



The following financial report analysis offers readers a narrative overview and analysis of the financial activities of the City for January, 2010. 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.

**Summary of the January, 2010 Monthly Financial Statements**

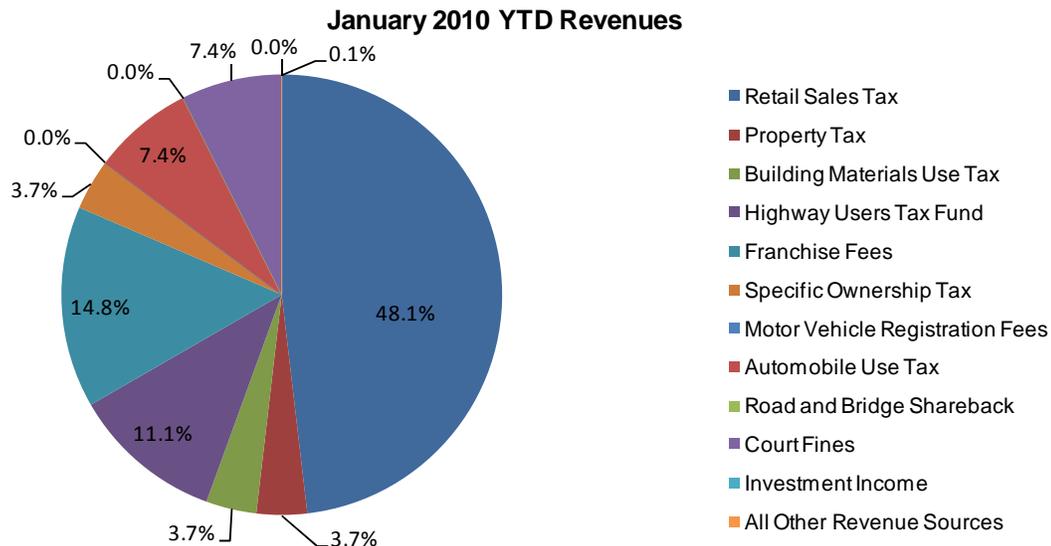
**GENERAL FUND – COMPARISON TO PRIOR YEAR**

**Revenues**

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

*(dollar amounts in millions)*

	January 2010	January 2009	\$ Variance	% Variance
Retail Sales Tax	\$ 1.3	\$ 1.2	\$ 0.1	8.3%
Property Tax	0.1	0.1	-	0.0%
Building Materials Use Tax	0.1	0.1	-	0.0%
Highway Users Tax Fund	0.3	0.3	-	0.0%
Franchise Fees	0.4	0.4	-	0.0%
Specific Ownership Tax	0.1	0.1	-	0.0%
Motor Vehicle Registration Fees	-	-	-	0.0%
Automobile Use Tax	0.2	0.2	-	0.0%
Road and Bridge Shareback	-	-	-	0.0%
Court Fines	0.2	0.2	-	0.0%
Investment Income	-	-	-	0.0%
All Other Revenue Sources	-	0.1	(0.1)	-100.0%
	<u>\$ 2.7</u>	<u>\$ 2.7</u>	<u>\$ 0.0</u>	<u>0.0%</u>



Retail Sales Tax

Total retail sales tax revenues year to date during 2010 are 8.3% above collections year to date in 2009. This increase is primarily the result of an increase in sales tax generated by retailers at The Streets at SouthGlenn that were not open in January, 2009. The sales tax revenue generated by retailers at The Streets at SouthGlenn year to date is 54.1% higher compared to the prior year.

The table below represents total sales tax collected for the month summarized by NAICS (North American Industry Classification System) codes. The top seven NAICS categories represent 51.1% of the total retail sales tax for the month.

