



The following financial report analysis offers readers a narrative overview of the financial activities of the City for the period ended January 31, 2015; 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 2015 Annual Budget for an explanation of variances between the 2014 and 2015 Adopted Budgets.

Summary of the January, 2015 YTD Financial Statements

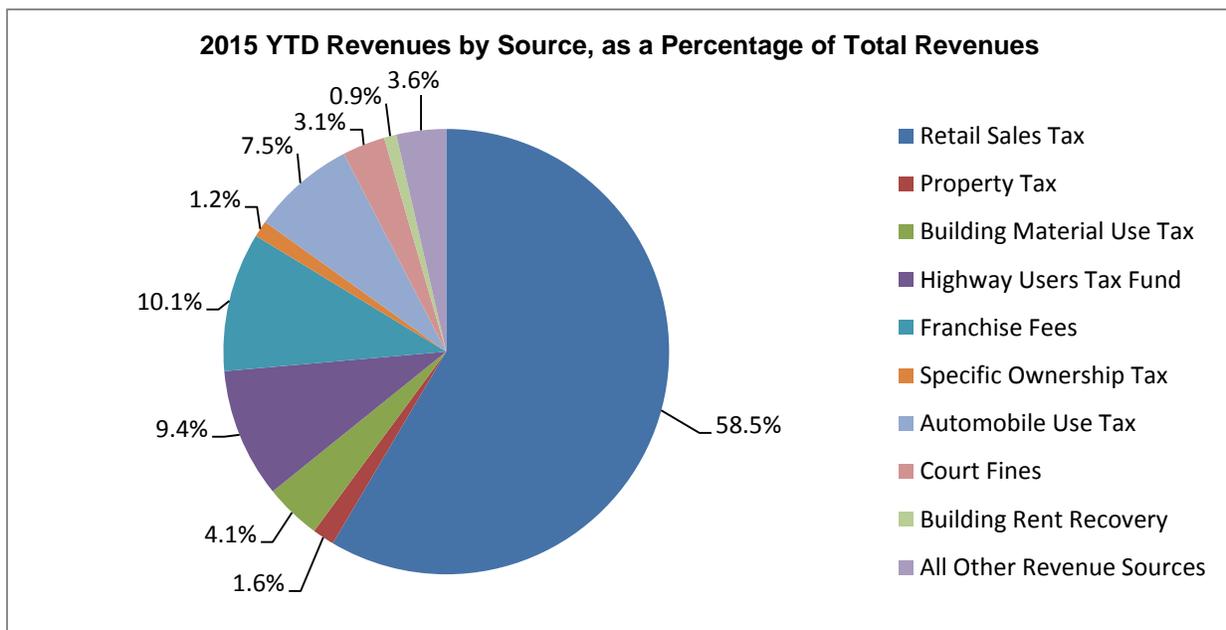
GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD

Revenues

The following table is a summary comparison of the primary revenue sources YTD for 2015 and 2014: *(dollar amounts in millions)*

	YTD 2015	YTD 2014	\$ Variance	% Variance
Retail Sales Tax	\$ 2.6	\$ 2.2	\$ 0.4	15.1%
Property Tax	0.1	0.1	-	-53.5%
Building Materials Use Tax	0.2	0.1	0.1	91.9%
Highway Users Tax Fund	0.4	0.4	-	8.6%
Franchise Fees	0.4	0.4	-	7.7%
Specific Ownership Tax	0.1	0.1	-	-6.5%
Automobile Use Tax	0.3	0.3	-	-1.5%
Court Fines	0.1	0.2	(0.1)	-13.7%
Building Rent Recovery	0.0	0.1	(0.1)	-47.7%
All Other Revenue Sources	0.2	0.2	-	-3.4%
	<u>\$ 4.4</u>	<u>\$ 4.1</u>	<u>\$ 0.3</u>	<u>8.2%</u>

