

The following financial report analysis offers readers a narrative overview of the financial activities of the City for the period ended October 31, 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 October, 2013 YTD Financial Statements

GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD

Revenues

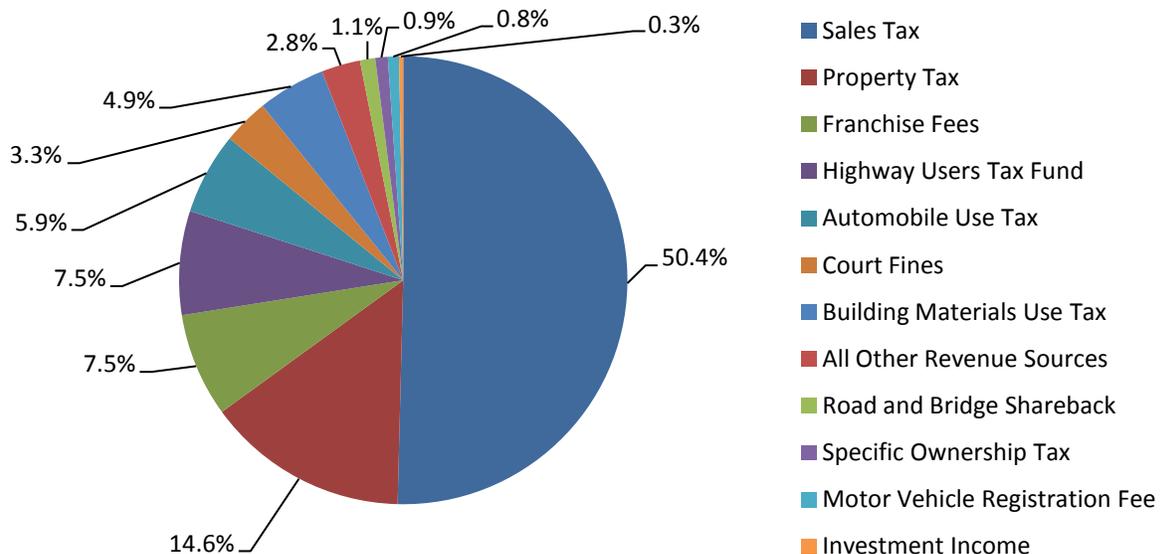
The following table is a summary comparison of the primary revenue sources year-to-date for 2012 and 2013:

	<i>(dollar amounts in millions)</i>			
	YTD 2013	YTD 2012	\$ Variance	% Variance
Retail Sales Tax	\$ 27.1	\$ 24.9*	\$ 2.2	9.1%
Property Tax	7.9	7.7	0.2	1.9%
Building Materials Use Tax	2.6	1.8	0.9	45.8%
Highway Users Tax Fund	4.0	4.1	(0.1)	-1.3%
Franchise Fees	4.1	3.8	0.3	7.4%
Specific Ownership Tax	0.4	0.4	-	6.1%
Motor Vehicle Registration Fees	0.4	0.4	-	3.3%
Automobile Use Tax	3.2	2.9	0.3	10.5%
Road and Bridge Shareback	0.6	0.6	-	0.7%
Court Fines	1.8	1.7	0.1	4.6%
Investment Income	0.1	0.1	-	17.1%
All Other Revenue Sources	1.6	1.5	0.1	7.3%
	<u>\$ 53.8</u>	<u>\$ 49.8</u>	<u>\$ 4.0</u>	<u>8.0%</u>

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

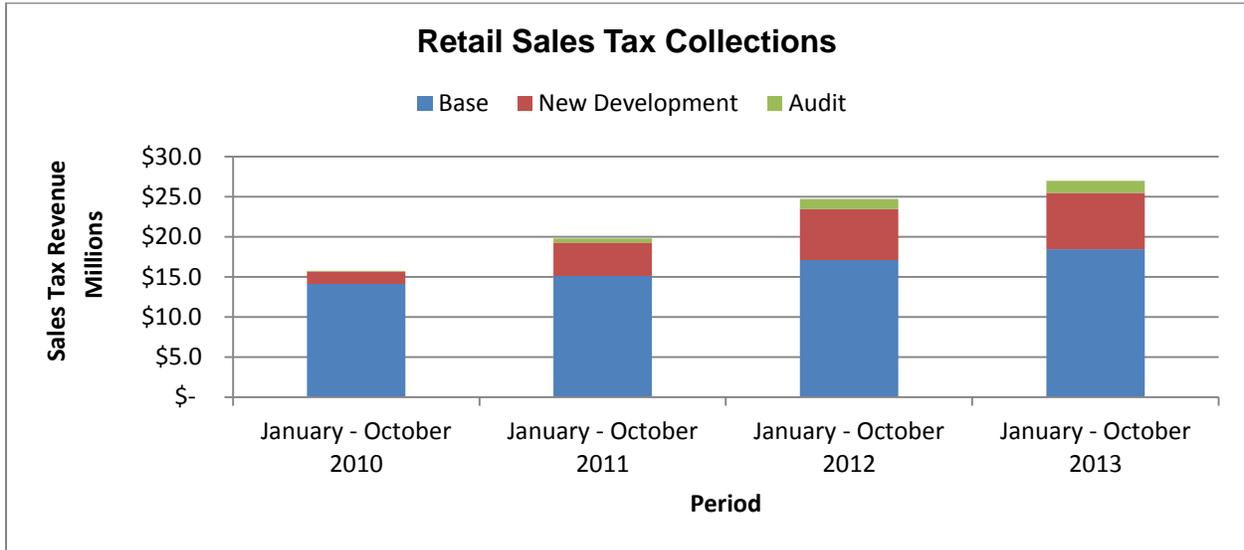
*Amounts previously reported for fiscal year 2012 have been restated due to further clarification on GASB Statement No.33.

