

September 2016 Financial Update

(activity thru July 2016)

September 12, 2016

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Chief Financial Officer



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 Revenue

- Sales Tax Revenue – trending ~\$200k below budget
- Property Tax – trending at budget
- Fines – trending ~\$700k below budget
- Intergovernmental – trending ~\$1.2M above budget
- Utilities Surplus – trending ~\$675k below budget
- Other Taxes, Charges for Services, Licenses – trending ~\$400k above budget

Summary – total GF revenue trending on budget

General Fund Expenditures

- Municipal Court, Information Technology – trending under budget due to vacancies
- Public Safety – Fire trending on budget, Police trending slightly under budget
- Balance of departments – trending on budget

Summary – total GF expenditures trending ~ 1% under budget

Sales Tax Trends

2.0% Sales and Use Tax:

- S&U combined – up 10.59% for the month and up 5.73% year-to-date
 - Sales tax – up 11.77% for the month and up 5.83% year-to-date
 - Use tax – down 7.59% for the month and up 4.17% year-to-date

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

- LART Combined – up 18.65% for the month and up 14.46% year-to-date
 - Lodger's Tax – up 19.69% for the month and up 15.92% year-to-date
 - Auto Rental Tax - up 4.43% for the month and up 1.54% year-to-date

0.62% Road Tax:

- \$4,822,190 – year-end estimate of ~\$47M - \$48M
 - Collections thru July (6 months of collections) = \$22.68M

Sales Tax Trends

Industries with Largest Month over Month % Increase

Business Services	284.80%
Grocery Stores	22.47%
Medical Marijuana	19.63%

Industries with Largest Month over Month \$ Increase

Business Services	\$948,909
Miscellaneous Retail	\$171,083
Hotel/Motel	\$141,312

Industries with Largest Month over Month % Decrease

Department and Discount	(16.55%)
Utilities	(10.16%)
Furniture, Appliances, and Electronics	(5.38%)

Industries with Largest Month over Month \$ Decrease

Department and Discount	(\$235,855)
Furniture, Appliances, and Electronics	(\$39,018)
Utilities	(\$27,762)

