

Arapahoe County Colorado
**Comprehensive Annual
Financial Report**

Year Ended December 31, 2016



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DEPARTMENT OF FINANCE
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Arapahoe County Colorado Comprehensive Annual Financial Report

Year Ended December 31, 2016



ACKNOWLEDGEMENTS

BOARD OF COUNTY COMMISSIONERS

Kathleen Conti District 1
Nancy N. Sharpe District 2, Chair
Jeff Baker District 3, Chair Pro Tem
Nancy Jackson District 4
Bill L. Holen District 5

ELECTED OFFICIALS

Matt Crane Clerk and Recorder
Marc Scott Assessor
Sue Sandstrom Treasurer
Dr. Kelly Lear Coroner
George Brauchler District Attorney
David C. Walcher Sheriff

FINANCE DEPARTMENT

Janet J. Kennedy, CPA Finance Director
Shawn Sonnkab, CPA Accounting Supervisor
Erik Burge, CPA Senior Accountant
Loren Kohler Accountant II
Tanya Lepler, CPA Accountant II
Rose Montano-Liermann Accountant II
Jennifer Bennett Sales Tax Analyst
Jon Rajewich SAP Business Operations Manager
Ann Jagow Senior SAP Functional Administrator
Debbie McCarty SAP Functional Analyst
Andrew Barranco SAP Functional Analyst
Joe Cornejo SAP Functional Analyst
Mary Lisa Bugel SAP Training Administrator



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ARAPAHOE COUNTY, COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

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Department of Finance

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June 29, 2017

To the Board of County Commissioners and to the
Citizens of Arapahoe County, Colorado:

Colorado state law requires that every general purpose local government publish a complete set of audited financial statements. This report is published and hereby submitted to fulfill that requirement for the year ended December 31, 2016.

This report includes information on the financial activities of Arapahoe County (hereafter referred to as the County). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position of the County as a whole and its various funds. All required disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The County financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County present fairly, in all material respects, the financial position of the County. The independent auditors have issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2016. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Arapahoe County

Arapahoe County, incorporated in 1902, is located in the north central part of the State. The County is located in the southeastern portion of the Denver metropolitan area and covers approximately 850 square miles. Arapahoe County, with the county seat located in the City of Littleton, is the third largest county in the State of Colorado with a population of about 637,000. A majority of residents live in the urbanized western part of the County, while other residents live in the rural, rolling farmlands to the east. The County contains all or part of the following cities and towns: Aurora, Bennett, Bow-Mar, Centennial, Cherry Hills Village, Columbine Valley, Deer Trail, Englewood, Foxfield, Glendale, Greenwood Village, Littleton and Sheridan. There are also nine school districts and approximately 380 local improvement and service districts within the County.

MISSION

Enhancing your quality of life through exceptional delivery of services and efficient use of public funds.

Comprehensive Annual Finance Report (CAFR) Transmittal

A five-member Board of County Commissioners (BOCC) serves as the legislative, policy-making and administrative body governing the unincorporated area of the County. The Commissioners serve four year terms and are considered full time employees. The County does not have a County Manager or Administrator. The Commissioners are elected from individual districts within the County. The Board currently includes:

Kathleen Conti (Finance Officer)	District 1
Nancy N. Sharpe (Chair)	District 2
Jeff Baker (Chair Pro Tem)	District 3
Nancy Jackson	District 4
Bill L. Holen	District 5

Departments overseen by the Board of County Commissioners include: BOCC Administration, Communication Services, Community Resources, County Attorney, Facilities and Fleet Management, Finance, Human Resources, Human Services, Information Technology, Public Works and Development, Department of Strategy and Performance, and Open Spaces.

In addition to the BOCC there are six elected officials that serve the County in specific areas. These positions are independent of the BOCC in their duties. The BOCC does have budgetary oversight for these departments.

Marc Scott	Assessor
Sue Sandstrom	Treasurer
Dr. Kelly Lear-Kaul	Coroner
Matt Crane	Clerk and Recorder
George Brauchler	District Attorney
David Walcher	Sheriff

The Public Trustee is appointed by the Governor and is responsible for processing transactions related to real property located within the County including the release of deeds and the processing of foreclosures. This office is a fiscally separate and independent agency.

Budget Process

The budget helps to ensure that the County's financial strength and integrity continue to be maintained and enhanced. The budget also supports continuous customer service efforts to foster efficiency, cost effectiveness, and excellence in the provision of services to the Citizens of Arapahoe County.

The County constructs its budget on a calendar year as required by Part 1 of Article 1 of Title 29 of the Colorado Revised Statutes, which governs the budget process of Colorado counties. On or before August 15th, elected officials and department directors submit revenue estimates and expenditure requests to the Budget Division of the Finance Department. On or before August 25 of each year, the County Assessor submits the current total assessed valuations for all taxing entities in the County and the factors needed to compute the statutory property tax revenue limits. Based on this information and following a review process, the Budget Division submits a recommended structurally balanced budget to the Board of County Commissioners through the Executive Budget Committee on or before October 15. The Executive Budget Committee is composed of selected representatives from the elected officials and department directors who review preliminary budget issues and requests and present their recommendations to the Board of County Commissioners. The County currently prepares budgets on an annual basis.

Comprehensive Annual Finance Report (CAFR) Transmittal

All mill levies must be certified by the BOCC on or before December 22nd of each year. Prior to the beginning of the next fiscal year, the BOCC enacts a budget adoption resolution and an appropriating resolution to approve the total budget and departmental expenditures. The BOCC may make no contract and no liability against the County can be created by any County officials unless an appropriation has been made.

In addition, neither the BOCC nor any County official can expend money for any of the purposes set out in the appropriation resolution in excess of the amount appropriated. In the case of an emergency or a contingency that was not reasonably foreseeable, the BOCC may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote.

Local Economy

Arapahoe County is located in the southeast portion of a major metropolitan area. Its economy is greatly influenced by the economy of the state and the entire Denver metro area. The local economy does generally follow the national economic trends. The County has a diversified economic base with numerous city and other local governments, a large general aviation airport, a large military base, many schools, shopping centers, health care facilities and high tech businesses contributing to the activity. Growth in residential and commercial construction, the real estate market, employment, consumer spending, and inflation all play a role in the local economy.

Growth in the Colorado economy continues but due to the decline in the oil and gas prices and therefore activity over the past year, this growth rate is now on par with national trends rather than exceeding them. Over the past few years, Colorado's strong labor market and desirable quality of life has driven population growth, increases in wages and consumer spending and is reflected in a very active real estate market with increasing home prices and construction. Colorado's labor market continues to add jobs, albeit at a slower rate, with the largest gains in the construction, accommodation and food services, and leisure and hospitality sectors leading the way and offsetting losses due to the downturn in oil and gas.

Colorado's unemployment rate in 2016 is estimated to be 3.6% and in early 2017 was estimated to be the lowest in the nation at 2.3% compared to a national unemployment rate of 4.3%. The growth in Colorado is fueling an increase in home prices that outpaces most of the nation and the level of residential construction is struggling to keep up. Many other economic indicators for Colorado mirror that of the national economy with regard to income and wage growth as well as consumer spending. While the overall growth during 2016 generated additional revenue, it also results in additional expenses for local governments.

Long-term Financial Planning

The County currently projects revenues, expenditures and available fund balances for 5-year periods to help determine its financial position and plan for the future. It is the County's intent each year to structurally balance the General Fund operating budget, meaning that budgeted ongoing expenditures do not exceed budgeted ongoing revenues. The available fund balance at the end of one year (in excess of policy reserves) can then be used to budget for capital projects and other one-time uses in the following year.

The Executive Budget Committee (EBC), after a thorough review of the County's financial position, has set the following priorities when planning for the future.

- Maintaining a structurally balanced General Fund operating budget
- Maintaining the Total Compensation philosophy in order to recognize and retain a quality workforce
- Continuing the capital improvement program with available resources
- Attempting to meet growing needs despite limited revenue growth
- Looking ahead to address long-term budgetary issues

Comprehensive Annual Finance Report (CAFR) Transmittal

In planning for 2017, the General Fund was structurally balanced with a surplus of \$335,141. This accomplishment was the result of measures implemented by the Executive Budget Committee and the Board of County Commissioners with the cooperation of all County departments and elected offices. The 2017 adopted budget funded a 3.0% performance-based salary increase pool for employees, the same increase as 2016. This salary adjustment is on par with comparative data with similar local organizations while still adhering to the County's commitment to a structurally balanced budget.

For 2017, the Executive Budget Committee reviewed trends in revenues and expenditures, considered the addition of the total compensation recommendations, and determined that with the current revenue projection for 2017 there would need to be limitations on the growth in operating expenditures in order to structurally balance the budget. The Executive Budget Committee started with a baseline budget and after careful analysis recommended only those budget packages that the Committee felt were significant enough to be included in the upcoming budget.

For 2017, the County has budgeted \$10.426 million in capital improvements which includes contributing toward the widening of Iliff Avenue (\$2.5 million), contributing toward improving the Quincy/Gun Club intersection (\$1.6 million), election warehouse roof and pavement replacements (\$2.13 million), detention center perimeter security improvements (\$528,000), rural road shoulder construction safety projects (\$500,000), Arapahoe County Justice Center Building comparison evaluation (\$360,000), Valentia to Mississippi Ave. curb/gutter/sidewalk improvements (\$300,000) and other miscellaneous capital improvement programs for facility projects (\$693,500), Infrastructure projects (\$935,000), information technology projects (\$175,000), and public safety projects (\$405,000).

Preparing for the Future

Property tax is the largest source of revenue to the County, comprising 45% of overall County revenues. Per State regulations, property assessments are conducted only every other year with the impact on property tax collections occurring only in even-numbered years. In intervening years such as 2017, growth in property tax collections is limited to new construction and other additions and subtractions and does not take into account changes in property values. Additionally, the County continues to be restricted by most provisions of the Taxpayers Bill Of Rights (TABOR), an amendment to Article X of the Colorado Constitution that limits the County's property tax revenue growth rate to the sum of the estimated inflation for the Denver metro area for that budget year plus the growth of new construction in the prior calendar year. The major impact of TABOR is that the County may not be able to retain all the property tax revenue it could collect.

In 2016, the first year the County could realize the benefit of the recovery of real estate values since the Great Recession, the actual values increased by 24% but due to TABOR the County was only permitted to realize an increase of 3.3% in property taxes. For 2017 collection purposes, the actual value increased 0.8% while the taxable assessed value increased only 0.6%, yielding a 1.8% increase or about \$2.2 million more in property taxes levied. Additionally, due to provisions of the Gallagher Amendment to the Colorado Constitution, the residential assessment rate is dropping for the first time in 14 years, from 7.96% to 7.20%. Meanwhile, the population has grown about 11% since 2010.

The County continues to make more effective use of its revenues through its Align Arapahoe strategic and performance management program, business process improvement efforts, stricter budgeting practices, technological advances, cost-sharing partnerships and creative service delivery methods. But the success of all these measures has also meant less and less unspent funds are available at the end of each year, funds which have traditionally been used to fund subsequent years' Capital Improvement Projects and other one-time operational needs.

The looming question is whether the current trend in limited property tax growth will be sufficient to consistently fund ongoing operations and capital needs and meet the growing service needs of a growing

Comprehensive Annual Finance Report (CAFR) Transmittal

constituency. Therefore, in 2016 at the direction of the Board of County Commissioners, the Executive Budget Committee convened a special Long Range Budget Committee comprised of local business leaders and County management and elected officials to analyze the County's financial condition, long-term budget challenges and to develop recommended solutions. The Long Range Budget Committee is examining options for revenue enhancements, the most significant of which would require voter approval, as well as continuing to explore options to reduce expenditures without impacting priority services to constituents.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Arapahoe County Government for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. 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 government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Arapahoe County has received a Certificate of Achievement for the last twenty-nine consecutive years (fiscal years ended 1987 – 2015). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

I would like to express my appreciation to the Accounting Manager, Shawn Sonnkalb, and the department accountants and analysts: Erik Burge, Tanya Lepler, Loren Kohler, Rose Montano-Liermann and Jennifer Bennett, who contributed greatly to the audit and the preparation of the CAFR. Their professionalism, dedication, and efficiency made the preparation of this report possible. Jon Rajewich, Mary Lisa Bugel, Debbie McCarty, Andrew Barranco, and Joe Cornejo also deserve recognition for their outstanding work in managing the County's financial system (SAP). I would also like to thank each of the Department Directors, Elected Officials and their staff for their cooperation allowing our staff to successfully account for, monitor and report on the financial activity of Arapahoe County.

Finally, I wish to thank the Board of County Commissioners for their leadership and support, without which the preparation of this report and the continued success of the Finance Department would not be possible.

Respectfully,



Janet J. Kennedy, CPA
Director of Finance
Arapahoe County, Colorado



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Arapahoe County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

ARAPAHOE COUNTY, COLORADO

LIST OF PRINCIPAL OFFICERS

Board of County Commissioners (BOCC)

Katherine Conti District 1
Nancy N. Sharpe District 2, Chair
Jeff Baker District 3, Chair Pro Tem
Nancy Jackson District 4
Bill L. Holen District 5

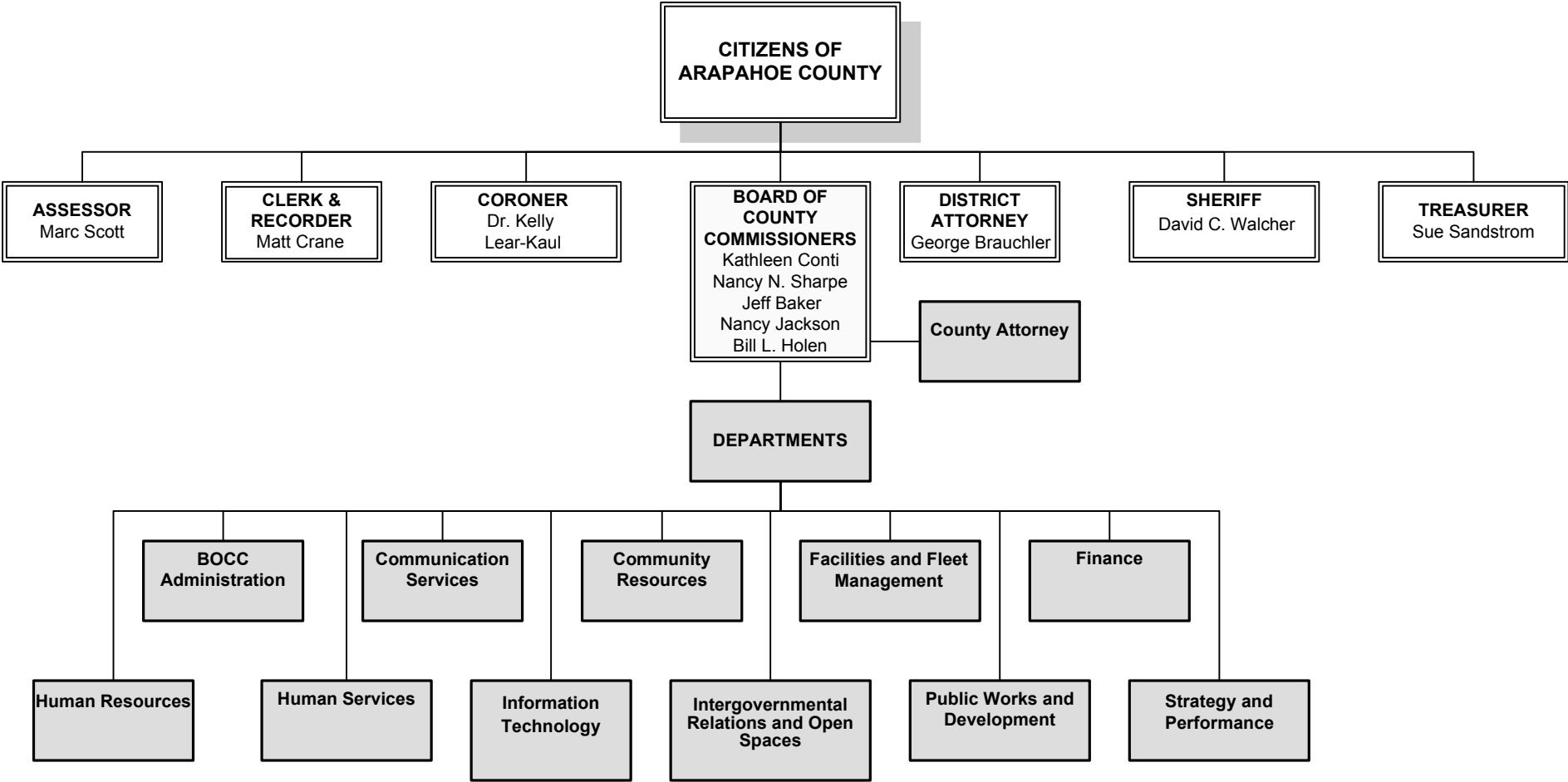
Elected Officials Other Than BOCC

Marc Scott Assessor
Matt Crane Clerk and Recorder
Dr. Kelly Lear Coroner
George Brauchler District Attorney
David C. Walcher Sheriff
Sue Sandstrom Treasurer

Department Directors

Andrea Rasizer Communication Services
Don Klemme Community Resources
Ron Carl County Attorney
Dick Hawes Facilities and Fleet Management
Janet J. Kennedy Finance
Patrick Hernandez Human Resources
Cheryl Ternes Human Services
David Bessen Information Technology
Shannon Carter Intergovernmental Relations and Open Spaces
Dave Schmit Public Works & Development
Manisha Singh Strategy and Performance

ARAPAHOE COUNTY GOVERNMENT ORGANIZATIONAL CHART



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Arapahoe County Public Airport Authority or Arapahoe County Water and Wastewater Authority, both of which are discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Arapahoe County Public Airport Authority and Arapahoe County Water and Wastewater Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement. The financial statements of the Arapahoe County Water and Wastewater, a discretely presented component unit, was not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, the Social Services Fund, and the Open Spaces Sales Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-4 - B-19 and required supplementary information on pages C-67 and C-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Arapahoe County, Colorado's basic financial statements. The Combining and Individual Financial Statements and Schedules, the Statements of Component Unit without Separately Presented Financial Statements, and Other Supplementary Information, as listed in the table of contents, (collectively, the Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, combining and individual financial statements and schedules, the statements of component unit without separately presented financial statements and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017, on our consideration of Arapahoe County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Arapahoe County, Colorado's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 29, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

ARAPAHOE COUNTY, COLORADO

December 31, 2016

INTRODUCTION

In this Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report (CAFR), we provide readers with a narrative overview and analysis of the financial activities of Arapahoe County, Colorado (the County) for the fiscal year ended December 31, 2016. When analyzing financial activities of the current fiscal year, it is useful to compare current fiscal year information with comparable information of the previous fiscal year. This discussion and analysis is also intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with the information presented in the letter of transmittal and basic financial statements to enhance their understanding of the County's financial activity and performance.

FINANCIAL HIGHLIGHTS

Total net position decreased by \$14.6 million during fiscal year 2016.

Total Net Pension Liability increased by \$32.2 million during fiscal year 2016.

At the end of the current fiscal year, the County's governmental funds reported combined fund balance of \$146.1 million, a decrease of \$4.4 million from the prior fiscal year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, this annual report also contains required supplementary information, other supplementary schedules and information, a statistical section, and a compliance section.

Government-wide Financial Statements

The government-wide financial statements provide readers with a long-term and broad overview of the County's finances as a whole in a manner similar to a private sector business. The government-wide financial statements use an economic resource measurement focus and the full accrual basis of accounting to present this overview in the Statement of Net Position and the Statement of Activities. Therefore, certain expenditures that are recorded in the governmental fund financial statements are either deferred or capitalized with amortization or depreciation in the government-wide financial statements. Long-term liabilities, deferred inflows of resources, revenues and related assets and deferred outflows of resources not reported in fund financial statements are recorded in the government-wide financial statements independent of the cash flows related to these items. Fiduciary fund assets held by the County for other parties either as trustee or agent are not included in the government-wide financial statements because they cannot be used to finance the County's own operating programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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The Statement of Net Position presents the financial condition of the County as a whole at the end of the fiscal year by presenting information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between these components is reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the County's financial condition is improving or deteriorating. If the County's net position has increased, the financial condition of the County has improved. If the County's net position has decreased, the financial condition of the County has deteriorated. The Statement of Activities shows why the financial condition of the County as a whole has changed since the beginning of the fiscal year by presenting information showing how the government's net position has changed during the fiscal year. In the Statement of Activities, all changes in net position are reported as soon as the underlying economic event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements include not only the County, the general purpose government, but also legally separate and special purpose governmental entities, for which the County is financially accountable and with which the County has a significant relationship. These legally separate and special purpose governmental entities are known as component units.

Component units are reported in the financial statements as either blended or discretely presented component units. The financial activity of blended component units can be objectively viewed as an extension of the general purpose government because their governing bodies are substantively the same and there is a financial benefit or burden relationship between the primary government and the component unit. Additional criteria for blending include whether or not the component unit provides services entirely or almost entirely to the primary government or otherwise exclusively or almost exclusively benefits the primary government even though it does not provide services directly to it. When the component unit's financial activities are blended into the County's financial statements, the activities are presented as if they were executed by the general local government. The balances of the blended component unit's financial statements are merged with the similar balances of the general purpose local government in a manner that prevents the balances of the blended component unit and the local primary government from being separately identified. The merged financial statements of the general purpose government and the blended component units are identified in the government-wide financial statements as the primary government. The following component units have been blended into the County's primary government in the government-wide financial statements:

- Arapahoe County Building Finance Corporation
- Arapahoe County Law Enforcement Authority
- Arapahoe County Housing Authority
- Arapahoe County Recreation District
- Arapahoe County Water and Wastewater Public Improvement District
- Arapahoe County Retirement Trust Fund

The financial information for component units that should not be blended into the financial statements of the primary government are presented separately from the financial information presented for the primary government as discrete component units of the County in the government-wide financial statements. The following component units have been presented as discrete component units in the County's government-wide financial statements:

- E-911 Authority
- Arapahoe County Airport Authority
- Arapahoe County Water and Wastewater Authority

Complete financial statements of the individual component units can be obtained from their respective administrative offices. Addresses and other additional information about the County's component units are presented in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2016

On the Statement of Net Position, columns are used to separate the financial information of the primary government and the discretely presented component units. On the Statement of Activities, both columns and rows are used to separate the financial information of the primary government and the discretely presented component units.

The government-wide financial statements can be found on pages C-1 to C-3 of this annual report.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to record financial resources with related liabilities and residual equities segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related regulations, requirements, restrictions or limitations.

All of the funds of the County can be divided into three categories:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, because governmental fund financial statements measurement focus is on near-term inflows and outflows of current financial resources, as well as on balances of current financial resources available at the end of the fiscal year, these financial statements provide information about the ability of the fund to finance current activities and operate within the planned appropriations and budgets. Such information may be useful in evaluating a government's ability to meet its near-term financing and appropriation related requirements.

All current financial resources contained in a governmental fund, other than the General Fund, are available only for carrying on the specific activities or attaining the certain objectives in accordance with special regulations, restrictions or limitations related to the purpose for which these funds were created. Therefore, all of the current financial resources contained in these governmental funds are considered to be assigned to the purpose for which the fund was created. The General Fund is used to account for all governmental fund activities that are not specifically accounted for in the other governmental funds. Therefore, the General Fund is the only governmental fund that contains positive unassigned funds in addition to assigned funds in its fund balance.

Current financial resources, the measurement focus of governmental fund financial statements, are cash and near-cash assets reduced by short-term debt (spendable/appropriable resources) that are available during the fiscal year and 60 days after the end of the fiscal year to financially support the purpose of carrying on specific activities or attaining certain objectives in the current fiscal year in accordance with the special regulations, restrictions or limitations that define the fund.

Governmental fund accounting uses the modified accrual basis of accounting. This basis of accounting records and reports the inflows and outflows of current financial resources (spendable/appropriable resources) under the special regulations, restrictions or limitations that define the fund. By focusing on current financial resources, modified accrual accounting provides additional information related to the regulations, restrictions or limitations that define the fund and emphasizes the need for short-term financing and the generation of spendable resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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Because the focus of fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds in fund financial statements with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of the total Governmental Fund Balances in the fund financial statements balance sheets to the Net Position of Governmental Activities in the government-wide financial statements is provided following the Balance Sheet of Government Funds in the fund financial statements. A reconciliation of the Net Change in Fund Balances - Total Governmental Funds in the fund financial statements to the Change in Net Position of governmental activities in the government-wide financial statements is provided following the Statement of Revenues, Expenditures and Changes in Fund Balances in the fund financial statements. These reconciliations provide explanations of differences between these balances and facilitate an understanding of the differences between the measurement focuses and basis of accounting used for preparing the fund financial statements and the government-wide financial statements.

In this annual report, the County reports on twenty-four individual governmental funds. Information is presented separately in the fund financial statements for the General Fund, Social Services Fund, and Open Spaces Sales Tax Fund, all of which are considered major funds. Individual fund balance sheets for these major funds are presented in the Balance Sheet Governmental Funds and individual fund income statements in the Statement of Revenues, Expenditures and Changes in Fund Balance. The remaining twenty-one governmental funds are combined into a single, aggregated presentation as Other Governmental in the fund financial statements in the Basic Financial Statements section of this annual report.

The basic governmental fund financial statements can be found on pages C-4 to C-14 of this annual report. Financial information related to the individual nonmajor funds is provided on pages D-1 to D-44 and D-62 to D-63 in the Combining and Individual Fund Financial Statements and Schedules Section of this annual report.

Proprietary Funds – The fund financial statements contain two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. The County does not have any enterprise funds.

Internal service funds are used to report any activity that provides goods and services to other funds of the primary government or component units on a cost reimbursement basis. The County uses five internal service funds to account for the following activities: the accumulation and allocation of equipment and materials costs, employee benefits, and self-insurance activities. The measurement focus for internal service funds is economic resources and the basis of accounting used is full accrual accounting. The revenue and expenses of the internal service funds have been eliminated in the government-wide Statement of Activities. The balance sheets of the internal service funds have been merged in the government-wide Statement of Net Position.

The five internal service funds are combined into a single, aggregated presentation as Governmental Activities – Internal Service Funds in the fund financial statements in the Basic Financial Statements section. These statements can be found on pages C-15 to C-17 of this annual report. Financial information related to the individual internal service funds is provided on pages D-45 to D-52 in the Combining Financial Statements and Schedules section of this annual report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's programs or operations. The County uses four fiduciary funds; one trust fund and three agency funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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The activity of the Arapahoe County Retirement Trust is presented in the Basic Financial Statements section of this annual report.

The total of the three agency funds are combined into a single, aggregated presentation as Agency Funds – Total in the fund financial statements in the Basic Financial Statements section of this annual report. The Agency Funds – Total presentation does not include a statement presenting the activities that change the agency funds net position as part of the Basic Financial Statements. The basis of accounting for the agency funds is full accrual accounting. Financial information related to the individual agency funds is provided on pages D-53 and D-54 in the Combining Financial Statements and Schedules section of this annual report.

A Statement of Fiduciary Net Position is presented in the fund financial statements for both the Arapahoe County Retirement Trust and the Agency Funds. A Statement of Changes in Fiduciary Net Position is presented for only the Arapahoe County Retirement Trust in the fund financial statements. The fiduciary fund financial statements can be found on pages C-18 and C-19 of this annual report.

Notes to the Financial Statements

The notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages C-21 through C-65 of this annual report.

Budgetary Comparisons

The County adopts an annual appropriation budget for all of its governmental funds. A budgetary comparison statement has been provided for the General Fund and all major special revenue funds on pages C-12 to C-14 of this annual report. Budget-to-actual comparisons for each of the remaining governmental funds are provided on pages D-24 to D-44 and D-62 to D-63 in the Combining Financial Statements and Schedules and Other Supplementary Information Sections of this annual report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Comparative Summary of Net Position

The following table provides a condensed comparative presentation of the County's government-wide Statement of Net Position for the primary government for 2016 and 2015:

	Governmental Activities	
	2016	2015
Assets		
Current and other assets	\$ 353,312,988	\$ 365,520,032
Capital assets	844,737,540	848,976,283
Total assets	1,198,050,528	1,214,496,315
Deferred outflows of resources	42,617,632	21,639,334
Liabilities		
Current and other liabilities	37,360,297	43,568,588
Long-term liabilities	361,835,376	338,359,492
Total liabilities	399,195,673	381,928,080
Deferred inflows of resources	145,764,966	143,938,423
Net position		
Net investment in capital assets	661,699,298	659,544,853
Restricted	61,025,576	58,164,427
Unrestricted	(27,017,353)	(7,440,134)
Net position	\$ 695,707,521	\$ 710,269,146

Analysis of Government-wide Financial Position

Net position is the amount by which a government's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources at the end of the fiscal year. As of December 31, 2016, the County's primary government assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$695.7 million. This is a decrease of \$14.6 million over the net position at December 31, 2015 of \$710.3 million.

The County's net investment in capital assets, \$661.7 million (95.1% of net position) in 2016 and \$659.5 million (92.9% of net position) in 2015, is the largest portion of the County's primary government net position. Capital assets include land, land improvements, bridges, water and sewer lines, roads, buildings, building improvements, leasehold improvements, vehicles, furniture and equipment. These capital assets are used to provide services or utilities to citizens. Consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$61.0 million (8.8% of net position) in 2016 and \$58.2 million (8.2% of net position) in 2015 represent restricted net position, resources that are subject to external restrictions on how they may be used. Included in this category are statutory reserves required by the State of Colorado, debt service reserves, and accumulated revenues that may only be used for specific voter-approved projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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The remainder of the County's primary government net position, (\$27.0 million) (-3.9% of net position) in 2016 and (\$7.4 million) (-1.0% of net position) in 2015 represents unrestricted net position that could otherwise be used to meet ongoing obligations to citizens and creditors when positive. The balance of unrestricted net position at the end of 2016 decreased by \$19.6 million (-263.1%) from the balance in unrestricted net position at the end of 2015 due primarily to the increase in the net pension liability.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future period. In 2016, the County has two items that qualifies for reporting in this category. The first results from the loss on refunding on bonds reported in the government-wide Statement of Net Position. This amount, \$1.4 million resulted from the difference in the carrying value of refunded debt and the reacquisition price of the refunding debt. The second is pension outflows totaling \$41.2 million, which is comprised of \$9.3 million of contributions made subsequent to measurement date, \$5.5 million in changes in assumptions, \$7.6 million in differences between expected and actual experience, and \$18.8 million in the difference between projected and actual earnings. In 2015 the difference between expected and actual experience was significantly lower in the amount of \$1.0 million, which is the main reason of the \$20.1 million change in deferred outflows of resources year over year.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for the reporting in this category during 2016, the deferred inflow of resources for property tax revenue, \$145.8 million, which is deferred in the year the taxes are levied, 2016, and measurable and recognized as an inflow of resources in the period they are collected, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2016

Condensed Statement of Activities

The following table provides a condensed comparative presentation of the County's government-wide Statement of Activities for the primary government for 2016 and 2015:

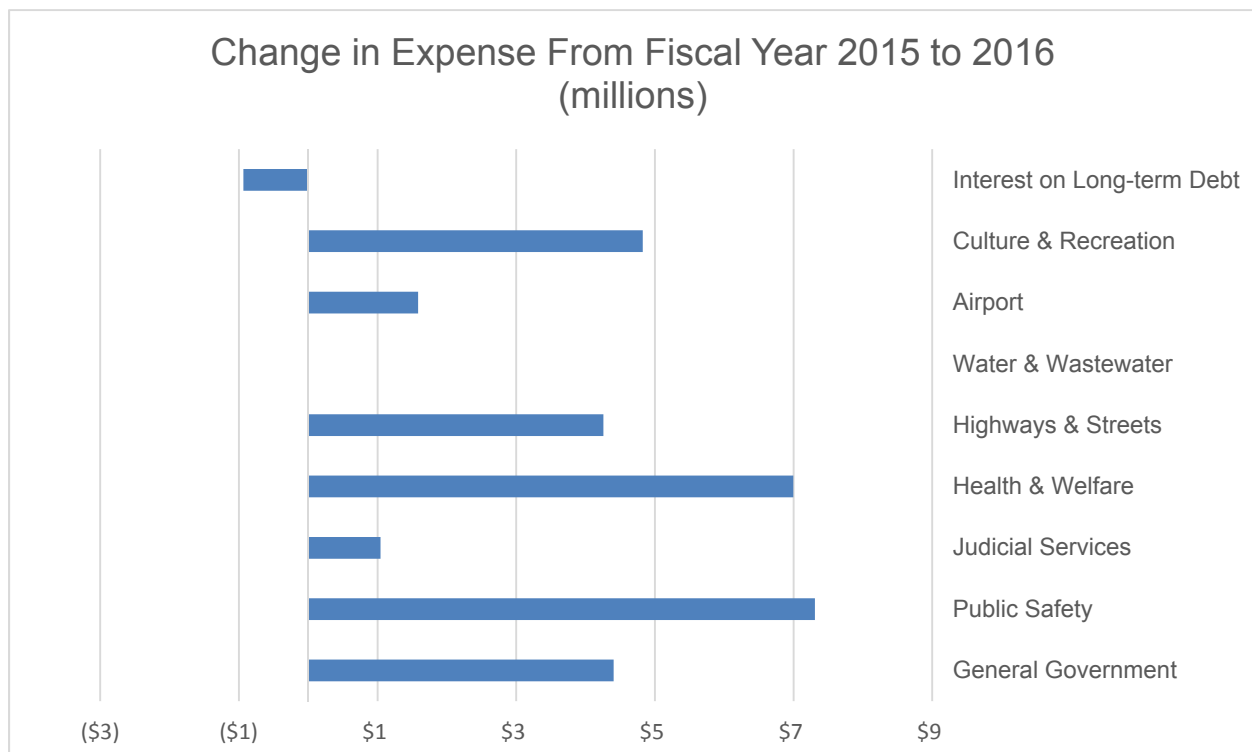
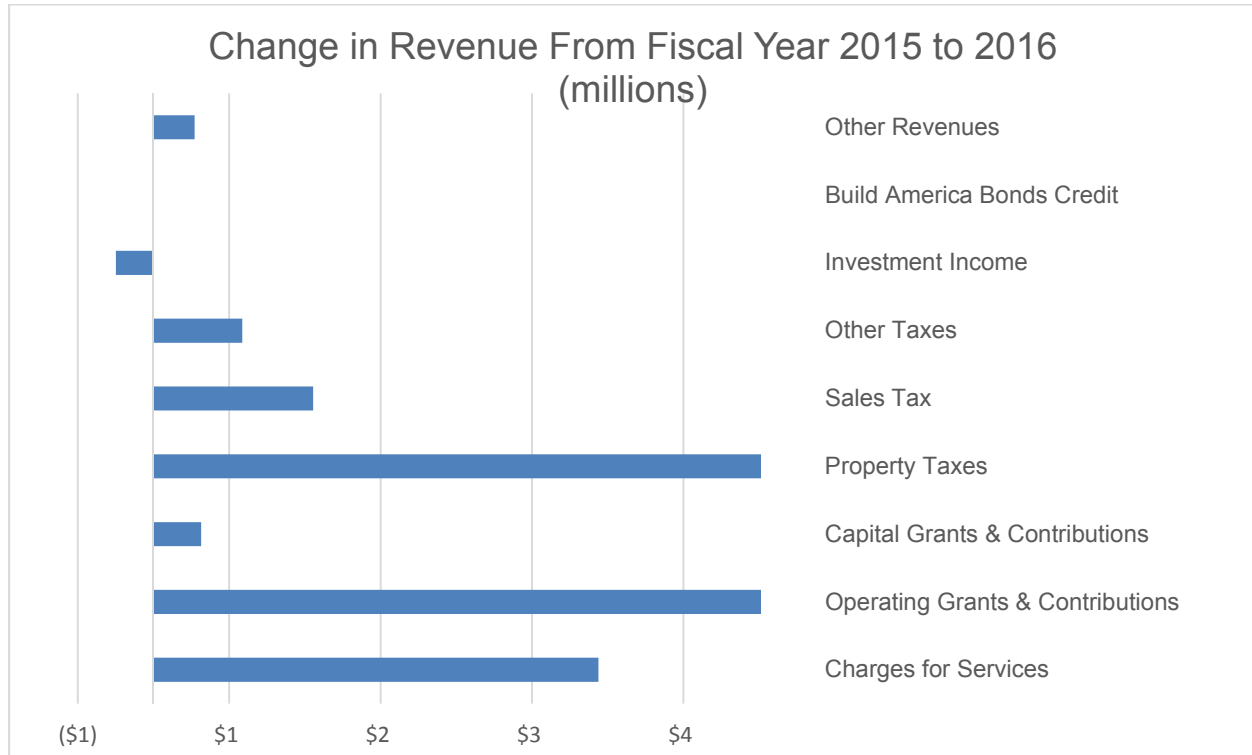
	Governmental Activities	
	2016	2015
Revenues		
Program revenues		
Charges for services	\$ 56,922,246	\$ 53,983,324
Operating grants and contributions	77,006,815	71,414,303
Capital grants and contributions	1,445,741	1,130,803
General revenues		
Property taxes	146,327,277	140,088,056
Sales tax	25,647,538	24,593,215
Other taxes	10,735,626	10,149,831
Investment income	1,950,443	2,198,875
Build America Bonds credit	1,079,032	1,076,715
Other revenues	7,971,601	7,700,202
Total revenues	<u>329,086,319</u>	<u>312,335,324</u>
Expenses		
General government	67,573,166	62,981,999
Public safety	93,906,901	86,598,340
Judicial services	14,435,062	13,392,562
Health & welfare	96,670,273	89,673,316
Highways & streets	32,878,027	28,620,234
Water & wastewater	3,565,064	3,567,857
Airport	1,585,550	-
Culture and recreation	25,427,434	20,602,042
Interest on long-term debt	7,606,467	8,542,246
Total expenses	<u>343,647,944</u>	<u>313,978,596</u>
Change in net position	(14,561,625)	(1,643,272)
Net position - January 1	<u>710,269,146</u>	<u>711,912,418</u>
Net position - December 31	<u>\$ 695,707,521</u>	<u>\$ 710,269,146</u>

Analysis of Government-wide Results of Operations

Government-wide expenses for the County were greater than revenues by \$14.6 million during fiscal year 2016 while government-wide expenses for fiscal year 2015 were greater than revenues by \$1.6 million. Revenues in the government-wide Statement of Activities for 2016 increased \$16.8 million (5.4%) from revenues for 2015, while expenses in the government-wide Statement of Activities for 2016 increased \$29.7 million (9.4%) from expenses for 2015. The increase in expenses is due to pension expense and spending in public safety and health and welfare from increases in regular operating expenses.

