

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

GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD

Revenues

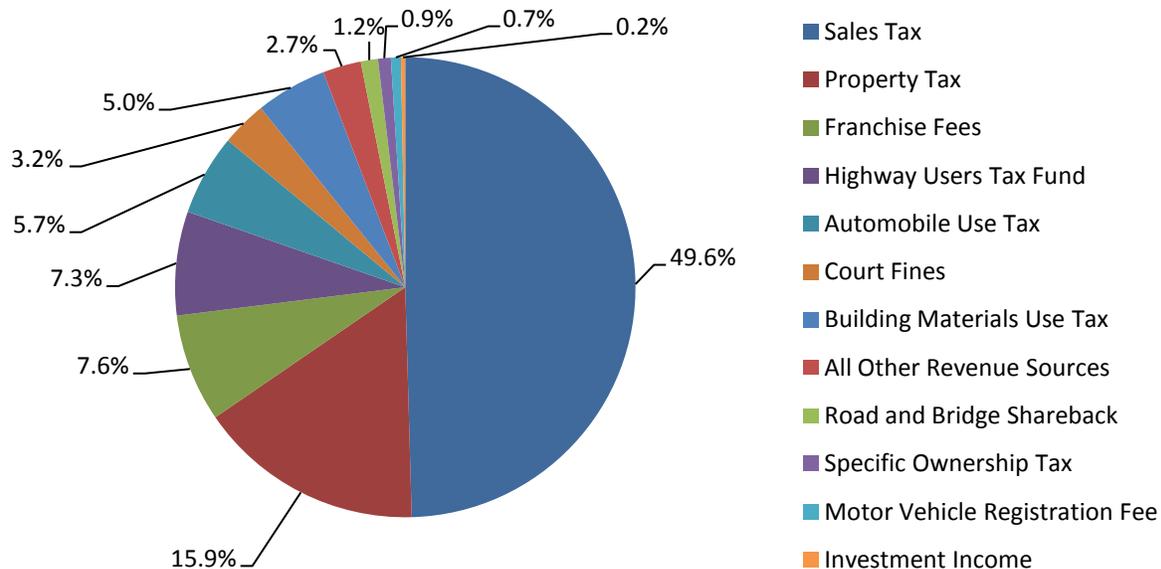
The following table is a summary comparison of the primary revenue sources year-to-date for 2012 and 2013:

	<i>(dollar amounts in millions)</i>			
	YTD 2013	YTD 2012	\$ Variance	% Variance
Retail Sales Tax	\$ 24.6	\$ 22.1*	\$ 2.5	10.8%
Property Tax	7.8	7.7	0.1	1.7%
Building Materials Use Tax	2.5	1.6	0.9	50.5%
Highway Users Tax Fund	3.6	3.7	(0.1)	-1.2%
Franchise Fees	3.8	3.5	0.3	7.3%
Specific Ownership Tax	0.4	0.4	-	6.6%
Motor Vehicle Registration Fees	0.3	0.3	-	4.5%
Automobile Use Tax	2.8	2.5	0.3	12.3%
Road and Bridge Shareback	0.6	0.6	-	0.7%
Court Fines	1.6	1.5	0.1	2.9%
Investment Income	0.1	0.1	-	22.3%
All Other Revenue Sources	1.4	1.4	-	9.6%
	<u>\$ 49.5</u>	<u>\$ 45.4</u>	<u>\$ 4.1</u>	<u>9.1%</u>

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

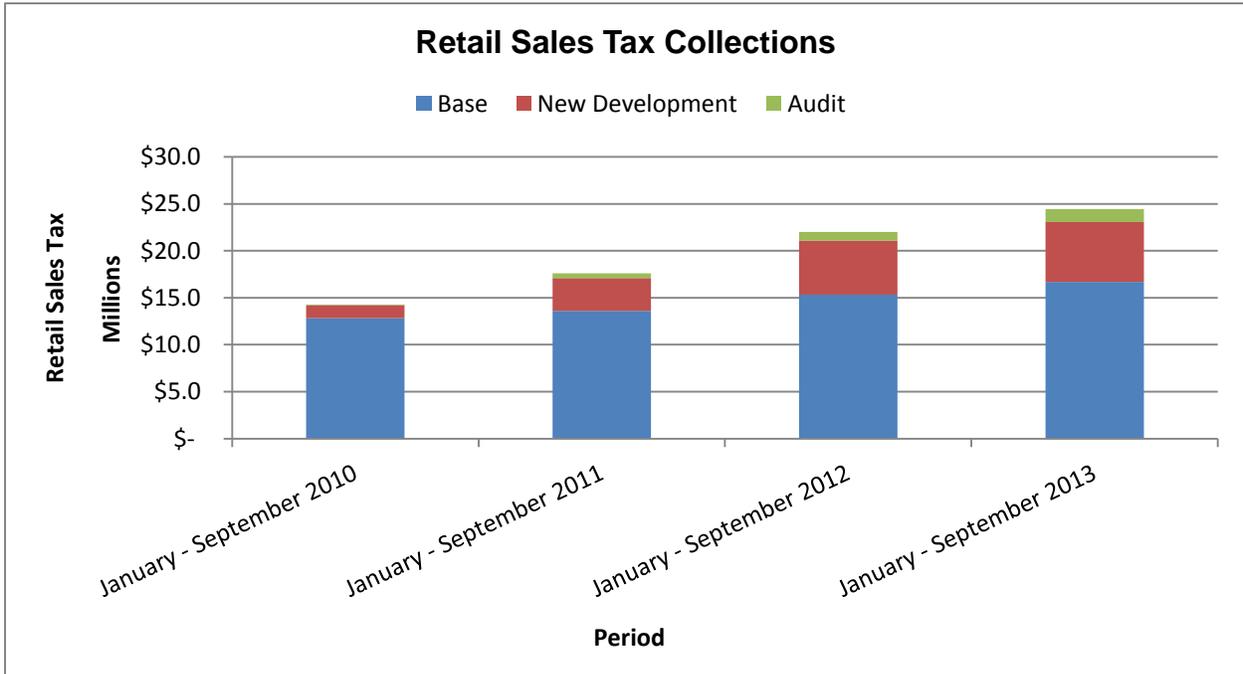
*Amounts previously reported for fiscal year 2012 have been restated due to further clarification on GASB Statement No.33.

