City of Aurora, Colorado

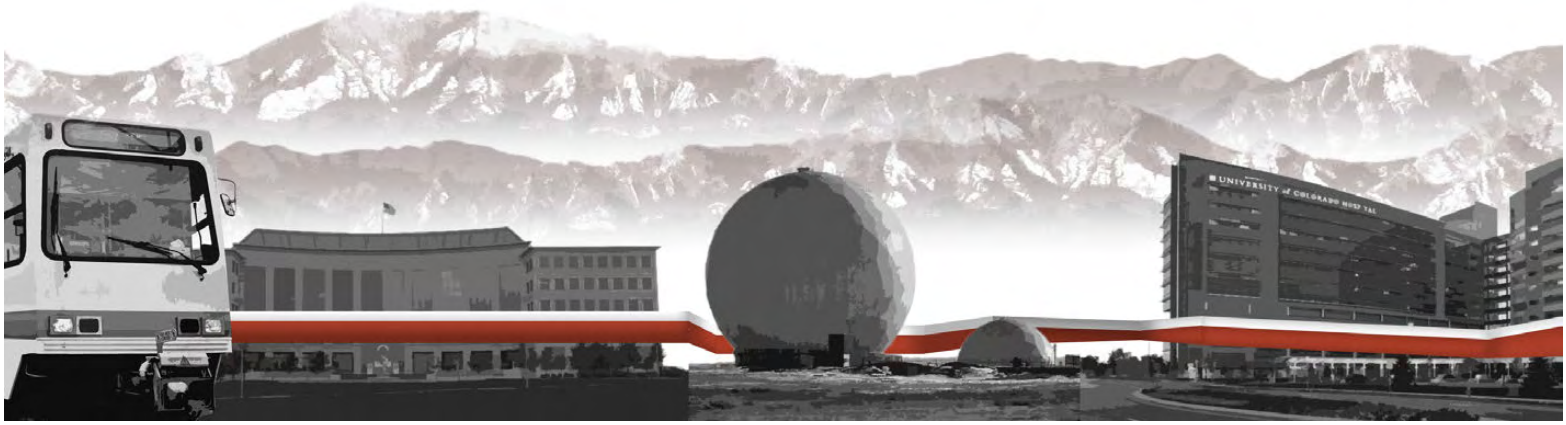
★ ★ ★ ★ ★

2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2016

Prepared by the Controller's Office



Aurora, Colorado

The city of Aurora is located on the eastern slope of the Rocky Mountains and lies in the six county Denver/Aurora metropolitan area (the metro area). The metro area is the economic center of the State of Colorado (the State). Aurora is the third largest city in the State, with an estimated population in 2016 of 355,441, approximately 13% of the metro area's population.

City of Aurora, Colorado for the Year Ended December 31, 2016

Comprehensive Annual Financial Report

Prepared by the Controller's Office

Terri Velasquez, Finance Director
Nancy Wishmeyer, Controller
Carol Toth, Accounting Administrator
Pamela Bradley, Accountant II
Andrea Carel, Accountant II
Dan Cunningham, Senior Accountant II
David Gallagher, Senior Accountant II
Andrew Jamison, Accountant II
Paul Klemme, Accountant II
Carisa Redlick, Senior Accountant II
Laila Schmidt, Senior Accountant II

If you have questions regarding this report, call or fax us at:
Phone: 303.739.7800 • Fax: 303.739.7779

Our mailing address:
City of Aurora
Controller's Office
15151 E. Alameda Parkway, Suite 5700
Aurora, Colorado 80012-1555
Email us at: controller@auroragov.org

Finance Department

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal i

City Council 2016 vi

Management Officials vii

Certificate of Achievement for Excellence in Financial Reporting viii

About the Certificate of Achievement for Excellence in Financial Reporting ix

Organizational Chart x

FINANCIAL SECTION

Independent Auditor's Report

Management Discussion and Analysis (unaudited) . . . . . MD&A-1

Basic Financial Statements

Citywide Financial Statements

Statement of Net Position 1

Statement of Activities 2

Fund Financial Statements

Balance Sheet – Governmental Funds 5

Reconciliation of the Governmental Funds Balance Sheet to the Citywide Statement of Net Position 6

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 7

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Citywide Statement of Activities 8

Statement of Net Position - Proprietary Funds 10

Reconciliation of the Proprietary Funds Statement of Net Position to the Citywide Statement of Net Position 11

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds 12

Reconciliation of the Proprietary Funds on the Statement of Revenues, Expenses and Changes in Net Position to the Citywide Statement of Activities 13

Statement of Cash Flows – Proprietary Funds 14

Statement of Fiduciary Net Position – Fiduciary Funds 17

Statement of Changes in Fiduciary Net Position – Fiduciary Funds 18

Notes to the Basic Financial Statements

Summary of Significant Accounting Policies . . 19

A Financial Reporting Entity

B Citywide and Fund Financial Statements

C Measurement Focus, Basis of Accounting and Financial Statement Presentation

D Deferred Inflows and Outflows of Resources

E Cash and Investments

F Interfund Transactions

G Inventories

H Asset Acquired for Resale

I Capital Assets

J Accounts Payable

K Unearned Revenues (Liabilities)

L Noncurrent Liabilities

M Bond Premiums and Discounts

N Compensated Absences

O Defined Benefit Pension Plans

P Use of Estimates

Q Fund Balances and Net Position

R Budgets

Cash and Investments 28

Receivables 37

Restricted, Committed, Assigned and Unassigned Fund Balances and Restricted Net Position . 38

Joint Venture 41

Other Asset – Interest Rate Cap 41

Capital Assets 42

Noncurrent Liabilities 44

Deferred Inflows and Outflows of Resources 48

Interfund Transactions 49

Construction and Other Significant Commitments 50

Deferred Compensation Plans 50

Pension Plans 51

Other Postemployment Benefits (OPEB) . . . 78

Operating Leases 79

Risk Management 80

Contingent Liabilities 80

Conduit Debt Obligations 81
Pollution Remediation. 81
Taxpayer Bill Of Rights (TABOR) 81
Adoption of Accounting Principles 82
Subsequent Events 82

Required Supplementary Information (unaudited)

General Employees' Retirement Defined Benefit Plan – Schedule of Changes In Net Pension Liability (Asset) and Related Ratios 83
General Employees' Retirement Defined Benefit Plan – Schedule of Employer Contributions 84
Elected Officials' and Executive Personnel Defined Benefit Plan - Schedule of Changes in Net Pension Liability (Asset) and Related Ratios 85
Elected Officials' and Executive Personnel Defined Benefit Plan – Schedule of Employer Contributions 86
Elected Officials' and Executive Personnel Defined Benefit Plan – Schedule of Annual Money-Weighted Rate of Return on Plan Investments 87
FPPA Old Hire Fire Defined Benefit Plan - Schedule of Changes in Net Pension Liability (Asset) and Related Ratios. 88
FPPA Old Hire Fire Defined Benefit Plan – Schedule of Employer Contributions 89
FPPA Old Hire Police Defined Benefit Plan - Schedule of Changes in Net Pension Liability (Asset) and Related Ratios 90
FPPA Old Hire Police Defined Benefit Plan – Schedule of Employer Contributions 91
FPPA Statewide Defined Benefit Plan – Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) and Related Ratios 92
FPPA Statewide Defined Benefit Plan – Schedule of Employer Contributions 93
FPPA Statewide Hybrid Plan – Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) and Relate Ratios 94
FPPA Statewide Hybrid Plan – Schedules of Employer Contributions 95
Other Post Employment Benefits (OPEB) - Schedule of Funding Progress 96
Other Post Employment Benefits (OPEB) - Schedule of Employer Contributions. 97
General Fund Schedule of Sources, Uses and Changes in Funds Available – Budget and Actual (Non-GAAP Budgetary Basis) 98
Notes to Required Supplementary Information 100

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Combining Balance Sheet 101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 106

Internal Service Funds

Combining Statement of Net Position 111
Combining Statement of Revenue, Expenses and Changes in Net Position 112
Combining Statement of Cash Flows 113

Pension Trust Funds

Combining Statement of Fiduciary Net Position 115
Combining Statement of Changes in Fiduciary Net Position 116

Agency Funds

Statement of Changes in Fiduciary Assets and Liabilities 117

Schedules of Sources, Uses and Changes in Funds Available - Budget and Actual (Non-GAAP Budgetary Basis)

Special Revenue Funds. 119
Debt Service Funds 128
Capital Projects Funds 129
Enterprise Funds 130
Internal Service Funds 133

Table of Contents

STATISTICAL SECTION (UNAUDITED)

Financial Trends

Net Position by Component 135
Changes in Net Position 136
Fund Balances, Governmental Funds 138
Changes in Fund Balances, Governmental Funds. 139
Total Sales and Use Tax Revenues 140

Revenue Capacity

Sales and Use Tax Receipts by Business Sector (Cash Basis) 141
Direct and Overlapping Sales Tax Rates . . 142
Top Ten Principal Sales and Use Tax Payers by Industry Group 143
Assessed and Estimated Actual Value of Taxable Property 144
Property Tax Rates – Direct and Primary Overlapping Governments 145
Top Ten Principal Property Tax Payers. . . . 146
Property Tax Levies and Collections 147

Debt Capacity

Ratios of Outstanding Debt by Type 148
Ratios of Net General Obligation Bonded Debt Outstanding 149
Direct and Overlapping Governmental Activities Debt. 150
Legal Debt Margin Information 151

Schedules of Revenue Bond Coverage

Water. 152
Wastewater. 153
Golf 154

Demographic and Economic

Demographic and Economic Statistics . . . 155
Top Ten Principal Employers 156

Operating

Budgeted Full-time Equivalent City Government Employees by Function. 157
Operating Indicators by Function. 158
Capital Asset Statistics by Function 159

OTHER SCHEDULES

Compliance Section

Local Highway Finance Report 162

Miscellaneous Schedules (unaudited)

Schedule of Indebtedness – All Funds . . . 164
Schedule of Debt Service Requirements . . 165

Debt Continuing Disclosures (unaudited)

Summary of Continuing Disclosures by Issue 166
General Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance (U.S. GAAP Basis) 167
General Fund Comparative Schedule of Sources, Uses and Changes in Funds Available Actual and Budget (Non-GAAP Budgetary Basis) 168
Water Fund – Operating History Comparative Schedule of Revenues, Expenses and Changes in Net Position 169
Water Fund – Operating History Schedule of Sources, Uses and Changes in Net Position Budget and Actual (Non-GAAP Budgetary Basis) 170
Water Fund – Water System Statistics . . . 171
Water Fund - Maximum Annual Debt Service Coverage 175
Wastewater Fund – Operating History Comparative Schedule of Revenues, Expenses and Changes in Net Position 176
Wastewater Fund – Operating History Schedule of Sources, Uses and Changes in Funds Available Budget and Actual (Non-GAAP Budgetary Basis) 177
Wastewater Fund – Sewer System Statistics 178
General Fund - Assessed and Estimated Actual Value of Taxable Property by Class 180

Table of Contents

AURORA

Introductory Section Divider

City Manager's Office

15151 E. Alameda Parkway, 5th Floor
Aurora, Colorado 80012
phone 303.739.7010

City of Aurora

Worth Discovering • auroragov.org

June 6, 2017

To the Honorable Mayor, City Council, and Citizens of the City of Aurora, Colorado:

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) of the City of Aurora, Colorado (the city), for the year ended December 31, 2016.

This report consists of management's representations concerning the finances of the city. Consequently, management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is reported in a manner designed to present fairly the financial position and activities of the various funds of the city. The city has included all disclosures necessary to enable the reader to gain an understanding of the city's financial activities.

The City Charter requires an annual audit by independent auditors selected by the City Council. The goal of the independent audit is to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 2016, are free of material misstatement. The independent auditors, BKD, LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the city's financial statements for the fiscal year ended December 31, 2016 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Independent Auditor's Report on the city's financial statements is included in the Financial Section of this CAFR.

The independent auditor of the financial statements of the city is required to complete the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The results of this single audit are available in the city's separately issued Single Audit Report.

U.S. GAAP 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 MD&A and should be read in conjunction with it. The city's MD&A can be found immediately following the report of the independent auditors.

GOVERNMENTAL STRUCTURE

Aurora is located on the eastern slope of the Rocky Mountains and lies in the ten county Denver-Aurora-Lakewood metropolitan statistical area. The metropolitan area is the economic center of the State of Colorado. Aurora is the third largest city in Colorado with an estimated population in 2016 of 355,441. This is approximately 13 percent of the metropolitan area population. The city covers 154-square miles in Adams, Arapahoe and Douglas Counties. With 72 square miles of developed land and 82 square miles of undeveloped land, the city has room to grow. The city provides general government services including police, fire and emergency medical services, public works, water and wastewater service, parks and recreation facilities, libraries and golf courses.

The city utilizes the Council-Manager form of government, adopted in 1954. In 1961, Aurora became a Home Rule city by adopting its own charter. In 1993, the City Charter was amended to provide for a full-time Mayor, beginning January 1, 1996. The duties of the Mayor and the Council-Manager form of government were not changed. The eleven members of the City Council (including the Mayor, who is elected specifically to that position) are chosen biennially for staggered four-year terms in non-partisan elections. The City Manager is responsible for the administration of city operations and for carrying out policy as set by the City Council. The City Manager serves at the pleasure of the Council. Also

serving at the pleasure of the Council are three other appointees: the City Attorney, the Presiding Judge, and the Court Administrator. Each of these appointees is responsible for the administration of his or her respective operation, although the City Manager has overall responsibility for general management functions such as financial operations and personnel rules and regulations.

FINANCIAL CONDITION

The city has historically managed through economic cycles and is recognized as financially strong by independent bond rating agencies. City leaders manage a budget where revenues equal, if not exceed, expenditures. The city maintains a reserve for unanticipated major emergencies, but does not anticipate using these funds for the 2017 budget year. Aurora's citizens have been supportive of the city's efforts; they have approved bond issues for infrastructure and two ballot questions that have changed the City's Charter to exempt city fees and its main revenue source, sales and use tax, from state constitutional "Taxpayer Bill of Rights" (TABOR) revenue limits. The city also maintains internal and budget controls to ensure adequate oversight of city assets, accounting information and expenditures.

As expected, 2016 proved to be a year of continued economic growth, translating into moderate revenue growth for the city. For 2016, General Fund revenue, net of transfers, increased 5.7% on a budgetary basis (6.0% per GAAP basis), above the growth experienced in 2015 as the state continued to recover from the recession. The combination of sales and use tax is the most significant source of revenue, generating 66.5% of the total General Fund GAAP revenue, net of transfers, but is also the most susceptible to economic changes. Property tax represents an important secondary general revenue source that is typically less impacted than sales and use tax by changing economic conditions. Property tax collections were 9.6% of the total General Fund budgetary and 9.3% of GAAP revenues, net of transfers in 2016. Modest revenue growth is expected in 2017 with property tax collections maintaining positive levels of growth, combined with increases in sales and use tax.

The city anticipates facing budget challenges in the future as expenses (at current service levels) are projected to grow faster than revenues. In light of these challenges, the city continues to examine options that increase revenues and those that decrease expenditures. The city expects to continue to adjust revenues and/or expenditures to maintain a balanced budget.

GROWTH AND DEVELOPMENT

The city is anticipating several years of modest General Fund operating revenue growth (not including building materials use tax, which typically is used for capital purposes). While development activity is not expected to return to pre-recession levels, it has continued to increase in recent years. The lower levels of development of the city impact not only the growth of operating revenues, but revenues used for capital purposes including tap fees for new water and sewer connections. While 2016 was another healthy rebound for operating revenues, primarily due to sales tax, in the long term the city is planning for continued modest growth rates.

With its business-friendly environment, available land and strong infrastructure, the city continues to attract housing and retail development. Major commercial and residential projects, including several Transit Oriented Developments, are currently under construction across the city with anticipated completion dates beginning in 2017. Current projects include The Point at Nine Mile (Parker Road and Peoria Street), the Aurora Metro Center Station (southeast corner of Sable Boulevard and Alameda Avenue), Parkside at City Center (northeast corner of Sable Boulevard and Alameda Avenue), The Forum ~ Fitzsimons (southwest corner of Colfax Avenue and Potomac Street), Stapleton Aurora (north of 25th Avenue from Fulton to Moline streets), housing at Stanley (23rd and Clinton Street), and Iliff Station housing (north of Yale Avenue between Anaheim and Blackhawk streets). The projects encompass a diverse range of development including single-family homes, retail, rental units, hotel, senior living facility as well as parks and open space.

To help ensure that development does not put undue burdens on the city, before any annexation or development is considered, landowners must agree to build or arrange construction of the required infrastructure. These up-front commitments routinely include the construction of water and sewer lines,

roads, bridges, and drainage improvements. In many new developments, infrastructure is funded and constructed by special districts, which are local taxing entities formed by the landowners with the approval of the city. Landowners also must dedicate to the city groundwater rights they own, donate parcels for fire stations and schools, and preserve land for parks and open space.

As with almost all other Colorado cities, sales tax is the city's main revenue source. Aurora's retail is well positioned to capture retail sales as the city has a number of regional retail centers, including some on the city's borders. The city maintains a development related retail specialist position to help support and enhance the retail environment.

Colorado voters legalized marijuana in 2013 and on November 4, 2014, Aurora citizens passed a 2.0% sales tax on retail marijuana products sold in Aurora and a 5.0% excise tax on bulk, wholesale marijuana. City Council has approved a maximum of 24 store licenses with 4 in each City Council Ward. As of December 31, 2016, 19 stores, 10 cultivations, 11 marijuana-infused product manufacturers, and one testing facility are open and operating within the city. In 2016 Aurora received $5.2 million in marijuana tax revenue and projected revenues for 2017 are $6.1 million. Revenues received from marijuana sales are funding construction of a new recreation facility, transportation improvements and programs to help address homelessness issues.

The city continues to make capital investment in its water system to help protect Aurora against drought and meet future water needs. The Prairie Waters system allows Aurora to recapture water it already owns in the South Platte River so that it can be treated in one of the city's three award-winning purification facilities. Prairie Waters, the cornerstone of a water supply plan that will help meet Aurora's needs for decades, has enabled the city to generate third party revenues through a regional water supply project, the Water Infrastructure and Supply Efficiency Partnership (WISE Partnership), by putting Prairie Waters to greater use in times when the full system capacity is not needed by city customers. The WISE Partnership allows regional sharing of water and infrastructure to meet future regional water supply needs. The city's nationally recognized water treatment technology earned the city's Peter D. Binney Purification Facility a Phase IV "Excellence in Water Treatment" designation, making the city's Aurora Water Department the only water provider in the country to have a Phase IV designation at all three treatment facilities. In addition, Aurora Water also received the Platinum Award for Utility Excellence which is based on ten attributes of effective utility management. During 2016, Aurora Water improved its financial position by refunding all of its public debt, which resulted in net present value savings in excess of $68.6 million for water and over $9.2 million for wastewater.

The city is committed to providing its citizens high quality parks and recreation options by continuing to make investment in those areas. Two projects began in 2016 to further that goal. The renovation of the Moorhead Recreation Center will add more gym space, community rooms, enhanced fitness amenities and new locker rooms; the anticipated reopening date is spring 2017. In addition, after an extensive public input process, the city is moving forward on the Aurora Central Recreation Center, located at Tower Road and East Vassar Place. Construction of the new approximately 55,000-square foot building is expected to begin mid-2017 and be completed fall 2018. The Center will feature an aquatics area, gym, elevated walking/jogging track and fitness area along with a teaching kitchen, party rooms, multi-purpose rooms, group exercise rooms, offices and locker rooms.

Aurora has a number of key factors that position it well for future economic growth:

Military Facilities. Buckley Air Force Base, the city's largest employer and home to the 460th Air Base Wing and the Colorado Air National Guard, is an Air Force Space Command base that employs over 12,000 active duty, National Guard, civilian and contractor personnel. Another 6,000 employees – a third of Colorado's aerospace jobs – support Buckley's mission at over 20 aerospace companies including Raytheon, Boeing, Northrop Grumman and Lockheed Martin. Buckley Air Force Base provides support for a wide variety of military and satellite-related activities including maintaining air operations, space-based missile warning capabilities, space surveillance operations, and space communications operations. Buckley Air Force Base serves more than 92,000 active duty, National Guard, Reserve and retired personnel throughout the Front Range community and provides over $900 million annual economic impact.

Metropolitan Area. The United States Office of Management and Budget has delineated the Denver-Aurora-Lakewood Metropolitan Statistical Area as the City and County of Denver, Arapahoe County, Jefferson County, Adams County, Douglas County, the City and County of Broomfield, Elbert County, Park County, Clear Creek County and Gilpin County (the Metropolitan Area). The Metropolitan Area is a major business center both in Colorado and the larger Rocky Mountain Region. Its central location, moderate climate, proximity to natural resources, high quality innovative workforce, low cost of doing business and overall quality of life make the Metropolitan Area an attractive option for a wide variety of businesses and individuals.

Transportation, Infrastructure and Light Rail. Aurora's proximity to Denver International Airport (DIA) and its strong transportation and mobility base provided by I-70, I-225 and E-470 facilitate population growth, and residential and commercial construction activity. A number of transportation projects help fuel this growth including the Regional Transportation District's (RTD) $7.4 billion FasTracks program. FasTracks has brought to Aurora the University of Colorado A Line, a 22.8-mile commuter transit corridor between Denver Union Station and DIA, and the R line, a 10.5-mile light rail line running virtually the length of I-225 with ten stops in the city, including the Peoria Station junction with the University of Colorado A Line. The University of Colorado A Line opened April 2016 and the R line opened February 24, 2017.

The addition of light rail stations and two city-owned parking garages prompted the need to create a new city-managed Parking and Mobility Enterprise System. The system's vision is to manage parking efficiently to provide a safe and positive parking environment for customers, while supporting and strengthening the transit-oriented development areas, the city's urban center and a city goal to make Aurora a great place to locate or expand a business. The city manages the Hyatt Aurora Conference Center's 506-space public parking garage and the recently opened 600-space Iliff Station parking garage, which began operations after the R line opened.

Anschutz Medical Campus and Fitzsimons Innovation Campus. Located on the 578-acre site of the former Fitzsimons Army Medical Center, the Anschutz Medical Campus and the Fitzsimons Innovation Campus are dedicated to bioscience, biotechnology, healthcare, medical education and advanced research – making it the largest academic health center in the Rocky Mountain region and one of the largest in the country. The Anschutz Medical Campus includes education facilities for physicians and other health professionals, and the University of Colorado Hospital and Children's Hospital Colorado, the primary adult and pediatric hospital partners of the University of Colorado School of Medicine. In addition, a new Veteran's Administration Medical Center is currently under construction on the campus. Fitzsimons Innovation Campus, recognized internationally for its medical research, offers opportunities to research and development companies from small start-ups to established industry leaders. While not expected to directly provide major new revenue to the city budget due to its tax exempt and incentivized development, the campus is a major economic engine for the city and surrounding area. With over 21,000 employees on the campus (anticipated to increase to 41,000 jobs at build-out), the impact to the state's economy is over $5.4 billion annually.

Urban Renewal. The Aurora City Council and the Aurora Urban Renewal Authority (AURA) Board of Directors have common membership and actively work with the development community to eliminate blight and stimulate development and investment in the city's 15 urban renewal areas (URAs). Additionally, AURA's efforts are guided by the goals and objectives identified in the urban renewal plan adopted for each URA. Urban renewal and associated tax increment financing (TIF) areas have been major factors in important developments within each of the city's urban renewal areas. Examples of these efforts include activity within the Fitzsimons Boundary Area II, the Aurora Conference Center, the Westerly Creek Village and the Nine Mile Station Urban Renewal Areas.

To stimulate future development in the area south of Colfax Avenue across from the Anschutz Medical Campus, the City Council created the Fitzsimons Boundary Area II Urban Renewal Area. On this site, the city and Corporex Colorado, LLC constructed a 242-room Hyatt hotel, a 30,000-square foot conference center and a 506-space parking structure which opened in April 2016. The hotel is privately owned and the city owns the conference center and parking structure. AURA financed the conference center and parking structure through a bank loan, which will be paid back with tax increment proceeds. In addition, AURA has negotiated with a private developer, Catalina Development Co., for a 397-unit,

upscale midrise residential mixed use project with first floor retail/commercial space at the corner of East Colfax Avenue and Potomac Street called The Forum ~ Fitzsimons. This project, set to be completed mid-2018, will be the city's first true transit oriented development.

The $824 million Gaylord Rockies Resort and Conference Center, which broke ground late 2015, will enhance the economic vitality of the city by adding $273 million to Colorado's economy and over 450,000 new visitors to the metro area annually. The much anticipated hotel and conference center is beginning to emerge near DIA. The project will cover 1.9 million square feet and will have over 1,500 hotel rooms and 485,000 square feet of meeting and convention space. The resort will include a year-round indoor/outdoor Rocky Mountain waterpark experience for hotel guests. The project will bring over 10,000 construction jobs to Aurora and over 2,500 permanent jobs once open. When it opens in late 2018, the Gaylord will be the largest hotel in Colorado. As of December 31, 2016 over 399,000 room nights have been reserved through the year 2028 with 82 percent new to Colorado.

The Westerly Creek Village Urban Renewal Area is a recipient of an Environmental Protection Agency Brownfields Area-Wide Planning Pilot Program grant. The city initiated a community visioning process to create a noteworthy place to live, shop and dine and features Stapleton Aurora, a master planned residential community, and the Stanley Marketplace. The Stanley Marketplace, which opened December 2016 at 25th and Dallas streets, is a food-centric community-inspired 100,000 square foot marketplace in the former 22-acre Stanley Aviation campus. Once build out is completed in 2017, the project will feature 50 retail tenants ranging from bars and breweries to restaurants and shops. Zagat named the Stanley Marketplace one of the nation's 15 most anticipated restaurant openings in 2016.

The City Council created the Nine Mile Station Urban Renewal Area to stimulate the redevelopment of the 21.5-acre site formerly known as Regatta Plaza. Demolition work began in mid-2016 and, upon completion, the multi-phased mixed use transit-oriented development, known now as The Point at Nine Mile Station, will feature more than 500 units of residential, 100,000 square feet of retail space and up to 250,000 square feet of commercial space.

OTHER INFORMATION

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its comprehensive annual financial report for the year ended December 31, 2015. The Certificate of Achievement is a prestigious national award, which recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. The city has received the certificate for thirty consecutive years. We believe that our current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement program and we are submitting it to the GFOA.

Acknowledgments – The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the staff of the Finance Department and of other city departmental staff who contributed information in the report. Finally, we wish to thank the Mayor and City Council for their continued support.

Respectfully submitted,

George K. Noe
City Manager

Terri Velasquez
Finance Director

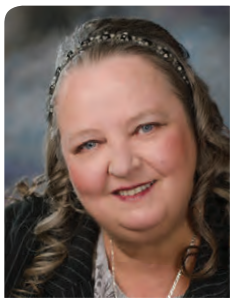
Aurora's Vision Statement

Aurora will be the best city in Colorado and an innovative leader in the region by:

- Creating great neighborhoods
- Emphasizing public safety and quality services
- Encouraging a high-quality and high-wage economic environment
- Supporting recreational, cultural, educational and community activities for our citizens

2016 Aurora City Council

Steve Hogan
Mayor



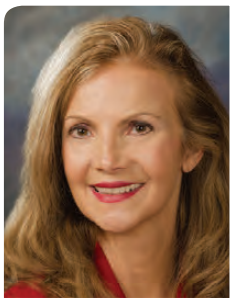
Renie Peterson, Ward II
(Mayor Pro-Tem)

Sally Mounier
Ward I

Marsha Berzins
Ward III

Charlie Richardson
Ward IV

Bob Roth
Ward V



Françoise Bergan
Ward VI

Barbara Cleland
At-Large

Angela Lawson
At-Large

Bob LeGare
At-Large

Brad Pierce
At-Large

Worth Discovering
auroragov.org

303.739.7015

Management Officials

City of Aurora, Colorado as of December 31, 2016

City Manager's Office

George K. Noe, City Manager (appointed by City Council)	Since 2010
Nancy Freed, Deputy City Manager – Operations	Since 1995
Michelle Wolfe, Deputy City Manager – Public Safety	Since 2008
Jason Batchelor - Deputy City Manager - Development	Since 2015
Janice Napper, Assistant City Manager	Since 1998
Roberto Venegas, Assistant City Manager	Since 2013

Council Appointees

Zelda DeBoyes, Municipal Court Administrator	Since 1992
Mike Hyman, City Attorney	Since 2014
Shawn Day, Presiding Judge	Since 2016

Commission Appointees

Matt Cain, Civil Service Administrator	Since 2009

Department Directors

Marshall Brown, Aurora Water	Since 2012
Kim Stuart, Communications	Since 2000
Terri Velasquez, Finance	Since 2015
Caine Hills, Interim Fire	Since 2016
Aleta Jeffress, Information Technology	Since 2015
Dan Quillen, Internal Services	Since 2012
Patti Bateman, Library & Cultural Services	Since 2009
Malcolm Hankins, Neighborhood Services	Since 2016
Tom Barrett, Parks, Recreation & Open Space	Since 2008
George Adams, Planning & Development Services	Since 2016
Nicholas Metz, Police Chief	Since 2015
Dave Chambers, Public Works	Since 2006
Shelley McKittrick, Homelessness Program	Since 2016

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Aurora

Colorado

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

About the Certificate of Achievement for Excellence in Financial Reporting

For over a century, the Government Finance Officers Association of the United States and Canada (GFOA) has been dedicated to enhancing the professional management of governments for the public benefit. The GFOA's Certificate of Achievement for Excellence in Financial Reporting Program has been promoting the preparation of high quality financial reports since 1945. More than 4,200 governments of all levels (state and local), types (general-purpose and special-purpose), and sizes were awarded the Certificate of Achievement for fiscal years ended in 2015. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year.

The City of Aurora has received the Certificate for the last thirty consecutive years, including this most recent year, 2015 and for forty years in total, currently the highest number of certificates for any governmental entity in the State of Colorado. We believe that this, our 2016 comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement Program and are submitting it to the GFOA for its consideration.

CITY OF AURORA ORGANIZATIONAL STRUCTURE

December 2016

Financial Section Divider

BKD LLP
CPAs & Advisors

1801 California Street, Suite 2900 // Denver, CO 80202-2606
303.861.4545 // fax 303.832.5705 // bkd.com

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Aurora, Colorado
Aurora, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Aurora, Colorado (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of the Havana Business Improvement District (BID), the discretely presented component unit of the City. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for BID, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and other postemployment benefits information as listed in the table of contents 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 City's basic financial statements. The combining and individual fund statements and schedules, local highway finance report, introductory, statistical, and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the local highway finance report (supplementary information) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and Members of City Council
City of Aurora, Colorado

The introductory, statistical, and other schedules 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.

BKD, LLP

Denver, Colorado
June 6, 2017

AURORA

Management of the city of Aurora, Colorado (the city) offers readers of the city's financial statements this overview and analysis of the basic financial statements of the city as of and for the year ended December 31, 2016. Readers should consider the information presented in this discussion and analysis in conjunction with additional information furnished in our letter of transmittal, which can be found on pages *i-v* of this report, and the city's financial statements, which begin on page 1.

Financial Highlights

Financial highlights are presented in this discussion and analysis to help with the assessment of the city's financial activities.

- The city's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources at the end of 2016 by $4.6 billion (*net position*). Of this amount, $285.7 million, or 6.2%, was unrestricted and may be used to meet the city's ongoing obligations.
- Citywide net position increased $250.5 million in 2016.
- At December 31, 2016, the city's governmental funds reported combined ending fund balances of $238.3 million, an increase of $26.7 million from the prior year. Approximately 66.4% of the fund balance is not restricted and is available for spending at the government's discretion. The fund balance, exclusive of restricted fund balance, is classified as follows: $44.1 million committed, $94.1 million assigned and $20.1 million unassigned.
- The city's General Fund total revenues were over budget $3.8 million and total expenditures were under budget by $6.3 million during 2016.
- Capital improvement and capital outlay activity increased $223.3 million during 2016.
- The city's total bonded and certificate of participation debt decreased $34.3 million during the year.

Overview of the Basic Financial Statements

The basic financial statements consist of a) citywide financial statements, b) fund financial statements and c) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Citywide Financial Statements - The citywide financial statements are designed to provide readers with a broad longer-term overview of the city's finances. While these statements assist in evaluating finances of the city in its entirety, city council and investors refer to the fund financial statements to make spending and borrowing decisions as the availability of resources is controlled at the fund level. The citywide statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. Certain interfund activities, including interfund balances, transfers, and internal billings, are eliminated in the aggregation of data for the citywide statements. The citywide statements include not only the city itself, but also legally separate component units, entities for which the city is financially accountable. Accordingly, the citywide statements are divided into two groups, the "primary government" and "component units" (discretely presented). The primary government includes all activities of the city (including blended component units) except fiduciary funds. Fiduciary funds are not included in these statements because resources of these funds are not available to support city programs.

Activities of the primary government are aggregated into two activity types: governmental and business-type.

Governmental Activities reflect the basic services of the city including: judicial, police, fire, public safety communications, public works (streets), culture and recreation (parks, libraries, recreation services), economic development, community services and general government (administration and other activities). Governmental activities are primarily supported by taxes. Activities of the internal service funds are included in the governmental activities as services provided by these funds predominantly benefit governmental activities.

Business-type Activities include functions that are intended to recover all or a significant portion of their costs through user fees and charges. Business-type activities of the city include water, wastewater and golf course operations.

The citywide financial statements consist of a statement of net position and a statement of activities. These statements can be found on pages 1 through 3 of this report.

The *Statement of Net Position* presents information about the city's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases

or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The *Statement of Activities* provides information showing how the city's net position changed during the year. The statement of activities is in a format that presents expenses, revenues and net revenues by "function", a broad grouping of services provided to citizens. The format of this statement shows the extent to which a function is self-financing through user fees and other function-related revenues or if it is supported through taxes and other general revenues of the city.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that are segregated by external and internally adopted laws and agreements for specific activities or objectives. The city uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the city can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds account for essentially the same functions reported as governmental activities in the citywide financial statements. Unlike the citywide statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of resources available at year-end. The governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the city's programs. Because the fund financial statements do not encompass the long-term focus of the citywide statements, additional information is provided that reconciles the governmental fund financial statements to the citywide statements and explains the differences between them. The city has two major governmental funds: the General Fund and Aurora Capital Leasing Corporation (ACLC) Capital Projects Fund. The governmental fund financial statements can be found on pages 5 through 8 of this report.

The city maintains two types of *proprietary funds*: enterprise and internal service. Enterprise funds report the same functions as presented in the business-type activities on the citywide statements. The city has two major proprietary funds: the Water Fund and the Wastewater Fund. The Golf Fund is not a major fund but is presented in a separate column because it is the only nonmajor proprietary fund. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the city's various functions. The city uses internal service funds to account for fleet maintenance and risk management. Because these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the citywide financial statements. The proprietary fund financial statements can be found on pages 10 through 15 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the city. Fiduciary funds are not reflected in the citywide financial statements because the resources of these funds are not available to support city programs. The fiduciary fund financial statements can be found on pages 17 and 18 of this report.

The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the citywide and the fund financial statements. The notes to the basic financial statements begin on page 19 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* highlighting various information for the city's defined benefit pension plans, funding progress for other postemployment benefits and a comparison of the General Fund's original and final budget to actual budgetary revenue and expenditures. Required supplementary information begins on page 83 of this report.

Citywide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the city, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $4.6 billion at the close of the fiscal year as shown in Chart 1.

The largest portion of the city's net position, $4.2 billion reflects its investment in capital assets less the outstanding portion of the debt that was issued to acquire or construct those assets. The city uses these capital assets to provide services to citizens; consequently, these amounts are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Citywide Net Position December 31, 2016 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2016	2015	Change	%	2016	2015	Change	%	2016	2015	Change	%
Current and other assets	$ 322,028	$ 301,788	$ 20,240	6.7	$ 240,968	$ 258,172	$ (17,204)	(6.7)	$ 562,996	$ 559,960	$ 3,036	0.5
Capital assets, net	2,753,870	2,615,878	137,992	5.3	2,169,046	2,083,718	85,328	4.1	4,922,916	4,699,596	223,320	4.8
Total Assets	3,075,898	2,917,666	158,232	5.4	2,410,014	2,341,890	68,124	2.9	5,485,912	5,259,556	226,356	4.3
Deferred outflows of resources	53,425	21,683	31,742	146.4	19,722	2,112	17,610	833.8	73,147	23,795	49,352	207.4
Current and other liabilities	21,615	23,157	(1,542)	(6.7)	28,142	36,391	(8,249)	(22.7)	49,757	59,548	(9,791)	(16.4)
Noncurrent liabilities	332,316	278,390	53,926	19.4	560,681	582,921	(22,240)	(3.8)	892,997	861,311	31,686	3.7
Total Liabilities	353,931	301,547	52,384	17.4	588,823	619,312	(30,489)	(4.9)	942,754	920,859	21,895	2.4
Deferred inflows of resources	38,079	35,426	2,653	7.5	685	-	685	-	38,764	35,426	3,338	9.4
Net Position:												
Net investment in capital assets	2,590,529	2,461,112	129,417	5.3	1,629,251	1,539,226	90,025	5.8	4,219,780	4,000,338	219,442	5.5
Restricted	68,113	69,047	(934)	(1.4)	3,965	5,587	(1,622)	(29.0)	72,078	74,634	(2,556)	(3.4)
Unrestricted	78,671	72,216	6,455	8.9	207,012	179,878	27,134	15.1	285,683	252,094	33,589	13.3
Total net position	$ 2,737,313	$ 2,602,375	$ 134,938	5.2	$ 1,840,228	$ 1,724,691	$ 115,537	6.7	$ 4,577,541	$ 4,327,066	$ 250,475	5.8

Chart 1

As shown in Chart 1, total restricted net position at the end of 2016 was $72.1 million. This amount represents net resources where use is constrained by external requirements dictating how the funds are to be used. Restrictions result from grant requirements, legislation, agreements, or other requirements of the specific revenue source. The remaining net position of $285.7 million is unrestricted. While there were no outside restrictions on these funds, city policies and budget plans limit the use of these amounts. Policy and budget plan limitations include: council policy reserve, enhanced development review program, commitment of surcharges to fund certain public safety programs, payment of long-term liabilities, and project-length appropriations.

Governmental activities net position increased $134.9 million. Contributing to the increase in total net position is the increase in net investment in capital assets of $129.4 million that is primarily a result of increases in capital assets offset by an increase in noncurrent liabilities due to debt issuances to fund a portion of the projects undertaken. The remaining portion of the increase in noncurrent liabilities is the recording of the change in the net pension liability in 2016 as required by Governmental Accounting Standard Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27* (GASB 68). The increase in capital assets of $138.0 million included the addition of developer contributed roads, which increased due to continued development in the city, as well as construction either completed or in progress including the renovation of the Moorhead Recreation Center, installation of an enhanced E-911 system, projects associated with the opening of the FasTracks R line, renovation of the People's Building, and other parks and open space improvements as well as road related projects.

Business-type activities net position increased $115.5 million. Noncurrent liabilities decreased $22.2 million as a result of the refinancing of the Water Fund's Series 2007A and 2008A first lien water revenue bonds and the 2007 Colorado Water Conservation Board note and the Wastewater Fund's 2006 revenue bonds. The decrease in noncurrent liabilities corresponds to the decrease in current and other assets. This debt refinancing was scheduled and used cash balances previously restricted as debt service reserve funds for the 2006, 2007A and 2008A revenue bonds. The decrease in noncurrent liabilities was partially offset by the recording of the change in the net pension liability in 2016 as required by GASB 68. Capital assets increased $85.3 million resulting from water rights and land purchases, water and sewer contributed mains and construction either completed or in progress for various water and sewer improvement projects including the Wemlinger and Binney water purification facilities, the Alameda Avenue storm drainage improvements, the Baranmor ditch improvement project and other water and sewer improvement projects including the construction of new reservoirs. These increases were partially offset by accumulated depreciation. The net investment in capital assets increase corresponds to the increase in capital assets and the portion of the decrease in noncurrent liabilities related to its debt.

Citywide Changes in Net Position Year Ended December 31, 2016 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2016	2015	Change	%	2016	2015	Change	%	2016	2015	Change	%
REVENUES:												
Program Revenues:												
Charges for services	$ 47,146	$ 46,607	$ 539	1.2	$ 184,262	$ 168,301	$ 15,961	9.5	$ 231,408	$ 214,908	$ 16,500	7.7
Operating grants and contributions	24,739	25,194	(455)	(1.8)	2,007	5,554	(3,547)	(63.9)	26,746	30,748	(4,002)	(13.0)
Capital grants and contributions	163,859	74,912	88,947	118.7	101,925	44,549	57,376	128.8	265,784	119,461	146,323	122.5
General Revenues:												
Taxes												
Sales and use	227,715	211,786	15,929	7.5	-	-	-	-	227,715	211,786	15,929	7.5
Property	36,087	30,271	5,816	19.2	-	-	-	-	36,087	30,271	5,816	19.2
Other	33,737	32,961	776	2.4	-	-	-	-	33,737	32,961	776	2.4
Grants and contributions not restricted to specific programs	891	1,071	(180)	(16.8)	-	-	-	-	891	1,071	(180)	(16.8)
Gain on sale of capital assets	553	-	553	-	-	-	-	-	553	-	553	-
Unrestricted investment earnings	1,679	1,906	(227)	(11.9)	1,067	1,748	(681)	(39.0)	2,746	3,654	(908)	(24.8)
Total revenues	536,406	424,708	111,698	26.3	289,261	220,152	69,109	31.4	825,667	644,860	180,807	28.0
EXPENSES:												
General government	30,195	28,312	1,883	6.7	-	-	-	-	30,195	28,312	1,883	6.7
Judicial	10,666	9,862	804	8.2	-	-	-	-	10,666	9,862	804	8.2
Police	115,356	101,214	14,142	14.0	-	-	-	-	115,356	101,214	14,142	14.0
Fire	55,312	43,163	12,149	28.1	-	-	-	-	55,312	43,163	12,149	28.1
Other public safety	15,877	13,977	1,900	13.6	-	-	-	-	15,877	13,977	1,900	13.6
Public works	77,895	74,913	2,982	4.0	-	-	-	-	77,895	74,913	2,982	4.0
Economic development	29,700	25,605	4,095	16.0	-	-	-	-	29,700	25,605	4,095	16.0
Community services	13,847	11,336	2,511	22.2	-	-	-	-	13,847	11,336	2,511	22.2
Culture and recreation	43,545	39,979	3,566	8.9	-	-	-	-	43,545	39,979	3,566	8.9
Unallocated depreciation	1,966	3,940	(1,974)	(50.1)	-	-	-	-	1,966	3,940	(1,974)	(50.1)
Interest on debt	6,909	6,274	635	10.1	-	-	-	-	6,909	6,274	635	10.1
Water	-	-	-	-	107,248	105,058	2,190	2.1	107,248	105,058	2,190	2.1
Wastewater	-	-	-	-	58,212	56,644	1,568	2.8	58,212	56,644	1,568	2.8
Golf	-	-	-	-	8,464	8,292	172	2.1	8,464	8,292	172	2.1
Total expenses	401,268	358,575	42,693	11.9	173,924	169,994	3,930	2.3	575,192	528,569	46,623	8.8
Increase in net position before transfers	135,138	66,133	69,005	104.3	115,337	50,158	65,179	129.9	250,475	116,291	134,184	115.4
Transfers	(200)	(555)	355	(64.0)	200	555	(355)	(64.0)	-	-	-	-
Increase in net position	134,938	65,578	69,360	105.8	115,537	50,713	64,824	127.8	250,475	116,291	134,184	115.4
Net position January 1	2,602,375	2,536,797	65,578	2.6	1,724,691	1,673,978	50,713	3.0	4,327,066	4,210,775	116,291	2.8
Net position December 31	$ 2,737,313	$ 2,602,375	$ 134,938	5.2	$ 1,840,228	$ 1,724,691	$ 115,537	6.7	$ 4,577,541	$ 4,327,066	$ 250,475	5.8

Chart 2

Expenses Financed through Program Revenues – Governmental Activities

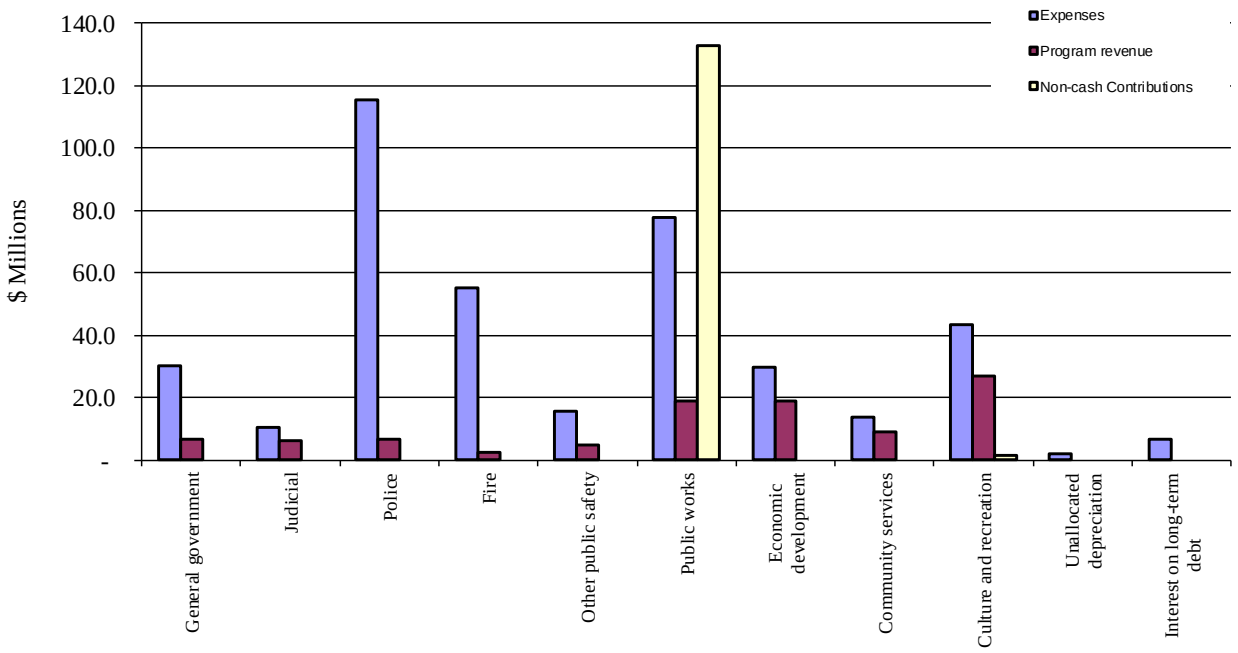


Chart 3

Revenues by Source – Governmental Activities

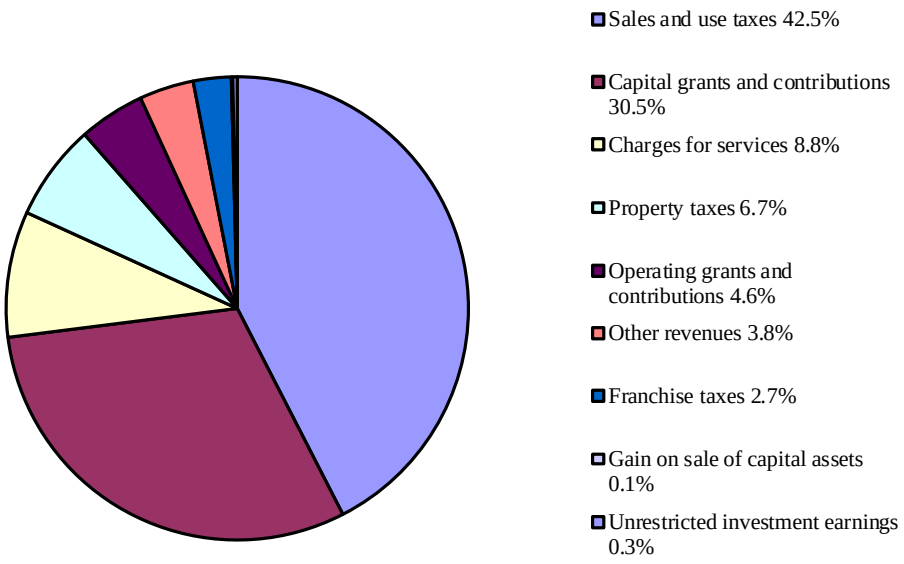


Chart 4

Refer to Chart 2 for changes in net position. Charts 3 and 4 graphically illustrate information concerning governmental activities revenues and expenses while Charts 5 and 6 graphically illustrate information concerning business-type activities revenues and expenses.

Governmental activities changes in net position
Total revenues increased $111.7 million or 26.3%. Capital grants and contributions increased $88.9 million primarily due to an increase in developer contributions in the form of donated roads. Sales and use tax increased $15.9 million due to the continued growth in the economy while property tax increased $5.8 million as a result of higher 2016 taxable assessed property valuations.

Total governmental activities expenses increased $42.7 million or 11.9%. Police and Fire increased $14.1 and $12.1 million respectively. The primary driver of this increase was the recognition of pension expense as required by GASB 68. Additional increases were incurred to meet staffing needs including overtime. Economic development expense increased $4.1 million as development incentive payments increased in urban renewal areas in the city and the city addressed increased demand in plan reviews and inspection activity due to new development and construction within the city. Cultural and recreation increased $3.6 million as a result of multiple projects focused on neighborhood parks and recreation facilities, increased utilization of the newly expanded Sports Park and the addition of the Ward IV computer lab and median pilot program.

Business-type activities changes in net position
Total revenues for business-type activities increased $69.1 million or 31.4%. Capital grants and contributions increased $57.4 million as the continued development within the city increased tap fees collected for future developments as well as water and sewer mains contributed by developers in 2016 for completed developments. Charges for services increased $16.0 million due to increased water usage during the year, increased raw water sales and a $2.9 million payment from the Roxborough Water and Sanitation District for the Northwest Douglas County Water Project for connection fees. This increase was partially offset by a decrease in operating grants and contributions of $3.5 million as several significant projects, such as the Westerly Creek bridge and channel improvement project, were completed in 2015 with no similar projects undertaken in 2016.

Total business-type activities expenses increased $3.9 million or 2.3%. Water operating expenses increased $2.2 million primarily due to general increases in many expense categories including pension expense as required to be recorded by GASB 68, debt issuance costs and underwriter's fees associated with the refinancing of Water Fund debt and payment of newly established development incentives. This increase was partially offset

by the decrease in interest expense incurred for the year as a result of the refinancing. Wastewater operating expenses increased $1.6 million due to general increases in many expense categories including personnel services, pension expense as required to be recorded by GASB 68 and debt issuance costs and underwriter's fees associated with the refinancing of the Wastewater Fund debt. This increase was partially offset by the decrease in interest expense incurred for the year as a result of the refinancing.

Expenses and Charges for Services – Business-type Activities

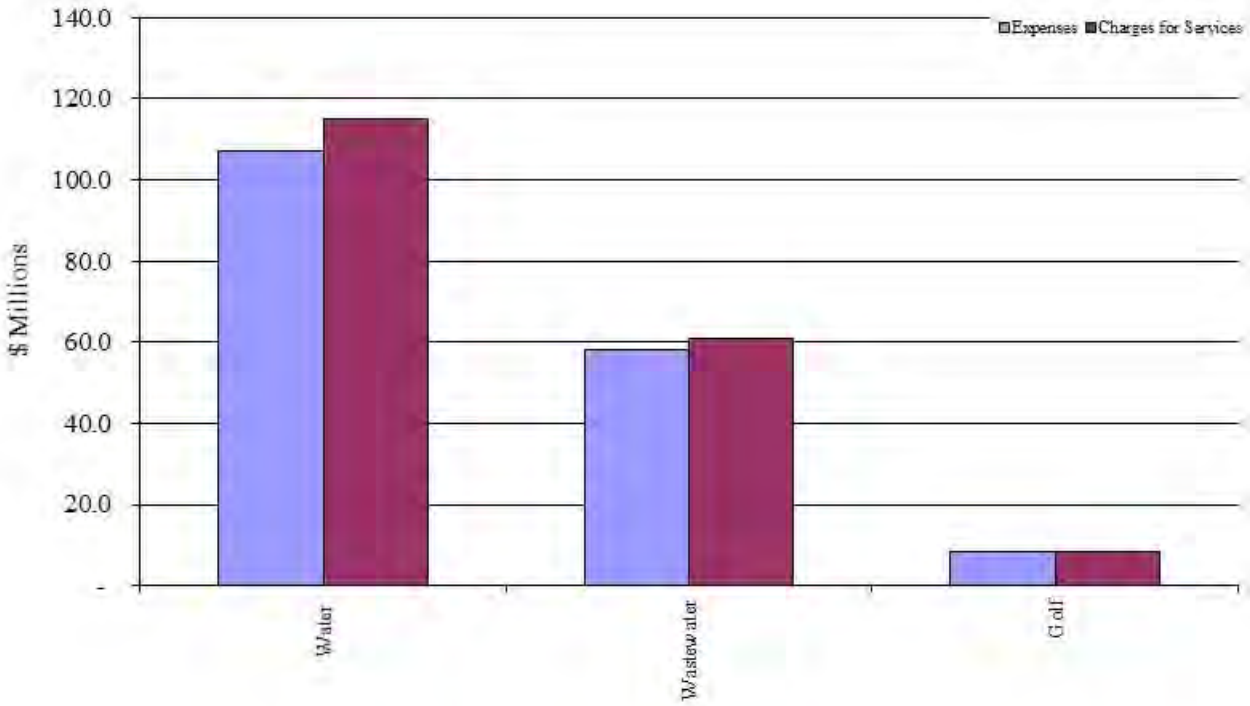


Chart 5

Revenues by Source – Business-type Activities

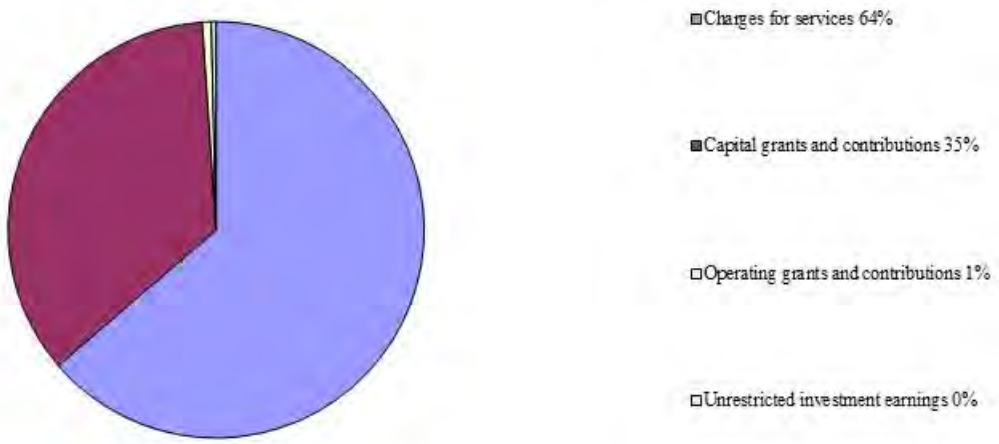


Chart 6

Financial Analysis of the Government's Funds

General Fund

The General Fund is the main operating fund of the city. At the end of 2016, total fund balance for the General Fund was $94.5 million. This amount includes: $3.0 million restricted fund balance comprised primarily of the $2.1 million moral obligation pledge on a Aurora Urban Renewal Authority revenue note's debt service reserve fund; $31.4 million committed fund balance comprised mainly of the $26.0 million 10% policy reserve; $40.0 million assigned fund balance comprised primarily of $26.1 million assigned to payment of long-term liabilities; and $20.1 million for the unassigned fund balance operating reserve.

All of the unassigned General Fund fund balance is maintained as the "unassigned fund balance Operating Reserve". The Operating Reserve has a minimum target policy range of 1% to 3% of annual budgetary revenues and is intended to be spendable in limited circumstances as determined appropriate and necessary by City Council. City policy provides for restoring the Operating Reserve to those levels as quickly as feasible. The General Fund unassigned fund balance Operating Reserve was $20.1 million at December 31, 2016 and $26.8 million at December 31, 2015. The Operating Reserve is 6.3% of 2016 annual budgetary revenues or $10.5 million above the 3% minimum target range specified by Council. Total General Fund funds available was 17.2% of total General Fund budgetary revenues in 2016, compared to 19.7% in 2015.

It is the city's policy to hold a minimum 10% of the General Fund's adjusted budgetary operating expenditures for the year in the General Fund committed reserves. General Fund adjusted budgetary operating expenditures, for purposes of calculating this 10% Policy Reserve, exclude capital and development related expenditures and expenditures related to funding two police officers per 1,000 citizens, which are funded with voter approved sales and use taxes. At the end of 2016, the 10% Policy Reserve balance meets the minimum 10% policy. The total of the General Fund's 10% Policy Reserve balance committed to reserves and the "Taxpayer Bill of Rights" (TABOR) Reserve balance restricted for emergencies was10.2% of the General Fund's 2016 adjusted budgetary operating expenditures.

