

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended December 31, 2016



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Douglas County, Colorado

BOARD OF COUNTY COMMISSIONERS

David Weaver, District 1

Roger Partridge, District 2

Jill Repella, District 3

COUNTY MANAGER

Douglas J. DeBord

DIRECTOR OF FINANCE

N. Andrew Copland

Accountants

Judi Dinkel – Accounting Manager

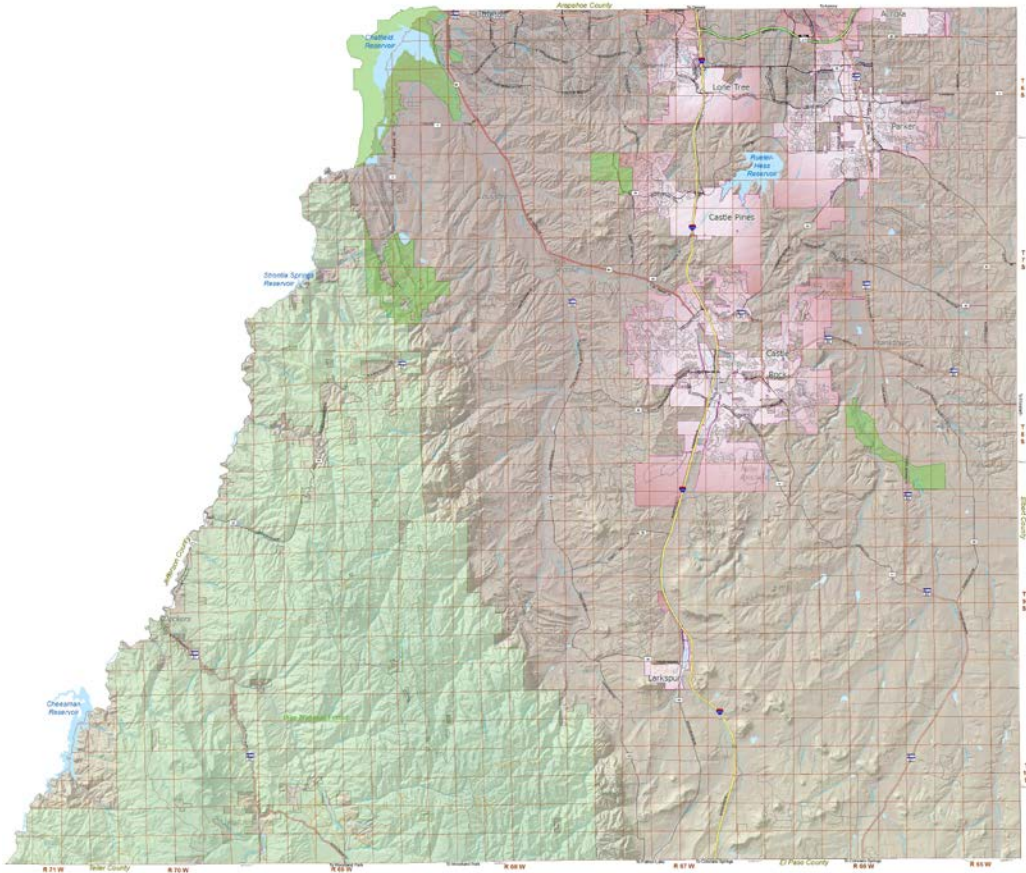
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Comprehensive Annual Financial Report

DOUGLAS COUNTY, COLORADO



For The Year Ended December 31, 2016

Prepared by the
Finance Department
Member of Government Finance Officers Association
of The United States and Canada

DOUGLAS COUNTY, COLORADO
Comprehensive Annual Financial Report
December 31, 2016

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April 25, 2017

To the Board of County Commissioners and the Citizens of Douglas County:

The Comprehensive Annual Financial Report of Douglas County, Colorado for the fiscal year ended December 31, 2016 is hereby submitted.

This report consists of management's representations concerning the finances of Douglas County (hereafter referred to as the County). Consequently, management assumes full responsibility for both the accuracy of the presented data, and for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established internal controls that are designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements, in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Since the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable rather than absolute assurance the financial statements are free from material misstatement.

To the best of our knowledge and belief, this financial report is accurate in all material aspects and reported in a manner which fairly represents the financial position and results of operations of the County as measured by the financial activity of its various funds. Further, we believe all disclosures that are necessary to enable the reader to gain the maximum understanding of the County's financial activities have been included.

Colorado Revised Statutes (CRS) 29-1-603 requires local governments to have an annual audit of their financial statements, performed in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants. CRS 29-6-605 requires the financial statements be presented in conformity with US GAAP.

The County's financial statements have been audited by Eide Bailly, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used as well as the significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor, based upon their audit, rendered an unmodified opinion, concluding that these financial statements are fairly presented in conformity with US GAAP. The independent auditor's report is presented in the financial section of this report.

In addition to meeting the requirements set forth in state statutes, the audit included a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies (2 CFR 200 Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements involved in the administration of federal awards. The reports issued by the independent auditors are presented in a separately issued Single Audit Report.

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

Profile of Douglas County

Douglas County was formed in 1861 as one of the sixteen original Colorado counties. The County covers 844 square miles along the I-25 corridor between Denver and Colorado Springs. A majority of residents live in urban designated areas, such as unincorporated Highlands Ranch, the city of Lone Tree, the city of Castle Pines, and the towns of Castle Rock (county seat), Parker and Larkspur. The County has a population of about 336,000; representing an increase of approximately 2.4% over the previous year.

The County provides a wide range of services that include law enforcement and public safety, planning and zoning, parks and open space, highways and streets, culture and recreation, public health and human services, elections, and general administrative services.

The three-member Board of County Commissioners (BOCC) serves as the legislative, policy-making and administrative body governing the unincorporated area of the County. The commissioners are elected at large from one of three geographical districts and serve staggered four-year terms (term-limited to two terms).

Budget authorization is one of the few oversight roles the Board can legally exercise with the other elected officials, who derive their responsibilities and authorities from statute. Those six elected offices include Assessor, Clerk and Recorder, Coroner, Sheriff, Surveyor and Treasurer.

The County is one of four counties, along with Arapahoe, Elbert and Lincoln counties in the Eighteenth Judicial District served by the District Attorney, an elected official responsible for prosecuting all criminal case filings.

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.

The Board is directly supported by the County Manager, Deputy County Manager and County Attorney. Appointed officials manage the remainder of the County's functions, including Community Justice Services, Community Development, Finance, Human Resources, Human Services, Information Technology, Facilities, Fleet and Emergency Support Services, Open Space and Natural Resources, Public Affairs and Public Works.

The Board is charged with the responsibility of providing adequate budget appropriations to fund statutory functions, as well as responding to the service needs of the citizens. In turn, the other elected and appointed officials are charged with managing their authorized budgets in order to meet their statutory obligations and service demands as cost-effectively as possible. The Board is required to adopt a final budget by no later than the end of the fiscal year. The adopted budget becomes the County's annual financial plan and mechanism to control spending.

The Board is also financially accountable for three component units, the Douglas County Law Enforcement Authority, the Douglas County Woodmoor Mountain General Improvement District and the Lincoln Station Local Improvement District. The Sheriff's Forfeiture Fund is subject to audit, but not to budget law, and is also included in the financial statements of the County.

Factors Affecting the Financial Condition of Douglas County

Douglas County is uniquely positioned for economic success with an abundance of highly educated, skilled, knowledgeable workers who live near the state's major employment centers; a robust transportation system that includes a general aviation airport, light rail transit and a newly expanded freeway system; adequate water and power for new growth; a nationally-recognized public education system; a state tax rate among the lowest in the country; an inventory of available office space and entitled sites for construction of new offices and shops, and business-friendly government leaders.

Municipalities located within the boundaries of the County, the Town of Castle Rock 60,939 (18.1%), the Town of Parker 50,700 (15.1%), the City of Lone Tree 13,125 (3.9%), the City of Castle Pines 10,597 (3.2%) and Larkspur 198 (<1.0%), contain approximately 135,559 or 40% of the County's population. Unincorporated Douglas County contains the remaining 60%, or 200,441 citizens.

The average annual number of jobs located in Douglas County increased 5.0% from 2014 to current, bringing the average annual total to 112,883. This increase makes Douglas County number one in the Denver Metro area for job creation and means that 97% of the workforce in Douglas County is employed. The average annual wage for jobs located in the County is \$60,477. Retail trade is the County's largest employment sector with 15.5% of jobs, followed by government, 11.3%; and professional and technical services, 10.7%.

Permits issued for new housing in all of Douglas County increased 11.6% compared to 2015, with 3,660 housing units permitted in 2016. 3,400 new housing units were completed in 2016 making the total housing stock 120,580 units at the end of 2016. Apartment units were 42% of the total new units permitted in 2016. Nearly 1.5 million square feet of commercial space was permitted in 2016, including approximately 350,000 square feet at the Promenade development in Castle Rock and 340,000 square feet of self-storage warehouses in Highlands Ranch, Parker and Castle Rock.

In 2004, Douglas County officially became an entitlement community as a part of the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) Program. The CDBG Program provides funding to Douglas County that is used to assist low and moderate-income persons in the areas of housing, economic opportunity, and services, such as transportation. The County CDBG program year runs annually from August 1 to July 31. The County did not accept an additional allocation of funds in 2016, but did spend \$873,188 of remaining CDBG funds.

Ad valorem, or property taxes, serve as the primary revenue source for the statutory and general government services. In 2016, the County collected \$123.3 million in property taxes, a 16.7% increase over 2015. The increase is due to the reappraisal of property values in 2015. The increase in property taxes was dedicated to improvements in transportation infrastructure and to improve general government services, the demand for which has increased significantly due to population increases. Sales and use taxes are the second major source of revenue, and are much quicker to respond to changes in the economy. All sales and use taxes collected are statutorily set aside for specific costs associated with 1) road improvements, 2) the operation of and improvements to the Robert A. Christensen Justice Center and related facilities, and 3) the acquisition, development and maintenance of open space, trails and regional parks. In 2016 the County collected \$60.6 million in sales and use taxes, an increase of 2.9% over 2015.

The County completed several capital projects in 2016, including construction of the first phase of improvements to the County's Road and Bridge facility, known as the Galen Buck center, the purchase of two separate open space parcels of land and improvements to the Lincoln and Quebec intersection. Additionally, through partnering opportunities, the new I-25 and Castle Rock Parkway interchange was opened and lane balancing improvements on I-25 between County Line Road and Lincoln Avenue were completed.

With consistent improvement of economic conditions in the County and through prudent planning, the Commissioners continue to assign large amounts of fund balance to strategically reinvest in our community according to the board goals of Personal and Public Safety, Multimodal Transportation, Economic Foundations,

Natural Resources and Community Services. Eight additional deputies were added to the detentions department in 2016 to keep up with the increased demand for services at the Robert A. Christensen justice center. In 2016, \$4.0 million was assigned to a project which will widen US 85 in partnership with the state and an additional \$10 million will be added to that amount in 2017 with the hopes of the project having sufficient funding to begin construction in 2019. \$16.7 million was spent in 2016 on the maintenance of existing roadways within the County. The County exempted the first \$100,000 of business personal property from taxation in 2016 resulting in approximately \$1.8 million of tax savings for County businesses. An additional \$1.0 million of business personal property tax was rebated to business meeting the provisions of C.R.S 30-11-123.

The County continues its commitment to open space lands, regional parks and trails systems. The County currently manages 48,741 acres of public open space land. Several open space properties provide public recreational use including Columbine, Glendale, Greenland, Sharptail Ridge, Spruce Mountain, Hidden Mesa, and Lincoln Mountain Open Space. To maximize the impact of limited funding and enhance effectiveness, acquisition efforts in the Open Space program will focus on four priority areas, including: the Chatfield Basin, High Plateau, Cherry Creek corridor and the south I-25 conservation corridor.

Douglas County water users obtain their supply primarily from the non-renewable ground waters of the Denver Basin aquifers. While the aquifers are believed to contain large quantities of water, their levels are depleting. Additional renewable water supplies are necessary to help augment existing ground water resources, while ambitious water conservation efforts are needed by all County water users. The County will continue to partner with other entities within its boundaries to deal with issues related to water conservation, landscaping regulations, storm water management, and ensuring the future availability of adequate water resources. Through various partnering agreements the County is increasing surface water supplies that will put our region ahead of schedule toward achieving a renewable and sustainable water supply.

Long Term Financial Planning

The County currently projects revenues, expenditures and available fund balances for five year periods to enable strategic planning opportunities and anticipate potential future challenges. No arbitrary balancing entries are made to artificially balance the current or subsequent year's budgets. The County distinguishes between and matches one-time revenues with one-time expenditures and ongoing revenues with ongoing expenditures. This best practice is key to helping ensure the future financial stability of the County.

The Board of County Commissioners' (BOCC) adopted policy manual specifically states that with respect to strategic planning for projects, services, and activities with a fiscal impact, the County Manager may not jeopardize either the programmatic or the fiscal integrity of County government.

The budget process in the County follows a sound and balanced approach, aligns with the BOCC goals of personal and public safety, transportation, community services, economic foundations and natural resources and uses the following guiding principles:

- Avoid raising fees or taxes.
- Rely upon realistic revenue forecasts.
- Maintain stable reserves.
- Improve the quality of services provided to our community.

The 2017 approved budget is \$372.6 million for all funds. The budget contains \$191.6 million in ongoing operating expenditures, \$145.4 million for one-time initiatives including capital projects and maintenance, \$30.9 million is budgeted for federal and state funded expenditures and \$4.7 million is budgeted for current debt service payments.

Awards and Acknowledgements

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Douglas County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements – The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. I would like to especially thank Michelle Thompson, Craig Gaudio, Christy McKinzie and Linda Scheffel for their outstanding work in preparation for the audit and for their assistance with the preparation of this document. Their professionalism, dedication to excellence, and efficiency made this report possible. In addition, the finance department wishes to extend sincere appreciation to the County Treasurer and her staff for their contributions to the preparation of this report.

In closing, we wish to acknowledge the interest, leadership and support of the Board of County Commissioners, the Douglas County Audit Committee and the cooperation of each of the County's departments as we work together to conduct the County's financial operations. The Board continues to demonstrate prudent fiscal management and stewardship, with regards to the actual and ongoing financial conditions of the County, to provide basic sustainable foundations that result in a high quality of life for our citizens, taxpayers and communities.

Respectfully submitted,



Douglas J. DeBord
County Manager



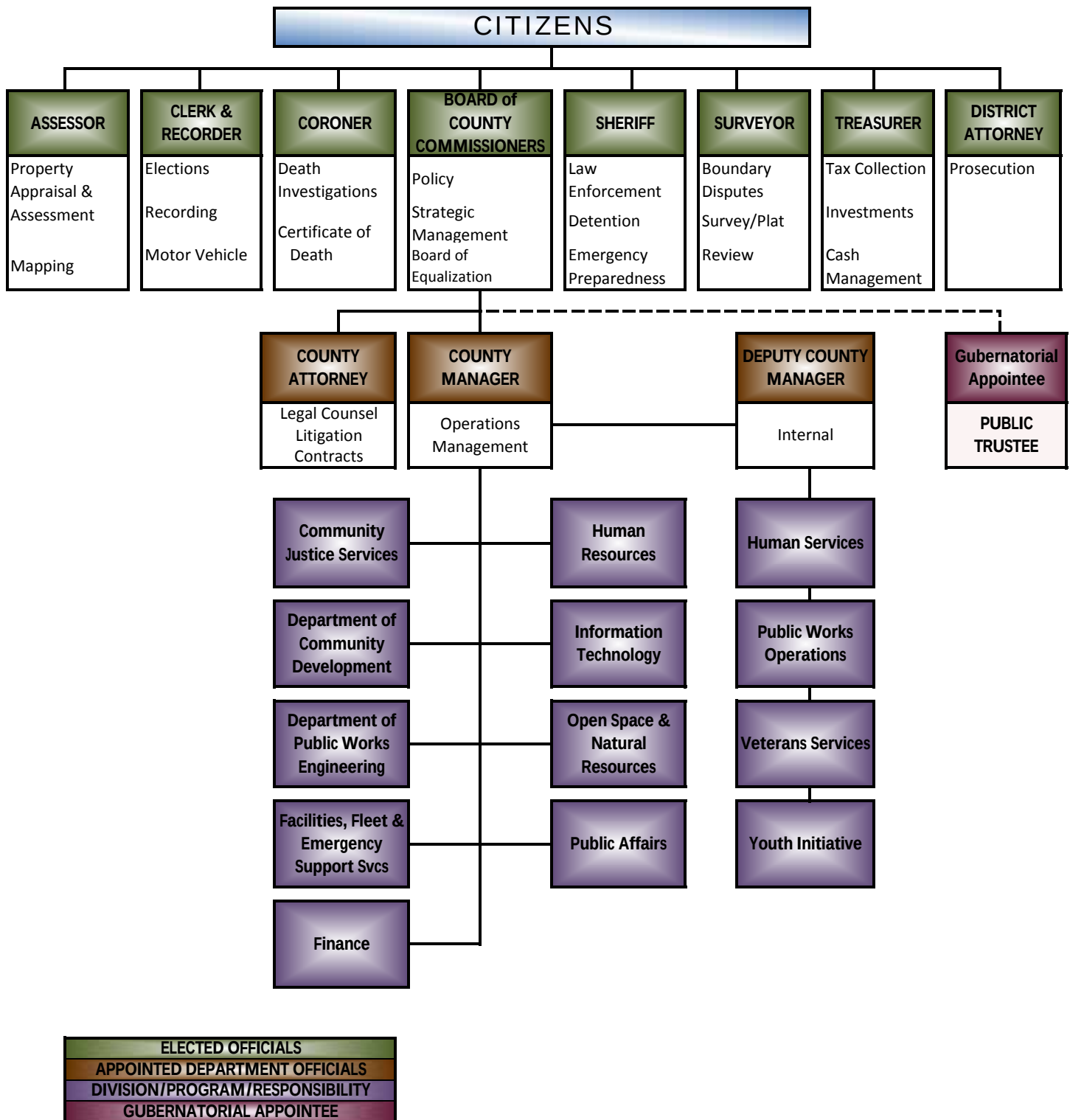
N. Andrew Copland, CPA
Director of Finance



Judith L. Dinkel
Accounting Manager

DOUGLAS COUNTY, COLORADO
Douglas County Government Organization
December 31, 2016

Elected Officials		In Office Since	Current Term Expires
Commissioner, District 1	David Weaver	January 2015	January 2019
Commissioner, District 2	Roger Partridge	January 2013	January 2020
Commissioner, District 3	Jill Repella	January 2009	January 2017
Assessor	Lisa Frizell	January 2015	January 2019
Clerk & Recorder	Merlin Klotz	January 2015	January 2019
Coroner	Jill Romann	January 2015	January 2019
Sheriff	Tony Spurlock	January 2015	January 2019
Surveyor	Robert Snodgrass	January 2015	January 2019
Treasurer	Diane Holbert	January 2011	January 2019
State Appointed Officials			
Public Trustee	Christine M. Duffy	June 2015	
Appointed Officials			
County Attorney	Lance Ingalls	February 2003	
County Manager	Douglas J. DeBord	October 1998	
Deputy County Manager	Barbara Drake	January 2012	
Department/Program Officials			
Community Justice Services	Scott Matson	December 2009	
Engineering	Frederick Koch	March 2003	
Planning	Terence Quinn	March 2009	
Facilities, Fleet, Emergency	Victoria Starkey	January 2010	
Finance	N. Andrew Copland	December 2006	
Human Services	Dan Makelky	March 2013	
Human Resources	Laura Leary	April 2010	
Information Technology	Paul Clanton	May 2008	
Open Space & Natural Res	Cheryl Matthews	March 2001	
Public Affairs	Wendy Holmes	January 2005	
Public Works	Rodney Meredith	July 2012	



DOUGLAS COUNTY, COLORADO
Douglas County Government Organization
December 31, 2016

Douglas County government is also served by several citizen boards and commissions. One of the best ways for citizens to become involved with County government is to serve on one of its many Citizen Advisory Boards, Committees and Commissions. These advisory bodies give citizens the opportunity to provide input into the County's decision-making process. The County, in turn, benefits from our citizens' expertise and experience.

Citizen Boards and Commissions

Audit Committee
Board of Adjustment
Building Board of Appeals
Community Development Block Grant (CDBG) Advisory Board
Community Services Block Grant Tripartite Board
Cultural Council
Extension Advisory Council
Fair Board of Directors
Historic Preservation Board
Human Services Citizen Review Panel
Juvenile Community Review Board
Library District Board of Directors
Liquor Licensing Authority
Mile High Regional Emergency Medical & Trauma Advisory Council
Open Space Advisory Committee
Parks, Trails and Building Grounds Advisory Board
Placement Alternatives Commission
Planning Commission
Tri-County Board of Health
Veterans Services Office



Government Finance Officers Association

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

Presented to

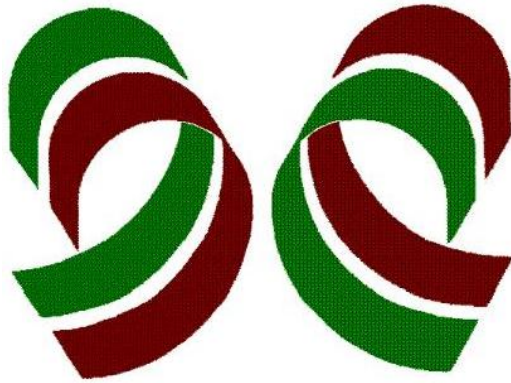
**Douglas County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015



Executive Director/CEO





Independent Auditor's Report

Douglas County Board of County Commissioners
Douglas County, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of Douglas County, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 15 through 29 and 73 through 84 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 Douglas County's financial statements. The introductory section, combining nonmajor fund financial statements, budgetary schedules, Local Highway Finance Report and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements, budgetary schedules and Local Highway Finance Report 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 combining nonmajor fund financial statements, budgetary schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

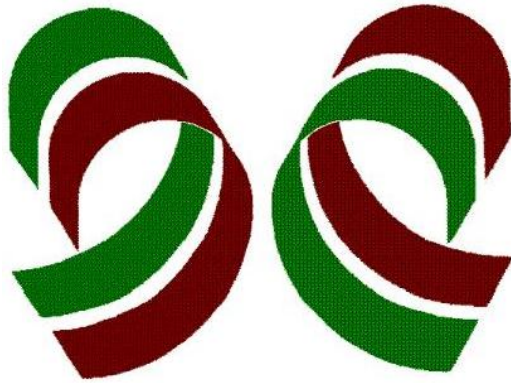
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 25, 2017 on our consideration of Douglas County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the 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 Douglas County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Denver, Colorado
April 25, 2017



Management's Discussion and Analysis

DOUGLAS COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2016

This section of the Douglas County Comprehensive Annual Financial Report is presented to provide readers with a narrative overview and analysis of the County's financial performance during the fiscal year that ended on December 31, 2016. We encourage readers to consider the information presented in this overview in conjunction with the information contained in the Introductory Section (including the Letter of Transmittal), the Financial Section (including the Basic Financial Statements) along with the accompanying notes to those financial statements and the Statistical Section, in order to enhance their understanding of the activities and financial health of Douglas County.

Financial Highlights

- At the close of the most recent fiscal year Douglas County's government-wide assets and deferred outflows exceeded the liabilities and deferred inflows by \$743,194,807 (net position). Of this amount, \$210,555,892 (28%) may be used to meet the government's ongoing obligations to citizens and creditors.
- In total, the County's net position increased \$6,575,906 in comparison to 2015 which is an increase of 0.9% in the County's overall net position.
- As of the close of the current fiscal year, Douglas County's governmental funds reported combined ending fund balances of \$231,048,320, an increase of \$3,006,568 (1.3%) in comparison with the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$52,550,976, or approximately 45% of total general fund expenditures.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to Douglas County's Basic Financial Statements. These basic financial statements are made up of three components: 1) the government-wide financial statements, 2) the governmental fund financial statements (including blended component units), and 3) the notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements

1) Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole, using accounting methods comparable to those used by private-sector companies. The two statements included in this grouping are:

- The **Statement of Net Position** presents information related to assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the net of all four categories being reported as the County's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County 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** presents information demonstrating why the County's net position changed during the most recent fiscal year as compared with the previous fiscal year. In the Statement of Activities, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are accounted for in this statement regardless of when cash is actually received or paid.

DOUGLAS COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2016

These statements are presented to distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from those that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). For fiscal year ended December 31, 2015, the County had no business-type activities to report. The governmental activities of the County include the statutory functions performed by the offices of the Assessor, Clerk & Recorder, Coroner, Sheriff, and Treasurer, as well as other functions related to highways and streets, culture and recreation, conservation of natural resources, community development, human services, sanitation and general government administration.

2) Governmental Fund Financial Statements

A fund is an accounting device that a government uses to maintain control over and account for specific sources of funding that are to be spent for specific purposes. Douglas County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with statutory requirements. These statements focus more on the individual functions of the County, reporting on financial operations in a more detailed format than is found in the government-wide statements. Certain funds are required by state law or established by bond covenants. Other funds are established by the Board of County Commissioners to control and manage resources for particular purposes (i.e., Debt Service, Capital Projects) or to show that certain revenue sources (i.e., taxes, grants) are used appropriately. Douglas County funds can be divided into the following three categories:

- **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance County programs. Because this information does not encompass the additional long-term focus found in the government-wide statements, additional information is provided that helps explain the relationship or differences between the two types of statements.

- **Proprietary funds** are used to account for services for which the County charges customers a fee. Douglas County maintains only one type of proprietary fund referred to as an internal service fund. Internal service funds are used to report activities that provide supplies and services for the County's other programs and activities. The County uses internal service funds to account for the various self-insurance programs related to employee benefits and risk management. Because the internal service funds serve only governmental activities, those funds have been included within governmental activities in the government-wide financial statements.

- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. 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 accounting used for fiduciary funds is much like that used for proprietary funds. As of December 31, 2016 the County's fiduciary funds include the Treasurer's Agency Fund, the Public Trustee's Agency Fund, and the Jail Escrow/Commissary Fund.

The County maintains 6 major governmental funds and 13 non-major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. By definition the General Fund is always considered a major fund. Other funds must be reported as major funds if they report at least 10% of all governmental funds total assets/deferred outflows, liabilities/deferred inflows, revenue or expenditures. Funds that do not meet the 10% criteria, but are considered to be of particular importance to the financial statements may also be reported as major funds.

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Data for the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided elsewhere in this report.

Douglas County adopts an annual budget, which is appropriated for all governmental and internal service funds with the exception of the Sheriff's Forfeiture Fund. The Sheriff's Forfeiture Fund is statutorily exempted from the budget process. A budgetary comparison schedule has been provided for the governmental and internal service funds subject to appropriation to demonstrate compliance with the budget.

3) Notes to the Basic 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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including combining and individual fund statements as well as budgetary schedules comparing original budgets, final budgets, and actual expenditures for all funds subject to budgetary restrictions.

Analysis of Douglas County's Government-wide Financial Position

As noted earlier, the change in total net position over time can be one of the best and most useful indicators of a government's financial health. Douglas County's governmental assets and deferred outflows exceeded liabilities and deferred inflows by \$743 million in 2016. There was an overall increase in the government's net position of \$6.6 million. The following table was derived from the current and prior years Statement of Net Position:

		Governmental Activities	
		(in thousands)	
		2016	2015
Assets:			
Current and other assets	\$	398,496	\$ 395,979
Capital assets		534,192	533,487
Total assets		<u>932,688</u>	<u>929,466</u>
Deferred outflow of resources:			
Loss on refundings		313	417
Total deferred outflow of resources		<u>313</u>	<u>417</u>
Liabilities:			
Current and other liabilities		32,216	33,862
Long-term liabilities		29,484	31,550
Total liabilities		<u>61,700</u>	<u>65,412</u>
Deferred inflow of resources:			
Property tax revenue		123,840	124,404
Developer construction advances		4,267	3,449
Total deferred inflow of resources		<u>128,107</u>	<u>127,853</u>
Net position:			
Net Investment in Capital Assets		511,883	508,800
Restricted		20,756	18,418
Unrestricted		210,556	209,401
Total net position	\$	<u><u>743,195</u></u>	\$ <u><u>736,619</u></u>

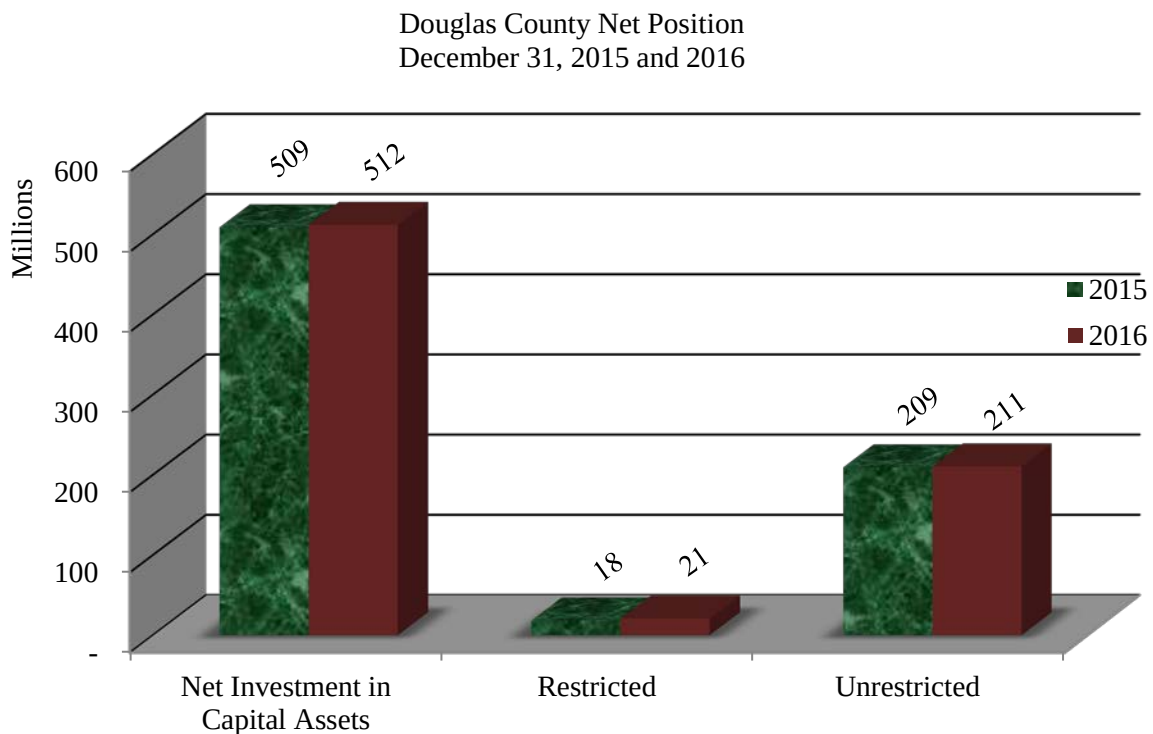
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The largest portion of the County's net position, \$511.9 million (68.9%), reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. Douglas County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, 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 portion of the County's net position, \$20.8 million (2.8%), represents 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, Conservation Trust funds held by the County, as well as federal or state grant funds that may only be used for the specific purpose for which they were received. Additionally the County reserves funds already owed on future debt service payments.

