



The following financial report analysis offers readers a narrative overview of the financial activities of the City for the period January through December, 2010; this period will be referred to as Year-to-Date (YTD) throughout this document. The monthly financial statement package includes statements for the following funds: General Fund, Land Use Fund, Capital Improvement Fund, Conservation Trust Fund, Open Space Fund, General Improvement District Funds, and the Centennial Urban Redevelopment Authority Fund. Readers are encouraged to consider the information presented here in conjunction with the unaudited financial statements attached to this report. These statements are preliminary and will change as more information becomes available. The amounts to be carried forward to 2011 have not been finalized or approved by City Council, with the exception of the \$0.8 million for the EECBG (Energy Efficiency and Conversation Block Grant) supplemental budget appropriation approved by City Council on January 18, 2011.

Summary of the December, 2010 YTD Financial Statements

GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD

Revenues

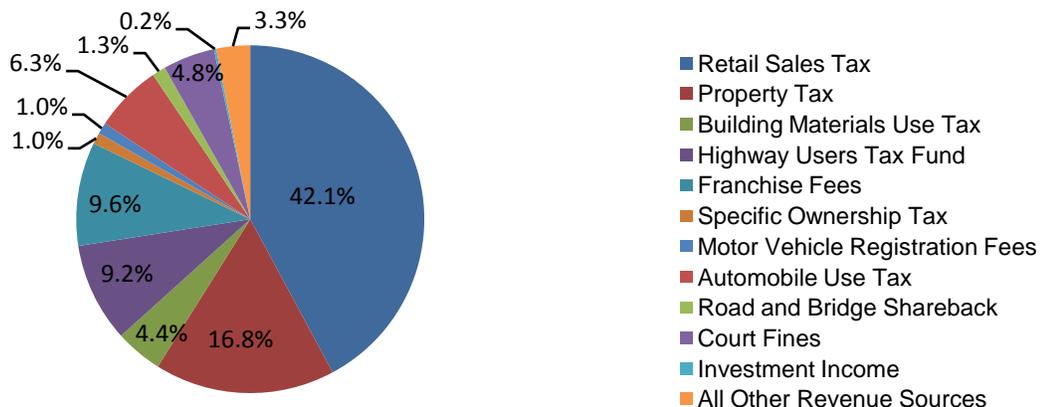
The following table is a summary comparison of the primary revenue sources YTD for 2009 and 2010:

(dollar amounts in millions)

	YTD 2010	YTD 2009	\$ Variance	% Variance
Retail Sales Tax	\$ 20.1	\$ 17.6	\$ 2.5	14.2%
Property Tax	8.0	7.8	0.2	3.1%
Building Materials Use Tax	2.1	2.0	0.1	2.9%
Highway Users Tax Fund	4.4	3.9	0.5	12.1%
Franchise Fees	4.6	4.2	0.4	9.9%
Specific Ownership Tax	0.5	0.5	-	-3.3%
Motor Vehicle Registration Fees	0.5	0.4	0.1	15.9%
Automobile Use Tax	3.0	3.1	(0.1)	-0.6%
Road and Bridge Shareback	0.6	0.6	-	-2.4%
Court Fines	2.3	2.2	0.1	1.7%
Investment Income	0.1	0.1	-	-31.9%
All Other Revenue Sources	1.5	1.9	(0.4)	-14.8%
	<u>\$ 47.7</u>	<u>\$ 44.3</u>	<u>\$ 3.4</u>	<u>7.8%</u>

Note: Dollar amounts shown have been rounded; percentages are actual based on whole dollars.

2010 YTD Revenues by Source, as a Percentage of Total Revenues



Retail Sales Tax

Retail Sales Tax revenue YTD 2010 is \$2.5 million, or 14.2% more than collections YTD 2009. The increase in collections is due to several factors including an increase in sales tax collections at The Streets at SouthGlenn, issuance of Retail Sales Tax Licenses to businesses in the City and outside of the City limits, and collection of delinquent sales tax. Sales tax revenue generated by retailers at The Streets at SouthGlenn is \$0.8 million, or 60% higher than YTD 2009; this trend should continue as the center nears the desired percentage of leased retail space.

The City's retail sales tax licensing program continues to identify businesses that should be licensed. Ninety-nine percent of businesses located in the City are licensed, collecting and remitting sales tax. Efforts to identify retailers outside of the City that should be licensed are a measured goal that will increase overall compliance with the City's ordinance. To date, 533 (net) new licenses have been issued contributing approximately \$1.5 million to YTD sales tax revenue, including delinquency revenues collected. Licensing efforts not only result in sales tax collections for subsequent periods, but may identify sales tax due for previous periods. Sales tax auditing efforts also increase overall compliance with the City's ordinance. On-line filing of tax returns and remittance of amounts due has increased from 3.4% in February, 2009 to 19.1% for December, 2010.

The table below represents total sales tax collected YTD summarized by North American Industry Classification System (NAICS) codes compared to the same codes for YTD 2009.

