



City of Aurora, Colorado



2016

**FINANCIAL PERFORMANCE
REPORT**

For Quarter Ending December 31, 2016

Report released March 3, 2017

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

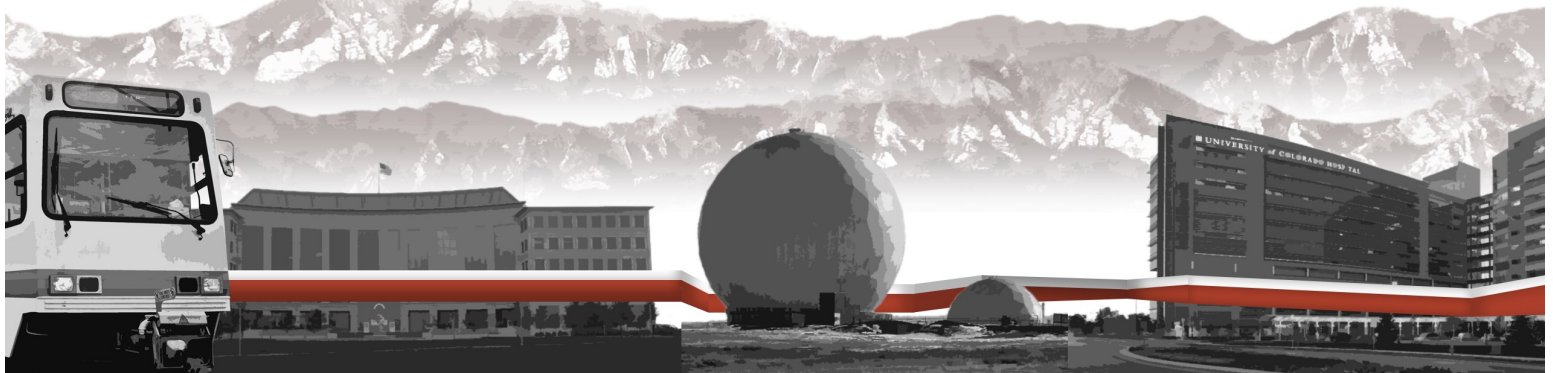









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Economic Update

In 2016, the United States economy was characterized by restrained growth. Business investments have been subdued by the slowdown in oil and gas drilling, weak global eco-

Local Economic Indicators

Current Mo Data/ % Chg to Prior Mo		Year-to-Date Avg % Change	
AURORA BUILDING PERMITS			
New housing and commercial permits			
	163 (Dec) + 46.8%	+ 37.4%	
Misc. (existing structure) permit valuation			
	\$22.5M (Dec) - 10.4%	- 24.7%	
CONSUMER CONFIDENCE INDEX (CCI) MOUNTAIN REGION			
	116.1 (Dec) - 1.0%	- 5.7%	
LEEDS BUSINESS CONFIDENCE INDEX CO (values above 50 indicate expansion)			
	Q1 2017 60.3	Q4 2016 53.0	Q1 2016 55.4
2.9% (Nov)	AURORA UNEMPLOYMENT RATE	- 17.4%	

Note: All indicator data is most current available.

MARIJUANA SALES TAX REVENUE*		
# stores/ cultiv. open	December	2016
19/5 (Nov)	\$638,868	\$6.2M

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







nomie activity, and a strong dollar which has made U.S. goods less competitive in foreign markets. Concurrently, heightened uncertainty was brought about by the presidential election and controversial legislative proposals such as Brexit and the Trans-Pacific Partnership (TPP) trade deal. Nevertheless, the U.S. economy remained fairly resilient overall as healthy employment growth continued to support consumer spending. Looking forward, the national economy is expected to expand at a modest pace in 2017, though uncertainty persists around the scope and form of policies proposed by the new President and Congress.

Colorado economic growth remains among the highest in the nation, predominately driven by the thriving construction and real estate sectors. Strong migration and improved household balance sheets have continued to support demand for both residential and nonresidential construction. Subsequent home and rental price increases, however, are expected to have a slightly adverse impact on 2017 migration. Similar to the nation, weaknesses in the energy sector hampered state employment growth. However, most industries continued to experience job gains through October 2016 with the largest gains found in the education and health services, health care and social assistance, and construction sectors. While the state's low unemployment has resulted in increasing wages, it has also constrained stronger economic growth as businesses struggle to find qualified labor. The local unemployment rate stood at 2.9 percent as of November 2016.

Confidence among Colorado business leaders has increased ahead of 2017 with improved expectations for both the national and state economy. Businesses have reacted optimistically to the new administration's promise of lower corporate taxes and fewer regulations. Consumer confidence decreased slightly in December 2016 and compared to 2015, though it remains at a healthy level of 116.1, supporting expectations for continued economic growth in 2017.

New housing and commercial construction activity in Aurora grew by 37.4 percent in 2016, driven by new multi-family housing projects near light rail stations and a 38.3 percent increase in permits for single family housing. Existing structure permit valuations decreased by 24.7 percent as numbers are compared to unusually high valuations for roofing permits in 2015 as the City was struck by several severe hailstorms.

Fund Dashboard - Year End Results

General Fund		Funds Available Variance (to projection)	Beginning Fund Balance	Increase/(Use) of Funds Available	
Comments		 \$15,610,737	\$59,438,504	(\$4,164,276) (\$19,775,013) (projection)	
Increases in significant revenue sources combined with expenditure savings to add fund balance. Expenditures are under projection due to lower than anticipated personal services costs and accounting adjustments associated with the \$8.4 million Regatta Plaza loan.		Operating Reserve	All Other Reserves (incl. TABOR and Policy Reserve)	Ending Funds Available	
		\$19,273,490 \$11,463,404 (projection)	\$36,000,738 \$28,200,087 (projection)	\$55,274,228 \$39,663,491 (projection)	
Fund	Funds Available Variance	Beginning Fund Balance	Increase/ (Use) of Funds	Ending Funds Available	Comments
Water/ Wastewater	 \$32,761,110	\$82,413,193	\$11,546,394 (\$21,214,716) (projection)	\$93,959,587 \$61,198,477 (projection)	Additional developer fees, proceeds from borrowing and other revenue offset a 4.7 percent increase in operating expenditures versus the projection.
Recreation	 \$529,693	\$325,930	\$573,608 \$43,915 (projection)	\$899,538 \$369,845 (projection)	Revenues are above projection driven by outdoor sports programs and successful special events. Expenditures finished under projection due to significant savings from vacant positions, less temporary workers, and lower utility costs than originally anticipated.
Cultural Services	 \$182,383	\$817,047	\$337,611 \$155,228 (projection)	\$1,154,658 \$972,275 (projection)	Nearly \$1.1 million of the 2016 year-end fund balance is attributable to the AIPP program. The programs that make up the balance of the fund achieved the goal to reduce costs and increase revenue in order to maintain a modest fund balance.
Development Review	 \$176,139	\$10,925,907	\$12,571 (\$163,568) (projection)	\$10,938,478 \$10,762,339 (projection)	Lower than projected expenditures for personnel related costs are more than enough to offset a drop in revenue over the second half of the year.
Golf Courses	 \$189,921	\$1,541,029	\$236,491 \$46,570 (projection)	\$1,777,520 \$1,587,599 (projection)	Revenues from user fees are higher than projection, due to favorable weather in the latter half of the year. Expenditures are under projection due to personal services and operating supplies.

General Fund

Revenues (Sources of Funds)

With nearly all of the General Fund's revenue collected, 2016 operating revenues are estimated to finish the year \$2.5 million (0.9 percent) higher than projected. This equates to an \$11.7 million (4.3 percent) increase over 2015.

