



# CITY OF AURORA, COLORADO

## Financial Performance Report



**For the Quarter Ending December 31, 2017**

Report released March 9, 2018

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 materi-

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

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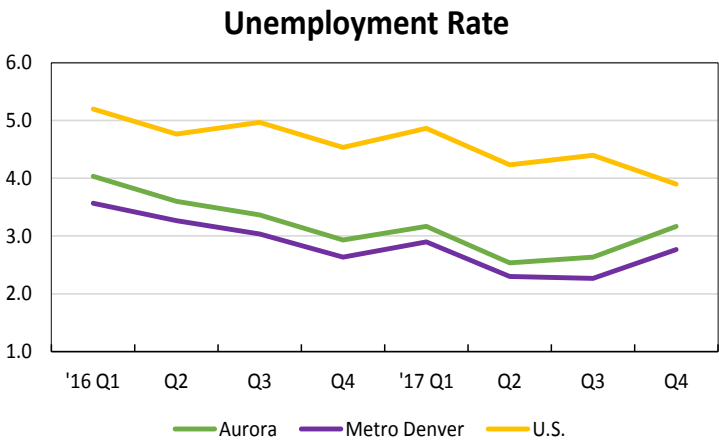
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# Economic Update






In 2017, U.S. Gross Domestic Product grew steadily through the year, with the second and third quarters reporting the highest growth at 3.1% and 3.2% respectively. In the last quarter of 2017, a 2.5% GDP growth reflected increases in consumer spending, exports, business and housing investment, as well as state and local government spending. Looking forward, the national economy remains on track to experiencing the longest economic expansion following a major contraction in its history. The economy is expected to expand moderately in 2018, but several factors may constrain growth. These factors include tight labor market conditions, demographic changes, and low productivity growth.

Economic growth in Colorado remains robust, driven by the state’s technology sector, new business formation, and immigration of skilled workers. This growth has been disproportionate across regions in the state, with the Front Range experiencing higher gains than rural areas. The state also boasts one of the lowest unemployment rates in the country and is expected to maintain this rate through the maturing expansion. In December 2017, the state’s unemployment rate stood at 3.0%, slightly below Aurora’s unemployment rate of 3.4%. Both remain below the national unemployment rate of 3.9%. The rise in the state’s unemployment rate in the fourth quarter of 2017, shown in the graph below, can be attributed to a larger number of people rejoining the labor force and actively looking for work.

Both business and consumer confidence rose over the prior year as growth focused and disposable income strengthening policy initiatives proposed by the current administration were expected to pass. These expectations were met in late Decem-



## Local Economic Indicators


Current Mo Data/ % Chg to Prior Mo		Year-to-Date Avg % Change	
AURORA BUILDING PERMITS			
New Housing and Commercial Permits			
 <b>149</b> (December) 58.5%		<b>20.9%</b>	
MOUNTAIN REGION CONSUMER CONFIDENCE INDEX (CCI)			
 <b>116.8</b> (December) -20.4%		<b>+25.1%</b>	
LEEDS BUSINESS CONFIDENCE INDEX CO (values above 50 indicate expansion)			
	<b>Q1 2018</b> 59.5	<b>Q4 2017</b> 56.5	<b>Q1 2017</b> 60.3





Note: All indicator data is most current available.

ber 2017 when the Tax Cuts and Jobs Act was signed into law. Business confidence in Colorado increased ahead of 2018 with improved expectations for both the national and state economy. The revised Consumer Confidence Index for November, at 146.8, rose to a record high since October 2000, as consumers signaled expectations that business conditions would improve in the short term. In December, consumer confidence fell by 20.3% in the mountain region, though the index maintains a 25.1% over-the-year increase.

New housing and commercial construction activity in Aurora grew by 20.9%, largely driven by single family housing projects. Unlike in prior years, the City was not struck by severe hailstorms or other natural disasters that damaged property and existing structure permits fell by 7.5%. Capital-related use tax revenue increased over 2016, but fell behind full-year expectations for revenue generated by new commercial construction projects in the city.

# Fund Dashboard Year-End Results

General Fund	Funds Available Variance (to projection)	Beginning Fund Balance	Increase/(Use) of Funds Available
Comments	 <b>\$8,176,763</b>	<b>\$55,089,504</b>	<b>\$5,129,732</b> <b>(\$3,047,031)</b> (projection)
Higher than expected fund sources driven by collections of sales tax, auto use tax, and audit revenue combined with expenditure savings resulted in an increase to fund balance. Total fund uses are under projection due to lower than anticipated transfers, personal services and operating supplies costs.	Operating Reserve	TABOR/ Policy Reserve	Ending Funds Available
	<b>\$22,633,397</b> \$14,681,827 (projection)	<b>\$29,185,839</b> \$28,960,646 (projection)	<b>\$60,219,236</b> \$52,042,473 (projection)

Fund	Funds Available Variance (to projection)	Beginning Fund Balance	Increase/ (Use) of Funds	Ending Funds Available	Comments
Combined Water & Wastewater	 <b>(\$4,180,195)</b>	<b>\$96,752,120</b>	<b>\$6,000,116</b> \$10,180,311 (projection)	<b>\$102,752,236</b> \$106,932,431 (projection)	Operating revenue and expenses finished better than projection. Year-end capital lapses are significantly less than projection as funds were redirected to opportunistic water rights purchases.
Recreation	 <b>\$221,712</b>	<b>\$899,568</b>	<b>\$393,643</b> \$171,931 (projection)	<b>\$1,293,211</b> \$1,071,499 (projection)	Operating revenue finished the year at projection with shortages in some programs covered by gains in others. Expenditures finished lower than projection, mostly due to the timing of the opening of Moorhead Recreation Center.
Development Review	 <b>(\$737,569)</b>	<b>\$10,938,479</b>	<b>(\$287,675)</b> \$449,894 (projection)	<b>\$10,650,804</b> \$11,388,372 (projection)	Final revenue collections did not meet expectations, yet finished the year ahead of 2016. The impact to the fund was partially offset by less than projected expenditures, primarily for personnel-related costs.
Golf Courses	 <b>\$592,599</b>	<b>\$1,777,520</b>	<b>\$588,586</b> <b>(\$4,013)</b> (projection)	<b>\$2,366,106</b> \$1,773,507 (projection)	Revenues ended the year higher than projection with a longer than usual season coupled with higher play at Fitzsimons golf course in anticipation of its closure. Personnel-related savings were realized due to vacancies and the timing of personnel transfers from Fitzsimons golf course.



# General Fund

## Revenues (Sources of Funds)

With nearly all of the General Fund’s revenues collected, 2017 operating revenues are estimated to finish the year \$5.1 million (1.6%) ahead of projection. Notable variations from projection are highlighted below.

Sales tax collections exceed projection by \$0.9 million (0.5%) and are \$9.2 million (5.4%) higher than in 2016. Through 2017, soaring consumer confidence in the mountain region led to healthy increases in consumer activity. This year also marked the first full year of sales tax collections from Amazon and its subsidiaries. Amazon is included in the ‘other top taxpayers’ category shown in the *Top Taxpayers by Industry Category* table.

