



STAFF REPORT

To: Honorable Mayor and Members of Town Council

From: Trish Muller, Finance Director

Title: Update: Preliminary 2015 Unaudited Year-End Financial Review

Discussion

Financial reporting for the Town is a team effort between Finance, Department Managers and staff. This reporting process is helpful in keeping departments apprised of potential revenue fluctuations that could trigger spending adjustments.

This 2015 preliminary unaudited year-end financial review is a snapshot of the Town's financial activity in comparison to the 2015 amended budget. As demonstrated by the following information, departments continue effective and responsible management of the Town's finances.

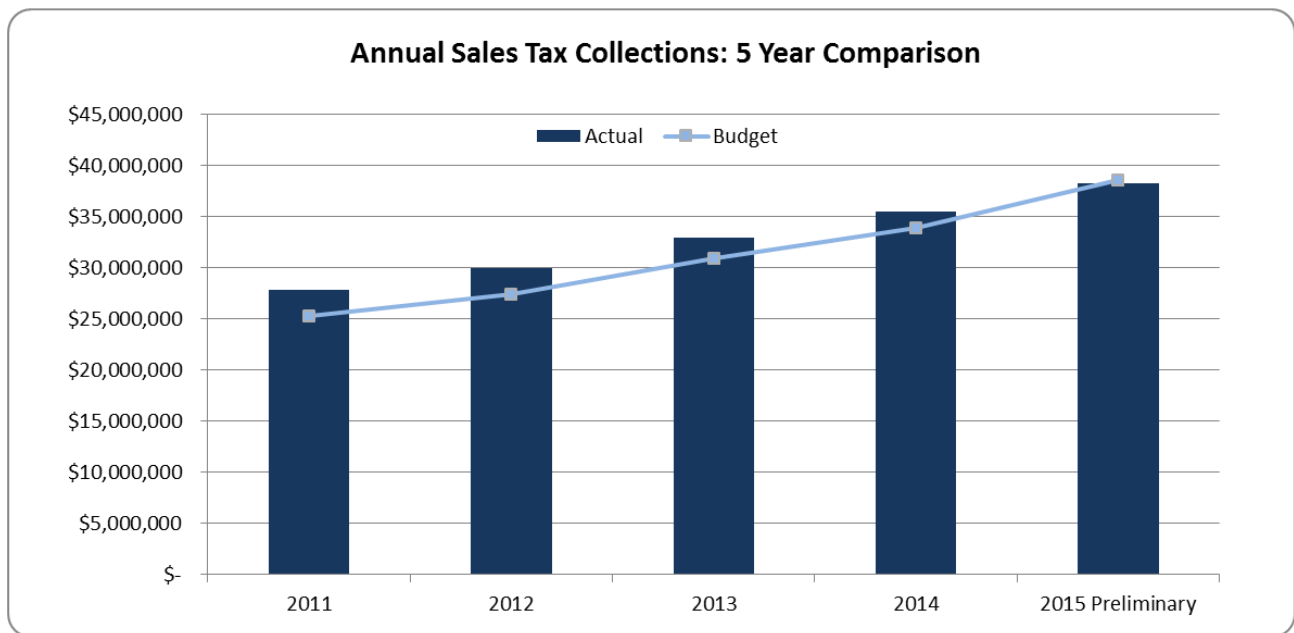
Based on preliminary information, Town funds performed well in 2015, with departments continuing to manage budgets effectively. Town funds, which include Transportation, all capital funds, Utility funds and the Development Service Enterprise Fund, receive growth-based revenues associated with increased development. These funds saw higher than estimated revenues for 2015, with a total of 794 single family building permits and one multi-family project with 83 units issued, as compared to year-end estimates of 750 single family permits and 139 multi-family units. These funds are then used to construct various capital improvement projects.

The preliminary year-end information has been used to update the Taxpayers Bill of Rights (TABOR) position for the Town for 2015. Currently, it is anticipated that the Town will exceed its revenue limit and will likely have a TABOR surplus in 2015 of at least \$450,000. Revenue limits are calculated with an allowance for local growth, with Council determining the method of handling surplus amounts. The year-end close out for 2015 is still ongoing, and this number could potentially change. In 2014, Town Council directed Town staff to manage TABOR to the extent possible through alternative methods of doing business. Although staff managed TABOR as appropriate for 2015, a surplus position is still expected. Various factors have contributed to the surplus, including Motor Vehicle Tax collections at 14% higher than budgeted; higher than budgeted charges for service; and contributions for the construction of the North Meadows Extension and Philip S. Miller Park. Staff will continue to monitor the TABOR information and will work to prepare various methods of possible distributions of the final surplus amount for Council to consider at a later date.

Financial Impact

Sales Tax:

Total Sales tax revenue, which is collected at the 4% rate, ended 2015 at approximately 8% higher than 2014 including audit revenue and DDA TIF. Total collections for 2015 were \$38,297,882, with \$545,990 attributable to billed audit revenue. Although sales tax revenue was higher than 2014, final collections were still under the 2015 budget amount, which was anticipated to be approximately 8.8%. Factors contributing to this include taking a proactive approach in 2015 sales tax revenue forecast development to anticipate potential issues, as well as the large amount of construction occurring in Castle Rock. The chart below illustrates a comparison of activity for the past five years of total sales tax collections. Please refer to Attachment B for Sales Tax collection information by categories and geographical areas



In addition, an allocation of nearly \$1.2 million in sales tax revenue to the Downtown Development Tax Increment Financing (TIF) Fund in support of downtown projects was included in 2015. The DDA TIF is a sales tax amount received in the Downtown Castle Rock area, greater than the established base set in 2008. This revenue is eligible to be placed in a separate fund which is allowed for certain, Council approved uses. When the TIF is excluded, the net sales tax increase for 2015 over the prior year is 6.6%, as shown in the adjacent table.

Sales Tax Collections-DDA TIF Comparison			
	2014	2015	Year to Year Increase
Total Sales Tax	\$ 35,457,107	\$ 38,297,882	8.0%
DDA TIF	648,549	1,181,806	82.2%
Net Sales Tax	34,808,558	37,116,076	6.6%

Program Statistics

Business Licenses: Variances in the number of licenses are seasonal and tend to be higher during the holiday season and summer months. As of the end of 2015, the Town has 3,673 licensed businesses, 1,774 of which are located in Castle Rock.