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

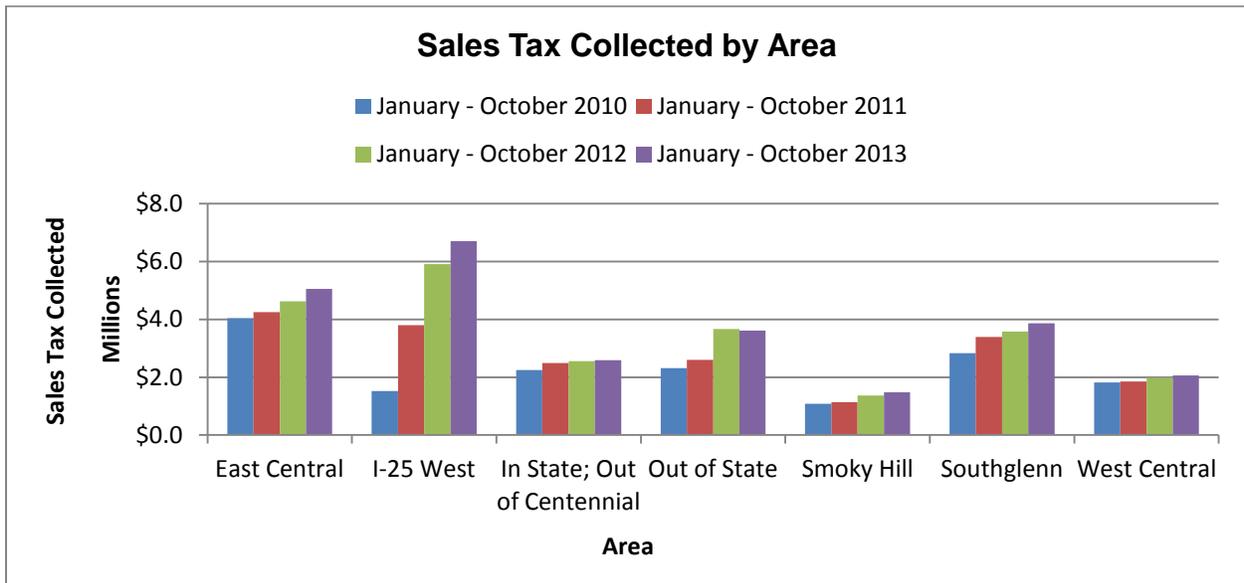


Retail Sales Tax

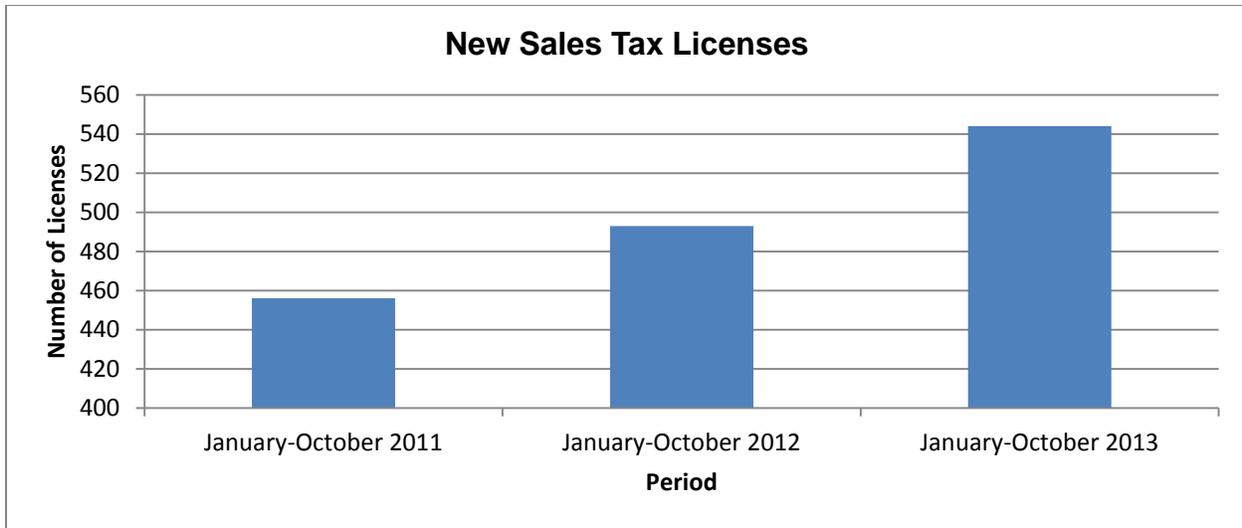
Retail Sales Tax revenue year-to-date is \$2.2 million, or 9.1% more than the same period in 2012. Overall, the City's sales tax base collections (excluding collections attributable to new development and audits) have exceeded 2012 collections by \$1.3 million. The remaining growth in the City's Retail Sales Tax revenue is due to new development (\$0.7 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. East Central, I-25 West and Southglenn areas continue to show the strongest growth. Further analysis of these areas will be in November's financial report.



New sales tax licenses and business registrations have increased steadily in the last three years, with a 10.4% increase in 2013 over the same period in 2012. In 2013, the City undertook a licensing project which garnered many businesses that were not licensed with the City. Personal Care Services, Computer Systems Design, Building Equipment Contractors and Commercial and Industrial Machinery sectors represent 16.0% of 542 total new registrations in 2013. The increase in new sales tax licenses has contributed to the overall sales tax growth of the City.



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 October – Current Top 25 Sales by 4-digit NAICS Code

NAICS Description		2013 YTD	% of Total Sales Tax	2012 YTD	% Change
1	Furniture Stores	\$3,313,787	12.2%	\$3,365,621	-1.5%
2	Full-Service Restaurants	1,895,257	7.0%	1,624,603	16.7%
3	Sporting Goods, Hobby, and Musical Instrument Stores	1,551,717	5.7%	1,181,300	31.4%
4	Automobile Dealers	1,382,319	5.1%	1,236,171	11.8%
5	Limited-Service Eating Places	1,290,317	4.8%	1,171,308	10.2%
6	Grocery Stores	1,106,013	4.1%	1,028,242	7.6%
7	Electric Power Generation, Transmission and Distribution	1,067,439	3.9%	966,525	10.4%
8	Wireless Telecommunications Carriers (except Satellite)	997,901	3.7%	1,057,693	-5.7%
9	Electronics and Appliance Stores	977,424	3.6%	851,457	14.8%
10	Other General Merchandise Stores	739,207	2.7%	733,097	0.8%
11	Department Stores	675,154	2.5%	611,258	10.5%
12	Commercial and Industrial Machinery and Equipment Rental and Leasing	521,002	1.9%	598,713	-13.0%
13	Beer, Wine, and Liquor Stores	466,340	1.7%	436,295	6.9%
14	Automotive Parts, Accessories, and Tire Stores	442,136	1.6%	475,088	-6.9%
15	Clothing Stores	427,864	1.6%	256,869	66.6%
16	Direct Selling Establishments	418,640	1.5%	306,146	36.7%
17	Automotive Repair and Maintenance	415,352	1.5%	378,949	9.6%
18	Wired Telecommunications Carriers	398,481	1.5%	364,231	9.4%
19	Communications Equipment Manufacturing	392,036	1.5%	334,257	17.3%
20	Traveler Accommodation	384,443	1.4%	346,926	10.8%
21	Jewelry, Luggage, and Leather Goods Stores	366,158	1.4%	373,235	-1.9%
22	Software Publishers	359,543	1.3%	107,087	235.8%
23	Other Miscellaneous Store Retailers	351,259	1.3%	334,463	5.0%
24	Health and Personal Care Stores	351,188	1.3%	345,111	1.8%
25	Home Furnishings Stores	341,913	1.3%	295,332	15.8%
Total		\$20,632,890	76.1%	\$18,779,978	9.9%

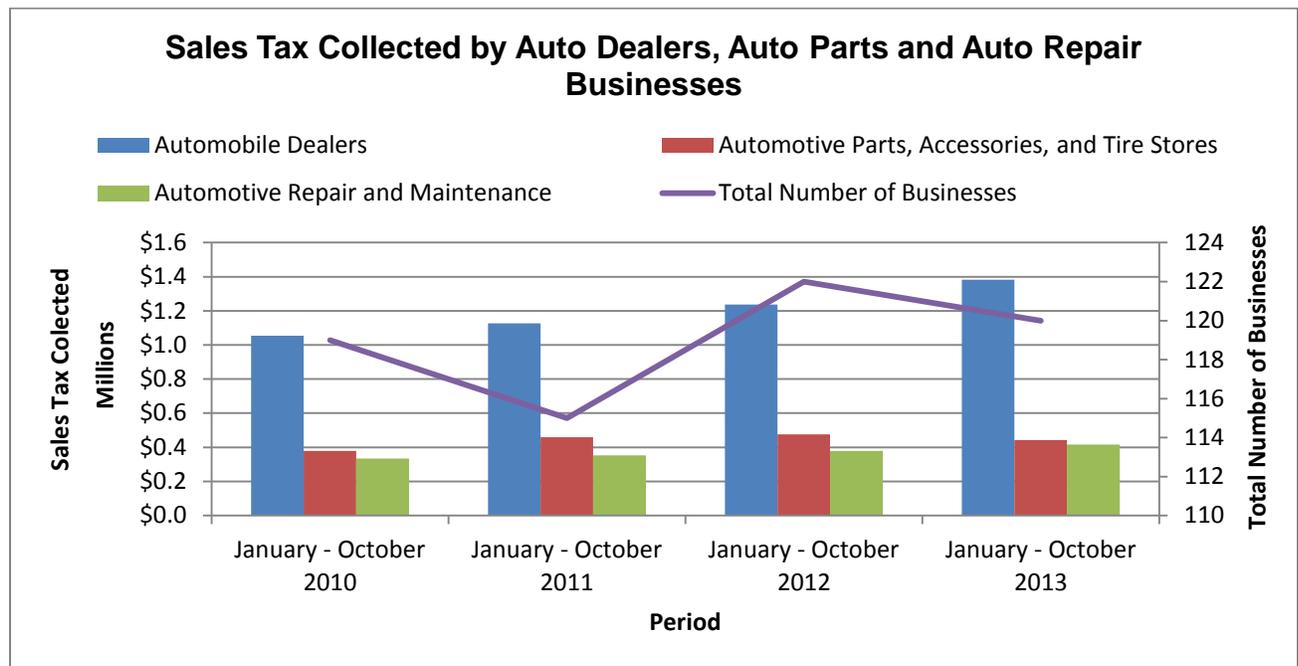
*Total does not agree to sales tax revenue reported on the accompanying financial statements as this table only represents the top 25 NAICS codes and does not include audit revenue.

