# 2017 Comprehensive Annual Financial Report

## Year Ended December 31, 2017

**Arapahoe County Colorado**
**DEPARTMENT OF FINANCE**
5334 South Prince Street
Littleton, Colorado 80120-1136
www.arapahoegov.com

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July 12, 2018

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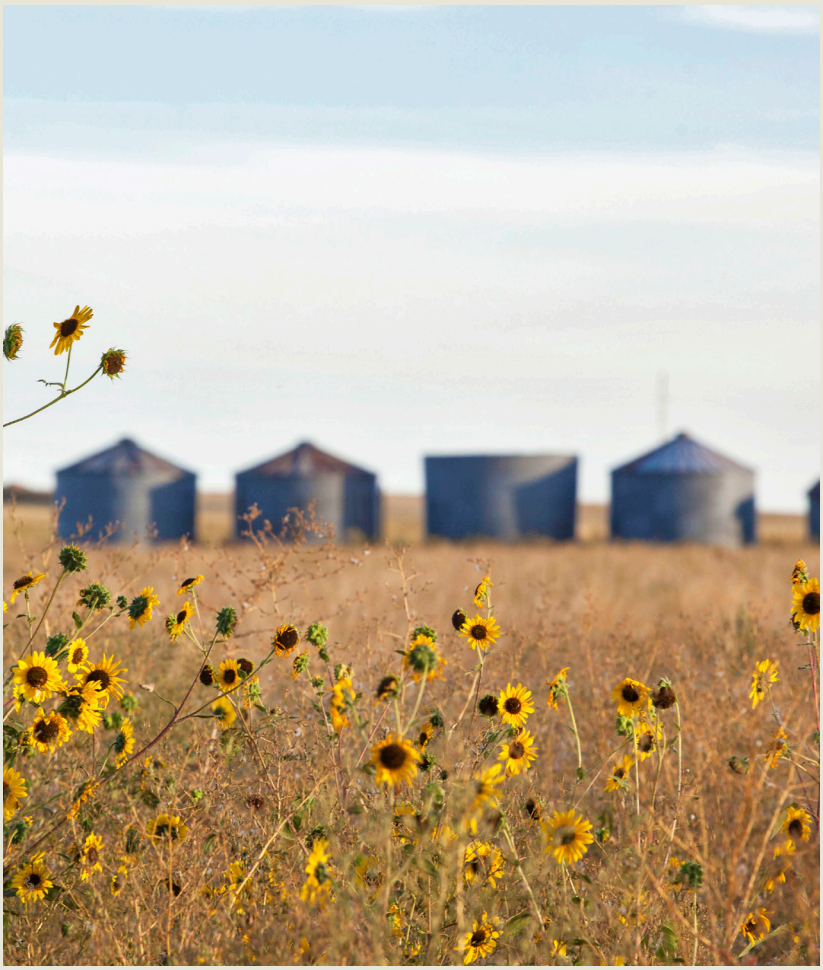
# 2017 Comprehensive Annual Financial Report

## Year Ended December 31, 2017



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## ACKNOWLEDGEMENTS


### BOARD OF COUNTY COMMISSIONERS

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

### ELECTED OFFICIALS

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

### FINANCE DEPARTMENT

Janet Kennedy, CPA ..... Finance Director
Shawn Sonnkalb, CPA .... Accounting Manager
Erik Burge, CPA ..... Senior Accountant
Loren Kohler ..... Accountant III
Tanya Lepler, CPA ..... Accountant III
Jennifer Bennett ..... Accountant II
Jon Rajewich ... SAP Business Operations Manager
Debbie McCarty ..... SAP Functional Analyst
Andrew Barranco ..... SAP Functional Analyst
Joe Cornejo ..... SAP Functional Analyst
Mary Lisa Bugel ..... SAP Functional Analyst
Stephen Krusoe ..... Technical Writer

# ARAPAHOE COUNTY, COLORADO
# COMPREHENSIVE ANNUAL FINANCIAL REPORT
# FOR THE YEAR ENDED DECEMBER 31, 2017

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ARAPAHOE COUNTY
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**Department of Finance**

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July 10, 2018

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

Colorado state law requires that every general purpose local government publish a complete set of audited financial statements. This report is published and hereby submitted to fulfill that requirement for the year ended December 31, 2017.

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

The County financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County present fairly, in all material respects, the financial position of the County. The independent auditors have issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2017. The independent auditors' report is presented as the first component of the financial section of this report.

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

## ***Profile of Arapahoe County***

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

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

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

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

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

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

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

## ***Budget Process***

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

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

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

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

### *Local Economy*

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

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

Colorado's unemployment rate in 2017 is estimated to be 2.9% and estimated to be the lowest in the nation at 2.7% through 2019. The growth in Colorado is fueling an increase in home prices that outpaces most of the nation and the level of residential construction is struggling to keep up. Many other economic indicators for Colorado mirror that of the national economy with regard to income and wage growth as well as consumer spending. While the overall growth during 2017 generated additional revenue, it also results in additional expenses for local governments.

### *Long-term Financial Planning*

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

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

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

In planning for 2018, the General Fund's reduction in fund balance of $9.6 million represents a planned use of fund balance for one-time uses such as a transfer $8.6 million to the Capital Expenditure Fund for capital projects. This accomplishment was the result of measures implemented by the Executive Budget Committee and the Board of County Commissioners with the cooperation of all County departments and elected offices. The 2018 adopted budget funded a 3.5% performance-based salary increase pool for employees, an increase from 3.0% in 2017. This salary adjustment is on par with comparative data with similar local organizations while still adhering to the County's commitment to a structurally balanced budget.

For 2018, the Executive Budget Committee reviewed trends in revenues and expenditures, considered the addition of the total compensation recommendations, and determined that with the current revenue projection for 2018 there would need to be limitations on the growth in operating expenditures in order to structurally balance the budget. The Executive Budget Committee started with a baseline budget and after careful analysis recommended only those budget packages that the Committee felt were significant enough to be included in the upcoming budget.

For 2018, the County has budgeted $13.475 million in capital improvements which includes contributing toward Phase 1 of the Detention Center Infrastructure Improvements ($1.5 million), Iliff Avenue Improvements ($1.5 million), Precinct 5 Substation ($1.5 million), Arapahoe Plaza Parking Deck Repairs ($782,000), Inverness/County Line Road Improvements ($750,000), Transportation Plan Update ($600,000), Arapahoe County Justice Center Elevator Upgrades ($460,000), I-25 and Belleview Environmental Assessment ($250,000), Peoria Salt Dome Condition Assessment and Proposal ($71,000), other facility projects ($2.84 million), other road/streets/drainage projects ($2.7 million), Sheriff/Public Safety Projects ($168,000), and Technology/Communication Projects ($350,000).

## ***Preparing for the Future***

Property tax is the largest source of revenue to the County, comprising 45% of overall County revenues. Per State regulations, property assessments are conducted only every other year with the impact on property tax collections occurring only in even-numbered years. In intervening years such as 2019, growth in property tax collections is limited to new construction and other additions and subtractions and does not take into account changes in property values. Additionally, the County continues to be restricted by most provisions of the Taxpayers Bill Of Rights (TABOR), an amendment to Article X of the Colorado Constitution that limits the County's property tax revenue growth rate to the sum of the estimated inflation for the Denver metro area for that budget year plus the growth of new construction in the prior calendar year. The major impact of TABOR is that the County may not be able to retain all the property tax revenue it could collect.

Due to this growth restriction, the County's property tax revenue growth from 2017 to 2018 is limited to 4.46 percent, which is the sum of the estimated inflation of 3.20 percent and new construction growth ("local growth") of 1.26 percent in the 2017 assessment. A resulting temporary tax credit of 3.099 mills will be provided to taxpayers to adjust for the portion of the 15.821 base mill levy that cannot be collected under the provisions of TABOR and to refund over-collections from 2017. The County is permitted to extend a levy to recover property taxes refunded and abated in prior years to adjust for errors in property assessments and in 2018, this levy is 0.094 mills for $1.0 million, and is included in the County's total levy. The 2018 adopted budget factors in the increase in assessed value and the current projections for inflation and as a result, the County's property tax revenue is projected to increase from $124.4 million in 2017 to $130.6 million. The total levy for the County will decrease from 14.039 mills to 12.817 mills as the temporary tax credit increases to 3.072 mills from 1.898 mills to remain within the TABOR revenue limitations and below the maximum levy of 15.821 mills.

The County continues to make more effective use of its revenues through its Align Arapahoe strategic and performance management program, business process improvement efforts, stricter budgeting practices, technological advances, cost-sharing partnerships and creative service delivery methods. But the success

of all these measures has also meant less and less unspent funds are available at the end of each year, funds which have traditionally been used to fund subsequent years' Capital Improvement Projects and other one-time operational needs.

The looming question is whether the current trend in limited property tax growth will be sufficient to consistently fund ongoing operations and capital needs and meet the growing service needs of a growing constituency. Therefore, in 2017 at the direction of the Board of County Commissioners, the Executive Budget Committee convened a special Long Range Budget Committee comprised of local business leaders and County management and elected officials to analyze the County's financial condition, long-term budget challenges and to develop recommended solutions. The Long Range Budget Committee is examining options for revenue enhancements, the most significant of which would require voter approval, as well as continuing to explore options to reduce expenditures without impacting priority services to constituents.

## ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Arapahoe County Government for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Arapahoe County has received a Certificate of Achievement for the last thirty consecutive years (fiscal years ended 1987 – 2016). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

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

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

Respectfully,

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

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Arapahoe County

## Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**December 31, 2016**

Christopher P. Morrill

Executive Director/CEO

# ARAPAHOE COUNTY, COLORADO

## LIST OF PRINCIPAL OFFICERS

### Board of County Commissioners (BOCC)

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

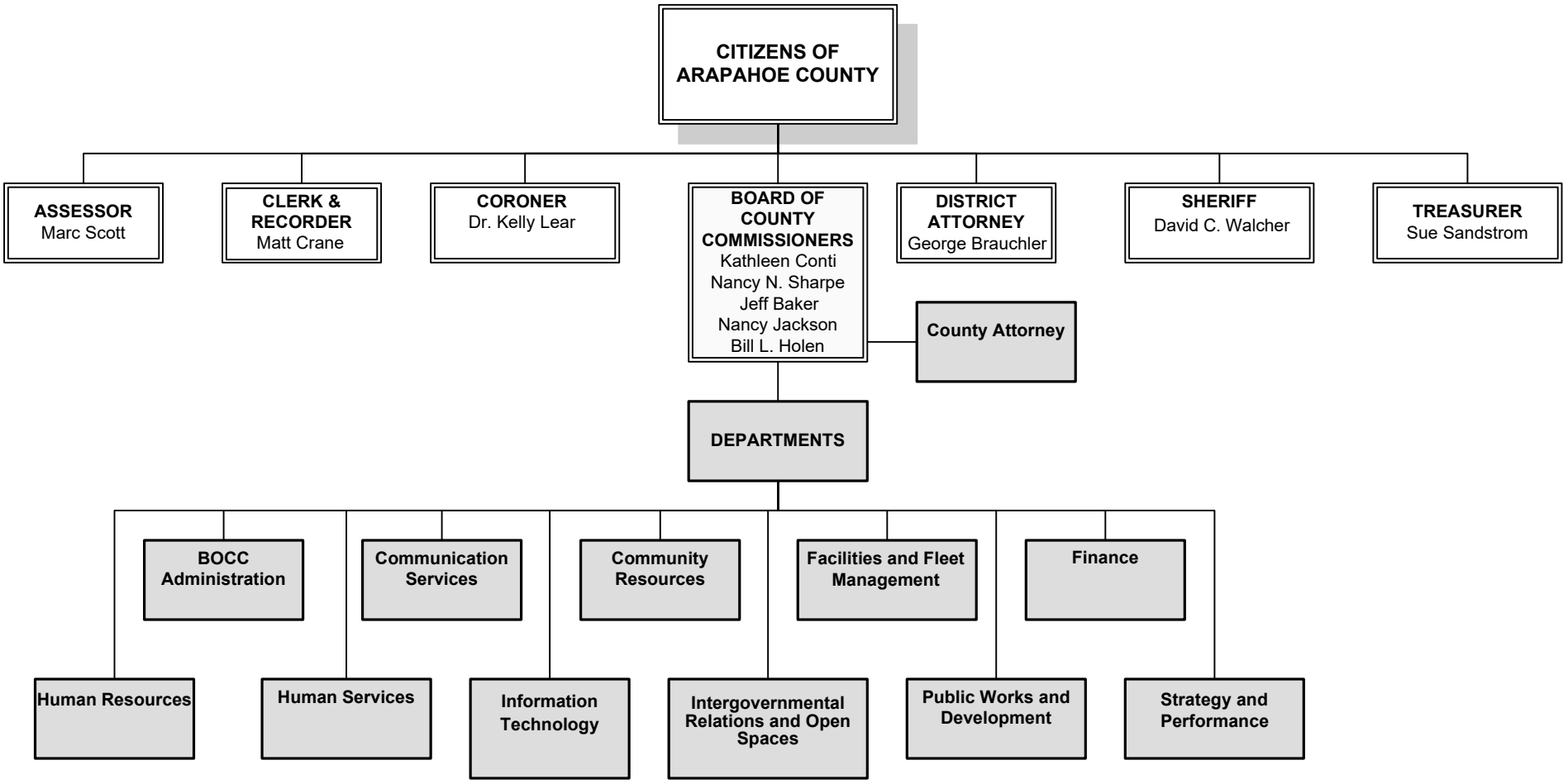
### Elected Officials Other Than BOCC

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

### Department Directors

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

# ARAPAHOE COUNTY GOVERNMENT ORGANIZATIONAL CHART

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# INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Arapahoe County, Colorado

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, the Social Services Fund, and the Open Spaces Sales Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-4 - B-18 and required supplementary information on pages C-63 and C-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2018, on our consideration of Arapahoe County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Arapahoe County, Colorado's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Greenwood Village, Colorado
July 10, 2018

In this Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report (CAFR), we provide readers with a narrative overview and analysis of the financial activities of Arapahoe County, Colorado (the County) for the fiscal year ended December 31, 2017. When analyzing financial activities of the current fiscal year, it is useful to compare current fiscal year information with comparable information of the previous fiscal year. This discussion and analysis is also intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with the information presented in the letter of transmittal and basic financial statements to enhance their understanding of the County's financial activity and performance.

## FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $695,083,792 (net position). Of this amount, $729,231,330 is related to capital assets or is restricted in how it may be used. The unrestricted portion is ($34,147,538). This balance is negative due to the reporting of the net pension liability. See Note 14 – Retirement Plan on page C-51 for more information.

- Total net position decreased by $0.6 million during fiscal year 2017.

- Total Net Pension Liability increased by $2.1 million during fiscal year 2017.

- At the end of the current fiscal year, the County's governmental funds reported combined fund balance of $159.2 million, an increase of $13.1 million from 2016.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

### Government-wide Financial Statements

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

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

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

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

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

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

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

Complete financial statements of the individual component units can be obtained from their respective administrative offices. Addresses and other additional information about the County's component units are presented in Note 1 – Summary of Significant Accounting Policies on page C-21.

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

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

**Fund Financial Statements**

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

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

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

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

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

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

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

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

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

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

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

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

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

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

The activity of the Arapahoe County Retirement Trust is presented in the Basic Financial Statements section of this annual report.

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

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

**Notes to the Financial Statements**

The notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages C-21 through C-62 of this annual report.

**Budgetary Comparisons**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Comparative Summary of Net Position

The following table provides a condensed comparative presentation of the County's government-wide Statement of Net Position for the primary government for 2017 and 2016:

| | Governmental Activities | |
|---|---|---|
| | 2017 | 2016 |
| **Assets** | | |
| Current and other assets | $ 378,422,976 | $ 353,312,988 |
| Capital assets | 836,228,194 | 844,737,540 |
| Total assets | 1,214,651,170 | 1,198,050,528 |
| **Deferred outflows of resources** | 34,584,802 | 46,617,632 |
| **Liabilities** | | |
| Current and other liabilities | 37,997,028 | 37,360,297 |
| Long-term liabilities | 359,795,304 | 361,835,376 |
| Total liabilities | 397,792,332 | 399,195,673 |
| **Deferred inflows of resources** | 156,359,848 | 145,764,966 |
| **Net position** | | |
| Net investment in capital assets | 661,399,167 | 661,699,298 |
| Restricted | 67,832,163 | 61,025,576 |
| Unrestricted | (34,147,538) | (27,017,353) |
| Net position | $ 695,083,792 | $ 695,707,521 |

**Analysis of Government-wide Financial Position**

As of December 31, 2017, the County's primary government assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $695.1 million. This is a decrease of $0.6 million over the net position at December 31, 2016 of $695.7 million.

The County's net investment in capital assets, $661.4 million (95.2% of net position) in 2017 and $661.7 million (95.1% of net position) in 2016, is the largest portion of the County's primary government net position. Capital assets include land, land improvements, bridges, water and sewer lines, roads, buildings, building improvements, leasehold improvements, vehicles, furniture and equipment. These capital assets are used to provide services or utilities to citizens. Consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional $67.8 million (9.8% of net position) in 2017 and $61.0 million (8.8% of net position) in 2016 represents restricted net position, resources that are subject to external restrictions on how they may be used. Included in this category are statutory reserves required by the State of Colorado, debt service reserves, and accumulated revenues that may only be used for specific voter-approved projects.

The remainder of the County's primary government net position, ($34.1 million) (4.9% of net position) in 2017 and ($27.0 million) (3.9% of net position) in 2016 represents unrestricted net position that could otherwise be used to meet ongoing obligations to citizens and creditors when positive. The negative balance of unrestricted net position at the end of 2017 increased by $7.1 million (26.4%) from the balance in unrestricted net position at the end of 2016 due primarily to the increase in the net pension liability and the evaluation and change in estimate for the landfill post-closure liability.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future period. In 2017, the County has two items that qualify for reporting in this category. The first results from the loss on refunding on bonds reported in the government-wide Statement of Net Position. This amount, $1.1 million, resulted from the difference in the carrying value of refunded debt and the reacquisition price of the refunding debt. The second is pension outflows totaling $33.4 million, which is comprised of $9.6 million of contributions made subsequent to measurement date, $3.9 million in changes in assumptions, $5.8 million in differences between expected and actual experience, and $14.1 million in the difference between projected and actual earnings.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category during 2017. The first is property tax revenue, $153.8 million, which is deferred in the year the taxes are levied, 2017, and measurable and recognized as an inflow of resources in the period they are collected, 2018. The second is pension inflows totaling $2.6 million, which is comprised of $1.9 million of differences between expected and actual experience and $.7 million of differences between projected and actual earnings.

Governmental activities saw an overall increase of $16.6 million in total assets. This includes an increase of $8.0 million in property tax receivable as property values increased and an increase of $15.6 million in cash and investments, due partially to an increase of pre-payment of 2018 property taxes in December as a result of the Tax Cuts and Jobs Act of 2017.

Liabilities had an overall decrease of $1.4 million compared to the prior year. This was due primarily to a decrease of $3.9 million in long-term debt from regularly scheduled debt service payments and an increase in the landfill post-closure liability of $4.1 million (both discussed further in Note 10 – Changes in Long-Term Liabilities).

**Condensed Statement of Activities**

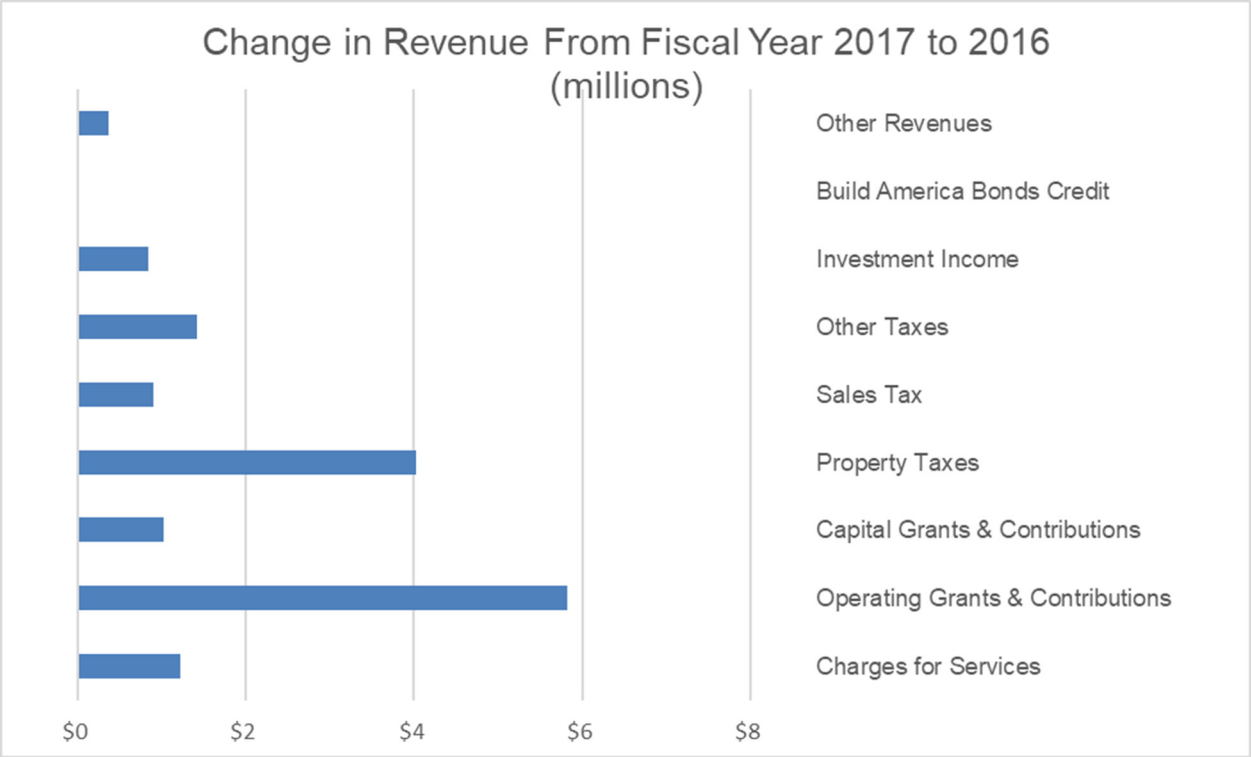
The following table provides a condensed comparative presentation of the County's government-wide Statement of Activities for the primary government for 2017 and 2016:

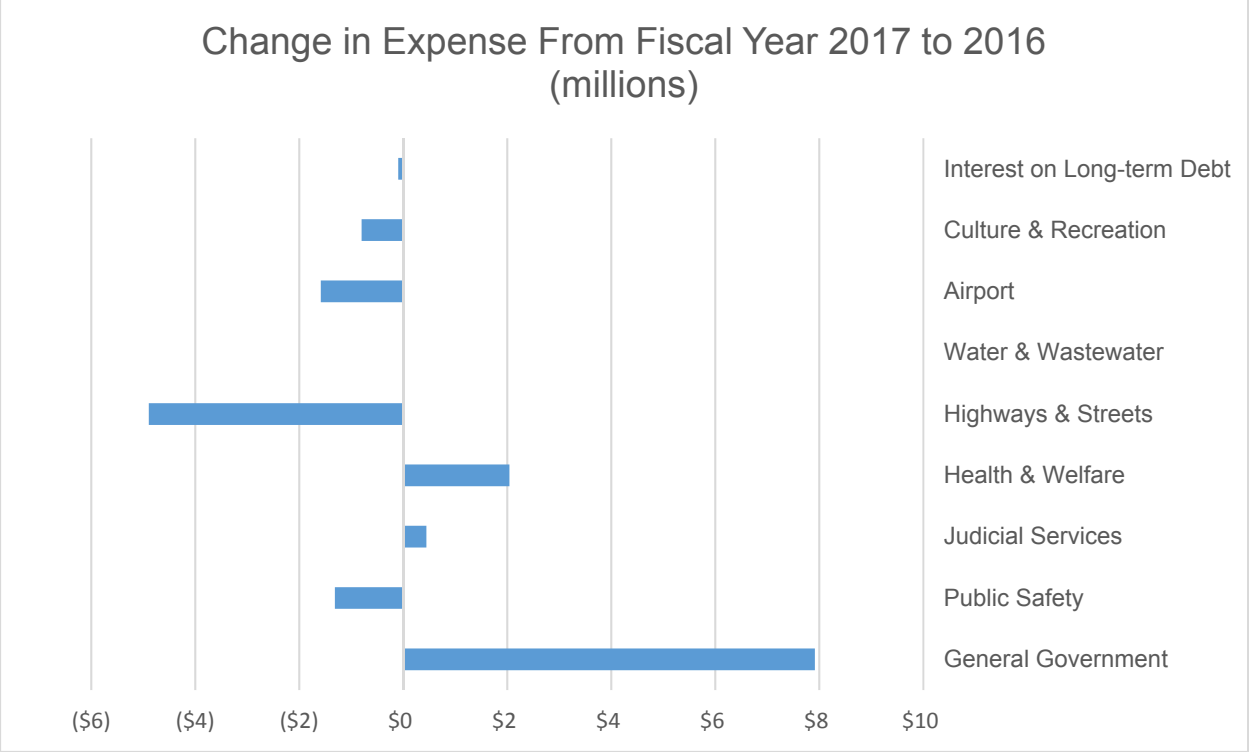
| | Governmental Activities | |
|---|---|---|
| | 2017 | 2016 |
| **Revenues** | | |
| Program revenues | | |
| Charges for services | $ 58,149,153 | $ 56,922,246 |
| Operating grants and contributions | 82,825,434 | 77,006,815 |
| Capital grants and contributions | 2,476,800 | 1,445,741 |
| General revenues | | |
| Property taxes | 150,346,537 | 146,327,277 |
| Sales tax | 26,557,828 | 25,647,538 |
| Other taxes | 12,163,187 | 10,735,626 |
| Investment income | 2,794,250 | 1,950,443 |
| Build America Bonds credit | 1,080,190 | 1,079,032 |
| Other revenues | 8,341,272 | 7,971,601 |
| Total revenues | 344,734,651 | 329,086,319 |
| **Expenses** | | |
| General government | 75,487,675 | 67,573,166 |
| Public safety | 92,591,674 | 93,906,901 |
| Judicial services | 14,879,697 | 14,435,062 |
| Health & welfare | 98,713,590 | 96,670,273 |
| Highways & streets | 27,985,852 | 32,878,027 |
| Water & wastewater | 3,565,414 | 3,565,064 |
| Airport | 591 | 1,585,550 |
| Culture and recreation | 24,625,180 | 25,427,434 |
| Interest on long-term debt | 7,508,707 | 7,606,467 |
| Total expenses | 345,358,380 | 343,647,944 |
| Change in net position | (623,729) | (14,561,625) |
| Net position - January 1 | 695,707,521 | 710,269,146 |
| Net position - December 31 | $ 695,083,792 | $ 695,707,521 |

**Analysis of Government-wide Results of Operations**

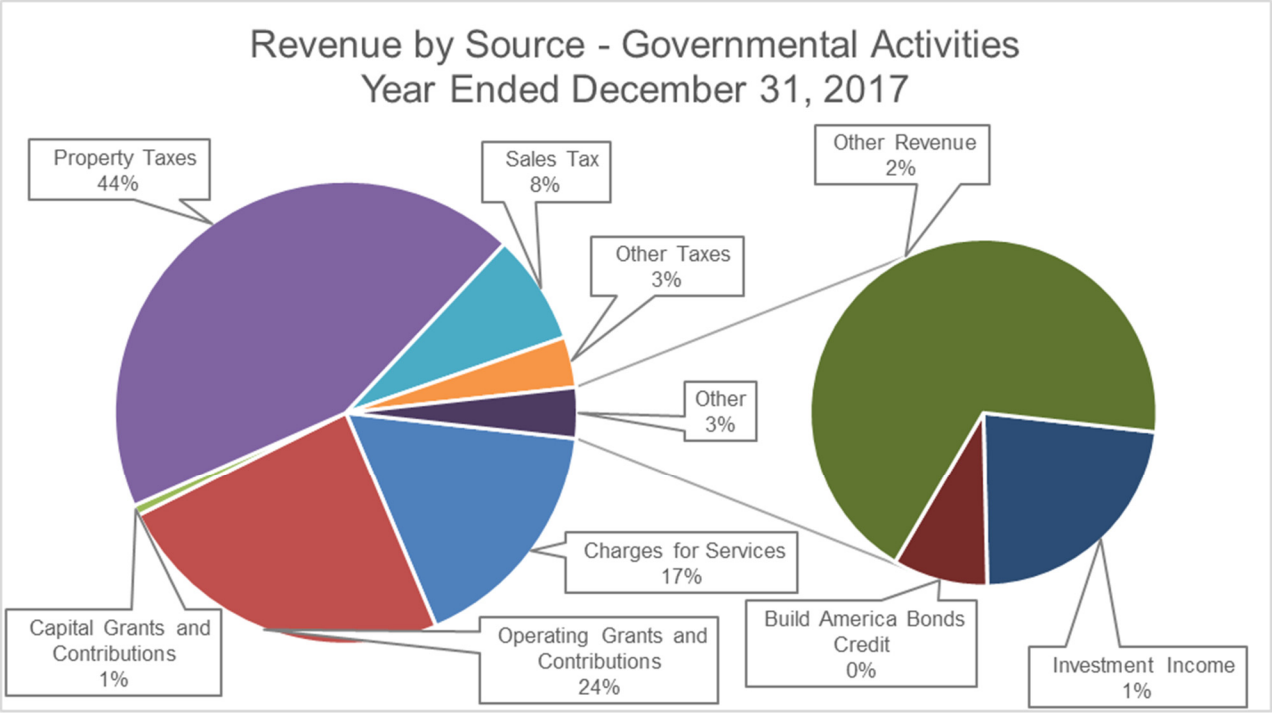
Government-wide expenses for the County were greater than revenues by $0.6 million during fiscal year 2017 while government-wide expenses for fiscal year 2016 were greater than revenues by $14.6 million. Revenues in the government-wide Statement of Activities for 2017 increased $15.6 million (4.8%) from revenues for 2016. In program revenues, operating grants increased $5.8 million mainly due to prior year reimbursements for highways and streets and in general revenues, property taxes increased $4.0 million as a result of higher assessed valuations.

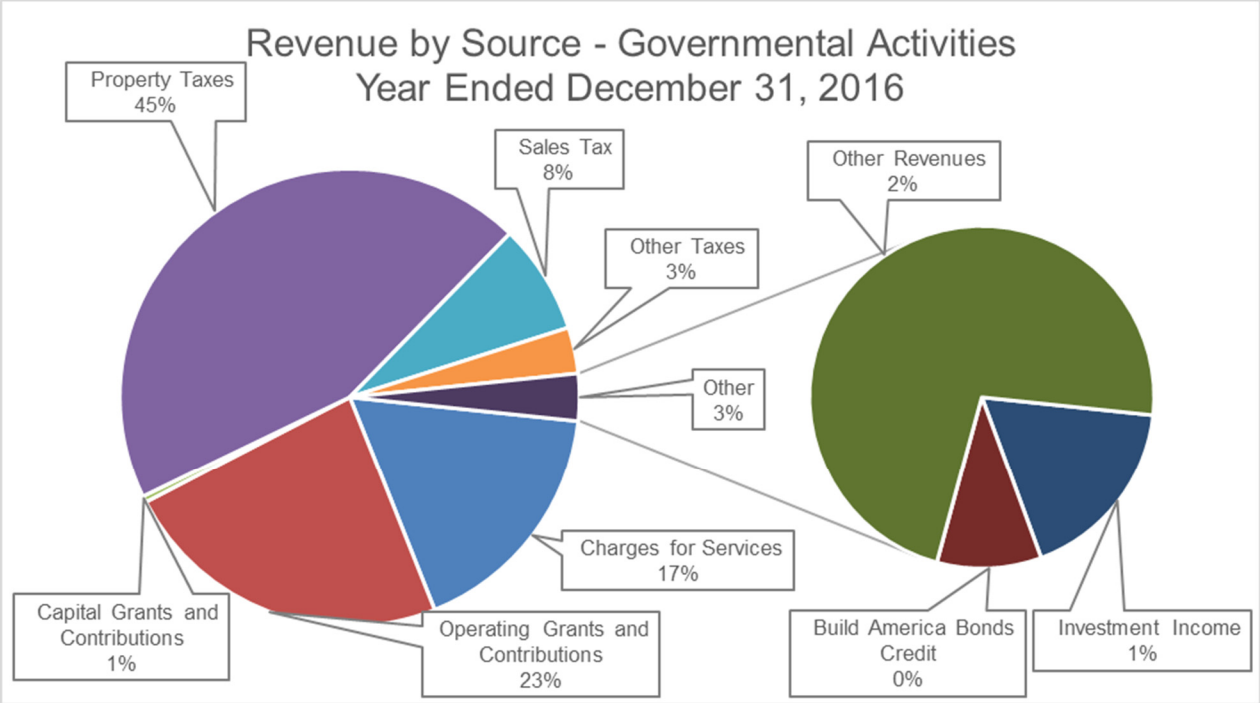
The changes from fiscal year 2017 to 2016 in the revenue and expense categories in the condensed comparative government-wide Statement of Activities are presented in the following bar charts:



A comparison of the component sources of revenue used in the condensed comparative government-wide Statement of Activities for 2017 and 2016 is presented in the following pie charts:



Expenses in the government-wide Statement of Activities for 2017 increased $1.7 million (.5%) from 2016. This is the result of an increase in general government expenses mainly from the post-closure landfill liability and a decrease in highways and street expenses from fewer one-time projects and equipment purchases.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance my serve as a useful measure of a governments net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $159.2 million, an increase of $13.1 over the prior year's fund balance. Of the total balance, $38.1 million (24.0%) represents unassigned fund balance. $26.4 million (16.6%) is classified as assigned by the Board of County Commissioners for the purposes of the fund. $26.5 million (16.6%) is classified as committed by Board Resolution. $68.1 million (42.8%) is classified as restricted by an outside party for a specific purpose. The remaining fund balance, $.1 million (.06%) is classified as non-spendable (inventory and prepaid amounts).

At the end of fiscal year 2017, the County had three major governmental funds: the General Fund, the Social Services Fund and the Open Spaces Sales Tax Fund. These major funds are reported separately in the County's basic financial statements.

### General Fund

This fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was $39.2 million while total fund balance was $57.8 million.

As a measure of the General Fund's liquidity, it is useful to compare the total of the assigned and unassigned fund balance at the end of fiscal year 2017 to the budgeted total program revenues, transfers in, expenditures, and transfers out for the following fiscal year, 2018. The total of the assigned and unassigned fund balance of the General Fund at the end of fiscal year 2017 is $50.9 million, less the budgeted use of this fund balance in 2018, $9.6 million, is $41.3 million. This represents 23.0% of the adopted budget for General Fund total program revenues and transfers-in for 2018 of $179.6 million or 21.8% of the adopted budget for General Fund total program expenditures and transfers-out of $189.3 million. This indicates that an approximate 21.8% combination of budgeted revenue shortfalls and/or expenditures over budget could be sustained during 2018 before the liquidity of the General Fund is compromised.

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund. Notable differences between the original budget and the final amended budget are summarized as follows:

- $0.2 million increase in charges for services due to more funding from the City of Centennial for public safety services.
- $0.6 million increase in administrative services expenses mainly as a result of higher utility costs.
- $0.7 million increase in the Clerk and Recorder's office for document preservation and printing.
- $0.6 million increase in public safety as a result of higher operational costs.
- $2.1 million increase in transfers in, mostly from the Human Services fund.
- $0.6 million increase in transfers out, mainly to the central services fund for vehicle purchases for public safety.

Actual General Fund revenues and other financing sources of $179.5 million was greater than the General Fund final budgeted revenues and other financing sources final budget of $173.7 million by $5.8 million (3.3%). This was primarily due to the increase in property taxes and additional revenue from detention programs and the District Attorney's Office.

Actual General Fund expenditures and other financing uses of $173.7 million was less than the General Fund final appropriated expenditures and other financing uses of $180.5 million by $6.8 million (3.8%). This difference was mainly from cost savings in professional services, printing and computer maintenance.

The total revenue and other financing sources in the General Fund increased by $5.2 million from $174.3 million in fiscal year 2016 to $179.5 million in fiscal year 2017 (3.0%). This was due to the increase in property taxes and a higher number of vehicle registrations. The total expenditures and other financing uses in the General Fund increased by $2.3 million from $171.4 million in fiscal year 2016 to $173.7 million in fiscal year 2017 (1.3%). This increase was a result of a TABOR tax refund and transfers for capital expenditures.

**Social Services Fund**

This fund is mandated by the State of Colorado and is used to account for participation by the County in Federal and State public welfare programs. The fund balance increased $0.8 million (9.3%) from $9.1 million at the end of fiscal year 2016 to $9.9 million at the end of 2017. Nearly all of the fund balance is assigned.

Revenues (excluding transfers) increased by $2.7 million (5.0%) from $55.0 million in 2016 to $57.7 million in 2017. During 2017, the Social Services fund was funded 74.5% from State and Federal grant monies and 23.5% by property and other taxes. The largest portion of the revenue increase, $1.4 million, was for child welfare grants.

Expenditures (excluding transfers) increased $2.0 million (3.9%) from $52.9 million in 2016 to $54.9 million in 2017. The largest portion of the increase, $2.0 million, was from employee salaries.

**Open Spaces Sales Tax Fund**

This fund was established in 2003 to collect sales and use tax for the preservation and maintenance of open spaces within the County. The total fund balance increased $2.3 million from $37.7 million in 2016 to $40.0 million in 2017. The $40.0 million fund balance is fully restricted.

Revenues increased by approximately $1.1 million (4.1%) from $26.4 million in 2016 to $27.5 million in 2017. The fund received approximately $26.6 in sales tax and use revenue and $0.4 million in venue booth rental from the County Fairgrounds.

Expenditures (including transfers) increased $0.2 million (0.9%) from $25.0 million in 2016 to $25.2 million in 2017. There were $1.8 million less in share-back payments and grants awarded but this was partially offset by $1.1 million in additional land purchases. In total, the fund expended $18.0 million in grants and share-back payments to incorporated municipalities and other governmental entities in 2017.

