



The following financial report analysis offers readers a narrative overview of the financial activities of the City for the period ended December 31, 2012; 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. In addition, please refer to the Executive Summary in the 2012 Annual Budget for an explanation of 2012 budget variances compared to the 2011 Adopted Budget.

Summary of the December, 2012 YTD Financial Statements

GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD

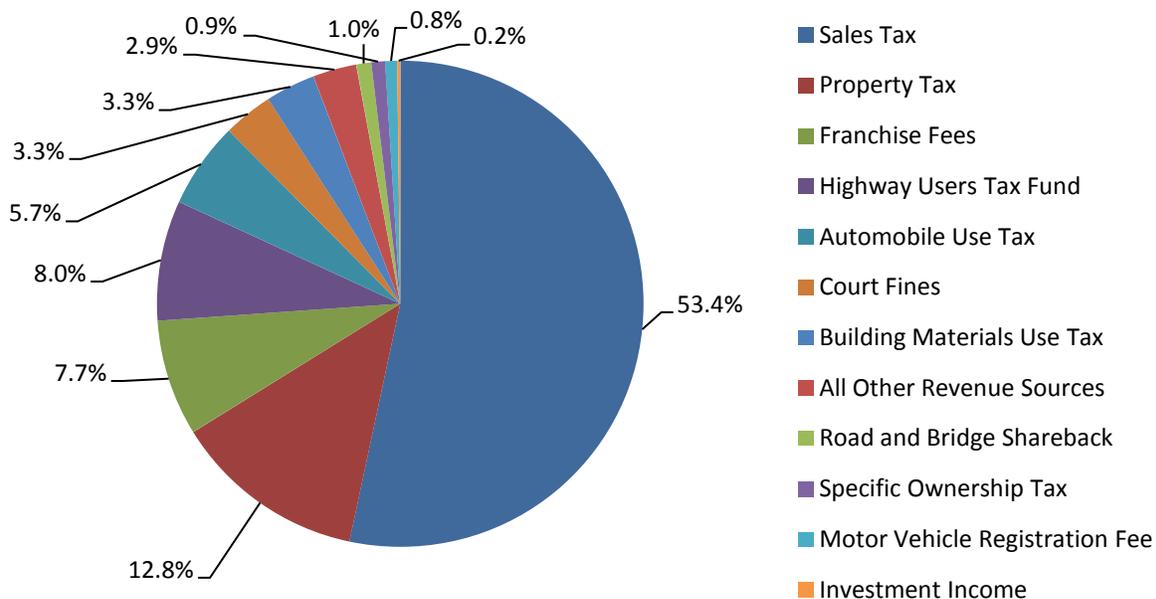
Revenues

The following table is a summary comparison of the primary revenue sources YTD for 2011 and 2012: *(dollar amounts in millions)*

	YTD 2012	YTD 2011	\$ Variance	% Variance
Retail Sales Tax	\$ 32.3	\$ 26.0	\$ 6.3	24.1%
Property Tax	7.7	8.0	(0.3)	-3.7%
Building Materials Use Tax	2.0	1.7	0.3	19.4%
Highway Users Tax Fund	4.8	4.6	0.2	5.0%
Franchise Fees	4.6	4.7	(0.1)	-2.2%
Specific Ownership Tax	0.5	0.5	-	3.9%
Motor Vehicle Registration Fees	0.5	0.5	-	2.2%
Automobile Use Tax	3.4	3.2	0.2	8.8%
Road and Bridge Shareback	0.6	0.6	-	1.6%
Court Fines	2.0	2.1	(0.1)	-4.6%
Investment Income	0.1	-	0.1	351.7%
All Other Revenue Sources	2.0	1.5	0.5	21.3%
	<u>\$ 60.5</u>	<u>\$ 53.4</u>	<u>\$ 7.1</u>	<u>13.2%</u>

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

2012 YTD Revenues by Source, as a Percentage of Total Revenues



Retail Sales Tax

Retail Sales Tax revenue YTD 2012 is \$6.3 million or 24.1% more than collections YTD 2011. This increase is primarily due to sales tax collections from new retail centers, out-of-City vendors, and compliance audits. The City has received approximately \$2.3 million in sales tax revenue YTD from the Streets at SouthGlenn, Centennial Promenade, IKEA and Centennial Center which was not received YTD 2011.

The City's retail sales tax licensing program continues to identify businesses outside of Centennial that should be licensed and remitting sales tax. Sales tax revenues received from out-of-City vendors have increased by approximately \$1.5 million compared to YTD 2011. Over ninety-nine percent of businesses located inside the City are licensed, collecting and remitting sales tax. Efforts to maintain this high level of licensure for retailers located inside of the City is a priority.

Sales tax auditing and delinquent collection efforts also increase overall compliance with the City's ordinance. The City collected one-time audit revenue totaling \$1.2 million more than collections YTD 2011. General sales tax collections for all other retailers throughout the City have increased over \$1.3 million compared to YTD 2011.