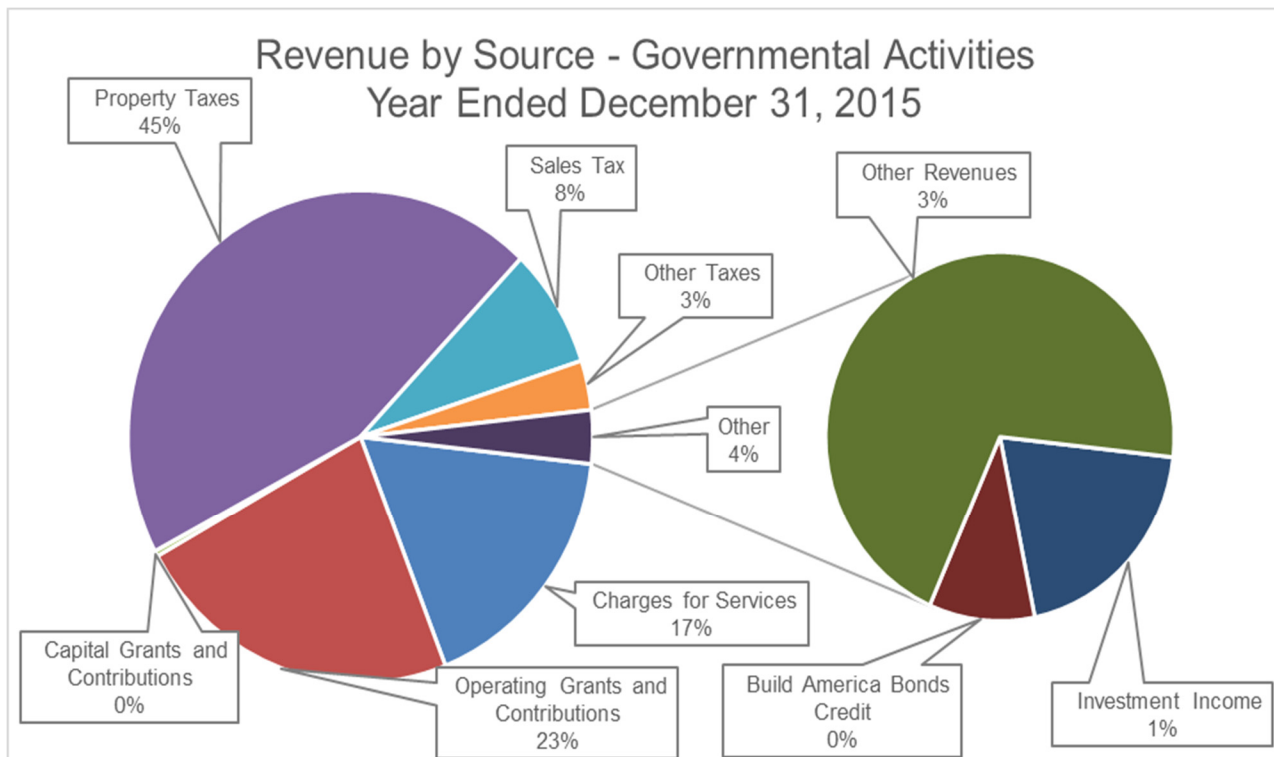
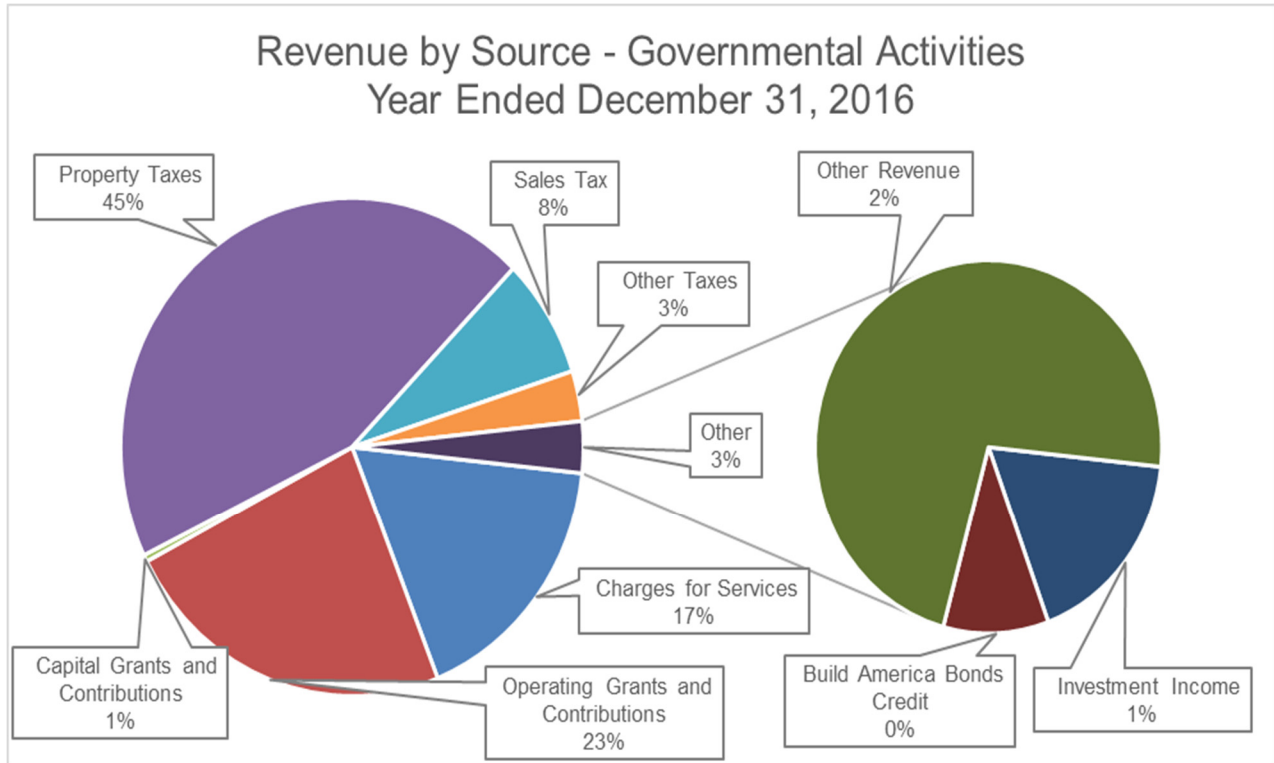
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2016

The changes from fiscal year 2015 to 2016 in the revenue and expense categories in the condensed comparative government-wide Statement of Activities are presented in the following bar charts:



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2016

A comparison of the component sources of revenue used in the condensed comparative government-wide Statement of Activities for 2016 and 2015 is presented in the following pie charts:



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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There were no notable changes in the revenue line items in the condensed comparative government-wide Statement of Activities for the primary government (i.e., changes greater than \$2 million and 10% from fiscal year 2015 to 2016.)

The sources of revenue as a percentage of the total revenue for the primary government varied from fiscal year 2015 to 2016. The largest increase in the sources of revenue was a 0.54% increase in the percentage of operating grants and contributions to total revenues. The largest decrease in the sources of revenue was a 0.34% decrease in the percentage of property taxes to total revenues.

Functional expenses as a percentage of the total expenses for the primary government varied from fiscal year 2015 to 2016. The largest increase in functional expense was a 0.84% increase in the percentage of culture and recreation to total expenses. The largest decrease in functional expense was a 0.51% decrease in percentage of interest on long term debt.

ANALYSIS OF BALANCES OF FUND FINANCIAL STATEMENTS

Fund Financial Statements Overview

The County uses fund accounting to ensure and demonstrate compliance with finance related regulations, requirements, restrictions or limitations and to report the financial position and financial activity of the funds. Fund financial statements reinforce the government-wide financial statements by providing additional information related to regulations, requirements, restrictions or limitations used to report the financial position and financial activity of the funds. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental fund financial statements focus on current financial resources, cash and near-cash assets reduced by short-term debt, that is available during the fiscal year and soon enough after the end of the fiscal year to financially support the purpose of carrying on specific activities or attaining certain objectives in accordance with the special regulations, restrictions or limitations that define the fund. This information is useful in assessing the County's current financial resource requirements

At the end of fiscal year 2016, the following three major governmental funds: the General Fund, the Social Services Fund and the Open Spaces Sales Tax Fund, were included in the fund financial statements. These major funds are reported separately in the County's basic financial statements.

General Fund

This fund is the primary operating fund of the County. The General Fund's fund balance was \$51.6 million as of December 31, 2016 and \$48.9 million as of December 31, 2015.

As a measure of the General Fund's ability to meet its financing and revenue generating needs, it is useful to compare the total of the assigned and unassigned fund balance at the end of fiscal year 2016 to the budgeted total program revenues, transfers in, expenditures, and transfers out for the following fiscal year, 2017. The total of the assigned and unassigned fund balance of the General Fund at the end of fiscal year 2016 is \$45.0 million, less the budgeted use of this fund balance in 2017, \$6.5 million, is \$38.5 million. This represents 22.5% of the adopted budget for General Fund total program revenues and transfers-in for 2017 of \$171.2 million, or 21.7% of the adopted budget for General Fund total program expenditures and transfers-out of \$177.7 million. This indicates that an approximate 21.7% combination of budgeted revenue short falls and/or expenditures over budget could be sustained during 2017 before the liquidity of the General Fund is compromised, and use of the maintained required liquidity reserves is necessary.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund. The following is a condensed budget variance analysis for the General Fund for 2016:

General Fund Budget Variance Analysis					
	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Fund Balance - January 1, 2016	\$ 30,969,859	\$ -	\$ 30,969,859	\$ 30,969,859	\$ -
Revenues and Other Financing Sources	165,891,240	5,120,257	171,011,497	174,312,795	3,301,298
Expenditures and Other Financing Uses	173,689,005	2,422,276	176,111,281	171,354,906	4,756,375
Fund Balance - December 31, 2016	<u>\$ 23,172,094</u>	<u>\$ 2,697,981</u>	<u>\$ 25,870,075</u>	<u>\$ 33,927,748</u>	<u>\$ 8,057,673</u>

In 2016, the Board of County Commissioners originally appropriated a total of \$173.7 million for General Fund expenditures and other financing uses. This appropriated total was amended to \$176.1 million in the final budget, an increase of \$2.4 million (1.4%). The Board of County Commissioners also originally estimated \$165.9 million of General Fund revenues and other financing sources for 2016. This estimate was revised to \$171.0 million in the final budget, an increase of \$5.1 million (3.1%). The primary reason for the \$5.1 million increase in the original General Fund revenue and other financing sources budget during 2016 were charges for services and miscellaneous revenue. The General Fund expenditures and other financing uses budget increase of \$2.4 million during 2016 was primarily caused by increases in capital outlay.

Actual General Fund revenues and other financing sources of \$174.3 million was greater than the General Fund final budgeted revenues and other financing sources final budget, \$171.0 million, by \$3.3 million, a 1.9% variance. This was primarily due to increases in land recording fees, tax collection fees, and expansion of the Rise program over the amounts budgeted.

Actual General Fund expenditures and other financing uses of \$171.4 million was less than the General Fund final appropriated expenditures and other financing uses of \$176.1 million by \$4.8 million, a 2.7% variance. This difference was primarily from capital software, construction, and employee salaries.

The total expenditures and other financing uses in the General Fund increased by \$11.3 million from \$160.1 million in fiscal year 2015 to \$171.4 million in fiscal year 2016, a change of 7.0%. This was due to increases in spending for capital outlay, services and transfer out for capital expenditures. The total revenue in the General Fund increased by \$10.5 million from \$163.8 million in fiscal year 2015 to \$174.3 million in fiscal year 2016, a change of 6.4%. This was due to increase in one-time transfers to the general fund, property taxes, intergovernmental revenue and charges for services.

Individual increases or decreases within individual revenue and expenditure categories are not considered significant; therefore, these are not discussed further in this management discussion and analysis.

Social Services Fund

This fund is mandated by the State of Colorado and is used to account for participation by the County in Federal and State public welfare programs. The fund balance decreased \$1.5 million (14.0%) from \$10.6 million at the end of fiscal year 2015 to \$9.1 million at the end of 2016. Nearly all of the \$9.1 million fund balance at the end of 2016 was assigned.

Revenues increased by approximately \$3.6 million (7.1%) from \$51.3 million in 2015 to \$55.0 million in 2016. The Social Services fund was funded approximately 73.0% in 2015 and 74.7% in 2016 from State and Federal grant monies and 27.0% in 2015 and 25.3% in 2016 by County property and other taxes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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Individual increases or decreases within the Federal and State revenue categories and the individual property and other taxes were not considered significant and are not discussed further in this management discussion and analysis.

Expenditures (excluding transfers) increased approximately \$3.59 million (7.3%) from \$49.3 million in 2015 to \$52.9 million in 2016. Assistance payments for community programs in Arapahoe County are administered and authorized by the County and paid for by both the State of Colorado and the County. In 2016, the County's expenditure for community assistance programs within the County decreased by a nominal amount of \$.002 million (0.002%) while payments authorized by the County for community assistance programs funded by the State of Colorado increased by \$3.6 million (9.6%).

Open Spaces Sales Tax Fund

This fund was established in 2003 to collect sales and use tax for the preservation of open space within the County. The total fund balance increased \$1.5 million from \$36.3 million in 2015 to \$37.7 million in 2016. The \$37.7 million fund balance in 2016 is fully restricted.

Revenues increased by approximately \$1.3 million (5.0%) from \$25.1 million in 2015 to \$26.4 million in 2016. The fund received approximately \$25.6 in sales tax and use revenue, \$0.4 million in charges for services and \$0.3 million in investment income. Charges for services increased \$0.18 million (97.2%) as a result of increased venue and booth rental sales. Other revenue sources were nominal in 2016.

Total expenditures were \$24.8 million for the Open Spaces Sales Tax Fund in 2016. Expenditures increased by approximately \$0.6 million (2.3%) from 2015 to 2016. The fund expended approximately \$13.0 million in grants and share back payments from sales tax proceeds to incorporated municipalities and other governmental entities in 2016.

Nonmajor Governmental Funds

The total fund balance of the combined nonmajor governmental funds decreased by approximately \$7.1 million (13.2%) from \$54.7 million in 2015 to \$47.6 million in 2016. Infrastructure fund and Capital Expenditures fund also contributed to the fund balance decrease as revenue and other financing sources towards projects has been re-appropriated from prior years. An overall increase in spending in the Special Revenue funds influenced the fund balance decrease as well. This increase in spending was primary caused by the amount spent on highways and streets and culture and recreation during 2016.

Proprietary Funds

There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the financial position and activities of funds that provide services to the public that are not provided by the County's governmental funds. Internal service funds are used to report the financial position and activities of funds that provide services to the other funds of the County. The County does not have any enterprise funds, only internal service funds. The internal service funds of the County are: the Central Services Fund, Self Insurance Liability Fund, Employee Flex Benefit Fund, Worker's Compensation Fund and the Self Insurance Dental Fund. The net position for the County's internal service funds increased \$.7 million (2.1%) from \$32.9 million in 2015 to \$33.6 million in 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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Of the \$33.6 million of the total net position of the proprietary funds in 2016, \$31.3 million (93.1%) was the net position of the Central Service Fund. The Central Service Fund is used primarily to allocate the cost of movable assets (furniture and equipment, computers, and vehicles) to the departments of the County to fund the replacement of the assets. It is also used to distribute the costs of central services (primarily postage and fleet maintenance, parts and fuel charges) to departments of the County. Of the \$31.3 million net position in the Central Services Fund at the end of 2016, approximately \$11.1 million was invested in capital assets net of accumulated depreciation, and approximately \$20.3 million was available to replace expiring movable assets in the future.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's programs or operations. Therefore, they are not discussed in the Management's Discussion & Analysis.

ANALYSIS OF CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets

Arapahoe County's investment in capital assets (net of accumulated depreciation) for its governmental activities was \$849.0 million as of December 31, 2015, and \$844.7 million as of December 31, 2016. This investment in capital assets includes land and land improvements, buildings, furniture and equipment, infrastructure, and construction in progress. The County's investment in capital assets (net of accumulated depreciation) decreased \$4.3 million (-0.5%) during fiscal year 2016. A summary of the County's capital assets (net of depreciation) is as follows:

Arapahoe County Government's Capital Assets		
(Net of Accumulated Depreciation)		
	Governmental Activities	
	2016	2015
Land	\$ 42,904,317	\$ 42,904,317
Easements	4,322,860	4,322,860
Right of Ways	309,985,260	309,985,260
Water Rights	51,616,042	51,616,042
Construction in Progress	1,635,435	18,310,927
Capital Assets Not Being Depreciated:	410,463,914	427,139,406
Land Improvements	18,358,343	11,197,909
Buildings and Improvements	186,968,231	184,257,116
Furniture and Equipment	21,569,681	18,932,146
Infrastructure	207,377,371	207,449,706
Capital Assets Being Depreciated:	434,273,626	421,836,877
Total	<u>\$ 844,737,540</u>	<u>\$ 848,976,283</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2016

Construction in progress (CIP) decreased \$16.7 million (91.3%) from \$18.3 million in 2015 to \$1.6 million in 2016 as projects were completed and moved into use. The \$1.6 million is composed of the following capital project categories:

Capital Project	CIP Amount
Software Development	\$ 787,052
Roads	419,994
Parks & Trails	348,848
Building Improvement	79,541
	<u>\$ 1,635,435</u>

Additional information on Arapahoe County capital assets can be found in the Notes to the Financial Statements located on page C-27 and C-39 to C-41 of this annual report.

Outstanding Long-Term Debt

At the end of fiscal year 2016, the County had three bond issues, one long-term note payable, one certificate of participation and four capital lease purchase agreements outstanding. The certificates of participation were issued by the Arapahoe County Building Finance Corporation.

Arapahoe County Government Summary of Outstanding Debt		
	Governmental Activities	
	2016	2015
Bonds	\$ 138,905,723	\$ 140,581,034
Certificates of Participation	21,256,405	26,792,005
Long-term Notes	7,446,310	8,582,389
Lease Purchase Agreements	16,844,104	18,327,181
Total Outstanding Debt	\$ 184,452,542	\$ 194,282,609

The County's total long-term debt decreased \$9.8 million in 2016. The decrease is partially due to a Judicial Complex COP being paid off. The balance of outstanding bonds decreased approximately \$1.7 million during 2016 while the outstanding balance of long-term notes decreased approximately \$1.1 million. The balance of certificates of participation decreased by \$5.5 million during 2016. The balance of lease purchase agreements decreased by \$1.5 million during 2016.

Additional information about the County's long-term debt can be found in the notes to the financial statements on pages C-28 and C-43 to C-49 of this annual report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2016

DESCRIPTION OF DECISIONS AND CONDITIONS EXPECTED TO HAVE AN EFFECT ON ARAPAHOE COUNTY'S FINANCIAL POSITION AND OPERATIONS

Decisions

- **General Fund Assigned and Unassigned Fund Balance** - The County has appropriated \$6.5 million of the 2016 General Fund assigned and unassigned fund balance of \$45.3 million for subsequent year spending in the 2017 fiscal year budget. This is less than the 2015 appropriation of \$7.8 million for 2016 due to fewer approved projects for 2017.
- **Property Tax Mill Levy** - Property tax is the largest source of revenue for the County. The total mill levy of the County, not including the blended component units, was 15.161 mills in 2015 and 14.039 mills in 2016. The mill levy for 2016 (collected in 2017) is made up of the permanent Tabor base mill levy of 15.821 plus a taxpayer approved mill levy of Tabor exempt funds for Developmental Disabilities of 1.000 mills, less a temporary tax credit of 1.762 mills and refund of 0.02 mills.

Economic Condition Indicators

- **Unemployment Rate** – The unemployment rate, not seasonally adjusted, for Arapahoe County was 2.6% for December 2016, which is a decrease from the rate of 3.1% for December 2015. This rate compares favorably to the Denver-metro area's unemployment rate of 2.6% and the state's unemployment rate of 2.7% for December 2016.
- **Building Permits** – Building permits are issued for the unincorporated areas of the County, which represents approximately 15% of the total County population. The number of single family residence building permits issued in 2016 decreased 18.9% from 355 building permits issued in 2015 to 288 building permits issued in 2016. The number of multi-family residential building permits decreased 98.7% from 606 building permits issued in 2015 to 8 building permits issued in 2016. This decrease in 2016 was due a back-log of permits pending during 2014 that were issued during 2015 and a decrease in re-roofs from a 2015 hail storm. The number of commercial new construction, remodeling and tenant finish building permits increased 31.8% from 195 building permits in 2015 to 257 building permits in 2016.
- **Mortgage Foreclosures** – The number of mortgage foreclosures decreased from 2015 to 2016. There were 858 mortgage foreclosures in 2015 and 731 in 2016, which is a decrease of 14.8%.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Arapahoe County's finances for those with an interest in the government's financial activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Janet Kennedy, Director of Finance, 5334 South Prince Street, Littleton, CO 80120-1136, (303) 795-4620.

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Arapahoe County, Colorado
Statement of Net Position
December 31, 2016

	Primary Government	Component Units		
	Governmental Activities	E-911 Authority	Arapahoe County Airport Authority	Arapahoe County Water and Wastewater Authority
Assets				
Cash and investments	\$ 144,366,922	\$ 7,971,534	\$ 3,294,253	\$ 30,639,053
Accounts receivable	13,693,702	363,485	1,893,612	2,343,217
Property tax receivable, net	145,764,966	-	-	-
Due from other governments	3,691,733	-	170,421	-
Inventories	529,570	-	-	-
Prepaid and other items	203,005	-	171,604	209,725
Restricted cash and investments	45,063,090	-	-	10,654,426
Total non-capital assets	353,312,988	8,335,019	5,529,890	43,846,421
Non-depreciable capital assets	410,463,914	-	32,165,555	92,029,749
Depreciable capital assets	434,273,626	-	26,842,281	78,136,944
Total capital assets	844,737,540	-	59,007,836	170,166,693
Total assets	1,198,050,528	8,335,019	64,537,726	214,013,114
Deferred outflows of resources				
Refunding of bonds	1,414,300	-	-	1,815,252
Pension outflows	41,203,332	-	-	-
Total deferred outflows of resources	42,617,632	-	-	1,815,252
Liabilities				
Accounts payable and other current liabilities	23,104,145	272,381	870,693	5,540,102
Accrued interest payable	696,562	-	4,445	587,075
Due to other governments	694,867	-	-	-
Unearned revenue	12,864,723	-	11,178	-
Noncurrent liabilities:				
Long term debt due within one year	9,210,185	-	614,607	3,384,290
Long term debt due in more than one year	188,187,117	-	-	123,398,598
Net pension liability	161,887,574	-	-	-
Estimated claims payable greater than one year	2,550,500	-	-	-
Total liabilities	399,195,673	272,381	1,500,923	132,910,065
Deferred inflows of resources				
Property tax revenue	145,764,966	-	-	-
Water charges	-	-	-	126,027
Total deferred inflows of resources	145,764,966	-	-	126,027
Net position				
Net investment in capital assets	661,699,298	-	58,051,845	49,107,561
Restricted for:				
TABOR reserve	6,678,880	-	-	-
Transportation projects	2,710,221	-	-	-
Debt service and reserves	1,200,000	-	-	7,674,873
Capital projects	-	-	-	2,979,553
Park development	882,591	-	-	-
Parks, recreation and open space	1,003,232	-	-	-
Open space, parks and trails	37,714,132	-	-	-
Developer contributions	1,417,392	-	-	-
Law enforcement	8,870,352	-	-	-
Electronic filing technology	548,776	-	-	-
Unrestricted	(27,017,353)	8,062,638	4,984,958	23,030,287
Total net position	\$ 695,707,521	\$ 8,062,638	\$ 63,036,803	\$ 82,792,274

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
General government	\$ 67,573,166	\$ 24,764,618	\$ 142,214	\$ -
Public safety	93,906,901	29,725,654	2,200,898	137,985
Judicial services	14,435,062	-	-	-
Health and welfare	96,670,273	628,911	64,420,988	8,460
Highways and streets	32,878,027	860,617	10,092,021	578,392
Water and wastewater	3,565,064	-	-	-
Airport	1,585,550	-	-	-
Culture and recreation	25,427,434	942,446	150,694	720,904
Interest on long-term debt	7,606,467	-	-	-
Total governmental activities	343,647,944	56,922,246	77,006,815	1,445,741
Component Units				
E-911	2,679,199	2,437,570	-	-
Arapahoe County Airport Authority	10,594,382	7,270,297	4,812,815	-
Arapahoe County Water and Wastewater Authority	19,804,594	19,595,682	-	8,643,634
Total component units:	33,078,175	29,303,549	4,812,815	8,643,634

General revenues

Property taxes
Sales tax
Other taxes
Investment income
Build America Bonds credit
Miscellaneous

Total general revenue

Change in net position

Net position - beginning

Net position - ending

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Statement of Activities
For the Year Ended December 31, 2016

Net (Expense) Revenue and Changes in Net Position				
Primary Government Total	Component Units			Functions/Programs
	E-911 Authority	Arapahoe County Airport Authority	Arapahoe County Water and Wastewater Authority	
\$ (42,666,334)	\$ -	\$ -	\$ -	Primary Government
(61,842,364)	-	-	-	General government
(14,435,062)	-	-	-	Public safety
(31,611,914)	-	-	-	Judicial services
(21,346,997)	-	-	-	Health and welfare
(3,565,064)	-	-	-	Highways and streets
(1,585,550)	-	-	-	Water and wastewater
(23,613,390)	-	-	-	Airport
(7,606,467)	-	-	-	Culture and recreation
				Interest on long-term debt
(208,273,142)	-	-	-	Total governmental activities
-	(241,629)	-	-	Component Units
-	-	1,488,730	-	E-911
-	-	-	-	Arapahoe County Airport Authority
-	-	-	8,434,722	Arapahoe County Water and Wastewater Authority
-	(241,629)	1,488,730	8,434,722	Total component units:
146,327,277	-	-	-	General revenues
25,647,538	-	-	-	Property taxes
10,735,626	-	-	-	Sales tax
1,950,443	76,079	69,535	42,804	Other taxes
1,079,032	-	-	1,857,417	Investment income
7,971,601	-	-	-	Build America Bonds credit
				Miscellaneous
193,711,517	76,079	69,535	1,900,221	Total general revenue
(14,561,625)	(165,550)	1,558,265	10,334,943	Change in net position
710,269,146	8,228,188	61,478,538	72,457,331	Net position - beginning
\$ 695,707,521	\$ 8,062,638	\$ 63,036,803	\$ 82,792,274	Net position - ending

Arapahoe County, Colorado
Balance Sheet
Governmental Funds
December 31, 2016

	General	Social Services	Open Spaces Sales Tax	Other Governmental
Assets				
Cash and investments	\$ 51,511,548	\$ 18,601,103	\$ -	\$ 47,905,544
Restricted cash and investments	49,850	-	43,813,242	1,200,000
Accounts receivable	3,916,955	3,789,894	4,378,866	3,269,497
Taxes receivable, net	100,206,512	12,225,437	-	33,333,017
Due from other funds	1,027,486	-	-	-
Prepaid items	89,763	11,643	-	1,598
Inventories	-	-	-	72,699
Total assets	<u>\$ 156,802,114</u>	<u>\$ 34,628,077</u>	<u>\$ 48,192,108</u>	<u>\$ 85,782,355</u>
Liabilities				
Accounts payable	\$ 1,807,637	\$ 533,763	\$ 10,436,051	\$ 1,413,107
Accrued expenditures	3,090,159	1,271,045	41,925	686,696
Due to other governments	-	99,834	-	-
Due to other funds	-	-	-	1,027,486
Unearned revenue - other	62,475	11,403,115	-	1,403,133
Total liabilities	<u>4,960,271</u>	<u>13,307,757</u>	<u>10,477,976</u>	<u>4,530,422</u>
Deferred inflows of resources				
Deferred property tax revenue	100,206,512	12,225,437	-	33,333,017
Unavailable revenue-delinquent property taxes	12,119	-	-	-
Unavailable revenue-grants	-	-	-	294,333
Total deferred inflows of resources	<u>100,218,631</u>	<u>12,225,437</u>	<u>-</u>	<u>33,627,350</u>
Fund balances (deficits)				
Nonspendable	89,763	11,643	-	74,297
Restricted	6,525,720	-	37,714,132	16,785,724
Committed	-	-	-	25,877,773
Assigned	8,011,437	9,083,240	-	5,427,508
Unassigned	36,996,292	-	-	(540,719)
Total fund balances (deficits)	<u>51,623,212</u>	<u>9,094,883</u>	<u>37,714,132</u>	<u>47,624,583</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 156,802,114</u>	<u>\$ 34,628,077</u>	<u>\$ 48,192,108</u>	<u>\$ 85,782,355</u>

The notes to the financial statements are an integral part of this statement.

**Arapahoe County, Colorado
Balance Sheet
Governmental Funds
December 31, 2016**

Total
Governmental

\$	118,018,195
	45,063,092
	15,355,212
	145,764,966
	1,027,486
	103,004
	72,699
\$	<u>325,404,654</u>

\$	14,190,558
	5,089,825
	99,834
	1,027,486
	<u>12,868,723</u>
	<u>33,276,426</u>

145,764,966
12,119
<u>294,333</u>
<u>146,071,418</u>

175,703
61,025,576
25,877,773
22,522,185
<u>36,455,573</u>
<u>146,056,810</u>

\$	<u>325,404,654</u>
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Assets

Cash and investments
Restricted cash and investments
Accounts receivable
Taxes receivable, net
Due from other funds
Prepaid items
Inventories

Total assets

Liabilities

Accounts payable
Accrued expenditures
Due to other governments
Due to other funds
Unearned revenue - other

Total liabilities

Deferred inflows of resources

Deferred property tax revenue
Unavailable revenue-delinquent property taxes
Unavailable revenue-grants

Total deferred inflows of resources

Fund balances (deficits)

Nonspendable
Restricted
Committed
Assigned
Unassigned

Total fund balances (deficits)

Total liabilities, deferred inflows of resources
and fund balance

Arapahoe County, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2016

Amounts reported for governmental activities in the Statement of Net Position (page C-1) are different because:

Total fund balances - governmental funds (page C-5)	\$ 146,056,810
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	833,671,785
The deferred charge on refunding of bonds is not an available resource and, therefore, is not reported in the funds.	1,414,300
The deferred pension outflow is not an available resource and, therefore, is not reported in the funds.	41,203,332
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	310,452
Internal service funds are used by management to charge the cost of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	33,592,535
Long-term liabilities, including bonds payable, certificates of participation, notes payable, capital leases, landfill post closure cost payable, compensated absences, net pension liability and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(360,541,693)</u>
Net position of governmental activities	<u><u>\$ 695,707,521</u></u>

The notes to the financial statements are an integral part of this statement.

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Arapahoe County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2016

	General	Social Services	Open Spaces Sales Tax	Other Governmental
Revenues				
Taxes				
Property taxes	\$ 99,904,993	\$ 12,180,938	\$ -	\$ 34,248,819
Sales tax	-	-	25,647,538	-
Other taxes	7,827,016	953,579	-	1,955,031
Licenses and permits	6,006,495	-	338	855,486
Intergovernmental	2,446,658	41,062,799	-	34,174,159
Charges for services	46,114,998	18,540	355,840	2,265,010
Fines and forfeitures	702,947	-	-	630,384
Investment earnings	1,387,681	-	313,587	249,174
Interfund revenues and rentals	4,085,937	-	-	89,904
Repayment from component unit	-	-	-	1,632,137
Developer contributions	-	-	-	305,860
Build America Bonds credit	-	-	-	1,079,032
Miscellaneous	2,153,403	760,705	67,576	1,517,432
Total revenue	170,630,128	54,976,561	26,384,879	79,002,428
Expenditures				
Current				
General government	62,416,504	-	-	194,780
Public safety	72,788,571	-	-	9,960,137
Judicial services	14,010,386	-	-	302,837
Health and welfare	9,642,543	52,671,423	-	31,453,652
Highways and streets	-	-	-	24,938,875
Water and wastewater	-	-	-	114,024
Airport	-	-	-	550
Culture and recreation	-	-	22,913,746	1,497,216
Total current	158,858,004	52,671,423	22,913,746	68,462,071
Capital				
General government	830,442	-	-	8,169,170
Public safety	102,962	-	-	464,718
Judicial services	-	-	-	21,979
Health and welfare	-	182,429	-	-
Highways and streets	-	-	-	2,416,589
Culture and recreation	-	-	1,836,472	-
Total capital	933,404	182,429	1,836,472	11,072,456
Debt				
Principal	-	-	-	9,069,781
Interest	-	-	-	8,144,791
Debt administration fees	-	-	-	3,558
Total debt service	-	-	-	17,218,130
Total expenditures	159,791,408	52,853,852	24,750,218	96,752,657
Excess (deficiency) of revenues over (under) expenditures	10,838,720	2,122,709	1,634,661	(17,750,229)
Other financing sources (uses)				
Transfers in	3,682,667	-	10,000	20,563,569
Transfers out	(11,771,529)	(3,600,000)	(186,132)	(9,927,220)
Total other financing sources (uses)	(8,088,862)	(3,600,000)	(176,132)	10,636,349
Net change in fund balance	2,749,858	(1,477,291)	1,458,529	(7,113,880)
Fund balance - beginning	48,873,354	10,572,174	36,255,603	54,738,463
Fund balance - ending	\$ 51,623,212	\$ 9,094,883	\$ 37,714,132	\$ 47,624,583

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2016

Total Governmental		
		Revenues
\$ 146,334,750		Taxes
25,647,538		Property taxes
10,735,626		Sales tax
6,862,319		Other taxes
77,683,616		Licenses and permits
48,754,388		Intergovernmental
1,333,331		Charges for services
1,950,442		Fines and forfeitures
4,175,841		Investment earnings
1,632,137		Interfund revenues and rentals
305,860		Repayment from component unit
1,079,032		Developer contributions
4,499,116		Build America Bonds credit
		Miscellaneous
<u>330,993,996</u>		Total revenue
		Expenditures
		Current
62,611,284		General government
82,748,708		Public safety
14,313,223		Judicial services
93,767,618		Health and welfare
24,938,875		Highways and streets
114,024		Water and wastewater
550		Airport
24,410,962		Culture and recreation
<u>302,905,244</u>		Total current
		Capital
8,999,612		General government
567,680		Public safety
21,979		Judicial services
182,429		Health and welfare
2,416,589		Highways and streets
1,836,472		Culture and recreation
<u>14,024,761</u>		Total capital
		Debt
9,069,781		Principal
8,144,791		Interest
3,558		Debt administration fees
<u>17,218,130</u>		Total debt service
<u>334,148,135</u>		Total expenditures
		Excess (deficiency) of revenues over (under) expenditures
<u>(3,154,139)</u>		
		Other financing sources (uses)
24,256,236		Transfers in
(25,484,881)		Transfers out
<u>(1,228,645)</u>		Total other financing sources (uses)
<u>(4,382,784)</u>		Net change in fund balance
150,439,594		Fund balance - beginning
<u>\$ 146,056,810</u>		Fund balance - ending

Arapahoe County, Colorado
Reconciliation of the Statement of Revenues
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2016

Amounts reported for governmental activities in the Statement of Activities (page C-3) are different because:

Net Change in Fund Balances - total governmental funds (page C-9)	\$ (4,382,784)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(6,787,942)
The Statement of Activities reports losses arising from the sale of capital assets. Conversely, governmental funds do not report any losses on the sale of capital assets.	17,622
The net effect of various miscellaneous transactions involving the valuation of donated assets is to increase net position.	410,517
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	306,452
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, there is no effect on net position.	9,069,781
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.	428,769
Some revenues reported in the governmental funds have been reported in the Statement of Activities in prior periods.	(2,562,563)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(11,770,674)
The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	<u>709,197</u>
Change in net position of governmental activities	<u><u>\$ (14,561,625)</u></u>

The notes to the financial statements are an integral part of this statement.

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Arapahoe County, Colorado
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 99,783,519	\$ 99,783,519	\$ 99,904,993	\$ 121,474
Other taxes	7,500,000	7,700,000	7,827,016	127,016
Licenses and permits	6,147,445	6,147,445	6,006,495	(140,950)
Intergovernmental	1,479,044	1,805,268	2,446,658	641,390
Charges for services	43,896,736	44,145,395	46,114,998	1,969,603
Fines and forfeitures	728,000	728,000	702,947	(25,053)
Investment earnings	1,200,000	1,200,000	1,387,681	187,681
Interfund revenues and rentals	4,203,088	4,203,088	4,085,937	(117,151)
Miscellaneous	939,495	1,610,710	2,153,403	542,693
Total revenue	<u>165,877,327</u>	<u>167,323,425</u>	<u>170,630,128</u>	<u>3,306,703</u>
Expenditures				
Current				
General government				
Administrative services	4,610,957	5,070,957	5,050,552	20,405
Assessor's Office	5,235,292	5,235,292	4,996,188	239,104
Board of County Commissioners	999,787	999,787	978,434	21,353
BOCC-Administration	618,539	618,539	609,632	8,907
Clerk and Recorder's Office	12,119,100	12,189,830	10,752,860	1,436,970
Communication Services Department	1,376,229	1,414,323	1,385,073	29,250
County Attorney	2,892,714	2,867,529	2,585,943	281,586
Facilities and Fleet Management	8,194,012	8,156,253	8,028,943	127,310
Finance	3,266,610	3,336,519	2,993,555	342,964
Human Resources	1,909,737	1,924,737	1,920,694	4,043
Information Technology	13,058,976	13,136,019	11,339,189	1,796,830
Office of Performance Management	456,283	435,283	396,586	38,697
Open Spaces & Intergovernmental Relations	46,036	46,036	39,600	6,436
Public Works and Development	7,327,630	7,324,618	7,266,277	58,341
Treasurer's Office	2,160,443	2,171,428	2,011,947	159,481
Total general government	<u>64,272,345</u>	<u>64,927,150</u>	<u>60,355,473</u>	<u>4,571,677</u>
Public safety	72,176,071	73,650,729	72,788,571	862,158
Judicial services	14,010,989	14,010,989	14,010,386	603
Health and welfare	9,671,669	9,778,718	9,642,543	136,175
Total current	<u>160,131,074</u>	<u>162,367,586</u>	<u>156,796,973</u>	<u>5,570,613</u>
Capital				
General government	-	-	830,442	(830,442)
Public safety	11,000	119,166	102,962	16,204
Total capital	<u>11,000</u>	<u>119,166</u>	<u>933,404</u>	<u>(814,238)</u>
Total expenditures	<u>160,142,074</u>	<u>162,486,752</u>	<u>157,730,377</u>	<u>4,756,375</u>
Excess (deficiency) of				
expenditures	<u>5,735,253</u>	<u>4,836,673</u>	<u>12,899,751</u>	<u>8,063,078</u>
Other financing sources (uses)				
Transfers in	13,913	3,688,072	3,682,667	(5,405)
Transfers out	(13,546,931)	(13,624,529)	(13,624,529)	-
Total other financing sources (uses)	<u>(13,533,018)</u>	<u>(9,936,457)</u>	<u>(9,941,862)</u>	<u>(5,405)</u>
Net change in fund balance	<u>(7,797,765)</u>	<u>(5,099,784)</u>	<u>2,957,889</u>	<u>8,057,673</u>
Fund balance - beginning	30,969,859	30,969,859	30,969,859	-
Fund balance - ending	<u>\$ 23,172,094</u>	<u>\$ 25,870,075</u>	<u>\$ 33,927,748</u>	<u>\$ 8,057,673</u>

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Social Services
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Taxes				
Property taxes	\$ 12,166,754	\$ 12,166,754	\$ 12,180,938	\$ 14,184
Other taxes	820,000	820,000	953,579	133,579
Intergovernmental	39,500,262	39,848,702	41,062,799	1,214,097
Charges for services	20,000	20,000	18,540	(1,460)
Miscellaneous	987,157	1,041,075	760,705	(280,370)
Total revenue	53,494,173	53,896,531	54,976,561	1,080,030
Expenditures				
Current				
Health and welfare	52,969,271	53,476,275	52,671,423	804,852
Capital				
Health and welfare	-	5,722	182,429	(176,707)
Total expenditures	52,969,271	53,481,997	52,853,852	628,145
Excess (deficiency) of revenues over (under) expenditures	524,902	414,534	2,122,709	1,708,175
Other financing sources (uses)				
Transfers out	(55,200)	(3,655,200)	(3,600,000)	55,200
Total other financing sources (uses)	(55,200)	(3,655,200)	(3,600,000)	55,200
Net change in fund balance	469,702	(3,240,666)	(1,477,291)	1,763,375
Fund balance - beginning	10,572,174	10,572,174	10,572,174	-
Fund balance - ending	\$ 11,041,876	\$ 7,331,508	\$ 9,094,883	\$ 1,763,375

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Open Spaces Sales Tax
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Sales tax	\$ 24,212,000	\$ 24,212,000	\$ 25,647,538	\$ 1,435,538
Licenses and permits	-	-	338	338
Charges for services	150,000	150,000	355,840	205,840
Investment earnings	140,000	140,000	313,587	173,587
Miscellaneous	-	-	67,576	67,576
Total revenue	<u>24,502,000</u>	<u>24,502,000</u>	<u>26,384,879</u>	<u>1,882,879</u>
Expenditures				
Current				
Culture and recreation	21,697,523	57,526,703	22,913,746	34,612,957
Capital				
Culture and recreation	2,700,345	3,054,768	1,836,472	1,218,296
Total expenditures	<u>24,397,868</u>	<u>60,581,471</u>	<u>24,750,218</u>	<u>35,831,253</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,132</u>	<u>(36,079,471)</u>	<u>1,634,661</u>	<u>37,714,132</u>
Other financing sources (uses)				
Transfers in	-	10,000	10,000	-
Transfers out	(104,132)	(186,132)	(186,132)	-
Total other financing sources (uses)	<u>(104,132)</u>	<u>(176,132)</u>	<u>(176,132)</u>	<u>-</u>
Net change in fund balance	-	(36,255,603)	1,458,529	37,714,132
Fund balance - beginning	36,255,603	36,255,603	36,255,603	-
Fund balance - ending	<u>\$ 36,255,603</u>	<u>\$ -</u>	<u>\$ 37,714,132</u>	<u>\$ 37,714,132</u>

The notes to the financial statements are an integral part of this statement.

