

The following financial report analysis offers readers a narrative overview of the financial activities of the City for the period ended November 30, 2013; this period will be referred to as Year-to-Date (YTD). 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 2013 Annual Budget for an explanation of variances between the 2012 and 2013 Adopted Budgets.

### **Summary of the November, 2013 YTD Financial Statements**

#### **GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD**

##### **Revenues**

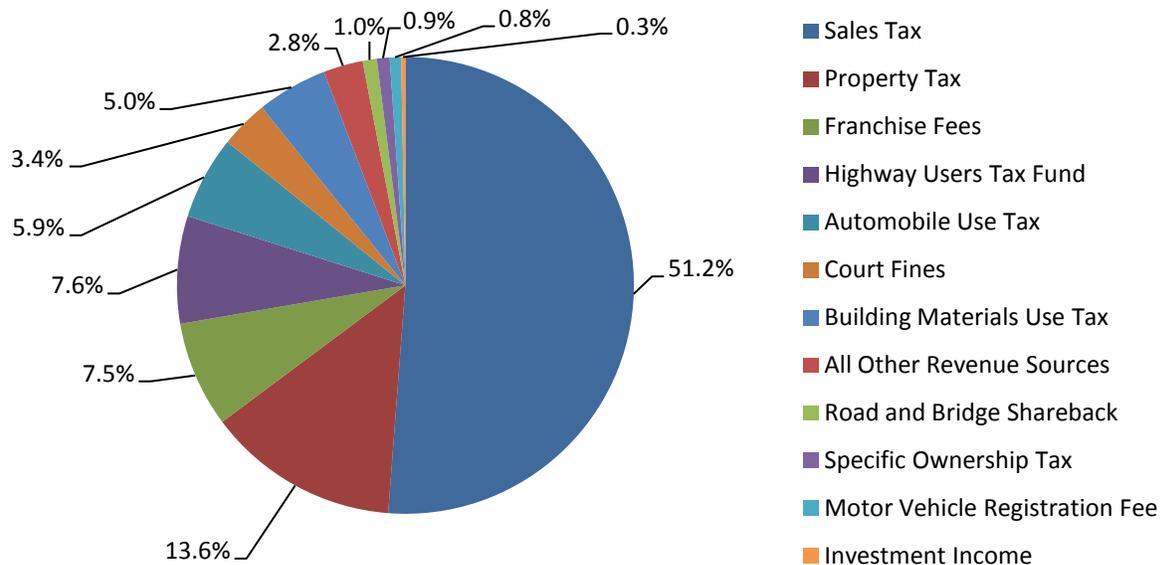
The following table is a summary comparison of the primary revenue sources year-to-date for 2012 and 2013:

	<i>(dollar amounts in millions)</i>			
	YTD 2013	YTD 2012	\$ Variance	% Variance
Retail Sales Tax	\$ 29.7	\$ 27.5*	\$ 2.2	8.0%
Property Tax	7.9	7.7	0.2	2.0%
Building Materials Use Tax	2.9	1.9	1.0	50.8%
Highway Users Tax Fund	4.4	4.5	(0.1)	-1.4%
Franchise Fees	4.3	4.0	0.3	7.3%
Specific Ownership Tax	0.5	0.5	-	5.7%
Motor Vehicle Registration Fees	0.5	0.5	-	2.8%
Automobile Use Tax	3.4	3.1	0.3	10.2%
Road and Bridge Shareback	0.6	0.6	-	0.7%
Court Fines	2.0	1.9	0.1	4.3%
Investment Income	0.2	0.1	0.1	17.7%
All Other Revenue Sources	1.6	1.6	-	0.5%
	<u>\$ 58.0</u>	<u>\$ 53.9</u>	<u>\$ 4.1</u>	<u>7.5%</u>

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

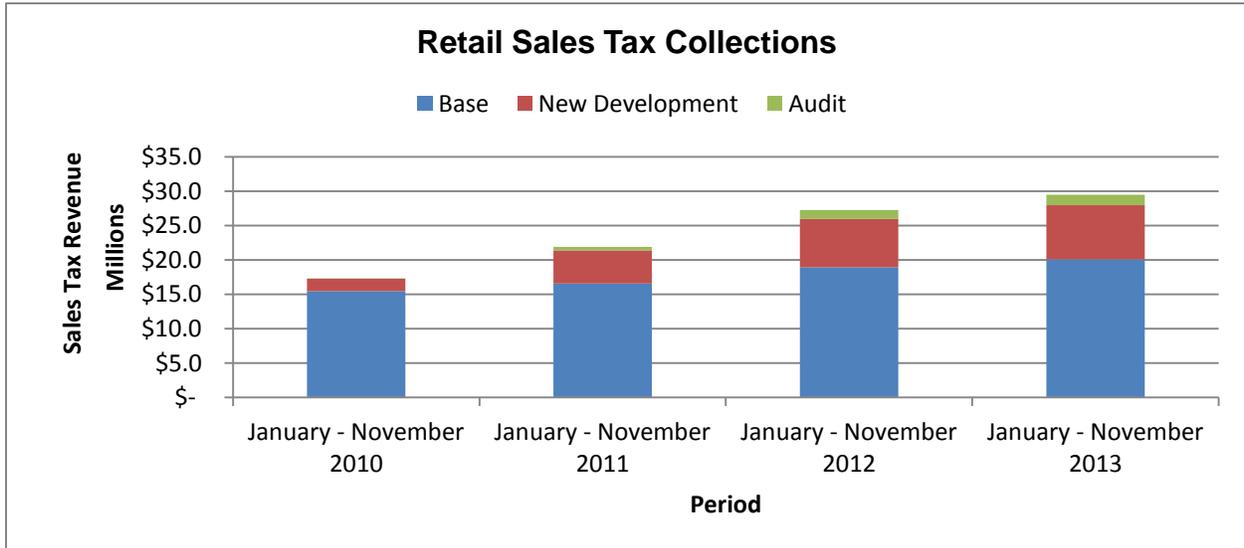
\*Amounts previously reported for fiscal year 2012 have been restated due to further clarification on GASB Statement No.33.

#### **2013 YTD Revenues by Source, as a Percentage of Total Revenues**

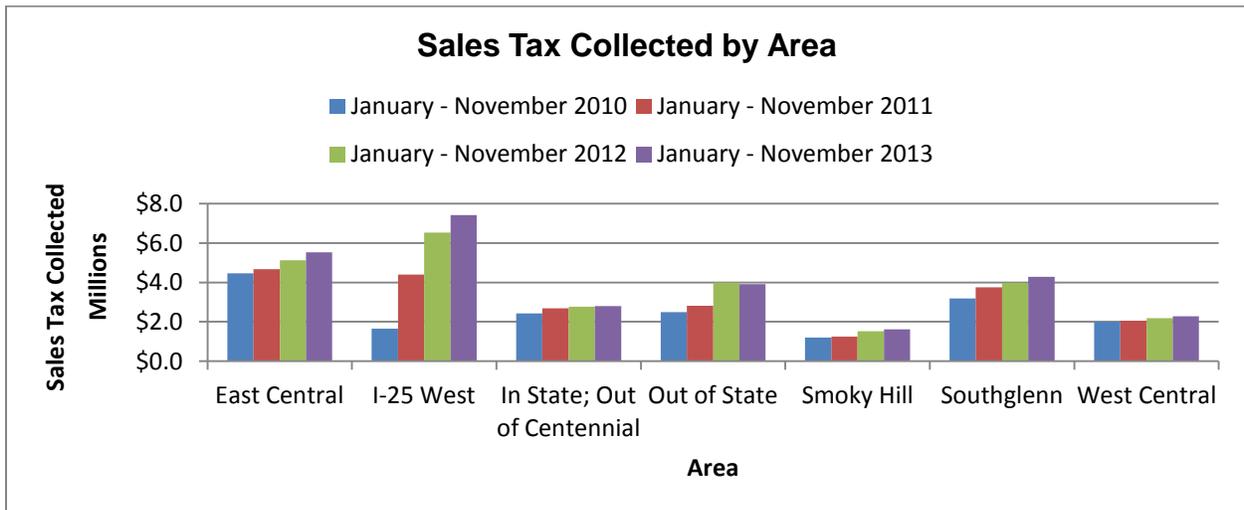


Retail Sales Tax

Retail Sales Tax revenue year-to-date is \$2.2 million, or 8.0% more than the same period in 2012. Overall, the City’s sales tax base collections (excluding collections attributable to new development and audits) have exceeded 2012 collections by \$1.2 million. The remaining growth in the City’s Retail Sales Tax revenue is due to new development (\$0.8 million) and sales tax audit revenue (\$0.2 million). The illustration below depicts the growth in the City’s sales tax collections over the same period for the last four years.



Below is a graphical representation of the City’s overall sales tax collections within and outside the boundaries of the City.



As depicted in the above graph, I-25 West and East Central area sales tax collections have outpaced other areas in the City.

