

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

GENERAL FUND – COMPARISON TO PRIOR YEAR FOR THE SAME PERIOD

Revenues

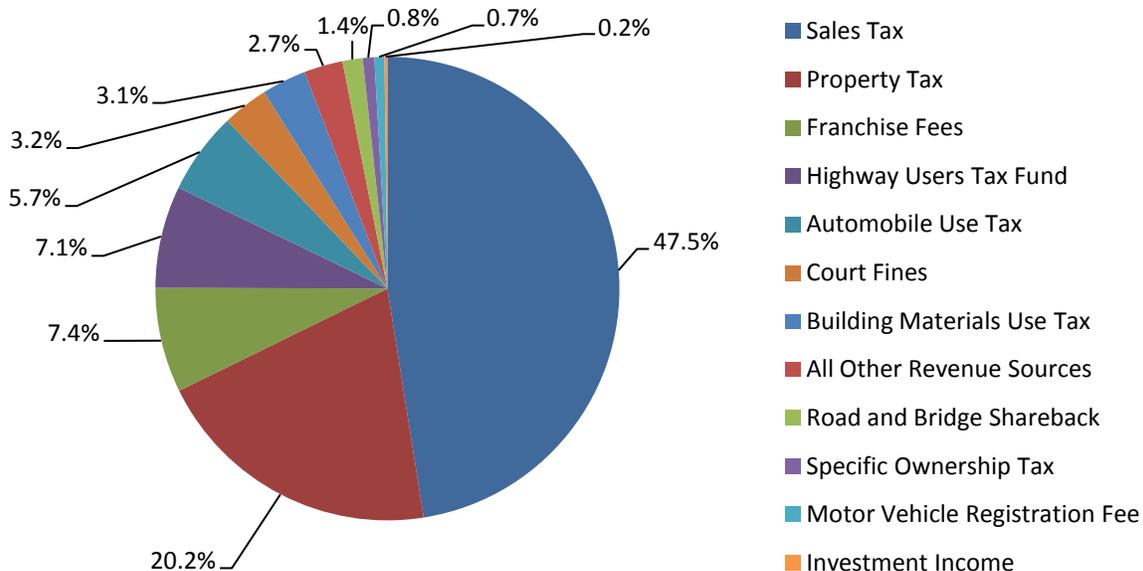
The following table is a summary comparison of the primary revenue sources year-to-date for 2012 and 2013:

	<i>(dollar amounts in millions)</i>			
	YTD 2013	YTD 2012	\$ Variance	% Variance
Retail Sales Tax	\$ 18.3	\$ 16.8*	\$ 1.5	9.3%
Property Tax	7.8	7.6	0.2	2.1%
Building Materials Use Tax	1.2	1.0	0.2	25.2%
Highway Users Tax Fund	2.8	2.8	-	-2.3%
Franchise Fees	2.8	2.6	0.2	7.9%
Specific Ownership Tax	0.3	0.3	-	5.6%
Motor Vehicle Registration Fees	0.3	0.2	0.1	5.5%
Automobile Use Tax	2.2	1.9	0.3	12.8%
Road and Bridge Shareback	0.6	0.5	0.1	0.7%
Court Fines	1.2	1.2	-	-0.5%
Investment Income	0.1	-	0.1	24.3%
All Other Revenue Sources	1.1	1.2	(0.1)	16.4%
	<u>\$ 38.7</u>	<u>\$ 36.1</u>	<u>\$ 2.6</u>	<u>7.1%</u>

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

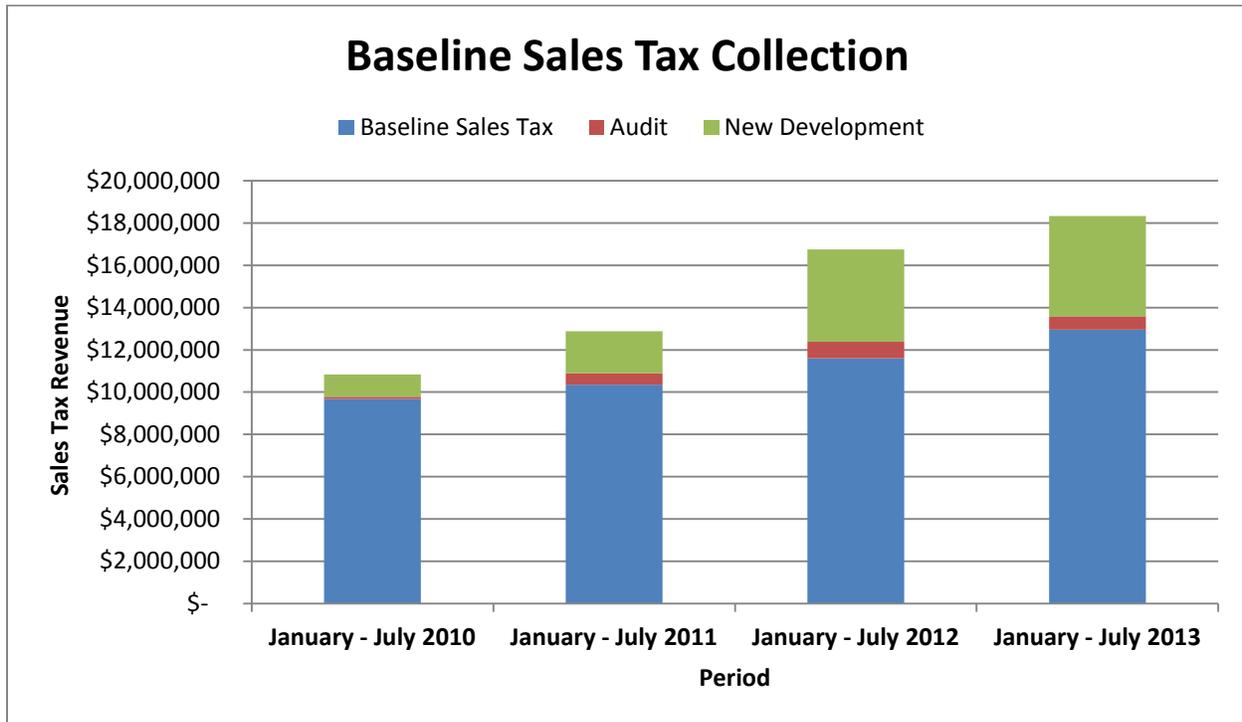
*Amounts previously reported for fiscal year 2012 have been restated due to further clarification on GASB Statement No.33.

