

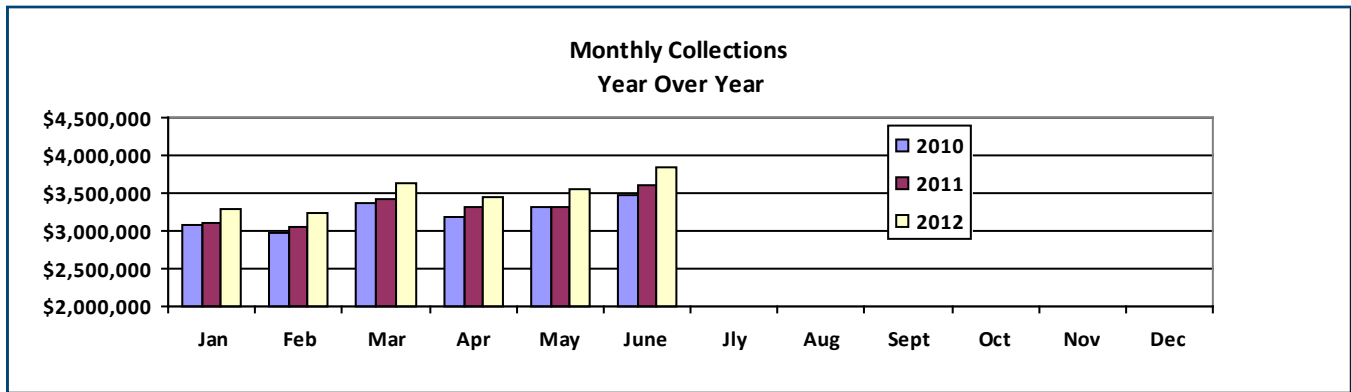


**Overview**

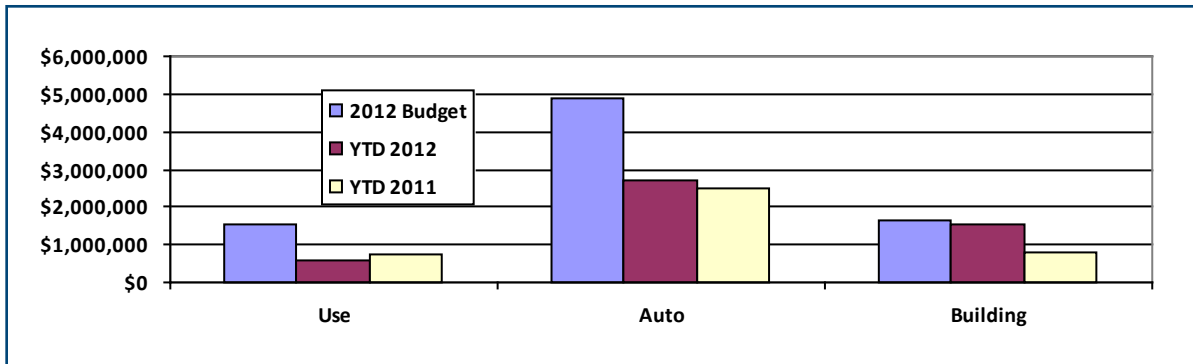
It is this time of the year in collections that we must use the information for the formulation of the next year budget assumptions. In total, the sales tax collections are, again, 7.03 percent higher for the month of June/July than the same period last year. (See Page 1) This translates into a 5.88 percent increase over the first six months of 2011.

In June of 2012 receipts were a total of \$3.846 million as compared to \$3.593 million collected in the month of June, 2011. For the year, the City has collected a total of \$20,966 million in the first six months. This is compared to \$19,802 million in the first six months of 2011. We had assumed we would generate a total of \$20.146 million in our original 2012 budget estimates (column Total All Funds 2012 Budget). The actual collections are now 4 percent higher than the original estimate.

The following graph illustrates the monthly collections, comparing 2010, 2011 and the current year. Easily demonstrated is the monthly collections have been higher each month in 2012 over preceding years.



Two of the three types of use taxes are higher in June 2012 as compared to the same period 2011. General Use tax is the only one that is somewhat lower. We expect this to meet our budgeted expectations.