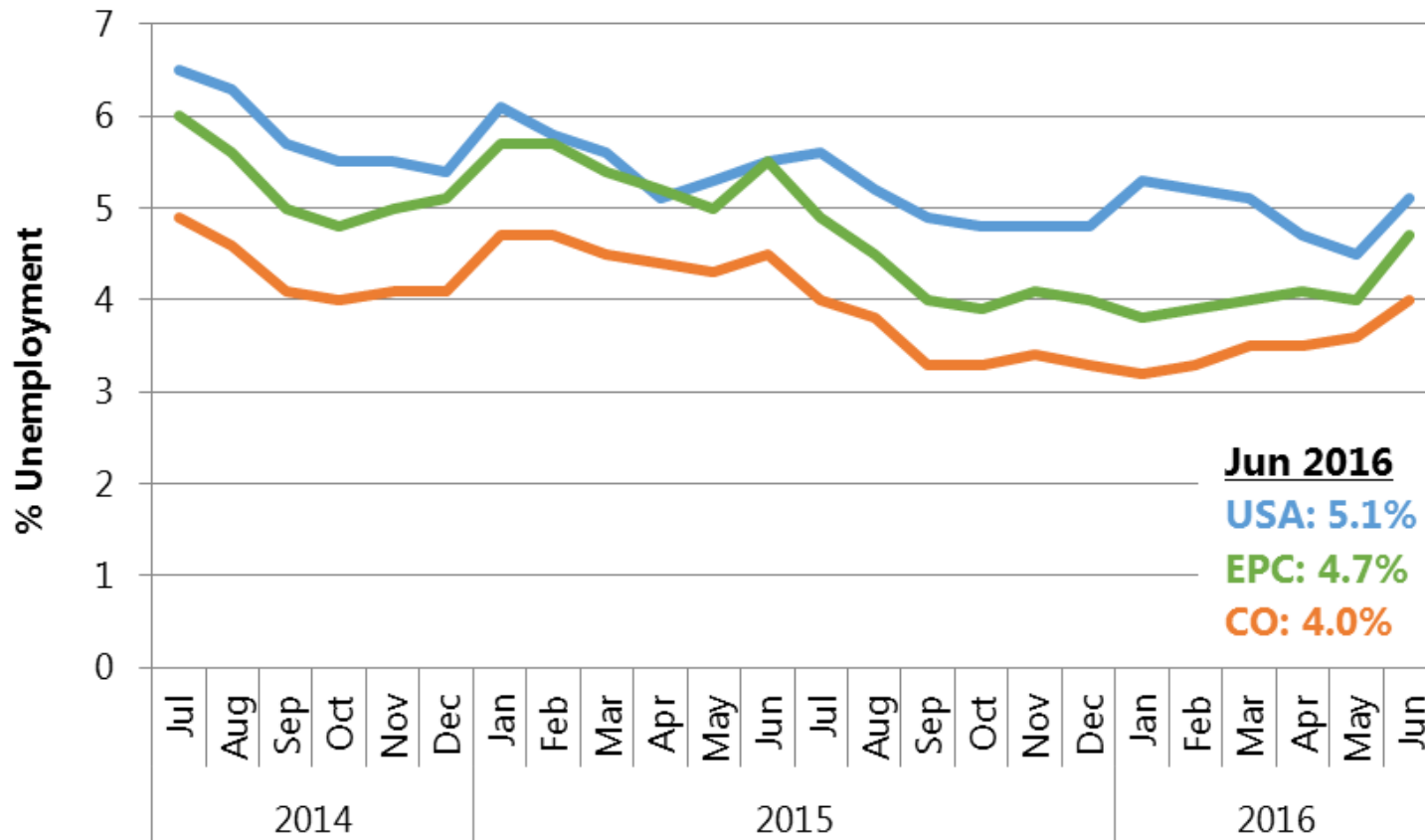
Sales Tax Trends

Category	\$ Change 2016 YTD compared to 2015 YTD	% Change 2016 YTD compared to 2015 YTD
Auto Dealers	(303,769)	(4.5%)
Auto Repair, Leases	127,949	4.2%
Building Materials	567,563	8.6%
Business Services *	885,243	51.0%
Clothing	219,667	8.7%
Commercial Machines *	211,496	14.3%
Department/Discount	(446,192)	(6.5%)
Furniture/Appliances/Electronics	180,911	5.1%
Grocery	426,879	18.4%
Hotel/Motel	423,472	15.7%
Medical Marijuana	173,244	25.6%
Miscellaneous Retail	307,994	3.8%
Restaurants	169,986	1.9%
Utilities	(189,726)	(11.1%)