**Non-major Governmental Funds**

The total fund balance of the combined non-major governmental funds increased by $3.8 million (8.0%) from $47.6 million in 2016 to $51.4 million in 2017. Revenues (excluding transfers) increased $1.3 million from $79.0 million in 2016 to $80.3 million in 2017. This was mainly due to higher revenues in intergovernmental grants from the AD Works! and Community Resources funds. Expenditures (excluding transfers) decreased $9.5 million from $96.8 million in 2016 to $87.3 million in 2017. This was mainly a result of decreased spending in highways and streets and health and welfare.

**Proprietary Funds**

The net position for the County's internal service funds increased $2.4 million (7.1%) from $33.6 million in 2016 to $36.0 million in 2017.

Of the $36.0 million of the total net position of the proprietary funds in 2017, $33.2 million (92.3%) was the net position of the Central Service Fund. The Central Service Fund is used primarily to allocate the cost of movable assets (furniture and equipment, computers, and vehicles) to the departments of the County to fund the replacement of the assets. It is also used to distribute the costs of central services (postage, fleet maintenance, parts and fuel charges) to departments of the County. Of the $33.2 million net position in the Central Services Fund at the end of 2017, approximately $10.3 million was invested in capital assets net of accumulated depreciation and approximately $22.9 million was available to replace expiring movable assets in the future.

**Fiduciary Funds**

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

## ANALYSIS OF CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

### Capital Assets

Arapahoe County's investment in capital assets (net of accumulated depreciation) for its governmental activities was $836.2 million as of 2017 and $844.7 million as of 2016. This investment in capital assets includes land and land improvements, buildings, furniture and equipment, infrastructure, and construction in progress. The County's investment in capital assets (net of accumulated depreciation) decreased $8.5 million (-1.0%) during fiscal year 2017. A summary of the County's capital assets (net of depreciation) is as follows:

**Arapahoe County Government's Capital Assets**
(Net of Accumulated Depreciation)

| | Governmental Activities | |
|---|---|---|
| | 2017 | 2016 |
| Land | $ 44,482,737 | $ 42,904,317 |
| Easements | 4,322,860 | 4,322,860 |
| Right of Ways | 309,993,260 | 309,985,260 |
| Water Rights | 51,616,042 | 51,616,042 |
| Construction in Progress | 3,686,183 | 1,635,435 |
| Capital Assets Not Being Depreciated: | 414,101,082 | 410,463,914 |
| Land Improvements | 18,457,556 | 18,358,343 |
| Buildings and Improvements | 178,521,382 | 186,968,231 |
| Furniture and Equipment | 22,115,862 | 21,569,681 |
| Infrastructure | 203,032,312 | 207,377,371 |
| Capital Assets Being Depreciated: | 422,127,112 | 434,273,626 |
| Total | $ 836,228,194 | $ 844,737,540 |

Construction in progress (CIP) increased $2.1 million (125.4%) from $1.6 million in 2016 to $3.7 million in 2017 as projects were started but not yet completed. The $3.7 million is composed of the following capital project categories:

| Capital Project | CIP Amount |
|---|---|
| Software Development | $ 776,120 |
| Roads | $ 76,831 |
| Parks & Trails | $ 647,521 |
| Building Improvement | $ 2,185,711 |
| | $ 3,686,183 |

Additional information on Arapahoe County capital assets can be found in the Notes to the Financial Statements located on page C-27 and C-38 to C-40 of this annual report.

**Outstanding Long-Term Debt**

At the end of fiscal year 2017, the County had three bond issues, one long-term note payable, one certificate of participation and four capital lease purchase agreements outstanding. A summary of the County's long-term liabilities is as follows:

**Arapahoe County Government**
**Summary of Outstanding Debt**

| | Governmental Activities | |
|---|---|---|
| | 2017 | 2016 |
| Bonds | $ 137,059,731 | $ 138,905,723 |
| Certificates of Participation | 17,307,225 | 21,256,405 |
| Long-term Notes | 6,281,757 | 7,446,310 |
| Lease Purchase Agreements | 15,317,619 | 16,844,104 |
| **Total Outstanding Debt** | $ 175,966,332 | $ 184,452,542 |

The County's total long-term debt decreased $8.5 million in 2017 due to normal debt payments and amortization of premiums/discounts.

Additional information about the County's long-term debt can be found in the notes to the financial statements on pages C-28 and C-42 to C-50 of this annual report.

## ECONOMIC FACTORS AFFECTING THE COUNTY

Property tax is the largest source of revenue for the County. The mill levy of the County was 14.039 mills in 2016 (collected in 2017) and 12.817 mills in 2017 (collected in 2018). Property taxes to be collected in 2018 is projected to be $130.6 million, an increase of $6.1 million over the 2017 projected number of $124.4 million due to an increase in the assessed valuation. The County base mill levy was maintained at 15.821 mills with an additional levy of 0.094 mills for refunds and abatements. A temporary tax credit of 3.072 mills was also applied to keep property tax revenue within the limits required by law under the Taxpayer's Bill of Rights (TABOR). There is a TABOR refund of 0.027 mills in 2018 due to the over collection of property taxes in 2017.

The residential assessment rate, which determines the amount of residential assessed value the mill levy is applied to, decreased to 7.20% from 7.96% for the 2017 reassessment period for collection in 2018. It is forecasted to decrease again in 2019 for the 2020 tax collections. This decrease will limit the amount of potential revenue to the County but overall declines are not expected.

The unemployment rate for the County was 2.9% for December 2017, which is an increase from 2.6% in December 2016. This rate is in line with the Denver metro unemployment rate of 2.9% and the State of Colorado rate of 3.0%. Although an increase from the prior year, the rate is still at historic lows and is below the national unemployment rate of 4.1%. Strong health and technology industries along with room to grow continue to make the area popular among companies and employees.

## REQUESTS FOR INFORMATION

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

**Arapahoe County, Colorado**
**Statement of Net Position**
**December 31, 2017**

| | Primary Government | Component Units | | |
|---|---|---|---|---|
| | Governmental Activities | E-911 Authority | Arapahoe County Airport Authority | Arapahoe County Water and Wastewater Authority |
| **Assets** | | | | |
| Cash and investments | $ 159,965,562 | $ 6,180,342 | $ 4,488,710 | $ 37,175,788 |
| Accounts receivable | 13,250,981 | 331,481 | 1,158,225 | 1,658,705 |
| Property tax receivable, net | 153,796,470 | - | - | - |
| Due from other governments | 2,425,389 | - | 194,318 | - |
| Inventories | 490,647 | - | - | - |
| Prepaid and other items | 219,089 | - | 257,458 | 49,641 |
| Restricted cash and investments | 48,274,838 | - | - | 11,113,091 |
| Total non-capital assets | 378,422,976 | 6,511,823 | 6,098,711 | 49,997,225 |
| Non-depreciable capital assets | 414,101,082 | - | 34,303,786 | 93,038,946 |
| Depreciable capital assets | 422,127,112 | 223,791 | 27,204,406 | 80,300,084 |
| Total capital assets | 836,228,194 | 223,791 | 61,508,192 | 173,339,030 |
| Total assets | 1,214,651,170 | 6,735,614 | 67,606,903 | 223,336,255 |
| **Deferred outflows of resources** | | | | |
| Refunding of bonds | 1,137,305 | - | - | 2,009,575 |
| Pension outflows | 33,447,497 | - | - | - |
| Total deferred outflows of resources | 34,584,802 | - | - | 2,009,575 |
| **Liabilities** | | | | |
| Accounts payable and other current liabilities | 24,534,479 | 114,492 | 425,829 | 4,517,309 |
| Accrued interest payable | 779,353 | - | - | 586,170 |
| Due to other governments | 607,618 | - | - | - |
| Unearned revenue | 12,075,578 | - | 10,439 | - |
| Noncurrent liabilities: | | | | |
| Long term debt due within one year | 10,472,786 | - | - | 3,521,330 |
| Long term debt due in more than one year | 183,047,514 | - | - | 120,067,445 |
| Net pension liability | 163,988,004 | - | - | - |
| Estimated claims payable greater than one year | 2,287,000 | - | - | - |
| Total liabilities | 397,792,332 | 114,492 | 436,268 | 128,692,254 |
| **Deferred inflows of resources** | | | | |
| Property tax revenue | 153,796,470 | - | - | - |
| Pension inflows | 2,563,378 | - | - | - |
| Water charges | - | - | - | 71,084 |
| Total deferred inflows of resources | 156,359,848 | - | - | 71,084 |
| **Net position** | | | | |
| Net investment in capital assets | 661,399,167 | 223,791 | 61,345,369 | 55,652,913 |
| Restricted for: | | | | |
| TABOR reserve | 7,078,793 | - | - | - |
| Transportation projects | 3,701,541 | - | - | - |
| Debt service and reserves | 1,200,000 | - | - | 7,674,873 |
| Capital projects | - | - | - | 3,438,218 |
| Park development | 882,591 | - | - | - |
| Parks, recreation and open space | 1,124,302 | - | - | - |
| Open space, parks and trails | 40,019,397 | - | - | - |
| Developer contributions | 3,779,613 | - | - | - |
| Law enforcement | 9,497,150 | - | - | - |
| Electronic filing technology | 548,776 | - | - | - |
| Unrestricted | (34,147,538) | 6,397,331 | 5,825,266 | 29,816,488 |
| Total net position | $ 695,083,792 | $ 6,621,122 | $ 67,170,635 | $ 96,582,492 |

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

**Arapahoe County, Colorado**
**Statement of Activities**
**For the Year Ended December 31, 2017**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary Government** | | | | |
| General government | $ 75,487,675 | $ 25,740,484 | $ 1,175,081 | $ - |
| Public safety | 92,591,674 | 29,943,245 | 2,433,452 | 35,612 |
| Judicial services | 14,879,697 | - | - | - |
| Health and welfare | 98,713,590 | 647,231 | 64,723,939 | 7,469 |
| Highways and streets | 27,985,852 | 893,530 | 14,217,769 | 1,758,232 |
| Water and wastewater | 3,565,414 | - | - | - |
| Airport | 591 | - | - | - |
| Culture and recreation | 24,625,180 | 924,663 | 275,193 | 675,487 |
| Interest on long-term debt | 7,508,707 | - | - | - |
| Total governmental activities | 345,358,380 | 58,149,153 | 82,825,434 | 2,476,800 |
| **Component Units** | | | | |
| E-911 | 3,993,115 | 2,471,649 | - | - |
| Arapahoe County Airport Authority | 9,070,042 | 7,261,324 | 5,918,936 | - |
| Arapahoe County Water and Wastewater Authority | 19,145,404 | 20,221,834 | - | 10,713,614 |
| Total component units: | 32,208,561 | 29,954,807 | 5,918,936 | 10,713,614 |
| **General revenues** | | | | |
| Property taxes | | | | |
| Sales tax | | | | |
| Other taxes | | | | |
| Investment income | | | | |
| Build America Bonds credit | | | | |
| Miscellaneous | | | | |
| Total general revenue | | | | |
| Change in net position | | | | |
| Net position - beginning | | | | |
| Net position - ending | | | | |

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

**Arapahoe County, Colorado**
**Statement of Activities**
**For the Year Ended December 31, 2017**

| Net (Expense) Revenue and Changes in Net Position | | | | |
|---|---|---|---|---|
| | Component Units | | | |
| Primary Government Total | E-911 Authority | Arapahoe County Airport Authority | Arapahoe County Water and Wastewater Authority | Functions/Programs |
| | | | | **Primary Government** |
| $ (48,572,110) | $ - | $ - | $ - | General government |
| (60,179,365) | - | - | - | Public safety |
| (14,879,697) | - | - | - | Judicial services |
| (33,334,951) | - | - | - | Health and welfare |
| (11,116,321) | - | - | - | Highways and streets |
| (3,565,414) | - | - | - | Water and wastewater |
| (591) | - | - | - | Airport |
| (22,749,837) | - | - | - | Culture and recreation |
| (7,508,707) | - | - | - | Interest on long-term debt |
| (201,906,993) | - | - | - | Total governmental activities |
| | | | | **Component Units** |
| - | (1,521,466) | - | - | E-911 |
| - | - | 4,110,218 | - | Arapahoe County Airport Authority |
| - | - | - | 11,790,044 | Arapahoe County Water and Wastewater Authority |
| - | (1,521,466) | 4,110,218 | 11,790,044 | Total component units: |
| | | | | **General revenues** |
| 150,346,537 | - | - | - | Property taxes |
| 26,557,828 | - | - | - | Sales tax |
| 12,163,187 | - | - | - | Other taxes |
| 2,794,250 | 77,487 | 23,614 | 163,467 | Investment income |
| 1,080,190 | - | - | 1,836,707 | Build America Bonds credit |
| 8,341,272 | 2,463 | - | - | Miscellaneous |
| 201,283,264 | 79,950 | 23,614 | 2,000,174 | Total general revenue |
| (623,729) | (1,441,516) | 4,133,832 | 13,790,218 | Change in net position |
| 695,707,521 | 8,062,638 | 63,036,803 | 82,792,274 | Net position - beginning |
| $ 695,083,792 | $ 6,621,122 | $ 67,170,635 | $ 96,582,492 | Net position - ending |

**Arapahoe County, Colorado**
**Balance Sheet**
**Governmental Funds**
**December 31, 2017**

| | General | Social Services | Open Spaces Sales Tax | Other Governmental |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and investments | $ 57,931,106 | $ 20,670,631 | $ - | $ 52,434,324 |
| Restricted cash and investments | 56,561 | - | 47,018,277 | 1,200,000 |
| Accounts receivable | 4,128,034 | 2,554,192 | 4,395,202 | 4,538,048 |
| Taxes receivable, net | 105,588,554 | 12,887,086 | - | 35,320,830 |
| Due from other funds | 1,520,048 | - | - | - |
| Prepaid items | 6,944 | 10,545 | - | 1,600 |
| Inventories | - | - | - | 80,491 |
| Total assets | $ 169,231,247 | $ 36,122,454 | $ 51,413,479 | $ 93,575,293 |
| **Liabilities** | | | | |
| Accounts payable | $ 2,695,038 | $ 810,230 | $ 11,310,669 | $ 2,132,151 |
| Accrued expenditures | 3,063,592 | 1,933,938 | 62,925 | 931,988 |
| Due to other governments | 4,411 | 47,378 | - | - |
| Due to other funds | - | - | - | 1,520,048 |
| Unearned revenue - other | 67,799 | 10,506,140 | 20,489 | 1,493,268 |
| Total liabilities | 5,830,840 | 13,297,686 | 11,394,083 | 6,077,455 |
| **Deferred inflows of resources** | | | | |
| Deferred property tax revenue | 105,588,554 | 12,887,086 | - | 35,320,830 |
| Unavailable revenue-delinquent property taxes | 2,609 | - | - | - |
| Unavailable revenue-grants | - | - | - | 743,057 |
| Total deferred inflows of resources | 105,591,163 | 12,887,086 | - | 36,063,887 |
| **Fund balances (deficits)** | | | | |
| Nonspendable | 6,944 | 10,545 | - | 82,091 |
| Restricted | 6,870,489 | - | 40,019,396 | 21,184,091 |
| Committed | - | - | - | 26,474,074 |
| Assigned | 11,731,823 | 9,927,137 | - | 4,762,944 |
| Unassigned | 39,199,988 | - | - | (1,069,249) |
| Total fund balances (deficits) | 57,809,244 | 9,937,682 | 40,019,396 | 51,433,951 |
| Total liabilities, deferred inflows of resources and fund balance | $ 169,231,247 | $ 36,122,454 | $ 51,413,479 | $ 93,575,293 |

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

**Arapahoe County, Colorado**
**Balance Sheet**
**Governmental Funds**
**December 31, 2017**

| | Total Governmental | |
|---|---|---|
| | | **Assets** |
| $ | 131,036,061 | Cash and investments |
| | 48,274,838 | Restricted cash and investments |
| | 15,615,476 | Accounts receivable |
| | 153,796,470 | Taxes receivable, net |
| | 1,520,048 | Due from other funds |
| | 19,089 | Prepaid items |
| | 80,491 | Inventories |
| $ | 350,342,473 | Total assets |
| | | **Liabilities** |
| $ | 16,948,088 | Accounts payable |
| | 5,992,443 | Accrued expenditures |
| | 51,789 | Due to other governments |
| | 1,520,048 | Due to other funds |
| | 12,087,696 | Unearned revenue - other |
| | 36,600,064 | Total liabilities |
| | | **Deferred inflows of resources** |
| | 153,796,470 | Deferred property tax revenue |
| | 2,609 | Unavailable revenue-delinquent property taxes |
| | 743,057 | Unavailable revenue-grants |
| | 154,542,136 | Total deferred inflows of resources |
| | | **Fund balances (deficits)** |
| | 99,580 | Nonspendable |
| | 68,073,976 | Restricted |
| | 26,474,074 | Committed |
| | 26,421,904 | Assigned |
| | 38,130,739 | Unassigned |
| | 159,200,273 | Total fund balances (deficits) |
| $ | 350,342,473 | Total liabilities, deferred inflows of resources and fund balance |

**Arapahoe County, Colorado**
**Reconciliation of the Balance Sheet of Governmental Funds**
**To the Statement of Net Position**
**December 31, 2017**

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

| | | |
|---|---|---|
| Total fund balances - governmental funds (page C-5) | $ | 159,200,273 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 825,958,000 |
| The deferred charge on refunding of bonds is not an available resource and, therefore, is not reported in the funds. | | 1,137,305 |
| The deferred pension outflow is not an available resource and, therefore, is not reported in the funds. | | 33,447,497 |
| The deferred pension inflows are not an available to pay for current period, and therefore, not reported in the funds | | (2,563,378) |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 745,666 |
| Internal service funds are used by management to charge the cost of insurance and other services to indvidual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. | | 35,994,222 |
| Long-term liabilities, including bonds payable, certificates of participation, notes payable, capital leases, landfill post closure cost payable, compensated absences, net pension liabililty and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds. | | (358,835,793) |
| Net position of governmental activities | $ | 695,083,792 |

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

**Arapahoe County, Colorado**
**Statement of Revenues, Expenditures and Changes in Fund Balance**
**Governmental Funds**
**For the Year Ended December 31, 2017**

| | General | Social Services | Open Spaces Sales Tax | Other Governmental |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 103,681,562 | $ 12,489,654 | $ - | $ 34,172,711 |
| Sales tax | - | - | 26,557,408 | - |
| Other taxes | 8,934,083 | 1,087,868 | - | 2,141,656 |
| Licenses and permits | 6,046,041 | - | - | 892,645 |
| Intergovernmental | 2,274,273 | 43,042,346 | - | 37,060,695 |
| Charges for services | 47,137,954 | 19,713 | 417,209 | 2,501,501 |
| Fines and forfeitures | 564,778 | - | - | 552,112 |
| Investment earnings | 2,116,942 | - | 401,129 | 276,179 |
| Interfund revenues and rentals | 3,886,045 | - | 1,252 | 127,939 |
| Developer contributions | - | - | - | 516,303 |
| Build America Bonds credit | - | - | - | 1,080,190 |
| Miscellaneous | 2,808,979 | 1,107,341 | 99,501 | 951,107 |
| Total revenue | 177,450,657 | 57,746,922 | 27,476,499 | 80,273,038 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 62,713,245 | - | - | 428,636 |
| Public safety | 72,741,130 | - | - | 10,409,272 |
| Judicial services | 14,402,936 | - | - | 381,198 |
| Health and welfare | 10,052,888 | 54,762,813 | - | 29,461,021 |
| Highways and streets | - | - | - | 20,127,897 |
| Water and wastewater | - | - | - | 114,375 |
| Airport | - | - | - | 591 |
| Culture and recreation | - | - | 21,707,968 | 1,477,257 |
| Total current | 159,910,199 | 54,762,813 | 21,707,968 | 62,400,247 |
| **Capital** | | | | |
| General government | 627,043 | - | - | 4,387,191 |
| Public safety | 19,969 | - | - | 1,108,994 |
| Judicial services | - | - | - | 1,270,071 |
| Health and welfare | - | 140,045 | - | - |
| Highways and streets | - | - | - | 2,488,215 |
| Culture and recreation | - | - | 3,342,841 | 46,412 |
| Total capital | 647,012 | 140,045 | 3,342,841 | 9,300,883 |
| **Debt** | | | | |
| Principal | - | - | - | 7,731,226 |
| Interest | - | - | - | 7,903,906 |
| Debt administration fees | - | - | - | 3,550 |
| Total debt service | - | - | - | 15,638,682 |
| Total expenditures | 160,557,211 | 54,902,858 | 25,050,809 | 87,339,812 |
| Excess (deficiency) of revenues over (under) expenditures | 16,893,446 | 2,844,064 | 2,425,690 | (7,066,774) |
| **Other financing sources (uses)** | | | | |
| Transfers in | 2,098,522 | - | - | 18,081,160 |
| Transfers out | (12,805,936) | (2,001,265) | (120,426) | (7,205,018) |
| Total other financing sources (uses) | (10,707,414) | (2,001,265) | (120,426) | 10,876,142 |
| Net change in fund balance | 6,186,032 | 842,799 | 2,305,264 | 3,809,368 |
| Fund balance - beginning | 51,623,212 | 9,094,883 | 37,714,132 | 47,624,583 |
| Fund balance - ending | $ 57,809,244 | $ 9,937,682 | $ 40,019,396 | $ 51,433,951 |

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

**Arapahoe County, Colorado**
**Statement of Revenues, Expenditures and Changes in Fund Balance**
**Governmental Funds**
**For the Year Ended December 31, 2017**

| Total Governmental | |
|---|---|
| | **Revenues** |
| $ 150,343,927 | Taxes |
| 26,557,408 | Property taxes |
| 12,163,607 | Sales tax |
| 6,938,686 | Other taxes |
| 82,377,314 | Licenses and permits |
| 50,076,377 | Intergovernmental |
| 1,116,890 | Charges for services |
| 2,794,250 | Fines and forfeitures |
| 4,015,236 | Investment earnings |
| 516,303 | Interfund revenues and rentals |
| 1,080,190 | Developer contributions |
| 4,966,928 | Build America Bonds credit |
| | Miscellaneous |
| 342,947,116 | Total revenue |
| | **Expenditures** |
| | **Current** |
| 63,141,881 | General government |
| 83,150,402 | Public safety |
| 14,784,134 | Judicial services |
| 94,276,722 | Health and welfare |
| 20,127,897 | Highways and streets |
| 114,375 | Water and wastewater |
| 591 | Airport |
| 23,185,225 | Culture and recreation |
| 298,781,227 | Total current |
| | **Capital** |
| 5,014,234 | General government |
| 1,128,963 | Public safety |
| 1,270,071 | Judicial services |
| 140,045 | Health and welfare |
| 2,488,215 | Highways and streets |
| 3,389,253 | Culture and recreation |
| 13,430,781 | Total capital |
| | **Debt** |
| 7,731,226 | Principal |
| 7,903,906 | Interest |
| 3,550 | Debt administration fees |
| 15,638,682 | Total debt service |
| 327,850,690 | Total expenditures |
| 15,096,426 | Excess (deficiency) of revenues over (under) expenditures |
| | **Other financing sources (uses)** |
| 20,179,682 | Transfers in |
| (22,132,645) | Transfers out |
| (1,952,963) | Total other financing sources (uses) |
| 13,143,463 | Net change in fund balance |
| 146,056,810 | Fund balance - beginning |
| $ 159,200,273 | Fund balance - ending |

**Arapahoe County, Colorado**
**Reconciliation of the Statement of Revenues**
**Expenditures, and Changes in Fund Balances of Governmental Funds**
**To the Statement of Activities**
**For the Year Ended December 31, 2017**

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

| | | |
|---|---|---|
| Net Change in Fund Balances - total governmental funds (page C-9) | $ | 13,143,463 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | | (8,934,420) |
| 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. | | 4,542 |
| The net effect of various miscellaneous transactions involving the valuation of donated assets is to increase net position. | | 1,220,889 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | 745,666 |
| The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, there is no effect on net position. | | 7,731,225 |
| Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. | | 477,989 |
| Some revenues reported in the governmental funds have been reported in the Statement of Activities in prior periods. | | (306,452) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | (17,108,318) |
| The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities. | | 2,401,687 |
| Change in net position of governmental activities | $ | (623,729) |

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

**Arapahoe County, Colorado**
**General Fund**
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 102,951,548 | $ 102,951,548 | $ 103,681,562 | $ 730,014 |
| Other taxes | 7,500,000 | 7,500,000 | 8,934,083 | 1,434,083 |
| Licenses and permits | 6,210,445 | 6,210,445 | 6,046,041 | (164,404) |
| Intergovernmental | 1,834,774 | 1,944,969 | 2,274,273 | 329,304 |
| Charges for services | 44,029,720 | 44,254,326 | 47,137,954 | 2,883,628 |
| Fines and forfeitures | 769,901 | 769,901 | 564,778 | (205,123) |
| Investment earnings | 2,000,000 | 2,000,000 | 2,116,942 | 116,942 |
| Interfund revenues and rentals | 4,352,080 | 4,352,080 | 3,886,045 | (466,035) |
| Miscellaneous | 1,544,764 | 1,649,838 | 2,808,979 | 1,159,141 |
| Total revenue | 171,193,232 | 171,633,107 | 177,450,657 | 5,817,550 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | | | | |
| Administrative services | 6,184,105 | 6,749,846 | 6,180,109 | 569,737 |
| Assessor's Office | 5,411,247 | 5,426,247 | 5,001,050 | 425,197 |
| Board of County Commissioners | 1,077,606 | 1,077,606 | 1,052,473 | 25,133 |
| BOCC-Administration | 648,465 | 660,465 | 644,517 | 15,948 |
| Clerk and Recorder's Office | 10,465,534 | 11,133,911 | 9,823,491 | 1,310,420 |
| Communication Services Department | 1,371,941 | 1,451,905 | 1,443,129 | 8,776 |
| County Attorney | 2,721,954 | 2,722,260 | 2,522,505 | 199,755 |
| Facilities and Fleet Management | 8,492,141 | 8,498,025 | 8,050,343 | 447,682 |
| Finance | 3,415,230 | 3,503,352 | 3,068,917 | 434,435 |
| Human Resources | 1,981,120 | 2,056,120 | 2,030,381 | 25,739 |
| Information Technology | 13,100,939 | 13,194,411 | 11,897,098 | 1,297,313 |
| Office of Performance Management | 414,193 | 414,193 | 411,087 | 3,106 |
| Open Spaces & Intergovernmental Relations | 40,204 | 40,204 | 39,957 | 247 |
| Public Works and Development | 7,512,925 | 7,587,716 | 7,179,657 | 408,059 |
| Treasurer's Office | 2,149,348 | 2,166,283 | 2,006,243 | 160,040 |
| Total general government | 64,986,952 | 66,682,544 | 61,350,957 | 5,331,587 |
| Public safety | 74,036,566 | 74,596,658 | 72,741,130 | 1,855,528 |
| Judicial services | 14,409,860 | 14,409,860 | 14,402,936 | 6,924 |
| Health and welfare | 10,177,748 | 10,181,998 | 9,930,700 | 251,298 |
| Total current | 163,611,126 | 165,871,060 | 158,425,723 | 7,445,337 |
| **Capital** | | | | |
| General government | 61,502 | 30,412 | 627,043 | (596,631) |
| Public safety | 2,671 | 22,640 | 19,969 | 2,671 |
| Total capital | 64,173 | 53,052 | 647,012 | (593,960) |
| Total expenditures | 163,675,299 | 165,924,112 | 159,072,735 | 6,851,377 |
| Excess (deficiency) of expenditures | 7,517,933 | 5,708,995 | 18,377,922 | 12,668,927 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 11,524 | 2,078,522 | 2,078,522 | - |
| Transfers out | (14,015,490) | (14,583,936) | (14,583,936) | - |
| Total other financing sources (uses) | (14,003,966) | (12,505,414) | (12,505,414) | - |
| Net change in fund balance | (6,486,033) | (6,796,419) | 5,872,508 | 12,668,927 |
| Fund balance - beginning | 33,927,748 | 33,927,748 | 33,927,748 | - |
| Fund balance - ending | $ 27,441,715 | $ 27,131,329 | $ 39,800,256 | $ 12,668,927 |

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

**Arapahoe County, Colorado**
**Social Services**
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 12,411,611 | $ 12,411,611 | $ 12,489,654 | $ 78,043 |
| Other taxes | 820,000 | 820,000 | 1,087,868 | 267,868 |
| Intergovernmental | 41,691,606 | 44,781,533 | 43,042,346 | (1,739,187) |
| Charges for services | 20,000 | 20,000 | 19,713 | (287) |
| Miscellaneous | 891,789 | 891,789 | 1,107,341 | 215,552 |
| Total revenue | 55,835,006 | 58,924,933 | 57,746,922 | (1,178,011) |
| **Expenditures** | | | | |
| **Current** | | | | |
| Health and welfare | 55,457,472 | 56,348,472 | 54,762,813 | 1,585,659 |
| **Capital** | | | | |
| Health and welfare | 49,549 | 2,467,789 | 140,045 | 2,327,744 |
| Total expenditures | 55,507,021 | 58,816,261 | 54,902,858 | 3,913,403 |
| Excess (deficiency) of revenues over (under) expenditures | 327,985 | 108,672 | 2,844,064 | 2,735,392 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (31,500) | (2,020,897) | (2,001,265) | 19,632 |
| Total other financing sources (uses) | (31,500) | (2,020,897) | (2,001,265) | 19,632 |
| Net change in fund balance | 296,485 | (1,912,225) | 842,799 | 2,755,024 |
| Fund balance - beginning | 9,094,883 | 9,094,883 | 9,094,883 | - |
| Fund balance - ending | $ 9,391,368 | $ 7,182,658 | $ 9,937,682 | $ 2,755,024 |

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

**Arapahoe County, Colorado**
**Open Spaces Sales Tax**
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Sales tax | $ 24,212,000 | $ 24,212,000 | $ 26,557,408 | $ 2,345,408 |
| Charges for services | 150,000 | 150,000 | 417,209 | 267,209 |
| Investment earninings | 140,000 | 140,000 | 401,129 | 261,129 |
| Interfund revenues and rentals | - | - | 1,252 | 1,252 |
| Miscellaneous | - | - | 99,501 | 99,501 |
| Total revenue | 24,502,000 | 24,502,000 | 27,476,499 | 2,974,499 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Culture and recreation | 21,918,704 | 59,142,755 | 21,707,968 | 37,434,787 |
| **Capital** | | | | |
| Culture and recreation | 2,561,896 | 2,942,952 | 3,342,841 | (399,889) |
| Total expenditures | 24,480,600 | 62,085,707 | 25,050,809 | 37,034,898 |
| Excess (deficiency) of revenues over (under) expenditures | 21,400 | (37,583,707) | 2,425,690 | 40,009,397 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (21,400) | (120,426) | (120,426) | - |
| Total other financing sources (uses) | (21,400) | (120,426) | (120,426) | - |
| Net change in fund balance | - | (37,704,133) | 2,305,264 | 40,009,397 |
| Fund balance - beginning | 37,714,132 | 37,714,132 | 37,714,132 | - |
| Fund balance - ending | $ 37,714,132 | $ 9,999 | $ 40,019,396 | $ 40,009,397 |

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

**Arapahoe County Government**
**Statement of Net Position**
**Proprietary Funds**
**December 31, 2017**

| | Governmental Activities Internal Service Funds |
|---|---|
| **Assets** | |
| Current assets | |
| Cash and investments | $ 28,929,501 |
| Accounts receivable | 60,893 |
| Deposit | 200,000 |
| Inventory | 410,156 |
| Total current assets | 29,600,550 |
| **Noncurrent assets** | |
| Capital assets | |
| Buildings and improvements | 17,628 |
| Vehicles and equipment | 35,344,631 |
| Computer systems | 6,793,049 |
| Furniture and office equipment | 66,738 |
| Less: accumulated depreciation | (31,951,852) |
| Total noncurrent assets (net of accum. dep.) | 10,270,194 |
| Total assets | 39,870,744 |
| **Liabilities** | |
| Current liabilities | |
| Accounts payable | 553,722 |
| Estimated claims payable | 1,035,800 |
| Noncurrent claims payable | 2,287,000 |
| Total liabilities | 3,876,522 |
| **Net position** | |
| Net investment in capital assets | 10,270,194 |
| Unrestricted | 25,724,028 |
| Total net position | $ 35,994,222 |

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

**Arapahoe County Government**
**Statement of Revenues, Expenses and Changes in Net Position**
**Proprietary Funds**
**For the Year Ended December 31, 2017**

| | Governmental Activities Internal Service Funds |
|---|---|
| **Operating revenues** | |
| Charges for sales and service | $ 9,680,914 |
| Total operating revenue | 9,680,914 |
| **Operating expenses** | |
| Cost of sales and services | 5,455,786 |
| Administration | 57,568 |
| Depreciation | 4,327,617 |
| Total operating expenses | 9,840,971 |
| Operating income (loss) | (160,057) |
| **Nonoperating revenue (expenses)** | |
| Insurance recoveries | 40,950 |
| Gain on sale of assets | 510,756 |
| Loss on sale of assets | (7,577) |
| Income before contributions and transfers | 384,072 |
| Contributions other | 64,652 |
| Transfers in | 2,143,032 |
| Transfers out | (190,069) |
| Change in net position | 2,401,687 |
| Total net position - beginning | 33,592,535 |
| Total net position - ending | $ 35,994,222 |

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

**Arapahoe County, Colorado**
**Statement of Cash Flows**
**Proprietary Funds**
**For the Year Ended December 31, 2017**

| | Governmental Activities Internal Service Funds |
|---|---|
| **Cash flows from operating activities** | |
| Cash received for interfund services provided | $ 9,656,977 |
| Cash payments for services and supplies | (6,105,890) |
| Net cash provided by operating activities | 3,551,087 |
| **Cash flows from noncapital financing activities** | |
| Transfers in from other funds | 2,143,032 |
| Transfers out to other funds | (190,069) |
| Net cash provided by non capital financing activities | 1,952,963 |
| **Cash flows from capital and related financing activities** | |
| Acquisition of property and equipment | (3,474,982) |
| Proceeds from sale of capital assets | 510,756 |
| Insurance Proceeds | 40,950 |
| Net cash used for capital and related financing activities | (2,923,276) |
| Net increase in cash and investments | 2,580,774 |
| Cash and investments, January 1, 2017 | 26,348,727 |
| Cash and investments, December 31, 2017 | $ 28,929,501 |
| **Reconciliation of operating loss to net cash provided by operating activities:** | |
| Operating income (loss) | $ (160,057) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation expense | 4,327,617 |
| (Increase) decrease in current assets: | |
| Accounts receivable | (23,937) |
| Inventory | 46,714 |
| Deposits | (100,000) |
| Increase (decrease) in current liabilities: | |
| Accounts payable | (157,050) |
| Claims payable | (382,200) |
| Total Adjustments | 3,711,144 |
| Net cash provided by operating activities | $ 3,551,087 |

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

**Arapahoe County, Colorado**
**Statement of Fiduciary Net Position**
**Fiduciary Funds**
**December 31, 2017**

| | Arapahoe County Retirement Trust | Agency Funds Total |
|---|---|---|
| **Assets** | | |
| Cash and investments: | $ - | $ 44,690,195 |
| Restricted escrow | - | 719,692 |
| Investments: | | |
| Money market funds | 7,296,719 | - |
| Equity securities | 79,094,889 | - |
| Real estate investments | 59,059,529 | - |
| Fixed income securities | 44,145,595 | - |
| Hedge Funds | 29,760,911 | - |
| International Equity | 81,149,739 | - |
| Private Equity | 4,678,844 | - |
| Total cash and investments | 305,186,226 | 45,409,887 |
| Receivables: | | |
| Dividends and interest | - | - |
| Property taxes | - | 824,135,589 |
| Other assets | - | 36,267 |
| Total assets | 305,186,226 | $ 869,581,743 |
| **Liabilities** | | |
| Accounts payable | 127,458 | $ 2,840 |
| Due to other governments | - | 19,629,478 |
| Other deposits payable | - | 849,496,331 |
| Warrants payable | - | 453,094 |
| Total liabilities | 127,458 | $ 869,581,743 |
| **Net Position** | | |
| Net position restricted for pensions | $ 305,058,768 | |

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

**Arapahoe County, Colorado**
**Statement of Changes in Fiduciary Net Position**
**Fiduciary Funds**
**For the Year Ended December 31, 2017**

| | Arapahoe County Retirement Trust |
|---|---|
| **ADDITIONS** | |
| Contributions: | |
| Employer | $ 9,660,642 |
| Plan Members | 9,670,411 |
| Total Contributions | 19,331,053 |
| Investment Income: | |
| Net Appreciation in Fair Value of Investments | 32,006,811 |
| Interest and Dividends | 5,335,893 |
| Total Investment Income | 37,342,704 |
| Investment Expenses | (2,105,325) |
| Net Investment Income | 35,237,379 |
| Total Additions | 54,568,432 |
| **DEDUCTIONS** | |
| Benefits to Plan Members | 23,557,953 |
| Refund of Contributions | 3,873,640 |
| Administrative Expenses | 373,368 |
| Total Deductions | 27,804,961 |
| Change in Net Position | 26,763,471 |
| Net Position - Beginning of Year | 278,295,297 |
| Net Position - End of Year | $ 305,058,768 |

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

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Financial Reporting Entity

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

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

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

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

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

### Blended Component Units

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

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

2) The component unit provides services entirely or almost entirely to the primary government.

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

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

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

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

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

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

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

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

**Discretely Presented Component Units**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Government–wide and Fund Financial Statements**

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

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

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

The County reports the following major governmental funds:

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

**Cash**

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

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

**Investments**

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

**Property Taxes**

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

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

**Receivables/Payables**

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

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

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

**Inventories and Prepaid Items**

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

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

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

**Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for the reporting in this category. One is for property tax revenue which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. Deferred pension inflows is the other item that is being presented as a deferred inflow of resources; see Note 14 for the deferred inflows of resources related to pensions.

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

**Long-Term Obligations**

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

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

**Fund Balance**

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

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

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

| | | |
|---|---|---|
| General Fund | $ | 18,660,295 |
| Social Services | | 1,846,603 |
| Arapahoe Law Enforcement Authority | | 1,201,267 |
| Road & Bridge | | 2,649,552 |

**Net Position**

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

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

**Deficit Fund Balance**

The following funds had deficit fund balances at December 31, 2017; AD Works! Fund ($90,508), Community Development Fund ($6,594), Grant Fund ($216,718) and the Homeland Security Fund ($673,804). The revenue to offset the deficit in the Homeland Security Fund is currently reported as deferred inflows of resources because it is unavailable but will be recognized as earned revenue as soon as the funds are collected.