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



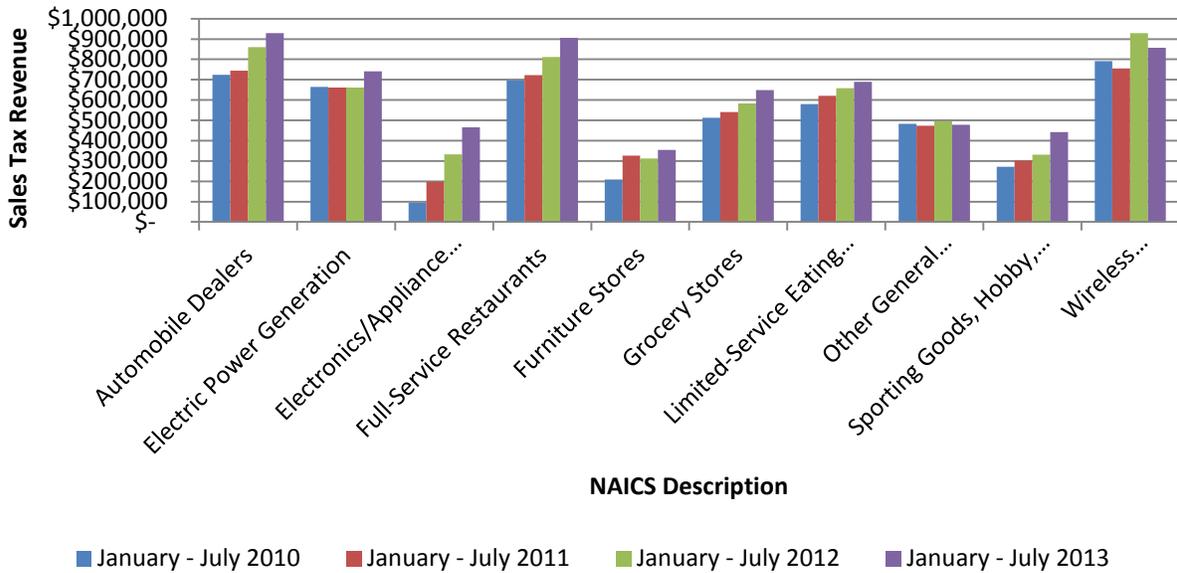
Retail Sales Tax

Retail Sales Tax revenue year-to-date is \$1.5 million or 9.3% more than the same period in 2012. Overall, the City's sales tax base collections (excluding collections attributable to new development, audits and delinquent accounts) have exceeded 2012 collections by \$1.3 million. The illustration below depicts the growth in the City's baseline sales tax collections over the same period for the last four years.



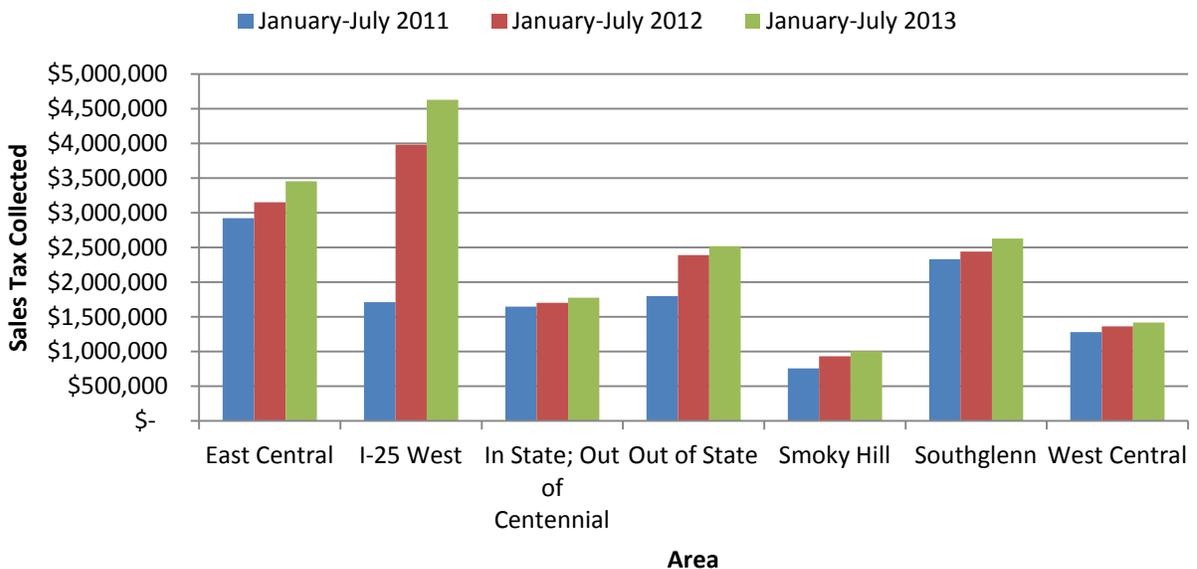
Further analysis of the City's baseline sales tax collections, as it pertains to the City's top ten North American Industry Classification System (NAICS) codes, shows an overall growth pattern year-over-year, as illustrated in the graph on the following page, with the exception of two categories. Other General Merchandise Stores have remained stable throughout the four year period and the Wireless Communications category is showing an erratic pattern. However, the City anticipates the Wireless Communications sector to outperform 2012 results due to the introduction of new Apple products during the latter part of 2013. These top ten NAICS codes represent 50% of the City's baseline sales tax collections for 2013.

