

2019

January through June

Josephine Jones Park

52nd Ave Ct, Greeley, CO 80634



Quarterly Financial Report





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The Highlights Section on pages 3-6 provides a high level overview of the quarterly financial report. This provides a quick synopsis of significant financial data concerning the City. Please review the corresponding pages following the highlights section, which provide a comprehensive understanding of the City's financials.

Year-To-Date HIGHLIGHTS

YTD 2018 VS
2019

2019 Budget
Variance

| | | | | |
|-----------------------------------|---|-------|---|--------|
| Sales Tax | ▲ | 9.4% | ▲ | 6.7% |
| Food Tax..... | ▼ | -3.5% | ▼ | -4.4% |
| Building Use | ▼ | -2.7% | ▲ | 30.1% |
| General Fund Revenues..... | ▲ | 4.9% | ▲ | 9.7% |
| *Total Operating Revenues..... | ▲ | 1.1% | ▲ | 25.4% |
| General Fund Expenditures..... | ▲ | 4.3% | ▼ | -12.0% |
| *Total Operating Expenditures.... | ▲ | 4.7% | ▲ | 45.7% |

Quarterly & Year-To-Date Comparisons

| | Quarter 2 - 2018 | Quarter 2 - 2019 | Variance | YTD 2018* | YTD 2019* | Variance |
|-----------------------|------------------|------------------|----------|---------------|---------------|----------|
| General Fund Revenues | \$26,861,163 | \$30,123,750 | ▲ 12.1% | \$47,033,739 | \$49,322,946 | ▲ 4.9% |
| General Fund Expenses | \$32,326,967 | \$33,585,400 | ▲ 3.9% | \$54,037,785 | \$56,359,655 | ▲ 4.3% |
| Total Revenues* | \$65,335,366 | \$62,503,644 | ▼ -4.3% | \$113,751,436 | \$108,773,073 | ▼ -4.4% |
| Total Expenditures* | \$61,964,215 | \$57,800,600 | ▼ -6.7% | \$107,314,900 | \$107,252,914 | ▼ -0.1% |

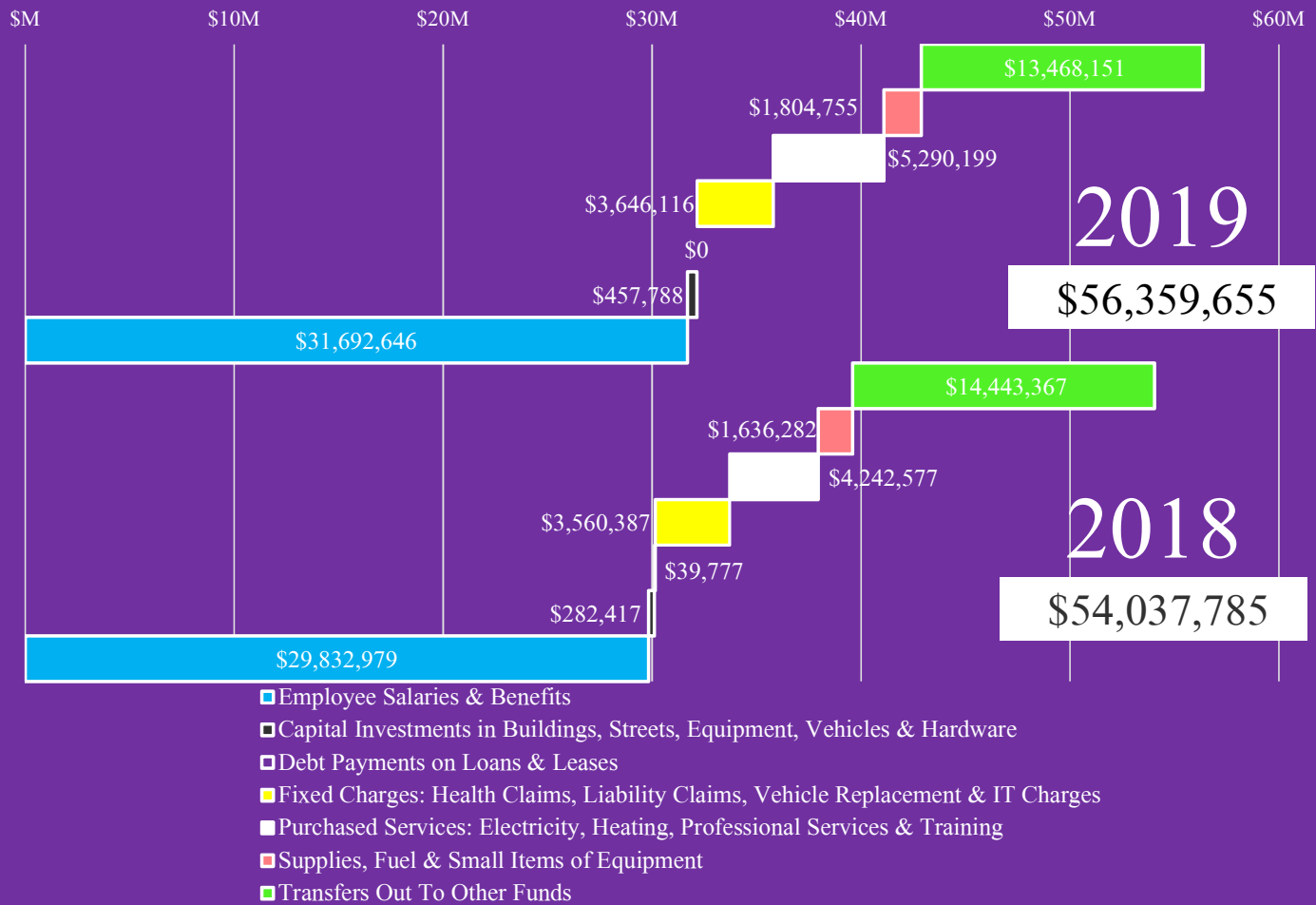


Transfers Operating Capital

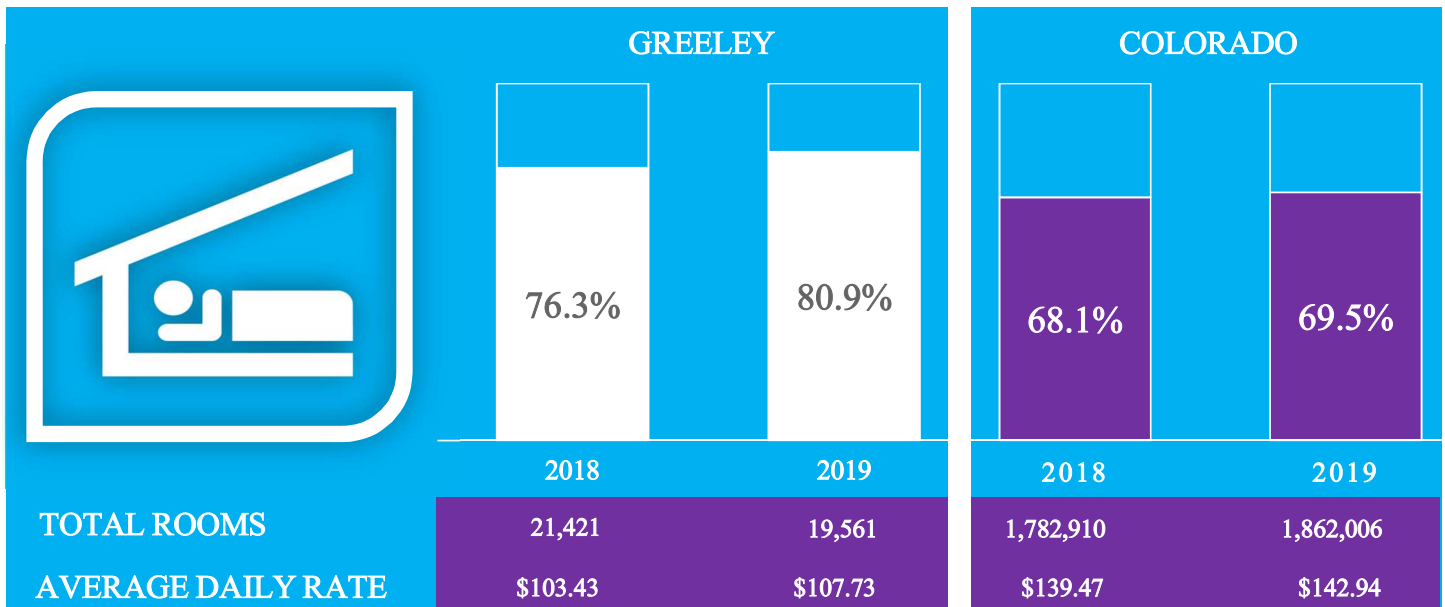
*Total revenues and expenditures exclude transfers between funds

HIGHLIGHTS CONTINUED

GENERAL FUND EXPENDITURES: YEAR-TO-DATE



LODGING OCCUPANCY MONTH OF MAY



HIGHLIGHTS CONTINUED

YEAR-TO-DATE TAX REVENUE



Governmental accounting can at times be difficult to interpret because most (but not all) revenue is received one month after it is generated, while all expenses are recorded in the month they were incurred. The following report outlines Greeley's major revenue funds and details 2019 collections to date.

SALES TAX

Five months of sales tax revenue has been collected comprising 48% of the General Fund's total revenues. The General Fund's 2019 share of sales tax revenues totaled \$20.0 million (30.2%) of the 2019 revised annual budget estimate of \$48.6 million. 2019 budgeted General Fund sales tax revenue is 2.7% higher than 2018 actuals. Sales tax revenue designated for the General Fund has increased 9.4% (\$1.7 million) from the correlating period in 2018.

USE TAXES

Five months of auto and general use taxes and six months of building use tax have been received comprising 8.2% (\$8.4 million) of the General Fund revenue budget for 2019. General use tax revenue has increased 97.7% (\$695,444) as compared to 2018. The City levies a building use tax upon issuing a new building permit. Building use tax revenue has decreased -4.1% (\$ -67,397) from 2018. Auto use tax revenue has increased 24.8% (\$352,151) from 2018.

FOOD TAX

Five months of food tax revenue has been collected. Greeley's food tax finances a capital maintenance program for the repair of streets, buildings, parks, and other capital assets. This year, food tax revenue has slightly decreased by -3.5% (-\$107,654), and the City has collected \$3.0 million (37.8%) of the 2019 revised budget estimate of \$7.9 million.

PROPERTY TAX

Five months of property taxes have been received with total year to date collections equating to \$8.9 million. Total collections for 2019 have exceed 2018 by 1.3% (\$113,016).

WATER & SEWER STATS*



Water Consumption (Million Gallons)

2018 YTD

2,371

2019 YTD

2,318

Variance YTD

(52)

Water Revenue (\$)

\$11.4 Million

\$12.3 Million

\$866,037

Sewer Flow (Million Gallons)

1,391

1,288

-102

*Water Reporting as of May 31, 2019; Sewer Reporting as of June 30, 2019

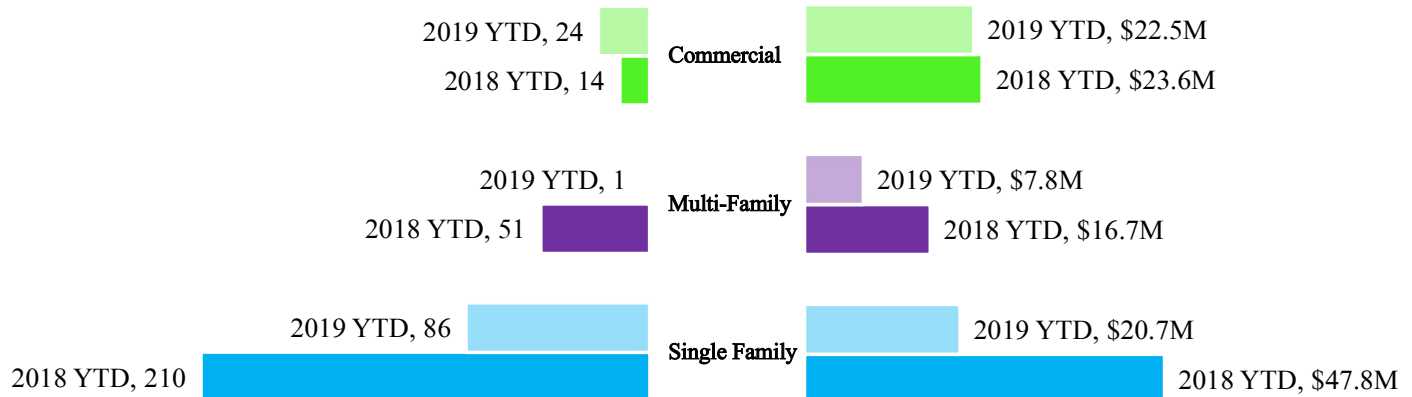
HIGHLIGHTS CONTINUED

BUILDING PERMITS: NEW CONSTRUCTION

As of June 30, 2019, new single family, multi-family and commercial building permit valuations have totaled \$50.9 million, compared to \$88.1 million in 2018, a 42.2% decrease. This year 24 new commercial construction permits have been issued totaling \$22.5 million in valuation, compared to 14 permits in the correlating period from 2018 with a valuation of \$23.6 million.




