

**Comprehensive
Annual Financial Report
City of Aurora, Colorado**

Year Ended December 31, 1998

**Prepared by
Finance Department
John Gross, Director
Ronald Craft, Controller
Monette Russ, Chief Accountant**

CITY OF AURORA, COLORADO

TABLE OF CONTENTS DECEMBER 31, 1998

	<u>Exhibit Number</u>	<u>Page Number</u>
INTRODUCTORY SECTION		
Letter of Transmittal - City Manager and Finance Director	-	i
Council Members	-	xii
Officials	-	xiii
Governmental Structure	-	xiv
Certificate of Achievement for Excellence in Financial Reporting	-	Cover
FINANCIAL SECTION		
Independent Auditors' Report	-	I
General Purpose Financial Statements		
Combined Financial Statements		
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Unit	I	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	II	8
Combined Statement of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual - Governmental Fund Types - General, Special Revenue, Debt Service and Capital Projects Funds	III	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) - All Proprietary Fund Types and Discretely Presented Component Unit	IV	12
Combined Statement of Changes in Plan Net Assets - All Pension Trust Funds	V	13
Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Unit	VI	14
Notes to Financial Statements	VII	16
Required Supplementary Information	VIII	75
Supplemental Information - Combining, Individual Fund and Account Group Financial Statements and Schedules		
General Fund		
Balance Sheet	A-1	77
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	A-2	78

CITY OF AURORA, COLORADO

TABLE OF CONTENTS DECEMBER 31, 1998

	<u>Exhibit Number</u>	<u>Page Number</u>
FINANCIAL SECTION (Continued)		
Supplemental Information - Combining, Individual Fund and Account Group Financial Statements and Schedules (Continued)		
Special Revenue Funds		
Combining Balance Sheet	B-1	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	84
Combining Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	B-3	86
Schedules of Expenditures and Appropriations		
Gifts and Grants Fund Capital Projects	B-4	92
Community Development Block Grant Fund Capital Projects	B-5	93
Conservation Trust Fund Capital Projects	B-6	95
Parks Development Fund Capital Projects	B-7	96
Debt Service Funds		
Combining Balance Sheet	C-1	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	98
Combining Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	C-3	99
Capital Projects Fund		
Balance Sheet	D-1	101
Statement of Revenues, Expenditures and Changes in Fund Balance	D-2	102
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	D-3	103
Schedule of Expenditures and Appropriations	D-4	104
Enterprise Funds		
Combining Balance Sheet	E-1	108
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	E-2	111
Combining Statement of Cash Flows	E-3	112
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	E-4	114
Schedules of Expenditures and Appropriations		
Water Fund Capital Projects	E-5	116
Sewer Fund Capital Projects	E-6	118
Golf Fund Capital Projects	E-7	119

CITY OF AURORA, COLORADO

TABLE OF CONTENTS DECEMBER 31, 1998

	<u>Exhibit Number</u>	<u>Page Number</u>
FINANCIAL SECTION (Continued)		
Supplemental Information - Combining, Individual Fund and Account Group Financial Statements and Schedules (Continued)		
Internal Service Funds		
Combining Balance Sheet	F-1	122
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)	F-2	125
Combining Statement of Cash Flows	F-3	126
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	F-4	128
Schedule of Expenditures and Appropriations - Building Repair Fund Capital Projects	F-5	131
Trust and Agency Funds		
Combining Balance Sheet	G-1	133
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds	G-2	134
Combining Statement of Changes in Assets and Liabilities - Agency Funds	G-3	135
General Fixed Assets Account Group		
Combining Schedule of Fixed Assets by Source	H-1	137
Combining Schedule of General Fixed Assets by Function and Activity	H-2	138
Combining Schedule of Changes in General Fixed Assets by Function and Activity	H-3	139
General Long-Term Debt Account Group		
Combining Schedule of General Long-Term Debt	H-4	140
Other Schedules		
Schedule of Indebtedness - All Funds	I-1	141
Schedules of Debt Service Requirements		
General Long-Term Debt	I-2	142
Proprietary Funds	I-3	143
Schedule of Conduit Debt Outstanding	I-4	144
Counties, Cities, & Towns Annual Schedule of Receipts & Expenditures for Roads, Bridges and Streets	I-5	145

CITY OF AURORA, COLORADO

TABLE OF CONTENTS DECEMBER 31, 1998

	<u>Exhibit Number</u>	<u>Page Number</u>
FINANCIAL SECTION (Continued)		
Supplementary Financial Disclosures		
Aurora Urban Renewal Authority Tax Increment Revenue Refunding Bonds, Series 1996 Disclosure Report	J-1	149
General Obligation Water Refunding Bonds, Series 1996 Disclosure Report	J-2	153
Golf Course Enterprise System Revenue Bonds, Series 1995 Disclosure Report	J-3	156
Special Assessment Refunding Bonds, Disclosure Report	J-4	159
STATISTICAL SECTION		
About the Statistical Tables		161
Revenues and Expenditures Statistics		
Governmental Expenditures by Function - Bar Chart	i	166
Governmental Expenditures by Function	ii	167
Governmental Revenues by Source - Bar Chart	iii	168
Governmental Revenues by Source	iv	169
Governmental Tax Revenues by Source - Bar Chart	v	170
Governmental Tax Revenues by Source	vi	171
Taxes and Assessments Statistics		
Property Tax Levies and Collections	vii	173
Special Assessment Collections	viii	174
Assessed and Estimated Actual Value of Taxable Property	ix	175
Property Tax Rates - Direct and Primary Overlapping Governments	x	176
Debt Statistics		
Computation of Legal Debt Margin	xi	177
Direct and Overlapping General Obligation Debt	xii	178
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Expenditures	xiii	179
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt per Capita	xiv	180
Schedule of Revenue Bond Coverage	xv	181
Economic and Demographic Statistics		
Property Values and Construction	xvi	183
Demographic Statistics	xvii	184
Major Employers	xviii	185
Ten Principal Property Taxpayers	xix	186
Miscellaneous Statistical Data	xx	187



CITY MANAGER'S OFFICE

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

May 7, 1999

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, 1998. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. The City has included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The CAFR contains three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The Financial Section contains the independent auditors' report, combined financial statements, notes to the statements, required supplementary information and combining and individual fund statements and schedules. The Statistical Section includes selected financial and demographic information about the City. The CAFR includes all funds, account groups, and component units of the City. Entities considered to be component units under governmental accounting standards, include: the Aurora Colorado Municipal Building Corporation (ACMBC), Aurora Capital Leasing Corporation (ACLC), Aurora Urban Renewal Authority (AURA), General Employee's Retirement Plan (GERP) and the Fitzsimons Redevelopment Authority (FRA).

GOVERNMENTAL STRUCTURE, ECONOMIC CONDITION AND OUTLOOK

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

Aurora is a home-rule city that provides general government services including public works, water and sewer, parks and recreation, golf, and public safety services to 256,248 (1998 estimate) residents representing about 12% of the metro area.

The City is a major regional retail center with approximately 17% of the metro area retail space. There are 126 retail centers with at least 10,000 square feet each, encompassing approximately 10.0 million square feet. Over 45% of the retail square footage exists in large strip centers; however, the largest growth has been in single tenant users. The City has about 11.1% of the metro area industrial space, encompassing over 14.5 million square feet. About 90% of the space is industrial warehouse with the remainder being office showrooms.

Throughout 1998, the State economy remained healthy. Based on data collected by the Colorado Legislative Council, most of the indicators of State economic activity continued to exceed national indicators. The State's population increased by 2% in 1998, continuing the strong growth rate of the last seven years. Retail sales for the State as a whole grew by 6.4% in 1998. This continued the healthy growth of the last few years. Economic projections indicated that the growth rate will slow over the next few years, although growth has significantly increased through the first quarter of 1999. The City's 1998 sales tax growth of 5.9% was an increase from the 1997 growth of 4.7%. Although this growth rate is below the reported State sales growth rate, the City believes this difference in reported rates is because of significant measurement differences, and potentially because of new and expanded retail competition from retail facilities outside of Aurora.

During 1998, residential and commercial construction continued to be a major economic force in the metro area. In Aurora, construction permits were issued for 1,711 residential units, a very healthy level of growth. Private non-residential construction increased in the metro area. Again, the City kept pace with this trend. Permits were issued for 115 new commercial & industrial buildings; a 32% increase over the previous year which had also been an excellent construction year.

Economists predict continued, albeit slower, growth for the metro area over the next several years. Growth in population, consumer spending, and construction is expected to continue. There is substantial economic development activity in the City related to the Denver International Airport (DIA). That development has already had significant positive impact on City revenues and the impact is expected to continue to increase in the future.

Sales tax revenue growth for the first four months of 1999 has been stronger than expected. The actual growth rate for sales tax through April 1999, compared to the same four month period in 1998, is 14.0%. The City continues to emphasize retail development and is taking a proactive role in maintaining and enhancing its retail sales tax base.

The Aurora Economic Development Council reported that over 6,894 jobs were created in the City through development efforts in 1998. Various companies announced their intent to make capital investments totaling more than \$53 million in new or existing space in the City.

The State Constitution limits the increase in revenues the City may have in any year. Since the adoption of the revenue limit in 1992, the City has not exceeded that limit. In 1998, however,

there was a refund of property tax (not general revenues) of about \$1.7 million as a result of these limits. This refund was made by way of a temporary property tax credit early in 1999. The City anticipates refunds of property tax to continue in the future. The City does not budget for these "excess" property tax revenues and treats them as a "due to" the taxpayer as soon as they are received.

MAJOR INITIATIVES

FOR THE YEAR

Emphasis on Public Safety Public safety is a top priority for the City. The Aurora Police Department emphasizes community policing and has both a national and international reputation as a leader in this area. In 1998, six additional police officers were hired as part of an ongoing program to maintain the ratio of police officers at a minimum of two per thousand citizens. The program is funded by a special 1/4% sales tax approved by the voters. The Aurora Fire Department is one of the top fire departments in the country in terms of its capabilities and services provided to the citizens. It also is a leader in public/private partnerships having developed and implemented an innovative transport agreement between the Department and a private ambulance service which provides both basic and advanced life support services.

Redevelopment of Fitzsimons Army Hospital into a High-Tech Medical Research Facility The closure of the Fitzsimons Army Hospital in 1996 has presented a unique opportunity to Aurora. The Fitzsimons Redevelopment Authority created by the City has developed a long-term plan to acquire the Fitzsimons Hospital and much of the 577 acres of the hospital grounds and develop it as a high-tech medical research facility. The cornerstone of this development effort is the approved relocation of the University of Colorado Health Sciences Center to Fitzsimons. In 1999, construction will begin on a major bioscience center and the University will continue its fast paced relocation of many of its facilities to Fitzsimons. The successful development of this site is expected to have major long-term benefits to the City. The Fitzsimons redevelopment is only one of three major redevelopments surrounding the older part of Aurora, called Original Aurora. The extremely successful ongoing redevelopment of the Lowry Air Force Base also borders on Original Aurora as does the Stapleton Airport site, a key redevelopment site for the City and County of Denver.

Residential Development A goal of the City is to attract more high-quality residential development within the City. An agreement with a developer resulted in the construction of high-end homes surrounding a championship golf course. The course, called Saddle Rock, was paid for and built by the City in 1996. Revenues from the course are expected to pay both for its operation and debt service. The golf course opened to the public in July 1997 and is extremely popular. In addition to Saddle Rock, the Aurora Reservoir/E-470 area in southeast Aurora is planned for a residential population of 70,000. Three additional golf course communities are

planned in the area by various developers. One of these developments, Murphy Creek, will feature another City owned and operated championship level golf course.

Airport Related Development The Denver International Airport (DIA) is on the northern border of Aurora. As a result, the airport provides superb development opportunities for Aurora, both in the short-term and the long-term. In the three and a half years since the airport opened, seven hotels with over 1,000 rooms and 20 office warehouses have been constructed in the Airport Boulevard area. Other industrial and commercial ventures, including a regional cargo center are being planned and discussed. The City expects active development to continue in Aurora near the airport, including the continuation of industrial development and the newly developing office market.

E-470 Beltway The E-470 toll highway traverses the eastern perimeter of the metro area; much of it is in eastern Aurora. All portions are now open that serve Aurora and connect Aurora to the airport through E-470. The final Aurora related segment opened in May 1999. Initial traffic volumes have exceeded projections. When the entire highway is completed, the beltway will extend from C-470 south of the Denver Tech Center, through Aurora and the western edge of DIA, and intersect with Interstate 25 north of the metro area. The City expects this beltway to have a material positive long-term impact on retail, commercial and residential growth in Aurora similar in scale to that generated by DIA.

Retail Development A 500,000 square foot shopping center (Arapahoe Crossings) is in the latter stages of construction with the major anchors scheduled to be completed by the fall of 1999. It is located in the fast growing southeast portion of Aurora. Other large box retail infill and theater projects were completed in 1998 and others are in planning or under construction. With the opening of the Alameda/Interstate 225 Interchange in the year 2000, additional regional retail is expected in the City Center area (near the interchange). Developers are actively exploring projects for this area. The City is likely to help ensure this development through land assembly and other types of assistance.

Capital Funding The City Council continued its commitment to higher levels of ongoing capital funding, specifically the transfer of 100% of materials and equipment use tax and 4% of other general fund revenues to capital and debt service uses. 1998 was the first year of funding at the full 4% level.

FOR THE FUTURE

The City plans to continue to emphasize the provision of quality basic services and to maintain its infrastructure. Over the last several years, the City has worked to maintain or improve services with minimal cost increases to citizens and has also increased its funding of capital improvement projects. These efforts have made Aurora a good location for both residents and businesses. Growth issues will be a major focus over the next few years. The City will be

balancing the needs of existing service areas with the requirements to expand services to the newly developing areas. The revenue from the expansion of the City is expected to be used to provide services to these new areas.

The City is in an enviable position to benefit from development as a result of the opening of DIA and the new sections of the E-470 toll highway, as well as from the general economic growth and health of the metro area. It is important for the City to take advantage of this expansion, and the opportunity to develop Fitzsimons Hospital into a major medical research site, to maintain and expand the City's economic base.

The City expects to remain strong financially. Management will continue to watch for changes in the economy that require action, and the City will remain cautious about the level of revenue increases over the next few years. The City has substantially increased its emphasis on attracting and retaining quality retail development in the City to support future growth in sales tax revenue.

Barring a change in the national economy, revenue growth is likely to be relatively constant over the next several years. The City anticipates that new development will help revenue growth for several years. It is the City's intent to continue to limit operating expenditures to generally match operating revenues.

DEPARTMENT FOCUS – INFORMATION TECHNOLOGY

The goal of the Information Technology Department is to provide internal support for office and field technology to other City departments, elected officials and the general citizenry as needed. The Department also researches and develops recommendations regarding new technology and applications and interacts with senior City management and the City Council for the purpose of developing, reviewing and implementing policy decisions for maximizing resources through the application of technology.

The Department consists of four divisions: Client Services, Systems and Networking, Software Applications and IT Administration.

Client Services is responsible for the City's desktop environment. The primary mission of the division is customer service. More specifically, the division is responsible for the procurement and management of personal computer systems and peripheral devices, and the timely resolution of client issues. The City's radio communications operation is also managed within this division and covers the daily operational issues affecting mobile radio operations as well as the development and maintenance of the radio system infrastructure.

Systems and Networking responsibilities include management of the daily operations of the City's primary hardware systems and networking infrastructure. The division is responsible for

maintaining the data center operations and is also responsible for the City's telephone infrastructure.

Software Applications is responsible for the development and management of City software applications. Examples of applications include the Financial Management System, the Tax and Licensing System and the Plans Tracking System. The division also has responsibility for the GIS (Geographical Information System) infrastructure and applications and the E-911 and CAD (Computer Aided Dispatch) Systems. All Year 2000 (Y2K) responsibilities, including issue identification, resolution and education, are also managed by the division.

IT Administration manages the financial, purchasing, and other support functions of the Department.

Over the past several years, the Information Technology Department has been recognized by senior City management and the City Council as a key player in the future growth of the City. The Department has been funded for continued growth in voice and data communications and also in hardware and software applications. The City upgraded its E-911 System in 1998 and plans to replace the CAD System during 1999. The City's information technology vision includes a Plans Tracking System and a new Tax and Licensing System. Both projects will be completed during 1999. Future projects include an Enterprise Imaging System and the acquisition and deployment of new radio communications and public safety communications technology. The City will also continue upgrading and improving existing information technology infrastructure. Evidencing the long-range vision of the City Council and its commitment to technology, the City of Aurora has received both national and international recognition for its innovative use of advanced technology.

FINANCIAL INFORMATION

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

Budgeting Controls The City maintains budgetary control over its expenditures. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Operating activities of the General, Special Revenue, Debt Service, Capital Projects, Internal Service, and Enterprise

Funds are included in the annual appropriated budget. The level of budgetary control is by department. However, for a number of funds, there is only one department so that the effective level of control for those funds is the fund level. Project-length budgets are adopted for capital projects and certain grants. The level of budgetary control on project length budgets is at project within fund. The City also uses encumbrances as a technique of accomplishing budgetary control. Encumbered amounts outstanding at year end are carried forward to the next year. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound operational and financial management.

General Government Functions The following schedule presents a summary of revenues for the General, Special Revenue, Debt Service, and Capital Projects Funds for the year ended December 31, 1998 and increases or decreases in relation to prior year revenues.

<u>Revenues</u>	<u>1998 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1997</u>	<u>% Increase (Decrease) From 1997</u>
Taxes	\$138,512,632	73.9%	\$10,883,229	8.5%
Special Assessments	667,666	0.3%	(38,960)	(5.5%)
Licenses and Permits	4,703,725	2.5%	609,841	14.9%
Intergovernmental	19,619,408	10.5%	(3,553,275)	(15.3%)
Charges for Services	11,438,078	6.1%	1,112,831	10.8%
Fines and Forfeitures	3,883,813	2.1%	815,081	26.6%
Interest	6,108,022	3.3%	781,035	14.7%
Miscellaneous	<u>2,469,050</u>	<u>1.3%</u>	<u>(1,071,220)</u>	<u>(30.3%)</u>
Total Revenues	<u>\$187,402,394</u>	<u>100.0%</u>	<u>\$9,538,562</u>	5.4%

Revenue increased by \$9.5 million dollars in 1998 as compared to 1997. This increase was primarily due to growth in the retail and construction sectors. Sales, use and lodgers tax revenues increased \$8.8 million over 1997. The decrease in intergovernmental revenues reflected certain one-time "on-behalf" State contributions for police and fire death and disability insurance plus additional government grants which had been received in 1997. Charges for services increased due to the addition of ambulance service revenue and an additional surcharge for E-911 wireless, both new in 1998. Miscellaneous revenues were down due to Single Family Mortgage Revenue Bond money received in 1997 but not in 1998.

The following schedule presents a summary of expenditures for the General, Special Revenue, Debt Service, and Capital Projects Funds for the year ended December 31, 1998 and increases or decreases in relation to prior year expenditures.

<u>Expenditures</u>	<u>1998 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1997</u>	<u>% Increase (Decrease) From 1997</u>
Current				
General Government	\$35,964,131	19.2%	\$1,395,636	4.0%
Public Safety	74,457,704	39.8%	81,990	0.1%
Public Works	24,163,364	12.9%	493,330	2.1%
Culture & Recreation	25,749,696	13.8%	1,674,332	7.0%
Debt Service				
Principal	5,544,612	3.0%	(1,281,373)	(18.8%)
Interest	2,440,873	1.3%	(325,872)	(11.8%)
Capital Outlay	<u>18,657,436</u>	<u>10.0%</u>	<u>5,903,852</u>	<u>46.3%</u>
Total Expenditures	<u>\$186,977,816</u>	<u>100.0%</u>	<u>\$7,941,895</u>	<u>4.4%</u>

Total governmental fund expenditures increased by \$7.9 million dollars in 1998 as compared to 1997. This included an increase of \$5.9 million for capital outlay due mainly to construction on the Alameda/I-225 Interchange. Debt service expenditures decreased by \$1.3 million due to the payoff of an interfund loan in 1997.

General Fund The fund balance of the General Fund as of December 31, 1998 was \$41,185,628. Of this \$41.2 million, \$1.3 million (committed for encumbrances) and \$12 million (sales, use and lodgers tax accrual) were considered unavailable for appropriation. Of the \$27.9 million funds available for appropriation, \$10.9 million was reserved for the voter approved two per thousand police activities. The remaining \$17 million is available for general activities of the City. According to City policy, the General Fund funds available (including the reserved amounts) should be maintained at 10% or greater of its operating expenditures plus general obligation debt service for each year. The 1998 funds available balance was in compliance with this policy.

Enterprise Funds The City operates three enterprise funds: water utilities, sewer utilities, and golf courses.

The Water Fund revenues and expenses were \$32,718,668, and \$12,894,040 respectively. Income available for debt service in 1998 was \$19,824,628 and the annual debt service was \$14,301,600.

The Sewer Fund revenues and expenses calculated in accordance with bond covenants were \$24,788,826, and \$14,678,050 respectively. Income available for debt service for 1998 was \$10,110,776, and the annual debt service was \$2,609,698. The debt service coverage ratio was 3.87 in 1998, which exceeded the required ratio of 1.30.

The Golf Fund revenues and expenses calculated in accordance with bond covenants were \$6,534,361 and \$4,572,949 respectively. Income available for debt service for 1998 was \$1,961,412, and the average annual debt service was \$649,055. The debt service coverage ratio was 3.02 in 1998 which exceeded the required ratio of 1.50.

Pensions The City provides seven pension plans. The General Employees' Retirement Plan is a contributory defined benefit plan and the Elected Officials' Pension Plan is a non-contributory defined benefit plan. In addition, the City contributes to the State of Colorado's Fire and Police Pension Funds (two plans) for full-time firefighters and police officers hired before April 7, 1978. The City also has three money purchase defined contribution pension plans, two for firefighters and police officers hired on or after April 8, 1978 and one for City executive personnel. Details concerning the pension plans are included in the Notes to the Financial Statements in the accompanying financial report.

Debt Administration As of December 31, 1998, the City had outstanding bonded debt of \$177,345,000 (excluding unamortized bond discounts). These issues included \$16,695,000 in general obligation debt supported by the General Fund, \$115,030,000 in general obligation water revenue debt, special assessment debt of \$840,000, sewer revenue bonds of \$7,810,000, golf revenue bonds of \$6,920,000 and includable entity debt of \$30,050,000. The City has an A1 rating by Moody's Investor's Service and an A+ rating by Standard & Poor's on its sewer revenue bonds. The City's General Obligation Bonds continue to be rated by Moody's Investor Service at A1 and by Standard & Poor's at AA-. The City Charter requires that the City's legal debt limit be based on 3% of total assessed value of real property. As of December 31, 1998, the City's net general obligation bonded debt was \$12,534,328; well below the legal limit of \$46,314,508. The 1995 Public Safety General Obligation Bonds of \$4,065,000 are not included in the \$12,534,328 figure, as these bonds were exempted from the debt limit by voter approval. The per capita amount of total general obligation bonded debt of \$16,695,000, including the exempted bonds, was \$65.

Cash Management The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized under the Colorado Public Deposit Protection Act (PDPA). The City accumulates its deposits in a cash and investment pool to maximize investments. During 1998, investments included U.S. Government securities, commercial paper and bankers acceptances, corporate bonds and notes, and local government pool (COLOTRUST).

As of December 31, 1998, the City's financial resources, including bank deposits and investments in the City's cash and investment pool, were allocated as follows:

	<u>% of Resources</u>
Bank deposits	.6
U.S. Government securities	69.9
Corporate bonds and notes	15.6
Commercial paper	11.4
Local government pool (COLOTRUST)	2.5
	<u>100.0%</u>

The average yield on investments was 5.73% for 1998. This performance may be compared to the average yield of 4.91% for the 90-day U.S. Treasury Bill and 5.05% for the 1-year U.S. Treasury Bill. The City earned interest revenue of \$10.2 million on the City's pooled investments for the year ended December 31, 1998.

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

OTHER INFORMATION

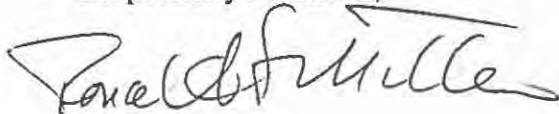
Independent Audit The City Charter requires an annual audit by independent certified public accountants selected by the City Council. The opinion of KPMG LLP on the City's financial statements is included in the financial section of this CAFR.

Awards The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 1997. The Certificate of Achievement is a prestigious national award recognizing 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 twelve consecutive years. We believe that our current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement program and we are submitting it to the GFOA.

Acknowledgments The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has our sincere appreciation for the contribution made in preparation of this report. Finally, we wish to thank the Mayor and City Council, and the City staff for their continued support.

Respectfully submitted,



Ronald S. Miller
City Manager



John Gross
Finance Director

Council Members



Ron Miller
City Manager



Mayor Paul E. Tauer



Nadine Caldwell
Ward I



Kathy M. Green
Ward II



Ingrid Lindemann
Ward III



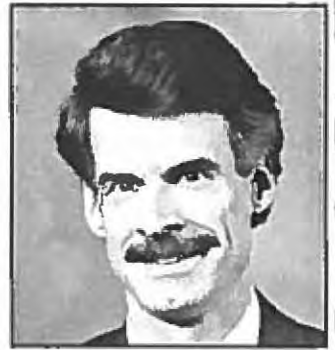
John S. Paroske
Ward IV



Barbara Cleland
Ward V



Dave Williams
Mayor Pro-Tem, Ward VI



Bob LeGare
At-Large



John R. McCracken
At-Large



Edna W. Mosley
At-Large



Ed Tauer
At-Large

OFFICIALS

City of Aurora, Colorado



City Council

Paul E. Tauer
Mayor

Nadine Caldwell
Barbara Cleland
Bob LeGare
Kathy M. Green

Ingrid Lindemann
Edna W. Mosley
John R. McCracken
John S. Paroske

Dave Williams
Ed Tauer

City Manager

Ron Miller

Nancy Freed
Deputy City Manager
Community Services

Katherine Svoboda
Deputy City Manager
Administration

Frank Ragan
Deputy City Manager
Operations

Janice Napper
Assistant City Manager

Council Appointees

Zelda DeBoyes.....Court Administrator
Steven Fisher.....Presiding Judge
Charles H. Richardson.....City Attorney

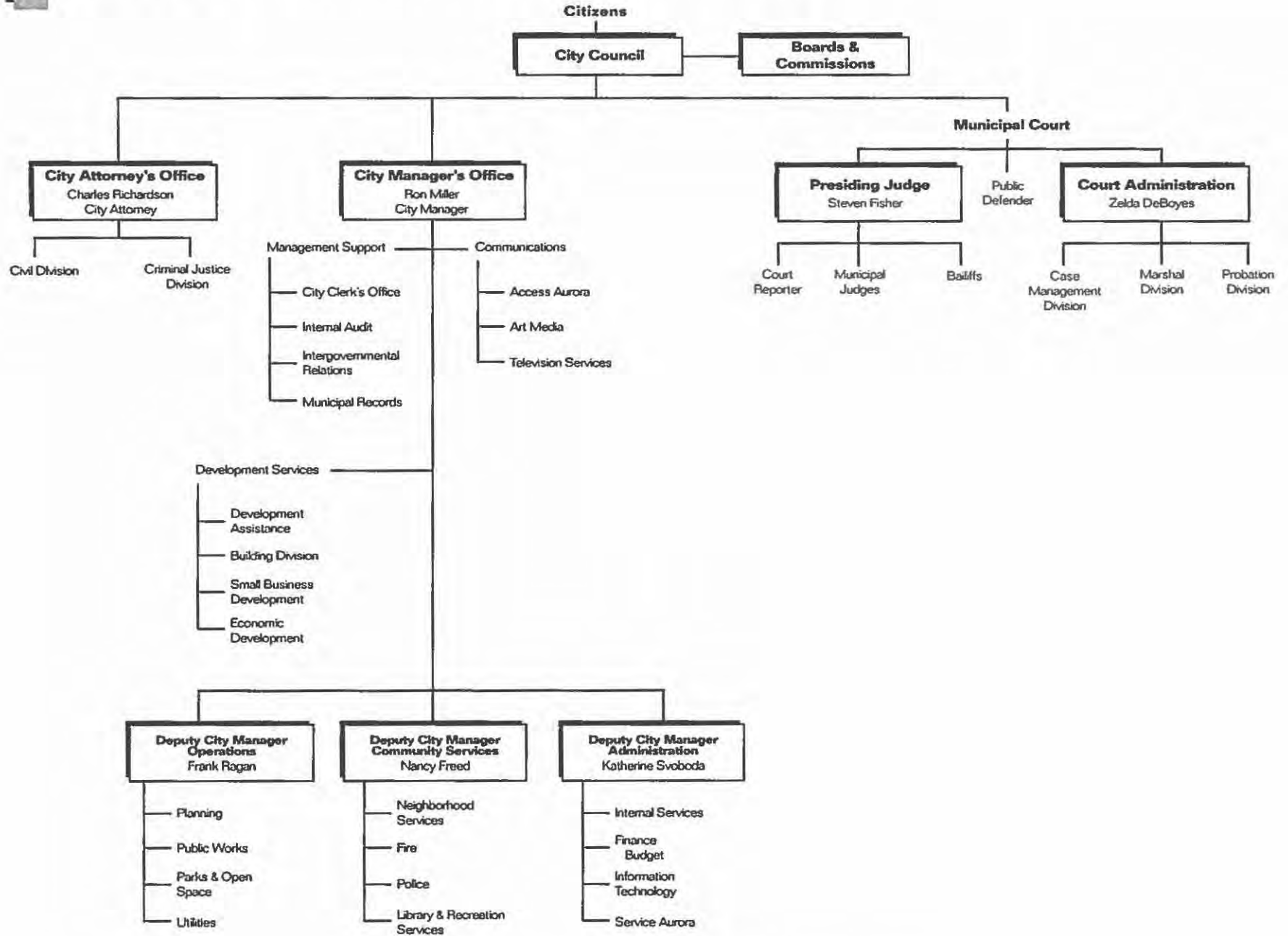
Department Directors

Denise Balkas.....Director of Planning
Ray Barnes.....Fire Chief
Jack Cooper.....Director of Parks and Open Space
Kristie A. Denbrock-Porter.....Director of Communications
Tom Griswold.....Director of Utilities
John Gross.....Director of Finance
Darrell Hogan.....Director of Public Works
Dinah Lewis.....Director of Internal Services
Thomas P. Nicholas.....Director of Library & Recreation Services
Mark C. Pray.....Director of Information Technology
V.R. Saint Vincent.....Chief of Police
Nancy Sheffield.....Director of Neighborhood Services
Dianne Truwe.....Director of Development Services



City of Aurora GOVERNMENTAL STRUCTURE

12/98





707 Seventeenth Street
Suite 2300
Denver, CO 80202

Independent Auditors' Report

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

We have audited the accompanying general purpose financial statements of the City of Aurora, Colorado (the City) as of and for the year ended December 31, 1998, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the General Employees' Retirement Plan (GERP), which represent effectively 100 percent of the trust and agency funds' assets. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for GERP, is based on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. The financial statements of GERP were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund types and discretely presented component unit for the year then ended in conformity with generally accepted accounting principles.

As discussed in Notes 2 and 8, respectively, to the general purpose financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, for the year ended December 31, 1998.



The schedule of funding progress and the year 2000 information on pages 75 and 76, respectively, are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedule of funding progress certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedule. We were unable to apply certain of these limited procedures to the year 2000 information because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the City is or will become year 2000 compliant, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business are or will become year 2000 compliant.

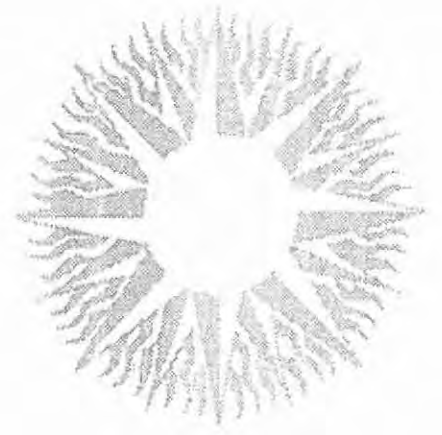
In accordance with *Government Auditing Standards*, we have also issued a report dated May 7, 1999 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

KPMG LLP

May 7, 1999



General Purpose Financial Statements

EXHIBIT I

CITY OF AURORA, COLORADO

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 1998**

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS						
ASSETS						
Cash and cash equivalents	\$ 204,027	\$ 11,048	\$ 3,961,278	\$ —	\$ 8,820	\$ —
Equity in cash and cash equivalents	707,634	2,006,983	90,542	562,739	1,125,561	209,849
Investments	—	—	—	—	—	—
Equity in investments	31,704,806	11,596,879	3,627,175	24,196,248	50,489,046	9,024,237
Designated equity in investments	—	37,676	—	—	24,765,290	—
Receivables - net of allowance for uncollectibles						
Taxes	27,961,560	—	1,557,587	—	—	—
Accounts	2,508,878	248,301	—	81,909	5,524,419	1,930
Special assessments	—	—	1,564,515	—	—	—
Accrued interest	331,777	45,207	51,852	75,994	316,336	30,823
Designated accrued interest	—	—	—	—	129,825	—
Loans	57,766	10,321,615	—	—	—	—
Other	88,730	167,327	24,381	—	84,142	1,860
Due from other funds	354,677	207,000	37,220	700,000	—	—
Due from other governments	1,045,333	1,666,938	—	—	—	—
Inventory	—	—	—	—	313,411	410,425
Restricted assets						
Cash and cash equivalents	—	—	757,221	—	—	—
Equity in cash and cash equivalents	—	301,025	—	—	—	—
Investments	—	—	3,690,273	—	4,337,601	—
Equity in investments	—	—	403,468	7,832,312	—	—
Accrued interest	—	—	—	35,626	—	—
Deferred charges	—	—	—	—	476,281	—
Long-term interfund receivable	—	—	—	—	6,400,000	—
Equity in joint venture	—	—	—	—	1,597,082	—
Land and water rights	—	—	—	—	145,554,003	—
Buildings and improvements	—	—	—	—	36,186,564	176,805
Improvements other than buildings	—	—	—	—	432,269,704	—
Machinery and equipment	—	—	—	—	19,361,895	1,109,910
Accumulated depreciation	—	—	—	—	(101,945,081)	(994,183)
Construction in progress	—	—	—	—	30,102,362	—
OTHER DEBITS						
Amounts available in debt service funds	—	—	—	—	—	—
Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—
TOTAL ASSETS AND OTHER DEBITS	\$ 64,965,188	\$ 26,609,999	\$ 15,765,512	\$ 33,484,828	\$ 657,097,261	\$ 9,971,656

See notes to financial statements.

Fiduciary Fund Types Trust and Agency	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit Fitzsimons Redevelopment Authority	Totals Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long- Term Debt			
\$ 5,429,919	\$ —	\$ —	\$ 9,615,092	\$ 109,930	\$ 9,725,022
139,011	—	—	4,842,319	—	4,842,319
169,790,663	—	—	169,790,663	—	169,790,663
—	—	—	130,638,391	—	130,638,391
—	—	—	24,802,966	—	24,802,966
—	—	—	29,519,147	—	29,519,147
—	—	—	8,365,437	—	8,365,437
—	—	—	1,564,515	—	1,564,515
1,172,434	—	—	2,024,423	—	2,024,423
—	—	—	129,825	—	129,825
—	—	—	10,379,381	—	10,379,381
2,031,561	—	—	2,398,001	25,324	2,423,325
814	—	—	1,299,711	—	1,299,711
200,053	—	—	2,912,324	112,214	3,024,538
—	—	—	723,836	—	723,836
—	—	—	757,221	—	757,221
—	—	—	301,025	—	301,025
—	—	—	8,027,874	—	8,027,874
—	—	—	8,235,780	—	8,235,780
—	—	—	35,626	—	35,626
—	—	—	476,281	31,905	508,186
—	—	—	6,400,000	—	6,400,000
—	—	—	1,597,082	—	1,597,082
—	17,182,469	—	162,736,472	52,085	162,788,557
—	76,351,519	—	112,714,888	—	112,714,888
—	14,807,443	—	447,077,147	115,823	447,192,970
64,854	56,746,146	—	77,282,805	49,352	77,332,157
(57,426)	—	—	(102,996,690)	(54,188)	(103,050,878)
—	254,230	—	30,356,592	316,736	30,673,328
—	—	7,216,874	7,216,874	—	7,216,874
—	—	56,041,739	56,041,739	—	56,041,739
<u>\$ 178,771,883</u>	<u>\$ 165,341,807</u>	<u>\$ 63,258,613</u>	<u>\$ 1,215,266,747</u>	<u>\$ 759,181</u>	<u>\$ 1,216,025,928</u>

(Continued)

EXHIBIT I

CITY OF AURORA, COLORADO

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 1998**

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
LIABILITIES, EQUITY AND OTHER CREDITS						
LIABILITIES						
Accounts payable	\$ 2,048,260	\$ 367,148	\$ —	\$ 425,550	\$ 5,563,438	\$ 390,891
Accrued liabilities	3,326,772	229,181	90,305	55,000	1,298,515	71,321
Accrued claims payable	—	—	—	—	—	8,877,894
Accrued compensated absences	—	—	—	—	1,630,036	304,455
Funds held for others	211,591	87,064	—	—	21,500	—
Due to other funds	245,034	306,022	748,655	—	—	—
Due to other governments	67,250	—	—	—	—	—
Due to private grantors	—	67,250	—	—	—	—
Deferred revenues	17,880,653	10,920,920	3,057,787	—	—	—
General obligation bonds payable	—	—	—	—	115,030,000	—
Unamortized bond discounts	—	—	—	—	(4,139,607)	—
Deferred amount on refunding	—	—	—	—	(80,212)	—
Revenue bonds payable	—	—	—	—	14,730,000	—
Certificates of participation	—	—	—	—	—	—
Special assessment debt with governmental commitment	—	—	—	—	—	—
Capitalized leases	—	—	—	—	286,426	—
Long-term interfund payable	—	—	—	—	6,400,000	—
Total liabilities	23,779,560	11,977,585	3,896,747	480,550	140,740,096	9,644,561
EQUITY AND OTHER CREDITS						
Investment in general fixed assets	—	—	—	—	—	—
Contributed capital	—	—	—	—	331,226,151	286,841
Retained earnings						
Reserved for debt service	—	—	—	—	3,725,747	—
Reserved for repair and replacement	—	—	—	—	631,850	—
Unreserved	—	—	—	—	180,773,417	40,254
Fund balances						
Reserved						
Reserved for employee pension benefits	—	—	—	—	—	—
Reserved for encumbrances						
Operating	1,308,791	403,207	—	—	—	—
Capital projects	—	533,883	—	3,856,981	—	—
Reserved for police	10,865,085	301,025	—	2,362	—	—
Reserved for debt service	—	—	5,006,782	—	—	—
Reserved for emergencies	—	4,807,000	—	—	—	—
Reserved for construction	—	—	—	7,781,878	—	—
Unreserved						
Designated for subsequent year expenditures						
Budget	—	1,272,293	1,187,787	1,900,765	—	—
Capital projects	—	2,661,671	—	19,298,248	—	—
Designated for long-term liabilities	12,045,425	—	—	—	—	—
Undesignated	16,966,327	4,653,335	5,674,196	164,044	—	—
Total equity and other credits	41,185,628	14,632,414	11,868,765	33,004,278	516,357,165	327,095
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 64,965,188	\$ 26,609,999	\$ 15,765,512	\$ 33,484,828	\$ 657,097,261	\$ 9,971,656

See notes to financial statements.

Fiduciary Fund Types Trust and Agency	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit Fitzsimons Redevelopment Authority	Totals Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long- Term Debt			
\$ 1,861,559	\$ —	\$ —	\$ 10,656,846	\$ 156,494	\$ 10,813,340
—	—	—	5,071,094	62,930	5,134,024
—	—	—	8,877,894	—	8,877,894
—	—	14,624,097	16,558,588	3,561	16,562,149
139,177	—	—	459,332	—	459,332
—	—	—	1,299,711	—	1,299,711
—	—	—	67,250	—	67,250
—	—	—	67,250	—	67,250
—	—	—	31,859,360	—	31,859,360
—	—	16,695,000	131,725,000	—	131,725,000
—	—	—	(4,139,607)	—	(4,139,607)
—	—	—	(80,212)	—	(80,212)
—	—	2,965,000	17,695,000	—	17,695,000
—	—	27,085,000	27,085,000	—	27,085,000
—	—	840,000	840,000	—	840,000
—	—	1,049,516	1,335,942	—	1,335,942
—	—	—	6,400,000	—	6,400,000
<u>2,000,736</u>	<u>—</u>	<u>63,258,613</u>	<u>255,778,448</u>	<u>222,985</u>	<u>256,001,433</u>
—	165,341,807	—	165,341,807	—	165,341,807
—	—	—	331,512,992	382,412	331,895,404
—	—	—	3,725,747	—	3,725,747
—	—	—	631,850	—	631,850
—	—	—	180,813,671	153,784	180,967,455
176,771,147	—	—	176,771,147	—	176,771,147
—	—	—	1,711,998	—	1,711,998
—	—	—	4,390,864	—	4,390,864
—	—	—	11,168,472	—	11,168,472
—	—	—	5,006,782	—	5,006,782
—	—	—	4,807,000	—	4,807,000
—	—	—	7,781,878	—	7,781,878
—	—	—	4,360,845	—	4,360,845
—	—	—	21,959,919	—	21,959,919
—	—	—	12,045,425	—	12,045,425
—	—	—	27,457,902	—	27,457,902
<u>176,771,147</u>	<u>165,341,807</u>	<u>—</u>	<u>959,488,299</u>	<u>536,196</u>	<u>960,024,495</u>
<u>\$ 178,771,883</u>	<u>\$ 165,341,807</u>	<u>\$ 63,258,613</u>	<u>\$ 1,215,266,747</u>	<u>\$ 759,181</u>	<u>\$ 1,216,025,928</u>

(Concluded)

EXHIBIT II**CITY OF AURORA, COLORADO****COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General</u>	<u>Special Revenue</u>
REVENUES		
Taxes	\$ 137,883,780	\$ —
Special assessments	—	—
Licenses and permits	4,703,725	—
Intergovernmental revenues	10,608,129	8,848,749
Charges for services	5,026,677	6,411,209
Fines and forfeitures	3,166,427	717,386
Investment income	2,907,701	797,078
Miscellaneous revenues	418,121	2,002,985
	<u>164,714,560</u>	<u>18,777,407</u>
Total revenues		
EXPENDITURES		
Current		
General government	28,154,640	6,828,459
Public safety	71,429,986	2,806,415
Public works	15,016,811	4,007
Culture and recreation	12,367,848	10,925,210
Debt service		
Principal	269,612	—
Interest and fiscal charges	32,454	—
Capital outlay	4,911,921	3,835,989
	<u>132,183,272</u>	<u>24,400,080</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	<u>32,531,288</u>	<u>(5,622,673)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of assets	265,538	2,254
Proceeds of capital lease	819,229	—
Loan principal received	—	250,000
Proceeds of bonds	—	—
Operating transfers in	—	9,681,932
Operating transfers out	(34,786,244)	(2,422,430)
	<u>(33,701,477)</u>	<u>7,511,756</u>
Total other financing sources (uses)		
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,170,189)	1,889,083
FUND BALANCES - JANUARY 1	<u>42,355,817</u>	<u>12,743,331</u>
FUND BALANCES - DECEMBER 31	<u>\$ 41,185,628</u>	<u>\$ 14,632,414</u>

See notes to financial statements.

