



City of Aurora, Colorado

# Financial Performance Report

**For the Quarter Ending December 31, 2018**

*Report released March 29, 2019*

Important Note: The data contained in this report are unaudited and not considered final. The figures represent an estimate of year-end performance (on a budgetary basis) given the information available at the time and are not expected to vary materially.

**Prepared by the Office of Budget and Financial Planning**

---

# Table of Contents

Economic Update	3
Fund Dashboard Year-End Results	4
General Fund	5
Combined Water & Wastewater Funds	8
Recreation Fund	11
Development Review Fund	12
Golf Courses Fund	13
Marijuana Tax Revenue Fund	14
Appendices	15
I) General Fund Overview	16
II) Glossary and Column Descriptions	17
III) Finance Department Indicators	18

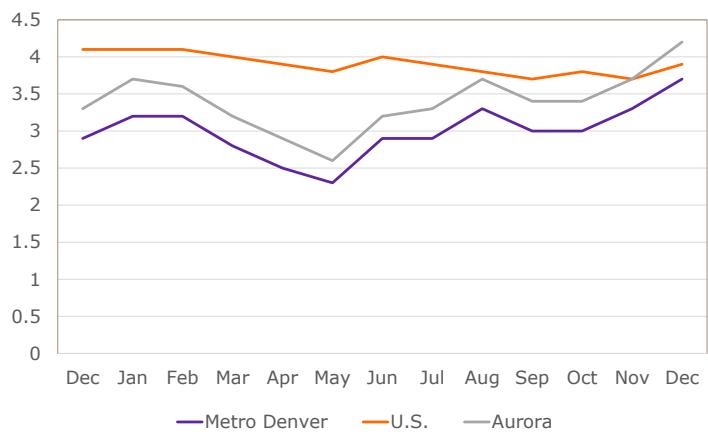
# Economic Update

U.S. Gross Domestic Product grew steadily through 2018, with the highest growth reported in the second and third quarters at 4.2% and 3.4% respectively. Inflation ran near 2%, the Federal Reserve’s target level. Looking ahead, the economy is expected to expand moderately in 2019, but several factors could prove constraining. Investment spending indicators are beginning to weaken, and housing construction has decreased.

Internationally, foreign economic conditions are diminishing, with growth slowing rapidly in Europe and China now feeling the impact of its ongoing trade war with the United States. Nevertheless, the national economy remains on track to break the record for expansion longevity following a major contraction.

In 2019, the Colorado economy is expected to expand at a slower pace than in prior years. Business investments and consumer spending are expected to moderate as the federal tax cut stimulus runs out while increasing interest rates and a tight labor market pose stronger headwinds to growth.






## Unemployment Rate



Consumer confidence in the Mountain Region, which jumped in November, declined 0.4% in December, but is still up 3.6% over the year.

In December 2018, the state’s unemployment rate stood at 3.8%, below Aurora’s unemployment rate of 4.2 %. It is inter-

## Local Economic Indicators


Current Mo Data/ % Chg to Prior Mo		Year-to-Date Avg % Change	
AURORA BUILDING PERMITS			
New Housing and Commercial Permits			
	<b>103</b> (December) -3.7%	<b>-13.2%</b>	
MOUNTAIN REGION CONSUMER CONFIDENCE INDEX (CCI)			
	140.2 (December) -0.4%	<b>+3.6%</b>	
LEEDS BUSINESS CONFIDENCE INDEX CO (values above 50 indicate expansion)			
	<b>Q1 2019</b> 50.1	<b>Q4 2018</b> 54.6	<b>Q1 2018</b> 59.5





Note: All indicator data is most current available.

esting to note that Colorado year-to-date average unemployment rose in 2018 from 2.7% to 3.3%, while the national unemployment rate dropped from 4.4% to 3.9%. The rise in the state’s unemployment rate in the fourth quarter of 2018 can be attributed to a larger number of people rejoining the labor force and actively looking for work.

Building permit activity in Aurora grew by 19.2% in 2018, driven by new multi-family dwellings and renovation permits. One notable commercial project which opened at the end of 2018 was the Gaylord Hotel and Convention Center, the largest construction project to date in Aurora. In 2018, single family housing projects in Aurora continued to come in at a healthy rate, but experienced a 14.8% decline compared to 2017.

# Fund Dashboard Year-End Results

General Fund	Funds Available Variance (to projection)	Beginning Fund Balance	Increase/(Use) of Funds Available
Comments	 <b>\$6,262,105</b>	<b>\$59,802,700</b>	<b>\$11,485,457</b> \$5,223,351 (projection)
Higher than expected fund sources driven by collections of auto use tax, fines and forfeitures, and audit revenue result in an increase to fund balance. Total fund uses are over projection due to transfer increases associated with stronger than projected capital-related use tax revenues.	Operating Reserve	TABOR/Policy Reserve	Ending Funds Available
	<b>\$33,267,061</b> \$26,933,029 (projection)	<b>\$29,621,095</b> \$29,693,022 (projection)	<b>\$71,288,156</b> \$65,026,051 (projection)

Fund	Funds Available Variance (to projection)	Beginning Fund Balance	Increase/ (Use) of Funds	Ending Funds Available	Comments
Combined Water & Wastewater	 <b>\$26,287,426</b>	<b>\$102,731,217</b>	<b>(\$4,689,913)</b> (\$30,977,339) (projection)	<b>\$98,041,304</b> \$71,753,878 (projection)	Strong development together with an unusually dry second half of the year drove revenue higher than projection. Combined with lower spending, primarily on capital projects, the ending fund balance was higher than projection by \$26.3 million.
Recreation	 <b>\$106,194</b>	<b>\$1,293,008</b>	<b>(\$133,378)</b> (\$239,572) (projection)	<b>\$1,159,629</b> \$1,059,436 (projection)	Operating revenue finished slightly better than projection with shortages in some programs covered by gains in others. Expenditures finished near projection with variances due to professional and technical services for sports park programs.
Development Review	 <b>\$1,124,259</b>	<b>\$10,650,804</b>	<b>\$1,057,913</b> (\$66,346) (projection)	<b>\$11,708,717</b> \$10,584,458 (projection)	Revenue collections remained strong and ended the year ahead of projection. The impact to the fund was partially offset by less than projected expenditures, primarily for personnel-related costs.
Golf Courses	 <b>\$42,722</b>	<b>\$2,366,106</b>	<b>\$343,248</b> \$300,526 (projection)	<b>\$2,709,354</b> \$2,666,632 (projection)	Revenues ended the year slightly lower than projection with an early start to the colder weather. Higher expenses in personal services and supplies were covered by less spending in utilities and capital.



# General Fund

## Revenues (Sources of Funds)

With nearly all of the General Fund’s revenues collected, 2018 operating revenues are estimated to finish the year \$5.6 million (1.8%) ahead of projection, although much of the additional revenue is one-time in nature.

Sales tax collections ended 2018 slightly below projection by \$275,500 (0.1%). As shown by the *Top Taxpayers by Industry Category* chart, collections from the city’s top taxpayers increased by 2.9%, subdued by an expected decline in auto sales and weaknesses in the telecommunication and furniture and home furnishings categories. All other taxpayers, driven by intermittent revenue collections from technology and construction-related businesses, exhibited strong growth of 10%.

In contrast to the projection, auto use tax collections continued to increase in 2018. This resulted in additional revenue of \$541,700. Signs point to an industry slowdown, however, as 2018 experienced the slowest growth rate since 2010. When combining auto sales and use tax collections, which includes all vehicles purchased by Aurora residents, the year-over-year growth is flat.

Audit revenue ended the year \$2.2 million higher than projected. Despite the fluctuating nature of this revenue source, collections remained at a somewhat predictable \$2.0 to \$3.0 million for many years. Thanks to an increase in the size and experience of the audit team combined with the completion of larger audits, revenues increased to \$4.9 million in 2017 and \$6.6 million in 2018. While these unusually high revenue proceeds are not sustainable, future collections are expected to remain higher than historical averages.

Fines and forfeitures collections accounted for \$532,500 of the additional revenue. This increase was supported by 23.0 percent growth in the number of traffic tickets issued compared to 2017, a return to 2015 levels.