YEAR-TO-DATE NEW BUILDING PERMITS

YEAR-TO-DATE NEW BUILDING VALUATION



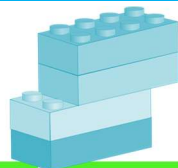
SALES TAX

TOP 3 SALES TAX REVENUE SOURCES (\$)

| | | 2018 YTD | 2019 YTD | \$ VARIANCE | % VARIANCE |
|-------------------------------|---|-------------|-------------|-------------|------------|
| Dining Out |  | \$3,248,244 | \$3,477,050 | \$228,806 | 7.0% |
| Motor Vehicle & Parts Dealers |  | \$2,529,148 | \$2,646,092 | \$116,944 | 4.6% |
| General Merchandise Stores |  | \$2,391,173 | \$2,595,650 | \$204,477 | 8.6% |



YEAR-OVER-YEAR COMPARISONS



Building
Permits &
Fees



Franchise
Fees &
Telephone



Investment
Interest



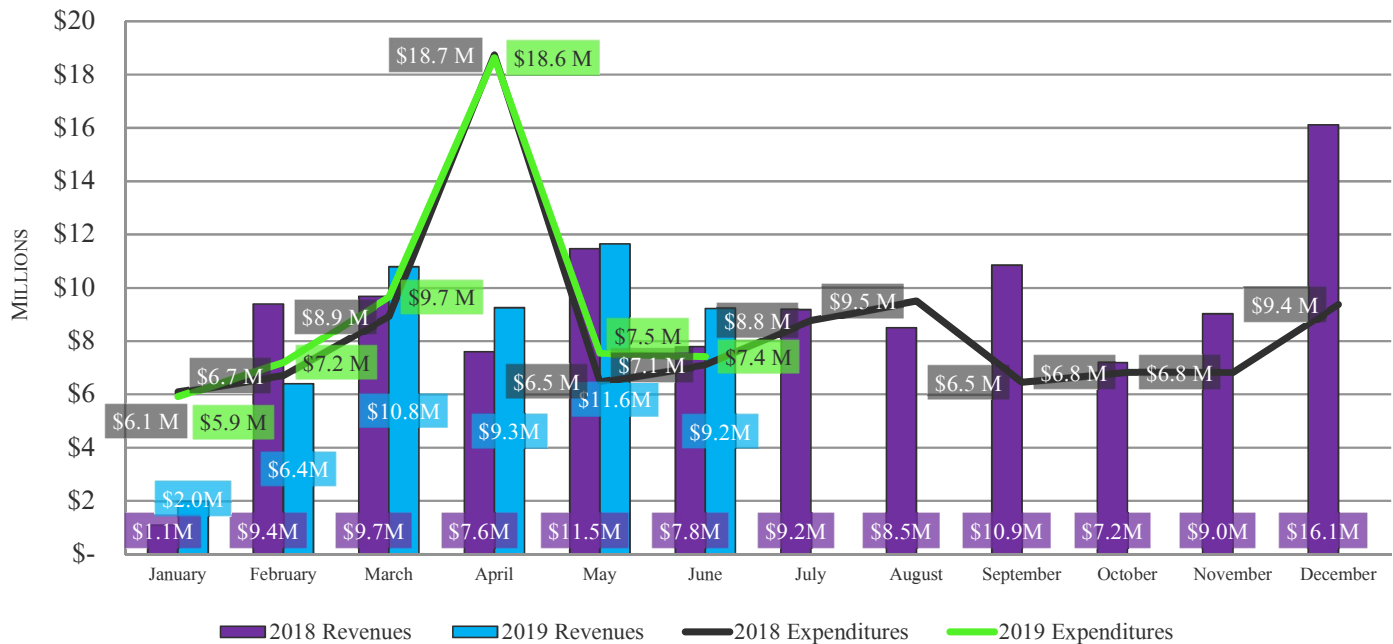
Lodging

| | | | | |
|-------------------------|-------------|-------------|---------------|------------|
| 2018 Year-To-Date | \$1,188,867 | \$1,892,325 | \$1,001,185 | \$200,392 |
| 2019 Year-To-Date | \$1,368,855 | \$2,019,601 | \$2,275,276 | \$279,288 |
| Year-Over-Year Variance | ↑ \$179,987 | ↑ \$127,275 | ↑ \$1,274,092 | ↑ \$78,896 |

The following sections outline Greeley's major operating funds. After a strong 2018, the local economic conditions in early 2019 continue to be positive, as evidenced by the continued growth in sales tax revenue, use taxes and franchise fees.

GENERAL FUND

The General Fund has a total revised revenue budget of \$102,677,226 (Original Budget: \$100,839,948) and a revised expenditure budget of \$118,341,442 (Original Budget: \$105,390,668) for 2019. The monthly financial report examines the Fund's major revenue sources, expenditures, and overall trends; the report also utilizes historical data along with future projections.



The graph above compares 2019 expenditures and revenues with the correlating data from 2018.

Overview:

Major sources of revenue in the General Fund include sales, property, and use tax; county, state, and federal intergovernmental funds; franchise fees; transfers from other funds; fines, forfeits, and service charges; licenses and permits; and miscellaneous sources.

Key Items: *(additional detail can be found on the following pages)*

- January:** 2019 revenues increased from additional building permits.
- February:** 2018 revenues were higher due to one time oil royalties of \$3.2 million.
- March:** 2019 revenues increased due to sales tax, use tax, tickets sales, property taxes and oil royalties.
- April:** 2019 revenues increased due to oil royalties, sales tax, general use taxes and franchise fees.
- May:** 2019 revenues increased due to higher property taxes but decreased due to lower oil royalties.
- June:** 2019 revenues increased due to oil royalties, sales tax, general use, and auto use.

The table below compares 2018 and 2019 actual and budgeted revenues and expenditures as of Jun 30, 2019

| | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of 2019 Budget |
|-------------------------------|-----------------|-----------------|---------------------|------------------|
| Beginning Fund Balance | \$ 26,851,988 | \$ 32,644,158 | \$ 32,644,158 | |
| Revenue | 47,033,739 | 49,322,946 | 102,677,226 | 48.0% |
| Total Resources | \$ 47,033,739 | \$ 49,322,946 | \$ 102,677,226 | 48.0% |
| Expenditures | 54,037,785 | 56,359,655 | 118,341,442 | 47.6% |
| Total Expenditures | \$ 54,037,785 | \$ 56,359,655 | \$ 118,341,442 | 47.6% |
| Ending Fund Balance | \$ 19,847,942 | \$ 25,607,449 | \$ 16,979,942 | |

REVENUES

Five months of payments have been received from the following revenue sources: franchise fees, sales tax, general use tax, lodging tax, and property tax.

Six months of payments have been received for the following: building and planning permit fees, building use tax, and charges for interfund services.

•Key items for the first six months of 2019 include: high year over year variance due to one time oil payments received in 2018. In 2019 the following have experienced increased revenue including: property taxes, sales tax, use taxes and franchise fees.

| 2019 General Fund Revenue Comparisons | | | | | | |
|---------------------------------------|----------------------|----------------------|---------------------|-----------------------|-----------------------|------------------|
| | 2018 | 2019 | Variance | % Change 2018 vs 2019 | 2019 Revised Budget | % of 2019 Budget |
| 1st Quarter | 20,172,576 | 19,199,196 | (973,380) | -4.8% | - | - |
| April | 7,601,212 | 9,253,962 | 1,652,750 | 21.7% | - | - |
| May | 11,469,822 | 11,643,840 | 174,018 | 1.5% | - | - |
| June | 7,790,129 | 9,225,949 | 1,435,820 | 18.4% | - | - |
| Total | \$ 47,033,739 | \$ 49,322,946 | \$ 2,289,207 | 4.9% | \$ 102,677,226 | 48.0% |

The table above compares 2018 and 2019 actual revenues by period as of June 30, 2019

EXPENDITURES

The General Fund is used to provide basic municipal services such as police, fire, parks, culture, recreation, public works, community development, and general administration.

•Overall expenses are following expected trends for the first six months of the year.

| 2019 General Fund Expenditure Comparisons | | | | | | |
|---|----------------------|----------------------|---------------------|-----------------------|-----------------------|------------------|
| | 2018 | 2019 | Variance | % Change 2018 vs 2019 | 2019 Revised Budget | % of 2019 Budget |
| 1st Quarter | 21,710,819 | 22,774,255 | 1,063,436 | 4.9% | - | - |
| April | 18,737,710 | 18,632,731 | (104,979) | -0.6% | - | - |
| May | 6,480,127 | 7,540,595 | 1,060,468 | 16.4% | - | - |
| June | 7,109,130 | 7,412,075 | 302,945 | 4.3% | - | - |
| Total | \$ 54,037,785 | \$ 56,359,655 | \$ 2,321,870 | 4.3% | \$ 118,341,442 | 47.6% |

The table above compares 2018 and 2019 actual revenues by period as of June 30, 2019

PROPERTY TAX

The City levies property tax based on Weld County's biennial property value appraisal. The mill levy is currently set at 11.274 mills.

Five months of property tax revenue has been collected. During this time revenue has increased 1.3% (\$113,016) from 2018 to 2019. Collections in 2019 are anticipated to be \$194,555 above budget.

| 2019 Property Tax | | | | | | |
|-------------------|---------------------|---------------------|-------------------|-------------------------|----------------------|------------------|
| | 2018 YTD | 2019 YTD | Variance | % Change 2018 vs - 2019 | 2019 Budget | % of 2019 Budget |
| 1st Quarter | 3,628,120 | 3,705,459 | 77,339 | 2.1% | - | - |
| April | 637,206 | 593,104 | (44,102) | -6.9% | - | - |
| May | 3,082,191 | 3,635,575 | 553,384 | 18.0% | - | - |
| June | 1,425,420 | 951,814 | (473,606) | -33.2% | - | - |
| Total | \$ 8,772,937 | \$ 8,885,953 | \$ 113,016 | 1.3% | \$ 11,568,011 | 76.8% |

The table below shows the anticipated property tax revenue from the county assessor by category for 2019.

| Source | Amount | % |
|--------------------|----------------------|-------------|
| Residential | \$ 5,508,896 | 46.8% |
| Commercial | 4,253,608 | 36.2% |
| Industrial | 543,503 | 4.6% |
| Mineral, Oil & Gas | 674,652 | 5.7% |
| Other | 781,907 | 6.6% |
| Total | \$ 11,762,566 | 100% |

FRANCHISE FEES & TELEPHONE TAX

Electricity, natural gas utilities, and cable television providers pay franchise fees to the City for the use of public right-of-way property. Telephone providers pay an occupation tax. Five Months of telephone tax and franchise fees have been collected through cable, electric & natural gas revenues. This has equated to an increased of \$127,275 (6.7%) over the corresponding period from 2018.

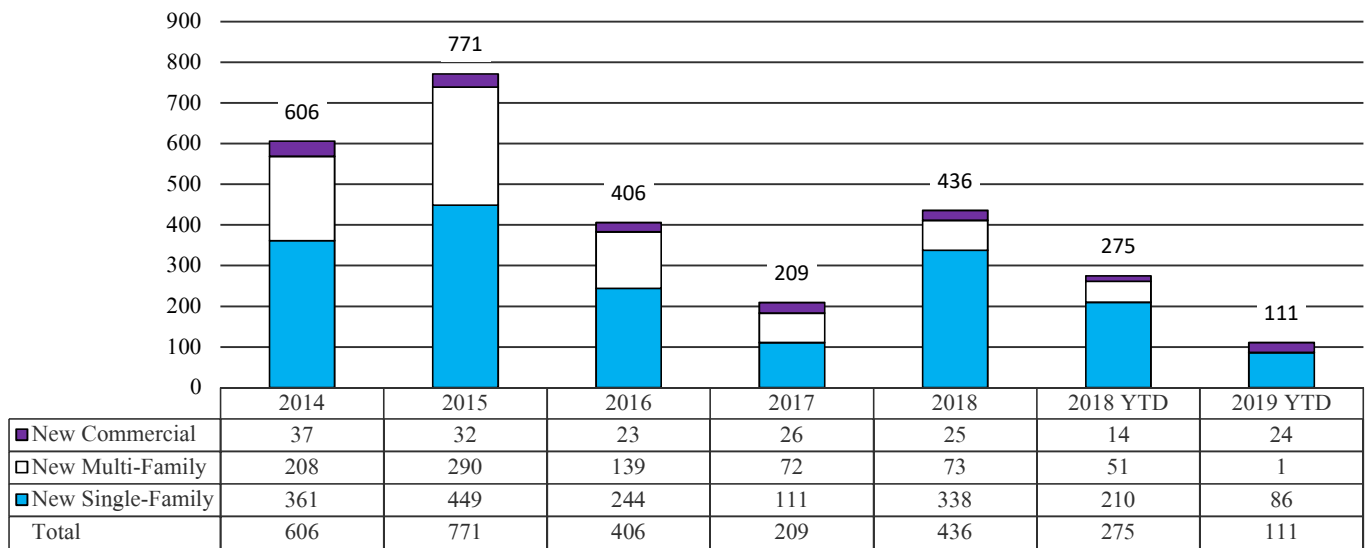
| 2019 Franchise Fees & Telephone Tax | | | | | | |
|-------------------------------------|---------------------|---------------------|-------------------|----------------------|---------------------|------------------|
| | 2018 YTD | 2019 YTD | Variance | % Change 2018 - 2019 | 2019 Budget | % of 2019 Budget |
| Cable | \$ 243,726 | \$ 238,408 | \$ (5,318) | -2.2% | \$ 1,016,732 | 23.4% |
| Electric | 759,861 | 784,332 | 24,471 | 3.2% | 2,731,125 | 28.7% |
| Natural Gas | 847,210 | 976,570 | 129,360 | 15.3% | 1,495,785 | 65.3% |
| Telephone | 41,528 | 20,290 | (21,238) | -51.1% | 95,000 | 21.4% |
| Total | \$ 1,892,325 | \$ 2,019,601 | \$ 127,275 | 6.7% | \$ 5,338,642 | 37.8% |