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$ 628,852	\$ —	\$ 138,512,632
667,666	—	667,666
—	—	4,703,725
—	162,530	19,619,408
—	192	11,438,078
—	—	3,883,813
1,232,323	1,170,920	6,108,022
5,000	42,944	2,469,050
<u>2,533,841</u>	<u>1,376,586</u>	<u>187,402,394</u>
35,921	945,111	35,964,131
—	221,303	74,457,704
—	9,142,546	24,163,364
—	2,456,638	25,749,696
5,275,000	—	5,544,612
2,408,419	—	2,440,873
—	9,909,526	18,657,436
<u>7,719,340</u>	<u>22,675,124</u>	<u>186,977,816</u>
<u>(5,185,499)</u>	<u>(21,298,538)</u>	<u>424,578</u>
—	—	267,792
—	—	819,229
—	—	250,000
—	10,000,000	10,000,000
6,636,377	26,143,747	42,462,056
<u>(5,400,000)</u>	<u>(1,025,770)</u>	<u>(43,634,444)</u>
<u>1,236,377</u>	<u>35,117,977</u>	<u>10,164,633</u>
(3,949,122)	13,819,439	10,589,211
<u>15,817,887</u>	<u>19,184,839</u>	<u>90,101,874</u>
<u>\$ 11,868,765</u>	<u>\$ 33,004,278</u>	<u>\$ 100,691,085</u>

(Concluded)

EXHIBIT III

CITY OF AURORA, COLORADO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL-GOVERNMENTAL FUND TYPES
GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
FUNDS AVAILABLE - JANUARY 1 AS RESTATED	<u>\$ 28,678,517</u>	<u>\$ 25,213,704</u>	<u>\$ (3,464,813)</u>	<u>\$ 6,791,766</u>	<u>\$ 7,895,759</u>	<u>\$ 1,103,993</u>
REVENUES						
Taxes	130,738,184	136,645,727	5,907,543	—	—	—
Special assessments	—	—	—	—	—	—
Licenses and permits	4,188,084	4,703,725	515,641	—	—	—
Intergovernmental revenues	9,395,254	9,575,653	180,399	11,562,431	9,995,386	(1,567,045)
Charges for services	4,746,600	5,026,676	280,076	6,778,277	6,411,209	(367,068)
Fines and forfeitures	2,302,000	3,166,427	864,427	469,000	717,386	248,386
Investment income	2,551,737	2,939,470	387,733	505,438	791,014	285,576
Proceeds from sale of assets	293,000	259,548	(33,452)	1,800	1,571	(229)
Other	361,825	418,121	56,296	3,335,713	1,684,089	(1,651,624)
Internal transfers in	—	—	—	—	35,000	35,000
Operating transfers in	—	—	—	4,449,358	9,556,932	5,107,574
Proceeds of bonds	—	—	—	—	—	—
Loan principal received	—	—	—	—	250,000	250,000
Total revenues	<u>154,576,684</u>	<u>162,735,347</u>	<u>8,158,663</u>	<u>27,102,017</u>	<u>29,442,587</u>	<u>2,340,570</u>
EXPENDITURES						
Personal services	98,589,271	97,221,770	1,367,501	9,768,965	9,409,381	359,584
Supplies and other services and charges	27,776,884	27,901,445	(124,561)	12,824,993	8,432,767	4,392,226
Capital outlay	4,390,913	4,790,034	(399,121)	1,882,161	1,117,991	764,170
Debt service	358,642	302,066	56,576	—	—	—
Change in emergency reserve	—	(4,600,000)	4,600,000	—	—	—
Operating transfers out and other payments	32,770,012	36,205,296	(3,435,284)	2,122,273	2,422,430	(300,157)
1997 operating encumbrances	(1,734,741)	(1,734,741)	—	(1,271,799)	(1,271,799)	—
Total expenditures	<u>162,150,981</u>	<u>160,085,870</u>	<u>2,065,111</u>	<u>25,326,593</u>	<u>20,110,770</u>	<u>5,215,823</u>
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	<u>(7,574,297)</u>	<u>2,649,477</u>	<u>10,223,774</u>	<u>1,775,424</u>	<u>9,331,817</u>	<u>7,556,393</u>
OTHER CHANGES TO FUNDS AVAILABLE						
Capital projects overspending	—	—	—	—	—	—
Capital projects	—	—	—	(4,399,023)	(4,399,023)	—
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 21,104,220</u>	<u>27,863,181</u>	<u>\$ 6,758,961</u>	<u>\$ 4,168,167</u>	<u>12,828,553</u>	<u>\$ 8,660,386</u>
Add: 1998 operating encumbrances		1,308,791			403,207	
Capital projects carryforward		—			5,322,928	
Adjust investments to fair value		(31,769)			(6,172)	
Sales, use and lodgers tax accrual		12,045,425			—	
Seizure funds		—			299,096	
Less: Deferred revenue - Federal grants		—			(4,216,943)	
FUND BALANCES - DECEMBER 31		<u>\$ 41,185,628</u>			<u>\$ 14,630,669</u>	

See notes to financial statements.

Debt Service			Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 8,118,043	\$ 7,850,819	\$ (267,224)	\$ 1,985,657	\$ 2,487,119	\$ 501,462
—	—	—	—	—	—
773,410	667,666	(105,744)	—	—	—
—	—	—	—	—	—
—	—	—	—	162,530	162,530
—	—	—	—	192	192
509,889	614,329	104,440	900,000	1,191,274	291,274
—	—	—	—	—	—
—	—	—	—	42,944	42,944
2,245,853	2,245,853	—	29,712,279	26,143,747	(3,568,532)
—	—	—	9,900,000	10,000,000	100,000
—	—	—	—	—	—
<u>3,529,152</u>	<u>3,527,848</u>	<u>(1,304)</u>	<u>40,512,279</u>	<u>37,540,687</u>	<u>(2,971,592)</u>
38,000	27,230	10,770	—	10,000	(10,000)
3,500	8,691	(5,191)	—	79,540	(79,540)
—	—	—	—	—	—
2,619,791	2,597,644	22,147	—	—	—
—	—	—	—	—	—
4,700,000	4,700,000	—	830,750	830,750	—
—	—	—	—	—	—
<u>7,361,291</u>	<u>7,333,565</u>	<u>27,726</u>	<u>830,750</u>	<u>920,290</u>	<u>(89,540)</u>
(3,832,139)	(3,805,717)	26,422	39,681,529	36,620,397	(3,061,132)
—	—	—	—	259,801	259,801
—	—	—	(36,928,574)	(36,928,574)	—
<u>\$ 4,285,904</u>	<u>4,045,102</u>	<u>\$ (240,802)</u>	<u>\$ 4,738,612</u>	<u>2,438,743</u>	<u>\$ (2,299,869)</u>
—	—	—	—	—	—
—	(4,459)	—	—	30,585,890	(20,355)
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ 4,040,643</u>			<u>\$ 33,004,278</u>		

(Concluded)

EXHIBIT IV

CITY OF AURORA, COLORADO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS (DEFICIT) - ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Proprietary Fund Types		Totals Primary Government (Memorandum Only)	Component Unit	Totals Reporting Entity (Memorandum Only)
	Enterprise	Internal Service		Fitzsimons Redevelopment Authority	
OPERATING REVENUES					
Charges for services	\$ 56,746,695	\$ 11,525,225	\$ 68,271,920	\$ 300,983	\$ 68,572,903
Miscellaneous	10,206	—	10,206	45,291	55,497
Total operating revenues	56,756,901	11,525,225	68,282,126	346,274	68,628,400
OPERATING EXPENSES					
Personal services	12,993,080	2,687,831	15,680,911	261,817	15,942,728
Supplies	2,875,219	4,543,427	7,418,646	—	7,418,646
Other services and charges	16,276,740	2,188,681	18,465,421	242,390	18,707,811
Claims losses	—	3,366,046	3,366,046	—	3,366,046
Depreciation	7,526,042	130,429	7,656,471	54,188	7,710,659
Total operating expenses	39,671,081	12,916,414	52,587,495	558,395	53,145,890
Operating income (loss)	17,085,820	(1,391,189)	15,694,631	(212,121)	15,482,510
NONOPERATING REVENUES (EXPENSES)					
Investment income	4,693,038	435,827	5,128,865	1,776	5,130,641
Miscellaneous revenues	425,743	199,632	625,375	315,869	941,244
Interest expense	(5,023,127)	—	(5,023,127)	—	(5,023,127)
Loss on sale of assets	(2,101,155)	(37,749)	(2,138,904)	—	(2,138,904)
Amortization expense	(842,872)	—	(842,872)	—	(842,872)
Loss on equity in joint venture	(118,589)	—	(118,589)	—	(118,589)
Net nonoperating revenues (expenses)	(2,966,962)	597,710	(2,369,252)	317,645	(2,051,607)
Income (loss) before operating transfers	14,118,858	(793,479)	13,325,379	105,524	13,430,903
Operating transfers in	—	1,380,861	1,380,861	—	1,380,861
Operating transfers out	—	(208,473)	(208,473)	—	(208,473)
NET INCOME	14,118,858	378,909	14,497,767	105,524	14,603,291
RETAINED EARNINGS (DEFICIT) - JANUARY 1 - AS RESTATED	171,012,156	(338,655)	170,673,501	—	170,673,501
DEPRECIATION OF ASSETS ACQUIRED THROUGH MUNICIPAL CONTRIBUTIONS	—	—	—	48,260	48,260
RETAINED EARNINGS - DECEMBER 31	\$ 185,131,014	\$ 40,254	\$ 185,171,268	\$ 153,784	\$ 185,325,052

(Concluded)

See notes to financial statements.

EXHIBIT V

CITY OF AURORA, COLORADO

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS

ALL PENSION TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1998

ADDITIONS

Contributions

City	\$	2,649,609
Plan member		2,661,430
Total contributions		<u>5,311,039</u>

Investment income

Net appreciation in fair value of investments		8,423,009
Interest		4,625,550
Dividends		2,098,403
Other income		19,585
Total investment income		<u>15,166,547</u>

Total investment income

Less investment expense

Net investment income

Total additions

DELETIONS

Benefits		3,036,724
Refunds of contributions		2,825,830
Administrative expense		
Salaries		138,188
Other administrative costs		71,684
Professional fees		15,309
Actuary fees		46,495
Total deletions		<u>6,134,230</u>

NET INCREASE IN PLAN ASSETS

**NET ASSETS HELD FOR EMPLOYEE PENSION
BENEFITS - JANUARY 1**

**NET ASSETS HELD FOR EMPLOYEE PENSION
BENEFITS - DECEMBER 31**

13,445,863
<u>163,325,284</u>
<u>\$ 176,771,147</u>

(Concluded)

See notes to financial statements.

EXHIBIT VI

CITY OF AURORA, COLORADO

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998

	Enterprise	Internal Service	Totals Primary Government (Memorandum Only)	Component Unit Fitzsimons Redevelopment Authority	Totals Reporting Entity (Memorandum Only)
OPERATING ACTIVITIES					
Cash received from customers and others	\$ 56,133,664	\$ —	\$ 56,133,664	\$ 284,048	\$ 56,417,712
Cash received from quasi-external operating transactions with other funds	—	11,260,087	11,260,087	—	11,260,087
Cash payments to employees	(12,871,723)	(2,681,172)	(15,552,895)	(197,897)	(15,750,792)
Cash payments to suppliers for goods and services	(15,685,072)	(6,712,624)	(22,397,696)	(181,138)	(22,578,834)
Cash payments for insurance claims	—	(2,219,281)	(2,219,281)	—	(2,219,281)
Miscellaneous nonoperating revenues	425,743	199,632	625,375	—	625,375
Net cash provided by (used in) operating activities	28,002,612	(153,358)	27,849,254	(94,987)	27,754,267
NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	—	1,380,861	1,380,861	—	1,380,861
Operating transfers out	—	(208,473)	(208,473)	—	(208,473)
Cash received from Federal grants	—	—	—	304,752	304,752
Net cash provided by noncapital financing activities	—	1,172,388	1,172,388	304,752	1,477,140
CAPITAL AND RELATED FINANCING ACTIVITIES					
Construction and acquisition of capital assets	(21,406,281)	(51,857)	(21,458,138)	(431,186)	(21,889,324)
Proceeds from sale of capital assets	55,722	2,622	58,344	—	58,344
Cash received from capital contributions	11,034,621	—	11,034,621	329,575	11,364,196
Cash paid for bond principal	(11,425,000)	—	(11,425,000)	—	(11,425,000)
Cash paid for bond interest	(6,150,576)	—	(6,150,576)	—	(6,150,576)
Loan to Golf Fund	(5,900,000)	—	(5,900,000)	—	(5,900,000)
Proceeds from interfund borrowings	5,900,000	—	5,900,000	—	5,900,000
Payments to joint venture	(356,164)	—	(356,164)	—	(356,164)
Cash paid for capitalized lease principal	(46,796)	—	(46,796)	—	(46,796)
Cash paid for capitalized lease interest	(15,904)	—	(15,904)	—	(15,904)
Net cash used in capital and related financing activities	(28,310,378)	(49,235)	(28,359,613)	(101,611)	(28,461,224)
INVESTING ACTIVITIES					
Increase in equity in pool investments	(7,847,252)	(2,053,398)	(9,900,650)	—	(9,900,650)
Decrease in equity in pool investments	2,475,202	97,704	2,572,906	—	2,572,906
Net appreciation in fair value of investments	(64,527)	(6,336)	(70,863)	—	(70,863)
Interest received	4,632,072	459,214	5,091,286	1,776	5,093,062
Net cash provided by (used in) investing activities	(804,505)	(1,502,816)	(2,307,321)	1,776	(2,305,545)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(1,112,271)	(533,021)	(1,645,292)	109,930	(1,535,362)
TOTAL CASH AND CASH EQUIVALENTS, JANUARY 1					
	2,246,652	742,870	2,989,522	—	2,989,522
TOTAL CASH AND CASH EQUIVALENTS, DECEMBER 31					
	\$ 1,134,381	\$ 209,849	\$ 1,344,230	\$ 109,930	\$ 1,454,160
Amount reported on combined balance sheet					
Cash and cash equivalents	\$ 8,820	\$ —	\$ 8,820	\$ 109,930	\$ 118,750
Equity in cash and cash equivalents	1,125,561	209,849	1,335,410	—	1,335,410
Total cash and cash equivalents, December 31	\$ 1,134,381	\$ 209,849	\$ 1,344,230	\$ 109,930	\$ 1,454,160

See notes to financial statements.

(Continued)

EXHIBIT VI

CITY OF AURORA, COLORADO

**COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Unit Fitzsimons Redevelopment Authority</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 17,085,820	\$ (1,391,189)	\$ 15,694,631	\$ (212,121)	\$ 15,482,510
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	7,526,042	130,429	7,656,471	54,188	7,710,659
Miscellaneous nonoperating revenues	425,743	199,632	625,375	—	625,375
Changes in operating assets and liabilities					
Accounts receivable	(534,955)	3,172	(531,783)	—	(531,783)
Other receivables	(80,560)	—	(80,560)	(16,935)	(97,495)
Prepaid expenses	600,000	—	600,000	(8,389)	591,611
Inventory	(12,551)	(31,893)	(44,444)	—	(44,444)
Deferred revenues	(2,060)	—	(2,060)	—	(2,060)
Accounts payable	2,879,438	54,835	2,934,273	59,530	2,993,803
Accrued liabilities	32,645	1,150,086	1,182,731	25,179	1,207,910
Accrued compensated absences	83,050	(120)	82,930	3,561	86,491
Due to other funds	—	(268,310)	(268,310)	—	(268,310)
Total adjustments	<u>10,916,792</u>	<u>1,237,831</u>	<u>12,154,623</u>	<u>117,134</u>	<u>12,271,757</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 18,002,612</u>	<u>\$ (153,358)</u>	<u>\$ 27,849,254</u>	<u>\$ (94,987)</u>	<u>\$ 27,754,267</u>

DISCLOSURE OF ACCOUNTING POLICY

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NON-CASH TRANSACTIONS

- Enterprise Funds
 - Water and sewer lines contributed by developers were \$2,383,357 and \$2,862,372, respectively.
 - Golf Fund entered into a capital lease to purchase new golf carts for \$167,013.

(Concluded)

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. *Financial Reporting Entity*

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

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

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

Aurora Colorado Municipal Building Corporation (ACMBC) - ACMBC was organized as a not-for-profit corporation in 1975, for the purpose of financing the construction of public buildings for the City. In 1994, Aurora Capital Leasing Corporation (ACLC) issued certificates of participation and used the proceeds to acquire ACMBC's building lease with the City. This resulted in the conveyance of all of ACMBC's properties to ACLC and the creation of an escrow account to defease ACMBC's outstanding bonds. Upon full payment of the defeased bonds in 1997, substantially all ACMBC assets were transferred to the City. ACMBC was dissolved and its remaining assets transferred to the City in 1998.

ACMBC is a blended component unit because it provided specific financial benefits solely to the City. Its exclusion would make the City's financial statements misleading. ACMBC is included as an internal service fund.

Aurora Capital Leasing Corporation (ACLC) - ACLC was organized as a not-for-profit corporation in 1993, for the purpose of financing public buildings for the City. In 1994, ACLC issued certificates of participation the proceeds of which were used to acquire ACMBC's interest in a building lease with the City.

ACLC is a component unit because the City Council appoints the governing board and its exclusion would make the City's financial statements misleading. ACLC is a blended component unit because it provides services solely to the City. ACLC consists of a debt service fund and general fixed assets and general long-term debt account groups. There are no separately issued financial statements for ACLC.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

Aurora Urban Renewal Authority (AURA) - AURA was formed by action of the City Council in 1981, pursuant to Part I of Article 25, Title 31, of the Colorado Statutes. AURA has various express powers including the power to: undertake urban renewal projects, mortgage, sell or dispose of property, borrow money and accept grants, issue tax-increment and other forms of securities, develop plans with respect to urban renewal projects, condemn property needed for such projects and direct redevelopment projects. In 1982, the City Council determined the existence of blighted conditions in the City and designated the Aurora City Center Urban Renewal Area, consisting of approximately 516 acres. Property in the Aurora City Center area has been developed as retail and other business facilities.

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

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

The following discrete component unit has been included in the accompanying financial statements:

Fitzsimons Redevelopment Authority (FRA) - FRA was formed on January 1, 1998 under an intergovernmental agreement between the University of Colorado and the City. FRA was organized for the purpose of providing economic redevelopment and other services at the United States Army Garrison, Fitzsimons (Fitzsimons), and elsewhere within the Fitzsimons Redevelopment Area, and is responsible for the coordination of the redevelopment of the entire Fitzsimons site. FRA will act as the developer and manager of certain components of the Fitzsimons Redevelopment Plan, including the development of a bioscience research park affiliated with the University of Colorado. FRA is governed by a ten member Board of Directors, of which seven members are appointed by the City. FRA is a component unit because the City appoints a majority of its governing board and its exclusion would make the City's financial statements misleading. It is discretely presented because FRA's board is not substantially the same as the City Council and FRA does not provide its services entirely or almost entirely to the City. Separately issued audited financial statements for FRA are available at Building 500, Room 1040, P.O. Box 6027, Aurora, Colorado, 80045.

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

Aurora-Colorado Springs Joint Water Authority (ACSJWA)

The ACSJWA was formed in 1983, by contract, between the City of Aurora and the City of Colorado Springs, Colorado, for the purpose of developing water resources, systems, or facilities in whole or in part for the benefit of the two cities. The City has a 1/3 participation share and Colorado Springs has a 2/3 participation share in the project. The City Council of each city appoints three directors to the board. The City's share of the ACSJWA is accounted for using

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. *Financial Reporting Entity* (Continued)

the equity method in the Water Fund in the accompanying financial statements. Separately issued audited financial statements are available at Colorado Springs Utilities, Water Resources Department MC740, 30 South Nevada Avenue, Colorado Springs, Colorado 80903.

The ACSJWA must obtain approval from both cities before proceeding with any new project. Prior approval is not required for operating and maintenance expenses related to a previously approved project. To date, the cities have approved one project, the acquisition and construction of a pipeline to transport raw water. The ACSJWA issued revenue bonds to finance the project. Future revenues consist of a water transmission service contract whereby the ACSJWA agrees to furnish water transmission services to the two cities.

B. *Fund Accounting*

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

1) *Governmental Funds*

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

Special Revenue Funds are used to account for revenues which are restricted or designated to be spent for specified purposes. The Special Revenue Funds are: Gifts and Grants, Abatement, Community Maintenance, Community Development Block Grant, Enhanced E-911, Conservation Trust, Emergency Contingency, Parks Development, Recreation Services, Television Services, Designated Revenues and Aurora Rehabilitation Authority (ARA).

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

Capital Projects Fund accounts for resources allocated for the acquisition or construction of major capital projects except those financed by special revenue and proprietary funds.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2) *Proprietary Funds*

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

Internal Service Funds account for resources provided by other City funds for centralized services to departments on a cost-recovery basis. The Internal Service Funds are: Fleet Management, Warehouse, Print Shop, Risk Management, Building Repair and Aurora Colorado Municipal Building Corporation (ACMBC).

3) *Fiduciary Funds*

Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governments. The pension trust funds are accounted for in essentially the same manner as proprietary funds. The Pension Trust Funds are: General Employee Retirement Plan (GERP) and Elected Officials Pension Plan (EOPP).

Agency Funds are custodial in nature and do not involve measurement of results of operations. The Agency Funds are: General Agency and Payroll Clearing.

4) *Account Groups*

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

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

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basis of Accounting*

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1) *Governmental and Similar Fiduciary Funds*

The measurement focus for all governmental and similar fiduciary funds is on current financial resources. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Governmental funds include the General, Special Revenue, Debt Service, and Capital Projects Funds. Similar fiduciary funds are Agency Funds.

The modified accrual basis of accounting is used by all governmental and similar fiduciary funds. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the period. Major revenues determined to be susceptible to accrual include property taxes, sales taxes, use and lodgers taxes, special assessments, franchise taxes, intergovernmental revenues, interest, and charges for services. The City considers revenue available if collected within two months after year-end. Major revenues determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include occupational privilege taxes, licenses, permits, fines and forfeitures.

Expenditures are recorded when incurred with the exception of principal and interest on long-term debt which are accounted for when due.

2) *Proprietary and Similar Trust Funds*

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Cash and Investments*

The City pools its cash and investments. All temporary cash surpluses are invested. The amounts reported on the combined balance sheet as equity in cash and cash equivalents and equity in investments represent each fund's share of the City pool. Earnings from these investments are allocated among the funds based on an average daily balance of the individual fund's equity in pooled monies. Cash and cash equivalents include demand deposits and highly liquid investments (readily convertible to known amounts of cash) with maturities of three months or less from purchase date. Investments are stated at fair value in accordance with GASB Statement No. 31.

E. *Interfund Receivables/Payables*

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

F. *Inventories*

Inventories are stated at cost on a first-in, first-out basis. The cost of inventories in each proprietary fund is recorded as an expense when consumed rather than when purchased.

G. *Fixed Assets*

1) *Governmental Funds*

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

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

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fixed Assets (Continued)

1) Governmental Funds (Continued)

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

2) Proprietary and Similar Pension Trust Funds

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

Depreciable lives are assigned to individual items as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 to 40 years
Improvements other than buildings	20 to 99 years
Machinery and equipment	3 to 20 years

H. Deferred Revenues

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long-Term Obligations

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

J. Bond Discounts and Issuance Costs

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

K. Compensated Absences

1) Annual Leave

City policy allows employees to accumulate unused annual leave up to maximum hours as indicated in the table below. All annual leave hours in excess of the maximum accrual permitted are forfeited on January 1 of each year. Accrued annual leave is payable upon separation after successful completion of the introductory period.

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

2) Sick Leave

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Compensated Absences* (Continued)

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

In lieu of, or in combination with cash payment, Career Service employees may elect to increase their annual leave balances by up to forty hours per year in exchange for twice the amount of accrued sick leave.

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

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

3) *Accrued Liabilities for Compensated Absences*

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. *Fund Equity*

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity legally segregated for a specific future use. Designated fund balances represent tentative or budgetary plans for future use of financial resources.

M. *Budgets*

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

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

Appropriations lapse at year-end except for encumbrances, capital projects and other project to date budgets. Capital projects and project length (continuing appropriation) budgets do not lapse until the projects for which the appropriations were made have been completed or abandoned.

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

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

1) *Basis of Budgeting*

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Budgets (Continued)

Governmental Funds

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

- a) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- b) Grants are considered to be revenue when awarded, not when earned.
- c) On-behalf contributions from the State for police and fire pensions are not considered to be revenues and expenditures.
- d) Sales and use taxes are considered to be revenue when received rather than when earned.
- e) Project length (continuing appropriation) budgets adopted during the year are considered to reduce funds available in the year adopted.
- 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 fixed assets and the related capital expenditures are not budgeted.
- j) Changes in investment income due to recording investments at fair value are not budgeted.

Proprietary Funds

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

- a) Capital outlay is budgeted as an expenditure in the year purchased.
- b) Depreciation is not budgeted.
- c) Interest capitalized on construction projects is budgeted as interest expense.
- d) Proceeds from the issuance of debt are considered to be revenues instead of an increase in liabilities.
- e) Principal payments are shown as expenditures rather than reductions of the liability.
- f) Development and annexation fees are shown as revenues, not capital contributions.
- g) Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.
- h) Grants obtained for the construction of assets are considered to be revenues, not capital contributions.
- i) Receipts of long-term receivables are considered revenues, not reductions of the receivable.
- j) Proceeds from the sale of assets are recognized as revenue, however, the related gain or loss is not.
- k) Purchases of inventory are considered to be expenditures when purchased, not when sold or used.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Budgets (Continued)

- l) Debt issue and discount costs are considered to be expensed when paid, not capitalized and amortized over the life of the bonds.
- m) 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.
- n) Accrued compensated absences are not considered to be expenditures until paid.
- o) Interest earned on escrowed cash and investments is not considered to be a revenue for budget purposes.
- p) The gain or loss on the equity in the joint venture is not budgeted, however payments to the joint venture are budgeted as expenditures.
- q) Project length (continuing appropriation) budgets are considered to be reductions of funds available when appropriated.
- r) Overspending of project length budgets is considered to reduce funds available.
- s) Close out of unspent project length budgets is considered to increase funds available.
- t) Interfund loans set up as drawdowns are considered to be 100% outstanding at the commencement of the loan.
- u) Proceeds from capital leases and related capital expenditures are not budgeted.
- v) The value received on the trade-in of fixed assets and the related capital expenditures are not budgeted.
- w) Changes in investment income due to recording investments at fair value are not budgeted.

2) Legal Compliance

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

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

N. Encumbrances

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City offers a variety of benefits to its regular employees, including comprehensive health care. The health coverage is offered through Kaiser Foundation Health Plan, PacifiCare and the Employee Health Fund. The Employee Health Fund is an independent, employee managed and operated, self-funded Health Fund.

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

P. *Interfund Transactions*

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

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

Q. *Memorandum Only - Total Columns*

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

2. DEPOSITS AND INVESTMENTS

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

Cash and cash equivalents	\$ 9,615,092
Equity in cash and cash equivalents	4,842,319
Investments	169,790,663
Equity in investments	130,638,391
Designated equity in investments	24,802,966
Restricted cash and cash equivalents	757,221
Restricted equity in cash and cash equivalents	301,025
Restricted investments	8,027,874
Restricted equity in investments	8,235,780
Total cash and investments	<u>\$ 357,011,331</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

2. DEPOSITS AND INVESTMENTS (Continued)

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

Petty cash funds	\$ 24,208
Total deposits	1,026,852
City investments	172,333,230
ACLC investments	3,690,273
AURA investments	4,716,186
GERP investments	<u>175,220,582</u>
Total deposits and investments	<u>\$ 357,011,331</u>

A. Deposits

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

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

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

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

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

A summary of the City's deposits as of December 31, 1998, is as follows:

<u>Risk Category</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Fund</u>
Category 1	\$ 100,000	\$ 100,000	Pool
Category 1	2,998	2,998	Designated Revenues
Category 1	<u>100,000</u>	<u>100,000</u>	General
Subtotal Category 1	<u>202,998</u>	<u>202,998</u>	
Category 2	725,708	2,923,941	Pool
Category 2	90,526	90,526	General
Category 2	2,313	2,313	ACLC
Category 2	<u>5,307</u>	<u>22,281</u>	ARA
Subtotal Category 2	<u>823,854</u>	<u>3,039,061</u>	
Total deposits	<u>\$ 1,026,852</u>	<u>\$ 3,242,059</u>	

As of December 31, 1998, the FRA deposits were \$109,930. The entire balance was covered by Federal Depository Insurance and, therefore, classified as Category 1.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

2. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits (Continued)

The City has a compensating balance arrangement with its primary depository bank. The average compensating balance for December 1998 was \$4,118,856.

B. Investments

The City has implemented the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which establishes fair value standards for investments. Prior to annual adjustment to fair value, the City maintains its investments at amortized cost. At December 31, 1998, the amortized cost of investments exceeded their fair value by \$122,347. The net effect of this change in the fair value of investments has been reported on the operating statement in each applicable fund as a component of investment income. No prior period adjustment to fund balances/retained earnings was made as the change was not material to the prior year financial statements.

During 1998, the City realized a net gain of \$199,185 from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. The net increase in the fair value of investments during 1998 was \$2,809,104. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end was \$936,755.

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

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

The criteria for selection of investments in order of priority are: 1) safety, 2) liquidity, and 3) yield. Government and agency securities as well as repurchase agreements backed by government and agency securities are the highest quality investments available. Certificates of deposit and bankers acceptances are either insured or collateralized. Commercial paper is rated A1 or A1+ by Moody's or P1 by Standard & Poor's, and may be collateralized by a letter of credit. Corporate bonds and notes must be rated Aa3/AA- or higher.

For the year ended December 31, 1998, the City invested in U.S. Government and agency securities, A1/P1 rated commercial paper, corporate notes, bonds rated Aa3/AA- or better, bankers acceptances, and local government investment pools.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

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

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

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

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

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

1) *Investments - City*

The City's investments are carried at fair value as follows:

	<u>Category 1</u>	<u>Carrying/ Fair Value</u>	<u>Fund</u>
U.S. Government and agency securities	\$ 116,916,669	\$116,916,669	Pool
	4,337,601	4,337,601	Enterprise
Commercial paper	19,891,500	19,891,500	Pool
Corporate bonds and notes	<u>26,868,968</u>	<u>26,868,968</u>	Pool
Subtotal	<u>\$ 168,014,738</u>	168,014,738	
COLOTRUST (uncategorized)		<u>4,318,492</u>	Pool
Total City investments		<u>\$172,333,230</u>	

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

2) *Investments - ACLC*

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

	<u>Category 1</u>	<u>Carrying / Fair Value</u>
U.S. Government securities	\$ 3,690,273	\$ 3,690,273

3) *Investments - AURA*

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

Investments at carrying/fair value	<u>\$ 4,716,186</u>
------------------------------------	---------------------

4) *Investments - GERP*

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

	<u>Category 1</u>	<u>Carrying/Fair Value</u>
Equity securities	\$ 77,832,684	\$ 77,832,684
U.S. Government securities	45,416,641	45,416,641
Corporate bonds	25,088,294	25,088,294
Subtotal	<u>\$ 148,337,619</u>	148,337,619
Not subject to categorization		
Mutual funds		14,637,294
Money market funds		5,429,919
Real estate funds		6,815,750
Total GERP investments		<u>\$ 175,220,582</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

3. RECEIVABLES

A. Taxes

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>AURA</u>	<u>Total Taxes Receivable</u>
Property tax	\$16,240,954	\$ 1,523,749	\$ —	\$ 17,764,703
Allowance for uncollectibles	(324,819)	(30,476)	—	(355,295)
Sales, use and lodgers	<u>12,045,425</u>	<u>—</u>	<u>64,314</u>	<u>12,109,739</u>
Totals	<u>\$27,961,560</u>	<u>\$ 1,493,273</u>	<u>\$ 64,314</u>	<u>\$ 29,519,147</u>

1) *Property Taxes*

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

Property taxes are subject to revenue limits under the Taxpayer Bill of Rights (TABOR), a State constitutional amendment passed by the voters in November 1992. The property tax receivable amount shown above does not include anticipated 1999 collections in excess of the TABOR limit.

2) *Sales, Use and Lodgers Taxes*

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

B. Accounts Receivable

Accounts receivable balances as of December 31, 1998 were as follows:

	<u>Utility Billings</u>	<u>Sales and Use Tax Audits</u>	<u>Franchise Taxes</u>	<u>City Services</u>	<u>Total Accounts Receivable</u>
Accounts receivable	\$ 5,525,560	\$ 259,646	\$ 2,322,881	\$ 422,734	\$ 8,530,821
Allowance for uncollectibles	<u>(165,384)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(165,384)</u>
Net accounts receivable	<u>\$ 5,360,176</u>	<u>\$ 259,646</u>	<u>\$ 2,322,881</u>	<u>\$ 422,734</u>	<u>\$ 8,365,437</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

3. RECEIVABLES (Continued)

1) *Utility Billings*

Utility charges are billed monthly and are due and payable within 25 days from the billing date. These charges include water usage, sewer usage and storm drainage fees. Utility charges are recorded as revenue when earned. Collections are recorded as reductions in the receivable. Estimates of uncollectible utility charges are established in allowance accounts, which are deducted from the utility receivables for reporting purposes.

2) *Sales and Use Tax Audits*

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

3) *Franchise Taxes*

Franchise taxes such as telephone, cable television, gas and electric which are due but not yet received, are recorded as receivables at year-end.

4) *City Services*

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

C. *Special Assessments*

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

D. *Accrued Interest*

Interest earned but not yet received is recorded as a receivable. The receivable is reduced as interest is received. Accrued interest as of December 31, 1998 is as follows:

Accrued interest	\$ 2,024,423
Designated accrued interest	129,825
Restricted accrued interest	<u>35,626</u>
Total accrued interest	<u>\$ 2,189,874</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

3. RECEIVABLES (Continued)

E. Loans

Loans receivable as of December 31, 1998 were as follows:

<u>Fund</u>	<u>Economic Development</u>	<u>Community Services</u>	<u>E-470</u>	<u>Total Loans Receivable</u>
General	\$ 57,766	\$ —	\$ —	\$ 57,766
Gifts and Grants	—	4,036,660	—	4,036,660
Community Maintenance	432,557	—	2,339,380	2,771,937
CDBG	—	3,513,018	—	3,513,018
Totals	\$ 490,323	\$ 7,549,678	\$ 2,339,380	\$ 10,379,381

1) *Economic Development*

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

2) *Community Services*

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

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

In 1994 the City entered into an intergovernmental agreement between E-470 and various member governments to assist in financing the remainder of the east corridor of the Colorado 470 Loop highway. According to this agreement, the City will lend the Authority \$584,845 each year over a twenty-year period. The payment of such monies is subject to annual appropriation by the City Council. As security for the loan, the City and other participating governments have been granted a non-exclusive, subordinate lien on the vehicle registration fees and toll revenues of E-470. Payment of principal and interest will commence, at the discretion of E-470, when financing for segment IV of the highway has been obtained and when E-470 revenues exceed authorized expenditures and other indebtedness.

F. Other Receivables

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

G. Due From Other Governments

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

4. DESIGNATED AND RESTRICTED ASSETS

A. Designated Assets

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

As of December 31, 1998 assets designated for construction and acquisitions were as follows:

	Special Revenue Funds	Enterprise Funds	Totals
Equity in investments	\$ 37,676	\$ 24,765,290	\$ 24,802,966
Accrued interest	—	129,825	129,825
Totals	\$ 37,676	\$ 24,895,115	\$ 24,932,791

B. Restricted Assets

Balance sheet classifications for restricted assets are as follows:

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Enterprise Funds	Totals
Cash and cash equivalents	\$ —	\$ 757,221	\$ —	\$ —	\$ 757,221
Equity in cash and cash equivalents	301,025	—	—	—	301,025
Investments	—	3,690,273	—	4,337,601	8,027,874
Equity in investments	—	403,468	7,832,312	—	8,235,780
Accrued interest	—	—	35,626	—	35,626
Totals	\$ 301,025	\$ 4,850,962	\$ 7,867,938	\$ 4,337,601	\$ 17,357,526

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

4. DESIGNATED AND RESTRICTED ASSETS (Continued)

B. Restricted Assets (Continued)

A summary of restricted assets as of December 31, 1998 is as follows:

Restricted for arbitrage	
1995 general obligation bonds	\$ 55,000
1994 ACLC certificates of participation	138,755
Restricted for construction	
1995 general obligation bonds	220,822
1998 general obligation bonds	7,592,116
Restricted for debt service	
1992 and 1993 sewer revenue refunding bonds	3,031,822
1995 golf course revenue bonds	679,829
1996 special assessment refunding bonds	264,713
1996 AURA tax increment revenue refunding bonds	754,908
1994 ACLC certificates of participation	3,692,586
Restricted for repair and replacement	
1995 golf course revenue bonds	625,950
Restricted for police	
Seizure funds	301,025
Total restricted assets	<u>\$ 17,357,526</u>

1) *Restricted for Arbitrage*

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

2) *Restricted for Construction*

In 1995, the City issued general obligation bonds to fund various public safety improvements including the remodeling of certain fire station facilities and the construction of an emergency operations center. The Capital Projects Fund had unexpended bond proceeds and accumulated earnings on those proceeds which are restricted for the completion of these projects.

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

4. DESIGNATED AND RESTRICTED ASSETS (Continued)

B. *Restricted Assets* (Continued)

3) *Restricted for Debt Service*

The 1993 Sewer Revenue Refunding Bonds and the 1992 Sewer Revenue Bonds require that certain amounts of the original proceeds and earnings on those proceeds be restricted for debt service. These amounts are held in escrow for the bond contingency.

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

The 1996 Special Assessment Refunding Bonds require the City to maintain a reserve account in an amount representing the estimated debt service due on the bonds. This reserve is held in the Surplus and Deficiency Fund as restricted equity in investments.

The 1996 AURA Tax Increment Revenue Refunding Bonds require the City to maintain a reserve in the amount of \$358,000 plus an additional reserve representing the next year's annual debt service due on the bonds. The 1999 debt service on the bonds is \$396,908. This reserve is held in the AURA Debt Service Fund as restricted cash and cash equivalents.

Cash and investments in the ACLC Debt Service Fund are restricted for the payment of principal and interest on the ACLC 1994 Certificates of Participation.

4) *Restricted for Repair and Replacement*

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

5) *Restricted for Police*

The City receives funds from forfeiture actions in state and Federal courts which are referred to as seizure funds. State law restricts use of seizure funds to specific activities of the City Police Department.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

5. JOINT VENTURE

The Aurora – Colorado Springs Joint Water Authority (ACSJWA) formed between the City of Aurora and the City of Colorado Springs is a joint venture reported in the Water Fund using the equity interest method. ACSJWA charges both participants transmission service fees to cover annual debt service requirements and to pay current expenses incurred in the operation and maintenance of the project. During 1998, the City paid ACSJWA \$356,164 in such fees. The City's one third interest for 1998 was as follows:

Equity in joint venture - January 1		\$ 1,359,507
Transmission service charges		356,164
Allocation of ASCJWA net income		
City's share of net income	237,575	
Less: City's expense	<u>(356,164)</u>	
Net decrease in investment		<u>(118,589)</u>
Equity in joint venture - December 31		<u>\$ 1,597,082</u>

6. FIXED ASSETS

The changes in Fixed Assets by major class for the year ended December 31, 1998 were as follows:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>December 31</u>
Enterprise Funds					
Land and water rights	\$ 141,399,233	\$ 3,249,490	\$ (45)	\$ 905,325	\$ 145,554,003
Buildings and improvements	33,885,328	21,558	(921,091)	3,200,769	36,186,564
Improvements other than buildings	418,200,133	6,623,909	(1,314,563)	8,760,225	432,269,704
Machinery and equipment	18,448,282	2,181,138	(1,338,235)	70,710	19,361,895
Accumulated depreciation	(94,287,843)	(9,863,215)	2,295,684	(89,707)	(101,945,081)
Construction in progress	<u>28,032,059</u>	<u>15,854,643</u>	<u>(916,877)</u>	<u>(12,867,463)</u>	<u>30,102,362</u>
Total Enterprise	<u>545,677,192</u>	<u>18,067,523</u>	<u>(2,195,127)</u>	<u>(20,141)</u>	<u>561,529,447</u>
Internal Service Funds					
Buildings and improvements	209,426	—	(32,621)	—	176,805
Improvements other than buildings	24,346	—	(24,346)	—	—
Machinery and equipment	878,480	51,857	(30,999)	210,572	1,109,910
Accumulated depreciation	<u>(660,872)</u>	<u>(174,450)</u>	<u>47,595</u>	<u>(206,456)</u>	<u>(994,183)</u>
Total Internal Service	<u>451,380</u>	<u>(122,593)</u>	<u>(40,371)</u>	<u>4,116</u>	<u>292,532</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

6. FIXED ASSETS (Continued)

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>December 31</u>
Trust and Agency Funds					
Machinery and equipment	\$ 63,806	\$ 1,048	\$ —	\$ —	\$ 64,854
Accumulated depreciation	(54,207)	(3,219)	—	—	(57,426)
Total Trust and Agency	<u>9,599</u>	<u>(2,171)</u>	<u>—</u>	<u>—</u>	<u>7,428</u>
General Fixed Assets Account Group					
Land	9,423,201	7,757,007	(675)	2,936	17,182,469
Buildings and improvements	68,693,312	2,573,071	(225,580)	5,310,716	76,351,519
Improvements other than buildings	11,482,958	1,650,797	(852,617)	2,526,305	14,807,443
Machinery and equipment	55,847,050	6,485,083	(5,333,882)	(252,105)	56,746,146
Construction in progress	9,174,523	226,750	(1,279,052)	(7,867,991)	254,230
Total General Fixed Assets Account Group	<u>154,621,044</u>	<u>18,692,708</u>	<u>(7,691,806)</u>	<u>(280,139)</u>	<u>165,341,807</u>
Prior accumulated depreciation on transfers from GFAAG	—	(296,164)	—	296,164	—
Total Fixed Assets	<u>\$ 700,759,215</u>	<u>\$ 36,339,303</u>	<u>\$ (9,927,304)</u>	<u>\$ —</u>	<u>\$ 727,171,214</u>

The City capitalizes interest costs on major construction projects in the Enterprise Funds. The amount of interest capitalized and expensed (including agency fees) during 1998 is as follows:

	<u>Capitalized</u>	<u>Expensed</u>	<u>Totals</u>
Water Fund	\$ 625,397	\$ 4,591,054	\$ 5,216,451
Sewer Fund	348,263	68,436	416,699
Golf Fund	97,309	363,637	460,946
Total Enterprise Funds	<u>\$ 1,070,969</u>	<u>\$ 5,023,127</u>	<u>\$ 6,094,096</u>

7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

A. Special Revenue Funds

Gifts and Grants Fund

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

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
2	Public Works	\$ 864,000	\$ 4,006	\$ 859,994
12	Parks and Open Space	1,310,000	399,999	910,001
Total Gifts and Grants Fund		<u>\$ 2,174,000</u>	<u>\$ 404,005</u>	<u>\$ 1,769,995</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

A. Special Revenue Funds (Continued)

Community Development Block Grant Fund

Projects in the Community Development Block Grant (CDBG) Fund are financed through monies received from Federal programs.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
7	Public Service	\$ 545,765	\$ 411,166	\$ 134,599
18	Public Facility	1,509,796	1,021,482	488,314
1	HOAP Loans	703,027	605,531	97,496
4	Single Family Rehab	555,431	460,591	94,840
2	Multi-Family Rehab	1,267,866	797,298	470,568
6	Commercial Rehab	448,930	369,457	79,473
6	ARA	1,407,097	880,134	526,963
	Aurora Housing Corporation			
1	(AHC)	46,578	46,578	—
5	Other	370,755	253,068	117,687
	Total CDBG	\$ 6,855,245	\$ 4,845,305	\$ 2,009,940

Conservation Trust Fund

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

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
34	Parks	\$ 11,438,930	\$ 8,396,943	\$ 3,041,987

Parks Development Fund

Projects in the Parks Development Fund are financed with annexation and developer fees.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
1	Parks	\$ 61,000	\$ —	\$ 61,000

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

B. Capital Projects Fund

As of December 31, 1998 the City had various commitments for the acquisition and construction of major capital projects in the Capital Projects Fund. Funding of these future expenditures will be provided for through General Fund transfers, bond proceeds and investment earnings.

