



City of Aurora, Colorado



2016

**FINANCIAL PERFORMANCE
REPORT**

For Quarter Ending March 31, 2016

Report released April 22, 2016

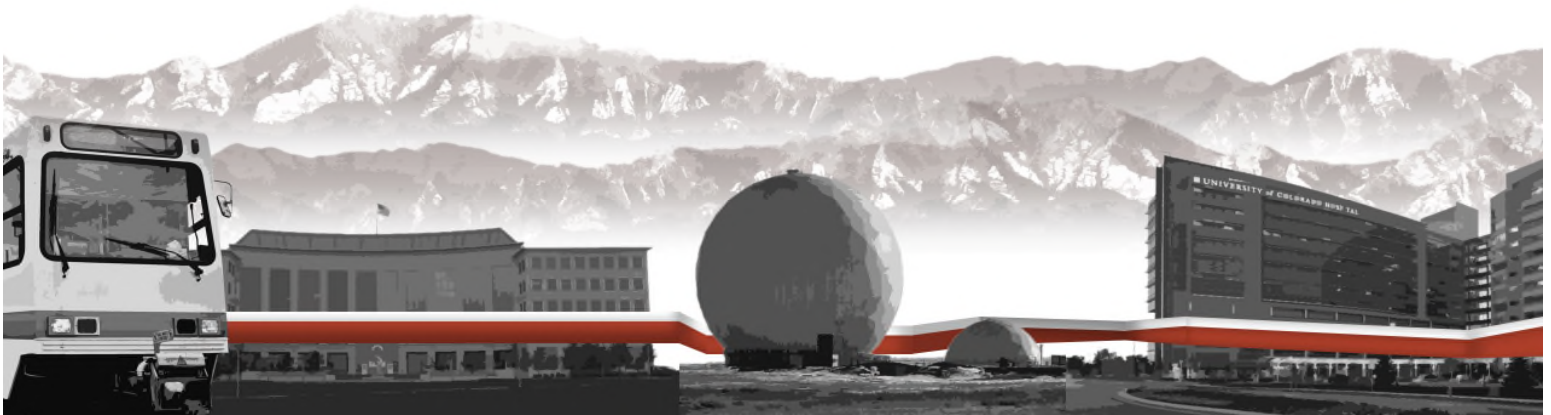









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Economic Update

Local Economic Indicators

Current Mo Data/ % Chg to Prior Mo		Year-to-Date Avg % Change	
AURORA BUILDING PERMITS			
New housing and commercial permits			
	165 (Mar) + 51.4%	+ 83.9%	
Misc. (existing structure) permit valuation			
	\$11.8M (Mar) + 0.0%	- 61.2%	
CONSUMER CONFIDENCE INDEX (CCI) MOUNTAIN REGION			
	86.0 (Mar) - 7.7%	- 13.3%	
LEEDS BUSINESS CONFIDENCE INDEX CO (values above 50 indicate expansion)			
	Q2 2016 55.4	Q1 2016 55.4	Q2 2015 61.7
3.5% (Feb)	AURORA UNEMPLOYMENT RATE	- 31.7%	

Note: All indicator data is most current available.

MARIJUANA SALES TAX REVENUE*		
# stores/ cultiv. open	March	2016 YTD
17/3 (Feb)	\$435,948	\$1.3M

*Includes City of Aurora sales and excise taxes and state sales tax shareback.

The United States economy is expected to continue expanding in 2016, however at a slower rate than in the previous two years. The pace of economic expansion slowed at the end of 2015 amidst headwinds from a weak global economy and the downturn in the oil industry. Economists project growth will remain muted through 2016 as the strong U.S. dollar and low oil prices continue to weigh on industrial and export industries. Increases in consumer spending have been sustained by employment and income growth. Despite nearing full employment, however, consumers remain cautious as economic uncertainties continue.

Colorado's economy continues to face headwinds similar to those around the nation, which is expected to result in slower economic growth than seen in 2015. Initial signs of economic weaknesses included early year negative growth in state sales tax revenue, attributable in part to adverse conditions in the oil and gas industries and reluctant consumer spending. In addition to economic uncertainties, rising housing costs are expected to be a drag on 2016 consumer spending. Nevertheless, the state's labor market remains strong with an unemployment rate of 3.3 percent in February 2016. This is comparable to Aurora's unemployment rate of 3.5 percent, down from 5.0 percent in February 2015.

While the confidence outlook among Colorado business leaders remains unchanged for the second quarter of 2016, declined optimism has been expressed for the third quarter. Areas of concern include the upcoming election, continued low oil prices, and subdued global economic growth. Expectations for the state economy continue to be more positive than for the national economy. Decreasing levels of confidence have been reported for consumers in the Mountain Region.

Demand for new residential and commercial construction continues to drive development related revenue collections in Aurora, offsetting the anticipated decline in revenue from permits issued for existing structure improvements. 2015 saw a surge in demand for roofing permits due to the 2014 hailstorms that is not expected to recur in 2016.

General Fund

Revenues (Sources of Funds)

General Fund operating revenue collections through the first quarter of 2016 are slightly over the budget plan by \$288,000 (0.4 percent). This increase is predominately attributable to higher than expected auto use tax revenue, offsetting shortfalls in sales tax, franchise fees and taxes, and fines and forfeitures.

The 2016 full-year estimate for auto use tax collections assumed growth in collections would plateau, as history would suggest. Alternatively, auto use tax collections exceed plan by \$723,500 as employment growth, low gas prices and high discounts continue to drive auto sales up. Nevertheless, national projections continue to indicate an eminent slowdown in auto sales for 2016. Aurora auto sales typically follow national trends, thus auto use tax collections are expected to slow at some point during 2016.

Sales tax collections, which make up 55 percent of General Fund revenue are behind the year-to-date plan. In order to meet the full-year estimate for sales tax, an average growth rate of 4.1 percent over 2015 is required (shown by the blue line in 2016 on the Sales Tax chart below). To date, collections are just 3.3 percent over 2015. The Top Taxpayers by Industry Category table shows that sales tax collections generated by utility sales are down significantly. This is the result of a mild winter, as well as dramatically low natural gas prices. When excluding utilities, sales tax collections are 4.3 percent over the prior year, illustrating the impact the low energy prices have had on collections from the utilities industry. Energy prices and mild weather have also impacted franchise fees revenues. Fines and forfeitures revenue is also behind plan, due primarily to a reduction in traffic ticket filings issued compared to 2015.

In March 2016, the City began to collect sales tax revenue from the online retailer, Amazon. Early estimates suggest that new collections from online sales may offset the impact of possible shortfalls rather than add to the budgeted revenue expectation.

Capital-related use tax revenue, which impacts the transfer to the Capital Projects Fund, is over budget by \$791,200. The increase is driven by new residential and commercial construction activity.