2010 & 2009 YTD through December 2010 - Top 25 Sales by 4-digit NAICS Code

NAICS Description	YTD 2010	% of Total	YTD 2009	% Change
1 Full-Service Restaurants	1,516,788	7.5%	1,267,781	19.6%
2 Wireless Telecommunications Carriers (except Satellite)	1,294,752	6.4%	1,314,294	-1.5%
3 Automobile Dealers	1,261,503	6.3%	1,197,614	5.3%
4 Grocery Stores	1,146,367	5.7%	945,086	21.3%
5 Limited-Service Eating Places	1,132,117	5.6%	968,612	16.9%
6 Electric Power Generation, Transmission and Distribution	1,126,774	5.6%	977,605	15.3%
7 Other General Merchandise Stores	857,320	4.3%	829,223	3.4%
8 Electronics and Appliance Stores	709,626	3.5%	604,883	17.3%
9 Sporting Goods, Hobby, and Musical Instrument Stores	635,351	3.2%	583,561	8.9%
10 Department Stores	631,738	3.1%	578,797	9.1%
11 Wired Telecommunications Carriers	570,239	2.8%	680,906	-16.3%
12 Automotive Parts, Accessories, and Tire Stores	489,384	2.4%	410,993	19.1%
13 Beer, Wine, and Liquor Stores	483,157	2.4%	465,440	3.8%
14 Commercial and Industrial Machinery and Equipment Rental and Leasing	471,838	2.3%	374,352	26.0%
15 Furniture Stores	610,392	3.0%	319,063	91.3%
16 Automotive Repair and Maintenance	396,964	2.0%	389,339	2.0%
17 Health and Personal Care Stores	398,761	2.0%	333,386	19.6%
18 Computer Systems Design and Related Services	362,471	1.8%	120,206	201.5% *
19 Traveler Accommodation	344,417	1.7%	329,643	4.5%
20 Electrical and Electronic Goods Merchant Wholesalers	331,090	1.6%	131,561	151.7% *
21 Building Material and Supplies Dealers	288,445	1.4%	226,667	27.3%
22 Home Furnishings Stores	265,110	1.3%	147,722	79.5%
23 Other Miscellaneous Store Retailers	263,740	1.3%	316,774	-16.7%
24 Clothing Stores	230,676	1.1%	193,033	19.5%
25 Direct Selling Establishments	215,554	1.1%	55,258	290.1% *
26 All Other Businesses	4,075,017	20.3%	3,842,889	6.0%
Total	20,109,593		17,604,690	

* Not included in 2009 Top 25 Sales by 4-digit NAICS Code.

Property Tax

Property Tax revenue YTD 2010 is \$0.2 million, or 3.1% more than collections YTD 2009. The majority of the property tax due is received by June each year. Property tax payments have three due dates throughout the year. The due date for a payment in full is April 30th and due dates for the two payment option are February 28th and June 15th. Collections for 2010 compared to 2009 were expected to be higher as a result of a 3.6% increase in assessed property valuations. Assessed property valuations are provided by Arapahoe County and reported in the 2010 Adopted Budget.

Building Materials Use Tax

Building Materials Use Tax revenue YTD 2010 is \$0.1 million, or 2.9% more than collections YTD 2009. This increase is due to Building Materials Use Tax collected for a large commercial development project. Building Materials Use Tax revenues YTD 2010 without this one-time project would be 38.9% less than revenues during the same period in 2009.

The number of building permits issued YTD 2010 is 14.5% lower than the same period in 2009; the total valuation of projects, without the one large commercial project, is 16.3% lower than during 2009. An examination of the types of permits issued indicates that there has been an increase in the number of permits for new residential and residential remodels, and fewer permits for commercial remodels, new commercial projects and smaller permits. Economic indicators show an increase in residential new construction YTD in the Denver metro area according to Metro Denver Economic Development Corporation.

Highway Users Tax Fund

Highway Users Tax Fund (HUTF) revenue YTD 2010 is \$0.5 million, or 12.1% more than collections YTD 2009. This increase is due to FASTER (Funding Advancements for Surface Transportation and Economic Recovery) revenue the City began to receive in July, 2009. FASTER revenue received YTD 2010 is approximately \$0.9 million, which is \$0.5 million greater than YTD 2009.

Franchise Fees

The City receives both cable and gas and electric franchise fee revenue. YTD 2010 all franchise fees received are \$0.4 million, or 9.9% more than collections YTD 2009.

Gas and electric franchise fee revenue YTD 2010 is 12.0% more than collections during the same period in 2009. Xcel Energy instituted a two-tiered residential pricing structure for the summer of 2010 to incentivize customers to use less energy from June to September, after which the traditional pricing structure was reinstated. Based on YTD actual collections, the tiered rates appear to contribute to the favorable variance compared to prior year. Xcel Energy expects that electric bills will be lower by 12.6% for residential customers after the incentive period and 5.1% for small-business customers who are not subject to tiered rates. The lower bills contributed to the decrease in the favorable variance compared to prior year throughout the fourth quarter.

Cable franchise fee revenue YTD 2010 is 3.3% more than YTD 2009. This favorable variance is due to a rate increase. Cable rates typically increase by an average of 3% annually. There was an overpayment to the City for the first half of the year by the vendor of approximately \$27,000. Half of the overpayment was adjusted in the third quarter payment and the other half was adjusted in the fourth quarter payment to the City. This overpayment was the result of the vendor calculating and paying franchise fees on the total franchise fees collected.

Court Fines

Court Fines revenue YTD 2010 is less than \$0.1 million, or 1.7% more than collections YTD 2009. Court fines and default fines contribute the majority of the variance. The individual types of fines and fees, and their proportional amount to the total fines and fees vary from month to month. It is reasonable to expect that the various fines and fees compared to the previous year will vary slightly throughout the year.

Investment Income

Investment Income YTD 2010 is less than \$0.1 million, or 31.9% less than collections for the same period in 2009. This decrease is directly attributable to the significant decline in earnings rates between 2009 and 2010 as the City's cash balances have increased from \$25.2 million as of December 31, 2009, to \$26.4 million as of December 31, 2010.

