



INTRODUCTION

The following financial report offers readers a narrative overview of the financial activities of the City for the quarter ending March 31, 2018. The quarterly financial statement package includes statements and analyses 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. The analysis examines each fund to identify overall trends, and utilizes historical data and future projections to provide context for each narrative. Readers are encouraged to consider the information presented here in conjunction with the attached unaudited financial statements. Additionally, please refer to the Executive Summary in the 2018 Annual Budget for an explanation of variances between the 2017 and 2018 Adopted Budgets. This analysis will compare First Quarter 2018 financial data to First Quarter 2017 financial data.

In 2017, the City of Centennial transitioned from a modified accrual basis of accounting in the governmental funds to a cash basis of accounting. Modified accrual basis of accounting records revenue when the receipt is within a short period of time (on average 30 to 60 days). Expenditures are recognized in the period in which the government pays the bill. Cash basis of accounting recognizes transactions or events when related cash amounts are received or disbursed.



FINANCIAL STATEMENT

GENERAL FUND	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
Revenues	\$ 74,909,700	\$ 19,747,590	\$ (55,162,110)	26%
Expenditures	\$ 60,990,911	\$ 13,330,910	\$ 47,660,001	22%
Transfers In				
Land Use Fund	\$ 1,147,158	\$ 383,255	\$ 763,903	33%
Transfers Out				
Land Use Fund	\$ (828,050)	\$ (178,591)	\$ (649,459)	22%
Capital Improvement Fund	\$ (15,900,000)	\$ (3,975,000)	\$ (11,925,000)	25%
Total Transfers In (Out)	\$ (15,580,892)	\$ (3,770,336)	\$ (11,810,556)	24%
NET CHANGE IN FUND BALANCE	\$ (1,662,103)	\$ 2,646,344	\$ 4,308,447	-

LAND USE FUND	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
Revenues	\$ 3,810,830	\$ 1,014,454	\$ (2,796,376)	27%
Expenditures	\$ 3,491,722	\$ 809,790	\$ 2,681,932	23%
Transfers In				
General Fund Use Tax	\$ 828,050	\$ 178,591	\$ 649,459	22%
Transfers Out				
General Fund Support	\$ (1,147,158)	\$ (383,255)	\$ 763,903	33%
Total Transfers In (Out)	\$ (319,108)	\$ (204,664)	\$ (114,444)	64%
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	-

CAPITAL IMPROVEMENT FUND	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
Revenues	\$ 46,000	\$ 362,473	\$ 316,473	788%
Expenditures	\$ 16,220,000	\$ 1,100,089	\$ 15,119,911	7%
Transfers In				
General Fund Support	\$ 15,900,000	\$ 3,975,000	\$ (11,925,000)	25%
Total Transfers In (Out)	\$ 15,900,000	\$ 3,975,000	\$ (11,925,000)	25%
NET CHANGE IN FUND BALANCE	\$ (274,000)	\$ 3,237,384	\$ 3,511,384	-

FINANCIAL STATEMENT

CONSERVATION TRUST FUND	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
Revenues	\$ 555,000	\$ 144,119	\$ (410,881)	26%
Expenditures	\$ 432,500	\$ 32,853	\$ 399,647	8%
NET CHANGE IN FUND BALANCE	\$ 122,500	\$ 111,266	\$ (11,234)	-

OPEN SPACE FUND	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
Revenues	\$ 2,779,000	\$ 85,043	\$ (2,693,957)	3%
Expenditures	\$ 4,375,000	\$ 97,650	\$ 4,277,350	2%
NET CHANGE IN FUND BALANCE	\$ (1,596,000)	\$ (12,607)	\$ 1,583,393	-

GENERAL IMPROVEMENT DISTRICTS	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
Revenues	\$ 448,400	\$ 134,205	\$ (314,195)	30%
Expenditures	\$ 447,250	\$ 16,319	\$ 430,931	4%
NET CHANGE IN FUND BALANCE	\$ 1,150	\$ 117,886	\$ 116,736	-

CURA	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
Revenues	\$ 6,346,651	\$ 2,487,917	\$ (3,858,734)	39%
Expenditures	\$ 6,346,651	\$ 2,487,917	\$ 3,858,734	39%
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	-

FINANCIAL STATEMENT SUMMARY	2018 BUDGET	2018 YTD ACTUAL	VARIANCE TO BUDGET	% OF BUDGET
REVENUES	\$ 88,895,581	\$ 23,975,801	\$ (64,919,780)	27%
OTHER SOURCES - TRANSFERS IN	\$ 17,875,208	\$ 4,536,846	\$ (13,338,362)	25%
TOTAL FINANCING SOURCES	\$ 106,770,789	\$ 28,512,647	\$ (78,258,142)	27%
EXPENDITURES	\$ 92,304,034	\$ 17,875,528	\$ 74,428,506	19%
OTHER USES - TRANSFERS OUT	\$ (17,875,208)	\$ (4,536,846)	\$ 13,338,362	25%
TOTAL FINANCING USES	\$ 110,179,242	\$ 22,412,374	\$ 87,766,868	80%
NET CHANGE IN FUND BALANCE	\$ (3,408,453)	\$ 6,100,273	\$ 9,508,726	-

GENERAL FUND SUMMARY

The General Fund (GF) is the operating fund for the City. It accounts for all financial resources of the general government, except those accounted for in another fund. The General Fund provides the resources necessary to sustain the day-to-day activities of the City.

SOURCES OF FUNDS

The City's General Fund major revenue source is sales tax which is a 2.5 percent (2.5%) tax on sales of tangible property and specific services. Sales tax consistently makes up the majority of all revenues collected each month. The City also imposes a Building Materials Use Tax of 2.5% on materials when a building permit is issued. Other major revenue sources include: property taxes, automobile use tax, franchise fees and revenues from the state's Highway Users Tax Fund.