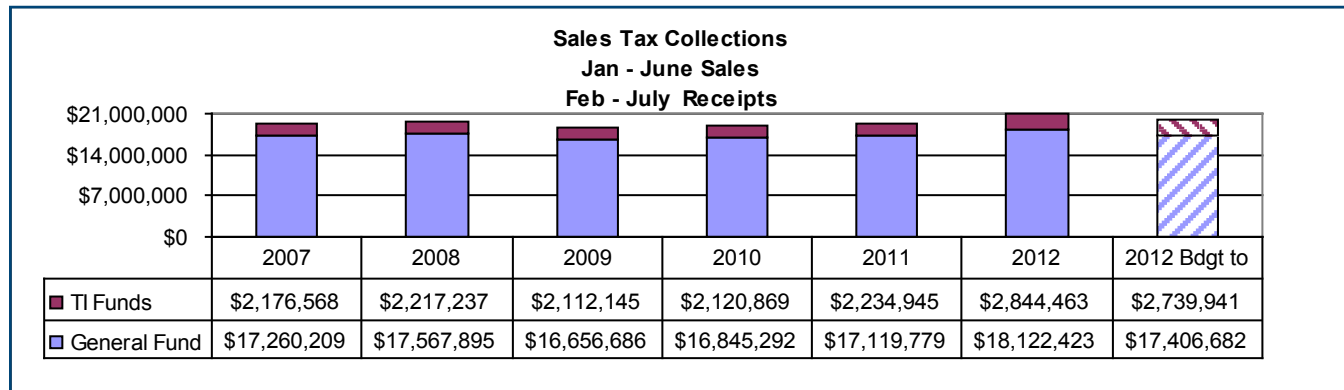
There will be more analysis on Use Taxes at the end of this report.





**Sales Tax Receipts Detail**

It is important to review the sales tax detail to determine the source of the revenue. First, the following graph provides the allocation of the sales tax to the two areas: General and Public Safety or Tax Increment.



The graph also provides comparisons through the years 2007 – 2012. We continue to examine the history from the onset of the Great Recession through today. Clearly, our sales tax receipts surpass our lowest levels of 2008 and 2009. We have now surpassed our highest year of collections in 2008.

**Types of Businesses**

Page 2 of the Attachment illustrates the significant number of types of businesses we analyze. For the purposes of this summary, we combine the following areas: Restaurants/Fast Food/and Fast Food Casual; Grocery and Health Food/Specialty; and Public Utilities and Telephone. We also combine Liquor Stores, Drug Stores, Auto Care, Office Supplies and Furniture into “All Others.”

Types of Businesses	Jan - June '10	Jan - June '11	Jan - June '12	% Change 2011/2012
Clothing Stores	\$ 493,657	\$ 509,509	\$ 507,560	-0.38%
Restaurants & Fast Food	2,159,117	2,224,107	2,465,294	10.84%
General Department	3,367,949	3,516,634	3,655,552	3.95%
Grocery/Health	3,424,919	3,430,890	3,867,111	12.71%
Utilities/Telephone Equipment	3,341,914	3,196,726	3,213,876	0.54%
Retail Hardware	1,502,296	1,426,934	1,565,495	9.71%
Auto Care	796,687	837,342	870,444	3.95%
Drug Stores	187,732	201,156	202,100	0.47%
All Others	4,174,581	4,459,353	4,619,455	3.59%
<b>Total</b>	<b>\$19,448,852</b>	<b>\$19,802,651</b>	<b>\$20,966,887</b>	<b>5.88%</b>

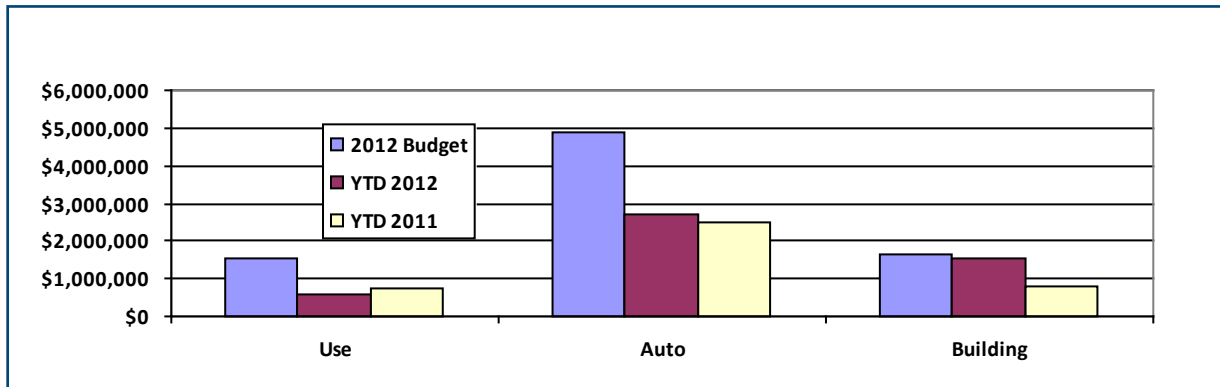
The above table includes rebates and late fees; thus, the total tax collections. Also, these numbers have been adjusted to “smooth” the collections from one major business. This business makes 13 payments, and the payment has already been made, but historically, it usually is paid in the July/August payments. Thus, these numbers do not match the Oracle receipts.