Business Reporting Sales Tax: Businesses are required to report sales tax on a monthly, quarterly, or annual basis depending on the business type and dollar amount of the remittance. The filing type depends on the amount of tax collected over a monthly period as shown below:

<u>Monthly tax liability</u>	<u>Sales Tax payment frequency</u>
>\$300	Monthly
<\$300	Quarterly
>\$ 10	Annually

Delinquency: The Sales Tax Division manages business accounts through a proactive renewal process and active management of account delinquencies. On a monthly basis, there are approximately 228 out of the 3,673 licenses, or about 6% of businesses, with some level of default. The average delinquency rate in Front Range communities is between 3% and 6%. This amount includes businesses currently under a payment plan agreement with the Town. At this time, there are no active payment plans in process.

Delinquency Amount: The delinquent amount owed to the Town on a monthly basis is approximately \$57,000. It is important to note that this amount changes monthly, with seasonality occurring during the holiday and summer seasons; businesses under a payment plan contribute to this amount, as well.

Delinquency Collection Revenue: The Sales Tax Division works proactively with businesses to determine the most effective way to collect delinquent sales tax with payment plans, typically utilized only in extreme cases. The Town collected \$212,453 from delinquent accounts during the fourth quarter of 2015. Total collections for 2015 were \$662,944, compared to \$301,139 in 2014.

Sales Tax Audits: On average, there are 39 audits in process per month. The Sales Tax Division had a total of 41 active audits in process during the fourth quarter of 2015. Six audits were billed during this time, resulting in audit revenue of \$13,106. Total audit revenue collected in 2015 was \$545,990. Sales Tax Audits are a comprehensive, routine process to ensure accuracy of sales tax submissions to the Town. This is not a predictable or sustainable revenue source and is not included in future growth projections. Audits typically consist of a review of a three year period and are initiated as a result of in-house analysis, citizen inquiry or information provided from other jurisdictions.

New Businesses: The Town processed 153 new business licenses in the fourth quarter of 2015, including home based, in town, and out of town businesses. Total new business licenses for 2015 were 647, compared to 567 in 2014, a 14% increase for the year.

Business Terminations: There were 126 business license terminations in the fourth quarter of 2015, including home based, in town and out of town accounts. The 2016 license renewal process is currently underway, with less than 350 accounts outstanding.

Permanent Default: There are certain accounts considered uncollectible that will likely be written off; the average of these is around \$10,000 per year.

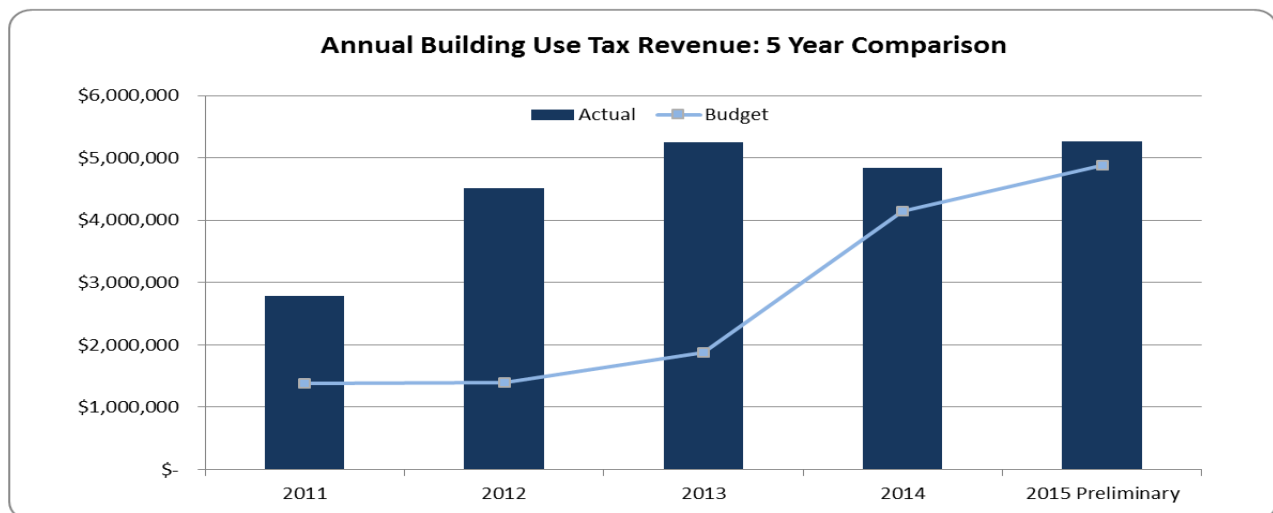
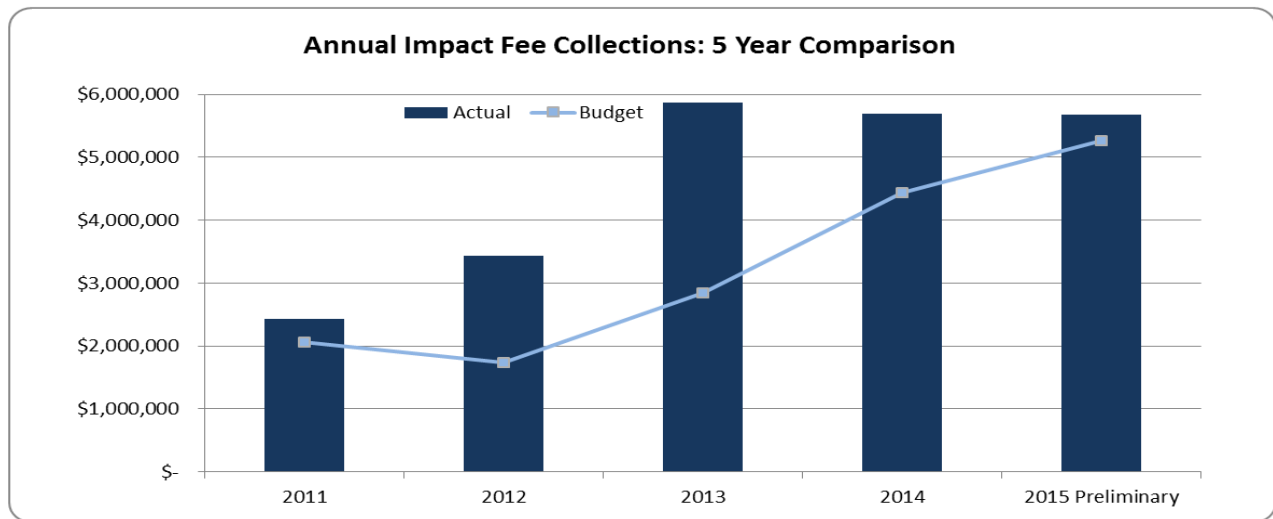
Impact Fees, System Development Fees, and Building Use Tax:

Budget amounts for growth related revenues, such as impact fees, system development fees, building use tax, and tap fees, are based upon the expected number of single-family, multi-family, commercial, and other development permits issued. This growth related revenue is dedicated to be used for expenditures that are necessary to support the growing community. The 2015 budget for this revenue was based on a projected 700 new single family permits and 139 multi-family units. The table above shows new home permits issued over the past five years.