**Estimates**

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

**Encumbrance Accounting**

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

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

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

The governmental fund Balance Sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this ($358,835,793) are as follows:

| | | |
|---|---|---|
| General Obligation Bonds Payable | $ | (135,385,000) |
| Less: Net Bond Discount/(Premium) | | (1,674,731) |
| Certificates of Participation Payable | | (15,915,000) |
| Less: Premium on Certificate of Participation | | (1,392,225) |
| Note Payable | | (6,210,762) |
| Less: Premium on Note Payable | | (70,995) |
| Capital Leases Payable | | (15,317,619) |
| Landfill - Post Closure Costs Payable | | (4,085,774) |
| Compensated Absences | | (13,468,194) |
| Total Long Term Debt | | (193,520,300) |
| Accrued Interest Payable | | (779,353) |
| Net Pension Liability | | (163,988,004) |
| Social Services Advance from State | | (548,136) |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities | $ | (358,835,793) |

Another element of that reconciliation states that "other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds." The details of this $745,666 are as follows:

| | | |
|---|---|---|
| Receivables: | | |
| Delinquent Property Taxes | $ | 2,609 |
| Grants | | 743,057 |
| Net adjustment to increase total governmental funds to arrive at net position - governmental activities | $ | 745,666 |

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this ($8,934,420) difference are as follows:

| | | |
|---|---|---|
| Capital Outlay | $ | 13,430,781 |
| Depreciation Expense | | (22,365,201) |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | $ | (8,934,420) |

Another element of that reconciliation states that "revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds." The details of this $745,666 difference are as follows:

| | | |
|---|---|---|
| Grants | $ | 743,057 |
| Delinquent Property Taxes | | 2,609 |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities. | $ | 745,666 |

Another element of that reconciliation states that "some revenues reported in the governmental funds have been reported in the Statement of Activities in prior periods." The details of this ($306,452) difference are as follows:

| | | |
|---|---|---|
| Unavailable Revenue | $ | (306,452) |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities. | $ | (306,452) |

Another element of that reconciliation states that "some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this ($17,108,318) difference are as follows:

| | | |
|---|---|---|
| Compensated Absences Expense | $ | (623,434) |
| Pension Expense | | (22,080,285) |
| Employer Contributions | | 9,660,642 |
| Accrued Interest | | (79,467) |
| Landfill Expense | | (3,985,774) |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities. | $ | (17,108,318) |

## NOTE 3: LEGAL COMPLIANCE - BUDGETS

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP) with the exception of the differences for the General Fund as described in Note 19.

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

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

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

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

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

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

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

| | Primary Government | Discrete Component Units | Agency Funds | Total Reporting Entity |
|---|---|---|---|---|
| Cash and Investments | $ 159,965,562 | $ 47,844,840 | $ 44,690,195 | $ 252,500,597 |
| Restricted Cash and Investments | 48,274,838 | 11,113,091 | 719,692 | 60,107,621 |
| **Total Cash and Investments** | $ 208,240,400 | $ 58,957,931 | $ 45,409,887 | $ 312,608,218 |
| Total Cash Deposits (including CD's) | | | | $ 110,761,618 |
| Total Investments | | | | 201,846,600 |
| **Total Cash Deposits and Investments** | | | | $ 312,608,218 |

Restricted Cash and Investments are recorded for the following purposes:

| | Primary Government | Discrete Component Units | Agency Funds | Total Reporting Entity |
|---|---|---|---|---|
| Debt Reserves | $ - | $ 7,674,873 | $ - | $ 7,674,873 |
| Debt Proceeds | 1,200,000 | - | - | 1,200,000 |
| Capital Projects | - | 3,438,218 | - | 3,438,218 |
| Legal/Contractual Obligations | 47,074,838 | - | - | 47,074,838 |
| Public Trustee Statutory Reserve | - | - | 719,692 | 719,692 |
| **Total Restricted Cash and Investments** | $ 48,274,838 | $ 11,113,091 | $ 719,692 | $ 60,107,621 |

### Deposits

Colorado State Statutes, specifically the Public Deposit Protection Act (PDPA) of 1989, require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral for any amounts in excess of the required Federal Deposit Insurance Corporation (FDIC) amount, as promulgated by the Colorado Division of Banking, having a market value in excess of 102% of the aggregate uninsured public deposits. At December 31, 2017, the County's carrying amount of cash deposits was $88,152,798. Of the County's bank balances totaling $82,624,771, $1,208,290 was covered by FDIC and $80,411,068 was collateralized under PDPA. The component units' carrying amount of deposits with banks was $28,788,829 and the bank balance was $28,839,596.

### Investments

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

**Authorized Investments**

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

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

As of December 31, 2017, the County had the following investments:

| | Investment Maturities | | |
|---|---|---|---|
| **Investment Type** | **Less than 1 Year** | **1-5 Years** | **Total** |
| **Primary Government and Agency Funds:** | | | |
| U.S. Agency Securities: | | | |
| Federal Farm Credit Bank | $ 2,374,756 | $ 20,317,680 | $ 22,692,436 |
| Federal Home Loan Bank | 4,994,233 | 9,939,012 | 14,933,245 |
| Federal Home Loan Mortgage Corporation | 4,968,460 | 21,004,361 | 25,972,821 |
| Federal National Mortgage Association | - | 19,831,527 | 19,831,527 |
| Local Government Investment Pools | 31,528,795 | - | 31,528,795 |
| Corporate Bonds | 16,592,323 | 29,430,783 | 46,023,106 |
| Money Market Funds | 674,855 | - | 674,855 |
| U.S. Treasury Obligations | 5,014,061 | 5,006,634 | 10,020,695 |
| U.S. Govt Money Market Funds | 18 | - | 18 |
| **Total Primary Government and Agency Funds** | $ 66,147,501 | $ 105,529,997 | $ 171,677,498 |
| **Component Units:** | | | |
| Local Government Investment Pools | $ 29,314,105 | $ - | $ 29,314,105 |
| U.S. Agency Securities: | | | |
| TVA Bond | 287,037 | - | 287,037 |
| Treasury Money Market | 567,960 | - | 567,960 |
| **Total Component Units** | $ 30,169,102 | $ - | $ 30,169,102 |
| **Total Investments** | $ 96,316,603 | $ 105,529,997 | $ 201,846,600 |

As of December 31, 2017, the County had invested in local government investment pools which include the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE). The local government investment pools are investment vehicles which were established for local government entities in Colorado to pool surplus funds. Both pools are similar to money market funds, with each share valued at $1.00.

COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, Federal Instrumentality Securities, Agency Securities, Collateralized Bank Deposits, Repurchase Agreements, and Tri-Party Repurchase Agreements. COLOTRUST PLUS+ may also invest in Commercial Paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and highly rated corporate bonds. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal mechanisms of the pooled funds. The custodian's internal records identify the investments owned by each pool investor. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. As of December 31, 2017, the County, including component units, had $22,581,935 invested in COLOTRUST.

As of December 31, 2017, the County, including component units, had $38,260,965 invested in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements creating and operating CSAFE. Investments in the external investment pool are shown at amortized cost for financial reporting purposes. CSAFE is rated AAAm by Standard and Poor's. Investments of CSAFE 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. The custodian's internal records identify the investments owned by participating governments.

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization including Standard & Poor's (S&P), Moody's Investor Service (Moody's) and Fitch Ratings (Fitch). Currently, the County has no formal credit risk policy. The following table displays the ratings for the County's investments at December 31, 2017:

| Investment Type | S&P AAAm | S&P AAA | S&P AA+ | S&P AA- | S&P AA | S&P A+ | N/A | Total |
|---|---|---|---|---|---|---|---|---|
| **Primary Govt and Agency Funds:** | | | | | | | | |
| U.S. Agency Securities: | | | | | | | | |
| Federal Farm Credit Bank | $ - | | $ 22,692,436 | $ - | $ - | $ - | $ - | $ 22,692,436 |
| Federal Home Loan Bank | - | | 14,933,245 | - | - | - | - | 14,933,245 |
| Federal Home Loan Mortgage Corporatio | - | | 25,972,821 | - | - | - | - | 25,972,821 |
| Federal National Mortgage Association | - | | 19,831,527 | - | - | - | - | 19,831,527 |
| Local Government Investment Pools | 31,528,795 | | - | - | - | - | - | 31,528,795 |
| Corporate Bonds | | 4,954,692 | 10,044,958 | 20,045,609 | 6,535,865 | 4,441,982 | - | 46,023,106 |
| U.S. Treasury Obligations | - | - | - | | - | - | 10,020,695 | 10,020,695 |
| U.S. Govt Money Market Funds | 674,873 | - | - | - | - | - | - | 674,873 |
| **Total Primary Govt and Agency Funds** | $ 32,203,668 | $ 4,954,692 | $ 93,474,987 | $ 20,045,609 | $ 6,535,865 | $ 4,441,982 | $ 10,020,695 | $ 171,677,498 |
| **Component Units:** | | | | | | | | |
| Local Government Investment Pools | $ 9,695,639 | $ - | $ 19,618,466 | $ - | $ - | $ - | $ - | $ 29,314,105 |
| U.S. Agency Securities: | | | | | | | | |
| TVA Bond | | - | 287,037 | - | - | - | - | 287,037 |
| Local Government Bond | | | | | | | | |
| Treasury Money Market | | - | 567,960 | - | - | - | - | 567,960 |
| **Total Component Units** | $ 9,695,639 | $ - | $ 20,473,463 | $ - | $ - | $ - | $ - | $ 30,169,102 |
| **Total Investments** | $ 41,899,307 | $ 4,954,692 | $ 113,948,450 | $ 20,045,609 | $ 6,535,865 | $ 4,441,982 | $ 10,020,695 | $ 201,846,600 |

### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's safekeeping bank must meet the following requirements under the County's investment policy: the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis, ownership of all securities shall be perfected in the name of the County Treasurer, and sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. At December 31, 2017, all of the County's investments are held in the name of the County.

### Interest Rate Risk

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

### Concentration Risk

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

| Investment Type | Fair Value | Percent of Investment Portfolio |
|---|---|---|
| Federal Home Loan Mortgage Corporation | $ 25,972,821 | 15% |
| Federal Farm Credit Bank | 22,692,436 | 13% |
| Federal National Mortgage Association | 19,831,527 | 12% |
| Federal Home Loan Bank | 14,933,245 | 9% |
| Apple Inc. | 10,044,958 | 6% |
| Treasury Note | 10,020,695 | 6% |
| Wells Fargo Bank NA | 10,015,686 | 6% |

The component units' investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of the component units' total investments: as of December 31, 2017, the component units had no investment that represents 5% of investments.

### Foreign Currency Risk

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

### Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2017.

| Investment | 12/31/2017 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| U.S. Agency Securities | $ 83,430,029 | $ - | $ 83,430,029 | $ - |
| U.S. Treasury Obligations | 10,020,695 | 10,020,695 | - | - |
| Corporate Bonds | 46,023,106 | - | 46,023,106 | - |
| | 139,473,830 | $ 10,020,695 | $ 129,453,135 | $ - |
| **Amortized Cost:** | | | | |
| Local Government Investment Pools | 31,504,587 | | | |
| U.S. Govt Money Market Funds | 18 | | | |
| Money Market Funds | 674,855 | | | |
| | 32,179,460 | | | |
| **Net Asset Value (NAV)** | | | | |
| Local Government Investment Pools | 24,208 | | | |
| | $ 171,677,498 | | | |

## NOTE 5: INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS

Interfund receivable and payable balances arise due to short-term cash flow needs in certain non-major governmental funds. At December 31, 2017, the balances are as follows:

| | Due To | Due From |
|---|---|---|
| General Fund | $ 1,520,048 | $ - |
| Non-Major Governmental Funds | - | 1,520,048 |
| **Total** | $ 1,520,048 | $ 1,520,048 |

During 2017, the County transferred monies among various funds with the principal being to support the ongoing operations of the receiving fund. The transfers between funds as of December 31, 2017 are as follows:

| | Transfers In | Transfers Out |
|---|---|---|
| General Fund | $ 2,098,522 | $ 12,805,936 |
| Social Services Fund | - | 2,001,265 |
| Open Spaces Sales Tax Fund | - | 120,426 |
| Internal Service Funds | 2,143,032 | 190,069 |
| Non-Major Governmental Funds | 18,081,160 | 7,205,018 |
| **Total** | $ 22,322,714 | $ 22,322,714 |

## NOTE 6: CAPITAL ASSETS

### Primary Government

The capital asset activity for the Arapahoe County primary government as of December 31, 2017 was as follows:

| | Beginning Balance | Increases | Transfers | Decreases | Ending Balance |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | $ 42,904,317 | $ 1,578,420 | $ - | $ - | $ 44,482,737 |
| Easements | 4,322,860 | - | - | - | 4,322,860 |
| Right of Ways | 309,985,260 | 8,000 | - | - | 309,993,260 |
| Water Rights | 51,616,042 | - | - | - | 51,616,042 |
| Construction in Progress | 1,635,435 | 3,329,145 | (1,278,397) | - | 3,686,183 |
| Total Capital Assets Not Being Depreciated | 410,463,914 | 4,915,565 | (1,278,397) | - | 414,101,082 |
| Capital Assets Being Depreciated: | | | | | |
| Land Improvements | 22,710,951 | 1,290,678 | - | - | 24,001,629 |
| Buildings | 326,838,598 | 2,025,005 | - | - | 328,863,603 |
| Furniture and Equipment | 68,658,708 | 6,306,742 | 858,403 | (4,037,301) | 71,786,552 |
| Infrastructure | 351,151,615 | 3,653,315 | 419,994 | - | 355,224,924 |
| Total Capital Assets Being Depreciated | 769,359,872 | 13,275,740 | 1,278,397 | (4,037,301) | 779,876,708 |
| Less Accumulated Depreciation: | | | | | |
| Land Improvements | (4,352,608) | (1,191,465) | - | - | (5,544,073) |
| Buildings | (139,870,367) | (10,471,854) | - | - | (150,342,221) |
| Furniture and Equipment | (47,089,027) | (6,611,131) | - | 4,029,468 | (49,670,690) |
| Infrastructure | (143,774,244) | (8,418,368) | - | - | (152,192,612) |
| Total Accumulated Depreciation | (335,086,246) | (26,692,818) | - | 4,029,468 | (357,749,596) |
| Total Capital Assets Being Depreciated, Net | 434,273,626 | (13,417,078) | 1,278,397 | (7,833) | 422,127,112 |
| Total Primary Government Capital Assets, Net | $ 844,737,540 | $ (8,501,513) | $ - | $ (7,833) | $ 836,228,194 |

Depreciation expense was charged to functions/programs of the primary government during the year ended December 31, 2017 as follows:

| **Governmental Activites** | |
|---|---|
| General Government | $ 7,332,903 |
| Public Safety | 6,007,645 |
| Judicial Services | 88,061 |
| Health and Welfare | 916,737 |
| Highways and Streets | 7,745,268 |
| Water and Wastewater | 3,449,989 |
| Culture and Recreation | 1,152,215 |
| Total Governmental Activities Depreciation Expense | $ 26,692,818 |

### Discretely presented component units

Capital asset activity for the E-911 Authority for the year ended December 31, 2017 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital Assets Being Depreciated: | | | | |
| Furniture and Equipment | $ 3,530,995 | $ 238,711 | $ - | $ 3,769,706 |
| Total Capital Assets Being Depreciated | 3,530,995 | 238,711 | - | 3,769,706 |
| Less Accumulated Depreciation: | | | | |
| Furniture and Equipment | (3,530,995) | (14,920) | - | (3,545,915) |
| Total Accumulated Depreciation | (3,530,995) | (14,920) | - | (3,545,915) |
| Total E-911 Capital Assets, Net | $ - | $ 223,791 | $ - | $ 223,791 |

Capital asset activity for the Arapahoe County Public Airport Authority for the year ended December 31, 2017 was as follows:

| | Beginning Balance | Increases | Transfers | Decreases | Ending Balance |
|---|---|---|---|---|---|
| Capital Assets Not Being Depreciated: | | | | | |
| Land | $ 26,231,427 | $ - | 505,124 | $ - | $ 26,736,551 |
| Construction in Progress | 5,934,128 | 6,601,676 | (4,968,569) | - | 7,567,235 |
| Total Capital Assets Not Being Depreciated | 32,165,555 | 6,601,676 | (4,463,445) | - | 34,303,786 |
| Capital Assets Being Depreciated: | | | | | |
| Site Improvements | 1,014,026 | - | - | - | 1,014,026 |
| Buildings and Improvements | 18,046,699 | 326,366 | - | (533,665) | 17,839,400 |
| Runways, Taxiways and Ramps | 54,306,506 | - | 4,433,063 | (2,295,658) | 56,443,911 |
| Furniture and Equipment | 8,889,916 | 552,647 | 30,382 | (375,686) | 9,097,259 |
| Total Capital Assets Being Depreciated | 82,257,147 | 879,013 | 4,463,445 | (3,205,009) | 84,394,596 |
| Less Accumulated Depreciation: | | | | | |
| Site Improvements | (617,916) | (25,416) | - | - | (643,332) |
| Buildings and Improvements | (15,590,181) | (349,700) | - | 533,665 | (15,406,216) |
| Runways, Taxiways and Ramps | (33,678,940) | (3,821,903) | - | 2,295,658 | (35,205,185) |
| Furniture and Equipment | (5,527,829) | (781,746) | - | 374,118 | (5,935,457) |
| Total Accumulated Depreciation | (55,414,866) | (4,978,765) | - | 3,203,441 | (57,190,190) |
| Total Capital Assets Being Depreciated, Net | 26,842,281 | (4,099,752) | 4,463,445 | (1,568) | 27,204,406 |
| Total Airport Authority Capital Assets, Net | $ 59,007,836 | $ 2,501,924 | $ - | $ (1,568) | $ 61,508,192 |

Capital Asset Activity for the Arapahoe County Water and Wastewater Authority for the year ended December 31, 2017 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 2,063,196 | $ - | $ - | $ 2,063,196 |
| Water Rights | 87,958,518 | 901,146 | - | 88,859,664 |
| Construction in Progress | 2,008,035 | 5,537,956 | 5,429,905 | 2,116,086 |
| Total Capital Assets Not Being Depreciated | 92,029,749 | 6,439,102 | 5,429,905 | 93,038,946 |
| Capital Assets Being Depreciated: | | | | |
| Water System | 48,989,104 | 4,500,805 | - | 53,489,909 |
| Sewer System | 15,830,715 | 304,813 | - | 16,135,528 |
| Water rights | 40,952,015 | - | - | 40,952,015 |
| Buildings, Equipments, and Projects | 3,862,053 | 47,475 | - | 3,909,528 |
| Total Capital Assets Being Depreciated | 109,633,887 | 4,853,093 | - | 114,486,980 |
| Less Accumulated Depreciation: | | | | |
| Water System | (15,854,007) | (1,736,305) | - | (17,590,312) |
| Sewer System | (10,808,825) | (643,136) | - | (11,451,961) |
| Water Right Depletion | (1,642,573) | (155,757) | - | (1,798,330) |
| Buildings, Equipments, and Projects | (3,191,538) | (154,755) | - | (3,346,293) |
| Total Accumulated Depreciation | (31,496,943) | (2,689,953) | - | (34,186,896) |
| Total Capital Assets Being Depreciated, Net | 78,136,944 | 2,163,140 | - | 80,300,084 |
| Total Arapahoe County Water and Wastewater Authority Capital Assets, Net | $ 170,166,693 | $ 8,602,242 | $ 5,429,905 | $ 173,339,030 |

## NOTE 7: DEFERRED INFLOWS OF RESOURCES – UNAVAILABLE REVENUE

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report deferred inflows of resources in connection with receivables for revenues not considered available to liquidate liabilities of the current period. The County considers revenues available if they are collected within 60 days after year-end. At December 31, 2017, items considered unavailable to finance expenditures of the current fiscal period totaled $745,666.

## NOTE 8: CAPITAL COMMITMENTS

The County has contractual commitments for capital construction projects, capital asset purchase contracts, information technology and communication services, professional services, rent and other services as of December 31, 2017. These encumbrances are re-appropriated against the subsequent year's budget. The amount of these commitments re-appropriated at year end was:

| Fund | Amount |
|---|---|
| General Fund | $ 2,081,876 |
| Social Services | 1,112,143 |
| Open Spaces Sales Tax | 39,957,080 |
| Nonmajor Governmental | 31,219,711 |
| Total Governmental Funds | 74,370,810 |
| Central Services | 3,471,009 |
| Self-Insurance Liability Fund | 75,735 |
| Employee Flex Benefit Fund | 7,476 |
| Self Insurance Dental Fund | 92,284 |
| Workers Compensation Fund | 141,397 |
| Total Internal Service Funds | 3,787,901 |
| Grand Total | $ 78,158,711 |

Developers contribute funds to the County to help pay for County infrastructure costs related to their developments. The contributions are recorded as revenue in the capital project funds. These infrastructure projects are typically completed after the contributions are received and recorded as revenue. The probability that the County will ultimately fail to complete a project for which a developer has contributed funds is remote and does not justify the recording of a liability in the financial statements. During 2017, $516,304 was contributed to the County by developers and is recorded as revenue for which development improvement projects must be completed by the County in the future.

## NOTE 9: DEFERRED COMPENSATION PLANS

The County offers its employees an opportunity to participate voluntarily in a deferred compensation plan. This plan, created in accordance with Internal Revenue Code Section 457, is maintained by a third-party administrator, International City Management Association Retirement Corporation (ICMA-RC). The plan permits employees to defer a portion of their salary until future years. In 2017, employees could voluntarily elect to have amounts withheld from their compensation up to age of 50 to $18,000 per year and above the age of 50 to $24,000 per year. The amounts withheld are deposited to each participant's account, according to each participant's investment direction, making the plan funded. The deferred compensation balance is not available to employees until termination, retirement, death, or an unforeseeable emergency.

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

## NOTE 10: CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2017 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| General obligation bonds payable | | | | | |
| ACWWA PID 2009 A&B Bonds | $ 56,075,000 | $ - | $ - | $ 56,075,000 | $ - |
| ACWWA PID 2012 Refunding Bonds | 55,110,000 | - | 1,395,000 | 53,715,000 | 1,605,000 |
| ACWWA PID 2015 Refunding Bonds | 25,715,000 | - | 120,000 | 25,595,000 | 120,000 |
| Premiums/Discounts | 2,005,723 | - | 330,992 | 1,674,731 | 326,911 |
| Total Bonds Payable | 138,905,723 | - | 1,845,992 | 137,059,731 | 2,051,911 |
| Notes payable: | | | | | |
| ACWWA PID - 2006 | 7,350,502 | - | 1,139,740 | 6,210,762 | 1,161,764 |
| Premiums/Discounts | 95,808 | - | 24,813 | 70,995 | 21,563 |
| Total Notes Payable | 7,446,310 | - | 1,164,553 | 6,281,757 | 1,183,327 |
| Certificates of participation payable: | | | | | |
| 2015 Refunding of 2006 COP | 19,465,000 | - | 3,550,000 | 15,915,000 | 3,710,000 |
| Premiums/Discounts | 1,791,405 | - | 399,180 | 1,392,225 | 399,180 |
| Total Certificates of Participation Payable | 21,256,405 | - | 3,949,180 | 17,307,225 | 4,109,180 |
| Capital leases: | | | | | |
| Parkland | 1,910,852 | - | 135,290 | 1,775,562 | 167,111 |
| District Attorney Office Building | 1,213,550 | - | 602,705 | 610,845 | 610,845 |
| Lima Ridge | 7,731,265 | - | 405,727 | 7,325,538 | 424,366 |
| Fairgrounds Expansion Project | 5,988,437 | - | 382,763 | 5,605,674 | 394,354 |
| Total Capital Leases | 16,844,104 | - | 1,526,485 | 15,317,619 | 1,596,676 |
| Landfill - Post closure costs payable | 100,000 | 4,085,774 | 100,000 | 4,085,774 | 140,550 |
| Compensated absences | 12,844,760 | 11,201,486 | 10,578,052 | 13,468,194 | 1,391,142 |
| Total Long-term Liabilities | $ 197,397,302 | $ 15,287,260 | $ 19,164,262 | $ 193,520,300 | $ 10,472,786 |

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

## Bonds

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

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

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ - | $ 3,533,897 | $ 3,533,897 |
| 2019 | - | 3,533,898 | 3,533,898 |
| 2020 | - | 3,533,897 | 3,533,897 |
| 2021 | - | 3,533,898 | 3,533,898 |
| 2022 | - | 3,533,897 | 3,533,897 |
| 2023-2027 | 900,000 | 17,637,188 | 18,537,188 |
| 2028-2032 | 3,025,000 | 17,248,701 | 20,273,701 |
| 2033-2037 | 26,140,000 | 15,508,628 | 41,648,628 |
| 2038-2039 | 26,010,000 | 2,558,628 | 28,568,628 |
| Total | $ 56,075,000 | $ 70,622,632 | $ 126,697,632 |

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

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

The refunding of the Arapahoe County Water & Wastewater Public Improvement District 2002 Series A & B Bonds resulted in a deferred outflow of resources of $700,837 as of December 31, 2017 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 1,605,000 | $ 1,590,025 | $ 3,195,025 |
| 2019 | 1,840,000 | 1,525,825 | 3,365,825 |
| 2020 | 2,065,000 | 1,470,625 | 3,535,625 |
| 2021 | 2,330,000 | 1,388,025 | 3,718,025 |
| 2022 | 2,585,000 | 1,318,125 | 3,903,125 |
| 2023-2027 | 17,190,000 | 5,439,663 | 22,629,663 |
| 2028-2032 | 26,100,000 | 2,472,450 | 28,572,450 |
| Total | $ 53,715,000 | $ 15,204,738 | $ 68,919,738 |

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

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

The refunding of the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds resulted in a deferred outflow of resources of $35,179 as of December 31, 2017 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 120,000 | $ 1,018,306 | $ 1,138,306 |
| 2019 | 125,000 | 1,012,306 | 1,137,306 |
| 2020 | 130,000 | 1,006,056 | 1,136,056 |
| 2021 | 135,000 | 999,556 | 1,134,556 |
| 2022 | 135,000 | 992,806 | 1,127,806 |
| 2023-2027 | 5,480,000 | 4,315,881 | 9,795,881 |
| 2028-2032 | 1,450,000 | 3,544,270 | 4,994,270 |
| 2033-2035 | 18,020,000 | 1,345,600 | 19,365,600 |
| Total | $ 25,595,000 | $ 14,234,781 | $ 39,829,781 |

## Notes Payable

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

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

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 1,161,764 | $ 282,860 | $ 1,444,624 |
| 2019 | 1,189,294 | 259,130 | 1,448,424 |
| 2020 | 1,211,320 | 233,485 | 1,444,805 |
| 2021 | 1,288,404 | 158,396 | 1,446,800 |
| 2022 | 1,359,980 | 88,278 | 1,448,258 |
| Total | $ 6,210,762 | $ 1,022,149 | $ 7,232,911 |

## Certificates of Participation

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

### 2015 COP Refunding

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

The refunding of the Certificate of Participation Series 2006 resulted in a deferred outflow of resources loss of $401,289 as of December 31, 2017 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 3,710,000 | $ 645,750 | $ 4,355,750 |
| 2019 | 3,870,000 | 494,150 | 4,364,150 |
| 2020 | 4,055,000 | 315,375 | 4,370,375 |
| 2021 | 4,280,000 | 107,000 | 4,387,000 |
| Total | $ 15,915,000 | $ 1,562,275 | $ 17,477,275 |

## Capital Leases

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

### Parkland Lease Purchase - Zions First National Bank

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

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

Payments of $190,903, including principal and interest accruing at 1.340%, are due semi-annually.

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

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 167,111 | $ 23,793 | $ 190,904 |
| 2019 | 169,350 | 21,553 | 190,903 |
| 2020 | 171,619 | 19,284 | 190,903 |
| 2021 | 173,919 | 16,984 | 190,903 |
| 2022 | 176,249 | 14,654 | 190,903 |
| 2023-2027 | 917,314 | 37,203 | 954,517 |
| Total | $ 1,775,562 | $ 133,471 | $ 1,909,033 |

**District Attorney Office Building Lease Purchase**

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

The amount of gross assets acquired under the lease was $5,275,000. The accumulated depreciation is $1,197,865. The net book value is $4,077,135. The depreciation expense was $131,875 for the year ended December 31, 2017.

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 610,845 | $ 6,174 | $ 617,019 |
| Total | $ 610,845 | $ 6,174 | $ 617,019 |

**Lima Ridge Lease Purchase**

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

The gross assets purchased with the lease proceeds is $9,650,000. The accumulated depreciation is $2,929,297 with a net book value of $6,720,703. The depreciation expense was $463,371 for the year ended December 31, 2017.

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

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

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 424,366 | $ 320,968 | $ 745,334 |
| 2019 | 443,861 | 301,472 | 745,333 |
| 2020 | 464,252 | 281,081 | 745,333 |
| 2021 | 485,580 | 259,754 | 745,334 |
| 2022 | 507,887 | 237,446 | 745,333 |
| 2023-2027 | 2,911,608 | 815,059 | 3,726,667 |
| 2028-2030 | 2,087,985 | 148,016 | 2,236,001 |
| Total | $ 7,325,539 | $ 2,363,796 | $ 9,689,335 |

**Fairgrounds Expansion Project Lease Purchase**

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

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

The gross assets purchased in 2014 with the lease proceeds is $274,862. In 2015, additional assets were acquired in the amount of $5,274,940. In 2017, additional assets were acquired in the amount of $1,099,984; this equates the acquisition value to $6,649,786 for the year ended December 31, 2017. The accumulated depreciation is $247,615 with a net book value of $6,402,171. The depreciation expense was $247,615 for the year ended December 31, 2017.

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

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

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 394,354 | $ 165,546 | $ 559,900 |
| 2019 | 406,296 | 153,604 | 559,900 |
| 2020 | 418,600 | 141,300 | 559,900 |
| 2021 | 431,276 | 128,624 | 559,900 |
| 2022 | 444,336 | 115,564 | 559,900 |
| 2023-2027 | 2,431,850 | 367,650 | 2,799,500 |
| 2028-2029 | 1,078,962 | 40,838 | 1,119,800 |
| Total | $ 5,605,674 | $ 1,113,126 | $ 6,718,800 |

**Landfill – Post-Closure Costs**

The County previously owned and operated a landfill. The County did not estimate or accrue post-closure costs while the landfill was in operation. This landfill was closed in 1987 and is no longer in operation. The County shares remedial action costs with Waste Management Inc. with the County responsible for 75% of the remedial costs. The County pays for all post-closure costs. Each year, Waste Management bills the County when actual costs have been determined. The County's cost for 2016 was $245,852 (which was paid in 2017). When the landfill was closed in 1987, the State Department of Public Health and Environment placed the landfill on a 30-year monitoring program. After 30 years, provided all testing was satisfactory, the County would no longer be liable for ongoing monitoring costs. During 2017, the original 30-year monitoring program ended and the State Department of Public Health and Environment re-evaluated the landfill and placed the landfill on another 30-year monitoring program. Therefore, the best estimate of liability is $4,085,774 as of December 31, 2017, with $140,550 being payable within one year. However, the actual post-closure costs may be higher or lower due to inflation/deflation and changes in technology or in applicable laws and regulations. This amount is recorded as a long-term liability, due within one year, on the government-wide financial statements as of December 31, 2017.

## NOTE 11: DISCRETELY PRESENTED COMPONENT UNIT DEBT

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

### Arapahoe County Public Airport Authority

Long-term liability activity for the year ended December 31, 2017, is as follows:

**Airport Authority**

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Notes Payable | $ 614,607 | $ - | $ 614,607 | $ - | $ - |
| Total Long-term Liabilities | $ 614,607 | $ - | $ 614,607 | $ - | $ - |

**Note Payable**

In 2007, the Authority obtained a loan in the amount of $5,400,000 from the Colorado Department of Transportation (CDOT) for the purchase of land and a restrictive covenant on land. The loan bears interest at the rate of 3% on the unpaid balance, compounded annually. The Authority is making 10 annual installments, with the first payment made on October 4, 2008. The loan is secured by a security interest in the Authority's fuel tax refund revenue. The outstanding balance as of December 31, 2017 is $0.

**Commitments and Contingencies - Rental Agreements**

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

| Year | Amount |
|---|---|
| 2018 | $ 1,914,996 |
| 2019 | 1,916,874 |
| 2020 | 2,338,876 |
| 2021 | 2,353,795 |
| 2022 | 2,335,695 |
| Thereafter | 146,745,416 |
| | $ 157,605,652 |

Revenues under these leases amounted to $2,602,460 during 2017. Included in this amount are a percentage of revenue fees associated with these leases.

The Authority has entered into lease agreements with the FAA to lease approximately 2,100 square feet of the Authority's tower and approximately 2,300 square feet of the Authority's administrative office building. The tower lease had an expiration date of July 9, 2006 and the FAA did not exercise the option to purchase the tower. The tower lease was renegotiated in 2006 at an amount equivalent to the tower repairs and maintenance and expired September 30, 2015. The lease extension is currently in negotiation. The office space lease expires September 30, 2020. Rental income under these leases amounted to $90,216 during 2017. The earning stream from this agreement is included in the amounts disclosed above.

**Arapahoe County Water and Wastewater Authority (ACWWA)**

ACWWA's long-term liabilities consisted of the following for the year ended December 31, 2017:

| | Ending Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Series 2007 Revenue Bonds | $ 14,360,000 | $ - | $ 14,360,000 | $ - | $ - |
| Series 2009A Revenue Bonds | 88,200,000 | - | 1,740,000 | 86,460,000 | 1,790,000 |
| Series 2012 Revenue Bonds | 5,525,000 | - | - | 5,525,000 | 1,055,000 |
| Series 2016 Revenue Bonds | 16,220,000 | - | 875,000 | 15,345,000 | 415,000 |
| 2016 Bond Premium | 2,121,884 | - | 125,432 | 1,996,452 | - |
| Series 2017 Revenue Bonds | | 12,720,000 | - | 12,720,000 | 35,000 |
| 2017 Bond Premium | | 1,208,032 | 6,292 | 1,201,740 | - |
| Total Bonds Payable | 126,426,884 | 13,928,032 | 17,106,724 | 123,248,192 | 3,295,000 |
| Compensated Absences | 356,004 | 345,374 | 360,796 | 340,582 | 226,330 |
| Total Long-term Liabilities | $ 126,782,888 | $ 14,273,406 | $ 17,467,520 | $ 123,588,774 | $ 3,521,330 |

**Revenue Refunding and Improvement Bonds, Series 2007**

On August 23, 2007, ACWWA issued $18,760,000, with a discount of $70,654, in Water and Wastewater Revenue Refunding and Improvement Bonds with interest rates ranging from 4% to 5%. The revenue refunding bonds are due in average annual principal and interest installments of $1,262,915 until December 2033. As of December 31, 2017, the Series 2007 Revenue Bonds were fully paid off.

**Series 2009A Revenue Bonds**

On December 8, 2009, ACWWA issued $91,545,000 in Taxable Water and Wastewater Revenue Direct Pay Build America Bonds (BAB) with interest rates ranging from 3.61% to 6.68%. The revenue refunding and improvement bonds are due in annual principal and interest installments of $5,516,894 to $15,804,642 until December 2039. ACWWA is eligible to receive a 35% interest subsidy credit on its interest payments for these bonds subject to Section 6431 of the Internal Revenue Code. To receive BAB credits, ACWWA must file a form 8038-CP between 45 and 90 days prior to the corresponding interest payment date. Such credits, if received by ACWWA, are required under the bond resolution to be deposited to the Build America Bond Interest account of the Build America Bond Fund. There is no assurance, however, that ACWWA will receive all or any of the BAB credits which it expects to receive. ACWWA will be required to pay interest on the 2009A bonds regardless of whether BAB payments are received or not. ACWWA received interest subsidies in the amount of $1,836,707 during 2017. In accordance with the Trust Indenture, as of December 31, 2017, $7,121,420 was held in reserves.

**Series 2012 Revenue Refunding Loan**

On October 18, 2012, ACWWA refunded the Series 2009B Revenue Bonds and entered into a loan agreement with Colorado State Bank and Trust, dated October 18, 2012, in the amount of $5,525,000. Principal and interest payments are due June 1 and December 1 in varying amounts through December 1, 2022, with a fixed interest rate of 2.17%. In accordance with the Trust Indenture, as of December 31, 2017, $553,453 was held in reserves.

**Series 2016 Revenue Refunding Bonds**

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

**Series 2017 Revenue Refunding Bonds**

On August 22, 2017, ACWWA issued $12,720,000 of Revenue Refunding Bonds, Series 2017, with interest rates ranging from 2.00% to 4.00% to refund the outstanding Refunding Bonds, Series 2007. As a result, the 2007 refunding bonds are considered to be defeased, and the related liabilities for the Series 2007 bonds have been removed from ACWWA's liabilities. The purpose of this refunding was to reduce its total debt service payments over the term of the bonds by $2,440,100 and to realize an economic gain of $2,345,844. Principal and interest are due June 1 and December 1 in varying amounts through December 1, 2033.

**Pledged Revenue and Debt Coverage Requirements**

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

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

| Date | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ 3,295,000 | $ 6,821,558 | $ 10,116,558 |
| 2019 | 3,490,000 | 6,594,838 | 10,084,838 |
| 2020 | 3,590,000 | 6,460,977 | 10,050,977 |
| 2021 | 3,695,000 | 6,319,841 | 10,014,841 |
| 2022 | 4,365,000 | 6,168,701 | 10,533,701 |
| 2023-2027 | 21,375,000 | 27,900,730 | 49,275,730 |
| 2028-2032 | 26,155,000 | 21,816,625 | 47,971,625 |
| 2033-2037 | 32,020,000 | 13,853,569 | 45,873,569 |
| 2038-2039 | 22,065,000 | 2,463,584 | 24,528,584 |
| Total | $ 120,050,000 | $ 98,400,423 | $ 218,450,423 |

## NOTE 12: OPERATING LEASES

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

| | City Center Market Place |
|---|---|
| Future Maturities | |
| 2018 | $ 164,380 |
| 2019 | 172,599 |
| 2020 | 180,818 |
| 2021 | 189,037 |
| 2022 | 197,256 |
| 2023 | 205,475 |
| 2024 | 213,694 |
| 2025 | 221,913 |
| 2026 | 230,132 |
| | $ 1,775,304 |

Rent expense for 2017 was $146,730.