Capital-related use tax revenue exceeded projection by \$6.1 million (27.4%). This includes an estimated incentive amount of \$1.1 million which was transferred to the Designated Revenue Fund as discussed in the expenditure summary on page 4. In 2018, total building permits issued grew by 19.2% over 2017, driven by new multi-family housing permits and renovation permits for existing buildings.

### 2018 Revenue Performance by Type

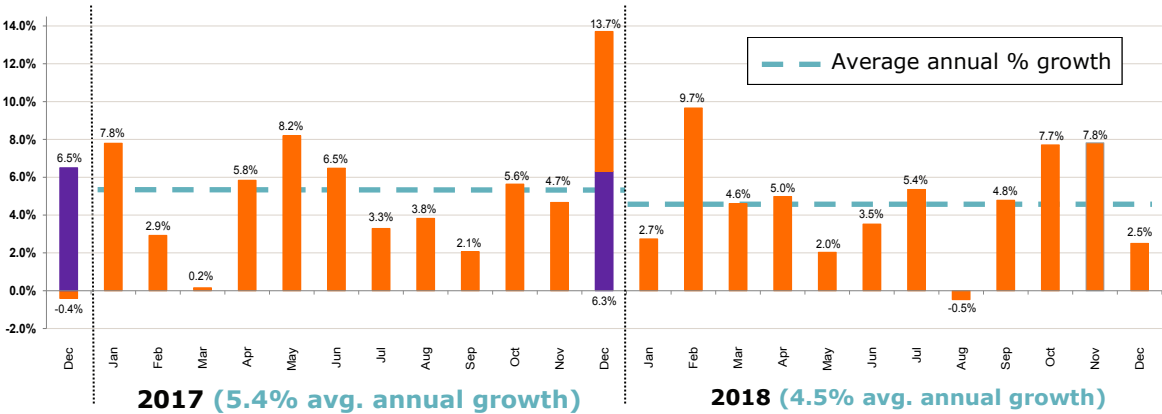
Revenue Category (\$ in thousands)	2018 YTD Projection	Actuals (Under)/ Over Projection	
		\$	%
General Sales Tax	\$187,133.2	(\$275.5)	(0.1%)
Capital Related Use Tax	22,460.8	6,147.3	27.4%
Auto Use Tax	20,073.7	541.7	2.7%
Franchise Fees and Taxes	14,761.1	(534.9)	(3.6%)
External Charges	6,047.7	498.4	8.2%
Audit Revenue	4,500.0	2,150.9	47.8%
Fines & Forfeitures	4,877.2	532.5	10.9%
All Other Gen Fund Revenue	81,660.5	1,462.9	1.8%
<b>Total Revenue</b>	<b>\$341,514.1</b>	<b>\$10,523.4</b>	<b>3.1%</b>
Less Capital Transfer	33,111.8	4,905.9	14.8%
<b>Operating Revenue</b>	<b>\$308,402.3</b>	<b>\$5,617.5</b>	<b>1.8%</b>

### Top Taxpayers by Industry Category

Industry Category (\$ in thousands)	YTD December		\$ Variance	% Change
	2018	2017		
Eating & Drinking Places	\$ 27,762.5	\$ 26,327.2	\$ 1,435.3	5.5%
Discount Stores	22,159.9	21,175.3	984.6	4.6%
Building Materials	13,600.2	13,156.4	443.7	3.4%
Utilities	10,826.5	10,677.0	149.5	1.4%
Telecommunication/Cellular	9,952.6	10,336.7	(384.1)	(3.7%)
Auto Dealers and Parts	8,805.5	9,193.3	(387.8)	(4.2%)
Beer, Wine, and Liquor Stores	4,779.1	4,758.9	20.3	0.4%
Clothing and Clothing Accessories	4,746.5	4,384.8	361.7	8.2%
Electronics/Computers	4,648.6	4,554.0	94.6	2.1%
Department Stores	4,682.3	4,564.2	118.1	2.6%
Grocery Stores	4,271.4	4,108.8	162.6	4.0%
Sport Goods, Hobby, Books, Music	2,340.3	2,411.2	(70.8)	(2.9%)
Furniture and Home Furnishings	2,069.0	2,202.3	(133.3)	(6.1%)
Other Top Taxpayers	13,090.6	12,160.7	929.9	7.6%
<b>TOTAL TOP TAXPAYERS</b>	<b>\$133,735.0</b>	<b>\$130,010.7</b>	<b>\$3,724.3</b>	<b>2.9%</b>
Total of All Other Taxpayers	57,373.3	52,331.4	5,041.9	9.6%
Less Sales Tax Incentives	4,250.6	3,564.4	686.2	19.3%
<b>TOTAL REPORTED SALES TAX</b>	<b>\$186,857.7</b>	<b>\$178,777.7</b>	<b>\$8,080.0</b>	<b>4.5%</b>

### Sales Tax Chart, % Change from Same Month in Prior Year

NOTE: A significant refund occurred in Dec 2016. Graph represents data with and without the refund for comparison purposes



# General Fund

## Expenditures (Uses of Funds)

Final audited data for 2018 is not yet available. An estimate of year-end General Fund uses has been formulated for the purposes of this report. No significant changes are anticipated that would materially alter the following analysis.

Total General Fund operating expenditures are estimated to be \$1.6 million (0.6%) lower than projected. With transfers out included, General Fund uses are \$4.3 million (1.3%) over projection. The transfer increases are entirely offset by higher than projected General Fund revenue and do not have a bottom line impact on the fund. Increases in construction-related revenues resulted in a transfer out to the Capital Projects Fund that was \$4.9 million above projection. Other transfers out are above projection due to an incentivized construction project, for which an estimated incentive amount was transferred to the Designated Revenues Fund.

Personnel-related expenditures ended the year \$1.4 million under projection. As demonstrated by \$2.0 million in salary and benefit savings, hiring challenges persisted through 2018 due in part to continued low unemployment rates. Overages in special pay, which were more than offset by these savings, are largely related to leave payouts in the City Attorney, Fire, and Police departments.

A lack of snowfall in the beginning of the year decreased the usage of de-icing materials in 2018, which accounted for the majority of the savings in the operating supplies category.

Expenditures for utilities also ended the year below projection. As shown by the 2018 Citywide Utilities chart, the primary drivers were street light operations including non-routine maintenance as well as electricity costs. These savings offset higher than projected expenditures in the water/sewer category, driven by one of the hottest Colorado summers on record and a lack of precipitation.

All other operating expenditures are over projection by \$618,800, although variances can be seen within expenditure classes. This is typical at the end of each year as departments utilize funds saved throughout the year to complete one-time, end of year purchases.

See page 7 for detail expenditure performance by category.

## 2018 Expenditure Performance

Expenditure Category (\$ in thousands)	2018 Proj	Actuals Under/ (Over) Proj	
		\$	%
Personal Services	\$211,849.5	\$1,359.8	0.6%
Temp Compensation	3,293.5	(7.2)	(0.2%)
Professional/Technical	13,257.7	(503.9)	(3.8%)
Operating Supplies	19,095.3	534.2	2.8%
Utilities	11,167.1	318.7	2.9%
Fleet/Risk Interfund	15,381.4	163.3	1.1%
Debt/Equip Purchases	3,165.2	(278.3)	(8.8%)
Total Operating Exp.	\$277,209.8	\$1,586.7	0.6%
Capital Rev Transfer	33,111.8	(4,905.9)	(14.8%)
Other Transfers Out	27,953.3	(942.2)	(3.4%)
<b>Total Uses of Funds</b>	<b>\$338,274.9</b>	<b>(\$4,261.3)</b>	<b>(1.3%)</b>

## 2018 Personnel Expenditures

Personnel Category (\$ in thousands)	YTD Dec Proj	YTD Dec Actuals	Actuals Under/(Over) Proj
Regular Employee Salary & Benefits	\$201,454.8	\$199,433.8	\$2,021.1
Special Pay	4,284.4	5,202.1	(917.7)
Overtime Compensation	6,110.3	5,853.8	256.5
Temporary Compensation	3,293.5	3,300.7	(7.2)
<b>Total Salary &amp; Other Compensation</b>	<b>\$215,143.0</b>	<b>\$213,790.4</b>	<b>\$1,352.6</b>

Vacancies	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Total Career Service	71.3	79.0	73.0	78.4

## 2018 Citywide Utilities

Utility (\$ in thousands)	YTD Dec Proj	YTD Dec Actuals	Actuals Under/(Over) Proj
Electricity	\$1,872.7	\$1,766.9	\$105.8
Natural Gas	278.4	270.0	8.4
Non-Routine Maint	1,110.9	836.9	274.0
Street Lights-XCEL	4,394.7	4,167.1	227.6
Traffic Lights, Signs	202.6	117.2	85.4
Water/Sewer	3,319.8	3,715.8	(395.9)
Other Utilities	20.5	7.1	13.4
<b>Total Dec YTD</b>	<b>\$11,199.7</b>	<b>\$10,881.0</b>	<b>\$318.7</b>

# General Fund

The General Fund is the operating fund for the City of Aurora. It accounts for receipts, appropriations, and expenditures unless separate fund reporting is required. For an overview of

the General Fund budget, including a breakdown of uses and departments, see page 16.