BUILDING PERMITS & FEES

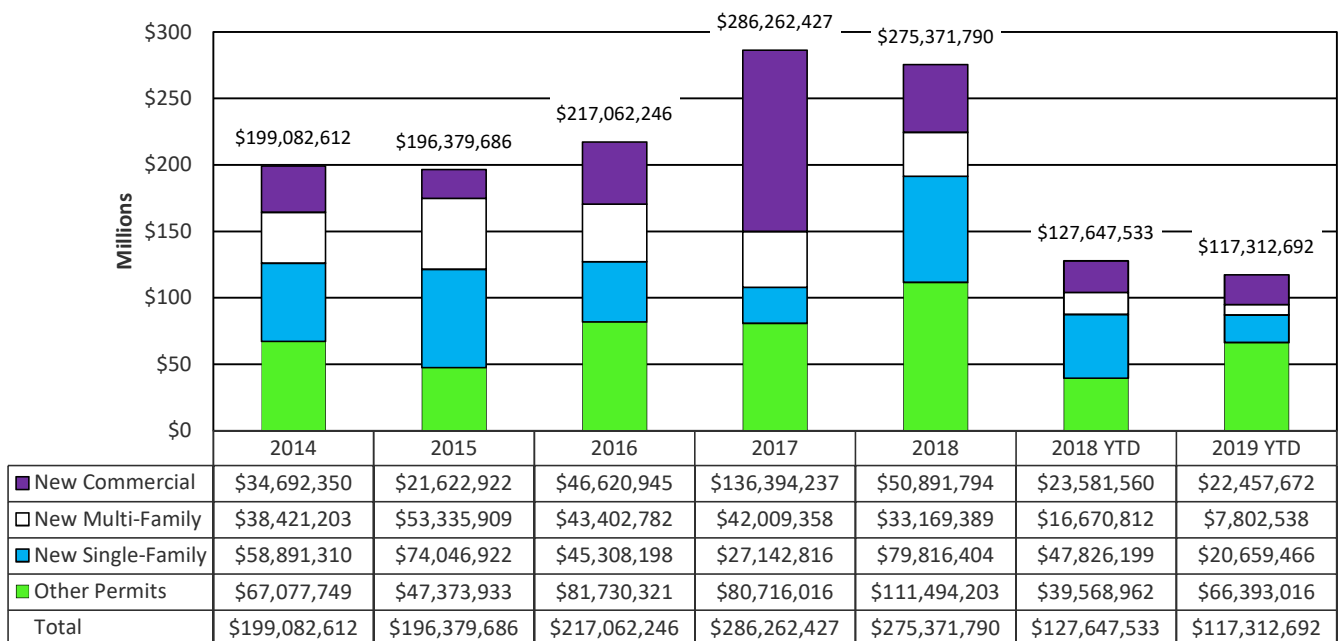
The following graph illustrates the number of permits issued for new commercial, single, and multi-family developments through June 30, 2019. Total new permits issued this year are behind the pace set in 2019, with total permits for 2019 (111) below the respective permits from 2018 (275). Valuations are also behind those of 2018 with total valuations for 2019 totaling \$117.3 million compared to \$127.6 million in the same period of 2018.

A significant amount of miscellaneous permits (such as roofing) have offset a lower valuation compared to last year. Miscellaneous permits for 2019 total 3,710 compared to 1,498 in 2018. Additionally, the valuation of these miscellaneous permits total \$37.7 million in 2018 compared to \$18.5 million in 2018.

BUILDING PERMITS ISSUED: NEW CONSTRUCTION



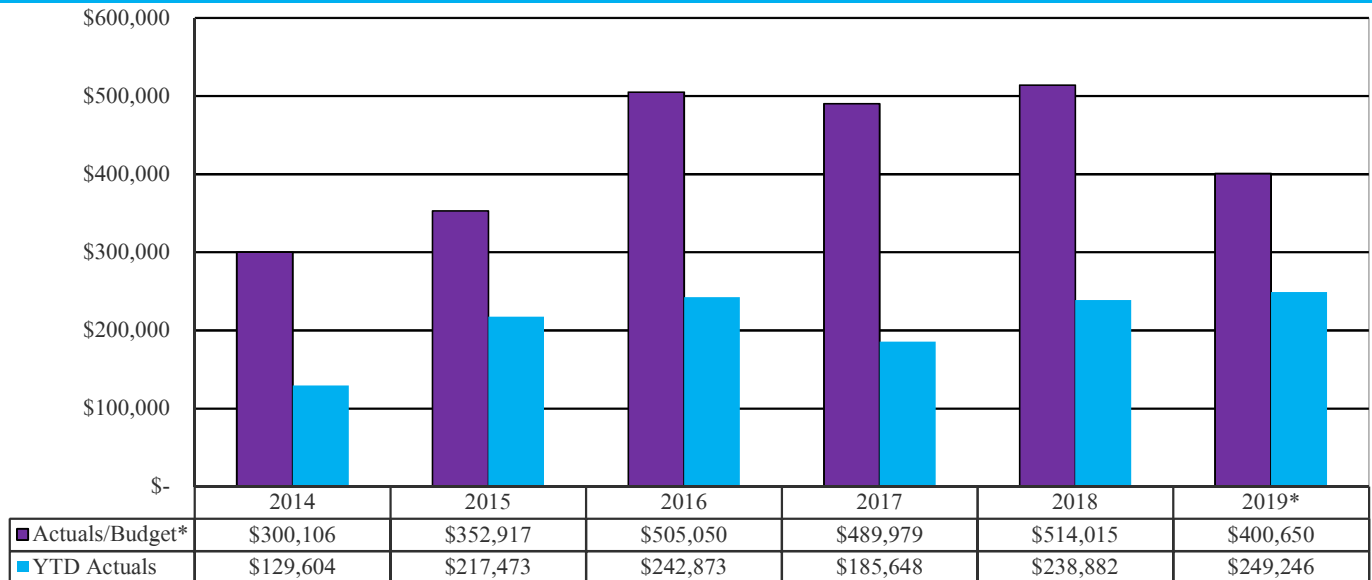
BUILDING PERMIT VALUATIONS



BUILDING PERMITS AND FEES

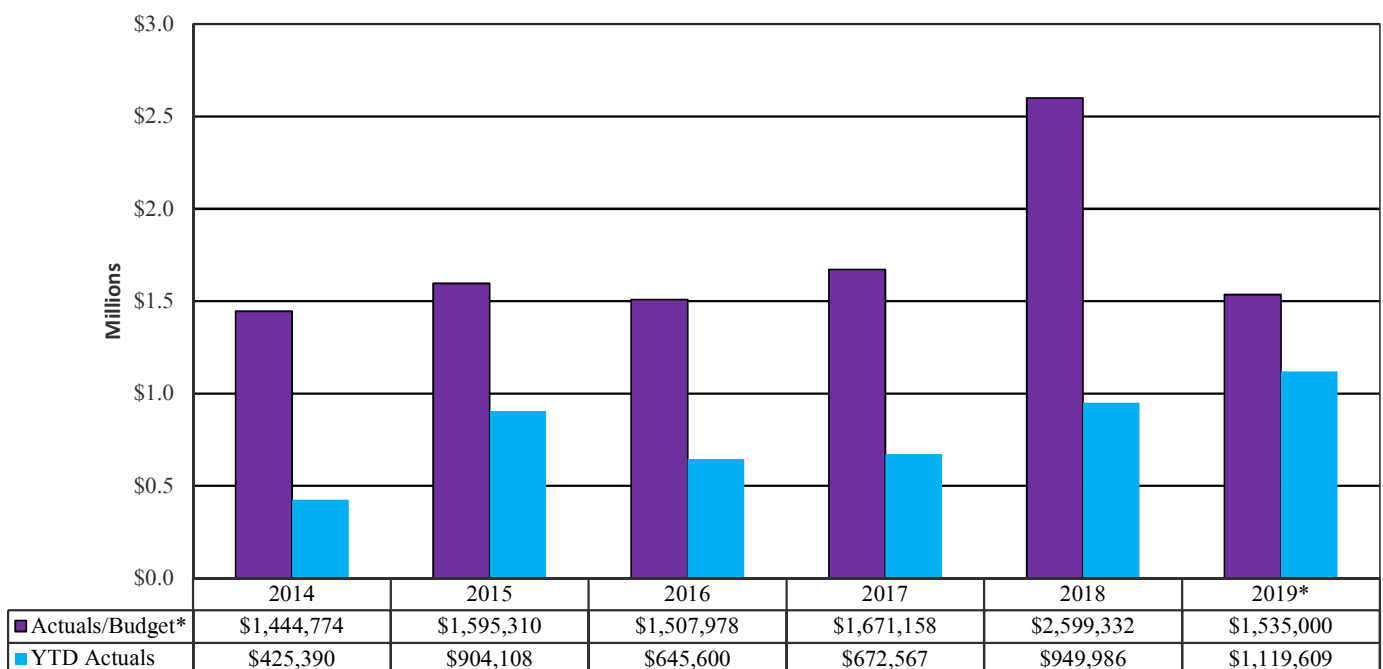
PLANNING FEES

Six months of building and planning permit fees have been collected on new commercial, industrial, and residential renovation and construction projects. Plan filing and check fee revenues have increased 4.3% (\$10,364) from 2018 to 2019.



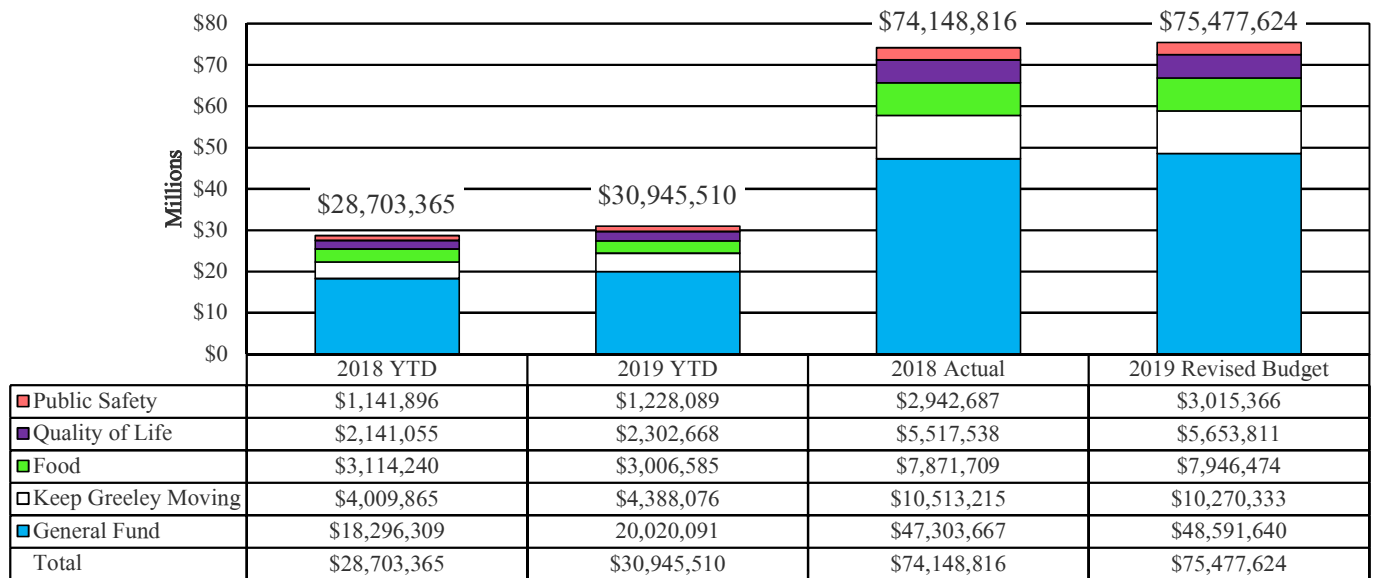
BUILDING PERMIT REVENUE

Six months of building permit revenues have been collected. During this time period revenues have increased at a rate of 17.9% (\$169,623) from the corresponding period from 2018. Some of the year to date increase has been caused by additional roof permits due to hail damage in the second half of 2018.