The table below represents sales tax collected 2012 YTD summarized by North American Industry Classification System (NAICS) codes compared to the same codes for YTD 2011.

2012 & 2011 YTD through December 2012 - Top 25 Sales by 4-digit NAICS Code

	NAICS Description	2012 YTD	% of Total	2011 YTD	% Change
1	Furniture Stores	\$ 4,032,116	17.1%	\$ 2,472,536	63.1%
2	Full-Service Restaurants	1,965,212	8.3%	1,678,461	17.1%
3	Sporting Goods, Hobby, and Musical Instrument Stores	1,557,305	6.6%	1,333,858	16.8%
4	Automobile Dealers	1,535,413	6.5%	1,330,780	15.4%
5	Limited-Service Eating Places	1,397,891	5.9%	1,275,617	9.6%
6	Grocery Stores	1,298,006	5.5%	1,182,904	9.7%
7	Wireless Telecommunications Carriers (except Satellite)	1,279,677	5.4%	1,263,665	1.3%
8	Electronics and Appliance Stores	1,260,548	5.3%	920,118	37.0%
9	Electric Power Generation, Transmission and Distribution	1,155,072	4.9%	1,175,154	-1.7%
10	Other General Merchandise Stores	939,403	4.0%	900,755	4.3%
11	Department Stores	831,856	3.5%	773,019	7.6%
12	Commercial and Industrial Machinery and Equipment Rental and Leasing	669,745	2.8%	495,470	35.2%
13	Automotive Parts, Accessories, and Tire Stores	591,000	2.5%	567,216	4.2%
14	Beer, Wine, and Liquor Stores	551,076	2.3%	535,265	3.0%
15	Jewelry, Luggage, and Leather Goods Stores	548,852	2.3%	490,674	11.9%
16	Wired Telecommunications Carriers	495,844	2.1%	529,792	-6.4%
17	Automotive Repair and Maintenance	459,089	1.9%	432,576	6.1%
18	Health and Personal Care Stores	436,939	1.9%	390,494	11.9%
19	Other Miscellaneous Store Retailers	414,597	1.8%	345,634	20.0%
20	Traveler Accommodation	398,083	1.7%	362,877	9.7%
21	Direct Selling Establishments	394,691	1.7%	300,689	31.3%
22	Clothing Stores	392,856	1.7%	334,506	17.4%
23	Home Furnishings Stores	377,504	1.6%	325,027	16.2%
24	Electrical and Electronic Goods Merchant Wholesalers	329,696	1.4%	362,377	-9.0%
25	Building Material and Supplies Dealers	306,340	1.3%	249,557	22.8%
	Total	\$23,618,810	100.0%	\$20,029,021	

*Total does not agree to sales tax revenue reported on the accompanying financial statements as this table only represents the top 25 NAICS codes and does not include audit revenue.

Property Tax

Property Tax revenue YTD 2012 is \$0.3 million or 3.7% less than collections YTD 2011. The decrease in property tax collections is primarily due to a 5.5% reduction in overall assessed property values compared to the prior year, partially offset by fewer abatements processed for the current and prior years. The overall decrease in valuation is primarily due to a reduction in the valuation for vacant, residential and commercial properties as a consequence of adverse economic conditions. The values placed on properties for calendar year 2011, and collected in 2012, were based on property sales between January 1, 2009 and June 30, 2010; a period representing the bottom, or low spot, in the recent housing market decline.

Building Materials Use Tax

Building Materials Use Tax revenue YTD 2012 is \$0.3 million or 19.4% more than collections YTD 2011. This increase in Use Tax collections is primarily due to an increase in the number of permits issued for, and total valuations on, residential projects and miscellaneous/one-stop permits. This increase is partially offset by a reduction in the number of permits issued for, and total valuations on, commercial projects. Typically, total valuations on commercial projects have been higher than total valuations on residential projects; however, the opposite was true during 2012.

Highway Users Tax Fund

Highway Users Tax Fund (HUTF) revenue YTD 2012 is \$0.2 million or 5.0% more than collections YTD 2011. This increase represents an increase in the City's monthly HUTF distribution ratio from the State of Colorado. While the total amount available for distribution to all municipalities remained virtually unchanged compared to the prior year, the City's monthly distribution ratio increased approximately 5.0% in 2012 when compared to 2011.

Franchise Fees

Total Franchise Fee revenues YTD 2012 are \$0.1 million, or 2.2% less than collections YTD 2011. This decrease is primarily due to a reduction in Gas Franchise Fees of 12.6% compared to YTD 2011 which is likely the result of average Natural Gas costs being 37.0% lower YTD 2012 compared to YTD 2011. Natural Gas costs reflect Xcel Energy's cost to purchase the natural gas commodity, as determined by prevailing market prices.