Analysis of the City's auto industry (including auto dealers, auto part stores and auto repair facilities) shows a slight reduction in the number of stores, but a slight growth (7.15%) in sales tax generated for 2013 when compared to the same period in 2012.

In parsing out the three categories mentioned above, Auto Dealer's growth in 2013 over 2012 is 11.8%. Auto Dealer sales are comprised of new and used vehicle sales to Centennial residents and sales of auto parts and accessories. This trend is in line with the City's Automobile Use Tax collection analysis as shown on page 8.

Auto Repair facilities show an incremental growth pattern as depicted in the graph below with a 7.2% increase in sales tax collections in 2013 when compared to the same period in 2012. Conversely, Auto Part sales tax collections show a 7.0% reduction in 2013 when compared to 2012. Keep in mind that the sales tax collected from both categories are on part sales only (labor is not taxable). With that being said, one could speculate that consumers are taking their vehicles to repair shops instead of doing it themselves.

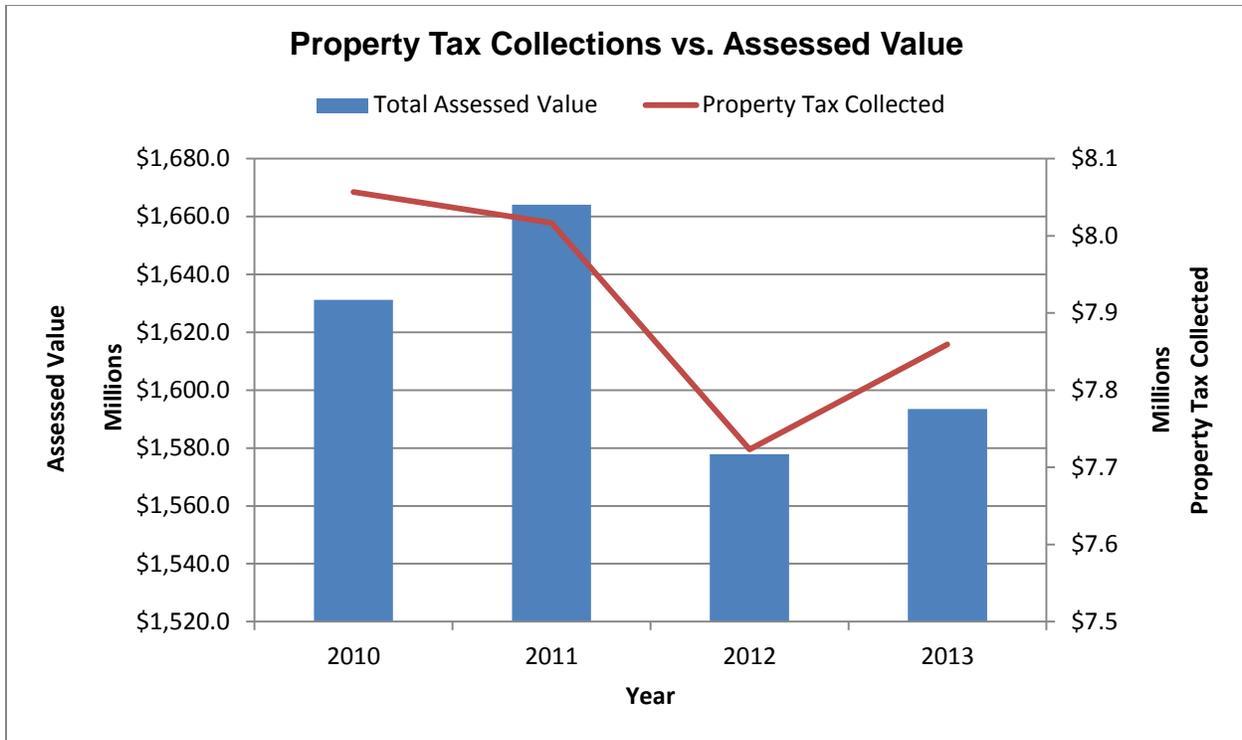
The graph below, illustrates sales tax collected by vendors in the auto industry category as it relates to the total number of businesses in the industry:



Property Tax

Property Tax revenue year-to-date 2013 is \$0.2 million, or 1.9% more than collections year-to-date in 2012. The City anticipates that 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 property valuations (1.0%) when compared to the prior year.

The following graph illustrates property tax collections and assessed values for years 2010 through 2013. Property valuation assessment for 2012 dropped due to the economic recession and the fallout of the mortgage industry.



Building Materials Use Tax

Building Materials Use Tax revenue year-to-date 2013 is \$0.9 million, or 45.8% more than collections year-to-date in 2012. Contributing to the overall growth of Building Materials Use Tax collections, commercial valuations for 2013 have increased over 100.0% when compared to the prior year while total valuations have increased 62.1% in 2013 when compared to the same period in 2012.

In 2013, twenty-eight building permits were issued with valuations over \$0.5 million. These twenty-eight building permits totaled \$138 million, or 58.9% of the total valuation of all building permits issued during 2013. The projects include data centers, new commercial facilities, tenant finishes/improvements and medical facilities. For more information on these projects please visit the City's website under Community Development/Online Services.

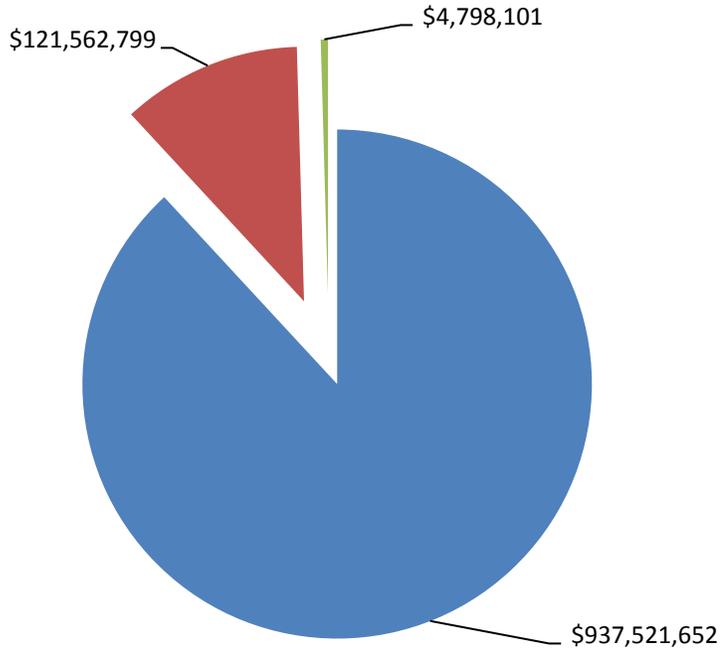
Highway Users Tax Fund

Highway Users Tax Fund (HUTF) revenue year-to-date 2013 is less than \$0.1 million or 1.3% 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 October 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. The graph below shows total HUTF revenue for the State's fiscal year 2013 (July 2012 – June 2013) as it relates to all Colorado Municipalities and the City's share of the fund.