Year-end sales tax collections exceed projection by \$1.4 million (0.8 percent) and are \$6.9 million (4.2 percent) higher than in 2015. Consumer caution amid stock market turmoil and news reports of slower global economic activity led to limited sales tax growth in the first half of 2016, turning into moderate growth by the end of the year as household incomes continued to improve. In addition, increases were reinforced by the collection of Amazon's online sales tax, which began in March 2016. Amazon is one of several businesses included in the "other top taxpayers" category shown on the top taxpayers by industry table. This new source of revenue is the main factor behind the increase realized in that category. Utility collections continued to decrease in 2016 as energy prices have only recently reversed course from their 2015 decline. Telecommunications/cellular also experienced a significant decrease compared to 2015. This is solely the result of a projected refund issued in December 2016, which caused a 0.4 percent year-over-year decline in sales tax revenue as seen on the sales tax graph below. Excluding this refund, total 2016 sales tax revenue grew by 4.8 percent over 2015.

Contrary to expectations, franchise fees and taxes stabilized in 2016 and are ahead of projection by \$439,700 (3.2 percent). Cable TV franchise fees saw a 9.6 percent increase over 2015, thanks to a rising City population and higher household incomes. In addition, the decrease in revenue from energy usage was slightly less pronounced than expected. While energy prices remained low, electricity usage increased during a hot and dry summer.

Capital-related use tax revenue fell behind projection by

\$980,500, resulting in a lower than projected transfer to the Capital Projects Fund. Strong demand for new residential housing construction continued through the end of the year as expected. However, equipment use tax revenue saw an 8.7 percent decline compared to 2015, which was potentially caused by increased economic and political uncertainties.

2016 Revenue Performance by Type

Revenue Category (\$ in thousands)	2016 Projection	Actuals (Under)/ Over Projection	
		\$	%
General Sales Tax	\$168,202.4	\$1,373.1	0.8%
Capital Related Use Tax	23,385.4	(980.5)	(4.2%)
Auto Use Tax	18,986.1	(105.0)	(0.6%)
Franchise Fees and Taxes	13,772.4	439.7	3.2%
Fines & Forfeitures	4,859.5	(224.8)	(4.6%)
Highway User's Fees & Taxes	11,576.7	169.2	1.5%
Audit Revenue	2,645.3	(35.0)	(1.3%)
All Other Gen Fund Revenue	72,660.2	1,850.0	2.5%
Total Revenue (including marijuana)	\$316,087.9	\$2,458.8	0.8%
Less Capital Transfer	30,035.2	(842.1)	(2.8%)
Less Marijuana Sales and Excise Taxes	5,382.7	785.2	14.6%
Operating Revenue	\$280,670.0	\$2,515.7	0.9%

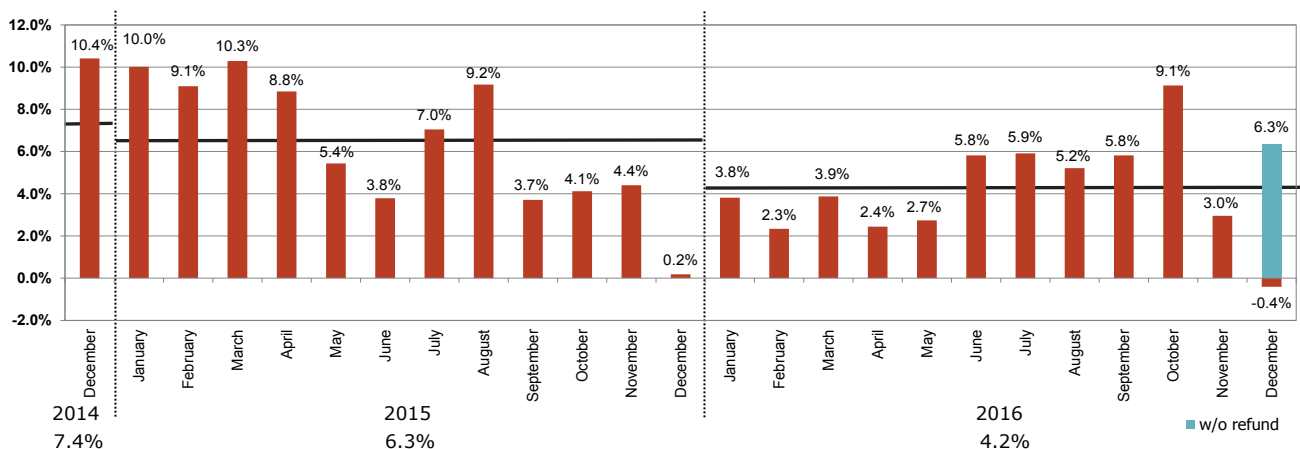
Top Taxpayers by Industry Category

Industry Category (\$ in thousands)	2016 YTD Dec	2015 YTD Dec	\$ Variance	% Change
Eating & Drinking Places	\$24,217.2	\$23,103.7	\$1,113.5	4.8%
Discount Stores	20,475.7	20,048.9	426.8	2.1%
Building Materials	11,292.9	10,501.3	791.6	7.5%
Utilities	10,461.5	10,839.0	(377.5)	(3.5%)
Telecommunication/Cellular	9,427.7	10,308.0	(880.3)	(8.5%)
Auto Dealers and Parts	9,107.7	9,033.6	74.2	0.8%
Department Stores	4,956.9	5,112.2	(155.3)	(3.0%)
Beer, Wine, and Liquor Stores	4,731.5	4,373.7	357.8	8.2%
Clothing and Clothing Accessories	4,231.4	4,017.1	214.4	5.3%
Grocery Stores	4,114.8	3,986.2	128.6	3.2%
Electronics/Computers	3,010.8	2,741.1	269.7	9.8%
Sport Goods, Hobby, Books, Music	2,865.6	2,764.4	101.1	3.7%
Furniture and Home Furnishings	2,173.2	2,111.6	61.6	2.9%
Other Top Taxpayers	10,155.7	8,798.8	1,356.9	15.4%
TOTAL TOP TAXPAYERS (excl. marij.)	\$121,222.6	\$117,739.7	\$3,482.9	3.0%
Total of All Other Taxpayers	51,206.4	47,697.7	3,508.7	7.4%
Less Sales Tax Incentives	2,853.4	2,722.0	131.5	4.8%
TOTAL SALES TAX (excl. mj)	\$169,575.5	\$162,715.4	\$6,860.1	4.2%
Marijuana Stores (5.75% sales tax)	4,415.2	2,211.7	2,203.5	99.6%
TOTAL REPORTED SALES TAX	\$173,990.7	\$164,927.1	\$9,063.6	5.5%

Sales Tax

Percent Change from Same Month in Prior Year

Note: This chart excludes marijuana sales tax revenue



General Fund

Expenditures (Uses of Funds)

As final audited data for 2016 is not yet available, an estimate of year-end General Fund uses has been formulated for the purposes of this report. No significant changes are anticipated that would materially alter the following analysis.

General Fund operating expenditures, which exclude transfers out to other funds, are estimated to be \$3.5 million (1.3 percent) under projection. Significant savings in the personal services category offset overages in operating supplies and debt/equipment purchases.

Personnel-related expenditures ended the year \$3.2 million under projection. Employee salary and benefits constitute \$3.5 million of the 2016 savings, driven by an unusually high level of vacancies throughout the year. Though position vacancies declined in the fourth quarter, low unemployment rates are expected to present continued hiring challenges in 2017. Savings in salary and benefits compensated for overages in Police overtime and special pay. The special pay over projection is primarily associated with significant retirement buyouts for several senior level employees in the City Attorney's Office and Judicial Department.

As shown in the Citywide Utilities table, year-end expenditures for utilities remained \$229,000 below projection. While the 2016 utility projection accounted for budget savings resulting from continuously low energy prices, costs were even lower than anticipated. At the same time, projected savings in the non-routine street light maintenance and water/sewer categories were slightly overstated and partially offset overall energy savings.

Variances in all other categories combined are under projection by \$4,100, solely due to unspent appropriation for the Tax and Licensing system replacement (\$1.0 million), the Library RFID software (\$220,000), and homelessness items funded with marijuana tax revenue (\$394,300). Budget re-appropriation for these projects will be requested in the 2017 Spring Supplemental process. When excluding these projects, the net of all other operating expenditures are over projection by \$1.3 million as substantial personal services savings have allowed various departments to address one-time needs.