We continue to see some positive signs in the types of businesses. As mentioned previously, the return of healthy growth in the retail hardware area is a very positive economic sign. Utilities have now met the revenue of last year. Given our very moderate winter and spring, utility bills were lower than the past two years. The unusually warm summer has translated into higher utility bills to operate air conditioning.

As mentioned earlier in the report, the analysis is a bit different at this time of year. We begin to analyze for types of business growth for the 2013 budget year. One major number reviewed is removal of the utility amount, as that fluctuates with the weather. Removing just that number, the total percent change from 2011 to 2012 is actually higher by 6.6



percent. As a percentage of the total collections, here are some highlights:



Three areas: utilities, grocery stores and dining out – from fast food to restaurants – comprise nearly 40 percent of our total collections. Utility revenues total 7.36 percent of collections in 2012 as compared to 8.77 percent in 2010. Groceries comprise 18.4 percent of our 2012 collections. This is over 1 percentage point higher than 2011, at 17.32 percent. Grocery stores do not have to separate their actual grocery sales from sales of goods. As evidenced, all the stores now offer both groceries and goods. This is particularly true of the Target stores and one large King Soopers. Thus, we would expect this sector to grow as a percentage of the whole. Restaurants, including fast food and fast casual, provide a total of 11.76 percent of the \$20.966 million collected in 2012. This is a fairly consistent percentage (11.10 percent to 11.76 percent over three years), even as the total dollar amounts have increased by over 10 percent. The lesson in all these numbers is that it appears the consumer element of our revenue base is growing, especially with the advent of grocery stores offering a wider selection of goods.

**Information by Location**

The following is a compilation of area shopping centers. Page 3 of the Attachments provides additional information.

Location	Jan-June 2009	Jan-June 2010	Jan-June 20-11	Jan-June 2012	2011/2012 % Change	2011-2013 \$ Change
80th/Sheridan/Wadsworth	\$2,395,008	\$2,347,481	\$2,265,643	\$2,666,595	17.69%	\$400,952
64th/East side Sheridan/Wadsworth	\$804,408	\$765,491	\$787,907	\$806,388	2.34%	\$18,481
64th/Westside Ward/Indiana/McIntyre	\$2,153,786	\$2,192,664	\$2,271,318	\$2,393,785	5.39%	\$122,467
City Center/Olde Town	\$5,542,240	\$5,707,585	\$5,785,080	\$6,158,997	6.46%	\$373,917

As illustrated, all areas of the City presented are increasing. Certainly having a vibrant restaurant environment in our Olde Town area is good for the overall downtown community. The largest retail hardware stores are in the City Center area; as we mentioned, we are beginning to see growth in this sector.

