



The following financial report analysis offers readers a narrative overview of the financial activities of the City for the period January through November, 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.

Summary of the November, 2010 YTD Financial Statements

GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD

Revenues

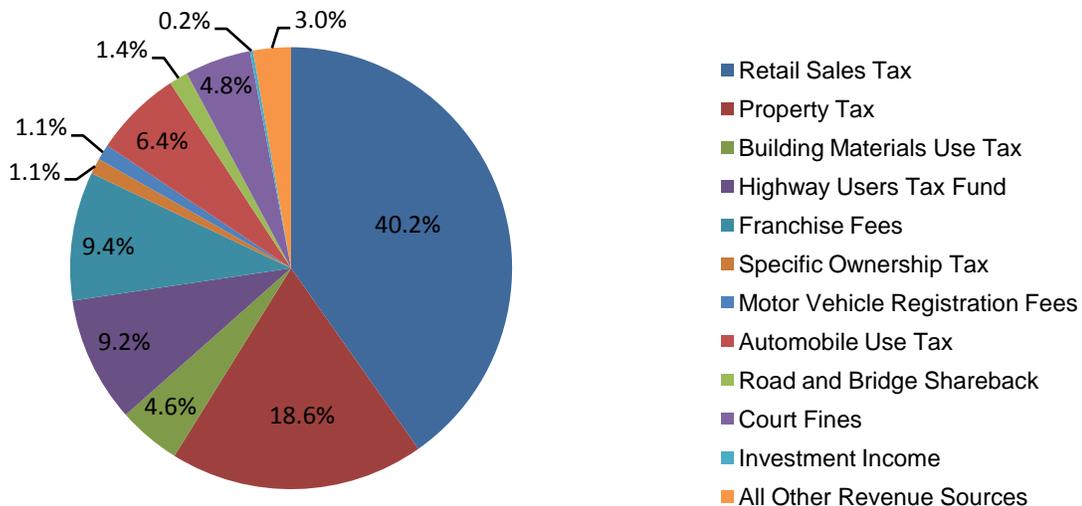
The following table is a summary comparison of the primary revenue sources YTD for 2009 and 2010:

(dollar amounts in millions)

	YTD 2010	YTD 2009	\$ Variance	% Variance
Retail Sales Tax	\$ 17.5	\$ 15.6	\$ 1.9	12.6%
Property Tax	8.1	7.8	0.3	3.3%
Building Materials Use Tax	2.0	1.5	0.5	27.2%
Highway Users Tax Fund	4.0	3.5	0.5	13.6%
Franchise Fees	4.1	3.6	0.5	13.2%
Specific Ownership Tax	0.5	0.5	-	-3.2%
Motor Vehicle Registration Fees	0.5	0.4	0.1	17.3%
Automobile Use Tax	2.8	2.8	-	-2.2%
Road and Bridge Shareback	0.6	0.6	-	-2.4%
Court Fines	2.1	2.0	0.1	4.4%
Investment Income	0.1	0.1	-	-33.0%
All Other Revenue Sources	1.2	1.7	(0.5)	-15.8%
	<u>\$ 43.5</u>	<u>\$ 40.1</u>	<u>\$ 3.4</u>	<u>8.4%</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 \$1.9 million, or 12.6% 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 \$0.7 million, or 65% 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, 537 (net) new licenses have been issued contributing approximately \$1.1 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 3.37% in February, 2009 to 21.0% as of November, 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 November 2010 - Top 25 Sales by 4-digit NAICS Code