Auto sales nationwide have declined for most of 2017, ending a seven-year streak of year-over-year increases. In comparison, Colorado continued to see a surge in auto sales in 2017 and Aurora’s automobile use tax collections ended the year \$1.9 million (10.2%) ahead of projection.

Audit revenue ended the year \$1.6 million (48.4%) higher than projected. This is the result of a bigger and more experienced audit team conducting a larger number of audits. The number of audits resulting in six figure recoveries nearly doubled in 2017. Voluntary disclosures, where a request for submission of past due taxes with some form of amnesty guarantee is offered, are another large factor contributing to this increase in revenue. These disclosures generated \$836,000 in audit revenue for 2017. Other revenue sources contributing to this positive growth are interest and miscellaneous income.

Capital-related use tax revenue fell behind projection by \$1.7 million (6.6%) primarily due to lower than expected year-to-

date collections from new commercial construction projects in Aurora. This is the driving force behind the lower than anticipated Capital Projects Fund transfer. See page 7 for detail revenue performance by source.

### 2017 Revenue Performance by Type

Revenue Category (\$ in thousands)	2017 Projection	Actuals (Under)/ Over Projection	
		\$	%
General Sales Tax	\$177,864.4	\$913.3	0.5%
Capital Related Use Tax	25,822.0	(1,697.2)	(6.6%)
Auto Use Tax	18,314.7	1,859.9	10.2%
Franchise Fees and Taxes	14,595.8	(67.2)	(0.5%)
External Charges	5,975.7	202.9	3.4%
Audit Revenue	3,300.0	1,597.5	48.4%
Fines & Forfeitures	4,143.5	274.3	6.6%
All Other Gen Fund Revenue	74,711.0	2,019.8	2.7%
Total Revenue	\$324,727.1	\$5,103.2	1.6%
Less Capital Transfer	32,946.5	(742.8)	(2.3%)
Operating Revenue	\$291,780.6	\$5,846.0	2.0%

### Top Taxpayers by Industry Category

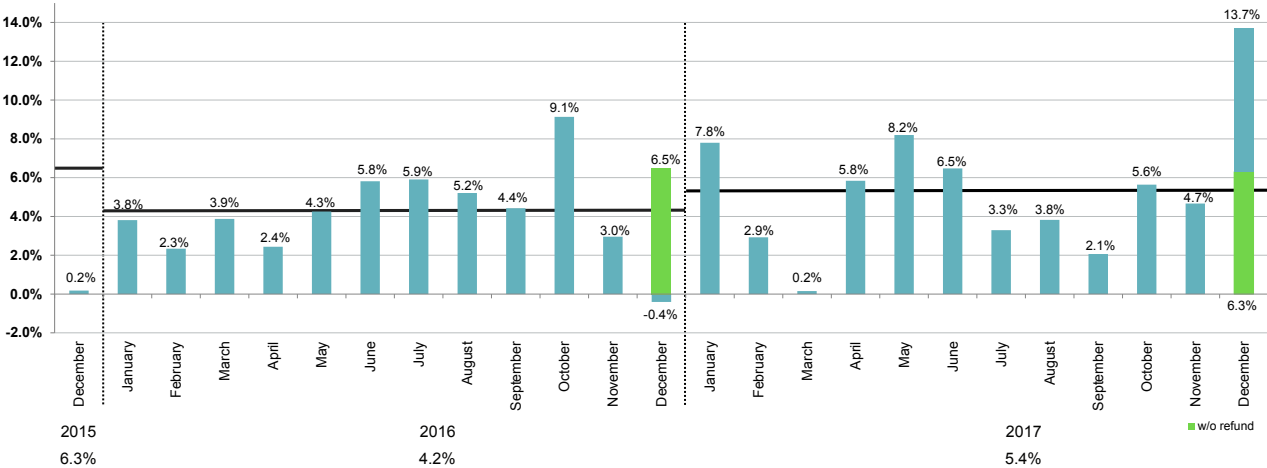
Industry Category (\$ in thousands)	2017 YTD December	2016 YTD December	\$ Variance	% Change
Eating & Drinking Places	\$ 26,327.2	\$ 24,217.2	\$ 2,110.1	8.7%
Discount Stores	19,729.5	20,475.7	(746.2)	(3.6%)
Building Materials	13,170.4	11,943.1	1,227.3	10.3%
Utilities	10,677.0	10,461.5	215.5	2.1%
Telecommunication/Cellular	10,301.1	9,773.9	527.2	5.4%
Auto Dealers and Parts	9,193.3	9,107.7	85.5	0.9%
Beer, Wine, and Liquor Stores	4,758.9	4,731.5	27.4	0.6%
Electronics/Computers	4,514.7	4,044.5	470.2	11.6%
Clothing and Clothing Accessories	4,360.9	4,231.4	129.5	3.1%
Department Stores	4,497.4	4,956.9	(459.6)	(9.3%)
Grocery Stores	4,044.6	4,114.8	(70.2)	(1.7%)
Sport Goods, Hobby, Books, Music	2,394.0	2,865.6	(471.6)	(16.5%)
Furniture and Home Furnishings	2,202.3	2,173.2	29.1	1.3%
Other Top Taxpayers	12,127.1	10,953.4	1,173.7	10.7%
TOTAL TOP TAXPAYERS	\$128,298.5	\$124,050.4	\$4,248.1	3.4%
Total of All Other Taxpayers	54,043.6	48,384.1	5,659.5	11.7%
Less Sales Tax Incentives	3,564.4	2,859.0	705.4	24.7%
TOTAL SALES TAX	\$178,777.7	\$169,575.5	\$9,202.2	5.4%

### Sales Tax

% Change from  
Same Month in  
Prior Year

Black line: Average  
annual %  
growth

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 2017 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.

Total General Fund uses are estimated to be \$3.1 million under projection, although there was a significant amount of variance within expenditure classes. This is primarily due to items that were projected as transfers, but posted as expenditures to other categories. The two main instances are a \$4.5 million tap fee payment to Metro Wastewater booked as a utility payment and a \$690,000 transfer to the Risk Fund booked as an interfund charge. In addition, significant savings in the personal services and operating supplies categories offset overages in professional and technical services.

Personnel-related expenditures ended the year \$956,400 (0.4%) under projection. Employee salary and benefits make up most of the savings, driven by high levels of vacancies throughout the year. Low unemployment rates are expected to present continued hiring challenges in 2018. When comparing to 2016 (shown on page 7), the \$11.1 million (5.9%) increase is associated with pay increases in accordance with city policy and the addition of 56 new employees, 45 of which were added in Public Safety departments such as Police and Fire.

Professional and Technical Services ended the year \$2.1 million (14.8%) over projection, primarily due to a Northeast Area Transportation study, IT Accela Business Transformation costs, additional facilities operations expenses, and contracted services to cover the work of vacant positions that could not be filled. These costs were completely covered with budget savings in other areas.

Utilities were \$3.9 million over projection, entirely due to the Metro Wastewater tap fee payment noted above. If not for that, utilities would have been \$554,400 (5.1%) under projection. Interfund charges follow suit, appearing over projection by \$660,000 (4.6%) due to the Risk Fund transfer noted above.