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

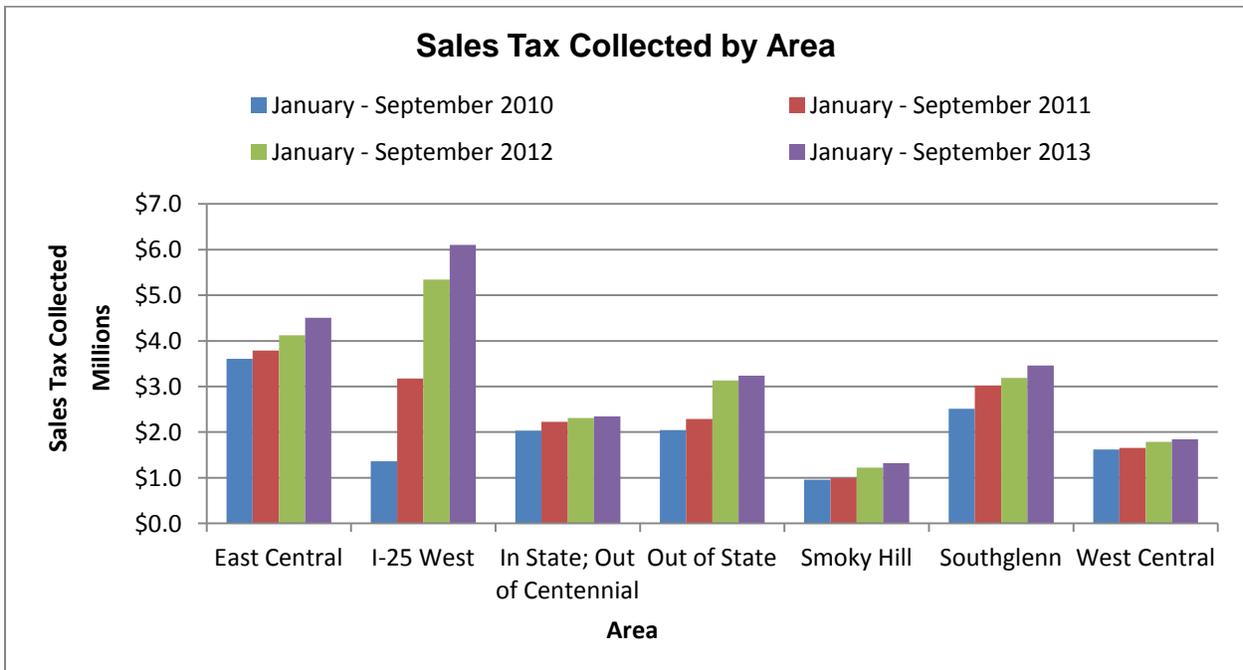


Retail Sales Tax

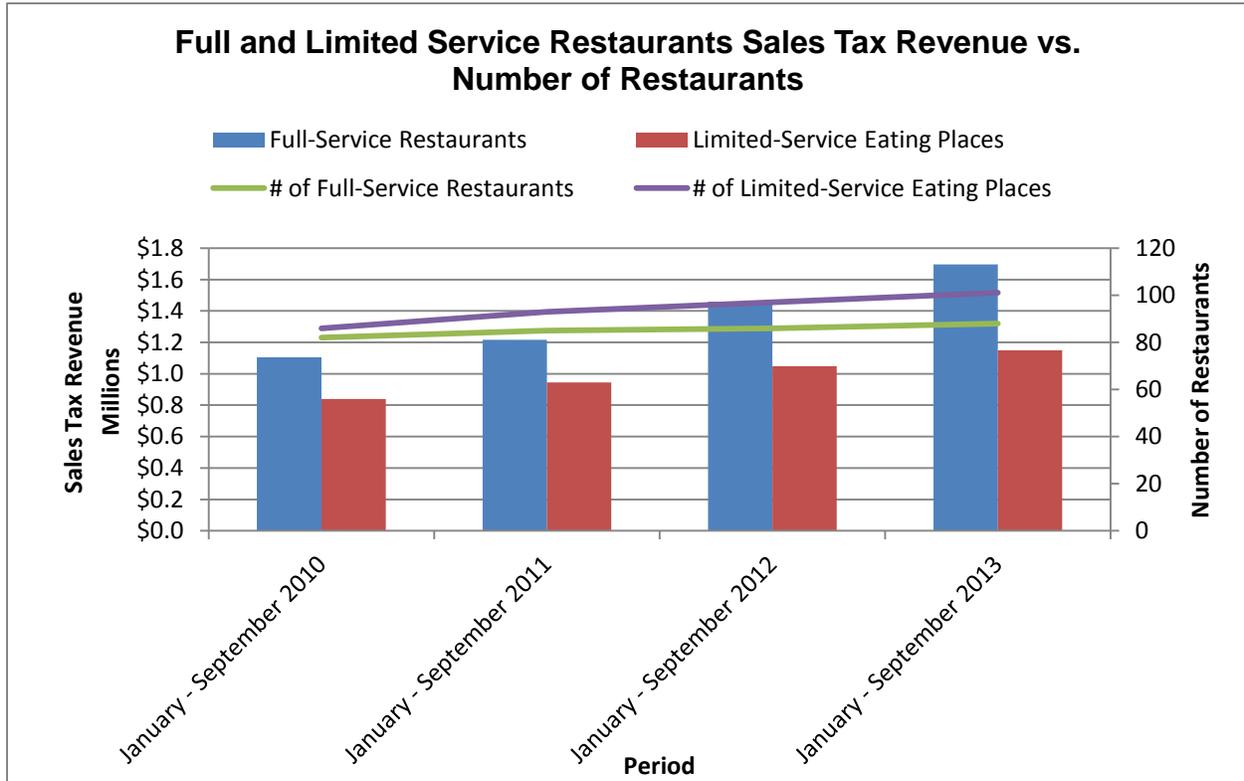
Retail Sales Tax revenue year-to-date is \$2.5 million, or 10.8% more than the same period in 2012. Overall, the City's sales tax base collections (excluding collections attributable to new development and audits) have exceeded 2012 collections by \$1.3 million. The remaining growth in the City's Retail Sales Tax revenue is due to new development (\$0.6 million) and sales tax audit revenue (\$0.4 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.



Analysis of the City's dining sectors, Full and Limited Service Restaurants, shows growth in both the number of restaurants in operation and total sales tax generated. Based on sales tax dollars collected, Full-Service Restaurant growth of 16.3% has outpaced Limited-Service Dining Places growth of 9.4% in 2013 when compared to the same period in 2012. This trend reflects an improved outlook on consumer spending, in tandem with continuing economic expansion, which drives increased frequency of restaurant visits. As shown in the graph below, with smaller growth (2.3%) in the number of Full-Service Restaurants compared to the number of Limited-Service Dining Places growth (4.1%), sales tax revenue collection from Full-Service Restaurants outperformed Limited-Service Eating Places.



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.

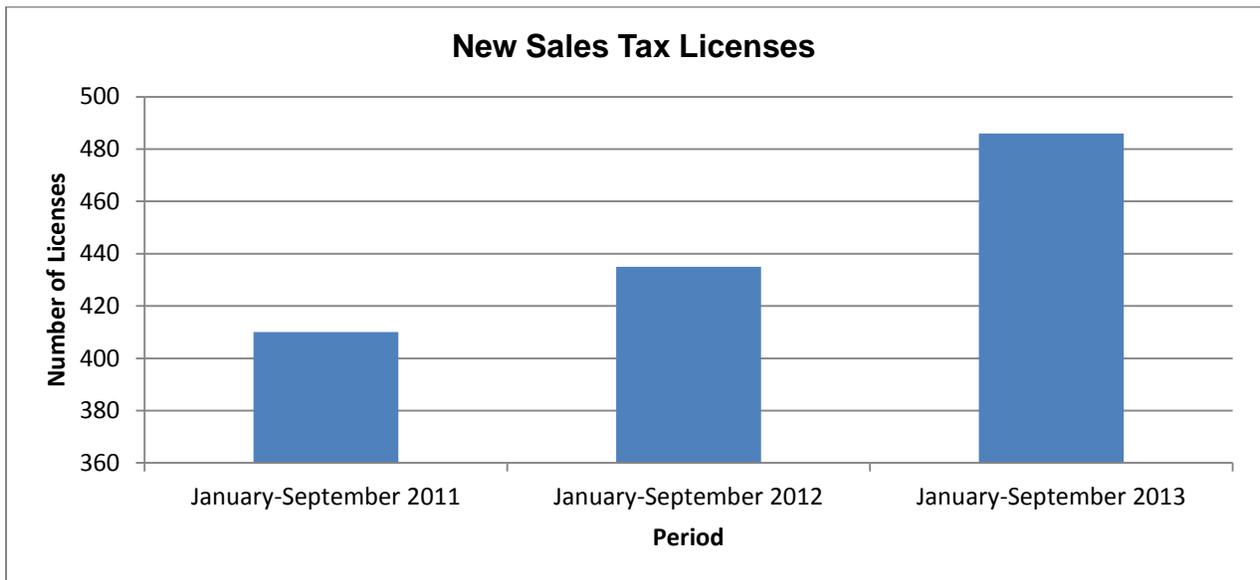
2013 & 2012 year-to-date through September – Current Top 25 Sales by 4-digit NAICS Code

NAICS Description	2013 YTD	% of Total Sales Tax	2012 YTD	% Change
1 Furniture Stores	3,009,532	12.3%	3,057,060	-1.6%
2 Full-Service Restaurants	1,712,045	7.0%	1,470,013	16.5%
3 Sporting Goods, Hobby, and Musical Instrument Stores	1,424,140	5.8%	1,079,182	32.0%
4 Automobile Dealers	1,238,123	5.0%	1,120,774	10.5%
5 Limited-Service Eating Places	1,155,035	4.7%	1,055,679	9.4%
6 Grocery Stores	1,001,179	4.1%	926,659	8.0%
7 Electric Power Generation, Transmission and Distribution	960,043	3.9%	866,214	10.8%
8 Electronics and Appliance Stores	904,757	3.7%	765,573	18.2%
9 Wireless Telecommunications Carriers (except Satellite)	895,741	3.7%	940,274	-4.7%
10 Other General Merchandise Stores	659,792	2.7%	649,546	1.6%
11 Department Stores	611,841	2.5%	546,122	12.0%
12 Commercial and Industrial Machinery and Equipment Rental and Leasing	459,529	1.9%	548,534	-16.2%
13 Beer, Wine, and Liquor Stores	417,519	1.7%	394,262	5.9%
14 Communications Equipment Manufacturing	388,121	1.6%	412,294	-5.9%

15	Automotive Parts, Accessories, and Tire Stores	384,420	1.6%	302,197	27.2%
16	Automotive Repair and Maintenance	376,460	1.5%	230,981	63.0%
17	Wired Telecommunications Carriers	373,042	1.5%	341,449	9.3%
18	Clothing Stores	359,866	1.5%	345,406	4.2%
19	Software Publishers	354,913	1.5%	96,080	269.4%
20	Jewelry, Luggage, and Leather Goods Stores	342,729	1.4%	302,595	13.3%
21	Traveler Accommodation	337,358	1.4%	249,939	35.0%
22	Direct Selling Establishments	336,370	1.4%	336,816	-0.1%
23	Health and Personal Care Stores	318,876	1.3%	309,945	2.9%
24	Other Miscellaneous Store Retailers	311,788	1.3%	299,799	4.0%
25	Home Furnishings Stores	305,919	1.3%	268,126	14.1%
Total*		\$18,639,138	76.0%	\$16,915,516	11.2%

*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.