NAICS Description	YTD 2010	% of Total	YTD 2009	% Change
1 Full-Service Restaurants	1,364,130	7.8%	1,128,287	20.9%
2 Wireless Telecommunications Carriers (except Satellite)	1,189,320	6.8%	1,198,785	-0.8%
3 Automobile Dealers	1,160,479	6.6%	1,098,055	5.7%
4 Limited-Service Eating Places	1,049,271	6.0%	897,885	16.9%
5 Electric Power Generation, Transmission and Distribution	1,035,919	5.9%	877,131	18.1%
6 Grocery Stores	993,597	5.7%	812,085	22.4%
7 Other General Merchandise Stores	757,088	4.3%	727,339	4.1%
8 Sporting Goods, Hobby, and Musical Instrument Stores	557,192	3.2%	512,563	8.7%
9 Electronics and Appliance Stores	538,690	3.1%	508,717	5.9%
10 Department Stores	517,795	3.0%	472,918	9.5%
11 Wired Telecommunications Carriers	514,274	2.9%	620,666	-17.1%
12 Automotive Parts, Accessories, and Tire Stores	435,714	2.5%	373,109	16.8%
13 Commercial and Industrial Machinery and Equipment Rental and Leasing	435,258	2.5%	354,716	22.7%
14 Beer, Wine, and Liquor Stores	429,227	2.5%	409,302	4.9%
15 Furniture Stores	564,763	3.2%	287,816	96.2%
16 Automotive Repair and Maintenance	362,708	2.1%	355,504	2.0%
17 Traveler Accommodation	325,352	1.9%	310,308	4.8%
18 Health and Personal Care Stores	355,238	2.0%	295,172	20.3%
19 Electrical and Electronic Goods Merchant Wholesalers	293,665	1.7%	113,010	159.9% *
20 Computer Systems Design and Related Services	286,492	1.6%	101,424	182.5% *
21 Building Material and Supplies Dealers	260,449	1.5%	209,552	24.3%
22 Home Furnishings Stores	234,787	1.3%	128,457	82.8%
23 Other Miscellaneous Store Retailers	234,342	1.3%	236,811	-1.0%
24 Lawn and Garden Equipment and Supplies Stores	201,414	1.1%	196,658	2.4%
25 Clothing Stores	192,054	1.1%	168,386	14.1%
26 All Other Businesses	3,227,247	18.4%	3,165,523	1.9%
Total	17,516,463		15,560,176	

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

Property Tax

Property Tax revenue YTD 2010 is \$0.3 million, or 3.3% more than collections YTD 2009. Property tax received through the remainder of the year should be minimal since the majority of the property tax due is received by June. 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 are 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 \$0.5 million, or 27.2% 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 27.1% less than revenues during the same period in 2009.

The number of building permits issued YTD 2010 is 16.6% lower than the same period in 2009; the total valuation of projects, other than the one large commercial project, is 19.5% 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 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 13.6% 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 \$0.8 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 \$0.5 million, or 13.2% more than collections YTD 2009.

Gas and electric franchise fee revenue YTD 2010 is 15.5% 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. Consistent with actual collections through November, the City expects the favorable variance to decrease through the remainder of the year.

Cable franchise fee revenue for the first three quarters of 2010 is 5.2% more than the first three quarters of 2009. In researching the variance, it was discovered that there has been an overpayment 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 is expected as an adjustment 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 \$0.1 million, or 4.4% more than collections for the same period in 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 33.0% 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 \$23.2 million as of November 30, 2009, to \$27.5 million as of November 30, 2010.

	<u>Annual Yield – 2009</u>	<u>Annual Yield – 2010</u>	<u>Difference</u>
Colostrust	0.30%	0.20%	(0.10%)
Wells Fargo	0.10%	0.10%	0.00%