Automobile Use Tax

Automobile Use Tax revenue is \$0.2 million or 8.8% more than collections YTD 2011. This increase is most likely due to increased auto sales to the City residents compared to the prior year. According to the Colorado Automotive Dealers Association's newsletter, new vehicle registrations increased 20.1% in Colorado during December 2012 compared to December 2011, and 21.9% YTD 2012 compared to YTD 2011.

Court Fines

Court Fines revenue YTD 2012 is \$0.1 million, or 4.6% less than collections YTD 2011. Court fines and default fines contribute to the majority of this variance. While the individual types of fines and fees vary from month to month, total tickets issued YTD 2012 have declined 5.4% in comparison to the same period in 2011.

Investment Income

Investment Income YTD 2012 is \$0.1 million, or more than 100% more than collections YTD for the same period in 2011. This increase is attributable to the implementation of the City's new investment policy and investment strategy. This investment strategy takes into account the City's investment objectives of Safety, Liquidity, Yield, and Diversification. City staff anticipates that the City's overall investment yield will continue to increase in future months as a result of implementing this new investment strategy. The weighted average yield of the City's investment portfolio has increased from 0.14% YTD 2011 to 0.40% YTD 2012.

All Other Revenue Sources

All Other Revenue Sources YTD 2012 are \$0.5 million, or 21.3% more than collections during 2011. This variance is partially made up of increased collections of fees related to Business/Sales Tax Licenses and Right-of-Way Permits. Additionally, Sales Tax collected by Arapahoe County on behalf of the City in

connection with the registration of vehicles sold in private-party transactions increased over the prior year, thus contributing to this overall increase in the All Other Revenue Sources category.

Expenditures

Total expenditures and transfers YTD are \$12.7 million or 27.0% more than expenditures YTD 2011. The net increase is attributable to variances in the City Attorney's Office, City Manager's Office, Finance, Nondepartmental, Support Services, Public Works, Law Enforcement, Code Compliance departments, as well as Land Use and Capital Improvement Fund transfers.

- City Attorney's Office expenditures are \$0.2 million less than expenditures YTD 2011. During 2011, expenditures related to legal fees for annexations, litigation matters, and special projects were coded to the City Attorney's Office budget. However, during 2012 these expenditures were charged to the Nondepartmental budget, thus resulting in this variance compared to the prior year.
- City Manager's Office expenditures are \$0.1 million less than expenditures YTD 2011. This decrease is a result of personnel vacancy savings realized during the first several months of the year during 2012.
- Finance expenditures are \$0.2 million more than expenditures YTD 2011. This increase is primarily due to an increase in expenditures related to sales tax audit and collection services in 2012.
- Nondepartmental expenditures are \$1.8 million more than expenditures YTD 2011. This net increase is partially due to an increase in legal fees for special projects, annexation and litigation matters (\$0.2), in addition to incentive payments for agreements associated with Centennial Promenade, IKEA, and the Streets at Southglenn (\$2.0). These increased expenditures are offset by the USPS land purchase made in 2011 (\$0.4).
- Support Services expenditures are \$0.2 million more than expenditures YTD 2011. This increase is primarily due to the purchase of computer equipment and software, as well as an increase in utility charges related to the opening and maintenance of Centennial Center Park.
- Public Works expenditures are \$0.5 million more than expenditures YTD 2011. This net variance is partially due to an increase in salaries and benefits in 2012 as a result of 3.5 FTE positions being transferred from the Land Use Fund to Public Works. These increased expenditures are offset by a decrease in lower snow removal material costs and public works administration costs YTD 2012.
- Law Enforcement expenditures are \$0.3 million more than expenditures YTD in 2011. This increase is primarily due to a Council approved budget increase of 2.8% for 2012 law enforcement services.
- Code Compliance expenditures are \$0.1 million less than expenditures YTD in 2011. This decrease is primarily due to a decrease in overall expenditures as a result of lower contract pricing from a new service provider during 2012.
- Land Use Fund Transfers are \$0.3 million less than transfers YTD 2011. This decrease is partially due to lower expenditures related to salary and benefits, which have decreased compared to the prior year due to the transfer of 3.5 FTE positions to the Public Works department in the General Fund. Additionally, expenditures related to the Bus Bench project, which was a one-time project funded by grant proceeds during 2011, have not been incurred YTD 2012.
- Capital Improvement Fund Transfers are \$10.2 million more than transfers YTD 2011. This increase is due to a higher transfer to the Capital Improvement Fund to fund projects associated with new street construction, street rehabilitation, land improvements, and building maintenance

and improvements. More specifically, projects have been approved related to the Peakview/Peoria roundabout construction, Citywide street surface treatments and concrete replacement, traffic system upgrades, weather station installations, and the purchase of a new public works facility.