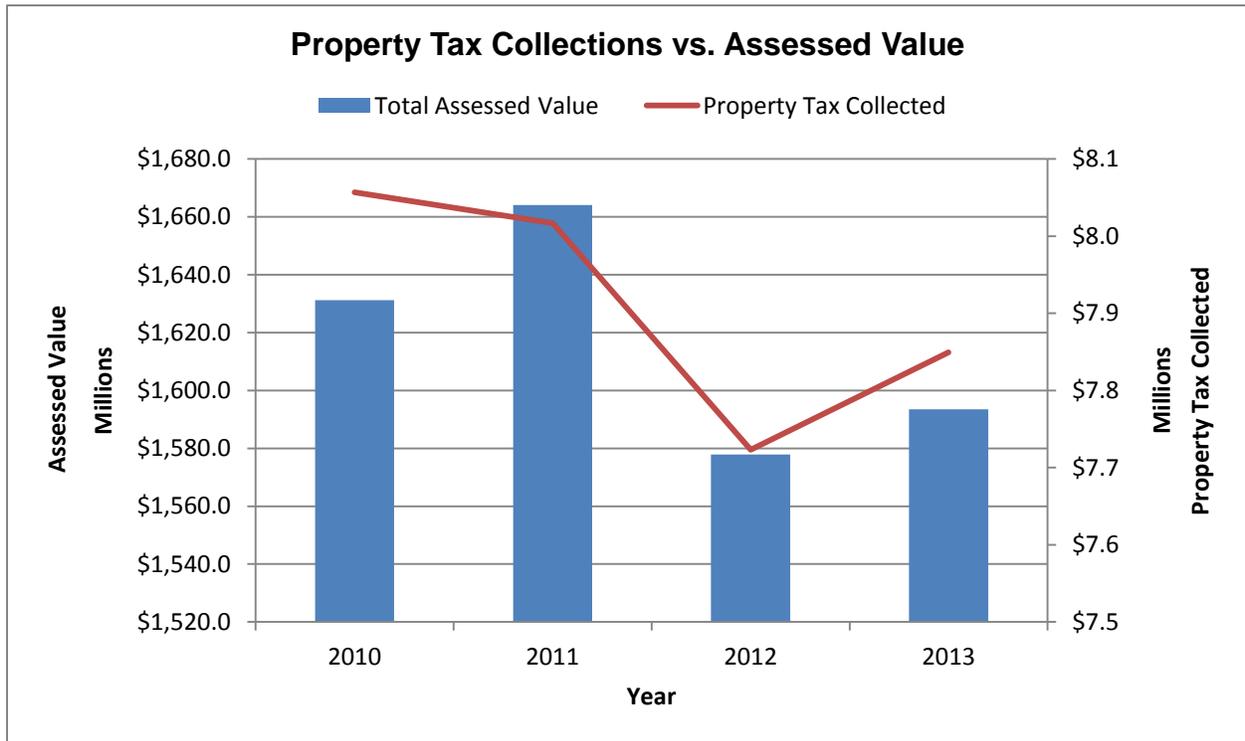
New sales tax licenses and business registrations have increased steadily in the last three years, with an 11.7% increase in 2013 over the same period in 2012. In 2013, the City undertook a licensing project which garnered many businesses that were not licensed with the City. Personal Care Services, Building Equipment Contractors, Limited-Service Eating Places and Commercial and Industrial Machinery sectors represent 15.0% of 486 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

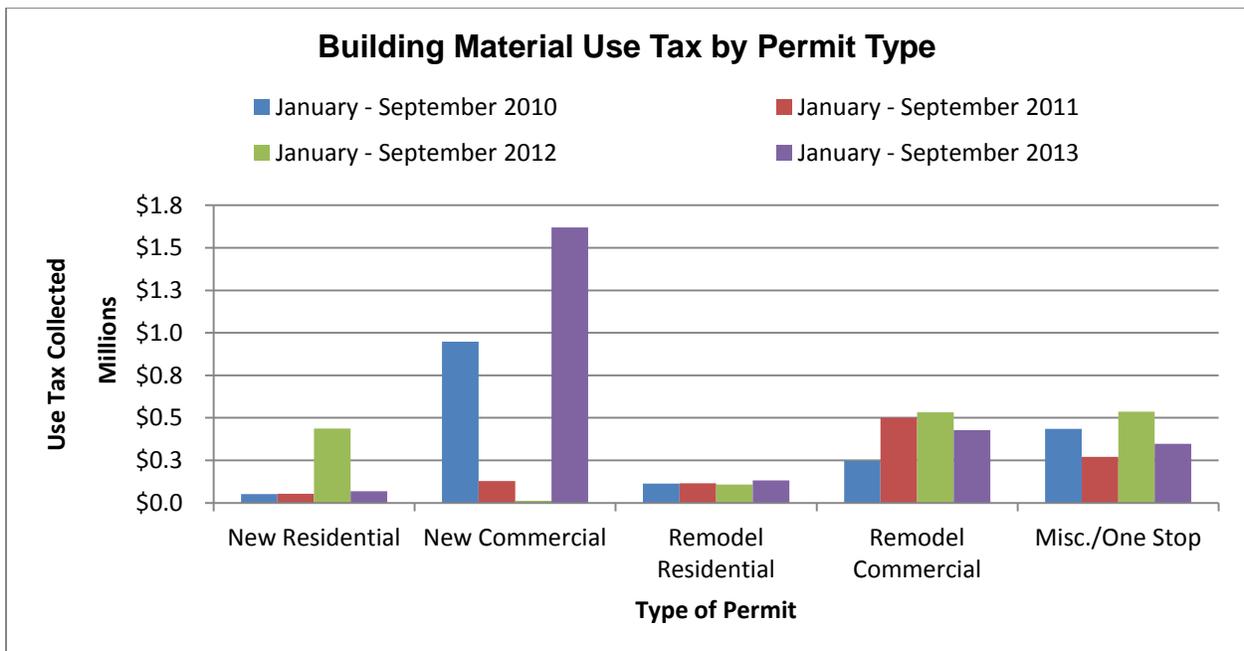
Property Tax revenue year-to-date 2013 is \$0.1 million, or 1.7% more than collections year-to-date in 2012. The City anticipates total property tax collections in 2013 will remain higher than collections in 2012. This anticipated increase in property tax collections is partially due to a slight increase in assessed valuations (1.0%) when compared to the prior year.

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



Building Materials Use Tax

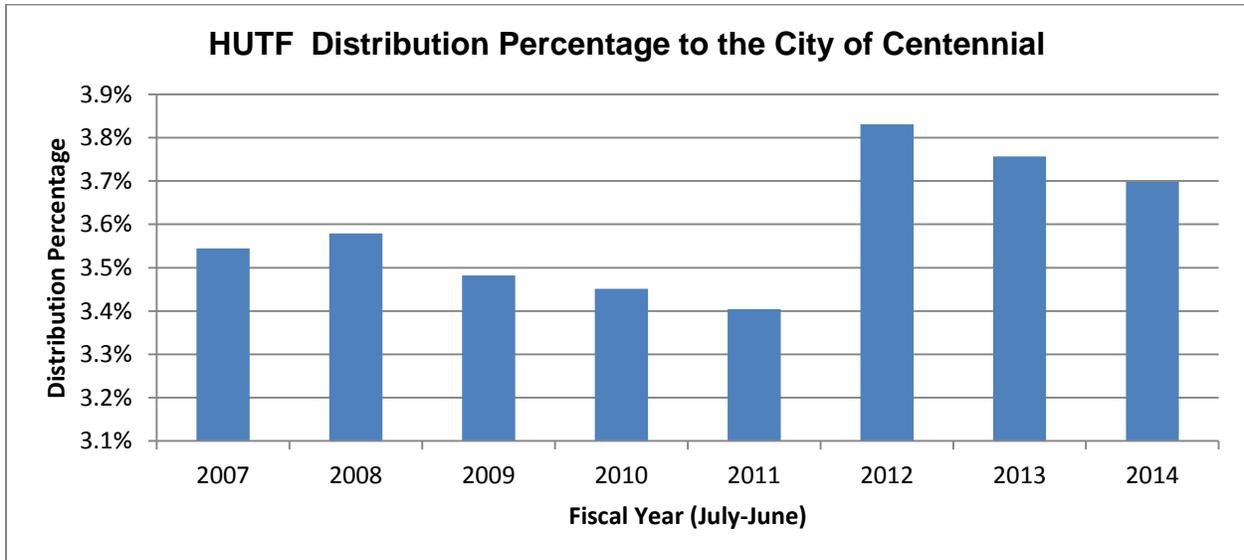
Building Materials Use Tax revenue year-to-date 2013 is \$0.9 million, or 50.5% more than collections year-to-date in 2012. Building Materials Use Tax growth is attributable to increased New Commercial permit fees which are based on valuations of projects. New Commercial valuations for 2013 have increased by 70.8% when compared to the prior year. The graph below illustrates Building Materials Use Tax collections for different types of permits for the periods January through September for years 2010 through 2013:



Highway Users Tax Fund

Highway Users Tax Fund (HUTF) revenue year-to-date 2013 is \$0.1 million or 1.2% 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 September 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. City staff is currently researching why the City’s proportional share of funds for distribution has decreased compared to prior years.