USE OF FUNDS

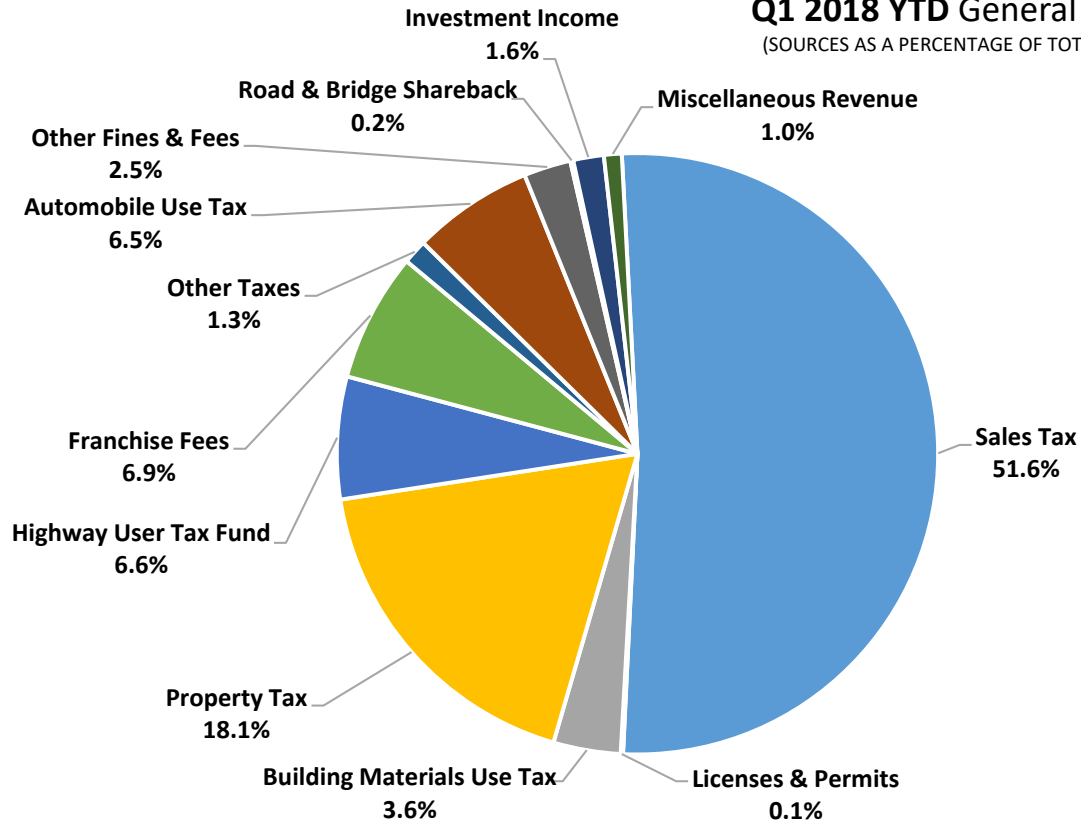
Use of funds result from expenditures incurred by the eighteen departments and divisions included in the General Fund. The majority of general government services, finance and administration, community services for the citizens of Centennial, public works, law enforcement, technology and innovation, and planning and development programs are supported by the GF. Other use of funds include transfers-out to other funds, including transfers to the Capital Improvement Fund and Land Use Fund.

GENERAL FUND DEPARTMENTS		
• Animal Services	• Communications	• Human Resources
• Central Services	• Community Development	• Law Enforcement
• City Attorney's Office	• Economic Development	• Municipal Court
• City Clerk	• Elected Officials	• Nondepartmental
• City Manager's Office	• Facilities & Fleet	• Office of Technology & Innovation
• Code Compliance	• Finance	• Public Works

GENERAL FUND SUMMARY

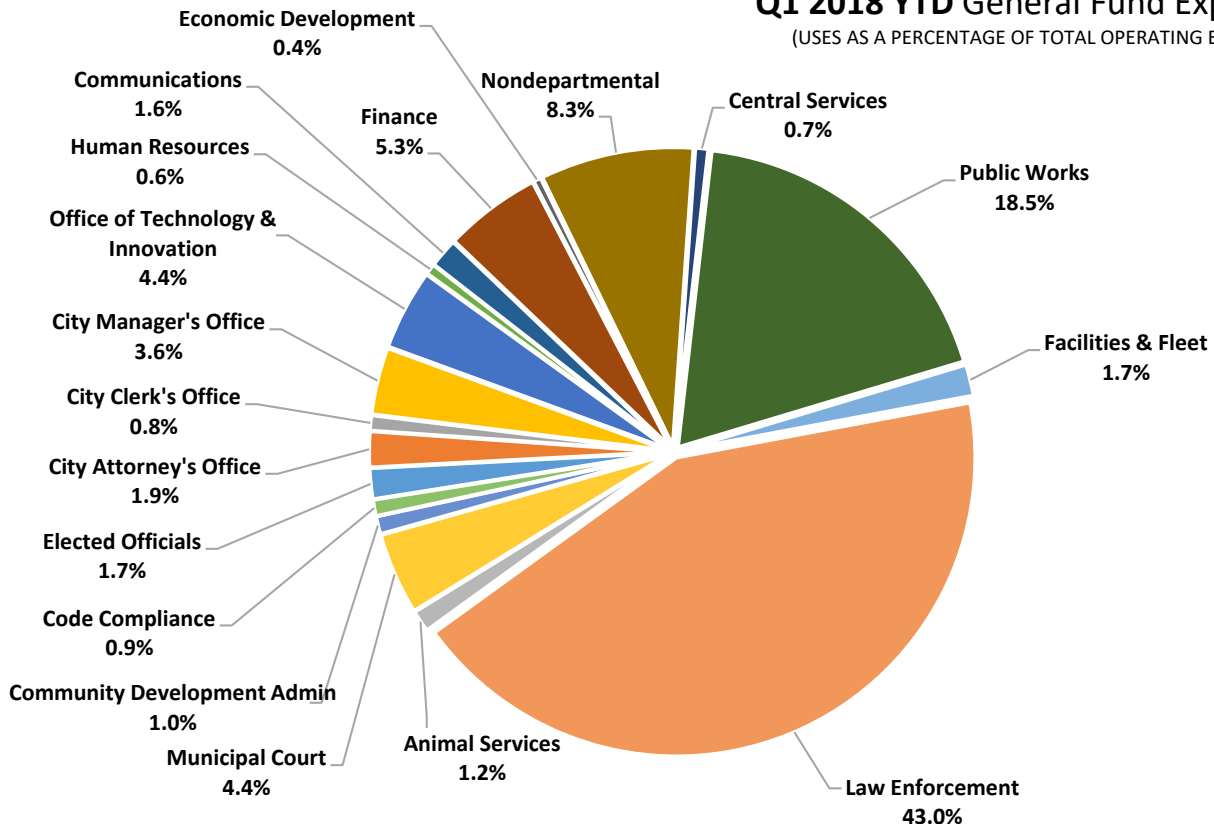
Q1 2018 YTD General Fund Revenues

(SOURCES AS A PERCENTAGE OF TOTAL OPERATING REVENUE)



Q1 2018 YTD General Fund Expenditures

(USES AS A PERCENTAGE OF TOTAL OPERATING EXPENDITURE)



REVENUE ANALYSIS

GENERAL FUND REVENUES

To date, revenues through March 2018 and March 2017 in the General Fund are \$19,747,590 and \$18,968,657 respectively. The City's Q1 2018 revenues increased by \$778,933 or 4%. The increase is primarily attributable to greater collections in sales tax, building materials use tax, property tax the City's investment income. Compared to 2017, increases in revenue sources are offset by less revenues from fines and fees, and miscellaneous revenue sources.