**2010 January Paid in February -Top 25 Sales by 4-digit NAICS code**

<b>NAICS Description</b>	<b>Total</b>	<b>% of Total</b>
1 Wireless Telecommunications Carriers (except Satellite)	\$ 144,323	11.2%
2 Full-Service Restaurants	105,947	8.2%
3 Electric Power Generation, Transmission and Distribution	99,616	7.7%
4 Limited-Service Eating Places	86,721	6.7%
5 Grocery Stores	78,700	6.1%
6 Other General Merchandise Stores	72,752	5.6%
7 Automobile Dealers	70,497	5.5%
8 Sporting Goods, Hobby, and Musical Instrument Stores	39,031	3.0%
9 Electronics and Appliance Stores	37,172	2.9%
10 Automotive Parts, Accessories, and Tire Stores	34,516	2.7%
11 Beer, Wine, and Liquor Stores	34,415	2.7%
12 Furniture Stores	32,883	2.6%
13 Department Stores	32,256	2.5%
14 Electrical and Electronic Goods Merchant Wholesalers	30,632	2.4%
15 Automotive Repair and Maintenance	30,096	2.3%
16 Health and Personal Care Stores	24,899	1.9%
17 Traveler Accommodation	21,895	1.7%
18 Other Miscellaneous Store Retailers	21,761	1.7%
19 Wired Telecommunications Carriers	16,310	1.3%
20 Clothing Stores	11,059	0.9%
21 Home Furnishings Stores	11,003	0.9%
22 Automotive Equipment Rental and Leasing	10,961	0.9%
23 Building Material and Supplies Dealers	10,775	0.8%
24 Commercial and Industrial Machinery and Equipment Rental and Leasing	10,725	0.8%
25 Computer Systems Design and Related Services	10,325	0.8%
26 All Other Businesses	209,684	16.3%
<b>Total</b>	<b>\$ 1,288,954</b>	<b>100.0%</b>

Investment Income

Investment income year to date during 2010 is 51.5% below collections year to date 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 \$21.2 million as of January 31, 2009, to \$22.9 million as of January 31, 2010.

	<u>Annual Yield – 2009</u>	<u>Annual Yield - 2010</u>
Colotrust	0.63%	0.23%
Wells Fargo	0.10%	0.10%

Other Revenue Sources

Revenues from all other sources are in line with revenues from January, 2009.

**Expenditures**

Total expenditures and other financing uses year to date increased \$.4 million, or 14.3%, to \$3.4 million compared to expenditures and other financing uses year to date in 2009. The overall increase is primarily attributable to the Capital Improvement fund transfer.

- Capital Improvement Fund transfers year to date are \$.1 million for 2010, or \$.3 million more than transfers year to date during 2009. In January of 2009, the Capital Improvement Fund transfer was a negative \$.2 million due to reallocation of funding for specific Capital Improvement projects.

**GENERAL FUND – COMPARISON TO BUDGET**

**Revenues**

The following table is a summary comparison of the primary revenue sources year to date for 2010 compared to year to date budget.