GENERAL FUND – COMPARISON TO BUDGET
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The City's annual budget is examined on a monthly basis and year to date 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 analysis below compares year to date actual amounts to the year to date 2012 budget amounts.

Revenues

The following table is a summary comparison of primary revenue sources; the table compares actual revenue compared to budget.

(dollar amounts in millions)

	Actual YTD 2012	Revised Budget YTD 2012	\$ Variance	% Variance
Retail Sales Tax	\$ 32.3	\$ 31.3	\$ 1.0	3.1%
Property Tax	7.7	7.9	(0.2)	-2.1%
Building Materials Use Tax	2.0	1.3	0.7	54.1%
Highway Users Tax Fund	4.8	4.8	-	-0.5%
Franchise Fees	4.6	4.7	(0.1)	-1.5%
Specific Ownership Tax	0.5	0.5	-	4.5%
Motor Vehicle Registration Fees	0.5	0.5	-	3.9%
Automobile Use Tax	3.4	3.3	0.1	4.1%
Road and Bridge Shareback	0.6	0.6	-	0.0%
Court Fines	2.0	2.0	-	0.5%
Investment Income	0.1	0.1	-	4.8%
All Other Revenue Sources	2.0	1.7	0.3	11.6%
	\$ 60.5	\$ 58.7	\$ 1.8	3.0%

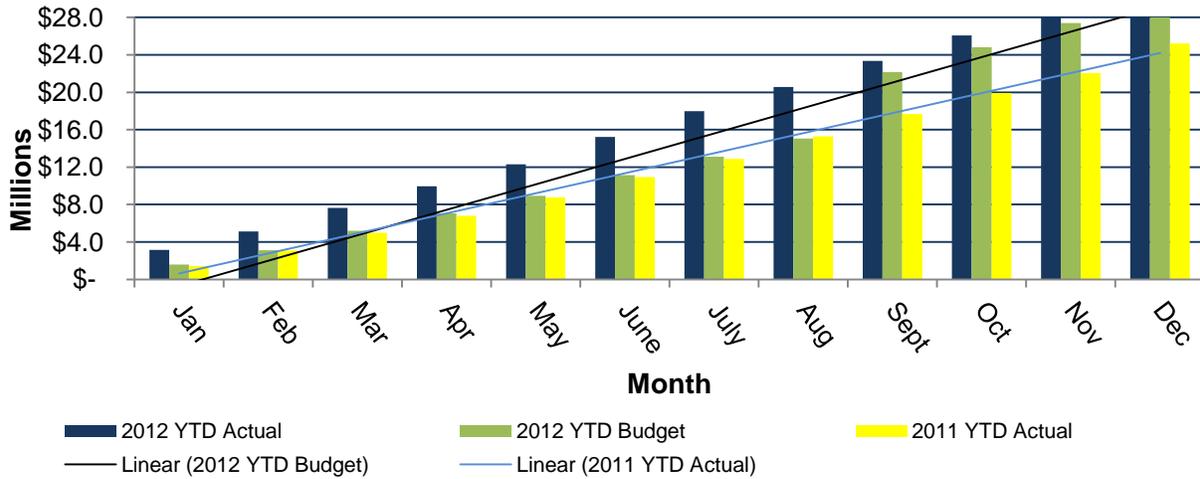
Note: Dollar amounts shown have been rounded; percentages are actual based on actual dollars.

Retail Sales Tax

Retail sales tax revenue YTD is \$1.0 million, or 3.1% favorable compared to the revised budget. This favorable variance is due to the collection of one-time sales tax audit receipts and an increase in the City's sales tax base. One-time audit sales tax receipts YTD 2012 are \$0.1 million favorable compared to budget.

The budgeted sales tax base represents sales tax paid to the City that is not attributable to new development, one-time revenue from audits and/or delinquency revenue. Year-to-date, sales tax base receipts are \$0.9 million or 4.2% favorable compared to the budgeted sales tax base.