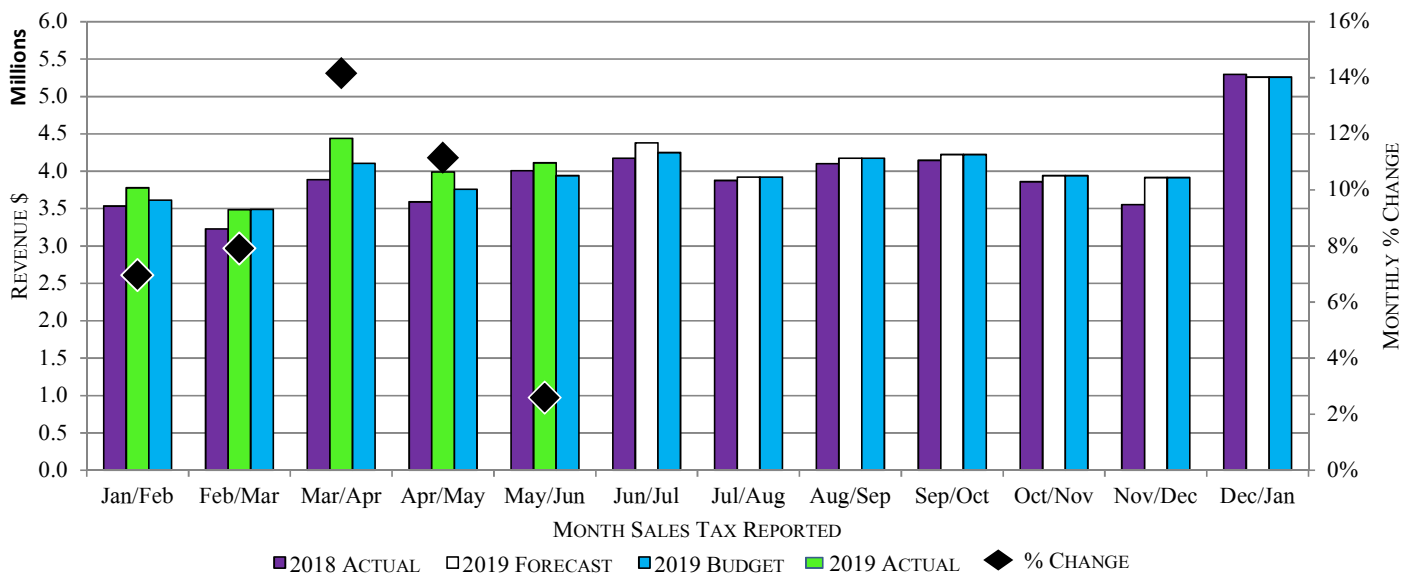
SALES TAX

The City collects sales tax on the retail sale of various goods and commodities at a rate of 4.11%; the State's sales tax rate is 2.9%. City sales tax revenue is distributed to the Public Safety Fund (0.16%), Quality of Life Fund (0.30%), General Fund (3.0%) and Keep Greeley Moving (0.65%).



The graph above illustrates the sales tax revenue distribution for five different funds before debt payments: General, Public Safety, Quality of Life, Food, and Keep Greeley Moving. Intergovernmental agreements with Evans and Windsor also affect fund distribution.

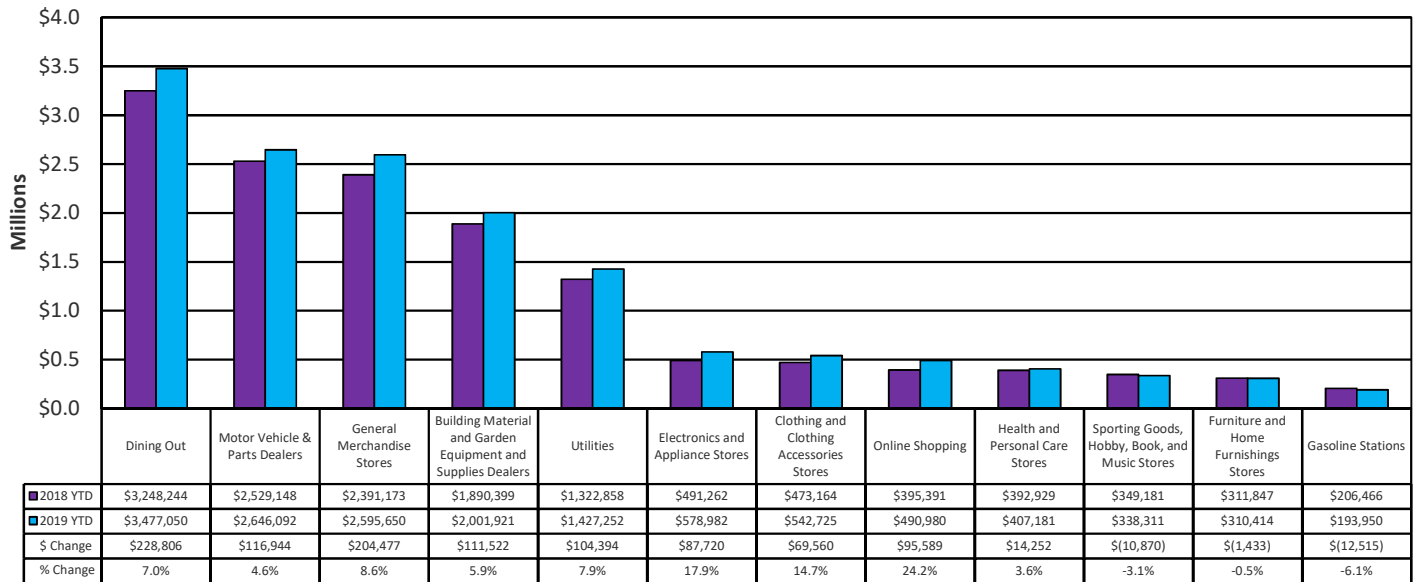
SALES TAX ONLY: GENERAL FUND SHARE (AFTER ADJUSTMENTS)



Sales tax revenues have been collected for five months in 2019. General Fund sales tax revenue is originally budgeted at 2.7% above 2018 revenue. The graph above is a summary of the General Fund share of sales tax by month and includes five months of 2019 actuals and a seven month forecast. The percentage change shows the change from the same month in the previous year. In June 2019, food tax revenues that were incorrectly reported as sales tax have been removed above to more accurately depict sales tax growth rates.

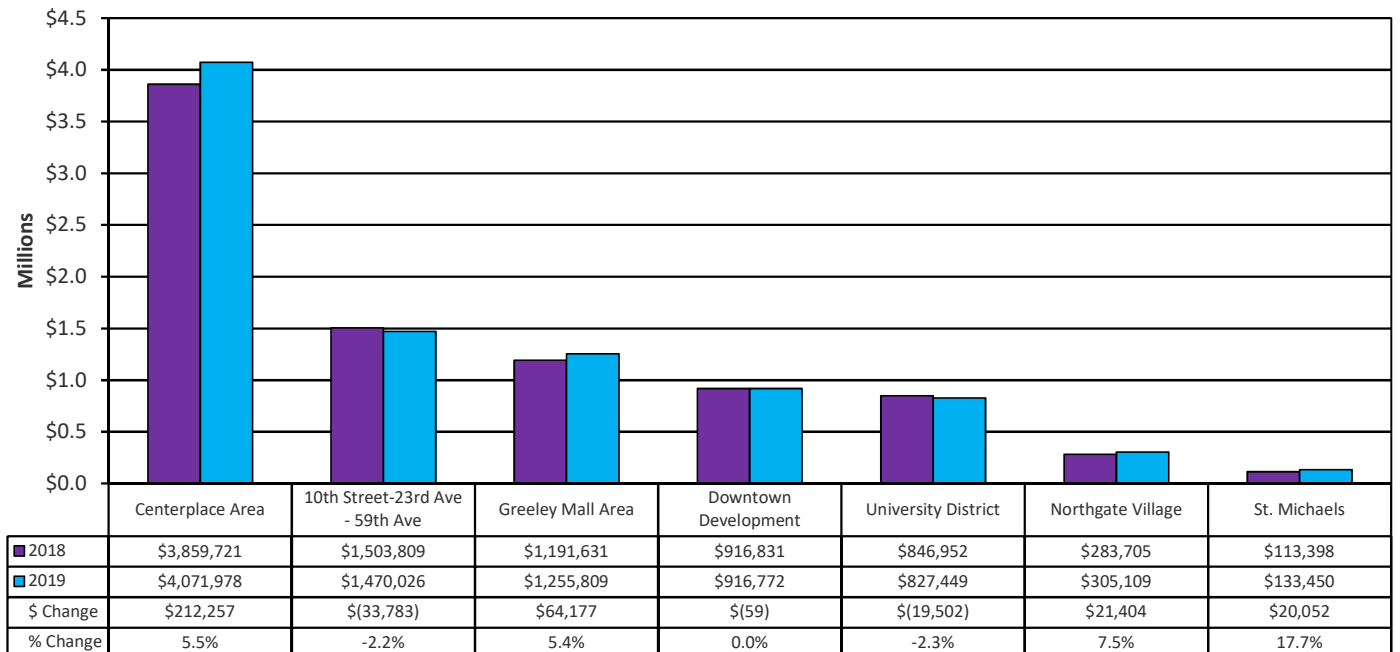
SALES TAX CONTINUED

The North American Industry Classification System (NAICS) is used to categorize sales tax revenue by industry. The graph below compares sales tax revenue by select industries for 2018 and 2019. Adjustments have been made below to account for late payments. Online Shopping experienced the largest percentage increase of 24.2% above 2018 totals, while Dining Out had the largest dollar increase of \$228,806.



RETAIL SALES TAX BY LOCATION

The graph below outlines retail sales by identified location, omitting grocery stores and auto dealers. Compared with the corresponding period in 2018 Centerplace showing the largest dollar increase (\$212,257) and St. Michaels showing the largest percentage increase (17.7%). The graph has been modified to account for late payments and adjustments to prior periods.

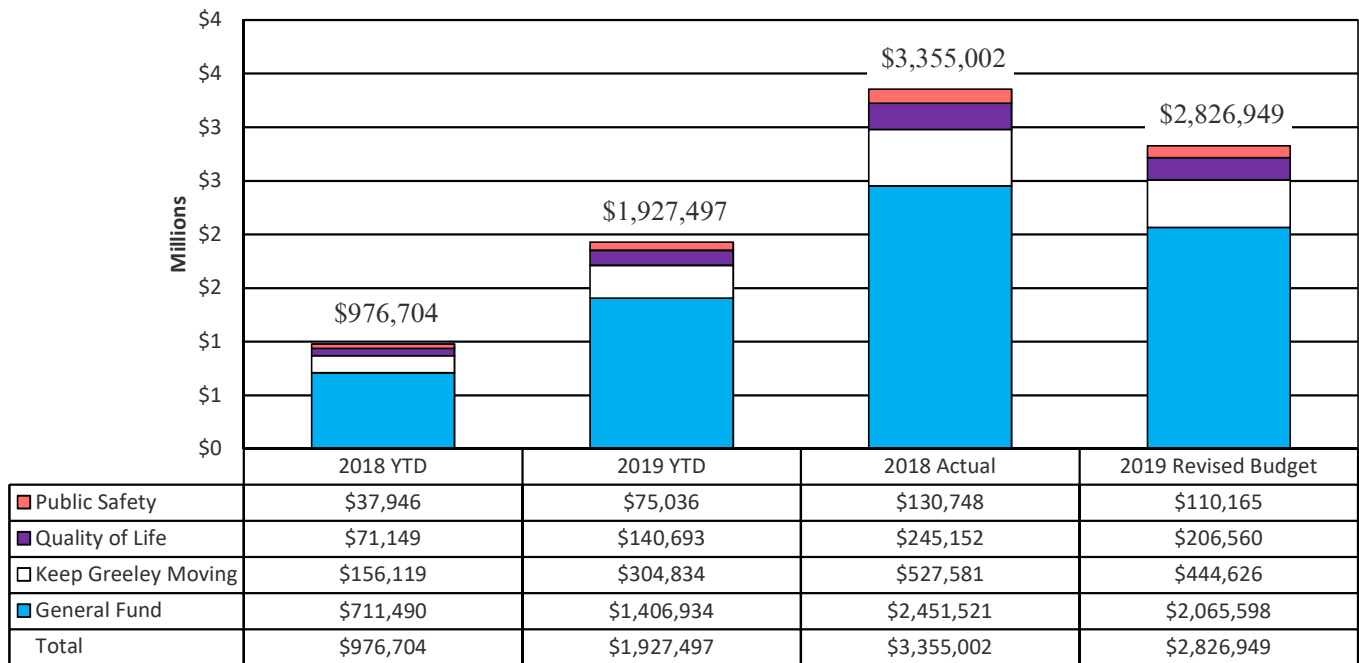


USE TAX

Use taxes are levied upon individuals using, storing, or consuming tangible personal property that has not been subject to sales tax. Three types of use taxes which include: general use, automobile use, and building use tax. Taxes from these sources provide revenue to the Public Safety Fund, Quality of Life Fund, Keep Greeley Moving, and General Fund.