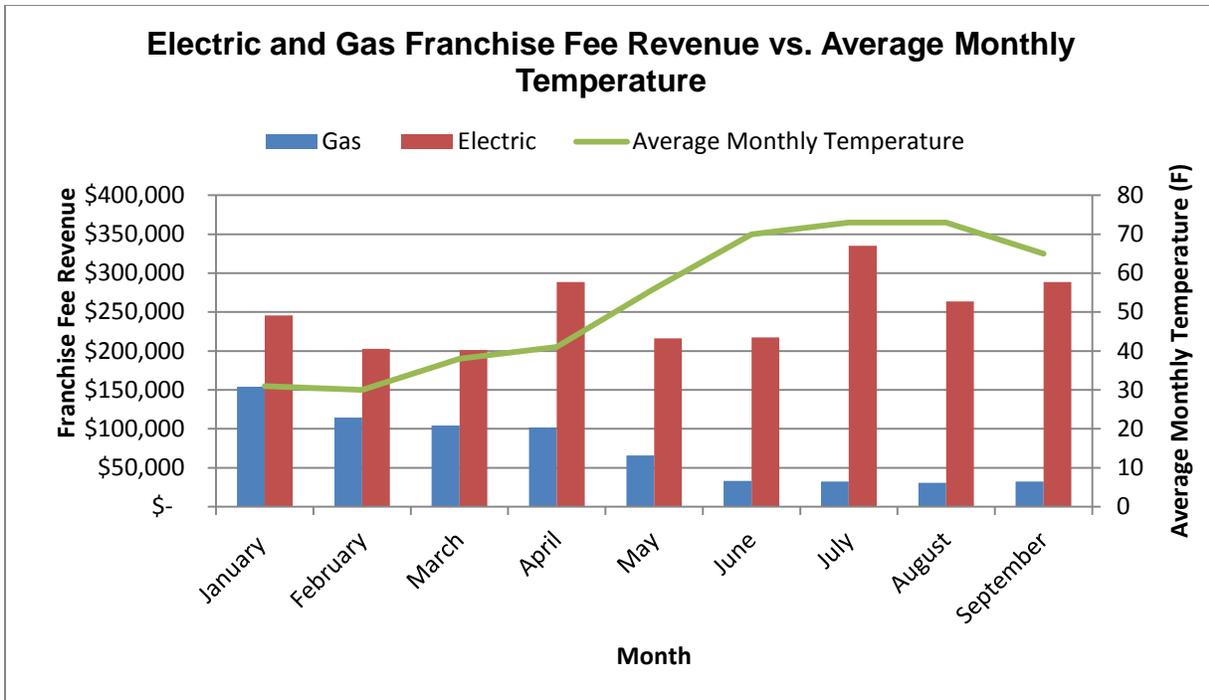
The graph below demonstrates how the City’s HUTF distribution rate has changed from year to year.



Franchise Fees

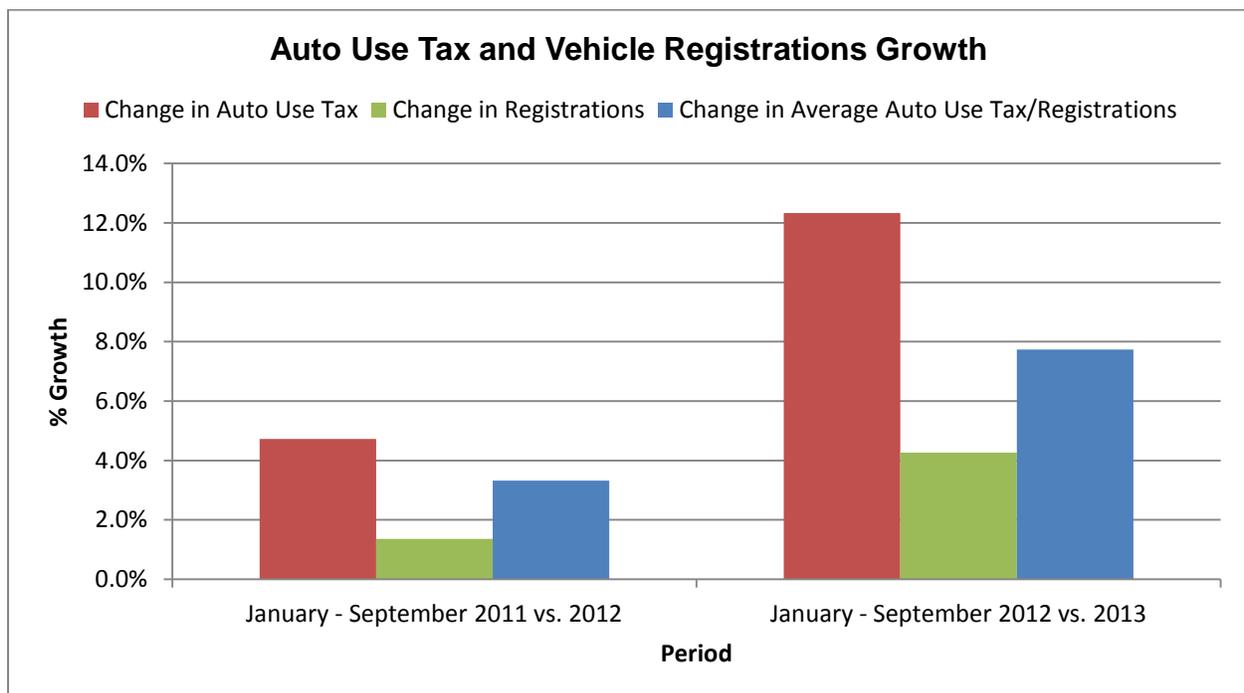
Franchise Fee revenues year-to-date 2013 are \$0.3 million, or 7.3% more than collections year-to-date in 2012. A slight increase in average gas and electric rates year-to-date 2013 over those charged during the same period in 2012, as well as changes in temperature, have contributed to an increase in 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 12.3% more than collections year-to-date in 2012. Data provided by the Colorado Automotive Dealers Association for September 2013 indicates year-to-date new car and truck registrations increased 12.5% statewide when compared to the same period in 2012. Analyzing registration data specific to the City of Centennial, total registrations year-to-date 2013 have increased by 4.3% 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.



Expenditures

Total expenditures and transfers year-to-date are \$0.4 million, or 0.9% less than expenditures year-to-date in 2012. The net decrease is attributable to variances in the City Attorney's Office, City Manager's Office, the Office of Innovation, Human Resources, Information Technology, Communications, Finance, Nondepartmental and Public Works Departments, as well as transfers to the Land Use and Capital Improvement Funds.

- City Attorney's Office expenditures are \$0.1 million less than expenditures year-to-date in 2012. This decrease is a result of various legal fees for special projects, annexation, and litigation matters incurred in 2012, but not in 2013.
- City Manager's Office expenditures are \$0.1 million more than expenditures year-to-date in 2012. The increase is primarily due to expenditures related to salary and benefits. These expenditures have increased compared to the prior year as a result of a net transfer of 1.5 FTE positions to the City Manager's Office in 2013. Additionally, vacancy savings were realized at the beginning of 2012 which were not realized during 2013, thus contributing to this increase in expenditures compared to the prior year.
- Office of Innovation expenditures are \$0.1 million more than expenditures year-to-date in 2012. This increase is a result of the creation of the Office of Innovation in 2013. This being said, no expenditures were incurred in the prior year for this department, resulting in this variance.
- 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.
- Communications expenditures are \$0.2 million more than expenditures year-to-date in 2012. This increase is 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.
- 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 (\$0.3). 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 at the end of 2012 (\$0.2).
- Nondepartmental expenditures are \$0.8 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 (\$0.3), and decreased expenditures related to roadway data collection services (\$0.2). These decreased expenditures are offset by an increase in contracted Public Works services when compared to the prior year (\$0.1).
- Land Use Fund Transfers are \$0.4 million less than transfers year-to-date in 2012. The decrease is partially due to lower expenditures related to salary and benefits 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 \$0.8 million less than transfers year-to-date in 2012. During 2012 it was anticipated that projects in the Capital Improvement Fund would begin earlier in the year, thus necessitating a higher monthly transfer from the General Fund to the Capital Improvement Fund during the first half of 2012. However, during 2013 monthly transfers to the Capital Improvement Fund have taken place later in the year as a result of projects getting started and billed to the City later in the year when compared to 2012.