Quarter	2011	2012	2013	2014	2015
January - March	52	100	177	196	180
April - June	100	130	263	235	277
July - September	76	178	220	191	184
October - December	93	124	166	183	153
Total	321	532	826	805	794

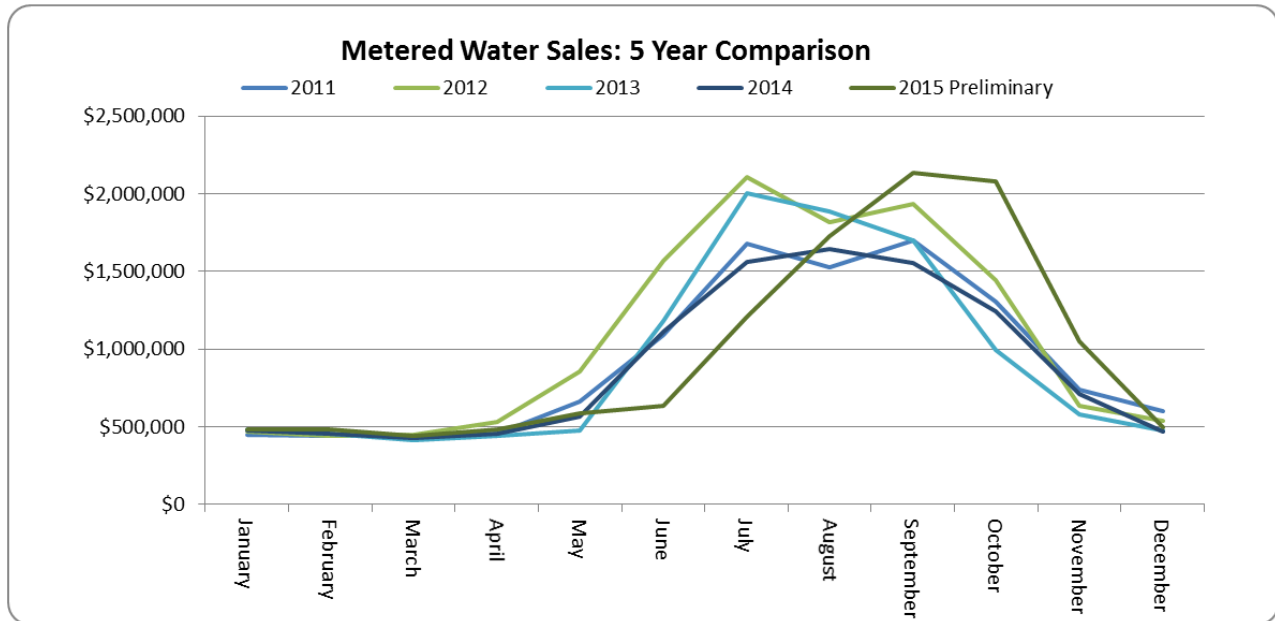
**2015 revenue also includes a multi-family project with 83 units*

Impact fees, system development fees, and building use tax revenue collections were higher in 2015 than the budget amount. A total of 794 single family building permits and 1 multi-family permit project consisting of 83 units were issued in 2015. As shown on the following page, residential building use tax revenue is nearly flat from 2014 to 2015 due to consistent residential construction trends. Commercial use tax revenue was 118% higher than 2014, for a total of \$688,397.



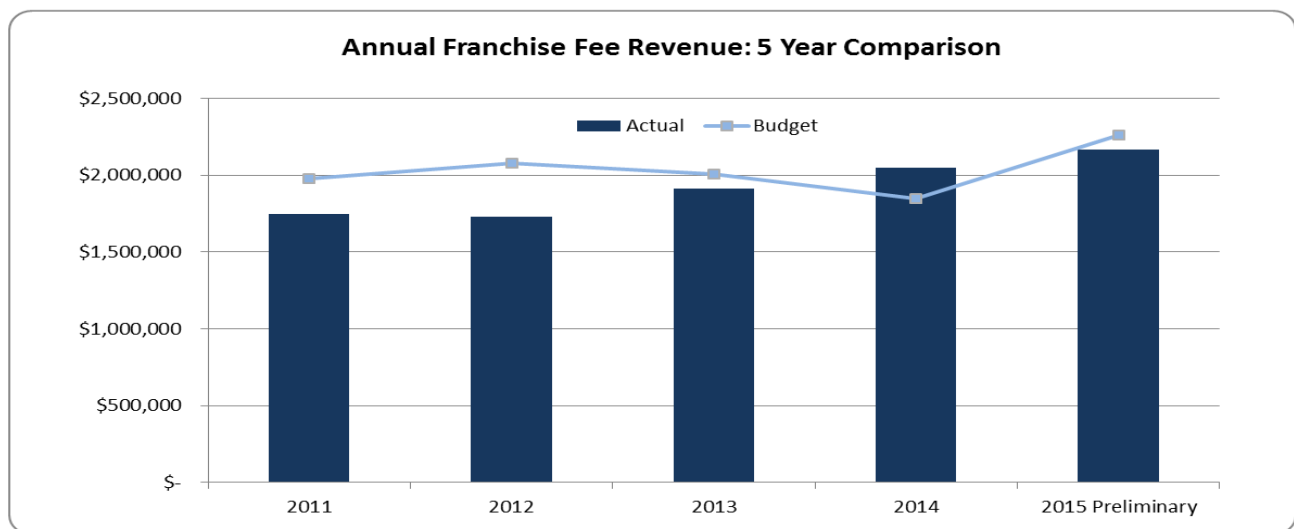
Metered Water Charges:

Metered water collections for 2015 were approximately 10.6% higher than 2014. Metered water charges increased dramatically in the third quarter of 2015 after a slow start the first half of the year. Drier conditions in late summer resulted in higher water consumption. Metered water charges revenue are about 2% under budget at the end of 2015. The following chart illustrates the revenue collections for each year 2011-2015.