The remaining portion of the County's net position consists of unrestricted assets of \$210.6 million (28.3%) which may be used to meet the government's ongoing obligations to citizens and creditors.

The following chart reports the various components of net position for fiscal years 2015 and 2016.



At the end of 2016, the County reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and internal service funds. The same situation held true for the prior fiscal year.

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The following table was derived from the current and prior years' Statement of Activities:

	<u>2016</u>	<u>2015</u>
Revenues:		
Program revenues:		
Charges for services	\$ 49,939	\$ 46,539
Operating Grants and contributions	39,546	39,349
General revenues:		
Property taxes	123,281	105,617
Sales and use taxes	60,564	58,869
Other taxes	11,629	10,338
Earnings on investments	2,791	2,833
Other revenues	9,043	3,126
Total revenues	<u>296,793</u>	<u>266,671</u>
Expenses:		
Program expenses:		
General government	77,137	67,796
Judicial	8,769	8,247
Public safety	64,892	60,202
Highways and streets	91,037	85,502
Health and human services	29,206	27,345
Culture and recreation	9,787	9,408
Conservation of natural resources	1,578	640
Economic development and assistance	1,384	645
Developmental disabilities	5,378	4,788
Community services	257	313
Sanitation	89	88
Interest and fiscal charges	702	803
Total expenses	<u>290,217</u>	<u>265,778</u>
Change in net position	6,576	893
Net position – beginning	736,619	735,726
Net position – ending	<u>\$ 743,195</u>	<u>\$ 736,619</u>

During the current fiscal year, Douglas County's net position for governmental activities increased \$6,575,906 (0.9%) from the prior fiscal year.

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Total revenue reported in the Government-wide Statement of Activities for 2016 increased by \$30.1 million (11.3%) over 2015.

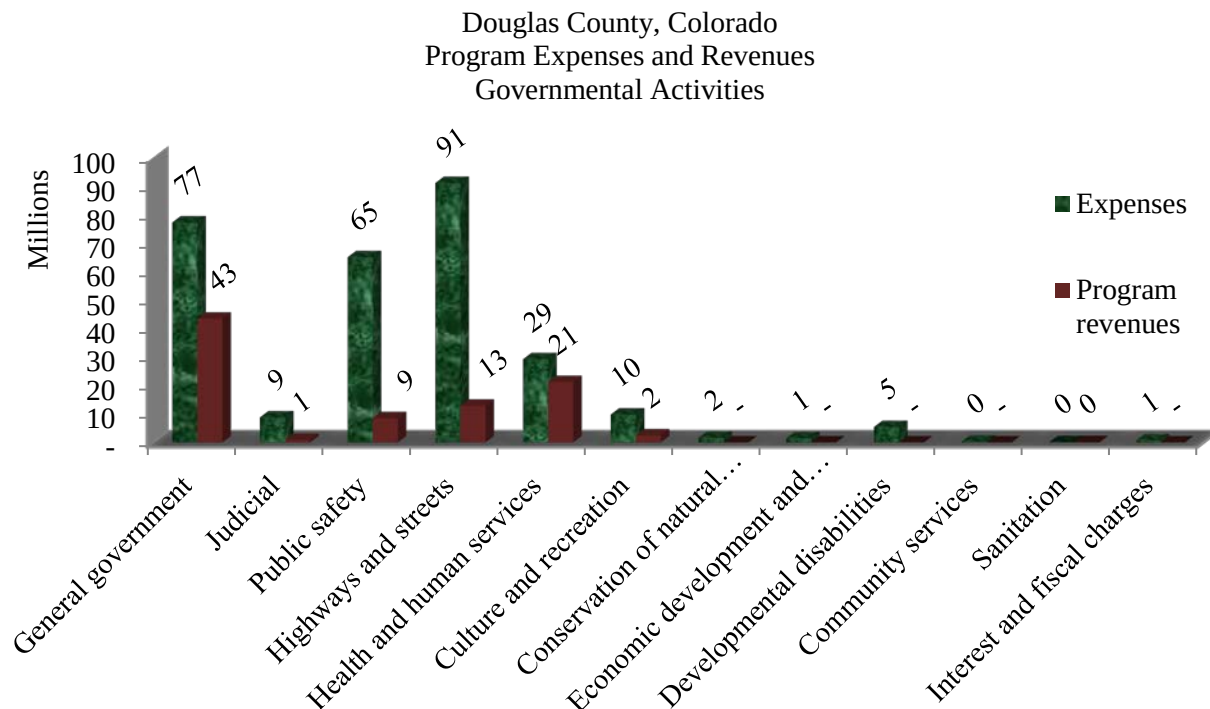
- Property tax revenue increased \$17.7 million (16.7%) over 2015 which was a reappraisal year.
- Other/miscellaneous revenues increased \$5.9 million (189.3%) over 2015. The County received a one-time private donation of \$3.3 million and excess insurance settlements totaling \$2.1 million.
- Charges for services increased \$3.4 million (7.3%) over 2015. This increase was made up of increased charges by the County's self-insurance proprietary funds of \$3.2 million and treasurer's fees increased \$0.6 million due to property tax increases.
- Sales and use tax revenue increased \$1.7 million (2.9%) over 2015.
- Specific ownership/other taxes increase \$1.3 million (11.9%) over 2015.

Total reported expenses for 2016 Government-wide activities increased by \$24.4 million (9.2%) over 2015. Line items experiencing notable changes included:

- General Government expense increased \$9.3 million (13.8%) over 2015. Significant increases occurred due to a \$3.4 million increase in insurance claims paid out of the County's self-insurance proprietary funds. Fleet services were moved out of the road and bridge fund into the general fund which led to an increase in facilities, fleet, and emergency support of \$2.0 million. Expenses in the clerk and recorder department increased \$1.2 million over 2015 due in large part to the presidential election held in 2016.
- Public safety expense increased \$4.7 million over 2015. Additional expenses related to eight additional deputy positions approved in the law enforcement authority fund in 2016 and required step increases to deputy salaries were the drivers of this increase.
- Highway and Street expense increased \$5.5 million (6.5%) when compared to 2015. Partnering with other governmental agencies to assist in the improvement of major transportation arteries in the county led to an increase in expenses of \$4.8 million.
- Health and Human service expense in 2016 increased \$1.9 million (6.8%) due mainly to an increase in indirect allocated costs for technology services provided by the General fund.

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Douglas County's \$89.5 million in program revenue which is reported in the statement of activities, increased during the current fiscal year by \$3.6 million (4.2%) over 2015. Program revenues help offset expenses in various programs as seen in the graph below:



Financial Analysis of the Governmental Funds

As noted earlier, Douglas County uses fund accounting to comply with finance-related legal requirements.

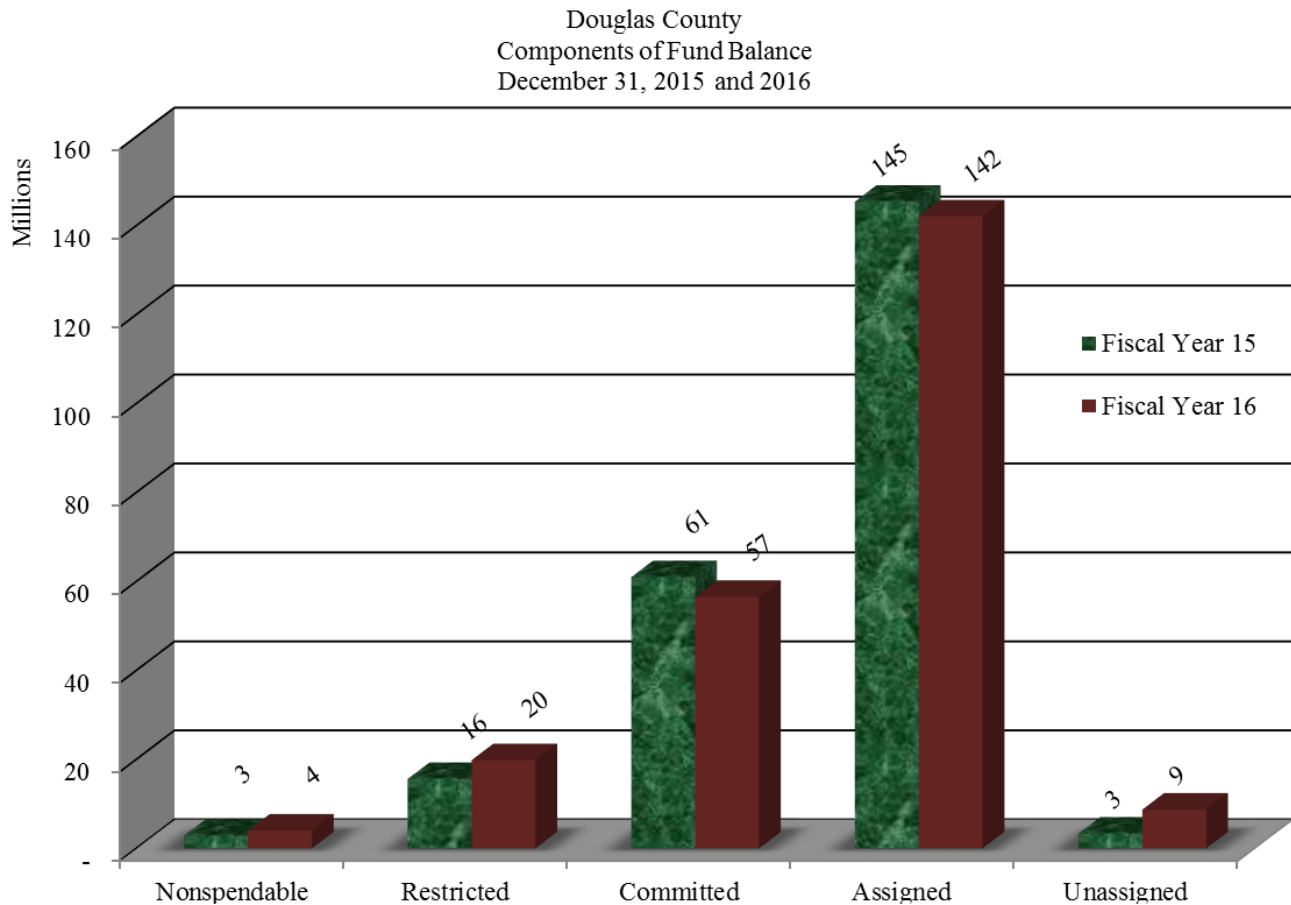
Governmental Funds

The focus of Douglas County's governmental funds is to provide information on short-term inflows, outflows and the balance of resources available for future spending. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary spending as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, Douglas County Government itself, or any other division of the County with the authority to assign fund balance for use in a particular project through the Board of County Commissioners.

At the close of the 2016 fiscal year, the County reported a combined total fund balance in its governmental funds (including blended component units) of \$231,048,320, an increase of \$3,006,568 (1.3%) over 2015. Of the combined fund balance, \$8,688,952 (3.7%) constitutes unassigned fund balance, which is readily available for spending at the government's discretion and serves as a measure of current unused financial resources.

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The remainder of fund balance is not readily available for discretionary spending because it has been constrained as follows: \$3,971,984 (1.7%) is non-spendable as these assets are in inventories or are pre-paid expenses; \$19,796,668 (8.6%) is restricted to uses regulated or controlled by outside agencies; \$56,525,300 (24.5%) is contractually committed to specific projects formally approved by the Board of County Commissioners. Assigned fund balance of \$142,065,416 (61.5%) is assigned to various uses through commissioner, or director, direction for planned or intended actions, or limited in use by the specific revenue source through which the fund balance was obtained.



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The County's six major governmental funds are the: 1) General Fund, 2) Road and Bridge Fund, 3) Human Services Fund, 4) Law Enforcement Authority (LEA) Fund, a blended component unit of the County, 5) Road Sales and Use Tax Fund, and 6) Justice Center Sales and Use Tax Fund.

	General Fund	Road & Bridge Fund	Human Services Fund	LEA Fund	Road Sales & Use Tax Fund	Justice Ctr Sales & Use Tax Fund
Fiscal Year 2016 (thousands)						
Revenues	\$ 109,639	45,153	23,468	20,535	26,618	29,734
Expenditures	117,522	43,262	26,393	20,860	30,262	6,210
Other financing sources/(uses)	12,348	(9,857)	2,623	13	(2,087)	(13,603)
Inc/(dec) in fund balance	<u>\$ 4,465</u>	<u>(7,966)</u>	<u>(302)</u>	<u>(312)</u>	<u>(5,731)</u>	<u>9,921</u>
Fiscal Year 2015 (thousands)						
Revenues	\$ 97,937	41,538	22,834	18,132	25,177	25,586
Expenditures	109,506	41,802	24,887	17,970	23,187	6,680
Other financing sources/(uses)	9,886	(2,945)	1,872	10	(2,092)	(14,471)
Inc/(dec) in fund balance	<u>\$ (1,683)</u>	<u>(3,209)</u>	<u>(181)</u>	<u>172</u>	<u>(102)</u>	<u>4,435</u>

General Fund – As the County's main operating fund, the General Fund accounts for all transactions not accounted for in other funds. The General Fund completed the year with a total fund balance of \$61,755,535, a 7.8% increase over 2015. Of the total current fund balance, \$1,524,646 (2.5%) is non-spendable because it is a prepaid expense or inventory. \$7,679,913 (12.4%) of fund balance is restricted to uses regulated or controlled by outside agencies. \$5,230,796 (8.5%) is contractually committed to specific projects previously approved by the BOCC and \$38,631,228 (62.5%) is assigned to various uses through commissioner, or director direction, such as; \$10 million for County emergencies or disasters; \$4 million for Highway US 85 improvements in partnership with CDOT; \$1.8 million is assigned to technology projects and improvements deemed necessary to continue to provide an appropriate level of service to our citizens; and \$14.9 million will be needed to fund planned expenditures per the 2017 budgeted use of fund balance. \$8,688,952 (14.1%) of General Fund's total fund balance is unassigned and available for necessary unforeseen appropriation in 2016.

As a measure of the fund's ability to meet its revenue generating needs it is useful to compare the total of the assigned and unassigned fund balance at the end of fiscal year 2015 to the budgeted total expenditures and transfers for the following fiscal year, 2016. The total of the assigned and unassigned fund balance of the General Fund at the end of fiscal year 2015, \$44.3 million, less the budgeted use of this fund balance in 2016, \$10 million, is \$34.3 million. This represents 26.3% of the adopted budget for General Fund total expenditures and transfers-out for 2016 of \$130.6 million, or 28.4% of the adopted budget for General Fund total revenues and transfers-in of \$120.6 million. This indicates that an approximately 27% combination of budgeted revenue short falls, and expenditures over budget, could be sustained during 2016 before the liquidity of the General Fund is compromised.

General Fund revenues increased \$11.7 million (11.9%) over 2015. Notable changes include a property tax increase of \$10.1 million in 2016 due to the reappraisal of property values. A corresponding increase in the fees collected by the treasurer's office increased charges for services \$1.0 million (5.6%).

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2015 General Fund total actual expenses increased by \$8.0 million (7.3%) when compared to 2015. General government expense increased \$4.4 million (9.0%). The fleet services department was moved from the Road and Bridge fund to the General fund in 2016 which caused facilities, fleet and emergency support services (FFESS) division's expenses to increase \$1.1 million. Also in the FFESS division professional services increased \$1.0 million due to snow removal, janitorial and security contract cost increases. Clerk and recorder division expenses went up a total of \$1.2 million, due mainly to the presidential election held in 2016. Total public safety expense increased \$2.1 million (6.0%) over 2015 due largely to required step increases to deputy salaries in 2016. Economic development expenses increased \$0.7 million (114.5%) due to increased participation by businesses in the County's business personal property tax rebate program. Rebates increased \$0.8 million over 2015.

General Fund Budget – During the year there were supplemental budget requests approved which increased revenues \$3.0 million (2.9%) and expenditures were increased by \$10.0 million (7.8%). Budgeted revenue increases of \$2.2 million were due to new grant awards made to the County. Most of the increase to the 2016 expenditure budget was due to the carry-over of unused 2015 budget amounts while only about \$2.0 million was due to new/unplanned expenditures being funded out of available fund balance.

The positive variance of actual to final budgeted revenues of \$107.4 million was \$2.2 million. This variance was due primarily to the increased sale of handgun permits and roofing permits. Clerk and Recorder's charges for receptions were also higher than budgeted.

Due to ongoing improvements to internal processes, careful stewardship and a strong use of technology, the County maintained a positive total budget to actual expenditures variance in the General Fund of \$20.8 million. Significant savings occurred in each of the divisions listed below:

<u>Division</u>	<u>Final Budget</u>	<u>Actual Expense</u>	<u>Variance</u>
General Fund Administration	\$ 7,088,261	\$ 1,749,959	\$ 5,338,302
Information Technology	17,220,174	14,264,598	2,955,576
Facilities, Fleet and Emergency Svcs	12,089,720	9,704,546	2,385,174
Public Safety	39,732,425	37,401,235	2,331,190
Economic Development and Assistance	2,908,229	1,383,934	1,524,295
Clerk and Recorder	7,880,442	6,636,620	1,243,822

The large variance in the General Fund Administration division was due to a budgeted expense of \$4.0 million not being expended. This amount will be assigned in the fund balance for future expenditure. The variance in the information technology division is due to several large projects with ongoing expenses. In the facilities, fleet and emergency support services division the variance is due to a change made to the method of recording fleet chargebacks for service not being reflected in the 2016 budget.

There were net transfers into the General fund of \$12.3 million. Transfers into the General fund include a transfer from Justice Center Sales and Use Tax fund for maintenance of the Robert Christensen Justice Center; a transfer from Road Sales and Use Tax fund for engineering services and a transfer from Capital Replacement fund for replacement of vehicles. Transfers out of General fund into Human Services fund offset the unreimbursed portion of administration expenses charged to Human Services through the indirect cost allocation plan. There was also a transfer to Capital Expenditures fund for improvements and an expansion to the Galen Buck road and bridge facility in Parker and a transfer to the Medical, Dental and Vision self-insurance fund.

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Road and Bridge Fund – The Road and Bridge Fund accounts for revenue received from property taxes and other revenue sources that, under statute, must be expended for road or bridge construction and maintenance, or traffic signal installation, maintenance and repair. For 2016, this fund reported a total ending fund balance of \$31,911,317, a decrease of \$7,966,322 (19.9%) from 2015. Of this ending balance, \$2,441,027 (7.7%) is non-spendable as it is held in inventory or is a pre-paid expense. An additional \$16,054,910 (50.3%) of fund balance is committed to specific projects through re-appropriations in the 2017 budget. The remaining assigned fund balance of \$13,415,380 (42.0%) is available for the County to use on new or continuing road maintenance and improvements.

Approximately 20% of the County's total property tax revenue generated from its mill levy is allocated to this fund. In accordance with state statute, of the \$24.6 million in total property taxes allocated to this fund, \$4.9 million was shared with the cities and towns located within the County. After taking into consideration the share-back allowance, property tax revenue in the Road and Bridge Fund increased \$2.8 million (16.5%). Specific ownership taxes increased \$1.1 million (12.1%). Total revenues increased \$3.6 million (8.7%) over 2015.

Total expenditures in the Road and Bridge Fund increased \$1.5 million (3.5%) when compared to 2015. In 2016 the County continued to commit additional funds to the repair and maintenance of existing roadways increasing maintenance expenditures \$3.3 million (29.8%). The fleet services division was moved out of the Road and Bridge fund into the General Fund in 2016 which caused a decrease in expenditures of \$1.0 million.

Human Services Fund – As required by state law, this fund is used to account for all federal and state public aid and assistance programs administered by the County. Revenue sources include designated property taxes and intergovernmental agency support. Approximately 90% of the support provided to Douglas County residents through Human Services is funded by federal and state grants/reimbursements. The remaining 10% is funded through dedicated property tax revenues. At the end of 2016 the fund balance in the Human Services fund was \$5,466,934. Fund balance decreased \$301,695 (5.2%) over the 2015 ending fund balance.

Human Services revenue in 2016 remained consistent with 2015 revenue levels, increasing by only \$0.6 million (2.8%). Property tax revenue increased \$0.2 million (16.9%) due to property reassessments and state program reimbursements increased \$0.3 million (4.0%).

Total expenditures in the Human Services Fund increased \$1.5 million (6.0%) The indirect expenses being charged, from the annual cost allocation plan, to the Administration department increased \$1.1 million due primarily to increased information technology charges stemming from several projects benefitting the Human Services fund.

In association with the indirect costs charged to Human Services a transfer was made from the General Fund to the Human Services fund for \$2.6 million which equals the unreimbursed portion of the indirect expenses to keep the Human Services fund whole while more clearly illustrating the true expense of operating the Human Services Fund.

Law Enforcement Authority (LEA) Fund – The Law Enforcement Authority is a separate statutory district with its own mill levy dedicated to providing law enforcement services. The LEA Fund accounts for revenue generated from the 4.5 mills levied to residents in the unincorporated areas of Douglas County which then funds the patrol

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and other related public safety services provided to these citizens. The 2016 ending fund balance of \$17,534,799 decreased \$311,667 (-1.7%) when compared to 2015.

Total revenue in the LEA fund increased \$2.4 million (13.3%). Of note, property tax collections increased \$1.9 million due to property reassessments and revenue collected to reimburse for extra duty expenditures increased \$0.4 million.

Expenses in the LEA Fund increased \$2.9 million (16.1%) over 2015. Along with mandatory tier pay increases, an additional eight deputies were approved in the 2016 budget the combination of both lead to a \$2.0 million increase in personnel expenditures. There were also increases in purchased services and fleet repair and maintenance of \$0.5 million.

Road Sales and Use Tax Fund – The Road Sales and Use Tax Fund accounts for revenue received from a dedicated sales tax which is restricted to be used for roadway infrastructure construction. Of the County's total 1.0% sales tax, 0.4% was approved by the voters for this purpose. In November 2007, the voters of Douglas County voted to extend the 0.4% sales and use tax dedicated for the improvement and maintenance of the County's roads and bridges for another 20 years, extending it through December 31, 2030. The 2016 year end fund balance of \$29,200,981 was a decrease of \$5,731,277 (-16.4%) when compared to 2015. Of this ending fund balance \$263,533 (0.9%) is restricted for debt services payments and \$24,235,294 (83.0%) is committed through capital project re-appropriations in the 2017 budget.

Total operating revenue increased \$1.4 million (5.7%) in 2016. The dedicated sales tax revenue for the Road Sales and Use Tax Fund increased \$0.7 million prior to the required by resolution shareback of sales taxes to incorporated areas of the County. After the shareback expense is considered the net increase in sales tax revenue was \$0.3 million. Reimbursements from various municipalities for their part of the I-25 lane balancing project increased revenues \$0.8 million over 2015.

Expenses in the Road Sales and Use Tax Fund increased \$7.1 million (30.5%) in 2016 when compared to 2015. Expenditures for road maintenance decreased by \$1.3 million. While capital outlay increased \$3.7 million and intergovernmental support increased \$4.4 million. Intergovernmental support was used to leverage projects with other governmental entities including \$10 million to assist the Colorado Department of Transportation with improvements to C-470; \$2.7 million was used to assist the Town of Castle Rock with the completion of the North Meadows extension and \$1.8 million was paid to the Town of Parker for the extension of Chambers Road.

Justice Center Sales and Use Tax Fund – The Justice Center Sales and Use Tax Fund accounts for monies received from a dedicated sales tax that must be utilized for capital improvements and operating costs associated with the County's Robert A. Christensen Justice Center and related facilities. In November 2007, the voters of Douglas County extended the sunset date from December 31, 2010 to December 31, 2020 for 0.13% of the tax. The remaining 0.10% that was scheduled to sunset on December 31, 2010 will now remain in perpetuity along with the existing 0.20% for ongoing Justice Center operating costs. The ending fund balance for 2016 is \$36,685,180 this is an increase of \$9,920,607 (37.1%) when compared to 2015.

Total revenues in the Justice Center Sales and Use Tax Fund increased \$4.1 million (16.2%). Sales tax revenues are normally the only major revenue source for this fund. The expanding economy accounted for an increase in sales tax receipts of \$0.7 million over 2015. Additionally, there was a private contribution of \$3.3 million to the fund to assist with the construction of the Emergency Vehicle Operations Course in 2017.

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Expenses in the Justice Center Sales and Use Tax Fund are used exclusively to build, operate and maintain the Justice Center and other related facilities. Total expenses in 2016 decreased \$0.5 million (-7.0%) when compared to 2015.

Other Non-major Governmental Funds – Combined fund balances in the other non-major governmental funds at the close of the 2016 fiscal year totaled \$48,493,574, representing an increase of \$2,931,871 (6.4%) when compared to 2015.

Proprietary Funds

Total net position of the County's Internal Service Funds at the end of the year is \$6,829,653, comprised of \$1,733,137 in the Workers Compensation and Unemployment Self-Insurance Fund, \$3,809,900 in the Property and Liability Self-Insurance Fund and \$1,246,616 in the Medical, Dental and Vision Self-Insurance Fund.

Asset and Debt Administration

Capital Assets

Douglas County's capital assets for its governmental activities as of December 31, 2016, amounts to \$534,192,521 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, open space and recreational facilities, computer software and equipment, roads, streets, bridges and other infrastructure. Additional information can be found in Note 5.

Major capital asset events during 2016 included:

- Phase 1 of the expansion to the Road and Bridge Galen Buck facility for \$9.2 million.
- Two separate open space land purchases added \$1.9 million to assets.
- Improvements to the Lincoln/Quebec intersection was \$2.1 million.
- The acquisition of 400 new portable radios by the Sheriff's department increased assets by \$1.8 million.
- The Columbine bridge project added \$1.7 million.

Significant construction commitments as of December 31, 2016 include:

- \$7.0 million related to continued improvements and expansion of the Road and Bridge Facility in Parker.
- \$2.1 million is still encumbered to complete the simulcast project to enhance radio communications.

Long-Term Debt

At the end of the current fiscal year, Douglas County had total bonded debt principal outstanding of \$20,815,000. All of the County's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Additional information related to the County's long-term debt can be found in Note 8 to the financial statements.

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Economic Conditions Affecting the County

Douglas County is well positioned for continued growth going forward into 2017 based on current 2016 indicators. The current unemployment rate in Douglas County is 2.8% while the national rate is 5.0%. It is predicted that 45,000 jobs were added in the Denver metro area in 2016 which is leaving labor markets tight and positions unfilled. Consumer confidence increased in 2016 which bodes well for increased consumer spending but rising health care costs could limit the increase. Douglas County is projecting only a 0.9% increase in sales and use taxes for 2017.

The 2016 inflation rate is predicted to be 2.8% locally while the national rate is 1.4% making the area more expensive to live in than other areas of the country. The median price of all homes sold in Douglas County in the third quarter of 2016 was \$432,500 which is an increase of 8.2% over 2015. Total sales of single-family homes, townhomes and condominiums decreased 4.2% in 2016 when compared to the previous year. A rise in interest rates could make home ownership in Douglas County less attainable and lead to a greater impact on home sales.

Recognizing that the County has benefitted from increased property values the Board of County Commissioners has enacted a one-time, temporary property tax credit equal to 0.500 mills upon each dollar of the total valuation for assessment of all taxable property within the County affecting taxes collected in 2017. The impact of this is a \$2.8 million reduction in property tax revenues for 2017.

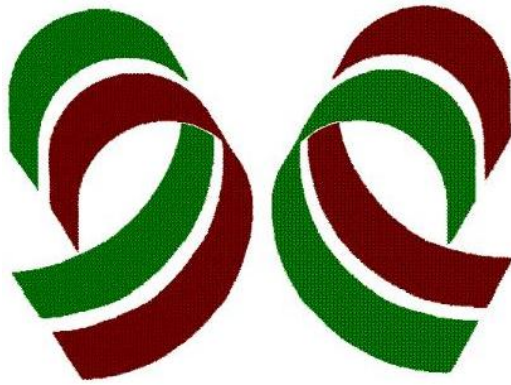
Strong, fiscally conservative principles leave Douglas County well positioned to continue reinvesting in the community. Without risking the hard work of the past or ignoring the always present uncertainty of the future, substantial commitments have been made to reduce traffic congestion, invest in road infrastructure and protect our citizen's safety while continuing to maintain adequate and fiscally responsible reserves.

Audit Committee

The County's audit committee was established by resolution on August 11, 2009. The committee consists of five residents of the County; one from each commissioner district and two from the County at large. Each member serves a staggered three year term upon initial appointment with established term limits.

Requests for Information

This financial report is designed to provide our constituents and other interested parties with a general overview of Douglas County's finances and to demonstrate the County's accountability for the monies it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Douglas County Finance Department, 100 Third Street, Suite 130, Castle Rock, Colorado, 80104.