2016 Revenue Performance by Type

Revenue Category (\$ in thousands)	2016 YTD Budget	Actuals (Under)/ Over Budget	
		\$	%
General Sales Tax	\$42,571.8	(\$331.0)	(0.8%)
Capital Related Use Tax	5,492.5	791.2	14.4%
Auto Use Tax	3,761.3	723.5	19.2%
Franchise Fees and Taxes	2,098.0	(266.4)	(12.7%)
Fines & Forfeitures	1,482.2	(302.7)	(20.4%)
Highway User's Fees & Taxes	1,741.1	51.0	2.9%
Audit Revenue	661.3	(110.5)	(16.7%)
All Other Gen Fund Revenue	18,108.8	528.1	2.9%
Total Revenue (including marijuana)	\$75,916.8	\$1,083.2	1.4%
Less Capital Transfer	7,103.1	744.9	10.5%
Less Marijuana Sales and Excise Taxes	1,206.8	50.3	4.2%
Operating Revenue	\$67,606.9	\$288.0	0.4%

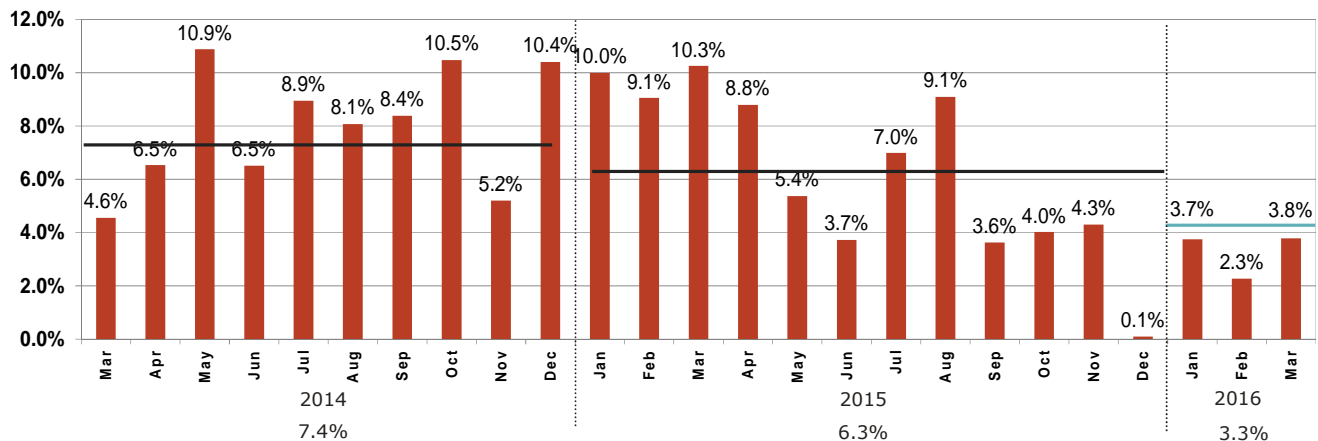
Top Taxpayers by Industry Category

Industry Category (\$ in thousands)	2016 YTD Mar	2015 YTD Mar	\$ Variance	% Change
Eating & Drinking Places	\$5,659.1	\$5,296.2	\$362.9	6.9%
Discount Stores	5,274.6	5,094.7	180.0	3.5%
Utilities	3,003.6	3,258.1	(254.5)	(7.8%)
Telecommunication/Cellular	2,522.5	2,708.4	(186.0)	(6.9%)
Auto Dealers and Parts	2,033.9	1,959.5	74.3	3.8%
Building Materials	2,033.0	1,858.1	174.9	9.4%
Department Stores	1,426.3	1,400.6	25.7	1.8%
Grocery Stores	1,228.2	1,130.5	97.7	8.6%
Beer, Wine, and Liquor Stores	1,204.2	994.3	209.9	21.1%
Clothing and Clothing Accessories	1,086.0	1,015.4	70.6	7.0%
Sport Goods, Hobby, Books, Music	863.9	796.3	67.6	8.5%
Electronics/Computers	830.3	760.0	70.3	9.3%
Furniture and Home Furnishings	554.7	513.1	41.6	8.1%
Other Top Taxpayers	2,221.2	2,155.5	65.7	3.0%
TOTAL TOP TAXPAYERS (excl. marij.)	\$29,941.4	\$28,940.6	\$1,000.8	3.5%
Total of All Other Taxpayers	13,137.2	12,761.3	376.0	2.9%
Less Sales Tax Incentives	837.9	825.3	12.6	1.5%
TOTAL SALES TAX (excl. m.)	\$42,240.8	\$40,876.6	\$1,364.2	3.3%
Marijuana Stores (5.75% sales tax)	934.2	251.5	682.7	271.5%
TOTAL REPORTED SALES TAX	\$43,175.0	\$41,128.1	\$2,046.9	5.0%

Sales Tax

Percent Change from Same Month in Prior Year (4.1% growth required to hit 2016 budget)

Note: This chart excludes marijuana sales tax revenue



General Fund

Expenditures (Uses of Funds)

General Fund operating expenditures through the first quarter of 2016 are \$1.9 million (3.3 percent) under budget, driven by significant savings in the Personal Services and Utilities categories. The 2016 Expenditure Performance chart shows the year-to-date budget plan and how actual expenditures and transfers compare to the plan through the first quarter of the year. When including transfers out to other funds, the favorable budget position is partially offset by higher than planned transfers out. The result remains favorable with total General Fund uses below the budget plan by \$869,600 (1.3 percent).

Significant Personal Services savings have been realized as shown in the breakout of personnel related expenditures. The savings-to-date in salary and benefits is generated by position vacancies. The addition of 63 new positions in the 2016 General Fund budget has created unusually high vacancy savings during the first quarter of the year. As these open positions are filled, the pace of additional savings in the Personal Services category will slow.

Utility costs through the first quarter are 21.8 percent under the budget plan. These are savings that can likely be counted on as the utilities budget for 2016 may prove to be somewhat high. Since the budget was set, natural gas prices have continued to decline which has kept heating costs down and has also dampened electricity prices. Additionally, the conversion to LED lights has proven to reduce street light costs below budget.

The transfer out of capital-related revenue is over budget by \$744,900. This seeming unfavorable outcome is actually good news because it is the result of stronger than projected construction-related revenue. The increased transfer to the Capital Projects Fund is completely offset by revenue and does not have a bottom line impact to the General Fund.

Variances in the other categories, such as Operating Supplies and Other Transfers Out, are likely timing related. Currently there is no indication of specific savings or issues that would cause these variances to flow through to year end results.

2016 Expenditure Performance

Expenditure Category (\$ in thousands)	2016 YTD Budget	Actuals Under/ (Over) Budget	
		\$	%
Personal Services	\$42,854.0	\$1,320.3	3.1%
Temp Compensation	423.2	(30.4)	(7.2%)
Professional/Technical	2,567.7	69.7	2.7%
Operating Supplies	4,469.6	357.9	8.0%
Utilities	1,662.1	362.7	21.8%
Fleet/Risk Interfund	3,476.8	(11.3)	(0.3%)
Debt/Equip Purchases	2,017.0	(166.6)	(8.3%)
Total Operating Exp.	\$57,470.4	\$1,902.2	3.3%
Capital Rev Transfer	7,103.1	(744.9)	(10.5%)
Other Transfers Out	1,366.7	(287.7)	(21.1%)
Total Uses of Funds	\$64,573.5	\$869.6	1.3%

Q1 2016 Personnel Expenditures

Personnel Category (\$ in thousands)	YTD Mar Budget	YTD Mar Actuals	Actuals Under/(Over) Budget
Regular Employee Salary & Benefits	\$41,103.2	\$39,821.6	\$1,281.7
Special Pay	819.4	718.4	100.9
Overtime Compensation	931.5	993.7	(62.3)
Temporary Compensation	423.2	453.6	(30.4)
Total Salary & Other Compensation	\$43,277.2	\$41,987.3	\$1,289.9

2016 Citywide Utilities

Utility (\$ in thousands)	YTD Mar Budget	YTD Mar Actuals	Actuals Under/ (Over) Proj.
Electricity	\$339.7	\$253.3	\$86.4
Natural Gas	177.7	94.4	83.3
Non-Routine Maint	142.5	129.4	13.1
Street Lights-XCEL	849.6	723.9	125.7
Traffic Lights, Signs	47.9	16.5	31.5
Water/Sewer	80.4	64.1	16.3
Other Utilities	24.3	17.9	6.4
Total Mar YTD	\$1,662.1	\$1,299.5	\$362.7

General Fund

The General Fund is the operating fund for 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 15.