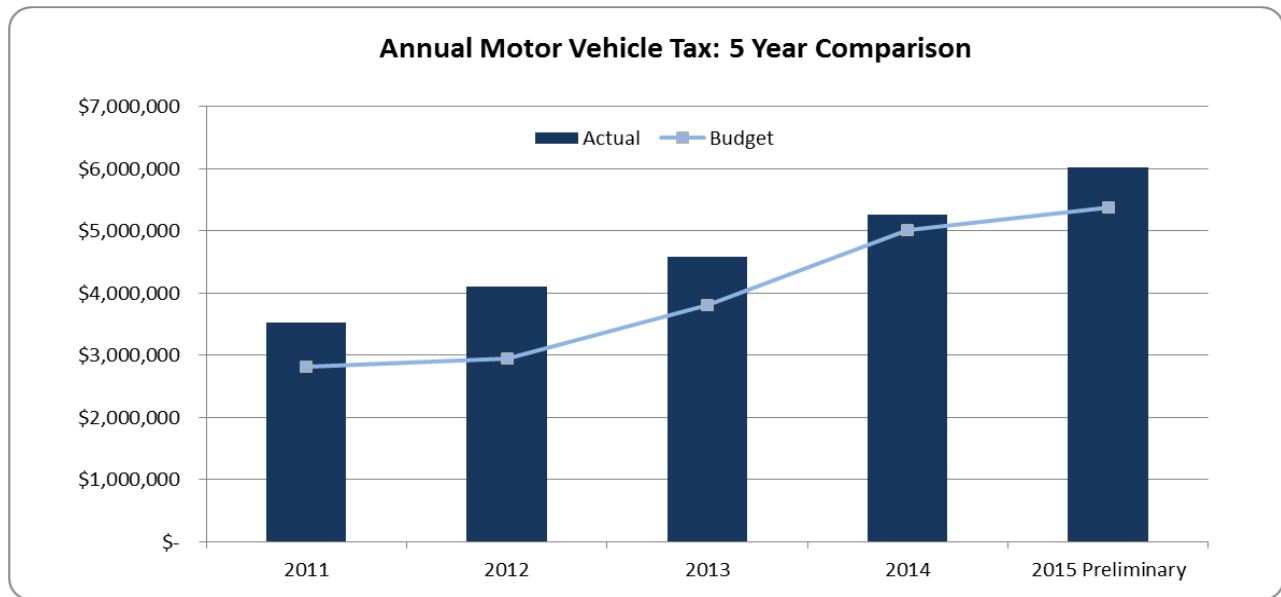
Franchise Fees:

Franchise fees are revenues generated by utility companies providing services within the Town limits. This fee gives utility companies access to public streets and right-of-ways, enabling them to supply and maintain services to citizens. Total Franchise fee revenue in 2015 was approximately 6% higher than 2014, but about 4% under the budget amount. Franchise Fee revenue is driven by the number of subscribers for the respective utility, and the anticipated revenue increase is generally a result of population growth within the Town.

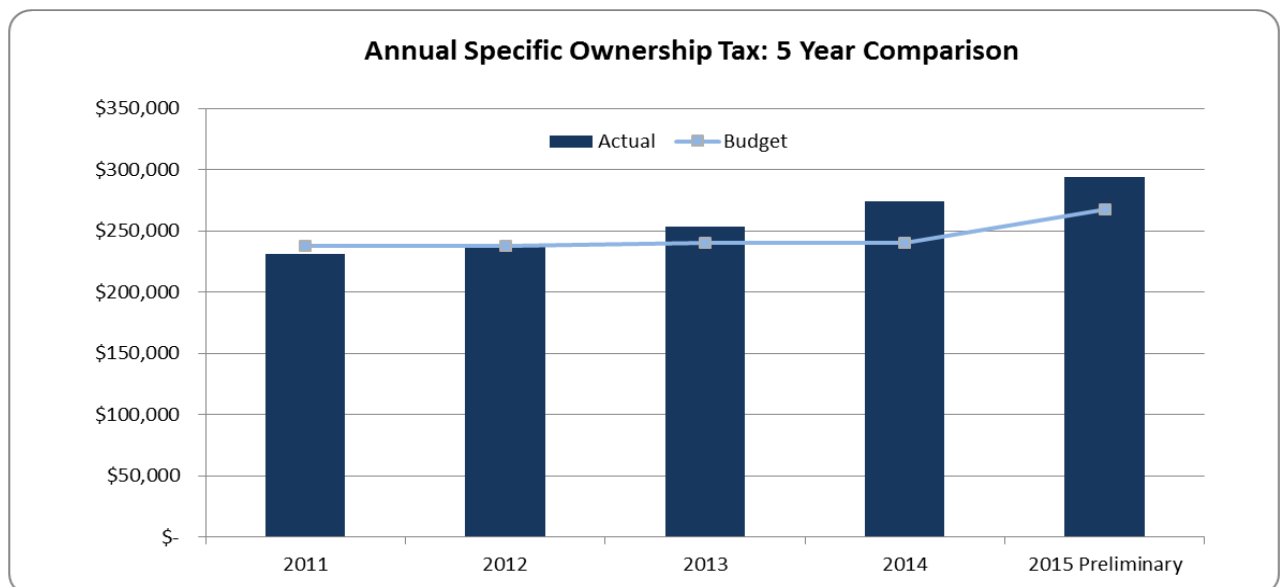


Motor Vehicle and Specific Ownership Tax:

Motor Vehicle Taxes are sales tax paid on the purchase price of a vehicle by Town residents. Douglas County collects the tax through the licensing process and remits the Town's share on a monthly basis. 2015 Motor Vehicle Tax collections for 2015 were nearly 15% higher than 2014 and are estimated to be over budget amount by almost 12%. The following chart shows Motor Vehicle Tax revenue received over the past five years.