## NOTE 13: SELF-INSURANCE PLANS

Self-Insurance Liability Plan - In 1982, Arapahoe County established a self-insurance plan to provide liability and property coverage for County assets and operations. The plan is administered by the County. When appropriate, the County utilizes third-party consultants and attorneys to handle bodily injury claims and certain other claims. Excess insurance is maintained that limits the County's liability to certain levels depending on the nature of the claim. The Plan is not part of a public entity risk pool. The estimated liability claims were determined by an actuarial analysis of current claims and an estimate of incurred but not reported (IBNR) claims at December 31, 2017. This plan is an internal service fund.

Self-Insurance Worker's Compensation Plan – In 1990, the County established a self-insurance plan to pay losses from worker's compensation claims. The County administers the plan; however, the County utilizes third-party consultants, attorneys and service providers in the administration of the plan. Excess insurance coverage is maintained to limit the loss of any individual claim. The plan assesses other funds for estimates of current claims based on historical claims. The Plan is not part of a public entity risk pool. The estimated claim liability at December 31, 2017 was determined by an actuarial analysis. The actuarial analysis includes estimated costs of known claims and estimates of incurred but not reported (IBNR) claims. This plan is an internal service fund.

Self-Insurance Dental Plan - This fund was originally established on January 1, 1986, and included both medical and dental plans. A decision was made in 1991 to discontinue the County plan for medical insurance effective January 1, 1992. The County continued the self-insured dental plan. The County's Human Resource Department administers the Self-Insurance Dental Plan; however, the County utilizes a third-party consultant to assist with administrating the Plan. Dental claims, as well as administrative costs, are paid directly out of this fund, which is funded by contributions made by the County and its employees. All claims are reviewed and approved for payment by Delta Dental, in accordance with their administrative services agreement with the County. The County's plan is fully self-insured with the County assuming all liability risks. The Plan is not part of a public entity risk pool. The estimated claim liability at December 31, 2017 was determined by an actuarial analysis. The actuarial analysis includes estimated costs of known claims and estimates of incurred but not reported (IBNR) claims. This plan is an internal service fund.

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

| | Liability | Worker's Comp | Dental | Total |
|---|---|---|---|---|
| Unpaid Claims, January 1, 2016 | $ 1,316,000 | $ 2,143,000 | $ 64,000 | $ 3,523,000 |
| Incurred Claims (including IBNR) | 182,074 | 1,538,773 | 1,263,520 | 2,984,367 |
| Claim Payments | (268,074) | (1,266,773) | (1,267,520) | (2,802,367) |
| Unpaid Claims, December 31, 2016 | 1,230,000 | 2,415,000 | 60,000 | 3,705,000 |
| Incurred Claims (including IBNR) | 173,747 | 1,179,514 | 1,331,631 | 2,684,892 |
| Claim Payments | (306,747) | (1,424,514) | (1,335,831) | (3,067,092) |
| Unpaid Claims, December 31, 2017 | $ 1,097,000 | $ 2,170,000 | $ 55,800 | $ 3,322,800 |
| Claims Expected to be Paid in 2018 | $ 329,000 | $ 651,000 | $ 55,800 | $ 1,035,800 |
| Claims Expected to be Paid after 2018 | 768,000 | 1,519,000 | - | 2,287,000 |
| Unpaid Claims, December 31, 2017 | $ 1,097,000 | $ 2,170,000 | $ 55,800 | $ 3,322,800 |

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

## NOTE 14: RETIREMENT PLAN

### Plan Description

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

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

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

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

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

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

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

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

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

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

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

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

**Plan Summary of Significant Accounting Policies**

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

**Employees Covered by Benefit Terms**

At December 31, 2017, the following employees were covered by the benefit terms:

| | |
|---|---|
| Retirees and beneficiaries | 977 |
| Inactive, Nonretired members | 243 |
| Active employees | 1,938 |
| | 3,158 |

**Contributions**

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

**Net Pension Liability**

The County has elected a measurement date for the current year-end as of the prior year-end. Therefore, the net pension liability as of December 31, 2017 was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of January 1, 2017.

**Actuarial Assumptions**

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

Mortality rates were based on the RP-2000 Disabled Mortality Table, projected with scale AA (fully generational).

Assumptions shown above are for January 1, 2017 (used to determine 2017 Actuarial Determined Contribution).

**Single Discount Rate**

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

**Investments**

All investment information disclosed in the Plan's financial statements, including investments held at December 31, 2017 and net appreciation in fair value of investments, interest, dividends for the years ended December 31, 2017, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by U.S. Bank, the trustee of the Plan.

| | December 31, 2017 |
|---|---|
| Total Investments | $ 305,186,226 |
| Net Appreciation (Depreciation) in Fair Value of Investments | 32,006,811 |
| Interest and Dividend Income | 5,335,893 |

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

***Interest Rate Risk*** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk exposure is dictated by each manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy. As of December 31, 2017, the Plan held the following fixed income investments. Modified duration is in years.

| | December 31, 2017 |
|---|---|
| Western Core Plus Asset Management | |
| Core Plus Bond Fund - IS Shares | |
| Balance | $ 14,715,834 |
| Modified Duration (in Years) | 6.6 |
| JP Morgan | |
| Core Bond Fund | |
| Balance | $ 13,610,207 |
| Modified Duration (in Years) | 5.6 |
| Bain Capital | |
| Senior Loan Fund LP | |
| Balance | $ 15,819,554 |
| Modified Duration (in Years) | 0.2 |

Investments in money market funds in the Operating Account of $6,591,517 at December 31, 2017 are available for withdrawal daily.

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

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

The following is a summary of the Plan's fixed income investments at December 31, 2017 with average credit ratings based on Standard & Poor's rating scale:

| | December 31, 2017 | |
|---|---|---|
| Western Core Asset Management | | |
| Core Plus Bond Fund - IS Shares | | |
| Fair Value | $ | 14,715,834 |
| Average Rating of Underlying Investments | | AA |
| JP Morgan | | |
| Core Bond Fund | | |
| Fair Value | $ | 13,610,207 |
| Average Rating of Underlying Investments | | AA- |
| Bain Capital | | |
| Senior Loan Fund LP | | |
| Fair Value | $ | 15,819,554 |
| Average Rating of Underlying Investments | | B+ |
| US Bank Money Market | | |
| Fair Value | $ | 7,296,719 |
| Average Rating of Underlying Investments | | not rated |

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

The following presents investments that represent five percent or more of the Plan's investments as of December 31, 2017:

| | December 31, 2017 | |
|---|---|---|
| Vanguard Institutional Index | $ | 34,093,881 |
| UBS Trumbull | | 31,313,755 |
| Vanguard Total International Stock Index Fund | | 30,914,180 |
| Blackstone Alternative Asset Management | | 29,760,911 |
| Tortoise Capital Advisors | | 25,982,080 |
| Fidelity Small/Mid Cap Core | | 19,430,971 |
| New Perspective Fund/Euro-Pacific Growth Funds | | 18,680,334 |
| Harbert U.S. Real Estate Funds | | 17,811,725 |
| Dodge & Cox Global Stock Fund | | 16,045,562 |
| Bain Capital | | 15,819,554 |
| Aberdeen Emerging Funds | | 15,802,697 |

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2017, recent best estimates as supplied by the investment consultant are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Geometric Real Rate of Return |
|---|---|---|
| Private Equity | 5.0% | 7.95% |
| Global Developed Equity | 45.0% | 4.55% |
| Emerging Markets Equity | 5.0% | 5.75% |
| Low Volitility Strategies | 10.0% | 1.75% |
| Real Estate - Value-Added | 5.0% | 6.95% |
| Real Estate - Core | 10.0% | 4.25% |
| Floting Rate Debt | 10.0% | 3.25% |
| Traditional Fixed Income | 10.0% | -0.35% |
| | 100.0% | |

**Sensitivity of Net Pension Liability to the Single Discount Rate Assumption**

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

| | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|---|---|---|---|
| Net pension liability | $ 214,744,218 | $ 163,988,004 | $ 121,532,693 |

**Pension Plan Fiduciary Net Position**

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

### Changes in Net Pension Liability

| | Total Pension Liability (a) | Increase (Decrease) Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| Balances at December 31, 2016 | $ 427,063,671 | $ 265,176,097 | $ 161,887,574 |
| Changes for the year: | | | |
| Service cost | 11,551,817 | - | 11,551,817 |
| Interest on total pension liability | 31,505,045 | - | 31,505,045 |
| Changes on benefit terms | - | - | - |
| Difference between expected and actual experience of the Total Pension Liability | (2,292,612) | - | (2,292,612) |
| Changes of assumptions | - | - | - |
| Benefit payments, including refunds of employee contributions | (25,544,620) | (25,544,620) | - |
| Employer contributions | - | 9,298,210 | (9,298,210) |
| Member contributions | - | 9,288,083 | (9,288,083) |
| Net investment income | - | 20,473,577 | (20,473,577) |
| Administrative expenses | - | (396,050) | 396,050 |
| Net changes | 15,219,630 | 13,119,200 | 2,100,430 |
| Balances at December 31, 2017 | $ 442,283,301 | $ 278,295,297 | $ 163,988,004 |

For the year ended December 31, 2017, the County recognized pension expense of $22,080,285. At December 31, 2017, the County reported deferred outflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 5,761,350 | $ 1,874,451 |
| Changes in assumptions | 3,963,862 | - |
| Net difference between projected and actual earnings | 14,061,643 | 688,927 |
| Contributions made subsequent to measurement date | 9,660,642 | - |
| Total | $ 33,447,497 | $ 2,563,378 |

The $9,660,642 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31, | Total |
|---|---|
| 2018 | $ 7,527,874 |
| 2019 | 7,527,874 |
| 2020 | 6,304,012 |
| 2021 | 65,520 |
| 2022 | (201,803) |
| | $ 21,223,477 |

## NOTE 15: CONTINGENCIES

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

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

## NOTE 16: TAX SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

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

The Law Enforcement Authority levied 4.982 mills and the Recreation District levied .708 mills in 2017.

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

Based upon Arapahoe County's interpretation of the above Amendment, the County believes it falls within the TABOR limits for 2017.

## NOTE 17: CONDUIT DEBT

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

Periodically, under the above Act, the County issues industrial revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2017, the aggregate principal amount payable for the bonds is $58,438,213.

## NOTE 18: NONSPENDABLE, RESTRICTED, AND UNRESTRICTED FUND BALANCE

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

| | | Major Special Revenue Funds | | | |
|---|---|---|---|---|---|
| | General Fund | Social Services | Open Spaces Sales Tax | Other Governmental | Total |
| **Fund Balances** | | | | | |
| **Nonspendable:** | | | | | |
| Inventory | $ - | $ - | $ - | $ 80,491 | $ 80,491 |
| Prepaid expenditures | 6,944 | 10,545 | - | 1,600 | 19,089 |
| **Total Nonspendable** | 6,944 | 10,545 | - | 82,091 | 99,580 |
| **Restricted for:** | | | | | |
| Emergencies (TABOR) | 6,804,538 | - | - | 274,255 | 7,078,793 |
| Parks, Recreation & Open Space | 65,951 | - | - | 1,058,351 | 1,124,302 |
| Developer Contributions | - | - | - | 3,779,613 | 3,779,613 |
| Park Development | - | - | - | 1,091,354 | 1,091,354 |
| Law Enforcement | - | - | - | 9,466,245 | 9,466,245 |
| Electronic Filing Technology | - | - | - | 612,736 | 612,736 |
| Tranportation Projects | | | | 3,701,537 | 3,701,537 |
| Open Space, Parks and Trails | - | - | 40,019,396 | - | 40,019,396 |
| Water Projects - Debt Service | - | - | - | 1,200,000 | 1,200,000 |
| **Total Restricted** | 6,870,489 | - | 40,019,396 | 21,184,091 | 68,073,976 |
| **Committed to:** | | | | | |
| Emergencies | - | - | - | 603,465 | 603,465 |
| Capital Projects/Replacements | - | - | - | 6,544,256 | 6,544,256 |
| Highways & Streets | - | - | - | 17,306,576 | 17,306,576 |
| Radio Telecommunication | - | - | - | 381,628 | 381,628 |
| Water Projects | - | - | - | 1,638,149 | 1,638,149 |
| **Total Committed** | - | - | - | 26,474,074 | 26,474,074 |
| **Assigned to:** | | | | | |
| Contracted Services | 284,212 | - | - | - | 284,212 |
| Parks and Recreation | - | - | - | 1,756,972 | 1,756,972 |
| Debt Service | - | - | - | 1,957,949 | 1,957,949 |
| Facilities and Fleet Maintenance | 26,743 | - | - | - | 26,743 |
| Health and Welfare Programs | - | 9,001,717 | - | - | 9,001,717 |
| Information Technology Projects | 144,326 | - | - | - | 144,326 |
| Law Enforcement | 884,371 | - | - | 737,675 | 1,622,046 |
| Public Works Projects | 271,300 | - | - | - | 271,300 |
| Recording | 470,924 | - | - | - | 470,924 |
| Subsequent Year Expenditures | 9,649,947 | 925,420 | - | 310,348 | 10,885,715 |
| **Total Assigned** | 11,731,823 | 9,927,137 | - | 4,762,944 | 26,421,904 |
| **Unassigned** | 39,199,988 | - | - | (1,069,249) | 38,130,739 |
| **Total Fund Balance** | $ 57,809,244 | $ 9,937,682 | $ 40,019,396 | $ 51,433,951 | $ 159,200,273 |

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

As part of the County's implementation of GASB Statement No. 54 (see Note 1, Fund Equity), certain special revenue funds reported in the years prior to December 31, 2011 no longer qualify as special revenue funds, and have been combined with the General Fund for reporting purposes. In accordance with GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the activity of such funds is not included in the General Fund budgetary comparison schedule. The following is a reconciliation of the General Fund budgetary comparison schedule to the General Fund as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended December 31, 2017:

| | | |
|---|---|---|
| **Expenditures** | | |
| Actual amounts "expenditures" from the General Fund budgetary comparison schedule | $ | 159,072,735 |
| Adjustments: | | |
| The County reports expenditures of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance. | | 1,484,476 |
| Total General Fund expenditures as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance | $ | 160,557,211 |
| **Other financing sources (uses)** | | |
| Actual amounts "other financing sources (uses)" from the General Fund budgetary comparison schedule | $ | (12,505,414) |
| Adjustments: | | |
| The County reports other financing sources (uses) of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance. | | 1,798,000 |
| Total General Fund other financing sources (uses) as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance | $ | (10,707,414) |

## NOTE 20: TAX ABATEMENTS

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

For fiscal year ended December 31, 2017, the County abated personal property taxes totaling $54,402.22 under this program, including the following agreements that each exceeded 10 percent of the total amount abated:

- Company A LLC: A 100 percent rebate of the personal property taxes paid to the County, for five years beginning with the 2015 tax year, for an expansion which constitutes a new business facility located in Greenwood Village, CO. Because taxes are abated after the qualifying steps have been taken, there are no provisions for recapturing abated taxes. The rebated amount to Company A, LLC during fiscal year 2017 totaled $8,958.57.

- Company B LLC: A 50 percent rebate of the personal property taxes paid to the County, for five years beginning with the 2015 tax year, for an expansion which constitutes a new business facility located in Aurora, CO. The provision for recapturing the abated taxes is only in the event of a default. The rebated amount to Company B, LLC during fiscal year 2017 totaled $8,839.70.

- Company C Inc.: A 50 percent rebate of the personal property taxes paid to the County, for 10 years beginning with the 2010 tax year, for an expansion which constitutes a new businesses facility located in Englewood, CO. Also, a 100 percent rebate of the personal property taxes paid to the County, for 10 years beginning with the 2015 tax year, for a new business facility located in Englewood, CO. The provision for recapturing the abated taxes is only in the event of a default. The rebated amount to Company C, Inc. for both agreements during fiscal year 2017 totaled $28,002.10.

- Company D LLC: A 100 percent rebate of personal property taxes paid to the County, for five years beginning in the 2017 tax year, for an expansion which constitutes a new business facility located in Englewood, CO. Because taxes are abated after the qualifying steps have been taken, there are no provisions for recapturing abated taxes. The rebated amount to Company D, LLC during fiscal year 2017 totaled $6,742.89.

Arapahoe County, Colorado
Schedule of Changes in the Net Pension Liability and Related Ratios
Required Supplementary Information
2008 - 2017

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability | | | | | | | | | | |
| Service cost | $ 11,551,817 | $ 10,966,993 | $ 10,186,256 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Interest | 31,505,044 | 29,854,357 | 27,803,874 | - | - | - | - | - | - | - |
| Effect of plan changes | - | - | - | - | - | - | - | - | - | - |
| Effect of changes of experience | (2,292,612) | 6,279,309 | 3,758,718 | - | - | - | - | - | - | - |
| Effect of changes of assumptions | - | - | 8,605,204 | - | - | - | - | - | - | - |
| Benefit payments | (22,421,338) | (21,311,701) | (19,218,734) | - | - | - | - | - | - | - |
| Refunds | (3,123,281) | (3,911,473) | (2,367,372) | - | - | - | - | - | - | - |
| Net change in pension liability | 15,219,630 | 21,877,485 | 28,767,946 | - | - | - | - | - | - | - |
| Total pension liability-beginning | 427,063,671 | 405,186,186 | 376,418,240 | - | - | - | - | - | - | - |
| Total pension liability-ending (a) | $ 442,283,301 | $ 427,063,671 | $ 405,186,186 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Plan fiduciary net position | | | | | | | | | | |
| Employer contributions | $ 9,298,210 | $ 8,749,813 | $ 8,451,497 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Member contributions | 9,288,083 | 8,738,077 | 8,444,077 | | | | | | | |
| Net investment income | 20,473,577 | (2,242,209) | 18,236,018 | - | - | - | - | - | - | - |
| Benefit payments | (22,421,338) | (21,311,701) | (19,218,734) | - | - | - | - | - | - | - |
| Refunds | (3,123,281) | (3,911,473) | (2,367,372) | | | | | | | |
| Administrative expense | (396,050) | (334,662) | (493,482) | - | - | - | - | - | - | - |
| Net change in plan fiduciary net postion | 13,119,201 | (10,312,155) | 13,052,004 | - | - | - | - | - | - | - |
| Plan fiduciary net position-beginning | 265,176,096 | 275,488,251 | 262,436,247 | - | - | - | - | - | - | - |
| Plan fiduciary net position-ending (b) | $ 278,295,297 | $ 265,176,096 | $ 275,488,251 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net pension liability-ending (a)-(b) | $ 163,988,004 | $ 161,887,575 | $ 129,697,935 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Plan fiduciary net position as a percentage of the total pension liability | 62.92% | 62.09% | 67.99% | - | - | - | - | - | - | - |
| Covered payroll | $ 116,636,709 | $ 109,225,963 | $ 105,550,963 | - | - | - | - | - | - | - |
| Net pension liability as a percentage of covered payroll | 140.60% | 148.21% | 122.88% | - | - | - | - | - | - | - |

Notes to schedule:
N/A

Arapahoe County, Colorado
Schedule of Pension Contributions
Required Supplementary Information
2008 - 2017

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 13,238,956 | $ 13,283,879 | $ 12,267,139 | $ 10,875,990 | $ 13,572,119 | $ 11,807,180 | $ 10,684,309 | $ 9,822,089 | $ 12,408,298 | $ 8,924,369 |
| Contributions in relation to the actuarially determined contribution | 9,660,642 | 9,298,210 | 8,749,814 | 8,451,497 | 7,723,973 | 7,430,087 | 6,890,012 | 6,995,753 | 6,455,058 | 6,188,651 |
| Contribution deficiency (excess) | $ 3,578,314 | $ 3,985,669 | $ 3,517,325 | $ 2,424,493 | $ 5,848,146 | $ 4,377,093 | $ 3,794,297 | $ 2,826,336 | $ 5,953,240 | $ 2,735,718 |
| Covered payroll | $ 121,286,909 | $ 116,636,709 | $ 109,225,963 | $ 105,550,963 | $ 102,793,733 | $ 98,907,187 | $ 98,238,914 | $ 100,823,143 | $ 100,686,769 | $ 97,573,292 |
| Contributions as a percentage of covered payroll | 7.97% | 7.97% | 8.01% | 8.01% | 7.51% | 7.51% | 7.01% | 6.94% | 6.41% | 6.34% |

**Notes to schedule:**

Valuation date:
Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, open |
| Remaining amortization period | 20 years |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.75% |
| Salary increases | Age-based: 3.40% to 6.75% |
| Investment rate of return | 7.5% |
| Retirement age | Age-based with consideration for eligibility for special early retirement |
| Mortality | Healthy: Combined RP-2000 Mortality Table Projected with Scale AA<br>Disabled: RP-2000 Disabled Mortality Table Projected with Scale AA |

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Governmental Funds**
**December 31, 2017**

| | Special Revenue | Capital Projects | Debt Service | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and investments | $ 18,762,455 | $ 31,713,920 | $ 1,957,949 | $ 52,434,324 |
| Restricted cash and investments | - | 1,200,000 | - | 1,200,000 |
| Accounts receivable | 4,229,685 | 308,363 | - | 4,538,048 |
| Taxes receivable, net | 22,373,881 | 12,946,949 | - | 35,320,830 |
| Prepaid items | 1,600 | - | - | 1,600 |
| Inventories | 80,491 | - | - | 80,491 |
| Total assets | $ 45,448,112 | $ 46,169,232 | $ 1,957,949 | $ 93,575,293 |
| **Liabilities** | | | | |
| Accounts payable | $ 1,248,287 | $ 883,864 | $ - | $ 2,132,151 |
| Accrued expenditures | 918,466 | 13,522 | - | 931,988 |
| Due to other funds | 1,520,048 | - | - | 1,520,048 |
| Unearned revenue - other | 1,493,268 | - | - | 1,493,268 |
| Total liabilities | 5,180,069 | 897,386 | - | 6,077,455 |
| **Deferred inflows of resources** | | | | |
| Deferred property tax revenue | 22,373,881 | 12,946,949 | - | 35,320,830 |
| Unavailable revenue-grants | 743,057 | - | - | 743,057 |
| Total deferred inflows of resources | 23,116,938 | 12,946,949 | - | 36,063,887 |
| **Fund balances (deficits)** | | | | |
| Nonspendable | 82,091 | - | - | 82,091 |
| Restricted | 16,165,849 | 5,018,242 | - | 21,184,091 |
| Committed | 985,093 | 25,488,981 | - | 26,474,074 |
| Assigned | 987,321 | 1,817,674 | 1,957,949 | 4,762,944 |
| Unassigned | (1,069,249) | - | - | (1,069,249) |
| Total fund balances (deficits) | 17,151,105 | 32,324,897 | 1,957,949 | 51,433,951 |
| Total liabilities, deferred inflows of resources and fund balance | $ 45,448,112 | $ 46,169,232 | $ 1,957,949 | $ 93,575,293 |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Governmental Funds**
**For the Year Ended December 31, 2017**

| | Special Revenue | Capital Projects | Debt Service | Total |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 20,881,328 | $ 13,291,383 | $ - | $ 34,172,711 |
| Other taxes | 1,030,072 | 1,111,584 | - | 2,141,656 |
| Licenses and permits | 412,167 | 480,478 | - | 892,645 |
| Intergovernmental | 30,593,125 | 6,467,570 | - | 37,060,695 |
| Charges for services | 2,443,625 | 57,876 | - | 2,501,501 |
| Fines and forfeitures | 552,112 | - | - | 552,112 |
| Investment earnings | 124,543 | 73,810 | 77,826 | 276,179 |
| Interfund revenues and rentals | 127,403 | 536 | - | 127,939 |
| Developer contributions | - | 516,303 | - | 516,303 |
| Build America Bonds credit | - | 1,080,190 | - | 1,080,190 |
| Miscellaneous | 948,280 | 2,827 | - | 951,107 |
| Total revenue | 57,112,655 | 23,082,557 | 77,826 | 80,273,038 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 214,791 | 213,845 | - | 428,636 |
| Public safety | 10,299,081 | 110,191 | - | 10,409,272 |
| Judicial services | - | 381,198 | - | 381,198 |
| Health and welfare | 29,459,371 | - | 1,650 | 29,461,021 |
| Highways and streets | 14,851,158 | 5,276,739 | - | 20,127,897 |
| Water and wastewater | - | 114,375 | - | 114,375 |
| Airport | - | - | 591 | 591 |
| Culture and recreation | 453,690 | 1,023,567 | - | 1,477,257 |
| Total current | 55,278,091 | 7,119,915 | 2,241 | 62,400,247 |
| **Capital** | | | | |
| General government | - | 4,387,191 | - | 4,387,191 |
| Public safety | - | 1,108,994 | - | 1,108,994 |
| Judicial services | - | 1,270,071 | - | 1,270,071 |
| Highways and streets | - | 2,488,215 | - | 2,488,215 |
| Culture and recreation | - | 46,412 | - | 46,412 |
| Total capital | - | 9,300,883 | - | 9,300,883 |
| **Debt** | | | | |
| Principal | - | 2,654,741 | 5,076,485 | 7,731,226 |
| Interest | - | 6,508,969 | 1,394,937 | 7,903,906 |
| Debt administration fees | - | 1,050 | 2,500 | 3,550 |
| Total debt service | - | 9,164,760 | 6,473,922 | 15,638,682 |
| Total expenditures | 55,278,091 | 25,585,558 | 6,476,163 | 87,339,812 |
| Excess (deficiency) of revenues over (under) expenditures | 1,834,564 | (2,503,001) | (6,398,337) | (7,066,774) |
| **Other financing sources (uses)** | | | | |
| Transfers in | 72,610 | 11,565,862 | 6,442,688 | 18,081,160 |
| Transfers out | (1,203,848) | (6,001,170) | - | (7,205,018) |
| Total other financing sources (uses) | (1,131,238) | 5,564,692 | 6,442,688 | 10,876,142 |
| Net change in fund balance | 703,326 | 3,061,691 | 44,351 | 3,809,368 |
| Fund balance - beginning | 16,447,779 | 29,263,206 | 1,913,598 | 47,624,583 |
| Fund balance - ending | $ 17,151,105 | $ 32,324,897 | $ 1,957,949 | $ 51,433,951 |

## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Special Revenue**
**December 31, 2017**

| | Nonmajor Special Revenue | | | |
|---|---|---|---|---|
| | Electronic Filing | Cash-In-Lieu | Law Enforc. Authority | Arapahoe/Doug. Works! |
| **Assets** | | | | |
| Cash and investments | $ 652,922 | $ 1,077,343 | $ 9,588,213 | $ - |
| Accounts receivable | - | 14,011 | 12,600 | 1,075,021 |
| Taxes receivable, net | - | - | 6,597,524 | - |
| Prepaid items | - | - | - | 742 |
| Inventories | - | - | - | - |
| Total assets | $ 652,922 | $ 1,091,354 | $ 16,198,337 | $ 1,075,763 |
| **Liabilities** | | | | |
| Accounts payable | $ 9,207 | $ - | $ 16,357 | $ 41,778 |
| Accrued expenditures | 30,979 | - | 278,399 | 271,443 |
| Due to other funds | - | - | - | 39,119 |
| Unearned revenue - other | - | - | - | 811,529 |
| Total liabilities | 40,186 | - | 294,756 | 1,163,869 |
| **Deferred inflows of resources** | | | | |
| Deferred property tax revenue | - | - | 6,597,524 | - |
| Unavailable revenue-grants | - | - | - | 2,402 |
| Total deferred inflows of resources | - | - | 6,597,524 | 2,402 |
| **Fund balances (deficits)** | | | | |
| Nonspendable | - | - | - | 742 |
| Restricted | 612,736 | 1,091,354 | 9,306,057 | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | (91,250) |
| Total fund balances (deficits) | 612,736 | 1,091,354 | 9,306,057 | (90,508) |
| Total liabilities, deferred inflows of resources and fund balance | $ 652,922 | $ 1,091,354 | $ 16,198,337 | $ 1,075,763 |

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Special Revenue (continued)**
**December 31, 2017**

| Nonmajor Special Revenue | | | | | |
|---|---|---|---|---|---|
| Road and Bridge | Conservation Trust | Contingent | Comm. Network Replacement | | |
| | | | | **Assets** | |
| $ 3,661,925 | $ 1,058,350 | $ 603,465 | $ 388,321 | Cash and investments | |
| 602,902 | - | - | - | Accounts receivable | |
| 5,690,793 | - | - | - | Taxes receivable, net | |
| 466 | - | - | - | Prepaid items | |
| - | - | - | - | Inventories | |
| $ 9,956,086 | $ 1,058,350 | $ 603,465 | $ 388,321 | Total assets | |
| | | | | **Liabilities** | |
| $ 368,757 | $ - | $ - | $ 6,693 | Accounts payable | |
| 194,531 | - | - | - | Accrued expenditures | |
| - | - | - | - | Due to other funds | |
| - | - | - | - | Unearned revenue - other | |
| 563,288 | - | - | 6,693 | Total liabilities | |
| | | | | **Deferred inflows of resources** | |
| 5,690,793 | - | - | - | Deferred property tax revenue | |
| - | - | - | - | Unavailable revenue-grants | |
| 5,690,793 | - | - | - | Total deferred inflows of resources | |
| | | | | **Fund balances (deficits)** | |
| 466 | - | - | - | Nonspendable | |
| 3,701,539 | 1,058,350 | - | - | Restricted | |
| - | - | 603,465 | 381,628 | Committed | |
| - | - | - | - | Assigned | |
| - | - | - | - | Unassigned | |
| 3,702,005 | 1,058,350 | 603,465 | 381,628 | Total fund balances (deficits) | |
| $ 9,956,086 | $ 1,058,350 | $ 603,465 | $ 388,321 | Total liabilities, deferred inflows of resources and fund balance | |

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Special Revenue (continued)**
**December 31, 2017**

| | Nonmajor Special Revenue | | | |
|---|---|---|---|---|
| | Sheriff's Commissary | Community Development | Forfeited Property | Developmental Disabilities |
| **Assets** | | | | |
| Cash and investments | $ 833,619 | $ 386,923 | $ 395,813 | $ 34,190 |
| Accounts receivable | 124,439 | 331,465 | - | - |
| Taxes receivable, net | - | - | - | 10,085,564 |
| Prepaid items | - | - | - | - |
| Inventories | - | - | - | - |
| Total assets | $ 958,058 | $ 718,388 | $ 395,813 | $ 10,119,754 |
| **Liabilities** | | | | |
| Accounts payable | $ 29,779 | $ 32,679 | $ - | $ 34,190 |
| Accrued expenditures | 21,583 | 11,166 | - | - |
| Due to other funds | - | - | - | - |
| Unearned revenue - other | - | 681,137 | - | - |
| Total liabilities | 51,362 | 724,982 | - | 34,190 |
| **Deferred inflows of resources** | | | | |
| Deferred property tax revenue | - | - | - | 10,085,564 |
| Unavailable revenue-grants | - | - | - | - |
| Total deferred inflows of resources | - | - | - | 10,085,564 |
| **Fund balances (deficits)** | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | 395,813 | - |
| Committed | - | - | - | - |
| Assigned | 906,696 | - | - | - |
| Unassigned | - | (6,594) | - | - |
| Total fund balances (deficits) | 906,696 | (6,594) | 395,813 | - |
| Total liabilities, deferred inflows of resources and fund balance | $ 958,058 | $ 718,388 | $ 395,813 | $ 10,119,754 |

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Special Revenue (continued)**
**December 31, 2017**

| Nonmajor Special Revenue | | | | |
|---|---|---|---|---|
| Grants | Homeland Security Grant | Fair | Total | |
| | | | | **Assets** |
| $ - | $ - | $ 81,371 | $ 18,762,455 | Cash and investments |
| 861,567 | 1,207,680 | - | 4,229,685 | Accounts receivable |
| - | - | - | 22,373,881 | Taxes receivable, net |
| 392 | - | - | 1,600 | Prepaid items |
| 80,491 | - | - | 80,491 | Inventories |
| $ 942,450 | $ 1,207,680 | $ 81,371 | $ 45,448,112 | Total assets |
| | | | | **Liabilities** |
| $ 563,652 | $ 144,449 | $ 746 | $ 1,248,287 | Accounts payable |
| 98,865 | 11,500 | - | 918,466 | Accrued expenditures |
| 429,801 | 1,051,128 | - | 1,520,048 | Due to other funds |
| - | 602 | - | 1,493,268 | Unearned revenue - other |
| 1,092,318 | 1,207,679 | 746 | 5,180,069 | Total liabilities |
| | | | | **Deferred inflows of resources** |
| - | - | - | 22,373,881 | Deferred property tax revenue |
| 66,850 | 673,805 | - | 743,057 | Unavailable revenue-grants |
| 66,850 | 673,805 | - | 23,116,938 | Total deferred inflows of resources |
| | | | | **Fund balances (deficits)** |
| 80,883 | - | - | 82,091 | Nonspendable |
| - | - | - | 16,165,849 | Restricted |
| - | - | - | 985,093 | Committed |
| - | - | 80,625 | 987,321 | Assigned |
| (297,601) | (673,804) | - | (1,069,249) | Unassigned |
| (216,718) | (673,804) | 80,625 | 17,151,105 | Total fund balances (deficits) |
| $ 942,450 | $ 1,207,680 | $ 81,371 | $ 45,448,112 | Total liabilities, deferred inflows of resources and fund balance |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Special Revenue Funds**
**For the Year Ended December 31, 2017**

| | Nonmajor Special Revenue | | | |
|---|---|---|---|---|
| | Electronic Filing | Cash-In-Lieu | Law Enforc. Authority | Arapahoe/Doug. Works! |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ - | $ - | $ 6,097,164 | $ - |
| Other taxes | - | - | 524,217 | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | 46,114 | 8,516,978 |
| Charges for services | 140,871 | 208,763 | 133,457 | 138,893 |
| Fines and forfeitures | - | - | 460,122 | - |
| Investment earnings | - | - | 112,412 | - |
| Interfund revenues and rentals | - | - | - | 127,403 |
| Miscellaneous | - | - | 669 | 290,394 |
| Total revenue | 140,871 | 208,763 | 7,374,155 | 9,073,668 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 76,911 | - | - | - |
| Public safety | - | - | 6,895,052 | - |
| Health and welfare | - | - | - | 9,163,176 |
| Highways and streets | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Total current | 76,911 | - | 6,895,052 | 9,163,176 |
| Total expenditures | 76,911 | - | 6,895,052 | 9,163,176 |
| Excess (deficiency) of revenues over (under) expenditures | 63,960 | 208,763 | 479,103 | (89,508) |
| **Other financing sources (uses)** | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (121,764) | (1,000) |
| Total other financing sources (uses) | - | - | (121,764) | (1,000) |
| Net change in fund balance | 63,960 | 208,763 | 357,339 | (90,508) |
| Fund balance - beginning | 548,776 | 882,591 | 8,948,718 | - |
| Fund balance - ending | $ 612,736 | $ 1,091,354 | $ 9,306,057 | $ (90,508) |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Special Revenue Funds (continued)**
**For the Year Ended December 31, 2017**

| Nonmajor Special Revenue | | | | |
|---|---|---|---|---|
| Road and Bridge | Conservation Trust | Contingent | Comm. Network Replacement | |
| | | | | **Revenues** |
| $ 5,807,330 | $ - | $ - | $ - | Taxes<br>Property taxes |
| 505,855 | - | - | - | Other taxes |
| 412,167 | - | - | - | Licenses and permits |
| 9,100,562 | 667,487 | - | 60,325 | Intergovernmental |
| 884 | - | - | - | Charges for services |
| - | - | - | - | Fines and forfeitures |
| - | 8,158 | - | - | Investment earnings |
| - | - | - | - | Interfund revenues and rentals |
| 19,276 | - | - | - | Miscellaneous |
| 15,846,074 | 675,645 | - | 60,325 | Total revenue |
| | | | | **Expenditures** |
| | | | | **Current** |
| - | - | - | 115,630 | General government |
| - | - | - | - | Public safety |
| - | - | - | - | Health and welfare |
| 14,851,158 | - | - | - | Highways and streets |
| - | - | - | - | Culture and recreation |
| 14,851,158 | - | - | 115,630 | Total current |
| 14,851,158 | - | - | 115,630 | Total expenditures |
| 994,916 | 675,645 | - | (55,305) | Excess (deficiency) of revenues over (under) expenditures |
| | | | | **Other financing sources (uses)** |
| - | - | - | 30,775 | Transfers in |
| (510,488) | (559,900) | - | - | Transfers out |
| (510,488) | (559,900) | - | 30,775 | Total other financing sources (uses) |
| 484,428 | 115,745 | - | (24,530) | Net change in fund balance |
| 3,217,577 | 942,605 | 603,465 | 406,158 | Fund balance - beginning |
| $ 3,702,005 | $ 1,058,350 | $ 603,465 | $ 381,628 | Fund balance - ending |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Special Revenue Funds (continued)**
**For the Year Ended December 31, 2017**

| | Nonmajor Special Revenue | | | |
|---|---|---|---|---|
| | Sheriff's Commissary | Community Development | Forfeited Property | Developmental Disabilities |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ - | $ - | $ - | $ 8,976,834 |
| Other taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | 2,239,598 | - | 714 |
| Charges for services | 1,326,367 | - | - | - |
| Fines and forfeitures | 12,962 | - | 79,028 | - |
| Investment earnings | - | - | 3,973 | - |
| Interfund revenues and rentals | - | - | - | - |
| Miscellaneous | - | 523,350 | - | - |
| Total revenue | 1,339,329 | 2,762,948 | 83,001 | 8,977,548 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | - | - | - | - |
| Public safety | 1,276,812 | - | 104,552 | - |
| Health and welfare | - | 2,792,948 | - | 8,977,548 |
| Highways and streets | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Total current | 1,276,812 | 2,792,948 | 104,552 | 8,977,548 |
| Total expenditures | 1,276,812 | 2,792,948 | 104,552 | 8,977,548 |
| Excess (deficiency) of revenues over (under) expenditures | 62,517 | (30,000) | (21,551) | - |
| **Other financing sources (uses)** | | | | |
| Transfers in | - | 30,000 | - | - |
| Transfers out | (500) | - | (9,354) | - |
| Total other financing sources (uses) | (500) | 30,000 | (9,354) | - |
| Net change in fund balance | 62,017 | - | (30,905) | - |
| Fund balance - beginning | 844,679 | (6,594) | 426,718 | - |
| Fund balance - ending | $ 906,696 | $ (6,594) | $ 395,813 | $ - |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Special Revenue Funds (continued)**
**For the Year Ended December 31, 2017**

| Nonmajor Special Revenue | | | | |
|---|---|---|---|---|
| Grant | Homeland Security Grant | Fair | Total | |
| | | | | **Revenues** |
| $ - | $ - | $ - | $ 20,881,328 | Taxes<br>Property taxes |
| - | - | - | 1,030,072 | Other taxes |
| - | - | - | 412,167 | Licenses and permits |
| 9,074,917 | 886,430 | - | 30,593,125 | Intergovernmental |
| 45,210 | - | 449,180 | 2,443,625 | Charges for services |
| - | - | - | 552,112 | Fines and forfeitures |
| - | - | - | 124,543 | Investment earnings |
| - | - | - | 127,403 | Interfund revenues and rentals |
| 112,419 | - | 2,172 | 948,280 | Miscellaneous |
| 9,232,546 | 886,430 | 451,352 | 57,112,655 | Total revenue |
| | | | | **Expenditures** |
| | | | | **Current** |
| - | - | 22,250 | 214,791 | General government |
| 723,056 | 1,299,609 | - | 10,299,081 | Public safety |
| 8,525,699 | - | - | 29,459,371 | Health and welfare |
| - | - | - | 14,851,158 | Highways and streets |
| - | - | 453,690 | 453,690 | Culture and recreation |
| 9,248,755 | 1,299,609 | 475,940 | 55,278,091 | Total current |
| 9,248,755 | 1,299,609 | 475,940 | 55,278,091 | Total expenditures |
| (16,209) | (413,179) | (24,588) | 1,834,564 | Excess (deficiency) of revenues over (under) expenditures |
| | | | | **Other financing sources (uses)** |
| - | - | 11,835 | 72,610 | Transfers in |
| (842) | - | - | (1,203,848) | Transfers out |
| (842) | - | 11,835 | (1,131,238) | Total other financing sources (uses) |
| (17,051) | (413,179) | (12,753) | 703,326 | Net change in fund balance |
| (199,667) | (260,625) | 93,378 | 16,447,779 | Fund balance - beginning |
| $ (216,718) | $ (673,804) | $ 80,625 | $ 17,151,105 | Fund balance - ending |