FY 2013 HUTF Total Revenue vs. Municipal and City Disbursements

■ Total HUTF Revenue ■ Funds Available for Municipalities (less Centennial) ■ Centennial Disbursements

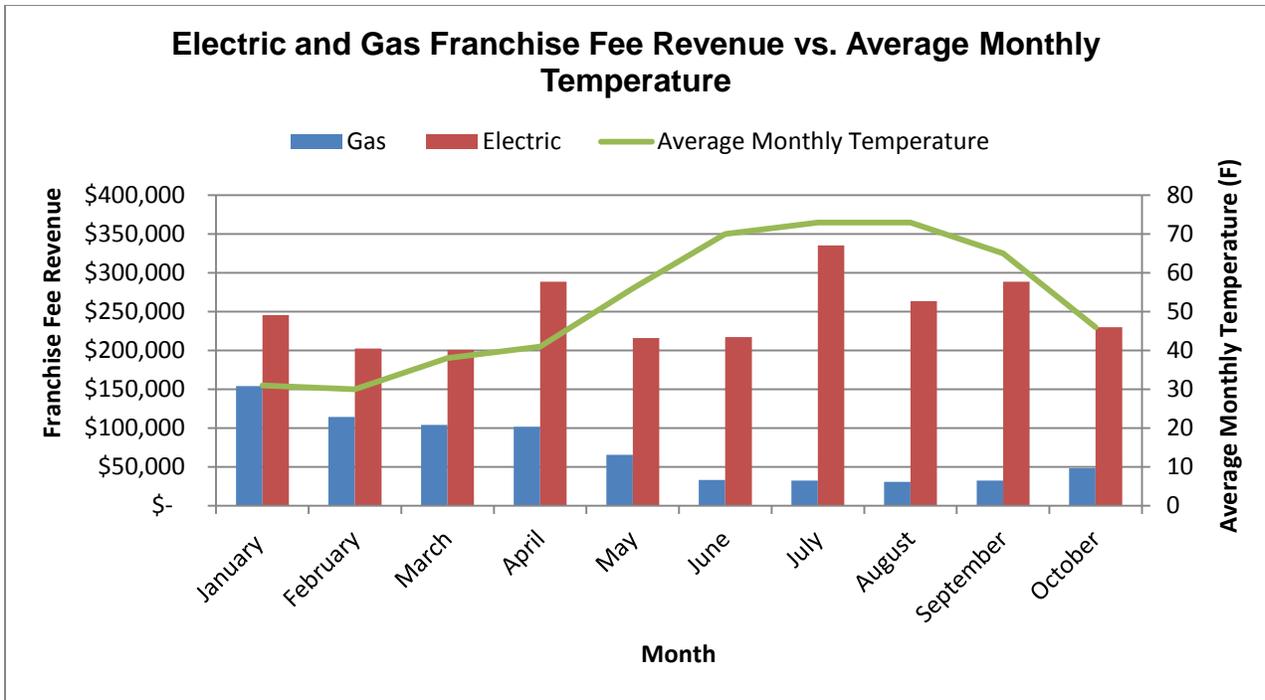


HUTF funds must be spent on new construction, safety, reconstruction, repair and maintenance, and improvements of streets and roads.

Franchise Fees

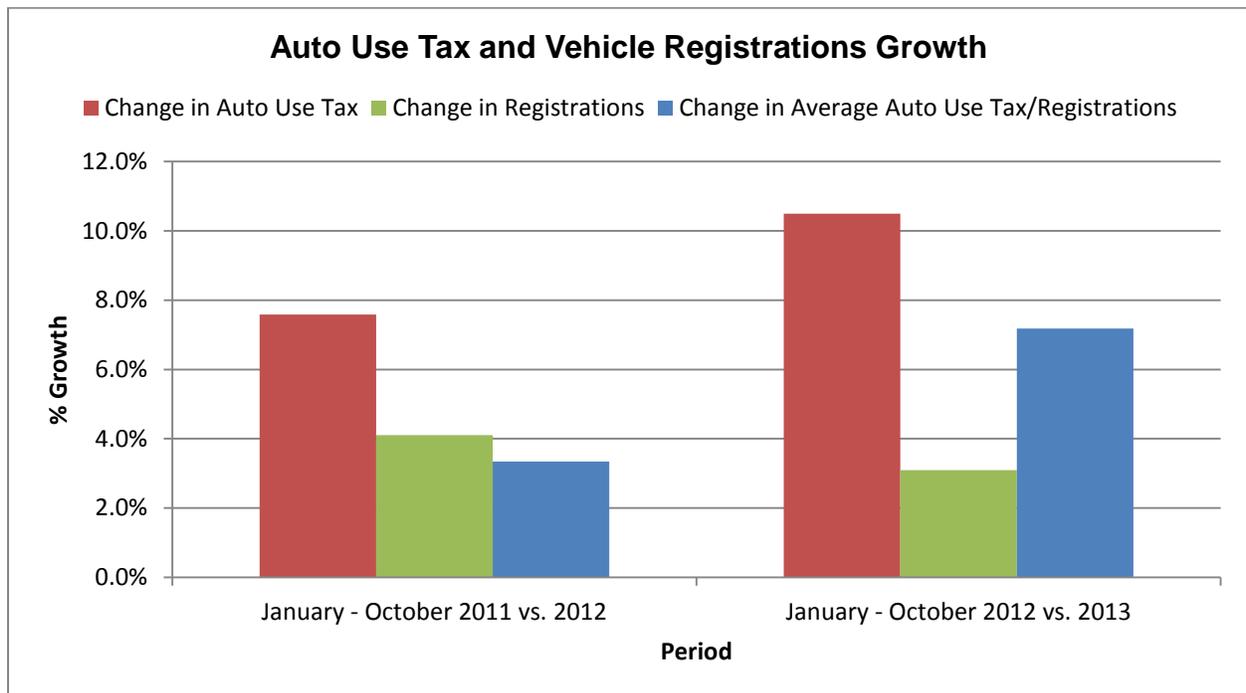
Franchise Fee revenues year-to-date 2013 are \$0.3 million, or 7.4% more than collections year-to-date in 2012. A slight increase in average gas and electric rates year-to-date 2013 over those charged during the same period in 2012, as well as changes in temperature, have contributed to an increase in 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.



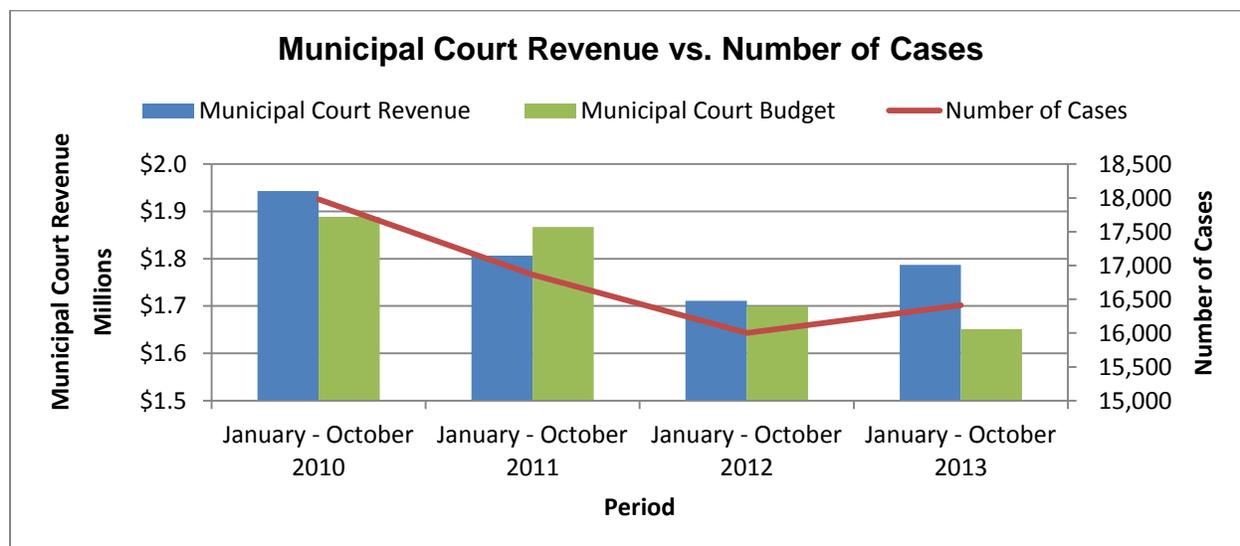
Automobile Use Tax

Automobile Use Tax revenue year-to-date 2013 is \$0.3 million, or 10.5% more than collections year-to-date in 2012. Data provided by the Colorado Automobile Dealers Association for October 2013 indicates year-to-date new car and truck registrations increased 12.0% statewide when compared to the same period in 2012. When analyzing registration data specific to the City of Centennial, total registrations year-to-date 2013 have increased by 4.1% when compared to the same period in the prior year thus contributing to the increase in use tax collections. The following graph illustrates the growth rate of Automobile Use Tax paid per registered vehicle within the City from 2011 to 2013.



