

COMPREHENSIVE ANNUAL FINANCIAL REPORT



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Office of the State Auditor

May 11, 2018

For the Year Ended December 31, 2017

Douglas County, Colorado

BOARD OF COUNTY COMMISSIONERS

David Weaver, District 1

Roger Partridge, District 2

Lora Thomas, District 3

COUNTY MANAGER

Douglas J. DeBord

DIRECTOR OF FINANCE

N. Andrew Copland

Accountants

Judi Dinkel – Accounting Manager

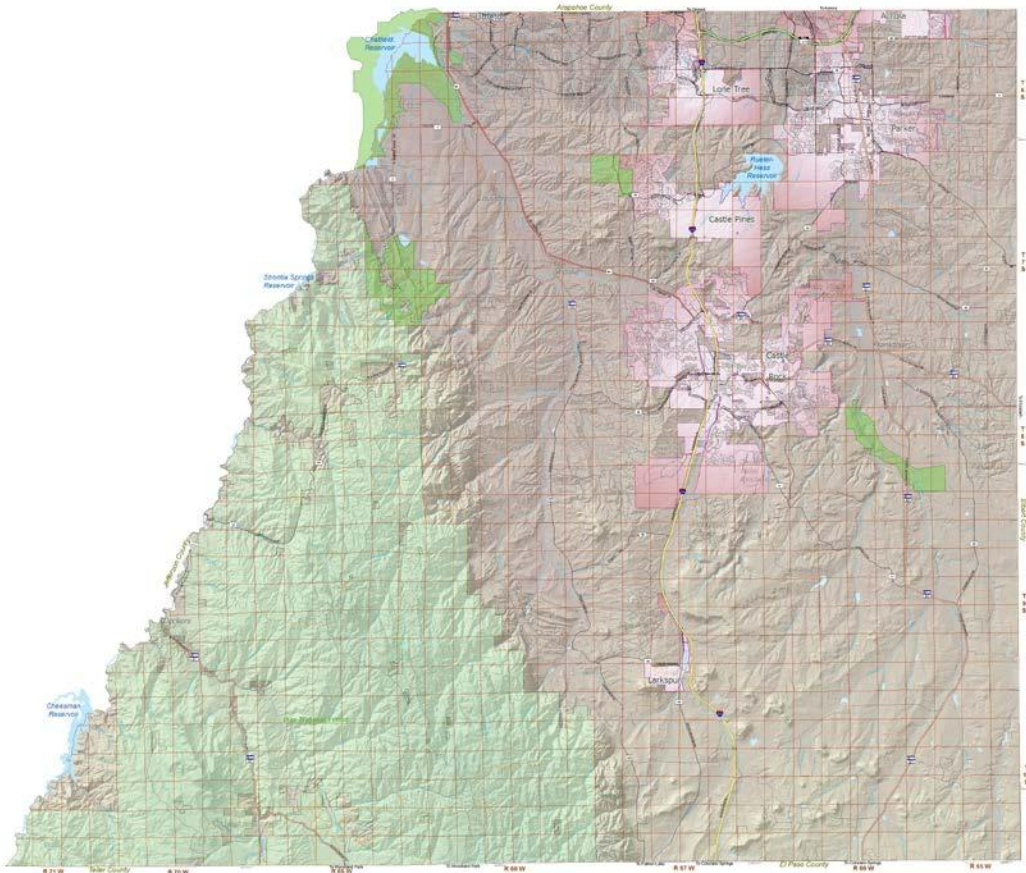
Michelle Thompson – Accounting Supervisor

Christy McKinzie – Accountant

100 Third Street, Castle Rock, Colorado 80104
(303) 660-7400

Comprehensive Annual Financial Report

DOUGLAS COUNTY, COLORADO



For The Year Ended December 31, 2017

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

DOUGLAS COUNTY, COLORADO
Comprehensive Annual Financial Report
December 31, 2017

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April 16, 2018

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

The Comprehensive Annual Financial Report of Douglas County, Colorado for the fiscal year ended December 31, 2017 is hereby submitted.

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

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

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

The County's financial statements have been audited by Eide Bailly, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended December 31, 2017, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used as well as the significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor, based upon their audit, rendered an unmodified opinion, concluding that these financial statements are fairly presented in conformity with US GAAP. The independent auditor's report is presented in the financial section of this report.

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

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

Profile of Douglas County

Douglas County was formed in 1861 as one of the sixteen original Colorado counties. The County covers 844 square miles along the I-25 corridor between Denver and Colorado Springs. A majority of residents live in urban designated areas, such as unincorporated Highlands Ranch, the city of Lone Tree, the city of Castle Pines, and the towns of Castle Rock (county seat), Parker and Larkspur. The County has a population of about 346,000; representing an increase of approximately 3.0% over the previous year.

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

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

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

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

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

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

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

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

Factors Affecting the Financial Condition of Douglas County

Douglas County's business friendly environment has uniquely positioned the County for economic success. There is an abundance of highly educated, skilled, knowledgeable workers living halfway between Colorado's

two largest cities; a robust transportation system that includes a general aviation airport, light rail transit and a newly expanded freeway system; adequate water and power for new growth; a nationally-recognized public education system; a state tax rate among the lowest in the country; an inventory of available office space and entitled sites for construction of new offices and shops, and business-friendly government leaders. Based on current indicators Douglas County will see continued economic growth into 2018.

Municipalities located within the boundaries of the County, the Town of Castle Rock 64,715 (18.7%), the Town of Parker 54,845 (15.9%), the City of Lone Tree 14,645 (4.2%), the City of Castle Pines 10,890 (3.1%) and Larkspur 195 (<1.0%), contain approximately 145,290 or 42% of the County's population. Unincorporated Douglas County contains the remaining 58%, or 200,710 citizens.

The average annual number of jobs located in Douglas County increased 3.5% from 2016 to 2017, bringing the average annual total to 116,808 jobs. The current unemployment rate for Douglas County is 1.9% while the national rate is 4.5%. The average annual wage for jobs located in the County is \$59,842. The professional and business services sector is the largest employer in the County with 18.1% of jobs, followed by the retail trade sector (15.3%) and the leisure and hospitality sector (13.0%). The fastest growing sectors were financial activities, adding 1,305 jobs, and education and health services which added 888 jobs to the market.

Permits issued for new housing in all of Douglas County increased 8.1% compared to 2016, with 3,965 housing units permitted in 2017. 3,416 new housing units were completed in 2017 making the total housing stock 124,118 units at the end of 2017. Apartment units were 34% of the total new units permitted in 2017. Over 2 million square feet of commercial space was permitted in 2017, including the mixed-use Riverwalk South building in Castle Rock and the UC Health hospital in Highlands Ranch.

In 2004, Douglas County officially became an entitlement community as a part of the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) Program. The CDBG Program provides funding to Douglas County that is used to assist low and moderate-income persons in the areas of housing, economic opportunity, and services, such as transportation. The County CDBG program year runs annually from August 1 to July 31. The County did not accept any additional allocation of funds in 2016 or 2017, but did spend \$119,226 of remaining CDBG funds.

Financial Policy and Budgetary Initiative Affects

Ad valorem, or property taxes, serve as the primary revenue source for the statutory and general government services. In 2017, the County collected \$123.5 million in property taxes, a less than 0.2% increase over 2016. The Board of County Commissioners voted to enact a one-time half mill temporary property tax credit for the taxable year 2016 on the General Fund mill of 14.288, reducing the mill to 13.788 for taxes to be collected in 2017. This reduced revenues by about \$2.8 million dollars in 2017. Additionally, the County, for the third year in a row, elected to exempt the first \$100,000 of business personal property from taxation. This exemption results in an additional reduction of approximately \$1.8 million in property tax revenue. Sales and use taxes are the second major source of revenue, and are much quicker to respond to changes in the economy. All sales and use taxes collected are statutorily set aside for specific costs associated with 1) road improvements, 2) the operation of and improvements to the Robert A. Christensen Justice Center and related facilities, and 3) the acquisition, development and maintenance of open space, trails and regional parks. In 2017 the County collected \$65.2 million in sales and use taxes, an increase of 7.7% over 2016.

The County completed several capital projects in 2017, including construction of an Emergency Vehicle Operations Center, the purchase of land to be used for the construction of the Unified Metropolitan Forensic Crime Lab, significant improvements were made to Highlands Heritage Regional Park as well as Bingham Lake Open Space. The County also purchased a building to house our Community Resource call center.

In the 2017 budget the Commissioners planned to continue strategically reinvesting in our community according to their core priorities of Public Safety, Transportation, County Services, Economic Foundations, Historic and Natural Resources and; Health and Human Services.

Public safety projects completed or started in 2017 include: the emergency vehicle operations course opening at a total cost to the County of \$2.3 million after a \$3.3 million private donation was received specifically for this project; land was purchased, and design and construction, of the Regional Crime Lab was started late in 2017 with \$3.7 million in expenses to date and an additional \$9.9 million in committed fund balance at the end of 2017.

2017 transportation projects/improvements in the County included; partnering with the City of Lone Tree and the Regional Transportation District to extend the existing light-rail line to Ridgeway Road at a cost to the County of \$2.4 million. \$17.6 million was invested in major maintenance and repair projects on existing County roadways. Over \$12 million of 2017 fund balance is committed to the widening and improvement of Highway 85 which is expected to begin in 2019.

In efforts to assure adequate and efficient services to citizens in 2017 and beyond, an improved Road and Bridge Service Center in Parker is in the finishing stages of completion and is expected to be fully operational in early 2018 at a cost of \$7.0 million. Over \$4 million was spent in 2017 expanding and replacing the County's fleet vehicles and equipment. A new building was purchased with \$400K in Castle Rock to provide a more convenient location for Douglas County First Call center which provides senior citizens of Douglas County assistance with transportation, homemaker assistance and various other community resources.

Recognizing the strong economic foundations of the County the Commissioners instituted a one-time temporary half mill reduction to property taxes in the 2017 budget for 2016 taxes payable in 2017 reducing General Fund property tax revenue by \$2.8 million.

In the 2017 budget the County continued its commitment to open space lands, regional parks and trails systems. \$4.3 million in improvements were made to Highlands Heritage Regional Park and a new accessible fishing dock was added at Bingham Lake. Work began in 2017 on a portion of the Colorado Front Range Trail passing through Douglas County with over \$1.0 million in Open Space fund balance committed or assigned to the completion of this project. The County currently owns 14,942 acres of open space land with 932 of these acres being added in 2017. 412 acres adjacent to the current Bayou Gulch property were conveyed to the County with an acquisition value of \$2.3 million. In December 2017, the County was gifted 520 acres of open space, including water rights, with an acquisition value of \$8.2 million near Chatfield Reservoir with restrictions that the land be used to protect the riparian corridor within the Plum Creek basin. The Open Space Division also manages an additional 44,074 acres of land protected by conservation easements.

Long Term Financial Planning

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

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

The budget process in the County uses fiscally conservative principles and aligns with the BOCC's core priorities of public safety, transportation, county services, economic foundations, historic and natural resources and; health and human services. A sound and balance budget is developed by:

- Avoiding raising fees or taxes.
- Relying upon realistic revenue forecasts.

- Maintaining stable reserves.
- Improving the quality of services provided to our community.

The 2018 approved budget is \$390.8 million for all funds. The budget contains \$197.7 million in ongoing operating expenditures, \$156.8 million for one-time initiatives including capital projects and maintenance, \$31.7 million is budgeted for federal and state funded expenditures and \$4.6 million is budgeted for current debt service payments.

Awards and Acknowledgements

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Douglas County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Douglas J. DeBord

County Manager



N. Andrew Copland, CPA

Director of Finance



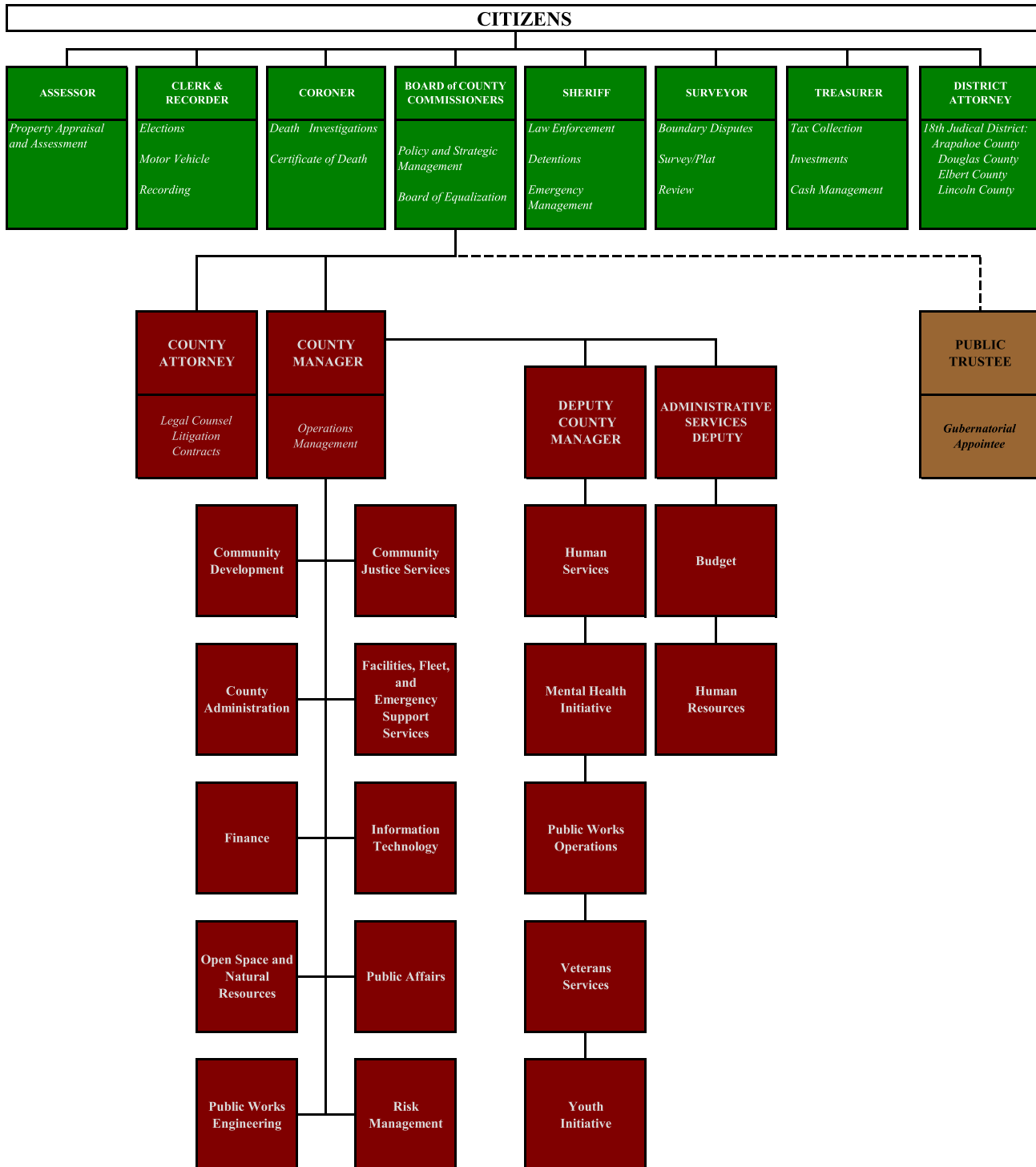
Judith L. Dinkel, CPFO

Accounting Manager

DOUGLAS COUNTY, COLORADO
Douglas County Government Organization
December 31, 2017

Elected Officials		In Office Since	Current Term Expires
Commissioner, District 1	David Weaver	January 2015	January 2019
Commissioner, District 2	Roger Partridge	January 2013	January 2020
Commissioner, District 3	Lora Thomas	January 2017	January 2021
Assessor	Lisa Frizell	January 2015	January 2019
Clerk & Recorder	Merlin Klotz	January 2015	January 2019
Coroner	Jill Romann	January 2017	January 2021
Sheriff	Tony Spurlock	January 2015	January 2019
Surveyor	Robert Snodgrass	January 2015	January 2019
Treasurer	Diane Holbert	January 2011	January 2019
State Appointed Officials			
Public Trustee	Christine M. Duffy	June 2015	
Appointed Officials			
County Attorney	Lance Ingalls	February 2003	
County Manager	Douglas J. DeBord	October 1998	
Department/Program Officials			
Deputy County Manager	Barbara Drake	January 2012	
Administrative Services Deputy	Laura Leary	August 2017	
Community Justice Services	Scott Matson	December 2009	
Engineering	Frederick Koch	March 2003	
Planning	Terence Quinn	March 2009	
Facilities, Fleet, Emergency	Victoria Starkey	January 2010	
Finance	N. Andrew Copland	December 2006	
Human Services	Dan Makelky	March 2013	
Information Technology	John Huber	September 2017	
Open Space & Natural Res	Cheryl Matthews	March 2001	
Public Affairs	Wendy Holmes	January 2005	
Public Works	Rodney Meredith	July 2012	

Douglas County, Colorado
Douglas County Government Organization Chart
December 31,2017



DOUGLAS COUNTY, COLORADO
Douglas County Government Organization
December 31, 2017

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

Citizen Boards and Commissions

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



Government Finance Officers Association

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

Presented to

**Douglas County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

Douglas County Board of County Commissioners
Douglas County, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Douglas County, Colorado as of December 31, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 14–28 and 72–82 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 the Douglas County financial statements. The introductory section, combining non-major fund financial statements, budgetary schedules, Local Highway Finance Report and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining non-major fund financial statements, budgetary schedules and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements, budgetary schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the financial statements as a whole.

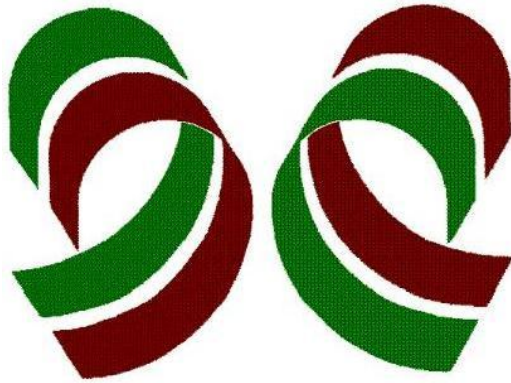
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 16, 2018 on our consideration of Douglas County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Douglas County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Douglas County's internal control over financial reporting and compliance.



Denver, Colorado
April 16, 2018



Management's Discussion and Analysis

DOUGLAS COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2017

This section of the Douglas County Comprehensive Annual Financial Report is presented to provide readers with a narrative overview and analysis of the County's financial performance during the fiscal year that ended on December 31, 2017. We encourage readers to consider the information presented in this overview in conjunction with the information contained in the Introductory Section (including the Letter of Transmittal), the Financial Section (including the Basic Financial Statements) along with the accompanying notes to those financial statements and the Statistical Section, in order to enhance their understanding of the activities and financial health of Douglas County.

Financial Highlights

Government-wide

Douglas County's government-wide assets and deferred outflows exceeded liabilities and deferred inflows at December 31, 2017 by \$769,892,975 (net position). This is an increase of 26,698,168 (3.6%). Total net position of the government-wide statements is comprised of the following:

- 1) Net investment in capital assets of \$530,442,456 (68.9%) includes land, improvements, buildings, infrastructure, vehicles and equipment, construction in progress and other capital assets, net of accumulated depreciation/amortization, and is reduced by any outstanding debt, net of unspent proceeds, related to the purchase or construction of capital assets.
- 2) \$25,253,621 (3.3%) of net position is restricted by constraints imposed from outside the County such as statutory reserve requirements, federal or state laws and regulations related to grant funding and debt obligations.
- 3) Net position of \$214,196,898 (27.8%) represents the portion available to meet ongoing obligations to citizens and creditors.

Governmental

- As of the close of the current fiscal year, Douglas County's governmental funds reported combined ending fund balances of \$239,374,952, an increase of \$8,326,632 (3.6%) in comparison with the prior year. The current year total consists of non-spendable fund balance of \$4,956,150 (2%), restricted fund balance of \$20,297,471 (8%), committed fund balance of \$84,321,055 (35%), assigned fund balance of \$120,963,964 (51%), and unassigned fund balance of \$9,636,312 (4%).
- At the end of the current fiscal year the County's general fund, which is used to account for the general operations of the County, had an unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) of \$55,227,545, or approximately 45% of total general fund expenditures.
- All other major and non-major governmental funds had total combined fund balances of \$173,934,246 at the end of the current fiscal year. Of this amount \$2,734,574 is non-spendable, \$12,305,886 is restricted, \$75,474,576 is committed, \$83,419,210 is assigned or unassigned (\$75,252,987 for special revenue funds, \$8,073,826 for capital project funds and \$92,397 for debt service).

DOUGLAS COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2017

Overview of the Basic Financial Statements

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

1) Government-Wide Financial Statements

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

The **Statement of Net Position** presents information related to assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the net of all four categories being reported as the County's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. If the County's net position has increased, the financial condition of the County has improved. If the County's net position has decreased, the financial condition of the County has deteriorated.

The **Statement of Activities** presents information demonstrating why the County's net position changed during the most recent fiscal year. In the Statement of Activities, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are accounted for in this statement regardless of when cash is actually received or paid.

Both of these statements are presented to distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from those that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). For fiscal year ended December 31, 2017, the County had no business-type activities to report. The governmental activities of the County include the statutory functions performed by the offices of the Assessor, Clerk & Recorder, Coroner, Sheriff, and Treasurer, as well as other functions related to highways and streets, culture and recreation, conservation of natural resources, community development, human services, sanitation and general government administration.

2) Governmental Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on the near-term inflows and outflows of spendable resources, as well as on

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balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance County programs. Because this information does not encompass the additional long-term focus found in the government-wide statements, additional information is provided that helps explain the relationship or differences between the two types of statements.

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

- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. As of December 31, 2017 the County's fiduciary funds include the Treasurer's Agency Fund, the Public Trustee's Agency Fund, and the Jail Escrow, Inmate Commissary and Victim Compensation Fund.

The County maintains 6 major governmental funds and 14 non-major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major governmental funds. By definition the General Fund is always considered a major fund. Other funds must be reported as major funds if they report at least 10% of all governmental funds total assets/deferred outflows, liabilities/deferred inflows, revenue or expenditures. Funds that do not meet the 10% criteria, but are considered to be of particular importance to the financial statements may also be reported as major funds.

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

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

3) Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements.

Other Information

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

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Analysis of Douglas County's Government-wide Financial Position

As noted earlier, the change in total net position over time can be one of the best and most useful indicators of a government's financial health. Douglas County's governmental assets and deferred outflows exceeded liabilities and deferred inflows by \$768 million in 2017. There was an overall increase in the government's net position of \$24.4 million. The following table was derived from the current and prior years Statement of Net Position:

		Governmental Activities	
		(in thousands)	
		<u>2017</u>	<u>2016</u>
Assets:			
Current and other assets	\$	431,787	\$ 398,496
Capital assets		548,432	534,192
Total assets		<u>980,219</u>	<u>932,688</u>
Deferred outflow of resources:			
Loss on refundings		209	313
Total deferred outflow of resources		<u>209</u>	<u>313</u>
Liabilities:			
Current and other liabilities		44,024	32,216
Long-term liabilities		25,231	29,484
Total liabilities		<u>69,255</u>	<u>61,700</u>
Deferred inflow of resources:			
Property tax revenue		141,280	123,840
Total deferred inflow of resources		<u>141,280</u>	<u>123,840</u>
Net position:			
Net Investment in Capital Assets		530,442	511,883
Restricted		25,254	20,756
Unrestricted		214,197	210,556
Total net position	\$	<u><u>769,893</u></u>	\$ <u><u>743,195</u></u>

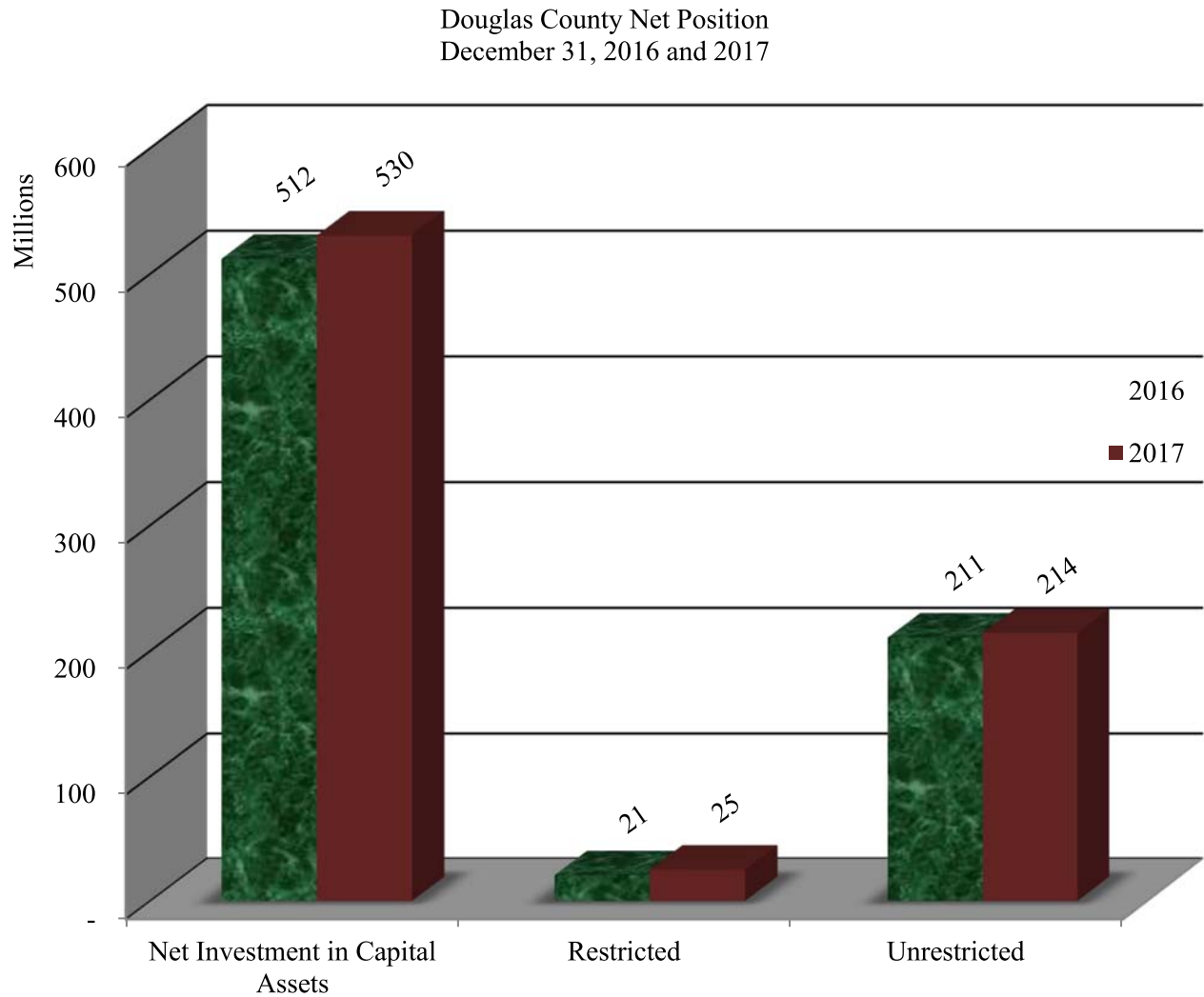
The largest portion of the County's net position, \$530.4 million (68.9%), reflects its investment in capital assets (e.g., land, buildings and improvements, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. Douglas County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$25.3 million (3.3%), represents resources that are subject to external restrictions on how they may be used. Included in this category are statutory reserves required by the State of Colorado, Conservation Trust funds held by the County, as well as federal or state grant funds that may only be used for the specific purpose for which they were received. Additionally the County reserves funds already owed on future debt service payments.