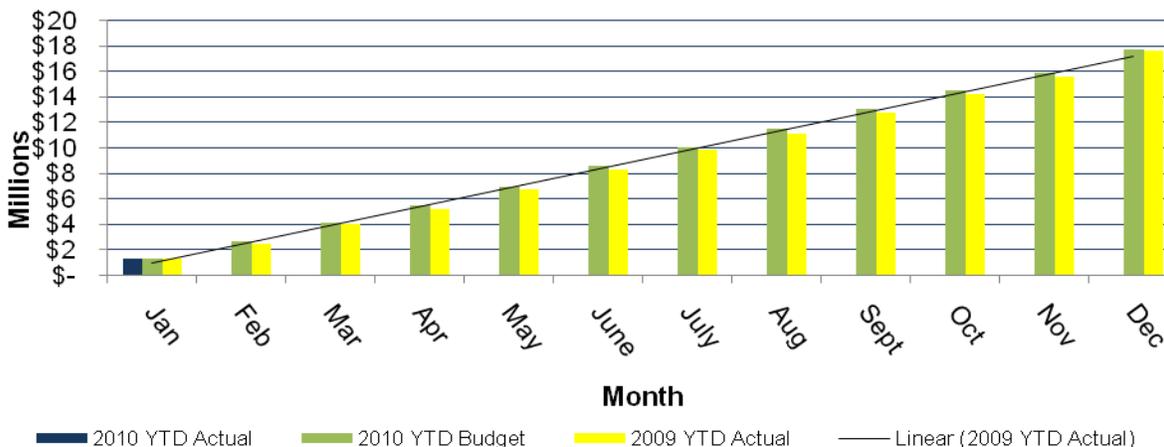
*(dollar amounts in millions)*

	Actual YTD 2010	Budget YTD 2010	\$ Variance	% Variance
Retail Sales Tax	\$ 1.3	\$ 1.3	\$ -	-0.5%
Property Tax	0.1	0.1	-	5.8%
Building Materials Use Tax	0.1	0.1	-	22.0%
Highway Users Tax Fund	0.3	0.3	-	25.1%
Franchise Fees	0.4	0.4	-	-12.2%
Specific Ownership Tax	0.1	0.1	-	0.5%
Motor Vehicle Registration Fees	-	-	-	15.6%
Automobile Use Tax	0.2	0.3	(0.1)	-31.0%
Road and Bridge Shareback	-	-	-	0.0%
Court Fines	0.2	0.2	-	16.3%
Investment Income	-	-	-	-74.8%
All Other Revenue Sources	-	-	-	-27.3%
	<u>\$ 2.7</u>	<u>\$ 2.8</u>	<u>\$ (0.1)</u>	<u>-2.7%</u>

**Retail Sales Tax**

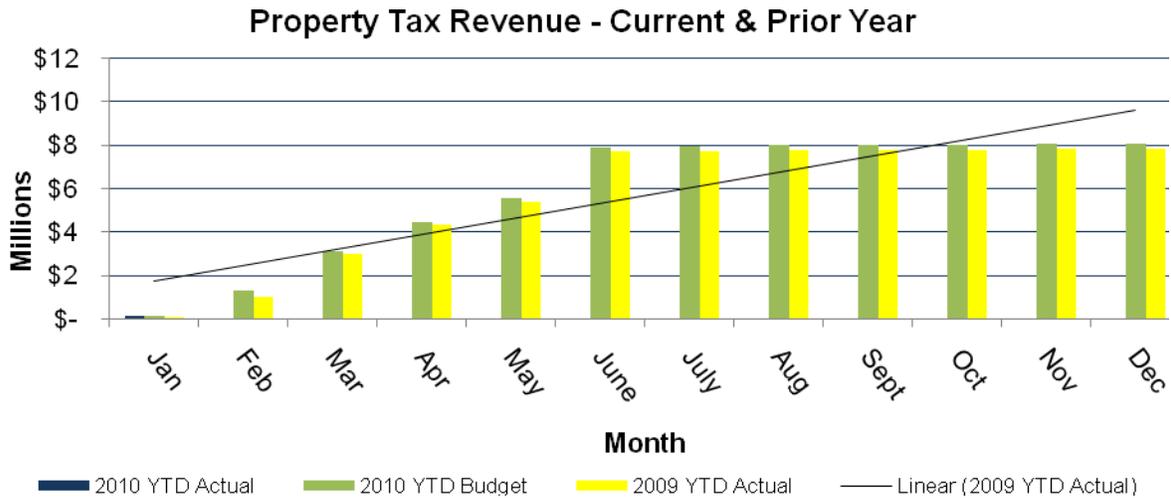
Total retail sales tax revenues year to date are \$1.3 million, which is in line with budgeted revenues. As of January 31, 2010, there were a total of 3,035 retail sales tax licenses and 1,484 business licenses issued. As new licenses are issued, staff is diligently monitoring subsequent tax filings to ensure proper program compliance. The total sales tax returns filed, primarily for January and prior periods through February are 1,464. On-line filing and remittance has increased from 3.37% in February of 2009 to 13.6% in January, 2010.