	<u>Annual Yield – 2009</u>	<u>Annual Yield – 2010</u>	<u>Difference</u>
Colotrust	0.32%	0.19%	(0.13%)
Wells Fargo	0.10%	0.10%	0.00%

Expenditures

Total expenditures YTD are \$2.9 million, or 7.0% more than expenditures YTD 2009. The net increase is attributable to variances in the City Attorney, Finance, Nondepartmental, Support Services, and Municipal Court departments, as well as the Land Use and Capital Improvement fund transfers.

- City Attorney expenditures are \$0.2 million more than expenditures YTD in 2009. This increase is mostly due to expenditures related to various grant programs, including the EECBG (Energy Efficiency and Conversation Block Grant) program. In addition, the current year includes legal fees associated with medical marijuana research, as well as several other projects.
- Finance expenditures are \$0.2 million more than expenditures YTD in 2009. This increase is attributable to positions being filled in 2010 that were vacant in 2009, as well as expenditures related to the sales tax audit program. The 2009 sales tax audit program started in mid August resulting in lower program costs for 2009 compared to 2010. In addition, there is an increase in expenditures associated with the sales tax collection and administration program due an increase in the 2010 contractual amount.
- Nondepartmental expenditures are \$0.1 million less than expenditures YTD in 2009. This decrease is due to lower costs for the coyote management program, as well as the completion of the Potomac and Fremont traffic signal during 2009. In addition, there is a decrease in legal expenditures related to The Streets at SouthGlenn project, which were not accounted for in the Centennial Urban Redevelopment Authority Fund.
- Support Services expenditures are \$0.1 million less than expenditures YTD in 2009. This decrease is due to expenditures related to building maintenance/repairs during 2009. In addition, 2010 included an allocation to the Land Use Fund for office rent resulting in a decrease in expenditures. These decreases are partially offset by an increase in expenditures for personnel costs as a result of filling a position that was vacant during 2009 and the purchase of the VoIP phone system during 2010.
- Municipal Court expenditures are \$0.3 million less than expenditures YTD in 2009. This variance is attributable to a decrease in the 2010 Intergovernmental Agreement with Arapahoe County for traffic officers, as well as a decrease in allowance for bad debt, established in 2009. These decreases are partially offset by higher personnel costs due to filling a position that was vacant during 2009.
- Land Use Fund transfers YTD are \$0.4 million less than transfers YTD during 2009. This decrease is due to a portion of deferred revenue (\$0.4 million) that was recognized in the Land Use Fund during 2010, causing a decrease in funding necessary from the General Fund.
- Capital Improvement Fund transfers YTD are \$3.4 million more than transfers YTD during 2009. This variance is due to additional expenditures related to concrete replacement, street surface treatment, the Peoria reconstruction project and Arapahoe Road improvements. In addition, the transfer has increased due to additional funds set aside by City Council for streets as a result of reduced General Fund transfers to the Land Use Fund as explained above.

GENERAL FUND – COMPARISON TO BUDGET
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The City's annual budget is examined on a monthly basis and YTD actual receipts and expenditures are compared to the budget on a line item or departmental basis. Monthly budget allocations represent a portion of the annual budget that is assigned to each month for comparative purposes. The allocation amount may be either 1/12th of the total amount budgeted for the year, or a specific percentage for that month based on actual receipts or expenditures in prior years. The 2010 Revised Budget was approved

by City Council on November 15, 2010. The differences between the 2010 Adopted Budget and the 2010 Revised Budget were adjusted in the month of September. The analysis below compares the YTD actual amounts to the YTD 2010 Revised Budget amounts.

Revenues

The following table is a summary comparison of the primary revenue sources YTD 2010 actual receipts compared to YTD Revised Budget.

(dollar amounts in millions)

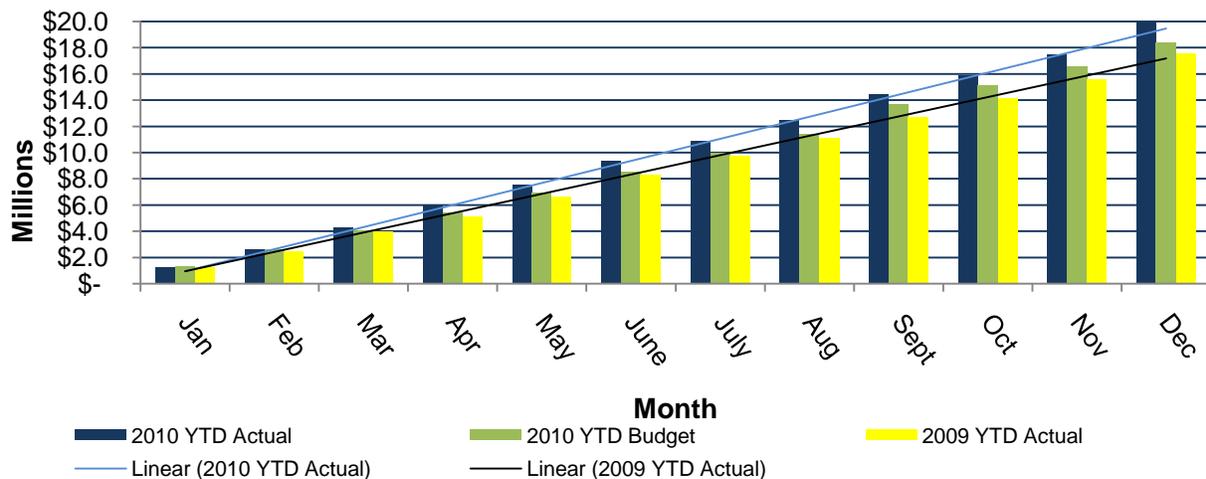
	Actual YTD 2010	Budget YTD 2010	\$ Variance	% Variance
Retail Sales Tax	\$ 20.1	\$ 18.4	\$ 1.7	9.2%
Property Tax	8.0	8.0	-	0.3%
Building Materials Use Tax	2.1	2.1	-	-1.6%
Highway Users Tax Fund	4.4	4.1	0.3	6.7%
Franchise Fees	4.6	4.5	0.1	3.1%
Specific Ownership Tax	0.5	0.5	-	-4.0%
Motor Vehicle Registration Fees	0.5	0.4	0.1	16.9%
Automobile Use Tax	3.0	2.8	0.2	7.9%
Road and Bridge Shareback	0.6	0.6	-	0.0%
Court Fines	2.3	2.2	0.1	2.8%
Investment Income	0.1	0.1	-	-0.1%
All Other Revenue Sources	1.5	1.6	(0.1)	0.0%
	<u>\$ 47.7</u>	<u>\$ 45.3</u>	<u>\$ 2.4</u>	<u>5.4%</u>