The remaining portion of the County's net position consists of unrestricted assets of \$214.2 million (27.8%) which may be used to meet the government's ongoing obligations to citizens and creditors.

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The following chart reports the various components of net position for fiscal years 2016 and 2017.



At the end of 2017, the County reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and internal service funds. The same situation held true for the prior fiscal year.

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

Results of Operations	Governmental activities (in thousands)	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	\$ 52,710	\$ 49,939
Operating Grants and contributions	52,788	39,546
General revenues:		
Property taxes	123,481	123,281
Sales and use taxes	65,200	60,564
Other taxes	13,830	11,629
Earnings on investments	2,905	2,791
Other revenues	7,412	9,043
Total revenues	<u>318,326</u>	<u>296,793</u>
Expenses:		
Program expenses:		
General government	77,522	77,137
Judicial	9,046	8,769
Public safety	69,684	64,892
Highways and streets	85,895	91,037
Health and human services	30,757	29,206
Culture and recreation	10,635	9,787
Conservation of natural resources	385	1,578
Economic development and assistance	1,180	1,384
Developmental disabilities	5,624	5,378
Community services	222	257
Sanitation	86	89
Interest and fiscal charges	591	702
Total expenses	<u>291,628</u>	<u>290,217</u>
Change in net position	<u>26,698</u>	<u>6,576</u>
Net position – beginning	743,195	736,619
Net position – ending	<u>\$ 769,893</u>	<u>\$ 743,195</u>

During the current fiscal year, Douglas County's net position for governmental activities increased \$26,698,168 (3.6%) from the prior fiscal year.

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Total revenue reported in the Government-wide Statement of Activities for 2017 increased by \$21.5 million (7.3%) over 2016.

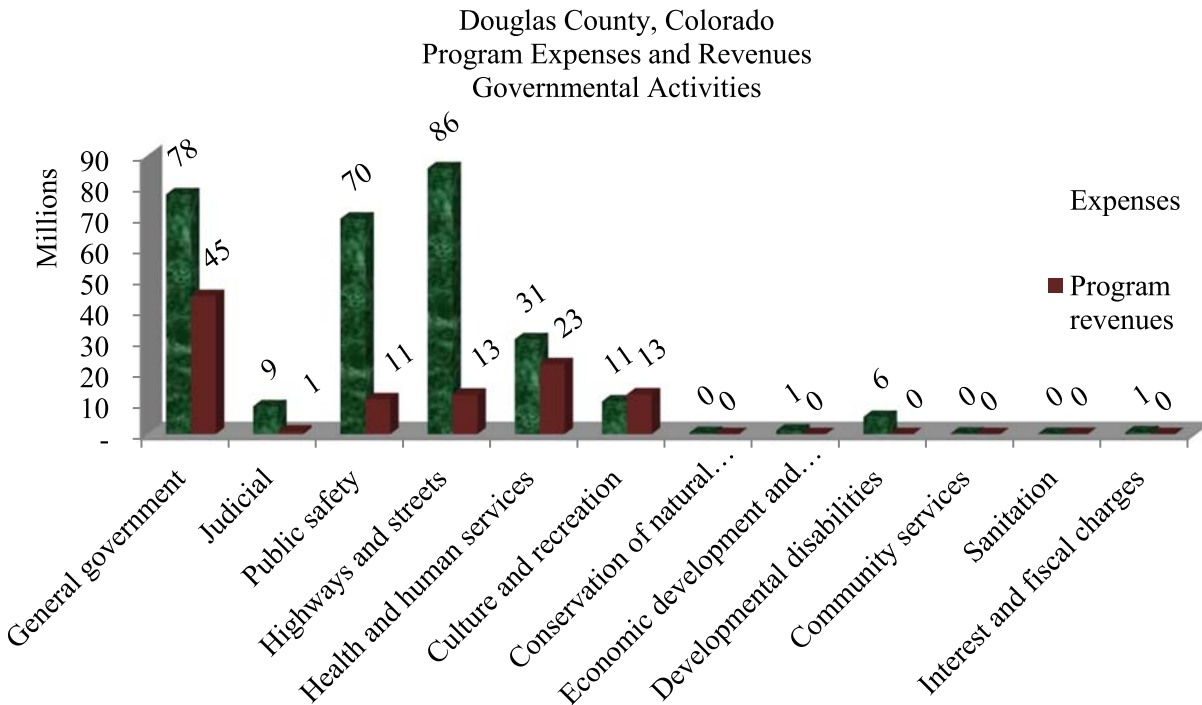
- Grants and Contributions revenue increased \$13.2 million (33.5%) over 2016 due mainly to large land contributions made to the County in 2017. 520 acres of open space land near Chatfield reservoir with an acquisition value of \$8.2 million, 412 acres of open space land adjacent to Bayou Gulch with an acquisition value of \$2.3 million, and 54 acres of roads and right of way conveyance with an acquisition value of \$1.1 million make up the bulk of the increase. The health and human services grant revenue also increased \$1.5 million.
- Specific ownership/other taxes increased \$2.2 million (18.9%) over 2016 due to a correction in the way the state of Colorado collects the auto ownership tax. In prior years the tax was pro-rated by the State's system based upon the date of purchase/renewal, in 2017 a full year's assessment was charged to everyone.
- Charges for services increased \$2.8 million (5.5%) over 2016. This increase was made up of increased charges by the County's self-insurance proprietary funds of \$2.0 million due to increases in medical claims, building permit fees increased \$0.9 million due to larger value projects being permitted in 2017, and prisoner boarding fees increased \$0.7 million.
- Sales and use tax revenue increased \$4.6 million (7.7%) over 2016 due to a continued vibrant retail sector in Douglas County.
- Miscellaneous revenue decreased in 2017 by \$1.6 million (-18.0%) over 2016 due to a reduction in the amount of property insurance claims recovered. Due to a large hail storm, we received claims reimbursements of \$2.1 million in 2016, but only \$0.6 million in 2017.

Total reported expenses for 2017 Government-wide activities increased \$1.4 million (0.5%) compared to 2016. Line items experiencing notable changes included:

- Public safety expense increased \$4.8 million (7.4%) over 2016. Eight additional deputy positions were hired throughout 2016, 2017 saw the first full year of expense for those additional hires along with the use of 8 over-hires in detentions and the annual required step increases to deputy salaries were the drivers of this increase.
- Highway and Street expense decreased \$5.1 million (-5.6%) when compared to 2016. Partnering with other governmental agencies to assist in the improvement of major transportation arteries in the county can vary greatly depending on projects timelines. Governmental support for these projects experienced a \$12.1 million decline when compared to 2016. Contracted maintenance expense increased \$5.3 million in 2017 which also led to increased operating costs in the Maintenance of Condition operating business unit of \$1.5 million.
- Health and Human Services expenses increased \$1.5 million (5.3%) over 2016. Total child welfare expense increased \$1.4 million over 2016 due to increased demand for services from families in the County. There were also increased additional allocations of assistance made available by the state during the 2016/2017 state fiscal year.

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Douglas County's \$105.5 million in program revenue which is reported in the Statement of Activities, increased during the current fiscal year by \$16.0 million (17.9%) over 2016. Program revenues help offset program expenses of \$291.6 million in the various programs as seen in the graph below:



Financial Analysis of the Governmental Funds

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

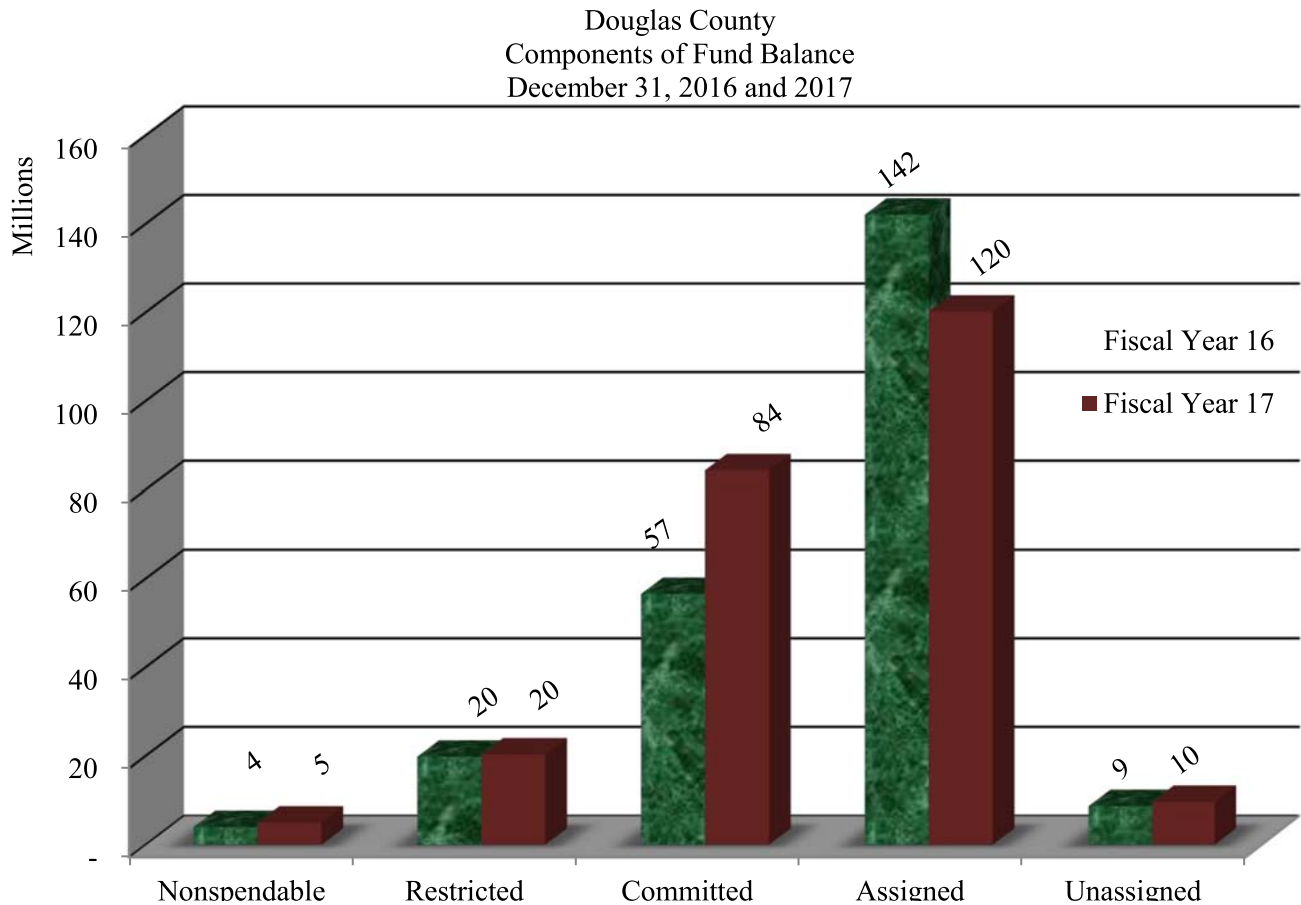
Governmental Funds

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

At the close of the 2017 fiscal year, the County reported a combined total fund balance in its governmental funds (including blended component units) of \$239,374,952, an increase of \$8,326,632 (3.6%) over 2016. Of the combined fund balance, \$9,636,312 (4.0%) constitutes unassigned fund balance, which is readily available for spending at the government's discretion and serves as a measure of current unused financial resources.

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The remainder of fund balance is not readily available for discretionary spending because it has been constrained as follows: \$4,956,150 (2.1%) is non-spendable as these assets are in inventories or are pre-paid expenses; \$20,297,471 (8.5%) is restricted to uses regulated or controlled by outside agencies; \$84,321,055 (35.2%) is contractually committed to specific projects formally approved by the Board of County Commissioners. Assigned fund balance of \$120,163,964 (50.2%) is assigned to various uses through commissioner, or director, direction for planned or intended actions, or limited in use by the specific revenue source through which the fund balance was obtained.



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

	General Fund	Road & Bridge Fund	Human Services Fund	LEA Fund	Road Sales & Use Tax Fund	Justice Ctr Sales & Use Tax Fund
Fiscal Year 2017 (thousands)						
Revenues	\$ 108,893	48,305	24,999	21,590	26,862	30,017
Expenditures	121,958	47,341	27,816	22,738	15,115	15,269
Other financing sources/(uses)	16,750	6,370	2,553	31	(2,081)	(17,604)
Inc/(dec) in fund balance	<u>\$ 3,685</u>	<u>7,334</u>	<u>(264)</u>	<u>(1,117)</u>	<u>9,666</u>	<u>(2,856)</u>
Fiscal Year 2016 (thousands)						
Revenues	\$ 109,639	45,153	23,468	20,535	26,618	29,734
Expenditures	117,522	43,262	26,393	20,860	30,262	6,210
Other financing sources/(uses)	12,348	(9,857)	2,623	13	(2,087)	(13,603)
Inc/(dec) in fund balance	<u>\$ 4,465</u>	<u>(7,966)</u>	<u>(302)</u>	<u>(312)</u>	<u>(5,731)</u>	<u>9,921</u>

General Fund – As the County's main operating fund, the General Fund accounts for all transactions not accounted for in other funds. The General Fund completed the year with a total fund balance of \$65.4 million, a \$3.7 million (6.0%) increase over 2016. The increase in the fund balance of the General Fund is consistent with the County's financial policy and planning objective to maintain a strong balance sheet which allows for continued financial stability and retains the current high bond ratings. Of the total 2017 fund balance, \$2.2 million (3.4%) is non-spendable because it is a prepaid expense or inventory. \$8.0 million (12.2%) of fund balance is restricted to uses regulated or controlled by outside agencies. \$8.8 million (13.5%) is contractually committed to specific projects previously approved by the BOCC and \$35.4 million (54.2%) is assigned to various uses through commissioner, or director direction, such as; \$7.5 million for County emergencies or disasters; \$2.8 million is assigned to technology projects and improvements deemed necessary to continue to provide an appropriate level of service to our citizens; and \$17.8 million will be needed to fund planned expenditures per the 2018 budgeted use of fund balance. \$10.9 million (16.7%) of General Fund's total fund balance is unassigned and available for necessary unforeseen appropriation in 2018.

As a measure of the fund's ability to meet its revenue generating needs it is useful to compare the total of the assigned and unassigned fund balance at the end of fiscal year 2017 to the budgeted total expenditures and transfers 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, \$46.3 million, less the budgeted use of this fund balance in 2018, \$17.8 million, is \$28.6 million. This represents 19.1% of the adopted budget for General Fund total expenditures and transfers-out for 2018 of \$149.6 million, or 21.7% of the 2018 adopted budget for General Fund total revenues and transfers-in of \$131.8 million. This indicates that the General Fund could sustain an approximate 20% combination of budgeted revenue short falls, and expenditures over budget in 2018 before the liquidity of the General Fund would be compromised.

General Fund revenues decreased \$0.7 million (0.7%) compared to 2016.

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2017 General Fund total actual expenses increased by \$4.4 million (3.7%) when compared to 2016. Total public safety expense increased \$2.8 million (7.4%) over 2016 due largely to required step increases to deputy salaries in 2017. Highway and Street expenses in the General fund increased \$1.2 million mainly due to emergency storm water maintenance and repair projects completed in 2017.

General Fund Budget – During the year there were supplemental budget requests approved which increased revenues \$2.8 million (2.7%) and expenditures were increased by \$14.0 million (7.8%). Budgeted revenue increases of \$2.2 million were due to new grant awards made to the County. The 2017 expenditure budget increased \$2.8 million due to the carry-over of unused 2016 budget amounts; \$6.9 million of unassigned fund balance was appropriated to fund new/unplanned expenditures; changes to the I-25 frontage road, purchases of land next to the current election facility and the new call center facility on 4th Street.

The positive variance of actual to final budgeted revenues of \$106.1 million was \$2.8 million. This variance was due primarily to an increase in building permit revenues and plan checking fees which is attributable mainly to larger than normal valuation of several large commercial projects. Prisoner boarding fees also saw an increase over budget of \$0.9 million.

Due to ongoing improvements to internal processes, careful stewardship, a strong use of technology, and the carry-over of some large capital projects, the County maintained a positive total budget to actual expenditures variance in the General Fund of \$26.4 million. Significant savings occurred in each of the divisions listed below:

<u>Division</u>	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>
Community Development	\$ 10,167,388	\$ 8,685,781	\$ 1,481,607
Information Technology	18,326,375	14,437,410	3,888,965
Facilities, Fleet and Emergency Svcs	13,524,863	9,867,306	3,657,557
Public Safety	41,700,193	40,152,387	1,547,806
Economic Development and Assistance	3,216,122	1,179,756	2,036,366
Capital Outlay	12,060,698	3,146,974	8,913,724

The Community Development variance is attributed to ongoing grants budgeted in total in the 2017 budget which will be appropriately reserved in fund balance and carried over to 2018. The variance in the information technology division is due to several large projects with ongoing expenses. The Economic Development division variance is due to budgeting for the County's business personal property tax rebate while the expense offsets the revenue as a contra revenue. Capital projects includes uncompleted projects which will be carried over to the 2018 budget such as the improvements to the I-25 frontage road (\$5.0 million), the Baldwin Gulch Dam project (\$1.1 million) and accumulated funding to assist CDOT with the improvements of US 85 (\$1.0 million).

There were net transfers into the General fund of \$16.6 million. Transfers into the General fund include a transfer from Justice Center Sales and Use Tax fund for maintenance of the Robert Christensen Justice Center; a transfer from Road Sales and Use Tax fund for engineering services and a transfer from Capital Replacement fund for replacement of vehicles. Transfers out of General fund into Human Services fund offset the unreimbursed portion of administration expenses charged to Human Services through the indirect cost allocation plan. There was also a transfer to Capital Expenditures fund for the purchase of land for the planned elections division expansion and a building to house the First Call Services call center.

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Road and Bridge Fund – The Road and Bridge Fund accounts for revenue received from property taxes and other revenue sources that, under statute, must be expended for road or bridge construction and maintenance, or traffic signal installation, maintenance and repair. For 2017, this fund reported a total ending fund balance of \$39,245,504, an increase of \$7,334,187 (23.0%) from 2016. Of this ending balance, \$2,721,546 (6.9%) is non-spendable as it is held in inventory or is a pre-paid expense. An additional \$16,537,222 (42.1%) of fund balance is committed to specific projects through re-appropriations in the 2018 budget. Of the remaining assigned fund balance of \$19,986,736 (50.9%) \$8,092,985 is needed to balance budgeted use of fund balance in the 2018 budget and \$11,893,751 is available for the County to use on new or continuing road maintenance and improvements.

Approximately 20% of the County's total property tax revenue generated from its mill levy is allocated to this fund. In accordance with state statute, of the \$25.2 million in total property taxes allocated to this fund, \$5.1 million was shared with the cities and towns located within the County. After taking into consideration the share-back allowance, property tax revenue in the Road and Bridge Fund increased only \$0.4 million (1.7%). Specific ownership taxes increased \$1.8 million (18.2%) over 2016. Total revenues increased \$3.2 million (7.0%) over 2016.

Total expenditures in the Road and Bridge Fund increased \$4.1 million (9.4%) when compared to 2016. In 2017 the County continued to commit additional funds to the repair and maintenance of existing roadways increasing maintenance expenditures \$6.6 million (46.4%). Contributions to other governments for cooperative road improvement projects decreased \$2.0 million (91.1%).

Human Services Fund – As required by state law, this fund is used to account for all federal and state public aid and assistance programs administered by the County. Revenue sources include designated property taxes and intergovernmental agency support. Approximately 90% of the support provided to Douglas County residents through Human Services is funded by federal and state grants/reimbursements. The remaining 10% is funded through dedicated property tax revenues. At the end of 2017 the fund balance in the Human Services fund was \$5,203,052. Fund balance decreased \$263,882 (4.8%) compared to the 2016 ending fund balance.

Human Services revenue in 2017 increased by \$1.5 (6.5%). State and federal program reimbursements increased \$1.5 million (6.3%) in direct correlation to an increased demand for programs.

Total expenditures in the Human Services Fund increased \$1.4 million (5.4%) over 2016; increased public need for Child Welfare services created an additional \$1.4 million in expenses.

A transfer from the General Fund to the Human Services fund for \$2.6 million, which equals the unreimbursed portion of the indirect expenses allocated through the cost allocation plan helps keep the Human Services fund whole while more clearly illustrating the true expense of operating the Human Services Fund.

Law Enforcement Authority (LEA) Fund – The Law Enforcement Authority is a separate statutory district with its own mill levy dedicated to providing law enforcement services. The LEA Fund accounts for revenue generated from the 4.5 mills levied to residents in the unincorporated areas of Douglas County which then funds the patrol and other related public safety services provided to these citizens. The 2017 ending fund balance of \$16,418,107 decreased \$1,116,692 (-6.4%) when compared to 2016.

Total revenue in the LEA fund increased \$1.1 million (5.1%) over 2016.

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Expenses in the LEA Fund increased \$1.9 million (9.0%) over 2016. Mandatory tier pay increases for commissioned employees lead to a \$1.6 million increase in personnel expenditures.

Road Sales and Use Tax Fund – The Road Sales and Use Tax Fund accounts for revenue received from a dedicated sales tax which is restricted to be used for roadway infrastructure construction. Of the County's total 1.0% sales tax, 0.4% was approved by the voters for this purpose. In November 2007, the voters of Douglas County voted to extend the 0.4% sales and use tax dedicated for the improvement and maintenance of the County's roads and bridges for another 20 years, extending it through December 31, 2030. The 2017 year-end fund balance of \$38,867,113 was an increase of \$9,666,132 (33.1%) when compared to 2016. Of this ending fund balance \$263,100 (0.7%) is restricted for debt services payments and \$33,520,341 (86.0%) is committed through capital project re-appropriations in the 2018 budget.

Total operating revenue increased \$0.2 million (0.9%) in 2017. The dedicated sales tax revenue for the Road Sales and Use Tax Fund increased \$1.9 million prior to the required by resolution shareback of sales taxes to incorporated areas of the County. After the shareback expense is considered the net increase in sales tax revenue was \$1.5 million. Lowered reimbursements from municipalities for their part of road improvement projects decreased revenues \$1.7 million below 2016.

Expenses in the Road Sales and Use Tax Fund decreased \$15.1 million (-50.0%) in 2017 when compared to 2016. Expenditures for road maintenance in this fund decreased by \$1.3 million and capital outlay decreased \$1.9 million and intergovernmental support decreased \$12.2 million. Intergovernmental support is used to leverage projects with other governmental entities and the expenditures in this area rely on other entities scheduling of projects.

Justice Center Sales and Use Tax Fund – The Justice Center Sales and Use Tax Fund accounts for monies received from a dedicated sales tax that must be utilized for capital improvements and operating costs associated with the County's Robert A. Christensen Justice Center and related facilities. In November 2007, the voters of Douglas County extended the sunset date from December 31, 2010 to December 31, 2020 for 0.13% of the tax. The remaining 0.10% that was scheduled to sunset on December 31, 2010 will now remain in perpetuity along with the existing 0.20% for ongoing Justice Center operating costs. The ending fund balance for 2017 is \$33,829,530 this is a decrease of \$2,855,650 (-7.8%) when compared to 2016.

Total revenues in the Justice Center Sales and Use Tax Fund increased \$0.2 million (1.0%). Sales tax revenues are normally the only major revenue source for this fund. The expanding economy accounted for an increase in sales tax receipts of \$2.0 million over 2016. Additionally, there were contributions to the fund of \$3.3 million in 2016 and \$1.5 million in 2017 (decrease of \$1.8 million) both of which were used to construction or enhance the Emergency Vehicle Operations Course (EVOC).

Expenses in the Justice Center Sales and Use Tax Fund are used exclusively to build, operate and maintain the Justice Center and other related facilities. Total expenses in 2017 increased \$9.1 million (130%) when compared to 2016. Capital outlay increased \$8.6 million as construction of the EVOC was completed in 2017 and construction began for the Regional Joint Crime Lab.

Other Non-major Governmental Funds – Combined fund balances in the other non-major governmental funds at the close of the 2017 fiscal year totaled \$40,370,940, representing a decrease of \$8,122,634 (16.7%) when compared to 2016.

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Proprietary Funds

Total net position of the County's Internal Service Funds at the end of the year is \$7,018,022, comprised of \$1,984,420 in the Workers Compensation and Unemployment Self-Insurance Fund, \$4,241,273 in the Property and Liability Self-Insurance Fund and \$792,329 in the Medical, Dental and Vision Self-Insurance Fund.

Asset and Debt Administration

Capital Assets

Douglas County's capital assets for its governmental activities as of December 31, 2017 amounts to \$548,431,622 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, open space and recreational facilities, computer software and equipment, roads, streets, bridges and other infrastructure. Additional information can be found in Note 6.

Major capital asset events during 2017 included:

- Purchase of a building located at 104 4th Street in Castle Rock for \$425K.
- Purchase of approximately 5 acres of land to be used to construct the Regional Joint Crime Lab for \$1.0 million.
- Completion of the first phase of the Emergency Vehicle Operations Course for \$5.7 million.
- Major improvements were made to the old Grand Golf facility and to the connecting Highlands Heritage Regional Park area for \$4.3 million.
- Land adjacent to the current Elections facility was purchased for possible expansion at \$727K.
- A total of 932 acres of open space land was donated to the County in 2017; 520 acres of land near Chatfield Reservoir with an acquisition value of \$8.2 million and 412 acres of land adjacent to the Bayou Gulch Open Space area with an acquisition value of \$2.3 million.

Significant construction commitments as of December 31, 2017 include:

- \$8.8 million related to construction of the Regional Joint Crime Lab facility.
- \$1.1 million is still encumbered to complete the simulcast project to enhance radio communications.
- \$1.0 million will be used to construct a portion of the Colorado Front Range Trail in Douglas County.