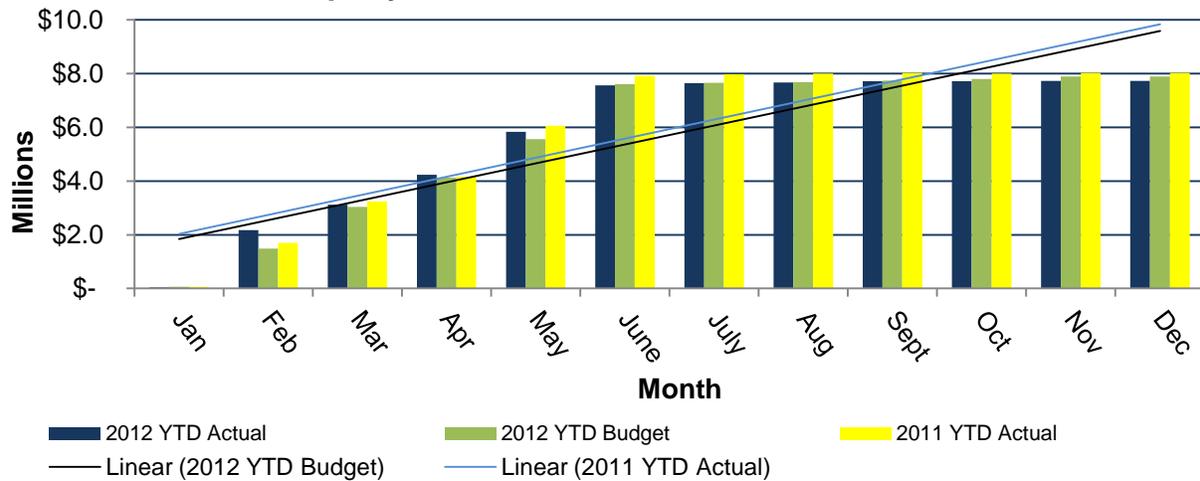
Sales Tax Revenue - Current & Prior Year



Property Tax

Property Tax revenue YTD is \$0.2 million, or 2.1% unfavorable compared to budget. This unfavorable variance is primarily due to property tax refunds issued by Arapahoe County through the abatement process. Abatement refunds occur throughout the year and are not considered during the budget process. The abatement process enables taxpayers to contest property tax assessments after the tax warrant is delivered to the Treasurer. Abatement petitions may be filed within two years of the date the taxes were due. YTD, Arapahoe County has rebated approximately \$0.1 million through the abatement process. The remaining variance is a result of delinquent and uncollected accounts.

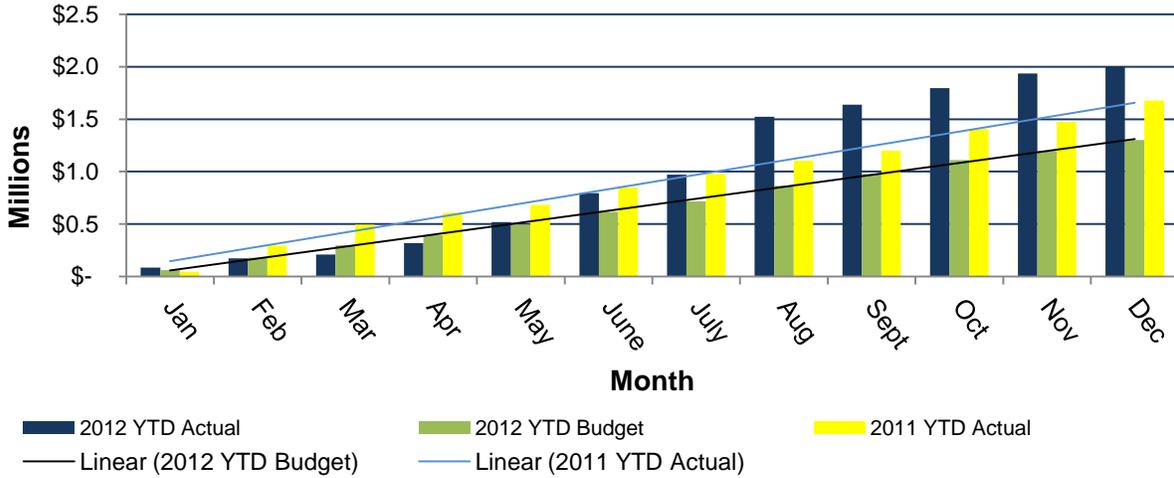
Property Tax Revenue - Current & Prior Year



Building Materials Use Tax

Building Materials Use Tax revenue YTD is \$0.7 million, or 54.1% favorable compared to budget. This favorable variance is due to the issuance of building permits for several new residential projects and residential remodel projects that were not anticipated during the budget process. Additionally, Use Tax audit revenue of \$0.1 million has been received year to date, which was also not anticipated during the budget process.