Sales Tax Baseline Collection per Top Ten NAICS Descriptions

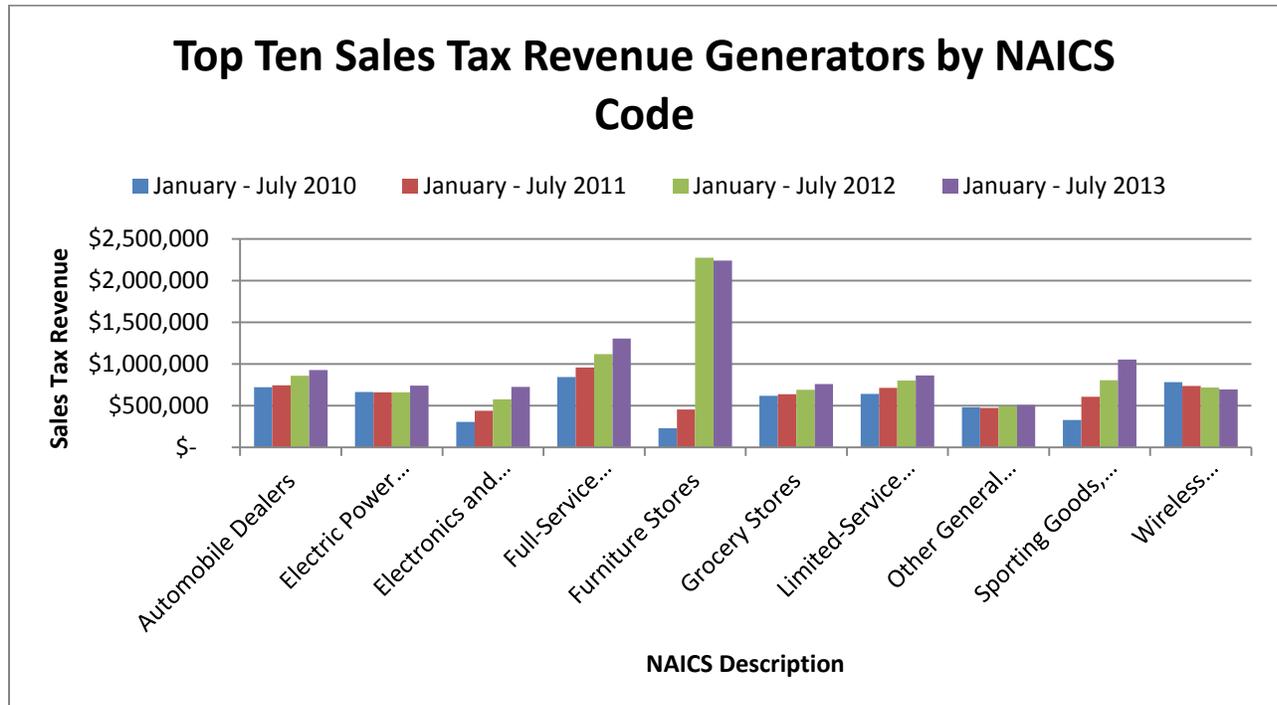


Below is a graphical representation of the City's overall sales tax collections within and outside the boundaries of the City. Growth within the East Central, I-25 West, and Southglenn areas can be attributed to new development/businesses locating within those respective areas.

Sales Tax Collected by Area



In conducting additional research on the City's top ten NAICS codes for the last four years, the City has experienced both growth and slow down in some of its core sectors. Electric power generation, transmission and distribution companies, electronics and appliance stores, full-service restaurants, grocery stores, and sporting goods stores continue to show double digit growth in sales tax remittances compared to the same period in the prior year. The graph below illustrates each of the City's top ten NAICS sectors for the months of January through July of each year.



The table below represents a different way of analyzing actual sales tax collected 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 July 2013 – Current Top 25 Sales by 4-digit NAICS Code

	NAICS Description	2013 YTD	% of Total	2012 YTD	% Change
1	Furniture Stores	\$2,248,279	15.7%	\$2,289,138	-1.8%
2	Full-Service Restaurants	1,320,473	9.2%	1,129,789	16.9%
3	Sporting Goods, Hobby, and Musical Instrument Stores	1,057,711	7.4%	809,055	30.7%
4	Automobile Dealers	930,731	6.5%	859,880	8.2%
5	Limited-Service Eating Places	869,363	6.1%	807,707	7.6%
6	Grocery Stores	761,600	5.3%	691,199	10.2%
7	Electric Power Generation, Transmission and Distribution	741,814	5.2%	661,477	12.2%
8	Electronics and Appliance Stores	729,746	5.1%	578,947	26.1%
9	Wireless Telecommunications Carriers (except Satellite)	696,888	4.9%	719,916	-3.2%
10	Other General Merchandise Stores	508,686	3.6%	496,359	2.5%
11	Department Stores	467,527	3.3%	417,963	11.9%
12	Commercial and Industrial Machinery and Equipment Rental and Leasing	351,870	2.5%	480,353	-26.8%
13	Communications Equipment Manufacturing	337,880	2.4%	216,627	56.0%
14	Beer, Wine, and Liquor Stores	322,884	2.3%	303,548	6.4%
15	Software Publishers	300,080	2.1%	20,523	1362.2%
16	Automotive Parts, Accessories, and Tire Stores	296,469	2.1%	309,181	-4.1%
17	Automotive Repair and Maintenance	281,566	2.0%	257,234	9.5%
18	Wired Telecommunications Carriers	273,356	1.9%	290,310	-5.8%
19	Clothing Stores	271,978	1.9%	174,857	55.5%