Long-Term Debt

At the end of the current fiscal year, Douglas County had total bonded debt principal outstanding of \$16,865,000. All the County's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). There was also outstanding capital lease debt of \$1,102,725. Debt per capita is a useful indicator of the County's debt position. Debt per capita was \$54 for 2016 and is \$43 for 2017. The County has a continuing goal to maintain the County's debt rating. As of March 9, 2017, Fitch Ratings affirmed the County's long-term issuer default rating at AA+. Additional information related to the County's long-term debt can be found in Note 8 to the financial statements.

DOUGLAS COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2017

Economic Conditions Affecting the County

Douglas County is positioned for continued growth going forward into 2018 based on current 2017 indicators. The current unemployment rate in Douglas County is 1.9%, the Metro Denver rate is 2.1%, Colorado's unemployment rate is 2.2%, while the national rate is 4.5%. Economists anticipate that over the 2-3 years, Colorado could experience restrained growth. Retail trade is still strong with most sectors continuing to grow. The County has experienced a significant period of growth since the Great Recession which indicates that a correction may be likely in the next few years.

The consumer Price Index for All Urban Consumers (CPI-U) for the Denver-Boulder-Greeley, metropolitan area increased 3.1% from the first half of 2016 to the first half of 2017 as reported by the U.S. Bureau of Labor Statistics. Nationally, over the last 12 months, the index rose 1.9% for all items.

Property taxes collected in 2018 are projected to be \$140.2 million. This is an increase of \$16 million (12.9%) over the December 2016 certification of value mainly due to the re-appraisal cycle. Property taxes collected in 2018 are based on re-appraised property values assessed as of December 10, 2017. The re-appraisal represents an approximate \$13.0 million increase and the removal of the temporary tax credit of 0.500 mills represents a \$3 million increase. As advised through the 2017 Citizen Survey the Board has redirected a full 1.000 mills (\$6.3 million) to the new Infrastructure Fund

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

Audit Committee

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DOUGLAS COUNTY, COLORADO

Statement of Net Position

December 31, 2017

	Governmental Activities
Assets:	
Pooled cash and investments	\$ 266,989,405
Property taxes receivable	141,354,612
Accounts receivable, net	17,360,496
Long term notes receivable	722,308
Prepaid expenses	1,620,676
Inventories	3,739,796
Capital assets:	
Land and construction in progress	156,973,495
Other capital assets, net of accumulated depreciation	391,458,126
Total assets	<u>980,218,914</u>
Deferred outflow of resources	
Loss on refundings	<u>208,673</u>
Liabilities:	
Accounts payable	10,374,469
Retainage payable	1,780,150
Accrued liabilities	11,824,194
Claims payable	3,160,004
Accrued interest payable	104,667
Payable to other governments	3,362,520
Unearned revenue	5,698,015
Security deposits	7,719,685
Long-term liabilities:	
Due within one year:	
Bonds payable	4,167,234
Capital lease payable	367,575
Compensated absences	5,825,656
Due in more than one year:	
Bonds payable	12,927,879
Capital lease	735,150
Compensated absences	1,207,332
Total liabilities	<u>69,254,530</u>
Deferred inflow of resources:	
Deferred property tax revenue	<u>141,280,082</u>
Total deferred inflow of resources	<u>141,280,082</u>
Net position:	
Net investment in capital assets	530,442,456
Restricted:	
Emergencies (TABOR)	7,525,900
General government	3,142,388
Highways and streets	2,721,546
Health and Human services	545,602
Public safety	2,426,088
Culture and recreation	4,315,883
Conservation of natural resources	3,715,814
Developmental disabilities	100,000
Debt service	760,400
Unrestricted	<u>214,196,898</u>
Total net position	<u>\$ 769,892,975</u>

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Statement of Activities

Year ended December 31, 2017

Functions/programs	Expenses	Program revenues			Total Governmental Activities
		Charges for Services	Grants and Contributions Operating	Capital	
General government	\$ 77,522,601	43,161,577	1,526,695	83,891	(32,750,438)
Judicial	9,045,957	488,434	394,696	—	(8,162,827)
Public safety	69,683,622	6,491,123	4,738,426	103,330	(58,350,743)
Highways and streets	85,895,401	1,246,895	10,506,938	1,079,155	(73,062,413)
Health and human services	30,757,489	—	22,682,187	—	(8,075,302)
Culture and recreation	10,635,061	1,245,226	1,197,647	10,475,000	2,282,812
Conservation of natural resources	384,934	—	—	—	(384,934)
Economic development and assistance	1,179,756	—	—	—	(1,179,756)
Developmental disabilities	5,623,880	—	—	—	(5,623,880)
Community services	221,643	—	—	—	(221,643)
Sanitation	86,102	76,730	—	—	(9,372)
Interest and fiscal charges	591,676	—	—	—	(591,676)
Total governmental activities	\$ 291,628,122	52,709,985	41,046,589	11,741,376	(186,130,172)
General revenues:					
Taxes:					
Property					\$ 123,481,506
Sales					65,200,095
Specific ownership					13,563,582
Other					266,462
Interest earnings					2,904,597
Miscellaneous					7,412,098
Total general revenues					212,828,340
Change in net position					26,698,168
Net position, January 1					743,194,807
Net position, December 31					\$ 769,892,975

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2017

Assets	General Fund	Road and Bridge	Human Services
Pooled cash and investments	\$ 72,935,805	43,827,049	4,934,730
Property taxes receivable	80,543,738	28,297,718	1,990,226
Accounts receivable	3,335,307	878,891	758,193
Long term notes receivable	—	722,308	—
Prepaid items	1,200,565	2,761	7,587
Inventories	1,021,011	2,718,785	—
Interfund receivables	335,589	—	—
Total assets	<u>\$ 159,372,015</u>	<u>76,447,512</u>	<u>7,690,736</u>
Liabilities, Deferred Inflows and Fund Balance			
Liabilities:			
Accounts payable	\$ 6,443,685	1,009,313	39,186
Retainage payable	—	528,058	—
Accrued liabilities	6,240,244	686,187	443,786
Security deposits and construction escrow	303,907	6,114,239	—
Payable to other governments	359,104	—	14,646
Unearned developer construction advance	—	568,753	—
Interfund payables	—	—	—
Total liabilities	<u>13,346,940</u>	<u>8,906,550</u>	<u>497,618</u>
Deferred Inflow of Resources			
Unavailable revenue-property taxes	80,499,632	28,283,144	1,989,200
Unavailable revenue-receivables	84,737	12,314	866
Total deferred inflow of resources	<u>80,584,369</u>	<u>28,295,458</u>	<u>1,990,066</u>
Fund balance:			
Non-spendable	2,221,576	2,721,546	7,587
Restricted	7,991,585	—	538,015
Committed	8,846,479	16,537,222	—
Assigned	35,443,024	19,986,736	4,657,450
Unassigned	10,938,042	—	—
Total fund balances	<u>65,440,706</u>	<u>39,245,504</u>	<u>5,203,052</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 159,372,015</u>	<u>76,447,512</u>	<u>7,690,736</u>

See accompanying notes to basic financial statements.

Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total Governmental Funds
16,665,778	43,250,663	30,894,271	44,761,563	257,269,859
16,711,722	—	—	13,811,208	141,354,612
449,425	3,924,151	5,827,976	2,101,240	17,275,183
—	—	—	—	722,308
5,441	—	—	—	1,216,354
—	—	—	—	3,739,796
—	—	—	3,335,000	3,670,589
<u>33,832,366</u>	<u>47,174,814</u>	<u>36,722,247</u>	<u>64,009,011</u>	<u>425,248,701</u>

48,892	1,429,549	819,051	584,793	10,374,469
—	55,505	338,742	857,845	1,780,150
594,637	1,693,385	1,734,024	431,931	11,824,194
7,060	—	900	1,293,579	7,719,685
—	—	—	2,988,770	3,362,520
—	5,129,262	—	—	5,698,015
—	—	—	3,670,589	3,670,589
<u>650,589</u>	<u>8,307,701</u>	<u>2,892,717</u>	<u>9,827,507</u>	<u>44,429,622</u>

16,701,745	—	—	13,806,361	141,280,082
61,925	—	—	4,203	164,045
<u>16,763,670</u>	<u>—</u>	<u>—</u>	<u>13,810,564</u>	<u>141,444,127</u>

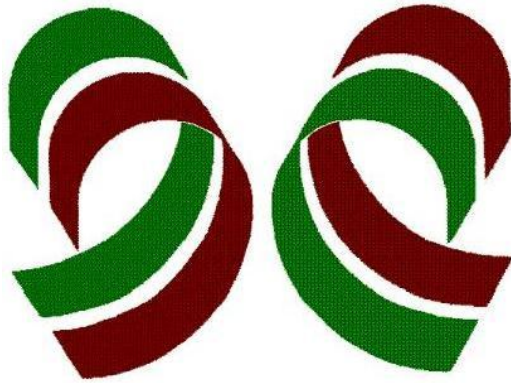
5,441	—	—	—	4,956,150
650,000	263,100	1,499,988	9,354,783	20,297,471
186,638	33,520,341	10,922,741	14,307,634	84,321,055
15,576,028	5,083,672	21,406,801	18,010,253	120,163,964
—	—	—	(1,301,730)	9,636,312
<u>16,418,107</u>	<u>38,867,113</u>	<u>33,829,530</u>	<u>40,370,940</u>	<u>239,374,952</u>
<u>33,832,366</u>	<u>47,174,814</u>	<u>36,722,247</u>	<u>64,009,011</u>	<u>425,248,701</u>

DOUGLAS COUNTY, COLORADO

Reconciliation of the Governmental Funds Balance Sheet
to the Governmental Activities on the Statement of Net Position
December 31, 2017

Total governmental fund balances	\$ 239,374,952
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount is net of accumulated depreciation of \$511,209,305.	548,431,622
Certain long term receivables are not currently available and, therefore, are not reported in the funds.	31,154
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(16,865,000)
Capital lease payable	(1,102,725)
Loss on refunding bonds amortized over the life of the debt	208,673
Debt premium	(230,113)
Compensated absences	(7,032,988)
Accrued interest payable	(104,667)
	<u>(25,126,820)</u>
Deferred inflow of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.	164,045
Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	7,018,022
Net position of governmental activities	\$ <u><u>769,892,975</u></u>

See accompanying notes to basic financial statements.



DOUGLAS COUNTY, COLORADO

Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
Year ended December 31, 2017

	General Fund	Road and Bridge	Human Services
Revenues:			
Taxes	\$ 74,745,995	37,166,602	1,777,445
Licenses and permits	8,307,862	865,101	—
Intergovernmental	2,367,614	10,130,176	22,665,465
Charges for services	19,901,624	19,350	—
Fines and forfeits	153,456	—	—
Interest on investments	1,053,912	5,985	—
Donations, rents, reimbursements, other	2,362,940	118,086	555,837
Total revenues	<u>108,893,403</u>	<u>48,305,300</u>	<u>24,998,747</u>
Expenditures:			
Current:			
General government	53,825,230	—	—
Judicial	9,045,957	—	—
Public safety	40,152,387	—	—
Highways and streets	6,605,151	44,272,505	—
Sanitation	83,029	—	—
Health and human services	2,710,587	—	27,773,461
Culture and recreation	4,602,704	—	—
Conservation of natural resources	384,934	—	—
Economic development and assistance	1,179,756	—	—
Developmental disabilities	—	—	—
Community services	221,643	—	—
Total current	<u>118,811,378</u>	<u>44,272,505</u>	<u>27,773,461</u>
Capital outlay	<u>3,146,974</u>	<u>3,068,464</u>	<u>42,798</u>
Debt service:			
Principal	—	—	—
Interest and fiscal charges	—	—	—
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>121,958,352</u>	<u>47,340,969</u>	<u>27,816,259</u>
Excess (deficiency) of revenues over expenditures	<u>(13,064,949)</u>	<u>964,331</u>	<u>(2,817,512)</u>
Other financing sources (uses):			
Issuance of Debt	—	—	—
Sale of capital assets	184,009	369,856	—
Transfers in	20,358,741	6,000,000	2,578,130
Transfers out	(3,792,630)	—	(24,500)
Total other financing sources (uses)	<u>16,750,120</u>	<u>6,369,856</u>	<u>2,553,630</u>
Net change in fund balances	3,685,171	7,334,187	(263,882)
Fund balance, January 1	61,755,535	31,911,317	5,466,934
Fund balance, December 31	\$ <u><u>65,440,706</u></u>	<u><u>39,245,504</u></u>	<u><u>5,203,052</u></u>

See accompanying notes to basic financial statements.

Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total Governmental Funds
16,929,669	26,076,856	28,032,621	17,803,334	202,532,522
—	—	—	—	9,172,963
794,544	250,000	1,499,989	3,356,279	41,064,067
2,706,589	—	11,200	98,558	22,737,321
681,222	—	—	371,683	1,206,361
263,633	535,133	473,626	572,308	2,904,597
213,905	—	—	3,702,387	6,953,155
<u>21,589,562</u>	<u>26,861,989</u>	<u>30,017,436</u>	<u>25,904,549</u>	<u>286,570,986</u>
—	—	—	1,032,485	54,857,715
—	—	—	—	9,045,957
21,093,559	—	1,087,242	2,224,677	64,557,865
—	13,057,375	—	76,576	64,011,607
—	—	—	—	83,029
—	—	—	46,903	30,530,951
—	—	—	3,859,236	8,461,940
—	—	—	—	384,934
—	—	—	—	1,179,756
—	—	—	5,623,880	5,623,880
—	—	—	—	221,643
<u>21,093,559</u>	<u>13,057,375</u>	<u>1,087,242</u>	<u>12,863,757</u>	<u>238,959,277</u>
<u>1,644,419</u>	<u>2,057,281</u>	<u>14,182,192</u>	<u>11,163,431</u>	<u>35,305,559</u>
—	—	—	3,950,000	3,950,000
—	—	—	618,751	618,751
—	—	—	4,568,751	4,568,751
<u>22,737,978</u>	<u>15,114,656</u>	<u>15,269,434</u>	<u>28,595,939</u>	<u>278,833,587</u>
<u>(1,148,416)</u>	<u>11,747,333</u>	<u>14,748,002</u>	<u>(2,691,390)</u>	<u>7,737,399</u>
—	—	—	—	—
31,724	—	3,644	—	589,233
—	—	—	7,726,974	36,663,845
—	(2,081,201)	(17,607,296)	(13,158,218)	(36,663,845)
<u>31,724</u>	<u>(2,081,201)</u>	<u>(17,603,652)</u>	<u>(5,431,244)</u>	<u>589,233</u>
<u>(1,116,692)</u>	<u>9,666,132</u>	<u>(2,855,650)</u>	<u>(8,122,634)</u>	<u>8,326,632</u>
<u>17,534,799</u>	<u>29,200,981</u>	<u>36,685,180</u>	<u>48,493,574</u>	<u>231,048,320</u>
<u>16,418,107</u>	<u>38,867,113</u>	<u>33,829,530</u>	<u>40,370,940</u>	<u>239,374,952</u>

DOUGLAS COUNTY, COLORADO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year ended December 31, 2017

Net change in fund balances – total governmental funds	\$ 8,326,632
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:	
Capital asset additions	35,305,559
Assets purchased in subsequent year added to capital outlay	68,062
CIP capitalized and written off in current year (discontinued projects)	(335,930)
Depreciation expense	<u>(32,321,392)</u>
Excess of depreciation over capital outlay	<u>2,716,299</u>
Sale of capital assets is reported as revenues in the governmental funds and not reported as revenues in the statement of activities.	(589,233)
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.	370,659
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bonds payable	3,950,000
Capital lease payable	367,575
Revenues in the governmental funds that provide current financial resources were previously accrued in the statement of activities when they were earned.	(392,760)
Deferred inflow of resources for amounts not received within the availability period are not reported as revenue in the governmental funds.	164,045
Some revenues/contributions reported in the statement of activities do not provide current financial resources and therefore, are not reported as revenues/expenditures in governmental funds:	
Donation of capital assets from others	11,741,376
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:	
Accrued interest	24,177
Compensated absences	(171,869)
Amortization of bond premium and deferred loss on refunding	<u>2,898</u>
	<u>(144,794)</u>
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	188,369
Change in net position of governmental activities	<u>\$ 26,698,168</u>

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2017

		Governmental Activities
		Internal
		Service
		Funds
	Assets	
Current assets:		
Pooled cash and cash equivalents		\$ 9,719,545
Accounts receivable		54,159
Prepaid expenses		404,322
	Total current assets	10,178,026
	Total assets	\$ 10,178,026
	Liabilities	
Current liabilities:		
Accrued claims payable		\$ 3,160,004
	Total current liabilities	3,160,004
	Total liabilities	3,160,004
	Net Position	
Unrestricted		7,018,022
	Total net position	7,018,022
	Total liabilities and net position	\$ 10,178,026

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

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

Proprietary Funds

Year ended December 31, 2017

	Governmental Activities
	Internal Service Funds
Operating revenue:	
Charges for services	\$ 19,673,975
Other operating revenue	554,442
Total operating revenue	20,228,417
Operating expenses:	
Purchased services	948,458
Fixed charges	2,025,100
Insurance benefits/claims	17,066,490
Total operating expenses	20,040,048
Operating Gain	188,369
Transfers In/(out)	—
Increase in net position	188,369
Total net position – beginning of year	6,829,653
Total net position – end of year	\$ 7,018,022

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2017

	Governmental Activities Internal Service Funds
Cash flows from operating activities:	
Cash received from internal customers	\$ 20,697,928
Cash payments to external suppliers for goods and services	<u>(20,698,498)</u>
Net cash used by operating activities	<u>(570)</u>
Cash flow from noncapital financing activities:	
Net decrease in cash and cash equivalents	(570)
Cash and cash equivalents, January 1	9,720,115
Cash and cash equivalents, December 31	<u><u>\$ 9,719,545</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating gain	\$ <u>188,369</u>
Adjustments to reconcile operating income to net cash used by operating activities:	
Decrease in estimated liability for claims and judgments	(349,128)
Increase in prepaid reserves	(309,322)
Decrease in accounts receivable	<u>469,511</u>
Total adjustments	<u>(188,939)</u>
Net cash used by operating activities	<u><u>\$ (570)</u></u>

See accompanying notes to basic financial statements.

DOUGLAS COUNTY, COLORADO
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2017

	Assets	Total Agency Funds
Agency cash and investments		\$ 20,348,691
Accounts receivable		<u>1,291,235</u>
Total assets		<u>\$ 21,639,926</u>
	Liabilities	
Accounts payable		\$ 1,719,467
Due to others		<u>19,920,459</u>
Total liabilities		<u>\$ 21,639,926</u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

(1) Reporting Entity

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

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

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

(a) *Blended Component Units*

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

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

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

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

(b) Related Organizations

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

(2) Summary of Significant Accounting and Reporting Policies

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

(a) Basic Financial Statements

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

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

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

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

(b) Basis of Presentation

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

The County also reports the following fund types:

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

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

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

(c) *Measurement Focus and Basis of Accounting*

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

The government-wide financial statements are presented on a full accrual basis of accounting with an economic resources measurement focus concentrating on an entity or fund's net position. All transactions and events that affect the total economic resources during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and

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expenses are recorded at the time an obligation (liability) is incurred, regardless of the timing of related cash inflows and outflows. Fiduciary funds use the accrual basis of accounting.

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

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

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

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

(d) *Pooled Cash and Investments*

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

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

(e) *Receivables – Property Taxes*

Property taxes are levied on January 1 based on assessed valuation as of the previous January 1 when an enforceable lien is placed on the property. Property taxes payable in the following year are reported as a receivable at December 31. All current taxes receivable are offset by the full amount of the deferred inflow of property taxes. Taxes are payable in full by April 30, or in two

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equal installments due February 28 and June 15. Property Tax receivables are shown net of an allowance for significant tax amounts which remain delinquent for more than three years.

(f) *Receivables*

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

(g) *Inter-fund Transactions*

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

(h) *Inventories*

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

(i) *Prepaid Items*

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

(j) *Capital Assets*

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

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Notes to Basic Financial Statements

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

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

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

(k) *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This element of the financial statements represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources as an expense until applicable. Douglas County reports a deferred loss on refunding which is only reported on the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

(l) *Compensated Absences*

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

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

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

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

(m) Long-Term Obligations

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

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

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

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

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

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

(o) Fund Balances (See Note 5)

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

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

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

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

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

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

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

(p) *Net Position*

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

(q) *Use of Estimates*

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

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Notes to Basic Financial Statements

December 31, 2017

(3) Deposits and Investments

A summary of cash and investments as of December 31, 2017 follows:

Petty cash	\$ 26,159
Investments	274,899,315
Cash Deposits	<u>12,747,392</u>
Total cash and investments	\$ <u>287,338,096</u>

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

Pooled cash and investments	\$ 266,989,405
Agency cash and investments	<u>20,348,691</u>
Total cash and investments	\$ <u>287,338,096</u>

Cash Deposits

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

PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution. The pool may be held in trust or protected by a letter of credit for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the County had bank deposits totaling \$12,747,392 of this, \$1,750,000 was covered by FDIC. The remaining balance of \$10,997,392 was covered by PDPA.

Investments

The County categorizes its investment's fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets and level 2 inputs are significant other observable inputs.

The County has the following recurring fair value measurements as of December 31, 2017:

- U.S. Treasury securities of \$19,787,140 are valued using market closing prices (Level 1 inputs).
- World Bank investments of \$4,953,300 are valued using benchmarking and matrix pricing (Level 2 inputs).
- Federal Agency security issues (FNMA, FFCB, FHLMC and FHLB) of \$141,048,404 are valued using benchmarking and matrix pricing (Level 2 inputs).
- Municipal bonds of \$11,504,272 are valued using benchmarking and matrix pricing (Level 2 inputs).

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- Corporate notes and bonds of \$67,964,984 are valued using benchmarking and matrix pricing (Level 2 inputs).
- Commercial Paper of \$5,000,000 are valued using benchmarking and matrix pricing (Level 2 inputs).
- Local government investment pool of \$24,641,215 are valued at net asset value per share as determined by the pool.

At December 31, 2017 the County had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Fair Value</u>
U.S. Treasury Securities	AA+	\$ 1,999,420	17,787,720	19,787,140
World Bank	AAA	\$ -	4,953,300	4,953,300
Federal Agency Coupon Securities	AA+	41,865,130	99,183,274	141,048,404
Municipal Bond Securities	AA-	6,511,097	4,993,175	11,504,272
Corporate Note and Bond Securities	Aa3	25,624,922	42,340,062	67,964,984
Commercial Paper Securities	A1+/P1	5,000,000	-	5,000,000
Local Government Investment Pool	AAAm	20,798,977	3,842,238	24,641,215
Total		<u>\$ 101,799,546</u>	<u>173,099,769</u>	<u>274,899,315</u>

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

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

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

Credit Risk – The County's investment policy and Colorado State statutes limit investments in U.S. government agency securities to the highest rating issued by at least two nationally recognized statistical rating organizations (NRSROs). Municipal securities issued within the state of Colorado, must be rated A or above by any two NRSRO's. Municipal securities issued outside of the State of Colorado must be rated AA or above by any two NRSRO's. Corporate securities must not be rated below AA- or Aa3 by any

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

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NRSRO. The County's investment policy and State statutes limit investments in money market funds to those with the highest rating issued by any NRSRO, a constant share price, a maximum remaining maturity in accordance with Rule 2a-7, and have assets of one billion dollars or more.

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

Custodial Credit Risk - The State Securities Commissioner administers and enforces the requirements of creating and operating the local government investment pools. The pools operate similarly to a money market fund and each share is equal in value to \$1.00. The CSAFE pools are rated AAAM by Standard and Poor's as of December 31, 2017 and have a weighted average maturity of 33 days. The ColoTrust pool is rated AAAM and has a weighted average maturity of 42 days. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments.

Investment Type	Fair Value	% of Total Portfolio Held
U.S. Treasury Bond	\$ 19,787,140	7.20%
World Bank	4,953,300	1.80%
Federal National Mortgage Association-FNMA	42,815,804	15.58%
Federal Farm Credit Bureau-FFCB	27,776,430	10.10%
Federal Home Loan Mortgage Corp-FHLMC	29,655,435	10.79%
Federal Home Loan Bank-FHLB	40,800,735	14.85%
Corporate Notes and Bonds	67,964,984	24.72%
Municipal Bond Securities	11,504,272	4.18%
Local Government Investment Pool - CSAFE	13,826,569	5.03%
Local Government Investment Pool - Colotrust	10,814,646	3.93%
US Bank Overnight Open Commercial Paper	5,000,000	1.82%
	<u>\$ 274,899,315</u>	<u>100.00%</u>

At December 31, 2017, the County had \$10,814,646 and \$13,826,569 invested respectively in the Colorado Local Government Liquid Asset Trust (ColoTrust) and Colorado Surplus Asset Fund Trust (CSAFE). These local government investment pools are established by State statute for local government entities in Colorado to pool and invest surplus funds.