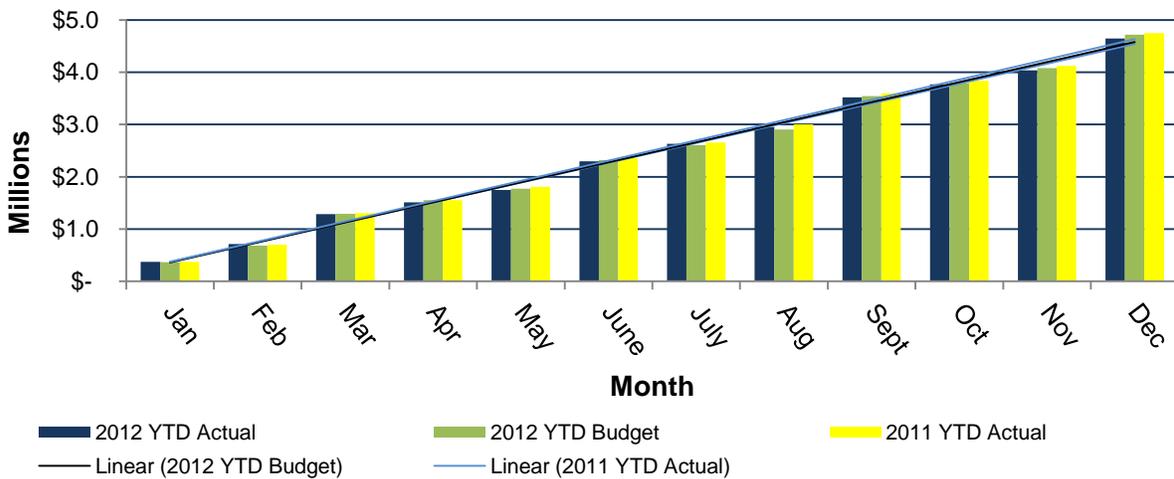
Building Materials Use Tax Revenue - Current & Prior Year



Franchise Fees

Franchise Fee revenue YTD is \$0.1 million, or 1.5%, unfavorable compared to budget. This unfavorable variance is primarily due to gas franchise fee collections being lower than anticipated in the budget. This unfavorable variance in gas franchise fee revenue can be attributed to several factors, including lower usage as a result of mild weather throughout the year, and a decrease in the rates charged to customers by the utility company.

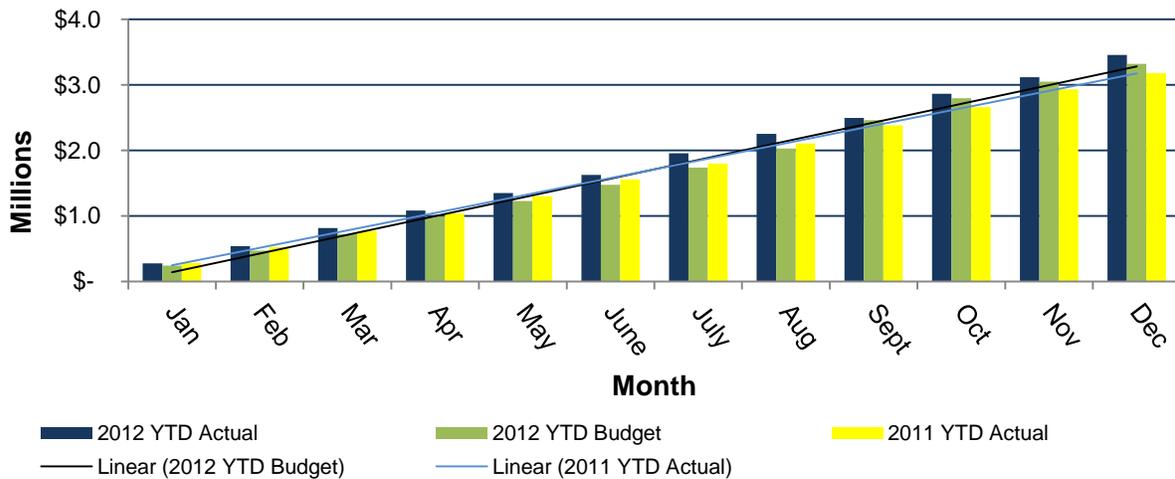
Franchise Fee Revenue - Current & Prior Year



Automobile Use Tax

Automobile Use Tax revenue YTD is \$0.1 million, or 4.1% favorable compared to budget. This favorable variance is a result of automobile sales and registrations YTD outperforming estimates made during the budget process.

Auto Use Tax Revenue - Current & Prior Year



Expenditures

Total expenditures and transfers YTD are \$2.3 million, or 3.7% favorable compared to budget. This net overall favorable variance is due to the Elected Officials, City Attorney's Office, City Clerk's Office, Economic Development, Finance, Nondepartmental, Support Services, Public Works, Municipal Court, and the Community Development departments.