The total 1998 outstanding accumulated appropriations, which include appropriations from fund balance and contributions, was \$101,738,354. Of this amount, \$30,585,890 was unexpended at year-end and valid for carryforward into 1999. Fund balance of \$2,064,809 was uncommitted.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
2	Finance	\$ 240,000	\$ 152,535	\$ 87,465
7	Information Technology	9,888,474	7,073,674	2,814,800
1	Internal Services	1,410,473	718,291	692,182
2	Library, Recreation and TV	508,000	459,375	48,625
25	Parks and Open Space	16,652,143	10,878,283	5,773,860
24	Public Works	66,298,124	45,756,354	20,541,770
4	Police Department	3,366,980	3,325,850	41,130
9	Fire Department	3,060,660	2,734,611	326,049
1	Planning	63,500	53,491	10,009
1	Development Services	250,000	—	250,000
Total Capital Projects Fund		<u>\$ 101,738,354</u>	<u>\$ 71,152,464</u>	<u>\$ 30,585,890</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

C. Enterprise Funds

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

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
<i>Water Fund</i>				
3	Water Tanks	\$ 3,371,000	\$ 3,217,907	\$ 153,093
1	Arkansas Revegetation	2,117,505	2,117,505	—
1	Automated Meter Reading	5,605,000	5,567,205	37,795
24	Water Lines	16,591,033	5,152,365	11,438,668
18	Other Projects	17,081,464	13,360,285	3,721,179
6	Regulatory Requirements	2,355,000	817,995	1,537,005
1	Pump Stations	285,000	—	285,000
Total Water Fund		<u>47,406,002</u>	<u>30,233,262</u>	<u>17,172,740</u>
<i>Sewer Fund</i>				
3	Lift Stations	2,930,000	3,101	2,926,899
12	Sewer Lines	19,077,455	10,644,996	8,432,459
20	Storm Drain	10,766,272	5,108,572	5,657,700
8	Other Projects	3,224,110	815,011	2,409,099
Total Sewer Fund		<u>35,997,837</u>	<u>16,571,680</u>	<u>19,426,157</u>
<i>Golf Fund</i>				
9	Course Improvements	964,686	745,876	218,810
2	Saddle Rock	7,174,978	7,174,978	—
1	Murphy Creek	9,432,643	2,855,072	6,577,571
Total Golf Fund		<u>17,572,307</u>	<u>10,775,926</u>	<u>6,796,381</u>
Total Enterprise Funds		<u>\$ 100,976,146</u>	<u>\$ 57,580,868</u>	<u>\$ 43,395,278</u>

D. Internal Service Funds

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

Building Repair Fund

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
3	Building Repairs	\$ 4,597,102	\$ 3,616,243	\$ 980,859

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

E. *Fitzsimons Redevelopment Authority (FRA)*

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

8. DEFERRED COMPENSATION PLANS

The City offers its employees the opportunity to participate in one of four deferred compensation plans. All of the plans are created in accordance with Internal Revenue Code Section 457. The plans allow employees to defer a portion of their salary until future years. The deferred amounts are not available to the employees until termination, retirement, death or unforeseeable emergency. The plans available to employees are administered by: Nationwide Retirement Solutions (formerly U.S. Conference of Mayors), International City Management Association (ICMA), Lincoln National Life Insurance Company, and the Fire and Police Pension Association (FPPA). The City's fiduciary responsibility is one of "due care" in selecting the third-party administration.

The City amended its plan provisions during 1998 reflecting current IRS regulations placing all assets and income of the plans in trust for the exclusive benefit of the participants and their beneficiaries. The City is not acting as trustee for the plan. Therefore, in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City and FRA deferred compensation plans have not been reflected in the accompanying financial statements. At December 31, 1997 the City financial statements included deferred compensation plan assets of \$42,069,702.

9. LONG-TERM DEBT

A. *General Long-Term Debt Account Group*

General long-term debt obligations outstanding as of December 31, 1998 are as follows:

	<u>Maturities</u>	<u>Rates</u>	<u>Balance</u> <u>December 31</u>
Accrued compensated absences	—	—	\$ 14,624,097
General obligation bonds	1999 - 2012	4.50% - 5.55%	16,695,000
Revenue bonds	1999 - 2007	4.75% - 5.80%	2,965,000
Certificates of participation	1999 - 2009	5.30% - 6.25%	27,085,000
Special assessment bonds	1999 - 2001	4.75% - 5.50%	840,000
Capitalized leases	1999 - 2002	5.75% - 5.99%	1,049,516
Totals			<u>\$ 63,258,613</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

9. LONG-TERM DEBT (Continued)

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

A summary of changes in the GLTDAG during 1998 is as follows:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31</u>
Accrued compensated absences	\$ 14,176,658	\$ 447,439	\$ —	\$ 14,624,097
General obligation bonds	8,515,000	10,000,000	(1,820,000)	16,695,000
Revenue bonds	3,190,000	—	(225,000)	2,965,000
Certificates of participation	29,995,000	—	(2,910,000)	27,085,000
Special assessment bonds	1,160,000	—	(320,000)	840,000
Capitalized leases	499,899	819,229	(269,612)	1,049,516
Total	<u>\$ 57,536,557</u>	<u>\$ 11,266,668</u>	<u>\$ (5,544,612)</u>	<u>\$ 63,258,613</u>

Long-term maturities (including interest of \$17,866,088) are as follows:

	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Revenue</u> <u>Bonds</u>	<u>Certificates</u> <u>of</u> <u>Participation</u>	<u>Special</u> <u>Assessment</u> <u>Bonds</u>	<u>Capitalized</u> <u>Leases</u>	<u>Totals</u>
1999	\$ 3,258,346	\$ 396,907	\$ 4,587,032	\$ 264,713	\$ 302,066	\$ 8,809,064
2000	2,153,025	400,392	4,378,683	343,713	302,065	7,577,878
2001	1,912,750	397,642	2,784,882	327,050	302,066	5,724,390
2002	1,500,323	394,252	2,779,668	—	302,066	4,976,309
2003	1,501,313	394,942	2,782,530	—	—	4,678,785
Thereafter	12,024,259	1,939,345	20,770,575	—	—	34,734,179
Total	<u>\$ 22,350,016</u>	<u>\$ 3,923,480</u>	<u>\$ 38,083,370</u>	<u>\$ 935,476</u>	<u>\$ 1,208,263</u>	<u>\$ 66,500,605</u>

1) *General Obligation Bonds*

The general obligation bonds are payable from property taxes and other revenues of the General Fund. There are four outstanding general obligation bonds. As of December 31, 1998 the outstanding balances for each issue were: 12/95 Public Safety \$4,065,000, 7/92 Park and Street Refunding \$2,230,000, 8/92 Park and Street Refunding \$400,000 and 6/98 Alameda and I-225 Interchange \$10,000,000.

2) *Revenue Bonds*

The revenue bonds were issued by AURA to finance improvements in the Aurora City Center Urban Renewal Area. As of December 31, 1998 the amount of revenue bonds outstanding was \$2,965,000.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

9. LONG-TERM DEBT (Continued)

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

3) Certificates of Participation

The certificates of participation (COPS) were issued by the ACLC in 1994 to defease outstanding mortgage revenue bonds of the ACMBC. The ownership of three facilities was transferred from ACMBC to ACLC along with the City's lease payment obligations on these facilities. The COPS are payable from the City's lease payments, which are assigned to the trustee for the COPS. As of December 31, 1998 the amount of certificates of participation outstanding was \$27,085,000.

4) Special Assessment Bonds

The special assessment bonds are payable from special assessments received from property owners collected in the Debt Service Fund. Only one issue of special assessment bonds is outstanding. The balance of the 1996 Refunding Bonds as of December 31, 1998 was \$840,000. A bond covenant reserve was established in the Surplus and Deficiency Fund for this issue. Only the reserved portion of the Surplus and Deficiency Fund may be used for the repayment of these outstanding bonds.

5) Capitalized Leases

The City has entered into two fire truck leases and one asphalt paver lease that have been capitalized for financial statement purposes. The leases are renewable annually. The City has the option to purchase the equipment at the end of the lease period. Minimum lease payments include the following imputed interest: \$63,367 on the 1997 fire truck lease, \$60,438 on the 1998 fire truck lease and \$34,942 on the asphalt paver lease.

6) Reconciliation of Fund Balances to Amounts Available

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

<u>Fund</u>	<u>Fund Balance</u>			<u>Unavailable for Debt Service</u>	<u>Available for debt Service</u>
	<u>Reserved</u>	<u>Unreserved</u>	<u>Total</u>		
Debt Service	\$ 294,475	\$ —	\$ 294,475	\$ —	\$ 294,475
Surplus & Deficiency	264,713	3,481,455	3,746,168	3,481,455	264,713
AURA	754,908	3,380,528	4,135,436	1,170,436	2,965,000
ACLC	3,692,686	—	3,692,686	—	3,692,686
Total	\$ 5,006,782	\$ 6,861,983	\$ 11,868,765	\$ 4,651,891	\$ 7,216,874

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

9. LONG-TERM DEBT (Continued)

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

6) Reconciliation of Fund Balances to Amounts Available (Continued)

a) Debt Service Fund

This fund receives special assessments directly related to the servicing of the outstanding special assessment bonds. It also receives annual operating transfers from the General Fund for the retirement of the general obligation bonds.

b) Surplus and Deficiency Fund

This fund receives special assessments from property owners for which the corresponding debt has been fully paid. In the refunding of various special assessment bonds in 1996, the City established a bond covenant reserve for the outstanding 1996 refunding special assessment bonds. This reserve amount of \$264,713 is considered available for retirement of the outstanding special assessment bonds.

The remaining funds of \$3,481,455 in the Surplus and Deficiency Fund are available for construction of infrastructure projects that have traditionally been funded by special assessments. These funds are not considered available for the retirement of the outstanding special assessment bonds, nor are they available to retire any other type of debt.

c) AURA Debt Service Fund

Amounts in the AURA Debt Service Fund may be used to service AURA's \$2,965,000 outstanding revenue bonds. Amounts in excess of the outstanding bonds may be used to pay future obligations of AURA but are not available to the AURA revenue bond holders or for the retirement of any other type of outstanding debt.

d) ACLC Debt Service Fund

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

7) Legal Debt Limit

The City's legal debt limit is 3% of the assessed valuation of taxable property. After certain deductions allowed by law, the legal debt margin is \$33,780,180.

8) Subsequent Event

In November 1998, the citizens of the City approved financing and construction of a recreation and youth sports complex and associated facilities in the City. In July 1999, the City plans to issue General Fund bonds in the approximate amount of \$18,000,000 to finance construction of the sports complex.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

9. LONG-TERM DEBT (Continued)

B. Proprietary Funds Long-Term Debt

Proprietary funds long-term debt obligations outstanding as of December 31, 1998 are as follows:

	<u>Maturities</u>	<u>Rates</u>	<u>Balance December 31</u>
General obligation water bonds	1999 - 2014	4.15% - 6.90%	\$ 115,030,000
Sewer revenue bonds	1999 - 2002	4.10% - 4.65%	7,810,000
Golf course revenue bonds	1999 - 2015	4.60% - 6.20%	6,920,000
Capitalized leases	1999 - 2002	6.95%	286,426
Long-term interfund payable	2001 - 2013	Variable	6,400,000
Less: Unamortized bond discounts			(4,139,607)
Deferred amount on refunding			(80,212)
Net proprietary funds long-term debt			<u>\$ 132,226,607</u>

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

	<u>Balance January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31</u>
General obligation water bonds	\$ 124,040,000	\$ —	\$ (9,010,000)	\$ 115,030,000
Sewer revenue bonds	9,980,000	—	(2,170,000)	7,810,000
Golf course revenue bonds	7,165,000	—	(245,000)	6,920,000
Capitalized leases	166,210	167,013	(46,797)	286,426
Long-term interfund payable	500,000	5,900,000	—	6,400,000
Unamortized bond discounts	(4,921,100)	—	781,493	(4,139,607)
Deferred amount on refunding	(90,240)	—	10,028	(80,212)
Totals	<u>\$ 136,839,870</u>	<u>\$ 6,067,013</u>	<u>\$ (10,680,276)</u>	<u>\$ 132,226,607</u>

Long-term maturities (including interest of \$41,752,649) are as follows:

	<u>General Obligation Water Bonds</u>	<u>Sewer Revenue Bonds</u>	<u>Golf Course Revenue Bonds</u>	<u>Capitalized Leases</u>	<u>Totals</u>
1999	\$ 14,226,544	\$ 2,623,143	\$ 659,268	\$ 82,200	\$ 17,591,155
2000	14,171,745	2,894,963	656,772	82,200	17,805,680
2001	14,127,192	1,537,277	658,257	103,800	16,426,526
2002	14,088,514	1,554,053	658,558	57,000	16,358,125
2003	11,504,784	—	662,628	—	12,167,412
Thereafter	83,539,693	—	7,910,484	—	91,450,177
Total	<u>\$ 151,658,472</u>	<u>\$ 8,609,436</u>	<u>\$ 11,205,967</u>	<u>\$ 325,200</u>	<u>\$ 171,799,075</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

9. LONG-TERM DEBT (Continued)

B. Proprietary Funds Long-Term Debt (Continued)

The Golf Fund executed a subordinate loan with the Sewer Fund to finance the construction of the Murphy Creek Golf Course. This long-term interfund payable is not included on this schedule as payments begin when golf course construction is complete, the date of which is unknown at this time.

The general obligation water bonds are payable from earnings of the Water Fund. Unamortized discounts on the bonds at December 31, 1998 totaled \$3,974,587.

The sewer revenue bonds are payable from revenues of the Sewer Fund. In the bond ordinance, the City covenants to enforce a schedule of rates and charges for the sewer system sufficient to maintain Sewer Fund gross revenue (including tap and development fees) at least equal to the sum of operations and maintenance expenses of the sewer system plus 130% of the combined average annual debt service requirements of the bonds and any outstanding parity bonds and any additional amounts as required by the bond ordinance. Unamortized discounts on the bonds totaled \$71,196 as of December 31, 1998.

The golf course revenue bonds are payable from revenues of the Golf Fund. In the bond ordinance, the city covenants, to maintain and enforce a schedule of rates, fees and charges for the golf system sufficient that the income is at least equal to the sum of operations and maintenance expenses plus 150% of the combined annual debt service requirements of the bonds and any outstanding parity bonds. Unamortized discounts on the bonds at December 31, 1998 totaled \$93,824.

The City has entered into golf cart leases that have been capitalized for financial statement purposes. The leases are renewable annually. The City has the option to purchase the equipment at the end of the lease period. The four year minimum lease payments include \$38,774 of imputed interest.

Subsequent Events

- 1) Subsequent to year end, the City issued a governmental agency water fund revenue bond in the amount of \$14,996,415 for refurbishment of the Kuiper Water Plant. During 1999, the City intends to issue a governmental agency sewer fund revenue bond in the approximate amount of \$24,000,000 for renovation and expansion of the Sand Creek Water Treatment Plant.
- 2) On March 23, 1999, the FRA entered into an agreement with the United States Army for the conveyance of 332 acres of land along with the associated improvements and selected items of equipment at Fitzsimons. The conveyance will occur in phases as the Army meets certain environmental requirements and is anticipated to be complete by 2002. The purchase price for the conveyance is \$1,850,000, which is payable pursuant to a Promissory Note executed by the FRA for the full amount of the purchase price. The promissory note bears interest at 6.25% and is payable in ten equal annual installments of \$555,956 beginning December 31, 2012 through December 31, 2021.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

10. FUND EQUITY

A. A summary of changes in contributed capital for the Enterprise Funds for 1998 is as follows:

	<u>Developers</u>	<u>Municipality</u>	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Totals</u>
Water Fund						
Balance at January 1	\$ 197,830,389	\$ 6,861,462	\$ 54,144	\$ 172,396	\$ 815,989	\$ 205,734,380
Contributed lines	2,383,357	—	—	—	—	2,383,357
Development and annexation fees	8,822,388	—	—	—	—	8,822,388
Fixed asset transfer	—	10,027	—	—	—	10,027
Balance at December 31	<u>209,036,134</u>	<u>6,871,489</u>	<u>54,144</u>	<u>172,396</u>	<u>815,989</u>	<u>216,950,152</u>
Sewer Fund						
Balance at January 1	87,962,383	2,740,546	775,755	50,482	1,187,366	92,716,532
Contributed lines	2,862,372	—	—	—	—	2,862,372
Development and annexation fees	2,212,233	—	—	—	—	2,212,233
Donated fixed assets	—	(12,740)	—	—	—	(12,740)
Balance at December 31	<u>93,036,988</u>	<u>2,727,806</u>	<u>775,755</u>	<u>50,482</u>	<u>1,187,366</u>	<u>97,778,397</u>
Golf Fund						
Balance at January 1	—	2,633,177	—	—	13,879,354	16,512,531
Donated fixed assets	—	—	—	—	2,500	2,500
Fixed asset transfer	—	(17,429)	—	—	—	(17,429)
Balance at December 31	<u>—</u>	<u>2,615,748</u>	<u>—</u>	<u>—</u>	<u>13,881,854</u>	<u>16,497,602</u>
Total contributed capital at December 31 – all Enterprise Funds	<u>\$302,073,122</u>	<u>\$ 12,215,043</u>	<u>\$ 829,899</u>	<u>\$ 222,878</u>	<u>\$15,885,209</u>	<u>\$ 331,226,151</u>

For FRA, contributed capital represents capital grants from the Federal government and amounts contributed by the City for improvements to the main building at Fitzsimons. These contributions relate to the acquisition of depreciable assets and are amortized against contributed capital in an amount equal to depreciation expense. The total amount amortized in 1998 was \$48,260. This amount appears as an adjustment to net income on the Statement of Revenues, Expenses and Changes in Retained Earnings. The following shows the changes in contributed capital for the year:

Contributed capital, at inception, January 1, 1998	\$ —
Federal government contributions	316,947
Municipal contributions	113,725
Depreciation of assets acquired through municipal contributions	<u>(48,260)</u>
Contributed capital, December 31, 1998	<u>\$ 382,412</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

10. FUND EQUITY (Continued)

B. A summary of changes in contributed capital for the Internal Service Funds for 1998 is as follows:

	<u>Municipality</u>	<u>Federal</u>	<u>Other</u>	<u>Totals</u>
Fleet Management Fund				
Balance at January 1	\$ —	\$ 24,381	\$ 33,839	\$ 58,220
Return of contributed capital	4,117	—	—	4,117
Balance at December 31	4,117	24,381	33,839	62,337
Warehouse Fund	221,151	—	—	221,151
Risk Management Fund	3,353	—	—	3,353
Total contributed capital at December 31 - all Internal Service Funds	<u>\$ 228,621</u>	<u>\$ 24,381</u>	<u>\$ 33,839</u>	<u>\$ 286,841</u>

C. Retained Earnings

1) *Deficit Retained Earnings*

The Risk Management Fund had deficit retained earnings of \$2,582,106 as of December 31, 1998. This is the result of recording the actuarially determined claims liability including an estimate of incurred but not reported claims. The City plans to fund this deficit over a period of years through increased interdepartmental charges.

2) *Reserves*

See Designated and Restricted Assets (Note 4) for a detailed description of individual reserves. A summary of the December 31, 1998 reserved retained earnings is as follows:

Reserved for debt service	
1992 and 1993 sewer revenue refunding bonds	\$ 3,031,822
1995 golf course revenue bonds	693,925
Reserved for repair and replacement	
1995 golf course revenue bonds	631,850

3) *Prior Period Adjustment*

Enterprise Funds and Internal Service Funds beginning retained earnings have been adjusted to correct prior year depreciation expense on certain assets.

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Retained Earnings (Deficit), January 1, Before Restatement	\$ 173,349,330	\$ (294,634)
Prior Period Adjustment	<u>(2,337,174)</u>	<u>(44,021)</u>
Retained Earnings (Deficit), January 1, After Restatement	<u>\$ 171,012,156</u>	<u>\$ (338,655)</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

10. FUND EQUITY (Continued)

D. Fund Balances

1) *Reserved for Pension Benefits*

Fund balances of all pension trust funds are reserved for employee pension benefits. The total reserved for pension benefits as of December 31, 1998 was \$176,771,147.

2) *Reserved for Encumbrances*

These are amounts legally restricted for the payment of commitments relating to unperformed contracts and purchase orders. Reserves for encumbrances as of December 31, 1998 were as follows:

Operating	
General Fund	\$ 1,308,791
Gifts and Grants Fund	242,954
Abatement Fund	26,638
CDBG Fund	4,595
Enhanced E-911 Fund	114,485
Conservation Trust Fund	8,282
Recreation Services Fund	<u>6,253</u>
Total operating encumbrances	<u>1,711,998</u>
Capital projects	
Gifts and Grants Fund	24,033
CDBG Fund	68,535
Conservation Trust Fund	441,315
Capital Projects Fund	<u>3,856,981</u>
Total capital projects encumbrances	<u>4,390,864</u>
Total reserved for encumbrances	<u>\$ 6,102,862</u>

3) *Reserved for Debt Service*

Certain fund balances in the Debt Service Funds (Note 9(A)6) are reserved for the payment of principal and interest on the debt shown in the GLTDAG. As of December 31, 1998 debt service reserves amounted to \$5,006,782.

4) *Reserved for Emergencies*

In accordance with the provisions of the taxpayer's bill of rights (TABOR) amendment, the City has established an emergency reserve in the Emergency Contingency Fund of \$4,807,000.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

10. FUND EQUITY (Continued)

D. Fund Balances (Continued)

5) *Reserved for Police*

In 1993, Aurora voters approved a 0.25% sales tax increase to fund an increase in police services. This increase provides two police officers for each 1,000 people living in the City. In 1998 the City received \$6,855,610 in incremental sales tax and \$571,750 in interest income. During 1998 \$6,802,488 of these funds were expended. The amount reserved in the General Fund for police as of December 31, 1998 of \$10,865,085 represents the cumulative amount collected but not yet used to provide police services. The amount reserved for police in the Capital Projects Fund of \$2,362 represents the cumulative amount not yet encumbered or expended as of December 31, 1998.

Seizure funds of \$301,025 were Reserved for Police in the Gifts and Grants Fund at December 31, 1998.

6) *Reserved for Construction*

In 1998 the City issued General Obligation Bonds to finance a portion of the cost of the highway interchange at Interstate 225 and Alameda Avenue. Fund balances of \$7,592,116 were reserved for this project in the Capital Projects Fund.

In 1995 the City issued General Obligation Bond for several public safety improvements. Fund balances of \$189,762 were reserved for the construction of these improvements in the Capital Projects Fund.

7) *Designated for Subsequent Year Expenditures*

Fund balances budgeted as funding sources for subsequent year appropriations are shown as designated for subsequent year expenditures. A summary of these designations (as adopted in the 1999 budget) is as follows:

Special Revenue Funds	\$ 1,272,293
Debt Service Funds	1,187,787
Capital Projects Fund	<u>1,900,765</u>
Total designated for subsequent year expenditures - Budget	<u>\$ 4,360,845</u>

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

Special Revenue Funds	\$ 2,661,671
Capital Projects Fund	<u>19,298,248</u>
Total designated for subsequent year expenditures - Capital projects	<u>\$ 21,959,919</u>

8) *Designated for Long-Term Liabilities*

City management has designated \$12,045,425 in the General Fund at December 31, 1998 for the payment of future liabilities. This amount is equal to the sales, use and lodgers tax accrual.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS

The City provides seven pension plans as follows:

- General Employees' Retirement Plan (GERP)
- State Fire Pension Plan (Old Hire-Fire)
- State Police Pension Plan (Old Hire-Police)
- Fire Department Money Purchase Pension Plan (New Hire-Fire)
- Police Department Money Purchase Pension Plan (New Hire-Police)
- Executive Retirement Plan - Money Purchase Pension Plan (ERP)
- Elected Officials Pension Plan (EOPP).

Covered payroll for the year ended December 31, 1998 for the various plans was as follows:

<u>Plan Name</u>	<u>Covered Payroll</u>
GERP	\$ 47,938,352
Old Hire - Fire	2,034,560
Old Hire - Police	2,748,150
New Hire - Fire	9,612,430
New Hire - Police	21,111,284
ERP	2,405,223
EOPP	—
Total covered payroll	<u>\$ 85,849,999</u>
Total 1998 payroll	<u>\$ 100,338,261</u>

Contributions made for the year ended December 31, 1998 were as follows:

<u>Plan Name</u>	<u>Employees</u>	<u>City</u>	<u>State</u>	<u>Totals</u>
GERP	\$ 2,651,830	\$ 2,649,609	\$ —	\$ 5,301,439
Old Hire - Fire	178,024	218,672	—	396,696
Old Hire - Police	274,815	1,248,291	1,032,476	2,555,582
New Hire - Fire	959,544	931,722	—	1,891,266
New Hire - Police	2,110,038	2,048,884	—	4,158,922
ERP	132,287	132,287	—	264,574
EOPP	—	—	—	—
Totals	<u>\$ 6,306,538</u>	<u>\$ 7,229,465</u>	<u>\$ 1,032,476</u>	<u>\$ 14,568,479</u>

Benefits paid directly to seven eligible EOPP retirees or surviving spouses during 1998 totaled \$9,600.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS (Continued)

1998 contributions required and made as a percent of current year covered payroll for the various plans were as follows:

<u>Plan Name</u>	<u>Employees</u>	<u>City</u>	<u>State</u>	<u>Totals</u>
GERP	5.50%	5.50%	—	11.00%
Old Hire - Fire	8.75%	10.75%	—	19.50%
Old Hire - Police	10.00%	45.42%	37.57%	92.99%
New Hire - Fire	10.00%	9.69%	—	19.69%
New Hire - Police	10.00%	9.71%	—	19.71%
ERP	5.50%	5.50%	—	11.00%
EOPP	—	—	—	—

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

	<u>GERP</u>	<u>Old Hire - Fire</u>	<u>Old Hire - Police</u>
Annual required contribution (ARC)	\$ 1,958,872	\$ —	\$ 2,262,915
Interest in net pension obligation (NPO)	(45,875)	(29,189)	19,092
Adjustment to ARC	54,080	30,645	(27,882)
Annual pension cost	1,967,077	1,456	2,254,125
Contributions made	2,649,609	218,672	2,280,767
Increase (decrease) in NPO	(682,532)	(217,216)	(26,642)
NPO - beginning of year	(573,443)	(389,191)	254,563
NPO - end of year	\$ (1,255,975)	\$ (606,407)	\$ 227,921
Actuarial valuation date	1/1/98	1/1/98	1/1/98
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percent of pay, Open	Level percent of pay, Closed	Level percent of pay, Closed
Remaining amortization period	20 years	14 years	14 years
Asset valuation method	5-year smoothed Market	Market value	Market value
Actuarial assumptions:			
Investment rate of return	8.0%	7.5%	7.5%
Projected salary increase	4.6 – 7.5%	4.5%	4.5%
Includes inflation at	4.0%	4.0%	4.0%
Cost of living adjustment	4.0%	4.0%	4.0%

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS (Continued)

THREE YEAR TREND INFORMATION

	<u>Year ending</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
GERP	12/31/96	\$ 1,983,678	118.28%	\$ (464,535)
	12/31/97	2,375,310	104.59%	(573,443)
	12/31/98	1,967,077	134.70%	(1,255,975)
Old Hire - Fire	12/31/96	784,294	136.72%	61,411
	12/31/97	758,193	103.58%	(389,191)
	12/31/98	1,456	15,018.68%	(606,407)
Old Hire - Police	12/31/96	1,983,068	138.85%	(915,081)
	12/31/97	1,925,293	134.60%	254,563
	12/31/98	2,254,125	101.18%	227,921

The Elected Officials Pension Plan is unfunded. Benefit payments are budgeted annually and paid through the General Fund. Due to the small number of participants, no actuarial study is performed.

A. General Employees' Retirement Plan

1) *Description of Plan*

The Aurora General Employees' Retirement Plan (GERP) is a single employer defined benefit pension plan covering substantially all full-time and part-time City employees except police officers, firefighters, elected officials, temporary employees and executives who have elected to participate in the Executive Retirement Plan. The GERP was established by City Resolution and is administered by the GERP Board. The GERP is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA); however, it has been qualified as a tax exempt Plan under Sections 401(a) and 501(a) of the Internal Revenue Code. Employee contributions are required as a condition of employment and are matched, dollar for dollar, by the City.

2) *Plan Benefits*

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS (Continued)

A. General Employees' Retirement Plan (Continued)

2) Plan Benefits

Normal retirement benefits are the greater of 1.70 percent of final average monthly compensation, multiplied by years of credited service, including fractional years, or the annuitized value of the contribution refund described above, including the City of Aurora's matching contribution. Prior to January 1, 1998, the multiplier was 1.65 percent. Final average monthly compensation is the average pay an employee received (excluding overtime) during the employee's highest paid 36 consecutive months with the City, out of the employee's last 10 years of employment.

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

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

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

3) Funding Policies

Contribution requirements for the employees and the employer are established by City Resolution. Actuarial studies are considered in establishing funding policies. However, contributions are not actuarially determined. As determined by the actuarial study, current contribution rates are considered sufficient to accumulate assets to pay all benefits when due. All 1998 contributions were for normal costs. No unfunded accrued actuarial liability existed at December 31, 1998.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS (Continued)

B. State Fire and Police Pension Plans - Old Hire

1) *Description of Plans*

The Old Hire Plans are agent multiple-employer defined benefit plans covering all full-time police officers or fire fighters hired before April 8, 1978 who elect not to participate in the "New Hire" plan. These plans are administered by the Fire and Police Pension Association of Colorado (FPPA). This plan follows the Colorado Statutes for plan contributions requirements and benefits.

2) *Plan Benefits*

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

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

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

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

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

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS (Continued)

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

2) Plan Benefits (Continued)

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

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

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

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

3) Funding Policies

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

The latest actuarial studies for both plans were dated January 1, 1998. No on-behalf contributions were made by the State to the Old Hire-Fire plan in 1998. On-behalf contributions from the State to the Old Hire-Police plan totaled \$1,032,476 in 1998. The City recognizes these contributions as revenues and expenditures in the General Fund.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS (Continued)

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

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

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

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

D. *Executive Retirement Plan*

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

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

11. PENSION PLANS (Continued)

E. Elected Officials Pension Plan

The City also has a non-contributory single-employer defined benefit pension plan covering all persons who serve at least six years (including one elected term) as a Council member or Mayor. Benefits are paid to eligible elected officials who have attained the retirement age of 60 at the rate of \$20 per month for each year of qualifying service prior to November 11, 1991 and \$25 for service after that date. Benefits paid to seven eligible retirees or surviving spouses during 1998 totaled \$9,600.

Plan payments are funded through the City's annual operating budget. No determination of the actuarially computed value of vested benefits under this plan has been made as of December 31, 1998. Due to the small number of eligible participants, no actuarial study is planned in the near future.

12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains three enterprise funds which provide water, sewer and golf services. Segment information for the year ended December 31, 1998 is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Totals</u>
Operating revenues	\$ 30,572,364	\$ 20,198,211	\$ 5,986,326	\$ 56,756,901
Operating expenses (excluding depreciation)	12,894,040	14,678,050	4,572,949	32,145,039
Depreciation expense	<u>4,281,950</u>	<u>2,583,244</u>	<u>660,848</u>	<u>7,526,042</u>
Operating income	13,396,374	2,936,917	752,529	17,085,820
Net nonoperating revenues (expenses)	<u>(4,742,357)</u>	<u>1,645,214</u>	<u>130,181</u>	<u>(2,966,962)</u>
Net income	<u>\$ 8,654,017</u>	<u>\$ 4,582,131</u>	<u>\$ 882,710</u>	<u>\$ 14,118,858</u>
Contributed capital additions	\$ 11,215,772	\$ 5,061,865	\$ (14,929)	\$ 16,262,708
Property, plant and equipment				
Additions	14,703,106	9,608,217	3,619,415	27,930,738
Disposals	2,793,964	1,353,643	343,204	4,490,811
Net working capital	27,605,285	27,897,723	6,725,384	62,228,392
Total assets	445,383,633	173,733,634	37,979,994	657,097,261
Bonds and other long-term liabilities payable from operating revenues	110,975,201	7,738,804	13,512,602	132,226,607
Total equity	330,955,804	162,117,468	23,283,893	516,357,165

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

13. INTERFUND TRANSACTIONS

The following schedule reflects the City's interfund receivables and payables at December 31, 1998:

	<u>Receivable (Due From Other Funds)</u>	<u>Payable (Due to Other Funds)</u>
Current		
General Fund due from Community Development Block Grant Fund	\$ 277,049	\$ —
General Fund due from Gifts and Grants Fund	28,973	—
General Fund due from ACLC Debt Service Fund	48,655	—
General Fund due to Emergency Contingency Fund	—	207,000
General Fund due to AURA Debt Service	—	37,220
General Fund due to General Agency Fund	—	814
Total General Fund	<u>354,677</u>	<u>245,034</u>
Gifts and Grants Fund due to General Fund	—	28,973
Community Development Block Grant Fund due to General Fund	—	277,049
Emergency Contingency Fund due from General Fund	<u>207,000</u>	—
AURA Debt Service Fund due from General Fund	37,220	—
AURA Debt Service Fund due to Capital Projects Fund	—	700,000
Total AURA Debt Service Fund	<u>37,220</u>	<u>700,000</u>
ACLC Debt Service Fund due to General Fund	—	48,655
Capital Projects Fund due from AURA Debt Service Fund	<u>700,000</u>	—
General Agency Fund due from General Fund	<u>814</u>	—
Total current	<u>1,299,711</u>	<u>1,299,711</u>
Long-Term Loans		
Sewer Fund due from Golf Fund	<u>6,400,000</u>	—
Golf Fund due to Sewer Fund	—	6,400,000
Total long-term loans	<u>6,400,000</u>	<u>6,400,000</u>
Total interfund receivables/payables	<u>\$ 7,699,711</u>	<u>\$ 7,699,711</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

13. INTERFUND TRANSACTIONS (Continued)

Operating transfers were made between funds during 1998 as follows:

<u>Fund</u>	<u>Out</u>	<u>In</u>
General Fund to Gifts and Grants Fund	\$ 25,000	\$ —
General Fund to Emergency Contingency Fund	4,807,000	—
General Fund to Recreation Services Fund	3,310,023	—
General Fund to TV Services Fund	324,134	—
General Fund to Designated Revenues Fund	388,898	—
General Fund to Debt Service Fund	2,245,853	—
General Fund to Capital Projects Fund	18,588,951	—
General Fund to Fleet Management Fund	255,861	—
General Fund to Risk Management Fund	200,000	—
General Fund to Building Repair Fund	125,000	—
General Fund to Aurora Rehabilitation Authority	125,000	—
General Fund to ACLC	4,390,524	—
Total General Fund	34,786,244	—
Special Revenue		
Gifts and Grants Fund from General Fund	—	25,000
Gifts and Grants Fund from Community Maintenance Fund	—	175,950
Total Gifts and Grants Fund	—	200,950
Community Maintenance Fund to Gifts and Grants Fund	175,950	—
Community Maintenance Fund to Capital Projects Fund	1,946,323	—
Total Community Maintenance Fund	2,122,273	—
Emergency Contingency Fund from General Fund	—	4,807,000
Recreation Services Fund from General Fund	—	3,310,023
TV Services Fund from General Fund	—	324,134
TV Services Fund to Designated Revenues	300,157	—
Total TV Services Fund	300,157	324,134
Designated Revenues Fund from General Fund	—	388,898
Designated Revenues Fund from TV Services Fund	—	300,157
Designated Revenues Fund from Capital Projects Fund	—	225,770
Total Designated Revenues Fund	—	914,825
Aurora Rehabilitation Authority from General Fund	—	125,000

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

13. INTERFUND TRANSACTIONS (Continued)

<u>Fund</u>	<u>Out</u>	<u>In</u>
Debt Service		
Debt Service Fund from General Fund	\$ —	\$ 2,245,853
Surplus and Deficiency Fund to Capital Projects Fund	4,700,000	—
AURA Debt Service Fund to Capital Projects Fund	700,000	—
ACLC from General Fund	—	4,390,524
Capital Projects Fund to Designated Revenues Fund	225,770	—
Capital Projects Fund from Surplus and Deficiency Fund	—	4,700,000
Capital Projects Fund to Building Repair Fund	800,000	—
Capital Projects Fund from General Fund	—	18,588,951
Capital Projects Fund from Community Maintenance Fund	—	1,946,323
Capital Projects Fund from Fleet Management Fund	—	208,473
Capital Projects Fund from AURA Debt Service Fund	—	700,000
Total Capital Projects Fund	<u>1,025,770</u>	<u>26,143,747</u>
Total - All Governmental Funds	<u>43,634,444</u>	<u>42,462,056</u>
Internal Service		
Fleet Management Fund from General Fund	—	255,861
Fleet Management Fund to Capital Projects Fund	208,473	—
Total Fleet Management Fund	<u>208,473</u>	<u>255,861</u>
Risk Management Fund from General Fund	—	200,000
Building Repair Fund from General Fund	—	125,000
Building Repair Fund from Capital Projects Fund	—	800,000
Total Building Repair Fund	<u>—</u>	<u>925,000</u>
Total - All Proprietary Funds	<u>208,473</u>	<u>1,380,861</u>
Total - All Funds	<u>\$ 43,842,917</u>	<u>\$ 43,842,917</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

14. OPERATING LEASES

The City is committed under various leases for buildings, office and storage space, and equipment. All leases are cancelable and must be reappropriated annually. These leases are considered for accounting purposes to be operating leases. Payment on these leases during 1998 totaled \$882,686. Future minimum payments by year for these leases are as follows:

1999	\$ 863,827
2000	386,200
2001	272,130
2002	12,657
Total	<u>\$ 1,534,814</u>

15. BUDGETS

A. Budget Appropriations and Revisions

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

	<u>Total Original Budget</u>	<u>Supplemental Budgets and Revisions</u>	<u>Capital Projects Budgets</u>	<u>Revised Annual Budgets</u>
General	\$ 154,323,136	\$ 9,562,586	\$ —	\$ 163,885,722
Special Revenue Funds				
Gifts and Grants	14,162,506	(4,211,757)	(1,659,000)	8,291,749
Abatement	248,957	61,617	—	310,574
Community Maintenance	2,734,737	319,380	—	3,054,117
Community Development				
Block Grant	2,935,000	354,282	(1,804,050)	1,485,232
Enhanced E-911	513,105	552,236	—	1,065,341
Conservation Trust	2,643,937	136,667	(2,469,667)	310,937
Emergency Contingency	547,768	21,577	—	569,345
Parks Development	—	61,000	—	61,000
Recreation Services	8,281,000	16,032	—	8,297,032
Television Services	824,101	285,000	—	1,109,101
Designated Revenues	—	2,043,964	—	2,043,964
Debt Service Funds				
Debt Service	2,619,791	—	—	2,619,791
Surplus and Deficiency	41,500	4,700,000	—	4,741,500
Capital Projects	21,594,342	15,442,640	(36,206,232)	830,750
Enterprise Funds				
Water	49,533,157	(1,225,196)	(16,174,876)	32,133,085
Sewer	33,222,330	2,695,125	(8,546,000)	27,371,455
Golf	6,406,430	2,298,876	(2,440,424)	6,264,882

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

15. BUDGETS (Continued)

A. Budget Appropriations and Revisions (Continued)

	<u>Total Original Budget</u>	<u>Supplemental Budgets and Revisions</u>	<u>Capital Projects Budgets</u>	<u>Revised Annual Budgets</u>
Internal Service Funds				
Fleet Management	\$ 4,383,621	\$ 366,807	\$ —	\$ 4,750,428
Warehouse	2,083,683	180,204	—	2,263,887
Print Shop	816,561	259,630	—	1,076,191
Risk Management	4,254,204	17,144	—	4,271,348
Building Repair	1,132,000	469,572	(1,601,572)	—
TOTALS	<u>\$ 313,301,866</u>	<u>\$ 34,407,386</u>	<u>\$ (70,901,821)</u>	<u>\$ 276,807,431</u>

B. Budget Reconciliations

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

1) *Special Revenue Funds*

The following reconciliation reflects an entity difference for Aurora Rehabilitation Authority (ARA) which is not required to appropriate an annual budget. Also, only the annual portion of the special revenue funds is included in the Combined Budget and Actual Statement.

	<u>Per Combined Revenue/ Expenditure Statement</u>	<u>Entity Difference ARA</u>	<u>Capital Projects, Encumbrances and Reclasses</u>	<u>Per Combined Budget/ Actual Statement</u>
TOTAL REVENUES	\$ 18,777,407	\$ (237,038)	\$ 10,902,218	\$ 29,442,587
TOTAL EXPENDITURES	<u>(24,400,080)</u>	<u>368,560</u>	<u>3,920,750</u>	<u>(20,110,770)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 (5,622,673)	 131,522	 14,822,968	 9,331,817
 OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	2,254	—	(2,254)	—
Loan principal received	250,000	—	(250,000)	—
Operating transfers in	9,681,932	(125,000)	(9,556,932)	—
Operating transfers out	(2,422,430)	—	2,422,430	—

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

15. BUDGETS (Continued)

B. Budget Reconciliations (Continued)

1) *Special Revenue Funds (Continued)*

	<u>Per Combined Revenue/ Expenditure Statement</u>	<u>Entity Difference ARA</u>	<u>Capital Projects, Encumbrances and Reclasses</u>	<u>Per Combined Budget/ Actual Statement</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 1,889,083	\$ 6,522	\$ 7,436,212	\$ 9,331,817
Capital projects	—	—	(4,399,023)	(4,399,023)
BALANCES – JANUARY 1	12,743,331	(8,267)	(4,651,774)	8,083,290
Adjust beginning balance	—	—	(187,531)	(187,531)
BALANCES - DECEMBER 31	<u>\$ 14,632,414</u>	<u>\$ (1,745)</u>	<u>\$ (1,802,116)</u>	<u>\$ 12,828,553</u>

2) *Debt Service Funds*

This reconciliation reflects entity differences for the AURA and ACLC Debt Service Funds which are not required to adopt annual budgets.

	<u>Per Combined Revenue/ Expenditure Statement</u>	<u>Entity Difference AURA and ACLC</u>	<u>Reclasses</u>	<u>Per Combined Budget/ Actual Statement</u>
TOTAL REVENUES	\$ 2,533,841	\$ (1,256,305)	\$ 2,250,312	\$ 3,527,848
TOTAL EXPENDITURES	<u>(7,719,340)</u>	<u>5,085,775</u>	<u>(4,700,000)</u>	<u>(7,333,565)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,185,499)	3,829,470	(2,449,688)	(3,805,717)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	6,636,377	(4,390,524)	(2,245,853)	—
Operating transfers out	<u>(5,400,000)</u>	<u>700,000</u>	<u>4,700,000</u>	—
Total other financing sources	<u>1,236,377</u>	<u>(3,690,524)</u>	<u>2,454,147</u>	—

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

15. BUDGETS (Continued)

B. *Budget Reconciliations* (Continued)

2) *Debt Service Funds* (Continued)

	<u>Per Combined Revenue/ Expenditure Statement</u>	<u>Entity Difference AURA and ACLC</u>	<u>Reclasses</u>	<u>Per Combined Budget/ Actual Statement</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (3,949,122)	\$ 138,946	\$ 4,459	\$ (3,805,717)
BALANCES - JANUARY 1	<u>15,817,887</u>	<u>(7,967,068)</u>	<u>—</u>	<u>7,850,819</u>
BALANCES - DECEMBER 31	<u>\$ 11,868,765</u>	<u>\$ (7,828,122)</u>	<u>\$ 4,459</u>	<u>\$ 4,045,102</u>

3) *Capital Projects Fund*

Only the annual portion of the Capital Projects Fund is included in the Combined Budget and Actual Statement.

	<u>Per Combined Revenue/ Expenditure Statement</u>	<u>Reclasses</u>	<u>Per Combined Budget/ Actual Statement</u>
TOTAL REVENUES	\$ 1,376,586	\$ 36,164,101	\$ 37,540,687
TOTAL EXPENDITURES	<u>(22,675,124)</u>	<u>21,754,834</u>	<u>(920,290)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,298,538)</u>	<u>57,918,935</u>	<u>36,620,397</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from bonds	10,000,000	(10,000,000)	—
Operating transfers in	26,143,747	(26,143,747)	—
Operating transfers out	<u>(1,025,770)</u>	<u>1,025,770</u>	<u>—</u>
Total other financing sources (uses)	<u>\$ 35,117,977</u>	<u>\$ (35,117,977)</u>	<u>\$ —</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

15. BUDGETS (Continued)

B. Budget Reconciliations (Continued)

3) Capital Projects Fund (Continued)

	<u>Per Combined Revenue/ Expenditure Statement</u>	<u>Reclasses</u>	<u>Per Combined Budget/ Actual Statement</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 13,819,439	\$ 22,800,958	\$ 36,620,397
Capital projects overspending	—	259,801	259,801
Capital projects	—	(36,928,574)	(36,928,574)
BALANCES – JANUARY 1	<u>19,184,839</u>	<u>(16,697,720)</u>	<u>2,487,119</u>
BALANCES – DECEMBER 31	<u>\$ 33,004,278</u>	<u>\$ (30,565,535)</u>	<u>\$ 2,438,743</u>

C. Budget Violations

The following funds and departments had expenditures and other financing uses in excess of revised budgets, which may be a violation of the City's Charter:

	<u>Budget</u>	<u>Budget Basis Expenditures</u>	<u>Variance</u>
<u>Funds</u>			
Capital Projects	\$ 830,750	\$ 920,290	\$ (89,540)
Warehouse	2,263,683	2,288,810	(25,127)
Risk Management	4,254,204	4,686,738	(432,534)
<u>Departments</u>			
Transfers and Other Payments			
General Fund	28,492,513	31,929,997	(3,437,484)

Supplemental appropriations for these expenditures will be requested in the following year. Supplemental appropriations are subject to City Council approval by ordinance.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

15. BUDGETS (Continued)

D. Funds Available Reconciliation

Funds available as of December 31, 1997 has been restated to be consistent with the methodology used to calculate funds available for 1998. A reconciliation of the restated funds available follows:

Community Development Block Grant Fund

Funds available - December 31, 1997	\$ 286,068
Due from Federal government adjustment	<u>(187,531)</u>
Funds available - January 1, 1998, as restated	<u>\$ 98,537</u>

16. RISK MANAGEMENT

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

The City retains risk up to the levels where it has been determined that commercial insurance is more cost beneficial. These insurance companies guarantee payments of claims in excess of stated deductibles, with variable limits depending upon the specific line of coverage. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are \$150,000 per injury up to a maximum of \$600,000 per occurrence. There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Case reserves are amounts estimated to be paid on known cases. Case reserves are estimated by third party administrators and through in-house methods. Total self-insurance reserves are actuarially determined and include estimated costs for incurred but not reported claims (IBNR). The total liability has been recorded using the discounted method with an expected 4.75% interest return over the life of the liabilities.