Fewer than projected construction-related revenues resulted in a transfer out to the Capital Projects Fund \$842,100 below projection. Other transfers out ended the year \$8.8 million below projection, \$8.4 million of which does not constitute actual savings but instead, stems from accounting practices

used for the Regatta Plaza loan and cannot be used for other operating expenditures.

2016 Expenditure Performance

Expenditure Category (\$ in thousands)	2016 Proj	Actuals Under/ (Over) Proj	
		\$	%
Personal Services	\$193,507.3	\$3,025.2	1.6%
Temp Compensation	2,752.0	197.4	7.2%
Professional/Technical	12,774.5	262.7	2.1%
Operating Supplies	19,051.5	(202.4)	(1.1%)
Utilities	10,838.2	229.0	2.1%
Fleet/Risk Interfund	13,831.6	176.8	1.3%
Debt/Equip Purchases	3,270.9	(233.1)	(7.1%)
Total Operating Exp.	\$256,026.1	\$3,455.7	1.3%
Capital Rev Transfer	30,035.2	842.1	2.8%
Other Transfers Out	51,468.7	8,830.5	17.2%
Total Uses of Funds	\$337,529.9	\$13,128.2	3.9%

2016 Personnel Expenditures

Personnel Category (\$ in thousands)	2016 Proj	2016 Actuals	Actuals Under/(Over) Budget	
Regular Employee Salary & Benefits	\$184,242.9	\$180,737.4	\$3,505.5	
Special Pay	4,236.6	4,380.1	(143.5)	
Overtime Compensation	5,027.7	5,364.5	(336.8)	
Temporary Compensation	2,752.0	2,554.6	197.4	
Total Salary & Other Compensation	\$196,259.3	\$193,036.6	\$3,222.7	
Vacancies	Q1	Q2	Q3	Q4
Total Career Service	89.2 FTE	91.7 FTE	78.7 FTE	59.7 FTE

2016 Citywide Utilities

Utility (\$ in thousands)	2016 Proj	2016 Actuals	Actuals Under/ (Over) Proj.
Electricity	\$1,631.1	\$1,498.6	\$132.5
Natural Gas	252.1	210.3	41.8
Non-Routine Maint	887.5	909.7	(22.2)
Street Lights-XCEL	4,577.8	4,498.1	79.7
Traffic Lights, Signs	111.6	106.2	5.4
Water/Sewer	3,314.1	3,321.3	(7.2)
Other Utilities	64.1	65.0	(0.9)
Total YTD	\$10,838.2	\$10,609.2	\$229.0

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 16.

Revenues (Sources of Funds)	2016 Budget	2016 Projection	YTD Actual thru Dec 2016	2016 Year-to-Date Sources Over/(Under)				Dec 2016 Actual	Dec Variance Over/(Under)	
				2015	2016 Projection	% Chg vs 2015	% Chg vs Proj		2015	2016 Projection
Sales Tax - General	\$169,508,462	\$168,202,435	\$169,575,535	\$6,860,123	\$1,373,100	4.2%	0.8%	12,737,394	(51,982)	\$342,923
Use Tax - Capital Related	21,323,365	23,385,359	22,404,849	751,738	(980,510)	3.5%	(4.2%)	2,272,258	665,402	240,722
Use Tax - Automobile	16,711,120	18,986,120	18,881,119	642,772	(105,001)	3.5%	(0.6%)	1,610,644	229,324	208,901
Property Tax	30,012,306	30,632,749	30,558,140	5,094,508	(74,609)	20.0%	(0.2%)	100,278	(26,199)	(74,609)
Franchise Fees & Taxes	14,889,231	13,772,389	14,212,056	(936)	439,667	(0.0%)	3.2%	2,757,562	85,404	172,986
Highway User's Fees & Taxes	11,196,813	11,576,653	11,745,902	340,332	169,249	3.0%	1.5%	1,910,988	(334,367)	(234,420)
Other Auto Related (SOT, MV Fees)	3,305,434	3,325,622	3,539,269	386,063	213,647	12.2%	6.4%	566,590	111,890	94,426
Audit Revenue	2,645,262	2,645,262	2,610,228	(935,748)	(35,034)	(26.4%)	(1.3%)	220,673	(136,001)	3,322
Other Taxes	12,116,455	12,638,475	13,001,729	637,221	363,254	5.2%	2.9%	1,266,217	10,188	38,403
Other Intergovernmental Fees & Taxes	3,188,501	2,924,646	3,250,682	(115,901)	326,036	(3.4%)	11.1%	261,633	(311,671)	(27,305)
Business Licenses & Other Permits	2,765,685	2,829,328	2,534,775	(197,299)	(294,553)	(7.2%)	(10.4%)	272,272	9,783	(80,726)
Fines & Forfeitures	6,192,333	4,859,531	4,634,747	(453,768)	(224,784)	(8.9%)	(4.6%)	341,452	589,086	(108,945)
Internal Charges for Services	6,136,830	6,072,889	6,157,088	449,486	84,199	7.9%	1.4%	592,600	(109,376)	(99,303)
External Charges for Services	6,766,509	6,434,666	6,298,644	460,766	(136,022)	7.9%	(2.1%)	544,458	134,788	75,933
Other General Fund Revenue	1,957,978	2,419,113	2,974,129	147,865	555,016	5.2%	22.9%	255,378	6,314	170,419
Total General Fund Revenue	\$308,716,284	\$310,705,237	\$312,378,890	\$14,067,222	\$1,673,653	4.7%	0.5%	\$25,710,399	\$872,585	\$722,728
Marijuana Sales and Excise Taxes	5,405,738	5,382,685	6,167,871	3,312,864	785,186	116.0%	14.6%	638,868	284,512	180,795
Funds from Restricted Assets	0	0	23,653	23,653	23,653	n/a	n/a	0	0	0
Transfers In from Other Funds	1,667,007	1,667,007	1,667,007	376,834	0	29.2%	0.0%	1,335,419	47,133	0
Total Sources of Funds	\$315,789,029	\$317,754,929	\$320,237,421	\$17,780,573	\$2,482,493	5.9%	0.8%	\$27,684,687	\$1,204,230	\$903,523
General Fund Operating Revenue ¹	\$280,609,314	\$280,670,023	\$283,185,752	\$11,668,668	\$2,515,729	4.3%	0.9%			

Expenditures (Uses of Funds)	2016 Budget	2016 Projection	YTD Actual thru Dec 2016	2016 Year-to-Date Uses Under/(Over)				Dec 2016 Actual	2015	2016 Projection
				2015	2016 Projection	% Chg vs 2015	% Chg vs Proj			
Personal Services	\$195,804,068	\$193,507,254	\$190,482,043	(\$4,778,579)	\$3,025,211	(2.6%)	1.6%			
Temporary Compensation	\$2,116,869	2,752,031	2,554,587	110,923	197,443	4.2%	7.2%			
Professional & Technical Services	11,783,961	12,774,528	12,511,803	(1,497,998)	262,725	(13.6%)	2.1%			
Operating Supplies/Other	17,794,772	19,051,529	19,253,912	(260,523)	(202,383)	(1.4%)	(1.1%)			
Utilities	12,263,637	10,838,190	10,609,233	(938,202)	228,957	(9.7%)	2.1%			
Interfund Charges	13,785,952	13,831,610	13,654,798	(34,615)	176,812	(0.3%)	1.3%			
Debt/Capital Related	5,490,008	3,270,934	3,504,005	387,755	(233,071)	10.0%	(7.1%)			
General Fund Operating Expenditures	\$259,039,267	\$256,026,076	\$252,570,381	(\$7,011,239)	\$3,455,695	(2.9%)	1.3%			
Capital Related Revenue Transfer Out	28,106,970	30,035,214	29,193,138	(2,398,554)	842,076	(9.0%)	2.8%			
All Other Transfers Out to Other Funds	48,358,550	51,468,652	42,638,178	(15,844,833)	8,830,474	(59.1%)	17.2%			
Total Uses of Funds	\$335,504,787	\$337,529,942	\$324,401,697	(\$25,254,626)	\$13,128,245	(8.4%)	3.9%			
Incr/(Use) of Available Funds²	(\$19,715,758)	(\$19,775,013)	(\$4,164,276)							

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

- Operating revenue excludes Marijuana sales and excise taxes, funds from restricted assets, and transfers into the General Fund from other funds and accounts for the transfer out of construction related use tax to the Capital Projects Fund (CPF).
- The 2016 Adopted Budget includes the planned use of \$8.7 million in funds available primarily associated with the one-time expenditures for road improvements. An additional \$11.0 million use of funds available was added in the 2016 Supplementals, the majority of which can be attributed to Regatta Plaza redevelopment, Police security enhancements at district stations and the re-appropriation of funds for surveillance equipment upgrades in the Detention Center and the Tax and Licensing system replacement.