- Elected Officials expenditures are \$0.1 million or 17.7% favorable to budget. This favorable variance is primarily due to unused budgeted funds for Intergovernmental affairs and miscellaneous expenditures related to Policy Governance.
- City Attorney's Office expenditures are \$0.1 million or 10.5% favorable to budget. This favorable variance is primarily due to outside counsel expenditures being less than anticipated in the revised budget.
- City Clerk expenditures are \$0.1 million or 11.6% favorable to budget. This favorable variance is primarily due to the result of cumulative budgetary savings in areas such as salaries and benefits, professional services, and Commission/Board/Authority Services.
- Economic Development expenditures are \$0.1 million or 48.9% favorable to budget. This favorable variance is partially due to unused budgeted funds for a Cost-to-Serve Analysis project as a result of this particular project getting started later in the year than anticipated. It is anticipated that funds appropriated and unused for this particular project will be requested to be carried forward to 2013. Additionally, budgeted funds for Meetings/Training/Travel remained partially unused through the end December as plans to attend certain meetings and training events were postponed.
- Finance expenditures are \$0.1 million or 6.0% favorable to budget. This favorable variance is partially due to budget savings for Financial System Services. Additionally, expenditures related to salaries and benefits have been less than anticipated YTD due to vacancy savings.
- Nondepartmental expenditures are \$0.3 million or 5.7% favorable to budget. This favorable variance is partially due to lower than anticipated expenditures related to incentive agreement payments. Additionally, funds were budgeted for contingency purposes, but remained virtually unused during 2012.
- Support Services expenditures are \$0.4 million or 24.5% favorable to budget. This favorable variance is partially due to lower than anticipated expenditures related to the purchase of software supplies and security services. Additionally, certain projects related to enhancements to

and maintenance of the Civic Center building and grounds have occurred later in the year than anticipated, thus contributing to this favorable variance to budget. It is anticipated that funds appropriated for this particular project will be requested to be carried forward to 2013.

- Public Works expenditures are \$0.6 million, or 4.9% favorable to budget. This favorable variance is partially due to lower than anticipated expenditures related to snow removal materials, signal maintenance and repairs, and street light and signal utilities. Additionally, the 2012 revised budget included contingency transition costs; however, minimal expenditures have been incurred YTD for such costs, resulting in a favorable variance to budget.
- Municipal Court expenditures are \$0.1 million, or 2.8% favorable to budget. This favorable variance is partially due to lower expenditures related to salary and benefits, as a result of 1.0 FTE vacant position not being filled until mid-year. Additionally, actual expenditures related to prosecution, legal and professional services were lower than anticipated in the budget.
- Community Development expenditures are \$0.1 million, or 13.4% favorable to budget. This favorable variance is primarily due to lower than anticipated expenditures for the I-25 Corridor Sub Area Plan. It is anticipated that funds appropriated for this particular project will be requested to be carried forward to 2013.

LAND USE FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$0.5 million, or 17.3% more than revenue collected during the same period in 2011. This variance is due to an increase in revenues related to Building Permit Fees and Building Plan Review Fees compared to the prior year. More specifically, the City experienced an increase in new residential and miscellaneous/one-stop building permits during 2012.

Expenses

- Expenses YTD are \$0.2 million, or 6.8% more than expenses YTD for the prior year. This variance is partially due to an increase in expenses related to permit and plan review fees in 2012 compared to YTD 2011 (\$0.5) as a result of increase building activity. This increase is offset by lower expenses related to salary and benefits, which have decreased compared to the prior year due to the transfer of 3.5 FTE positions to the Public Works department in the General Fund (\$0.3).

Comparison to Budget

Revenue

- Revenue YTD 2012 is \$0.1 million, or 1.7% unfavorable compared to budget. This unfavorable variance is the result of revenues related to plan review fees, land development applications and construction drawings being lower than anticipated in the budget.

Expenses

- Expenses YTD are \$0.4 million, or 11.0% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures related to permitting and inspection fees, plan review fees, and professional services.

CAPITAL IMPROVEMENT FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$0.2 million, or 16.0% higher than revenue collected YTD 2011. This increase is due to the receipt of grant revenue for the Arapahoe Road - Holly to Krameria project (CDOT), Signal Master System project (EECBG), Weather Station project (CDOT), and the Signal Communication Improvements projects (DRCOG) received YTD 2012.

Expenditures

- Expenditures YTD are \$5.8 million, or 94.1% more than expenditures YTD during the prior year. During 2011, funds were utilized primarily for rehabilitation purposes, with additional expenditures for management of related rehabilitation and construction projects (\$6.2). However in 2012, funds have been utilized for the construction of the Peakview/Peoria roundabout, City-wide street resurface treatments and concrete replacements (\$8.6), upgrades to the City's signal master system (\$0.6), and the purchase of a new Public Works facility (\$2.8).

Comparison to Budget

Revenue

- Revenue YTD is \$1.6 million, or 48.4% unfavorable to budget. This unfavorable variance is due to Federal Grant Revenue projections (EECBG and DRCOG) outpacing actual receipts. In the case of grants, revenues are not recognized until actual expenditures have been incurred.

Expenditures

- Expenditures are \$8.9 million, or 42.6% favorable compared to budget. This favorable variance is primarily due to the timing of expenditures compared to projections for projects related to the construction of the Peakview/Peoria roundabout, City-wide street resurface treatments and concrete replacements, street rehabilitation, and upgrades to the City's signal master system. A large portion of this favorable variance is expected to be carried forward to 2013 as these projects are still underway.