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

<u>Self Insured Program</u>	<u>Case Reserves</u>	<u>IBNR</u>	<u>Total</u>	<u>Discounted</u>
Worker's compensation	\$ 3,627,208	\$ 3,513,490	\$ 7,140,698	\$ 6,245,822
Multi-line liability	<u>1,655,828</u>	<u>1,215,110</u>	<u>2,870,938</u>	<u>2,632,072</u>
Totals	<u>\$ 5,283,036</u>	<u>\$ 4,728,600</u>	<u>\$ 10,011,636</u>	<u>\$ 8,877,894</u>

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

16. RISK MANAGEMENT (Continued)

Reconciliation of Claims Liability

	<u>Balance</u> <u>January 1</u>	<u>Current Year</u> <u>Accrued</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Recoveries</u>	<u>Balance</u> <u>December 31</u>
1997	\$ 7,209,494	\$ 2,759,906	\$ (2,543,308)	\$ 305,037	\$ 7,731,129
1998	\$ 7,731,129	\$ 3,170,893	\$ (2,219,281)	\$ 195,153	\$ 8,877,894

17. CONTINGENT LIABILITIES

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

A. *Special Assessment Debt*

Special assessment bonds debt service is payable from the assessments levied against property owners. This debt is additionally secured by funds deposited in the Surplus and Deficiency Fund. If there is a deficiency for the payment of principal or interest on special assessment bonds, the deficiency is to be paid out of the Surplus and Deficiency Fund. In the event that a deficiency cannot be so paid, the City Council, in accordance with Section 11-24 of the Home Rule Charter, may levy annual taxes on all taxable property within the City. The tax assessed cannot exceed two mills in any one year. In lieu of such tax levies, the City Council may annually transfer other available monies of the City.

B. *Refunded Debt*

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

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

17. CONTINGENT LIABILITIES (Continued)

The following are the defeased debt issues and the principal outstanding at December 31, 1998:

	<u>Date of Issue</u>	<u>Series</u>	<u>Balance December 31</u>
<i>ACMBC</i>			
Refunding revenue bonds	04/01/78	—	\$ 5,320,000
Construction revenue bonds	04/01/78	A	600,000
Construction revenue bonds	04/01/78	B	315,000
Construction revenue bonds	04/01/78	C	320,000
First mortgage revenue bonds	04/01/79	—	385,000
Certificates of participation	05/01/84	—	<u>8,711,000</u>
Total ACMBC			<u>\$ 15,651,000</u>
<i>Water</i>			
General obligation water bonds	07/01/63	1963	\$ 4,225,000
General obligation water bonds	11/01/64	1964	4,640,000
General obligation water bonds	09/01/65	1965	<u>2,725,000</u>
Total Water			<u>\$ 11,590,000</u>
<i>Sewer</i>			
Sewer revenue bonds	03/01/73	1973	<u>\$ 1,185,000</u>
Total Sewer			<u>\$ 1,185,000</u>

18. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued revenue bonds to provide financial assistance to private-sector and non-profit entities for the acquisition and construction of industrial, commercial and residential properties deemed to be in the public interest. The bonds are secured by the property financed and is 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, 1998 there were fifteen series of revenue bonds outstanding which included one Educational Development Bond payable from lease payments, four Industrial Development Bonds payable from loan payments, five Multi-Family Mortgage Bonds payable from rental payments, four Single Family Mortgage Bonds payable from mortgage payments, and one Joint Water Authority Bond payable from transmission service revenue. The total aggregate principal amount payable is \$69,126,981.

EXHIBIT VII
CITY OF AURORA, COLORADO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

19. TAXPAYER BILL OF RIGHTS (TABOR)

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

In 1998, the City exceeded the revenue limit for property taxes (not general revenues) by \$1,647,106. The refunding of this amount is being made by way of a temporary property tax credit in 1999. Property tax revenues in 1999 are anticipated to exceed the revenue limit by \$1,400,000. A temporary credit will be used to refund this amount in the year 2000.

TABOR also requires emergency reserves of at least 3% of fiscal year spending (excluding bonded debt service). The amount reserved under this provision was \$4,807,000 as of December 31, 1998. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

Defined Benefit Pension Plans - Schedule of Funding Progress

Year 2000 (Y2K) Issue

EXHIBIT VIII

CITY OF AURORA, COLORADO

**DEFINED BENEFIT PENSION PLANS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 1998**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded (Excess) AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Projected Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
<i>Old Hire - Fire Plan</i>						
01/01/94	\$ 58,037,528	\$ 60,196,266	\$ 2,158,738	96.41%	\$ 4,127,865	52.30%
01/01/96	70,622,377	69,857,791	(764,586)	101.09	4,208,091	(18.17)
01/01/98	87,662,579	84,712,424	(2,950,155)	103.48	2,319,010	(127.22)
<i>Old Hire - Police Plan</i>						
01/01/94	\$ 55,298,872	\$ 75,350,335	\$ 20,051,463	73.39%	\$ 3,866,914	518.54%
01/01/96	70,238,757	88,043,978	17,805,221	79.78	3,358,558	530.14
01/01/98	90,238,856	100,953,672	10,714,816	89.39	3,090,475	346.70

EXHIBIT VIII

CITY OF AURORA, COLORADO

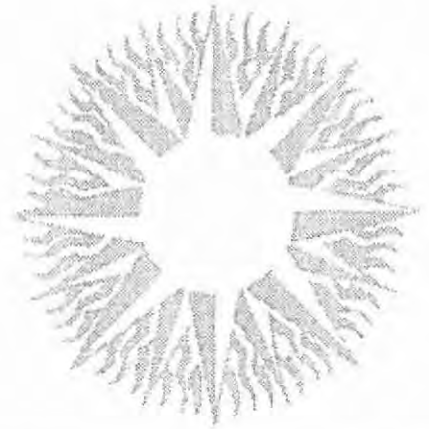
YEAR 2000 (Y2K) ISSUE REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 1998

The City has established a comprehensive plan to address the issues and risks associated with the Year 2000 date change (the so-called Y2K problem) and its potential impact on the City's critical operations and financial position. This comprehensive plan has involved inventorying, assessing, prioritizing, evaluating, and remediating computerized City systems in order to predict and accomplish Y2K compliance.

The City has completed an evaluation of its systems for Y2K readiness and has identified and assessed the risks and problems related to computer equipment and systems, software applications, and communication systems. The City is communicating with critical vendors and other significant third parties, including other government agencies, in order to assess risks from outside sources.

The City has identified potential Y2K issues, is taking remedial action, and is currently conducting tests to verify that remediation has been completed. All such tests are expected to be completed during 1999. As a result of its efforts to date, the City believes the impact of the Y2K date change has not been and will not be material to its financial position or results of operations.

Due to the unprecedented nature of the Y2K problem, its actual effects and the success of Y2K remediation efforts will not be fully determinable until January 1, 2000, and thereafter. Accordingly, there can be no assurance that unforeseen or uncontrollable Y2K-related events, including events related to external system interfaces, will not occur. It is considered possible, although not likely, that the basic services offered by the City could be interrupted or adversely affected by year 2000 difficulties. If and to the extent Y2K-related events occur, the failure by the City, or others, to resolve those or resulting issues could result in material adverse effects on the overall government operations, financial condition and cash flows of the City.



Supplemental Information

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

GENERAL FUND

The General Fund accounts for taxes and other resources traditionally associated with government and the operations of the City which are financed from these resources. Revenues and expenditures of the 0.25% voter approved sales taxes restricted for police officer staffing are accounted for in this fund.

EXHIBIT A-1

CITY OF AURORA, COLORADO

**GENERAL FUND
BALANCE SHEET
DECEMBER 31, 1998**

ASSETS

Cash and cash equivalents	\$ 204,027
Equity in cash and cash equivalents	707,634
Equity in investments	31,704,806
Receivables	
Property taxes (net of allowance for uncollectibles)	15,916,135
Sales, use and lodgers taxes	12,045,425
Accounts	2,508,878
Accrued interest	331,777
Loans	57,766
Other	88,730
Due from other funds	354,677
Due from other governments	1,045,333

TOTAL ASSETS \$ 64,965,188

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 2,048,260
Accrued liabilities	3,326,772
Funds held for others	211,591
Due to other funds	245,034
Due to other governments	67,250
Deferred revenues	17,880,653
Total liabilities	<u>23,779,560</u>

FUND BALANCE

Reserved	
Reserved for encumbrances - operating	1,308,791
Reserved for police	10,865,085
Unreserved	
Designated for long-term liabilities	12,045,425
Undesignated	16,966,327
Total fund balance	<u>41,185,628</u>

TOTAL LIABILITIES AND FUND BALANCE \$ 64,965,188

EXHIBIT A-2

CITY OF AURORA, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND

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

FOR THE YEAR ENDED DECEMBER 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
FUNDS AVAILABLE - JANUARY 1	\$ 28,678,517	\$ 25,213,704	\$ (3,464,813)
REVENUES			
Taxes			
Property	16,106,395	16,195,241	88,846
Sales	79,472,412	82,046,756	2,574,344
Use	17,406,117	20,787,367	3,381,250
Lodgers	3,348,200	2,882,725	(465,475)
Franchise	7,558,140	7,626,706	68,566
Other	6,846,920	7,106,932	260,012
Total taxes	130,738,184	136,645,727	5,907,543
Licenses and permits	4,188,084	4,703,725	515,641
Intergovernmental revenues	9,395,254	9,575,653	180,399
Charges for services	4,746,600	5,026,676	280,076
Fines and forfeitures	2,302,000	3,166,427	864,427
Investment income	2,551,737	2,939,470	387,733
Proceeds from sale of assets	293,000	259,548	(33,452)
Other revenues	361,825	418,121	56,296
TOTAL REVENUES	\$ 154,576,684	\$ 162,735,347	\$ 8,158,663
EXPENDITURES			
Municipal Court			
Judicial	\$ 1,407,911	\$ 1,301,437	\$ 106,474
Court Administration	1,996,718	1,973,201	23,517
Public Defender	420,122	388,901	31,221
Total Municipal Court	3,824,751	3,663,539	161,212
City Attorney	2,905,697	2,854,204	51,493
General Management			
City Council	681,544	659,803	21,741
City Council operating transfers	—	1,000	(1,000)
Boards and Commissions	567,361	482,813	84,548
City Manager	2,354,081	2,268,105	85,976
Development Services	3,177,895	3,152,622	25,273
Total General Management	6,780,881	6,564,343	216,538

EXHIBIT A-2

CITY OF AURORA, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND

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

FOR THE YEAR ENDED DECEMBER 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Administrative Services Group			
Economic Development	\$ 141,006	\$ 138,055	\$ 2,951
Finance	3,258,306	3,230,232	28,074
Information Technology	4,348,965	4,348,942	23
Information Technology operating transfers	217,285	217,285	—
Internal Services	4,575,247	4,452,969	122,278
Total Administrative Services Group	<u>12,540,809</u>	<u>12,387,483</u>	<u>153,326</u>
Operations Group			
Fitzsimons Redevelopment	150,000	146,009	3,991
Public Works	14,445,967	14,430,504	15,463
Parks and Open Space	11,600,244	11,585,843	14,401
Planning	2,792,057	2,569,919	222,138
Planning operating transfers	15,000	15,000	—
Total Operations Group	<u>29,003,268</u>	<u>28,747,275</u>	<u>255,993</u>
Community Services Group			
Library, Recreation and Television Services	4,696,515	4,706,401	(9,886)
Library, Recreation and Television Services operating transfers	3,676,572	3,634,157	42,415
Police	46,746,023	46,737,714	8,309
Fire	21,982,156	21,974,951	7,205
Neighborhood Services	3,226,537	3,085,547	140,990
Neighborhood Services operating transfers	10,000	135,000	(125,000)
Total Community Services Group	<u>80,337,803</u>	<u>80,273,770</u>	<u>64,033</u>
Non-departmental			
Change in emergency reserve	—	(4,600,000)	4,600,000
Transfers and other payments	28,492,513	31,929,997	(3,437,484)
1997 encumbrance - operating	(1,734,741)	(1,734,741)	—
Total non-departmental	<u>26,757,772</u>	<u>25,595,256</u>	<u>1,162,516</u>
TOTAL EXPENDITURES	<u>162,150,981</u>	<u>160,085,870</u>	<u>2,065,111</u>
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	<u>(7,574,297)</u>	<u>2,649,477</u>	<u>10,223,774</u>
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 21,104,220</u>	<u>27,863,181</u>	<u>\$ 6,758,961</u>
Add: 1998 operating encumbrances		1,308,791	
Adjust investments to fair value		(31,769)	
Sales, use and lodgers tax accrual		<u>12,045,425</u>	
FUND BALANCE - DECEMBER 31		<u>\$ 41,185,628</u>	

SPECIAL REVENUE FUNDS

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

Gifts and Grants Fund

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

Abatement Fund

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

Community Maintenance Fund

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

Community Development Block Grant Fund

The Community Development Block Grant (CDBG) 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 which are passed through the State of Colorado. Monies are used for development and renovation of facilities and infrastructure at park sites.

SPECIAL REVENUE FUNDS (Continued)

Emergency Contingency Fund

The Emergency Contingency Fund provides funding for expenditures which could not have been readily foreseen at the time of budget preparation. All expenditures require approval of the City Council. Revenues are primarily from interest earnings. The emergency reserves required under the taxpayer bill of rights (TABOR) are included in this fund.

Parks Development Fund

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

Recreation Services Fund

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

Television Services Fund

The Television Services Fund accounts for local television programming, production, and cable television services provided by the City. The fund was closed at the end of 1998 and its functions transferred to the General Fund.

Designated Revenues Fund

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

Aurora Rehabilitation Authority Fund

The Aurora Rehabilitation Authority (ARA) accounts for projects to encourage revitalization of a downtown Aurora area designated as Original Aurora.

EXHIBIT B-1

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 1998

	Gifts and Grants	Abatement	Community Maintenance	Community Development Block Grant	Enhanced E-911
ASSETS					
Cash and cash equivalents	\$ 350	\$ —	\$ —	\$ —	\$ —
Equity in cash and cash equivalents	—	14,785	33,559	—	22,743
Equity in investments	—	—	1,442,707	—	977,962
Designated equity in investments	—	—	—	—	—
Receivables					
Accounts	—	50,312	—	—	91,842
Accrued interest	—	—	22,067	—	—
Loans	4,036,660	—	2,771,937	3,513,018	—
Other	30	163,914	15	15	—
Due from other funds	—	—	—	—	—
Due from other governments	1,282,110	—	—	384,828	—
Restricted assets					
Equity in cash and cash equivalents	301,025	—	—	—	—
TOTAL ASSETS	\$ 5,620,175	\$ 229,011	\$ 4,270,285	\$ 3,897,861	\$ 1,092,547
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 70,864	\$ 5,038	\$ 17,116	\$ 59,949	\$ 11,125
Accrued liabilities	35,799	1,765	5,223	23,255	—
Funds held for others	58,247	—	—	24,590	—
Due to other funds	28,973	—	—	277,049	—
Due to private grantors	67,250	—	—	—	—
Deferred revenues	4,555,078	80,732	2,771,937	3,513,018	—
Total liabilities	4,816,211	87,535	2,794,276	3,897,861	11,125
FUND BALANCES					
Reserved					
Reserved for encumbrances					
Operating	242,954	26,638	—	4,595	114,485
Capital projects	24,033	—	—	68,535	—
Reserved for police	301,025	—	—	—	—
Reserved for emergencies	—	—	—	—	—
Unreserved					
Designated for subsequent year expenditures					
Budget	235,952	53,992	221,000	—	—
Capital projects	—	—	—	—	—
Undesignated	—	60,846	1,255,009	(73,130)	966,937
Total fund balances	803,964	141,476	1,476,009	—	1,081,422
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,620,175	\$ 229,011	\$ 4,270,285	\$ 3,897,861	\$ 1,092,547

<u>Conservation Trust</u>	<u>Emergency Contingency</u>	<u>Parks Development</u>	<u>Recreation Services</u>	<u>Designated Revenues</u>	<u>Aurora Rehabilitation</u>	<u>Totals</u>
\$ —	\$ —	\$ —	\$ 2,393	\$ 2,998	\$ 5,307	\$ 11,048
89,330	118,033	5,963	177,589	1,544,981	—	2,006,983
3,840,966	5,078,839	256,405	—	—	—	11,596,879
37,676	—	—	—	—	—	37,676
—	—	—	28,618	77,529	—	248,301
23,140	—	—	—	—	—	45,207
—	—	—	—	—	—	10,321,615
—	—	—	390	2,903	60	167,327
—	207,000	—	—	—	—	207,000
—	—	—	—	—	—	1,666,938
—	—	—	—	—	—	301,025
<u>\$ 3,991,112</u>	<u>\$ 5,403,872</u>	<u>\$ 262,368</u>	<u>\$ 208,990</u>	<u>\$ 1,628,411</u>	<u>\$ 5,367</u>	<u>\$ 26,609,999</u>
\$ 67,232	\$ —	\$ —	\$ 57,039	\$ 75,318	\$ 3,467	\$ 367,148
8,266	—	—	143,206	11,667	—	229,181
—	—	—	976	3,251	—	87,064
—	—	—	—	—	—	306,022
—	—	—	—	—	—	67,250
—	—	—	—	—	155	10,920,920
<u>75,498</u>	<u>—</u>	<u>—</u>	<u>201,221</u>	<u>90,236</u>	<u>3,622</u>	<u>11,977,585</u>
8,282	—	—	6,253	—	—	403,207
441,315	—	—	—	—	—	533,883
—	—	—	—	—	—	301,025
—	4,807,000	—	—	—	—	4,807,000
190,787	290,844	70,000	—	209,718	—	1,272,293
2,600,671	—	61,000	—	—	—	2,661,671
674,559	306,028	131,368	1,516	1,328,457	1,745	4,653,335
<u>3,915,614</u>	<u>5,403,872</u>	<u>262,368</u>	<u>7,769</u>	<u>1,538,175</u>	<u>1,745</u>	<u>14,632,414</u>
<u>\$ 3,991,112</u>	<u>\$ 5,403,872</u>	<u>\$ 262,368</u>	<u>\$ 208,990</u>	<u>\$ 1,628,411</u>	<u>\$ 5,367</u>	<u>\$ 26,609,999</u>

EXHIBIT B-2

CITY OF AURORA, COLORADO

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Gifts and Grants</u>	<u>Abatement</u>	<u>Community Maintenance</u>	<u>Community Development Block Grant</u>	<u>Enhanced E-911</u>	<u>Conservation Trust</u>
REVENUES						
Intergovernmental revenues	\$ 4,163,656	\$ —	\$ —	\$ 2,300,529	\$ —	\$ 2,225,389
Charges for services	—	92,761	—	—	997,673	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	76,388	9,735	293,612	—	57,299	254,843
Miscellaneous revenues	1,006,041	—	25	767,104	—	—
Total revenues	5,246,085	102,496	293,637	3,067,633	1,054,972	2,480,232
EXPENDITURES						
Current						
General government	2,119,674	143,947	915,724	2,940,517	—	—
Public safety	1,617,433	14,473	—	117	690,868	—
Public works	4,007	—	—	—	—	—
Culture and recreation	1,286,580	51,501	—	102,560	—	494,119
Capital outlay	574,441	—	6,350	25,355	123,077	2,723,627
Total expenditures	5,602,135	209,921	922,074	3,068,549	813,945	3,217,746
Excess (deficiency) of revenues over (under) expenditures	(356,050)	(107,425)	(628,437)	(916)	241,027	(737,514)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	—	—	683	916	—	—
Loan principal received	—	—	250,000	—	—	—
Operating transfers in	200,950	—	—	—	—	—
Operating transfers out	—	—	(2,122,273)	—	—	—
Total other financing sources (uses)	200,950	—	(1,871,590)	916	—	—
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(155,100)	(107,425)	(2,500,027)	—	241,027	(737,514)
FUND BALANCES - JANUARY 1	959,064	248,901	3,976,036	—	840,395	4,653,128
FUND BALANCES - DECEMBER 31	\$ 803,964	\$ 141,476	\$ 1,476,009	\$ —	\$ 1,081,422	\$ 3,915,614

<u>Emergency Contingency</u>	<u>Parks Development</u>	<u>Recreation Services</u>	<u>Television Services</u>	<u>Designated Revenues</u>	<u>Aurora Rehabili- tation</u>	<u>Totals</u>
\$ —	\$ —	\$ —	\$ —	\$ 21,617	\$ 137,558	\$ 8,848,749
—	1,200	4,598,340	338,744	382,491	—	6,411,209
—	—	—	—	717,386	—	717,386
34,309	14,408	—	5,628	50,856	—	797,078
—	15,609	33,336	18,103	63,287	99,480	2,002,985
<u>34,309</u>	<u>31,217</u>	<u>4,631,676</u>	<u>362,475</u>	<u>1,235,637</u>	<u>237,038</u>	<u>18,777,407</u>
5,170	—	—	—	334,867	368,560	6,828,459
—	—	—	—	483,524	—	2,806,415
—	—	—	—	—	—	4,007
—	—	8,022,858	442,476	525,116	—	10,925,210
—	—	32,273	299,750	51,116	—	3,835,989
<u>5,170</u>	<u>—</u>	<u>8,055,131</u>	<u>742,226</u>	<u>1,394,623</u>	<u>368,560</u>	<u>24,400,080</u>
29,139	31,217	(3,423,455)	(379,751)	(158,986)	(131,522)	(5,622,673)
—	—	—	—	655	—	2,254
—	—	—	—	—	—	250,000
4,807,000	—	3,310,023	324,134	914,825	125,000	9,681,932
—	—	—	(300,157)	—	—	(2,422,430)
<u>4,807,000</u>	<u>—</u>	<u>3,310,023</u>	<u>23,977</u>	<u>915,480</u>	<u>125,000</u>	<u>7,511,756</u>
4,836,139	31,217	(113,432)	(355,774)	756,494	(6,522)	1,889,083
<u>567,733</u>	<u>231,151</u>	<u>121,201</u>	<u>355,774</u>	<u>781,681</u>	<u>8,267</u>	<u>12,743,331</u>
<u>\$ 5,403,872</u>	<u>\$ 262,368</u>	<u>\$ 7,769</u>	<u>\$ —</u>	<u>\$ 1,538,175</u>	<u>\$ 1,745</u>	<u>\$ 14,632,414</u>

EXHIBIT B-3

CITY OF AURORA, COLORADO

**SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Gifts and Grants			Abatement		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
FUNDS AVAILABLE - JANUARY 1	\$ 411,645	\$ 593,067	\$ 181,422	\$ 93,766	\$ 187,284	\$ 93,518
REVENUES						
Intergovernmental revenues	7,187,431	5,691,380	(1,496,051)	—	—	—
Charges for services	5,500	—	(5,500)	191,000	92,761	(98,239)
Fines and forfeitures	—	—	—	—	—	—
Investment income	77,438	64,153	(13,285)	10,000	9,735	(265)
Proceeds from sale of assets	—	—	—	—	—	—
Loan principal received	—	—	—	—	—	—
Other	1,603,207	786,625	(816,582)	—	—	—
Internal transfers in	—	30,000	30,000	—	—	—
Operating transfers in	200,950	200,950	—	—	—	—
Total revenues	9,074,526	6,773,108	(2,301,418)	201,000	102,496	(98,504)
EXPENDITURES						
Personal services	1,710,482	1,660,677	49,805	55,408	67,876	(12,468)
Supplies and other services and charges	5,685,263	3,055,070	2,630,193	255,166	168,683	86,483
Capital outlay	896,004	580,752	315,252	—	—	—
Operating transfers out	—	—	—	—	—	—
1997 operating encumbrances	(278,949)	(278,949)	—	(61,617)	(61,617)	—
Total expenditures	8,012,800	5,017,550	2,995,250	248,957	174,942	74,015
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	1,061,726	1,755,558	693,832	(47,957)	(72,446)	(24,489)
OTHER CHANGES TO FUNDS AVAILABLE - Capital projects	(344,006)	(344,006)	—	—	—	—
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 1,129,365</u>	<u>2,004,619</u>	<u>\$ 875,254</u>	<u>\$ 45,809</u>	<u>114,838</u>	<u>\$ 69,029</u>
Add: 1998 operating encumbrances		242,954			26,638	
Capital projects carryforward		210,001			—	
Seizure funds		299,096			—	
Adjust investments to fair value		—			—	
Less: Deferred revenue - Federal grants		(1,952,706)			—	
FUND BALANCES - DECEMBER 31		<u>\$ 803,964</u>			<u>\$ 141,476</u>	

Community Maintenance			Community Development Block Grant		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,539,753	\$ 3,954,647	\$ 414,894	\$ 364,948	\$ 98,537	\$ (266,411)
—	—	—	2,125,000	2,057,000	(68,000)
—	—	—	—	—	—
—	—	—	—	—	—
187,000	295,086	108,086	—	—	—
—	—	—	—	916	916
—	250,000	250,000	—	—	—
1,000,000	25	(999,975)	500,000	767,104	267,104
—	—	—	—	—	—
—	—	—	—	—	—
<u>1,187,000</u>	<u>545,111</u>	<u>(641,889)</u>	<u>2,625,000</u>	<u>2,825,020</u>	<u>200,020</u>
179,869	154,055	25,814	980,600	898,666	81,934
751,496	761,670	(10,174)	481,543	199,483	282,060
479	5,667	(5,188)	23,089	25,355	(2,266)
2,122,273	2,122,273	—	—	—	—
(21,389)	(21,389)	—	(34,999)	(34,999)	—
<u>3,032,728</u>	<u>3,022,276</u>	<u>10,452</u>	<u>1,450,233</u>	<u>1,088,505</u>	<u>361,728</u>
(1,845,728)	(2,477,165)	(631,437)	1,174,767	1,736,515	561,748
—	—	—	(1,585,350)	(1,585,350)	—
<u>s 1,694,025</u>	<u>1,477,482</u>	<u>\$ (216,543)</u>	<u>\$ (45,635)</u>	249,702	<u>\$ 295,337</u>
—	—	—	—	4,595	—
—	—	—	—	2,009,940	—
—	(1,473)	—	—	—	—
—	—	—	—	(2,264,237)	—
—	<u>\$ 1,476,009</u>	—	—	<u>\$ —</u>	—

(Continued)

EXHIBIT B-3

CITY OF AURORA, COLORADO

**SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Enhanced E-911			Conservation Trust		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
FUNDS AVAILABLE - JANUARY 1	\$ 815,155	\$ 288,159	\$ (526,996)	\$ 648,105	\$ 1,100,134	\$ 452,029
REVENUES						
Intergovernmental revenues	—	—	—	2,250,000	2,225,389	(24,611)
Charges for services	750,000	997,673	247,673	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	30,000	58,065	28,065	150,000	258,038	108,038
Proceeds from sale of assets	—	—	—	—	—	—
Loan principal received	—	—	—	—	—	—
Other	—	—	—	—	—	—
Internal transfers in	—	—	—	—	5,000	5,000
Operating transfers in	—	—	—	—	—	—
Total revenues	780,000	1,055,738	275,738	2,400,000	2,488,427	88,427
EXPENDITURES						
Personal services	—	—	—	276,850	223,401	53,449
Supplies and other services and charges	870,042	805,351	64,691	27,087	26,952	135
Capital outlay	195,299	123,078	72,221	7,000	—	7,000
Operating transfers out	—	—	—	—	—	—
1997 operating encumbrances	(552,236)	(552,236)	—	—	—	—
Total expenditures	513,105	376,193	136,912	310,937	250,353	60,584
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	266,895	679,545	412,650	2,089,063	2,238,074	149,011
OTHER CHANGES TO FUNDS AVAILABLE - Capital projects	—	—	—	(2,469,667)	(2,469,667)	—
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 1,082,050</u>	<u>967,704</u>	<u>\$ (114,346)</u>	<u>\$ 267,501</u>	<u>868,541</u>	<u>\$ 601,040</u>
Add: 1998 operating encumbrances		114,485			8,282	
Capital projects carryforward		—			3,041,987	
Seizure funds		—			—	
Adjust investments to fair value		(767)			(3,196)	
Less: Deferred revenue - Federal grants		—			—	
FUND BALANCES - DECEMBER 31		<u>\$ 1,081,422</u>			<u>\$ 3,915,614</u>	

Emergency Contingency			Parks Development		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 522,768	\$ 546,156	\$ 23,388	\$ 172,436	\$ 170,151	\$ (2,285)
—	—	—	—	—	—
—	—	—	—	1,200	1,200
25,000	34,854	9,854	15,000	14,599	(401)
—	—	—	—	—	—
—	—	—	15,000	15,609	609
—	—	—	—	—	—
—	4,807,000	4,807,000	—	—	—
25,000	4,841,854	4,816,854	30,000	31,408	1,408
—	—	—	—	—	—
569,345	5,170	564,175	61,000	—	61,000
—	—	—	—	—	—
(21,577)	(21,577)	—	—	—	—
547,768	(16,407)	564,175	61,000	—	61,000
(522,768)	4,858,261	5,381,029	(31,000)	31,408	62,408
—	—	—	—	—	—
<u>\$ —</u>	<u>5,404,417</u>	<u>\$ 5,404,417</u>	<u>\$ 141,436</u>	<u>201,559</u>	<u>\$ 60,123</u>
—	—	—	—	61,000	—
—	—	—	—	—	—
—	(545)	—	—	(191)	—
—	—	—	—	—	—
—	<u>\$ 5,403,872</u>	—	—	<u>\$ 262,368</u>	—

(Continued)

EXHIBIT B-3

CITY OF AURORA, COLORADO

**SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Recreation Services			Television Services		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
FUNDS AVAILABLE - JANUARY 1	\$ 166,061	\$ 105,169	\$ (60,892)	\$ 57,129	\$ 70,774	\$ 13,645
REVENUES						
Intergovernmental revenues	—	—	—	—	—	—
Charges for services	5,025,977	4,598,340	(427,637)	413,000	338,744	(74,256)
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	—	—	500	5,628	5,128
Proceeds from sale of assets	—	—	—	—	—	—
Loan principal received	—	—	—	—	—	—
Other	10,000	33,336	23,336	53,706	18,103	(35,603)
Internal transfers in	—	—	—	—	—	—
Operating transfers in	3,245,023	3,310,023	65,000	356,549	324,134	(32,415)
Total revenues	8,281,000	7,941,699	(339,301)	823,755	686,609	(137,146)
EXPENDITURES						
Personal services	5,671,427	5,583,168	88,259	368,021	347,668	20,353
Supplies and other services and charges	2,609,045	2,445,943	163,102	66,380	94,808	(28,428)
Capital outlay	16,560	32,273	(15,713)	674,700	299,750	374,950
Operating transfers out	—	—	—	—	300,157	(300,157)
1997 operating encumbrances	(16,032)	(16,032)	—	(285,000)	(285,000)	—
Total expenditures	8,281,000	8,045,352	235,648	824,101	757,383	66,718
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	—	(103,653)	(103,653)	(346)	(70,774)	(70,428)
OTHER CHANGES TO FUNDS AVAILABLE - Capital projects						
	—	—	—	—	—	—
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 166,061</u>	1,516	<u>\$ (164,545)</u>	<u>\$ 56,783</u>	—	<u>\$ (56,783)</u>
Add: 1998 operating encumbrances		6,253			—	
Capital projects carryforward		—			—	
Seizure funds		—			—	
Adjust investments to fair value		—			—	
Less: Deferred revenue - Federal grants		—			—	
FUND BALANCES - DECEMBER 31		<u>\$ 7,769</u>			<u>\$ —</u>	

Designated Revenues			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ —	\$ 781,681	\$ 781,681	\$ 6,791,766	\$ 7,895,759	\$ 1,103,993
—	21,617	21,617	11,562,431	9,995,386	(1,567,045)
392,800	382,491	(10,309)	6,778,277	6,411,209	(367,068)
469,000	717,386	248,386	469,000	717,386	248,386
10,500	50,856	40,356	505,438	791,014	285,576
1,800	655	(1,145)	1,800	1,571	(229)
—	—	—	—	250,000	250,000
153,800	63,287	(90,513)	3,335,713	1,684,089	(1,651,624)
—	—	—	—	35,000	35,000
646,836	914,825	267,989	4,449,358	9,556,932	5,107,574
1,674,736	2,151,117	476,381	27,102,017	29,442,587	2,340,570
526,308	473,870	52,438	9,768,965	9,409,381	359,584
1,448,626	869,637	578,989	12,824,993	8,432,767	4,392,226
69,030	51,116	17,914	1,882,161	1,117,991	764,170
—	—	—	2,122,273	2,422,430	(300,157)
—	—	—	(1,271,799)	(1,271,799)	—
2,043,964	1,394,623	649,341	25,326,593	20,110,770	5,215,823
(369,228)	756,494	1,125,722	1,775,424	9,331,817	7,556,393
—	—	—	(4,399,023)	(4,399,023)	—
<u>\$ (369,228)</u>	<u>1,538,175</u>	<u>\$ 1,907,403</u>	<u>\$ 4,168,167</u>	<u>12,828,553</u>	<u>\$ 8,660,386</u>
	—			403,207	
	—			5,322,928	
	—			299,096	
	—			(6,172)	
	—			(4,216,943)	
	<u>\$ 1,538,175</u>			<u>\$ 14,630,669</u>	

(Concluded)

EXHIBIT B-4

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 GIFTS AND GRANTS FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations					Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998	Totals			
Public Works												
49744	Picadilly Rd - Fed Pass Thru	\$ —	\$ —	\$ —	\$ 4,006	\$ 4,006	\$ —	\$ 4,006	\$ 4,006	\$ —	\$ —	\$ —
19749	TIP Match - Federal Pass Thru	—	—	864,000	(4,006)	859,994	—	—	—	859,994	—	859,994
	Total Public Works	—	—	864,000	—	864,000	—	4,006	4,006	859,994	—	859,994
Parks and Open Space												
61710	Cherry Creek Bike Path	—	105,000	—	—	105,000	—	—	—	105,000	—	105,000
61765	CO Delaney St Historical Grant	—	—	40,000	—	40,000	—	—	—	40,000	20,000	20,000
61768	Lowry State Historical Grant	—	100,000	—	—	100,000	—	100,000	100,000	—	—	—
61776	Homestead City Improvements	4,032	5,968	—	—	10,000	4,032	—	4,032	5,968	—	5,968
61777	Westerly Creek GOCO Grant	—	55,000	—	—	55,000	—	—	—	55,000	—	55,000
61783	GOCO Fletcher Plaza	—	—	50,000	—	50,000	—	50,000	50,000	—	—	—
61791	Jewel Wetland (GOCO Grant)	—	—	50,000	—	50,000	—	—	—	50,000	—	50,000
61793	CO GOCO - Parklane Trail Grant	—	—	5,000	(5,000)	—	—	—	—	—	—	—
61795	Regional Trail Connection GO	—	—	100,000	—	100,000	—	—	—	100,000	—	100,000
61799	State Trails Grant - Sand Creek	—	—	50,000	—	50,000	—	—	—	50,000	—	50,000
61807	Sand Creek Legacy Grant	—	—	500,000	—	500,000	—	—	—	500,000	—	500,000
61808	Fitzsimons Medians HUD Grant	—	—	—	250,000	250,000	—	245,967	245,967	4,033	4,033	—
	Total Parks and Open Space	4,032	265,968	795,000	245,000	1,310,000	4,032	395,967	399,999	910,001	24,033	885,968
TOTAL GIFTS AND GRANTS FUND CAPITAL PROJECTS		\$ 4,032	\$ 265,968	\$ 1,659,000	\$ 245,000	\$ 2,174,000	\$ 4,032	\$ 399,973	\$ 404,005	\$ 1,769,995	\$ 24,033	\$ 1,745,962
Less: Projects pending funding agreements		—	—	(1,564,000)	4,006	(1,559,994)	—	—	—	(1,559,994)	—	(1,559,994)
Total Gifts & Grants Fund capital projects		\$ 4,032	\$ 265,968	\$ 95,000	\$ 249,006	\$ 614,006	\$ 4,032	\$ 399,973	\$ 404,005	\$ 210,001	\$ 24,033	\$ 185,968
Less: Unencumbered appropriation in excess of available unreserved fund balance												(185,968)
Designated for subsequent year expenditures - capital projects												\$ —

(Concluded)

EXHIBIT B-5

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations				Totals	Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project		Prior	1998	Totals			
PUBLIC SERVICE												
64035	Elderly Housing Choices 93	\$ —	\$ —	\$ 10,000	\$ (10,000)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
64054	Apt Mgr Training 95	110,220	6,780	25,800	—	142,800	110,220	32,580	142,800	—	—	—
64071	Elderly Housing Choices Project	32,000	—	—	10,000	42,000	32,000	10,000	42,000	—	—	—
64177	Bookstock (NW Library) 95	105,988	12	33,573	2,502	142,075	105,988	36,087	142,075	—	—	—
64220	City Park/Flet Plaza Park 97	61,990	28,010	93,890	—	183,890	61,990	801	62,791	121,099	—	121,099
64239	Landscaping 97	1,500	13,500	—	—	15,000	1,500	—	1,500	13,500	—	13,500
64242	MDIH Homeless Admin	—	—	20,000	—	20,000	—	20,000	20,000	—	—	—
	Total Public Service	311,698	48,302	183,263	2,502	545,765	311,698	99,468	411,166	134,599	—	134,599
PUBLIC FACILITY												
64070	Centennial House 95	2,686	4,314	—	—	7,000	2,686	4,314	7,000	—	—	—
64105	Seasco 93	130,513	183,327	150,000	—	463,840	130,513	333,327	463,840	—	—	—
64142	94 Colfax Streetscape Improv	57,378	25,322	—	(10,922)	71,778	57,378	4,400	61,778	10,000	—	10,000
64180	Colfax Street Improv Pt II 95	3,930	8,570	—	(603)	11,897	3,930	7,967	11,897	—	—	—
64183	Original Aurora Entry Way 95	1,131	30,869	—	—	32,000	1,131	7,372	8,503	23,497	878	22,619
64197	96 Seasco Site Plan	12,752	2,248	—	(73)	14,927	12,752	2,175	14,927	—	—	—
64198	96 Transition To Work Rehab	—	80,000	—	(80,000)	—	—	—	—	—	—	—
64201	96 Boys & Girls Club Lockers	58,140	3,060	—	—	61,200	58,140	3,060	61,200	—	—	—
64202	96 Elmira Facility Rehab	97,465	7,535	—	—	105,000	97,465	7,535	105,000	—	—	—
64205	96 Lowry Intergenerational Center	57,520	42,480	—	—	100,000	57,520	30,844	88,364	11,636	3,235	8,401
64207	96 Mid-Block Lightings	679	4,321	—	—	5,000	679	103	782	4,218	—	4,218
64208	96 Senior Safe Entry	19,974	26	—	(12)	19,988	19,974	14	19,988	—	—	—
64218	Fitzsimons Redevel Init 97	23	499,977	—	—	500,000	23	110,514	110,537	389,463	—	389,463
64245	Aurora Youth Program Bldg Rehab	—	—	45,000	(3)	44,997	—	44,997	44,997	—	—	—
64246	AHC - 7th Street Boston Street Rehab	—	—	11,785	(589)	11,196	—	11,196	11,196	—	—	—
64247	Comms - Fitzsimons Bldg	—	—	37,000	—	37,000	—	2,500	2,500	34,500	34,500	—
64248	Mini - Grants 1998	—	—	15,000	(6,027)	8,973	—	8,973	8,973	—	—	—
64249	DAVA Building Rehab	—	—	15,000	—	15,000	—	—	—	15,000	—	15,000
	Total Public Facility	442,191	892,049	273,785	(98,229)	1,509,796	442,191	579,291	1,021,482	488,314	38,613	449,701
HOAP LOANS												
64132	HOAP Loans CDBG	602,984	43	300,000	(200,000)	703,027	602,984	2,547	605,531	97,496	—	97,496
	Total HOAP Loans	602,984	43	300,000	(200,000)	703,027	602,984	2,547	605,531	97,496	—	97,496
SINGLE FAMILY REHAB												
64090	SF Emergency Repars	151,647	4,621	60,000	30,000	246,268	151,647	73,233	224,880	21,388	—	21,388
64130	Single Family Tree Removal	100,189	22,816	—	5,000	128,005	100,189	23,792	123,981	4,024	4,024	—
64139	Single Fam Paint Up/Fix Up	44,662	5,338	30,000	5,000	85,000	44,662	34,068	78,730	6,270	—	6,270
64243	Habitat - Akron Street Land	—	—	96,158	—	96,158	—	33,000	33,000	63,158	—	63,158
	Total Single Family Rehab	296,498	32,775	186,158	40,000	555,431	296,498	164,093	460,591	94,840	4,024	90,816

(Continued)

EXHIBIT B-5

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations					Expenditures			Carry forward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998	Totals			
MULTI FAMILY REHAB												
64164	MF Rev Lns CDBG	\$ 554,825	\$ 413,041	\$ —	\$ —	\$ 967,866	\$ 554,825	\$ 33,829	\$ 588,654	\$ 379,212	\$ —	\$ 379,212
64218	Rental Unit Conversion 97	140,779	59,221	100,000	—	300,000	140,779	67,865	208,644	91,356	—	91,356
	Total Multi Family Rehab	695,604	472,262	100,000	—	1,267,866	695,604	101,694	797,298	470,568	—	470,568
COMMERCIAL REHAB												
64225	Centris Center Bldg Rehab 97	8,488	16,248	—	(2,040)	22,696	8,488	14,208	22,696	—	—	—
64226	Centennial House Found Replac	—	33,000	18,894	—	51,894	—	51,894	51,894	—	—	—
64230	Neighborhood Revital Ctr	—	85,000	—	80,000	165,000	—	120,241	120,241	44,759	—	44,759
64232	Gateway Shelter Impr Proj 97	201	13,839	15,300	—	29,340	201	14,425	14,626	14,714	—	14,714
64234	6th Ave Underground Util 97	—	60,000	100,000	—	160,000	—	160,000	160,000	—	—	—
64244	DABA Security Lighting Program	—	—	20,000	—	20,000	—	—	—	20,000	6,710	13,290
	Total Commercial Rehab	8,689	208,087	154,194	77,960	448,930	8,689	160,768	369,457	79,473	6,710	72,763
ARA												
64109	Underground Utilities 93	—	15,000	—	(13,040)	1,960	—	1,960	1,960	—	—	—
64131	ARA Administration	—	—	40,000	—	40,000	—	40,000	40,000	—	—	—
64115	Storefront Renovation Loans	415,135	573,239	256,150	—	1,244,524	415,135	302,426	717,561	526,963	19,188	507,775
64219	ARA-Community Leasing Off 97	37,470	7,530	45,000	—	90,000	37,470	52,530	90,000	—	—	—
64213	ARA-Storefront Rehab 97	13,415	7,735	—	—	21,150	13,415	7,735	21,150	—	—	—
64262	ARA-Repair Unlins	—	—	—	9,463	9,463	—	9,463	9,463	—	—	—
	Total ARA	466,020	603,504	341,150	(3,577)	1,407,097	466,020	414,114	880,134	526,963	19,188	507,775
AHC												
64216	AHC Transition Housing Project	19,926	11,152	15,500	—	46,578	19,926	26,652	46,578	—	—	—
	Total AHC	19,926	11,152	15,500	—	46,578	19,926	26,652	46,578	—	—	—
OTHER												
64028	SBA Loan Program	—	74,990	—	(34,990)	40,000	—	—	—	40,000	—	40,000
64221	Habitat for Humanity-Akron	28,255	1,466	—	(1,466)	28,255	28,255	—	28,255	—	—	—
64222	Cul-de-Sac Lands	23,800	900	—	(900)	23,800	23,800	—	23,800	—	—	—
64235	Downtown Aurora Marketing 97	—	28,700	—	—	28,700	—	28,700	28,700	—	—	—
64241	Fitzsimons Science Research Center	—	—	250,000	—	250,000	—	172,313	172,313	77,687	—	77,687
	Total Other	52,055	106,056	250,000	(37,356)	370,755	52,055	201,013	253,068	117,687	—	117,687
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT FUND CAPITAL PROJECTS		\$ 2,895,665	\$ 2,374,230	\$ 1,804,050	\$ (218,700)	\$ 6,855,245	\$ 2,895,665	\$ 1,949,640	\$ 4,845,305	\$ 2,009,940	\$ 68,535	\$ 1,941,405

(Continued)

EXHIBIT B-6

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 CONSERVATION TRUST FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations					Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998	Totals			
61703	Park Infrastructure	\$ 1,181,292	\$ 583,631	\$ 301,000	\$ —	\$ 2,065,923	\$ 1,181,292	\$ 249,408	\$ 1,430,700	\$ 635,223	\$ 146,932	\$ 488,291
61705	Star K Ranch Fencing	5,813	14,187	—	—	20,000	5,813	12,586	18,399	1,601	1,525	76
61709	Cherry Creek Bike Path	49,002	135,527	—	—	184,529	49,002	—	49,002	135,527	—	135,527
61718	Aurora Reservoir Rec Facility	1,242,946	358,329	196,000	—	1,797,275	1,242,946	17,380	1,260,326	536,949	—	536,949
61721	Park Enhancements	193,266	104,914	103,000	28,283	429,463	193,266	82,283	275,549	153,914	101,431	52,483
61725	Lowry Community Park	109,037	15,619	—	—	124,656	109,037	540	109,577	15,079	—	15,079
61726	Open Space Acquisitions	186,282	93,718	103,000	—	383,000	186,282	13,793	200,075	182,925	—	182,925
61727	Recreation Center Renovations	250,474	509,526	101,000	—	861,000	250,474	555,184	805,658	55,342	9,767	45,575
61728	Olympic Park Access	26,213	333	(333)	—	26,213	26,213	—	26,213	—	—	—
61730	Aqua Vista Improvements	54,213	10,787	—	(5,199)	59,801	54,213	28	54,241	5,560	5,560	—
61731	Yale/1-225 Bike Overpass	43,786	26,214	—	—	70,000	43,786	691	44,477	25,523	—	25,523
61732	Park Signage	14,601	60,199	50,000	—	125,000	14,601	77,238	91,839	33,161	20,258	12,903
61735	Delaney Farm Improvements	79,321	20,679	—	—	100,000	79,321	8,212	87,533	12,467	—	12,467
61740	Showmobile	66	50,000	—	—	50,066	66	50,000	50,066	—	—	—
61751	Lowry Center Improvements	—	350,000	45,000	5,199	400,199	—	227,875	227,875	172,324	54,709	117,615
61752	ADA Target Park Improvements	8,000	92,000	—	—	100,000	8,000	—	8,000	92,000	—	92,000
61753	Delaney Master Plan	—	—	120,000	—	120,000	—	19,378	19,378	100,622	10,650	89,972
61754	Security Lighting CTF	29,061	70,939	20,000	—	120,000	29,061	18,140	47,201	72,799	34,936	37,863
61755	Quincy Reservoir Use/Management	1,750	23,250	—	—	25,000	1,750	6,443	8,193	16,807	16,807	—
61756	Kingsborough Park Addition	—	20,000	—	—	20,000	—	—	—	20,000	—	20,000
61757	Pool Renovations General	494,806	716,194	43,000	—	1,254,000	494,806	703,875	1,198,681	55,319	11,025	44,294
61758	Sand Creek Improvements/Path	—	150,000	—	—	150,000	—	4,731	4,731	145,269	—	145,269
61759	Flanders Park	138,535	36,465	—	(28,283)	146,717	138,535	8,182	146,717	—	—	—
61771	Plains Conservation Acquisition	1,275,088	50,000	425,000	—	1,750,088	1,275,088	375,000	1,650,088	100,000	—	100,000
61773	Sand Creek Park Improvement	32,717	60,283	—	—	93,000	32,717	59,463	92,180	820	—	820
61785	Center Point Park	—	—	15,000	—	15,000	—	7,399	7,399	7,601	—	7,601
61786	Cottonwood Shelter	—	—	60,000	—	60,000	—	4,134	4,134	55,866	14,999	40,867
61787	Environmental Day Camp	—	—	45,000	—	45,000	—	1,446	1,446	43,554	—	43,554
61788	Expo Park Landscape/Drain Imp	—	—	15,000	—	15,000	—	—	—	15,000	—	15,000
61789	In-Line Skate Plaza	—	—	200,000	—	200,000	—	1,000	1,000	199,000	8,400	190,600
61792	Parklane Rail Trail	—	—	35,000	—	35,000	—	23,918	23,918	11,082	—	11,082
61794	Regional Trail Connections	—	—	133,000	—	133,000	—	32,347	32,347	100,653	4,317	96,336
61796	Southeast Park Acquisition	—	—	420,000	—	420,000	—	420,000	420,000	—	—	—
61797	Sport Field Assessment	—	—	40,000	—	40,000	—	—	—	40,000	—	40,000
TOTAL CONSERVATIONS TRUST FUND CAPITAL PROJECTS		\$ 5,416,269	\$ 3,552,994	\$ 2,469,667	\$ —	\$ 11,438,930	\$ 5,416,269	\$ 2,980,674	\$ 8,396,943	\$ 3,041,987	\$ 441,316	\$ 2,600,671

(Concluded)

EXHIBIT B-7

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 PARKS DEVELOPMENT FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations				Totals	Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project		Prior	1998	Totals			
61760	Cherry Creek Trail Park Develop	\$ —	\$ 61,000	\$ —	\$ —	\$ 61,000	\$ —	\$ —	\$ —	\$ 61,000	\$ —	\$ 61,000
TOTAL PARKS DEVELOPMENT FUND CAPITAL PROJECTS		\$ —	\$ 61,000	\$ —	\$ —	\$ 61,000	\$ —	\$ —	\$ —	\$ 61,000	\$ —	\$ 61,000

(Concluded)

DEBT SERVICE FUNDS

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

Debt Service Fund

The Debt Service Fund accounts for the payment of principal and interest on general obligation bonds and special assessment revenue bonds. Revenues are from General Fund transfers and special assessments.