## CAPITAL PROJECTS FUNDS

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

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

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

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

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

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Capital Projects**
**December 31, 2017**

| | Nonmajor Capital Projects | | | |
|---|---|---|---|---|
| | Capital Expenditure | Infrastructure | Arap. County Rec. District | Arap. County Water and Wastewater PID |
| **Assets** | | | | |
| Cash and investments | $ 7,277,269 | $ 20,856,152 | $ 1,821,796 | $ 1,758,703 |
| Restricted cash and investments | - | - | - | 1,200,000 |
| Accounts receivable | - | 304,909 | 632 | 2,822 |
| Taxes receivable, net | 4,466,319 | - | 916,094 | 7,564,536 |
| Total assets | $ 11,743,588 | $ 21,161,061 | $ 2,738,522 | $ 10,526,061 |
| **Liabilities** | | | | |
| Accounts payable | $ 733,016 | $ 74,869 | $ 74,329 | $ 1,650 |
| Accrued expenditures | - | - | 13,522 | - |
| Total liabilities | 733,016 | 74,869 | 87,851 | 1,650 |
| **Deferred inflows of resources** | | | | |
| Deferred property tax revenue | 4,466,319 | - | 916,094 | 7,564,536 |
| Total deferred inflows of resources | 4,466,319 | - | 916,094 | 7,564,536 |
| **Fund balances (deficits)** | | | | |
| Restricted | - | 3,779,613 | 38,629 | 1,200,000 |
| Committed | 6,544,253 | 17,306,579 | - | 1,638,149 |
| Assigned | - | - | 1,695,948 | 121,726 |
| Total fund balances (deficits) | 6,544,253 | 21,086,192 | 1,734,577 | 2,959,875 |
| Total liabilities, deferred inflows of resources and fund balance | $ 11,743,588 | $ 21,161,061 | $ 2,738,522 | $ 10,526,061 |

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Capital Projects (continued)**
**December 31, 2017**

| | Total |
|---|---|
| **Assets** | |
| Cash and investments | $ 31,713,920 |
| Restricted cash and investments | 1,200,000 |
| Accounts receivable | 308,363 |
| Taxes receivable, net | 12,946,949 |
| Total assets | $ 46,169,232 |
| **Liabilities** | |
| Accounts payable | $ 883,864 |
| Accrued expenditures | 13,522 |
| Total liabilities | 897,386 |
| **Deferred inflows of resources** | |
| Deferred property tax revenue | 12,946,949 |
| Total deferred inflows of resources | 12,946,949 |
| **Fund balances (deficits)** | |
| Restricted | 5,018,242 |
| Committed | 25,488,981 |
| Assigned | 1,817,674 |
| Total fund balances (deficits) | 32,324,897 |
| Total liabilities, deferred inflows of resources and fund balance | $ 46,169,232 |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Capital Projects**
**For the Year Ended December 31, 2017**

| | Nonmajor Capital Projects | | | |
|---|---|---|---|---|
| | Capital Expenditure | Infrastructure | Arap. County Rec. District | Arap. County Water and Wastewater PID |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 4,558,511 | $ - | $ 904,101 | $ 7,828,771 |
| Other taxes | 397,073 | - | 77,078 | 637,433 |
| Licenses and permits | - | 480,478 | - | - |
| Intergovernmental | 1,159,687 | 5,117,207 | 190,676 | - |
| Charges for services | - | - | 57,876 | - |
| Investment earnings | - | 53,842 | 19,968 | - |
| Interfund revenues and rentals | - | - | 536 | - |
| Developer contributions | - | 516,303 | - | - |
| Build America Bonds credit | - | - | - | 1,080,190 |
| Miscellaneous | - | - | 2,827 | - |
| Total revenue | 6,115,271 | 6,167,830 | 1,253,062 | 9,546,394 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 213,845 | - | - | - |
| Public safety | 110,191 | - | - | - |
| Judicial services | 381,198 | - | - | - |
| Highways and streets | - | 5,276,739 | - | - |
| Water and wastewater | - | - | - | 114,375 |
| Culture and recreation | - | - | 1,023,567 | - |
| Total current | 705,234 | 5,276,739 | 1,023,567 | 114,375 |
| **Capital** | | | | |
| General government | 4,387,191 | - | - | - |
| Public safety | 1,108,994 | - | - | - |
| Judicial services | 1,270,071 | - | - | - |
| Highways and streets | - | 2,488,215 | - | - |
| Culture and recreation | - | - | 46,412 | - |
| Total capital | 6,766,256 | 2,488,215 | 46,412 | - |
| **Debt** | | | | |
| Principal | - | - | - | 2,654,741 |
| Interest | - | - | - | 6,508,969 |
| Debt administration fees | - | - | - | 1,050 |
| Total debt service | - | - | - | 9,164,760 |
| Total expenditures | 7,471,490 | 7,764,954 | 1,069,979 | 9,279,135 |
| Excess (deficiency) of revenues over (under) expenditures | (1,356,219) | (1,597,124) | 183,083 | 267,259 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 5,790,862 | 5,775,000 | - | - |
| Transfers out | (5,775,000) | - | (226,170) | - |
| Total other financing sources (uses) | 15,862 | 5,775,000 | (226,170) | - |
| Net change in fund balance | (1,340,357) | 4,177,876 | (43,087) | 267,259 |
| Fund balance - beginning | 7,884,610 | 16,908,316 | 1,777,664 | 2,692,616 |
| Fund balance - ending | $ 6,544,253 | $ 21,086,192 | $ 1,734,577 | $ 2,959,875 |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Capital Projects (continued)**
**For the Year Ended December 31, 2017**

| | Total |
|---|---|
| **Revenues** | |
| Taxes | |
| Property taxes | $ 13,291,383 |
| Other taxes | 1,111,584 |
| Licenses and permits | 480,478 |
| Intergovernmental | 6,467,570 |
| Charges for services | 57,876 |
| Investment earnings | 73,810 |
| Interfund revenues and rentals | 536 |
| Developer contributions | 516,303 |
| Build America Bonds credit | 1,080,190 |
| Miscellaneous | 2,827 |
| Total revenue | 23,082,557 |
| **Expenditures** | |
| **Current** | |
| General government | 213,845 |
| Public safety | 110,191 |
| Judicial services | 381,198 |
| Highways and streets | 5,276,739 |
| Water and wastewater | 114,375 |
| Culture and recreation | 1,023,567 |
| Total current | 7,119,915 |
| **Capital** | |
| General government | 4,387,191 |
| Public safety | 1,108,994 |
| Judicial services | 1,270,071 |
| Highways and streets | 2,488,215 |
| Culture and recreation | 46,412 |
| Total capital | 9,300,883 |
| **Debt** | |
| Principal | 2,654,741 |
| Interest | 6,508,969 |
| Debt administration fees | 1,050 |
| Total debt service | 9,164,760 |
| Total expenditures | 25,585,558 |
| Excess (deficiency) of revenues over (under) expenditures | (2,503,001) |
| **Other financing sources (uses)** | |
| Transfers in | 11,565,862 |
| Transfers out | (6,001,170) |
| Total other financing sources (uses) | 5,564,692 |
| Net change in fund balance | 3,061,691 |
| Fund balance - beginning | 29,263,206 |
| Fund balance - ending | $ 32,324,897 |

## DEBT SERVICE FUNDS

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

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

1. Fairgrounds Expansion Lease purchase agreement through JPMorgan Chase Bank, N.A. in the amount of $6,720,544 was entered into in 2014 and maturing in 2029.

2. Parkland lease purchase agreement with Zion National Bank in the amount of $2,600,000 was entered into in November 2007 and matures in 2027.

3. District Attorney Office Building lease purchase agreement with JPMorgan Chase Bank, N.A., in the amount of $5,300,000 entered into in 2008 and matures in 2018. The District Attorney Building lease purchase was refinanced on August 12, 2014. The 2014 refinancing was issued in the amount of $2,722,849. The final maturity date was not changed.

4. Lima Ridge lease purchase agreement with the Banc of America Public Capital Corp. in the amount of $9,650,000 entered into in 2011 and matures in 2030.

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

**Arapahoe County, Colorado**
**Combining Balance Sheet**
**Nonmajor Debt Service**
**December 31, 2017**

| | Nonmajor Debt Service | | |
|---|---|---|---|
| | Lease Purchase | Arap. County Building Finance Corp. | Total |
| **Assets** | | | |
| Cash and investments | $ 138,839 | $ 1,819,110 | $ 1,957,949 |
| Total assets | $ 138,839 | $ 1,819,110 | $ 1,957,949 |
| **Liabilities** | | | |
| Total liabilities | - | - | - |
| **Fund balances (deficits)** | | | |
| Assigned | 138,839 | 1,819,110 | 1,957,949 |
| Total fund balances (deficits) | 138,839 | 1,819,110 | 1,957,949 |
| Total liabilities, deferred inflows of resources and fund balance | $ 138,839 | $ 1,819,110 | $ 1,957,949 |

**Arapahoe County, Colorado**
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Nonmajor Debt Service**
**For the Year Ended December 31, 2017**

| | Nonmajor Debt Service | | |
|---|---|---|---|
| | Lease Purchase | Arap. County Building Finance Corp. | Total |
| **Revenues** | | | |
| Investment earnings | $ 17 | $ 77,809 | $ 77,826 |
| Total revenue | 17 | 77,809 | 77,826 |
| **Expenditures** | | | |
| **Current** | | | |
| Health and welfare | 1,650 | - | 1,650 |
| Airport | - | 591 | 591 |
| Total current | 1,650 | 591 | 2,241 |
| **Debt** | | | |
| Principal | 5,076,485 | - | 5,076,485 |
| Interest | 1,394,937 | - | 1,394,937 |
| Debt administration fees | 2,500 | - | 2,500 |
| Total debt service | 6,473,922 | - | 6,473,922 |
| Total expenditures | 6,475,572 | 591 | 6,476,163 |
| Excess (deficiency) of revenues over (under) expenditures | (6,475,555) | 77,218 | (6,398,337) |
| **Other financing sources (uses)** | | | |
| Transfers in | 6,442,688 | - | 6,442,688 |
| Total other financing sources (uses) | 6,442,688 | - | 6,442,688 |
| Net change in fund balance | (32,867) | 77,218 | 44,351 |
| Fund balance - beginning | 171,706 | 1,741,892 | 1,913,598 |
| Fund balance - ending | $ 138,839 | $ 1,819,110 | $ 1,957,949 |

**Arapahoe County, Colorado**
**Electronic Filing Technology**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 132,099 | $ 132,099 | $ 140,871 | $ 8,772 |
| Total revenue | 132,099 | 132,099 | 140,871 | 8,772 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | - | 545,775 | 76,911 | 468,864 |
| **Capital** | | | | |
| General government | 132,099 | 135,100 | - | 135,100 |
| Total expenditures | 132,099 | 680,875 | 76,911 | 603,964 |
| Excess (deficiency) of revenues over (under) expenditures | - | (548,776) | 63,960 | 612,736 |
| Fund balance - beginning | 548,776 | 548,776 | 548,776 | - |
| Fund balance - ending | $ 548,776 | $ - | $ 612,736 | $ 612,736 |

**Arapahoe County, Colorado**
**Cash-In-Lieu**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 55,000 | $ 55,000 | $ 208,763 | $ 153,763 |
| Total revenue | 55,000 | 55,000 | 208,763 | 153,763 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | - | 882,591 | - | 882,591 |
| Total expenditures | - | 882,591 | - | 882,591 |
| Excess (deficiency) of revenues over (under) expenditures | 55,000 | (827,591) | 208,763 | 1,036,354 |
| Fund balance - beginning | 882,591 | 882,591 | 882,591 | - |
| Fund balance - ending | $ 937,591 | $ 55,000 | $ 1,091,354 | $ 1,036,354 |

**Arapahoe County, Colorado**
**Law Enforcement Authority District**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 6,060,677 | $ 6,060,677 | $ 6,097,164 | $ 36,487 |
| Other taxes | 315,000 | 315,000 | 524,217 | 209,217 |
| Intergovernmental | 33,800 | 45,468 | 46,114 | 646 |
| Charges for services | 125,195 | 145,144 | 133,457 | (11,687) |
| Fines and forfeitures | 571,500 | 571,500 | 460,122 | (111,378) |
| Investment earnings | - | - | 112,412 | 112,412 |
| Miscellaneous | - | - | 669 | 669 |
| Total revenue | 7,106,172 | 7,137,789 | 7,374,155 | 236,366 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | 7,288,705 | 7,307,322 | 6,895,052 | 412,270 |
| Total expenditures | 7,288,705 | 7,307,322 | 6,895,052 | 412,270 |
| Excess (deficiency) of revenues over (under) expenditures | (182,533) | (169,533) | 479,103 | 648,636 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (108,764) | (121,764) | (121,764) | - |
| Total other financing sources (uses) | (108,764) | (121,764) | (121,764) | - |
| Net change in fund balance | (291,297) | (291,297) | 357,339 | 648,636 |
| Fund balance - beginning | 8,948,718 | 8,948,718 | 8,948,718 | - |
| Fund balance - ending | $ 8,657,421 | $ 8,657,421 | $ 9,306,057 | $ 648,636 |

**Arapahoe County, Colorado**
**Arapahoe / Douglas Works!**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $ 12,903,399 | $ 12,903,399 | $ 8,516,978 | $ (4,386,421) |
| Charges for services | 70,000 | 70,000 | 138,893 | 68,893 |
| Interfund revenues and rentals | - | - | 127,403 | 127,403 |
| Miscellaneous | 26,000 | 26,000 | 290,394 | 264,394 |
| Total revenue | 12,999,399 | 12,999,399 | 9,073,668 | (3,925,731) |
| **Expenditures** | | | | |
| **Current** | | | | |
| Health and welfare | 12,993,199 | 12,993,199 | 9,163,176 | 3,830,023 |
| Total expenditures | 12,993,199 | 12,993,199 | 9,163,176 | 3,830,023 |
| Excess (deficiency) of revenues over (under) expenditures | 6,200 | 6,200 | (89,508) | (95,708) |
| **Other financing sources (uses)** | | | | |
| Transfers out | (6,200) | (6,200) | (1,000) | 5,200 |
| Total other financing sources (uses) | (6,200) | (6,200) | (1,000) | 5,200 |
| Net change in fund balance | - | - | (90,508) | (90,508) |
| Fund balance - beginning | - | - | - | - |
| Fund balance - ending | $ - | $ - | $ (90,508) | $ (90,508) |

**Arapahoe County, Colorado**
**Road and Bridge**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 5,771,399 | $ 5,771,399 | $ 5,807,330 | $ 35,931 |
| Other taxes | 406,000 | 406,000 | 505,855 | 99,855 |
| Licenses and permits | 337,000 | 337,000 | 412,167 | 75,167 |
| Intergovernmental | 8,841,000 | 8,876,643 | 9,100,562 | 223,919 |
| Charges for services | - | - | 884 | 884 |
| Miscellaneous | 50,000 | 50,000 | 19,276 | (30,724) |
| Total revenue | 15,405,399 | 15,441,042 | 15,846,074 | 405,032 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Highways and streets | 15,401,803 | 15,451,357 | 14,851,158 | 600,199 |
| Total expenditures | 15,401,803 | 15,451,357 | 14,851,158 | 600,199 |
| Excess (deficiency) of revenues over (under) expenditures | 3,596 | (10,315) | 994,916 | 1,005,231 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (510,488) | (528,488) | (510,488) | 18,000 |
| Total other financing sources (uses) | (510,488) | (528,488) | (510,488) | 18,000 |
| Net change in fund balance | (506,892) | (538,803) | 484,428 | 1,023,231 |
| Fund balance - beginning | 3,217,577 | 3,217,577 | 3,217,577 | - |
| Fund balance - ending | $ 2,710,685 | $ 2,678,774 | $ 3,702,005 | $ 1,023,231 |

**Arapahoe County, Colorado**
**Conservation Trust**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $ 600,000 | $ 600,000 | $ 667,487 | $ 67,487 |
| Investment earnings | - | - | 8,158 | 8,158 |
| Total revenue | 600,000 | 600,000 | 675,645 | 75,645 |
| **Expenditures** | | | | |
| **Capital** | | | | |
| Culture and recreation | - | 942,606 | - | 942,606 |
| Total expenditures | - | 942,606 | - | 942,606 |
| Excess (deficiency) of revenues over (under) expenditures | 600,000 | (342,606) | 675,645 | 1,018,251 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (559,900) | (559,900) | (559,900) | - |
| Total other financing sources (uses) | (559,900) | (559,900) | (559,900) | - |
| Net change in fund balance | 40,100 | (902,506) | 115,745 | 1,018,251 |
| Fund balance - beginning | 942,605 | 942,605 | 942,605 | - |
| Fund balance - ending | $ 982,705 | $ 40,099 | $ 1,058,350 | $ 1,018,251 |

**Arapahoe County, Colorado**
**Contingent**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

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

**Arapahoe County, Colorado**
**Communications Network Replacement**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $ 42,675 | $ 42,675 | $ 60,325 | $ 17,650 |
| Total revenue | 42,675 | 42,675 | 60,325 | 17,650 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 68,250 | 474,408 | 115,630 | 358,778 |
| Total expenditures | 68,250 | 474,408 | 115,630 | 358,778 |
| Excess (deficiency) of revenues over (under) expenditures | (25,575) | (431,733) | (55,305) | 376,428 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 25,575 | 25,575 | 30,775 | 5,200 |
| Total other financing sources (uses) | 25,575 | 25,575 | 30,775 | 5,200 |
| Net change in fund balance | - | (406,158) | (24,530) | 381,628 |
| Fund balance - beginning | 406,158 | 406,158 | 406,158 | - |
| Fund balance - ending | $ 406,158 | $ - | $ 381,628 | $ 381,628 |

**Arapahoe County, Colorado**
**Sheriff's Commissary**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 1,090,009 | $ 1,090,009 | $ 1,326,367 | $ 236,358 |
| Fines and forfeitures | 18,752 | 18,752 | 12,962 | (5,790) |
| Total revenue | 1,108,761 | 1,108,761 | 1,339,329 | 230,568 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | 1,288,937 | 1,952,941 | 1,276,812 | 676,129 |
| Total expenditures | 1,288,937 | 1,952,941 | 1,276,812 | 676,129 |
| Excess (deficiency) of revenues over (under) expenditures | (180,176) | (844,180) | 62,517 | 906,697 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (500) | (500) | (500) | - |
| Total other financing sources (uses) | (500) | (500) | (500) | - |
| Net change in fund balance | (180,676) | (844,680) | 62,017 | 906,697 |
| Fund balance - beginning | 844,679 | 844,679 | 844,679 | - |
| Fund balance - ending | $ 664,003 | $ (1) | $ 906,696 | $ 906,697 |

**Arapahoe County, Colorado**
**Community Development**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $ 3,730,023 | $ 3,730,023 | $ 2,239,598 | $ (1,490,425) |
| Miscellaneous | 889,860 | 889,860 | 523,350 | (366,510) |
| Total revenue | 4,619,883 | 4,619,883 | 2,762,948 | (1,856,935) |
| **Expenditures** | | | | |
| **Current** | | | | |
| Health and welfare | 4,649,483 | 4,649,483 | 2,792,948 | 1,856,535 |
| Total expenditures | 4,649,483 | 4,649,483 | 2,792,948 | 1,856,535 |
| Excess (deficiency) of revenues over (under) expenditures | (29,600) | (29,600) | (30,000) | (400) |
| **Other financing sources (uses)** | | | | |
| Transfers in | 30,000 | 30,000 | 30,000 | - |
| Transfers out | (400) | (400) | - | 400 |
| Total other financing sources (uses) | 29,600 | 29,600 | 30,000 | 400 |
| Net change in fund balance | - | - | - | - |
| Fund balance - beginning | (6,594) | (6,594) | (6,594) | - |
| Fund balance - ending | $ (6,594) | $ (6,594) | $ (6,594) | $ - |

**Arapahoe County, Colorado**
**Forfeited Property**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Fines and forfeitures | $ - | $ 23,340 | $ 79,028 | $ 55,688 |
| Investment earnings | - | - | 3,973 | 3,973 |
| Total revenue | - | 23,340 | 83,001 | 59,661 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | - | 440,704 | 104,552 | 336,152 |
| Total expenditures | - | 440,704 | 104,552 | 336,152 |
| Excess (deficiency) of revenues over (under) expenditures | - | (417,364) | (21,551) | 395,813 |
| **Other financing sources (uses)** | | | | |
| Transfers out | - | (9,354) | (9,354) | - |
| Total other financing sources (uses) | - | (9,354) | (9,354) | - |
| Net change in fund balance | - | (426,718) | (30,905) | 395,813 |
| Fund balance - beginning | 426,718 | 426,718 | 426,718 | - |
| Fund balance - ending | $ 426,718 | $ - | $ 395,813 | $ 395,813 |

**Arapahoe County, Colorado**
**Developmental Disabilities**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 8,915,766 | $ 8,977,766 | $ 8,976,834 | $ (932) |
| Intergovernmental | - | - | 714 | 714 |
| Total revenue | 8,915,766 | 8,977,766 | 8,977,548 | (218) |
| **Expenditures** | | | | |
| **Current** | | | | |
| Health and welfare | 8,915,766 | 8,977,766 | 8,977,548 | 218 |
| Total expenditures | 8,915,766 | 8,977,766 | 8,977,548 | 218 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| Fund balance - beginning | - | - | - | - |
| Fund balance - ending | $ - | $ - | $ - | $ - |

**Arapahoe County, Colorado**
**Grants**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $ 10,050,980 | $ 10,866,640 | $ 9,074,917 | $ (1,791,723) |
| Charges for services | 154,000 | 154,000 | 45,210 | (108,790) |
| Miscellaneous | 40,667 | 40,667 | 112,419 | 71,752 |
| Total revenue | 10,245,647 | 11,061,307 | 9,232,546 | (1,828,761) |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | 533,071 | 1,233,599 | 723,056 | 510,543 |
| Health and welfare | 9,710,376 | 9,825,508 | 8,525,699 | 1,299,809 |
| Total expenditures | 10,243,447 | 11,059,107 | 9,248,755 | 1,810,352 |
| Excess (deficiency) of revenues over (under) expenditures | 2,200 | 2,200 | (16,209) | (18,409) |
| **Other financing sources (uses)** | | | | |
| Transfers out | (2,200) | (2,200) | (842) | 1,358 |
| Total other financing sources (uses) | (2,200) | (2,200) | (842) | 1,358 |
| Net change in fund balance | - | - | (17,051) | (17,051) |
| Fund balance - beginning | (199,667) | (199,667) | (199,667) | - |
| Fund balance - ending | $ (199,667) | $ (199,667) | $ (216,718) | $ (17,051) |

**Arapahoe County, Colorado**
**Homeland Security Grant**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Intergovernmental | $ 513,175 | $ 2,432,521 | $ 886,430 | $ (1,546,091) |
| Total revenue | 513,175 | 2,432,521 | 886,430 | (1,546,091) |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | 513,075 | 2,432,421 | 1,299,609 | 1,132,812 |
| Total expenditures | 513,075 | 2,432,421 | 1,299,609 | 1,132,812 |
| Excess (deficiency) of revenues over (under) expenditures | 100 | 100 | (413,179) | (413,279) |
| **Other financing sources (uses)** | | | | |
| Transfers out | (100) | (100) | - | 100 |
| Total other financing sources (uses) | (100) | (100) | - | 100 |
| Net change in fund balance | - | - | (413,179) | (413,179) |
| Fund balance - beginning | (260,625) | (260,625) | (260,625) | - |
| Fund balance - ending | $ (260,625) | $ (260,625) | $ (673,804) | $ (413,179) |

**Arapahoe County, Colorado**
**Fair**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 398,600 | $ 398,600 | $ 449,180 | $ 50,580 |
| Miscellaneous | 6,000 | 6,000 | 2,172 | (3,828) |
| Total revenue | 404,600 | 404,600 | 451,352 | 46,752 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 25,600 | 25,600 | 22,250 | 3,350 |
| Culture and recreation | 379,000 | 472,377 | 453,690 | 18,687 |
| Total expenditures | 404,600 | 497,977 | 475,940 | 22,037 |
| Excess (deficiency) of revenues over (under) expenditures | - | (93,377) | (24,588) | 68,789 |
| **Other financing sources (uses)** | | | | |
| Transfers in | - | 11,835 | 11,835 | - |
| Total other financing sources (uses) | - | 11,835 | 11,835 | - |
| Net change in fund balance | - | (81,542) | (12,753) | 68,789 |
| Fund balance - beginning | 93,378 | 93,378 | 93,378 | - |
| Fund balance - ending | $ 93,378 | $ 11,836 | $ 80,625 | $ 68,789 |

**Arapahoe County, Colorado**
**Capital Expenditure**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 4,530,238 | $ 4,530,238 | $ 4,558,511 | $ 28,273 |
| Other taxes | 330,000 | 330,000 | 397,073 | 67,073 |
| Intergovernmental | - | - | 1,159,687 | 1,159,687 |
| Miscellaneous | - | 12,000 | - | (12,000) |
| Total revenue | 4,860,238 | 4,872,238 | 6,115,271 | 1,243,033 |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 67,954 | 127,954 | 213,845 | (85,891) |
| Public safety | - | 13,325 | 110,191 | (96,866) |
| Judicial services | - | 403,152 | 381,198 | 21,954 |
| **Capital** | | | | |
| General government | 2,958,500 | 8,022,619 | 4,387,191 | 3,635,428 |
| Public safety | 1,033,000 | 2,233,800 | 1,108,994 | 1,124,806 |
| Judicial services | 660,000 | 1,386,871 | 1,270,071 | 116,800 |
| Total expenditures | 4,719,454 | 12,187,721 | 7,471,490 | 4,716,231 |
| Excess (deficiency) of revenues over (under) expenditures | 140,784 | (7,315,483) | (1,356,219) | 5,959,264 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 5,639,839 | 5,790,862 | 5,790,862 | - |
| Transfers out | (5,775,000) | (5,775,000) | (5,775,000) | - |
| Total other financing sources (uses) | (135,161) | 15,862 | 15,862 | - |
| Net change in fund balance | 5,623 | (7,299,621) | (1,340,357) | 5,959,264 |
| Fund balance - beginning | 7,884,610 | 7,884,610 | 7,884,610 | - |
| Fund balance - ending | $ 7,890,233 | $ 584,989 | $ 6,544,253 | $ 5,959,264 |

**Arapahoe County, Colorado**
**Infrastructure**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Licenses and permits | $ - | $ 480,478 | $ 480,478 | $ - |
| Intergovernmental | - | 25,759,538 | 5,117,207 | (20,642,331) |
| Investment earnings | - | - | 53,842 | 53,842 |
| Developer contributions | - | 500,553 | 516,303 | 15,750 |
| Total revenue | - | 26,740,569 | 6,167,830 | (20,572,739) |
| **Expenditures** | | | | |
| **Current** | | | | |
| Highways and streets | - | 47,782,391 | 5,276,739 | 42,505,652 |
| **Capital** | | | | |
| Highways and streets | 5,775,000 | 1,641,492 | 2,488,215 | (846,723) |
| Total expenditures | 5,775,000 | 49,423,883 | 7,764,954 | 41,658,929 |
| Excess (deficiency) of revenues over (under) expenditures | (5,775,000) | (22,683,314) | (1,597,124) | 21,086,190 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 5,775,000 | 5,775,000 | 5,775,000 | - |
| Total other financing sources (uses) | 5,775,000 | 5,775,000 | 5,775,000 | - |
| Net change in fund balance | - | (16,908,314) | 4,177,876 | 21,086,190 |
| Fund balance - beginning | 16,908,316 | 16,908,316 | 16,908,316 | - |
| Fund balance - ending | $ 16,908,316 | $ 2 | $ 21,086,192 | $ 21,086,190 |

**Arapahoe County, Colorado**
**Arapahoe County Recreation District**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 899,122 | $ 899,122 | $ 904,101 | $ 4,979 |
| Other taxes | 54,140 | 54,140 | 77,078 | 22,938 |
| Intergovernmental | 153,262 | 153,262 | 190,676 | 37,414 |
| Charges for services | 90,179 | 90,179 | 57,876 | (32,303) |
| Investment earnings | - | - | 19,968 | 19,968 |
| Interfund revenues and rentals | - | - | 536 | 536 |
| Miscellaneous | - | - | 2,827 | 2,827 |
| Total revenue | 1,196,703 | 1,196,703 | 1,253,062 | 56,359 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Culture and recreation | 947,546 | 987,546 | 1,023,567 | (36,021) |
| **Capital** | | | | |
| Culture and recreation | 25,000 | 90,000 | 46,412 | 43,588 |
| Total expenditures | 972,546 | 1,077,546 | 1,069,979 | 7,567 |
| Excess (deficiency) of revenues over (under) expenditures | 224,157 | 119,157 | 183,083 | 63,926 |
| **Other financing sources (uses)** | | | | |
| Transfers out | (226,170) | (226,170) | (226,170) | - |
| Total other financing sources (uses) | (226,170) | (226,170) | (226,170) | - |
| Net change in fund balance | (2,013) | (107,013) | (43,087) | 63,926 |
| Fund balance - beginning | 1,777,664 | 1,777,664 | 1,777,664 | - |
| Fund balance - ending | $ 1,775,651 | $ 1,670,651 | $ 1,734,577 | $ 63,926 |

**Arapahoe County, Colorado**
**Arapahoe County Water and Wastewater PID**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Taxes | | | | |
| Property taxes | $ 7,672,031 | $ 7,672,031 | $ 7,828,771 | $ 156,740 |
| Other taxes | 555,000 | 555,000 | 637,433 | 82,433 |
| Build America Bonds credit | 1,065,711 | 1,065,711 | 1,080,190 | 14,479 |
| Total revenue | 9,292,742 | 9,292,742 | 9,546,394 | 253,652 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Water and wastewater | 119,780 | 119,780 | 114,375 | 5,405 |
| **Debt** | | | | |
| Principal | 2,501,705 | 2,501,705 | 2,654,741 | (153,036) |
| Interest | 6,668,520 | 6,668,520 | 6,508,969 | 159,551 |
| Debt administration fees | 2,000 | 2,000 | 1,050 | 950 |
| Total expenditures | 9,292,005 | 9,292,005 | 9,279,135 | 12,870 |
| Excess (deficiency) of revenues over (under) expenditures | 737 | 737 | 267,259 | 266,522 |
| Net change in fund balance | 737 | 737 | 267,259 | 266,522 |
| Fund balance - beginning | 2,692,616 | 2,692,616 | 2,692,616 | - |
| Fund balance - ending | $ 2,693,353 | $ 2,693,353 | $ 2,959,875 | $ 266,522 |

**Arapahoe County, Colorado**
**Lease Purchase**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Investment earnings | - | - | 17 | 17 |
| Total revenue | $ - | $ - | $ 17 | $ 17 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Health and welfare | 4,500 | 4,500 | 4,150 | 350 |
| **Debt** | | | | |
| Principal | 5,068,917 | 5,068,917 | 5,076,485 | (7,568) |
| Interest | 1,402,508 | 1,402,508 | 1,394,937 | 7,571 |
| Total expenditures | 6,475,925 | 6,475,925 | 6,475,572 | 353 |
| Excess (deficiency) of revenues over (under) expenditures | (6,475,925) | (6,475,925) | (6,475,555) | 370 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 6,442,688 | 6,442,688 | 6,442,688 | - |
| Total other financing sources (uses) | 6,442,688 | 6,442,688 | 6,442,688 | - |
| Net change in fund balance | (33,237) | (33,237) | (32,867) | 370 |
| Fund balance - beginning | 171,706 | 171,706 | 171,706 | - |
| Fund balance - ending | $ 138,469 | $ 138,469 | $ 138,839 | $ 370 |

**Arapahoe County, Colorado**
**Arapahoe County Building Finance Corporation**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Investment earnings | $ - | $ - | $ 77,809 | $ 77,809 |
| Total revenue | - | - | 77,809 | 77,809 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Airport | 2,000 | 2,000 | 591 | 1,409 |
| **Debt** | | | | |
| Debt administration fees | 1,000 | 1,000 | - | 1,000 |
| Total expenditures | 3,000 | 3,000 | 591 | 2,409 |
| Excess (deficiency) of revenues over (under) expenditures | (3,000) | (3,000) | 77,218 | 80,218 |
| Fund balance - beginning | 1,741,892 | 1,741,892 | 1,741,892 | - |
| Fund balance - ending | $ 1,738,892 | $ 1,738,892 | $ 1,819,110 | $ 80,218 |

## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

**Arapahoe County Government**
**Combining Statement of Net Position**
**Proprietary Funds**
**December 31, 2017**

| | Governmental Activities - Internal Service Funds | | | |
|---|---|---|---|---|
| | Central Service | Self Insurance Liability | Employee Flex Benefit | Worker's Compensation |
| **Assets** | | | | |
| Current assets: | | | | |
| Cash and investments | $ 22,845,758 | $ 1,930,053 | $ 260,715 | $ 3,428,079 |
| Accounts receivable | 60,893 | - | - | - |
| Deposit | - | - | - | 200,000 |
| Inventory | 410,156 | - | - | - |
| Total current assets | 23,316,807 | 1,930,053 | 260,715 | 3,628,079 |
| **Noncurrent assets:** | | | | |
| Capital assets: | | | | |
| Buildings and improvements | 17,628 | - | - | - |
| Vehicles and equipment | 35,344,631 | - | - | - |
| Computer systems | 6,793,049 | - | - | - |
| Furniture and office equipment | 66,738 | - | - | - |
| Less: accumulated depreciation | (31,951,852) | - | - | - |
| Total noncurrent assets (net of accum. dep.) | 10,270,194 | - | - | - |
| Total assets | $ 33,587,001 | $ 1,930,053 | $ 260,715 | $ 3,628,079 |
| **Liabilities** | | | | |
| Current liabilities | | | | |
| Accounts payable | $ 372,203 | $ 13,205 | $ 13,162 | $ 40,710 |
| Estimated claims payable | - | 329,000 | - | 651,000 |
| Noncurrent claims payable | - | 768,000 | - | 1,519,000 |
| Total liabilities | 372,203 | 1,110,205 | 13,162 | 2,210,710 |
| **Net position** | | | | |
| Net investment in capital assets | 10,270,194 | - | - | - |
| Unrestricted | 22,944,604 | 819,848 | 247,553 | 1,417,369 |
| Total net position | $ 33,214,798 | $ 819,848 | $ 247,553 | $ 1,417,369 |

**Arapahoe County Government**
**Combining Statement of Net Position**
**Proprietary Funds**
**December 31, 2017**

| Self Insurance Dental | Total | |
|---|---|---|
| | | **Assets** |
| | | Current assets: |
| $ 464,896 | $ 28,929,501 | Cash and investments |
| - | 60,893 | Accounts receivable |
| - | 200,000 | Deposit |
| - | 410,156 | Inventory |
| 464,896 | 29,600,550 | Total current assets |
| | | **Noncurrent assets:** |
| | | Capital assets: |
| - | 17,628 | Buildings and improvements |
| - | 35,344,631 | Vehicles and equipment |
| - | 6,793,049 | Computer systems |
| - | 66,738 | Furniture and office equipment |
| - | (31,951,852) | Less: accumulated depreciation |
| - | 10,270,194 | Total noncurrent assets (net of accum. dep.) |
| $ 464,896 | $ 39,870,744 | Total assets |
| | | **Liabilities** |
| | | Current liabilities |
| $ 114,442 | $ 553,722 | Accounts payable |
| 55,800 | 1,035,800 | Estimated claims payable |
| - | 2,287,000 | Noncurrent claims payable |
| 170,242 | 3,876,522 | Total liabilities |
| | | **Net position** |
| - | 10,270,194 | Net investment in capital assets |
| 294,654 | 25,724,028 | Unrestricted |
| $ 294,654 | $ 35,994,222 | Total net position |