CONSERVATION TRUST FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$0.1 million, or 13.1% more than revenue collected during the same period in 2011. Virtually all revenue received in the Conservation Trust Fund comes from lottery proceeds from the Colorado Lottery. During 2012, lottery ticket revenue increased 11.7% in comparison to the prior year, thus resulting in a higher distribution to the City's Conservation Trust Fund.

Expenditures

- Expenditures YTD are \$3.2 million, or 93.7% less than expenditures during the same period in the prior year. This decrease is due to the construction of Centennial Center Park, which was completed in 2011. These decreased expenditures are offset by an increase in park maintenance costs in 2012.

Comparison to Budget

Revenue

- Revenue YTD is \$0.1 million, or 11.0% favorable to budget. This favorable variance is due to lottery proceed revenue being higher than anticipated in the budget. Budgeted figures are based on historical prior year collections.

Expenditures

- Expenditures are \$0.2 million, or 44.4% favorable compared to budget. This favorable variance is primarily due to the timing of expenditures compared to projections for projects related to Natural Area Restoration. It is anticipated a substantial portion of this favorable variance will be carried forward to 2013.

OPEN SPACE FUND

Comparison to Prior Year

Revenue

- Revenue YTD is \$0.5 million or 16.2% less than revenue collected YTD 2011. This decrease is due to lower grant revenue collections compared to the prior year. While the City has entered into several Open Space grant agreements, the receipt of funds from these grants varies from year to year based upon the terms and conditions of the grant agreements.

Expenditures

- Expenditures YTD are \$5.2 million, or 81.8% less than expenditures during the same period in the prior year. During 2011, Open Space funds were utilized for the purchase of the USPS land, construction of Centennial Center Park, open space maintenance and enhancements, and legal services. Open Space funds YTD 2012 have been used for trail construction and park maintenance and enhancements.

Comparison to Budget

Revenue

- Revenue YTD 2012 is \$0.9 million, or 28.1% unfavorable compared to budget. This unfavorable variance is due to lower than anticipated Grant revenue collections. Grant proceeds are typically received after costs have been incurred by the City. As of the end of December, several projects funded by grant proceeds had not been completed, thus postponing collection of grant revenues until 2013.

Expenditures

- Expenditures YTD 2012 are \$4.8 million, or 80.7% favorable compared to budget. This favorable variance is primarily due to projects related to regional park enhancements, open space maintenance, and the construction of Centennial Link Trail getting underway later in the year than anticipated. A large portion of this favorable variance is expected to be carried forward to 2013.

GENERAL IMPROVEMENT DISTRICT FUNDS

Comparison to Prior Year

Revenue

- Revenue received YTD for the consolidated GID Funds is consistent with revenues collected YTD 2011.

Expenditures

- Expenditures YTD are \$0.2 million, or 35.0% less than expenditures YTD during the prior year. During 2011 GID funds were used to install split rail fencing within the Walnut Hills GID. No such large scale projects were started during 2012.

Comparison to Budget

Revenue

- Revenue received YTD is consistent with the budget.

Expenditures

- Expenditures are \$0.2 million, or 33.6% favorable compared to budget. This favorable variance is primarily due to budget savings for contracted services and miscellaneous expenditures in both the Walnut Hills and Foxridge GID's.

CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
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Comparison to Prior Year

Revenue

- Revenue received YTD is \$1.1 million, or 22.7% more than revenues received during the same period in the prior year. This favorable variance is primarily due to higher property and sales tax collections for the Authority as a result of higher assessed property valuations and improved retail conditions. Assessed property valuations increased \$4,054,360 or 12.3% compared to the prior year. Additionally, the Authority has received construction funds for the installation of a new traffic signal at the intersection of Arapahoe Road and Vine Street, which were not received in 2011.

Expenditures

- Expenditures YTD are \$1.2 million, or 23.8% more than the prior year. This increase is a result of higher property tax and sales tax pass-thru payments by the Authority to the Southglenn Metropolitan District due to higher property and sales tax collections for The Streets at SouthGlenn. Additionally, construction service costs have increased over 2011 due to the construction of a new traffic signal at Arapahoe Road and Vine Street.

Comparison to Budget

Revenue

- Revenue received YTD is \$0.3 million, or 5.3% unfavorable compared to budget. This unfavorable variance is due to property tax refunds issued by Arapahoe County through the abatement process. Abatement refunds occur throughout the year and are not considered during the budget process.

Expenditures

- Expenditures are \$0.2 million, or 3.8% favorable compared to budget. This favorable variance is primarily due to lower than anticipated expenditures related to property tax pass-through payments by the Authority to the Southglenn Metropolitan District as a result of lower property tax receipts. Additionally, the Public Finance Agreement allows the Authority to incur expenses related to the administration and management of the Authority up to an amount not exceed \$150,000 annually. Actual administrative and management expenditures for 2012 are anticipated to be lower than the amount allowed under the agreement, thus contributing to this overall favorable variance.