 1,154,319	\$ 836,554	\$ 3,211,485	\$ 8,718,049
Other payables	327,500	—	—	327,847
Due to other funds	—	—	—	33,349
Interfund loan payable	—	—	—	4,000,000
Unearned revenues	—	—	—	1,723,803
Total liabilities	<u>1,481,819</u>	<u>836,554</u>	<u>3,211,485</u>	<u>14,803,048</u>
DEFERRED INFLOWS OF RESOURCES	104,132	—	—	6,168,335
FUND BALANCES				
Restricted	8,163,875	—	18,371,417	72,460,465
Committed	83,022	—	—	9,141,467
Assigned	37,019,600	—	—	39,394,695
Unassigned	—	(622,687)	—	(622,687)
Total fund balances	<u>45,266,497</u>	<u>(622,687)</u>	<u>18,371,417</u>	<u>120,373,940</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,852,448</u>	<u>\$ 213,867</u>	<u>\$ 21,582,902</u>	<u>\$ 141,345,323</u>

(concluded)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue				
	Gifts and Grants	Development Review	Abatement	Community Development	Enhanced E-911
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ —	\$ —
Property	—	—	—	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	—	—	—	—	—
Charges for services	59,185	2,766,163	433,160	1,682,238	—
Licenses and permits	—	9,926,232	—	—	—
Fines and forfeitures	2,414	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	7,107,530	—	—	2,802,689	—
Surcharges	—	—	—	—	3,101,603
Miscellaneous	1,187,035	165,291	1,231	—	—
Investment earnings	29,847	72,392	4,819	—	84,773
Total revenues	8,386,011	12,930,078	439,210	4,484,927	3,186,376
EXPENDITURES					
<i>Current</i>					
General government	25,417	—	—	—	—
Judicial	221,713	—	—	—	—
Police	3,436,966	—	—	—	—
Fire	263,847	—	—	—	—
Other public safety	7,390	—	—	—	1,847,333
Public works	(41,442)	—	—	—	—
Economic development	182,935	7,649,549	—	579,120	—
Community services	300,149	—	424,118	3,990,700	—
Culture and recreation	496,883	—	—	—	—
<i>Debt service</i>					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	3,165,225	132,654	—	196,296	104,007
Total expenditures	8,059,083	7,782,203	424,118	4,766,116	1,951,340
Excess (deficiency) of revenues over (under) expenditures	326,928	5,147,875	15,092	(281,189)	1,235,036
OTHER FINANCING SOURCES (USES)					
Transfers in	5,000	—	—	208,945	—
Transfers out	—	(1,100,000)	—	—	—
Certificates of participation issued	—	—	—	—	—
Premium on certificates of participation	—	—	—	—	—
Proceeds from notes issued	—	—	—	—	—
Proceeds from capital leases	—	—	—	—	—
Sale of capital assets	912	13,730	—	—	—
Total other financing sources (uses)	5,912	(1,086,270)	—	208,945	—
NET CHANGE IN FUND BALANCES	332,840	4,061,605	15,092	(72,244)	1,235,036
FUND BALANCES - January 1	2,850,734	3,645,679	278,063	443,617	5,928,919
FUND BALANCES - December 31	\$ 3,183,574	\$ 7,707,284	\$ 293,155	\$ 371,373	\$ 7,163,955

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	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	—	—	—	4,688,595	712,228
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	3,131,116	—	6,747,064	507,427	246,857
Surcharges	—	—	—	—	—
Miscellaneous	—	447,548	—	186,470	177,103
Investment earnings	55,447	56,042	184,092	1,198	9,986
Total revenues	3,186,563	503,590	6,931,156	5,383,690	1,146,174
EXPENDITURES					
<i>Current</i>					
General government	—	—	—	—	—
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	—
Community services	—	—	—	—	—
Culture and recreation	1,633,357	79,438	3,192,605	9,548,499	2,397,444
<i>Debt service</i>					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	4,680,840	8,903	2,828,540	5,000	—
Total expenditures	6,314,197	88,341	6,021,145	9,553,499	2,397,444
Excess (deficiency) of revenues over (under) expenditures	(3,127,634)	415,249	910,011	(4,169,809)	(1,251,270)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	3,978,976	1,552,962
Transfers out	(150,000)	—	(1,847,896)	(30,000)	—
Certificates of participation issued	—	—	—	—	—
Premium on certificates of participation	—	—	—	—	—
Proceeds from notes issued	—	—	—	—	—
Proceeds from capital leases	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	(150,000)	—	(1,847,896)	3,948,976	1,552,962
NET CHANGE IN FUND BALANCES	(3,277,634)	415,249	(937,885)	(220,833)	301,692
FUND BALANCES - January 1	5,915,384	3,955,272	12,953,240	287,879	795,795
FUND BALANCES - December 31	\$ 2,637,750	\$ 4,370,521	\$ 12,015,355	\$ 67,046	\$ 1,097,487

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue				
	Peoria Park Fence GID	Meadow Hills Fence GID	Cherry Creek Fence GID	Aurora Conference Center GID	Pier Point 7 Sewer GID
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ —	\$ —
Property	32,631	45,118	62,795	300	182,887
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	2,367	3,279	4,586	24	13,586
Charges for services	—	—	—	3	—
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	—	—	—	—	—
Surcharges	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Investment earnings	21	15	17	—	240
Total revenues	35,019	48,412	67,398	327	196,713
EXPENDITURES					
<i>Current</i>					
General government	1,128	1,097	2,953	4	2,825
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	—
Community services	—	—	—	—	—
Culture and recreation	—	—	—	—	—
<i>Debt service</i>					
Principal	12,000	15,000	25,000	—	90,000
Interest	18,694	22,455	32,025	—	106,653
Capital outlay	—	—	—	—	—
Total expenditures	31,822	38,552	59,978	4	199,478
Excess (deficiency) of revenues over (under) expenditures	3,197	9,860	7,420	323	(2,765)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	—	—
Transfers out	—	—	—	—	—
Certificates of participation issued	—	—	—	—	—
Premium on certificates of participation	—	—	—	—	—
Proceeds from notes issued	—	—	—	—	—
Proceeds from capital leases	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	—	—	—	—
NET CHANGE IN FUND BALANCES	3,197	9,860	7,420	323	(2,765)
FUND BALANCES - January 1	56,620	30,750	47,156	—	93,923
FUND BALANCES - December 31	\$ 59,817	\$ 40,610	\$ 54,576	\$ 323	\$ 91,158

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>			
	<u>AURA General</u>	<u>City Debt Service</u>	<u>SID Debt Service</u>	<u>AURA Debt Service</u>	<u>ACLC Debt Service</u>
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ 2,487,459	\$ —
Property	—	4,854,160	—	3,235,742	—
Lodgers	—	—	—	361,148	—
Occupational privilege	—	—	—	488,057	—
Other	—	—	—	—	—
Charges for services	20,000	—	—	—	—
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	351,941	—	—
Intergovernmental	—	—	—	—	—
Surcharges	—	—	—	—	—
Miscellaneous	4,479	—	—	—	—
Investment earnings	949	47,822	60,919	101,182	152,642
	<u>25,428</u>	<u>4,901,982</u>	<u>412,860</u>	<u>6,673,588</u>	<u>152,642</u>
Total revenues	<u>25,428</u>	<u>4,901,982</u>	<u>412,860</u>	<u>6,673,588</u>	<u>152,642</u>
EXPENDITURES					
<i>Current</i>					
General government	—	49,539	43,775	—	483,183
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	7,124,890	—
Community services	—	—	—	—	—
Culture and recreation	—	—	—	—	—
<i>Debt service</i>					
Principal	—	6,150,000	445,000	—	5,026,228
Interest	—	356,025	57,213	89,491	4,419,883
Capital outlay	—	—	—	—	—
	<u>—</u>	<u>6,555,564</u>	<u>545,988</u>	<u>7,214,381</u>	<u>9,929,294</u>
Total expenditures	<u>—</u>	<u>6,555,564</u>	<u>545,988</u>	<u>7,214,381</u>	<u>9,929,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,428</u>	<u>(1,653,582)</u>	<u>(133,128)</u>	<u>(540,793)</u>	<u>(9,776,652)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	—	1,659,525	—	692,715	9,309,116
Transfers out	(41,273)	—	—	(1,206,355)	(4,390)
Certificates of participation issued	—	—	—	—	—
Premium on certificates of participation	—	—	—	—	240,945
Proceeds from notes issued	—	—	—	—	—
Proceeds from capital leases	—	—	—	—	64,300
Sale of capital assets	—	—	—	—	—
	<u>(41,273)</u>	<u>1,659,525</u>	<u>—</u>	<u>(513,640)</u>	<u>9,609,971</u>
Total other financing sources (uses)	<u>(41,273)</u>	<u>1,659,525</u>	<u>—</u>	<u>(513,640)</u>	<u>9,609,971</u>
NET CHANGE IN FUND BALANCES	(15,845)	5,943	(133,128)	(1,054,433)	(166,681)
FUND BALANCES - January 1	58,316	1,521,336	334,304	6,839,409	10,815,508
FUND BALANCES - December 31	<u>\$ 42,471</u>	<u>\$ 1,527,279</u>	<u>\$ 201,176</u>	<u>\$ 5,784,976</u>	<u>\$ 10,648,827</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, 2014

	Capital Projects			Total Nonmajor Governmental Funds
	City Capital Projects	AURA Capital Projects	ACLCL Capital Projects	
REVENUES				
<i>Taxes</i>				
Sales and use	\$ —	\$ —	\$ —	\$ 2,487,459
Property	—	—	—	8,413,633
Lodgers	—	—	—	361,148
Occupational privilege	—	—	—	488,057
Other	—	—	—	23,842
Charges for services	1,077,327	—	—	11,438,899
Licenses and permits	350,898	—	—	10,277,130
Fines and forfeitures	7,636	—	—	10,050
Special assessments	—	—	—	351,941
Intergovernmental	2,363,423	—	—	22,906,106
Surcharges	—	—	—	3,101,603
Miscellaneous	601,808	—	—	2,770,965
Investment earnings	400,816	—	413	1,263,632
	<u>4,801,908</u>	<u>—</u>	<u>413</u>	<u>63,894,465</u>
Total revenues				
EXPENDITURES				
<i>Current</i>				
General government	776,613	—	—	1,386,534
Judicial	—	—	—	221,713
Police	—	—	—	3,436,966
Fire	—	—	—	263,847
Other public safety	—	—	—	1,854,723
Public works	6,378,827	—	(6,579)	6,330,806
Economic development	269,397	—	—	15,805,891
Community services	52	—	—	4,715,019
Culture and recreation	76,855	—	—	17,425,081
<i>Debt service</i>				
Principal	—	—	—	11,763,228
Interest	—	—	—	5,102,439
Capital outlay	17,519,079	5,990,472	9,920,663	44,551,679
	<u>25,020,823</u>	<u>5,990,472</u>	<u>9,914,084</u>	<u>112,857,926</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(20,218,915)</u>	<u>(5,990,472)</u>	<u>(9,913,671)</u>	<u>(48,963,461)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	31,438,343	372,802	175,729	49,394,113
Transfers out	(591,686)	(651,442)	(6,613)	(5,629,655)
Certificates of participation issued	—	—	21,775,000	21,775,000
Premium on certificates of participation	—	—	3,160,000	3,400,945
Proceeds from notes issued	—	5,646,425	—	5,646,425
Proceeds from capital leases	—	—	2,994,287	3,058,587
Sale of capital assets	—	—	—	14,642
	<u>30,846,657</u>	<u>5,367,785</u>	<u>28,098,403</u>	<u>77,660,057</u>
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCES	10,627,742	(622,687)	18,184,732	28,696,596
FUND BALANCES - January 1	34,638,755	—	186,685	91,677,344
FUND BALANCES - December 31	<u>\$ 45,266,497</u>	<u>\$ (622,687)</u>	<u>\$ 18,371,417</u>	<u>\$ 120,373,940</u>

(concluded)



Combining and Individual Fund Statements and Schedules

INTERNAL SERVICE FUNDS

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

Fleet Management Fund

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

Risk Management Fund

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

CITY OF AURORA, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2014

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total Internal Service</u>
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 137,933	\$ 2,344,642	\$ 2,482,575
Investments	633,540	10,769,141	11,402,681
<i>Receivables (net of allowance)</i>			
Interest Receivable	—	45,758	45,758
Inventories	745,084	—	745,084
Total current assets	<u>1,516,557</u>	<u>13,159,541</u>	<u>14,676,098</u>
<i>Capital assets (net of accumulated depreciation)</i>			
Infrastructure	266,294	—	266,294
Machinery and equipment	270,601	—	270,601
Total capital assets	<u>536,895</u>	<u>—</u>	<u>536,895</u>
Total assets	<u>2,053,452</u>	<u>13,159,541</u>	<u>15,212,993</u>
LIABILITIES			
<i>Current liabilities</i>			
Accounts payable	331,683	11,465	343,148
Current portion - long-term liabilities	37,958	5,931,933	5,969,891
Total current liabilities	<u>369,641</u>	<u>5,943,398</u>	<u>6,313,039</u>
<i>Noncurrent liabilities</i>			
Due beyond one year	311,236	4,795,757	5,106,993
Total liabilities	<u>680,877</u>	<u>10,739,155</u>	<u>11,420,032</u>
NET POSITION			
Net investment in capital assets	536,895	—	536,895
Unrestricted	835,680	2,420,386	3,256,066
Total net position	<u>\$ 1,372,575</u>	<u>\$ 2,420,386</u>	<u>\$ 3,792,961</u>

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Total Internal Service</u>
OPERATING REVENUES			
Charges for services	\$ 8,927,796	\$ 6,856,416	\$ 15,784,212
OPERATING EXPENSES			
Cost of sales and service	8,826,965	2,473,610	11,300,575
Claims losses	—	6,756,620	6,756,620
Administrative expenses	48,342	46,451	94,793
Depreciation	95,260	—	95,260
Total operating expenses	<u>8,970,567</u>	<u>9,276,681</u>	<u>18,247,248</u>
Operating loss	<u>(42,771)</u>	<u>(2,420,265)</u>	<u>(2,463,036)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	7,200	150,043	157,243
Miscellaneous revenues	763	883,831	884,594
Loss on disposal of capital assets	<u>(21,908)</u>	<u>—</u>	<u>(21,908)</u>
Net nonoperating revenues (expenses)	<u>(13,945)</u>	<u>1,033,874</u>	<u>1,019,929</u>
Loss before transfers	(56,716)	(1,386,391)	(1,443,107)
Transfers in	<u>—</u>	<u>900,000</u>	<u>900,000</u>
CHANGE IN NET POSITION	(56,716)	(486,391)	(543,107)
NET POSITION - January 1	<u>1,429,291</u>	<u>2,906,777</u>	<u>4,336,068</u>
NET POSITION - December 31	<u>\$ 1,372,575</u>	<u>\$ 2,420,386</u>	<u>\$ 3,792,961</u>

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 8,686	\$ 883,831	\$ 892,517
Interfund services provided and used	8,919,873	6,856,416	15,776,289
<i>Cash payments to:</i>			
Employees	(2,972,784)	(780,928)	(3,753,712)
Suppliers of goods and services	<u>(5,802,064)</u>	<u>(7,640,034)</u>	<u>(13,442,098)</u>
Net cash provided by (used in) operating activities	<u>153,711</u>	<u>(680,715)</u>	<u>(527,004)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash transfers in	<u>—</u>	<u>900,000</u>	<u>900,000</u>
Net cash provided by noncapital financing activities	<u>—</u>	<u>900,000</u>	<u>900,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
<i>Payments for:</i>			
Capital assets	<u>(193,581)</u>	<u>—</u>	<u>(193,581)</u>
Net cash used in capital and related financing activities	<u>(193,581)</u>	<u>—</u>	<u>(193,581)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in equity in pooled investments	68,317	358,830	427,147
Interest received	<u>4,616</u>	<u>103,796</u>	<u>108,412</u>
Net cash provided by investing activities	<u>72,933</u>	<u>462,626</u>	<u>535,559</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,063	681,911	714,974
TOTAL CASH AND CASH EQUIVALENTS, January 1	<u>104,870</u>	<u>1,662,731</u>	<u>1,767,601</u>
TOTAL CASH AND CASH EQUIVALENTS, December 31	<u>\$ 137,933</u>	<u>\$ 2,344,642</u>	<u>\$ 2,482,575</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	<u>\$ (42,771)</u>	<u>\$ (2,420,265)</u>	<u>\$ (2,463,036)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation	95,260	—	95,260
Miscellaneous nonoperating revenues	763	883,831	884,594
<i>Changes in operating assets and liabilities</i>			
Inventories	(24,205)	—	(24,205)
Accounts payable and accrued liabilities	<u>124,664</u>	<u>855,719</u>	<u>980,383</u>
Total adjustments	<u>196,482</u>	<u>1,739,550</u>	<u>1,936,032</u>
Net cash provided by (used in) operating activities	<u>\$ 153,711</u>	<u>\$ (680,715)</u>	<u>\$ (527,004)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Decrease in fair value of investments	\$ (2,587)	\$ (40,963)	\$ (43,550)
Capital asset transfers to governmental funds	(21,908)	—	(21,908)





Combining and Individual Fund Statements and Schedules

PENSION TRUST FUNDS

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

General Employees' Retirement Plan Fund (GERP)

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

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

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

CITY OF AURORA, COLORADO
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2014

	<u>GERP</u>	<u>EOEP</u>	<u>Total Pension Trust</u>
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 4,825,372	\$ 34,591	\$ 4,859,963
<i>Investments</i>			
Equity securities and funds	190,337,961	3,319,486	193,657,447
U.S. government treasury and U.S. government agency obligations	15,291,268	—	15,291,268
Corporate notes, bonds and funds	83,858,141	1,711,748	85,569,889
Real estate funds	39,416,405	716,676	40,133,081
Alternative investments	73,137,385	373,893	73,511,278
<i>Receivables (net of allowance)</i>			
Interest receivable	1,064,245	8,867	1,073,112
Due from other governments	595,235	—	595,235
Prepaid items	—	5,870	5,870
	<u>408,526,012</u>	<u>6,171,131</u>	<u>414,697,143</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	<u>580,353</u>	<u>7,651</u>	<u>588,004</u>
	<u>580,353</u>	<u>7,651</u>	<u>588,004</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 407,945,659</u></u>	<u><u>\$ 6,163,480</u></u>	<u><u>\$ 414,109,139</u></u>

CITY OF AURORA, COLORADO

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>GERP</u>	<u>EOEP</u>	<u>Total Pension Trust</u>
ADDITIONS			
<i>Contributions</i>			
City	\$ 5,536,583	\$ 117,756	\$ 5,654,339
Plan members	5,531,417	—	5,531,417
Total contributions	<u>11,068,000</u>	<u>117,756</u>	<u>11,185,756</u>
<i>Investment activity</i>			
Investment earnings	30,772,449	424,059	31,196,508
Investment expense	(1,625,991)	(8,832)	(1,634,823)
Net investment earnings	<u>29,146,458</u>	<u>415,227</u>	<u>29,561,685</u>
Other income	<u>21,156</u>	<u>19</u>	<u>21,175</u>
Total additions, net	<u>40,235,614</u>	<u>533,002</u>	<u>40,768,616</u>
DEDUCTIONS			
Benefits	17,627,436	198,391	17,825,827
Administrative expenses	544,961	20,095	565,056
Total deductions	<u>18,172,397</u>	<u>218,486</u>	<u>18,390,883</u>
NET INCREASE IN NET POSITION	22,063,217	314,516	22,377,733
NET POSITION RESTRICTED FOR PENSIONS - January 1	<u>385,882,442</u>	<u>5,848,964</u>	<u>391,731,406</u>
NET POSITION RESTRICTED FOR PENSIONS - December 31	<u><u>\$ 407,945,659</u></u>	<u><u>\$ 6,163,480</u></u>	<u><u>\$ 414,109,139</u></u>