Court Fines

Court Fines revenue YTD 2012 is \$0.1 million, or 4.6% 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 Court Fines 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 code violation fees.

Expenditures

Total expenditures and transfers year-to-date are \$1.7 million, or 3.5% 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 information technology help-desk outsourcing services (\$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 \$0.7 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 (\$0.2).

- 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 \$0.5 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, as well as other organizational changes, at the end of 2012 (\$0.3), and decreased expenditures related to roadway data collection services (\$0.2).
- Facility and Fleet expenditures are \$0.2 million more than expenditures year-to-date in 2012. This increase is attributable to several factors, including 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. The decrease is partially due to lower expenditures related to salary and benefits (\$0.3) in the Land Use Fund, which have decreased compared to the prior year due to 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 compared to the prior year.
- Capital Improvement Fund Transfers are \$2.2 million less than transfers year-to-date in 2012. During 2012 total approved transfers to the Capital Improvement Fund year-to-date equaled \$11.5 million. However, during 2013 total approved transfers year-to-date equaled \$9.3 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
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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 2013 budget amounts.

Revenues

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

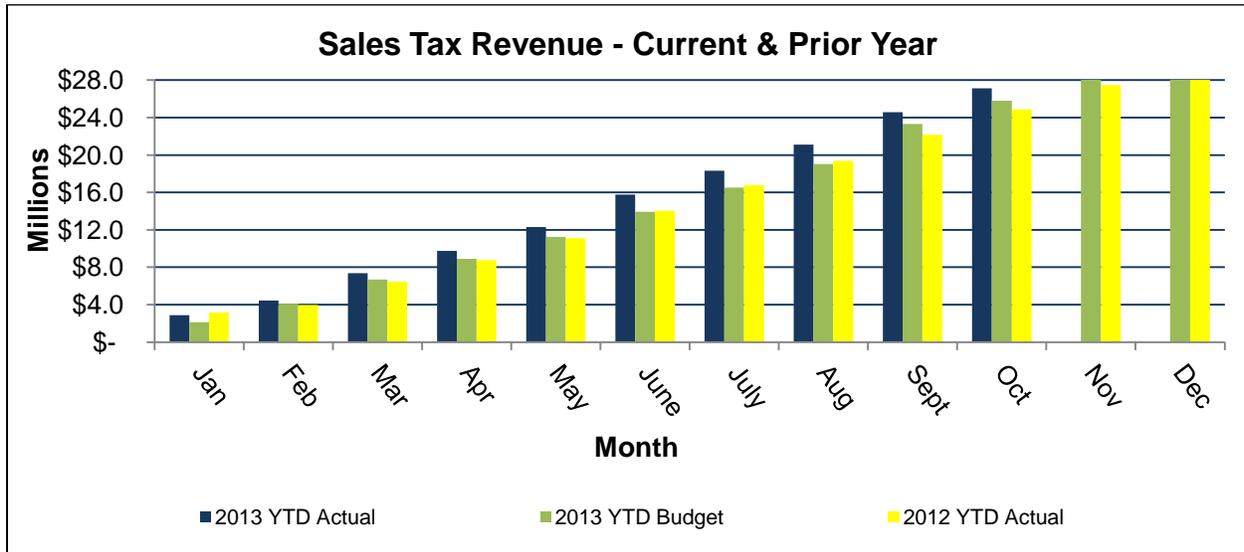
(dollar amounts in millions)

	Actual YTD 2013	Budget YTD 2013	\$ Variance	% Variance
Retail Sales Tax	\$ 27.1	\$ 28.3	\$ 1.3	5.1%
Property Tax	7.9	8.0	(0.1)	-1.1%
Building Materials Use Tax	2.6	1.7	0.9	49.7%
Highway Users Tax Fund	4.0	3.9	0.1	3.3%
Franchise Fees	4.1	4.0	0.1	2.9%
Specific Ownership Tax	0.4	0.4	-	-0.6%
Motor Vehicle Registration Fees	0.4	0.4	-	-1.7%
Automobile Use Tax	3.2	3.2	-	-1.0%
Road and Bridge Shareback	0.6	0.6	-	0.0%
Court Fines	1.8	1.7	0.1	8.4%
Investment Income	0.1	0.1	-	-2.1%
All Other Revenue Sources	1.6	1.5	0.1	6.3%
	<u>\$ 53.8</u>	<u>\$ 51.3</u>	<u>\$ 2.5</u>	<u>4.9%</u>

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

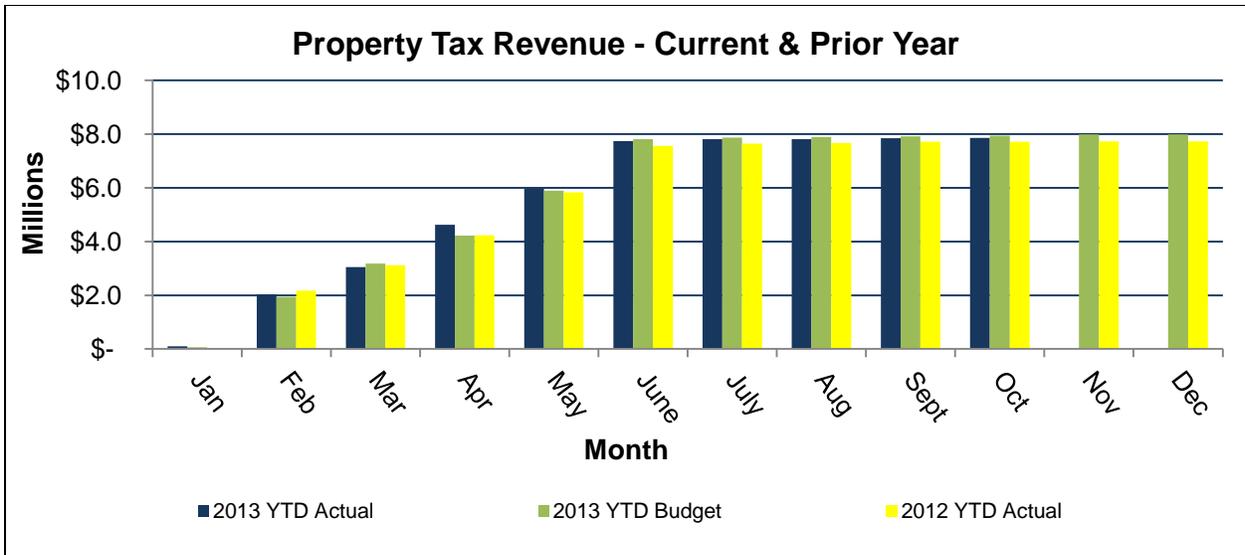
Retail Sales Tax

Retail Sales Tax revenue year-to-date 2013 is \$1.3 million, or 5.1% favorable compared to budget. This favorable variance is primarily due to sales tax base collections (\$0.1), sales tax from audits (\$1.1), and sales tax related to new development (\$0.1) outpacing budget projections included in the 2013 Revised Budget.