Analysis of the East Central area (Arapahoe Road between I-25 and Parker Road) by North American Industry Classification System (NAICS) reveals that the Automotive Industry, as well as Sporting Goods/Hobby Stores, are major contributors (59.9%) to the overall growth in this area’s sales tax collection. Gun and Ammunition sales alone contributed 87.2% to the sales tax growth in Sporting Goods/Hobby Stores category in this area.

The I-25 West area is situated on the west side of I-25 between Arapahoe Road and County Line Road. In 2011 and 2012, growth in sales tax collection in this area was mainly attributable to the growth in Furniture Stores, Electronics and Appliance Stores, and Sporting Goods categories. The growth in these categories is due to the annexation of Centennial Promenade stores and new retail outlets.

In 2013, several new full service restaurants and other retail locations were opened within the I-25 West area and remitted an additional \$0.4 million to the City.

Within the Southglenn area, the Streets at SouthGlenn has shown the most growth in sales tax revenue. The number of businesses located in this area has increased year over year. For example, since 2011 the number of businesses at the Streets at SouthGlenn has increased by 12 retail outlets (38 opened and 26 closed). Recently, the Streets at SouthGlenn has gained a number of national retail chain stores which has contributed to the overall increase in sales tax collections. In 2013, the Streets at SouthGlenn had \$0.3 million or a 14.7% increase in sales tax collections compared to the same period in 2012.

The graph below illustrates sales tax collected by retailers at the Streets at SouthGlenn in relation to the total number of businesses in the area remitting sales tax.



The table below represents a different way of analyzing actual sales tax collections year-to-date 2013 when compared to the same period in the prior year. The table is summarized by North American Industry Classification System (NAICS) codes.

**2013 & 2012 year-to-date through November – Current Top 25 Sales by 4-digit NAICS Code**

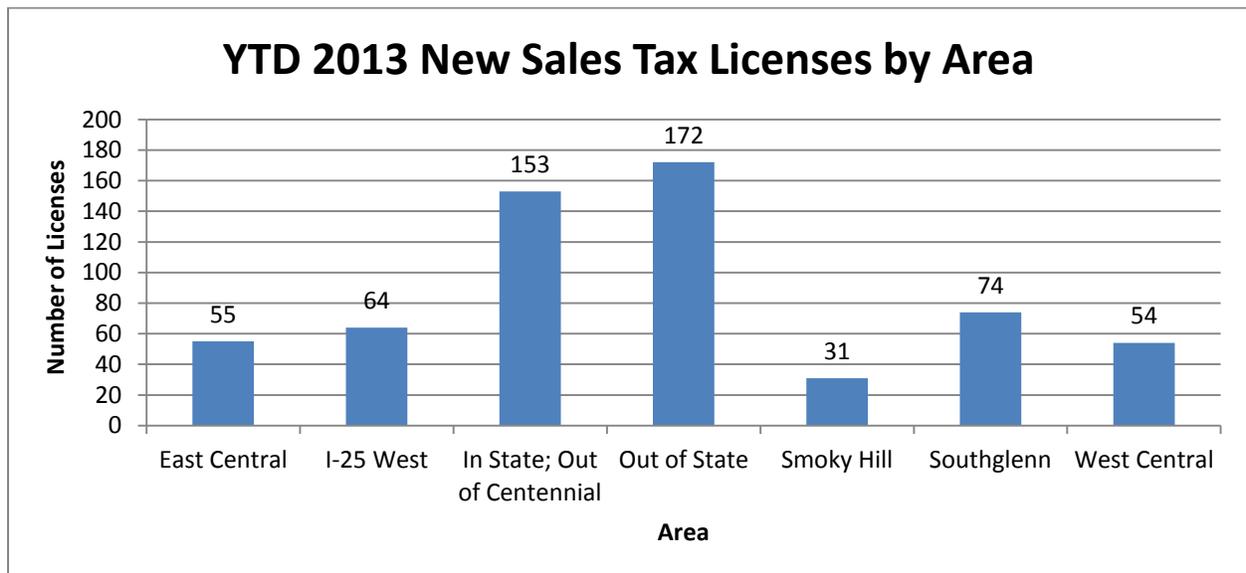
NAICS Description	2013 YTD	% of Total Sales Tax	2012 YTD	% Change
1 Furniture Stores	\$3,673,232	12.4%	\$3,706,482	-0.9%
2 Full-Service Restaurants	2,074,375	7.0%	1,778,190	16.7%
3 Sporting Goods, Hobby, and Musical Instrument Stores	1,721,475	5.8%	1,317,853	30.6%
4 Automobile Dealers	1,519,366	5.1%	1,394,652	8.9%
5 Limited-Service Eating Places	1,409,347	4.8%	1,277,473	10.3%
6 Grocery Stores	1,209,585	4.1%	1,129,858	7.1%

7	Electric Power Generation, Transmission and Distribution	1,161,468	3.9%	1,059,325	9.6%
8	Wireless Telecommunications Carriers (except Satellite)	1,099,102	3.7%	1,172,335	-6.3%
9	Electronics and Appliance Stores	1,098,629	3.7%	1,005,121	9.3%
10	Other General Merchandise Stores	823,535	2.8%	823,905	0.0%
11	Department Stores	756,512	2.6%	692,150	9.3%
12	Commercial and Industrial Machinery and Equipment Rental and Leasing	557,955	1.9%	626,215	-10.9%
13	Beer, Wine, and Liquor Stores	517,293	1.7%	489,769	5.6%
14	Automotive Parts, Accessories, and Tire Stores	493,524	1.7%	527,846	-6.5%
15	Clothing Stores	481,961	1.6%	294,052	63.9%
16	Automotive Repair and Maintenance	458,343	1.5%	417,985	9.7%
17	Direct Selling Establishments	440,243	1.5%	354,627	24.1%
18	Wired Telecommunications Carriers	436,666	1.5%	400,667	9.0%
19	Jewelry, Luggage, and Leather Goods Stores	409,767	1.4%	415,137	-1.3%
20	Traveler Accommodation	409,105	1.4%	373,336	9.6%
21	Communications Equipment Manufacturing	407,388	1.4%	342,475	19.0%
22	Software Publishers	402,752	1.4%	126,252	219.0%
23	Home Furnishings Stores	390,487	1.3%	331,936	17.6%
24	Other Miscellaneous Store Retailers	387,772	1.3%	372,017	4.2%
25	Health and Personal Care Stores	386,695	1.3%	382,113	1.2%
<b>Total</b>		<b>\$22,726,577</b>	<b>76.6%</b>	<b>\$20,811,770</b>	<b>9.2%</b>

\*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.

Clothing Stores represent 1.6% of the total sales tax collected year-to-date 2013. This category had an increase of \$0.2 million or 63.9% compared to the same period in 2012. In 2013, nine new stores opened with \$0.1 million in additional sales tax year-to-date 2013. In addition to new stores, several retail stores were opened in late 2012 and did not report a full year of sales. Consequently, these stores generated \$0.1 million more sales tax year-to-date in 2013 compared to the same period in 2012.

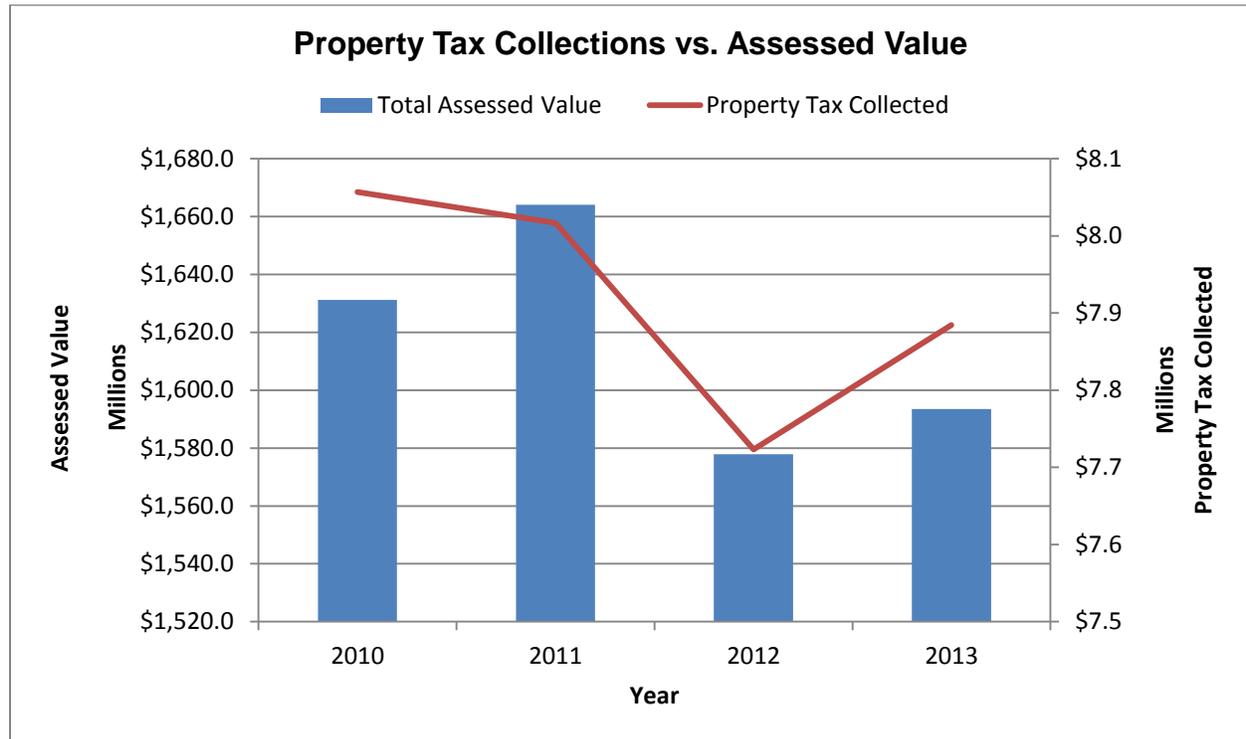
In 2013, the City undertook a licensing project which garnered many businesses that were not licensed with the City. Out of State and Out of City registrations represent over 50% of 603 total new registrations in 2013. The increase in new sales tax licenses has contributed to the overall sales tax growth of the City (as shown in the baseline and new development sales tax revenues on page 2).