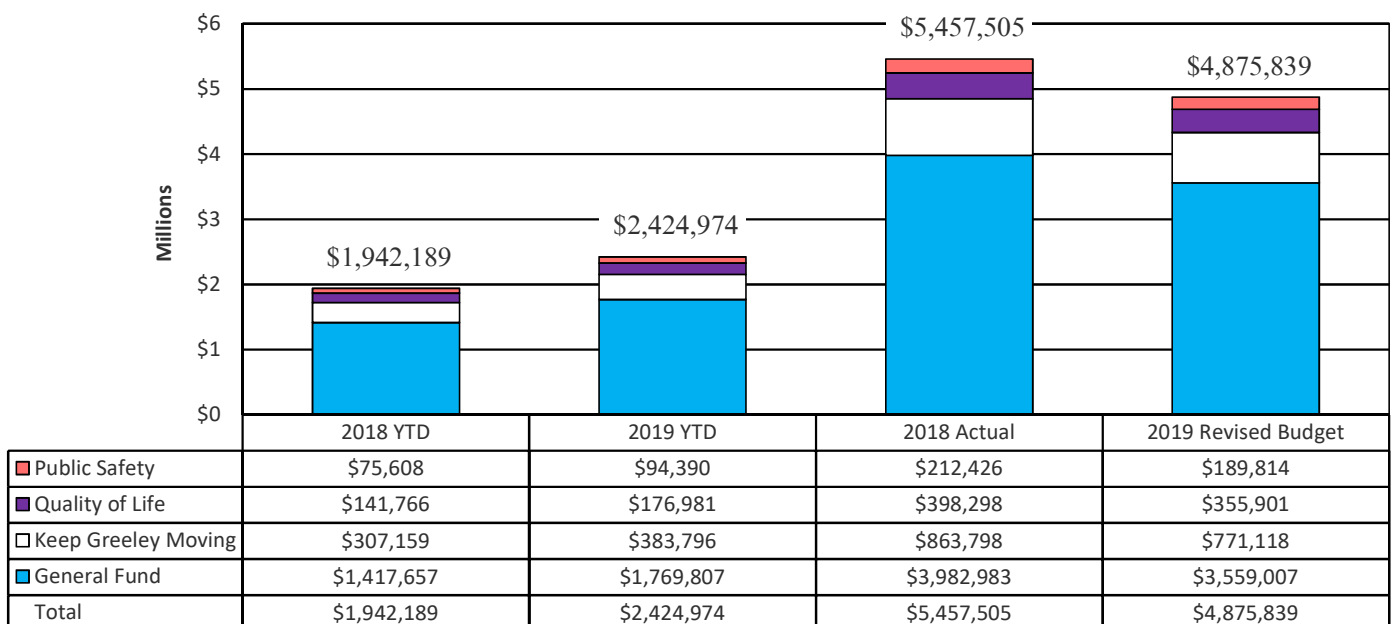
GENERAL USE TAX

The General Fund share of general use tax revenue has increased 97.7% (\$695,444) from 2018 to 2019. The majority of the increase in 2019 are from significant collections from oil and gas related industries.



AUTO USE TAX

The General Fund share of auto use tax revenue has increased 24.8% (\$352,151) from 2018 to 2019.



USE TAX CONTINUED

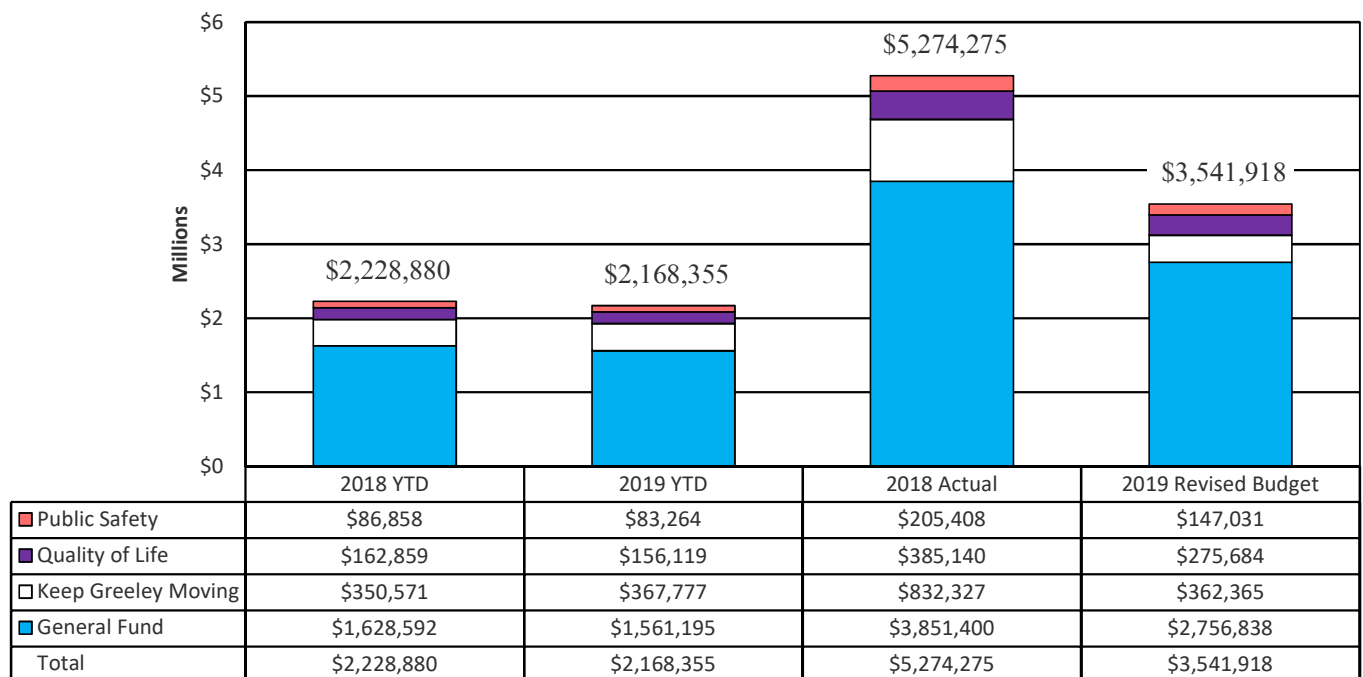
BUILDING USE TAX DEFINED

Building use tax includes the total actual cost of building materials associated with a project or permit. The revenue associated with building use tax is directly correlated to the number of permits and valuations as described in earlier sections (pg. 10).



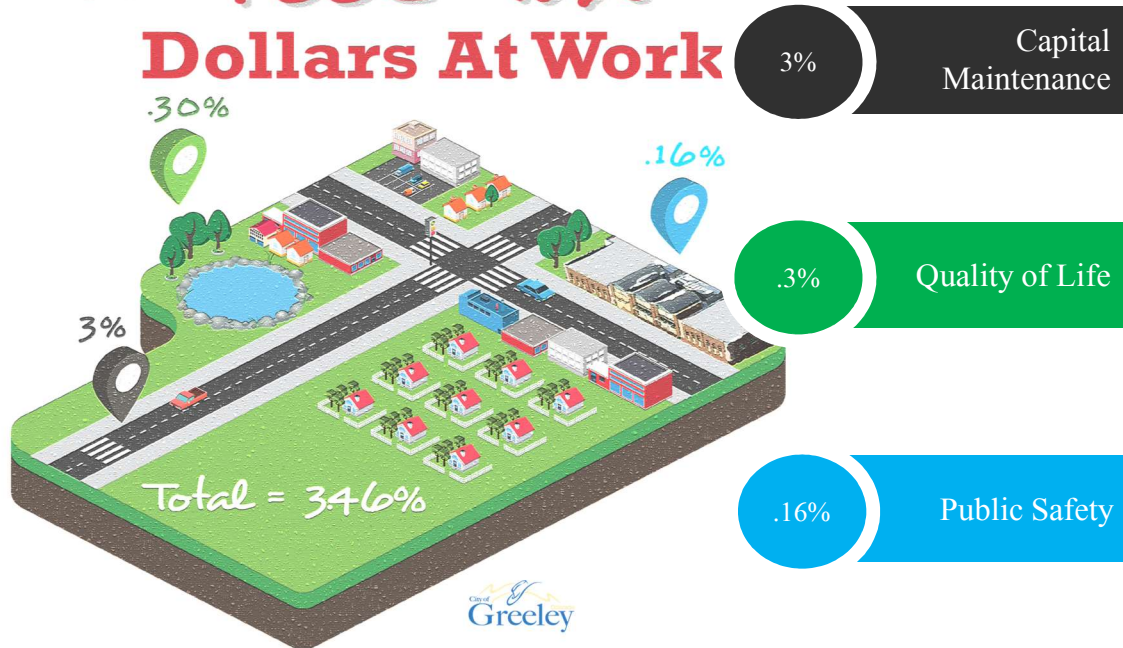
BUILDING USE TAX

The decline in building valuations align with the decrease of -4.1% (-\$67,397) in building use tax as compared to the correlating period in 2018.



FOOD TAX

Your Food Tax Dollars At Work



In 2015, the citizens of Greeley re-approved the 3.46% tax on food for home consumption (Food Tax Fund) for five years. 3% of these funds are used to finance a capital maintenance program for the repair of streets, buildings, parks, and other capital assets. The revenue cannot be used for municipal purposes. The remaining food tax percentage (0.46%) is distributed to the Quality of Life (0.30%) and Public Safety Funds (0.16%) as reapproved by voters in 2018 for twenty years.

Five months of food tax collection have been received. The Food Tax Fund totaled \$3,006,586 (37.8%) of the budgeted \$7,946,474. Food tax revenues are lower in 2019 due to several businesses reporting food tax as sales tax. Once these adjustments are completed in subsequent months, revenues are expected to be up over \$50,000 from last year and above the 2019 budget.

| | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of 2019 Budget |
|-------------------------------|---------------------|---------------------|----------------------|------------------|
| Beginning Fund Balance | \$ 3,207,289 | \$ 3,123,523 | \$ 3,123,523 | |
| Resources | | | | |
| Sales Tax on Food | 3,114,240 | 3,006,585 | 7,946,474 | 37.8% |
| Designated Revenue (0.16%) | 27,983 | 54,901 | 200,000 | 27.5% |
| Other | 123,182 | 98,588 | 23,107 | 426.7% |
| Total Resources | \$ 3,265,404 | \$ 3,160,074 | \$ 8,169,581 | 38.7% |
| Expenditures | | | | |
| Capital Projects | 2,884,620 | 3,309,774 | 10,131,149 | 32.7% |
| Total Expenditures | \$ 2,884,620 | \$ 3,309,774 | \$ 10,131,149 | 32.7% |
| Committed Fund Balance | \$ 3,517,630 | \$ 922,534 | | |
| Ending Fund Balance | \$ 70,444 | \$ 2,051,290 | \$ 1,161,955 | |

QUALITY OF LIFE 0.30%

The 0.30% sales and use tax, grant funds, and park development impact fees are utilized to complete various projects, these funds are highlighted in the table below.

| | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of 2019 Budget |
|-------------------------------|---------------------|---------------------|----------------------|------------------|
| Beginning Fund Balance | \$ 5,801,408 | \$ 7,464,962 | \$ 7,384,372 | |
| Resources | | | | |
| Sales and Use Tax | 2,519,928 | 2,792,536 | 6,526,460 | 42.8% |
| From Parks Development | 1,580,762 | 1,363,544 | 3,035,034 | 44.9% |
| Other | 89,977 | 515,577 | 1,030,303 | 50.0% |
| Total Resources | \$ 4,190,666 | \$ 4,671,658 | \$ 10,591,797 | 44.1% |
| Expenditures | | | | |
| Projects | 1,261,157 | 1,893,992 | 13,975,957 | 13.6% |
| Maintenance | 412,741 | 378,999 | 757,997 | 50.0% |
| Debt Service | 1,029,896 | 1,031,104 | 2,780,005 | 37.1% |
| Total Expenditures | \$ 2,703,793 | \$ 3,304,094 | \$ 17,513,959 | 18.9% |
| Committed Fund Balance | \$ 1,156,863 | \$ 2,539,036 | | |
| Ending Fund Balance | \$ 6,131,418 | \$ 6,293,489 | \$ 462,210 | |

PUBLIC SAFETY 0.16%

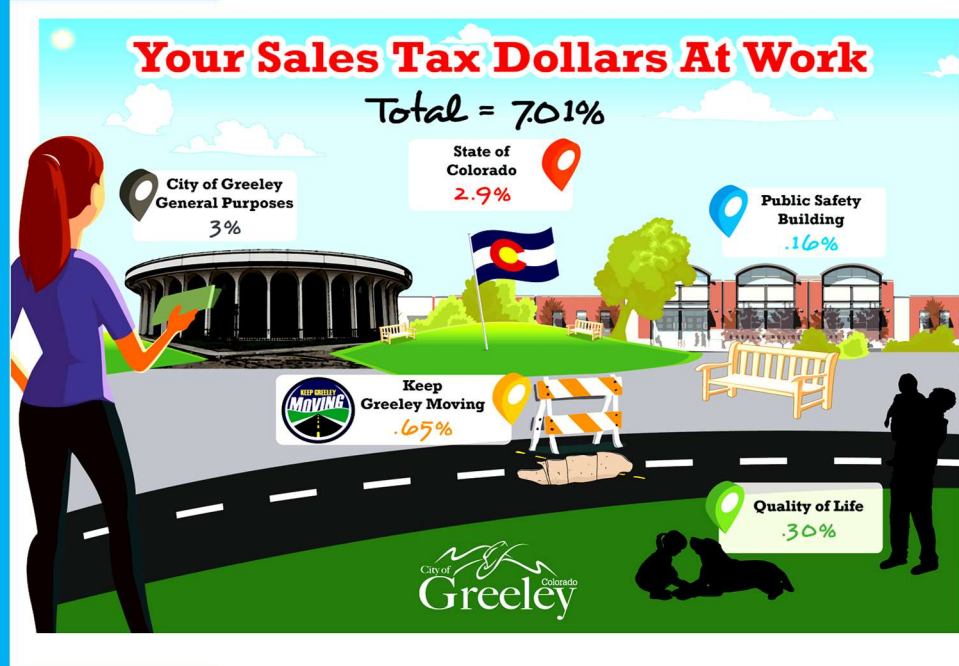
The table below highlights funds dedicated to the police facility, debt, equipment, and maintenance generated from the 0.16% tax.