20	Direct Selling Establishments	271,021	1.9%	154,191	75.8%
21	Jewelry, Luggage, and Leather Goods Stores	267,326	1.9%	274,390	-2.6%
22	Traveler Accommodation	252,410	1.8%	223,867	12.8%
23	Health and Personal Care Stores	246,974	1.7%	242,664	1.8%
24	Other Miscellaneous Store Retailers	244,448	1.7%	230,676	6.0%
25	Home Furnishings Stores	234,181	1.6%	201,446	16.3%
Total*		\$14,285,259	100.0%	\$12,841,296	

*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.

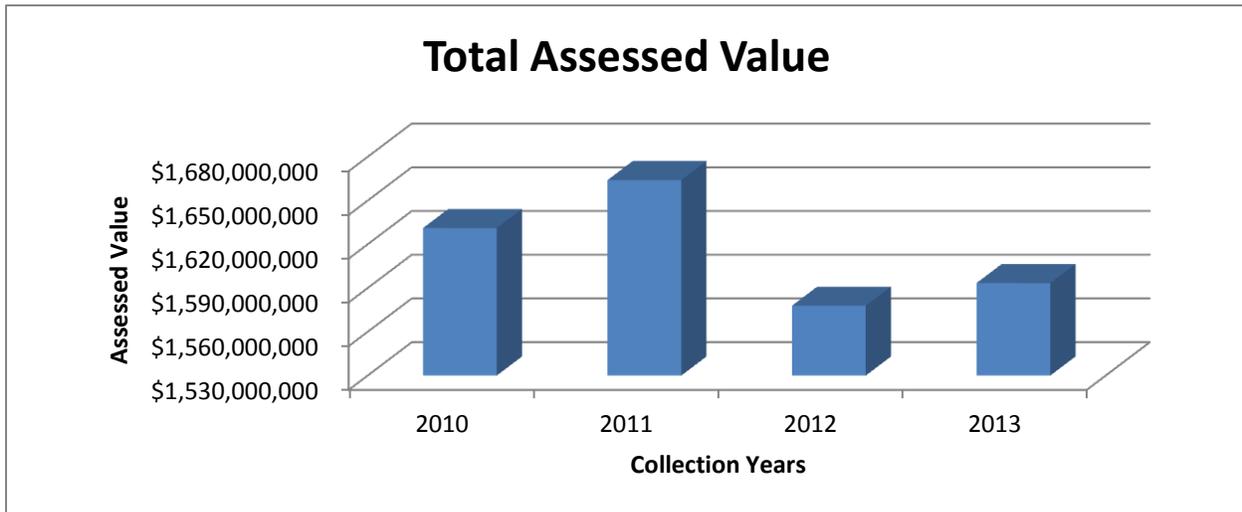
New business registrations have increased steadily in the last four years. In 2013, the City undertook a licensing project which garnered many businesses that were not registered with the City. As shown in the graph below, general business licenses (businesses that do not make retail sales) show a modest increase for 2013. The increase of new businesses has contributed to the overall sales tax growth for the City.



Property Tax

Property Tax revenue year-to-date 2013 is \$0.2 million or 2.1% more than collections year-to-date in 2012. While the timing of collections during the first few months of the year may vary from year to year, the majority of property tax due is received by June each year. The City anticipates total property tax collections in 2013 will be more than collections in 2012. The anticipated increase in property tax collections is partially due to a slight increase in assessed valuations (1.0%) and a decrease in the amount of refunds and abatements granted by the Arapahoe County Assessor's office for 2013.

The following graph shows historical assessed property valuations for collection years 2010 through 2013:



Building Materials Use Tax

Building Materials Use Tax revenue year-to-date 2013 is \$0.2 million or 25.2% more than collections year-to-date in 2012. Overall, there has been a slight decrease (2.1%) in the total number of building permits issued when compared to the prior year. However, total project valuations, including new commercial construction, have increased by 55.7% when compared to the prior year, resulting in increased use tax collections. During 2013, a few of the larger new commercial projects include an 84-unit assisted living and memory care community, the construction of an indoor/outdoor tennis facility and a new gun club.

Franchise Fees

Franchise Fee revenues year-to-date 2013 are \$0.2 million, or 7.9% more than collections year-to-date in 2012. Unseasonably cooler weather in the first quarter of 2013 contributed to an increase in both gas and electric consumption, which contributed to an increase in franchise fee collections year-to-date 2013 when compared to the same period in 2012. In addition, a slight increase in average gas and electric rates year-to-date 2013 over those charged during the same period in 2012 contributed to an increase in franchise fee collections.

Automobile Use Tax

Automobile Use Tax revenue year-to-date 2013 is \$0.3 million or 12.8% more than collections year-to-date in 2012. Data provided by the Colorado Automotive Dealers Association for July 2013 indicates new car and truck registrations increased 15.5% statewide when compared to July 2012. Additionally, year-to-date registrations for 2013 increased 13.5% 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 12.4% when compared to the same period in the prior year, thus contributing to this increase in use tax collections when compared to the prior year.