Surplus and Deficiency Fund

The Surplus and Deficiency Fund accounts for special assessments from property owners where the associated bonded debt has been defeased. These monies may be used to: 1) repay other special assessment bonds if sufficient funds from special assessments are not available in the Debt Service Fund to make regularly scheduled debt service payments; 2) pay City administrative costs associated with special improvement districts; and 3) transfer to the Capital Projects Fund or other improvement district to finance, acquire, or construct public improvements after all special assessment debt secured by this fund is paid.

Aurora Urban Renewal Authority Debt Service Fund

The Aurora Urban Renewal Authority (AURA) was created to redevelop and support areas within the City which 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 the AURA.

DEBT SERVICE FUNDS (continued)

Aurora Capital Leasing Corporation

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

EXHIBIT C-1

CITY OF AURORA, COLORADO

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998

	Debt Service	Surplus and Deficiency	AURA	ACLIC	Totals
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ 3,961,278	\$ —	\$ 3,961,278
Equity in cash and cash equivalents	6,138	84,404	—	—	90,542
Equity in investments	263,956	3,363,219	—	—	3,627,175
Receivables					
Property tax net of allowance	1,493,273	—	—	—	1,493,273
Sales tax	—	—	64,314	—	64,314
Special assessments	863,696	700,819	—	—	1,564,515
Accrued interest	—	34,136	17,716	—	51,852
Other	24,381	—	—	—	24,381
Due from other funds	—	—	37,220	—	37,220
Restricted assets					
Cash and cash equivalents	—	—	754,908	2,313	757,221
Investments	—	—	—	3,690,273	3,690,273
Equity in investments	—	264,713	—	138,755	403,468
TOTAL ASSETS	\$ 2,651,444	\$ 4,447,291	\$ 4,835,436	\$ 3,831,341	\$ 15,765,512
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accrued liabilities	\$ —	\$ 305	\$ —	\$ 90,000	\$ 90,305
Due to other funds	—	—	700,000	48,655	748,655
Deferred revenues	2,356,969	700,818	—	—	3,057,787
Total liabilities	2,356,969	701,123	700,000	138,655	3,896,747
FUND BALANCES					
Reserved for debt service	294,475	264,713	754,908	3,692,686	5,006,782
Designated for subsequent year expenditures – budget	—	1,187,787	—	—	1,187,787
Unreserved, undesignated	—	2,293,668	3,380,528	—	5,674,196
Total fund balances	294,475	3,746,168	4,135,436	3,692,686	11,868,765
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,651,444	\$ 4,447,291	\$ 4,835,436	\$ 3,831,341	\$ 15,765,512

EXHIBIT C-2

CITY OF AURORA, COLORADO

DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Debt Service	Surplus and Deficiency	AURA	ACLC	Totals
REVENUES					
Taxes					
Property	\$ —	\$ —	\$ 182,844	\$ —	\$ 182,844
Sales	—	—	446,008	—	446,008
Total taxes	—	—	628,852	—	628,852
Special assessments	353,102	314,564	—	—	667,666
Investment income	118,245	491,625	225,176	397,277	1,232,323
Miscellaneous revenues	—	—	5,000	—	5,000
Total revenues	471,347	806,189	859,028	397,277	2,533,841
EXPENDITURES					
Current					
General government	4,532	31,389	—	—	35,921
Debt service					
Principal	2,140,000	—	225,000	2,910,000	5,275,000
Interest and fiscal charges	457,644	—	172,595	1,778,180	2,408,419
Total expenditures	2,602,176	31,389	397,595	4,688,180	7,719,340
Excess (deficiency) of revenues over (under) expenditures	(2,130,829)	774,800	461,433	(4,290,903)	(5,185,499)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	2,245,853	—	—	4,390,524	6,636,377
Operating transfers out	—	(4,700,000)	(700,000)	—	(5,400,000)
Total other financing sources (uses)	2,245,853	(4,700,000)	(700,000)	4,390,524	1,236,377
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	115,024	(3,925,200)	(238,567)	99,621	(3,949,122)
FUND BALANCES - JANUARY 1	179,451	7,671,368	4,374,003	3,593,065	15,817,887
FUND BALANCES - DECEMBER 31	\$ 294,475	\$ 3,746,168	\$ 4,135,436	\$ 3,692,686	\$ 11,868,765

EXHIBIT C-3

CITY OF AURORA, COLORADO

DEBT SERVICE FUNDS
 COMBINING SCHEDULE OF REVENUES,
 EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Debt Service			Surplus and Deficiency			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
FUNDS AVAILABLE - JANUARY 1	\$ 550,677	\$ 179,451	\$ (371,226)	\$ 7,567,366	\$ 7,671,368	\$ 104,002	\$ 8,118,043	\$ 7,850,819	\$ (267,224)
REVENUES									
Special assessments	325,559	353,102	27,543	447,851	314,564	(133,287)	773,410	667,666	(105,744)
Investment income	80,366	118,434	38,068	429,523	495,895	66,372	509,889	614,329	104,440
Operating transfers in	2,245,853	2,245,853	—	—	—	—	2,245,853	2,245,853	—
Total revenues	<u>2,651,778</u>	<u>2,717,389</u>	<u>65,611</u>	<u>877,374</u>	<u>810,459</u>	<u>(66,915)</u>	<u>3,529,152</u>	<u>3,527,848</u>	<u>(1,304)</u>
EXPENDITURES									
Personal services	—	—	—	38,000	27,230	10,770	38,000	27,230	10,770
Supplies and other services and charges	—	4,532	(4,532)	3,500	4,159	(659)	3,500	8,691	(5,191)
Debt service	2,619,791	2,597,644	22,147	—	—	—	2,619,791	2,597,644	22,147
Operating transfers out	—	—	—	4,700,000	4,700,000	—	4,700,000	4,700,000	—
Total expenditures	<u>2,619,791</u>	<u>2,602,176</u>	<u>17,615</u>	<u>4,741,500</u>	<u>4,731,389</u>	<u>10,111</u>	<u>7,361,291</u>	<u>7,333,565</u>	<u>27,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,987</u>	<u>115,213</u>	<u>83,226</u>	<u>(3,864,126)</u>	<u>(3,920,930)</u>	<u>(56,804)</u>	<u>(3,832,139)</u>	<u>(3,805,717)</u>	<u>26,422</u>
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 582,664</u>	<u>294,664</u>	<u>\$ (288,000)</u>	<u>\$ 3,703,240</u>	<u>3,750,438</u>	<u>\$ 47,198</u>	<u>\$ 4,285,904</u>	<u>4,045,102</u>	<u>\$ (240,802)</u>
Adjust investments to fair value		<u>(189)</u>			<u>(4,270)</u>			<u>(4,459)</u>	
FUND BALANCES - DECEMBER 31		<u>\$ 294,475</u>			<u>\$ 3,746,168</u>			<u>\$ 4,040,643</u>	

CAPITAL PROJECTS FUNDS

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

Capital Projects Fund

The Capital Projects Fund accounts for financial resources used for the construction and acquisition of major capital projects such as streets, parks, information systems and City facilities. Funding is provided by participation revenues from other governments, General Fund operating transfers and, when applicable, bond proceeds.

EXHIBIT D-1

CITY OF AURORA, COLORADO

CAPITAL PROJECTS FUND

BALANCE SHEET

DECEMBER 31, 1998

ASSETS

Equity in cash and cash equivalents	\$ 562,739
Equity in investments	24,196,248
Receivables	
Accounts	81,909
Accrued interest	75,994
Due from other funds	700,000
Restricted assets	
Equity in investments	7,832,312
Accrued interest	35,626

TOTAL ASSETS \$ 33,484,828

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 425,550
Accrued liabilities	55,000
Total liabilities	<u><u>480,550</u></u>

FUND BALANCE

Reserved	
Reserved for encumbrances - capital projects	3,856,981
Reserved for police	2,362
Reserved for construction	7,781,878
Unreserved	
Designated for subsequent year expenditures	
Budget	1,900,765
Capital projects	19,298,248
Undesignated	164,044
Total fund balance	<u><u>33,004,278</u></u>

TOTAL LIABILITIES AND FUND BALANCE \$ 33,484,828

EXHIBIT D-2

CITY OF AURORA, COLORADO

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1998

REVENUES

Intergovernmental revenues	\$ 162,530
Charges for services	192
Investment income	1,170,920
Miscellaneous revenues	42,944
Total revenues	<u>1,376,586</u>

EXPENDITURES

Current	
General government	945,111
Public safety	221,303
Public works	9,142,546
Culture and recreation	2,456,638
Capital outlay	9,909,526
Total expenditures	<u>22,675,124</u>
Deficiency of revenues under expenditures	<u>(21,298,538)</u>

OTHER FINANCING SOURCES (USES)

Proceeds of bonds	10,000,000
Operating transfers in	26,143,747
Operating transfers out	(1,025,770)
Total of other financing sources (uses)	<u>35,117,977</u>

Excess of revenues and other financing sources over expenditures and other financing uses	13,819,439
FUND BALANCE - JANUARY 1	<u>19,184,839</u>
FUND BALANCE - DECEMBER 31	<u>\$ 33,004,278</u>

EXHIBIT D-3

CITY OF AURORA, COLORADO

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
FUNDS AVAILABLE - JANUARY 1	\$ 1,985,657	\$ 2,487,119	\$ 501,462
REVENUES			
Intergovernmental revenues	—	162,530	162,530
Charges for services	—	192	192
Investment income	900,000	1,191,274	291,274
Other	—	42,944	42,944
Operating transfers in	29,712,279	26,143,747	(3,568,532)
Proceeds from bonds	9,900,000	10,000,000	100,000
Total revenues	<u>40,512,279</u>	<u>37,540,687</u>	<u>(2,971,592)</u>
EXPENDITURES			
Personal services	—	10,000	(10,000)
Supplies and other services and charges	—	79,540	(79,540)
Operating transfers out	830,750	830,750	—
Total expenditures	<u>830,750</u>	<u>920,290</u>	<u>(89,540)</u>
Excess of revenues over expenditures budgetary basis	<u>39,681,529</u>	<u>36,620,397</u>	<u>(3,061,132)</u>
OTHER CHANGES TO FUNDS AVAILABLE			
Prior year capital projects overspending appropriated in 1998	—	259,801	259,801
Capital projects	(36,928,574)	(36,928,574)	—
Total other changes	<u>(36,928,574)</u>	<u>(36,668,773)</u>	<u>259,801</u>
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 4,738,612</u>	2,438,743	<u>\$ (2,299,869)</u>
Adjust investments to fair value		(20,355)	
Capital project carryforward		30,585,890	
FUND BALANCE - DECEMBER 31		<u>\$ 33,004,278</u>	

EXHIBIT D-4

CITY OF AURORA, COLORADO

CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations				Totals	Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project		Prior	1998	Totals			
FINANCE												
34701	Economic Development System	\$ —	\$ 175,000	\$ —	\$ —	\$ 175,000	\$ —	\$ 87,842	\$ 87,842	\$ 87,158	\$ —	\$ 87,158
34702	T&L System Redesign	15,902	49,098	—	—	65,000	15,902	48,791	64,693	307	—	307
	Total Finance	15,902	224,098	—	—	240,000	15,902	136,633	152,535	87,465	—	87,465
INFORMATION TECHNOLOGY												
37705	Financial Systems	2,366,739	42,440	1,263,000	—	3,672,179	2,366,739	329,790	2,696,529	975,650	102,520	873,130
37707	Strategic Information Systems	2,640,514	671,752	250,000	—	3,562,266	2,640,514	500,186	3,140,700	421,566	3,921	417,645
37709	Work Management	430,000	—	240,000	—	670,000	430,000	232,188	662,188	7,812	—	7,812
37710	PC Replacements	530,465	53,190	—	—	583,655	530,465	—	530,465	53,190	375	52,815
37711	Library System	—	—	1,210,000	—	1,210,000	—	43,792	43,792	1,166,208	751,861	414,347
37714	SIS - Networking	—	—	45,000	—	45,000	—	—	—	45,000	—	45,000
37723	Data Center Project	—	—	145,374	—	145,374	—	—	—	145,374	—	145,374
	Total Information Technology	5,967,718	767,382	3,153,374	—	9,888,474	5,967,718	1,105,956	7,073,674	2,814,800	858,677	1,956,123
INTERNAL SERVICES												
40703	Replace Underground Tanks	19,573	461,427	929,473	—	1,410,473	19,573	698,718	718,291	692,182	401,040	291,142
	Total Internal Services	19,573	461,427	929,473	—	1,410,473	19,573	698,718	718,291	692,182	401,040	291,142
LIBRARY, RECREATION AND TV												
43702	Rec Registration Computer System	219,338	230,662	—	—	450,000	219,338	182,051	401,389	48,611	11,000	37,611
43703	Fitzsimmons	56,648	1,352	—	—	58,000	56,648	1,338	57,986	14	—	14
	Total Library, Recreation and TV	275,986	232,014	—	—	508,000	275,986	183,389	459,375	48,625	11,000	37,625
PARKS AND OPEN SPACE												
61701	Medians	3,259,186	1,528,559	1,003,000	43,734	5,834,479	3,259,186	1,552,834	4,812,020	1,022,459	314,507	707,952
61702	Airport Boulevard Corridor Landscaping	334,631	43,369	500,000	5,803	883,803	334,631	318,596	653,227	230,576	43,846	186,730
61708	Delaney Farm Bridge	29,317	(29,317)	29,317	—	29,317	29,317	—	29,317	—	—	—
61714	Flanders Phase II CIP	173,651	1,349	—	—	175,000	173,651	1,349	175,000	—	—	—
61715	Meadowood Bridge	—	50,000	—	1,263	51,263	—	49,548	49,548	1,715	1,715	—
61736	Playground/Walkway Improv	109,353	1,647	(1,647)	—	109,353	109,353	—	109,353	—	—	—
61738	Security Lighting	94,999	20,001	—	—	115,000	94,999	20,001	115,000	—	—	—
61746	Space Reallocation	938,584	10,157	—	—	948,741	938,584	10,157	948,741	—	—	—
61747	Remodel AMB 8th Flr	11,978	22	(22)	—	11,978	11,978	—	11,978	—	—	—
61748	Yale/I-225 Bike Overpass	48,088	1,912	—	—	50,000	48,088	—	48,088	1,912	—	1,912
61749	Municipal Building Landscaping	180,524	6,476	—	—	187,000	180,524	—	180,524	6,476	—	6,476
61762	Prarie Corridor Study	12,500	12,500	—	—	25,000	—	12,500	—	—	—	—
61770	Sand Creek Corridor	2,000	200,000	202,000	—	404,000	2,000	88,343	90,343	313,657	39,091	274,566
61772	Natural Open Space Acquisition	—	150,000	377,916	—	527,916	—	53,880	53,880	474,036	—	474,036
61779	6th Ave Streetscape	—	—	203,000	4,611	207,611	—	206,259	206,259	1,352	—	1,352
61780	Fitzsimmons Park & Sport Facility	—	—	50,000	—	50,000	—	4,975	4,975	45,025	—	45,025
61781	Fitzsimmons Pool Renovation	—	—	65,000	—	65,000	—	18,494	18,494	46,506	—	46,506
61782	Fletcher Plaza	—	—	100,000	2,526	102,526	—	91,160	91,160	11,366	10,575	791
61784	Storage Space	—	—	500,000	—	500,000	—	41,220	41,220	458,780	208,845	249,935
61798	Mission Viejo Trail Replacement	—	—	30,000	—	30,000	—	—	—	30,000	—	30,000
61800	Land Acquisition	—	155,000	(13,844)	—	141,156	—	141,156	141,156	—	—	—
61801	SE Land Acquisition	—	—	180,000	—	180,000	—	180,000	180,000	—	—	—
61803	Fitz EDA Project	—	—	1,150,000	—	1,150,000	—	—	—	1,150,000	—	1,150,000
61809	Sportspark Development	—	—	2,200,000	—	2,200,000	—	220,000	220,000	1,980,000	—	1,980,000
61822	City Center Land Purchase	—	—	2,673,000	—	2,673,000	—	2,673,000	2,673,000	—	—	—
	Total Parks and Open Space	5,194,811	2,151,675	9,247,720	57,937	16,652,143	5,194,811	5,683,472	10,878,283	5,773,860	618,579	5,155,281

Project Number	Project Description	Appropriations					Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998	Totals			
PUBLIC WORKS												
49702	Misc Street Improvements	\$ 1,485,738	\$ 413,765	\$ 300,000	\$ 262,043	\$ 2,461,546	\$ 1,485,738	\$ 671,344	\$ 2,157,082	\$ 304,464	\$ 272,835	\$ 31,629
49705	Sidewalk Improvement - City Share	744,430	193,703	225,000	32,000	1,175,133	744,430	422,551	1,166,981	8,152	—	8,152
49708	Street Grades in Annexed Area	48,171	1,829	—	—	50,000	48,171	1,829	50,000	—	—	—
49710	Traffic Signals	2,872,605	331,402	510,165	122,079	3,836,251	2,872,605	803,639	3,676,244	160,007	96,117	63,890
49712	Street Overlay Program	7,944,233	43,767	3,596,500	204,412	11,788,912	7,944,233	3,766,444	11,710,677	78,235	21,510	56,725
49713	Concrete Repair Program	6,271,095	106,905	1,624,000	135,871	8,137,871	6,271,095	1,781,802	8,052,897	84,974	77,158	7,816
49718	6th Ave - Lowry AFB Match	123,132	50,868	—	(12,000)	162,000	123,132	85	123,217	38,783	16,961	21,822
49720	11th Ave Yosemite to Dayton	198,065	73,935	—	—	272,000	198,065	48,578	246,643	25,357	33,237	2,120
49721	Street Reconstruction R&R	2,110,567	59,345	400,000	—	2,569,912	2,110,567	438,615	2,549,182	20,730	—	20,730
49721	Gateway Improvements	9,768,429	2,774,835	—	—	12,543,264	9,768,429	50,095	9,818,524	2,724,740	144,291	2,580,449
49724	Picadilly 32nd to 64th	57,401	36,999	—	—	94,400	57,401	—	57,401	36,999	—	36,999
49729	Alameda 1-225 Interchange Nonbond	250,461	119,539	7,850,000	(4,650,000)	3,570,000	250,461	1,552,331	1,802,792	1,767,208	901,782	865,426
49730	Highway 30 Recycling Center	55,136	49,864	—	—	105,000	55,136	41,835	96,971	8,029	6,226	1,803
49737	International Center Street	—	3,000,000	—	—	3,000,000	—	—	—	3,000,000	194,650	2,805,350
49738	MIC Parking Lot Drainage	39,652	348	—	—	40,000	39,652	—	39,652	348	—	348
49739	Jewell Himalaya to Gun Club	321,541	2,117,459	2,084,000	—	4,523,000	321,541	217,298	538,839	3,984,161	23,247	3,960,914
49741	Bus Stop Access/Appearance	13,596	46,404	—	—	60,000	13,596	4	13,600	46,400	—	46,400
49742	Median Upgrades/Construction	256,378	292,457	125,000	—	673,835	256,378	231,105	487,483	186,352	75,281	111,071
49743	Tran Improvement Program Match	46,655	342,345	524,000	(327,500)	585,500	46,655	190,558	237,213	348,287	2,220	346,067
49745	Abilene Jewell-Mississippi	17,362	27,638	—	—	45,000	17,362	3,122	20,484	24,516	—	24,516
49746	Colfax Chambers to Laredo	3,990	156,010	—	—	160,000	3,990	14,272	18,262	141,738	—	141,738
49747	Dayton Street 6th to 11th Ave	—	—	267,000	—	267,000	—	15,960	15,960	251,040	—	251,040
49748	Hill7 - 225 ROW Acq	—	—	10,000	267,500	277,500	—	277,500	277,500	—	—	—
49750	Alameda 1-225 Interchange Bond	—	—	5,250,000	4,650,000	9,900,000	—	2,598,750	2,598,750	7,301,250	—	7,301,250
Total Public Works		32,628,637	10,239,417	22,765,665	664,405	66,298,124	32,628,637	13,127,717	45,756,354	20,541,770	1,855,515	18,686,255
POLICE DEPARTMENT												
55700	Detention Center Expansion	477,638	2,362	—	—	480,000	477,638	—	477,638	2,362	—	2,362
55701	Bonds Detention Center	2,582,084	12,682	(2,786)	—	2,591,980	2,582,084	9,896	2,591,980	—	—	—
55702	Police Facility Master Plan	15	149,985	(75,000)	—	75,000	15	36,224	36,239	38,761	—	38,761
55703	Refinish MIC	36,117	183,883	—	—	220,000	36,117	183,876	219,993	7	—	7
Total Police Department		3,095,854	348,912	(77,786)	—	3,366,980	3,095,854	229,996	3,325,850	41,130	—	41,130
FIRE DEPARTMENT												
58701	Fire Station Facilities	257,717	118,683	—	20,047	396,447	257,717	122,519	380,236	16,211	16,211	—
58702	Fire Station Improvement Bond	700,006	9,045	—	—	709,051	700,006	2,312	702,318	6,733	—	6,733
58703	Emergency Operations Cntr Bond	27,480	47,903	2,786	—	78,169	27,480	—	27,480	50,689	—	50,689
58705	Rebuild Fire Station #2 Bond	77,084	1,486,356	—	—	1,563,440	77,084	1,385,672	1,462,756	100,684	31,057	69,627
58706	Energy Efficient Windows	—	30,000	—	(15,826)	14,174	—	14,174	14,174	—	—	—
58707	Whelen Warning System	—	60,000	60,000	—	120,000	—	43,268	43,268	76,732	64,902	11,830
58708	Fire View Helmets	—	—	50,000	(3,258)	46,742	—	46,742	46,742	—	—	—
58709	Rebuild Fire Station #2 Non Bond	57,637	963	—	(963)	57,637	57,637	—	57,637	—	—	—
58710	Emergency Oper Center - Non Bond	—	—	75,000	—	75,000	—	—	—	75,000	—	75,000
Total Fire Department		1,119,924	1,752,950	187,786	—	3,060,660	1,119,924	1,614,687	2,734,611	326,049	112,170	213,879

ENTERPRISE FUNDS

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

Water Fund

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

Sewer Fund

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

Golf Fund

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

EXHIBIT E-1

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1998

ASSETS	Water	Sewer	Golf	Totals
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,420	\$ 50	\$ 7,350	\$ 8,820
Equity in cash and cash equivalents	700,721	293,451	131,389	1,125,561
Equity in investments	30,285,817	12,443,281	7,759,948	50,489,046
Designated equity in investments	6,169,011	18,596,279	—	24,765,290
Receivables				
Accounts (net of allowance for uncollectibles)	3,036,106	2,488,098	215	5,524,419
Accrued interest	171,710	128,222	16,404	316,336
Designated accrued interest	29,181	100,644	—	129,825
Other	83,947	60	135	84,142
Inventory	—	—	313,411	313,411
Total current assets	<u>40,477,913</u>	<u>34,050,085</u>	<u>8,228,852</u>	<u>82,756,850</u>
RESTRICTED ASSETS				
Investments	—	3,031,822	1,305,779	4,337,601
DEFERRED CHARGES	262,684	88,461	125,136	476,281
LONG-TERM INTERFUND RECEIVABLE	—	6,400,000	—	6,400,000
EQUITY IN JOINT VENTURE	1,597,082	—	—	1,597,082
PROPERTY AND EQUIPMENT				
Land and water rights	125,406,620	5,038,493	15,108,890	145,554,003
Buildings and improvements	27,490,595	6,934,390	1,761,579	36,186,564
Improvements other than buildings	287,276,251	136,039,209	8,954,244	432,269,704
Machinery and equipment	10,870,278	4,876,348	3,615,269	19,361,895
Accumulated depreciation	(64,447,012)	(33,429,114)	(4,068,955)	(101,945,081)
Construction in progress	16,449,222	10,703,940	2,949,200	30,102,362
Net property and equipment	<u>403,045,954</u>	<u>130,163,266</u>	<u>28,320,227</u>	<u>561,529,447</u>
TOTAL ASSETS	<u>\$ 445,383,633</u>	<u>\$ 173,733,634</u>	<u>\$ 37,979,994</u>	<u>\$ 657,097,261</u>

LIABILITIES AND FUND EQUITY	Water	Sewer	Golf	Totals
CURRENT LIABILITIES				
Accounts payable	\$ 1,513,313	\$ 3,286,391	\$ 763,734	\$ 5,563,438
Accrued liabilities	966,988	208,698	122,829	1,298,515
Accrued compensated absences	950,827	382,273	296,936	1,630,036
Funds held for others	21,500	—	—	21,500
Current portion - long-term debt				
General obligation bonds payable	9,420,000	—	—	9,420,000
Revenue bonds payable	—	2,275,000	255,000	2,530,000
Capitalized leases	—	—	64,969	64,969
Total current liabilities	<u>12,872,628</u>	<u>6,152,362</u>	<u>1,503,468</u>	<u>20,528,458</u>
LONG-TERM LIABILITIES				
General obligation bonds payable	105,610,000	—	—	105,610,000
Unamortized bond discounts	(3,974,587)	(71,196)	(93,824)	(4,139,607)
Deferred amount on refunding	(80,212)	—	—	(80,212)
Revenue bonds payable	—	5,535,000	6,665,000	12,200,000
Capitalized leases	—	—	221,457	221,457
Long-term interfund payable	—	—	6,400,000	6,400,000
Total long-term liabilities	<u>101,555,201</u>	<u>5,463,804</u>	<u>13,192,633</u>	<u>120,211,638</u>
Total liabilities	<u>114,427,829</u>	<u>11,616,166</u>	<u>14,696,101</u>	<u>140,740,096</u>
FUND EQUITY				
Contributed capital				
Developers	209,036,134	93,036,988	—	302,073,122
Municipality	6,871,489	2,727,806	2,615,748	12,215,043
Federal	54,144	775,755	—	829,899
State	172,396	50,482	—	222,878
Other	815,989	1,187,366	13,881,854	15,885,209
Total contributed capital	<u>216,950,152</u>	<u>97,778,397</u>	<u>16,497,602</u>	<u>331,226,151</u>
Retained earnings				
Reserved for debt service	—	3,031,822	693,925	3,725,747
Reserved for repair and replacement	—	—	631,850	631,850
Unreserved	114,005,652	61,307,249	5,460,516	180,773,417
Total retained earnings	<u>114,005,652</u>	<u>64,339,071</u>	<u>6,786,291</u>	<u>185,131,014</u>
Total fund equity	<u>330,955,804</u>	<u>162,117,468</u>	<u>23,283,893</u>	<u>516,357,165</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 445,383,633</u>	<u>\$ 173,733,634</u>	<u>\$ 37,979,994</u>	<u>\$ 657,097,261</u>

EXHIBIT E-2

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services				
Customers	\$ 30,231,916	\$ 20,197,761	\$ 5,986,326	\$ 56,416,003
Fire Protection	330,692	—	—	330,692
Total charges for services	30,562,608	20,197,761	5,986,326	56,746,695
Miscellaneous	9,756	450	—	10,206
Total operating revenues	30,572,364	20,198,211	5,986,326	56,756,901
OPERATING EXPENSES				
Personal services	6,745,907	3,744,179	2,502,994	12,993,080
Supplies	1,360,463	507,257	1,007,499	2,875,219
Other services and charges	4,787,670	10,426,614	1,062,456	16,276,740
Depreciation	4,281,950	2,583,244	660,848	7,526,042
Total operating expenses	17,175,990	17,261,294	5,233,797	39,671,081
Operating income	13,396,374	2,936,917	752,529	17,085,820
NONOPERATING REVENUES (EXPENSES)				
Investment income	2,124,558	2,312,251	256,229	4,693,038
Miscellaneous revenues	21,746	112,191	291,806	425,743
Interest expense	(4,591,054)	(68,436)	(363,637)	(5,023,127)
Loss on sale of assets	(1,392,084)	(667,797)	(41,274)	(2,101,155)
Amortization expense	(786,934)	(42,995)	(12,943)	(842,872)
Loss on equity in joint venture	(118,589)	—	—	(118,589)
Net nonoperating revenues (expenses)	(4,742,357)	1,645,214	130,181	(2,966,962)
NET INCOME	8,654,017	4,582,131	882,710	14,118,858
RETAINED EARNINGS - JANUARY 1 - AS RESTATED	105,351,635	59,756,940	5,903,581	171,012,156
RETAINED EARNINGS - DECEMBER 31	<u>\$ 114,005,652</u>	<u>\$ 64,339,071</u>	<u>\$ 6,786,291</u>	<u>\$ 185,131,014</u>

EXHIBIT E-3

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Water	Sewer	Golf	Totals
OPERATING ACTIVITIES				
Cash received from customers and others	\$ 30,249,048	\$ 19,897,005	\$ 5,987,611	\$ 56,133,664
Cash payments to employees	(6,685,097)	(3,718,388)	(2,468,238)	(12,871,723)
Cash payments to suppliers for goods and services	(5,409,645)	(8,834,180)	(1,441,247)	(15,685,072)
Miscellaneous nonoperating revenues	21,746	112,191	291,806	425,743
Net cash provided by operating activities	<u>18,176,052</u>	<u>7,456,628</u>	<u>2,369,932</u>	<u>28,002,612</u>
CAPITAL AND RELATED FINANCING ACTIVITIES				
Construction and acquisition of capital assets	(11,689,103)	(6,364,584)	(3,352,594)	(21,406,281)
Proceeds from sale of capital assets	40,260	14,186	1,276	55,722
Cash received from capital contributions	8,822,388	2,212,233	—	11,034,621
Cash paid for bond principal	(9,010,000)	(2,170,000)	(245,000)	(11,425,000)
Cash paid for bond interest	(5,294,673)	(440,364)	(415,539)	(6,150,576)
Loan to Golf Fund	—	(5,900,000)	—	(5,900,000)
Proceeds from interfund borrowings	—	—	5,900,000	5,900,000
Payments to joint venture	(356,164)	—	—	(356,164)
Cash paid for capitalized lease principal	—	—	(46,796)	(46,796)
Cash paid for capitalized lease interest	—	—	(15,904)	(15,904)
Net cash provided by (used in) capital and related financing activities	<u>(17,487,292)</u>	<u>(12,648,529)</u>	<u>1,825,443</u>	<u>(28,310,378)</u>
INVESTING ACTIVITIES				
Increase in equity in pool investments	(3,310,066)	—	(4,537,186)	(7,847,252)
Decrease in equity in pool investments	—	2,475,202	—	2,475,202
Net appreciation in fair value of investments	(27,049)	(26,525)	(10,953)	(64,527)
Interest received	1,977,339	2,371,700	283,033	4,632,072
Net cash provided by (used in) investing activities	<u>(1,359,776)</u>	<u>4,820,377</u>	<u>(4,265,106)</u>	<u>(804,505)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(671,016)</u>	<u>(371,524)</u>	<u>(69,731)</u>	<u>(1,112,271)</u>
TOTAL CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,373,157</u>	<u>665,025</u>	<u>208,470</u>	<u>2,246,652</u>
TOTAL CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 702,141</u>	<u>\$ 293,501</u>	<u>\$ 138,739</u>	<u>\$ 1,134,381</u>

	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Totals</u>
Amounts reported on combining balance sheet				
Cash and cash equivalents	\$ 1,420	\$ 50	\$ 7,350	\$ 8,820
Equity in cash and cash equivalents	700,721	293,451	131,389	1,125,561
Total cash and cash equivalents, December 31	<u>\$ 702,141</u>	<u>\$ 293,501</u>	<u>\$ 138,739</u>	<u>\$ 1,134,381</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
OPERATING INCOME:	<u>\$ 13,396,374</u>	<u>\$ 2,936,917</u>	<u>\$ 752,529</u>	<u>\$ 17,085,820</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Depreciation	4,281,950	2,583,244	660,848	7,526,042
Miscellaneous nonoperating revenues	21,746	112,191	291,806	425,743
Changes in operating assets and liabilities				
Accounts receivable	(235,230)	(301,145)	1,420	(534,955)
Other receivables	(80,365)	(60)	(135)	(80,560)
Prepaid expenses	300,000	300,000	—	600,000
Inventory	—	—	(12,551)	(12,551)
Deferred revenues	(2,060)	—	—	(2,060)
Accounts payable	438,488	1,799,691	641,259	2,879,438
Accrued liabilities	11,790	7,899	12,956	32,645
Accrued compensated absences	43,359	17,891	21,800	83,050
Total adjustments	<u>4,779,678</u>	<u>4,519,711</u>	<u>1,617,403</u>	<u>10,916,792</u>
Net cash provided by operating activities	<u>\$ 18,176,052</u>	<u>\$ 7,456,628</u>	<u>\$ 2,369,932</u>	<u>\$ 28,002,612</u>

NON CASH TRANSACTIONS

Water and sewer lines contributed by developers were \$2,383,357 and \$2,862,372, respectively. Golf Fund entered into a capital lease to purchase new golf carts for \$167,013.