Revenues (Sources of Funds)	2016 Budget	2016 YTD Actual thru Q1 2016	2016 Year-to-Date Sources Over/(Under)				Mar 2016 Actual	Mar Sources Over/(Under)	
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget		2015	2016 Budget
Sales Tax - General	\$169,358,647	\$42,240,803	\$1,364,191	(\$330,994)	3.3%	(0.8%)	12,131,426	442,285	(\$42,473)
Use Tax - Capital Related	21,323,365	6,283,632	950,464	791,154	17.8%	14.4%	1,792,573	194,411	196,651
Use Tax - Automobile	16,711,120	4,484,773	324,134	723,513	7.8%	19.2%	1,506,747	50,598	291,849
Property Tax	30,012,306	9,890,661	1,887,455	0	23.6%	0.0%	9,639,522	1,792,902	0
Franchise Fees & Taxes	14,889,231	1,831,594	(136,825)	(266,369)	(7.0%)	(12.7%)	824,535	(36,327)	(127,617)
Highway User's Fees & Taxes	11,196,813	1,792,048	587,427	50,987	48.8%	2.9%	910,847	571,195	43,805
Other Auto Related (SOT, MV Fees)	3,305,434	628,220	98,525	70,315	18.6%	12.6%	275,002	14,949	8,916
Audit Revenue	2,645,262	550,858	(1,396,429)	(110,459)	(71.7%)	(16.7%)	88,203	(156,164)	(132,236)
Other Taxes	12,116,455	2,285,655	(93,834)	136,510	(3.9%)	6.4%	897,430	107,647	93,879
Other Intergovernmental Fees & Taxes	3,158,501	249,054	(282,353)	(17,988)	(53.1%)	(6.7%)	153,433	(329,711)	4,079
Business Licenses & Other Permits	2,765,685	482,609	7,312	(14,662)	1.5%	(2.9%)	260,012	11,157	19,830
Fines & Forfeitures	6,192,333	1,179,453	(321,247)	(302,730)	(21.4%)	(20.4%)	512,586	(110,412)	(76,938)
Internal Charges for Services	6,136,830	1,452,363	73,713	(30,846)	5.3%	(2.1%)	480,258	8,112	(14,145)
External Charges for Services	6,753,509	1,542,109	195,781	(88,578)	14.5%	(5.4%)	580,190	60,710	(63,228)
Other General Fund Revenue	1,957,978	849,066	(138,119)	423,030	(14.0%)	99.3%	467,304	309,058	323,266
Total General Fund Revenue	\$308,523,469	\$75,742,898	\$3,120,194	\$1,032,883	5.3%	(2.1%)	\$30,520,067	\$2,930,410	\$525,636
Marijuana Sales and Excise Taxes	5,555,553	1,257,136	949,308	50,314	308.4%	4.2%	435,948	323,296	19,502
Transfers In from Other Funds	1,628,575	331,588	331,588	38,432	n/a	13.1%	0	0	0
Total Sources of Funds	\$315,707,597	\$77,331,622	\$4,401,091	\$1,121,629	6.0%	1.5%	\$30,956,014	\$3,253,706	\$545,138

General Fund Operating Revenue ¹ **\$280,416,499** **\$67,894,898** **\$1,850,540** **\$288,006** **2.8%** **0.4%**

Expenditures (Uses of Funds)	2016 Budget	2016 YTD Actual thru Q1 2016	2016 Year-to-Date Uses Under/(Over)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Personal Services	\$195,824,064	\$41,533,733	\$973,663	\$1,320,312	2.3%	3.1%
Temporary Compensation	2,070,132	453,603	53,002	(30,408)	10.5%	(7.2%)
Professional & Technical Services	12,735,567	2,497,941	(759,471)	69,714	(43.7%)	2.7%
Operating Supplies/Other	19,084,966	4,132,405	(54,829)	357,868	(1.3%)	8.0%
Utilities	12,263,642	1,299,475	43,103	362,652	3.2%	21.8%
Interfund Charges	13,785,952	3,488,089	(93,745)	(11,315)	(2.8%)	(0.3%)
Debt/Capital Related	6,534,388	796,212	(458,348)	(166,615)	(135.7%)	(8.3%)
General Fund Operating Expenditures	\$262,298,711	\$54,201,457	(\$296,625)	\$1,902,209	(0.6%)	3.3%
Capital Related Revenue Transfer Out ²	28,106,970	7,848,000	(1,269,654)	(744,877)	(19.3%)	(10.5%)
All Other Transfers Out to Other Funds	37,425,382	1,654,461	(738,747)	(287,713)	(80.7%)	(21.1%)
Total Uses of Funds	\$327,831,063	\$63,703,918	(\$2,305,026)	\$869,619	(3.8%)	1.3%

Less Carryforward Budget (3,430,357)
Incr/ (Use) of Available Funds³ **(\$8,693,109)**

See page 16 for glossary and detailed data description for each column.

1. Operating revenue excludes Marijuana sales and excise tax, 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).
2. 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.
3. The 2016 Budget includes the planned use of \$8.7 million in fund balance primarily associated with the one-time expenditures for road improvements.

Water/Wastewater Funds

Revenue (Sources of Funds)

First Quarter revenue in the combined Water/Wastewater Fund are \$772,100 (2.1 percent) over 2015 year-to-date, and \$112,500 (0.3 percent) over the current first quarter projection. Water Fund revenue is actually \$454,000 (2.1 percent) ahead of the year-to-date revenue plan while Wastewater Fund revenue is \$341,500 (2.1 percent) behind the year-to-date revenue plan. Year-to-date surpluses in water utility sales offset shortfalls in most other revenue streams. Utility sales account for 82.5 percent of all Water and Wastewater Fund revenue, so small fluctuations can have large impacts on the bottom line.

Water utility sales are heavily dependent on the weather. As most of the water utility revenue is received in the summer, only about 15 percent of the total is projected through the first quarter. Proceeds in the remainder of the year will have a much larger impact on the fund. All utility sales are trending higher than year-to-date 2015.

In looking at water connections and tap fee revenue year-to-date through March, tap fee connections in 2016 reached 294 connections, significantly higher than the previous eight years. More taps do not necessarily relate to more tap fee revenue, though, as witnessed by the decline in year-to-date tap fee revenue since the high in first quarter 2013. This can be explained by the different pricing for differently sized tap connections, as the larger taps used in commercial and multi-family connections would bring in more per-tap revenue than the typical single family home tap.