Note: Dollar amounts shown have been rounded; percentages are actual based on whole dollars. Any variances from the amounts shown on the financial statements are due to rounding.

Retail Sales Tax

Retail Sales Tax revenue YTD is \$1.7 million, or 9.2% favorable compared to budget. This favorable variance is the result of several factors including an increase in sales tax collections at The Streets at SouthGlenn, issuance of Retail Sales Tax Licenses to businesses in the City and outside of the City limits, and collection of delinquent sales tax. The budget allocation for sales tax is based on receipts for the same period in prior years.

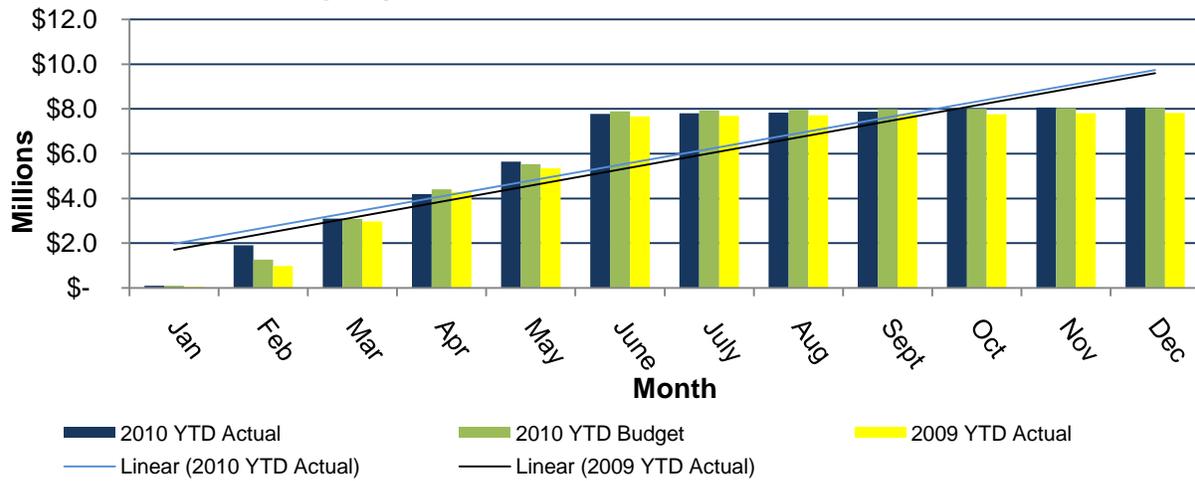
Sales Tax Revenue - Current & Prior Year



Property Tax

Property Tax revenue YTD is 0.3% favorable compared to budget.

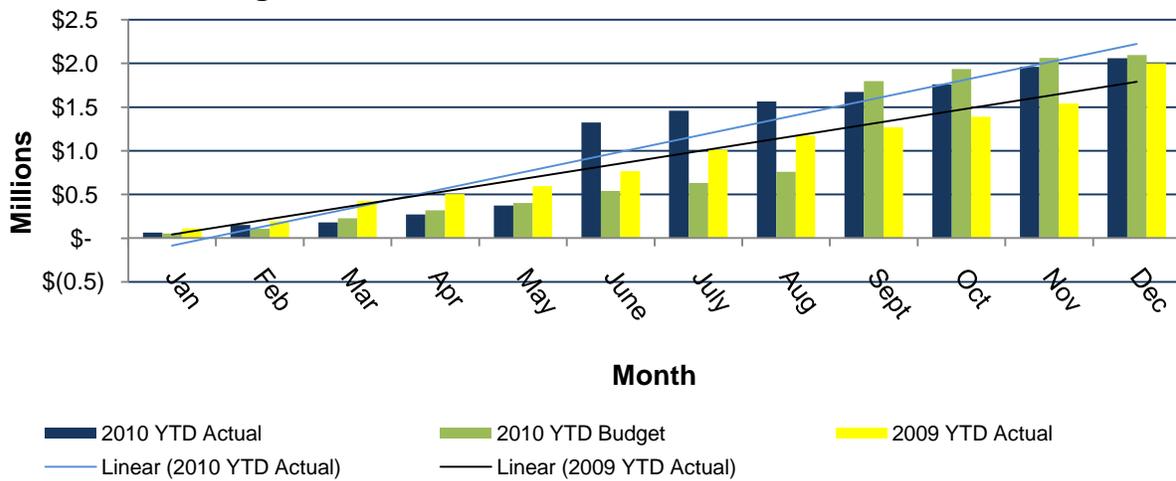
Property Tax Revenue - Current & Prior Year



Building Materials Use Tax

Building Materials Use Tax revenue YTD is less than \$0.1 million, or 1.6% unfavorable compared to budget. The budget was revised to include one-time revenue from a large commercial development project. Overall, activity has been lower than in prior years causing the unfavorable variance, which has been partially offset by audit revenue.