Property Tax

Property Tax revenue year-to-date 2013 is \$0.2 million, or 2.0% more than collections year-to-date in 2012. The City expects total property tax collections in 2013 will remain higher than collections in 2012. This anticipated increase in property tax collections is partially due to a slight increase in assessed valuations (1.0%) when compared to the prior year.

The following graph illustrates property tax collections and assessed values for years 2010 through 2013:



Building Materials Use Tax

Building Materials Use Tax revenue year-to-date 2013 is \$1.0 million, or 50.8% more than collections year-to-date in 2012. Commercial construction has been the driver for the overall growth of Building Materials Use Tax collections. Commercial valuations for 2013 have increased over 100.0% when compared to the prior year. Overall total valuations have increased 64.5% in 2013 when compared to the same period in 2012.

In November, 2013 alone, there were three Building Permits issued with valuations over \$0.5 million for which use tax was paid (as summarized in the table below).

Line #	Project Description	Valuation	Building Material Use Tax
1	Commercial Building	\$ 9,500,000	\$ 118,750
2	Commercial Building	\$ 5,401,041	\$ 67,513
3	Commercial Remodel	\$ 793,056	\$ 9,913

Highway Users Tax Fund

Highway Users Tax Fund (HUTF) revenue year-to-date 2013 is \$0.1 million or 1.4% less than collections year-to-date 2012. This decrease is due to a 1.5% decrease in the City’s HUTF distribution ratio during the first six months of 2013 and a 2.0% decrease for July through November, 2013, when compared to the same periods in 2012. This ratio is calculated based upon the total number of motor vehicle registrations and road miles in the City compared to the total number of registrations and road miles in the

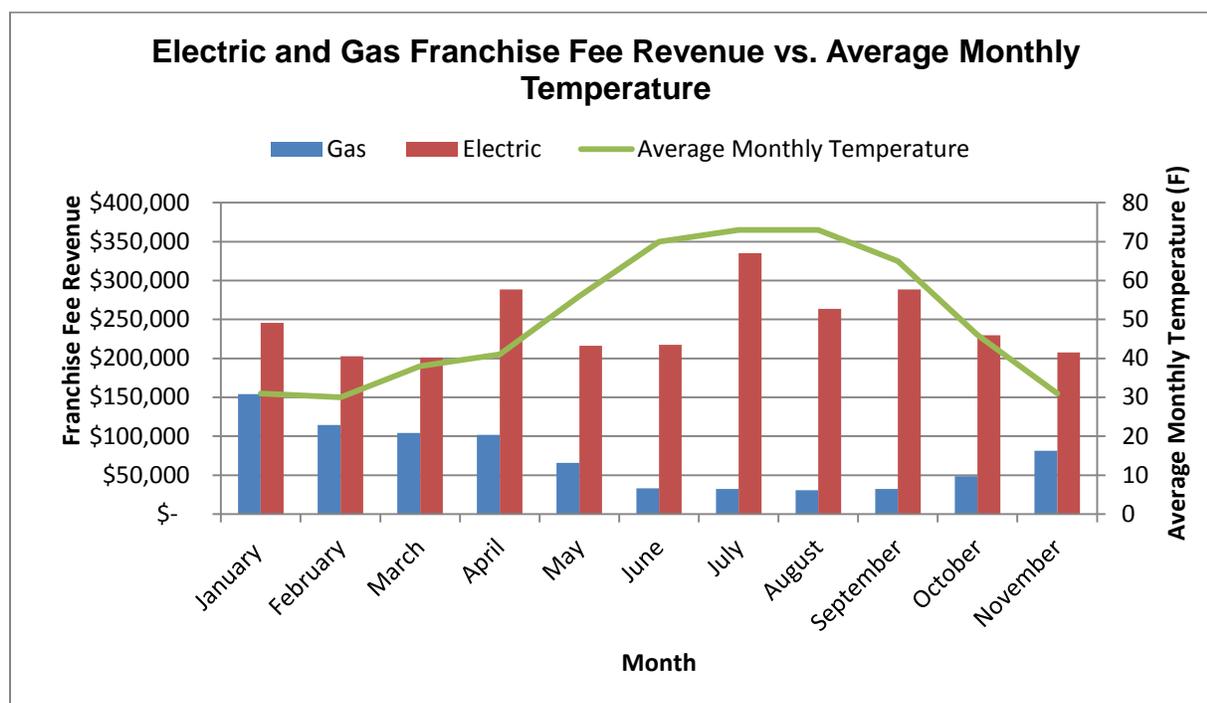
State. The City's portion within the State decreased as other cities, (e.g. Denver, Aurora and Colorado Springs) had greater vehicle registrations and road mile increases than Centennial.

Total State collected HUTF revenue is distributed to different agencies, including municipalities, based on the formula prescribed by Colorado Revised Statutes. HUTF funds must be spent on new construction, safety, reconstruction, repair and maintenance and improvements of streets and roads.

Franchise Fees

Franchise Fee revenues year-to-date 2013 are \$0.3 million, or 7.3% more than collections year-to-date in 2012. A slight increase in average gas and electric rates year-to-date 2013 over those charged during the same period in 2012, as well as changes in temperature, have contributed to an increase in franchise fee collections.

The graph below represents the year-to-date Gas and Electric Franchise Fee revenue collections, as well as data on Average Monthly Temperatures. Please note the inverse relationship in Franchise Fee revenues when compared to weather temperatures. Generally, when the temperature is cooler gas franchise fee revenues increase and electric franchise fee revenue decreases. The opposite is true when the temperature rises.

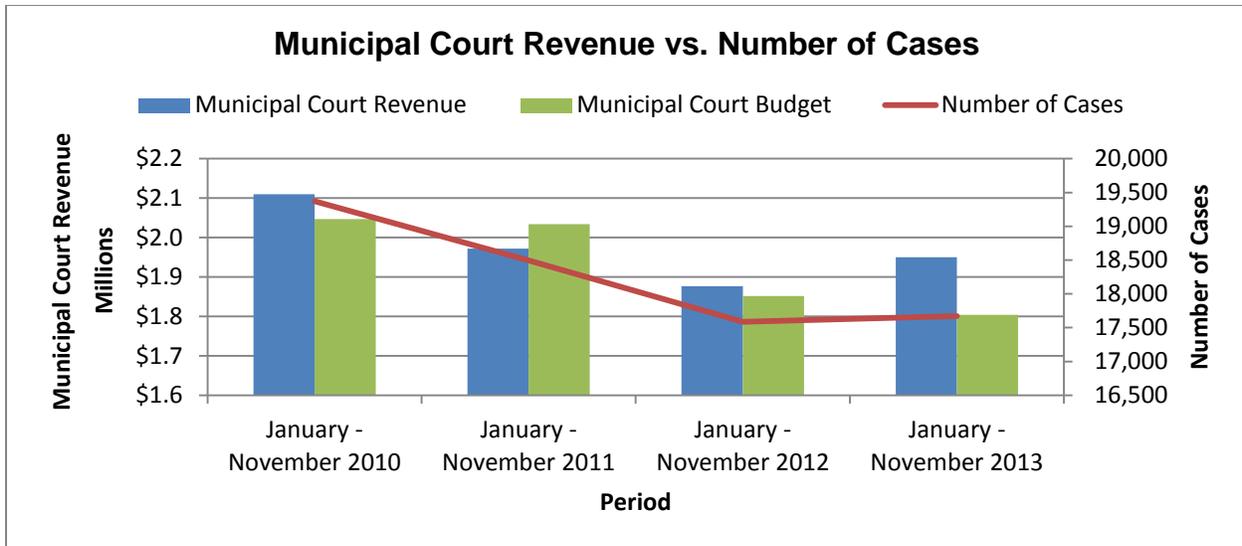


Automobile Use Tax

Automobile Use Tax revenue year-to-date 2013 is \$0.3 million, or 10.2% more than collections year-to-date in 2012. According to the Colorado Automobile Dealers Association, November, 2013 was the second-best month over the past twelve months for new car and truck sales in Colorado. Sales of new vehicles are up 22.8% from November, 2012, and 12.8% higher in the first 11 months of this year when compared to the same period a year earlier. When analyzing registration data specific to the City of Centennial, total registrations year-to-date 2013 have increased 4.1% when compared to the same period in the prior year, thus contributing to the increase in use tax collections.