**Sales Tax Revenue - Current & Prior Year**



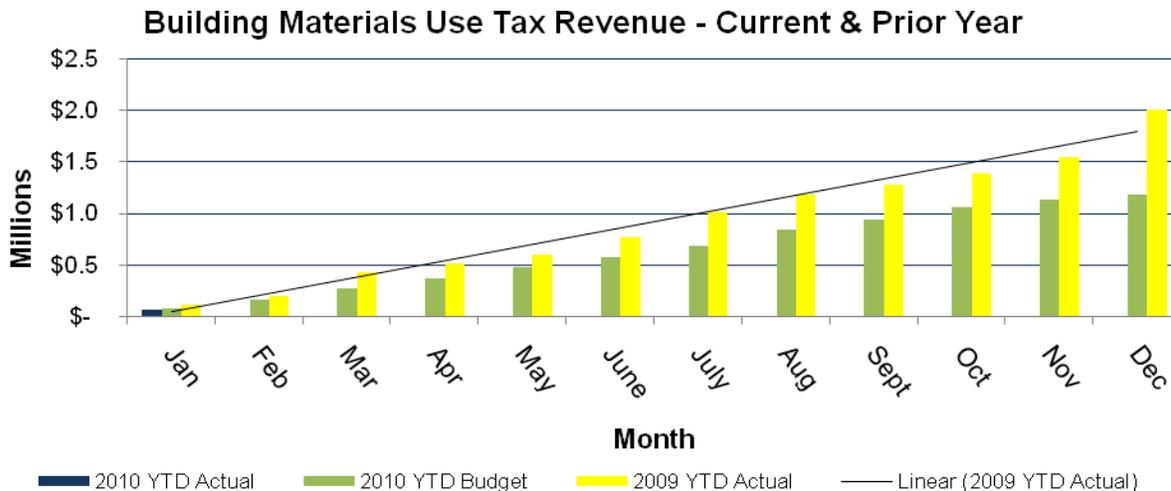
Property Tax

Property tax revenues year to date for 2010 are in line with budgeted revenues.



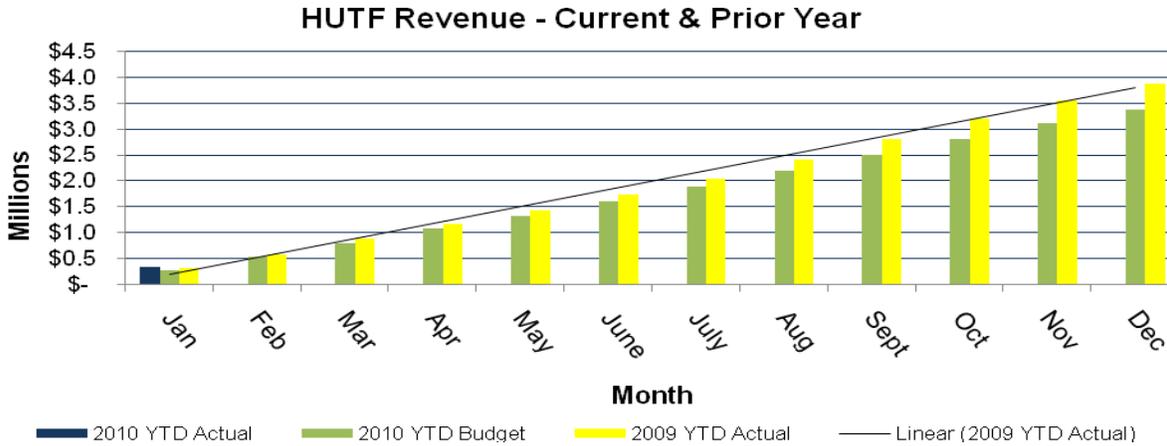
Building Materials Use Tax

Building materials use tax revenues year to date for 2010 are \$.1 million, or 22.0% favorable to budgeted revenues.