Combining and Individual Fund Statements and Schedules



AGENCY FUNDS

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

Payroll Clearing Fund

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

CITY OF AURORA, COLORADO
AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<u>PAYROLL CLEARING FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 9,028,254	\$ 245,367,314	\$ (244,914,626)	\$ 9,480,942
Total assets	<u>\$ 9,028,254</u>	<u>\$ 245,367,314</u>	<u>\$ (244,914,626)</u>	<u>\$ 9,480,942</u>
LIABILITIES				
Funds held on behalf of others	\$ 9,028,254	\$ 245,458,503	\$ (245,005,815)	\$ 9,480,942
Total liabilities	<u>\$ 9,028,254</u>	<u>\$ 245,458,503</u>	<u>\$ (245,005,815)</u>	<u>\$ 9,480,942</u>



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





CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2014

	Gifts and Grants			Development Review		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	6,094,290	6,891,234	796,944	—	—	—
Licenses and permits	—	—	—	7,831,807	9,926,232	2,094,425
Charges for services	82,300	56,704	(25,596)	1,871,014	2,766,163	895,149
Fines and forfeitures	—	—	—	—	—	—
Investment income	1,320	12,587	11,267	35,000	60,464	25,464
Miscellaneous revenues	429,862	372,180	(57,682)	—	165,291	165,291
Proceeds from sale of assets	—	—	—	—	13,730	13,730
Transfers in	5,000	5,000	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	6,612,772	7,337,705	724,933	9,737,821	12,931,880	3,194,059
USES						
Operating Costs						
Municipal Court	207,815	170,284	37,531	—	—	—
General Management Group	—	—	—	553,260	553,260	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	1,334,504	878,750	455,754	7,229,724	7,228,944	780
Police/Fire Group	4,354,865	3,668,349	686,516	—	—	—
Non-Departmental	29,501	(48,072)	77,573	1,123,272	1,100,000	23,272
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	1,661,779	1,661,779	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	7,588,464	6,331,090	1,257,374	8,906,256	8,882,204	24,052
CHANGE IN FUNDS AVAILABLE	(975,692)	1,006,615	1,982,307	831,565	4,049,676	3,218,111
FUNDS AVAILABLE - January 1	2,472,671	2,472,671	—	3,657,608	3,657,608	—
FUNDS AVAILABLE - December 31	\$ 1,496,979	\$ 3,479,286	\$ 1,982,307	\$ 4,489,173	\$ 7,707,284	\$ 3,218,111

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 3,479,286	\$ 7,707,284
Current year operating encumbrances	46,415	—
Carryforward of continuing appropriations	2,299,396	—
Assets not available for appropriations	—	—
Inventories	790,280	—
Seizure funds	1,757,173	—
Unspent grants	(5,188,976)	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	\$ 3,183,574	\$ 7,707,284

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, 2014

	Abatement			Community Development		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	3,640,353	3,640,353	—
Licenses and permits	—	—	—	—	—	—
Charges for services	460,822	433,160	(27,662)	1,647,019	1,647,019	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	9,154	4,762	(4,392)	—	—	—
Miscellaneous revenues	500	1,231	731	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	208,945	208,945	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	470,476	439,153	(31,323)	5,496,317	5,496,317	—
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	470,556	424,118	46,438	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	1,886	—	1,886	—	—	—
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	5,480,118	5,480,118	—
Police/Fire Group	—	—	—	16,199	16,199	—
TOTAL USES	472,442	424,118	48,324	5,496,317	5,496,317	—
CHANGE IN FUNDS AVAILABLE	(1,966)	15,035	17,001	—	—	—
FUNDS AVAILABLE - January 1	278,120	278,120	—	—	—	—
FUNDS AVAILABLE - December 31	<u>\$ 276,154</u>	<u>\$ 293,155</u>	<u>\$ 17,001</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 293,155	\$ —
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	6,002,591
Assets not available for appropriations	—	—
Inventories	—	137,847
Seizure funds	—	—
Unspent grants	—	(5,769,065)
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 293,155</u>	<u>\$ 371,373</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, 2014

	Enhanced E-911			Conservation Trust		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	3,232,000	3,131,116	(100,884)
Licenses and permits	—	—	—	—	—	—
Charges for services	3,025,980	3,101,603	75,623	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	68,000	66,337	(1,663)	43,574	39,138	(4,436)
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	3,093,980	3,167,940	73,960	3,275,574	3,170,254	(105,320)
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	2,268,549	1,762,533	506,016	—	—	—
Operations Group	—	—	—	1,729,915	1,473,068	256,847
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	7,501	—	7,501	26,176	—	26,176
Continuing Appropriations						
Administrative Services Group	1,686,000	1,686,000	—	—	—	—
Operations Group	—	—	—	2,070,000	2,070,000	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	3,962,050	3,448,533	513,517	3,826,091	3,543,068	283,023
CHANGE IN FUNDS AVAILABLE	(868,070)	(280,593)	587,477	(550,517)	(372,814)	177,703
FUNDS AVAILABLE - January 1	5,374,889	5,374,889	—	1,275,430	1,275,430	—
FUNDS AVAILABLE - December 31	<u>\$ 4,506,819</u>	<u>\$ 5,094,296</u>	<u>\$ 587,477</u>	<u>\$ 724,913</u>	<u>\$ 902,616</u>	<u>\$ 177,703</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 5,094,296	\$ 902,616
Current year operating encumbrances	81,564	—
Carryforward of continuing appropriations	1,988,095	1,735,134
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 7,163,955</u>	<u>\$ 2,637,750</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, 2014

	Parks Development			Open Space		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	6,609,819	6,747,064	137,245
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	35,000	43,319	8,319	186,774	141,804	(44,970)
Miscellaneous revenues	278,707	447,548	168,841	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	313,707	490,867	177,160	6,796,593	6,888,868	92,275
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	78,407	78,017	390	4,048,470	4,023,074	25,396
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	—	—	—	30,195	—	30,195
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	2,627,500	2,627,500	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	78,407	78,017	390	6,706,165	6,650,574	55,591
CHANGE IN FUNDS AVAILABLE	235,300	412,850	177,550	90,428	238,294	147,866
FUNDS AVAILABLE - January 1	3,208,330	3,208,330	—	2,944,591	2,944,591	—
FUNDS AVAILABLE - December 31	<u>\$ 3,443,630</u>	<u>\$ 3,621,180</u>	<u>\$ 177,550</u>	<u>\$ 3,035,019</u>	<u>\$ 3,182,885</u>	<u>\$ 147,866</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 3,621,180	\$ 3,182,885
Current year operating encumbrances	—	3,316
Carryforward of continuing appropriations	749,341	8,829,154
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 4,370,521</u>	<u>\$ 12,015,355</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, 2014

	Recreation Services			Cultural Services		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	541,731	500,852	(40,879)	215,134	263,871	48,737
Licenses and permits	—	—	—	—	—	—
Charges for services	4,951,479	4,688,595	(262,884)	609,200	712,228	103,028
Fines and forfeitures	—	—	—	—	—	—
Investment income	85	966	881	7,240	9,986	2,746
Miscellaneous revenues	120,453	186,470	66,017	98,450	164,903	66,453
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	3,978,976	3,978,976	—	1,552,962	1,552,962	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	9,592,724	9,355,859	(236,865)	2,482,986	2,703,950	220,964
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	71,576	64,699	6,877
Operations Group	9,761,247	9,528,914	232,333	2,666,026	2,347,319	318,707
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	137,540	—	137,540	11,013	—	11,013
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	9,898,787	9,528,914	369,873	2,748,615	2,412,018	336,597
CHANGE IN FUNDS AVAILABLE	(306,063)	(173,055)	133,008	(265,629)	291,932	557,561
FUNDS AVAILABLE - January 1	342,502	342,502	—	812,458	812,458	—
FUNDS AVAILABLE - December 31	\$ 36,439	\$ 169,447	\$ 133,008	\$ 546,829	\$ 1,104,390	\$ 557,561

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 169,447	\$ 1,104,390
Current year operating encumbrances	—	14,574
Carryforward of continuing appropriations	29,930	—
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Unspent grants	(132,331)	(21,477)
FUND BALANCE (U.S. GAAP BASIS) - December 31	\$ 67,046	\$ 1,097,487

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, 2014

	Peoria Park - GID			Meadow Hills Fence - GID		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ 42,000	\$ 32,631	\$ (9,369)	\$ 51,500	\$ 45,118	\$ (6,382)
Use taxes	—	—	—	—	—	—
Other taxes	—	2,367	2,367	—	3,279	3,279
Intergovernmental revenues	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	21	21	—	15	15
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	42,000	35,019	(6,981)	51,500	48,412	(3,088)
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	42,000	31,822	10,178	51,500	38,552	12,948
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	42,000	31,822	10,178	51,500	38,552	12,948
CHANGE IN FUNDS AVAILABLE	—	3,197	3,197	—	9,860	9,860
FUNDS AVAILABLE - January 1	56,620	56,620	—	30,750	30,750	—
FUNDS AVAILABLE - December 31	<u>\$ 56,620</u>	<u>\$ 59,817</u>	<u>\$ 3,197</u>	<u>\$ 30,750</u>	<u>\$ 40,610</u>	<u>\$ 9,860</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 59,817	\$ 40,610
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	—
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 59,817</u>	<u>\$ 40,610</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, 2014

	Cherry Creek Fence - GID			Pier Point 7 - GID		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ 69,000	\$ 62,795	\$ (6,205)	\$ 210,000	\$ 182,887	\$ (27,113)
Use taxes	—	—	—	—	—	—
Other taxes	—	4,586	4,586	—	13,586	13,586
Intergovernmental revenues	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	17	17	—	240	240
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	69,000	67,398	(1,602)	210,000	196,713	(13,287)
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	69,000	59,978	9,022	210,000	199,478	10,522
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	69,000	59,978	9,022	210,000	199,478	10,522
CHANGE IN FUNDS AVAILABLE	—	7,420	7,420	—	(2,765)	(2,765)
FUNDS AVAILABLE - January 1	47,156	47,156	—	34,058	34,058	—
FUNDS AVAILABLE - December 31	<u>\$ 47,156</u>	<u>\$ 54,576</u>	<u>\$ 7,420</u>	<u>\$ 34,058</u>	<u>\$ 31,293</u>	<u>\$ (2,765)</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 54,576	\$ 31,293
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	—
Assets not available for appropriations	—	59,865
Inventories	—	—
Seizure funds	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 54,576</u>	<u>\$ 91,158</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, 2014

	City Debt Service			SID Debt Service		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ 4,862,500	\$ 4,854,160	\$ (8,340)	\$ —	\$ —	\$ —
Special assessment taxes	—	—	—	208,262	351,941	143,679
Investment income	28,000	42,929	14,929	—	60,096	60,096
Transfers in	1,659,525	1,659,525	—	—	—	—
TOTAL SOURCES	6,550,025	6,556,614	6,589	208,262	412,037	203,775
USES						
<i>Operating Costs</i>						
Non-Departmental	6,567,025	6,555,564	11,461	545,988	545,988	—
TOTAL USES	6,567,025	6,555,564	11,461	545,988	545,988	—
CHANGE IN FUNDS AVAILABLE	(17,000)	1,050	18,050	(337,726)	(133,951)	203,775
FUNDS AVAILABLE - January 1	1,526,229	1,526,229	—	298,327	298,327	—
FUNDS AVAILABLE - December 31	<u>\$ 1,509,229</u>	<u>\$ 1,527,279</u>	<u>\$ 18,050</u>	<u>\$ (39,399)</u>	<u>\$ 164,376</u>	<u>\$ 203,775</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 1,527,279	\$ 164,376
Assets not available for appropriation	—	36,800
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 1,527,279</u>	<u>\$ 201,176</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, 2014

	City Capital Projects		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Property taxes	\$ —	\$ —	\$ —
Special assessment taxes	—	—	—
Intergovernmental revenues	1,736,932	2,797,421	1,060,489
License and permits	350,000	350,898	898
Charges for services	846,104	1,077,327	231,223
Fines and forfeitures	—	7,636	7,636
Investment income	261,000	289,643	28,643
Miscellaneous revenues	1,758,909	601,808	(1,157,101)
Transfers in	31,321,113	31,438,343	117,230
TOTAL SOURCES	36,274,058	36,563,076	289,018
USES			
Operating Costs			
Administrative Services Group	498,234	498,234	—
Operations Group	180,000	169,512	10,488
Non-Departmental	591,686	591,686	—
Continuing Appropriations			
Administrative Services Group	376,000	376,000	—
Operations Group	43,324,173	43,324,173	—
Police/Fire Group	(12)	(12)	—
TOTAL USES	44,970,081	44,959,593	10,488
CHANGE IN FUNDS AVAILABLE	(8,696,023)	(8,396,517)	299,506
FUNDS AVAILABLE - January 1	18,360,177	18,360,177	—
FUNDS AVAILABLE - December 31	<u>\$ 9,664,154</u>	<u>\$ 9,963,660</u>	<u>\$ 299,506</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 9,963,660
Current year operating encumbrances	96,896
Carry forward of continuing appropriations	36,300,304
Unspent grants	<u>(1,094,363)</u>
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 45,266,497</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, 2014

	<u>Final Budget</u>	<u>Water Budgetary Actual</u>	<u>Variance with Final</u>
SOURCES			
Charges for services	\$ 107,600,871	\$ 124,914,163	\$ 17,313,292
Intergovernmental	106,000	1,690,524	1,584,524
Licenses and permits	84,104	114,755	30,651
Fines and forfeitures	—	1,296	1,296
Investment income	3,219,000	3,356,081	137,081
Miscellaneous revenues	20,255,898	20,730,039	474,141
Proceeds from sale of assets	—	76,602	76,602
Transfers in	—	—	—
Funds from restricted assets	—	(241,757)	(241,757)
TOTAL SOURCES	<u>131,265,873</u>	<u>150,641,703</u>	<u>19,375,830</u>
USES			
<i>Operating Costs</i>			
Operations Group	111,241,143	105,937,913	5,303,230
Non-Departmental	176,249	—	176,249
<i>Continuing Appropriations</i>			
Operations Group	53,330,405	53,330,405	—
TOTAL USES	<u>164,747,797</u>	<u>159,268,318</u>	<u>5,479,479</u>
CHANGE IN FUNDS AVAILABLE	(33,481,924)	(8,626,615)	24,855,309
FUNDS AVAILABLE - January 1	<u>77,273,285</u>	<u>77,273,285</u>	—
FUNDS AVAILABLE - December 31	<u>\$ 43,791,361</u>	<u>\$ 68,646,670</u>	<u>\$ 24,855,309</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 68,646,670
Current year operating encumbrances	1,151,456
Carryforward of continuing appropriations	72,886,081
Assets not available for appropriation	38,265,571
Interfund receivables	4,000,000
Equity in joint venture	2,371,466
Capital assets net of depreciation	1,551,719,909
Inventories	—
Deferred outflow-loss on refunding	449,184
Accrued compensated absence payment in lieu	34,804
Adjustment of investments to fair value	38,811
Current portion of long-term liabilities	(2,025,310)
Current portion of interfund loans	—
Long-term debt	(576,521,266)
Long-term interfund payables	—
Unspent grants	<u>(37,501)</u>
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 1,160,979,875</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, 2014

	Wastewater		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 54,599,149	\$ 56,186,631	\$ 1,587,482
Intergovernmental	1,317,500	299,087	(1,018,413)
Licenses and permits	49,500	63,800	14,300
Fines and forfeitures	—	1,037	1,037
Investment income	1,182,075	961,426	(220,649)
Miscellaneous revenues	4,265,122	6,195,544	1,930,422
Proceeds from sale of assets	—	2,568	2,568
Transfers in	—	—	—
Funds from restricted assets	—	—	—
TOTAL SOURCES	61,413,346	63,710,093	2,296,747
USES			
Operating Costs			
Operations Group	47,483,130	44,707,496	2,775,634
Non-Departmental	53,410	—	53,410
Continuing Appropriations			
Operations Group	30,810,433	30,810,433	—
TOTAL USES	78,346,973	75,517,929	2,829,044
CHANGE IN FUNDS AVAILABLE	(16,933,627)	(11,807,836)	5,125,791
FUNDS AVAILABLE - January 1	26,417,110	26,417,110	—
FUNDS AVAILABLE - December 31	\$ 9,483,483	\$ 14,609,274	\$ 5,125,791

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 14,609,274
Current year operating encumbrances	892,662
Carryforward of continuing appropriations	46,712,024
Assets not available for appropriation	9,244,716
Interfund receivables	4,234,000
Equity in joint venture	—
Capital assets net of depreciation	450,320,936
Inventories	—
Deferred outflow-loss on refunding	—
Accrued compensated absence payment in lieu	34,884
Adjustment of investments to fair value	—
Current portion of long-term liabilities	(159,501)
Current portion of interfund loans	—
Long-term debt	(33,886,055)
Long-term interfund payables	—
Unspent grants	(1,817,949)
NET POSITION (U.S. GAAP BASIS) - December 31	\$ 490,184,991

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, 2014

	Golf		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 8,526,912	\$ 8,148,950	\$ (377,962)
Intergovernmental	—	—	—
Licenses and permits	—	—	—
Fines and forfeitures	—	—	—
Investment income	44,172	47,689	3,517
Miscellaneous revenues	13,345	10,552	(2,793)
Proceeds from sale of assets	—	11,713	11,713
Transfers in	150,000	150,000	—
Funds from restricted assets	—	—	—
TOTAL SOURCES	8,734,429	8,368,904	(365,525)
USES			
Operating Costs			
Operations Group	8,367,648	7,953,747	413,901
Non-Departmental	22,591	—	22,591
Continuing Appropriations			
Operations Group	357,500	357,500	—
TOTAL USES	8,747,739	8,311,247	436,492
CHANGE IN FUNDS AVAILABLE	(13,310)	57,657	70,967
FUNDS AVAILABLE - January 1	1,092,149	1,092,149	—
FUNDS AVAILABLE - December 31	\$ 1,078,839	\$ 1,149,806	\$ 70,967

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 1,149,806
Current year operating encumbrances	32,054
Carryforward of continuing appropriations	654,702
Assets not available for appropriation	456,135
Interfund receivables	—
Equity in joint venture	—
Capital assets net of depreciation	27,973,806
Inventories	178,691
Deferred outflow-loss on refunding	12,364
Accrued compensated absence payment in lieu	21,424
Adjustment of investments to fair value	8,911
Current portion of long-term liabilities	(596,869)
Current portion of interfund loans	(230,218)
Long-term debt	(666,946)
Long-term interfund payables	(4,409,753)
Unspent grants	—
NET POSITION (U.S. GAAP BASIS) - December 31	\$ 24,584,107

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, 2014

	Fleet Management Fund		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 9,046,205	\$ 8,927,796	\$ (118,409)
Investment income	10,000	4,616	(5,384)
Miscellaneous revenues	2,800	763	(2,037)
Transfers in	—	—	—
TOTAL SOURCES	9,059,005	8,933,175	(125,830)
USES			
Operating Costs			
Administrative Services Group	9,168,048	8,998,370	169,678
Non-Departmental	15,212	—	15,212
TOTAL USES	9,183,260	8,998,370	184,890
CHANGE IN FUNDS AVAILABLE	(124,255)	(65,195)	59,060
FUNDS AVAILABLE - January 1	490,315	490,315	—
FUNDS AVAILABLE - December 31	<u>\$ 366,060</u>	<u>\$ 425,120</u>	<u>\$ 59,060</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 425,120
Capital assets net of depreciation	536,895
Inventories	745,084
Current year operating encumbrances	9,554
Adjustment of investments to fair value	—
Accrued compensated absence payment in lieu	5,116
Current portion of long-term debt	(37,958)
Long-term debt	<u>(311,236)</u>
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 1,372,575</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, 2014