**Arapahoe County Government
Statement of Net Position
Proprietary Funds
December 31, 2016**

	Governmental Activities Internal Service Funds
Assets	
Current assets	
Cash and investments	\$ 26,348,727
Accounts receivable	36,956
Deposit	100,000
Inventory	456,871
Total current assets	<u>26,942,554</u>
Noncurrent assets	
Capital assets	
Buildings and improvements	17,628
Vehicles and equipment	35,152,556
Computer systems	6,618,076
Furniture and office equipment	84,243
Less: accumulated depreciation	<u>(30,806,748)</u>
Total noncurrent assets (net of accum. dep.)	<u>11,065,755</u>
Total assets	<u>38,008,309</u>
Liabilities	
Current liabilities	
Accounts payable	710,774
Estimated claims payable	1,154,500
Noncurrent claims payable	<u>2,550,500</u>
Total liabilities	<u>4,415,774</u>
Net position	
Net investment in capital assets	11,065,755
Unrestricted	<u>22,526,780</u>
Total net position	<u><u>\$ 33,592,535</u></u>

The notes to the financial statements are an integral part of this statement.

Arapahoe County Government
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for sales and service	\$ 9,281,205
Total operating revenue	<u>9,281,205</u>
Operating expenses	
Cost of sales and services	6,000,261
Administration	207,870
Depreciation	4,272,914
Total operating expenses	<u>10,481,045</u>
Operating income (loss)	<u>(1,199,840)</u>
Nonoperating revenue (expenses)	
Insurance recoveries	66,899
Gain on sale of assets	615,525
Loss on sale of assets	(2,032)
Income before contributions and transfers	<u>(519,448)</u>
Transfers in	1,777,558
Transfers out	(548,913)
Change in net position	<u>709,197</u>
Total net position - beginning	<u>32,883,338</u>
Total net position - ending	<u><u>\$ 33,592,535</u></u>

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Governmental Activities Internal Service Funds
Cash flows from operating activities	
Cash received for interfund services provided	\$ 9,286,138
Cash payments for services and supplies	(5,990,868)
Net cash provided by operating activities	<u>3,295,270</u>
Cash flows from noncapital financing activities	
Transfers in from other funds	1,777,558
Transfers out to other funds	(548,913)
Net cash provided by non capital financing activities	<u>1,228,645</u>
Cash flows from capital and related financing activities	
Acquisition of property and equipment	(6,413,626)
Proceeds from sale of capital assets	615,524
Insurance Proceeds	66,899
Net cash used for capital and related financing activities	<u>(5,731,203)</u>
Net increase in cash and investments	(1,207,288)
Cash and investments, January 1, 2016	<u>27,556,015</u>
Cash and investments, December 31, 2016	<u>\$ 26,348,727</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income (loss)	\$ (1,199,840)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	4,272,914
(Increase) decrease in current assets:	
Accounts receivable	4,933
Inventory	(9,762)
Deposits	(100,000)
Increase (decrease) in current liabilities:	
Accounts payable	145,025
Claims payable	182,000
Total Adjustments	<u>4,495,110</u>
Net cash provided by operating activities	<u>\$ 3,295,270</u>

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016

	Arapahoe County Retirement Trust	Agency Funds Total
Assets		
Cash and investments:	\$ -	\$ 27,560,069
Restricted escrow	-	734,659
Investments:		
Money market funds	4,821,557	-
Equity securities	87,286,471	-
Real estate investments	61,796,972	-
Fixed income securities	41,886,463	-
Hedge Funds	30,289,169	-
International Equity	49,807,985	-
Private Equity	2,578,434	-
Total cash and investments	<u>278,467,051</u>	<u>28,294,728</u>
Receivables:		
Dividends and interest	-	-
Property taxes	-	748,020,884
Other assets	<u>-</u>	<u>33,440</u>
Total assets	<u>278,467,051</u>	<u>\$ 776,349,052</u>
Liabilities		
Accounts payable	171,754	\$ 2,270
Due to other governments	-	765,407,718
Other deposits payable	-	10,816,316
Warrants payable	<u>-</u>	<u>122,748</u>
Total liabilities	<u>171,754</u>	<u>\$ 776,349,052</u>
Net Position		
Net position restricted for pensions	<u>\$ 278,295,297</u>	

The notes to the financial statements are an integral part of this statement.

Arapahoe County, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2016

	<u>Arapahoe County Retirement Trust</u>
ADDITIONS	
Contributions:	
Employer	\$ 9,298,210
Plan Members	<u>9,288,083</u>
Total Contributions	<u>18,586,293</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	16,865,709
Interest and Dividends	<u>5,386,169</u>
Total Investment Income	<u>22,251,878</u>
Investment Expenses	<u>(1,778,301)</u>
Net Investment Income	<u>20,473,577</u>
Total Additions	<u>39,059,870</u>
 DEDUCTIONS	
Benefits to Plan Members	22,421,338
Refund of Contributions	3,123,281
Administrative Expenses	<u>396,050</u>
Total Deductions	<u>25,940,669</u>
 Change in Net Position	13,119,201
 Net Position - Beginning of Year	<u>265,176,096</u>
Net Position - End of Year	<u><u>\$ 278,295,297</u></u>

The notes to the financial statements are an integral part of this statement.

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Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Arapahoe County, Colorado (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (US GAAP) as applied to government units, and have been consistently applied in the preparation of the financial statements. The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The following is a summary of the significant accounting policies of the County.

Financial Reporting Entity

Arapahoe County was incorporated under the laws of the State of Colorado in 1902. The County provides a wide range of services to its residents including public safety, highways and streets, parks and open space, conservation, health and social services, public improvements and general administration. The County is governed by an elected five-member Board of County Commissioners. The Board of County Commissioners serves as the administrative and policy-making body of the County. The primary government of the County includes the activities of six other elected officials – the Assessor, Clerk and Recorder, Coroner, District Attorney, Treasurer, and the Sheriff.

The accompanying financial statements present the financial activities of the County and its component units. The Governmental Accounting Standards Board (GASB) has specified the criteria used in defining the financial reporting entity:

The financial reporting entity consists of the primary government and its component units.

A primary government is any state, general-purpose local or special-purpose government, which meets the following criteria: a) it has a separately elected governing body; b) it is legally separate; and c) it is fiscally independent of other state and local governments. A primary government consists of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body *and* (1) it is able to impose its will on that organization *or* (2) there is a financial benefit or burden relationship with the primary government. In addition, the primary government may choose to include an organization in the reporting entity that does not meet either of these criteria because the nature and significance of the component unit's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Units

These financial statements present the County (the primary government) and its component units as required by US GAAP. The component units included in the County's reporting entity are reported using the blended and the discretely presented methods as appropriate for each component unit. The blended method reports the financial data of the component unit as part of the primary government. This method is used when any of the following circumstances are met:

1) The component unit's governing body is substantively the same as the governing body of the primary government; *and* a) there is a financial benefit or burden relationship between the primary government and the component unit *or* b) management of the primary government has operational responsibility for the component unit.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

- 2) The component unit provides services entirely or almost entirely to the primary government.
- 3) The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government.

The following entities are included in the financial statements as blended component units based upon meeting the criteria for blending and/or their significant financial and operational relationships to the County:

Arapahoe County Law Enforcement Authority – The Arapahoe County Law Enforcement Authority (ALEA) is a special district that provides law enforcement services in the unincorporated areas of the County. The Board of County Commissioners serves as the Board of the ALEA. The County Sheriff is the Chief Operating Officer. The Arapahoe County Law Enforcement Authority is reported as a Special Revenue Fund.

Arapahoe County Housing Authority – The Arapahoe County Housing Authority (the Authority) supports the improvement of housing conditions and community facilities for low and moderate-income individuals. The Board of County Commissioners serves as the entire board for the Authority. The County has all of the operational responsibilities for the Authority. The Authority is referred to in this Comprehensive Annual Financial Report (CAFR) as the Community Development Fund and is reported as a Special Revenue Fund.

Arapahoe County Recreation District – The Arapahoe County Recreation District (the District) is a special district that provides parks and recreation services in the Southeast part of the urbanized area of the County. The Board of County Commissioners serves as the entire board for the District and therefore makes all decisions controlling the District's activities and finances. The Arapahoe County Recreation District is reported as a Capital Projects Fund.

Arapahoe County Water and Wastewater Public Improvement District - The Arapahoe County Water and Wastewater Public Improvement District (PID) was formed in 2001 to provide capital infrastructure funding for the service district located in the south central part of the County. In November 2001, the taxpayers within the PID voted to authorize the issuance of \$165,000,000 in General Obligation Bonds to finance water and wastewater projects. The Board of County Commissioners maintains control over operations and fiscal matters since they serve as the *ex officio* Board of Directors for the PID. The Arapahoe County Water and Wastewater Public Improvement District is reported as a Capital Projects Fund.

Arapahoe County Building Finance Corporation – The Arapahoe County Building Finance Corporation (ACBFC) is a not-for-profit corporation that issues certificates of participation for funding the construction of facilities that are leased to the County through a lease purchase agreement. The Board of County Commissioners do not hold positions on the board for the ACBFC; however, the Board of County Commissioners appoints all members of the ACBFC board. The Arapahoe County Building Finance Corporation is reported as a Debt Service Fund.

Arapahoe County Retirement Trust Fund – The Arapahoe County Retirement Trust Fund manages the retirement benefits for County employees. The Arapahoe County Retirement Plan (the Plan) is a single employer defined benefit pension plan established by the County to provide pension benefits for its employees. The Plan is administered by a Retirement Board consisting of five members: the incumbent County Treasurer, two County employees elected by plan members, and two registered electors of the County appointed by the Board of County Commissioners. The five-member Retirement Board reviews information about the County's retirement fund and is responsible for assessing the fund's fiscal health. The Plan is considered part of the County's financial reporting entity and is included as a blended component unit. The Arapahoe County Retirement Trust Fund is reported as a Fiduciary Fund.

Discretely Presented Component Units

Discrete component units are reported in separate columns on the government-wide financial statements to emphasize the legal separation between these organizations and the primary government. The following entities are included in the financial statements as discretely presented component units:

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Arapahoe County Airport Authority – The Arapahoe County Public Airport Authority (the Authority) is governed pursuant to the provisions of the Colorado Public Airport Authority Act. The Authority was formed for the statutory purposes of acquiring and improving an airport, air navigational facilities, and related facilities and for financing the cost of such acquisitions and improvements. The Authority operates Centennial Airport, which is located in Arapahoe and Douglas Counties.

The Authority is governed by an eight-member board. The board is comprised of three Arapahoe County Commissioners and two additional members who are appointed by the Commissioners. These five members are the full voting board of the Authority. The Authority also includes three non-voting members who are appointed by the Douglas County Board of County Commissioners.

The interrelationship in certain financing arrangements between the County and the Authority has resulted in a financial benefit/burden relationship. The County is legally obligated to assume the responsibility for payment of these financial arrangements in the event of default by the Authority; therefore, the County is financially accountable for the Authority. The Arapahoe County Airport Authority is included as a discrete component unit within the County's financial reporting entity.

Arapahoe County Water and Wastewater Authority – The Arapahoe County Water and Wastewater Authority (ACWWA) is a political subdivision that was created in 1988 pursuant to an intergovernmental agreement between Arapahoe County and the Arapahoe Water and Sanitation District (the District). ACWWA encompasses approximately 5,200 acres and provides water, wastewater, and storm water services to citizens and businesses within the service area to include Arapahoe County and parts of northern Douglas County. Other areas within ACWWA's service area include the Town of Foxfield and a residential subdivision in northwest Elbert County. In addition, ACWWA provides wholesale wastewater treatment service to the Cottonwood Water and Sanitation District in Douglas County.

On February 6, 2002, the County entered into an intergovernmental agreement with the Arapahoe County Water and Wastewater Public Improvement District (PID). The PID was organized in 2001 pursuant to the provisions of the Colorado Revised Statutes Title 30, Article 20, Part 5 for the purpose of constructing certain public improvements to serve customers within and without its jurisdictional boundaries. The Intergovernmental Agreement (IGA) was amended and restated, in part to have the PID replace the District as a party to the IGA. The PID retains ACWWA as its management agency pursuant to this management agreement. In consideration for ACWWA's commitment to provide management service, the PID agreed to issue general obligations bonds, certify a mill levy on property within the PID at a level sufficient to make the annual debt service payments as identified in the PID's annual capital plan, thus, creating a financial benefit/burden relationship between ACWWA and the PID. ACWWA has no statutory authority to levy any taxes to finance the issuance of general obligation debt or for general operations.

A nine-member Board of Directors appointed by the Arapahoe County Board of Commissioners governs ACWWA. Two of the nine members are Board of County Commissioners. These two Board of County Commissioners appoint seven additional members to the Board creating the nine-member board.

The Arapahoe County Water and Wastewater Authority is presented as a discrete component unit within the County's financial reporting entity. This component unit is separate and distinct from the Arapahoe County Water and Wastewater Public Improvement District (PID).

E-911 Authority – The Arapahoe County E-911 Emergency Communications Service Authority (E-911 Authority) was formed in 1987 by an Intergovernmental Agreement (IGA) between Arapahoe County and various cities, towns, and fire protection districts within Arapahoe County. The E-911 Authority was formed as a separate legal entity to fund the purchase and maintenance of the E-911 network for emergency communication service. The E-911 Authority includes all of Arapahoe County with the exception of the City of Aurora. The E-911 Authority covers approximately 712 square miles and serves over 288,000 citizens.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

The E-911 Authority is governed by Colorado statutes and the IGA. The Board of Directors for the E-911 Authority are appointed to two-year terms by the Arapahoe County Board of County Commissioners pursuant to the IGA. The Board of Directors is comprised of five members: two representatives of the law enforcement community, two representatives from the fire rescue community and one at-large member.

The County provides accounting and treasury services for the E-911 Authority although the E-911 Authority publishes its own budget. The E-911 Authority is included as a discretely presented component unit within the County's financial reporting entity.

Complete financial reports are prepared for these component units with the exception of E-911 Authority. All financial information for these entities may be obtained at the following locations.

Arapahoe County Airport Authority
7800 S. Peoria St.
Englewood, CO 80112
www.centennialairport.com

Arapahoe County Water and Wastewater Authority
13031 E. Caley Avenue
Centennial, CO 80111
www.acwwa.org

E-911 Authority
5334 S. Prince St.
Littleton, CO 80120-1136

Government-wide and Fund Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole. These financial statements report information on all of the non-fiduciary activities of the primary government and its component units. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statements included in the government-wide financial statements are:

The **Statement of Net Position** - The Statement of Net Position presents information related to assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the net of all four categories being reported as the County's net position.

The **Statement of Activities** - The Statement of Activities presents information demonstrating the change in net position during the current fiscal year. The Statement of Activities reflects both the direct expenses and net cost of each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the County.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are taxes and other charges between the functions of the government, which have not been eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Separate government-wide and fund financial statements are presented, however, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary funds use the accrual basis of accounting, but have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant awards and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service funds are charges to the entity for services which include; postage, oil and gas, vehicles and insurance, and funding for the replacement of movable capital assets. Operating expenses include administrative expenses, cost of sales and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Funds - Governmental funds are used to account for the County's governmental activities. Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are both measurable and available). Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Most grant reimbursements, property taxes, franchise taxes, permits, licenses, and interest associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, unmatured interest on general long-term debt is recognized when due, and expenditures related to compensated absences and claims and judgments are recognized when the obligations have matured (i.e., expected to be liquidated with expendable available financial resources). Capital asset acquisitions are reported as expenditures in governmental funds.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those that are properly accounted for in another fund.

The **Social Services Fund** is a special revenue fund that administers human services programs under state and federal regulations. This fund accounts for the financial and protective services provided to children, families, and elderly and disabled adults. The Social Services Fund is funded primarily with local property tax as well as funds from other state and federal sources.

The **Open Spaces Sales Tax Fund** is a special revenue fund which accounts for the revenues received from the 0.25% sales and use tax originally approved by the voters in 2003 for the acquisition, development, and maintenance of open space, trails, and parks. In 2011, the voters approved the extension of the program to 2023. Several grants have been obtained for specific purposes in addition to monies contributed on joint projects by other entities. These monies are restricted by grant documents and contracts to be used solely for these projects.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Additionally, the County reports the following fund types:

The **Internal Service Funds** account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The internal service funds provide services for postage, oil and gas, vehicles, and funding for the replacement of movable capital assets. Self-insurance programs for employee benefits, property, and liability are also accounted for in these funds.

The **Fiduciary Funds** are used to account for resources held for the benefit of outside parties, including other governments. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The fiduciary funds reported by the County include the Retirement Trust Fund and Agency Funds.

The **Retirement Trust Fund** (the Plan) is a sponsored single employer defined benefit plan. All permanent, full-time employees of the County are required to become members of the plan.

The **Agency Funds** are custodial in nature and are used to account for assets that the County holds for others in an agency capacity (i.e., taxes collected by the Clerk and Recorder for the benefit of other governments). The Public Trustee's agency fund collects fees pertaining to foreclosures and deeds of trust. The Inmate Sentencing Fund holds funds on behalf of inmates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Fund Balances

Cash

All cash within the County reporting entity is deposited with the County Treasurer with the exception of: cash held for third parties in fiduciary funds, cash held by paying agents in the internal service funds, and cash held by certain discrete and blended component units. For the purpose of the cash flows statement, cash includes cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County maintains pooled cash and investments for all funds. Negative cash balances have been reclassified as interfund payables.

Investments

Investments primarily consist of US Treasury and agency obligations, corporate debt securities, and approved money market funds, all recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the plan with the assistance of a valuation service.

Property Taxes

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budget or statement of revenues, expenditures, and fund balance of the assessment year. Property taxes are initially recorded as deferred inflows of resources in the year they are levied and measurable. These deferred property tax inflows of resources are recorded as revenue in the year they are collected.

Property taxes are levied on or before December 15th of each year and attach as an enforceable lien on the property on January 1 of the subsequent year. Taxes are payable in full on April 30th or in two installments on February 28th and June 17th. The County bills and collects its own property taxes and the taxes for various other entities. Tax collection and distribution to the various taxing entities is done by the 10th of every month following the month of collection by the Treasurer.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Receivables/Payables

All trade and property tax receivables are shown net of an allowance for uncollectible. Property taxes receivable is shown net of an allowance for uncollectible of 1%.

Balances that originate from current lending/borrowing arrangements between funds are referred to as “due to/from other funds.” Advances are non-current lending/borrowing between funds. Advances between funds, as reported in the fund financial statements, are shown as nonspendable fund balance in applicable County funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts payable are generally recorded when the obligation is incurred. Debt service and claims and judgments are recorded when they become due.

Inventories and Prepaid Items

Inventories of certain items are valued at cost using a weighted average method. The costs of inventories in all other governmental funds are recorded as expenditures when purchased rather than when consumed.

Items recorded as prepaid items in both the government-wide and fund financial statements include certain payments to vendors that reflect costs applicable to future accounting periods.

Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, construction in progress, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the government as assets with an initial individual cost of \$5,000 or more. Such assets are recorded at historical cost. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. In the case of donations, the government values these capital assets at the acquisition value of the item at the date of its donation.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Bridges	75	Traffic Signals	30
Storm Drains	75	Land Improvements	25
Roads	40	Leasehold Improvements	20
Buildings and Improvements	40	Furniture and Equipment	20
Wells, Water and Sewer Mains	30	Vehicles	4-5
Treatment Plants	30		

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits up to certain limits. There is also a policy whereby the County pays the employees, upon termination, for their allowed accumulated leave. Therefore, there is a liability on the government-wide financial statements for this unpaid accumulated leave. When the amount is actually paid upon termination, the expenditure is recorded within the governmental fund. The County also has contractual employment agreements with certain department heads. Some of these contracts contain separation agreements with compensation due at conclusion of the relationship.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County has two items that qualify for reporting in this category. The first item that qualifies is the deferred charge on refunding of bonds reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred pension outflows is the other item that is being presented as a deferred outflow of resources, see Note 14 for the deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for the reporting in this category. It is for property tax revenue which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Some items are considered deferred inflows of resources under the modified accrual basis of accounting and are only reported in the governmental funds. One item that qualifies for reporting in this category is the item *unavailable revenue*. The County reports unavailable revenue from several sources: grants, a long-term receivable due from the airport authority, and delinquent property taxes. These amounts are recognized as an inflow of resources in the period the revenue becomes available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Long-term debt premiums and discounts are amortized over the term of the long-term debt. Long-term debt payable is reported net of the applicable unamortized premiums or discounts. Long-term debt issuance costs are reported as an outflow of resources.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Balance

In the fund financial statements, governmental funds report fund balance based on the extent to which the County is bound to honor constraints on the specific purpose for which funds can be spent. Fund balance classifications are based on the requirements of GASB Statement No. 54. Classifications are nonspendable, restricted, committed, assigned, and unassigned. Restricted amounts are not available for appropriation because they are legally restricted by an outside party for a specific purpose. Committed funds are funds reserved for a specific purpose by the Board of County Commissioners, funds cannot be committed or uncommitted without formal action, Board Resolution, by the Board. Assigned funds are assigned by the Board of County Commissioners for a specific purpose. Unassigned is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance. For further details on the various fund balance classifications refer to Note 18.

If both restricted and unrestricted amounts of fund balance are available for use when expenditure is incurred, it is County policy to use restricted amounts first and then unrestricted resources as they are needed. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

The Board of County Commissioners has a formal fund balance reserve policy. This policy is adopted through resolution each year for the purpose of maintaining a satisfactory level of unappropriated fund balance reserves in order to insure a continued strong financial position within the County and to conform to the requirements of the Taxpayer's Bill of Rights (TABOR). For this financial report, the amount of the Board reserves that pertains to TABOR have been separated from the total and are considered Restricted as per the definition above. The remaining amount does not meet the GASB Statement No. 54 requirements of a stabilization agreement. Instead, they are considered to be a minimum fund balance policy. Per GASB Statement No. 54, these amounts are required to be reported as part of Unassigned Fund Balance in the General Fund and Assigned Fund Balance in any other funds. The amounts approved by the Board Policy, excluding the TABOR portion, and included in Fund Balance are as follows:

General Fund	\$ 11,756,737
Social Services	1,782,733
Arapahoe Law Enforcement Authority	963,239
Road & Bridge	3,067,984

Net Position

The County reports restricted net position when constraints placed on resources are (a) externally imposed by creditors, grantors, contributors, laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Net investment in capital assets is a portion of net position that represents the County's net investment in its capital assets. The portion of net position that is categorized as unrestricted has not been classified as either net investment in capital assets or restricted net position.

Deficit Fund Balance

The following funds had deficit fund balances at December 31, 2016; Community Development Fund (\$6,594), Grant Fund (\$199,667) and the Homeland Security Fund (\$260,625). The revenue to offset the deficit is currently reported as deferred inflows of resources because it is unavailable but will be recognized as earned revenue as soon as the funds are collected.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant estimates in the financial statements include the value of the hedge and real estate funds, which are only found with the Retirement Trust Fund. Significant estimates affecting the Retirement Plan include the actuarial assumptions relating to investment rates of return and mortality tables. Actual results could differ from those estimates.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Encumbrance Accounting

The County uses encumbrance accounting as an extension of its budgetary scheme. Encumbrances are recorded when a purchase order or contract is issued. They are reduced when the related expenditure/expense is made. Encumbrances lapse at year-end but may be re-established in the subsequent year if the budget related to the encumbrance is approved by the Board of County Commissioners to be reappropriated to the subsequent year or if the subsequent year's budget is adequate to cover the amount of the rolled over encumbrance. The County does not restrict any fund balance for encumbrances unless those amounts are restricted for a specific purpose under GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions.

Implementation of New Accounting Pronouncement

Effective December 31, 2016, the County implemented the provisions of GASB Statement No. 72, *Fair Value Measurements and Application*, which is effective for financial statement periods beginning after June 30, 2015. GASB Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The County carried investments affected by the implementation described in Note 4.

Effective December 31, 2016, the County implemented the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*, which is effective for financial statement periods beginning after December 15, 2015. GASB Statement No. 77 requires the disclosure of information about the nature and magnitude of tax abatements. See Note 20 for more information.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 2: RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position.

The governmental fund Balance Sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$360,541,693) is as follows:

General Obligation Bonds Payable	\$ (136,900,000)
Less: Net Bond Discount/Premium	(2,005,723)
Certificates of Participation Payable	(19,465,000)
Less: Net Payable Discount/Premium	(1,791,405)
Note Payable	(7,350,502)
Plus: Premium on Note Payable	(95,808)
Capital Leases Payable	(16,844,104)
Landfill - Post Closure Costs Payable	(100,000)
Compensated Absences	(12,844,760)
Total Long Term Debt	<u>(197,397,302)</u>
Accrued Interest Payable	(696,562)
Net Pension Liability	(161,887,574)
Social Services Advance from State	<u>(560,255)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u><u>\$ (360,541,693)</u></u>

Another element of that reconciliation states that “other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.” The details of this \$310,452 is as follows:

Receivables:	
Delinquent Property Taxes	\$ 12,119
Grants	<u>298,333</u>
Net adjustment to increase total governmental funds to arrive at net position - governmental activities	 <u><u>\$ 310,452</u></u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide Statement of Activities.

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$6,787,942) difference are as follows:

Capital Outlay	\$ 14,024,761
Depreciation Expense	<u>(20,812,703)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (6,787,942)</u>

Another element of that reconciliation states that "the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position." The details of this \$17,622 difference are as follows:

The net book value of a capital assets that were sold would decrease the net position in the statement of activities, but do not appear in governmental because they are not financial resources.	<u>\$ 17,622</u>
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Another element of that reconciliation states that "revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds." The details of this \$306,452 difference are as follows:

Grants	\$ 294,333
Delinquent Property Taxes	<u>12,119</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 306,452</u>

Another element of that reconciliation states that "some revenues reported in the governmental funds have been reported in the Statement of Activities in prior periods." The details of this (\$2,562,563) difference are as follows:

Lease Purchase Payment from Airport Authority	\$ (1,585,000)
Unavailable Revenue	<u>(977,563)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (2,562,563)</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Another element of that reconciliation states that "some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this (\$11,770,674) difference are as follows:

Compensated Absences Expense	\$ (1,086,808)
Pension Expense	(20,178,016)
Employer Contributions	9,298,210
Accrued Interest	95,940
Landfill Expense	<u>100,000</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$ (11,770,674)</u></u>

NOTE 3: LEGAL COMPLIANCE - BUDGETS

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP).

The budgets for the proprietary funds are not adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP), as capital outlay and debt service are budgeted as expenditures and bond proceeds, contributed capital and equity transfers are budgeted as revenues.

Arapahoe County utilizes the encumbrance method of recording commitments related to unperformed contracts for goods and services during the year. Due to the County's integrated accounting and budgetary control system, appropriations are considered to lapse at year-end. Related amounts are reappropriated in the following year.

On or before August 15th of each year, elected officers, directors and department heads submit revenue estimates and expenditure requests to the Budget Manager, the official charged with organizing an overall County budget for submission to the Board of County Commissioners. On or before August 25th of each year, the County Assessor submits the current total assessed valuations for all taxing entities in the County and the factors needed to compute the statutory property tax revenue limits. The Budget Manager then submits a balanced budget to the Board on or before October 15th.

The Board of County Commissioners posts and publishes notice that the budget has been received and is open for inspection by the public and notice of the date of the scheduled public hearing at which any elector of the County may register an objection to the proposed budget. The budget must be adopted by December 15th of each year.

All property tax mill levies must be certified by the Board of County Commissioners on or before December 22nd of each year. Prior to the beginning of the next fiscal year, the Board of County Commissioners enacts an appropriating resolution to approve the total budget and departmental expenditures. Expenditures for each fund may not legally exceed budgeted expenditures at the individual fund level. By County policy, expenditures in the General Fund cannot exceed the appropriated departmental level. Neither the Board of County Commissioners nor any County officers can expend money for any of the purposes set out in the appropriation resolution in excess of the amount appropriated. The Budget Manager may transfer budget amounts between line items as long as the total budget for the fund or General Fund department is not exceeded. Any revisions to the total appropriation of any fund must be approved by a supplemental appropriation resolution by the Board of County Commissioners. A few supplemental appropriation resolutions were enacted and filed with the Division of Local Government, State of Colorado. Supplemental appropriations for the current year have been approved by the Board of County Commissioners in the following year.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 4: CASH, DEPOSITS, INVESTMENTS, AND RESTRICTED ASSETS

A summary of Cash and Investments for the Primary Government and Fiduciary Funds, (excluding the Retirement Trust Fund – see Note 14) and discretely presented component units are as follows:

	Primary Government	Discrete Component Units	Agency Funds	Total Reporting Entity
Cash and Investments	\$ 144,366,922	\$ 41,904,840	\$ 27,560,069	\$ 213,831,831
Restricted Cash and Investments	45,063,090	10,654,426	734,659	56,452,175
Total Cash and Investments	\$ 189,430,012	\$ 52,559,266	\$ 28,294,728	\$ 270,284,006
Total Cash Deposits (including CD's)				\$ 93,465,930
Total Investments				176,818,076
Total Cash Deposits and Investments				\$ 270,284,006

Restricted Cash and Investments are recorded for the following purposes:

	Primary Government	Discrete Component Units	Agency Funds	Total Reporting Entity
Debt Reserves	\$ -	\$ 7,674,873	\$ -	\$ 7,674,873
Debt Proceeds	1,200,000	-	-	1,200,000
Capital Projects	-	2,979,553	-	2,979,553
Legal/Contractual Obligations	43,863,090	-	-	43,863,090
Public Trustee Statutory Reserve	-	-	734,659	734,659
Total Restricted Cash and Investments	\$ 45,063,090	\$ 10,654,426	\$ 734,659	\$ 56,452,175

Deposits

Colorado State Statutes, specifically the Public Deposit Protection Act (PDPA) of 1989, require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral for any amounts in excess of the required Federal Deposit Insurance Corporation (FDIC) amount, as promulgated by the Colorado Division of Banking, having a market value in excess of 102% of the aggregate uninsured public deposits. At December 31, 2016, the County's carrying amount of cash deposits was \$51,685,673. Of the County's bank balances totaling \$60,543,948, \$1,701,128 was covered by FDIC and \$58,842,820 was collateralized under PDPA. The component units' carrying amount of deposits with banks was \$49,798,110 and the bank balance was \$49,842,602.

Investments

Significant portions of cash in the discretely presented component units and the agency funds are pooled with primary government cash and then invested in the most advantageous manner to the reporting entity as a whole. It is not possible to determine how much discretely presented component unit cash was invested in a certain way. Therefore, this investment section is presented for the entire reporting entity, including the Agency Funds.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Authorized Investments

The County has adopted a formal investment policy that limits the County's investments to investments within the confines of the Colorado Revised Statutes, sections: 30-10-708, 11-10.5-101, 24-75-601, 24-75-603 & 24-75-702. Investments authorized under these statutes include:

- Obligations of the United States and certain U.S. government agency securities and World Bank
- Certain international agency securities
- General obligation and revenue bonds of local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2016, the County had the following investments:

Investment Type	Investment Maturities		
	Less than 1 Year	1-5 Years	Total
Primary Government and Agency Funds:			
U.S. Agency Securities:			
Federal Farm Credit Bank	\$ -	\$ 17,597,731	\$ 17,597,731
Federal Home Loan Bank	-	10,006,705	10,006,705
Federal Home Loan Mortgage Corporation	-	9,958,505	9,958,505
Federal National Mortgage Association	10,002,580	14,872,900	24,875,480
Local Government Investment Pools	20,889,831	-	20,889,831
Corporate Bonds	20,002,163	45,872,405	65,874,568
Commercial Paper	4,976,720	-	4,976,720
Money Market Funds	674,855	-	674,855
U.S. Treasury Obligations	7,502,735	10,087,890	17,590,625
U.S. Govt Money Market Funds	1,611,900	-	1,611,900
Total Primary Government and Agency Funds	\$ 65,660,784	\$ 108,396,136	\$ 174,056,920
Component Units:			
Local Government Investment Pools	\$ 1,910,823	\$ -	\$ 1,910,823
U.S. Agency Securities:			
Federal Home Loan Bank - Bond	305,518	-	305,518
TVA Bond	-	283,966	283,966
Local Government Bond			
Tennessee Valley Authority	260,849	-	260,849
Total Component Units	\$ 2,477,190	\$ 283,966	\$ 2,761,156
Total Investments	\$ 68,137,974	\$ 108,680,102	\$ 176,818,076

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

As of December 31, 2016, the County had invested in local government investment pools which include the Colorado Local Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE). The local government investment pools are investment vehicles which were established for local government entities in Colorado to pool surplus funds. Both pools are similar to money market funds, with each share valued at \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, Federal Instrumentality Securities, Agency Securities, Collateralized Bank Deposits, Repurchase Agreements, and Tri-Party Repurchase Agreements. COLOTRUST PLUS+ may also invest in Commercial Paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and highly rated corporate bonds. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal mechanisms of the pooled funds. The custodian's internal records identify the investments owned by each pool investor. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. As of December 31, 2016, the County, including component units, had \$1,941,974 invested in COLOTRUST and \$20,858,680 invested in CSAFE.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization including Standards & Poor's (S&P), Moody's Investor Service (Moody's) and Fitch Ratings (Fitch). The following table displays the ratings for the County's investments at December 31, 2016:

Investment Type	S&P AAAm	S&P AAA	S&P AA+	S&P AA-	S&P AA	S&P A-1+	S&P A-1	S&P A+	Total
Primary Govt and Agency Funds:									
U.S. Agency Securities:									
Federal Farm Credit Bank	\$ -	\$ -	\$ 17,597,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,597,731
Federal Home Loan Bank	-	-	10,006,705	-	-	-	-	-	10,006,705
Federal Home Loan Mortgage Corporation	-	-	9,958,505	-	-	-	-	-	9,958,505
Federal National Mortgage Association	-	-	24,875,480	-	-	-	-	-	24,875,480
Local Government Investment Pools	20,889,831	-	-	-	-	-	-	-	20,889,831
Corporate Bonds	-	4,932,765	10,056,905	39,956,158	6,513,104	-	-	4,415,636	65,874,568
Commercial Paper	-	-	-	-	-	-	4,976,720	-	4,976,720
Money Market Funds	674,855	-	-	-	-	-	-	-	674,855
U.S. Treasury Obligations	-	-	17,590,625	-	-	-	-	-	17,590,625
U.S. Govt Money Market Funds	1,611,900	-	-	-	-	-	-	-	1,611,900
Total Primary Govt and Agency Funds	\$ 23,176,586	\$ 4,932,765	\$ 90,085,951	\$ 39,956,158	\$ 6,513,104	\$ -	\$ 4,976,720	\$ 4,415,636	\$ 174,056,920
Component Units:									
Local Government Investment Pools	\$ 1,910,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,910,823
U.S. Agency Securities:									
Federal Home Loan Bank - Bond	-	-	-	-	-	305,518	-	-	305,518
TVA Bond	-	-	283,966	-	-	-	-	-	283,966
Local Government Bond	-	-	-	-	-	-	-	-	-
Tennessee Valley Authority	-	-	260,849	-	-	-	-	-	260,849
Total Component Units	\$ 1,910,823	\$ -	\$ 544,815	\$ -	\$ -	\$ 305,518	\$ -	\$ -	\$ 2,761,156
Total Investments	\$ 25,087,409	\$ 4,932,765	\$ 90,630,766	\$ 39,956,158	\$ 6,513,104	\$ 305,518	\$ 4,976,720	\$ 4,415,636	\$ 176,818,076

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's safekeeping bank must meet the following requirements under the County's investment policy; the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis, ownership of all securities shall be perfected in the name of the County Treasurer, and sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. At December 31, 2016, all of the County's investments are held in the name of the County.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment instrument, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy maintains that the portfolio is to remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. One of the ways the County manages its exposure to interest rate risk is by laddering maturities evenly to provide continuous cash flow and liquidity needed for operations. In accordance with its investment policy, the County's investments are limited to maturities not exceeding five years from the date of trade settlement.

Concentrations Risk

Concentration risk is the risk of loss attributed to the magnitude of the County's investments in a single issuer. The County's investment policy states that the County shall diversify its investments to avoid incurring unreasonable risks inherent in over-investment in specific instruments, individual financial institutions or maturities. The County seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the County to meet its anticipated cash requirements. Investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of the County's total investments are as follows:

Investment Type	Fair Value	Percent of Investment Portfolio
Federal National Mortgage Association	\$ 24,875,480	14%
Federal Farm Credit Bank	17,597,731	10%
Treasury Note	17,590,625	10%
Apple Inc.	10,056,905	6%
Federal Home Loan Bank	10,006,705	6%
U.S. Bank NA	9,995,260	6%
Toyota Motor Credit	9,985,143	6%
Wells Fargo Bank NA	9,975,690	6%
Federal Home Loan Mortgage Corporation	9,958,505	6%

The component units' investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of the component units' total investments are as follows:

Investment Type	Fair Value	Percent of Investment Portfolio
Federal Home Loan Bank - Bond	\$ 305,518	11%
TVA Bond	283,966	10%
Local Government Bond	260,849	9%

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an Investment. All of the County's investments, including its holdings in foreign corporate bonds, are denominated in U.S. currency and therefore, not subject to foreign currency risk.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2016.