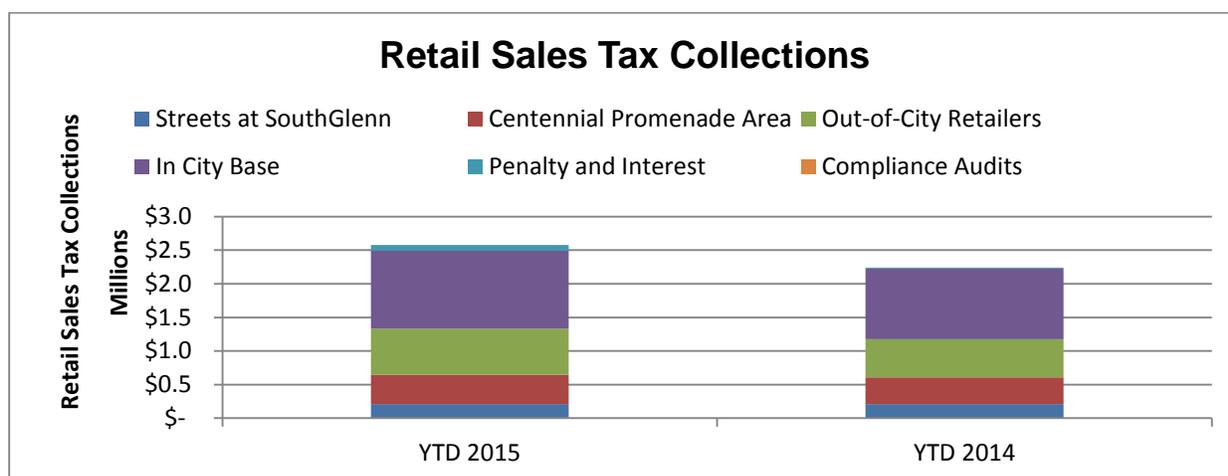
Note: Dollar amounts shown have been rounded; percentages are actual based on whole dollars.



Retail Sales Tax

Retail Sales Tax revenue YTD 2015 is \$0.4 million or 15.1% more than collections YTD 2014. This is a result of higher revenues from out-of-City retailers and the in-City base (\$0.2 million more than YTD 2014). Delinquent revenues, new business revenues and a slight increase from retailers in the Centennial Promenade shopping area contributed to an additional \$0.2 million in sales tax revenues over the prior year.

The illustration below depicts the change in the City's YTD 2015 Sales Tax Revenue as it compares to YTD 2014.



The table below represents sales tax collected 2015 YTD summarized by North American Industry Classification System (NAICS) codes compared to the same codes for YTD 2014.

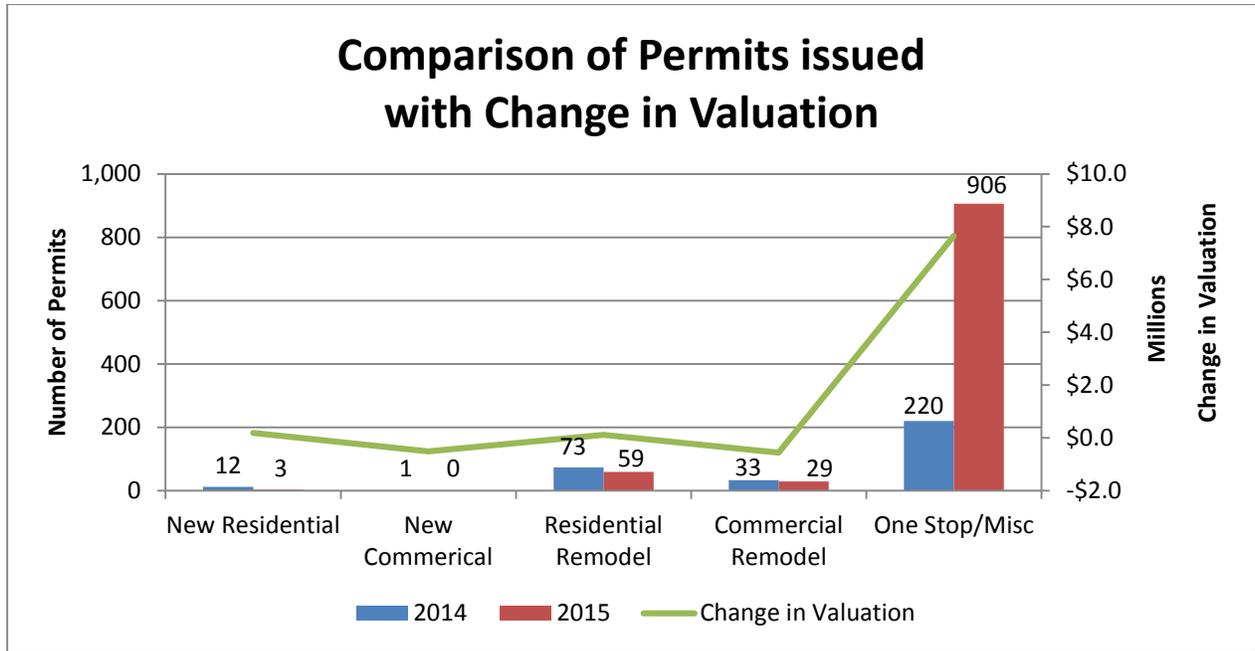
2015 YTD & 2014 YTD –Current Top 20 Sales Tax Receipts by 4-digit NAICS Code

