

July 2016 Financial Update

(activity thru May 2016)

July 11, 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 ~\$1M below budget
- Property Tax – trending ~\$900k above budget
- Intergovernmental – trending ~\$1M above budget
- Fines and Utilities Surplus – trending ~\$1M below budget
- Other Taxes, Charges for Services, Licenses – trending to budget

Summary – total GF revenue trending on budget

General Fund Expenditures

- City Council – trending on budget
 - Dues and Memberships (over 75% of operating budget) was expended within the first 5 months
- City Attorney, Municipal Court, Information Technology – trending under budget due to vacancies
- Public Safety – 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 3.86% for the month and up 4.44% year-to-date
 - Sales tax – up 5.25% for the month and up 3.99% year-to-date
 - Use tax – down 17.09% for the month and up 12.07% year-to-date

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

- LART Combined – up 12.52% for the month and up 18.64% year-to-date
 - Lodger's Tax – up 13.56% for the month and up 19.92% year-to-date
 - Auto Rental Tax - up 2.68% for the month and up 9.39% year-to-date

0.62% Road Tax:

- \$3,721,454

Sales Tax Trends

Industries with Largest Month over Month % Increase

Medical Marijuana	25.36%
Grocery Stores	16.22%
Commercial Machines	11.29%

Industries with Largest Month over Month \$ Increase

Miscellaneous Retail	\$73,711
Grocery Stores	\$62,143
Hotel/Motel	\$47,933

Industries with Largest Month over Month % Decrease

Business Services	(13.71%)
Utilities	(13.40%)
Department and Discount	(5.31%)

Industries with Largest Month over Month \$ Decrease

Department and Discount	(\$56,198)
Business Services	(\$49,053)
Utilities	(\$36,296)