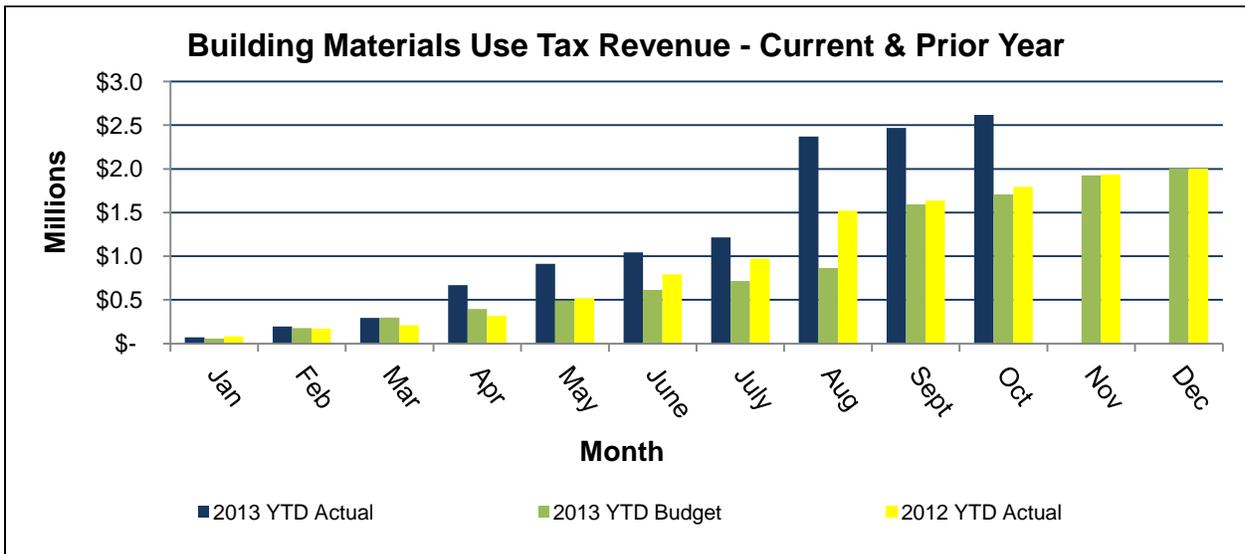
Property Tax

Property Tax revenue year-to-date 2013 is \$0.1 million, or 1.1% 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.



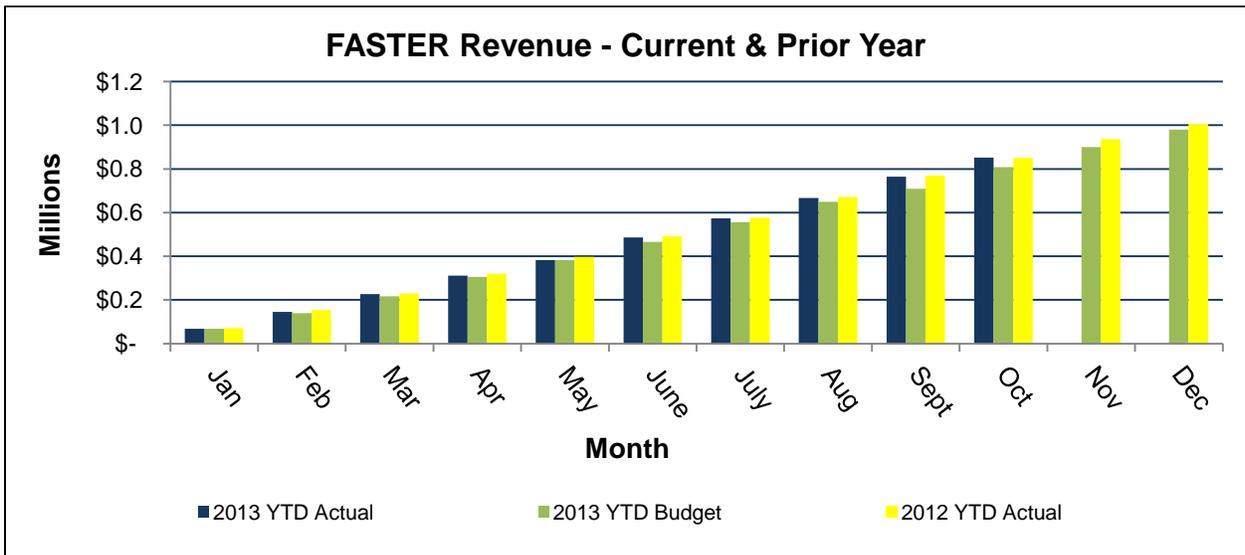
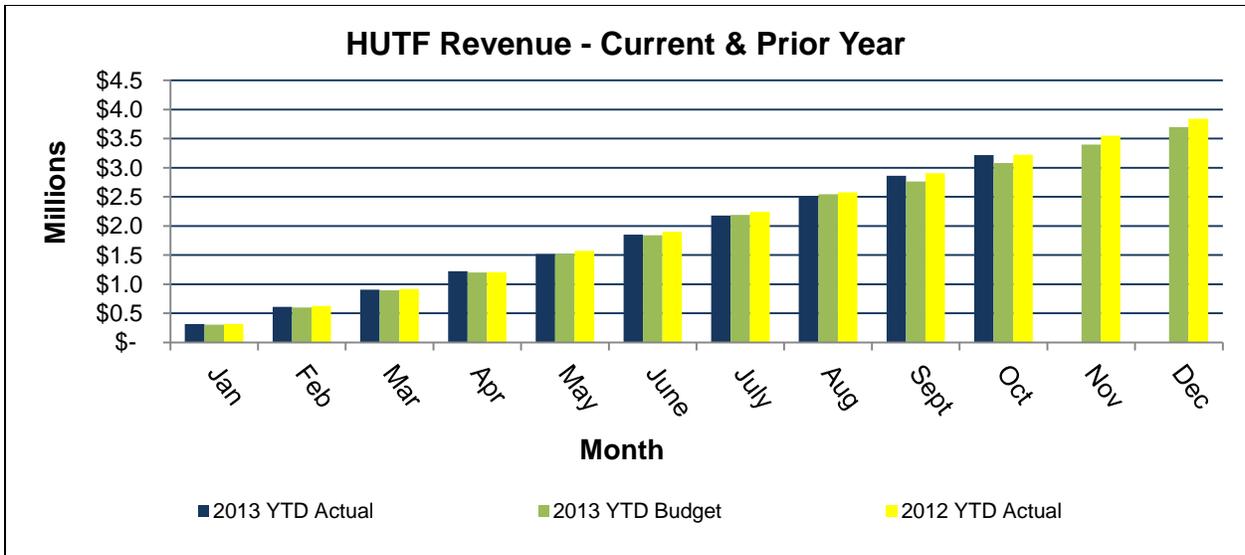
Building Materials Use Tax

Building Materials Use Tax revenue year-to-date 2013 is \$0.9 million, or 49.7% favorable compared to budget. This favorable variance is the result of the issuance of several large building permits that were not anticipated in the 2013 Revised Budget. These permits include a new data center, indoor tennis facility, and an assisted living facility.



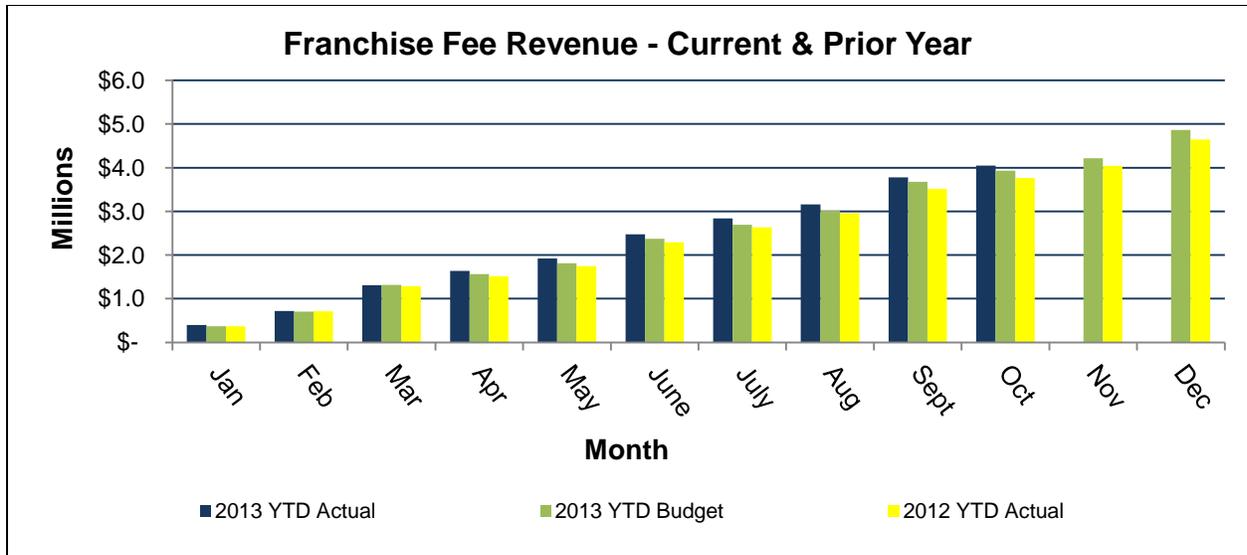
Highway Users Tax Fund

Highway Users Tax Fund revenue year-to-date 2013 is \$0.1 million, or 3.3% favorable to budget. While the City's distribution ratio decreased by 1.5%, the total HUTF amount available for distribution to all municipalities in October increased 7.1%. This increase in the total available for distribution was not anticipated in the 2013 Revised Budget.