Revenue Variance Breakdown

Q1 2016 Water and Wastewater Funds

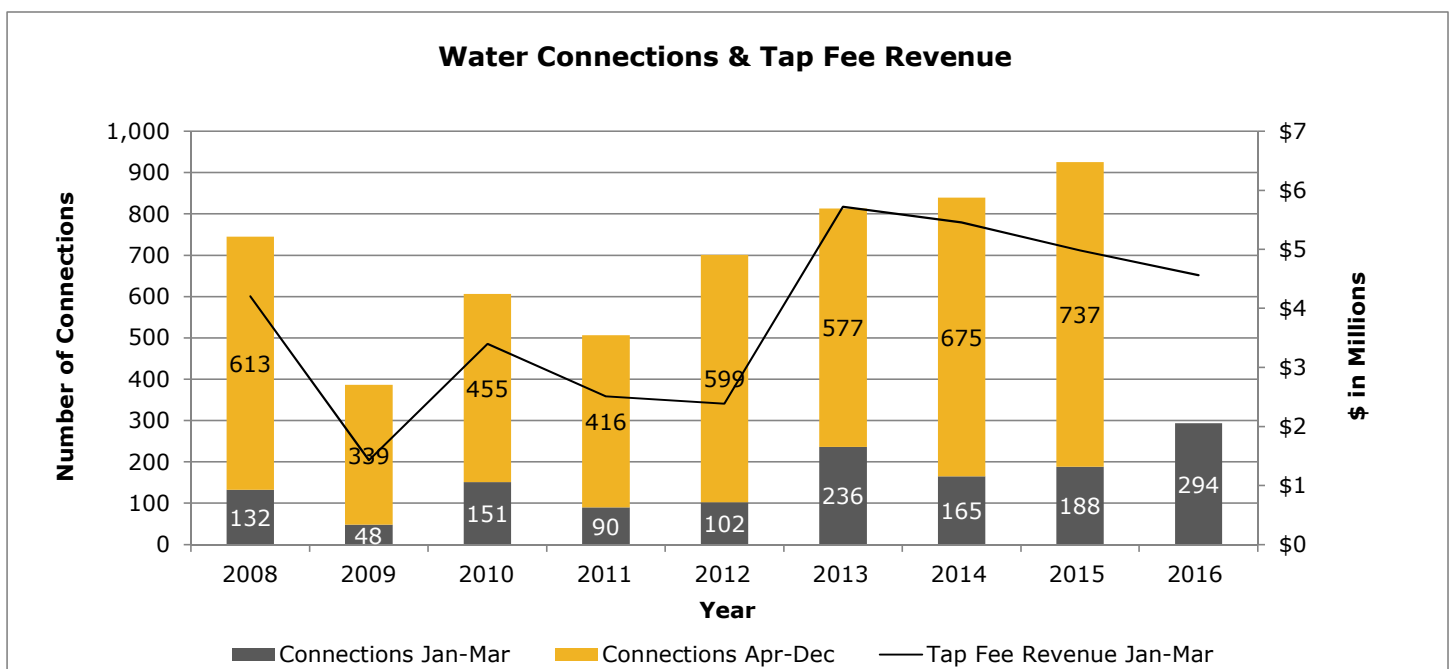
Revenue Type	Water	Wastewater	Combined
Utility Sales - Water	\$345,293	\$0	\$345,293
Utility Sales - WW	0	(179,694)	(179,694)
Utility Sales - ECCV	0	(31,619)	(31,619)
Development Fees	45,702	(99,752)	(54,050)
External Charges for Services	72,588	(528)	72,060
Investment Income	(24,903)	(14,387)	(39,290)
Other Revenue	15,286	(15,535)	(249)
Total Revenue	\$453,966	(\$341,515)	\$112,451

Uses of Funds

Total expenditures (operating and capital) through the first quarter are \$5.2 million (10.1 percent) under the year-to-date budget plan and \$939,000 (2.1 percent) over 2015 year-to-date. The expenditure budget includes the adopted budget any carryforwards, which are expenses that were expected in the prior year, but will be expensed in the current year.

• Operating Expenditures

First quarter expenditures in the combined Water/Wastewater Fund are trending very close to 2015, but are \$1.9 million under the 2016 year-to-date budget plan. Operating Supplies are \$1.2 million under the budget plan due mostly to less-than-



Water/Wastewater Funds

projected spending on supplies, including chemicals, at the Binney Water Treatment Facility and equipment expenses associated with the Homestake Project. Both of these items are in the Water Fund. Capital related expenses are under the budget plan by \$700,100 due primarily to less-than-projected spending spread throughout the Wastewater Fund. Personal Services is \$394,000 (5.1 percent) over the year-to-date budget plan due primarily to certain expenses that have yet to be booked in the Water Fund. Professional and Technical Services savings appear in both funds, although the majority of the \$313,900 variance is due to unspent professional services in Water Resources in the Water Fund.

• Capital Expenditures

Capital project expenditures are currently \$3.3 million (24.0 percent) under the year-to-date projection plan, but \$893,000 over 2015 year-to-date capital spending. The details of the year-to-date variance can be found in the following section.

Capital Budget and Expenditures

Although capital funds are obligated in the year budgeted, actual spending can occur in following years. To track actual

capital spending, Aurora Water creates a spending plan for each quarter. The table below outlines the current year capital budget by program, including funds budgeted in prior years but not spent (carryforwards). The 2016 spending plan assumes that \$151.5 million of the appropriated \$182.6 million will be spent by year end. Of the anticipated \$151.5 million spending, only \$13.9 million (9.2 percent) was planned to be spent in the first quarter.

Actual spending on capital projects compared to the spending plan through the first quarter is behind by \$3.3 million. The most significant variance appears in the treatment program, specifically associated with improvements at the Binney Water Treatment Plant, which has only spent \$2.1 million of the \$5.2 million plan. In the Wastewater Fund, the Storm Water Program is under projection due to primarily to slower-than-expected spending on Alameda Avenue Storm Crossing and Baranmor Ditch Improvements.

Staff fully anticipates that the capital spending will increase through the remainder of 2016 and that the Funds will reach the capital spending plan projections by year-end.

Capital Projects Status Water and Wastewater Funds

Program	2016 Budget + 2015 Carryforward Budget	2016 Spending Plan	YTD Spending Plan	YTD Spending*	Ahead/ (Behind) Plan	Encumbered Funds
WATER FUND						
Operations & General Mgmt	\$2,687,457	\$1,511,292	\$82,000	\$104,067	\$22,067	\$662,388
Pumping	7,373,367	3,825,000	238,000	70,117	(167,883)	727,157
SOS Other	10,655,659	5,861,000	245,000	234,680	(10,320)	461,782
SOS Storage	56,058,164	74,998,690	673,000	658,406	(14,594)	4,019,107
SOS Water	9,957,187	9,381,011	192,850	840,573	647,723	1,851,408
Trans & Distrib	13,135,195	6,565,730	900,000	124,670	(775,330)	1,704,086
Treatment	19,475,571	16,906,421	5,227,980	2,802,968	(2,425,012)	11,530,985
Total Water Fund	\$119,342,600	\$119,049,144	\$7,558,830	\$4,835,481	(\$2,723,349)	\$20,956,913
WASTEWATER FUND						
Collection	\$14,984,148	\$11,929,750	\$958,000	\$1,363,136	\$405,136	\$3,433,037
Operations & General Mgmt	9,045,322	3,069,271	131,459	106,139	(25,320)	2,035,698
Storm Water	39,230,175	17,498,708	5,271,263	4,268,883	(1,002,380)	8,353,574
Total Wasterwater Fund	\$63,259,645	\$32,497,729	\$6,360,722	\$5,738,158	(\$622,564)	\$13,822,309
Totals	\$182,602,245	\$151,546,873	\$13,919,552	\$10,573,639	(\$3,345,913)	\$34,779,222

*Year-to-date spending does not include encumbrances.