The TABOR Reserve is restricted for emergencies for fund balance purposes. This balance accounts for the emergency reserve required by TABOR, a State constitutional amendment (Note 20). TABOR specifies that local governments are permitted to use reserve funds for emergencies with the requirement that the reserve funds be restored to 3% of fiscal year spending in the following fiscal year. The city management believes it is in compliance with the provisions of the TABOR amendment at December 31, 2016.

General Fund Budgetary Highlights

General Fund revenues for 2016 were greater than budget by $3.8 million primarily due to growth in sales and use tax revenue resulting from the continued moderate growth in the economy. Other tax revenues were impacted similarly.

Moderate revenue growth occurred in the city for 2016. For 2016, General Fund revenue, net of transfers, increased 5.7% on a budgetary basis (6.0% per GAAP basis), above the growth experienced in 2015. The combination of sales and use tax is the most significant source of revenue, generating 66.5% of the total General Fund GAAP revenue, net of transfers. Property tax represents an important secondary general revenue source. Property tax collections were 9.6% of the total General Fund budgetary and 9.3% of GAAP revenues, net of transfers, in 2016.

General Fund expenditures were $6.3 million under budget primarily from vacancy savings and lower utility costs which were partially offset by overages in operating supplies and debt/equipment purchases. Ending 2016 funds available were $9.1 million higher than original budget and $10.1 million higher than the final budget. The city expects to maintain its financial condition through continued control over the growth of city expenditures and through evaluation of options for enhancing revenues.

A review of actual expenditures compared to appropriations, as well as original budgets compared to final budgets, yielded no significant increases or decreases with one exception. The original budget for non-departmental was $66,474,776 while the final budget increased to $71,189,946; actual expenditures were $70,519,369. The increase in budget was mainly attributable to supplemental appropriations for security enhancements at police district stations and an additional transfer to the Capital Projects Fund to account for capital-related revenue received in 2016 over the original budget amount.

Capital Assets and Debt Administration

Capital Assets

The city's capital assets for its governmental and business-type activities as of December 31, 2016 were valued at $4.9 billion (net of accumulated depreciation) and include: land and water rights, buildings and improvements, infrastructure, machinery and equipment and construction in progress. The city uses these assets to provide services to its citizens. Additional information on the city's capital assets can be found in the notes to the basic financial statements (Note 7).

Comparative Schedule of Capital Assets - net of accumulated depreciation December 31, 2016 and 2015 (in thousands)

	Governmental Activities			Business-type Activities			Citywide Totals		
	2016	2015	Change	2016	2015	Change	2016	2015	Change
Land and water rights	$ 296,032	$ 278,961	$ 17,071	$ 414,915	$ 399,983	$ 14,932	$ 710,947	$ 678,944	$ 32,003
Buildings and improvements	168,882	132,915	35,967	426,696	439,455	(12,759)	595,578	572,370	23,208
Infrastructure	2,209,340	2,091,084	118,256	1,170,440	1,067,762	102,678	3,379,780	3,158,846	220,934
Machinery and equipment	40,263	36,238	4,025	61,868	65,582	(3,714)	102,131	101,820	311
Construction in progress	39,353	76,680	(37,327)	95,127	110,936	(15,809)	134,480	187,616	(53,136)
Totals	$ 2,753,870	$ 2,615,878	$137,992	$ 2,169,046	$ 2,083,718	$ 85,328	$ 4,922,916	$ 4,699,596	$ 223,320

Chart 7

Major capital asset activity for the year ended December 31, 2016 included the following:

Governmental Activities Capital Assets

- Land and water rights increased primarily as a result of the value of the land under 2016 developer contributed roads of $8.2 million and commercial easements valued at $6.3 million. Additional land purchases and easements contributed to the remainder of the increase.
- Buildings and improvements increased $36.0 million primarily as a result of two significant projects that were completed in 2016 and transferred from construction in progress: $25.6 million for the public safety training facility and $14.1 million for the Hyatt Aurora conference center. This increase was partially offset by the current year additions to accumulated depreciation of $5.9 million.
- Infrastructure increased as a result of numerous projects and improvements undertaken across the city. The most significant items included the addition of $118.3 million for developer contributed roads and $40.4 million of completed projects transferred from construction in progress. These projects included $13.8 million for street overlays, $10.8 million for the completed Iliff parking garage and station and $8.8 million for the completed Hyatt Aurora parking garage. Other parks and open space improvements, as well as road and alley paving projects, totaling $7.0 million were also completed in 2016. This increase was partially offset by the current year additions to accumulated depreciation of $40.4 million.
- Construction in progress decreased overall $37.3 million in 2016 as the completed projects of $83.6 million that were transferred to other asset categories including machinery and equipment, buildings and infrastructure exceeded the current 2016 project costs of $46.3 million. The significant 2016 project costs included $13.9 million for street overlays, $7.6 million for the Moorhead Recreation Center renovation, $4.1 million for the public safety training facility, $2.5 million for the E-911 system upgrades, $2.4 million for projects related to light rail, $2.3 million for the Hyatt Aurora conference center, $1.5 million for the People's Building renovation project, and $1.4 million for the Iliff parking garage and station. In addition, other parks and open space projects, as well as numerous other projects across the city, totaling $10.6 million, also incurred project costs in 2016.

Business-type Activities Capital Assets

- The purchase of $4.3 million in Godfrey water rights, $4.3 million for the Everest water pits, $2.0 million for the First Creek detention pond, $2.0 million for the Hartsel Springs ranch and $2.4 million in other water rights purchases accounted for the majority of land and water rights increases in 2016.
- The buildings and improvements decrease is the result of additions to accumulated depreciation.
- Infrastructure increased mainly due to transfers from construction in progress for various projects including $42.7 million for the LSP Everist storage project, $8.7 million for Westerly Creek bridge and channel improvements, $3.1 million for Cherry Creek at Arapahoe Road drainage improvements, $1.9 million for the Aurora Reservoir aeration project, $1.7 million for raw water rehabilitation, $1.6 million for annual sewer

rehabilitation, and $8.7 million for various other water and sewer improvements. Also, water and sewer mains valued at $55.3 million were contributed from developers. Infrastructure decreased $21.0 million through additions to accumulated depreciation.

- Construction in progress decreased overall $15.8 million in 2016 as completed projects of $68.6 million that were transferred to other asset categories and disposals of $0.5 million exceeded the current 2016 project costs of $53.3 million. The significant 2016 project costs included $11.2 for Binney water purification facility improvements, $5.1 for Baranmor ditch improvements, $4.1 million for Alameda Avenue drainage system improvements, $2.8 million for Wemlinger water purification facility improvements, $2.2 million for the LSP Everist storage project, $1.7 million for the Rampart appurtenance project, $1.7 million for raw water rehabilitation, $1.6 million for Box Creek reservoir project and $22.9 million for various other water and sewer improvements.

Debt Administration

At the end of 2016, the city had total bonded debt of $469.3 million and $123.3 million in certificates of participation (COPs). COPs are issued for particular projects and are repaid from lease payments made by the city for use of the acquired property. Aurora Capital Leasing Corporation (ACLC), a blended component unit, issues the COPs. Outstanding debt by activity at December 31, 2016, and 2015 was as follows:

Comparative Schedule of Outstanding Debt December 31, 2016 and 2015 (in thousands)

	Primary Government								
	Governmental Activities			Business-type Activities			Citywide Totals		
	2016	2015	Change	2016	2015	Change	2016	2015	Change
General Obligation Bonds	$ 3,386	$ 3,549	$ (163)	$ -	$ -	$ -	$ 3,386	$ 3,549	$ (163)
Revenue Bonds	-	-	-	465,925	493,785	(27,860)	465,925	493,785	(27,860)
Total Bonded Debt	3,386	3,549	(163)	465,925	493,785	(27,860)	469,311	497,334	(28,023)
Certificates of Participation	123,285	129,515	(6,230)	-	-	-	123,285	129,515	(6,230)
Totals	$ 126,671	$ 133,064	$ (6,393)	$ 465,925	$ 493,785	$ (27,860)	$ 592,596	$ 626,849	$ (34,253)

Chart 8

Citywide net bonded and COP debt decreased $34.3 million during 2016. Besides scheduled principal payments of $0.2 million in bonded debt payments and $6.2 million in COP payments, the city refinanced the Water Fund's 2007A ($421.5 million) and 2008A ($40.0 million) First Lien Water revenue bonds and the Wastewater Fund's 2006 ($32.3 million) revenue bonds. The Water Fund's 2016 Series First Lien Water refunding revenue bonds ($437.0 million) and the Wastewater Fund's 2016 Series First Lien Sewer refunding revenue bonds ($28.9 million) were issued in August, 2016, and November, 2016, respectively. Both were scheduled refinancings and will result in significant savings along with improved debt coverage ratios.

The city's most recent debt ratings for revenue bonds were AA+ by both Standard & Poor's and Fitch Ratings for the Series 2016A First Lien Water Improvement Revenue Refunding Bonds. Prior to the refunding, and during their normal surveillance, the city's Wastewater Fund's 2006 revenue bonds were upgraded to AAA by Fitch Ratings in July, 2016. The most recent debt ratings for Certificates of Participation were Aa2 by Moody's Investors Service, AA by Standard & Poor's and AA- by Fitch Ratings.

The City Charter imposes a limit upon general obligation debt (other than debt issued for water purposes) of 3% of the assessed value of property subject to city general property tax. Additional information on the city's legal debt margin can be found in the Statistical Section of this report, Exhibit A-16, and additional information on the city's debt can be found in the notes to the basic financial statements (Note 8).

Economic Factors and Rate Increases

- For 2016, the average annual local unemployment rate for Denver-Aurora-Lakewood was at 3.1%. This rate compares favorably to the state's average unemployment rate of 3.3% and the national unemployment rate of 4.9%.
- Overall the number of new residential, multi-family and commercial permits issued for the city in 2016 increased 43.0% over last year with an increase in valuation of approximately $213 million (52.0%).
- Water, wastewater, and storm drain user rates will increase 3.0%, 0.0% and $1 per month, respectively, in 2017 to fund operating expenses and system improvement needs.

Requests for Information

This financial report is designed to provide a general overview of the city's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Controller's Office, City of Aurora, Colorado, 15151 East Alameda Parkway, Suite 5700, Aurora, Colorado 80012-1555 or telephone 303-739-7800.

* * * * * * * * *

Citywide Financial Statements

Basic Financial Statements

CITY OF AURORA, COLORADO

CITYWIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government			
	Governmental Activities	**Business-Type Activities**	**Total**	**Component Unit**
ASSETS				
Cash and cash equivalents	$ 24,272,406	$ 33,319,977	$ 57,592,383	$ 165,998
Investments	110,368,787	170,100,469	280,469,256	—
Receivables (net of allowance)				
Taxes receivable	59,982,386	—	59,982,386	351,767
Accounts receivable	1,498,453	15,422,605	16,921,058	5,138
Interest receivable	841,303	752,112	1,593,415	—
Due from other governments	1,338,622	1,404,145	2,742,767	—
Other receivables	221,494	3,600,538	3,822,032	—
Internal balances	(2,101,368)	2,101,368	—	—
Inventories	886,799	209,222	1,096,021	—
Other Asset-Interest Rate Cap	10,034	—	10,034	—
Restricted assets				
Cash and cash equivalents	15,446,845	391,743	15,838,588	—
Investments	70,843,398	7,695,492	78,538,890	—
Taxes receivable	5,764,557	—	5,764,557	—
Accounts receivable	205,838	—	205,838	—
Interest receivable	27,066	—	27,066	—
Due from other governments	4,162,604	—	4,162,604	—
Other receivables	1,099,416	3,590,825	4,690,241	—
Inventories	790,280	—	790,280	—
Asset acquired for resale	20,799,529	—	20,799,529	—
Notes receivable	1,471,450	—	1,471,450	—
Net pension asset	3,976,994	—	3,976,994	—
Notes receivable	120,828	—	120,828	—
Equity in joint venture	—	2,379,317	2,379,317	—
Capital assets (net of accumulated depreciation)				
Land and water rights	296,031,828	414,915,160	710,946,988	—
Buildings and improvements	168,881,629	426,695,429	595,577,058	—
Infrastructure	2,209,340,216	1,170,439,602	3,379,779,818	19,240
Machinery and equipment	40,263,492	61,868,315	102,131,807	7,976
Construction in progress	39,352,980	95,127,271	134,480,251	—
Total assets	3,075,897,866	2,410,013,590	5,485,911,456	550,119
DEFERRED OUTFLOWS OF RESOURCES	53,424,718	19,721,875	73,146,593	—
LIABILITIES				
Accounts payable	17,514,687	13,275,564	30,790,251	7,996
Accrued interest	690,167	7,118,776	7,808,943	—
Other payables	2,569,148	4,131,220	6,700,368	—
Unearned revenues	841,039	3,616,671	4,457,710	—
Noncurrent liabilities				
Due within one year	21,104,207	3,354,327	24,458,534	—
Due beyond one year	311,211,224	557,326,461	868,537,685	—
Total liabilities	353,930,472	588,823,019	942,753,491	7,996
DEFERRED INFLOWS OF RESOURCES	38,079,081	684,772	38,763,853	349,444
NET POSITION				
Net investment in capital assets	2,590,529,374	1,629,250,674	4,219,780,048	27,216
Restricted				
Culture, recreation, and open space	26,196,210	—	26,196,210	—
Development	10,658,960	—	10,658,960	—
Gifts and grants	5,423,860	—	5,423,860	—
Public improvement	8,724,714	3,964,825	12,689,539	—
Emergencies	13,132,527	—	13,132,527	12,432
Pension benefits	3,976,994	—	3,976,994	—
Unrestricted	78,670,392	207,012,175	285,682,567	153,031
Total net position	$ 2,737,313,031	$ 1,840,227,674	$4,577,540,705	$ 192,679

See notes to the basic financial statements

CITY OF AURORA, COLORADO

CITYWIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Primary government								
Governmental activities								
General government	$ 30,194,914	$ 4,589,326	$ 2,047,085	$ 23,500	$ (23,535,003)	$ —	$ (23,535,003)	
Judicial	10,666,097	6,069,485	59,075	—	(4,537,537)	—	(4,537,537)	
Police	115,355,844	4,095,863	2,769,679	—	(108,490,302)	—	(108,490,302)	
Fire	55,311,859	1,995,896	359,583	262,703	(52,693,677)	—	(52,693,677)	
Other public safety	15,877,021	—	5,049,178	—	(10,827,843)	—	(10,827,843)	
Public works	77,895,346	1,685,083	1,478,401	148,704,971	73,973,109	—	73,973,109	
Economic development	29,700,008	16,257,990	340,569	2,572,525	(10,528,924)	—	(10,528,924)	
Community services	13,847,160	3,450,536	5,385,526	27,000	(4,984,098)	—	(4,984,098)	
Culture and recreation	43,545,211	9,001,519	7,250,396	12,268,269	(15,025,027)	—	(15,025,027)	
Unallocated depreciation, excluding direct program depreciation	1,965,914	—	—	—	— (1,965,914)	—	(1,965,914)	
Interest on long-term debt	6,908,718	—	—	—	(6,908,718)	—	(6,908,718)	
Total governmental activities	401,268,092	47,145,698	24,739,492	163,858,968	(165,523,934)	—	(165,523,934)	
Business-type activities								
Water	107,247,765	115,044,646	1,688,785	64,967,312	—	74,452,978	74,452,978	
Wastewater	58,212,269	61,010,961	311,363	36,928,988	—	40,039,043	40,039,043	
Golf	8,464,065	8,206,167	7,236	28,200	—	(222,462)	(222,462)	
Total business-type activities	173,924,099	184,261,774	2,007,384	101,924,500	—	114,269,559	114,269,559	
Total primary government	$575,192,191	$ 231,407,472	$ 26,746,876	$ 265,783,468	(165,523,934)	114,269,559	(51,254,375)	
Component Unit	$ 430,974	$ 10,000	$ 615	$ —				$ (420,359)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
General Revenues				
Taxes				
Sales and use	227,715,206	—	227,715,206	—
Property taxes	36,087,049	—	36,087,049	417,053
Franchise taxes	14,212,056	—	14,212,056	—
Lodgers taxes	8,364,792	—	8,364,792	—
Occupational privilege taxes	5,528,916	—	5,528,916	—
Other taxes	5,631,678	—	5,631,678	31,821
Grants and contributions not restricted to specific programs	890,668	—	890,668	—
Gain on sale of capital assets	552,736	—	552,736	—
Unrestricted investment earnings	1,678,673	1,067,176	2,745,849	—
Transfers	(200,000)	200,000	—	—
Total general revenues and transfers	300,461,774	1,267,176	301,728,950	448,874
INCREASE IN NET POSITION	134,937,840	115,536,735	250,474,575	28,515
NET POSITION - January 1	2,602,375,191	1,724,690,939	4,327,066,130	164,164
NET POSITION - December 31	$ 2,737,313,031	$ 1,840,227,674	$ 4,577,540,705	$ 192,679

See notes to the basic financial statements.

AURORA

GOVERNMENTAL FUNDS

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of total governmental fund classification (assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures) and at least 5% of the governmental and enterprise fund totals for the same classification. The General Fund and the ACLC Capital Projects Fund are considered to be the only major governmental funds.

MAJOR GOVERNMENTAL FUND

General Fund

The General Fund accounts for taxes and other resources traditionally associated with government and the operations of the city that are financed from these resources.

Aurora Capital Leasing Corporation (ACLC) Capital Projects Fund

The ACLC Capital Projects Fund accounts for financial resources used by ACLC for the construction of city facilities, public safety vehicles, public works equipment, and communications systems. Funding for these projects is provided by proceeds of certificates of participation issued by ACLC and general revenues of the city.

Nonmajor governmental funds

are comprised of all nonmajor special revenue funds, debt service funds and capital projects funds.

Fund Financial Statements

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2016

	General	ACLC Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 7,975,684	$ —	$ 13,699,651	$ 21,675,335
Investments	38,969,067	—	58,352,668	97,321,735
Receivables (net of allowance)				
Taxes receivable	59,982,386	—	—	59,982,386
Accounts receivable	1,306,165	—	192,288	1,498,453
Interest receivable	711,406	—	71,671	783,077
Due from other governments	1,316,388	—	22,234	1,338,622
Other receivables	125,943	—	95,551	221,494
Interfund loan receivable	21,578,251	—	—	21,578,251
Restricted assets				
Cash and cash equivalents	148,438	2,310,743	12,987,664	15,446,845
Investments	2,824,093	6,575,181	61,444,124	70,843,398
Taxes receivable	—	—	5,764,557	5,764,557
Accounts receivable	—	—	205,838	205,838
Interest receivable	9,932	—	17,134	27,066
Due from other governments	—	—	4,162,604	4,162,604
Other receivables	—	—	1,099,416	1,099,416
Inventory	—	—	790,280	790,280
Asset acquired for resale	—	—	20,799,529	20,799,529
Notes receivable	—	—	1,471,450	1,471,450
Notes receivable	68,762	—	52,066	120,828
Total assets	$ 135,016,515	$ 8,885,924	$ 181,228,725	$ 325,131,164
LIABILITIES				
Accounts payable	$ 7,116,265	$ 2,611,634	$ 8,356,406	$ 18,084,305
Other payables	1,569,432	—	999,716	2,569,148
Interfund loan payable	—	—	25,500,000	25,500,000
Unearned revenues	—	—	841,039	841,039
Total liabilities	8,685,697	2,611,634	35,697,161	46,994,492
DEFERRED INFLOWS OF RESOURCES	31,841,632	—	7,949,581	39,791,213
FUND BALANCES				
Restricted	2,977,572	6,274,290	70,847,927	80,099,789
Committed	31,469,048	—	12,624,365	44,093,413
Assigned	39,969,907	—	54,109,691	94,079,598
Unassigned	20,072,659	—	—	20,072,659
Total fund balances	94,489,186	6,274,290	137,581,983	238,345,459
Total liabilities, deferred inflows of resources, and fund balances	$ 135,016,515	$ 8,885,924	$ 181,228,725	$ 325,131,164

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE CITYWIDE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Amounts reported for governmental activities in the statement of net position (see page 1) are different because:

Total fund balance - governmental funds (see page 5)		$ 238,345,459
The current and long-term portions of the golf cart interfund loans between the General Fund and the Golf Fund are eliminated. As these loans cross between governmental activities and business-type activities at citywide, these amounts are recorded on the internal balances line.		
General Fund - asset		78,251
Golf Fund - liability		(78,251)
The Fanfare interfund loan between the AURA Debt Service Fund and the Water Fund is eliminated. As this loan crosses between governmental activities and business-type activities at citywide, this amount is recorded on the internal balances line.		
AURA Debt Service Fund - liability		(4,000,000)
Water Fund - asset		4,000,000
The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative internal service fund loss.		1,820,381
The Regatta Plaza interfund loan between the General Fund and the AURA Debt Service Fund is eliminated.		
General Fund - asset		21,500,000
AURA Debt Service Fund - liability		(21,500,000)
The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds. (see Note 13)		3,976,994
The interest rate cap asset is not available to pay current period expenditures and, therefore, is not recorded in the funds. (see Note 6)		10,034
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Less $404,955 internal service fund capital assets.		2,753,465,190
Deferred outflow of resources is amortized over future periods and is not recorded in the funds. (see Note 9)		53,424,718
Pollution remediation obligation is not due and payable with current expendable financial resources and, therefore, is not recorded in the funds. (see Note 19)		(141,339)
Accounts payable are adjusted for interest payable on bonds, which are not paid in the current period and, therefore, not recorded in the funds.		(690,167)
Deferred inflow of resources from tax audit receivables, notes receivable, and special assessments have been recognized as revenue at citywide. (see Note 9)		2,858,706
Deferred inflow of resources related to pensions and interest rate cap is amortized over future periods and is not recorded in the funds. (see Note 9)		(1,146,574)
Noncurrent liabilities including bonds, certificates of participation, accrued compensated absences, and the net pension liability are not due and payable in the current period and therefore, are not recorded in the funds. (see Note 8)		
Due within year -		
Due within one year on citywide statement of net position	21,104,207	
Internal service fund current portion long-term liabilities	(5,904,040)	
Funded portion of accrued compensated absences reclassified from accounts payable in the funds to short term debt at citywide.	(935,572)	(14,264,595)
Due beyond one year -		
Due beyond one year on citywide statement of net position	311,211,224	
Internal service fund due beyond one year	(5,821,913)	(305,389,311)
Internal service funds are used by the city to accumulate and allocate fleet management and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the citywide statement of net position as they predominately benefit governmental activities.		5,043,535
Net position of governmental activities (see page 1)		$ 2,737,313,031

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	ACLC Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Sales and use	$ 218,271,215	$ —	$ 9,443,991	$ 227,715,206
Property	30,558,140	—	5,528,909	36,087,049
Franchise	14,212,056	—	—	14,212,056
Lodgers	7,660,290	—	704,502	8,364,792
Occupational privilege	5,013,485	—	515,431	5,528,916
Other	6,057,642	—	27,036	6,084,678
Charges for services	13,137,540	—	15,187,755	28,325,295
Licenses and permits	3,636,546	—	13,083,441	16,719,987
Fines and forfeitures	8,315,589	—	9,668	8,325,257
Special assessments	—	—	233,561	233,561
Intergovernmental	18,719,484	—	25,866,285	44,585,769
Surcharges	373,978	—	5,039,816	5,413,794
Miscellaneous	1,369,020	45,945	3,074,792	4,489,757
Investment earnings	895,946	7,116	673,653	1,576,715
Total revenues	328,220,931	53,061	79,388,840	407,662,832
EXPENDITURES				
Current				
General government	30,428,256	—	1,238,820	31,667,076
Judicial	10,477,367	—	57,978	10,535,345
Police	99,286,882	—	2,311,330	101,598,212
Fire	46,353,191	—	282,856	46,636,047
Other public safety	7,614,275	—	6,940,590	14,554,865
Public works	27,476,501	522,267	9,554,307	37,553,075
Economic development	5,773,989	—	23,773,667	29,547,656
Community services	7,375,572	—	6,208,457	13,584,029
Culture and recreation	19,953,695	—	19,647,553	39,601,248
Debt service				
Principal	—	—	8,755,755	8,755,755
Interest	—	—	7,023,567	7,023,567
Capital outlay	4,590,941	17,730,615	35,493,756	57,815,312
Total expenditures	259,330,669	18,252,882	121,288,636	398,872,187
Excess (deficiency) of revenues over (under) expenditures	68,890,262	(18,199,821)	(41,899,796)	8,790,645
OTHER FINANCING SOURCES (USES)				
Transfers in	2,085,035	5,045,885	84,449,205	91,580,125
Transfers out	(71,701,316)	(106,266)	(20,292,788)	(92,100,370)
Issuance of debt - notes	—	—	5,736,936	5,736,936
Issuance of debt - capital leases	—	10,345,577	358,020	10,703,597
Sale of capital assets	680,023	1,300,000	—	1,980,023
Total other financing sources (uses)	(68,936,258)	16,585,196	70,251,373	17,900,311
NET CHANGE IN FUND BALANCES	(45,996)	(1,614,625)	28,351,577	26,690,956
FUND BALANCES - January 1	94,535,182	7,888,915	109,230,406	211,654,503
FUND BALANCES - December 31	$ 94,489,186	$ 6,274,290	$ 137,581,983	$ 238,345,459

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE CITYWIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Amounts reported for governmental activities in the statement of activities (see page 2 and 3) are different because:

Net change in fund balances - total governmental funds (see page 7)	$ 26,690,956
Sales and use tax audit revenue is recorded at citywide since the receivable amount is known, however it does not provide current financial resources and, therefore, is reported as revenue in the funds when collected. Amounts accrued in the prior year exceeded amounts collected in the current year.	(453,000)
Charges for services generated internally are eliminated at citywide.	
Charges for services - revenue	(6,201,088)
Charges for services - expenditures	6,201,088
The change in special assessment revenue and notes receivable, recognized as deferred inflow of resources in the funds, is recognized as revenue at citywide.	(232,929)
The change in fines and forfeitures revenue, loan repayments and other revenue, recognized as deferred inflow of resources in the funds, is recognized as revenue at citywide.	(79,776)
Street infrastructure donated by developers and easement infrastructure are recorded as revenue at citywide, however they are not a current financial source and, therefore, not recorded in the funds.	132,792,135
Donated capital assets are recorded as revenue at citywide, however they are not a current financial source and, therefore, not recorded in the funds.	1,671,680
Certain expenses in the citywide statement of activities do not require the use of current financial resources and, therefore, are not recorded in the funds.	
Change in OPEB obligation (see Note 8)	111,152
Change in accrued compensated absences, less internal service funds	(345,052)
Change in aid to agencies	(26,033)
Change in technical services	(141,339)
Pension expense is recognized in the fund statements based on employer contributions and in the citywide statement of activities on changes in certain pension deferrals and other pension-related items excluding employer contributions.	(21,277,360)
Debt service payments consume current financial resources and are included as expenditures in the funds. At citywide the payments are recorded as a reduction to long-term liabilities. The accrual adjustment for debt service interest and the amortization of debt discounts, premiums and loss on refunding are made at citywide only.	
Repayment of principal	8,755,755
Accrued interest	(53,052)
Amortization of premium and discount	693,159
Amortization of loss on refunding	(525,258)
Capital outlay is reported in the funds as expenditures but are capitalized at citywide. Depreciation does not require the use of current financial resources and, therefore, is not reported in the funds.	
Capital outlay (see Note 7 less roads and easements, donated capital assets and internal service funds)	57,815,312
Depreciation (see Note 7 less internal service funds depreciation)	(52,834,903)
Proceeds from capital leases and notes payable are recorded in the funds but have no affect on net position.	(16,440,533)
Disposal of capital assets proceeds are recorded in the funds while the gain from the disposal is recorded at citywide and includes the write-off of the carrying value of the related capital asset.	(1,427,287)
Internal service funds are used by the city to accumulate and allocate fleet management and risk management costs to individual funds. The change in net position of the internal service funds are included in governmental activities in the citywide statement of net position as they predominately benefit governmental activities.	
Governmental - type	89,455
Business - type	154,758
Increase in net position of governmental activities (see page 3)	$ 134,937,840

See notes to the basic financial statements.

PROPRIETARY FUNDS

Major proprietary funds are enterprise funds that comprise 10% or more of total enterprise fund classification (assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses) and at least 5% of the combined governmental and enterprise fund total for the same classification.

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

MAJOR PROPRIETARY FUNDS

Water Fund

The Water Fund accounts for the acquisition of water and water rights and for the operation and maintenance of the water plants and distribution systems.

Wastewater Fund

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

NONMAJOR PROPRIETARY FUND

Golf Fund

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

AURORA

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Golf		
ASSETS					
Current assets					
Cash and cash equivalents	$ 24,056,256	$ 8,728,797	$ 534,924	$ 33,319,977	$ 2,597,071
Investments	122,504,228	45,337,012	2,259,229	170,100,469	13,047,052
Receivables (net of allowance)					
Accounts receivable	9,030,102	6,392,503	—	15,422,605	—
Interest receivable	529,707	210,923	11,482	752,112	58,226
Due from other governments	1,189,091	215,054	—	1,404,145	—
Other receivable	14,657	3,585,881	—	3,600,538	—
Restricted assets					
Investments	7,035,658	659,834	—	7,695,492	—
Current portion of interfund loans	—	275,000	—	275,000	—
Inventories	—	—	209,222	209,222	886,799
Total current assets	164,359,699	65,405,004	3,014,857	232,779,560	16,589,148
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	391,743	—	—	391,743	—
Other receivables	—	3,590,825	—	3,590,825	—
Interfund loans	4,000,000	3,634,000	—	7,634,000	—
Equity in joint venture	2,379,317	—	—	2,379,317	—
Capital assets (net of accumulated depreciation)					
Land and water rights	384,950,007	14,995,773	14,969,380	414,915,160	—
Buildings and improvements	378,682,679	46,046,745	1,966,005	426,695,429	—
Infrastructure	741,557,093	419,349,230	9,533,279	1,170,439,602	167,477
Machinery and equipment	55,508,812	5,646,198	713,305	61,868,315	237,478
Construction in progress	66,798,419	28,328,852	—	95,127,271	—
Total capital assets	1,627,497,010	514,366,798	27,181,969	2,169,045,777	404,955
Total noncurrent assets	1,634,268,070	521,591,623	27,181,969	2,183,041,662	404,955
Total assets	1,798,627,769	586,996,627	30,196,826	2,415,821,222	16,994,103
DEFERRED OUTFLOWS OF RESOURCES	16,762,041	2,364,140	595,694	19,721,875	—
LIABILITIES					
Current liabilities					
Accounts payable	5,973,693	7,202,518	99,353	13,275,564	224,615
Accrued interest	7,035,658	69,779	13,339	7,118,776	—
Other payables	2,297,602	1,833,618	—	4,131,220	—
Unearned revenues	3,000,000	—	616,671	3,616,671	—
Current portion - interfund loans	—	—	353,251	353,251	—
Current portion - long-term liabilities	333,371	2,939,486	81,470	3,354,327	5,904,040
Total current liabilities	18,640,324	12,045,401	1,164,084	31,849,809	6,128,655
Noncurrent liabilities					
Interfund loans	—	—	3,634,000	3,634,000	—
Due beyond one year	526,376,537	29,639,096	1,310,828	557,326,461	5,821,913
Total noncurrent liabilities	526,376,537	29,639,096	4,944,828	560,960,461	5,821,913
Total liabilities	545,016,861	41,684,497	6,108,912	592,810,270	11,950,568
DEFERRED INFLOW OF RESOURCES	139,866	527,251	17,655	684,772	—
NET POSITION					
Net investment in capital assets	1,118,963,762	483,104,943	27,181,969	1,629,250,674	404,955
Restricted for public improvement	374,000	3,590,825	—	3,964,825	—
Unrestricted	150,895,321	60,453,251	(2,516,016)	208,832,556	4,638,580
Total net position	$ 1,270,233,083	$ 547,149,019	$ 24,665,953	$ 1,842,048,055	$ 5,043,535

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION TO THE CITYWIDE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Amounts reported for business-type activities in the statement of net position (see page 1) are different because:

Total net position - proprietary funds (see page 10)	$ 1,842,048,055
The current and long-term portions of the Murphy Creek interfund loan between the Wastewater Fund and the Golf Fund are eliminated.	
Wastewater Fund - asset	(3,909,000)
Golf Fund - liability	3,909,000
The current and long-term portions of the golf cart interfund loans between the General Fund and the Golf Fund are eliminated. As these loans cross between governmental activities and business-type activities at citywide, these amounts are recorded on the internal balances line.	
General Fund - asset	(78,251)
Golf Fund - liability	78,251
The Fanfare interfund loan between the AURA Debt Service Fund and the Water Fund is eliminated. As this loan crosses between governmental activities and business-type activities at citywide, this amount is recorded on the internal balances line.	
AURA Debt Service Fund - liability	4,000,000
Water Fund - asset	(4,000,000)
The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative internal service fund loss.	(1,820,381)
Net position of business-type activities (see page 1)	$ 1,840,227,674

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Golf		
OPERATING REVENUES					
Charges for services					
Customers	$ 115,044,646	$ 61,010,961	$ 8,206,167	$ 184,261,774	$17,107,286
OPERATING EXPENSES					
Cost of sales and services	52,871,359	46,201,755	6,993,888	106,067,002	10,954,649
Claims losses	—	—	—	—	6,886,773
Administrative expenses	3,463,181	1,188,042	630,042	5,281,265	85,063
Depreciation	30,024,405	10,848,883	823,549	41,696,837	104,191
Total operating expenses	86,358,945	58,238,680	8,447,479	153,045,104	18,030,676
Operating income (loss)	28,685,701	2,772,281	(241,312)	31,216,670	(923,390)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,906,106	775,011	20,945	2,702,062	101,961
Intergovernmental revenue	32,375	—	—	32,375	—
Miscellaneous revenues	372,527	126,852	7,236	506,615	590,639
Interest expense	(18,857,258)	—	(171,222)	(19,028,480)	—
Bond issuance expense	(2,550,621)	(67,731)	—	(2,618,352)	—
Amortization of premiums and (discounts), net	1,078,743	31,297	—	1,110,040	—
Gain (loss) on disposal of capital assets	(433,081)	104,035	—	(329,046)	—
Gain (loss) on joint venture	(24,891)	—	—	(24,891)	—
Net nonoperating revenues (expenses)	(18,476,100)	969,464	(143,041)	(17,649,677)	692,600
Income (loss) before capital contributions and transfers	10,209,601	3,741,745	(384,353)	13,566,993	(230,790)
Capital contributions	64,967,312	36,928,988	28,200	101,924,500	—
Transfers in	50,000	—	150,000	200,000	320,245
CHANGE IN NET POSITION	75,226,913	40,670,733	(206,153)	115,691,493	89,455
NET POSITION - January 1	1,195,006,170	506,478,286	24,872,106	1,726,356,562	4,954,080
NET POSITION - December 31	$ 1,270,233,083	$547,149,019	$24,665,953	$ 1,842,048,055	$ 5,043,535

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
RECONCILIATION OF THE PROPRIETARY FUNDS ON THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION TO THE CITYWIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Amounts reported for business-type activities in the statement of activities (see page 2 and 3) are different because:

Net change in net position - total enterprise funds (see page 12)	$ 115,691,493
The current year internal service fund operating loss attributable to business-type activities is eliminated for citywide reporting.	(154,758)
Increase in net position of business-type activities (see page 3)	$ 115,536,735

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Golf		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from:					
Customers and others	$ 115,959,239	$ 57,519,783	$ 8,122,841	$ 181,601,863	$ 591,383
Interfund services provided and used	—	—	—	—	17,106,543
Cash payments to:					
Employees	(24,057,582)	(12,790,152)	(4,151,288)	(40,999,022)	(4,070,029)
Suppliers for goods and services	(29,385,456)	(32,861,630)	(3,367,112)	(65,614,198)	(13,990,841)
Net cash provided by (used in) operating activities	62,516,201	11,868,001	604,441	74,988,643	(362,944)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash transfers in	50,000	—	150,000	200,000	320,245
Interfund loan transactions	—	275,000	—	275,000	—
Net cash provided by noncapital financing activities	50,000	275,000	150,000	475,000	320,245
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from:					
Capital contributions	38,837,641	7,749,468	28,200	46,615,309	—
Sale of capital assets	105,759	104,035	—	209,794	—
Grants	539,405	248,741	—	788,146	—
Deposits for future construction	—	1,621,971	—	1,621,971	—
Payments for:					
Capital assets	(37,013,948)	(23,911,542)	(375,615)	(61,301,105)	(79,381)
Capital assets acquired through construction payables	(7,338,628)	(5,110,628)	—	(12,449,256)	—
Principal on capital debt (golf amount includes interfund loan payment of $422,504)	(1,936,079)	—	(422,504)	(2,358,583)	—
Interest on capital debt	(27,316,181)	(1,559,813)	(173,003)	(29,048,997)	—
Debt issuance costs	(850,412)	—	—	(850,412)	—
Deposit to refunding bond escrow account	(35,313,277)	(4,000,000)	—	(39,313,277)	—
Deposits for future construction	(14,657)	—	—	(14,657)	—
Net cash used in capital and related financing activities	(70,300,377)	(24,857,768)	(942,922)	(96,101,067)	(79,381)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in equity in pooled investments	(22,170,792)	11,160,415	367,703	(10,642,674)	1,052,889
(Increase) decrease in investments	40,350,957	3,739,337	—	44,090,294	—
Interest received	3,473,520	1,113,972	31,676	4,619,168	160,083
Net cash provided by investing activities	21,653,685	16,013,724	399,379	38,066,788	1,212,972

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Golf		
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,919,509	3,298,957	210,898	17,429,364	1,090,892
TOTAL CASH AND CASH EQUIVALENTS, January 1 (including $374,000 for the Water Fund reported as restricted cash)	10,528,490	5,429,840	324,026	16,282,356	1,506,179
TOTAL CASH AND CASH EQUIVALENTS, December 31 (including $391,743 for the Water Fund reported as restricted cash)	$ 24,447,999	$ 8,728,797	$ 534,924	$ 33,711,720	$ 2,597,071
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	$ 28,685,701	$ 2,772,281	$ (241,312)	$ 31,216,670	$ (923,390)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Depreciation	30,024,405	10,848,883	823,549	41,696,837	104,191
Nonoperating revenues	404,902	126,852	7,236	538,990	590,639
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflow of resources					
Receivables	470,463	(3,618,029)	—	(3,147,566)	—
Inventories	—	—	(10,957)	(10,957)	(80,063)
Pension related items	540,060	271,782	68,171	880,013	—
Accounts payable and accrued liabilities	2,390,670	1,466,232	48,314	3,905,216	(54,321)
Unearned revenues	—	—	(90,560)	(90,560)	—
Total adjustments	33,830,500	9,095,720	845,753	43,771,973	560,446
Net cash provided by (used in) operating activities	$ 62,516,201	$ 11,868,001	$ 604,441	$ 74,988,643	$ (362,944)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	$ 26,129,671	$ 29,179,520	$ —	$ 55,309,191	$ —
Capital assets acquired through payables	3,408,181	1,904,991	—	5,313,172	—
Increase (decrease) in fair value of investments	(845,221)	(216,245)	(10,976)	(1,072,442)	(65,500)
Amortization of discount (premium) and loss on refunding	(1,256,940)	(31,297)	—	(1,288,237)	—
Deferred gain (loss) on refunding	(11,816,679)	463,205	—	(11,353,474)	—
Issuance costs paid from refunding proceeds	(1,700,209)	(67,731)	—	(1,767,940)	—
Accrued interest payment made from escrow	—	(402,669)	—	(402,669)	—
Bond proceeds paid to escrow	(551,460,989)	(24,753,608)	—	(576,214,597)	—

See notes to the basic financial statements.

AURORA

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held for others in a trustee or agency capacity. Fiduciary funds are not available to support city programs and are therefore not included in the citywide financial statements.

Pension Trust Funds

Pension trust funds account for the activities and accumulation of resources to pay retirement benefits for employees, elected officials and council appointees. The pension trust funds are comprised of the General Employees' Retirement Plan Fund (GERP) and the Elected Officials' and Executive Personnel Defined Benefit Plan Fund (EOEP).

Agency Funds

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The agency fund is comprised of the Payroll Clearing Fund.

Fund Financial Statements

CITY OF AURORA, COLORADO

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016

	Pension Trust Funds	Agency Fund
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,063,518	$ 2,987,450
Investments		
Equity securities and funds	188,848,053	—
U.S. government treasury and U.S. government agency obligations	7,340,563	—
Corporate notes, bonds and funds	91,573,313	—
Real estate funds	44,106,950	—
Alternative investments	91,910,910	—
Receivables (net of allowance)		
Interest receivable	1,025,118	—
Due from other governments	277,733	—
Prepaid items	29,056	—
Total assets	432,175,214	$ 2,987,450
LIABILITIES		
Current liabilities		
Accounts payable and other current liabilities	608,122	2,987,450
Total liabilities	608,122	$ 2,987,450
NET POSITION RESTRICTED FOR PENSIONS	$ 431,567,092	

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Pension Trust Funds
ADDITIONS	
Contributions	
City	$ 6,787,835
Plan members	6,709,396
Total contributions	13,497,231
Investment activity	
Investment earnings	33,560,383
Investment expense	(2,036,059)
Net investment earnings	31,524,324
Other income	13,653
Total additions, net	45,035,208
DEDUCTIONS	
Benefits	21,407,695
Administrative expenses	577,344
Total deductions	21,985,039
NET INCREASE IN NET POSITION	23,050,169
NET POSITION RESTRICTED FOR PENSIONS - January 1	408,516,923
NET POSITION RESTRICTED FOR PENSIONS - December 31	$ 431,567,092

See notes to the basic financial statements.

Notes to the Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Aurora (the city) is a home-rule local government governed by an elected eleven-member council. These financial statements include the city and its component units. A component unit is a legally separate organization for which the city is considered financially accountable or whose exclusion would make the city's financial statements misleading or incomplete. Blended component units, although legally separate, are in substance, part of the city's operations. Therefore, data from these organizations are included with data of the primary government. Discrete presentation refers to presenting financial data of the component unit in a column separate from that of the primary government.

1. Discretely Presented Component Unit

Havana Business Improvement District (Havana BID) – The Havana BID was organized by the City Council on July 21, 2007 for the purpose of enhancing the economic vitality of the Havana Street corridor. It is a quasi-municipal corporation and political subdivision of the State of Colorado with all powers and responsibilities granted to business improvement districts by Title 31, Article 25, Part 12 of the Colorado Revised Statutes. The City Council appointed all the initial members of the Havana BID Board of Directors, which are not substantially the same as the City Council and the BID does not primarily benefit the city government. The city is able to impose its will on the BID as its operating plan and budget are approved by City Council. The Havana BID is a discretely presented component unit of the city. An election was held in November 2007 authorizing the Havana BID to levy property taxes. Separately issued, audited financial statements are available by contacting the Havana BID at 337 Oswego Street, Aurora, Colorado 80010 or telephone (303) 360-7505. Additional information is available online at www.onhavanastreet.com.

2. Blended Component Units

Aurora Capital Leasing Corporation (ACLC) **–** ACLC was organized as a not-for-profit corporation in 1993 to finance capital assets of the city. ACLC is a component unit because the City Council appoints the governing board and ACLC is fiscally dependent upon the city. ACLC is a blended component unit because it provides services solely to the city. ACLC financial statements consist of a debt service fund and a capital projects fund. Capital assets and long-term debt for ACLC are included in the citywide statement of net position. There are no separately issued financial statements for ACLC.

Aurora Urban Renewal Authority (AURA) – AURA was formed by action of the City Council in 1981, pursuant to Part 1 of Article 25, Title 31, of the Colorado Revised Statutes. AURA has various expressed powers including the power to: undertake urban renewal projects, mortgage, sell or dispose of property, borrow money, accept grants, and issue tax-increment and other forms of securities. From time to time, the City Council has determined the existence of blighted conditions in the city and designated Urban Renewal Areas. AURA is a component unit because its exclusion would make the city's financial statements misleading. AURA is a blended component unit because AURA's governing body is the same as the City Council and it provides specific financial benefits solely to the city. AURA financial statements consist of a general fund, a debt service fund, and a capital projects fund. The AURA general fund is presented in these financial statements as a special revenue fund. Noncurrent debt and noncurrent assets of AURA are included in the citywide statement of net position. There are no separately issued financial statements for AURA.

The General Improvement Districts (GIDs) – Three separate fence GIDs, a sewer line GID, and a conference center GID have been created by action of registered voters in their respective neighborhoods to construct masonry fences and sewer line improvements financed by the issuance of general obligation bonds (repaid with property taxes assessed on their respective neighborhoods). The conference center GID currently has no debt outstanding. Each GID is a blended component unit because its governing body is the same as the City Council and it provides financial benefits solely to the city. The general fund for each GID is reported in the financial statements as a separate special revenue fund. The noncurrent debt of each respective GID is included in the citywide statement of net position. There are no separately issued financial statements for any of the GIDs. The five GIDs are as follows:

Cherry Creek Fence General Improvement District (GID) – Cherry Creek Fence GID was formed by action of registered voters of the Cherry Creek Racquet Club neighborhood in 2007.

Meadow Hills Fence General Improvement District (GID) – Meadow Hills Fence GID was formed by action of registered voters of the Meadow Hills neighborhood in 2008.

Peoria Park Fence General Improvement District (GID) – Peoria Park Fence GID was formed by action of registered voters of the Peoria Park neighborhood in 2008.

Pier Point 7 Sewer General Improvement District (GID) – Pier Point 7 Sewer GID was formed by action of registered voters of the Pier Point 7 neighborhood in 2009.

Aurora Conference Center General Improvement District (GID) – This GID was formed by action of registered voters in 2011.

3. Fiduciary Component Units

General Employees' Retirement Plan (GERP) – GERP was created to provide retirement benefits to career service and executive personnel. It has a separate, independent board that administers the plan. Three of the seven board members are appointed by City Council. GERP is a component unit because it is funded by contributions from the city and city employees, and its exclusion would make the city's financial statements misleading. GERP is a blended component unit because it provides services solely to the city. GERP is included in this report as a pension trust fund in the fiduciary fund statements. GERP is not included in the citywide statements because its assets are not available to finance city programs. Separately issued, audited financial statements are available online at www.auroragerp.qwestoffice.net or by contacting GERP at 12100 East Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP) –EOEP was created in 2001 to provide retirement benefits to elected officials and executive personnel. As required by city code, a city executive serves as plan trustee and plan administrator. EOEP is a component unit because it is funded solely by contributions from the city and because its exclusion would make the city's financial statements misleading. It is a blended component unit because it provides services solely to the city, its employees and retired elected officials. EOEP is included in this report as a pension trust fund in the fiduciary fund statements. EOEP is not included in the citywide statements because its assets are not available to finance city programs. There are no separately issued financial statements for EOEP.

4. Joint Venture

Aurora-Colorado Springs Joint Water Authority (ACSJWA) **–** ACSJWA was formed in 1983, by contract, between the city and the city of Colorado Springs, Colorado, for the purpose of developing water resources, systems, or facilities in whole or in part for the benefit of the two cities. The council of each city appoints three directors to the board. The ACSJWA must obtain approval from both cities before proceeding with any new project. Prior approval is not required for operating and maintenance expenses related to a previously approved project. To date, the cities have approved one project, the construction and operation of a pipeline to transport raw water. Construction was financed through revenue bonds. The city has a 1/3 participation share and Colorado Springs has a 2/3 participation share in the project.

The city's share of the ACSJWA is accounted for in the Water Fund using the equity method. The Water Fund is a major proprietary fund and business-type activity. Separately issued, audited financial statements for ACSJWA are available at Colorado Springs Utilities, P.O. Box 1103, Mail Code 0929, Colorado Springs, Colorado 80947-0929 or telephone (719) 668-4052.

B. Citywide and Fund Financial Statements

The financial statements of the city are prepared in accordance with accounting principles applicable to governments, which are generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing U.S. governmental accounting and financial reporting principles.

The citywide financial statements (i.e., the statement of net position and the statement of activities) provide financial information about the city as a whole (the primary government and its component unit). Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from a legally separate component unit for which the government is financially accountable.

The *statement of activities* demonstrates the extent to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges for services; 2) program-specific operating grants and contributions; and 3) program-specific capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from citywide reporting as the assets are not available to finance city operations.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The citywide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, internal service fund, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. The city considers revenues, other than grants, to be measurable and available if collected within two months after year-end. Grants are considered measurable and available if 1) they are collected within one year after year-end and 2) all eligibility requirements, including incurring allowable costs, have been met. Property taxes are recognized as revenue in the year for which they are levied (the year subsequent to the levy year), and are reported as a receivable and deferred inflow of resources in the year levied, as an enforceable legal claim occurs at this time. Revenues susceptible to accrual under the modified accrual basis include fines, surcharges, intergovernmental, grants, interest and the following taxes: property, sales, use, lodgers, occupational privilege, franchise, and specific ownership tax. All other revenues are considered measurable and available only when cash is received. Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are recognized when matured.

When both restricted and unrestricted resources are available for use, spending is determined on a case by case basis but it is generally the city's intent to use restricted resources first, then unrestricted resources as needed.

The city reports the following major governmental funds:

The *General Fund* accounts for taxes and other resources traditionally associated with government and the operations of the city that are financed from those resources.

The *Aurora Capital Leasing Corporation (ACLC) Capital Projects Fund* accounts for financial resources used by ACLC for the construction of city facilities and for the purchase of certain public safety vehicles and communications systems financed by certificates of participation proceeds issued by ACLC and general revenues of the city.

The city reports the following major proprietary funds:

The *Water Fund* accounts for the acquisition of water and water rights and for the operation and maintenance of reservoirs, wells, water treatment plants and distribution systems.

The *Wastewater Fund* accounts for the systems and operations used in treating and disposing of wastewater from sanitary wastewater and storm drain services.

Additionally, the city reports the following nonmajor funds:

Special Revenue Funds account for revenues that are restricted or committed for a specific purpose. They also include the general fund of blended component units. The city has fifteen active special revenue funds at December 31, 2016: Gifts and Grants, Development Review, Community Development, Enhanced E-911, Conservation Trust, Parks Development, Open Space, Recreation Services, Cultural Services, Cherry Creek Fence GID, Meadow Hills Fence GID, Peoria Park Fence GID, Pier Point 7 Sewer GID, Aurora Conference Center GID and AURA General Fund. The Abatement Fund was repealed and closed in 2016; all assets and liabilities were transferred to the General Fund.

Debt Service Funds account for the accumulation of resources and payments of principal, interest and fees related to special assessments, revenue bonds and certificates of participation except those accounted for in proprietary funds. The city has three debt service funds: Special Improvement District (SID) Debt Service (includes the following special improvement districts: 1-05 Ptarmigan Fence and 1-10 Dam East Fence), AURA Debt Service and ACLC Debt Service.

The *Capital Projects Funds* account for resources allocated for the acquisition or construction of capital projects except those financed by special revenue or proprietary funds. The city has two nonmajor capital projects funds: the City Capital Projects Fund and AURA Capital Projects Fund.

The *Golf Fund* accounts for the operations and maintenance of city owned or operated golf courses. The Golf Fund is a nonmajor proprietary fund.

Internal Service Funds are used to account for resources calculated on a cost recovery basis and provided by other city funds for centralized acquisition of supplies and services. The city has two internal service funds: Fleet Management and Risk Management.

Pension Trust Funds account for the accumulation of resources and the payment of retirement benefits to qualified employees. The city has two pension trust funds: the city of Aurora General Employees' Retirement Plan (GERP) and the city of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP).

The city has one *agency fund.* The Payroll Clearing Fund accounts for the consolidation of payroll liabilities (taxes, pensions, insurance etc.) after the related payroll expenditures are recorded into the appropriate funds.

Program revenues are those that are derived directly from the program itself. Program revenues are divided into three groups: charges for services, program-specific operating grants and contributions, and program-specific capital grants and contributions. Charges for services are exchange or exchange-like transactions including: fees, licenses, permits, and special assessments. Program-specific grants and contributions include revenues arising from mandatory and voluntary non-exchange transactions with other governments, private organizations or individuals where monies are required by the grantor / contributor to be used for a particular program or activity. Program-specific grants and contributions that are required to be used to purchase or construct capital assets are shown in the capital grants and contributions column. All other program-specific grants and contributions are shown as operating revenues. Water and Wastewater capital grants and contributions include tap and annexation fees, which are required to be used for the construction of water and wastewater capital assets.

General Revenues include: all taxes levied by the city regardless of their purpose; unrestricted investment income; and multi-purpose or non-specific grants and contributions.

The proprietary fund statement of revenues, expenses and changes in net position separately presents revenues and expenses that are directly related to the service provided by the fund as “operating.” Operating revenues are primarily charges for services (exchange or exchange-like transactions for water, wastewater and golf services). Golf operating revenues also include sales of merchandise. Operating revenues for internal service funds are charges for services provided to other funds and departments. All other revenues in the proprietary funds are reported as nonoperating. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, claims losses, and depreciation on capital assets. All other expenses are reported as nonoperating.

D. Deferred Inflows and Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the city that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the city that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues, expenses, or reductions of liabilities or increases in assets until the period(s) to which they relate.

In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the financial statements of the city include both deferred outflows of resources and deferred inflows of resources. The citywide statements include deferred outflows of resources representing the deferred loss on refunding recorded in the business-type activities column for the Water Fund and in the governmental activities column at citywide related to the ACLC Debt Service Fund, as well as items relating to the city’s pension obligations in both the business-type and governmental activities

columns. The citywide statements include deferred inflows of resources representing the deferred gain on refunding recorded in the business-type activities column of the Wastewater Fund and items relating to the city's pension obligations in both the business-type and governmental activities columns while the fund statements include property tax receivables and unavailable fund resources that have not met modified accrual revenue recognition criteria. Unavailable fund resources include: special assessment receivables, tax audit receivables and notes receivables that are unavailable in the fund statements but are recognized as revenue in the citywide statements.

E. Cash and Investments

The city pools its cash and investments. All temporary cash surpluses are invested. Earnings on pooled investments are allocated among the funds based on an average daily balance of the individual fund's equity in pooled monies. The amounts shown as "cash and cash equivalents" and "investments" in the citywide and proprietary funds statement of net position and the governmental funds balance sheet include both unrestricted equity in the city's pool and unrestricted amounts held in non-pooled accounts. Restricted assets include cash and investments required to be used for specific purposes and may contain pooled and non-pooled amounts. Cash and cash equivalents are carried at fair value and include petty cash, demand deposits and highly liquid investments (readily convertible to known amounts of cash) with maturities of three months or less from purchase date. Investments are stated at fair value based upon quoted market prices in brokerage service reports except for non-negotiable certificates of deposit which are stated at cost and investments in local government investment pools which are measured at the net asset value per share. In regards to pension plan investments, see Note 2 for additional information.

F. Interfund Transactions

During the course of operations, transactions occur between individual funds for goods provided or services rendered. Receivables and payables related to these transactions are reported as due from other funds and due to other funds, respectively, in the fund statements. Interfund loans or advances, which are made to provide internal financing, are reported as interfund loans in the fund statements.

In the process of aggregating data for the citywide statement of net position, amounts reported in the funds as interfund receivables and payables are eliminated. The residual amounts due between governmental and business-type activities are shown on a single line as internal balances. Interfund amounts (if any) due between the primary government and a fiduciary fund are shown on the citywide statement as receivable or payable of the fiduciary fund rather than internal balances.

Interfund activities include: transfers, internal billings, and transactions with internal service funds. For fund statement presentation, transfers are shown as "transfers in" and "transfers out." Internal billings, including transactions with internal service funds, are shown as revenues and expenses / expenditures in the respective funds. As a general rule, these revenues / transfers in and expenditures / expenses / transfers out have been eliminated in the aggregation of data for the citywide statement of activities. Exceptions to this rule are charges between the city's water function and various other functions of the city. Elimination of these charges would distort the direct costs and program revenues reported in the various functions concerned.

G. Inventories

Inventories are stated at the lower of cost determined using the first-in, first-out basis or market. The cost of inventories in the proprietary fund statements and citywide statements are recorded as an expense when consumed rather than when purchased. Restricted inventories included in the governmental fund statements and citywide statements represent housing purchased, rehabilitated and resold under the Neighborhood Stabilization Program grant for $790,280.

H. Asset Acquired for Resale

Asset acquired for resale reflects properties acquired by the city for the express purpose of resale. Since these assets are intended to be converted to cash rather than used in daily operations, they are reported in governmental fund statements as a financial asset valued at the lessor of cost or net realizable value. The properties are blighted and intended to be sold for economic redevelopment purposes per state redevelopment statutes. The properties are valued at $20,799,529.