The following table shows the Q1 2017 and Q1 2018 revenue comparison, as well as the 2018 budgeted revenues through March 2018. The "% Of Budget" column describes the amount of YTD actual revenues collected as a percentage of budgeted revenues in 2018.

Revenue Source	2017 YTD	2018 YTD	Variance		2018 Budget	% Of Budget
			\$	%		
Sales Tax	\$ 9,748,579	\$ 10,189,718	\$ 441,140	5%	\$ 39,498,460	26%
Licenses & Permits	28,190	24,574	(3,616)	-13%	144,400	17%
Building Materials Use Tax	428,966	714,362	285,397	67%	3,312,200	22%
Property Tax	2,733,732	3,565,579	831,847	30%	10,730,676	33%
Highway User Tax Fund	1,327,798	1,299,778	(28,021)	-2%	5,411,644	24%
Franchise Fees	1,420,686	1,366,981	(53,705)	-4%	5,101,900	27%
Other Taxes	247,211	259,143	11,932	5%	965,200	27%
Automobile Use Tax	1,283,438	1,283,323	(114)	0%	5,193,500	25%
Other Fines & Fees	626,864	499,801	(127,063)	-20%	2,565,290	19%
Road & Bridge Shareback	217,810	31,116	(186,694)	-86%	628,530	5%
Investment Income	141,040	324,681	183,641	130%	738,000	44%
Miscellaneous Revenue	764,344	188,533	(575,811)	-75%	619,900	30%
Total YTD Revenues	\$ 18,968,657	\$ 19,747,590	\$ 778,933	4%	\$ 74,909,700	26%

REVENUE ANALYSIS

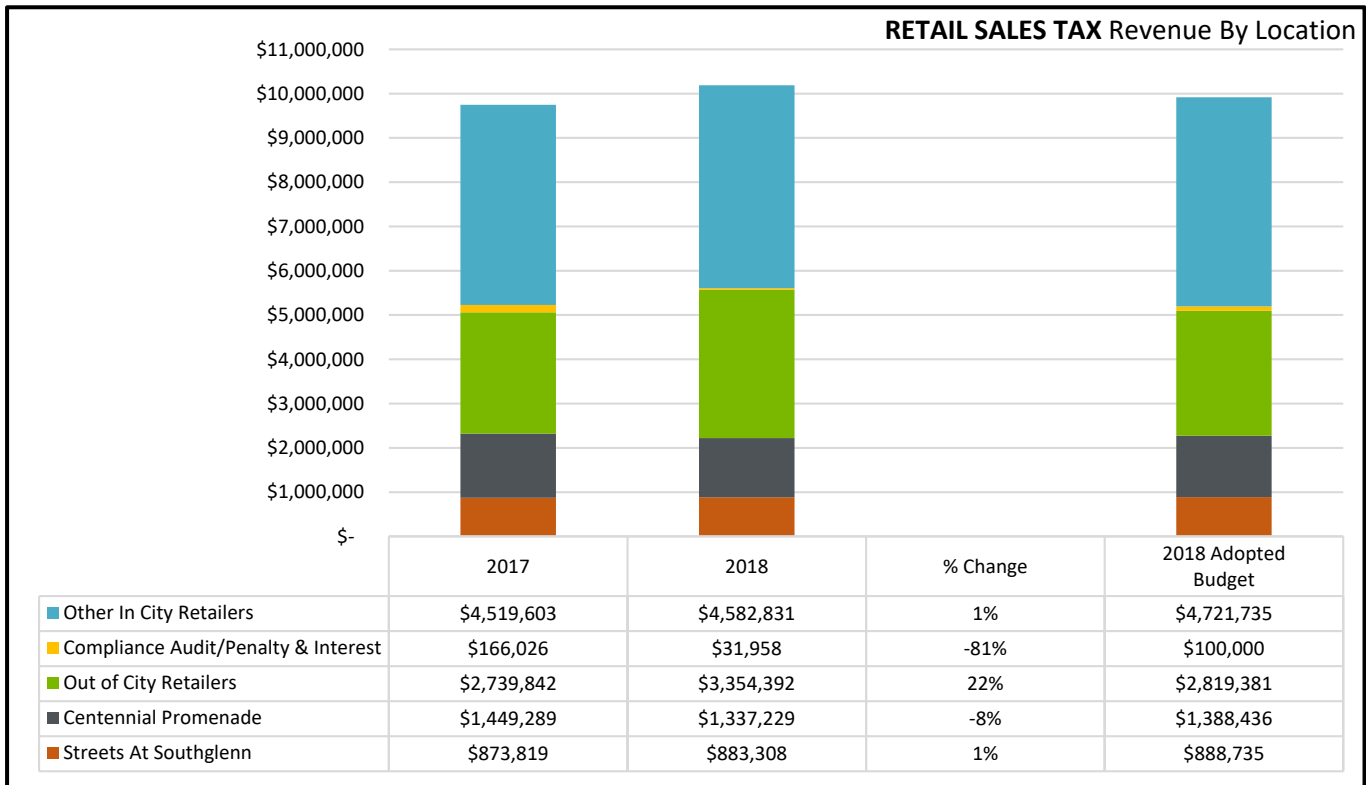
SALES TAX

Quarterly Performance

Sales Tax continues to be a major source of funds for Centennial. The City collected \$10,189,718 in sales tax in Q1 2018. Sales tax collections are up \$441,140 or 5% compared to those reported through the first quarter of 2017.

The graph below compares retail sales tax revenues by identified locations for 2018. Through the first quarter of 2018, the Streets at Southglenn revenues increased \$9,489 or 1% over 2017, while sales tax revenue for Out of City retailers increased \$614,550 or 22% over 2017. Compliance Audit and Penalty & Interest revenues decreased \$134,068 or 81% from 2017 due to fewer audits through March 2018 compared to the prior year.

2018 actual revenues are \$232,901 higher than the estimated year-to-date 2018 Adopted Budget, this is due largely to higher than expected revenues from Out of City Retailers, which are 19% favorable to the 2018 Adopted Budget through the first quarter.