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)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Sources Over/(Under)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Utility Sales - Water	\$104,080,587	\$16,438,130	\$284,386	\$345,293	1.8%	2.1%
Utility Sales - WW	\$53,906,658	\$13,296,948	\$888,011	(\$179,694)	7.2%	(1.3%)
Utility Sales - ECCV	\$6,063,213	\$1,484,185	\$491,665	(\$31,619)	49.5%	(2.1%)
Development Fees	28,882,892	5,514,632	(302,048)	(54,050)	(5.2%)	(1.0%)
External Charges for Services	902,458	281,162	(279,958)	72,060	(49.9%)	34.5%
Investment Income	3,913,196	998,114	(57,639)	(39,290)	(5.5%)	(3.8%)
Other Revenue	1,205,946	168,306	(252,293)	(249)	(60.0%)	(0.1%)
Total Revenue	\$198,954,950	\$38,181,477	\$772,124	\$112,451	2.1%	0.3%
Transfers In from Other Funds	0	0	0	0	N/A	N/A
Total Sources of Funds	\$198,954,950	\$38,181,477	\$772,124	\$112,451	2.1%	0.3%

Expenditures (Uses of Funds)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Uses Under/(Over)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Personal Services	\$34,064,050	\$8,187,362	(\$326,216)	(\$394,048)	(4.1%)	(5.1%)
Temporary Compensation	1,094,004	144,297	(33,548)	64,277	(30.3%)	30.8%
Professional & Technical Services	8,583,086	965,082	50,187	313,886	4.9%	24.5%
Operating Supplies/Other	23,940,375	4,418,376	(297,737)	1,191,967	(7.2%)	21.2%
Utilities	35,701,428	8,629,784	(234,767)	16,117	(2.8%)	0.2%
Interfund Charges	2,700,798	659,375	29,226	4,401	4.2%	0.7%
Debt Related	29,068,128	12,245,469	648,701	(1)	5.0%	(0.0%)
Capital Related	5,567,746	660,042	118,167	700,056	15.2%	51.5%
Total Operating Expenditures	\$140,719,615	\$35,909,787	(\$45,987)	\$1,896,655	(0.1%)	5.0%
Transfers Out to Other Funds	0	0	0	0	N/A	N/A
Capital Projects	182,602,245	10,573,639	(892,973)	3,345,913	(9.2%)	24.0%
Total Uses of Funds	\$323,321,860	\$46,483,426	(\$938,960)	\$5,242,568	(2.1%)	10.1%

Less Carryforward Budget (85,428,296)

Incr/ (Use) of Total Avail Funds (\$38,938,614)

See page 16 for glossary and detailed data description for each column.

1. The \$38.9 million in Funds Available use is primarily due to capital projects spending using existing cash balances in the Water Fund (\$22.1 million) and Wastewater Fund (\$16.8 million). This equates to 47.2 percent of the 2016 Beginning Funds Available.

Development Review Fund

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

Revenues (Sources of Funds)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Sources Over/(Under)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Contractor Licensing	\$600,399	\$153,863	\$6,462	\$22,195	4.4%	16.9%
Permits	13,348,499	2,380,027	(292,233)	(547,299)	(10.9%)	(18.7%)
Application and Admin Fees	2,670,059	555,803	117,790	(29,742)	26.9%	(5.1%)
Interest	70,001	30,655	9,213	15,304	43.0%	99.7%
Other Revenue	28,562	7,391	(471)	1,128	N/A	18.0%
Total Revenue	\$16,717,520	\$3,127,739	(\$159,239)	(\$538,414)	(4.8%)	(14.7%)
Transfers In from Other Funds	0	0	0	0	N/A	N/A
Total Sources of Funds	\$16,717,520	\$3,127,739	(\$159,239)	(\$538,414)	(4.8%)	(14.7%)

Expenditures (Uses of Funds)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Uses Under/(Over)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Personal Services	\$9,313,538	\$1,943,330	(\$154,819)	\$189,844	(8.7%)	8.9%
Temporary Compensation	770,218	106,140	21,340	66,076	16.7%	38.4%
Professional & Technical Svcs	3,889,886	158,425	(149,976)	730,342	N/A	82.2%
Operating Supplies/Other	211,595	186,232	(123,116)	(144,098)	(195.1%)	(342.0%)
Interfund Charges	190,949	44,235	5,502	4,587	11.1%	9.4%
Capital Related	124,000	609	(609)	30,391	N/A	98.0%
Total Operating Expenditures	\$14,500,186	\$2,438,971	(\$401,678)	\$877,142	(19.7%)	26.5%
Transfers Out to Other Funds	1,335,419	0	0	0	N/A	N/A
Total Uses of Funds	\$15,835,605	\$2,438,971	(\$401,678)	\$877,142	(19.7%)	26.5%

Less Carryforward Budget	(15,262)
Incr/(Use) of Total Avail Funds	\$897,177

See page 16 for glossary and detailed data description for each column.

Revenue (Sources of Funds)

The largest portion of revenue is from fees collected for permits, development application fees and licensing. Revenue through March is 538,400 (14.7 percent) less than the year-to-date plan and is \$159,200 (4.8 percent) less than 2015. A decline in roof permits and other permit revenue is the prime cause of the decline. Although permit valuation is up from 2015, the fees collected are down nearly 20 percent year-to date. Interest revenue is on pace to nearly double the original budget. Staff will continue to monitor the fund revenue to ascertain long-term impacts of the revenue decrease.

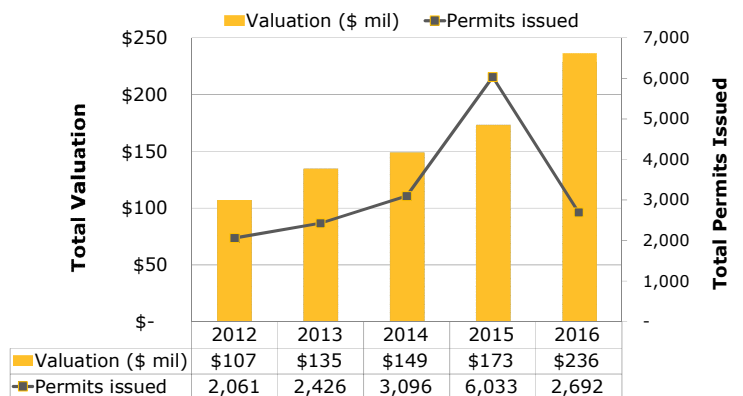
Expenditures (Uses of Funds)

Total expenditures are significantly under the year-to-date projection by \$877,100 (26.5 percent), due primarily to \$730,300 savings on professional and technical services. Timing of the \$2.5 million technical expense related to Workflow System Replacement cause the majority of savings. It is expected that these funds will be spent before year-end.