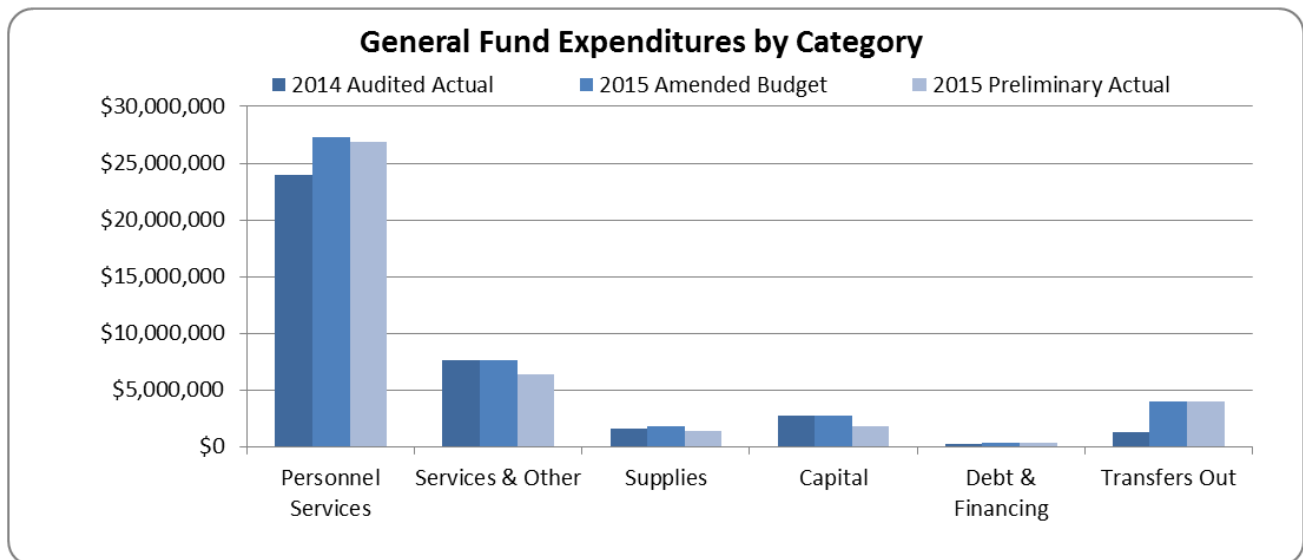


Specific Ownership Tax is levied on all motor vehicles, wheeled trailers, semi-trailers, trailer coaches, mobile homes and self-propelled construction equipment. Tax schedules are established by the State based upon the age and type of vehicle. Revenues are allocated to each city based on actual pro rata share of dollar value of registration. Taxes are collected by the Douglas County Treasurer. Specific ownership tax collections in 2015 were 7% higher when compared to 2014. The chart that follows demonstrates annual Specific Ownership Tax revenues over the past five years.



General Fund:

Preliminary 2015 year end data reflects total General Fund revenues were about 2% lower than the 2015 projected budget amount. Expenditures in the General Fund were nearly 7% under budget, generally due to position vacancies and other cost savings in multiple departments. Timing of capital projects and other expenditures also contributes to the General Fund savings. The following graph identifies the percent of budget categories that have been expended through year end. Please refer to Schedule A for additional information.



For the Reader:

As a reminder, expenditure data contained in this report is preliminary and subject to change. General summary items have been included below regarding General Fund Departments (Please refer to Schedule A for more information):

Town Council

The Town Council Division is under the 2015 amended budget by 6% based on preliminary year-end information. Savings in this area total \$40,000 and are primarily related to the Services & Other category.

Town Manager

The Town Manager Division is under budget for 2015 by 3%. Personnel savings in this area are attributed to the Town Manager transition that occurred during the second quarter of the year.

Deputy Town Manager

The Deputy Town Manager Division is under budget by 3% for 2015. Savings in this division are largely attributable to the personnel category due to a vacancy period in the Special Event Manager position hired in early June. Operating supplies and other professional services costs related to Season of the Star expenditures were funded in the Deputy Town Manager Division in 2015.

Human Resources

The Human Resources Division is about 6%, or \$40,000, over 2015 budgeted expenditures. Factors contributing to this include costs and fees associated with the Town Manager and Parks & Recreation Director position searches; a software upgrade required in relation to the Affordable Care Act; and an increase in the employee recognition program. This budget overage is offset by savings in other General Fund areas.

Community Relations

The Community Relations Division is at budgeted expenditures for the year, with savings of \$364 as compared to budget. Savings that this division experienced in relation to personnel and other costs were utilized to support the Season of the Star event series that was not budgeted in 2015. Despite incurring additional event costs, this division was able to remain within budgeted amounts.

Information Technology

The Division of Information and Technology is under the 2015 budget by 12%, primarily due to the timing of service agreement payments and of capital projects. Funds totaling \$9,260 are requested to be carried forward within the 2nd 2016 Budget Amendment for the purpose of completing one capital project that began in 2015. Savings in this area are related to lower than anticipated technical services expenditures, software maintenance cost savings and other general supply savings.

Facilities

The Facilities Division is under budget by 5% for 2015. Savings are attributed to personnel costs being under the year to date budget due to vacancy savings for three positions at the beginning of the year. Additional cost savings stem from lower than anticipated building repair and maintenance costs.

Town Attorney

The Town Attorney's Office is under budget by 24% for 2015. Savings in the personnel category is due to positions being hired later in the year than anticipated; additionally, lower legal service expenditures have yielded savings in the Town Attorney's Office.

Town Clerk

The Town Clerk's Office is under budget by nearly 4% for 2015. Savings in this division are associated with lower than appropriated election expenditures related to the Charter amendments included in the Douglas County General Election for 2015.

Municipal Court

The Municipal Court Division is under budget by about 4% for 2015. The services and other category yielded savings related to lower than anticipated repair and maintenance equipment expenses and bank fees.

Finance

The Finance Department ended the year under budget by approximately 4%. The majority of savings are attributable to position vacancy savings early in the year for the Finance Business Systems Analyst.

Police

The Police Department is under budget by nearly 2% for 2015. The supplies category is reflecting lower utilization in 2015 primarily due to fuel, ammunition, operating and SWAT supply savings.

Fire and Rescue

The Fire and Rescue Department is tracking under budget by over 2% at the end of 2015. The Fire Department has experienced savings primarily due to fuel savings, fewer wildland fire deployments than anticipated and an open Assistant Chief of Accreditation and Emergency Management position budgeted for 2015. The start date for this position did not occur until December of 2015.

Development Services

The Development Services General Fund Division is under budget by over 11% for 2015. This department is currently showing savings in the personnel and services categories due to personnel vacancies; additionally, historic preservation grants and surveys and weed abatement expenditures were less than appropriated. Development Services is requesting that funds be appropriated in the 2nd 2016 Budget Amendment in order to accommodate remaining commitments for grants. One grant was awarded to the Castle Rock Museum in 2014 and will be completed in 2016, with a remaining balance of \$4,792. The other grant was awarded to the owners of the Hammar House in 2015 and will be completed in 2016; there is a remaining balance of \$7,000 for this project.

Parks and Recreation

Preliminary year-end information shows that Parks and Recreation is under the year to date budget by 19%. Personnel savings are largely due to vacancies in full time positions in the department, including the Parks & Recreation Director, Assistant Director and Business Analyst, as well as savings in seasonal labor. This department experienced savings for water expenditures in 2015 totaling \$176,000 related to the increased precipitation earlier in the year which greatly reduced the amount of irrigation that was necessary. Additionally, the Wolfensberger Pedestrian Bridge project began in 2015, and is being completed in 2016. Remaining unspent funds totaling \$298,000 are requested to be carried forward into 2016 in order to complete this project.

Non-Departmental

The Non-Departmental budget, which is under the responsibility of the Finance Department, was approximately 19% under budget. The Non-Departmental 2015 budget included \$1.2 million that was appropriated for Downtown initiatives. The Downtown initiatives funding is allocated in relation to a 2015 first quarter budget amendment authorizing the use of the Downtown sales tax increment that was accrued from 2012 – 2014. Of the original \$1.2 million, Finance is requesting re-appropriation of the remaining balance, including \$447,637 for Festival Park design costs and \$121,817 for other downtown projects.