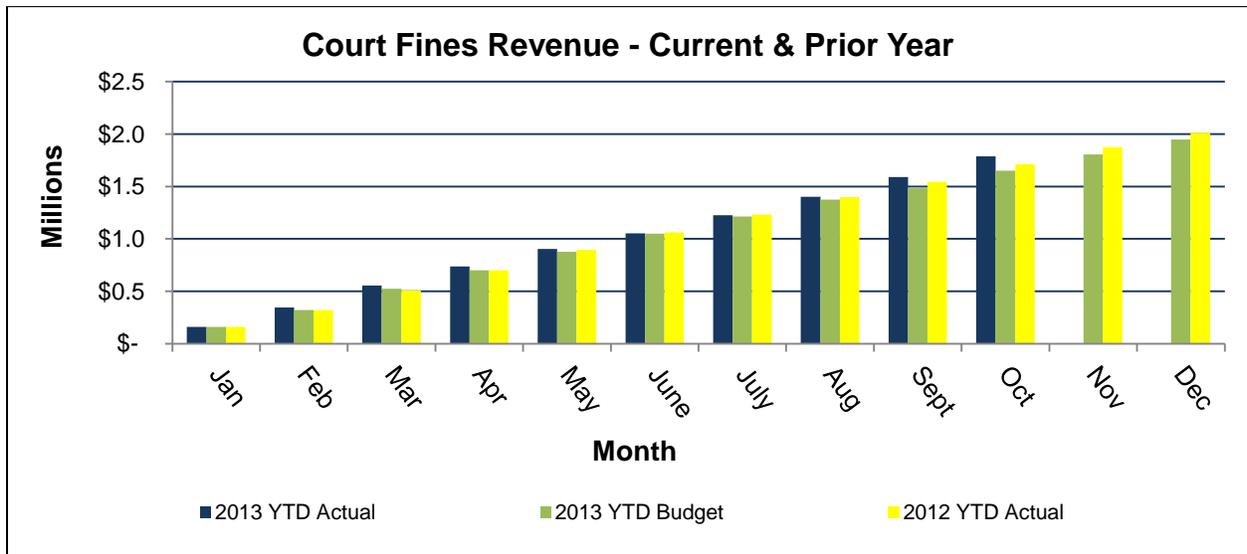
Franchise Fees

Franchise Fee revenue year-to-date 2013 is \$0.1 million or 2.9% 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 \$0.1 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. The Municipal Court collects a variety of court fines and fees for minor traffic and code violations. 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.



Expenditures

Total expenditures and transfers are \$1.1 million or 2.2% favorable compared to budget. The net favorable variance is primarily attributable to the Economic Development, Central Services, and Public Works Departments, as well as transfers from the Land Use Fund.

- Economic Development expenditures are \$0.1 million, or 36.1% 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 October as plans to attend certain meetings and training events have been postponed.

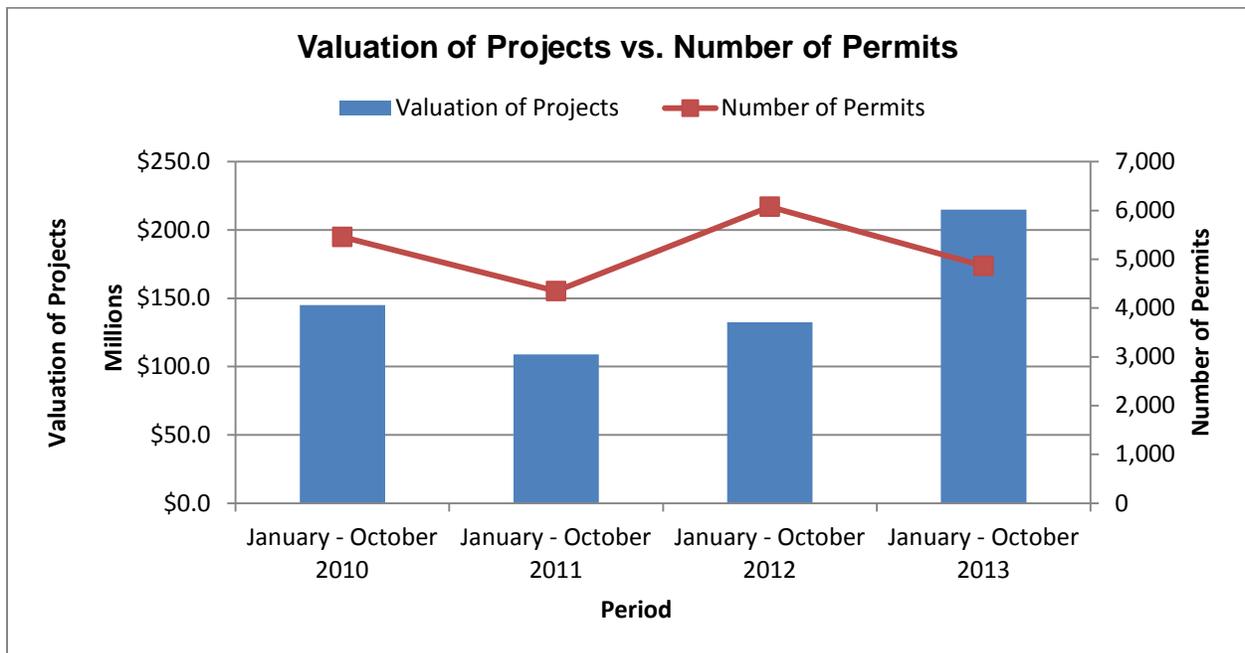
- Central Services expenditures are \$0.1 million, or 32.4% favorable to budget. This favorable variance is attributable to cumulative department savings in the areas of office supplies, printing and publishing, and meetings, training, and travel.
- Public Works expenditures are \$0.3 million, or 3.0% 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 \$0.3 million, or 77.0% 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 for 2013 is \$0.4 million, or 16.1% more than same period in 2012. This increase is due to growth in Building Permit Fees (\$0.1), Building Plan Review Fees (\$0.2 million) and Land Development Applications Fees (\$0.1). Total valuation on building permits issued year-to-date 2013 has increased 62.1% despite a reduction in the total number of permits issued during the same period in 2012 (-20.0%). Since building permit and plan review fees are 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 October over a four year period.



Expenses

- Expenses year-to-date are in line with those incurred year-to-date in the prior year.

Comparison to Budget

Revenue

- Revenue is \$0.1 million, or 3.0% favorable compared to budget. This favorable variance is due to higher than anticipated collections for building plan review fees as a result of several large new commercial and tenant finish building permits not anticipated in the 2013 Revised Budget.

Expenses

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

CAPITAL IMPROVEMENT FUND

Comparison to Prior Year

Revenue

- Revenue year-to-date 2013 is \$0.7 million, or 46.1% less than revenue collected during the same period in 2012. This decrease is attributable to lower grant revenue receipts. During 2012, grant funds (\$1.4) 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 (\$0.7) have been for Vista Verde Neighborhood Improvements, the Arapahoe Road and Waco to Himalaya project design fees and the Potomac and Briarwood Traffic Signal.