| Description | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of Budget |
|-------------------------------|---------------------|---------------------|---------------------|--------------|
| Beginning Fund Balance | \$ 3,264,331 | \$ 4,586,255 | \$ 4,586,255 | |
| Resources | | | | |
| Sales and Use Tax | 1,343,669 | 1,489,359 | 3,480,777 | 42.8% |
| Total Resources | \$ 1,343,669 | \$ 1,489,359 | \$ 3,480,777 | 42.8% |
| Expenditures | | | | |
| Maintenance | 242,488 | 242,163 | 563,847 | 42.9% |
| Debt Service | 723,438 | 720,625 | 1,729,500 | 41.7% |
| Total Expenditures | \$ 965,926 | \$ 962,788 | \$ 2,293,347 | 42.0% |
| Committed Fund Balance | \$ - | \$ 563,847 | | |
| Ending Fund Balance | \$ 3,642,074 | \$ 5,112,826 | \$ 5,773,685 | |



KEEP GREELEY MOVING

An additional sales tax rate of 0.65% was approved by voters during the last quarter of 2015 to fund street maintenance and improvements for seven years. The City is responsible for public concrete, sidewalk and gutter repairs during the seven-year life of the program. Additionally, this program will also make major improvements to twelve arterial and collector roads, repave eleven neighborhoods, and complete three street capacity projects.



2019 PROJECTS

- \$11.1 million for pavement overlay, seal coat, crack seal patching, and striping.
- \$2.2 million for the construction of handicap ramps and sidewalk access points at various locations throughout the city, concrete repair and cross-span replacement program, and the neighborhood concrete program.

| | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of 2019 Budget |
|-------------------------------|-----------------------|-----------------------|----------------------|------------------|
| Beginning Fund Balance | \$ 3,008,258 | \$ 2,436,244 | \$ 2,436,244 | |
| Resources | | | | |
| Sales and Use Tax | 4,823,714 | 5,444,483 | 11,848,442 | 46.0% |
| Transfer: Food Tax | 1,400,000 | 1,350,000 | 2,700,000 | 50.0% |
| Other Revenues | 34,103 | 76,212 | 36,844 | 206.9% |
| Total Resources | \$ 6,257,818 | \$ 6,870,695 | \$ 14,585,286 | 47.1% |
| Expenditures | | | | |
| Projects | 2,620,253 | 1,833,441 | 13,314,943 | 13.8% |
| Road Development | 1,800,000 | 1,800,000 | 3,706,587 | 48.6% |
| Total Expenditures | \$ 4,420,253 | \$ 3,633,441 | \$ 17,021,530 | 21.3% |
| Committed Fund Balance | \$ 8,921,599 | \$ 9,871,065 | | |
| Ending Fund Balance | \$ (4,075,777) | \$ (4,197,566) | \$ - | |

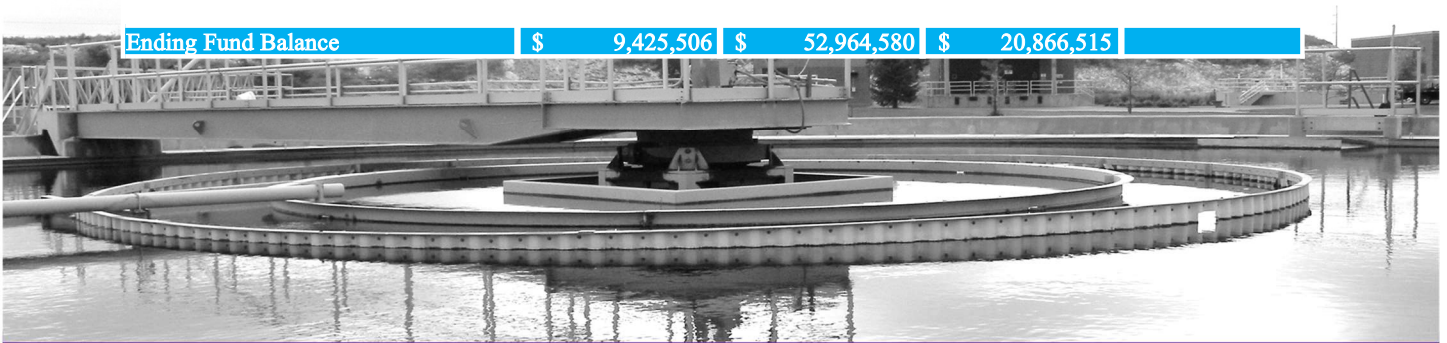
Keep Greeley Moving sales and use tax revenue is currently 12.9% above 2018's year-to-date total.

WATER FUNDS

The Water Department provides clean water to the citizens and industries of Greeley. The department is responsible for 487.6 miles of distribution lines and 74.75 million gallons of treated water storage reservoirs providing over 8.45 billion gallons of water annually. Fund balance from bond proceeds of \$45 million in 2018 are being used to fund 2019 projects.

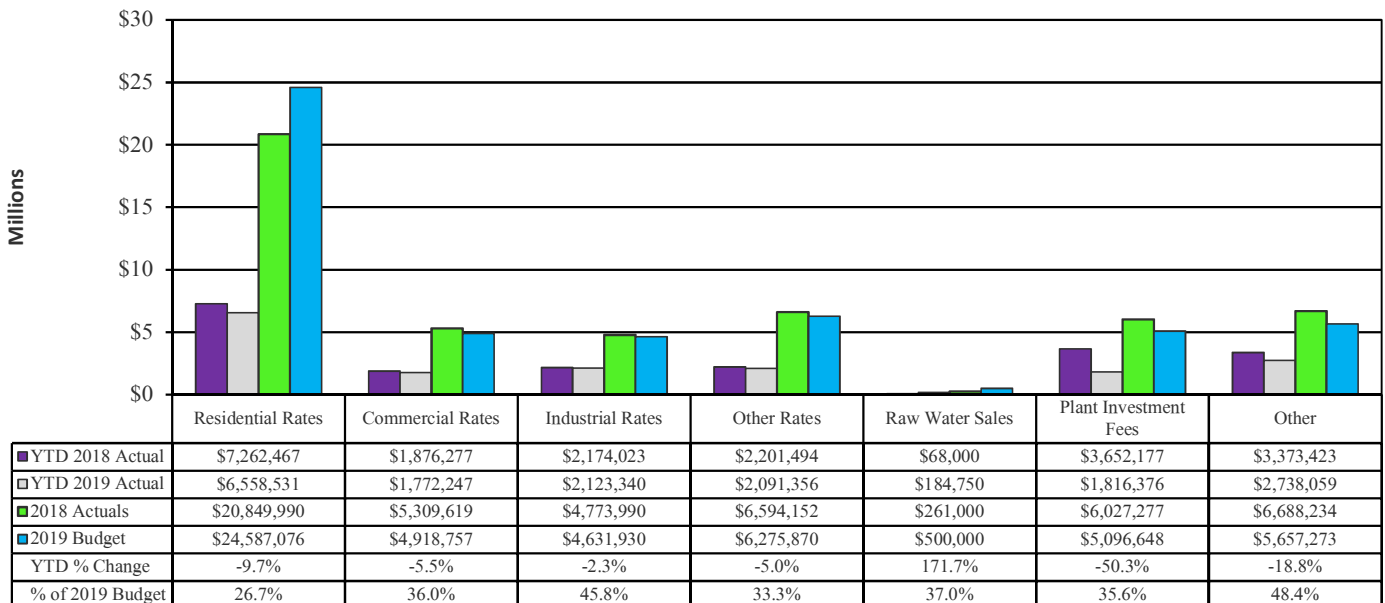
| | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of 2019 Budget |
|-------------------------------|-----------------|-----------------|---------------------|------------------|
| Beginning Fund Balance | \$ 46,650,948 | \$ 82,272,939 | \$ 82,272,939 | |
| Total Resources | \$ 20,607,861 | \$ 17,284,659 | \$ 105,167,554 | 16.4% |
| Expenditures | | | | |
| Operating | \$ 8,448,363 | \$ 10,330,880 | \$ 32,468,091 | 31.8% |
| Water Rights Acquisition | 872,080 | 1,009,455 | 12,600,638 | 8.0% |
| Capital | 14,186,859 | 13,433,825 | 121,505,249 | 11.1% |
| Total Expenditures | \$ 23,507,302 | \$ 24,774,160 | \$ 166,573,978 | 14.9% |
| Committed Fund Balance | \$ 34,326,001 | \$ 21,818,858 | | |

| | | | | |
|----------------------------|--------------|---------------|---------------|--|
| Ending Fund Balance | \$ 9,425,506 | \$ 52,964,580 | \$ 20,866,515 | |
|----------------------------|--------------|---------------|---------------|--|



WATER REVENUES BY SOURCE

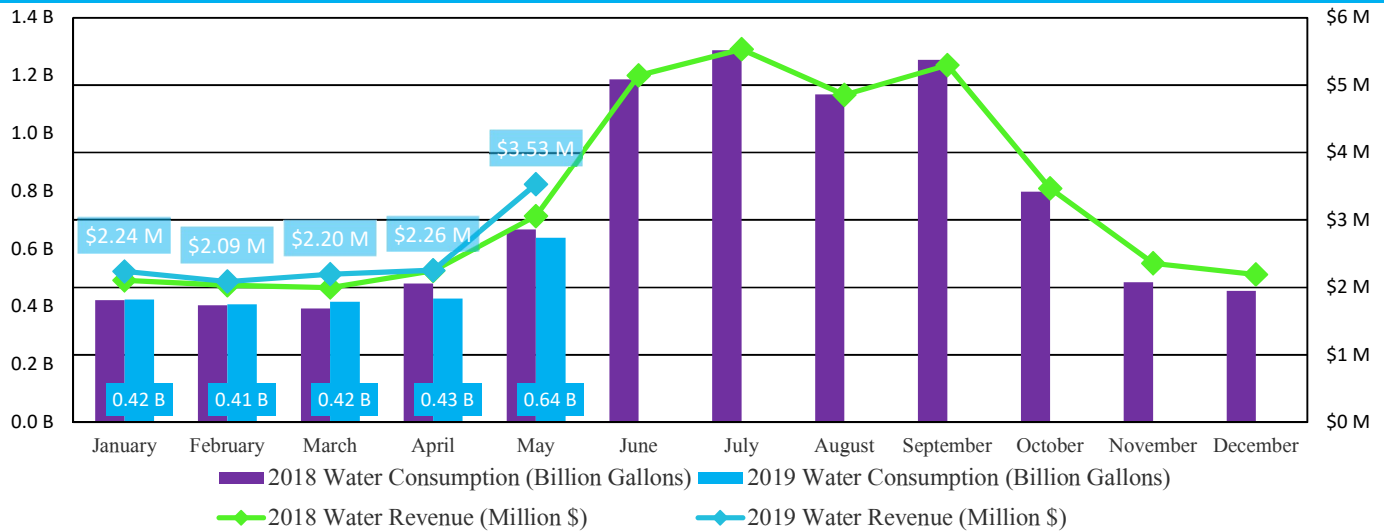
To date, total rate revenue has decreased -7.2% from 2018. The total rate revenue is budgeted to increase 17.9% in 2019. Water revenues for 2019 associated with residential, commercial, and industrial rates have moved -9.7%, -5.5%, and -2.3%, respectively, from 2018.



WATER FUNDS CONTINUED

WATER CONSUMPTION & REVENUE

Below is a graph illustrating and comparing trends in water consumption (Billion Gallons) and water revenue (Million \$) by month between 2018 and 2019 through May 2019.



WATER CAPITAL PROJECTS

As mentioned earlier, water expenditures are expected to exceed revenues as fund balance is used to fund capital projects.