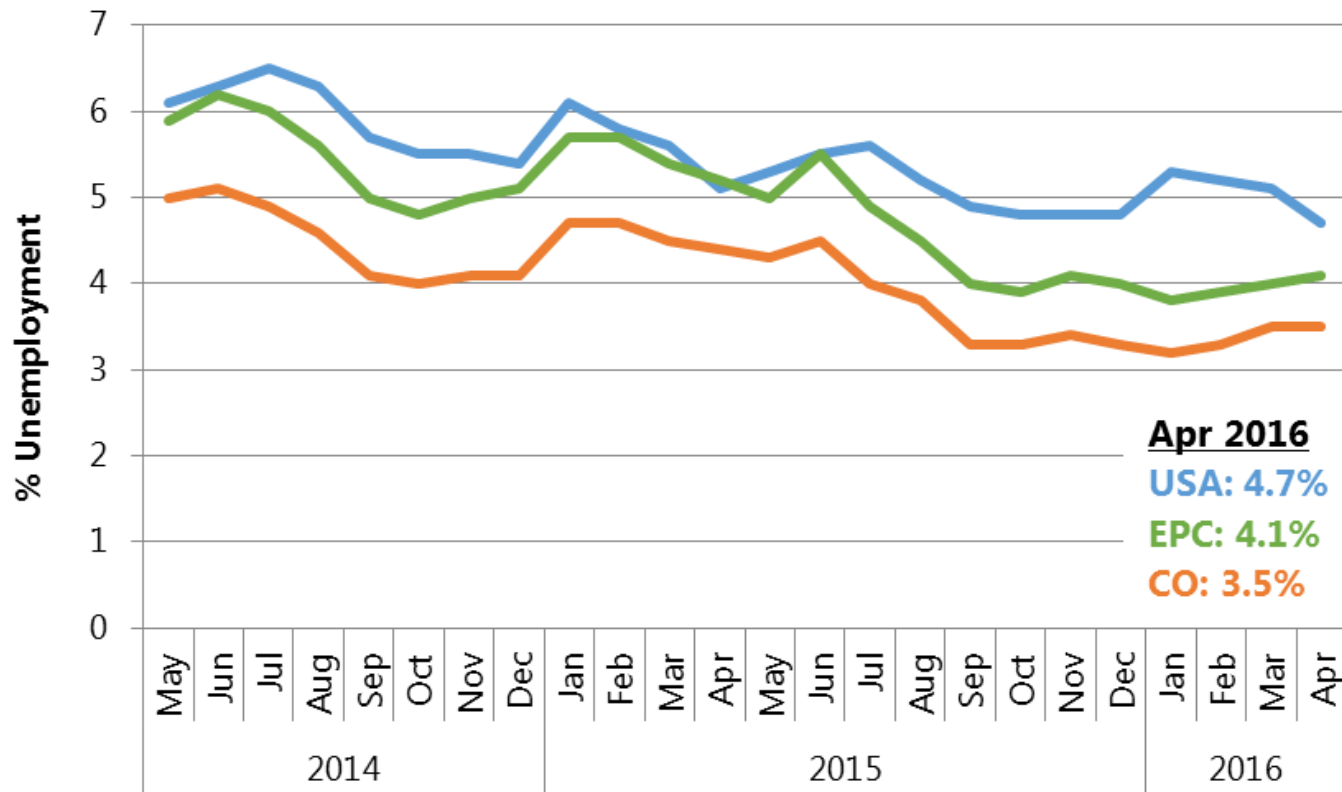
Sales Tax Trends

Category	\$ Change 2016 YTD compared to 2015 YTD	% Change 2016 YTD compared to 2015 YTD
Auto Dealers	(213,903)	(4.9%)
Auto Repair, Leases	66,702	3.4%
Building Materials	282,196	7.3%
Business Services *	(83,438)	(7.3%)
Clothing	108,050	6.9%
Commercial Machines *	54,994	6.4%
Department/Discount	(156,276)	(3.6%)
Furniture/Appliances/Electronics	176,063	7.9%
Grocery	277,616	18.6%
Hotel/Motel	244,586	18.1%
Medical Marijuana	117,432	27.3%
Miscellaneous Retail	21,720	2.6%
Restaurants	151,428	2.6%
Utilities	(147,343)	(12.2%)