	Risk Management Fund		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 6,856,423	\$ 6,856,416	\$ (7)
Investment income	132,255	109,080	(23,175)
Miscellaneous revenues	225,000	883,831	658,831
Transfers in	900,000	900,000	—
TOTAL SOURCES	8,113,678	8,749,327	635,649
USES			
Operating Costs			
Administrative Services Group	9,159,470	9,159,467	3
Non-Departmental	—	—	—
TOTAL USES	9,159,470	9,159,467	3
CHANGE IN FUNDS AVAILABLE	(1,045,792)	(410,140)	635,652
FUNDS AVAILABLE - January 1	2,896,857	2,896,857	—
FUNDS AVAILABLE - December 31	<u>\$ 1,851,065</u>	<u>\$ 2,486,717</u>	<u>\$ 635,652</u>

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

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 2,486,717
Capital assets net of depreciation	—
Inventories	—
Current year operating encumbrances	8,633
Adjustment of investments to fair value	—
Accrued compensated absence payment in lieu	—
Current portion of long-term debt	(11,885) *
Long-term debt	<u>(63,079) *</u>
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 2,420,386</u>

* Does not include IBNR adjustment of \$10,652,726



Statistical Section Divider



Statistical Section (unaudited)

FINANCIAL TRENDS STATISTICS

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

Exhibit A-1

Net Position by Component

Exhibit A-2

Changes in Net Position

Exhibit A-3

Fund Balances, Governmental Funds

Exhibit A-4

Changes in Fund Balances, Governmental Funds

Exhibit A-5

Total Sales and Use Tax Revenues

REVENUE CAPACITY STATISTICS

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

Exhibit A-6

Sales and Use Tax Receipts by Business Sector (Cash Basis)

Exhibit A-7

Direct and Overlapping Sales Tax Rates

Exhibit A-8

Top Ten Principal Sales and Use Tax Payers by Industry Group

Exhibit A-9

Assessed and Estimated Actual Value of Taxable Property

Exhibit A-10

Property Tax Rates – Direct and Primary Overlapping Governments

Exhibit A-11

Top Ten Principal Property Tax Payers

Exhibit A-12

Property Tax Levies and Collections

DEBT CAPACITY STATISTICS

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

Exhibit A-13

Ratios of Outstanding Debt by Type

Exhibit A-14

Ratios of Net General Obligation Bonded Debt Outstanding

Exhibit A-15

Direct and Overlapping Governmental Activities Debt

Exhibit A-16

Legal Debt Margin Information

Exhibit A-17

Schedules of Revenue Bond Coverage – Water, Wastewater and Golf



Statistical Section – (unaudited)

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

Top Ten Principal Employers

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

**CITY OF AURORA, COLORADO
NET POSITION BY COMPONENT
LAST TEN YEARS**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 2,564,482,012	\$ 2,711,545,994	\$ 2,750,014,460	\$ 2,773,573,410	\$ 2,782,071,351	\$ 2,793,361,865	\$ 2,820,903,641	\$ 2,416,049,678	\$ 2,412,387,375	\$ 2,412,879,281
Restricted										
Construction (a)	11,624,224	15,432,018	4,687,349	4,621,770	5,654,539	-	-	-	-	-
E-911 equipment & services (b)	4,730,191	5,289,905	6,011,852	6,365,253	5,414,600	-	-	-	-	-
Culture, recreation, open space (c)	13,679,692	13,537,324	16,297,932	19,591,164	21,620,276	24,016,520	19,914,957	21,763,041	24,968,445	27,094,730
Emergencies (b)	7,226,002	6,839,809	8,675,987	9,126,917	10,332,622	16,744,958	17,416,827	17,420,382	17,938,257	30,217,306
Gifts and grants (e)	6,754,529	4,706,420	5,184,456	5,712,156	14,899,217	8,092,078	7,774,218	4,088,133	2,207,605	2,071,404
Agreements (d)	4,442,130	9,587,071	11,038,966	9,338,401	8,094,334	-	-	-	-	-
Urban renewal (d)	721,486	127,822	11,382	11,682	71,673	-	-	-	-	-
Development (d)	-	-	-	-	-	103,070	3,222,327	4,324,316	6,998,948	5,938,541
Public improvement (a)	-	-	-	-	-	7,650,316	5,133,731	6,429,349	5,674,665	5,892,392
Unrestricted	76,210,900	85,548,045	80,282,944	72,658,454	59,211,198	64,302,977	53,978,502	57,292,872	67,139,597	75,009,126
Total governmental activities net position	\$ 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	\$ 2,527,367,771	\$ 2,537,314,892	\$ 2,559,102,780
Business-type activities										
Net investment in capital assets	\$ 764,659,039	\$ 876,261,788	\$ 946,462,131	\$ 1,031,664,879	\$ 1,085,207,461	\$ 1,159,213,180	\$ 1,288,472,848	\$ 1,365,534,691	\$ 1,398,819,086	\$ 1,454,925,609
Restricted										
Public improvement (f)	1,984,417	13,762,820	3,627,410	5,114,062	8,627,252	3,578,243	6,422,626	7,665,014	7,463,167	5,869,467
Debt related (g)	2,500,000	2,500,000	2,500,000	19,535,272	2,500,000	1,250,000	1,250,000	-	-	-
Unrestricted	182,168,952	201,213,673	280,587,656	260,154,817	303,180,315	319,401,005	251,213,222	214,919,130	209,223,283	213,426,328
Total business-type activities net position	\$ 951,312,408	\$ 1,093,738,281	\$ 1,233,177,197	\$ 1,316,469,030	\$ 1,399,515,028	\$ 1,483,442,428	\$ 1,547,358,696	\$ 1,588,118,835	\$ 1,615,505,536	\$ 1,674,221,404
Primary government										
Net investment in capital assets	\$ 3,329,141,051	\$ 3,587,807,782	\$ 3,696,476,591	\$ 3,805,238,289	\$ 3,867,278,812	\$ 3,952,575,045	\$ 4,109,376,489	\$ 3,781,584,369	\$ 3,811,206,461	\$ 3,867,804,890
Restricted										
Construction	13,608,641	29,194,838	8,314,759	9,735,832	14,281,791	-	-	-	-	-
E-911 equipment & services	4,730,191	5,289,905	6,011,852	6,365,253	5,414,600	-	-	-	-	-
Culture, recreation, open space	13,679,692	13,537,324	16,297,932	19,591,164	21,620,276	24,016,520	19,914,957	21,763,041	24,968,445	27,094,730
Emergencies	7,226,002	6,839,809	8,675,987	9,126,917	10,332,622	16,744,958	17,416,827	17,420,382	17,938,257	30,217,306
Gifts and grants	6,754,529	4,706,420	5,184,456	5,712,156	14,899,217	8,092,078	7,774,218	4,088,133	2,207,605	2,071,404
Debt related	2,500,000	2,500,000	2,500,000	19,535,272	2,500,000	1,250,000	1,250,000	-	-	-
Agreements	4,442,130	9,587,071	11,038,966	9,338,401	8,094,334	-	-	-	-	-
Urban renewal	721,486	127,822	11,382	11,682	71,673	-	-	-	-	-
Development	-	-	-	-	-	103,070	3,222,327	4,324,316	6,998,948	5,938,541
Public improvement	-	-	-	-	-	11,228,559	11,556,357	14,094,363	13,137,832	11,761,859
Unrestricted	258,379,852	286,761,718	360,870,600	332,813,271	362,391,513	383,703,982	305,191,724	272,212,002	276,362,880	288,435,454
Total primary government net position	\$ 3,641,183,574	\$ 3,946,352,689	\$ 4,115,382,525	\$ 4,217,468,237	\$ 4,306,884,838	\$ 4,397,714,212	\$ 4,475,702,899	\$ 4,115,486,606	\$ 4,152,820,428	\$ 4,233,324,184

- (a) 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 are shown as Public Improvements, and include expenditures for roads and bridges.
- (b) Emergencies restricted equity represents seizure funds. Fluctuation in this account is expected. Beginning in 2010 restricted for E-911 Equipment and Services were combined into Emergencies.
- (c) Increase from 2006 to 2009 represents accumulation of Park Development revenues for future construction.
- (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 combined Agreements and Urban Renewal with other activities. Increase in Development from 2010-2014 represent Urban Renewal Area revenues restricted for future development of those areas.
- (e) In 2009, an increase in grant funded activities and receipt of ARRA stimulus grants.
- (f) Represents accumulation and spend down of amounts set aside for storm drain projects.
- (g) Represents operation and maintenance reserve on Wastewater 99 CWR&PDA revenue bonds. In 2012, the debt outstanding on these revenue bonds was paid off.

Exhibit A-2 (continuation)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues & Other Changes in Net Position										
<i>Governmental activities:</i>										
Taxes										
Sales & use taxes	\$ 143,592,080	\$ 149,931,394	\$ 152,895,195	\$ 151,023,488	\$ 141,025,543	\$ 147,240,243	\$ 150,088,205	\$ 165,356,184	\$ 175,628,735	\$ 192,398,120
Property taxes	28,644,691	29,742,954	30,813,184	32,519,051	33,175,518	32,290,711	32,664,480	33,381,689	33,385,392	33,627,053
Franchise taxes	11,224,526	11,566,625	11,439,537	13,037,994	12,187,933	13,192,882	13,395,548	13,199,623	14,187,444	14,611,949
Lodgers taxes	3,344,153	4,008,854	4,572,800	4,688,562	3,886,697	4,138,263	4,520,210	5,051,919	5,523,874	6,572,979
Occupational privilege taxes	3,950,531	4,058,928	4,215,950	4,295,911	4,145,282	4,162,035	4,274,368	4,370,299	4,496,002	4,701,402
Other taxes	5,366,799	7,292,324	7,331,575	5,001,847	5,181,550	5,059,070	3,070,765	5,545,015	4,220,881	5,097,920
Nonspecific grants & contributions	793,718	855,949	784,891	848,779	1,007,868	786,119	780,050	884,789	835,737	1,026,619
Unrestricted investment earnings	2,793,069	5,951,416	7,370,814	5,500,036	4,108,340	2,048,527	1,045,073	1,234,193	364,353	2,547,655
Transfers in (out)	(200,000)	-	-	82,588	-	5,327	2,148,941	(360,626)	(150,000)	7,312
Total governmental activities general revenues	199,509,567	213,408,444	219,423,946	216,998,256	204,718,731	208,923,177	211,987,640	228,663,085	238,492,418	260,591,009
<i>Business-type activities:</i>										
Unrestricted investment earnings	2,293,816	2,157,066	4,382,097	7,350,152	4,245,023	3,811,813	832,727	1,144,911	281,065	2,610,512
Transfers in (out)	200,000	-	-	(82,588)	-	(5,327)	(2,148,941)	360,626	150,000	(7,312)
Total business-type activities general revenues	2,493,816	2,157,066	4,382,097	7,267,564	4,245,023	3,806,486	(1,316,214)	1,505,537	431,065	2,603,200
Total primary government	\$ 202,003,383	\$ 215,565,510	\$ 223,806,043	\$ 224,265,820	\$ 208,963,754	\$ 212,729,663	\$ 210,671,426	\$ 230,168,622	\$ 238,923,483	\$ 263,194,209
Change in Net Position										
Governmental activities	\$ 98,077,517	\$ 162,743,242	\$ 29,590,917	\$ 18,793,879	\$ 6,370,603	\$ 6,515,830	\$ 14,072,419	\$ 1,783,516	\$ 9,947,121	\$ 21,787,888
Business-type activities	107,060,351	142,425,873	139,438,917	83,291,833	83,045,998	83,621,719	63,916,268	46,034,055	27,386,701	58,715,868
Changes in net position	\$ 205,137,868	\$ 305,169,115	\$ 169,029,834	\$ 102,085,712	\$ 89,416,601	\$ 90,137,549	\$ 77,988,687	\$ 47,817,571	\$ 37,333,822	\$ 80,503,756

Notes:

- (a) Increase in 2005 results from: the early payoff of a tax incentive; payment of exaction fees collected on behalf of another government; and a Net Pension Asset write-down. Decreases in recent years resulted from budget reductions in salaries and supplies.
- (b) 2013 increase the result of increase spending on multiple neighborhood park projects.
- (c) 2005 increase results from non-capitalizable landfill cleanup costs. 2006 increase includes additional landfill cleanup costs and snowstorm costs. 2007 decrease due to no landfill cleanup or snowstorm costs, but does reflect increased depreciation and operating expenses. 2010 increases were from work on the Colfax/I-225 project. 2012 increase resulted from one year of depreciation on roads.
- (d) Increases reflect expansion of the water system 2006-2008. Decrease in 2009 is the result of a decrease in water usage and storage due to conservation, wet weather and cooler temperatures, and budget reductions. 2012 increase resulted from lower interest expense capitalization as the Prairie Waters Project was essentially complete.
- (e) Increases reflect an increase in sewer treatment expense and an increase in sewer personnel costs. 2013 increase includes loss on early extinguishment of debt.
- (f) Increase in 2005 represents exaction fees collected to offset bridge widening costs.
- (g) Fluctuations correspond to changes in development activity.
- (h) Increase in 2005 represents an increase in Dam West SID receipts to fund neighborhood fence costs.
- (i) 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.
- (j) Fluctuation primarily represents fluctuation in developer contributed streets from year to year.
- (k) Increase in customer charges due to an increase in water tiered rates. 2012 represents an increase in customer usage due to a warmer and dryer summer. 2013 decrease due to wet spring and fall floods. 2014 increase due to development and connection fees received from Roxborough Water and Sanitation District.
- (l) Increases are attributable to new rate schedule and volume increases.
- (m) Increase from 2005 to 2007 attributable to interest earnings on development revenues and bond proceeds. The 2009 and 2010 reductions are primarily from a decrease in developer contributions. There is a one-time reimbursement from governmental activities for Pier Point sewer line in 2011.
- (n) Amounts represent developer tap fee revenue and developer contributed water and sewer mains. 2008 and later decrease reflects reduced development activity. 2012 saw an increased development activity plus a new loan receivable from East Cherry Creek Valley Water and Sanitation District.

Exhibit A-3

CITY AURORA, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

		Fiscal Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund											
Reserved		\$ 1,318,383	\$ 1,298,394	\$ 1,687,871	\$ 559,347	\$ 974,268	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved											
Designated		25,451,845	-	-	-	-	-	-	-	-	-
Undesignated		838,943	-	-	-	-	-	-	-	-	-
Unreserved	(b)	26,290,788	29,910,165	25,886,915	22,232,971	21,169,487	-	-	-	-	-
Restricted	(b)	-	-	-	-	-	9,722,411	10,036,154	10,102,612	10,882,887	10,948,640
Committed	(b)	-	-	-	-	-	25,759,275	24,141,151	25,206,689	26,753,062	28,197,618
Assigned	(b)	-	-	-	-	-	18,993,600	20,214,414	21,681,909	22,653,025	24,236,802
Unassigned	(b)	-	-	-	-	-	8,224,844	11,136,075	22,196,423	20,482,814	26,156,168
Total General Fund		27,609,171	31,208,559	27,574,786	22,792,318	22,143,755	62,700,130	65,527,794	79,187,633	80,771,788	89,539,228
Unreserved, reported in:											
Special revenue funds											
Policy Reserve	(c)	18,744,164	19,239,541	20,910,375	21,426,228	21,332,318	-	-	-	-	-
TABOR Reserve	(c)	6,784,149	6,189,980	7,745,299	8,188,738	8,778,851	-	-	-	-	-
Total General, Policy & TABOR Reserve funds		\$ 53,137,484	\$ 56,638,080	\$ 56,230,460	\$ 52,407,284	\$ 52,254,924	\$ 62,700,130	\$ 65,527,794	\$ 79,187,633	\$ 80,771,788	\$ 89,539,228
Other Governmental Funds											
Reserved, reported in:											
Reserved		\$ 42,655,158	\$ 45,371,137	\$ 29,592,991	\$ 34,782,676	\$ 45,469,232	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds											
Unreserved	(a)	31,503,230	31,623,727	39,136,449	38,994,282	41,692,972	-	-	-	-	-
Restricted	(b)	-	-	-	-	-	36,417,219	31,884,124	31,929,925	32,380,627	30,070,964
Committed	(b)	-	-	-	-	-	4,082,737	3,302,017	3,382,293	4,653,863	9,058,445
Assigned	(b)	-	-	-	-	-	887,822	886,783	607,498	306,857	67,046
Debt service funds											
Unreserved	(b)	907,313	1,158,038	1,275,158	1,934,741	2,212,883	-	-	-	-	-
Restricted	(b)	-	-	-	-	-	21,145,940	14,909,050	16,294,762	18,183,388	15,854,209
Committed	(b)	-	-	-	-	-	-	3,196,082	-	-	-
Assigned	(b)	-	-	-	-	-	-	478,860	1,562,337	1,327,169	2,308,049
Capital projects funds											
Unreserved	(b)	24,577,647	28,380,427	24,743,923	20,913,118	16,510,042	-	-	-	-	-
Restricted	(b)	-	-	-	-	-	9,901,591	7,898,264	7,246,723	7,684,995	26,535,292
Committed	(b)	-	-	-	-	-	1,108,279	1,368,792	883,423	288,597	83,022
Assigned	(b)	-	-	-	-	-	22,032,405	16,369,760	11,997,039	26,851,848	37,019,600
Unassigned	(b)	-	-	-	-	-	-	-	-	-	(622,687)
Total all other governmental funds		99,643,348	106,533,329	94,748,521	96,624,817	105,885,129	95,575,993	80,293,732	73,904,000	91,677,344	120,373,940
Total fund balances		\$ 152,780,832	\$ 163,171,409	\$ 150,978,981	\$ 149,032,101	\$ 158,140,053	\$ 158,276,123	\$ 145,821,526	\$ 153,091,633	\$ 172,449,132	\$ 209,913,168

Notes:

- (a) Excluding TABOR and Policy Reserve funds for years 2004-2009.
- (b) In 2010, reporting of fund balances was changed to meet new reporting requirements. For the most part, changes represent removal of purpose of the fund restrictions.
- (c) In 2010, TABOR and Policy Reserve fund balances were transferred to the General Fund to meet new reporting requirements.