Investment Income

Investment Income year-to-date 2013 is \$0.1 million or 24.3% more than collections year-to-date in 2012. This increase is primarily the result of the City taking an active approach to investing its cash balances in higher yielding investing, while meeting the City's safety and liquidity requirements. The City's total invested portfolio increased by nearly \$8.0 million when compared to the prior year, thus contributing to increased investment earnings.

Expenditures

Total expenditures and transfers year-to-date are \$0.3 million, or 0.9% more than expenditures year-to-date in 2012. The net increase is attributable to variances in the City Manager's Office, Human Resources, Information Technology, Communications, Finance, Nondepartmental and Public Works Departments, as well as transfers to the Land Use and Capital Improvement Funds.

- City Manager's Office expenditures are \$0.2 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.
- 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. All expenditures related to the administration of the risk management function were charged to the Human Resources Department during 2012. Additionally, expenditures related to salary and benefits 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 \$0.1 million more than expenditures year-to-date in 2012. The increase is primarily due to the transfer of salary and benefit expenditures to the Information Technology Department in 2013 which were charged to the Facilities and Fleet Department during the same period in 2012.
- Communications expenditures are \$0.1 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 \$0.5 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. Expenditures related to the administration of the risk management function were charged to the Human Resources Department during 2012. Additionally, expenditures related to auditing services for the sales tax program year-to-date 2013 have outpaced those incurred during the same period in 2012. 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.
- 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 \$0.1 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. These decreased salary and benefits expenditures are offset by an increase in contracted Public Works services when compared to the prior year.
- Land Use Fund Transfers are \$0.3 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 \$0.2 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.

(dollar amounts in millions)

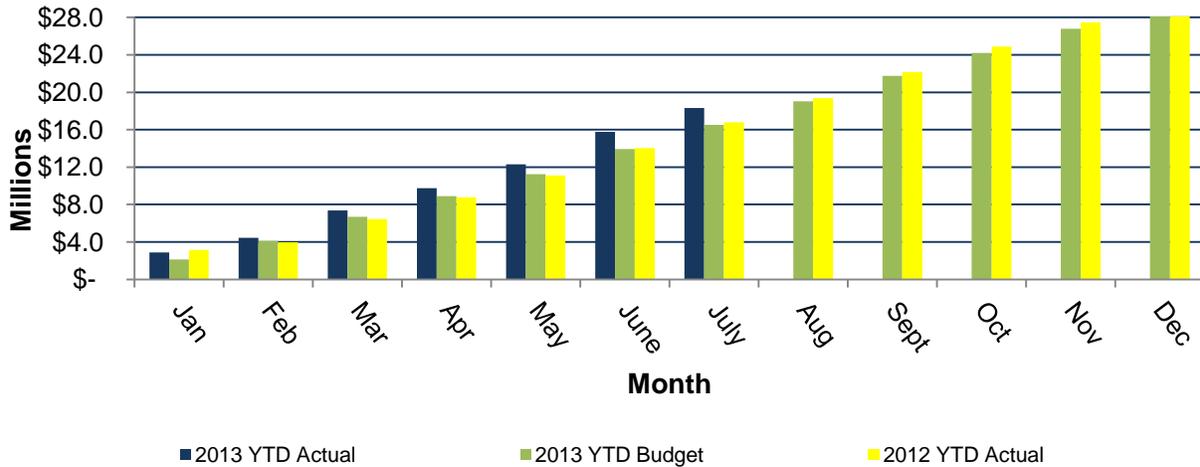
	Actual YTD 2013	Budget YTD 2013	\$ Variance	% Variance
Retail Sales Tax	\$ 18.3	\$ 16.5	\$ 1.8	11.1%
Property Tax	7.8	7.9	(0.1)	-0.8%
Building Materials Use Tax	1.2	0.7	0.5	69.7%
Highway Users Tax Fund	2.8	2.8	-	0.4%
Franchise Fees	2.8	2.6	0.2	5.6%
Specific Ownership Tax	0.3	0.3	-	10.2%
Motor Vehicle Registration Fees	0.3	0.3	-	7.6%
Automobile Use Tax	2.2	1.9	0.3	15.5%
Road and Bridge Shareback	0.6	0.6	-	0.0%
Court Fines	1.2	1.2	-	1.2%
Investment Income	0.1	0.1	-	-15.4%
All Other Revenue Sources	1.1	0.8	0.3	24.3%
	<u>\$ 38.7</u>	<u>\$ 35.7</u>	<u>\$ 3.0</u>	<u>8.3%</u>

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

Retail Sales Tax

Retail Sales Tax revenue is \$1.8 million, or 11.1% favorable compared to budget. This favorable variance is primarily due to sales tax base collections outpacing budget projections. Year-to-date, sales tax base receipts (excluding collections attributable to new development, audits and delinquent accounts) are \$1.5 million or 13.3% favorable compared to the budgeted sales tax base. The City's budgeted numbers were projected using a 2.0% increase in base collections over 2012 actual collections. The City continues to see growth in its sales tax base as a result of increased consumer spending. The remaining favorable variance (\$0.3) is attributable to new business, audit, and delinquency collections outpacing amounts anticipated in the budget.

