

2009 Budget Report as of April 30, 2009

Nicola Sapp, Director
Budget and Economic Development
Administration

July 2, 2009



Presentation Overview

As of June 30, 2009:

1. Update of Sales Tax Discrepancies
2. Update of Use Tax Collections

As of April 30, 2009:

1. April 2009 Financial Activity - Unrestricted
(within BoCC Discretion)
3. In Summary



State Collected Sales Tax

Discrepancies Investigated
as of June 30, 2009



State Collected Sales Tax Discrepancies

- 2005-2008 Discrepancy Recap

	2005	2006	2007	2008 Thru Aug	Total
Missing payments	\$0	\$0	\$695,407	\$1,138,822	\$1,834,229
EPC-PPRTA Discrepancies:					
Difference in Collections:					
Minimum	\$994,706	\$521,324	\$533,418	\$202,811	\$2,252,260
Maximum	\$1,231,684	\$727,673	\$743,377	\$220,205	\$2,922,940
Paid PPRTA, not EPC	\$286,816	\$267,756	\$257,823	\$103,791	\$916,185
Other Collection Variances	\$0	\$0	\$2,229,572	\$1,838,410	\$4,067,982

**These totals do not necessarily reflect money owed El Paso County*



State Collected Sales Tax Discrepancies Investigated as of June 30, 2009

	Prior to April 16, 2009	April 16, 2009 - June 30, 2009	
*	\$269,500	\$61,120	Vendor Owes County - Invoices Sent
*	\$0	\$21,200	Paid Under Another Branch (Outside EPC)
*	\$212,000	\$0	Self-Audit Letter
	\$0	\$142,797	Discrepancies Caused by Vendor Fee
	\$155,000	\$57,332	Paid to Another Branch (Internal Transfer)
	\$164,000	\$13,441	Vendor Reporting Error - Valid Discrepancies
	\$190,000	\$92,079	Referred to Field Audit
	\$96,500	\$56,762	PPRTA Use Tax Misreported as Sales Tax
	\$0	\$82,141	RTA Posting Errors (RTA Loss)
	\$1,087,000	\$526,872	TOTAL DISCREPANCIES INVESTIGATED
*	\$481,500	\$82,320	<i>OWED/PAID TO EPC</i>



State Collected Sales Tax Discrepancies as of June 30, 2009

Tracking the Discrepancy Payments:

- Internal State Processes - receipt of invoice payments
- Sales Tax Investigator - tracking individual vendor discrepancies
- County Information Technology - expand analysis software to enable tracking of discrepancies