	2015	% of 2015	2014	% of 2014
Furniture Stores	\$ 305,394.34	11.8%	\$ 299,506.48	13.4%
Full-Service Restaurants	\$ 223,544.24	8.7%	\$ 178,752.48	8.0%
Limited-Service Eating Places	\$ 147,754.60	5.7%	\$ 128,749.15	5.7%
Automobile Dealers	\$ 142,457.90	5.5%	\$ 126,543.18	5.6%
Electric Power Generation, Transmission and Distribution	\$ 124,477.63	4.8%	\$ 124,847.81	5.6%
Electronics and Appliance Stores	\$ 122,237.68	4.7%	\$ 88,016.83	3.9%
Sporting Goods, Hobby, and Musical Instrument Stores	\$ 110,973.43	4.3%	\$ 114,231.19	5.1%
Grocery Stores	\$ 102,096.72	4.0%	\$ 91,797.03	4.1%
Wireless Telecommunications Carriers (except Satellite)	\$ 99,439.02	3.9%	\$ 99,228.44	4.4%
Automotive Repair and Maintenance	\$ 82,042.20	3.2%	\$ 44,463.65	2.0%
Utility System Construction	\$ 70,096.94	2.7%	\$ 15.00	0.0%
Other General Merchandise Stores	\$ 68,455.35	2.7%	\$ 62,296.99	2.8%
Computer Systems Design and Related Services	\$ 59,514.72	2.3%	\$ 10,448.53	0.5%
Clothing Stores	\$ 52,544.35	2.0%	\$ 34,957.20	1.6%
Beer, Wine, and Liquor Stores	\$ 48,061.04	1.9%	\$ 41,060.49	1.8%
Automotive Parts, Accessories, and Tire Stores	\$ 45,188.40	1.8%	\$ 43,166.80	1.9%
Commercial & Industrial Machinery & Equipment Rental & Leasing	\$ 43,290.13	1.7%	\$ 44,890.52	2.0%
Other Miscellaneous Store Retailers	\$ 42,167.27	1.6%	\$ 34,840.63	1.6%
Wired Telecommunications Carriers	\$ 39,304.91	1.5%	\$ 38,050.21	1.7%
Health and Personal Care Stores	\$ 38,794.75	1.5%	\$ 34,823.69	1.6%
Total Retail Sales Tax Collected YTD from Top 20 NAICS codes	\$ 1,967,836		\$ 1,640,686	

**This table only represents the top 20 NAICS codes, or 76.3% of 2015 YTD Sales Tax collections, and does not include audit revenue.*

Building Materials Use Tax

Building Materials Use Tax revenue for 2015 is \$0.1 million or 91.9% more than collections YTD 2014. As depicted in the graph below, YTD 2015 Residential and Commercial permits (New and Remodel) have decreased by 28 and permits for One Stop/Miscellaneous increased by 686 when compared to YTD 2014. The total valuation for the permits has increased by \$6.9 million when compared to YTD 2014. The majority of the increase in valuation is from the One Stop/Miscellaneous permits, and is specifically due to re-roofing permits which are up by 697 compared to YTD 2014. The increase in these permits is due to a large hail storm at the end of September 2014.



Building Rent Recovery

Building Rent Recovery YTD 2015 is \$0.1 million or 47.7% less than collections during 2014. This reduction in revenue is due to the timing of rent received from the Eagle Street property and is expected to diminish as the year progresses

Expenditures

Total expenditures and transfers YTD 2015 are \$1.2 million or 30.9% more than expenditures YTD 2014. The net increase is primarily due to the Law Enforcement expenditures, Public Works expenditures, and transfers to the Capital Improvement Fund.