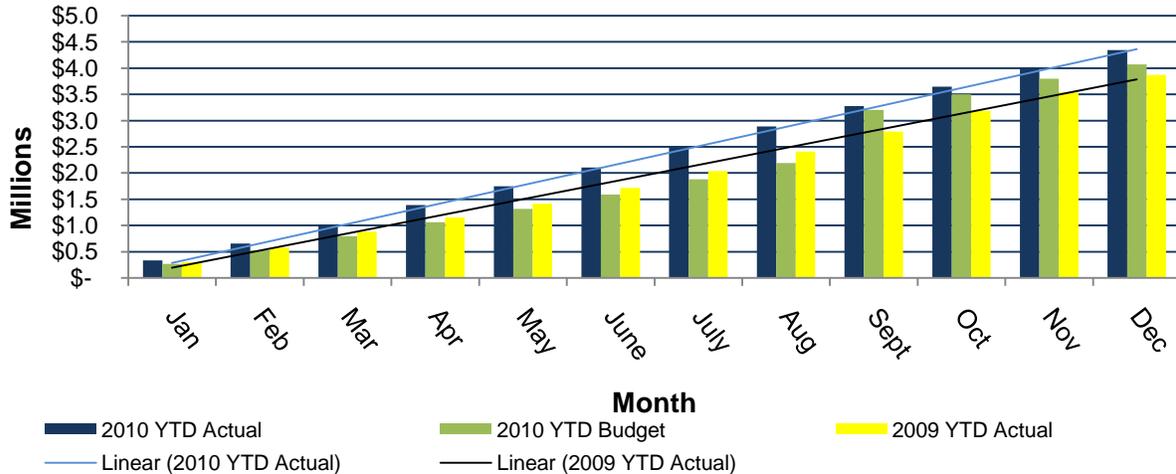
Building Materials Use Tax Revenue - Current & Prior Year



Highway Users Tax Fund

Highway Users Tax Fund revenue YTD is \$0.3 million, or 6.7% favorable compared to budget. This favorable variance is due to FASTER revenue that is included with the HUTF payment. The favorable variance has decreased from earlier in the year since the budget was revised to include additional revenue for FASTER. This adjustment was made in the month of September.

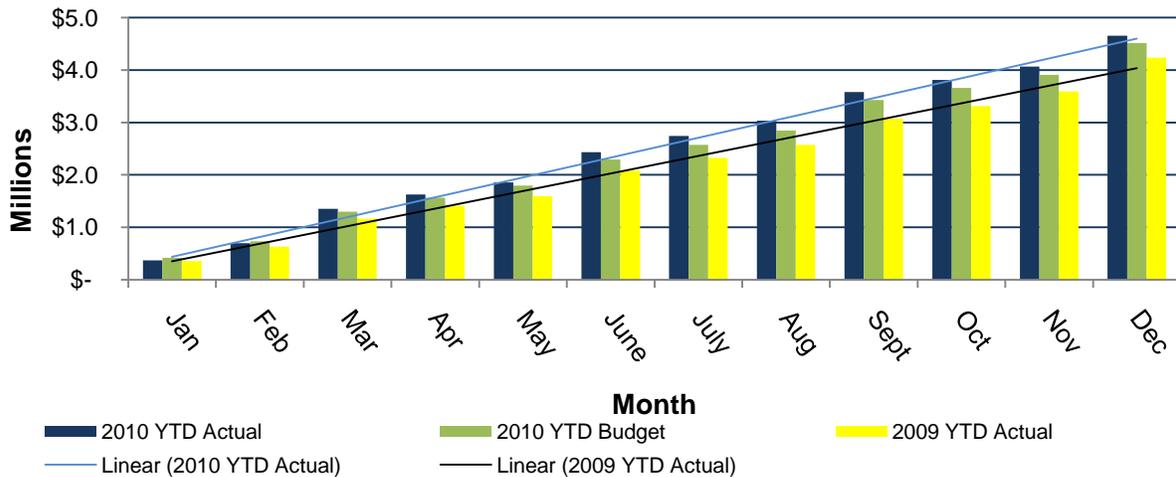
HUTF Revenue - Current & Prior Year



Franchise Fees

Franchise Fee revenue YTD is \$0.1 million, or 3.1%, favorable compared to budget. This favorable variance is due to the electric franchise fee which appears to be due to the two-tiered pricing structure for the summer months. The favorable variance is partially offset by an unfavorable variance in gas franchise fee revenue most likely due to lower usage as a result of milder weather in the fourth quarter of the year.