Expenditures

Total expenditures YTD are \$3.4 million, or 9.0% more than expenditures YTD 2009. The net increase is attributable to variances in the City Attorney, City Clerk and Liquor Licensing, City Manager's Office, Finance, Nondepartmental, Human Resources and Risk Management Services, Support Services, Public Works 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.
- City Clerk and Liquor Licensing expenditures are \$0.1 million more than expenditures YTD in 2009. This increase is partly due to personnel costs. In addition, the 2009 actual cost for the liquor enforcement officer was allocated for the year in December 2009 and the actual cost for the 2010 liquor enforcement officer was allocated monthly. This variance will somewhat diminish by year end.
- City Manager's Office expenditures are \$0.1 million more than expenditures YTD in 2009. This increase is mostly attributable to personnel costs, as well as expenditures related to the citizen survey.
- Finance expenditures are \$0.2 million more than expenditures YTD in 2009. This increase is attributable to personnel costs 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.
- Human Resources and Risk Management Services expenditures are \$0.1 million less than expenditures YTD in 2009. This decline is primarily due to a decrease in premiums for property and casualty insurance services resulting from stop loss credits. In addition, there is a decrease in expenditures for temporary personnel costs which are partially offset by an increase in expenditures for internship wages.
- 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 and the purchase of the VoIP phone system during 2010.
- Public Works expenditures are \$0.3 million more than expenditures YTD in 2009. This variance is due to higher costs related to traffic signal maintenance, snow removal materials, as well as an annual increase in the Public Works service provider contract. In addition, there is an increase in street light utility costs for 2010 due to an increase in Xcel Energy electricity rates. These

increases are partially offset by a decrease in expenditures for roadway data collection and safe routes to school, as these agreements ended in 2009.

- Municipal Court expenditures are \$0.1 million less than expenditures YTD in 2009. This variance is mostly attributable to a decrease in the 2010 Intergovernmental Agreement with Arapahoe County for traffic officers. In addition, there are fewer costs for temporary staffing which is partially offset by higher personnel costs.
- Land Use Fund transfers YTD are \$0.5 million less than transfers YTD during 2009. This decrease is primarily 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. The Land Use Fund also had fewer expenses related to Applicant Work Orders and the Land Development Code Rewrite. In addition, there was an increase in Building Permit and Plan Review fees from a large commercial project, which to some extent offsets permitting and inspections expenses. This net reduction resulted in a lower General Fund support transfer.
- Capital Improvement Fund transfers YTD are \$3.7 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.

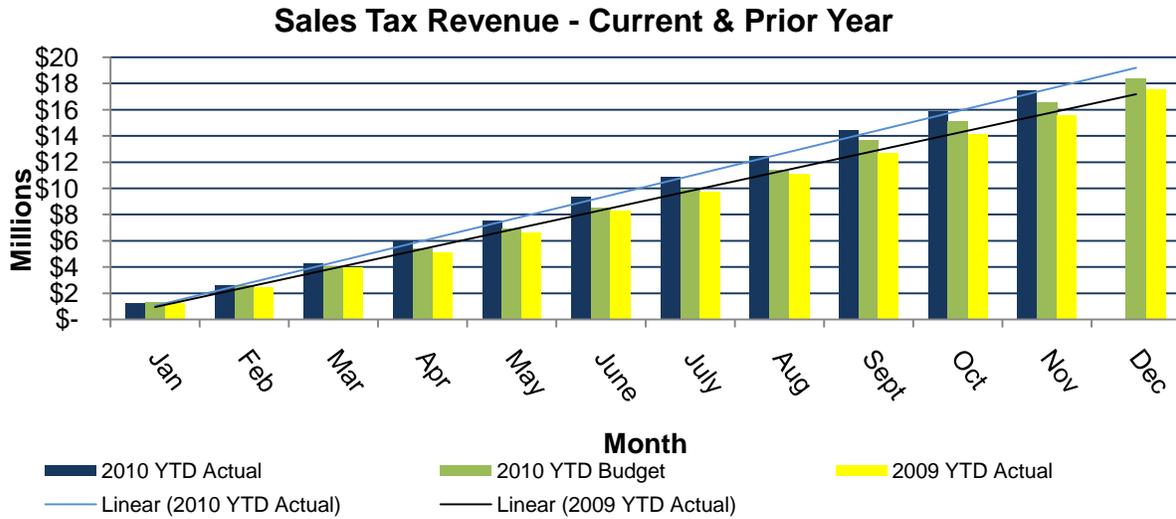
(dollar amounts in millions)