Less than projected construction-related revenues resulted in a transfer out to the Capital Projects Fund that was \$730,440 below projection. Other transfers out ended the year \$6.6 million below projection, with \$5.2 million from the items noted above. Several other projection decreases, including fleet savings and a lower transfer of incentive-related funds associated with a large fulfillment center, make up the remainder. See page 7 for detail expenditure performance by category.

## 2017 Expenditure Performance

Expenditure Category (\$ in thousands)	2017 YTD Projection	Actuals Under/ (Over) Proj.	
		\$	%
Personal Services	\$201,779.6	\$723.9	0.4%
Temp Compensation	2,669.3	232.6	8.7%
Professional/Technical	14,322.1	(2,115.8)	(14.8%)
Operating Supplies	19,615.0	1,313.2	6.7%
Utilities	10,964.9	(3,945.6)	(36.0%)
Fleet/Risk Interfund	14,242.3	(660.0)	(4.6%)
Debt/Equip Purchases	2,850.9	181.3	6.4%
Total Operating Exp.	\$266,444.0	(\$4,270.4)	(1.6%)
Capital Rev Transfer	34,156.0	730.4	2.1%
Other Transfers Out	28,840.8	6,624.0	23.0%
<b>Total Uses of Funds</b>	<b>\$329,440.8</b>	<b>\$3,084.0</b>	<b>0.9%</b>

## 2017 Personnel Expenditures

Personnel Category (\$ in thousands)	YTD Dec Projection	YTD Dec Actuals	Actuals Under/ (Over) Projection
Regular Employee Salary & Benefits	\$191,811.6	\$190,923.8	\$887.8
Special Pay	4,663.0	4,861.7	(198.7)
Overtime Compensation	5,304.9	5,270.2	34.7
Temporary Compensation	2,669.3	2,436.7	232.6
<b>Total Salary &amp; Other Compensation</b>	<b>\$204,448.8</b>	<b>\$203,492.4</b>	<b>\$956.4</b>

General Fund Vacancies	Q1	Q2	Q3	Q4
Career Service FTE	68.45	88.30	79.30	74.80

## 2017 Citywide Utilities

Utility (\$ in thousands)	YTD Dec Projection	YTD Dec Actuals	Actuals Under/ (Over) Projection
Electricity	\$1,850.6	\$1,722.9	\$127.7
Natural Gas	239.3	238.8	0.5
Non-Routine Maint	1,424.1	1,110.9	313.2
Street Lights-XCEL	4,289.0	4,140.9	148.1
Traffic Lights, Signs	122.3	142.9	(20.6)
Water/Sewer	3,042.9	7,554.1	(4,511.2)
Other Utilities	(3.3)	0.0	(3.3)
<b>Total Dec YTD</b>	<b>\$10,964.9</b>	<b>\$14,910.5</b>	<b>(\$3,945.6)</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)	2017 Projection	YTD Actual thru Dec 2017	2017 Year-to-Date Sources Over/(Under)				December 2017 Actual	December Variance Over/(Under)	
			2016	2017 Projection	% Chg vs 2016	% Chg vs Proj.		2016	2017 Projection
Sales Tax - General	\$177,864,447	\$178,777,728	\$9,202,194	\$913,281	5.4%	0.5%	14,483,275	1,745,881	\$424,520
Use Tax - Capital Related	25,821,987	24,124,798	1,719,950	(1,697,189)	7.7%	(6.6%)	1,791,949	(480,310)	(336,599)
Use Tax - Automobile	18,314,685	20,174,565	1,293,446	1,859,880	6.9%	10.2%	1,658,517	47,873	459,917
Property Tax	30,929,417	31,219,935	661,794	290,518	2.2%	0.9%	145,729	45,451	145,729
Franchise Fees & Taxes	14,595,781	14,528,598	316,542	(67,183)	2.2%	(0.5%)	2,768,672	11,110	(48,272)
Highway User's Fees & Taxes	12,098,279	12,066,017	320,115	(32,262)	2.7%	(0.3%)	1,975,388	64,400	(69,440)
Other Auto Related (SOT, MV Fees)	3,545,947	3,931,117	391,848	385,170	11.1%	10.9%	683,294	116,704	166,105
Audit Revenue	3,300,000	4,897,484	2,287,256	1,597,484	87.6%	48.4%	174,989	(45,684)	174,989
Other Taxes	13,267,657	13,342,771	341,041	75,114	2.6%	0.6%	1,405,869	139,652	19,781
Other Intergovernmental Fees & Taxes	3,125,440	3,202,029	(48,653)	76,589	(1.5%)	2.5%	678,842	417,209	292,095
Business Licenses & Other Permits	2,708,288	2,806,910	272,135	98,622	10.7%	3.6%	200,701	(71,570)	593
Fines & Forfeitures	4,143,463	4,417,762	(216,985)	274,299	(4.7%)	6.6%	390,888	49,435	86,983
Internal Charges for Services	6,586,025	6,636,531	479,444	50,506	7.8%	0.8%	665,607	73,007	(33,271)
External Charges for Services	5,975,740	6,178,645	34,724	202,905	0.6%	3.4%	492,257	102,523	182,777
Other General Fund Revenue	2,449,937	3,525,444	551,315	1,075,507	18.5%	43.9%	569,939	314,561	426,659
<b>Total General Fund Revenue</b>	<b>\$324,727,093</b>	<b>\$329,830,334</b>	<b>\$17,606,168</b>	<b>\$5,103,242</b>	<b>5.6%</b>	<b>1.6%</b>	<b>\$28,085,917</b>	<b>\$2,530,241</b>	<b>\$1,892,565</b>
Transfers In from Other Funds	1,666,641	1,656,124	(10,883)	(10,517)	(0.7%)	(0.6%)	0	0	0
<b>Total Sources of Funds</b>	<b>\$326,393,734</b>	<b>\$331,486,458</b>	<b>\$17,571,631</b>	<b>\$5,092,724</b>	<b>5.6%</b>	<b>1.6%</b>	<b>\$28,085,917</b>	<b>\$2,530,241</b>	<b>\$1,892,565</b>
<b>General Fund Operating Revenue <sup>1</sup></b>	<b>\$290,571,082</b>	<b>\$296,404,763</b>	<b>\$33,179,935</b>	<b>\$5,833,682</b>	<b>4.7%</b>	<b>2.0%</b>			

Expenditures (Uses of Funds)	2017 Projection	YTD Actual thru Dec 2017	2017 Year-to-Date Uses Under/(Over)			
			2016	2017 Projection	% Chg vs 2016	% Chg vs Proj.
Personal Services	\$201,779,614	\$201,055,755	(\$11,123,712)	\$723,859	(5.9%)	0.4%
Temporary Compensation	2,669,290	2,436,653	117,934	232,637	4.6%	8.7%
Professional & Technical Services	14,322,078	16,437,870	(3,926,066)	(2,115,792)	(31.4%)	(14.8%)
Operating Supplies/Other	19,614,962	18,301,731	866,851	1,313,231	4.5%	6.7%
Utilities	10,964,921	14,910,490	(4,301,256)	(3,945,569)	(40.5%)	(36.0%)
Interfund Charges	14,242,283	14,902,283	(1,250,657)	(660,000)	(9.2%)	(4.6%)
Capital Purchases (Equip, Vehicles, Other)	2,850,851	2,669,581	952,929	181,270	26.3%	6.4%
<b>General Fund Operating Expenditures</b>	<b>\$266,443,999</b>	<b>\$270,714,363</b>	<b>(\$18,663,977)</b>	<b>(\$4,270,364)</b>	<b>(7.4%)</b>	<b>(1.6%)</b>
Capital Related Revenue Transfer Out <sup>2</sup>	34,156,011	33,425,571	15,573,767	730,440	31.8%	2.1%
All Other Transfers Out to Other Funds	28,840,755	22,216,792	1,165,186	6,623,963	5.0%	23.0%
<b>Total Uses of Funds</b>	<b>\$329,440,765</b>	<b>\$326,356,726</b>	<b>(\$1,925,024)</b>	<b>\$3,084,039</b>	<b>(0.6%)</b>	<b>0.9%</b>
<b>Increase/(Use) of Total Available Funds</b>	<b>(\$3,047,031)</b>	<b>\$5,129,732</b>				

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

1. 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).