Personal Services are currently \$189,800 (8.9 percent) under the

year-to-date projection, primarily associated with vacancy savings in Engineering Services. Operating supplies are the only expenditure line item over the year-to-date budget, due primarily to tenant remodel costs in the Permit Center. This atypical expense was the

Project Valuations and Permits Issued First Quarter, 2012-2016



Cultural Services Fund

The Cultural Services Fund accounts for cultural-related services provided to citizens. Funding for these services is provided by fees, donations, General Fund transfers, intergovernmental revenues from the Scientific and Cultural Facilities District (SCFD), and proceeds from the Art in Public Places (AIPP) ordinance. AIPP funds are designated for specific use within the fund.

Revenues (Sources of Funds)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Sources Over/(Under)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Cultural and SCFD Program						
General Admission	\$269,000	\$70,341	(\$1,904)	\$12,278	(2.6%)	21.1%
Restaurant/Concessions	32,001	10,060	(253)	2,730	(2.5%)	37.2%
Class Fees	364,000	99,169	3,404	408	3.6%	0.4%
Rental Fees-Cultural Facilites	61,000	7,500	(2,126)	(2,637)	(22.1%)	(26.0%)
Gifts and Grants	339,003	7,999	3,269	(5,726)	69.1%	(41.7%)
Other Revenue	53,655	10,705	(2,007)	(6,015)	(15.8%)	(36.0%)
Cultural and SCFD Revenue	\$1,118,659	\$205,774	\$383	\$1,038	0.2%	0.5%
AIPP 1% Project Allocation/Other	499,325	79,951	37,396	79,951	87.9%	N/A
General Fund Subsidy	1,029,041	0	(73,000)	0	(100.0%)	N/A
Total Sources of Funds	\$2,647,025	\$285,725	(\$35,221)	\$80,989	(11.0%)	39.6%

Expenditures (Uses of Funds)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Uses Under/(Over)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Cultural and SCFD Program						
Personal Services	\$1,072,193	\$158,141	\$67,574	\$96,182	29.9%	37.8%
Temporary Compensation	369,078	71,879	(20,982)	8,486	(41.2%)	10.6%
Professional & Technical Services	426,825	118,687	134,583	31,742	53.1%	21.1%
Operating Supplies/Other	281,480	109,434	(6,679)	(6,011)	(6.5%)	(5.8%)
Utilities	63,210	9,495	3,236	8,054	25.4%	45.9%
Interfund Charges	24,255	5,406	(4)	(287)	(0.1%)	(5.6%)
Cultural and SCFD Expenditures	\$2,237,041	\$473,042	\$177,728	\$138,166	27.3%	22.6%
AIPP Program Expenditures	740,779	78,481	79,755	105,909	50.4%	57.4%
Total Uses of Funds	\$2,977,820	\$551,523	\$257,483	\$244,075	31.8%	30.7%

Less Carryforward Budget	0
Incr/(Use) of Total Avail Funds	(\$330,795)

See page 16 for glossary and detailed data description for each column.

Revenues (Sources of Funds)

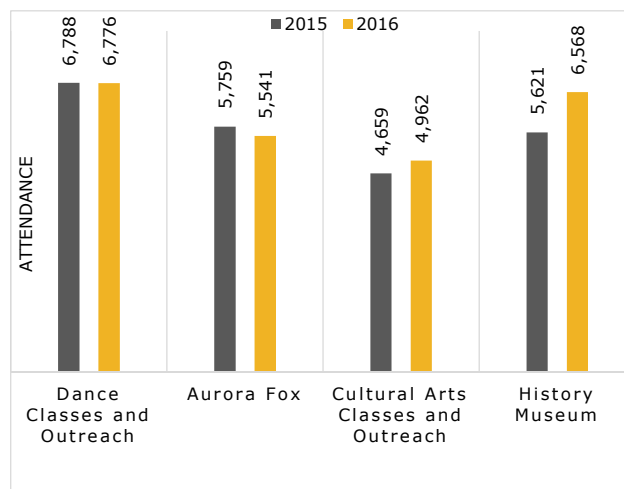
Total year-to-date revenue is tracking ahead of plan. This is primarily due to an insurance recovery for damage sustained during the 2015 tornado to the Spotlight Aurora art piece. Cultural and SCFD revenue is tracking closely to the quarterly revenue plan.

Expenditures (Uses of Funds)

Expenditures through the first quarter of 2016 are under the budget plan by 244,100. The AIPP program has generated \$105,900 of the favorable variance, primarily due to timing delays as a result of staff turnover and negotiations with RTD. The net of all other Cultural and SCFD programs is under the budget plan by \$138,200. With over \$100,000 of the variance attributed to personnel related savings, the fund is on track to meet its goal to reduce expenditures by approximately \$160,000 below budget to maintain a small fund balance for Cultural and SCFD programs.

Cultural Services Attendance

First Quarter, 2015 vs. 2016



Recreation Fund

The Recreation Fund, established in 1986, 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 service costs, utilities, interfund charges and other required costs such as custodial fees and contractual escalators. The majority of Recreation Fund revenues and expenditures occur in the summer months.

Revenues (Sources of Funds)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Sources Over/(Under)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Aquatics	\$1,135,401	\$160,882	(\$4,785)	(\$30,712)	(2.9%)	(2.7%)
Fitness & Leisure	311,498	86,202	16,112	13,743	23.0%	4.4%
Preschool and Youth Programs	916,210	209,261	(42,278)	(23,601)	(16.8%)	(3.0%)
Recreation Centers	413,900	116,285	8,078	25,097	7.5%	6.1%
Recreation Division Management	118,701	18,410	(2,795)	(44,469)	(13.2%)	(17.4%)
Senior Programs	368,295	82,564	23,219	6,846	39.1%	1.9%
Special Programs	534,001	109,295	36,502	20,318	50.1%	5.4%
Sports Programs	2,007,828	330,216	63,966	(42,615)	24.0%	(2.1%)
Total Recreation Fund Revenue	\$5,805,834	\$1,113,114	\$98,019	(\$75,392)	9.7%	(6.3%)
Transfers In from Other Funds	4,577,962	0	0	0	0	0.0%
Total Sources of Funds	\$10,383,796	\$1,113,114	\$98,019	(\$75,392)	9.7%	(6.3%)

Expenditures (Uses of Funds)	2016 Budget	YTD Actual thru Q1 2016	2016 Year-to-Date Uses Under/(Over)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Personal Services	\$4,841,965	\$970,054	\$54,852	\$153,639	5.4%	13.7%
Temporary Compensation	2,446,527	422,097	25,400	39,347	5.7%	8.5%
Professional & Technical Services	546,200	138,550	(73,169)	(53,915)	(111.9%)	(63.7%)
Operating Supplies/Other	1,393,405	256,731	22,309	8,004	8.0%	3.0%
Utilities	964,100	124,122	(9,482)	47,372	(8.3%)	27.6%
Interfund Charges	197,392	40,532	3,073	6,268	7.0%	13.4%
Capital Related	0	1,819	(1,819)	(1,819)	n/a	n/a
Total Operating Expenditures	\$10,389,589	\$1,953,905	\$21,164	\$198,896	1.1%	9.2%
Transfers Out to Other Funds	30,000	0	0	0	0	0
Total Uses of Funds	\$10,419,589	\$1,953,905	\$21,164	\$198,896	1.1%	9.2%
Less Carryforward Budget	(29,930)					
Incr/(Use) of Total Avail Funds	(\$5,863)					

See page 16 for glossary and detailed data description for each column.