BASIC FINANCIAL STATEMENTS

DOUGLAS COUNTY, COLORADO

Statement of Net Position

December 31, 2016

	Governmental Activities
Assets:	
Pooled cash and investments	\$ 253,965,298
Property taxes receivable	123,934,480
Accounts receivable	15,565,066
Long term notes receivable	963,077
Prepaid expenses	685,469
Inventories	3,382,234
Capital assets:	
Land and construction in progress	130,741,973
Other capital assets, net of accumulated depreciation	403,450,548
Total assets	<u>932,688,145</u>
Deferred outflow of resources	
Loss on refundings	<u>313,009</u>
Liabilities:	
Accounts payable	11,079,148
Retainage payable	1,005,221
Accrued liabilities	8,377,991
Claims payable	3,509,132
Accrued interest payable	128,844
Payable to other governments	2,258,089
Security deposits	5,857,347
Long-term liabilities:	
Due within one year:	
Bonds payable	4,057,234
Capital lease payable	367,575
Compensated absences	5,458,246
Due in more than one year:	
Bonds payable	17,095,113
Capital lease	1,102,725
Compensated absences	1,402,873
Total liabilities	<u>61,699,538</u>
Deferred inflow of resources:	
Deferred Property tax revenue	123,839,839
Developer construction advances	4,266,970
Total deferred inflow of resources	<u>128,106,809</u>
Net position:	
Net investment in capital assets	511,882,883
Restricted:	
Emergencies (TABOR)	7,275,800
General government	2,189,478
Highways and streets	2,441,027
Health and Human services	364,792
Public safety	879,836
Culture and recreation	3,425,652
Conservation of natural resources	3,318,039
Developmental disabilities	100,000
Debt service	761,408
Unrestricted	<u>210,555,892</u>
Total net position	<u>\$ 743,194,807</u>

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Statement of Activities

Year ended December 31, 2016

Functions/programs	Expenses	Program revenues			Total Governmental Activities
		Charges for services	Grants and Contributions Operating	Capital	
General government	\$ 77,136,803	41,123,674	2,346,615	—	(33,666,514)
Judicial	8,769,470	579,866	277,164	—	(7,912,440)
Public safety	64,892,327	5,665,369	2,856,416	—	(56,370,542)
Highways and streets	91,037,247	1,359,486	11,518,383	—	(78,159,378)
Health and human services	29,206,244	—	21,198,356	—	(8,007,888)
Culture and recreation	9,787,378	1,122,542	1,348,717	—	(7,316,119)
Conservation of natural resources	1,578,402	—	—	—	(1,578,402)
Economic development and assistance	1,383,934	—	—	—	(1,383,934)
Developmental disabilities	5,377,533	—	—	—	(5,377,533)
Community services	256,568	—	—	—	(256,568)
Sanitation	89,147	87,876	—	—	(1,271)
Interest and fiscal charges	702,056	—	—	—	(702,056)
Total governmental activities	\$ 290,217,109	49,938,813	39,545,651	—	(200,732,645)
General revenues:					
Taxes:					
Property					\$ 123,280,973
Sales					60,563,754
Specific ownership					11,440,794
Other					188,883
Interest earnings					2,790,962
Miscellaneous					9,043,185
Total general revenues					207,308,551
Change in net position					6,575,906
Net position, January 1					736,618,901
Net position, December 31					\$ 743,194,807

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2016

Assets	General Fund	Road and Bridge	Human Services
Pooled cash and investments	\$ 69,915,272	35,774,389	5,123,145
Property taxes receivable	74,874,484	25,316,161	1,780,527
Accounts receivable	2,988,518	857,375	895,533
Long term notes receivable	—	963,077	—
Prepaid items	577,732	5,707	5,716
Inventories	946,914	2,435,320	—
Interfund receivables	310,414	—	—
Total assets	<u>\$ 149,613,334</u>	<u>65,352,029</u>	<u>7,804,921</u>
Liabilities, Deferred Inflows and Fund Balance			
Liabilities:			
Accounts payable	\$ 8,486,335	986,402	162,320
Retainage payable	—	343,590	—
Accrued liabilities	3,778,644	940,167	381,973
Security deposits and construction escrow	303,706	5,335,362	—
Payable to other governments	319,372	—	13,345
Interfund payables	—	—	—
Total liabilities	<u>12,888,057</u>	<u>7,605,521</u>	<u>557,638</u>
Deferred Inflow of Resources			
Unavailable revenue-property taxes	74,815,760	25,297,051	1,779,183
Unavailable revenue	153,982	16,584	1,166
Developer construction advance	—	521,556	—
Total deferred inflow of resources	<u>74,969,742</u>	<u>25,835,191</u>	<u>1,780,349</u>
Fund balance:			
Non-spendable	1,524,646	2,441,027	5,716
Restricted	7,679,913	—	71,696
Committed	5,230,796	16,054,910	19,265
Assigned	38,631,228	13,415,380	5,370,257
Unassigned	8,688,952	—	—
Total fund balances	<u>61,755,535</u>	<u>31,911,317</u>	<u>5,466,934</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 149,613,334</u>	<u>65,352,029</u>	<u>7,804,921</u>

See accompanying notes to basic financial statements.

Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total Governmental Funds
18,040,973	31,366,597	33,876,717	50,148,090	244,245,183
15,217,003	—	—	6,746,305	123,934,480
409,374	3,736,481	4,076,151	1,951,310	14,914,742
—	—	—	—	963,077
425	—	—	889	590,469
—	—	—	—	3,382,234
—	—	—	3,960,000	4,270,414
<u>33,667,775</u>	<u>35,103,078</u>	<u>37,952,868</u>	<u>62,806,594</u>	<u>392,300,599</u>

20,154	938,711	196,264	288,962	11,079,148
—	113,735	42,100	322,769	822,194
649,364	1,104,237	1,029,324	677,309	8,561,018
135,745	—	—	82,534	5,857,347
—	—	—	1,925,372	2,258,089
—	—	—	4,270,414	4,270,414
<u>805,263</u>	<u>2,156,683</u>	<u>1,267,688</u>	<u>7,567,360</u>	<u>32,848,210</u>

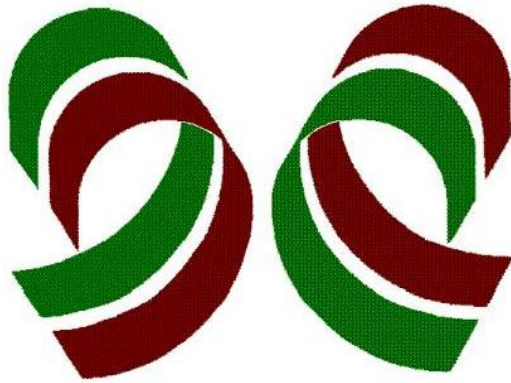
15,207,749	—	—	6,740,096	123,839,839
119,964	—	—	5,564	297,260
—	3,745,414	—	—	4,266,970
<u>15,327,713</u>	<u>3,745,414</u>	<u>—</u>	<u>6,745,660</u>	<u>128,404,069</u>

425	—	—	170	3,971,984
625,000	263,533	3,300,000	7,856,526	19,796,668
141,944	24,235,294	2,753,557	8,089,534	56,525,300
16,767,430	4,702,154	30,631,623	32,547,344	142,065,416
—	—	—	—	8,688,952
<u>17,534,799</u>	<u>29,200,981</u>	<u>36,685,180</u>	<u>48,493,574</u>	<u>231,048,320</u>
<u>33,667,775</u>	<u>35,103,078</u>	<u>37,952,868</u>	<u>62,806,594</u>	<u>392,300,599</u>

DOUGLAS COUNTY, COLORADO

Reconciliation of the Governmental Funds Balance Sheet to the Governmental Activities on the Statement of Net Position December 31, 2016

Total governmental fund balances	\$ 231,048,320
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount is net of accumulated depreciation of \$482,957,843.	534,192,521
Certain long term receivables are not currently available and, therefore, are not reported in the funds.	126,654
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(20,815,000)
Capital lease payable	(1,470,300)
Loss on refunding bonds amortized over the life of the debt	313,009
Debt premium	(337,347)
Compensated absences	(6,861,119)
Accrued interest payable	(128,844)
	<u>(29,299,601)</u>
Deferred inflow of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.	297,260
Internal service funds are used by management to charge the costs 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.	
Net position of governmental activities	6,829,653
See accompanying notes to basic financial statements.	\$ <u><u>743,194,807</u></u>



DOUGLAS COUNTY, COLORADO

Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
Year ended December 31, 2016

	General Fund	Road and Bridge	Human Services
Revenues:			
Taxes	\$ 75,603,548	34,696,726	1,732,815
Licenses and permits	8,475,244	960,043	—
Intergovernmental	2,938,795	9,412,588	21,186,893
Charges for services	18,834,572	18,800	—
Fines and forfeits	168,284	—	—
Interest on investments	1,256,797	3,048	—
Donations, rents, reimbursements, other	2,361,990	61,463	548,885
Total revenues	<u>109,639,230</u>	<u>45,152,668</u>	<u>23,468,593</u>
Expenditures:			
Current:			
General government	53,758,891	—	—
Judicial	8,769,470	—	—
Public safety	37,401,235	—	—
Highways and streets	5,370,276	39,149,979	—
Sanitation	86,074	—	—
Health and human services	2,567,780	—	26,372,034
Culture and recreation	4,507,657	—	—
Conservation of natural resources	405,877	—	—
Economic development and assistance	1,383,934	—	—
Developmental disabilities	—	—	—
Community services	256,568	—	—
Total current	<u>114,507,762</u>	<u>39,149,979</u>	<u>26,372,034</u>
Capital outlay	<u>3,014,302</u>	<u>4,111,780</u>	<u>20,980</u>
Debt service:			
Principal	—	—	—
Interest and fiscal charges	—	—	—
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>117,522,064</u>	<u>43,261,759</u>	<u>26,393,014</u>
Excess (deficiency) of revenues over expenditures	<u>(7,882,834)</u>	<u>1,890,909</u>	<u>(2,924,421)</u>
Other financing sources (uses):			
Issuance of Debt	—	—	—
Sale of capital assets	79,893	242,769	—
Transfers in	15,918,618	900,000	2,625,626
Transfers out	<u>(3,650,626)</u>	<u>(11,000,000)</u>	<u>(2,900)</u>
Total other financing sources (uses)	<u>12,347,885</u>	<u>(9,857,231)</u>	<u>2,622,726</u>
Net change in fund balances	4,465,051	(7,966,322)	(301,695)
Fund balance, January 1	57,290,484	39,877,639	5,768,629
Fund balance, December 31	\$ <u><u>61,755,535</u></u>	<u><u>31,911,317</u></u>	<u><u>5,466,934</u></u>

See accompanying notes to basic financial statements.

Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total Governmental Funds
16,248,407	24,222,204	26,038,869	16,848,444	195,391,013
—	—	—	—	9,435,287
550,249	1,980,000	—	3,366,276	39,434,801
2,475,245	—	—	107,183	21,435,800
843,706	—	—	259,144	1,271,134
246,131	416,188	394,557	474,241	2,790,962
171,740	—	3,300,000	601,418	7,045,496
<u>20,535,478</u>	<u>26,618,392</u>	<u>29,733,426</u>	<u>21,656,706</u>	<u>276,804,493</u>
—	—	—	1,423,717	55,182,608
—	—	—	—	8,769,470
19,598,334	—	665,929	2,192,022	59,857,520
—	26,274,623	—	36,638	70,831,516
—	—	—	—	86,074
—	—	—	—	28,939,814
—	—	—	3,343,930	7,851,587
—	—	—	—	405,877
—	—	—	—	1,383,934
—	—	—	5,377,533	5,377,533
—	—	—	—	256,568
<u>19,598,334</u>	<u>26,274,623</u>	<u>665,929</u>	<u>12,373,840</u>	<u>238,942,501</u>
<u>1,261,861</u>	<u>3,987,296</u>	<u>5,544,219</u>	<u>13,911,228</u>	<u>31,851,666</u>
—	—	—	3,845,000	3,845,000
—	—	—	727,611	727,611
—	—	—	4,572,611	4,572,611
<u>20,860,195</u>	<u>30,261,919</u>	<u>6,210,148</u>	<u>30,857,679</u>	<u>275,366,778</u>
<u>(324,717)</u>	<u>(3,643,527)</u>	<u>23,523,278</u>	<u>(9,200,973)</u>	<u>1,437,715</u>
—	—	1,470,300	—	1,470,300
13,050	—	3,101	9,740	348,553
—	—	—	18,115,342	37,559,586
—	(2,087,750)	(15,076,072)	(5,992,238)	(37,809,586)
<u>13,050</u>	<u>(2,087,750)</u>	<u>(13,602,671)</u>	<u>12,132,844</u>	<u>1,568,853</u>
<u>(311,667)</u>	<u>(5,731,277)</u>	<u>9,920,607</u>	<u>2,931,871</u>	<u>3,006,568</u>
<u>17,846,466</u>	<u>34,932,258</u>	<u>26,764,573</u>	<u>45,561,703</u>	<u>228,041,752</u>
<u>17,534,799</u>	<u>29,200,981</u>	<u>36,685,180</u>	<u>48,493,574</u>	<u>231,048,320</u>

DOUGLAS COUNTY, COLORADO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year ended December 31, 2016

Net change in fund balances – total governmental funds	\$ 3,006,568
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:	
Capital asset additions	31,851,666
Assets purchased in prior years added to capital outlay	69,171
CIP capitalized and written off in current year (discontinued projects)	(17,511)
Depreciation expense	<u>(31,303,010)</u>
Excess of depreciation over capital outlay	<u>600,316</u>
Sale of capital assets is reported as revenues in the governmental funds and not reported as revenues in the statement of activities.	(348,553)
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.	203,102
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Bonds payable	3,845,000
Debt Proceeds	<u>(1,470,300)</u>
Revenues in the governmental funds that provide current financial resources were previously accrued in the statement of activities when they were earned.	(95,500)
Deferred inflow of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.	297,260
Some revenues/contributions reported in the statement of activities do not provide current financial resources and therefore, are not reported as revenues/expenditures in governmental funds:	
Donation of capital assets from others	250,541
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:	
Accrued interest	22,657
Compensated absences	(415,714)
Amortization of bond premium and deferred loss on refunding	<u>2,898</u>
	<u>(390,159)</u>
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	677,631
Change in net position of governmental activities	<u>\$ 6,575,906</u>

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2016

		Governmental Activities
		Internal
		Service
		Funds
	Assets	
Current assets:		
Pooled cash and investments		\$ 9,720,115
Accounts receivable		523,670
Prepaid expenses		95,000
	Total current assets	10,338,785
	Total assets	\$ 10,338,785
	Liabilities	
Current liabilities:		
Accrued claims payable		\$ 3,509,132
	Total current liabilities	3,509,132
	Total liabilities	3,509,132
	Net Position	
Unrestricted		6,829,653
	Total net position	6,829,653
	Total liabilities and net position	\$ 10,338,785

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

Year ended December 31, 2016

	Governmental Activities Internal Service Funds
Operating revenue:	
Charges for services	\$ 17,707,799
Other operating revenue	2,093,189
Total operating revenue	<u>19,800,988</u>
Operating expenses:	
Purchased services	594,968
Fixed charges	1,864,011
Insurance benefits/claims	16,914,378
Total operating expenses	<u>19,373,357</u>
Operating Gain	427,631
Transfers In/(out)	<u>250,000</u>
Increase in net position	677,631
Total net position – beginning of year	<u>6,152,022</u>
Total net position – end of year	<u><u>\$ 6,829,653</u></u>

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2016

	Governmental Activities
	Internal Service Funds
Cash flows from operating activities:	
Cash received from internal customers	\$ 19,283,584
Cash payments to external suppliers for goods and services	(18,143,104)
Net cash provided by operating activities	<u>1,140,480</u>
Cash flow from noncapital financing activities:	
Transfers in	<u>250,000</u>
Net cash from noncapital financing activities	<u>250,000</u>
Net increase in cash and cash equivalents	1,390,480
Cash and cash equivalents, January 1	8,329,635
Cash and cash equivalents, December 31	<u><u>\$ 9,720,115</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating gain	\$ 427,631
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in estimated liability for claims and judgments	1,230,253
(Increase) in accounts receivable	(517,404)
Total adjustments	<u>712,849</u>
Net cash provided by operating activities	<u><u>\$ 1,140,480</u></u>

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2016

	Assets	Total Agency Funds
Agency cash and investments		\$ 8,912,920
Accounts receivable		<u>484,075</u>
Total assets		<u>\$ 9,396,995</u>
	Liabilities	
Accounts payable		\$ 1,962,632
Due to others		<u>7,434,363</u>
Total liabilities		<u>\$ 9,396,995</u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(1) Reporting Entity

Douglas County, Colorado (the County) was formed in 1861 as a political subdivision of the State of Colorado and is subject to its statutes and empowerments. A three-member Board of County Commissioners, elected at large, governs the County. In addition, there are six other elected officials of the County which are the Assessor, Clerk and Recorder, Coroner, Sheriff, Surveyor and Treasurer.

The County provides a wide range of services to its residents, including public safety, planning, zoning, building inspection, property assessment, elections, document recording, motor vehicle registration, tax assessment and collection, infrastructure construction and maintenance, parks and open space, social services, and other general administrative services.

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing Douglas County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. The County is financially accountable for legally separate organizations if 1) County officials serve as the governing body of the entity or appoint a voting majority of the entity's governing body and 2) the County can impose its will on that entity or there is a potential for specific financial benefits to, or burdens on, the County through the entity.

(a) *Blended Component Units*

As required by US GAAP, these financial statements represent the County and its component units – entities for which the County is considered to be financially accountable. Although legally separate entities, blended component units are, in substance, part of the government's operations and so financial information related to these blended units are reported with the financial data of the County. The following entities are included in the financial statements as blended component units based upon their significant financial and operational relationships to the County:

Douglas County Law Enforcement Authority - The Law Enforcement Authority (LEA) is a district formed as a political subdivision of the State to provide law enforcement services to the unincorporated areas of the County. The district is empowered to levy property taxes (not to exceed seven mills). The district is governed by the Board of County Commissioners, which sets the mill levy and adopts and appropriates the LEA budget. Additionally, there is a financial benefit or burden relationship between Douglas County and the District. This fund is classified as a Special Revenue Fund for financial reporting purposes.

Douglas County Woodmoor Mountain General Improvement District - This improvement district was formed in late 1992 as a political subdivision of the State upon petition by a majority of the electors who own taxable real or personal property within the district. The purpose of the district is to maintain and to make capital improvements to the roads in the district. The district has the power to levy property taxes and the Board constitutes ex-officio the board of directors of the district. While the District's financial statements are not material to the financial statements of Douglas County, due to political reasons, and a financial benefit/burden relationship with the District, a decision has been made to include this entity as a blended component unit. The district's budget is adopted independently from the overall County budget. This entity is classified as a Special Revenue Fund for financial reporting purposes.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

Douglas County Lincoln Station Local Improvement District - This improvement district was formed in January 2009 for imposing sales tax within the boundaries of the LID to assist in financing the design, construction, installation, operation and maintenance of certain public improvements within the LID that the County is authorized to provide. These improvements generally consist of transportation improvements supporting the Lincoln Avenue Light Rail Station, including street and roadway improvements and related traffic and safety controls, park and recreation improvements, water and sanitation improvements and drainage improvements. The County commissioners serve as the Board for the improvement district. While the District's financial statements are not material to the financial statements of Douglas County, due to political reasons, and a financial benefit/burden relationship with the District, a decision has been made to include this entity as a blended component unit. This entity is classified as a Special Revenue Fund for financial reporting purposes.

(b) *Related Organizations*

The Board is responsible for appointing board members for other organizations; however, the commissioners' accountability does not extend beyond those appointments. The commissioners themselves may serve on other organizations' boards and provide some financial and operational influence, but they do not serve in a controlling capacity. These organizations are not included as component units of the County; however, any financial support and obligations of the County related to these organizations are reported in the County's financial statements.

(2) Summary of Significant Accounting and Reporting Policies

This summary of significant accounting and financial reporting policies of the County is presented to assist the reader in effectively evaluating the County's financial statements. These policies conform to US GAAP applicable to governmental entities. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and their pronouncements have been consistently applied in the preparation of the accompanying financial statements. The following is a summary of the significant policies.

(a) *Basic Financial Statements*

Basic financial statements consist of the government-wide financial statements and the fund financial statements. The government-wide financial statements include a statement of net position and a statement of activities. The fund financial statements provide a more detailed level of financial information for the various governmental and proprietary funds.

Government-wide financial statements display information about the reporting entity as a whole. The effect of inter-fund activity has been removed from these statements, which focus more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the reporting period. The statement of net position presents the County's non fiduciary assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position. Since the fiduciary funds are not available to the County, these funds are not reported in the government-wide statements. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to citizens who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

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function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. The County's funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are reported in a single column in the financial section of the basic financial statements and detailed further in the supplementary section.

(b) Basis of Presentation

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of assets, liabilities, fund balance, revenues, and expenditures. The various funds are reported by classification within the financial statements.

The County reports the following major governmental funds:

General Fund – The General Fund is the County's primary operating fund which accounts for all financial operations of the County except those required to be accounted for in another designated fund. Principal sources of revenue for this fund are property taxes, licenses and permits, intergovernmental assistance and charges for services. Primary expenditures are for functions related to public safety, planning and zoning, property valuation, tax collection, vehicle licensing, document recording, building inspection, engineering, culture and recreation and other County administrative functions.

Road and Bridge Fund – The Road and Bridge Fund is a special revenue fund that is funded through the assessment of property tax and accumulates costs related to the construction/installation and maintenance of County roads, bridges and traffic signals with the exception of costs associated with engineering and public works administration, which are recorded in the General Fund. By state law, Colorado counties are required to establish a Road and Bridge Fund with a portion of any property taxes assessed for this purpose to be allocated to cities and towns located within that county.

Human Services Fund - As required by state law, this fund is used to account for all federal and state public aid and assistance programs administered by the County. Restricted revenue sources include designated property taxes.

Law Enforcement Authority (LEA) Fund – The LEA Fund is a special revenue fund which accounts for revenues received from property tax levied by the Law Enforcement Authority (a special taxing district reported as a blended component unit of the County). Monies are used to provide public safety services to unincorporated areas of the County by the Sheriff's Office.

Road Sales and Use Tax Fund – The Road Sales and Use Tax Fund is a special revenue fund which accounts for revenues received from the 0.4% sales and use tax approved by voters in 1995 to be used for the improvement and maintenance of County roads and bridges. The incorporated municipalities located within the County share these revenues. Though initially set to sunset in 2010, in November 2007, the voters of Douglas County voted to extend the 0.4%

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sales and use tax dedicated for the improvement and maintenance of the County's roads and bridges for another 20 years, extending it through December 31, 2030.

Justice Center Sales and Use Tax Fund –The Justice Center Sales and Use Tax Fund is a special revenue fund which accounts for revenues received from the 0.43% sales and use tax approved by the voters in 1995 to be used for the construction and ongoing operation of the County's Justice Center. In November 2007, voters of Douglas County extended the sunset date from December 31, 2010 to December 31, 2020 for 0.13% of the tax. The remaining 0.1%, initially scheduled to sunset on December 31, 2010, will now remain in perpetuity along with the existing 0.20% for ongoing operating costs.

The County also reports the following fund types:

Non-major Governmental Funds – In addition to the major funds listed above, the County reports on thirteen non-major governmental funds. There are nine special revenue type funds which account for revenues generated from various sources such as property and sales taxes, grants and contributions. These funds expend those revenues for open space, trails and parks, solid waste disposal, LID and GID improvements and drug trafficking prevention. Three of the non-major governmental funds are capital project funds. These funds account for the financial resources collected and used to acquire, construct, maintain and replace capital assets including facilities, vehicles and equipment. The remaining non-major governmental fund is a debt service fund which accounts for the payment of principal and interest on revenue bonds issued by the County. The revenues used for debt payments are generated from sales and use taxes.

Internal Service Funds – These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. Self-insurance programs for employee benefits and property and liability are accounted for in these funds.

Fiduciary Funds – These funds account for assets held by the County as an agent for other entities or organizations. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. They are excluded from the government-wide statements because they do not report any net assets. The County fiduciary funds include; the Treasurer's Fund, which accounts for the receipt and disbursement of all revenues received by the County; the Public Trustee Fund used to account for the fiduciary activities of the Public Trustee and the Douglas County Jail Escrow/Inmate Commissary Fund which is used to account for the receipt and disbursement of all inmate escrow and commissary transactions.

(c) *Measurement Focus and Basis of Accounting*

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements are presented on a full accrual basis of accounting with an economic resources measurement focus concentrating on an entity or fund's net position. All transactions and events that affect the total economic resources during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time an obligation (liability) is incurred, regardless of the timing of related cash inflows and outflows. Fiduciary funds use the accrual basis of accounting.

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Governmental funds financial statements are presented on a modified accrual basis of accounting with a current financial resources measurement focus. This measurement focus concentrates on the fund's resources available for spending in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered available if collected within 60 days of year-end. The County reports deferred inflows when the potential revenue does not meet both the measurable and available criteria for recognition in the current period.

Property taxes, grant revenue, sales tax, and highway user tax are the primary revenue sources subject to accrual. Property taxes are reported as receivable and a deferred inflow of resources when an enforceable lien on the property exists. The County bills and collects its own property taxes and the taxes of various taxing agencies. Collections and remittance of taxes for the other taxing agencies are accounted for in the Treasurer's Fund (See Note 2 (e)).

Under modified accrual accounting, governmental fund liabilities (and expenses) should be accrued in the absence of applicable modification. Such modifications exist for long-term indebtedness, compensated absences, claims and judgments and special termination benefit liabilities. These liabilities are accrued in the governmental funds only to the extent they are due.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is provided in the fund financial statements.

(d) *Pooled Cash and Investments*

All cash is deposited with and invested through the County Treasurer except for funds held by third-parties (trustees) or by separate legal entities that are included in the County reporting entity. Cash includes amounts in demand deposits, money market accounts, and certificates of deposit. For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less. Investments are stated at fair value in accordance with the Colorado Revised Statutes and the County's investment policy.

The Treasurer maintains a cash and investment pool for all County funds. Each fund's accounting records reflect equity in pooled cash and investments. All earnings on investments are distributed to each fund based upon their proportionate share of pooled cash and investments at the end of each month. At year-end, earnings that have been distributed to funds for which there is no statutory requirement regarding allocation of interest may be transferred to the General Fund.

(e) *Receivables – Property Taxes*

Property taxes are levied on January 1 based on assessed valuation as of the previous January 1 when an enforceable lien is placed on the property. Property taxes payable in the following year are reported as a receivable at December 31. All current taxes receivable are offset by the full amount of the deferred inflow of property taxes. Taxes are payable in full by April 30, or in two equal installments due February 28 and June 15. Property Tax receivables are shown net of an allowance for taxes which remain delinquent for more than three years.

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(f) *Receivables*

General receivables are reported at gross unless management has determined there to be a significant uncollectible amount. The majority of the receivable balance relates to sales and use taxes due to the County at year end. A portion of the balance also represents a long term receivable that will be repaid over 10 years beginning in 2010. Allowances for uncollectible amounts are recorded for erroneous disbursements receivable in the Human Services fund and for a wildfire reimbursement receivable in the LEA fund.

(g) *Inter-fund Transactions*

These are transactions between funds that would be treated as revenues or expenditures if the provision of services is reasonably equivalent to the amount paid. Transactions that constitute reimbursements of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. At year-end, outstanding balances between funds are reported as due to/from other funds.

(h) *Inventories*

Inventories are valued at cost which is determined using the first-in, first-out (FIFO) method. Inventory reported in the General Fund consists of common technology replacements such as computers, printers and monitors. Inventory reported in the Road and Bridge Fund consists of expendable parts, supplies and fuel. These items are recorded as expenditures at the fund level when they are purchased, using the purchase method. Year-end adjustments are made to the recorded non-spendable fund balance and to the inventory account based on the physical inventory available at year end. Inventories do not constitute available resources even though they are a component of net current assets.

(i) *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements. The expenditure will be appropriately recognized using the consumption method, in the benefitting period.

(j) *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges) are reported in the government-wide financial statements. In the governmental fund statements, which follow modified accrual accounting, capital assets are charged to expenditures when purchased, but are capitalized in proprietary fund statements, as those fund types follow full accrual accounting. Capital assets are defined as assets with an initial individual cost of \$5,000 or more or and a useful life of more than one year and are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at the estimated fair value as of the date of the donation. Additions or improvements that significantly extend the useful life of an asset are capitalized. Other costs incurred for normal maintenance and repairs that do not add value to the asset or materially extend the asset's useful life are not capitalized. All reported capital assets are depreciated for reporting purposes in the

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government-wide financial statements. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Building improvements	10 – 40 years
Improvements other than buildings	5 – 40 years
Infrastructure	20 – 50 years
Equipment	3 – 5 years
Heavy equipment	7 – 20 years
Vehicles	3 – 5 years

(k) *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This element of the financial statements represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources as an expense until applicable. Douglas County reports a deferred loss on refunding which is only reported on the government-wide statement of net position. A deferred loss 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.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This element of the financial statements represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources as revenue until applicable. Douglas County records a property tax receivable as of December 31 for the subsequent year's tax levy but because this acquisition of net position applies to a future period it is offset by a deferred inflow of resources. Douglas County also carries advance payments made by developers which will be used in future periods to offset the cost of infrastructure improvements.

Some items are considered deferred inflows of resources under the modified accrual basis of accounting and are only reported in the governmental funds.

(l) *Compensated Absences*

Standard vacation is earned up to an amount of hours ranging from 96 to 168 hours annually based upon eligibility and tenure. The maximum accumulation limit is twice the standard annual accrual rate. At termination, employees are paid for any unused vacation leave up to the applicable maximum limit.

Compensatory time is granted (except for employees classified as exempt under the Fair Labor Standards Act) at the rate of one and one-half hours for each overtime hour worked but must be taken before the end of the last pay period of any given year. Any unused compensatory time is paid to the employee before the end of the fiscal year; therefore, there is no reportable compensatory time liability.

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The County does not pay for unused sick leave upon termination; therefore, amounts are not accrued for sick leave liability, except under the sick leave conversion policy.

The entire compensated absence liability is reported in the government-wide financial statements. A liability is recorded for compensated absences in the governmental funds only if it has matured as a result of employee resignation or retirement.

(m) Long-Term Obligations

In the government-wide statement of net position and the proprietary fund statement of net position, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, are deferred and amortized over the life of the bonds.