**Use Taxes**

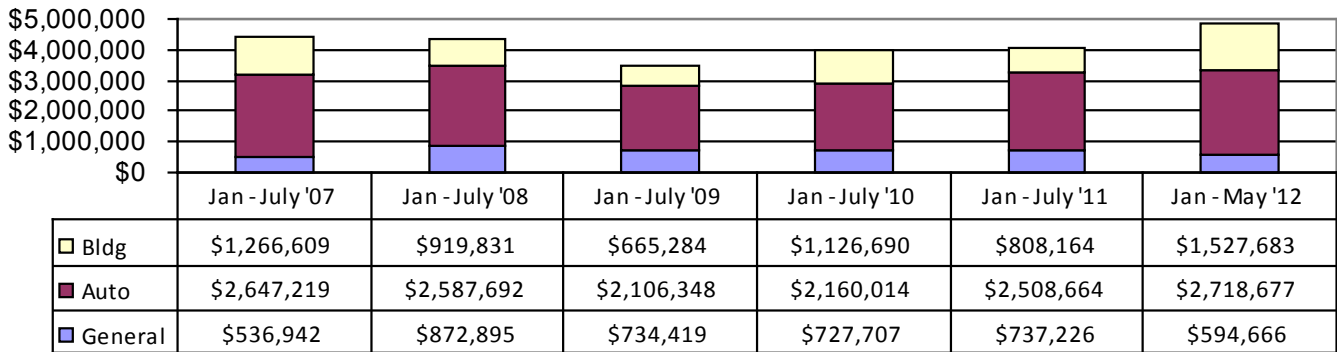
There are three types of use taxes: General, Auto and Building. The first two are collected one month in arrears; this means we have only five months’ worth of collections. Building Use Tax is collected here at the City with the issuance of a building permit. In all comparative years, this revenue represents collections for the second quarter. The associated graph provides information for six years.





Building and Auto Use are exceeding last year. Building tax receipts are now 93 percent of the 2012 original estimate. We expect to exceed the budgeted revenue of \$1.643 million. Auto Use tax collections are now 55.6 percent of the total budget of \$4.881 million. The total collections are \$210,013 above the same level of collections last year. The final collections should exceed the original estimate.

**Use Tax Collections by YTD  
 Through June**



General Use is performing as expected this time of the year. June was a large month with the renovation of a new grocery store. This is one area of revenue that may not meet the budget of \$1.548 million.

**Summary**

After six months of collections and assuming there will not be a fiscal meltdown, the estimates to the end of the year are generally very favorable. Grocery store-based shopping centers do maintain a certain level of predictability for our sales tax receipts.

The growth in the areas of the City's west area and Kipling Ridge help in building activity. This, in turn, will bring more residents to our City.

There are very healthy signs for our local economy. The continued concern relates to both the national and international economies and each individual's sense of positive perspective that things are slowly improving. Employment must begin to improve in the short term; in the long term, the national issues of health care, debt management, spending and taxes must be addressed.



Please call with any questions.