Revenues (Sources of Funds)	2018 Budget	2018 Projection	YTD Actual thru Dec 2018	2018 Year-to-Date Sources Over/ (Under)				Dec 2018 Actual	Dec Variance Over/ (Under)	
				2017	2018 Projection	% Chg vs 2017	% Chg vs Proj		2017	2018 Projection
Sales Tax - General	\$184,148,494	187,133,214	\$186,857,702	\$8,079,975	(\$275,512)	4.5%	(0.1%)	14,845,799	362,524	(343,585)
Use Tax - Capital Related	22,840,167	22,460,847	28,608,189	4,483,391	6,147,343	18.6%	27.4%	2,545,696	753,748	808,285
Use Tax - Automobile	17,765,244	20,073,692	20,615,416	440,851	541,724	2.2%	2.7%	1,664,230	5,712	102,740
Property Tax	35,952,903	36,183,904	36,464,233	5,244,298	280,329	16.8%	0.8%	145,847	118	145,847
Franchise Fees & Taxes	14,931,484	14,761,056	14,226,174	(302,424)	(534,882)	(2.1%)	(3.6%)	2,693,167	(75,505)	(248,555)
Highway User's Fees & Taxes	12,303,949	12,247,007	11,778,490	(287,527)	(468,517)	(2.4%)	(3.8%)	1,858,095	(117,294)	(205,882)
Other Auto Related (SOT, MV Fees)	3,536,271	4,040,029	3,994,415	63,298	(45,614)	1.6%	(1.1%)	729,345	46,051	86,867
Audit Revenue	3,102,540	4,500,000	6,650,919	1,753,435	2,150,919	35.8%	47.8%	851,871	676,882	753,387
Other Taxes	13,570,988	13,309,150	13,871,478	528,707	562,327	4.0%	4.2%	1,532,255	126,386	174,369
Other Intergovernmental Fees & Taxes	3,166,850	2,960,286	2,926,613	(275,416)	(33,673)	(8.6%)	(1.1%)	223,815	(455,028)	(8,679)
Business Licenses & Other Permits	2,898,354	2,839,797	3,201,820	394,911	362,023	14.1%	12.7%	234,073	33,372	62,305
Fines & Forfeitures	4,060,594	4,877,209	5,409,719	991,957	532,510	22.5%	10.9%	398,236	7,348	75,068
Internal Charges for Services	7,339,184	7,343,322	7,491,998	855,466	148,676	12.9%	2.0%	776,724	111,117	30,414
External Charges for Services	6,082,087	6,047,657	6,546,069	645,916	498,412	10.9%	8.2%	529,502	37,090	163,170
Other General Fund Revenue	2,627,320	2,736,976	3,394,322	(410,218)	657,346	(10.8%)	24.0%	592,693	(256,344)	16,156
<b>Total Sources of Funds</b>	<b>\$336,310,534</b>	<b>\$343,498,251</b>	<b>\$354,021,661</b>	<b>\$22,534,599</b>	<b>\$10,523,410</b>	<b>6.8%</b>	<b>3.1%</b>	<b>\$29,621,347</b>	<b>\$1,256,178</b>	<b>\$1,611,906</b>
<b>General Fund Operating Revenue <sup>1</sup></b>	<b>\$301,148,592</b>	<b>\$308,402,336</b>	<b>\$314,019,885</b>	<b>\$16,400,633</b>	<b>\$5,617,549</b>	<b>5.5%</b>	<b>1.8%</b>			

Expenditures (Uses of Funds)	2018 Budget	2018 Projection	YTD Actual thru Dec 2018	2018 Year-to-Date Uses Under/ (Over)				Increase/ (Use) of Available Funds <sup>3</sup>
				2017	2018 Projection	% Chg vs 2017	% Chg vs Proj	
Personal Services	213,570,292	\$211,849,524	\$210,489,692	(\$9,433,938)	\$1,359,832	(4.7%)	0.6%	(\$2,814,045)
Temporary Compensation	2,846,365	3,293,479	3,300,713	(864,060)	(7,234)	(35.5%)	(0.2%)	
Professional & Technical Services	13,078,272	13,257,741	13,761,598	3,042,962	(503,857)	18.1%	(3.8%)	
Operating Supplies/Other	18,662,143	19,095,325	18,561,082	(258,947)	534,243	(1.4%)	2.8%	
Utilities	11,501,395	11,167,112	10,848,400	4,062,090	318,712	27.2%	2.9%	
Interfund Charges	15,021,637	15,381,421	15,218,110	(313,343)	163,311	(2.1%)	1.1%	
Capital Purchases (Equip, Vehicles, Other)	3,203,881	3,165,206	3,443,473	(776,330)	(278,267)	(29.1%)	(8.8%)	
<b>General Fund Operating Expenditures</b>	<b>\$277,883,985</b>	<b>\$277,209,808</b>	<b>\$275,623,069</b>	<b>(\$4,541,567)</b>	<b>\$1,586,739</b>	<b>(1.7%)</b>	<b>0.6%</b>	
Capital Related Revenue Transfer Out <sup>2</sup>	33,177,837	33,111,810	38,017,671	(5,805,985)	(4,905,861)	(18.0%)	(14.8%)	
All Other Transfers Out to Other Funds	28,062,757	27,953,282	28,895,465	(5,414,787)	(942,183)	(23.1%)	(3.4%)	
<b>Total Uses of Funds</b>	<b>\$339,124,579</b>	<b>\$338,274,900</b>	<b>\$342,536,205</b>	<b>(\$15,762,339)</b>	<b>(\$4,261,305)</b>	<b>(4.8%)</b>	<b>(1.3%)</b>	
			<b>\$11,485,457</b>					

See page 17 for glossary and detailed data description for each column.

- Operating revenue excludes transfers into the General Fund from other funds and accounts for the transfer out of construction related use tax to the Capital Projects Fund (CPF).
- The transfer to the CPF is calculated in December and transferred out of the General Fund. For the purposes of this report, an effective transfer using current revenue collections has been calculated and included as an actual.
- The 2018 Adopted Budget includes the planned use of \$1.4 million in funds available primarily associated with expenditures for major intersection traffic improvements. In the 2018 Spring Supplemental process, an additional \$1.4 million was added with no offsetting revenue,

bringing the total planned use of funds available up to \$2.7 million. Supplemental appropriation of \$800,000 is associated with the addition of one-time funds to Aurora Fire Rescue to provide all members with a second set of bunker gear and have all Personal Protective Equipment (PPE) inspected and professionally cleaned. In addition, Council appropriated \$200,000 towards flashing speed signs and approved \$300,000 to update the Environmental Assessment for the I-70/Picadilly Interchange. In the 2018 Fall Supplemental process, an additional \$77,500 was added to align the General Fund HOME match to the 2018 actual award amount.

- General Fund from other funds and accounts for the transfer out of construction related use tax to the Capital Projects Fund (CPF).

# Combined Water & Wastewater Funds

## Fund Results

The available fund balance for the combined Water and Wastewater Funds ended the year \$26.3 million higher than the 2018 projection had assumed. Both operating revenue and expenses finished better than projection while the capital budget played out differently than the projection assumed, impacting the fund results. The ending funds available in the combined Water and Wastewater Funds is \$79.5 million rather than \$53.2 million as projected.