I. Capital Assets

The criteria used for capitalizing assets include assets with an estimated useful life of more than one year and an acquisition cost meeting the threshold level on a per unit basis. Capital assets are stated at actual cost for purchased and constructed assets, estimated historical cost for older assets for which actual cost was not determinable, and estimated acquisition value at the time of receipt for donated or contributed items. Street infrastructure recorded from 1973 through 2002 is stated at discounted replacement cost. Expenditures incurred during the construction phase are recorded as construction in progress. These amounts are transferred from construction in progress to the appropriate classification (water rights, buildings and improvements, or infrastructure) upon completion of the project. Land, machinery, and equipment are normally recorded upon receipt. Land includes intangible water rights and easements. Machinery and equipment includes both internally developed and externally acquired computer software. Salvage value is not material and is therefore not computed. Accordingly, assets are completely depreciated if retained for their total estimated useful life. Straight-line depreciation is used in all cases over the following estimated useful lives. Threshold levels are approved by City Council; the most recent increases became effective as of fiscal year 2013 and are as follows:

Estimated Useful Lives Assigned by Individual Items

Description	Estimated Useful Life (Years)	Threshold Levels
Land and water rights	N/A	$ 50,000
Buildings and improvements	40-50	50,000
Infrastructure		
Street overlay and improvements	10	250,000
Other utility improvements	20-65	250,000
Mains and conduits	65-95	250,000
Reservoirs/park improvements/roads	99	250,000
Machinery and equipment	3-20	5,000
Assets purchased with federal funds	Varies by category	5,000

Assets recorded under capital lease agreements are amortized over either the term of the lease or the estimated useful life of the asset, whichever period is shorter. Amortization expense for capital leases is included in the depreciation line item on the financial statements.

Capital assets purchased by governmental funds are not included as assets in the governmental fund but as expenditures. These expenditures are reclassified on the reconciliation of governmental funds balance sheet to the citywide statement of net position. Interest incurred during construction is not capitalized. Estimated costs for streets constructed by developers and contributed to the city are reported as program revenue for the public works function in the citywide statement of activities and as additions to infrastructure in the citywide statement of net position.

Capital assets purchased by proprietary funds are included on the fund's statement of net position as well as in the business-type activities column of the citywide financial statements. Developers who construct water and wastewater lines for subdivisions are required to furnish cost figures to the city for contributed lines. If cost figures are not provided, the city estimates the value of the donated asset. Such costs are recorded as capital assets and capital contribution revenues when accepted by the city. Interest cost is capitalized during construction of business-type activities' assets in accordance with GASB 62.

J. Accounts Payable

Amounts reported as accounts payable on the statement of net position includes:

	Governmental Activities	Business-type Activities
Vendors	$ 13,333,517	$ 12,593,366
Salaries and Benefits	4,181,170	682,198
Total	**$ 17,514,687**	**$ 13,275,564**

K. Unearned Revenues (Liabilities)

Unearned revenues reflect amounts that have been received before the city has a legal claim to the funds. In subsequent periods, when revenue recognition criteria are met, or when the city has a legal claim to the resources, the unearned revenue is removed from the statements of net position or governmental funds balance sheet and revenue is recognized.

L. Noncurrent Liabilities

Noncurrent liabilities include: bonds, notes, certificates of participation, capital leases, claims payable, earned but not used compensated absences, net pension liability and postemployment benefits. For governmental funds, the liability is recorded when payment is due, or when resources have been accumulated in the debt service fund for payment early in the following year. Proceeds from issuance of debt are reported in the governmental funds as “other financing sources” and payments of principal on debt are shown as expenditures. For the citywide statements, governmental debt issuances are shown as noncurrent liabilities and principal payments are shown as decreases in noncurrent liabilities. Amounts due within the next twelve months are reported as “due within one year” with the remaining amount being reported as “due beyond one year.” For the proprietary and pension trust funds, long-term liabilities are accounted for in the applicable fund. Additionally, proprietary fund long-term liabilities are accounted for in the business-type activities column of the citywide financial statements.

M. Bond Premiums and Discounts

In governmental funds, bond premiums and discounts are reported as other financing sources/uses. For the citywide and the proprietary fund statements, bond premiums and discounts are capitalized and amortized over the term of the bonds using the straight-line method. Bond premiums and discounts are presented as a reduction of the face amount of bonds payable.

N. Compensated Absences

City policy allows employees to accumulate earned but not used annual leave up to maximum hours as indicated in the table below. Annual leave hours for Fire Civil Service 24-hour shift in excess of the maximum accrual permitted are forfeited on January 1 of the subsequent year. Annual leave hours for all other employees in excess of the maximum accrual permitted are forfeited on February 28 of the subsequent year. Accrued annual leave is payable to the extent earned.

Employees	Maximum Hours
Police and Career Service	260
Fire Civil Service 8-hour shift	256
Fire Civil Service 24-hour shift	360

Generally, Career Service employees may convert sick leave hours accumulated in excess of established minimums annually in March to either annual leave hours or cash payments at a rate of one hour’s pay (in annual leave or cash) for every two hours of sick leave up to the established maximum payment hours. In lieu of, or in combination with, cash payment, Career Service employees may elect to increase their annual leave balances by up to forty hours per year in exchange for twice the amount of accrued sick leave. Police and Fire Civil Service may only convert sick leave hours to cash at a rate of one hour’s pay for every two hours of sick leave.

Employees	Minimum Accrual Hours	Maximum Payment Hours
Council Appointees	520	120
Police and Career Service	720	100
Fire Civil Service 8-hour shift	684	120
Fire Civil Service 24-hour shift	960	120

The city records a liability for accrued compensated absences and related payroll taxes. The “vesting method” per GASB 16, *Accounting for Compensated Absences*, is followed to estimate the sick leave liability upon termination. Only the portion of compensated absences that is due is reported as a liability in a governmental fund while the entire liability is reflected in the citywide statement of net position as noncurrent liabilities. The liability for compensated absences for employees whose work primarily benefits a proprietary fund is recorded in the respective fund. The portion of amounts anticipated to be paid (in lieu of used) over the next twelve months are reported as “current portion of long-term liabilities” in the proprietary fund statements and as “due within one year” in the business-type activities on the citywide statement of net position.

O. Defined Benefit Pension Plans

The city participates in two single employer defined benefit pension plans, two agent multiple-employer defined benefit plans and two cost-sharing multiple employer defined benefit pension plans.

For the purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the city of Aurora General Employees' Retirement Plan (GERP), the city of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP) and the Fire and Police Pension Association of Colorado (FPPA) Plans, including Old Hire-Fire, Old Hire-Police, Statewide Defined Benefit and Statewide Hybrid, and additions to/deductions from each Plan's fiduciary net position have been determined on the same basis as they are reported by each of the Plans. For this purpose, benefit payments (including refunds on employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GERP is recognized in both governmental activities and business-type activities as employee participation for GERP is citywide. The allocations are based on the pension contributions for the year. The remaining Plans are recognized in governmental activities only as they have minimal or no employee participation from business-type activities.

Each Plan has an annual or bi-annual actuarial valuation that is either considered in establishing funding policies or determines the annual required contribution. The contribution rates or annual required contributions are intended to be sufficient to amortize each Plan's unfunded actuarial accrued liability over a specified period as identified by each Plan.

P. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Q. Fund Balances and Net Position

Fund balances reflect assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources and are shown only in the governmental fund statements. Fund balance is divided into four classifications; restricted, committed, assigned and unassigned. Fund balance is reported as restricted when constraints placed on the use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Additionally, assets that are required by outside sources to be used for a specific purpose are shown on the balance sheet as "restricted assets." Fund balance is reported as committed when constraints are imposed by formal action (ordinance or resolution) of the City Council, the city's highest level of decision making authority. Council ordinances and resolutions require the same level of council action to add or remove a constraint. Both are equally binding for their respective purposes and are mutually exclusive, not interchangeable with one another. Fund balance is reported as assigned when the intent of the city is to use it for a specific purpose.

The Financial Policies and Guidelines, as approved by City Council, authorize the assignment of fund balances by informal action of City Council (no ordinance or resolution) or by the City Manager or the Finance Director as long as City Council has been advised of the assignment through either the budget process or some other process. Positive unassigned fund balance is the residual and may only be reported in the General Fund. Negative unassigned fund balance may be reported in any governmental fund other than the General Fund when expenditures incurred for specific purposes exceed amounts restricted, committed or assigned to those purposes.

Net position is assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources and is shown in the citywide, proprietary and fiduciary fund financial statements and is reported in three classifications. Net investment in capital assets reflects capital assets (net of accumulated depreciation) reduced by the outstanding amount of debt, which was issued to acquire or construct the capital assets. Restricted net position report amounts legally segregated for a specific future use. Remaining net position is reported as unrestricted.

R. Budgets

On or before September 1 of each year, a proposed budget is provided by the City Manager to the City Council for review. The City Council holds public hearings and may add to, subtract from, or change the proposed appropriations and associated revenues and reserves. The City Council is required to adopt the budget for the upcoming year by November 30, but typically does so before every November election.

Budgets are legally adopted for all funds except the Payroll Clearing Agency Fund, which is not subject to the budgetary requirements of the Colorado Revised Statutes (C.R.S.). Budgets for the component units: ACLC, AURA, the GIDs, GERP, EOEP, and Havana BID may be subject to the budgetary requirements of the C.R.S. but are not required to be and are not legally adopted by the city, although the city may approve a component unit's budget.

The city adopts both annual operating appropriations and project-length appropriations each year. Operating costs are controlled at the fund and department level for the General Fund and at the fund level for all other funds. Expenditures may not exceed appropriations at those levels. Annual operating appropriations lapse at year-end except for amounts that are encumbered (reserves for encumbrances are commitments on purchase orders that remain open at year-end).

The city adopts all capital projects on a project-length budget. Project-length (continuing appropriations) budgets do not lapse until the project for which the appropriation was made is completed or abandoned. Project expenditures are controlled at the fund, department and project levels. Expenditures may not exceed appropriations at any of those levels.

The following funds have both project-length continuing appropriations and annual operational budgets: City Capital Projects, Water, Wastewater, Golf, Gifts and Grants, Enhanced E-911, Conservation Trust, Parks Development, Open Space and Recreation Services. The Community Development Fund only adopts project-length budgets.

Since expenditures may not legally exceed budgeted appropriations, appropriation amendments are approved as necessary. Budget amendments require City Council approval by ordinance. The final budget does not always include budget reductions in expenditures or changes in revenues for amounts approved subsequent to the original budget when legal compliance is already demonstrated.

The Pier Point 7 Sewer GID Fund's expenditures of $201,617 exceeded appropriations of $198,550. It is the city's policy not to approve supplemental appropriations for this fund as no legal budget is adopted. The GID had available fund balance to cover the overspending. While this may be a violation of state statute, the overspending is not considered to be material.

Budget transfers within a department may be made with administrative approval if the transfer is within the same fund. Transfers between departments within the General Fund require City Council approval by ordinance or resolution. Transfers between funds require City Council approval by ordinance.

Basis of Budgeting

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

The city's budget disclosure presents funds available net of restrictions and commitments. While the restrictions and commitments are available to appropriate, funds available after restrictions and commitments represent funds that may be used for general purposes.

The "funds available" basis differs from the U.S. GAAP Basis of Accounting as follows:

1. Governmental Funds

a) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
b) Grants are considered revenue when awarded, not when earned.
c) Sales, use and lodgers taxes are considered revenue when received rather than when earned.
d) Project-length (continuing appropriation) budgets are considered reductions of funds available when appropriated, not when expenditures occur.
e) Purchases of inventory are considered expenditures when purchased, not when sold or used.
f) Overspending of project length (continuing appropriation) budgets is considered to reduce funds available.
g) Close-out of unspent project-length (continuing appropriation) budgets is considered to increase funds available.
h) Proceeds from capital leases and related capital expenditures are not budgeted.

i) The value received on the trade-in of capital assets and the related capital expenditures are not budgeted.
j) Changes in investment income due to recording investments at fair value are not budgeted.
k) January sick leave buyout is expensed for GAAP but not for budget until subsequent year.
l) Transactions related to asset forfeitures are not budgeted.

2. Proprietary Funds

a) Capital outlay is budgeted as an expenditure in the year purchased.
b) Depreciation is not budgeted.
c) Interest capitalized during construction is budgeted as interest expense.
d) Proceeds from the issuance of debt are considered revenues instead of an increase in liabilities.
e) Principal payments are shown as expenditures rather than reductions of the liability.
f) Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.
g) Grants are considered revenue when awarded, not when earned.
h) Receipts of long-term receivables are considered revenues, not reductions of the receivable.
i) Proceeds from the sale of assets are recognized as revenue; however, the related gain or loss is not.
j) Purchases of inventory are considered expenditures when purchased, not when sold or used.
k) Gains or losses on refunding of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.
l) January sick leave buyout is expensed for GAAP but not for budget until subsequent year.
m) Accrued compensated absences are not considered expenditures until paid.
n) Interest earned on escrowed cash and investments is not considered revenue for budget purposes.
o) The gain or loss on the equity in the joint venture is not budgeted, however payments to the joint venture, if any, are budgeted as expenditures.
p) Project-length (continuing appropriation) budgets are considered reductions of funds available when appropriated, not when expenditures occur.
q) Overspending of project length budgets is considered to reduce funds available.
r) Close-out of unspent project length budgets is considered to increase funds available.
s) Proceeds from capital leases and related capital expenditures are not budgeted.
t) The value received on the trade-in of capital assets and the related capital expenditures are not budgeted.
u) Changes in investment income due to recording investments at fair value are not budgeted.

2. CASH AND INVESTMENTS

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follows:

Cash and Investments	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Unit	Total
Cash and cash equivalents	$ 24,272,406	$ 33,319,977	$ 10,050,968	$ 165,998	$ 67,809,349
Investments	110,368,787	170,100,469	-	-	280,469,256
Restricted cash and cash equivalents	15,446,845	391,743	-	-	15,838,588
Restricted investments	70,843,398	7,695,492	423,779,789	-	502,318,679
Total	**$ 220,931,436**	**$ 211,507,681**	**$ 433,830,757**	**$ 165,998**	**$ 866,435,872**

As a home rule city, the city is allowed by state statute to invest public funds as permitted by charter or ordinance of the city. The city, by resolution, has established an investment policy that does not include the pension funds. All non-pension Plan investments are governed by this policy except for bond proceeds, which are invested in accordance with state statute, terms of the bond indenture or to meet bond insurer requirements. In addition, the Public Deposit Protection Act (PDPA) requires that all deposits exceeding the amount insured by the FDIC be collateralized to 102% of the deposit. The city maintains all cash deposits in PDPA eligible financial institutions. The city will seek to maintain an investment portfolio which is diversified by maturity, type of security, corporate industry and, except for U.S. government obligations, by issuer. The objectives of the city's investment program, in order of their priority, are:

- *Safety* of principal is the primary objective of city investment activities and is the single most important factor in determining investment decisions.
- *Liquidity* **-** The investment portfolio will retain sufficient liquidity to meet all reasonably anticipated operating cash needs.

- *Financial Management Goals* - The timing and form of investment purchases and sales will be managed in a manner consistent with the city's financial management goals.
- *Yield* **-** After the objectives of safety, liquidity and financial management goals are met, the investment portfolio will be managed with the objective of attaining a market rate of return throughout interest rate cycles.

Primary Government Investments
The city held the following investments at December 31, 2016:

Investment	Pooled Investments	Non-pooled Investments	Total Primary Government
PDPA Money Market Fund*	$ 36,729,620	$ -	$ 36,729,620
LGIP Money Market Fund*	35,017,328	-	35,017,328
Certificates of Deposit	-	2,120,000	2,120,000
Commercial Paper	4,976,720	-	4,976,720
U.S. Treasury Notes	25,121,095	-	25,121,095
U.S. Agency Notes	69,502,815	7,789,979	77,292,794
Municipal Bonds	53,541,677	-	53,541,677
Corporate Notes	106,711,265	-	106,711,265
Foreign Corporate Notes - USD	80,865,235	-	80,865,235
GID Revenue Bonds-CIC Dist #4	8,379,360	-	8,379,360
Total	**$ 420,845,115**	**$ 9,909,979**	**$ 430,755,094**

*Money market funds are considered cash equivalents for financial statement presentation.

Reconciliation to the statement of net position:

Investments in governmental and business type activities	$ 356,888,146
Cash and cash equivalents	
Money market funds	71,746,948
Pooled and other cash not included above	1,684,023
Certificates of deposit (investment for financial reporting purposes but not for risk evaluation)	2,120,000
Total cash and cash equivalents and investments	**$ 432,439,117**
Total Governmental Type Activities	$ 220,931,436
Total Business Type Activities	211,507,681
Total	**$ 432,439,117**

Primary Government Allowable Investments
Local Government Investment Pools – The city may utilize local government investment pools (LGIPs) which provide attractive yields, low credit risk, and a high degree of liquidity. The city is invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST or Trust) Prime Fund. COLOTRUST is a local government investment pool with a stable net asset value. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trust may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities and certain obligations of U.S. government agencies. The Trust does not have any limitations or restrictions on participant withdrawals. The city may invest up to 10% of its portfolio in a LGIP to a maximum amount per the investment policy, not to exceed 50% of the portfolio when combined with money market funds.

Money Market Funds – Must be registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of $1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAm or the equivalent by one or more nationally recognized statistical rating organization. The city may invest up to 10% of its portfolio in each such fund to a maximum amount per the investment policy, not to exceed 50% of the portfolio when combined with LGIPs.

U.S. Agency Notes – Investments may not exceed 75% of the total par value of the city's portfolio. Maturities may be no more than seven years.

U.S. Treasury Notes – Maturities may be no more than seven years.

Commercial Paper – Commercial paper issued by domestic corporations must be rated at least A-1 or the equivalent at the time of purchase by at least two nationally recognized statistical rating organizations (NRSROs). If the commercial paper issuer has senior debt outstanding, it must be rated at least A or the equivalent at the time of purchase by all rating organizations that rate the issuer. The aggregate investment in corporate debt, commercial paper, and bankers acceptances shall not exceed 50% of the city's investment portfolio. No more than 3% of the city's investment portfolio may be invested in the obligations of any one issuer.

Corporate Notes – Investments other than commercial paper, issued by domestic corporations, maximums:

Rating	Maximum Percentage	Maximum Maturity (Years)
AAA or AA	30%	5
A1 or A+	10%	2

Municipal Bonds – Investment maximums:

Rating	Maximum Percentage	Maximum Maturity (Years)
AAA or AA	30%	5
A1 or A+	10%	2

Securities of a General Improvement District – These securities may be purchased only upon recommendation by the Finance Director, approval by the City Manager and a resolution adopted by City Council that the investment is: 1) financially appropriate, including liquidity provisions; 2) consistent with the financial management goals of the city, including, but not limited to, managing variable rate risk; and 3) not made for the purpose of discharging such securities. On December 30, 2015, the city purchased $9,000,000 of senior taxable special revenue bonds from the Colorado International Center Metropolitan District No. 4 (the District) in relation to the Gaylord Project. The bonds will be used to construct infrastructure for access to the District, including the Gaylord. Future development within the District will allow for property tax receipts which will provide debt service for the bonds. This is a long term investment; however, should the net present value savings of any newly issued refunding debt of the District ever exceed 3%, the District is required to issue new debt to pay off these bonds.

Domestic Corporate Bonds and Foreign Securities – Domestic corporate bonds must be issued by a corporation or bank organized and operating within the United States. Foreign sovereign, foreign political subdivision and foreign corporate securities issued in foreign markets and under foreign law must be denominated in U.S. dollars. Specific nations whose debt may be purchased shall be approved by council resolution. Currently, the only approved foreign countries are Canada and Australia. Diversification requirements may not exceed the following; 15% of obligations issued in any one authorized foreign country, 30% investment in foreign securities, 30% invested in domestic corporate bonds, or 50% combination in both, foreign and domestic. Securities must be rated by at least two Nationally Recognized Statistical Ratings Organizations (NRSROs). Those with a rating of AA- or the equivalent may be purchased with a maximum maturity of 5 years and up to 10% may be purchased in securities rated A+ or the equivalent with a maximum maturity of 2 years. The aggregate investment in corporate obligations shall not exceed 50% of the portfolio.

Fiduciary Funds Allowable Investments

GERP – GERP contracts with investment managers to manage all of the Plan's investments. Each investment portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted July 17, 2014. These guidelines are specific to two strategies (core and core plus) within the fixed income asset class.

The *core* portfolio will include the following:

- Debt instruments issued by the U.S. Government, its agencies and instrumentalities.
- Debt instruments that have been issued by domestic entities rated BBB- or Baa3 or above by Standard & Poor's rating service or Moody's Investors Service, respectively.
- Dollar denominated debt of comparable quality issued by non-domestic entities in the United States, including securities issued under U.S. Securities and Exchange Commission rule 144(A); and mortgage backed and asset backed securities of investment grade quality.
- For purposes of diversification, the exposure to any single issuer, other than securities issued by the U.S. Treasury or a Government Sponsored Enterprise, shall not exceed 5% of the fair value of the portfolio. Exposure to any single issue or mortgage pool issued by a Government Sponsored Enterprise shall not exceed 5% of the fair value of the portfolio.
- Securities that derive their returns from factors other than interest rates are not permitted in the fixed income portfolio. Examples of such securities are structured notes whose returns are tied to currencies or commodity prices.

The *core plus* portfolio will follow the above guidelines with the following exceptions:

- While the overall portfolio credit quality will be maintained at investment grade, up to 25 percent of the portfolio at market value may be invested in securities rated below investment grade. Split rated securities will be governed by the lower designation.
- Up to 20 percent of the portfolio at market value may be invested in securities issued by foreign issuers and denominated in foreign currencies.
- The manager has received authorization to use options, forwards and futures to hedge currency exposure.
- For investment in a commingled fund, the manager is authorized full discretion to use derivate instruments, consistent with fund prospectus.

EOEP – The plan contracts with investment managers to manage all of the plan's investments. Assets are diversified and are intended to match, as closely as possible, the investment style, allocation and performance of GERP. Based on GERP's long-term performance, its relatively conservative investment practices, and the cost effective nature of this practice, the EOEP trustee, the city's Director of Finance, has determined that it is appropriate for EOEP to mirror GERP's investment strategy and that GERP's investment managers should be utilized to the extent practical.

Investment Risk Review

Investments are subject to many different types of risk including, but not limited to, credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. Credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments. Concentration of credit risk is the risk of loss attributable to the magnitude of the city's investment in a single issuer. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the city would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or deposit. The city has no custodial credit or foreign currency risk except for the fiduciary fund investments, which have foreign currency risk. City policy gives guidance for investment activity to limit risks, as outlined in the following discussion.

Primary Government Investment Risk

Credit risk – Credit ratings are a proxy for credit risk. Ratings on the primary government investments are as follows:

Moody's Rating	Money Market	Commercial Paper	Certificates of Deposit	U.S. Agency Notes	U.S. Treasury Notes	Municipal Bonds	Corporate Notes	Foreign securities-U.S. Dollars	GID Revenue Bonds - CIC District #4
Aaa	$ -	$ -	$ -	$ 77,292,794	$ 25,121,095	$ 10,546,502	$ -	$ -	$ -
Aa1	-	-	-	-	-	12,331,402	9,986,315	10,349,115	-
Aa2	-	-	-	-	-	16,855,103	30,249,269	39,962,205	-
Aa3	-	-	-	-	-	13,808,670	53,444,323	30,553,915	-
A1	-	-	-	-	-	-	13,031,358	-	-
P-1	-	4,976,720	-	-	-	-	-	-	-
AAAm	71,746,948	-	-	-	-	-	-	-	-
Not rated	-	-	2,120,000	-	-	-	-	-	8,379,360
Total	**$ 71,746,948**	**$ 4,976,720**	**$ 2,120,000**	**$ 77,292,794**	**$ 25,121,095**	**$ 53,541,677**	**$ 106,711,265**	**$ 80,865,235**	**$ 8,379,360**

Concentration of credit risk – Concentration risk as defined by the Governmental Accounting Standards Board is any investment that represents 5% or more of the total investments to any one issuer. The city's pooled fund investments are in compliance with city policy which limits unsecured investments with any single issuer other than

the federal government to no more than 3% of its pooled investments at the time securities are purchased to the total portfolio, excluding bond proceeds.

Interest rate risk – As a means of limiting its exposure to interest rate risk, it is the city's policy to invest in a manner that securities can normally be held to maturity, or close to maturity, and to limit the types and maturities of permitted securities. The city manages its exposure by limiting the weighted average maturities of the portfolio to less than 3 years, unless the investments are funded by specifically identified sources such as bond proceeds. Non-pooled investments are invested in accordance with state statute; terms of a bond indenture or to meet bond insurer requirements and may have a weighted average maturity exceeding 2 years.

Investment	Pooled Investments	Weighted Average Maturity (Years)	Non-pooled Investments	Weighted Average Maturity (Years)
Money Market Funds*	$ 71,746,948	—	$ -	—
Certificates of Deposit	-	—	2,120,000	0.89
Commercial Paper	4,976,720	0.36	-	—
U.S. Treasury Notes	25,121,095	3.39	-	—
U.S. Agency Notes	69,502,815	2.20	7,789,979	0.86
Municipal Bonds	53,541,677	1.30	-	—
Corporate Notes	106,711,265	1.89	-	—
Foreign Corporates - USD	80,865,235	1.44	-	—
CIC District #4	8,379,360	13.92	-	—
Total	**$ 420,845,115**		**$ 9,909,979**	

*Money market funds are considered cash equivalents for financial statement presentation.

GERP Investment Risk

Credit risk – GERP held fixed income investments with respective qualitative ratings, excluding those which are not considered to have credit risk, as follows:

Moody's Rating	Asset or Mortgage Backed, Corporate and Municipal Bonds	Bond Fund
Aaa	$ 5,830,403	$ -
Aa1 to Aa3	4,986,846	49,440,901
A1 to A3	17,088,114	-
Baa1 to Baa3	12,527,487	-
Total	**$ 40,432,850**	**$ 49,440,901**

Concentration of credit risk – For the fixed income investment manager, the Plan's investment policy states that for purposes of diversification, the exposure to any single issuer, other than securities guaranteed by the U.S. Treasury, may not exceed 5% of the market value of the portfolio. For the domestic equity investment manager, the Plan's investment policy states that the market value of any single security holding should be limited to a weight of 5% of the portfolio, or 150% of the security's weight in the benchmark, whichever is higher. There is no formal policy for concentration of credit risk for the international equity and real estate investment managers. At December 31, 2016, the Plan held the following investments that meet this criteria:

Investment	Value	% of Investments
BlackRock Equity Index Fund A	$ 88,852,641	20.9%
PIMCO Total Return Fund	49,440,901	11.7%
Dodge & Cox International Stock Fund	30,224,097	7.1%

Interest rate risk – Interest rate risk exposure is dictated by each investment manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted on July 17, 2014. These guidelines are specific to two strategies (core and core plus) within the fixed income asset class.

- The *core* fixed income portfolio is to maintain duration within plus or minus 25 percent of the duration of the Barclays Capital Government Credit Index.

- The *core plus* portfolio is to maintain duration within plus or minus 25 percent of the duration of the Barclays Capital Aggregate Index.

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. The Board of Trustees for the Plan has formally adopted an investment policy that allows investment maturities greater than five years.

The GERP had the following investments and maturities at December 31, 2016:

		Investment Maturities (in years)				
Investment	**Fair Value**	**Undetermined**	**Less than 1**	**1-5**	**6-10**	**>10**
Short Term Cash Investments	$ 6,882,214	$ 6,882,214	$ -	$ -	$ -	$ -
U.S. Treasury Securities	6,654,938	-	50,105	131,724	1,312,485	5,160,624
U.S. Agency Securities	685,625	-	-	-	685,625	-
Corporate Securities	30,162,062	-	2,110,734	11,551,976	12,681,733	3,817,619
Municipal Bonds	4,847,813	-	-	-	511,950	4,335,863
Asset Backed Securities	2,428,876	-	-	2,394,557	-	34,319
Government Mortgage Backed	2,750,320	-	-	-	-	2,750,320
Commerical Mortgage Backed	243,779	-	-	-	-	243,779
Corporate Bond Fund	49,440,901	49,440,901	-	-	-	-
Equity Securities	185,387,159	185,387,159	-	-	-	-
Real Estate Funds	43,281,914	43,281,914	-	-	-	-
Alternative Investments	91,628,612	91,628,612	-	-	-	-
Total	**$424,394,213**	**$ 376,620,800**	**$ 2,160,839**	**$ 14,078,257**	**$ 15,191,793**	**$ 16,342,524**

*Short Term Cash Investments are considered cash equivalents for financial statement presentation.

Foreign currency risk – The Plan's foreign currency risk exposure resides within investments in international equity mutual funds and one private equity limited partnership. The Plan has no formal policy regarding foreign currency risk. The Plan has delegated responsibility for currency management to its international equity managers. The Plan's exposure to foreign currency risk in U.S. dollars as of December 31, 2016 is $63,283,087.

EOEP Investment Risk

Credit risk – exposure is dictated by each manager's agreement with the Plan or in the fund's prospectus. The plan invests in Government and Corporate Bond Funds that hold rated securities in the following rating ranges:

Moody's Rating	**Corporate Bond Funds**
Aa1 to Aa3	$ 791,225
A1 to A3	908,337
Total	**$ 1,699,562**

Concentration of credit risk – The Plan does not have a formal policy regarding the concentration of credit risk. At December 31, 2016, the Plan did not have investments in any one organization representing 5% or more of the Plan's total investments in one issuer other than the following indexed and commingled funds:

Investment	**Value**	**% of Investments**
iShares Core S&P 500 ETF	$ 1,870,792	29.6%
Westcore Plus Bond Fund	908,338	14.4%
PIMCO Total Return Fund	791,225	12.5%
BlackRock US Core Property Fund	643,870	10.2%
Dodge & Cox International Stock Fund	556,665	8.8%
iShares Core S&P Small-Cap ETF	510,199	8.1%

Interest rate risk – Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the trustee(s). The EOEP trustee has determined that it is appropriate for the Plan to follow the investment guidelines developed by GERP. Those guidelines allow investment maturities greater than five years.

Investments	Fair Value	Average Maturity (Years)
Short-Term Cash Investments	$ 54,887	0.12
Government and Corporate Bond Funds	1,699,562	8.56
Equity Funds	3,460,894	—
Real Estate Funds	825,036	—
Alternative Investments	282,298	—
Total	**$ 6,322,677**	

*Short Term Cash Investments are considered cash equivalents for financial statement presentation.

Investment Valuation - Fair Value Recurring Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Level 3 prices utilize significant unobservable inputs, such as option-adjusted discounted cash flow valuation models.

As a practical expedient, a government can use the Net Asset Value (NAV) per share for investments in a nongovernmental entity that does not have a readily determinable fair value. The NAV is not permitted for valuation if it is probable the government will sell the investment at a different price. Investments measured at NAV would be excluded from the fair value hierarchy (Level 1, 2 or 3). The valuation method for investments, including those measured at the NAV per share (or its equivalent), is presented below.

Primary Government Fair Value Reporting

Fair value pricing – The city's pooled, non-restricted investments are held with the custodian bank, Wells Fargo Securities (WFS). Pricing at WFS is provided by Indereractive Data Pricing and Reference Data, Inc. (IDC). IDC uses market closing price when available. However, evaluators may use additional standard inputs which may influence pricing. The city's interest rate swap agreement fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy. The CIC District #4 Revenue Bonds were analyzed by an independent valuation provider to determine the fair value of this investment using Level 3 inputs. In addition, the city has investments in COLOTRUST of $35,017,328 at December 31, 2016. COLOTRUST does not have a readily determinable fair value and thus is measured at net asset value per share, which is designed to approximate fair value. Lastly, the city's holdings in non-negotiable certificates of deposit, $2,120,000, and PDPA money market accounts, $36,729,620, are exempt from fair value reporting.

Current year fair value measurement – The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016:

Investments and other assets by fair value level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Commercial Paper	$ 4,976,720	$ -	$ 4,976,720	$ -
U.S. Treasury Notes	25,121,095	25,121,095	-	-
U.S. Agency Notes	77,292,794	-	77,292,794	-
Municipal Bonds	53,541,677	-	53,541,677	-
Corporate Notes	106,711,265	-	106,711,265	-
Foreign Corporate Notes - USD	80,865,235	-	80,865,235	-
GID Revenue Bonds-CIC Dist #4	8,379,360	-	-	8,379,360
AURA Loan Interest Rate Cap	10,034	-	10,034	-
Total investments and other assets by fair value level	**$ 356,898,180**	**$ 25,121,095**	**$ 323,397,725**	**$ 8,379,360**
Investment measured at net asset value (NAV) - LGIP	35,017,328			
Total investments and other assets measured at fair value	**$ 391,915,508**			

Fiduciary Funds Fair Value Reporting

Fair value pricing – The plan's securities are in the custody of and controlled by Northern Trust Corporation, the master custodian. Short-term investments are carried at cost, which approximates fair value. Securities and funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate funds not actively traded on national or international exchanges are valued based upon appraisals of the real estate underlying the investment. Additionally, for alternative investments where no readily ascertainable fair value exists, the general partner of the partnerships, in consultation with investment advisors, determines the fair value.

GERP current year fair value measurement – The following table presents the fair value measurements of GERP investments at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016:

Investments by fair value level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-Term Cash Investments	$ 6,882,214	$ 6,882,214	$ -	$ -
Asset Backed Securities	2,428,876	-	2,428,876	-
Equity Securities	185,387,159	84,864,032	100,523,127	-
Corporate Bonds and Commercial Mortgage Backed	30,405,841	-	30,405,841	-
Bond Fund	49,440,901	-	49,440,901	-
U.S. Treasury and Agency Securities	7,340,563	7,340,563	-	-
Government Mortgage Backed	2,750,320	-	2,750,320	-
Municipal Bonds	4,847,813	-	4,847,813	-
Real Estate Funds	8,450,369	8,450,369	-	-
Total investments by fair value level	**$ 297,934,056**	**$ 107,537,178**	**$ 190,396,878**	**$ -**
Investments measured at net asset value (NAV)	126,460,157			
Total investments measured at fair value	**$ 424,394,213**			

GERP investments at NAV – The valuation method for GERP investments measured at the net asset value (NAV) per share (or its equivalent) and any unfunded commitments is presented below:

Investments Reported at NAV	Value	Unfunded Commitments
Abbott Capital Pe Fund V	$ 5,330,331	$ 750,000
Abbott Capital Pe Fund VI	8,185,217	1,000,000
Abbott Capital Pe Fund VII	8,906,381	10,700,000
Abbott Capital Private Equity Investors 2016 Lp	240,724	4,760,000
Cf Heitman America Real Estate Trust Lp Fd	20,613,600	-
Cf Morgan Stanley Prime Property Fund	14,217,945	-
Harbourvest Intl Pep VI Pshp Fund	3,802,106	768,000
Harbourvest Partners IX Credit Opportunities Fund	543,225	385,000
Harbourvest Partners IX Buyout Fund	1,832,219	1,192,500
Harbourvest Partners IX Venture Fund	1,865,958	350,000
Harbourvest Partners VIII Buyout Fund	2,124,417	240,000
Harbourvest Partners VIII Mezzanine And Distressed Debt	755,476	80,000
Harbourvest Partners VIII Venture Fund	3,074,825	80,000
Harbourvest Partners X Buyout Fund, Lp	618,937	6,405,000
Harbourvest Partners X Venture Fund, Lp	281,600	2,715,000
Harbourvest Partners VII Buyout Pship	1,007,021	220,000
Harbourvest Partners VII Mezzanine Hldg Fd	471,062	120,000
Harbourvest Partners VII Vent Pshp Fd	1,705,736	70,000
Harvest Mlp Income Fund	18,475,925	-
Harbourvest Intl Pep VII Partnership Fund Lp	5,174,538	14,650,000
Molpus Woodlands Fund III	14,492,373	-
Molpus Woodlands Fund IV Lp	12,740,541	2,445,000
Total Investments at NAV	**$ 126,460,157**	**$ 46,930,500**

EOEP current year fair value measurement – The following table presents the fair value measurements of EOEP investments at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016:

Investments by fair value level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-Term Cash Investments	$ 54,887	$ 54,887	$ -	$ -
Equity Funds	3,460,894	3,240,533	220,361	-
Corporate Bond Funds	1,699,562	-	1,699,562	-
Real Estate Funds	181,166	181,166	-	-
Total investments by fair value level	**$ 5,396,509**	**$ 3,476,586**	**$ 1,919,923**	**$ -**
Investments measured at net asset value (NAV)	926,168			
Total investments measured at fair value	**$ 6,322,677**			

EOEP investments at NAV – The valuation method for EOEP investments measured at the net asset value (NAV) per share (or its equivalent) and any unfunded commitments is presented below:

Investments Reported at NAV	Value	Unfunded Commitments
BlackRock US Core Property Fund, LP	$ 643,870	$ -
Harvest Mlp Income Fund LLC	282,298	-
Heitman America Real Estate Trust LP	-	575,000
Total Investments at NAV	**$ 926,168**	**$ 575,000**

3. RECEIVABLES

A. Taxes

1. Property Tax

Property tax is levied on December 15 and attaches as a lien on property the following January 1. The tax is payable in full by April 30 or in two equal installments due February 28 and June 15. Each county bills and collects property tax for all taxing entities within the county. Property tax collected by Arapahoe, Adams and Douglas counties for the city are remitted in the subsequent month. Property tax is reported as a receivable and as deferred inflow of resources when levied in both the funds and for citywide reporting. Revenue is recognized when collected in the following year. Collection begins on January 1 of the year following the levy. Total property tax receivable in the General Fund at December 31, 2016 is $31,482,778. Based upon experience, one percent of outstanding receivables is recorded as an allowance and is deducted from the deferred inflow of resources and the receivable for reporting purposes. The allowance at December 31, 2016 is $314,828.

Restricted property tax receivables recorded in the General Improvement Districts (GIDs) represent tax levies collected to specifically repay general obligation bonds and interest. Restricted property tax receivables recorded in the Aurora Urban Renewal Authority (AURA) Debt Service Fund represent tax levies collected pursuant to C.R.S. 31-25 and must be spent on urban renewal within the tax increment district. Total restricted property tax receivables net of allowance at December 31, 2016, for the GIDs, AURA General and AURA Debt Service are $327,157, $4,740,900 and $696,500, respectively.

2. Sales, Use and Lodgers Taxes

Sales, use and lodgers taxes are recognized as revenue when earned. Sales tax collected and use tax incurred are due to the city by the 20th day of the following month. Total sales, use and lodgers tax receivable at December 31, 2016 is $26,130,953.

3. Franchise Taxes

Franchise taxes such as telephone, cable television, gas and electric, due to the city but not received at year-end, are recorded as receivables. Total franchise tax receivable at December 31, 2016 is $2,456,925.

4. Tax Audits

Amounts calculated as owed during sales and use tax compliance audits are recorded as receivables and deferred inflow of resources in the General Fund. Tax audit revenue is recognized in subsequent periods when payment is received. For citywide reporting, revenue is recognized when earned. Total sales and use tax audits receivable at December 31, 2016 is $226,558.

B. Accounts

1. City Services

Amounts billed for court fines, weed cutting, trash removal, demolition, tree trimming and removal, vacant property fees, liens for uncollected city service receivables, overtime inspection fees, recreation registrations and reimbursement for property damages are recorded as receivables and the revenue is recognized when services have been performed. Total accounts receivable for city services at December 31, 2016 is $1,498,453 for governmental activities and $587,991 for business-type activities.

Restricted accounts receivable primarily represent amounts collected by the county, state or other governments for specific grant-related expenses incurred by the city.

2. Utility Billings

Utility charges, which include water and wastewater usage and storm drainage fees, are billed monthly and are due and payable within 25 days from the billing date. Total billed utility charges at December 31, 2016 are $9,381,064. Earned but unbilled utility charges at December 31, 2016 is $5,465,118. Billed and unbilled charges are recorded as revenue when earned. Estimates of uncollectible utility charges, based upon a percentage of aged outstanding receivables, are established in allowance accounts which are deducted from utility receivables for reporting purposes. Total allowance at December 31, 2016 is $11,568.

C. Interest

Interest receivable includes interest earned but not received on investments and notes receivable.

D. Due from Other Governments

Due from other governments consists of county road and bridge tax, state highway users tax, lottery proceeds, specific ownership tax, and cigarette tax, which the city has earned but not yet received. These amounts are collected by the other government and remitted to the city within the first two months of the following year. Due from other governments also includes federal and state grants which are collected within one year after year-end.

E. Other

Other receivables include E-911 surcharges, PEG access fees, special improvement district assessments, and deposits to a special district for flood and drainage control improvements.

F. Notes

Notes receivable are supported by contracts, which outline the repayment of borrowed funds.

1. Economic Development

The city has a participation interest in revolving loans made to various commercial and industrial enterprises. These loans are incentives for the relocation or expansion of these enterprises within the boundaries of the city. There are a total of seven loans: three Brownfields loans and four economic development loans. Brownfields loans, with total portfolio balances outstanding of $1,471,450, have a 2% interest rate and are interest only for a four year term with principal and interest due on the outstanding principal for the next six years and the remaining balance due at that point. Maturity dates range from 2017 to 2030. Brownfields loans are expected to be collected and are therefore reflected in the city's financial statements. The economic development loans, with total portfolio balances outstanding of $160,399, have interest rates ranging from 4% to 6.5% and maturity dates ranging from 2017 to 2025 with real and business property as collateral. Economic development loans are not expected to be collected and therefore are not reflected in the city's financial statements.

2. Community Services

In 2007, the city advanced $90,000 to the Colfax Marathon Partnership, Inc. to assist with the costs associated with the organizing, planning, advertising and producing of the marathon. The balance outstanding at December 31, 2016 is $68,762.

To assist in the redevelopment of low-income areas, the city makes loans from federal funds to assist in the renovation of housing and businesses. There are a total of 1,049 loans with various maturity dates and interest rates. The balance outstanding as of December 31, 2016 is $17,358,565, which is not expected to be collected and therefore is not reflected in the city's financial statements.

3. Fitzsimons Redevelopment Authority (FRA)

The city entered into an agreement to assist FRA with required matching funds in conjunction with two grants it received from the U.S. Department of Commerce, Economic Development Administration (EDA) for the purpose of designing and constructing a bioscience incubation facility at Fitzsimons. In 2013, the final installment of the original loan was rolled into a new loan of $130,165, repayable in five equal annual installments beginning October 15, 2014. FRA negotiated the agreement to a zero percent interest rate. The principal balance outstanding as of December 31, 2016 is $52,066 of which $26,033 is not expected to be collected in one year.

G. Component Unit - Havana BID

Property owners within the boundaries of the Havana Business Improvement District (BID) have been assessed $349,444 in property taxes for 2016 to be collected in 2017. Havana BID also had tax-related receivables due from the County Treasurer of $2,323 as of December 31, 2016.

4. RESTRICTED, COMMITTED, ASSIGNED AND UNASSIGNED FUND BALANCES AND RESTRICTED NET POSITION

Order of Spending

Fund balances are classified as restricted, committed, assigned or unassigned. When expenditures are incurred that use funds from more than one classification, the city will generally determine the order which the funds are used on a case-by-case basis, taking into account any application requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and, lastly, unassigned.

Restricted for Culture, Recreation, and Open Space
General Fund: $79,044 per agreement for library and computer equipment funding. *ACLC Capital Projects:* $3,643,749 unspent capital lease proceeds for the Moorhead Recreation Center renovation are restricted at the fund level but are included in net investment in capital assets at citywide. *Conservation Trust Fund:* $6,166,932 lottery proceeds share back to be used for park and open space development. *Parks Development Fund:* $7,020,306 developer contributions required to be used for the creation of city parks. *Open Space Fund:* $10,535,689 share back of sales and use tax the citizens in Arapahoe and Adams counties approved for parks and open space construction and maintenance in their respective counties. *Cultural Services Fund*: $61,949 for the SCFD grant. *City Capital Projects Fund:* $2,332,290 from a capital impact fee for open space development.

Restricted for Debt Related
Amounts held for debt service payments and required reserves include, *General Fund*: $2,129,933 for a debt service reserve, including interest, for which the city has pledged a moral obligation relating to an AURA revenue note, *SID Debt Service Fund:* $219,629, *AURA Debt Service Fund:* $1,914,974, and *ACLC Debt Service Fund:* $8,163,702. Debt related restrictions are at the fund level only and are not restricted at citywide.

Restricted for Development
Amounts restricted for employee development per retirement plan agreements in the *General Fund* are $107,831. Amounts restricted for future development projects in urban renewal areas per Colorado Revised Statutes include *AURA General Fund* for $10,551,129.

Restricted for Gifts and Grants
Gifts and Grants Fund: $1,711,384 of which $790,280 is for home inventory purchased under the neighborhood stabilization program (NSP). An additional $1,471,450 is restricted at citywide for Brownfields loans that are reported at the fund level as deferred inflows of resources and not as restricted. *Community Development Fund:* $1,044,593 for earned program income on community development loans. *City Capital Projects Fund*: $1,196,433 for capital improvement program grants.

Restricted for Public Improvement
General Fund: $186,104 restricted for fence maintenance and repair per voter approval. *ACLC Capital Projects Fund*: $47,642 unspent note proceeds restricted for purchase of public works equipment at the fund level but are included in net investment in capital assets at citywide. *Water Fund:* $374,000 is an escrow and deposit restricted for the Prairie Waters Project “owner controlled insurance program”. *Wastewater Fund:* $3,590,825 is held in trust by the Urban Drainage and Flood Control District to fund construction of storm drain infrastructure in the city. *Peoria Park Fence GID:* $69,359, *Meadow Hills Fence GID:* $53,160, and *Cherry Creek Fence GID:* $65,339 required by agreement for the purpose of maintaining neighborhood masonry fences. *Aurora Conference Center GID*: $483 required by agreement for construction of a conference center. *Pier Point 7 Sewer GID*: $122,362 required by agreement for the purpose of maintaining sewer line improvements. *City Capital Projects Fund:* $764,327 from the Adams County Road and Bridge 0.5% sales tax collected by Adams county and allocated back per agreement to the city for the purpose of constructing roads and bridges located within the respective jurisdictions, $6,318,715 from capital impact fees for transportation development, and $1,144,865 as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport to be used to acquire land and make improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities.

Restricted for Emergencies
General Fund: $474,660 for the TABOR State constitutional amendment 3% emergency reserve to be used in rare circumstances resulting from major nonrecurring and not predictable emergencies. Examples of a major emergency may include a tornado requiring extensive additional city operational or capital costs, or a protracted health, civilian or military crisis requiring extensive operational or capital costs. The funds are not to be used to adjust for revenue variances due to the normal variance in the economy. The TABOR reserve amount is adjusted annually in accordance with State constitutional requirements. *ACLC Capital Projects Fund*: $1,267,560 represents land sale proceeds for police headquarter building renovation, $963,599 for unspent debt proceeds relating to E-911 system improvements and equipment and $351,740 unspent proceeds relating to construction of a public safety training facility are restricted at the fund level but are included in net investment in capital assets at citywide. *Gifts and Grants Fund:* $1,060,470 of seizure funds from state and federal courts forfeiture actions is used to support activities of the Aurora Police Department. *E-911 Fund:* $8,559,107 received from a phone surcharge is required by State law to fund E-911 infrastructure development, operations and maintenance. *City Capital Projects Fund:* $1,770,730 from capital impact fees for public safety infrastructure.

Restricted for Pension Benefits
The net pension asset of $3,976,994 is restricted at citywide. It is not restricted in the funds as it does not represent a current financial resource.

Committed to Culture, Recreation and Open Space
General Fund: per city code $1,497,117 from fee revenues is committed for the community trees program to fund tree planting in the city. Per city code $218,077 is committed for various visitor promotion programs. Per city code, $293,867 is committed for public, educational and governmental television programming. *Cultural Services Fund:* per city code $1,070,571 generated from the capital project budget is committed to fund the Art in Public Places program.

Committed to Development
Development Review Fund: by city resolution $11,553,794 is committed for the Enhanced Development Review program.

Committed to Emergencies
General Fund: $3,448,101, per city code court surcharges are committed to fund the DARE, teen court, victim witness and youth programs; traffic fines are committed to fund the photo red light program.

Committed to Reserves
General Fund: $26,011,886, financial policies and guidelines adopted by City Council through resolution commit the 10% Policy Reserve. This reserve is to be used only in extremely rare circumstances resulting from major emergencies that are not recurring by nature and, in general, are not predictable. Examples of a major emergency may include a tornado requiring extensive additional city operational or capital costs, or a protracted health, civilian or military crisis requiring extensive operational or capital costs. The funds are not intended to be used to adjust for revenue variances due to the normal variance in the economy. Included in this reserve is one interfund loan totaling $78,251 to the Golf Fund. The 10% Policy Reserve is adjusted annually to an amount no less than 10% of adjusted budgetary operating expenditures of the General Fund.

Assigned to Capital Improvement
City Capital Projects Fund: $50,882,721 of residual equity is assigned to fund city capital improvements and virtually all has been appropriated to specific projects.

Assigned to Culture, Recreation and Open Space
Recreation Fund: $924,893 residual fund balance is assigned to Culture and Recreation through the budget process.
Cultural Services: $7,049 residual fund balance is assigned to Culture and Recreation through the budget process.

Assigned to Debt Service
ACLC Debt Service Fund: $2,295,028 is assigned through the budget process to fund future debt payments.

Assigned to Development
General Fund: $2,854,103 is assigned to fund economic development; $8,400,000 is assigned to the Regatta Plaza interfund loan receivable.

Assigned to Encumbrance
General Fund: $2,584,851 is assigned to pay commitments on open purchase orders.

Assigned to Long-term Liabilities
General Fund: $26,130,953 is assigned by management, with Council review, to pay long-term liabilities.

Unassigned Fund Balance Operating Reserve (minimum fund balance policy)
General Fund: As outlined in the city's Financial Policies and Guidelines and adopted by resolution, the General Fund has a minimum target fund balance of 1% to 3% of annual General Fund budgetary revenues. This reserve is intended to be usable in limited circumstances for one-time use where Council determines such use is appropriate and necessary. Uses may include paying for unexpected revenue shortfalls, unexpected expenses, and offsetting potential budget cuts. This reserve also assists in meeting financial bond rating agency total reserve requirements.

5. JOINT VENTURE

The Aurora – Colorado Springs Joint Water Authority (ACSJWA) was formed between the city of Aurora and the city of Colorado Springs. ACSJWA is reported in the Water Fund using the equity interest method. ACSJWA charges both cities transmission service fees to pay expenses incurred in the operation and maintenance of the project. The investment on January 1, 2016 was $2,404,208, plus the city's share of the change in net position of ($24,891) results in an ending investment on December 31, 2016 of $2,379,317.

6. OTHER ASSET - INTEREST RATE CAP

As of December 31, 2016, the AURA has one derivative instrument outstanding, an interest rate cap purchased in connection with the loan payable from the AURA to NBH Capital Finance for the purpose of financing a public conference center and parking facility. Parties to the derivative agreement are AURA (fixed note payer) and Royal Bank of Canada (floating rate payer or counterparty). The interest rate on the bank note is fixed until November 30, 2017 at which time the rate becomes variable. The interest rate cap is a cash flow hedge derivative. The objective of the rate cap is to protect against possible substantial future increases in interest rates which could adversely affect the coverage afforded by pledged revenues for the loan debt service requirements and limit availability of projected revenue available for expenditure on public purposes.

Below is a summary of the terms of the interest rate cap:

Notional Amount	Settlement Date	Effective Date	Maturity Date	Terms	Fair Value	Change in Fair Value
$25,000,000	9.1.2015	12.1.2017	12.1.2024	70% of sum of 1-year USD-LIBOR-BBA plus 2.40% exceeding strike rate	$10,034	$1,738

The interest rate cap satisfies the criteria for effectiveness using the dollar offset method. The interest rate cap has a positive fair value at December 31, 2016, and it is recorded as other asset in the governmental activities column on the Citywide statement of net position. The changes in fair value are recorded as a deferred inflow of resources on the Citywide statement of net position. As exchange-traded instruments that have a directly quotable price are not available for over-the-counter derivatives identical to this transaction, the interest rate cap is required to be valued using Level 2 inputs. A pricing service measured the fair value of the interest rate cap using internally developed models that used readily observable market parameters that are actively quoted and can be validated using external sources as their inputs.

Under the terms of the cap agreement, the cap provider will make floating payments to AURA on any floating rate payment dates when 70% of the sum of USD-LIBOR-BBA with a designated maturity of 12 months plus 2.40% exceeds the predetermined strike rates. In exchange for receiving any floating amount payments from the cap provider, the AURA made a one-time fixed payment to the cap provider in an amount of $195,000 on the trade date September 1, 2015. The AURA has policies in place to evaluate the credit worthiness of a swap counterparty to determine if the counterparty should be required to post collateral for the occurrence of certain events or provide certain credit enhancements prior to executing the agreement. The AURA, in consultation with its Qualified Independent Representative, determined this agreement does not require additional collateral be posted by the counterparty in the event AURA becomes exposed to credit risk. All transactions are in US dollars.

Hedging Derivative Net Cash Flow - As interest rates have remained low and there is no indication of significant interest rate increase, management believes the effect on cash flows related to the interest rate cap are de minimis based on rates as of December 31, 2016.

Risks

Credit Risk. The fair value represents the AURA's credit exposure to the counterparty as of December 31, 2016. Should the counterparty to this transaction fail to perform according to the terms of the cap agreement, the AURA has a maximum possible loss equivalent to the cap's fair value at that date. The credit ratings of the counterparty are: Moody's Aa2; Standard & Poor's AA-; Fitch AA.

Interest Rate Risk. The interest rate is capped at predetermined strike rates.

Basis Risk. Basis risk arises from the mismatch between the rate received under the cap and the rate paid on the loan. In this transaction the cap payment calculation is matched with the interest calculation of variable rate on the loan. There is no basis risk.

Termination Risk. The AURA or its counterparties may terminate the derivative if the other party fails to perform under the terms of the agreement. Additionally, AURA has the option to terminate the cap agreement at any time, at the then-current market value of the cap agreement. The cap provider shall not have the right to optionally terminate the cap agreement.

Rollover Risk. The AURA is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the debt. When the rate cap terminates, the AURA will be re-exposed to the risks being hedged by the cap.

7. CAPITAL ASSETS

Governmental Activities - Capital asset activity for the year ended December 31, 2016, is shown below.

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated					
Land	$ 278,961,348	$ 17,130,480	$ (1,360,000)	$ 1,300,000	$ 296,031,828
Construction in progress	76,679,778	46,298,047	(74,496)	(83,550,349)	39,352,980
Total capital assets not depreciated	355,641,126	63,428,527	(1,434,496)	(82,250,349)	335,384,808
Capital assets being depreciated					
Buildings and improvements	213,954,750	151,458	-	41,647,974	255,754,182
Infrastructure	2,713,179,342	118,282,385	-	40,388,701	2,871,850,428
Machinery and equipment	95,559,778	10,496,138	(3,628,244)	213,674	102,641,346
Total capital assets being depreciated	3,022,693,870	128,929,981	(3,628,244)	82,250,349	3,230,245,956
Less accumulated depreciation					
Buildings and improvements	(81,040,121)	(5,854,099)	21,667	-	(86,872,553)
Infrastructure	(622,095,064)	(40,415,148)	-	-	(662,510,212)
Machinery and equipment	(59,321,793)	(6,669,847)	3,613,786	-	(62,377,854)
Total accumulated depreciation	(762,456,978)	(52,939,094)	3,635,453	-	(811,760,619)
Total capital assets being depreciated, net	2,260,236,892	75,990,887	7,209	82,250,349	2,418,485,337
Governmental activities capital assets, net	**$ 2,615,878,018**	**$ 139,419,414**	**$ (1,427,287)**	**$ -**	**$ 2,753,870,145**

Depreciation expense that was charged to governmental activities' functions is shown below. Unallocated depreciation represents depreciation on multi-use city office buildings such as the Aurora Municipal Center. Depreciation of all other facilities is included in the function that uses the facility.

General Government	$ 1,244,564
Judicial	103,114
Police	1,754,614
Fire	1,648,650
Other public safety	1,308,190
Public works	40,274,529
Economic development	228,509
Community services	251,347
Culture and recreation	4,159,663
Unallocated	1,965,914
Depreciation expense governmental activities	$52,939,094

Business-type Activities - Capital asset activity for the year ended December 31, 2016, is shown below and includes capitalized interest of $4,251,909 in the Water Fund and $1,387,990 in the Wastewater Fund.

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated					
Land and water rights	$ 399,983,075	$ 14,729,683	$ -	$ 202,402	$ 414,915,160
Construction in progress	110,936,229	53,337,179	(538,840)	(68,607,297)	95,127,271
Total capital assets not depreciated	510,919,304	68,066,862	(538,840)	(68,404,895)	510,042,431
Capital assets being depreciated					
Buildings and improvements	530,690,168	-	-	-	530,690,168
Infrastructure	1,343,072,805	55,309,191	-	68,412,478	1,466,794,474
Machinery and equipment	120,069,571	4,187,317	(836,581)	(7,583)	123,412,724
Total capital assets being depreciated	1,993,832,544	59,496,508	(836,581)	68,404,895	2,120,897,366
Less accumulated depreciation					
Buildings and improvements	(91,234,992)	(12,759,747)	-	-	(103,994,739)
Infrastructure	(275,311,414)	(21,039,666)	-	(3,792)	(296,354,872)
Machinery and equipment	(54,487,358)	(7,897,424)	836,581	3,792	(61,544,409)
Total accumulated depreciation	(421,033,764)	(41,696,837)	836,581	-	(461,894,020)
Total capital assets being depreciated, net	1,572,798,780	17,799,671	-	68,404,895	1,659,003,346
Business-type activities capital assets, net	**$ 2,083,718,084**	**$ 85,866,533**	**$ (538,840)**	**$ -**	**$ 2,169,045,777**

Depreciation expense that was charged to business-type activities' functions is shown below:

Water	$ 30,024,405
Wastewater	10,848,883
Golf	823,549
Depreciation expense business-type activities	$ 41,696,837

Component Unit - Capital asset activity for the year ended December 31, 2016, is shown below:

	January 1	Additions	Disposals	Transfers	December 31
Capital assets being depreciated					
Infrastructure	$ 82,510	$ -	$ -	$ -	$ 82,510
Machinery and equipment	53,097	-	-	-	53,097
Total capital assets being depreciated	135,607	-	-	-	135,607
Less accumulated depreciation					
Infrastructure	(51,482)	(11,788)	-	-	(63,270)
Machinery and equipment	(37,506)	(7,615)	-	-	(45,121)
Total accumulated depreciation	(88,988)	(19,403)	-	-	(108,391)
Component unit activities capital assets, net	**$ 46,619**	**$ (19,403)**	**$ -**	**$ -**	**$ 27,216**

8. NONCURRENT LIABILITIES

A. General Obligation Bonds

The city has issued governmental general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds pledge the full faith and credit of the city. The General Improvement Districts pledge the full faith and credit of the properties within the district.