Water/Wastewater Funds

Fund Results

The Water and Wastewater Funds combined available fund balance ended the year \$32,761,100 higher than the 2016 projection primarily due to strong growth in development fees, proceeds from borrowing and other revenue sources, which offset a 4.7 percent increase in operating expenses. The ending funds available in the combined Water and Wastewater Funds is \$93,959,600. For detailed figures of the enterprise sources and uses of funds, please refer to the financial summary for Aurora Water on page 10.

Revenue (Sources of Funds)

Year-end revenue in the combined Water/Wastewater funds is \$63.4 million (8.4 percent) over the revenue projection, with \$30.5 million due to increases in operating revenue and \$32.9 million in debt-related revenue. Water Fund Revenue accounts for the majority of the operating revenue variance, up \$27.2 million (4.0 percent) ahead of the projection, mostly in development fees and utility sales. The majority of the positive variance debt-related revenue is in the Wastewater Fund, due to a separate debt refinancing deal being finalized well after projections were made resulting in additional proceeds from borrowing. Strong development in the City has resulted in robust revenue growth in development fees and a dry summer led to strong revenue growth in utility sales for water (7.9 percent) over projection. In the third quarter, the Water Fund refinanced all of its outstanding debt for a savings of \$68.6 million (12.9 percent) over the 30-year life of the bonds. In the fourth quarter, the Wastewater Fund refinanced outstanding debt for a \$9.3 million savings (28.7 percent).

Excluding one-time revenue events such as the proceeds from borrowing, utility sales account for 74.8 percent of all Water and Wastewater Fund revenue. Due to this, fluctuations in

Operating Revenue

Variance to Projection

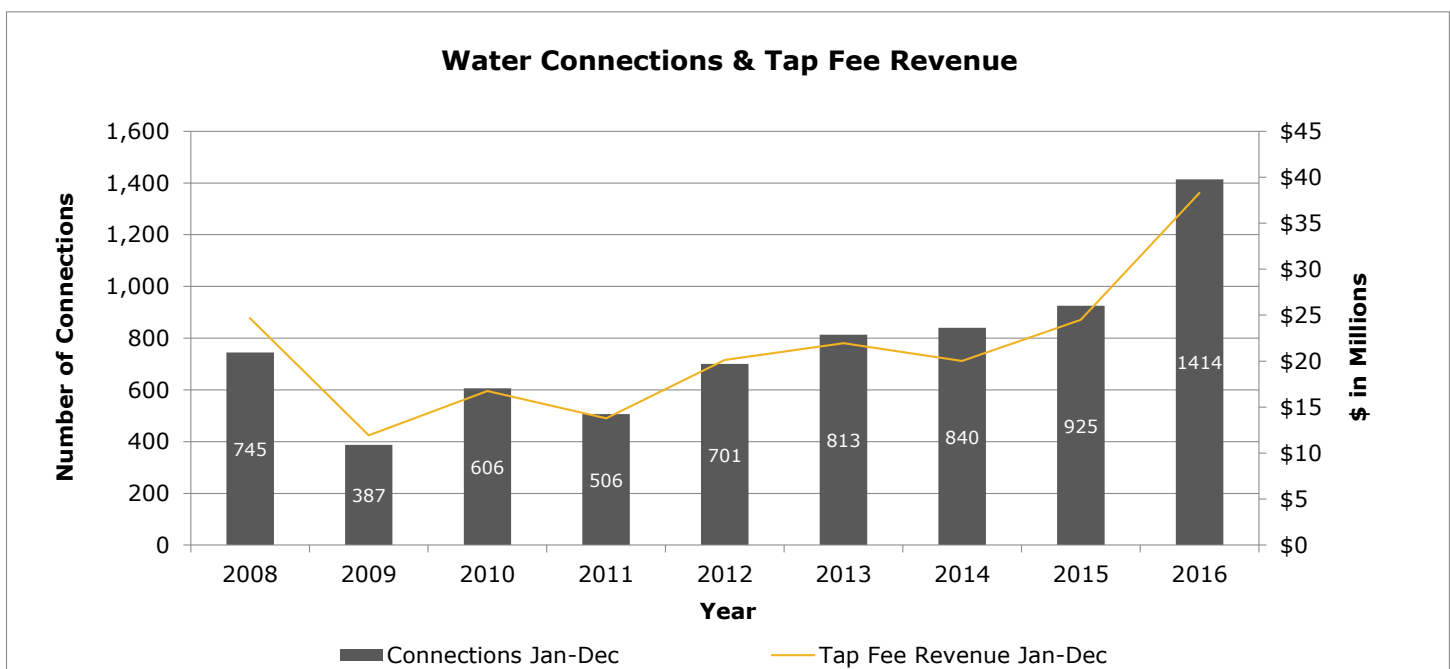
2016 Water and Wastewater Funds

Revenue Type	Water	Wastewater	Combined
Utility Sales - Water	\$8,057,484	\$0	\$8,057,484
Utility Sales - WW	0	674,523	674,523
Utility Sales - ECCV	0	384,375	384,375
Development Fees	14,929,893	1,001,690	15,931,582
External Charges for Services	3,480,878	(2,033)	3,478,845
Investment Income	228,159	173,802	401,961
Other Revenue	537,709	1,015,129	1,552,838
Total Revenue	\$27,234,122	\$3,247,486	\$30,481,608

water use can impact the bottom line. Since irrigation is the primary driver of water use, a dry or wet summer can greatly affect revenue. The 2016 year was drier and hotter than previous years and thus, revenues are above average.

Expenses (Uses of Funds)

Total expenses (operating and capital) through the fourth quarter are \$30.7 million (4.0 percent) over the 2016 projections due to debt refinancing expenses. Total expenses (operating and capital) are \$573.7 million (248.9 percent) over 2015 mainly due to payments for the refunding of outstanding Water Fund debt. Capital project budgets are assumed 100 percent spent in the year budgeted.



Water/Wastewater Funds

Operating Expenses

Operating expenses through the fourth quarter in the combined Water and Wastewater Funds are \$32.0 million (4.7 percent) over the 2016 projections. This is largely due to overages in debt related expenses in the Wastewater Fund that were not included in the 2016 projection. Debt related expenses are \$32.9 million (931.6 percent) higher than the 2016 projection due to the timing of the issuance of the Wastewater Revenue Refunding Bonds and subsequent pay-off of existing Wastewater debt.

Capital Budget and Expenses

Although capital funds are obligated in the year budgeted (as shown on page 10), actual spending can occur in the 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 spend (carryforwards). The 2016 spending plan assumes that \$151.5 million of the appropriated \$170.2 million will be spent by year-end.

Of the anticipated \$151.5 million spending, Aurora Water spent \$64.6 million on capital projects in the Water and Wastewater Funds. Capital project expenses are currently \$86.9 million (57.4 percent) under the spending plan. This variance is largely due to ongoing negotiations in acquisition storage projects (Water Fund – SOS Storage), as well as de-

lays in Collection as the High Point project was redefined to support development (Wastewater Fund). Additionally, project prioritization changes combined with a few emergency projects resulted in delayed starts for Transmission and Distribution projects.