	Actual YTD 2010	Budget YTD 2010	\$ Variance	% Variance
Retail Sales Tax	\$ 17.5	\$ 16.6	\$ 0.9	5.6%
Property Tax	8.1	8.0	0.1	0.5%
Building Materials Use Tax	2.0	2.1	(0.1)	-4.9%
Highway Users Tax Fund	4.0	3.8	0.2	5.8%
Franchise Fees	4.1	3.9	0.2	4.1%
Specific Ownership Tax	0.5	0.5	-	-4.5%
Motor Vehicle Registration Fees	0.5	0.4	0.1	17.2%
Automobile Use Tax	2.8	2.6	0.2	7.5%
Road and Bridge Shareback	0.6	0.6	-	-0.1%
Court Fines	2.1	2.0	0.1	3.1%
Investment Income	0.1	-	0.1	22.0%
All Other Revenue Sources	1.2	1.2	-	17.8%
	<u>\$ 43.5</u>	<u>\$ 41.7</u>	<u>\$ 1.8</u>	<u>4.2%</u>

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

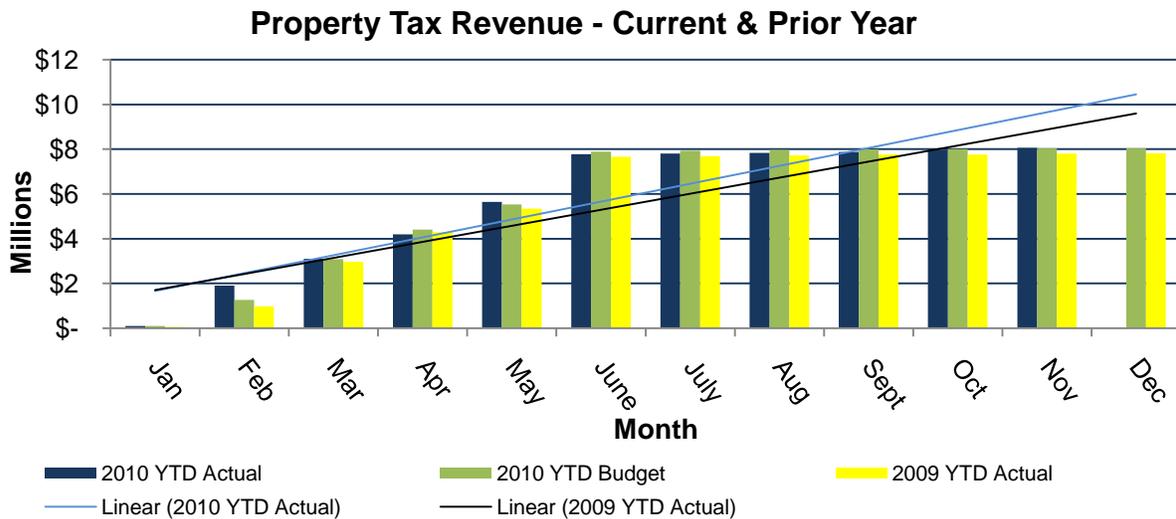
Retail Sales Tax

Retail Sales Tax revenue YTD is \$0.9 million, or 5.6% 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.