Investment	12/31/2016	Level 1	Level 2	Level 3
U.S. Agency Securities	\$ 62,438,421	\$ -	\$ 62,438,421	\$ -
U.S. Treasury Obligations	17,590,625	17,590,625	-	-
Corporate Bonds	65,874,568	-	65,874,568	-
Commercial Paper	4,976,720	-	4,976,720	-
	<u>150,880,334</u>	<u>\$ 17,590,625</u>	<u>\$ 133,289,709</u>	<u>\$ -</u>

Amortized Cost:

Local Government Investment Pools	20,889,831
U.S. Govt Money Market Funds	1,611,900
Money Market Funds	<u>674,855</u>
	<u>\$ 174,056,920</u>

NOTE 5: INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivable and payable balances arise due to short-term cash flow needs in certain non-major governmental funds. At December 31, 2016, the balances are as follows:

	Due To	Due From
General Fund	\$ 1,027,486	\$ -
Non-Major Governmental Funds	-	1,027,486
Total	<u>\$ 1,027,486</u>	<u>\$ 1,027,486</u>

During 2016, the County transferred monies among various funds; the principal reason for the transfers was to support the ongoing operations of the receiving fund. The transfers between funds are as follows:

	Transfers In	Transfers Out
General Fund	\$ 3,682,667	\$ 11,771,529
Social Services Fund	-	3,600,000
Open Spaces Sales Tax Fund	10,000	186,132
Internal Service Funds	1,777,558	548,913
Non-Major Governmental Funds	20,563,569	9,927,220
Total	<u>\$ 26,033,794</u>	<u>\$ 26,033,794</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 6: CAPITAL ASSETS

Primary Government

The capital asset activity for the Arapahoe County primary government as of December 31, 2016 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 42,904,317	\$ -	\$ -	\$ -	\$ 42,904,317
Easements	4,322,860	-	-	-	4,322,860
Right of Ways	309,985,260	-	-	-	309,985,260
Water Rights	51,616,042	-	-	-	51,616,042
Construction in Progress	18,310,927	1,635,435	(18,310,927)	-	1,635,435
Total Capital Assets Not Being Depreciated	427,139,406	1,635,435	(18,310,927)	-	410,463,914
Capital Assets Being Depreciated:					
Land Improvements	14,736,892	2,198,771	5,775,288	-	22,710,951
Buildings	314,340,943	6,213,574	6,315,981	(31,900)	326,838,598
Furniture and Equipment	66,358,204	8,177,186	755,161	(6,631,843)	68,658,708
Infrastructure	343,063,180	2,623,938	5,464,497	-	351,151,615
Total Capital Assets Being Depreciated	738,499,219	19,213,469	18,310,927	(6,663,743)	769,359,872
Less Accumulated Depreciation:					
Land Improvements	(3,538,983)	(813,625)	-	-	(4,352,608)
Buildings	(130,083,827)	(9,818,444)	-	31,904	(139,870,367)
Furniture and Equipment	(47,426,058)	(6,292,778)	-	6,629,809	(47,089,027)
Infrastructure	(135,613,474)	(8,160,770)	-	-	(143,774,244)
Total Accumulated Depreciation	(316,662,342)	(25,085,617)	-	6,661,713	(335,086,246)
Total Capital Assets Being Depreciated, Net	421,836,877	(5,872,148)	18,310,927	(2,030)	434,273,626
Total Primary Government Capital Assets, Net	\$ 848,976,283	\$ (4,236,713)	\$ -	\$ (2,030)	\$ 844,737,540

Depreciation expense was charged to functions/programs of the primary government during the year ended December 31, 2016 as follows:

Governmental Activities

General Government	\$ 6,307,277
Public Safety	5,942,737
Judicial Services	80,525
Health and Welfare	899,175
Highways and Streets	7,587,585
Water and Wastewater	3,449,990
Culture and Recreation	818,328
Total Governmental Activities Depreciation Expense	<u>\$ 25,085,617</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Discretely presented component units

Capital asset activity for the E-911 Authority for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 3,530,995	\$ -	\$ -	\$ 3,530,995
Total Capital Assets Being Depreciated	3,530,995	-	-	3,530,995
Less Accumulated Depreciation:				
Furniture and Equipment	(3,498,254)	(32,741)	-	(3,530,995)
Total Accumulated Depreciation	(3,498,254)	(32,741)	-	(3,530,995)
Total E-911 Capital Assets, Net	<u>\$ 32,741</u>	<u>\$ (32,741)</u>	<u>\$ -</u>	<u>\$ -</u>

Capital asset activity for the Arapahoe County Public Airport Authority for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 26,231,427	\$ -	\$ -	\$ -	\$ 26,231,427
Construction in Progress	13,697,985	5,318,294	(13,082,151)	-	5,934,128
Total Capital Assets Not Being Depreciated	39,929,412	5,318,294	(13,082,151)	-	32,165,555
Capital Assets Being Depreciated:					
Site Improvements	1,014,026	-	-	-	1,014,026
Buildings and Improvements	17,685,289	365,925	-	(4,515)	18,046,699
Runways, Taxiways and Ramps	41,337,742	-	12,968,764	-	54,306,506
Furniture and Equipment	8,978,911	544,325	113,387	(746,707)	8,889,916
Total Capital Assets Being Depreciated	69,015,968	910,250	13,082,151	(751,222)	82,257,147
Less Accumulated Depreciation:					
Site Improvements	(592,500)	(25,416)	-	-	(617,916)
Buildings and Improvements	(15,239,564)	(353,326)	-	2,709	(15,590,181)
Runways, Taxiways and Ramps	(30,476,566)	(3,202,374)	-	-	(33,678,940)
Furniture and Equipment	(5,451,760)	(751,794)	-	675,725	(5,527,829)
Total Accumulated Depreciation	(51,760,390)	(4,332,910)	-	678,434	(55,414,866)
Total Capital Assets Being Depreciated, Net	17,255,578	(3,422,660)	13,082,151	(72,788)	26,842,281
Total Airport Authority Capital Assets, Net	<u>\$ 57,184,990</u>	<u>\$ 1,895,634</u>	<u>\$ -</u>	<u>\$ (72,788)</u>	<u>\$ 59,007,836</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Capital Asset Activity for the Arapahoe County Water and Wastewater Authority for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,063,196	\$ -	\$ -	\$ 2,063,196
Water Rights	87,095,406	863,112	-	87,958,518
Construction in Progress	1,198,940	4,741,825	3,932,730	2,008,035
Total Capital Assets Not Being Depreciated	90,357,542	5,604,937	3,932,730	92,029,749
Capital Assets Being Depreciated:				
Water System	46,474,932	2,531,718	17,546	48,989,104
Sewer System	15,569,015	261,700	-	15,830,715
Water rights	40,745,765	206,250	-	40,952,015
Buildings, Equipments, and Projects	3,862,053	-	-	3,862,053
Total Capital Assets Being Depreciated	106,651,765	2,999,668	17,546	109,633,887
Less Accumulated Depreciation:				
Water System	(13,884,136)	(1,987,417)	17,546	(15,854,007)
Sewer System	(10,180,237)	(628,588)	-	(10,808,825)
Water Right Depletion	(1,558,008)	(84,565)	-	(1,642,573)
Buildings, Equipments, and Projects	(2,951,948)	(239,590)	-	(3,191,538)
Total Accumulated Depreciation	(28,574,329)	(2,940,160)	17,546	(31,496,943)
Total Capital Assets Being Depreciated, Net	78,077,436	59,508	-	78,136,944
Total Arapahoe County Water and Wastewater Authority Capital Assets, Net	\$ 168,434,978	\$ 5,664,445	\$ 3,932,730	\$ 170,166,693

NOTE 7: DEFERRED INFLOWS OF RESOURCES – UNAVAILABLE REVENUE

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide Statement of Net Position as well as the governmental funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability classified under the category: deferred inflows of resources.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e. measurable and available to finance expenditures of the current period). Governmental funds report deferred inflows of resources in connection with receivables for revenues not considered available to liquidate liabilities of the current period. The County considers revenues available if they are collected within 60 days after year-end. At December 31, 2016, items considered unavailable to finance expenditures of the current fiscal period totaled \$306,452.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 8: CAPITAL COMMITMENTS

The County has contractual commitments for capital construction projects, capital asset purchase contracts, information technology and communication services, professional services, rent and other services as of December 31, 2016. These encumbrances are re-appropriated against the subsequent year's budget. The amount of these commitments re-appropriated at year end was:

Fund	Amount
General Fund	\$ 1,495,135
Social Services	87,336
Open Spaces Sales Tax	37,704,133
Nonmajor Governmental	28,202,380
Total Governmental Funds	67,488,984
Central Services	4,349,183
Self-Insurance Liability Fund	21,665
Workers Compensation Fund	460,982
Total Internal Service Funds	4,831,830
Grand Total	\$ 72,320,814

Developers contribute funds to the County to help pay for County infrastructure costs related to their developments. The contributions are recorded as revenue in the capital project funds. These infrastructure projects are typically completed after the contributions are received and recorded as revenue. The probability that the County will ultimately fail to complete a project for which a developer has contributed funds is remote and does not justify the recording of a liability in the financial statements. During 2016, \$305,860 was contributed to the County by developers and is recorded as revenue for which development improvement projects must be completed by the County in the future.

NOTE 9: DEFERRED COMPENSATION PLANS

The County offers its employees an opportunity to participate voluntarily in a deferred compensation plan. This plan, created in accordance with Internal Revenue Code Section 457, is maintained by a third party administrator, International City Management Association Retirement Corporation (ICMA-RC). The plan permits employees to defer a portion of their salary until future years. In 2016, employees could voluntarily elect to have amounts withheld from their compensation up to age of 50 to \$18,000 per year and above the age of 50 to \$24,000 per year. The amounts withheld are deposited to each participant's account, according to each participant's investment direction, making the plan funded. The deferred compensation balance is not available to employees until termination, retirement, death, or an unforeseeable emergency.

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the County established trusts to hold the assets of the plans' and modified the documents to state that the plan is "held in trust for the exclusive benefit of participants and their beneficiaries." As such, the plans' assets are not the property and right of the County, and therefore, are not reflected in the government-wide financial statements of the County.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 10: CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2016 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds payable					
ACWWA PID 2009 A&B Bonds	\$ 56,075,000	\$ -	\$ -	\$ 56,075,000	\$ -
ACWWA PID 2012 Refunding Bonds	56,345,000	-	1,235,000	55,110,000	1,395,000
ACWWA PID 2015 Refunding Bonds	25,830,000	-	115,000	25,715,000	120,000
Premiums/Discounts	2,331,034	-	325,311	2,005,723	-
Total Bonds Payable	<u>140,581,034</u>	<u>-</u>	<u>1,675,311</u>	<u>138,905,723</u>	<u>1,515,000</u>
Notes payable:					
ACWWA PID - 2006	8,457,208	-	1,106,706	7,350,502	1,139,740
Premiums/Discounts	125,181	-	29,373	95,808	-
Total Notes Payable	<u>8,582,389</u>	<u>-</u>	<u>1,136,079</u>	<u>7,446,310</u>	<u>1,139,740</u>
Certificates of participation payable:					
Judicial Complex Refunding	1,585,000	-	1,585,000	-	-
2015 Refunding of 2006 COP	23,010,000	-	3,545,000	19,465,000	3,550,000
Premiums/Discounts	2,197,005	-	405,600	1,791,405	-
Total Certificates of Participation Payable	<u>26,792,005</u>	<u>-</u>	<u>5,535,600</u>	<u>21,256,405</u>	<u>3,550,000</u>
Capital leases:					
Parkland	2,039,837	-	128,985	1,910,852	135,290
District Attorney Office Building	1,808,223	-	594,673	1,213,550	602,705
Lima Ridge	8,119,171	-	387,906	7,731,265	405,727
Fairgrounds Expansion Project	6,359,950	-	371,513	5,988,437	382,763
Total Capital Leases	<u>18,327,181</u>	<u>-</u>	<u>1,483,077</u>	<u>16,844,104</u>	<u>1,526,485</u>
Landfill - Post closure costs payable	200,000	-	100,000	100,000	100,000
Compensated absences	11,757,948	10,910,600	9,823,788	12,844,760	1,378,960
Total Long-term Liabilities	<u>\$ 206,240,557</u>	<u>\$ 10,910,600</u>	<u>\$ 19,753,855</u>	<u>\$ 197,397,302</u>	<u>\$ 9,210,185</u>

The Arapahoe County Water and Wastewater Public Improvement District (PID) Bonds are paid out of a Capital Projects Fund. All other General Long-Term Debt (except compensated absences) is paid for out of the Debt Service Funds. The County will liquidate compensated absences in the General, Social Services, Arapahoe Law Enforcement Authority District, Arapahoe/Douglas Works, Road & Bridge, Sheriff's Commissary, Housing and Community Development, Grant and Open Spaces Sales Tax Funds.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Bonds

Arapahoe County Water and Wastewater Public Improvement District 2009 Series A & B Bonds

On December 16, 2009, the Arapahoe County Water and Wastewater Public Improvement District 2009 Series A & B Bonds were issued in the amount of \$56,075,000 with fixed interest rates between 4.25% and 6.48%. The bonds were issued to finance the acquisition of water rights and to capitalize interest and the costs of issuing the bonds. The County is eligible to receive an interest subsidy credit on its interest payments for these bonds subject to Section 6431 of the Internal Revenue Code. Future debt payments are as follows:

Date	Principal	Interest	Total
2017	\$ -	\$ 3,533,898	\$ 3,533,898
2018	-	3,533,897	3,533,897
2019	-	3,533,898	3,533,898
2020	-	3,533,897	3,533,897
2021	-	3,533,898	3,533,898
2022-2026	530,000	17,659,712	18,189,712
2027-2031	2,620,000	17,364,852	19,984,852
2032-2036	15,265,000	16,463,482	31,728,482
2037-2039	37,660,000	4,998,996	42,658,996
Total	\$ 56,075,000	\$ 74,156,530	\$ 130,231,530

Arapahoe County Water and Wastewater Public Improvement District Series 2012 Refunding Bonds

On September 27, 2012, the Arapahoe County Water & Waste Water Public Improvement District issued General Obligation Refunding Bonds in the amount of \$59,020,000 to refund the Arapahoe County Water & Wastewater Public Improvement District 2002 Series A & B Bonds. The fixed interest rates of these bonds range from 2.25% to 4.00%.

The refunding of the Arapahoe County Water & Wastewater Public Improvement District 2002 Series A & B Bonds resulted in a deferred outflow of resources of \$776,699 as of December 31, 2016 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

Date	Principal	Interest	Total
2017	\$ 1,395,000	\$ 1,645,825	\$ 3,040,825
2018	1,605,000	1,590,025	3,195,025
2019	1,840,000	1,525,825	3,365,825
2020	2,065,000	1,470,625	3,535,625
2021	2,330,000	1,388,025	3,718,025
2022-2026	15,715,000	5,852,988	21,567,988
2027-2031	24,095,000	3,195,300	27,290,300
2032	6,065,000	181,950	6,246,950
Total	\$ 55,110,000	\$ 16,850,563	\$ 71,960,563

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Arapahoe County Water and Wastewater Public Improvement District General Obligation Refunding Bonds, Series 2015

On June 23, 2015, the Arapahoe County Water & Waste Water Public Improvement District issued General Obligation Refunding Bonds, Series 2015 in the amount of \$25,930,000 with fixed interest rates ranging from 2% to 5%.

The refunding of the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds resulted in a deferred outflow of resources of \$37,707 as of December 31, 2016 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

Date	Principal	Interest	Total
2017	\$ 120,000	\$ 1,023,106	\$ 1,143,106
2018	120,000	1,018,306	1,138,306
2019	125,000	1,012,306	1,137,306
2020	130,000	1,006,056	1,136,056
2021	135,000	999,556	1,134,556
2022-2026	4,815,000	4,547,031	9,362,031
2027-2031	2,250,000	3,614,725	5,864,725
2032-2035	18,020,000	2,036,800	20,056,800
Total	\$ 25,715,000	\$ 15,257,886	\$ 40,972,886

Notes Payable

Arapahoe County Water and Wastewater Public Improvement District 2006 Colorado Water Resources and Power Development Authority Drinking Water Fund Long-term Note Payable

The Arapahoe County Water and Wastewater Public Improvement District entered into a long-term note payable with the Colorado Water Resources and Power Development Authority on November 1, 2006. This long-term note payable financed a joint water purification project being constructed with the Cottonwood Water and Sanitation District, including production wells, a pumping station and transmission pipelines. The note was for \$16,049,975 with an average interest rate of 4.075%. Future debt payments are as follows:

Date	Principal	Interest	Total
2017	1,139,740	306,140	\$ 1,445,880
2018	1,161,764	282,860	1,444,624
2019	1,189,294	259,130	1,448,424
2020	1,211,320	233,485	1,444,805
2021	1,288,404	158,396	1,446,800
2022	1,359,980	88,278	1,448,258
Total	\$ 7,350,502	\$ 1,328,289	\$ 8,678,791

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Certificates of Participation

All Certificates of Participation are paid from a debt service fund.

Judicial Complex Refunding Certificates of Participation

On September 3, 2002, the Judicial Complex Refunding Certificates of Participation were issued by the Arapahoe County Building Finance Corporation in the amount of \$15,760,000 with an average interest rate of 4.57% to refund the existing Certificates of Participation in the amount of \$14,850,000 for the purpose of lowering interest rates. The certificates are secured by the County Judicial Complex and are an obligation of the County. The revenue source to pay the certificates is outlined in an agreement with the Arapahoe County Airport Authority. In the event that the Airport Authority could not meet the payment schedule, the County would still need to make the payments on the certificates to avoid a default. As of December 31, 2016, the Judicial Complex Refunding Certificates of Participation were fully paid off.

2015 COP Refunding

On December 9, 2015, the County issued Refunding Certificates of Participation, Series 2015 in the amount of \$23,010,000 with fixed interest rates ranging from 2% to 5%.

The refunding of the Certificate of Participation Series 2006 resulted in a deferred outflow of resources of \$599,894 as of December 31, 2016 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

Date	Principal	Interest	Total
2017	\$ 3,550,000	\$ 773,200	\$ 4,323,200
2018	3,710,000	645,750	4,355,750
2019	3,870,000	494,150	4,364,150
2020	4,055,000	315,375	4,370,375
2021	4,280,000	107,000	4,387,000
Total	<u>\$ 19,465,000</u>	<u>\$ 2,335,475</u>	<u>\$ 21,800,475</u>

Capital Leases

The following leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

Parkland Lease Purchase-Zions First National Bank

The County entered into a lease purchase agreement with Zions First National Bank on November 15, 2007. The lease financed the purchase of park and open space land in the Dove Valley subdivision adjacent to the Arapahoe Community Park.

The gross assets acquired under the lease were \$2,600,000. This is a land purchase and not subject to depreciation.

Payments of \$225,970 including principal and interest accruing at 4.829% are due semi-annually.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Date	Principal	Interest	Total
2017	\$ 135,290	\$ 90,680	\$ 225,970
2018	141,903	84,067	225,970
2019	148,840	77,130	225,970
2020	156,115	69,855	225,970
2021	163,747	62,223	225,970
2022-2026	946,919	182,929	1,129,848
2027	218,038	7,930	225,968
Total	\$ 1,910,852	\$ 574,814	\$ 2,485,666

District Attorney Office Building Lease Purchase

The County entered into a lease agreement with JPMorgan Chase Bank, N.A. on September 17, 2008 for a building located at 6450 South Revere Parkway, Centennial, Colorado. The District Attorney's office relocated to this building in 2009 as it was necessary to expand and re-configure the Justice Center due to growth. The District Attorney Building lease purchase was refinanced on August 12, 2014 to take advantage of lower interest rates that resulted in lower debt service payments. The 2014 refinancing was issued in the amount of \$2,722,849. The final maturity date was not changed.

The amount of gross assets acquired under the lease was \$5,275,000. The accumulated depreciation is \$1,065,990. The net book value is \$4,209,010. The depreciation expense was \$131,875 for the year ended December 31, 2016.

Date	Principal	Interest	Total
2017	\$ 602,705	\$ 14,315	\$ 617,020
2018	610,845	6,174	617,019
Total	\$ 1,213,550	\$ 20,489	\$ 1,234,039

Lima Ridge Lease Purchase

The County entered into a lease agreement with Banc of America Public Capital Corp. on May 19, 2011. The lease financed the purchase of the Lima Ridge Professional Center located at 6924 South Lima Street, Centennial, Colorado.

The gross assets purchased with the lease proceeds is \$9,650,000. The accumulated depreciation is \$2,465,926 with a net book value of \$7,184,074. The depreciation expense was \$412,860 for the year ended December 31, 2016.

Payments including principal and interest accrue at 4.5% and are due in monthly installments from May 2011 through December 2030.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Date	Principal	Interest	Total
2017	\$ 405,727	\$ 339,607	\$ 745,334
2018	424,366	320,968	745,334
2019	443,861	301,472	745,333
2020	464,252	281,081	745,333
2021	485,580	259,754	745,334
2022-2026	2,783,725	942,942	3,726,667
2027-2030	2,723,754	257,578	2,981,332
Total	<u>\$ 7,731,265</u>	<u>\$ 2,703,402</u>	<u>\$ 10,434,667</u>

Fairgrounds Expansion Project Lease Purchase

On August 12, 2014, the County entered into a lease agreement with JPMorgan Chase Bank, N.A., to finance the expansion of the west side of the County Fairgrounds exhibition hall and to construct an outdoor horse arena for equestrian and livestock events.

The total lease purchase was \$9,443,393 of which \$2,722,849 was used to refinance the lease for the District Attorney's Office Building. The remaining \$6,720,544 is being used to finance the Fairgrounds Expansion Project.

The gross assets purchased in 2014 with the lease proceeds is \$274,862. In 2015 additional assets were acquired in the amount of \$5,274,940. In 2016 additional assets were acquired in the amount of \$1,099,984, this equates the book value to \$6,649,786 for the year ended December 31, 2016. The accumulated depreciation is \$18,770 with a net book value of \$6,631,016. The depreciation expense was \$18,770 for the year ended December 31, 2016.

Semi-annual payments are due for the period August 2014 through August 2029. The average interest rate is 2.84% per annum.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Date	Principal	Interest	Total
2017	\$ 382,763	\$ 177,137	\$ 559,900
2018	394,354	165,546	559,900
2019	406,296	153,604	559,900
2020	418,600	141,300	559,900
2021	431,276	128,624	559,900
2022-2026	2,360,373	439,127	2,799,500
2027-2029	1,594,775	84,926	1,679,701
Total	<u>\$ 5,988,437</u>	<u>\$ 1,290,264</u>	<u>\$ 7,278,701</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Landfill – Post-Closure Costs

The County previously owned and operated a landfill. The County did not estimate or accrue post-closure costs while the landfill was in operation. This landfill was closed in 1987 and is no longer in operation. The County shares remedial action costs with Waste Management Inc. The County pays 75% of the remedial costs. The County pays for all post-closure costs. Each year Waste Management bills the County when actual costs have been determined. The County's cost for the past year was \$118,092. When the landfill was closed in 1987 the State Department of Public Health and Environment placed the landfill on a 30-year monitoring program. After 30 years, provided all testing was satisfactory, the County would no longer be liable for ongoing monitoring costs. Discussions with the State have indicated that while it is not definite, there has been nothing yet to suggest that monitoring will be required after the initial 30-year period. That could change if circumstances warrant but it seems to be the best projection currently available. Costs have averaged just under \$100,000 annually for the last ten years. Discussions with Waste Management indicate that there is no additional balloon or one-time costs at the end of the monitoring period. Therefore, the best estimate of liability is \$100,000 with \$100,000 being payable within one year. However, the actual post-closure costs may be higher or lower due to inflation/deflation and changes in technology or in applicable laws and regulations. This amount is recorded as a long-term liability, due within one year, on the government-wide financial statements as of December 31, 2016.

NOTE 11: DISCRETELY PRESENTED COMPONENT UNIT DEBT

Details of the debt for each of the component units can be found in their individual financial statements. Following is a discussion of the debt that is particularly relevant to the relationship between the component unit and the Primary Government.

Arapahoe County Public Airport Authority

Long-term liability activity for the year ended December 31, 2016, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital Lease Payable	\$ 1,585,000	\$ -	\$ 1,585,000	\$ -	\$ -
Notes Payable	1,466,662	-	852,055	614,607	614,607
Net Unamortized Premium	22,578	-	22,578	-	-
Total Long-term Liabilities	<u>\$ 3,074,240</u>	<u>\$ -</u>	<u>\$ 2,459,633</u>	<u>\$ 614,607</u>	<u>\$ 614,607</u>

Capital Lease

This capital lease is payable to Arapahoe County, Colorado. It was originally dated November 1, 1986 and then renegotiated on September 3, 2002. Payments of principal and interest are due on a semiannual basis through 2016. The capital lease bears a varying interest rate of 3.25% to 5.25%. This lease is secured by land. The total assets purchased with these capital lease funds is \$26,038,745. As of December 31, 2016, the Capital Lease was fully paid off.

There are a number of covenants contained in the lease agreement. At December 31, 2016, the Arapahoe County Public Airport Authority (the Authority) believes it is in compliance with these restrictive covenants.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Note Payable

In 2007, the Authority obtained a loan in the amount of \$5,400,000 from the Colorado Department of Transportation (CDOT) for the purchase of land and a restrictive covenant on land. The loan bears interest at the rate of 3% on the unpaid balance, compounded annually. The Authority is making 10 annual installments with the first payment made on October 4, 2008. The loan is secured by a security interest in the Authority's fuel tax refund revenue. The outstanding balance as of December 31, 2016 is \$614,607.

In 2011, the Authority obtained a loan in the amount of \$256,525 from Greenwood Plaza Partners, LLC, for the acquisition of property. The loan bears an interest rate of 6% and matures in June 2016. The loan is secured by the acquired property. The loan was fully paid off as of December 31, 2016

Scheduled note principal and interest payments are as follows:

Date	Principal	Interest	Total
2017	\$ 614,607	\$ 18,438	\$ 633,045
Total	<u>\$ 614,607</u>	<u>\$ 18,438</u>	<u>\$ 633,045</u>

Commitments and Contingencies-Rental Agreements

The Authority has operating rental agreements with fixed base operators and subleases for rental of land and buildings owned by the Authority. These agreements stipulate that upon termination, title of any leasehold improvements will pass to the Authority. The following is an estimate, by year, of minimum future rental revenue under these agreements:

<u>Year</u>	<u>Amount</u>
2017	\$ 1,845,767
2018	1,817,214
2019	1,850,949
2020	2,272,067
2021	2,286,518
Thereafter	155,842,514
	<u>\$ 165,915,029</u>

Revenues under these leases amounted to \$2,638,368 during 2016. Included in this amount are a percentage of revenue fees associated with these leases.

The Authority has entered into lease agreements with the FAA to lease approximately 2,100 square feet of the Authority's tower, and approximately 2,300 square feet of the Authority's administrative office building. The tower lease had an expiration date of July 9, 2006. The FAA did not exercise the option to purchase the tower. The lease was renegotiated in 2006 at an amount equivalent to the tower repairs and maintenance and expired September 30, 2015. The office space lease expires September 30, 2020. Rental income under these leases amounted to \$90,216 during 2015. The earning stream from this agreement is included in the amounts disclosed above.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Defeased Debt

During 2002, the Authority, in conjunction with Arapahoe County, refunded Certificates of Participation totaling \$15,760,000. As a result, payments under the refunded capital leases are considered to be defeased, and the liability has been removed from the books. At December 31, 201, the Authority's share of the amount of defeased debt outstanding is \$-0- as the debt was fully paid off.

Arapahoe County Water and Wastewater Authority (ACWWA)

ACWWA's long-term liabilities consisted of the following for the year ended December 31, 2016:

ACWWA	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Series 2006 Revenue Bonds	\$ 18,735,000	\$ -	\$ 18,735,000	\$ -	\$ -
2006 Bond Premium	242,991	-	242,991	-	-
Series 2007 Revenue Bonds	14,905,000	-	545,000	14,360,000	570,000
Series 2009A Revenue Bonds	89,895,000	-	1,695,000	88,200,000	1,740,000
Series 2012 Revenue Bonds	5,525,000	-	-	5,525,000	-
Series 2016 Revenue Bonds	-	16,475,000	255,000	16,220,000	875,000
2016 Bond Premium	-	2,132,337	10,453	2,121,884	-
Total Bonds Payable	129,302,991	18,607,337	21,483,444	126,426,884	3,185,000
Compensated Absences	358,029	228,377	230,402	356,004	199,290
Total Long-term Liabilities	<u>\$ 129,661,020</u>	<u>\$ 18,835,714</u>	<u>\$ 21,713,846</u>	<u>\$ 126,782,888</u>	<u>\$ 3,384,290</u>

Series 2006 Revenue Bonds

On December 28, 2006, ACWWA issued \$22,940,000 with a premium of \$441,801, in revenue bonds with interest rates ranging from 4% to 5%. As of December 31, 2016, the Series 2006 Revenue Bonds were fully paid off.

Revenue Refunding and Improvement Bonds, Series 2007

On August 23, 2007, ACWWA issued \$18,760,000, with a discount of \$70,654, in Water and Wastewater Revenue Refunding and Improvement Bonds with interest rates ranging from 4% to 5%. The revenue refunding bonds are due in average annual principal and interest installments of \$1,262,915 until December 2033.

Series 2009A Revenue Bonds

On December 8, 2009, ACWWA issued \$91,545,000, in Taxable Water and Wastewater Revenue Direct Pay Build America Bonds (BAB) with interest rates ranging from 3.61% to 6.68%. The revenue refunding and improvement bonds are due in annual principal and interest installments of \$5,516,894 to \$15,804,642 until December 2039. ACWWA is eligible to receive a 35% interest subsidy credit on its interest payments for these bonds subject to Section 6431 of the Internal Revenue Code. To receive BAB credits, ACWWA must file a form 8038-CP between 45 and 90 days prior to the corresponding interest payment date. Such credits, if received by ACWWA, are required under the bond resolution to be deposited to the Build America Bond Interest account of the Build America Bond Fund. There is no assurance; however, that ACWWA will receive all or any of the BAB credits which it expects to receive. ACWWA will be required to pay interest on the 2009A bonds regardless of whether BAB payments are received. ACWWA received interest subsidies in the amount of \$1,857,417 during 2016. In accordance with the Trust Indenture, as of December 31, 2016, \$7,121,420 was held in reserves.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Series 2012 Revenue Refunding Loan

On October 18, 2012, ACWWA refunded the Series 2009B Revenue Bonds and entered into a loan agreement with Colorado State Bank and Trust dated October 18, 2012 in the amount of \$5,525,000. Principal and interest payments are due June 1 and December 1 in varying amounts through December 1, 2022, with a fixed interest rate of 2.17%. In accordance with the Trust Indenture, as of December 31, 2016, \$553,453 was held in reserves.

Series 2016 Revenue Refunding Bonds

On October 4, 2016, ACWWA issued \$16,475,000 of Revenue Refunding Bonds. Series 2016, with interest rates ranging from 2.00% to 4.00% to refund the outstanding Refunding Bonds, Series 2006. As a result, the 2006 bonds has been removed from ACWWA's liabilities. The purpose of this refunding was to reduce its total debt service payments over the next six years by \$3,392,816 and to realize an economic gain of \$3,040,287. Principal and interest are due June 1 and December 1 in varying amounts through December 1, 2033.

Pledged Revenue and Debt Coverage Requirements

Over the years, ACWWA has issued revenue bonds with certain pledged revenues as collateral, certain debt coverage requirements and various covenants in which ACWWA's management believes that ACWWA is in compliance.

ACWWA's long-term liabilities will mature as follows:

Date	Principal	Interest	Total
2017	\$ 3,185,000	\$ 7,044,901	\$ 10,229,901
2018	3,860,000	6,918,078	10,778,078
2019	3,975,000	6,773,763	10,748,763
2020	4,110,000	6,613,677	10,723,677
2021	4,245,000	6,445,891	10,690,891
2022-2026	20,710,000	29,370,390	50,080,390
2027-2031	24,630,000	23,459,641	48,089,641
2032-2036	30,575,000	15,783,980	46,358,980
2037-2039	29,015,000	4,401,786	33,416,786
Total	<u>\$ 124,305,000</u>	<u>\$ 106,812,107</u>	<u>\$ 231,117,107</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 12: OPERATING LEASES

The County leases office facilities under non-cancelable operating leases. The following is a summary of the County's operating leases:

City Center Market Place	
Future Maturities	
2017	156,161
2018	164,380
2019	172,599
2020	180,818
2021	189,037
2022	197,256
2023	205,475
2024	213,694
2025	221,913
2026	230,132
	<u>\$ 1,931,465</u>

Rent expense for 2016 was \$135,044.

NOTE 13: SELF INSURANCE PLANS

Self Insurance Liability Plan - In 1982, Arapahoe County established a self-insurance plan to provide liability and property coverage for County assets and operations. The plan is administered by the County. When appropriate, the County utilizes third-party consultants and attorneys to handle bodily injury claims and certain other claims. Excess insurance is maintained that limits the County's liability to certain levels depending on the nature of the claim. The Plan is not part of a public entity risk pool. The estimated liability claims was determined by an actuarial analysis of current claims and an estimate of incurred but not reported (IBNR) claims at December 31, 2016. This plan is an internal service fund.

Self Insurance Worker's Compensation Plan – In 1990, the County established a self-insurance plan to pay losses from worker's compensation claims. The County administers the plan; however, the County utilizes third-party consultants, attorneys and service providers in the administration of the plan. Excess insurance coverage is maintained to limit the loss of any individual claim. The plan assesses other funds for estimates of current claims based on historical claims. The Plan is not part of a public entity risk pool. The estimated claim liability at December 31, 2016 was determined by an actuarial analysis. The actuarial analysis includes estimated costs of known claims and estimates of incurred but not reported (IBNR) claims. This plan is an internal service fund.

Self Insurance Dental Plan - This fund was originally established on January 1, 1986, and included both medical and dental plans. A decision was made in 1991 to discontinue the County plan for medical insurance effective January 1, 1992. The County continued the self-insured dental plan. The County's Human Resource Department administers the Self-Insurance Dental Plan however, the County utilizes a third-party consultant to assist with administrating the Plan. Dental claims, as well as administrative costs, are paid directly out of this fund, which is funded by contributions made by the County and its employees. All claims are reviewed and approved for payment by Delta Dental, in accordance with their administrative services agreement with the County. The County's plan is fully self-insured with the County assuming all liability risks. The Plan is not part of a public entity risk pool. The estimated claim liability at December 31, 2016 was determined by an actuarial analysis. The actuarial analysis includes estimated costs of known claims and estimates of incurred but not reported (IBNR) claims. This plan is an internal service fund.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

The County employs a full-time Risk Manager to oversee all aspects of the County's insurance needs and to assess the County's potential liabilities. The following table displays the change in the balances of the claims liabilities:

	Liability	Worker's Comp	Dental	Total
Unpaid Claims, January 1, 2015	\$ 935,000	\$ 2,080,000	\$ 51,000	\$ 3,066,000
Incurred Claims (including IBNR)	1,262,843	897,173	1,373,464	3,533,480
Claim Payments	<u>(881,843)</u>	<u>(834,173)</u>	<u>(1,360,464)</u>	<u>(3,076,480)</u>
Unpaid Claims, December 31, 2015	1,316,000	2,143,000	64,000	3,523,000
Incurred Claims (including IBNR)	182,074	1,538,773	1,263,520	2,984,367
Claim Payments	<u>(268,074)</u>	<u>(1,266,773)</u>	<u>(1,267,520)</u>	<u>(2,802,367)</u>
Unpaid Claims, December 31, 2016	<u>\$ 1,230,000</u>	<u>\$ 2,415,000</u>	<u>\$ 60,000</u>	<u>\$ 3,705,000</u>
Claims Expected to be Paid in 2017	\$ 370,000	\$ 724,500	\$ 60,000	\$ 1,154,500
Claims Expected to be Paid after 2017	<u>860,000</u>	<u>1,690,500</u>	<u>-</u>	<u>2,550,500</u>
Unpaid Claims, December 31, 2016	<u>\$ 1,230,000</u>	<u>\$ 2,415,000</u>	<u>\$ 60,000</u>	<u>\$ 3,705,000</u>

Unpaid claim estimates do not include non-incremental claim adjustment expenses. Claims have not exceeded the County's insurance coverage for the previous three years.

NOTE 14: RETIREMENT PLAN

Plan Description

The Arapahoe County Retirement Plan (the Plan) is a single employer defined benefit pension plan established by the Arapahoe County Board of County Commissioners to provide pension benefits for its employees. The Plan is administered by the Arapahoe County Retirement Board, which consists of five people; the Arapahoe County Treasurer, two Plan members elected by the Plan members, and two Arapahoe County citizens appointed by the Board of County Commissioners.

The Plan provides retirement benefits for employees. Substantially all of the general employees of the County are covered under the Plan. The benefits are determined by the Retirement Plan Board. The Plan has three tiers of benefits, based on when an employee was hired. The minimum age for retirement with full benefits has increased from 52 under Tier 1 to 60 under Tier 3. This minimum age applies if you meet certain age and years of service requirements. Tier 1 employees must meet the Rule of 75, Tier 2 the Rule of 80 and Tier 3 the Rule of 85. The benefit multiplier has decreased from 2.5% per number of years of service in Tier 1 to 2.0% per number of years of service in Tier 3. Beginning January 1, 2014 all employees in all Tiers earn future benefits based on a multiplier of 1.85%. This does not change any benefits previously earned through December 31, 2013.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Plan members in Tiers 1 and 2 who terminate employment receive refunds of contributions to the Plan. Contributions made to the Plan prior to January 1, 2014 are refunded per this schedule.

Completed years of Service	Percent of accumulated contributions at termination or date of application for refund, if later
Fewer than 5	100%
5 - 9	125%
10 - 14	150%
15 or more	200%

Any Contributions made to the Plan after December 31, 2013 are only refunded at 100% plus interest. Alternatively, members who terminate employment prior to retirement can elect to receive a deferred retirement benefit equal to the vested portion of benefits earned to the date of termination. Vesting is as follows:

Completed years of credited services	Percentage of earned benefits vested
Less than 4	0%
4	60%
5	70%
6	80%
7	90%
8 or more	100%

For elected officials, who are not re-elected or re-employed at the end of their term, earned benefits are 100% vested.

Employees who are hired, appointed or elected on or after July 1, 2010 (Tier 3), who terminate their employment prior to retirement, can elect to receive their contributions and the interest earned on their contributions only. They are not eligible to receive any county contribution or interest earned on county contributions.

Alternatively, members who terminate employment prior to retirement can elect to receive a deferred retirement benefit equal to the vested portion of benefits earned to the date of termination. Vesting is as follows:

Completed years of credited services	Percentage of earned benefits vested
Less than 8	0%
8 or more	100%

Benefit provision changes are made by the Arapahoe County Retirement Board which was established under the authority of Colorado Revised Statutes 24-54-107.

The Plan issues a complete stand-alone set of financial statements that meet all the reporting requirements of US GAAP. These financial statements are publicly available and may be obtained at: Arapahoe County Retirement Plan, 6984 S. Lima Street, Suite B, Centennial, Colorado 80111 or at the following web address: <http://acgret.org>.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Plan Summary of Significant Accounting Policies

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan's investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value. The fair values of real estate and alternative investments (hedge fund of funds, private equity) are based on independent appraisals of properties owned and valuation of assets in the various investment funds. As a result, unrealized gains and losses are recognized in the financial statements at the time of market fluctuation. Investment income is recognized as earned. Gains and losses on sales and exchanges of securities are recognized on the transaction date.

Employees Covered by Benefit Terms

At December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries	930
Inactive, Nonretired members	214
Active employees	1,945
	<u>3,089</u>

Contributions

The contribution requirements of plan members are established by the Retirement Board in agreement with the Board of County Commissioners, which established the employer contribution. The employer must at least match the contribution of the employee. Both parties of this plan contribute the same percentage. Effective January 1, 2014, the contribution rate for employee/employer contributions was 8.0%.

Net Pension Liability

The County has elected a measurement date for the current year-end as of the prior year-end. Therefore, the net pension liability as of December 31, 2016 was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of January 1, 2016.

Actuarial Assumptions

Actuarial cost method	Entry age level
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increase	Age-based: 3.40% to 6.75%
Investment rate of return	7.5%
Retirement age	Age-based with consideration for eligibility for Special Early Retirement

Mortality rates were based on the RP-2000 Disabled Mortality Table, projected with scale AA for disabled retirees.

Assumptions shown above are for January 1, 2016 (used to determine 2016 Actuarial Determined Contribution).

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Single Discount Rate

A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projection of cash flows was used to determine this single discount rate assumed that plan member and employer contributions will be made at the current scheduled contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments on current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investments

All investment information disclosed in the Plan's financial statements, including investments held at December 31, 2016 and net appreciation in fair value of investments, interest, dividends for the years ended December 31, 2016, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by US Bank, the trustee of the Plan.

	<u>December 31, 2016</u>
Total Investments	\$ 278,467,051
Net Appreciation (Depreciation) in Fair Value of Investments	16,865,709
Interest and Dividend Income	5,386,169

The Retirement Board of the Plan has sole discretion over the investments of the Plan within the guidelines established by state statutes. The Plan contracts with investment managers to manage substantially all of the Plan's investments. U.S Bank holds the Plan's investments under a trust agreement with the Plan.

Interest Rate Risk- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk exposure is dictated by each manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy. As of December 31, 2016, the Plan held the following fixed income investments. Modified duration is in years.

	<u>December 31, 2016</u>
Western Core Plus/Pacific Investment Management Company (PIMCO)	
Total Return Retirement Fund - Institutional Class Shares	
Balance	\$ 13,719,756
Modified Duration (in Years)	6.6
JP Morgan	
Core Bond Fund	
Balance	\$ 13,061,998
Modified Duration (in Years)	5.5
Bain Capital/Sankaty Senior Loan Fund LP	
Balance	\$ 15,104,729
Modified Duration (in Years)	0.4

Investments in money market funds in the Operating Account of \$4,060,953 at December 31, 2016 are available for withdrawal daily.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan has no formal policy for custodial credit risk. Certain externally managed pools participate in security lending transactions, repurchase agreements and over the counter transactions. These transactions may indirectly subject the Plan to the risk of loss due to nonperformance by the counterparty to the agreement.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Plan. Credit risk exposure is managed in accordance with investment guidelines as stated in the formal investment policy adopted by the plan. As per Section 24-54-112 of the Colorado Revised Statutes (C.R.S.), the Plan assets will be invested using the "Colorado Uniform Prudent Investor Act" found in the provisions of Part 3 of Article 1 of Title 15, C.R.S. The Plan assets shall be invested and managed as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances. In satisfying this standard, all fiduciaries shall exercise reasonable care, skill and caution. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the Plan's purpose. The Plan does not own any derivative investments.

The following is a summary of the Plan's fixed income investments at December 31, 2016 with average credit ratings based on Standard & Poor's rating scale:

	<u>December 31, 2016</u>
Western Core Plus/Pacific Investment Management Company (PIMCO)	
Total Return Retirement Fund - Institutional Class Shares	
Fair Value	\$ 13,719,756
Average Rating of Underlying Investments	AA
JP Morgan	
Core Bond Fund	
Fair Value	\$ 13,061,998
Average Rating	AA
Bain Capital/Sankaty Senior Loan Fund LP	
Fair Value	\$ 15,104,729
Average Rating	B+
US Bank Money Market	
Fair Value	\$ 4,060,953
Average Rating	not rated

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan does not have a policy that addresses limitations on the amount that can be invested in any one issuer. There is no formal policy for concentration of credit risk for the international equity and real estate investment managers.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

The following presents investments that represent five percent or more of the Plan's investments as of December 31, 2016:

	December 31, 2016
Vanguard Institutional Index	\$ 42,700,910
UBS Realty Investors - R.E. Separate Account	34,720,378
Blackstone Alternative Asset Management	30,289,169
Tortoise Capital Advisors	28,664,937
Aberdeen Emerging Funds	22,192,511
Fidelity/Pyramis Small/Mid Cap Core	16,571,788
Harbert U.S. Real Estate Fund	15,480,588
Bain Capital Senior Loan Fund	15,104,729
American Euro Pacific Growth Funds R6	14,363,941
Western Core Plus/PIMCO Total Return Fund	13,719,756
JPMorgan Chase Commingles Pension	13,061,998

Foreign Currency Risk - Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The Plan has no direct holdings, which give rise to foreign currency risk. However, some of the externally managed funds have investments, which are denominated in foreign currencies.