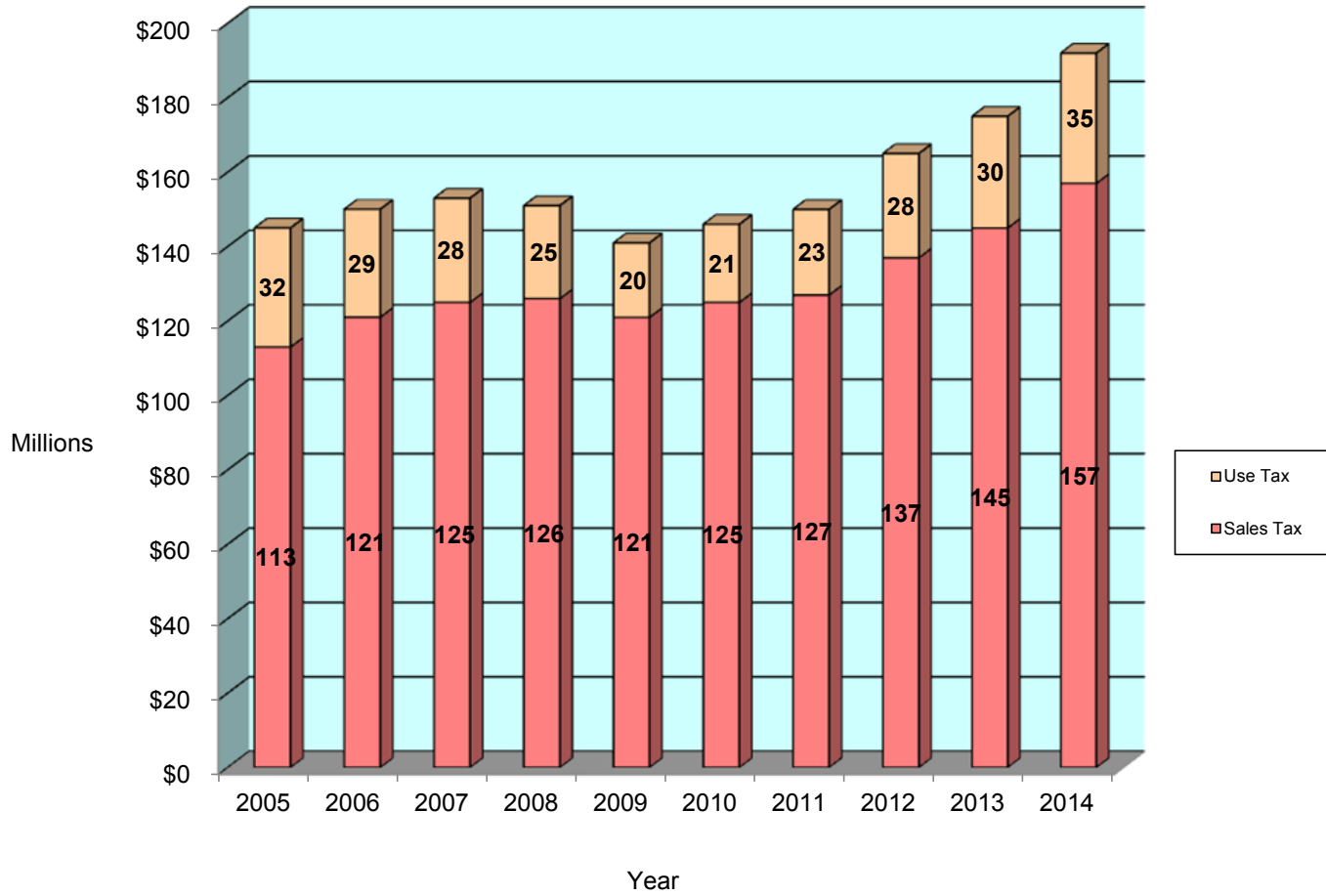
CITY OF AURORA, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

		Fiscal Year									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES											
<i>Taxes</i>											
Sales and use	\$	145,134,048	149,526,922	153,243,007	150,617,059	140,670,694	145,984,807	150,088,204	165,356,184	175,628,735	192,398,120
Property		28,644,691	29,742,954	30,813,184	32,519,051	33,175,518	32,290,710	32,664,479	33,381,689	33,385,392	33,627,053
Franchise		11,224,526	11,566,625	11,439,537	13,037,994	12,187,933	13,192,882	13,395,548	13,199,623	14,187,444	14,611,949
Lodgers		3,344,153	4,008,854	4,572,800	4,688,562	3,886,697	4,138,263	4,520,210	5,051,919	5,523,874	6,572,979
Occupational privilege		3,950,531	4,058,928	4,215,950	4,295,911	4,145,283	4,162,035	4,274,368	4,370,299	4,496,002	4,701,402
Other		5,366,799	7,292,324	7,331,575	5,001,847	5,181,550	5,059,070	4,139,057	4,930,278	4,851,264	5,322,321
Charges for services		19,902,708	15,408,472	18,620,824	15,996,882	16,160,154	20,122,179	18,764,627	21,028,520	23,271,792	23,673,922
Licenses and permits		13,710,827	13,121,874	9,523,978	8,817,173	7,852,116	8,219,699	7,431,019	9,142,694	10,126,558	13,867,542
Fines and forfeitures		7,081,565	7,547,331	8,862,389	8,209,553	7,882,527	8,620,118	9,466,314	10,340,311	10,802,774	10,661,569
Special assessments		1,024,193	292,474	545,373	346,447	394,158	294,672	302,827	991,478	493,650	351,941
Intergovernmental		36,785,824	35,509,439	32,005,970	33,731,296	38,975,230	45,510,442	45,512,041	40,982,459	41,004,598	36,777,634
Surcharges		2,694,385	2,790,662	2,862,077	3,139,083	3,177,105	3,243,446	3,241,299	3,380,121	3,436,042	3,441,206
Miscellaneous		16,033,741	15,473,953	8,052,699	7,182,586	5,999,760	3,616,361	1,988,246	3,463,774	4,859,597	3,729,886
Investment earnings		3,692,282	7,027,993	8,755,080	6,456,844	4,599,199	2,163,109	1,829,230	2,086,487	366,138	2,390,412
Total revenues		298,590,273	303,368,805	300,844,443	294,040,288	284,287,924	296,617,793	297,617,469	317,705,836	332,433,860	352,127,936
EXPENDITURES											
<i>Current</i>											
General government		51,361,370	34,353,933	34,207,588	34,006,200	32,334,060	24,013,123	27,129,870	23,379,915	24,775,973	27,781,408
Judicial		6,818,969	7,175,054	7,706,708	8,069,643	7,889,221	7,986,338	7,772,195	8,110,245	8,449,805	9,119,729
Police		65,764,443	70,298,998	74,496,292	78,646,612	79,708,894	81,520,107	86,158,396	89,012,417	92,566,248	93,874,075
Fire		28,195,821	29,977,336	32,308,850	33,764,814	33,979,814	35,092,746	37,456,976	38,752,666	39,649,756	41,445,885
Other public safety		10,106,404	10,506,510	11,780,534	12,742,372	12,503,334	12,741,196	12,276,468	12,835,793	12,828,450	12,769,696
Public works		30,631,449	32,304,425	24,933,938	24,357,677	21,439,170	33,340,162	32,522,809	30,030,948	29,956,117	31,794,796
Economic development		15,305,193	16,695,677	15,585,637	16,328,694	15,073,183	15,631,491	15,195,774	15,610,010	17,631,117	21,016,105
Community services		9,493,039	9,724,207	10,151,162	12,473,080	9,437,397	12,959,922	11,760,088	12,211,137	10,969,532	9,954,236
Culture and recreation		32,766,693	32,886,396	34,973,302	36,164,665	33,738,230	30,853,656	31,471,486	32,303,139	34,905,177	34,565,842
<i>Debt Service</i>											
Principal		10,577,968	13,036,135	13,583,952	13,187,802	14,986,664	12,194,833	12,666,310	12,612,286	12,634,200	11,763,228
Interest		8,598,608	6,874,792	7,141,260	7,971,018	12,211,597	6,780,668	6,250,720	5,955,638	5,517,580	5,102,439
Capital outlay		38,591,864	33,354,866	47,062,412	28,473,688	22,068,469	24,623,239	33,734,222	32,608,107	25,374,358	48,530,116
Total expenditures		308,211,821	297,188,329	313,931,635	306,186,265	295,370,033	297,737,481	314,395,314	313,422,301	315,258,313	347,717,555
Excess (deficiency) of revenues over (under) expenditures		(9,621,548)	6,180,476	(13,087,192)	(12,145,977)	(11,082,109)	(1,119,688)	(16,777,845)	4,283,535	17,175,547	4,410,381
OTHER FINANCING SOURCES (USES)											
Transfers in		83,160,614	57,744,381	49,352,397	44,221,197	46,454,536	36,761,387	34,104,141	35,790,966	50,241,232	50,827,666
Transfers out		(82,745,807)	(58,198,520)	(49,901,726)	(44,281,197)	(42,599,999)	(36,711,593)	(32,574,479)	(36,115,966)	(50,891,232)	(51,877,666)
Premium(discount) on debt issues		(179,797)	797,089	-	-	7,263,782	895,000	-	-	-	3,400,945
Proceeds from debt issues		24,535,000	539,309	-	68,540,000	92,710,000	23,102,727	2,600,000	-	-	21,775,000
Payment to refunded bond escrow agent		-	-	-	(60,635,390)	(84,185,263)	(22,850,000)	-	-	-	-
Notes issued		-	-	1,075,000	-	415,000	-	-	1,230,000	-	5,646,425
Proceeds from capital leases		915,600	2,912,974	-	2,093,601	-	1,238	-	1,773,430	1,336,997	3,058,587
Proceeds from interfund loan		-	-	-	-	-	-	-	60,000	1,231,315	-
Proceeds from disposal of capital assets		271,209	414,868	369,093	260,886	132,005	56,999	193,586	248,142	263,640	222,698
Total other financing sources		25,956,819	4,210,101	894,764	10,199,097	20,190,061	1,255,758	4,323,248	2,986,572	2,181,952	33,053,655
Net change in fund balances	\$	16,335,271	10,390,577	(12,192,428)	(1,946,880)	9,107,952	136,070	(12,454,597)	7,270,107	19,357,499	37,464,036
Debt service as a percentage of noncapital expenditures	(a)	7.11%	7.55%	7.77%	7.62%	9.95%	6.95%	6.74%	6.61%	6.26%	5.64%

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

Exhibit A-5

**CITY OF AURORA, COLORADO
TOTAL SALES AND USE TAX REVENUES
LAST TEN YEARS**



Note: See Exhibit A-4, Revenues, Taxes

Exhibit A-6

**CITY OF AURORA, COLORADO
SALES AND USE TAX RECEIPTS BY BUSINESS SECTOR (CASH BASIS)**

LAST TEN YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Sales and Use Tax Receipts by Business Sector										
Retail trade	\$ 64,149,437	\$ 68,785,268	\$ 72,371,462	\$ 70,219,932	\$ 67,808,813	\$ 68,857,464	\$ 70,688,223	\$ 76,807,781	\$ 81,024,992	\$ 85,188,844
Accommodation and food services	13,521,657	14,209,309	15,722,168	16,646,987	16,385,575	17,053,916	17,959,788	19,032,921	20,114,404	21,973,539
Information and media	9,404,063	10,084,979	10,735,395	11,206,178	11,200,370	11,613,776	11,466,736	12,095,162	12,163,863	13,216,681
Utilities	9,254,990	10,868,971	10,176,084	11,542,677	10,573,276	12,016,790	11,749,053	11,223,504	11,995,923	12,593,515
Real estate, rental and leasing	4,351,737	4,595,117	4,738,835	4,620,515	3,971,830	3,564,350	3,690,601	3,985,064	4,733,975	5,498,870
Manufacturing	3,220,917	3,560,554	2,796,082	2,635,512	2,291,448	2,331,064	2,408,912	3,173,881	2,960,101	3,346,753
Wholesale trade	4,806,379	5,428,407	5,251,516	5,740,516	5,488,481	5,932,016	6,006,394	7,234,213	7,619,994	9,481,541
Finance and insurance	908,032	985,344	1,032,270	1,033,487	944,147	806,789	843,281	910,640	874,577	996,354
Health care and social assistance (a)	-	-	-	1,278,344	1,628,884	1,235,574	1,359,860	1,472,308	1,433,102	1,526,721
Arts, entertainment and recreational	916,219	880,367	825,845	843,638	935,766	935,834	973,437	1,027,757	1,012,590	1,027,051
Professional, scientific and technical	1,025,581	958,251	1,050,971	939,483	1,206,693	1,263,796	1,748,739	2,090,349	1,994,755	2,112,979
Construction	2,206,861	1,987,942	1,760,245	1,604,885	1,635,413	1,121,618	1,280,502	1,361,843	1,387,115	1,888,278
Other services	4,340,091	4,758,881	5,284,155	4,210,019	4,277,911	4,146,360	3,852,438	4,661,465	5,073,628	5,481,805
Automobile use tax	10,284,541	9,834,375	10,845,015	10,302,520	8,882,587	9,043,526	10,597,687	12,712,981	13,568,059	15,027,985
Building materials use tax	15,459,058	13,645,196	12,328,785	7,514,659	4,891,059	6,494,128	4,889,066	7,071,243	9,190,830	10,516,527
Total Sales and Use Tax Receipts	\$ 143,849,563	\$ 150,582,961	\$ 154,918,828	\$ 150,339,352	\$ 142,122,253	\$ 146,417,001	\$ 149,514,717	\$ 164,861,112	\$ 175,147,908	\$ 189,877,443
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 2005 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.

**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
2005	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2006	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2007	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2008	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2009	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2012	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%
2013	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%
2014	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%

Adams County

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Roads & Bridges	Total Rate Adams County
2005	3.75%	2.90%	1.00%	0.10%	0.10%	0.20%	0.50%	8.55%
2006	3.75%	2.90%	1.00%	0.10%	0.10%	0.20%	0.50%	8.55%
2007	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2008	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2009	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2012	3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%
2013	3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%
2014	3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%

Douglas County (a)

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Roads & Bridges	Justice Center	Total Rate Douglas County
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.17%	0.40%	0.43%	8.85%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.17%	0.40%	0.43%	8.85%
2012	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%
2013	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%
2014	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%

SOURCE: City of Aurora's Tax & Licensing Division

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

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

Exhibit A-8

**CITY OF AURORA, COLORADO
TOP TEN PRINCIPAL SALES AND USE TAX PAYERS BY INDUSTRY GROUP
CURRENT YEAR AND NINE YEARS AGO**

	2014			2005		
	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	\$ 17,651,409	1	9.30%	\$ 13,326,831	1	9.26%
Full-service restaurants	13,915,836	2	7.33%	9,787,696	2	6.80%
Electrical power generation, distribution	12,398,822	3	6.53%	8,146,249	3	5.66%
Building materials and supplies stores	10,374,998	4	5.46%	6,857,620	4	4.77%
Telecommunications	7,812,025	5	4.11%	6,511,513	5	4.53%
Clothing stores	7,019,833	6	3.70%	3,765,844	8	2.62%
Limited-service eating places	6,682,905	7	3.52%			
Automobile dealers	6,415,664	8	3.38%	4,974,861	6	3.46%
Electronics and appliance stores	6,233,454	9	3.28%	2,786,017	10	1.94%
Grocery stores	5,205,296	10	2.74%			
Other miscellaneous store retailers				3,973,671	7	2.76%
Other general merchandise stores				3,696,627	9	2.57%
Total	<u><u>\$ 93,710,242</u></u>		<u><u>49.35%</u></u>	<u><u>\$ 63,826,929</u></u>		<u><u>44.37%</u></u>

SOURCE: City of Aurora's Sales Tax Division

Note: Total city sales and use tax receipts were \$189,877,443 for 2014 and \$143,849,563 for the year 2005.

The 2005 and 2014 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		
2005	2006	\$ 487,883,880	\$ 2,223,143,550	\$ 81,270	\$ 2,711,108,700	5.3%	\$ 22,166,078,150	5.5%	12.2%	10.958
2006	2007	510,091,180	2,315,537,610	1,099,640	2,826,728,430	4.3%	23,166,543,343	4.5%	12.2%	10.867
2007	2008	542,673,070	2,507,656,430	3,582,000	3,053,911,500	8.0%	24,396,193,173	5.3%	12.5%	10.701
2008	2009	569,347,020	2,546,012,900	6,743,960	3,122,103,880	2.2%	24,945,172,361	2.3%	12.5%	10.664
2009	2010	573,880,730	2,427,547,290	6,472,400	3,007,900,420	-3.7%	22,357,730,401	-10.4%	13.5%	10.494
2010	2011	568,521,560	2,430,929,018	6,906,470	3,006,357,048	-0.1%	22,772,370,040	1.9%	13.2%	10.595
2011	2012	571,321,870	2,351,296,661	6,499,400	2,929,117,931	-2.6%	22,127,623,674	-2.8%	13.2%	10.653
2012	2013	584,444,180	2,366,344,788	5,001,200	2,955,790,168	0.9%	22,847,400,813	3.3%	12.9%	10.290
2013	2014	619,957,850	2,334,877,586	7,205,014	2,962,040,450	0.2%	22,472,968,714	-1.6%	13.2%	10.290
2014	2015	639,628,290	2,331,190,549	8,745,190	2,979,564,029	0.6%	22,695,477,810	1.0%	13.1%	8.886

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 2015 are based on the 2014 assessment, which itself is based on property values as of June 30, 2013.

The assessed valuation percentage is established each year and was as follows: Residential: 2005 through 2014 - 7.96%.

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

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

- (a) Includes both real and some business personal property.
- (b) Does not include tax increment financing district incremental assessed valuation of: \$5,164,460 - 2005; \$5,453,930 - 2006; \$6,202,670 - 2007; \$1,662,950 - 2008; \$7,341,510 - 2009; \$4,553,030 - 2010; \$8,453,960 - 2011; \$10,009,240 - 2012; \$8,910,730 - 2013 and \$8,264,580 - 2014 Adams; \$3,625,080 - 2009; \$10,156,782 - 2010; \$16,694,359 - 2011; \$22,063,692 - 2012; \$20,975,154 - 2013 and \$24,997,667 - 2014 Arapahoe. Arapahoe County had no TIF activity reported for the 2008 levy year. For the 2009 levy year, Arapahoe County reported new TIF assessments related to the Havana Gardens project.
- (c) Does not include General Improvement District (GID) assessed value of: 2010 - \$7,059,720; 2011 - \$10,911,020; 2012 - \$10,997,420; 2013 - \$10,212,781 and 2014 - \$10,157,993.

Exhibit A-10

**CITY OF AURORA, COLORADO
PROPERTY TAX RATES - DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)**

Last Ten Years

Assessment/ Levy Year	Collection/ Budget Year	City of Aurora		Counties		Schools		(a) Total Tax Rate - City of Aurora and:		
		Operating	Debt Service	Adams	Arapahoe	Aurora 28J	Cherry Creek	Adams County and Aurora Schools 28J	Arapahoe County and Aurora Schools 28J	Arapahoe County and Cherry Creek Schools
2005	2006	8.605	2.353	26.804	15.421	45.824	51.575	83.586	72.203	77.954
2006	2007	8.605	2.262	26.974	16.083	45.745	51.129	83.586	72.695	78.079
2007	2008	8.605	2.096	26.899	15.217	45.530	47.397	83.130	71.448	73.315
2008	2009	8.605	2.059	26.809	15.609	53.248	49.569	90.721	79.521	75.842
2009	2010	8.605	1.889	26.824	15.672	53.455	48.825	90.773	79.621	74.991
2010	2011	8.605	1.990	26.883	15.949	53.919	50.947	91.397	80.463	77.491
2011	2012	8.605	2.048	26.806	17.316	54.159	54.367	91.618	82.128	82.336
2012	2013	8.605	1.685	26.903	17.150	63.830	58.037	101.023	91.270	85.477
2013	2014	8.605	1.685	26.815	17.130	67.323	57.492	104.428	94.743	84.912
2014	2015	8.605	0.281	27.042	16.950	67.635	56.702	103.563	93.471	82.538

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 2015 are based on the 2014 assessment, which itself is based on property values as of June 30, 2013.

(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**

	2014			2005		
	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation
Xcel Energy	\$ 131,118,715	1	4.40%	\$ 46,196,120	1	1.70%
Qwest Communications	40,044,017	2	1.34%	33,873,110	2	1.25%
Columbia HealthOne	20,300,000	3	0.68%	22,873,200	4	0.84%
Cellco Partnership dba Verizon	18,853,791	4	0.63%	9,402,240	9	0.35%
Arapahoe Crossings	16,109,500	5	0.54%	15,805,000	5	0.58%
CPT Operating Partnership	12,352,850	6	0.41%			
Weingarten/Miller/Aurora II	11,894,930	7	0.40%	10,921,400	8	0.40%
Town Center at Aurora LLC (in 2005, Retail Property Trust)	9,570,000	8	0.32%			
IIT Denver DC LLC	8,793,680	9	0.30%			
Comcast of Colorado	8,335,611	10	0.28%	12,095,570	6	0.45%
Blue Spruce Energy Center (a subsidiary of Xcel Energy)				27,838,900	3	1.03%
Pro Logis				11,214,350	7	0.41%
GLB Gateway LLC				7,085,700	10	0.26%
Total	\$ 277,373,094		9.31%	\$ 197,305,590		7.28%

Source: Data obtained from Certifications of Valuations provided by Adams, Arapahoe and Douglas Counties. The Total Assessed Value in assessment year 2014 is \$2,979,564,029 and 2005 was \$2,711,108,700. This total does not include the tax increment financing district assessed valuation for 2014 of \$33,262,247 or 2005 of \$5,164,460. It also does not include General Improvement District (GID) assessed value for 2014 of \$10,157,993. Collections for GIDs are reported beginning in 2010.