Governmental Activities - The General Improvement Districts have four outstanding issuances of general obligation bonds. Amounts originally issued and amounts outstanding at December 31, 2016, respectively, were: 2009 Cherry Creek Fence $700,000 and $530,000; 2010 Meadow Hills Fence $520,000 and $400,000; 2010 Peoria Park Fence $375,000 and $306,000; and 2011 Pier Point Sewer $2,600,000 and $2,150,000.

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		
Year Ending		**4.38-5.45%**	
December 31	**Principal**	**Interest**	**Total**
2017	$ 169,000	$ 158,632	$ 327,632
2018	174,000	150,697	324,697
2019	185,000	142,543	327,543
2020	191,000	133,853	324,853
2021	202,000	124,890	326,890
2022-2026	1,145,000	473,792	1,618,792
2027-2031	1,320,000	181,608	1,501,608
Total	**$ 3,386,000**	**$ 1,366,015**	**$ 4,752,015**

B. Revenue Bonds

Business-type Activities – Water Fund has one outstanding issuance of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2016, respectively, were: 2016 First Lien Water Refunding $437,025,000 and $437,025,000. The refunding proceeds advance refunded principal amounts of $421,495,000 of the 2007A and $39,995,000 of the 2008A debt issues and reduced the total debt service payments by $9,238,096. The refunding provided an economic gain (net present value savings) of $68,622,657 and a deferred loss on refunding of $12,227,495. This loss and cash flow savings included the current refunding of the Colorado Water Conservation Board (CWCB) loan – see on the following page note D. Notes Payable.

Wastewater Fund has one outstanding issuance of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2016, respectively, were: 2016 First Lien Sewer Refunding $28,900,000 and $28,900,000. The 2016 issuance advance refunded the 2006 revenue bonds by paying off the remaining principal amount of $32,295,000 and reduced the total debt service payments by $16,941,642. The refunding provided an economic gain (net present value savings) of $9,284,963 and a deferred gain on refunding of $463,205.

Annual debt service requirements to maturity for revenue bonds are as follows:

	Business-Type Activities		
Year Ending		**1.50-5.00%**	
December 31	**Principal**	**Interest**	**Total**
2017	$ 2,795,000	$ 18,481,421	$ 21,276,421
2018	2,725,000	19,343,288	22,068,288
2019	2,765,000	19,300,778	22,065,778
2020	5,160,000	19,370,144	24,530,144
2021	7,710,000	19,291,058	27,001,058
2022-2026	67,315,000	89,884,992	157,199,992
2027-2031	66,380,000	77,621,500	144,001,500
2032-2036	81,970,000	62,030,050	144,000,050
2037-2041	102,915,000	41,087,550	144,002,550
2042-2046	126,190,000	17,807,250	143,997,250
Total	**$ 465,925,000**	**$384,218,031**	**$ 850,143,031**

C. Certificates of Participation

Governmental Activities - Certificates of Participation (COPs) are issued by Aurora Capital Leasing Corporation (ACLC) and represent participation in a capital lease financing. The COPs are payable from the city's lease payments to ACLC, which are assigned to the trustee for the COPs debt service. There are three outstanding COPs issues. Amounts originally issued and amounts outstanding at December 31, 2016, respectively were: 2009A refunding series (2005 Public Improvement and 2008 refunding) $84,160,000 and $80,520,000; and 2014 Public Safety and Sports Park $21,775,000 and $19,050,000; and 2015 Public Safety Training Facility $24,340,000 and $23,715,000. Specific assets are pledged under the COPs.

Annual debt service requirements to maturity for COPs are as follows:

	Governmental Activities		
Year Ending		**3.25-5.00%**	
December 31	**Principal**	**Interest**	**Total**
2017	$ 6,460,000	$ 5,697,575	$ 12,157,575
2018	6,720,000	5,435,825	12,155,825
2019	6,995,000	5,160,075	12,155,075
2020	7,305,000	4,852,400	12,157,400
2021	7,665,000	4,497,875	12,162,875
2022-2026	38,250,000	16,677,150	54,927,150
2027-2031	38,620,000	7,485,675	46,105,675
2032-2036	5,805,000	1,683,275	7,488,275
2037-2040	5,465,000	522,000	5,987,000
Total	**$ 123,285,000**	**$ 52,011,850**	**$ 175,296,850**

D. Notes Payable

Governmental Activities – The city has two Special Improvement District Revenue Notes for expenditures made by the city to construct certain masonry fences in the district payable from special assessments levied on the neighborhoods. Amounts originally issued and amounts outstanding at December 31, 2016, respectively were: Ptarmigan Park Neighborhood $1,075,000 and $105,000; and Dam East Neighborhood $1,230,000 and $600,000.

The Aurora Urban Renewal Authority (AURA) issued $27,750,000 NBH Capital Finance note for the purpose of financing the construction of a public conference center and a parking facility in the Fitzsimons Urban Renewal Area (URA) and will be repaid by tax increment revenues of the URA. AURA has fully drawn on this note as of December 31, 2016. Repayment of the principal amount will begin on December 1, 2019 and matures on December 1, 2024. Interest payments on the note are due quarterly beginning June 1, 2015 at the rate of 2.40% per annum through November 30, 2017. On December 1, 2017 and annually thereafter, the rate of interest on the outstanding principal balance of the note shall be reset to a rate equal to the 12-month LIBOR rate in effect as of such date plus 2.40%, times a tax-exempt factor of 0.70. The maximum interest rate is set at 12% per annum. The amount outstanding on the note at December 31, 2016 is $27,750,000. As required by the AURA and the Public Finance and Redevelopment Agreement (PFRA), the city has a moral obligation pledge on this revenue note's debt service reserve fund in the amount of $2,120,000. The moral obligation does not constitute a pledge of the city's full faith and credit as security for the note, but rather, it is merely a declaration of the city's present intent to consider appropriating funds to replenish the debt service reserve fund under the terms and conditions set forth in the agreement.

Business-type Activities – Water Fund has one outstanding notes payable. Amounts originally issued and amounts outstanding at December 31, 2016, respectively were: 2004 Water Rights Notes $8,280,091 and $353,766. As previously discussed, the Water Fund current refunded $69,085,617 if the Colorado Water Conservation Board note as part of the 2016 First Lien Water refunding.

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending December 31	Governmental Activities 2.40-5.00%** Principal	Interest	Total	Business-Type Activities 5.00% Principal	Interest	Total	
2017	$ 115,000	$ 707,324	$ 822,324	$ -	$ -	$ -	*
2018	10,000	820,703	830,703	176,883	17,688	194,571	
2019	445,000	819,393	1,264,393	176,883	8,844	185,727	
2020	655,000	808,176	1,463,176	-	-	-	
2021	725,000	786,863	1,511,863	-	-	-	
2022-2026	26,505,000	2,143,999	28,648,999	-	-	-	
Total	**$ 28,455,000**	**$ 6,086,458**	**$ 34,541,458**	**$ 353,766**	**$ 26,532**	**$ 380,298**	

* A principal and interest payment of $176,883 and $26,532, respectively, was made on the 2004 water rights note payable on December 30, 2016 due January 1, 2017.

**12-month LIBOR rate at December 30, 2016 per Wall Street Journal is 1.68567%.

E. Capitalized Leases

Governmental Activities - The city has entered into leases for seven fire apparatus, various breathing apparatus, eight construction equipment, seventeen transportation equipment and three buildings and improvements. All leases are funded from the General Fund. The leases have been capitalized for financial statement purposes. Upon final payment, the equipment and site leased will transfer to the city's ownership. The gross amount of the machinery and equipment acquired, and the cost of buildings and improvements under each lease is $3,722,367, $1,617,875, $1,652,760, $3,217,877 and $12,629,637, respectively. Accumulated amortization on these leases is $2,024,486 as of December 31, 2016. Specific assets are pledged under the capital leases.

Annual debt service requirements to maturity for capital leases are as follows:

Year Ending December 31	Governmental Activities 1.208-2.56% Principal	Interest	Total
2017	$ 3,586,626	$ 254,913	$ 3,841,539
2018	3,612,388	271,181	3,883,569
2019	3,407,012	217,478	3,624,490
2020	2,495,820	166,397	2,662,217
2021	2,516,383	127,466	2,643,849
2022-2026	5,592,953	156,635	5,749,588
Total	**$ 21,211,182**	**$ 1,194,070**	**$ 22,405,252**

F. Pledged Revenue

Governmental Activities - The city has pledged any special assessments levied and collected on the respective neighborhoods to repay $705,000 current principal outstanding, in Special Improvement District Revenue Notes issued in 2007 and 2012. Proceeds from the notes provided for the construction of two masonry fences. The notes are payable solely from special assessments levied and collected on the respective neighborhoods and are payable through 2017 and 2022.

- *Ptarmigan Park Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 100.0% of net revenues. The total principal and interest remaining to be paid on the note is $110,125. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was $120,375 and $102,431, respectively.
- *Dam East Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 100.0% of net revenues as the city is expected to pay out all of the special assessments collected. The total principal and interest remaining to be paid on the note is $693,776. Principal and interest paid for the

current year and total special assessments levied and collected on the neighborhood was $174,656 and $161,390, respectively.

The AURA has pledged incremental increases in property tax, sales tax, lodger tax and use tax on construction materials, as well as net revenues from the operation of the conference center and parking facility, to the payment of the NBH Capital Finance note. Annual principal and interest payments on the note are expected to require 100% of pledged revenues based on the NBH Capital Finance Debt Service Amortization Schedule. Based on the terms of the agreement, $65,356 of the pledged revenues received as of December 31,2016, were used to pay interest in 2016 with the remaining $549,247 drawn from the note. Total amount drawn on the note is $27,750,000 as of December 31, 2016. Total interest paid for the current year was $614,603.

Business-type Activities - The city has pledged future water system revenues, net of specified operating expenses, to repay $437,025,000 principal currently outstanding, in water system refunding revenue bonds issued in 2016 and $353,766, principal currently outstanding, in utility enterprise water resources revenue notes issued in 2004. Proceeds from the refunding bonds were used to pay off the 2007A and 2008A revenue bonds, and the CWCB notes that were previously issued to provide financing for the acquisition of water rights, the acquisition and construction of water facilities and additions and improvements to the water system, including funding the Prairie Waters Project. The bonds are payable solely from water system net revenues and are payable through 2046. Proceeds from the notes provided for the acquisition of certain water rights. The notes are payable solely from water system revenues and are payable through 2019. Annual principal and interest payments on the bonds and notes are expected to require approximately 28.12% of net revenues. The total principal and interest remaining to be paid on the bonds and notes is $819,210,646. Scheduled principal and interest paid for the current year and total water system net revenues were $27,550,417 and $97,962,417, respectively.

The city has pledged future wastewater system revenues, net of specified operating expenses, to repay $28,900,000 in wastewater system revenue bonds issued in 2016. Proceeds from the refunding bonds were used to pay off the 2006 revenue bonds that provided financing for the acquisition and construction of additions and improvements to the wastewater utility system. The bonds are payable solely from wastewater system net revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require approximately 7.45% of net revenues. The total principal and interest remaining to be paid on the bonds is $31,312,683. Scheduled principal and interest paid for the current year and total system net revenues were $1,559,813 and $20,924,431, respectively.

G. Accrued Compensated Absences

Accrued compensated absences recorded in governmental activities are generally paid from the General Fund. Amounts outstanding at December 31, 2016 are $28,990,083 for governmental activities and $4,656,192 for business-type activities.

H. Legal Debt Limit

The city's legal debt limit is 3% of the assessed valuation of taxable property. After certain deductions allowed by law, the legal debt margin as of December 31, 2016 is $109,759,827. In 1992, Colorado voters approved an amendment to the state constitution (TABOR), which requires multiple-fiscal year debt and certain other financial obligations to be authorized by voters, regardless of whether or not the city is at its legal debt margin. Voter approval of additional debt typically includes a provision exempting the new debt from the debt margin. Consequently, the computation of the city's legal debt margin has little real significance.

I. Changes in Long-Term Liabilities

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

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General obligation bonds	$ 3,549,000	$ -	$ (163,000)	$ 3,386,000	$ 169,000
Certificates of participation	129,515,000	-	(6,230,000)	123,285,000	6,460,000
Less adjustments:					
Unamortized premium	8,402,468	-	(693,159)	7,709,309	-
Total bonds and COPs	141,466,468	-	(7,086,159)	134,380,309	6,629,000
Notes payable	22,983,064	5,736,936	(265,000)	28,455,000	115,000
Capitalized leases	12,605,340	10,703,597	(2,097,755)	21,211,182	3,586,626
Accrued compensated absences	28,683,944	819,274	(513,135)	28,990,083	4,918,277
Accrued claims payable	11,293,501	6,780,062	(6,828,189)	11,245,374	5,855,304
Net OPEB obligation	5,189,590	-	(111,152)	5,078,438	-
Net pension liability	56,168,645	102,955,045	(56,168,645)	102,955,045	-
Total Governmental Activities	**$ 278,390,552**	**$ 126,994,914**	**$ (73,070,035)**	**$ 332,315,431**	**$ 21,104,207**

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Revenue bonds	$ 493,785,000	$ 465,925,000	$ (493,785,000)	$ 465,925,000	$ 2,795,000
Less adjustments:					
Unamortized premium	9,935,796	80,822,922	(10,948,393)	79,810,325	-
Total bonds	503,720,796	546,747,922	(504,733,393)	545,735,325	2,795,000
Notes payable	71,375,462	-	(71,021,696)	353,766	-
Accrued compensated absences	4,523,091	495,873	(362,772)	4,656,192	559,327
Net OPEB obligation	970,754	10,702	-	981,456	-
Net pension liability	2,330,783	8,954,049	(2,330,783)	8,954,049	-
Total Business-type Activities	**$ 582,920,886**	**$ 556,208,546**	**$ (578,448,644)**	**$ 560,680,788**	**$ 3,354,327**

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

The components of deferred outflows of resources and deferred inflows of resources reported in the government-wide financial statements as of December 31, 2016, are as follows:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources			
Pensions	$ 46,071,102	$ 7,657,850	$ 53,728,952
Loss on refunding	7,353,616	12,064,025	19,417,641
Total Deferred Outflows of Resources	$ 53,424,718	$ 19,721,875	$ 73,146,593
Deferred Inflows of Resources			
Pensions	$ 1,136,540	$ 227,908	$ 1,364,448
Interest rate cap	10,034	-	10,034
Property taxes	36,932,507	-	36,932,507
Gain on refunding	-	456,864	456,864
Total Deferred Inflows of Resources	$ 38,079,081	$ 684,772	$ 38,763,853

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied in the fund statements. Deferred inflows of resources are comprised of property tax and unavailable fund resources. Unavailable fund resources include: special assessment receivables, tax audit receivables and notes receivables that are unavailable in the fund statements but are recognized as revenue in the citywide statements.

The components of the deferred inflows of resources reported in the fund statements as of December 31, 2016, are as follows:

	General Fund	Non-Major Governmental Funds	Total	Component Unit
Deferred Inflows of Resources				
Property tax	$ 31,167,950	$ 5,764,557	$ 36,932,507	$ 349,444
Unavailable fund resources	673,682	2,185,024	2,858,706	-
Total Deferred Inflows of Resources	$ 31,841,632	$ 7,949,581	$ 39,791,213	$ 349,444

10. INTERFUND TRANSACTIONS

The balance between the General Fund and the Nonmajor Governmental Funds results from a loan to the AURA Debt Service Fund to temporarily fund the purchase and improvements of the Regatta Plaza Property until external financing is obtained. The balance between the General Fund and the Nonmajor Business-type Funds results from an interfund loan between the General Fund and Golf Fund for golf equipment purchases. The balance between the Water Fund and Nonmajor Governmental Funds is an interfund loan for purchase and development of land. The balance between the Wastewater Fund and the Nonmajor Business-type Funds results from the interfund loan between the Wastewater Fund and the Golf Fund for the construction of the Murphy Creek Golf Course.

	Interfund Payable		
Interfund Receivable	**Nonmajor Governmental Funds**	**Nonmajor Business-type Funds**	**Totals**
General Fund	$ 21,500,000	$ 78,251	$ 21,578,251
Water Fund	4,000,000	-	4,000,000
Wastewater Fund	-	3,909,000	3,909,000
Total	**$ 25,500,000**	**$ 3,987,251**	**$ 29,487,251**

Transfers are used to move revenues from the fund in which the city budget requires collection to the fund required to expend the monies, and to move unrestricted revenues collected in the General Fund to finance various activities accounted for in other funds.

	Interfund Transfers Out			
Interfund Transfers In	**General Fund**	**ACLC-Capital Projects Fund**	**Nonmajor Governmental Funds**	**Totals**
General Fund	$ -	$ -	$ 2,085,035	$ 2,085,035
ACLC-Capital Projects Fund	2,550,000	-	2,495,885	5,045,885
Water Fund	-	-	50,000	50,000
Nonmajor Governmental Funds	68,831,071	106,266	15,511,868	84,449,205
Nonmajor Business-type Funds	-	-	150,000	150,000
Internal Service Funds	320,245	-	-	320,245
Total	**$ 71,701,316**	**$ 106,266**	**$ 20,292,788**	**$ 92,100,370**

Transfers between Governmental Funds and Water Fund	$ 50,000
Transfers between Governmental Funds and Nonmajor Business-type Funds	150,000
Total transfers between Governmental-type Activities and Business-type Activities	$200,000

11. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

A. Continuing Appropriations

The city stipulates that appropriations for capital projects do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Additionally, any project is deemed abandoned if three years have elapsed without expenditure or encumbrance to the project. As of December 31, 2016, the city had various unspent appropriations for the acquisition and construction of projects which totaled $177,725,784.

B. Encumbrances

Encumbrance commitments in the General Fund total $2,584,851 and in the nonmajor governmental funds in the aggregate total $2,178,568.

C. Job Related Tax Abatement Agreements

The city enters into job related tax abatement agreements with local businesses to encourage retail and mixed use development, and commercial expansion within its borders. The abatement program is approved by City Council via ordinance and the agreements with individual businesses are approved via resolution. The businesses agree to meet employment requirements as specified in the agreement in order to receive continued payment until maximum employment levels and time requirement are reached. If the business fails to meet agreed upon obligations, the city may impose sanctions including terminating the agreement, reimbursement of taxes rebated with interest, and imposition of liens upon real and personal property. Total potential future abatement is $16,666,538 and abatements paid or waived to date is $651,749. No abatements were paid during year 2016 as businesses either did not meet the employment and time requirements or did not submit a rebate request. As part of the agreements, the city may offer one or more of the following incentives:

- Rebate of use tax related to construction materials;
- Rebate of use tax reported or sales tax paid on the purchase of equipment for a period of time;
- Rebate of sales tax collected from customers for a period of time;
- Rebate of personal property tax collected for a period of time.

D. Tax Increment Financing

At December 31, 2016, the Aurora Urban Renewal Authority had retail, commercial and residential agreements with Cornerstar, Fitzsimons Village, the Colorado Science and Technology Park, Gardens on Havana, Corporex Colorado, LLC, Aurora Convention Center Hotel, The Forum Fitzsimons, Stanley JV, LLC, and Forest City Stapleton.

E. Fitzsimons Golf Course Operations

Fitzsimons Redevelopment Authority (FRA) has retained the city under contract to manage the operation, maintenance and repair of the Fitzsimons Golf Course. The agreement is for the period from January 1, 2014 through December 31, 2018. FRA compensates the city for such services with a management fee payable solely from revenues of the golf course. In return, the city pays FRA $26,033 per year as FRA's share of the proceeds from the operations of the golf course. The maximum remaining commitment to FRA is $52,066 as of December 31, 2016.

12. DEFERRED COMPENSATION PLANS

The city offers employees the opportunity to voluntarily participate in one of three deferred compensation plans. The City of Aurora 457 Deferred Compensation Plan, administered by Nationwide Retirement Solutions, is open to all employees. The International City Management Association Retirement Corporation (ICMA-RC) administers a plan open to executive staff. The Fire and Police Pension Association (FPPA) offers an additional 457 plan through Fidelity for Police and Fire civil service employees.

In addition, as a condition of membership of the transfer plan component of the Fire Statewide Defined Benefit Pension Plan, annual contributions are also made to a 457 Deferred Compensation Plan administered by Nationwide Retirement Solutions. Under this plan, Nationwide Life Insurance Company provides benefits through a deferred

variable annuity contract for the exclusive benefit of plan participants and their beneficiaries. In 2016, members of the transfer plan and the city each contributed 0.5% ($71,056).

All four plans are created in accordance with Internal Revenue Code Section 457. The plans allow employees to defer a portion of their salary until future years. The deferred amounts are not available to the employees until termination, retirement, death or unforeseeable emergency. The amounts in the deferred compensation plans are held in third party trusts for the exclusive benefit of the city's employees and beneficiaries. The trustee of the City of Aurora 457 plan administered through Nationwide is Nationwide Trust Company FSB. The trustee of the plan administered through ICMA-RC is Vantage Trust Company LLC. The FPPA Board is trustee of the FPPA Fidelity plan. The trustees are responsible for evaluating the ongoing appropriateness of investment options and ensuring the plans operate in compliance with the plan documents, and other applicable rules and guidelines. The trustees are obliged to act as a reasonable and prudent person would act in a similar situation.

13. PENSION PLANS

The city of Aurora provides the following plans:

- Defined Benefit Plans:
  - General Employees' Retirement Plan (GERP)
  - Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)
  - Fire Pension Plan (Old Hire-Fire)
  - Police Pension Plan (Old Hire-Police)
  - Fire Statewide Defined Benefit Pension Plan (Statewide DB)
  - Fire Statewide Hybrid Pension Plan (Statewide Hybrid)
- Defined Contribution Plans:
  - Police Money Purchase Pension Plan (New Hire-Police)
  - Fire Money Purchase Pension Plan
  - Executive Retirement Plan – Money Purchase Pension Plan (ERP)

A. Defined Benefit Plans

The following provides a summary of the net pension liability, net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense for each of the defined benefit plans as of and for the year ended December 31, 2016 (measured as of December 31, 2015):

	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Reduction)
Single Employer Plans					
GERP	$ 34,647,911	$ -	$ 29,637,284	$ 882,871	$ 10,112,680
EOEP	-	500,398	565,283	36,217	249,252
Agent Multiple Employer Plans					
Old Hire-Fire	34,797,455	-	5,880,766	-	11,010,841
Old Hire-Police	42,463,728	-	7,035,213	-	14,298,932
Cost Sharing Multiple Employer Plans					
Statewide DB	-	84,658	8,312,475	367,894	1,268,088
Statewide Hybrid	-	3,391,938	2,297,931	77,466	(864,233)
	$ 111,909,094	$ 3,976,994	$ 53,728,952	$ 1,364,448	$ 36,075,560

The net pension liability, net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense are reported in the governmental activities except for the proportion of GERP associated with business-type activities. Based on the proportion of the pension contributions for the year, the net pension liability for business-type activities is $8,954,049, the deferred outflows of resources is $7,657,850, the deferred inflows of resources is $227,908 and pension expense is $2,610,083.

The net pension liability or asset is the difference between the total pension liability and the fiduciary net position as of the measurement date. If the fiduciary net position exceeds the total pension liability as of the measurement date, there is a net pension asset.

Deferred outflows of resources and deferred inflows of resources related to pensions are the amounts that are required to be deferred and recognized in subsequent periods. These amounts refer to items that are not yet recognized in the net pension liability/asset or pension expense and include:

- Differences between actual and expected experience
- Changes in pension assumptions
- Differences between projected and actual earnings on pension plan investments
- Changes in pension proportionate share
- Employer contributions made subsequent to the measurement date through the fiscal year end

Deferred outflows of resources and deferred inflows of resources will be recognized as follows:

- Differences in plan experience, changes in assumptions and changes in proportionate share will be amortized over the remaining service lives of current and former employees, and retirees.
- Differences between projected and actual investment earnings will be amortized over a five-year period.
- Contributions made subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the subsequent year.

1. General Employees' Retirement Plan

General Information about the Pension Plan

Plan Description. The city of Aurora General Employees' Retirement Plan (GERP) is a contributory single-employer defined benefit pension plan covering all full-time and part-time city employees except police officers, firefighters, elected officials, contingent employees and executives who have elected to participate in the Executive Retirement Plan. The plan is maintained for the exclusive benefit of the employees of the city and their beneficiaries. Employee contributions are required as a condition of employment and are matched equally by the city. GERP has a separate, independent board that administers the plan with three of the seven board members appointed by City Council. Separately issued audited financial statements are available online at www.auroragerp.qwestoffice.net or by contacting GERP at 12100 E. Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

Plan Membership. As of the measurement date, 814 retirees and others were receiving benefits with 1,643 active plan members. There were 242 former employees that were deferred vested and entitled to receive benefits in the future.

Benefits Provided. The plan provides retirement benefits, as well as death, disability and supplemental benefits. Chapter 102, Article V of the City Code assigns the authority to establish and amend benefit provisions to City Council.

Normal Retirement - Normal retirement age is 65 for participants in the plan prior to January 1, 2012 (Tier 1) and 67 for participants who first joined the plan after December 31, 2011 (Tier 2). Normal retirement benefits are the greater of 1.75% of final average monthly compensation, multiplied by years of credited service, including fractional years, or the annuitized value of contribution refunds. Final average monthly compensation is the average pay an employee received (excluding overtime and non-regular remuneration) during his/her highest paid 36 consecutive months with the city within the employee's last 10 years of employment. Optional forms of benefit are available in lieu of the single life annuity, in order to provide survivorship benefits.

Tier 1 participants automatically receive annual cost of living adjustments linked to the Consumer Price Index, and limited to 5% per year. Tier 2 participants may be granted cost of living adjustments at the discretion of the Board, at a rate not to exceed the rate of increase given to Tier 1 participants.

A supplemental benefit is provided to all retirees who have five or more years of credited service and is prorated for service of less than 20 years. Periodic cost of living adjustments to the supplemental benefit may be approved by the plan's Board of Trustees and are limited to 5% per year.

Early Retirement - If termination occurs before normal retirement age, participants who are age 50 or older with at least ten years of credited service may elect to begin receiving early retirement benefits. Reductions for early retirement will be applied to the normal retirement benefit if the sum of a participant's years of age and credited service is less than 80 (the Rule of 80). The reduction for Tier 1 participants is 2% for each year a participant is

short of attaining the sooner of normal retirement age or the Rule of 80, plus an additional 4% for each year the participant is below age 55. For Tier 2 participants, the reduction is 6% for each year a participant is short of attaining the sooner of normal retirement age or the Rule of 80.

Deferred Vested Benefits - Participants with at least five years of credited service who terminate before normal retirement age may leave their contribution accumulation with the plan and opt to receive an early or normal retirement benefit at a later date.

Disability Retirement Benefits - Participants who meet the eligibility requirements for the city's long-term disability insurance program continue to earn credited service during the period of time they collect disability insurance benefits. Once insurance payments have ended, the plan's disability retirement benefit is calculated in the same manner as the normal retirement benefit, using the higher of the average highest paid 36 consecutive months of compensation or the monthly rate of compensation at the time of disability. Early retirement reductions may apply if benefits begin before normal retirement age.

Death Benefits - The beneficiary of a deceased active employee or deferred vested participant may be eligible to receive a contribution refund or a monthly pension benefit, depending on the age and credited service the participant had earned. At retirement, a participant may designate a joint annuitant to receive pension benefits upon his/her death. The plan also pays a one-time lump sum death benefit of $6,250 to the beneficiary designated by the retiree. This payment is separate from, and in addition to, any other benefits received.

Contributions. City Code establishes contribution requirements for the employees and the employer. Actuarial studies are considered in establishing funding policies. However, contributions are not actuarially determined. Employee contributions are required as a condition of employment at 6.75% for 2016 and are matched dollar for dollar by the city. The contribution rate will increase by 0.25% each year up to a contribution rate of 7.00% in 2017. Plan administrative costs are financed using contributions and earnings of the plan.

Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employer contributions recognized by the plan for the year ended December 31, 2016 were $6,703,676.

Net Pension Liability

At December 31, 2016, the city reported a liability of $34,647,911 for the plan. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The liability was rolled forward from January 1, 2015 to December 31, 2015 using standard actuarial methods.

Actuarial Assumptions. The January 1, 2015 actuarial valuation used the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll - open
Remaining amortization period	30 years
Asset valuation method	3-year smoothed market; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.75%
Payroll growth rate	3.25%
Projected salary increases	3.25% to 6.00%, including inflation
Cost of living increases	Tier 1: Base benefit 3.25% Tier 2: Base benefit 0.0% Supplemental benefit 0.0%
Inflation	3.25%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2009-2013.
Mortality	RP-2000 Combined Healthy Mortality Table

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2015, these best estimates are summarized in the following table:

	Asset Allocation	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic Fixed Income	25.00%	2.23%
Domestic Equity	29.00%	5.98%
International Equity	16.00%	5.35%
Private Equity	10.00%	6.00%
Real Estate	10.00%	3.87%
Alternative Investments	10.00%	5.08%
Cash	0.00%	0.00%
Total	100.00%	

The figures in the above table were supplied by Callan Associates, the investing consulting firm to the plan.

Discount Rate. A discount rate of 7.75% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this discount rate assumed that plan member contributions and city contributions will be made at the current scheduled contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)-(b)**
Balances at 1/1/2016	$ 416,936,314	$ 407,945,659	$ 8,990,655
Changes for the year:			
Service Cost	9,614,337	-	9,614,337
Interest	31,821,333	-	31,821,333
Difference Between Expected and Actual Experience	(1,083,775)	-	(1,083,775)
Employer Contributions	-	6,135,777	(6,135,777)
Employee Contributions	-	6,137,147	(6,137,147)
Net Investment Income	-	2,970,528	(2,970,528)
Benefit Payments	(18,142,394)	(18,142,394)	-
Refunds	(1,981,332)	(1,981,332)	-
Administrative Expense	-	(548,813)	548,813
Net Changes	20,228,169	(5,429,087)	25,657,256
Balances at 12/31/2016	$ 437,164,483	$ 402,516,572	$ 34,647,911

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the city's net pension liability (asset), calculated using a discount rate of 7.75%, as well as what the city's net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability (Asset) to the Discount Rate Assumption

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability (asset)	$ 85,640,882	$ 34,647,911	$ (7,486,167)

Pension Plan Fiduciary Net Position. Detailed information about the plan's net fiduciary net position is available in GERP's comprehensive annual financial report available online at www.auroragerp.qwestoffice.net or by contacting GERP at 12100 E. Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2016, the city recognized pension expense of $10,112,680. At December 31, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 882,871
Net difference between projected and actual earnings on pension plan investments	$22,933,608	-
City contributions subsequent to the measurement date	6,703,676	-
Total	$ 29,637,284	$ 882,871

$6,703,676 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2017	$ 5,555,647
2018	5,555,647
2019	5,555,647
2020	5,463,051
2021	(79,255)
Total	$ 22,050,737

2. Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)

Plan Description

Plan Description. The city has a non-contributory single-employer defined benefit pension plan that became effective January 1, 2001. Chapter 102, Article VIII of the City Code, which establishes the plan, does not include a provision for a board of directors, but, instead, names the city's Director of Finance as trustee and plan administrator. The plan provides base and supplemental retirement benefits to members of the City Council and a standard retirement benefit to executive personnel who are also members of the Executive Retirement Plan (ERP). The authority to establish and amend benefit provisions is assigned to City Council. The city has entered into a service agreement with the city of Aurora General Employees' Retirement Plan (GERP) to provide administrative services for the plan. No stand-alone financial report is issued for EOEP.

Plan Membership. The mayor of the city and all elected city council members are covered under this plan as elected officials. Individuals performing services as executive employees for the city on or after January 1, 2000, are eligible to participate in this plan as executive personnel if they participate in the city's Executive Retirement Plan.

Benefits Provided. EOEP provides basic retirement, supplemental retirement and death benefits. Elected official plan members and executive employee plan members are eligible for retirement based on the following period of service:

Service Type	Period of Service	Normal Retirement Age
Elected Official	Covered employment ended on or before December 31, 2000	Later of age 60 or completion of 6 years of service
	Covered employment ended on or after January 1, 2001	If first elected prior to November 5, 2013, then the later of age 56 or completion of 6 years of service
		If first elected on or after November 5, 2013, then the later of age 62 or the completion of 6 years of service
Executive	Covered employment ended between January 1, 2000 and December 31, 2000	Later of age 55 or completion of 3 years of service
	Covered employment ended on or after January 1, 2001	If first entered covered employment on or before November 5, 2013, then the later of age 50 or completion of 3 years of service
		If first entered covered employment after November 5, 2013, then the later of age 62 or completion of 3 years of service

There are no basic retirement benefits for executive employees; they are eligible for benefits from the Executive Retirement Plan. The basic retirement benefits for elected officials per year of service is adjusted annually for increases in the CPI, not to exceed 5% per year. For members in covered employment on or after November 11, 1999, the monthly basic benefit payable for 2016 is $76.50 per year of service. The basic benefit for members who terminated employment before November 11, 1999 is based on a reduced schedule. For officials who begin a new term on or after November 5, 2013, total years of service is limited to the greater of 12 years or total service earned before November 5, 2013, except an additional 8 years may be earned for service as mayor.

Supplemental retirement benefits for elected officials and standard benefits for executive employees are adjusted annually by the same cost-of-living adjustment determined by the Board of Trustees of GERP applicable to the supplemental benefit provided under that plan, not to exceed 5% per year. The monthly supplemental benefit payable for 2016 is $244.44. Only elected officials who were in covered employment on or after November 11, 1999 are eligible to receive the supplemental benefit. The maximum standard benefit for executive employees is $244.44, which is prorated for service less than 6 years.

Death benefits are 100% of the participant's normal, late or deferred retirement benefits for a participant with service on or after January 1, 2000. For participants who terminated prior to January 1, 2000, the death benefit is 50% of the participant's normal, late or deferred retirement benefits.

Contributions. There are no contributions from participants of the plan. The contribution requirements of the city are established and may be amended by City Council. The city is required to contribute at an actuarially determined amount. Administrative costs are financed using contributions and earnings of the plan. Employer contributions are recognized as revenues when due, pursuant to formal commitments and/or statutory or contractual requirements. For the year ended December 31, 2016, the city's average contribution rate was 1.90% of annual covered payroll. Employer contributions recognized by the plan for the year ended December 31, 2016 were $84,159.

Governmental Accounting Standards Board Statement No. 67 *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25* (GASB 67) establishes the requirements for governmental pension plan financial statement reporting, including pension plan financial statements included as a pension trust fund of a government. Accordingly, GASB 67 applies to the city's reporting of EOEP's statement of fiduciary net position, statement of changes in fiduciary net position, certain notes to the financial statements and certain required supplementary information (RSI). GASB 68, adopted in 2015, sets forth the pension reporting requirements for the city in the statement of net position, statement of activities, certain notes to the financial statements and certain RSI. As no stand-alone financial report is issued for EOEP, all required disclosures for both GASB 67 and GASB 68 are contained in this note.

Because different measurement dates are used for GASB 67 and GASB 68, GASB 68 disclosures will correspond to the city's basic financial statements, except for the fiduciary funds statements reported under GASB 67.

GASB 67 Disclosures

EOEP Financial Statements.

EOEP
Statement of Fiduciary Net Position
December 31, 2016

ASSETS		
Current assets		
Investments		
Cash and cash equivalents	$	54,887
Equity securities and funds		3,460,894
Corporate bond funds		1,699,562
Real estate funds		825,036
Alternative investments		282,298
Interest receivable		13,189
Total assets		6,335,866
LIABILITIES		
Current liabilities		
Accounts payable		-
Total liabilities		-
NET POSITION RESTRICTED FOR PENSIONS	**$**	**6,335,866**

EOEP
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2016

ADDITIONS		
Contributions		
City	$	84,159
Total contributions		84,159
Investment activity		
Investment earnings		520,731
Investment expense		(7,144)
Net investment earnings		513,587
Other income		261
Total additions		598,007
DEDUCTIONS		
Benefits		244,108
Administrative expenses		18,384
Total deductions		262,492
NET INCREASE IN NET POSITION		335,515
NET POSITION RESTRICTED FOR PENSIONS - January 1		6,000,351
NET POSITION RESTRICTED FOR PENSIONS - December 31	**$**	**6,335,866**

Plan Membership. Current membership in the plan is as follows:

Retirees and beneficiaries	44
Inactive, nonretired members	8
Active members	35
	87

Investments

Investment Policy. At December 31, 2016, the plan's securities are in the custody of and controlled by Northern Trust Corporation, the master custodian. The plan contracts with investment managers to manage all of the plan's investments. Assets are diversified and are intended to match, as closely as possible, the investment style, allocation and performance of GERP. Based on GERP's long-term performance, its relatively conservative investment practices, and the cost effective nature of this practice, the EOEP trustee, the city's Director of Finance, has determined that it is appropriate for EOEP to mirror GERP's investment strategy and that GERP's investment managers should be utilized to the extent practical.

Plan investments are reported at fair value. Short-term investments are carried at cost, which approximates fair value. Securities and funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate funds, not actively traded on a national or international exchange, are valued based upon periodic appraisals of the real estate underlying the investment units held by the plan. Alternative investments represent investments in funds composed of master limited partnerships which invest in securities traded in public markets and, therefore, have readily determined market values.

The plan includes, in the statement of changes in fiduciary net position, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments. Purchases and sales are recorded on the trade date. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustee after considering input from the plan's actuary. The estimates for each major asset class that is included in the plan's target asset allocation as of January 1, 2016 were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity - large cap	28%	5.93%
U.S. equity - small/mid cap	7%	6.63%
International equity	18%	5.35%
Fixed income	29%	2.18%
Private real estate	9%	3.43%
Global real estate investment trust	3%	5.65%
Master limited partnerships	6%	5.65%
Total	100%	

Investment Concentrations. Investment concentrations, as defined by the Governmental Accounting Standards Board, is any investment in any one organization (other than those issued or explicitly guaranteed by the U.S. government) that represents 5% or more of EOEP's fiduciary net position. EOEP held the following investments at December 31, 2016, that meet this criteria:

Investment	Value	% of Investments
iShares Core S&P 500 ETF	$ 1,870,792	29.6%
Westcore Plus Bond Fund	908,338	14.4%
PIMCO Total Return Fund	791,225	12.5%
BlackRock US Core Property Fund	643,870	10.2%
Dodge & Cox International Stock Fund	556,665	8.8%
iShares Core S&P Small-Cap ETF	510,199	8.1%

Investment Rate of Return. For the year ended, December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset

The components of the net pension asset of the city at December 31, 2016, were as follows:

Total pension liability	$ 5,790,673
EOEP fiduciary net position	(6,335,866)
City's net pension liability (asset)	$ (545,193)
EOEP fiduciary net position as a percentage of the total pension liability	109.42%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2015, rolled forward to December 31, 2016, using standard actuarial methods. The actuarial assumptions and other inputs used were:

Actuarial cost method	Entry age normal
Amortization method	Level dollar - open
Remaining amortization period	15 years
Asset valuation method	3-year smoothing
Actuarial assumptions:	
Investment rate of return	7.50%
Expenses (as a percent of actuarial value of assets)	0.75%
Cost-of-living adjustments	3.25% on Basic 0% on Supplemental
Mortality	RP-2000 Healthy Mortality Table

Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by EOEP's actuary. The assumptions and methods generally follow those used by the city of Aurora General Employee's Retirement Plan (GERP). These assumptions are internally consistent and reasonably based on the actual and expected experience of the plan.

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2016, was 7.50%. Based on the projection of cash flows, EOEP's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on EOEP investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the sensitivity of the net pension liability (asset) to changes in the discount rate. The table presents the city's net pension liability (asset) if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

Sensitivity of Net Pension Liability (Asset) to the Discount Rate Assumption

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability (asset)	$ 55,550	$ (545,193)	$ (1,051,910)

GASB 68 Disclosures

Plan Membership. Membership of the plan, as of the measurement date, was as follows:

Retirees and beneficiaries	36
Inactive, nonretired members	9
Active members	37
	82

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustee after considering input from the plan's actuary. The estimates for each major asset class that is included in the plan's target asset allocation as of January 1, 2015 were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity - large cap	28%	5.93%
U.S. equity - small/mid cap	7%	6.63%
International equity	18%	5.35%
Fixed income	29%	2.18%
Private real estate	9%	3.43%
Global real estate investment trust	3%	5.65%
Master limited partnerships	6%	5.65%
Total	100%	

Net Pension Asset

At December 31, 2016, the city reported an asset of $500,398 for the plan. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015, rolled forward to December 31, 2015 using standard actuarial methods.

Actuarial Assumptions. The January 1, 2015 actuarial valuation used the following assumptions and other inputs:

Actuarial cost method	Entry age normal
Amortization method	Level dollar - open
Remaining amortization period	15 years
Asset valuation method	3-year smoothing
Actuarial assumptions:	
Investment rate of return	7.50%
Expenses (as a percent of actuarial value of assets)	0.75%
Cost-of-living adjustments	3.25% on Basic 0% on Supplemental
Mortality	RP-2000 Healthy Mortality Table

Changes in Assumptions. As of the 2015 actuarial valuation, the investment rate of return decreased from 7.75% to 7.50% and the basic cost-of-living adjustment decreased from 3.50% to 3.25%.

Changes in Benefit Terms. The age requirement for normal retirement eligibility was increased to age 62 for members who entered the plan after November 5, 2013 and the service credit used in the calculation of the normal retirement benefit for elected officials was also limited. The effect of this benefit change was first seen in the January 1, 2015 actuarial valuation.

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2015, was 7.50%. Based on the projection of cash flows, EOEP's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on EOEP investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Asset.

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Asset (a)-(b)**
Balances at 1/1/2016	$ 5,185,367	$ 6,163,480	$ (978,113)
Changes for the year:			
Service Cost	129,941	-	129,941
Interest	390,913	-	390,913
Employer Contributions	-	117,756	(117,756)
Net Investment Income	-	(50,926)	50,926
Benefit Payments	(206,268)	(206,268)	-
Administrative Expense	-	(23,691)	23,691
Net Changes	314,586	(163,129)	477,715
Balances at 12/31/2016	$ 5,499,953	$ 6,000,351	$ (500,398)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the sensitivity of the city's net pension liability (asset) to changes in the discount rate. The table presents the city's net pension liability (asset) if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

Sensitivity of Net Pension Liability (Asset) to the Discount Rate Assumption

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability (asset)	$ 110,309	$ (500,398)	$ (1,104,440)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2016, the city recognized pension expense of $249,252. At December 31, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 36,217
Assumption changes	53,453	-
Net difference between projected and actual earnings on pension plan investments	427,671	-
City contributions subsequent to the measurement date	84,159	-
Total	$ 565,283	$ 36,217

$84,159 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2017	$ 125,861
2018	108,625
2019	108,626
2020	101,795
Total	$ 444,907

3. Fire and Police Pension Plans – Old Hire

Old Hire Plan Description – Fire and Police

Plan Description. The Old Hire Plans are closed, non-contributory agent multiple-employer defined benefit plans covering all full-time police officers or fire fighters hired before April 8, 1978 and provide normal, delayed, vested or deferred retirement benefits to plan participants. The Old Hire Plans are a part of the statewide multiple agent employer public employee retirement system and are administered by the Fire and Police Pension Association of Colorado (FPPA). The FPPA follows the Colorado Revised Statutes for plan contribution requirements and benefits. Both plans are included in the FPPA's annual separately issued audited financial statements. This report is available online at www.fppaco.org by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

Old Hire Fire

Benefits Provided. The plan provides normal, delayed, vested, disability and severance retirements including death benefits.

Normal Retirement – For those firefighters who were initially hired by the city prior to January 1, 1976, the normal retirement requirement is 20 years of credited service and attainment of age 50. For those firefighters hired subsequent to January 1, 1976, the requirement is 25 years of credited service and attainment of age 50. Each firefighter shall be eligible to receive a service retirement monthly pension equal to one-half of the current (rank escalation) highest monthly base salary paid for the rank held by such former member at the time of termination of employment with the department thereafter, so long as the member is in retirement, plus one-half of the annual longevity pay and longevity credit earned by the member prior to January 1, 2005. Such monthly pension shall be paid regardless of income or earnings which the retirant receives from any other source. Separate provisions for normal retirement survivor benefits for spouses and children are included in the plan documents.

Delayed Retirement – Generally, any member who has met the eligibility requirement as defined in the plan documents will be eligible for a delayed retirement benefit for each full year of additional active service up to ten years of additional service. This benefit shall be an additional two percent of the current (rank escalation) highest monthly base salary paid for the rank held by such former member at the time of termination of employment with the department for each additional full year of active service plus the annual longevity pay and longevity credit earned by the member prior to January 1, 2005. For each additional full year of active service, the rank escalator benefit and longevity pay and longevity credit shall be increased by two percent. The delayed retirement benefit shall be available to members retiring on or after January 1, 1986. In no case shall the accumulation of additional active service through the delayed retirement benefit program result in a service retirement monthly pension in excess of 70 percent of the current (rank escalation) highest monthly base salary, plus longevity pay and longevity credit, paid for the rank held by such former member at the time of termination of employment with the department. For retirements occurring after May 1, 1991, the additional percent shall be four percent up to six years of additional service for a maximum of 74 percent of the current (rank escalation) highest monthly base salary, plus longevity pay and longevity credit, paid for the rank held by such former member at the time of termination of employment with the department. This modification effective on May 1, 1991, shall not be applicable to anyone who has retired prior to such date. Commencing with retirements occurring on or after January 1, 1993, the delayed retirement benefit shall be calculated on a pro rata basis using full months of additional service. Separate provisions for delayed retirement survivor benefits for spouses and children are included in the plan documents.

Vested Retirement – Any plan member who shall leave the service of the city prior to becoming eligible to receive a pension for any reason, the member having accumulated less than five years of credited service at the time of termination, shall be entitled to receive a refund of the member's total contribution to the fund, without interest, theretofore made to the fund. If the member has accumulated five or more years of credited service at the time of termination, the member may elect to receive deferred monthly pension benefits, payable at such time as the member would have been eligible to receive pension benefits for longevity of service and age (normal retirement), if employment had not been terminated. Members electing to receive vested monthly pension benefits must make a written application to the board within 60 days after termination. Absent such application, it shall be presumed that the terminated member has elected to have his or her contribution refunded. Receipt of funds pursuant to this provision shall be conditioned upon the signing of a statement to be filed with the city evidencing such an election and acknowledging that the member has no further rights to any other benefits provided for by either the city or the retirement fund. Such vested pension benefit shall be a sum of money equal to the number of years of credited service or fractional portion thereof, multiplied by two percent and the product thereof multiplied by the current (rank escalation) highest monthly base salary paid for that rank or grade held by such former member at the time of termination of employment plus the proportional annual longevity pay and longevity credit earned by the member prior to January 1, 2005; provided, however, that such vested pension benefit sum shall in no event exceed 40 percent of the current (rank escalation) highest monthly base salary, plus longevity pay and longevity credit, paid for the rank held by such former member at the time of termination of employment with the department. Separate provisions for vested retirement survivor benefits for spouses and children, as well as vested interest death benefits, are included in the plan documents.

Severance Benefit - Effective September 30, 1989, any member who shall leave the service of the city through other than a disability, after meeting the 20-year service requirement, regardless of age, shall be entitled to receive a monthly benefit equal to 49 percent of the current (rank escalation) highest monthly base salary paid for the rank held by such former member at the time of termination of employment with the department plus 49 percent of the annual longevity pay and longevity credit earned by the member prior to January 1,2005. This benefit is to commence upon leaving active duty and is in lieu of any other retirement benefits as described in this article.

Such monthly pension shall be paid regardless of income or earnings which the retirant receives from any other source. Separate provisions for survivor benefits for spouses and children are included in the plan documents.

Plan Membership. As of the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	134
Inactive, nonretired members	0
Active members	0
	134

Contributions. The city is required to contribute at an actuarially determined rate. Modification of the Old Hire Plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65% of active members and City Council ordinance. Employer contributions recognized by the plan for the year ended December 31, 2016 were $2,182,774.

Net Pension Liability

At December 31, 2016, the city reported a liability of $34,797,455 for the plan. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016, which was unchanged from December 31, 2015.

Actuarial Assumptions. The January 1, 2016 actuarial valuation used the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age normal
Amortization method	Level dollar - open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Inflation	2.50%
Salary increases	N/A
Retirement age	Any remaining actives are assumed to retire immediately
Mortality	Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

Changes in Assumptions. The FPPA's Board of Directors, based upon the actuary's analysis and recommendations resulting from a regularly scheduled experience study in 2015, revised the following assumptions effective in the 2016 valuations: the inflation assumption was reduced from 3.0% to 2.5%, an explicit charge for administrative expenses was added in the actuarial contribution calculation and the mortality tables and associated projection scales were updated to reflect increased longevity.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	6.50%
Equity Long/Short	10.00%	4.70%
Illiquid Alternatives	20.00%	8.00%
Fixed Income	16.00%	1.50%
Absolute Return	11.00%	4.10%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00% *
Total	100.00%	

* While expected inflation exceeds the expected rate of return for cash, a 0.00% real rate of return is utilized.

Discount Rate. A discount rate of 7.50% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this discount rate assumed that all actuarially determined contributions will be made and that the plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 1/1/2016	$ 101,482,131	$ 78,807,925	$ 22,674,206
Changes for the year:			
Interest	7,308,921	-	7,308,921
Difference Between Expected and Actual Experience	1,814,304	-	1,814,304
Assumption Changes	6,490,739	-	6,490,739
Employer Contributions	-	2,178,948	(2,178,948)
Net Investment Income	-	1,442,505	(1,442,505)
Benefit Payments	(8,208,101)	(8,208,101)	-
Administrative Expense	-	(130,738)	130,738
Net Changes	7,405,863	(4,717,386)	12,123,249
Balances at 12/31/2016	$ 108,887,994	$ 74,090,539	$ 34,797,455

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the city's net pension liability, calculated using a discount rate of 7.50%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability to the Discount Rate Assumption

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	$ 45,748,829	$ 34,797,455	$ 25,461,924

Pension Plan Fiduciary Net Position. Detailed information about the plan's net fiduciary net position is available in FPPA's comprehensive annual financial report available online at www.fppaco.org or by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

Pension Expense and Deferred Outflows of Resources Related to Pensions. For the year ended December 31, 2016, the city recognized pension expense of $11,010,841. At December 31, 2016, the city reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 3,697,992
City contributions subsequent to the measurement date	2,182,774
Total	$ 5,880,766

$2,182,774 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2017	$ 949,913
2018	949,913
2019	949,913
2020	848,253
Total	$ 3,697,992

Old Hire Police

Benefits Provided. The plan provides normal, delayed, vested, disability and severance retirements including death benefits.

Normal Retirement – Any member of the police department other than a new hire police officer, as defined in section 101.27 of the FPPA rules and regulations, who has met the eligibility requirement for normal retirement, e.g., 20 years of credited service regardless of age, shall be eligible to receive a service retirement monthly pension equal to 40 percent of the current (rank escalation) highest salary paid for that rank or grade held at the time of retirement. Members retiring for the first time after May 1, 1991, shall receive 45 percent instead.

Delayed Retirement –
Members retiring prior to *May 1, 1991*. In addition to normal retirement benefits, any member who elects to remain on active service past 20 years shall receive two percent for each year of service calculated fractionally in accordance with section 102-246 to a maximum of 30 years and 60 percent of the highest current salary paid for that rank or grade held at the time of retirement. Thereafter and so long as the member is in retirement there shall be added to the amount of pension, as stated above, a rank escalator. This rank escalator shall consist of multiplying the percentage, which may include additional increases of two percent up to 60 percent, by any increase in the highest current salary earned for the retiree's grade or rank and by one-half of any longevity pay granted or paid to the rank or grade last occupied by the retirant immediately prior to retirement.

Members retiring after *May 1, 1991*. For members who receive delayed retirement benefits for the first time after *May 1, 1991*, the following apply: Any member who reaches 20 years of service prior to *January 1, 1990*, shall receive two percent per year from the member's 20th year of service until *January 1, 1990*; subsequent to *January 1, 1990*, members shall receive four percent per year to a maximum of 74 percent, regardless of years of service. Any member who reaches 20 years of service after *January 1, 1990*, shall receive four percent per year for each year over 20 years to a maximum of 74 percent, regardless of years of service. These percentages shall be subject to the same qualifying language regarding fractional and rank escalation calculation methodology.

Vested Retirement – If the member has accumulated five or more years of credited service with the city at the time of termination, the member may elect to receive deferred monthly pension benefits, payable at such time as he or she would have been eligible to receive pension benefits for longevity of service (normal retirement) had employment not been terminated. Such vested pension benefit shall be a sum of money equal to the total number of years of credited service or fractional portion thereof, multiplied by two percent and the product thereof multiplied by the monthly salary paid for that rank or grade held by such former member at the time of his or her termination of employment, plus one-half the applicable longevity credit. Anyone who receives a vested benefit for the first time after May 1, 1991, other than those receiving a disability from FPPA as of May 1, 1991, shall receive a multiplier of 2.25 instead of two. The rank escalator benefit is applicable to vested pension benefits for members who started receiving the vested

Death Benefits –
Death and survivor benefits for active members. The extent and amount of death and survivor benefits are dependent upon the work status of the member. If the member dies during active or temporary disability status before eligibility for normal or delayed pension benefits, the death and survivor benefits are to be determined by the retirement association in accordance with state law. If an active member is eligible for a normal pension benefit and the member dies, the pension benefit for the survivor shall be determined in accordance with the provisions of this article which govern benefits payable to the survivor of retirees receiving normal or delayed pension benefits. If a member is retired from active service, the death and survivor benefits are determined by the plan.

Death of a member who retired prior to May 1, 1991. When any retirant or member eligible to retire shall die and leave an alternate payee, spouse, dependent mother or father, or child or children under the age of 18 years surviving, such beneficiaries shall receive monthly payments as authorized by the board, of an amount equal to one-fourth of the current (rank escalation) highest monthly salary paid that rank or grade plus longevity which such deceased retirant or deceased member held, multiplied by a fraction with the numerator being the total years of active service, up to a maximum of 30, and the denominator being 20 regardless of whether retirant worked more than 20 years; however, in no case shall the numerator be less than 20.

Death of member who retired after May 1, 1991. When any retirant or member eligible to retire shall die and leave an alternate payee, spouse, dependent mother or father, or child or children under the age of 18 years, or child or children under the age of 24 years, if a full-time student as defined by the IRS code, surviving, such beneficiaries shall receive a monthly payment, as authorized by the board, of an amount equal to 75 percent or 100 percent if the surviving spouse has a child under 18 years, or under 24 years, if a full-time student as defined by the IRS code of the benefit, which includes rank escalation, paid the deceased.

Plan Membership. As of the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	146
Inactive, nonretired members	0
Active members	1
	147

Contributions. The city is required to contribute at an actuarially determined rate. Modification of the Old Hire Plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65% of active members and City Council ordinance. Employer contributions recognized by the plan for the year ended December 31, 2016 were $2,612,565.

Net Pension Liability

At December 31, 2016, the city reported a liability of $42,463,728 for the plan. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016, which was unchanged from December 31, 2015.

Actuarial Assumptions. The January 1, 2016 actuarial valuation used the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age normal
Amortization method	Level dollar - open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Inflation	2.50%
Salary increases	N/A
Retirement age	Any remaining actives are assumed to retire immediately
Mortality	Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

Changes in Assumptions. The FPPA's Board of Directors, based upon the actuary's analysis and recommendations resulting from a regularly scheduled experience study in 2015, revised the following assumptions effective in the 2016 valuations: the inflation assumption was reduced from 3.0% to 2.5%, an explicit charge for administrative expenses was added in the actuarial contribution calculation and the mortality tables and associated projection scales were updated to reflect increased longevity.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	6.50%
Equity Long/Short	10.00%	4.70%
Illiquid Alternatives	20.00%	8.00%
Fixed Income	16.00%	1.50%
Absolute Return	11.00%	4.10%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00% *
Total	100.00%	

* While expected inflation exceeds the expected rate of return for cash, a 0.00% real rate of return is utilized.