Property Tax

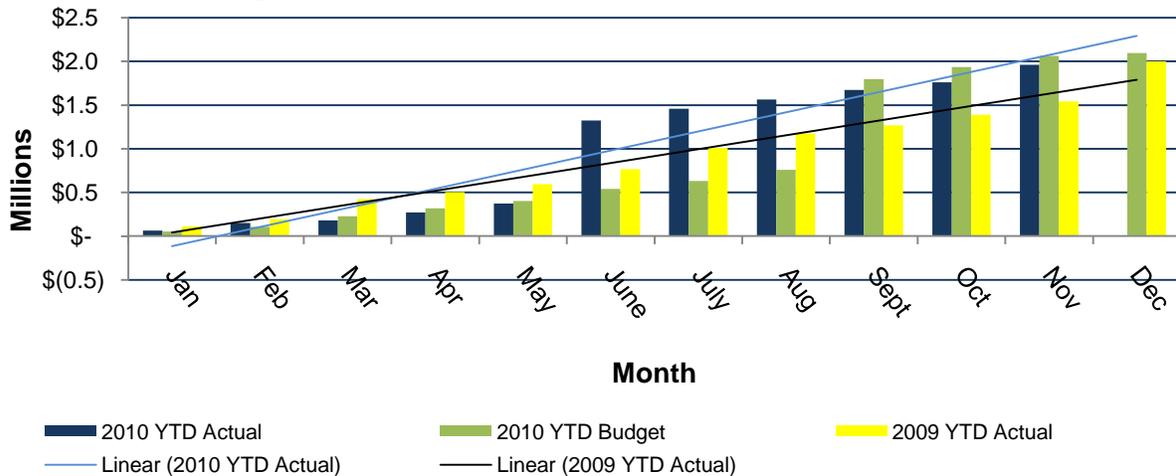
Property Tax revenue YTD is less than \$0.1 million, or 0.5% favorable compared to budget. This favorable variance is expected to decrease, but remain favorable for the year.



Building Materials Use Tax

Building Materials Use Tax revenue YTD is \$0.1 million, or 4.9% 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. The unfavorable variance is expected to decrease through the end of the year.

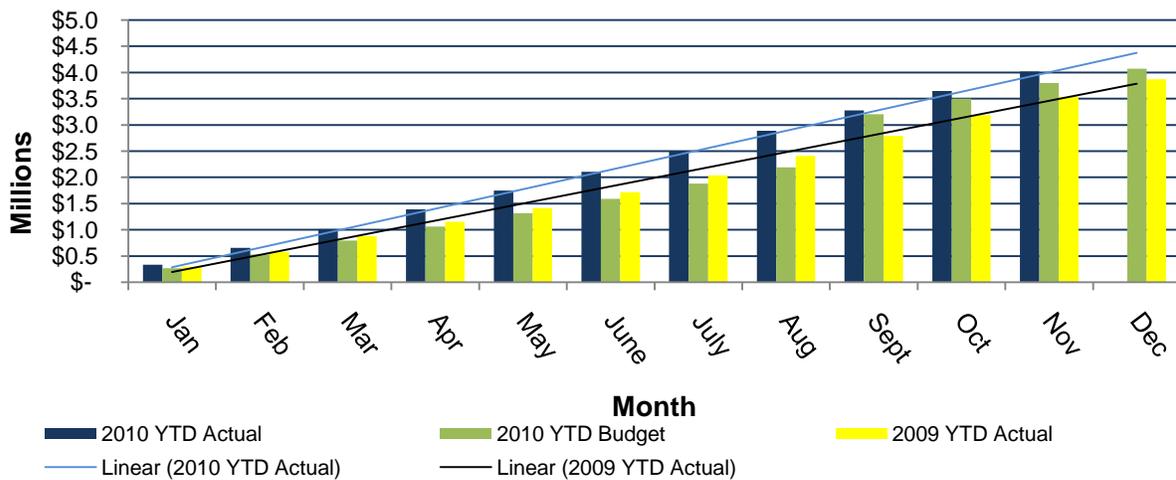
Building Materials Use Tax Revenue - Current & Prior Year



Highway Users Tax Fund

Highway Users Tax Fund revenue YTD is \$0.2 million, or 5.8% 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.