In the financial statements for governmental fund types, bond and lease proceeds, as well as, bond premiums are reported as other financing sources. Bond discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(n) Elimination of Internal Activity and Classification of Internal Service Funds' Revenues and Expenditures

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involve entities external to the County are accounted for as revenues, expenditures, or expenses in the funds. At year-end, outstanding balances between funds are reported in the fund financial statements. Amounts reported in the funds as due to or due from other funds are eliminated in the governmental activities column of the statement of net position.

The County eliminates its internal service activity in the statement of activities. This is accomplished by eliminating the revenues and expenses of the internal service funds against each other, and then distributing the residual amount among the various functions based upon the volume of activity they had during the year with each internal service fund.

(o) Fund Balances (See Note 5)

In the fund financial statements the following classifications describe the relative strength of the spending constraints.

Non-spendable fund balance - The portion of fund balance that cannot be spent because it is not in a spendable form (such as inventory), or it is legally or contractually required to be maintained intact.

Restricted fund balance - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance - The portion of fund balance constrained for specific purposes through a signed resolution by the County's highest level of decision making authority, the Board of County Commissioners, prior to the end of the current fiscal year. The constraint may be removed or changed only through an additional resolution of the Board of County Commissioners.

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Assigned fund balance - The portion of fund balance set aside for planned or intended purposes. An intended use of any amount may be expressed by the Board of County Commissioners and recorded in the minutes of an executive meeting. Directors and/or managers are authorized to assign fund amounts less than \$25,000 through the issuance of a purchase order with appropriate signatures. An assignment of more than \$25,000 must be approved and signed by the County Manager and any assignment greater than \$100,000 must be also be signed/approved by the Board of County Commissioners. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not otherwise restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, required to be used for the purpose defined by that particular fund.

Unassigned fund balance - The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted (the total of committed, assigned and unassigned fund balance) resources are available for a particular purpose when an outlay is incurred, it is County policy to use all available restricted amounts first. Unrestricted resources available for the same purpose will be applied in the following order; committed, assigned and unassigned fund balance.

(p) Net Position

In the government-wide financial statements net position is categorized into three categories. The first is net investment in capital assets reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted. This category represents net investment in property, plant, equipment and infrastructure. The second category is restricted, which represents assets restricted by requirements of revenue bonds, other externally imposed constraints, or by legislation, in excess of the related liabilities payable from restricted assets. The third category; unrestricted portion of net position, consists of the net assets that do not meet the definition of either of the other two categories of net position.

(q) Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

(r) Implementation of New GASB Statements

Beginning in fiscal year 2016 the County implemented the following statement issued by the Governmental Accounting Standards Board (GASB): GASB statement 72 "*Fair Value Measurement and Applications*". This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

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(3) Deposits and Investments

A summary of cash and investments as of December 31, 2016 follows:

Petty cash	\$ 23,030
Investments	250,024,194
Cash Deposits	<u>12,830,994</u>
Total cash and investments	\$ <u>262,878,218</u>

Cash and investments are reported in the financial statements as follows:

Pooled cash and investments	\$ 253,965,298
Agency cash and investments	<u>8,912,920</u>
Total cash and investments	\$ <u>262,878,218</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2016, the County had bank deposits totaling \$12,830,994 of this, \$4,965,900 was covered by FDIC. The remaining balance of \$7,865,094 was covered by PDPA.

Investments

The County categorizes its investment's fair value measurement 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 and level 2 inputs are significant other observable inputs.

The County has the following recurring fair value measurements as of December 31, 2016:

- U.S. Treasury securities of \$29,673,932 are valued using market closing prices (Level 1 inputs).
- Federal Agency security issues (FNMA, FFCB, FHLMC and FHLB) of \$104,192,772 are valued using benchmarking and matrix pricing (Level 2 inputs).
- Municipal bonds of \$17,410,666 are valued using benchmarking and matrix pricing (Level 2 inputs).
- Corporate notes and bonds of \$72,471,111 are valued using benchmarking and matrix pricing (Level 2 inputs).

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- Commercial Paper of \$7,162,007 are valued using benchmarking and matrix pricing (Level 2 inputs).
- Local government investment pool of \$19,113,706 are valued at net asset value per share as determined by the pool.

At December 31, 2016 the County had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Fair Value</u>
U.S. Treasury Securities	AA+	\$ 16,758,832	12,915,100	29,673,932
Federal Agency Coupon Securities	AA+	22,013,350	82,179,422	104,192,772
Municipal Bond Securities	AA-	8,360,125	9,050,541	17,410,666
Corporate Note and Bond Securities	Aa3	24,518,085	47,953,026	72,471,111
Commercial Paper Securities	A1+/P1	7,162,007		7,162,007
Local Government Investment Pool	AAAm	19,113,706	-	19,113,706
Total		<u>\$ 97,926,105</u>	<u>152,098,089</u>	<u>250,024,194</u>

The County is required to comply with Colorado State statutes, which specify allowable investment instruments. The statutes define the permissible rating, maturity, custodial and concentration risk criteria in which local governments may invest to include:

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

Interest Rate Risk – The County's investment policy follows State statutes. State statutes limit investments in U.S. Treasury Agency securities to an original maturity of five years and corporate securities to an original maturity of three years.

Credit Risk – The County's investment policy and Colorado State statutes limit investments in U.S. government agency securities to the highest rating issued by at least two nationally recognized statistical rating organizations (NRSROs). Municipal securities issued within the state of Colorado, must be rated A or above by any two NRSRO's. Municipal securities issued outside of the State of Colorado must be rated AA or above by any two NRSRO's. Corporate securities must not be rated below AA- or Aa3 by any NRSRO. The County's investment policy and State statutes limit investments in money market funds to those with the highest rating issued by any NRSRO, a constant share price, a maximum remaining maturity in accordance with Rule 2a-7, and have assets of one billion dollars or more.

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Concentration of Credit Risk - The County will limit credit risk, the risk of loss due to the failure of the security issuer or backer, by diversifying the investment portfolio so that potential losses on individual securities will be minimized. In order to maintain diversification and avoid a concentration of investments by any one type, the County's internal investment policy states that up to 75% of the portfolio may be invested in government sponsored enterprises (GSE). No more than 35% of the total portfolio may be invested in the securities of a single GSE.

Custodial Credit Risk - The State Securities Commissioner administers and enforces the requirements of creating and operating the local government investment pools. The pools operate similarly to a money market fund and each share is equal in value to \$1.00. The CSAFE pools are rated AAAM by Standard and Poor's as of December 31, 2016 and have a weighted average maturity of 47 days. The ColoTrust pool is rated AAAM and has a weighted average maturity of 36 days. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments.

Investment Type	Fair Value	% of Total Portfolio Held
U.S. Treasury Bond	\$ 29,673,932	11.87%
Federal National Mortgage Association-FNMA	42,450,022	16.98%
Federal Farm Credit Bureau-FFCB	7,999,500	3.20%
Federal Home Loan Mortgage Corp-FHLMC	41,282,100	16.51%
Federal Home Loan Bank-FHLB	12,461,150	4.98%
Corporate Notes and Bonds	72,471,111	28.99%
Municipal Bond Securities	17,410,666	6.96%
Commercial Paper Securities	5,999,833	2.40%
Local Government Investment Pool - CSAFE	4,968,110	1.99%
Local Government Investment Pool - Colotrust	14,145,596	5.66%
US Bank Overnight Open Commercial Paper	1,162,174	0.46%
	<u>\$ 250,024,194</u>	<u>100.00%</u>

At December 31, 2016, the County had \$14,145,596 and \$4,968,110 invested respectively in the Colorado Local Government Liquid Asset Trust (ColoTrust) and Colorado Surplus Asset Fund Trust (CSAFE). These local government investment pools are established by State statute for local government entities in Colorado to pool and invest surplus funds.

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(4) Receivables

Amounts are aggregated into a single account receivable (net of allowance for un-collectibles) line. Below is the detail of receivables for each of the major funds and the non-major governmental funds in aggregate, including the applicable allowance for uncollectible accounts.

Receivables	General Fund	Road and Bridge Fund	Human Services Fund	Law Enforcement Authority	Road Sales Sales and Use Tax	Justice Center Sales Sales and Use	Non-Major Funds	Total
Property tax	\$ 75,015,449	25,361,514	1,783,717	15,262,406	-	-	6,756,399	124,179,485
Sales and use tax	-	-	-	-	3,723,226	4,061,836	1,605,536	9,390,598
General receivables	2,988,518	857,375	995,478	409,374	13,255	14,315	345,774	5,624,089
Interfund receivables	310,414	-	-	-	-	-	3,960,000	4,270,414
Long term notes receivable	-	963,077	-	-	-	-	-	963,077
Gross Receivables	\$ 78,314,381	27,181,966	2,779,195	15,671,780	3,736,481	4,076,151	12,667,709	144,427,663
Less:								
Allowance for uncollectibles	(140,965)	(45,353)	(103,135)	(45,403)	-	-	(10,094)	(344,950)
Net receivables	\$ 78,173,416	27,136,613	2,676,060	15,626,377	3,736,481	4,076,151	12,657,615	144,082,713

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Notes to Basic Financial Statements
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(5) Fund Balances

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below.

Fund Balances	General Fund	Road and Bridge Fund	Human Services	Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total
Nonspendable:								
Inventory	\$ 946,914	2,435,320	—	—	—	—	—	3,382,234
Prepaid amounts	577,732	5,707	5,716	425	—	—	170	589,750
Total Nonspendable Fund Balance	1,524,646	2,441,027	5,716	425	—	—	170	3,971,984
Restricted for:								
Emergencies (TABOR)	6,650,000	—	—	625,000	—	—	800	7,275,800
General Government	208,270	—	—	—	—	—	—	208,270
Public Safety Grants/Programs	365,081	—	—	—	—	3,300,000	514,330	4,179,411
Human Services Grants/Programs	—	—	71,696	—	—	—	—	71,696
E-Recording Legislation	456,562	—	—	—	—	—	—	456,562
Conservation Trust	—	—	—	—	—	—	3,318,039	3,318,039
Open Space, Parks and Trails	—	—	—	—	—	—	3,425,482	3,425,482
Developmental Disabilities	—	—	—	—	—	—	100,000	100,000
Debt Service	—	—	—	—	263,533	—	497,875	761,408
Total Restricted Fund Balance	7,679,913	—	71,696	625,000	263,533	3,300,000	7,856,526	19,796,668
Committed to:								
Transportation Projects	3,470,103	16,054,910	—	—	24,235,294	—	—	43,760,307
Contracted Professional Services	378,222	—	—	—	—	—	—	378,222
Vehicle Replacements	247,050	—	—	—	—	—	—	247,050
Information Technology	320,445	—	—	—	—	—	—	320,445
Community Development	376,174	—	—	—	—	—	—	376,174
Facility Improvements	31,110	—	—	—	—	—	7,759,857	7,790,967
Public Safety	161,502	—	—	141,944	—	—	—	303,446
Developmental Disabilities	—	—	—	—	—	—	214,035	214,035
Human Services	—	—	19,265	—	—	—	—	19,265
Culture and Recreation	27,387	—	—	—	—	—	87,467	114,854
Open Space and Parks Improvements	—	—	—	—	—	—	28,175	28,175
Justice Center Capital Improvements	—	—	—	—	—	2,753,557	—	2,753,557
Youth Initiatives	218,803	—	—	—	—	—	—	218,803
Total Committed Fund Balance	5,230,796	16,054,910	19,265	141,944	24,235,294	2,753,557	8,089,534	56,525,300

Continued on next page

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

Fund Balances (continued)	General Fund	Road and Bridge Fund	Human Services	Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total
Assigned to:								
County Emergency/Disasters	10,000,000	—	—	—	—	—	—	10,000,000
Juvenile Justice System	154,003	—	—	—	—	—	—	154,003
Water Projects	1,024,715	—	—	—	—	—	—	1,024,715
Community Development	109,355	—	—	—	—	—	—	109,355
Debt Service	—	—	—	—	—	—	88,297	88,297
Information Technology	1,784,869	—	—	—	—	—	—	1,784,869
Public Safety	21,407	—	—	11,446,590	—	13,272,406	—	24,740,403
Highways and Streets	4,000,000	6,425,319	—	—	1,740,534	—	2,583	12,168,436
Long Term Accounts Receivable	—	963,077	—	—	—	—	—	963,077
Human Services	—	—	1,726,331	—	—	—	—	1,726,331
Culture and Recreation	387,627	—	—	—	—	—	2,992,170	3,379,797
Developmental Disabilities	—	—	—	—	—	—	2,003	2,003
Open Space, Parks and Trails	—	—	—	—	—	—	10,105,336	10,105,336
Solid Waste Disposal	—	—	—	—	—	—	337,220	337,220
Capital Projects/Replacements	—	—	—	—	—	—	9,410,982	9,410,982
Purchases on Order	1,087,946	152,225	—	136,681	—	269,370	406,415	2,052,637
Working Capital/Rev Shortfall	5,165,839	5,014,998	1,232,320	1,959,833	2,328,520	2,504,346	906,888	19,112,744
Subsequent Years Expenses	14,895,467	859,761	2,411,606	3,224,326	633,100	14,585,501	8,295,450	44,905,211
Total Assigned Fund Balance	38,631,228	13,415,380	5,370,257	16,767,430	4,702,154	30,631,623	32,547,344	142,065,416
Unassigned:	8,688,952	—	—	—	—	—	—	8,688,952
Total Fund Balance	\$ 61,755,535	31,911,317	5,466,934	17,534,799	29,200,981	36,685,180	48,493,574	231,048,320

DOUGLAS COUNTY, COLORADO
Notes to Basic Financial Statements
December 31, 2016

(6) Capital Assets

Capital asset activity, for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ 12,759,789	20,629,462	(17,956,767)	15,432,484
Land	112,325,870	3,007,395	(23,776)	115,309,489
Total capital assets not being depreciated	<u>125,085,659</u>	<u>23,636,857</u>	<u>(17,980,543)</u>	<u>130,741,973</u>
Capital assets being depreciated:				
Buildings & Improvements	242,980,906	10,855,446	(177,422)	253,658,930
Equipment	82,085,808	10,188,104	(2,312,839)	89,961,073
Infrastructure	537,358,160	5,430,228	-	542,788,388
Total capital assets being depreciated	<u>862,424,874</u>	<u>26,473,778</u>	<u>(2,490,261)</u>	<u>886,408,391</u>
Less accumulated depreciation:				
Buildings & Improvements	(97,109,889)	(6,353,110)	175,162	(103,287,837)
Equipment	(61,759,401)	(5,652,148)	2,193,424	(65,218,125)
Infrastructure	(295,154,129)	(19,297,752)	-	(314,451,881)
Total accumulated depreciation	<u>(454,023,419)</u>	<u>(31,303,010)</u>	<u>2,368,586</u>	<u>(482,957,843)</u>
Depreciable capital assets net of depreciation	<u>408,401,455</u>	<u>(4,829,232)</u>	<u>(121,675)</u>	<u>403,450,548</u>
Total net depreciated capital assets	<u>\$ 533,487,114</u>	<u>18,807,625</u>	<u>(18,102,218)</u>	<u>534,192,521</u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General Government	\$ 2,476,018
Public Safety	5,029,500
Highways and Streets	21,490,443
Sanitation	3,073
Health and Human Services	192,640
Culture and Recreation	1,939,014
Conservation of Natural Resources	172,322
Total depreciation expense - Governmental Activities	<u>\$ 31,303,010</u>

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(7) Risk Management

The County is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County self-insures for certain risks with commercial insurance for excess claims, or provides benefits to employees through commercial insurance with no risk of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years for any risk areas noted below.

(a) *Liability and Property Insurance*

The County began self-insuring for liability and property claims in 1994. All operating departments pay premiums into the Property and Liability Self-Insurance Internal Service Fund, and this funding is available to pay insurance premiums, claims, and claim reserves. The County's Risk Management Division administers the program. The self-insurance deductible per claim is \$250,000 for liability claims, \$25,000 for property claims, up to \$100,000 for flood and \$25,000 for auto physical damage. The County also has excess policies of \$230,768,454 for real property and \$67,276,563 for business personal property. The County also has \$5,000,000 in business interruption coverage.

		2016	2015	2014
Claims liability, beginning of the year	\$	12,155	14,956	-
Claims incurred		546,189	212,275	151,005
Claims paid		(223,594)	(215,076)	(136,049)
Claims liability, end of the year	\$	<u>334,750</u>	<u>12,155</u>	<u>14,956</u>

(b) *Unemployment Benefits*

The County self-insures unemployment benefits. Premiums are paid into the Employee Benefits internal service fund by all operating departments and are available to pay claims, claim reserves, and administrative costs. The program is administered by a third party. Claims of \$94,882 were paid in 2016 with no significant outstanding liability at year-end.

(c) *Short-Term Disability Benefits*

The County self-insures short-term disability benefits for employees. Premiums are paid into the Employee Benefits internal service fund by all operating departments. The County's Human Resources Department administers the program. Claims of \$55,430 were incurred and paid in 2016 with no significant outstanding liability at year-end.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(d) Workers' Compensation Benefits

The County began a self-insurance program for workers' compensation benefits in 1992. Premiums are paid into the Employee Benefits internal service fund by all operating departments and are available to pay claims, claim reserves, and administrative costs. The County's Risk Management Division, with a third-party claim review service, administers the program. The self-insured deductible per claim is \$1,000,000 for employees of the sheriff's department and public works employees; and \$750,000 for all other employees. The County has an excess policy with the statutory limits. Claims liabilities for 2016 were as follows:

	2016	2015	2014
Claims liability, beginning of year	\$ 598,665	807,287	689,708
Claims incurred	2,363,608	573,048	921,344
Claims paid	<u>(1,211,846)</u>	<u>(781,670)</u>	<u>(803,765)</u>
Claims liability, end of year	<u><u>\$ 1,750,427</u></u>	<u><u>598,665</u></u>	<u><u>807,287</u></u>

The claims liability at year-end represents the estimate of accrued claims incurred but not paid (actual costs have not yet been submitted to the County for payment). Department premiums are based primarily upon their claims experience and are reported as inter-fund services provided and used.

(e) Medical, Dental and Vision Benefits

The County began self-insuring for employee medical benefits on January 1, 2013 and dental and vision benefits on January 1, 2015. Premiums are paid into the Medical, Dental and Vision Self Insurance internal service fund by all participating employees and operating departments to pay claims, claim reserves, and administrative costs. All claims are reviewed and approved for payment by Aetna in accordance with their administrative services agreement with the County. The annual individual exposure limit on the medical plan is \$175,000.

	2016	2015	2014
Claims liability, beginning of year	\$ 1,668,059	1,602,047	1,025,844
Claims incurred	13,854,269	12,691,527	11,732,167
Claims paid	<u>(14,098,373)</u>	<u>(12,625,515)</u>	<u>(11,155,964)</u>
Claims liability, end of year	<u><u>\$ 1,423,955</u></u>	<u><u>1,668,059</u></u>	<u><u>1,602,047</u></u>

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(8) Long Term Obligations**(a) Changes in Long-Term Liabilities**

In 2016, the following changes occurred in long-term liabilities:

	January 1	Additions	Reductions	December 31	Due in One Year
Revenue bonds payable	\$ 24,660,000	—	3,845,000	20,815,000	3,950,000
Capital lease payable	—	1,470,300	—	1,470,300	367,575
Deferred premiums	444,581	—	107,234	337,347	107,234
Total Bonded Debt	25,104,581	1,470,300	3,952,234	22,622,647	4,424,809
Compensated absences	6,445,405	6,131,823	5,716,109	6,861,119	5,458,246
Total	\$ 31,549,986	7,602,123	9,668,343	29,483,766	9,883,055

The County will liquidate compensated absences paid out in 2017 from the General (69%), Human Services (4%), Road and Bridge (6%), Law Enforcement Authority (20%), and Open Space, Parks and Trails (1%) funds. All other long term liabilities will be paid from the Debt Service Fund.

(b) Revenue Bonds

Total annual debt service requirements for bonded debt are as follows:

	Principal	Interest	Total
Year:			
2017	\$ 3,950,000	618,450	4,568,450
2018	4,060,000	502,400	4,562,400
2019	4,185,000	363,988	4,548,988
2020	2,765,000	221,244	2,986,244
2021	2,890,000	126,468	3,016,468
2022	2,965,000	64,044	3,029,044
	<u>\$ 20,815,000</u>	<u>1,896,594</u>	<u>22,711,594</u>

Open Space and Parks Sales and Use Tax Revenue Bonds are issued by the County for the acquisition and preservation of open space lands, and for the design and construction of County parks and trails. These bonds are special revenue obligations, payable from and secured by the open space lands portion (approximately 66%) of the open space, parks, and trails-dedicated 17% of the County's 1% sales and use tax. Sales and use tax revenue of \$10,294,437 less required intergovernmental sharebacks of \$1,466,808 reported in the Open Space, Trails and Parks Fund are pledged revenues; thus Pledged Revenues of \$8,827,629 were available to pay annual debt service of \$2,984,456. The remaining debt service for these bonds at December 31, 2016 was \$17,986,594.

Road Improvement Sales and Use Tax Revenue Bonds are issued by the County for the purpose of providing funds for the improvement of County streets, roads and bridges. The bonds are special and limited obligations, payable solely out of and secured by an irrevocable assignment and pledge of certain sales and use tax revenues derived by the County. Sales tax revenues of \$24,222,204 less required intergovernmental sharebacks of \$8,536,111 reported in the Roads

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

Sales and Use Tax Fund are pledged revenues; thus pledged revenues of \$15,686,093 were available to pay annual debt service of \$1,587,750. The remaining debt service for these bonds at December 31, 2016 was \$4,725,000.

Individual debt service schedules are as follows:

Open Space Sales and Use Tax Revenue Refunding Bonds, Series 2009 dated May 28, 2009 (\$18,010,000) were issued by the County for the purposes of 1) reducing the net effective interest rate, 2) reducing the total principal and interest payable by \$1,954,990 and 3) creating a present value benefit no less than \$1,000,000 for the County on the obligations represented by the advance refunding of the Open Space Sales and Use Tax Revenue Bonds series 1999 and series 2000. The bonds are special revenue obligations secured by the Open Space, Trails and Parks Fund pledged revenues. Interest is payable semiannually on April 15 and October 15 at rates increasing from 2.5% to 4.0%, and bond principal is payable annually on October 15. Final maturity is 2020. Bond principal redeemed during the year was \$1,675,000. The debt service to maturity is as follows:

Open Space Sales and Use Tax Revenue Bonds			
	Principal	Interest	Total
Year:			
2017	\$ 1,725,000	258,962	1,983,962
2018	1,780,000	202,900	1,982,900
2019	1,840,000	140,600	1,980,600
2020	1,905,000	76,200	1,981,200
	<u>\$ 7,250,000</u>	<u>678,662</u>	<u>7,928,662</u>

Road Improvement Sales and Use Tax Revenue Bonds, Series 2010 dated April 28, 2010 (\$13,770,000) were issued by the County for the purpose of providing funds for the improvement of County streets, roads and bridges. The bonds are special and limited obligations of the County, payable solely from and secured by an irrevocable pledge of certain sales and use tax revenues derived by the County; as a result, all sales tax revenue reported in the Roads Sales and Use Tax Fund are pledged revenues. Interest is payable semiannually on April 15 and October 15 at rates increasing from 2.0% to 4.0%, and bond principal is payable annually on October 15. Final maturity is 2019 and these bonds are not eligible for refunding. Bond principal redeemed during the year was \$1,385,000. The debt service to maturity is as follows:

Road Sales and Use Tax Revenue Bonds			
	Principal	Interest	Total
Year:			
2017	\$ 1,420,000	161,200	1,581,200
2018	1,460,000	118,600	1,578,600
2019	1,505,000	60,200	1,565,200
	<u>\$ 4,385,000</u>	<u>340,000</u>	<u>4,725,000</u>

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

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Open Space Sales and Use Tax Revenue Refunding Bonds, Series 2012 dated November 14, 2012 (\$12,140,000) were issued by the County for the purposes of 1) reducing the net effective interest rate, 2) reducing the total principal and interest payable and 3) creating a net present value benefit of \$1,632,714 for the County on the obligations represented by the current refunding of the Open Space Sales and Use Tax Revenue Bonds series 2002. The bonds are special revenue obligations secured by the Open Space, Trails and Parks Fund pledged revenues. Interest is payable semiannually on April 15 and October 15 at an interest rate of 2.16%, and bond principal is payable annually on October 15. Final maturity is 2022. Bond principal redeemed during the year was \$785,000. The debt service to maturity is as follows:

Open Space Sales and Use Tax Revenue Bonds			
	Principal	Interest	Total
Year:			
2017	\$ 805,000	198,288	1,003,288
2018	820,000	180,900	1,000,900
2019	840,000	163,188	1,003,188
2020	860,000	145,044	1,005,044
2021	2,890,000	126,468	3,016,468
2022	2,965,000	64,044	3,029,044
	<u>\$ 9,180,000</u>	<u>877,932</u>	<u>10,057,932</u>

(c) Capital Lease

The County entered a lease agreement in 2016 as lessee for financing the acquisition of 400 portable radios valued at \$1,774,300. A down payment of \$304,000 was made when the contract was negotiated leaving a remaining lease amount of \$1,470,300 to be paid annually over the next four years. The equipment has an estimated useful life of five years and \$267,018 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, is as follows:

	Lease Payments
Year:	
2017	\$ 367,575
2018	367,575
2019	367,575
2020	367,575
Total minimum lease payments	<u>1,470,300</u>
Less amount representing interest	<u>(71,014)</u>
Present value of future minimum lease payments	<u>\$ 1,399,286</u>

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(d) Conduit Debt Obligations

The County issued bonds to make roadway and utility improvements upon petition by the property owners in local improvement districts (LID). As of December 31, 2016, \$126,886 was outstanding. The bonds are special and limited obligations, payable solely from the special assessments levied and to be levied against the assessable land in the districts. The County is not obligated in any manner with respect to these bonds; therefore, the debt is not reported as a liability in the financial statements. The County Treasurer acts as trustee for the bonds, and the balance of bond reserves, special assessments collected, and interest earned is reported in the Treasurer's agency fund as deposits held for others.

The County has participated in two issues of Multifamily Housing Revenue Bonds for the Lincolnpointe Lofts Project, Series 2003 and Series 2006. As of December 31, 2016, Series 2003 had an outstanding balance of \$8,452,067, and Series 2006 was fully paid in August 2013. These bonds are not direct or contingent liabilities of the County.

In 2013 the County participated in additional issuances of Multifamily Housing Revenue Bonds for the Apex Meridian Project, Series 2013A and Series 2013B as well as the Denver Traditions Project, Series 2013A and Series 2013B. Apex Meridian Series 2013A had an outstanding principal balance of \$15,200,930, and Series 2013B had an outstanding principal balance of \$1,824,000 as of December 31, 2016. Traditions Denver Series 2013A had an outstanding principal balance of \$7,840,000 and Series 2013B had an outstanding principal balance of \$4,128,000 as of December 31, 2016. These bonds are not direct or contingent liabilities of the County.

(9) Retirement Plan Benefits

The County participates in the ICMA-RC retirement association, a multiple-employer public employee retirement system that is a qualified plan as defined by IRS Code Section 401(A) and Colorado Revised Statutes (CRS) 24.54. The plan provides retirement benefits through a defined contribution plan to participating counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. There are no unfunded past service liabilities. All full-time and part-time regular employees, other than the County Manager and the County Attorney who have a separate plan, are required to participate in the plan after one month of service. Employees may elect to contribute either 6% or 8% of their earnings, and may contribute up to an additional 10% of after-tax compensation. The County matches the employee's contribution of 6 or 8% of employee compensation, excluding overtime and bonuses. For the year ended December 31, 2016 employee contributions to this plan totaled \$5,408,411 and the County recognized an expense of \$5,408,411. Depending on the employee's 401(A) election, the County also provides an additional contribution to the employee's retirement plan. For employees who elect to contribute 6% of their earnings, the County will provide an additional 2% contribution. Of this 2%, 1% is added to employees' salaries and then immediately deducted and matched with an additional 1% by the County. The County's recognized expense for this plan as of December 31, 2016 was \$541,090. The County's contribution for each employee, including earnings thereon, vests at 20% for each year upon completion of the employee's second year of employment. Non-vested County contributions and earnings are forfeited when employees terminate their employment with the County. For the year ended December 31, 2016, forfeitures reduced the County's expense by \$100,000. The County had no liability to the retirement plan at December 31, 2016.

The required contribution rates may be amended within the statutory limits by the Board of County Commissioners.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

The retirement plan of the County Manager and the County Attorney is also a multiple-employer employee retirement system administered through ICMA-RC. This is a qualified plan as defined by IRS Code Section 401(A). This plan provides retirement benefits through a defined contribution plan in which the benefits depend solely on amounts contributed to the plan, plus investment earnings. There is no liability for benefits under the plan beyond the County's matching contribution. These employees contribute 8% of compensation that is matched by the County. Required contribution rates may be amended by the Board of County Commissioners. The employee contributions to this plan for year ending December 31, 2016 were \$27,990 and the County recognized expense of \$27,990. The employees covered under this plan are fully vested, and there was no liability to the plan at December 31, 2016.

(10) Long Term Notes Receivable

On July 8, 2002 the County entered into an intergovernmental agreement with the E-470 Public Highway Authority for the financing, final design, engineering and construction of the E-470 public highway interchange ramps at the intersection of Jamaica Street and E-470. As a result of this intergovernmental agreement Douglas County paid \$2,407,693 towards the cost of final design and construction of the interchange. The agreement stated that the E-470 Public Highway Authority would repay the County in 10 equal installments beginning on the third anniversary of the date the interchange was open for traffic. The initial installment was paid to the County on January 15, 2011. As of December 31, 2016 the County has received payments equal to \$1,444,616. There is \$963,077 remaining as a long term receivable as of December 31, 2016.