Court Fines

Court Fines revenue YTD 2013 is \$0.1 million, or 4.3% more than collections YTD 2012. Court fines and default fines contribute to the majority of this variance. The graph below shows the correlation between total Municipal Court Revenue and the total number of cases processed over a four year period.



Centennial Municipal Court revenue consists of court fines for traffic violations, court costs, default fines, restitution, jury fees, bond fees, witness fees, parking fees, miscellaneous fees and animal, municipal, zoning codes violation fees.

#### Investment Income

Investment Income year-to-date 2013 is \$0.1 million, or 17.7% more than collections year-to-date for the same period in 2012. This increase is the result of the City's Investment Strategy, which has undertaken efforts to invest idle cash into higher yielding investments which meet strict criteria as set forth in the City's Investment Policy.

#### Expenditures

Total expenditures and transfers year-to-date are \$2.9 million, or 5.5% less than expenditures year-to-date in 2012. The net decrease is attributable to variances in the Human Resources, Information Technology, Communications, Finance, Nondepartmental, Public Works, and Facilities and Fleet Departments, as well as transfers to the Land Use and Capital Improvement Funds.

- Human Resources expenditures are \$0.4 million less than expenditures year-to-date in 2012. The decrease is partially due to the transfer of risk management administration to the Finance Department in 2013, which was charged to the Human Resources Department (\$0.3) during 2012. Additionally, expenditures related to salary and benefits (\$0.1) have decreased year-to-date 2013 when compared to the prior year due to the transfer of 1.0 FTE position to the City Manager's Office and 0.5 FTE position to the Finance Department at the end of 2012.
- Information Technology expenditures are \$0.3 million more than expenditures year-to-date in 2012. This increase is partially due to higher expenditures related to salary and benefits. During 2012, salary and benefit expenditures were charged to Support Services, thus contributing to this variance (\$0.1). Additionally, expenditures related to the creation of a new City website and an increase in contracted services for information technology (\$0.2) have been incurred during 2013, which were not incurred during 2012.
- Communications expenditures are \$0.3 million more than expenditures year-to-date in 2012. This increase is partially due to higher expenditures related to salary and benefits. These expenditures have increased compared to the prior year as a result of the transfer of 2.5 FTE positions from the City Manager's Office to the Communications Department in 2013. Additionally, expenditures related to community services have outpaced those incurred during the same period in 2012 as a result of the addition of several new community events during 2013.

- Finance expenditures are \$0.6 million more than expenditures year-to-date in 2012. The increase is partially due to the transfer of the risk management function to the Finance Department, which was charged to the Human Resources Department during 2012 (\$0.4). Additionally, year-to-date 2013 expenditures related to payroll processing services and auditing services for the sales tax program have outpaced those incurred during the same period in 2012 (\$0.1). Finally, expenditures related to salary and benefits have increased due to the transfer of 1.5 FTE positions to the Finance Department from the City Manager's Office at the end of 2012 (\$0.1).
- Nondepartmental expenditures are \$0.2 million more than expenditures year-to-date in 2012. This increase is due to incentive payments for agreements associated with Centennial Promenade, IKEA, and the Streets at Southglenn.
- Public Works expenditures are \$0.4 million less than expenditures year-to-date in 2012. This decrease is the result of several factors, including decreased expenditures for salary and benefits as a result of the reclassification of 1.0 FTE position to the City Manager's Office and several other organizational changes at the end of 2012 (\$0.3). Additionally, expenditures related to roadway data collection services have decreased when compared to the prior year (\$0.1).
- Facility and Fleet expenditures are \$0.2 million more than expenditures year-to-date in 2012. This increase is attributable to the installation of a new Civic Center message board along Arapahoe Road and enhancements to Civic Center landscaping during 2013.
- Land Use Fund Transfers are \$0.5 million less than transfers year-to-date in 2012. This decrease is partially due to lower expenditures related to salary and benefits (\$0.3) in the Land Use Fund, as a result of organizational changes made during the latter part of 2012. Additionally, revenues within the Land Use Fund have outpaced those reported during the same period in 2012, thus decreasing the amount transferred from the General Fund to the Land Use Fund during the current year.
- Capital Improvement Fund Transfers are \$3.6 million less than transfers year-to-date in 2012. During 2012 total approved transfers to the Capital Improvement Fund year-to-date equaled \$13.0 million. However, during 2013 total approved transfers year-to-date equaled \$9.4 million. The difference in the total amounts transferred year-to-date results from the approval of City Council in late 2012 to purchase a new Public Works facility, thus necessitating an increase in the amount transferred from the General Fund to the Capital Improvement Fund.

**GENERAL FUND – COMPARISON TO BUDGET**

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 1/12<sup>th</sup> 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 2013 budget amounts.

**Revenues**

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

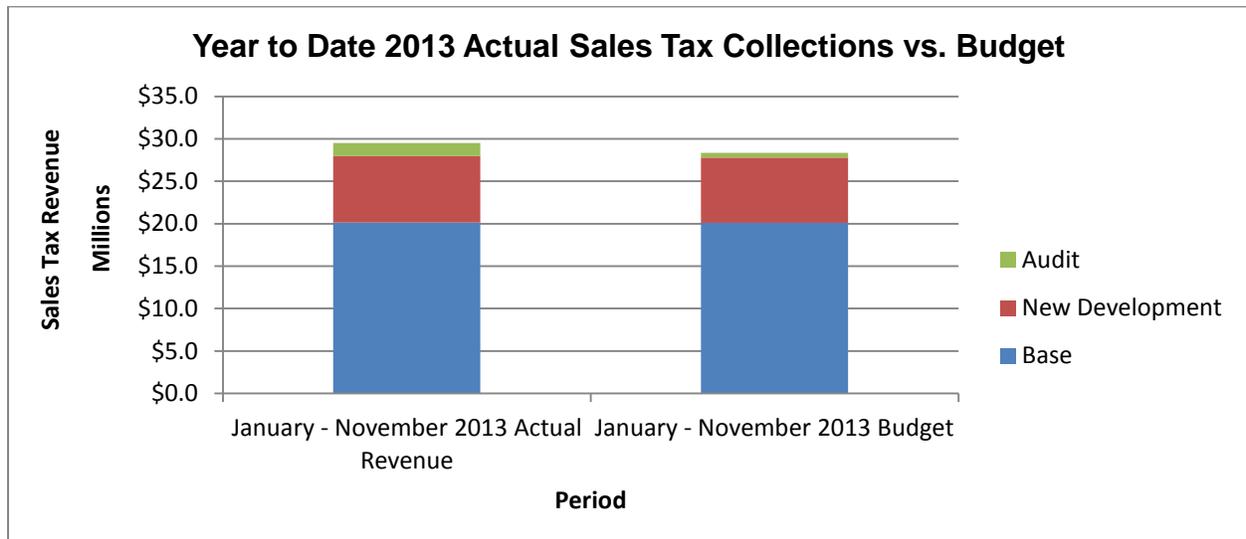
*(dollar amounts in millions)*

	Actual YTD 2013	Budget YTD 2013	\$ Variance	% Variance
Retail Sales Tax	\$ 29.7	\$ 28.4	\$ 1.3	4.7%
Property Tax	7.9	8.0	(0.1)	-1.3%
Building Materials Use Tax	2.9	1.9	1.0	48.4%
Highway Users Tax Fund	4.4	4.3	0.1	2.9%
Franchise Fees	4.3	4.2	0.1	2.8%
Specific Ownership Tax	0.5	0.5	-	0.0%
Motor Vehicle Registration Fees	0.5	0.5	-	-2.7%
Automobile Use Tax	3.4	3.4	-	-1.1%
Road and Bridge Shareback	0.6	0.6	-	0.0%
Court Fines	2.0	1.8	0.2	8.4%
Investment Income	0.2	0.2	-	0.9%
All Other Revenue Sources	1.6	1.6	-	4.2%
	<u>\$ 58.0</u>	<u>\$ 55.4</u>	<u>\$ 2.6</u>	<u>4.7%</u>