**CITY OF AURORA, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Assessment/ Levy Year	Collection/ Budget Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Collections/ (Refunds) (b)	Total Tax Collections	Collections as % of Current Tax Levy	Tax Increment Collections	General Improvement District Collections (c)	Total Property Tax Revenues
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%	123,669	-	32,519,051
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%	1,275,142	59,084	32,290,710
2010	2011	31,852,540	31,428,726	98.67%	(347,252)	31,081,474	97.58%	1,448,500	134,505	32,664,479
2011	2012	31,203,894	30,876,610	98.95%	(187,645)	30,688,965	98.35%	2,349,971	342,753	33,381,689
2012	2013	30,415,080	30,091,311	98.94%	(156,016)	29,935,295	98.42%	3,100,413	349,684	33,385,392
2013	2014	30,479,396	30,039,192	98.56%	28,388	30,067,580	98.65%	3,235,743	323,730	33,627,053

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 2014 are based on the 2013 assessment, which itself is based on property values as of June 30, 2012.

- (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) 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 (c)
	General Obligation Bonds	Revenue Bonds	Special Assessments Notes	Certificates of Participation	Capital Leases	Tax Increment Bonds / Notes (a)	General Obligation Bonds	Revenue Bonds	Water Rights Notes	Capital Leases	Revenue Notes				
2005	\$ 44,951,056	\$ 12,730,000	\$ 1,140,000	\$ 115,991,501	\$ 1,613,972	\$ 1,045,000	\$ 52,276,271	\$ 226,945,039	\$ 6,698,054	\$ 367,357	\$ 813,594	\$ 464,571,844	12.5%	\$ 1,529	303,833
2006	40,844,037	11,580,000	1,055,000	110,482,579	3,963,516	710,000	44,496,259	280,387,189	5,756,102	450,337	594,031	500,319,050	12.9%	1,630	306,908
2007	36,547,019	10,375,000	1,955,000	104,410,197	3,030,374	-	37,794,258	708,705,872	5,269,168	510,521	364,386	908,961,795	19.2%	2,938	309,416
2008	32,045,000	9,105,000	1,745,000	105,587,198	4,136,172	-	30,887,256	701,169,674	3,872,197	541,643	18,530,576	907,619,716	19.4%	2,898	313,144
2009	28,030,000	7,931,002	1,475,000	107,139,485	2,809,509	-	24,915,256	693,489,292	3,234,391	358,624	52,317,751	921,700,310	21.3%	2,932	314,326
2010	24,445,954	6,414,270	1,230,000	102,634,501	1,694,676	-	18,824,224	674,848,990	2,646,897	190,886	75,750,000	908,680,398	24.4%	2,795	325,078
2011	21,617,409	4,812,537	1,010,000	97,871,002	843,366	-	-	633,154,751	2,059,403	72,060	75,750,000	837,190,528	22.7%	2,498	335,105
2012	15,962,863	3,327,667	2,035,000	103,314,388	2,180,510	-	-	581,201,919	1,471,909	-	75,750,000	785,244,256	16.7%	2,339	335,668
2013	11,088,318	1,681,903	1,685,000	97,438,145	2,684,307	-	-	559,829,986	884,415	-	74,174,748	749,466,822	14.5%	2,203	340,269
2014	6,017,773	-	1,240,000	117,592,108	5,261,667	5,646,425	-	534,653,754	707,532	-	72,540,424	743,659,683	12.8%	2,137	347,953

Notes: Schedule includes all city debt including tax increment bonds/notes and General Improvement Districts general obligation bonds. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (a) For 2005 and 2006, these were tax increment bonds. A tax increment revenue note was executed in 2014.
- (b) See Exhibit A-18 (Demographic and Economic) for personal income (based on labor force) totals.
- (c) The population for 2005, 2011 through 2012 and 2014 was provided by Clarion Associates. The population for 2006 was provided by the Aurora's Economic and Development Council. For 2007 through 2009 and 2013, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.

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 General Obligation Bonded Debt (d)	Less: Debt Service Funds Available (e)	Net General Obligation Bonded Debt	Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
			Governmental Activities (c)	Business-Type Activities					
2005	303,833	\$ 2,711,108,700	\$ 44,951,056	\$ 52,276,271	\$ 97,227,327	\$ 1,484,328	\$ 95,742,999	3.53%	\$ 315
2006	306,908	2,826,728,430	40,844,037	44,496,259	85,340,296	1,304,397	84,035,899	2.97%	274
2007	309,416	3,053,911,500	36,547,019	37,794,258	74,341,277	1,669,563	72,671,714	2.38%	235
2008	313,144	3,122,103,880	32,045,000	30,887,256	62,932,256	1,918,640	61,013,616	1.95%	195
2009	314,326	3,007,900,420	27,330,000	24,915,256	52,245,256	1,609,258	50,635,998	1.68%	161
2010	325,078	3,006,357,048	22,895,954	18,824,224	41,720,178	1,573,343	40,146,835	1.34%	123
2011	335,105	2,929,117,931	17,512,409	-	17,512,409	1,474,560	16,037,849	0.55%	48
2012	335,668	2,955,790,168	11,988,863	-	11,988,863	1,545,176	10,443,687	0.35%	31
2013	340,269	2,962,040,450	7,250,318	-	7,250,318	1,526,229	5,724,089	0.19%	17
2014	347,953	2,979,564,029	2,321,773	-	2,321,773	1,527,279	794,494	0.03%	2

Notes:

- (a) The population count for 2005, 2011 through 2012, and 2014, was provided by Clarion Associates. The 2006 population count was provided by the Aurora's Economic and Development Council. For 2007 through 2009 and 2013, the population count was provided by the city's Planning Department. The 2010 population count is from the April 2010 federal census population count.
- (b) Does not include tax increment financing district incremental assessed valuation of: \$5,164,460 - 2005; \$5,453,930 - 2006; \$6,202,670 - 2007; \$1,662,950 - 2008, \$7,341,510 - 2009, \$4,553,030 - 2010, \$8,453,960 - 2011, \$10,009,240 - 2012, \$8,910,730 - 2013 and \$8,264,580 - 2014 Adams; \$3,625,080 - 2009; \$10,156,782 - 2010, \$16,694,359 - 2011, \$22,063,692 - 2012; \$20,975,154 - 2013 and \$24,997,667 - 2014 Arapahoe. Arapahoe County had no TIF activity reported for the 2008 levy year. For 2009 levy year, Arapahoe County reported new TIF assessments related to the Havana Gardens project. Does not include General Improvement Districts (GIDs) assessed value of: 2010 - \$7,059,720; 2011 - \$10,911,020; 2012 - \$10,997,420; 2013 - \$10,212,781 and 2014 - \$10,157,993. Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties.
- (c) Does not include GIDs outstanding debt of: 2009 - \$700,000; 2010 - \$1,550,000; 2011 - \$4,105,000; 2012 - \$3,974,000; 2013 - \$3,838,000 and 2014 - \$3,696,000.
- (d) Gross general obligation bonded debt includes general obligation bonds supported by General Fund revenues and by Water Fund revenues.
- (e) Beginning in 2011, the City Debt Service Funds Available is used in lieu of the City Debt Service Fund Balance. This is to tie the amount to what is used in Exhibit A-16, Legal Debt Margin Information.

Exhibit A-15

**CITY OF AURORA, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2014**

<u>Jurisdiction Outstanding</u>	<u>Obligations</u>	<u>Estimated Percentage Applicable (c)</u>	<u>Estimated Share of Overlapping Debt</u>
<i>Direct:</i>			
City of Aurora (a)	130,111,549	100.00%	\$ 130,111,549
<i>Overlapping:</i>			
<i>Debt repaid with property taxes</i>		<u>General Obligation</u>	
Adams-Arapahoe School District 28J			
General obligation bonds (b)	\$ 329,190,000	100.00%	329,190,000
Cherry Creek School District			
General obligation bonds (b)	495,520,000	38.40%	190,279,680
Arapahoe County			
General obligation bonds (b)	-	31.10%	-
Adams County			
General obligation bonds (b)	-	13.70%	-
Total overlapping debt:			<u>519,469,680</u>
Total Direct and Overlapping Debt			<u>\$ 649,581,229</u>

Notes: This schedule demonstrates the city's ability to repay and issue long term debt based on the entire debt burden borne by its residences and businesses. Although more than 235 taxing entities overlap the city in whole or part, very few affect the majority of citizens. Therefore, this schedule excludes debt for overlapping districts that do not impact the debt burden for the average citizen.

- (a) Includes all governmental activities debt of the city of Aurora, such as general obligation bonds, revenue bonds, certificates of participation, special assessments and capital leases, net of unamortized premium and discounts. Tax Increment Bond/Notes are excluded.
- (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) 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.

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 2014

Assessed valuation, all Counties:	\$ 2,979,564,029	
Debt limit - 3% of assessed valuation		\$ 89,386,921
Amount of debt outstanding:		
Total bonded debt	\$ 540,671,527	
Other debt	<u>202,988,156</u>	
Total		\$ 743,659,683
Deductions allowed by law:		
General obligation bonds exempt from limit	6,017,773 (a)	
Revenue bonds	534,653,754 (b)	
Capitalized lease obligations	5,261,667 (b)	
Certificates of participation	117,592,108 (b)	
Revenue notes	79,426,849 (b)	
Water right notes	<u>707,532 (b)</u>	
Total deductions		<u>743,659,683</u>
Total amount of debt applicable to debt limit		-
Funds available in City Debt Service Fund	1,527,279 (c)	
Amount of debt applicable to debt limit	<u>-</u>	<u>-</u>
Net amount of debt applicable to debt limit		<u>-</u>
Legal Debt Margin		\$ 89,386,921 (d)

Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 81,333,261	\$ 84,801,853	\$ 91,617,345	\$ 93,663,116	\$ 90,237,013	\$ 90,190,711	\$ 87,873,538	\$ 88,673,705	\$ 88,861,214	\$ 89,386,921
Total net debt applicable to limit	<u>4,410,672</u>	<u>3,855,603</u>	<u>2,725,438</u>	<u>1,676,360</u>	<u>1,145,743</u>	<u>616,657</u>	-	-	-	-
Legal debt margin	\$ 76,922,589	\$ 80,946,250	\$ 88,891,907	\$ 91,986,756	\$ 89,091,270	\$ 89,574,054	\$ 87,873,538	\$ 88,673,705	\$ 88,861,214	\$ 89,386,921
Total net debt applicable to the limit as a percentage of debt limit	5.4%	4.5%	3.0%	1.8%	1.3%	0.7%	0.0%	0.0%	0.0%	0.0%

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

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

**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						
2005	\$ 120,569,923	\$ 45,166,591	\$ 75,403,332	\$ 3,458,804	\$ 2,934,269	\$ 3,458,804	\$ 3,960,158	\$ 4,400,756	\$ 4,309,474	\$ 11,920,756	\$ 6,246,059	11.79	10.16	8.66	4.15		
2006	130,689,742	42,814,760	87,874,982	3,530,638	6,598,664	3,530,638	7,942,664	4,472,590	8,322,149	12,197,590	10,074,561	8.68	7.66	6.87	3.95		
2007	146,607,372	48,913,130	97,694,242	3,607,104	7,244,069	3,607,104	8,830,807	4,549,056	9,118,612	11,184,056	10,664,088	9.00	7.85	7.15	4.47		
2008	136,213,224	45,667,169	90,546,055	3,708,938	30,792,006	3,708,938	30,792,006	4,650,900	31,032,713	11,490,900	32,395,726	2.62	2.62	2.54	2.06		
2009	107,283,305	33,252,590	74,030,715	3,810,404	29,966,338	3,810,404	31,681,332	4,448,210	31,874,942	10,353,210	33,032,754	2.19	2.09	2.04	1.71		
2010	128,180,345	45,305,349	82,874,996	3,962,238	29,146,645	3,962,238	29,146,645	4,549,732	29,308,365	10,669,732	30,274,265	2.50	2.50	2.45	2.02		
2011	125,130,039	46,573,513	78,556,526	5,300,000	29,365,365	5,300,000	32,205,990	5,887,494	32,367,710	12,252,494	33,104,110	2.27	2.09	2.05	1.73		
2012	136,772,241	45,857,363	90,914,878	2,340,000	27,320,125	2,340,000	30,160,750	2,927,494	30,293,095	2,927,494	30,293,095	3.07	2.80	2.74	2.74		
2013	124,972,421	46,864,006	78,108,415	-	25,265,338	1,575,252	28,105,963	2,162,746	28,208,933	2,162,746	28,208,933	3.09	2.63	2.57	2.57		
2014 (h)	150,552,505	51,489,719	99,062,786	-	24,746,935	1,634,324	27,528,487	1,811,207	27,572,708	1,811,207	27,572,708	4.00	3.40	3.37	3.37		

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. In 2012 and in 2014, the 2005D CWRPDA was defeased through payment to an escrow agent in the amounts of \$41,780,000 and \$23,955,000, respectively. 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 2005 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.
- (h) A principal and interest payment of \$176,883 and \$44,221, respectively, was made on the 2004 water rights note payable on December 31, 2014 due January 1, 2015.

(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	
2005	\$ 38,358,057	\$ 24,623,664	\$ 13,734,393	\$ 1,496,335	\$ 683,337	\$ 2,179,672	6.30
2006	44,101,003	26,130,780	17,970,223	1,539,395	1,250,162	2,789,557	6.44
2007	50,582,848	28,794,436	21,788,412	1,577,073	3,347,387	4,924,460	4.42
2008	52,371,474	32,545,027	19,826,447	2,625,132	3,287,674	5,912,806	3.35
2009	52,327,902	33,826,337	18,501,565	2,708,193	3,204,712	5,912,905	3.13
2010	57,247,180	34,139,137	23,108,043	2,796,635	3,074,357	5,870,992	3.94
2011	56,543,592	36,205,235	20,338,357	2,910,843	2,967,180	5,878,023	3.46
2012	60,984,272	37,298,034	23,686,238	3,004,285	2,869,878	5,874,163	4.03
2013	57,458,337	41,135,927	16,322,410	1,240,000	2,509,013	3,749,013	4.35
2014	61,475,658	43,145,025	18,330,633	-	1,559,813	1,559,813	11.75

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

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income. Excludes fair value adjustment and annexation fees.
- (b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.
- (c) The Debt Service Requirements consist of the First Lien Sewer Improvement Revenue Bonds, Series 2006, and the Colorado Water Resources and Power Development Authority's (CWRPDA) Clean Water Revenue Bonds, Series 1999A. In 2012, the CWRPDA Clean Water Revenue Bonds, Series 1999A was paid off. In 2013, the 2006 1st Lien Sewer Improvement Revenue Bonds were defeased in the amount of \$18,795,000.
- (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)
2005	\$ 9,083,314	\$ 7,452,160	\$ 1,631,154	\$ 524,924	\$ 311,925	\$ 836,849	1.95	\$ 256,000	\$ 184,687	\$ 440,687	1.80
2006	9,331,298	7,966,640	1,364,658	584,563	208,773	793,336	1.72	256,000	219,261	475,261	1.20
2007	9,932,252	8,294,101	1,638,151	604,644	185,917	790,561	2.07	256,000	241,595	497,595	1.70
2008	9,769,750	8,674,373	1,095,377	625,189	160,373	785,562	1.39	56,000	200,102	256,102	1.21
2009	9,127,449	7,894,302	1,233,147	529,199	133,944	663,143	1.86	56,000	227,600	283,600	2.01
2010	8,408,174	7,655,245	752,929	420,000	114,925	534,925	1.41	56,000	224,800	280,800	0.78
2011	7,991,942	7,237,047	754,895	435,000	98,125	533,125	1.42	56,000	222,000	278,000	0.80
2012	8,678,890	7,680,612	998,278	455,000	80,725	535,725	1.86	50,000	175,360	225,360	2.05
2013	8,074,292	7,115,939	958,353	470,000	62,525	532,525	1.80	50,000	173,360	223,360	1.91
2014	8,210,503	7,236,142	974,361	490,000	43,138	533,138	1.83	50,000	171,360	221,360	1.99

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

- (a) The Senior Debt Service Requirement consists of the 1995 Golf Revenue Bonds and, beginning in 2004, the 2004 Golf Revenue Note which was fully paid in 2009. In 2005, the 1995 Golf Revenue Bonds were replaced by the 2005 Golf Revenue Refunding Bonds. The Subordinate Debt Service Requirement is the 1994 Interfund Loan Payable to the Wastewater Fund which was refinanced in 2008 and was restructured in 2012.
- (b) Includes operating revenues, investment income, miscellaneous non-operating revenues, annexation fees and golf lot premium fees. Excludes fair value adjustment.
- (c) Includes operating expenses such as personal services, supplies, other services and charges and the principal and interest on the golf cart leases. Excludes depreciation expense.
- (d) Net Revenue Available for Debt Service divided by Total Senior Debt Service Requirements. For years beginning with 2005, the legal covenant for debt service coverage is 1.35. For years prior to 2005, the legal covenant for debt service coverage is 1.50.
- (e) Net Revenue Available for Debt Service less Total Senior Debt Service Requirements, divided by Total Subordinate Debt Service Requirements. The legal covenant for debt service coverage is 1.00. In 2011 and 2010, 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)
2005	303,833	\$ 3,728,443,396	168,139	\$ 22,175	5.2%
2006	306,908	3,875,932,660	171,065	22,658	5.3%
2007	309,416	4,725,828,136	173,158	27,292	4.8%
2008	313,144	4,676,671,164	172,196	27,159	7.4%
2009	314,326	4,331,333,727	179,151	24,177	7.5%
2010	325,078	3,725,166,739	169,967	21,917	10.1%
2011	335,105	3,687,345,727	177,617	20,760	9.0%
2012	335,668	4,689,408,133	179,798	26,082	8.5%
2013	340,269	5,178,824,801	182,222	28,420	7.1%
2014	347,953	5,827,179,739	185,020	31,495	5.6%

Notes:

- (a) The population for 2005, 2011 through 2012 and 2014 was provided by Clarion Associates. 2006 population was provided by the Aurora's Economic and Development Council. For 2007 through 2009 and 2013 through 2014, 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**

Employer	2014			2005 (b)
	Employees	Rank	(a) Percentage of Total City Employment	
Buckley Air Force Base	11,000	1	6.30%	Over 5,000 employees
University of Colorado Anschutz Medical Campus	8,070	2	4.62%	2,000 to 3,000 employees
University of Colorado Health (UCHealth)	5,750	3	3.29%	1,000 to 2,000 employees
Children's Hospital Colorado	5,650	4	3.24%	not ranked in 2005
Aurora Public Schools	5,000	5	2.86%	3,000 to 5,000 employees
City of Aurora (d)	4,210	6	2.41%	2,000 to 3,000 employees
Cherry Creek Schools (c)	3,730	7	2.14%	2,000 to 3,000 employees
Raytheon Company	2,410	8	1.38%	2,000 to 3,000 employees
HealthONE: The Medical Center of Aurora	1,770	9	1.01%	1,000 to 2,000 employees
Kaiser Permanente	1,680	10	0.96%	1,000 to 2,000 employees

Note: Data provided by the Aurora Economic Development Council and the city of Aurora unless otherwise noted. Information on 2014 does not include retail sector employers.

- (a) Total city employment data for 2014 was 174,647 provided by the State of Colorado, Department of Labor and Employment.
- (b) Data for 2005 provided estimates instead of a specific number of employees.
- (c) Cherry Creek Public Schools includes employees in the cities of Aurora, Centennial, Cherry Hills Village, Englewood, Foxfield, Glendale, and Greenwood Village. Data for 2014 includes only those school district employees working within the city.
- (d) The city of Aurora employee count includes contingent and seasonal workers.