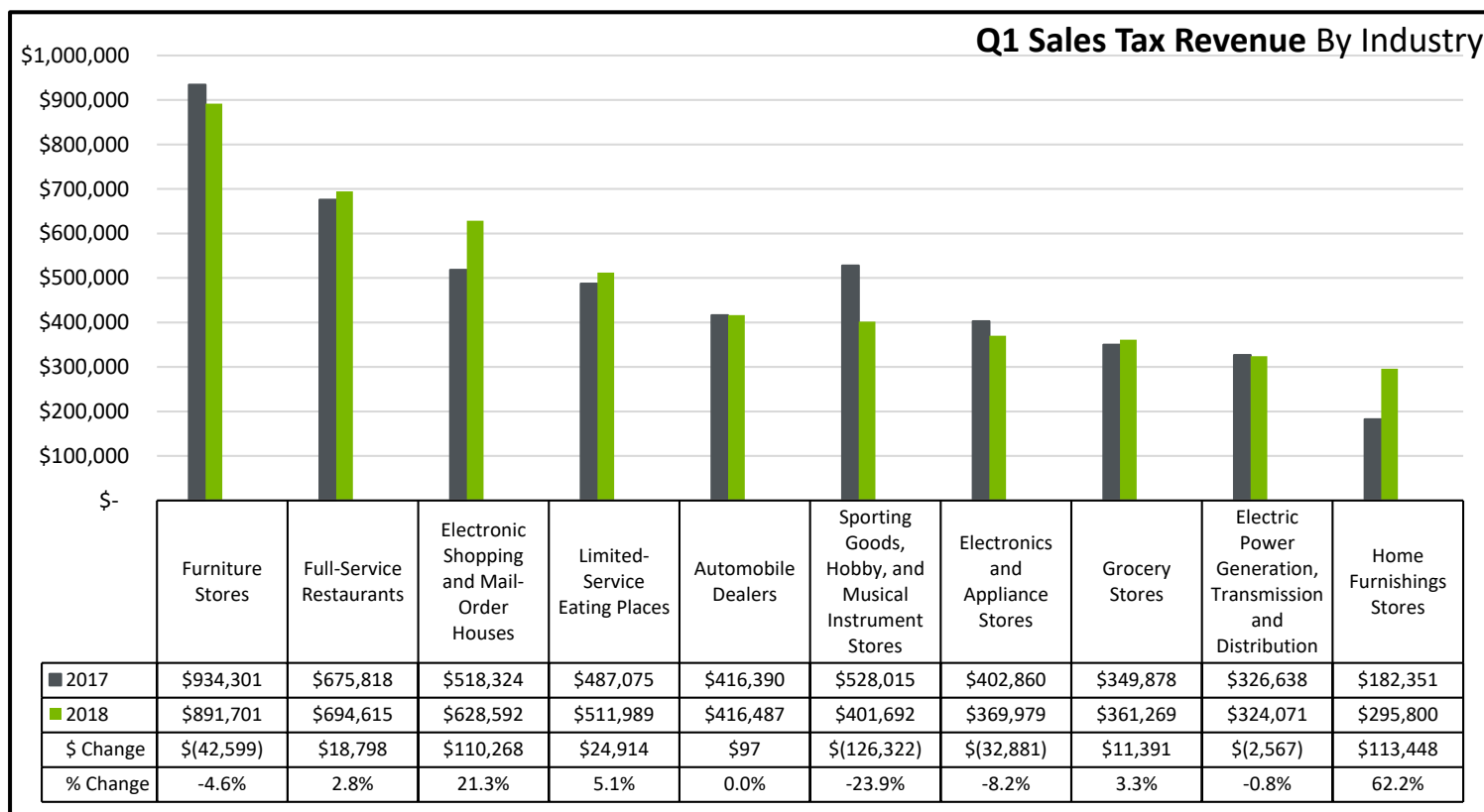
REVENUE ANALYSIS

The North American Industry Classification System (NAICS) is used to categorize sales tax revenue by industry. The graph below compares sales tax revenue by the top-ten industries through Q1 2018 year-to-date and Q1 2017 year-to-date. Adjustments have been made to match the top-ten industries for 2017 YTD to the top-ten industries for 2018 YTD.

Electronic Shopping and Mail-Order Houses increased \$110,268 or 21% over Q1 2017. The online shopping experience has continued to grow rapidly with the emergence and expansion of firms such as Amazon and have had significant impacts on the retail industry. Online shopping platforms continue to outpace brick and mortar year over year, and industry expert predict the growth of online shopping to continue in future years.

As a result of growth in electronic shopping, activity from brick and mortar Sporting Goods, Hobby and Musical Instrument Stores have decreased in recent years. Compared to 2017, Q1 2018 revenues are down \$126,322 or 24%. With the departure of REI from the City in 2018, revenues from this industry may continue to underperform compared to 2017. Overall, one can expect revenues to increase slightly through the summer months and 2018 holiday season.

Revenues received from home Furnishing Stores increased \$113,448 or 62% compared to Q1 2017. The presence of IKEA in the City continues to generate revenues. One can expect revenues from this industry to continue through 2018, however, the construction of Colorado's second IKEA in Broomfield could affect these revenues in 2019.



REVENUE ANALYSIS

BUILDING MATERIALS USE TAX

Quarterly Performance

Through the first quarter 2018, the City collected \$714,362 in building materials use tax, resulting in a \$285,397 or 67% increase over Q1 2017. The increase is associated with two large building permits for major alterations of a commercial space, as well as new construction of residential properties during the first quarter 2018.

PROPERTY TAX

Quarterly Performance

Through the first quarter 2018, the City collected \$3,565,579 in property tax, resulting in an \$831,847 or 30% increase over Q1 2017. The assessed property valuations increased 3% from prior year. Property tax payments have three due dates throughout the fiscal year. The due date for payment in full is April 30, while due dates for two payment options are February 28 and June 15. The City expects this variance to diminish over the course of 2018.

FRANCHISE FEES

Quarterly Performance

Through the first quarter 2018, the City collected \$1,366,981 in franchise fees, resulting in a \$53,705 or 4% decrease from Q1 2017. Franchise fees through March 2018 are down across all categories: Gas and Electric, and Cable Television.

OTHER FINES & FEES

Quarterly Performance

Through the first quarter 2018, the City collected \$499,801 in fines and fees, resulting in a \$127,063 or 20% decrease from Q1 2017. The decrease can be explained almost entirely by the total number of court year-to-date cases in 2018 decreasing 40% from the City's three year historical average. Revenues received from court fees in 2018 are down \$114,076 from prior year's collections and makes up 90% of the year-over-year variance in this category.