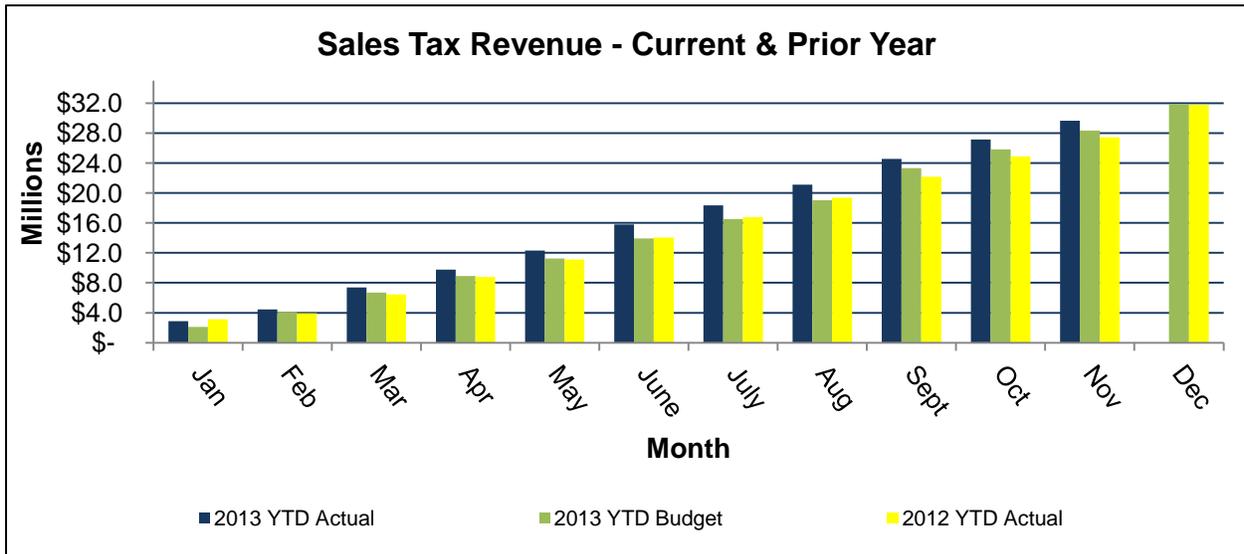
Note: Dollar amounts shown have been rounded; percentages are actual based on whole dollars.

**Retail Sales Tax**

Retail Sales Tax revenue year-to-date 2013 is \$1.3 million, or 4.7% favorable compared to budget. This favorable variance is primarily due to sales tax from audits, penalty and interest (\$1.1), and sales tax related to new development (\$0.2) outpacing budget projections included in the 2013 Revised Budget. The sales tax base is in line with the budget as it is shown on the graph below.

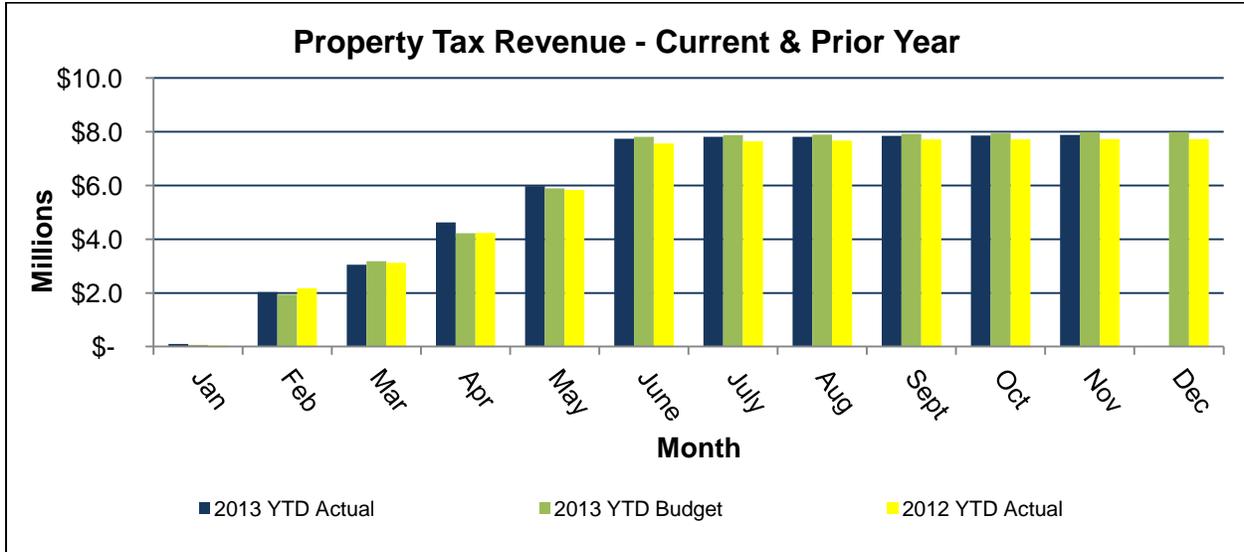


The following graph summarizes 2013 year-to-date sales tax revenue when compared to 2012 actual sales tax receipts and 2013 sales tax revenue forecast.



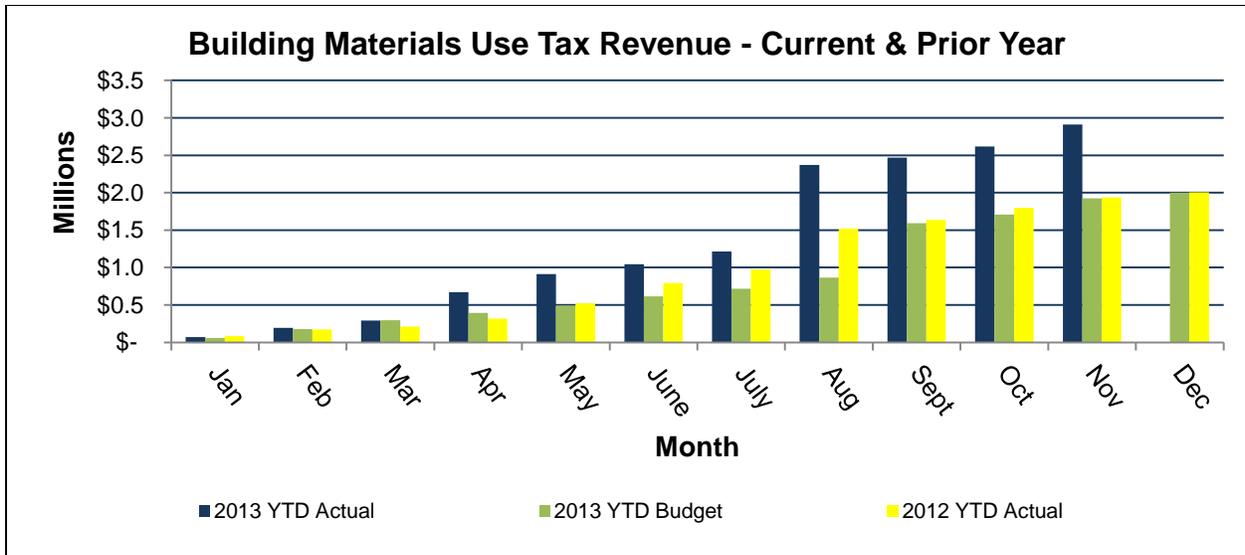
Property Tax

Property Tax revenue year-to-date 2013 is \$0.1 million, or 1.3% 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. It is anticipated this unfavorable variance will remain throughout 2013.