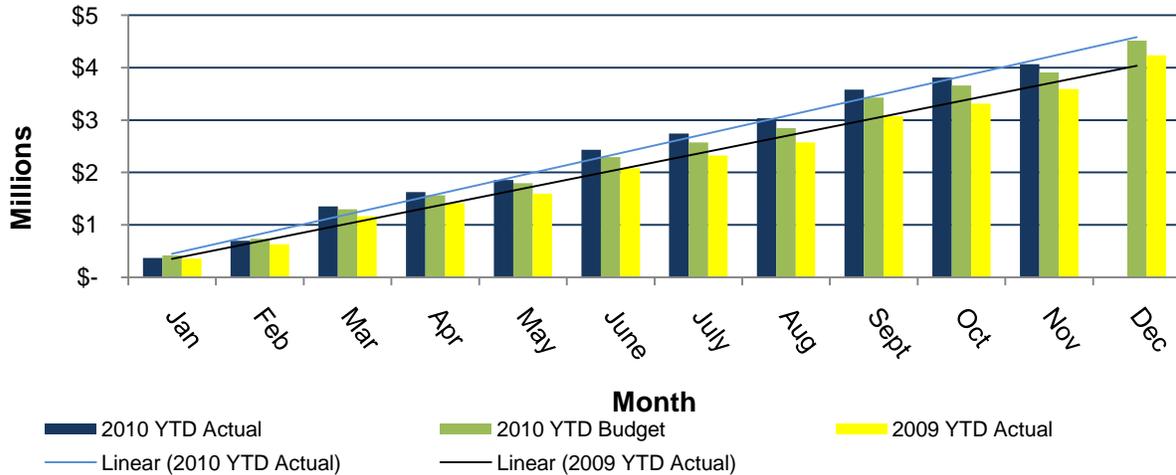
HUTF Revenue - Current & Prior Year



Franchise Fees

Franchise Fee revenue YTD is \$0.2 million, or 4.1%, favorable compared to budget. This favorable variance is due to an increase in electric and cable franchise fee rates. Cable rates typically increase by an average of 3% annually.

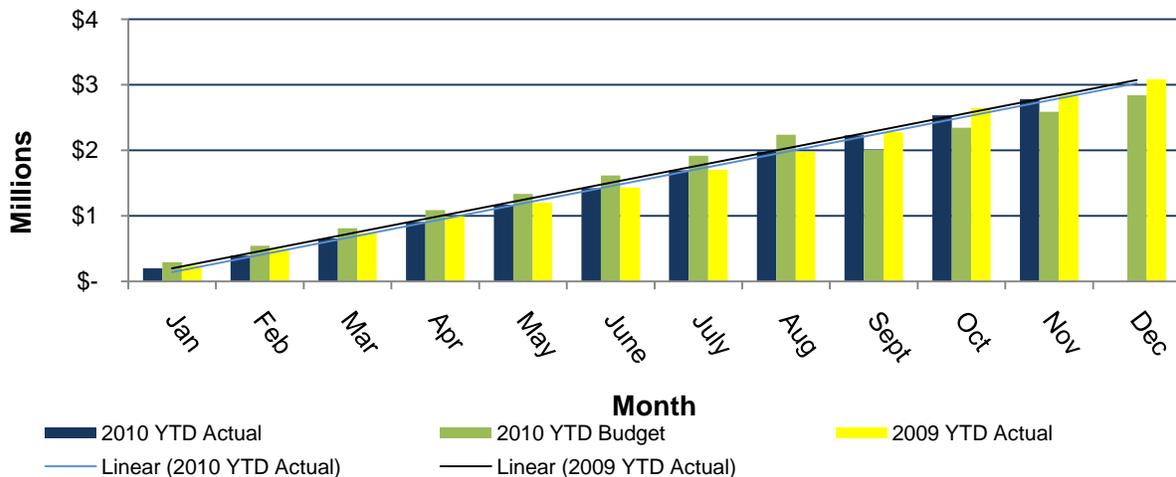
Franchise Fee Revenue - Current & Prior Year