Discount Rate. A discount rate of 7.50% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this discount rate assumed that all actuarial contributions will be made and that the plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 1/1/2016	$ 120,572,533	$ 93,737,966	$ 26,834,567
Changes for the year:			
Interest	8,715,268	-	8,715,268
Difference Between Expected and Actual Experience	3,936,847	-	3,936,847
Assumption Changes	7,157,077	-	7,157,077
Employer Contributions	-	2,612,565	(2,612,565)
Net Investment Income	-	1,714,996	(1,714,996)
Benefit Payments	(8,898,795)	(8,898,795)	-
Administrative Expense	-	(147,530)	147,530
Net Changes	10,910,397	(4,718,764)	15,629,161
Balances at 12/31/2016	$ 131,482,930	$ 89,019,202	$ 42,463,728

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the city's net pension liability, calculated using a discount rate of 7.50%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability to the Discount Rate Assumption

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	$ 56,963,477	$ 42,463,728	$ 30,271,513

Pension Plan Fiduciary Net Position. Detailed information about the plan's net fiduciary net position is available in FPPA's comprehensive annual financial report available online at www.fppaco.org or by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

Pension Expense and Deferred Outflows of Resources Related to Pensions. For the year ended December 31, 2016, the city recognized pension expense of $14,298,932. At December 31, 2016, the city reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 4,422,648
City contributions subsequent to the measurement date	2,612,565
Total	$ 7,035,213

$2,612,565 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2017	$ 1,135,653
2018	1,135,653
2019	1,135,651
2020	1,015,691
Total	$ 4,422,648

4. Statewide Defined Benefit Plan – Fire New Hire Pension Plan

Plan Description

Plan Description. The Fire Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The plan provides retirement and death benefits to firefighters hired on or after April 8, 1978. In addition to the initial transfer plan implemented at that time, an updated plan was instituted in 2011 for firefighters hired on or after October 1, 2011. State statute assigns authority to establish and amend benefit provisions to the FPPA. This plan is included in the FPPA's annual separately issued audited financial statements. This report is available online at www.fppaco.org by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

Benefits Provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1st. The amount of any increase is based on the FPPA Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The city is required to contribute at a statutorily determined rate. The FPPA Board sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute while member contribution rates can be amended by state statute or election of the membership and City Council ordinance. Currently, 165 city firefighters are active members of the transfer plan and 13 are inactive, nonretired members of the transfer plan. In 2016, members of the transfer plan and the city contributed 11.0% ($1,563,154) and 10.0% ($1,421,050), respectively. Contribution rates for members of the transfer plan will increase 0.5% annually through 2022 for a total combined member and employer contribution rate of 24.0% in 2022. In 2011, an updated plan was instituted for firefighters hired on or after October 1, 2011. Currently, 134 city firefighters are members of this plan. In 2016, plan members and the city contributed 9.0% ($583,015) and 8.0% ($518,236), respectively. Member contribution rates for this plan are scheduled to increase 0.5% annually through 2022 to a total of 12.0% of base salary. Employer contributions are scheduled to remain at 8.0% resulting in a combined contribution rate of 20.0% in 2022.

Net Pension Asset

At December 31, 2016, the city reported an asset of $84,658 for its proportionate share of the net pension asset for the plan. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016, which was unchanged from December 31, 2015. The city's portion of the net pension asset was based on the city's contributions to the SWDB plan for the calendar year 2015 relative to the total contributions of participating employers to the plan.

At December 31, 2015, the city's proportion was 4.80%, an increase from its proportion of 4.55% measured as of December 31, 2014.

Actuarial Assumptions. The January 1, 2016 actuarial valuation used the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll - open
Remaining amortization period	30 years
Actuarial assumptions:	
Long term investment rate of return*	7.50%
Projected salary increases	4.00%-14.00%
Cost of living adjustments	0.00%
* Includes inflation at	2.5% (3.0% in prior year)
Mortality	*For determining the total pension liability:* The RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB, is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB, are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

Changes in Assumptions. The FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased to 5.0% from 4.5% for an overall nominal investment return of 7.5% which is unchanged from the prior year, an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for increasing longevity in the future to reflect current mortality studies and the expected incidence of total disability was increased.

Changes in Benefit Terms. No changes to benefit provisions occurred since the prior valuation.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	6.50%
Equity Long/Short	10.00%	4.70%
Illiquid Alternatives	20.00%	8.00%
Fixed Income	16.00%	1.50%
Absolute Return	11.00%	4.10%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00% *
Total	100.00%	

* While expected inflation exceeds the expected rate of return for cash, a 0.00% real rate of return is utilized.

Discount Rate. A discount rate of 7.50% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this discount rate assumed contributions from participating employers will be made based on statutorily required rates and that the plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the city's proportionate share of the net pension liability (asset), calculated using a discount rate of 7.50%, as well as what the city's proportionate share of the plan's net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability (Asset) to the Discount Rate Assumption

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability (asset)	$ 11,859,282	$ (84,658)	$ (9,991,745)

Pension Plan Fiduciary Net Position. Detailed information about the plan's net fiduciary net position is available in FPPA's comprehensive annual financial report available online at www.fppaco.org or by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2016, the city recognized pension expense of $1,268,088. At December 31, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 4,308,669	$ -
Differences between actual and expected experience	684,683	99,950
Assumption changes	1,329,731	-
Changes in proportionate share	50,106	267,944
City contributions subsequent to the measurement date	1,939,286	-
Total	$ 8,312,475	$ 367,894

$1,939,286 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2017	$ 1,287,705
2018	1,287,705
2019	1,287,705
2020	1,180,875
2021	183,830
Thereafter	777,475
Total	$ 6,005,295

5. Statewide Hybrid Plan – Fire New Hire Pension Plan

Plan Description

Plan Description. The Statewide Hybrid Fire Pension Plan (SWH) is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). This plan contains a defined benefit component and a money purchase component. State statute assigns authority to establish and amend benefit provision to the FPPA. This plan is included in the FPPA's annual separately issued audited financial statements. This report is available online at www.fppaco.org by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

Benefits Provided. A member is eligible for a normal retirement pension at any time after age 55 if the member has at least 25 years of service. The annual normal pension of the defined benefit component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the defined benefit component are evaluated and may be re-determined annually on October 1st. The amount of any increase is based on the FPPA Board's discretion and can range from 0 to 3 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution from the defined benefit component. Alternatively, a member with at least five years of accredited service may leave contributions with the defined benefit component of the plan and remain eligible for a retirement pension at

age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

Contributions. The city is required to contribute at a statutorily determined rate. The FPPA Board sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWH plan are set by each individual employer; however, the rate for both employer and members must be at least 8 percent of the member's base salary. Currently, 43 city firefighters are members of this plan. In 2016, plan members and the city each contributed 10.5%, $395,726. The percentage split is recalculated each year.

Net Pension Asset

At December 31, 2016, the city reported an asset of $3,391,938 for its proportionate share of the net pension asset for the plan. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016, which was unchanged from December 31, 2015. The city's portion of the net pension asset was based on the city's contributions to the SWH plan for the calendar year 2015 relative to the total contributions of participating employers to the plan.

At December 31, 2015, the city's proportion was 32.20%, an increase from its proportion of 31.55% measured as of December 31, 2014.

Actuarial Assumptions. The January 1, 2016 actuarial valuation used the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll - open
Remaining amortization period	30 years
Actuarial assumptions:	
Long term investment rate of return*	7.50%
Projected salary increases	4.00%-14.00%
Cost of living adjustments	0.00%
* Includes inflation at	2.5% (3.0% in prior year)
Mortality	*For determining the total pension liability:* The RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB, is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB, are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

Changes in Assumptions. The FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased to 5.0% from 4.5% for an overall nominal investment return of 7.5% which is unchanged from the prior year, an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for increasing longevity in the future to reflect current mortality studies and the expected incidence of total disability was increased.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	6.50%
Equity Long/Short	10.00%	4.70%
Illiquid Alternatives	20.00%	8.00%
Fixed Income	16.00%	1.50%
Absolute Return	11.00%	4.10%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00% *
Total	100.00%	

* While expected inflation exceeds the expected rate of return for cash, a 0.00% real rate of return is utilized.

Discount Rate. A discount rate of 7.50% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this discount rate assumed that contributions from participating employers will be made based on statutorily required rates and that the plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the city's proportionate share of the net pension asset, calculated using a discount rate of 7.50%, as well as what the city's proportionate share of the plan's net pension asset would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Asset to the Discount Rate Assumption

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension asset	$ (1,964,286)	$ (3,391,938)	$ (4,585,445)

Pension Plan Fiduciary Net Position. Detailed information about the plan's net fiduciary net position is available in FPPA's comprehensive annual financial report available online at www.fppaco.org or by contacting the Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2016, the city recognized a reduction to pension expense of $864,233. At December 31, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 708,280	$ -
Differences between actual and expected experience	1,014,864	-
Assumption changes	179,061	-
Changes in proportionate share	-	77,466
City contributions subsequent to the measurement date	395,726	-
Total	$ 2,297,931	$ 77,466

$395,726 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2017	$ 327,639
2018	327,639
2019	327,639
2020	312,825
2021	146,866
Thereafter	382,131
Total	$ 1,824,739

B. Defined Contribution Plans

1. Police Money Purchase Pension Plan – New Hire

The Police New Hire Plan is an open defined contribution money purchase plan established by agreement to provide retirement benefits for full time police hired on or after April 8, 1978. The plan is administered by a board established by the agreement. Plan provisions and contribution requirements are amended by an affirmative vote of 65% of the members as well as a City Council resolution. Normal retirement age is 55. The member is 100% vested at 5 years of service and 0% vested until that time. At December 31, 2016, there were 753 plan members. Plan members and the city are both required to contribute 10.5%. In 2016, plan members and the city each contributed $5,850,897.

2. Fire Money Purchase Pension Plan

The Fire Money Purchase Pension Plan is a closed defined contribution money purchase plan established by City Ordinance to provide retirement benefits for city firefighters hired on or after April 8, 1978 and is administered by the Fire and Police Pension Association of Colorado. Plan provisions and contribution requirements are established and may be amended by City Council. Normal retirement age is 55. All members are fully vested. At December 31, 2016, there were 14 plan members. Plan members and the city are both required to contribute 10.5%. In 2016, plan members and the city each contributed $127,085.

3. Executive Retirement Plan (ERP)

ERP is an open defined contribution money purchase plan established by City Ordinance to provide retirement benefits for city executive personnel and is administered by ICMA-RC. Plan provisions and contribution requirements are established and may be amended by City Council. Normal retirement age is age 50. Members vest at 33 1/3% each year and are fully vested at 3 years. At December 31, 2016, there were 29 plan members. In 2016, plan members and the city both contributed 10.0% or $408,176.

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description. In addition to pension benefits, the city acts in a single-employer capacity in providing medical benefits to eligible retirees and their qualifying dependents through the city's group health insurance plan. Based on city practice, eligible retirees are allowed to participate in the health benefit program up to Medicare age. Police and Fire employees are eligible at any age with 20 years of service, Elected Officials are eligible at a minimum age of 56 with 6 or more years of service and Executives are eligible at a minimum age of 50 with 3 or more years of service. All other employees are eligible at a minimum age of 50 with 10 or more years of service. Currently, there are 2,508 active employees covered under the city's health insurance plan. Of these, 659 are fully eligible for the plan. In addition, there are 399 retired employees who are receiving medical coverage under this program. No stand-alone financial report is issued for the OPEB plan and it is not included in the report of GERP.

Funding Policy. Retirees pay 100% of the blended premium cost of their participation for health insurance coverage. Since current and retired employees participate in the same group plan, the city in effect is providing an "implicit subsidy" for the retirees in the plan. The required contribution will be annual premiums based on projected pay-as-you-go financing requirements. This expense is the net expected cost of providing retiree benefits including all expected claims and related expenses offset by retiree contributions. The pay-as-you-go expense for the year ended December 31, 2016 is $2,041,851.

Summary of the Net OPEB obligation at the end of 2016 by Business–type and Governmental activities:

Fund	Amount
Water Fund	$ 603,487
Wastewater Fund	297,661
Golf Fund	80,308
Total Business-type activities	981,456
Total Governmental activities	5,078,438
Total net OPEB obligation - December 31	**$ 6,059,894**

Annual Pension Cost and Net Pension Obligation. The city's annual pension cost and net pension obligations for OPEB is as follows:

Annual required contribution (ARC)	$ 1,915,000
Interest on net pension obligation (NPO)	246,413
Adjustment to ARC	(220,012)
Annual pension cost (APC)	1,941,401
Contributions made	(2,041,851)
Increase (decrease) in NPO	(100,450)
NPO - beginning of year	6,160,344
NPO - end of year	**$ 6,059,894**

Net OPEB obligation is recorded as long term debt on the citywide statement of net position. Net OPEB obligation recorded in governmental activities are generally paid from the General Fund. Water, Wastewater and Golf Funds report a proportionate share of the net OPEB obligation as long term debt in business-type activities and are generally paid from their respective funds.

Funded Status and Funding Progress. The city's funded status for OPEB for the year ended December 31, 2016 can be seen below. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b-a)/(c)
1/1/16	$ -	$ 20,856,000	$20,856,000	0.00%	$207,646,935	10.04%

Three Year Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	$ 2,230,534	80.36%	$ 6,221,277
12/31/2015	1,862,842	103.27%	6,160,344
12/31/2016	1,941,401	105.17%	6,059,894

Actuarial Methods and Assumptions. The following chart shows the actuarial methods and assumptions used for OPEB. Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Actuarial valuation date	1/1/2015
Actuarial cost method	Projected unit credit cost
Amortization method	Level percent - open
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return*	4.00%
Payroll growth rate	N/A
Projected salary increases*	3.50%
Cost-of-living adjustment	N/A
Health care cost trend	8.00% to 4.50%, grading down by 0.5% annually
*Includes inflation at	N/A
Mortality	RP-2014 projected to 2025 using Scale MP-2014, applied on a gender-specific basis

15. OPERATING LEASES

The city has entered into various leases for buildings, office and storage space, and equipment. All leases are cancelable and must be reappropriated annually. Total costs for such leases were $1,036,406 for the year ended December 31, 2016. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2017	$ 937,484
2018	782,896
2019	770,178
2020	707,825
Total	**$ 3,198,383**

16. RISK MANAGEMENT

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

The city retains risk up to the levels where it has been determined that commercial insurance is more cost beneficial. The insurance companies promise payments of claims in excess of stated deductibles, with variable limits depending upon the specific line of coverage. For payment to be made by the insurance company the claim must fall under the insuring agreements and coverage, the insured must meet the insurer's conditions, and certain claims are excluded under certain conditions. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities for injuries which lie in tort or could lie in tort. These limits are $350,000 per person up to a maximum of $990,000 for any one event for all claimants as of July 1, 2013. These stated limitations do not apply to federal claims. There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Amounts estimated to be paid on known cases are reported as case reserves. Case reserves are estimated through in-house methods and do include incremental claims adjustment expenses.

Total self-insurance reserves are actuarially determined and include estimated costs for incurred but not reported claims (IBNR). The total liability has been recorded using the discounted method with an expected 1.00% interest return over the life of the liabilities. The city reports the current and noncurrent portions of the accrued claims liability and related claim settlements and judgments within the Risk Management Fund. Management believes any resulting judgments would not exceed insurance coverage by a material amount.

Summary of the Accrued Claims Liability
December 31, 2016

Self-Insured Program	Case Reserves	IBNR	Total	Discounted
Worker's compensation	$ 2,669,357	$ 5,056,927	$ 7,726,284	$ 7,123,987
Multi-line liability	1,346,223	2,905,744	4,251,967	4,121,387
Total	$ 4,015,580	$ 7,962,671	$ 11,978,251	$ 11,245,374

Reconcilation of Claims Payable

Year	Balance January 1	Current Year Accrued Claims	Claim Payments	Recoveries	Balance December 31
2015	$ 10,652,726	$ 5,758,864	$ (5,338,847)	$ 220,758	$ 11,293,501
2016	11,293,501	6,397,665	(6,828,188)	382,396	11,245,374

17. CONTINGENT LIABILITIES

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

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a

liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the city expects such amounts, if any, to be immaterial.

Proceeds of refunded debt were placed in irrevocable refunding escrow accounts. The funds deposited in these accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, are expected to provide amounts sufficient to pay all principal and interest on the following debt issues as they become due. Should these funds be insufficient to pay the maturing bonds and interest, the city would be liable for the deficiency. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the refunded bond issues is remote. Accordingly, the escrow accounts and the refunded bonds are not included in the city's financial statements. Escrowed debt outstanding at December 31, 2016 is as follows:

Issue Description	Date of Issue	Series	December 31, 2016
First-Lien Water Improvement			
Revenue Bonds Series 2007A	7/11/2007	2007A	$ 421,495,000
First-Lien Water Refunding			
Revenue Bonds Series 2008A	4/15/2008	2008A	39,995,000
Total			$ 461,490,000

18. CONDUIT DEBT OBLIGATIONS

From time to time, the city has issued revenue bonds to provide financial assistance to private sector and non-profit entities for the acquisition and construction of industrial, commercial and residential properties deemed to be in the public interest. The bonds are payable solely from payments received on the underlying funding source. The city is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2016, there were four series of revenue bonds outstanding which pertains to the Hospital Revenue Bonds payable from operating revenues. The total aggregate principal amount payable was $167,325,000.

19. POLLUTION REMEDIATION

The Highway 30 Landfill Facility operated as a municipal landfill by the city from 1969 to 1975 when it was closed. Because of potential issues related to groundwater contamination and methane gas generation, annual site monitoring is performed. In late 2015, monitoring indicated that methane was above state standards at the property border. As a result, the Colorado Department of Public Health and Environment issued a compliance advisory in 2016 which requires the city to implement tasks to determine the extent, if any, of any contamination and identify remediation alternatives if contamination is determined. The city entered into a contract for $141,339 to undertake an initial investigation into the site.

At this stage of the process, it is not possible to estimate costs beyond the initial contract; therefore, only the liability for $141,339 has been accrued at year-end in the city-wide financial statements. There are no estimated recoveries anticipated to reduce this liability.

20. TAXPAYER BILL OF RIGHTS (TABOR)

In November 1992, Colorado voters approved a State constitutional amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues and expenditures) without a vote of the local citizens. The key mechanisms for restraining growth without a vote are: 1) the prohibition of revenue and expenditure growth other than for inflation and a component for new construction growth, 2) the prohibition of new taxes or higher tax rates, 3) the prohibition of new debt, and 4) the refunding of any revenues collected in excess of the revenue limitations. In 2016, property tax revenue and general revenue collections were below the limits imposed by the TABOR Amendment.

TABOR further requires emergency reserves of at least 3% of fiscal year revenue as defined by TABOR (excluding bonded debt service). The city maintains the required reserves in the General Fund. TABOR specifies that local governments are permitted to use reserve funds for “emergencies” with the requirement that the reserve funds be restored to 3% of fiscal year spending in the following fiscal year. In accordance with TABOR, the city maintains an emergency reserve of 3% of the fiscal year spending by designating a combination of available cash and real property owned by the city in lieu of cash in the amount of $10,219,813. Cash of $474,660 is restricted for emergencies in the General Fund at December 31, 2016, and the real property is recorded in net investment in capital assets on the citywide statement of net position. The city’s management believes the city is in compliance with the provisions of TABOR at December 31, 2016.

21. ADOPTION OF ACCOUNTING PRINCIPLES

The city implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* (GASB 72), in 2016 which addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes and also provides that all assets meeting the definition of an investment in GASB 72 should be measured at fair value unless provided for otherwise. The city has provided the additional required disclosures in the footnotes to the financial statements (see Note 2).

The city implemented GASB Statement No. 77, *Tax Abatement Disclosures* (GASB 77), in 2016 which requires certain new financial reporting disclosures for governments that offer tax abatements. A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The requirements of GASB 77 improve financial reporting by providing users of financial statements essential information that had not been consistently or comprehensively reported for GASB 77 defined tax abatements previously. The city provides tax abatements that meet GASB 77 criteria in the form of job related incentive agreements. Information related to the city’s agreements are provided in the footnotes to the financial statements (see Note 11).

22. SUBSEQUENT EVENTS

On May 2, 2017, Aurora Capital Leasing Corporation (ACLC) issued Certificates of Participation, Series 2017, in the amount of $28,865,000 for the design and construction of the Central Recreation Center.

* * * * * * * * *

Required Supplementary Information

CITY OF AURORA, COLORADO

GENERAL EMPLOYEES' RETIREMENT DEFINED BENEFIT PLAN (GERP)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015
Total pension liability		
Service cost	$ 9,614,337	$ 9,208,869
Interest on the total pension liability	31,821,333	30,291,215
Benefit changes	—	—
Difference between expected and actual experience	(1,083,775)	—
Assumption changes	—	—
Benefit payments, including refunds	(20,123,726)	(17,627,436)
Net change in total pension liability	20,228,169	21,872,648
Total pension liability - beginning	416,936,314	395,063,666
Total pension liability - ending (a)	$ 437,164,483	$ 416,936,314
Plan fiduciary net position		
Contributions - employer	$ 6,135,777	$ 5,536,583
Contributions - employee	6,137,147	5,531,417
Net investment income	2,970,528	29,167,614
Benefit payments, including refunds	(20,123,726)	(17,627,436)
Administrative expense	(548,813)	(544,961)
Net change in plan fiduciary net position	(5,429,087)	22,063,217
Plan fiduciary net position - beginning	407,945,659	385,882,442
Plan fiduciary net position - ending (b)	$ 402,516,572	$ 407,945,659
City's net pension liability (asset) - ending (a)-(b)	$ 34,647,911	$ 8,990,655
Plan fiduciary net postion as a percentage of total pension liability	92.07%	97.84%
Covered employee payroll	$ 94,369,963	$ 88,585,328
City's net pension liability (asset) as a percentage of covered employee payroll	36.71%	10.15%

Source: Gabriel, Roeder, Smith & Company, GERP Actuary, GASB 68 reports.

Information above is presented as of the measurement date (December 31 of the previous fiscal year-end).

* Information not currently available for prior years; additional years will be displayed as they become available.

CITY OF AURORA, COLORADO

GENERAL EMPLOYEES' RETIREMENT DEFINED BENEFIT PLAN (GERP)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST 10 YEARS *

	2016	2015	2014
Contractually required contribution	$ 6,703,676	$ 6,135,777	$ 5,536,583
Actual contributions	6,703,676	6,135,777	5,536,583
Contribution deficiency (excess)	$ —	$ —	$ —
Covered employee payroll	$ 99,313,719	$ 94,369,963	$ 88,585,328
Contributions as a percentage of covered employee payroll	6.75%	6.50%	6.25%

Information above is presented as of the city's fiscal year-end.

* Information not currently available for prior years; additional years will be displayed as they become available.

CITY OF AURORA, COLORADO

ELECTED OFFICIALS' AND EXECUTIVE PERSONNEL DEFINED BENEFIT PLAN (EOEP)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015	2014	2013
Total pension liability				
Service cost	$ 136,108	$ 129,941	$ 133,761	$ 133,761
Interest on the total pension liability	413,715	390,913	380,105	357,289
Benefit changes	—	—	(123,776)	—
Difference between expected and actual experience	(14,995)	—	(263,711)	—
Assumption changes	—	—	389,217	—
Benefit payments	(244,108)	(206,268)	(198,390)	(194,971)
Net change in total pension liability	290,720	314,586	317,206	296,079
Total pension liability - beginning	5,499,953	5,185,367	4,868,161	4,572,082
Total pension liability - ending (a)	$ 5,790,673	$ 5,499,953	$ 5,185,367	$ 4,868,161
Plan fiduciary net position				
Contributions - employer	$ 84,159	$ 117,756	$ 117,756	$ 182,057
Net investment income	513,848	(50,926)	415,245	779,306
Benefit payments	(244,108)	(206,268)	(198,390)	(194,971)
Administrative expense	(18,384)	(23,691)	(20,095)	(17,395)
Net change in plan fiduciary net position	335,515	(163,129)	314,516	748,997
Plan fiduciary net position - beginning	6,000,351	6,163,480	5,848,964	5,099,967
Plan fiduciary net position - ending (b)	$ 6,335,866	$ 6,000,351	$ 6,163,480	$ 5,848,964
City's net pension liability (asset) - ending (a)-(b)	$ (545,193)	$ (500,398)	$ (978,113)	$ (980,803)
Plan fiduciary net postion as a percentage of total pension liability	109.42%	109.10%	118.86%	120.15%
Covered employee payroll	N/A	N/A	N/A	N/A
City's net pension liability (asset) as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

Source: EOEP Actuary, GASB 67 reports (2016: Milliman; 2015 and prior: Gabriel, Roeder, Smith & Company)

Information above is presented as of the city's most recent fiscal year-end.

* Information not currently available for prior years; additional years will be displayed as they become available.

Presentation Note: Because this plan does not issue stand alone financial statements, additional disclosures as required by GASB 67 are presented within this financial report.

CITY OF AURORA, COLORADO

ELECTED OFFICIALS' AND EXECUTIVE PERSONNEL DEFINED BENEFIT PLAN (EOEP)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	$ 84,159	$ 117,756	$ 117,756	$ 182,057	$ 182,057	$ 356,280	$ 356,280	$ 351,990	$ 351,990	$ 375,669
Actual contributions	84,159	117,756	117,756	182,057	182,057	356,280	356,280	351,991	351,991	375,669
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ (1)	$ (1)	$ —
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Actuarial valuations done every odd-numbered year on 1/1/20XX.

Information above is presented as of the city's most recent fiscal year-end.

Notes to Schedule

Valuation date:	January 1, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar - open For the 2009 actuarial valuation only, the level dollar - closed amortiztion method was used.
Remaining amortization period	15 years Decreased from 30 years to 15 years as of the 2011 actuarial valuation.
Asset valuation method	3-year smoothing Changed from the market valuation to 3-year smoothing as of the 2009 actuarial valuation.
Investment rate of return	7.50% Decreased from 7.75% to 7.50% as of the 2015 actuarial valuation. Decreased from 8.00% to 7.75% as of the 2009 actuarial valuation.
Expenses (as a percent of actuarial value of assets)	0.75% Decreased from 1.00% to 0.75% as of the 2009 actuarial valuation.
Cost-of-living adjustments	3.25% on Basic, 0% on Supplemental Basic decreased from 3.50% to 3.25% as of the 2015 actuarial valuation and from 3.75% to 3.50% as of the 2009 actuarial valuation. Supplemental decreased from 5.0% to 0% as of the 2011 actuarial valuation.
Mortality	RP-2000 Healthy Mortality Table

Benefit changes effective for 2015: The age requirement for normal retirement eligibility was increased to age 62 for members who entered the plan after November 5, 2013 and the service credit used in the calculation of the normal retirement benefit for elected officials was also limited.

CITY OF AURORA, COLORADO

ELECTED OFFICIALS' AND EXECUTIVE PERSONNEL DEFINED BENEFIT PLAN (EOEP)
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN ON PLAN INVESTMENTS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.64%	(0.88)%	7.05%

* Information is not currently available for prior years; additional years will be displayed as they become available.

CITY OF AURORA, COLORADO

FPPA - OLD HIRE FIRE DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015
Total pension liability		
Service cost	$ —	$ —
Interest on the total pension liability	7,308,921	7,359,766
Benefit changes	—	38,309
Difference between expected and actual experience	1,814,304	—
Assumption changes	6,490,739	—
Benefit payments, including refunds	(8,208,101)	(7,948,618)
Net change in total pension liability	7,405,863	(550,543)
Total pension liability - beginning	101,482,131	102,032,674
Total pension liability - ending (a)	$ 108,887,994	$ 101,482,131
Plan fiduciary net position		
Contributions - employer	$ 2,178,948	$ 1,963,632
Contributions - employee	—	—
Net investment income	1,442,505	5,243,318
Benefit payments, including refunds	(8,208,101)	(7,948,618)
Administrative expense	(130,738)	(151,222)
Net change in plan fiduciary net position	(4,717,386)	(892,890)
Plan fiduciary net position - beginning	78,807,925	79,700,815
Plan fiduciary net position - ending (b)	$ 74,090,539	$ 78,807,925
City's net pension liability (asset) - ending (a)-(b)	$ 34,797,455	$ 22,674,206
Plan fiduciary net postion as a percentage of total pension liability	68.04%	77.66%
Covered employee payroll	N/A	N/A
City's net pension liability (asset) as a percentage of covered employee payroll	N/A	N/A

Source: Gabriel, Roeder, Smith & Company, FPPA Actuary, GASB 68 reports.

Information above is presented as of the measurement date (December 31 of the previous fiscal year-end).

* Information not currently available for prior years; additional years will be displayed as they become available.

Changes in Assumptions:
The FPPA's Board of Directors, based upon the actuary's analysis and recommendations resulting from a regularly scheduled experience study in 2015, revised the following assumptions effective in the 2016 valuations: the inflation assumption was reduced from 3.0% to 2.5%, an explicit charge for administrative expenses was added in the actuarial contribution calculation and the mortality tables and associated projection scales were updated to reflect increased longevity.

Discount Rate: 7.50%

CITY OF AURORA, COLORADO

FPPA - OLD HIRE FIRE DEFINED BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST 10 YEARS *

	2016	2015	2014
Actuarially determined contribution	$ 2,182,774	$ 2,178,948	$ 1,963,632
Actual contributions	2,182,774	2,178,948	1,963,632
Contribution deficiency (excess)	$ —	$ —	$ —
Covered employee payroll	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A

* Information not currently available for prior years; additional years will be displayed as they become available.

Information above is presented as of the city's fiscal year-end.

Notes to Schedule

Valuation date:	January 1, 2014
Notes	Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2014, determines the contribution amounts for 2015 and 2016.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar - open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Investment rate of return	7.50%
Inflation	3.00%
Salary increases	N/A
Retirement age	Any remaining actives are assumed to retire immediately
Mortality	Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA

Changes in Benefit Terms:
Benefits were changed effective January 1, 2014, to include a funeral benefit of $1,000. The previous benefit was $200.

CITY OF AURORA, COLORADO

FPPA - OLD HIRE POLICE DEFINED BENEFIT PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015
Total pension liability		
Service cost	$ —	$ —
Interest on the total pension liability	8,715,268	8,713,959
Benefit changes	—	—
Difference between expected and actual experience	3,936,847	—
Assumption changes	7,157,077	—
Benefit payments, including refunds	(8,898,795)	(8,501,414)
Net change in total pension liability	10,910,397	212,545
Total pension liability - beginning	120,572,533	120,359,988
Total pension liability - ending (a)	$ 131,482,930	$ 120,572,533
Plan fiduciary net position		
Contributions - employer	$ 2,612,565	$ 3,367,555
Contributions - employee	—	—
Net investment income	1,714,996	6,170,082
Benefit payments, including refunds	(8,898,795)	(8,501,414)
Administrative expense	(147,530)	(165,251)
Net change in plan fiduciary net position	(4,718,764)	870,972
Plan fiduciary net position - beginning	93,737,966	92,866,994
Plan fiduciary net position - ending (b)	$ 89,019,202	$ 93,737,966
City's net pension liability (asset) - ending (a)-(b)	$ 42,463,728	$ 26,834,567
Plan fiduciary net postion as a percentage of total pension liability	67.70%	77.74%
Covered employee payroll	$ 111,083	$ 102,328
City's net pension liability (asset) as a percentage of covered employee payroll	38227.03%	26224.07%

Source: Gabriel, Roeder, Smith & Company, FPPA Actuary, GASB 68 reports.

Information above is presented as of the measurement date (December 31 of the previous fiscal year-end).

* Information not currently available for prior years; additional years will be displayed as they become available.

Changes in Assumptions:

The FPPA's Board of Directors, based upon the actuary's analysis and recommendations resulting from a regularly scheduled experience study in 2015, revised the following assumptions effective in the 2016 valuations: the inflation assumption was reduced from 3.0% to 2.5%, an explicit charge for administrative expenses was added in the actuarial contribution calculation and the mortality tables and associated projection scales were updated to reflect increased longevity.

Discount Rate: 7.50%

CITY OF AURORA, COLORADO

FPPA - OLD HIRE POLICE DEFINED BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST 10 YEARS

	2016	2015	2014
Actuarially determined contribution	$ 2,612,565	$ 2,612,565	$ 3,367,555
Actual contributions	2,612,565	2,612,565	3,367,555
Contribution deficiency (excess)	$ —	$ —	$ —
Covered employee payroll	$ 110,151	$ 111,083	$ 102,328
Contributions as a percentage of covered employee payroll	2371.80%	2351.90%	3290.94%

Actuarial valuations done every even-numbered year.

Information above is presented as of the city's fiscal year-end.

Notes to Schedule

Valuation date:	January 1, 2014
Notes	Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2014, determines the contribution amounts for 2015 and 2016.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar - open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Investment rate of return	7.50%
Inflation	3.00%
Salary increases	N/A
Retirement age	Any remaining actives are assumed to retire immediately
Mortality	Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA

CITY OF AURORA, COLORADO

FPPA - STATEWIDE DEFINED BENEFIT PLAN (SWDB)
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015	2014
City's % proportion of the net pension liability (asset)	4.80%	4.55%	4.62%
City's proportion of the net pension liability (asset)	$ (84,658)	$ (5,140,256)	$ (4,134,532)
Covered employee payroll	$ 19,546,055	$ 16,922,352	$ 16,387,238
City's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	0.43%	30.38%	25.23%
Plan fiduciary net position as a percentage of the total pension liability	100.10%	106.80%	105.80%

Source: Fire & Police Pension Association of Colorado (FPPA) Schedule of Employer Contributions and Schedule of Collective Pension Amounts

Information above is presented as of the measurement date (December 31 of the previous fiscal year-end).

* Information not currently available for prior years; additional years will be displayed as they become available.

See accompanying notes to required supplementary information for cost sharing multiple employer plans (page 100).

CITY OF AURORA, COLORADO

FPPA - STATEWIDE DEFINED BENEFIT PLAN (SWDB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015	2014
Statutorily required contribution	$ 1,939,286	$ 1,862,421	$ 1,638,586
Actual contributions	1,939,286	1,862,421	1,638,586
Contribution deficiency (excess)	$ —	$ —	$ —
Covered employee payroll	$ 20,708,743	$ 19,546,055	$ 16,922,352
Contributions as a percentage of covered employee payroll	9.36%	9.53%	9.68%

* Information not currently available for prior years; additional years will be displayed as they become available.

Information above is presented as of the city's fiscal year-end.

Actuarial valuations done every year.

See accompanying notes to required supplementary information for cost sharing multiple employer plans (page 100).

CITY OF AURORA, COLORADO

FPPA - STATEWIDE HYBRID PLAN (SWH)
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015	2014
City's % proportion of the net pension liability (asset)	32.20%	31.55%	31.48%
City's proportion of the net pension liability (asset)	$ (3,391,938)	$ (3,741,511)	$ (3,211,312)
Covered employee payroll	$ 4,038,631	$ 3,719,203	$ 3,870,544
City's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	83.99%	100.60%	82.97%
Plan fiduciary net position as a percentage of the total pension liability	129.40%	140.60%	139.00%

Source: Fire & Police Pension Association of Colorado (FPPA) Schedule of Employer Contributions and Schedule of Collective Pension Amounts

Information above is presented as of the measurement date (December 31 of the previous fiscal year-end).

* Information not currently available for prior years; additional years will be displayed as they become available.

See accompanying notes to required supplementary information for cost sharing multiple employer plans (page 100).

CITY OF AURORA, COLORADO

FPPA - STATEWIDE HYBRID PLAN (SWH)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST 10 FISCAL YEARS *

	2016	2015	2014
Statutorily required contribution	$ 395,726	$ 424,084	$ 390,519
Actual contributions	395,726	424,084	390,519
Contribution deficiency (excess)	$ —	$ —	$ —
Covered employee payroll	$ 3,768,817	$ 4,038,631	$ 3,719,203
Contributions as a percentage of covered employee payroll	10.50%	10.50%	10.50%

* Information not currently available for prior years; additional years will be displayed as they become available.

Information above is presented as of the city's fiscal year-end.

Actuarial valuations done every year.

See accompanying notes to required supplementary information for cost sharing multiple employer plans (page 100).

CITY OF AURORA, COLORADO

OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
DECEMBER 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b - a) / (c)
1/1/11	$ —	$ 17,898,000	$ 17,898,000	0.00%	$ 174,640,472	10.25%
1/1/13	—	21,227,000	21,227,000	0.00%	179,384,474	11.83%
1/1/14	—	22,412,000	22,412,000	0.00%	187,379,810	11.96%
1/1/15	—	19,932,000	19,932,000	0.00%	200,114,851	9.96%
1/1/16	—	20,856,000	20,856,000	0.00%	207,646,935	10.04%

CITY OF AURORA, COLORADO

OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
DECEMBER 31, 2016

Year	Annual Required Contribution (ARC)	Percentage Contributed
2012	$ 1,701,000	97%
2013	2,088,000	47%
2014	2,191,000	82%
2015	1,836,000	105%
2016	1,915,000	107%

Actuarial valuations done every odd-numbered year on 1/1/20XX with a rollforward done every even-numbered year on 1/1/20XX.

Notes to Schedule

Valuation date:	January 1, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Project unit credit cost
Amortization method	Level percent - open
Remaining amortization period	30 years
Asset valuation method	N/A
Investment rate of return*	4.00%
Payroll growth rate	N/A
Projected salary increases*	3.50%
Cost-of-living adjustment	N/A
Health care cost trend	8.00% to 4.50%, grading down by 0.5% annually
*Includes inflation at	N/A
Mortality	RP-2014 projected to 2025 using Scale MP-2014, applied on a gender-specific basis

CITY OF AURORA, COLORADO

GENERAL FUND
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Taxes				
Property	$ 30,012,306	$ 30,012,306	$ 30,558,140	$ 545,834
Sales	172,804,392	172,804,392	173,990,700	1,186,308
Use	38,034,485	38,034,485	41,285,967	3,251,482
Lodgers	6,945,843	6,945,843	7,562,032	616,189
Franchise	14,889,231	14,889,231	14,212,056	(677,175)
Other	11,281,880	11,281,880	11,071,127	(210,753)
Total taxes	273,968,137	273,968,137	278,680,022	4,711,885
Intergovernmental	15,233,054	15,525,757	16,165,584	639,827
Licenses and permits	3,837,181	3,837,181	3,636,547	(200,634)
Charges for services	12,890,339	12,903,339	12,300,999	(602,340)
Fines and forfeitures	6,192,333	6,192,333	4,634,747	(1,557,586)
Investment income	833,115	833,115	1,023,083	189,968
Other revenues	865,863	1,073,424	1,271,032	197,608
Proceeds from sale of assets	259,000	259,000	680,023	421,023
Transfers in	1,628,574	1,667,007	1,667,007	—
Funds from Restricted Assets	—	—	23,653	23,653
TOTAL SOURCES	315,707,596	316,259,293	320,082,697	3,823,404
USES				
Operating Costs				
Municipal Court				
Judicial	2,456,331	2,531,331	2,530,913	418
Court Administration	9,239,124	9,689,358	9,572,814	116,544
Public Defender	945,144	945,144	907,367	37,777
Total municipal court	12,640,599	13,165,833	13,011,094	154,739
City Attorney	6,246,501	6,485,501	6,484,598	903
General Management Group				
City Council	1,264,792	1,307,980	1,199,551	108,429
Civil Service	820,945	881,945	881,253	692
General Management	3,142,038	3,173,538	3,083,147	90,391
Total general management group	5,227,775	5,363,463	5,163,951	199,512
Administrative Services Group				
Communications	3,190,773	3,180,134	3,042,451	137,683
Finance	6,964,453	6,928,209	6,670,839	257,370
Information Technology	7,417,895	7,802,281	6,589,572	1,212,709
Internal Services	9,281,863	9,213,796	9,066,358	147,438
Public Safety Communications	6,667,729	6,667,729	6,252,465	415,264
Total administrative services group	33,522,713	33,792,149	31,621,685	2,170,464

(continued)

	General Fund			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
Operations Group				
Library and Cultural Services	5,825,201	5,703,300	5,428,604	274,696
Public Works	28,065,400	27,789,780	26,350,559	1,439,221
Parks, Recreation and Open Space	13,864,842	13,746,384	13,739,783	6,601
Neighborhood Services	6,964,305	6,919,271	6,414,320	504,951
Planning and Development Services	3,090,491	2,979,224	2,695,171	284,053
Total operations group	57,810,239	57,137,959	54,628,437	2,509,522
Police/Fire Group				
Police	96,530,578	96,530,578	95,915,969	614,609
Fire	45,947,526	47,086,594	47,086,594	—
Total police/fire group	142,478,104	143,617,172	143,002,563	614,609
Non-departmental	66,474,776	71,189,946	70,519,369	670,577
TOTAL USES	324,400,707	330,752,023	324,431,697	6,320,326
CHANGE IN FUNDS AVAILABLE	(8,693,111)	(14,492,730)	(4,349,000)	10,143,730
FUNDS AVAILABLE - January 1	54,672,523	59,438,504	59,438,504	—
FUNDS AVAILABLE - December 31	$ 45,979,412	$ 44,945,774	55,089,504	$ 10,143,730
Less: Restricted for emergencies (TABOR)			(474,660)	
Committed to reserves (10% Policy)			(26,011,886)	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS, AND COUNCIL COMMITMENTS - December 31			$ 28,602,958	

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 55,089,504
Assets not available for appropriation	2,129,932
Long-term interfund receivables	78,251
Sales, use and lodgers tax accrual	26,130,953
Current year encumbrances	2,584,851
Adjustment of investments to fair value	(278,312)
Adjustment for fund perspective difference	8,754,007
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31	$ 94,489,186

(concluded)

1. COST SHARING MULTIPLE EMPLOYER PLANS

Changes in actuarial assumptions:
FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years.

FPPA – Statewide Defined Benefit Plan and Statewide Hybrid Plan
Changes in actuarial assumptions effective for 2016: The inflation assumption was reduced from 3.0% to 2.5% while the real return on investments was increased to 5.0% from 4.5% for an overall nominal investment return of 7.5% which is unchanged from the prior year. In addition, an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for increasing longevity in the future to reflect current mortality studies and the expected incidence of total disability was increased.
Changes in actuarial assumptions effective for 2014: The married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

Benefit changes:
FPPA – Statewide Defined Benefit Plan
Benefit changes effective for 2015: A 0.61% benefit adjustment was granted to all retirees and beneficiaries of the plan who retired on or before October 1, 2014.

FPPA – Statewide Hybrid Plan
Benefit changes effective for 2015: A 3.00% benefit adjustment was granted to all retirees and beneficiaries of the plan who retired on or before October 1, 2014.

2. GENERAL FUND BUDGETARY INFORMATION

The city adopts annual operating appropriations each year. Operating costs are controlled at the fund and department level for the General Fund. Expenditures may not exceed appropriations at those levels. Annual operating appropriations lapse at year-end except for amounts that are encumbered (encumbrances are commitments on purchase orders that remain open at year-end). Since expenditures may not legally exceed budgeted appropriations, appropriation amendments require City Council approval by ordinance. Budget transfers within a department may be made with administrative approval. Transfers between departments require City Council approval by resolution or ordinance.

The city budgets on a "funds available" basis. Budgetary basis revenues and other financing sources are considered increases in funds available and budgetary basis expenditures and other financing uses are considered uses of funds available. In general, funds available are defined as current assets minus current liabilities. The city's budget disclosure presents funds available, which are available for general purposes. Budgets for the General Fund are reported on the same basis as described above, except as follows:

a) Assets not available for appropriation, debt service reserves for which the city has pledged a moral obligation, are not considered to be available funds.
b) Long-term interfund receivables are not considered available until received.
c) Sales, use and lodgers taxes are considered revenue when received rather than when earned.
d) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
e) Changes in investment income due to recording investments at fair value are not budgeted.
f) Adjustment for fund perspective difference results from the Designated Revenue Fund being budgeted as a special revenue fund but it does not qualify as a special revenue fund under GAAP and is, thus, reported as part of the General Fund.

Combining and Individual Fund Statements and Schedules

SPECIAL REVENUE FUNDS

Special revenue funds account for revenues from specific sources that are required legally or by management decision to be used for particular activities other than debt service or capital projects. General funds of blended component units are also considered Special Revenue Funds.

Gifts & Grants Fund

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

Development Review Fund

The Development Review Fund accounts for revenues from development related fees for various plan reviews, inspections/ permits and similar services. Expenditures are made to cover the costs of the development review process and to fund organizations that promote economic growth and development within the city.

Abatement Fund

The Abatement Fund accounts for costs related to weed cutting, trash removal and building demolition and board up on properties that have not been maintained in accordance with City Ordinances. Revenues are from fees collected from property owners and county collected liens on the properties. The Abatement Fund was repealed and closed in 2016; all assets and liabilities were transferred to the General Fund.

Community Development Fund

The Community Development Fund accounts for revenues and expenditures from grants and other monies received from the United States Department of Housing and Urban Development.

Enhanced E-911 Fund

The Enhanced E-911 Fund accounts for revenues derived from special telephone surcharges. Monies are used to purchase and maintain enhanced E-911 equipment and related activities.

Conservation Trust Fund

The Conservation Trust Fund accounts for lottery proceeds that are received from the State of Colorado. These monies are used for the development and renovation of qualifying parks and recreation facilities and infrastructure.

Non-Major Governmental Funds

Parks Development Fund

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

Open Space Fund

The Open Space Fund accounts for dedicated use tax revenues received from both Arapahoe County and Adams County that are required to be used for parks construction and maintenance and the acquisition of open space within that portion of the city of Aurora located in each of the respective counties.

Recreation Services Fund

The Recreation Services Fund accounts for recreational services provided to citizens. Funding for these services are from user fees and General Fund transfers.

Cultural Services Fund

The Cultural Services Fund accounts for revenues from fees, donations, grant funds from the Scientific and Cultural Facilities District (SCFD) and other grantors, proceeds from the Art in Public Places (AIPP) ordinance and General Fund transfers. Expenditures are made to provide cultural-related services to citizens.

Cherry Creek Fence General Improvement District (GID)

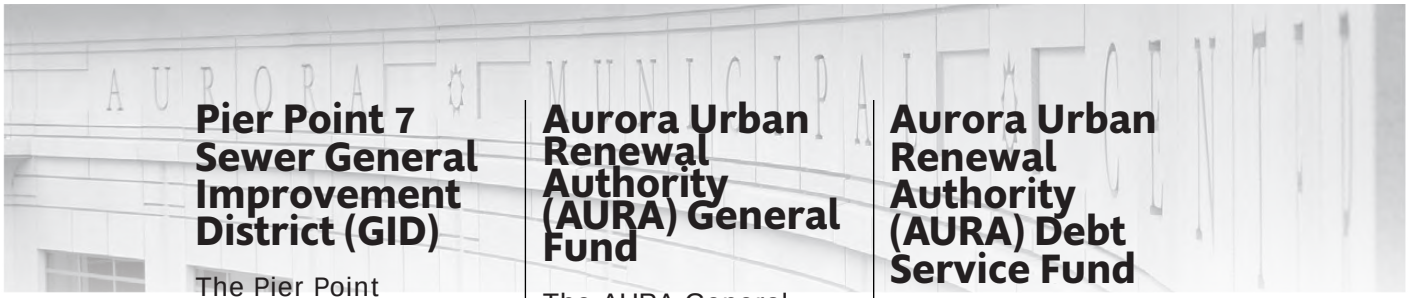
The Cherry Creek Fence GID, a blended component unit, accounts for debt service and repairs and maintenance related to the masonry fence constructed in this neighborhood. Funding is from property tax assessed on the related properties.

Meadow Hills Fence General Improvement District (GID)

The Meadow Hills Fence GID, a blended component unit, accounts for debt service and repairs and maintenance related to the masonry fence constructed in this neighborhood. Funding is from property tax assessed on the related properties.

Peoria Park Fence General Improvement District (GID)

The Peoria Park Fence GID, a blended component unit, accounts for debt service and repairs and maintenance related to the masonry fence constructed in this neighborhood. Funding is from property tax assessed on the related properties.



Pier Point 7 Sewer General Improvement District (GID)

The Pier Point 7 Sewer GID, a blended component unit, accounts for debt service and construction and installation of essential sanitary sewer system improvements within the District. Funding is from property tax assessed on the related properties.

Aurora Conference Center General Improvement District (GID)

The Aurora Conference Center GID, a blended component unit, accounts for the incentives for a conference center and related improvements. The funding is from property tax assessed on the related properties.

Aurora Urban Renewal Authority (AURA) General Fund

The AURA General Fund, a blended component unit, accounts for activities related to urban renewal areas that have no debt outstanding. Funding is from tax revenues pledged to redevelopment and fees for services.

DEBT SERVICE FUNDS

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

Special Improvement District (SID) Debt Service Fund

The Special Improvement District Debt Service Fund accounts for debt service related to special improvements. Funding is from special assessments on the related properties.

Aurora Urban Renewal Authority (AURA) Debt Service Fund

The city created AURA to redevelop and support areas within the city that are considered blighted. This fund accounts for the payment of principal, interest, and agency fees for the AURA tax increment revenue bonds. Monies in excess of those needed for the repayment of the revenue bonds may be used to pay other obligations of AURA.

Aurora Capital Leasing Corporation (ACLC) Debt Service Fund

ACLC, a blended component unit, is a non-profit corporation established to finance city capital projects, primarily buildings. This fund accounts for the principal and interest payments on certificates of participation issued by ACLC. Revenues are from lease payments (transfers) from the General Fund.

CAPITAL PROJECTS FUNDS

Capital projects funds account for financial resources used for the construction and acquisition of major capital projects.

City Capital Projects Fund

The City Capital Projects Fund accounts for financial resources used for the construction and acquisition of major capital projects such as streets, parks, information systems and city facilities. Funding sources include General Fund revenues and participation revenues from outside sources.

Aurora Urban Renewal Authority (AURA) Capital Projects Fund

AURA Capital Projects fund accounts for the construction of a conference center and parking structure. Funding for these projects is provided by proceeds from external financing.

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Special Revenue				
	Gifts and Grants	**Development Review**	**Abatement**	**Community Development**	**Enhanced E-911**
ASSETS					
Cash and cash equivalents	$ —	$ 1,973,216	$ —	$ —	$ —
Investments	—	9,912,957	—	—	—
Receivables (net of allowance)					
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
Restricted assets					
Cash and cash equivalents	666,845	—	—	486,768	1,454,806
Investments	—	—	—	—	7,308,591
Taxes receivable	—	—	—	—	—
Accounts receivable	29,938	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	1,804,315	—	—	954,468	—
Other receivables	—	—	—	—	437,908
Inventory	790,280	—	—	—	—
Asset acquired for resale	—	—	—	—	—
Notes receivable	1,471,450	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	$ 4,762,828	$ 11,886,173	$ —	$ 1,441,236	$ 9,201,305
LIABILITIES					
Accounts payable	$ 226,216	$ 332,379	$ —	$ 346,643	$ 642,198
Other payables	34,849	—	—	—	—
Interfund loan payable	—	—	—	—	—
Unearned revenues	258,459	—	—	50,000	—
Total liabilities	519,524	332,379	—	396,643	642,198
DEFERRED INFLOWS OF RESOURCES	1,471,450	—	—	—	—
FUND BALANCES					
Restricted	2,771,854	—	—	1,044,593	8,559,107
Committed	—	11,553,794	—	—	—
Assigned	—	—	—	—	—
Total fund balances	2,771,854	11,553,794	—	1,044,593	8,559,107
Total liabilities, deferred inflows of resources, and fund balances	$ 4,762,828	$ 11,886,173	$ —	$ 1,441,236	$ 9,201,305

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Special Revenue				
	Conservation Trust	**Parks Development**	**Open Space**	**Recreation Services**	**Cultural Services**
ASSETS					
Cash and cash equivalents	$ —	$ —	$ —	$ 944,871	$ 1,252,280
Investments	—	—	—	566,911	—
Receivables (net of allowance)					
Accounts receivable	—	—	—	37,099	2,654
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	22,234	—
Other receivables	—	—	—	46,147	7,515
Restricted assets					
Cash and cash equivalents	891,850	1,165,669	1,793,203	—	7,927
Investments	4,480,439	5,856,040	9,008,616	—	—
Taxes receivable	—	—	—	—	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	813,838	—	—	—	66,811
Other receivables	—	—	—	—	—
Inventory	—	—	—	—	—
Asset acquired for resale	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	$ 6,186,127	$ 7,021,709	$ 10,801,819	$ 1,617,262	$ 1,337,187
LIABILITIES					
Accounts payable	$ 19,195	$ 1,403	$ 265,455	$ 232,890	$ 127,692
Other payables	—	—	—	950	—
Interfund loan payable	—	—	—	—	—
Unearned revenues	—	—	675	458,529	69,926
Total liabilities	19,195	1,403	266,130	692,369	197,618
DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—
FUND BALANCES					
Restricted	6,166,932	7,020,306	10,535,689	—	61,949
Committed	—	—	—	—	1,070,571
Assigned	—	—	—	924,893	7,049
Total fund balances	6,166,932	7,020,306	10,535,689	924,893	1,139,569
Total liabilities, deferred inflows of resources, and fund balances	$ 6,186,127	$ 7,021,709	$ 10,801,819	$ 1,617,262	$ 1,337,187

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Special Revenue				
	Peoria Park Fence GID	**Meadow Hills Fence GID**	**Cherry Creek Fence GID**	**Aurora Conference Center GID**	**Pier Point 7 Sewer GID**
ASSETS					
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —
Investments	—	—	—	—	—
Receivables (net of allowance)					
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
Restricted assets					
Cash and cash equivalents	69,150	52,895	64,985	483	121,252
Investments	—	—	—	—	—
Taxes receivable	33,158	42,080	58,776	695	192,448
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	209	265	354	—	1,110
Other receivables	—	—	—	—	—
Inventory	—	—	—	—	—
Asset acquired for resale	—	—	—	—	—
Notes receivable	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	$ 102,517	$ 95,240	$ 124,115	$ 1,178	$ 314,810
LIABILITIES					
Accounts payable	$ —	$ —	$ —	$ —	$ —
Other payables	—	—	—	—	—
Interfund loan payable	—	—	—	—	—
Unearned revenues	—	—	—	—	—
Total liabilities	—	—	—	—	—
DEFERRED INFLOWS OF RESOURCES	33,158	42,080	58,776	695	192,448
FUND BALANCES					
Restricted	69,359	53,160	65,339	483	122,362
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Total fund balances	69,359	53,160	65,339	483	122,362
Total liabilities, deferred inflows of resources, and fund balances	$ 102,517	$ 95,240	$ 124,115	$ 1,178	$ 314,810

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Special Revenue	Debt Service		
	AURA General	**SID Debt Service**	**AURA Debt Service**	**ACLC Debt Service**
ASSETS				
Cash and cash equivalents	$ —	$ —	$ —	$ 380,996
Investments	—	—	—	1,914,032
Receivables (net of allowance)				
Accounts receivable	—	—	—	—
Interest receivable	—	—	—	—
Due from other governments	—	—	—	—
Other receivables	41,889	—	—	—
Restricted assets				
Cash and cash equivalents	2,106,692	69,254	1,139,392	107,879
Investments	10,796,134	150,375	5,765,060	8,038,689
Taxes receivable	4,740,900	—	696,500	—
Accounts receivable	—	—	—	—
Interest receivable	—	—	—	17,134
Due from other governments	—	—	—	—
Other receivables	—	661,508	—	—
Inventory	—	—	—	—
Asset acquired for resale	—	—	20,799,529 (a)	—
Notes receivable	—	—	—	—
Notes receivable	—	—	—	—
Total assets	$ 17,685,615	$ 881,137	$ 28,400,481	$ 10,458,730
LIABILITIES				
Accounts payable	$ 2,390,136	$ —	$ 289,007	$ —
Other payables	—	—	—	—
Interfund loan payable	—	—	25,500,000	—
Unearned revenues	3,450	—	—	—
Total liabilities	2,393,586	—	25,789,007	—
DEFERRED INFLOWS OF RESOURCES	4,740,900	661,508	696,500	—
FUND BALANCES				
Restricted	10,551,129	219,629	1,914,974	8,163,702
Committed	—	—	—	—
Assigned	—	—	—	2,295,028
Total fund balances	10,551,129	219,629	1,914,974	10,458,730
Total liabilities, deferred inflows of resources, and fund balances	$ 17,685,615	$ 881,137	$ 28,400,481	$ 10,458,730

(continued)

(a) Asset acquired for resale will provide relief for future incentive obligations and repay the city's investment in economic opportunities.