(11) Deferred Inflows of Resources

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 recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in a transaction before the earnings process is complete are offset by a corresponding liability in deferred inflows of resources. Along with deferred property tax revenue, the County has recorded the following construction advances as deferred inflows of resources:

<u>Amount</u>	<u>Project</u>
\$ 1,556	Lincoln Creek Village road maintenance
60,000	Traffic signal at Chambers and Pradera
460,000	Lincoln Creek traffic signals
1,912,020	US highway 85 improvements
1,833,394	Chambers Road extension
<u>\$ 4,266,970</u>	

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 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 of year-end. The County reported a total of \$297,260 in governmental funds as unavailable to finance expenditures of the current fiscal period as of December 31, 2016. The County reports unavailable revenue from receivables due from other agencies and delinquent property taxes. These amounts will be recognized as an inflow of resources in the period the revenue becomes available.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(12) Inter-fund Transactions

Transactions between funds of the County can result in receivables and payables at year end when there is a reasonable expectation of repayment. Available funds in the Capital Replacement Fund were used to extinguish the outstanding Series 2002 and Series 2004 Parks Sales and Use Tax Revenue Bonds with outstanding principal amounts of \$3,045,000 and \$3,295,000 respectively. The resulting \$6,340,000 loan from the Capital Replacement Fund to the Parks Sales and Use Tax Fund is expected to be paid back over a 10 year period. The Rocky Mountain High Intensity Drug Trafficking Area (RMHIDTA) Fund tracks expenditures for a reimbursable federal grant. At the end of each year, the outstanding receivable amount from the federal agency is set up as a receivable in the General Fund and a payable in the RMHIDTA Fund which will be reversed in the following year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Due within one year</u>
Capital Replacement	Parks Sales & Use Tax	\$ 3,960,000	\$ 625,000
General Fund	RMHIDTA	310,414	310,414

The following transfers occurred between funds for 2016:

		Transfers out						
		General Fund	Road and Bridge	Human Services	Road S & U Tax	Justice Center S & U Tax	Nonmajor Governmental	Total
Transfers in:								
General Fund	\$	-	-	-	500,000	15,076,072	342,546	15,918,618
Road & Bridge		-	-	-	-	-	900,000	900,000
Human Services		2,600,626	-	-	-	-	25,000	2,625,626
Nonmajor Gvnmt		800,000	11,000,000	2,900	1,587,750	-	4,724,692	18,115,342
Internal Service		250,000	-	-	-	-	-	250,000
Transfers out:	\$	3,650,626	11,000,000	2,900	2,087,750	15,076,072	5,992,238	37,809,586

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the funds making the debt service payments as payments become due; and use unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations. The General Fund transfer subsidizes the Human Services Fund for the unreimbursed portion of indirect costs allocated through the annual cost allocation plan. The Road Sales and Use Tax Fund transfer to the General Fund helps to finance engineering services performed on Road Sales and Use Tax construction projects. The Justice Center Sales and Use Tax Fund transfer to the General Fund is used to provide for the operational and maintenance costs related to the County's Robert Christensen Justice Center and related facilities as stated in the ballot language. Other major fund transfers include amounts transferred for debt service requirements and capital replacements.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(13) Commitments and Contingencies

(a) *Grants*

Under the terms of federal and state grants, certain costs may be questioned as not being appropriate expenditures based upon audits performed by federal and state entities, which could lead to reimbursement to the grantor agencies. County management believes disallowances, if any, will be immaterial.

(b) *Litigation*

As of December 31, 2016, there were a number of pending claims and lawsuits involving the County. The outcome of these matters is currently unknown; however, the County's legal counsel has reviewed all such litigation and claims, and is of the opinion that any outstanding claims not covered by insurance would not materially affect the County's financial position.

(c) *Encumbrances and Construction Commitments*

As of December 31, 2016 the County has encumbered amounts that they intend to honor in the subsequent year for the following governmental funds:

General Fund	\$ 2,738,026
Road and Bridge Fund	6,851,776
Human Services Fund	19,265
Law Enforcement Authority	278,625
Road Sales and Use Tax	932,732
Justice Center Sales and Use Tax	3,022,927
Non-major Funds	8,656,985
	<u>\$ 22,500,336</u>

The following construction commitments are included in the encumbrances listed above:

\$ 2,125,163 related to radio towers to enhance county-wide communications (Simulcast Project).

\$ 6,960,012 related to improvements at the Parker Road and Bridge (Galen Buck) facility.

\$ 786,413 related to the replacement of the Castle Rock fuel tanks.

\$ 762,250 related to improvements at the Robert A. Christensen justice center.

\$ 440,446 related to improvements at Highland Heritage Regional Park

There are also significant commitments to fund improvements to existing assets or in conjunction with other local entities that will not lead to the construction of County owned assets, but will improve the quality of life for its citizens. The following significant commitments are included in the encumbrances listed above:

\$ 4,060,115 is committed to SH85 improvements.

\$ 1,038,069 is committed to contracted maintenance of existing roadways within the County.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(14) Related Party Transactions

The County Commissioners are on the boards of various organizations in the region, including the Arapahoe County Public Airport Authority, Arapahoe/Douglas Mental Health Network, Arapahoe/Douglas Workforce Development Board, C-470 Corridor Coalition, C-470 Corridor Coalition Executive Procurement Oversight Committee, Castle Rock Economic Development Council, Centennial Airport Community Noise Roundtable, Chatfield Basin Watershed Authority, Children Youth and Families Prevention Steering Committee, Cherry Creek Basin Water Quality Control Authority, Cherry Creek Basin Working Group, Colorado Counties, Inc., Commission on Criminal and Juvenile Justice, Community Services Block Grant Tripartite Board, Denver Regional Council of Governments (DRCOG), Denver Regional Council of Governments Metro Vision Issues Committee, Denver South Economic Development Partnership, Developmental Pathways, Douglas County 9-1-1 Authority, Douglas County Fair Association, Douglas County Sheriff's Office Forfeiture Board, Douglas County Youth Initiative Advisory Committee, 18th Judicial District Attorney's Seizure Board, E-470 Public Highway Authority, HB1328 Broadband Deployment Board, Local Emergency Planning Committee, Metro Area County Commissioners, Metro Denver Economic Development Corporation, Northwest Douglas County Economic Corporation, National Association of Counties (NACo), Partnership of Douglas County Governments, Rural Water Authority of Douglas County, South I-25 Urban Corridor Transportation Management Authority, South Metro Denver Chamber Economic Development Group, and the Urban Drainage Flood Control District.

The County made payments of the following amounts to these organizations in 2016:

Related-Party Transactions	
All Health Network	\$ 185,360
Arapahoe Douglas Works	160,392
Castle Rock Economic Development Council	20,000
Chatfield Watershed Authority	39,178
Cherry Creek Water Basin	96,078
Douglas County Sheriff's office Forfeiture Board	4,032
DRCOG	93,500
Denver South Economic Development Partnership	71,200
South I-25 Urban Corridor Transportation Management Authority	36,687
Developmental Pathways, Inc.	5,168,635
Douglas County Fair Foundation	800
E-470 Public Highway Authority	2,648,195
Metro Denver Economic Development Corporation	13,100
NACo	2,505
Northwest Douglas County Economic Development	20,000
Urban Drainage and Flood Control District	230,000
Total	<u>\$ 8,789,662</u>

The County Treasurer is on the board of directors for the Colorado Surplus Asset Fund Trust (CSAFE). The County had \$4,968,110 invested with CSAFE as of December 31, 2016.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2016

(15) Tax, Spending and Debt Limitations

In November 1992, Colorado voters passed an amendment (Amendment One or TABOR amendment) to the State Constitution (Article X, Section 20) that limits the revenue-raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded, or the entire electorate must approve retention under specified voting requirements. The amendment also requires that reserves equal to 3% of fiscal year spending be established for declared emergencies.

In November 1997, Douglas County voters passed a ballot measure allowing the County and the Law Enforcement Authority, with no increase in any tax rate or mill levy, to retain and spend all revenues and other funds received from any source. This applied to all subsequent years without further voter approval.

Based on spending for fiscal year 2016, \$6,650,000 of the General Fund balance, \$625,000 of the Law Enforcement Authority Fund balance and \$800 of the Woodmoor Mountain General Improvement District fund balance have been reserved to meet the emergency reserve required under the TABOR amendment. The combined amount of restricted net position in the government wide statements for this reserve requirement is \$7,275,800.

(16) Tax Abatements

Section 30-11-123 of the Colorado Revised Statutes authorizes counties to negotiate incentive payments for the County's portion of any Business Personal Property Taxes (BPPT) for any business wanting to establish a new business facility or expand an existing facility in the County. The abatements are issued each year the agreement is in effect. Douglas County Government negotiates business personal property tax abatement agreements on an individual basis as an incentive to attract new businesses, stimulate economic development and to create or retain jobs. There are no provisions for recapturing the abated taxes. The County has fully negotiated and completed tax abatement agreements with 20 entities as of December 31, 2016 for an aggregate Business Personal Property Tax abatement of \$1,035,399.

REQUIRED SUPPLEMENTARY INFORMATION

(Other than Management's Discussion and Analysis)

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

General Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 76,364,396	76,364,396	75,483,041	(881,355)
Penalty and interest	88,056	88,056	120,507	32,451
Total taxes	76,452,452	76,452,452	75,603,548	(848,904)
Licenses and permits:				
Business licenses and permits	2,187,000	2,187,000	2,469,023	282,023
Nonbusiness licenses and permits	4,915,000	5,250,000	6,006,221	756,221
Total licenses and permits	7,102,000	7,437,000	8,475,244	1,038,244
Intergovernmental:				
Federal grants and cost reimbursement	1,199,670	2,662,097	1,595,085	(1,067,012)
State grants and cost reimbursement	48,340	713,487	388,228	(325,259)
State shared revenues	283,300	283,300	278,918	(4,382)
Other governmental units	210,250	251,452	676,564	425,112
Total intergovernmental	1,741,560	3,910,336	2,938,795	(971,541)
Charges for services:				
General government:				
Clerk and recorder's fees	6,702,256	6,702,256	7,843,240	1,140,984
Treasurer's fees	4,931,000	4,931,000	5,349,374	418,374
Assessor's fees	20,000	20,000	44,759	24,759
Public trustee's fees	—	—	13,003	13,003
Building, zoning, development fees	1,811,500	1,811,500	2,203,551	392,051
Other fees and charges	107,018	107,018	113,022	6,004
Public safety:				
Sheriff's fees	218,200	218,200	253,385	35,185
Other fees and charges	1,641,000	1,641,000	1,897,891	256,891
Sanitation waste collection charges	3,300	3,300	5,262	1,962
Culture and recreation participation fees	1,275,000	1,275,000	1,111,085	(163,915)
Total charges for services	16,709,274	16,709,274	18,834,572	2,125,298
Fines and forfeitures	174,100	174,100	168,284	(5,816)
Interest on investments	1,200,000	1,200,000	1,256,797	56,797
Miscellaneous:				
Refunds and reimbursements	493,700	969,754	1,672,945	703,191
Contributions and private grants	325,300	338,827	364,799	25,972
Other	235,500	235,500	324,246	88,746
Total miscellaneous	1,054,500	1,544,081	2,361,990	817,909
Total revenues	104,433,886	107,427,243	109,639,230	2,211,987
Expenditures:				
General government current operating:				
Commissioners:				
Office of the board	603,663	741,968	607,933	134,035
County attorney	1,587,885	1,587,885	1,309,457	278,428
Board of equalization	26,480	23,580	13,980	9,600
County administration	793,630	796,530	800,428	(3,898)
Public affairs	1,238,697	1,275,587	893,315	382,272
Central services	263,740	284,740	295,143	(10,403)
Total commissioners	4,514,095	4,710,290	3,920,256	790,034

(Continued)

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

General Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Clerk and recorder:				
Clerk administration	\$ 528,981	572,981	560,213	12,768
Recording	989,367	1,274,417	820,836	453,581
Motor vehicle	2,886,435	2,951,435	2,954,015	(2,580)
Elections and registration	2,960,473	2,867,381	2,120,215	747,166
Drivers license	214,228	214,228	181,341	32,887
Total clerk and recorder	7,579,484	7,880,442	6,636,620	1,243,822
Treasurer	1,108,235	1,108,235	941,261	166,974
Assessor	4,146,736	4,216,736	3,944,957	271,779
Community development:				
Administration	1,378,642	1,392,642	1,380,321	12,321
Planning	3,353,738	4,012,135	3,635,506	376,629
Planning commission	9,895	9,895	8,573	1,322
Building	3,338,886	3,824,264	3,729,082	95,182
Senior services	—	291,252	434,913	(143,661)
Total community development	8,081,161	9,530,188	9,188,395	341,793
Finance:				
Administration	258,655	360,915	363,780	(2,865)
Accounting	474,505	475,425	474,974	451
Budget	603,389	596,839	591,692	5,147
Payroll	187,210	188,054	187,781	273
Purchasing	184,886	186,500	186,191	309
Risk management	137,496	137,768	136,456	1,312
Total finance	1,846,141	1,945,501	1,940,874	4,627
Human resources	1,414,734	1,427,261	1,321,816	105,445
Information technology:				
IT administration	4,581,335	6,369,511	4,025,005	2,344,506
IT program management	915,793	1,019,809	999,473	20,336
IT networking	589,818	950,919	888,996	61,923
IT ADS	2,392,190	2,772,899	2,629,604	143,295
IT system support	1,394,459	1,398,285	1,345,905	52,380
IT system administration	1,327,585	1,355,340	1,334,360	20,980
GIS services	486,722	582,265	562,300	19,965
Phone / communications	327,243	324,943	306,668	18,275
Software maintenance	2,237,541	2,446,203	2,172,287	273,916
Total information technology	14,252,686	17,220,174	14,264,598	2,955,576
Facilities, Fleet and Emergency Support Services:				
FFESS Administration	2,960,029	3,106,544	2,840,188	266,356
Facilities Maintenance	5,599,424	5,886,009	5,723,129	162,880
Emergency Services	704,310	40,954	27,652	13,302
Fleet	2,942,216	3,056,213	1,113,577	1,942,636
Total Facilities, Fleet and Emergency Support Svcs	12,205,979	12,089,720	9,704,546	2,385,174
County surveyor	6,221	6,221	5,931	290
General fund administration	7,184,913	7,088,261	1,749,959	5,338,302
Intergovernmental-regional boards	151,500	151,500	139,678	11,822
Total general government	62,491,885	67,374,529	53,758,891	13,615,638

(Continued)

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

General Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Judicial current operating:				
District attorney	7,056,020	7,056,020	7,055,394	626
Community justice services	1,627,931	1,689,631	1,714,076	(24,445)
Total judicial	8,683,951	8,745,651	8,769,470	(23,819)
Public safety current operating:				
Sheriff:				
Administration	\$ 3,156,456	3,963,235	3,517,885	445,350
Support services	7,784,109	8,099,972	7,890,344	209,628
Detentions	19,332,431	20,396,426	19,061,270	1,335,156
Patrol	402,741	427,241	421,270	5,971
Investigations	5,395,780	5,737,883	5,484,119	253,764
Total sheriff	36,071,517	38,624,757	36,374,888	2,249,869
Coroner	1,107,668	1,107,668	1,026,347	81,321
Total public safety	37,179,185	39,732,425	37,401,235	2,331,190
Highway and streets current operating:				
Public works administration	289,808	280,908	274,118	6,790
Engineering	5,490,254	5,715,012	5,096,158	618,854
Total highway and streets	5,780,062	5,995,920	5,370,276	625,644
Sanitation current operating:	89,496	89,496	86,074	3,422
Health and human services current operating:				
Tri-county health	2,127,759	2,127,759	2,104,227	23,532
Phillip Miller grant	310,000	310,000	277,600	32,400
Veterans services	54,287	64,287	51,863	12,424
Human Services Fund Administration	—	130,823	134,090	(3,267)
Total health and human services	2,492,046	2,632,869	2,567,780	65,089
Culture and recreation current operating:				
Parks administration and maintenance	2,638,980	2,611,606	2,558,683	52,923
Regional parks	—	—	250	(250)
Fairgrounds	2,028,818	1,988,816	1,917,174	71,642
Historic preservation board	84,900	108,117	31,550	76,567
Total culture and recreation	4,752,698	4,708,539	4,507,657	200,882
Conservation of natural resources current operating:				
Natural resources	450,798	788,055	349,377	438,678
Soil conservation district	56,500	56,500	56,500	—
Total conservation of natural resources	507,298	844,555	405,877	438,678
Economic development and assistance	2,906,729	2,908,229	1,383,934	1,524,295
Community services current operating:				
CSU extension	335,448	277,783	256,568	21,215
Total community services	335,448	277,783	256,568	21,215
Total current operating	125,218,798	133,309,996	114,507,762	18,802,234

(Continued)

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

General Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Capital outlay	\$ 1,878,659	4,341,124	3,014,302	1,326,822
Contingency	1,250,000	700,345	—	700,345
Total expenditures	<u>128,347,457</u>	<u>138,351,465</u>	<u>117,522,064</u>	<u>20,829,401</u>
Excess (deficiency) of revenues over expenditures	<u>(23,913,571)</u>	<u>(30,924,222)</u>	<u>(7,882,834)</u>	<u>23,041,388</u>
Other financing sources (uses):				
Sale of capital assets	—	—	79,893	79,893
Transfers in	16,151,178	17,478,488	15,918,618	(1,559,870)
Transfers out	<u>(2,231,162)</u>	<u>(3,627,556)</u>	<u>(3,650,626)</u>	<u>(23,070)</u>
Total other financing sources (uses)	<u>13,920,016</u>	<u>13,850,932</u>	<u>12,347,885</u>	<u>(1,503,047)</u>
Net change in Fund Balance	\$ <u><u>(9,993,555)</u></u>	<u><u>(17,073,290)</u></u>	4,465,051	<u><u>21,538,341</u></u>
Fund balance, January 1			<u>57,290,484</u>	
Fund balance, December 31			\$ <u><u>61,755,535</u></u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Road and Bridge Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 24,884,232	24,884,232	24,598,238	(285,994)
Specific ownership	8,000,000	8,000,000	10,059,439	2,059,439
Penalty and interest	28,798	28,798	39,049	10,251
Total taxes	32,913,030	32,913,030	34,696,726	1,783,696
Licenses and permits	251,600	251,600	960,043	708,443
Intergovernmental:				
Federal grants/reimbursements	250,000	250,000	301,174	51,174
Federal shared revenue	15,000	15,000	83,276	68,276
State shared revenue	7,690,000	7,690,000	8,823,804	1,133,804
Other government units reimbursements	130,418	130,418	204,334	73,916
Total intergovernmental	8,085,418	8,085,418	9,412,588	1,327,170
Charges for services	—	—	18,800	18,800
Interest on investments	—	—	3,048	3,048
Miscellaneous:				
Refunds and reimbursements	15,000	15,000	60,200	45,200
Other	—	—	1,263	1,263
Total miscellaneous	15,000	15,000	61,463	46,463
Total revenues	41,265,048	41,265,048	45,152,668	3,887,620
Expenditures:				
Highways and streets current operating:				
Highway administration	1,697,137	1,678,044	781,299	896,745
Maintenance of infrastructure	11,146,337	10,246,400	9,864,980	381,420
Snow and ice removal	2,341,008	3,062,451	2,742,382	320,069
Weed Control	498,670	589,369	545,356	44,013
Traffic services	4,135,891	4,277,679	3,987,985	289,694
Highway equipment maintenance	-	148,258	-	148,258
Roads, bridges and traffic	16,963,192	16,980,992	14,193,802	2,787,190
Total highways and streets operating	36,782,235	36,983,193	32,115,804	4,867,389
Intergovernmental:				
Tax shareback	5,105,839	5,105,839	4,878,475	227,364
Cities, towns, and counties	—	—	2,155,700	(2,155,700)
Total intergovernmental	5,105,839	5,105,839	7,034,175	(1,928,336)
Current operating	41,888,074	42,089,032	39,149,979	2,939,053
Capital outlay	18,463,041	19,332,439	4,111,780	15,220,659
Total highways and streets	60,351,115	61,421,471	43,261,759	18,159,712
Contingency	1,000,000	1,000,000	—	1,000,000
Total expenditures	61,351,115	62,421,471	43,261,759	19,159,712
Excess (deficiency) of revenues over expenditures	(20,086,067)	(21,156,423)	1,890,909	23,047,332

(Continued)

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Road and Bridge Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	\$ —	—	242,769	242,769
Transfers in	900,000	900,000	900,000	—
Transfers out	—	(11,000,000)	(11,000,000)	—
Total other financing sources (uses)	<u>900,000</u>	<u>(10,100,000)</u>	<u>(9,857,231)</u>	<u>242,769</u>
Net change in Fund Balance	\$ <u>(19,186,067)</u>	<u>(31,256,423)</u>	(7,966,322)	<u>23,290,101</u>
Fund balance, January 1			<u>39,877,639</u>	
Fund balance, December 31			\$ <u><u>31,911,317</u></u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Human Services Fund

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Taxes:				
General property	\$ 1,750,150	1,750,150	1,730,069	(20,081)
Penalty and interest	2,024	2,024	2,746	722
Total taxes	<u>1,752,174</u>	<u>1,752,174</u>	<u>1,732,815</u>	<u>(19,359)</u>
Intergovernmental:				
Federal grants	—	—	54,890	54,890
Federal grants/reimbursements	18,433,536	18,750,551	13,806,873	(4,943,678)
State grants/reimbursements	<u>7,589,447</u>	<u>8,062,550</u>	<u>7,325,130</u>	<u>(737,420)</u>
Total intergovernmental	<u>26,022,983</u>	<u>26,813,101</u>	<u>21,186,893</u>	<u>(5,626,208)</u>
Miscellaneous refunds and reimbursements	—	—	548,885	548,885
Total revenues	<u>27,775,157</u>	<u>28,565,275</u>	<u>23,468,593</u>	<u>(5,096,682)</u>
Expenditures:				
Human Services-administration, current operating	5,414,133	5,965,740	5,615,588	350,152
Human Services-direct aid and programs:				
Current operating:				
Core services	724,029	1,318,029	1,321,100	(3,071)
Colorado Works/TANF block	1,356,242	1,417,162	1,173,780	243,382
Child welfare block	7,718,708	8,542,652	7,697,418	845,234
Child care block	1,318,913	1,514,689	1,480,060	34,629
Child Support Enforcements	660,516	731,266	637,033	94,233
Low Income Energy Assistance Program	340,463	340,463	227,205	113,258
Other non-block grant programs	<u>13,252,511</u>	<u>12,344,901</u>	<u>8,219,850</u>	<u>4,125,051</u>
Total direct aid and programs	<u>25,371,382</u>	<u>26,209,162</u>	<u>20,756,446</u>	<u>5,452,716</u>
Total current expenditures	30,785,515	32,174,902	26,372,034	5,802,868
Capital outlay	25,000	25,165	20,980	4,185
Total expenditures	<u>30,810,515</u>	<u>32,200,067</u>	<u>26,393,014</u>	<u>5,807,053</u>
Excess (deficiency) of revenues over expenditures	<u>(3,035,358)</u>	<u>(3,634,792)</u>	<u>(2,924,421)</u>	<u>710,371</u>
Other financing sources (uses):				
Transfer In	2,256,162	2,602,556	2,625,626	23,070
Transfer Out	<u>(2,900)</u>	<u>(2,900)</u>	<u>(2,900)</u>	<u>—</u>
Total other financing sources (uses)	<u>2,253,262</u>	<u>2,599,656</u>	<u>2,622,726</u>	<u>23,070</u>
Net change in Fund Balance	<u>\$ (782,096)</u>	<u>(1,035,136)</u>	<u>(301,695)</u>	<u>733,441</u>
Fund balance, January 1			<u>5,768,629</u>	
Fund balance, December 31			<u>\$ 5,466,934</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Law Enforcement Authority Fund

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Taxes:				
General property	\$ 14,891,619	14,891,619	14,852,566	(39,053)
Specific ownership	1,000,000	1,000,000	1,379,164	379,164
Penalty and interest	17,133	17,133	16,677	(456)
Total taxes	<u>15,908,752</u>	<u>15,908,752</u>	<u>16,248,407</u>	<u>339,655</u>
Intergovernmental:				
Federal grants	—	2,500	2,500	—
State grants	—	15,100	10,293	(4,807)
Other government units	595,596	595,596	537,456	(58,140)
Total intergovernmental	<u>595,596</u>	<u>613,196</u>	<u>550,249</u>	<u>(62,947)</u>
Charges for services	2,201,640	2,443,440	2,475,245	31,805
Fines and forfeits	780,500	780,500	843,706	63,206
Interest on investments	100,000	100,000	246,131	146,131
Miscellaneous refunds and contributions	100,600	151,180	171,740	20,560
Total revenues	<u>19,687,088</u>	<u>19,997,068</u>	<u>20,535,478</u>	<u>538,410</u>
Expenditures:				
Public safety current operating:				
LEA administration	980,584	939,197	954,349	(15,152)
LEA Support Services	896,008	1,278,408	1,207,151	71,257
LEA Patrol	17,424,204	18,063,738	16,971,041	1,092,697
LEA Investigations	478,689	481,439	465,793	15,646
Total public safety	<u>19,779,485</u>	<u>20,762,782</u>	<u>19,598,334</u>	<u>1,164,448</u>
Capital outlay	1,277,600	1,458,897	1,261,861	197,036
Contingency	250,000	103,400	—	103,400
Total expenditures	<u>21,307,085</u>	<u>22,325,079</u>	<u>20,860,195</u>	<u>1,464,884</u>
Excess (deficiency) of revenues over expenditures	(1,619,997)	(2,328,011)	(324,717)	2,003,294
Other financing sources:				
Sale of capital assets	—	—	13,050	13,050
Net change in Fund Balance	\$ <u>(1,619,997)</u>	<u>(2,328,011)</u>	(311,667)	<u>2,016,344</u>
Fund balance, January 1			<u>17,846,466</u>	
Fund balance, December 31			\$ <u><u>17,534,799</u></u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Road Sales and Use Tax Fund

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Sales and use taxes	\$ 23,110,200	23,660,200	24,222,204	562,004
Intergovernmental:				
Other government units reimbursements	—	480,000	1,980,000	1,500,000
Total intergovernmental	—	480,000	1,980,000	1,500,000
Interest on investments	175,000	175,000	416,188	241,188
Total revenues	23,285,200	24,315,200	26,618,392	2,303,192
Expenditures:				
Highways and streets:				
Fund administration	7,000	7,000	7,086	(86)
Bridges, roads and traffic	3,285,856	3,299,865	2,509,797	790,068
Other governmental support	144,147	753,884	15,221,629	(14,467,745)
Intergovernmental - shareback	7,912,900	8,462,900	8,536,111	(73,211)
Total highway and streets	11,349,903	12,523,649	26,274,623	(13,750,974)
Capital outlay	41,449,267	41,471,380	3,987,296	37,484,084
Total expenditures	52,799,170	53,995,029	30,261,919	23,733,110
Excess (deficiency) of revenues over expenses	(29,513,970)	(29,679,829)	(3,643,527)	26,036,302
Other financing sources/(uses):				
Transfers out	(2,088,000)	(2,088,000)	(2,087,750)	250
Total other financing sources/(uses)	(2,088,000)	(2,088,000)	(2,087,750)	250
Net change in Fund Balance	\$ (31,601,970)	(31,767,829)	(5,731,277)	26,036,552
Fund balance, January 1			34,932,258	
Fund balance, December 31			\$ 29,200,981	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Justice Center Sales and Use Tax Fund

Year ended December 31, 2016

	<u>Budgeted</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Sales and use tax	\$ 24,843,465	25,843,465	26,038,869	195,404
Interest on investments	200,000	200,000	394,557	194,557
Contributions	—	—	3,300,000	3,300,000
Total revenues	<u>25,043,465</u>	<u>26,043,465</u>	<u>29,733,426</u>	<u>3,689,961</u>
Expenditures:				
Public Safety:				
Fund administration	428,153	338,653	665,929	(327,276)
Capital outlay	6,415,600	16,877,018	5,544,219	11,332,799
Contingency	250,000	250,000	—	250,000
Total expenditures	<u>7,093,753</u>	<u>17,465,671</u>	<u>6,210,148</u>	<u>11,255,523</u>
Excess (deficiency) of revenues over expenditures	<u>17,949,712</u>	<u>8,577,794</u>	<u>23,523,278</u>	<u>14,945,484</u>
Other financing sources (uses):				
Sale of capital assets	—	—	3,101	3,101
Lease Proceeds	—	—	1,470,300	1,470,300
Transfers in	—	—	—	—
Transfers out	<u>(15,302,240)</u>	<u>(16,629,550)</u>	<u>(15,076,072)</u>	<u>1,553,478</u>
Total other financing sources (uses)	<u>(15,302,240)</u>	<u>(16,629,550)</u>	<u>(13,602,671)</u>	<u>3,026,879</u>
Net change in Fund Balance	<u>\$ 2,647,472</u>	<u>(8,051,756)</u>	<u>9,920,607</u>	<u>17,972,363</u>
Fund balance, January 1			<u>26,764,573</u>	
Fund balance, December 31			<u>\$ 36,685,180</u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Notes to the Required Supplementary Information

December 31, 2016

BUDGETARY INFORMATION

Annual budgets for all funds are adopted on a basis consistent with the following procedures, which are statutorily defined in the local government budget law: Colorado Revised Statutes (CRS); Title 29; Article 1, Budget and Services; part 1, Local Government Budget law of Colorado.

Budgets are required, and adopted, for all County governmental and proprietary funds except the Sheriffs Forfeiture Fund (a special revenue fund), which is exempt by State statute from the budget and appropriation process. Each County department (spending authority) annually submits to the Finance Department its projected revenue and estimated expenditures for the subsequent fiscal year. These estimates and requests are reviewed against the County's available financing resources to develop a countywide proposed budget

On or before October 15, the County Manager submits the proposed budget for the fiscal year commencing the following January 1 to the Board of County Commissioners. The proposed budget must be balanced, meaning that available revenues or other financing sources combined with available unrestricted beginning fund balances must be equal to or greater than the proposed expenditures.

Subsequent to published notice of the proposed budget's availability for inspection, any elector has the right to file or register their protest prior to the time of the adoption of the budget.

No later than December 15, the Board of County Commissioners passes and approves formal resolutions to adopt the budgets, certify and levy taxes, and appropriate funds for the County, the Douglas County Law Enforcement Authority, the Woodmoor Mountain General Improvement District and the Lincoln Station Local Improvement District.

Budgets for all funds are adopted on the basis consistent with US GAAP. All appropriations lapse at year-end unless formally encumbered by a purchase order or other formal commitment open and available at year-end.