Revenues (Sources of Funds)

Total revenue is \$75,400 below the year-to-date revenue plan. Recreation Division Management performed 17.4% below expectations due to anticipated gifts and grants that have not yet arrived this year. Nonetheless, other revenue centers increased their financial performance. Sports programs had a significant increase in participation over 2015 and revenues increased correspondingly although not quite as much as expected. The Aquatics program experienced a minimal reduction in attendance and revenue primarily due to managerial restructuring issues. Preschool and youth programs revenues are less than anticipated – and shall remain so for the balance of 2016 – due to revenues budgeted from the Colorado Preschool Program for fiscal year 2016 depositing in fiscal year 2015.

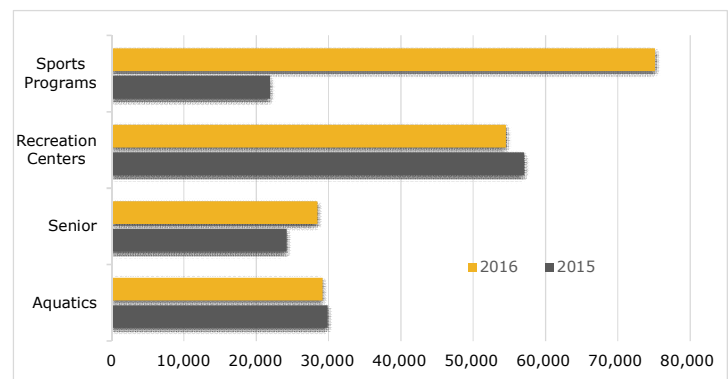
Expenditures (Uses of Funds)

Total expenditures are 9.2% underspent for 2016 primarily due to vacancy savings during the 1st quarter. It is expected that this variance will decrease over the summer months as recreation demand

increases. It is worth noting the Sport Officials were reclassified from the personal services category to the professional and technical services category as they were reclassified as independent contractors. This accounts for the increase/decrease in the respective categories.

Recreation Attendance

First Quarter, 2015 vs. 2016



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 expenditures, primarily temporary compensation, capital improvements, and operating supply expenditures are spent in tandem with revenues.

Revenues (Sources of Funds)	2016 Budget	2016 YTD Actual Thru March	2016 Year-to-Date Sources Over/(Under)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Revenue from User Fees	\$8,219,349	\$540,885	(\$67,449)	(\$368,672)	(11.1%)	(40.5%)
Interest Income	42,171	7,272	(3,894)	2,605	(34.9%)	55.8%
Miscellaneous Revenue	12,002	3,372	(11,628)	2,044	(77.5%)	154.0%
Total Fund Revenue	\$8,273,522	\$551,529	(\$82,971)	(\$364,023)	(13.1%)	(39.8%)
Transfers In from Other Funds	150,000	0	0	0	0	0
Total Sources of Funds	\$8,423,522	\$551,529	(\$82,971)	(\$364,023)	(13.1%)	(39.8%)

Expenditures (Uses of Funds)	2016 Budget	2016 YTD Actual Thru March	2016 Year-to-Date Uses Under/(Over)			
			2015	2016 Budget	% Chg vs 2015	% Chg vs Budget
Personal Services	\$2,925,694	\$650,542	\$33,996	\$29,894	5.0%	4.4%
Temporary Compensation	1,401,364	83,903	(6,090)	230,624	(7.8%)	73.3%
Professional & Technical Services	170,936	49,532	(8,568)	(10,428)	(20.9%)	(26.7%)
Operating Supplies/Other	1,716,519	287,215	(114,278)	11,969	(66.1%)	4.0%
Utilities	1,095,304	56,294	(4,748)	157,872	(9.2%)	73.7%
Interfund Charges	191,880	48,858	117	4,832	0.2%	9.0%
Debt Related	832,750	0	0	156,561	0.0%	100.0%
Capital Related	0	47,867	457,258	(47,867)	9.5%	(174.0%)
Total Fund Expenses	\$8,334,447	\$1,224,211	\$357,686	\$533,458	22.6%	29.9%
Transfers Out to Other Funds	0	0	0	0	0	0
Capital Projects	947,091	0	513,905	0	100.0%	n/a
Total Uses of Funds	\$9,281,538	\$1,224,211	\$357,686	\$533,458	22.6%	29.9%

Less Carryforward Budget	(626,789)
Incr/(Use) of Total Avail Funds	(\$231,227)

See page 16 for glossary and detailed data description for each column.

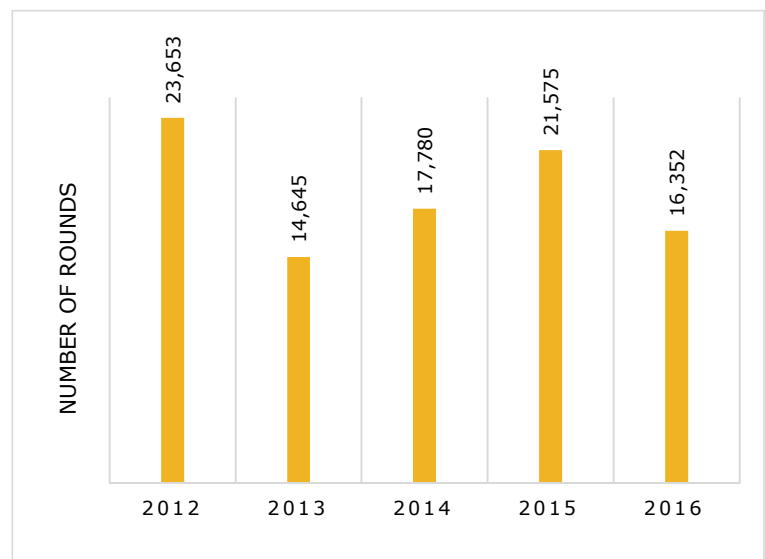
Revenues (Sources of Funds)

Total year-to-date revenue is \$364,000 below projected year-to-date revenue. The main culprit for this deficiency is the number of total rounds played decreased by 5,200 year-to-date versus 2015 due to unsuitable weather for the sport. Specifically, the golf courses had sustained snow cover for a substantial part of the 1st Quarter. For the same reason, when compared to the five-year average, total first quarter rounds played are down 13 percent.

Expenditures (Uses of Funds)

Total year-to-date expenditures are \$533,500 underspent compared to budget. Snow cover on the golf courses delayed spending on personal services, temporary compensation, operating supplies, utilities and the remaining categories. Professional and technical services which include items like tree maintenance are up this quarter from budget due to broken branches and debris caused by winter weather. This year, the Golf Division purchased a fleet of golf carts for the Saddle Rock golf course and necessary maintenance equipment which, due to the timing of the purchases, increased capital related expenditures by \$47,900 compared to budget.

Rounds Played First Quarter, 2012-2016





Appendices



General Fund Overview

The General Fund is the operating fund for 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 percent voter-approved sales tax for 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 55 percent 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.