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Notes to Basic Financial Statements

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(4) Receivables

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

Receivables	General Fund	Road and Bridge Fund	Human Services Fund	Law Enforcement Authority	Road Sales Sales and Use Tax	Justice Center Sales Sales and Use	Non-Major Funds	Total
Property tax	\$ 80,543,738	28,297,718	1,990,226	16,711,722	-	-	13,811,208	141,354,612
Sales and use tax	-	-	-	-	3,884,742	4,176,097	1,651,015	9,711,854
General receivables	3,335,307	878,891	845,331	449,425	39,409	1,651,879	450,225	7,650,467
Interfund receivables	335,589	-	-	-	-	-	3,335,000	3,670,589
Long term notes receivable	-	722,308	-	-	-	-	-	722,308
Gross Receivables	\$ 84,214,634	29,898,917	2,835,557	17,161,147	3,924,151	5,827,976	19,247,448	163,109,830
Less:								
Allowance for uncollectibles	-	-	(87,138)	-	-	-	-	(87,138)
Net receivables	\$ 84,214,634	29,898,917	2,748,419	17,161,147	3,924,151	5,827,976	19,247,448	163,022,692

DOUGLAS COUNTY, COLORADO

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December 31, 2017

(5) Fund Balances

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

Fund Balances	General Fund	Road and Bridge Fund	Human Services	Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total
Nonspendable:								
Inventory	\$ 1,021,011	2,718,785	—	—	—	—	—	3,739,796
Prepaid amounts	1,200,565	2,761	7,587	5,441	—	—	—	1,216,354
Total Nonspendable Fund Balance	2,221,576	2,721,546	7,587	5,441	—	—	—	4,956,150
Restricted for:								
Emergencies (TABOR)	6,875,000	—	—	650,000	—	—	900	7,525,900
General Government	920,812	—	—	—	—	—	—	920,812
Public Safety	195,773	—	—	—	—	1,499,988	724,886	2,420,647
Health and Human Services	—	—	538,015	—	—	—	—	538,015
Culture and Recreation	—	—	—	—	—	—	4,315,883	4,315,883
Conservation of Natural Resources	—	—	—	—	—	—	3,715,814	3,715,814
Developmental Disabilities	—	—	—	—	—	—	100,000	100,000
Debt Service	—	—	—	—	263,100	—	497,300	760,400
Total Restricted Fund Balance	7,991,585	—	538,015	650,000	263,100	1,499,988	9,354,783	20,297,471
Committed to:								
Transportation Projects	995,969	16,537,222	—	—	33,520,341	—	—	51,053,532
Public Works	1,198,881	—	—	—	—	—	—	1,198,881
Contracted Professional Services	163,356	—	—	—	—	—	—	163,356
Vehicle Replacements	642,417	—	—	—	—	—	—	642,417
Information Technology	645,682	—	—	—	—	—	—	645,682
Community Development	92,473	—	—	—	—	—	—	92,473
Facility Improvements	69,278	—	—	—	—	—	307,364	376,642
Public Safety	—	—	—	186,638	—	—	—	186,638
Developmental Disabilities	—	—	—	—	—	—	214,035	214,035
Culture and Recreation	79,443	—	—	—	—	—	9,510	88,953
Open Space and Parks Improvements	4,750,000	—	—	—	—	—	13,776,725	18,526,725
Justice Center Capital Improvements	—	—	—	—	—	10,922,741	—	10,922,741
Mental Health Initiative	54,774	—	—	—	—	—	—	54,774
Youth Initiatives	154,206	—	—	—	—	—	—	154,206
Total Committed Fund Balance	8,846,479	16,537,222	—	186,638	33,520,341	10,922,741	14,307,634	84,321,055

Continued on next page

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

	General Fund	Road and Bridge Fund	Human Services	Law Enforcement Authority	Road Sales and Use Tax	Justice Center Sales and Use Tax	Other Nonmajor Governmental	Total
Fund Balances (continued)								
Assigned to:								
County Emergency/Disasters	7,500,000	—	—	—	—	—	—	7,500,000
Water Projects	842,142	—	—	—	—	—	—	842,142
Community Development	19,971	—	—	—	—	—	—	19,971
Assessor	49,000	—	—	—	—	—	—	49,000
Debt Service	—	—	—	—	—	—	87,997	87,997
Information Technology	2,898,392	—	—	—	—	—	—	2,898,392
Public Safety	26,508	—	—	11,818,822	—	18,431,361	—	30,276,691
Highways and Streets	515	6,559,732	—	—	626,672	—	2,503,267	9,690,186
Long Term Accounts Receivable	—	722,308	—	—	—	—	—	722,308
Human Services	—	—	2,078,994	—	—	—	—	2,078,994
Culture and Recreation	179,997	—	—	—	—	—	895,671	1,075,668
Developmental Disabilities	—	—	—	—	—	—	67,726	67,726
Solid Waste Disposal	—	—	—	—	—	—	360,296	360,296
Capital Projects/Replacements	—	—	—	—	—	—	12,205,689	12,205,689
Purchases on Order	773,430	184,460	13,200	91,015	—	362,970	275,853	1,700,928
Working Capital/Rev Shortfall	5,385,401	4,427,251	1,824,453	2,044,356	2,449,100	2,612,470	938,080	19,681,111
Subsequent Years Expenses	17,767,668	8,092,985	740,803	1,621,835	2,007,900	—	675,674	30,906,865
Total Assigned Fund Balance	35,443,024	19,986,736	4,657,450	15,576,028	5,083,672	21,406,801	18,010,253	120,163,964
Unassigned:	10,938,042	—	—	—	—	—	(1,301,730)	9,636,312
Total Fund Balance	\$ 65,440,706	39,245,504	5,203,052	16,418,107	38,867,113	33,829,530	40,370,940	239,374,952

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

(6) Capital Assets

Capital asset activity, for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ 15,432,484	25,263,534	(12,971,336)	27,724,682
Land	115,309,489	13,954,691	(15,367)	129,248,813
Total capital assets not being depreciated	<u>130,741,973</u>	<u>39,218,225</u>	<u>(12,986,703)</u>	<u>156,973,495</u>
Capital assets being depreciated:				
Buildings & Improvements	253,658,930	11,359,136	(92,595)	264,925,471
Equipment	89,961,073	9,104,609	(4,180,542)	94,885,140
Infrastructure	542,788,388	68,432	-	542,856,820
Total capital assets being depreciated	<u>886,408,391</u>	<u>20,532,177</u>	<u>(4,273,137)</u>	<u>902,667,431</u>
Less accumulated depreciation:				
Buildings & Improvements	(103,287,837)	(6,513,891)	92,595	(109,709,133)
Equipment	(65,218,125)	(6,951,962)	3,977,335	(68,192,752)
Infrastructure	(314,451,881)	(18,855,539)	-	(333,307,420)
Total accumulated depreciation	<u>(482,957,843)</u>	<u>(32,321,392)</u>	<u>4,069,930</u>	<u>(511,209,305)</u>
Depreciable capital assets net of depreciation	<u>403,450,548</u>	<u>(11,789,215)</u>	<u>(203,207)</u>	<u>391,458,126</u>
Total net depreciated capital assets	<u>\$ 534,192,521</u>	<u>27,429,010</u>	<u>(13,189,910)</u>	<u>548,431,621</u>

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

Governmental activities:	
General Government	\$ 2,834,205
Public Safety	5,611,616
Highways and Streets	21,541,390
Sanitation	3,073
Health and Human Services	195,454
Culture and Recreation	1,963,474
Conservation of Natural Resources	172,180
Total depreciation expense - Governmental Activities	<u>\$ 32,321,392</u>

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

(7) Risk Management

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

(a) Liability and Property Insurance

The County began self-insuring for liability and property claims in 1994. All operating departments pay premiums into the Property and Liability Self-Insurance Internal Service Fund, and this funding is available to pay insurance premiums, claims, and claim reserves. The County's Risk Management Division administers the program. Self-insured retentions and deductibles are as follows: \$250,000 for liability claims, \$25,000 for property claims, up to \$100,000 for flood and \$25,000 for auto physical damage. The County purchases insurance policies for Fiduciary Liability, Media Liability, Network Privacy and Security, Pollution, Unmanned Aerial Vehicles and Volunteer Accident. The property policy includes coverage for tax interruption and builders risk.

		<u>2017</u>	<u>2016</u>	<u>2015</u>
Claims liability, beginning of the year	\$	334,750	12,155	14,956
Claims incurred		627,183	546,189	212,275
Claims paid		<u>(631,933)</u>	<u>(223,594)</u>	<u>(215,076)</u>
Claims liability, end of the year	\$	<u>330,000</u>	<u>334,750</u>	<u>12,155</u>

(b) Unemployment Benefits

The County self-insures unemployment benefits. Premiums are paid into the Employee Benefits internal service fund by all operating departments and are available to pay claims, claim reserves, and administrative costs. The program is administered by a third party. Claims of \$54,724 were paid in 2017 with no significant outstanding liability at year-end.

(c) Short-Term Disability Benefits

The County self-insures short-term disability benefits for employees. Premiums are paid into the Employee Benefits internal service fund by all operating departments. The County's Human Resources Department administers the program. Claims of \$52,047 were incurred and paid in 2017 with no significant outstanding liability at year-end.

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

(d) Workers' Compensation Benefits

Premiums are paid into the Workers Compensation internal service fund by all operating departments and are available to pay claims, claim reserves, and administrative costs. The County's Risk Management Division, administers the program. The County is insured through Pinnacol Assurance. There is a \$250,000 deductible per event. Claims liabilities for 2017 were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Claims liability, beginning of year	\$ 1,750,427	598,665	807,287
Claims incurred	1,274,899	2,363,608	573,048
Claims paid	<u>(2,135,326)</u>	<u>(1,211,846)</u>	<u>(781,670)</u>
Claims liability, end of year	<u>\$ 890,000</u>	<u>1,750,427</u>	<u>598,665</u>

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

(e) Medical, Dental and Vision Benefits

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Claims liability, beginning of year	\$ 1,423,955	1,668,059	1,602,047
Claims incurred	15,057,637	13,854,269	12,691,527
Claims paid	<u>(14,998,592)</u>	<u>(14,098,373)</u>	<u>(12,625,515)</u>
Claims liability, end of year	<u>\$ 1,483,000</u>	<u>1,423,955</u>	<u>1,668,059</u>

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

(8) Long Term Obligations

(a) Changes in Long-Term Liabilities

In 2017, the following changes occurred in long-term liabilities:

	<u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31</u>	<u>Due in One Year</u>
Revenue bonds payable	\$ 20,815,000	—	3,950,000	16,865,000	4,060,000
Capital lease payable	1,470,300	—	367,575	1,102,725	367,575
Deferred premiums	337,347	—	107,234	230,113	107,234
Compensated absences	6,861,119	6,524,596	6,352,727	7,032,988	5,825,656
Total Long Term Liabilities	<u>\$ 29,483,766</u>	<u>6,524,596</u>	<u>10,777,536</u>	<u>25,230,826</u>	<u>10,360,465</u>

The County will liquidate compensated absences paid out in 2018 from the General (68%), Human Services (4%), Road and Bridge (6%), Law Enforcement Authority (21%), and Open Space, Parks and Trails (1%) funds. All other long term liabilities will be paid from the Debt Service Fund.

(b) Revenue Bonds

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year:			
2018	4,060,000	502,400	4,562,400
2019	4,185,000	363,988	4,548,988
2020	2,765,000	221,244	2,986,244
2021	2,890,000	126,468	3,016,468
2022	2,965,000	64,044	3,029,044
	<u>\$ 16,865,000</u>	<u>1,278,144</u>	<u>18,143,144</u>

Open Space and Parks Sales and Use Tax Revenue Bonds are issued by the County for the acquisition and preservation of open space lands, and for the design and construction of County parks and trails. These bonds are special revenue obligations, payable from and secured by the open space lands portion (approximately 66%) of the open space, parks, and trails-dedicated 17% of the County's 1% sales and use tax. Sales and use tax revenue of \$11,082,664 less required intergovernmental sharebacks of \$1,613,398 reported in the Open Space, Trails and Parks Fund are pledged revenues; thus Pledged Revenues of \$9,469,266 were available to pay annual debt service of \$2,987,250. The remaining debt service for these bonds at December 31, 2017 was \$14,999,344.

Road Improvement Sales and Use Tax Revenue Bonds are issued by the County for the purpose of providing funds for the improvement of County streets, roads and bridges. The bonds are special and limited obligations, payable solely out of and secured by an irrevocable assignment and pledge of certain sales and use tax revenues derived by the County. Sales tax revenues of \$26,076,856 less required intergovernmental sharebacks of \$8,851,309 reported in the Roads

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

Sales and Use Tax Fund are pledged revenues; thus pledged revenues of \$17,225,547 were available to pay annual debt service of \$1,581,200. The remaining debt service for these bonds at December 31, 2017 was \$3,143,800.

Individual debt service schedules are as follows:

Open Space Sales and Use Tax Revenue Refunding Bonds, Series 2009 dated May 28, 2009 (\$18,010,000) were issued by the County for the purposes of 1) reducing the net effective interest rate, 2) reducing the total principal and interest payable by \$1,954,990 and 3) creating a present value benefit no less than \$1,000,000 for the County on the obligations represented by the advance refunding of the Open Space Sales and Use Tax Revenue Bonds series 1999 and series 2000. The bonds are special revenue obligations secured by the Open Space, Trails and Parks Fund pledged revenues. Interest is payable semiannually on April 15 and October 15 at rates increasing from 2.5% to 4.0%, and bond principal is payable annually on October 15. Final maturity is 2020. Bond principal redeemed during the year was \$1,725,000. The debt service to maturity is as follows:

Open Space Sales and Use Tax Revenue Bonds			
	Principal	Interest	Total
Year:			
2018	1,780,000	202,900	1,982,900
2019	1,840,000	140,600	1,980,600
2020	1,905,000	76,200	1,981,200
	<u>5,525,000</u>	<u>419,700</u>	<u>5,944,700</u>
\$	<u><u>5,525,000</u></u>	<u><u>419,700</u></u>	<u><u>5,944,700</u></u>

Road Improvement Sales and Use Tax Revenue Bonds, Series 2010 dated April 28, 2010 (\$13,770,000) were issued by the County for the purpose of providing funds for the improvement of County streets, roads and bridges. The bonds are special and limited obligations of the County, payable solely from and secured by an irrevocable pledge of certain sales and use tax revenues derived by the County; as a result, all sales tax revenue reported in the Roads Sales and Use Tax Fund are pledged revenues. Interest is payable semiannually on April 15 and October 15 at rates increasing from 2.0% to 4.0%, and bond principal is payable annually on October 15. Final maturity is 2019 and these bonds are not eligible for refunding. Bond principal redeemed during the year was \$1,420,000. The debt service to maturity is as follows:

Road Sales and Use Tax Revenue Bonds			
	Principal	Interest	Total
Year:			
2018	1,460,000	118,600	1,578,600
2019	1,505,000	60,200	1,565,200
	<u>2,965,000</u>	<u>178,800</u>	<u>3,143,800</u>
\$	<u><u>2,965,000</u></u>	<u><u>178,800</u></u>	<u><u>3,143,800</u></u>

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Notes to Basic Financial Statements

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Open Space Sales and Use Tax Revenue Refunding Bonds, Series 2012 dated November 14, 2012 (\$12,140,000) were issued by the County for the purposes of 1) reducing the net effective interest rate, 2) reducing the total principal and interest payable and 3) creating a net present value benefit of \$1,632,714 for the County on the obligations represented by the current refunding of the Open Space Sales and Use Tax Revenue Bonds series 2002. The bonds are special revenue obligations secured by the Open Space, Trails and Parks Fund pledged revenues. Interest is payable semiannually on April 15 and October 15 at an interest rate of 2.16%, and bond principal is payable annually on October 15. Final maturity is 2022. Bond principal redeemed during the year was \$805,000. The debt service to maturity is as follows:

Open Space Sales and Use Tax Revenue Bonds			
	Principal	Interest	Total
Year:			
2018	820,000	180,900	1,000,900
2019	840,000	163,188	1,003,188
2020	860,000	145,044	1,005,044
2021	2,890,000	126,468	3,016,468
2022	2,965,000	64,044	3,029,044
	<u>\$ 8,375,000</u>	<u>679,644</u>	<u>9,054,644</u>

(c) Capital Lease

The County entered a lease agreement in 2016 as lessee for financing the acquisition of 400 portable radios valued at \$1,774,300. A down payment of \$304,000 was made when the contract was negotiated leaving a remaining lease amount of \$1,470,300 to be paid annually over the next four years. The equipment has an estimated useful life of five years and \$319,374 was included in depreciation expense in 2017. This lease agreement qualifies as a capital lease for accounting purposes and has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, is as follows:

	Lease Payments
Year:	
2018	367,575
2019	367,575
2020	367,575
Total minimum lease payments	1,102,725
Less amount representing interest	(71,014)
Present value of future minimum lease payments	<u>\$ 1,031,711</u>

(d) Conduit Debt Obligations

The County issued bonds to make roadway and utility improvements upon petition by the property owners in local improvement districts (LID). As of December 31, 2017, these bonds were paid in full. The bonds are special and limited obligations, payable solely from the special

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

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assessments levied and to be levied against the assessable land in the districts. The County is not obligated in any manner with respect to these bonds; therefore, the debt is not reported as a liability in the financial statements. The County Treasurer acts as trustee for the bonds, and the balance of bond reserves, special assessments collected, and interest earned is reported in the Treasurer's agency fund as deposits held for others.

The County has participated in two issues of Multifamily Housing Revenue Bonds for the Lincoln Pointe Lofts Project, Series 2003 and Series 2006. As of December 31, 2017, Series 2003 had an outstanding balance of \$8,363,658, and Series 2006 was fully paid in August 2013. These bonds are not direct or contingent liabilities of the County.

In 2013 the County participated in additional issuances of Multifamily Housing Revenue Bonds for the Apex Meridian Project, Series 2013A and Series 2013B as well as the Denver Traditions Project, Series 2013A and Series 2013B. Apex Meridian Series 2013A had an outstanding principal balance of \$14,969,106 and Series 2013B had an outstanding principal balance of \$1,824,000 as of December 31, 2017. Traditions Denver Series 2013A had an outstanding principal balance of \$7,650,000 and Series 2013B had an outstanding principal balance of \$4,128,000 as of December 31, 2017. These bonds are not direct or contingent liabilities of the County.

(9) Retirement Plan Benefits

The County participates in the ICMA-RC retirement association, a multiple-employer public employee retirement system that is a qualified plan as defined by IRS Code Section 401(A) and Colorado Revised Statutes (CRS) 24.54. The plan provides retirement benefits through a defined contribution plan to participating counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. There are no unfunded past service liabilities. All full-time and part-time regular employees, other than the County Manager and the County Attorney who have a separate plan, are required to participate in the plan after one month of service. Employees may elect to contribute either 6% or 8% of their earnings, and may contribute up to an additional 10% of after-tax compensation. The County matches the employee's contribution of 6 or 8% of employee compensation, excluding overtime and bonuses. For the year ended December 31, 2017 employee contributions to this plan totaled \$5,801,753 and the County recognized an expense of \$5,801,753. Depending on the employee's 401(A) election, the County also provides an additional contribution to the employee's retirement plan. For employees who elect to contribute 6% of their earnings, the County will provide an additional 2% contribution. Of this 2%, 1% is added to employees' salaries and then immediately deducted and matched with an additional 1% by the County. The County's recognized expense for this plan as of December 31, 2017 was \$552,144. The County's contribution for each employee, including earnings thereon, vests at 20% for each year upon completion of the employee's second year of employment. Non-vested County contributions and earnings are forfeited when employees terminate their employment with the County. For the year ended December 31, 2016, forfeitures reduced the County's expense by \$75,000. The County had no liability to the retirement plan at December 31, 2017.

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

The retirement plan of the County Manager and the County Attorney is also a multiple-employer employee retirement system administered through ICMA-RC. This is a qualified plan as defined by IRS Code Section 401(A). This plan provides retirement benefits through a defined contribution plan in which the

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

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benefits depend solely on amounts contributed to the plan, plus investment earnings. There is no liability for benefits under the plan beyond the County's matching contribution. These employees contribute 8% of compensation that is matched by the County. Required contribution rates may be amended by the Board of County Commissioners. The employee contributions to this plan for year ending December 31, 2017 were \$29,332 and the County recognized expense of \$29,332. The employees covered under this plan are fully vested, and there was no liability to the plan at December 31, 2017.

(10) Long Term Notes Receivable

On July 8, 2002 the County entered into an intergovernmental agreement with the E-470 Public Highway Authority for the financing, final design, engineering and construction of the E-470 public highway interchange ramps at the intersection of Jamaica Street and E-470. As a result of this intergovernmental agreement Douglas County paid \$2,407,693 towards the cost of final design and construction of the interchange. The agreement stated that the E-470 Public Highway Authority would repay the County in 10 equal installments beginning on the third anniversary of the date the interchange was open for traffic. The initial installment was paid to the County on January 15, 2011. As of December 31, 2017 the County has received payments equal to \$1,685,385. There is \$722,308 remaining as a long-term receivable as of December 31, 2017.

(11) Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position as well as the governmental funds defer recognition in connection with resources that have been received as of year-end, but not yet earned. The County has recorded the following construction advances as unearned revenue:

<u>Amount</u>	<u>Project</u>
\$ 48,753	Lincoln Creek Village road maintenance
60,000	Traffic signal at Chambers and Pradera
460,000	Lincoln Creek traffic signals
2,675,318	US highway 85 improvements
2,453,944	Chambers Road extension
<u>\$ 5,698,015</u>	

(12) Deferred Inflows of Resources

The County considers revenues available if they are collected within 60 days of year-end. Along with unavailable property tax revenue of \$141,280,082, the County reports \$164,045 in governmental fund receivables as unavailable to finance expenditures of the current fiscal period as of December 31, 2017. These amounts will be recognized as an inflow of resources in the period the revenue becomes available.

(13) Inter-fund Transactions

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

DOUGLAS COUNTY, COLORADO

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expenditures for a reimbursable federal grant. At the end of each year, the outstanding receivable amount from the federal agency is set up as a receivable in the General Fund and a payable in the RMHIDTA Fund which will be reversed in the following year.

Receivable Fund	Payable Fund	Amount	Due within one year
Capital Replacement	Parks Sales & Use Tax	\$ 3,335,000	\$ 640,000
General Fund	RMHIDTA	335,589	335,589

The following transfers occurred between funds for 2017:

	Transfers out						
	General Fund	Road and Bridge	Human Services	Road S & U Tax	Justice Center S & U Tax	Nonmajor Governmental	Total
Transfers in:							
General Fund	\$ -	-	-	500,001	17,607,296	2,251,444	20,358,741
Road & Bridge	-	-	-	-	-	6,000,000	6,000,000
Human Services	2,552,630	-	-	-	-	25,500	2,578,130
Nonmajor Gvnmt	1,240,000	-	24,500	1,581,200	-	4,881,274	7,726,974
Transfers out:	\$ 3,792,630	-	24,500	2,081,201	17,607,296	13,158,218	36,663,845

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

(14) Commitments and Contingencies

(a) *Grants*

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

(b) *Litigation*

As of December 31, 2017, there were a number of pending claims and lawsuits involving the County. The outcome of these matters is currently unknown; however, the County's legal

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

counsel has reviewed all such litigation and claims, and is of the opinion that any outstanding claims not covered by insurance would not materially affect the County's financial position.

(c) *Encumbrances and Construction Commitments*

As of, December 31, 2017 the County has encumbered amounts that they intend to honor in the subsequent year for the following governmental funds:

General Fund	\$ 3,718,693
Road and Bridge Fund	8,190,146
Human Services Fund	13,200
Law Enforcement Authority	277,653
Road Sales and Use Tax	2,753,795
Justice Center Sales and Use Tax	11,285,711
Non-major Funds	1,588,185
	<u>\$ 27,827,383</u>

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

\$ 1,133,256 related to radio towers to enhance county-wide communications (Simulcast Project).

\$ 8,921,531 related to the Regional Joint Crime Lab Facility.

\$ 1,036,019 related to construction of a portion of the Colorado Front Range Trail.

\$ 839,731 related to improvements at the Emergency Vehicle Operations Course.

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

\$ 3,298,942 is committed to SH85 improvements.

\$ 1,001,816 is committed to contracted maintenance of existing roadways within the County.

On December 27, 2017, the Board adopted a resolution to acquire 2,038 acres of open space land known as Sandstone Ranch for \$18,750,000. This action led to additional committed fund balances of \$4,750,000 in the General Fund and \$12,834,969 in the Open Space Sales and Use Tax Fund. An additional \$1,165,031 of restricted fund balance in Open Space will be used to complete the purchase of this land in early 2018.

(15) Related Party Transactions

Douglas County elected officials are on the boards of various organizations in the region, including the Arapahoe County Public Airport Authority, All Health Network, Arapahoe/Douglas Workforce Development Board, C-470 Corridor Coalition Policy Committee, Castle Rock Economic Development Council, Centennial Airport Community Noise Roundtable, Chatfield Basin Watershed Authority,

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

Children Youth and Families Prevention Steering Committee, Cherry Creek Basin Water Quality Control Authority, Colorado Counties, Inc., Commission on Criminal and Juvenile Justice, Community Services Block Grant Tripartite Board, Denver Regional Council of Governments (DRCOG), Denver South Economic Development Partnership, Developmental Pathways, Douglas County Deputy Sheriff's Association, Douglas County Emergency Telephone (9-1-1) Authority, Douglas County Fair Board, Douglas County Sheriff's Office Forfeiture Board, Douglas County Youth Initiative Advisory Committee, 18th Judicial District Attorney's Seizure Board, E-470 Public Highway Authority, HB1328 Broadband Deployment Board, Highlands Ranch Law Enforcement Training Foundation, Metro Area County Commissioners, Metro Denver Economic Development Corporation, Northwest Douglas County Economic Corporation, National Association of Counties (NACo), Partnership of Douglas County Governments, Denver south I-25 Urban Corridor Transportation Management Authority, Urban Drainage Flood Control District, Northwest Douglas County oil and gas economic impact committee, and Southern Shooting Partnership.

The County made payments of the following amounts to these organizations in 2017:

Related-Party Transactions	
All Health Network	\$ 178,461
Arapahoe Douglas Works	148,633
Castle Rock Economic Development Council	25,000
Chatfield Watershed Authority	62,925
Cherry Creek Water Basin	36,968
Colorado Counties, Inc	58,247
DRCOG	127,076
Denver South Economic Development Partnership	71,200
Denver South I-25 Urban Corridor Transportation Mgmt	51,687
Developmental Pathways, Inc.	5,344,162
Douglas County Deputy Sheriff's Association	13,101
Douglas County Emergency Telephone (911) Authority	5,310
Douglas County Fair Foundation	495
E-470 Public Highway Authority	2,546,823
Highlands Ranch Law Enforcement Training Authority	143,776
Metro Denver Economic Development Corporation	13,200
NACo	2,505
Northwest Douglas County Economic Development	25,000
Urban Drainage and Flood Control District	49,323
Total	<u>\$ 8,903,892</u>

The County Treasurer is on the board of directors for the Colorado Surplus Asset Fund Trust (CSAFE). The County had \$13,826,569 invested with CSAFE as of December 31, 2017.

(16) **Tax, Spending and Debt Limitations**

In November 1992, Colorado voters passed an amendment (Amendment One or TABOR amendment) to the State Constitution (Article X, Section 20) that limits the revenue-raising and spending abilities of state

DOUGLAS COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2017

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

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

Based on spending for fiscal year 2017, \$6,875,000 of the General Fund balance, \$650,000 of the Law Enforcement Authority Fund balance and \$900 of the Woodmoor Mountain General Improvement District fund balance have been reserved to meet the emergency reserve required under the TABOR amendment. The combined amount of restricted net position in the government wide statements for this reserve requirement is \$7,525,900.

(17) Tax Abatements

Section 30-11-123 of the Colorado Revised Statutes authorizes counties to negotiate incentive payments for the County's portion of any Business Personal Property Taxes (BPPT) for any business wanting to establish a new business facility or expand an existing facility in the County. The abatements are issued each year the agreement is in effect. Douglas County Government negotiates business personal property tax abatement agreements on an individual basis as an incentive to attract new businesses, stimulate economic development and to create or retain jobs. There are no provisions for recapturing the abated taxes. The County has fully negotiated and completed tax abatement agreements with various entities as of December 31, 2017 for an aggregate Business Personal Property Tax abatement of \$850,251.