Use Tax Collected on Building Materials

Collections as of June 30, 2009



Use Tax Collections on Building Materials as of June 30, 2009

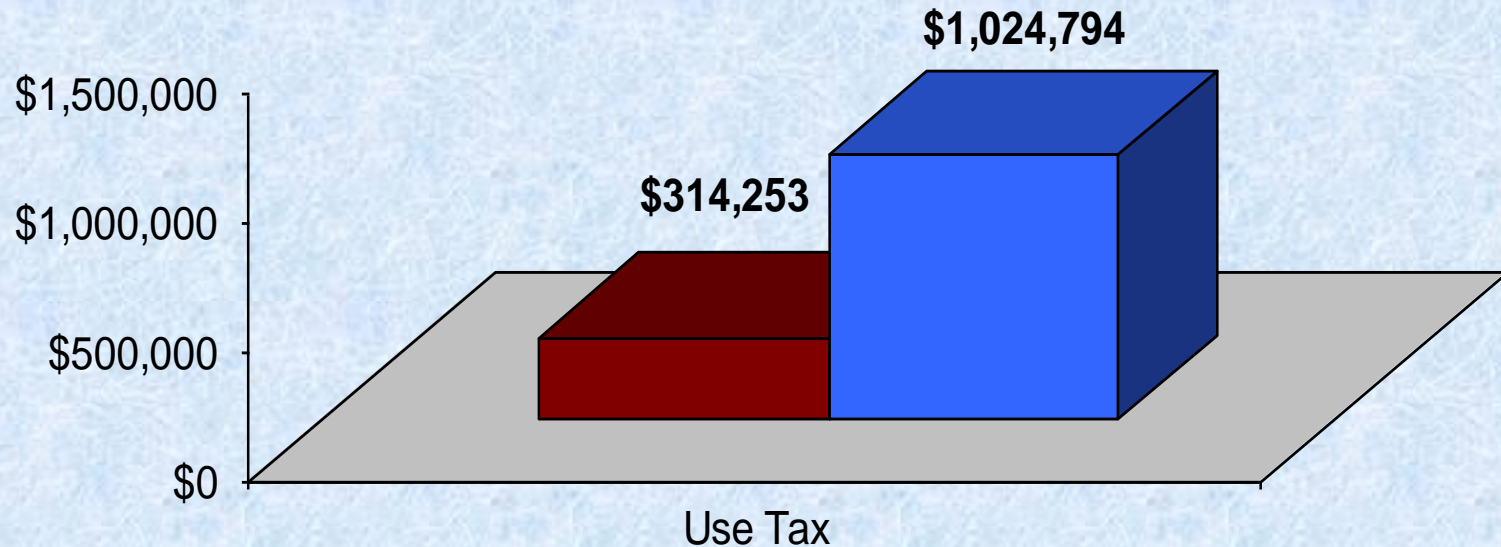
<u>Calculation of Use Tax:</u>	<u>1st Quarter</u>			<u>2nd Quarter</u>			<u>YTD Total</u>
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	
Valuation	\$ 45,203,568	\$ 51,639,568	\$ 51,365,016	\$ 48,178,781	\$ 80,011,637	\$ 231,599,500	\$507,998,070
X 40% (Estimated Material Cost)	\$ 18,081,427	\$ 20,655,827	\$ 20,546,006	\$ 19,271,512	\$ 32,004,655	\$ 92,639,800	\$203,199,228
X 1% (Estimated Use Tax)	\$ 180,814	\$ 206,558	\$ 205,460	\$ 192,715	\$ 320,047	\$ 926,398	\$ 2,031,992
Use Tax Paid (City)	\$ 55,915	\$ 34,219	\$ 41,327	\$ 39,475	\$ 7,727	\$ -	\$ 178,662
Use Tax Paid (County)						\$ 12,659	\$ 12,659
Use Tax Paid (RBD)	\$ -	\$ -	\$ -	\$ 45,025	\$ 143,565	\$ 657,542	\$ 846,132
Total Use Tax Collected	\$ 55,915	\$ 34,219	\$ 41,327	\$ 84,500	\$ 151,291	\$ 657,542	\$ 1,024,794
<i>% of Use Tax Collected</i>	30.92%	16.57%	20.11%	43.85%	47.27%	70.98%	50.43%
Estimated Sales Tax Due	\$ 124,899	\$ 172,340	\$ 164,133	\$ 106,951	\$ 168,591	\$ 268,692	\$ 1,007,034