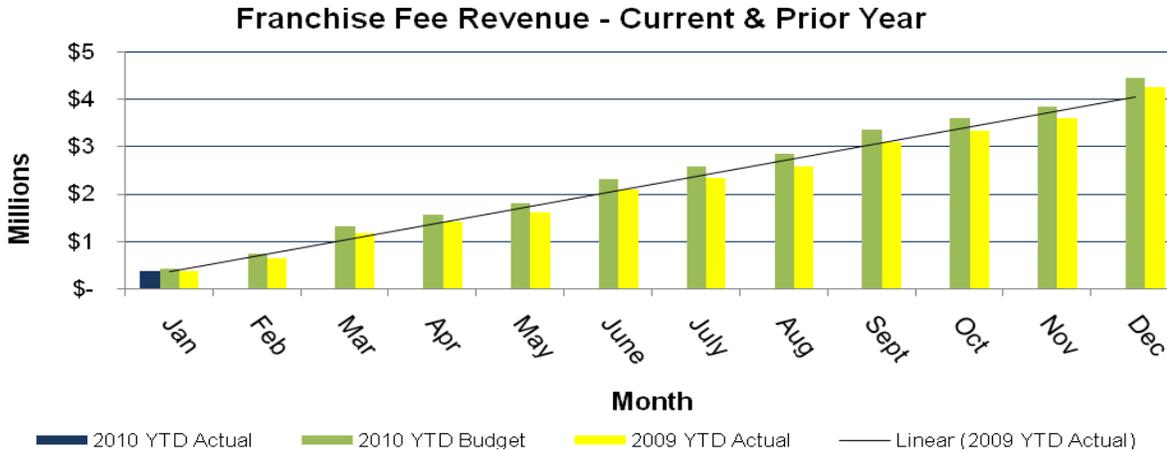
Highway Users Tax Fund

Highway Users Tax Fund revenues year to date for 2010 are \$.3 million, or 25.1% favorable compared to budgeted revenues. This favorable variance is due to the FASTER revenues that are included with the HUTF payments, but were not budgeted as the City did not know when the revenues would begin or how much to expect.



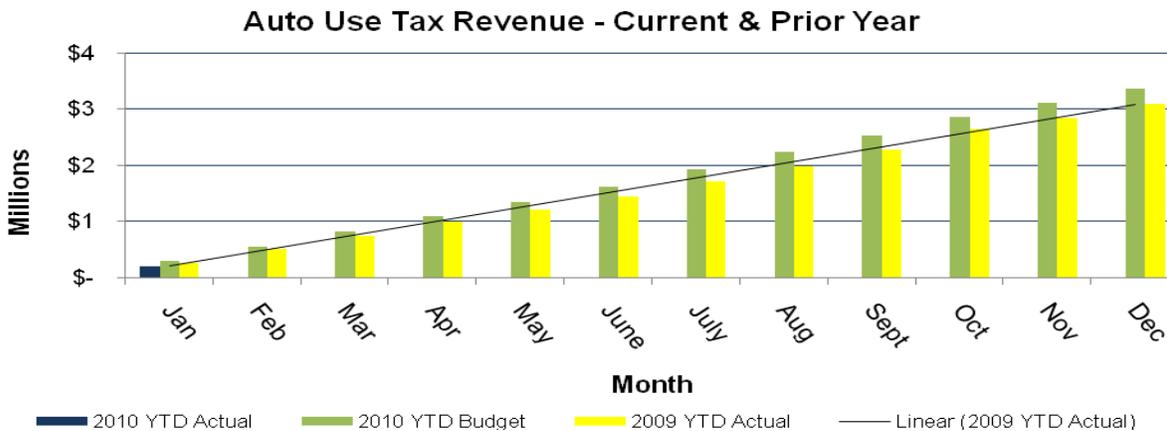
Franchise Fees

Franchise fee revenues year to date for 2010 are \$0.4 million, or 12.2% unfavorable compared to budgeted revenues. This unfavorable variance is due to the gas franchise fee. Xcel Energy reduced their natural gas prices by 4% for the first quarter of 2010. Mild weather in November of 2009 kept demand for natural gas lower than expected, which resulted in natural gas storage levels much higher than prior year levels, and the five-year average. The higher storage levels resulted in lower prices for the first quarter of 2010, compared to the first quarter of 2009.