(18) Expenditures which exceeded Appropriation

Expenditures of the Solid Waste fund exceeded budgeted appropriations by \$1,903 due to the late receipt of invoices related to an electronics recycling event held by the County.

Expenditures of the Employee Benefits fund exceeded budgeted appropriations by \$138,735 due to a required increase of the IBNR liability by \$250,000 on December 31st when an additional worker's compensation event was incurred.

Expenditures of the Medical, Dental and Vision fund exceeded budgeted appropriations by \$34,619 due to the unpredictability of expenditures for the County's self-insured medical claims.

REQUIRED SUPPLEMENTARY INFORMATION

(Other than Management's Discussion and Analysis)

DOUGLAS COUNTY, COLORADO

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

General Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 75,096,993	75,096,993	74,589,039	(507,954)
Penalty and interest	83,102	83,102	156,956	73,854
Total taxes	75,180,095	75,180,095	74,745,995	(434,100)
Licenses and permits:				
Business licenses and permits	2,516,600	2,516,600	2,537,245	20,645
Nonbusiness licenses and permits	5,143,500	5,143,500	5,770,617	627,117
Total licenses and permits	7,660,100	7,660,100	8,307,862	647,762
Intergovernmental:				
Federal grants and cost reimbursement	672,591	1,820,214	917,002	(903,212)
State grants and cost reimbursement	8,280	1,082,695	410,005	(672,690)
State shared revenues	275,350	275,350	260,378	(14,972)
Other governmental units	208,250	237,250	780,229	542,979
Total intergovernmental	1,164,471	3,415,509	2,367,614	(1,047,895)
Charges for services:				
General government:				
Clerk and recorder's fees	7,267,856	7,267,856	7,425,349	157,493
Treasurer's fees	4,847,500	4,847,500	5,369,761	522,261
Assessor's fees	30,000	30,000	45,029	15,029
Public trustee's fees	—	—	181,277	181,277
Building, zoning, development fees	1,886,500	1,886,500	2,780,360	893,860
Other fees and charges	111,050	111,050	84,237	(26,813)
Public safety:				
Sheriff's fees	218,000	218,000	262,195	44,195
Other fees and charges	1,567,000	1,567,000	2,520,087	953,087
Sanitation waste collection charges	3,500	3,500	6,751	3,251
Culture and recreation participation fees	1,115,000	1,115,000	1,226,578	111,578
Total charges for services	17,046,406	17,046,406	19,901,624	2,855,218
Fines and forfeitures	155,800	155,800	153,456	(2,344)
Interest on investments	1,200,000	1,200,000	1,053,912	(146,088)
Miscellaneous:				
Refunds and reimbursements	565,000	1,116,630	1,505,509	388,879
Contributions and private grants	294,846	294,846	362,421	67,575
Other	69,804	69,804	495,010	425,206
Total miscellaneous	929,650	1,481,280	2,362,940	881,660
Total revenues	103,336,522	106,139,190	108,893,403	2,754,213
Expenditures:				
General government current operating:				
Commissioners:				
Office of the board	672,950	784,630	653,846	130,784
County attorney	1,720,390	1,720,390	1,372,704	347,686
Board of equalization	48,715	48,715	40,680	8,035
County administration	843,047	918,047	910,535	7,512
Public affairs	1,002,786	948,918	833,720	115,198
Central services	288,034	309,034	305,869	3,165
Total commissioners	4,575,922	4,729,734	4,117,354	612,380

(Continued)

DOUGLAS COUNTY, COLORADO

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

General Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Clerk and recorder:				
Clerk administration	\$ 684,612	698,712	697,291	1,421
Recording	930,605	1,235,102	1,108,397	126,705
Motor vehicle	3,174,175	3,070,601	3,013,710	56,891
Elections and registration	1,641,172	1,512,672	1,359,463	153,209
Drivers license	65,641	253,525	256,570	(3,045)
Total clerk and recorder	6,496,205	6,770,612	6,435,431	335,181
Treasurer	1,093,092	1,093,092	981,208	111,884
Assessor	4,378,080	4,423,080	4,210,456	212,624
Community development:				
Administration	905,408	918,908	683,088	235,820
Planning	3,726,170	4,385,092	3,708,074	677,018
Planning commission	9,895	10,395	10,192	203
Community Services	—	162,000	153,500	8,500
Building	3,913,017	4,062,738	3,753,763	308,975
Senior services	—	628,255	377,164	251,091
Total community development	8,554,490	10,167,388	8,685,781	1,481,607
Finance:				
Administration	266,769	256,869	237,692	19,177
Accounting	501,342	503,609	500,478	3,131
Budget	685,129	694,129	695,859	(1,730)
Payroll	195,826	195,826	189,301	6,525
Purchasing	193,825	194,725	194,796	(71)
Risk management	133,728	146,928	138,957	7,971
Total finance	1,976,619	1,992,086	1,957,083	35,003
Human resources	1,676,253	1,680,426	1,467,280	213,146
Information technology:				
IT administration	4,819,650	7,028,278	3,516,716	3,511,562
IT program management	1,098,020	1,319,538	1,307,457	12,081
IT networking	559,993	878,613	829,139	49,474
IT ADS	2,345,811	2,181,034	2,133,471	47,563
IT system support	1,533,288	1,527,247	1,444,073	83,174
IT system administration	1,406,935	1,454,747	1,401,114	53,633
GIS services	603,393	794,738	771,171	23,567
Phone / communications	327,243	327,243	265,507	61,736
Software maintenance	2,237,541	2,814,937	2,768,762	46,175
Total information technology	14,931,874	18,326,375	14,437,410	3,888,965
Facilities, Fleet and Emergency Support Services:				
FFESS Administration	3,611,759	3,614,826	2,790,223	824,603
Facilities Maintenance	6,053,963	6,124,229	5,544,855	579,374
Emergency Services	433,000	433,466	61,751	371,715
Fleet	3,352,342	3,352,342	1,470,477	1,881,865
Total Facilities, Fleet and Emergency Support Svcs	13,451,064	13,524,863	9,867,306	3,657,557
County surveyor	6,734	6,734	5,948	786
General fund administration	3,056,095	2,167,515	1,487,548	679,967
Intergovernmental-regional boards	157,300	183,300	172,425	10,875
Total general government	60,353,728	65,065,205	53,825,230	11,239,975

(Continued)

DOUGLAS COUNTY, COLORADO

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

General Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Judicial current operating:				
District attorney	7,286,222	7,286,222	7,286,222	—
Community justice services	1,704,220	1,799,220	1,759,735	39,485
Total judicial	8,990,442	9,085,442	9,045,957	39,485
Public safety current operating:				
Sheriff:				
Administration	\$ 3,637,514	3,695,284	3,669,850	25,434
Support services	8,813,037	9,021,002	8,694,466	326,536
Detentions	20,663,907	21,288,877	20,257,776	1,031,101
Patrol	400,427	417,127	405,092	12,035
Investigations	5,889,027	6,170,235	6,086,506	83,729
Total sheriff	39,403,912	40,592,525	39,113,690	1,478,835
Coroner	1,107,668	1,107,668	1,038,697	68,971
Total public safety	40,511,580	41,700,193	40,152,387	1,547,806
Highway and streets current operating:				
Public works administration	318,491	318,491	300,992	17,499
Engineering	5,879,809	6,667,880	6,304,159	363,721
Total highway and streets	6,198,300	6,986,371	6,605,151	381,220
Sanitation current operating:	86,051	86,051	83,029	3,022
Health and human services current operating:				
Tri-county health	2,215,429	2,215,429	2,215,429	—
Phillip Miller grant	275,000	295,000	243,929	51,071
Veterans services	55,223	69,576	59,728	9,848
Human Services Fund Administration	198,888	198,888	191,501	7,387
Total health and human services	2,744,540	2,778,893	2,710,587	68,306
Culture and recreation current operating:				
Parks administration and maintenance	3,005,781	3,005,781	2,695,286	310,495
Fairgrounds	2,201,936	2,201,936	1,777,290	424,646
Historic preservation board	199,900	151,350	130,128	21,222
Total culture and recreation	5,407,617	5,359,067	4,602,704	756,363
Conservation of natural resources current operating:				
Natural resources	455,402	772,716	328,434	444,282
Soil conservation district	56,500	56,500	56,500	—
Total conservation of natural resources	511,902	829,216	384,934	444,282
Economic development and assistance	3,249,822	3,216,122	1,179,756	2,036,366
Community services current operating:				
CSU extension	380,991	380,991	221,643	159,348
Total community services	380,991	380,991	221,643	159,348
Total current operating	128,434,973	135,487,551	118,811,378	16,676,173

(Continued)

DOUGLAS COUNTY, COLORADO

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

General Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Capital outlay	\$ 4,378,500	12,060,698	3,146,974	8,913,724
Contingency	1,500,000	776,179	—	776,179
Total expenditures	134,313,473	148,324,428	121,958,352	26,366,076
Excess (deficiency) of revenues over expenditures	(30,976,951)	(42,185,238)	(13,064,949)	29,120,289
Other financing sources (uses):				
Sale of capital assets	—	—	184,009	184,009
Transfers in	19,216,484	21,186,784	20,358,741	(828,043)
Transfers out	(3,135,000)	(4,375,000)	(3,792,630)	582,370
Total other financing sources (uses)	16,081,484	16,811,784	16,750,120	(61,664)
Net change in Fund Balance	\$ <u>(14,895,467)</u>	<u>(25,373,454)</u>	3,685,171	<u>29,058,625</u>
Fund balance, January 1			61,755,535	
Fund balance, December 31			\$ <u>65,440,706</u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Road and Bridge Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 25,392,323	25,392,323	25,219,974	(172,349)
Specific ownership	8,500,000	9,900,000	11,894,774	1,994,774
Penalty and interest	28,098	28,098	51,854	23,756
Total taxes	33,920,421	35,320,421	37,166,602	1,846,181
Licenses and permits	388,200	388,200	865,101	476,901
Intergovernmental:				
Federal grants/reimbursements	250,000	299,920	348,383	48,463
Federal shared revenue	25,000	25,000	65,011	40,011
State shared revenue	8,785,000	8,785,000	9,183,300	398,300
Other government units reimbursements	—	403,064	533,482	130,418
Total intergovernmental	9,060,000	9,512,984	10,130,176	617,192
Charges for services	—	—	19,350	19,350
Interest on investments	—	—	5,985	5,985
Miscellaneous:				
Refunds and reimbursements	—	59,466	78,138	18,672
Contributions, private, and property owners	—	39,657	39,657	—
Other	—	—	291	291
Total miscellaneous	-	99,123	118,086	18,963
Total revenues	43,368,621	45,320,728	48,305,300	2,984,572
Expenditures:				
Highways and streets current operating:				
Highway administration	1,547,783	1,566,170	1,202,086	364,084
Maintenance of infrastructure	11,721,199	11,382,063	10,812,406	569,657
Snow and ice removal	2,341,008	2,261,687	1,664,873	596,814
Weed Control	590,972	599,972	572,037	27,935
Traffic services	4,360,855	4,382,475	3,956,185	426,290
Roads, bridges and traffic	24,026,787	19,942,954	20,785,914	(842,960)
Total highways and streets operating	44,588,604	40,135,321	38,993,501	1,141,820
Intergovernmental:				
Tax shareback	5,093,559	5,093,559	5,088,121	5,438
Cities, towns, and counties	—	4,645,547	190,883	4,454,664
Total intergovernmental	5,093,559	9,739,106	5,279,004	4,460,102
Current operating	49,682,163	49,874,427	44,272,505	5,601,922
Capital outlay	14,376,079	17,572,150	3,068,464	14,503,686
Total highways and streets	64,058,242	67,446,577	47,340,969	20,105,608
Contingency	1,000,000	1,000,000	—	1,000,000
Total expenditures	65,058,242	68,446,577	47,340,969	21,105,608
Excess (deficiency) of revenues over expenditures	(21,689,621)	(23,125,849)	964,331	24,090,180

(Continued)

DOUGLAS COUNTY, COLORADO

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

Road and Bridge Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Other financing sources (uses):				
Sale of capital assets	\$ —	—	369,856	369,856
Transfers in	6,000,000	6,000,000	6,000,000	—
Total other financing sources (uses)	6,000,000	6,000,000	6,369,856	369,856
Net change in Fund Balance	\$ (15,689,621)	(17,125,849)	7,334,187	24,460,036
Fund balance, January 1			31,911,317	
Fund balance, December 31			\$ 39,245,504	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Human Services Fund

Year ended December 31, 2017

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Taxes:				
General property	\$ 1,785,871	1,785,871	1,773,798	(12,073)
Penalty and interest	1,976	1,976	3,647	1,671
Total taxes	<u>1,787,847</u>	<u>1,787,847</u>	<u>1,777,445</u>	<u>(10,402)</u>
Intergovernmental:				
Federal grants	—	—	99,317	99,317
Federal grants/reimbursements	17,728,491	18,860,903	14,291,654	(4,569,249)
State grants/reimbursements	9,064,615	9,324,122	8,274,494	(1,049,628)
Total intergovernmental	<u>26,793,106</u>	<u>28,185,025</u>	<u>22,665,465</u>	<u>(5,519,560)</u>
Miscellaneous refunds and reimbursements	—	23,000	555,837	532,837
Total revenues	<u>28,580,953</u>	<u>29,995,872</u>	<u>24,998,747</u>	<u>(4,997,125)</u>
Expenditures:				
Human Services-administration, current operating	6,825,015	6,915,730	5,514,771	1,400,959
Human Services-direct aid and programs:				
Current operating:				
Core services	845,945	1,671,902	1,634,749	37,153
Colorado Works/TANF block	1,501,418	1,783,468	1,390,120	393,348
Child welfare block	9,104,793	10,307,789	9,112,066	1,195,723
Child care block	1,689,452	1,752,882	1,183,857	569,025
Child Support Enforcements	1,667	229,667	265,013	(35,346)
Low Income Energy Assistance Program	13,322,052	12,152,752	7,928,330	4,224,422
Other non-block grant programs	837,217	839,217	744,555	94,662
Total direct aid and programs	<u>27,302,544</u>	<u>28,737,677</u>	<u>22,258,690</u>	<u>6,478,987</u>
Total current expenditures	34,127,559	35,653,407	27,773,461	7,879,946
Capital outlay	25,500	60,800	42,798	18,002
Total expenditures	<u>34,153,059</u>	<u>35,714,207</u>	<u>27,816,259</u>	<u>7,897,948</u>
Excess (deficiency) of revenues over expenditures	<u>(5,572,106)</u>	<u>(5,718,335)</u>	<u>(2,817,512)</u>	<u>2,900,823</u>
Other financing sources (uses):				
Transfer In	3,160,500	3,160,500	2,578,130	(582,370)
Transfer Out	—	(24,500)	(24,500)	—
Total other financing sources (uses)	<u>3,160,500</u>	<u>3,136,000</u>	<u>2,553,630</u>	<u>(582,370)</u>
Net change in Fund Balance	<u>\$ (2,411,606)</u>	<u>(2,582,335)</u>	<u>(263,882)</u>	<u>2,318,453</u>
Fund balance, January 1			5,466,934	
Fund balance, December 31			<u>\$ 5,203,052</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Law Enforcement Authority Fund

Year ended December 31, 2017

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Taxes:				
General property	\$ 15,115,425	15,115,425	15,222,754	107,329
Specific ownership	1,000,000	1,000,000	1,665,916	665,916
Penalty and interest	17,121	17,121	40,999	23,878
Total taxes	<u>16,132,546</u>	<u>16,132,546</u>	<u>16,929,669</u>	<u>797,123</u>
Intergovernmental:				
Federal grants	—	5,000	4,700	(300)
Federal cost reimbursement	—	31,357	10,746	(20,611)
State grants	—	14,807	9,119	(5,688)
Other government units	553,300	553,300	769,979	216,679
Total intergovernmental	<u>553,300</u>	<u>604,464</u>	<u>794,544</u>	<u>190,080</u>
Charges for services	2,223,975	2,548,111	2,706,589	158,478
Fines and forfeits	776,700	776,700	681,222	(95,478)
Interest on investments	100,000	100,000	263,633	163,633
Miscellaneous refunds and contributions	126,300	165,757	213,905	48,148
Total revenues	<u>19,912,821</u>	<u>20,327,578</u>	<u>21,589,562</u>	<u>1,261,984</u>
Expenditures:				
Public safety current operating:				
LEA administration	1,041,490	1,010,386	965,334	45,052
LEA Support Services	860,445	930,849	916,622	14,227
LEA Patrol	18,891,597	19,409,746	18,686,715	723,031
LEA Investigations	475,415	515,828	524,888	(9,060)
Total public safety	<u>21,268,947</u>	<u>21,866,809</u>	<u>21,093,559</u>	<u>773,250</u>
Capital outlay	1,618,200	1,840,745	1,644,419	196,326
Contingency	250,000	182,000	—	182,000
Total expenditures	<u>23,137,147</u>	<u>23,889,554</u>	<u>22,737,978</u>	<u>1,151,576</u>
Excess (deficiency) of revenues over expenditures	(3,224,326)	(3,561,976)	(1,148,416)	2,413,560
Other financing sources:				
Sale of capital assets	—	—	31,724	31,724
Net change in Fund Balance	<u>\$ (3,224,326)</u>	<u>(3,561,976)</u>	<u>(1,116,692)</u>	<u>2,445,284</u>
Fund balance, January 1			<u>17,534,799</u>	
Fund balance, December 31			<u>\$ 16,418,107</u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Road Sales and Use Tax Fund

Year ended December 31, 2017

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Sales and use taxes	\$ 24,116,000	24,916,000	26,076,856	1,160,856
Intergovernmental:				
Other government units reimbursements	—	250,000	250,000	—
Total intergovernmental	—	250,000	250,000	—
Interest on investments	375,000	375,000	535,133	160,133
Total revenues	24,491,000	25,541,000	26,861,989	1,320,989
Expenditures:				
Highways and streets:				
Fund administration	7,000	7,000	7,192	(192)
Bridges, roads and traffic	2,205,217	2,382,204	1,187,241	1,194,963
Other governmental support	9,307,743	11,047,743	3,011,633	8,036,110
Intergovernmental - shareback	8,385,100	9,185,100	8,851,309	333,791
Total highway and streets	19,905,060	22,622,047	13,057,375	9,564,672
Capital outlay	27,372,333	26,776,457	2,057,281	24,719,176
Total expenditures	47,277,393	49,398,504	15,114,656	34,283,848
Excess (deficiency) of revenues over expenses	(22,786,393)	(23,857,504)	11,747,333	35,604,837
Other financing sources/(uses):				
Transfers out	(2,082,001)	(2,082,001)	(2,081,201)	800
Total other financing sources/(uses)	(2,082,001)	(2,082,001)	(2,081,201)	800
Net change in Fund Balance	\$ (24,868,394)	(25,939,505)	9,666,132	35,605,637
Fund balance, January 1			29,200,981	
Fund balance, December 31			\$ 38,867,113	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Justice Center Sales and Use Tax Fund

Year ended December 31, 2017

	<u>Budgeted</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Sales and use tax	\$ 25,924,700	27,874,700	28,032,621	157,921
Intergovernmental - State Reimb	—	—	1,499,989	1,499,989
Charges for services	—	—	11,200	11,200
Interest on investments	200,000	200,000	473,626	273,626
Total revenues	<u>26,124,700</u>	<u>28,074,700</u>	<u>30,017,436</u>	<u>1,942,736</u>
Expenditures:				
Public Safety:				
Fund administration	1,231,517	1,525,011	1,087,242	437,769
Capital outlay	22,769,100	26,134,914	14,182,192	11,952,722
Contingency	250,000	250,000	—	250,000
Total expenditures	<u>24,250,617</u>	<u>27,909,925</u>	<u>15,269,434</u>	<u>12,640,491</u>
Excess (deficiency) of revenues over expenditures	<u>1,874,083</u>	<u>164,775</u>	<u>14,748,002</u>	<u>14,583,227</u>
Other financing sources (uses):				
Sale of capital assets	—	—	3,644	3,644
Transfers out	<u>(16,459,584)</u>	<u>(18,429,884)</u>	<u>(17,607,296)</u>	<u>822,588</u>
Total other financing sources (uses)	<u>(16,459,584)</u>	<u>(18,429,884)</u>	<u>(17,603,652)</u>	<u>826,232</u>
Net change in Fund Balance	<u>\$ (14,585,501)</u>	<u>(18,265,109)</u>	<u>(2,855,650)</u>	<u>15,409,459</u>
Fund balance, January 1			<u>36,685,180</u>	
Fund balance, December 31			<u>\$ 33,829,530</u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Notes to the Required Supplementary Information

December 31, 2017

BUDGETARY INFORMATION

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

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

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

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

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

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

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

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

SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Sheriff's Forfeiture Fund

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

Developmental Disabilities Fund

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

Infrastructure Fund

Created in 2017 to account for revenues derived from a 1.000 mills property tax reallocated from the General Fund beginning in 2018, along with revenues from other various sources, to be used for infrastructure projects within Douglas County.

Open Space, Trails and Parks Fund

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

Parks Sales and Use Tax Fund

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

Conservation Trust Fund

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

Lincoln Station Local Improvement District (LID) Fund

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

Solid Waste Fund

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

Woodmoor Mountain General Improvement District (GID) Fund

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

Rocky Mountain High Intensity Drug Trafficking Area

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

Debt Service Fund

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

Capital Projects Funds

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

Capital Expenditures Fund

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

Local Improvement District (LID) Capital Construction Fund

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

Capital Replacement Fund

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

DOUGLAS COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2017

Assets	Sheriff's Forfeiture	Developmental Disabilities	Infrastructure	Open Space, Trails and Parks
Pooled cash and investments	\$ 727,686	380,167	2,500,000	19,652,639
Property taxes receivable	—	6,365,884	6,294,935	—
Accounts receivable	—	1,038	—	1,711,065
Interfund receivable	—	—	—	—
Total assets	<u>\$ 727,686</u>	<u>6,747,089</u>	<u>8,794,935</u>	<u>21,363,704</u>
Liabilities, Deferred Inflows and Fund Balance				
Liabilities:				
Accounts payable	\$ 2,800	—	—	26,163
Retainage payable	—	—	—	3,150
Accrued liabilities	—	—	—	107,022
Security deposits/unearned revenue	—	—	—	1,000
Payable to other governments	—	—	—	2,988,770
Interfund payable	—	—	—	—
Total liabilities	<u>2,800</u>	<u>—</u>	<u>—</u>	<u>3,126,105</u>
Deferred inflows:				
Unavailable revenue - property taxes	—	6,361,545	6,294,935	—
Unavailable revenue	—	3,783	—	—
Total deferred inflow of resources	<u>—</u>	<u>6,365,328</u>	<u>6,294,935</u>	<u>—</u>
Fund balance:				
Restricted	724,886	100,000	—	4,813,183
Committed	—	214,035	—	13,776,725
Assigned	—	67,726	2,500,000	949,421
Unassigned	—	—	—	(1,301,730)
Total fund balance	<u>724,886</u>	<u>381,761</u>	<u>2,500,000</u>	<u>18,237,599</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 727,686</u>	<u>6,747,089</u>	<u>8,794,935</u>	<u>21,363,704</u>

See accompanying independent auditors' report.

(Continued)

Parks Sales and Use Tax	Conservation Trust	Lincoln Station L.I.D.	Solid Waste Disposal	Woodmoor Mountain G.I.D.	Rocky Mountain HIDTA	Total Special Revenue Funds
10,664,641	3,792,994	—	346,090	4,477	51,691	38,120,385
—	—	—	—	26,504	—	12,687,323
2,508	—	1,126	16,207	—	369,296	2,101,240
—	—	—	—	—	—	—
<u>10,667,149</u>	<u>3,792,994</u>	<u>1,126</u>	<u>362,297</u>	<u>30,981</u>	<u>420,987</u>	<u>52,908,948</u>
12,370	57,690	1,126	—	—	23,926	124,075
11,240	—	—	—	—	—	14,390
43,440	19,490	—	2,001	—	61,472	233,425
1,292,579	—	—	—	—	—	1,293,579
—	—	—	—	—	—	2,988,770
3,335,000	—	—	—	—	335,589	3,670,589
<u>4,694,629</u>	<u>77,180</u>	<u>1,126</u>	<u>2,001</u>	<u>—</u>	<u>420,987</u>	<u>8,324,828</u>
—	—	—	—	26,504	—	12,682,984
—	—	—	—	—	—	3,783
—	—	—	—	26,504	—	12,686,767
—	3,715,814	—	—	900	—	9,354,783
9,510	—	—	—	—	—	14,000,270
5,963,010	—	—	360,296	3,577	—	9,844,030
—	—	—	—	—	—	(1,301,730)
<u>5,972,520</u>	<u>3,715,814</u>	<u>—</u>	<u>360,296</u>	<u>4,477</u>	<u>—</u>	<u>31,897,353</u>
<u>10,667,149</u>	<u>3,792,994</u>	<u>1,126</u>	<u>362,297</u>	<u>30,981</u>	<u>420,987</u>	<u>52,908,948</u>

(Continued)

DOUGLAS COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2017

Assets	Debt Service Fund	Capital Expenditures	L.I.D. Capital Construction
Pooled cash and investments	\$ 92,397	2,870,562	615,958
Property taxes receivable	—	1,114,711	9,174
Accounts receivable	—	—	—
Interfund receivable	—	—	—
Total assets	<u>\$ 92,397</u>	<u>3,985,273</u>	<u>625,132</u>
Liabilities, Deferred Inflows and Fund Balance			
Liabilities:			
Accounts payable	\$ —	460,718	—
Retainage payable	—	843,455	—
Accrued liabilities	—	196,937	1,569
Security deposits/unearned revenue	—	—	—
Payable to other governments	—	—	—
Interfund payable	—	—	—
Total liabilities	<u>—</u>	<u>1,501,110</u>	<u>1,569</u>
Deferred inflows:			
Unavailable revenue - property taxes	—	1,114,203	9,174
Unavailable revenue	—	420	—
Total deferred inflow of resources	<u>—</u>	<u>1,114,623</u>	<u>9,174</u>
Fund balance:			
Restricted	—	—	—
Committed	—	307,364	—
Assigned	92,397	1,062,176	614,389
Unassigned	—	—	—
Total fund balance	<u>92,397</u>	<u>1,369,540</u>	<u>614,389</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 92,397</u>	<u>3,985,273</u>	<u>625,132</u>

(Continued)

Capital Replacement	Total Capital Projects Funds	Total Nonmajor Governmental Funds
3,062,261	6,548,781	44,761,563
—	1,123,885	13,811,208
—	—	2,101,240
3,335,000	3,335,000	3,335,000
<u>6,397,261</u>	<u>11,007,666</u>	<u>64,009,011</u>
—	460,718	584,793
—	843,455	857,845
—	198,506	431,931
—	—	1,293,579
—	—	2,988,770
—	—	3,670,589
<u>—</u>	<u>1,502,679</u>	<u>9,827,507</u>
—	1,123,377	13,806,361
<u>—</u>	<u>420</u>	<u>4,203</u>
<u>—</u>	<u>1,123,797</u>	<u>13,810,564</u>
—	—	9,354,783
—	307,364	14,307,634
6,397,261	8,073,826	18,010,253
<u>—</u>	<u>—</u>	<u>(1,301,730)</u>
<u>6,397,261</u>	<u>8,381,190</u>	<u>40,370,940</u>
<u>6,397,261</u>	<u>11,007,666</u>	<u>64,009,011</u>

DOUGLAS COUNTY, COLORADO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended December 31, 2017

	<u>Sheriff's Forfeiture</u>	<u>Developmental Disabilities</u>	<u>Infrastructure</u>	<u>Open Space, Trails and Parks</u>
Revenues:				
Taxes	\$ —	5,689,603	—	11,082,664
Intergovernmental	—	—	—	5,950
Charges for services	—	—	—	—
Fines and forfeits	371,683	—	—	—
Interest on investments	61	—	—	277,930
Donations, rents, reimbursements, other	9,655	—	2,500,000	40,902
Total revenues	<u>381,399</u>	<u>5,689,603</u>	<u>2,500,000</u>	<u>11,407,446</u>
Expenditures:				
Current operating:				
General government	—	—	—	—
Public safety	112,162	—	—	—
Highways and streets	—	—	—	—
Sanitation	—	—	—	—
Culture and recreation	—	—	—	3,172,352
Developmental disabilities	—	5,623,880	—	—
Total current operating	<u>112,162</u>	<u>5,623,880</u>	<u>—</u>	<u>3,172,352</u>
Capital outlay	<u>58,681</u>	<u>—</u>	<u>—</u>	<u>318,484</u>
Debt service:				
Principal	—	—	—	—
Interest and fiscal charges	—	—	—	—
Total debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>170,843</u>	<u>5,623,880</u>	<u>—</u>	<u>3,490,836</u>
Excess (deficiency) of revenues over expenditures	<u>210,556</u>	<u>65,723</u>	<u>2,500,000</u>	<u>7,916,610</u>
Other financing sources (uses):				
Transfers in	—	—	—	88,000
Transfers out	—	—	—	(4,707,738)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,619,738)</u>
Net change to fund balance	<u>210,556</u>	<u>65,723</u>	<u>2,500,000</u>	<u>3,296,872</u>
Fund balance, January 1	<u>514,330</u>	<u>316,038</u>	<u>—</u>	<u>14,940,727</u>
Fund balance, December 31	<u>\$ 724,886</u>	<u>381,761</u>	<u>2,500,000</u>	<u>18,237,599</u>

See accompanying independent auditors' report.