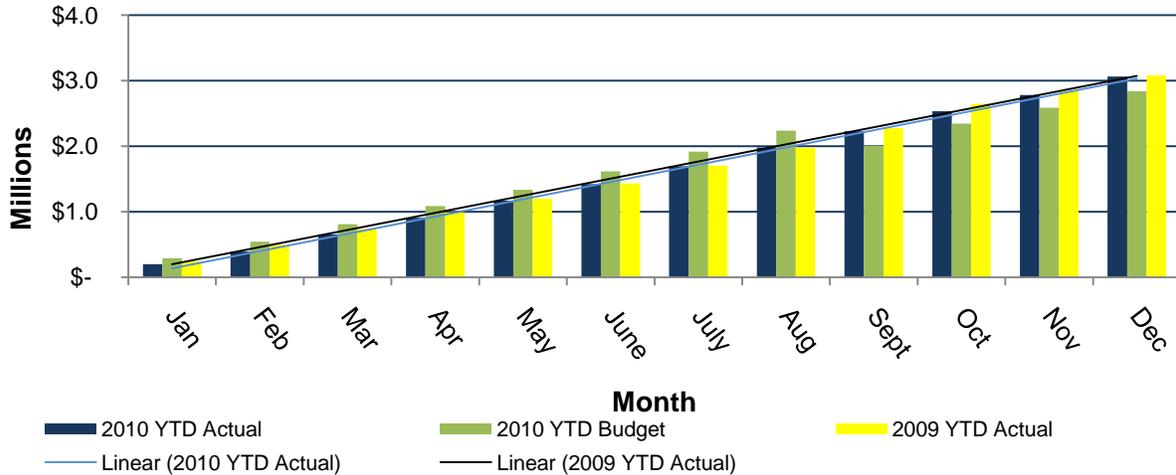
Franchise Fee Revenue - Current & Prior Year



Automobile Use Tax

Automobile Use Tax revenue YTD is \$0.2 million, or 7.9% favorable compared to the Revised Budget. The Revised Budget amount was decreased to reflect a decrease in collections for automobile use tax collected for the City by Arapahoe County. Additionally, the City's sales tax program requires automobile dealers to obtain a sales tax license and collect sales tax on lease payments. The increase in sales tax collected on leases may result in a lower collection of automobile use tax. Automobile industry information for Colorado indicates an overall increase in new car registrations of 12.2% for December, 2010 compared to December, 2009. There is normally a forty-five (45) day period after the purchase of a vehicle during which the registration of that vehicle should occur.

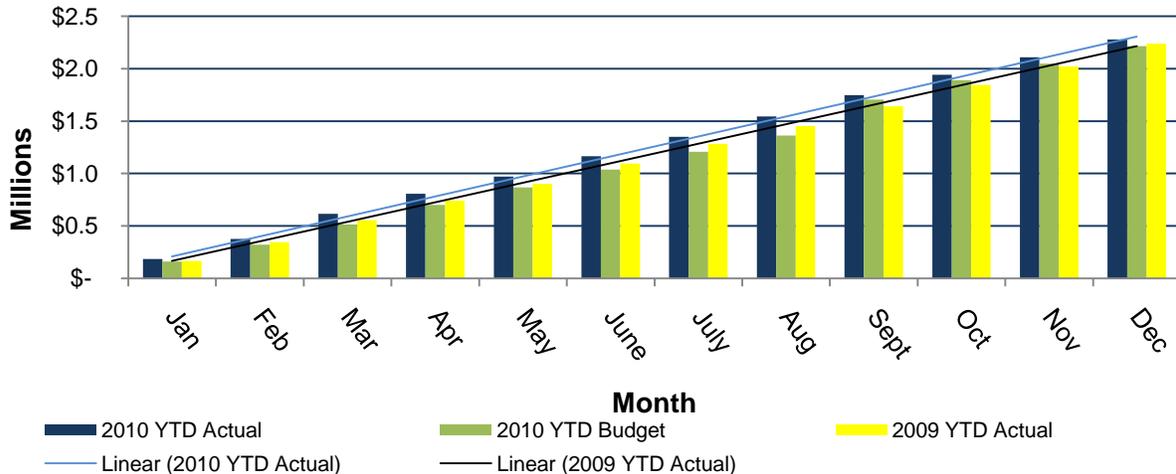
Auto Use Tax Revenue - Current & Prior Year



Court Fines

Court Fines YTD are \$0.1 million, or 2.8% favorable compared to budget. Specific items relating to the increase are difficult to identify since fine activity varies.

Court Fines Revenue - Current & Prior Year



Expenditures

Total expenditures YTD are \$2.1 million, or 4.5% favorable compared to budget. The overall favorable variance is primarily due to the City Attorney, City Clerk and Liquor Licensing, City Manager's Office, Economic Development, Finance, Nondepartmental, Central Services, Human Resources and Risk Management Services, Support Services, Public Works, Municipal Court and Planning and Development departments, as well as the Land Use Fund transfer.