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

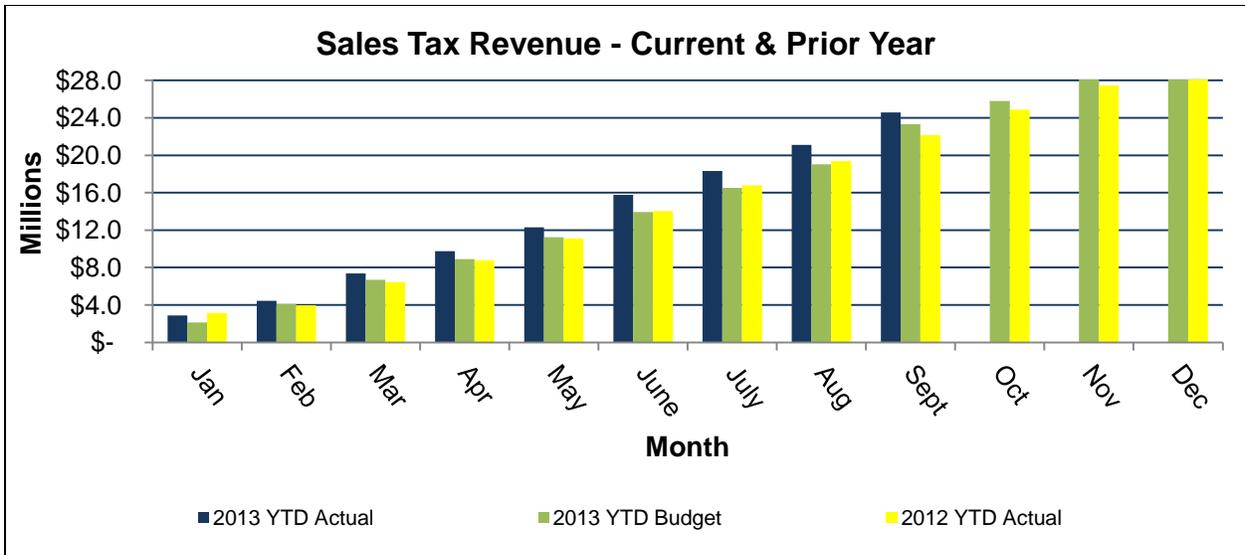
The following table is a summary comparison of primary revenue sources; the table compares actual revenue compared to budget.

	<i>(dollar amounts in millions)</i>			
	Actual YTD 2013	Budget YTD 2013	\$ Variance	% Variance
Retail Sales Tax	\$ 24.6	\$ 23.4	\$ 1.2	5.3%
Property Tax	7.8	7.9	(0.1)	-0.9%
Building Materials Use Tax	2.5	1.7	0.8	54.9%
Highway Users Tax Fund	3.6	3.4	0.2	4.4%
Franchise Fees	3.8	3.7	0.1	2.7%
Specific Ownership Tax	0.4	0.4	-	0.6%
Motor Vehicle Registration Fees	0.3	0.3	-	-3.2%
Automobile Use Tax	2.8	2.8	-	-0.5%
Road and Bridge Shareback	0.6	0.6	-	0.0%
Court Fines	1.6	1.5	0.1	7.2%
Investment Income	0.1	0.1	-	-1.1%
All Other Revenue Sources	1.4	1.3	0.1	6.6%
	\$ 49.5	\$ 47.1	\$ 2.4	5.1%

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

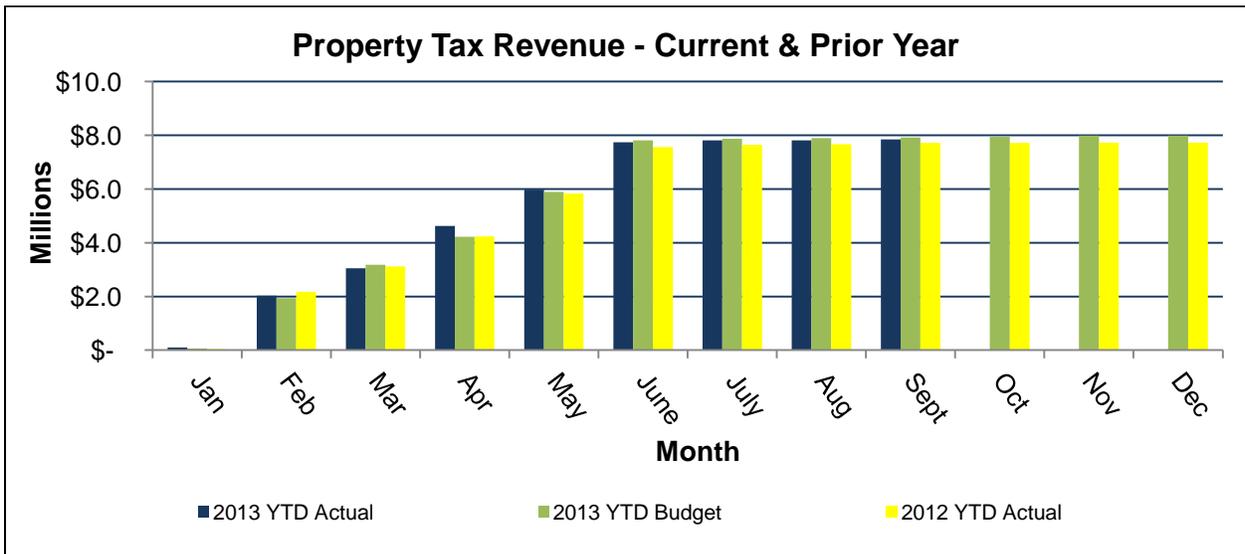
Retail Sales Tax

Retail Sales Tax revenue year-to-date 2013 is \$1.2 million, or 5.3% favorable compared to budget. This favorable variance is primarily due to sales tax base collections (\$0.1), sales tax from audits (\$1.0), and sales tax related to new development (\$0.2) outpacing budget projections included in the 2013 Revised Budget.



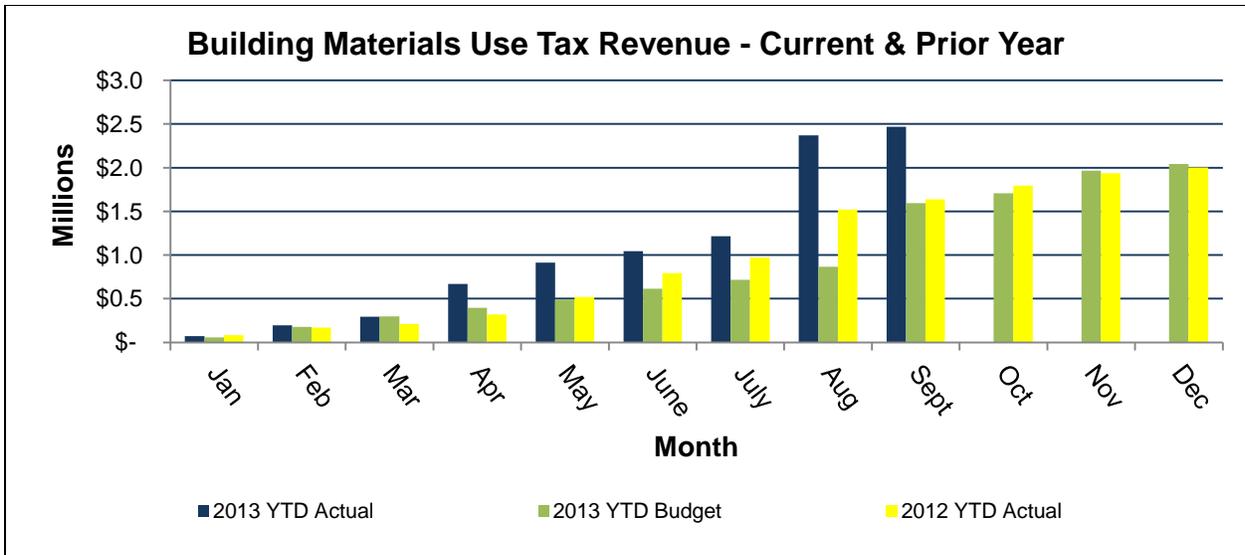
Property Tax

Property Tax revenue year-to-date 2013 is \$0.1 million, or 0.9% 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 the rest of the year.