(Continued)

Parks Sales and Use Tax	Conservation Trust	Lincoln Station L.I.D.	Solid Waste Disposal	Woodmoor Mountain G.I.D.	Rocky Mountain HIDTA	Total Special Revenue Funds
—	—	7,954	—	29,394	—	16,809,615
—	1,191,697	—	—	—	2,158,632	3,356,279
28,579	—	—	69,979	—	—	98,558
—	—	—	—	—	—	371,683
138,311	47,866	—	—	227	—	464,395
963,394	—	—	—	—	—	3,513,951
<u>1,130,284</u>	<u>1,239,563</u>	<u>7,954</u>	<u>69,979</u>	<u>29,621</u>	<u>2,158,632</u>	<u>24,614,481</u>
—	—	—	—	—	—	—
—	—	—	—	—	2,112,515	2,224,677
—	—	7,954	—	39,013	—	46,967
—	—	—	46,903	—	—	46,903
416,623	270,261	—	—	—	—	3,859,236
—	—	—	—	—	—	5,623,880
<u>416,623</u>	<u>270,261</u>	<u>7,954</u>	<u>46,903</u>	<u>39,013</u>	<u>2,112,515</u>	<u>11,801,663</u>
<u>595,277</u>	<u>571,527</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>26,673</u>	<u>1,570,642</u>
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
<u>1,011,900</u>	<u>841,788</u>	<u>7,954</u>	<u>46,903</u>	<u>39,013</u>	<u>2,139,188</u>	<u>13,372,305</u>
<u>118,384</u>	<u>397,775</u>	<u>—</u>	<u>23,076</u>	<u>(9,392)</u>	<u>19,444</u>	<u>11,242,176</u>
1,720,487	—	—	—	—	—	1,808,487
(85,536)	—	—	—	—	(19,444)	(4,812,718)
<u>1,634,951</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(19,444)</u>	<u>(3,004,231)</u>
1,753,335	397,775	—	23,076	(9,392)	—	8,237,945
<u>4,219,185</u>	<u>3,318,039</u>	<u>—</u>	<u>337,220</u>	<u>13,869</u>	<u>—</u>	<u>23,659,408</u>
<u>5,972,520</u>	<u>3,715,814</u>	<u>—</u>	<u>360,296</u>	<u>4,477</u>	<u>—</u>	<u>31,897,353</u>

(Continued)

DOUGLAS COUNTY, COLORADO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended December 31, 2017

	<u>Debt Service</u>	<u>Capital Expenditures</u>	<u>L.I.D. Capital Construction</u>
Revenues:			
Taxes	\$ —	993,719	—
Intergovernmental	—	—	—
Charges for services	—	—	—
Fines and forfeits	—	—	—
Interest on investments	—	—	—
Donations, rents, reimbursements, other	—	48,737	139,699
Total revenues	—	1,042,456	139,699
Expenditures:			
Current operating:			
General government	—	1,032,485	—
Public safety	—	—	—
Highways and streets	—	—	29,609
Sanitation	—	—	—
Culture and recreation	—	—	—
Developmental disabilities	—	—	—
Total current operating	—	1,032,485	29,609
Capital outlay	—	9,592,789	—
Debt service:			
Principal	3,950,000	—	—
Interest and fiscal charges	618,751	—	—
Total debt service	4,568,751	—	—
Total expenditures	4,568,751	10,625,274	29,609
Excess (deficiency) of revenues over expenditures	(4,568,751)	(9,582,818)	110,090
Other financing sources (uses):			
Transfers in	4,568,451	1,264,500	—
Transfers out	—	—	—
Total other financing sources (uses)	4,568,451	1,264,500	—
Net change to fund balance	(300)	(8,318,318)	110,090
Fund balance, January 1	92,697	9,687,858	504,299
Fund balance, December 31	\$ 92,397	1,369,540	614,389

See accompanying independent auditors' report.

(Continued)

Capital Replacement	Total Capital Projects Funds	Total Nonmajor Governmental Funds
—	993,719	17,803,334
—	—	3,356,279
—	—	98,558
—	—	371,683
107,913	107,913	572,308
—	188,436	3,702,387
<u>107,913</u>	<u>1,290,068</u>	<u>25,904,549</u>
—	1,032,485	1,032,485
—	—	2,224,677
—	29,609	76,576
—	—	46,903
—	—	3,859,236
—	—	5,623,880
<u>—</u>	<u>1,062,094</u>	<u>12,863,757</u>
<u>—</u>	<u>9,592,789</u>	<u>11,163,431</u>
—	—	3,950,000
<u>—</u>	<u>—</u>	<u>618,751</u>
<u>—</u>	<u>—</u>	<u>4,568,751</u>
<u>—</u>	<u>10,654,883</u>	<u>28,595,939</u>
<u>107,913</u>	<u>(9,364,815)</u>	<u>(2,691,390)</u>
85,536	1,350,036	7,726,974
<u>(8,345,500)</u>	<u>(8,345,500)</u>	<u>(13,158,218)</u>
<u>(8,259,964)</u>	<u>(6,995,464)</u>	<u>(5,431,244)</u>
<u>(8,152,051)</u>	<u>(16,360,279)</u>	<u>(8,122,634)</u>
<u>14,549,312</u>	<u>24,741,469</u>	<u>48,493,574</u>
<u>6,397,261</u>	<u>8,381,190</u>	<u>40,370,940</u>

DOUGLAS COUNTY, COLORADO

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

Developmental Disabilities Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 5,679,765	5,679,765	5,677,829	(1,936)
Penalty and interest	6,417	6,417	11,774	5,357
Total revenues	<u>5,686,182</u>	<u>5,686,182</u>	<u>5,689,603</u>	<u>3,421</u>
Expenditures:				
Developmental disabilities	<u>5,686,182</u>	<u>5,902,220</u>	<u>5,623,880</u>	<u>278,340</u>
Total expenditures	<u>5,686,182</u>	<u>5,902,220</u>	<u>5,623,880</u>	<u>278,340</u>
Net change in Fund Balance	\$ <u>-</u>	<u>(216,038)</u>	65,723	<u>281,761</u>
Fund balance, January 1			<u>316,038</u>	
Fund balance, December 31			\$ <u><u>381,761</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Infrastructure Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Miscellaneous refunds and reimbursements	\$ —	—	2,500,000	2,500,000
Total revenues	—	—	2,500,000	2,500,000
Net change in Fund Balance	\$ —	—	2,500,000	2,500,000
Fund balance, January 1			—	
Fund balance, December 31			\$ 2,500,000	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Open Space, Trails, and Parks Fund

Year ended December 31, 2017

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Sales and use taxes	\$ 10,249,298	10,624,798	11,082,664	457,866
Intergovernmental	123,763	129,713	5,950	(123,763)
Interest on investments	50,000	50,000	277,930	227,930
Miscellaneous:				
Rents	25,000	25,000	37,788	12,788
Other reimbursements	—	—	3,114	3,114
Total revenues	<u>10,448,061</u>	<u>10,829,511</u>	<u>11,407,446</u>	<u>577,935</u>
Expenditures:				
Conservation of natural resources:				
Open space administration	749,975	689,925	624,978	64,947
Open space acquisitions	1,217,745	1,516,577	933,976	582,601
Intergovernmental – municipal shareback	1,450,706	1,626,206	1,613,398	12,808
Total culture and recreation	<u>3,418,426</u>	<u>3,832,708</u>	<u>3,172,352</u>	<u>660,356</u>
Capital outlay	2,024,500	2,017,641	318,484	1,699,157
Contingency	150,000	80,000	—	80,000
Total expenditures	<u>5,592,926</u>	<u>5,930,349</u>	<u>3,490,836</u>	<u>2,439,513</u>
Excess (deficiency) of				
revenues over expenditures	<u>4,855,135</u>	<u>4,899,162</u>	<u>7,916,610</u>	<u>3,017,448</u>
Other financing sources (uses):				
Transfers In	88,000	88,000	88,000	—
Transfers Out	<u>(4,573,501)</u>	<u>(4,773,501)</u>	<u>(4,707,738)</u>	<u>65,763</u>
Total other financing sources (uses)	<u>(4,485,501)</u>	<u>(4,685,501)</u>	<u>(4,619,738)</u>	<u>65,763</u>
Net change in Fund Balance	\$ <u>369,634</u>	<u>213,661</u>	<u>3,296,872</u>	<u>3,083,211</u>
Fund balance, January 1			<u>14,940,727</u>	
Fund balance, December 31			\$ <u>18,237,599</u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Parks Sales and Use Tax Fund

Year ended December 31, 2017

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Charges for services:				
Facilities use fees	\$ 25,000	25,000	28,579	3,579
Total charges for services	25,000	25,000	28,579	3,579
Interest on investments	75,000	75,000	138,311	63,311
Miscellaneous:				
Rents	30,000	30,000	38,393	8,393
Other reimbursements	—	—	925,001	925,001
Total revenues	130,000	130,000	1,130,284	1,000,284
Expenditures:				
Culture and recreation:				
Parks sales tax	250,000	363,000	416,623	(53,623)
Capital outlay	525,000	749,872	595,277	154,595
Total expenditures	775,000	1,112,872	1,011,900	100,972
Excess (deficiency) of revenues over expenditures	(645,000)	(982,872)	118,384	1,101,256
Other financing sources (uses)				
Transfers in	1,585,501	1,785,501	1,720,487	(65,014)
Transfers out	(85,536)	(85,536)	(85,536)	—
Total other financing sources (uses)	1,499,965	1,699,965	1,634,951	(65,014)
Net change in Fund Balance	\$ 854,965	717,093	1,753,335	1,036,242
Fund balance, January 1			4,219,185	
Fund balance, December 31			\$ 5,972,520	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Conservation Trust Fund

Year ended December 31, 2017

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental:				
State grants/reimbursements	\$ 1,600,000	1,600,000	—	(1,600,000)
State shared revenue	1,000,000	1,000,000	1,191,697	191,697
Total intergovernmental	<u>2,600,000</u>	<u>2,600,000</u>	<u>1,191,697</u>	<u>(1,408,303)</u>
Interest on investments	<u>10,000</u>	<u>10,000</u>	<u>47,866</u>	<u>37,866</u>
Total revenues	<u>2,610,000</u>	<u>2,610,000</u>	<u>1,239,563</u>	<u>(1,370,437)</u>
Expenditures:				
Culture and recreation:				
Regional parks	—	277,438	259,311	18,127
Trails	<u>—</u>	<u>—</u>	<u>10,950</u>	<u>(10,950)</u>
Total cultural and recreational	<u>—</u>	<u>277,438</u>	<u>270,261</u>	<u>7,177</u>
Capital outlay	<u>3,450,000</u>	<u>5,016,114</u>	<u>571,527</u>	<u>4,444,587</u>
Total expenditures	<u>3,450,000</u>	<u>5,293,552</u>	<u>841,788</u>	<u>4,451,764</u>
Excess (deficiency) of revenues over expenditures	(840,000)	(2,683,552)	397,775	3,081,327
Net change in Fund Balance	\$ <u>(840,000)</u>	<u>(2,683,552)</u>	397,775	<u>3,081,327</u>
Fund balance, January 1			3,318,039	
Fund balance, December 31			\$ <u>3,715,814</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Lincoln Station Sales Tax Improvement Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
Sales	\$ 10,000	10,000	7,954	(2,046)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>7,954</u>	<u>(2,046)</u>
Expenditures:				
Highways and streets:				
Intergovernmental Support	10,000	10,000	7,954	2,046
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,954</u>	<u>2,046</u>
Net change in Fund Balance	\$ <u>—</u>	<u>—</u>	—	<u>—</u>
Fund balance, January 1			—	
Fund balance, December 31			\$ <u>—</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Solid Waste Disposal Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Waste collection charges	\$ 45,000	45,000	69,979	24,979
Total revenues	45,000	45,000	69,979	24,979
Expenditures:				
General government:				
Current operating	45,000	45,000	46,903	(1,903)
Total expenditures	45,000	45,000	46,903	(1,903)
Net change in Fund Balance	\$ —	—	23,076	23,076
Fund balance, January 1			337,220	
Fund balance, December 31			\$ 360,296	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Woodmoor Mountain G.I.D. Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Taxes:				
General property	\$ 25,048	25,048	26,393	1,345
Specific ownership	1,700	1,700	2,893	1,193
Penalty and interest	74	74	108	34
Total taxes	<u>26,822</u>	<u>26,822</u>	<u>29,394</u>	<u>2,572</u>
Interest on investments	<u>35</u>	<u>35</u>	<u>227</u>	<u>192</u>
Total revenues	<u>26,857</u>	<u>26,857</u>	<u>29,621</u>	<u>2,764</u>
Expenditures:				
Highways and streets:				
Current operating	<u>37,343</u>	<u>39,536</u>	<u>39,013</u>	<u>523</u>
Total expenditures	<u>37,343</u>	<u>39,536</u>	<u>39,013</u>	<u>523</u>
Net change in Fund Balance	\$ <u>(10,486)</u>	<u>(12,679)</u>	(9,392)	<u>3,287</u>
Fund balance, January 1			<u>13,869</u>	
Fund balance, December 31			\$ <u><u>4,477</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Rocky Mountain High Intensity Drug Trafficking Area

Year ended December 31, 2017

	Budgeted			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental:				
Federal grants	\$ 2,305,600	4,098,227	2,158,632	(1,939,595)
Total intergovernmental	<u>2,305,600</u>	<u>4,098,227</u>	<u>2,158,632</u>	<u>(1,939,595)</u>
Total revenues	<u>2,305,600</u>	<u>4,098,227</u>	<u>2,158,632</u>	<u>(1,939,595)</u>
Expenditures:				
Current operating:				
Management and coordination	606,521	1,349,038	585,729	763,309
Intelligence	846,290	1,639,877	731,245	908,632
Gangs	105,373	119,329	115,774	3,555
Front range task force	158,069	176,153	158,100	18,053
Training	543,947	762,257	521,067	241,190
County	<u>—</u>	<u>—</u>	<u>600</u>	<u>(600)</u>
Total Public Safety	<u>2,260,200</u>	<u>4,046,654</u>	<u>2,112,515</u>	<u>1,934,139</u>
Capital outlay	<u>20,500</u>	<u>26,673</u>	<u>26,673</u>	<u>—</u>
Total expenditures	<u>2,280,700</u>	<u>4,073,327</u>	<u>2,139,188</u>	<u>1,934,139</u>
Other financing (uses):				
Transfer Out	<u>(24,900)</u>	<u>(24,900)</u>	<u>(19,444)</u>	<u>5,456</u>
Total other financing (uses)	<u>(24,900)</u>	<u>(24,900)</u>	<u>(19,444)</u>	<u>5,456</u>
Net change in Fund Balance	\$ <u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>
Fund balance, January 1			<u>—</u>	
Fund balance, December 31			\$ <u><u>—</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Debt Service Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Expenditures:				
Debt service:				
Principal	\$ 3,950,000	3,950,000	3,950,000	—
Interest	620,000	620,000	618,451	1,549
Fiscal charges	4,400	4,400	300	4,100
Total expenditures	<u>4,574,400</u>	<u>4,574,400</u>	<u>4,568,751</u>	<u>5,649</u>
Excess (deficiency) of revenues over expenditures	(4,574,400)	(4,574,400)	(4,568,751)	5,649
Other financing sources (uses):				
Transfers in	<u>4,570,000</u>	<u>4,570,000</u>	<u>4,568,451</u>	<u>(1,549)</u>
Total other financing sources (uses)	<u>4,570,000</u>	<u>4,570,000</u>	<u>4,568,451</u>	<u>(1,549)</u>
Net change in Fund Balance	<u>\$ (4,400)</u>	<u>(4,400)</u>	(300)	<u>4,100</u>
Fund balance, January 1			92,697	
Fund balance, December 31			<u>\$ 92,397</u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Capital Expenditures Fund

Year ended December 31, 2017

	<u>Budgeted</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes:				
General property	\$ 1,001,421	1,001,421	992,595	(8,826)
Penalty and interest	—	—	1,124	1,124
Miscellaneous	—	—	48,737	48,737
Total revenues	<u>1,001,421</u>	<u>1,001,421</u>	<u>1,042,456</u>	<u>41,035</u>
Expenditures:				
General government	15,021	911,078	1,032,485	(121,407)
Capital outlay	<u>1,007,000</u>	<u>10,640,855</u>	<u>9,592,789</u>	<u>1,048,066</u>
Total expenditures	<u>1,022,021</u>	<u>11,551,933</u>	<u>10,625,274</u>	<u>926,659</u>
Excess (deficiency) of revenues over expenditures	(20,600)	(10,550,512)	(9,582,818)	967,694
Other financing sources (uses)				
Transfers In	—	1,264,500	1,264,500	—
Total other financing sources (uses)	<u>—</u>	<u>1,264,500</u>	<u>1,264,500</u>	<u>—</u>
Net change in Fund Balance	\$ <u>(20,600)</u>	<u>(9,286,012)</u>	(8,318,318)	<u>967,694</u>
Fund balance, January 1			<u>9,687,858</u>	
Fund balance, December 31			\$ <u><u>1,369,540</u></u>	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

L.I.D. Capital Construction Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
LID assesments	\$ 63,090	63,090	139,699	76,609
Total revenues	63,090	63,090	139,699	76,609
Expenditures:				
Highways and streets:				
Current operating	5,000	34,280	29,609	4,671
Total expenditures	5,000	34,280	29,609	4,671
Excess (deficiency) of revenues				
Net change in Fund Balance	\$ 58,090	28,810	110,090	81,280
Fund balance, January 1			504,299	
Fund balance, December 31			\$ 614,389	

See accompanying independent auditors' report

DOUGLAS COUNTY, COLORADO

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

Capital Replacement Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Charges for services:				
Interest on Investments	\$ —	—	107,913	107,913
Miscellaneous refunds and reimbursements	—	—	—	—
Total revenues	—	—	107,913	107,913
Excess of revenues over expenditures	—	—	107,913	107,913
Other financing sources (uses):				
Transfers in	85,536	85,536	85,536	—
Transfers out	(8,345,500)	(8,345,500)	(8,345,500)	—
Total other financing sources (uses)	(8,259,964)	(8,259,964)	(8,259,964)	—
Net change in Fund Balance	\$ (8,259,964)	(8,259,964)	(8,152,051)	107,913
Fund balance, January 1			14,549,312	
Fund balance, December 31			\$ 6,397,261	

See accompanying independent auditors' report

INTERNAL SERVICE FUNDS

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

Employee Benefits Fund

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

Property and Liability Fund

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

Medical, Dental and Vision Fund

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

DOUGLAS COUNTY, COLORADO

Combining Statement of Net Position

Internal Service Funds

December 31, 2017

	Employee Benefits	Property & Liability	Medical, Dental and Vision	Total Internal Service Fund
Assets:				
Current assets:				
Pooled cash and investments	\$ 2,597,103	4,461,951	2,660,491	9,719,545
Accounts receivable	34,963	—	19,196	54,159
Prepaid expenses	295,000	109,322	—	404,322
Total current assets	2,927,066	4,571,273	2,679,687	10,178,026
Total assets	\$ 2,927,066	4,571,273	2,679,687	10,178,026
Liabilities:				
Current liabilities:				
Accrued claims payable	\$ 942,646	330,000	1,887,358	3,160,004
Total current liabilities	942,646	330,000	1,887,358	3,160,004
Total liabilities	942,646	330,000	1,887,358	3,160,004
Net position:				
Unrestricted	1,984,420	4,241,273	792,329	7,018,022
Total net position	1,984,420	4,241,273	792,329	7,018,022
Total liabilities and net position	\$ 2,927,066	4,571,273	2,679,687	10,178,026

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Internal Service Funds

Year ended December 31, 2017

		Employee Benefits	Property & Liability	Medical, Dental and Vision	Total Internal Service Fund
Operating revenues:					
Charges for services	\$	2,009,287	1,183,564	16,481,124	19,673,975
Other operating revenue		138,731	410,141	5,570	554,442
Total operating revenues		2,148,018	1,593,705	16,486,694	20,228,417
Operating expenses:					
Purchased services		11,510	5,556	931,392	948,458
Fixed charges		343,555	529,593	1,151,952	2,025,100
Insurance benefits/claims		1,381,670	627,183	15,057,637	17,066,490
Total operating expenses		1,736,735	1,162,332	17,140,981	20,040,048
Operating income/(loss) before transfers		411,283	431,373	(654,287)	188,369
Transfers:					
Transfers in		—	—	200,000	200,000
Transfers out		(200,000)	—	—	(200,000)
Total transfers		(200,000)	—	200,000	—
Increase/(decrease) in net position		211,283	431,373	(454,287)	188,369
Total net position – beginning of period		1,773,137	3,809,900	1,246,616	6,829,653
Total net position – end of period	\$	1,984,420	4,241,273	792,329	7,018,022

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2017

		Employee Benefits	Property & Liability	Medical, Dental and Vision	Total Internal Service Fund
Cash flows from operating activities:					
Cash received from internal customers	\$	2,529,856	1,693,122	16,474,950	20,697,928
Cash payments to external suppliers for goods and services		(2,744,516)	(1,276,404)	(16,677,578)	(20,698,498)
Net cash provided/(used) by operating activities		(214,660)	416,718	(202,628)	(570)
Cash flow from noncapital financing activities:					
Transfers in /(out)		(200,000)	—	200,000	—
Net cash provided by noncapital financing activities		(200,000)	—	200,000	—
Net increase/(decrease) in cash and equivalents		(414,660)	416,718	(2,628)	(570)
Cash balances January 1		3,011,763	4,045,233	2,663,119	9,720,115
Cash balances December 31	\$	<u>2,597,103</u>	<u>4,461,951</u>	<u>2,660,491</u>	<u>9,719,545</u>
Reconciliation of operating income to net cash provided/(used) by operating activities:					
Operating income	\$	411,283	431,373	(654,287)	188,369
Adjustments to reconcile operating income/(loss) to net cash provided/(used) by operating activities:					
(Decrease)/Increase in estimated liability for claims and judgments		(807,781)	(4,750)	463,403	(349,128)
(Increase) in prepaid reserves		(200,000)	(109,322)	—	(309,322)
Decrease/(Increase) in Accounts Receivable		381,838	99,417	(11,744)	469,511
Total adjustments		(625,943)	(14,655)	451,659	(188,939)
Net cash provided/(used) by operating activities	\$	<u>(214,660)</u>	<u>416,718</u>	<u>(202,628)</u>	<u>(570)</u>

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Employee Benefits Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 2,298,000	2,298,000	2,009,287	(288,713)
Other operating revenue	—	—	138,731	138,731
Total revenues	<u>2,298,000</u>	<u>2,298,000</u>	<u>2,148,018</u>	<u>(149,982)</u>
Expenditures:				
Employee benefits:				
Purchased services	1,000	1,000	11,510	(10,510)
Fixed charges	387,000	387,000	343,555	43,445
Insurance benefits/claims	<u>1,235,000</u>	<u>1,210,000</u>	<u>1,381,670</u>	<u>(171,670)</u>
Total employee benefits	<u>1,623,000</u>	<u>1,598,000</u>	<u>1,736,735</u>	<u>(138,735)</u>
Contingency	<u>175,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>1,798,000</u>	<u>1,598,000</u>	<u>1,736,735</u>	<u>(138,735)</u>
Operating income before transfers	<u>500,000</u>	<u>700,000</u>	<u>411,283</u>	<u>(288,717)</u>
Transfer out	<u>—</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>—</u>
Net change in net position	<u>\$ 500,000</u>	<u>500,000</u>	<u>211,283</u>	<u>(288,717)</u>
Net position, January 1			<u>1,773,137</u>	
Net position, December 31			<u>\$ 1,984,420</u>	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Property and Liability Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 1,182,000	1,182,000	1,183,564	1,564
Other operating revenue	15,000	15,000	410,141	395,141
Total revenues	1,197,000	1,197,000	1,593,705	396,705
Expenditures:				
Insurance:				
Purchased services	65,000	65,000	5,556	59,444
Fixed charges	757,000	757,000	529,593	227,407
Insurance benefits/claims	1,785,303	1,785,303	627,183	1,158,120
Total insurance	2,607,303	2,607,303	1,162,332	1,444,971
Contingency	100,000	100,000	—	100,000
Total expenditures	2,707,303	2,707,303	1,162,332	1,544,971
Operating income before transfers	(1,510,303)	(1,510,303)	431,373	1,941,676
Net change in net position	\$ (1,510,303)	(1,510,303)	431,373	1,941,676
Net position, January 1			3,809,900	
Net position, December 31			\$ 4,241,273	

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

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

Medical, Dental and Vision Fund

Year ended December 31, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 16,411,117	16,411,117	16,481,124	70,007
Other operating revenue	—	—	5,570	5,570
Total revenues	16,411,117	16,411,117	16,486,694	75,577
Expenditures:				
Insurance:				
Purchased services	851,364	866,364	931,392	(65,028)
Fixed charges	1,112,369	1,097,369	1,151,952	(54,583)
Insurance benefits/claims	14,427,929	15,142,629	15,057,637	84,992
Total insurance	16,391,662	17,106,362	17,140,981	(34,619)
Operating income/(loss) before transfers	19,455	(695,245)	(654,287)	40,958
Transfer in	—	200,000	200,000	—
Net change in net position	\$ 19,455	(495,245)	(454,287)	40,958
Net position, January 1			1,246,616	
Net position, December 31			\$ 792,329	

See accompanying independent auditors' report.