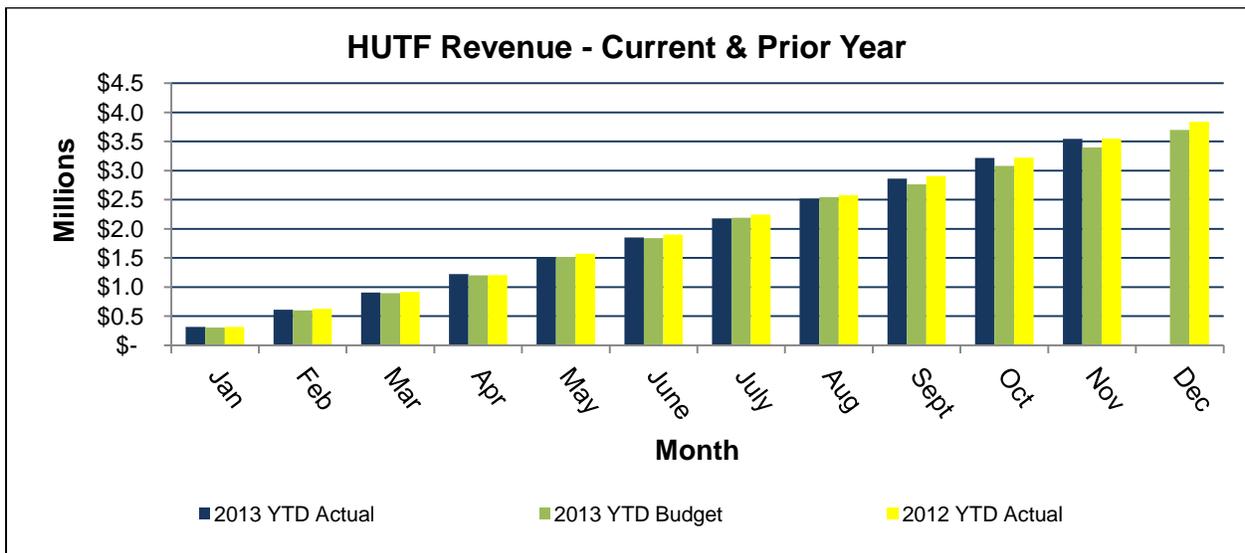
Building Materials Use Tax

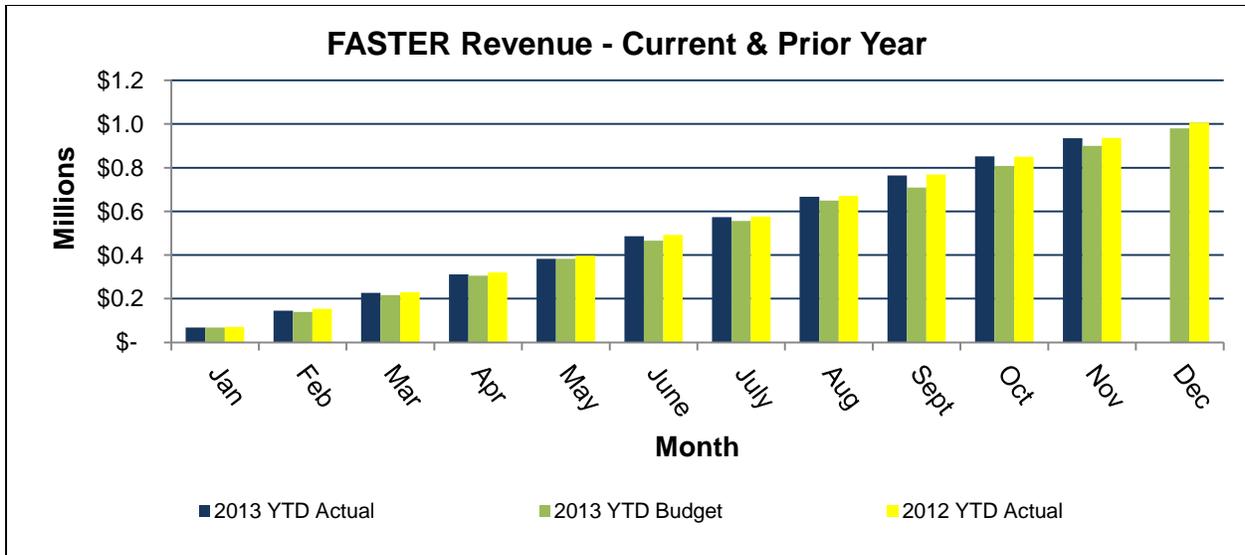
Building Materials Use Tax revenue year-to-date 2013 is \$1.0 million, or 48.4% favorable compared to budget. This favorable variance is the result of the issuance of several building permits that were not anticipated in the 2013 Revised Budget. These permits include an assisted living facility, a new commercial building, and a commercial remodel.



Highway Users Tax Fund

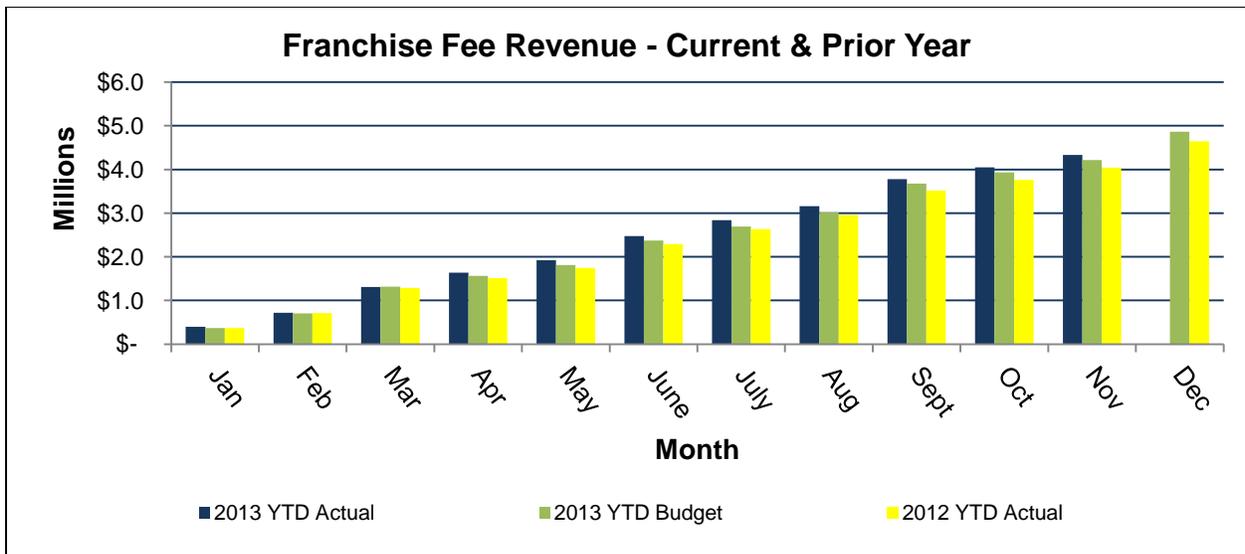
Highway Users Tax Fund revenue year-to-date 2013 is \$0.1 million, or 2.9% favorable to budget. While the City's distribution ratio decreased by 1.5% during the year, the total HUTF amount available for distribution to all municipalities increased 0.3% as compared to the same period in 2012. The increase in the total available for distribution was not anticipated in the 2013 Revised Budget.





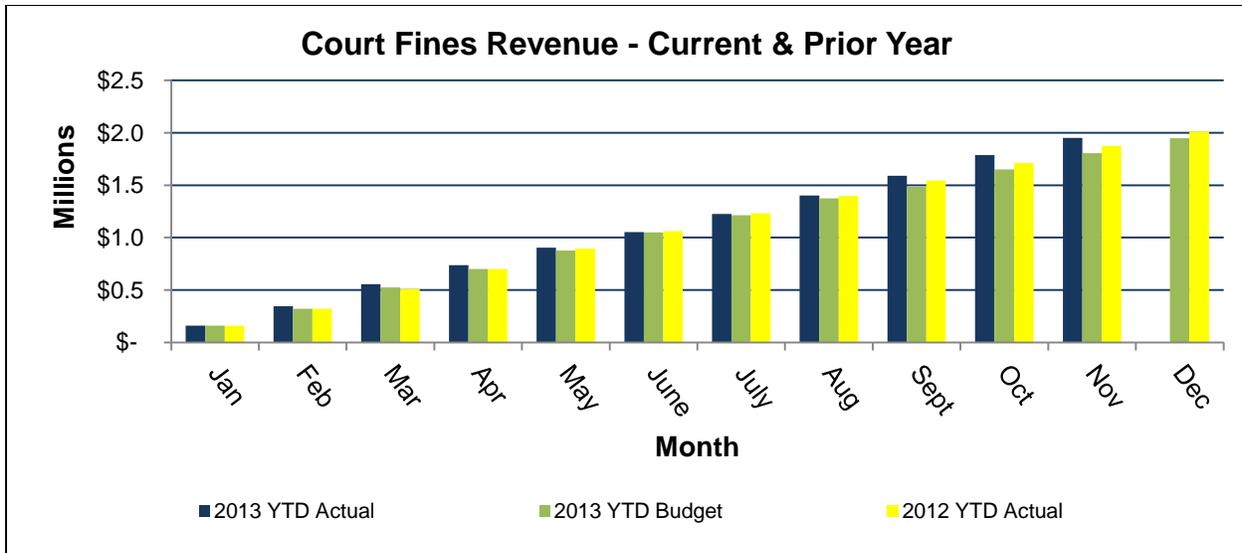
Franchise Fees

Franchise Fee revenue year-to-date 2013 is \$0.1 million or 2.8% favorable compared to budget. A slight increase in average gas and electric rates year-to-date 2013 contributed to an increase in franchise fee collections which were not anticipated in the 2013 Revised Budget.



Court Fines

Court Fines revenue year-to-date 2013 is \$0.2 million, or 8.4% favorable compared to budget. This favorable variance is the result of an increase in the number of cases processed by the Court, which was not considered in the 2013 Revised Budget. The Municipal Court collects a variety of court fines and fees for minor offense violations.



**Expenditures**

Total expenditures and transfers are \$1.3 million or 2.5% favorable compared to budget. The net overall favorable variance is primarily attributable to the Finance, Economic Development, Nondepartmental, Central Services, and Public Works Departments, as well as transfers from the Land Use Fund.