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Capital Projects		
	City Capital Projects	**AURA Capital Projects**	**Total Nonmajor Governmental Funds**
ASSETS			
Cash and cash equivalents	$ 9,148,288	$ —	$ 13,699,651
Investments	45,958,768	—	58,352,668
Receivables (net of allowance)			
Accounts receivable	152,535	—	192,288
Interest receivable	71,671	—	71,671
Due from other governments	—	—	22,234
Other receivables	—	—	95,551
Restricted assets			
Cash and cash equivalents	2,788,614	—	12,987,664
Investments	10,040,180	—	61,444,124
Taxes receivable	—	—	5,764,557
Accounts receivable	175,900	—	205,838
Interest receivable	—	—	17,134
Due from other governments	521,234	—	4,162,604
Other receivables	—	—	1,099,416
Inventory	—	—	790,280
Asset acquired for resale	—	—	20,799,529
Notes receivable	—	—	1,471,450
Notes receivable	52,066	—	52,066
Total assets	$ 68,909,256	$ —	$ 181,228,725
LIABILITIES			
Accounts payable	$ 3,483,192	$ —	$ 8,356,406
Other payables	963,917	—	999,716
Interfund loan payable	—	—	25,500,000
Unearned revenues	—	—	841,039
Total liabilities	4,447,109	—	35,697,161
DEFERRED INFLOWS OF RESOURCES	52,066	—	7,949,581
FUND BALANCES			
Restricted	13,527,360	—	70,847,927
Committed	—	—	12,624,365
Assigned	50,882,721	—	54,109,691
Total fund balances	64,410,081	—	137,581,983
Total liabilities, deferred inflows of resources, and fund balances	$ 68,909,256	$ —	$ 181,228,725

(concluded)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue				
	Gifts and Grants	**Development Review**	**Abatement**	**Community Development**	**Enhanced E-911**
REVENUES					
Taxes					
Sales and use	$ —	$ —	$ —	$ —	$ —
Property	—	—	—	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	—	—	—	—	—
Charges for services	85,613	2,867,845	—	2,456,130	—
Licenses and permits	147	12,476,826	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	4,627,185	—	—	4,638,936	—
Surcharges	—	—	—	—	5,039,816
Miscellaneous	583,142	5,777	—	—	1,402
Investment earnings	26,077	92,541	9	—	53,690
Total revenues	5,322,164	15,442,989	9	7,095,066	5,094,908
EXPENDITURES					
Current					
General government	1,370	—	—	—	—
Judicial	57,978	—	—	—	—
Police	2,311,330	—	—	—	—
Fire	118,736	—	—	—	—
Other public safety	—	—	—	—	6,940,590
Public works	—	—	—	—	—
Economic development	281,252	11,623,029	—	364,168	—
Community services	335,627	—	—	5,872,830	—
Culture and recreation	571,716	53,004	—	—	—
Debt service					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	1,614,069	1,799,002	—	632,949	1,286,267
Total expenditures	5,292,078	13,475,035	—	6,869,947	8,226,857
Excess (deficiency) of revenues over (under) expenditures	30,086	1,967,954	9	225,119	(3,131,949)
OTHER FINANCING SOURCES (USES)					
Transfers in	7,000	—	—	205,275	6,048,142
Transfers out	—	(1,335,419)	(364,970)	—	(1,814,345)
Issuance of debt - notes	—	—	—	—	—
Issuance of debt - capital leases	—	—	—	—	—
Total other financing sources (uses)	7,000	(1,335,419)	(364,970)	205,275	4,233,797
NET CHANGE IN FUND BALANCES	37,086	632,535	(364,961)	430,394	1,101,848
FUND BALANCES - January 1	2,734,768	10,921,259	364,961	614,199	7,457,259
FUND BALANCES - December 31	$ 2,771,854	$ 11,553,794	$ —	$ 1,044,593	$ 8,559,107

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue				
	Conservation Trust	**Parks Development**	**Open Space**	**Recreation Services**	**Cultural Services**
REVENUES					
Taxes					
Sales and use	$ —	$ —	$ —	$ —	$ —
Property	—	—	—	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	—	—	—	—	—
Charges for services	—	—	—	5,493,863	752,537
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	3,857,129	—	7,875,156	595,262	315,742
Surcharges	—	—	—	—	—
Miscellaneous	—	1,953,447	—	177,748	158,163
Investment earnings	25,476	39,618	90,760	3,967	12,856
Total revenues	3,882,605	1,993,065	7,965,916	6,270,840	1,239,298
EXPENDITURES					
Current					
General government	—	—	—	—	—
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	—
Community services	—	—	—	—	—
Culture and recreation	1,283,696	116,302	4,063,485	10,157,480	2,741,317
Debt service					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	536,512	—	1,916,920	11,304	—
Total expenditures	1,820,208	116,302	5,980,405	10,168,784	2,741,317
Excess (deficiency) of revenues over (under) expenditures	2,062,397	1,876,763	1,985,511	(3,897,944)	(1,502,019)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	4,577,962	1,842,431
Transfers out	(154,022)	—	(1,117,920)	(30,000)	—
Issuance of debt - notes	—	—	—	—	—
Issuance of debt - capital leases	—	—	—	—	—
Total other financing sources (uses)	(154,022)	—	(1,117,920)	4,547,962	1,842,431
NET CHANGE IN FUND BALANCES	1,908,375	1,876,763	867,591	650,018	340,412
FUND BALANCES - January 1	4,258,557	5,143,543	9,668,098	274,875	799,157
FUND BALANCES - December 31	$ 6,166,932	$ 7,020,306	$ 10,535,689	$ 924,893	$ 1,139,569

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue				
	Peoria Park Fence GID	Meadow Hills Fence GID	Cherry Creek Fence GID	Aurora Conference Center GID	Pier Point 7 Sewer GID
REVENUES					
Taxes					
Sales and use	$ —	$ —	$ —	$ —	$ —
Property	37,354	47,378	63,217	438	198,243
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	2,896	3,702	4,926	34	15,478
Charges for services	—	—	—	—	—
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	—	—	—	—	—
Surcharges	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Investment earnings	23	20	20	—	183
Total revenues	40,273	51,100	68,163	472	213,904
EXPENDITURES					
Current					
General government	1,091	2,212	1,479	7	3,067
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	—
Community services	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Debt service					
Principal	13,000	20,000	30,000	—	100,000
Interest	17,385	20,958	29,400	—	98,550
Capital outlay	—	—	—	—	—
Total expenditures	31,476	43,170	60,879	7	201,617
Excess (deficiency) of revenues over (under) expenditures	8,797	7,930	7,284	465	12,287
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	—	—
Transfers out	—	—	—	—	—
Issuance of debt - notes	—	—	—	—	—
Issuance of debt - capital leases	—	—	—	—	—
Total other financing sources (uses)	—	—	—	—	—
NET CHANGE IN FUND BALANCES	8,797	7,930	7,284	465	12,287
FUND BALANCES - January 1	60,562	45,230	58,055	18	110,075
FUND BALANCES - December 31	$ 69,359	$ 53,160	$ 65,339	$ 483	$ 122,362

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue	Debt Service		
	AURA General	SID Debt Service	AURA Debt Service	ACLC Debt Service
REVENUES				
Taxes				
Sales and use	$ 8,466,591	$ —	$ 977,400	$ —
Property	5,067,708	—	114,571	—
Lodgers	421,987	—	282,515	—
Occupational privilege	515,431	—	—	—
Other	—	—	—	—
Charges for services	555,933	—	—	—
Licenses and permits	—	—	—	—
Fines and forfeitures	—	—	—	—
Special assessments	—	233,561	—	—
Intergovernmental	—	—	—	—
Surcharges	—	—	—	—
Miscellaneous	132,093	—	469	—
Investment earnings	27,974	31,934	17,572	94,130
Total revenues	15,187,717	265,495	1,392,527	94,130
EXPENDITURES				
Current				
General government	441,381	3,888	—	66,270
Judicial	—	—	—	—
Police	—	—	—	—
Fire	—	—	—	—
Other public safety	—	—	—	—
Public works	275,369	—	—	—
Economic development	11,068,010	—	407,938	—
Community services	—	—	—	—
Culture and recreation	—	—	—	—
Debt service				
Principal	—	265,000	—	8,327,755
Interest	—	30,031	714,603	6,112,640
Capital outlay	—	—	—	—
Total expenditures	11,784,760	298,919	1,122,541	14,506,665
Excess (deficiency) of revenues over (under) expenditures	3,402,957	(33,424)	269,986	(14,412,535)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,561,855	—	1,129,741	13,972,461
Transfers out	(466,647)	—	(7,561,855)	(446,385)
Issuance of debt - notes	—	—	—	—
Issuance of debt - capital leases	—	—	—	358,020
Total other financing sources (uses)	7,095,208	—	(6,432,114)	13,884,096
NET CHANGE IN FUND BALANCES	10,498,165	(33,424)	(6,162,128)	(528,439)
FUND BALANCES - January 1	52,964	253,053	8,077,102	10,987,169
FUND BALANCES - December 31	$ 10,551,129	$ 219,629	$ 1,914,974	$ 10,458,730

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Capital Projects		
	City Capital Projects	AURA Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Taxes			
Sales and use	$ —	$ —	$ 9,443,991
Property	—	—	5,528,909
Lodgers	—	—	704,502
Occupational privilege	—	—	515,431
Other	—	—	27,036
Charges for services	2,975,834	—	15,187,755
Licenses and permits	606,468	—	13,083,441
Fines and forfeitures	9,668	—	9,668
Special assessments	—	—	233,561
Intergovernmental	3,956,875	—	25,866,285
Surcharges	—	—	5,039,816
Miscellaneous	62,551	—	3,074,792
Investment earnings	156,803	—	673,653
Total revenues	7,768,199	—	79,388,840
EXPENDITURES			
Current			
General government	718,055	—	1,238,820
Judicial	—	—	57,978
Police	—	—	2,311,330
Fire	164,120	—	282,856
Other public safety	—	—	6,940,590
Public works	9,278,938	—	9,554,307
Economic development	29,270	—	23,773,667
Community services	—	—	6,208,457
Culture and recreation	660,553	—	19,647,553
Debt service			
Principal	—	—	8,755,755
Interest	—	—	7,023,567
Capital outlay	24,621,946	3,074,787	35,493,756
Total expenditures	35,472,882	3,074,787	121,288,636
Excess (deficiency) of revenues over (under) expenditures	(27,704,683)	(3,074,787)	(41,899,796)
OTHER FINANCING SOURCES (USES)			
Transfers in	49,029,338	75,000	84,449,205
Transfers out	(6,417,367)	(583,858)	(20,292,788)
Issuance of debt - notes	—	5,736,936	5,736,936
Issuance of debt - capital leases	—	—	358,020
Total other financing sources (uses)	42,611,971	5,228,078	70,251,373
NET CHANGE IN FUND BALANCES	14,907,288	2,153,291	28,351,577
FUND BALANCES - January 1	49,502,793	(2,153,291)	109,230,406
FUND BALANCES - December 31	$ 64,410,081	$ —	$ 137,581,983

(concluded)

Combining and Individual Fund Statements and Schedules

INTERNAL SERVICE FUNDS

Internal Service Funds account for centralized acquisition of supplies and services. Revenues are from user charges to funds and departments, which are calculated on a cost-reimbursement basis.

Fleet Management Fund

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

Risk Management Fund

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

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Fleet Management	Risk Management	Total Internal Service
ASSETS			
Current assets			
Cash and cash equivalents	$ 210,145	$ 2,386,926	$ 2,597,071
Investments	1,055,716	11,991,336	13,047,052
Receivables (net of allowance)			
Interest receivable	3,424	54,802	58,226
Inventories	886,799	—	886,799
Total current assets	2,156,084	14,433,064	16,589,148
Capital assets (net of accumulated depreciation)			
Infrastructure	167,477	—	167,477
Machinery and equipment	237,478	—	237,478
Total capital assets	404,955	—	404,955
Total assets	2,561,039	14,433,064	16,994,103
LIABILITIES			
Current liabilities			
Accounts payable	194,931	29,684	224,615
Current portion - long-term liabilities	27,893	5,876,147	5,904,040
Total current liabilities	222,824	5,905,831	6,128,655
Noncurrent liabilities			
Due beyond one year	362,736	5,459,177	5,821,913
Total liabilities	585,560	11,365,008	11,950,568
NET POSITION			
Net investment in capital assets	404,955	—	404,955
Unrestricted	1,570,524	3,068,056	4,638,580
Total net position	$ 1,975,479	$ 3,068,056	$ 5,043,535

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Fleet Management	Risk Management	Total Internal Service
OPERATING REVENUES			
Charges for services	$ 8,513,288	$ 8,593,998	$ 17,107,286
OPERATING EXPENSES			
Cost of sales and service	8,518,007	2,436,642	10,954,649
Claims losses	—	6,886,773	6,886,773
Administrative expenses	43,990	41,073	85,063
Depreciation	104,191	—	104,191
Total operating expenses	8,666,188	9,364,488	18,030,676
Operating income (loss)	(152,900)	(770,490)	(923,390)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	5,555	96,406	101,961
Miscellaneous revenues	515	590,124	590,639
Net nonoperating revenues	6,070	686,530	692,600
Income (loss) before transfers	(146,830)	(83,960)	(230,790)
Transfers in	185,245	135,000	320,245
CHANGE IN NET POSITION	38,415	51,040	89,455
NET POSITION - January 1	1,937,064	3,017,016	4,954,080
NET POSITION - December 31	$ 1,975,479	$ 3,068,056	$ 5,043,535

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Fleet Management	Risk Management	Total Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from:			
Customers and others	$ 1,259	$ 590,124	$ 591,383
Interfund services provided and used	8,512,545	8,593,998	17,106,543
Cash payments to:			
Employees	(3,185,034)	(884,995)	(4,070,029)
Suppliers of goods and services	(5,444,219)	(8,546,622)	(13,990,841)
Net cash used in operating activities	(115,449)	(247,495)	(362,944)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash transfers in	185,245	135,000	320,245
Net cash provided by noncapital financing activities	185,245	135,000	320,245
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments for:			
Capital assets	(79,381)	—	(79,381)
Net cash used in capital and related financing activities	(79,381)	—	(79,381)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in equity in pooled investments	86,711	966,178	1,052,889
Interest received	10,849	149,234	160,083
Net cash provided by investing activities	97,560	1,115,412	1,212,972
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,975	1,002,917	1,090,892
TOTAL CASH AND CASH EQUIVALENTS, January 1	122,170	1,384,009	1,506,179
TOTAL CASH AND CASH EQUIVALENTS, December 31	$ 210,145	$ 2,386,926	$ 2,597,071
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income (loss)	$ (152,900)	$ (770,490)	$ (923,390)
Adjustments to reconcile operating income (loss) to net cash used in operating activities			
Depreciation	104,191	—	104,191
Miscellaneous nonoperating revenues	515	590,124	590,639
Changes in operating assets and liabilities			
Inventories	(80,063)	—	(80,063)
Accounts payable and accrued liabilities	12,808	(67,129)	(54,321)
Total adjustments	37,451	522,995	560,446
Net cash used in operating activities	$ (115,449)	$ (247,495)	$ (362,944)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Decrease in fair value of investments	$ (5,295)	$ (60,205)	$ (65,500)

AURORA

Combining and Individual Fund Statements and Schedules

PENSION TRUST FUNDS

Pension trust funds account for the activities and accumulation of resources to pay retirement benefits for elected officials, council appointees and employees.

General Employees' Retirement Plan Fund (GERP)

The GERP Fund (component unit) accounts for the accumulation of resources and the payment of retirement benefits to qualified city employees.

Elected Officials' and Executive Personnel Defined Benefit Plan Fund (EOEP)

The EOEP Fund (component unit) accounts for the accumulation of resources and the payment of retirement benefits to qualified elected officials and executive personnel of the city.

CITY OF AURORA, COLORADO

PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016

	GERP	EOEP	Total Pension Trust
ASSETS			
Current assets			
Cash and cash equivalents	$ 7,008,631	$ 54,887	$ 7,063,518
Investments			
Equity securities and funds	185,387,159	3,460,894	188,848,053
U.S. government treasury and U.S. government agency obligations	7,340,563	—	7,340,563
Corporate notes, bonds and funds	89,873,751	1,699,562	91,573,313
Real estate funds	43,281,914	825,036	44,106,950
Alternative investments	91,628,612	282,298	91,910,910
Receivables (net of allowance)			
Interest receivable	1,011,929	13,189	1,025,118
Due from other governments	277,733	—	277,733
Prepaid items	29,056	—	29,056
Total assets	425,839,348	6,335,866	432,175,214
LIABILITIES			
Current Liabilities			
Accounts payable	608,122	—	608,122
Total liabilities	608,122	—	608,122
NET POSITION RESTRICTED FOR PENSIONS	$ 425,231,226	$ 6,335,866	$ 431,567,092

CITY OF AURORA, COLORADO

PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	GERP	EOEP	Total Pension Trust
ADDITIONS			
Contributions			
City	$ 6,703,676	$ 84,159	$ 6,787,835
Plan members	6,709,396	—	6,709,396
Total contributions	13,413,072	84,159	13,497,231
Investment activity			
Investment earnings	33,039,652	520,731	33,560,383
Investment expense	(2,028,915)	(7,144)	(2,036,059)
Net investment earnings	31,010,737	513,587	31,524,324
Other income	13,392	261	13,653
Total additions, net	44,437,201	598,007	45,035,208
DEDUCTIONS			
Benefits	21,163,587	244,108	21,407,695
Administrative expenses	558,960	18,384	577,344
Total deductions	21,722,547	262,492	21,985,039
NET INCREASE IN NET POSITION	22,714,654	335,515	23,050,169
NET POSITION RESTRICTED FOR PENSIONS - January 1	402,516,572	6,000,351	408,516,923
NET POSITION RESTRICTED FOR PENSIONS - December 31	$ 425,231,226	$ 6,335,866	$ 431,567,092

Combining and Individual Fund Statements and Schedules

AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Payroll Clearing Fund

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

CITY OF AURORA, COLORADO

AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance January 1	Additions	Deductions	Balance December 31
PAYROLL CLEARING FUND				
ASSETS				
Cash and cash equivalents	$ —	$ 272,035,286	$ (269,047,836)	$ 2,987,450
Prepaid items	427,797	—	(427,797)	—
Total assets	$ 427,797	$ 272,035,286	$ (269,475,633)	$ 2,987,450
LIABILITIES				
Funds held on behalf of others	$ —	$ 268,704,640	$ (265,717,190)	$ 2,987,450
Due to other funds	427,797	—	(427,797)	—
Total liabilities	$ 427,797	$ 268,704,640	$ (266,144,987)	$ 2,987,450

AURORA

Schedules of Sources, Uses and Changes In Funds Available – Budget and Actual (Non-GAAP Budgetary Basis)

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Gifts and Grants			Development Review		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	$ —	$ —	$ —	$ —	$ —	$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	8,719,330	5,829,739	(2,889,591)	—	—	—
Licenses and permits	—	147	147	13,789,000	12,476,826	(1,312,174)
Charges for services	63,300	85,613	22,313	2,858,520	2,867,845	9,325
Fines and forfeitures	—	—	—	—	—	—
Investment income	3,002	12,299	9,297	70,000	143,687	73,687
Miscellaneous revenues	349,084	303,925	(45,159)	—	5,777	5,777
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	7,000	7,000	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	9,134,716	6,238,723	(2,895,993)	16,717,520	15,494,135	(1,223,385)
USES						
Operating Costs						
Municipal Court	57,979	57,978	1	—	—	—
General Management Group	—	—	—	702,898	630,725	72,173
Administrative Services Group	1,020	1,020	—	—	—	—
Operations Group	1,392,344	1,123,977	268,367	11,182,984	11,023,570	159,414
Police/Fire Group	3,805,581	2,286,205	1,519,376	—	—	—
Non-Departmental	—	—	—	3,934,461	3,827,269	107,192
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	2,995,488	2,995,488	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	8,252,412	6,464,668	1,787,744	15,820,343	15,481,564	338,779
CHANGE IN FUNDS AVAILABLE	882,304	(225,945)	(1,108,249)	897,177	12,571	(884,606)
FUNDS AVAILABLE - January 1	1,676,197	1,676,197	—	10,925,907	10,925,907	—
FUNDS AVAILABLE - December 31	$ 2,558,501	$ 1,450,252	$ (1,108,249)	$ 11,823,084	$ 10,938,478	$ (884,606)

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 1,450,252	$ 10,938,478
Current year operating encumbrances	113,393	686,372
Carryforward of continuing appropriations	2,564,775	—
Assets not available for appropriations	—	—
Inventories	790,280	—
Seizure funds	1,060,470	—
Adjustment of investments to fair value	—	(71,056)
Unspent grants	(3,207,316)	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 2,771,854	$ 11,553,794

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Abatement			Community Development		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	$ —	$ —	$ —	$ —	$ —	$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	3,637,088	3,637,088	—
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	2,456,131	2,456,131	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	—	—	—	—	—
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	205,275	205,275	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	—	—	—	6,298,494	6,298,494	—
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	364,970	364,970	—	6,298,494	6,298,494	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	—	—	—	—	—	—
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	364,970	364,970	—	6,298,494	6,298,494	—
CHANGE IN FUNDS AVAILABLE	(364,970)	(364,970)	—	—	—	—
FUNDS AVAILABLE - January 1	364,970	364,970	—	—	—	—
FUNDS AVAILABLE - December 31	$ —	$ —	$ —	$ —	$ —	$ —

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ —	$ —
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	5,694,110
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Adjustment of investments to fair value	—	—
Unspent grants	—	(4,649,517)
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ —	$ 1,044,593

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Enhanced E-911			Conservation Trust		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	$ —	$ —	$ —	$ —	$ —	$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	3,150,000	3,857,129	707,129
Licenses and permits	—	—	—	—	—	—
Charges for services	5,245,333	5,039,816	(205,517)	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	50,000	93,093	43,093	43,279	51,352	8,073
Miscellaneous revenues	—	1,402	1,402	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	6,048,142	6,048,142	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	11,343,475	11,182,453	(161,022)	3,193,279	3,908,481	715,202
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	7,761,417	6,742,160	1,019,257	—	—	—
Operations Group	—	—	—	1,098,284	1,010,595	87,689
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	7,500	—	7,500	—	—	—
Continuing Appropriations						
Administrative Services Group	3,313,900	3,313,900	—	—	—	—
Operations Group	—	—	—	1,899,831	1,899,831	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	11,082,817	10,056,060	1,026,757	2,998,115	2,910,426	87,689
CHANGE IN FUNDS AVAILABLE	260,658	1,126,393	865,735	195,164	998,055	802,891
FUNDS AVAILABLE - January 1	5,085,191	5,085,191	—	213,664	213,664	—
FUNDS AVAILABLE - December 31	$ 5,345,849	$ 6,211,584	$ 865,735	$ 408,828	$ 1,211,719	$ 802,891

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 6,211,584	$ 1,211,719
Current year operating encumbrances	139,845	—
Carryforward of continuing appropriations	2,260,066	4,987,329
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Adjustment of investments to fair value	(52,388)	(32,116)
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 8,559,107	$ 6,166,932

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Parks Development			Open Space		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	$ —	$ —	$ —	$ —	$ —	$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	7,353,406	7,875,156	521,750
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	43,319	72,396	29,077	149,306	136,444	(12,862)
Miscellaneous revenues	707,440	1,953,447	1,246,007	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	750,759	2,025,843	1,275,084	7,502,712	8,011,600	508,888
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	83,622	83,622	—	4,434,493	4,327,772	106,721
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	—	—	—	24,499	—	24,499
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	(52,244)	(52,244)	—	3,091,817	3,091,817	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	31,378	31,378	—	7,550,809	7,419,589	131,220
CHANGE IN FUNDS AVAILABLE	719,381	1,994,465	1,275,084	(48,097)	592,011	640,108
FUNDS AVAILABLE - January 1	4,403,994	4,403,994	—	574,470	574,470	—
FUNDS AVAILABLE - December 31	$ 5,123,375	$ 6,398,459	$ 1,275,084	$ 526,373	$ 1,166,481	$ 640,108

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 6,398,459	$ 1,166,481
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	663,823	9,433,782
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Adjustment of investments to fair value	(41,976)	(64,574)
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 7,020,306	$ 10,535,689

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Recreation Services			Cultural Services		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	$ —	$ —	$ —	$ —	$ —	$ —
Use taxes	—	—	—	—	—	—
Other taxes	—	—	—	—	—	—
Intergovernmental revenues	503,264	527,118	23,854	310,000	312,940	2,940
Licenses and permits	—	—	—	—	—	—
Charges for services	5,176,805	5,493,863	317,058	749,500	752,537	3,037
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	7,653	7,653	11,860	12,856	996
Miscellaneous revenues	159,550	177,748	18,198	58,000	158,163	100,163
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	4,577,962	4,577,962	—	1,849,123	1,842,431	(6,692)
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	10,417,581	10,784,344	366,763	2,978,483	3,078,927	100,444
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	10,381,968	10,210,706	171,262	3,066,999	2,741,317	325,682
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	41,257	—	41,257	5,944	—	5,944
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	10,423,225	10,210,706	212,519	3,072,943	2,741,317	331,626
CHANGE IN FUNDS AVAILABLE	(5,644)	573,638	579,282	(94,460)	337,610	432,070
FUNDS AVAILABLE - January 1	325,930	325,930	—	817,047	817,047	—
FUNDS AVAILABLE - December 31	$ 320,286	$ 899,568	$ 579,282	$ 722,587	$ 1,154,657	$ 432,070

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 899,568	$ 1,154,657
Current year operating encumbrances	42,050	—
Carryforward of continuing appropriations	—	—
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Adjustment of investments to fair value	(4,064)	—
Unspent grants	(12,661)	(15,088)
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 924,893	$ 1,139,569

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Peoria Park - GID			Meadow Hills Fence - GID		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	$ 37,400	$ 37,354	$ (46)	$ 47,500	$ 47,378	$ (122)
Use taxes	—	—	—	—	—	—
Other taxes	—	2,896	2,896	—	3,702	3,702
Intergovernmental revenues	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	23	23	—	20	20
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	37,400	40,273	2,873	47,500	51,100	3,600
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	37,400	31,476	5,924	47,500	43,170	4,330
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	37,400	31,476	5,924	47,500	43,170	4,330
CHANGE IN FUNDS AVAILABLE	—	8,797	8,797	—	7,930	7,930
FUNDS AVAILABLE - January 1	60,562	60,562	—	45,230	45,230	—
FUNDS AVAILABLE - December 31	$ 60,562	$ 69,359	$ 8,797	$ 45,230	$ 53,160	$ 7,930

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 69,359	$ 53,160
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	—
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Adjustment of investments to fair value	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 69,359	$ 53,160

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Cherry Creek Fence - GID			Aurora Conference Center - GID		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	$ 64,000	$ 63,217	$ (783)	$ 350	$ 438	$ 88
Use taxes	—	—	—	—	—	—
Other taxes	—	4,926	4,926	—	34	34
Intergovernmental revenues	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	20	20	—	—	—
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	64,000	68,163	4,163	350	472	122
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	64,000	60,879	3,121	350	7	343
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
TOTAL USES	64,000	60,879	3,121	350	7	343
CHANGE IN FUNDS AVAILABLE	—	7,284	7,284	—	465	465
FUNDS AVAILABLE - January 1	58,055	58,055	—	18	18	—
FUNDS AVAILABLE - December 31	$ 58,055	$ 65,339	$ 7,284	$ 18	$ 483	$ 465

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 65,339	$ 483
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	—
Assets not available for appropriations	—	—
Inventories	—	—
Seizure funds	—	—
Adjustment of investments to fair value	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 65,339	$ 483

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Pier Point 7 Sewer - GID		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Property taxes	$ 198,550	$ 198,243	$ (307)
Use taxes	—	—	—
Other taxes	—	15,478	15,478
Intergovernmental revenues	—	—	—
Licenses and permits	—	—	—
Charges for services	—	—	—
Fines and forfeitures	—	—	—
Investment income	—	183	183
Miscellaneous revenues	—	—	—
Proceeds from sale of assets	—	—	—
Transfers in	—	—	—
Funds from restricted assets	—	—	—
TOTAL SOURCES	198,550	213,904	15,354
USES			
Operating Costs			
Municipal Court	—	—	—
General Management Group	—	—	—
Administrative Services Group	—	—	—
Operations Group	—	—	—
Police/Fire Group	—	—	—
Non-Departmental	198,550	201,617	(3,067)
Continuing Appropriations			
Administrative Services Group	—	—	—
Operations Group	—	—	—
Police/Fire Group	—	—	—
TOTAL USES	198,550	201,617	(3,067)
CHANGE IN FUNDS AVAILABLE	—	12,287	12,287
FUNDS AVAILABLE - January 1	50,210	50,210	—
FUNDS AVAILABLE - December 31	$ 50,210	$ 62,497	$ 12,287

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 62,497
Current year operating encumbrances	—
Carryforward of continuing appropriations	—
Assets not available for appropriations	59,865
Inventories	—
Seizure funds	—
Adjustment of investments to fair value	—
Unspent grants	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 122,362

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Designated Revenue		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Property taxes	$ —	$ —	$ —
Special assessment taxes	—	—	—
Intergovernmental revenues	—	2,553,900	2,553,900
License and permits	—	—	—
Charges for services	975,200	1,210,520	235,320
Fines and forfeitures	4,453,765	3,680,842	(772,923)
Investment income	57,506	72,599	15,093
Miscellaneous revenues	63,226	245,489	182,263
Proceeds from sale of assets	—	—	—
Transfers in	1,083,381	1,098,028	14,647
TOTAL SOURCES	6,633,078	8,861,378	2,228,300
USES			
Operating Costs			
Municipal Court	298,823	154,083	144,740
Administrative Services Group	496,066	496,044	22
Operations Group	1,624,038	1,280,558	343,480
Police/Fire Group	3,818,074	3,454,442	363,632
Non-Departmental	1,762,357	920,270	842,087
TOTAL USES	7,999,358	6,305,397	1,693,961
CHANGE IN FUNDS AVAILABLE	(1,366,280)	2,555,981	3,922,261
FUNDS AVAILABLE - January 1	6,231,186	6,231,186	—
FUNDS AVAILABLE - December 31	$ 4,864,906	$ 8,787,167	$ 3,922,261

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 8,787,167
Current year operating encumbrances	20,038
Adjustment of investments to fair value	(53,198)
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 8,754,007

The Designated Revenue Fund does not meet the criteria for classification as a special revenue fund in accordance with GAAP and is included as part of the General Fund for GAAP basis financial reporting. Because a budget is legally adopted for this fund, a separate schedule of sources, uses and changes in funds available budget and actual (non-GAAP budgetary basis) is included for full disclosure.

CITY OF AURORA, COLORADO

DEBT SERVICE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	SID Debt Service		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Property taxes	$ —	$ —	$ —
Special assessment taxes	322,577	233,561	(89,016)
Investment income	30,212	32,656	2,444
Transfers in	—	—	—
TOTAL SOURCES	352,789	266,217	(86,572)
USES			
Operating Costs			
Non-Departmental	352,789	298,919	53,870
TOTAL USES	352,789	298,919	53,870
CHANGE IN FUNDS AVAILABLE	—	(32,702)	(32,702)
FUNDS AVAILABLE - January 1	246,609	246,609	—
FUNDS AVAILABLE - December 31	$ 246,609	$ 213,907	$ (32,702)

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 213,907
Assets not available for appropriation	6,800
Adjustment of investments to fair value	(1,078)
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 219,629

CITY OF AURORA, COLORADO

CAPITAL PROJECTS FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	City Capital Projects		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Property taxes	$ —	$ —	$ —
Special assessment taxes	—	—	—
Intergovernmental revenues	7,085,050	7,579,449	494,399
License and permits	350,000	606,468	256,468
Charges for services	1,324,885	2,975,834	1,650,949
Fines and forfeitures	—	9,668	9,668
Investment income	352,000	471,353	119,353
Miscellaneous revenues	752,283	62,550	(689,733)
Transfers in	49,029,338	49,029,338	—
Funds to capital appropriation	—	(40,488)	(40,488)
TOTAL SOURCES	58,893,556	60,694,172	1,800,616
USES			
Operating Costs			
Administrative Services Group	1,880,049	1,880,041	8
Operations Group	1,500,000	1,469,049	30,951
Police/Fire Group	500,000	—	—
Non-Departmental	2,026,916	2,026,916	—
Continuing Appropriations			
Administrative Services Group	426,000	426,000	—
Operations Group	44,307,985	44,307,985	—
Police/Fire Group	960,000	960,000	—
Non-Departmental	1,300,000	1,300,000	—
TOTAL USES	52,900,950	52,369,991	30,959
CHANGE IN FUNDS AVAILABLE	5,992,606	8,324,181	1,831,575
FUNDS AVAILABLE - January 1	13,237,707	13,237,707	—
FUNDS AVAILABLE - December 31	$ 19,230,313	$ 21,561,888	$ 1,831,575

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 21,561,888
Current year operating encumbrances	—
Carry forward of continuing appropriations	48,168,055
Adjustment of investments to fair value	(401,404)
Unspent grants	(4,918,458)
FUND BALANCE (U.S. GAAP BASIS) - December 31	$ 64,410,081

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Water		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Charges for services	$ 104,980,947	$ 114,913,654	$ 9,932,707
Intergovernmental	50,186	20,937	(29,249)
Licenses and permits	130,400	128,490	(1,910)
Fines and forfeitures	—	2,502	2,502
Investment income	3,119,778	2,773,919	(345,859)
Miscellaneous revenues	23,776,390	39,167,995	15,391,605
Proceeds from sale of assets	24,000	105,758	81,758
Proceeds from long-term borrowings	517,847,922	517,847,922	—
Transfers in	—	50,000	50,000
Funds from restricted assets	37,835,352	37,830,158	(5,194)
TOTAL SOURCES	687,764,975	712,841,335	25,076,360
USES			
Operating Costs			
Operations Group	638,178,504	636,062,953	2,115,551
Non-Departmental	324,630	—	324,630
Continuing Appropriations			
Operations Group	62,219,271	62,219,271	—
TOTAL USES	700,722,405	698,282,224	2,440,181
CHANGE IN FUNDS AVAILABLE	(12,957,430)	14,559,111	27,516,541
FUNDS AVAILABLE - January 1	57,020,901	57,020,901	—
FUNDS AVAILABLE - December 31	$ 44,063,471	$ 71,580,012	$ 27,516,541

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 71,580,012
Current year operating encumbrances	2,327,373
Carryforward of continuing appropriations	73,007,218
Assets not available for appropriation	374,000
Interfund receivables	4,000,000
Equity in joint venture	2,379,317
Capital assets net of depreciation	1,627,497,010
Inventories	—
Deferred outflow of resources	16,762,041
Deferred inflow of resources	(139,866)
Accrued compensated absence payment in lieu	84,435
Adjustment of investments to fair value	(928,549)
Current portion of long-term liabilities	(333,371)
Current portion of interfund loans	—
Long-term debt	(526,376,537)
Long-term interfund payables	—
Unspent grants	—
NET POSITION (U.S. GAAP BASIS) - December 31	$ 1,270,233,083

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Wastewater		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Charges for services	$ 59,971,887	$ 60,936,669	$ 964,782
Intergovernmental	—	1,002,393	1,002,393
Licenses and permits	50,000	73,781	23,781
Fines and forfeitures	—	511	511
Investment income	793,438	953,522	160,084
Miscellaneous revenues	6,051,860	6,895,652	843,792
Proceeds from sale of assets	6,000	104,035	98,035
Proceeds from long-term borrowings	28,860,000	28,900,000	40,000
Transfers in	—	—	—
Funds from restricted assets	3,749,250	3,995,645	246,395
TOTAL SOURCES	99,482,435	102,862,208	3,379,773
USES			
Operating Costs			
Operations Group	85,609,890	80,257,440	5,352,450
Non-Departmental	135,693	—	135,693
Continuing Appropriations			
Operations Group	22,824,952	22,824,952	—
TOTAL USES	108,570,535	103,082,392	5,488,143
CHANGE IN FUNDS AVAILABLE	(9,088,100)	(220,184)	8,867,916
FUNDS AVAILABLE - January 1	25,392,292	25,392,292	—
FUNDS AVAILABLE - December 31	$ 16,304,192	$ 25,172,108	$ 8,867,916

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 25,172,108
Current year operating encumbrances	929,561
Carryforward of continuing appropriations	30,191,474
Assets not available for appropriation	3,590,825
Interfund receivables	3,909,000
Equity in joint venture	—
Capital assets net of depreciation	514,366,798
Inventories	—
Deferred outflow of resources	2,364,140
Deferred inflow of resources	(527,251)
Accrued compensated absence payment in lieu	60,657
Adjustment of investments to fair value	(329,711)
Current portion of long-term liabilities	(2,939,486)
Current portion of interfund loans	—
Long-term debt	(29,639,096)
Long-term interfund payables	—
Unspent grants	—
NET POSITION (U.S. GAAP BASIS) - December 31	$ 547,149,019

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Golf		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Charges for services	$ 8,219,348	$ 8,206,167	$ (13,181)
Intergovernmental	—	—	—
Licenses and permits	—	—	—
Fines and forfeitures	—	—	—
Investment income	42,172	31,921	(10,251)
Miscellaneous revenues	12,000	35,436	23,436
Proceeds from sale of assets	—	—	—
Proceeds from long-term borrowings	—	—	—
Transfers in	150,000	150,000	—
Funds from restricted assets	—	—	—
TOTAL SOURCES	8,423,520	8,423,524	4
USES			
Operating Costs			
Operations Group	8,264,965	7,837,033	427,932
Non-Departmental	39,782	—	39,782
Continuing Appropriations			
Operations Group	350,000	350,000	—
TOTAL USES	8,654,747	8,187,033	467,714
CHANGE IN FUNDS AVAILABLE	(231,227)	236,491	467,718
FUNDS AVAILABLE - January 1	1,541,029	1,541,029	—
FUNDS AVAILABLE - December 31	$ 1,309,802	$ 1,777,520	$ 467,718

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 1,777,520
Current year operating encumbrances	2,096
Carryforward of continuing appropriations	263,527
Assets not available for appropriation	—
Interfund receivables	—
Equity in joint venture	—
Capital assets net of depreciation	27,181,969
Inventories	209,222
Deferred outflow of resources	595,694
Deferred inflow of resources	(17,655)
Accrued compensated absence payment in lieu	49,324
Adjustment of investments to fair value	(16,195)
Current portion of long-term liabilities	(434,721)
Current portion of interfund loans	—
Long-term debt	(4,944,828)
Long-term interfund payables	—
Unspent grants	—
NET POSITION (U.S. GAAP BASIS) - December 31	$ 24,665,953

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Fleet Management Fund		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Charges for services	$ 8,773,235	$ 8,513,288	$ (259,947)
Investment income	5,000	10,849	5,849
Miscellaneous revenues	20,000	515	(19,485)
Transfers in	185,245	185,245	—
TOTAL SOURCES	8,983,480	8,709,897	(273,583)
USES			
Operating Costs			
Administrative Services Group	9,138,243	8,746,657	391,586
Non-Departmental	40,288	—	40,288
TOTAL USES	9,178,531	8,746,657	431,874
CHANGE IN FUNDS AVAILABLE	(195,051)	(36,760)	158,291
FUNDS AVAILABLE - January 1	1,043,220	1,043,220	—
FUNDS AVAILABLE - December 31	$ 848,169	$ 1,006,460	$ 158,291

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 1,006,460
Capital assets net of depreciation	404,955
Inventories	886,799
Current year operating encumbrances	70,258
Adjustment of investments to fair value	(7,568)
Accrued compensated absence payment in lieu	5,204
Current portion of long-term debt	(27,893)
Long-term debt	(362,736)
NET POSITION (U.S. GAAP BASIS) - December 31	$ 1,975,479

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Risk Management Fund		
	Final Budget	**Budgetary Actual**	**Variance with Final**
SOURCES			
Charges for services	$ 8,594,517	$ 8,593,998	$ (519)
Investment income	131,382	156,612	25,230
Miscellaneous revenues	411,712	590,124	178,412
Transfers in	135,000	135,000	—
TOTAL SOURCES	9,272,611	9,475,734	203,123
USES			
Operating Costs			
Administrative Services Group	9,430,792	9,430,720	72
Non-Departmental	7,587	—	7,587
TOTAL USES	9,438,379	9,430,720	7,659
CHANGE IN FUNDS AVAILABLE	(165,768)	45,014	210,782
FUNDS AVAILABLE - January 1	3,080,368	3,080,368	—
FUNDS AVAILABLE - December 31	$ 2,914,600	$ 3,125,382	$ 210,782

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	$ 3,125,382	
Capital assets net of depreciation	—	
Inventories	—	
Current year operating encumbrances	116,704	
Adjustment of investments to fair value	(85,955)	
Accrued compensated absence payment in lieu	1,875	
Current portion of long-term debt	(20,843)	*
Long-term debt	(69,107)	*
NET POSITION (U.S. GAAP BASIS) - December 31	$ 3,068,056	

* Does not include accrued claims liability of $11,245,374

Statistical Section Divider

Statistical Section (unaudited)

FINANCIAL TRENDS STATISTICS

These schedules provide financial trend information, which shows how the city's financial performance has changed over time.

Exhibit A-1
Net Position by Component

Exhibit A-2
Changes in Net Position

Exhibit A-3
Fund Balances, Governmental Funds

Exhibit A-4
Changes in Fund Balances, Governmental Funds

Exhibit A-5
Total Sales and Use Tax Revenues

REVENUE CAPACITY STATISTICS

These schedules provide additional information about sales and use taxes and property taxes, the city's most significant local revenue sources.

Exhibit A-6
Sales and Use Tax Receipts by Business Sector (Cash Basis)

Exhibit A-7
Direct and Overlapping Sales Tax Rates

Exhibit A-8
Top Ten Principal Sales and Use Tax Payers by Industry Group

Exhibit A-9
Assessed and Estimated Actual Value of Taxable Property

Exhibit A-10
Property Tax Rates – Direct and Primary Overlapping Governments

Exhibit A-11
Top Ten Principal Property Tax Payers

Exhibit A-12
Property Tax Levies and Collections

DEBT CAPACITY STATISTICS

These schedules provide detailed information about the city's current levels of outstanding debt, and can help the financial statement user assess the city's ability to issue additional debt in the future.

Exhibit A-13
Ratios of Outstanding Debt by Type

Exhibit A-14
Ratios of Net General Obligation Bonded Debt Outstanding

Exhibit A-15
Direct and Overlapping Governmental Activities Debt

Exhibit A-16
Legal Debt Margin Information

Exhibit A-17
Schedules of Revenue Bond Coverage – Water, Wastewater and Golf

Source: Unless otherwise noted, the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.

Statistical Section – (unaudited)

DEMOGRAPHIC AND ECONOMIC STATISTICS

These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the city's financial activities occur.

Exhibit A-18
Demographic and Economic Statistics

Exhibit A-19
Top Ten Principal Employers

OPERATING STATISTICS

These schedules contain service and infrastructure data to help the financial statement user understand how the information in the city's financial statements relates to the services the city provides.

Exhibit A-20
Budgeted Full-time Equivalent City Government Employees by Function

Exhibit A-21
Operating Indicators by Function

Exhibit A-22
Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.

Exhibit A-1

CITY OF AURORA, COLORADO
NET POSITION BY COMPONENT
LAST TEN YEARS

		Fiscal Year									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities											
Net investment in capital assets		$ 2,750,014,460	$ 2,773,573,410	$ 2,782,071,351	$ 2,793,361,865	$ 2,820,903,641	$ 2,416,049,678	$ 2,412,387,375	$ 2,412,879,281	$ 2,461,112,367	$ 2,590,529,374
Restricted											
Construction	(a)	4,687,349	4,621,770	5,654,539	—	—	—	—	—	—	—
E-911 equipment & services	(b)	6,011,852	6,365,253	5,414,600	—	—	—	—	—	—	—
Culture, recreation, open space	(c)	16,297,932	19,591,164	21,620,276	24,016,520	19,914,957	21,763,041	24,968,445	27,094,730	21,160,590	26,196,210
Emergencies	(b)	8,675,987	9,126,917	10,332,622	16,744,958	17,416,827	17,420,382	17,938,257	30,217,306	18,176,280	13,132,527
Gifts and grants	(e)	5,184,456	5,712,156	14,899,217	8,092,078	7,774,218	4,088,133	2,207,605	2,071,404	4,136,575	5,423,860
Agreements	(d)	11,038,966	9,338,401	8,094,334	—	—	—	—	—	—	—
Urban renewal	(d)	11,382	11,682	71,673	—	—	—	—	—	—	—
Development	(d)	—	—	—	103,070	3,222,327	4,324,316	6,998,948	5,938,541	8,236,594	10,658,960
Public improvement	(a)	—	—	—	7,650,316	5,133,731	6,429,349	5,674,665	5,892,392	7,477,210	8,724,714
Pension benefits	(h)	—	—	—	—	—	—	—	—	9,859,880	3,976,994
Unrestricted		80,282,944	72,658,454	59,211,198	64,302,977	53,978,502	57,292,872	67,139,597	75,009,126	72,215,695	78,670,392
Total governmental activities net position		$ 2,882,205,328	$ 2,900,999,207	$ 2,907,369,810	$ 2,914,271,784	$ 2,928,344,203	$ 2,527,367,771	$ 2,537,314,892	$ 2,559,102,780	$ 2,602,375,191	$ 2,737,313,031
Business-type activities											
Net investment in capital assets		$ 946,462,131	$ 1,031,664,879	$ 1,085,207,461	$ 1,159,213,180	$ 1,288,472,848	$ 1,365,534,691	$ 1,398,819,086	$ 1,454,925,609	$ 1,539,225,474	$ 1,629,250,674
Restricted											
Public improvement	(f)	3,627,410	5,114,062	8,627,252	3,578,243	6,422,626	7,665,014	7,463,167	5,869,467	5,586,796	3,964,825
Debt related	(g)	2,500,000	19,535,272	2,500,000	1,250,000	1,250,000	—	—	—	—	—
Unrestricted		280,587,656	260,154,817	303,180,315	319,401,005	251,213,222	214,919,130	209,223,283	213,426,328	179,878,669	207,012,175
Total business-type activities net position		$ 1,233,177,197	$ 1,316,469,030	$ 1,399,515,028	$ 1,483,442,428	$ 1,547,358,696	$ 1,588,118,835	$ 1,615,505,536	$ 1,674,221,404	$ 1,724,690,939	$ 1,840,227,674
Primary government											
Net investment in capital assets		$ 3,696,476,591	$ 3,805,238,289	$ 3,867,278,812	$ 3,952,575,045	$ 4,109,376,489	$ 3,781,584,369	$ 3,811,206,461	$ 3,867,804,890	$ 4,000,337,841	$ 4,219,780,048
Restricted											
Construction		8,314,759	9,735,832	14,281,791	—	—	—	—	—	—	—
E-911 equipment & services		6,011,852	6,365,253	5,414,600	—	—	—	—	—	—	—
Culture, recreation, open space		16,297,932	19,591,164	21,620,276	24,016,520	19,914,957	21,763,041	24,968,445	27,094,730	21,160,590	26,196,210
Emergencies		8,675,987	9,126,917	10,332,622	16,744,958	17,416,827	17,420,382	17,938,257	30,217,306	18,176,280	13,132,527
Gifts and grants		5,184,456	5,712,156	14,899,217	8,092,078	7,774,218	4,088,133	2,207,605	2,071,404	4,136,575	5,423,860
Debt related		2,500,000	19,535,272	2,500,000	1,250,000	1,250,000	—	—	—	—	—
Agreements		11,038,966	9,338,401	8,094,334	—	—	—	—	—	—	—
Urban renewal		11,382	11,682	71,673	—	—	—	—	—	—	—
Development		—	—	—	103,070	3,222,327	4,324,316	6,998,948	5,938,541	8,236,594	10,658,960
Public improvement		—	—	—	11,228,559	11,556,357	14,094,363	13,137,832	11,761,859	13,064,006	12,689,539
Pension benefits		—	—	—	—	—	—	—	—	9,859,880	3,976,994
Unrestricted		360,870,600	332,813,271	362,391,513	383,703,982	305,191,724	272,212,002	276,362,880	288,435,454	252,094,364	285,682,567
Total primary government net position		$ 4,115,382,525	$ 4,217,468,237	$ 4,306,884,838	$ 4,397,714,212	$ 4,475,702,899	$ 4,115,486,606	$ 4,152,820,428	$ 4,233,324,184	$ 4,327,066,130	$ 4,577,540,705

(a) Beginning in 2010, accumulations for construction are shown as Public Improvements, and include expenditures for roads and bridges.

(b) Emergencies restricted equity represents seizure funds. Fluctuation in this account is expected. Beginning in 2010 restricted for E-911 Equipment and Services were combined into Emergencies.

(c) Increase in 2008 to 2010, in 2013 to 2014 and in 2016 represents accumulation of Park Development revenues for future construction.

(d) Urban renewal activity reflects the spend down of funds dedicated to the Fletcher Plaza Enhancement Area. In 2010 new reporting requirements combined Agreements and Urban Renewal with other activities. Increase in Development in 2011 to 2013 and in 2015 to 2016 represent Urban Renewal Area revenues restricted for future development of those areas.

(e) In 2009, an increase in grant funded activities and receipt of ARRA stimulus grants.

(f) Represents accumulation and spend down of amounts set aside for storm drain projects.

(g) Represents operation and maintenance reserve on Wastewater 99 CWR&PDA revenue bonds. In 2012, the debt outstanding on these revenue bonds was paid off.

(h) Represents the net pension asset resulting from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment to GASB Statement No. 27,* in 2015. Decrease in 2016 due to the actuarially determined valuation of the net pension asset for the measurement period ended December 31, 2015 and reported in 2016.

Exhibit A-2

CITY OF AURORA, COLORADO
CHANGES IN NET POSITION
LAST TEN YEARS

		Fiscal Year									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses											
Governmental activities:											
General government	(a)	$ 35,443,241	$ 36,882,880	$ 35,169,252	$ 30,601,965	$ 29,246,441	$ 24,882,606	$ 24,696,431	$ 25,063,024	$ 28,312,124	$ 30,194,914
Judicial		7,744,454	8,067,017	8,010,923	8,051,966	7,907,221	8,276,167	8,553,513	9,252,901	9,862,201	10,666,097
Police	(b)	76,903,178	79,278,710	81,608,250	82,451,880	87,605,189	90,275,834	93,929,360	96,507,512	101,213,804	115,355,844
Fire		33,196,185	34,484,884	34,952,691	35,807,387	38,807,776	40,041,614	40,882,297	42,765,092	43,162,495	55,311,859
Other public safety		11,977,596	12,956,565	12,739,566	12,964,619	12,665,189	13,179,055	13,209,769	13,307,961	13,977,142	15,877,021
Public works	(c)	36,963,018	37,022,337	34,985,680	47,194,223	46,861,128	68,778,774	68,713,623	70,673,614	74,913,385	77,895,346
Economic development	(d)	15,266,467	16,364,134	14,613,005	15,579,908	15,198,743	15,653,168	17,710,893	19,705,377	25,604,640	29,700,008
Community services		10,389,047	12,626,972	9,596,719	13,099,831	11,918,520	12,355,693	11,094,827	10,162,986	11,336,479	13,847,160
Culture and recreation	(e)	37,470,446	38,720,494	36,615,952	33,602,434	34,851,488	35,839,031	38,521,649	38,384,605	39,979,006	43,545,211
Unallocated depreciation		3,187,118	3,325,541	3,309,006	3,304,110	3,316,281	3,459,130	3,783,709	3,742,609	3,940,098	1,965,914
Interest on long-term debt		7,388,080	8,268,795	6,934,727	6,802,759	6,167,732	5,806,138	5,367,645	5,032,167	6,273,892	6,908,718
Total governmental activities expenses		275,928,830	287,998,329	278,535,771	289,461,082	294,545,708	318,547,210	326,463,716	334,597,848	358,575,266	401,268,092
Business-type activities:											
Water	(f)	72,215,638	78,139,181	50,259,476	63,690,351	70,904,633	107,244,460	102,907,859	106,723,389	105,058,284	107,247,765
Wastewater	(g)	37,101,476	40,627,123	40,853,702	41,985,593	47,040,747	48,157,260	53,493,344	53,567,660	56,643,979	58,212,269
Golf		9,320,032	9,661,133	9,153,001	8,827,535	8,180,888	8,576,468	7,915,159	8,066,797	8,291,834	8,464,065
Total business-type activities expenses		118,637,146	128,427,437	100,266,179	114,503,479	126,126,268	163,978,188	164,316,362	168,357,846	169,994,097	173,924,099
Total primary government expenses		$ 394,565,976	$ 416,425,766	$ 378,801,950	$ 403,964,561	$ 420,671,976	$ 482,525,398	$ 490,780,078	$ 502,955,694	$ 528,569,363	$ 575,192,191
Program Revenues											
Governmental activities:											
Charges for services											
General government	(h)	$ 2,361,233	$ 3,841,779	$ 2,410,691	$ 2,531,269	$ 3,874,729	$ 4,312,893	$ 3,298,514	$ 4,011,611	$ 6,581,894	$ 4,589,326
Judicial		8,255,912	8,112,024	7,818,742	8,536,347	8,383,766	8,105,725	8,302,244	8,228,586	7,413,655	6,069,485
Police		2,809,446	2,298,015	2,301,632	2,231,160	3,664,486	4,525,865	4,685,849	4,620,738	4,285,323	4,095,863
Fire		443,224	608,065	643,016	681,758	710,055	978,890	1,061,960	1,209,269	1,349,663	1,995,896
Other public safety		180,945	153,938	103,758	83,849	80,749	38,039	—	—	—	—
Public works		683,325	223,148	310,941	507,331	300,454	1,278,782	882,032	577,143	713,229	1,685,083
Economic development	(i)	10,177,375	8,486,228	7,078,290	7,497,323	7,332,512	8,559,416	9,827,665	13,707,260	15,443,197	16,257,990
Community services		2,813,009	1,175,549	1,768,560	3,923,228	1,082,000	3,046,322	3,244,069	2,721,134	2,661,456	3,450,536
Culture and recreation		5,545,510	5,986,101	6,069,602	6,913,430	6,389,195	7,418,167	7,888,042	7,346,944	8,158,984	9,001,519
Operating grants & contributions	(j)	24,565,452	25,710,829	30,061,454	30,134,599	32,140,370	27,924,696	25,064,711	22,043,675	25,194,082	24,739,492
Capital grants & contributions	(k)	28,260,368	33,198,276	21,620,957	24,013,441	32,672,171	25,478,846	33,663,333	31,328,367	74,912,038	163,858,968
Total governmental activities program revenues		86,095,799	89,793,952	80,187,643	87,053,735	96,630,487	91,667,641	97,918,419	95,794,727	146,713,521	235,744,158
Business-type activities:											
Charges for services											
Water	(l)	83,489,049	86,804,628	84,494,044	107,032,989	104,941,420	112,405,348	97,187,860	125,028,918	102,488,841	115,044,646
Wastewater	(m)	39,070,578	43,334,647	46,563,398	49,751,109	50,363,242	51,688,341	53,202,354	56,250,431	57,664,236	61,010,961
Golf		9,332,171	9,528,713	9,027,617	8,332,216	7,932,907	8,613,543	8,015,101	8,148,950	8,147,841	8,206,167
Operating grants & contributions	(n)	23,957,607	23,559,047	11,351,548	6,493,005	8,360,688	4,404,161	5,116,536	4,956,898	5,554,549	2,007,384
Capital grants & contributions	(o)	97,844,561	41,224,671	27,630,547	22,709,393	19,760,493	31,395,313	27,750,147	30,085,317	44,549,145	101,924,500
Total business-type activities program revenues		253,693,966	204,451,706	179,067,154	194,318,712	191,358,750	208,506,706	191,271,998	224,470,514	218,404,612	288,193,658
Total primary government program revenues		$ 339,789,765	$ 294,245,658	$ 259,254,797	$ 281,372,447	$ 287,989,237	$ 300,174,347	$ 289,190,417	$ 320,265,241	$ 365,118,133	$ 523,937,816
Net (Expense)/Revenue											
Governmental activities		$ (189,833,031)	$ (198,204,377)	$ (198,348,128)	$ (202,407,347)	$ (197,915,221)	$ (226,879,569)	$ (228,545,297)	$ (238,803,121)	$ (211,861,745)	$ (165,523,934)
Business-type activities		135,056,820	76,024,269	78,800,975	79,815,233	65,232,482	44,528,518	26,955,636	56,112,668	48,410,515	114,269,559
Total primary government net (expense)/revenue		$ (54,776,211)	$ (122,180,108)	$ (119,547,153)	$ (122,592,114)	$ (132,682,739)	$ (182,351,051)	$ (201,589,661)	$ (182,690,453)	$ (163,451,230)	$ (51,254,375)

(continued)

Exhibit A-2 (continuation)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues & Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales & use taxes	$ 152,895,195	$ 151,023,488	$ 141,025,543	$ 147,240,243	$ 150,088,205	$ 165,356,184	$ 175,628,735	$ 192,398,120	$ 211,785,430	$ 227,715,206
Property taxes	30,813,184	32,519,051	33,175,518	32,290,711	32,664,480	33,381,689	33,385,392	33,627,053	30,270,851	36,087,049
Franchise taxes	11,439,537	13,037,994	12,187,933	13,192,882	13,395,548	13,199,623	14,187,444	14,611,949	14,212,992	14,212,056
Lodgers taxes	4,572,800	4,688,562	3,886,697	4,138,263	4,520,210	5,051,919	5,523,874	6,572,979	7,643,748	8,364,792
Occupational privilege taxes	4,215,950	4,295,911	4,145,282	4,162,035	4,274,368	4,370,299	4,496,002	4,701,402	5,259,105	5,528,916
Other taxes	7,331,575	5,001,847	5,181,550	5,059,070	3,070,765	5,545,015	4,220,881	5,097,920	5,845,172	5,631,678
Nonspecific grants & contributions	784,891	848,779	1,007,868	786,119	780,050	884,789	835,737	1,026,619	1,071,238	890,668
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	552,736
Unrestricted investment earnings	7,370,814	5,500,036	4,108,340	2,048,527	1,045,073	1,234,193	364,353	2,547,655	1,906,294	1,678,673
Transfers in (out)	-	82,588	-	5,327	2,148,941	(360,626)	(150,000)	7,312	(555,216)	(200,000)
Total governmental activities general revenues	219,423,946	216,998,256	204,718,731	208,923,177	211,987,640	228,663,085	238,492,418	260,591,009	277,439,614	300,461,774
Business-type activities:										
Unrestricted investment earnings	4,382,097	7,350,152	4,245,023	3,811,813	832,727	1,144,911	281,065	2,610,512	1,747,611	1,067,176
Transfers in (out)	-	(82,588)	-	(5,327)	(2,148,941)	360,626	150,000	(7,312)	555,216	200,000
Total business-type activities general revenues	4,382,097	7,267,564	4,245,023	3,806,486	(1,316,214)	1,505,537	431,065	2,603,200	2,302,827	1,267,176
Total primary government	$ 223,806,043	$ 224,265,820	$ 208,963,754	$ 212,729,663	$ 210,671,426	$ 230,168,622	$ 238,923,483	$ 263,194,209	$ 279,742,441	$ 301,728,950
Change in Net Position										
Governmental activities	$ 29,590,917	$ 18,793,879	$ 6,370,603	$ 6,515,830	$ 14,072,419	$ 1,783,516	$ 9,947,121	$ 21,787,888	$ 65,577,869	$ 134,937,840
Business-type activities	139,438,917	83,291,833	83,045,998	83,621,719	63,916,268	46,034,055	27,386,701	58,715,868	50,713,342	115,536,735
Changes in net position	$ 169,029,834	$ 102,085,712	$ 89,416,601	$ 90,137,549	$ 77,988,687	$ 47,817,571	$ 37,333,822	$ 80,503,756	$ 116,291,211	$ 250,474,575

Notes:

(a) Decreases in 2010 to 2012 resulted from budget reductions in salaries and supplies. In 2015, expenditures increased due to the Smoky Hill/E-470 bridge widening project.
(b) 2015 and 2016 increase is due to mandated staffing and equipment needs for police. In 2016, the primary driver of the increase was the recognition of pension expense as required by GASB 68.
(c) 2010 increases were from work on the Colfax/I-225 project. 2012 increase resulted from one year of depreciation on roads. 2015 increase was due to increase in snow removal and indirect and a change in indirect cost allocation.
(d) 2015 and 2016 increase is due to development activity in the urban renewal areas around the city.
(e) 2013 and 2016 increase is the result of increase spending on multiple neighborhood park projects. 2016 includes increased utilization of the newly expanded Sports Park and the addition of Ward IV computer lab and median pilot program.
(f) Increases reflect expansion of the water system 2008. Decrease in 2009 is the result of a decrease in water usage and storage due to conservation, wet weather and cooler temperatures, and budget reductions. 2012 increase resulted from lower interest expense capitalization as the Prairie Waters Project was essentially complete.
(g) Increases reflect an increase in sewer treatment expense and an increase in sewer personnel costs. 2013 increase includes loss on early extinguishment of debt.
(h) Increase in 2015 represents a developer fee for the Smoky Hill/E470 bridge widening project.
(i) Fluctuations correspond to changes in development activity.
(j) 2009 increase is the result of additional ARRA grant funding. 2014 decrease pertains to the completion of several significant parks, recreation and open space projects including the Aurora Animal Shelter outdoor kennel area in 2013.
(k) Fluctuation primarily represents fluctuation in developer contributed streets from year to year.
(l) 2010 increase is due to an increase in water tiered rates. 2012 represents an increase in customer usage due to a warmer and dryer summer. 2013 decrease due to wet spring and fall floods. 2014 increase due to development and connection fees received from Roxborough Water and Sanitation District for which project was completed in the same year. 2016 constitutes increased water usage and raw water sales.
(m) Increases are attributable to new rate schedule and volume increases.
(n) The 2009 and 2010 reductions are primarily from a decrease in developer contributions. There is a one-time reimbursement from governmental activities for Pier Point sewer line in 2011. Several significant projects such as the Westerly Creek bridge and channel improvement project were completed in 2015 with no similar projects undertaken in 2016.
(o) Amounts represent developer tap fee revenue and developer contributed water and sewer mains. 2008 and later decrease reflects reduced development activity. 2012, 2015 and 2016 saw an increased development activity with a new loan receivable in 2012 from East Cherry Creek Valley Water and Sanitation District. 2016 increase also includes increased water and sewer mains contributed by developers for completed developments.