FIDUCIARY FUNDS

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

Treasurer's Fund

This fund is used to account for the receipt and disbursement of all property tax revenues received by the Treasurer for the County and all other taxing entities in the County, as well as the receipt, investment, and disbursement of all other revenues received by the County.

Public Trustee Fund

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

Douglas County Jail Escrow, Inmate Commissary and Victim Compensation Fund

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

DOUGLAS COUNTY, COLORADO

Combining Statement of Fiduciary Assets and Liabilities

Fiduciary Funds

December 31, 2017

		Public	Jail Escrow	Total
Assets	Treasurer	Trustee	and	Agency
			Commissary	Funds
Agency cash and investments	\$ 19,130,606	595,784	622,301	20,348,691
Accounts receivable	1,291,235	—	—	1,291,235
Total assets	<u>\$ 20,421,841</u>	<u>595,784</u>	<u>622,301</u>	<u>21,639,926</u>
Liabilities				
Accounts payable	\$ 1,719,347	120	—	1,719,467
Due to others	18,702,494	595,664	622,301	19,920,459
Total liabilities	<u>\$ 20,421,841</u>	<u>595,784</u>	<u>622,301</u>	<u>21,639,926</u>

See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Combining Statement of Changes in Assets and Liabilities

Fiduciary Funds

Year ended December 31, 2017

		Balances January 1, 2017	Additions	Deductions	Balances December 31, 2017
Treasurer's Funds					
Assets:					
Agency cash and investments	\$	7,339,224	3,149,257,579	3,137,466,197	19,130,606
Accounts receivable		484,075	145,590,566	144,783,406	1,291,235
Total assets	\$	<u>7,823,299</u>	<u>3,294,848,145</u>	<u>3,282,249,603</u>	<u>20,421,841</u>
Liabilities:					
Accounts payable	\$	1,957,327	1,075,203,229	1,075,441,209	1,719,347
Due to others		5,865,972	476,717,090	463,880,568	18,702,494
Total liabilities	\$	<u>7,823,299</u>	<u>1,551,920,319</u>	<u>1,539,321,777</u>	<u>20,421,841</u>
Public Trustee					
Assets:					
Agency cash and investments	\$	1,031,837	17,792,039	18,228,092	595,784
Accounts receivable		—	—	—	—
Total assets	\$	<u>1,031,837</u>	<u>17,792,039</u>	<u>18,228,092</u>	<u>595,784</u>
Liabilities:					
Accounts payable	\$	5,305	—	5,185	120
Due to others		1,026,532	18,183,705	18,614,573	595,664
Total liabilities	\$	<u>1,031,837</u>	<u>18,183,705</u>	<u>18,619,758</u>	<u>595,784</u>
Jail Escrow and Commissary Funds					
Assets:					
Agency cash and investments	\$	541,859	2,671,533	2,591,091	622,301
Liabilities:					
Due to others	\$	541,859	2,671,533	2,591,091	622,301
Total – all agency Funds					
Assets:					
Agency cash and investments	\$	8,912,920	3,169,721,151	3,158,285,380	20,348,691
Accounts receivable		484,075	145,590,566	144,783,406	1,291,235
Total assets	\$	<u>9,396,995</u>	<u>3,315,311,717</u>	<u>3,303,068,786</u>	<u>21,639,926</u>
Liabilities:					
Accounts payable	\$	1,962,632	1,075,203,229	1,075,446,394	1,719,467
Due to others		7,434,363	497,572,328	485,086,232	19,920,459
Total liabilities	\$	<u>9,396,995</u>	<u>1,572,775,557</u>	<u>1,560,532,626</u>	<u>21,639,926</u>

See accompanying independent auditors' report.

State Required Schedule

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Douglas County
	YEAR ENDING : December 2017
This Information From The Records Of Douglas County	Prepared By: Christy McKinzie Phone: 303-660-7430 x4348

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	64,892,041
4. Miscellaneous local receipts (from page 2)	6,908,233
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	71,800,274
B. Private Contributions	39,657
C. Receipts from State government (from page 2)	9,183,301
D. Receipts from Federal Government (from page 2)	413,395
E. Total receipts (A.7 + B + C + D)	81,436,627

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	5,125,746
2. Maintenance:	30,639,730
3. Road and street services:	
a. Traffic control operations	3,356,194
b. Snow and ice removal	1,664,873
c. Other	21,254,635
d. Total (a. through c.)	26,275,702
4. General administration & miscellaneous	914,450
5. Highway law enforcement and safety	
6. Total (1 through 5)	62,955,628
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	161,200
b. Redemption	1,420,000
c. Total (a. + b.)	1,581,200
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,581,200
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	64,536,828

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

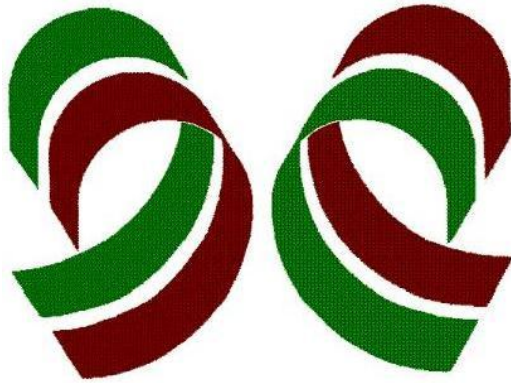
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	61,112,298	81,436,627	64,536,828	78,012,097	(0)

Notes and Comments:

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	25,271,828	a. Interest on investments	440,598
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	26,076,856	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	865,101	d. Parking Meter Fees	
3. Liens	0	e. Sale of Surplus Property	369,856
4. Licenses	11,894,774	f. Charges for Services	19,350
5. Specific Ownership &/or Other	783,482	g. Other Misc. Receipts	6,000,000
6. Total (1. through 5.)	39,620,213	h. Other	78,429
c. Total (a. + b.)	64,892,041	i. Total (a. through h.)	6,908,233
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	8,431,311	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	19,211
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	751,990	d. Federal Transit Admin	45,801
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	300,687
e. Other (Specify)		f. Other Federal	47,696
f. Total (a. through e.)	751,990	g. Total (a. through f.)	413,395
4. Total (1. + 2. + 3.f)	9,183,301	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		245,901	245,901
b. Engineering Costs		961,470	961,470
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		195,919	195,919
(3). System Preservation		1,724,085	1,724,085
(4). System Enhancement & Operation		1,998,371	1,998,371
(5). Total Construction (1) + (2) + (3) + (4)	0	3,918,375	3,918,375
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	5,125,746	5,125,746
			(Carry forward to page 1)
Notes and Comments:			



STATISTICAL SECTION

DOUGLAS COUNTY, COLORADO
Listing of Statistical Information

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

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

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

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

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

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

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

Demographic and Economic Statistics
Principal Employers

Operating Information - These schedules contain service and infrastructure indicators that may aid the reader in ascertaining how the information in the County's financial statements relate to the services the County provides and the activities it performs.

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

DOUGLAS COUNTY, COLORADO

Net Position by Component,

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities:				
Net investment in capital assets	\$ 530,356,372	\$ 528,373,772	\$ 528,991,319	\$ 513,930,760
Restricted	9,230,655	7,907,839	11,755,582	11,692,557
Unrestricted	162,500,768	166,351,011	182,162,162	207,677,975
Total governmental activities net position	<u>\$ 702,087,795</u>	<u>\$ 702,632,622</u>	<u>\$ 722,909,063</u>	<u>\$ 733,301,292</u>

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net Investment in capital assets	\$ 507,656,664	\$ 507,885,616	\$ 509,488,604	\$ 508,799,879
Restricted	10,670,150	13,480,688	14,299,417	18,417,871
Unrestricted	223,674,883	220,707,395	211,937,736	209,401,151
Total governmental activities net position	<u>\$ 742,001,697</u>	<u>\$ 742,073,699</u>	<u>\$ 735,725,757</u>	<u>\$ 736,618,901</u>

	Fiscal Year	
	2016	2017
Governmental activities:		
Net investment in capital assets	\$ 511,882,883	\$ 530,442,456
Restricted	20,756,032	25,253,621
Unrestricted	210,555,892	214,196,898
Total governmental activities net position	<u>\$ 743,194,807</u>	<u>\$ 769,892,975</u>

Source: 2017 Comprehensive Annual Financial Report

Unaudited-See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Expenses				
Governmental activities:				
General government	\$ 52,210,456	\$ 46,118,595	\$ 45,878,570	\$ 43,747,376
Judicial	9,639,408	7,879,366	7,880,242	7,405,523
Public safety	48,129,310	49,987,445	52,744,534	52,088,421
Highways and streets	59,164,628	68,887,631	59,508,847	72,264,571
Health and human services	16,543,713	21,349,438	23,566,852	24,548,313
Culture and recreation	887,168	5,713,164	5,739,426	7,996,721
Conservation of natural resources	8,508,593	2,698,545	2,268,533	528,118
Economic development and assistance	838,351	761,905	458,225	481,648
Developmental disabilities	4,319,055	4,614,530	4,898,829	4,942,046
Community services	361,048	377,266	342,410	333,642
Sanitation	56,294	84,437	71,506	76,632
Interest and fiscal charges	2,733,180	1,725,377	2,661,092	1,804,643
Total governmental activities expenses	203,391,204	210,197,699	206,019,066	216,217,654
Program Revenues				
Governmental activities:				
Charges for services:				
General government	19,354,758	17,384,633	18,741,521	18,985,101
Judicial	206,272	182,648	180,270	187,568
Public safety	4,356,427	4,892,748	5,483,216	5,670,200
Highways and streets	556,293	353,159	405,016	367,468
Culture and recreation	734,867	670,520	690,508	734,470
Community Services	—	—	—	—
Sanitation	53,319	30,955	48,783	36,696
Operating grants and contributions	30,323,471	32,420,729	38,925,620	36,096,740
Capital grants and contributions	3,972,839	—	50,554	487,131
Total governmental program revenues	59,558,246	55,935,394	64,525,488	62,565,374
Total government net expense	<u><u>\$(143,832,958)</u></u>	<u><u>\$(154,262,305)</u></u>	<u><u>\$(141,493,578)</u></u>	<u><u>\$(153,652,280)</u></u>
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	101,853,980	104,230,220	108,850,989	109,188,097
Sales and use taxes	40,972,295	37,195,965	39,310,208	42,263,754
Other taxes	8,969,147	8,177,848	7,812,127	7,556,422
Interest Earnings	8,393,279	3,044,782	2,851,302	2,548,574
Gain (loss) on disposal of capital assets	—	—	—	—
Miscellaneous	8,205,792	2,158,317	2,945,393	2,487,662
Total governmental activities	168,394,493	154,807,132	161,770,019	164,044,509
Change in Net Position				
Total government	<u><u>\$ 24,561,535</u></u>	<u><u>\$ 544,827</u></u>	<u><u>\$ 20,276,441</u></u>	<u><u>\$ 10,392,229</u></u>

Source: 2017 Comprehensive Annual Financial Report
 Unaudited-See accompanying independent auditors' report.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 47,738,189	\$ 59,418,386	\$ 66,926,149	\$ 67,796,188	\$ 77,136,803	\$ 77,522,601
7,541,042	7,549,724	7,589,062	8,247,418	8,769,470	9,045,957
53,641,047	54,646,468	58,746,142	60,202,395	64,892,327	69,683,622
66,599,902	79,943,943	84,017,724	85,502,071	91,037,247	85,895,401
25,685,087	25,676,465	26,274,181	27,344,890	29,206,244	30,757,489
9,002,064	9,024,710	9,167,367	9,407,657	9,787,378	10,635,061
407,328	428,644	419,863	639,761	1,578,402	384,934
403,815	432,237	601,464	645,059	1,383,934	1,179,756
4,654,172	4,515,393	4,680,494	4,788,319	5,377,533	5,623,880
330,163	303,400	275,316	312,804	256,568	221,643
77,878	76,452	83,444	87,926	89,147	86,102
2,424,762	1,005,577	894,924	803,352	702,056	591,676
218,505,449	243,021,399	259,676,130	265,777,840	290,217,109	291,628,122
22,729,317	33,505,975	35,300,451	38,624,196	41,123,674	43,161,577
516,392	502,965	551,786	553,497	579,866	488,434
4,798,488	4,395,823	4,291,268	5,314,584	5,665,369	6,491,123
494,708	865,993	1,052,134	859,413	1,359,486	1,246,895
940,217	950,489	1,063,708	1,112,832	1,122,542	1,245,226
—	—	—	1,240	—	—
41,965	38,234	47,928	72,953	87,876	76,730
36,504,314	35,628,804	35,220,636	39,348,850	39,545,651	41,046,589
140,123	—	—	—	—	11,741,376
66,165,524	75,888,283	77,527,911	85,887,565	89,484,464	105,497,950
\$(152,339,925)	\$(167,133,116)	\$(182,148,219)	\$(179,890,275)	\$(200,732,645)	\$(186,130,172)
99,238,977	100,984,182	104,190,283	105,616,827	123,280,973	123,481,506
47,557,212	51,385,159	54,909,390	58,868,532	60,563,754	65,200,095
7,956,270	8,741,579	9,590,787	10,338,884	11,629,677	13,830,044
2,865,448	2,510,957	2,915,400	2,833,379	2,790,962	2,904,597
—	—	—	—	—	—
3,422,423	3,583,241	4,194,417	3,125,797	9,043,185	7,412,098
161,040,330	167,205,118	175,800,277	180,783,419	207,308,551	212,828,340
\$ 8,700,405	\$ 72,002	(6,347,942)	\$ 893,144	\$ 6,575,906	\$ 26,698,168

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

Revenues	Fiscal Year				
	2008	2009	2010	2011	2012
Taxes	\$ 151,795,422	\$ 149,604,033	\$ 155,973,324	\$ 159,008,273	\$ 154,752,459
Licenses and permits	5,434,793	4,034,126	5,003,425	5,252,625	7,645,470
Intergovernmental	34,295,810	32,420,729	38,976,175	36,583,871	36,644,437
Charges for services	16,565,894	15,555,788	16,490,861	17,349,283	17,459,568
Fines and forfeits	1,171,363	1,607,138	1,790,399	1,504,237	1,862,296
Interest on investments	8,393,279	3,044,782	2,851,302	2,548,574	2,864,649
Donations, rent, reimburse, other	8,073,641	2,035,842	2,255,243	2,511,859	2,935,113
Total revenues	225,730,202	208,302,439	223,340,729	224,758,722	224,163,992
Expenditures					
General government	42,161,686	41,974,199	39,612,553	39,566,936	42,052,192
Judicial	7,425,445	7,903,482	7,840,089	7,400,948	7,540,303
Public safety	44,343,334	46,299,502	47,168,108	47,358,069	49,301,586
Highways and streets	35,518,417	43,928,522	37,718,458	45,947,576	43,560,700
Sanitation	56,294	79,812	56,674	68,849	69,989
Health and human services	16,306,864	21,151,179	23,374,561	24,350,234	25,490,751
Culture and recreation	3,772,084	3,707,293	3,761,543	5,986,411	7,114,076
Conservation of natural resources	2,097,654	2,040,711	2,142,184	415,033	290,681
Economic development and assistance	838,351	761,905	458,225	481,648	403,815
Developmental disabilities	4,319,055	4,614,530	4,898,829	4,942,046	4,654,172
Community services	361,048	377,266	316,842	320,269	327,079
Debt service					
Principal	8,061,000	7,277,000	13,288,000	3,850,000	22,380,000
Debt issuance costs	-	259,451	164,619	-	46,500
Interest and fiscal charges	2,798,821	2,238,825	2,416,666	1,752,304	1,808,035
Capital outlay	46,968,718	25,021,004	35,397,454	16,316,890	15,955,990
Total expenditures	215,028,771	207,634,681	218,614,805	198,757,213	220,995,869
Excess of revenues over (under) expenditures	10,701,431	667,758	4,725,924	26,001,509	3,168,123
Other financing sources (uses)					
Transfers in	35,120,054	29,658,492	30,252,510	19,224,398	30,534,846
Transfers out	(35,120,054)	(29,658,492)	(30,252,510)	(19,224,398)	(30,534,846)
Proceeds from debt issuance	-	-	13,770,000	-	12,140,000
Refunding bonds issued	-	18,010,000	-	-	-
Premium on bonds	-	532,243	486,090	-	-
Sale of capital assets	387,510	234,108	73,399	145,962	248,819
Payment to escrow agent	-	(18,398,362)	-	-	-
Total other financing sources (uses)	387,510	377,989	14,329,489	145,962	12,388,819
Net change in fund balances	\$ 11,088,941	\$ 1,045,746	\$ 19,055,413	\$ 26,147,471	\$ 15,556,942
Debt service as a percentage of operating expenditures	6.5%	5.4%	8.7%	3.1%	11.8%

Source: 2017. Comprehensive Annual Financial Report
Unaudited - See accompanying independent auditors' report.

Fiscal Year				
2013	2014	2015	2016	2017
\$ 161,110,920	\$ 168,690,460	\$ 174,824,243	\$ 195,391,013	\$ 202,532,522
6,590,133	7,785,314	8,886,316	9,435,287	9,172,963
35,628,804	35,220,636	39,348,850	39,434,801	41,064,067
17,952,604	17,917,362	20,105,897	21,435,800	22,737,321
1,256,052	1,122,490	1,205,337	1,271,134	1,206,361
2,510,957	2,915,400	2,833,379	2,790,962	2,904,597
3,483,575	4,210,629	3,168,704	7,045,496	6,953,155
228,533,045	237,862,291	250,372,726	276,804,493	286,570,986
43,827,881	49,561,245	50,533,374	55,182,608	54,857,715
7,549,724	7,589,062	8,247,418	8,769,470	9,045,957
50,538,509	53,724,887	55,493,091	59,857,520	64,557,865
58,796,714	62,063,479	64,089,759	70,831,516	64,011,607
67,268	77,667	84,853	86,074	83,029
25,214,277	26,088,002	27,145,005	28,939,814	30,530,951
6,938,468	7,047,465	7,469,219	7,851,587	8,461,940
306,514	302,504	482,511	405,877	384,934
432,237	601,464	645,059	1,383,934	1,179,756
4,515,393	4,680,494	4,788,319	5,377,533	5,623,880
303,400	275,316	312,804	256,568	221,643
3,510,000	3,660,000	3,745,000	3,845,000	3,950,000
-	-	-	-	-
981,925	916,485	826,906	727,611	618,751
27,548,905	30,050,783	26,271,416	31,851,666	35,305,559
230,531,215	246,638,853	250,134,734	275,366,778	278,833,587
(1,998,170)	(8,776,562)	237,992	1,437,715	7,737,399
31,252,186	26,773,406	37,372,670	37,559,586	36,663,845
(31,752,186)	(26,702,706)	(37,372,670)	(37,809,586)	(36,663,845)
-	-	-	1,470,300.00	-
-	-	-	-	-
-	-	-	-	-
687,777	341,180	1,225,461	348,553	589,233
-	-	-	-	-
187,777	411,880	1,225,461	1,568,853	589,233
\$ (1,810,393)	\$ (8,364,682)	\$ 1,463,453	\$ 3,006,568	\$ 8,326,632
2.2%	2.1%	2.0%	1.9%	3.6%

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

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ 351,364	\$ 397,679	\$ 330,342	\$ 490,221	\$ 429,310
Restricted	6,904,088	6,323,085	8,456,740	8,060,499	5,926,162
Committed	18,245,861	8,129,497	7,468,032	7,744,783	8,215,308
Assigned	6,347,521	6,152,681	16,173,301	22,911,233	46,299,845
Unassigned	10,314,233	15,290,968	19,189,631	25,452,851	3,139,077
Total General Fund	<u>42,163,067</u>	<u>36,293,910</u>	<u>51,618,046</u>	<u>64,659,587</u>	<u>64,009,702</u>
All Other Governmental Funds					
Nonspendable	4,495,153	3,217,682	3,919,194	3,673,177	3,667,655
Restricted	3,342,274	3,306,823	3,298,842	3,632,058	4,743,988
Committed	1,785,643	1,155,557	10,417,570	27,035,340	47,403,839
Assigned	123,161,665	132,019,576	125,795,309	122,196,270	116,928,190
Total All Other Governmental Funds	<u>\$ 132,784,735</u>	<u>\$ 139,699,638</u>	<u>\$ 143,430,915</u>	<u>\$ 156,536,845</u>	<u>\$ 172,743,672</u>

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 270,937	\$ 337,071	\$ 462,173	\$ 1,524,646	\$ 2,221,576
Restricted	6,163,459	6,407,856	6,812,500	7,679,913	7,991,585
Committed	3,608,354	4,580,709	5,266,097	5,230,796	8,846,479
Assigned	44,123,011	46,626,726	41,444,476	38,631,228	35,443,024
Unassigned	5,708,475	1,021,015	3,305,238	8,688,952	10,938,042
Total General Fund	<u>59,874,236</u>	<u>58,973,377</u>	<u>57,290,484</u>	<u>61,755,535</u>	<u>65,440,706</u>
All Other Governmental Funds					
Nonspendable	3,520,813	2,993,144	2,369,985	2,447,338	2,734,574
Restricted	7,317,229	7,891,561	8,773,213	8,816,755	12,305,886
Committed	67,771,565	53,811,453	55,237,193	51,155,469	75,474,576
Assigned	96,459,138	102,908,764	104,370,877	106,873,223	84,720,940
Unassigned	-	-	-	-	(1,301,730)
Total All Other Governmental Funds	<u>\$ 175,068,745</u>	<u>\$ 167,604,922</u>	<u>\$ 170,751,268</u>	<u>\$ 169,292,785</u>	<u>\$ 173,934,246</u>

Source: 2017 Comprehensive Annual Financial Report
Unaudited-See accompanying independent auditors' report.

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales and Use Tax</u>	<u>Specific Auto Ownership Tax</u>	<u>Other</u>	<u>Total</u>
2008	\$ 101,853,980	40,972,295	8,723,563	245,584	151,795,422
2009	104,230,220	37,195,965	7,873,810	304,038	149,604,033
2010	108,850,989	39,310,208	7,498,282	313,845	155,973,324
2011	109,188,097	42,263,754	7,315,809	240,613	159,008,273
2012	99,238,977	47,557,212	7,780,022	176,248	154,752,459
2013	100,984,182	51,385,159	8,590,265	151,314	161,110,920
2014	104,190,283	54,909,390	9,470,132	120,655	168,690,460
2015	105,616,827	58,868,532	10,221,619	117,265	174,824,243
2016	123,280,973	60,563,754	11,440,794	188,883	195,474,404
2017	\$ 123,481,506	65,200,095	13,563,582	266,462	202,511,645
Change					
2008-2017	21.2%	59.1%	55.5%	8.5%	33.4%

Source: 2017 Comprehensive Annual Financial Report
Unaudited-See accompanying independent auditors' report.

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

<u>Fiscal Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>	<u>State Assessed</u>	<u>Exempt Assessed Value</u>	<u>Total Taxable and Exempt Assessed Value</u>	<u>Total Direct Tax Rate</u>
2008	\$ 1,392,999,550	2,901,332,970	239,883,460	143,966,400	1,068,074,820	5,746,257,200	19.774
2009	1,449,567,750	3,013,152,050	262,700,980	154,083,000	949,241,560	5,828,745,340	19.774
2010	1,441,563,060	3,057,704,800	254,966,460	158,980,100	972,552,280	5,885,766,700	19.774
2011	1,234,291,910	2,841,883,230	243,890,420	184,908,609	990,113,680	5,495,087,849	19.774
2012	1,232,820,250	2,842,356,400	255,525,420	207,648,500	1,015,635,320	5,553,985,890	19.774
2013	1,159,185,250	3,030,460,130	264,488,650	235,325,500	1,009,012,580	5,698,472,110	19.774
2014	1,170,928,620	3,098,539,650	283,199,400	227,523,800	1,062,090,290	5,842,281,760	19.774
2015	1,630,085,450	3,411,688,320	311,633,840	237,761,700	1,096,313,770	6,687,483,080	19.774
2016	1,273,705,350	3,859,140,640	316,412,340	246,628,700	1,121,430,020	6,817,317,050	19.774
2017	\$ 1,455,534,030	4,329,882,020	322,692,600	253,480,700	1,150,051,860	7,511,641,210	19.774

<u>Fiscal Year</u>	<u>Total Estimated Actual Value</u>	<u>Total Assessed Value as a % of Total Estimated Actual Value</u>
2008	\$ 44,546,851,776	12.9%
2009	45,681,439,229	12.8%
2010	46,162,168,901	12.8%
2011	42,717,528,453	12.9%
2012	43,172,677,826	12.9%
2013	44,287,415,558	12.9%
2014	45,423,465,845	12.9%
2015	53,605,255,888	12.5%
2016	54,916,459,151	12.4%
2017	\$ 64,902,609,593	11.6%

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

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

Fiscal Year	County Direct Rates			
	General Fund	Special Revenue Funds	Capital Projects Funds	Total Direct
2009	13.965	5.809	0.000	19.774
2010	13.965	5.809	0.000	19.774
2011	13.965	5.809	0.000	19.774
2012	13.965	5.809	0.000	19.774
2013	13.965	5.809	0.000	19.774
2014	13.965	5.809	0.000	19.774
2015	13.965	5.809	0.000	19.774
2016	13.788	5.809	0.177	19.774
2017	13.288	5.809	0.177	19.274
2018	12.788	6.809	0.177	19.774

Fiscal Year	Overlapping Rates						
	School ^[1] District	Cities & ^[1] Towns	Douglas County ^[1] Law Enforce- ment Authority	Fire ^[1] Protection	Water ^[1] and Sanitation	Metropolitan [1]	Other [1]
2009	47.103	0.732	2.746	7.170	1.409	18.442	5.378
2010	46.681	0.727	2.753	7.249	1.568	18.581	5.372
2011	46.890	0.729	2.751	7.327	2.755	18.819	5.404
2012	44.708	0.656	2.531	6.789	2.069	16.878	5.037
2013	45.063	0.660	2.548	6.842	2.063	17.349	5.109
2014	46.051	0.677	2.604	6.677	2.111	18.188	5.271
2015	46.945	0.682	2.640	6.788	2.136	19.213	5.537
2016	57.732	0.933	3.680	7.807	2.683	23.813	9.009
2017	47.580	0.808	3.094	6.913	2.313	21.222	7.917
2018	50.464	0.911	3.398	7.665	2.560	23.971	9.360

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

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

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

Unaudited-See accompanying independent auditors' report.