*The most volatile categories

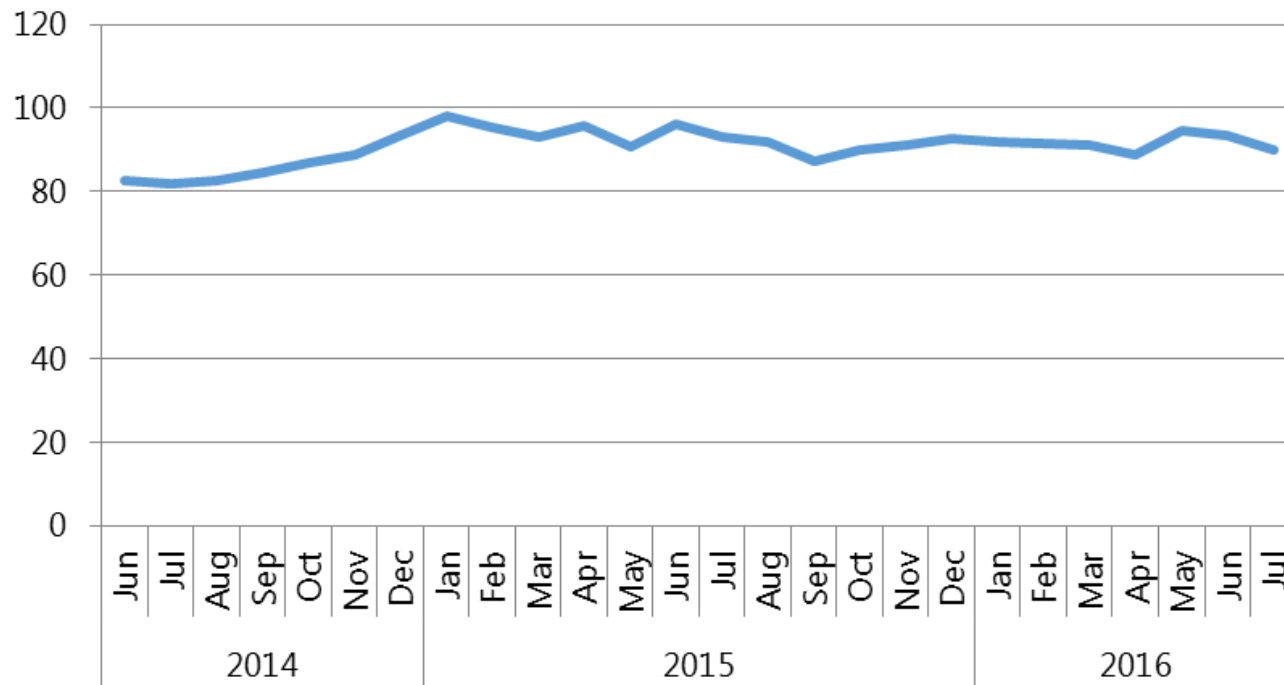
Economic Indicators

Unemployment Rate



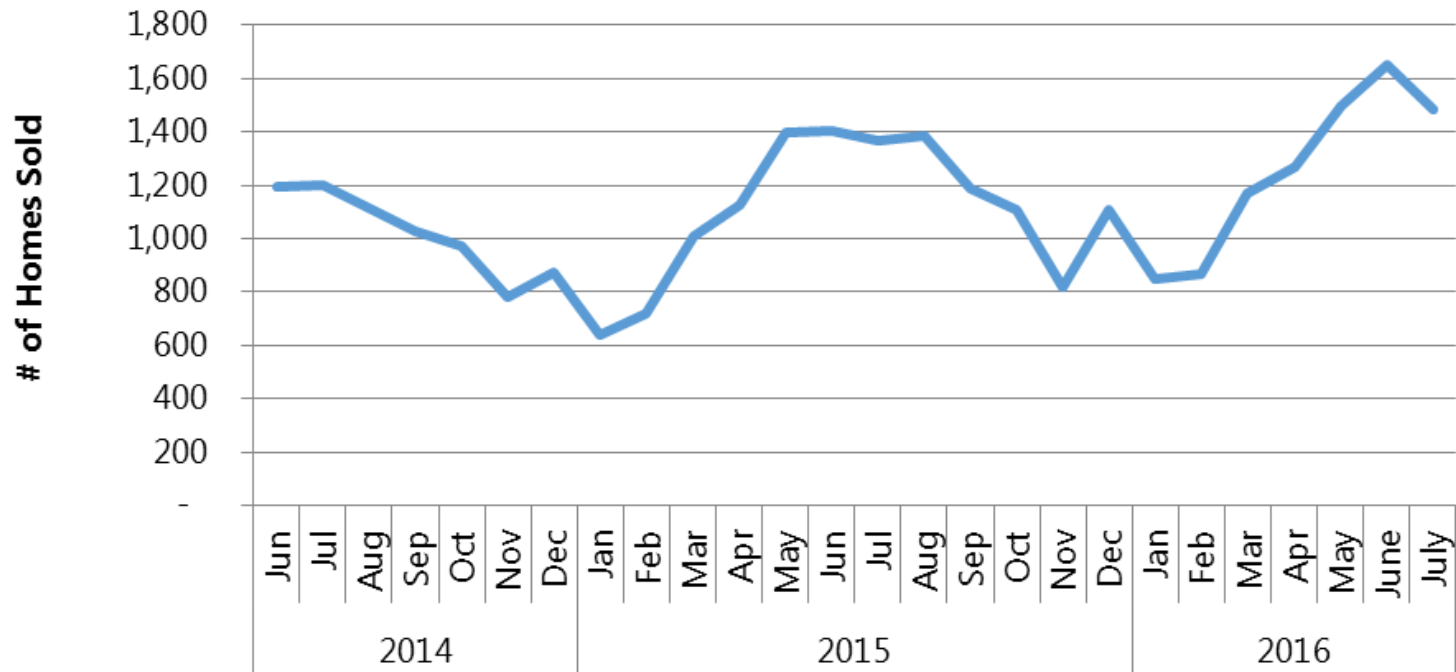
Economic Indicators

Index of Consumer Sentiment



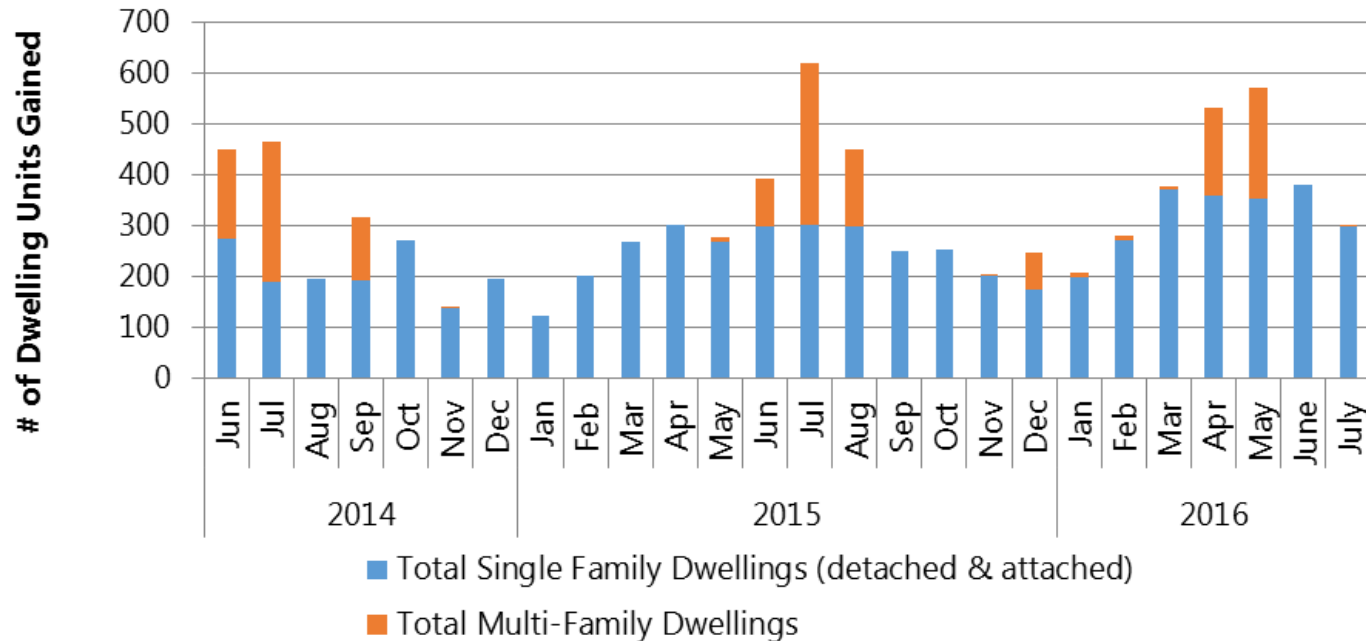