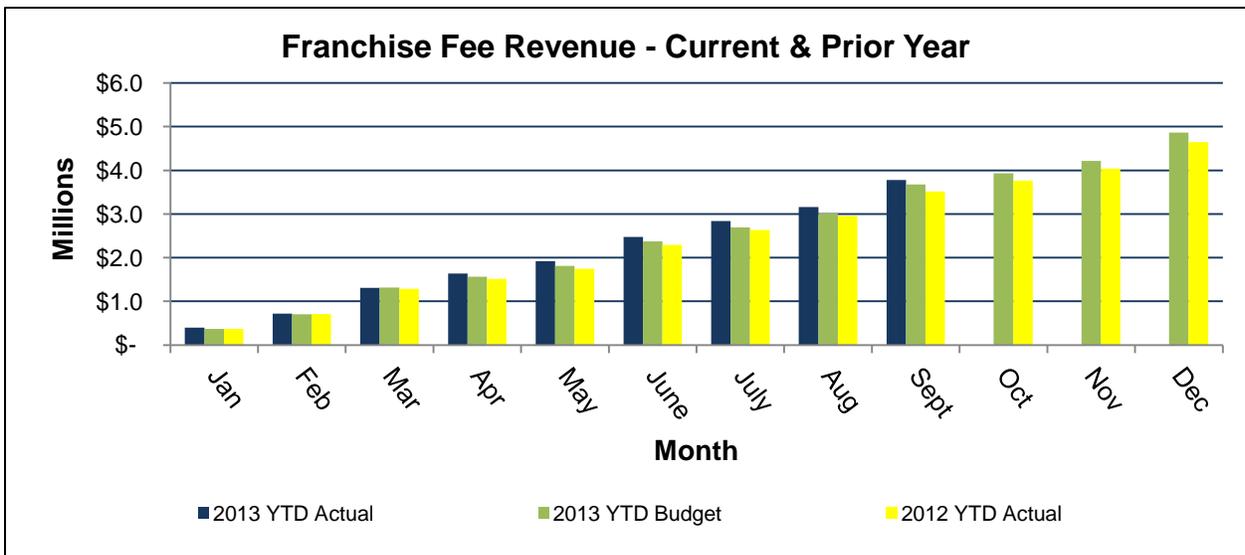
Building Materials Use Tax

Building Materials Use Tax revenue year-to-date 2013 is \$0.9 million, or 54.9% 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. Further analysis indicates permits issued were tenant finishes for medical facilities, automobile dealerships, and several build outs in the Southglenn shopping area.



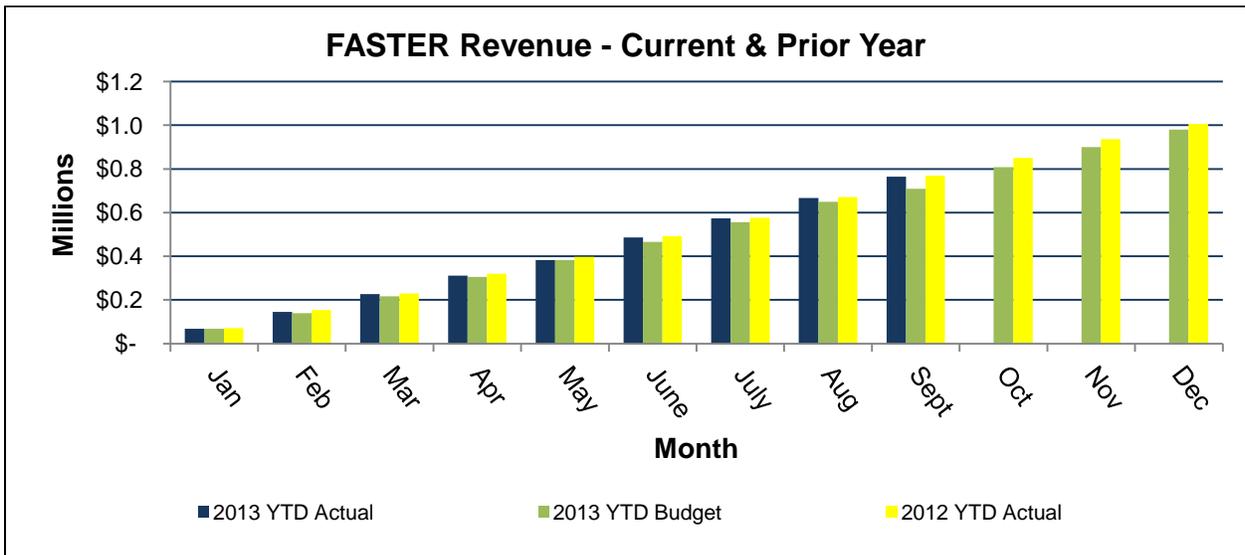
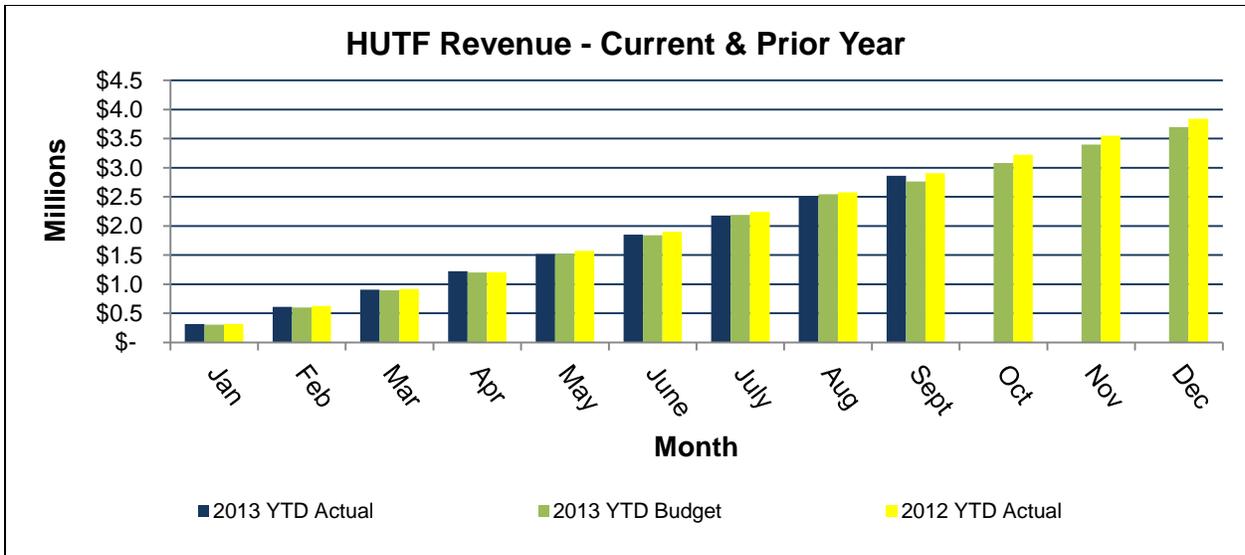
Franchise Fees

Franchise Fee revenue year-to-date 2013 is \$0.1 million or 2.7% 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.