Exhibit A-3

CITY AURORA, COLORADO
FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

		Fiscal Year									
		2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
General Fund											
Reserved		$ 1,687,871	$ 559,347	$ 974,268	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Unreserved											
Designated		—	—	—	—	—	—	—	—	—	—
Undesignated		—	—	—	—	—	—	—	—	—	—
Unreserved	**(b)**	25,886,915	22,232,971	21,169,487	—	—	—	—	—	—	—
Restricted	**(b)**	—	—	—	9,722,411	10,036,154	10,102,612	10,882,887	10,948,640	11,109,504	2,977,572
Committed	**(b)**	—	—	—	25,759,275	24,141,151	25,206,689	26,753,062	28,197,618	29,802,537	31,469,048
Assigned	**(b)**	—	—	—	18,993,600	20,214,414	21,681,909	22,653,025	24,236,802	26,842,775	39,969,907
Unassigned	**(b)**	—	—	—	8,224,844	11,136,075	22,196,423	20,482,814	26,156,168	26,780,366	20,072,659
Total General Fund		27,574,786	22,792,318	22,143,755	62,700,130	65,527,794	79,187,633	80,771,788	89,539,228	94,535,182	94,489,186
Unreserved, reported in:											
Special revenue funds											
Policy Reserve	**(c)**	20,910,375	21,426,228	21,332,318	—	—	—	—	—	—	—
TABOR Reserve	**(c)**	7,745,299	8,188,738	8,778,851	—	—	—	—	—	—	—
Total General, Policy & TABOR Reserve funds		$ 56,230,460	$ 52,407,284	$ 52,254,924	$ 62,700,130	$ 65,527,794	$ 79,187,633	$ 80,771,788	$ 89,539,228	$ 94,535,182	$ 94,489,186
Other Governmental Funds											
Reserved, reported in:											
Reserved		$ 29,592,991	$ 34,782,676	$ 45,469,232	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Special revenue funds											
Unreserved	**(a)**	39,136,449	38,994,282	41,692,972	—	—	—	—	—	—	—
Restricted	**(b)**	—	—	—	36,417,219	31,884,124	31,929,925	32,380,627	30,070,964	30,264,889	47,022,262
Committed	**(b)**	—	—	—	4,082,737	3,302,017	3,382,293	4,653,863	9,058,445	11,992,072	12,624,365
Assigned	**(b)**	—	—	—	887,822	886,783	607,498	306,857	67,046	306,619	931,942
Unassigned	**(b)**	—	—	—	—	—	—	—	—	—	—
Debt service funds											
Unreserved	**(b)**	1,275,158	1,934,741	2,212,883	—	—	—	—	—	—	—
Restricted	**(b)**	—	—	—	21,145,940	14,909,050	16,294,762	18,183,388	15,854,209	16,733,019	10,298,305
Committed	**(b)**	—	—	—	—	3,196,082	—	—	—	—	—
Assigned	**(b)**	—	—	—	—	478,860	1,562,337	1,327,169	2,308,049	2,584,305	2,295,028
Capital projects funds											
Unreserved	**(b)**	24,743,923	20,913,118	16,510,042	—	—	—	—	—	—	—
Restricted	**(b)**	—	—	—	9,901,591	7,898,264	7,246,723	7,684,995	26,535,292	18,286,152	19,801,650
Committed	**(b)**	—	—	—	1,108,279	1,368,792	883,423	288,597	83,022	33,579	—
Assigned	**(b)**	—	—	—	22,032,405	16,369,760	11,997,039	26,851,848	37,019,600	39,071,977	50,882,721
Unassigned	**(b)**	—	—	—	—	—	—	—	(622,687)	(2,153,291)	—
Total all other governmental funds		94,748,521	96,624,817	105,885,129	95,575,993	80,293,732	73,904,000	91,677,344	120,373,940	117,119,321	143,856,273
Total fund balances		$ 150,978,981	$ 149,032,101	$ 158,140,053	$ 158,276,123	$ 145,821,526	$ 153,091,633	$ 172,449,132	$ 209,913,168	$ 211,654,503	$ 238,345,459

Notes:

(a) Excluding TABOR and Policy Reserve funds for years 2007-2009.
(b) In 2010, reporting of fund balances was changed to meet new reporting requirements. For the most part, changes represent removal of purpose of the fund restrictions.
(c) In 2010, TABOR and Policy Reserve fund balances were transferred to the General Fund to meet new reporting requirements.

Exhibit A-4

CITY OF AURORA, COLORADO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

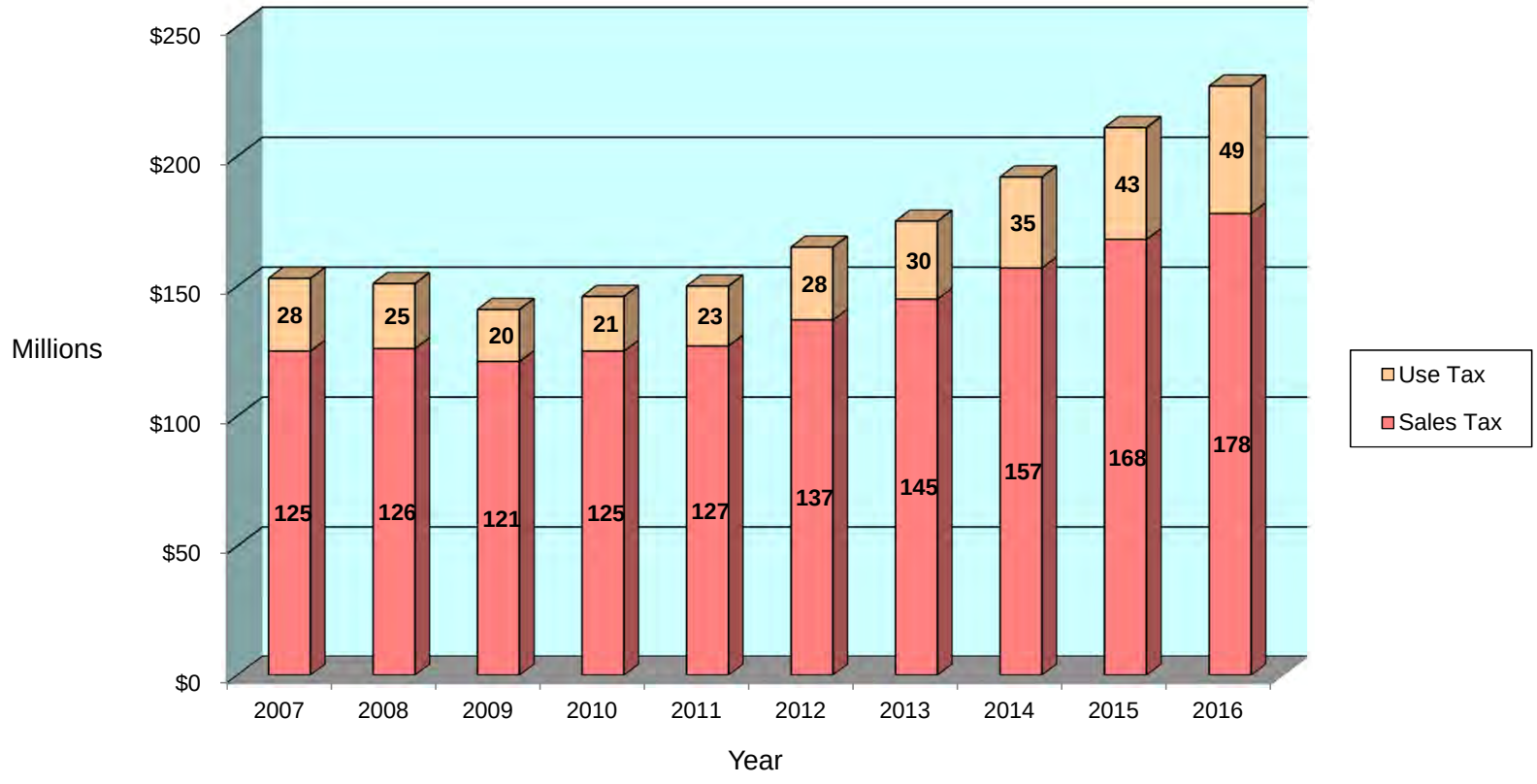
LAST TEN YEARS

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
REVENUES										
Taxes										
Sales and use	$ 153,243,007	$ 150,617,059	$ 140,670,694	$ 145,984,807	$ 150,088,204	$ 165,356,184	$ 175,628,735	$ 192,398,120	$ 211,785,430	$ 227,715,206
Property	30,813,184	32,519,051	33,175,518	32,290,710	32,664,479	33,381,689	33,385,392	33,627,053	30,270,851	36,087,049
Franchise	11,439,537	13,037,994	12,187,933	13,192,882	13,395,548	13,199,623	14,187,444	14,611,949	14,212,992	14,212,056
Lodgers	4,572,800	4,688,562	3,886,697	4,138,263	4,520,210	5,051,919	5,523,874	6,572,979	7,643,748	8,364,792
Occupational privilege	4,215,950	4,295,911	4,145,283	4,162,035	4,274,368	4,370,299	4,496,002	4,701,402	5,259,105	5,528,916
Other	7,331,575	5,001,847	5,181,550	5,059,070	4,139,057	4,930,278	4,851,264	5,322,321	6,151,132	6,084,678
Charges for services	18,620,824	15,996,882	16,160,154	20,122,179	18,764,627	21,028,520	23,271,792	23,673,922	27,270,717	28,325,295
Licenses and permits	9,523,978	8,817,173	7,852,116	8,219,699	7,431,019	9,142,694	10,126,558	13,867,542	15,659,361	16,719,987
Fines and forfeitures	8,862,389	8,209,553	7,882,527	8,620,118	9,466,314	10,340,311	10,802,774	10,661,569	9,291,996	8,325,257
Special assessments	545,373	346,447	394,158	294,672	302,827	991,478	493,650	351,941	323,586	233,561
Intergovernmental	32,005,970	33,731,296	38,975,230	45,510,442	45,512,041	40,982,459	41,004,598	36,777,634	40,488,484	44,585,769
Surcharges	2,862,077	3,139,083	3,177,105	3,243,446	3,241,299	3,380,121	3,436,042	3,441,206	3,602,702	5,413,794
Miscellaneous	8,052,699	7,182,586	5,999,760	3,616,361	1,988,246	3,463,774	4,859,597	3,729,886	6,050,385	4,489,757
Investment earnings	8,755,080	6,456,844	4,599,199	2,163,109	1,829,230	2,086,487	366,138	2,390,412	1,802,243	1,576,715
Total revenues	300,844,443	294,040,288	284,287,924	296,617,793	297,617,469	317,705,836	332,433,860	352,127,936	379,812,732	407,662,832
EXPENDITURES										
Current										
General government	34,207,588	34,006,200	32,334,060	24,013,123	27,129,870	23,379,915	24,775,973	27,781,408	32,732,484	31,667,076
Judicial	7,706,708	8,069,643	7,889,221	7,986,338	7,772,195	8,110,245	8,449,805	9,119,729	9,787,297	10,535,345
Police	74,496,292	78,646,612	79,708,894	81,520,107	86,158,396	89,012,417	92,566,248	93,874,075	99,441,466	101,598,212
Fire	32,308,850	33,764,814	33,979,814	35,092,746	37,456,976	38,752,666	39,649,756	41,445,885	44,616,032	46,636,047
Other public safety	11,780,534	12,742,372	12,503,334	12,741,196	12,276,468	12,835,793	12,828,450	12,769,696	13,468,991	14,554,865
Public works	24,933,938	24,357,677	21,439,170	33,340,162	32,522,809	30,030,948	29,956,117	31,794,796	35,553,597	37,553,075
Economic development	15,585,637	16,328,694	15,073,183	15,631,491	15,195,774	15,610,010	17,631,117	21,016,105	25,542,325	29,547,656
Community services	10,151,162	12,473,080	9,437,397	12,959,922	11,760,088	12,211,137	10,969,532	9,954,236	11,081,379	13,584,029
Culture and recreation	34,973,302	36,164,665	33,738,230	30,853,656	31,471,486	32,303,139	34,905,177	34,565,842	36,650,167	39,601,248
Debt Service										
Principal	13,583,952	13,187,802	14,986,664	12,194,833	12,666,310	12,612,286	12,634,200	11,763,228	7,425,763	8,755,755
Interest	7,141,260	7,971,018	12,211,597	6,780,668	6,250,720	5,955,638	5,517,580	5,102,439	6,363,895	7,023,567
Capital outlay	47,062,412	28,473,688	22,068,469	24,623,239	33,734,222	32,608,107	25,374,358	48,530,116	103,997,821	57,815,312
Total expenditures	313,931,635	306,186,265	295,370,033	297,737,481	314,395,314	313,422,301	315,258,313	347,717,555	426,661,217	398,872,187
Excess (deficiency) of revenues over (under) expenditures	(13,087,192)	(12,145,977)	(11,082,109)	(1,119,688)	(16,777,845)	4,283,535	17,175,547	4,410,381	(46,848,485)	8,790,645
OTHER FINANCING SOURCES (USES)										
Transfers in	49,352,397	44,221,197	46,454,536	36,761,387	34,104,141	35,790,966	50,241,232	50,827,666	58,095,741	91,580,125
Transfers out	(49,901,726)	(44,281,197)	(42,599,999)	(36,711,593)	(32,574,479)	(36,115,966)	(50,891,232)	(51,877,666)	(59,645,741)	(92,100,370)
Premium(discount) on debt issues	-	-	7,263,782	895,000	-	-	-	3,400,945	449,531	-
Proceeds from debt issues	-	68,540,000	92,710,000	23,102,727	2,600,000	-	-	21,775,000	24,340,000	-
Payment to refunded bond escrow agent	-	(60,635,390)	(84,185,263)	(22,850,000)	-	-	-	-	-	-
Notes issued	1,075,000	-	415,000	-	-	1,230,000	-	5,646,425	16,366,639	5,736,936
Proceeds from capital leases	-	2,093,601	-	1,238	-	1,773,430	1,336,997	3,058,587	8,612,436	10,703,597
Proceeds from interfund loan	-	-	-	-	-	60,000	1,231,315	-	-	-
Proceeds from disposal of capital assets	369,093	260,886	132,005	56,999	193,586	248,142	263,640	222,698	371,214	1,980,023
Total other financing sources	894,764	10,199,097	20,190,061	1,255,758	4,323,248	2,986,572	2,181,952	33,053,655	48,589,820	17,900,311
Net change in fund balances	$ (12,192,428)	$ (1,946,880)	$ 9,107,952	$ 136,070	$ (12,454,597)	$ 7,270,107	$ 19,357,499	$ 37,464,036	$ 1,741,335	$ 26,690,956
Debt service as a percentage of noncapital expenditures **(a)**	7.77%	7.62%	9.95%	6.95%	6.74%	6.61%	6.26%	5.64%	4.27%	4.63%

(a) This calculation is performed as follows: Total debt service (principal plus interest) divided by total noncapital expenditures (total expenditures less capital outlay).

Exhibit A-5

CITY OF AURORA, COLORADO
TOTAL SALES AND USE TAX REVENUES
LAST TEN YEARS



Note: See Exhibit A-4, Revenues, Taxes

Exhibit A-6

CITY OF AURORA, COLORADO
SALES AND USE TAX RECEIPTS BY BUSINESS SECTOR (CASH BASIS)

LAST TEN YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sales and Use Tax Receipts by Business Sector										
Retail trade	$ 72,371,462	$ 70,219,932	$ 67,808,813	$ 68,857,464	$ 70,688,223	$ 76,807,781	$ 81,024,992	$ 85,188,844	$ 94,419,905	$ 102,878,855
Accommodation and food services	15,722,168	16,646,987	16,385,575	17,053,916	17,959,788	19,032,921	20,114,404	21,973,539	24,107,294	25,440,477
Information and media	10,735,395	11,206,178	11,200,370	11,613,776	11,466,736	12,095,162	12,163,863	13,216,681	12,067,715	11,326,996
Utilities	10,176,084	11,542,677	10,573,276	12,016,790	11,749,053	11,223,504	11,995,923	12,593,515	12,251,897	11,512,517
Real estate, rental and leasing	4,738,835	4,620,515	3,971,830	3,564,350	3,690,601	3,985,064	4,733,975	5,498,870	6,026,767	6,416,231
Manufacturing	2,796,082	2,635,512	2,291,448	2,331,064	2,408,912	3,173,881	2,960,101	3,346,753	3,511,313	4,837,069
Wholesale trade	5,251,516	5,740,516	5,488,481	5,932,016	6,006,394	7,234,213	7,619,994	9,481,541	10,508,146	10,041,931
Finance and insurance	1,032,270	1,033,487	944,147	806,789	843,281	910,640	874,577	996,354	1,416,247	1,846,591
Health care and social assistance (a)	-	1,278,344	1,628,884	1,235,574	1,359,860	1,472,308	1,433,102	1,526,721	1,602,940	1,684,927
Arts, entertainment and recreational	825,845	843,638	935,766	935,834	973,437	1,027,757	1,012,590	1,027,051	1,111,911	1,180,457
Professional, scientific and technical	1,050,971	939,483	1,206,693	1,263,796	1,748,739	2,090,349	1,994,755	2,112,979	2,263,769	2,425,198
Construction	1,760,245	1,604,885	1,635,413	1,121,618	1,280,502	1,361,843	1,387,115	1,888,278	2,185,427	2,300,016
Other services	5,284,155	4,210,019	4,277,911	4,146,360	3,852,438	4,661,465	5,073,628	5,481,805	6,251,784	6,448,256
Automobile use tax	10,845,015	10,302,520	8,882,587	9,043,526	10,597,687	12,712,981	13,568,059	15,027,985	18,238,347	18,881,119
Building materials use tax	12,328,785	7,514,659	4,891,059	6,494,128	4,889,066	7,071,243	9,190,830	10,516,527	15,338,964	20,379,821
Total Sales and Use Tax Receipts	$ 154,918,828	$ 150,339,352	$ 142,122,253	$ 146,417,001	$ 149,514,717	$ 164,861,112	$ 175,147,908	$ 189,877,443	$ 211,302,426	$ 227,600,461
City direct sales/use tax rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

SOURCE: City of Aurora's Sales Tax Division, except for automobile and building material use tax which is tracked within the Controller's Office.
Amounts shown on this table from the City Sales Tax Division include taxes received for both the General Fund and AURA.
The amounts reflected in this table are gross amounts received and will not necessarily reflect U.S. GAAP as recorded in the financial statements; differences include refunds and accruals.

(a) For 2007, Health Care and Social Assistance receipts had been included in the totals for other services. Starting in 2008 these receipts are listed as a separate line item.

Exhibit A-7

CITY OF AURORA, COLORADO
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS

Arapahoe County

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Total Rate
2007	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2008	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2009	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2012	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%
2013	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%
2014	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%
2015	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%
2016	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%

Adams County

City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Roads & Bridges	Total Rate
3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%
3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%
3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%
3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%
3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%

Douglas County (a)

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Roads & Bridges	Justice Center	Total Rate
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.17%	0.40%	0.43%	8.85%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.17%	0.40%	0.43%	8.85%
2012	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%
2013	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%
2014	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%
2015	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%
2016	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%

SOURCE: City of Aurora's Tax & Licensing Division

Notes: The Sports Stadium District sales tax expired on December 31, 2011.

(a) In 2010, Douglas County sales tax rates were presented for the first time.

Exhibit A-8

CITY OF AURORA, COLORADO
TOP TEN PRINCIPAL SALES AND USE TAX PAYERS BY INDUSTRY GROUP

CURRENT YEAR AND NINE YEARS AGO

	2016			2007		
	Sales & Use Tax Receipts	Rank	Percentage of Total City Sales & Use Tax Receipts	Sales & Use Tax Receipts	Rank	Percentage of Total City Sales & Use Tax Receipts
Department stores	$ 19,531,833	1	8.58%	$ 17,395,358	1	11.23%
Full-service restaurants	14,605,463	2	6.42%	12,023,103	2	7.76%
Building materials and supplies stores	12,516,528	3	5.50%	8,147,469	4	5.26%
Electrical power generation, distribution	11,370,362	4	5.00%	9,971,990	3	6.44%
Limited-service eating places	8,897,420	5	3.91%			
Clothing stores	7,481,208	6	3.29%	6,186,695	6	3.99%
Automobile dealers	7,064,012	7	3.10%	5,400,041	7	3.49%
Health and personal care stores	7,030,771	8	3.09%			
Telecommunications	6,781,090	9	2.98%	7,437,635	5	4.80%
Electronics and appliance stores	6,754,933	10	2.97%	4,534,280	9	2.93%
Other miscellaneous retail stores				4,870,938	8	3.14%
Other general merchandise stores				4,478,562	10	2.89%
Total	$ 102,033,619		44.83%	$ 80,446,071		51.93%

SOURCE: City of Aurora's Tax & Licensing Division

Note: Total city sales and use tax receipts were $227,600,461 for 2016 and $154,918,828 for the year 2007.
The 2007 and 2016 Sales and Use Tax receipts are not reported on a GAAP basis.

Exhibit A-9

CITY OF AURORA, COLORADO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

		Real Property (a)			Total					
Assessment/ Levy Year	Collection/ Budget Year	Assessed Value Adams County(b)	Assessed Value Arapahoe County (b),(c)	Assessed Value Douglas County	Assessed Value	Percentage Change	Estimated Actual Value	Percentage Change	Percent of Total Assessed Value to Estimated Actual Value	Total Direct Tax Rate (d)
2007	2008	$ 542,673,070	$ 2,507,656,430	$ 3,582,000	$ 3,053,911,500	8.0%	$ 24,396,193,173	5.3%	12.5%	10.701
2008	2009	569,347,020	2,546,012,900	6,743,960	3,122,103,880	2.2%	24,945,172,361	2.3%	12.5%	10.664
2009	2010	573,880,730	2,427,547,290	6,472,400	3,007,900,420	-3.7%	22,357,730,401	-10.4%	13.5%	10.494
2010	2011	568,521,560	2,430,929,018	6,906,470	3,006,357,048	-0.1%	22,772,370,040	1.9%	13.2%	10.595
2011	2012	571,321,870	2,351,296,661	6,499,400	2,929,117,931	-2.6%	22,127,623,674	-2.8%	13.2%	10.653
2012	2013	584,444,180	2,366,344,788	5,001,200	2,955,790,168	0.9%	22,847,400,813	3.3%	12.9%	10.290
2013	2014	619,957,850	2,334,877,586	7,205,014	2,962,040,450	0.2%	22,472,968,714	-1.6%	13.2%	10.290
2014	2015	639,628,290	2,331,190,549	8,745,190	2,979,564,029	0.6%	22,695,477,810	1.0%	13.1%	8.886
2015	2016	710,621,990	2,891,626,729	11,696,660	3,613,945,379	21.3%	29,529,554,729	30.1%	12.2%	8.569
2016	2017	727,478,690	2,915,255,249	15,926,970	3,658,660,909	1.2%	29,818,794,294	1.0%	12.3%	8.605

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2017 are based on the 2016 assessment, which itself is based on property values as of June 30, 2015.

The assessed valuation percentage is established each year and was as follows: Residential: 2007 through 2014 - 7.96% and 2015 through 2016 - 8.24%.

All other classes of property were assessed at 29% of estimated actual value.

Differences in the percentage change between actual value and assessed value relate to the change in the mix of residential to other property from year to year. Additionally, exempt property is represented in actual value but not in assessed value.

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

(b) Does not include tax increment financing district incremental assessed valuation of: $6,202,670 - 2007; $1,662,950 - 2008; $7,341,510 - 2009; $4,553,030 - 2010; $8,453,960 - 2011; $10,009,240 - 2012; $8,910,730 - 2013; $8,264,580 - 2014; $10,280,820 - 2015 and $10,258,070 - 2016 Adams; $3,625,080 - 2009; $10,156,782 - 2010; $16,694,359 - 2011; $22,063,692 - 2012; $20,975,154 - 2013; $24,997,667 - 2014; $30,745,586 - 2015 and $39,155,586 - 2016 Arapahoe. Arapahoe County had no TIF activity reported for the 2008 levy year. For the 2009 levy year, Arapahoe County reported new TIF assessments related to the Havana Gardens project.

(c) Does not include General Improvement District (GID) assessed value of: 2010 - $7,059,720; 2011 - $10,911,020; 2012 - $10,997,420; 2013 - $10,212,781; 2014 - $10,157,993, 2015 - $13,949,563 and 2016 - $13,952,766.

(d) Includes a temporary mill levy rate reduction of 0.036 mills in the 2015 levy year to refund excess property tax revenue collection in 2015. The excess property tax revenue resulted from Series 2010 Bonds being paid in full during 2015.

Exhibit A-10

CITY OF AURORA, COLORADO
PROPERTY TAX RATES - DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUATION)

LAST TEN YEARS

Assessment/ Levy Year	Collection/ Budget Year	City of Aurora			Counties		Schools		(b) Total Tax Rate - City of Aurora and:		
		Operating (a)	Debt Service	Total	Adams	Arapahoe	Aurora 28J	Cherry Creek	Adams County and Aurora Schools 28J	Arapahoe County and Aurora Schools 28J	Arapahoe County and Cherry Creek Schools
2007	2008	8.605	2.096	10.701	26.899	15.217	45.530	47.397	83.130	71.448	73.315
2008	2009	8.605	2.059	10.664	26.809	15.609	53.248	49.569	90.721	79.521	75.842
2009	2010	8.605	1.889	10.494	26.824	15.672	53.455	48.825	90.773	79.621	74.991
2010	2011	8.605	1.990	10.595	26.883	15.949	53.919	50.947	91.397	80.463	77.491
2011	2012	8.605	2.048	10.653	26.806	17.316	54.159	54.367	91.618	82.128	82.336
2012	2013	8.605	1.685	10.290	26.903	17.150	63.830	58.037	101.023	91.270	85.477
2013	2014	8.605	1.685	10.290	26.815	17.130	67.323	57.492	104.428	94.743	84.912
2014	2015	8.605	0.281	8.886	27.042	16.950	67.635	56.702	103.563	93.471	82.538
2015	2016	8.569	0.000	8.569	26.817	13.856	66.648	49.703	102.034	89.073	72.128
2016	2017	8.605	0.000	8.605	27.055	14.039	69.685	53.232	105.345	92.329	75.876

Notes: Data obtained from Certifications of Valuation provided by Adams and Arapahoe Counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2017 are based on the 2016 assessment, which itself is based on property values as of June 30, 2015.

(a) Includes a temporary mill levy rate reduction of 0.036 mills in the 2015 levy year to refund excess property tax revenue collection in 2015. The excess property tax revenue was a result of Series 2010 Bonds being paid in full in 2015.

(b) The Adams and Arapahoe County Assessor's Offices report that property owners within these counties' boundaries may be subject to a variety of different mill levies depending on the property's location. This schedule presents mill levies for counties and school districts only and may not represent the total tax rate for each property.

Exhibit A-11

CITY OF AURORA, COLORADO
TOP TEN PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

	2016			2007		
	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation
Xcel Energy	$ 114,517,620	1	3.13%	$ 43,167,480	1	1.41%
Qwest Communications	41,412,900	2	1.13%	42,213,800	2	1.38%
Columbia HealthOne (in 2007, Medical Center of Aurora)	20,300,000	3	0.55%	24,231,640	4	0.79%
Cellco Partnership dba Verizon	18,042,180	4	0.49%	12,306,150	7	0.40%
Arapahoe Crossings	17,054,900	5	0.47%	15,804,990	5	0.52%
Burlington Resources Oil & Gas LP	15,087,567	6	0.41%			
Weingarten/Miller/Aurora II	13,151,500	7	0.36%	12,180,000	8	0.40%
Western A South Co LLC	10,830,190	8	0.30%			
Town Center at Aurora LLC	10,436,665	9	0.29%			
CPT Operating Partnership	9,488,800	10	0.26%			
Comcast of Colorado				11,812,210	9	0.39%
Blue Spruce Energy Center (a subsidiary of Xcel Energy)				29,237,200	3	0.96%
King Soopers				9,071,630	10	0.30%
NRFC Denver Holding LLC				12,760,000	6	0.42%
Total	$ 270,322,322		7.39%	$ 212,785,100		6.97%

Source: Data obtained from Certifications of Valuations provided by Adams, Arapahoe and Douglas Counties. The Total Assessed Value in assessment year 2016 is $3,658,660,909 and 2007 was $3,053,911,500. This total does not include the tax increment financing district assessed valuation for 2016 of $49,413,656 or 2007 of $6,202,670. It also does not include General Improvement District (GID) assessed value for 2016 of $13,952,766. Collections for GIDs are reported beginning in 2010.

Exhibit A-12

CITY OF AURORA, COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Assessment/ Levy Year	Collection/ Budget Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Collections/ (Refunds) (b)	Total Tax Collections	Collections as % of Current Tax Levy	Tax Increment Collections (c)	General Improvement District Collections (d)	Total Property Tax Revenues
2006	2007	$ 30,718,057	$ 30,501,534	99.30%	$ (81,225)	$ 30,420,309	99.03%	$ 392,875	$ —	$ 30,813,184
2007	2008	32,739,222	32,512,589	99.31%	(117,207)	32,395,382	98.95%	123,669	—	32,519,051
2008	2009	33,294,387	33,079,076	99.35%	(55,688)	33,023,388	99.19%	152,130	—	33,175,518
2009	2010	31,564,907	31,160,862	98.72%	(204,378)	30,956,484	98.07%	1,275,142	59,084	32,290,710
2010	2011	31,852,540	31,428,726	98.67%	(347,252)	31,081,474	97.58%	1,448,500	134,505	32,664,479
2011	2012	31,203,894	30,876,610	98.95%	(187,645)	30,688,965	98.35%	2,349,971	342,753	33,381,689
2012	2013	30,415,080	30,091,311	98.94%	(156,016)	29,935,295	98.42%	3,100,413	349,684	33,385,392
2013	2014	30,479,396	30,039,192	98.56%	28,388	30,067,580	98.65%	3,235,743	323,730	33,627,053
2014	2015	26,476,406	26,283,439	99.27%	(4,088)	26,279,351	99.26%	3,659,856	331,644	30,270,851
2015	2016	30,967,898	30,545,217	98.64%	12,923	30,558,140	98.68%	5,182,279	346,630	36,087,049

Notes: Data obtained from Certifications of Valuation provided by Adams and Arapahoe counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year. Component units of the city are included only if they are blended in the city's annual financial report.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus, the assessed values for the taxes associated with budget year 2016 are based on the 2015 assessment, which itself is based on property values as of June 30, 2014.

(a) Property taxes are assessed by Adams, Arapahoe and Douglas counties and remitted to the city after collection.

(b) Delinquent tax collections are netted with refunds of appealed assessments. Positive numbers reflect more delinquent tax collections than refunds for the year. Negative numbers reflect refunds of appealed assessments in excess of delinquent collections for the year.

(c) Tax levies collected pursuant to C.R.S. 31-25 through the Aurora Urban Renewal Authority (AURA), a blended component unit of the city.

(d) Collections for General Improvement Districts are reported beginning in 2010.

Exhibit A-13

CITY OF AURORA, COLORADO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities						Business-Type Activities								
Year	General Obligation Bonds	Revenue Bonds	Special Assessments Notes	Certificates of Participation	Capital Leases	Tax Increment Bonds / Notes **(a)**	General Obligation Bonds	Revenue Bonds	Water Rights Notes	Capital Leases	Revenue Notes	Total Primary Government	Percentage of Personal Income **(b)**	Per Capita	Population **(c)**
2007	$ 36,547,019	$ 10,375,000	$ 1,955,000	$ 104,410,197	$ 3,030,374	$ -	$ 37,794,258	$ 708,705,872	$ 5,269,168	$ 510,521	$ 364,386	$ 908,961,795	19.2%	$ 2,938	309,416
2008	32,045,000	9,105,000	1,745,000	105,587,198	4,136,172	-	30,887,256	701,169,674	3,872,197	541,643	18,530,576	907,619,716	19.4%	2,898	313,144
2009	28,030,000	7,931,002	1,475,000	107,139,485	2,809,509	-	24,915,256	693,489,292	3,234,391	358,624	52,317,751	921,700,310	21.3%	2,932	314,326
2010	24,445,954	6,414,270	1,230,000	102,634,501	1,694,676	-	18,824,224	674,848,990	2,646,897	190,886	75,750,000	908,680,398	24.4%	2,795	325,078
2011	21,617,409	4,812,537	1,010,000	97,871,002	843,366	-	-	633,154,751	2,059,403	72,060	75,750,000	837,190,528	22.7%	2,498	335,105
2012	15,962,863	3,327,667	2,035,000	103,314,388	2,180,510	-	-	581,201,919	1,471,909	-	75,750,000	785,244,256	16.7%	2,339	335,668
2013	11,088,318	1,681,903	1,685,000	97,438,145	2,684,307	-	-	559,829,986	884,415	-	74,174,748	749,466,822	14.5%	2,203	340,269
2014	6,017,774	-	1,240,000	117,592,108	5,261,666	5,646,425	-	534,653,754	707,532	-	72,540,424	743,659,683	12.8%	2,137	347,953
2015	3,549,000	-	970,000	137,917,468	12,605,340	22,013,063	-	503,720,796	530,649	-	70,844,813	752,151,129	12.5%	2,142	351,200
2016	3,386,000	-	705,000	130,994,309	21,211,182	27,750,000	-	545,735,325	353,766	-	-	730,135,582	11.9%	2,054	355,441

Notes: Schedule includes all city debt including tax increment bonds/notes and General Improvement Districts general obligation bonds. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) A tax increment revenue note was executed in 2014 with additional draws in 2015 and fully completed draws in 2016.

(b) See Exhibit A-18 (Demographic and Economic) for personal income (based on labor force) totals.

(c) The population for 2011 through 2012 and 2014 was provided by Clarion Associates. For 2007 through 2009, 2013, 2015 and 2016, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.

Exhibit A-14

CITY OF AURORA, COLORADO
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	Population (a)	Assessed Value (b)	Debt: Governmental Activities (c)	Debt: Business-Type Activities	Total General Obligation Bonded Debt (d)	Less: Debt Service Funds Available (e)	Net General Obligation Bonded Debt	Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
2007	309,416	$ 3,053,911,500	$ 36,547,019	$ 37,794,258	$ 74,341,277	$ 1,669,563	$ 72,671,714	2.38%	$ 235
2008	313,144	3,122,103,880	32,045,000	30,887,256	62,932,256	1,918,640	61,013,616	1.95%	195
2009	314,326	3,007,900,420	27,330,000	24,915,256	52,245,256	1,609,258	50,635,998	1.68%	161
2010	325,078	3,006,357,048	22,895,954	18,824,224	41,720,178	1,573,343	40,146,835	1.34%	123
2011	335,105	2,929,117,931	17,512,409	-	17,512,409	1,474,560	16,037,849	0.55%	48
2012	335,668	2,955,790,168	11,988,863	-	11,988,863	1,545,176	10,443,687	0.35%	31
2013	340,269	2,962,040,450	7,250,318	-	7,250,318	1,526,229	5,724,089	0.19%	17
2014	347,953	2,979,564,029	2,321,774	-	2,321,774	1,527,279	794,495	0.03%	2
2015	351,200	3,613,945,379	-	-	-	-	-	-	-
2016	355,441	3,658,660,909	-	-	-	-	-	-	-

Notes:

(a) The population count for 2011 through 2012, and 2014, was provided by Clarion Associates. For 2007 through 2009, 2013, 2015 and 2016, the population count was provided by the city's Planning Department. The 2010 population count is from the April 2010 federal census population count.

(b) Does not include tax increment financing district incremental assessed valuation of: $6,202,670 - 2007; $1,662,950 - 2008; $7,341,510 - 2009; $4,553,030 - 2010; $8,453,960 - 2011; $10,009,240 - 2012; $8,910,730 - 2013; $8,264,580 - 2014; $10,280,820 - 2015 and $10,258,070 - 2016 Adams; $3,625,080 - 2009; $10,156,782 - 2010; $16,694,359 - 2011; $22,063,692 - 2012; $20,975,154 - 2013; $24,997,667 - 2014; $30,745,586 - 2015 and $39,155,586 - 2016 Arapahoe. Arapahoe County had no TIF activity reported for the 2008 levy year. For 2009 levy year, Arapahoe County reported new TIF assessments related to the Havana Gardens project. Does not include General Improvement Districts (GIDs) assessed value of: 2010 - $7,059,720; 2011 - $10,911,020; 2012 - $10,997,420; 2013 - $10,212,781; 2014 - $10,157,993; 2015 - $13,949,563 and 2016 - $13,952,766. Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties.

(c) Does not include GIDs outstanding debt of: 2009 - $700,000; 2010 - $1,550,000; 2011 - $4,105,000; 2012 - $3,974,000; 2013 - $3,838,000; 2014 - $3,696,000; 2015 - $3,549,000 and 2016 - $3,386,000.

(d) Gross general obligation bonded debt includes general obligation bonds supported by General Fund revenues and by Water Fund revenues. In 2015, all general obligation bonded debt have been fully paid.

(e) Beginning in 2011, the City Debt Service Funds Available is used in lieu of the City Debt Service Fund Balance. This is to tie the amount to what is used in Exhibit A-16, Legal Debt Margin Information. In 2015 since all general obligation bonds have been paid, the residual amount was transferred to the General Fund.

Exhibit A-15

CITY OF AURORA, COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2016

Jurisdiction	Obligations Outstanding	Estimated Percentage Applicable (c)	Estimated Share of Overlapping Debt
Direct:			
City of Aurora (a)	$ 176,337,182	100.00%	$ 176,337,182
Overlapping:			
Debt repaid with property taxes	**General Obligation**		
Adams-Arapahoe School District 28J			
General obligation bonds (b)	$ 280,673,353	100.00%	280,673,353
Cherry Creek School District			
General obligation bonds (b)	423,185,000	38.36%	162,333,766
Arapahoe County			
General obligation bonds (b)	139,231,034	32.60%	45,389,317
Total overlapping debt:			488,396,436
Total Direct and Overlapping Debt			$ 664,733,618

Notes: This schedule demonstrates the city's ability to repay and issue long term debt based on the entire debt burden borne by its residences and businesses. Although more than 235 taxing entities overlap the city in whole or part, very few affect the majority of citizens. Therefore, this schedule excludes debt for overlapping districts that do not impact the debt burden for the average citizen.

(a) Includes all governmental activities debt of the city of Aurora, such as general obligation bonds, certificates of participation, special assessments and capital leases, net of unamortized premium.

(b) General obligation debt outstanding is the net of general obligation debt less any monies reserved for the retiring of these general obligation bonds, such as sinking funds or debt service reserve funds.

(c) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Exhibit A-16

CITY OF AURORA, COLORADO
LEGAL DEBT MARGIN INFORMATION
IN ACCORDANCE WITH AURORA CHARTER ARTICLE XI

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed valuation, all Counties:	$ 3,658,660,909				
Debt limit - 3% of assessed valuation				$ 109,759,827	
Amount of debt outstanding:					
Total bonded debt	$ 549,121,325				
Other debt	181,014,257				
Total		$ 730,135,582			
Deductions allowed by law:					
General obligation bonds exempt from limit	3,386,000	(a)			
Revenue bonds	545,735,325	(b)			
Capitalized lease obligations	21,211,182	(b)			
Certificates of participation	130,994,309	(b)			
Revenue notes	28,455,000	(b)			
Water right notes	353,766	(b)			
Total deductions		730,135,582			
Amount of debt applicable to debt limit				-	
Legal Debt Margin				$ 109,759,827	(c)

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	$ 91,617,345	$ 93,663,116	$ 90,237,013	$ 90,190,711	$ 87,873,538	$ 88,673,705	$ 88,861,214	$ 89,386,921	$ 108,418,361	$ 109,759,827
Total net debt applicable to limit	2,725,438	1,676,360	1,145,743	616,657	-	-	-	-	-	-
Legal debt margin	$ 88,891,907	$ 91,986,756	$ 89,091,270	$ 89,574,054	$ 87,873,538	$ 88,673,705	$ 88,861,214	$ 89,386,921	$ 108,418,361	$ 109,759,827
Total net debt applicable to the limit as a percentage of debt limit	3.0%	1.8%	1.3%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

(a) The General Improvement District bonds are exempt from the debt limit.

(b) Revenue bonds and other forms of debt paid from revenues generated are exempt from the debt limit.

(c) Article X, Section 20(4)(b) of the Colorado Constitution requires the city to receive voter approval in advance for the creation of any multiple fiscal year direct or indirect debt or other financial obligation, regardless of whether or not the city is at its legal debt margin. Typically, voter approval of additional debt includes a provision exempting the new debt from the debt margin. Consequently, the computation of the city's legal debt margin has little real significance.

Enterprises, as defined in Article X, Section 20(2)(d) of the Colorado Constitution, are not required to receive voter approval. An "enterprise" is a city-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenues in grants from all Colorado state and local governments combined.

Exhibit A-17

CITY OF AURORA, COLORADO
SCHEDULE OF WATER REVENUE BOND COVERAGE

LAST TEN YEARS

				Debt Service Requirements											
			Net Revenue	First Lien Revenue Obligations (c)		First & Second Lien Revenue Obligations (d)		Debt Secured by Net Pledged Revenues (e)		Debt Payable from System Revenues (f)		Coverage Ratios (g)			
Year	Gross Revenue (a)	Expenses (b)	Available For Debt Service	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	(c)	(d)	(e)	(f)
2007	$ 146,607,372	$ 48,913,130	$ 97,694,242	$ 3,607,104	$ 7,244,069	$ 3,607,104	$ 8,830,807	$ 4,549,056	$ 9,118,612	$ 11,184,056	$ 10,664,088	9.00	7.85	7.15	4.47
2008	136,213,224	45,667,169	90,546,055	3,708,938	30,792,006	3,708,938	30,792,006	4,650,900	31,032,713	11,490,900	32,395,726	2.62	2.62	2.54	2.06
2009	107,283,305	33,252,590	74,030,715	3,810,404	29,966,338	3,810,404	31,681,332	4,448,210	31,874,942	10,353,210	33,032,754	2.19	2.09	2.04	1.71
2010	128,180,345	45,305,349	82,874,996	3,962,238	29,146,645	3,962,238	29,146,645	4,549,732	29,308,365	10,669,732	30,274,265	2.50	2.50	2.45	2.02
2011	125,130,039	46,573,513	78,556,526	5,300,000	29,365,365	5,300,000	32,205,990	5,887,494	32,367,710	12,252,494	33,104,110	2.27	2.09	2.05	1.73
2012	136,772,241	45,857,363	90,914,878	2,340,000	27,320,125	2,340,000	30,160,750	2,927,494	30,293,095	2,927,494	30,293,095	3.07	2.80	2.74	2.74
2013	124,972,421	46,864,006	78,108,415	-	25,265,338	1,575,252	28,105,963	2,162,746	28,208,933	2,162,746	28,208,933	3.09	2.63	2.57	2.57
2014	150,552,505	51,489,719	99,062,786	-	24,746,935	1,634,324	27,528,487	1,811,207	27,572,708	1,811,207	27,572,708	4.00	3.40	3.37	3.37
2015 (h)	133,797,322	53,355,471	80,441,851	-	24,012,297	1,695,611	26,732,563	1,872,494	26,767,940	1,872,494	26,767,940	3.35	2.83	2.81	2.81
2016 (h)	156,847,578	56,334,540	100,513,038	-	22,931,125	1,759,196	25,587,806	1,936,079	25,614,338	1,936,079	25,614,338	4.38	3.68	3.65	3.65

Note: Includes long-term debt payable from Water revenues, including General Obligation Bonds, Revenue Bonds, and Water Notes Payable. Debt service requirements represent annual amounts as opposed to the maximum annual amount. Therefore, coverage ratios on this schedule will not match ratios in the Debt Continuing Disclosure section.

(a) Includes charges for services, intergovernmental revenue and miscellaneous revenues as well as components of capital contributions (tap fees and IGA revenues), investment earnings (interest income) and gain (loss) on disposal of capital assets (proceeds-sales of fixed assets). Excludes fair value adjustment and annexation fees.

(b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.

(c) Includes the city's portion of the Colorado Water Resources and Power Development Authority's (CWRPDA) Drinking Water Bonds Series 1999A and 2005D and the City's First Lien Water Improvement Revenue Bonds Series 2016, 2008, 2007 and 2003A. In 2010, the CWRPDA Drinking Water Bonds Series 1999A was paid off and in 2011, the 2003A 1st Lien Water Improvement Revenue Bonds were defeased. In 2012, 2014 and 2015, the 2005D CWRPDA Bonds were defeased in the amounts of $41,780,000, $23,955,000 and $29,655,000, respectively. In 2016, First Lien Revenue Bonds were issued, fully refunding the 2007 and 2008 Revenue Bonds. Principal amounts of the 2007 and 2008 Bonds defeased in 2016 were $421,495,000 and 39,995,000, respectively. The legal covenant for debt service coverage for these obligations is 1.20 except for the CWRPDA Water Bonds which is 1.10.

(d) Includes (c) above and for 2007, Second Lien Water Improvement Revenue Bonds Series 2004A. The legal covenant through 2009 for debt service coverage is 1.05. In 2008, the 2004A issue was refunded with the 2008A 1st lien issue. In 2007, a note with the Colorado Water Conservation Board was entered into and takes a second lien parity with existing obligations. In 2016, the CWCB note was paid off with proceeds from the Series 2016 Revenue Bonds in the amount of $69,085,617.

(e) Includes (d) above and all Water Rights Notes Payable. The legal covenant for debt service coverage is 1.05.

(f) Includes (e) above and General Obligation Water Bonds which are payable from revenues of the system but are not secured by the Net Pledged Revenues. In 2011, the General Obligation Water Bonds were paid off. The legal covenant for debt service coverage is 1.00.

(g) Net Revenue Available for Debt Service divided by Total Debt Service Requirements for "c", "d", "e" and "f", respectively.

(h) A principal and interest payment of $176,883 and $35,377, respectively, was made on the 2004 water rights note payable on December 31, 2015 due January 1, 2016 and on December 31, 2016, a principal and interest payment of $176,883 and $26,532, respectively, due January 1, 2017.

(continued)

Exhibit A-17

CITY OF AURORA, COLORADO
SCHEDULE OF WASTEWATER REVENUE BOND COVERAGE

LAST TEN YEARS

Year	Gross Revenue (a)	Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements (c) Principal	Interest	Total	Coverage Ratio (d)
2007	$ 50,582,848	$ 28,794,436	$ 21,788,412	$ 1,577,073	$ 3,347,387	$ 4,924,460	4.42
2008	52,371,474	32,545,027	19,826,447	2,625,132	3,287,674	5,912,806	3.35
2009	52,327,902	33,826,337	18,501,565	2,708,193	3,204,712	5,912,905	3.13
2010	57,247,180	34,139,137	23,108,043	2,796,635	3,074,357	5,870,992	3.94
2011	56,543,592	36,205,235	20,338,357	2,910,843	2,967,180	5,878,023	3.46
2012	60,984,272	37,298,034	23,686,238	3,004,285	2,869,878	5,874,163	4.03
2013	57,458,337	41,135,927	16,322,410	1,240,000	2,509,013	3,749,013	4.35
2014	61,475,658	43,145,025	18,330,633	-	1,559,813	1,559,813	11.75
2015	66,054,886	46,017,730	20,037,156	-	1,559,813	1,559,813	12.85
2016	68,381,959	47,389,797	20,992,162	-	1,559,813	1,559,813	13.46

Notes: Includes long-term debt payable from Sewer revenues, including revenue bonds.

(a) Includes charges for services, intergovernmental revenue and miscellaneous revenues as well as components of capital contributions (tap fees and IGA revenues), investment earnings (interest income) and gain (loss) on disposal of capital assets (proceeds-sales of fixed assets). Excludes fair value adjustment and annexation fees.

(b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.

(c) The Debt Service Requirements consist of the First Lien Sewer Improvement Revenue Bonds, Series 2016, Series 2006, and the Colorado Water Resources and Power Development Authority's (CWRPDA) Clean Water Revenue Bonds, Series 1999A. In 2012, the CWRPDA Clean Water Revenue Bonds, Series 1999A was paid off. In 2013, the 2006 1st Lien Sewer Improvement Revenue Bonds were defeased in the amount of $18,795,000. In 2016, First Lien Wastewater Revenue bonds were issued, fully refunding the 2006 Bonds in the amount of $32,295,000.

(d) Net Revenue Available for Debt Service divided by Total Debt Service Requirements. The legal covenant for debt service coverage is 1.20 for the Series 2016 and Series 2006 and 1.10 for the CWRPDA Series 1999A.

(continued)

Exhibit A-17

CITY OF AURORA, COLORADO
SCHEDULE OF GOLF REVENUE BOND COVERAGE

LAST TEN YEARS

Year	Gross Revenue (b)	Operating & Maintenance Expenses (c)	Net Revenue Available For Debt Service	Senior Debt Service Requirements (a)				Subordinate Debt Service Requirements (a)			
				Principal	Interest	Total	Coverage Ratio (d)	Principal	Interest	Total	Coverage Ratio (e)
2007	$ 9,932,252	$ 8,294,101	$ 1,638,151	$ 604,644	$ 185,917	$ 790,561	2.07	$ 256,000	$ 241,595	$ 497,595	1.70
2008	9,769,750	8,674,373	1,095,377	625,189	160,373	785,562	1.39	56,000	200,102	256,102	1.21
2009	9,127,449	7,894,302	1,233,147	529,199	133,944	663,143	1.86	56,000	227,600	283,600	2.01
2010	8,408,174	7,655,245	752,929	420,000	114,925	534,925	1.41	56,000	224,800	280,800	0.78
2011	7,991,942	7,237,047	754,895	435,000	98,125	533,125	1.42	56,000	222,000	278,000	0.80
2012	8,678,890	7,680,612	998,278	455,000	80,725	535,725	1.86	50,000	175,360	225,360	2.05
2013	8,074,292	7,115,939	958,353	470,000	62,525	532,525	1.80	50,000	173,360	223,360	1.91
2014	8,210,503	7,236,142	974,361	490,000	43,138	533,138	1.83	50,000	171,360	221,360	1.99
2015	8,614,560	7,609,204	1,005,356	510,000	22,313	532,313	1.89	50,000	169,360	219,360	2.16
2016	8,273,524	7,775,293	498,231	-	-	-	n/a	275,000	167,360	442,360	1.13

Notes: Includes long-term debt payable from Golf revenues, including revenue bonds and long-term interfund payables. Debt service requirements represent annual amounts as opposed to the maximum annual amount. Therefore, coverage's ratios on this schedule will not match ratios in the Debt Continuing Disclosure section.

(a) The Senior Debt Service Requirement consists of the 1995 Golf Revenue Bonds and, beginning in 2004, the 2004 Golf Revenue Note which was fully paid in 2009. In 2005, the 1995 Golf Revenue Bonds were replaced by the 2005 Golf Revenue Refunding Bonds which were fully paid in 2015. The Subordinate Debt Service Requirement is the 1994 Interfund Loan Payable to the Wastewater Fund which was refinanced in 2008 and was restructured in 2012.

(b) Includes operating revenues, investment income, miscellaneous non-operating revenues and golf lot premium fees. Excludes fair value adjustment.

(c) Includes operating expenses such as personal services, supplies, other services and charges and the principal and interest on the golf cart leases. Excludes depreciation expense.

(d) Net Revenue Available for Debt Service divided by Total Senior Debt Service Requirements. The legal covenant for debt service coverage is 1.35.

(e) Net Revenue Available for Debt Service less Total Senior Debt Service Requirements, divided by Total Subordinate Debt Service Requirements. The legal covenant for debt service coverage is 1.00. In 2011 and 2010, the ratio dropped below 1.00, as a result, a consultant was hired in accordance with the bond covenants to provide recommendations to bring the ratio to 1.00.

(concluded)

Exhibit A-18

CITY OF AURORA, COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Year	General Population (a)	Personal Income (b)	Aurora Labor Force Population (c)	Personal Income Per Capita (Labor Force)	Unemployment Rate (d)
2007	309,416	$ 4,725,828,136	173,158	$ 27,292	4.8%
2008	313,144	4,676,671,164	172,196	27,159	7.4%
2009	314,326	4,331,333,727	179,151	24,177	7.5%
2010	325,078	3,725,166,739	173,689	21,917	10.6%
2011	335,105	3,687,345,727	173,320	20,760	9.3%
2012	335,668	4,689,408,133	175,746	26,082	8.7%
2013	340,269	5,178,824,801	178,150	29,070	7.4%
2014	347,953	5,827,179,739	180,817	32,227	5.6%
2015	351,200	6,008,141,737	181,481	33,106	4.2%
2016	355,441	6,147,862,988	185,752	33,097	3.5%

Notes:

(a) The population for 2011 through 2012 and 2014 was provided by Clarion Associates. For 2007 through 2009 and 2013 through 2016, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.