CITY OF AURORA, COLORADO
BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
City Council	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Finance	60.50	60.00	63.00	65.00	62.50	63.50	63.50	60.50	58.50	56.50
General Management (includes Civil Service) (f)	131.80	125.30	127.80	130.80	125.30	96.80	99.50	97.50	102.00	103.00
Human Resources (a)	26.00	24.00	24.00	24.00	24.00	24.00	-	-	-	-
Information Technology	43.00	43.00	47.00	47.00	46.00	42.00	42.00	42.00	43.00	43.00
Internal Services (b)	-	-	-	-	-	-	-	-	-	-
Communications (h)	-	-	-	-	-	-	21.30	20.80	21.05	22.86
Planning	45.12	44.10	45.10	45.10	34.12	31.00	31.00	31.00	31.00	35.00
Judicial										
City Attorney	50.00	50.00	51.00	52.00	50.50	49.00	49.00	49.00	50.00	50.80
Court Administration (includes Judicial)	125.00	125.00	126.00	126.00	122.50	120.50	121.50	122.50	122.50	122.50
Public Defender	7.00	8.00	8.00	8.00	8.00	8.50	8.50	8.50	8.50	8.50
Police	740.00	759.00	773.00	778.00	778.00	772.50	786.00	783.00	791.50	794.50
Fire	309.00	325.00	329.00	329.00	323.00	325.00	325.00	323.00	327.00	335.00
Other Public Safety (c)	70.00	78.00	85.00	85.00	85.00	81.00	81.00	81.00	81.00	81.00
Public Works (g)	185.00	185.00	196.00	196.00	186.00	241.00	241.00	241.00	246.00	249.00
Community Services										
Neighborhood Services (e)	165.60	160.50	158.50	158.50	137.50	72.50	72.50	71.60	71.60	76.60
Culture and Recreation										
Library and Cultural Services (d)	182.00	177.00	183.50	184.50	183.50	65.90	67.40	72.40	73.40	76.60
Parks, Recreation & Open Space (d)	193.50	187.50	202.80	202.80	199.75	245.70	237.20	226.20	221.20	251.55
Water	206.00	241.00	258.15	266.70	270.30	270.72	269.40	268.91	273.82	280.23
Wastewater	123.00	134.00	144.85	148.30	155.70	152.28	152.60	153.09	148.18	143.77
Total	2,675.52	2,739.40	2,836.70	2,860.70	2,805.67	2,675.90	2,682.40	2,666.00	2,684.25	2,744.41

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) Additional positions moved from Police and Fire for the communications center (Other Public Safety function) beginning in 2004.
 - (d) 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).
 - (e) In 2010, some Community Services positions were moved to Public Works.
 - (f) In 2010, Facilities Management operations (part of General Management) was moved to Public Works function.
 - (g) 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.
 - (h) 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
<i>Building Permits: Data provided by COA Building Code Division</i>										
Permits Issued (a)	10,121	10,037	9,538	9,931	15,574	13,729	9,958	12,438	12,186	23,508
Value of Buildings (millions \$)	897	777	992	452	349	415	327	435	522	614
<i>Tax & Licensing: Data provided by COA Tax & Licensing Division</i>										
New business licenses	2,099	2,183	2,333	2,081	2,078	2,014	2,027	2,133	2,370	2,492
Police Protection: Data provided by COA Police Department										
Number of Law Violations (Part I Crime) (b)	16,506	14,872	13,583	12,393	11,758	11,760	11,446	11,667	12,285	11,548
Total calls dispatched & officer initiated	288,682	300,953	317,442	309,712	402,165	409,955	401,913	427,458	415,995	427,508
Total moving violations	44,487	42,801	49,043	48,500	46,818	47,853	47,920	35,366	39,669	43,879
Total parking violations	7,898	7,433	9,164	9,027	8,665	7,429	7,219	6,474	6,028	6,473
Fire Protection: Data provided by COA Fire Department										
Number of fire inspections	7,639	7,845	8,723	9,563	9,002	9,943	9,546	8,559	7,015	7,195
Total Fire calls (Fire, EMS, other)	26,011	26,870	29,839	30,088	30,648	33,268	35,446	37,830	40,164	42,575
Haz Mat calls	34	20	35	39	6	7	28	23	17	26
Community Services: Data provided by COA Neighborhood Services Department										
Total number of Code Enforcement Inspections	86,477	84,599	89,493	65,055	67,458	87,633	72,012	68,030	70,161	68,516
Culture and Recreation: Data provided by COA Parks and Open Space, and Library and Cultural Services Departments										
Library items circulated	1,152,630	1,173,261	1,163,463	1,248,501	1,181,843	764,866	762,302	946,743	1,030,535	1,065,076
Library patron visits	926,497	1,036,513	1,213,191	1,367,509	1,290,115	793,355	745,890	872,821	939,805	1,044,711
Recreational classes offered	8,363	8,229	7,697	7,523	5,889	6,876	7,659	7,945	7,648	5,963
Recreational attendance	289,539	286,292	278,216	296,228	295,937	302,565	330,621	353,994	349,607	359,356
Cultural services in house program attendance	186,783	186,976	124,916	146,542	129,052	151,008	157,958	159,260	152,912	163,133

Notes:

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

**CITY OF AURORA, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police Protection: Data provided by COA Police Department										
Patrol Vehicles	165	167	167	158	151	151	155	155	165	183
Detention Facilities	1	1	1	1	1	1	1	1	1	1
Fire Protection: Data provided by COA Fire Department										
Number of Fire Stations	13	15	15	15	15	15	15	15	15	15
Public Works: Data provided by COA Public Works Department										
Miles of Improved Streets (center-line miles)	1,118	1,172	1,174	1,174	1,174	1,174	1,175	1,185	1,188	1,209
Tons of asphalt for patching & overlay (a)	171,108	179,125	188,037	189,594	211,193	146,331	127,917	116,898	83,406	120,379
Square yards of street repair & overlay (a)	976,199	1,383,276	1,342,659	1,330,824	1,591,986	2,114,175	1,925,685	1,386,148	1,536,279	1,456,695
Culture and Recreation: Data provided by COA Parks, Recreation, and Open Space, and Library and Cultural Services Departments										
Number of Playgrounds	78	79	79	80	82	84	87	88	88	88
Number of Golf Courses	7	7	7	7	7	7	7	7	6	6
Number of Swimming Pools	10	10	10	10	7	7	7	7	9	9
Parks - Number of Acres (b)	8,045	8,627	8,630	10,069	10,689	10,677	10,660	12,272	12,272	10,125
Number of Libraries (e)	7	7	7	7	7	3	4	4	4	4
Number of Computer Centers (e)	-	-	-	-	-	-	-	2	4	4
Water: Data provided by COA Aurora Water Department										
Number of Water Taps (c)	70,759	76,240	76,422	76,655	76,707	78,423	79,006	79,723	80,567	81,382
Miles of water mains constructed (d)	63	52	25	19	7	12	4	5	2	25
Wastewater: Data provided by COA Aurora Water Department										
Number of Sanitary Sewer Taps (c)	79,974	82,754	84,384	85,177	85,645	86,268	86,850	87,659	88,470	89,313
Miles of Sanitary Sewer constructed (d)	47	38	10	8	2	3	3	1	2	11

- (a) 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. Beginning 2012, the numbers have decreased mainly due to increased labor & material price with decreased budgeted amount including a shift of funding to pavement preservation or surface treatment. In 2014, the increase is mainly due to increased street overlay and surface treatment project requirements.
- (b) Includes parks, golf courses and open space. Beginning in 2004, the Parks, Recreation, and Open Space Department (PROS) revised the methodology used to calculate totals. In 2008, PROS used more refined and updated information from their GIS data system. The 2011 reduction in park acreage is due to refined mapping techniques. In 2012, new queries were developed and the total includes facility grounds, medians and streetscapes that were completed during the year, also included was the acquisition of open space and trail corridor related to the Triple Creek Greenway Corridor project. The 2014 acreage uses similar method as in year 2011.
- (c) Total includes inactive and stubbed taps.
- (d) 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 and 2013 for water mains and in 2012 for sewer lines. As a result of the improving economy, there was an increase in water mains and sewer lines constructed in 2014.
- (e) Due to ongoing declining General Fund budgets, four libraries were closed in 2010. The Mission Viejo Library was reopened in 2011 but on a limited service hours. In 2012, eight operating hours were added at Tallyn's Reach, Martin Luther King and Central Libraries with an opening of two computer centers at the City's Moorhead and Beck Recreation Centers. In 2013, two additional computer centers were opened at Kmart Aurora and at the former Hoffman Heights Library building.



Other Schedules Divider



Other Schedules – (unaudited)

MISCELLANEOUS SCHEDULES

Exhibit B-1

Schedule of Indebtedness – All Funds

Exhibit B-2

Schedule of Debt Service Requirements

Exhibit B-3

Local Highway Finance Report

DEBT CONTINUING DISCLOSURES

Exhibit C-1

Summary of Continuing Disclosures by Issue

Exhibit C-2

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

Exhibit C-3

Combined General, TABOR Reserve and Policy Reserve Funds – Comparative Schedule of Sources, Uses and Changes in Funds Available, Actual and Budget (Non-GAAP Budgetary Basis)

Exhibit C-4

Water Fund - Operating History

Exhibit C-5

Water Fund - System Statistics

Exhibit C-6

Water Fund - Maximum Annual Debt Service Coverage

Exhibit C-7

Wastewater Fund - Operating History

Exhibit C-8

Wastewater Fund - System Statistics

Exhibit C-9

Golf Fund - Operating History

Exhibit C-10

Golf Fund - Golf Course Enterprise System Statistics

Exhibit C-11

Golf Fund – Maximum Annual Debt Service Coverage

Exhibit C-12

General Fund - Assessed and Estimated Actual Value of Taxable property by Class

**EXHIBIT B-1
CITY OF AURORA, COLORADO
SCHEDULE OF INDEBTEDNESS - ALL FUNDS
DECEMBER 31, 2014**

	Interest Rates	Dates		Debt		
		Issue	Maturity	Authorized and Issued	Outstanding	Current Maturities
GENERAL OBLIGATION DEBT						
Supported by Dedicated Property Tax						
Refunding Series 2010	5.00%	6/3/2010	2015	\$ 21,035,000	\$ 2,115,000	\$ 2,115,000
Unamortized premium				-	206,774	-
Total supported by dedicated property tax				<u>21,035,000</u>	<u>2,321,774</u>	<u>2,115,000</u>
REVENUE BONDS						
Supported by Water Fund revenues						
Governmental agency	4.00 - 5.00%	9/29/2005	2035	100,000,000	29,655,000	-
First-Lien Water Revenue	4.75 - 5.00%	7/11/2007	2039	421,495,000	421,495,000	-
First-Lien Water Revenue - Refunding	4.63 - 5.00%	4/15/2008	2033	39,995,000	39,995,000	-
Unamortized premium				-	10,051,339	-
Unamortized loss on refunding				-	(449,184)	-
Total supported by Water Fund revenues				<u>561,490,000</u>	<u>500,747,155</u>	<u>-</u>
Supported by Wastewater Fund revenues						
First-Lien Sewer Revenue	4.00 - 5.00%	4/25/2006	2036	57,790,000	32,295,000	-
Unamortized premium				-	652,415	-
Total supported by Wastewater Fund revenues				<u>57,790,000</u>	<u>32,947,415</u>	<u>-</u>
Supported by Golf Fund revenues						
Golf Course Enterprise System refunding	4.25 - 4.375%	7/26/2005	2015	4,625,000	510,000	510,000
Unamortized loss on refunding				-	(12,364)	-
Total supported by Golf Fund revenues				<u>4,625,000</u>	<u>497,636</u>	<u>510,000</u>
NOTES						
Supported by Water Fund revenues						
Water Rights Rocky Ford II	5.00%	various 2004	2019	8,280,091	707,532	-
Colorado Water Conservation Board Note	3.75%	various 2008	2040	75,750,000	72,540,424	1,695,610
Total supported by Water Fund revenues				<u>84,030,091</u>	<u>73,247,956</u>	<u>1,695,610</u>
Supported by Special Assessments						
Special Improvement District - Dam West	4.89%	10/20/2005	2015	1,140,000	30,000	30,000
Special Improvement District - Ptarmigan Fence	5.00%	11/28/2007	2017	1,075,000	330,000	10,000
Special Improvement District - Dam East	2.73%	11/1/2012	2022	1,230,000	880,000	10,000
Total supported by Special Assessments				<u>3,445,000</u>	<u>1,240,000</u>	<u>50,000</u>
CAPITAL LEASES WITH THIRD PARTY						
Supported by General Fund revenues	1.34% - 2.56%	2012	2019	6,169,014	5,261,666	933,193
INCLUDABLE ENTITIES						
Supported by Lease Payments						
ACLIC certificates of participation-refunding	5.00%	2/7/2006	2015	20,290,000	2,865,000	2,865,000
ACLIC certificates of participation-refunding	3.00 - 5.00%	9/24/2009	2030	84,160,000	84,160,000	-
ACLIC certificates of participation	2.00 - 5.00%	12/16/2014	2024	21,775,000	21,775,000	760,000
Unamortized premium				-	8,792,108	-
Unamortized loss on refunding				-	(8,686,738)	-
Total supported by Lease Payments				<u>126,225,000</u>	<u>108,905,370</u>	<u>3,625,000</u>
Supported by Tax Increment revenues						
NBH Capital Finance Note	2.1202 - 2.40%	8/21/2014	2024	27,750,000	5,646,425	-
Total supported by Tax Increment revenues				<u>27,750,000</u>	<u>5,646,425</u>	<u>-</u>
Supported by Property Tax Levies						
GO Bonds - Cherry Creek Fence GID	5.25%	12/2/2009	2029	700,000	585,000	25,000
GO Bonds - Meadow Hills Fence GID	4.99%	12/22/2010	2031	520,000	435,000	15,000
GO Bonds - Peoria Park Fence GID	5.45%	6/1/2010	2031	375,000	331,000	12,000
GO Bonds - Pier Point Sewer GID	4.38%	10/31/2011	2031	2,600,000	2,345,000	95,000
Total supported by Property Tax Levies				<u>4,195,000</u>	<u>3,696,000</u>	<u>147,000</u>
Total supported by Includable Entities				<u>130,420,000</u>	<u>112,601,370</u>	<u>3,772,000</u>
TOTAL INDEBTEDNESS				<u>\$ 896,754,105</u>	<u>\$ 734,511,397</u>	<u>\$ 9,075,803</u>

**EXHIBIT B-2
CITY OF AURORA, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2014**

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 and AURA Revenues		Capital Leases Supported by General Fund Revenues	
	5.00%		4.38-5.45%		2.00-5.00%		2.1202-5.00% **		1.34-2.56%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,115,000	\$ 105,750	\$ 147,000	\$ 173,170	\$ 3,625,000	\$ 5,132,154	\$ 50,000	\$ 208,403	\$ 933,193	\$ 76,196
2016	-	-	163,000	166,293	5,605,000	5,053,075	20,000	175,072	936,138	74,566
2017	-	-	169,000	158,632	5,815,000	4,844,925	320,000	174,299	950,738	59,966
2018	-	-	174,000	150,697	6,055,000	4,605,750	10,000	142,850	965,581	45,123
2019	-	-	185,000	142,543	6,305,000	4,353,275	98,512	142,577	739,641	30,032
2020-2024	-	-	1,050,000	574,610	36,430,000	16,883,500	6,387,913	625,507	736,375	52,800
2025-2029	-	-	1,312,000	305,132	30,255,000	8,363,250	-	-	-	-
2030-2034	-	-	496,000	34,400	14,710,000	735,500	-	-	-	-
Total	\$ 2,115,000	\$ 105,750	\$ 3,696,000	\$ 1,705,477	\$ 108,800,000	\$ 49,971,429	\$ 6,886,425	\$ 1,468,708	\$ 5,261,666	\$ 338,683

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	
	4.00-5.00%		3.75-5.00%		4.00-5.00%		4.25-4.375%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	\$ 24,228,531	\$ 1,695,610	\$ 2,720,266	\$ -	\$ 1,559,813	\$ 510,000	\$ 22,313
2016	-	24,228,531	1,936,080	2,692,057	-	1,559,812	-	-
2017	-	24,228,531	2,002,049	2,617,243	1,450,000	1,559,813	-	-
2018	-	24,228,531	2,070,493	2,539,955	1,510,000	1,500,000	-	-
2019	-	24,228,531	2,141,503	2,460,101	1,585,000	1,424,500	-	-
2020-2024	78,620,000	114,036,906	10,985,033	11,094,351	9,160,000	5,879,775	-	-
2025-2029	106,225,000	91,507,656	13,205,106	8,874,278	11,600,000	3,433,275	-	-
2030-2034	153,700,000	61,281,875	15,873,856	6,205,529	-	1,660,125	-	-
2035-2039	152,600,000	22,917,189	19,081,959	2,997,426	6,990,000	501,837	-	-
2040-2044	-	-	4,256,267	159,610	-	-	-	-
Total	\$ 491,145,000	\$ 410,886,281	\$ 73,247,956	\$ 42,360,816	\$ 32,295,000	\$ 19,078,950	\$ 510,000	\$ 22,313

* A principal and interest payment of \$176,883 and \$44,221 respectively, was made on the 2004 note payable on December 31, 2014 due January 1, 2015.