The projects with the highest spending and/or encumbrances in the Water Fund were Binney Water Purification Facility improvements (\$10.8 million, Treatment), acquisitions for Everist water storage cells (\$5.5 million, SOS Storage), Water Rights Acquisitions (\$5.2 million, SOS Water). The projects with the highest spending and/or encumbrances in the Wastewater Fund were Interceptor Rehab (\$4.9 million, Collection) and Baranmor Ditch storm improvements (\$4.9 million, Storm Water).

Capital Projects Status

Water and Wastewater Funds

Program	2016 Working Budget	2016 Spending Plan	*YTD Spending	Under/ (Over) Plan	Encumbered Funds
WATER FUND					
Operations & General Mgmt	\$2,354,678	\$1,511,292	\$714,999	\$796,293	\$370,643
Pumping	5,673,367	3,825,000	1,038,917	2,786,083	233,058
SOS Other	10,546,441	5,861,000	2,448,166	3,412,834	2,934,393
SOS Storage	55,917,215	74,998,690	11,866,059	63,132,631	582,357
SOS Water	9,207,187	9,381,011	7,311,866	2,069,145	899,279
Trans & Distrib	10,386,381	6,565,730	3,071,299	3,494,431	925,746
Treatment	19,475,571	16,906,421	13,329,990	3,576,431	1,819,490
Total Water Fund	\$113,560,840	\$119,049,144	\$39,781,296	\$79,267,848	\$7,764,965
WASTEWATER FUND					
Collection	\$19,476,435	\$11,929,750	\$7,296,912	\$4,632,838	\$6,406,912
Operations & General Mgmt	7,009,872	3,069,271	1,688,176	1,381,095	2,583,580
Storm Water	30,119,784	17,498,708	15,851,994	1,646,714	1,971,012
Total Wasterwater Fund	\$56,606,091	\$32,497,729	\$24,837,083	\$7,660,646	\$10,961,504
Totals	\$170,166,931	\$151,546,873	\$64,618,378	\$86,928,495	\$18,726,469

*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 charges 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	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Sources Over / (Under)			
				2015	2016 Projection	% Chg vs 2015	%Chg vs. Proj.
Utility Sales - Water	\$104,080,588	\$101,932,394	\$109,989,878	\$8,462,394	\$8,057,484	8.3%	7.9%
Utility Sales - Wastewater	53,906,570	53,814,529	54,489,052	4,028,944	674,523	8.0%	1.3%
Utility Sales - ECCV	6,063,262	6,063,242	6,447,617	(640,092)	384,375	(9.0%)	6.3%
Development Fees	28,932,890	28,882,443	44,814,025	15,411,178	15,931,582	52.4%	55.2%
Charges for Services	902,414	1,444,930	4,923,775	4,099,754	3,478,845	497.5%	240.8%
Investment Income	3,913,216	3,339,199	3,741,160	(622,275)	401,961	(14.3%)	12.0%
Other Revenue	1,155,946	1,135,191	2,688,029	(1,672,311)	1,552,838	(38.4%)	136.8%
Proceeds from Borrowing	546,707,922	517,847,922	546,747,922	546,747,922	28,900,000	N/A	5.6%
Funds from Restricted Assets	41,584,602	37,835,352	41,825,803	41,825,803	3,990,451	N/A	N/A
Total Sources of Funds	\$787,247,410	\$752,295,202	\$815,667,261	\$617,641,317	\$63,372,059	311.9%	8.4%
Transfers In from Other Funds	-	-	50,000	50,000	50,000	N/A	N/A
Total Sources of Funds	\$787,247,410	\$752,295,202	\$815,717,261	\$617,691,317	\$63,422,059	311.9%	8.4%

Expenditures (includes encumbrances) (Uses of Funds)	2016 Budget	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Sources Under / (Over)			
				2015	2016 Projection	% Chg vs 2015	%Chg vs. Proj.
Personal Services	\$34,064,050	\$34,321,047	\$35,100,900	(\$2,426,193)	(\$779,853)	(7.4%)	(2.3%)
Temporary Compensation	1,094,004	872,580	876,608	(4,541)	(4,028)	(0.5%)	(0.5%)
Professional & Technical Services	8,178,661	5,930,540	6,505,137	(17,087)	(574,597)	(0.3%)	(9.7%)
Operating Supplies/Other	22,946,943	22,315,499	22,948,824	(4,186,817)	(633,325)	(22.3%)	(2.8%)
Utilities	34,983,353	34,706,610	30,403,254	2,536,964	4,303,356	7.7%	12.4%
Interfund Charges	2,700,798	2,633,728	2,646,903	130,713	(13,175)	4.7%	(0.5%)
Debt Related	615,658,809	580,060,367	612,942,678	(553,526,120)	(32,882,311)	(931.6%)	(5.7%)
Capital Related	4,622,099	3,449,191	4,896,348	(923,412)	(1,447,157)	(23.2%)	(42.0%)
Total Water/Wastewater Operating Expenditures	\$724,248,717	\$684,289,562	\$716,320,653	(\$558,416,492)	(\$32,031,091)	(353.6%)	(4.7%)
Capital Projects*	87,850,214	89,220,357	87,850,214	(15,278,742)	1,370,143	(21.1%)	1.5%
Total Uses of Funds	\$812,098,931	\$773,509,919	\$804,170,867	(\$573,695,234)	(\$30,660,948)	(248.9%)	(4.0%)

Increase/(Use) of Total Available Funds	(\$24,851,521)	(\$21,214,716)	\$11,546,394
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See Page 17 for Glossary and detailed data description for each column

*Capital project budgets are assumed 100 percent spent in the year budgeted

Development Review Fund

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

Revenues (Sources of Funds)	2016 Budget	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Sources Over/(Under)			
				2015	2016 Projection	% Chg vs 2015	% Chg vs Proj.
Contractor Licensing	\$600,399	\$720,406	\$626,587	(\$8,793)	(\$93,819)	(1.4%)	(13.0%)
Permits	12,148,499	11,337,860	10,761,177	(219,297)	(576,683)	(2.0%)	(5.1%)
Application and Admin Fees	2,670,059	2,506,949	2,649,086	334,763	142,137	14.5%	5.7%
Interest	70,001	132,000	143,687	30,797	11,687	27.3%	8.9%
Other Revenue	28,562	53,524	113,598	41,536	60,074	57.6%	112.2%
Gaylord Permit and App Fees	1,200,000	1,200,000	1,200,000	1,200,000	0	N/A	0.0%
Total Revenue	\$16,717,520	\$15,950,739	\$15,494,135	\$1,379,005	(\$456,604)	9.8%	(2.9%)
Transfers In from Other Funds	0	0	0	0	0	0.0%	N/A
Total Sources of Funds	\$16,717,520	\$15,950,739	\$15,494,135	\$1,379,005	(\$456,604)	9.8%	(2.9%)

Expenditures (Uses of Funds)	2016 Budget	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Uses Under/(Over)			
				2015	2016 Projection	% Chg vs 2015	% Chg vs Proj.
Personal Services	\$9,313,538	\$9,372,404	\$9,065,679	(\$1,112,990)	\$306,725	(14.0%)	3.3%
Temporary Compensation	770,218	586,445	518,127	(12,462)	68,318	(2.5%)	11.6%
Professional & Technical Svcs	3,891,288	1,881,680	1,552,772	(1,181,978)	328,908	(318.8%)	17.5%
Operating Supplies/Other	194,931	957,292	1,024,699	(449,774)	(67,406)	(78.2%)	(7.0%)
Interfund Charges	190,949	178,640	186,516	10,119	(7,876)	5.1%	(4.4%)
Capital Related	124,000	1,802,427	1,798,352	(1,657,514)	4,075	(1,176.9%)	0.2%
Total Operating Expenditures	\$14,484,924	\$14,778,888	\$14,146,145	(\$4,404,599)	\$632,743	(45.2%)	4.3%
Transfers Out to Other Funds	1,335,419	1,335,419	1,335,419	(180,459)	0	(13.5%)	0.0%
Total Uses of Funds	\$15,820,343	\$16,114,307	\$15,481,564	(\$4,585,058)	\$632,743	(42.1%)	3.9%

Incr/(Use) of Total Avail Funds	\$897,177	(\$163,568)	\$12,571
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See page 17 for glossary and detailed data description for each column.