(b) Data was provided by the city's Planning Department. Personal income totals provided to the city by the State of Colorado, Department of Labor and Employment, Quarterly Census of Employment and Wages. These totals are based on data provided to the State by businesses (for unemployment purposes) and do not include businesses with 3 or less employees.

(c) Data provided by the United States Department of Labor. Totals include Aurora residents employed or potentially employable, sixteen years of age or older.

(d) Data was provided by the city's Planning Department. Source - Colorado Department of Labor and Employment.

Exhibit A-19

CITY OF AURORA, COLORADO
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2016			2007		
Employer	Employees	Rank	(a) Percentage of Total City Employment	Employees	Rank	(a) Percentage of Total City Employment
Buckley Air Force Base	12,000	1	7.27%	12,817	1	11.36%
University of Colorado Anschutz Medical Campus	8,470	2	5.13%	3,300	4	2.93%
University of Colorado Health (UCHealth)	6,550	3	3.97%	1,458	9	1.29%
Aurora Public Schools	6,300	4	3.82%	3,786	3	3.36%
Children's Hospital Colorado	5,250	5	3.18%	not ranked in 2007		
City of Aurora (c)	3,977	6	2.41%	2,854	5	2.53%
Cherry Creek Schools (b)	3,900	7	2.36%	3,826	2	3.39%
Raytheon Company	2,300	8	1.39%	2,600	6	2.30%
Kaiser Permanente	1,890	9	1.15%	1,493	8	1.32%
HealthONE: The Medical Center of Aurora	1,810	10	1.10%	1,380	10	1.22%
ADT Security Systems				1,585	7	1.40%

Note: Data provided by the Aurora Economic Development Council and the city of Aurora unless otherwise noted. Information on 2016 does not include retail sector employers.

(a) Total city employment data for 2016 was 179,251 and for 2007 was 112,816 provided by the United States Department of Labor.

(b) Cherry Creek Public Schools includes employees in the cities of Aurora, Centennial, Cherry Hills Village, Englewood, Foxfield, Glendale, and Greenwood Village. Data for 2016 includes only those school district employees working within the city.

(c) The city of Aurora employee count includes contingent and seasonal workers.

Exhibit A-20

CITY OF AURORA, COLORADO
BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Council	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00
Finance	63.00	65.00	62.50	63.50	63.50	60.50	58.50	56.50	56.50	60.50
General Management (includes Civil Service) (d)	127.80	130.80	125.30	96.80	99.50	97.50	102.00	103.00	109.00	111.75
Human Resources (a)	24.00	24.00	24.00	24.00	-	-	-	-	-	-
Information Technology	47.00	47.00	46.00	42.00	42.00	42.00	43.00	43.00	45.00	48.00
Communications (f)	-	-	-	-	21.30	20.80	21.05	22.86	22.86	25.36
Planning	45.10	45.10	34.12	31.00	31.00	31.00	31.00	35.00	36.00	42.00
Judicial										
City Attorney	51.00	52.00	50.50	49.00	49.00	49.00	50.00	50.80	50.80	53.80
Court Administration (includes Judicial)	126.00	126.00	122.50	120.50	121.50	122.50	122.50	122.50	125.50	125.50
Public Defender	8.00	8.00	8.00	8.50	8.50	8.50	8.50	8.50	9.00	10.00
Police	773.00	778.00	778.00	772.50	786.00	783.00	791.50	794.50	808.50	823.50
Fire	329.00	329.00	323.00	325.00	325.00	323.00	327.00	335.00	346.00	362.00
Other Public Safety	85.00	85.00	85.00	81.00	81.00	81.00	81.00	81.00	81.00	91.00
Public Works (e)	196.00	196.00	186.00	241.00	241.00	241.00	246.00	249.00	258.00	272.00
Community Services										
Neighborhood Services (c)	158.50	158.50	137.50	72.50	72.50	71.60	71.60	76.60	81.00	83.00
Culture and Recreation										
Library and Cultural Services (b)	183.50	184.50	183.50	65.90	67.40	72.40	73.40	76.60	78.60	85.30
Parks, Recreation & Open Space (b)	202.80	202.80	199.75	245.70	237.20	226.20	221.20	251.55	256.55	260.55
Water	258.15	266.70	270.30	270.72	269.40	268.91	273.82	280.23	285.98	286.19
Wastewater	144.85	148.30	155.70	152.28	152.60	153.09	148.18	143.77	143.02	143.81
Total	2,836.70	2,860.70	2,805.67	2,675.90	2,682.40	2,666.00	2,684.25	2,744.41	2,807.31	2,899.26

Data was provided by the city of Aurora Office of Budget and Financial Planning.

Notes:
(a) Starting in 2011, Human Resources became Internal Services and is reported under General Management.
(b) In 2010, approximately 67 Recreation positions were moved from the Library and Cultural Services department to the Parks, Recreation and Open Space department, and another 6 to other city departments. Also, the 2008 recession and resulting budget reductions required four libraries to be closed in 2010 with a corresponding decrease in full time employees (approximately 44 from Library and Cultural Services and 21, mostly Forestry, from Parks, Recreation, and Open Space).
(c) In 2010, some Community Services positions were moved to Public Works.
(d) In 2010, Facilities Management operations (part of General Management) was moved to Public Works function.
(e) In addition to the positions that moved into Public Works from General Management and Community Services, approximately 30 positions were cut from the Public Works function in the 2010 budget.
(f) Prior to 2011, Communications was reported as part of General Management.

Exhibit A-21

CITY OF AURORA, COLORADO
OPERATING INDICATORS BY FUNCTION

LAST TEN YEARS

Incorporation : May 5, 1903 under the name of Fletcher and later incorporated as the Town of Aurora on February 20, 1907
Date First Charter Adopted : 1961
Form of Government : Council - Manager

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Building Permits: Data provided by COA Building Code Division										
Permits Issued (a)	9,538	9,931	15,574	13,729	9,958	12,438	12,186	23,508	23,325	14,340
Value of Buildings (millions $)	992	452	349	415	327	435	522	614	846	854
Tax & Licensing: Data provided by COA Tax & Licensing Division										
New business licenses	2,333	2,081	2,078	2,014	2,027	2,133	2,370	2,492	4,426	4,207
Police Protection: Data provided by COA Police Department										
Number of Law Violations (Part I Crime) (b)	13,583	12,393	11,758	11,760	11,446	11,667	12,285	11,548	12,230	13,266
Total calls for service requests received	317,442	309,712	402,165	409,955	401,913	427,458	415,995	427,508	462,070	435,239
Total calls dispatched and officer initiated (c)	-	-	-	-	-	-	-	-	235,197	235,188
Total moving violations	49,043	48,500	46,818	47,853	47,920	35,366	39,669	43,879	41,822	26,779
Total parking violations	9,164	9,027	8,665	7,429	7,219	6,474	6,028	6,473	5,550	5,462
Fire Protection: Data provided by COA Fire Department										
Number of fire inspections	8,723	9,563	9,002	9,943	9,546	8,559	7,015	7,195	9,674	10,535
Total Fire calls (Fire, EMS, other)	29,839	30,088	30,648	33,268	35,446	37,830	40,164	42,575	45,013	46,323
Haz Mat calls	35	39	6	7	28	23	17	26	29	39
Community Services: Data provided by COA Neighborhood Services Department										
Total number of Code Enforcement Inspections	89,493	65,055	67,458	87,633	72,012	68,030	70,161	68,516	78,011	74,178
Culture and Recreation: Data provided by COA Parks and Open Space, and Library and Cultural Services Departments										
Library items circulated	1,163,463	1,248,501	1,181,843	764,866	762,302	946,743	1,030,535	1,065,076	1,002,186	1,092,078
Library patron visits	1,213,191	1,367,509	1,290,115	793,355	745,890	872,821	939,805	1,044,711	1,000,119	1,161,139
Recreational classes offered	7,697	7,523	5,889	6,876	7,659	7,945	7,648	5,963	7,103	7,347
Recreational attendance	278,216	296,228	295,937	302,565	330,621	353,994	349,607	359,356	390,437	406,603
Cultural services in house program attendance	124,916	146,542	129,052	151,008	157,958	159,260	152,912	163,133	164,839	176,269

Notes:

(a) Permits issued includes plumbing, heating, life safety and electrical for existing residential and non-residential structures.

(b) Part 1 crime includes both violent and property crime.

(c) Total calls dispatched and officer initiated service data available beginning in 2015.

Exhibit A-22

CITY OF AURORA, COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police Protection: Data provided by COA Police Department										
Patrol Vehicles	167	158	151	151	155	155	165	183	192	197
Detention Facilities	1	1	1	1	1	1	1	1	1	1
Fire Protection: Data provided by COA Fire Department										
Number of Fire Stations	15	15	15	15	15	15	15	15	15	15
Public Works: Data provided by COA Public Works Department										
Miles of Improved Streets (center-line miles)	1,174	1,174	1,174	1,174	1,175	1,185	1,188	1,209	1,220	1,224
Tons of asphalt for patching & overlay (a)	188,037	189,594	211,193	146,331	127,917	116,898	83,406	120,379	125,204	111,332
Square yards of street repair & overlay (a)	1,342,659	1,330,824	1,591,986	2,114,175	1,925,685	1,386,148	1,536,279	1,456,695	1,285,547	1,762,248
Culture and Recreation: Data provided by COA Parks, Recreation, and Open Space, and Library and Cultural Services Departments										
Number of Playgrounds	79	80	82	84	87	88	88	88	88	88
Number of Golf Courses	7	7	7	7	7	7	6	6	6	6
Number of Swimming Pools	10	10	7	7	7	7	9	9	9	9
Parks - Number of Acres (b)	8,630	10,069	10,689	10,677	10,660	12,272	12,272	10,125	10,222	10,336
Number of Libraries (e)	7	7	7	3	4	4	4	4	4	6
Number of Computer Centers (e)	-	-	-	-	-	2	4	4	4	3
Water: Data provided by COA Aurora Water Department										
Number of Water Taps (c)	76,422	76,655	76,707	78,423	79,006	79,723	80,567	81,382	82,309	83,725
Miles of water mains constructed (d)	25	19	7	12	4	5	2	25	13	16
Wastewater: Data provided by COA Aurora Water Department										
Number of Sanitary Sewer Taps (c)	84,384	85,177	85,645	86,268	86,850	87,659	88,470	89,313	90,366	91,686
Miles of Sanitary Sewer constructed (d)	10	8	2	3	3	1	2	11	14	20

(a) These totals include the following: reconstructive patching, in-place patching, slurry seal, chip seal and reconstructive planning. All work performed through the Capital Projects Fund by contract. In 2010, Public Works efforts were focused on street repair and overlay vs. patching and overlay. Beginning 2012, the numbers have decreased mainly due to increased labor & material price with decreased budgeted amount including a shift of funding to pavement preservation or surface treatment. In 2014, the increase is mainly due to increased street overlay and surface treatment project requirements.

(b) Includes parks, golf courses and open space. In 2008, the Parks, Recreation, and Open Space Department (PROS) used more refined and updated information from their GIS data system. In 2012, new queries were developed and the total includes facility grounds, medians and streetscapes that were completed during the year, also included was the acquisition of open space and trail corridor related to the Triple Creek Greenway Corridor project. The 2014 acreage uses similar method as in year 2011.

(c) Total includes inactive and stubbed taps.

(d) Total includes newly constructed mains during the period. Water mains and sewer lines decreased in 2009 due to decreased development activity which is also true in 2011 and 2013 for water mains and in 2012 for sewer lines. As a result of the improving economy, there was an increase in water mains and sewer lines constructed in 2014.

(e) Due to ongoing declining General Fund budgets, four libraries were closed in 2010. The Mission Viejo Library was reopened in 2011 but on a limited service hours. In 2012, eight operating hours were added at Tallyn's Reach, Martin Luther King and Central Libraries with an opening of two computer centers at the City's Moorhead and Beck Recreation Centers. In 2013, two additional computer centers were opened at Kmart Aurora and at the former Hoffman Heights Library building. In 2016, the Moorhead PC center was temperately closed due to the renovation of the recreation center.

AURORA

Other Schedules Divider

Other Schedules

COMPLIANCE SECTION

Exhibit B-1
Local Highway Finance Report

MISCELLANEOUS SCHEDULES (UNAUDITED)

Exhibit B-2
Schedule of Indebtedness – All Funds

Exhibit B-3
Schedule of Debt Service Requirements

DEBT CONTINUING DISCLOSURES (UNAUDITED)

Exhibit C-1
Summary of Continuing Disclosures by Issue

Exhibit C-2
General Fund – Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance (US GAAP Basis)

Exhibit C-3
General Fund – Comparative Schedule of Sources, Uses and Changes in Funds Available, Actual and Budget (Non-GAAP Budgetary Basis)

Exhibit C-4
Water Fund - Operating History

Exhibit C-5
Water Fund - System Statistics

Exhibit C-6
Water Fund - Maximum Annual Debt Service Coverage

Exhibit C-7
Wastewater Fund - Operating History

Exhibit C-8
Wastewater Fund - System Statistics

Exhibit C-9
General Fund - Assessed and Estimated Actual Value of Taxable property by Class

AURORA

EXHIBIT B-1
LOCAL HIGHWAY FINANCE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Aurora, Colorado
		YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of City of Aurora, Colorado	Prepared By: Phone:	Traci Pettit 303-739-7058

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)	22,949,262
4. Miscellaneous local receipts (from page 2)	13,620,100
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	0
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	36,569,362
B. Private Contributions	
C. Receipts from State government (from page 2)	10,701,386
D. Receipts from Federal Government (from page 2)	957,418
E. Total receipts (A.7 + B + C + D)	48,228,166

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	7,036,049
2. Maintenance:	19,125,208
3. Road and street services:	
a. Traffic control operations	3,931,518
b. Snow and ice removal	2,574,255
c. Other	5,612,775
d. Total (a. through c.)	12,118,548
4. General administration & miscellaneous	799,983
5. Highway law enforcement and safety	8,106,297
6. Total (1 through 5)	47,186,085
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	1,042,081
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	48,228,166

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)		0	0	
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
	48,228,166	48,228,166		(0)

Notes and Comments:

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

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	0	a. Interest on investments	43,974
b. Other local imposts:		b. Traffic Fines & Penalities	4,317,029
1. Sales Taxes	16,103,696	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,272,585	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,572,981	g. Other Misc. Receipts	
6. Total (1. through 5.)	22,949,262	h. Other	9,259,097
c. Total (a. + b.)	22,949,262	i. Total (a. through h.)	13,620,100
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	9,599,614	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,101,772	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	957,418
f. Total (a. through e.)	1,101,772	g. Total (a. through f.)	957,418
4. Total (1. + 2. + 3.f)	10,701,386	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	73,320	73,320
b. Engineering Costs	0	2,497,626	2,497,626
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	0	290,698	290,698
(3). System Preservation	0	2,163,648	2,163,648
(4). System Enhancement & Operation	0	2,010,757	2,010,757
(5). Total Construction (1) + (2) + (3) + (4)	0	4,465,103	4,465,103
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	7,036,049	7,036,049
			(Carry forward to page 1)

Notes and Comments:

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

EXHIBIT B-2
CITY OF AURORA, COLORADO
SCHEDULE OF INDEBTEDNESS - ALL FUNDS
DECEMBER 31, 2016

	Interest Rates	Dates Issue	Dates Maturity	Debt Authorized and Issued	Debt Outstanding	Debt Current Maturities
REVENUE BONDS						
Supported by Water Fund revenues						
First-Lien Water Revenue - Refunding	1.50 - 5.00%	8/16/2016	2046	$ 437,025,000	$ 437,025,000	$ -
Unamortized premium				-	79,810,325	-
Unamortized loss on refunding				-	(12,064,025)	-
Total supported by Water Fund revenues				437,025,000	504,771,300	-
Supported by Wastewater Fund revenues						
First-Lien Sewer Revenue - Refunding	1.56%	11/4/2016	2026	28,900,000	28,900,000	2,795,000
Unamortized gain on refunding				-	456,864	-
Total supported by Wastewater Fund revenues				28,900,000	29,356,864	2,795,000
NOTES						
Supported by Water Fund revenues						
Water Rights Rocky Ford II	5.00%	various 2004	2019	8,280,091	353,766	-
Total supported by Water Fund revenues				8,280,091	353,766	-
Supported by Special Assessments						
Special Improvement District - Ptarmigan Fence	5.00%	11/28/2007	2017	1,075,000	105,000	105,000
Special Improvement District - Dam East	2.73%	11/1/2012	2022	1,230,000	600,000	10,000
Total supported by Special Assessments				2,305,000	705,000	115,000
CAPITAL LEASES WITH THIRD PARTY						
Supported by General Fund revenues						
2012B Heavy Fleet Equip (Fire Trucks)	1.340%	12/27/2012	2019	1,773,430	772,578	254,106
2013A Heavy Fleet Equip (Fire Pumper, Misc)	1.355%	7/31/2013	2018	1,336,997	472,437	234,629
2014A Heavy Fleet Equip (Dump Trucks)	1.480%	9/30/2014	2019	1,674,787	1,012,038	332,402
2014B History Museum Expansion	2.560%	12/4/2014	2024	1,383,800	1,135,283	129,601
2015A Fire Self Contained Breathing Apparatus	1.208%	2/27/2015	2019	1,644,700	987,718	325,294
2015B Heavy Fleet Equip (Dump Trucks, Misc)	1.676%	8/19/2015	2022	3,182,736	2,732,531	436,710
2015C District 2 Police Station Project	2.130%	12/4/2015	2025	3,785,000	3,395,000	345,000
2016 A Moorhead Recreation Center	1.250%	8/4/2016	2023	8,643,000	8,643,000	1,234,714
2016 B Heavy Fleet Equip (Dump/Fire Trucks)	1.460%	9/22/2016	2023	2,060,597	2,060,597	294,170
Total supported by General Fund revenues				25,485,047	21,211,182	3,586,626
INCLUDABLE ENTITIES						
Supported by Lease Payments						
ACLC certificates of participation-refunding	3.25 - 5.00%	9/30/2009	2030	84,160,000	80,520,000	3,790,000
ACLC certificates of participation	4.00 - 5.00%	12/30/2014	2024	21,775,000	19,050,000	2,025,000
ACLC certificates of participation	3.50 - 3.75%	5/28/2015	2040	24,340,000	23,715,000	645,000
Unamortized premium				-	7,709,309	-
Unamortized loss on refunding				-	(7,353,616)	-
Total supported by Lease Payments				130,275,000	123,640,693	6,460,000
Supported by Tax Increment revenues						
NBH Capital Finance Note	2.40 - 2.85997%	8/21/2014	2024	27,750,000	27,750,000	-
Total supported by Tax Increment revenues				27,750,000	27,750,000	-
Supported by Property Tax Levies						
GO Bonds - Cherry Creek Fence GID	5.25%	12/8/2009	2029	700,000	530,000	30,000
GO Bonds - Meadow Hills Fence GID	4.99%	9/16/2010	2031	520,000	400,000	20,000
GO Bonds - Peoria Park Fence GID	5.45%	6/1/2010	2031	375,000	306,000	14,000
GO Bonds - Pier Point Sewer GID	4.38%	10/31/2011	2031	2,600,000	2,150,000	105,000
Total supported by Property Tax Levies				4,195,000	3,386,000	169,000
Total supported by Includable Entities				162,220,000	154,776,693	6,629,000
TOTAL INDEBTEDNESS				$ 664,215,138	$ 711,174,805	$ 13,125,626

EXHIBIT B-3
CITY OF AURORA, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2016

Year Due	Governmental Activities							
	General Obligation Bonds Supported by GID Revenues		Certificates of Participation Supported by ACLC Revenues		Notes Payable Supported by SID and AURA Revenues		Capital Leases Supported by General Fund Revenues	
	4.38-5.45%		3.25-5.00%		2.40-5.00% **		1.208-2.56%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 169,000	$ 158,632	$ 6,460,000	$ 5,697,575	$ 115,000	$ 707,324	$ 3,586,626	$ 254,913
2018	174,000	150,697	6,720,000	5,435,825	10,000	820,703	3,612,388	271,181
2019	185,000	142,543	6,995,000	5,160,075	445,000	819,393	3,407,012	217,478
2020	191,000	133,853	7,305,000	4,852,400	655,000	808,176	2,495,820	166,397
2021	202,000	124,890	7,665,000	4,497,875	725,000	786,863	2,516,383	127,466
2022-2026	1,145,000	473,792	38,250,000	16,677,150	26,505,000	2,143,999	5,592,953	156,635
2027-2031	1,320,000	181,608	38,620,000	7,485,675	-	-	-	-
2032-2036	-	-	5,805,000	1,683,275	-	-	-	-
2037-2040	-	-	5,465,000	522,000	-	-	-	-
Total	$ 3,386,000	$ 1,366,015	$ 123,285,000	$ 52,011,850	$ 28,455,000	$ 6,086,458	$21,211,182	$ 1,194,070

Year Due	Business-type Activities					
	Revenue Bonds Supported by Water Revenues		Notes Payable Supported by Water Revenues		Revenue Bonds Supported by Wastewater Revenues	
	1.50-5.00%		5.00%		1.56%	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ -	$ 18,147,048	$ - *	$ -	$ 2,795,000	$ 334,373
2018	-	18,936,050	176,883	17,688	2,725,000	407,238
2019	-	18,936,050	176,883	8,844	2,765,000	364,728
2020	2,350,000	19,048,550	-	-	2,810,000	321,594
2021	4,855,000	19,013,300	-	-	2,855,000	277,758
2022-2026	52,365,000	89,178,000	-	-	14,950,000	706,992
2027-2031	66,380,000	77,621,500	-	-	-	-
2032-2036	81,970,000	62,030,050	-	-	-	-
2037-2041	102,915,000	41,087,550	-	-	-	-
2042-2046	126,190,000	17,807,250	-	-	-	-
Total	$ 437,025,000	$ 381,805,348	$ 353,766	$ 26,532	$ 28,900,000	$ 2,412,683

* A principal and interest payment of $176,883 and $26,532 respectively, was made on the 2004 note payable on December 30, 2016 due January 1, 2017.

** 12-month LIBOR rate at December 30, 2016 per Wall Street Journal is 1.68567%.

EXHIBIT C-1
CITY OF AURORA, COLORADO
SUMMARY OF CONTINUING DISCLOSURES BY ISSUE
DECEMBER 31, 2016:

REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2009A
CERTIFICATES OF PARTICIPATION, SERIES 2014
CERTIFICATES OF PARTICIPATION, SERIES 2015

Required Disclosure	Location
General Fund Operating History	Exhibits C-2 and C-3
Primary Sources of Revenue to the General Fund	Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances
Sales, Use and Lodgers Tax Receipts	Statistical Section, Exhibit A-4
Assessed and Estimated Actual Value of Taxable Property	Statistical Section, Exhibit A-9
Property Tax Levies and Collections	Statistical Section, Exhibit A-12
Ten Principal Real Property Taxpayers	Statistical Section, Exhibit A-11
Mill Levies of Direct and Primary Overlapping Governments	Statistical Section, Exhibit A-10
Authorized, Issued and Outstanding Debt	Schedule of Indebtedness, Exhibit B-1
Long-term Debt Schedules	Schedule of Debt Service Requirements, Exhibit B-2
Direct and Overlapping General Obligation Debt	Statistical Section, Exhibit A-15
Historical Summary of Debt Ratios	Statistical Section, Exhibit A-13 and A-14
Legal Debt Margin	Statistical Section, Exhibit A-16

FIRST LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2016

Required Disclosure	Location
Water Fund Operating History	Exhibit C-4
Water System Statistics	Exhibit C-5
Maximum Annual Debt Service Coverage	Exhibit C-6
Historical Water Revenue Bond Coverage	Statistical Section, Exhibit A-17
Debt Supported by Water Fund	Schedule of Indebtedness, Exhibit B-1

METRO WASTEWATER RECLAMATION DISTRICT, COLORADO:
SEWER REFUNDING BONDS, SERIES 2002A
SEWER REFUNDING BONDS, SERIES 2003B
SEWER REFUNDING BONDS, SERIES 2008A
SEWER IMPROVEMENT BONDS, SERIES 2009A AND 2009B
SEWER IMPROVEMENT BONDS, SERIES 2012A

The city of Aurora has no obligation related to payment of the Metro Wastewater Reclamation District Bonds. However, as a significant source of Metro Wastewater Reclamation District revenue, the city has agreed to the following continuing disclosures:

Required Disclosure	Location
Wastewater Fund Operating History	Exhibit C-7
General Fund Operating History	Exhibits C-2 and C-3
Assessed & Estimated Actual Value of Taxable Property by Class	Exhibit C-9
Historical Summary of Debt Ratios	Statistical Section, Exhibit A-17
Property Tax Levies and Collections	Statistical Section, Exhibit A-12
Assessed and Estimated Actual Value of Taxable Property	Statistical Section, Exhibit A-9

EXHIBIT C-2
CITY OF AURORA, COLORADO
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (US GAAP BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
REVENUES					
Taxes	$ 215,073,673	$ 226,282,963	$ 245,459,685	$ 263,839,123	$ 281,772,828
Charges for services	10,295,801	11,068,914	12,235,023	14,596,052	13,137,540
License and permits	2,366,173	2,439,943	3,590,412	3,853,212	3,636,546
Fines and forfeitures	10,335,263	10,792,601	10,651,519	9,286,892	8,315,589
Intergovernmental	13,457,968	13,979,711	13,871,528	15,307,102	18,719,484
Miscellaneous	1,825,295	1,834,901	1,298,524	1,905,016	1,742,998
Investment earnings	916,119	316,380	1,126,780	895,724	895,946
Total revenues	254,270,292	266,715,413	288,233,471	309,683,121	328,220,931
EXPENDITURES					
Current					
General government	22,013,708	23,470,892	26,394,874	31,320,749	30,428,256
Judicial	8,106,247	8,346,956	8,898,016	9,670,673	10,477,367
Police	85,460,066	88,859,630	90,437,109	95,207,157	99,286,882
Fire	38,410,555	39,372,791	41,182,038	44,388,776	46,353,191
Other public safety	10,397,756	10,514,310	10,914,973	10,736,034	7,614,275
Public works	23,454,541	23,986,149	25,463,990	27,907,578	27,476,501
Economic development	4,114,525	4,835,077	5,210,214	6,298,208	5,773,989
Community services	3,674,044	4,402,416	5,239,217	5,866,440	7,375,572
Culture and recreation	16,461,477	15,956,170	17,140,761	18,043,809	19,953,695
Debt service					
Principal	436,286	407,080	—	—	—
Interest	29,690	12,055	—	—	—
Capital outlay	3,149,982	2,876,987	3,978,437	3,655,967	4,590,941
Total expenditures	215,708,877	223,040,513	234,859,629	253,095,391	259,330,669
Excess of revenues over expenditures	38,561,415	43,674,900	53,373,842	56,587,730	68,890,262
Net other financing uses (a)	(24,901,576)	(42,090,745)	(44,606,402)	(51,591,776)	(68,936,258)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	13,659,839	1,584,155	8,767,440	4,995,954	(45,996)
FUND BALANCES - January 1	65,527,794	79,187,633	80,771,788	89,539,228	94,535,182
FUND BALANCE - December 31	$ 79,187,633	$ 80,771,788	$ 89,539,228	$ 94,535,182	$ 94,489,186

(a) Net other financing uses consist primarily of transfers to other funds.

EXHIBIT C-3
CITY OF AURORA, COLORADO
GENERAL FUND
COMPARATIVE SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE, ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	2012 Actual	2012 Budget	2013 Actual	2013 Budget	2014 Actual	2014 Budget	2015 Actual	2015 Budget	2016 Actual	2016 Budget
SOURCES										
Taxes	$ 214,126,882	$ 202,381,882	$ 225,245,557	$ 209,239,485	$ 243,023,835	$ 228,563,899	$ 262,599,347	$ 243,931,980	$ 278,680,022	$ 273,968,137
Licenses and permits	2,349,161	2,247,623	2,439,943	2,302,868	3,590,068	3,001,745	3,799,966	3,330,642	3,636,547	3,837,181
Intergovernmental	13,457,968	13,071,193	13,379,711	12,899,795	13,871,528	13,412,194	15,307,102	13,936,269	16,165,584	15,525,757
Charges for services	9,645,286	9,252,640	10,362,458	10,997,245	11,518,183	11,662,476	11,545,481	11,731,668	12,300,999	12,903,339
Fines and forfeitures	5,862,518	6,190,000	6,081,941	6,269,899	6,040,711	5,831,447	5,088,514	6,234,902	4,634,747	6,192,333
Investment income	706,190	950,000	743,869	557,409	694,202	637,105	911,467	868,621	1,023,083	833,115
Other revenues	1,695,064	1,035,210	1,783,680	1,180,827	1,177,863	1,422,649	1,567,379	1,069,038	1,271,032	1,073,424
Proceeds from sale of assets	—	—	—	—	—	—	347,419	320,000	680,023	259,000
Transfers in	1,176,743	1,461,743	1,160,750	1,160,750	1,166,862	1,100,000	1,290,173	1,288,286	1,667,007	1,667,007
Funds from restricted assets	—	—	—	—	(2,120,000)	—	—	—	23,653	—
Total sources	249,019,812	236,590,291	261,197,909	244,608,278	278,963,252	265,631,515	302,456,848	282,711,406	320,082,697	316,259,293
USES										
Municipal Court	9,940,492	10,108,802	9,993,886	10,192,800	10,398,781	10,517,338	11,863,554	12,440,569	13,011,094	13,165,833
City Attorney	4,986,345	5,063,069	5,278,889	5,279,665	5,543,534	5,543,534	5,905,348	5,905,352	6,484,598	6,485,501
General Management	3,691,985	3,903,153	3,971,757	4,125,794	4,245,506	4,349,026	4,713,785	4,799,523	5,163,951	5,363,463
Administrative Services	24,074,021	24,497,130	25,140,094	26,335,995	28,281,880	28,664,630	30,019,702	31,426,132	31,621,685	33,792,149
Operations Group Management	43,037,806	44,113,423	43,486,396	44,749,092	47,477,226	48,159,153	50,652,417	52,015,359	54,628,437	57,137,959
Community Services	120,831,277	120,804,758	126,049,167	126,052,979	128,352,725	128,558,401	137,386,265	137,352,683	143,002,563	143,617,172
Non-departmental	30,277,780	30,693,464	47,792,620	48,590,055	49,736,960	50,592,780	58,606,001	59,130,162	70,519,369	71,189,946
Total uses	236,839,706	239,183,799	261,712,809	265,326,380	274,036,612	276,384,862	299,147,072	303,069,780	324,431,697	330,752,023
Excess (deficiency) of revenues over (under) expenditures	12,180,106	(2,593,508)	(514,900)	(20,718,102)	4,926,640	(10,753,347)	3,309,776	(20,358,374)	(4,349,000)	(14,492,730)
FUNDS AVAILABLE - January 1	39,500,267	39,500,267	51,716,988	51,716,988	51,202,088	51,202,088	56,128,728	56,128,728	59,438,504	59,438,504
FUNDS AVAILABLE - December 31	51,680,373	$ 36,906,759	51,202,088	$ 30,998,886	56,128,728	$ 40,448,741	59,438,504	$ 35,770,354	55,089,504	$ 44,945,774
Committed for Reserves (10% policy)	(20,790,709)		(21,745,473)		(22,547,520)		(24,488,545)		(474,660)	
Restricted for Emergencies (TABOR)	(9,401,524)		(9,655,083)		(7,908,349)		(8,323,923)		(26,011,886)	
Funds available - after restrictions, and commitments	$ 21,488,140		$ 19,801,532		$ 25,672,859		$ 26,626,036		$ 28,602,958	
Reconciliation to GAAP fund balance										
Funds available - December 31	$ 51,680,373		$ 51,202,088		$ 56,128,728		$ 59,438,504		$ 55,089,504	
Current year encumbrances	1,354,274		1,647,739		1,379,307		3,430,358		2,584,851	
Sales, use and lodgers tax accrual	18,325,116		19,362,521		21,798,371		23,038,147		26,130,953	
Long-term interfund receivables	449,668		617,168		405,971		225,753		78,251	
Assets not available for appropriation	—		—		2,125,499		2,140,340		2,129,932	
Deferred revenues-grant awards	(232,214)		—		—		—		—	
Adjust investments to fair value	263,626		(167,605)		(17,710)		(106,869)		(278,312)	
Adjust for fund perspective difference	7,346,790		8,109,877		7,719,062		6,368,949		8,754,007	
FUND BALANCE - December 31	$ 79,187,633		$ 80,771,788		$ 89,539,228		$ 94,535,182		$ 94,489,186	

EXHIBIT C-4
CITY OF AURORA, COLORADO
WATER FUND
OPERATING HISTORY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
OPERATING REVENUES					
Charges for services					
Customers	$ 112,403,991	$ 97,187,860	$ 125,028,918	$ 102,488,841	$ 115,044,646
Total operating revenues	112,403,991	97,187,860	125,028,918	102,488,841	115,044,646
OPERATING EXPENSES					
Cost of sales and services	41,782,745	42,640,617	49,351,361	50,393,700	52,871,359
Administrative expenses	4,074,618	4,223,389	2,138,358	2,961,771	3,463,181
Depreciation	26,608,375	28,469,745	29,495,894	29,472,592	30,024,405
Total operating expenses	72,465,738	75,333,751	80,985,613	82,828,063	86,358,945
Operating income	39,938,253	21,854,109	44,043,305	19,660,778	28,685,701
NON-OPERATING REVENUES (EXPENSES)					
Investment income	3,744,862	2,006,894	3,858,080	3,202,708	1,906,106
Intergovernmental revenue	94,055	2,180,526	1,723,351	653,591	32,375
Miscellaneous revenue	347,362	267,117	240,691	431,871	372,527
Interest expense	(28,561,411)	(25,650,137)	(24,211,342)	(22,652,684)	(18,857,258)
Bond issuance expense	—	—	—	—	(2,550,621)
Amortization expense	955,621	398,385	677,935	375,461	1,078,743
Gain (loss) - disposal capital assets	(1,340,467)	(2,089,943)	(271,577)	26,070	(433,081)
Gain (loss) - early extinguishment of debt	(5,643,142)	—	(1,563,264)	117,614	—
Gain (loss) - joint venture	(32,165)	(33,628)	59,356	32,742	(24,891)
Net non-operating expenses	(30,435,285)	(22,920,786)	(19,486,770)	(17,812,627)	(18,476,100)
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	9,502,968	(1,066,677)	24,556,535	1,848,151	10,209,601
Capital contributions	21,571,350	23,137,323	22,167,754	32,335,016	64,967,312
Transfers In	—	—	—	—	50,000
INCREASE IN NET POSITION	31,074,318	22,070,646	46,724,289	34,183,167	75,226,913
NET POSITION - January 1, before restatement	1,065,919,888	1,092,184,940	1,114,255,586	1,160,979,875	1,195,006,170
Adjustment for change in accounting principle	(4,809,266)	—	—	(156,872)	—
NET POSITION - January 1, after restatement	1,061,110,622	1,092,184,940	1,114,255,586	1,160,823,003	1,195,006,170
NET POSITION - December 31	$ 1,092,184,940	$ 1,114,255,586	$ 1,160,979,875	$ 1,195,006,170	$ 1,270,233,083

EXHIBIT C-4
CITY OF AURORA, COLORADO
WATER FUND
OPERATING HISTORY
SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
SOURCES					
Charges for services	$ 112,331,690	$ 97,069,815	$ 124,914,163	$ 102,351,506	$ 114,913,654
Intergovernmental	91,838	2,210,135	1,690,524	2,748,403	20,937
Licenses and permits	72,301	118,045	114,755	134,042	128,490
Fines and forfeitures	1,357	1,135	1,296	3,293	2,502
Investment income	3,651,642	3,233,568	3,356,081	3,363,669	2,773,919
Miscellaneous revenues	20,536,096	22,363,769	20,730,039	25,284,973	39,167,995
Proceeds from sale of assets	31,864	99,773	76,602	187,413	105,758
Proceeds from long-term borrowings	—	—	—	—	517,847,922
Transfers in	—	—	—	—	50,000
Funds from restricted assets	380,000	910,000	(241,757)	—	37,830,158
Total sources	137,096,788	126,006,240	150,641,703	134,073,299	712,841,335
USES					
Operating Costs					
Operations group	125,109,145	78,335,727	105,937,913	109,933,290	636,062,953
Continuing Appropriations					
Operations group	6,250,052	15,917,846	53,330,405	35,765,778	62,219,271
Total uses	131,359,197	94,253,573	159,268,318	145,699,068	698,282,224
Change in funds available	5,737,591	31,752,667	(8,626,615)	(11,625,769)	14,559,111
FUNDS AVAILABLE - January 1	39,783,027	45,520,618	77,273,285	68,646,670	57,020,901
FUNDS AVAILABLE - December 31	$ 45,520,618	$ 77,273,285	$ 68,646,670	$ 57,020,901	$ 71,580,012

EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Water Usage and Billed Revenues by Classification

Classification	Consumption (thousand gallons)	Percent of Consumption	Billed Revenue	Percent of Billed
Residential	6,869,008	38%	$ 47,640,627	45%
Multi-Family	3,744,230	20%	22,033,810	21%
Commercial	3,538,369	20%	21,262,953	20%
Irrigation	1,496,217	8%	10,002,682	9%
Other (a)	2,373,724	13%	5,675,641	5%
Total	**18,021,548**	**100%**	**$106,615,713**	**100%**

(a) Includes tertiary, trade, hydrant, raw water and well water customers billed through utility billing system.

Water System Annual Billed Revenues and Cash Collection (b)

Classification	2012	2013	2014	2015	2016
Billed revenues	$ 107,066,380	$ 92,937,171	$ 94,532,190	$ 97,966,627	$107,370,630
Cash collected during year for current and prior year's sales	107,152,680	93,786,045	94,693,590	98,161,298	107,236,053
Percentage of billed revenues collected	100.1%	100.9%	100.2%	100.2%	99.9%

(b) Revenues include metered sales, fire protection, raw water irrigation, raw water resale, well water, tertiary reuse water, related services (trip charges, meter testing, wasting water fees, non-sufficient funds fees, delinquent shut offs and late charges) and other. Adjusted to match cash collection cycle.

Customers by Class (c)

Classification	2012	2013	2014	2015	2016
Residential (1-4 units)	72,116	73,210	74,116	75,009	76,176
Multi-Family (5+ units)	2,416	2,419	2,430	2,470	2,478
Commercial	2,929	2,939	2,958	2,983	3,006
Irrigation	1,116	1,116	1,091	1,098	1,122
Total	78,577	79,684	80,595	81,560	82,782

(c) Excludes tertiary, hydrant, raw, and well water customers. Also excludes inactive and stubbed taps.

Aurora Water Rates History and Average Annual Water Bill

Single Family Residential	2012	2013	2014	2015	2016
Base charge	$ 12.06	$ 12.06	$ 12.06	$ 12.06	$ 12.06
Rates per 1,000 gallons	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure
Average annual bill	$ 681.38	$ 602.32	$ 581.08	$ 587.40	$ 625.32

EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

The following table sets forth the ten largest consumers of the Water System, which, in aggregate, accounted for 11.1% of the total billed metered treated water sales in 2016.

Ten Largest Treated Water Customers of Water System - 2016

Customer	Consumption (a)	Percent of Top Ten Consumption	Billed Revenues	Percent of Top Ten Billed Revenues
City of Aurora	462,559	24%	$ 3,063,048	26%
University of Colorado Denver	309,145	16%	1,858,779	16%
Aurora Public Schools	286,005	15%	1,712,535	15%
Buckley Air Force Base	215,662	11%	1,284,692	11%
Cherry Creek Schools	174,246	9%	1,003,822	8%
Heather Gardens HOA	171,019	9%	1,059,324	9%
Niagara Bottling LLC	126,059	7%	734,590	6%
Aurora Hills Apartments	60,868	3%	362,535	3%
Tallyn's Reach Metro District	58,026	3%	379,638	3%
Children's Hospital Colorado	56,073	3%	327,129	3%
Total	1,919,662	100%	$ 11,786,092	100%

(a) In thousand gallons. Includes water and irrigation customers only

Monthly Service Charge (b)

Meter Size	2012	2013	2014	2015	2016
5/8" & 3/4"	$ 12.06	$ 12.06	$ 12.06	$ 12.06	$ 12.06
1"	17.77	17.77	17.77	17.77	17.77
1 1/4"	17.77	17.77	17.77	17.77	17.77
1 1/2"	27.31	27.31	27.31	27.31	27.31
2"	38.74	38.74	38.74	38.74	38.74
3"	69.23	69.23	69.23	69.23	69.23
4"	103.53	103.53	103.53	103.53	103.53
6"	198.81	198.81	198.81	198.81	198.81
8"	465.60	465.60	465.60	465.60	465.60

(b) Monthly fee equals the Monthly Service Charge (based on meter size) plus a charge per 1,000 gallons used

Average Daily and Peak Day Demand

In Millions of Gallons	2012	2013	2014	2015	2016
Average Daily Water Treatment Plant Influent	47.3	40.3	40.7	42.3	45.6
Average Daily Distribution	45.5	39.5	39.9	41.5	44.9
Peak Hour Distribution	156.4	145.5	124.0	126.0	138.2
Peak Day Water Treatment Plant Influent	90.8	84.8	81.5	87.0	89.3
Peak Day Distribution	88.5	83.9	78.3	83.0	87.8

EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Water Service Connection Fee

Type and Size of Connection	2012	Jan - Nov 2013	Dec 2013	2014	2015	2016
Single Family Detached						
5/8" & 3/4"	$ 24,460	$ 24,460	See Below Table	See Below Table	See Below Table	See Below Table
1"	43,700	43,700	See Below Table	See Below Table	See Below Table	See Below Table
Single Family Attached (per unit)	13,515	13,515	$ 8,814	$ 8,814	$ 8,814	$ 8,814
Multi-Family (per unit)	12,494	12,494	8,814	8,814	8,814	8,814
Commercial (b)			(b)	(b)	(b)	(b)
5/8" & 3/4"	24,460	24,460	20,043	20,043	20,043	20,043
1"	42,365	42,365	35,876	35,876	35,876	35,876
1 1/2"	97,620	97,620	78,767	78,767	78,767	78,767
2"	173,374	173,374	143,104	143,104	143,104	143,104
3"	389,818	389,818	(a)	(a)	(a)	(a)
4"	693,500	693,500	(a)	(a)	(a)	(a)
6"	1,560,930	1,560,930	(a)	(a)	(a)	(a)
8"	2,775,412	2,775,412	(a)	(a)	(a)	(a)

(a) Effective 12/1/2013, Commercial water service connection fees for meters greater than 2" will be determined on an individual basis.
(b) Commercial Water Connection fees for a service connection size of 3" or greater is based on the verified average daily demand of the commercial user (measured in gallons per day) x $57.45. For purposes of this section, verified average daily demand shall be determined by the water director and shall be based on the number of fixtures and the characteristics of the commercial development.

Water Service Connection Fee

	Since 2013
Single Family Detached	
Indoor Use:	
1-2 bathrooms	$ 5,509
3-4 bathrooms	8,901
5+ bathrooms	15,425
Outdoor Use (Single Family Residential Detached and Single Family Residential Attached-Fee Simple Lots)	
Per Square Foot of Lot Size	0.941
Irrigation	
Non-water Conserving (per square foot of landscaped area)	2.75
Water Conserving (per square foot of landscaped area)	1.47
Z-Zone (per square foot, $20,000 deposit, remove after 3 years)	—
Z-Zone is a temporary water option for irrigation only that allows for establishment of low-water plant material	

Tap and Development Fee Revenues (c)

Year	Tap Fee Revenues	Development Fee Revenue	Total Tap and Development Fees
2012	$ 24,144,078	$ 99,249	$ 24,243,327
2013	24,144,078	99,249	24,243,327
2014	21,949,651	53,926	22,003,577
2015	20,026,461	100,400	20,126,861
2016	38,307,283	168,897	38,476,180

(c) Development fees include main extension and front footage (2012). Front footage fees were eliminated in 2013.

EXHIBIT C-5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

	Tiered Usage Rates				
Type of Account	**2012**	**2013**	**2014**	**2015**	**2016**
Residential/ Multifamily (less than 5 units)					
Tier 1- (0-20,000 gals)	$ 5.27	$ 5.27	$ 5.27	$ 5.27	$ 5.27
Tier 2- (20,001-40,000 gals)	6.00	6.00	6.00	6.00	6.00
Tier 3- (40,001 gals and above)	7.50	7.50	7.50	7.50	7.50
Multifamily (five or more units)					
Tier 1- (up to 100% allocation)	5.60	5.60	5.60	5.60	5.60
Tier 2- (greater than 100%)	6.16	6.16	6.16	6.16	6.16
Commercial					
Tier 1- (up to 100% allocation)	5.67	5.67	5.67	5.67	5.67
Tier 2- (greater than 100%)	6.24	6.24	6.24	6.24	6.24
Irrigation					
Tier 1- (up to 100% allocation)	6.48	6.48	6.48	6.48	6.48
Tier 2- (greater than 100%)	7.13	7.13	7.13	7.13	7.13

Beginning 2008, rates for multifamily, commercial and irrigation customers are based on the Annual Block Allocation amounts which are the individualized annual water budgets allocated to each customer for use in each calendar year.

EXHIBIT C-6
CITY OF AURORA, COLORADO
WATER FUND
MAXIMUM ANNUAL DEBT SERVICE COVERAGE
FOR THE YEARS ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
Net Pledged Revenue					
Charges for Services	$112,403,991	$97,187,860	$98,735,493	$102,488,841	$115,044,646
Roxborough One Time User Charge	—	—	26,293,425	—	—
Development Fee (a)	20,243,327	22,003,577	20,126,862	26,671,937	38,518,353
Other Non-Operating Revenue (b)	4,124,923	5,780,984	5,396,725	4,636,544	3,284,579
(Less) Operating Expense	(72,465,738)	(75,333,751)	(80,985,613)	(82,828,063)	(86,358,945)
Add: Depreciation	26,608,375	28,469,745	29,495,894	29,472,592	30,024,405
Total	$90,914,878	$78,108,415	$99,062,786	$80,441,851	$100,513,038
Maximum Annual Debt Service					
First-Lien Revenue Obligations (c)	$44,982,063	$44,982,063	$44,982,063	$38,251,750	$28,802,800
All Obligations Secured by Net Pledged Revenue (d)	49,397,939	49,397,939	49,397,939	42,667,627	28,802,800
Coverage					
First-Lien Revenue Obligations	2.02	1.74	2.20	2.10	3.49
Combined First-Lien Revenue Obligations and All Obligations Secured by Net Pledged Revenues	1.84	1.58	2.01	1.89	3.49

(a) Includes tap, main extension, front footage fees. Does not include annexation fees. Total is net of any reimbursement of previously paid tap fees.

(b) Includes investment income, insurance recoveries and other non-operating revenue. Excludes fair value and interest on urban drainage.

(c) From 2012 to 2014, first lien maximum annual debt service would have occured in 2033 and included the city's portion of 2005D (CWR&PDA) and the city's First Lien Water Improvement Revenue Bonds Series 2007A and 2008A. In 2015, the 2005D bonds were fully defeased and as a result, maximum annual debt service decreased and would occur in 2032. In 2016, the Series 2007A and 2008A bonds were defeased with proceeds from the Series 2016 First Lien Revenue Bonds. As of 2016, maximum annual debt service will occur in 2025. Annual first lien debt service is approximately $28.8 million for the years 2023 through 2046.

(d) Includes 2007 CWCB note and other water rights notes payable. From 2012 to 2014, maximum annual debt service would have occurred in 2033. In 2015, the 2005D bonds were fully defeased and as a result, maximum annual debt service decreased and would occur in 2032. In 2016, the CWCB note was paid in full with proceeds from the Series 2016 First Lien Revenue Bonds.

EXHIBIT C-7
CITY OF AURORA, COLORADO
OPERATING HISTORY
WASTEWATER FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
OPERATING REVENUES					
Charges for services	$ 51,687,414	$ 53,202,354	$ 56,250,431	$ 57,664,236	$ 61,010,961
Total operating revenues	51,687,414	53,202,354	56,250,431	57,664,236	61,010,961
OPERATING EXPENSES					
Cost of sales and services	35,896,465	39,732,792	42,138,859	44,953,375	46,201,755
Administrative expenses	1,401,569	1,403,135	1,006,166	1,064,355	1,188,042
Depreciation	8,756,083	8,866,969	9,530,485	10,133,859	10,848,883
Total operating expenses	46,054,117	50,002,896	52,675,510	56,151,589	58,238,680
Operating income	5,633,297	3,199,458	3,574,921	1,512,647	2,772,281
NON-OPERATING REVENUES (EXPENSES)					
Investment income	1,462,276	541,454	1,152,389	912,735	775,011
Intergovernmental revenue	—	528,439	639,105	2,131,543	—
Miscellaneous revenue	5,148,986	22,540	29,104	71,244	126,852
Interest expense	(2,142,921)	(1,592,843)	(753,289)	(602,477)	—
Bond issuance expense	—	—	—	—	(67,731)
Amortization expense	66,918	444,907	29,655	29,655	31,297
Gain (loss) - disposal capital assets	29,799	(85,195)	(158,999)	107,659	104,035
Loss - early extinguishment of debt	—	(2,184,549)	—	—	—
Net non-operating revenues (expenses)	4,565,058	(2,325,247)	937,965	2,650,359	969,464
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	10,198,355	874,211	4,512,886	4,163,006	3,741,745
Capital contributions	4,725,296	4,612,824	7,940,762	12,203,329	36,928,988
INCREASE IN NET POSITION	14,923,651	5,487,035	12,453,648	16,366,335	40,670,733
NET POSITION - January 1, before restatement	457,738,369	472,244,308	477,731,343	490,184,991	506,478,286
Adjustment for accounting changes	(417,712)	—	—	(73,040)	—
NET POSITION - January 1, after restatement	457,320,657	472,244,308	477,731,343	490,111,951	506,478,286
NET POSITION - December 31	$ 472,244,308	$ 477,731,343	$ 490,184,991	$ 506,478,286	$ 547,149,019

EXHIBIT C-7
CITY OF AURORA, COLORADO
OPERATING HISTORY
WASTEWATER FUND
SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	2012	2013	2014	2015	2016
SOURCES					
Charges for services	$ 51,636,913	$ 53,147,904	$ 56,186,631	$ 57,598,847	$ 60,936,669
Intergovernmental revenues	—	2,686,405	299,087	1,122,929	1,002,393
Investment income	1,325,143	1,127,788	961,426	999,766	953,522
Other revenues	6,637,525	4,650,466	6,260,381	5,092,160	6,969,944
Proceeds from sale of assets	39,426	10,634	2,568	107,659	104,035
Proceeds from long-term borrowings	—	—	—	—	28,900,000
Funds from restricted assets	1,716,209	335,376	—	—	3,995,645
Total sources	61,355,216	61,958,573	63,710,093	64,921,361	102,862,208
USES					
Operating Costs					
Operations group	47,053,956	64,537,429	44,707,496	47,970,872	80,257,440
Continuing Appropriations					
Operations group	6,696,082	16,332,253	30,810,433	6,167,471	22,824,952
Total uses	53,750,038	80,869,682	75,517,929	54,138,343	103,082,392
Change in funds available	7,605,178	(18,911,109)	(11,807,836)	10,783,018	(220,184)
FUNDS AVAILABLE - January 1	37,723,041	45,328,219	26,417,110	14,609,274	25,392,292
FUNDS AVAILABLE- December 31	$ 45,328,219	$ 26,417,110	$ 14,609,274	$ 25,392,292	$ 25,172,108

EXHIBIT C-8
CITY OF AURORA, COLORADO
WASTEWATER FUND
SEWER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Sanitary Sewer Usage and Revenues by Classification

Classification	Percent of Consumption	Percent of Revenue
Business	22%	21%
Residential	78%	79%
Totals	**100%**	**100%**

Customers by Class

Classification	2012	2013	2014	2015	2016 (a)
Residential (1-4 units)	72,138	73,229	74,205	75,039	76,136
Multi-Family (5+ units)	2,419	2,416	2,432	2,468	2,502
Commercial	2,873	2,889	2,935	2,935	2,974
Total	**77,430**	**78,534**	**79,572**	**80,442**	**81,612**

(a) Prior to 2016, all sewer only accounts were added to the Residential customer class. In 2016, these accounts were allocated between Residential, Multi-Family or Commercial customer class accordingly.

Ten Largest Customers of the Sanitary Sewer System

Customer	Billed Revenues
University of Colorado Denver	$ 574,283
Buckley Air Force Base	297,761
Heather Gardens HOA	276,099
Niagara Accounts	257,897
Aurora Public Schools	202,537
Westdale Asset Management	176,274
11850 E Maple, LP	159,110
Landings at Buckley	146,864
Children's Hospital Colorado	140,223
Cherry Creek Schools	139,946
Total	$ 2,370,994

These ten customers accounted for 6% of the total billed sanitary sewer sales in 2016.

Sanitary Sewer Monthly Service Charge by Tap Size (b)

Tap Size	2012	2013	2014	2015	2016
5/8" and 3/4"	$ 3.22	$ 3.39	$ 3.52	$ 3.66	$ 3.81
1" & 1 ¼"	7.65	8.05	8.36	8.69	9.53
1 1/2"	16.09	16.93	17.57	18.27	19.05
2"	25.72	27.06	28.09	29.21	30.48
3"	56.34	59.27	61.52	63.98	66.68
4"	161.00	169.37	175.81	182.84	190.50
6"	322.02	338.77	351.64	365.71	381.00

(b) The total monthly fee includes the monthly service charge plus a volume charge of $3.50 per 1,000 gallons average water use for December, January and February.

EXHIBIT C-8
CITY OF AURORA, COLORADO
WASTEWATER FUND
SEWER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Sanitary Sewer Tap Fees by Service Size

Customer	2012	2013	2014	2015	2016
Single Family Detached (per unit)	$ 2,771	$ 2,400	$ 2,400	$ 2,400	$ 2,400
Single Family Attached (per unit)	1,524	1,320	1,320	1,320	1,320
Multi-family (per unit)	1,413	1,224	1,224	1,224	1,224
Commercial (per tap size):					
¾	5,264	4,560	4,560	4,560	4,560
1” & 1 ¼”	12,468	10,800	10,800	10,800	10,800
1 1/2”	30,477	26,400	26,400	26,400	26,400
2	55,413	48,000	48,000	48,000	48,000
3	116,368	100,800	100,800	100,800	100,800
4	210,571	182,400	182,400	182,400	182,400
6 and larger	(a)	(a)	(a)	(a)	(a)

(a) Commercial sanitary sewer fees for meters 6 inch and greater are determined on an individual basis.

Sewer Tap and Development Fee Revenues (b)

	2012	2013	2014	2015	2016
Sanitary Sewer Tap Fees	$ 2,672,735	$ 2,566,584	$ 3,593,025	$ 4,180,531	$ 5,184,196
Utility- Front footage	110,569	n/a	n/a	n/a	n/a
Total Tap and Development Fees	**$ 2,783,304**	**$ 2,566,584**	**$ 3,593,025**	**$ 4,180,531**	**$ 5,184,196**

(b) Development fees include main extensions and front footage (2012) and exclude annexation, storm drain development and fees reimbursed to others. Front footage fees were eliminated in 2013.

Storm Drain Rates and Charges

The city imposes storm drainage fees upon the owners of property served by the System’s storm sewer facilities. In addition, developers are charged a $2,818 per acre storm drainage development fee at the time building permits are issued. The storm drainage fee is $9.16 per month for single family detached and individually metered single family attached dwellings. The storm drainage fee is $9.16 per month plus $7.21 per month for each additional unit for multifamily and master metered single family attached dwellings. For commercial and industrial building, the storm drainage fee is $9.16 per month for the first 2,500 square feet of gross floor space plus $7.21 for each additional 2,500 square feet of gross floor space or portion thereof.

EXHIBIT C-9
CITY OF AURORA, COLORADO
GENERAL FUND
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
FOR THE YEAR ENDED DECEMBER 31, 2016

Class	Assessed Valuation Adams	Assessed Valuation Douglas	Assessed Valuation Arapahoe	Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	$ 124,717,040	$ 9,017,400	$ 1,771,205,325	$ 1,904,939,765	52.1%
Commercial	406,275,440	-	786,874,205	1,193,149,645	32.6%
Personal Property	166,591,020	118,400	259,602,419	426,311,839	11.7%
State Assessed	2,301,840	600	12,980,390	15,282,830	0.4%
Vacant	15,893,810	6,781,490	66,773,401	89,448,701	2.4%
Industrial	10,515,590	-	380,702	10,896,292	0.3%
Agricultural	1,134,450	7,970	1,383,175	2,525,595	0.1%
Oil and Gas	47,830	-	16,028,242	16,076,072	0.4%
Natural Resources	1,670	1,110	27,390	30,170	0.0%
Total	$ 727,478,690	$ 15,926,970	$ 2,915,255,249	$ 3,658,660,909	100.0%

Total assessed valuation excludes various tax increment financing districts located within the City of Aurora.

Controller's Office

City of Aurora

15151 E. Alameda Parkway, Suite 5700

Aurora, Colorado 80012

Telephone: 303.739.7800 • Fax: 303.739.7779

Email: controller@auroragov.org

Access Aurora: 303.739.7000

City of Aurora home page: http://www.auroragov.org