Does not include Exempt and Non Applicable



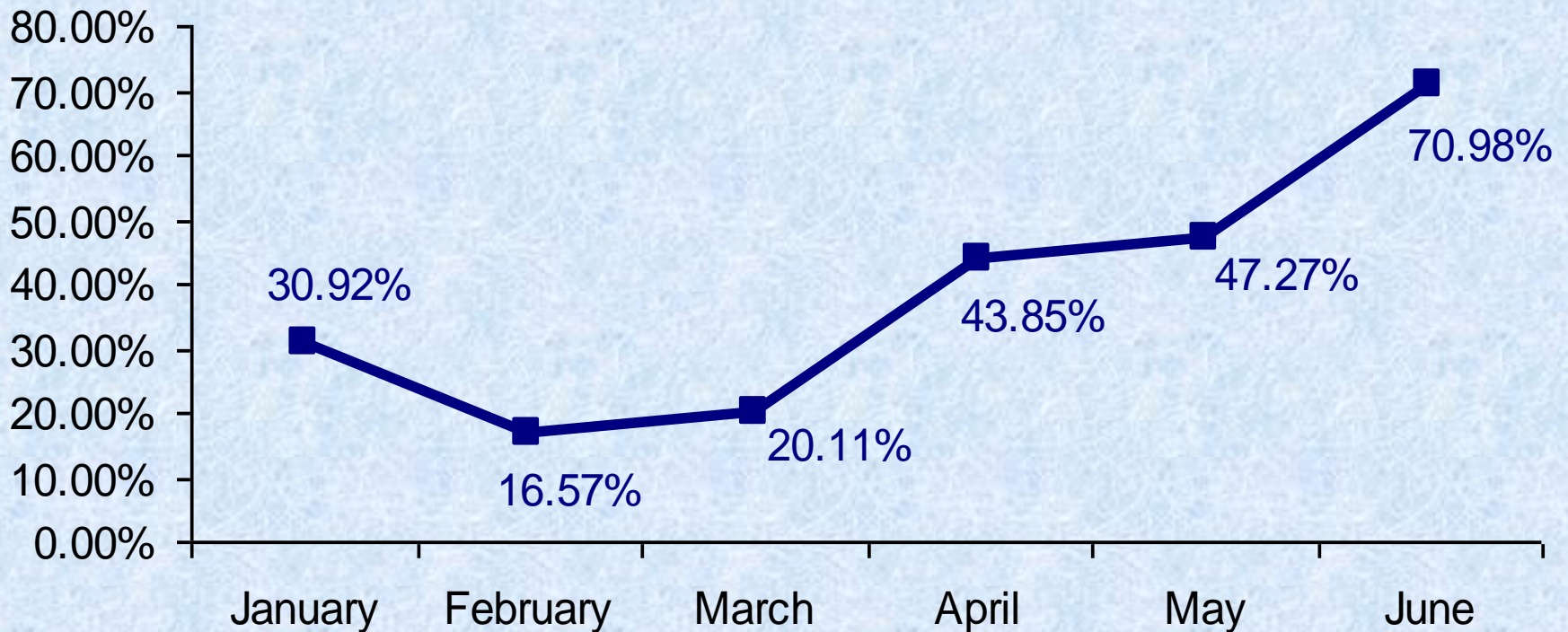
Use Tax Collections on Building Materials as of June 30, 2009

**Use Tax Collected on Building Materials
As of June 30, 2008 compared to June 30, 2009**



Use Tax Collections on Building Materials as of June 30, 2009

Use Tax Collections as a percentage of Total
Sales/Use Tax Due



Use Tax Collections on Building Materials as of June 30, 2009

	April		May		June		
	Affidavit*	Valuation	Affidavit*	Valuation	Affidavit*	Valuation	TOTAL
# of Permits	1,999	1,109	2,418	1,029	2,707	1,063	10,325
% of Permits	75.80%	24.17%	55.41%	44.59%	68.03%	30.84%	
Use Tax Paid	\$ -	\$ 45,025	\$ -	\$ 143,565	\$ 0	\$ 657,542	\$ 846,132
Total Sales/Use Tax	\$ 146,072	\$ 46,643	\$ 177,347	\$ 142,700	\$ 231,178	\$ 695,220	\$ 1,439,160
Sales/Use Tax Due	\$ 146,072	\$ 1,618	\$ 177,347	\$ (865)	\$ 231,178	\$ 37,678	\$ 593,028