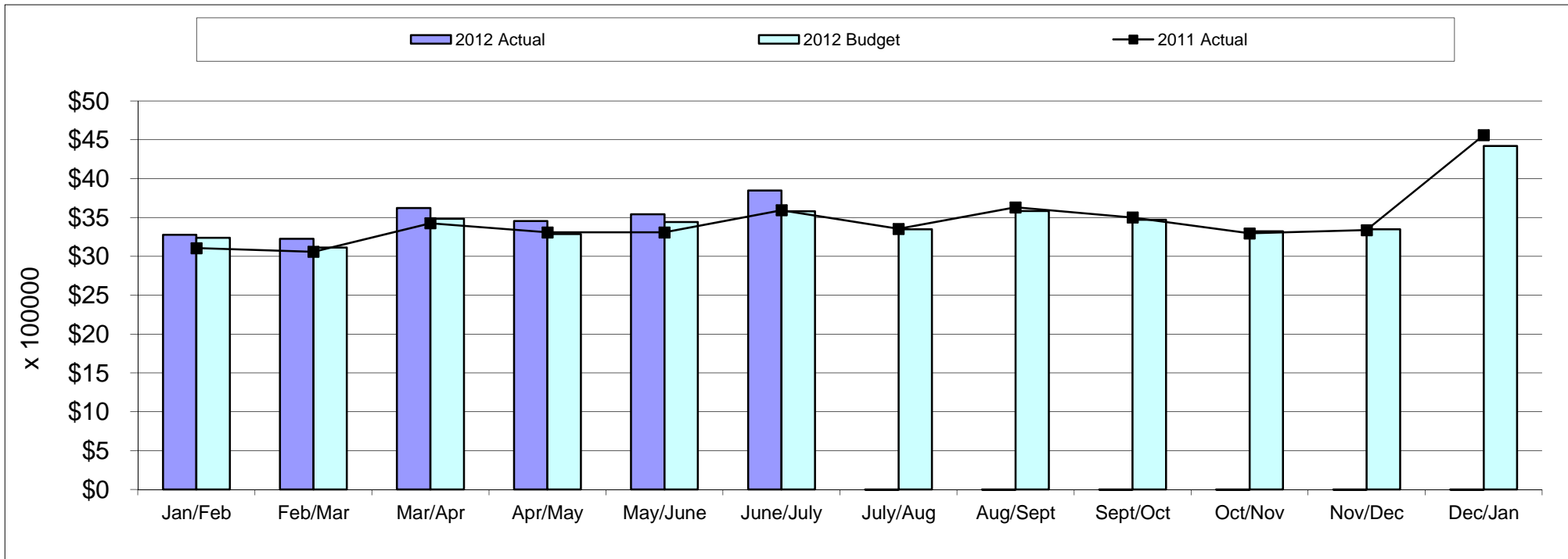
Respectfully Submitted,

Victoria Runkle  
 Finance Manager

**ALL SALES TAX REVENUE  
JUNE 2012 SALES / JULY 2012 RECEIPTS  
AS OF AUGUST 3, 2012**

08/08/2012

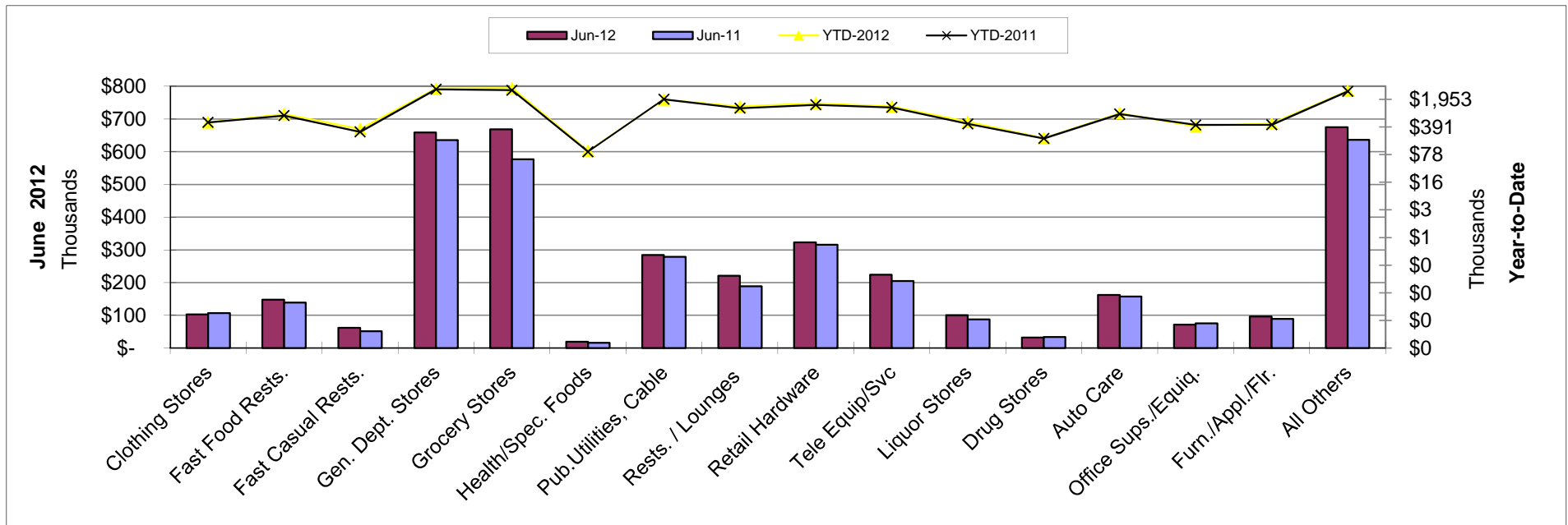
Sales/Receipts*	General Fund 01	Police TI Fund 21,22	Sales Tax Fund 26	Total All Funds 2012 Actual	Total All Funds 2012 Budget	Total All Funds 2011 Actual	2012 Actual vs 2012 Budget	2012 vs 2011 Actual
Jan/Feb	\$ 2,497,975	\$ 444,046	\$ 336,177	\$ 3,278,198	\$ 3,237,444	\$ 3,106,192	1.26%	5.54%
Feb/Mar	\$ 2,450,455	\$ 437,859	\$ 336,177	\$ 3,224,491	\$ 3,113,773	\$ 3,058,870	3.56%	5.41%
Mar/Apr	\$ 2,794,380	\$ 492,679	\$ 336,177	\$ 3,623,235	\$ 3,484,930	\$ 3,426,845	3.97%	5.73%
Apr/May	\$ 2,649,175	\$ 467,944	\$ 336,177	\$ 3,453,296	\$ 3,288,598	\$ 3,308,172	5.01%	4.39%
May/June	\$ 2,725,489	\$ 479,735	\$ 336,177	\$ 3,541,401	\$ 3,441,555	\$ 3,308,917	2.90%	7.03%
June/July	\$ 2,987,890	\$ 522,200	\$ 336,177	\$ 3,846,266	\$ 3,580,323	\$ 3,593,524	7.43%	7.03%
July/Aug				\$ -	\$ 3,348,276	\$ 3,353,428		
Aug/Sept				\$ -	\$ 3,584,647	\$ 3,630,085		
Sept/Oct				\$ -	\$ 3,470,971	\$ 3,500,400		
Oct/Nov				\$ -	\$ 3,321,166	\$ 3,296,150		
Nov/Dec				\$ -	\$ 3,348,459	\$ 3,338,263		
Dec/Jan				\$ -	\$ 4,421,613	\$ 4,559,375		
	<b>\$ 16,105,364</b>	<b>\$ 2,844,463</b>	<b>\$ 2,017,059</b>	<b>\$ 20,966,887</b>	<b>\$ 41,641,756</b>	<b>\$ 41,480,220</b>	<b>4.07%</b>	<b>5.88%</b>