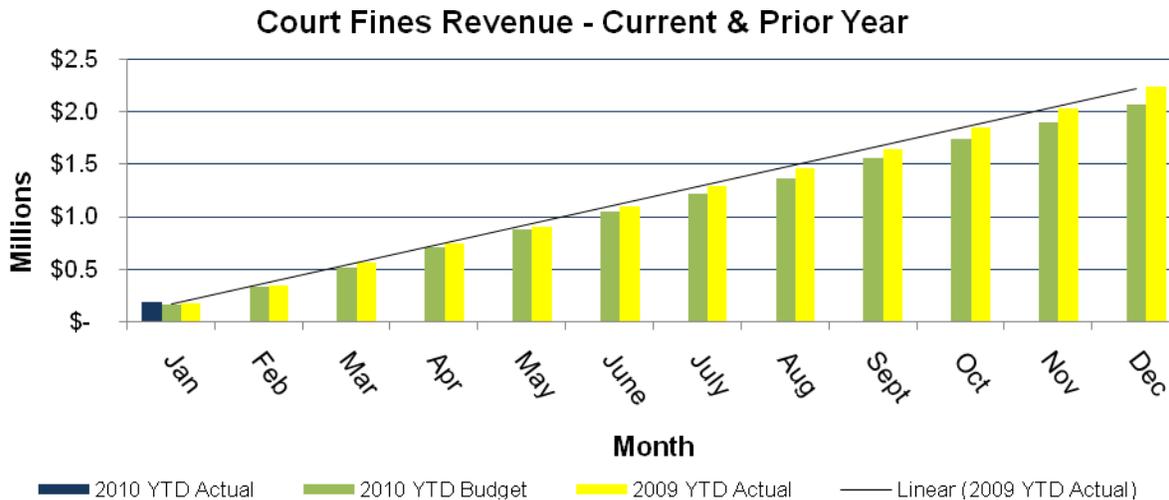
Automobile Use Tax

Automobile use tax revenues year to date are \$0.2 million, or 31.0% unfavorable to budgeted revenues. Staff will continue to closely monitor this revenue source.



### Court Fines

Court fine revenues year to date for 2010 are \$.2 million, or 16.3% favorable compared to budgeted revenues.



### Investment Income

Investment income year to date is 74.8% unfavorable compared to budgeted revenues. This unfavorable variance is the direct result of the continued, and significant, declines in earnings rates.

### Expenditures

Total expenditures and other financing uses year to date are \$.2 million, or 5.2% favorable compared to the year to date budget. The overall favorable variance for actual expenditures compared to budget is primarily due to the Elected Officials and Human Resources and Risk Management Services departments.

- The Elected Officials expenditures year to date are \$.1 million, or 43.2% favorable to the year to date budget. This favorable variance is due to the timing of dues and membership expenditures compared to the budget allocation.
- The Human Resources and Risk Management Services expenditures year to date are approximately \$48,000, or 33.2% favorable to the year to date budget. This favorable expenditure variance is primarily due to a decrease in premiums for property and casualty insurance services. The City is experiencing insurance premium payments that are lower than expected, which may result in an annual savings.

## LAND USE FUND

### Comparison to Prior Year

#### Revenues

- Total revenues collected year to date decreased \$.1 million, or 33.2%, to \$.1 million compared to revenues collected year to date during the prior year. This decrease is primarily attributable to Building Services revenues.
  - Building Services revenues collected year to date are \$.1 million, or \$.1 million (41.9%) less than building services revenues collected year to date during the prior year. This decrease is the result of the completion of The Streets at SouthGlenn project.

#### Expenses

- Total expenses year to date decreased \$.1 million, or 27.7%, to \$.2 million compared to expenditures year to date during the prior year. This decrease is primarily due to the following:

- Building Services expenses year to date are \$.1 million for 2010, or \$.1 million (42.4%) less than expenditures year to date during the prior year. This decrease is the result of the completion of The Streets at SouthGlenn project.
- Land Development Code Rewrite expenses were approximately \$22,000 higher in 2009 than they are in 2010.

**Comparison to Budget**

*Revenues*

- Total revenues collected year to date are in line with the year to date budgeted revenues.

*Expenses*

- Total expenses are 7.6% favorable compared to the year to date budget, which is approximately \$14,000. Most line items within Land Use have a favorable variance to budget due to the timing of expenditures compared to the allocation of the budget.

<b>CAPITAL IMPROVEMENT FUND</b>
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**Comparison to Prior Year**

*Revenues*

- Total revenues collected year to date decreased \$.6 million, or 99.7% compared to revenues collected year to date during 2009. This decrease is due to Federal Grant revenues collected as a result of the Arapahoe/University and Arapahoe – Colorado to Holly projects during the prior year.

*Expenditures*

- Total expenditures year to date decreased \$.1 million, or 33.1%, to \$.2 million compared to expenditures year to date during the prior year. This decrease is mostly the result of the Arapahoe/University and Arapahoe – Colorado to Holly projects, which had \$.2 million expended year to date in 2009. This decrease is partially offset by \$.1 million in environmental assessment expenditures this year.