Transportation Fund:

Transportation Fund revenues exceeded the 2015 budget by approximately 1% or about \$258,000. Stronger than anticipated revenues are due primarily to higher than budgeted building use tax and motor vehicle tax collections. Transportation Fund

expenditures ended the year approximately 7.5% under budget due position vacancy savings for the Street Operations and Maintenance Manager early in 2015, as well as the timing of capital projects. Approximately \$778,000 is requested to be re-appropriated from 2015 to 2016 in the 2nd Budget Amendment of the year. More than \$610,000 of this is intended to accomplish improvements and additions to the Town's traffic signal system.

Capital Funds:

Capital funds are generally financed from impact fees and interest earnings. Impact fee revenue is generated from new construction and is dedicated to be used for expenditures necessary to support the growing community. All impact fee revenues in Capital Funds show total revenue collections higher as compared to budget due to increased development. Budgeted amounts for 2015 were based on a projection of 700 single family permits and 139 multi-family units, but year-end totals exceeded estimates at 794 single family permits and one multi-family permit with 83 units.

Parks and Recreation Capital Fund

Revenue collections for the Parks and Recreation Capital Fund are about 2% under budget for the year. Please note that impact fee revenues received into this fund only include fees for new residential development in Castle Rock – no impact fees related to commercial development are received into the Parks and Recreation Capital Fund. Impact fee revenue was higher than budgeted for 2015 by over \$300,000 due to increased growth in the Town. Despite this increase, total revenue in this fund was lower than budget due to not receiving a contribution as planned in 2015. Grant revenue from Great Outdoors Colorado (GOCO) of \$250,000 was received in the third quarter of 2015. This fund is under the annual expenditure budget by 9% due to timing related to the completion of construction of additional amenities (core plaza, amphitheater and mill house) at Philip S. Miller Park. In order to complete this project, approximately \$1.1 million is requested to be carried forward in the 2nd Budget Amendment of 2016. Additionally, approximately \$17,000 will also be requested to complete the Development and Impact Fee Study that began in 2015. Please refer to Schedule C for more information.

Municipal Facilities Capital Fund

Revenues in the Municipal Facilities Capital Fund are higher than the 2015 budget by 10% due to increased impact fee revenue related to Town growth. This fund is 4% under budgeted expenditures for the year. Savings in this area are related to the ongoing Impact and Development Fee Study that began in 2015 and is planned to be completed in 2016. In order to accommodate the completion of this project, funds are requested in the 2nd Budget Amendment of 2016. Please refer to Schedule D for more information.

Fire Capital Fund

Expenditures in 2015 include costs related to the site assessment for the proposed Public Safety Training Facility. Expenditures are showing under the year to date budget by more than 39%, as the assessment was not completed due to potential future site development challenges with the abandoned wastewater site. The department is currently researching other opportunities for the Public Safety Training Facility location. Additional savings in this fund are related to the ongoing Impact and Development Fee

Study that began in 2015 and will be completed in 2016. In order to accommodate the completion of this project, funds are requested in the 2nd Budget Amendment of 2016. Please refer to Schedule E for more information.

Police Capital Fund

Expenditures are approximately 23% under budget for 2015. This savings is primarily related to the Police Department Basement Renovation project which was in process at the end of 2015. This renovation is projected to be completed before the end of the first quarter in 2016, and funds are requested in the 2nd Budget Amendment of 2016 related to the completion of this project. The Police Capital Fund also had savings associated to the ongoing Impact and Development Fee Study projected to be completed in 2016. Funds are requested in the 2nd 2016 Budget Amendment for this project as well. Please refer to Schedule F for more information.

Transportation Capital Projects Fund

Total revenue in this fund for 2015 was about 1% under the budget amount. Contributions from CDOT for the North Meadows Extension project are based upon project completion and exceeded budget by 8% due to better than expected progress on the U.S. 85 interchange.

The North Meadows Extension project is the only expenditure item in the Transportation Capital Projects Fund for 2015. At the end of the year, expenses for the North Meadows Extension project were approximately \$22 million. Total project budget remaining is approximately \$14.6 million, of which \$9.4 million was included in the 2016 budget and \$5.2 million is requested to be re-appropriated in the 2nd 2016 Budget Amendment. Total Transportation Capital Fund expenditures were nearly 30% under budget, most of which is due to remaining budget for the completion of the North Meadows Extension in 2016. Please refer to Schedule G for more information.

General Long Term Planning Fund

Budgeted expenditures in 2015 include general facility improvements as well as Information System projects. The fund is under the 2015 budget by 16% due to savings across multiple projects in this fund. Of the total capital expenditure savings, \$168,000 is requested to be carried forward into 2016 for Town Hall Site Remediation, parking lot maintenance at the Police Department and construction of an enclosure around the generator at Town Hall. Revenue received in this fund is a portion of residential Building Use Tax, which finished the year just slightly over the projected budget amount. Please refer to Schedule H for more information.

Utility Funds:

Revenues and expenditures can be highly seasonal for the utility funds, as the majority of the revenue is related to water demand, which is greater in warmer months. The majority of the budgeted expenditures in these funds are associated with capital construction projects, the timing of which can be dependent upon regional partnerships, permitting, weather and other outside influences.

Combined Utility funds system development fee collections were 50% higher than the 2015 budget due to higher than expected single-family, multi-family and commercial building permit issuance. Metered Water Sales were almost 6% lower than budget at

the end of 2015, which is improved from 11% at the end of the second quarter due to a drier conditions and higher consumption in late summer/early fall. Total Utility Fund revenues exceeded the 2015 budget by approximately 10% or about \$6.5 million, of which the majority is the recognition of deferred Meadows reserve fees paid for infrastructure rehabilitation and improvements in The Meadows, in accordance with the elimination of this fee going forward.

Total expenditures for all four Utilities Funds were 32% under budget due in large part to the timing of capital projects. The 2nd Budget Amendment of 2016 includes the requested re-appropriation of more than \$7 million for significant capital projects which were started in 2015, but not completed. These projects include \$1.9 million for the construction of additional wells, \$750,000 for sewer line improvements and nearly \$1 million in stream and tributary improvements. Combined operating expenditures for all Utilities funds ended 2015 under budget by 13%.