**Arapahoe County Government**
**Combining Statement of Revenues, Expenses and Changes in Net Position**
**Proprietary Funds**
**For the Year Ended December 31, 2017**

| | Governmental Activities - Internal Service Funds | | | |
|---|---|---|---|---|
| | Central Service | Self Insurance Liability | Employee Flex Benefit | Worker's Compensation |
| **Operating revenues** | | | | |
| Charges for sales and service | $ 5,436,052 | $ 394,787 | $ 835,892 | $ 1,671,286 |
| Total operating revenue | 5,436,052 | 394,787 | 835,892 | 1,671,286 |
| **Operating expenses** | | | | |
| Cost of sales and services | 1,046,997 | 676,016 | 866,037 | 1,393,300 |
| Administration | 15,236 | 11,907 | - | 30,425 |
| Depreciation | 4,327,617 | - | - | - |
| Total operating expenses | 5,389,850 | 687,923 | 866,037 | 1,423,725 |
| Operating income (loss) | 46,202 | (293,136) | (30,145) | 247,561 |
| **Nonoperating revenue (expenses)** | | | | |
| Insurance recoveries | - | 40,950 | - | - |
| Gain on sale of assets | 510,756 | - | - | - |
| Loss on sale of assets | (7,577) | - | - | - |
| Income (loss) before contributions and transfers | 549,381 | (252,186) | (30,145) | 247,561 |
| Contributions other | 64,652 | - | - | - |
| Transfers in | 1,274,522 | 750,000 | 26,400 | - |
| Transfers out | (14,125) | (175,944) | - | - |
| Change in net position | 1,874,430 | 321,870 | (3,745) | 247,561 |
| Total net position - beginning | 31,340,368 | 497,978 | 251,298 | 1,169,808 |
| Total net position - ending | $ 33,214,798 | $ 819,848 | $ 247,553 | $ 1,417,369 |

**Arapahoe County Government**
**Combining Statement of Revenues, Expenses and Changes in Net Position**
**Proprietary Funds**
**For the Year Ended December 31, 2017**

| Self Insurance Dental | Total | |
|---|---|---|
| | | **Operating revenues** |
| $ 1,342,897 | $ 9,680,914 | Charges for sales and service |
| 1,342,897 | 9,680,914 | Total operating revenue |
| | | **Operating expenses** |
| 1,473,436 | 5,455,786 | Cost of sales and services |
| - | 57,568 | Administration |
| - | 4,327,617 | Depreciation |
| 1,473,436 | 9,840,971 | Total operating expenses |
| (130,539) | (160,057) | Operating income (loss) |
| | | **Nonoperating revenue (expenses)** |
| - | 40,950 | Insurance recoveries |
| - | 510,756 | Gain on sale of assets |
| - | (7,577) | Loss on sale of assets |
| (130,539) | 384,072 | Income (loss) before contributions and transfers |
| - | 64,652 | Contributions other |
| 92,110 | 2,143,032 | Transfers in |
| - | (190,069) | Transfers out |
| (38,429) | 2,401,687 | Change in net position |
| 333,083 | 33,592,535 | Total net position - beginning |
| $ 294,654 | $ 35,994,222 | Total net position - ending |

**Arapahoe County, Colorado**
**Combining Statement of Cash Flows**
**Proprietary Funds**
**For the Year Ended December 31, 2017**

| | Governmental Activities - Internal Service Funds | | |
|---|---|---|---|
| | Central Service | Self Insurance Liability | Employee Flex Benefit |
| **Cash flows from operating activities** | | | |
| Cash received for interfund services provided | $ 5,412,115 | $ 394,787 | $ 835,892 |
| Cash payments for services and supplies | (1,004,729) | (937,386) | (852,875) |
| Net cash provided by (used for) operating activities | 4,407,386 | (542,599) | (16,983) |
| **Cash flows from noncapital financing activities** | | | |
| Transfers in from other funds | 1,274,522 | 750,000 | 26,400 |
| Transfers out to other funds | (14,125) | (175,944) | - |
| Net cash provided by (used for) non capital financing activities | 1,260,397 | 574,056 | 26,400 |
| **Cash flows from capital and related financing activities** | | | |
| Acquisition of property and equipment | (3,474,982) | - | - |
| Proceeds from sale of capital assets | 510,756 | - | - |
| Insurance Proceeds | - | 40,950 | - |
| Net cash provided by (used for) by capital and related financing activities | (2,964,226) | 40,950 | - |
| Net increase (decrease) in cash and investments | 2,703,557 | 72,407 | 9,417 |
| Cash and investments, January 1, 2017 | 20,142,201 | 1,857,646 | 251,298 |
| Cash and investments, December 31, 2017 | $ 22,845,758 | $ 1,930,053 | $ 260,715 |
| **Reconciliation of operating income (loss) to net cash provided by (used for) by operating activities:** | | | |
| Operating income (loss) | $ 46,202 | $ (293,136) | $ (30,143) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) by operating activities: | | | |
| Depreciation expense | 4,327,617 | - | - |
| (Increase) decrease in current assets: | | | |
| Accounts receivable | (23,937) | - | - |
| Inventory | 46,715 | - | - |
| Deposits | - | - | - |
| Increase (decrease) in current liabilities: | | | |
| Accounts payable | 10,789 | (116,463) | 13,160 |
| Claims payable | - | (133,000) | - |
| Total adjustments | 4,361,184 | (249,463) | 13,160 |
| Net cash provided by (used for) operating activities | $ 4,407,386 | $ (542,599) | $ (16,983) |

**Arapahoe County, Colorado**
**Combining Statement of Cash Flows**
**Proprietary Funds**
**For the Year Ended December 31, 2017**

| Governmental Activities - Internal Service Funds | | | |
|---|---|---|---|
| Worker's Compensation | Self Insurance Dental | Total | |
| | | | **Cash flows from operating activities** |
| $ 1,671,286 | $ 1,342,897 | $ 9,656,977 | Cash received for interfund services provided |
| (1,853,767) | (1,457,133) | (6,105,890) | Cash payments for services and supplies |
| (182,481) | (114,236) | 3,551,087 | Net cash provided by (used for) operating activities |
| | | | **Cash flows from noncapital financing activities** |
| - | 92,110 | 2,143,032 | Transfers in from other funds |
| - | - | (190,069) | Transfers out to other funds |
| - | 92,110 | 1,952,963 | Net cash provided by (used for) non capital financing activities |
| | | | **Cash flows from capital and related financing activities** |
| - | - | (3,474,982) | Acquisition of property and equipment |
| - | - | 510,756 | Proceeds from sale of capital assets |
| - | - | 40,950 | Insurance Proceeds |
| - | - | (2,923,276) | Net cash provided by (used for) by capital and related financing activities |
| (182,481) | (22,126) | 2,580,774 | Net increase (decrease) in cash and investments |
| 3,610,560 | 487,022 | 26,348,727 | Cash and investments, January 1, 2016 |
| $ 3,428,079 | $ 464,896 | $ 28,929,501 | Cash and investments, December 31, 2016 |
| | | | **Reconciliation of operating income (loss) to net cash provided by (used for) by operating activities:** |
| $ 247,561 | $ (130,542) | $ (160,057) | Operating income (loss) |
| | | | Adjustments to reconcile operating income (loss) to net cash provided by (used for) by operating activities: |
| - | - | 4,327,617 | Depreciation expense |
| | | | (Increase) decrease in current assets: |
| - | - | (23,937) | Accounts receivable |
| - | - | 46,714 | Inventory |
| (100,000) | - | (100,000) | Deposits |
| | | | Increase (decrease) in current liabilities: |
| (85,042) | 20,506 | (157,050) | Accounts payable |
| (245,000) | (4,200) | (382,200) | Claims payable |
| (430,042) | 16,306 | 3,711,144 | Total adjustments |
| $ (182,481) | $ (114,236) | $ 3,551,087 | Net cash provided by (used for) operating activities |

**Arapahoe County, Colorado**
**Schedule of Budgetary Compliance**
**Proprietary Funds**
**For the Year Ended December 31, 2017**

| | Final Budget | Actual | Variance |
|---|---|---|---|
| **Budgeted proprietary funds:** | | | |
| Central Service Fund (1,2) | $ 10,529,837 | $ 4,551,340 | $ 5,978,497 |
| Self Insurance Liability Fund | 1,117,915 | 863,867 | 254,048 |
| Employee Flex Benefit Fund | 895,292 | 866,037 | 29,255 |
| Worker's Compensation Fund | 1,983,343 | 1,423,725 | 559,618 |
| Self Insurance Dental Fund | 1,894,000 | 1,473,436 | 420,564 |
| Total | $ 16,420,387 | $ 9,178,405 | $ 7,241,982 |

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

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

**1) Depreciation Expense**

Depreciation expense is not budgeted in the proprietary funds and is not included in the actual expense totals in the Schedule of Budgetary Compliance. Depreciation expense during 2017 is as follows:

| | |
|---|---|
| Central Service Fund | $ 4,327,617 |

**2) Capital Expenditures**

Capital expenditures are budgeted in the proprietary funds and are included in the actual expense totals in the Schedule of Budgetary Compliance. Capital expenditures for 2017 are as follows:

| | |
|---|---|
| Central Service Fund | $ 3,474,982 |

## AGENCY FUNDS

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

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

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

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

**Combining Statement of Changes in Assets and Liabilities**
**Fiduciary Funds**
**For the Year Ended December 31, 2017**

| | Agency Funds | | | |
|---|---|---|---|---|
| | Beginning Balance 1/1/2017 | Additions | Deletions | Ending Balance 12/31/2017 |
| **TREASURER'S AGENCY FUND** | | | | |
| **Assets** | | | | |
| Cash and investments | $ 24,158,053 | 18,432,071,329 | $ 18,413,628,293 | $ 42,601,089 |
| Property taxes receivable | 748,020,884 | 824,135,588 | 748,020,883 | 824,135,589 |
| Total assets | $ 772,178,937 | $ 19,256,206,917 | $ 19,161,649,176 | $ 866,736,678 |
| **Liabilities** | | | | |
| Due to other governments | $ 764,725,724 | $ 1,855,931,307 | $ 2,601,752,267 | $ 18,904,764 |
| Other deposits payable | 7,330,465 | 4,224,640,572 | 3,384,592,217 | 847,378,820 |
| Warrants payable | 122,748 | 584,500,124 | 584,169,778 | 453,094 |
| Total liabilities | $ 772,178,937 | $ 6,665,072,004 | $ 6,570,514,263 | $ 866,736,678 |
| **ARAPAHOE COUNTY PUBLIC TRUSTEE** | | | | |
| **Assets** | | | | |
| Cash and investments | $ 3,105,819 | $ 27,988,323 | $ 29,311,076 | $ 1,783,066 |
| Restricted escrow | 734,659 | - | 14,967 | 719,692 |
| Other assets | 33,440 | 3,276 | 449 | 36,267 |
| Total assets | $ 3,873,918 | $ 27,991,599 | $ 29,326,492 | $ 2,539,025 |
| **Liabilities** | | | | |
| Accounts Payable | $ 2,270 | $ 570 | $ - | $ 2,840 |
| Due to other governments | 681,994 | 42,720 | - | 724,714 |
| Other deposits payable | 3,189,654 | 27,993,949 | 29,372,132 | 1,811,471 |
| Total liabilities | $ 3,873,918 | $ 28,037,239 | $ 29,372,132 | $ 2,539,025 |
| **INMATE SENTENCING AGENCY FUND** | | | | |
| **Assets** | | | | |
| Cash and investments | $ 296,197 | $ 233,420 | $ 223,577 | $ 306,040 |
| Total assets | $ 296,197 | $ 233,420 | $ 223,577 | $ 306,040 |
| **Liabilities** | | | | |
| Other deposits payable | $ 296,197 | $ 233,420 | $ 223,577 | $ 306,040 |
| Total liabilities | $ 296,197 | $ 233,420 | $ 223,577 | $ 306,040 |
| **TOTAL AGENCY FUNDS** | | | | |
| **Assets** | | | | |
| Cash and investments | $ 27,560,069 | $ 18,460,293,072 | $ 18,443,162,946 | $ 44,690,195 |
| Restricted escrow | 734,659 | - | 14,967 | 719,692 |
| Property taxes receivable | 748,020,884 | 824,135,588 | 748,020,883 | 824,135,589 |
| Other assets | 33,440 | 3,276 | 449 | 36,267 |
| Total assets | $ 776,349,052 | $ 19,284,431,936 | $ 19,191,199,245 | $ 869,581,743 |
| **Liabilities** | | | | |
| Accounts Payable | $ 2,270 | $ 570 | $ - | $ 2,840 |
| Due to other governments | 765,407,718 | 1,855,974,027 | 2,601,752,267 | 19,629,478 |
| Other deposits payable | 10,816,316 | 4,252,867,941 | 3,414,187,926 | 849,496,331 |
| Warrants payable | 122,748 | 584,500,124 | 584,169,778 | 453,094 |
| Total liabilities | $ 776,349,052 | $ 6,693,342,663 | $ 6,600,109,971 | $ 869,581,743 |

Arapahoe County, Colorado
E-911 Authority - Component Unit
Governmental Funds Balance Sheet/Statement of Net Position
December 31, 2017

| | E-911 Authority Fund | Adjustments | Statement of Net Position |
|---|---|---|---|
| **Assets** | | | |
| Cash | $ 6,180,342 | $ - | $ 6,180,342 |
| Accounts receivable | 331,481 | - | 331,481 |
| Total current assets | 6,511,823 | - | 6,511,823 |
| Capital assets, depreciable | - | 3,769,705 | 3,769,705 |
| Less accumulated depreciation | - | (3,545,914) | (3,545,914) |
| Net capital assets | - | 223,791 | 223,791 |
| Total assets | $ 6,511,823 | $ 223,791 | $ 6,735,614 |
| **Liabilities** | | | |
| Accounts payable | $ 114,492 | $ - | $ 114,492 |
| Total liabilities | 114,492 | - | 114,492 |
| **Fund balance** | | | |
| Assigned | 6,397,330 | (6,397,330) | - |
| Total fund balance | 6,397,330 | (6,397,330) | - |
| Total liabilities and fund balances | $ 6,511,822 | | |
| **Net position** | | | |
| Net investment in capital assets | | 223,791 | 223,791 |
| Unrestricted | | 6,397,331 | 6,397,331 |
| Total net position | | $ 6,621,121 | $ 6,621,122 |

Arapahoe County, Colorado
E-911 Authority - Component Unit
Statement of Governmental Fund Revenues
Expenditures, and Changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2017

| | E-911 Authority Fund | Adjustments | Statement of Activities |
|---|---|---|---|
| **Program revenues** | | | |
| Charges for services | $ 2,471,649 | $ - | $ 2,471,649 |
| **General revenues** | | | |
| Investment earnings | 77,487 | - | 77,487 |
| Miscellaneous | 2,463 | - | 2,463 |
| Total revenues | 2,551,599 | - | 2,551,599 |
| **Expenditures/expenses** | | | |
| Governmental activities | | | |
| Public safety | 3,978,196 | - | 3,978,196 |
| Capital | 238,711 | (238,711) | - |
| Depreciation | - | 14,919 | 14,919 |
| Total expenditures/expenses | 4,216,907 | (223,792) | 3,993,115 |
| Excess of revenues over expenditures | (1,665,308) | 1,665,308 | - |
| Change in net position | - | 1,441,516 | (1,441,516) |
| Fund balance/net position - beginning | 8,062,638 | - | 8,062,638 |
| Fund balance/net position - ending | $ 8,062,638 | $ - | $ 6,621,122 |

**Arapahoe County, Colorado**
**E-911 Authority - Component Unit**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 2,457,000 | $ 2,457,000 | $ 2,471,649 | $ 14,649 |
| Investment earnings | 90,000 | 90,000 | 77,487 | (12,513) |
| Miscellanous | - | - | 2,463 | 2,463 |
| Total revenues | 2,547,000 | 2,547,000 | 2,551,599 | 4,599 |
| **Expenditures** | | | | |
| **Current** | | | | |
| Public safety | 7,338,749 | 5,908,749 | 3,978,196 | 1,930,553 |
| **Capital** | | | | |
| Public safety | - | 1,430,000 | 238,711 | 1,191,289 |
| Total expenditures | 7,338,749 | 7,338,749 | 4,216,907 | 3,121,842 |
| Excess of revenues over expenditures | (4,791,749) | (4,791,749) | (1,665,308) | 3,126,441 |
| Fund balance - beginning | 8,062,638 | 8,062,638 | 8,062,638 | - |
| Fund balance - ending | $ 3,270,889 | $ 3,270,889 | $ 6,397,330 | $ 3,126,441 |

Arapahoe County Department of Human Services
EBT Authorization Schedule
For Calendar Year 2017

| Program | A<br>County EBT Authorizations (State Paid) | B<br>County Share of EBT Authorizations | C<br>Expenditures By County Warrant | D<br>County EBT Authorizations + Expenditures by County Warrant (A + C) | E<br>Total County Expenditures (B + C) |
|---|---|---|---|---|---|
| **EBT AUTHORIZATIONS** | | | | | |
| Colo Works (TANF) | $ 10,478,672 | $ 1,858,963 | $ 2,341,810 | $ 12,820,482 | $ 4,200,773 |
| Child Care Direct EBT | $ 12,021,703 | $ 1,197,739 | $ - | $ 12,021,703 | $ 1,197,739 |
| Child Care Administration | $ - | $ - | $ 894,939 | $ 894,939 | $ 894,939 |
| Child Welfare Administration 100% | $ - | $ - | $ 2,923,031 | $ 2,923,031 | $ 2,923,031 |
| Child Welfare Administration 80/20% | $ - | $ - | $ 13,876,034 | $ 13,876,034 | $ 13,876,034 |
| Child Welfare Residential Mental Health | $ 288,364 | $ 57,673 | $ - | $ 288,364 | $ 57,673 |
| Child Welfare Case Services | $ 52,594 | $ 10,873 | $ 13,365 | $ 65,959 | $ 24,238 |
| Child Welfare Out-of-Home (OOH) | $ 7,181,973 | $ 1,456,584 | $ - | $ 7,181,973 | $ 1,456,584 |
| Child Welfare Related Child Care | $ 724,673 | $ 144,972 | $ 91,850 | $ 816,523 | $ 236,821 |
| Child Welfare Subsidized Adoption | $ 4,774,669 | $ 972,570 | $ - | $ 4,774,669 | $ 972,570 |
| Regular Administration | $ 239,196 | $ 239,196 | $ 5,137,013 | $ 5,376,209 | $ 5,376,209 |
| County Administration - HCPF Regular | $ - | $ - | $ 1,663,183 | $ 1,663,183 | $ 1,663,183 |
| County Administration - HCPF Enhanced | $ - | $ - | $ 3,219,264 | $ 3,219,264 | $ 3,219,264 |
| Non-Allocated Programs: | | | | | |
| Paris Funding | $ - | $ - | $ 11,764 | $ 11,764 | $ 11,764 |
| EBT Administration | $ 74,115 | $ 74,115 | $ - | $ 74,115 | $ 74,115 |
| Core Services: | | | | | |
| Mental Health | $ 215,665 | $ 92 | $ - | $ 215,665 | $ 92 |
| ADAD | $ 61,036 | $ - | $ - | $ 61,036 | $ - |
| SEA | $ - | $ - | $ 5,324 | $ 5,324 | $ 5,324 |
| Other FICF | $ 2,193,815 | $ 1,281 | $ (704,075) | $ 1,489,740 | $ (702,794) |
| 80/20% | $ 96,674 | $ 19,335 | $ 3,764,746 | $ 3,861,420 | $ 3,784,081 |
| Low-Income Energy Assistance | $ 2,780,585 | $ - | $ 17,865 | $ 2,798,449 | $ 17,865 |
| Adult Protective Services | $ - | $ - | $ 1,454,526 | $ 1,454,526 | $ 1,454,526 |
| Aid to Needy Disabled | $ 738,114 | $ 147,623 | $ - | $ 738,114 | $ 147,623 |
| Aid to Blind | $ (567) | $ (113) | $ - | $ (567) | $ (113) |
| Home Care Allowance | $ 712,896 | $ 35,645 | $ - | $ 712,896 | $ 35,645 |
| Old Age Pension | $ 9,912,221 | $ - | $ 183,581 | $ 10,095,802 | $ 183,581 |
| Food Assistance Direct EBT & Fraud Administration | $ 67,892,692 | $ - | $ - | $ 67,892,692 | $ - |
| Food Assistance Job Search | $ - | $ - | $ 776,024 | $ 776,024 | $ 776,024 |
| Title XX Caseworker Training | $ - | $ - | $ 23,112 | $ 23,112 | $ 23,112 |
| IV-E Independent Living | $ - | $ - | $ 157,008 | $ 157,008 | $ 157,008 |
| County Wide Cost Allocation Plan Pass Thru | $ - | $ - | $ 5,842,818 | $ 5,842,818 | $ 5,842,818 |
| Audit Adjustments | $ (43,880) | $ 43,880 | $ - | $ (43,880) | $ 43,880 |
| Medicaid Collections | $ (31,906) | $ - | $ - | $ (31,906) | $ - |
| **EBT AUTHORIZATIONS SUBTOTAL** | ***$ 120,363,305*** | ***$ 6,260,427*** | ***$ 41,693,181*** | ***$ 162,056,486*** | ***$ 47,953,609*** |
| **STATE ADJUSTMENTS / NON-EBT** | | | | | |
| Child Welfare RTC/CHRP Adjustments | $ 129,780 | $ 25,956 | $ - | $ 129,780 | $ 25,956 |
| IV-D Retained State Collections | $ (603,356) | $ (120,671) | $ - | $ (603,356) | $ (120,671) |
| Child Support Enforcement | $ 41,129 | $ 49,862 | $ 6,056,731 | $ 6,097,860 | $ 6,106,593 |
| Other Local Sources | | | $ 817,624 | $ 817,624 | $ 817,624 |
| Excess Parental Fees | | | $ 186,737 | $ 186,737 | $ 186,737 |
| Excess IV-E Revenue SB80 | | | $ 90,479 | $ 90,479 | $ 90,479 |
| Other Grants | | | $ 2,786,787 | $ 2,786,787 | $ 2,786,787 |
| **STATE ADJUSTMENTS / NON-EBT SUBTOTAL** | ***$ (432,447)*** | ***$ (44,853)*** | ***$ 9,938,359*** | ***$ 9,505,912*** | ***$ 9,893,505*** |
| **GRAND TOTAL** | **$ 119,930,858** | **$ 6,215,574** | **$ 51,631,540** | **$ 171,562,398** | **$ 57,847,114** |

| DIFFERENCES NOTED: | |
|---|---|
| COLLECTION ITEMS RECORDED IN REVENUE AND NOT AS OFFSET TO EXPENDITURE | $ 278,046 |
| COUNTY EXPENDITURES NOT RECORDED TO COUNTY FINANCIAL MANAGEMENT SYSTEM (CFMS) | $ 1,568,505 |
| COUNTY WIDE COST ALLOCATION PLAN COSTS NOT RECORDED TO FUND 11 | $ (6,237,306) |
| FUND TO FUND TRANSFERS NOT RECORDED TO CFMS | $ 2,001,265 |
| IV-D BALANCE SHEET ITEMS AND REFUNDS | $ (26,429) |
| PAYROLL & MEDICAID INCENTIVE ACCRUALS | $ 1,472,928 |
| **COUNTY HUMAN SERVICES TOTALS** | **$ 56,904,123** |

| | | |
|---|---|---|
| ***** CONTROL TOTALS** | **$ 171,562,398** | **$ 56,904,123** |

A. Assistance payments authorized by the Arapahoe County Department of Human Services. These county authorizations are paid by the Colorado Department of Human Services via QUEST debit cards - Electronic Benefit Transfer. These amounts include EBT adjustments such as payment returns and collections. The amounts can be isolated in CFMS by adding up the account code sequences 65793-65799, 53940-53945 and 65788-65789.

B. Net County Share of EBT authorizations. These amounts are settled monthly by a reduction of the Due To/From State settlement payment made to Arapahoe County at the end of the month following the period close. These amounts correspond to county share amounts of the EBT net authorizations paid (see A Above). Amounts can be isolated by adding up account code 11320 figures for EBT program and function code combinations.

C. Expenditures made by county warrant or other county payment methods.

D. This represents the total cost of the assistance programs that are administered by the Arapahoe County Department of Human Services.

E. The amount is reconcilable to the expenditures on the Social Services Fund-Statement of Revenues, Expenditures and Changes in Fund Balance.

*** Control figures for column D taken from the CFMS Expenditure/Revenue-Whole Year Report "total expenditure" column. For column E, the County SAP ZFM02 Detail for expenditure accounts. Difference between Grand Total of column D and Control Total of Column D is due to rounding. Difference between Grand Total of column E and Control Total of column E is shown in Differences Noted.

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



| LOCAL HIGHWAY FINANCE REPORT | City or County: Arapahoe |
|---|---|
| | YEAR ENDING : December 2017 |
| This Information From The Records Of: County of Arapahoe | Prepared By: Rhonda Robinson<br>Phone: 720-874-6822 |

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

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

## II. RECEIPTS FOR ROAD AND STREET PURPOSES

| 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 | 5,775,000 |
| 3. Other local imposts (from page 2) | 4,223,483 |
| 4. Miscellaneous local receipts (from page 2) | 254,336 |
| 5. Transfers from toll facilities | 0 |
| 6. Proceeds of sale of bonds and notes: | |
| a. Bonds - Original Issues | 0 |
| b. Bonds - Refunding Issues | 0 |
| c. Notes | 0 |
| d. Total (a. + b. + c.) | 0 |
| 7. Total (1 through 6) | 10,252,819 |
| **B. Private Contributions** | 570,146 |
| **C. Receipts from State government** (from page 2) | 13,337,884 |
| **D. Receipts from Federal Government** (from page 2) | 1,709,548 |
| **E. Total receipts (A.7 + B + C + D)** | 25,870,397 |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|---|
| **A. Local highway disbursements:** | |
| 1. Capital outlay (from page 2) | 5,446,053 |
| 2. Maintenance: | 14,239,791 |
| 3. Road and street services: | |
| a. Traffic control operations | 123,924 |
| b. Snow and ice removal | 800,495 |
| c. Other | 0 |
| d. Total (a. through c.) | 924,419 |
| 4. General administration & miscellaneous | 0 |
| 5. Highway law enforcement and safety | 0 |
| 6. Total (1 through 5) | 20,610,263 |
| **B. Debt service on local obligations:** | |
| 1. Bonds: | |
| a. Interest | 0 |
| b. Redemption | 0 |
| c. Total (a. + b.) | 0 |
| 2. Notes: | |
| a. Interest | 0 |
| b. Redemption | 0 |
| c. Total (a. + b.) | 0 |
| 3. Total (1.c + 2.c) | 0 |
| **C. Payments to State for highways** | |
| **D. Payments to toll facilities** | |
| **E. Total disbursements (A.6 + B.3 + C + D)** | 20,610,263 |

## IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

## V. LOCAL ROAD AND STREET FUND BALANCE

P F1+ G1+

| A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|---|---|---|---|---|
| 20,125,893 | 25,870,397 | 20,610,263 | 25,386,027 | 0 |

**Notes and Comments:**

**FORM FHWA-536 (Rev. 1-05)** PREVIOUS EDITIONS OBSOLETE (Next Page)

| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
|---|---|
| | YEAR ENDING (mm/yy): December 2017 |

## 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 | 3,290,993 | a. Interest on investments | 53,842 |
| b. Other local imposts: | | b. Traffic Fines & Penalities | 0 |
| 1. Sales Taxes | 0 | c. Parking Garage Fees | 0 |
| 2. Infrastructure & Impact Fees | 0 | d. Parking Meter Fees | 0 |
| 3. Liens | 0 | e. Sale of Surplus Property | 0 |
| 4. Licenses | 0 | f. Charges for Services | 885 |
| 5. Specific Ownership &/or Other | 932,490 | g. Other Misc. Receipts | 180,333 |
| 6. Total (1. through 5.) | 932,490 | h. Other | 19,276 |
| c. Total (a. + b.) | 4,223,483 | i. Total (a. through h.) | 254,336 |
| | (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 | 9,598,187 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | |
| a. State bond proceeds | | b. FEMA | |
| b. Project Match | 3,407,658 | c. HUD | |
| c. Motor Vehicle Registration | 332,039 | d. Federal Transit Admin | |
| d. Other (Specify) - DOLA Grant | 0 | e. U.S. Corps of Engineers | |
| e. Other (Specify) | 0 | f. Other Federal | 1,709,548 |
| f. Total (a. through e.) | 3,739,697 | g. Total (a. through f.) | 1,709,548 |
| 4. Total (1. + 2. + 3.f) | 13,337,884 | 3. Total (1. + 2.g) | 1,709,548 |
| | | | (Carry forward to page 1) |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|---|---|---|---|
| **A.1. Capital outlay:** | | | |
| a. Right-Of-Way Costs | 0 | 0 | 0 |
| b. Engineering Costs | 95,206 | 550,008 | 645,214 |
| c. Construction: | | | |
| (1). New Facilities | 0 | 0 | 0 |
| (2). Capacity Improvements | 4,099,224 | 465,268 | 4,564,492 |
| (3). System Preservation | 0 | 0 | 0 |
| (4). System Enhancement & Operation | 0 | 236,347 | 236,347 |
| (5). Total Construction (1) + (2) + (3) + (4) | 4,099,224 | 701,615 | 4,800,839 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 4,194,430 | 1,251,623 | 5,446,053 |
| | | | (Carry forward to page 1) |

**Notes and Comments:**

**FORM FHWA-536 (Rev.1-05)** PREVIOUS EDITIONS OBSOLETE

**Arapahoe County, Colorado**
**Building Maintenance Administration**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Revenues** | | | | |
| Total revenue | - | - | - | - |
| **Expenditures** | | | | |
| **Current** | | | | |
| General government | 1,659,269 | 1,659,269 | 1,362,288 | 296,981 |
| Public safety | 18,000 | 18,000 | - | 18,000 |
| Judicial services | 20,000 | 20,000 | - | 20,000 |
| Health and welfare | 131,000 | 131,000 | 122,188 | 8,812 |
| Total expenditures | 1,828,269 | 1,828,269 | 1,484,476 | 343,793 |
| Excess (deficiency) of revenues over (under) expenditures | (1,828,269) | (1,828,269) | (1,484,476) | 343,793 |
| **Other financing sources (uses)** | | | | |
| Transfers in | 1,798,000 | 1,798,000 | 1,798,000 | - |
| Total other financing sources (uses) | 1,798,000 | 1,798,000 | 1,798,000 | - |
| Net change in fund balance | (30,269) | (30,269) | 313,524 | 343,793 |
| Fund balance - beginning | 774,184 | 774,184 | 774,184 | - |
| Fund balance - ending | $ 743,915 | $ 743,915 | $ 1,087,708 | $ 343,793 |

**Arapahoe County, Colorado**
**Board Designated**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended December 31, 2017**

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

# Arapahoe County, Colorado
# Statistical Section Index

*(Unaudited)*

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

### Financial Trends

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


Table 1 Net Position by Component ..... E-2

Table 2 Changes in Net Position..... E-3

Table 3 Fund Balances - Governmental Funds..... E-4

Table 4 Changes in Fund Balances, Governmental Funds..... E-6


### Revenue Capacity

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


Table 5 Assessed Value and Actual Value of Taxable Property ..... E-8

Table 6 Direct and Overlapping Property Tax Rates..... E-9

Table 7 Principal Property Taxpayers ..... E-10

Table 8 Property Tax Levies and Collections..... E-11


### Debt Capacity

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


Table 9 Ratios of Outstanding Debt by Type ..... E-12

Table 10 Computation of Direct and Overlapping Debt..... E-14

Table 11 Legal Debt Margin Information ..... E-16


### Demographic and Economic Information

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


Table 12 Demographic and Economic Statistics..... E-17

Table 13 Principal Employers ..... E-18


### Operating Information

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


Table 14 Full-time Equivalent County Government Employees by Function/Program..... E-19

Table 15 Operating Indicators by Function/Program..... E-20

Table 16 Capital Assets Statistics by Function/Program..... E-21

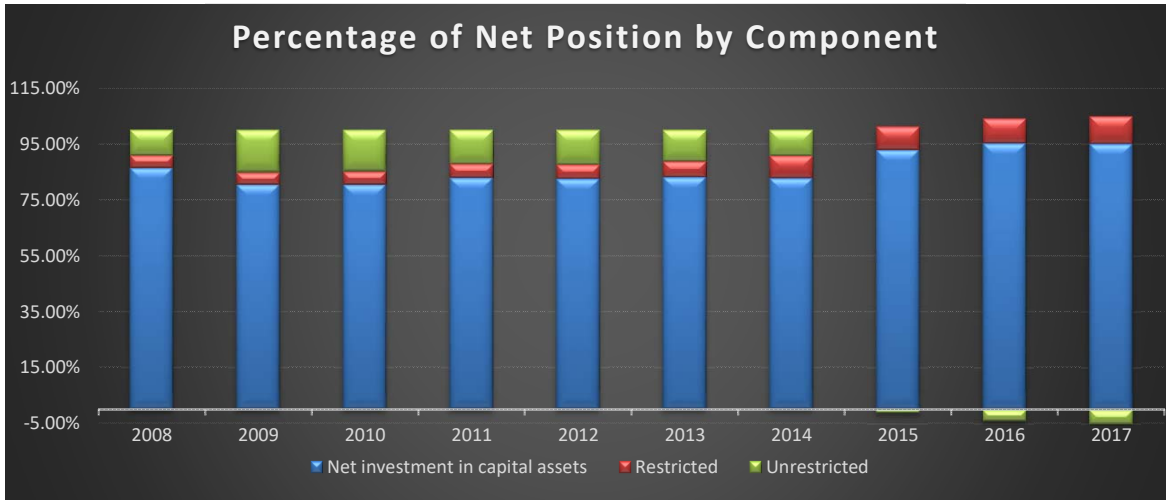

### Data Source:

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

**Table 1**

**ARAPAHOE COUNTY, COLORADO**
**Net Position by Component**
**Last Ten Fiscal Years**
**December 31, 2017**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | | | | |
| Net investment in capital assets | $ 671,821,630 | $ 627,194,683 | $ 628,465,040 | $ 642,290,143 | $ 638,601,615 | $ 644,821,342 | $ 645,575,320 | $ 659,544,853 | $ 661,699,298 | $ 661,399,167 |
| Restricted | 33,953,349 | 32,785,071 | 35,276,618 | 37,691,869 | 38,816,576 | 43,700,491 | 62,204,672 | 58,164,427 | 61,025,576 | 67,832,163 |
| Unrestricted | 70,408,488 | 118,420,367 | 116,293,743 | 93,968,505 | 95,650,011 | 86,712,911 | 71,421,463 | (7,440,134) | (27,017,353) | (34,147,538) |
| Total governmental activities net position | $ 776,183,467 | $ 778,400,121 | $ 780,035,401 | $ 773,950,517 | $ 773,068,202 | $ 775,234,744 | $ 779,201,455 | $ 710,269,146 | $ 695,707,521 | $ 695,083,792 |