AUTOMOBILE USE TAX

Quarterly Performance

Through the first quarter 2018, the City collected \$1,283,323 in automobile use tax, resulting in a \$114 decrease from Q1 2017. These revenues are flat year-over-year through March 2018 and the City expects collections to closely match revenues received in 2017.

REVENUE ANALYSIS

INVESTMENT INCOME

Quarterly Performance

Through the first quarter 2018, the City collected \$324,681 in revenues from investment income, resulting in a \$183,641 or 130% increase from Q1 2017. The increase can be explained by an increase in the overall portfolio size of approximately \$13.4 million or 19.6%. New investments in the portfolio resulted in an increase of approximately \$9.0 million or 33.2% in securities. Additionally, through a change in the Investment Policy, the City has further diversified their portfolio to include international and municipal securities. As a result, the City realized an increase in the year-over-year rate of return by approximately 25 basis points.

MISCELLANEOUS REVENUES

Quarterly Performance

Through the first quarter 2018, the City collected \$188,533 in revenues from miscellaneous sources, resulting in a \$575,811 or 75% decrease from Q1 2017. The decrease is attributable to a sizeable contribution to the city received in 2017 from Arapahoe County for a developer contribution to a capital project in 2017.

EXPENDITURES ANALYSIS

GENERAL FUND EXPENDITURES AND TRANSFERS

To date, the City's operating expenditures through March 2018 and March 2017 in the General Fund are \$13,330,910 and \$14,210,966, respectively. The City's Q1 expenditures decreased \$880,056 or 6% year-over-year. The decrease is primarily attributable to decreased costs associated with various General Fund departments, including the Office of Technology and Innovation, Nondepartmental, and the City's Public Works department. Compared to 2017, decreases in expenditures are offset slightly by increases in costs associated with the City Manager's Office, the Finance department, the City's Law Enforcement services.

The following table shows the Q1 2017 and Q1 2018 operating expenditure comparison, as well as the 2018 budgeted revenues through March 2018. The "% Of Budget" column describes the amount of YTD actual expenditures as a percentage of budgeted revenues in 2018.

General Fund Department	2017 YTD	2018 YTD	Variance		2018 Budget	% Of Budget
			\$	%		
Elected Officials	\$ 179,729	\$ 222,477	\$ 42,748	24%	\$ 426,911	52%
City Attorney's Office	179,030	258,639	79,609	44%	970,000	27%
City Clerk's Office	100,973	110,602	9,629	10%	431,459	26%
City Manager's Office	342,462	485,162	142,700	42%	2,098,383	23%
Office of Technology & Innovation	699,124	583,321	(115,803)	17%	2,422,636	24%
Human Resources	74,580	76,855	2,275	3%	677,485	11%
Communications	247,367	211,593	(35,774)	-4%	1,093,501	19%
Finance	570,529	700,783	130,254	23%	2,659,663	26%
Economic Development	47,774	56,571	8,797	18%	171,700	33%
Nondepartmental	1,606,171	1,107,016	(499,155)	-1%	6,309,580	18%
Central Services	95,633	94,195	(1,438)	-2%	484,078	19%
Public Works	3,476,524	2,472,208	(1,004,316)	-9%	15,174,813	16%
Facilities & Fleet	181,189	226,368	45,179	25%	945,764	24%
Law Enforcement	5,394,219	5,729,658	335,439	6%	23,054,114	25%
Animal Services	155,601	157,801	2,200	1%	669,850	24%
Municipal Court	596,376	590,580	(5,797)	-1%	2,370,136	25%
Community Development Admin	148,372	129,194	(19,178)	-3%	536,488	24%
Code Compliance	115,313	117,888	2,575	2%	494,350	24%
Total YTD Expenditures	\$ 14,210,966	\$ 13,330,910	\$ (880,056)	-6%	\$ 60,990,911	22%

The City's inter-fund transfers include funds transferred from the General Fund to the Capital Improvement Fund, and the Land Use Fund, as well as a transfer from the Land Use Fund to the General Fund. Through the first quarter 2018, the City transferred a total of \$4,153,591 from the General Fund to other funds, resulting in a \$36,248 or 1% decrease in General Fund transfers compared to 2017.

EXPENDITURES ANALYSIS

OFFICE OF TECHNOLOGY AND INNOVATION (OTI)

Quarterly Performance

Through the first quarter 2018, OTI reported \$583,321 in operating expenditure, resulting in a \$115,803 or 17% decrease from Q1 2017. The decrease can be explained by an organizational change in 2018 which transferred the Innovation Team from OTI to the City Manager's Office. Furthermore, equipment costs in Q1 2017 are significantly higher than current year due to the purchase of Dell computer equipment and an additional server in 2017.

NONDEPARTMENTAL

Quarterly Performance

Through the first quarter 2018, the Nondepartmental reported \$1,107,016 in operating expenditure, resulting in a \$499,155 or 31% decrease from Q1 2017. The decrease is attributable to lower costs for Incentive Agreements paid to retailers in 2018. In 2017, there was a large incentive agreement disbursement for construction materials use tax for the Innova Dry Creek project.

PUBLIC WORKS

Quarterly Performance

Through the first quarter 2018, the department of Public Works reported \$2,472,208 in operating expenditure, resulting in a \$1,004,316 or 29% decrease from Q1 2017. The decrease is largely due to the timing of the City's contract payments with a third party service provider. Through Q1 2017 three payments had been made to the City's public works service provider, while only two payments have been made in Q1 2018. The variance is also explained by lower costs for snow removal in 2018 as the result of a January 2017 snow storm that increased these costs in the prior year.

As stated, YOY savings in the General Fund were offset by various departments that experienced increased costs through March 2018 as compared to 2017. The following will analyze these departments more thoroughly.

CITY MANAGER'S OFFICE (CMO)

Quarterly Performance

Through the first quarter 2018, the City Manager's Office reported \$485,162 in operating expenditure, resulting in a \$142,700 or 42% increase over Q1 2017. The increase can be explained by additional personnel costs in the CMO as a result of the organizational change in 2018 which transferred the Innovation Team from OTI to the City Manager's Office. The City expects cost to remain higher than 2017 through year-end as a result of this change, though the net effect on the General Fund will remain marginal.