# Combined Water & Wastewater Funds

## Fund Results

The combined Water and Wastewater Funds available fund balance ended the year \$4.2 million lower than the 2017 projection. 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 \$102.8 million rather than \$106.9 million as projected. For detailed figures of the enterprise sources and uses of funds, please refer to the financial summary for Aurora Water on page 10.

## 2017 Fund Sources

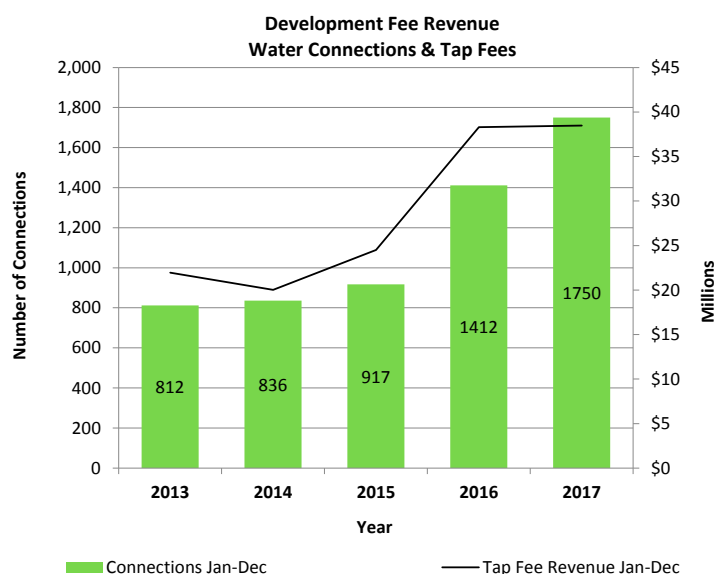
Over/(Under) Projection

Revenue Type	Water	Wastewater	Combined
Utility Sales - Water	\$2,712,440	\$0	\$2,712,440
Utility Sales - WW	0	417,055	417,055
Development Fees	1,306,872	(880,534)	426,338
External Charges for Services	1,007,545	21,156	1,028,701
Investment Income	607,883	349,971	957,854
Other Revenue	121,422	1,016,695	1,138,117
<b>Total Revenue</b>	<b>\$5,756,162</b>	<b>\$924,343</b>	<b>\$6,680,505</b>

## Revenue (Sources of Funds)

Lower than average precipitation for much of the year as well as better than projected customer growth has had a significant impact on revenue generated.

Final results for total revenue in the combined funds is \$6.7 million (3.0%) better than the revenue projection developed mid-year. The projection was prepared before the height of



the watering season and did not capture higher than average revenue generated by the extended dry weather pattern.

Although development fee revenues are slightly less than 2016, growth in the City is higher than assumed in the projection resulting in development fee revenue in excess of projection. The 2017 Fund Sources chart shows that revenue in the Water Fund is driving the year-end favorable variance.

When comparing to 2016 revenue collections (excluding borrowing transactions), 2017 revenue is higher by a total of \$3.2 million (1.4%). Several revenue categories increased due to population and development impacts. Utility rate and development fee increases, effective in 2017, have also contributed to the revenue increase over 2016.

## Expenses (Uses of Funds)

Total fund uses ended the year \$10.9 million (5.1%) over projection due to a change in the amount of capital budget lapsed at year-end. The projection included a net \$15.6 million in capital lapses but of this, just \$3.3 million will be lapsed and return to fund balance. The remainder will be redirected to water rights purchases that were not known of at the time of the projection.

## 2017 Fund Uses

Under/(Over) Projection

Expense Type	Water	Wastewater	Combined
Personal Services	(\$628,998)	(\$6,344)	(\$635,342)
Temporary Compensation	137,737	36,555	174,292
Professional & Technical Services	1,755,735	(177,131)	1,578,604
Operating Supplies/Other	(242,625)	162,564	(80,061)
Utilities	281,621	(511,405)	(229,784)
Interfund Charges	95,986	121,158	217,144
Debt Related	50,656	1,107	51,763
Capitalized Purchases	(73,602)	486,687	413,085
<b>Total Operating Expenses</b>	<b>\$1,376,510</b>	<b>\$113,191</b>	<b>\$1,489,701</b>
Capital Projects	(12,392,650)	42,249	(12,350,401)
<b>Total Expenses</b>	<b>(\$11,016,140)</b>	<b>\$155,440</b>	<b>(\$10,860,700)</b>

Year-end operating uses (excluding borrowing transactions) are \$6.5 million (6.6%) over 2016. As the organization grows, both personnel costs and contracted services have increased. Additionally, the 2017 year-end Metro Wastewater adjustment, which posts as a utilities expense, was significantly higher than the year before. Please refer to page 10 for detailed revenue and expense data by category.



# Combined Water & Wastewater Funds

## Operating Expenses

Total 2017 operating expenses for the combined funds are \$1.5 million (1.1%) less than the projection. The primary driver behind this variance is that several contracts were not able to be fully executed and charged against the professional & technical services category for 2017. These expenses will slip into 2018. Lower expenses for fleet fuel and maintenance (included in interfund charges), as well as purchases of replacement equipment (included in capitalized purchases) helped to offset personnel-related expenses for the patch crew that was added to the 2017 budget but had inadvertently not been included in the projection.

## 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 2017 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 2017 spending plan assumes that \$87.8 million of the

appropriated (budgeted) \$199.9 million will be spent by year-end. The majority of the balance of appropriated funds not included in the 2017 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 portion of the budgeted funds were contractually obligated, but not spent, as noted in the *Encumbered Funds* column in the chart below.

Of the \$87.8 million annual spending plan, \$38.3 million (43.6%) was spent by year-end. This variance is largely due to changes in the Collection program in the Wastewater Fund and the Source of Supply (SOS) Water storage projects in the Water Fund. In the Collection program, various projects have been redefined or delayed in order to support development activity. In the Water Fund, the timing of payments for the Rampart Pipeline Improvements and the Raw Water Rehabilitation projects resulted in lower than anticipated spending. It became apparent towards the end of the year that capital spending would finish the year significantly lower than the original full year spending plan, as later than anticipated start dates for various reasons shifted several projects into 2018.