Fund Results

Projected revenue and expenditures for 2016 anticipated a decrease of \$163,600 in funds available, but lower than anticipated expenditures resulted in a funds available over projection by \$176,100. Total funds available increased by \$12,600 this year for the Development Review Fund.

Revenue (Sources of Funds)

Total revenue fell behind projection by \$456,600. Permit revenue ended the year down compared to projection due to the competitive market in construction services softening the number of permits on existing buildings. However, permit valuation has grown each year since 2011, and 2016 figures are \$136 million over 2015.

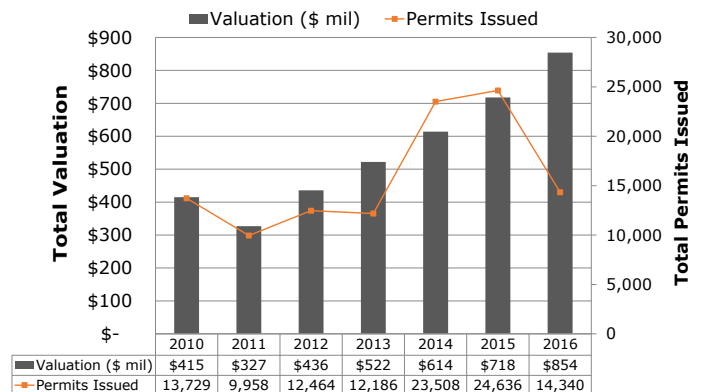
Expenditures (Uses of Funds)

Expenditures for 2016 are \$632,700 lower than projection. About half of the variance is due to less than anticipated expenses in professional and technical services, namely lower expenses on the Roof Inspection Services contract. The other half of the variance is due to higher than anticipated vacancy savings of \$306,700 compared to projection.

An annual overhead fee paid to the General Fund for services

rendered was transferred out at the end of the year. This transfer increased by \$180,500 for 2016 over 2015 primarily due to the increased staffing in the DRF.

Project Valuations and Permits Issued 2010-2016



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	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Sources Over/(Under)			
				2015	2016 Projection	% Chg vs 2015	% Chg vs Proj.
<u>Cultural and SCFD Programs</u>							
General Admission	\$269,000	\$247,400	\$292,472	\$38,471	\$45,072	15.1%	18.2%
Restaurant/Concessions	32,000	28,450	29,434	1,106	984	3.9%	3.5%
Class Fees	364,000	368,196	344,407	(15,644)	(23,789)	(4.3%)	(6.5%)
Rental Fees-Cultural Facilities	61,000	49,287	48,210	(31,886)	(1,077)	(39.8%)	(2.2%)
Gifts and Grants	339,000	350,390	355,866	(6,587)	5,476	(1.8%)	1.6%
Other Revenue	53,660	64,720	68,466	31,298	3,746	84.2%	5.8%
Cultural and SCFD Revenue	\$1,118,660	\$1,108,443	\$1,138,854	\$16,758	\$30,411	1.5%	2.7%
AIPP 1% Project Allocation/Other	614,967	802,448	797,033	425,360	(5,415)	114.4%	(0.7%)
General Fund Subsidy	1,143,041	1,143,041	1,143,041	20,439	0	1.8%	0.0%
Total Sources of Funds	\$2,876,668	\$3,053,932	\$3,078,928	\$462,558	\$24,996	17.7%	0.8%

Expenditures (Uses of Funds)	2016 Budget	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Uses Under/(Over)			
				2015	2016 Projection	% Chg vs 2015	% Chg vs Proj.
<u>Cultural and SCFD Programs</u>							
Personal Services	\$1,072,193	\$950,110	\$888,144	\$60,497	\$61,966	6.4%	6.5%
Temporary Compensation	369,078	324,434	318,184	(41,572)	6,250	(15.0%)	1.9%
Professional & Technical Services	426,825	433,221	488,560	221,437	(55,339)	31.2%	(12.8%)
Operating Supplies/Other	281,480	317,566	325,858	34,762	(8,292)	9.6%	(2.6%)
Utilities	63,210	42,360	40,746	7,882	1,614	16.2%	3.8%
Interfund Charges	24,255	20,925	22,315	1,086	(1,390)	4.6%	(6.6%)
Cultural and SCFD Expenditures	\$2,237,041	\$2,088,616	\$2,083,807	\$284,093	\$4,809	12.0%	0.2%
AIPP Program Expenditures	740,779	810,088	657,510	(121,697)	152,578	(22.7%)	18.8%
Total Uses of Funds	\$2,977,820	\$2,898,704	\$2,741,317	\$162,396	\$157,387	5.6%	5.4%

Incr/(Use) of Total Available Funds	(\$101,152)	\$155,228	\$337,611	See page 17 for glossary and detailed data description for each column.			
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Fund Results

Year-end results posted revenues slightly higher than projection and expenditures slightly lower resulting in an increase in available funds of \$337,600. Over 90 percent of the 2016 year-end fund balance of nearly \$1.2 million is attributable to the AIPP program. The programs that make up the balance of the fund achieved the goal to reduce costs and increase revenue in order to maintain a modest fund balance.

Revenues (Sources of Funds)

Fund sources finished the year \$25,000 better than projection. This favorable variance can be seen in the breakout of Cultural and SCFD program revenue and is primarily due to better than anticipated participation in the Dance Program achieved through enhanced marketing efforts. This and other small revenue increases helped to offset class fee collections for Bicentennial programs that finished the year below the reduction included in the projection due to facility renovations.

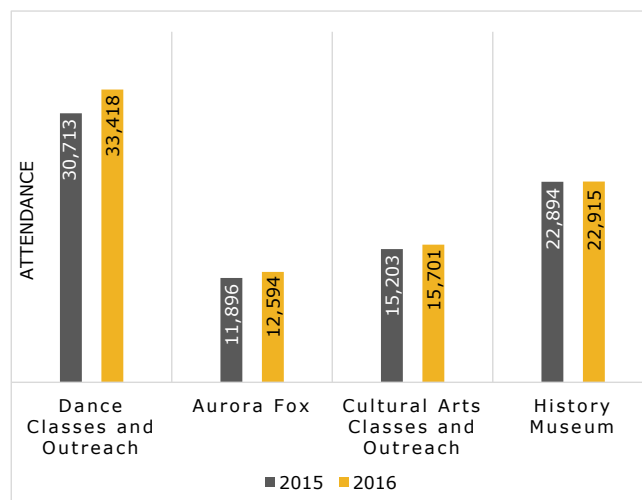
Expenditures (Uses of Funds)

Total 2016 fund uses are under projection by \$157,400. The AIPP program generated \$152,600 of the favorable variance driven by a timing delay for the Colfax Avenue bridge pro-

ject. Vacancy savings in excess of projection allowed additional funds to be spent on Fox productions included in the professional & technical services category.