Legal Compliance: In accordance with Colorado law, budgets are adopted and appropriations are authorized by fund. The County Manager must approve any request to reallocate appropriations within a fund that is legally a part of the County organization; however, a formal resolution amending the budget is not required.

Any increases or decreases to the adopted and appropriated budget at the fund level require that an amended or supplemental budget appropriation be approved by the Board of County Commissioners through formal resolution at a public meeting, with prior published notice of the proposed changes. The exception is that the Board of County Commissioners may increase a fund's spending authority appropriation through a reallocation from the fund's contingency appropriation without formal resolution.

SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Sheriff's Forfeiture Fund

This fund is used to account for the proceeds from the seizure and/or forfeiture of contraband under the Colorado Contraband Forfeiture Act. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are subject to the Local Government Audit Law, they are exempt from the budget and appropriation process.

Developmental Disabilities Fund

This fund is used to account for revenues derived from a 1 mill property tax approved by the voters in November 2001 designated to be used in providing services for Douglas County citizens with developmental disabilities.

Open Space, Trails and Parks Fund

The Open Space, Trails and Parks Fund accounts for revenues received from the 0.17% sales and use tax approved by the voters in 1994 for the acquisition, development, and maintenance of open space, trails, and parks. The three wholly incorporated municipalities of Castle Rock, Parker and Larkspur located within the County share these revenues.

Parks Sales and Use Tax Fund

The Parks Sales and Use Tax Fund shares a portion of the revenues received from the 0.17% open space, trails, and parks sales and use tax approved by the voters in 1994 for the acquisition, development, and maintenance of open space, trails, and parks.

Conservation Trust Fund

This fund is used to account for revenues received from the State lottery fund specifically designated to be used for the acquisition, development, and maintenance of parks, recreation facilities and trail systems located within the County.

Lincoln Station Local Improvement District (LID) Fund

This fund is used to account for the revenues derived from the collection of the sales taxes (the "LID Sales Taxes"), and will thereafter remit the LID Sales Taxes to the District to fund the Improvements.

Solid Waste Fund

This fund is used to account for the revenues derived from a service charge collected by the operators of solid waste disposal sites and facilities or transfer stations located within unincorporated Douglas County.

Woodmoor Mountain General Improvement District (GID) Fund

This fund is used to account for the revenues derived from a designated property tax levied by the Woodmoor Mountain General Improvement District (GID), a special taxing district, and designated for the improvement and maintenance of roads located within that District.

Rocky Mountain High Intensity Drug Trafficking Area

This fund is used to account for revenues and expenditures associated with the High Intensity Drug Trafficking Areas (HIDTA) program, which provides assistance to law enforcement agencies operating in areas determined to be critical drug-trafficking regions of the United States. The program is funded 100% by federal funds.

Debt Service Fund

This fund is used to account for the debt service activities related to the County's outstanding revenue bonds.

Capital Projects Funds

Capital Projects funds account for the financial resources used to acquire or construct major public capital facilities and improvements.

Capital Expenditures Fund

This fund is used to account for the construction, improvement, and/or purchase of public facilities, including land, buildings, equipment, and furnishings.

Local Improvement District (LID) Capital Construction Fund

This fund is used to account for road and other public improvements located within various Local Improvement Districts (LID's). Funding for these improvements is provided from special assessments levied against the properties located within the LID with some assistance from general governmental revenues of the County.

Capital Replacement Fund

This fund is used to account for the accumulation of funds generated from interfund transfers to be used in the scheduled replacement of County vehicles and other capital equipment.

DOUGLAS COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

Assets	Sheriff's Forfeiture	Developmental Disabilities	Open Space, Trails and Parks	Parks Sales and Use Tax
Pooled cash and investments	\$ 540,544	325,242	15,410,080	8,424,503
Property taxes receivable	—	5,701,401	—	—
Accounts receivable	4,215	178	1,616,102	2,412
Prepays	—	—	170	—
Interfund receivable	—	—	—	—
Total assets	<u>\$ 544,759</u>	<u>6,026,821</u>	<u>17,026,352</u>	<u>8,426,915</u>
Liabilities, Deferred Inflows and Fund Balance				
Liabilities:				
Accounts payable	\$ 30,429	10,000	25,588	50,356
Retainage payable	—	—	3,000	114,285
Accrued liabilities	—	—	130,665	1,555
Security deposits/unearned revenue	—	—	1,000	81,534
Payable to other governments	—	—	1,925,372	—
Interfund payable	—	—	—	3,960,000
Total liabilities	<u>30,429</u>	<u>10,000</u>	<u>2,085,625</u>	<u>4,207,730</u>
Deferred inflows:				
Unavailable revenue - property taxes	—	5,695,894	—	—
Unavailable revenue	—	4,889	—	—
Total deferred inflow of resources	<u>—</u>	<u>5,700,783</u>	<u>—</u>	<u>—</u>
Fund balance:				
Non-spendable	—	—	170	—
Restricted	514,330	100,000	3,923,357	—
Committed	—	214,035	28,175	87,467
Assigned	—	2,003	10,989,025	4,131,718
Unassigned	—	—	—	—
Total fund balance	<u>514,330</u>	<u>316,038</u>	<u>14,940,727</u>	<u>4,219,185</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 544,759</u>	<u>6,026,821</u>	<u>17,026,352</u>	<u>8,426,915</u>

See accompanying independent auditors' report.

(Continued)

Conservation Trust	Lincoln Station L.I.D.	Solid Waste Disposal	Woodmoor Mountain G.I.D.	Rocky Mountain HIDTA	Total Special Revenue Funds
3,346,303	—	321,852	13,869	27,447	28,409,840
—	—	—	26,394	—	5,727,795
—	1,550	16,439	—	310,414	1,951,310
—	—	—	—	719	889
—	—	—	—	—	—
3,346,303	1,550	338,291	40,263	338,580	36,089,834
28,264	772	—	—	11,972	157,381
—	—	—	—	—	117,285
—	778	1,071	—	16,194	150,263
—	—	—	—	—	82,534
—	—	—	—	—	1,925,372
—	—	—	—	310,414	4,270,414
28,264	1,550	1,071	—	338,580	6,703,249
—	—	—	26,394	—	5,722,288
—	—	—	—	—	4,889
—	—	—	26,394	—	5,727,177
—	—	—	—	—	170
3,318,039	—	—	800	—	7,856,526
—	—	—	—	—	329,677
—	—	337,220	13,069	—	15,473,035
—	—	—	—	—	—
3,318,039	—	337,220	13,869	—	23,659,408
3,346,303	1,550	338,291	40,263	338,580	36,089,834

(Continued)

DOUGLAS COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

Assets	Debt Service Fund	Capital Expenditures	L.I.D. Capital Construction
Pooled cash and investments	\$ 92,697	10,545,674	510,567
Property taxes receivable	—	997,242	21,268
Accounts receivable	—	—	—
Prepays	—	—	—
Interfund receivable	—	—	—
Total assets	<u>\$ 92,697</u>	<u>11,542,916</u>	<u>531,835</u>
Liabilities, Deferred Inflows and Fund Balance			
Liabilities:			
Accounts payable	\$ —	125,286	6,295
Retainage payable	—	205,484	—
Accrued liabilities	—	527,046	—
Security deposits/unearned revenue	—	—	—
Payable to other governments	—	—	—
Interfund payable	—	—	—
Total liabilities	<u>—</u>	<u>857,816</u>	<u>6,295</u>
Deferred inflows:			
Unavailable revenue - property taxes	—	996,567	21,241
Unavailable revenue	—	675	—
Total deferred inflow of resources	<u>—</u>	<u>997,242</u>	<u>21,241</u>
Fund balance:			
Non-spendable	—	—	—
Restricted	—	—	—
Committed	—	7,759,857	—
Assigned	92,697	1,928,001	504,299
Unassigned	—	—	—
Total fund balance	<u>92,697</u>	<u>9,687,858</u>	<u>504,299</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 92,697</u>	<u>11,542,916</u>	<u>531,835</u>

(Continued)

Capital Replacement	Total Capital Projects Funds	Total Nonmajor Governmental Funds
10,589,312	21,645,553	50,148,090
—	1,018,510	6,746,305
—	—	1,951,310
—	—	889
3,960,000	3,960,000	3,960,000
<u>14,549,312</u>	<u>26,624,063</u>	<u>62,806,594</u>
—	131,581	288,962
—	205,484	322,769
—	527,046	677,309
—	—	82,534
—	—	1,925,372
—	—	4,270,414
<u>—</u>	<u>864,111</u>	<u>7,567,360</u>
—	1,017,808	6,740,096
—	675	5,564
<u>—</u>	<u>1,018,483</u>	<u>6,745,660</u>
—	—	170
—	—	7,856,526
—	7,759,857	8,089,534
14,549,312	16,981,612	32,547,344
—	—	—
<u>14,549,312</u>	<u>24,741,469</u>	<u>48,493,574</u>
<u>14,549,312</u>	<u>26,624,063</u>	<u>62,806,594</u>

DOUGLAS COUNTY, COLORADO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended December 31, 2016

	Sheriff's Forfeiture	Developmental Disabilities	Open Space, Trails and Parks	Parks Sales and Use Tax
Revenues:				
Taxes	\$ —	5,546,440	10,294,437	—
Intergovernmental	—	—	29,497	—
Charges for services	—	—	—	24,570
Fines and forfeits	259,144	—	—	—
Interest on investments	50	—	199,477	107,180
Donations, rents, reimbursements, other	44,796	—	62,475	151,907
Total revenues	303,990	5,546,440	10,585,886	283,657
Expenditures:				
Current operating:				
General government	—	—	—	—
Public safety	192,971	—	—	—
Highways and streets	—	—	—	—
Culture and recreation	—	—	2,942,899	243,777
Developmental disabilities	—	5,377,533	—	—
Total current operating	192,971	5,377,533	2,942,899	243,777
Capital outlay	24,874	—	2,987,155	2,893,350
Debt service:				
Principal	—	—	—	—
Interest and fiscal charges	—	—	—	—
Total debt service	—	—	—	—
Total expenditures	217,845	5,377,533	5,930,054	3,137,127
Excess (deficiency) of revenues over expenditures	86,145	168,907	4,655,832	(2,853,470)
Other financing sources (uses):				
Sale of capital assets	—	—	9,740	—
Transfers in	—	—	—	1,604,323
Transfers out	—	—	(4,625,980)	(98,712)
Total other financing sources (uses)	—	—	(4,616,240)	1,505,611
Net change to fund balance	86,145	168,907	39,592	(1,347,859)
Fund balance, January 1	428,185	147,131	14,901,135	5,567,044
Fund balance, December 31	\$ 514,330	316,038	14,940,727	4,219,185

See accompanying independent auditors' report.

(Continued)

Conservation Trust	Lincoln Station L.I.D.	Solid Waste Disposal	Woodmoor Mountain G.I.D.	Rocky Mountain HIDTA	Total Special Revenue Funds
—	8,244	—	26,087	—	15,875,208
1,319,220	—	—	—	2,017,559	3,366,276
—	—	82,613	—	—	107,183
—	—	—	—	—	259,144
39,391	—	—	147	—	346,245
—	—	—	—	—	259,178
<u>1,358,611</u>	<u>8,244</u>	<u>82,613</u>	<u>26,234</u>	<u>2,017,559</u>	<u>20,213,234</u>
—	—	40,634	—	—	40,634
—	—	—	—	1,999,051	2,192,022
—	8,244	—	28,394	—	36,638
157,254	—	—	—	—	3,343,930
—	—	—	—	—	5,377,533
<u>157,254</u>	<u>8,244</u>	<u>40,634</u>	<u>28,394</u>	<u>1,999,051</u>	<u>10,990,757</u>
<u>1,064,409</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,969,788</u>
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>1,221,663</u>	<u>8,244</u>	<u>40,634</u>	<u>28,394</u>	<u>1,999,051</u>	<u>17,960,545</u>
<u>136,948</u>	<u>—</u>	<u>41,979</u>	<u>(2,160)</u>	<u>18,508</u>	<u>2,252,689</u>
—	—	—	—	—	9,740
—	—	—	—	—	1,604,323
—	—	—	—	(18,508)	(4,743,200)
—	—	—	—	(18,508)	(3,129,137)
<u>136,948</u>	<u>—</u>	<u>41,979</u>	<u>(2,160)</u>	<u>—</u>	<u>(876,448)</u>
<u>3,181,091</u>	<u>—</u>	<u>295,241</u>	<u>16,029</u>	<u>—</u>	<u>24,535,856</u>
<u>3,318,039</u>	<u>—</u>	<u>337,220</u>	<u>13,869</u>	<u>—</u>	<u>23,659,408</u>

(Continued)

DOUGLAS COUNTY, COLORADO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended December 31, 2016

	Debt Service	Capital Expenditures	L.I.D. Capital Construction
Revenues:			
Taxes	\$ —	973,236	—
Intergovernmental	—	—	—
Charges for services	—	—	—
Fines and forfeits	—	—	—
Interest on investments	—	—	—
Donations, rents, reimbursements, other	—	26,254	315,986
Total revenues	—	999,490	315,986
Expenditures:			
Current operating:			
General government	—	1,383,083	—
Public safety	—	—	—
Highways and streets	—	—	—
Culture and recreation	—	—	—
Developmental disabilities	—	—	—
Total current operating	—	1,383,083	—
Capital outlay	—	6,941,440	—
Debt service:			
Principal	3,845,000	—	—
Interest and fiscal charges	727,611	—	—
Total debt service	4,572,611	—	—
Total expenditures	4,572,611	8,324,523	—
Excess (deficiency) of revenues over expenditures	(4,572,611)	(7,325,033)	315,986
Other financing sources (uses):			
Sale of capital assets	—	—	—
Transfers in	4,572,207	11,800,000	—
Transfers out	—	—	—
Total other financing sources (uses)	4,572,207	11,800,000	—
Net change to fund balance	(404)	4,474,967	315,986
Fund balance, January 1	93,101	5,212,891	188,313
Fund balance, December 31	\$ 92,697	9,687,858	504,299

See accompanying independent auditors' report.

(Continued)

<u>Capital Replacement</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
—	973,236	16,848,444
—	—	3,366,276
—	—	107,183
—	—	259,144
127,996	127,996	474,241
—	342,240	601,418
<u>127,996</u>	<u>1,443,472</u>	<u>21,656,706</u>
—	1,383,083	1,423,717
—	—	2,192,022
—	—	36,638
—	—	3,343,930
—	—	5,377,533
<u>—</u>	<u>1,383,083</u>	<u>12,373,840</u>
<u>—</u>	<u>6,941,440</u>	<u>13,911,228</u>
—	—	3,845,000
—	—	727,611
<u>—</u>	<u>—</u>	<u>4,572,611</u>
<u>—</u>	<u>8,324,523</u>	<u>30,857,679</u>
<u>127,996</u>	<u>(6,881,051)</u>	<u>(9,200,973)</u>
—	—	9,740
138,812	11,938,812	18,115,342
<u>(1,249,038)</u>	<u>(1,249,038)</u>	<u>(5,992,238)</u>
<u>(1,110,226)</u>	<u>10,689,774</u>	<u>12,132,844</u>
<u>(982,230)</u>	<u>3,808,723</u>	<u>2,931,871</u>
<u>15,531,542</u>	<u>20,932,746</u>	<u>45,561,703</u>
<u>14,549,312</u>	<u>24,741,469</u>	<u>48,493,574</u>

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Developmental Disabilities Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 5,598,115	5,598,115	5,537,500	(60,615)
Penalty and interest	6,469	6,469	8,940	2,471
Total revenues	<u>5,604,584</u>	<u>5,604,584</u>	<u>5,546,440</u>	<u>(58,144)</u>
Expenditures:				
Developmental disabilities	<u>5,604,584</u>	<u>5,651,715</u>	<u>5,377,533</u>	<u>274,182</u>
Total expenditures	<u>5,604,584</u>	<u>5,651,715</u>	<u>5,377,533</u>	<u>274,182</u>
Net change in Fund Balance	\$ <u>-</u>	<u>(47,131)</u>	168,907	<u>216,038</u>
Fund balance, January 1			<u>147,131</u>	
Fund balance, December 31			<u>\$ <u>316,038</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Open Space, Trails, and Parks Fund

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Sales and use taxes	\$ 9,821,835	9,947,335	10,294,437	347,102
Intergovernmental	—	—	29,497	29,497
Interest on investments	50,000	50,000	199,477	149,477
Miscellaneous:				
Rents	25,000	25,000	33,579	8,579
Other reimbursements	—	—	28,896	28,896
Total revenues	<u>9,896,835</u>	<u>10,022,335</u>	<u>10,585,886</u>	<u>563,551</u>
Expenditures:				
Conservation of natural resources:				
Open space administration	573,044	627,538	542,813	84,725
Open space acquisitions	1,185,473	1,402,695	933,278	469,417
Intergovernmental – municipal shareback	<u>1,366,300</u>	<u>1,431,800</u>	<u>1,466,808</u>	<u>(35,008)</u>
Total culture and recreation	<u>3,124,817</u>	<u>3,462,033</u>	<u>2,942,899</u>	<u>519,134</u>
Capital outlay	3,676,621	5,525,385	2,987,155	2,538,230
Contingency	<u>150,000</u>	<u>150,000</u>	—	150,000
Total expenditures	<u>6,951,438</u>	<u>9,137,418</u>	<u>5,930,054</u>	<u>3,207,364</u>
Excess (deficiency) of				
revenues over expenditures	<u>2,945,397</u>	<u>884,917</u>	<u>4,655,832</u>	<u>3,770,915</u>
Other financing sources (uses):				
Sale of capital assets	—	—	9,740	9,740
Transfers Out	<u>(4,557,166)</u>	<u>(4,617,166)</u>	<u>(4,625,980)</u>	<u>(8,814)</u>
Total other financing sources (uses)	<u>(4,557,166)</u>	<u>(4,617,166)</u>	<u>(4,616,240)</u>	<u>926</u>
Net change in Fund Balance	\$ <u>(1,611,769)</u>	\$ <u>(3,732,249)</u>	<u>39,592</u>	<u>3,771,841</u>
Fund balance, January 1			<u>14,901,135</u>	
Fund balance, December 31			\$ <u><u>14,940,727</u></u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Parks Sales and Use Tax Fund

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Charges for services:				
Facilities use fees	\$ 25,000	25,000	24,570	(430)
Total charges for services	<u>25,000</u>	<u>25,000</u>	<u>24,570</u>	<u>(430)</u>
Interest on investments	75,000	75,000	107,180	32,180
Miscellaneous:				
Rents	30,000	30,000	37,248	7,248
Other reimbursements	—	—	114,659	114,659
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>283,657</u>	<u>153,657</u>
Expenditures:				
Culture and recreation:				
Parks sales tax	348,712	250,000	243,777	6,223
Capital outlay	<u>3,225,000</u>	<u>3,225,000</u>	<u>2,893,350</u>	<u>331,650</u>
Total expenditures	<u>3,573,712</u>	<u>3,475,000</u>	<u>3,137,127</u>	<u>337,873</u>
Excess (deficiency) of revenues over expenditures	(3,443,712)	(3,345,000)	(2,853,470)	491,530
Other financing sources (uses)				
Transfers in	1,533,966	1,593,966	1,604,323	10,357
Transfers out	—	(98,712)	(98,712)	—
Total other financing sources (uses)	<u>1,533,966</u>	<u>1,495,254</u>	<u>1,505,611</u>	<u>10,357</u>
Net change in Fund Balance	\$ <u>(1,909,746)</u>	<u>(1,849,746)</u>	(1,347,859)	<u>501,887</u>
Fund balance, January 1			5,567,044	
Fund balance, December 31			\$ <u><u>4,219,185</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Conservation Trust Fund

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental:				
State shared revenue	\$ 1,000,000	1,000,000	1,319,220	319,220
Total intergovernmental	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,319,220</u>	<u>319,220</u>
Interest on investments	<u>10,000</u>	<u>10,000</u>	<u>39,391</u>	<u>29,391</u>
Total revenues	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,358,611</u>	<u>348,611</u>
Expenditures:				
Culture and recreation:				
Regional parks	<u>—</u>	<u>158,000</u>	<u>157,254</u>	<u>746</u>
Total cultural and recreational	<u>—</u>	<u>158,000</u>	<u>157,254</u>	<u>746</u>
Capital outlay	<u>2,285,000</u>	<u>3,557,216</u>	<u>1,064,409</u>	<u>2,492,807</u>
Total expenditures	<u>2,285,000</u>	<u>3,715,216</u>	<u>1,221,663</u>	<u>2,493,553</u>
Excess (deficiency) of revenues over expenditures	(1,275,000)	(2,705,216)	136,948	2,842,164
Net change in Fund Balance	\$ <u>(1,275,000)</u>	<u>(2,705,216)</u>	136,948	<u>2,842,164</u>
Fund balance, January 1			3,181,091	
Fund balance, December 31			\$ <u>3,318,039</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Lincoln Station Sales Tax Improvement Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
Sales	\$ 10,000	10,000	8,244	(1,756)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>8,244</u>	<u>(1,756)</u>
Expenditures:				
Highways and streets:				
Intergovernmental Support	10,000	10,000	8,244	1,756
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>8,244</u>	<u>1,756</u>
Net change in Fund Balance	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, January 1			<u>—</u>	
Fund balance, December 31			\$ <u><u>—</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Solid Waste Disposal Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Waste collection charges	\$ 45,000	45,000	82,613	37,613
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>82,613</u>	<u>37,613</u>
Expenditures:				
General government:				
Current operating	45,000	45,000	40,634	4,366
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>40,634</u>	<u>4,366</u>
Excess (deficiency) of revenues over expenditures	—	—	41,979	41,979
Net change in Fund Balance	\$ <u>—</u>	<u>—</u>	41,979	<u>41,979</u>
Fund balance, January 1			295,241	
Fund balance, December 31			\$ <u>337,220</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Woodmoor Mountain G.I.D. Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 23,748	23,748	23,813	65
Specific ownership	1,400	1,400	2,191	791
Penalty and interest	66	66	83	17
Total taxes	<u>25,214</u>	<u>25,214</u>	<u>26,087</u>	<u>873</u>
Interest on investments	<u>35</u>	<u>35</u>	<u>147</u>	<u>112</u>
Total revenues	<u>25,249</u>	<u>25,249</u>	<u>26,234</u>	<u>985</u>
Expenditures:				
Highways and streets:				
Current operating	<u>30,271</u>	<u>30,271</u>	<u>28,394</u>	<u>1,877</u>
Total expenditures	<u>30,271</u>	<u>30,271</u>	<u>28,394</u>	<u>1,877</u>
Net change in Fund Balance	\$ <u>(5,022)</u>	<u>(5,022)</u>	(2,160)	<u>2,862</u>
Fund balance, January 1			<u>16,029</u>	
Fund balance, December 31			\$ <u>13,869</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Rocky Mountain High Intensity Drug Trafficking Area

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental:				
Federal grants	\$ 1,615,099	3,235,216	2,017,559	(1,217,657)
Total intergovernmental	1,615,099	3,235,216	2,017,559	(1,217,657)
Total revenues	1,615,099	3,235,216	2,017,559	(1,217,657)
Expenditures:				
Current operating:				
Management and coordination	155,217	935,635	591,552	344,083
Intelligence	642,053	1,368,282	739,088	629,194
Gangs	101,875	102,235	88,279	13,956
Front range task force	150,450	197,637	148,718	48,919
Training	540,604	606,527	425,061	181,466
County	—	—	6,353	(6,353)
Total expenditures	1,590,199	3,210,316	1,999,051	1,211,265
Other financing (uses):				
Transfer Out	(24,900)	(24,900)	(18,508)	6,392
Total other financing (uses)	(24,900)	(24,900)	(18,508)	6,392
Net change in Fund Balance	\$ —	—	—	—
Fund balance, January 1			—	
Fund balance, December 31			\$ —	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Debt Service Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Expenditures:				
Debt service:				
Principal	\$ 3,845,000	3,845,000	3,845,000	—
Interest	729,000	729,000	727,207	1,793
Fiscal charges	4,400	4,400	404	3,996
Total expenditures	<u>4,578,400</u>	<u>4,578,400</u>	<u>4,572,611</u>	<u>5,789</u>
Excess (deficiency) of revenues over expenditures	(4,578,400)	(4,578,400)	(4,572,611)	5,789
Other financing sources (uses):				
Transfers in	<u>4,574,000</u>	<u>4,574,000</u>	<u>4,572,207</u>	<u>(1,793)</u>
Total other financing sources (uses)	<u>4,574,000</u>	<u>4,574,000</u>	<u>4,572,207</u>	<u>(1,793)</u>
Net change in Fund Balance	\$ <u>(4,400)</u>	<u>(4,400)</u>	(404)	<u>3,996</u>
Fund balance, January 1			93,101	
Fund balance, December 31			\$ <u>92,697</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Capital Expenditures Fund

Year ended December 31, 2016

	<u>Budgeted</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes:				
General property	\$ 981,439	981,439	972,354	(9,085)
Penalty and interest	—	—	882	882
Miscellaneous	—	—	26,254	26,254
Total revenues	<u>981,439</u>	<u>981,439</u>	<u>999,490</u>	<u>18,051</u>
Expenditures:				
General government	\$ 623,722	1,167,550	1,383,083	(215,533)
Capital outlay	841,000	16,557,691	6,941,440	9,616,251
Total expenditures	<u>1,464,722</u>	<u>17,725,241</u>	<u>8,324,523</u>	<u>9,400,718</u>
Excess (deficiency) of revenues over expenditures	(483,283)	(16,743,802)	(7,325,033)	9,418,769
Other financing sources (uses)				
Transfers In	<u>11,800,000</u>	<u>11,800,000</u>	<u>11,800,000</u>	—
Total other financing sources (uses)	<u>11,800,000</u>	<u>11,800,000</u>	<u>11,800,000</u>	—
Net change in Fund Balance	\$ <u>11,316,717</u>	<u>(4,943,802)</u>	4,474,967	<u>9,418,769</u>
Fund balance, January 1			<u>5,212,891</u>	
Fund balance, December 31			\$ <u><u>9,687,858</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

L.I.D. Capital Construction Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
LID assesments	\$ 64,950	64,950	315,986	251,036
Total revenues	64,950	64,950	315,986	251,036
Expenditures:				
Highways and streets:				
Current operating	1,000	1,000	—	1,000
Total expenditures	1,000	1,000	—	1,000
Excess (deficiency) of revenues				
Net change in Fund Balance	\$ 63,950	63,950	315,986	252,036
Fund balance, January 1			188,313	
Fund balance, December 31			\$ 504,299	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget

Capital Replacement Fund

Year ended December 31, 2016

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Charges for services:				
Interest on Investments	\$ —	—	127,996	127,996
Miscellaneous refunds and reimbursements	98,712	—	—	—
Total revenues	<u>98,712</u>	<u>—</u>	<u>127,996</u>	<u>127,996</u>
Excess of revenues over expenditures	<u>98,712</u>	<u>—</u>	<u>127,996</u>	<u>127,996</u>
Other financing sources (uses):				
Transfers in	40,100	138,812	138,812	—
Transfers out	<u>(1,249,038)</u>	<u>(1,249,038)</u>	<u>(1,249,038)</u>	<u>—</u>
Total other financing sources (uses)	<u>(1,208,938)</u>	<u>(1,110,226)</u>	<u>(1,110,226)</u>	<u>—</u>
Net change in Fund Balance	\$ <u><u>(1,110,226)</u></u>	<u><u>(1,110,226)</u></u>	(982,230)	<u><u>127,996</u></u>
Fund balance, January 1			<u>15,531,542</u>	
Fund balance, December 31			\$ <u><u>14,549,312</u></u>	

See accompanying independent auditors' report

INTERNAL SERVICE FUNDS

Internal Service Funds account for financing of goods and services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County's Internal Service Funds include:

Workers Compensation and Unemployment Benefits Fund

This fund is used to account for the accumulation of funds generated from interdepartmental assessments used in the administration of various self-insured employee benefit programs. This includes short-term disability, unemployment, and workers' compensation. Payments include claims and stop-loss insurance premiums.

Property and Liability Fund

This fund is used to account for the accumulation of funds generated from interdepartmental assessments to be used for the administration of various self-insured property and liability insurance programs.

Medical, Dental and Vision Fund

This fund is used to account for the accumulation of funds generated from interdepartmental assessments as well as participating employee assessments to be used for the administration of the self-insured medical, dental and vision insurance programs. Payments include administrative costs, claims and stop-loss insurance premiums.