- Finance expenditures are \$0.1 million or 2.8% favorable to budget. This favorable variance is primarily due to expenditures related to Salaries and Benefits being less than anticipated year-to-date in the budget. It is anticipated that this favorable variance will remain throughout the rest of the year.
- Economic Development expenditures are \$0.1 million, or 37.5% favorable to budget. This favorable variance is partially due to unused funds year-to-date for the I-25 Corridor Sub-area Plan as a result of this particular project getting started later in the year than anticipated. Additionally, budgeted funds for Meetings/Training/Travel remained partially unused through the end November as plans to attend certain meetings and training events have been postponed.
- Nondepartmental expenditures are \$0.3 million or 7.4% favorable to budget. This favorable variance is primarily due to lower than anticipated expenditures related to incentive agreement payments. It is anticipated this favorable variance will diminish by year-end as 4<sup>th</sup> quarter payments are made on these agreements.
- Central Services expenditures are \$0.1 million, or 36.0% favorable to budget. This favorable variance is attributable to cumulative department savings in the areas of office supplies, printing and publishing, and meetings, training, and travel. It is anticipated this favorable variance will remain throughout the rest of the year.
- Public Works expenditures are \$0.3 million, or 2.5% favorable to budget. This favorable variance is partially attributable to expenditures related to traffic signal maintenance and repairs. Traffic signal maintenance and repair costs are budgeted using historic data and actual costs are billed to the City when maintenance and repairs are performed. Year-to-date monthly budget allocations for these repairs and maintenance have outpaced actual costs billed to the City. The remaining favorable variance can be attributed to budget allocations for contracted public works services outpacing actual year-to-date expenditures.

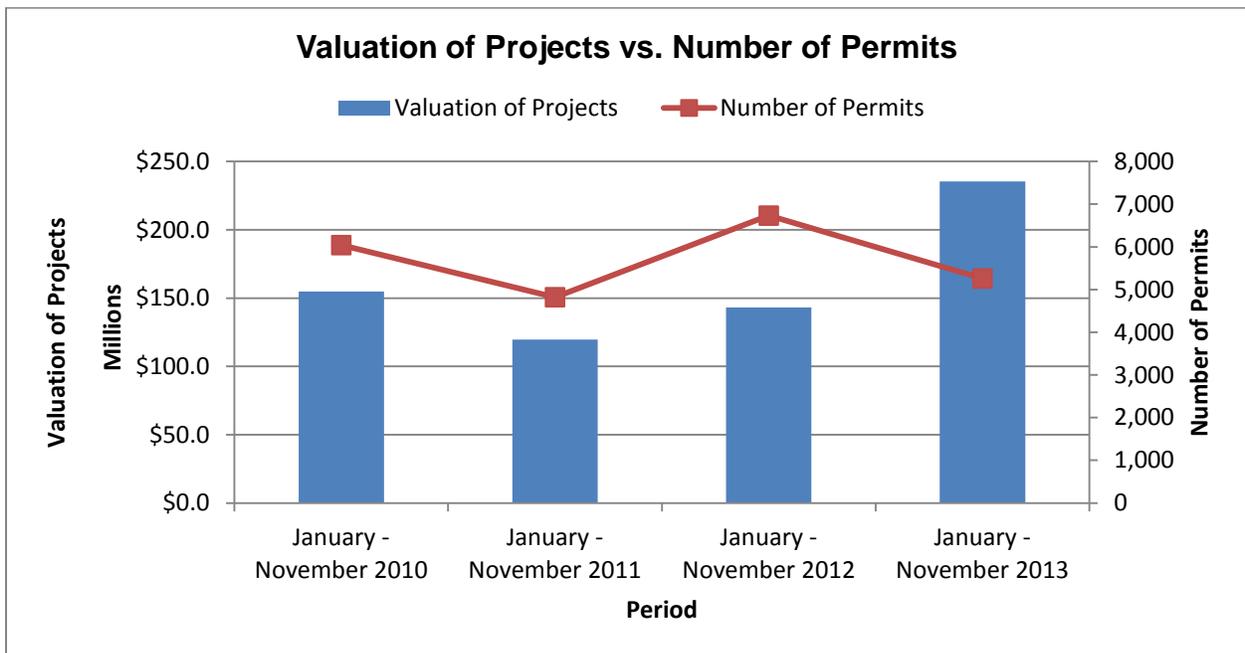
- Land Use Fund transfers are \$0.2 million, or 31.5% favorable to budget. This favorable variance is due to revenues earned in the Land Use Fund being greater than anticipated in the budget, thus resulting in a decrease in the amount transferred from the General Fund to support the Land Use Fund.

**LAND USE FUND**

**Comparison to Prior Year**

*Revenue*

- Revenue year-to-date for 2013 is \$0.5 million, or 16.6% more than same period in 2012. This increase is due to growth in Building Permit Fees (\$0.1 million), Building Plan Review Fees (\$0.2 million) and Permit/Plan Review Fees (\$0.2 million). Total valuation on building permits issued year-to-date 2013 has increased by 64.6% compared to the prior year despite a reduction in the total number of permits issued during the same period in 2012. Since building permit and plan review fees are assessed based upon the valuation of the projects, the result is an increase in building services fee collections when compared to the prior year. The graph below shows the total valuation of projects and the total number of permits issued for the months of January through November over a four year period.



*Expenses*

- Expenses year-to-date 2013 are in line with expenses incurred during the same period in 2012.

**Comparison to Budget**

*Revenue*

- Revenue year-to-date 2013 is in line with the budget.

*Expenses*

- Expenses year-to-date are \$0.1 million, or 2.0% favorable compared to budget. This favorable variance is primarily due to budget allocations for permitting and inspections outpacing actual expenses. This favorable variance is expected to diminish throughout the remainder of the year.

## CAPITAL IMPROVEMENT FUND

### Comparison to Prior Year

#### *Revenue*

- Revenue year-to-date 2013 is \$0.7 million, or 44.8% less than revenue collected during the same period in 2012. This decrease is attributable to lower grant revenue receipts. During 2012, grant funds (\$1.6 million) were received for the Arapahoe Road Reconstruction project, upgrades to the City's signal master system, and enhancements to weather station equipment. In 2013, grant funds and contributions received (\$0.9 million) have been for Vista Verde Neighborhood Improvements, the Arapahoe Road and Waco to Himalaya project design fees and Potomac and Briarwood Traffic Signal.

#### *Expenditures*

- Expenditures year-to-date are \$2.9 million, or 24.6% less than expenditures year-to-date during the prior year. During 2012, funds were utilized (\$11.6) for the Arapahoe Road Reconstruction project, enhancements to weather station equipment, the transportation master plan, upgrades to the City's signal master system, and the purchase of a new public works facility. However in 2013, the timing of expenditures has differed compared to the prior year and funds have primarily been utilized for Vista Verde Neighborhood Improvements, the City's Street Rehabilitation program, and traffic signal upgrades (\$8.7).

### Comparison to Budget

#### *Revenue*

- Revenue is \$0.5 million, or more than 100.0% favorable compared to budget. Year-to-date, the City has received \$0.2 million from Arapahoe County for project design fees related to the Arapahoe Road – Waco to Himalaya project, which was not anticipated in the budget. Additionally, a Traffic Signal System Improvement Program grant (\$0.2 million) was received earlier than anticipated in the 2013 Revised Budget.

#### *Expenditures*

- Expenditures are \$4.2 million, or 32.5% favorable compared to budget. This favorable variance is the result of monthly budget allocations related to CIP Management, Building Maintenance, City-wide street resurface treatments, Street Projects (Waco-Himalaya), upgrades to the City's signal master system, and street rehabilitation program outpacing actual expenditures. These variances appear to be related to a timing difference between budgeted and actual expenditures and are expected to diminish throughout the remainder of the year.

## CONSERVATION TRUST FUND

### Comparison to Prior Year

#### *Revenue*

- Revenue year-to-date 2013 is in line with revenue year-to-date in 2012.

#### *Expenditures*

- Expenditures year-to-date are \$0.1 million, or 59.2% less than expenditures during the same period in the prior year. This decrease is primarily the result of construction related costs associated with Centennial Center Park being incurred in 2012, but not during 2013.

### Comparison to Budget

#### Revenue

- Revenue year-to-date 2013 is in line with the budget.