*The most volatile categories

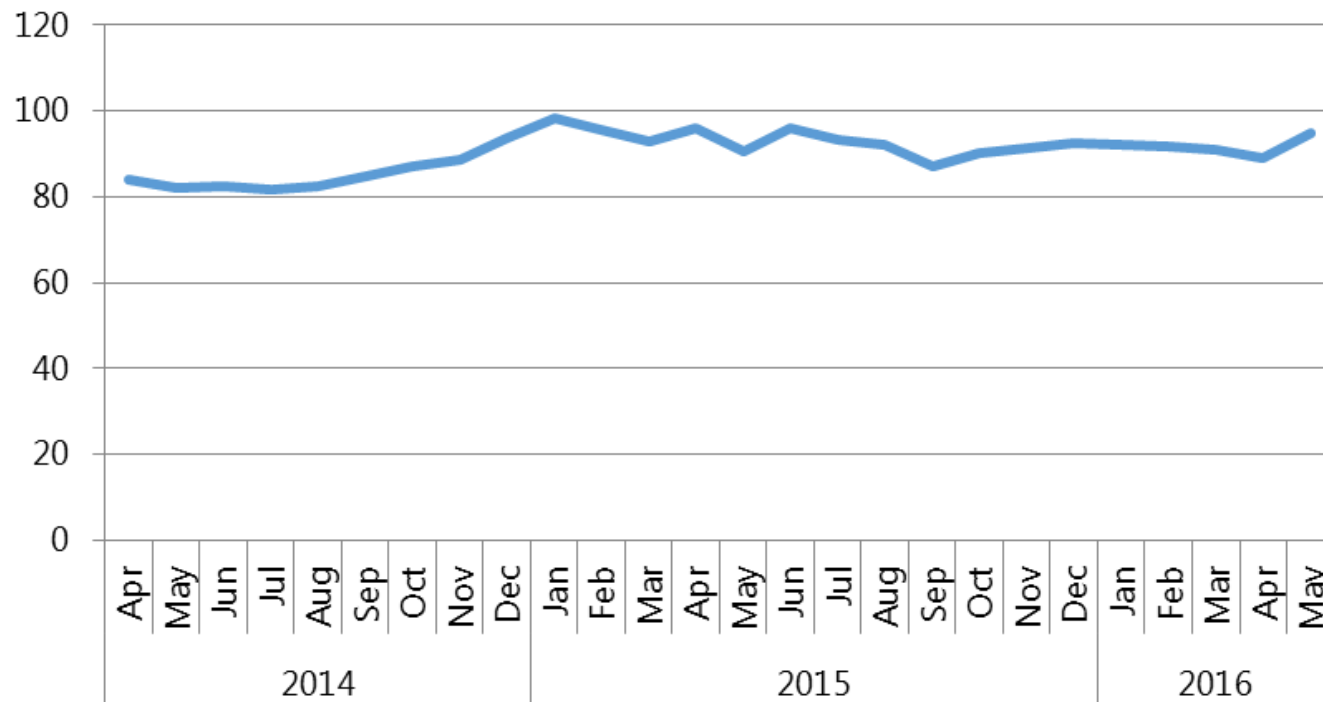
Economic Indicators

Unemployment Rate



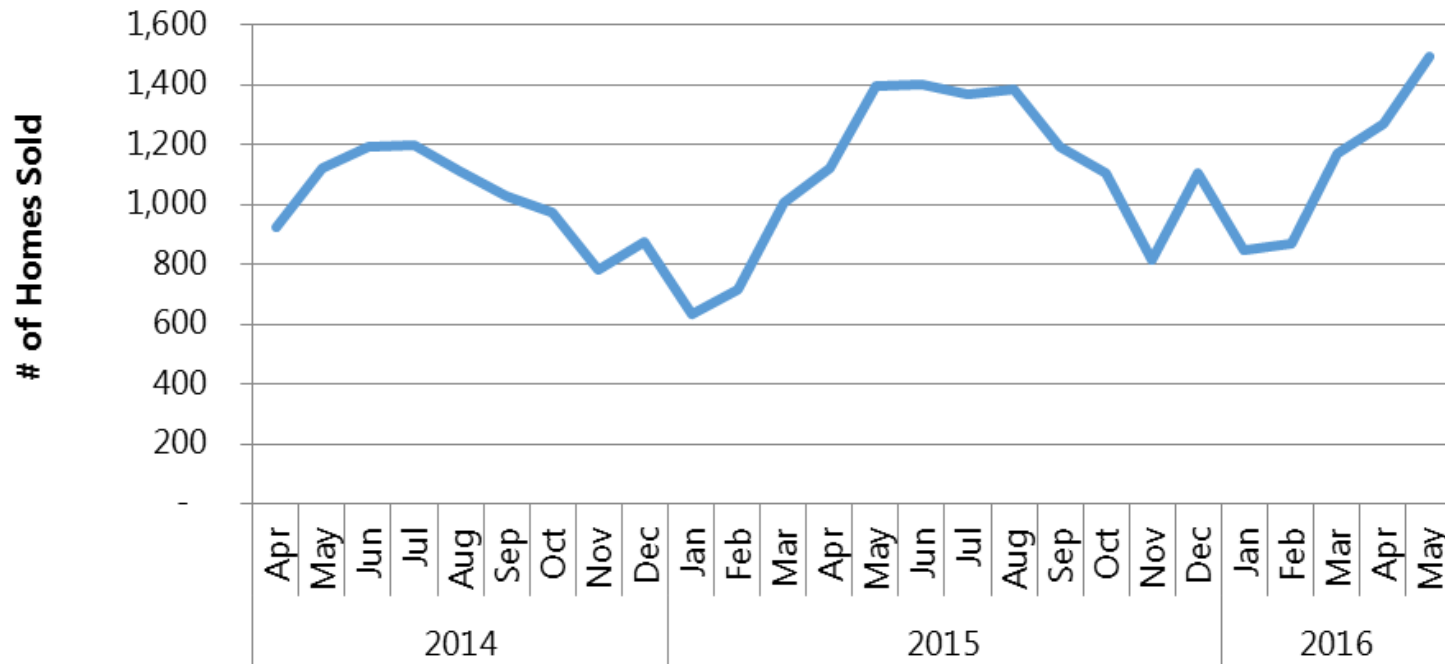
Economic Indicators

Index of Consumer Sentiment



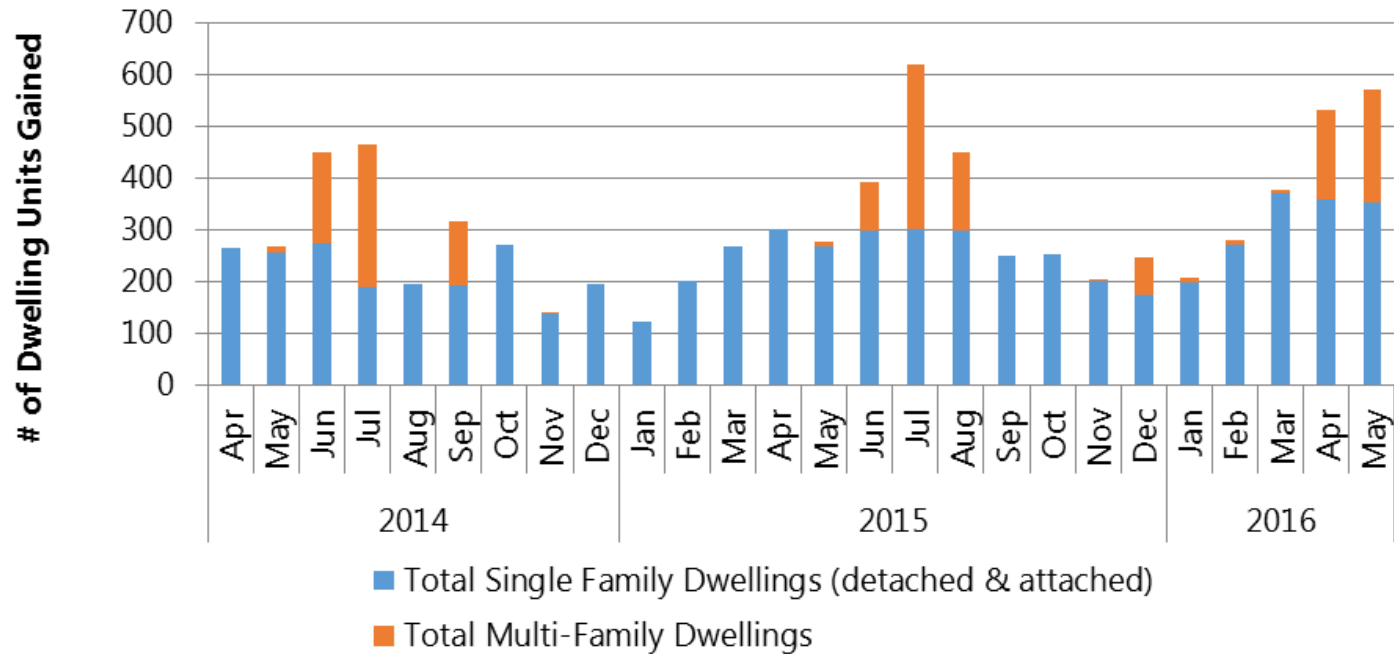
Economic Indicators