Data Source:
Applicable years' comprehensive annual financial report

Table 2

**ARAPAHOE COUNTY, COLORADO**
**Changes in Net Position**
**Last Ten Fiscal Years**
**December 31, 2017**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses Governmental Activities** | | | | | | | | | | |
| General Government | $ 64,476,171 | $ 70,545,770 | $ 65,620,965 | $ 66,121,995 | $ 63,495,280 | $ 64,146,957 | $ 64,507,824 | $ 62,981,999 | $ 67,198,166 | $ 75,487,675 |
| Public Safety | 73,524,951 | 76,796,036 | 75,458,627 | 76,142,197 | 77,703,126 | 80,106,733 | 82,886,786 | 86,598,340 | 93,906,901 | 92,591,674 |
| Judicial Services | 10,479,953 | 12,654,389 | 12,614,228 | 12,223,389 | 12,364,714 | 12,389,454 | 12,474,361 | 13,392,562 | 14,435,062 | 14,879,697 |
| Health & Welfare | 74,537,601 | 82,651,797 | 84,731,102 | 83,747,155 | 82,520,568 | 82,262,092 | 84,017,656 | 89,673,316 | 96,670,273 | 98,713,590 |
| Highways & Streets | 22,850,253 | 21,286,170 | 23,960,428 | 27,133,757 | 24,707,635 | 21,739,230 | 23,309,365 | 28,620,234 | 32,878,027 | 27,985,852 |
| Water & Wastewater | 1,833,715 | 1,712,077 | 3,273,817 | 3,517,485 | 3,610,897 | 3,450,708 | 3,525,230 | 3,567,857 | 3,565,064 | 3,565,414 |
| Airport | 365,538 | 365,538 | 365,552 | 365,938 | 6,282 | 1,563 | 8,268 | - | 1,585,550 | 591 |
| Culture & Recreation | 16,668,608 | 18,619,791 | 14,268,965 | 14,261,422 | 18,017,062 | 18,398,769 | 20,022,505 | 20,602,042 | 25,427,434 | 24,625,180 |
| Interest on long-term debt | 8,233,227 | 8,124,717 | 10,704,678 | 11,495,570 | 10,648,886 | 9,397,859 | 9,114,034 | 8,542,246 | 7,606,467 | 7,508,707 |
| Total expenses | $ 272,970,017 | $ 292,756,285 | $ 290,998,362 | $ 295,008,908 | $ 293,074,450 | $ 291,893,365 | $ 299,866,029 | $ 313,978,596 | $ 343,272,944 | $ 345,358,380 |
| **Program Revenues Governmental Activities** | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | $ 24,227,058 | $ 23,745,686 | $ 23,430,054 | $ 15,600,113 | $ 19,259,850 | $ 20,250,845 | $ 22,196,883 | $ 23,989,832 | $ 24,764,618 | $ 25,740,484 |
| Public Safety | 24,272,267 | 24,543,218 | 25,121,132 | 25,957,155 | 26,071,312 | 25,860,963 | 26,375,646 | 27,738,753 | 29,725,654 | 29,943,245 |
| Health & Welfare | 636,986 | 520,950 | 317,610 | 338,422 | 220,022 | 445,771 | 634,870 | 755,207 | 628,911 | 647,231 |
| Highways & Streets | 2,325,654 | 375,448 | 326,105 | 361,674 | 542,081 | 713,619 | 758,650 | 927,616 | 860,617 | 893,530 |
| Water & Wastewater | - | - | - | - | - | - | - | 5 | - | - |
| Airport | - | - | - | - | - | - | - | 571,911 | - | - |
| Culture & Recreation | 218,445 | 218,911 | 245,226 | 368,133 | 363,075 | 712,210 | 575,644 | - | 942,446 | 924,663 |
| Operating Grants and Contributions | | | | | | | | | | |
| General Government | 233,812 | 369,616 | 201,778 | 532,320 | 587,711 | 198,373 | 130,532 | 116,151 | 142,214 | 1,175,081 |
| Public Safety | 2,947,398 | 5,059,275 | 3,051,259 | 4,335,027 | 4,012,225 | 3,470,396 | 3,282,826 | 2,577,121 | 2,200,898 | 2,433,452 |
| Health & Welfare | 49,692,183 | 57,471,628 | 59,500,186 | 58,958,731 | 56,549,617 | 55,446,824 | 54,827,686 | 59,144,977 | 64,420,988 | 64,723,939 |
| Highways & Streets | 7,370,732 | 10,388,780 | 11,287,372 | 8,680,840 | 10,085,021 | 9,110,175 | 9,210,239 | 9,421,948 | 10,092,021 | 14,217,769 |
| Water & Wastewater | 1,988,044 | 862,784 | 156,212 | - | - | - | - | - | - | - |
| Culture & Recreation | 181,278 | 169,959 | 186,963 | 164,769 | 142,056 | 221,769 | 163,276 | 154,106 | 150,694 | 275,193 |
| Capital grants and Contributions | | | | | | | | | | |
| General Government | 110,250 | - | - | 127,990 | - | 8,411 | - | - | - | - |
| Public Safety | 13,843 | - | - | - | - | 62,207 | 23,650 | - | 137,985 | 35,612 |
| Health & Welfare | 2,323 | 3,479 | 4,094 | 4,029 | 5,877 | 5,461 | 6,816 | 6,951 | 8,460 | 7,469 |
| Highways & Streets | 4,047,852 | 6,062,121 | 418,888 | 582,094 | 115,729 | 279,095 | 1,990,573 | 512,927 | 578,392 | 1,758,232 |
| Culture & Recreation | 534,992 | 503,927 | 478,713 | 495,200 | 610,905 | 667,655 | 606,114 | 610,925 | 720,904 | 675,487 |
| Total program revenues | $ 118,803,117 | $ 130,295,782 | $ 124,725,592 | $ 116,506,497 | $ 118,565,481 | $ 117,453,774 | $ 120,783,405 | $ 126,528,430 | $ 135,374,802 | $ 143,451,387 |
| **Net (Expense)/Revenue Governmental Activities** | | | | | | | | | | |
| Total primary government net expense | $ (154,166,900) | $ (162,460,503) | $ (166,272,770) | $ (178,502,411) | $ (174,508,969) | $ (174,439,591) | $ (179,082,624) | $ (187,450,166) | $ (208,273,142) | $ (201,906,993) |
| **General Revenues Governmental Activities** | | | | | | | | | | |
| Property taxes | $ 123,865,373 | $ 131,681,792 | $ 132,748,945 | $ 134,792,665 | $ 137,159,101 | $ 137,284,487 | $ 140,623,343 | $ 140,088,056 | $ 146,327,277 | $ 150,346,537 |
| Sales taxes | 18,209,151 | 16,496,260 | 17,358,730 | 17,568,252 | 19,424,283 | 21,058,410 | 22,557,783 | 24,593,215 | 25,647,538 | 26,557,828 |
| Other taxes | 9,115,649 | 8,663,686 | 8,243,151 | 7,819,588 | 8,650,925 | 9,140,147 | 9,778,605 | 10,149,831 | 10,735,626 | 12,163,187 |
| Investment income | 13,437,760 | 5,832,261 | 3,672,457 | 2,337,311 | 1,340,297 | 533,928 | 1,559,611 | 2,198,875 | 1,950,443 | 2,794,250 |
| Build america bonds credit | - | - | - | 1,158,381 | 1,158,381 | 1,057,602 | 1,074,398 | 1,076,715 | 1,079,032 | 1,080,190 |
| Miscellaneous | 267,257 | 2,538,060 | 3,642,267 | 8,741,330 | 8,792,643 | 7,531,559 | 7,455,595 | 7,700,202 | 7,971,601 | 8,341,272 |
| Total general revenues | $ 164,895,190 | $ 165,212,059 | $ 165,665,550 | $ 172,417,527 | $ 176,525,630 | $ 176,606,133 | $ 183,049,335 | $ 185,806,894 | $ 193,711,517 | $ 201,283,264 |
| **Change in Net Position** | | | | | | | | | | |
| Governmental activities | $ 10,728,290 | $ 2,751,556 | $ (607,220) | $ (6,084,884) | $ 2,016,661 | $ 2,166,542 | $ 3,966,711 | $ (1,643,272) | $ (14,561,625) | $ (623,729) |

Data Source:
Applicable years' comprehensive annual financial report

Table 3

**ARAPAHOE COUNTY, COLORADO**
**Fund Balances Governmental Funds**
**Last Ten Fiscal Years**
**December 31, 2017**

| | 2008* | 2009* | 2010* | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Fund** | | | | | | | | | | |
| Nonspendable | $ - | $ - | $ - | $ 28,289 | $ 15,594 | $ 14,497 | $ 29,126 | $ 21,446 | $ 89,763 | $ 6,944 |
| Restricted | - | - | - | 5,533,967 | 5,683,857 | 5,721,746 | 5,880,269 | 6,237,852 | 6,525,720 | 6,870,489 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | 5,375,023 | 7,271,891 | 6,715,072 | 3,187,951 | 8,943,657 | 8,011,437 | 11,731,823 |
| Unassigned | - | - | - | 30,723,073 | 34,078,126 | 38,051,806 | 36,372,605 | 33,670,399 | 36,996,292 | 39,199,988 |
| **Prior to 2011** | | | | | | | | | | |
| Reserved | 601,076 | 1,218,913 | 877,805 | - | - | - | - | - | - | - |
| Unreserved | 39,755,237 | 30,049,809 | 32,120,272 | - | - | - | - | - | - | - |
| Total General Fund | $ 40,356,313 | $ 31,268,722 | $ 32,998,077 | $ 41,660,352 | $ 47,049,468 | $ 50,503,121 | $ 45,469,951 | $ 48,873,354 | $ 51,623,212 | $ 57,809,244 |
| **All Other Governmental Funds** | | | | | | | | | | |
| Nonspendable | $ - | $ - | $ - | $ 169,131 | $ 165,021 | $ 151,614 | $ 159,433 | $ 91,153 | $ 85,940 | $ 92,636 |
| Restricted | - | - | - | 33,780,233 | 35,457,760 | 40,297,435 | 65,837,389 | 56,231,919 | 56,029,200 | 61,203,487 |
| Committed | - | - | - | 36,424,167 | 42,603,723 | 32,769,338 | 42,156,672 | 29,309,109 | 24,348,429 | 26,474,074 |
| Assigned | - | - | - | 26,478,072 | 25,789,116 | 29,311,879 | 12,928,127 | 16,790,588 | 14,510,748 | 14,690,081 |
| Unassigned | - | - | - | (759,365) | (1,645,415) | (463,024) | (889,882) | (856,529) | (540,719) | (1,069,249) |
| **Prior to 2011** | | | | | | | | | | |
| Reserved | 34,663,632 | 77,470,501 | 24,760,710 | - | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | 64,267,115 | 64,814,855 | 62,820,027 | - | - | - | - | - | - | - |
| Capital projects fund | 35,361,313 | 35,299,241 | 28,177,813 | - | - | - | - | - | - | - |
| Total all other governmental funds | 134,292,060 | 177,584,597 | 115,758,550 | 96,092,238 | 102,370,205 | 102,067,242 | 120,191,739 | 101,566,240 | 94,433,598 | 101,391,029 |
| Total General and all other governmental funds | $ 174,648,373 | $ 208,853,319 | $ 148,756,627 | $ 137,752,590 | $ 149,419,673 | $ 152,570,363 | $ 165,661,690 | $ 150,439,594 | $ 146,056,810 | $ 159,200,273 |

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

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Table 4

**ARAPAHOE COUNTY COLORADO**
**Changes in Fund Balances Governmental Funds**
**Last Ten Fiscal Years**
**December 31, 2017**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| Taxes | $ 152,910,622 | $ 156,841,739 | $ 158,350,822 | $ 160,180,505 | $ 165,234,310 | $ 167,427,334 | $ 172,983,923 | $ 174,843,027 | $ 182,717,914 | $ 189,064,942 |
| Licenses and Permits | 4,985,149 | 5,010,913 | 4,462,048 | 4,626,342 | 5,770,321 | 6,291,499 | 7,071,899 | 7,679,491 | 6,862,319 | 6,938,686 |
| Intergovernmental | 64,381,138 | 75,632,862 | 76,404,188 | 73,914,329 | 72,511,100 | 70,868,970 | 67,743,648 | 71,714,313 | 77,683,616 | 82,377,314 |
| Charges for Services | 41,715,069 | 39,538,768 | 39,949,208 | 39,927,613 | 42,344,679 | 42,460,957 | 43,049,570 | 45,554,064 | 48,754,388 | 50,076,377 |
| Fines | 1,256,099 | 1,455,525 | 1,770,420 | 2,187,374 | 2,276,220 | 1,672,267 | 1,582,379 | 1,472,027 | 1,333,331 | 1,116,890 |
| Investment Earnings | 13,437,761 | 5,832,262 | 3,672,457 | 2,337,311 | 1,340,297 | 533,928 | 1,559,611 | 2,198,875 | 1,950,442 | 2,794,250 |
| Interfund Revenues and Rentals | 2,647,830 | 2,863,123 | 2,629,159 | 3,381,894 | 3,871,456 | 4,024,310 | 3,812,158 | 3,885,296 | 4,175,841 | 4,015,236 |
| Interest on Loan to Component Unit | 1,579,686 | 1,595,034 | 1,595,759 | 1,617,384 | 1,584,577 | 1,591,390 | 1,596,342 | 1,594,761 | 1,632,137 | - |
| Developer Contributions | 295,749 | 585,425 | - | 306,191 | 101,521 | 242,452 | 150,421 | 488,890 | 305,860 | 516,303 |
| Build America Bonds credit | - | - | - | 1,158,381 | 1,158,381 | 1,057,602 | 1,074,398 | 1,076,715 | 1,079,032 | 1,080,190 |
| Miscellaneous | 1,245,054 | 2,931,773 | 3,902,719 | 3,089,955 | 2,642,425 | 2,263,215 | 3,457,709 | 4,467,072 | 4,499,116 | 4,966,928 |
| Total Revenues | 284,454,157 | 292,287,424 | 292,736,780 | 292,727,279 | 298,835,287 | 298,433,924 | 304,082,058 | 314,974,531 | 330,993,996 | 342,947,116 |
| **Expenditures** | | | | | | | | | | |
| General Government | 62,002,254 | 60,274,976 | 60,680,392 | 59,409,082 | 57,788,954 | 57,720,320 | 61,033,179 | 60,935,571 | 62,611,284 | 63,141,881 |
| Public Safety | 69,733,643 | 72,770,225 | 71,572,143 | 72,257,100 | 73,438,472 | 74,622,220 | 77,598,486 | 79,051,015 | 82,748,708 | 83,150,402 |
| Judicial Services | 10,551,071 | 12,721,751 | 12,694,119 | 12,099,113 | 12,234,857 | 12,319,363 | 12,417,783 | 13,269,108 | 14,313,223 | 14,784,134 |
| Health and Welfare | 74,338,791 | 82,671,002 | 84,906,821 | 85,820,777 | 84,074,191 | 83,417,958 | 83,174,922 | 86,631,696 | 93,767,618 | 94,276,722 |
| Highways and Streets | 17,196,792 | 16,413,516 | 18,167,228 | 19,904,997 | 15,900,164 | 14,754,234 | 16,077,366 | 21,008,487 | 24,938,875 | 20,127,897 |
| Water and Wastewater | 76,053 | 579,638 | 602,474 | 101,224 | 113,441 | 115,122 | 113,935 | 117,138 | 114,024 | 114,375 |
| Airport | 650 | 650 | 664 | 850 | 6,282 | 1,563 | 8,268 | - | 550 | 591 |
| Culture and Recreation | 16,163,173 | 18,094,674 | 13,673,560 | 15,074,698 | 17,521,272 | 17,875,463 | 19,377,236 | 19,802,789 | 24,410,962 | 23,185,225 |
| Capital Outlay | 34,819,984 | 33,676,013 | 73,304,010 | 22,953,275 | 10,144,267 | 16,461,656 | 9,542,868 | 29,224,035 | 14,024,761 | 13,430,781 |
| Debt Service | | | | | | | | | | |
| Principal | 7,819,177 | 6,277,470 | 6,559,486 | 13,449,250 | 65,774,205 | 7,780,421 | 10,988,043 | 8,605,357 | 9,069,781 | 7,731,226 |
| Interest | 8,132,886 | 8,079,409 | 10,119,632 | 11,506,597 | 11,361,697 | 9,486,734 | 9,154,339 | 8,703,895 | 8,144,791 | 7,903,906 |
| Debt Issuance/Admin Costs | 53,284 | 157,375 | 2,450 | 48,121 | 1,263,735 | 6,080 | 56,373 | 500,519 | 3,558 | 3,550 |
| Total Expenditures | 300,887,758 | 311,716,699 | 352,282,979 | 312,625,084 | 349,621,537 | 294,561,134 | 299,542,798 | 327,849,610 | 334,148,135 | 327,850,690 |
| Excess of revenues over (under) expenditures | (16,433,601) | (19,429,275) | (59,546,199) | (19,897,805) | (50,786,250) | 3,872,790 | 4,539,260 | (12,875,079) | (3,154,139) | 15,096,426 |

Table 4 (continued)

**ARAPAHOE COUNTY COLORADO**
**Changes in Fund Balances Governmental Funds**
**Last Ten Fiscal Years**
**December 31, 2017**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| Transfers In | 34,089,983 | 29,288,252 | 18,325,661 | 49,478,206 | 21,451,484 | 16,374,015 | 22,221,040 | 8,611,624 | 24,256,236 | 20,179,682 |
| Transfers Out | (35,040,486) | (31,332,360) | (18,876,154) | (50,234,438) | (20,767,035) | (17,096,115) | (23,112,366) | (11,365,506) | (25,484,881) | (22,132,645) |
| Debt issued | 5,300,000 | 56,075,000 | - | 9,650,000 | 59,020,000 | - | - | 48,940,000 | - | - |
| Capital Leases | - | - | - | - | - | - | 9,443,393 | - | - | - |
| Capital Contributions | 110,250 | (396,671) | - | - | - | - | - | - | - | - |
| Payment to Bond Agent | - | - | - | - | - | - | - | (51,909,890) | - | - |
| Premium (discount) on Bonds | - | - | - | - | 1,767,720 | - | - | 3,376,755 | - | - |
| Total other financing sources (uses) | 4,459,747 | 53,634,221 | (550,493) | 8,893,768 | 61,472,169 | (722,100) | 8,552,067 | (2,347,017) | (1,228,645) | (1,952,963) |
| **Net Change in Fund Balances** | $ (11,973,854) | $ 34,204,946 | $ (60,096,692) | $ (11,004,037) | $ 10,685,919 | $ 3,150,690 | $ 13,091,327 | $ (15,222,096) | $ (4,382,784) | $ 13,143,463 |
| Debt service as a percentage of noncapital expenditures | 6.00% | 5.16% | 5.98% | 8.62% | 22.72% | 6.21% | 6.95% | 23.18% | 5.38% | 4.97% |

Data Source:
Applicable years' comprehensive annual financial report

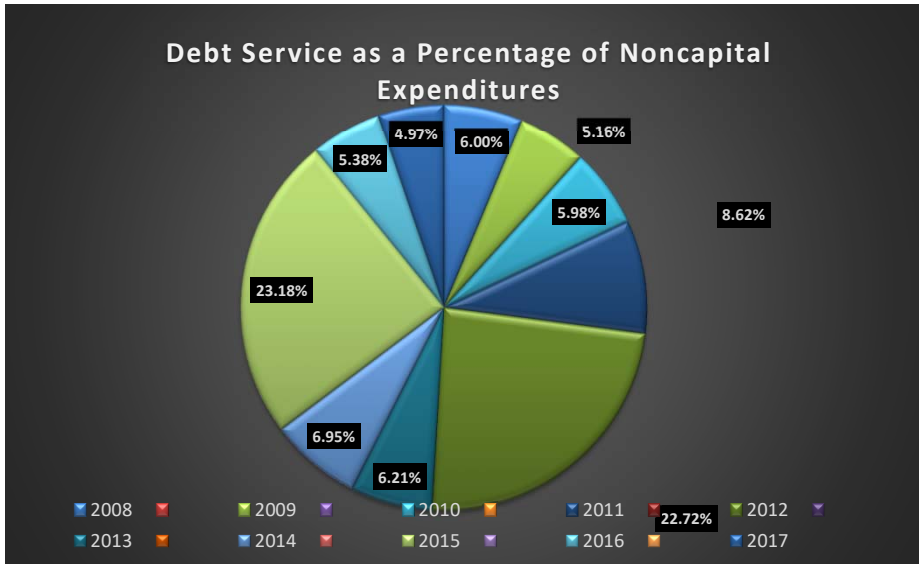


Table 5

**ARAPAHOE COUNTY, COLORADO**
**Assessed Value and Actual Value of Taxable Property**
**Last Ten Fiscal Years**
**December 31, 2017**

| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Vacant | Agricultural | Other Natural Resources | State Assessed | Tax-Exempt Property | Total Taxable Assessed Value | Total Taxable Actual Value | Total Direct Tax rate |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2008 | 4,234,534,700 | 2,907,703,660 | 37,189,710 | 262,746,280 | 10,269,220 | 6,135,760 | 329,180,700 | 1,057,226,880 | 7,787,760,030 | 65,438,081,973 | 25.418 |
| 2009 | 3,954,383,160 | 3,360,045,380 | 38,952,380 | 256,206,470 | 10,747,100 | 7,589,600 | 334,020,900 | 1,258,930,570 | 7,961,944,990 | 63,482,961,616 | 25.437 |
| 2010 | 3,987,486,080 | 3,352,504,060 | 33,931,360 | 235,853,770 | 10,890,300 | 5,210,150 | 342,934,700 | 1,263,684,890 | 7,968,810,420 | 63,812,923,092 | 25.800 |
| 2011 | 3,775,269,790 | 2,995,807,840 | 31,667,580 | 219,167,970 | 12,033,580 | 6,624,610 | 387,517,800 | 1,293,261,390 | 7,428,089,170 | 60,010,542,511 | 27.279 |
| 2012 | 3,794,466,240 | 2,984,226,260 | 32,561,730 | 204,179,330 | 11,863,490 | 17,992,250 | 417,530,100 | 1,312,493,880 | 7,462,819,400 | 60,300,053,871 | 27.035 |
| 2013 | 3,780,177,620 | 3,123,945,090 | 33,512,670 | 190,477,390 | 13,825,160 | 22,654,840 | 455,088,000 | 1,243,090,240 | 7,619,680,770 | 60,703,146,667 | 26.973 |
| 2014 | 3,812,812,264 | 3,087,727,246 | 36,395,645 | 175,558,234 | 14,168,482 | 33,769,837 | 457,192,000 | 1,299,479,589 | 7,617,623,708 | 60,972,155,045 | 26.726 |
| 2015 | 4,829,416,614 | 3,478,983,884 | 37,246,901 | 193,926,306 | 16,462,494 | 85,556,481 | 428,740,800 | 1,619,809,644 | 9,070,333,480 | 75,144,878,222 | 25.754 |
| 2016 | 4,874,504,552 | 3,519,405,327 | 36,968,269 | 178,409,908 | 16,338,886 | 76,794,298 | 426,031,500 | 1,628,023,002 | 9,128,452,740 | 75,777,157,324 | 25.947 |
| 2017 | 5,542,587,113 | 4,193,565,204 | 42,237,673 | 206,691,992 | 17,941,704 | 45,801,576 | 427,051,400 | 1,653,183,167 | 10,475,876,662 | 93,818,242,423 | 24.652 |

Data Source:
Arapahoe County Assessor's Office

Table 6

**ARAPAHOE COUNTY, COLORADO**
**Direct and Overlapping Property Tax Rates**
**(rate per $1,000 of assessed value)**
**Last Ten Fiscal Years**
**December 31, 2017**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **County Direct Rates** | | | | | | | | | | |
| General | 11.756 | 11.875 | 12.124 | 13.270 | 13.127 | 13.134 | 12.976 | 11.310 | 11.477 | 10.521 |
| Special Revenue | 3.853 | 3.797 | 3.825 | 4.046 | 4.023 | 3.996 | 3.974 | 3.546 | 3.562 | 3.296 |
| L.E.A.D. & Library | 9.809 | 9.765 | 9.851 | 9.963 | 9.885 | 9.843 | 9.776 | 10.898 | 10.908 | 10.835 |
| Total direct rate | 25.418 | 25.437 | 25.800 | 27.279 | 27.035 | 26.973 | 26.726 | 25.754 | 25.947 | 24.652 |
| **City & Town Rates** | | | | | | | | | | |
| Aurora | 10.664 | 10.494 | 10.595 | 10.653 | 10.290 | 10.290 | 8.886 | 8.569 | 8.605 | 8.605 |
| Bennett | 11.950 | 11.950 | 11.950 | 11.950 | 11.950 | 11.950 | 11.950 | 11.950 | 11.950 | 11.950 |
| Bow-Mar | 14.493 | 14.729 | 15.309 | 16.956 | 17.486 | 18.879 | 25.389 | 24.280 | 25.185 | 25.373 |
| Centennial | 5.054 | 5.047 | 5.077 | 5.120 | 5.129 | 5.073 | 5.015 | 5.030 | 5.026 | 5.006 |
| Cherry Hills | 13.402 | 13.402 | 13.402 | 13.295 | 13.304 | 13.374 | 13.360 | 13.557 | 13.559 | 13.559 |
| Columbine | 8.950 | 9.161 | 9.331 | 9.352 | 9.336 | 9.316 | 9.316 | 7.891 | 8.172 | 8.133 |
| Deer Trail | 17.104 | 17.104 | 17.104 | 17.104 | 17.104 | 17.104 | 17.104 | 14.597 | 15.821 | 14.585 |
| Englewood | 7.827 | 7.911 | 8.010 | 7.621 | 7.794 | 8.124 | 8.124 | 7.804 | 11.613 | 10.745 |
| Foxfield | 21.471 | 21.865 | 21.865 | 23.238 | 20.400 | 20.400 | 20.400 | 20.400 | 20.400 | 4.982 |
| Glendale | 18.670 | 18.670 | 18.670 | 18.670 | 18.670 | 18.670 | 18.670 | 18.670 | 18.670 | 18.670 |
| Greenwood Village | 2.932 | 2.932 | 2.932 | 2.932 | 2.932 | 2.932 | 2.932 | 2.932 | 2.932 | 2.932 |
| Littleton | 6.662 | 6.662 | 6.662 | 6.662 | 6.662 | 6.662 | 6.662 | 6.662 | 6.662 | 6.662 |
| Sheridan | 8.042 | 7.921 | 7.994 | 8.078 | 8.253 | 8.366 | 8.131 | 23.363 | 26.196 | 24.109 |
| **School Districts** | | | | | | | | | | |
| Aurora | 53.248 | 53.455 | 53.919 | 54.159 | 63.830 | 67.323 | 67.635 | 66.648 | 69.685 | 69.006 |
| Bennett | 35.724 | 33.381 | 33.363 | 33.427 | 33.508 | 33.399 | 32.950 | 32.387 | 32.594 | 32.303 |
| Byers | 32.607 | 32.520 | 32.305 | 33.148 | 31.407 | 30.726 | 30.695 | 32.812 | 33.096 | 26.230 |
| Cherry Creek | 49.569 | 48.825 | 50.947 | 54.367 | 58.037 | 57.492 | 56.702 | 49.703 | 53.232 | 49.687 |
| Deer Trail | 27.355 | 27.342 | 27.319 | 27.293 | 27.309 | 27.221 | 27.237 | 27.204 | 27.243 | 42.826 |
| Englewood | 37.195 | 37.199 | 37.495 | 45.858 | 46.719 | 46.874 | 47.018 | 44.268 | 54.561 | 52.372 |
| Littleton | 46.650 | 46.081 | 55.389 | 57.530 | 56.935 | 56.985 | 56.601 | 53.424 | 53.030 | 51.166 |
| Sheridan | 37.794 | 37.627 | 37.891 | 38.764 | 41.998 | 42.823 | 40.854 | 38.308 | 38.744 | 35.259 |
| Strasburg | 50.738 | 49.335 | 46.458 | 42.494 | 41.135 | 39.952 | 39.655 | 38.646 | 38.725 | 38.315 |
| **Special Districts** | .029-90.0 | .030-90.0 | .030-90.0 | .030-90.0 | .030-90.0 | .027-90.0 | .027-90.0 | .027-90.0 | .027-90.0 | .021-98.921 |

Data Source:
Assessor's Abstract of Assessments and Levies

Table 7

**ARAPAHOE COUNTY, COLORADO**
**Principal Property Taxpayers**
**Current Year and Nine Years Ago**
**December 31, 2017**

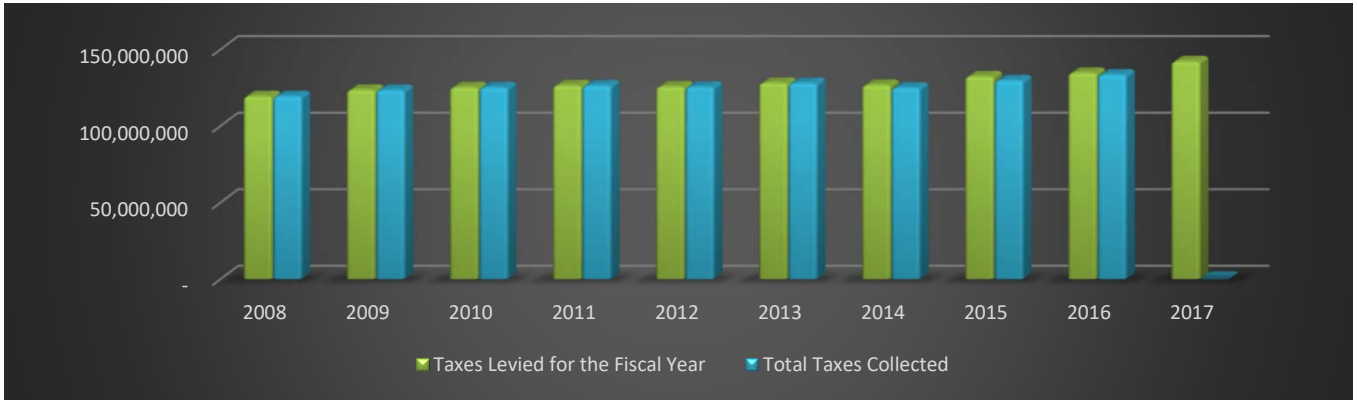
| | 2017 | | | 2008 | | |
|---|---|---|---|---|---|---|
| **Taxpayer** | **Taxable Assessed Value** | **Rank** | **Percentage of Total County Taxable Assessed Value** | **Taxable Assessed Value** | **Rank** | **Percentage of Total County Taxable Assessed Value** |
| Public Svc Co (Xcel Energy) | $ 138,064,930 | 1 | 1.14% | $ 81,068,480 | 2 | 1.04% |
| CenturyLink (Qwest Corp.) | 97,982,300 | 2 | 0.81% | 94,477,300 | 1 | 1.21% |
| Verizon Wireless | 59,417,700 | 3 | 0.49% | 57,883,000 | 3 | 0.74% |
| Columbia HealthOne LLC | 42,920,000 | 4 | 0.35% | 36,330,280 | 4 | 0.47% |
| Greenwood Property Corp | 32,332,970 | 5 | 0.27% | 29,000,010 | 5 | 0.37% |
| Denver CB Center 2 LLC | 28,502,940 | 6 | 0.24% | - | | - |
| GPI Plaza Tower LP | 25,265,090 | 7 | 0.21% | - | | - |
| Galleria Acquisition Inc. | 19,055,710 | 8 | 0.16% | - | | - |
| United Launch Alliance | 17,273,107 | 9 | 0.14% | - | | - |
| KBSIII Village Cener Station LLC | 17,006,760 | 10 | 0.14% | - | | - |
| Property Colorado OBJLW | - | | - | 22,330,010 | 6 | 0.29% |
| Crescent Peakview Tower | - | | - | 13,050,000 | 7 | 0.17% |
| FSP Greenwood Plaza Corp | - | | - | 12,760,000 | 8 | 0.16% |
| National Digital Television | - | | - | 12,266,120 | 9 | 0.16% |
| Weingarten/Miller/Aurora II | - | | - | 12,180,000 | 10 | 0.16% |
| Total | $ 477,821,507 | | 3.95% | $ 371,345,200 | | 4.76% |

Data Source:
Arapahoe County Assessor's Office

Table 8

**ARAPAHOE COUNTY, COLORADO**
**Property Tax Levies and Collections**
**Last Ten Fiscal Years**
**December 31, 2017**

| | | Collected within the Fiscal year of the Levy | | | Total Collections to Date | |
|---|---|---|---|---|---|---|
| Fiscal Year | Taxes Levied for the Fiscal Year | Amount | Percentage of Levy | Collections in Subsequent Years (1) | Total Taxes Collected | Percentage of Levy |
| 2008 | 119,505,662 | 119,254,700 | 99.8% | 230,000 | 119,484,700 | 100.0% |
| 2009 | 123,574,755 | 123,080,456 | 99.6% | 445,000 | 123,525,456 | 100.0% |
| 2010 | 125,349,303 | 124,973,255 | 99.7% | 300,000 | 125,273,255 | 99.9% |
| 2011 | 126,563,649 | 126,310,522 | 99.8% | 180,000 | 126,490,522 | 99.9% |
| 2012 | 125,727,462 | 125,476,007 | 99.8% | 150,000 | 125,626,007 | 99.9% |
| 2013 | 128,155,159 | 127,952,802 | 99.8% | 100,000 | 128,052,802 | 99.9% |
| 2014 | 126,816,707 | 124,374,319 | 98.1% | 700,000 | 125,074,319 | 98.6% |
| 2015 | 132,443,530 | 128,808,551 | 97.3% | 980,000 | 129,788,551 | 98.0% |
| 2016 | 134,720,914 | 133,450,038 | 99.1% | 128,000 | 133,578,038 | 99.2% |
| 2017 | 142,256,121 | - | 0.0% | - | - | 0.0% |




Data Sources:

Arapahoe County Treasurer's Office

Arapahoe County Annual Budget

**(1)** Estimated calculation

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

Table 9

**ARAPAHOE COUNTY, COLORADO**
**Ratios of Outstanding Debt by Type**
**Last Ten Fiscal Years**
**December 31, 2017**

| Fiscal Year | Total Bonds Payable[1] | Total Notes Payable[1] | Total Certificates of Participation Payable[1] | Total Capital Leases[1] | Total Primary Government[1] | Percentage of Personal Income[2] | Percentage of Actual Value of Taxable Property[3] | Total Outstanding Debt Per Capita |
|---|---|---|---|---|---|---|---|---|
| 2008 | 59,064,130 | 42,108,191 | 55,939,276 | 18,944,343 | 176,055,940 | 0.62% | 2.26% | 308.74 |
| 2009 | 114,775,779 | 41,232,834 | 52,017,113 | 17,489,736 | 225,515,462 | 0.78% | 2.83% | 395.47 |
| 2010 | 114,488,463 | 40,934,625 | 47,936,133 | 15,955,489 | 219,314,710 | 0.75% | 2.75% | 379.14 |
| 2011 | 114,445,945 | 39,872,693 | 43,876,948 | 17,371,307 | 215,566,893 | 0.78% | 2.90% | 370.30 |
| 2012 | 116,735,398 | 38,793,793 | 39,649,009 | 16,119,193 | 211,297,393 | 0.73% | 2.83% | 355.97 |
| 2013 | 115,868,284 | 37,701,231 | 36,540,975 | 14,617,381 | 204,727,871 | 0.66% | 2.69% | 338.73 |
| 2014 | 114,832,794 | 36,589,875 | 31,706,254 | 19,768,364 | 202,897,287 | 0.71% | 2.66% | 334.22 |
| 2015 | 140,581,034 | 8,582,389 | 26,792,005 | 18,327,181 | 194,282,609 | 0.56% | 2.14% | 314.20 |
| 2016 | 138,905,723 | 7,446,310 | 21,256,405 | 16,844,104 | 184,452,542 | 0.51% | 2.02% | 286.94 |
| 2017 | 137,059,731 | 6,281,757 | 17,307,225 | 15,317,619 | 175,966,332 | 0.50% | 1.68% | 272.09 |

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

Data Sources:

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

Table 10

**ARAPAHOE COUNTY, COLORADO**
**Computation of Direct and Overlapping Debt**
**December 31, 2017**

| Governmental Unit | General Obligation Debt Outstanding | Percentage Applicable to County | Direct and Overlapping Debt |
|---|---|---|---|
| **Cities & Towns:** | | | |
| City of Englewood | $ 42,505,000 | 100% | $ 42,505,000 |
| City of Sheridan | 29,935,000 | 100% | 29,935,000 |
| **Total Cities & Towns** | | | $ 72,440,000 |
| **School Districts:** | | | |
| Aurora | $ 489,695,000 | 67% | $ 328,095,650 |
| Bennett | 5,771,771 | 50% | 2,885,886 |
| Cherry Creek | 641,890,000 | 100% | 641,890,000 |
| Deer Trail | 482,705 | 95% | 458,570 |
| Englewood | 168,402,491 | 100% | 168,402,491 |
| Littleton | 136,016,195 | 100% | 136,016,195 |
| Sheridan | 19,573,184 | 100% | 19,573,184 |
| Strasburg | 1,647,600 | 27% | 444,852 |
| **Total School Districts** | | | $ 1,297,766,828 |
| **Special Districts:** | | | |
| Adonea Metropolitan District #2 | $ 19,790,000 | 100% | $ 19,790,000 |
| Antelope Water System GID | 2,290,000 | 100% | 2,290,000 |
| Arapahoe Lake Public Park District | 531,600 | 100% | 531,600 |
| Arapahoe Park and Recreational District | 6,250,000 | 100% | 6,250,000 |
| Arapahoe Water and Wastewater PID | 141,595,762 | 94% | 133,241,612 |
| Aspen Grove Business Improvement | 6,005,000 | 100% | 6,005,000 |
| Aurora Centretech Metropolitan District | 13,355,000 | 100% | 13,355,000 |
| Beacon Point Metropolitan District | 20,755,000 | 100% | 20,755,000 |
| Centennial Downs Metropolitan District | 7,360,000 | 100% | 7,360,000 |
| Cobblewood GID | 365,000 | 100% | 365,000 |
| Cherry Creek Racquet Club GID | 500,000 | 100% | 500,000 |
| Cherry Creek Vista Park and Recreational District A | 2,370,000 | 100% | 2,370,000 |
| Cherry Creek Vista Pare and Recreational District B | 400,000 | 100% | 400,000 |
| Cherry Hills Heights Water | 117,652 | 100% | 117,652 |
| Conservatory Metropolitan District | 20,590,000 | 100% | 20,590,000 |
| Copperleaf Metropolitan District #2 | 33,025,000 | 100% | 33,025,000 |
| Cornerstar Metro District Bonds | 36,990,000 | 100% | 36,990,000 |
| Country Homes Metropolitan District P-A and P-B | 133,000 | 100% | 133,000 |
| Cross Creek Metropolitan District #2 | 15,130,000 | 100% | 15,130,000 |
| Dove Valley Metropolitan District | 47,640,000 | 100% | 47,640,000 |
| Eagle Bend Metropolitan District | 29,945,000 | 100% | 29,945,000 |
| Eagle's Nest Metropolitan District | 1,609,000 | 100% | 1,609,000 |
| East Smoky Hill Metropolitan District #1 | 3,315,000 | 100% | 3,315,000 |
| East Smoky Hill Metropolitan District #2 | 5,705,000 | 100% | 5,705,000 |
| East Valley Metropolitan District | 350,045 | 100% | 350,045 |
| Estancia Metropolitan District | 4,110,000 | 100% | 4,110,000 |
| Fiddlers Business IM District | 48,250,000 | 100% | 48,250,000 |
| Fitzsimons Village Metropolitan District #1 | 15,145,000 | 100% | 15,145,000 |
| Forest Trace Metropolitan District #3 | 10,394,000 | 100% | 10,394,000 |
| Foxfield Metro District #1 | 580,000 | 100% | 580,000 |
| Galleria Metropolitan District Bonds | 4,200,081 | 100% | 4,200,081 |
| Gardens On Havana Metropolitan District #3 | 22,225,000 | 100% | 22,225,000 |
| Goodman Metropolitan District | 1,590,000 | 100% | 1,590,000 |
| Heather Gardens Metropolitan District | 8,025,000 | 100% | 8,025,000 |
| Heather Ridge Metropolitan District #1 | 6,394,228 | 100% | 6,394,228 |

Table 10 (Continued)