- City Attorney expenditures YTD are \$0.1 million, or 9.1% favorable to budget. This favorable variance is due to a cost savings for outside counsel services.
- City Clerk and Liquor Licensing expenditures are \$0.1 million, or 17.7% favorable to budget. This favorable variance is due to election cost savings, as there was no election in 2010.
- City Manager's Office expenditures YTD are \$0.1 million, or 5.2% favorable to budget. This favorable variance is mostly due to personnel vacancy savings. In addition, there are some cost savings for Centennial's Adopt-a-Street program.
- Economic Development expenditures YTD are \$0.1 million, or 65.0% favorable to budget. This favorable variance is primarily due to project/program savings. The HVAC Rebate program failed to produce any applicants and as a result, the EECBG (Energy Efficiency and Conversation Block Grant) budget will be reallocated to new projects in 2011. In addition, there are cost savings from other projects and business development related expenditures.
- Finance expenditures YTD are \$0.1 million, or 7.4% favorable to budget. This favorable variance is partly due to personnel vacancy savings, as well as some savings for financial system services.
- Nondepartmental expenditures YTD are \$0.3 million, or 47.9% favorable to budget. This favorable variance is partially due to the sales tax incentive payments which have not been made YTD. In addition, there appears to be some miscellaneous cost savings, as well as project savings for matching grant funds, a contingency cost for grants with a requirement for matching funds
- Central Services expenditures YTD are \$0.1 million, or 44.6% favorable to budget. This favorable variance appears to be a result of cost savings for meetings, training and travel, printing, and dues and memberships.
- Human Resources and Risk Management Services expenditures are \$0.3 million, or 29.3% favorable to budget. This favorable variance is due to personnel vacancy savings, as well as a decrease in premiums for property and casualty insurance services, compared to premiums expected.
- Support Services expenditures are \$0.2 million, or 20.4% favorable to budget. This favorable variance appears to be the result of some cost savings for several services and supplies within Information Technology, as well as project savings related to SIRE software upgrades. In addition, there are some savings related to specific projects, and equipment and building maintenance within Facilities.
- Public Works expenditures are \$0.2 million, or 1.8% favorable to budget. This favorable variance is partly due a timing difference for contracted service costs. In addition, there are some savings related to traffic signal repair, fuel and utilities.
- Municipal Court expenditures are \$0.1 million, or 2.8% favorable to budget. This favorable variance is partly due to the timing of payments for the conversion of the court computer (server), as well as some personnel vacancy savings.

- Planning and Development expenditures are \$0.2 million, or 29.3% favorable to budget. This favorable variance is partly due to personnel vacancy savings, as well as the timing of budget allocations related to the EECBG (Energy Efficiency and Conversation Block Grant) program and the Sub Area Plan. The EECBG Weatherization Upgrades will be reallocated to other projects in 2011 and the EECBG Outdoor Lighting Code project started late during 2010 and will continue in 2011.
- Land Use Fund transfers are \$0.2 million, or more than 100% favorable to budget. This favorable variance to budget is due to higher building permit fee revenue, as well as fewer expenses related to personnel, building services and projects.

LAND USE FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$0.3 million, or 11.0% more than revenue collected during the same period in 2009. This increase is due to \$0.4 million in deferred revenue that was recognized during 2010. The favorable variance is partially offset by an unfavorable variance of \$0.1 million for land development applications.

Expenses

- Expenses YTD are less than \$0.2 million, or 6.2% less than expenses YTD for the prior year. This decrease is the result of fewer expenses related to Applicant Work Orders and the Land Development Code Rewrite. In addition, expenses related to the Sub Area Plan are reported in the Planning & Development department for 2010. This decrease is partially offset by project expenses for the Paperless Plan Review.

Comparison to Budget

Revenue

- Revenue YTD is \$0.1 million, or 4.4% favorable compared to budget primarily due to an increase in Building Services revenue due to greater building permit fees than were anticipated through the revised budget. The favorable variance is partially offset by an unfavorable variance in grant revenue due to the Bus Bench project not starting until late in 2010.

Expenses

- Expenses YTD are \$0.1 million, or 3.3% favorable compared to budget. This favorable variance is partially due to personnel vacancy savings as a result of an unfilled position, as well as the timing of payments related to projects. The Bus Bench project started late in 2010 and will carry over to 2011.

CAPITAL IMPROVEMENT FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$1.9 million, or 88.7% less than revenue collected YTD for 2009. Intergovernmental/Federal Grant Revenue received in 2009 for the Arapahoe Road - Colorado to Holly project accounts for the majority of the deficiency in 2010. In addition, there was a developer contribution for drainage that was received in 2009, as well as a decrease in pavement degradation fees for 2010 compared to 2009.

Expenditures

- Expenditures YTD are \$3.2 million, or 39.7% less than expenditures YTD during the prior year. This decrease is partially the result of the completion of the Arapahoe/University and Arapahoe/Colorado to Holly projects, as well as the Potomac and Fremont traffic signal, which had combined expenditures of \$6.0 million YTD in 2009. This decrease is partially offset by an

increase in expenditures during 2010, as compared to 2009, for the concrete replacement program, street rehabilitation program, street surface treatment, Transportation Master Plan and traffic system upgrades, as well as the City's share of the Environmental Assessment project.

Comparison to Budget

Revenue

- Revenue YTD is \$1.4 million, or 85.4% unfavorable compared to budget. Only a small portion of Federal Grant Revenue consisting of EECBG and DRCOG grants budgeted in 2010 have been received to date and represent the largest portion of the total variance. The costs for projects are submitted for reimbursement, and where the costs have not been incurred, the reimbursements do not occur. The remainder of the unfavorable variance is due to the curb cut program. The actual utilization of the program was lower than the amount budgeted. The lower revenue will not negatively affect the fund, as the related expenditures for the curb cut program have offsetting revenue.

Expenditures

- Expenditures are \$4.4 million, or 47.7% favorable compared to budget. This favorable variance is partially due to budgeted funds that were carried forward from the prior year for the Arapahoe/University and Arapahoe/Colorado to Holly projects. This favorable variance is also due to cost savings on the curb cut program. The street rehabilitation and concrete replacement programs, along with Vista Verde Neighborhood Improvements and several other programs and services will most likely carry forward to 2011. In addition, several of the new construction projects are in the design phase in 2010 however, the construction phase is expected to carry over to 2011. Several of these projects have offsetting grant revenue.