- Law Enforcement expenditures YTD 2015 are \$0.1 million or 7.0% more than expenditures YTD 2014. This increase is primarily due to higher expenditures for contracted service obligations.
- Public Works expenditures YTD 2015 are \$0.1 million or 21.8% more than expenditures YTD 2014. This increase is primarily due to higher expenditures for contracted service obligations.
- Net transfers to the Capital Improvement Fund YTD 2015 are \$0.9 million or 100.0% more than transfers YTD 2014. The increase in Capital Improvement Fund transfers is primarily the result of the anticipated timing of capital projects for 2015 as compared to 2014.

GENERAL FUND – COMPARISON TO BUDGET

The City’s annual budget is examined on a monthly basis. The 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 year to date 2015 budget amounts.

Revenues

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

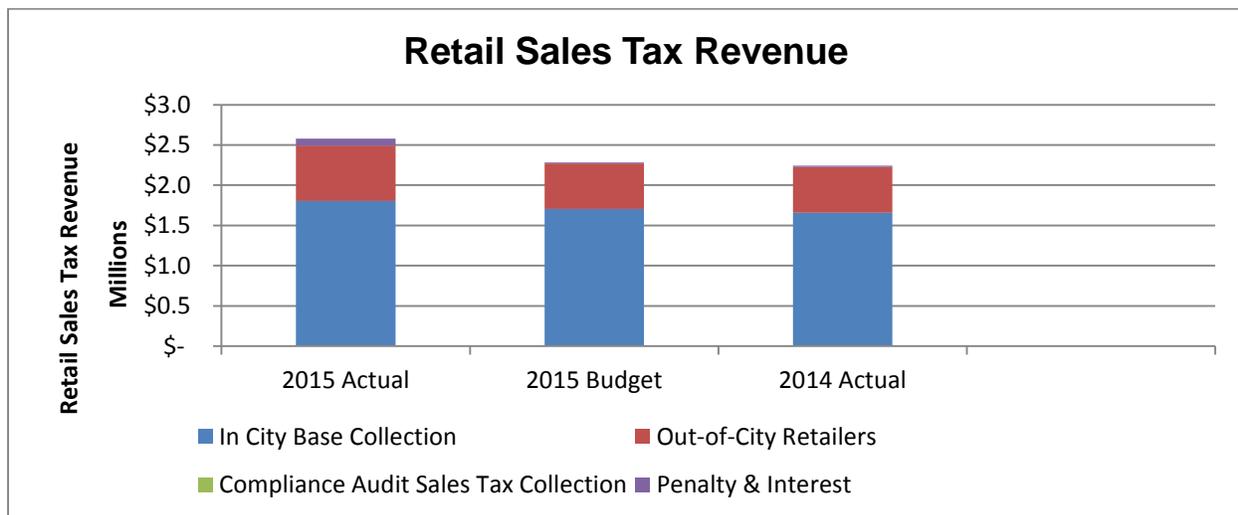
(dollar amounts in millions)

	Actual YTD 2015	Budget YTD 2015	\$ Variance	% Variance
Retail Sales Tax	\$ 2.6	\$ 2.3	\$ 0.3	13.1%
Property Tax	0.1	0.1	-	-11.9%
Building Materials Use Tax	0.2	0.1	0.1	88.4%
Highway Users Tax Fund	0.4	0.4	-	4.3%
Franchise Fees	0.4	0.4	-	10.2%
Specific Ownership Tax	0.1	0.1	-	-6.8%
Automobile Use Tax	0.3	0.3	-	8.3%
Court Fines	0.1	0.1	-	-13.7%
Building Rent Recovery	0.0	0.0	-	-47.7%
All Other Revenue Sources	0.2	0.2	-	-13.0%
	<u>\$ 4.4</u>	<u>\$ 4.0</u>	<u>\$ 0.4</u>	<u>9.2%</u>

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

Retail Sales Tax

Retail Sales Tax revenue YTD 2015 is \$0.3 million or 13.1% favorable compared to budget. This favorable variance is the result of higher than anticipated out-of City retailers (\$0.1 million) sales tax revenues and in-City base (\$0.1 million) sales tax revenues. Also, the City received \$0.1 million from penalties and interest that was not anticipated in the 2015 YTD budget.