## Capital Projects Status

Water and Wastewater Funds

Program	2017 Working Budget	2017 Spending Plan	YTD Spending Plan	*2017 Final Spending	Under/ (Over) Plan	Encumbered Funds
<b>WATER FUND</b>						
Operations & General Mgmt	\$1,512,503	\$1,008,747	\$1,008,747	\$1,196,787	(\$188,041)	\$366,090
Pumping	6,834,450	2,100,845	2,100,845	1,826,138	274,707	548,126
SOS Other	14,742,074	9,229,241	9,229,241	3,707,048	5,522,193	3,953,200
SOS Storage	74,217,984	5,975,868	5,975,868	5,296,612	679,256	3,923,844
SOS Water	8,935,322	19,623,582	19,623,582	4,585,878	15,037,704	4,656,805
Trans & Distrib	14,337,056	5,236,696	5,236,696	2,800,166	2,436,531	4,660,979
Treatment	17,674,361	7,530,158	7,530,158	4,786,665	2,743,493	2,284,008
<b>Total Water Fund</b>	<b>\$138,253,750</b>	<b>\$50,705,138</b>	<b>\$50,705,138</b>	<b>\$24,199,295</b>	<b>\$26,505,843</b>	<b>\$20,393,052</b>
<b>WASTEWATER FUND</b>						
Collection	\$28,431,468	\$24,994,159	\$24,994,159	\$8,231,243	\$16,762,916	\$19,109,997
Operations & General Mgmt	5,630,207	3,728,315	3,728,315	2,296,360	1,431,955	595,266
Storm Water	27,558,424	8,389,556	8,389,556	3,543,367	4,846,189	5,194,127
<b>Total Wastewater Fund</b>	<b>\$61,620,099</b>	<b>\$37,112,031</b>	<b>\$37,112,031</b>	<b>\$14,070,971</b>	<b>\$23,041,060</b>	<b>\$24,899,390</b>
<b>Totals</b>	<b>\$199,873,849</b>	<b>\$87,817,169</b>	<b>\$87,817,169</b>	<b>\$38,270,266</b>	<b>\$49,546,903</b>	<b>\$45,292,442</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)	2017 Projection	YTD Actual thru Q4 2017	2017 Year-to-Date Sources Over / (Under)			
			2016	2017 Projection	% Chg vs 2016	%Chg vs. Proj.
Utility Sales - Water	\$107,620,117	\$110,332,557	\$342,679	\$2,712,440	0.3%	2.5%
Utility Sales - Wastewater	57,167,781	57,584,836	3,095,784	417,055	5.7%	0.7%
Development Fees	44,173,119	44,599,457	(141,349)	426,338	(0.3%)	1.0%
Charges for Services	11,053,016	12,081,717	710,325	1,028,701	6.2%	9.3%
Investment Income	1,918,799	2,876,653	(850,789)	957,854	(22.8%)	49.9%
Other Revenue	1,667,565	2,805,682	44,434	1,138,117	1.6%	68.3%
Proceeds from Borrowing	0	0	(546,747,922)	0	N/A	N/A
Funds from Restricted Assets	0	0	(41,825,803)	0	N/A	N/A
<b>Total Sources of Funds</b>	<b>\$223,600,397</b>	<b>\$230,280,902</b>	<b>(\$585,372,641)</b>	<b>\$6,680,505</b>	<b>(71.8%)</b>	<b>3.0%</b>

Expenses (Uses of Funds)	2017 Projection	YTD Actual thru Q4 2017	2017 Year-to-Date Uses Under / (Over)			
			2016	2017 Projection	% Chg vs 2016	%Chg vs. Proj.
Personal Services	\$36,568,481	\$37,203,823	(\$2,102,922)	(\$635,342)	(6.0%)	(1.7%)
Temporary Compensation	1,025,285	850,993	25,616	174,292	2.9%	17.0%
Professional & Technical Services	9,534,145	7,955,541	(1,450,404)	1,578,604	(22.3%)	16.6%
Operating Supplies/Other	22,193,114	22,273,175	560,771	(80,061)	2.5%	(0.4%)
Utilities	33,631,881	33,861,665	(3,458,411)	(229,784)	(11.4%)	(0.7%)
Interfund Charges	3,072,336	2,855,192	(107,893)	217,144	(3.9%)	7.1%
Debt Related	22,408,238	22,356,475	590,586,203	51,763	96.4%	0.2%
Capitalized Purchases	3,942,302	3,529,217	1,381,612	413,085	28.1%	10.5%
<b>Total Operating Expenses</b>	<b>\$132,375,782</b>	<b>\$130,886,081</b>	<b>\$585,434,572</b>	<b>\$1,489,701</b>	<b>81.7%</b>	<b>1.1%</b>
Capital Projects	81,044,304	93,394,705	(8,350,482)	(12,350,401)	(9.8%)	(15.2%)
<b>Total Uses of Funds</b>	<b>\$213,420,086</b>	<b>\$224,280,786</b>	<b>\$577,084,090</b>	<b>(\$10,860,700)</b>	<b>72.0%</b>	<b>(5.1%)</b>

<b>Increase/(Use) of Total Available Funds</b>	<b>\$10,180,311</b>	<b>\$6,000,116</b>
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See Page 17 for Glossary and detailed data description for each column

Note: Existing debt issuances in the Water and Wastewater funds were refinanced for significant savings in 2016. These transactions significantly affected both 2016 revenue (proceeds) and expenses (original debt paid off) generating the large variances seen in the above chart for the *Proceeds from Borrowing* and *Debt Related* revenue and expense categories.

# 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, interfund 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)	2017 Projection	YTD Actual Thru Q4 2017	2017 Year-to-Date Sources Over/(Under)			
			2016	2017 Projection	% Chg vs. 2016	% Chg vs Proj.
Aquatics	\$1,242,830	\$1,124,061	(\$39,749)	(\$118,769)	(3.4%)	(9.6%)
Centers & Fitness	1,275,558	1,296,086	487,839	20,528	60.4%	1.6%
Preschool and Active Adults	1,584,681	1,693,054	75,529	108,373	4.7%	6.8%
Special Events	200,837	257,769	8,876	56,932	3.6%	28.3%
Sports Programs	2,207,227	2,212,902	84,320	5,675	4.0%	0.3%
Youth Development & Camps	398,270	298,499	59,173	(99,771)	24.7%	(25.1%)
<b>Total Recreation Fund Revenue</b>	<b>\$6,909,403</b>	<b>\$6,882,371</b>	<b>\$675,988</b>	<b>(\$27,032)</b>	<b>10.9%</b>	<b>(0.4%)</b>
Transfers In from Other Funds	4,722,284	4,722,284	144,322	0	3.2%	N/A
<b>Total Sources of Funds</b>	<b>\$11,631,687</b>	<b>\$11,604,654</b>	<b>\$820,310</b>	<b>(\$27,032)</b>	<b>7.6%</b>	<b>(0.2%)</b>