EXHIBIT E-4

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Water			Sewer			Golf		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
FUNDS AVAILABLE - JANUARY 1	\$ 18,504,166	\$ 23,106,708	\$ 4,602,542	\$ 15,708,204	\$ 13,259,215	\$ (2,448,989)	\$ (4,234,639)	\$ 967,694	\$ 5,202,333
REVENUES									
Operating revenues	29,069,000	30,572,364	1,503,364	19,627,000	20,198,211	571,211	5,913,000	5,986,326	73,326
Development fees	11,622,000	8,714,403	(2,907,597)	1,885,000	2,166,173	281,173	120,000	—	(120,000)
Annexation fees	60,000	107,985	47,985	25,000	46,060	21,060	—	66,600	66,600
Investment income	1,560,000	2,151,608	591,608	1,505,000	2,254,139	749,139	100,000	267,184	167,184
Miscellaneous	33,000	21,746	(11,254)	17,000	112,191	95,191	1,300,000	225,206	(1,074,794)
Proceeds from sale of assets	50,000	40,260	(9,740)	20,000	14,186	(5,814)	—	1,276	1,276
Proceeds from interfund borrowings	—	—	—	—	—	—	5,900,000	900,000	(5,000,000)
Interfund payable principal received	—	—	—	283,000	—	(283,000)	—	—	—
Total revenues	42,394,000	41,608,366	(785,634)	23,362,000	24,790,960	1,428,960	13,333,000	7,446,592	(5,886,408)
EXPENDITURES									
Personal services	7,171,057	6,702,548	468,509	4,039,330	3,726,287	313,043	2,447,364	2,481,194	(33,830)
Supplies and other services and charges	8,794,238	6,804,176	1,990,062	13,633,375	10,668,525	2,964,850	2,464,566	2,067,794	396,772
Capital outlay	1,396,090	957,256	438,834	1,168,950	889,570	279,380	429,214	425,894	3,320
Debt service	14,694,700	14,226,451	468,249	2,622,800	2,586,699	36,101	923,738	752,742	170,996
Bond discount and issue costs	77,000	—	77,000	7,000	—	7,000	—	—	—
Loan to Golf Fund	—	—	—	5,900,000	900,000	5,000,000	—	—	—
1997 operating encumbrances	(301,231)	(301,231)	—	(131,125)	(131,125)	—	(35,953)	(35,953)	—
Total expenditures	31,831,854	28,389,200	3,442,654	27,240,330	18,639,956	8,600,374	6,228,929	5,691,671	537,258
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	10,562,146	13,219,166	2,657,020	(3,878,330)	6,151,004	10,029,334	7,104,071	1,754,921	(5,349,150)
OTHER CHANGES TO FUNDS AVAILABLE									
Increase in assets restricted for debt service	—	—	—	—	—	—	—	(61,102)	(61,102)
Capital project budgets	(16,174,876)	(16,174,876)	—	(8,546,000)	(8,546,000)	—	(2,440,424)	(2,440,424)	—
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	\$ 12,891,436	\$ 20,150,998	\$ 7,259,562	\$ 3,283,874	\$ 10,864,219	\$ 7,580,345	\$ 429,008	\$ 221,089	\$ (207,919)

	<u>Water</u> <u>Actual</u>	<u>Sewer</u> <u>Actual</u>	<u>Golf</u> <u>Actual</u>
RECONCILIATION TO NET INCOME			
(GAAP BASIS)			
Excess of revenues over expenditures budgetary basis	\$ 13,219,166	\$ 6,151,004	\$ 1,754,921
Add Capital Outlay	910,285	707,346	425,894
Bonds, notes, and capital lease payable principal payments	9,010,000	2,170,000	291,796
Capitalized interest	625,397	348,263	97,309
1998 operating encumbrances	679,426	291,144	2,371
Payments made to joint venture	356,164	—	—
Increase in inventory	—	—	12,551
Interest on escrowed cash	—	73,364	—
Interfund loan payment	—	900,000	—
Capitalized direct labor costs	351,774	—	—
Less Depreciation	(4,281,950)	(2,583,244)	(660,848)
Interfund loan proceeds	—	—	(900,000)
Proceeds from sale of assets	(40,260)	(14,186)	(1,276)
Loss on sale of assets	(1,392,084)	(667,797)	(41,274)
Development fees	(8,714,403)	(2,166,173)	—
Annexation fees	(107,985)	(46,060)	—
1997 operating encumbrances	(301,231)	(131,125)	(35,953)
Increase in accrued compensated absences	(43,359)	(17,891)	(21,800)
Loss on equity in joint venture	(118,589)	—	—
Amortization of issue and discount costs	(786,934)	(42,995)	(12,943)
Noncapitalized CIP projects	(679,101)	(341,265)	(17,085)
Adjust investments to fair value	(27,049)	(15,254)	(10,953)
Fixed asset trade-in value	(5,250)	(33,000)	—
NET INCOME (GAAP BASIS)	\$ 8,654,017	\$ 4,582,131	\$ 882,710

EXHIBIT E-5

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 WATER FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations				Totals	Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project		Prior	1998	Totals			
WATER TANKS												
52703	Zone V Water Tank	\$ 1,890,935	\$ 454,065	\$ —	\$ (164,000)	\$ 2,181,000	\$ 1,890,935	\$ 288,691	\$ 2,179,626	\$ 1,374	\$ —	\$ 1,374
52713	Potable Water Storage Reservoir	1,038,281	51,719	—	—	1,090,000	1,038,281	—	1,038,281	51,719	—	51,719
52794	Treated Water Storage	—	—	100,000	—	100,000	—	—	—	100,000	—	100,000
	Total Water Tanks	2,929,216	505,784	100,000	(164,000)	3,371,000	2,929,216	288,691	3,217,907	153,093	—	153,093
ARKANSAS REVEGETATION												
52709	Colorado Canal/RIC Revegetation Project	2,117,505	49,195	—	(49,195)	2,117,505	2,117,505	—	2,117,505	—	—	—
	Total Arkansas Revegetation	2,117,505	49,195	—	(49,195)	2,117,505	2,117,505	—	2,117,505	—	—	—
AUTOMATED METER READING												
52768	Automated Meter Reading System	3,628,694	20,306	1,956,000	—	5,605,000	3,628,694	1,938,511	5,567,205	37,795	35,030	2,765
	Total Automated Meter Reading	3,628,694	20,306	1,956,000	—	5,605,000	3,628,694	1,938,511	5,567,205	37,795	35,030	2,765
WATER LINES												
52706	Telluride - City Funded	58,133	143,867	—	—	202,000	58,133	—	58,133	143,867	—	143,867
52707	Telluride - Developer Funded	8,601	399	—	—	9,000	8,601	—	8,601	399	—	399
52711	Picadilly/32nd/6th - Himalaya (24")	3,518	1,339,482	—	—	1,343,000	3,518	2,854	6,372	1,336,628	—	1,336,628
52714	Chambers/S Joplin Way - Orchard (24")	—	211,000	—	—	211,000	—	—	—	211,000	—	211,000
52715	40th Kalispell - Tower (16")	78,593	399,407	—	—	478,000	78,593	—	78,593	399,407	—	399,407
52748	Quincy - Gun Club 16" Water Line	390,700	15,905	—	(15,905)	390,700	390,700	—	390,700	—	—	—
52754	Buckley Rd - Smokey Hill - Co Line	237,184	1,136,029	—	—	1,373,213	237,184	1,041,696	1,278,880	94,333	—	94,333
52756	Jewell/Himalaya/Gun Club Rd	41,898	1,226,102	521,000	—	1,791,000	41,898	1,145,470	1,189,368	601,632	69,026	532,606
52764	SR Golf/SMU/Arap Rd (12" & 24")	435,705	24,295	500,000	—	960,000	435,705	—	435,705	524,295	—	524,295
52765	Powhatan/Quincy/Zone V Tank	932,476	390,024	—	(385,227)	937,273	932,476	4,797	937,273	—	—	—
52766	6th Ave Tower to Himalaya 2	—	400,000	500,000	—	900,000	—	12,659	12,659	887,341	—	887,341
52777	Parker Rd - Arapahoe Rd Cnty Line	15,250	589,637	175,000	—	779,887	15,250	22,976	38,226	741,661	—	741,661
52778	Raw Water Line to Murphy Creek	383,925	331,075	15,000	(79,040)	650,960	383,925	132,409	516,334	134,626	8,592	126,034
52781	6th Ave/Himalaya/Gun Club	4,932	191,068	400,000	—	596,000	4,932	13,948	18,880	577,120	—	577,120
52782	Colfax Picadilly Rd - Gun Club	—	500,000	(500,000)	—	—	—	—	—	—	—	—
52783	Oversize County Line Road	—	—	900,000	—	900,000	—	—	—	900,000	—	900,000
52785	Quincy Reservoir Circulation Line	2,497	182,503	—	—	185,000	2,497	4,377	6,874	178,126	11,670	166,456
52791	Quincy Bypass Parallel	—	—	110,000	—	110,000	—	50,000	50,000	60,000	—	60,000
52795	Upsize 27th Parker/Pooria/1225/D	—	—	990,000	—	990,000	—	—	—	990,000	—	990,000
52796	Upsize Water Line	—	—	814,000	—	814,000	—	—	—	814,000	—	814,000
52798	Pines Pointe Gun Club	—	—	2,100,000	—	2,100,000	—	102,984	102,984	1,997,016	110,306	1,886,710
52800	54th Raw Water Line	—	—	600,000	—	600,000	—	14,541	14,541	585,459	—	585,459
52804	Lowry Connections	—	—	200,000	—	200,000	—	8,242	8,242	191,758	—	191,758
52806	Water Distribution Master Plan	—	—	70,000	—	70,000	—	—	—	70,000	—	70,000
	Total Water Lines	2,595,412	7,080,793	7,395,000	(480,172)	16,591,033	2,595,412	2,556,953	5,152,365	11,438,668	199,594	11,239,074

Project Number	Project Description	Appropriations				Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered	
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998				Totals
OTHER PROJECTS												
52700	Eagle River CUP	\$ 573,386	\$ 346,614	\$ 350,000	\$ —	\$ 1,270,000	\$ 573,386	\$ 327,190	\$ 900,576	\$ 369,424	\$ —	\$ 369,424
52701	Misc Intergovernmental Water Projects	190,936	39,064	50,000	—	280,000	190,936	—	190,936	89,064	—	89,064
52702	Miscellaneous Transmission Mains	528,516	41,947	300,000	356,089	1,226,552	528,516	150,101	678,617	547,935	4,491	543,444
52710	Water Acquisition	2,951,732	1,399,933	1,000,000	1,549,195	6,900,860	2,951,732	3,537,870	6,489,602	411,258	98,586	312,672
52712	Cherry Creek Well Field	204,052	335,948	520,000	—	1,060,000	204,052	27,155	231,207	828,793	130,686	698,107
52717	Powhatan/Quincy/Orchard Pump Zone	18,876	921,124	(921,124)	—	18,876	18,876	—	18,876	—	—	—
52753	Supervisory Control & Data Acquisition	71,316	158,684	125,000	(100,000)	255,000	71,316	19,466	90,782	164,218	57,337	106,881
52774	SPCUP	2,809,362	440,638	2,000,000	(1,500,000)	3,750,000	2,809,362	820,503	3,629,865	120,135	22,619	97,516
52775	Alt Power Feed to Wemlinger	—	300,000	—	—	300,000	—	210,730	210,730	89,270	—	89,270
52776	E-470 Water Line Sleeve	484,291	37,802	300,000	(318,307)	503,786	484,291	19,495	503,786	—	—	—
52780	Zone 5 Pumping Expansion	18,573	106,427	—	—	125,000	18,573	98,915	117,488	7,512	2,311	5,201
52784	Fitzsimons Connections Zone	—	250,000	250,000	—	500,000	—	37,422	37,422	462,578	—	462,578
52792	South Platt Storage	—	—	100,000	—	100,000	—	—	—	100,000	—	100,000
52793	T & D Operations Building	—	—	45,000	—	45,000	—	—	—	45,000	—	45,000
52805	South Area Operations Building	—	—	50,000	—	50,000	—	—	—	50,000	—	50,000
52807	Watershed Protection Program	—	—	30,000	—	30,000	—	—	—	30,000	—	30,000
52816	AMB Remodel - Water	—	—	—	158,645	158,645	—	95,654	95,654	62,991	62,991	—
52819	Y2k - Water	—	—	500,000	7,745	507,745	—	164,744	164,744	343,001	343,001	—
Total Other Projects		7,851,040	4,378,181	4,698,876	153,367	17,081,464	7,851,040	5,509,245	13,360,285	3,721,179	722,022	2,999,157
REGULATORY REQUIREMENTS												
52755	Zone 3 Sample Station EPA	—	75,000	—	(74,000)	1,000	—	1,000	1,000	—	—	—
52779	Kupier - Cl 2 Contact Basins	—	—	600,000	(600,000)	—	—	—	—	—	—	—
52790	Kupier Water Plant Renovation	—	—	150,000	2,164,000	2,314,000	—	816,995	816,995	1,497,005	1,422,904	74,101
52801	Aurora Reservoir Destratific	—	—	10,000	—	10,000	—	—	—	10,000	—	10,000
52802	Kupier Regulatory Improvements	—	—	950,000	(950,000)	—	—	—	—	—	—	—
52803	Laboratory Information Systems	—	—	30,000	—	30,000	—	—	—	30,000	—	30,000
Total Regulatory Requirements		—	75,000	1,740,000	540,000	2,355,000	—	817,995	817,995	1,537,005	1,422,904	114,101
PUMP STATIONS												
52797	Zone 4a Pressure Zone	—	—	285,000	—	285,000	—	—	—	285,000	—	285,000
Total Pump Stations		—	—	285,000	—	285,000	—	—	—	285,000	—	285,000
TOTAL WATER FUND CAPITAL PROJECTS		\$ 19,121,867	\$ 12,109,259	\$ 16,174,876	\$ —	\$ 47,406,002	\$ 19,121,867	\$ 11,111,395	\$ 30,233,262	\$ 17,172,740	\$ 2,379,550	\$ 14,793,190

(Continued)

EXHIBIT E-6

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 SEWER FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations				Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered	
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998				Totals
LIFT STATIONS												
52728	2nd Creek Basin Lift Station	\$ —	\$ 2,090,000	\$ —	\$ —	\$ 2,090,000	\$ —	\$ 3,101	\$ 3,101	\$ 2,086,899	\$ —	\$ 2,086,899
52809	Upper Senae Creek	—	—	420,000	—	420,000	—	—	—	420,000	—	420,000
52810	Upper 1st Creek	—	—	420,000	—	420,000	—	—	—	420,000	—	420,000
	Total Lift Stations	—	2,090,000	840,000	—	2,930,000	—	3,101	3,101	2,926,899	—	2,926,899
SEWER LINES												
52719	Sewer Replacement/Rehab	1,436,146	197,319	664,000	(200,000)	2,097,465	1,436,146	96,703	1,532,849	564,616	7,600	557,016
52720	Sand Creek Intercept Parallel	212,096	2,687,904	—	—	2,900,000	212,096	2,047,954	2,260,050	639,950	567,354	72,596
52721	Sand Creek - Line IX	151,530	3,498,470	—	925,524	4,575,524	151,530	2,085,026	2,236,556	2,338,968	2,275,763	63,205
52722	Miscellaneous Sanitary Sewer Extensions	305,962	56,363	150,000	(122,335)	389,990	305,962	14,270	320,232	69,758	108	69,650
52723	Development Related Sanitary Sewers CIP	50,889	99,111	350,000	(65,000)	435,000	50,889	6,543	57,432	377,568	—	377,568
52724	Tollgate Intercept Parallel	2,574,633	53,867	—	(15,164)	2,613,336	2,574,633	4,634	2,579,267	34,069	34,069	—
52727	E Tollgate Intercept & Upper Senae	1,402,075	23,425	1,057,000	(840,000)	1,642,500	1,402,075	—	1,402,075	240,425	—	240,425
52739	Saddle Rock Sanitary Sewer Extensions	129,083	14,917	—	(5,360)	138,640	129,083	—	129,083	9,557	—	—
52769	ITNL Center Sanitary Sewer	62,424	2,847,576	—	—	2,910,000	62,424	64,662	127,086	2,782,914	292,610	2,490,304
52770	Cherry Creek Connection	—	1,100,000	—	—	1,100,000	—	—	—	1,100,000	—	1,100,000
52786	Murphy Creek Development Oversize	—	100,000	—	—	100,000	—	366	366	99,634	—	99,634
52808	Lowry Sewer Connections	—	—	175,000	—	175,000	—	—	—	175,000	—	175,000
	Total Sewer Lines	6,324,838	10,678,952	2,396,000	(322,335)	19,077,455	6,324,838	4,320,158	10,644,996	8,432,459	3,187,061	5,245,398
STORM DRAIN												
52729	Developer Cost Shares - Storm	268,875	607,541	200,000	(92,000)	984,416	268,875	193,117	461,992	522,424	26	522,398
52735	Contributions to Improvement Districts	176,627	198,373	—	—	375,000	176,627	—	176,627	198,373	—	198,373
52736	Miscellaneous Storm Sewer Extensions	549,761	228,337	125,000	48,599	951,697	549,761	234,140	783,901	167,796	51,363	116,433
52742	Quincy Drain Detention Pond	210,870	156,030	—	(35,465)	331,435	210,870	116,891	327,761	3,674	—	3,674
52744	Side Creek	16,000	284,000	—	—	427,465	16,000	12,959	28,959	398,506	—	398,506
52745	25th - Billings - Zion SS	159,399	79,550	—	(72,779)	166,170	159,399	6,771	166,170	—	—	—
52746	City Center at Alameda SS	4,500	195,500	—	—	200,000	4,500	—	4,500	195,500	—	195,500
52749	Upper Westley Creek Outfall	1,316,405	234,595	1,800,000	—	3,351,000	1,316,405	181,668	1,498,073	1,852,927	12,595	1,840,332
52758	Piney Creek, Tributaries and Improvement	1,116,684	46,900	—	—	1,163,584	1,116,684	312	1,116,996	46,588	—	46,588
52760	Flood Warning System	5,000	25,000	—	—	30,000	5,000	—	5,000	25,000	—	25,000
52761	Meadow Hills Storm Sewer	180,019	99,981	—	—	280,000	180,019	5,973	185,992	94,008	—	94,008
52762	Unnamed Creek Detention Pond	—	108,000	—	—	108,000	—	—	—	108,000	—	108,000
52771	Hutchison Pond Sediment	8,809	91,191	—	—	100,000	8,809	57,525	66,334	33,666	12,395	21,271
52788	Murphy Creek & Tributaries	—	997,000	—	—	997,000	—	108,761	108,761	888,239	870,752	17,487
52789	Tennessee/Wheeling Storm Sewer	85,505	19,495	—	(19,495)	85,505	85,505	—	85,505	—	—	—
52812	Delmar - 6th Storm Sewer	—	—	125,000	—	125,000	—	—	—	125,000	—	125,000
52813	Granby and Sable Master	—	—	160,000	—	160,000	—	—	—	160,000	4,992	155,008
52814	Potomac Storm Sewer	—	—	280,000	—	280,000	—	—	—	280,000	—	280,000
52815	Water Quality Improvements	—	—	200,000	—	200,000	—	41,464	41,464	158,536	5,910	152,626
52822	Meadowood Channel	—	450,000	—	—	450,000	—	50,537	50,537	399,463	—	399,463
	Total Storm Drain	4,098,454	3,371,493	3,340,000	(43,675)	10,766,272	4,098,454	1,010,118	5,108,572	5,657,700	958,033	4,699,667
OTHER PROJECTS												
52734	Landscape Drainage Ways	52,136	93,864	20,000	—	166,000	52,136	22,453	74,589	91,411	—	91,411
52772	Drainageway Landscaping	45,574	546,526	600,000	—	1,192,100	45,574	—	45,574	1,146,526	—	1,146,526
52787	Sand Creek Water Reuse Plant	19,175	130,825	800,000	200,000	1,150,000	19,175	447,589	466,764	683,236	499,548	183,688
52811	South Area Operations Building	—	—	50,000	—	50,000	—	—	—	50,000	—	50,000
52817	ANB Remodel - Sewer	—	—	—	79,188	79,188	—	47,692	47,692	31,496	31,496	—
52818	AMG Remodel - Storm Drain	—	—	—	78,728	78,728	—	15,298	15,298	63,430	63,430	—
52820	Y2K - Sewer	—	—	250,000	4,047	254,047	—	82,547	82,547	171,500	171,500	—
52821	Y2K - Storm	—	—	250,000	4,047	254,047	—	82,547	82,547	171,500	171,500	—
	Total Other Projects	116,885	771,215	1,970,000	366,010	3,224,110	116,885	698,126	815,011	2,409,099	937,474	1,471,625
TOTAL SEWER FUND CAPITAL PROJECT		\$ 10,540,177	\$ 16,911,660	\$ 8,546,000	\$ —	\$ 35,997,837	\$ 10,540,177	\$ 6,031,503	\$ 16,571,680	\$ 19,426,157	\$ 5,082,568	\$ 14,343,589

(Continued)

EXHIBIT E-7

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 GOLF FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations					Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998	Totals			
COURSE IMPROVEMENTS												
61572	Center Hill Land Acquisition	\$ —	\$ —	\$ 40,446	\$ (2,226)	\$ 38,220	\$ —	\$ 38,220	\$ 38,220	\$ —	\$ —	\$ —
61573	Aurora Hills Clubhouse Renovation	—	—	40,000	—	40,000	—	9,182	9,182	30,818	—	30,818
61574	Fitzsimons GC Clubhouse Renovation	—	—	50,000	—	50,000	—	4,442	4,442	45,558	2,868	42,690
61575	Springhill Green Construction	—	—	35,000	2,226	37,226	—	37,226	37,226	—	—	—
61577	Fitzsimons Golf Course Equipment	—	100,000	—	—	100,000	—	43,678	43,678	56,322	—	56,322
61585	Cart Path Reconstruction	—	—	50,000	—	50,000	—	16,999	16,999	33,001	6,048	26,953
61586	Facility Enhancement	84,037	5,963	30,000	—	120,000	84,037	11,972	96,009	23,991	—	23,991
61589	New Golf Course Development	472,807	29,433	—	—	502,240	472,807	8,875	481,682	20,558	—	20,558
61591	Parking Lot Improvements	18,438	8,562	—	—	27,000	18,438	—	18,438	8,562	—	8,562
	Total Course Improvements	575,282	143,958	245,446	—	964,686	575,282	170,594	745,876	218,810	8,916	209,894
SADDLE ROCK COURSE												
61595	Saddle Rock Development	574,656	4,639	—	—	579,295	574,656	4,639	579,295	—	—	—
61596	Saddle Rock Golf Course - Bond	6,441,360	159,345	(5,022)	—	6,595,683	6,441,360	154,323	6,595,683	—	—	—
	Total Saddle Rock Course	7,016,016	163,984	(5,022)	—	7,174,978	7,016,016	158,962	7,174,978	—	—	—
MURPHY CREEK												
61599	Murphy Creek	240,846	6,991,797	2,200,000	—	9,432,643	240,846	2,614,226	2,855,072	6,577,571	3,446,413	3,131,158
	Total Murphy Creek	240,846	6,991,797	2,200,000	—	9,432,643	240,846	2,614,226	2,855,072	6,577,571	3,446,413	3,131,158
	TOTAL GOLF FUND CAPITAL PROJECTS	\$ 7,832,144	\$ 7,299,739	\$ 2,440,424	\$ —	\$ 17,572,307	\$ 7,832,144	\$ 2,943,782	\$ 10,775,926	\$ 6,796,381	\$ 3,455,329	\$ 3,341,052

(Continued)

INTERNAL SERVICE FUNDS

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

Fleet Management Fund

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

Warehouse Fund

The Warehouse Fund accounts for centralized acquisition, storage and sale of operating supplies. Supplies are purchased by various City departments through an inter-departmental billing system.

Print Shop Fund

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

Risk Management Fund

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

Building Repair Fund

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

INTERNAL SERVICE FUNDS (continued)

Aurora Colorado Municipal Building Corporation

The Aurora Colorado Municipal Building Corporation (ACMBC), a non-profit corporation, was established to finance and construct selected public buildings. The ACMBC transferred substantially all assets to the City as of December 31, 1997. The corporation was dissolved in 1998. The functions of ACMBC are now handled by the Aurora Capital Leasing Corporation.

EXHIBIT F-1

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 1998

	<u>Fleet Management</u>	<u>Warehouse</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>Totals</u>
ASSETS						
CURRENT ASSETS						
Equity in cash and cash equivalents	\$ 16,371	\$ 12,034	\$ 8,890	\$ 144,381	\$ 28,173	\$ 209,849
Equity in investments	704,135	517,579	382,351	6,208,698	1,211,474	9,024,237
Receivables						
Accounts	1,750	—	180	—	—	1,930
Accrued interest	—	—	—	30,823	—	30,823
Other	15	15	1,815	15	—	1,860
Inventory	—	366,279	44,146	—	—	410,425
Total current assets	<u>722,271</u>	<u>895,907</u>	<u>437,382</u>	<u>6,383,917</u>	<u>1,239,647</u>	<u>9,679,124</u>
PROPERTY AND EQUIPMENT						
Buildings and improvements	—	156,380	—	—	20,425	176,805
Machinery and equipment	570,451	20,287	248,613	86,086	184,473	1,109,910
Accumulated depreciation	(441,718)	(137,581)	(176,340)	(57,220)	(181,324)	(994,183)
Net property and equipment	<u>128,733</u>	<u>39,086</u>	<u>72,273</u>	<u>28,866</u>	<u>23,574</u>	<u>292,532</u>
TOTAL ASSETS	<u>\$ 851,004</u>	<u>\$ 934,993</u>	<u>\$ 509,655</u>	<u>\$ 6,412,783</u>	<u>\$ 1,263,221</u>	<u>\$ 9,971,656</u>

	<u>Fleet Management</u>	<u>Warehouse</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>Totals</u>
LIABILITIES AND FUND EQUITY (DEFICIT)						
CURRENT LIABILITIES						
Accounts payable	\$ 72,852	\$ 172,668	\$ 47,121	\$ 56,919	\$ 41,331	\$ 390,891
Accrued liabilities	47,240	5,696	7,927	10,458	—	71,321
Accrued claims payable	—	—	—	8,877,894	—	8,877,894
Accrued compensated absences	187,203	22,775	48,212	46,265	—	304,455
Total current liabilities	<u>307,295</u>	<u>201,139</u>	<u>103,260</u>	<u>8,991,536</u>	<u>41,331</u>	<u>9,644,561</u>
Total liabilities	<u>307,295</u>	<u>201,139</u>	<u>103,260</u>	<u>8,991,536</u>	<u>41,331</u>	<u>9,644,561</u>
FUND EQUITY (DEFICIT)						
Contributed capital	62,337	221,151	—	3,353	—	286,841
Retained earnings (deficit)	—	—	—	—	—	—
Unreserved	481,372	512,703	406,395	(2,582,106)	1,221,890	40,254
Total fund equity (deficit)	<u>543,709</u>	<u>733,854</u>	<u>406,395</u>	<u>(2,578,753)</u>	<u>1,221,890</u>	<u>327,095</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 851,004</u></u>	<u><u>\$ 934,993</u></u>	<u><u>\$ 509,655</u></u>	<u><u>\$ 6,412,783</u></u>	<u><u>\$ 1,263,221</u></u>	<u><u>\$ 9,971,656</u></u>

EXHIBIT F-2

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
 FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Fleet Management</u>	<u>Warehouse</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>ACMBC</u>	<u>Totals</u>
OPERATING REVENUES							
Charges for services	\$ 4,031,622	\$ 2,260,374	\$ 988,989	\$ 3,912,401	\$ 331,839	\$ —	\$ 11,525,225
OPERATING EXPENSES							
Personal services	1,710,406	258,638	294,156	424,631	—	—	2,687,831
Supplies	2,190,802	1,962,542	312,846	36,988	40,249	—	4,543,427
Other services and charges	328,264	23,494	269,346	826,007	738,972	2,598	2,188,681
Claims losses	—	—	—	3,366,046	—	—	3,366,046
Depreciation	59,028	11,069	32,937	10,688	16,707	—	130,429
Total operating expenses	4,288,500	2,255,743	909,285	4,664,360	795,928	2,598	12,916,414
Operating income (loss)	(256,878)	4,631	79,704	(751,959)	(464,089)	(2,598)	(1,391,189)
NONOPERATING REVENUES							
Investment income	32,696	25,643	16,628	322,712	35,550	2,598	435,827
Miscellaneous revenues	4,479	—	—	195,153	—	—	199,632
Loss on sale of assets	(13,600)	(73)	(8,463)	—	(15,613)	—	(37,749)
Net nonoperating revenues	23,575	25,570	8,165	517,865	19,937	2,598	597,710
Income (loss) before operating transfers	(233,303)	30,201	87,869	(234,094)	(444,152)	—	(793,479)
Operating transfers in	255,861	—	—	200,000	925,000	—	1,380,861
Operating transfers out	(208,473)	—	—	—	—	—	(208,473)
NET INCOME (LOSS)	(185,915)	30,201	87,869	(34,094)	480,848	—	378,909
RETAINED EARNINGS (DEFICIT) - JANUARY 1 - AS RESTATED	667,287	482,502	318,526	(2,548,012)	741,042	—	(338,655)
RETAINED EARNINGS (DEFICIT) - DECEMBER 31	\$ 481,372	\$ 512,703	\$ 406,395	\$ (2,582,106)	\$ 1,221,890	\$ —	\$ 40,254

EXHIBIT F-3

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Fleet Management	Warehouse	Print Shop	Risk Management	Building Repair	ACMBC	Totals
OPERATING ACTIVITIES							
Cash received from quasi-external operating transactions with other funds	\$ 4,034,814	\$ 2,260,359	\$ 988,998	\$ 3,912,387	\$ 331,839	\$ (268,310)	\$ 11,260,087
Cash payments to employees	(1,702,187)	(274,234)	(289,124)	(415,627)	—	—	(2,681,172)
Cash payments to suppliers for goods and services	(2,526,595)	(1,978,746)	(623,934)	(818,159)	(744,844)	(20,346)	(6,712,624)
Cash payments for insurance claims	—	—	—	(2,219,281)	—	—	(2,219,281)
Miscellaneous nonoperating revenues	4,479	—	—	195,153	—	—	199,632
Net cash provided by (used in) operating activities	(189,489)	7,379	75,940	654,473	(413,005)	(288,656)	(153,358)
NONCAPITAL FINANCING ACTIVITIES							
Operating transfers in	255,861	—	—	200,000	925,000	—	1,380,861
Operating transfers out	(208,473)	—	—	—	—	—	(208,473)
Net cash provided by noncapital financing activities	47,388	—	—	200,000	925,000	—	1,172,388
CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(26,369)	—	(7,841)	(17,647)	—	—	(51,857)
Proceeds from sale of capital assets	2,622	—	—	—	—	—	2,622
Net cash used in capital and related financing activities	(23,747)	—	(7,841)	(17,647)	—	—	(49,235)
INVESTING ACTIVITIES							
Increase in equity in pool investments	—	(51,130)	(94,467)	(1,346,418)	(561,383)	—	(2,053,398)
Decrease in equity in pool investments	97,704	—	—	—	—	—	97,704
Net appreciation in fair value of investments	(356)	(286)	(238)	(4,532)	(924)	—	(6,336)
Interest received	33,054	25,928	16,867	344,292	36,475	2,598	459,214
Net cash provided by (used in) investing activities	130,402	(25,488)	(77,838)	(1,006,658)	(525,832)	2,598	(1,502,816)
NET DECREASE IN CASH AND CASH EQUIVALENTS							
	(35,446)	(18,109)	(9,739)	(169,832)	(13,837)	(286,058)	(533,021)
TOTAL CASH AND CASH EQUIVALENTS, JANUARY 1							
	51,817	30,143	18,629	314,213	42,010	286,058	742,870
TOTAL CASH AND CASH EQUIVALENTS, DECEMBER 31							
	\$ 16,371	\$ 12,034	\$ 8,890	\$ 144,381	\$ 28,173	\$ —	\$ 209,849
AMOUNT REPORTED ON COMBINING BALANCE SHEET							
Equity in cash and cash equivalents	\$ 16,371	\$ 12,034	\$ 8,890	\$ 144,381	\$ 28,173	\$ —	\$ 209,849
TOTAL CASH AND CASH EQUIVALENTS, DECEMBER 31							
	\$ 16,371	\$ 12,034	\$ 8,890	\$ 144,381	\$ 28,173	\$ —	\$ 209,849

	<u>Fleet Management</u>	<u>Warehouse</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>ACMBC</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES							
Operating income (loss)	\$ (256,878)	\$ 4,631	\$ 79,704	\$ (751,959)	\$ (464,089)	\$ (2,598)	\$ (1,391,189)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation	59,028	11,069	32,937	10,688	16,707	—	130,429
Miscellaneous nonoperating revenues	4,479	—	—	195,153	—	—	199,632
Changes in operating assets and liabilities							
Accounts receivable	3,192	(15)	10	(15)	—	—	3,172
Inventory	—	(28,851)	(3,042)	—	—	—	(31,893)
Accounts payable	(7,530)	36,141	(38,700)	46,296	36,376	(17,748)	54,835
Accrued liabilities	5,809	(107)	347	1,146,036	(1,999)	—	1,150,086
Accrued compensated absences	2,411	(15,489)	4,684	8,274	—	—	(120)
Due to other funds	—	—	—	—	—	(268,310)	(268,310)
Total adjustments	67,389	2,748	(3,764)	1,406,432	51,084	(286,058)	1,237,831
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (189,489)	\$ 7,379	\$ 75,940	\$ 654,473	\$ (413,005)	\$ (288,656)	\$ (153,358)

EXHIBIT F-4

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Fleet Management			Warehouse		
	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ 555,741	\$ 578,467	\$ 22,726	\$ 127,623	\$ 354,059	\$ 226,436
REVENUES						
Charges for services	4,114,000	4,031,622	(82,378)	2,054,000	2,260,374	206,374
Investment income	22,000	33,053	11,053	12,000	25,930	13,930
Miscellaneous	3,000	4,479	1,479	—	—	—
Proceeds from sale of assets	—	2,622	2,622	—	—	—
Operating transfers in	293,000	255,861	(37,139)	—	—	—
Total revenues	4,432,000	4,327,637	(104,363)	2,066,000	2,286,304	220,304
EXPENDITURES						
Personal services	1,762,721	1,707,995	54,726	290,422	274,126	16,296
Supplies and other services and charges	2,728,974	2,599,717	129,257	1,973,465	2,014,888	(41,423)
Claims losses	—	—	—	—	—	—
Capital outlay	50,260	26,369	23,891	—	—	—
Operating transfers out	208,473	208,473	—	—	—	—
1997 operating encumbrances	(158,334)	(158,334)	—	(204)	(204)	—
Total expenditures	4,592,094	4,384,220	207,874	2,263,683	2,288,810	(25,127)
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	(160,094)	(56,583)	103,511	(197,683)	(2,506)	195,177
OTHER CHANGES TO FUNDS AVAILABLE						
Capital projects	—	—	—	—	—	—
Total other changes to funds available	—	—	—	—	—	—
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	\$ 395,647	\$ 521,884	\$ 126,237	\$ (70,060)	\$ 351,553	\$ 421,613
RECONCILIATION TO NET INCOME (LOSS) (GAAP BASIS)						
Excess (deficiency) of revenues over (under) expenditures - budgetary basis		\$ (56,583)			\$ (2,506)	
Add						
Capital outlay		26,369			—	
Increase in inventory		—			28,851	
1998 operating encumbrances		80,650			—	
Decrease in accrued compensated absences		—			15,489	
Less						
Depreciation		(59,028)			(11,069)	
Increase in accrued compensated absences		(2,411)			—	
Proceeds from sale of assets		(2,622)			—	
Loss on disposal of assets		(13,600)			(73)	
Decrease in inventory		—			—	
1997 operating encumbrances		(158,334)			(204)	
Expenditures for capital projects		—			—	
Adjust investments to fair value		(356)			(287)	
NET INCOME (LOSS) GAAP BASIS		\$ (185,915)			\$ 30,201	

Print Shop			Risk Management		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 261,332	\$ 215,117	\$ (46,215)	\$ (2,317,887)	\$ (2,545,719)	\$ (227,832)
1,048,190	988,989	(59,201)	3,939,429	3,912,401	(27,028)
16,000	16,867	867	189,775	327,243	137,468
—	—	—	125,000	195,153	70,153
—	—	—	—	—	—
—	—	—	200,000	200,000	—
1,064,190	1,005,856	(58,334)	4,454,204	4,634,797	180,593
319,186	289,472	29,714	517,035	416,358	100,677
757,005	651,089	105,916	897,596	903,831	(6,235)
—	—	—	2,856,717	3,366,046	(509,329)
—	27,686	(27,686)	—	17,647	(17,647)
—	—	—	—	—	—
—	—	—	(17,144)	(17,144)	—
1,076,191	968,247	107,944	4,254,204	4,686,738	(432,534)
(12,001)	37,609	49,610	200,000	(51,941)	(251,941)
—	—	—	—	—	—
—	—	—	—	—	—
\$ 249,331	\$ 252,726	\$ 3,395	\$ (2,117,887)	\$ (2,597,660)	\$ (479,773)

\$ 37,609	\$ (51,941)
7,841	17,647
3,042	—
85,699	40,837
—	—
(32,937)	(10,688)
(4,684)	(8,274)
—	—
(8,463)	—
—	—
—	(17,144)
—	—
(238)	(4,531)
<u>\$ 87,869</u>	<u>\$ (34,094)</u>

(Continued)

EXHIBIT F-4

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Building Repair		Variance
	Budget	Actual	
FUNDS AVAILABLE - JANUARY 1	\$ 523,890	\$ 526,637	\$ 2,747
REVENUES			
Charges for services	331,500	331,839	339
Investment income	35,000	36,474	1,474
Miscellaneous	—	—	—
Operating transfers in	925,000	925,000	—
Total revenues	<u>1,291,500</u>	<u>1,293,313</u>	<u>1,813</u>
EXPENDITURES			
Personal services	—	—	—
Supplies and other services and charges	—	—	—
Claims losses	—	—	—
Capital outlay	—	—	—
Operating transfers out	—	—	—
1997 operating encumbrances	—	—	—
Total expenditures	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	<u>1,291,500</u>	<u>1,293,313</u>	<u>1,813</u>
OTHER CHANGES TO FUNDS AVAILABLE			
Capital projects	(1,601,572)	(1,601,572)	—
Total other changes to funds available	<u>(1,601,572)</u>	<u>(1,601,572)</u>	<u>—</u>
FUNDS AVAILABLE FOR APPROPRIATION - DECEMBER 31	<u>\$ 213,818</u>	<u>\$ 218,378</u>	<u>\$ 4,560</u>
RECONCILIATION TO NET INCOME (LOSS) (GAAP BASIS)			
Excess (deficiency) of revenues over (under) expenditures - budgetary basis		\$ 1,293,313	
Add: Capital outlay		—	
Increase in inventory		—	
1998 operating encumbrances		—	
Decrease in accrued compensated absences		—	
Less: Depreciation		(16,707)	
Increase in accrued compensated absences		—	
Proceeds from sale of assets		—	
Loss on disposal of assets		(15,613)	
Decrease in inventory		—	
1997 operating encumbrances		—	
Expenditures for capital projects		(779,221)	
Adjust investments to fair value		(924)	
NET INCOME (LOSS) GAAP BASIS		<u>\$ 480,848</u>	

(Concluded)

EXHIBIT F-5

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS
 BUILDING REPAIR FUND CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 1998

Project Number	Project Description	Appropriations					Expenditures			Carryforward 12/31/98	Encumbered	Unencumbered
		Prior	Carryforward	1998	Transfers To (From) Project	Totals	Prior	1998	Totals			
61745	Major Building Repair	\$ 2,581,968	\$ 13,562	\$ 1,476,572	\$ —	\$ 4,072,102	\$ 2,581,968	\$ 686,050	\$ 3,268,018	\$ 804,084	\$ 401,718	\$ 402,366
61767	Elevator Repair Replacement	255,054	144,946	—	—	400,000	255,054	72,474	327,528	72,472	—	72,472
61806	MJC HVAC Remodel	—	—	125,000	—	125,000	—	20,697	20,697	104,303	77,130	27,173
TOTAL BUILDING REPAIR FUND CAPITAL PROJECTS		<u>\$ 2,837,022</u>	<u>\$ 158,508</u>	<u>\$ 1,601,572</u>	<u>\$ —</u>	<u>\$ 4,597,102</u>	<u>\$ 2,837,022</u>	<u>\$ 779,221</u>	<u>\$ 3,616,243</u>	<u>\$ 980,859</u>	<u>\$ 478,848</u>	<u>\$ 502,011</u>

TRUST AND AGENCY FUNDS

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

PENSION TRUST FUNDS

General Employees' Retirement Plan Fund

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

Elected Officials' Pension Fund

The Elected Officials' Pension Fund accounts for the payment of retirement benefits to qualified retired City Council members.

AGENCY FUNDS

General Agency Fund

The General Agency Fund accounts for escrows, deposits and other related assets held by the City.

Payroll Clearing Fund

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

EXHIBIT G-1

CITY OF AURORA, COLORADO

TRUST AND AGENCY FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 1998

	Pension Trust <u>GERP</u>	Agency		Totals
		<u>General Agency</u>	<u>Payroll Clearing</u>	
ASSETS				
Cash and cash equivalents	\$ 5,429,919	\$ —	\$ —	\$ 5,429,919
Equity in cash and cash equivalents	—	30,257	108,754	139,011
Investments	169,790,663	—	—	169,790,663
Receivables				
Accrued interest	1,172,434	—	—	1,172,434
Other	2,031,561	—	—	2,031,561
Due from other funds	—	814	—	814
Due from other governments	200,053	—	—	200,053
Machinery and equipment	64,854	—	—	64,854
Accumulated depreciation	(57,426)	—	—	(57,426)
TOTAL ASSETS	\$ 178,632,058	\$ 31,071	\$ 108,754	\$ 178,771,883
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,860,911	\$ —	\$ 648	\$ 1,861,559
Funds held for others	—	31,071	108,106	139,177
Total liabilities	1,860,911	31,071	108,754	2,000,736
FUND BALANCES				
Reserved for employee pension benefits	176,771,147	—	—	176,771,147
Total fund balances	176,771,147	—	—	176,771,147
TOTAL LIABILITIES AND FUND BALANCES	\$ 178,632,058	\$ 31,071	\$ 108,754	\$ 178,771,883

EXHIBIT G-2

CITY OF AURORA, COLORADO

**PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>GERP</u>	<u>Elected Officials Pension</u>	<u>Totals</u>
ADDITIONS			
Contributions			
City	\$ 2,649,609	\$ —	\$ 2,649,609
Plan members	2,651,830	9,600	2,661,430
Total contributions	<u>5,301,439</u>	<u>9,600</u>	<u>5,311,039</u>
Investment income			
Net appreciation in fair value of investments	8,423,009	—	8,423,009
Interest	4,625,550	—	4,625,550
Dividends	2,098,403	—	2,098,403
Other income	19,585	—	19,585
Total investment income	<u>15,166,547</u>	<u>—</u>	<u>15,166,547</u>
Less investment expense	<u>897,493</u>	<u>—</u>	<u>897,493</u>
Net investment income	<u>14,269,054</u>	<u>—</u>	<u>14,269,054</u>
Total additions	<u>19,570,493</u>	<u>9,600</u>	<u>19,580,093</u>
DELETIONS			
Benefits	3,027,124	9,600	3,036,724
Refunds of contributions	2,825,830	—	2,825,830
Administrative expense			
Salaries	138,188	—	138,188
Other administrative costs	71,684	—	71,684
Professional fees	15,309	—	15,309
Actuary fees	46,495	—	46,495
Total deletions	<u>6,124,630</u>	<u>9,600</u>	<u>6,134,230</u>
NET INCREASE IN PLAN ASSETS	13,445,863	—	13,445,863
NET ASSETS HELD FOR EMPLOYEE PENSION BENEFITS - JANUARY 1	<u>163,325,284</u>	<u>—</u>	<u>163,325,284</u>
NET ASSETS HELD FOR EMPLOYEE PENSION BENEFITS - DECEMBER 31	<u>\$ 176,771,147</u>	<u>\$ —</u>	<u>\$ 176,771,147</u>

EXHIBIT G-3

CITY OF AURORA, COLORADO

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
GENERAL AGENCY				
ASSETS				
Equity in cash and cash equivalents	\$ 75,117	\$ 238,143	\$ (283,003)	\$ 30,257
Due from other funds	—	814	—	814
TOTAL ASSETS	<u>\$ 75,117</u>	<u>\$ 238,957</u>	<u>\$ (283,003)</u>	<u>\$ 31,071</u>
LIABILITIES				
Accounts payable	\$ 444	\$ 282,559	\$ (283,003)	\$ —
Funds held for others	74,673	238,957	(282,559)	31,071
TOTAL LIABILITIES	<u>\$ 75,117</u>	<u>\$ 521,516</u>	<u>\$ (565,562)</u>	<u>\$ 31,071</u>
 PAYROLL CLEARING				
ASSETS				
Equity in cash and cash equivalents	\$ 163,899	\$ 123,307,027	\$ (123,362,172)	\$ 108,754
TOTAL ASSETS	<u>\$ 163,899</u>	<u>\$ 123,307,027</u>	<u>\$ (123,362,172)</u>	<u>\$ 108,754</u>
LIABILITIES				
Accounts payable	\$ 149	\$ 121,056,997	\$ (121,056,498)	\$ 648
Funds held for others	163,750	124,718,396	(124,774,040)	108,106
TOTAL LIABILITIES	<u>\$ 163,899</u>	<u>\$ 245,775,393</u>	<u>\$ (245,830,538)</u>	<u>\$ 108,754</u>

(Continued)

EXHIBIT G-3

CITY OF AURORA, COLORADO

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
TOTAL AGENCY FUNDS				
ASSETS				
Equity in cash and cash equivalents	\$ 239,016	\$ 123,545,170	\$ (123,645,175)	\$ 139,011
Due from other funds	—	814	—	814
TOTAL ASSETS	<u>\$ 239,016</u>	<u>\$ 123,545,984</u>	<u>\$ (123,645,175)</u>	<u>\$ 139,825</u>
LIABILITIES				
Accounts payable	\$ 593	\$ 121,339,556	\$ (121,339,501)	\$ 648
Funds held for others	238,423	124,957,353	(125,056,599)	139,177
TOTAL LIABILITIES	<u>\$ 239,016</u>	<u>\$ 246,296,909</u>	<u>\$ (246,396,100)</u>	<u>\$ 139,825</u>

(Concluded)

ACCOUNT GROUPS

GENERAL FIXED ASSETS

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

City Fixed Asset Account Group

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

Aurora Capital Leasing Corporation Fixed Asset Account Group

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

GENERAL LONG - TERM DEBT

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

City General Long-term Debt Account Group

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

ACCOUNT GROUPS (continued)

GENERAL LONG - TERM DEBT (continued)

Aurora Urban Renewal Authority General Long-term Debt Account Group

The Aurora Urban Renewal Authority (AURA) General Long-term Debt Account Group is used to record the incremental tax revenue bonds of AURA.

Aurora Capital Leasing Corporation General Long-term Debt Account Group

The Aurora Capital Leasing Corporation (ACLC) General Long-term Debt Account Group is used to record the certificates of participation in a capital lease by ACLC.