Pikes Peak Region Home Sales Single Family/Patio Homes



Economic Indicators

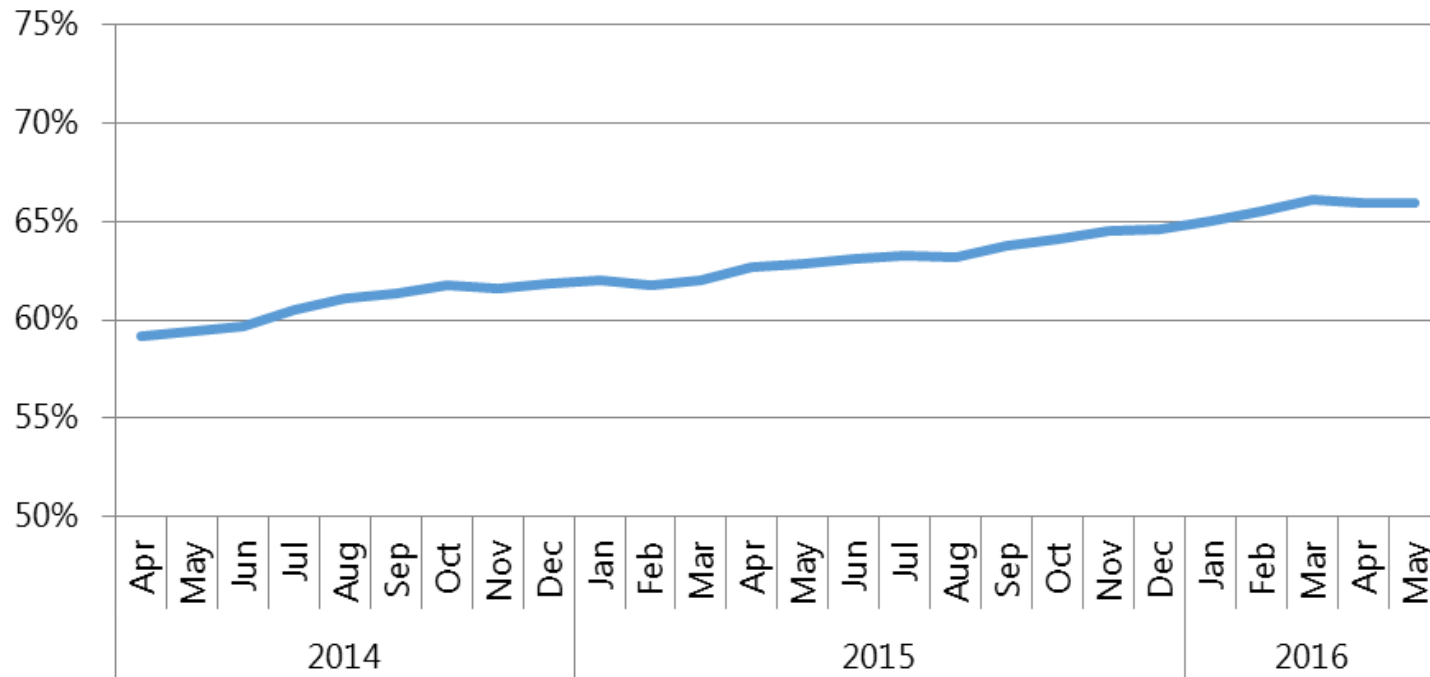
Pikes Peak Region Residential Building Permits



Economic Indicators



Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



Questions?