CONSERVATION TRUST FUND

Comparison to Prior Year

Revenue

- Revenue received YTD is consistent with collections YTD 2009.
- Expenditures YTD are \$0.2 million, or 100.0% less than expenditures YTD during the prior year. This decrease is a directly related to the timing of payments for the Goodson Recreation Center project that started in 2009 and was completed in 2010.

Comparison to Budget

Revenue

- Revenue YTD is in line with the amount budgeted.

Expenditures

- Expenditures are \$3.6 million, or 100.0% favorable compared to budget. This favorable variance is related to a budget carry forward from 2009 for the Goodson Recreation Center project as well as a favorable budget variance for the Civic Center Park project. The Civic Center Park project is in the design/permit process for 2010 and construction will begin in 2011.

OPEN SPACE FUND

Comparison to Prior Year

Revenue

- Open Space Fund revenues are received from the Arapahoe County Open Space Sales Tax and Investment Income. Both of these revenue sources are below collections received for the same period in 2009 by an aggregate of \$0.2 million, or 9.2%. The largest deficit is in the Sales Tax revenue which does not trend with City sales tax receipts. The City does not expect the two sources to trend together since the County Open Space Sales Tax is based on sales within the

County and the City's sales tax includes sales made by out of City and out of State vendors. The County distributes fifty percent of revenue derived from the .25% tax based on population to incorporated cities and towns to help enhance their parks, trails and open spaces. This revenue is distributed by June 1st of each year based on collections from May 16th of the prior year through May 15th of the current year. The revenues are invested until the time they are used and the investment income is attributed directly to the fund.

Expenditures

- Expenditures increased \$2.1 million, or more than 100% compared to expenditures YTD during the prior year. This increase is mostly the result of expenditures for the Parker Jordan Open Space acquisition and maintenance, as well as expenditures related to the Civic Center Park, Broncos Parkway Trailhead, Piney Creek Hollow Park, Piney Creek Trail Bridge, Centennial Link Trail and Tagawa Access Road projects.

Comparison to Budget

Revenue

- Revenue received YTD is \$1.2 million, or 40.3% unfavorable compared to budget due to grant revenue budgeted but not received for a Colorado State Trails Program grant, two Arapahoe County Open Space grants and two Great Outdoors Colorado (GOCO) grants. The City will most likely receive these grant funds in 2011.

Expenditures

- Expenditures are \$4.1 million, or 61.8% favorable compared to budget. This favorable variance is mostly due to timing of various capital projects. There are several projects including the Civic Center Park and South Suburban Park and Recreation District improvements that will most likely carry forward to next year. The Parker Jordan Open Space improvements and Cherry Creek Trail enhancements project was allocated in 2010 due to a contractual obligation and will carry forward in 2011. The Centennial Link Trail project is in the design phase for 2010 and construction will start in 2011.

GENERAL IMPROVEMENT DISTRICT FUNDS

Comparison to Prior Year

Revenue

- Revenue received YTD for the consolidated GID Funds is consistent with revenues collected YTD 2009.

Expenditures

- Expenditures YTD are less than \$0.1 million, or 5.3% lower than the prior year. This decrease is due to fence and sprinkler repairs for Walnut Hills during the prior year.

Comparison to Budget

Revenue

- The revenue received YTD is in line with the amount budgeted.

Expenditures

- Expenditures are \$0.2 million, or 42.6% favorable compared to budget. This favorable variance is due to the timing of payments, as well as contracted service and other project savings. The GID's entire fund balance is budgeted allowing for more flexibility with projects, and will carry forward to 2011.

CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
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Comparison to Prior Year

Revenue

- Revenue received YTD is \$0.2 million, or 16.5% unfavorable compared to the prior year. Construction funds drawn for the completion of the Arapahoe/University TIP project in 2009 contribute the majority of the deficiency in 2010. In addition, there was a decrease in building permit, plan review and building services related to the completion of The Streets at SouthGlenn. The unfavorable variance is partially offset by a positive variance in property tax from collections for The Streets at SouthGlenn.
- Expenditures YTD decreased \$0.2 million, or 17.1% compared to prior year expenditures. This decrease is partially attributable to a reduction in building and construction services as a result of the completion of The Streets at SouthGlenn. In addition, this decrease is partially offset by an increase in the property tax pass-through payment by the Authority to the Southglenn Metropolitan District pursuant to the public finance agreement.

Comparison to Budget

Revenue

- Revenue YTD is less than \$0.1 million, or 3.8% unfavorable compared to budget. This unfavorable variance is primarily due to authority operating revenue that has not yet been recognized for 2010. The unfavorable variance is partially offset by a favorable variance for property tax received for The Streets at SouthGlenn. The assessed valuation in 2009 for payment in 2010 reflected a large increase in the incremental property tax valuation for The Streets at SouthGlenn, thus causing a favorable variance between revenues budgeted compared to actual amounts received. The tax increment is the difference between the base and assessed valuation that CURA receives and passes through to the Southglenn Metropolitan District.

Expenditures

- Expenditures are less than \$0.1 million, or 2.7% favorable compared to budget. This favorable variance is primarily due to the timing of the payment for authority operating fees and is partially offset by an increase in the property tax pass-through as a result of higher collections. The Authority is the collecting agent for property tax collected for SouthGlenn redevelopment area; the amounts collected are then passed through to the SouthGlenn Metro District.