### 2018 Fund Sources

Over/(Under) Projection

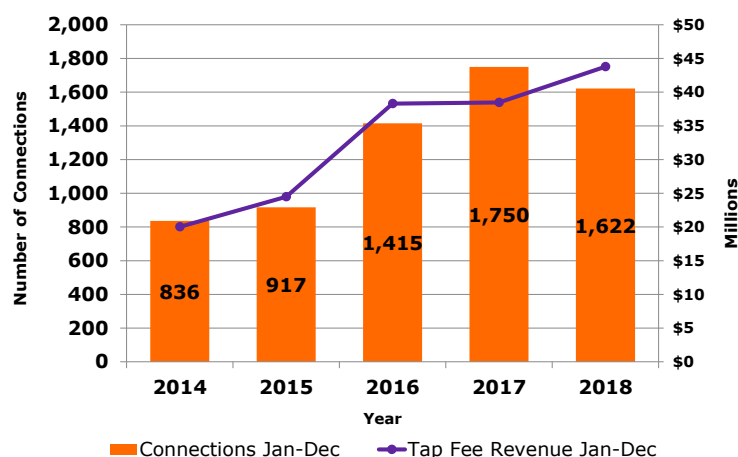
Revenue Type	Water	Wastewater	Combined
Utility Sales - Water	\$8,708,785	\$0	\$8,708,785
Utility Sales - WW	0	(315,604)	(315,604)
Development Fees	8,086,605	3,467,178	11,553,783
External Charges for Services	1,365,697	132,970	1,498,667
Investment Income	1,895,403	308,183	2,203,586
Other Revenue	2,606,410	(6,643,053)	(4,036,643)
<b>Total Revenue</b>	<b>\$22,662,900</b>	<b>(\$3,050,326)</b>	<b>\$19,612,574</b>

## Revenue (Sources of Funds)

Strong development together with lower than average precipitation for much of the year had a significant impact on operating revenue.

The final result for total sources in the combined funds is \$19.6 million (6.9%) better than the revenue projection developed mid-year. Water utility sales (up \$8.7 million) and development fee revenue (up \$11.6 million) account for most of the favorable variance. The projection was prepared before the height of the watering season and did not capture higher

### Water connections and tap fee revenues



than average revenue generated by the extended dry weather pattern. Water sales through the Water Infrastructure and Supply Efficiency (WISE) regional partnership also came in higher than planned. Development fee revenue was driven primarily by tap fees for a greater number of multi-family developments than were included in the projection.

When comparing to 2017 revenue collections, 2018 revenue is higher by a total of \$73.9 million (32.1%). Loan proceeds from both internal and external sources totaling \$46.0 million account for the majority of the increase. When excluding loan proceeds, the resulting increase in operating revenue is mostly due to water utility sales and development fees. In 2018, there were a total of 59 multifamily connections adding about 890 units compared to 13 multifamily accounts with a total of 217 units in 2017.

## Expenses (Uses of Funds)

Total fund uses ended the year \$6.7 million under projection, mostly due to lower than anticipated spending against capital projects. Conversely, uses are \$84.5 million greater than 2017. Most operating expense categories are higher, yet the

### 2018 Fund Uses

Under/(Over) Projection

Expense Type	Water	Wastewater	Combined
Personal Services	(\$938,671)	(\$234,956)	(\$1,173,627)
Temporary Compensation	160,901	78,533	239,434
Professional & Technical Services	181,855	449,079	630,934
Operating Supplies/Other	(516,728)	352,907	(163,821)
Utilities	(1,916,277)	(251,167)	(2,167,444)
Interfund Charges	17,366	80,374	97,740
Debt Related	584,944	(81,634)	503,310
Capitalized Purchases	234,263	93,012	327,275
<b>Total Operating Expenses</b>	<b>(\$2,192,347)</b>	<b>\$486,148</b>	<b>(\$1,706,199)</b>
Capital Projects	11,972,254	(3,591,203)	8,381,051
<b>Total Expenses</b>	<b>\$9,779,907</b>	<b>(\$3,105,055)</b>	<b>\$6,674,852</b>

increase is primarily due to greater capital spending.

## Operating Expenses

Total operating expenses for the combined funds for the year are \$1.7 million (1.2%) higher than plan. In the chart above, sizeable variances can be seen in personal services and utilities. Personnel related expenditures are over projection because less than planned work was performed in-house on capital projects. Utilities expenses are over projection due to higher than anticipated spending on treatment of water in preparation of forecasted drought conditions in 2019.



# Combined Water & Wastewater Funds

Compared to 2017, operating expenses are \$7.6 million (5.8%) higher. Treatment plant supply costs, water storage utility payments, and an escrow payment for a water rights acquisition drive the majority of the additional spending. Additional staff that were added to the 2018 budget, as well as market equity adjustments implemented during the year have also contributed to the increase over 2017.

## Capital Budget and Expenses

Capital funds are obligated in the year budgeted, however, actual spending can occur over multiple years. The table below outlines the 2018 capital working budget by program, which includes unspent funds carried forward from previous years. To measure current-year capital spending, Aurora Water creates a spending plan for each quarter.

The 2018 spending plan assumes that \$144.0 million of the appropriated \$301.9 million would be spent by year-end. The majority of the balance of appropriated funds not included in the 2018 spending plan is the result of water storage projects and water rights acquisitions that are opportunistic and cannot always be timed to the budget. Additionally, a significant por-

tion of the budgeted funds were contractually obligated, but not spent, as noted in the encumbered funds column in the chart below.

Of the \$144.0 million 2018 spending plan, \$103.9 million (72.1%) was spent by year-end. This variance is largely driven by the Water Fund with the delay in timing of the Water Rights Acquisition projects in Source of Supply Water Program and lower than anticipated spending for Binney and Griswold Water Purification Facility (WPF) improvements in the Treatment Program. The variance in the Wastewater Fund is predominately due to changes in the Collection Program relating to the timing of the Second Creek Regional Lift Station and Second Creek Interceptor construction projects.

In addition to current spending, there are also projects with large encumbrances. Encumbered funds are funds that are contractually obligated on a purchase order, but not paid pending delivery of goods or services and therefore are not included in year-to-date spending. Currently, \$48.8 million are encumbered, primarily in the Pumping Program in the Water Fund and the Collection Program in the Wastewater Fund.

## Capital Projects Status

Water and Wastewater Funds

Program	2018 Working Budget	2018 Spending Projection	YTD Spending Projection	*2018 YTD Actuals Spending	Under/ (Over) Plan	Encumbered Funds
<b>WATER FUND</b>						
Operations & General Mgmt	\$26,364,070	\$3,652,689	\$3,652,689	\$747,979	\$2,904,711	\$644,478
Pumping	13,086,795	1,760,767	1,760,767	3,949,748	(2,188,981)	14,222,562
SOS Other	14,285,025	8,225,033	8,225,033	3,908,938	4,316,095	1,463,705
SOS Storage	30,241,062	11,412,196	11,412,196	14,250,828	(2,838,631)	5,112,960
SOS Water	47,621,888	60,505,142	60,505,142	42,519,550	17,985,593	2,014,587
Trans & Distrib	22,356,469	5,737,197	5,737,197	4,511,067	1,226,130	1,412,864
Treatment	32,583,697	11,323,322	11,323,322	5,920,301	5,403,021	6,170,345
<b>Total Water Fund</b>	<b>\$186,539,006</b>	<b>\$102,616,346</b>	<b>\$102,616,346</b>	<b>\$75,808,410</b>	<b>\$26,807,936</b>	<b>\$31,041,501</b>
<b>WASTEWATER FUND</b>						
Collection	\$36,402,138	\$25,319,768	\$25,319,768	\$17,156,170	\$8,163,598	\$9,085,740
Operations & General Mgmt	21,193,848	2,716,124	2,716,124	487,944	2,228,181	537,697
Storm Water	57,769,841	13,358,943	13,358,943	10,416,805	2,942,138	8,164,755
<b>Total Wastewater Fund</b>	<b>\$115,365,827</b>	<b>\$41,394,836</b>	<b>\$41,394,836</b>	<b>\$28,060,919</b>	<b>\$13,333,917</b>	<b>\$17,788,192</b>
<b>Totals</b>	<b>\$301,904,833</b>	<b>\$144,011,182</b>	<b>\$144,011,182</b>	<b>\$103,869,329</b>	<b>\$40,141,853</b>	<b>\$48,829,693</b>

\*Final spending figures do not include encumbrances.