EXPENDITURES ANALYSIS

FINANCE

Quarterly Performance

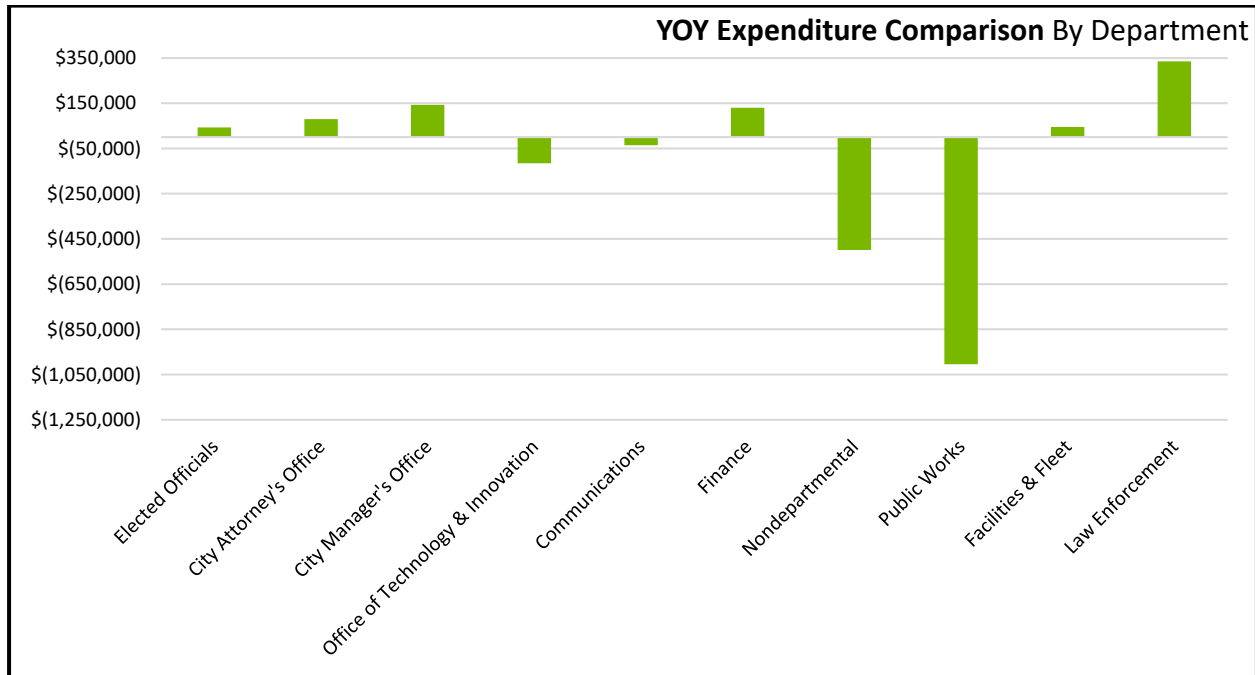
Through the first quarter 2018, the Finance department reported \$700,783 in operating expenditure, resulting in a \$130,254 or 23% increase over Q1 2017. The increase is primarily attributable to increase costs for services associated with sales tax collection and processing as well as insurance services. The City's contracts with various third party financial service providers also increased in 2018, as a result, the City expects service costs in the Finance department to remain higher than 2017 through year-end.

LAW ENFORCEMENT

Quarterly Performance

Through the first quarter 2018, Law Enforcement services reported \$5,729,658 in operating expenditure, resulting in a \$335,439 or 6% increase over Q1 2017. The City contracts Public Safety services with the Arapahoe County Sheriff's Office. As a result of contractual increases in 2018, Law Enforcement costs will remain higher than 2017 through year-end.

The following graph displays the year-over-year (YOY) change for each General Fund department through the first quarter 2018 compared to the same period for the prior year.*



*NOTE: For ease of presentation, some General Fund departments have been omitted from the above graph.

OTHER FUNDS ANALYSIS

LAND USE FUND

The Land Use Fund (LUF) is responsible for managing those revenues and expenditures associated with enforcement of the City's regulations and implementing Centennial's vision in order to maintain and enhance the community's quality of life, as well as operating land development and redevelopment projects.

Quarterly Performance

Through the first quarter 2018, the Land Use Fund collected \$1,014,454 in revenues, resulting in a \$238,168 or 31% increase over Q1 2017. The increase is associated with two large building permits for major alterations of a commercial space, as well as new construction of residential properties during the first quarter 2018.

Through the first quarter 2018, the Land Use Fund reported \$809,790 in operating expenditure, resulting in a \$185,935 or 30% increase over Q1 2017. The increase can be explained by higher costs associated with permitting and inspections as a result of the growth in building services in the LUF in 2018. The City remits to a contractor based on percentage of collected permitting revenue. If revenues increase from the prior year the City recognizes a corresponding increase in expenses.

CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund (CIF) operates the City's transportation and safety infrastructure as well as the major maintenance of City facilities and assets. Funding typically is derived from transfers from the General Fund in addition to grants.

Quarterly Performance

Through the first quarter 2018, the Capital Improvement Fund collected \$362,473 in revenues, resulting in a \$351,374 or 3,166% increase over Q1 2017. The sizeable variance is associated with revenues from local contributions for the Peoria-Briarwood traffic project, as well as intergovernmental revenues received from the Panorama Metro District in 2018.

Through the first quarter 2018, the Capital Improvement Fund reported \$1,100,089 in operating expenditure, resulting in a \$1,127,566 or 51% decrease from Q1 2017. The decrease can be explained by lower costs in the CIF for Land Improvements, New Construction and Roadway Rehabilitation through Q1 2018. Land Improvements are down 65% year-over-year due to decreased costs for the Fiber Optic Backbone in 2018. Compared to 2017, New Construction is down 24% as a result of the Dry Creek Light Rail Station project that was completed in 2017. Roadway Rehabilitation is down 74% through Q1 2018 due to decreased costs for concrete rehab. The City expects this variance to diminish through 2018 as street, intersection and traffic projects break ground during the summer months.

OTHER FUNDS ANALYSIS

CONSERVATION TRUST FUND

The CTF works in tandem with the OSF to operate the maintenance and enhancement of the City's network of parks, open spaces, and trails. The CTF is funded by the State lottery program, which restricts how the funds may be used.

Quarterly Performance

Through the first quarter 2018, the Conservation Trust Fund collected \$144,119 in revenues, resulting in a \$5,268 or 4% increase over Q1 2017. The slight increase is associated with higher revenues received from investment income to the CTF. The City expects investment incomes to continue to increase over 2017 through the year.