**ALL SALES TAX BY CATEGORY  
JUNE 2012 SALES / JULY 2012 RECEIPTS  
AS OF AUGUST 3, 2012**

08/08/2012

Source of Sales Tax	Total Sales Jun-12	Total Sales Jun-11	Total Sales % Chg. June 12-11	Total Sales YTD YTD-2012	Total Sales YTD YTD-2011	Total Sales YTD % YTD 12-11
Clothing Stores	\$ 102,418	\$ 107,009	-4.29%	\$ 507,560	\$ 509,509	-0.38%
Fast Food Rests.	\$ 148,078	\$ 138,878	6.63%	\$ 826,844	\$ 760,905	8.67%
Fast Casual Restaurants	\$ 61,628	\$ 51,387	19.93%	\$ 349,556	\$ 294,051	18.88%
General Dept. Stores	\$ 658,650	\$ 635,503	3.64%	\$ 3,655,552	\$ 3,516,634	3.95%
Grocery Chain Stores	\$ 668,220	\$ 576,579	15.89%	\$ 3,769,057	\$ 3,338,515	12.90%
Health/Specialty Foods	\$ 18,965	\$ 16,166	17.31%	\$ 98,054	\$ 92,375	6.15%
Public Utilities, Cable TV	\$ 284,616	\$ 279,007	2.01%	\$ 1,921,739	\$ 1,970,025	-2.45%
Restaurant / Lounges	\$ 220,707	\$ 188,907	16.83%	\$ 1,288,894	\$ 1,169,151	10.24%
Retail Hardware	\$ 322,595	\$ 315,915	2.11%	\$ 1,565,495	\$ 1,426,934	9.71%
Tele Equip/Service	\$ 224,354	\$ 204,744	9.58%	\$ 1,292,137	\$ 1,226,701	5.33%
Liquor Stores	\$ 100,152	\$ 87,604	14.32%	\$ 529,437	\$ 470,341	12.56%
Drug Stores/Pharmacies	\$ 31,659	\$ 33,452	-5.36%	\$ 202,100	\$ 201,156	0.47%
Auto Care / Leasing	\$ 162,273	\$ 157,324	3.15%	\$ 870,444	\$ 837,342	3.95%
Office Sups./Equip./Computer	\$ 71,006	\$ 75,404	-5.83%	\$ 409,650	\$ 440,424	-6.99%
Furn./Appliance/Flooring	\$ 95,987	\$ 89,099	7.73%	\$ 475,479	\$ 444,018	7.09%
All Others	\$ 674,959	\$ 636,655	6.02%	\$ 3,204,889	\$ 3,104,570	3.23%
<b>TOTAL</b>	<b>\$ 3,846,266</b>	<b>\$ 3,593,633</b>	<b>7.03%</b>	<b>\$ 20,966,887</b>	<b>\$ 19,802,651</b>	<b>5.88%</b>





