

# December 2015 Financial Update

(activity thru November 2015)

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Chief Financial Officer

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# 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>	5,545,000				
5	<i>Other revenue above budget</i>	144,786				
6	<i>Supplemental appropriations</i>		5,831,636			
7	<i>Expenditures over/(under) budget</i>		(3,148,635)			
8	<b>2015 EOY Estimate</b>	\$ 262,885,628	\$ 261,378,843	\$ 44,764,153	\$ 1,506,785	16.8%

# General Fund YTD Revenue

through Period 11 of 2015  
92% of year transpired

Line #	Revenue	2015 Original Budget	Actual Revenue YTD	% of Budget YTD	Historical Avg. % of Budget YTD	EOY Forecast	2015 Budget to EOY Forecast
1	Sales & Use Tax	\$ 147,855,000	\$ 122,424,330	83%	86%	153,400,000	\$ 5,545,000
2	Property Tax	\$ 19,811,225	\$ 19,481,476	98%	101%	19,447,225	\$ (364,000)
3	Other Taxes	\$ 3,047,406	\$ 2,595,532	85%	86%	2,985,150	\$ (62,256)
4	Charges for Service	\$ 12,278,048	\$ 11,551,379	94%	91%	13,551,633	\$ 1,273,585
5	Fines	\$ 4,956,073	\$ 4,837,411	98%	88%	5,279,600	\$ 323,527
6	Intergovernmental	\$ 20,887,930	\$ 18,745,635	90%	92%	20,707,548	\$ (180,382)
7	Licenses & Permits	\$ 1,842,389	\$ 1,933,307	105%	89%	2,224,250	\$ 381,861
8	Miscellaneous	\$ 2,778,978	\$ 2,995,969	108%	116%	2,930,978	\$ 152,000
9	Other Financing Sources	\$ 43,738,793	\$ 34,478,154	79%	86%	42,359,244	\$ (1,379,549)
10	<b>Total</b>	<b>\$ 257,195,842</b>	<b>\$ 219,043,193</b>	<b>85%</b>	<b>85%</b>	<b>\$ 262,885,628</b>	<b>\$ 5,689,786</b>

## Notes for Line #:

- After the most recent month of collections we now project that sales and use tax revenue will come in approximately 3.8% 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 11 of 2015  
92% of year transpired  
89% 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	\$ -	\$ 801,770	83%	\$ 895,427	\$ (72,654)
2	City Auditor	\$ 1,372,807	\$ -	\$ 1,157,225	84%	\$ 1,307,124	\$ (65,683)
3	Parks, Recreation & Cultural Services	\$ 14,603,610	\$ 1,000,000	\$ 13,215,806	90%	\$ 15,603,610	\$ -
4	Police	\$ 88,982,619	\$ -	\$ 79,127,580	89%	\$ 88,582,619	\$ (400,000)
5	Fire & OEM	\$ 47,688,981	\$ -	\$ 40,881,404	86%	\$ 47,285,604	\$ (403,377)
6	Public Works	\$ 22,286,035	\$ 4,000,000	\$ 18,944,357	85%	\$ 25,720,314	\$ (565,721)
7	City Attorney, Municipal Court, City Clerk	\$ 8,951,294	\$ 170,000	\$ 7,584,124	85%	\$ 8,611,217	\$ (510,077)
8	Information Technology	\$ 12,581,562	\$ -	\$ 10,267,324	82%	\$ 12,454,544	\$ (127,018)
9	Planning, Economic Development, Housing	\$ 2,773,055	\$ 60,000	\$ 2,123,340	77%	\$ 2,641,302	\$ (191,753)
10	Finance, Contract Comp., Fleet, General Costs	\$ 55,401,034	\$ 601,636	\$ 51,226,642	92%	\$ 55,402,670	\$ (600,000)
11	Mayor, Communications, Human Resources	\$ 3,086,764	\$ -	\$ 2,364,815	77%	\$ 2,874,411	\$ (212,353)
	<b>Total</b>	<b>\$ 258,695,842</b>	<b>\$ 5,831,636</b>	<b>\$ 227,694,385</b>	<b>88%</b>	<b>\$ 261,378,842</b>	<b>\$ (3,148,636)</b>

## Notes for Line #:

- all In general, departments are currently trending **under** budget.
- 3. Parks has spent \$2,207,205 of their General Fund water budget and all of their CTF water budget (GF budget = \$2,231,218 and CTF budget = \$372,146, Total Budget = \$2,603,364.)