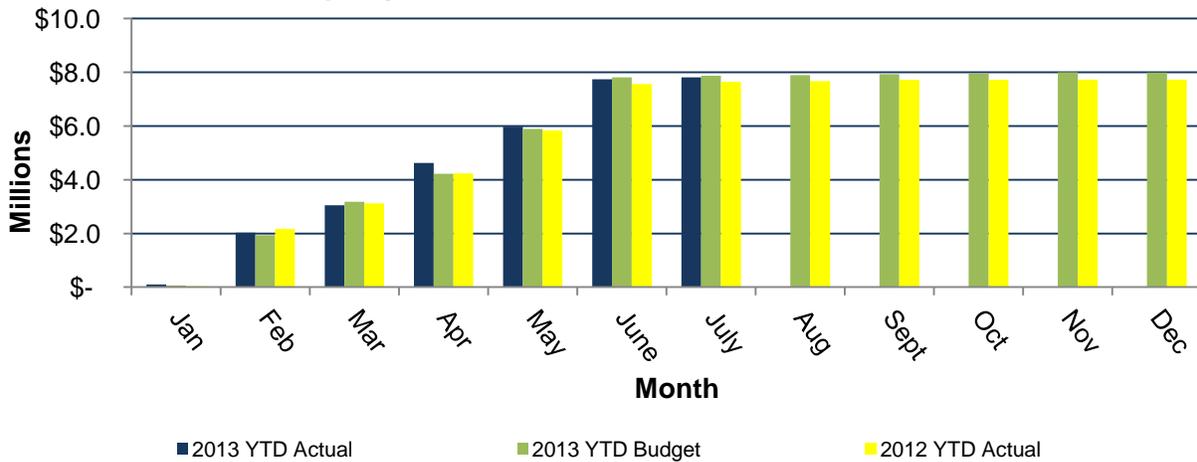
Sales Tax Revenue - Current & Prior Year



Property Tax

Property Tax revenue is \$0.1 million, or 0.8% unfavorable compared to budget. This unfavorable variance is primarily due to the timing of property tax payments, refunds and abatements as compared to monthly budget allocations. It is anticipated this unfavorable variance will diminish throughout the remainder of the year.

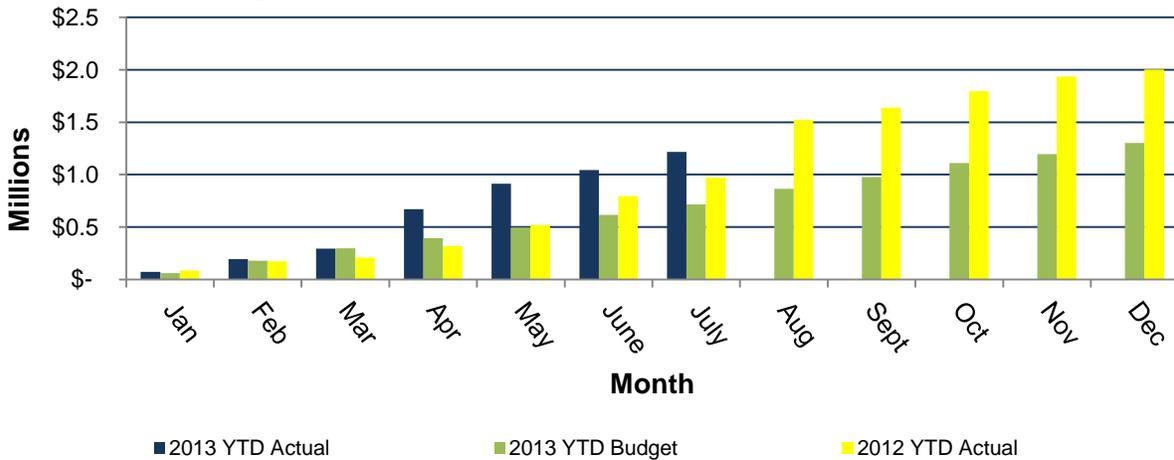
Property Tax Revenue - Current & Prior Year



Building Materials Use Tax

Building Materials Use Tax revenue is \$0.5 million, or 69.7% favorable compared to budget. This favorable variance is primarily the result of the issuance of several large building permits for new commercial projects which were not anticipated in the budget. These projects include an 84-unit assisted living and memory care community, the construction of an indoor/outdoor tennis facility and a gun club. This favorable variance will be addressed in the 2013 Revised Budget.

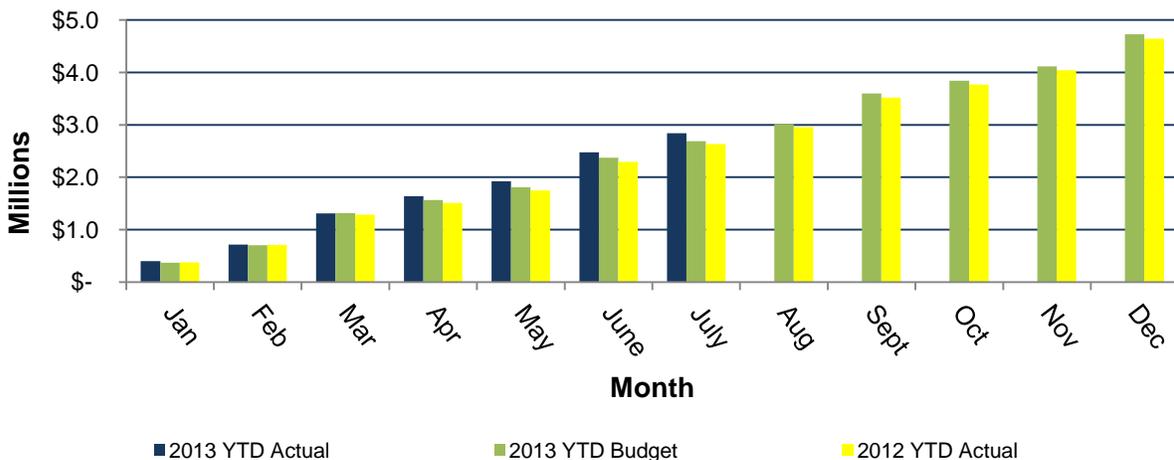
Building Materials Use Tax Revenue - Current & Prior Year



Franchise Fees

Franchise Fee revenue YTD is \$0.2 million, or 5.6% favorable compared to budget. Unseasonably cooler weather in the first quarter of 2013 contributed to an increase in both gas and electric consumption, which contributed to increased franchise fee collections year-to-date. In addition, 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 budget.