# Combined Water & Wastewater Funds

The Aurora Water Department administers the Water and Wastewater funds, which are supported primarily from user fees and development fees. Aurora Water operates as a cost of

service utility (or enterprise), which means that revenues must fully cover the cost of providing water, sanitary sewer, and storm water services to its customers.

Revenues (Sources of Funds)	2018 Projection	YTD Actual thru Q4 2018	2018 Year-to-Date Sources Over / (Under)			
			2017	2018 Projection	% Chg vs 2017	%Chg vs. Proj.
Utility Sales - Water	\$111,004,389	\$119,713,174	\$9,380,617	\$8,708,785	8.5%	7.8%
Utility Sales - Wastewater	60,378,060	60,062,456	2,477,513	(315,604)	4.3%	(0.5%)
Development Fees	46,180,000	57,733,783	13,134,326	11,553,783	29.4%	25.0%
Charges for Services	8,431,076	9,929,743	(2,151,867)	1,498,667	(17.8%)	17.8%
Investment Income	2,755,752	4,959,338	2,095,537	2,203,586	73.2%	80.0%
Other Revenue	1,890,314	5,358,238	2,552,555	3,467,924	91.0%	183.5%
Proceeds from Borrowing	37,500,000	30,000,000	30,000,000	(7,500,000)	N/A	(20.0%)
Funds from Restricted Assets	374,000	374,750	374,750	750	N/A	0.2%
<b>Total Sources of Funds</b>	<b>\$268,513,591</b>	<b>\$288,131,482</b>	<b>\$57,863,431</b>	<b>\$19,617,891</b>	<b>25.1%</b>	<b>7.3%</b>
Transfers In from Other Funds	16,000,000	15,994,683	15,994,683	(5,317)	N/A	(0.0%)
<b>Total Sources of Funds</b>	<b>\$284,513,591</b>	<b>\$304,126,165</b>	<b>\$73,858,114</b>	<b>\$19,612,574</b>	<b>32.1%</b>	<b>6.9%</b>

Expenses (Uses of Funds)	2018 Projection	YTD Actual thru Q4 2018	2018 Year-to-Date Uses Under / (Over)			
			2017	2018 Projection	% Chg vs 2017	%Chg vs. Proj.
Personal Services	\$38,079,448	\$39,253,075	(\$2,049,252)	(\$1,173,627)	(5.5%)	(3.1%)
Temporary Compensation	1,104,871	865,437	(14,444)	239,434	(1.7%)	21.7%
Professional & Technical Services	8,831,224	8,200,290	(244,749)	630,934	(3.1%)	7.1%
Operating Supplies/Other	25,363,409	25,527,230	(3,145,887)	(163,821)	(14.1%)	(0.6%)
Utilities	35,510,841	37,678,285	(3,816,620)	(2,167,444)	(11.3%)	(6.1%)
Interfund Charges	2,884,117	2,786,377	(31,585)	97,740	(1.1%)	3.4%
Debt Related	22,821,685	22,318,375	38,100	503,310	0.2%	2.2%
Capitalized Purchases	2,152,855	1,825,580	1,704,037	327,275	48.3%	15.2%
<b>Total Operating Expenses</b>	<b>\$136,748,450</b>	<b>\$138,454,649</b>	<b>(\$7,560,400)</b>	<b>(\$1,706,199)</b>	<b>(5.8%)</b>	<b>(1.2%)</b>
Transfers Out to Other Funds	16,083,497	16,083,497	(16,083,497)	0	N/A	0.0%
Capital Projects	162,658,983	154,277,932	(60,883,228)	8,381,051	(65.2%)	5.2%
<b>Total Uses of Funds</b>	<b>\$315,490,930</b>	<b>\$308,816,078</b>	<b>(\$84,527,125)</b>	<b>\$6,674,852</b>	<b>(37.7%)</b>	<b>2.1%</b>

<b>Increase/(Use) of Total Available Funds</b>	<b>(\$30,977,339)</b>	<b>(\$4,689,913)</b>
--	-----------------------	----------------------

See Page 17 for Glossary and detailed data description for each column

# Recreation Fund

The Recreation Fund accounts for recreational services provided to citizens. Funding for these services comes from user fees and a General Fund transfer intended to cover mandated costs. Mandated costs include personal services, utilities, in-

terfund charges and other required costs such as custodial fees and contractual escalators. Most Recreation Fund revenues and expenditures occur in the summer months.

Revenues (Sources of Funds)	2018 Projection	YTD Actual Thru Q4 2018	2018 Year-to-Date Sources Over/(Under)			
			2017	2018 Projection	% Chg vs. 2017	% Chg vs. Projection
Aquatics	\$1,492,586	\$1,387,621	(\$43,722)	(\$104,965)	(3.1%)	(7.0%)
Centers & Fitness	1,195,667	1,177,922	236,360	(17,745)	25.1%	(1.5%)
Preschool and Active Adults	1,582,194	1,631,735	(61,013)	49,541	(3.6%)	3.1%
Special Events	183,519	230,674	(27,095)	47,155	(10.5%)	25.7%
Sports Programs	1,787,454	1,976,028	70,387	188,574	3.7%	10.5%
Youth Development & Camps	419,366	409,678	(9,656)	(9,688)	(2.3%)	(2.3%)
<b>Total Recreation Fund Revenue</b>	<b>\$6,660,786</b>	<b>\$6,813,658</b>	<b>\$165,261</b>	<b>\$152,872</b>	<b>2.5%</b>	<b>2.3%</b>
Transfers In from Other Funds	5,072,107	5,072,107	116,052	0	2.3%	0.0%
<b>Total Sources of Funds</b>	<b>\$11,732,893</b>	<b>\$11,885,765</b>	<b>\$281,313</b>	<b>\$152,872</b>	<b>2.4%</b>	<b>1.3%</b>

Expenditures (Uses of Funds)	2018 Projection	YTD Actual Thru Q4 2018	2018 Year-to-Date Uses Under/(Over)			
			2017	2018 Projection	% Chg vs. 2017	% Chg vs. Projection
Personal Services	\$5,165,757	\$5,067,633	(\$324,871)	\$98,124	(6.8%)	1.9%
Temporary Compensation	3,104,557	3,069,767	(315,958)	34,790	(11.5%)	1.1%
Professional & Technical Services	782,426	998,874	(104,013)	(216,448)	(11.6%)	(27.7%)
Operating Supplies/Other	1,867,250	1,874,099	33,593	(6,849)	1.8%	(0.4%)
Utilities	869,667	810,685	(63,680)	58,982	(8.5%)	6.8%
Interfund Charges	182,808	199,016	(29,695)	(16,208)	(17.5%)	(8.9%)
Capital Related	0	(932)	(3,506)	932	79.0%	N/A
<b>General Fund Operating Expenditures</b>	<b>\$11,972,465</b>	<b>\$12,019,144</b>	<b>(\$808,132)</b>	<b>(\$46,679)</b>	<b>(7.2%)</b>	<b>(0.4%)</b>
Transfers Out to Other Funds	0	-	-	-	N/A	N/A
<b>Total Uses of Funds</b>	<b>\$11,972,465</b>	<b>\$12,019,144</b>	<b>(\$808,132)</b>	<b>(\$46,679)</b>	<b>(7.2%)</b>	<b>(0.4%)</b>

<b>Increase/ (Use) of Total Avail. Funds</b>	<b>(\$239,572)</b>	<b>(\$133,378)</b>	See page 17 for glossary and detailed data description for each column.			
--	--------------------	--------------------	---	--	--	--

## Fund Results

The Recreation Fund spent down fund balance by \$133,400, which is \$106,200 less than originally projected. Use of fund balance was anticipated to cover additional staff expenditures related to the first full year of operations of the Moorhead Recreation Center and the popularity of the sports fields and fitness programs. Additional revenue from those programs results in higher-than-projected bottom line revenue.

## Revenues (Sources of Funds)

Total sources of funds finished the year above both 2017 actuals and projection. Additional revenue in Sports Programs drove the majority of the \$152,900 variance versus the projec-

tion. Revenue from Preschool, Active Adults and Special Events were also higher than projected. Aquatics finished the year \$105,000 under projection primarily due to renovation activity at the Utah indoor pool facility.

## Expenditures (Uses of Funds)

Expenditures in 2018 finished close to projection, at \$46,700 (0.4 percent) over budget. With the ongoing popularity of the Sports Park, professional and technical costs continued to rise, offset by vacancy savings in personal services and temporary compensation. A full year of operations for Moorhead Recreation Center increased expenditures compared to 2017.