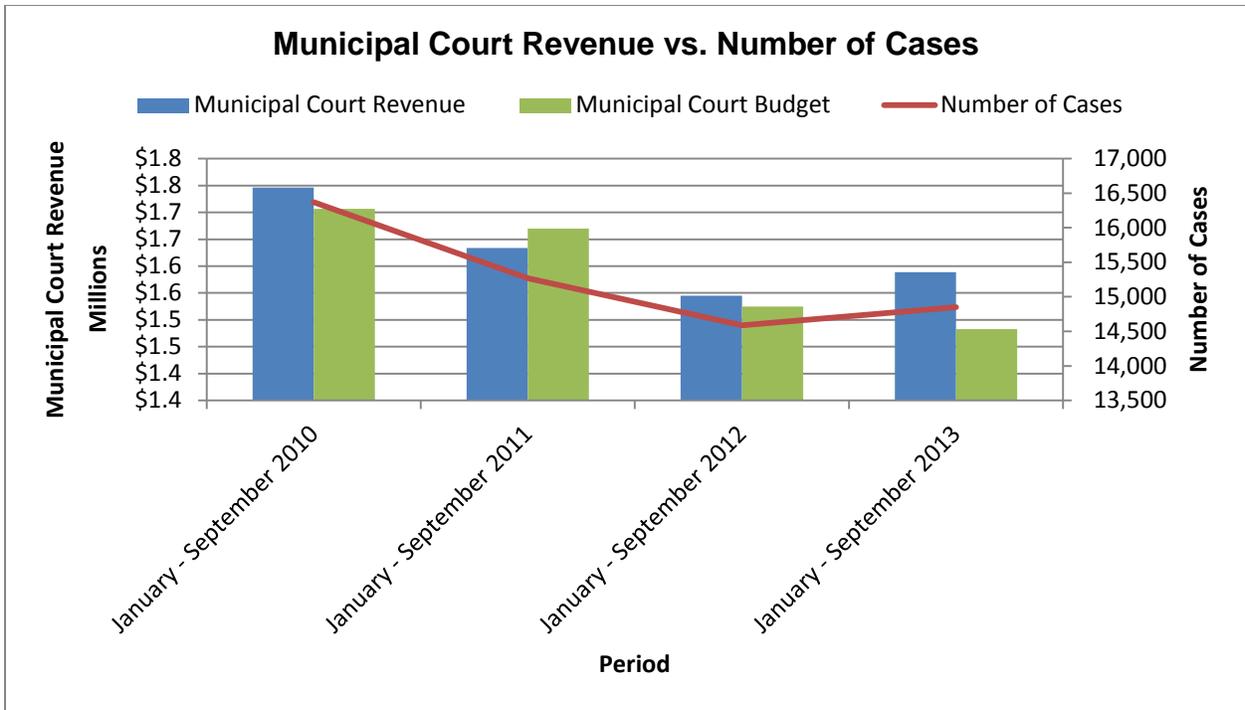
Highway Users Tax Fund

Highway Users Tax Fund revenue year-to-date 2013 is \$0.2 million, or 4.4% favorable to budget. While the City's distribution ratio decreased by 1.5%, the total HUTF amount available for distribution to all municipalities year-to-date increased by 7.2%. This increase in the total available for distribution was not anticipated in the 2013 Revised Budget.

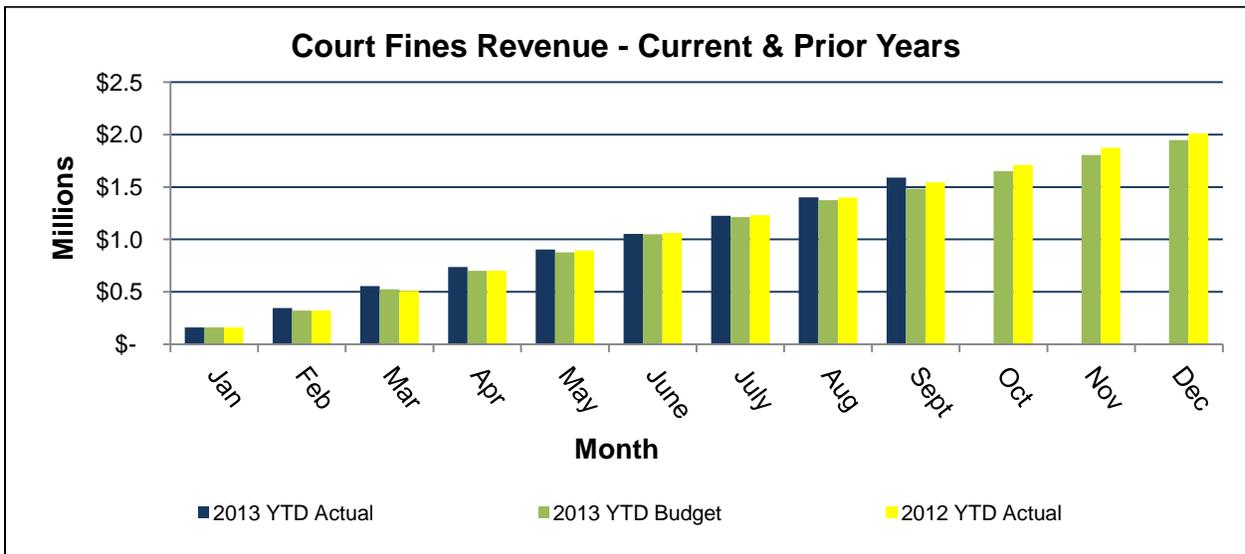


Court Fines

Court Fines revenue year-to-date 2013 is \$0.1 million, or 7.2% 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 offense violations. The graph below shows the correlation between total Municipal Court Revenue and the total number of cases processed over a four year period. As is shown in the graph below, the number of court cases has a direct relationship to the revenue collected.



The following graph summarizes 2013 year-to-date Court Fines revenue compared to 2012 actual receipts and 2013 revised budget projections.



Expenditures

Total expenditures and transfers are \$1.0 million or 2.2% favorable compared to budget. The net overall 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 52.5% 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 September as plans to attend certain meetings and training events have been postponed.

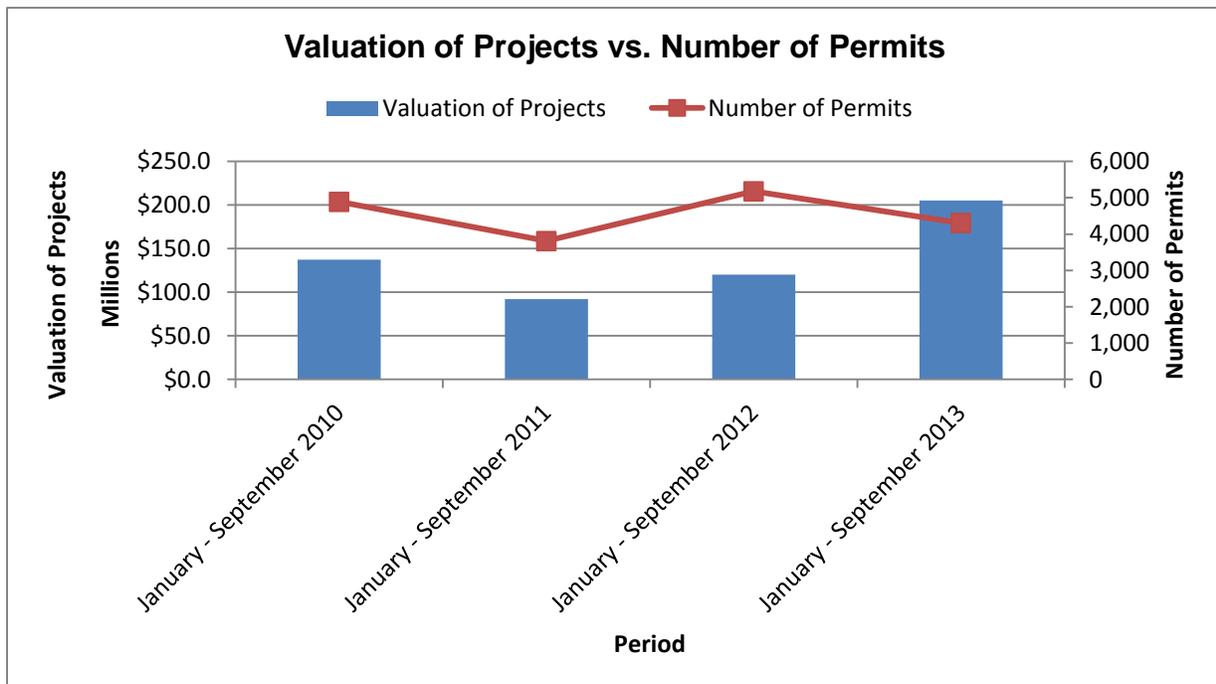
- Central Services expenditures are \$0.1 million, or 30.8% favorable to budget. This favorable variance is attributable to cumulative department savings in the areas of office supplies, printing and publishing, and meetings, training, and travel.
- Public Works expenditures are \$0.3 million, or 3.2% 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 80.6% 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 \$0.5 million, or 19.7% more than same period in 2012. This increase is due to growth in Building Permit Fees (\$0.2) and Building Plan Review Fees (\$0.2 million). Total valuation on building permits issued year-to-date 2013 has increased 70.8% despite a reduction in the total number of permits issued during the same period (-16.8%). 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 September over a four year period.



Expenses

- Expenses year-to-date are \$0.1 million, or 4.3% more than expenditures year-to-date during the prior year. Expenses related to professional engineering services and building services have increased when compared to the prior year as a result of increased building activity. As building activity increases, building related expenses increase as well due to the direct relationship between revenues and expenses. These increased expenses are offset by a decrease in year-to-date salary and benefit costs when compared to the prior year, as a result of organizational changes in the latter part of 2012.

Comparison to Budget

Revenue

- Revenue is \$0.2 million, or 9.1% 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 remodel applications. These projects include an 84-unit assisted living and memory care community, the construction of an indoor/outdoor tennis facility, a gun club and a data center.

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 46.0% 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 Potomac and Briarwood Traffic Signal.

Expenditures

- Expenditures year-to-date are \$3.9 million, or 40.8% less than expenditures year-to-date during the prior year. During 2012, funds were utilized (\$9.6) 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 (\$5.7).

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 (\$0.3) was received earlier than anticipated in the 2013 Revised Budget.