Automobile Use Tax

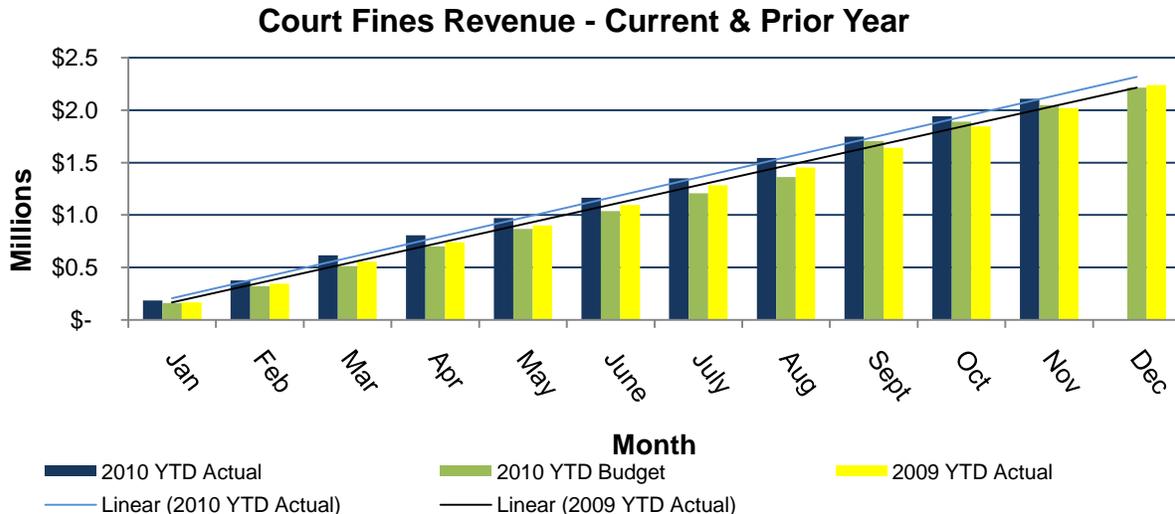
Automobile Use Tax revenue YTD is \$0.2 million, or 7.5% favorable compared to the Revised Budget. The Revised Budget amount was decreased to reflect the decrease in collections for automobile use tax collected for the City by Arapahoe County. Additionally, the City's sales tax program requires automobile 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 9.8% for November, 2010 compared to November, 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 3.1% favorable compared to budget. This favorable variance is largely due to an increase in the actual court fine revenue received that was not anticipated during the 2010 Adopted Budget process. Specific items relating to the increase are difficult to identify since fine activity varies. The difference in the Revised Budget was adjusted in the month of September.



Investment Income

Investment Income YTD is 22.0% favorable compared to budget. This favorable variance is due to the adjustments made in the Revised Budget reflecting the significant declines in earnings rates. While the month-to-month rates vary, the annual yield is within a small range compared to the same period last year. The volatility of the market makes planning through the budget process a particularly difficult challenge at this time. The favorable variance is expected to decrease to the end of the year since the adjustment made in the Revised Budget occurred in the month of September.