Economic Indicators

Pikes Peak Region Home Sales Single Family/Patio Homes



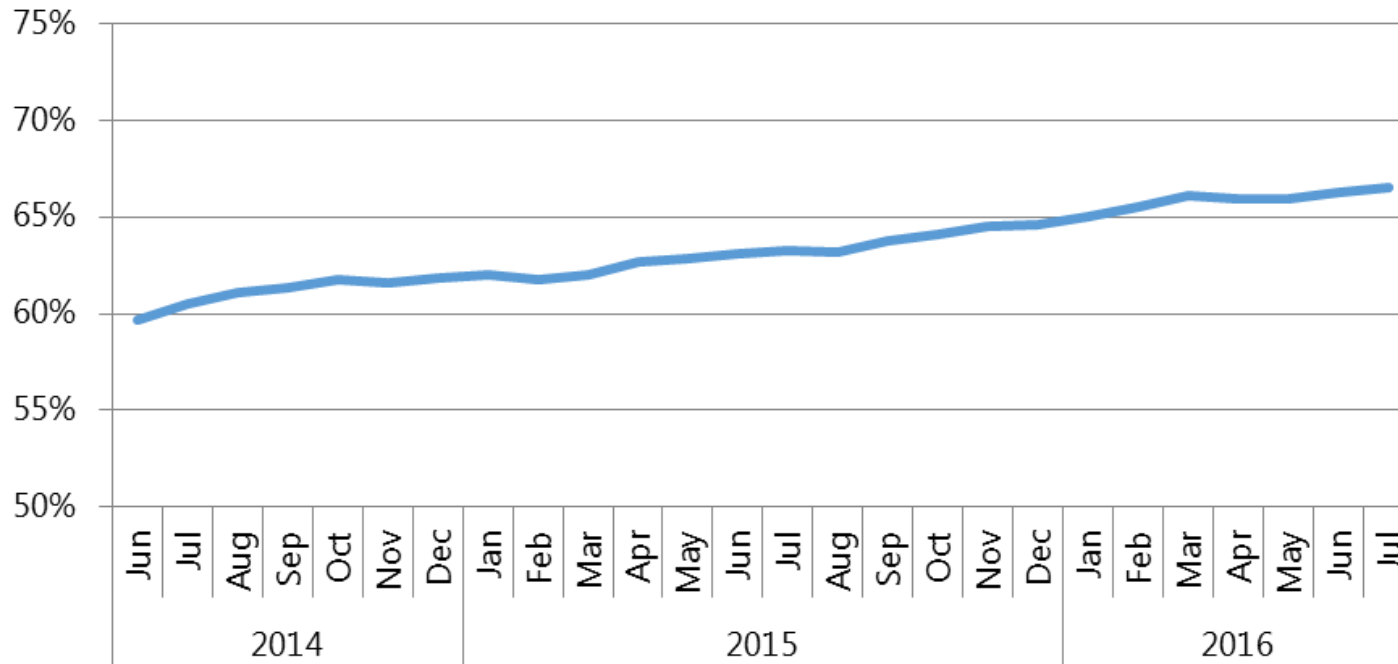
Economic Indicators

Pikes Peak Region Residential Building Permits



Economic Indicators

Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?