EXHIBIT H-1

CITY OF AURORA, COLORADO

**GENERAL FIXED ASSETS ACCOUNT GROUP
COMBINING SCHEDULE OF FIXED ASSETS BY SOURCE
DECEMBER 31, 1998**

	<u>City</u>	<u>ACL</u>	<u>Totals</u>
GENERAL FIXED ASSETS			
Land	\$ 15,096,402	\$ 2,086,067	\$ 17,182,469
Buildings and improvements	45,506,381	30,845,138	76,351,519
Improvements other than buildings	14,747,404	60,039	14,807,443
Machinery and equipment	56,746,146	—	56,746,146
Construction in progress	254,230	—	254,230
TOTAL GENERAL FIXED ASSETS	\$ 132,350,563	\$ 32,991,244	\$ 165,341,807
INVESTMENT IN GENERAL FIXED ASSETS			
Federal government	\$ 2,995,563	\$ —	\$ 2,995,563
State of Colorado	383,373	—	383,373
Conservation Trust	6,576,046	—	6,576,046
Private gifts and grants	795,536	—	795,536
General fund	58,574,143	—	58,574,143
Special revenue funds	6,814,874	—	6,814,874
Capital projects fund	41,496,031	—	41,496,031
Contributions from enterprise funds	767,290	—	767,290
Contributions from internal service funds	13,947,707	—	13,947,707
ACL	—	32,991,244	32,991,244
TOTAL INVESTMENT IN GENERAL FIXED A	\$ 132,350,563	\$ 32,991,244	\$ 165,341,807

EXHIBIT H-2

CITY OF AURORA, COLORADO

GENERAL FIXED ASSETS ACCOUNT GROUP
 COMBINING SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
 DECEMBER 31, 1998

FUNCTION AND ACTIVITY						Totals
	Land	Buildings and Improvements	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	
CITY						
General government						
Buildings	\$ 4,161,217	\$ 23,695,658	\$ 737,513	\$ 158,170	\$ —	\$ 28,752,558
City Council	—	—	—	50,483	—	50,483
Boards and Commissions	—	82,999	—	26,078	—	109,077
Judicial	—	—	—	63,194	—	63,194
Court Administration	—	—	—	701,842	—	701,842
Public Defender	—	—	—	15,479	—	15,479
City Attorney	—	—	975	268,132	—	269,107
General Management	—	—	—	583,562	—	583,562
Economic Development	—	—	—	14,940	—	14,940
Finance	—	—	—	421,131	—	421,131
Information Technology	—	—	—	9,303,582	—	9,303,582
Internal Services	—	15,810	697,718	1,037,867	—	1,751,395
Building Services	—	—	—	307,505	—	307,505
Community Services	—	—	—	589,227	—	589,227
Planning	—	—	—	397,250	—	397,250
Development Services	—	—	—	55,014	—	55,014
Total general government	4,161,217	23,794,467	1,436,206	13,993,456	—	43,385,346
Public safety						
Emergency communications	—	104,034	333,307	1,409,382	—	1,846,723
Police	90,000	4,012,485	656,051	10,145,767	—	14,904,303
Fire	107,000	4,244,941	144,140	8,697,991	27,480	13,221,552
Building Inspection	—	—	—	225,752	—	225,752
Total public safety	197,000	8,361,460	1,133,498	20,478,892	27,480	30,198,330
Public works						
Highways and streets	5,310,761	400,831	30,792	10,440,717	6,750	16,189,851
Culture and recreation						
Library, recreation and television	680,117	11,748,683	3,615,013	5,817,547	—	21,861,360
Parks and open space	4,747,307	1,200,940	8,531,895	6,015,534	220,000	20,715,676
Total culture and recreation	5,427,424	12,949,623	12,146,908	11,833,081	220,000	42,577,036
Total - City	15,096,402	45,506,381	14,747,404	56,746,146	254,230	132,350,563
ALCL						
General government	2,086,067	30,845,138	60,039	—	—	32,991,244
Total Reporting Entity	\$ 17,182,469	\$ 76,351,519	\$ 14,807,443	\$ 56,746,146	\$ 254,230	\$ 165,341,807

EXHIBIT H-3

CITY OF AURORA, COLORADO

GENERAL FIXED ASSETS ACCOUNT GROUP
 COMBINING SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Balance January 1	Additions	Disposals	Transfers In (Out)	Balance December 31
CITY					
General Government					
Buildings	\$ 26,209,585	\$ 2,676,500	\$ (629,702)	\$ 496,175	\$ 28,752,558
City Council	—	4,527	—	45,956	50,483
Boards and Commissions	—	—	(3,713)	112,790	109,077
Legislative	240,601	—	—	(240,601)	—
Judicial	639,333	27,870	(1,740)	(602,269)	63,194
Court Administration	—	60,389	(5,010)	646,463	701,842
Public Defender	—	5,826	—	9,653	15,479
Legal	227,713	—	—	(227,713)	—
City Attorney	—	32,139	(4,877)	241,845	269,107
Executive	153,238	—	—	(153,238)	—
General Management	—	356,045	(49,811)	277,328	583,562
Administration	11,647,362	—	—	(11,647,362)	—
Economic Development	—	4,760	(29,360)	39,540	14,940
Finance	286,171	135,991	(42,046)	41,015	421,131
Information Technology	—	360,525	(447,260)	9,390,317	9,303,582
Internal Services	—	849,208	(80,868)	983,055	1,751,395
Human Resources	129,824	—	—	(129,824)	—
Building Services	—	56,012	(683)	252,176	307,505
Community Services	359,778	107,989	(35,718)	157,178	589,227
Planning	825,583	75,008	(46,739)	(456,602)	397,250
Development Services	—	6,865	(4,052)	52,201	55,014
Total General Government	40,719,188	4,759,654	(1,381,579)	(711,917)	43,385,346
Public Safety					
Emergency Communications	10,131,994	123,078	(148,568)	(8,259,781)	1,846,723
Police	13,576,731	1,713,897	(1,068,537)	682,212	14,904,303
Fire	9,229,599	2,425,071	(1,054,454)	2,621,336	13,221,552
Building Inspection	—	36,354	(13,155)	202,553	225,752
Total Public Safety	32,938,324	4,298,400	(2,284,714)	(4,753,680)	30,198,330
Public Works					
Highways and Streets	8,839,942	5,406,690	(1,499,151)	3,442,370	16,189,851
Culture and Recreation					
Library, Recreation and Television	10,990,692	918,429	(1,382,184)	11,334,423	21,861,360
Parks and Open Space	28,141,654	3,309,535	(1,144,178)	(9,591,335)	20,715,676
Total Culture and Recreation	39,132,346	4,227,964	(2,526,362)	1,743,088	42,577,036
Total City	121,629,800	18,692,708	(7,691,806)	(280,139)	132,350,563
ACLC					
General Government					
Buildings	32,991,244	—	—	—	32,991,244
Total Reporting Entity	\$ 154,621,044	\$ 18,692,708	\$ (7,691,806)	\$ (280,139)	\$ 165,341,807

EXHIBIT H-4

CITY OF AURORA, COLORADO

**GENERAL LONG-TERM DEBT ACCOUNT GROUP
COMBINING SCHEDULE OF GENERAL LONG-TERM DEBT
DECEMBER 31, 1998**

	<u>City</u>	<u>AURA</u>	<u>ACLC</u>	<u>Totals</u>
OTHER DEBITS				
Amount available in debt service funds	\$ 559,188	\$ 2,965,000	\$ 3,692,686	\$ 7,216,874
Amount to be provided for retirement of general long-term debt	<u>32,649,425</u>	<u>—</u>	<u>23,392,314</u>	<u>56,041,739</u>
TOTAL OTHER DEBITS	<u><u>\$ 33,208,613</u></u>	<u><u>\$ 2,965,000</u></u>	<u><u>\$ 27,085,000</u></u>	<u><u>\$ 63,258,613</u></u>
LIABILITIES				
Accrued compensated absences	\$ 14,624,097	\$ —	\$ —	\$ 14,624,097
General obligation bonds payable	16,695,000	—	—	16,695,000
Revenue bonds payable	—	2,965,000	—	2,965,000
Certificates of participation	—	—	27,085,000	27,085,000
Special assessment bonds payable	840,000	—	—	840,000
Capitalized leases	<u>1,049,516</u>	<u>—</u>	<u>—</u>	<u>1,049,516</u>
TOTAL LIABILITIES	<u><u>\$ 33,208,613</u></u>	<u><u>\$ 2,965,000</u></u>	<u><u>\$ 27,085,000</u></u>	<u><u>\$ 63,258,613</u></u>

OTHER SCHEDULES

Schedule of Indebtedness - All Funds

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

Schedule of Debt Service Requirements - General Long-Term Debt

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

Schedule of Debt Service Requirements - Proprietary Funds

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

Schedule of Conduit Debt Outstanding

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

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

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

EXHIBIT I-1

CITY OF AURORA, COLORADO

SCHEDULE OF INDEBTEDNESS - ALL FUNDS
DECEMBER 31, 1998

	Interest Rates	Dates		Bonds		
		Issue	Maturity	Authorized and Issued	Outstanding	Current Maturities
GENERAL OBLIGATION DEBT						
Supported by General Fund revenues						
Public safety	4.55 - 5.55%	12/1/95	1999-2009	\$ 4,855,000	\$ 4,065,000	\$ 285,000
Park and street refunding	4.75 - 5.00%	7/1/92	1999-2001	9,040,000	2,230,000	1,630,000
Park and street refunding	5.30%	8/1/92	2001	400,000	400,000	—
Alameda & I-225 Interchange	4.50 - 4.80%	6/1/98	1999-2012	10,000,000	10,000,000	320,000
Total supported by General Fund revenues				24,295,000	16,695,000	2,235,000
Supported by Water revenues						
09/93 Refunding	4.625 - 4.75%	9/15/93	1999-2014	114,800,000	94,885,000	6,615,000
12/89 Refunding	6.70 - 6.90%	8/1/89	1999-2014	24,452,709	17,565,000	2,785,000
12/96 Refunding	4.15 - 4.90%	12/01/96	1999-2006	2,615,000	2,580,000	20,000
Unamortized bond discounts				—	(4,054,799)	—
Total supported by Water revenues				141,867,709	110,975,201	9,420,000
REVENUE BONDS						
Supported by Sewer revenues						
08/92 Refunding	4.375 - 4.50%	8/1/92	1999-2000	7,350,000	2,300,000	995,000
07/93 Refunding	4.10 - 4.65%	7/15/93	1999-2002	11,180,000	5,510,000	1,280,000
Unamortized bond discounts				—	(71,196)	—
Total supported by Sewer revenues				18,530,000	7,738,804	2,275,000
Supported by Golf revenues						
Golf Course Enterprise System	4.60 - 6.20%	11/01/95	1999-2015	7,395,000	6,920,000	255,000
Unamortized bond discount				—	(93,824)	—
Total supported by Golf revenues				7,395,000	6,826,176	255,000
INCLUDABLE ENTITIES						
AURA tax increment revenue refunding bonds						
	4.75 - 5.80%	5/15/96	1999-2007	3,580,000	2,965,000	235,000
ACLIC certificates of participation						
	5.30 - 6.25%	6/1/94	1999-2009	35,875,000	27,085,000	2,970,000
Total Includable Entities				39,455,000	30,050,000	3,205,000
SPECIAL IMPROVEMENT DISTRICTS						
05/96 Refunding						
	4.75 - 5.50%	5/15/96	1999-2001	1,800,000	840,000	220,000
Total Special Improvement Districts				1,800,000	840,000	220,000
TOTAL INDEBTEDNESS				\$ 233,342,709	\$ 173,125,181	\$ 17,610,000

EXHIBIT I-2

CITY OF AURORA, COLORADO

SCHEDULE OF DEBT SERVICE REQUIREMENTS
 GENERAL LONG-TERM DEBT
 DECEMBER 31, 1998

Year	General Obligation Bonds Supported by General Fund Revenues		Tax Increment Revenue Refunding Bonds Supported by AURA Revenues		Special Assessment Bonds		Capitalized Leases		Certificates of Participation Supported by ACLC Revenues		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
1999	\$ 2,235,000	\$ 1,023,346	\$ 235,000	\$ 161,907	\$ 220,000	\$ 44,713	\$ 240,330	\$ 61,736	\$ 2,970,000	\$ 1,617,032	\$ 8,809,064
2000	1,465,000	688,025	250,000	150,392	310,000	33,713	254,466	47,599	2,925,000	1,453,683	7,577,878
2001	1,305,000	607,750	260,000	137,642	310,000	17,050	269,435	32,631	1,495,000	1,289,882	5,724,390
2002	945,000	555,323	270,000	124,252	—	—	285,285	16,781	1,575,000	1,204,668	4,976,309
2003	990,000	511,313	285,000	109,942	—	—	—	—	1,670,000	1,112,530	4,678,785
2004	1,035,000	465,038	300,000	94,695	—	—	—	—	1,775,000	1,014,000	4,683,733
2005	1,085,000	416,273	320,000	78,195	—	—	—	—	1,880,000	907,500	4,686,968
2006	1,135,000	364,945	335,000	60,275	—	—	—	—	1,995,000	794,700	4,684,920
2007	1,190,000	310,870	710,000	41,180	—	—	—	—	2,200,000	675,000	5,127,050
2008	1,245,000	253,708	—	—	—	—	—	—	2,330,000	537,500	4,366,208
2009	1,310,000	193,455	—	—	—	—	—	—	6,270,000	391,875	8,165,330
2010	875,000	129,570	—	—	—	—	—	—	—	—	1,004,570
2011	920,000	89,320	—	—	—	—	—	—	—	—	1,009,320
2012	960,000	46,080	—	—	—	—	—	—	—	—	1,006,080
Totals	\$ 16,695,000	\$ 5,655,016	\$ 2,965,000	\$ 958,480	\$ 840,000	\$ 95,476	\$ 1,049,516	\$ 158,747	\$ 27,085,000	\$ 10,998,370	\$ 66,500,605

EXHIBIT 1-3

CITY OF AURORA, COLORADO

SCHEDULE OF DEBT SERVICE REQUIREMENTS
 PROPRIETARY FUNDS
 DECEMBER 31, 1998

Year	General Obligation Bonds Supported by Water Revenues		Revenue Bonds Supported by Sewer Revenues		Revenue Bonds Supported by Golf Revenues		Capitalized Leases Supported by Golf Revenues		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
1999	\$ 9,420,000	\$ 4,806,544	\$ 2,275,000	\$ 348,143	\$ 255,000	\$ 404,268	\$ 64,969	\$ 17,231	\$ 17,591,155
2000	9,860,000	4,311,745	2,645,000	249,963	265,000	391,772	69,223	12,977	17,805,680
2001	10,135,000	3,992,192	1,405,000	132,277	280,000	378,257	96,859	6,941	16,426,526
2002	10,430,000	3,658,514	1,485,000	69,053	295,000	363,558	55,375	1,625	16,358,125
2003	8,195,000	3,309,784	—	—	315,000	347,628	—	—	12,167,412
2004	8,750,000	3,063,009	—	—	335,000	329,672	—	—	12,477,681
2005	6,990,000	2,730,916	—	—	350,000	310,577	—	—	10,381,493
2006	7,335,000	2,404,962	—	—	370,000	290,628	—	—	10,400,590
2007	6,380,000	2,062,281	—	—	390,000	269,167	—	—	9,101,448
2008	6,700,000	1,767,206	—	—	410,000	246,157	—	—	9,123,363
2009	5,865,000	1,457,331	—	—	435,000	222,583	—	—	7,979,914
2010	6,160,000	1,186,075	—	—	460,000	197,570	—	—	8,003,645
2011	6,470,000	893,475	—	—	485,000	171,120	—	—	8,019,595
2012	6,800,000	586,150	—	—	520,000	141,050	—	—	8,047,200
2013	2,695,000	263,150	—	—	550,000	108,810	—	—	3,616,960
2014	2,845,000	135,138	—	—	585,000	74,710	—	—	3,639,848
2015	—	—	—	—	620,000	38,440	—	—	658,440
Totals	\$ 115,030,000	\$ 36,628,472	\$ 7,810,000	\$ 799,436	\$ 6,920,000	\$ 4,285,967	\$ 286,426	\$ 38,774	\$ 171,799,075

EXHIBIT I-4

CITY OF AURORA, COLORADO

SCHEDULE OF CONDUIT DEBT OUTSTANDING
DECEMBER 31, 1998

Trustee	Issue Type*	Dated Date	Description	Funding Source	December 31, 1998 Outstanding
Bank One	(EDB)	04/15/94	Refunding Rev Bonds (Community College), 1994	lease pymt	\$ 11,075,000
US Bank	(IDB)	11/15/84	(TE Properties) Commercial Office Products, 1984	loan pymt	4,130,000
US Bank	(IDB)	03/01/87	YMCA of Metro Denver	loan pymt	755,000
Norwest Bank	(IDB)	07/29/94	Optima Batteries, Series B (\$5.515 mil, non rated)	loan pymt	4,780,000
Norwest Bank	(IDB)	07/29/94	Optima Batteries, Series A (\$3.4 mil, COP backed conv floaters)	loan pymt	3,430,000
US Bank	(MF)	04/21/98	Dayton 98 Series A	rental pymt	8,635,000
US Bank	(MF)	04/21/98	Dayton 98 Series B	rental pymt	1,360,000
US Bank	(MF)	04/21/98	Dayton 98 Series C	rental pymt	410,000
US Bank	(MF)	04/21/98	98 Series D	mortg pymt	550,000
Norwest Bank	(MF)	08/29/95	Aurora Meadows 1995	rental pymt	13,400,000
Norwest Bank	(SF)	11/13/81	1981 Series A (private placement)	mortg pymt	2,625,000
BNY	(SF)	09/01/84	Series 1993 A (Escrow)	mortg pymt	2,536,981
Zions Bank	(SF)	11/01/93	Series 1993 A	mortg pymt	10,650,000
Zions Bank	(SF)	11/01/93	Series 1993 B	mortg pymt	205,000
US Bank	(JWA)	04/01/84	Aurora - Colorado Springs JWA Bonds	svc revenue	4,585,000
Total conduit debt outstanding					<u>\$ 69,126,981</u>

- * EDB Educational Development Bond
- IDB Industrial Development Bond
- MF Multi-Family
- SF Single Family
- JWA Joint Water Authority

**COUNTIES, CITIES & TOWNS ANNUAL STATEMENT OF RECEIPTS
& EXPENDITURES FOR ROADS, BRIDGES AND STREETS**

COUNTY/CITY/TOWN: Aurora

CALENDAR YEAR OF REPORT: 1998

(ROUND ALL AMOUNTS TO THE NEAREST DOLLAR)

I. SCHEDULE OF RECEIPTS FOR ROAD, BRIDGE AND STREET PURPOSES

A. LOCAL SOURCES

1. Property Tax/Special Assessments	<u> - </u>
2. General Fund Appropriations	<u> - </u>
3. Other: Transfers from funds other than General	<u> 4,717,255 </u>
4. Traffic Fines	<u> 3,185,906 </u>
5. Sales Tax	<u> - </u>
6a. From County Adams, Arapahoe, Douglas	<u> 961,668 </u>
b. City/Town _____	<u> - </u>
7. Bond Proceeds (net of issuance cost)	<u> 10,000,000 </u>
8. Note Proceeds (net of issuance cost)	<u> - </u>
9. Specific Ownership Taxes	<u> 1,943,070 </u>
TOTAL (A) LOCAL SOURCES	<u> 20,807,899 </u>

B. PRIVATE CONTRIBUTIONS 3,157,214

E. TOTAL RECEIPTS (A+B+C+D) 32,186,849

F. UNSPENT BALANCES BEGINNING OF YEAR -
(must equal ending balance of previous year)

G. TOTAL RECEIPTS AND BALANCES (E+F) 32,186,849

C. STATE SOURCES

1. Highway Users Tax	<u> 7,452,616 </u>
2. Motor Vehicle Registration Fees	<u> 769,120 </u>
3. Other _____	<u> - </u>
TOTAL (C) STATE SOURCES	<u> 8,221,736 </u>

D. FEDERAL SOURCES

1. Forest Service	<u> - </u>
2. Mineral Leasing	<u> - </u>
3. Payments in Lieu of Taxes	<u> - </u>
4. FEMA	<u> - </u>
5. HUD	<u> - </u>
6. Other _____	<u> - </u>
TOTAL (D) FEDERAL SOURCES	<u> - </u>

EXHIBIT I - 5 (CONTINUED)

II. SCHEDULE OF EXPENDITURES FOR ROAD, BRIDGE AND STREET PURPOSES

A. DIRECT HIGHWAY EXPENDITURES

1. Right-of-Way	<u>3,928,546</u>
2. Preliminary and Construction Engineering	<u>1,394,346</u>
3. Total Construction	
A. Capacity Improvements	<u>843,549</u>
B. System Preservation	<u>4,123,150</u>
C. Safety Improvements	<u>562,712</u>
4. Maintenance of Conditions	<u>6,818,512</u>
5. Snow and Ice Removal	<u>1,057,122</u>
6. Traffic Services	<u>1,677,242</u>
7. Administration	<u>1,906,119</u>
8. Traffic Enforcement	<u>5,083,935</u>
TOTAL (A) DIRECT HIGHWAY EXPENDITURES	<u>27,395,233</u>

B. DEBT PAYMENTS ON BONDS AND NOTES

1. Interest on Bonds	<u>236,248</u>
2. Interest on Notes	<u>-</u>
3. Redemption on Bonds (net value)	<u>1,865,000</u>
4. Redemption on Notes (net value)	<u>-</u>
TOTAL (B) DEBT PAYMENT	<u>2,101,248</u>

C. PAYMENTS TO OTHER GOVERNMENTS

1a. To County _____	<u>-</u>
b. To City _____	<u>-</u>
2. To Department of Transportation	<u>29,221</u>
TOTAL (C) PAYMENTS TO OTHER GOVERNMENTS	<u>29,221</u>

D. OTHER HIGHWAY PURPOSES

_____	<u>-</u>
<u>E. TOTAL EXPENDITURES (A+B+C+D)</u>	<u>29,525,702</u>

<u>F. BALANCE END OF YEAR</u> (unspent receipts)	<u>2,661,147</u>
--	------------------

<u>G. TOTAL EXPENDITURES AND BALANCES (E+F)</u>	<u>32,186,849</u>
--	-------------------

EXHIBIT I - 5 (CONCLUDED)

III. SCHEDULE OF CHANGE IN DEBT STATUS FOR ROAD,
BRIDGE AND STREET OBLIGATIONS

(Show all entries at par value, face amount of issue)

	<u>BONDS</u>	<u>NOTES</u>
<u>A. BONDS AND NOTES OUTSTANDING BEGINNING OF YEAR</u>	<u>5,335,000</u>	<u>-</u>
<u>B. AMOUNT ISSUED DURING YEAR (par value)</u>		
1. Original issues this year	<u>10,000,000</u>	<u>-</u>
2. Refunding issues	<u>-</u>	<u>-</u>
<u>C. AMOUNT REDEEMED DURING YEAR (par value)</u>		
1. From current receipts or reserves	<u>1,865,000</u>	<u>-</u>
2. From refunding issues	<u>-</u>	<u>-</u>
<u>D. BONDS AND NOTES OUTSTANDING END OF YEAR</u>	<u>13,470,000</u>	<u>-</u>

NOTE: TOTAL RECEIPTS AND BALANCES MUST EQUAL TOTAL EXPENDITURES AND BALANCES

PLEASE GIVE THE NAME AND PHONE NUMBER OF THE PERSON TO CONTACT FOR QUESTIONS
REGARDING THE REPORT.

NAME: Raisa Nikolayevsky

PHONE: (303) 739 - 7793

SUPPLEMENTARY FINANCIAL DISCLOSURES

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

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

Disclosure Report - General Obligation Water Refunding Bonds, Series 1996

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

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

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

Disclosure Report - Special Assessment Refunding Bonds, Series 1996

These schedules provide required continuous disclosure information for the undertaking dated May 29, 1996 for City of Aurora, Colorado Special Assessment Refunding Bonds, Series 1996.

EXHIBIT J-1**CITY OF AURORA, COLORADO****AURORA URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 1996
DISCLOSURE REPORT
DECEMBER 31, 1998**

The following information is presented pursuant to continuing disclosure undertaking dated May 29, 1996 for the Aurora Urban Renewal Authority Tax Increment Revenue Refunding Bonds, Series 1996.

**Sales Tax Collections in the
Urban Renewal Project Area 1993-1998**

<u>Year ended December 31,</u>	<u>Collected in Urban Renewal Project Area (1)</u>
1993	\$ 926,761
1994 (2)	897,351
1995	500,900
1996	443,521
1997	395,222
1998	446,007

- (1) The base year sales tax in the Urban Renewal Project Area was zero. All sales taxes collected in the project area are treated as Sales Tax Increment Revenues.
- (2) The rate of the City's sales tax increased .25% in 1994.

The incremental assessed valuation of taxable property in the Urban Renewal Project Area was as follows in the years 1993-1998:

<u>Collection Year</u>	<u>Incremental Assessed Valuation</u>	<u>Total Rate of Levy</u>	<u>Property Tax Increment</u>
1993	\$ 2,186,760	93.984	\$ 205,520
1994	2,109,750	99.417	209,745
1995	1,846,980	98.835	182,546
1996	1,756,060	97.928	171,967
1997	1,729,530	97.320	168,318
1998	2,069,310	89.852	185,932

(Continued)

EXHIBIT J-1

CITY OF AURORA, COLORADO

AURORA URBAN RENEWAL AUTHORITY TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 1996 DISCLOSURE REPORT DECEMBER 31, 1998

The following mill levies were imposed by the individual overlapping taxing entities of the Urban Renewal Project Area in the tax years 1992-1998:

Mill Levies of Overlapping Taxing Entities of the Urban Renewal Project Area

Overlapping Entities	Tax Year/Collection Year						
	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
City of Aurora	11.605	11.605	11.605	11.605	12.003	12.000	11.940
Arapahoe County	16.973	16.973	16.973	16.973	16.973	16.973	15.960
Adams-Arapahoe School District 28J	64.749	64.626	69.518	69.477	68.172	67.595	61.203
Urban Drainage and Flood Control District	.780	.780	.780	.780	.780	.749	.749
	<u>94.107</u>	<u>93.984</u>	<u>98.876</u>	<u>98.835</u>	<u>97.928</u>	<u>97.317</u>	<u>89.852</u>

(Continued)

EXHIBIT J-1

CITY OF AURORA, COLORADO

**AURORA URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 1996
DISCLOSURE REPORT
DECEMBER 31, 1998**

Businesses Operating in the Urban Renewal Project Area

As of December 31, 1998, the following business establishments most recently operated within the Urban Renewal Project Area:

<u>Name</u>	<u>Type of Business</u>	<u>Square Feet of Space</u>
Right Cuts	Hair Cutting	1,300
Aurora Foot Clinic	Medical	2,000
Discovery Zone	Indoor Play Structure	12,308
Sam's Furniture Outlet	Retail	3,600
Gart Sports	Sporting Goods	55,080
Mugshots	Photo Finishing	99
Black Eyed Pea	Restaurant	5,000
ADT Security Systems	Security Services	136,445

The restaurant and retail sales industries are intensely competitive and no assurance can be given that any of the businesses presently providing tax increment revenues within the Urban Renewal Project Area will remain willing or able to continue operating in their present locations for any particular period of time.

(Continued)

EXHIBIT J-1

CITY OF AURORA, COLORADO

**AURORA URBAN RENEWAL AUTHORITY
TAX INCREMENT REFUNDING BONDS, SERIES 1996
DISCLOSURE REPORT
DECEMBER 31, 1998**

**Aurora Urban Renewal Authority
Summary of Revenues, Expenditures and Changes in
Fund Balance for the Years Ended December 31,**

	1994	1995	1996	1997	1998
REVENUES					
Taxes					
Property	\$ 203,244	\$ 178,912	\$ 169,455	\$ 187,663	\$ 182,844
Sales	897,351	500,900	443,521	395,222	446,008
Total taxes	1,100,595	679,812	612,976	582,885	628,852
Investment income	123,459	203,263	200,467	215,599	225,176
Miscellaneous revenue	—	—	—	—	5,000
Total revenues	1,224,054	883,075	813,443	798,484	859,028
EXPENDITURES					
Current					
General Government	—	—	118,846	900	—
Debt Service					
Principal	160,000	175,000	175,000	215,000	225,000
Interest and fiscal changes	270,660	259,780	203,795	182,162	172,595
Total expenditures	430,660	434,780	497,641	398,062	397,595
Excess of revenues over expenditures	793,394	448,295	315,802	400,422	461,433
OTHER FINANCING SOURCES (USES)					
Proceeds of refunding bonds	—	—	3,580,000	—	—
Payments to refunded bond escrow	—	—	(3,524,788)	—	—
Operating transfers out	—	(70,000)	(36,283)	(300,000)	(700,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	793,394	378,295	334,731	100,422	(238,567)
FUND BALANCE - JANUARY 1	2,700,652	3,494,046	3,872,341	4,273,581	4,374,003
Prior Period Adjustment, GASB 22	—	—	66,509	—	—
FUND BALANCE - DECEMBER 31	<u>\$ 3,494,046</u>	<u>\$ 3,872,341</u>	<u>\$ 4,273,581</u>	<u>\$ 4,374,003</u>	<u>\$ 4,135,436</u>

(Concluded)

EXHIBIT J-2

CITY OF AURORA, COLORADO

GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1996
 DISCLOSURE REPORT
 DECEMBER 31, 1998

Water Fund
 Comparative Statement of Revenues,
 Expenses and Changes in Retained Earnings
 For the Years Ended December 31,

	1994	1995	1996	1997	1998
OPERATING REVENUES					
Charges for services					
Water customers	\$ 28,503,106	\$ 24,824,629	\$ 30,049,378	\$ 28,822,575	\$ 30,231,916
Water fire protection	308,227	304,925	317,303	325,134	330,692
Miscellaneous	225,241	392,227	9,250	32,777	9,756
Total operating revenues	29,036,574	25,521,781	30,375,931	29,180,486	30,572,364
OPERATING EXPENSES BEFORE DEPRECIATION					
Operating income before depreciation	17,999,148	14,041,833	18,135,891	17,473,315	17,678,324
Depreciation	3,720,273	3,728,135	3,793,140	3,938,470	4,281,950
Operating income	14,278,875	10,313,698	14,342,751	13,534,845	13,396,374
NON-OPERATING REVENUES (EXPENSES)					
Investment income	1,032,624	1,499,195	1,510,300	2,080,062	2,124,558
Miscellaneous revenue	31,188	21,477	37,801	61,823	(1,392,084)
Interest expense	(8,104,111)	(7,521,140)	(5,691,075)	(5,034,422)	21,746
Gain on sale of assets	82,443	67,705	56,460	44,673	(4,591,054)
Amortization expense	(628,738)	(911,161)	(681,014)	(742,007)	(786,934)
Income (loss) on equity in joint venture	184,045	203,994	198,862	(132,887)	(118,589)
Net non-operating expenses	(7,402,549)	(6,639,930)	(4,568,666)	(3,722,758)	(4,742,357)
Operating transfers in	200,000	200,000	—	—	—
Net income	7,076,326	3,873,768	9,774,085	9,812,087	8,654,017
Retained earnings - January 1	80,952,309	84,154,907	88,028,675	97,802,760	107,614,847
Restatements:					
Depreciation expense	—	—	—	—	(2,263,212)
Escrow adjustments	(3,873,728)	—	—	—	—
Retained earnings - December 31	\$ 84,154,907	\$ 88,028,675	\$ 97,802,760	\$ 107,614,847	\$ 114,005,652

(Continued)

EXHIBIT J-2**CITY OF AURORA, COLORADO****GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1996
DISCLOSURE REPORT
DECEMBER 31, 1998**

The following information is presented pursuant to continuing disclosure undertaking dated December 20, 1996 for the City of Aurora, Colorado General Obligation Water Refunding Bonds, Series 1996.

THE WATER SYSTEM

The table below gives a statistical indication of the growth of the Water System during the past 10 years.

<u>Year</u>	<u>Total Number of Water Taps (1)</u>	<u>Increase in Taps</u>	<u>% Increase</u>	<u>Total Miles of Water Pipe</u>	<u>Million Gallons Supplied</u>	<u>Daily Average Consumption (in Millions of Gallons)</u>
1989	55,599	29	0.1	861.22	14,267	39.1
1990	55,771	172	0.3	878.39	12,788	35.0
1991	55,839	68	0.1	881.77	14,297	39.2
1992	56,064	225	0.4	885.89	14,512	39.8
1993	56,760	696	1.2	891.69	14,203	38.9
1994	57,588	828	1.5	900.11	15,314	42.0
1995	58,187	599	1.0	911.98	13,454	36.9
1996	59,204	1,017	1.7	933.02	16,140	44.2
1997	59,771	567	1.0	948.68	15,832	43.4
1998	60,393	622	1.0	980.94	16,395	44.9

(1) Includes inactive and stubbed taps.

(Continued)

EXHIBIT J-2

CITY OF AURORA, COLORADO

GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1996 DISCLOSURE REPORT DECEMBER 31, 1998

The City used 50,315 acre feet of water in 1998 (one acre foot is 325,850 gallons). At the end of 1998, the City had approximately 106,915 acre feet of available water in carryover storage (the excess of the year's runoff over Aurora's annual demand). Recent years' water usage and carryover storage have been as follows:

<u>Year</u>	<u>End of Year Carryover Storage</u>	<u>Supplied</u>	<u>Billed Consumption</u>	<u>Metered Sales</u>
1990	66,145 a.f.	39,229 a.f.	38,805 a.f.	23,190,000
1991	80,268 a.f.	43,860 a.f.	39,687 a.f.	23,502,400
1992	89,144 a.f.	44,533 a.f.	40,712 a.f.	25,987,200
1993	102,032 a.f.	40,739 a.f.	40,683 a.f.	26,070,693
1994	96,749 a.f.	45,805 a.f.	40,447 a.f.	28,268,300
1995	112,984 a.f.	45,049 a.f.	37,534 a.f.	24,177,800
1996	104,978 a.f.	49,532 a.f.	45,589 a.f.	29,255,847
1997	116,797 a.f.	48,587 a.f.	45,468 a.f.	27,588,114
1998	106,519 a.f.	50,315 a.f.	45,211 a.f.	27,856,838

The City's raw water system is expected to require capital expenditures aggregating approximately \$30,790,000 in the years 1999 through 2003 for the construction/renovation of facilities and acquisition of water rights to serve the City's population and other commercial development. These expenditures are expected to be funded from Water System revenues, including tap fees and direct developer contributions. Other expenditures are expected to be made as warranted for distribution and treatment facilities.

Funds generated from tap and development fees have been as follows in the years 1989-1998:

<u>Year</u>	<u>Tap & Development Fees</u>
1989	\$ 1,036,933
1990	1,549,565
1991	3,266,145
1992	3,354,746
1993	2,747,270
1994	4,437,595
1995	6,602,910
1996	6,161,802
1997	8,023,146
1998	8,822,388

(Concluded)

EXHIBIT J-3

CITY OF AURORA, COLORADO

GOLF COURSE ENTERPRISE SYSTEM REVENUE BONDS, SERIES 1995 DISCLOSURE REPORT DECEMBER 31, 1998

The following information is presented pursuant to disclosure undertaking dated November 7, 1995 for the City of Aurora, Colorado Golf Course Enterprise System Revenue Bonds, Series 1995.

Revenue Coverage

The City estimates that, if the Bonds had been outstanding, the Net Pledged Revenues produced by the System in the last five complete fiscal years would have covered the estimated average annual debt service requirements of the Bonds as follows:

	<u>1994</u>	<u>1995*</u>	<u>1996*</u>	<u>1997</u>	<u>1998</u>
Net Pledged Revenues (1)	\$ 1,154,571	\$ 1,364,564	\$ 1,229,599	\$ 1,132,279	\$ 1,961,412
Average Annual Debt	\$ 649,055	\$ 649,055	\$ 649,055	\$ 649,055	\$ 649,055
Coverage Ratio	1.78	2.10	1.89	1.74	3.02

(1) Calculated by adding operating income before depreciation and net non-operating revenue before amortization and interest expense.

* restated to exclude amortization and interest expense

Course Usage

Usage of courses in the Golf Course System has been as follows in the last five full years:

<u>Course</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Meadow Hills	64,189	59,417	61,853	60,572	61,420
Aurora Hills	61,002	55,994	55,830	57,504	61,426
Springhill	55,932	51,895	52,536	52,558	54,347
Centre Hills	42,629	38,582	41,622	45,386	45,577
Saddle Rock**	—	—	—	23,460	44,385

** Saddle Rock opened for play July 1, 1997.

(Continued)

EXHIBIT J-3

CITY OF AURORA, COLORADO

GOLF COURSE ENTERPRISE SYSTEM REVENUE BONDS, SERIES 1995 DISCLOSURE REPORT DECEMBER 31, 1998

Green Fee Rates

The current green fees for the courses included in the Golf Course System are as follows:

	Meadow Hills	Aurora Hills	Springhill	Centre Hills	Saddle Rock	Fitzsimons (6)
18-Hole Resident - Weekday	\$ 17.00	\$ 15.00	\$ 13.00	\$ N/A	\$ 25.00	\$ 15.00
18-Hole Resident - Weekend	20.00	17.00	15.00	N/A	34.00	17.00
18-Hole Non-Resident - Weekday	22.00	18.00	16.00	N/A	34.00	18.00
18-Hole Non-Resident - Weekend	24.00	20.00	18.00	N/A	34.00	20.00
18-Hole Resident Junior - Weekday	9.00	8.00	7.00	N/A	14.00	8.00
18-Hole Resident Senior - Weekday	10.00	9.00	8.00	N/A	16.00	9.00
9-Hole Resident - Weekday	10.00	9.00	8.50	5.25 (1)	12.50	9.00
9-Hole Resident - Weekend	11.00	10.00	9.00	6.00 (2)	17.00	10.00
9-Hole Non-Resident - Weekday	13.00	11.00	10.00	6.75 (3)	15.00	11.00
9-Hole Non-Resident - Weekend	15.00	13.00	12.00	8.00 (4)	17.00	13.00
9-Hole Resident Junior - Weekday	5.75	5.00	4.50	3.50 (5)	7.00	5.00
9-Hole Resident Senior - Weekday	6.25	5.50	5.00	3.50 (5)	8.00	5.50

(1) \$4.25 additional 9 holes same day.

(2) \$4.75 additional 9 holes same day.

(3) \$5.75 additional 9 holes same day.

(4) \$7.00 additional 9 holes same day.

(5) \$2.75 additional 9 holes same day.

(6) Continuing annual members \$400/year and \$2.00/9 holes.

City of Aurora only manages the course for FRA paying a lease of \$150,000/year and receiving a management fee of \$54,000/year. The City receives 30% of golf revenues.

(Continued)

EXHIBIT J-3

CITY OF AURORA, COLORADO

GOLF COURSE ENTERPRISE SYSTEM REVENUE BONDS
DISCLOSURE REPORT
DECEMBER 31, 1998

Golf Fund
Comparative Statement of Revenues,
Expenses and Changes in Retained Earnings
For the Years Ended December 31,

	1994	1995	1996	1997	1998
OPERATING REVENUES					
Charges for services	\$ 3,904,758	\$ 3,722,552	\$ 3,908,510	\$ 4,892,212	\$ 5,986,326
Miscellaneous	—	—	147	—	—
Total operating revenues	3,904,758	3,722,552	3,908,657	4,892,212	5,986,326
OPERATING EXPENSES BEFORE DEPRECIATION					
	2,868,682	2,846,881	3,330,195	4,121,295	4,572,949
Operating income before depreciation	1,036,076	875,671	578,462	770,917	1,413,377
Depreciation	370,631	345,507	390,911	459,366	660,848
Operating income	665,445	530,164	187,551	311,551	752,529
NON-OPERATING REVENUES (EXPENSES)					
Investment income	116,460	389,006	459,326	331,150	256,229
Gain (loss) on sale of assets	1,216	(4,455)	739	—	(41,274)
Miscellaneous revenue	819	104,338	191,072	30,206	291,806
Interest expense	—	(210,767)	(240,629)	(284,235)	(363,637)
Amortization expense	—	(1,079)	(12,943)	(12,944)	(12,943)
Net non-operating revenues	118,495	277,043	397,565	64,177	130,181
Operating transfers in	—	—	—	—	—
Operating transfers out	—	—	—	(62,338)	—
Net income	783,940	807,207	585,116	313,390	882,710
Retained earnings - January 1	3,406,990	4,190,930	4,998,137	5,583,253	5,896,643
Prior period adjustment					
Depreciation expense	—	—	—	—	6,938
Retained earnings - December 31	\$ 4,190,930	\$ 4,998,137	\$ 5,583,253	\$ 5,896,643	\$ 6,786,291

(Concluded)

EXHIBIT J-4

CITY OF AURORA, COLORADO

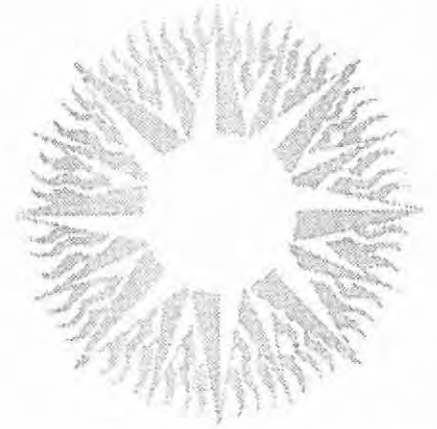
**SPECIAL ASSESSMENT REFUNDING BONDS, SERIES 1996
DISCLOSURE REPORT
DECEMBER 31, 1998**

This information is presented pursuant to continuing disclosure undertaking dated May 29, 1996 for City of Aurora, Colorado Special Assessment Refunding Bonds, Series 1996.

**Schedule of Outstanding Assessments
December 31, 1998**

Special Improvement District	Number of Parcels Assessed	Outstanding Assessments December 31
1-89	25	\$ 137,834
2-89	12	263,939
3-89	6	132,109
1-90	144	192,887
2-91	11	45,929
Totals	198	\$ 772,698

(Concluded)



Statistical Section

- **Revenues and Expenditures**
- **Taxes and Assessments**
- **Debt**
- **Economic and
Demographic Statistics**

STATISTICAL TABLES

The statistical tables reflect social and economic data, financial trends, and the fiscal capacity of the City.

ABOUT THE STATISTICAL TABLES

REVENUES AND EXPENDITURES STATISTICS

Exhibit i
Exhibit ii

GOVERNMENTAL EXPENDITURES BY FUNCTION

These tables present information on recurring governmental expenditures during the last ten years. The tables include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Fund. The expenditures are categorized as General Government, Public Safety, Public Works, Culture and Recreation and Debt Service.

Exhibit iii
Exhibit iv

GOVERNMENTAL REVENUES BY SOURCE

These tables present general information on recurring governmental revenues during the last ten years. The tables include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Fund. Major general governmental revenue sources are: taxes, licenses, permits, intergovernmental revenues, charges for services, fines, forfeitures and miscellaneous revenues such as interest income on investments.

Exhibit v
Exhibit vi

GOVERNMENTAL TAX REVENUES BY SOURCE

These tables present detailed information on the tax revenue portion of governmental revenues. They include tax revenues of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Fund. Tax revenues are derived primarily from general sales and use taxes and gross receipts business taxes such as franchise and occupational privilege.

TAXES AND ASSESSMENT STATISTICS

Exhibit vii

PROPERTY TAX LEVIES AND COLLECTIONS

This table presents comparative data regarding the City's property tax revenues. Data presented includes the total property tax levy, current and delinquent tax collections and tax collections related to the City's tax increment financing district. Property tax levies and collections are reported in the General Fund and the Debt Service Funds.

Exhibit viii SPECIAL ASSESSMENT COLLECTIONS

This table presents information pertaining to the levy and collection of special assessments. These assessments are levied on properties that benefit from construction projects financed by special improvement districts. Special assessment levies and collections are reported in the Debt Service Funds.

Exhibit ix ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Property taxes are levied based on the assessed value of the property. The assessed value is a percentage of the estimated actual value. Assessed and estimated actual data is obtained from Certifications of Valuation provided by Adams County, Arapahoe County and Douglas County. Colorado statutes provide counties with procedures for the valuation of property for assessment purposes.

Exhibit x PROPERTY TAX RATES – DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS

This table shows a combined presentation of the City's property tax rates together with the property tax rates of primary overlapping entities. The primary overlapping entities of the City are: Adams County, Arapahoe County, Aurora School District 28 J and the Cherry Creek School District. This table provides an overall view of the total property tax rates applicable to the property taxpayers.

DEBT STATISTICS

Exhibit xi COMPUTATION OF LEGAL DEBT MARGIN

This table shows the calculation of the maximum amount of general obligation debt allowable under the provisions of the City Charter and the current net amount of debt outstanding that is applicable to the calculated debt limit. Subtracting the net amount of debt outstanding from the maximum amount allowed results in the legal debt margin. In 1992, Colorado voters approved an amendment to the state Constitution (TABOR) which requires new general obligation debt be authorized by voters. Consequently, the computations of the City's legal debt margin is of greatly reduced significance.

Exhibit xii DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

This table shows a combined presentation of the City's outstanding general obligation debt, the outstanding general obligation debt of overlapping entities and the amount of overlapping debt applicable to the City. Overlapping entities with general obligation debt consist primarily of Aurora School District 28 J, Cherry Creek School District and other special purpose taxing entities such as water, sanitation and metropolitan districts. This table provides an overall view of the total outstanding general obligation debt applicable to taxpayers.

Exhibit xiii RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES

This table presents detailed information on general obligation debt principal and interest expenditures compared to total governmental expenditures. Debt principle and interest expenditures are recorded in the Debt Service Funds. Governmental expenditures data includes the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Fund.

Exhibit xiv RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Net general obligation bonded debt is calculated by subtracting the funds available for general obligation debt in Debt Service Funds, and the amount of general obligation debt being repaid by Enterprise Funds, from the total amount of general obligation debt outstanding. Net general obligation bonded debt is presented as a percentage of the total assessed value of taxable property and as a net bonded debt amount per capita.

Exhibit xv SCHEDULE OF REVENUE BOND COVERAGE

Some revenue bond obligations require the City to maintain certain water, sewer, storm draingage or golf course revenues in amounts sufficient to repay the interest and pincipal of the revenue bonds. Dividing the revenue bond debt service requirements by the net revenues available for revenue bond debt service results in the "coverage ratio".

ECONOMIC AND DEMOGRAPHIC STATISTICS

Exhibit xvi **PROPERTY VALUES AND CONSTRUCTION**

This table represents general statistical information on commercial and residential construction activity and the assessed and estimated actual value of real property.

Exhibit xvii **DEMOGRAPHIC STATISTICS**

This table presents non-financial information pertaining to City population, estimated median family income and general unemployment rates.

Exhibit xviii **MAJOR EMPLOYERS**

This table lists the major public and private employers located in the City, including the type of business or industry and the approximate number of employees for each employer listed.

Exhibit xix **TEN PRINCIPAL PROPERTY TAXPAYERS**

This table lists the major property taxpayers based on assessed value of property located in the City, including the assessed value and the percentage of the City's total assessed value for each taxpayer.