Building Materials Use Tax

Building Materials use tax revenue for 2015 is \$0.1 million or 88.4% favorable compared to budget. The City had a large increase in re-roofing permits in 2015 due to a hail storm in the fall of 2014. The increase in permits was not anticipated during the budget process.

Expenditures

Total expenditures and transfers YTD 2015 are \$0.2 million or 4.4% higher as compared to budget. Favorable variances attributable to the Finance and Nondepartmental departments offset transfers in the current month. Additionally, various other departments contributed to offset transfers in the current month.

- Finance expenditures YTD 2015 are \$0.1 million or 31.6% favorable compared to budget. This favorable variance is primarily due to personnel vacancy savings and Auditing Services related to the City's Sales Tax program. This variance is expected to diminish through the remainder of the year.
- Nondepartmental expenditures YTD 2015 are \$0.1 million or 39.8% favorable compared to budget. This favorable variance is primarily due to expenditures related to Incentive Agreements, and is expected to diminish through the remainder of the year.
- Transfers to the Capital Improvement Fund are \$0.6 million or over 100% higher as compared to budget. This variance is primarily the result of the timing of transfers which is expected to diminish through the remainder of the year.

LAND USE FUND

Comparison to Prior Year

Revenue

- Revenue YTD 2015 is \$0.1 million or 87.7% more than revenue collected during the same period in 2014. This increase revenue is due to the Building Permit Fees from the One Stop/Miscellaneous permits which increased YTD 2015 as compared to the prior year by 686 permits.

Expenses

- Expenses YTD 2015 are \$0.1 million, or 64.5% more than expenses YTD 2014. The increase in expense is primarily due to contracted services related to Building Permits and Inspections when compared to the prior year.

Comparison to Budget

Revenue

- Revenues YTD 2015 are in line with the 2015 Adopted Budget.

Expenses

- Expenses YTD 2015 are in line with the 2015 Adopted Budget.

CAPITAL IMPROVEMENT FUND

Comparison to Prior Year

Revenue

- Revenues YTD 2015 are in line with the prior year.

Expenditures

- Expenditures YTD 2015 are in line with expenditure YTD 2014.

Comparison to Budget

Revenue

- Revenues YTD 2015 are in line with the 2015 Adopted Budget.

Expenditures

- Expenditures YTD 2015 are in line with the 2015 Adopted Budget

CONSERVATION TRUST FUND

Comparison to Prior Year

Revenue

- Lottery proceeds are received quarterly with the first installment anticipated in March 2015.

Expenditures

- Expenditures YTD 2015 are in line with expenditures YTD 2014.

Comparison to Budget

Revenue

- Revenues YTD 2015 are in line with the 2015 Adopted Budget.

Expenditures

- Expenditures YTD 2015 are in line with the 2015 Adopted Budget.

OPEN SPACE FUND

Comparison to Prior Year

Revenue

- Revenues YTD 2015 are in line with the prior year

Expenditures

- Expenditures YTD 2015 are in line with the 2015 Adopted Budget.

Comparison to Budget

Revenue

- Revenues YTD 2015 are in line with the 2015 Adopted Budget.

Expenditures

- Expenditures YTD 2015 are in line with the 2015 Adopted Budget.

GENERAL IMPROVEMENT DISTRICT FUNDS

Comparison to Prior Year

Revenue

- Revenues received YTD 2015 are in line with the prior year.

Expenditures

- Expenditures for YTD 2015 are in line with YTD 2014 expenditures.

Comparison to Budget

Revenue

- Revenues YTD 2015 are in line with the 2015 Adopted Budget.

Expenditures

- Expenditures YTD 2015 are in line with the 2015 Adopted Budget.

CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND
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Comparison to Prior Year

Revenue

- Revenues received YTD 2015 are in line with the prior year.

Expenditures

- Expenditures YTD 2015 are in line with YTD 2014 expenditures.

Comparison to Budget

Revenue

- Revenues YTD 2015 are in line with the 2015 Adopted Budget.

Expenditures

- Expenditures YTD 2015 are in line with the 2015 Adopted Budget.