Liquidity Risk - Certain investments, such as those in the hedge fund of funds and real estate funds may have limited transferability and restrictions on when investments may be redeemed.

Off Balance Sheet Risk - Through its holdings in externally managed investment pools, the Plan's money managers have entered into various contracts, which contain off balance sheet risk. These include future contracts, short sales, hedging and arbitrage transactions, option contracts, swap options and various swap contracts.

Rates of Returns - Certain investments contractually include specific investment returns to classes of investors, which may not approximate the ownership percentages of these investments and may affect the timing and amount of investment returns of the plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2016, recent best estimates as supplied by the investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Private equity	5.0%	9.15%
Public equity	50.0%	6.10%
Hedge Fund-of Funds	10.0%	4.65%
Real estate	20.0%	4.25%
Fixed income	15.0%	0.95%
	<u>100.0%</u>	

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The following presents the County's net pension liability, calculated using a single discount rate of 7.5%, as well as what the County's net pension liability would be if it were calculated using the discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 210,768,234	\$ 161,887,574	\$ 121,078,143

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Plan financial report discussed above.

Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 405,186,186	\$ 275,488,251	\$ 129,697,935
Changes for the year:			
Service cost	10,966,993	-	10,966,993
Interest on total pension liability	29,854,357	-	29,854,357
Changes on benefit terms	-	-	-
Difference between expected and actual experience of the Total Pension Liability	6,279,309	-	6,279,309
Changes of assumptions	0	-	-
Benefit payments, including refunds of employee contributions	(25,223,174)	(25,223,174)	-
Employer contributions	-	8,749,813	(8,749,813)
Member contributions	-	8,738,077	(8,738,077)
Net investment income	-	(2,242,209)	2,242,209
Administrative expenses	-	(334,661)	334,661
Net changes	21,877,485	(10,312,154)	32,189,639
Balances at December 31, 2016	\$ 427,063,671	\$ 265,176,097	\$ 161,887,574

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

For the year ended December 31, 2016, the County recognized pension expense of \$20,178,016. At December 31, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 7,561,802
Changes in assumptions	5,510,976
Net difference between projected and actual earnings	18,832,344
Contributions made subsequent to measurement date	9,298,210
Total	<u>\$ 41,203,332</u>

The \$9,298,210 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Total
2017	\$ 8,118,268
2018	8,118,268
2019	8,118,268
2020	6,894,405
2021	655,913
	<u>\$ 31,905,122</u>

NOTE 15: CONTINGENCIES

The County is currently named in numerous lawsuits. In the opinion of the County Attorney, none of the current litigation is expected to result in a material liability or have a material impact on the County's financial position. The excess insurance coverage available in the self-insurance liability plan also limits potential liability for the County.

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

NOTE 16: TAX SPENDING AND DEBT LIMITATIONS

The 1992 amendment to Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), limits the revenue raising and spending abilities of the State and local governments. It prohibits any increase in the mill levy without a vote of the citizens, requires any revenue collected in excess of the fiscal year spending limit to be refunded in the following year, and requires the establishment of an "emergency reserve" equal to 3% of fiscal year expenditures.

The County's financial activity provides the basis for calculation of the limitations, which is adjusted for allowable increases tied to inflation and local growth of assessed value of new construction.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

The Amendment excludes enterprises from its provisions. Enterprises are defined as government-owned businesses that are authorized to issue their own revenue bonds and that receive less than 10% of their annual revenue from all state and local governments combined. The County is of the opinion that the following component units are enterprises and, therefore, qualify for this exclusion: Arapahoe County Water & Wastewater Authority, Arapahoe County Public Airport Authority, and the Arapahoe County E-911 Authority.

Additionally, the Employee Flexible Benefit Fund, Self Insurance Dental Plan, Conservation Trust Fund, Retirement Trust Fund, and the Treasurer's Agency Fund have been excluded from the compliance calculation. These funds have been excluded from the compliance calculation since these funds exist for the employees benefit, have been excluded from the calculation by the Amendment, and/or have been excluded by a Colorado Supreme Court decision.

Fiscal year spending is defined by the TABOR Amendment as "all district expenditures and reserve increases except, as to both, those for refunds made in the current or next fiscal year or those from gifts, federal funds, collections for another government, pension contributions by employees, and pension fund earnings, reserve transfers or expenditures, damage awards or property sales." In effect, it has been generally interpreted that fiscal year spending is non-exempt revenue. Calculations have been made that show that the County, and the non-exempt component units have not exceeded the fiscal year limits imposed by the Amendment.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. The County levied 16.973 mills as the base mill levy in 1997, but permanently reduced it to 15.821 mills in 1998.

The Law Enforcement Authority levied 4.982 mills in 2016 and 2015.

Emergency reserves at or in excess of three percent of calculated fiscal year spending have been established and presented as a restriction of fund balance for the County and for the non-exempt component units. The Board of County Commissioners designates another 8.0% of the current years initial adopted operational budget for emergency purposes.

Based upon Arapahoe County's interpretation of the above Amendment the County believes it falls within the TABOR limits for 2016.

NOTE 17: CONDUIT DEBT

The Colorado County and Municipality Development Revenue Bond Act, Article 3, Title 29 of Colorado Revised Statutes, 1973, authorizes municipalities to finance one or more projects to promote industry, trade or other economic activity to further the economic health of the County. The Act further authorizes the County to enter into financial agreements with others to provide revenue to pay the bonds authorized and issued and to secure the payment of such bonds.

Periodically, under the above Act, the County issues industrial revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2016, the aggregate principal amount payable for the bonds is \$76,434,944.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 18: NONSPENDABLE, RESTRICTED, AND UNRESTRICTED FUND BALANCE

Nonspendable, restricted, committed, and assigned fund balances of the governmental funds consist of the following:

	<u>Major Special Revenue Funds</u>				
	<u>General Fund</u>	<u>Social Services</u>	<u>Open Spaces Sales Tax</u>	<u>Other Governmental</u>	<u>Total</u>
Fund Balances					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 72,699	\$ 72,699
Prepaid expenditures	89,763	11,643	-	1,598	103,004
Total Nonspendable	<u>89,763</u>	<u>11,643</u>	<u>-</u>	<u>74,297</u>	<u>175,703</u>
Restricted for:					
Emergencies (TABOR)	6,465,093	-	-	213,787	6,678,880
Parks, Recreation & Open Space	60,627	-	-	942,604	1,003,231
Developer Contributions	-	-	-	1,417,392	1,417,392
Park Development	-	-	-	882,591	882,591
Law Enforcement	-	-	-	8,870,352	8,870,352
Electronic Filing Technology	-	-	-	548,776	548,776
Transportation Projects	-	-	-	2,710,222	2,710,222
Open Space, Parks and Trails	-	-	37,714,132	-	37,714,132
Water Projects - Debt Service	-	-	-	1,200,000	1,200,000
Total Restricted	<u>6,525,720</u>	<u>-</u>	<u>37,714,132</u>	<u>16,785,724</u>	<u>61,025,576</u>
Committed to:					
Emergencies	-	-	-	603,465	603,465
Capital Projects/Replacements	-	-	-	7,884,610	7,884,610
Highways & Streets	-	-	-	15,490,924	15,490,924
Radio Telecommunication	-	-	-	406,158	406,158
Water Projects	-	-	-	1,492,616	1,492,616
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,877,773</u>	<u>25,877,773</u>
Assigned to:					
Contracted Services	149,271	-	-	-	149,271
Parks and Recreation	-	-	-	1,869,029	1,869,029
Debt Service	-	-	-	1,877,361	1,877,361
Facilities and Fleet Maintenance	13,512	-	-	-	13,512
Health and Welfare Programs	-	9,083,240	-	-	9,083,240
Information Technology Projects	93,472	-	-	-	93,472
Law Enforcement	875,541	-	-	664,003	1,539,544
Public Works Projects	44,962	-	-	-	44,962
Recording	318,377	-	-	-	318,377
Subsequent Year Expenditures	6,516,302	-	-	1,017,115	7,533,417
Total Assigned	<u>8,011,437</u>	<u>9,083,240</u>	<u>-</u>	<u>5,427,508</u>	<u>22,522,185</u>
Unassigned	<u>36,996,292</u>	<u>-</u>	<u>-</u>	<u>(540,719)</u>	<u>36,455,573</u>
Total Fund Balance	<u>\$ 51,623,212</u>	<u>\$ 9,094,883</u>	<u>\$ 37,714,132</u>	<u>\$ 47,624,583</u>	<u>\$ 146,056,810</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 19: EXPLANATION OF DIFFERENCES BETWEEN REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) FOR THE GENERAL FUND BUDGETARY COMPARISON SCHEDULE AND THE GENERAL FUND AS REPORTED IN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE.

As part of the County's implementation of GASB Statement No. 54 (see Note 1, Fund Equity), certain special revenue funds reported in the years prior to December 31, 2011 no longer qualify as special revenue funds, and have been combined with the General Fund for reporting purposes. In accordance with GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the activity of such funds is not included in the General Fund budgetary comparison schedule. The following is a reconciliation of the General Fund budgetary comparison schedule to the General Fund as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended December 31, 2016.

Expenditures

Actual amounts "expenditures" from the General Fund budgetary comparison schedule \$ 157,730,377

Adjustments:

The County reports expenditures of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance.

2,061,031

Total General Fund expenditures as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance

\$ 159,791,408

Other financing sources (uses)

Actual amounts "other financing sources (uses)" from the General Fund budgetary comparison schedule

\$ (9,941,862)

Adjustments:

The County reports other financing sources (uses) of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance.

1,853,000

Total General Fund other financing sources (uses) as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance

\$ (8,088,862)

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2016

NOTE 20: TAX ABATEMENTS

Arapahoe County enters into personal property tax abatements with local businesses with authority under Colorado Revised Statute Sec. 30-11-123. Under the Statute, the County may negotiate an incentive payment or credit with any taxpayer who establishes a new business facility within the County to stimulate economic development. This payment or credit may not exceed the amount of personal property taxes levied by the County and is contingent upon appropriated funding in the annual budget. In the event of default by the taxpayer, the maximum amount recoverable by the County is the amount of incentive payments paid to the taxpayer under the agreement.

For fiscal year ended December 31, 2016, the County abated personal property taxes totaling \$41,979 under this program, including the following agreements that each exceeded 10 percent of the total amount abated:

- Company A, LLC: A 100 percent rebate of the personal property taxes paid to the County, for 5 years beginning with the 2015 tax year, for an expansion which constitutes a new business facility located in Greenwood Village, CO. Because taxes are abated after the qualifying steps have been taken, there are no provisions for recapturing abated taxes. The rebated amount to Company A, LLC during fiscal year 2016 totaled \$8,877.
- Company B, LLC: A 50 percent rebate of the personal property taxes paid to the County, for 5 years beginning with the 2015 tax year, for an expansion which constitutes a new business facility located in Aurora, CO. The only provision for recapturing the abated taxes is in the event of a default. The rebated amount to Company B, LLC during fiscal year 2016 totaled \$12,591.
- Company C, Inc.: A 50 percent rebate of the personal property taxes paid to the County, for 10 years beginning with the 2010 tax year, for an expansion which constitutes a new businesses facility located in Englewood, CO. Also, a 100 percent rebate of the personal property taxes paid to the County, for 10 years beginning with the 2015 tax year, for a new business facility located in Englewood, CO. The only provision for recapturing the abated taxes is in the event of a default. The rebated amount to Company C, Inc. for both agreements during fiscal year 2016 totaled \$9,645.
- Company D, LLC: A 50 percent rebate of personal property taxes paid to the County, for 5 years beginning in the 2011 tax year, for an expansion which constitutes a new business facility located in Englewood, CO. Because taxes are abated after the qualifying steps have been taken, there are no provisions for recapturing abated taxes. The rebated amount to Company D, LLC during fiscal year 2016 totaled \$13,119.

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Arapahoe County, Colorado
Schedule of Changes in the Net Pension Liability and Related Ratios
2007 - 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability										
Service cost	\$ 10,966,993	\$ 10,186,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	29,854,357	27,803,874	-	-	-	-	-	-	-	-
Effect of plan changes	-	-	-	-	-	-	-	-	-	-
Effect of changes of experience	6,279,309	3,758,718	-	-	-	-	-	-	-	-
Effect of changes of assumptions	-	8,605,204	-	-	-	-	-	-	-	-
Benefit payments	(21,311,701)	(19,218,734)	-	-	-	-	-	-	-	-
Refunds	(3,911,473)	(2,367,372)	-	-	-	-	-	-	-	-
Net change in pension liability	21,877,485	28,767,946	-	-	-	-	-	-	-	-
Total pension liability-beginning	405,186,186	376,418,240	-	-	-	-	-	-	-	-
Total pension liability-ending (a)	<u>\$ 427,063,671</u>	<u>\$ 405,186,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position										
Employer contributions	\$ 8,749,813	\$ 8,451,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Member contributions	8,738,077	8,444,077	-	-	-	-	-	-	-	-
Net investment income	(2,242,209)	18,236,018	-	-	-	-	-	-	-	-
Benefit payments	(21,311,701)	(19,218,734)	-	-	-	-	-	-	-	-
Refunds	(3,911,473)	(2,367,372)	-	-	-	-	-	-	-	-
Administrative expense	(334,661)	(493,482)	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(10,312,154)	13,052,004	-	-	-	-	-	-	-	-
Plan fiduciary net position-beginning	275,488,251	262,436,247	-	-	-	-	-	-	-	-
Plan fiduciary net position-ending (b)	<u>\$ 265,176,097</u>	<u>\$ 275,488,251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability-ending (a)-(b)	<u>\$ 161,887,574</u>	<u>\$ 129,697,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position as a percentage of the total pension liability	62.09%	67.99%	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 115,287,599	\$ 107,204,231	-	-	-	-	-	-	-	-
Net pension liability as a percentage of covered-employee payroll	140.42%	120.98%	-	-	-	-	-	-	-	-

Notes to schedule:

N/A

Arapahoe County, Colorado
Schedule of Pension Contributions
2007 - 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 13,283,879	\$ 12,267,139	\$ 10,875,990	\$ 13,572,119	\$ 11,807,180	\$ 10,684,309	\$ 9,822,089	\$ 12,408,298	\$ 8,924,369	\$ 8,393,081
Contributions in relation to the actuarially determined contribution	9,298,210	8,749,814	8,451,497	7,723,973	7,430,087	6,890,012	6,995,753	6,455,058	6,188,651	5,553,621
Contribution deficiency (excess)	<u>\$ 3,985,669</u>	<u>\$ 3,517,325</u>	<u>\$ 2,424,493</u>	<u>\$ 5,848,146</u>	<u>\$ 4,377,093</u>	<u>\$ 3,794,297</u>	<u>\$ 2,826,336</u>	<u>\$ 5,953,240</u>	<u>\$ 2,735,718</u>	<u>\$ 2,839,460</u>
Covered-employee payroll	\$ 115,287,599	\$ 107,204,231	\$ 100,854,023	\$ 98,983,554	\$ 97,089,282	\$ 100,055,914	\$ 100,258,835	\$ 98,242,489	\$ 94,903,465	\$ 87,793,057
Contributions as a percentage of covered-employee payroll	8.07%	8.16%	8.38%	7.80%	7.65%	6.89%	6.98%	6.57%	6.52%	6.33%

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	0.025
Salary increases	Age-based: 3.40% to 6.75%
Investment rate of return	0.075
Retirement age	Age-based with consideration for eligibility for special early retirement
Mortality	Mortality rates were based on the RP-2000 Combined Healthy Mortality projected with scale AA to 2022 as published in Internal Revenue Bulletin 2007-09. Disabled: 1983 Railroad Board Disability Mortality Table.

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue	Capital Projects	Debt Service	Total
Assets				
Cash and investments	\$ 17,356,633	\$ 28,600,555	\$ 1,948,356	\$ 47,905,544
Restricted cash and investments	-	1,200,000	-	1,200,000
Accounts receivable	3,251,062	18,435	-	3,269,497
Taxes receivable, net	20,436,625	12,896,392	-	33,333,017
Prepaid items	1,598	-	-	1,598
Inventories	72,699	-	-	72,699
Total assets	<u>\$ 41,118,617</u>	<u>\$ 42,715,382</u>	<u>\$ 1,948,356</u>	<u>\$ 85,782,355</u>
Liabilities				
Accounts payable	\$ 866,964	\$ 546,143	\$ -	\$ 1,413,107
Accrued expenditures	642,297	9,641	34,758	686,696
Due to other funds	1,027,486	-	-	1,027,486
Unearned revenue - other	1,403,133	-	-	1,403,133
Total liabilities	<u>3,939,880</u>	<u>555,784</u>	<u>34,758</u>	<u>4,530,422</u>
Deferred inflows of resources				
Deferred property tax revenue	20,436,625	12,896,392	-	33,333,017
Unavailable revenue-grants	294,333	-	-	294,333
Total deferred inflows of resources	<u>20,730,958</u>	<u>12,896,392</u>	<u>-</u>	<u>33,627,350</u>
Fund balances (deficits)				
Nonspendable	74,297	-	-	74,297
Restricted	14,168,332	2,617,392	-	16,785,724
Committed	1,009,623	24,868,150	-	25,877,773
Assigned	1,736,246	1,777,664	1,913,598	5,427,508
Unassigned	(540,719)	-	-	(540,719)
Total fund balances (deficits)	<u>16,447,779</u>	<u>29,263,206</u>	<u>1,913,598</u>	<u>47,624,583</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 41,118,617</u>	<u>\$ 42,715,382</u>	<u>\$ 1,948,356</u>	<u>\$ 85,782,355</u>

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue	Capital Projects	Debt Service	Total
Revenues				
Taxes				
Property taxes	\$ 21,030,926	\$ 13,217,893	\$ -	\$ 34,248,819
Other taxes	942,702	1,012,329	-	1,955,031
Licenses and permits	342,063	513,423	-	855,486
Intergovernmental	32,946,057	1,228,102	-	34,174,159
Charges for services	2,184,477	80,533	-	2,265,010
Fines and forfeitures	630,384	-	-	630,384
Investment earnings	109,296	63,750	76,128	249,174
Interfund revenues and rentals	89,904	-	-	89,904
Repayment from component unit	-	-	1,632,137	1,632,137
Developer contributions	-	305,860	-	305,860
Build America Bonds credit	-	1,079,032	-	1,079,032
Miscellaneous	1,267,623	248,203	1,606	1,517,432
Total revenue	59,543,432	17,749,125	1,709,871	79,002,428
Expenditures				
Current				
General government	160,694	34,086	-	194,780
Public safety	9,931,642	28,495	-	9,960,137
Judicial services	-	302,837	-	302,837
Health and welfare	31,450,842	-	2,810	31,453,652
Highways and streets	18,405,160	6,533,715	-	24,938,875
Water and wastewater	-	114,024	-	114,024
Airport	-	-	550	550
Culture and recreation	444,974	1,052,242	-	1,497,216
Total current	60,393,312	8,065,399	3,360	68,462,071
Capital				
General government	-	8,169,170	-	8,169,170
Public safety	-	464,718	-	464,718
Judicial services	-	21,979	-	21,979
Highways and streets	-	2,416,589	-	2,416,589
Total capital	-	11,072,456	-	11,072,456
Debt				
Principal	-	2,456,705	6,613,076	9,069,781
Interest	-	6,594,475	1,550,316	8,144,791
Debt administration fees	-	1,050	2,508	3,558
Total debt service	-	9,052,230	8,165,900	17,218,130
Total expenditures	60,393,312	28,190,085	8,169,260	96,752,657
Excess (deficiency) of revenues over (under) expenditures	(849,880)	(10,440,960)	(6,459,389)	(17,750,229)
Other financing sources (uses)				
Transfers in	99,397	9,431,384	11,032,788	20,563,569
Transfers out	(1,123,287)	(4,354,370)	(4,449,563)	(9,927,220)
Total other financing sources (uses)	(1,023,890)	5,077,014	6,583,225	10,636,349
Net change in fund balance	(1,873,770)	(5,363,946)	123,836	(7,113,880)
Fund balance - beginning	18,321,549	34,627,152	1,789,762	54,738,463
Fund balance - ending	\$ 16,447,779	\$ 29,263,206	\$ 1,913,598	\$ 47,624,583

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes. The County's Nonmajor Special Revenue Funds include the following:

Electronic Filing Technology Fund – This fund, which began on September 1, 2002, is used to account for a surcharge on recording fees to be used by the Clerk and Recorder to acquire technology to accept electronic filings.

Cash-in-Lieu Fund – This fund is used to account for monies received in lieu of land to be dedicated for parks and other public purposes. Pursuant to Colorado State Statute (Section 30-28-133(4), C.R.S.) and Arapahoe County subdivision regulations, each land subdivider must provide to the County a minimum of 10% of the total gross acreage of the subdivision or a sum of money equal to a minimum of 10% of the current market value of the total zoned (but unimproved) land; or a combination of land or money equal to the total 10% requirement. All funds are limited to use for public improvements.

Law Enforcement Authority Fund – This fund is used to account for the operations of law enforcement services in the unincorporated area of Arapahoe County. Most of the financing is provided by property tax revenue.

Arapahoe/Douglas Works! Fund – This fund is used by the Arapahoe/Douglas Works! Division of the Community Resources Department. The revenue in this fund originates as Federal funds, with the State acting as a pass-through agency. The Federal funds sources include the Workforce Investment Act (WIA), Temporary Assistance to Needy Families program, the Wagner Peyser Act and the Employment First Act. The purpose of this fund is to provide services to adults and youth wishing to enter the labor market. Services include basic and occupational skill assessments, workshops, tuition reimbursement for training, bus passes, career counseling and job placement. Arapahoe/Douglas Works! also partners with community based organizations, educational institutions and the business community to act as a bridge between job seekers and employers.

Road and Bridge Fund – Required by Colorado state law, this fund accounts for the design, construction, and maintenance of transportation infrastructure within the County. Revenues for this fund are primarily from property tax, highway user tax, and specific ownership tax, with use restrictions imposed by state statute.

Conservation Trust Fund – This fund accounts for revenue received from State lottery proceeds to be used for conservation programs, including the acquisition, development, and maintenance of parks and other public recreational facilities within the County. Lottery funds disbursed to counties on a per capita basis.

Contingent Fund – This fund is used to account for the expenditure of monies set aside for emergencies. These funds can be authorized only for (1) an act of God; (2) use against public enemies; or (3) something “which could not have been reasonably foreseen at the time of adoption of the budget”. The expenditure resolution must be adopted by a 2/3 vote of the governing body and must clearly be an “emergency” use of the funds. Colorado counties are authorized by state law (Section 30-25-107 C.R.S.) to maintain a contingency fund.

Communications Network Replacement Fund – This fund was established in 1994 by an intergovernmental agreement with the City of Greenwood Village. The purpose of the fund is to provide funding for a future replacement of the County Radio Communication System.

Sheriff Commissary Fund – This fund includes the Detention Facility's commissary operations, the inmate industries program, and the ADMIT (Arapahoe Diverts the Mentally Ill for Treatment) program. The fund's revenue is generated from commissary sales such as fees for barber services, telephone charges, and inmate industry operations. The fund's expenditures are primarily related to inmate services such as counseling, educational and rehabilitation programs, and library services.

NONMAJOR GOVERNMENTAL FUNDS (continued)

Community Development Fund – This fund is used to account for the Community Development Block Grant. The grant is used to improve housing conditions for low/moderate income people.

Forfeited Property Fund – This fund is used to account for funds received from drug related seizures, forfeitures and restitution. State law restricts spending in this fund to law enforcement activities.

Developmental Disabilities Fund – This fund is used to account for revenues derived from a 1.000 mill levy approved by the voters to be used in providing services for residents with developmental disabilities in Arapahoe County.

Grants Fund – This fund is used to account for revenues and expenditures of programs funded by federal, state, and/or local grant awards.

Homeland Security Grant Fund – This fund is used to account for the receipt and disbursement of grant funds distributed through the State of Colorado.

Fair Fund - This fund is to account for funds collected and disbursed for the operation of the Arapahoe County Fair.

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue
December 31, 2016

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
Assets				
Cash and investments	\$ 548,776	\$ 882,591	\$ 9,130,276	\$ -
Accounts receivable	-	-	29,722	1,652,722
Taxes receivable, net	-	-	5,969,767	-
Prepaid items	-	-	-	742
Inventories	-	-	-	-
Total assets	<u>\$ 548,776</u>	<u>\$ 882,591</u>	<u>\$ 15,129,765</u>	<u>\$ 1,653,464</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 12,101	\$ 34,356
Accrued expenditures	-	-	199,179	237,160
Due to other funds	-	-	-	573,226
Unearned revenue - other	-	-	-	808,722
Total liabilities	<u>-</u>	<u>-</u>	<u>211,280</u>	<u>1,653,464</u>
Deferred inflows of resources				
Deferred property tax revenue	-	-	5,969,767	-
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>5,969,767</u>	<u>-</u>
Fund balances (deficits)				
Nonspendable	-	-	-	742
Restricted	548,776	882,591	8,657,421	-
Committed	-	-	-	-
Assigned	-	-	291,297	-
Unassigned	-	-	-	(742)
Total fund balances (deficits)	<u>548,776</u>	<u>882,591</u>	<u>8,948,718</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 548,776</u>	<u>\$ 882,591</u>	<u>\$ 15,129,765</u>	<u>\$ 1,653,464</u>

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue (continued)
December 31, 2016

Nonmajor Special Revenue				
Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	
\$ 3,039,948	\$ 942,605	\$ 603,465	\$ 406,158	Assets
574,061	-	-	-	Cash and investments
5,684,828	-	-	-	Accounts receivable
464	-	-	-	Taxes receivable, net
-	-	-	-	Prepaid items
-	-	-	-	Inventories
<u>\$ 9,299,301</u>	<u>\$ 942,605</u>	<u>\$ 603,465</u>	<u>\$ 406,158</u>	Total assets
\$ 260,479	\$ -	\$ -	\$ -	Liabilities
136,417	-	-	-	Accounts payable
-	-	-	-	Accrued expenditures
-	-	-	-	Due to other funds
-	-	-	-	Unearned revenue - other
<u>396,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total liabilities
5,684,828	-	-	-	Deferred inflows of resources
-	-	-	-	Deferred property tax revenue
-	-	-	-	Unavailable revenue-grants
<u>5,684,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total deferred inflows of resources
464	-	-	-	Fund balances (deficits)
2,710,221	942,605	-	-	Nonspendable
-	-	-	-	Restricted
506,892	-	603,465	406,158	Committed
-	-	-	-	Assigned
-	-	-	-	Unassigned
<u>3,217,577</u>	<u>942,605</u>	<u>603,465</u>	<u>406,158</u>	Total fund balances (deficits)
<u>\$ 9,299,301</u>	<u>\$ 942,605</u>	<u>\$ 603,465</u>	<u>\$ 406,158</u>	Total liabilities, deferred inflows of resources and fund balance

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue (continued)
December 31, 2016

	Nonmajor Special Revenue			
	Sheriff's Commissary	Community Development	Forfeited Property	Developmental Disabilities
Assets				
Cash and investments	\$ 808,524	\$ 467,425	\$ 432,245	\$ -
Accounts receivable	105,209	37,335	10,973	-
Taxes receivable, net	-	-	-	8,782,030
Prepaid items	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 913,733	\$ 504,760	\$ 443,218	\$ 8,782,030
Liabilities				
Accounts payable	\$ 55,808	\$ 1,315	\$ 16,500	\$ -
Accrued expenditures	13,246	1,395	-	-
Due to other funds	-	-	-	-
Unearned revenue - other	-	508,644	-	-
Total liabilities	69,054	511,354	16,500	-
Deferred inflows of resources				
Deferred property tax revenue	-	-	-	8,782,030
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	-	-	-	8,782,030
Fund balances (deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	426,718	-
Committed	-	-	-	-
Assigned	844,679	-	-	-
Unassigned	-	(6,594)	-	-
Total fund balances (deficits)	844,679	(6,594)	426,718	-
Total liabilities, deferred inflows of resources and fund balance	\$ 913,733	\$ 504,760	\$ 443,218	\$ 8,782,030

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue (continued)
December 31, 2016

Nonmajor Special Revenue				
Grants	Homeland Security Grant	Fair	Total	
\$ -	\$ -	\$ 94,620	\$ 17,356,633	Assets
580,414	260,626	-	3,251,062	Cash and investments
-	-	-	20,436,625	Accounts receivable
392	-	-	1,598	Taxes receivable, net
72,699	-	-	72,699	Prepaid items
				Inventories
\$ 653,505	\$ 260,626	\$ 94,620	\$ 41,118,617	Total assets
				Liabilities
\$ 462,590	\$ 22,573	\$ 1,242	\$ 866,964	Accounts payable
47,681	7,219	-	642,297	Accrued expenditures
224,029	230,231	-	1,027,486	Due to other funds
85,165	602	-	1,403,133	Unearned revenue - other
819,465	260,625	1,242	3,939,880	Total liabilities
				Deferred inflows of resources
-	-	-	20,436,625	Deferred property tax revenue
33,707	260,626	-	294,333	Unavailable revenue-grants
33,707	260,626	-	20,730,958	Total deferred inflows of resources
				Fund balances (deficits)
73,091	-	-	74,297	Nonspendable
-	-	-	14,168,332	Restricted
-	-	-	1,009,623	Committed
-	-	93,378	1,736,246	Assigned
(272,758)	(260,625)	-	(540,719)	Unassigned
(199,667)	(260,625)	93,378	16,447,779	Total fund balances (deficits)
\$ 653,505	\$ 260,626	\$ 94,620	\$ 41,118,617	Total liabilities, deferred inflows of resources and fund balance

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ 6,368,854	\$ -
Other taxes	-	-	490,459	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	38,000	11,159,485
Charges for services	146,068	33,333	131,299	153,837
Fines and forfeitures	-	-	515,763	-
Investment earnings	-	-	99,238	-
Interfund revenues and rentals	-	-	-	89,904
Miscellaneous	-	-	12,338	154,747
Total revenue	146,068	33,333	7,655,951	11,557,973
Expenditures				
Current				
General government	82,688	-	-	-
Public safety	-	-	6,904,851	-
Health and welfare	-	-	-	11,429,898
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Total current	82,688	-	6,904,851	11,429,898
 Total expenditures	 82,688	 -	 6,904,851	 11,429,898
 Excess (deficiency) of revenues over (under) expenditures	 63,380	 33,333	 751,100	 128,075
Other financing sources (uses)				
Transfers in	-	-	29,122	-
Transfers out	-	-	(23,043)	-
Total other financing sources (uses)	-	-	6,079	-
 Net change in fund balance	 63,380	 33,333	 757,179	 128,075
Fund balance - beginning	485,396	849,258	8,191,539	(128,075)
Fund balance - ending	\$ 548,776	\$ 882,591	\$ 8,948,718	\$ -

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2016

Nonmajor Special Revenue				
Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	
				Revenues
				Taxes
\$ 5,776,777	\$ -	\$ -	\$ -	Property taxes
452,243	-	-	-	Other taxes
342,063	-	-	-	Licenses and permits
9,014,177	720,904	-	50,658	Intergovernmental
3,462	-	-	-	Charges for services
-	-	-	-	Fines and forfeitures
-	5,373	-	-	Investment earnings
-	-	-	-	Interfund revenues and rentals
12,645	-	-	-	Miscellaneous
15,601,367	726,277	-	50,658	Total revenue
				Expenditures
				Current
-	-	-	52,651	General government
-	-	-	-	Public safety
-	-	-	-	Health and welfare
18,405,160	-	-	-	Highways and streets
-	-	-	-	Culture and recreation
18,405,160	-	-	52,651	Total current
18,405,160	-	-	52,651	Total expenditures
(2,803,793)	726,277	-	(1,993)	Excess (deficiency) of revenues over (under) expenditures
				Other financing sources (uses)
-	-	-	25,575	Transfers in
(467,700)	(559,900)	-	-	Transfers out
(467,700)	(559,900)	-	25,575	Total other financing sources (uses)
(3,271,493)	166,377	-	23,582	Net change in fund balance
6,489,070	776,228	603,465	382,576	Fund balance - beginning
\$ 3,217,577	\$ 942,605	\$ 603,465	\$ 406,158	Fund balance - ending

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2016

	Nonmajor Special Revenue			
	Sheriff's Commissary	Community Development	Forfeited Property	Developmental Disabilities
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ 8,885,295
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	1,699,925	-	690
Charges for services	1,172,638	-	-	-
Fines and forfeitures	19,784	-	94,837	-
Investment earnings	-	-	4,685	-
Interfund revenues and rentals	-	-	-	-
Miscellaneous	-	1,059,212	-	-
Total revenue	1,192,422	2,759,137	99,522	8,885,985
Expenditures				
Current				
General government	-	-	-	-
Public safety	1,173,220	-	30,194	-
Health and welfare	-	2,789,138	-	8,885,985
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Total current	1,173,220	2,789,138	30,194	8,885,985
Total expenditures	1,173,220	2,789,138	30,194	8,885,985
Excess (deficiency) of revenues over (under) expenditures	19,202	(30,001)	69,328	-
Other financing sources (uses)				
Transfers in	-	30,000	-	-
Transfers out	(300)	-	(72,344)	-
Total other financing sources (uses)	(300)	30,000	(72,344)	-
Net change in fund balance	18,902	(1)	(3,016)	-
Fund balance - beginning	825,777	(6,593)	429,734	-
Fund balance - ending	\$ 844,679	\$ (6,594)	\$ 426,718	\$ -

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2016

Nonmajor Special Revenue				
Grant	Homeland Security Grant	Fair	Total	
\$ -	\$ -	\$ -	\$ 21,030,926	Revenues
-	-	-	942,702	Taxes
-	-	-	342,063	Property taxes
9,163,324	1,098,894	-	32,946,057	Other taxes
64,744	-	479,096	2,184,477	Licenses and permits
-	-	-	630,384	Intergovernmental
-	-	-	109,296	Charges for services
-	-	-	89,904	Fines and forfeitures
26,508	-	2,173	1,267,623	Investment earnings
9,254,576	1,098,894	481,269	59,543,432	Interfund revenues and rentals
				Miscellaneous
				Total revenue
-	-	25,355	160,694	Expenditures
757,736	1,065,641	-	9,931,642	Current
8,345,821	-	-	31,450,842	General government
-	-	-	18,405,160	Public safety
-	-	444,974	444,974	Health and welfare
9,103,557	1,065,641	470,329	60,393,312	Highways and streets
				Culture and recreation
				Total current
9,103,557	1,065,641	470,329	60,393,312	Total expenditures
151,019	33,253	10,940	(849,880)	Excess (deficiency) of revenues over (under) expenditures
-	-	14,700	99,397	Other financing sources (uses)
-	-	-	(1,123,287)	Transfers in
-	-	14,700	(1,023,890)	Transfers out
				Total other financing sources (uses)
151,019	33,253	25,640	(1,873,770)	Net change in fund balance
(350,686)	(293,878)	67,738	18,321,549	Fund balance - beginning
\$ (199,667)	\$ (260,625)	\$ 93,378	\$ 16,447,779	Fund balance - ending

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources collected and used for the acquisition or construction of major capital facilities. The County's Capital Project Funds include the following:

Capital Expenditure Fund – This fund is used to account for the purchase and/or construction of major capital projects. Capital projects include, but are not limited to such items as; major office remodeling, handicap improvements, building rehabilitation, roadway construction, communication systems construction, and the purchase of property. The County entered into a capital lease with JPMorgan Chase Bank, N.A., on August 12, 2014 for the expansion of the County fairgrounds. The lease agreement is in the amount of \$6,720,544 and matures in 2029.

Infrastructure Fund – This fund is used to track construction costs of individual road, highway, and drainage projects. Revenues in this fund include; interest earnings, developer contributions, transportation improvement fees, local, state, and federal matching funds, as well as unmatched County funds. Expenditures for this fund include all county transportation, highway, road, bridges, and drainage infrastructure projects.

Arapahoe County Recreation District Fund – This fund is used to account for recreational facilities within a district located in the Southeast part of the urbanized area of Arapahoe County. These facilities include the Arapahoe County Community Park, the Cheyenne Arapaho Park, Welch Park, Cherry Creek Ecological Park, and various trails within the District. The District is located between I-25 and Smoky Hill Road and between I-225 and the Arapahoe-Douglas County Line. Property taxes paid by property owners that reside within the District and specific ownership tax revenues provide for day-to-day operating and maintenance costs.

Arapahoe County Water and Wastewater Public Improvement District (PID) Fund – The Arapahoe County Water and Wastewater Public Improvement District (PID) was formed in 2001 to construct various water and sewer facilities and to refinance the debt of the Arapahoe Water and Sanitation District. Property tax revenue for the PID is used to pay the scheduled debt service on the outstanding bonds and debt issued by the District.