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

Taxpayer	2017		% of Total		2008	2008		% of Total	
	Assessed Value	Rank	Value	Cty Assessed		Assessed Value	Rank	Value	Cty Assessed
Park Meadows Mall LLC	\$ 81,488,000	1	1.28%		Rouse Park Meadows LLC (was Trizec Hahn)	\$ 60,430,240	1	1.29%	
HCA HealthOne LLC	79,861,680	2	1.26%		HCA HealthOne LLC	44,535,170	2	0.95%	
Intermountain Rural Elec Assn	69,123,220	3	1.09%		Intermountain Rural Elec Assn	30,653,100	4	0.66%	
Public Service Co. of Colo (Xcel)	59,021,500	4	0.93%		Public Service Co. of Colo (Xcel)	26,493,500	5	9.33%	
Century Link (was Qwest Corporation)	37,819,800	5	0.59%		Qwest Corporation (was US West Comm)	39,409,200	3	0.84%	
Kaiser Foundation Hospitals	32,793,090	6	0.52%						
Charles Schwab Lone Tree	29,943,890	7	0.47%						
Plaza Drive Properties LLC	24,366,650	8	0.38%		Plaza Drive Properties LLC	18,930,200	7	0.40%	
Teachers Insurance and Annuity	20,986,000	9	0.33%						
Century Link Communications	20,126,800	10	0.32%						
					Craig Realty Group Castle Rock LLC	18,974,700	6	0.41%	
					Portercare Adventist Hospital	18,152,480	8	0.39%	
					Wells Reit II South Jamaica Street LLC	13,841,400	9	0.30%	
					Liberty Property Holdings INC	12,389,600	10	0.26%	
Total Principal Taxpayers	\$ 455,530,630		7.16%		Total Principal Taxpayers	\$ 283,809,590		14.84%	
Total Taxable Assessed Value	\$ 6,361,589,350				Total Taxable Assessed Value	\$ 4,676,056,580			

Source: Douglas County Treasurer

Unaudited-See accompanying independent auditors' report.

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

Fiscal Year	Taxes levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 102,912,727	102,770,631	99.86%	142,095	102,912,727	100.00%
2009	104,999,355	104,533,458	99.56%	465,588	104,999,046	100.00%
2010	109,529,999	109,405,719	99.89%	124,264	109,529,983	100.00%
2011	110,083,651	109,950,535	99.88%	132,933	110,083,468	100.00%
2012	100,734,763	100,498,628	99.77%	236,039	100,734,667	100.00%
2013	101,728,240	101,468,354	99.74%	259,599	101,727,953	100.00%
2014	104,591,374	104,523,365	99.93%	67,406	104,590,771	100.00%
2015	106,022,821	105,962,960	99.94%	52,983	106,015,943	99.99%
2016	124,328,354	123,706,466	99.50%	587,042	124,293,508	99.97%
2017	\$ 123,642,670	123,611,361	99.97%	—	123,611,361	99.97%

Source: Douglas County Treasurer

Unaudited-See accompanying independent auditors' report.

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

General Bonded Debt			Other Governmental Activities Debt							
General Obligation Bonds	Percentage of Assessed Property Value	Justice Center Sales and Use Tax Rev. Bonds Ser. 1996	Open Space Sales & Use Tax Rev. Bonds Ser. 1998	Open Space Sales & Use Tax Rev. Bonds Ser. 1999	Open Space Sales & Use Tax Rev. Bonds Ser. 2000	Parks Sales & Use Tax Rev. Bonds Ser. 2002	Open Space Sales & Use Tax Rev. Bonds Ser. 2002	Road Imp. Sales & Use Tax Rev Bonds Ser. 2004	Parks Sales & Use Tax Rev. Bonds Ser. 2004	
2008	-	0.00%	\$ -	-	4,100,000	13,255,000	3,970,000	14,545,000	2,571,190	4,285,000
2009	-	0.00%	-	-	-	-	3,751,831	13,993,502	-	4,050,000
2010	-	0.00%	-	-	-	-	3,526,690	13,387,079	-	3,805,000
2011	-	0.00%	-	-	-	-	3,291,549	12,760,656	-	3,555,000
2012	-	0.00%	-	-	-	-	-	-	-	-
2013	-	0.00%	-	-	-	-	-	-	-	-
2014	-	0.00%	-	-	-	-	-	-	-	-
2015	-	0.00%	-	-	-	-	-	-	-	-
2016	-	0.00%	-	-	-	-	-	-	-	-
2017	-	0.00%	\$ -	-	-	-	-	-	-	-

Other Governmental Activities Debt										
Open Space Sale & Use Tax Refunding Bond 2009	Justice Center Refunding Bonds Ser. 2005	Road Imp Sales & Use Tax Rev Bonds Ser. 2010	Open Space Refunding Bonds 2012	Certificates of Participation	Capital Leases	Total Primary Government (1)	Percentage of Personal Income	Percentage of Assessed Property Value	Total Outstanding Debt Per Capita	
2008 \$ -	5,214,524	-	-	8,157,190	-	56,097,904	0.33%	1.20%	195.72	
2009 18,542,243	2,654,761	-	-	6,858,160	-	49,850,497	0.29%	1.02%	169.84	
2010 17,079,019	-	12,851,090	-	-	-	50,648,878	0.29%	1.03%	175.60	
2011 15,575,795	-	11,507,080	-	-	-	46,690,080	0.22%	1.04%	160.40	
2012 14,032,571	-	10,153,070	12,140,000	-	-	36,325,641	0.17%	0.80%	122.85	
2013 12,464,989	-	8,784,060	11,475,000	-	-	32,724,049	0.14%	0.70%	108.19	
2014 10,831,765	-	7,395,050	10,730,000	-	-	28,956,815	0.12%	0.61%	94.02	
2015 9,153,541	-	5,986,040	9,965,000	-	-	25,104,581	0.12%	0.45%	76.53	
2016 7,425,317	-	4,547,030	9,180,000	-	1,470,300	22,622,647	0.10%	0.40%	67.33	
2017 \$ 5,647,091	-	3,073,020	8,375,000	-	1,102,725	18,197,836	0.08%	0.29%	52.59	

Source: Douglas County Finance

Unaudited-See accompanying independent auditors' report.

(1) - Presented net of original issue premium/(discount)

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 86,193,858	\$ 87,431,180	\$ 88,286,501	\$ 82,426,318	\$ 83,428,649
Total net general obligation debt	—	—	—	—	—
Legal debt margin	<u>\$ 86,193,858</u>	<u>\$ 87,431,180</u>	<u>\$ 88,286,501</u>	<u>\$ 82,426,318</u>	<u>\$ 83,428,649</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 85,477,082	\$ 87,634,226	\$ 100,312,246	\$ 102,259,756	\$ 112,674,618
Total net general obligation debt	—	—	—	—	—
Legal debt margin	<u>\$ 85,477,082</u>	<u>\$ 87,634,226</u>	<u>\$ 100,312,246</u>	<u>\$ 102,259,756</u>	<u>\$ 112,674,618</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation

Assessed Value	6,361,589,350
Exempt Property Assessed Value	1,150,051,860
Total Assessed Value	<u>\$ 7,511,641,210</u>
Debt Limit	
1-1/2% of Total Assessed Value	112,674,618
Computation of Legal Debt Margin	
Less: Amount of Current Debt	
Applicable to Debt Limit	—
General Obligation Bonded Debt	—
Legal Debt Margin	<u><u>\$ 112,674,618</u></u>

Source: Douglas County Finance

Unaudited-See accompanying independent auditors' report.

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

FISCAL YEAR	SALES & USE TAX		INTEREST ON RESERVES	TOTAL REVENUE	DEBT SERVICE REQUIREMENTS			COVERAGE
					PRINCIPAL	INTEREST	TOTAL	
2008	\$ 17,618,087	[1]	681,553	18,299,640	2,395,000	[8] 299,200	[8] 2,694,200	6.79
	6,965,290	[3]	716,124	7,681,414	2,030,000	[4] 1,956,730	[4] 3,986,730	1.93
	16,388,918	[5]	1,417,163	17,806,081	2,410,000	[6] 146,400	[6] 2,556,400	6.97
2009	15,994,265	[1]	447,262	16,441,527	2,495,000	[8] 203,400	[8] 2,698,400	6.09
	5,488,831	[3]	255,268	5,744,099	1,025,000	[9] 1,878,695	[9] 2,903,695	1.98
	10,164,857	[5]	422,721	10,587,578	2,470,000	[6] 74,100	[6] 2,544,100	4.16
2010	16,903,390	[1]	256,337	17,159,727	2,590,000	[8] 103,600	[8] 2,693,600	6.37
	5,800,386	[3]	133,116	5,933,502	2,485,000	[9][7] 1,466,632	[9][7] 3,951,632	1.50
	10,970,114	[5]	367,775	11,337,889	1,405,000	[10] 185,469	[10] 1,590,469	7.13
2011	18,172,251	[1]	256,652	18,428,903	—	—	—	N/A
	6,222,779	[3][11]	134,035	6,356,814	2,560,000	[7][9] 1,389,207	[7][9] 3,949,207	1.61
	11,210,652	[5][11]	301,369	11,512,021	1,290,000	[10] 357,663	[10] 1,647,663	6.99
2012	20,449,601	[1]	308,825	20,758,426	—	—	—	N/A
	6,992,946	[3][11]	131,886	7,124,832	2,640,000	[7][9] 1,315,007	[7][9] 3,955,007	1.80
	12,314,189	[5][11]	288,313	12,602,502	1,300,000	[10] 318,962	[10] 1,618,962	7.78
2013	22,092,913	[1]	322,056	22,414,969	—	—	—	N/A
	7,544,992	[3][11]	126,359	7,671,351	2,195,000	[7] 688,413	[7] 2,883,413	2.66
	13,148,416	[5][11]	349,017	13,497,433	1,315,000	[10] 292,963	[10] 1,607,963	8.39
2014	23,595,351	[1]	262,395	23,857,746	—	—	—	N/A
	8,043,522	[3][11][12]	151,072	8,194,594	2,325,000	[7] 649,272	[7] 2,974,272	2.76
	14,427,936	[5][11]	383,969	14,811,905	1,335,000	[10] 266,662	[10] 1,601,662	9.25
2015	25,312,549	[1]	273,468	25,586,017	—	—	—	N/A
	8,608,371	[3][11]	187,060	8,795,431	2,390,000	[7] 589,730	[7] 2,979,730	2.95
	15,357,056	[5][11]	429,190	15,786,246	1,355,000	[10] 236,625	[10] 1,591,625	9.92
2016	26,038,869	[1]	394,557	26,433,426	—	—	—	N/A
	8,827,629	[3][11]	199,477	9,027,106	2,460,000	[7] 524,456	[7] 2,984,456	3.02
	15,686,093	[5][11]	416,188	16,102,281	1,385,000	[10] 202,750	[10] 1,587,750	10.14
2017	28,032,621	[1]	473,626	28,506,247	—	—	—	N/A
	9,469,266	[3][11]	277,930	9,747,196	2,530,000	[7] 457,250	[7] 2,987,250	3.26
	\$ 17,225,547	[5][11]	535,133	17,760,680	1,420,000	[10] 161,200	[10] 1,581,200	11.23

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

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

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

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

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

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

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

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

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

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

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

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

Source: Douglas County Finance

Unaudited - See accompanying independent auditors' report.

DOUGLAS COUNTY, COLORADO
Special Assessment Debt without Government Commitment
Local Improvement Districts,
For Fiscal Year 2017

<u>LID Number , Name , Series</u>	<u>Original issue</u>	<u>Principal outstanding as of December 31, 2017</u>	<u>Principal redeemed in 2017</u>	<u>Total debt service in 2017</u>	<u>Year of Final Maturity</u>
06-01, Sageport / Inca-Delaware 2006	\$ 1,636,000	—	126,886	133,755	2017
Total	\$ <u>1,636,000</u>	<u>—</u>	<u>126,886</u>	<u>133,755</u>	

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

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

<u>Year</u>	<u>Estimated Population [1]</u>	<u>Personal Income Per Capita [2]</u>	<u>Total Personal Income (In Thousands) [2]</u>	<u>Median Age [4]</u>	<u>Average Household Size [4]</u>	<u>Public School Enroll- ment[3]</u>	<u>School Enrollment % of Population</u>	<u>Unemploy- ment Rate % [5]</u>
2008	286,780	\$ 60,361	16,969,723	35.7	2.88	58,723	20.5%	5.1%
2009	290,059	59,358	17,108,472	34.3	2.90	56,031	19.3%	6.6%
2010	288,430	60,723	17,514,402	36.6	2.86	59,932	20.8%	6.7%
2011	291,083	71,463	20,801,664	36.6	2.79	61,465	21.1%	6.1%
2012	295,689	73,516	21,737,873	37.4	2.95	63,114	21.3%	5.9%
2013	302,464	61,369	18,561,913	37.5	2.80	64,600	21.4%	5.6%
2014	308,000	64,613	19,900,804	36.9	2.82	67,000	21.8%	4.5%
2015	328,990	65,999	21,713,011	37.2	2.84	66,702	20.3%	2.6%
2016	336,000	67,139	22,558,704	37.6	2.76	66,896	19.9%	2.8%
2017	346,000	\$ 65,796	22,765,492	38.9	2.75	67,470	19.5%	2.6%

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

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

[3] Douglas County School District

[4] US Census Bureau

[5] Douglas County Budget Book

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

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

**2016 Per Capita Income was adjusted (in 2017) for actuals from Bureau of Economic Analysis.

**2017 Personal Income Per Capita and Total Personal income estimated using the -.02 change for personal income from '15 to '16 that the Bureau of Economic Analysis office has estimated for the State of Colorado.

Unaudited-See accompanying independent auditors' report.

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

2017				2008			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
Douglas County School District	6,242	1	3.47%	Douglas County School District	6,740	1	4.34%
Charles Schwab	3,700	2	2.06%	Echostar Communications	1,900	2	1.22%
Echostar Communications	2,620	3	1.46%	CH2M Hill	1,720	3	1.11%
Centura Health	1,560	4	0.87%	Western Union	1,080	8	0.70%
CH2M Hill	1,400	5	0.78%	Healthone: Sky Ridge Medical	960	9	0.62%
Western Union	1,300	6	0.72%	Douglas County Government	1,113	6	0.72%
Healthone: Sky Ridge Medical	1,290	7	0.72%				
Douglas County Government	1,197	8	0.66%	Aurora Loan Services	1,500	4	0.97%
Specialized Loan Servicing LLC	950	9	0.53%	Avaya	1,500	5	0.97%
VISA Debit Processing Services	930	10	0.52%	TW Telecom	1,100	7	0.71%
				Sprint Nextel Corporation	930	10	0.60%
Total for Principal Employers	<u>21,189</u>		<u>11.8%</u>	Total for Principal Employers	<u>18,543</u>		
Total Employment in Douglas County	180,044			Total Employment in Douglas	155,171		

Source: WWW.METRODENVER.ORG; Douglas County School District; 2017 CAFR Management Discussion and Analysis
www.colmiguateway.com
Unaudited-See accompanying independent auditors' report.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Board of County Commissioners	30.75	29.80	26.80	26.80	27.30	30.00	30.00	29.75	33.50	33.25
Clerk and Recorder	64.40	63.50	57.10	57.10	58.85	58.85	67.50	71.50	80.50	73.50
Treasurer	13.00	13.00	13.00	12.00	11.00	11.00	11.00	11.75	10.00	10.00
Assessor	48.75	44.75	42.75	42.75	43.00	43.00	43.00	46.00	46.00	45.00
Finance	19.00	18.00	18.00	18.00	17.50	17.50	17.50	17.50	17.50	16.50
Human Resources	9.00	9.00	6.00	6.00	7.00	7.00	7.25	7.50	10.00	10.00
Information Technology	61.00	56.50	55.50	55.50	55.50	57.50	57.50	62.50	63.50	63.50
Facilities Maintenance	58.50	56.00	52.00	53.00	73.25	73.25	74.25	79.25	82.50	78.75
Judicial										
Community Justice Services	13.50	14.50	14.50	14.50	15.00	15.00	16.00	17.00	18.00	17.25
Public Safety										
Sheriff	436.00	440.00	438.00	438.00	453.50	463.00	463.00	469.75	490.50	497.25
Coroner	10.00	10.00	11.00	11.00	8.00	8.00	8.00	8.00	8.00	9.00
Community Planning & Sustainable Development										
Planning Administration	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Planning & Zoning Services	29.25	30.50	28.21	28.21	27.21	27.21	27.21	28.21	30.21	34.00
Community Services-Grants	7.50	-	-	-	-	-	1.75	1.00	1.00	1.00
Building Development Services	38.50	32.75	30.75	30.75	29.75	29.75	34.25	32.25	32.75	34.75
Engineering	53.00	51.00	52.00	52.00	52.00	52.00	53.00	54.75	55.75	54.75
Traffic Services	18.00	18.00	17.00	17.00	16.00	16.00	19.00	18.00	18.00	18.00
Parks Administration and Maintenance	18.00	18.00	17.00	17.00	17.00	17.00	18.00	18.00	18.00	22.00
Park Rangers	1.50	1.50	1.50	1.50	-	-	-	-	-	-
Economic Development and Assistance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00
Community Development Block Grant	1.00	1.25	1.79	1.79	1.79	1.79	# 1.79	1.79	1.79	-
Public Works										
Weed Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	5.00	5.00
Public Works Administration	3.00	2.00	-	-	-	-	-	-	-	-
Maintenance of Condition	73.00	69.00	65.00	65.00	64.00	64.00	69.00	67.00	64.00	69.00
Roads and Bridge Administration	6.00	3.00	2.50	2.50	4.50	4.50	4.50	5.75	6.00	6.00
Fleet Management	19.00	18.00	18.00	18.00	-	-	-	-	-	-
Sanitation Operating	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Health and Human Services										
Administration Block Grant	19.60	20.60	21.60	21.60	22.50	22.50	27.25	28.65	25.65	26.65
Non-Block Grant Assistance	-	-	-	-	-	-	-	-	-	-
Other Health Services	25.50	25.50	28.50	28.50	33.00	33.00	36.00	42.75	47.75	53.25
Senior Services	1.40	1.40	1.40	1.40	-	-	-	1.60	1.60	2.60
Open Space and Natural Resources										
Natural Resources	0.30	2.30	2.20	2.20	2.20	2.20	2.20	2.20	1.70	1.70
Administration	3.20	4.20	3.30	3.30	2.80	2.80	2.80	2.80	2.80	3.20
Land Maintenance	1.50	1.50	1.50	1.50	-	-	-	-	-	1.30
Major Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.50	2.00
Patrol	1.50	1.50	1.50	1.50	3.00	3.00	3.00	3.00	3.00	0.80
Total County Employees	1,094.85	1,065.25	1,036.60	1,036.60	1,053.85	1,068.05	1,102.95	1,140.45	1,180.70	1,193.20
Public Trustee	7.00	8.00	8.00	8.00	7.00	7.00	7.00	5.00	5.00	4.00
TOTAL	1,101.85	1,073.25	1,044.60	1,044.60	1,060.85	1,075.05	1,109.95	1,145.45	1,185.70	1,197.20

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

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Board of County Commissioners										
Number of Public meetings held	88	84	79	52 (1)	63	63	52	52	51	53
Number of Town(Community) meetings held	28	17	13	7	7	0	0	0	0	0
Number of Resolutions passed	222	235	210	191	152	154	139	160	147	119
Total claims processed by Risk Management	146	153	120	155	165	151	161	254	171	176
Television stations operated	2	1	1	1	1	1	3	2	2	1
External web sites managed	9	8	10	8	7	7	7	7	7	7
Internal web sites managed	2	2	2	2	2	2	1	1	1	1
Clerk and Recorder										
Motor Vehicle registrations processed	354,363	253,512	261,355	266,160	281,008	289,021	293,593	460,103	Not Avail	433,472
Total motor vehicle transactions processed	548,788	544,349	535,336	543,922	592,063	429,179	440,429	655,659	Not Avail	561,685
Drivers Licenses issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24,108
Documents recorded	88,068	102,285	155,932	95,174	102,638	100,872	78,287	94,992	99,154	89,290
Marriage licenses issued	1,422	1,458	1,380	1,423	1,459	1,499	1,440	1,475	1,463	1,657
Civil Unions	0	0	0	0	0	66 (3)	13	3	3	3
Number of resolutions	219	232	215	191	152	154	139	160	147	119
New and cancelled voter registrations	19,856	14,535	16,451	15,136	16,109	18,668	34,617	22,781	27,532	13,683
Elections supported	19	15	20	12	27	13	48	12	15	26
County Assessor										
Number of parcels assessed	131,274	131,387	131,862	132,077	132,915	134,208	136,994	138,712	142,000	144,409
Community Development										
Total permits issued	5,739	6,377	9,028	7,944	18,627	9,610	12,942	17,555	18,019	11,739
Inspections completed	42,980	30,246	39,144	39,841	64,616	59,842	62,851	79,305	74,577	63,929
Number of CDBG applications received	16	23	16	20	20	18	15	24	0	0 (4)
Finance										
Journal entries processed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,324	1,360	1,252
Purchase orders issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	655	695	641
AP Payments Issued (ACH/Checks/Wires)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,402	10,517	10,152
Payroll payments issued (ACH/checks)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14,929	15,762	16,161
Human Resources										
Applications processed	3,628	3,435	3,244	3,413	4,962	5,714	5,097	3,695	6,117	6,126
Tuition reimbursement applications	53	46	44	0 (2)	18	26	23	35	48	39
HR training participants	1,698	1,138	2,197	1,809	1,477	1,202	1,573	415	479	509
Information Technology										
Number of PC's supported	1,181	1,361	1,398	1,520	1,475	1,542	1,743	2,166	1,978	2,181
Number of support tickets closed	4,738	14,527	9,000	16,964	14,940	14,749	13,379	13,415	8,819	9,587
Public safety										
Sheriff										
Total crimes reported	11,887	10,524	11,906	11,902	10,604	9,806	10,772	11,312	12,101	13,450
Calls for service	120,240	121,292	N/A	102,487	108,413	121,851	117,980	120,140	137,337	146,294
Calls for service (citizen-initiated only)	48,392	45,638	46,856	47,951	49,858	50,027	50,300	52,887	57,620	58,438
Vehicle Accidents	1,300	1,238	1,257	1,506	1,551	1,718	1,902	2,050	2,149	2,092
Total Civil Process Served	4,196	3,816	3,752	3,389	3,107	2,709	2,389	2,313	2,512	2,195
Jail average daily population (ADP)	335	326	315	315	245	237	239	284	270	337
Number of Bookings	5,948	7,210	5,617	5,565	5,069	4,774	4,933	5,715	7,106	7,665
Coroner										
Number of cases investigated	756	775	784	812	871	956	1173	1320	1398	1366
Autopsies performed	153	132	128	132	108	135	112	156	164	150
Health, welfare and sanitation										
Human Services										
TEFAP clients served (households)	240	199	736	533	3,130	2,855	2,660	2,675	2,669	2,668
Individuals receiving commodities	6,473	8,723	9,871	11,296	10,723	9,870	9,138	9,321	9,079	9,204
Culture and recreation										
Parks Administration and Maintenance										
Park reservations	6,896	6,498	6,627	4,115	4,068	3,982	4,242	4,445	4,393	5,354
Fairgrounds										
Number of event bookings	1,588	1,644	1,662	1,868	2,055	2,017	2,170	2,144	1,955	1,949
Economic Development and Assistance										
Number of groups serving as liaison to	13	16	14	15	15	15	15	15	15	15

Source: Various County Agencies.

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

(2) Tuition Reimbursement Program was suspended for 2011.

(3) New Statistic as of 2013

(4) Douglas County BOCC voted to decline the CDGB grant funds in 2016 and 2017.

Unaudited - See accompanying independent auditor's report.

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Facilities Maintenance										
Facility square footage	1,096,057	1,096,410	1,102,950	1,137,950	1,154,168	1,278,168	1,317,018	1,332,368	1,332,368	1,408,961
Number of facilities	27	29	29	30	29	29	29	29	29	31
Highways and Streets										
Public Works Administration										
Center line miles maintained (primary)	383	380	374	352	351	353	354	352	349	Not Available
Center line miles maintained (secondary)	716	718	735	756	757	757	758	758	778	Not Available
Lane miles maintained (primary)	891	882	880	835	833	845	846	844	834	Not Available
Lane miles maintained (secondary)	1,454	1,453	1,492	1,527	1,531	1,533	1,542	1,536	1,575	Not Available
Fleet Management										
Numbers of vehicles / equipment	715	725	768	780	784	778	817	983	1,047	1,102
Culture and recreation										
Parks Administration and Maintenance										
Local parks (acres)	113	113	113	113	113	113	113	113	113	113
Regional parks (acres)	868	868	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Softball/baseball fields	11	11	11	11	11	11	11	11	11	11
Multi-purpose fields (soccer/football)	20	20	20	20	20	20	20	20	22	24
Volleyball courts	3	3	3	3	3	3	3	3	3	3
Basketball courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	12	12	12	12	12	12	12	12	12	12
8' Concrete trail (miles)	14	19	19	20	20	20	20	20	20	20
8' Crusher fine trail (miles)	17	29	36	39	42	42	43	43	43	43
Open Space										
Open space preserved (acres)	45,069	45,840	46,220	48,356	48,741	48,832	49,272	49,272	49,478	63,037
Miles of soft-surface trails maintained/patrolled	49	58	62	62	62	77	77	77	77	77
Parcels owned/maintained/patrolled in subdivisions	450	450	450	450	450	450	450	450	450	450
Trailheads maintained/patrolled	8	8	8	8	8	10	10	10	10	10
Trail Usage-Visitors				221,234	298,559	286,402	254,813	222,201	436,140	568,572

Source: Various County Agencies.
Unaudited-See accompanying independent auditors' report.

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