# Development Review Fund

The Development Review Fund (DRF) is dependent on construction and development activity in Aurora. Revenues and

expenditures fluctuate depending on development activity and the resulting changes in plan review and inspection activity.

Revenues (Sources of Funds)	2018 Projection	YTD Actual thru Q4 2018	2018 Year-to-Date Sources Over/(Under)			
			2017	2018 Projection	% Chg vs 2017	% Chg vs. Projection
Contractor Licensing	\$698,852	\$704,172	\$96,513	\$5,320	15.9%	0.8%
Permits	12,393,841	12,475,369	1,394,847	81,528	12.6%	0.7%
Application and Admin Fees	3,624,150	4,305,749	420,789	681,599	10.8%	18.8%
Interest	210,777	237,423	57,338	26,646	31.8%	12.6%
Other Revenue	96,365	111,612	14,765	15,247	15.2%	15.8%
<b>Total Sources of Funds</b>	<b>\$17,023,985</b>	<b>\$17,834,324</b>	<b>\$1,984,252</b>	<b>\$810,339</b>	<b>12.5%</b>	<b>4.8%</b>

Expenditures (Uses of Funds)	2018 Projection	YTD Actual thru Q4 2018	2018 Year-to-Date Uses Under/(Over)			
			2017	2018 Projection	% Chg vs 2017	% Chg vs. Projection
Personal Services	\$11,190,724	\$10,863,459	(\$936,746)	\$327,265	(9.4%)	2.9%
Temporary Compensation	800,210	862,458	(87,106)	(62,248)	(11.2%)	(7.8%)
Professional & Technical Svcs	1,458,672	1,782,300	778,267	(323,628)	30.4%	(22.2%)
Operating Supplies/Other	1,397,320	1,017,597	(6,140)	379,723	(0.6%)	27.2%
Interfund Charges	193,842	198,245	(2,944)	(4,403)	(1.5%)	(2.3%)
Capital Related	43,192	45,981	35,281	(2,789)	43.4%	(6.5%)
<b>Total Operating Expenditures</b>	<b>\$15,083,960</b>	<b>\$14,770,040</b>	<b>(\$219,388)</b>	<b>\$313,920</b>	<b>(1.5%)</b>	<b>2.1%</b>
Transfers Out to Other Funds	2,006,371	2,006,371	(419,277)	0	(20.9%)	0.0%
<b>Total Uses of Funds</b>	<b>\$17,090,331</b>	<b>\$16,776,411</b>	<b>(\$638,665)</b>	<b>\$313,920</b>	<b>(4.0%)</b>	<b>1.8%</b>

<b>Incr/(Use) of Total Avail Funds</b>	<b>(\$66,346)</b>	<b>\$1,057,913</b>	See page 17 for glossary and detailed data description for each column.			
--	-------------------	--------------------	---	--	--	--

## Fund Results

Revenue and expenditure projections for 2018 expected a decrease of \$66,300 in funds available. However, higher than anticipated revenues plus lower than expected expenditures ended in a funds available increase of \$1.1 million for the Development Review Fund this year.

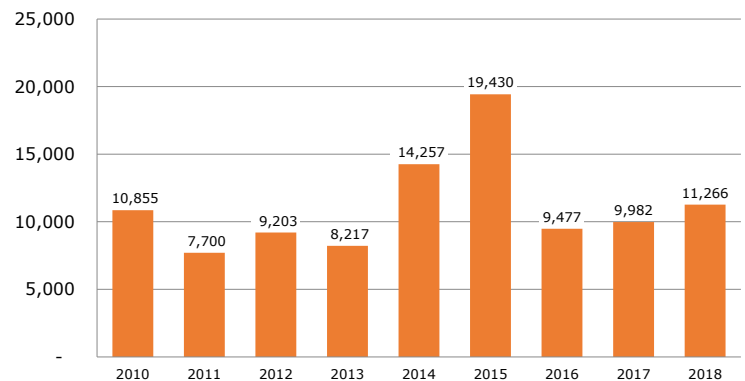
## Revenue (Sources of Funds)

Total revenue was higher than projection by \$810,300 (4.8 percent). Application fees remained strong the entire year, indicating a solid number of projects in the early stages of the development process. Permit fees ended slightly higher than projection after a strong fourth quarter. Overall, development activity stayed strong in 2018, exceeding both the budget and projections.

## Expenditures (Uses of Funds)

Expenditures for 2018 are \$313,900 lower than projection. Most of this variance is due to vacancy savings in both personal services and temporary compensation and operating and other supplies. These savings offset an increase in professional and technical services.

## Permits Issued, 2010-2018





# Golf Courses Fund

The Golf Courses Fund was established for the operation and maintenance of City-owned and/or City-operated golf courses. The fund is supported by green fees, driving range fees, and golf cart rentals, as well as pro shop sales and conces-

sions. The majority of fund revenue is earned from May through September and expenses, primarily temporary compensation, capital improvements, and operating supply expenses, are spent in tandem with revenues.

Revenues (Sources of Funds)	2018 Projection	YTD Actual Thru Q4 2018	2018 Year-to-Date Sources Over/(Under)			
			2017	2018 Projection	% Chg vs 2017	% Chg vs Budget
Revenue from User Fees	\$8,000,000	\$7,957,204	(\$619,124)	(\$42,796)	(7.2%)	(0.5%)
Interest Income	36,308	63,546	23,994	27,238	60.7%	75.0%
Miscellaneous Revenue	35,795	38,835	4,152	3,040	12.0%	8.5%
<b>Total Fund Revenue</b>	<b>\$8,072,103</b>	<b>\$8,059,585</b>	<b>(\$590,978)</b>	<b>(\$12,518)</b>	<b>(6.8%)</b>	<b>(0.2%)</b>
Transfers In from Other Funds	150,000	150,000	0	0	N/A	N/A
<b>Total Sources of Funds</b>	<b>\$8,222,103</b>	<b>\$8,209,585</b>	<b>(\$590,978)</b>	<b>(\$12,518)</b>	<b>(6.7%)</b>	<b>(0.2%)</b>

Expenses (Uses of Funds)	2018 Projection	YTD Actual Thru Q4 2018	2018 Year-to-Date Uses Under/(Over)			
			2017	2018 Projection	% Chg vs 2017	% Chg vs Budget
Personal Services	\$2,741,641	\$2,765,526	\$89,929	(\$23,885)	3.1%	(0.9%)
Temporary Compensation	1,242,290	1,244,726	24,497	(2,436)	1.9%	(0.2%)
Professional & Technical Services	148,901	150,623	8,010	(1,722)	5.0%	(1.2%)
Operating Supplies/Other	1,621,895	1,640,123	19,009	(18,228)	1.1%	(1.1%)
Utilities	1,058,551	998,413	80,625	60,138	7.5%	5.7%
Interfund Charges	202,316	200,547	(8,875)	1,769	(4.6%)	0.9%
Debt Related	372,680	372,187	76,638	493	17.1%	N/A
Capital Related	83,303	44,192	(44,192)	39,111	N/A	47.0%
<b>Total Fund Operating Expenses</b>	<b>\$7,471,577</b>	<b>\$7,416,337</b>	<b>\$245,641</b>	<b>\$55,240</b>	<b>3.2%</b>	<b>0.7%</b>
Transfers Out to Other Funds	200,000	200,000	0	0	N/A	N/A
Capital Projects	250,000	250,000	100,000	0	28.6%	0.0%
<b>Total Uses of Funds</b>	<b>\$7,921,577</b>	<b>\$7,866,337</b>	<b>\$345,641</b>	<b>\$55,240</b>	<b>4.2%</b>	<b>0.7%</b>

<b>Increase/(Use) of Total Avail. Funds</b>	<b>\$300,526</b>	<b>\$343,248</b>	See page 17 for glossary and detailed data description for each column.			
---	------------------	------------------	---	--	--	--

## Fund Results

Revenues ended the year lower than projection but was more than offset by lower expenses resulting in an increase to fund balance of \$343,200.