Expenditures (Uses of Funds)	2017 Projection	YTD Actual Thru Q4 2017	2017 Year-to-Date Uses Under/(Over)			
			2016	2017 Projection	% Chg vs. 2016	% Chg vs Proj.
Personal Services	\$4,929,198	\$4,742,761	(\$586,866)	\$186,437	(14.1%)	3.8%
Temporary Compensation	3,085,599	2,753,809	(208,283)	331,790	(8.2%)	10.8%
Professional & Technical Services	771,303	894,861	(13,640)	(123,558)	(1.5%)	(16.0%)
Operating Supplies/Other	1,671,874	1,903,254	(168,426)	(231,380)	(9.7%)	(13.8%)
Utilities	794,894	747,005	(103,274)	47,889	(16.0%)	6.0%
Interfund Charges	169,228	169,321	(10,668)	(93)	(6.7%)	(0.1%)
Capital Related	37,660	0	60,852	37,660	100.0%	100.0%
<b>Total Uses of Funds</b>	<b>\$11,459,756</b>	<b>\$11,211,011</b>	<b>(\$1,030,305)</b>	<b>\$248,745</b>	<b>(10.1%)</b>	<b>2.2%</b>

<b>Increase/(Use) of Total Avail. Funds</b>	<b>\$171,931</b>	<b>\$393,643</b>	See page 17 for glossary and detailed data description for each column.			
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## Fund Results

The Recreation Fund available fund balance ended the year \$221,700 higher than the 2017 projection primarily due to lower personal services and temporary compensation expenditures. The ending funds available finished the year higher than expected at \$1.3 million.

### Revenues (Sources of Funds)

Fund revenue collections ended the year very close to the projection developed mid-year. Aquatics revenues finished under projection mainly due to weather and school schedules. Additionally, the summer food program revenues were projected in this fund but were booked to another. The revenue shortfall was nearly offset by the popularity of other programs, particularly Preschool and Active Adults. A look at 2017 revenues compared to 2016 shows a 7.6% increase attributable to opening of Moorhead Recreation Center.

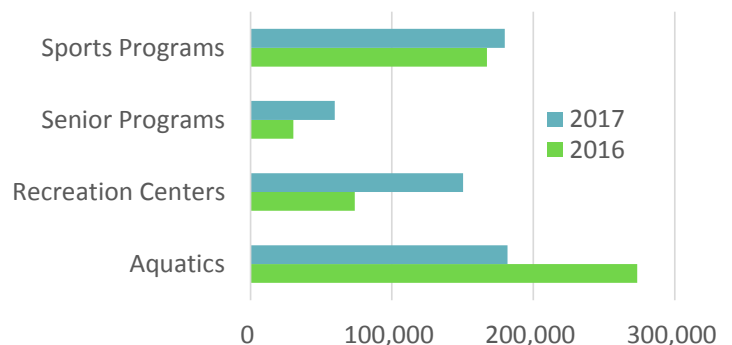
### Expenditures (Uses of Funds)

Total expenditures ended the year \$248,700 (2.2%) under projec-

tion. Personnel-related expenditures were under projection due to the timing of the opening of Moorhead Recreation Center. These savings were partially offset by additional contracted sports officials and higher than expected one-time start-up costs for Moorhead Recreation Center.

## Recreation Attendance

2016 vs. 2017



# Development Review Fund

The Development Review Fund (DRF) is dependent on construction and development activity in the City. Revenues and expenditures fluctuate depending on development activity and the resulting changes in plan review and inspection activity.

Revenues (Sources of Funds)	2017 Projection	YTD Actual thru Q4 2017	2017 Year-to-Date Sources Over/(Under)			
			2016	2017 Projection	% Chg vs 2016	% Chg vs Proj.
Contractor Licensing	\$618,000	\$607,659	(\$18,928)	(\$10,341)	(3.0%)	(1.7%)
Permits	13,355,660	11,080,521	(906,326)	(2,275,139)	(7.6%)	(17.0%)
Application and Admin Fees	2,892,506	3,884,959	1,235,873	992,453	46.7%	34.3%
Interest	140,000	180,085	36,397	40,085	25.3%	28.6%
Other Revenue	125,598	96,846	8,919	(28,752)	10.1%	(22.9%)
<b>Total Sources of Funds</b>	<b>\$17,131,764</b>	<b>\$15,850,071</b>	<b>\$355,936</b>	<b>(\$1,281,693)</b>	<b>2.3%</b>	<b>(7.5%)</b>

Expenditures (Uses of Funds)	2017 Projection	YTD Actual thru Q4 2017	2017 Year-to-Date Uses Under/(Over)			
			2016	2017 Projection	% Chg vs 2016	% Chg vs Proj.
Personal Services	\$10,325,192	\$9,926,713	(\$861,033)	\$398,479	(9.5%)	3.9%
Temporary Compensation	\$924,336	775,352	(257,224)	148,984	(49.6%)	16.1%
Professional & Technical Svcs	2,697,295	2,560,567	(1,007,794)	136,728	(64.9%)	5.1%
Operating Supplies/Other	885,624	1,011,457	13,241	(125,833)	1.3%	(14.2%)
Interfund Charges	178,067	195,302	(8,786)	(17,235)	(4.7%)	(9.7%)
Capital Related	73,902	81,262	1,717,090	(7,360)	95.5%	0.0%
<b>Total Operating Expenditures</b>	<b>\$15,084,416</b>	<b>\$14,550,652</b>	<b>(\$404,507)</b>	<b>\$533,764</b>	<b>(2.9%)</b>	<b>3.5%</b>
Transfers Out to Other Funds	1,597,454	1,587,094	(251,675)	10,360	(18.8%)	(4.1%)
<b>Total Uses of Funds</b>	<b>\$16,681,870</b>	<b>\$16,137,746</b>	<b>(\$656,182)</b>	<b>\$544,124</b>	<b>(4.2%)</b>	<b>3.3%</b>

<b>Increase/ (Use) of Total Avail. Funds</b>	<b>\$449,894</b>	<b>(\$287,675)</b>	See page 17 for glossary and detailed data description for each column.			
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## Fund Results

Revenue and expenditure projections for 2017 anticipated an increase of \$449,900 in funds available. Instead, lower than anticipated revenues resulted in a \$287,700 draw down of funds. Total funds available ended the year \$737,600 lower than expected at \$10.7 million.

## Revenue (Sources of Funds)

Total revenue was lower than projection by \$1.3 million (7.5%). A major contributing factor were permit fees, that contrary to strong growth rates in the first five months of 2017 stabilized over the later part of the year. Despite lower than projected permit fees, application fee revenues were exceptionally strong in 2017 helping to offset decreases in permit revenue.

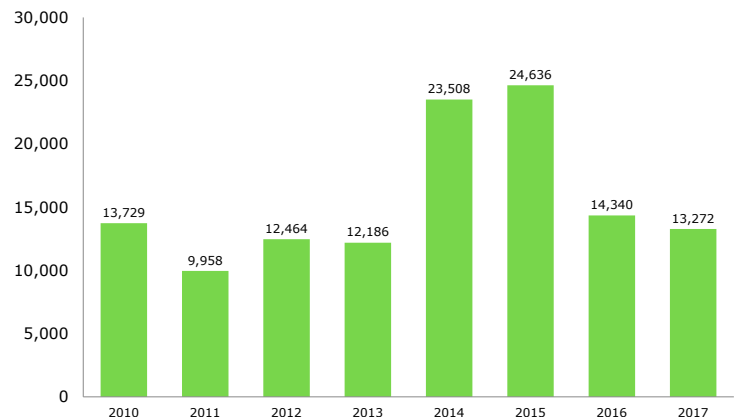
## Expenditures (Uses of Funds)

Total fund uses in 2017 were \$544,100 (3.3%) lower than projection. The majority of this variance is due to vacancy savings in both personal services and temporary compensation expenditures.