#### Expenditures

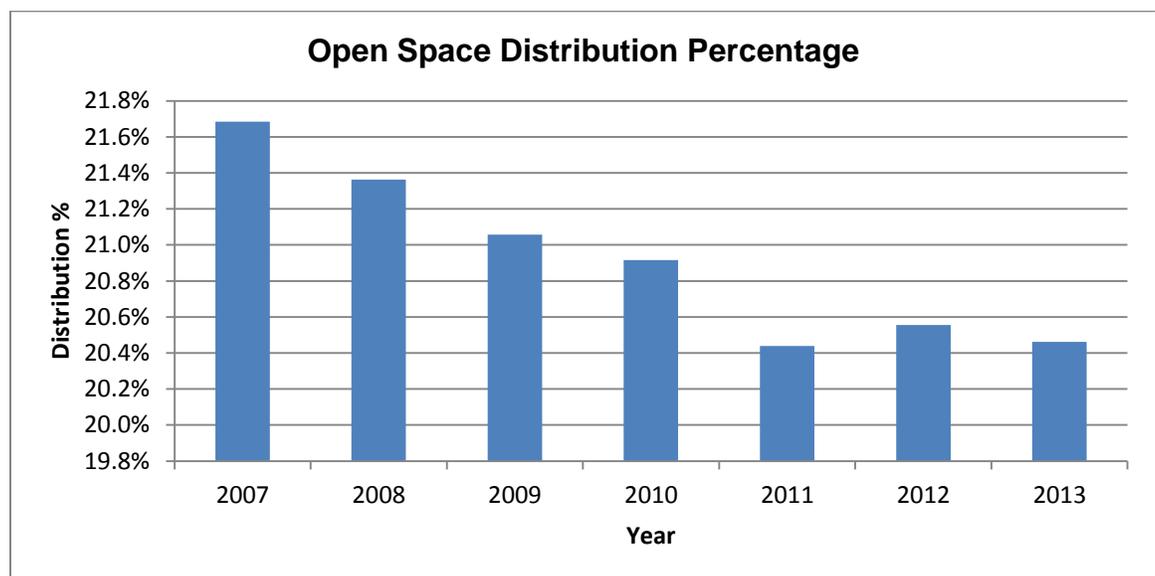
- Expenditures year-to-date 2013 are in line with the budget.

## OPEN SPACE FUND

### Comparison to Prior Year

#### Revenue

- Revenue year-to-date 2013 is \$0.1 million, or 4.4% more than collections year-to-date in 2012. The City receives Open Space Sales Tax revenues from Arapahoe County on an annual basis. The County distributes fifty percent of revenue derived from the 0.25% Open Space Sales Tax based on the population of incorporated municipalities within Arapahoe County. In 2013, the City received 20.5% of the total (\$10.2 million) Arapahoe County Open Space Shareback Funds, resulting in \$0.3 million more in Open Space Sales Tax receipts when compared to 2012. Even though the City's 2013 distribution rate decreased from the prior period, the total amount of funds to distribute increased. The following graph shows Open Space Sales Tax distribution percentages to the City for years 2007 through 2013.



The Open Space Sales Tax favorable variance is partially offset by an unfavorable variance in grant revenues. 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 each grant agreement. Year-to-date grant receipts are \$0.2 million less when compared to the same period in the prior year.

#### Expenditures

- Expenditures year-to-date 2013 are \$1.9 million, or more than 100% more than expenditures during the same period in the prior year. During 2012, year-to-date Open Space funds were utilized primarily for park maintenance and enhancements and construction of the Centennial Link Trail (\$1.0). However, Open Space funds year-to-date 2013 have been utilized for the Parker Jordan Open Space and Cherry Creek Regional Trails (\$1.0), Centennial Center Park overflow parking lot construction (\$0.8), and enhancements to community parks such as Indian Ridge, Toll Gate, Fox Hill, and Smoky Hill parks (\$1.0).

### **Comparison to Budget**

#### *Revenue*

- Open Space revenue is \$0.4 million, or 17.7% favorable to budget. This favorable variance is attributable to the receipt of \$0.4 million in grant funding for the Cherry Creek Regional Trail project which was not included in the 2013 Revised Budget.

#### *Expenditures*

- Expenditures year-to-date 2013 are \$1.3 million, or 31.9% favorable to budget. This favorable variance is primarily due to budget allocations outpacing actual expenditures for project management costs, trail construction on Centennial Link Trail, and enhancements to community parks such as Indian Ridge, Toll Gate, Fox Hill, and Smoky Hill (\$1.6). These favorable variances are offset by an unfavorable variance in Land Improvements. This unfavorable variance is the result of actual expenditures related to the Centennial Center Park improvements outpacing monthly budget allocations (\$0.3).

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

#### *Revenue*

- Revenue received year-to-date 2013 for the consolidated GID Funds is \$0.1 million, or 37.0% more than revenue collected year-to-date in 2012. This increase is attributable to higher property tax collections in the Antelope General Improvement District as a result of an increase in the 2012 mill levy from 20.5 to 41.0 mills.

#### *Expenditures*

- Expenditures year-to-date 2013 are consistent with expenditures year-to-date in 2012.

### **Comparison to Budget**

#### *Revenue*

- Revenue year-to-date 2013 is in line with the budget.

#### *Expenditures*

- Expenditures are \$0.2 million, or 34.2% favorable to budget. This favorable variance is primarily due to budget allocations for expenditures related to Contracted Services within the Foxridge and Walnut Hills GID's outpacing actual expenditures. This favorable variance is expected to remain throughout the rest of the year.

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

#### *Revenue*

- Revenue received year-to-date 2013 is \$0.1 million, or 1.3% less than revenues collected year-to-date in 2012. Year-to-date, sales tax collections have increased by \$0.3 million compared to the prior year. This increase is the result of increased consumer spending within the redevelopment area (Streets at SouthGlenn).

This increase in sales tax revenue is offset by a decrease in property tax collections (\$0.2 million) as a result of a reduction in assessed valuations for properties within the redevelopment area, as provided by the Arapahoe County Assessor's Office.

In addition to a reduction in property tax collections, the Authority has experienced a reduction in construction funds (\$0.2 million) when compared to the prior year. During 2012 funds were received for the installation of a new traffic signal at the intersection of Arapahoe Road and Vine Street. This project was completed during 2012.

*Expenditures*

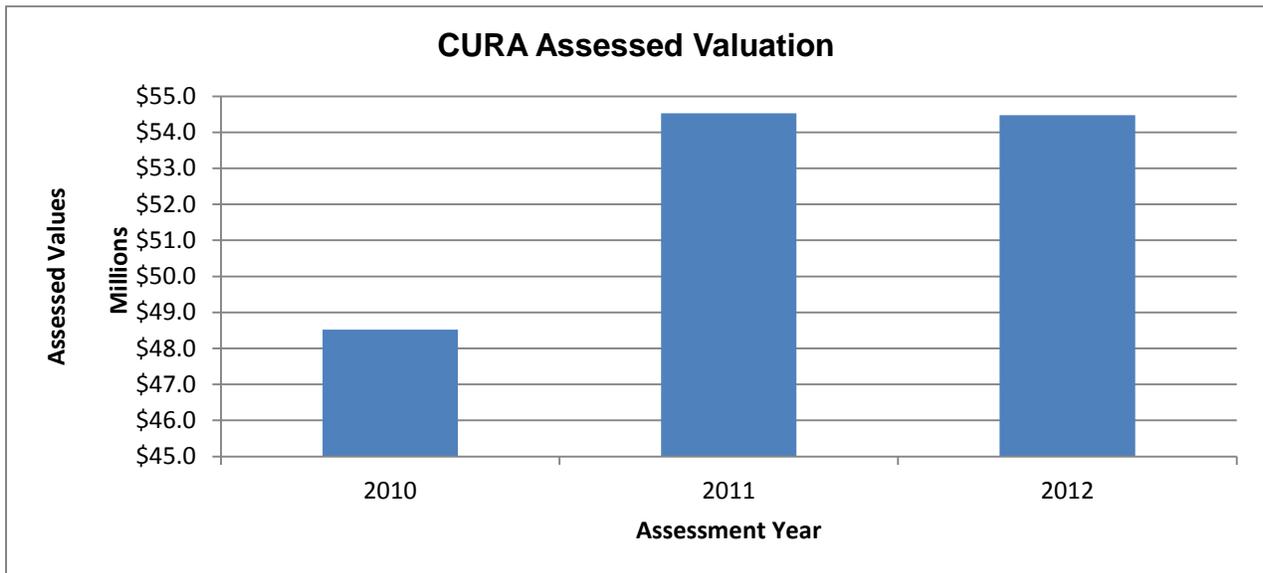
- Expenditures year-to-date 2013 are \$0.2 million, or 2.7% less than expenditures during the same period in the prior year. This decrease is partially the result of lower property tax pass-thru payments from the Authority to the Southglenn Metropolitan District as a result of decreased property tax collections. Additionally, during 2012 expenditures were incurred to install a new traffic signal at the intersection of Arapahoe Road and Vine Street. No such construction related expenditures have been incurred year-to-date 2013.

**Comparison to Budget**

*Revenue*

- Revenue received year to date is \$0.2 million, or 2.6% unfavorable compared to budget. The City anticipates property tax revenues to be \$0.3 million less than the amount budgeted due to a reduction in the assessed valuation by the Arapahoe County Assessor's Office. This favorable variance is partially offset by receipts for Sales Tax collections which have outpaced budget allocations by \$0.1 million.

The following graph shows changes in CURA Assessed Valuation for years 2010 through 2012:



*Expenditures*

- Expenditures are \$0.2 million or 2.6% favorable compared to budget. This favorable variance is due to budget allocations related to property tax pass-thru payments exceeding actual expenditures. The City anticipates property tax pass-thru payments by the Authority to the Southglenn Metropolitan District will be \$0.3 million less than the amount budgeted due to a reduction in assessed property valuations by the Arapahoe County Assessor's Office.