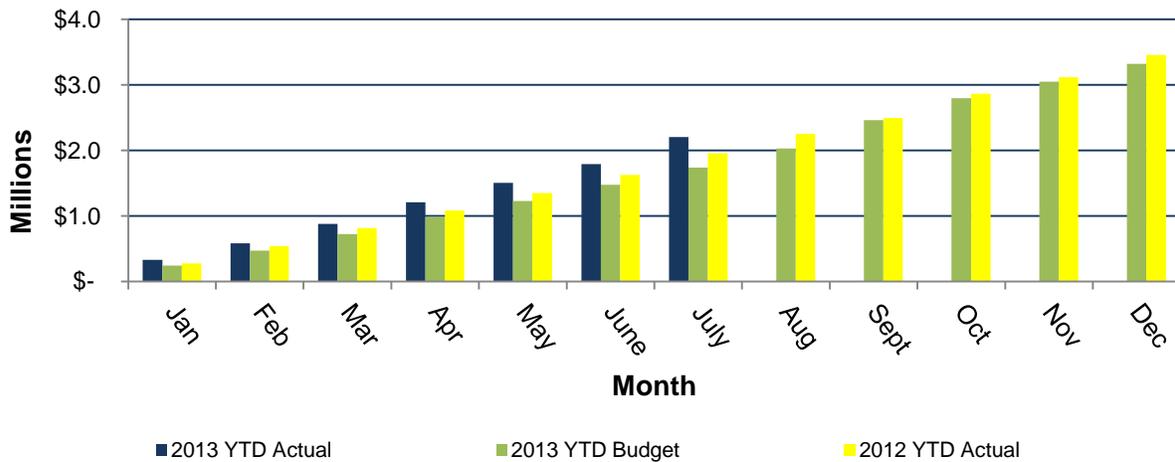
Franchise Fee Revenue - Current & Prior Year



Automobile Use Tax

Automobile Use Tax revenue is \$0.3 million, or 15.5% favorable compared to budget. Current automobile industry information indicates an overall increase in new car sales at the state and national levels, making 2013 the best year for the industry since 2007. Due to the volatility of this revenue source there was a conservative approach taken when budgeting this revenue for 2013.

Auto Use Tax Revenue - Current & Prior Year



Expenditures

Total expenditures and transfers are \$1.4 million, or 4.4% favorable compared to budget. The net overall favorable variance is primarily attributable to the Economic Development, Human Resources, Information Technology, Communications, Finance, Nondepartmental, Public Works, and Community Development Departments, as well as transfers from the Land Use Fund.

- Economic Development expenditures are \$0.1 million or 67.6% 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 July as plans to attend certain meetings and training events have been postponed.
- Human Resources expenditures are \$0.1 million or 23.8% favorable to budget. This favorable variance is primarily the result of budget allocations for internship wages and contracted security services outpacing actual expenditures. This favorable variance is expected to diminish throughout the remainder of the year.
- Information Technology expenditures are \$0.1 million or 13.9% favorable to budget. This favorable variance is primarily due to lower than anticipated expenditures related to website redesign and hosting services, as well as upgrades to Council Chambers equipment. This favorable variance is expected to diminish throughout the remainder of the year as work related to these projects is completed.
- Communications expenditures are \$0.1 million or 26.4% favorable to budget. This favorable variance is primarily the result of budget allocations in the areas of community services and printing and publishing outpacing actual expenditures year-to-date. Several large community events and mailings are planned to occur later in the year, which will diminish this favorable variance.
- Finance expenditures are \$0.1 million or 5.0% favorable to budget. This favorable variance is primarily due to lower than anticipated expenditures related to salaries and benefits as a result of vacancy savings realized year-to-date. This favorable variance is expected to diminish throughout the year
- Nondepartmental expenditures are \$0.4 million or 14.3% favorable to budget. This favorable variance is attributable to lower than anticipated expenditures related to incentive agreement

payments. This favorable variance is expected to diminish throughout the remainder of the year as payments are made for these agreements.

- Public Works expenditures are \$0.1 million, or 1.3% favorable to budget. This favorable variance is 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. These expenditures year-to-date have been less than anticipated in the budget as a result of a decline in the actual amount of costs billed to the City year-to-date.
- Community Development expenditures are \$0.1 million or 32.3% favorable to budget. This favorable variance is primarily due to lower than anticipated expenditures related to salaries and benefits as a result of vacancy savings realized year-to-date. This favorable variance will be addressed in the Revised 2013 Budget.
- Land Use Fund transfers are \$0.3 million, or more than 100% 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 2013 is \$0.3 million or 17.7% more than revenue collected during the same period in 2012. The total number of permits issued year-to-date 2013 has decreased by 2.1% in comparison to the same period in 2012. Conversely, total valuations on building permits issued year-to-date 2013 have increased 55.7% over valuations on permits issued during the same period in the prior year. The result is an increase of use tax collections when compared to 2012.