When comparing to 2016, the annual overhead fee paid to the General Fund for services rendered increased by \$251,700 for 2017 primarily due to increased staffing in the DRF.

## Permits Issued

2010-2017



# 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 concessions. 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)	2017 Projection	YTD Actual Thru Q4 2017	2017 Year-to-Date Sources Over/(Under)			
			2016	2017 Projection	% Chg vs 2016	% Chg vs Proj.
Revenue from User Fees	\$8,322,076	\$8,576,328	\$370,161	\$254,252	4.5%	3.1%
Interest Income	42,000	39,552	7,631	(2,448)	23.9%	(5.8%)
Miscellaneous Revenue	10,880	34,683	(753)	23,803	(2.1%)	218.8%
<b>Total Fund Revenue</b>	<b>\$8,374,956</b>	<b>\$8,650,563</b>	<b>\$377,039</b>	<b>\$275,607</b>	<b>4.6%</b>	<b>3.3%</b>
Transfers In from Other Funds	150,000	150,000	150,000	0	N/A	N/A
<b>Total Sources of Funds</b>	<b>\$8,524,956</b>	<b>\$8,800,563</b>	<b>\$527,039</b>	<b>\$275,607</b>	<b>6.4%</b>	<b>3.2%</b>

Expenses (Uses of Funds)	2017 Projection	YTD Actual Thru Q4 2017	2017 Year-to-Date Uses Under/(Over)			
			2016	2017 Projection	% Chg vs 2016	% Chg vs Proj.
Personal Services	\$2,624,407	\$2,855,455	\$100,273	(\$231,048)	3.4%	(8.8%)
Temporary Compensation	1,530,472	1,269,223	(31,942)	261,249	(2.6%)	17.1%
Professional & Technical Services	159,879	158,633	4,548	1,246	2.8%	0.8%
Operating Supplies/Other	1,741,890	1,659,132	(10,448)	82,758	(0.6%)	4.8%
Utilities	1,173,601	1,079,038	(27,256)	94,563	(2.6%)	8.1%
Interfund Charges	203,850	191,672	(5,019)	12,178	(2.7%)	6.0%
Debt Related	511,567	448,825	144,898	62,742	24.4%	12.3%
Capital Related	33,303	0	0	33,303	N/A	N/A
<b>Total Fund Operating Expenses</b>	<b>\$7,978,969</b>	<b>\$7,661,978</b>	<b>\$175,054</b>	<b>\$316,991</b>	<b>2.2%</b>	<b>4.0%</b>
Transfers Out to Other Funds	200,000	200,000	(200,000)	0	N/A	0.0%
Capital Projects	350,000	350,000	597,091	0	63.0%	0.0%
<b>Total Uses of Funds</b>	<b>\$8,528,969</b>	<b>\$8,211,978</b>	<b>\$572,145</b>	<b>\$316,991</b>	<b>6.5%</b>	<b>3.7%</b>

<b>Increase/(Use) of Total Avail. Funds</b>	<b>(\$4,013)</b>	<b>\$588,585</b>	See page 17 for glossary and detailed data description for each column.			
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## Fund Results

Both revenue and expenses ended the year better than projection, adding \$588,600 to the fund balance. Funds available ended the year at \$2.4 million instead of the projected \$1.8 million.

### Revenue (Sources of Funds)

The 2017 year-end revenue sources finished \$275,600 (3.2%) above the 2017 projection, driven by user fee collections. A longer than usual season coupled with higher play at Fitzsimons golf course in anticipation of its closure had a favorable impact on fund revenue.

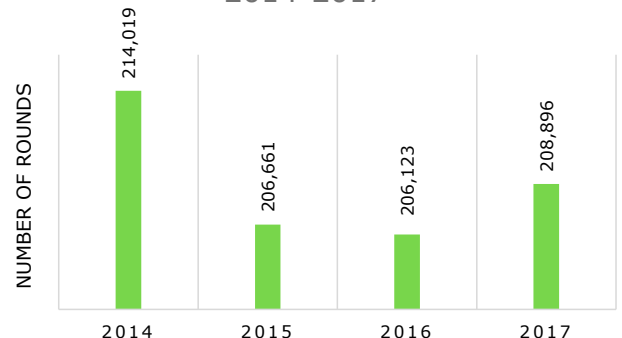
### Expenses (Uses of Funds)

Total uses of funds were \$317,000 (3.7%) under the 2017 projection. Savings in personnel-related expenses were the biggest influence on this variance. Ongoing hiring difficulties

resulted in much lower than normal staffing levels. Some positions were left vacant so that existing staff from Fitzsimons golf course could transfer upon its closure.

## Rounds Played

2014-2017





# 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.

## 2017 Marijuana Tax Revenue

Revenues	2017 Projection	2017 YTD	2017 Year-to-Date Revenues Over/(Under)			
			2016	2017 Projection	% Chg vs 2016	% Chg vs Proj
Sales and Excise Taxes	\$6,426,808	\$6,932,975	\$1,934,105	\$506,167	38.7%	7.9%
State Shareback	1,363,907	1,466,280	297,279	102,373	25.4%	7.5%
Investment Income	30,000	40,893	40,893	10,893	N/A	36.3%
<b>Total Revenue</b>	<b>\$7,820,715</b>	<b>\$8,440,148</b>	<b>\$2,272,278</b>	<b>\$619,433</b>	<b>36.8%</b>	<b>7.9%</b>
Transfers In	1,089,848	1,089,848	0	0	0.0%	0.0%
<b>Total Sources of Funds</b>	<b>\$8,910,563</b>	<b>\$9,529,996</b>	<b>\$2,272,278</b>	<b>\$619,433</b>	<b>36.8%</b>	<b>7.0%</b>

## 2014-2017 Marijuana Funds

Fund Summary	2017 Actual	2014-2017 Total
Sales and Excise Taxes	\$6,932,975	\$14,293,985
State Shareback	1,466,280	3,175,119
Investment Income	40,893	40,893
<b>Total Revenue</b>	<b>\$8,440,148</b>	<b>\$17,509,997</b>
Transportation Projects	\$0	\$3,800,000
Concrete and Asphalt Projects	2,000,000	2,000,000
Medians	250,000	250,000
Debt Service for Central Recreation Center	2,000,000	4,000,000
Nexus Program Reserve	0	680,000
Homeless Services and Housing	2,306,593	3,806,593
<b>Expenditures/Commitments</b>	<b>\$6,556,593</b>	<b>\$14,536,593</b>
<b>Unobligated Funds</b>		<b>\$2,973,404</b>

Types of Licenses	Number Issued as of 1/31/18
Stores	24
Cultivations	17
Product Manufacturing	16
Testing	1

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

## Year-End Results

Year-end marijuana tax revenue is \$619,400 (7.9%) higher than projection. As of January 2018, licenses for 24 stores and 17 cultivation facilities have been issued. At year-end 2017, a total of 21 stores and 11 cultivation facilities were operational and generating tax revenue. These businesses generated \$6.2 million in City sales tax revenue and \$697,300 in excise tax revenue. City Council identified several one-time projects throughout the City and approved the ongoing funding of a debt payment associated with the construction of a new recreation center in central Aurora. 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, \$14.5 million of funds available have been obligated.



