

# September 2015 Financial Update

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Chief Financial Officer

# General Fund

Line #	Year	Total Revenue	Total Expenditures	Unrestricted Fund Balance	Contribution to/ (Draw from) Unrestricted Fund Balance	Unrestricted Fund Balance as a % of Following Year's Expenditures
1	<b>2014 Actual</b>	\$ 252,408,441	\$ 255,770,943	\$ 43,257,368		16.7%
2	<b>2015 Budget</b>	257,195,842	258,695,842	41,757,368	(1,500,000)	16.0%
3	<b>2015 Anticipated Changes</b>					
4	<i>Sales Tax Revenue above budget</i>	<i>5,045,000</i>				
5	<i>Other revenue above budget</i>	<i>1,499,486</i>				
6	<i>Supplemental appropriations</i>		<i>5,771,447</i>			
7	<i>Expenditures over/(under) budget</i>		<i>(2,914,913)</i>			
8	<b>2015 EOY Estimate</b>	<b>\$ 263,740,328</b>	<b>\$ 261,552,376</b>	<b>\$ 43,945,320</b>	<b>\$ 2,187,952</b>	<b>16.4%</b>

# General Fund YTD Revenue

through Period 8 of 2015  
67% of year transpired

Line #	Revenue	2015 Original Budget	Actual Revenue YTD	% of Budget YTD	Historical Avg. % of Budget YTD	EOY Estimate	2015 Budget to EOY Estimate
1	Sales & Use Tax	\$ 147,855,000	\$ 83,498,923	56%	59%	\$ 152,900,000	\$ 5,045,000
2	Property Tax	\$ 19,811,225	\$ 19,241,854	97%	99%	\$ 19,633,225	\$ (178,000)
3	Other Taxes	\$ 3,047,406	\$ 1,904,827	63%	64%	\$ 2,978,150	\$ (69,256)
4	Charges for Service	\$ 12,278,048	\$ 9,043,597	74%	66%	\$ 13,488,233	\$ 1,210,185
5	Fines	\$ 4,956,073	\$ 3,598,932	73%	64%	\$ 5,290,000	\$ 333,927
6	Intergovernmental	\$ 20,887,930	\$ 13,575,544	65%	66%	\$ 20,954,848	\$ 66,918
7	Licenses & Permits	\$ 1,842,389	\$ 1,301,377	71%	67%	\$ 2,161,750	\$ 319,361
8	Miscellaneous	\$ 2,778,978	\$ 2,343,996	84%	72%	\$ 2,930,978	\$ 152,000
9	Other Financing Sources	\$ 43,738,793	\$ 24,913,168	57%	63%	\$ 43,403,144	\$ (335,649)
10	<b>Total</b>	<b>\$ 257,195,842</b>	<b>\$ 159,422,218</b>	<b>62%</b>	<b>61%</b>	<b>\$ 263,740,328</b>	<b>\$ 6,544,486</b>

## Notes for Line #:

- After the most recent month of collections we have continued confidence that sales and use tax revenue will come in approximately 3.4% above budget. Historical average % of budget is higher because , following the recession, the City budgeted very conservatively to build fund balance.
- Development related charges for service are the main reason the Charges for Services category is trending above budget.
- Traffic violations trending above budget is the main reason Fines are trending above budget.
- Medical marijuana license fee and development fees are the primary reasons for the Licenses & Permit category trending above budget.
- Insurance reimbursement for the Fire truck and AMR liquidated damages are the primary reasons the Miscellaneous category is trending above budget.
- Utilities Surplus revenue is the primary reason the Other Financing Sources category is trending below budget.

# General Revenue Information

**Property Taxes** are collected mainly in March-July. 98% of the total revenue is typically collected by the end of July.

**Other Taxes** includes specific ownership tax, admissions tax, and occupational liquor taxes. Specific ownership tax is the state automobile tax and is collected throughout the year; however, there are no collections booked for January and two months of collections are booked in December.

**Charges for services** include court costs, development review fees, excess police alarm fees, hazardous material fees, youth and adult recreation programs, and community center classes. This category includes revenue which are not smooth throughout the year or received in the same months year to year. Also, program managers monitor program revenues and monitor and adjust expenditures accordingly.

**Fines** are collected for violations including parking and traffic violations.

**Intergovernmental** includes HUTF, state cigarette tax, and road and bridge revenue. HUTF is collected by the state and distributed locally throughout the year, although collections are typically slightly higher in the last half of the year – sources include motor fuel taxes and vehicle registration fees. Cigarette tax is lagged such that no revenue is collected January or February, but December has three months of collections booked.

**Other Financing Sources** includes shared services, utilities surplus revenue, and sale of capital assets. Shared services revenue is collected from enterprises for services provided by General Fund employees such as the City Attorney, City Auditor, and the City Clerk. Some of the charges are determined through a cost allocation model and the revenue received is smooth throughout the year, other charges are billed as services are provided and can vary greatly by month each year. Beginning in 2014, fuel for the City and Colorado Springs Utilities was purchased by the General Fund. Colorado Springs Utilities reimburses the General Fund for its fuel usage, which results in a much higher shared services amount. Utilities surplus revenue is collected throughout the year; however, no revenue is booked in January and two months of revenue are booked in December.