2019 BUDGETED CAPITAL EXPENDITURES OVER ONE MILLION DOLLARS INCLUDE:

- \$53.5 Million (+\$0.3 Million Future Funding) for Windy Gap Firing
- \$13.6 Million (+\$0.9 Million Future Funding) for Bellvue Treatment Train Replacement
- \$9.1 Million (+\$4.9 Million Future Funding) for Milton Seaman Permitting
- \$5.9 Million (+8.3 Million Future Funding) for Boyd Water Treatment Plant Process Improvements
- \$3.6 Million for Colorado Department of Transportation (CDOT) I-25 Transmission Line Relocation
- \$3.5 Million (+7.0 Million Future Funding) for Transmission System Rehabilitation
- \$3.3 Million for Boomerang Golf Course Water Efficiency Improvements
- \$2.7 Million for Disinfection Outreach and Verification
- \$1.8 Million (+3.6 Million Future Funding) for Distribution Pipeline Replacement

| 2019 Water Projects over \$1 million | | | | | |
|--------------------------------------|---------------------------|----------------------|---------------------|------------------------|------------------------|
| Quarter | Beginning Allocated Funds | Budget | Actual Expenditures | Variance From Budget | Ending Allocated Funds |
| Q1 | \$ 96,923,356 | \$ 3,206,496 | \$ 3,560,236 | \$ 353,740 | |
| Q2 | | 6,825,000 | 5,927,389 | (897,611) | |
| Q3 | | 5,650,000 | - | (5,650,000) | |
| Q4 | | 4,279,554 | - | (4,279,554) | 76,962,306 |
| Total | | \$ 19,961,050 | \$ 9,487,625 | \$ (10,473,425) | |
| Project Savings | | - | | | |
| Planned Next Year Expenditures | | \$ 70,850,704 | | | |

SEWER FUNDS

The Sewer Department collects and treats wastewater from Greeley's residences and businesses. 364.8 miles of line and 10 sewage pumping stations are operated and maintained by the department in order to perform these critical services. The City's plant capacity can handle 14.7 million gallons per day.

| | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of 2019 Budget |
|------------------------|-----------------|-----------------|---------------------|------------------|
| Beginning Fund Balance | \$ 14,272,319 | \$ 27,451,240 | \$ 27,451,240 | |
| Total Resources | \$ 7,521,069 | \$ 5,822,876 | \$ 15,512,931 | 37.5% |
| Expenditures | | | | |
| Operating | \$ 3,363,746 | \$ 3,494,629 | \$ 8,329,868 | 42.0% |
| Capital | 1,570,150 | 3,726,255 | 20,473,885 | 18.2% |
| Total Expenditures | \$ 4,933,896 | \$ 7,220,884 | \$ 28,803,753 | 25.1% |
| Committed Fund Balance | \$ 4,873,963 | \$ 5,834,874 | | |
| Ending Fund Balance | \$ 11,985,529 | \$ 20,218,358 | \$ 14,160,418 | |

To date, total sewer rate revenue in 2019 has decreased -12.3% as compared to 2018. Total rate revenue was budgeted to increase 2.0% this year. Fund balance from bond proceeds of \$12 million in 2018 are being used to fund projects in 2019.

SEWER REVENUES BY SOURCE

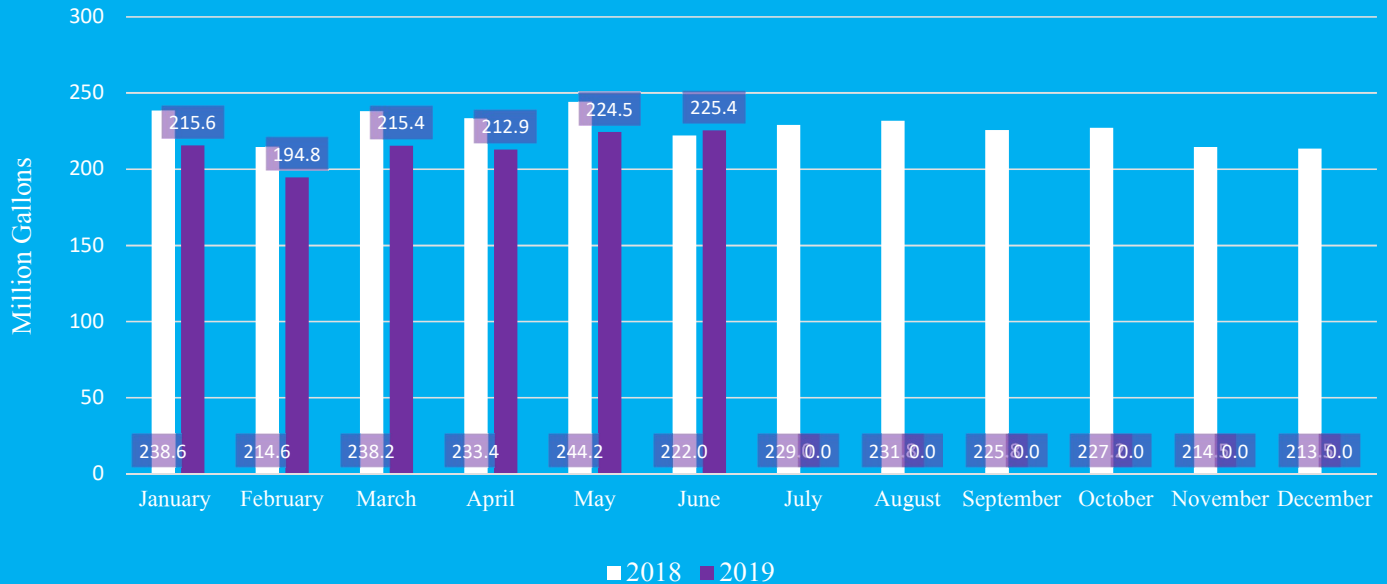
Residential, commercial, and industrial sewer revenues have moved -16.3%, -2.7%, and 29.0%, respectively, from 2018 to 2019.



| | Residential Rates | Commercial Rates | Industrial Rates | Plant Investment Fees | Oil Royalties (Prorated) |
|------------------|-------------------|------------------|------------------|-----------------------|--------------------------|
| YTD 2018 Actual | \$4,556,152 | \$959,818 | \$215,159 | \$1,775,950 | \$13,991 |
| YTD 2019 Actual | \$3,814,747 | \$934,114 | \$277,575 | \$796,440 | \$- |
| 2018 Actuals | \$7,751,348.66 | \$2,358,981 | \$541,165 | \$3,095,450 | \$27,981 |
| 2019 Budget | \$7,631,763 | \$2,592,166 | \$642,526 | \$4,646,476 | \$- |
| YTD % Change | -16.3% | -2.7% | 29.0% | -55.2% | -100.0% |
| % of 2019 Budget | 50.0% | 36.0% | 43.2% | 17.1% | 0.0% |

SEWER FUNDS CONTINUED

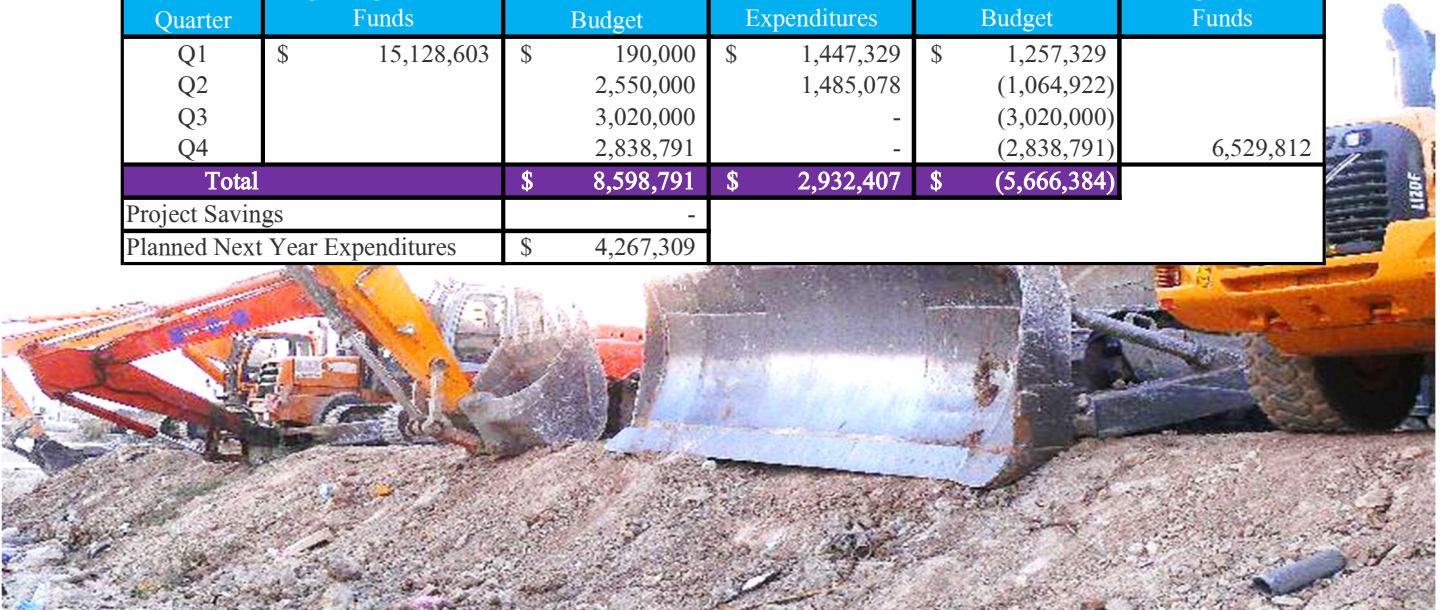
SEWER FLOW RATE



2019 SEWER PROJECTS EXCEEDING ONE MILLION DOLLARS INCLUDE:

- \$5.7 Million (+20.2 Million Future Funding) for Nitrification Project Phase 2
- \$2.6 Million (+45 Thousand Future Funding) for North Greeley Sewer Phase 2A
- \$2.0 Million for Aschroft Draw Sewer Phase 2
- \$1.8 Million (+40 Thousand Future Funding) for Water Pollution Control Facility (WPCF) Supervisory Control & Data Acquisition (SCADA) System Upgrade
- \$1.6 Million for Water Pollution Control Facility (WPCF) Blower Replacement Project
- \$1.4 Million for 7th Avenue Sanitary Sewer Improvements

| 2019 Sewer Projects Over \$1 Million | | | | | |
|--------------------------------------|---------------------------|---------------------|---------------------|-----------------------|------------------------|
| Quarter | Beginning Allocated Funds | Budget | Actual Expenditures | Variance From Budget | Ending Allocated Funds |
| Q1 | \$ 15,128,603 | \$ 190,000 | \$ 1,447,329 | \$ 1,257,329 | 6,529,812 |
| Q2 | | 2,550,000 | 1,485,078 | (1,064,922) | |
| Q3 | | 3,020,000 | - | (3,020,000) | |
| Q4 | | 2,838,791 | - | (2,838,791) | |
| Total | | \$ 8,598,791 | \$ 2,932,407 | \$ (5,666,384) | |
| Project Savings | | - | | | |
| Planned Next Year Expenditures | | \$ 4,267,309 | | | |



STORMWATER FUNDS



THE STORMWATER DIVISION IS RESPONSIBLE FOR:

- Developing a Capital Improvement Program for Stormwater facilities.
- Monitoring and creating maintenance plans for the existing system.
- Developing City drainage standards.
- Reviewing flood impact issues.
- Regulating illicit discharges.
- Managing the City's Stormwater National Pollution Discharge Elimination System (NPDES) permit.

2019 CAPITAL PROJECTS EXCEEDING ONE MILLION DOLLARS INCLUDE:

- \$2.4 Million for 7th Avenue Storm Drain
- \$4.9 Million (+0.4 Million Future Funding) for 27th Avenue Storm Drain Improvements 17th Street to Poudre River

The table below compiles stormwater projects exceeding \$1 Million showing current expenditures compared to budget.

| 2019 Stormwater Projects Over \$1 Million | | | | | |
|---|---------------------------|---------------------|---------------------|-----------------------|------------------------|
| Quarter | Beginning Allocated Funds | Budget | Actual Expenditures | Variance From Budget | Ending Allocated Funds |
| Q1 | \$ 7,304,363 | \$ 824,706 | \$ 1,963,130 | \$ 1,138,424 | |
| Q2 | | 1,769,724 | 1,936,227 | 166,503 | |
| Q3 | | 3,107,626 | - | (3,107,626) | |
| Q4 | | 1,602,307 | - | (1,602,307) | - |
| Total | | \$ 7,304,363 | \$ 3,899,357 | \$ (3,405,006) | |
| Project Savings | | - | | | |
| Planned Next Year Expenditures | | \$ - | | | |