## Revenue (Sources of Funds)

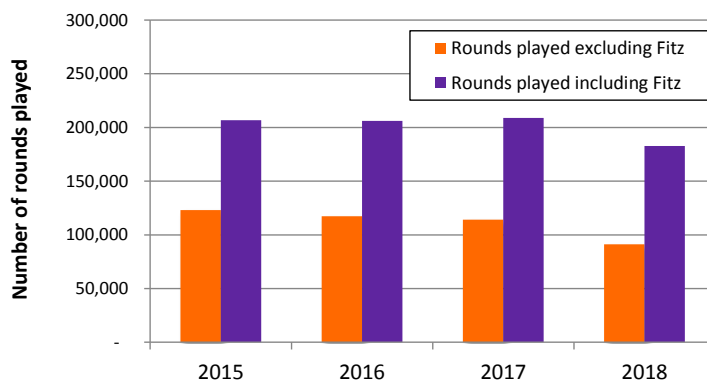
Total revenue in 2018 shows a variance of \$12,500 (0.2%) lower than projection. The decrease in 2018 revenues compared to 2017 was anticipated due to the closure of the Fitzsimons Golf Course, but continues to be offset by the retention of these golfers at other city golf courses. Total rounds reported lower than in previous years due to the closure of Fitzsimons and colder weather late in the year.

## Expenses (Uses of Funds)

Total use of funds is \$55,200 (0.7%) underspent compared to the 2018 projection. Higher spending on personnel was impacted by seasonal wage increases. A hotter than expected

third quarter required higher spending for course maintenance, increasing professional services and operating supplies expenses. These increased expenses were offset by lower spending in utilities.

## Rounds Played, 2015-2018



# Marijuana Tax Revenue Fund

In 2014, Aurora voters approved a 5.75% City sales tax and 5.0% excise tax from cultivation facilities, charged on the sale of unprocessed retail marijuana. Aurora voters also granted the City permission to increase or decrease the sales tax rate without further voter approval so long as the rate of taxation does not exceed 10.0%. In 2017, City Council increased the City's retail marijuana sales tax rate from 5.75% to 7.75%. Effective July 1, 2017, this rate increase will fund homeless

services and housing projects. Additionally, the City collects a state shareback of 10.0% of the 15.0% state special sales tax based on Aurora's retail marijuana sales.

From 2014 to 2016, marijuana sales and excise tax revenue was collected in the City's General Fund and set aside for Council's determination of use. In January 2017, the City began to account for marijuana tax revenue in a separate Marijuana Tax Revenue Fund for budgetary purposes.

## 2018 Marijuana Tax Revenue

Revenues	2018 Projection	2018 YTD Actual	2018 YTD Projection	2017 YTD Actual	2018 Year-to-Date Revenues Over/(Under)			
					2017	2018 Projection	% Chg vs 2017	% Chg vs Projection
Sales and Excise Taxes	\$8,212,949	\$8,289,877	\$8,212,949	\$6,446,741	\$1,843,136	\$76,928	28.6%	0.9%
State Shareback	1,494,998	1,487,447	1,494,998	1,357,991	129,457	(7,551)	9.5%	(0.5%)
Investment Income	104,746	128,433	104,746	40,983	87,450	23,687	213.4%	22.6%
<b>Total Sources of Funds</b>	<b>\$9,812,693</b>	<b>\$9,905,757</b>	<b>\$9,812,693</b>	<b>\$7,845,715</b>	<b>\$2,060,042</b>	<b>\$93,064</b>	<b>26.3%</b>	<b>0.9%</b>

## 2014-2018 Marijuana Funds

Fund Summary	2018 Actual	2014-2018 Total
Sales and Excise Taxes	\$8,289,877	\$22,583,861
State Shareback	\$1,487,447	4,662,566
Investment Income	\$128,433	169,327
<b>Total Revenue</b>	<b>\$9,905,757</b>	<b>\$27,415,754</b>
Transportation Projects	\$0	\$3,800,000
Transportation Maintenance	2,100,000	2,100,000
Concrete and Asphalt Projects	0	2,000,000
Medians	250,000	500,000
Debt Service for Central Recreation Center	2,000,000	6,000,000
Debt Service for Road Projects	4,000,000	4,000,000
Nexus Program Reserve	0	680,000
Homeless Services and Housing	3,477,972	7,311,452
<b>Expenditures/Commitments</b>	<b>\$11,827,972</b>	<b>\$26,391,452</b>
<b>Unobligated Funds</b>		<b>\$1,024,302</b>

Types of Licenses	Number Issued as of 12/31/18	In Operation as of 12/31/18
Stores	24	23
Cultivations	20	17
Product Manufacturing	16	17
Testing	1	1

See page 17 for Glossary and detailed data description for each column

## Year-End Results

Year-end marijuana tax revenue is \$93,100 (0.9%) higher than projection. The majority of this revenue is unobligated. As of January 2019, licenses for 24 stores and 17 cultivation facilities have been issued. At year-end 2018, a total of 23 stores and 17 cultivation facilities were operational and generating tax revenue. These businesses generated \$8.3 million in City sales tax revenue and \$1.5 million in excise tax revenue.

City Council identified various projects to be funded with marijuana tax revenue, including the ongoing funding of debt payments towards the construction of a new recreation center in central Aurora and a variety of road projects. Furthermore, City Council committed the additional marijuana revenue associated with the 2.0% increase in the city's special sales tax rate on retail marijuana to homeless services and housing. As a result, \$26.4 million of funds available have been obligated.



---

# Appendices

---



Fund Description

The General Fund is the operating fund for the City of Aurora. It accounts for receipts, appropriations, and expenditures unless separate fund reporting is required.

Sources of Funds

Sources of funds include nearly all taxes and other resources traditionally associated with City operations. Revenues and expenditures from the 0.25% voter-approved sales tax for the police officer staffing mandate are included in this fund. Other sources include transfers in from other funds.

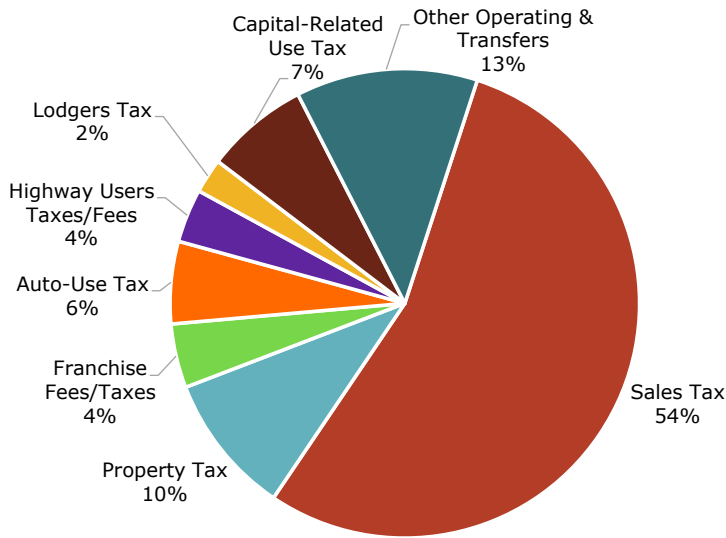
Retail sales remain the backbone of Aurora's General Fund, accounting for 54.0% of total revenue. Use tax is a companion tax to sales tax and is associated with purchases of commodities and equipment. Two-thirds of all General Fund revenue is dependent on purchases when use tax revenues (e.g. building materials use tax, automobile use tax, and equipment use tax) are included.

Uses of Funds

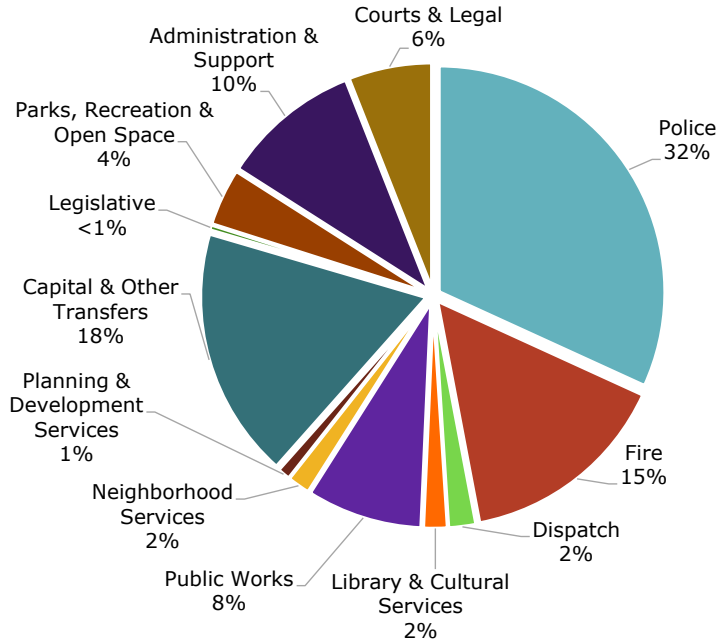
Uses of funds mainly result from expenditures incurred by the departments included in the General Fund. The majority of general services, programs and activities for the citizens of Aurora are supported by this fund, as well as the City Council and the internal administrative management functions. Other uses include transfers out to other funds, such as the transfer to the Capital Projects Fund.