Exhibit xx **MISCELLANEOUS STATISTICAL DATA**

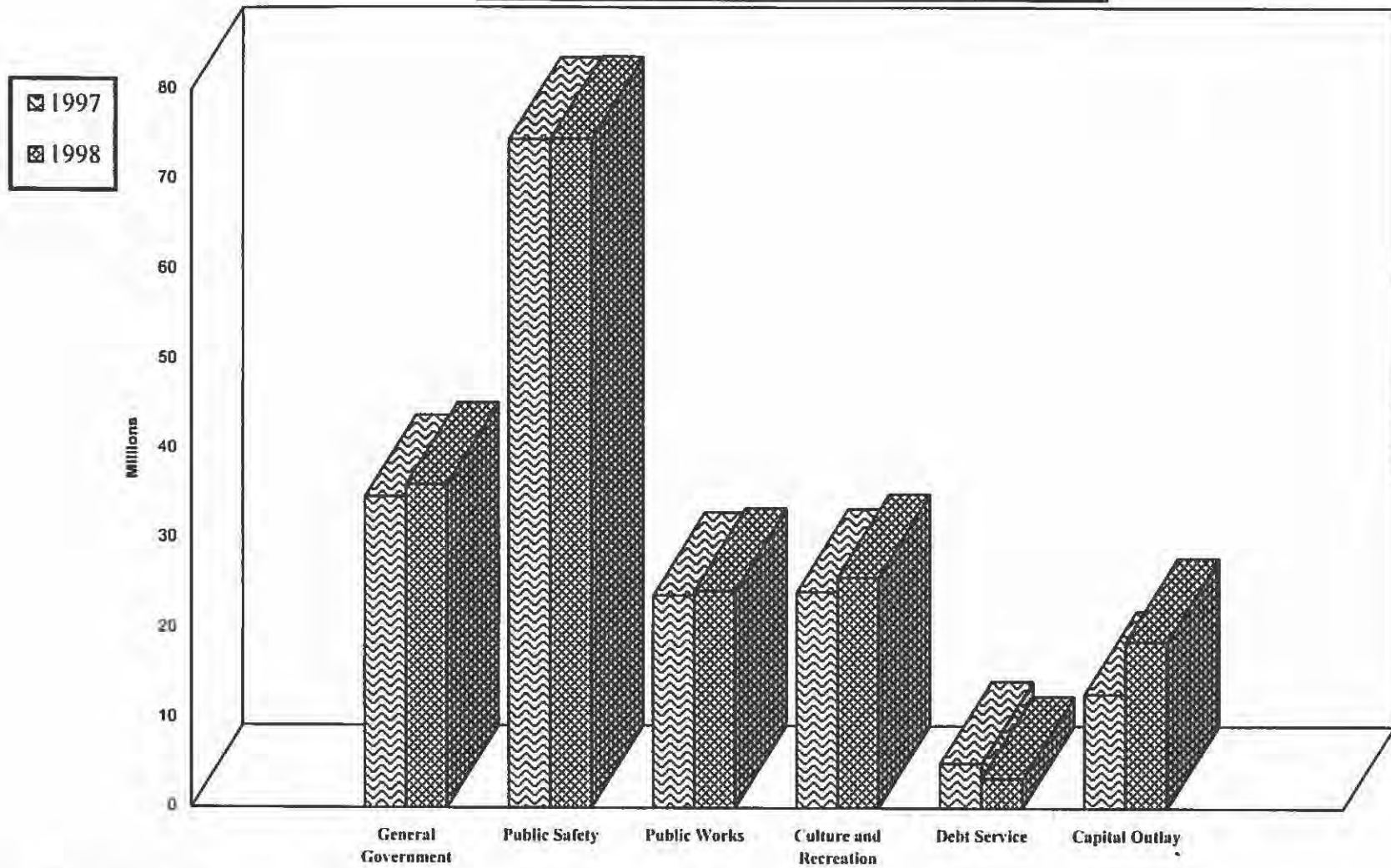
This table presents detailed non-financial information regarding City facilities, infrastructure, fire and police protection, recreation, utilities, schools and voter registrations.



- **Revenues and Expenditures Statistics**

Exhibit i

GOVERNMENTAL EXPENDITURES BY FUNCTION
For the Years Ended December 31, 1997 and 1998



Notes: See Exhibit ii

City of Aurora, Colorado

Exhibit ii

GOVERNMENTAL EXPENDITURES BY FUNCTION

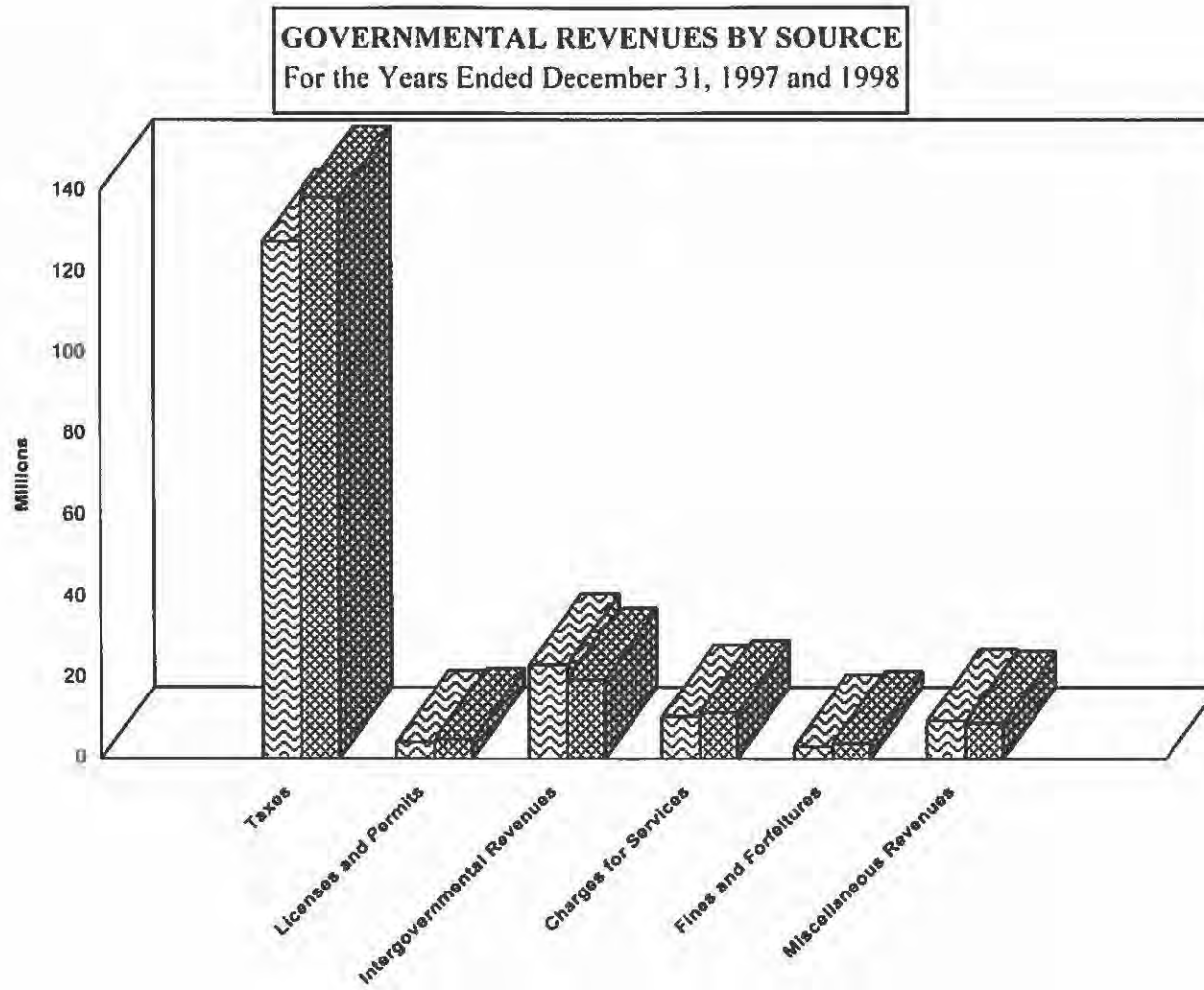
Last Ten Years

Year	General Government		Public Safety		Public Works		Culture and Recreation		Debt Service		Capital Outlay		Total Governmental Expenditures
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1989	\$ 16,600,818	15.6%	\$ 43,327,222	40.8%	\$ 16,929,878	16.0%	\$ 13,026,919	12.3%	\$ 5,096,356	4.8%	\$ 11,131,063	10.5%	\$ 106,112,256
1990	22,659,691	20.0%	44,496,661	39.3%	21,693,043	19.1%	12,394,607	10.9%	9,798,819	8.6%	2,240,046	2.0%	113,282,867
1991	24,447,503	21.6%	46,317,189	41.0%	21,544,927	19.1%	11,383,798	10.1%	7,259,856	6.4%	1,976,982	1.8%	112,930,255
1992	26,267,634	21.1%	50,270,892	40.4%	26,935,482	21.6%	12,626,157	10.1%	5,658,616	4.5%	2,762,545	2.2%	124,521,326
1993	28,090,306	21.9%	54,345,824	42.5%	18,299,539	14.3%	21,072,642	16.5%	4,502,602	3.5%	1,674,584	1.3%	127,985,497
1994	33,237,189	24.9%	56,032,921	41.9%	18,223,545	13.6%	20,652,050	15.5%	5,483,951	4.1%	(b)	-	133,629,656
1995	36,342,145	25.6%	61,910,836	43.7%	18,219,918	12.9%	21,283,480	15.0%	3,991,079	2.8%	(b)	-	141,747,458
1996	40,075,282	25.8%	66,450,153	42.7%	20,199,090	13.0%	23,184,836	14.9%	5,620,197	3.6%	10,206,710	6.6%	155,529,558
1997	34,565,012	19.8%	74,375,714	42.6%	23,670,034	13.6%	24,075,364	13.8%	4,998,315	2.9%	12,753,585	7.3%	174,438,024
1998	35,964,131	19.7%	74,457,704	40.9%	24,163,364	13.3%	25,749,696	14.1%	3,297,304	1.8%	18,657,436	10.2%	182,289,635

Notes:

- (a) This Schedule includes the General, Special Revenue, Debt Service and Capital Projects Funds. This schedule does not include expenditures of the ACLC.
- (b) For the years 1994 and 1995, Capital Outlay was included within the various functions.

Exhibit iii



Notes: See Exhibit iv

City of Aurora, Colorado

Exhibit iv

GOVERNMENTAL REVENUES BY SOURCE

Last Ten Years

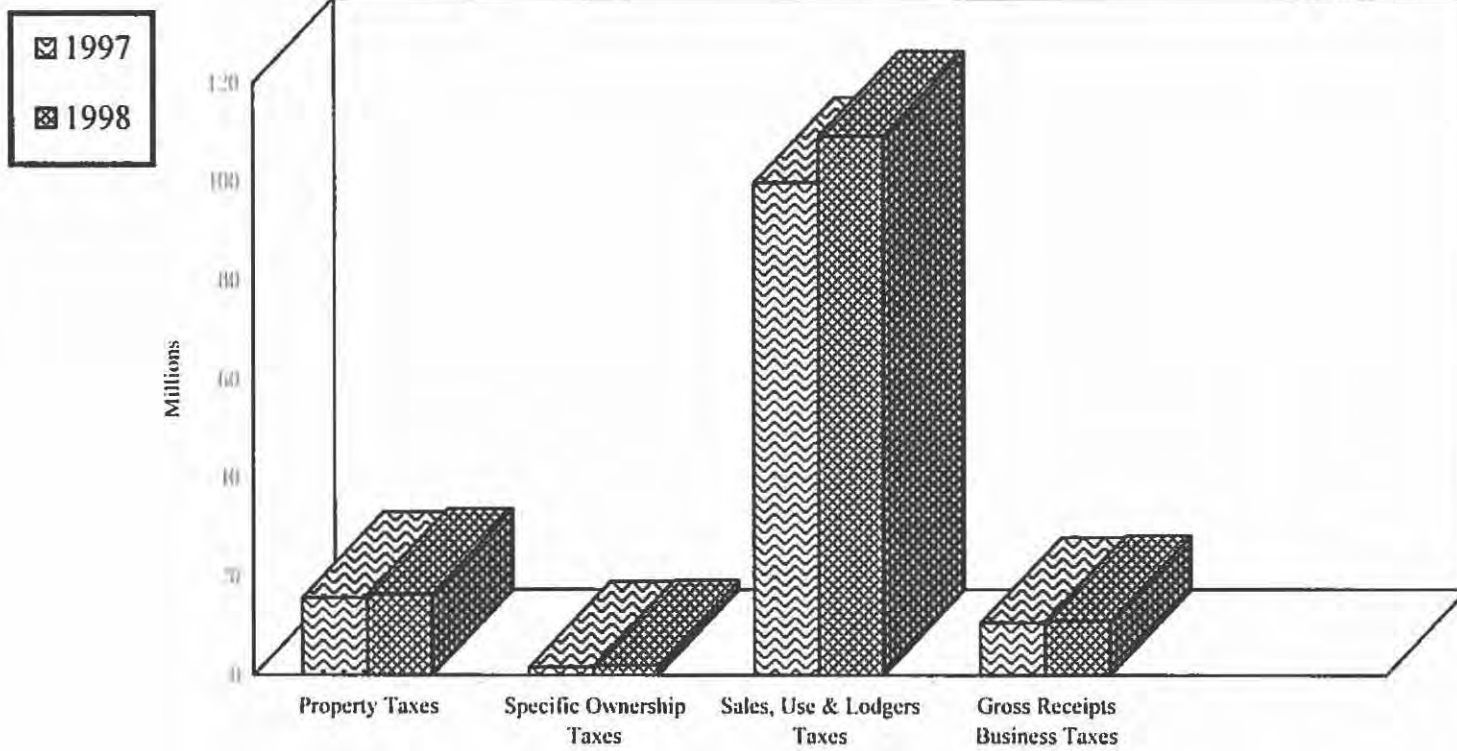
Year	Taxes (a)		Licenses and Permits		Intergovernmental Revenues (b)		Charges for Services		Fines and Forfeitures		Miscellaneous Revenues (c)		Total Governmental Revenues
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1989	\$ 79,059,529	76.1%	\$ 1,736,576	1.7%	\$ 10,622,230	10.2%	\$ 3,417,289	3.3%	\$ 1,485,447	1.4%	\$ 7,514,772	7.2%	\$ 103,835,843
1990	82,491,032	74.1%	1,839,811	1.7%	14,430,826	13.0%	3,925,483	3.5%	1,430,206	1.3%	7,152,258	6.4%	111,269,616
1991	88,249,065	74.9%	2,125,511	1.8%	15,318,897	13.0%	3,885,433	3.3%	1,436,811	1.2%	6,872,867	5.8%	117,888,584
1992	93,427,044	75.0%	2,311,798	1.9%	17,388,831	14.0%	3,895,041	3.1%	1,453,972	1.2%	6,156,396	4.9%	124,633,082
1993	99,659,416	74.6%	2,349,464	1.8%	13,268,609	9.9%	9,611,859	7.2%	1,697,634	1.3%	7,052,444	5.3%	133,639,426
1994	109,655,214	74.4%	2,975,315	2.0%	13,283,161	9.0%	9,802,087	6.6%	2,115,231	1.4%	9,622,103	6.5%	147,453,111
1995	112,905,695	73.5%	3,068,356	2.0%	16,154,790	10.5%	10,129,848	6.6%	2,590,510	1.7%	8,760,446	5.7%	153,609,645
1996	120,507,184	73.8%	3,656,516	2.2%	16,995,934	10.4%	9,679,998	5.9%	2,660,058	1.6%	9,897,200	6.1%	163,396,890
1997	127,629,403	71.8%	4,093,884	2.3%	23,172,683	13.0%	10,325,247	5.8%	3,068,732	1.7%	9,353,996	5.3%	177,643,945
1998	138,512,632	75.0%	4,703,725	2.5%	19,619,408	10.5%	11,438,078	6.1%	3,883,813	2.1%	8,847,460	4.7%	187,005,116

Notes: Schedule includes the General, Special Revenue, Debt Service, and Capital Projects Funds. This schedule does not include revenues of leasing corporation ACLC.

- (a) Tax revenues are derived primarily from sales and use taxes, property taxes and gross receipts business taxes. Sales and use taxes are shown on the accrual basis for 1994-1998.
- (b) Intergovernmental revenues are primarily State shared revenues and governmental grants.
- (c) Includes special assessments, miscellaneous revenue and investment earnings.

Exhibit v

GOVERNMENTAL TAX REVENUES BY SOURCE
For the Years Ende 1998 December 31, 1997 and 1998



Notes: See Exhibit vi

City of Aurora, Colorado

Exhibit vi

GOVERNMENTAL TAX REVENUES BY SOURCE

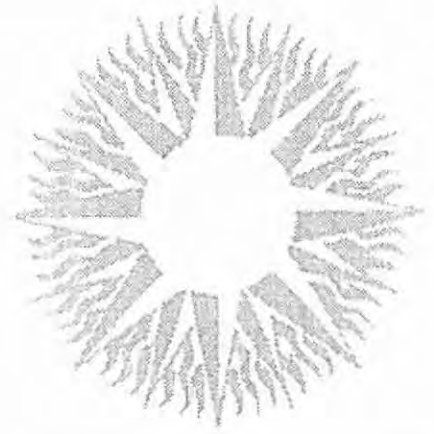
Last Ten Years

Year	Property Taxes		Specific Ownership Taxes		Sales, Use & Lodgers Taxes (a)		Gross Receipts Business Taxes (b)		Total Governmental Tax Revenues
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1989	\$ 13,807,013	17.5%	\$ 855,384	1.1%	\$ 56,285,235	71.2%	\$ 8,111,897	10.3%	\$ 79,059,529
1990	14,411,825	17.5%	990,761	1.2%	58,830,931	71.3%	8,257,515	10.0%	82,491,032
1991	14,530,249	16.5%	1,027,594	1.2%	63,940,445	72.5%	8,750,777	9.9%	88,249,065
1992	14,450,537	15.5%	1,083,113	1.2%	69,047,916	73.9%	8,845,478	9.5%	93,427,044
1993	14,614,261	14.7%	1,130,652	1.1%	74,647,638	74.9%	9,266,865	9.3%	99,659,416
1994	14,196,272	12.9%	1,244,575	1.1%	84,614,499	77.2%	9,599,868	8.8%	109,655,214
1995	14,101,767	12.5%	1,334,076	1.2%	87,749,754	77.7%	9,720,098	8.6%	112,905,695
1996	15,240,618	12.6%	1,498,597	1.2%	93,560,552	77.6%	10,207,417	8.5%	120,507,184
1997	15,636,192	12.3%	1,638,870	1.3%	99,765,606	78.2%	10,588,735	8.3%	127,629,403
1998	16,378,085	11.8%	1,943,070	1.4%	109,240,330	78.9%	10,951,147	7.9%	138,512,632

Notes: This schedule includes the General, Special Revenue, and Debt Service Funds tax revenues.

(a) Sales, Use & Lodgers Taxes also include miscellaneous taxes. Sales, Use & Lodgers Taxes for 1994 - 1998 are shown using the accrual basis.

(b) Includes franchise and occupational privilege taxes.



- **Taxes and Assessments
Statistics**

City of Aurora, Colorado

Exhibit vii

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (b)	Total Tax Collections	Collections as % of Current Tax Levy	TABOR Adjustment (c)	Tax Increment Collections	Total Property Tax Revenues (d)
1989	\$ 13,983,701	\$ 13,706,570	98.02%	\$ 34,125	\$ 13,740,695	98.26%	\$ -	\$ 10,375	\$ 13,751,070
1990	14,556,160	14,378,561	98.78%	(28,378)	14,350,183	98.58%	-	17,220	14,367,403
1991	14,597,168	14,313,280	98.06%	386	14,313,666	98.06%	-	157,331	14,470,997
1992	14,653,012	14,387,361	98.19%	(113,362)	14,273,999	97.41%	-	137,706	14,411,705
1993	14,878,136	14,603,491	98.15%	(220,543)	14,382,948	96.67%	-	197,480	14,580,428
1994	14,127,000	13,930,669	98.61%	24,263	13,954,932	98.78%	-	203,244	14,158,176
1995	14,015,390	13,939,300	99.46%	(82,642)	13,856,658	98.87%	-	178,912	14,035,570
1996	15,085,751	15,033,843	99.66%	8,236	15,042,079	99.71%	-	169,455	15,211,534
1997	15,462,063	15,429,441	99.79%	(1,516)	15,427,925	99.78%	-	187,664	15,615,589
1998	17,974,286	17,862,322	99.38%	(3,337)	17,858,985	99.36%	(1,663,744)	182,844	16,378,085

Notes:

- (a) Property taxes are assessed by Adams, Arapahoe and Douglas counties and remitted to the City after collection.
- (b) Negative numbers reflect refund of appealed assessments in excess of delinquent collections for the year.
- (c) In 1998, property tax revenues were collected in excess of the limits imposed under the Taxpayer Bill of Rights (TABOR) Amendment. Amounts collected in excess of the limit were recorded as deferred revenue. Taxpayers were given a "temporary tax credit" for these excess collections in the form of a reduction in the 1999 tax levy which reduced the amount they are required to pay.
- (d) Beginning in 1998, penalties and interest are no longer included in property tax revenues. The 1989 through 1997 Total Property Tax Revenues have been adjusted to remove these amounts.

City of Aurora, Colorado

Exhibit viii

SPECIAL ASSESSMENT COLLECTIONS

Last Ten Years

(Principal Only)

Year	Assessments Receivable Beginning of Year	New Assessments Levied and Adjustments	Assessments Collected	Assessments Receivable End of Year
1989	\$ 7,442,185	\$ -	\$ 1,731,906	\$ 5,657,452
1990	5,657,452	778,350	1,315,932	5,127,084
1991	5,127,084	2,066,817	1,892,049	5,301,852
1992	5,301,852	2,726,636	1,378,330	6,650,158
1993	6,650,158	-	1,293,149	5,357,009
1994	5,357,009	85,670	1,027,997	4,414,682
1995	4,414,682	178,070	935,144	3,657,608
1996	3,657,608	-	710,199	2,947,409
1997	2,947,409	-	706,627	2,240,782
1998	2,240,782	(8,602)	667,665	1,564,515

City of Aurora, Colorado

Exhibit ix

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

Assessment Year	Real Property (a)			Total		Change in Actual Value	Percent of Total Assessed Value to Estimated Actual Value
	Assessed Value Adams County	Assessed Value Arapahoe County (b)	Assessed Value Douglas County	Assessed Value	Estimated Actual Value		
1989	\$ 208,956,590	\$ 1,303,476,780	\$ 2,392	\$ 1,512,435,762	\$ 7,991,200,000	\$ (997,516,800)	18.9%
1990	201,925,370	1,275,069,950	2,360	1,476,997,680	7,841,923,710	(149,276,290)	18.8%
1991	179,173,470	1,084,041,030	2,360	1,263,216,860	6,871,030,070	(970,893,640)	18.4%
1992	182,579,100	1,099,463,890	2,360	1,282,045,350	6,996,145,034	125,114,964	18.3%
1993	164,276,490	1,053,041,090	2,480	1,217,320,060	7,251,725,211	255,580,177	16.8%
1994	166,325,210	1,041,374,990	2,480	1,207,702,680	7,283,889,539	32,164,328	16.6%
1995	170,913,640	1,087,671,790	2,360	1,258,587,790	8,548,525,681	1,264,636,142	14.7%
1996	178,329,990	1,111,893,870	2,360	1,290,226,220	8,573,889,782	25,364,101	15.0%
1997	215,086,006	1,292,289,910	2,360	1,507,378,276	10,179,360,569	1,605,470,787	14.8%
1998	237,253,350	1,306,561,110	2,480	1,543,816,940	10,420,035,339	240,674,770	14.8%

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. Assessed value is a percentage of estimated actual value. Each year's assessed value is based on the prior year's estimated actual value.

The assessed valuation percentage is established each year and was as follows: Residential: 1989 and 1990 - 15%; 1991 - 14.3%; 1992 - 14.34%; 1993 and 1994 - 12.86%; 1995 and 1996 - 10.36%; 1997 and 1998 - 9.74%. All other classes of property were assessed at 29% of estimated actual value.

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

(b) Does not include tax increment financing district assessed valuation of \$241,630 in 1989, \$1,948,640 in 1990, \$1,518,820 in 1991, \$2,186,760 in 1992, \$2,109,750 in 1993, \$1,846,980 in 1994, \$1,756,060 in 1995, \$1,729,530 in 1996, \$2,069,310 in 1997 and \$3,628,490 in 1998.

City of Aurora, Colorado

Exhibit x

PROPERTY TAX RATES - DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS

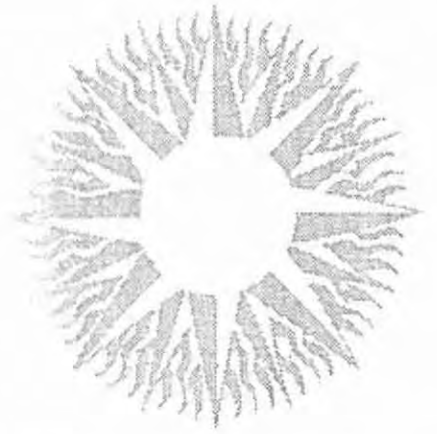
Last Ten Years

(Per \$1,000 of Assessed Valuation)

Assessment Year (a)	City of Aurora	Counties		Schools		Total Tax Rate - City of Aurora and:		
		Adams	Arapahoe	Aurora 28J	Cherry Creek	Adams County and Aurora Schools 28J	Arapahoe County and Aurora Schools 28J	Arapahoe County and Cherry Creek Schools
1989	9.614	25.341	14.000	49.499	59.613	84.454	73.113	83.227
1990	9.883	25.450	14.733	58.471	59.760	93.804	83.087	84.376
1991	11.605	26.779	16.973	64.749	68.242	103.133	93.327	96.820
1992	11.605	26.779	16.973	64.626	71.520	103.010	93.204	100.098
1993	11.605	26.779	16.973	69.518	71.482	107.902	98.096	100.060
1994	11.605	26.779	16.973	69.477	70.546	107.861	98.055	99.124
1995	12.003	26.779	16.973	68.172	66.217	106.954	97.148	95.193
1996	12.000	26.779	16.973	67.595	63.770	106.374	96.568	92.743
1997	11.940	26.528	15.960	61.203	57.444	99.671	89.103	85.344
1998	11.507	26.168	15.549	60.935	61.059	98.610	87.991	88.115

Notes:

- (a) Property taxes are collected in the calendar year following the year of assessment.



- **Debt Statistics**

City of Aurora, Colorado

Exhibit A

COMPUTATION OF LEGAL DEBT MARGIN

In accordance with Aurora Charter Article XI

The computation of the City's legal debt margin as of December 31, 1998 is as follows:

Assessed valuation:			
Arapahoe County		\$	1,306,561,110 (a)
Adams County			237,253,350
Douglas County			2,480
Total		\$	<u>1,543,816,940</u>
Debt limit - Three (3) percent of assessed valuation		\$	46,314,508
Amount of debt outstanding: (a)			
Total bonded debt	\$	147,295,000	
Other debt		<u>28,420,942</u>	
Total		\$	<u>175,715,942</u>
Less:			
Net assets in debt service funds	\$	95,672	
Other deductions allowed by law:			
General obligation bonds exempt from limit		4,065,000 (b)	
General obligation water bonds		115,030,000	
Capitalized lease obligations		28,420,942	
Water rights and other contracts payable		-	
Revenue bonds:			
Sewer		7,810,000	
Golf		6,920,000	
Special assessment		<u>840,000</u>	
Total deductions			<u>163,181,614</u>
Total amount of debt applicable to debt limit			<u>12,534,328</u>
Legal Debt Margin		\$	<u>33,780,180 (c)</u>

(a) Computation does not include assessed valuation of tax increment financing district or related debt outstanding.

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

(c) A 1992 Amendment of the Colorado Constitution requires the City receive voter approval in advance for creation of any multiple fiscal year obligation other than refinancing bonded debt at a lower interest rate or when adequate cash reserve pledged irrevocably and held for payments in all future fiscal years.

City of Aurora

Exhibit xii

DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

As of December 31, 1998

Jurisdiction	Debt Outstanding	Percent Applicable to City of Aurora	Amount Applicable to City of Aurora
<i>Direct:</i>			
City of Aurora	<u>\$ 16,695,000</u>	100.00%	<u>\$ 16,695,000</u>
<i>Overlapping:</i>			
Aurora School District 28J	120,040,000	89.55%	107,500,252
Cherry Creek School District	234,280,000	23.37%	54,758,217
Other (a)	<u>142,132,173</u>	36.60%	<u>52,024,006</u>
Total overlapping debt:	<u>496,452,173</u>		<u>214,282,475</u>
Total Direct and Overlapping Debt	<u><u>\$ 513,147,173</u></u>		<u><u>\$ 230,977,475</u></u>

Notes: Approximately 40 other taxing entities overlap the City in whole or in part. Fifteen of these entities report general obligation debt outstanding, including but not limited to, Aurora Centertech Metropolitan District, Tower Metropolitan District and Heather Gardens Metropolitan District.

City of Aurora, Colorado

Exhibit xiii

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES**

Last Ten Years

Year	Principal (a)	Interest (a)	Total Debt Service	Total Governmental Expenditures (b)	Percent of Debt Service to Governmental Expenditures
1989	\$ 2,530,000	\$ 1,634,923	\$ 4,164,923	\$ 106,112,256	3.93%
1990	2,785,000	1,431,473	4,216,473	113,282,867	3.72%
1991	2,755,000	1,214,435	3,969,435	112,930,255	3.51%
1992	1,195,613	768,116	1,963,729	124,521,326	1.58%
1993	1,705,000	699,195	2,404,195	127,985,497	1.88%
1994	2,170,000	525,218	2,695,218	133,629,656	2.02%
1995	1,355,000	513,874	1,868,874	141,747,458	1.32%
1996	1,660,000	578,055	2,238,055	155,529,558	1.44%
1997	1,735,000	505,265	2,240,265	174,438,024	1.28%
1998	1,820,000	397,156	2,217,156	182,289,635	1.22%

Notes:

- (a) Schedule includes general obligation bonds serviced by the Debt Service Fund. General obligation water bonds are serviced by water fund revenues. Two Parks and Streets bond issues were refunded in 1992 which resulted in a decrease in debt service in 1992 and subsequent years.
- (b) General Government Expenditures include the General, Special Revenue, Debt Service, and Capital Projects Funds but exclude leasing corporation ACLC.

City of Aurora, Colorado

Exhibit xiv

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

Last Ten Years

Year	Population (a)	Assessed Value (b)	Gross General Obligation Bonded Debt (c)	Less: Debt Service Fund Balance	Debt Payable from Water Revenues	Net General Obligation Bonded Debt	Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
1989	221,800	\$ 1,512,435,762	\$ 211,102,709	\$ 14,840	\$ 193,057,709	\$ 18,030,160	1.2%	81
1990	222,103	1,476,997,680	185,557,709	6,826	170,279,709	15,271,174	1.0%	69
1991	224,150	1,263,216,860	185,350,000	3,734	172,845,000	12,501,266	1.0%	56
1992	230,700	1,282,045,350	179,310,000	63,630	167,025,000	12,221,370	1.0%	53
1993	238,992	1,217,320,060	175,235,000	63,860	164,655,000	10,516,140	0.9%	44
1994	240,595	1,207,702,680	170,420,000	61,731	162,010,000	8,091,491	0.7%	34
1995	247,000	1,258,897,790	152,570,000	63,355	140,660,000	11,846,645 (d)	0.9%	48
1996	250,000	1,290,226,220	142,905,000	65,711	132,655,000	10,184,289 (d)	0.8%	41
1997	253,000	1,507,378,276	132,555,000	65,959	124,040,000	8,449,041 (d)	0.6%	33
1998	256,248	1,543,816,940	131,725,000	294,476	115,030,000	16,400,524 (d)	1.1%	64

Notes:

- (a) The 1990 population was based on the 1990 U.S. Census. Source for 1997 and 1998 data is Clarion & Assoc. Assessed values of real property are obtained from Certifications of Valuation provided by the Assessor's offices of Adams, Arapahoe and Douglas counties.
- (b) Does not include tax increment financing district assessed valuation of: \$241,630 - 1989; \$1,948,640 - 1990; \$1,518,820 - 1991; \$2,186,760 - 1992; \$2,109,750 - 1993; \$1,846,980 - 1994; \$1,756,060 - 1995; \$1,729,530 - 1996; \$2,069,310 - 1997 and \$3,628,490 - 1998.
- (c) Gross general obligation bonded debt includes general obligation bonds supported by General Fund revenues and general obligation water bonds which are paid from Water Fund revenues but are a contingent general obligation of the City. This schedule does not include the outstanding debt of leasing corporation ACLC.
- (d) This number includes 1995 general obligation public safety bonds which are excluded from debt limit calculation per Section 11-19-1 of the City Charter.

City of Aurora, Colorado

Exhibit xv

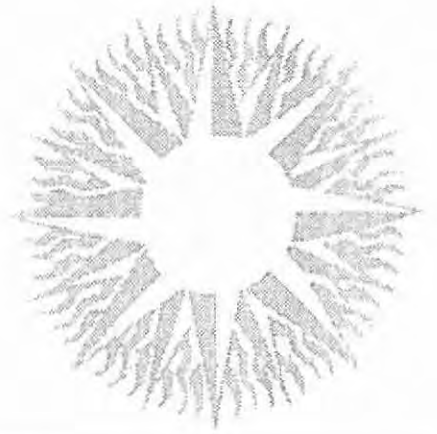
SCHEDULE OF REVENUE BOND COVERAGE

Last Ten Years

Year	Gross Revenue (b)	Expenses (c)	Net Revenue Available For Debt Service	Debt Service Requirements (d)			Coverage Ratio (e)
				Principal	Interest	Total	
1989	\$ 43,861,420	\$ 21,928,182	\$ 21,933,238	\$ 5,195,000	\$ 13,751,714	\$ 18,946,714	1.16
1990	45,322,826	20,345,903	24,976,923	5,505,000	13,387,613	18,892,613	1.32
1991	45,428,881	21,819,489	23,609,392	6,715,000	12,761,421	19,476,421	1.21
1992	44,652,200	22,277,013	22,375,187	7,130,000	10,725,791	17,855,791	1.25
1993	46,314,723	22,473,295	23,841,428	6,305,000	12,800,098	19,105,098	1.25
1994	49,145,726	24,811,290	24,334,436	4,455,000	8,738,379	13,193,379	1.84
1995 (a)	46,433,346	24,459,900	21,973,446	7,975,000	8,279,410	16,254,410	1.35
1996 (a)	53,654,774	27,033,684	26,621,090	12,615,000	6,718,752	19,333,752	1.38
1997 (a)	58,399,110	30,236,147	28,162,963	11,289,227	6,572,154	17,861,381	1.58
1998 (a)	59,685,940	32,145,039	27,540,901	11,457,198	6,157,837	17,615,035	1.56

Notes: The City has outstanding bonds payable from water, sewer and golf revenues. This schedule includes the revenues, expenses and debt service requirements for the Water, Sewer and Golf Funds which support these bonds.

- (a) Golf Course Revenue Bonds in the amount of \$7,395,000 were issued during 1995 for the construction of Saddle Rock Golf Course. The construction was completed on June 30, 1997. The revenues, expenses and debt service requirements for these bonds were not included in this schedule for 1995, 1996 and the first six months of 1997 because the interest costs were capitalized during construction and the golf course did not generate revenues until construction was completed.
- (b) Includes charges for services, interest earnings, miscellaneous revenues, equity in income of joint venture, intergovernmental revenue and gain/loss on sale of assets.
- (c) Includes operating expenses such as personal services, supplies and other services and charges.
- (d) Includes general obligation water bonds which are being paid from water revenues. The 1980 crossover refunding is excluded from these debt service requirements as funds to pay this debt are in escrow.
- (e) Net Revenue Available for Debt Service divided by Total Debt Service Requirements.



- **Economic and Demographic Statistics**

City of Aurora, Colorado

Exhibit xvi

PROPERTY VALUES AND CONSTRUCTION

Last Ten Years

Year	Commercial Construction		Residential Construction		Property Values	
	Number of Permits	Value	Number of Units	Value	Assessed (a)	Estimated Actual
1989	38	\$ 16,222,507	94	\$ 8,264,185	\$ 1,512,435,762	\$ 7,991,200,000
1990	57	18,166,970	116	13,171,483	1,476,997,680	7,841,923,710
1991	56	20,798,228	460	50,197,998	1,263,216,860	6,871,030,070
1992	34	4,212,835	571	55,942,514	1,282,045,350	6,996,145,034
1993	30	8,709,975	510	46,425,817	1,217,320,060	7,251,725,211
1994	40	16,613,602	1,021	80,616,925	1,207,702,680	7,283,889,539
1995	38	7,887,883	1,216	90,406,959	1,258,587,790	8,548,525,681
1996	47	10,231,077	1,290	87,665,982	1,290,226,220	8,573,889,782
1997	45	21,962,986	1,586	122,702,349	1,507,378,276	10,179,360,569
1998	94	41,455,410	1,711	165,057,620	1,543,816,940	10,420,035,339

Notes: Property values are obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Commercial and residential construction data is provided by the City Building Department.

(a) Does not include tax increment financing district assessed valuation of: \$241,630 - 1989; \$1,948,640 - 1990; \$1,518,820 - 1991; \$2,186,760 - 1992; \$2,109,750 - 1993; \$1,846,980 - 1994; \$1,756,060 - 1995; \$1,729,530 - 1996, \$2,069,310 - 1997 and \$3,628,490 - 1998.

Exhibit xvii

City of Aurora, Colorado

DEMOGRAPHIC STATISTICS

Last Ten Years

Year	Population (a)	Median Family Income (b)	Unemployment Rate (c)
1989	221,800	\$ 38,614	5.0%
1990	222,103	40,348	4.3%
1991	224,150	41,882	4.4%
1992	230,700	43,449	5.4%
1993	238,992	45,283	4.5%
1994	240,595	47,284	3.8%
1995	247,000	49,317	3.6%
1996	250,000	51,000	3.5%
1997	253,000	52,400	2.6%
1998	256,248	53,657	3.0%

Notes:

- (a) Data was provided by the City's Planning Department. The 1990 population was based on the 1990 U.S. Census. Source for 1997 and 1998 data is Clarion & Assoc.
- (b) 1989 data was obtained from the Sales and Marketing Management Survey of Buying Power. Data for 1990-1998 was provided by the City's Planning Department. Source - Bureau of Labor Statistics.
- (c) Data was provided by the City's Planning Department. Source - Colorado Department of Labor and Employment.

City of Aurora, Colorado

Exhibit xviii

MAJOR EMPLOYERS

December 31, 1998

Public Institutions (a)	Approximate Number of Employees	Major Corporations (b)	Approximate Number of Employees	Type of Industry
Buckley Air National Guard Base	8,000	(c) Raytheon (Formerly Hughes Aircraft)	1,330	Aerospace Manufacturing
Aurora Public Schools (Full time only)	2,832	ADT Security Systems	1,200	Security Services
City of Aurora	2,315	Kaiser Permanente	1,140	Health Care
Cherry Creek Public Schools	1,262	OEA, Inc.	1,100	Air Bag System Manufacturing
U.S. Postal Service	550	Medical Center of Aurora	1,000	Health Care
Regional Transportation District - East Facility	525	US West	925	Telecommunications
		TRW Systems Integration Group	811	Aerospace Manufacturing
		UNIPAC Service Corporation	666	Financial Services/Student Loan Pr
		Cendent (Formerly CUC Travel Services, Inc.)	625	Travel Services
		Yellow Freight Systems, Inc.	500	Freight Carrier

Notes

- (a) Data was provided by the City's Planning Department
- (b) Data was provided by Aurora Economic Development Council, Inc.
- (c) Includes military and civilian personnel

City of Aurora, Colorado

Exhibit xix

TEN PRINCIPAL REAL PROPERTY TAXPAYERS

December 31, 1998

Taxpayer	Type of Industry	Assessed Valuation of Property	Percentage of Total Assessed Valuation
Public Service Co of Colorado	Gas/Electric Utilities	\$31,728,780	2.06%
U.S. West Communications	Telecommunications	25,227,900	1.63%
Healthone, LLC	Healthcare	11,368,000	0.74%
Retail Property Trust	Real Estate	8,555,000	0.55%
Glenborough Properties	Real Estate	7,760,200	0.50%
ProLogis (Formerly Security Capital Industrial)	Real Estate	7,422,670	0.48%
Aberdeen Land Co.	Real Estate	6,811,000	0.44%
IBM Credit Corp.	Equipment Leasing	6,005,440	0.39%
Lucent Technologies	Communications	5,691,160	0.37%
Ohio cubco, Inc	Real Estate	4,961,640	0.32%
		<u>\$115,531,790</u>	<u>7.48%</u>

Notes: Property values are provided by Assessor offices of Adams and Arapahoe Counties.

City of Aurora, Colorado

Exhibit xx

MISCELLANEOUS STATISTICAL DATA

For the Ten Years Ended December 31, 1998

Incorporation: May 5, 1903 under the name of Fletcher and later incorporated as the Town of Aurora on February 20, 1907

Date First Charter Adopted: 1961

Form of Government: Council - Manager

City of Aurora	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Area - Square Miles	131.26	131.92	135.48	135.48	135.48	136.83	136.83	136.83	140.15	140.15
Miles of Improved Streets	667.97	669.23	859.70	860.50	863.28	863.28	800.00	812.00	874.85	875.00
Miles of Sanitary Sewer	672	678.27	679.6	682	686.7	694.58	700.89	715.44	722.86	734.86
Number of Water Taps	55,599	55,771	55,839	56,064	56,760	57,588	58,187	59,204	59,771	60,393
Number of Sanitary Sewer Taps	60,914	61,100	61,116	61,365	61,598	62,298	62,869	63,884	64,599	65,455
Number of Municipal Employees (b)	1,971	1,971	1,922	1,929	1,986	2,037	2,137	2,199	2,254	2,315
Building Permits:										
Permits Issued	2,655	2,910	4,672	4,632	3,422	5,666	5,721	3,717	3,812	5,133
Value of Buildings (millions)	52.87	74.51	107.95	102.31	94.2	153.95	164.12	195.05	306.28	345.83

City of Aurora, Colorado

Exhibit xx

MISCELLANEOUS STATISTICAL DATA

For the Ten Years Ended December 31, 1998

City of Aurora	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Fire Protection:										
Number of Fire Stations	11	11	11	11	11	11	11	11	11	11
Number of Employees (b)	290	291	289	291	293	293	295	297	297	313
Police Protection:										
Number of Employees (b)	559	590	582	574	583	599	676	724	736	745
Number of Law Violation (Part I Crime) (c)	17,325	17,935	19,785	20,016	20,367	20,464	16,902	16,299	16,521	14,529
Patrol Vehicles	89	91	87	90	91	106	111	115	126	123
Detention Facilities	1	1	1	1	1	1	1	1	1	1
Recreation:										
Parks - Number of Acres	4,893	6,885	6,885	6,885	6,885	6,920	6,920	6,920	7,370	7,370
Number of Playgrounds	59	60	60	64	64	64	64	64	64	64
Number of Golf Courses	4	4	4	4	4	4	4	4	5	6
Number of Swimming Pools	9	9	9	9	9	9	9	9	10	10

Education (a):

Number of Schools:

Elementary	42	42	42	42	42	42	44	44	44	44
Junior High/Middle	10	10	10	10	10	10	10	10	10	10
Senior High/High	6	6	6	6	6	6	6	6	6	7
Alternative High School	2	2	2	2	2	2	2	2	2	2
Vocational/Technical	1	1	1	1	1	1	1	1	1	1
Number of Administrative Personnel	472	220	220	223	219	154	223	177	209	185
Number of Teachers	2,732	2,702	2,702	2,948	3,006	2,751	2,803	2,896	2,936	2,981
Number of Students	40,352	41,993	42,101	46,957	47,925	44,245	44,989	46,192	46,851	47,962

Elections:

Number of Registered Voters	102,424	(d)	96,784	(d)	106,834	(d)	116,800	133,198	98,641	135,693
Number Voting in Last Election	11,002	(d)	20,035	(d)	38,387	(d)	38,197	64,947	43,619	65,445
% of Registered Voters Voting in Last Election	10.70%	(d)	20.70%	(d)	35.90%	(d)	32.70%	49.00%	44.00%	48.00%

Notes:

- (a) Figures include Cherry Creek School District schools located in the City of Aurora and all Aurora School District 28 J schools. Some of this has been revised for 1994 and prior years. These revisions were made to exclude Cherry Creek School District data for schools with Aurora mailing addresses that are actually located in unincorporated Arapahoe County. The revisions to the prior years data have been made to the extent that information was available.
- (b) Regular full time budgeted positions.
- (c) The 1995 decrease is due to revision of Part I Crime definition. This revision has been made to conform with the federal government criteria for Part I Crime.
- (d) Data not available