Cultural Services Attendance

2015 vs. 2016



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 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	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Sources Over / (Under)			
				2015	2016 Projection	% Chg vs 2015	%Chg vs. Proj.
Aquatics	\$1,135,400	\$1,262,172	\$1,163,810	(\$62,577)	(\$98,362)	(5.1%)	(7.8%)
Fitness & General Recreation	311,500	337,541	361,090	35,934	23,549	11.1%	7.0%
Preschool and Youth Programs	982,568	956,716	949,555	(13,598)	(7,161)	(1.4%)	(0.7%)
Recreation Centers	413,900	462,977	463,730	(25,595)	753	(5.2%)	0.2%
Recreation Division Management	209,842	124,823	248,839	15	124,016	0.0%	99.4%
Senior Programs	368,300	404,113	413,396	44,180	9,283	12.0%	2.3%
Special Programs	376,500	452,922	464,125	70,807	11,203	18.0%	2.5%
Sports Programs	2,007,845	2,062,576	2,141,783	221,759	79,207	11.5%	3.8%
Operating Revenue	\$5,805,855	\$6,063,840	\$6,206,382	\$270,926	\$142,542	4.6%	2.4%
General Fund Subsidy	4,577,962	4,577,962	4,577,962	459,010	0	11.1%	0.0%
Total Sources of Funds	\$10,383,817	\$10,641,802	\$10,784,344	\$729,990	\$142,542	7.3%	1.3%

Expenditures (Uses of Funds)	2016 Budget	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Uses Under / (Over)			
				2015	2016 Projection	% Chg vs 2015	%Chg vs. Proj.
Personal Services	\$4,841,965	\$4,391,854	\$4,155,895	\$50,174	\$235,959	1.2%	5.4%
Temporary Compensation	2,446,527	2,653,565	2,545,526	149,360	108,039	5.5%	4.1%
Professional & Technical Services	546,200	736,033	881,221	(323,590)	(145,188)	(58.0%)	(19.7%)
Operating Supplies/Other	1,383,065	1,819,187	1,734,859	(159,960)	84,328	(10.2%)	4.6%
Utilities	964,100	779,075	643,731	11,587	135,344	1.8%	17.4%
Interfund Charges	177,604	165,776	158,653	(3,212)	7,123	(2.1%)	4.3%
Capital Related	0	22,397	60,852	(37,263)	(38,455)	(158.0%)	(171.7%)
General Fund Operating Expenditures	\$10,359,461	\$10,567,887	\$10,180,737	(\$312,904)	\$387,150	(3.2%)	3.7%
Transfers Out to Other Funds	30,000	30,000	30,000	0	0	0.0%	0.0%
Total Uses of Funds	\$10,389,461	\$10,597,887	\$10,210,737	(\$312,904)	\$387,150	(3.2%)	3.7%

Incr/(Use) of Total Available Funds	(\$5,644)	\$43,915	\$573,608	See page 17 for glossary and detailed data description for each column.			
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Fund Results

The available fund balance ended the year \$529,700 higher than the 2016 projection. Revenue collections in excess of projection for popular programs combined with significant personnel related savings resulted in an ending funds available of \$899,500 in the Recreation Fund.

Revenues (Sources of Funds)

Operating revenue collections in the Fund, which excludes the General Fund subsidy, are ahead of the projection by \$142,500 (2.4 percent). Revenue collections are being boosted by the popularity of sports programs and successful special events, like Punkin Chunkin. Special events revenues are included in the recreation division management program. This revenue boost is in spite of declining attendance in other recreation programs. Aquatics revenue offset overall gains by \$98,400 because of reduced attendance at the indoor Utah pool. Attendance was reduced because of nice fall weather.

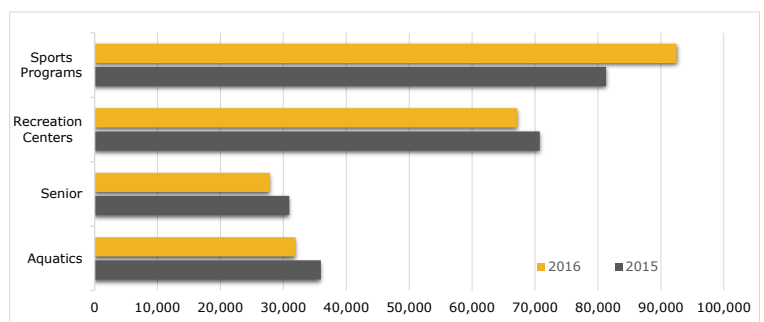
Expenditures (Uses of Funds)

Total expenditures are \$387,200 (3.7 percent) under projection for 2016 due to significant savings from vacant positions, lower utility costs and lower expenditures for temporary workers. Excess expenditures to projection in the professional

and technical services category have offset savings in other categories. The additional expense of \$145,200 is due to the popularity of sports programs coupled with the addition of sporting officials to the category from temporary compensation. Special Events has also increased its expenditures in professional and technical services to improve the quality of entertainment at its events. The capital related category is over projection due to internet technology being added to the Sports Park and exercise equipment being purchased for the Expo Recreation Center.

Recreation Attendance

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 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)	2016 Budget	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Sources Over / (Under)			
				2015	2016 Projection	% Chg vs 2015	%Chg vs. Proj.
Revenue from User Fees	\$8,219,348	\$8,147,841	\$8,206,167	\$58,326	\$58,326	0.7%	0.7%
Interest Income	42,172	20,000	31,921	(9,764)	11,921	(23.4%)	59.6%
Miscellaneous Revenue	12,000	11,721	35,436	15,617	23,715	78.8%	202.3%
Funds From Restricted Assets	0	0	0	(455,000)	0	(100.0%)	N/A
Total Fund Revenue	\$8,273,520	\$8,179,562	\$8,273,524	(\$390,821)	\$93,962	(4.5%)	1.1%
Transfers In from Other Funds	150,000	150,000	150,000	0	0	N/A	N/A
Total Sources of Funds	\$8,423,520	\$8,329,562	\$8,423,524	(\$390,821)	\$93,962	(4.4%)	1.1%

Expenses (Uses of Funds)	2016 Budget	2016 Projection	YTD Actual thru Q4 2016	2016 Year-to-Date Uses Under / (Over)			
				2015	2016 Projection	% Chg vs 2015	%Chg vs. Proj.
Personal Services	\$2,925,694	\$3,011,246	\$2,955,728	(\$99,068)	\$55,518	(3.5%)	1.8%
Temporary Compensation	1,401,364	1,205,301	1,237,281	69,010	(31,980)	5.3%	(2.7%)
Professional & Technical Services	151,906	173,410	163,181	(11,091)	10,229	(7.3%)	5.9%
Operating Supplies/Other	1,691,299	1,683,425	1,634,134	(3,010)	49,291	(0.2%)	2.9%
Utilities	1,095,304	1,057,825	1,051,782	(186,190)	6,043	(21.5%)	0.6%
Interfund Charges	206,430	206,280	201,203	(27,951)	5,077	(16.1%)	2.5%
Debt Related	832,750	595,505	593,723	344,386	1,782	36.7%	0.3%
Total Fund Expenses	\$8,304,747	\$7,932,992	\$7,837,033	\$86,088	\$95,959	1.1%	1.2%
Capital Projects*	350,000	350,000	350,000	(150,000)	0	(30.0%)	0.0%
Total Uses of Funds	\$8,654,747	\$8,282,992	\$8,187,033	(\$63,912)	\$95,959	(0.8%)	1.2%

Incr/(Use) of Total Available Funds	(\$231,227)	\$46,570	\$236,491
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See page 17 for glossary and detailed data description for each column.

*Capital project budgets are assumed 100 percent spent in the year budgeted

Fund Results

The Golf Courses Fund available fund balance ended the year \$189,900 higher than the 2016 projection primarily due to favorable weather in the latter part of the year coupled with personal service and operating supplies savings. The ending funds available in the Golf Courses Fund are \$1,777,500.

Revenue (Sources of Funds)

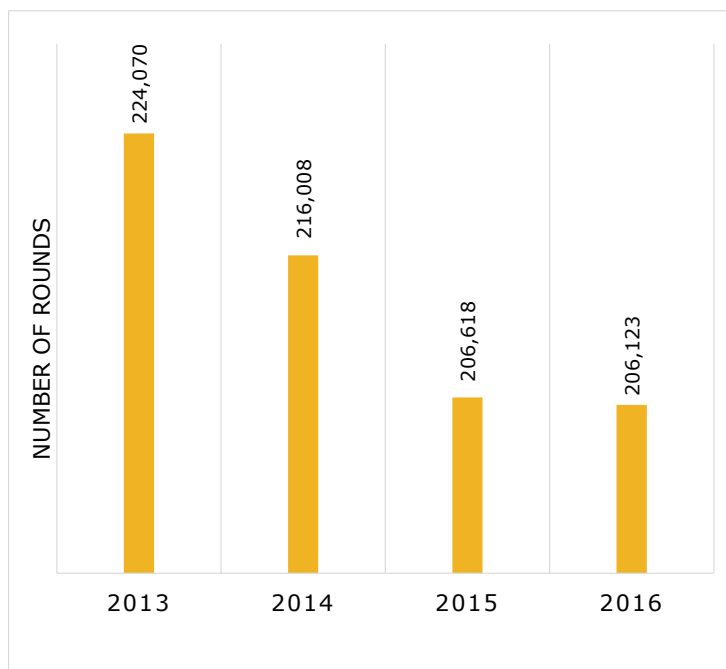
Total revenue is \$94,000 (1.1 percent) above the 2016 projection. Unseasonably warm weather helped boost total rounds played above typical play for the fourth quarter, which led to revenue from user fees coming in above projection. Albeit small in comparison, miscellaneous revenues are also up 23,700 (202.3 percent) due to developer contributions which are fees collected from the sales of lots at Murphy Creek.