** LIBOR rate at December 1, 2014 is 2.1202%.



**EXHIBIT B-3
LOCAL HIGHWAY FINANCE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014**

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Aurora, Colorado
		YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of _ City of Aurora, Colorado)	Prepared By: Phone:	Paul Klemme 303-739-7056

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	26,502,850
4. Miscellaneous local receipts (from page 2)	6,686,073
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	0
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	33,188,923
B. Private Contributions	
C. Receipts from State government (from page 2)	9,471,529
D. Receipts from Federal Government (from page 2)	654,854
E. Total receipts (A.7 + B + C + D)	43,315,306

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	5,287,881
2. Maintenance:	17,058,553
3. Road and street services:	
a. Traffic control operations	3,107,406
b. Snow and ice removal	2,533,462
c. Other	5,866,918
d. Total (a. through c.)	11,507,786
4. General administration & miscellaneous	1,339,245
5. Highway law enforcement and safety	8,121,841
6. Total (1 through 5)	43,315,306
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	43,315,306

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)		0	0	
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
		43,315,306	43,315,306		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2014

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	0	a. Interest on investments	24,143
b. Other local imposts:		b. Traffic Fines & Penalties	5,978,925
1. Sales Taxes	20,831,052	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	445,060	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,226,738	g. Other Misc. Receipts	
6. Total (1. through 5.)	26,502,850	h. Other	683,005
c. Total (a. + b.)	26,502,850	i. Total (a. through h.)	6,686,073
	(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	8,446,615	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	1,024,914	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	654,854
f. Total (a. through e.)	1,024,914	g. Total (a. through f.)	654,854
4. Total (1. + 2. + 3.f)	9,471,529	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	116,554	116,554
b. Engineering Costs	869	1,736,783	1,737,652
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	202,752	0	202,752
(3). System Preservation	0	1,889,106	1,889,106
(4). System Enhancement & Operation	10,671	1,331,146	1,341,817
(5). Total Construction (1) + (2) + (3) + (4)	213,423	3,220,252	3,433,675
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	214,292	5,073,589	5,287,881
			(Carry forward to page 1)

Notes and Comments:

**EXHIBIT C-1
CITY OF AURORA, COLORADO
SUMMARY OF CONTINUING DISCLOSURES BY ISSUE
DECEMBER 31, 2014:**

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010 GENERAL FUND REFUNDING BONDS, SERIES 2009 CERTIFICATES OF PARTICIPATION, SERIES 2005 (Part Refunded)	REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A-1 REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2009A CERTIFICATES OF PARTICIPATION, SERIES 2014
<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
FIRST-LIEN SEWER IMPROVEMENT REVENUE BONDS, SERIES 2006	
<u>Required Disclosure</u> Wastewater Fund Operating History Sewer System Statistics Historical Sewer Revenue Bond Coverage	<u>Location</u> Exhibit C-7 Exhibit C-8 Statistical Section, Exhibit A-17
METRO WASTEWATER RECLAMATION DISTRICT, COLORADO: SEWER REFUNDING BONDS, SERIES 2002A SEWER REFUNDING BONDS, SERIES 2003B	SEWER REFUNDING BONDS, SERIES 2008A SEWER IMPROVEMENT BONDS, SERIES 2009A AND 2009B
The city of Aurora has no obligation related to payment of the Metro Wastewater Reclamation District Bonds. However, as a significant source of Metro Wastewater Reclamation District	
<u>Required Disclosure</u> Wastewater Fund Operating History General Fund Operating History Assessed & Estimated Actual Value of Taxable Property by Class 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 Exhibit C-12 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 C-2
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>2010 (a)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES					
Taxes	\$ 195,377,492	\$ 199,321,808	\$ 215,073,673	\$ 226,282,963	\$ 245,459,685
Charges for services	9,179,928	9,408,597	10,295,801	11,068,914	12,235,023
License and permits	2,234,954	2,204,529	2,366,173	2,439,943	3,590,412
Fines and forfeits	8,616,330	9,461,708	10,335,263	10,792,601	10,651,519
Intergovernmental	13,333,242	13,438,514	13,457,968	13,979,711	13,871,528
Miscellaneous	1,859,321	1,284,418	1,825,295	1,834,901	1,298,524
Investment earnings	878,984	870,779	916,119	316,380	1,126,780
Total revenues	<u>231,480,251</u>	<u>235,990,353</u>	<u>254,270,292</u>	<u>266,715,413</u>	<u>288,233,471</u>
EXPENDITURES					
<i>Current</i>					
General government	21,482,169	22,187,057	22,013,708	23,470,892	26,394,874
Judicial	7,981,058	7,768,466	8,106,247	8,346,956	8,898,016
Police	78,677,347	82,450,845	85,460,066	88,859,630	90,437,109
Fire	34,791,196	37,082,009	38,410,555	39,372,791	41,182,038
Other public safety	10,810,214	10,406,780	10,397,756	10,514,310	10,914,973
Public works	24,477,697	24,327,451	23,454,541	23,986,149	25,463,990
Economic development	3,968,567	4,775,615	4,114,525	4,835,077	5,210,214
Community services	3,635,491	3,475,560	3,674,044	4,402,416	5,239,217
Culture and recreation	16,089,424	15,915,515	16,461,477	15,956,170	17,140,761
<i>Debt service</i>					
Principal	1,114,833	851,310	436,286	407,080	—
Interest	100,287	57,517	29,690	12,055	—
Capital outlay	736,405	2,419,815	3,149,982	2,876,987	3,978,437
Total expenditures	<u>203,864,688</u>	<u>211,717,940</u>	<u>215,708,877</u>	<u>223,040,513</u>	<u>234,859,629</u>
Excess of revenues over expenditures	27,615,563	24,272,413	38,561,415	43,674,900	53,373,842
Net other financing uses (a), (b)	<u>(25,273,442)</u>	<u>(21,444,749)</u>	<u>(24,901,576)</u>	<u>(42,090,745)</u>	<u>(44,606,402)</u>
Excess of revenues and other financing sources financing sources over expenditures and other financing uses	2,342,121	2,827,664	13,659,839	1,584,155	8,767,440
FUND BALANCES - January 1	(a)	62,700,130	65,527,794	79,187,633	80,771,788
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>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCE - December 31	<u>\$ 62,700,130</u>	<u>\$ 65,527,794</u>	<u>\$ 79,187,633</u>	<u>\$ 80,771,788</u>	<u>\$ 89,539,228</u>
General Fund	(a)	(a)	(a)	(a)	(a)
Policy Reserve (c)	(a)	(a)	(a)	(a)	(a)
TABOR Reserve (c)	(a)	(a)	(a)	(a)	(a)

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

	<u>2010 (a)</u> <u>Actual</u>	<u>2010 (a)</u> <u>Budget</u>	<u>2011</u> <u>Actual</u>	<u>2011</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2013</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2014</u> <u>Budget</u>
SOURCES										
Taxes	\$ 195,431,051	\$ 198,205,531	\$ 197,795,914	\$ 198,910,103	\$ 214,126,882	\$ 202,381,882	\$ 225,245,557	\$ 209,239,485	\$ 243,023,835	\$ 228,563,899
Licenses and permits	2,201,001	2,493,903	2,181,654	2,127,854	2,349,161	2,247,623	2,439,943	2,302,868	3,590,068	3,001,745
Intergovernmental	12,738,360	12,404,203	12,829,501	12,693,058	13,457,968	13,071,193	13,379,711	12,899,795	13,871,528	13,412,194
Charges for services	8,286,606	8,623,037	8,837,467	8,931,384	9,645,286	9,252,640	10,362,458	10,997,245	11,518,183	11,662,476
Fines and forfeitures	6,817,969	6,836,200	5,977,427	6,242,119	5,862,518	6,190,000	6,081,941	6,269,899	6,040,711	5,831,447
Investment income	661,468	750,000	871,209	650,000	706,190	950,000	743,869	557,409	694,202	637,105
Other revenues	1,308,040	1,435,638	1,139,423	1,027,614	1,695,064	1,035,210	1,783,680	1,180,827	1,177,863	1,422,649
Transfers in	31,272,714	31,015,125	2,264,512	2,381,638	1,176,743	1,461,743	1,160,750	1,160,750	1,166,862	1,100,000
Funds from restricted assets	—	—	—	—	—	—	—	—	(2,120,000)	—
Total sources	<u>258,717,209</u>	<u>261,763,637</u>	<u>231,897,107</u>	<u>232,963,770</u>	<u>249,019,812</u>	<u>236,590,291</u>	<u>261,197,909</u>	<u>244,608,278</u>	<u>278,963,252</u>	<u>265,631,515</u>
USES										
Municipal Court	10,204,166	10,318,823	9,531,219	9,822,927	9,940,492	10,108,802	9,993,886	10,192,800	10,398,781	10,517,338
City Attorney	4,866,155	5,010,311	5,000,491	5,023,825	4,986,345	5,063,069	5,278,889	5,279,665	5,543,534	5,543,534
General Management	6,186,184	6,606,384	2,947,752	3,051,872	3,691,985	3,903,153	3,971,757	4,125,794	4,245,506	4,349,026
Administrative Services	13,803,532	14,149,546	24,510,620	25,701,179	24,074,021	24,497,130	25,140,094	26,335,995	28,281,880	28,664,630
Operations Group Management	36,134,671	38,304,755	42,809,390	44,242,728	43,037,806	44,113,423	43,486,396	44,749,092	47,477,226	48,159,153
Community Services	123,966,797	125,233,927	117,162,667	117,236,313	120,831,277	120,804,758	126,049,167	126,052,979	128,352,725	128,558,401
Non-departmental	31,402,300	32,797,155	27,753,505	28,250,297	30,277,780	30,693,464	47,792,620	48,590,055	49,736,960	50,592,780
Total uses	<u>226,563,805</u>	<u>232,420,901</u>	<u>229,715,644</u>	<u>233,329,141</u>	<u>236,839,706</u>	<u>239,183,799</u>	<u>261,712,809</u>	<u>265,326,380</u>	<u>274,036,612</u>	<u>276,384,862</u>
Excess (deficiency) of revenues over (under) expenditures	32,153,404	29,342,736	2,181,463	(365,371)	12,180,106	(2,593,508)	(514,900)	(20,718,102)	4,926,640	(10,753,347)
FUNDS AVAILABLE - January 1	<u>5,165,400</u>	<u>5,165,400</u>	<u>37,318,804</u>	<u>37,318,803</u>	<u>39,500,267</u>	<u>39,500,267</u>	<u>51,716,988</u>	<u>51,716,988</u>	<u>51,202,088</u>	<u>51,202,088</u>
FUNDS AVAILABLE - December 31	<u>37,318,804</u>	<u>\$ 34,508,136</u>	<u>39,500,267</u>	<u>\$ 36,953,432</u>	<u>51,680,373</u>	<u>\$ 36,906,759</u>	<u>51,202,088</u>	<u>\$ 30,998,886</u>	<u>56,128,728</u>	<u>\$ 40,448,741</u>
Committed for Reserves (10% policy)	(21,467,734)		(20,404,987)		(20,790,709)		(21,745,473)		(22,547,520)	
Restricted for Emergencies (TABOR)	<u>(8,871,465)</u>		<u>(8,972,548)</u>		<u>(9,401,524)</u>		<u>(9,655,083)</u>		<u>(7,908,349)</u>	
Funds available - after restrictions, and commitments	<u>\$ 6,979,605</u>		<u>\$ 10,122,732</u>		<u>\$ 21,488,140</u>		<u>\$ 19,801,532</u>		<u>\$ 25,672,859</u>	
	(a)		(a)		(a)		(a)		(a)	
Reconciliation to GAAP fund balance										
Funds available - December 31	\$ 37,318,804		\$ 39,500,267		\$ 51,680,373		\$ 51,202,088		\$ 56,128,728	
Current year encumbrances	969,518		803,554		1,354,274		1,647,739		1,379,307	
Inventories	9,547		—		—		—		—	
Sales, use and lodgers tax accrual	15,852,432		17,378,325		18,325,116		19,362,521		21,798,371	
Long-term interfund receivables	304,050		240,888		449,668		617,168		405,971	
Assets not available for appropriation	—		—		—		—		2,125,499	
Deferred revenues-grant awards	496,095		496,095		(232,214)		—		—	
Adjust investments to fair value	186,300		125,708		263,626		(167,605)		(17,710)	
Adjust for accounting change	<u>7,563,390</u>		<u>6,982,957</u>		<u>7,346,790</u>		<u>8,109,877</u>		<u>7,719,062</u>	
FUND BALANCE - December 31	<u>\$ 62,700,136</u>		<u>\$ 65,527,794</u>		<u>\$ 79,187,633</u>		<u>\$ 80,771,788</u>		<u>\$ 89,539,228</u>	

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

EXHIBIT C-4
CITY OF AURORA, COLORADO
WATER FUND
OPERATING HISTORY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
OPERATING REVENUES					
<i>Charges for services</i>					
Customers	\$ 107,030,397	\$ 104,941,420	\$ 112,403,991	\$ 97,187,860	\$ 125,028,918
Total operating revenues	<u>107,030,397</u>	<u>104,941,420</u>	<u>112,403,991</u>	<u>97,187,860</u>	<u>125,028,918</u>
OPERATING EXPENSES					
Cost of sales and services	40,801,328	42,202,299	41,782,745	42,640,617	49,351,361
Administrative expenses	4,504,021	4,371,213	4,074,618	4,223,389	2,138,358
Depreciation	11,113,289	14,734,196	26,608,375	28,469,745	29,495,894
Total operating expenses	<u>56,418,638</u>	<u>61,307,708</u>	<u>72,465,738</u>	<u>75,333,751</u>	<u>80,985,613</u>
Operating income	<u>50,611,759</u>	<u>43,633,712</u>	<u>39,938,253</u>	<u>21,854,109</u>	<u>44,043,305</u>
NON-OPERATING REVENUES					
(EXPENSES)					
Investment income	4,989,721	4,407,179	3,744,862	2,006,894	3,858,080
Intergovernmental revenue	71,361	556,905	94,055	2,180,526	1,723,351
Miscellaneous revenue	283,593	599,663	347,362	267,117	240,691
Interest expense	(7,757,051)	(8,334,345)	(28,561,411)	(25,650,137)	(24,211,342)
Amortization expense	597,435	(848,667)	955,621	398,385	677,935
Gain (loss)-disposal capital assets	(100,666)	(209,190)	(1,340,467)	(2,089,943)	(271,577)
Loss on early extinguishment of debt	-	-	(5,643,142)	-	(1,563,264)
Gain (loss)-joint venture	(31,512)	(31,334)	(32,165)	(33,628)	59,356
Net non-operating expenses	<u>(1,947,119)</u>	<u>(3,859,789)</u>	<u>(30,435,285)</u>	<u>(22,920,786)</u>	<u>(19,486,770)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	48,664,640	39,773,923	9,502,968	(1,066,677)	24,556,535
Capital contributions	<u>18,344,367</u>	<u>14,855,566</u>	<u>21,571,350</u>	<u>23,137,323</u>	<u>22,167,754</u>
INCREASE IN NET POSITION	67,009,007	54,629,489	31,074,318	22,070,646	46,724,289
NET POSITION - January 1, before restatement	<u>944,082,042</u>	<u>1,011,290,399</u>	<u>1,065,919,888</u>	<u>1,092,184,940</u>	<u>1,114,255,586</u>
Adjustment for accounting changes	199,350	-	(4,809,266)	-	-
NET POSITION - January 1, after restatement	<u>944,281,392</u>	<u>1,011,290,399</u>	<u>1,061,110,622</u>	<u>1,092,184,940</u>	<u>1,114,255,586</u>
NET POSITION - December 31	<u>\$ 1,011,290,399</u>	<u>\$ 1,065,919,888</u>	<u>\$ 1,092,184,940</u>	<u>\$ 1,114,255,586</u>	<u>\$ 1,160,979,875</u>

EXHIBIT C-4
CITY OF AURORA, COLORADO
WATER FUND
OPERATING HISTORY
SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
SOURCES					
Charges for services	\$ 106,961,809	\$ 104,863,804	\$ 112,331,690	\$ 97,069,815	\$ 124,914,163
Intergovernmental	321,361	683,770	91,838	2,210,135	1,690,524
Licenses and permits	68,667	77,651	72,301	118,045	114,755
Fines and forfeitures	2,513	2,150	1,357	1,135	1,296
Investment income	6,711,348	5,189,532	3,651,642	3,233,568	3,356,081
Miscellaneous revenues	17,058,348	14,267,721	20,536,096	22,363,769	20,730,039
Proceeds from sale of assets	5,857	27,160	31,864	99,773	76,602
Proceeds from long-term borrowings	23,432,250	—	—	—	—
Funds from restricted assets	(4,280,345)	3,391,681	380,000	910,000	(241,757)
	<u>150,281,808</u>	<u>128,503,469</u>	<u>137,096,788</u>	<u>126,006,240</u>	<u>150,641,703</u>
USES					
Operating Costs					
Operations group	103,616,427	134,048,219	125,109,145	78,335,727	105,937,913
Continuing Appropriations					
Operations group	28,232,525	(11,242,452)	6,250,052	15,917,846	53,330,405
	<u>131,848,952</u>	<u>122,805,767</u>	<u>131,359,197</u>	<u>94,253,573</u>	<u>159,268,318</u>
Change in funds available	18,432,856	5,697,702	5,737,591	31,752,667	(8,626,615)
FUNDS AVAILABLE - January 1	<u>15,652,469</u>	<u>34,085,325</u>	<u>39,783,027</u>	<u>45,520,618</u>	<u>77,273,285</u>
FUNDS AVAILABLE - December 31	<u>\$ 34,085,325</u>	<u>\$ 39,783,027</u>	<u>\$ 45,520,618</u>	<u>\$ 77,273,285</u>	<u>\$ 68,646,670</u>

**EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:**

Water Usage and Billed Revenues by Classification

Classification	Consumption (thousand gallons)	Percent of Consumption	Billed Revenue	Percent of Billed
Residential	6,090,997	40%	\$ 42,993,882	46%
Multi-Family	3,644,411	24%	21,297,595	23%
Commercial	3,139,827	21%	18,851,958	20%
Irrigation	1,138,176	8%	7,642,607	8%
Other (a)	1,121,253	7%	3,207,808	3%
Total	15,134,664	100%	\$ 93,993,850	100%

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

Water System Annual Billed Revenues and Cash Collection (b)

Classification	2010	2011	2012	2013	2014
Billed revenues	\$ 100,041,083	\$ 99,665,457	\$107,066,380	\$ 92,937,171	\$ 94,532,190
Cash collected during year for current and prior year's sales	99,055,513	99,874,709	107,152,680	93,786,045	94,693,590
Percentage of billed revenues collected	99.0%	100.2%	100.1%	100.9%	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	2010	2011	2012	2013	2014
Residential (1-4 units)	70,609	71,374	72,116	73,210	74,116
Multi-Family (5+ units)	2,415	2,418	2,416	2,419	2,430
Commercial	2,883	2,908	2,929	2,939	2,958
Irrigation	1,113	1,116	1,116	1,116	1,091
Total	77,020	77,816	78,577	79,684	80,595

(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	2010	2011	2012	2013	2014
Base charge	\$ 12.06	\$ 12.06	\$ 12.06	\$ 12.06	\$ 12.06
Rates per 1,000 gallons	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure
Average annual bill	\$ 657.91	\$ 646.49	\$ 681.38	\$ 602.32	\$ 581.08

**EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:**

The following table sets forth the ten largest consumers of the Water System, which, in aggregate, accounted for 7.6% of the total billed metered treated water sales in 2014.

Ten Largest Treated Water Customers of Water System - 2014

Customer	Consumption (a)	Percent of Top Ten Consumption	Billed Revenues	Percent of Top Ten Billed Revenues
Aurora Public Schools	236,619	20%	\$ 1,379,227	19%
University of Colorado Denver	204,489	17%	1,199,826	17%
City of Aurora	192,985	17%	1,253,900	17%
Buckley Air Force Base	149,819	13%	862,012	12%
Cherry Creek Schools	117,217	10%	848,699	12%
Niagra Bottling LLC	100,732	9%	623,129	9%
Tallyn's Reach Metro District	51,240	4%	325,990	4%
Children's Hospital Colorado	43,918	4%	260,163	4%
Medical Center of Aurora	37,782	3%	214,224	3%
Kingsley Management Corp	37,681	3%	211,014	3%
Total	<u>1,172,482</u>	<u>100%</u>	<u>\$ 7,178,184</u>	<u>100%</u>

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

Monthly Service Charge (b)

Meter Size	2010	2011	2012	2013	2014
5/8" & 3/4"	\$ 12.06	\$ 12.06	\$ 12.06	\$ 12.06	\$ 12.06
1"	17.77	17.77	17.77	17.77	17.77
1 1/4"	17.77	17.77	17.77	17.77	17.77
1 1/2"	27.31	27.31	27.31	27.31	27.31
2"	38.74	38.74	38.74	38.74	38.74
3"	69.23	69.23	69.23	69.23	69.23
4"	103.53	103.53	103.53	103.53	103.53
6"	198.81	198.81	198.81	198.81	198.81
8"	465.60	465.60	465.60	465.60	465.60

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

Average Daily and Peak Day Demand

In Millions of Gallons	2010	2011	2012	2013	2014
Average Daily Water Treatment Plant Influent	45.2	45.2	47.3	40.3	40.7
Average Daily Distribution	43.1	42.2	45.5	39.5	39.9
Peak Hour Distribution	112.8	140.6	156.4	145.5	124.0
Peak Day Water Treatment Plant Influent	85.4	87.4	90.8	84.8	81.5
Peak Day Distribution	81.4	83.7	88.5	83.9	78.3

EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Water Service Connection Fee

Type and Size of Connection	2010	2011	2012	Jan - Nov 2013	Dec 2013	2014
Single Family Detached						
5/8" & 3/4"	\$ 24,460	\$ 24,460	\$ 24,460	\$ 24,460	See Below Table	See Below Table
1"	45,156	45,156	43,700	43,700	See Below Table	See Below Table
Single Family Attached (per unit)	13,970	13,970	13,515	13,515	\$ 8,814	\$ 8,814
Multi-Family (per unit)	12,954	12,954	12,494	12,494	8,814	8,814
Commercial (b)						
5/8" & 3/4"	24,460	24,460	24,460	24,460	20,043	20,043
1"	42,365	42,365	42,365	42,365	35,876	35,876
1 1/2"	97,620	97,620	97,620	97,620	78,767	78,767
2"	173,374	173,374	173,374	173,374	143,104	143,104
3"	389,818	389,818	389,818	389,818	(a)	(a)
4"	693,500	693,500	693,500	693,500	(a)	(a)
6"	1,560,930	1,560,930	1,560,930	1,560,930	(a)	(a)
8"	2,775,412	2,775,412	2,775,412	2,775,412	(a)	(a)

- (a) Effective 12/1/2013, Commercial water service connection fees for meters greater than 2" will be determined on an individual basis.
- (b) The water service connection fees in this table are base charges. Commercial and Industrial process water demands will result in additional connection fees beyond the base charge. Process water fees are assessed at \$57.45/gallons per day. Documentation of process water must be submitted to and approved by Aurora Water Engineering prior to payment of connection fees.