**Comparison to Budget**

*Revenues*

- Total revenues collected year to date are approximately \$3,000, or 61.6% unfavorable compared to the year to date budget. This unfavorable variance is due to Pavement Degradation fees. The number of permits issued in January is in line with the number of permits issued in January of 2009, but the fee structure has been revised resulting in lower revenues.

*Expenditures*

- Total expenditures are \$1.0 million, or 86.1% favorable compared to the year to date budget. This favorable variance is due to budget that was carried forward from the prior year for the Arapahoe/University and Arapahoe – Colorado to Holly projects.

<b>CONSERVATION TRUST FUND</b>
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**Comparison to Prior Year**

*Revenues*

- Total revenues collected year to date are approximately \$1,200, or 59.6% below revenues collected during the prior year. This decrease is due to a decrease in investment earnings, which is the direct result of lower earnings rates. The amount invested has increased from \$3.5 million at the end of January, 2009 to \$4.0 million at the end of January, 2010.

*Expenditures*

- There are no year to date expenditures for 2009 or 2010.

**Comparison to Budget**

*Revenues*

- Total revenues collected year to date are 40.2% below budgeted revenues due to a decrease in investment earnings, which is the direct result of lower earnings rates.

*Expenditures*

- There are no year to date budgeted or actual expenditures for 2010.

<b>OPEN SPACE FUND</b>
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**Comparison to Prior Year**

*Revenues*

- Total revenues collected year to date decreased 55.3% compared to revenues collected year to date during 2009. This decrease is due to a decrease in investment earnings, which is the direct result of lower earnings rates. The amount invested has increased from \$6.4 million at the end of January, 2009 to \$7.9 million at the end of January, 2010.

*Expenditures*

- Total expenditures year to date increased \$.2 million, or more than 100.0%, to \$.2 million compared to expenditures year to date during the prior year. This increase is the result of expenditures for Piney Creek Hollow Park and Civic Center Park.

**Comparison to Budget**

*Revenues*

- Total revenues collected year to date are 33.6% below budgeted revenues due to a decrease in investment earnings, which is the direct result of lower earnings rates.

*Expenditures*

- Total expenditures are \$.1 million, or 64.4% unfavorable compared to the year to date budget. This unfavorable variance is due to the timing of the budget allocations and is expected to diminish as the year progresses.

<b>GENERAL IMPROVEMENT DISTRICT FUNDS</b>
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**Comparison to Prior Year**

*Revenues*

- Total revenues collected year to date increased approximately \$1,500, or 36.3% compared to revenues collected year to date during the prior year. This increase is due to timing of property tax payments and is consistent with the payment pattern the City is experiencing in the General Fund.

*Expenditures*

- Total expenditures year to date are consistent with the prior year.

### **Comparison to Budget**

#### *Revenues*

- Total revenues collected year to date of approximately \$5,600 is 24.6% unfavorable compared to budgeted revenues. This unfavorable variance is due to the timing of property tax payments compared to the allocation of the budget.

#### *Expenditures*

- Total expenditures are 99.7% favorable compared to the year to date budget. This favorable variance to budget is due to the timing of the budget allocations and is expected to diminish as the year progresses.

<b>CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND</b>
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### **Comparison to Prior Year**

#### *Revenues*

- Total revenues collected year to date decreased approximately \$46,000, or 73.2% compared to revenues collected year to date during 2009. This decrease is directly attributable to the completion of The Streets at SouthGlenn project and related Building Permit/Plan Review revenue collected during the prior year.

#### *Expenditures*

- Total expenditures year to date decreased approximately \$46,000, or 73.4% compared to prior year expenditures. This decrease is the result of the completion of The Streets at SouthGlenn project.

### **Comparison to Budget**

#### *Revenues*

- Total revenues collected year to date are \$.1 million, or 81.5% unfavorable compared to the year to date budgeted revenues. This variance is due to the timing of property tax payments in comparison to the allocation of the budget.

#### *Expenditures*

- Total expenditures are \$.1 million, or 81.5% favorable compared to the year to date budget. This favorable variance is directly related to the timing of property tax payments and the related pass-through of these revenues to the Southglenn Metropolitan District as a result of the public finance agreement between the Authority and District.