# Sales Tax Trends

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

- S&U combined – up 8.27% for the month and up 4.88% year-to-date
  - Sales tax – up 7.24% for the month and up 5.08% year-to-date
  - Use tax – up 24.40% for the month and up 1.73% year-to-date

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

- LART Combined – up 13.80% for the month and up 13.80% year-to-date
  - Lodger's Tax – up 15.51% for the month and up 14.85% year-to-date
  - Auto Rental Tax – down 1.38% for the month and up 3.99% year-to-date

# Sales Tax Trends

## 2.5% sales tax collections by major industry

### Industries with Largest Month over Month % Increase

Medical Marijuana	48.05%
Grocery Stores	17.05%
Hotel/Motel	14.59%

### Industries with Largest Month over Month \$ Increase

Building Materials	\$165,099
Restaurants	\$151,949
Auto Dealer	\$106,015

### Industries with Largest Month over Month % Decrease

Commercial Machines	(12.03%)
Utilities	(3.75%)

### Industries with Largest Month over Month \$ Decrease

Commercial Machines	(\$32,211)
Utilities	(\$12,166)

Month over month describes November 2015 collections compared with November 2014 collections which are from October activity each year.

# Sales Tax Trends

<b>CATEGORY</b>	<b>\$ Change 2015 YTD compared to 2014 YTD</b>	<b>% Change 2015 YTD compared to 2014 YTD</b>
AUTO DEALERS	1,194,050	8.95%
AUTO REPAIR, LEASES	543,629	8.97%
BUILDING MATERIALS	1,000,206	7.22%
BUSINESS SERVICES *	22,614	0.61%
CLOTHING	282,426	5.36%
COMMERCIAL MACHINES *	(2,208,936)	-39.89%
DEPARTMENT/DISCOUNT	142,245	1.01%
FURNITURE/APPLIANCES/ELECTRONICS	158,978	2.09%
GROCERY	719,285	16.79%
HOTEL/MOTEL	944,389	15.35%
MEDICAL MARIJUANA	353,338	28.34%
MISCELLANEOUS RETAIL	(236,937)	-1.35%
RESTAURANTS	1,332,804	7.31%
UTILITIES	(104,853)	-2.95%

\* The most volatile categories



# Other Funds YTD

through Period 11 of 2015  
 92% of year transpired  
 89% 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	\$11,669,251	66%	\$16,972,651	\$11,449,681	67%	\$219,570
2	Conservation Trust Fund	\$4,420,000	\$3,254,348	74%	\$4,768,088	\$4,052,992	85%	(\$798,645)
3	Health Insurance Fund	\$33,980,995	\$23,584,602	69%	\$33,980,995	\$21,965,849	65%	\$1,618,753
4	Public Safety Sales Tax Fund	\$29,652,000	\$24,484,466	83%	\$28,537,029	\$23,146,380	81%	\$1,338,085
5	Trails Open Space Parks Fund	\$7,335,000	\$6,188,501	84%	\$8,605,864	\$8,189,798	95%	(\$2,001,297)
6	Workers' Compensation Fund	\$8,000,000	\$6,454,713	81%	\$8,000,000	\$7,001,706	88%	(\$546,994)

## Notes for Line #:

1. Airport revenue is over expenditures due to a budgeted contribution to fund balance.
2. CTF expenditures are over revenue because revenue is received only at the end of quarters (no 4<sup>th</sup> quarter payment yet) and a budgeted a draw from the fund balance of \$348,088.
5. TOPS expenditures are over revenue due to month lag is sales tax collections and a budgeted a draw from the fund balance of \$1,270,864.
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.

# Questions