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# Appendices

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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.

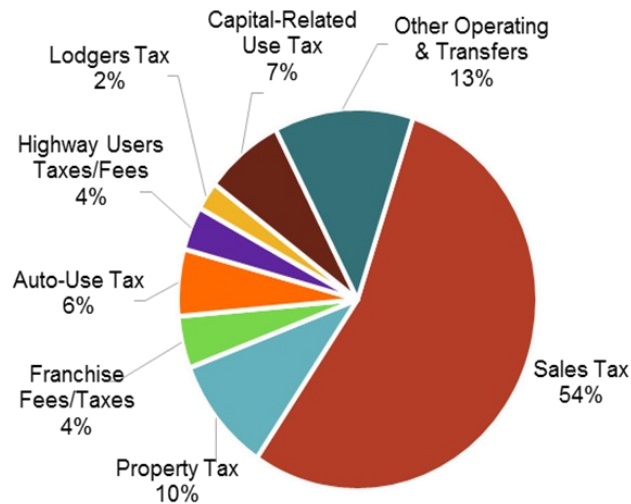
Retail sales remain the backbone of Aurora's General Fund, accounting for 54.0% of total revenue. Use tax is a companion tax to sales tax and is associated with purchases of commodities and equipment. Two-thirds of all General Fund revenue is dependent on purchases when use tax revenues (e.g. building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

Uses of Funds

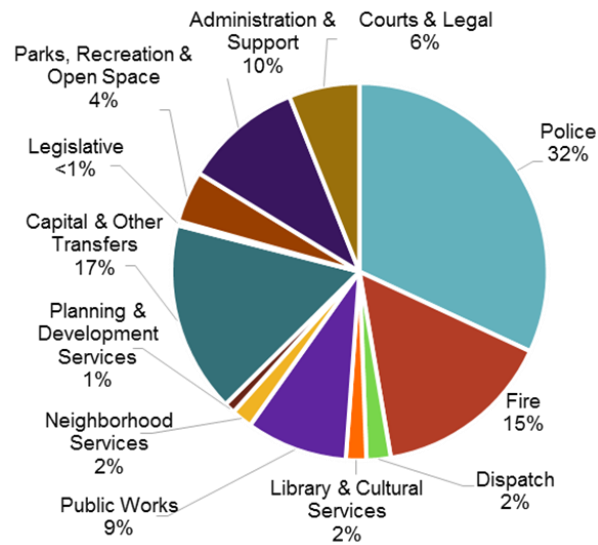
Uses of funds mainly result from expenditures incurred by the departments included in the General Fund. The majority of general services, programs and activities for the citizens of Aurora are supported by this fund, as well as the City Council and the internal administrative management functions. Other 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 2017.

2017 General Fund Revenue  
(Sources)



2017 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><li>Fire</li></ul>	<ul style="list-style-type: none"><li>General Management</li><li>Information Technology</li><li>Internal Services</li><li>Judicial</li><li>Library &amp; Cultural Services</li><li>Neighborhood Services</li></ul>	<ul style="list-style-type: none"><li>Non-Departmental (snow removal, transfers, contingencies)</li><li>Parks, Recreation &amp; Open Space</li><li>Planning &amp; Development Services</li></ul>	<ul style="list-style-type: none"><li>Police</li><li>Public Defender</li><li>Public Safety Communications Center</li><li>Public Works</li></ul>
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# 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.

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## 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.

**2017 Budget:** The 2017 Working Budget.

**2017 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.
- 2016 - The \$ difference between 2017 year-to-date / current month actuals compared to the 2016 actuals for the same timeframe.
- Budget - The \$ difference between the 2017 year-to-date / current month actuals through the current month compared to the 2016 year-to-date budget spending plan for the same timeframe.
- Percent Chg vs 2016 - The percentage change between 2017 year-to-date actuals through the current month and the 2016 actuals through the same month.
- Percent Chg vs Budget - The percentage change between the 2017 year-to-date actuals and the year-to-date budget spending plan.

# Finance Dept. Indicators (for MONTH ending 12/31/17)

## 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.

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

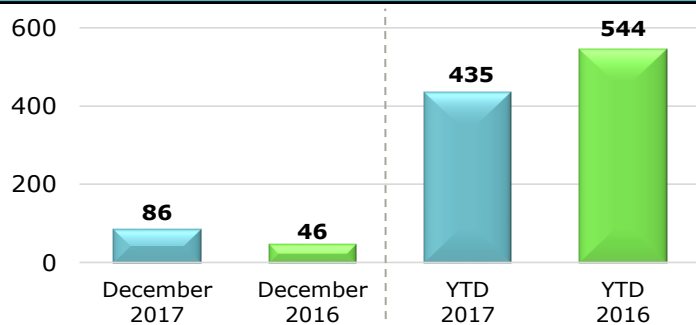

**81%** (Dec)

**87%** (YTD)


## Business Licensing

Construction and professional services were the sectors with the most license growth in December of 2017. Real estate was the only declining sector with a reduction of five licenses. Total annual licenses activity is down due to a comprehensive licensing cleanup effort that occurred in early 2017.

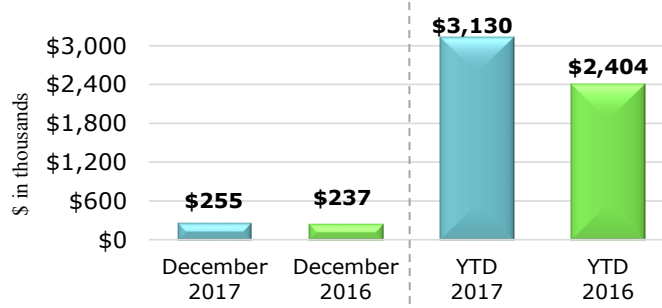
### Business License Activity (Net)



## Delinquent Tax Collections

December 2017 was again above average, capping a record year for delinquent tax collections. Total annual collections exceeded the record set in 2016 by \$726,000. The hiring of new experienced staff allowed collections to remain steady throughout the year.

### 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	2015	2016	2017
Cash & investment portfolio	\$347.8 M	\$412.6 M	\$489.4 M
Weighted avg. yield	1.55%	1.16%	1.46%
Duration (months)	17.6	18.0	16.8

## Financing Transactions Over Previous 12 Months

Currently the only pending future transaction is the Transportation Certificates of Participation (COPS) of \$40 million. Debt payments for the COPS will be funded by Marijuana revenue.

Purpose	Amount	Closed	Rate	Term (yrs.)	Lender/Banker
2017 Fleet	\$1.22 M	11/17	2.49%	7.5	Key
Cobblewood GID	\$0.65 M	10/17	4.68%	15	NBH
Fire Stations	\$27.7 M	8/17	2.91%	20.3	Janney
D2 Police Phase II	\$10.1 M	6/17	2.73%	14.7	Key
Central Rec Center	\$28.9 M	5/17	3.70%	25.5	Stifel
Golf Loan Refinancing	\$3.9 M	3/17	2.00%	9.75	Inter-Fund





# City of Aurora

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