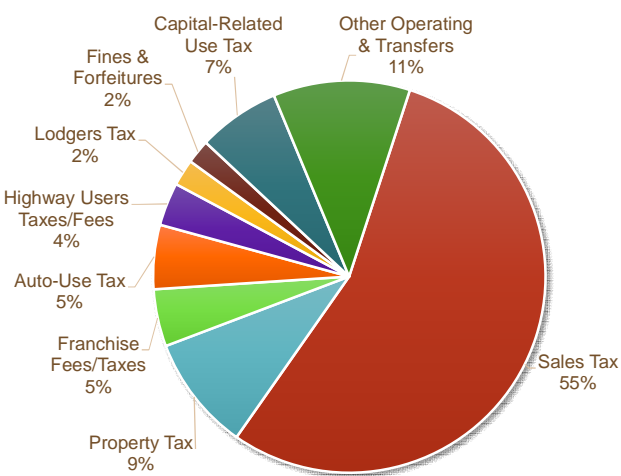
Uses of Funds

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 52 percent of total General Fund appropriations in 2016.

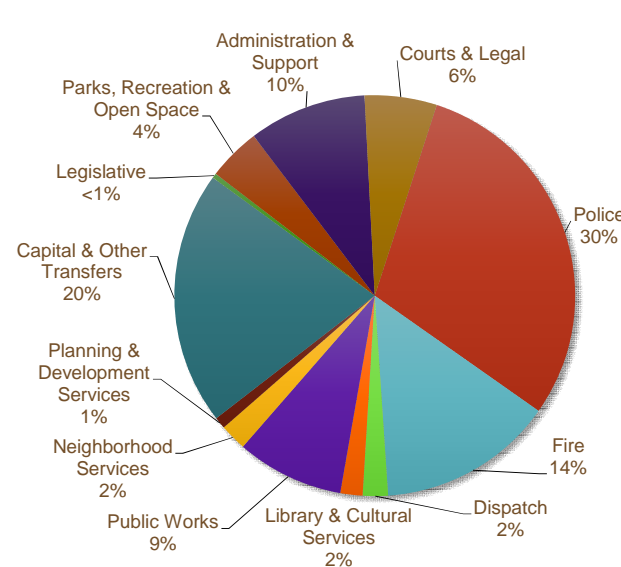
The 2016 Budget includes the planned use of \$8.7 million in fund balance primarily associated with the one-time expenditures for road improvements.

2016 General Fund Revenue
(Sources)



Total Sources of Funds: \$315.7 million

2016 General Fund Appropriations
(Uses)



Total Uses of Funds: \$324.4 million

General Fund Departments

- | | | | |
|--|--|--|---|
| <ul style="list-style-type: none">City AttorneyMayor & City CouncilCivil Service CommissionCourt AdministrationFinance | <ul style="list-style-type: none">General ManagementInformation TechnologyInternal ServicesJudicialLibrary & Cultural ServicesNeighborhood Services | <ul style="list-style-type: none">Non-Departmental (snow removal, transfers, contingencies)Parks, Recreation & Open SpacePlanning & Development Services | <ul style="list-style-type: none">PolicePublic DefenderPublic Safety Communications CenterPublic Works |
|--|--|--|---|

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.

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.

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.

2016 Budget: The 2016 Adopted Budget plus approved supplemental amendments and obligated (encumbered) funds carried forward from 2015.

YTD Actual thru the Current Month: The year-to-date actual sources and uses of funds.

Year-to-Date / Current Month Variance:

- Over/(Under)
 - Current year sources under the prior year or budgeted sources are unfavorable, indicated by brackets; current year uses over the prior year or budgeted uses are unfavorable, indicated by brackets
- 2015 - The \$ difference between 2016 year-to-date / current month actuals compared to the 2015 actuals for the same timeframe
- Budget - The \$ difference between the 2016 year-to-date actuals through the current month compared to the 2016 year-to-date projected budget (see note below) for the same timeframe
- Percent Chg vs 2015 - The percentage change between 2016 year-to-date actuals through the current month and the 2015 actuals through the same month
- Chg vs Budget - The percentage change between the 2016 year-to-date actuals and the year-to-date projected budget (see note below)

Note: For comparison purposes, the 2016 Budget has 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).

Finance Dept Indicators **Q1 2016**

Accounts Payable

By making payments within the standard 30 days or less timeframe, 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.

TARGET: 30 DAYS FOR 85% OF VENDOR PAYMENTS



87% (Mar)

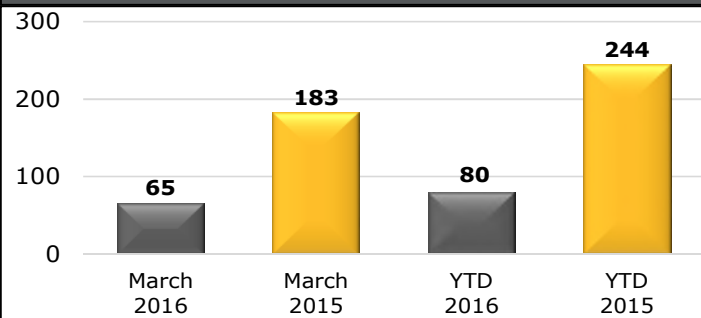
87% (YTD)



Business Licensing

Net license activity is usually higher in March than February as many annual tax filers close licenses in February. New business activity is less Q1 2016 compared with the Q1 2015 due to the Construction sector. Retail trade has also been much weaker, however businesses in the service sector continue steady openings.

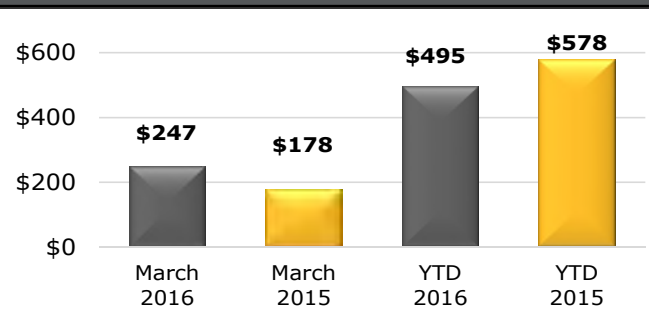
Business License Activity (Net)



Tax Collection

Collections have been strong in March of both years. Current year collections are slightly lower than the previous year collections from the first quarter of 2015. This is partly the result of staff turnover.

Delinquent Tax Collections



Investments

Duration has seen a reduction to allow for an increase in available funds for investment in anticipation of higher interest rates.

Reductions in the portfolio balance are due to a water pre-pay of \$30 million in June 2015 and a \$13.2 million loan to AURA to purchase land for Regatta redevelopment in February 2016.

March	2014	2015	2016
Cash & investment portfolio	\$390.6 M	\$369.3 M	\$358.8 M
Weighted avg. yield	1.00%	1.10%	1.18%
Duration (months)	23.9	19.9	14.4

Financing Transactions Over Previous 12 Months

Pending future transactions include the Moorhead Recreation Center (\$9.0 million), Aurora Water refinancing (\$500 million), Financing of a Tax and Licensing System (\$1.3 million), District 2 Police - Phase 2 (\$11.3 million), New Recreation Center (\$30 million), and 2016 Fleet (\$2.1 million).

There were no changes to report for the completed financing transaction measure in March.

Purpose	Amount	Closed	Rate	Term	Lender/
District 2 Police	\$3.78M	12/15	2.13%	10	JPM
HH&CC w/ Int. Rate Cap	\$25.0 M	08/15	Various	10	RBC
2015 Fleet	\$3.2 M	08/15	1.67%	6	JPM
Water Prepay	\$30.3 M	06/15	60.9% NPV	NA	CITY
Police/Fire Training Facility	\$24.3 M	05/15	3.65%	25	RBC



City of Aurora

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