STORMWATER REVENUES BY SOURCE

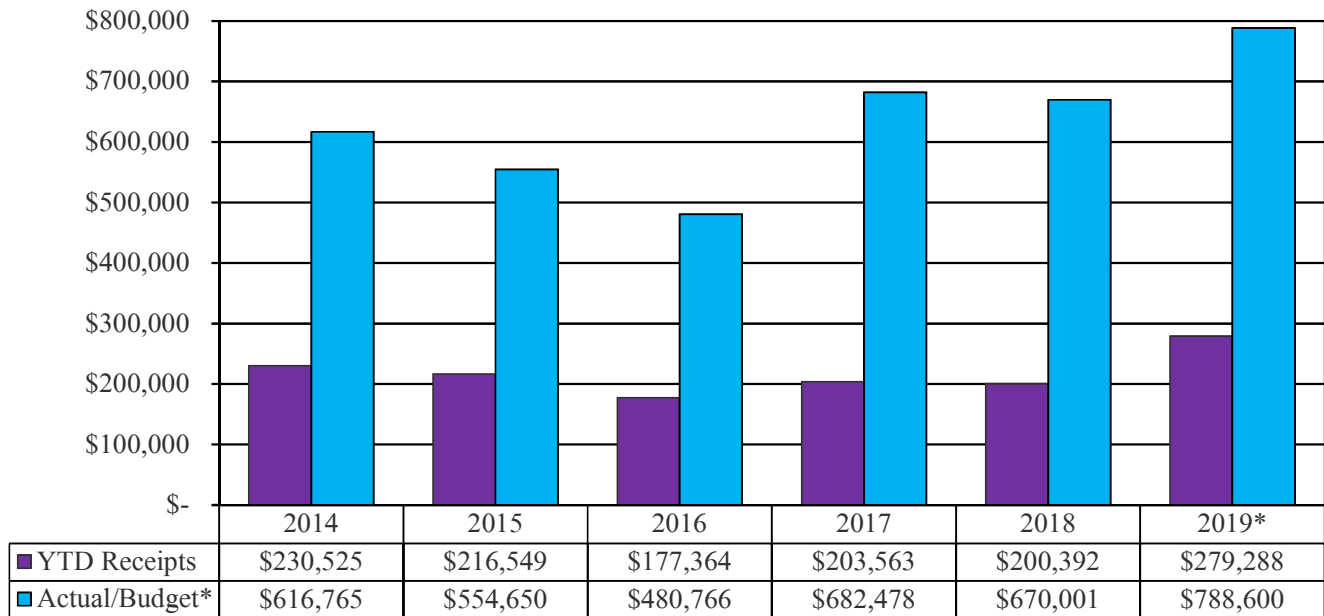
A brief summary of Stormwater revenue and expenditures is shown below. 2019 rate revenues are closely correlating with 2018 YTD amounts. Stormwater rate revenue for 2019 is budgeted at 0.8% over 2018 actual revenues. 2019 expenditures are budgeted to exceed revenues by \$6.6 million as Stormwater fund balance is used, with \$2.8 million of fund balance used year to date. To date, 41.0% of the expenditure budget has been spent.

| | YTD 2018 Actual | YTD 2019 Actual | 2019 Revised Budget | % of 2019 Budget |
|-------------------------------|---------------------|---------------------|----------------------|------------------|
| Beginning Fund Balance | \$ 9,761,285 | \$ 8,069,434 | \$ 8,069,434 | |
| Resources | | | | |
| Rates | \$ 2,758,106 | \$ 2,896,972 | \$ 6,584,459 | 44.0% |
| Impact Fees | 204,565 | (106,367) | 396,930 | -26.8% |
| Total Resources | \$ 2,962,671 | \$ 2,790,605 | \$ 6,981,389 | 40.0% |
| Expenditures | | | | |
| Operating | \$ 1,526,638 | \$ 1,530,406 | \$ 3,584,807 | 42.7% |
| Capital | 2,440,146 | 4,021,660 | 9,952,695 | 40.4% |
| Total Expenditures | \$ 3,966,784 | \$ 5,552,066 | \$ 13,537,502 | 41.0% |
| Committed Fund Balance | | | | |
| | \$ 1,973,125 | \$ 3,285,742 | | |
| Ending Fund Balance | \$ 6,784,047 | \$ 2,022,231 | \$ 1,513,321 | |

LODGING TAX

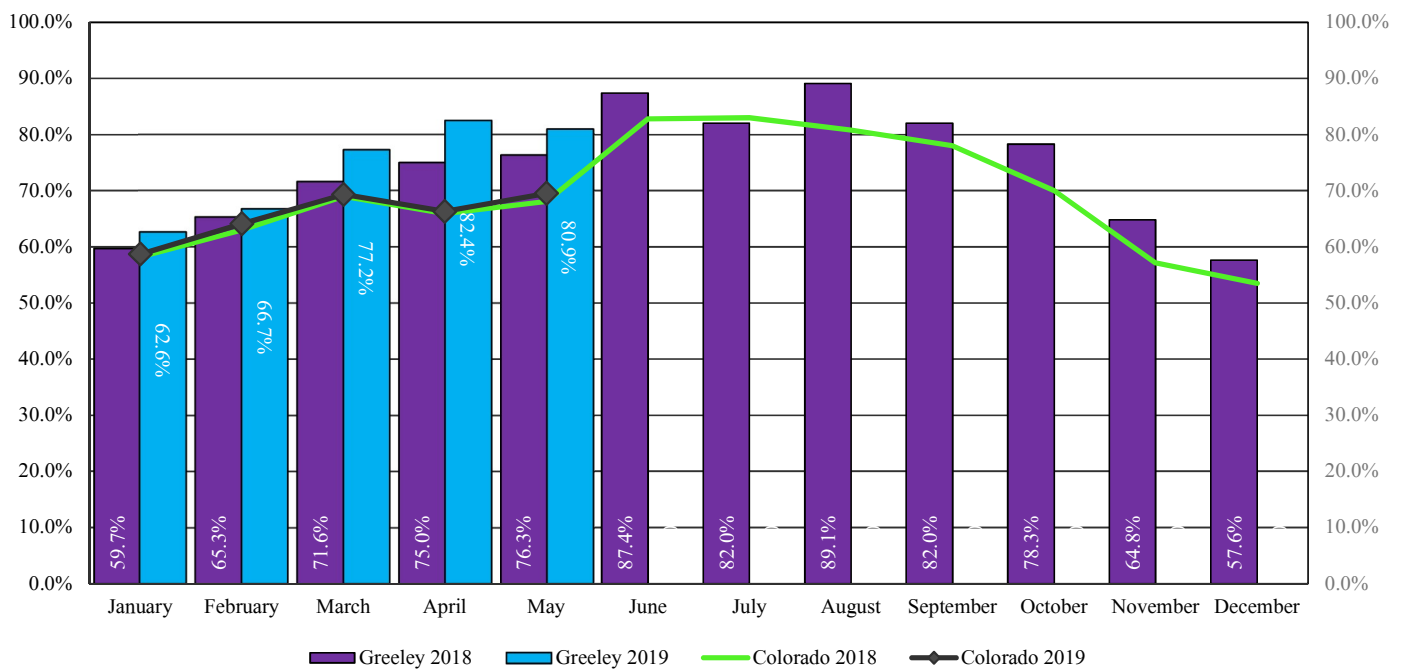
The Convention and Visitors Fund is supported by a 3% lodging tax and is utilized to support convention and visitor activities. For rooms rented through June, revenues increased 39.4% (\$78,896) from the corresponding 2018 period. A portion of the increase is due to a timing variance in monthly collections. This variation should be reconciled in the coming months.

LODGING TAX REVENUES



CITY AND STATE LODGING OCCUPANCY

In May of 2019 Greeley continued to exceed the state occupancy rate of 69.5% with an occupancy rate equating to 80.9%. The average daily rate for Greeley in May is currently \$142.94 compared to \$107.73 for the state.

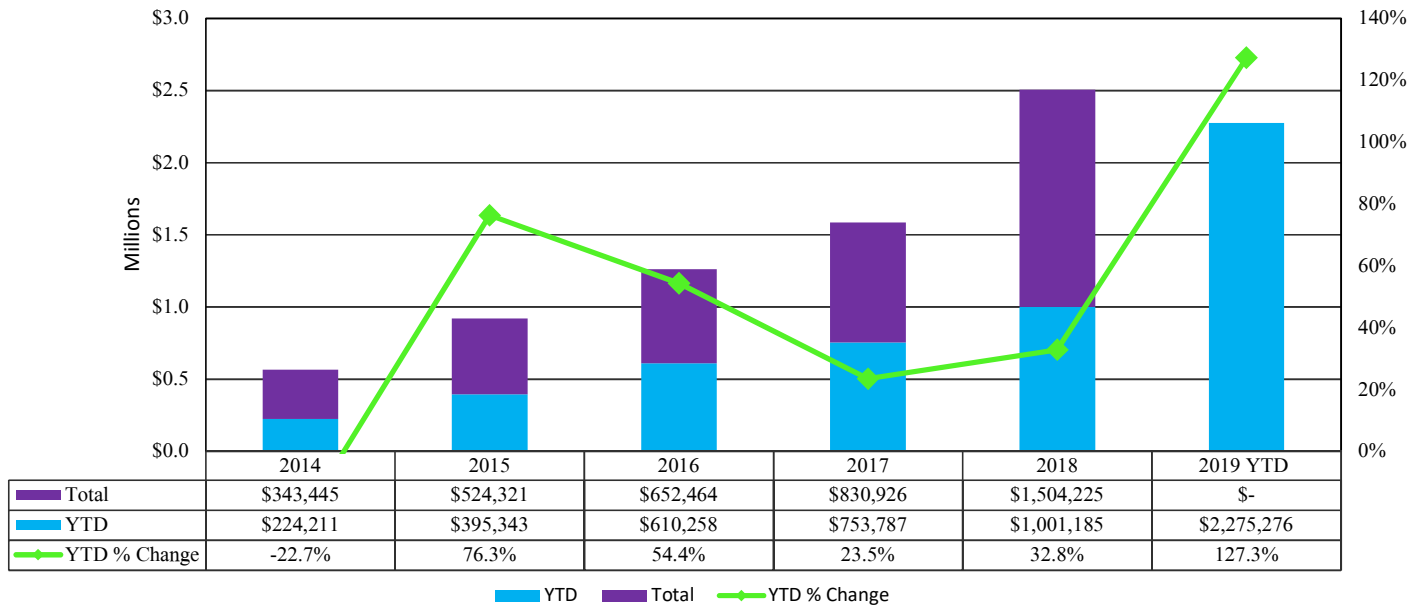


INVESTMENTS

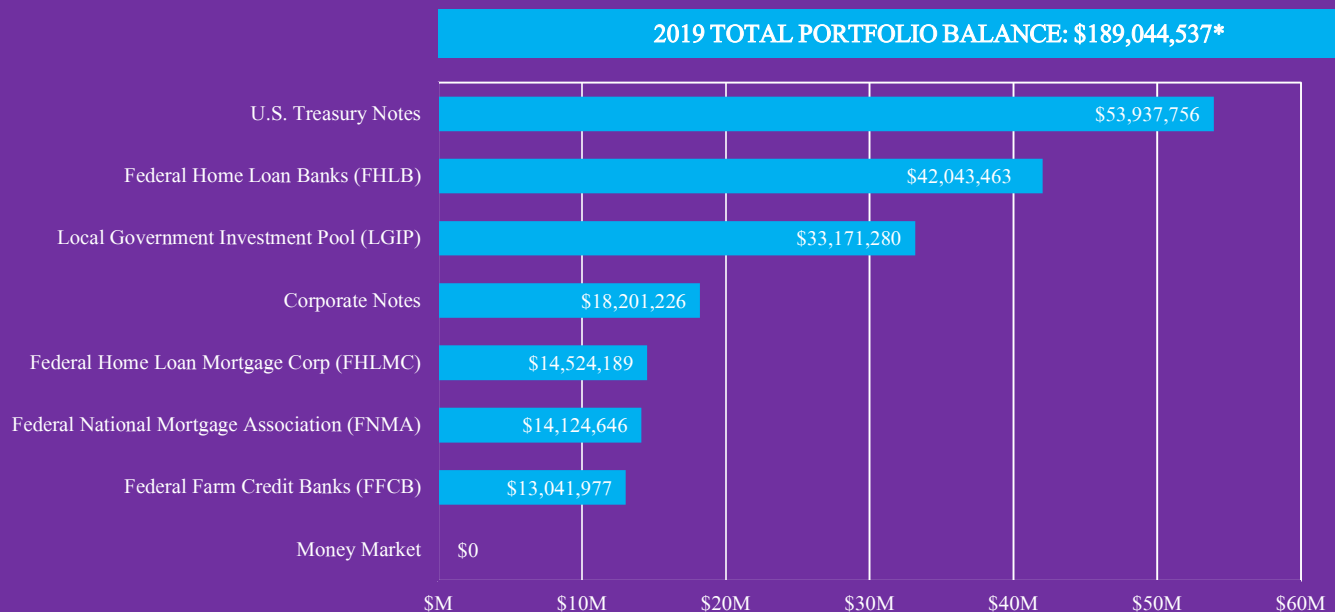
THE CITY OF GREELEY'S INVESTMENT OBJECTIVES INCLUDE:

- The preservation of capital and protection of investment principal.
- Achieving a market value rate of return.
- Maintaining sufficient liquidity to meet immediate and short-term obligations.
- Minimizing risk through asset diversification.

INVESTMENT EARNINGS (JUNE 30, 2019)



PORTFOLIO ALLOCATION (MAY 31, 2019)



•Portfolio Market Indicators as of May 31, 2019:

- Portfolio Weighted Average Maturity: 1.19 years
- Portfolio Short Term Market Yield: 2.53%, Market Comparable (90 Day Treasury Rate): 2.35%
- Portfolio Long Term Market Yield: 2.23%, Market Comparable (0-3 Year Treasury Rate): 2.09%

*2018 Portfolio Balance: \$146,754,389



GREELEY CITY COUNCIL

MAYOR JOHN GATES

WARD I: JON SMAIL

WARD II: BRETT PAYTON

WARD III: MICHAEL FITZSIMMONS

WARD IV: DALE HALL

AT LARGE: STACY SUNIGA

AT LARGE: ROBB CASSEDAY



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