Water Service Connection Fee

	Dec 2014
Single Family Detached	
Indoor Use:	
1-2 bathrooms	\$ 5,509
3-4 bathrooms	8,901
5+ bathrooms	15,425
Outdoor Use (Single Family Residential Detached and Single Family Residential Attached-Fee Simple Lots)	
Per Square Foot of Lot Size	0.941
Irrigation	
Non-water Conserving (per square foot of landscaped area)	2.75
Water Conserving (per square foot of landscaped area)	1.47

Tap and Development Fee Revenues(c)

Year	Tap Fee Revenues	Development Fee Revenue	Total Tap and Development Fees
2010	\$ 16,766,342	\$ 58,749	\$ 16,825,091
2011	13,689,898	125,460	13,815,358
2012	24,144,078	99,249	24,243,327
2013	21,949,651	53,926	22,003,577
2014	20,026,461	100,400	20,126,861

- (c) Development fees include main extension and front footage (2010-2012). Excludes annexation fees and fees reimbursed to others. Front footage fees were eliminated in 2013.

EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Tiered Usage Rates

Type of Account	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential/ Multifamily (less than 5 units)					
Tier 1- (0-20,000 gals)	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27	\$ 5.27
Tier 2- (20,001-40,000 gals)	6.00	6.00	6.00	6.00	6.00
Tier 3- (40,001 gals and above)	7.50	7.50	7.50	7.50	7.50
Multifamily (five or more units)					
Tier 1- (up to 100% allocation)	5.60	5.60	5.60	5.60	5.60
Tier 2- (greater than 100%)	6.16	6.16	6.16	6.16	6.16
Commercial					
Tier 1- (up to 100% allocation)	5.67	5.67	5.67	5.67	5.67
Tier 2- (greater than 100%)	6.24	6.24	6.24	6.24	6.24
Irrigation					
Tier 1- (up to 100% allocation)	6.48	6.48	6.48	6.48	6.48
Tier 2- (greater than 100%)	7.13	7.13	7.13	7.13	7.13

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

EXHIBIT C-6
CITY OF AURORA, COLORADO
WATER FUND
MAXIMUM ANNUAL DEBT SERVICE COVERAGE
FOR THE YEARS ENDED DECEMBER 31:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net Pledged Revenue					
Charges for Services	\$107,030,397	\$104,941,420	\$112,403,991	\$97,187,860	\$98,735,493
Roxborough One Time User Charge	—	—	—	—	26,293,425
Development Fee (a)	16,825,091	13,815,358	20,243,327	22,003,577	20,126,862
Other Non-Operating Revenue (b)	6,995,940	5,779,893	4,124,923	5,780,984	5,396,725
(Less) Operating Expense	(56,418,638)	(61,307,709)	(72,465,738)	(75,333,751)	(80,985,613)
Add: Depreciation	11,113,289	14,734,197	26,608,375	28,469,745	29,495,894
Total	<u>\$85,546,079</u>	<u>\$77,963,159</u>	<u>\$90,914,878</u>	<u>\$78,108,415</u>	<u>\$99,062,786</u>
Maximum Annual Debt Service					
First-Lien Revenue Obligations (c)	\$47,451,238	\$44,982,063	\$44,982,063	\$44,982,063	\$44,982,063
All Obligations Secured by Net Pledged Revenue (d)	51,867,114	49,397,939	49,397,939	49,397,939	49,397,939
All Obligations Payable From System Revenues (e)	51,867,144	n/a	n/a	n/a	n/a
Coverage					
First-Lien Revenue Obligations	1.80	1.73	2.02	1.74	2.20
Combined First-Lien Revenue Obligations and All Obligations Secured by Net Pledged Revenues	1.65	1.58	1.84	1.58	2.01
All Obligations Payable from Systems Revenues	1.65	n/a	n/a	n/a	n/a

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

(b) Includes investment income, insurance recoveries and other non-operating revenue. Excludes fair value and interest on urban drainage.

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

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

(e) Includes (d) 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 C-7
CITY OF AURORA, COLORADO
OPERATING HISTORY
WASTEWATER FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
OPERATING REVENUES					
Charges for services	\$ 49,747,055	\$ 50,363,242	\$ 51,687,414	\$ 53,202,354	\$ 56,250,431
Total operating revenues	<u>49,747,055</u>	<u>50,363,242</u>	<u>51,687,414</u>	<u>53,202,354</u>	<u>56,250,431</u>
OPERATING EXPENSES					
Cost of sales and services	32,702,625	34,431,787	35,896,465	39,732,792	42,138,859
Administrative expenses	1,436,412	1,773,448	1,401,569	1,403,135	1,006,166
Depreciation	7,264,609	8,328,611	8,756,083	8,866,969	9,530,485
Total operating expenses	<u>41,403,646</u>	<u>44,533,846</u>	<u>46,054,117</u>	<u>50,002,896</u>	<u>52,675,510</u>
Operating income	<u>8,343,409</u>	<u>5,829,396</u>	<u>5,633,297</u>	<u>3,199,458</u>	<u>3,574,921</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	1,576,473	1,591,702	1,462,276	541,454	1,152,389
Intergovernmental revenue	250,000	2,660,855	—	528,439	639,105
Miscellaneous revenue	3,586,581	90,289	5,148,986	22,540	29,104
Interest expense	38,429	(2,319,742)	(2,142,921)	(1,592,843)	(753,289)
Amortization expense	24,312	24,312	66,918	444,907	29,655
Gain (loss)-disposal capital assets	(658,635)	(2,649,007)	29,799	(85,195)	(158,999)
Loss on early extinguishment of debt	—	—	—	(2,184,549)	—
Net non-operating revenues (expenses)	<u>4,817,160</u>	<u>(601,591)</u>	<u>4,565,058</u>	<u>(2,325,247)</u>	<u>937,965</u>
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS					
	13,160,569	5,227,805	10,198,355	874,211	4,512,886
Capital contributions	<u>4,036,633</u>	<u>4,344,696</u>	<u>4,725,296</u>	<u>4,612,824</u>	<u>7,940,762</u>
INCREASE IN NET POSITION	<u>17,197,202</u>	<u>9,572,501</u>	<u>14,923,651</u>	<u>5,487,035</u>	<u>12,453,648</u>
NET POSITION - January 1, before restatement	<u>430,862,335</u>	<u>448,165,868</u>	<u>457,738,369</u>	<u>472,244,308</u>	<u>477,731,343</u>
Adjustment for accounting changes	106,331	—	(417,712)	—	—
NET POSITION - January 1, after restatement	<u>430,968,666</u>	<u>448,165,868</u>	<u>457,320,657</u>	<u>472,244,308</u>	<u>477,731,343</u>
NET POSITION - December 31	<u>\$ 448,165,868</u>	<u>\$ 457,738,369</u>	<u>\$ 472,244,308</u>	<u>\$ 477,731,343</u>	<u>\$ 490,184,991</u>

EXHIBIT C-7
CITY OF AURORA, COLORADO
OPERATING HISTORY
WASTEWATER FUND
SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
SOURCES					
Charges for services	\$ 49,730,302	\$ 50,312,760	\$ 51,636,913	\$ 53,147,904	\$ 56,186,631
Intergovernmental revenues	250,000	2,660,855	—	2,686,405	299,087
Investment income	2,225,016	1,669,328	1,325,143	1,127,788	961,426
Other revenues	3,789,649	3,304,306	6,637,525	4,650,466	6,260,381
Proceeds from sale of assets	15,723	8,095	39,426	10,634	2,568
Funds from restricted assets	296,631	—	1,716,209	335,376	—
Total sources	<u>56,307,321</u>	<u>57,955,344</u>	<u>61,355,216</u>	<u>61,958,573</u>	<u>63,710,093</u>
USES					
Operating Costs					
Operations group	37,808,537	40,315,106	47,053,956	64,537,429	44,707,496
Continuing Appropriations					
Operations group	<u>25,270,427</u>	<u>22,591,962</u>	<u>6,696,082</u>	<u>16,332,253</u>	<u>30,810,433</u>
Total uses	<u>63,078,964</u>	<u>62,907,068</u>	<u>53,750,038</u>	<u>80,869,682</u>	<u>75,517,929</u>
Change in funds available	(6,771,643)	(4,951,724)	7,605,178	(18,911,109)	(11,807,836)
Funds Available - January 1	<u>49,446,408</u>	<u>42,674,765</u>	<u>37,723,041</u>	<u>45,328,219</u>	<u>26,417,110</u>
Funds Available - December 31	<u>\$ 42,674,765</u>	<u>\$ 37,723,041</u>	<u>\$ 45,328,219</u>	<u>\$ 26,417,110</u>	<u>\$ 14,609,274</u>

EXHIBIT C-8
 CITY OF AURORA, COLORADO
 WASTEWATER FUND
 SEWER SYSTEM STATISTICS
 FOR THE YEARS ENDED DECEMBER 31:

Sanitary Sewer Usage and Revenues by Classification

<u>Classification</u>	<u>Percent of Consumption</u>	<u>Percent of Revenue</u>
Business	21%	20%
Residential	79%	80%
Totals	100%	100%

Customers by Class

<u>Classification</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential (1-4) units	70,469	71,405	72,138	73,229	74,205
Multi-Family (5+ units)	2,414	2,417	2,419	2,416	2,432
Commercial	2,981	2,852	2,873	2,889	2,935
Total	75,864	76,674	77,430	78,534	79,572

Ten Largest Customers of the Sanitary Sewer System

<u>Customer</u>	<u>Billed Revenues</u>
University of Colorado Denver	\$ 429,925
Niagra Bottling LLC	243,822
Buckley Air Force Base	237,368
Aurora Public Schools	147,463
Children's Hospital Colorado	115,482
Ridge Hill Apartments	112,129
Cherry Creek Schools	102,440
Kingsley Management Corp	94,164
Aurora JSK LLC	93,958
Medical Center of Aurora	93,355
Total	\$ 1,670,106

These ten customers accounted for 5% of the total billed sanitary sewer sales in 2014.

Sanitary Sewer Monthly Service Charge by Tap Size(a)

<u>Tap Size</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
5/8" and 3/4"	\$ 2.97	\$ 3.09	\$ 3.22	\$ 3.39	\$ 3.52
1" & 1 1/4"	7.06	7.35	7.65	8.05	8.36
1 1/2"	14.85	15.46	16.09	16.93	17.57
2"	23.74	24.71	25.72	27.06	28.09
3"	51.99	54.12	56.34	59.27	61.52
4"	148.57	154.66	161.00	169.37	175.81
6"	297.16	309.34	322.02	338.77	351.64

(a) The total monthly fee includes the monthly service charge plus a volume charge of \$3.23 per 1,000 gallons used.

**EXHIBIT C-8
CITY OF AURORA, COLORADO
WASTEWATER FUND
SEWER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:**

Sanitary Sewer Tap Fees by Service Size

Customer	2010	2011	2012	2013	2014
Single Family Detached (per unit)	\$ 2,388	\$ 2,421	\$ 2,771	\$ 2,400	\$ 2,400
Single Family Attached (per unit)	1,934	1,961	1,524	1,320	1,320
Multi-family (per unit)	1,863	1,889	1,413	1,224	1,224
Commercial (per tap size):					
$\frac{3}{4}$ "	4,537	4,601	5,264	4,560	4,560
1" & 1 $\frac{1}{4}$ "	10,746	10,896	12,468	10,800	10,800
1 $\frac{1}{2}$ "	26,268	26,636	30,477	26,400	26,400
2	47,760	48,429	55,413	48,000	48,000
3	100,296	101,700	116,368	100,800	100,800
4	181,488	184,029	210,571	182,400	182,400
6	(a)	(a)	(a)	(a)	(a)

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

Sewer Tap and Development Fee Revenues (b)

	2010	2011	2012	2013	2014
Sanitary Sewer Tap Fees	\$ 2,445,331	\$ 1,675,452	\$ 2,672,735	\$ 2,566,584	\$ 3,593,025
Utility- Front footage (c)	26,393	74,491	110,569	n/a	n/a
Total Tap and Development Fees	\$ 2,471,724	\$ 1,749,943	\$ 2,783,304	\$ 2,566,584	\$ 3,593,025

- (b) Development fees include main extensions and front footage (2009-2012), and exclude annexation, storm drain development and fees reimbursed to others.
- (c) Front footage fees were eliminated in 2013.

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 C-9

CITY OF AURORA, COLORADO
GOLF FUND

OPERATING HISTORY

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

	2010	2011	2012	2013	2014
OPERATING REVENUES					
Charges for services	\$ 8,328,381	\$ 7,932,907	\$ 8,613,543	\$ 8,015,101	\$ 8,148,950
Total operating revenues	8,328,381	7,932,907	8,613,543	8,015,101	8,148,950
OPERATING EXPENSES					
Cost of sales and services	6,354,240	5,833,016	6,046,894	5,937,423	6,650,737
Administrative expenses	1,301,004	1,201,625	1,486,693	949,763	358,928
Depreciation	1,016,788	967,807	918,161	916,830	907,876
Total operating expenses	8,672,032	8,002,448	8,451,748	7,804,016	7,917,541
Operating income (loss)	(343,651)	(69,541)	161,795	211,085	231,409
NON-OPERATING REVENUES (EXPENSES)					
Investment income	54,260	50,523	35,498	10,947	34,543
Miscellaneous revenue	32,561	14,966	21,745	12,874	2,152
Interest expense	(339,416)	(335,189)	(263,892)	(250,500)	(233,509)
Amortization expense	(27,545)	(27,545)	(12,364)	(12,364)	(12,364)
Gain (loss)-disposal capital assets	3,917	(17,218)	—	3,848	(227,671)
Net non-operating expenses	(276,223)	(314,463)	(219,013)	(235,195)	(436,849)
NET LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(619,874)	(384,004)	(57,218)	(24,110)	(205,440)
Capital contributions	—	358,704	2,331	—	8,400
Transfers in	—	—	325,000	150,000	150,000
INCREASE (DECREASE) IN NET POSITION	(619,874)	(25,300)	270,113	125,890	(47,040)
TOTAL NET POSITION - January 1, before restatement	24,927,256	24,307,382	24,282,082	24,505,257	24,631,147
Adjustment for change in accounting principle	—	—	(46,938)	—	—
TOTAL NET POSITION - January 1, after restatement	24,927,256	24,307,382	24,235,144	24,505,257	24,631,147
TOTAL NET POSITION - December 31	\$ 24,307,382	\$ 24,282,082	\$ 24,505,257	\$ 24,631,147	\$ 24,584,107

EXHIBIT C-10
CITY OF AURORA, COLORADO
GOLF FUND
GOLF COURSE ENTERPRISE SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Golf Course System Usage - Total Rounds Played

Course	2010	2011	2012	2013	2014
Aurora Hills	51,671	49,818	52,952	45,732	45,909
Centre Hills (b)	21,834	17,264	18,345	11,420	n/a
Fitzsimons	40,044	38,549	39,264	34,946	33,575
Meadow Hills	47,712	46,389	47,993	40,925	42,810
Murphy Creek	28,624	29,196	30,256	29,735	30,434
Saddle Rock	30,335	32,384	34,680	32,939	32,011
Springhill	34,544	30,260	33,313	28,373	31,269
Total	254,764	243,860	256,803	224,070	216,008

2014 Green Fee Rates

Fee Type (c)	Saddle Rock	Murphy Creek	Meadow Hills	Aurora Hills	Fitzsimons (a)	Springhill
18-Hole Weekday	\$40.00	\$38.00	\$33.00	\$28.00	\$26.00	\$24.00
18-Hole Weekend	51.00	48.00	39.00	32.00	30.00	28.00
18-Hole Junior Weekday	24.00	22.00	19.00	17.00	17.00	15.00
18-Hole Junior Weekend	27.50	26.50	22.00	20.00	20.00	18.00
18-Hole Senior Weekday/Weekend (d)	30.50	28.50	24.00	22.00	20.00	18.00
18-Hole Military Weekday	35.00	33.00	28.00	23.00	20.00	19.00
18-Hole Military Weekend	46.00	43.00	34.00	27.00	25.00	24.00
9-Hole Weekday	20.00	19.00	16.50	14.00	13.00	12.00
9-Hole Weekend	25.50	24.00	19.50	16.00	15.00	14.00
9-Hole Junior Weekday	12.00	11.00	9.50	8.50	8.50	7.50
9-Hole Junior Weekend	13.75	13.25	11.00	10.00	10.00	9.00
9-Hole Senior Weekday/Weekend (d)	15.25	14.25	12.00	11.00	10.00	9.00
9-Hole Military Weekday	17.50	16.50	14.00	11.50	10.00	9.50
9-Hole Military Weekend	23.00	21.50	17.00	13.50	12.50	12.00
Twilight	16.00	16.00	12.00	11.00	10.50	10.00

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

(b) This 9-hole golf course was permanently closed for business by end of September 2013.

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

(d) Exception to weekend fee starting at noon: Fitzsimons \$25.00 and Springhill \$22.00.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net Pledged Revenue					
Charges for services	\$8,328,381	\$7,932,907	\$8,613,543	\$8,015,101	\$8,148,950
Capital contributions (a)	—	—	—	—	—
Transfers in	—	—	—	—	—
Other non-operating revenue (b)	87,711	58,979	65,347	59,191	61,553
Less: Operating expenses (c)	(8,852,168)	(8,201,217)	(8,598,773)	(8,032,769)	(8,144,018)
Add back: Depreciation	1,016,788	967,807	918,161	916,830	907,876
Total	<u>\$580,712</u>	<u>\$758,476</u>	<u>\$998,278</u>	<u>\$958,353</u>	<u>\$974,361</u>
Maximum Annual Debt Service (d)					
Series 2005 bonds	\$539,300	\$539,300	\$539,300	\$539,300	\$539,300
Coverage					
Series 2005 bonds	1.08	1.41	1.85	1.78	1.81

(a) Includes lot premium and annexation fees.

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

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

(d) Maximum annual debt service is for the 2005 bonds only which occurred in 2006.

EXHIBIT C-12
CITY OF AURORA, COLORADO
GENERAL FUND
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
FOR THE YEAR ENDED DECEMBER 31, 2014

Class	Assessed Valuation Adams	Assessed Valuation Douglas	Assessed Valuation Arapahoe	Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	\$ 96,292,360	\$ 4,603,660	\$ 1,291,960,395	\$ 1,392,856,415	46.7%
Commercial	357,577,780	52,420	820,115,307	1,177,745,507	39.5%
Personal Property	155,588,310	-	-	155,588,310	5.2%
State Assessed	2,577,690	101,200	149,557,540	152,236,430	5.1%
Vacant	15,441,760	3,978,060	67,096,632	86,516,452	2.9%
Industrial	9,539,950	-	1,082,223	10,622,173	0.4%
Agricultural	927,960	9,850	1,174,907	2,112,717	0.1%
Oil and Gas	1,680,810	-	176,233	1,857,043	0.1%
Natural Resources	1,670	-	27,312	28,982	0.0%
Total	\$ 639,628,290	\$ 8,745,190	\$ 2,331,190,549	\$ 2,979,564,029	100.0%



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