Expenditures

- Expenditures are \$5.3 million, or 48.6% favorable compared to budget. The favorable variance is the result of monthly budget allocations related to Eagle Street facility building improvements, 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

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 61.0% 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

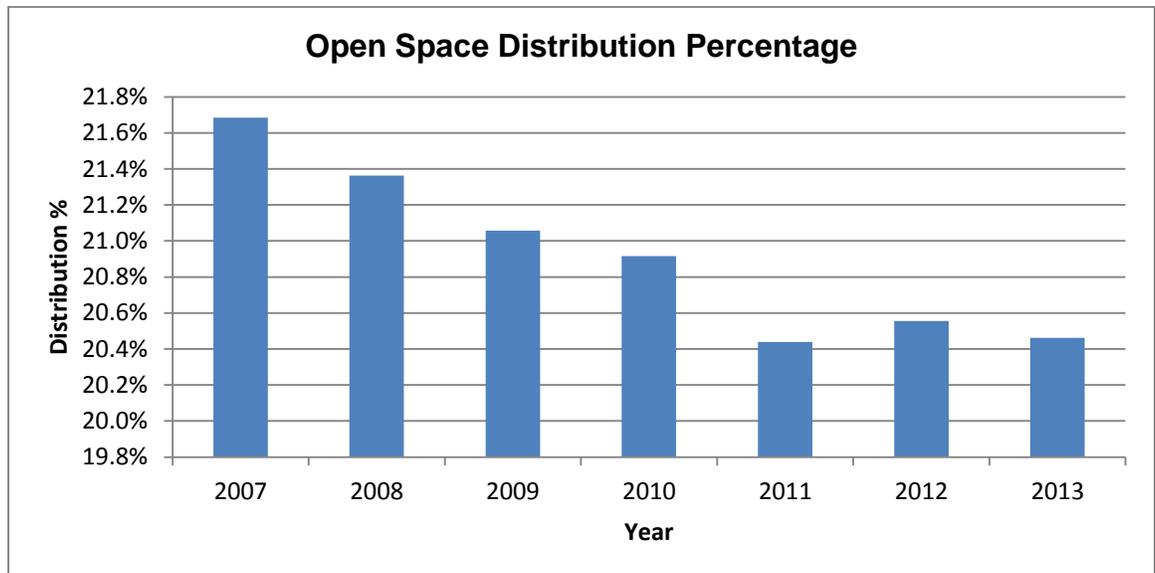
- Expenditures year-to-date 2013 are in line with the budget.

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 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 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 \$1.8 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 Centennial Link Trail (\$0.6). 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 (\$0.4), 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 \$0.7 million, or 22.3% favorable to budget. This favorable variance is primarily due to budget allocations outpacing actual expenditures for project management costs, 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 37.3% 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 42.2% 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.

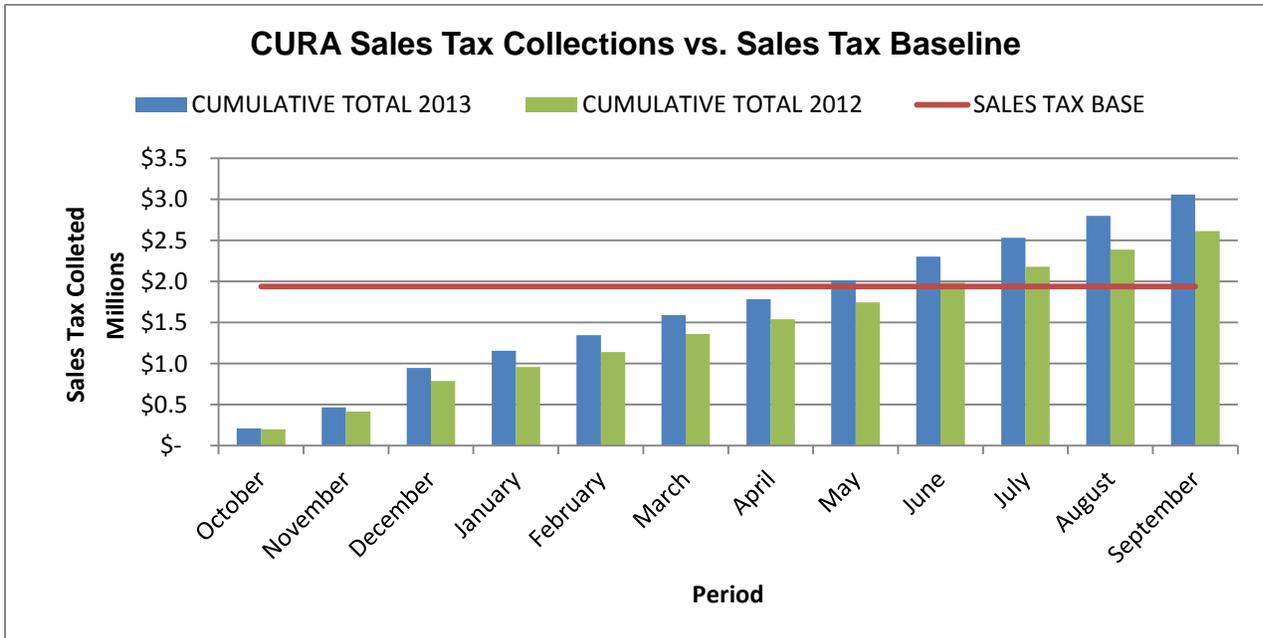
CENTENNIAL URBAN REDEVELOPMENT AUTHORITY FUND

Comparison to Prior Year

Revenue

- Revenue received year-to-date 2013 is \$0.4 million, or 5.9% less than revenues collected year-to-date in 2012. Year-to-date, sales tax collections have increased by \$0.1 million when compared to the prior year as a result of increased consumer spending within the redevelopment area.

CURA receives 76% of sales tax collected from the City after exceeding approximately \$1.9 million in sales tax revenue in a one year time span (baseline). The one year period, based on the Public Finance Agreement, begins in October and ends in September of every year. The following graph shows CURA's cumulative sales tax collections for 2012 and 2013 in relation to the sales tax 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

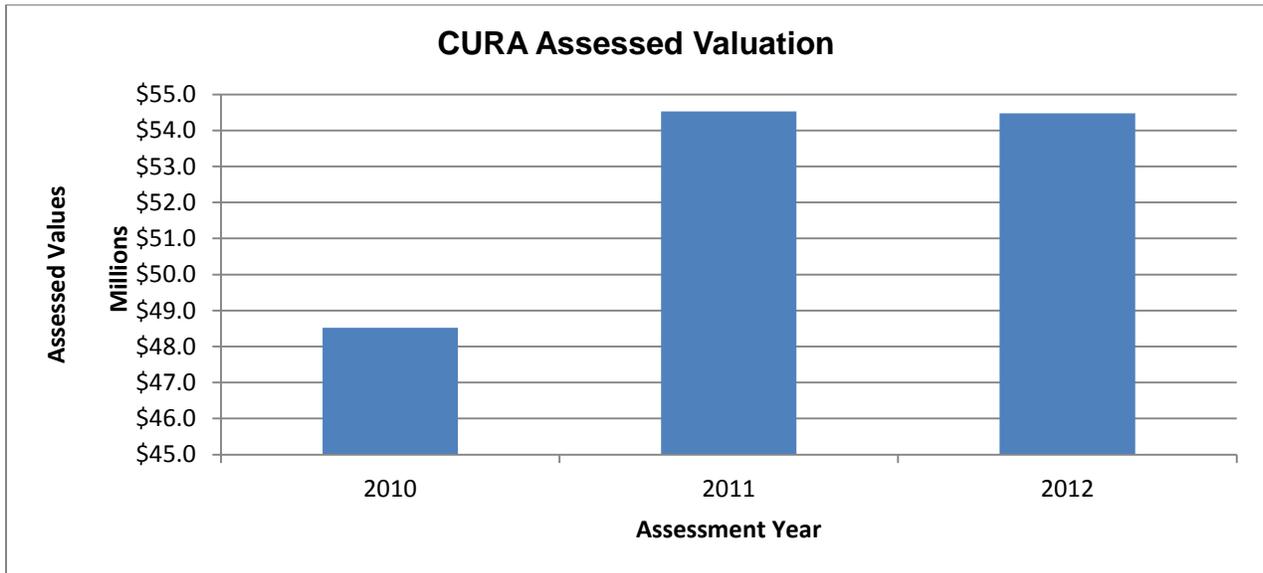
- Expenditures year-to-date 2013 are \$0.4 million, or 5.7% less than expenditures during the same period in the prior year. This decrease is partially the result of lower property tax pass-through payments from the Authority to the Southglenn Metropolitan District as a result of decreased property tax 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 \$0.4 million, or 6.1% 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. In addition, budget allocations for Sales Tax collections have outpaced actual receipts by \$0.1 million.

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



Expenditures

- Expenditures are \$0.4 million or 6.1% favorable compared to budget. This favorable variance is primarily due to budget allocations related to property tax and sales tax pass-thru payments by the Authority to the Southglenn Metropolitan District exceeding actual monthly expenditures.