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**Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Capital Projects
December 31, 2016**

	Nonmajor Capital Projects			
	Capital Expenditure	Infrastructure	Arap. County Rec. District	Arap. County Water and Wastewater PID
Assets				
Cash and investments	\$ 8,138,725	\$ 17,123,851	\$ 1,847,447	\$ 1,490,532
Restricted cash and investments	-	-	-	1,200,000
Accounts receivable	-	-	16,351	2,084
Taxes receivable, net	4,462,284	-	877,157	7,556,951
Total assets	<u>\$ 12,601,009</u>	<u>\$ 17,123,851</u>	<u>\$ 2,740,955</u>	<u>\$ 10,249,567</u>
Liabilities				
Accounts payable	\$ 254,115	\$ 215,535	\$ 76,493	\$ -
Accrued expenditures	-	-	9,641	-
Total liabilities	<u>254,115</u>	<u>215,535</u>	<u>86,134</u>	<u>-</u>
Deferred inflows of resources				
Deferred property tax revenue	4,462,284	-	877,157	7,556,951
Total deferred inflows of resources	<u>4,462,284</u>	<u>-</u>	<u>877,157</u>	<u>7,556,951</u>
Fund balances (deficits)				
Restricted	-	1,417,392	-	1,200,000
Committed	7,884,610	15,490,924	-	1,492,616
Assigned	-	-	1,777,664	-
Total fund balances (deficits)	<u>7,884,610</u>	<u>16,908,316</u>	<u>1,777,664</u>	<u>2,692,616</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 12,601,009</u>	<u>\$ 17,123,851</u>	<u>\$ 2,740,955</u>	<u>\$ 10,249,567</u>

**Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Capital Projects (continued)
December 31, 2016**

Total	
\$	28,600,555
	1,200,000
	18,435
	12,896,392
\$	42,715,382
\$	546,143
	9,641
	555,784
	12,896,392
	12,896,392
	2,617,392
	24,868,150
	1,777,664
	29,263,206
\$	42,715,382

Assets

Cash and investments
Restricted cash and investments
Accounts receivable
Taxes receivable, net

Total assets

Liabilities

Accounts payable
Accrued expenditures

Total liabilities

Deferred inflows of resources

Deferred property tax revenue

Total deferred inflows of resources

Fund balances (deficits)

Restricted
Committed
Assigned

Total fund balances (deficits)

Total liabilities, deferred inflows of resources
and fund balance

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects
For the Year Ended December 31, 2016

	Nonmajor Capital Projects			
	Capital Expenditure	Infrastructure	Arap. County Rec. District	Arap. County Water and Wastewater PID
Revenues				
Taxes				
Property taxes	\$ 4,531,298	\$ -	\$ 871,689	\$ 7,814,906
Other taxes	354,737	-	67,230	590,362
Licenses and permits	-	513,423	-	-
Intergovernmental	814	1,077,844	149,444	-
Charges for services	-	-	80,533	-
Investment earnings	119	44,470	19,161	-
Developer contributions	-	305,860	-	-
Build America Bonds credit	-	-	-	1,079,032
Miscellaneous	247,253	-	-	950
Total revenue	5,134,221	1,941,597	1,188,057	9,485,250
Expenditures				
Current				
General government	34,086	-	-	-
Public safety	28,495	-	-	-
Judicial services	302,837	-	-	-
Highways and streets	300,000	6,233,715	-	-
Water and wastewater	-	-	-	114,024
Culture and recreation	-	-	1,052,242	-
Total current	665,418	6,233,715	1,052,242	114,024
Capital				
General government	8,169,170	-	-	-
Public safety	464,718	-	-	-
Judicial services	21,979	-	-	-
Highways and streets	-	2,416,589	-	-
Total capital	8,655,867	2,416,589	-	-
Debt				
Principal	-	-	-	2,456,705
Interest	-	-	-	6,594,475
Debt administration fees	-	-	-	1,050
Total debt service	-	-	-	9,052,230
Total expenditures	9,321,285	8,650,304	1,052,242	9,166,254
Excess (deficiency) of revenues over (under) expenditures	(4,187,064)	(6,708,707)	135,815	318,996
Other financing sources (uses)				
Transfers in	5,506,756	3,924,628	-	-
Transfers out	(3,827,800)	(300,000)	(226,570)	-
Total other financing sources (uses)	1,678,956	3,624,628	(226,570)	-
Net change in fund balance	(2,508,108)	(3,084,079)	(90,755)	318,996
Fund balance - beginning	10,392,718	19,992,395	1,868,419	2,373,620
Fund balance - ending	\$ 7,884,610	\$ 16,908,316	\$ 1,777,664	\$ 2,692,616

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects (continued)
For the Year Ended December 31, 2016

Total		
\$	13,217,893	Revenues
	1,012,329	Taxes
	513,423	Property taxes
	1,228,102	Other taxes
	80,533	Licenses and permits
	63,750	Intergovernmental
	305,860	Charges for services
	1,079,032	Investment earnings
	248,203	Developer contributions
		Build America Bonds credit
		Miscellaneous
		Total revenue
	17,749,125	
	34,086	Expenditures
	28,495	Current
	302,837	General government
	6,533,715	Public safety
	114,024	Judicial services
	1,052,242	Highways and streets
		Water and wastewater
		Culture and recreation
		Total current
	8,065,399	
	8,169,170	Capital
	464,718	General government
	21,979	Public safety
	2,416,589	Judicial services
		Highways and streets
		Total capital
	11,072,456	
	2,456,705	Debt
	6,594,475	Principal
	1,050	Interest
		Debt administration fees
		Total debt service
	9,052,230	
	28,190,085	Total expenditures
		Excess (deficiency) of
		revenues over (under)
		expenditures
	(10,440,960)	Other financing sources (uses)
		Transfers in
	9,431,384	Transfers out
	(4,354,370)	Total other financing sources (uses)
	5,077,014	Net change in fund balance
	(5,363,946)	Fund balance - beginning
	34,627,152	
\$	29,263,206	Fund balance - ending

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt Service Funds are used for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The County's Debt Service Funds include the following:

Equipment Lease Purchase Fund – This fund is used to account for capital lease purchases. In 2016, the following leases were accounted for in this fund:

1. Fairgrounds Expansion Lease purchase agreement through JPMorgan Chase Bank, N.A. in the amount of \$6,720,544 was entered into in 2014 and maturing in 2029.
2. Parkland lease purchase agreement with Zion National Bank in the amount of \$2,600,000 was entered into in November 2007 and matures in 2027.
3. District Attorney Office Building lease purchase agreement with JPMorgan Chase Bank, N.A., in the amount of \$5,300,000 entered into in 2008 and matures in 2018. The District Attorney Building lease purchase was refinanced on August 12, 2014. The 2014 refinancing was issued in the amount of \$2,722,849. The final maturity date was not changed.
4. Lima Ridge lease purchase agreement with the Banc of America Public Capital Corp. in the amount of \$9,650,000 entered into in 2011 and matures in 2030.

The Arapahoe County Building Finance Corporation Debt Service Fund – This fund is used to account for the transactions related to the funding of the construction of facilities that are leased to Arapahoe County Government. The Arapahoe County Building Finance Corporation (ACBFC) owns the CentrePoint Plaza Building, the Sheriff/Coroner Administration Building, and the Arapahoe County Justice Center. The ACBFC leases these facilities to the County pursuant to the terms of Certificates of Participation issued by the Corporation.

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Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Debt Service
December 31, 2016

	Nonmajor Debt Service		
	Lease Purchase	Arap. County Building Finance Corp.	Total
Assets			
Cash and investments	\$ 171,706	\$ 1,776,650	\$ 1,948,356
Total assets	<u>\$ 171,706</u>	<u>\$ 1,776,650</u>	<u>\$ 1,948,356</u>
Liabilities			
Accrued expenditures	\$ -	\$ 34,758	\$ 34,758
Total liabilities	<u>-</u>	<u>34,758</u>	<u>34,758</u>
Fund balances (deficits)			
Assigned	171,706	1,741,892	1,913,598
Total fund balances (deficits)	<u>171,706</u>	<u>1,741,892</u>	<u>1,913,598</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 171,706</u>	<u>\$ 1,776,650</u>	<u>\$ 1,948,356</u>

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service
For the Year Ended December 31, 2016

	Nonmajor Debt Service		
	Lease Purchase	Arap. County Building Finance Corp.	Total
Revenues			
Investment earnings	\$ -	\$ 76,128	\$ 76,128
Repayment from component unit	-	1,632,137	1,632,137
Miscellaneous	-	1,606	1,606
Total revenue	-	1,709,871	1,709,871
Expenditures			
Current			
Health and welfare	-	2,810	2,810
Airport	-	550	550
Total current	-	3,360	3,360
Debt			
Principal	5,028,076	1,585,000	6,613,076
Interest	1,467,081	83,235	1,550,316
Debt administration fees	-	2,508	2,508
Total debt service	6,495,157	1,670,743	8,165,900
Total expenditures	6,495,157	1,674,103	8,169,260
Excess (deficiency) of revenues over (under) expenditures	(6,495,157)	35,768	(6,459,389)
Other financing sources (uses)			
Transfers in	6,597,788	4,435,000	11,032,788
Transfers out	-	(4,449,563)	(4,449,563)
Total other financing sources (uses)	6,597,788	(14,563)	6,583,225
Net change in fund balance	102,631	21,205	123,836
Fund balance - beginning	69,075	1,720,687	1,789,762
Fund balance - ending	\$ 171,706	\$ 1,741,892	\$ 1,913,598

Arapahoe County, Colorado
Electronic Filing Technology
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Charges for services	\$ 132,099	\$ 132,099	\$ 146,068	\$ 13,969
Total revenue	132,099	132,099	146,068	13,969
Expenditures				
Current				
General government	-	485,396	82,688	402,708
Capital				
General government	132,099	132,099	-	132,099
Total expenditures	132,099	617,495	82,688	534,807
Excess (deficiency) of revenues over (under) expenditures	-	(485,396)	63,380	548,776
Fund balance - beginning	485,396	485,396	485,396	-
Fund balance - ending	\$ 485,396	\$ -	\$ 548,776	\$ 548,776

Arapahoe County, Colorado
Cash-In-Lieu
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Charges for services	\$ 55,000	\$ 55,000	\$ 33,333	\$ (21,667)
Total revenue	55,000	55,000	33,333	(21,667)
Expenditures				
Current				
General government	-	849,258	-	849,258
Total expenditures	-	849,258	-	849,258
Excess (deficiency) of revenues over (under) expenditures	55,000	(794,258)	33,333	827,591
Fund balance - beginning	849,258	849,258	849,258	-
Fund balance - ending	\$ 904,258	\$ 55,000	\$ 882,591	\$ 827,591

Arapahoe County, Colorado
Law Enforcement Authority District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Taxes				
Property taxes	\$ 6,333,814	\$ 6,333,814	\$ 6,368,854	\$ 35,040
Other taxes	315,000	315,000	490,459	175,459
Intergovernmental	33,800	33,800	38,000	4,200
Charges for services	125,195	125,195	131,299	6,104
Fines and forfeitures	571,500	571,500	515,763	(55,737)
Investment earnings	-	-	99,238	99,238
Miscellaneous	-	-	12,338	12,338
Total revenue	7,379,309	7,379,309	7,655,951	276,642
Expenditures				
Current				
Public safety	6,931,659	6,960,781	6,904,851	55,930
Capital				
Public safety	3,000	3,000	-	3,000
Total expenditures	6,934,659	6,963,781	6,904,851	58,930
Excess (deficiency) of revenues over (under) expenditures	444,650	415,528	751,100	335,572
Other financing sources (uses)				
Transfers in	-	29,122	29,122	-
Transfers out	(23,043)	(23,043)	(23,043)	-
Total other financing sources (uses)	(23,043)	6,079	6,079	-
Net change in fund balance	421,607	421,607	757,179	335,572
Fund balance - beginning	8,191,539	8,191,539	8,191,539	-
Fund balance - ending	\$ 8,613,144	\$ 8,613,146	\$ 8,948,718	\$ 335,572

Arapahoe County, Colorado
Arapahoe / Douglas Works!
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Intergovernmental	\$ 12,498,662	\$ 12,498,662	\$ 11,159,485	\$ (1,339,177)
Charges for services	70,000	70,000	153,837	83,837
Interfund revenues and rentals	-	-	89,904	89,904
Miscellaneous	353,000	353,000	154,747	(198,253)
Total revenue	<u>12,921,662</u>	<u>12,921,662</u>	<u>11,557,973</u>	<u>(1,363,689)</u>
Expenditures				
Current				
Health and welfare	<u>12,918,862</u>	<u>12,918,862</u>	<u>11,429,898</u>	<u>1,488,964</u>
Total expenditures	<u>12,918,862</u>	<u>12,918,862</u>	<u>11,429,898</u>	<u>1,488,964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,800</u>	<u>2,800</u>	<u>128,075</u>	<u>125,275</u>
Other financing sources (uses)				
Transfers out	<u>(2,800)</u>	<u>(2,800)</u>	<u>-</u>	<u>2,800</u>
Total other financing sources (uses)	<u>(2,800)</u>	<u>(2,800)</u>	<u>-</u>	<u>2,800</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>128,075</u>	<u>128,075</u>
Fund balance - beginning	<u>(128,075)</u>	<u>(128,075)</u>	<u>(128,075)</u>	<u>-</u>
Fund balance - ending	<u>\$ (128,075)</u>	<u>\$ (128,075)</u>	<u>\$ -</u>	<u>\$ 128,075</u>

Arapahoe County, Colorado
Road and Bridge
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Taxes				
Property taxes	\$ 5,770,165	\$ 5,770,165	\$ 5,776,777	\$ 6,612
Other taxes	406,000	406,000	452,243	46,243
Licenses and permits	337,000	337,000	342,063	5,063
Intergovernmental	8,441,000	8,441,000	9,014,177	573,177
Charges for services	-	-	3,462	3,462
Miscellaneous	50,000	50,000	12,645	(37,355)
Total revenue	15,004,165	15,004,165	15,601,367	597,202
Expenditures				
Current				
Highways and streets	17,488,608	18,407,909	18,405,160	2,749
Total expenditures	17,488,608	18,407,909	18,405,160	2,749
Excess (deficiency) of revenues over (under) expenditures	(2,484,443)	(3,403,744)	(2,803,793)	599,951
Other financing sources (uses)				
Transfers out	(384,962)	(467,700)	(467,700)	-
Total other financing sources (uses)	(384,962)	(467,700)	(467,700)	-
Net change in fund balance	(2,869,405)	(3,871,444)	(3,271,493)	599,951
Fund balance - beginning	6,489,070	6,489,070	6,489,070	-
Fund balance - ending	\$ 3,619,665	\$ 2,617,626	\$ 3,217,577	\$ 599,951

**Arapahoe County, Colorado
Conservation Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016**

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 720,904	\$ 120,904
Investment earnings	-	-	5,373	5,373
Total revenue	600,000	600,000	726,277	126,277
Expenditures				
Capital				
Culture and recreation	-	776,228	-	776,228
Total expenditures	-	776,228	-	776,228
Excess (deficiency) of revenues over (under) expenditures	600,000	(176,228)	726,277	902,505
Other financing sources (uses)				
Transfers out	(559,900)	(559,900)	(559,900)	-
Total other financing sources (uses)	(559,900)	(559,900)	(559,900)	-
Net change in fund balance	40,100	(736,128)	166,377	902,505
Fund balance - beginning	776,228	776,228	776,228	-
Fund balance - ending	\$ 816,328	\$ 40,100	\$ 942,605	\$ 902,505

Arapahoe County, Colorado
Contingent
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	603,465	603,465	603,465	-
Fund balance - ending	\$ 603,465	\$ 603,465	\$ 603,465	\$ -

Arapahoe County, Colorado
Communications Network Replacement
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Intergovernmental	\$ 42,675	\$ 42,675	\$ 50,658	\$ 7,983
Total revenue	42,675	42,675	50,658	7,983
Expenditures				
Current				
General government	68,250	450,824	52,651	398,173
Total expenditures	68,250	450,824	52,651	398,173
Excess (deficiency) of revenues over (under) expenditures	(25,575)	(408,149)	(1,993)	406,156
Other financing sources (uses)				
Transfers in	25,575	25,575	25,575	-
Total other financing sources (uses)	25,575	25,575	25,575	-
Net change in fund balance	-	(382,574)	23,582	406,156
Fund balance - beginning	382,576	382,576	382,576	-
Fund balance - ending	\$ 382,576	\$ 2	\$ 406,158	\$ 406,156

Arapahoe County, Colorado
Sheriff's Commissary
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Charges for services	\$ 1,345,024	\$ 1,345,024	\$ 1,172,638	\$ (172,386)
Fines and forfeitures	10,000	10,000	19,784	9,784
Total revenue	1,355,024	1,355,024	1,192,422	(162,602)
Expenditures				
Current				
Public safety	1,635,259	2,180,500	1,173,220	1,007,280
Total expenditures	1,635,259	2,180,500	1,173,220	1,007,280
Excess (deficiency) of revenues over (under) expenditures	(280,235)	(825,476)	19,202	844,678
Other financing sources (uses)				
Transfers out	(300)	(300)	(300)	-
Total other financing sources (uses)	(300)	(300)	(300)	-
Net change in fund balance	(280,535)	(825,776)	18,902	844,678
Fund balance - beginning	825,777	825,777	825,777	-
Fund balance - ending	\$ 545,242	\$ 1	\$ 844,679	\$ 844,678

Arapahoe County, Colorado
Community Development
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Intergovernmental	\$ 3,730,880	\$ 3,730,880	\$ 1,699,925	\$ (2,030,955)
Miscellaneous	-	1,191,701	1,059,212	(132,489)
Total revenue	3,730,880	4,922,581	2,759,137	(2,163,444)
Expenditures				
Current				
Health and welfare	3,760,880	4,952,581	2,789,138	2,163,443
Total expenditures	3,760,880	4,952,581	2,789,138	2,163,443
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,000)	(30,001)	(1)
Other financing sources (uses)				
Transfers in	30,000	30,000	30,000	-
Total other financing sources (uses)	30,000	30,000	30,000	-
Net change in fund balance	-	-	(1)	(1)
Fund balance - beginning	(6,593)	(6,593)	(6,593)	-
Fund balance - ending	\$ (6,593)	\$ (6,593)	\$ (6,594)	\$ (1)

Arapahoe County, Colorado
Forfeited Property
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ -	\$ 83,864	\$ 94,837	\$ 10,973
Investment earnings	-	-	4,685	4,685
Total revenue	-	83,864	99,522	15,658
Expenditures				
Current				
Public safety	-	441,255	30,194	411,061
Total expenditures	-	441,255	30,194	411,061
Excess (deficiency) of revenues over (under) expenditures	-	(357,391)	69,328	426,719
Other financing sources (uses)				
Transfers out	-	(72,344)	(72,344)	-
Total other financing sources (uses)	-	(72,344)	(72,344)	-
Net change in fund balance	-	(429,735)	(3,016)	426,719
Fund balance - beginning	429,734	429,734	429,734	-
Fund balance - ending	\$ 429,734	\$ (1)	\$ 426,718	\$ 426,719

Arapahoe County, Colorado
Developmental Disabilities
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Taxes				
Property taxes	\$ 8,872,519	\$ 8,885,296	\$ 8,885,295	\$ (1)
Intergovernmental	-	690	690	-
Total revenue	<u>8,872,519</u>	<u>8,885,986</u>	<u>8,885,985</u>	<u>(1)</u>
Expenditures				
Current				
Health and welfare	<u>8,872,519</u>	<u>8,885,986</u>	<u>8,885,985</u>	<u>1</u>
Total expenditures	<u>8,872,519</u>	<u>8,885,986</u>	<u>8,885,985</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Arapahoe County, Colorado
Grants
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Intergovernmental	\$ 11,473,083	\$ 13,246,995	\$ 9,163,324	\$ (4,083,671)
Charges for services	175,000	175,000	64,744	(110,256)
Miscellaneous	194,500	253,095	26,508	(226,587)
Total revenue	<u>11,842,583</u>	<u>13,675,090</u>	<u>9,254,576</u>	<u>(4,420,514)</u>
Expenditures				
Current				
Public safety	533,071	987,584	757,736	229,848
Health and welfare	11,309,212	12,681,801	8,345,821	4,335,980
Total expenditures	<u>11,842,283</u>	<u>13,669,385</u>	<u>9,103,557</u>	<u>4,565,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300</u>	<u>5,705</u>	<u>151,019</u>	<u>145,314</u>
Other financing sources (uses)				
Transfers out	<u>(300)</u>	<u>(5,705)</u>	<u>-</u>	<u>5,705</u>
Total other financing sources (uses)	<u>(300)</u>	<u>(5,705)</u>	<u>-</u>	<u>5,705</u>
Net change in fund balance	-	-	151,019	151,019
Fund balance - beginning	<u>(350,686)</u>	<u>(350,686)</u>	<u>(350,686)</u>	<u>-</u>
Fund balance - ending	<u><u>\$ (350,686)</u></u>	<u><u>\$ (350,686)</u></u>	<u><u>\$ (199,667)</u></u>	<u><u>\$ 151,019</u></u>

Arapahoe County, Colorado
Homeland Security Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Intergovernmental	\$ 481,329	\$ 2,202,265	\$ 1,098,894	\$ (1,103,371)
Total revenue	<u>481,329</u>	<u>2,202,265</u>	<u>1,098,894</u>	<u>(1,103,371)</u>
Expenditures				
Current				
Public safety	<u>481,129</u>	<u>2,202,065</u>	<u>1,065,641</u>	<u>1,136,424</u>
Total expenditures	<u>481,129</u>	<u>2,202,065</u>	<u>1,065,641</u>	<u>1,136,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>200</u>	<u>200</u>	<u>33,253</u>	<u>33,053</u>
Other financing sources (uses)				
Transfers out	<u>(200)</u>	<u>(200)</u>	<u>-</u>	<u>200</u>
Total other financing sources (uses)	<u>(200)</u>	<u>(200)</u>	<u>-</u>	<u>200</u>
Net change in fund balance	-	-	33,253	33,253
Fund balance - beginning	<u>(293,878)</u>	<u>(293,878)</u>	<u>(293,878)</u>	<u>-</u>
Fund balance - ending	<u>\$ (293,878)</u>	<u>\$ (293,878)</u>	<u>\$ (260,625)</u>	<u>\$ 33,253</u>

Arapahoe County, Colorado
Fair
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Charges for services	\$ 398,600	\$ 398,600	\$ 479,096	\$ 80,496
Miscellaneous	6,000	6,000	2,173	(3,827)
Total revenue	<u>404,600</u>	<u>404,600</u>	<u>481,269</u>	<u>76,669</u>
Expenditures				
Current				
General government	25,600	25,600	25,355	245
Culture and recreation	<u>379,000</u>	<u>446,738</u>	<u>444,974</u>	<u>1,764</u>
Total expenditures	<u>404,600</u>	<u>472,338</u>	<u>470,329</u>	<u>2,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(67,738)</u>	<u>10,940</u>	<u>78,678</u>
Other financing sources (uses)				
Transfers in	-	14,700	14,700	-
Total other financing sources (uses)	<u>-</u>	<u>14,700</u>	<u>14,700</u>	<u>-</u>
Net change in fund balance	-	(53,038)	25,640	78,678
Fund balance - beginning	67,738	67,738	67,738	-
Fund balance - ending	<u>\$ 67,738</u>	<u>\$ 14,700</u>	<u>\$ 93,378</u>	<u>\$ 78,678</u>

Arapahoe County, Colorado
Capital Expenditure
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Taxes				
Property taxes	\$ 4,526,138	\$ 4,526,138	\$ 4,531,298	\$ 5,160
Other taxes	330,000	330,000	354,737	24,737
Intergovernmental	-	1,172,837	814	(1,172,023)
Investment earnings	-	-	119	119
Miscellaneous	-	350,000	247,253	(102,747)
Total revenue	4,856,138	6,378,975	5,134,221	(1,244,754)
Expenditures				
Current				
General government	67,892	77,892	34,086	43,806
Public safety	-	49,200	28,495	20,705
Judicial services	-	380,300	302,837	77,463
Highways and streets	-	300,000	300,000	-
Capital				
General government	3,994,134	13,886,675	8,169,170	5,717,505
Public safety	1,318,342	1,462,106	464,718	997,388
Judicial services	380,300	599,539	21,979	577,560
Total expenditures	5,760,668	16,755,712	9,321,285	7,434,427
Excess (deficiency) of revenues over (under) expenditures	(904,530)	(10,376,737)	(4,187,064)	6,189,673
Other financing sources (uses)				
Transfers in	4,882,330	5,506,756	5,506,756	-
Transfers out	(3,977,800)	(3,827,800)	(3,827,800)	-
Total other financing sources (uses)	904,530	1,678,956	1,678,956	-
Net change in fund balance	-	(8,697,781)	(2,508,108)	6,189,673
Fund balance - beginning	10,392,718	10,392,718	10,392,718	-
Fund balance - ending	\$ 10,392,718	\$ 1,694,937	\$ 7,884,610	\$ 6,189,673

Arapahoe County, Colorado
Infrastructure
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Licenses and permits	\$ -	\$ 429,332	\$ 513,423	\$ 84,091
Intergovernmental	-	2,782,298	1,077,844	(1,704,454)
Investment earnings	-	-	44,470	44,470
Developer contributions	-	291,201	305,860	14,659
Total revenue	-	3,502,831	1,941,597	(1,561,234)
Expenditures				
Current				
Highways and streets	3,977,800	27,023,024	6,233,715	20,789,309
Capital				
Highways and streets	-	96,828	2,416,589	(2,319,761)
Total expenditures	3,977,800	27,119,852	8,650,304	18,469,548
Excess (deficiency) of revenues over (under) expenditures	(3,977,800)	(23,617,021)	(6,708,707)	16,908,314
Other financing sources (uses)				
Transfers in	3,977,800	3,924,628	3,924,628	-
Transfers out	-	(300,000)	(300,000)	-
Total other financing sources (uses)	3,977,800	3,624,628	3,624,628	-
Net change in fund balance	-	(19,992,393)	(3,084,079)	16,908,314
Fund balance - beginning	19,992,395	19,992,395	19,992,395	-
Fund balance - ending	\$ 19,992,395	\$ 2	\$ 16,908,316	\$ 16,908,314

Arapahoe County, Colorado
Arapahoe County Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Taxes				
Property taxes	\$ 868,061	\$ 868,061	\$ 871,689	\$ 3,628
Other taxes	54,140	54,140	67,230	13,090
Intergovernmental	153,262	153,262	149,444	(3,818)
Charges for services	90,179	90,179	80,533	(9,646)
Investment earnings	-	-	19,161	19,161
Total revenue	<u>1,165,642</u>	<u>1,165,642</u>	<u>1,188,057</u>	<u>22,415</u>
Expenditures				
Current				
Culture and recreation	950,655	1,053,012	1,052,242	770
Capital				
Culture and recreation	25,000	25,000	-	25,000
Total expenditures	<u>975,655</u>	<u>1,078,012</u>	<u>1,052,242</u>	<u>25,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>189,987</u>	<u>87,630</u>	<u>135,815</u>	<u>48,185</u>
Other financing sources (uses)				
Transfers out	(226,570)	(226,570)	(226,570)	-
Total other financing sources (uses)	<u>(226,570)</u>	<u>(226,570)</u>	<u>(226,570)</u>	<u>-</u>
Net change in fund balance	<u>(36,583)</u>	<u>(138,940)</u>	<u>(90,755)</u>	<u>48,185</u>
Fund balance - beginning	1,868,419	1,868,419	1,868,419	-
Fund balance - ending	<u>\$ 1,831,836</u>	<u>\$ 1,729,479</u>	<u>\$ 1,777,664</u>	<u>\$ 48,185</u>

Arapahoe County, Colorado
Arapahoe County Water and Wastewater PID
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Taxes				
Property taxes	\$ 7,809,409	\$ 7,809,409	\$ 7,814,906	\$ 5,497
Other taxes	525,000	525,000	590,362	65,362
Build America Bonds credit	1,042,543	1,042,543	1,079,032	36,489
Miscellaneous	-	-	950	950
Total revenue	9,376,952	9,376,952	9,485,250	108,298
Expenditures				
Current				
Water and wastewater	121,841	121,841	114,024	7,817
Debt				
Principal	2,341,705	2,341,705	2,456,705	(115,000)
Interest	6,717,920	6,717,920	6,594,475	123,445
Debt administration fees	2,000	2,000	1,050	950
Total expenditures	9,183,466	9,183,466	9,166,254	17,212
Excess (deficiency) of revenues over (under) expenditures	193,486	193,486	318,996	125,510
Net change in fund balance	193,486	193,486	318,996	125,510
Fund balance - beginning	2,373,620	2,373,620	2,373,620	-
Fund balance - ending	\$ 2,567,106	\$ 2,567,106	\$ 2,692,616	\$ 125,510

Arapahoe County, Colorado
Lease Purchase
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Health and welfare	-	1,500	-	1,500
Debt				
Principal	1,467,563	5,106,071	5,028,076	77,995
Interest	680,662	1,490,217	1,467,081	23,136
Total expenditures	2,148,225	6,597,788	6,495,157	102,631
Excess (deficiency) of revenues over (under) expenditures	(2,148,225)	(6,597,788)	(6,495,157)	102,631
Other financing sources (uses)				
Transfers in	2,148,225	6,597,788	6,597,788	-
Total other financing sources (uses)	2,148,225	6,597,788	6,597,788	-
Net change in fund balance	-	-	102,631	102,631
Fund balance - beginning	69,075	69,075	69,075	-
Fund balance - ending	\$ 69,075	\$ 69,075	\$ 171,706	\$ 102,631

Arapahoe County, Colorado
Arapahoe County Building Finance Corporation
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Investment earnings	\$ 50,000	\$ 50,000	\$ 76,128	\$ 26,128
Repayment from comp unit-principal & interest	1,600,000	1,600,000	1,632,137	32,137
Miscellaneous	-	-	1,606	1,606
Total revenue	1,650,000	1,650,000	1,709,871	59,871
Expenditures				
Current				
Health and welfare	2,000	2,000	2,810	(810)
Airport	2,000	2,000	550	1,450
Debt				
Principal	5,060,000	1,585,000	1,585,000	-
Interest	1,056,276	83,213	83,235	(22)
Debt administration fees	3,500	2,000	2,508	(508)
Total expenditures	6,123,776	1,674,213	1,674,103	110
Excess (deficiency) of revenues over (under) expenditures	(4,473,776)	(24,213)	35,768	59,981
Other financing sources (uses)				
Transfers in	4,435,000	4,435,000	4,435,000	-
Transfers out	-	(4,449,563)	(4,449,563)	-
Total other financing sources (uses)	4,435,000	(14,563)	(14,563)	-
Net change in fund balance	(38,776)	(38,776)	21,205	59,981
Fund balance - beginning	1,720,687	1,720,687	1,720,687	-
Fund balance - ending	\$ 1,681,912	\$ 1,681,912	\$ 1,741,892	\$ 59,981

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are a type of proprietary fund used to account for any activity that provides goods and services to other funds, departments, or agencies of the primary government on a cost-reimbursement basis. The County's Internal Service Funds include:

Central Service Fund – This fund provides an internal service function to departments within the County. Services include: office supplies, materials, gas and oil, equipment and vehicles for an intergovernmental fee.

Self Insurance Liability Fund – This fund is used to account for the County's self-insurance program for property, liability, automobile, and the cost of insurance that is maintained in excess of the deductible limit.

Employee Flex Benefit Fund – This fund accounts for the employees' portion of their pre-tax salaries set aside to be used for reimbursement of qualified health or dependent care expenses. The costs are paid for by interest earnings on deposited and forfeited employee contributions.

Worker's Compensation Fund – This fund is used to account for the self-funded program that collects worker compensation monies from appropriate County funds and pays for the worker's compensation losses in lieu of an outside agency.

Self Insurance Dental Fund – This fund is used to account for the County's self-insured employee dental care plan, which is fully funded by premiums charged to employees and employer matching contributions.

Arapahoe County Government
Combining Statement of Net Position
Proprietary Funds
December 31, 2016

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Assets				
Current assets:				
Cash and investments	\$ 20,142,201	\$ 1,857,646	\$ 251,298	\$ 3,610,560
Accounts receivable	36,956	-	-	-
Deposit	-	-	-	100,000
Inventory	456,871	-	-	-
Total current assets	20,636,028	1,857,646	251,298	3,710,560
Noncurrent assets:				
Capital assets:				
Buildings and improvements	17,628	-	-	-
Vehicles and equipment	35,152,556	-	-	-
Computer systems	6,618,076	-	-	-
Furniture and office equipment	84,243	-	-	-
Less: accumulated depreciation	(30,806,748)	-	-	-
Total noncurrent assets (net of accum. dep.)	11,065,755	-	-	-
Total assets	\$ 31,701,783	\$ 1,857,646	\$ 251,298	\$ 3,710,560
Liabilities				
Current liabilities				
Accounts payable	\$ 361,415	\$ 129,668	\$ -	\$ 125,752
Estimated claims payable	-	370,000	-	724,500
Noncurrent claims payable	-	860,000	-	1,690,500
Total liabilities	361,415	1,359,668	-	2,540,752
Net position				
Net investment in capital assets	11,065,755	-	-	-
Unrestricted	20,274,613	497,978	251,298	1,169,808
Total net position	\$ 31,340,368	\$ 497,978	\$ 251,298	\$ 1,169,808

**Arapahoe County Government
Combining Statement of Net Position
Proprietary Funds
December 31, 2016**

Self Insurance Dental	Total
\$ 487,022	\$ 26,348,727
-	36,956
-	100,000
-	456,871
487,022	26,942,554
-	17,628
-	35,152,556
-	6,618,076
-	84,243
-	(30,806,748)
-	11,065,755
\$ 487,022	\$ 38,008,309
\$ 93,939	\$ 710,774
60,000	1,154,500
-	2,550,500
153,939	4,415,774
-	11,065,755
333,083	22,526,780
\$ 333,083	\$ 33,592,535

Assets

Current assets:

Cash and investments
Accounts receivable
Deposit
Inventory

Total current assets

Noncurrent assets:

Capital assets:

Buildings and improvements
Vehicles and equipment
Computer systems
Furniture and office equipment
Less: accumulated depreciation

Total noncurrent assets
(net of accum. dep.)

Total assets

Liabilities

Current liabilities

Accounts payable
Estimated claims payable
Noncurrent claims payable

Total liabilities

Net position

Net investment in capital assets
Unrestricted

Total net position

Arapahoe County Government
Combining Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Operating revenues				
Charges for sales and service	\$ 5,313,252	\$ 354,640	\$ 793,147	\$ 1,523,059
Total operating revenue	5,313,252	354,640	793,147	1,523,059
Operating expenses				
Cost of sales and services	1,040,338	800,314	766,544	1,963,716
Administration	15,640	18,274	-	173,956
Depreciation	4,272,914	-	-	-
Total operating expenses	5,328,892	818,588	766,544	2,137,672
Operating income (loss)	(15,640)	(463,948)	26,603	(614,613)
Nonoperating revenue (expenses)				
Insurance recoveries	-	66,899	-	-
Gain on sale of assets	615,525	-	-	-
Loss on sale of assets	(2,032)	-	-	-
Income (loss) before contributions and transfers	597,853	(397,049)	26,603	(614,613)
Transfers in	941,758	750,000	25,000	-
Transfers out	(548,913)	-	-	-
Change in net position	990,698	352,951	51,603	(614,613)
Total net position - beginning	30,349,670	145,027	199,695	1,784,421
Total net position - ending	\$ 31,340,368	\$ 497,978	\$ 251,298	\$ 1,169,808

Arapahoe County Government
Combining Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2016

Self Insurance Dental	Total
\$ 1,297,107	\$ 9,281,205
<u>1,297,107</u>	<u>9,281,205</u>
1,429,349	6,000,261
-	207,870
-	4,272,914
<u>1,429,349</u>	<u>10,481,045</u>
<u>(132,242)</u>	<u>(1,199,840)</u>
-	66,899
-	615,525
-	(2,032)
<u>(132,242)</u>	<u>(519,448)</u>
60,800	1,777,558
-	(548,913)
<u>(71,442)</u>	<u>709,197</u>
404,525	32,883,338
<u>\$ 333,083</u>	<u>\$ 33,592,535</u>

Operating revenues

Charges for sales and service

Total operating revenue

Operating expenses

Cost of sales and services

Administration

Depreciation

Total operating expenses

Operating income (loss)

Nonoperating revenue (expenses)

Insurance recoveries

Gain on sale of assets

Loss on sale of assets

Income (loss) before contributions
and transfers

Transfers in

Transfers out

Change in net position

Total net position - beginning

Total net position - ending

Arapahoe County, Colorado
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

	Governmental Activities - Internal Service Funds		
	Central Service	Self Insurance Liability	Employee Flex Benefit
Cash flows from operating activities			
Cash received for interfund services provided	\$ 5,318,185	\$ 354,640	\$ 793,147
Cash payments for services and supplies	(1,021,642)	(790,949)	(766,544)
Net cash provided by (used for) operating activities	<u>4,296,543</u>	<u>(436,309)</u>	<u>26,603</u>
Cash flows from noncapital financing activities			
Transfers in from other funds	941,758	750,000	25,000
Transfers out to other funds	(548,913)	-	-
Net cash provided by (used for) non capital financing activities	<u>392,845</u>	<u>750,000</u>	<u>25,000</u>
Cash flows from capital and related financing activities			
Acquisition of property and equipment	(6,413,626)	-	-
Proceeds from sale of capital assets	615,524	-	-
Insurance Proceeds	-	66,899	-
Net cash provided by (used for) by capital and related financing activities	<u>(5,798,102)</u>	<u>66,899</u>	<u>-</u>
Net increase (decrease) in cash and investments	(1,108,714)	380,590	51,603
Cash and investments, January 1, 2016	<u>21,250,915</u>	<u>1,477,056</u>	<u>199,695</u>
Cash and investments, December 31, 2016	<u>\$ 20,142,201</u>	<u>\$ 1,857,646</u>	<u>\$ 251,298</u>
Reconciliation of operating income (loss) to net cash provided by (used for) by operating activities:			
Operating income (loss)	\$ (15,640)	\$ (463,948)	\$ 26,603
Adjustments to reconcile operating income (loss) to net cash provided by (used for) by operating activities:			
Depreciation expense	4,272,914	-	-
(Increase) decrease in current assets:			
Accounts receivable	4,933	-	-
Inventory	(9,764)	-	-
Deposits	-	-	-
Increase (decrease) in current liabilities:			
Accounts payable	44,100	113,639	-
Claims payable	-	(86,000)	-
Total adjustments	<u>4,312,183</u>	<u>27,639</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ 4,296,543</u>	<u>\$ (436,309)</u>	<u>\$ 26,603</u>

Arapahoe County, Colorado
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

Governmental Activities - Internal Service Funds		
Worker's Compensation	Self Insurance Dental	Total
\$ 1,523,059	\$ 1,297,107	\$ 9,286,138
(1,983,681)	(1,428,052)	(5,990,868)
(460,622)	(130,945)	3,295,270
-	60,800	1,777,558
-	-	(548,913)
-	60,800	1,228,645
-	-	(6,413,626)
-	-	615,524
-	-	66,899
-	-	(5,731,203)
(460,622)	(70,145)	(1,207,288)
4,071,182	557,167	27,556,015
<u>\$ 3,610,560</u>	<u>\$ 487,022</u>	<u>\$ 26,348,727</u>
\$ (614,613)	\$ (132,242)	\$ (1,199,840)
-	-	4,272,914
-	-	4,933
-	2	(9,762)
(100,000)	-	(100,000)
(18,009)	5,295	145,025
272,000	(4,000)	182,000
153,991	1,297	4,495,110
<u>\$ (460,622)</u>	<u>\$ (130,945)</u>	<u>\$ 3,295,270</u>

Cash flows from operating activities

Cash received for interfund services provided
Cash payments for services and supplies
Net cash provided by (used for) operating activities

Cash flows from noncapital financing activities

Transfers in from other funds
Transfers out to other funds
Net cash provided by (used for) non capital
financing activities

Cash flows from capital and related financing activities

Acquisition of property and equipment
Proceeds from sale of capital assets
Insurance Proceeds
Net cash provided by (used for) by capital and
related financing activities

Net increase (decrease) in cash and investments

Cash and investments, January 1, 2016

Cash and investments, December 31, 2016

**Reconciliation of operating income (loss) to net cash
provided by (used for) by operating activities:**

Operating income (loss)
Adjustments to reconcile operating income (loss) to
net cash provided by (used for) by operating activities:
Depreciation expense
(Increase) decrease in current assets:
Accounts receivable
Inventory
Deposits
Increase (decrease) in current liabilities:
Accounts payable
Claims payable
Total adjustments

Net cash provided by (used for) operating activities

Arapahoe County, Colorado
Schedule of Budgetary Compliance
Proprietary Funds
For the Year Ended December 31, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Budgeted proprietary funds:			
Central Service Fund (1,2)	\$ 13,000,816	\$ 5,328,892	\$ 7,671,924
Self Insurance Liability Fund	1,119,152	818,588	300,564
Employee Flex Benefit Fund	788,204	766,544	21,660
Worker's Compensation Fund	2,856,290	2,137,672	718,618
Self Insurance Dental Fund	1,889,300	1,429,349	459,951
Total	<u>\$ 19,653,762</u>	<u>\$ 10,481,045</u>	<u>\$ 9,172,717</u>

The schedule of budgetary compliance is included to show compliance at the legal level of control as established by Arapahoe County Appropriation Resolutions, and includes all appropriations not shown elsewhere in this report. Appropriations are reported at the fund level or at the spending agency level if so designated by the resolution.

Final budget and actual totals include transfers and capital expenditures as applicable.

1) Depreciation Expense

Depreciation expense is not budgeted in the proprietary funds and is not included in the actual expense totals in the Schedule of Budgetary Compliance. Depreciation expense during 2016 is as follows:

Central Service Fund	\$ 4,272,914
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2) Capital Expenditures

Capital expenditures are budgeted in the proprietary funds and are included in the actual expense totals in the Schedule of Budgetary Compliance. Capital expenditures for 2016 are as follows:

Central Service Fund	\$ 6,413,626
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FIDUCIARY FUNDS

AGENCY FUNDS

Agency Funds are held by Arapahoe County in a custodial capacity for individuals, governmental entities, and nonpublic organizations, as established by resolution or state statute. The County's agency funds include:

Treasurer's Fund – This fund is used to account for the receipt and disbursement of all property tax revenues received by the Treasurer for the County and all other taxing entities in the County.

Arapahoe County Public Trustee Fund – This fund is used to account for the fiduciary activities of the Public Trustee including foreclosures and releases of deeds of trust.

Inmate Sentencing Fund – This fund is used to account for the receipt and disbursement of monies held on behalf of prison inmates.

Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2016

	Agency Funds			
	Beginning Balance 1/1/2016	Additions	Deletions	Ending Balance 12/31/2016
<u>TREASURER'S AGENCY FUND</u>				
Assets				
Cash and investments	\$ 25,176,976	16,602,943,159	\$ 16,603,962,082	\$ 24,158,053
Property taxes receivable	711,153,803	748,020,884	711,153,803	748,020,884
Total assets	<u>\$ 736,330,779</u>	<u>\$ 17,350,964,043</u>	<u>\$ 17,315,115,885</u>	<u>\$ 772,178,937</u>
Liabilities				
Due to other governments	\$ 728,307,811	\$ 2,444,423,198	\$ 2,408,005,285	\$ 764,725,724
Other deposits payable	7,938,122	3,412,233,461	3,412,841,119	7,330,465
Warrants payable	84,846	546,025,719	545,987,817	122,748
Total liabilities	<u>\$ 736,330,779</u>	<u>\$ 6,402,682,379</u>	<u>\$ 6,366,834,221</u>	<u>\$ 772,178,937</u>
<u>ARAPAHOE COUNTY PUBLIC TRUSTEE</u>				
Assets				
Cash and investments	\$ 2,325,870	\$ 41,747,250	\$ 40,967,301	\$ 3,105,819
Restricted escrow	822,944	-	88,285	734,659
Other assets	43,251	-	9,811	33,440
Total assets	<u>\$ 3,192,065</u>	<u>\$ 41,747,250</u>	<u>\$ 41,065,397</u>	<u>\$ 3,873,918</u>
Liabilities				
Accounts Payable	\$ 397	\$ 1,873	\$ -	\$ 2,270
Due to other governments	721,966	-	39,972	681,994
Other deposits payable	2,469,702	41,995,799	41,275,847	3,189,654
Total liabilities	<u>\$ 3,192,065</u>	<u>\$ 41,997,672</u>	<u>\$ 41,315,819</u>	<u>\$ 3,873,918</u>
<u>INMATE SENTENCING AGENCY FUND</u>				
Assets				
Cash and investments	\$ 291,367	\$ 200,057	\$ 195,227	\$ 296,197
Total assets	<u>\$ 291,367</u>	<u>\$ 200,057</u>	<u>\$ 195,227</u>	<u>\$ 296,197</u>
Liabilities				
Other deposits payable	\$ 291,367	\$ 200,057	\$ 195,227	\$ 296,197
Total liabilities	<u>\$ 291,367</u>	<u>\$ 200,057</u>	<u>\$ 195,227</u>	<u>\$ 296,197</u>
<u>TOTAL AGENCY FUNDS</u>				
Assets				
Cash and investments	\$ 27,794,213	\$ 16,644,890,466	\$ 16,645,124,610	\$ 27,560,069
Restricted escrow	822,944	-	88,285	734,659
Property taxes receivable	711,153,803	748,020,884	711,153,803	748,020,884
Other assets	43,251	-	9,811	33,440
Total assets	<u>\$ 739,814,211</u>	<u>\$ 17,392,911,350</u>	<u>\$ 17,356,376,509</u>	<u>\$ 776,349,052</u>
Liabilities				
Accounts Payable	\$ 397	\$ 1,873	\$ -	\$ 2,270
Due to other governments	729,029,777	2,444,423,198	2,408,045,257	765,407,718
Other deposits payable	10,699,191	3,454,429,317	3,454,312,193	10,816,316
Warrants payable	84,846	546,025,719	545,987,817	122,748
Total liabilities	<u>\$ 739,814,211</u>	<u>\$ 6,444,880,108</u>	<u>\$ 6,408,345,267</u>	<u>\$ 776,349,052</u>

Arapahoe County, Colorado
E-911 Authority - Component Unit
Governmental Funds Balance Sheet/Statement of Net Position
December 31, 2016

	E-911 Authority Fund	Adjustments	Statement of Net Position
Assets			
Cash	\$ 7,971,534	\$ -	\$ 7,971,534
Accounts receivable	363,485	-	363,485
Total current assets	<u>8,335,019</u>	<u>-</u>	<u>8,335,019</u>
Capital assets, depreciable	-	3,530,995	3,530,995
Less accumulated depreciation	-	(3,530,995)	(3,530,995)
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 8,335,019</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,335,019</u></u>
Liabilities			
Accounts payable	\$ 272,381	-	\$ 272,381
Total liabilities	<u>272,381</u>	<u>-</u>	<u>272,381</u>
Fund balance			
Assigned	8,062,638	(8,062,638)	-
Total fund balance	<u>8,062,638</u>	<u>(8,062,638)</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 8,335,019</u></u>		
Net position			
Net investment in capital assets		-	-
Unrestricted		<u>8,062,638</u>	<u>8,062,638</u>
Total net position		<u><u>\$ 8,062,638</u></u>	<u><u>\$ 8,062,638</u></u>

Arapahoe County, Colorado
E-911 Authority - Component Unit
Statement of Governmental Fund Revenues
Expenditures, and Changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2016

	E-911 Authority Fund	Adjustments	Statement of Activities
Program revenues			
Charges for services	\$ 2,437,570	\$ -	\$ 2,437,570
General revenues			
Investment earnings	76,079	-	76,079
Miscellaneous	-	-	-
Total revenues	<u>2,513,649</u>	<u>-</u>	<u>2,513,649</u>
Expenditures/expenses			
Governmental activities			
Public safety	2,646,458	-	2,646,458
Depreciation	-	32,741	32,741
Total expenditures/expenses	<u>2,646,458</u>	<u>32,741</u>	<u>2,679,199</u>
Excess of revenues over expenditures	(132,809)	132,809	-
Change in net position	-	165,550	(165,550)
Fund balance/net position - beginning	<u>8,195,447</u>	<u>32,741</u>	<u>8,228,188</u>
Fund balance/net position - ending	<u>\$ 8,062,638</u>	<u>\$ -</u>	<u>\$ 8,062,638</u>

Arapahoe County, Colorado
E-911 Authority - Component Unit
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 2,457,000	\$ 2,457,000	\$ 2,437,570	\$ (19,430)
Investment earnings	70,000	70,000	76,079	6,079
Total revenues	<u>2,527,000</u>	<u>2,527,000</u>	<u>2,513,649</u>	<u>(13,351)</u>
Expenditures				
Current				
Public safety	7,005,289	7,005,289	2,646,458	4,358,831
Total expenditures	<u>7,005,289</u>	<u>7,005,289</u>	<u>2,646,458</u>	<u>4,358,831</u>
Excess of revenues over expenditures	(4,478,289)	(4,478,289)	(132,809)	4,345,480
Fund balance - beginning	8,195,447	8,195,447	8,195,447	-
Fund balance - ending	<u>\$ 3,717,158</u>	<u>\$ 3,717,158</u>	<u>\$ 8,062,638</u>	<u>\$ 4,345,480</u>

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Arapahoe County Department of Human Services
EBT Authorization Schedule
For Calendar Year 2016

	A		B		C		D		E
<u>Program</u>	<u>County EBT Authorizations per Whole Year Report</u>	<u>E/R Sort</u>	<u>County Share of Authorizations</u>	<u>E/R Sort</u>	<u>Expenditures By County Warrant</u>	<u>E/R Sort</u>	<u>County EBT Authorizations plus Expenditures by County Warrant (Col. A + Col. C)</u>	<u>Total Expenditures (Col. B + Col. C)</u>	
Colorado Works (TANF)	\$ 11,312,382	b214	\$ 1,906,670	E214	\$ 2,304,206	b92	\$ 13,616,587	\$ 4,210,876	
Child Care Direct EBT	9,538,101	b257	1,050,732	E257			9,538,101	1,050,732	
Child Care Administration					922,697	b385	922,697	922,697	
Child Welfare Administration 100%					2,982,923	b544	2,982,923	2,982,923	
Child Welfare Administration 80/20%					13,245,015	b1101	13,245,015	13,245,015	
Child Welfare Residential Mental Health	263,635	b1134	52,727	E1134			263,635	52,727	
Child Welfare Case Services	39,172	c1191	8,158	c1192	17,801	c1190	56,973	25,959	
Child Welfare Out-of-Home (OOH)	6,570,505	b1294	1,298,863	e1294			6,570,505	1,298,863	
Child Welfare Related Child Care	585,195	c1333	117,064	E1333	72,330	c1334	657,526	189,394	
Child Welfare Subsidized Adoption	5,036,440	b1372	987,772	E1372			5,036,440	987,772	
Regular Administration	97,444	b1693	97,444	E1693	5,395,499	b1695	5,492,943	5,492,943	
COUNTY ADMINISTRATION - HCPF REGULAR	-		273,682	e2050	1,499,668	b2051	1,499,668	1,773,350	
COUNTY ADMINISTRATION - HCPF ENHANCED	-		234,470	e2113	2,908,240	b2113	2,908,240	3,142,710	
Non-Allocated Programs:							-	-	
Medicaid Administration					17,527	b2153	17,527	17,527	
AwDC - Adults Without Dependent Children					-	b2193	-	-	
Paris Funding					35,704	b2155	35,704	35,704	
Food Assistance Administration					-	b2195	-	-	
EBT Administration	58,182	b2157	58,182	e2157			58,182	58,182	
Core Services:							-	-	
Mental Health	151,111	b2174	872	e2174			151,111	872	
ADAD	76,669	b2187	-	e2187			76,669	-	
SEA	-	b2197			7,763	e2197	7,763	7,763	
Other FICF	2,427,020	c2279	14,527	e2279	(711,980)	c2280	1,715,040	(697,453)	
80/20%	131,209	c2482	26,242	c2484	3,417,071	c2483	3,548,280	3,443,313	
Low-Income Energy Assistance	2,162,285	c2702			381,979	c2705	2,544,264	381,979	
Adult Protective Services	-		238,929	e2741	1,194,644	b2741	1,194,644	1,433,573	
Aid to Needy Disabled	894,766	b2814	178,953	E2814			894,766	178,953	
Aid to Blind	589	b2756	118	e2756			589	118	
Home Care Allowance	641,176	b2860	32,059	E2860			641,176	32,059	
Old Age Pension	10,713,627	C2934			204,581	C2935	10,918,208	204,581	
Food Assistance Direct EBT & Fraud Administration	71,604,855	b2973			-		71,604,855	-	
Food Assistance Job Search	30,692	b3025	12,862	b3027	708,704	b3026	739,397	721,567	
Title XX Caseworker Training					17,207	b3115	17,207	17,207	
IV-E Independent Living					141,883	b3166	141,883	141,883	
County Wide Cost Allocation Plan Pass Thru					5,738,158	c3427	5,738,158	5,738,158	
Audit Adjustments	-		-				-	-	
Medicaid Collections	(7,150)	b3546					(7,150)	-	
Total Net EBT Authorizations/Subtotal	122,327,907		6,590,324		40,501,618		162,829,526	47,091,947	
State Adjustments/ NON-EBT									
Child Welfare RTC/CHRP Adjustments	126,709	b1113	25,342	e1113			126,709	25,342	
IV-D Retained State Collections	(873,326)	b3535	(174,665)	E3536			(873,326)	(174,665)	
Child Support Enforcement	92,471	d2666	102,351	d2670	6,188,247	d2669	6,280,718	6,290,598	
Other Local Sources					1,102,532	b3584	1,102,532	1,102,532	
Excess Parental Fees					775,303	b3611	775,303	775,303	
Excess IV-E Revenue SB80					38,201	b3598	38,201	38,201	
Other Grants					1,506,424	b3137	1,506,424	1,506,424	
Grand Totals	\$ 121,673,760		\$ 6,543,351		\$ 50,112,326		\$ 171,786,087	\$ 56,655,682	
					*** CONTROL TOTALS		171,786,086	56,453,852	
Differences noted:									
Net Increase to Total Expenditures due to accruals (Payroll & Medicaid incentives)								(840,368)	
Net decrease to Total Expenditures due to County Wide Cost Allocation Plan costs not recorded to Fund 11								6,120,942	
Net increase to Total Expenditures due to county expenditures not recorded to County Financial Management System (CFMS)								(1,162,547)	
Net increase to Total Expenditures due to Fund to Fund transfers not recorded to CFMS								(3,600,000)	
Net decrease to Total Expenditures due to IV-D balance sheet items, and refunds								74,253	
Net increase to Total Expenditures due to collection items recorded in revenue and not as offset to expenditure								(390,450)	
County Human Services Total								\$ 56,655,682	
A. Assistance payments authorized by the Arapahoe County Department of Human Services. These county authorizations are paid by the Colorado Department of Human Services via QUEST debit cards - Electronic Benefit Transfer. These amounts include EBT adjustments such as payment returns and collections. The amounts can be isolated in CFMS by adding up the account code sequences 65793-65799, 53940-53945 and 65788-65789.									
B. Net County Share of EBT authorizations. These amounts are settled monthly by a reduction of the Due To/From State settlement payment made to Arapahoe County at the end of the month following the period close. These amounts correspond to county share amounts of the EBT net authorizations paid (see A Above). Amounts can be isolated by adding up account code 11320 figures for EBT program and function code combinations.									
C. Expenditures made by county warrant or other county payment methods.									
D. This represents the total cost of the assistance programs that are administered by the Arapahoe County Department of Human Services.									
E. The amount is reconcilable to the expenditures on the Social Services Fund-Statement of Revenues, Expenditures and Changes in Fund Balance.									
*** Control figures for column D taken from the CFMS Expenditure/Revenue-Whole Year Report "total expenditure" column. For column E, the County SAP detail for expenditure accounts. Difference between Grand Total of column D and Control Total of Column D is due to rounding.									
Difference between Grand Total of column E and Control Total of column E is shown in Differences Noted.									

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Arapahoe		
		YEAR ENDING : December 2016		
This Information From The Records Of: County of Arapahoe		Prepared By: Rhonda Robinson Phone: 720-874-6822		
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from local sources:		A. Local highway disbursements:		
1. Local highway-user taxes		1. Capital outlay (from page 2)	8,204,091	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	13,267,658	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations	308,058	
2. General fund appropriations	3,924,628	b. Snow and ice removal	773,801	
3. Other local imposts (from page 2)	6,855,794	c. Other		
4. Miscellaneous local receipts (from page 2)	310,481	d. Total (a. through c.)	1,081,859	
5. Transfers from toll facilities		4. General administration & miscellaneous	4,290,729	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	-	
a. Bonds - Original Issues		6. Total (1 through 5)	26,844,337	
b. Bonds - Refunding Issues		B. Debt service on local obligations:		
c. Notes		1. Bonds:		
d. Total (a. + b. + c.)	-	a. Interest		
7. Total (1 through 6)	11,090,903	b. Redemption		
B. Private Contributions	1,232,937	c. Total (a. + b.)	-	
C. Receipts from State government (from page 2)	9,143,752	2. Notes:		
D. Receipts from Federal Government (from page 2)	-	a. Interest		
E. Total receipts (A.7 + B + C + D)	21,467,592	b. Redemption		
		c. Total (a. + b.)	-	
		3. Total (1.c + 2.c)	-	
		C. Payments to State for highways		
		D. Payments to toll facilities		
		E. Total disbursements (A.6 + B.3 + C + D)	26,844,337	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				-
1. Bonds (Refunding Portion)				
B. Notes (Total)				-
V. LOCAL ROAD AND STREET FUND BALANCE				
P	F1+	G1+		
A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
25,504,639	21,467,592	26,844,337	20,127,894	-
Notes and Comments:				

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2016	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	5,790,128	a. Interest on investments	44,471
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	563,423	f. Charges for Services	3,462
5. Specific Ownership &/or Other	502,243	g. Other Misc. Receipts	251,574
6. Total (1. through 5.)	1,065,666	h. Other	10,974
c. Total (a. + b.)	6,855,794	i. Total (a. through h.)	310,481
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	8,761,131	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registration	382,621	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	382,621	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	9,143,752	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		2,148,892	2,148,892
c. Construction:			
(1). New Facilities		390,168	390,168
(2). Capacity Improvements		4,745,771	4,745,771
(3). System Preservation			
(4). System Enhancement & Operation		919,260	919,260
(5). Total Construction (1) + (2) + (3) + (4)	0	6,055,199	6,055,199
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,204,091	8,204,091
			(Carry forward to page 1)
Notes and Comments:			

Arapahoe County, Colorado
Building Maintenance Administration
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Total revenue	-	-	-	-
Expenditures				
Current				
General government	1,798,269	2,065,717	2,061,031	4,686
Total expenditures	1,798,269	2,065,717	2,061,031	4,686
Excess (deficiency) of revenues over (under) expenditures	(1,798,269)	(2,065,717)	(2,061,031)	4,686
Other financing sources (uses)				
Transfers in	1,778,000	1,853,000	1,853,000	-
Total other financing sources (uses)	1,778,000	1,853,000	1,853,000	-
Net change in fund balance	(20,269)	(212,717)	(208,031)	4,686
Fund balance - beginning	982,215	982,215	982,215	-
Fund balance - ending	\$ 961,946	\$ 769,498	\$ 774,184	\$ 4,686

Arapahoe County, Colorado
Board Designated
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	16,921,280	16,921,280	16,921,280	-
Fund balance - ending	\$ 16,921,280	\$ 16,921,280	\$ 16,921,280	\$ -

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Arapahoe County, Colorado

Statistical Section Index

(Unaudited)

This part of the Arapahoe County comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to assist the reader in understanding how the County's financial position has changed over time.

Table 1	Net Position by Component	E-2
Table 2	Changes in Net Position.....	E-4
Table 3	Fund Balances - Governmental Funds.....	E-6
Table 4	Changes in Fund Balances, Governmental Funds.....	E-8

Revenue Capacity

These schedules contain information to assist the reader in assessing the County's most significant sources of revenue.

Table 5	Assessed Value and Actual Value of Taxable Property	E-10
Table 6	Direct and Overlapping Property Tax Rates.....	E-11
Table 7	Principal Property Taxpayers	E-12
Table 8	Property Tax Levies and Collections.....	E-13

Debt Capacity

These schedules present information to assist the reader in analyzing the County's current level of debt and the County's ability to issue debt in the future.

Table 9	Ratios of Outstanding Debt by Type	E-14
Table 10	Computation of Direct and Overlapping Debt.....	E-16
Table 11	Legal Debt Margin Information	E-19

Demographic and Economic Information

These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the County's financial activities take place.

Table 12	Demographic and Economic Statistics.....	E-20
Table 13	Principal Employers	E-21

Operating Information

These schedules contain service and infrastructure indicators to assist the reader in ascertaining how the information in the County's financial statements relate to the services the County provides and the activities it performs.

Table 14	Full-time Equivalent County Government Employees by Function/Program.....	E-22
Table 15	Operating Indicators by Function/Program.....	E-23
Table 16	Capital Assets Statistics by Function/Program.....	E-24

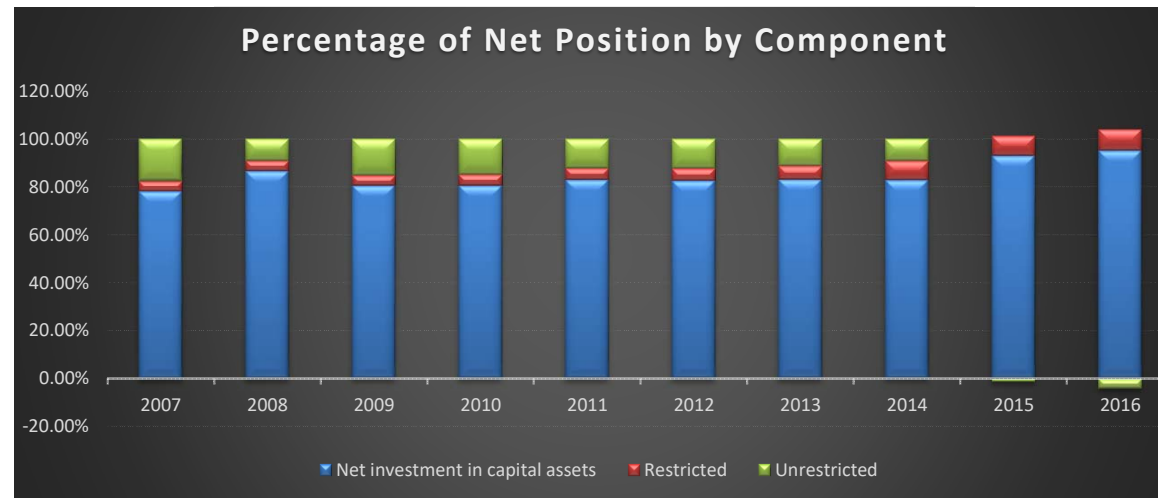
Data Source:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

ARAPAHOE COUNTY, COLORADO
Net Position by Component
Last Ten Fiscal Years
December 31, 2016

Table 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 598,362,162	\$ 671,821,630	\$ 627,194,683	\$ 628,465,040	\$ 642,290,143	\$ 638,601,615	\$ 644,821,342	\$ 645,575,320	\$ 659,544,853	\$ 661,699,298
Restricted	32,165,309	33,953,349	32,785,071	35,276,618	37,691,869	38,816,576	43,700,491	62,204,672	58,164,427	61,025,576
Unrestricted	134,927,706	70,408,488	118,420,367	116,293,743	93,968,505	95,650,011	86,712,911	71,421,463	(7,440,134)	(27,017,353)
Total governmental activities net position	\$ 765,455,177	\$ 776,183,467	\$ 778,400,121	\$ 780,035,401	\$ 773,950,517	\$ 773,068,202	\$ 775,234,744	\$ 779,201,455	\$ 710,269,146	\$ 695,707,521



Data Source:
Applicable years' comprehensive annual financial report

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Table 2

ARAPAHOE COUNTY, COLORADO
Changes in Net Position
Last Ten Fiscal Years
December 31, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General Government	\$ 63,300,479	\$ 64,476,171	\$ 70,545,770	\$ 65,620,965	\$ 66,121,995	\$ 63,495,280	\$ 64,146,957	\$ 64,507,824	\$ 62,981,999	\$ 67,198,166
Public Safety	71,309,677	73,524,951	76,796,036	75,458,627	76,142,197	77,703,126	80,106,733	82,886,786	86,598,340	93,906,901
Judicial Services	11,622,405	10,479,953	12,654,389	12,614,228	12,223,389	12,364,714	12,389,454	12,474,361	13,392,562	14,435,062
Health & Welfare	68,886,438	74,537,601	82,651,797	84,731,102	83,747,155	82,520,568	82,262,092	84,017,656	89,673,316	96,670,273
Highways & Streets	25,004,995	22,850,253	21,286,170	23,960,428	27,133,757	24,707,635	21,739,230	23,309,365	28,620,234	32,878,027
Water & Wastewater	1,675,251	1,833,715	1,712,077	3,273,817	3,517,485	3,610,897	3,450,708	3,525,230	3,567,857	3,565,064
Airport	374,688	365,538	365,538	365,552	365,938	6,282	1,563	8,268	-	1,585,550
Culture & Recreation	15,887,027	16,668,608	18,619,791	14,268,965	14,261,422	18,017,062	18,398,769	20,022,505	20,602,042	25,427,434
Interest on long-term debt	8,121,674	8,233,227	8,124,717	10,704,678	11,495,570	10,648,886	9,397,859	9,114,034	8,542,246	7,606,467
Total governmental activities expenses	<u>\$ 266,182,634</u>	<u>\$ 272,970,017</u>	<u>\$ 292,756,285</u>	<u>\$ 290,998,362</u>	<u>\$ 295,008,908</u>	<u>\$ 293,074,450</u>	<u>\$ 291,893,365</u>	<u>\$ 299,866,029</u>	<u>\$ 313,978,596</u>	<u>\$ 343,272,944</u>
Program Revenues										
Governmental activities:										
Charges for Services:										
General Government	\$ 26,745,753	\$ 24,227,058	\$ 23,745,686	\$ 23,430,054	\$ 15,600,113	\$ 19,259,850	\$ 20,250,845	\$ 22,196,883	\$ 23,989,832	\$ 24,764,618
Public Safety	23,628,766	24,272,267	24,543,218	25,121,132	25,957,155	26,071,312	25,860,963	26,375,646	27,738,753	29,725,654
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	485,962	636,986	520,950	317,610	338,422	220,022	445,771	634,870	755,207	628,911
Highways & Streets	3,396,200	2,325,654	375,448	326,105	361,674	542,081	713,619	758,650	927,616	860,617
Water & Wastewater	-	-	-	-	-	-	-	-	5	-
Airport	-	-	-	-	-	-	-	-	571,911	-
Culture & Recreation	188,358	218,445	218,911	245,226	368,133	363,075	712,210	575,644	-	942,446
								-		
Operating Grants and Contributions:										
General Government	726,253	233,812	369,616	201,778	532,320	587,711	198,373	130,532	116,151	142,214
Public Safety	4,060,388	2,947,398	5,059,275	3,051,259	4,335,027	4,012,225	3,470,396	3,282,826	2,577,121	2,200,898
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	45,916,061	49,692,183	57,471,628	59,500,186	58,958,731	56,549,617	55,446,824	54,827,686	59,144,977	64,420,988
Highways & Streets	10,267,441	7,370,732	10,388,780	11,287,372	8,680,840	10,085,021	9,110,175	9,210,239	9,421,948	10,092,021
Water & Wastewater	4,142,847	1,988,044	862,784	156,212	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	26,119	181,278	169,959	186,963	164,769	142,056	221,769	163,276	154,106	150,694
Capital grants and Contributions:										
General Government	-	110,250	-	-	127,990	-	8,411	-	-	-
Public Safety	6,088	13,843	-	-	-	-	62,207	23,650	-	137,985
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	20,341	2,323	3,479	4,094	4,029	5,877	5,461	6,816	6,951	8,460
Highways & Streets	61,862,505	4,047,852	6,062,121	418,888	582,094	115,729	279,095	1,990,573	512,927	578,392
Water & Wastewater	-	-	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	532,286	534,992	503,927	478,713	495,200	610,905	667,655	606,114	610,925	720,904
Total governmental activities program revenues	<u>\$ 182,005,368</u>	<u>\$ 118,803,117</u>	<u>\$ 130,295,782</u>	<u>\$ 124,725,592</u>	<u>\$ 116,506,497</u>	<u>\$ 118,565,481</u>	<u>\$ 117,453,774</u>	<u>\$ 120,783,405</u>	<u>\$ 126,528,430</u>	<u>\$ 135,374,802</u>

Net (Expense)/Revenue

Table 2 (continued)

ARAPAHOE COUNTY, COLORADO
Changes in Net Position
Last Ten Fiscal Years
December 31, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Total primary government net expense	\$ (84,177,266)	\$ (154,166,900)	\$ (162,460,503)	\$ (166,272,770)	\$ (178,502,411)	\$ (174,508,969)	\$ (174,439,591)	\$ (179,082,624)	\$ (187,450,166)	\$ (208,273,142)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 119,397,961	\$ 123,865,373	\$ 131,681,792	\$ 132,748,945	\$ 134,792,665	\$ 137,159,101	\$ 137,284,487	\$ 140,623,343	\$ 140,088,056	\$ 146,327,277
Sales taxes	19,306,838	18,209,151	16,496,260	17,358,730	17,568,252	19,424,283	21,058,410	22,557,783	24,593,215	25,647,538
Other taxes	9,928,556	9,115,649	8,663,686	8,243,151	7,819,588	8,650,925	9,140,147	9,778,605	10,149,831	10,735,626
Investment income	15,866,207	13,437,760	5,832,261	3,672,457	2,337,311	1,340,297	533,928	1,559,611	2,198,875	1,950,443
Build america bonds credit	-	-	-	-	1,158,381	1,158,381	1,057,602	1,074,398	1,076,715	1,079,032
Miscellaneous	4,149,679	267,257	2,538,060	3,642,267	8,741,330	8,792,643	7,531,559	7,455,595	7,700,202	7,971,601
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 168,649,241</u>	<u>\$ 164,895,190</u>	<u>\$ 165,212,059</u>	<u>\$ 165,665,550</u>	<u>\$ 172,417,527</u>	<u>\$ 176,525,630</u>	<u>\$ 176,606,133</u>	<u>\$ 183,049,335</u>	<u>\$ 185,806,894</u>	<u>\$ 193,711,517</u>
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Change in Net Position										
Governmental activities	\$ 84,471,975	\$ 10,728,290	\$ 2,751,556	\$ (607,220)	\$ (6,084,884)	\$ 2,016,661	\$ 2,166,542	\$ 3,966,711	\$ (1,643,272)	\$ (14,561,625)

Data Source:

Applicable years' comprehensive annual financial report

Table 3

ARAPAHOE COUNTY, COLORADO
Fund Balances Governmental Funds
Last Ten Fiscal Years
December 31, 2016

	2007*	2008*	2009*	2010*	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 28,289	\$ 15,594	\$ 14,497	\$ 29,126	\$ 21,446	\$ 89,763
Restricted	-	-	-	-	5,533,967	5,683,857	5,721,746	5,880,269	6,237,852	6,525,720
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	5,375,023	7,271,891	6,715,072	3,187,951	8,943,657	8,011,437
Unassigned	-	-	-	-	30,723,073	34,078,126	38,051,806	36,372,605	33,670,399	36,996,292
Prior to 2011										
Reserved	1,428,152	601,076	1,218,913	877,805	-	-	-	-	-	-
Unreserved	48,008,034	39,755,237	30,049,809	32,120,272	-	-	-	-	-	-
Total General Fund	<u>\$ 49,436,186</u>	<u>\$ 40,356,313</u>	<u>\$ 31,268,722</u>	<u>\$ 32,998,077</u>	<u>\$ 41,660,352</u>	<u>\$ 47,049,468</u>	<u>\$ 50,503,121</u>	<u>\$ 45,469,951</u>	<u>\$ 48,873,354</u>	<u>\$ 51,623,212</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 169,131	\$ 165,021	\$ 151,614	\$ 159,433	\$ 91,153	\$ 85,940
Restricted	-	-	-	-	33,780,233	35,457,760	40,297,435	65,837,389	56,231,919	56,029,200
Committed	-	-	-	-	36,424,167	42,603,723	32,769,338	42,156,672	29,309,109	24,348,429
Assigned	-	-	-	-	26,478,072	25,789,116	29,311,879	12,928,127	16,790,588	14,510,748
Unassigned	-	-	-	-	(759,365)	(1,645,415)	(463,024)	(889,882)	(856,529)	(540,719)
Prior to 2011										
Reserved	52,079,074	34,663,632	77,470,501	24,760,710	-	-	-	-	-	-
Unreserved, reported in:										
Cash flow	-	-	-	-	-	-	-	-	-	-
Special revenue fund	62,829,567	64,267,115	64,814,855	62,820,027	-	-	-	-	-	-
Capital projects fund	22,277,400	35,361,313	35,299,241	28,177,813	-	-	-	-	-	-
Total all other governmental funds	<u>137,186,041</u>	<u>134,292,060</u>	<u>177,584,597</u>	<u>115,758,550</u>	<u>96,092,238</u>	<u>102,370,205</u>	<u>102,067,242</u>	<u>120,191,739</u>	<u>101,566,240</u>	<u>94,433,598</u>
Total General and all other governmental funds	<u>\$ 186,622,227</u>	<u>\$ 174,648,373</u>	<u>\$ 208,853,319</u>	<u>\$ 148,756,627</u>	<u>\$ 137,752,590</u>	<u>\$ 149,419,673</u>	<u>\$ 152,570,363</u>	<u>\$ 165,661,690</u>	<u>\$ 150,439,594</u>	<u>\$ 146,056,810</u>

Note: * Fund Balances for prior years are not available in new fund balance breakdown per GASB 54.

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Table 4

ARAPAHOE COUNTY COLORADO
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
December 31, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 148,633,355	\$ 152,910,622	\$ 156,841,739	\$ 158,350,822	\$ 160,180,505	\$ 165,234,310	\$ 167,427,334	\$ 172,983,923	\$ 174,843,027	\$ 182,717,914
Licenses and Permits	4,727,828	4,985,149	5,010,913	4,462,048	4,626,342	5,770,321	6,291,499	7,071,899	7,679,491	6,862,319
Intergovernmental	67,446,760	64,381,138	75,632,862	76,404,188	73,914,329	72,511,100	70,868,970	67,743,648	71,714,313	77,683,616
Charges for Services	46,865,997	41,715,069	39,538,768	39,949,208	39,927,613	42,344,679	42,460,957	43,049,570	45,554,064	48,754,388
Fines	938,603	1,256,099	1,455,525	1,770,420	2,187,374	2,276,220	1,672,267	1,582,379	1,472,027	1,333,331
Investment Earnings	15,866,208	13,437,761	5,832,262	3,672,457	2,337,311	1,340,297	533,928	1,559,611	2,198,875	1,950,442
Interfund Revenues and Rentals	3,407,789	2,647,830	2,863,123	2,629,159	3,381,894	3,871,456	4,024,310	3,812,158	3,885,296	4,175,841
Interest on Loan to Component Unit	1,560,383	1,579,686	1,595,034	1,595,759	1,617,384	1,584,577	1,591,390	1,596,342	1,594,761	1,632,137
Developer Contributions	163,630	295,749	585,425	-	306,191	101,521	242,452	150,421	488,890	305,860
Build America Bonds credit	-	-	-	-	1,158,381	1,158,381	1,057,602	1,074,398	1,076,715	1,079,032
Miscellaneous	3,048,831	1,245,054	2,931,773	3,902,719	3,089,955	2,642,425	2,263,215	3,457,709	4,467,072	4,499,116
Total Revenues	292,659,384	284,454,157	292,287,424	292,736,780	292,727,279	298,835,287	298,433,924	304,082,058	314,974,531	330,993,996
Expenditures										
General Government	59,119,225	62,002,254	60,274,976	60,680,392	59,409,082	57,788,954	57,720,320	61,033,179	60,935,571	62,611,284
Public Safety	66,225,968	69,733,643	72,770,225	71,572,143	72,257,100	73,438,472	74,622,220	77,598,486	79,051,015	82,748,708
Judicial Services	11,534,723	10,551,071	12,721,751	12,694,119	12,099,113	12,234,857	12,319,363	12,417,783	13,269,108	14,313,223
Health and Welfare	68,384,170	74,338,791	82,671,002	84,906,821	85,820,777	84,074,191	83,417,958	83,174,922	86,631,696	93,767,618
Highways and Streets	19,180,829	17,196,792	16,413,516	18,167,228	19,904,997	15,900,164	14,754,234	16,077,366	21,008,487	24,938,875
Water and Wastewater	80,522	76,053	579,638	602,474	101,224	113,441	115,122	113,935	117,138	114,024
Airport	9,800	650	650	664	850	6,282	1,563	8,268	-	550
Culture and Recreation	15,506,016	16,163,173	18,094,674	13,673,560	15,074,698	17,521,272	17,875,463	19,377,236	19,802,789	24,410,962
Capital Outlay	34,096,302	34,819,984	33,676,013	73,304,010	22,953,275	10,144,267	16,461,656	9,542,868	29,224,035	14,024,761
Debt Service										
Principal	7,832,487	7,819,177	6,277,470	6,559,486	13,449,250	65,774,205	7,780,421	10,988,043	8,605,357	9,069,781
Interest	8,041,596	8,132,886	8,079,409	10,119,632	11,506,597	11,361,697	9,486,734	9,154,339	8,703,895	8,144,791
Debt Issuance/Admin Costs	3,225	53,284	157,375	2,450	48,121	1,263,735	6,080	56,373	500,519	3,558
Total Expenditures	290,014,863	300,887,758	311,716,699	352,282,979	312,625,084	349,621,537	294,561,134	299,542,798	327,849,610	334,148,135
Excess of revenues over (under) expenditures	2,644,521	(16,433,601)	(19,429,275)	(59,546,199)	(19,897,805)	(50,786,250)	3,872,790	4,539,260	(12,875,079)	(3,154,139)

Table 4 (continued)

ARAPAHOE COUNTY COLORADO
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
December 31, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses)										
Transfers In	29,598,579	34,089,983	29,288,252	18,325,661	49,478,206	21,451,484	16,374,015	22,221,040	8,611,624	24,256,236
Transfers Out	(31,601,287)	(35,040,486)	(31,332,360)	(18,876,154)	(50,234,438)	(20,767,035)	(17,096,115)	(23,112,366)	(11,365,506)	(25,484,881)
Debt issued	2,600,000	5,300,000	56,075,000	-	9,650,000	59,020,000	-	-	48,940,000	-
Capital Leases	-	-	-	-	-	-	-	9,443,393	-	-
Capital Contributions	-	110,250	(396,671)	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Payment to Bond Agent	(517)	-	-	-	-	-	-	-	(51,909,890)	-
Premium (discount) on Bonds	-	-	-	-	-	1,767,720	-	-	3,376,755	-
Long-term Notes Payable	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	596,775	4,459,747	53,634,221	(550,493)	8,893,768	61,472,169	(722,100)	8,552,067	(2,347,017)	(1,228,645)
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 3,241,296	\$ (11,973,854)	\$ 34,204,946	\$ (60,096,692)	\$ (11,004,037)	\$ 10,685,919	\$ 3,150,690	\$ 13,091,327	\$ (15,222,096)	\$ (4,382,784)
Debt service as a percentage of noncapital expenditures	6.20%	6.00%	5.16%	5.98%	8.62%	22.72%	6.21%	6.95%	23.18%	5.38%

Data Source:

Applicable years' comprehensive annual financial report

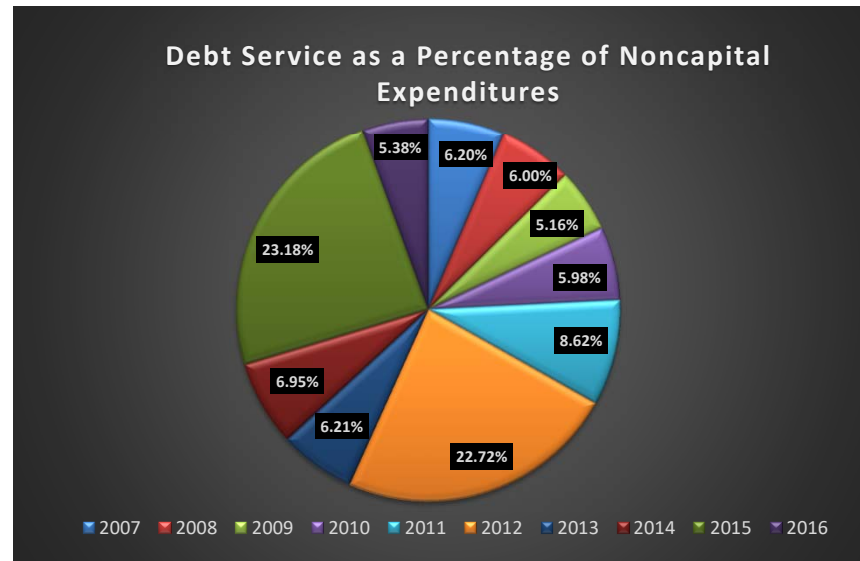


Table 5

ARAPAHOE COUNTY, COLORADO
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
December 31, 2016

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant	Agricultural	Other Natural Resources	State Assessed	Tax-Exempt Property	Total Taxable Assessed Value	Total Taxable Actual Value	Total Direct Tax rate
2007	\$ 4,149,223,900	\$ 2,881,577,130	\$ 38,006,330	\$ 291,633,820	\$ 10,099,980	\$ 6,487,460	\$ 309,434,800	\$ 1,035,456,060	\$ 7,686,463,420	\$ 64,311,406,839	25.013
2008	4,234,534,700	2,907,703,660	37,189,710	262,746,280	10,269,220	6,135,760	329,180,700	1,057,226,880	7,787,760,030	65,438,081,973	25.418
2009	3,954,383,160	3,360,045,380	38,952,380	256,206,470	10,747,100	7,589,600	334,020,900	1,258,930,570	7,961,944,990	63,482,961,616	25.437
2010	3,987,486,080	3,352,504,060	33,931,360	235,853,770	10,890,300	5,210,150	342,934,700	1,263,684,890	7,968,810,420	63,812,923,092	25.800
2011	3,775,269,790	2,995,807,840	31,667,580	219,167,970	12,033,580	6,624,610	387,517,800	1,293,261,390	7,428,089,170	60,010,542,511	27.279
2012	3,794,466,240	2,984,226,260	32,561,730	204,179,330	11,863,490	17,992,250	417,530,100	1,312,493,880	7,462,819,400	60,300,053,871	27.035
2013	3,780,177,620	3,123,945,090	33,512,670	190,477,390	13,825,160	22,654,840	455,088,000	1,243,090,240	7,619,680,770	60,703,146,667	26.973
2014	3,812,812,264	3,087,727,246	36,395,645	175,558,234	14,168,482	33,769,837	457,192,000	1,299,479,589	7,617,623,708	60,972,155,045	26.726
2015	4,829,416,614	3,478,983,884	37,246,901	193,926,306	16,462,494	85,556,481	428,740,800	1,619,809,644	9,070,333,480	75,144,878,222	25.754
2016	4,874,504,552	3,519,405,327	36,968,269	178,409,908	16,338,886	76,794,298	426,031,500	1,628,023,002	9,128,452,740	75,777,157,324	25.947