# General Fund YTD Expenditures

through Period 8 of 2015  
67% of year transpired  
62% of year payroll complete

Line #	Department	2015 Original Budget	Supplementals	YTD Actuals	% of Budget YTD	EOY Estimate	Expenditures Over/(Under) Budget + Supplementals
1	City Council	\$ 968,081	\$ -	\$ 671,335	69%	\$ 968,081	\$ -
2	City Auditor	\$ 1,372,807	\$ -	\$ 791,978	58%	\$ 1,309,500	\$ (63,307)
3	Parks, Recreation & Cultural Services	\$ 14,603,610	\$ 1,000,000	\$ 8,787,716	60%	\$ 15,161,949	\$ (441,661)
4	Police	\$ 88,982,619	\$ -	\$ 55,488,556	62%	\$ 88,626,889	\$ (355,730)
5	Fire & OEM	\$ 47,688,981	\$ -	\$ 29,181,813	61%	\$ 47,486,702	\$ (202,279)
6	Public Works	\$ 22,286,035	\$ 4,000,000	\$ 13,695,841	61%	\$ 25,585,779	\$ (700,256)
7	City Attorney, Municipal Court, City Clerk	\$ 8,951,294	\$ 170,000	\$ 5,270,194	59%	\$ 8,688,886	\$ (432,408)
8	Information Technology	\$ 12,581,562	\$ -	\$ 7,326,002	58%	\$ 12,539,710	\$ (41,852)
9	Planning, Economic Development, Housing	\$ 2,773,055	\$ -	\$ 1,490,841	54%	\$ 2,438,644	\$ (334,411)
10	Finance, Contract Comp., Fleet, General Costs	\$ 55,401,034	\$ 601,447	\$ 33,296,876	60%	\$ 55,949,096	\$ (53,385)
11	Mayor, Communications, Human Resources	\$ 3,086,764	\$ -	\$ 1,642,897	53%	\$ 2,797,140	\$ (289,624)
	<b>Total</b>	<b>\$ 258,695,842</b>	<b>\$ 5,771,447</b>	<b>\$ 157,644,049</b>	<b>61%</b>	<b>\$ 261,552,376</b>	<b>\$ (2,914,913)</b>

## Notes for Line #:

- all In general, all departments are currently trending **under** budget.
- 1. City Council's budget includes dues & memberships that benefit the City as a whole that are paid early in the year, so their actual expenditures as a % of the year transpired will trend high.
- 3. Parks has spent \$1,127,107 of their \$2,231,218 water budget.

# Sales Tax Trends

## **2.0% Sales and Use Tax:**

- S&U combined – up 9.75% for the month and up 5.12% year-to-date
  - Sales tax – up 10.40% for the month and up 5.32% year-to-date
  - Use tax – down 1.08% for the month and up 1.74% year-to-date

## **2.0% Lodger's Tax & 1.0% Auto Rental Tax:**

- LART Combined – up 16.76% for the month and up 14.78% year-to-date
  - Lodger's Tax – up 18.06% for the month and up 15.51% year-to-date
  - Auto Rental Tax – up 2.36% for the month and up 8.22% year-to-date

# Sales Tax Trends

## 2.5% sales tax collections by major industry

Industries with Largest Month over Month % Increase		Industries with Largest Month over Month \$ Increase	
Commercial Machines	55.16%	Commercial Machines	\$203,476
Medical Marijuana	43.20%	Hotel/Motel	\$155,401
Hotel/Motel	17.03%	Restaurants	\$142,344

Industries with Largest Month over Month % Decrease		Industries with Largest Month over Month \$ Decrease	
Utilities	(10.21%)	Utilities	(\$38,629)

# Sales Tax Trends

<b>CATEGORY</b>	<b>% Change 2015 YTD compared to 2014 YTD</b>
AUTO DEALERS	9%
AUTO REPAIR, LEASES	9%
BUILDING MATERIALS	6%
BUSINESS SERVICES *	-1%
CLOTHING	4%
COMMERCIAL MACHINES *	-39%
DEPT/DISCOUNT	3%
FURNITURE/APPLIANCES/ELECTRONICS	0%
GROCERY	17%
HOTEL/MOTEL	17%
MEDICAL MARIJUANA	22%
MISC RETAIL	0%
RESTAURANTS	8%
UTILITIES	-3%

\* The most volatile categories



# Other Funds YTD

through Period 8 of 2015  
67% of year transpired  
62% of year payroll complete

Line #	Fund	Revenue			Expenditures			YTD Revenue Over/ (Under) YTD Expenditures
		2015 Original Revenue Budget	Actual Revenue YTD	% of Budget YTD	2015 Original Expenditure Budget	Actual Expenditures YTD	% of Budget YTD	
1	Airport Gross Revenue Fund	\$17,650,662	\$10,976,938	62%	\$16,972,651	\$8,333,275	49%	\$2,643,663
2	Conservation Trust Fund	\$4,420,000	\$2,215,779	50%	\$4,768,088	\$2,428,507	51%	(\$212,728)
3	Health Insurance Fund	\$33,980,995	\$17,249,059	51%	\$33,980,995	\$15,998,425	47%	\$1,250,635
4	Public Safety Sales Tax Fund	\$29,652,000	\$16,689,155	56%	\$28,537,029	\$16,135,267	57%	\$553,888
5	Trails Open Space Parks Fund	\$7,335,000	\$4,225,259	58%	\$8,605,864	\$5,185,421	60%	(\$960,162)
6	Workers' Compensation Fund	\$8,000,000	\$4,913,025	61%	\$8,000,000	\$5,903,131	74%	(\$990,105)

## Notes for Line #:

1. Airport revenue is over expenditures year-to-date because final debt services payment is made in December , and a budgeted contribution to fund balance in 2016.
2. CTF expenditures are over revenue due to a budgeted a draw from the fund balance in 2016.
5. TOPS expenditures are over revenue due to the acquisition of the Ute Valley Park – phase 2 in January for \$2.8 million.
6. Workers' Compensation expenses are over revenue year-to-date; actual claim and settlement costs for both the City and CSU are higher than anticipated thus far this year.