DOUGLAS COUNTY, COLORADO

Combining Statement of Net Position

Internal Service Funds

December 31, 2016

		Workers Comp Unemployment	Property & Liability	Medical, Dental and Vision	Total Internal Service Fund
Assets:					
Current assets:					
Pooled cash and investments	\$	3,011,763	4,045,233	2,663,119	9,720,115
Accounts receivable		416,801	99,417	7,452	523,670
Prepaid expenses		95,000	—	—	95,000
Total current assets		3,523,564	4,144,650	2,670,571	10,338,785
Total assets		3,523,564	4,144,650	2,670,571	10,338,785
Liabilities:					
Current liabilities:					
Accrued claims payable		1,750,427	334,750	1,423,955	3,509,132
Total current liabilities		1,750,427	334,750	1,423,955	3,509,132
Total liabilities		1,750,427	334,750	1,423,955	3,509,132
Net position:					
Unrestricted		1,773,137	3,809,900	1,246,616	6,829,653
Total net position		1,773,137	3,809,900	1,246,616	6,829,653
Total liabilities and net position	\$	3,523,564	4,144,650	2,670,571	10,338,785

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

Year ended December 31, 2016

	Workers Comp Unemployment	Property & Liability	Medical, Dental and Vision	Total Internal Service Fund
Operating revenues:				
Charges for services	\$ 1,297,695	1,181,310	15,228,794	17,707,799
Other operating revenue	432,432	1,660,335	422	2,093,189
Total operating revenues	1,730,127	2,841,645	15,229,216	19,800,988
Operating expenses:				
Purchased services	—	—	594,968	594,968
Fixed charges	237,219	591,846	1,034,946	1,864,011
Insurance benefits/claims	2,513,920	546,189	13,854,269	16,914,378
Total operating expenses	2,751,139	1,138,035	15,484,183	19,373,357
Operating income/(loss) before transfers	(1,021,012)	1,703,610	(254,967)	427,631
Transfers:				
Transfers in	—	—	250,000	250,000
Total transfers	—	—	250,000	250,000
Increase/(decrease) in net position	(1,021,012)	1,703,610	(4,967)	677,631
Total net position – beginning of period	2,794,149	2,106,290	1,251,583	6,152,022
Total net position – end of period	\$ 1,773,137	3,809,900	1,246,616	6,829,653

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2016

		Workers Comp Unemployment	Property & Liability	Medical, Dental and Vision	Total Internal Service Fund
Cash flows from operating activities:					
Cash received from internal customers	\$	1,313,326	2,739,208	15,231,050	19,283,584
Cash payments to external suppliers for goods and services		(1,599,377)	(815,440)	(15,728,287)	(18,143,104)
Net cash provided/(used) by operating activities		(286,051)	1,923,768	(497,237)	1,140,480
Cash flow from noncapital financing activities:					
Transfers in / out		—	—	250,000	250,000
Net cash provided by noncapital financing activities		—	—	250,000	250,000
Net increase/(decrease) in cash and equivalents		(286,051)	1,923,768	(247,237)	1,390,480
Cash balances January 1		3,297,814	2,121,465	2,910,356	8,329,635
Cash balances December 31	\$	<u>3,011,763</u>	<u>4,045,233</u>	<u>2,663,119</u>	<u>9,720,115</u>
Reconciliation of operating income to net cash provided/(used) by operating activities:					
Operating income	\$	(1,021,012)	1,703,610	(254,967)	427,631
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:					
(Decrease)/Increase in estimated liability for claims and judgments		1,151,762	322,595	(244,104)	1,230,253
Decrease/(Increase) in Accounts Receivable		(416,801)	(102,437)	1,834	(517,404)
Total adjustments		734,961	220,158	(242,270)	712,849
Net cash provided/(used) by operating activities	\$	<u>(286,051)</u>	<u>1,923,768</u>	<u>(497,237)</u>	<u>1,140,480</u>

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Net Position – Actual and Budget

Worker's Compensation and Unemployment Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,460,000	1,460,000	1,297,695	(162,305)
Other operating revenue	—	—	432,432	432,432
Total revenues	1,460,000	1,460,000	1,730,127	270,127
Expenditures:				
Employee benefits:				
Purchased services	1,000	1,000	—	1,000
Fixed charges	254,000	254,000	237,219	16,781
Insurance benefits/claims	1,030,000	2,530,000	2,513,920	16,080
Total employee benefits	1,285,000	2,785,000	2,751,139	33,861
Contingency	175,000	175,000	—	175,000
Total expenditures	1,460,000	2,960,000	2,751,139	208,861
Operating income before transfers	—	(1,500,000)	(1,021,012)	478,988
Net change in net position	\$ —	(1,500,000)	(1,021,012)	478,988
Net position, January 1			2,794,149	
Net position, December 31			\$ 1,773,137	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Net Position – Actual and Budget

Property and Liability Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,175,000	1,175,000	1,181,310	6,310
Other operating revenue	15,000	1,655,303	1,660,335	5,032
Total revenues	1,190,000	2,830,303	2,841,645	11,342
Expenditures:				
Insurance:				
Purchased services	50,000	50,000	—	50,000
Fixed charges	790,000	790,000	591,846	198,154
Insurance benefits/claims	250,000	380,000	546,189	(166,189)
Total insurance	1,090,000	1,220,000	1,138,035	81,965
Contingency	100,000	100,000	—	100,000
Total expenditures	1,190,000	1,320,000	1,138,035	181,965
Operating income before transfers	—	1,510,303	1,703,610	193,307
Net change in net position	\$ —	1,510,303	1,703,610	193,307
Net position, January 1			2,106,290	
Net position, December 31			\$ 3,809,900	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Schedule of Revenues, Expenditures, and Changes in Net Position – Actual and Budget

Medical, Dental and Vision Fund

Year ended December 31, 2016

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 14,765,520	14,765,520	15,228,794	463,274
Other operating revenue	—	—	422	422
Total revenues	14,765,520	14,765,520	15,229,216	463,696
Expenditures:				
Insurance:				
Purchased services	620,700	620,700	594,968	25,732
Fixed charges	999,600	999,600	1,034,946	(35,346)
Insurance benefits/claims	13,917,300	14,167,300	13,854,269	313,031
Total insurance	15,537,600	15,787,600	15,484,183	303,417
Operating income/(loss) before transfers	(772,080)	(1,022,080)	(254,967)	767,113
Transfer in	—	250,000	250,000	—
Net change in net position	\$ (772,080)	(772,080)	(4,967)	767,113
Net position, January 1			1,251,583	
Net position, December 31			\$ 1,246,616	

See accompanying independent auditors' report.

FIDUCIARY FUNDS

Agency Funds are held by Douglas 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, as well as the receipt, investment, and disbursement of all other revenues received by the 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.

Douglas County Jail Escrow and Inmate Commissary Fund

This fund is used to account for the combined receipt and disbursement of all inmate escrow and inmate commissary transactions.

DOUGLAS COUNTY, COLORADO

Combining Statement of Fiduciary Assets and Liabilities

Fiduciary Funds

December 31, 2016

		Treasurer	Public Trustee	Jail Escrow and Commissary	Total Agency Funds
Assets					
Agency cash and investments	\$	7,339,224	1,031,837	541,859	8,912,920
Accounts receivable		484,075	—	—	484,075
Total assets	\$	<u>7,823,299</u>	<u>1,031,837</u>	<u>541,859</u>	<u>9,396,995</u>
Liabilities					
Accounts payable	\$	1,957,327	5,305	—	1,962,632
Due to others		5,865,972	1,026,532	541,859	7,434,363
Total liabilities	\$	<u>7,823,299</u>	<u>1,031,837</u>	<u>541,859</u>	<u>9,396,995</u>

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

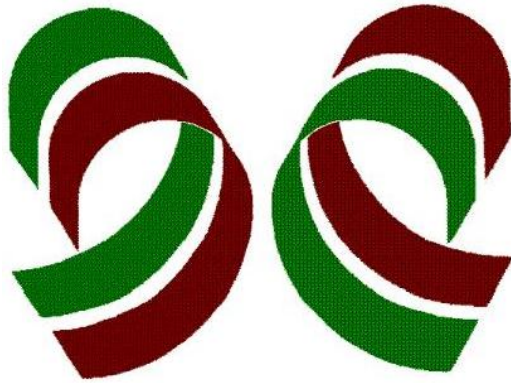
Combining Statement of Changes in Assets and Liabilities

Fiduciary Funds

Year ended December 31, 2016

		Balances January 1, 2016	Additions	Deductions	Balances December 31, 2016
Treasurer's Funds					
Assets:					
Agency cash and investments	\$	7,455,577	3,166,450,185	3,166,566,538	7,339,224
Accounts receivable		395,926	54,502,385	54,414,236	484,075
Total assets	\$	<u>7,851,503</u>	<u>3,220,952,570</u>	<u>3,220,980,774</u>	<u>7,823,299</u>
Liabilities:					
Accounts payable	\$	2,134,562	1,019,967,911	1,020,145,146	1,957,327
Due to others		5,716,941	469,598,876	469,449,845	5,865,972
Total liabilities	\$	<u>7,851,503</u>	<u>1,489,566,787</u>	<u>1,489,594,991</u>	<u>7,823,299</u>
Public Trustee					
Assets:					
Agency cash and investments	\$	1,084,220	19,828,337	19,880,720	1,031,837
Accounts receivable		1,290	—	1,290	—
Total assets	\$	<u>1,085,510</u>	<u>19,828,337</u>	<u>19,882,010</u>	<u>1,031,837</u>
Liabilities:					
Accounts payable	\$	2,286	3,019	—	5,305
Due to others		1,083,224	20,187,863	20,244,555	1,026,532
Total liabilities	\$	<u>1,085,510</u>	<u>20,190,882</u>	<u>20,244,555</u>	<u>1,031,837</u>
Jail Escrow and Commissary Funds					
Assets:					
Agency cash and investments	\$	510,850	2,673,782	2,642,773	541,859
Liabilities:					
Due to others	\$	510,850	2,673,782	2,642,773	541,859
Total – all agency Funds					
Assets:					
Agency cash and investments	\$	9,050,647	3,188,952,304	3,189,090,031	8,912,920
Accounts receivable		397,216	54,502,385	54,415,526	484,075
Total assets	\$	<u>9,447,863</u>	<u>3,243,454,689</u>	<u>3,243,505,557</u>	<u>9,396,995</u>
Liabilities:					
Accounts payable	\$	2,136,848	1,019,970,930	1,020,145,146	1,962,632
Due to others		7,311,015	492,460,521	492,337,173	7,434,363
Total liabilities	\$	<u>9,447,863</u>	<u>1,512,431,451</u>	<u>1,512,482,319</u>	<u>9,396,995</u>

See accompanying independent auditors' report.



State Required Schedule

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		Douglas County
		YEAR ENDING :
This Information From The Records Of Douglas County		12/16
Prepared By:		Christy McKinzie
Phone:		303-660-7430 x4348

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	62,063,308
4. Miscellaneous local receipts (from page 2)	1,642,267
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	63,705,575
B. Private Contributions	
C. Receipts from State government (from page 2)	8,823,804
D. Receipts from Federal Government (from page 2)	384,451
E. Total receipts (A.7 + B + C + D)	72,913,829

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	8,099,076
2. Maintenance:	24,648,858
3. Road and street services:	
a. Traffic control operations	3,603,115
b. Snow and ice removal	2,742,382
c. Other	45,058,146
d. Total (a. through c.)	51,403,643
4. General administration & miscellaneous	872,102
5. Highway law enforcement and safety	
6. Total (1 through 5)	85,023,679
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	202,750
b. Redemption	1,385,000
c. Total (a. + b.)	1,587,750
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,587,750
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	86,611,429

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	74,809,897	72,913,829	86,611,429	61,112,298	(0)

Notes and Comments:

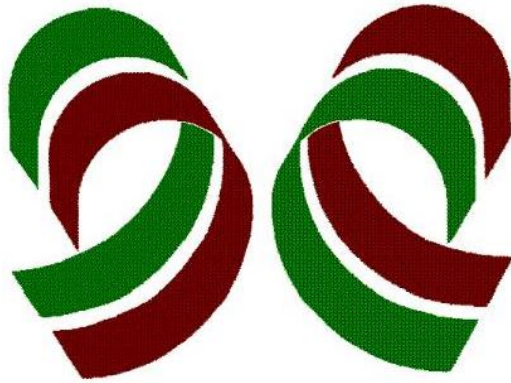
LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING : 12/16	

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	24,637,287	a. Interest on investments	419,236
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	24,222,204	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	960,044	d. Parking Meter Fees	
3. Liens	0	e. Sale of Surplus Property	242,769
4. Licenses	0	f. Charges for Services	18,800
5. Specific Ownership &/or Other	12,243,773	g. Other Misc. Receipts	900,000
6. Total (1. through 5.)	37,426,020	h. Other	61,462
c. Total (a. + b.)	62,063,308	i. Total (a. through h.)	1,642,267
	(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	8,086,674	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	33,187
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	737,130	d. Federal Transit Admin	50,089
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	280,328
e. Other (Specify)		f. Other Federal	20,846
f. Total (a. through e.)	737,130	g. Total (a. through f.)	384,451
4. Total (1. + 2. + 3.f)	8,823,804	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		895,087	895,087
b. Engineering Costs		697,403	697,403
c. Construction:			
(1). New Facilities		65,066	65,066
(2). Capacity Improvements		0	0
(3). System Preservation		2,407,437	2,407,437
(4). System Enhancement & Operation		4,034,083	4,034,083
(5). Total Construction (1) + (2) + (3) + (4)	0	6,506,586	6,506,586
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	8,099,076	8,099,076
			(Carry forward to page 1)

Notes and Comments:



STATISTICAL SECTION

DOUGLAS COUNTY, COLORADO
Listing of Statistical Information

Financial Trends Information - These schedules contain trend information that may aid the reader in evaluating the County's current financial performance by placing it in historical perspective.

Net Position by Component
Changes in Net Position
Changes in Fund Balances, Governmental Funds
Fund Balances, Governmental Funds

Revenue Capacity - These schedules contain information that may aid the reader in assessing the County's most significant sources of revenue.

Tax Revenues by Source, Governmental Funds
Assessed Value and Estimated Market Value of Taxable Property
Direct and Overlapping Property Tax Rates
Principal Property Tax Payers
Property Tax Levies and Collections

Debt Capacity - These schedules present information that may aid the reader in analyzing the extent of the County's current level of debt and the County's ability to issue debt in the future.

Ratios of Outstanding Debt by Type
Legal Debt Margin Information
Revenue Bond Coverage
Special Assessment Debt without Government Commitment

Demographic and Economic Information - These schedules offer demographic and economic indicators that are commonly used for financial analysis and that may aid the reader in understanding the County's present and ongoing financial status.

Demographic and Economic Statistics
Principal Employers

Operating Information - These schedules contain service and infrastructure indicators that may aid 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.

Budgeted Full-time Equivalent County Employees by Function/Program
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

DOUGLAS COUNTY, COLORADO
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
Governmental activities:				
Net investment in capital assets	\$ 516,517,601	\$ 530,356,372	\$ 528,373,772	\$ 528,991,319
Restricted	8,432,119	9,230,655	7,907,839	11,755,582
Unrestricted	152,576,540	162,500,768	166,351,011	182,162,162
Total governmental activities net position	<u>\$ 677,526,260</u>	<u>\$ 702,087,795</u>	<u>\$ 702,632,622</u>	<u>\$ 722,909,063</u>

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Net Investment in capital assets	\$ 513,930,760	\$ 507,656,664	\$ 507,885,616	\$ 509,488,604
Restricted	11,692,557	10,670,150	13,480,688	14,299,417
Unrestricted	207,677,975	223,674,883	220,707,395	211,937,736
Total governmental activities net position	<u>\$ 733,301,292</u>	<u>\$ 742,001,697</u>	<u>\$ 742,073,699</u>	<u>\$ 735,725,757</u>

	Fiscal Year	
	2015	2016
Governmental activities:		
Net investment in capital assets	\$ 508,799,879	\$ 511,882,883
Restricted	18,417,871	20,756,032
Unrestricted	209,401,151	210,555,892
Total governmental activities net position	<u>\$ 736,618,901</u>	<u>\$ 743,194,807</u>

Source: 2016 Comprehensive Annual Financial Report
Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 47,303,017	\$ 52,210,456	\$ 46,118,595	\$ 45,878,570
Judicial	6,856,662	9,639,408	7,879,366	7,880,242
Public safety	45,659,580	48,129,310	49,987,445	52,744,534
Highways and streets	63,476,819	59,164,628	68,887,631	59,508,847
Health and human services	15,085,403	16,543,713	21,349,438	23,566,852
Culture and recreation	4,702,304	887,168	5,713,164	5,739,426
Conservation of natural resources	3,371,732	8,508,593	2,698,545	2,268,533
Economic development and assistance	363,372	838,351	761,905	458,225
Developmental disabilities	3,859,325	4,319,055	4,614,530	4,898,829
Community services	394,718	361,048	377,266	342,410
Sanitation	64,733	56,294	84,437	71,506
Interest and fiscal charges	3,024,065	2,733,180	1,725,377	2,661,092
Total governmental activities expenses	194,161,730	203,391,204	210,197,699	206,019,066
Program Revenues				
Governmental activities:				
Charges for services:				
General government	21,530,543	19,354,758	17,384,633	18,741,521
Judicial	232,304	206,272	182,648	180,270
Public safety	4,210,888	4,356,427	4,892,748	5,483,216
Highways and streets	885,243	556,293	353,159	405,016
Culture and recreation	741,998	734,867	670,520	690,508
Community Services	—	—	—	—
Sanitation	42,874	53,319	30,955	48,783
Operating grants and contributions	29,898,836	30,323,471	32,420,729	38,925,620
Capital grants and contributions	781,140	3,972,839	—	50,554
Total governmental program revenues	58,323,826	59,558,246	55,935,394	64,525,488
Total government net expense	<u><u>\$(135,837,904)</u></u>	<u><u>\$(143,832,958)</u></u>	<u><u>\$(154,262,305)</u></u>	<u><u>\$(141,493,578)</u></u>
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	91,171,952	101,853,980	104,230,220	108,850,989
Sales and use taxes	44,364,885	40,972,295	37,195,965	39,310,208
Other taxes	9,359,054	8,969,147	8,177,848	7,812,127
Interest Earnings	11,314,411	8,393,279	3,044,782	2,851,302
Gain (loss) on disposal of capital assets	—	—	—	—
Miscellaneous	7,953,476	8,205,792	2,158,317	2,945,393
Total governmental activities	164,163,778	168,394,493	154,807,132	161,770,019
Change in Net Position				
Total government	<u><u>\$ 28,325,874</u></u>	<u><u>\$ 24,561,535</u></u>	<u><u>\$ 544,827</u></u>	<u><u>\$ 20,276,441</u></u>

Source: 2016 Comprehensive Annual Financial Report

Unaudited-See accompanying independent auditors' report.

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 43,747,376	\$ 47,738,189	\$ 59,418,386	\$ 66,926,149	\$ 67,796,188	\$ 77,136,803
7,405,523	7,541,042	7,549,724	7,589,062	8,247,418	8,769,470
52,088,421	53,641,047	54,646,468	58,746,142	60,202,395	64,892,327
72,264,571	66,599,902	79,943,943	84,017,724	85,502,071	91,037,247
24,548,313	25,685,087	25,676,465	26,274,181	27,344,890	29,206,244
7,996,721	9,002,064	9,024,710	9,167,367	9,407,657	9,787,378
528,118	407,328	428,644	419,863	639,761	1,578,402
481,648	403,815	432,237	601,464	645,059	1,383,934
4,942,046	4,654,172	4,515,393	4,680,494	4,788,319	5,377,533
333,642	330,163	303,400	275,316	312,804	256,568
76,632	77,878	76,452	83,444	87,926	89,147
1,804,643	2,424,762	1,005,577	894,924	803,352	702,056
216,217,654	218,505,449	243,021,399	259,676,130	265,777,840	290,217,109
18,985,101	22,729,317	33,505,975	35,300,451	38,624,196	41,123,674
187,568	516,392	502,965	551,786	553,497	579,866
5,670,200	4,798,488	4,395,823	4,291,268	5,314,584	5,665,369
367,468	494,708	865,993	1,052,134	859,413	1,359,486
734,470	940,217	950,489	1,063,708	1,112,832	1,122,542
—	—	—	—	1,240	—
36,696	41,965	38,234	47,928	72,953	87,876
36,096,740	36,504,314	35,628,804	35,220,636	39,348,850	39,545,651
487,131	140,123	—	—	—	—
62,565,374	66,165,524	75,888,283	77,527,911	85,887,565	89,484,464
\$(153,652,280)	\$(152,339,925)	\$(167,133,116)	\$(182,148,219)	\$(179,890,275)	\$(200,732,645)
109,188,097	99,238,977	100,984,182	104,190,283	105,616,827	123,280,973
42,263,754	47,557,212	51,385,159	54,909,390	58,868,532	60,563,754
7,556,422	7,956,270	8,741,579	9,590,787	10,338,884	11,629,677
2,548,574	2,865,448	2,510,957	2,915,400	2,833,379	2,790,962
—	—	—	—	—	—
2,487,662	3,422,423	3,583,241	4,194,417	3,125,797	9,043,185
164,044,509	161,040,330	167,205,118	175,800,277	180,783,419	207,308,551
\$ 10,392,229	\$ 8,700,405	\$ 72,002	(6,347,942)	\$ 893,144	\$ 6,575,906

DOUGLAS COUNTY, COLORADO
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenues	Fiscal Year				
	2007	2008	2009	2010	2011
Taxes	\$ 144,895,891	\$ 151,795,422	\$ 149,604,033	\$ 155,973,324	\$ 159,008,273
Licenses and permits	6,676,851	5,434,793	4,034,126	5,003,425	5,252,625
Intergovernmental	30,679,976	34,295,810	32,420,729	38,976,175	36,583,871
Charges for services	17,168,123	16,565,894	15,555,788	16,490,861	17,349,283
Fines and forfeits	1,343,432	1,171,363	1,607,138	1,790,399	1,504,237
Interest on investments	11,314,411	8,393,279	3,044,782	2,851,302	2,548,574
Donations, rent, reimburse, other	7,798,069	8,073,641	2,035,842	2,255,243	2,511,859
Total revenues	219,876,753	225,730,202	208,302,439	223,340,729	224,758,722
Expenditures					
General government	39,483,525	42,161,686	41,974,199	39,612,553	39,566,936
Judicial	6,852,827	7,425,445	7,903,482	7,840,089	7,400,948
Public safety	40,841,860	44,343,334	46,299,502	47,168,108	47,358,069
Highways and streets	35,156,378	35,518,417	43,928,522	37,718,458	45,947,576
Sanitation	64,733	56,294	79,812	56,674	68,849
Health and human services	13,860,075	16,306,864	21,151,179	23,374,561	24,350,234
Culture and recreation	3,629,762	3,772,084	3,707,293	3,761,543	5,986,411
Conservation of natural resources	3,043,322	2,097,654	2,040,711	2,142,184	415,033
Economic development and assistance	363,372	838,351	761,905	458,225	481,648
Developmental disabilities	3,859,325	4,319,055	4,614,530	4,898,829	4,942,046
Community services	394,718	361,048	377,266	316,842	320,269
Debt service					
Principal	7,800,000	8,061,000	7,277,000	13,288,000	3,850,000
Debt issuance costs	-	-	259,451	164,619	-
Interest and fiscal charges	3,089,572	2,798,821	2,238,825	2,416,666	1,752,304
Capital outlay	45,908,351	46,968,718	25,021,004	35,397,454	16,316,890
Total expenditures	204,347,820	215,028,771	207,634,681	218,614,805	198,757,213
Excess of revenues over (under) expenditures	15,528,933	10,701,431	667,758	4,725,924	26,001,509
Other financing sources (uses)					
Transfers in	30,608,326	35,120,054	29,658,492	30,252,510	19,224,398
Transfers out	(30,608,326)	(35,120,054)	(29,658,492)	(30,252,510)	(19,224,398)
Proceeds from debt issuance	-	-	-	13,770,000	-
Refunding bonds issued	-	-	18,010,000	-	-
Premium on bonds	-	-	532,243	486,090	-
Sale of capital assets	475,923	387,510	234,108	73,399	145,962
Payment to escrow agent	-	-	(18,398,362)	-	-
Total other financing sources (uses)	475,923	387,510	377,989	14,329,489	145,962
Net change in fund balances	\$ 16,004,856	\$ 11,088,941	\$ 1,045,746	\$ 19,055,413	\$ 26,147,471
Debt service as a percentage of operating expenditures	6.9%	6.5%	5.4%	8.7%	3.1%

Source: 2016 Comprehensive Annual Financial Report
Unaudited - See accompanying independent auditors' report.

Fiscal Year				
2012	2013	2014	2015	2016
\$ 154,752,459	\$ 161,110,920	\$ 168,690,460	\$ 174,824,243	\$ 195,391,013
7,645,470	6,590,133	7,785,314	8,886,316	9,435,287
36,644,437	35,628,804	35,220,636	39,348,850	39,434,801
17,459,568	17,952,604	17,917,362	20,105,897	21,435,800
1,862,296	1,256,052	1,122,490	1,205,337	1,271,134
2,864,649	2,510,957	2,915,400	2,833,379	2,790,962
2,935,113	3,483,575	4,210,629	3,168,704	7,045,496
224,163,992	228,533,045	237,862,291	250,372,726	276,804,493
42,052,192	43,827,881	49,561,245	50,533,374	55,182,608
7,540,303	7,549,724	7,589,062	8,247,418	8,769,470
49,301,586	50,538,509	53,724,887	55,493,091	59,857,520
43,560,700	58,796,714	62,063,479	64,089,759	70,831,516
69,989	67,268	77,667	84,853	86,074
25,490,751	25,214,277	26,088,002	27,145,005	28,939,814
7,114,076	6,938,468	7,047,465	7,469,219	7,851,587
290,681	306,514	302,504	482,511	405,877
403,815	432,237	601,464	645,059	1,383,934
4,654,172	4,515,393	4,680,494	4,788,319	5,377,533
327,079	303,400	275,316	312,804	256,568
22,380,000	3,510,000	3,660,000	3,745,000	3,845,000
46,500	-	-	-	-
1,808,035	981,925	916,485	826,906	727,611
15,955,990	27,548,905	30,050,783	26,271,416	31,851,666
220,995,869	230,531,215	246,638,853	250,134,734	275,366,778
3,168,123	(1,998,170)	(8,776,562)	237,992	1,437,715
30,534,846	31,252,186	26,773,406	37,372,670	37,559,586
(30,534,846)	(31,752,186)	(26,702,706)	(37,372,670)	(37,809,586)
12,140,000	-	-	-	1,470,300.00
-	-	-	-	-
-	-	-	-	-
248,819	687,777	341,180	1,225,461	348,553
-	-	-	-	-
12,388,819	187,777	411,880	1,225,461	1,568,853
\$ 15,556,942	\$ (1,810,393)	\$ (8,364,682)	\$ 1,463,453	\$ 3,006,568
11.8%	2.2%	2.1%	2.0%	1.9%

DOUGLAS COUNTY, COLORADO
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Nonspendable	\$ 966,297	\$ 351,364	\$ 397,679	\$ 330,342	\$ 490,221
Restricted	6,108,433	6,904,088	6,323,085	8,456,740	8,060,499
Committed	6,701,175	18,245,861	8,129,497	7,468,032	7,744,783
Assigned	17,456,550	6,347,521	6,152,681	16,173,301	22,911,233
Unassigned	11,993,247	10,314,233	15,290,968	19,189,631	25,452,851
Total General Fund	<u>43,225,702</u>	<u>42,163,067</u>	<u>36,293,910</u>	<u>51,618,046</u>	<u>64,659,587</u>
All Other Governmental Funds					
Nonspendable	12,543,146	4,495,153	3,217,682	3,919,194	3,673,177
Restricted	7,293,927	3,342,274	3,306,823	3,298,842	3,632,058
Committed	11,306,819	1,785,643	1,155,557	10,417,570	27,035,340
Assigned	89,489,267	123,161,665	132,019,576	125,795,309	122,196,270
Total All Other Governmental Funds	<u>\$ 120,633,159</u>	<u>\$ 132,784,735</u>	<u>\$ 139,699,638</u>	<u>\$ 143,430,915</u>	<u>\$ 156,536,845</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 429,310	\$ 270,937	\$ 337,071	\$ 462,173	\$ 1,524,646
Restricted	5,926,162	6,163,459	6,407,856	6,812,500	7,679,913
Committed	8,215,308	3,608,354	4,580,709	5,266,097	5,230,796
Assigned	46,299,845	44,123,011	46,626,726	41,444,476	38,631,228
Unassigned	3,139,077	5,708,475	1,021,015	3,305,238	8,688,952
Total General Fund	<u>64,009,702</u>	<u>59,874,236</u>	<u>58,973,377</u>	<u>57,290,484</u>	<u>61,755,535</u>
All Other Governmental Funds					
Nonspendable	3,667,655	3,520,813	2,993,144	2,369,985	2,447,338
Restricted	4,743,988	7,317,229	7,891,561	8,773,213	8,816,755
Committed	47,403,839	67,771,565	53,811,453	55,237,193	51,155,469
Assigned	116,928,190	96,459,138	102,908,764	104,370,877	106,873,223
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 172,743,672</u>	<u>\$ 175,068,745</u>	<u>\$ 167,604,922</u>	<u>\$ 170,751,268</u>	<u>\$ 169,292,785</u>

Source: 2016 Comprehensive Annual Financial Report
Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Tax Revenues by Source, Governmental Funds,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales and Use Tax</u>	<u>Specific Auto Ownership Tax</u>	<u>Other</u>	<u>Total</u>
2007	91,171,952	44,364,885	9,148,548	210,506	144,895,891
2008	101,853,980	40,972,295	8,723,563	245,584	151,795,422
2009	104,230,220	37,195,965	7,873,810	304,038	149,604,033
2010	108,850,989	39,310,208	7,498,282	313,845	155,973,324
2011	109,188,097	42,263,754	7,315,809	240,613	159,008,273
2012	99,238,977	47,557,212	7,780,022	176,248	154,752,459
2013	100,984,182	51,385,159	8,590,265	151,314	161,110,920
2014	104,190,283	54,909,390	9,470,132	120,655	168,690,460
2015	105,616,827	58,868,532	10,221,619	117,265	174,824,243
2016	123,280,973	60,563,754	11,440,794	188,883	195,474,404
Change					
2007-2016	35.2%	36.5%	25.1%	-10.3%	34.9%

Source: 2016 Comprehensive Annual Financial Report
Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>	<u>State Assessed</u>	<u>Exempt Assessed Value</u>	<u>Total Taxable and Exempt Assessed Value</u>	<u>Total Direct Tax Rate</u>
2007	1,354,246,330	2,825,271,230	234,958,400	137,184,200	1,024,317,410	5,575,977,570	19.774
2008	1,392,999,550	2,901,332,970	239,883,460	143,966,400	1,068,074,820	5,746,257,200	19.774
2009	1,449,567,750	3,013,152,050	262,700,980	154,083,000	949,241,560	5,828,745,340	19.774
2010	1,441,563,060	3,057,704,800	254,966,460	158,980,100	972,552,280	5,885,766,700	19.774
2011	1,234,291,910	2,841,883,230	243,890,420	184,908,609	990,113,680	5,495,087,849	19.774
2012	1,232,820,250	2,842,356,400	255,525,420	207,648,500	1,015,635,320	5,553,985,890	19.774
2013	1,159,185,250	3,030,460,130	264,488,650	235,325,500	1,009,012,580	5,698,472,110	19.774
2014	1,170,928,620	3,098,539,650	283,199,400	227,523,800	1,062,090,290	5,842,281,760	19.774
2015	1,630,085,450	3,411,688,320	311,633,840	237,761,700	1,096,313,770	6,687,483,080	19.774
2016	1,273,705,350	3,859,140,640	316,412,340	246,628,700	1,121,430,020	6,817,317,050	19.774

<u>Fiscal Year</u>	<u>Total Estimated Actual Value</u>	<u>Total Assessed Value as a % of Total Estimated Actual Value</u>
2007	43,415,468,283	12.8%
2008	44,546,851,776	12.9%
2009	45,681,439,229	12.8%
2010	46,162,168,901	12.8%
2011	42,717,528,453	12.9%
2012	43,172,677,826	12.9%
2013	44,287,415,558	12.9%
2014	45,423,465,845	12.9%
2015	53,605,255,888	12.5%
2016	54,916,459,151	12.4%

Source: Douglas County Assessor Short Abstract Summary
Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years

Fiscal Year	County Direct Rates			
	General Fund	Special Revenue Funds	Capital Projects Funds	Total Direct
2008	13.465	5.809	0.500	19.774
2009	13.965	5.809	0.000	19.774
2010	13.965	5.809	0.000	19.774
2011	13.965	5.809	0.000	19.774
2012	13.965	5.809	0.000	19.774
2013	13.965	5.809	0.000	19.774
2014	13.965	5.809	0.000	19.774
2015	13.965	5.809	0.000	19.774
2016	13.788	5.809	0.177	19.774
2017	13.788	5.809	0.177	19.774

Fiscal Year	Overlapping Rates						
	School ^[1] District	Cities & ^[1] Towns	Douglas County ^[1] Law Enforce- ment Authority	Fire ^[1] Protection	Water ^[1] and Sanitation	Metropolitan [1]	Other [1]
2008	46.500	0.570	3.009	7.096	1.566	17.562	5.419
2009	47.103	0.732	2.746	7.170	1.409	18.442	5.378
2010	46.681	0.727	2.753	7.249	1.568	18.581	5.372
2011	46.890	0.729	2.751	7.327	2.755	18.819	5.404
2012	44.708	0.656	2.531	6.789	2.069	16.878	5.037
2013	45.063	0.660	2.548	6.842	2.063	17.349	5.109
2014	46.051	0.677	2.604	6.677	2.111	18.188	5.271
2015	46.945	0.682	2.640	6.788	2.136	19.213	5.537
2016	57.732	0.933	3.680	7.807	2.683	23.813	9.009
2017	47.580	0.808	3.094	6.913	2.313	21.222	7.917

Source: Douglas County Assessor-Certification of Mill Levies, adjusted for assessed valuation on Treasurer's Tax Dollar Warrant summary.