Through the first quarter 2018, the Conservation Trust Fund reported \$32,853 in operating expenditure, resulting in a \$10,563 or 47% increase over Q1 2017. The increase can be explained by higher costs associated with the City's Trail expenses in 2018 for the Waco-Himalaya Trail project that began in 2018.

OPEN SPACE FUND

The Open Space Fund (OSF) works in tandem with the Conservation Trust Fund (CTF) to operate the maintenance and enhancement of the City's network of parks, open spaces, and trails. OSF revenues are generated by the Arapahoe County Open Space Tax, restricting how the funds may be used.

Quarterly Performance

Through the first quarter 2018, the Open Space Fund collected \$85,043 in revenues, resulting in a \$72,703 or 589% increase over Q1 2017. The increase is associated with higher revenues received from investment income to the OSF. The City expects investment incomes to continue to increase over 2017 through the year.

Through the first quarter 2018, the Open Space Fund reported \$97,650 in operating expenditure, resulting in a \$182,612 or 65% decrease from Q1 2017. The decrease can be explained by higher costs associated with capital outlay in 2017 for projects including work towards the Lone Tree Creek Trail and completion of the Lavatory Expansion Project in Centennial Center Park.

GENERAL IMPROVEMENT DISTRICTS (GIDs)

During 2002, Arapahoe County transferred governing responsibility and accountability of three GIDs to Centennial. The transferred GIDs include the Foxridge, Cherry Park and Walnut Hills GIDs. The purpose of each GID is primarily to provide services to the area such as landscaping services, utility payments, and repair and maintenance. In 2004, the Antelope GID was created for the purpose of acquiring, contracting, installing and providing a water system to furnish municipal water service within the District.

OTHER FUNDS ANALYSIS

ANTELOPE GID AND DEBT SERVICE

Quarterly Performance

Through the first quarter 2018, the Antelope GID collected \$50,035 in revenues, resulting in an \$11,387 or 19% decrease from Q1 2017. The decrease is associated with the timing of collections in property tax and less revenues from specific ownership tax collections through March 2018.

Through the first quarter 2018, the Antelope GID reported \$699 in operating expenditure, resulting in a \$620 or 47% decrease from Q1 2017. The decrease can be explained by lower costs for the county treasurer's fees and lower costs for legal services provided to the GID in 2018.

CHERRY PARK GID

Quarterly Performance

Through the first quarter 2018, the Cherry Park GID collected \$17,729 in revenues, resulting in a \$727 or 4% increase over Q1 2017. The slight increase is associated with the timing of collections in property tax and additional revenues from specific ownership tax collections through March 2018.

Through the first quarter 2018, the Cherry Park GID reported \$838 in operating expenditure, resulting in a \$128 or 18% increase from Q1 2017. The increase can be explained by higher utility costs in 2018.

FOX RIDGE GID

Quarterly Performance

Through the first quarter 2018, the Foxridge GID collected \$29,104 in revenues, resulting in a \$4,600 or 19% increase over Q1 2017. The increase is associated with the timing of collections in property tax and greater revenues from investment income through March 2018.

Through the first quarter 2018, the Foxridge GID reported \$2,933 in operating expenditure, resulting in a \$4,487 or 60% decrease from Q1 2017. The decrease can be explained by lower costs for utilities and grounds services in 2018.

WALNUT HILLS GID

Quarterly Performance

Through the first quarter 2018, the Walnut Hills GID collected \$37,337 in revenues, resulting in a \$5,167 or 16% increase over Q1 2017. The increase is associated with the timing of collections in property tax and greater revenues from investment income through March 2018.

Through the first quarter 2018, the Walnut Hills GID reported \$11,849 in operating expenditure, resulting in a \$9,521 or 409% increase over Q1 2017. The sharp increase can be explained by higher costs for grounds services and legal services provided by the City Attorney's Office in 2018.

OTHER FUNDS ANALYSIS

CURA

The Centennial Urban Redevelopment Authority (CURA) was established in 2005 for the purpose of development, redevelopment and rehabilitation of the blighted area within the Southglenn Mall Redevelopment area.

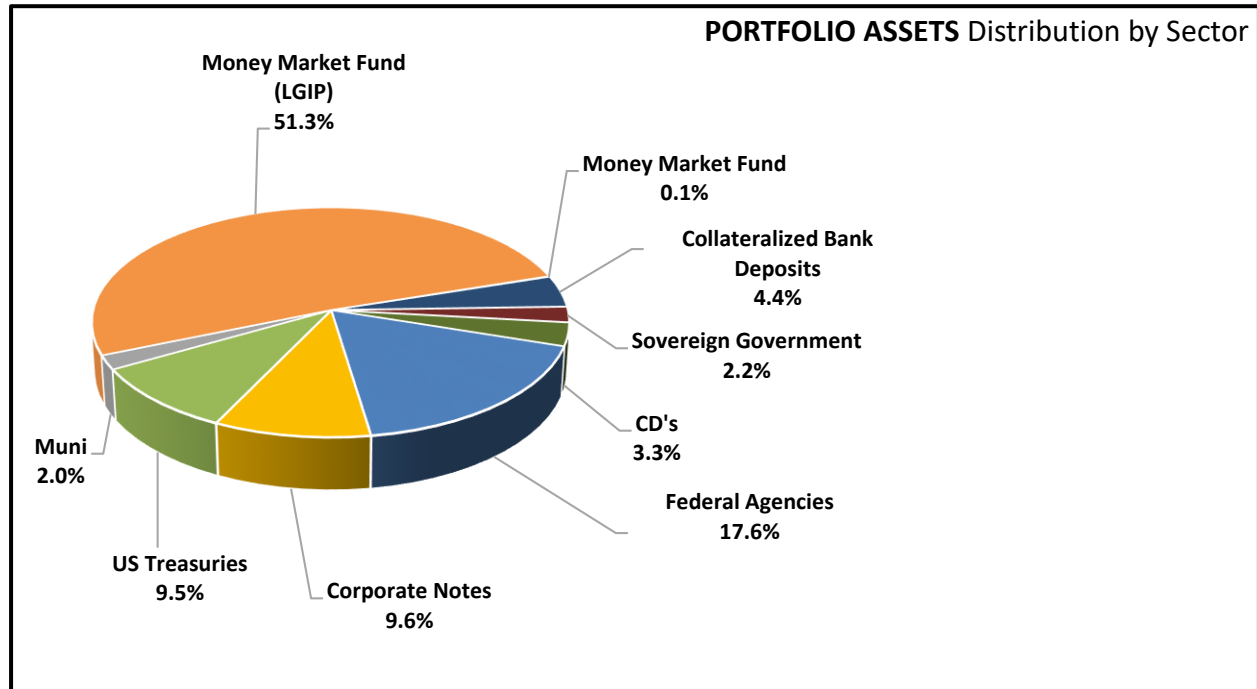
Quarterly Performance

Through the first quarter 2018, the CURA Fund collected \$2,487,917 in revenues, resulting in a \$405,013 or 19% increase over Q1 2017. The increase is associated with attributable to the valuation and timing of property tax revenues. Property tax payments have three due dates throughout the fiscal year. The due date for payment in full is April 30, while due dates for two payment option are February 28 and June 15. The timing of property tax collection during the first months of the year can vary year to year.