Expenses (Uses of Funds)

Total 2016 operating expenses are \$96,000 (1.2 percent) underspent compared to projection. Due to declining popularity of the sport, and thus declining revenues, golf management has had to seek savings. They have been able to save in all categories with the exception of temporary compensation since temporary personnel was kept on longer than anticipated due to the warm November weather.

Rounds Played

2013-2016





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 55.0 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.

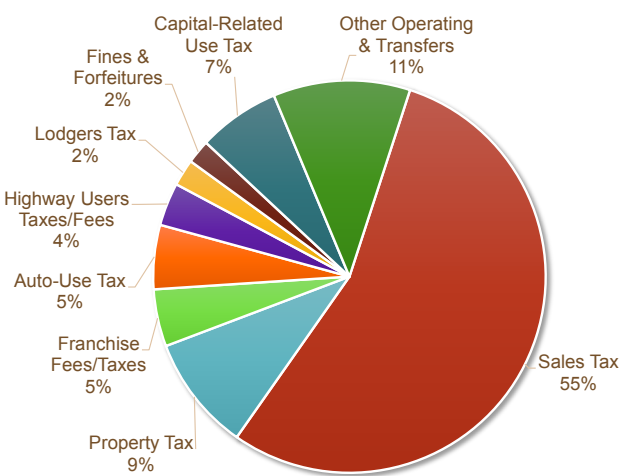
Uses of Funds

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.

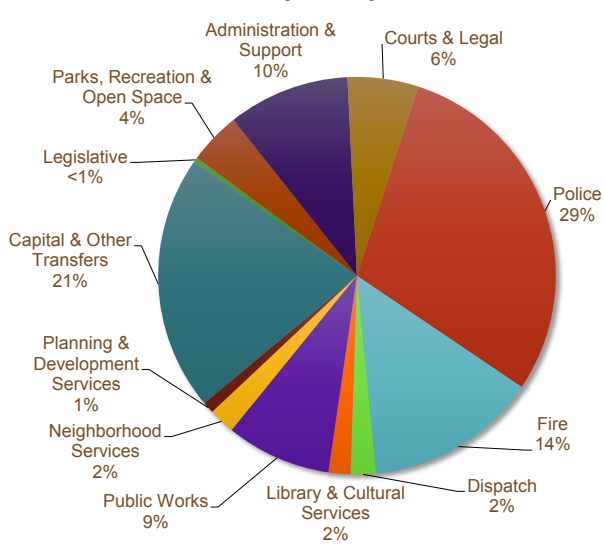
Public safety functions, including Fire, Dispatch, Police, and Court Administration account for 51.0 percent of total General Fund appropriations in 2016.

The 2016 Adopted Budget includes the planned use of \$8.7 million in funds available primarily associated with the one-time expenditures for road improvements. An additional \$11.0 million use of funds available was added in the 2016 Supplementals, the majority of which can be attributed to Regatta Plaza redevelopment, Police security enhancements at district stations and the re-appropriation of funds for surveillance equipment upgrades in the Detention Center and the Tax and Licensing system replacement.

2016 General Fund Revenue
(Sources)



2016 General Fund Appropriations
(Uses)



General Fund Departments

- | | | | |
|----------------------------|-------------------------------|---|---------------------------------------|
| • City Attorney | • General Management | • Non-Departmental (snow removal, transfers, contingencies) | • Police |
| • Mayor & City Council | • Information Technology | • Parks, Recreation & Open Space | • Public Defender |
| • Civil Service Commission | • Internal Services | • Planning & Development Services | • Public Safety Communications Center |
| • Court Administration | • Judicial | | • Public Works |
| • Finance | • Library & Cultural Services | | |
| | • Neighborhood Services | | |

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.
- 2017 Projection:** A detailed 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.
- 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
 - 2016 Projection - The \$ difference between the 2016 year-to-date actuals through the current month compared to the 2016 year-to-date projection (see note below) for the same timeframe
 - 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 Projection—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 (for MONTH ending 12/31/16)

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



86% (December)

86% (YTD)



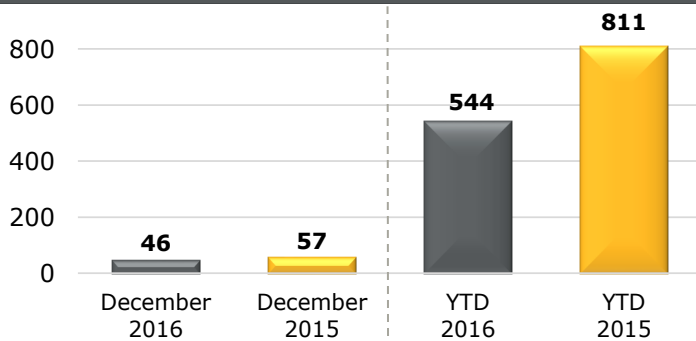
Business Licensing

December net licensing activity was lower in 2016, primarily due to a decrease in the construction industry. Year-end net licensing activity is down 33% compared to 2015. The decrease is primarily attributable to licensing reductions in the construction and retail trade sectors.

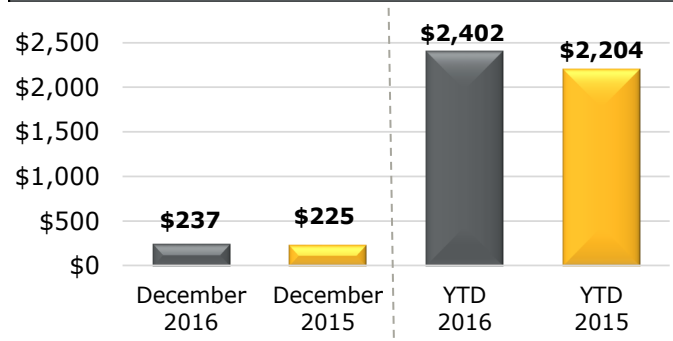
Delinquent Tax Collections

December of 2016 was again above average capping a record year for delinquent tax collections. The hiring of experienced staff after mid-year turnover allowed collections to remain steady.

Business License Activity (Net)



Delinquent Tax Collections



Investments

Portfolio duration has increased steadily since 2015 through the reinvestment of matured and/or called funds longer out on the curve. As interest rates rise this trend should continue.

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

December	2016	2015	2014
Cash & investment portfolio	\$412.6 M	\$347.8 M	\$400.5 M
Weighted avg. yield	1.16%	1.55%	1.01%
Duration (months)	18.0	17.6	20.0

Financing Transactions Over Previous 12 Months

Pending future transactions include District 2 Police - Phase 2 (\$11.3 million), three New Fire Stations (\$24.0 million), Golf refinancing (\$4.0 million), and New Recreation Center (\$30 million).

Purpose	Amount	Closed	Rate	Term (yrs.)	Lender/ Banker
AW Refinancing	\$437.0 M	8/16	3.12%	30	Morgan Stanley
MLK/Moorhead	\$8.6 M	8/16	1.25%	6.5	Key
2016 Fleet	\$2.0 M	9/16	1.46%	7.5	Key
Wastewater Refi	\$28.9 M	11/16	1.56%	10	Wells Fargo



City of Aurora

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