**SALES TAX REVENUE BY AREA  
JUNE 2012 SALES / JULY 2012 RECEIPTS  
AS OF AUGUST 3, 2012**

08/08/2012

<b>Area</b>	<b>Jun-12 Sales Tax</b>	<b>Jun-11 Sales Tax</b>	<b>% Change Mthly 12-11</b>	<b>2012 YTD Sales Tax</b>	<b>2011 YTD Sales Tax</b>	<b>% Change YTD 12-11</b>
64th & Indiana	\$ 57,861	\$ 36,004	60.71%	\$ 241,098	\$ 211,396	14.05%
64th & McIntyre	\$ 216,676	\$ 198,677	9.06%	\$ 1,170,625	\$ 1,091,789	7.22%
64th & Sheridan	\$ 117,553	\$ 115,355	1.91%	\$ 682,478	\$ 668,051	2.16%
64th & Wadsworth	\$ 22,241	\$ 19,878	11.89%	\$ 123,910	\$ 119,856	3.38%
64th & Ward	\$ 171,732	\$ 171,208	0.31%	\$ 982,062	\$ 968,133	1.44%
77th & Wadsworth	\$ 68,030	\$ 56,867	19.63%	\$ 361,252	\$ 347,484	3.96%
80th & Sheridan	\$ 118,436	\$ 121,516	-2.53%	\$ 696,173	\$ 688,781	1.07%
80th & Wadsworth	\$ 344,414	\$ 283,143	21.64%	\$ 1,970,422	\$ 1,576,862	24.96%
88th & Wadsworth	\$ 71,007	\$ 55,788	27.28%	\$ 359,011	\$ 268,183	33.87%
City Center	\$ 1,066,513	\$ 1,020,399	4.52%	\$ 5,799,783	\$ 5,476,897	5.90%
Olde Town	\$ 61,637	\$ 53,900	14.35%	\$ 359,214	\$ 308,183	16.56%
AURA / Ralston Fields	\$ 12,416	\$ 12,530	-0.91%	\$ 65,134	\$ 69,268	-5.97%
AURA / Triangle	\$ 211,290	\$ 205,183	2.98%	\$ 1,162,859	\$ 1,117,241	4.08%
<b>TOTAL</b>	<b>\$ 2,539,808</b>	<b>\$ 2,350,448</b>	<b>9.23%</b>	<b>\$ 13,974,018</b>	<b>\$ 12,912,123</b>	<b>8.26%</b>
64th Wadsworth/Sheridan	\$ 139,795	\$ 135,233	3.37%	\$ 806,387	\$ 787,906	2.35%
80th Wadsworth/Sheridan	\$ 530,881	\$ 461,526	15.03%	\$ 3,027,847	\$ 2,613,126	15.87%
64th Ward/Indiana/McIntyre	\$ 446,268	\$ 405,889	9.95%	\$ 2,393,784	\$ 2,271,318	5.39%

**OTHER TAX COLLECTION**  
**JUNE 2012 SALES / JULY 2012 RECEIPTS**  
**AS OF AUGUST 3, 2012**

08/08/2012

Fund 01, 21, 22							YTD % Of
YTD Revenue	Budget 2012	YTD 2012	YTD 2011	Difference	11/12 Change		
Use Tax	\$ 1,548,000	\$ 594,666	\$ 737,226	\$ (142,560)	-19.34%		
Admissions	\$ -	\$ 93,702	\$ 73,911	\$ 19,790	26.78%		
Auto Use	\$ 4,881,500	\$ 2,718,677	\$ 2,508,664	\$ 210,013	8.37%		
Building Use	\$ 1,643,286	\$ 1,527,683	\$ 808,164	\$ 719,519	89.03%		
Franchise Fee - Utility	\$ 3,274,000	\$ 1,190,946	\$ 1,277,519	\$ (86,573)	-6.78%		
Franchise Fee - Cable	\$ 1,075,000	\$ 534,448	\$ 509,174	\$ 25,273	4.96%		
Franchise Fee - Tele.	\$ 190,000	\$ 109,501	\$ 104,515	\$ 4,986	4.77%		
HUTF	\$ 3,940,000	\$ 1,871,944	\$ 1,851,337	\$ 20,607	1.11%		
<b>TOTAL</b>	<b>\$ 16,551,786</b>	<b>\$ 8,641,567</b>	<b>\$ 7,870,511</b>	<b>\$ 771,056</b>	<b>9.80%</b>		