Expenditures

- Expenditures year-to-date are \$2.4 million, or 24.5% less than expenditures year-to-date during the prior year. During 2012, funds were utilized (\$9.9) 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 and street construction (\$7.5).

Comparison to Budget

Revenue

- Revenue is \$0.4 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) was received earlier than anticipated in the 2013 Revised Budget.

Expenditures

- Expenditures are \$4.0 million, or 34.7% favorable compared to budget. The favorable variance is the result of monthly budget allocations related to City-wide street resurface treatments, upgrades to the City's signal master system, and street rehabilitation program outpacing actual expenditures. These favorable variances are offset by an unfavorable variance in Vista Verde Neighborhood Improvements and Eagle Street Facility improvements as a result of actual expenditures outpacing monthly budget allocations. In both cases, 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 60.1% 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

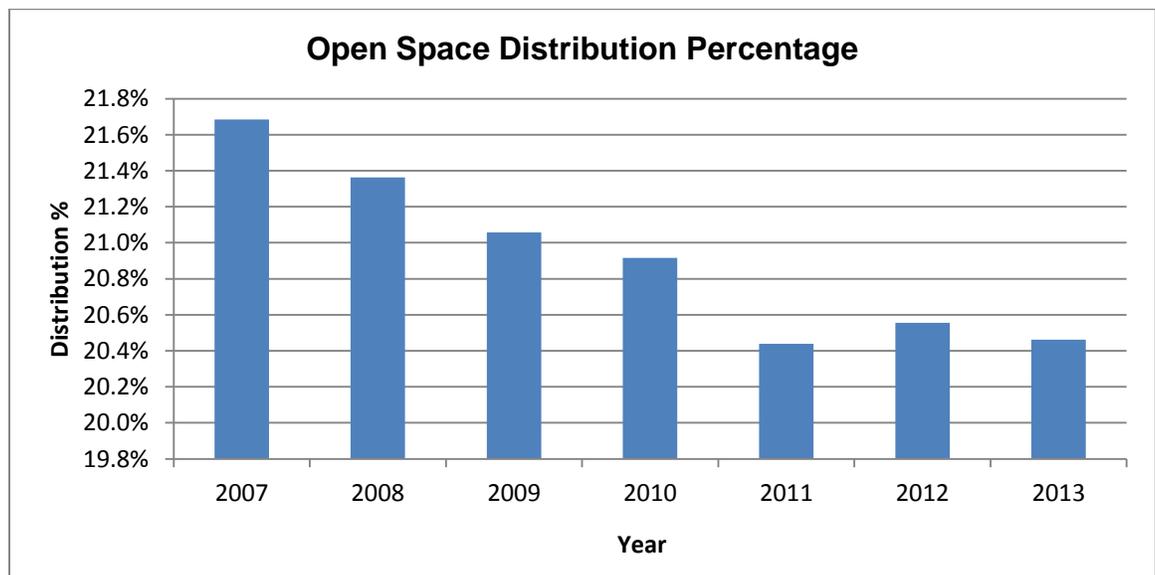
- Expenditures year-to-date 2013 are in line with the budget.

OPEN SPACE FUND

Comparison to Prior Year

Revenue

- Revenue year-to-date 2013 is \$0.1 million, or 4.8% 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 year, 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 the grant agreements. Year-to-date grant receipts are \$0.1 million less when compared to the same period in the prior year.

Expenditures

- Expenditures year-to-date 2013 are \$1.6 million, or more than 100.0% more than expenditures during the same period in the prior year. During 2012, year-to-date Open Space funds were utilized primarily for regional park maintenance and enhancements and construction of Centennial Link Trail (\$0.9). 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 (\$0.5), 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 received earlier than anticipated in the 2013 Revised Budget.

Expenditures

- Expenditures year-to-date 2013 are \$1.6 million, or 39.1% favorable to budget. This favorable variance is primarily due to budget allocations outpacing actual expenditures for project management costs, Cherry Creek Regional Trail enhancements, and enhancements to community parks such as Indian Ridge, Toll Gate, Fox Hill, and Smoky Hill. This favorable variance is expected to diminish throughout the remainder of the year as final project costs are billed to the City.

GENERAL IMPROVEMENT DISTRICT FUNDS

Comparison to Prior Year

Revenue

- Revenue received year-to-date 2013 for the consolidated GID Funds is \$0.1 million, or 37.8% 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 \$0.1 million, or 45.1% favorable to budget. This favorable variance is primarily due to budget allocations for expenditures related to Contracted Services within the Foxridge GID and debt services cost within the Antelope GID outpacing actual expenditures. This favorable variance is expected to diminish throughout the remainder of the year as these project and debt service costs are billed to the GIDs.

CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND

Comparison to Prior Year

Revenue

- Revenue received year-to-date 2013 is \$0.2 million, or 2.7% less than revenues collected year-to-date in 2012. Year-to-date, sales tax collections have increased by \$0.3 million when compared to the prior year as a result of increased consumer spending within the redevelopment area. CURA receives 76% of the sales tax collected from the City after exceeding approximately \$1.9 million in sales tax revenue in a one year time span (baseline).

This increase in sales tax revenue is offset by a decrease in property tax collections (\$0.3) as a result of a reduction in the assessed valuation 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) 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

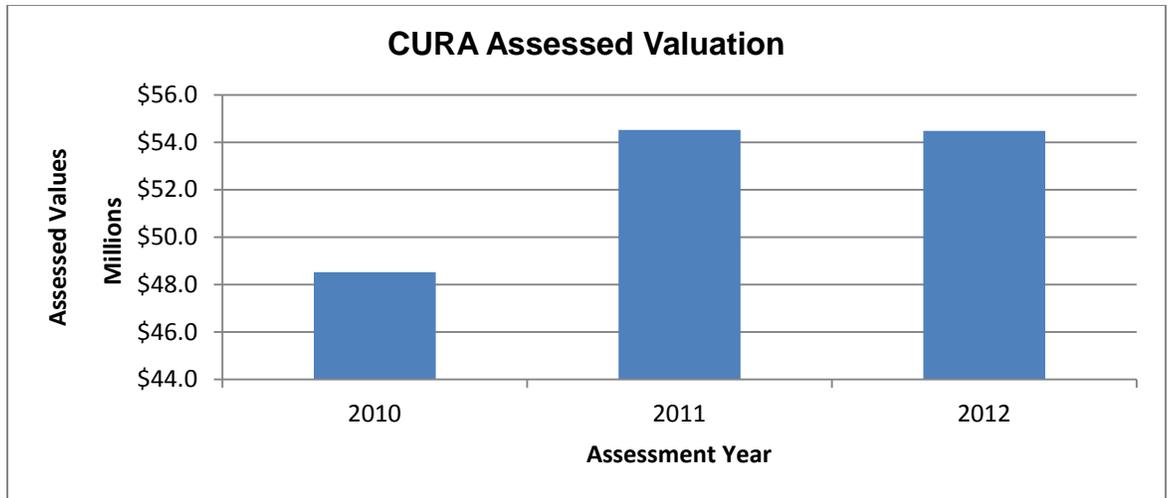
- Expenditures year-to-date 2013 are \$0.2 million, or 2.5% less than expenditures during the same period in the prior year. This decrease is partially the result of lower property tax pass-thru payments from the Authority to the Southglenn Metropolitan District as a result of decreased property tax collections (\$0.3). This decrease is offset by an increase in expenditures related to Sales Tax pass-thru payments (\$0.2). Additionally, during 2012 expenditures were incurred to install a new traffic signal at the intersection of Arapahoe Road and Vine Street (\$0.1). 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 2.8% 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 unfavorable variance is offset by the budget allocation for Sales Tax collections which has outpaced actual receipts 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 2.8% favorable compared to budget. This favorable variance is due to budget allocations related to property tax pass-thru payments exceeding actual monthly 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.