Through the first quarter 2018, the CURA Fund reported \$2,487,917 in operating expenditure, resulting in a \$399,495 or 19% increase over Q1 2017. The increase can be explained by higher expenditures in 2018 for property tax pass-through to Southglenn Metropolitan District.

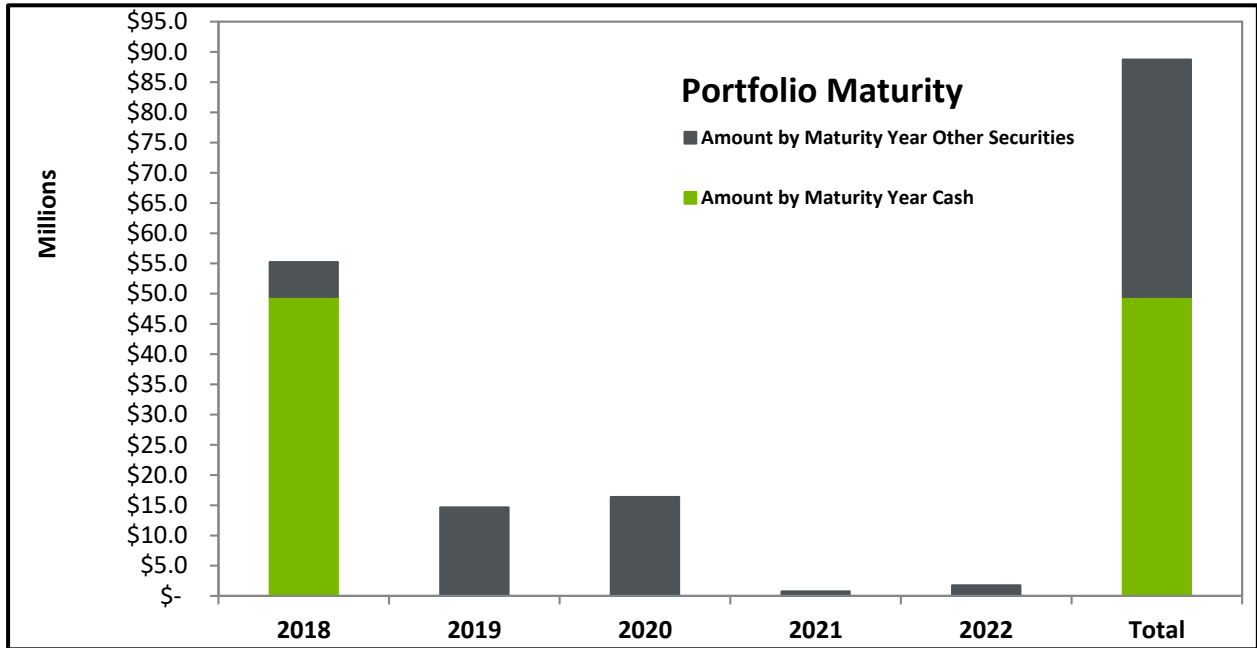
INVESTMENT REPORT

The City maintains a diverse portfolio of investments having updated the Investment Policy Statement in 2017. The long-term investment portfolio is managed by Public Trust Advisors and overseen by the City's Investment Committee. As of Q1 2018 the City's long-term investment portfolio had a market value of \$39.2 million consisting of 54 investments with a yield of 1.48%. Including short-term funds, the City's total portfolio had a value of \$88.7 million through March 2018. The graph below displays the distribution of the City's current portfolio.



INVESTMENT REPORT

The following graph shows the maturity cycle of the City's current investments. The City's goal is to reach an average duration of 1.8 years. With City Council's newly adopted Investment Policy (beginning May 2017), maturities will be allowed up to five years, adding maturities in 2018 through 2022 and extending the duration periods.



GLOSSARY

Modified Accrual-Based Accounting: Revenues are recognized as soon as both measurable and available. Expenditures are recorded when incurred.

Capital Improvement Fund: City fund; responsible for operating the City's transportation and safety infrastructure as well as the major maintenance of City facilities and assets. Independent of the General Fund.

Cash-Based Accounting: Transactions are recorded in accordance with cash flow regardless of economic transaction timing.

Conservation Trust Fund: City fund; works in tandem with the Open Space Fund to operate the maintenance and enhancement of the City's network of parks, open spaces, and trails. Independent of the General Fund.

Consumer Confidence Index: Economic model designed to measure the degree of optimism on the state of the economy that consumers express through their tendencies to save and spend in the economy.

General Fund: Operating fund for the City; accounts for all receipts, appropriations and transfers, and expenditures.

Labor Force: The total number (or percentage) of a population that is either employed or unemployed (that is, not actively working but seeking work and eligible for employment). Independent of the General Fund.

Land Use Fund: City Fund; responsible for managing those revenues and expenditures associated with enforcement of the City's regulations. Independent of the General Fund.

North American Industry Classification System: Used to categorize sales tax revenue by industry.

Open Space Fund: City fund; works in tandem with the Conservation Trust Fund (CTF) to operate the maintenance and enhancement of the City's network of parks, open spaces, and trails. Independent of the General Fund.

COLUMN DESCRIPTIONS

Source of Funds: All revenues received from external/internal sources and inter-fund transfers into a fund.

Uses of Funds: All departmental/divisional expenditures incurred and inter-fund out of a fund.

Variance: Used to describe the difference or resulting percentage change in comparative analysis.

- Over – Un-bracketed values indicating a favorable variance in the comparison of the data.
- (Under) – Bracketed values indicating an unfavorable variance in the comparison of the data.
- Variance to 2017 – Percentage change between 2018 year-to-date values through the current quarter and the prior year-to-date (i.e. 2017) values through the same period.

Year-to-Date: The sum of all sources and/or uses of funds starting from the beginning of the fiscal year to the current period.