Data Source:
Arapahoe County Assessor's Office



Table 6

ARAPAHOE COUNTY, COLORADO
Direct and Overlapping Property Tax Rates
(rate per \$1,000 of assessed value)
Last Ten Fiscal Years
December 31, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
County Direct Rates										
General	11.398	11.756	11.875	12.124	13.270	13.127	13.134	12.976	11.310	11.477
Special Revenue	3.819	3.853	3.797	3.825	4.046	4.023	3.996	3.974	3.546	3.562
L.E.A.D. & Library	9.796	9.809	9.765	9.851	9.963	9.885	9.843	9.776	10.898	10.908
Total direct rate	25.013	25.418	25.437	25.800	27.279	27.035	26.973	26.726	25.754	25.947
City & Town Rates										
Aurora	10.701	10.664	10.494	10.595	10.653	10.290	10.290	8.886	8.569	8.605
Bennett	11.950	11.950	11.950	11.950	11.950	11.950	11.950	11.950	11.950	11.950
Bow-Mar	13.901	14.493	14.729	15.309	16.956	17.486	18.879	25.389	24.280	25.185
Centennial	4.958	5.054	5.047	5.077	5.120	5.129	5.073	5.015	5.030	5.026
Cherry Hills	13.117	13.402	13.402	13.402	13.295	13.304	13.374	13.360	13.557	13.559
Columbine	9.810	8.950	9.161	9.331	9.352	9.336	9.316	9.316	7.891	8.172
Deer Trail	16.573	17.104	17.104	17.104	17.104	17.104	17.104	17.104	14.597	15.821
Englewood	8.173	7.827	7.911	8.010	7.621	7.794	8.124	8.124	7.804	11.613
Foxfield	23.728	21.471	21.865	21.865	23.238	20.400	20.400	20.400	20.400	20.400
Glendale	18.670	18.670	18.670	18.670	18.670	18.670	18.670	18.670	18.670	18.670
Greenwood Village	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932	2.932
Littleton	6.662	6.662	6.662	6.662	6.662	6.662	6.662	6.662	6.662	6.662
Sheridan	7.981	8.042	7.921	7.994	8.078	8.253	8.366	8.131	23.363	26.196
School Districts										
Aurora	45.530	53.248	53.455	53.919	54.159	63.830	67.323	67.635	66.648	69.685
Bennett	34.246	35.724	33.381	33.363	33.427	33.508	33.399	32.950	32.387	32.594
Byers	33.603	32.607	32.520	32.305	33.148	31.407	30.726	30.695	32.812	33.096
Cherry Creek	47.397	49.569	48.825	50.947	54.367	58.037	57.492	56.702	49.703	53.232
Deer Trail	27.432	27.355	27.342	27.319	27.293	27.309	27.221	27.237	27.204	27.243
Englewood	37.211	37.195	37.199	37.495	45.858	46.719	46.874	47.018	44.268	54.561
Littleton	46.791	46.650	46.081	55.389	57.530	56.935	56.985	56.601	53.424	53.030
Sheridan	38.294	37.794	37.627	37.891	38.764	41.998	42.823	40.854	38.308	38.744
Strasburg	50.631	50.738	49.335	46.458	42.494	41.135	39.952	39.655	38.646	38.725
Special Districts	.028-90.0	.029-90.0	.030-90.0	.030-90.0	.030-90.0	.030-90.0	.027-90.0	.027-90.0	.027-90.0	.027-90.0

Data Source:

Assessor's Abstract of Assessments and Levies

Table 7

ARAPAHOE COUNTY, COLORADO
Principal Property Taxpayers
Current Year and Nine Years Ago
December 31, 2016

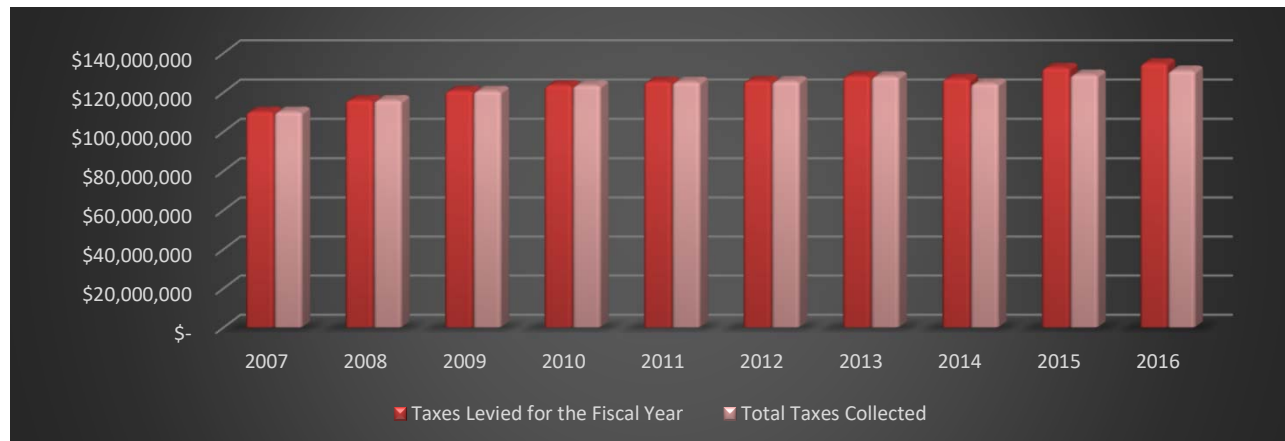
<u>Taxpayer</u>	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Public Svc Co (Xcel Energy)	\$ 126,588,050	1	1.18%	\$ 81,982,970	2	1.07%
CenturyLink (Qwest Corp.)	100,720,500	2	0.94%	100,547,900	1	1.31%
Verizon Wireless	65,634,700	3	0.61%	44,767,900	3	0.58%
Columbia HealthOne LLC	42,195,000	4	0.39%	36,330,280	4	0.47%
Greenwood Property Corp	30,879,200	5	0.29%	29,000,010	5	0.38%
GPI Plaza Tower LP	23,807,550	6	0.22%	-	-	-
Denver CB Center 2 LLC	16,940,640	7	0.16%	-	-	-
AX Inverness LP	14,090,520	8	0.13%	-	-	-
Palazzo Verdi LLC	13,780,510	9	0.13%	-	-	-
KBSIII Village Cener Station LLC	13,535,170	10	0.13%	-	-	-
Property Colorado OBJLW	-	-	-	22,330,010	6	0.29%
Crescent Peakview Tower	-	-	-	13,050,000	7	0.17%
FSP Greenwood Plaza Corp	-	-	-	12,760,000	8	0.17%
NRFC Denver Holding LLC	-	-	-	12,760,000	9	0.17%
Weingarten/Miller/Aurora II	-	-	-	12,180,000	10	0.16%
Total	\$ 448,171,840		4.17%	\$ 365,709,070		4.76%

Data Source:
Arapahoe County Assessor's Office

Table 8

ARAPAHOE COUNTY, COLORADO
Property Tax Levies and Collections
Last Ten Fiscal Years
December 31, 2016

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Total Taxes Collected	Percentage of Levy
2007	\$ 110,093,640	\$ 109,873,453	99.8%	\$ 219,000	\$ 110,092,453	100.0%
2008	115,983,061	115,751,095	99.8%	230,000	115,981,095	100.0%
2009	120,721,049	120,238,165	99.6%	445,000	120,683,165	99.9%
2010	123,574,755	123,204,031	99.7%	360,000	123,564,031	100.0%
2011	125,349,303	125,098,604	99.8%	200,000	125,298,604	100.0%
2012	125,727,462	125,476,007	99.8%	150,000	125,626,007	99.9%
2013	128,155,159	127,952,802	99.8%	100,000	128,052,802	99.9%
2014	126,816,707	124,374,319	98.1%	125,000	124,499,319	98.2%
2015	132,443,530	128,808,551	97.3%	120,000	128,928,551	97.3%
2016	134,720,914	131,023,431	99.1%	-	131,023,431	97.3%



Data Sources:

Arapahoe County Treasurer's Office

Arapahoe County Assessor's Office Abstract of Assessment and Levies

Arapahoe County Annual Budget

Note: The difference between the total taxes collected shown on this schedule and the property taxes recorded on the Government-wide Statement of Activities is that the Statement of Activities line item for property taxes includes interest on current tax and property taxes collected on three blended component units not included above (Arapahoe Law Enforcement Authority, Arapahoe County Recreation District and the Arapahoe County Water & Wastewater Public Improvement District.)

Table 9

ARAPAHOE COUNTY, COLORADO
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
December 31, 2016

Fiscal Year	Total Bonds Payable (1)	Total Notes Payable (1)	Total Certificates of Participation Payable (1)	Total Capital Leases (1)	Total Primary Government (1)	Percentage of Personal Income (2)	Percentage of Actual Value of Taxable Property (3)	Total Outstanding Debt Per Capita
2007	\$ 60,819,899	\$ 42,815,966	\$ 59,701,439	\$ 15,175,838	\$ 178,513,142	0.63%	2.32%	\$ 320.78
2008	59,064,130	42,108,191	55,939,276	18,944,343	176,055,940	0.62%	2.26%	308.74
2009	114,775,779	41,232,834	52,017,113	17,489,736	225,515,462	0.78%	2.83%	395.47
2010	114,488,463	40,934,625	47,936,133	15,955,489	219,314,710	0.75%	2.75%	379.14
2011	114,445,945	39,872,693	43,876,948	17,371,307	215,566,893	0.78%	2.90%	370.30
2012	116,735,398	38,793,793	39,649,009	16,119,193	211,297,393	0.73%	2.83%	355.97
2013	115,868,284	37,701,231	36,540,975	14,617,381	204,727,871	0.66%	2.69%	338.73
2014	114,832,794	36,589,875	31,706,254	19,768,364	202,897,287	0.71%	2.66%	334.22
2015	140,581,034	8,582,389	26,792,005	18,327,181	194,282,609	0.56%	2.14%	314.20
2016	138,905,723	7,446,310	21,256,405	16,844,104	184,452,542	0.51%	2.02%	286.94

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Data Sources:

- (1) Applicable years' comprehensive annual financial report
- (2) Estimates obtained from the state of Colorado Department of Local Affairs
- (3) Arapahoe County Assessor's Office

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Table 10

ARAPAHOE COUNTY, COLORADO
Computation of Direct and Overlapping Debt
December 31, 2016

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Direct and Overlapping Debt</u>
Cities & Towns:			
Town of Foxfield	\$ 250,000	100%	\$ 250,000
City of Englewood	17,150,000	100%	17,150,000
City of Sheridan	17,300,000	100%	17,300,000
Total Cities & Towns			\$ 34,700,000
School Districts:			
Aurora	\$ 310,700,000	67%	\$ 208,169,000
Bennett	6,670,000	50%	3,335,000
Byers	215,000	53%	113,950
Cherry Creek	458,270,000	100%	458,270,000
Englewood	63,489,915	100%	63,489,915
Littleton	141,696,195	100%	141,696,195
Sheridan	20,761,908	100%	20,761,908
Strasburg	6,575,000	25%	1,643,750
Total School Districts			\$ 897,479,718
Special Districts:			
Adonea Metropolitan District #2	\$ 22,470,000	100%	\$ 22,470,000
Antelope Hills GID	1,900,000	100%	1,900,000
Antelope Water System GID	2,380,000	100%	2,380,000
Arapahoe Estates Water District	102,636	100%	102,636
Arapahoe Lake Public Park District	550,000	100%	550,000
Arapahoe Park and Recreational District	7,400,000	100%	7,400,000
Arapahoe Water and Wastewater PID	144,250,503	95%	137,037,978
Aspen Grove BID	6,535,000	100%	6,535,000
Aurora Centretech Metropolitan District	13,355,000	100%	13,355,000
Beacon Point Metropolitan District	21,005,000	100%	21,005,000
Centennial Downs Metropolitan District	8,817,131	100%	8,817,131
Cherry Creek Racquet Club GID	530,000	100%	530,000
Cherry Creek Vista Park and Recreational District A	2,920,575	100%	2,920,575
Cherry Creek Vista Park and Recreational District B	641,810	100%	641,810
Cherry Hills Heights Water and San District	157,615	100%	157,615
Conservatory Metropolitan District	22,465,000	100%	22,465,000
Copperleaf Metropolitan District #2	33,025,000	100%	33,025,000
Country Homes Metropolitan District A, P-B	181,000	100%	181,000

Table 10 (continued)

ARAPAHOE COUNTY, COLORADO
Computation of Direct and Overlapping Debt
December 31, 2016

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Direct and Overlapping Debt</u>
Cross Creek Metropolitan District #2	15,130,000	100%	15,130,000
Dove Valley Metropolitan District	47,640,000	100%	47,640,000
Eagle Bend Metropolitan District #2	30,780,000	100%	30,780,000
Eagle's Nest Metropolitan District	1,630,000	100%	1,630,000
East Smoky Hill Metropolitan District #1	3,420,000	100%	3,420,000
East Smoky Hill Metropolitan District #2	6,135,000	100%	6,135,000
East Valley Metropolitan District	372,586	100%	372,586
Estancia Metropolitan District	4,110,000	100%	4,110,000
Fiddlers BID	49,350,000	100%	49,350,000
Fitzsimons Village Metropolitan District #1	15,655,000	100%	15,655,000
Forest Trace Metropolitan District #3	10,394,000	100%	10,394,000
Foxfield Metro District #1	780,000	100%	780,000
Galleria Metropolitan District	407,851	100%	407,851
Galleria Metropolitan District Bonds	3,792,465	100%	3,792,465
Goodman Metropolitan District	2,175,000	100%	2,175,000
Heather Gardens Metropolitan District	8,780,000	100%	8,780,000
Heather Ridge Metropolitan District #1	6,380,000	100%	6,380,000
Heritage Greens Metropolitan District	2,970,000	100%	2,970,000
High Plains Metropolitan District	23,675,000	100%	23,675,000
Highline Glen Metropolitan District	40,000	100%	40,000
Hills At Cherry Creek Metro District	1,555,000	100%	1,555,000
Iliff Commons Metropolitan District #2	2,310,000	100%	2,310,000
Iliff Commons Metropolitan District #3	1,860,000	100%	1,860,000
Inverness Metropolitan Improvement District	4,125,000	65%	2,681,250
Inverness Water and Sanitation District	11,554,007	63%	7,279,025
Kent Place Metropolitan District #2	1,906,000	100%	1,906,000
Littleton Village Metropolitan District #2	10,830,000	100%	10,830,000
Liverpool Metropolitan District	2,650,000	100%	2,650,000
Meadow Hills County Club GID	400,000	100%	400,000
Murphy Creek Metropolitan District #3	27,600,000	100%	27,600,000
Orchard Valley Metropolitan District	6,265,000	100%	6,265,000
Panorama Metropolitan District	4,600,000	100%	4,600,000
Parker Jordan Metropolitan District	9,323,850	100%	9,323,850
Parker Jordan Metropolitan Bonds	4,401,150	100%	4,401,150
Peoria Park GID	306,000	100%	306,000
Pier Point 7 GID	2,150,000	100%	2,150,000
Pioneer Hills Metropolitan District	3,225,000	100%	3,225,000
Polo Reserve Metropolitan District	650,000	100%	650,000
Sable Altura Fire Protection District	2,650,000	50%	1,325,000
Saddle Rock Metropolitan District	9,155,000	100%	9,155,000
Serenity Ridge Metropolitan District #2	9,750,000	100%	9,750,000
Sorrel Ranch Metropolitan District	10,912,000	100%	10,912,000

Table 10 (continued)

ARAPAHOE COUNTY, COLORADO
Computation of Direct and Overlapping Debt
December 31, 2016

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Direct and Overlapping Debt</u>
South Suburban Park and Recreation	9,835,000	75%	7,376,250
Southlands Metropolitan District #1	55,385,000	100%	55,385,000
Southlands Metropolitan District #2	2,155,000	100%	2,155,000
Southlands Metropolitan District #1 Bonds	55,385,000	100%	55,385,000
Southshore Metropolitan District #2	22,184,502	100%	22,184,502
Sterling Hills Metropolitan District	800,000	100%	800,000
Sterling Hills West Metropolitan District	11,965,000	100%	11,965,000
Sundance Hills Metropolitan District	248,125	100%	248,125
Tall Grass Metropolitan District	16,835,000	100%	16,835,000
Tallyn's Reach Metropolitan District #3	48,365,000	100%	48,365,000
Tollgate Crossing Metropolitan District #2	13,445,000	100%	13,445,000
Traditions Metropolitan District #2	13,545,000	100%	13,545,000
Valley Club Point Metropolitan District	5,889,352	100%	5,889,352
Wheatland's Metropolitan District	24,635,000	100%	24,635,000
Willow Trace Metropolitan District	8,300,000	100%	8,300,000
Total special districts			922,738,151
 Subtotal, overlapping debt			 \$ 1,854,917,869
 Arapahoe County direct debt			 \$ 184,452,542
 Total direct and overlapping debt			 \$ 2,039,370,411

Source: Arapahoe County Finance Department

Note: Overlapping Debt is the proportionate share of the

- (a) Determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of Arapahoe County, and
- (b) Applying this percentage to the total general obligation debt of the overlapping jurisdiction.

Table 11

ARAPAHOE COUNTY, COLORADO
Legal Debt Margin Information
Last Ten Fiscal Years
December 31, 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed Value of Property	\$ 7,686,463,510	\$ 7,798,433,580	\$ 7,959,760,080	\$ 7,963,447,430	\$ 7,428,001,820	\$ 8,827,821,580	\$ 8,915,915,574	\$ 8,923,182,030	\$ 10,687,069,284	\$ 10,758,800,771
Statutory Debt Limit 3% (1)	230,593,905	233,953,007	238,792,802	238,903,423	222,840,055	264,834,647	267,477,467	267,695,461	320,612,079	322,764,023
Amount of Debt Applicable to Debt Limit	-	-	-	-	-	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 230,593,905</u>	<u>\$ 233,953,007</u>	<u>\$ 238,792,802</u>	<u>\$ 238,903,423</u>	<u>\$ 222,840,055</u>	<u>\$ 264,834,647</u>	<u>\$ 267,477,467</u>	<u>\$ 267,695,461</u>	<u>\$ 320,612,079</u>	<u>\$ 322,764,023</u>
Total net debt as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Data Sources:

Arapahoe County Assessor's Office Abstract of Assessments and Levies

(1) Colorado Revised Statute 30-26-301.3

Table 12

ARAPAHOE COUNTY, COLORADO
Demographic and Economic Statistics
Last Ten Fiscal Years
December 31, 2016

Year	Population (1)		Households (1)	
	Arapahoe County	Seven County Denver Metro	Total	Average Size
2007	556,481	2,762,367	218,627	2.51
2008	562,009	2,788,765	232,647	2.53
2009	570,235	2,883,583	233,627	2.53
2010	574,929	2,868,771	238,904	2.53
2011	584,703	2,830,173	239,870	2.53
2012	593,589	2,884,336	232,959	2.53
2013	604,398	2,943,426	238,012	2.54
2014	607,070	2,953,038	237,618	2.53
2015	618,341	2,445,137	252,608	2.53
2016	642,824	2,491,003	246,937	2.53

Year	Total				
	Per Capita Income (2)	Personal Income (2) (in thousands)	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
2007	50,947	28,351,037	36.1	114,617	4.3%
2008	50,727	28,509,030	36.2	116,251	5.0%
2009	48,480	27,644,992	36.5	117,158	7.3%
2010	47,704	27,426,356	36.8	120,315	8.8%
2011	48,989	28,656,232	36.0	121,503	7.9%
2012	51,163	30,469,784	36.2	122,432	7.5%
2013	46,897	31,832,963	36.4	124,064	6.4%
2014	56,294	34,835,883	36.7	126,537	4.9%
2015	52,545	33,160,632	36.7	127,713	4.1%
2016	*	*	36.1	125,646	3.1%

Data Sources:

- (1) Figures for 2006-2008 Denver Regional Council of Governments
 Figures 2009-2015 Estimates obtained from the State of Colorado Department of Local Affairs.
- (2) U.S. Bureau of Economic Analysis
 * 2016 data not available at the time this report went to print.
- (3) U.S., Bureau of Labor Statistics
- (4) Colorado Department of Education - Public & Non-Public School Enrollment

Table 13

ARAPAHOE COUNTY, COLORADO
Principal Employers
Current Year and Nine Years Ago
December 31, 2016

<u>Employer</u>	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cherry Creek School District No. 5	8,100	1	2.52%	8,600	1	3.04%
Comcast	8,000	2	2.49%	-	-	0.00%
Aurora Public Schools	4,700	3	1.46%	3,900	3	0.00%
CenturyLink (Qwest Corp.)	5,400	4	1.68%	-	-	0.00%
Ctiy of Aurora	3,600	5	1.12%	2,700	4	0.00%
Raytheon Company	2,500	6	0.78%	2,100	7	0.74%
Littleton School Dist No. 6	2,100	7	0.65%	2,500	6	0.88%
Columbia HCA Swedish	2,000	8	0.62%	1,700	9	0.60%
Arapahoe County	1,900	9	0.59%	1,800	8	0.64%
Arrow Electronics	1,900	10	0.59%	-	-	0.00%
Columbia HCA Med Ctr Aurora	-	-	-	1,400	10	0.50%
Echosphere	-	-	-	5,000	2	1.77%
Great West Life & Annuity insurance	-	-	-	2,600	5	0.92%
Total Principal Employers	<u>40,200</u>		<u>12.50%</u>	<u>32,300</u>		<u>9.10%</u>
Total Arapahoe County Workforce	<u>321,700</u>			<u>282,500</u>		

Data Source:
Colorado Department of Labor & Employment

Table 14

ARAPAHOE COUNTY, COLORADO
Full-time Equivalent County Employees by Function/Program
Last Ten Fiscal Years
December 31, 2016

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Culture and Recreation	8.50	8.50	9.50	9.50	10.50	12.50	13.50	15.50	17.00	24.00
Highways and Streets	74.50	77.00	61.00	61.00	61.00	61.00	59.00	59.00	56.00	60.00
Health and Welfare	578.50	589.25	605.00	626.50	640.50	640.00	632.75	637.75	644.25	705.50
Judicial Services	22.50	22.50	22.50	22.50	21.50	21.00	24.25	24.25	24.25	26.50
Public Safety	660.50	694.50	695.50	701.50	699.50	702.50	702.50	714.00	728.00	778.75
General Government	563.25	562.75	552.75	549.75	541.93	541.00	531.40	531.90	541.40	475.40
Total	1,907.75	1,954.50	1,946.25	1,970.75	1,974.93	1,978.00	1,963.40	1,982.40	2,010.90	2,070.15

Data Source:
Arapahoe County Finance Department

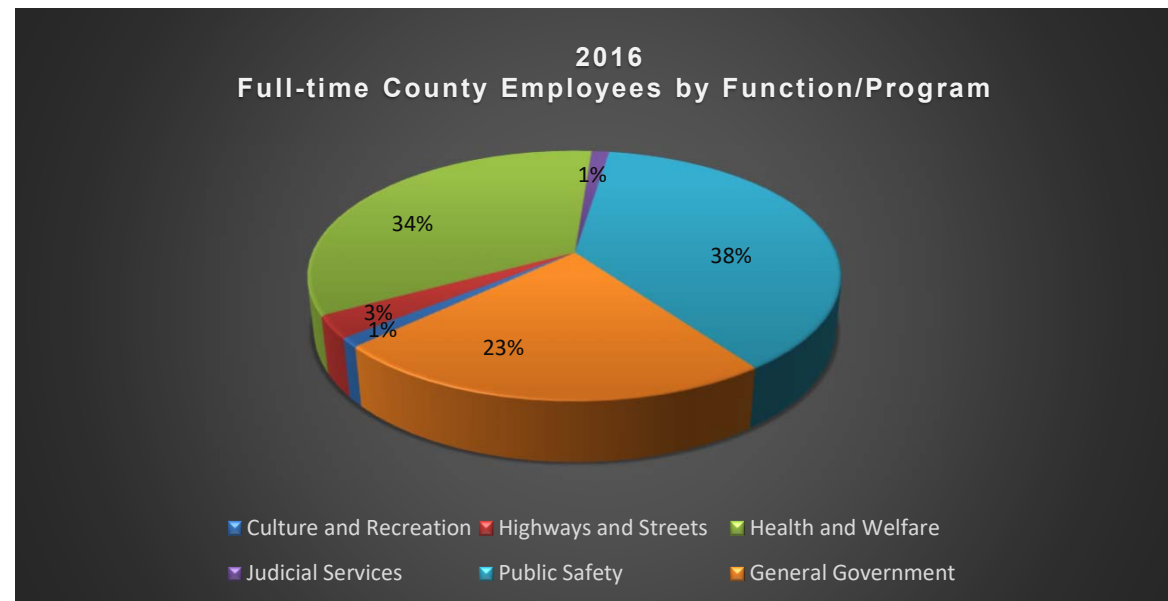


Table 15

ARAPAHOE COUNTY, COLORADO
Operating indicators by Function/Program
December 31, 2016

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Motor vehicle renewals	369,244	380,117	392,907	404,155	409,597	411,301	420,117	421,435	432,772	445,387
Registered voters (active & inactive)	309,390	344,559	338,785	347,495	353,274	385,097	379,941	387,212	387,384	420,997
Voter turnout	78,247	268,671	247,297	273,435	235,042	288,033	140,438	228,212	116,279	311,745
Public Safety (1)										
Adult-Juvenile arrests	7,106	7,374	6,987	6,609	6,356	5,688	5,326	5,758	5,810	6,217
DUI arrests	559	492	618	412	478	384	432	485	513	538
Traffic stops	27,444	32,825	50,797	53,089	48,364	44,466	44,570	44,478	42,579	40,765
Number of E-911 calls	63,132	62,186	63,138	70,696	74,042	71,465	69,342	73,622	79,763	74,145
Judicial Services (1)										
Felony cases closed	3,029	1,976	1,812	1,796	1,675	1,585	1,518	2,672	2,105	2,197
Misdemeanor cases closed	2,196	5,050	4,923	4,640	4,309	4,140	3,424	3,050	4,508	4,705
Health and Welfare										
Annual cases of Food Assistance	116,125	124,656	168,630	212,297	259,346	251,406	258,993	262,853	245,289	236,601
Highways and Streets										
Sweeping pass miles	2,387	2,919	5,437	6,729	4,173	1,651	1,550	2,391	2,143	1,372
Finished concrete curb & gutter (linear feet)	1,079	1,895	4,147	5,178	3,365	3,469	1,167	1,043	1,639	5,080
Tons of asphalt applied	22,825	1,483	4,767	10,666	8,191	15,719	19,333	29,791	30,420	39,811
Culture & Recreation										
Building permits issued	2,633	2,104	4,868	3,235	2,003	3,207	2,996	6,630	6,622	3,419

Data Source:
Various Arapahoe County Departments

ARAPAHOE COUNTY, COLORADO
Capital Asset Statistics by Function/Program
Last Nine Fiscal Years
December 31, 2016

Table 16

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Square footage of buildings ³	272,788	272,788	358,302	351,747	582,529	298,544	328,629	328,629	328,629	329,432
Voting machines ¹	1,275	1,263	1,393	1,322	1,364	406	375	375	225	-
Voting booths	-	-	-	-	-	-	-	-	-	135
Public Safety										
Square footage of detention center ³	291,955	291,955	293,108	293,108	293,108	293,108	293,108	293,108	293,108	293,108
Square footage of other buildings ³	121,588	121,588	174,136	162,338	173,481	175,406	134,183	134,183	134,183	151,297
Patrol vehicles	135	133	158	144	151	155	156	155	159	169
Judicial Services										
Square footage of buildings ³	201,167	201,167	296,973	249,714	253,573	242,773	163,735	163,735	163,735	181,073
Health and Welfare										
Square footage of buildings ³	167,660	167,660	250,166	232,905	222,023	229,284	208,174	208,174	208,174	202,234
Highways and Streets²										
Total centerline miles of county roads	533.1	541.0	541.3	541.6	542.9	542.8	543.5	542.5	542.5	*
Paved lane miles	1,024.5	1,074.6	1,084.2	1,090.1	1,095.8	1,111.4	1,112.2	1,102.5	1,102.5	*
Unpaved lane miles	516.2	492.4	481.8	478.6	478.7	459.1	459.1	459.1	459.1	*
Culture and Recreation										
Number of parks	6	6	6	10	10	10	10	16	16	16
Total Open Space and Parks Acreage	798	1,097	1,097	4,394	4,394	4,394	4,394	4,430	4,430	4,430

Notes:

¹958 Advantage machines disposed of in 2012. Remaining 225 voting machines disposed of in 2016.

²These reports are published on July 1st of each year and reflect changes reported by CDOT through December 31st of the previous year.

³2009 and 2013 recalculated measurements using standard measurements by BOMA

*2016 data not available at time this report went to print.

Data Sources:

Various Arapahoe County Departments
Colorado Department of Transportation

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

Board of County Commissioners
Arapahoe County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado (the County) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Arapahoe County, Colorado's basic financial statements, and have issued our report thereon dated June 29, 2017. Our report includes a reference to other auditors who audited the financial statements of Arapahoe County Public Airport Authority and Arapahoe County Water and Wastewater Authority, both of which are discretely presented component units, as described in our report on Arapahoe County, Colorado's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Arapahoe County Water and Wastewater Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 29, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners
Arapahoe County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Arapahoe County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2016. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Arapahoe County, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 29, 2017

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass Through Grantor's Number	Cluster	Passed Through to Subrecipients	Total By CFDA and Agency
U.S. DEPARTMENT OF AGRICULTURE:					
Passed Through Colorado Dept. of Human Services SNAP - Administration (Note 2)	10.561		\$ 3,653,449		\$ 3,653,449
Passed Through Douglas County Human Services Employment First	10.561		81,364		81,364
TOTAL U.S. DEPARTMENT OF AGRICULTURE		SNAP Cluster Total	<u>\$ 3,734,813</u>		<u>\$ 3,734,813</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Passed Through Colorado Dept. of Human Services and Denver Regional Council of Governments (DRCOG): TITLE IIIB - Arap/Doug DRCOG Federal	93.044				\$ 307,790
Arapahoe Chore Sen Rs DRCOG Rev	93.044				101,605
Total-Passed Through Colorado Dept. Human Services and DRCOG	TOTAL CFDA # 93.044				<u>409,395</u>
Passed Through Colorado Department of Local Affairs Block Grant	93.569				360,199
Total-Passed Through Colorado Dept. of Local Affairs					<u>360,199</u>
Passed Through Colorado Secretary of State Voting Access for Individuals with Disabilities	93.617				8,918
Total-Passed Through Colorado Secretary of State					<u>8,918</u>
Passed Through Colorado Dept. of Human Services Child Welfare Services Title IV-B	93.645				279,350
Social Services Block Grant Title XX	93.667			\$ 368,742	2,531,776
Child Support Enforcement Title IV-D	93.563				4,088,712
Medicaid - Title XIX	93.778				3,615,848
IV-E Rel Guard Asst.	93.090				34,233
Independent Living / Title IV-E	93.674				141,883
PSSF - Promoting Safe And Stable Families	93.556				8,079
Foster Care (Title IV-E)	93.658				5,523,286
Child Care Development Block Grant	93.575		\$ 2,921,975		2,921,975
Child Care Development Funds	93.596		3,839,410		3,839,410
Adoption Assistance - Title IV-E	93.659		<u>\$ 6,761,385</u>		1,772,871
Temp. Assist. Needy Fam. Title IV	93.558			2,129,156	11,423,919
LEAP - Low Income Energy Assistance Program (Note 2)	93.568			340,397	1,697,065
Total-Passed Through Colorado Dept. of Human Services				<u>2,838,295</u>	<u>37,878,407</u>
Passed Through Douglas County Human Services TANF Employment Youth 2016	93.558		\$ 18,215		18,215
TANF DCHS	93.558		43,970		43,970
Total-Passed Through Douglas County Human Services		TANF Cluster Total	<u>\$ 62,185</u>		<u>62,185</u>
Passed Through Colorado Office of Energy Conservation Low Income Home Energy Assistance - Weatherization (Note 2)	93.568				262,646
Total-Passed Through CO Office of Energy Management					<u>262,646</u>
Passed-Through Colorado Department of Public Health and Environment Public Health Emergency Preparedness (PHEP)	93.069				8,302
Total Passed-Through CO Department of Public Health					<u>8,302</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>\$ 2,838,295</u>	<u>\$ 38,990,052</u>
U.S. DEPARTMENT OF ENERGY					
Passed Through Colorado Office of Energy Conservation Weatherization Assistance for Low Income Persons - DOE	81.042	C900823			\$ 750,890
TOTAL U.S. DEPARTMENT OF ENERGY					<u>\$ 750,890</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Colorado Statewide - Emergency Management Program	97.042				\$ 85,000
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY					<u>\$ 85,000</u>
U.S DEPARTMENT OF JUSTICE					
Passed Through Colorado Division of Criminal Justice JAG Grants	16.804				\$ 9,404
ICAC Internet Crimes Against Children	16.543				4,596
Total-Passed Through Colorado Division of Criminal Justice					<u>14,000</u>
Passed Through Colorado Department of Revenue State Criminal Alien Assistance Program	16.606				95,926
TOTAL U.S. DEPARTMENT OF JUSTICE					<u>\$ 109,926</u>
U.S DEPARTMENT OF HOMELAND SECURITY					
Passed Through Colorado Department of Public Safety State Homeland Security Program 2014	97.067	14SHS15NCR		\$ 193,965	487,598
State Homeland Security Program 2015	97.067	15SHS16NCR		162,031	578,044
Total-Passed Through Colorado Department of Public Safety	TOTAL CFDA # 97.067			<u>355,996</u>	<u>1,065,642</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>\$ 355,996</u>	<u>\$ 1,065,642</u>

(Continued)

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass Through Grantor's Number	Cluster	Passed Through to Subrecipients	Total By CFDA and Agency
U.S. DEPARTMENT OF LABOR					
Employment Services/Wagner-Peyser	17.207	PY2014 WP 10% Governor's Summer Job Hunt (GSJH) 2531	\$ 718		\$ 718
Employment Services/Wagner-Peyser	17.207	PY2015 Governor's Summer Job Hunt	38,013		38,013
Employment Services/Wagner-Peyser	17.207	PY2015 Wagner Peyser Employment Service 2055	756,390		756,390
Employment Services/Wagner-Peyser	17.207	PY2016 Wagner Peyser Employment Service 2056	342,636		342,636
	TOTAL CFDA # 17.207	ESC Cluster Sub Total	1,137,757		1,137,757
Unemployment Insurance					
Reemployment Services and Assessment (RESEA) Program	17.225	FY2016 RESEA			18,216
	TOTAL CFDA # 17.225				18,216
Trade Adjustment Assistance	17.245	FY2015 TAA 1726			396
	TOTAL CFDA # 17.245				396
Worker & Statewide Activities	17.258	WIA Adult 2444	532,439		532,439
Worker & Statewide Activities	17.258	WIOA Adult 4A65/4A85/46A5/48A5	1,631,628		1,631,628
Worker & Statewide Activities	17.258	PY2016/FY2017 WIOA Adult	215,108		215,108
	TOTAL CFDA #17.258	WIA Cluster Sub Total	2,379,175		2,379,175
Workforce Investment Act Youth	17.259	WIA Youth 2445	63,431		63,431
Workforce Investment Act Youth	17.259	WIOA Youth 4Y65/4Y75/4Y85	962,695		962,695
Workforce Investment Act Youth	17.259	WIOA Youth 4Y66/4Y76/4Y86	480,398		480,398
	TOTAL CFDA #17.259	WIA Cluster Sub Total	1,506,524		1,506,524
H1B Job Training Grants	17.268	H-1B 2150			1,698
Passed through City and County of Denver					
H1B Job Training Grants	17.268	OED-201521006-00			30,254
H1B Job Training Grants	17.268	OED-201520646-00			217,791
Total-Passed through City and County of Denver					248,045
	TOTAL CFDA #17.268				249,743
WIOA National Dislocated Worker Grants	17.277	Sectors NEG 4S35/4S45/4S55			255,731
Workforce Investment Act Dislocated Worker	17.278	WIA DW 2446			274,728
Workforce Investment Act Dislocated Worker	17.278	WIOA DW 4D65/4D85/46D5/48D5			554,840
Workforce Investment Act Dislocated Worker	17.278	WIOA DW 4D66/4D86/46D6/48D6			177,802
Workforce Investment Act Dislocated Worker	17.278	25% Enhanced Dislocated Worker trnsfr Adult 4ED4/4FD4			142,025
Workforce Investment Act Dislocated Worker	17.278	25% Enhanced Dislocated Worker HIRE for CO 2543			273,633
Workforce Investment Act Dislocated Worker	17.278	25% Enhanced Dislocated Worker 4D75/4D95			33,844
Workforce Investment Act Dislocated Worker	17.278	25% Enhanced Dislocated Worker 4JD3/4KD3	155,590		155,590
Workforce Investment Act Dislocated Worker	17.278	25% Enhanced Dislocated Worker 4ED5/4FD5	114,375		114,375
Workforce Investment Act Dislocated Worker	17.278	3.75% Performance Incentive	18,318		18,318
Workforce Investment Act Dislocated Worker	17.278	5% CWDC Performance Incentive 4LD5	9,057		9,057
Workforce Investment Act Dislocated Worker	17.278	5% Discretionary-Industry Liaison Shared Position 4DW5	29,365		29,365
Workforce Investment Act Dislocated Worker	17.278	Sectors Partnership-2 4WD4	31,678		31,678
	Total CFDA #17.278	WIA Cluster Sub Total	358,383		1,815,255
		WIA Cluster Total	\$ 4,244,082		
Disabled Veterans Outreach Program	17.801	DVOP 2036	\$ 15,750		15,750
	Total CFDA #17.801	ESC Cluster Sub Total	15,750		15,750
Local Veteran's Employment Rep Program	17.804	LVER 2026	5,250		5,250
	Total CFDA #17.804	ESC Cluster Sub Total	5,250		5,250
		ESC Cluster Total	\$ 1,158,757		
TOTAL U.S. DEPARTMENT OF LABOR					\$ 7,383,797
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Centennial Community Block Grant 2014	14.218			\$ 28,567	\$ 28,567
Centennial Community Block Grant 2015	14.218			-	50,887
Centennial Community Block Grant 2016	14.218			28,513	53,026
Community Development Block Grant 2014	14.218			114,943	257,912
Community Development Block Grant 2015	14.218			197,450	197,450
Community Development Block Grant 2016	14.218			969	969
	TOTAL CFDA #14.218			370,442	588,811
HOME 2009	14.239			31,976	31,976
HOME 2010	14.239			14,871	14,871
HOME 2011	14.239			400,167	400,167
HOME 2012	14.239			357,595	357,595
HOME 2014	14.239			232,723	232,723
HOME 2015	14.239			-	25,101
HOME 2016	14.239			-	20,039
	TOTAL CFDA #14.239			1,037,332	1,082,472
SECTION 8	14.871			-	28,641
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				\$ 1,407,774	\$ 1,699,924
U. S. DEPARTMENT OF TRANSPORTATION					
Passed Through Colorado Department of Transportation					
Highway Planning and Construction	20.205				\$ 568,249
Occupant Protection - Click It or Ticket	20.600				23,500
TOTAL U. S. DEPARTMENT OF TRANSPORTATION					\$ 591,749
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 4,602,065	\$ 54,411,793

See accompanying notes to Schedule of Expenditures of Federal Awards

ARAPAHOE COUNTY, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2016

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Arapahoe County, Colorado primary government (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the schedule.

Governmental funds account for the County's federal grant activity. Amounts reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on a current available federal resources and eligibility requirements are met, or on an accrual bases at the time liabilities are incurred and all eligibility requirements are met, except in the following programs, which are reported in the schedule of expenditures of federal awards on the cash basis:

<u>Program Title</u>	<u>CFDA</u>
SNAP Cluster	10.561
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Child Support Enforcement Research – Title IV-D	93.564
Low-Income Home Energy Assistance	93.568
CCDF Cluster	93.575, 93.596
Child Welfare Services – State Grants	93.645
Foster Care – Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Chafee Foster Care Independence Program	93.674
Medicaid	93.778

The County has elected not to use the 10-percent De Minimis indirect cost rate.

Note 2

The SNAP – Administration allocation of financial assistance between federal monies passed through the state and state monies has been derived from and provided by the Colorado Department of Human Services and Colorado Department of Labor for the year ended December 31, 2016 is \$3,653,449.

LEAP passed through the Colorado Department of Human Services and the Colorado Department of Energy Management for the year ended December 31, 2016 is \$1,959,711.

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

SECTION I—SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.667	Social Services Block Grant
93.TANF	Temporary Assistance for Needy Families
93.Medicaid	Medicaid
17.WIA/WIOA	Workforce Investment Act /Workforce Investment Opportunity Act

Dollar threshold used to distinguish between type A and type B programs \$1,632,354

Auditee qualified as low-risk auditee? ☐ yes ☒ no

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS

None.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**ARAPAHOE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2016**

Arapahoe County, Colorado respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2016.

Audit period: Year Ended December 31, 2016

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no federal award program audit findings in the prior year.