Golf Course Fund:

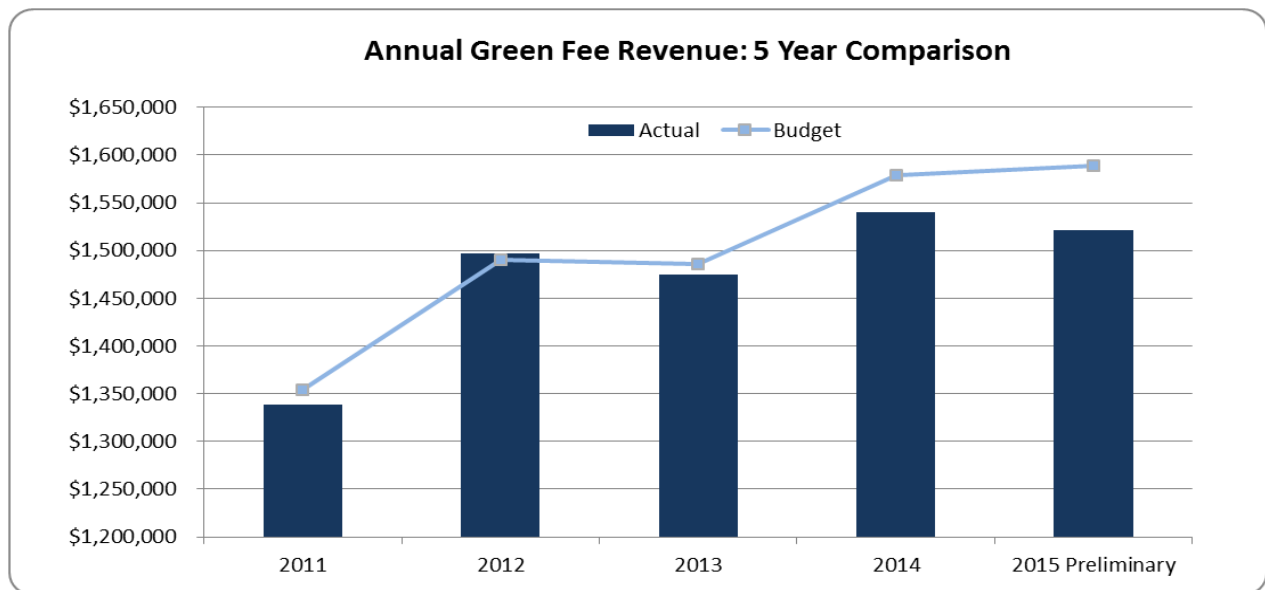
Revenues for 2015 are 1% under the annual budget. Increased play early in the year, combined with favorable playing weather through September, helped to offset an estimated \$100,000 revenue impact due to higher than usual precipitation in May and June. When compared to 2014, charges for service revenue is approximately \$5,000 higher; and when compared to 2013, it is about \$147,000 higher. For 2015, food and beverage sales have increased nearly 4%, and merchandise sales are about 1% greater as compared to the same period of 2014. Despite weather impacts earlier in the year, a total of 35,086 rounds were played in 2015, representing a slight increase of 33 more rounds over the same period of 2014. Tournament rounds increased by almost 3% as compared to 2014, with a total of 2,824 tournament rounds played in 2015. Additionally, the revenue per player grew slightly, from \$79.11 in 2014 to \$79.20 in 2015.

Expenditures are about 2% under the 2015 budget due to savings in utility and operating costs. Additionally, the Golf Course Fund successfully met the required Debt Coverage Ratio as required by the revenue bonds that are utilized in the Golf Course Fund.

As approved by Town Council on October 6th, the existing golf course revenue bonds were refinanced in October 2015. The resulting benefits of this include:

- financing an additional \$800,000 that will be used for course and clubhouse improvements, as approved in the 2016 Adopted Budget
- reduced debt reserve requirements
- reduced debt ratio coverage requirements
- reduced annual debt service
- net savings of more than \$430,000

The following chart demonstrates a five year comparison of green fee revenue for the Golf Course Fund. For more information on the year-end financial performance of the Golf Course Fund, please refer to Schedule M.



Community Center Fund:

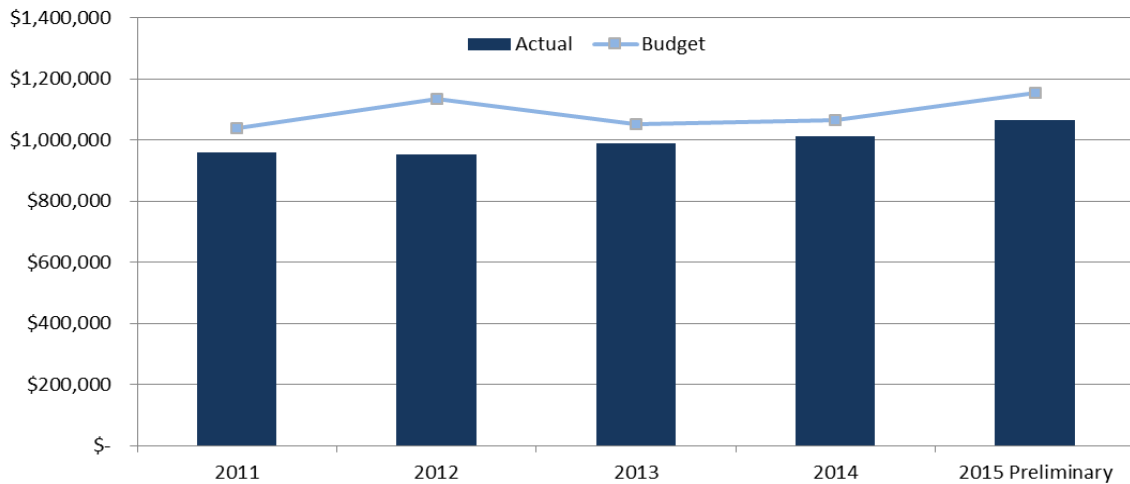
The presentation of information in the attached financial statements (Schedule N) provides preliminary year-end information, which includes operational revenue and expenditures for the Miller Activity Complex (MAC). The 2015 budget included estimates for a full year of MAC operations.

Charges for services in the Community Center Fund are under budget by 1% for the year. The MAC has generated nearly \$1.2 million in charges for service revenue, representing 31% of the total charges for service revenue received in this fund. Total revenue collections are 1% under the annual budget for the year for this fund.