Expenses

- Expenditures year-to-date are less than \$0.1 million, or 1.3% 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 \$0.5 million, or 32.8% favorable compared to budget. This favorable variance is due to higher than anticipated collections for building permits as a result of several large new commercial and remodel applications, which were not anticipated in the budget.

Expenses

- Expenses are \$0.2 million, or 14.2% unfavorable compared to budget. This unfavorable variance is primarily due to higher than anticipated expenses related to plan review fees and permitting and inspection services as a result of several large commercial remodel projects reviewed by the City. These increased expenses are offset by a corresponding increase in revenue as explained above. This unfavorable variance will be addressed in the Revised 2013 Budget.

CAPITAL IMPROVEMENT FUND

Comparison to Prior Year

Revenue

- Revenue year-to-date 2013 is \$0.8 million or 61.5% less than revenue collected during the same period in 2012. This decrease can be attributed to lower grant revenue receipts. During 2012, grant funds (\$1.3) were received for the Arapahoe Road Reconstruction project, upgrades to the City's signal master system, and enhancements to the weather station equipment. In 2013, grant funds received (\$0.5) are for Vista Verde Neighborhood Improvements and the Arapahoe Road, Waco to Himalaya project design fees.

Expenditures

- Expenditures year-to-date are \$1.0 million, or 30.8% more than expenditures year-to-date during the prior year. During 2012, funds were utilized (\$3.3) for the Arapahoe Road Reconstruction project, enhancements to weather station equipment, and upgrades to the City's signal master system. 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 (\$4.3). While Street Rehabilitation program expenditures were incurred during 2012, those expenditures occurred later in the year when compared to 2013.

Comparison to Budget

Revenue

- Revenue is \$0.2 million, or 68.5% favorable compared to budget. Year-to-date, federal grant revenue received for Vista Verde Neighborhood Improvements (Community Development Block Grant) and Signal Communication Improvements (DRCOG Grant) was \$0.1 million higher than anticipated in the 2013 Adopted Budget. Additionally, the City received \$0.1 million from Arapahoe County for project design fees related to the Arapahoe Road – Waco to Himalaya project, which was not anticipated in the budget.

Expenditures

- Expenditures are \$2.7 million, or 38.2% favorable compared to budget. The favorable variance is the result of monthly budget allocations related to Civic Center 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 the 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 YTD are \$0.1 million, or 77.3% 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 \$0.3 million, or 16.1% more than revenue collected year-to-date in 2012. 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 more compared to the same period last year.

Additionally, 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% tax based on population of incorporated cities and towns. In 2013 the City received \$0.2 million more in Open Space Sales Tax from the County when compared to 2012. The City received 20.5% of the total \$10.2 million in Arapahoe County Open Spaces Shareback Funds distributed to incorporated cities and towns.

Expenditures

- Expenditures year-to-date 2013 are \$0.9 million, or more than 100% over 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 (\$0.3). However, Open Space funds year-to-date 2013 have been utilized for the Parker Jordan Open Space Trail (\$0.6), Centennial Center Park overflow parking lot construction (\$0.1), and enhancements to community parks such as Indian Ridge, Toll Gate, Fox Hill, and Smoky Hill parks (\$0.5).

Comparison to Budget

Revenue

- Open Space revenue is \$0.6 million, or 33.7% favorable to budget. This favorable variance is attributable to the receipt of \$0.4 million for the Cherry Creek Regional Trail grant which was not included in the 2013 Adopted Budget. The remainder of the variance, \$0.2 million, is due to higher than expected Open Space Sales Tax receipts. The 2013 Adopted Budget projected no increase for Open Space Sales Tax revenues as a result of flat sales tax revenue trends during 2011 and 2012. According to Arapahoe County, total County Open Space revenue is 14.1% higher when compared to the prior year, which resulted in a larger distribution to the City.

Expenditures

- Expenditures year-to-date 2013 are \$0.7 million, or 36.6% favorable to budget. This favorable variance is primarily due to budget allocations for project management costs, enhancements to the Centennial Center Park overflow parking lot, and enhancements to community parks such as Indian Ridge, Toll Gate, Fox Hill, and Smoky Hill parks outpacing actual expenditures. This favorable variance is expected to diminish throughout the year as the projects get underway and 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 37.4% 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.

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 37.6% favorable to budget. This favorable variance is primarily due to lower than anticipated expenditures related to Contracted Services within the Foxridge and Walnut Hills GIDs. This favorable variance is expected to diminish throughout the year as projects get underway and 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 3.9% 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. 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 3.7% less than the prior year. This decrease is a result of the timing of expenditures for property tax pass-thru payments by the Authority to the Southglenn Metropolitan District (\$0.3). Additionally, construction service costs have decreased in 2013 compared to those incurred during the same period in 2012 (\$0.2). These decreases are offset by an increase in sales tax pass thru payments, by the Authority to the Southglenn Metropolitan District (\$0.3).

Comparison to Budget

Revenue

- Revenue received is \$0.5 million, or 8.4% unfavorable compared to budget. The City anticipates property tax revenues to be \$0.4 million less than the amount budgeted due to a reduction in the assessed valuation by the Arapahoe County Assessor's Office. The 2013 Revised Budget will reflect updated property tax revenues based on final assessed valuation amounts. In addition, budget allocations for Sales Tax collections have outpaced actual

receipts by \$0.1 million. This unfavorable variance related to Sales Tax collections is expected to diminish throughout the remainder of the year.

Expenditures

- Expenditures are \$0.5 million, or 8.4% 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. This favorable variance is expected to diminish throughout the remainder of the year.