Public safety functions, including Fire, Dispatch, Police, and Court Administration account for 55.0% of total General Fund appropriations in 2018.

2018 General Fund Revenue (Sources)



2018 General Fund Appropriations (Uses)



General Fund Departments

<ul style="list-style-type: none"><li>City Attorney</li><li>Mayor &amp; City Council</li><li>Civil Service Commission</li><li>Court Administration</li><li>Finance</li></ul>	<ul style="list-style-type: none"><li>Fire</li><li>General Management</li><li>Human Resources</li><li>Information Technology</li><li>Judicial</li><li>Library &amp; Cultural Services</li></ul>	<ul style="list-style-type: none"><li>Neighborhood Services</li><li>Non-Departmental (snow removal, transfers, contingencies)</li><li>Parks, Recreation &amp; Open Space</li></ul>	<ul style="list-style-type: none"><li>Planning &amp; Development Services</li><li>Police (including Dispatch)</li><li>Public Defender</li><li>Public Works</li></ul>
--	---	--	--



# Glossary

**Accrual Basis:** Transactions are recorded as they occur, regardless of the timing of related cash flows.

**Actuals:** Transactions recorded in the accounting system on a cash basis. Certain revenue sources are recorded on the accrual basis instead of the cash basis. Accrual basis revenue sources will show zero collections for January, and in some cases February, and two or three months of receipts recorded in December.

**Budget/Working Budget:** This is the sum of the Adopted Budget plus supplemental appropriations and carry forwards of encumbrance balances from the prior year. In the case of capital budgets, the working budget includes all unspent balances of funds appropriated for the life of the project.

**Cash Basis:** Transactions are recorded in accordance with cash flow regardless of economic transaction timing.

**Encumbrances:** The legal commitment of appropriated funds to purchase an item or service in the future. An encumbrance is recorded when a purchase order is recorded. The encumbrance is reduced as cash payments are made against the purchase order. If there is an encumbered balance at the end of any given year, the balance will carryforward and be added to the next year's working budget to cover the cash outlay in that year.

**Spending Plan/Budget Plan/Revenue Plan:** For current month and year-to-date comparison purposes, the 2017 budget and revenue assumptions have been projected monthly, or calendarized. Various methods were used in the process including: historical seasonality, known payment schedules, payroll and benefit calendars, and the straight line basis (1/12th per month).

**Variance:** Used to describe the difference or resulting percentage change in comparative data. Bracketed variances indicate an unfavorable result.

---

## Column Descriptions

**Sources of Funds:** All revenue received from external/internal sources and interfund transfers into the fund.

**Uses of Funds:** All departmental expenditures incurred and interfund transfers out of the fund.

**2018 Budget:** The 2018 Working Budget.

**2018 Projection:** A detailed cash basis estimate prepared mid-year for use in current year budget balancing and as the basis for the subsequent budget year estimates.

**YTD Actual thru the Current Month:** The year-to-date actual sources and uses of funds on a cash basis.

### **Year-to-Date / Current Month Variance:**

- Over/(Under) - Current year sources under the prior year or budgeted sources are unfavorable, indicated by brackets.
- Under/(Over) - Current year uses over the prior year or budgeted uses are unfavorable, indicated by brackets.
- 2017 - The \$ difference between 2018 year-to-date / current month actuals compared to the 2017 actuals for the same timeframe.
- Budget - The \$ difference between the 2018 year-to-date / current month actuals through the current month compared to the 2017 year-to-date budget spending plan for the same timeframe.
- Percent Chg vs 2017 - The percentage change between 2018 year-to-date actuals through the current month and the 2017 actuals through the same month.
- Percent Chg vs Budget - The percentage change between the 2018 year-to-date actuals and the year-to-date budget spending plan.

# Finance Dept. Indicators (for MONTH ending 12/31/18)

## Accounts Payable

By making payments within the standard 30 days or less, the City can capture vendor discount terms, avoid penalties and interest charges and save taxpayer money. The majority of invoices have terms that range from 30 to 90 days. Towards the end of the year, a change in the City's uniform vendor caused invoicing issues and payments were delayed, impacting December payments.

## Business Licensing

With the new tax system, businesses must have an account with the city to file returns. A significant effort has been underway to pursue businesses that were filing OPT returns or sales and use tax returns that did not have a

## Target: 30 Days for 85% of Vendor Payments


**83%** (Dec)

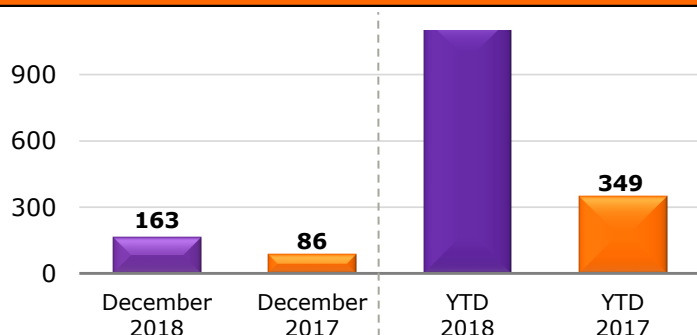
**86%** (YTD)


license. Additionally the changes in destination sourcing rules by the Colorado Department of Revenue has led to an increase in license applications.

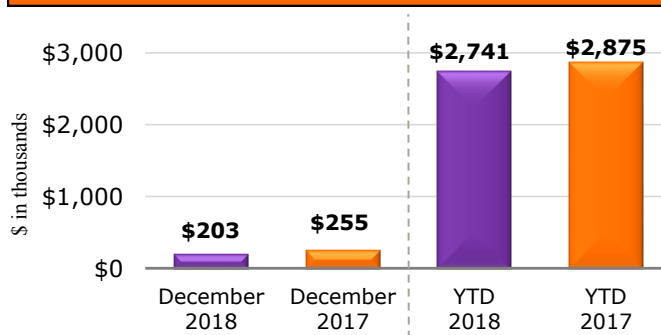
## Delinquent Tax Collections

Average month of collections for December 2018. For the year, collections were down from 2017, a record year and significant increase over 2016. Implementation of the new tax system reduced some staff's availability to focus on collections. Overall, 2018 increased 13.6% over 2016.

### Business License Activity (Net)



### Delinquent Tax Collections



## Investments

In recent months, the City has taken advantage of higher yields with investments in the Municipal, Corporate, and Government sectors. The City will continue to re-invest capital at higher rates.

The portfolio balance has increased in both held positions and cash balances primarily due to growth in sales and use tax revenue in the General Fund, as well as increased water sales and development fees.

December	2016	2017	2018
Cash & investment portfolio	\$412.6 M	\$489.4 M	\$520.8 M
Weighted avg. yield	1.16%	1.46%	2.06%
Duration (months)	18.0	16.8	16.2

## Financing Transactions Over Previous 12 Months

Currently there are no pending future transactions.

Purpose	Amount	Closed	Rate	Term (yrs.)	Lender/ Banker
2018B Stormwater	\$2.28 M	12/18	3.04%	11.7	PNC
PROS Internal Lease	\$0.07 M	9/18	2.50%	4.5	ACLCL
Police Internal Lease	\$0.36 M	9/18	2.50%	6.5	ACLCL
2018 Fleet	\$1.75 M	8/18	3.13%	6.7	Vectra
Hogan Parkway	\$19.0 M	7/18	3.10%	8.5	Vectra



---

## City of Aurora

### Office of Budget and Financial Planning

15151 East Alameda Parkway, Suite 5500  
Aurora, Colorado 80012  
[budget1@auroragov.org](mailto:budget1@auroragov.org)