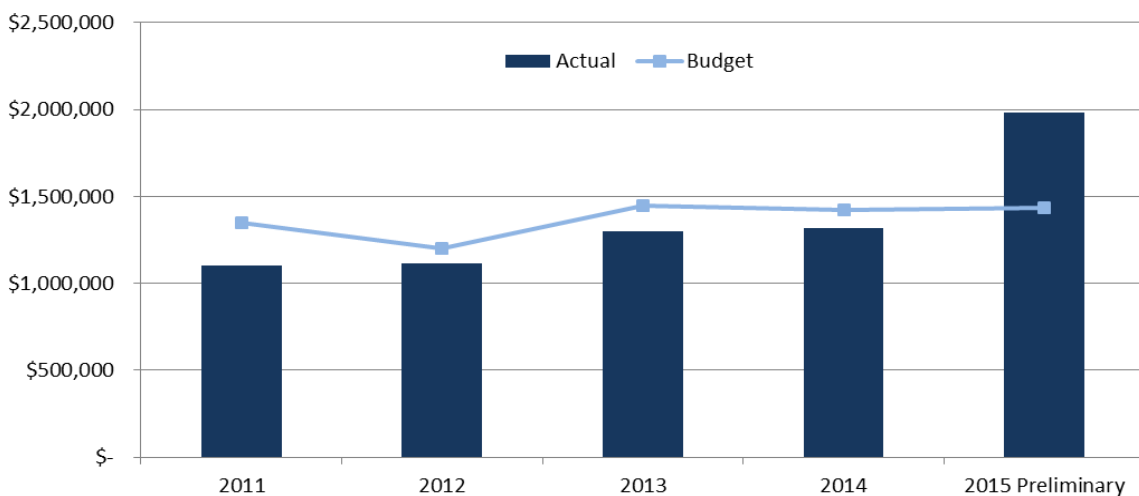
Operating expenditures were higher than budget in 2015 by about 3% for the Community Center Fund. The additional expenses were offset by the additional revenues received in the MAC. Total expenditures for 2015 are under the annual budget by 8%, which is related to timing of capital projects. Of the outstanding capital expenditures, \$570,000 is requested to be carried forward to 2016 for the completion of the Recreation Center roof replacement and balcony improvement, Butterfield pool improvements, furnishings for the Millhouse and replacing the railing at the MAC for safety reasons. The MAC, which completed its first full year in operation in 2015, continues to be very popular, with 105,320 individual visits recorded during the year. Usage of the Recreation Center remains consistent, with 318,989 visits in 2015. This represents an increase of nearly 8,000 visits over 2014.

The following charts illustrate programs and admission revenue (including passes, punch cards and daily admissions) as compared to the past five years for the Community Center Fund, including the MAC.

Annual Program Revenue: 5 Year Comparison



Annual Admission Revenue: 5 Year Comparison



Development Services Fund:

Revenues received in the Development Services Enterprise Fund in 2015 are under the amended budget by nearly 5%. Activity through 2015 resulted in a total of 794 single family detached and attached permits, 51 new commercial permits, and one multi-family project, consisting of 83 units. This is higher than the original 2015 budget projections of 700 building permits for the year. Based on strong development trends in the beginning of 2015, the year-end estimates were increased to include 750 single family permits and 139 multi-family units. Development Services ended 2015 with an approximate 21% revenue increase when compared to 2014 and over \$331,000 in operating revenue. Expenditures for the fund are under the amended budget by over 11% for 2015. This department is currently showing savings primarily due to personnel savings associated with position vacancies and supplies associated with those vacant positions not having been hired by the end of 2015. Please refer to Schedule O for more information.

Employee Benefits Fund:

Revenue is about 4% under the 2015 budget due to an approved premium holiday in January 2015; actual benefit selections by Town personnel and position vacancies throughout the year. Expenditures in the Employee Benefits Fund are 3% under budget for 2015. A total of \$4.3 million, or 62%, in expenditures in this fund are attributable to medical, dental and prescription claim costs. Existing available fund balance, which was saved from prior year personnel contributions, was utilized in 2015 to help fund the Employee Wellness Program and to accommodate the January premium holiday. Please refer to Schedule P for more information.

Fleet Services Fund:

Revenue for the Fleet Services Fund ended 2015 at about 1% over budget. Expenditures were approximately 20% under budget, primarily due to the timing of planned vehicle purchases, some of which were delayed until 2016 and included in the 2016 Adopted Budget. The 2nd budget amendment of 2016 includes the requested re-appropriation of \$146,315 for of an ambulance purchase for the Fire Department which has yet to occur. Please refer to Schedule Q for more information.

Conservation Trust Fund:

The Conservation Trust Fund surpassed budgeted revenue by 2% due to an increase in park, pavilion and field rentals during the year. Overall expenditures are under budget by 3% for 2015 and include a transfer to the Parks and Recreation Capital Fund to contribute to the amenities at Philip S. Miller Park as approved in the 2015 budget amendment process. Please refer to Schedule R for more information.

Philip S. Miller Trust Fund:

Revenue for this fund surpassed the budget amount by 66%, or \$206,000, due to receiving transfer of prior year DDA tax increment funds to satisfy a loan made for the Rink at the Rock. Expenditures in the Philip S. Miller Trust Fund are under the annual budget by 13% due to savings related to the July 4th fireworks. Please see Schedule S for more information.

Public Art Fund:

The majority of revenue into the Public Art Fund is received in June and December as part of the Miller Trust Fund distribution. Revenues received were nearly 1% lower than the 2015 budget. Expenditures for 2015 are under the annual budget by 14% and included a sculpture installation at the Philip S. Miller Park. Please see Schedule T for more information.

Economic Development Fund:

The Economic Development Fund continues to reflect the Town's priorities of creating primary employment jobs, expanding the tax base and creating an outstanding business climate. Revenue is over the 2015 budget by 41% due to growth in commercial development, resulting in increased Building Use Tax, as well as a reimbursement by

the DDA for funds previously contributed to support the Wedding District totaling \$180,000.

This fund is under the year to date expenditure budget by 57%. It is important to note that appropriated expenditures in 2015 are budgeted in full to meet current obligations and provide capacity to fund potential future economic development assistance agreements. A transfer out of \$750,000 occurred in 2015 to provide for financial obligations in the Public Finance Agreement with Alberta Development Partners. Funds are reserved in a reimbursable account dependent upon construction thresholds attained for the Promenade at Castle Rock as stipulated in the amended Public Finance Agreement. Please refer to Schedule U for more information.

Police Forfeiture Fund:

The Police Forfeiture Fund includes funds received from cooperative efforts using the Town of Castle Rock's Police resources assisting state or federal authorities in seizures of illegal items. Funds are only expended if revenue is received. The Police Department did not have any expenditures in this fund in 2015. A portion of the fund balance is appropriated for use in 2016 to assist in the purchase of body worn cameras for police officers as approved by Town Council. Please refer to Schedule V for more information.

Downtown Development Tax Increment Financing (TIF) Fund:

The Downtown Development TIF Fund was created in 2015 as a tool to fund downtown development on behalf of the Downtown Development Authority. Tax increment revenue received in 2015 was 48% higher, or \$386,000, more than budget due to the actual amount of sales tax received in the Downtown area. Other revenue received includes proceeds from the line of credit for the purpose of funding expenditures for legal counsel and design fees related to Festival Park that were incurred in 2015. Please refer to Schedule W for more information.