Expenditures

Total expenditures and other financing uses (sources) YTD are \$2.1 million, or 4.8% 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 10.5% favorable to budget. This favorable variance appears to be a cost savings for outside counsel services.
- City Clerk and Liquor Licensing expenditures are \$0.1 million, or 19.4% favorable to budget. This favorable variance is mostly due to election cost savings, as there were no special elections in 2010.
- City Manager's Office expenditures YTD are \$0.1 million, or 5.7% 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 69.6% 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 6.5% favorable to budget. This favorable variance is partly due to personnel vacancy savings, as well as the timing of budget allocations for various projects. In addition, there appears to be some savings for financial system services.
- Nondepartmental expenditures YTD are \$0.3 million, or 48.4% favorable to budget. This favorable variance is due to the timing of budget allocations related to sales tax incentive payments which have not been made YTD. In addition, there are 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 44.1% favorable to budget. This favorable variance appears to be a result of cost savings for various services and supplies.
- Human Resources and Risk Management Services expenditures are \$0.3 million, or 31.9% 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 \$0.3 million, or 25.3% favorable to budget. This favorable variance is partly due to the timing of expenditures as compared to the allocation of the budget for services and supplies within Information Technology, as well as project savings related to SIRE software upgrades. In addition, there appears to be some savings related to specific projects and maintenance supplies within Facilities.
- Public Works expenditures are \$0.2 million, or 2.1% favorable to budget. This favorable variance is partly due a timing difference for signal repairs and contingency costs. In addition, there are savings related to program services, fuel and utilities.
- Municipal Court expenditures are \$0.1 million, or 4.1% favorable to budget. This favorable variance is mostly due to the timing of the expenditures for the conversion of the court computer and is expected to diminish by the end of the year, as the entire revised budget was adjusted in September. In addition, there are some personnel vacancy savings.
- Planning and Development expenditures are \$0.1 million, or 28.3% 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 mostly due to the timing of expenditures compared to the allocation of the budget.

LAND USE FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$0.5 million, or 19.7% more than revenue collected during the same period in 2009. The majority of this increase is due to deferred revenue that was recognized during 2010. A portion of the increase is also due to Building Services Permit and Plan Review Fees for a large commercial project.

Expenses

- Expenses YTD are less than \$0.1 million, or 1.1% 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 an increase in permitting/inspection fees for a large commercial building, project expenses for the Paperless Plan Review, and the allocation expense of the office rent from the General Fund.

Comparison to Budget

Revenue

- Revenue YTD is \$0.1 million, or 3.3% 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 3.9% favorable compared to budget. This favorable variance is partially due to personnel vacancy savings, as well as the timing of the budget allocations related to projects. The Bus Bench project started late in 2010 and will most likely carry over to 2011. This overall favorable variance is partially offset by an unfavorable variance for temporary personnel costs, and permitting/inspection fees.

CAPITAL IMPROVEMENT FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$1.6 million, or 87.9% 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 deficiency in 2010.

Expenditures

- Expenditures YTD are \$4.1 million, or 46.1% 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, as well as the City's share of the Environmental Assessment project.

Comparison to Budget

Revenue

- Revenue YTD is \$1.1 million, or 83.4% 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 grant funded 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 \$4.2 million, or 46.8% 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, as well as savings on the street rehabilitation

program. The street rehabilitation program, 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

- There are no YTD expenditures for 2009 or 2010.

Comparison to Budget

Revenue

- Revenue YTD is in line with the amount budgeted.

Expenditures

- Expenditures are \$3.4 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 the timing of budget allocations 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 9.1%. 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, as well as 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 \$3.0 million, or 53.6% favorable compared to budget. This favorable variance is partially due to timing of budget allocations related to various capital projects. In addition, there are several projects including South Suburban Park and Recreation District 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 7.6% 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 \$0.3 million, or 47.1% favorable compared to budget. This favorable variance is due to the timing of the budget allocations, as well as 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

Comparison to Prior Year

Revenue

- Revenue received YTD is \$0.9 million, or more than 100.0% favorable compared to the prior year primarily due to the increase in Property Tax received for The Streets at SouthGlenn.

Expenditures

- Expenditures YTD increased \$1.0 million, or more than 100.0% compared to prior year expenditures. This increase is mostly attributable to the property tax pass-through payment by the Authority to the Southglenn Metropolitan District pursuant to the public finance agreement. In addition, this increase is partially offset by a decrease in building and construction services for The Streets at SouthGlenn.

Comparison to Budget

Revenue

- Revenue YTD is \$0.2 million, or 19.4% favorable compared to budget. This favorable variance is primarily due to 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 \$0.2 million, or 20.7% unfavorable compared to budget. This unfavorable variance is primarily due to 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.