All tax rates are per \$1,000 assessed valuation.

^[1] Mill Levies provide for cities / towns and special districts are weighted-average rates based on the total general general property tax revenue levied.

Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Principal Property Tax Payers,
Current Year and Ten Years Ago

<u>Taxpayer</u>	2016		% of Total		<u>Taxpayer</u>	2007		% of Total	
	Assessed Value	Rank	Value	Cty Assessed		Assessed Value	Rank	Value	Cty Assessed
Park Meadows Mall LLC	74,436,090	1	1.31%		Rouse Park Meadows LLC (was Trizec Hahn)	\$ 60,665,660	1	1.35%	
HCA HealthOne LLC	71,480,860	2	1.25%		HCA HealthOne LLC	44,179,690	2	0.98%	
Intermountain Rural Elec Assn	65,197,290	3	1.14%		Qwest Corporation (was US West Comm)	38,731,400	3	0.86%	
Public Service Co. of Colo (Xcel)	54,788,900	4	0.96%		Intermountain Rural Elec Assn	31,604,700	4	0.70%	
Century Link (was Qwest Corporation)	38,807,200	5	0.68%		Public Service Co. of Colo (Xcel)	24,945,100	5	0.55%	
Kaiser Foundation Hospitals	33,711,200	6	0.59%		VISA USA Inc.	20,501,460	6	0.45%	
CS Lone Tree	24,225,400	7	0.43%		Craig Realty Group Castle Rock LLC	18,974,700	7	0.42%	
Century Link Communications	20,643,100	8	0.36%		Plaza Drive Properties LLC	18,930,200	8	0.42%	
Plaza Drive Properties LLC	19,856,400	9	0.35%		Wells Reit II South Jamaica Street	13,841,400	9	0.31%	
Craig Realty Group Castle Rock	18,493,790	10	0.32%		Target Corporation	12,607,750	10	0.28%	
Total Principal Taxpayers	\$ 421,640,230		7.40%		Total Principal Taxpayers	\$ 284,982,060		6.32%	
Total Taxable Assessed Value	5,695,887,030				Total Taxable Assessed Value	\$ 4,551,660,160			

Source: Douglas County Treasurer
Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Property Tax Levies and Collections,
Last Ten Fiscal Years

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		Amount	Percentage of Levy
2007	92,142,290	92,042,998	99.89%	99,292	92,142,290	100.00%
2008	102,912,727	102,770,631	99.86%	142,095	102,912,727	100.00%
2009	104,999,355	104,533,458	99.56%	465,588	104,999,046	100.00%
2010	109,529,999	109,405,719	99.89%	109,636	109,515,355	99.99%
2011	110,083,651	109,950,535	99.88%	132,393	110,082,929	100.00%
2012	100,734,763	100,498,628	99.77%	121,569	100,620,197	99.89%
2013	101,728,240	101,468,354	99.74%	145,122	101,613,476	99.89%
2014	104,591,374	104,523,365	99.93%	67,401	104,590,766	100.00%
2015	106,022,821	105,962,960	99.94%	50,591	106,013,551	99.99%
2016	124,328,354	123,706,466	99.50%	-	123,706,466	99.50%

Source: Douglas County Treasurer

Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

General Bonded Debt			Other Governmental Activities Debt							
General Obligation Bonds	Percentage of Assessed Property Value		Justice Center Sales and Use Tax Rev. Bonds Ser. 1996	Open Space Sales & Use Tax Rev. Bonds Ser. 1998	Open Space Sales & Use Tax Rev. Bonds Ser. 1999	Open Space Sales & Use Tax Rev. Bonds Ser. 2000	Parks Sales & Use Tax Rev. Bonds Ser. 2002	Open Space Sales & Use Tax Rev. Bonds Ser. 2002	Road Imp. Sales & Use Tax Rev Bonds Ser. 2004	Parks Sales & Use Tax Rev. Bonds Ser. 2004
2007	-	0.00%	-	440,000	4,100,000	13,830,000	4,180,000	15,120,000	5,082,380	4,515,000
2008	-	0.00%	-	-	4,100,000	13,255,000	3,970,000	14,545,000	2,571,190	4,285,000
2009	-	0.00%	-	-	-	-	3,751,831	13,993,502	-	4,050,000
2010	-	0.00%	-	-	-	-	3,526,690	13,387,079	-	3,805,000
2011	-	0.00%	-	-	-	-	3,291,549	12,760,656	-	3,555,000
2012	-	0.00%	-	-	-	-	-	-	-	-
2013	-	0.00%	-	-	-	-	-	-	-	-
2014	-	0.00%	-	-	-	-	-	-	-	-
2015	-	0.00%	-	-	-	-	-	-	-	-
2016	-	0.00%	-	-	-	-	-	-	-	-

Other Governmental Activities Debt										
Open Space Sale & Use Tax Refunding Bond 2009	Justice Center Refunding Bonds Ser. 2005	Road Imp Sales & Use Tax Rev Bonds Ser. 2010	Open Space Refunding Bonds 2012	Certificates of Participation	Capital Leases	Total Primary Government (1)	Percentage of Personal Income	Percentage of Assessed Property Value	Total Outstanding Debt Per Capita	
2007	-	7,674,287	-	-	9,392,075	-	64,333,742	0.44%	1.41%	224.46
2008	-	5,214,524	-	-	8,157,190	-	56,097,904	0.33%	1.20%	195.72
2009	18,542,243	2,654,761	-	-	6,858,160	-	49,850,497	0.29%	1.02%	169.84
2010	17,079,019	-	12,851,090	-	-	-	50,648,878	0.29%	1.03%	175.60
2011	15,575,795	-	11,507,080	-	-	-	46,690,080	0.22%	1.04%	160.40
2012	14,032,571	-	10,153,070	12,140,000	-	-	36,325,641	0.17%	0.80%	122.85
2013	12,464,989	-	8,784,060	11,475,000	-	-	32,724,049	0.14%	0.70%	108.19
2014	10,831,765	-	7,395,050	10,730,000	-	-	28,956,815	0.12%	0.61%	94.02
2015	9,153,541	-	5,986,040	9,965,000	-	-	25,104,581	0.12%	0.45%	76.53
2016	7,425,317	-	4,547,030	9,180,000	-	1,470,300	22,622,647	0.10%	0.40%	67.33

Source: Douglas County Finance
Unaudited-See accompanying independent auditors' report.
(1) - Presented net of original issue premium/(discount)

DOUGLAS COUNTY, COLORADO
Legal Debt Margin Information,
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 83,639,664	\$ 86,193,858	\$ 87,431,180	\$ 88,286,501	\$ 82,426,318
Total net general obligation debt	—	—	—	—	—
Legal debt margin	<u>\$ 83,639,664</u>	<u>\$ 86,193,858</u>	<u>\$ 87,431,180</u>	<u>\$ 88,286,501</u>	<u>\$ 82,426,318</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 83,428,649	\$ 85,477,082	\$ 87,634,226	\$ 100,312,246	\$ 102,259,756
Total net general obligation debt	—	—	—	—	—
Legal debt margin	<u>\$ 83,428,649</u>	<u>\$ 85,477,082</u>	<u>\$ 87,634,226</u>	<u>\$ 100,312,246</u>	<u>\$ 102,259,756</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation

Assessed Value	5,695,887,030
Exempt Property Assessed Value	1,121,430,020
Total Assessed Value	<u>\$ 6,817,317,050</u>
Debt Limit	
1-1/2% of Total Assessed Value	102,259,756
Computation of Legal Debt Margin	
Less: Amount of Current Debt	
Applicable to Debt Limit	—
General Obligation Bonded Debt	—
Legal Debt Margin	<u><u>\$ 102,259,756</u></u>

Source: Douglas County Finance

Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Revenue Bond Coverage,
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>SALES & USE TAX</u>		<u>INTEREST ON RESERVES</u>	<u>TOTAL REVENUE</u>	<u>DEBT SERVICE REQUIREMENTS</u>			<u>COVERAGE</u>
					<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	
2007	19,076,900	^[1]	641,128	19,718,028	2,310,000	^[8] 380,050	^[8] 2,690,050	7.33
	7,542,112	^[3]	913,104	8,455,216	1,955,000	^[4] 2,029,615	^[4] 3,984,615	2.12
	17,745,954	^[5]	2,227,015	19,972,969	2,360,000	^[6] 240,800	^[6] 2,600,800	7.68
2008	17,618,087	^[1]	681,553	18,299,640	2,395,000	^[8] 299,200	^[8] 2,694,200	6.79
	6,965,290	^[3]	716,124	7,681,414	2,030,000	^[4] 1,956,730	^[4] 3,986,730	1.93
	16,388,918	^[5]	1,417,163	17,806,081	2,410,000	^[6] 146,400	^[6] 2,556,400	6.97
2009	15,994,265	^[1]	447,262	16,441,527	2,495,000	^[8] 203,400	^[8] 2,698,400	6.09
	5,488,831	^[3]	255,268	5,744,099	1,025,000	^[9] 1,878,695	^[9] 2,903,695	1.98
	10,164,857	^[5]	422,721	10,587,578	2,470,000	^[6] 74,100	^[6] 2,544,100	4.16
2010	16,903,390	^[1]	256,337	17,159,727	2,590,000	^[8] 103,600	^[8] 2,693,600	6.37
	5,800,386	^[3]	133,116	5,933,502	2,485,000	^{[9][7]} 1,466,632	^{[9][7]} 3,951,632	1.50
	10,970,114	^[5]	367,775	11,337,889	1,405,000	^[10] 185,469	^[10] 1,590,469	7.13
2011	18,172,251	^[1]	256,652	18,428,903	—	—	—	N/A
	6,222,779	^{[3][11]}	134,035	6,356,814	2,560,000	^{[7][9]} 1,389,207	^{[7][9]} 3,949,207	1.61
	11,210,652	^{[5][11]}	301,369	11,512,021	1,290,000	^[10] 357,663	^[10] 1,647,663	6.99
2012	20,449,601	^[1]	308,825	20,758,426	—	—	—	N/A
	6,992,946	^{[3][11]}	131,886	7,124,832	2,640,000	^{[7][9]} 1,315,007	^{[7][9]} 3,955,007	1.80
	12,314,189	^{[5][11]}	288,313	12,602,502	1,300,000	^[10] 318,962	^[10] 1,618,962	7.78
2013	22,092,913	^[1]	322,056	22,414,969	—	—	—	N/A
	7,544,992	^{[3][11]}	126,359	7,671,351	2,195,000	^[7] 688,413	^[7] 2,883,413	2.66
	13,148,416	^{[5][11]}	349,017	13,497,433	1,315,000	^[10] 292,963	^[10] 1,607,963	8.39
2014	23,595,351	^[1]	262,395	23,857,746	—	—	—	N/A
	8,043,522	^{[3][11][12]}	151,072	8,194,594	2,325,000	^[7] 649,272	^[7] 2,974,272	2.76
	14,427,936	^{[5][11]}	383,969	14,811,905	1,335,000	^[10] 266,662	^[10] 1,601,662	9.25
2015	25,312,549	^[1]	273,468	25,586,017	—	—	—	N/A
	8,608,371	^{[3][11]}	187,060	8,795,431	2,390,000	^[7] 589,730	^[7] 2,979,730	2.95
	15,357,056	^{[5][11]}	429,190	15,786,246	1,355,000	^[10] 236,625	^[10] 1,591,625	9.92
2016	26,038,869	^[1]	394,557	26,433,426	—	—	—	N/A
	8,827,629	^{[3][11]}	199,477	9,027,106	2,460,000	^[7] 524,456	^[7] 2,984,456	3.02
	15,686,093	^{[5][11]}	416,188	16,102,281	1,385,000	^[10] 202,750	^[10] 1,587,750	10.14

^[1] Justice Center sales and use tax imposed by the voters in the amount of 0.43% effective January 1, 1996. The pledged revenue is deposited in the Justice Center Construction Sales and Use Tax Fund.

^[2] Sales and Use Tax Revenue Bonds, Series 1996. There was no debt service requirement in 1996.

^[3] Open Space lands portion of 0.17% open space, parks and trails sales and use tax imposed by the voters effective January 1, 1995. The pledged revenue is deposited in the Open Space, Trails and Parks Sales and Use Tax Fund.

^[4] Parks and Open Space Sales and Use Tax Revenue Bonds Series 1998

^[5] Road Sales and Use Tax imposed by the voters in the amount of 0.40% on January 1, 1996. The pledged revenue is deposited in the Road Sales and Use Tax Fund.

^[6] Roads Sales and Use Tax Revenue Bonds, Series 2004.

^[7] Open Space Sales and Use Tax Revenue Refunding Bonds, Series 2009. Series 2012

^[8] Justice Center Sales and Use Tax Revenue Refunding Bonds, Series 2005.

^[9] Parks and Open Space Sales and Use Tax Revenue Bonds, Series 1999, Series 2000 Series 2002 and Series 2004.

^[10] Road Improvement Sales and Use Tax Revenue Bonds, Series 2010

^[11] In 2011, started backing out sharebacks to other governments to calculate coverage more accurately.

^[12] Incorrect amount reflected in 2014. Balance adjusted in 2015.

Source: Douglas County Finance

Unaudited - See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Special Assessment Debt without Government Commitment
Local Improvement Districts,
For Fiscal Year 2016

<u>LID Number , Name , Series</u>	<u>Original issue</u>	<u>Principal outstanding as of December 31, 2016</u>	<u>Principal redeemed in 2016</u>	<u>Total debt service in 2016</u>	<u>Year of Final Maturity</u>
06-01, Sageport / Inca-Delaware 2006	1,636,000	126,886	50,000	55,307	2017
Total	\$ <u>1,636,000</u>	<u>126,886</u>	<u>50,000</u>	<u>55,307</u>	

Source: Douglas County Treasurer
Unaudited - See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Demographic and Economic Statistics,
Last Ten Fiscal Years

<u>Year</u>	<u>Estimated Population [1]</u>	<u>Personal Income Per Capita [2]</u>	<u>Total Personal Income (In Thousands) [2]</u>	<u>Median Age [4]</u>	<u>Average Household Size [4]</u>	<u>Public School Enroll- ment[3]</u>	<u>School Enrollment % of Population</u>	<u>Unemploy- ment Rate % [5]</u>
2007	281,418	54,261	14,706,467	33.5	2.85	51,689	18.4%	3.2%
2008	286,780	60,361	16,969,723	35.7	2.88	58,723	20.5%	5.1%
2009	290,059	59,358	17,108,472	34.3	2.90	56,031	19.3%	6.6%
2010	288,430	60,723	17,514,402	36.6	2.86	59,932	20.8%	6.7%
2011	291,083	71,463	20,801,664	36.6	2.79	61,465	21.1%	6.1%
2012	295,689	73,516	21,737,873	37.4	2.95	63,114	21.3%	5.9%
2013	302,464	61,369	18,561,913	37.5	2.80	64,600	21.4%	5.6%
2014	308,000	64,613	19,900,804	36.9	2.82	67,000	21.8%	4.5%
2015	328,990	65,999	21,713,011	37.2	2.84	66,702	20.3%	2.6%
2016	336,000	67,385	22,641,353	37.6	2.76	66,896	19.9%	2.8%

[1] Douglas County Department of Community Development, 2016-Sheriff 2016 Annual Report

[2] Bureau of Economic Analysis, Washington D.C.

[3] Douglas County School District

[4] US Census Bureau

[5] Douglas County Budget Book

Figures included in this schedule represents the most recent data available.

Data is estimated and is subject to change based on updated information.

**2015 Per Capita Income was adjusted (in 2016) for actuals from Bureau of Economic Analysis.

**2016 Personal Income Per Capita and Total Personal income estimated using the 2.1% change for personal income from '14 to '15 that the Bureau of Economic Analysis office has estimated for the State of Colorado.

Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Principal Employers,
Current Year and Ten Years Ago

2016				2007			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
Douglas County School District	6,165	1	3.56%	Douglas County School District	6,557	1	4.23%
Charles Schwab	3,200	2	1.85%	Echostar Communications	1,900	2	1.22%
Echostar Communications	2,320	3	1.34%	CH2M Hill	1,720	3	1.11%
CH2M Hill	1,610	4	0.93%	Western Union	1,080	6	0.70%
Western Union	1,600	5	0.92%	Healthone: Sky Ridge Medical	930	8	0.60%
Centura Health	1,560	6	0.90%	Douglas County Government	1,042	7	0.67%
Healthone: Sky Ridge Medical	1,400	7	0.81%				
Douglas County Government	1,186	8	0.68%				
The Trizetto Group	1,000	9	0.58%				
Information Handling Services	950	10	0.55%				
				Avaya	1,500	4	0.97%
				Nextel	930	9	0.60%
				Time Warner Telecom	1,100	5	0.71%
				Liberty Media	800	10	0.52%
Total for Principal Employers	<u>20,991</u>		<u>12.1%</u>	Total for Principal Employers	<u>17,559</u>		<u>11.32%</u>
Total Employment in Douglas County	173,141			Total Employment in Douglas County	155,171		

Source: WWW.METRODENVER.ORG; Douglas County School District; 2016 CAFR Management Discussion and Analysis
www.colmigateway.com

Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Budgeted Full-time Equivalent County Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Board of County Commissioners	31.50	30.75	29.80	26.80	26.80	27.30	30.00	30.00	29.75	33.50
Clerk and Recorder	61.40	64.40	63.50	57.10	57.10	58.85	58.85	67.50	71.50	80.50
Treasurer	13.00	13.00	13.00	13.00	12.00	11.00	11.00	11.00	11.75	10.00
Assessor	50.00	48.75	44.75	42.75	42.75	43.00	43.00	43.00	46.00	46.00
Finance	19.00	19.00	18.00	18.00	18.00	17.50	17.50	17.50	17.50	17.50
Human Resources	9.00	9.00	9.00	6.00	6.00	7.00	7.00	7.25	7.50	10.00
Information Technology	64.00	61.00	56.50	55.50	55.50	55.50	57.50	57.50	62.50	63.50
Facilities Maintenance	60.50	58.50	56.00	52.00	53.00	73.25	73.25	74.25	79.25	82.50
Judicial										
Community Justice Services	10.50	13.50	14.50	14.50	14.50	15.00	15.00	16.00	17.00	18.00
Public Safety										
Sheriff	426.00	436.00	440.00	438.00	438.00	453.50	463.00	463.00	469.75	490.50
Coroner	10.00	10.00	10.00	11.00	11.00	8.00	8.00	8.00	8.00	8.00
Community Planning & Sustainable Development										
Planning Administration	5.00	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Planning & Zoning Services	32.75	29.25	30.50	28.21	28.21	27.21	27.21	27.21	28.21	30.21
Community Services-Grants	5.75	7.50	-	-	-	-	-	1.75	1.00	1.00
Building Development Services	41.00	38.50	32.75	30.75	30.75	29.75	29.75	34.25	32.25	32.75
Engineering	53.00	53.00	51.00	52.00	52.00	52.00	52.00	53.00	54.75	55.75
Traffic Services	15.00	18.00	18.00	17.00	17.00	16.00	16.00	19.00	18.00	18.00
Parks Administration and Maintenance	18.50	18.00	18.00	17.00	17.00	17.00	17.00	18.00	18.00	18.00
Park Rangers	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
Economic Development and Assistance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00
Community Development Block Grant	1.00	1.00	1.25	1.79	1.79	1.79	1.79	1.79	1.79	1.79
Public Works										
Weed Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	5.00
Public Works Administration	3.00	3.00	2.00	-	-	-	-	-	-	-
Maintenance of Condition	73.00	73.00	69.00	65.00	65.00	64.00	64.00	69.00	67.00	64.00
Roads and Bridge Administration	6.00	6.00	3.00	2.50	2.50	4.50	4.50	4.50	5.75	6.00
Fleet Management	19.00	19.00	18.00	18.00	18.00	-	-	-	-	-
Sanitation Operating	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Health and Human Services										
Administration Block Grant	19.15	19.60	20.60	21.60	21.60	22.50	22.50	27.25	28.65	25.65
Non-Block Grant Assistance	1.00	-	-	-	-	-	-	-	-	-
Other Health Services	16.50	25.50	25.50	28.50	28.50	33.00	33.00	36.00	42.75	47.75
Senior Services	0.60	1.40	1.40	1.40	1.40	-	-	-	1.60	1.60
Open Space and Natural Resources										
Natural Resources	0.30	0.30	2.30	2.20	2.20	2.20	2.20	2.20	2.20	1.70
Administration	3.20	3.20	4.20	3.30	3.30	2.80	2.80	2.80	2.80	2.80
Land Maintenance	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
Major Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.50
Patrol	1.50	1.50	1.50	1.50	1.50	3.00	3.00	3.00	3.00	3.00
Total County Employees	1,078.35	1,094.85	1,065.25	1,036.60	1,036.60	1,053.85	1,068.05	1,102.95	1,140.45	1,180.70
Public Trustee	7.00	7.00	8.00	8.00	8.00	7.00	7.00	7.00	5.00	5.00
TOTAL	1,085.35	1,101.85	1,073.25	1,044.60	1,044.60	1,060.85	1,075.05	1,109.95	1,145.45	1,185.70

Source: Douglas County Budget Division
Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Board of County Commissioners										
Number of Public meetings held	85	88	84	79	52 (1)	63	63	52	52	51
Number of Town(Community) meetings held	18	28	17	13	7	7	0	0	0	0
Number of Resolutions passed	207	222	235	210	191	152	154	139	160	147
Total claims processed by Risk Management	176	146	153	120	155	165	151	161	254	171
Television stations operated	3	2	1	1	1	1	1	3	2	2
External web sites managed	9	9	8	10	8	7	7	7	7	7
Internal web sites managed	1	2	2	2	2	2	2	1	1	1
Clerk and Recorder										
Motor Vehicle registrations processed	254,451	354,363	253,512	261,355	266,160	281,008	289,021	293,593	460,103	Not Avail
Total motor vehicle transactions processed	542,394	548,788	544,349	535,336	543,922	592,063	429,179	440,429	655,659	Not Avail
Documents recorded	100,780	88,068	102,285	155,932	95,174	102,638	100,872	78,287	94,992	99,154
Marriage licenses issued	1,527	1,422	1,458	1,380	1,423	1,459	1,499	1,440	1,475	1,463
Civil Unions	0	0	0	0	0	0	66 (3)	13	3	3
Number of resolutions	207	219	232	215	191	152	154	139	160	147
New and cancelled voter registrations	19,556	19,856	14,535	16,451	15,136	16,109	18,668	34,617	22,781	27,532
Elections supported	16	19	15	20	12	27	13	48	12	15
County Assessor										
Number of parcels assessed	129,161	131,274	131,387	131,862	132,077	132,915	134,208	136,994	138,712	142,000
Community Development										
Total permits issued	6,957	5,739	6,377	9,028	7,944	18,627	9,610	12,942	17,555	18,019
Inspections completed	53,587	42,980	30,246	39,144	39,841	64,616	59,842	62,851	79,305	74,577
Number of CDBG applications received	18	16	23	16	20	20	18	15	24	0
Finance										
Journal entries processed									1324	1360
Purchase orders issued									655	695
AP Payments Issued (ACH/Checks/Wires)									10402	10517
Payroll payments issued (ACH/checks)									14929	15762
Human Resources										
Applications processed	3,236	3,628	3,435	3,244	3,413	4,962	5,714	5,097	3,695	6,117
Tuition reimbursement applications	51	53	46	44	0 (2)	18	26	23	35	48
HR training participants	1,213	1,698	1,138	2,197	1,809	1,477	1,202	1,573	415	479
Information Technology										
Number of PC's supported	1,072	1,181	1,361	1,398	1,520	1,475	1,542	1,743	2,166	1,978
Number of support tickets closed	1,990	4,738	14,527	9,000	16,964	14,940	14,749	13,379	13,415	8,819
Public safety										
Sheriff										
Total crimes reported	11,999	11,887	10,524	11,906	11,902	10,604	9,806	10,772	11,312	12,101
Calls for service	119,642	120,240	121,292	N/A	102,487	108,413	121,851	117,980	120,140	137,337
Calls for service (citizen-initiated only)	48,741	48,392	45,638	46,856	47,951	49,858	50,027	50,300	52,887	57,620
Vehicle Accidents	1,233	1,300	1,238	1,257	1,506	1,551	1,718	1,902	2,050	2,149
Total Civil Process Served	3,645	4,196	3,816	3,752	3,389	3,107	2,709	2,389	2,313	2,512
Jail average daily population (ADP)	311	335	326	315	315	245	237	239	284	270
Number of Bookings	6,592	5,948	7,210	5,617	5,565	5,069	4,774	4,933	5,715	7,106
Coroner										
Number of cases investigated	671	756	775	784	812	871	956	1173	1320	1398
Autopsies performed	138	153	132	128	132	108	135	112	156	164
Health, welfare and sanitation										
Human Services										
TEFAP clients served (households)	157	240	199	736	533	3,130	2,855	2,660	2,675	2,669
Individuals receiving commodities	10,907	6,473	8,723	9,871	11,296	10,723	9,870	9,138	9,321	9,079
Culture and recreation										
Parks Administration and Maintenance										
Park reservations	8,055	6,896	6,498	6,627	4,115	4,068	3,982	4,242	4,445	4,393
Fairgrounds										
Number of event bookings	1,695	1,588	1,644	1,662	1,868	2,055	2,017	2,170	2,144	1,955
Economic Development and Assistance										
Number of groups serving as liaison to	11	13	16	14	15	15	15	15	15	15

Source: Various County Agencies.

Note: (1) Schedule was changed to bi-weekly meetings in 2011.

(2) Tuition Reimbursement Program was suspended for 2011.

(3) New Statistic as of 2013

(4) Douglas County BOCC voted to decline the CDGB grant funds in 2016.

Unaudited - See accompanying independent auditor's report.

DOUGLAS COUNTY, COLORADO
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Facilities Maintenance										
Facility square footage	1,087,353	1,096,057	1,096,410	1,102,950	1,137,950	1,154,168	1,278,168	1,317,018	1,332,368	1,332,368
Number of facilities	24	27	29	29	30	29	29	29	29	29
Highways and Streets										
Public Works Administration										
Center line miles maintained (primary)	397	383	380	374	352	351	353	354	352	349
Center line miles maintained (secondary)	746	716	718	735	756	757	757	758	758	778
Lane miles maintained (primary)	925	891	882	880	835	833	845	846	844	834
Lane miles maintained (secondary)	1,517	1,454	1,453	1,492	1,527	1,531	1,533	1,542	1,536	1,575
Fleet Management										
Numbers of vehicles / equipment	710	715	725	768	780	784	778	817	983	1,047
Culture and recreation										
Parks Administration and Maintenance										
Local parks (acres)	113	113	113	113	113	113	113	113	113	113
Regional parks (acres)	868	868	868	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Softball/baseball fields	11	11	11	11	11	11	11	11	11	11
Multi-purpose fields (soccer/football)	20	20	20	20	20	20	20	20	20	22
Volleyball courts	3	3	3	3	3	3	3	3	3	3
Basketball courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	12	12	12	12	12	12	12	12	12	12
8' Concrete trail (miles)	14	14	19	19	20	20	20	20	20	20
8' Crusher fine trail (miles)	17	17	29	36	39	42	42	43	43	43
Open Space										
Open space preserved (acres)	44,452	45,069	45,840	46,220	48,356	48,741	48,832	49,272	49,272	49,478
Miles of soft-surface trails maintained/patrolled	49	49	58	62	62	62	77	77	77	77
Parcels owned/maintained/patrolled in subdivisions	450	450	450	450	450	450	450	450	450	450
Trailheads maintained/patrolled	8	8	8	8	8	8	10	10	10	10
Trail Usage-Visitors (1)					221,234	298,559	286,402	254,813	222,201	436,140

(1) Relocated the trail counters to a more accurate location at Glendale Dog Park in 2016.

Source: Various County Agencies.

Unaudited-See accompanying independent auditors' report.

Finance Department
100 Third Street
Castle Rock, CO 80104
303.660.7430
www.douglas.co.us/finance