**ARAPAHOE COUNTY, COLORADO**
**Computation of Direct and Overlapping Debt**
**December 31, 2017**

| Special Districts (Continued) | General Obligation Debt Outstanding | Percentage Applicable to County | Direct and Overlapping Debt |
|---|---|---|---|
| Heritage Greens Metropolitan District | 2,970,000 | 100% | 2,970,000 |
| High Plains Metropolitan District | 27,415,000 | 100% | 27,415,000 |
| Highline Glen Metropolitan District | 20,000 | 100% | 20,000 |
| Highline Crossing Metropolitan District | 1,926,000 | 100% | 1,926,000 |
| Hills At Cherry Creek Metro District | 1,510,000 | 100% | 1,510,000 |
| Iliff Commons Metropolitan District #2 | 2,310,000 | 100% | 2,310,000 |
| Iliff Commons Metropolitan District #3 | 1,860,000 | 100% | 1,860,000 |
| Inverness Water and Sanitation District | 10,605,753 | 63% | 6,681,624 |
| Kent Place Metropolitan District #2 | 1,891,000 | 100% | 1,891,000 |
| Littleton Village Metropolitan District #2 | 10,830,000 | 100% | 10,830,000 |
| Liverpool Metropolitan District | 2,445,000 | 100% | 2,445,000 |
| Marvella Metropolitan District | 4,899,000 | 100% | 4,899,000 |
| Meadow Hills County Club GID | 380,000 | 100% | 380,000 |
| Murphy Creek Metropolitan District #3 | 27,600,000 | 100% | 27,600,000 |
| Orchard Valley Metropolitan District | 6,070,000 | 100% | 6,070,000 |
| Panorama Metropolitan District | 4,600,000 | 100% | 4,600,000 |
| Parker Jordan Metropolitan Bonds | 10,857,875 | 100% | 10,857,875 |
| Peoria Park GID | 292,000 | 100% | 292,000 |
| Pier Point 7 GID | 2,045,000 | 100% | 2,045,000 |
| Pioneer Hills Metropolitan District | 3,888,475 | 100% | 3,888,475 |
| Polo Reserve Metropolitan District | 555,000 | 100% | 555,000 |
| Sable Altura Fire Protection District | 2,350,000 | 70% | 1,645,000 |
| Saddle Rock Metropolitan District | 8,285,000 | 100% | 8,285,000 |
| Saddle Rock South Metropolitan District #4 | 13,775,000 | 100% | 13,775,000 |
| Serenity Ridge Metropolitan District #2 | 9,695,000 | 100% | 9,695,000 |
| Sorrel Ranch Metropolitan District | 13,505,000 | 100% | 13,505,000 |
| Southglenn Metropolitan District | 73,950,000 | 100% | 73,950,000 |
| South Suburban Park and Recreation | 6,715,000 | 76% | 5,103,400 |
| Southlands Metropolitan District #1 Bonds | 48,635,000 | 100% | 48,635,000 |
| Southlands Metropolitan District #2 | 2,110,000 | 100% | 2,110,000 |
| Southshore Metropolitan District #2 | 33,789,000 | 100% | 33,789,000 |
| Sterling Hills Metropolitan District | 620,000 | 100% | 620,000 |
| Sterling Hills West Metropolitan District | 11,385,000 | 100% | 11,385,000 |
| Sundance Hills Metroplitan District | 220,000 | 100% | 220,000 |
| Tall Grass Metropolitan District | 15,865,000 | 100% | 15,865,000 |
| Tallyn's Reach Metropolitan District #3 | 47,750,000 | 100% | 47,750,000 |
| Tollgate Crossing Metropolitan District #2 | 14,396,000 | 100% | 14,396,000 |
| Traditions Metropolitan District #2 | 13,545,000 | 100% | 13,545,000 |
| Valley Metroplitan District | 350,045 | 100% | 350,045 |
| Valley Club Point Metropolitan District | 5,550,000 | 100% | 5,550,000 |
| Wheatland's Metropolitan District | 24,460,000 | 100% | 24,460,000 |
| Willow Trace Metropolitan District | 8,140,000 | 100% | 8,140,000 |
| **Total special districts** | | | $ 1,002,495,637 |
| **Subtotal, overlapping debt** | | | $ 2,372,702,465 |
| **Arapahoe County direct debt** | | | $ 175,966,332 |
| **Total direct and overlapping debt** | | | $ 2,548,668,797 |

Source: Arapahoe County Finance Department

Note: Overlapping Debt is the proportionate share of
(a) percentage of the total assessed value of the overlapping jurisdiction lies within the limits of Arapahoe County, ar
(b) applying this percentage to the total general obligation debt of the overlapping jurisdictio

Table 11

**ARAPAHOE COUNTY, COLORADO**
**Legal Debt Margin Information**
**Last Ten Fiscal Years**
**December 31, 2017**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|
| Assessed Value of Property | $ 7,959,760,080 | $ 7,963,447,430 | $ 7,428,001,820 | $ 8,827,821,580 | $ 8,915,915,574 | $ 8,923,182,030 | $ 10,687,069,284 | $ 10,758,800,771 | $ 12,092,601,948 |
| Statutory Debt Limit 3%[1] | 238,792,802 | 238,903,423 | 222,840,055 | 264,834,647 | 267,477,467 | 267,695,461 | 320,612,079 | 322,764,023 | 362,778,058 |
| Amount of Debt Applicable to Debt Limit | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | - | - | - | - | - | - | - | - |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin | $ 238,792,802 | $ 238,903,423 | $ 222,840,055 | $ 264,834,647 | $ 267,477,467 | $ 267,695,461 | $ 320,612,079 | $ 322,764,023 | $ 362,778,058 |
| Total net debt as a percentage of debt limit | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

Data Sources:
Arapahoe County Assessor's Office Abstract of Assessments and Levies
(1) Colorado Revised Statute 30-26-301.3

Table 12

**ARAPAHOE COUNTY, COLORADO**
**Demographic and Economic Statistics**
**Last Ten Fiscal Years**
**December 31, 2017**

| Year | Population[1] | | Households[1] | |
|---|---|---|---|---|
| | Arapahoe County | Seven County Denver Metro | Total | Average Size |
| 2008 | 562,009 | 2,788,765 | 232,647 | 2.53 |
| 2009 | 570,235 | 2,883,583 | 233,627 | 2.53 |
| 2010 | 574,929 | 2,868,771 | 238,904 | 2.53 |
| 2011 | 584,703 | 2,830,173 | 239,870 | 2.53 |
| 2012 | 593,589 | 2,884,336 | 232,959 | 2.53 |
| 2013 | 604,398 | 2,943,426 | 238,012 | 2.54 |
| 2014 | 607,070 | 2,953,038 | 237,618 | 2.53 |
| 2015 | 618,341 | 2,445,137 | 252,608 | 2.53 |
| 2016 | 637,254 | 2,491,003 | 248,211 | 2.55 |
| 2017 | 646,725 | 3,166,971 | * | * |

| Year | Per Capita Income[2] | Total Personal Income[2] (in thousands) | Median Age[1] | School Enrollment[4] | Unemployment Rate[3] |
|---|---|---|---|---|---|
| 2008 | 50,727 | 28,509,030 | 36.2 | 116,251 | 5.0% |
| 2009 | 48,480 | 27,644,992 | 36.5 | 117,158 | 7.3% |
| 2010 | 47,704 | 27,426,356 | 36.8 | 120,315 | 8.8% |
| 2011 | 48,989 | 28,656,232 | 36.0 | 121,503 | 7.9% |
| 2012 | 51,163 | 30,469,784 | 36.2 | 122,432 | 7.5% |
| 2013 | 46,897 | 31,832,963 | 36.4 | 124,064 | 6.4% |
| 2014 | 56,294 | 34,835,883 | 36.7 | 126,537 | 4.9% |
| 2015 | 52,545 | 33,160,632 | 36.7 | 127,713 | 4.1% |
| 2016 | 54,452 | 34,689,868 | 36.1 | 125,646 | 3.1% |
| 2017 | * | * | 36.3 | 127,099 | 2.9% |

Data Sources:
[1]Figures for 2008 from Denver Regional Council of Governments; 2009-2017 from the State of Colorado Department of Local Affairs.
[2]U.S. Bureau of Economic Analysis
[3]U.S., Bureau of Labor Statistics
[4]Colorado Department of Education - Public & Non-Public School Enrollment
* 2017 data not available at the time this report went to print.

Table 13

**ARAPAHOE COUNTY, COLORADO**
**Principal Employers**
**Current Year and Nine Years Ago**
**December 31, 2017**

| | 2017 | | | 2008 | | |
|---|---|---|---|---|---|---|
| **Employer** | **Employees** | **Rank** | **Percentage of Total County Employment** | **Employees** | **Rank** | **Percentage of Total County Employment** |
| Comcast | 8,500 | 1 | 2.56% | - | - | 0.00% |
| Cherry Creek School District No % | 8,200 | 2 | 2.47% | 7,800 | 1 | 2.72% |
| Aurora Public Schools | 5,800 | 3 | 1.75% | 4,600 | 2 | 1.60% |
| CenturyLink (Qwest Corp.) | 4,600 | 4 | 1.39% | 1,800 | 9 | 0.63% |
| Raytheon Company | 2,600 | 5 | 0.78% | 2,200 | 7 | 0.77% |
| Littleton School Dist No. 6 | 2,100 | 6 | 0.63% | 2,500 | 5 | 0.87% |
| Columbia HCA Medical Center of Aurora | 2,000 | 7 | 0.60% | - | - | 0.00% |
| Arapahoe County | 2,000 | 8 | 0.60% | 1,900 | 8 | 0.66% |
| Columbia HCA Swedish | 1,800 | 9 | 0.54% | 1,600 | 10 | 0.56% |
| Arrow Electronics | 1,700 | 10 | 0.51% | - | - | 0.00% |
| Echosphere | - | - | 0.00% | 4,500 | 3 | 1.57% |
| Great West Life & Annuity insurance | - | - | 0.00% | 2,400 | 6 | 0.84% |
| City of Aurora | - | - | 0.00% | 3,700 | 4 | 1.29% |
| Total Principal Employers | 39,300 | | 11.86% | 33,000 | | 11.49% |
| Total Arapahoe County Workforce | 331,500 | | | 287,100 | | |

Data Source:
Colorado Department of Labor & Employment

**Table 14**

**ARAPAHOE COUNTY, COLORADO**
**Full-time Equivalent County Employees by Function/Program**
**Last Ten Fiscal Years**
**December 31, 2017**

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Culture and Recreation | 8.50 | 9.50 | 9.50 | 10.50 | 12.50 | 13.50 | 15.50 | 17.00 | 24.00 | 25.00 |
| Highways and Streets | 77.00 | 61.00 | 61.00 | 61.00 | 61.00 | 59.00 | 59.00 | 56.00 | 60.00 | 60.00 |
| Health and Welfare | 589.25 | 605.00 | 626.50 | 640.50 | 640.00 | 632.75 | 637.75 | 644.25 | 705.50 | 744.75 |
| Judicial Services | 22.50 | 22.50 | 22.50 | 21.50 | 21.00 | 24.25 | 24.25 | 24.25 | 26.50 | 21.50 |
| Public Safety | 694.50 | 695.50 | 701.50 | 699.50 | 702.50 | 702.50 | 714.00 | 728.00 | 778.75 | 805.75 |
| General Government | 562.75 | 552.75 | 549.75 | 541.93 | 541.00 | 531.40 | 531.90 | 541.40 | 475.40 | 473.40 |
| Total | 1,954.50 | 1,946.25 | 1,970.75 | 1,974.93 | 1,978.00 | 1,963.40 | 1,982.40 | 2,010.90 | 2,070.15 | 2,130.40 |

Data Source:
Arapahoe County Finance Department

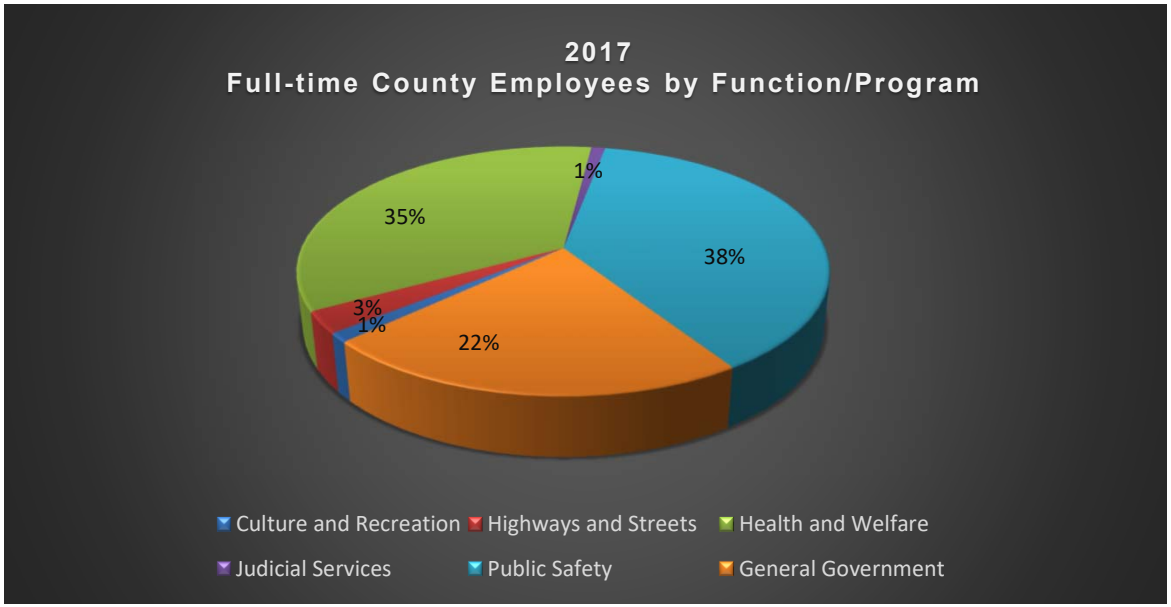


Table 15

**ARAPAHOE COUNTY, COLORADO**
**Operating indicators by Function/Program**
**December 31, 2017**

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| Motor vehicle renewals | 380,117 | 392,907 | 404,155 | 409,597 | 411,301 | 420,117 | 421,435 | 432,772 | 445,387 | 456,709 |
| Registered voters (active & inactive) | 344,559 | 338,785 | 347,495 | 353,274 | 385,097 | 379,941 | 387,212 | 387,384 | 420,997 | 350,942 |
| Voter turnout | 268,671 | 247,297 | 273,435 | 235,042 | 288,033 | 140,438 | 228,212 | 116,279 | 311,745 | 92,349 |
| **Public Safety** | | | | | | | | | | |
| Adult-Juvenile arrests | 7,374 | 6,987 | 6,609 | 6,356 | 5,688 | 5,326 | 5,758 | 5,810 | 6,217 | 5,214 |
| DUI arrests | 492 | 618 | 412 | 478 | 384 | 432 | 485 | 513 | 538 | 350 |
| Traffic stops | 32,825 | 50,797 | 53,089 | 48,364 | 44,466 | 44,570 | 44,478 | 42,579 | 40,765 | 29,990 |
| Number of E-911 calls | 62,186 | 63,138 | 70,696 | 74,042 | 71,465 | 69,342 | 73,622 | 79,763 | 74,145 | 75,695 |
| **Judicial Services** | | | | | | | | | | |
| Felony cases closed | 1,976 | 1,812 | 1,796 | 1,675 | 1,585 | 1,518 | 2,672 | 2,105 | 2,197 | 2,652 |
| Misdemeanor cases closed | 5,050 | 4,923 | 4,640 | 4,309 | 4,140 | 3,424 | 3,050 | 4,508 | 4,705 | 5,681 |
| **Health and Welfare** | | | | | | | | | | |
| Annual cases of Food Assistance | 124,656 | 168,630 | 212,297 | 259,346 | 251,406 | 258,993 | 262,853 | 245,289 | 236,601 | 228,902 |
| **Highways and Streets** | | | | | | | | | | |
| Sweeping pass miles | 2,919 | 5,437 | 6,729 | 4,173 | 1,651 | 1,550 | 2,391 | 2,143 | 1,372 | 1,949 |
| Finished concrete curb & gutter (linear feet) | 1,895 | 4,147 | 5,178 | 3,365 | 3,469 | 1,167 | 1,043 | 1,639 | 5,080 | 3,701 |
| Tons of asphalt applied | 1,483 | 4,767 | 10,666 | 8,191 | 15,719 | 19,333 | 29,791 | 30,420 | 39,811 | 35,431 |
| **Culture & Recreation** | | | | | | | | | | |
| Building permits issued | 2,104 | 4,868 | 3,235 | 2,003 | 3,207 | 2,996 | 6,630 | 6,622 | 3,419 | 3,564 |

Data Source:
Various Arapahoe County Departments

**Table 16**

**ARAPAHOE COUNTY, COLORADO**
**Capital Asset Statistics by Function/Program**
**Last Nine Fiscal Years**
**December 31, 2017**

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| Square footage of buildings[3] | 272,788 | 358,302 | 351,747 | 582,529 | 298,544 | 328,629 | 328,629 | 328,629 | 329,432 | 333,845 |
| Voting machines [1] | 1,263 | 1,393 | 1,322 | 1,364 | 406 | 375 | 375 | 225 | - | - |
| Voting booths | - | - | - | - | - | - | - | - | 135 | 135 |
| **Public Safety** | | | | | | | | | | |
| Square footage of detention center[3] | 291,955 | 293,108 | 293,108 | 293,108 | 293,108 | 293,108 | 293,108 | 293,108 | 293,108 | 293,108 |
| Square footage of other buildings[3] | 121,588 | 174,136 | 162,338 | 173,481 | 175,406 | 134,183 | 134,183 | 134,183 | 151,297 | 151,297 |
| Patrol vehicles | 133 | 158 | 144 | 151 | 155 | 156 | 155 | 159 | 169 | 161 |
| **Judicial Services** | | | | | | | | | | |
| Square footage of buildings[3] | 201,167 | 296,973 | 249,714 | 253,573 | 242,773 | 163,735 | 163,735 | 163,735 | 181,073 | 180,909 |
| **Health and Welfare** | | | | | | | | | | |
| Square footage of buildings[3] | 167,660 | 250,166 | 232,905 | 222,023 | 229,284 | 208,174 | 208,174 | 208,174 | 202,234 | 203,133 |
| **Highways and Streets**[2] | | | | | | | | | | |
| Total centerline miles of county roads | 541.0 | 541.3 | 541.6 | 542.9 | 542.8 | 543.5 | 542.5 | 542.5 | 541.9 | * |
| Paved lane miles | 1,074.6 | 1,084.2 | 1,090.1 | 1,095.8 | 1,111.4 | 1,112.2 | 1,102.5 | 1,102.5 | 1,099.9 | * |
| Unpaved lane miles | 492.4 | 481.8 | 478.6 | 478.7 | 459.1 | 459.1 | 459.1 | 459.1 | 458.0 | * |
| **Culture and Recreation** | | | | | | | | | | |
| Number of parks | 6 | 6 | 10 | 10 | 10 | 10 | 16 | 16 | 16 | 18 |
| Total Open Space and Parks Acreage | 1,097 | 1,097 | 4,394 | 4,394 | 4,394 | 4,394 | 4,430 | 4,430 | 4,430 | 5,370 |

Notes:

[1]958 Advantage machines disposed of in 2012. Remaining 225 voting machines disposed of in 2016.

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

[3]2009 and 2013 recalculated measurements using standard measurements by BOMA

*2017 data not available at time this report went to print.

Data Sources:
Various Arapahoe County Departments
Colorado Department of Transportation

CliftonLarsonAllen LLP
CLAconnect.com

# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners
Arapahoe County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado (the County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 10, 2018. Our report includes a reference to other auditors who audited the financial statements of Arapahoe County Public Airport Authority and Arapahoe County Water and Wastewater Authority, both of which are discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Arapahoe County Water and Wastewater Authority were not audited in accordance with *Government Auditing Standards*.

## Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. We and the other auditors did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency, listed as reference number 2017-001.

**Compliance and Other Matters**

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

**Arapahoe County, Colorado's Response to Findings**

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

CliftonLarsonAllen LLP

**CliftonLarsonAllen LLP**

Greenwood Village, Colorado
July 10, 2018

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of County Commissioners
Arapahoe County, Colorado

## Report on Compliance for Each Major Federal Program

We have audited Arapahoe County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

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

### *Auditors' Responsibility*

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

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

### *Opinion on Each Major Federal Program*

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

**Report on Internal Control Over Compliance**

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

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

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

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

CliftonLarsonAllen LLP

**CliftonLarsonAllen LLP**

Greenwood Village, Colorado
July 10, 2018

**ARAPAHOE COUNTY, COLORADO**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**For The Year Ended December 31, 2017**

| Federal Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | Pass Through Grantor's Number | Cluster | | Passed Through to Subrecipients | Total By CFDA and Agency |
|---|---|---|---|---|---|---|
| U.S. DEPARTMENT OF AGRICULTURE: | | | | | | |
| Passed Through Colorado Dept. of Human Services | | | | | | |
| SNAP - Administration **(Note 2)** | 10.561 | | SNAP Cluster | $ 3,564,934 | | $ 3,564,934 |
| Passed Through Douglas County Human Services | | | | | | |
| Employment First | 10.561 | 3660 | SNAP Cluster | 70,750 | | 70,750 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | **SNAP Cluster Total** | $ 3,635,684 | | $ 3,635,684 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: | | | | | | |
| Passed Through Colorado Dept. of Human Services and Denver Regional Council of Governments (DRCOG:) | | | | | | |
| TITLE IIIB - Arap/Doug DRCOG Federal | 93.044 | EX15019/EX17008 | | | | $ 338,175 |
| Arapahoe Chore Sen Rs DRCOG Rev | 93.044 | EX15020/EX17008 | | | | 82,150 |
| Total-Passed Through Colorado Dept. Human Services and DRCOG | TOTAL CFDA # 93.044 | | | | | 420,325 |
| Passed Through Colorado Department of Local Affairs | | | | | | |
| Block Grant | 93.569 | L15CSBG03 | | | | 485,098 |
| Total-Passed Through Colorado Dept. of Local Affairs | | | | | | 485,098 |
| Passed Through Colorado Dept. of Human Services | | | | | | |
| Child Welfare Services Title IV-B | 93.645 | | | | | 349,660 |
| Social Services Block Grant Title XX | 93.667 | | | | $ 137,321 | 2,098,086 |
| Child Support Enforcement Title IV-D | 93.563 | | | | | 4,337,514 |
| Medicaid - Title XIX | 93.778 | | | | | 3,930,024 |
| IV-E Rel Guard Asst. | 93.090 | | | | | 31,948 |
| Independent Living / Title IV-E | 93.674 | | | | 154,625 | 157,008 |
| PSSF - Promoting Safe And Stable Families | 93.556 | | | | | 157,524 |
| Foster Care (Title IV-E) | 93.658 | | | | | 5,568,072 |
| Child Care Development Block Grant | 93.575 | | CCDF Cluster | $ 4,918,336 | | 4,918,336 |
| Child Care Development Funds | 93.596 | | CCDF Cluster | 3,405,056 | | 3,405,056 |
| Adoption Assistance - Title IV-E | 93.659 | | **CCDF Cluster Total** | $ 8,323,392 | | 1,722,285 |
| Temp. Assist. Needy Fam. Title IV | 93.558 | | TANF Cluster | $ 10,690,897 | 676,145 | 10,690,897 |
| LEAP - Low Income Energy Assistance Program **(Note 2)** | 93.568 | | LEAP Cluster | $ 17,865 | - | 17,865 |
| Total-Passed Through Colorado Dept. of Human Services | | | | | 968,090 | 37,384,275 |
| Passed Through Douglas County Human Services | | | | | | |
| TANF DCHS | 93.558 | | TANF Cluster | 40,269 | | 40,269 |
| Total-Passed Through Douglas County Human Services | | | **TANF Cluster Total** | $ 10,731,166 | | 40,269 |
| Passed Through Colorado Energy Office | | | | | | |
| Low Income Home Energy Assistance - Weatherization **(Note 2)** | 93.568 | | LEAP Cluster | 949,619 | | 949,619 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | **LEAP Cluster Total** | $ 967,484 | $ 968,090 | $ 39,279,586 |
| U.S. DEPARTMENT OF ENERGY | | | | | | |
| Passed Through Colorado Energy Office | | | | | | |
| Weatherization Assistance for Low Income Persons - DOE | 81.042 | CTGG1 EFAA 2017-0095; CTGG1 EFAA 2017-1735; CTGG1 EFAA 2018-521; CTGG1 EFAA 2018-1019 | | | | $ 654,330 |
| TOTAL U.S. DEPARTMENT OF ENERGY | | | | | | $ 654,330 |
| U.S DEPARTMENT OF JUSTICE | | | | | | |
| Passed Through Colorado Division of Criminal Justice | | | | | | |
| JAG Grants | 16.804 | 2014-DJ-BX-0814, 2016-DJ-BX-0923,2016-DJ-BX-0486 | | | | $ 36,886 |
| ICAC Internet Crimes Against Children | 16.543 | 2015-MC-FX-K030 | | | | 6,436 |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | | | | $ 43,322 |
| U.S DEPARTMENT OF HOMELAND SECURITY | | | | | | |
| Passed Through Colorado Department of Public Safety | | | | | | |
| Colorado Emergency Management Program | 97.042 | | | | | $ 85,000 |
| State Homeland Security Program 2015 | 97.067 | 15SHS16NCR | | | $ 310,017 | 612,957 |
| State Homeland Security Program 2016 | 97.067 | 16SHS17NCR | | | 301,264 | 686,652 |
| TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY | | | | | $ 611,282 | $ 1,384,609 |
| U.S. DEPARTMENT OF LABOR | | | | | | |
| Passed Through City and County of Denver | | | | | | |
| H1B Job Training Grants | 17.268 | OED-201521006-00 | | | | 41,017 |
| H1B Job Training Grants | 17.268 | OED-201520646-00 | | | | 245,355 |
| Total-Passed Through City and County of Denver | TOTAL CFDA #17.268 | | | | | 286,372 |
| Passed Through Colorado Department of Labor | | | | | | |
| Employment Services/Wagner-Peyser | 17.207 | PY2016 WP 10% Summer Job Hunt | ESC Cluster | $ 39,000 | | $ 39,000 |
| Employment Services/Wagner-Peyser | 17.207 | PY2015 Governor's Summer Job Hunt | ESC Cluster | 987 | | 987 |
| Employment Services/Wagner-Peyser | 17.207 | PY2015 WP Work Based Learning 2055 | ESC Cluster | 7,518 | | 7,518 |
| Employment Services/Wagner-Peyser | 17.207 | PY 2017 Wagner Peyser Empolyment Service 2057 | ESC Cluster | 264,504 | | 264,504 |
| Employment Services/Wagner-Peyser | 17.207 | PY2016 Wagner Peyser Employment Service 2056 | ESC Cluster | 848,707 | | 848,707 |
| | TOTAL CFDA # 17.207 | | **ESC Cluster Sub Total** | $ 1,160,716 | | 1,160,716 |
| Unemployment Insurance | | | | | | |
| Reemployment Services and Assessment (RESEA) Program | 17.225 | FY 2016 RESEA 2886 | | | | 26,709 |
| Reemployment Services and Assessment (RESEA) Program | 17.225 | FY2017 RESEA 2887 | | | | 16,922 |
| | TOTAL CFDA # 17.225 | | | | | 43,631 |
| Trade Adjustment Assistance | 17.245 | FY2016 Trade Adjustment Act Case Mgmt 17C6 | | | | 74,516 |
| | 17.245 | FY2017 Trade Adjustment Act Case Mgmt 17C7 | | | | 6,928 |
| | TOTAL CFDA # 17.245 | | | | | 81,444 |
| Worker & Statewide Activities | 17.258 | PY2017/FY2018 WIA Adult / CMS 105077 | WIA Cluster | $ 43,756 | | 43,756 |
| Worker & Statewide Activities | 17.258 | PY2015/FY2016 WIOA Adult / CMS 38152 | WIA Cluster | 29,932 | | 29,932 |
| Worker & Statewide Activities | 17.258 | PY2016/FY2017 WIOA Adult / CMS 17-89943 | WIA Cluster | 1,303,016 | | 1,303,016 |
| | TOTAL CFDA #17.258 | | **WIA Cluster Sub Total** | $ 1,376,704 | | 1,376,704 |
| Workforce Investment Act Youth | 17.259 | PY2017 WIOA Youth / CMS 105077 | WIA Cluster | $ 148,921 | | 148,921 |
| Workforce Investment Act Youth | 17.259 | PY2015 WIOA Youth / CMS 38152 | WIA Cluster | 40,654 | | 40,654 |
| Workforce Investment Act Youth | 17.259 | PY2016 WIOA Youth / CMS 17-89943 | WIA Cluster | 618,256 | | 618,256 |
| | TOTAL CFDA #17.259 | | **WIA Cluster Sub Total** | $ 807,831 | | 807,831 |
| WIOA National Dislocated Worker Grants | 17.277 | FY2015 Sectors NEG | | | | 427,840 |
| | TOTAL CFDA #17.277 | | | | | 427,840 |

(Continued)

**ARAPAHOE COUNTY, COLORADO**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**For The Year Ended December 31, 2017**

| Federal Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | Pass Through Grantor's Number | Cluster | | Passed Through to Subrecipients | Total By CFDA and Agency |
|---|---|---|---|---|---|---|
| Workforce Investment Act Dislocated Worker | 17.278 | FY2016 DW Business Services | WIA Cluster | $ 5,198 | | 5,198 |
| Workforce Investment Act Dislocated Worker | 17.278 | PY2015/FY2016 WIOA DW / CMS 38152 | WIA Cluster | 4,298 | | 4,298 |
| Workforce Investment Act Dislocated Worker | 17.278 | PY2016/17 WIOA DW 4D66/4D86/46D6/48D6/CMS 17-89943 | WIA Cluster | 564,155 | | 564,155 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2015 25% Enhanced Dislocated trsnfr Adult 4ED4/4FD4 | WIA Cluster | 593 | | 593 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2016 25% Enhanced Dislocated trnsfr Adult 4AD5/4CD5 | WIA Cluster | 15,642 | | 15,642 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2016 25% Enhance Dislocated Wrk Base Learn 4ED5/4FD5 | WIA Cluster | 15,747 | | 15,747 |
| Workforce Investment Act Dislocated Worker | 17.278 | PY2015 25% Enhanced Dislocated Worker 4D75/4D95 | WIA Cluster | 36,172 | | 36,172 |
| Workforce Investment Act Dislocated Worker | 17.278 | PY2016 10% Funds-National Convening 4DW6 | WIA Cluster | 1,500 | | 1,500 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2016 25% Enhanced Dislocated Worker 4ED5/4FD5 | WIA Cluster | 48,996 | | 48,996 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2017 10% Funds-Regional Planning Innovation 4DW6 | WIA Cluster | 22,400 | | 22,400 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2016 5% CWDC Performance Incentive 4LD5 | WIA Cluster | 11,434 | | 11,434 |
| Workforce Investment Act Dislocated Worker | 17.278 | PY2016 10% Funds-Local Planning Innovation 4DW6 | WIA Cluster | 11,480 | | 11,480 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2015 WIA Technical Assistance & Training 4GD4 | WIA Cluster | 17,500 | | 17,500 |
| Workforce Investment Act Dislocated Worker | 17.278 | PY2014 WIOA Technical Assistance Training 4MT5 | WIA Cluster | 5,048 | | 5,048 |
| Workforce Investment Act Dislocated Worker | 17.278 | PY2015 5% Disc-Industry Liaison Shared Position 4DW5 | WIA Cluster | 41,625 | | 41,625 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2015 Sectors Partnership-2 4WD4 | WIA Cluster | 27,615 | | 27,615 |
| Workforce Investment Act Dislocated Worker | 17.278 | FY2017 Sector Partnership Technical Assistance 4WD6 | WIA Cluster | 839 | | 839 |
| | TOTAL CFDA #17.278 | | **WIA Cluster Sub Total** | $ 830,242 | | 830,242 |
| | | | **WIA Cluster Total** | $ 3,014,777 | | |
| Apprenticeship USA Grants | 17.285 | FY 2016 Apprenticeship USA 4FF6 | | | | 6,334 |
| | TOTAL CFDA #17.285 | | | | | 6,334 |
| Disabled Veterans Outreach Program | 17.801 | FY2017 Jobs for Veterens State Grant DVOP 2037 | ESC Cluster | $ 21,000 | | 21,000 |
| | TOTAL CFDA #17.801 | | **ESC Cluster Sub Total** | $ 21,000 | | 21,000 |
| Local Veteran's Employment Rep Program | 17.804 | FY2017 Jobs for Veterans State Grant LVER 2017 | ESC Cluster | $ 7,000 | | 7,000 |
| | TOTAL CFDA #17.804 | | **ESC Cluster Sub Total** | $ 7,000 | | 7,000 |
| | | | **ESC Cluster Total** | $ 1,188,716 | | |
| Total-Passed Through Colorado Department of Labor | | | | | | 4,762,742 |
| TOTAL U.S. DEPARTMENT OF LABOR | | | | | | $ 5,049,114 |
| U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT | | | | | | |
| Centennial Community Block Grant 2014 | 14.218 | | | | $ 139,171 | $ 139,171 |
| Centennial Community Block Grant 2015 | 14.218 | | | | 211,499 | 211,499 |
| Centennial Community Block Grant 2016 | 14.218 | | | | 44,784 | 78,228 |
| Centennial Community Block Grant 2017 | 14.218 | | | | - | 39,538 |
| Community Development Block Grant 2014 | 14.218 | | | | 286,724 | 291,268 |
| Community Development Block Grant 2015 | 14.218 | | | | 503,941 | 678,262 |
| Community Development Block Grant 2016 | 14.218 | | | | 256,229 | 256,229 |
| Community Development Block Grant 2017 | 14.218 | | | | 20,000 | 20,000 |
| | TOTAL CFDA #14.218 | | | | 1,462,348 | 1,714,195 |
| HOME 2013 | 14.239 | | | | 261,124 | 288,445 |
| HOME 2014 | 14.239 | | | | 40,234 | 40,234 |
| HOME 2015 | 14.239 | | | | 99,899 | 99,899 |
| HOME 2016 | 14.239 | | | | | 34,137 |
| HOME 2017 | 14.239 | | | | | 11,270 |
| | TOTAL CFDA #14.239 | | | | 401,257 | 473,985 |
| SECTION 8 | 14.871 | | | | - | 31,750 |
| TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT | | | | | $ 1,863,605 | $ 2,219,930 |
| U. S. DEPARTMENT OF TRANSPORTATION | | | | | | |
| Passed Through Colorado Department of Transportation | | | | | | |
| Highway Planning and Construction | 20.205 | | | | | $ 1,420,843 |
| Occupant Protection - Click It or Ticket | 20.600 | | Highway Safety Cluster | $ 13,600 | | 13,600 |
| 405C Trafic Records Program | 20.616 | | Highway Safety Cluster | 48,756 | | 48,756 |
| TOTAL U. S. DEPARTMENT OF TRANSPORTATION | | | **Highway Safety Cluster Total** | $ 62,356 | | $ 1,483,199 |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | | $ 3,442,977 | $ 53,749,774 |

**See accompanying notes to Schedule of Expenditures of Federal Awards**

**ARAPAHOE COUNTY, COLORADO**
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**For The Year Ended December 31, 2017**

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**Note 1 - General**

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

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

| Program Title | CFDA |
|---|---|
| SNAP Cluster | 10.561 |
| Guardianship Assistance | 93.090 |
| Promoting Safe and Stable Families | 93.556 |
| Temporary Assistance for Needy Families | 93.558 |
| Child Support Enforcement | 93.563 |
| Low-Income Home Energy Assistance | 93.568 |
| CCDF Cluster | 93.575, 93.596 |
| Child Welfare Services – State Grants | 93.645 |
| Foster Care – Title IV-E | 93.658 |
| Adoption Assistance | 93.659 |
| Social Services Block Grant | 93.667 |
| Chafee Foster Care Independence Program | 93.674 |
| Medicaid | 93.778 |

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

**Note 2**

The SNAP – Administration allocation of financial assistance between federal monies passed through the State and Douglas County Human Services and state monies derived from and provided by the Colorado Department of Human Services for the year ended December 31, 2017 is $3,564,934 and $70,750.

LEAP passed through the Colorado Department of Human Services and the Colorado Energy Office for the year ended December 31, 2017 is $967,483.

**ARAPAHOE COUNTY, COLORADO**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**For the Year Ended December 31, 2017**

## SECTION I–SUMMARY OF AUDITORS' RESULTS

### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ yes ☒ no

### Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| 93.659 | Adoption Assistance – Title IV-E |
| 93.575* | Child Care and Development Block Grant |
| 93.596* | Child Care Mandatory and Matching Funds of the Child Care and Development Fund |
| 14.218 | Community Development Block Grants/Entitlement Grants |

*Cluster

Dollar threshold used to distinguish between type A and type B programs: $1,612,493

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**ARAPAHOE COUNTY, COLORADO**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**For the Year Ended December 31, 2017**

## PART II–FINDINGS RELATED TO FINANCIAL STATEMENTS

### 2017 – 001 – Revenue Recognition

**Type of Finding:** Significant Deficiency in Internal Control over Financial Reporting

**Condition:** An adjustment was required to be posted during the audit process to record revenue earned in December 2017 under an intergovernmental agreement and to record the related receivable as of December 31, 2017.

**Criteria:** Based on the guidance in Governmental Accounting Standards Board Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, exchange revenues should be recognized when the transaction occurred.

**Context:** The adjustment to intergovernmental revenue and related accounts receivable was noted during reconciliation of a confirmation of intergovernmental revenue to the County's records.

**Effect:** An adjustment of $1,977,903 was required to be posted to increase intergovernmental revenue and accounts receivable for the General Fund.

**Cause:** Due to a change in the timing of billing for the intergovernmental revenue, management believed that the receivable was properly excluded until it was noted that revenue was understated during the reconciliation of the intergovernmental revenue confirmation to the County's records.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend that management analytically review revenue and accounts receivable at the end of the year to ensure that all accruals for receivables are properly recorded.

**Views of responsible officials and planned corrective actions:** The County agrees with the finding and has adjusted revenue and receivables accordingly. The County will implement additional review processes and training to ensure that this error does not occur again.

**Responsible Official:** Shawn Sonnkalb, Accounting Manager

## PART III–FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

ARAPAHOE COUNTY
COLORADO'S FIRST

**Department of Finance**

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# ARAPAHOE COUNTY
# CORRECTIVE ACTION PLAN
# YEAR ENDED DECEMBER 31, 2017

**Arapahoe County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2017.**

**The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.**

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**2017-001 Revenue Recognition**

**Recommendation: We recommend that management analytically review revenue and accounts receivable at the end of the year to ensure that all accruals for receivables are properly recorded.**

**Type of finding: Significant Deficiency**

**Explanation of disagreement with audit finding: There is no disagreement with the audit finding.**

**Action taken in response to finding: The County recorded an adjustment to revenue and receivables. The County will implement additional review processes and training to ensure that these errors do not occur again.**

**Name(s) of the contact person(s) responsible for corrective action: Shawn Sonnkalb, Accounting Manager**

**Planned completion date for corrective action plan: Immediately**

# ARAPAHOE COUNTY, COLORADO
# SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
# Year Ended December 31, 2017

Arapahoe County, Colorado respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2017.

Audit period: Year Ended December 31, 2017

## FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

## FINDINGS— FEDERAL AWARD PROGRAMS AUDIT

There were no federal award program audit findings in the prior year.