** Collected as Sales Tax at time of material purchase*

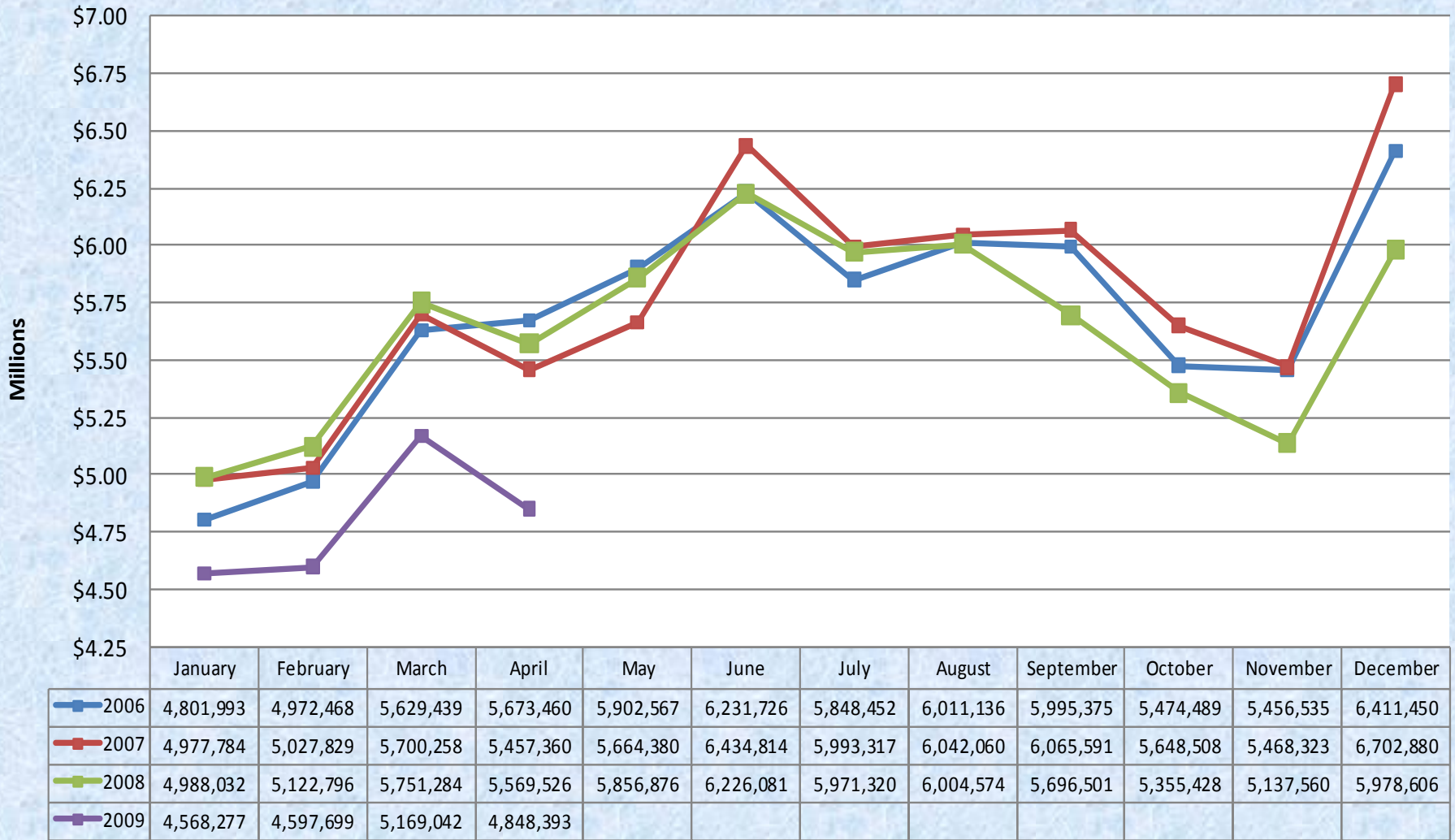
Does not include Exempt and Non Applicable



April 2009 Financial Activity



Historical Monthly Sales & Use Tax Collections



Sales Tax Collected by State of Colorado

As of April 30, 2009

	2006	2007	2008	2009	% Chg '06 to '07	% Chg '07 to '08	% Chg '08 to '09
January	4,449,129	4,669,308	4,638,234	4,325,250	4.95%	(0.67%)	(6.75%)
February	4,694,649	4,780,594	4,851,876	4,393,823	1.83%	1.49%	(9.44%)
March	5,302,268	5,381,750	5,442,697	4,921,391	1.50%	1.13%	(9.58%)
April	5,334,111	5,126,550	5,240,268	4,547,331	(3.89%)	2.22%	(13.22%)
May	5,526,705	5,341,813	5,549,278		(3.35%)	3.88%	
June	5,903,090	6,095,060	5,937,701		3.25%	(2.58%)	
July	5,533,374	5,661,302	5,630,519		2.31%	(0.54%)	
August	5,642,571	5,655,278	5,705,099		0.23%	0.88%	
September	5,677,196	5,761,625	5,429,506		1.49%	(5.76%)	
October	5,146,778	5,292,865	5,075,261		2.84%	(4.11%)	
November	5,197,895	5,197,434	4,917,786		(0.01%)	(5.38%)	
December	6,030,222	6,488,249	5,769,281		7.60%	(11.08%)	
Year Total	64,437,988	65,451,827	64,187,505	18,187,795	1.57%	(1.93%)	(9.84%)



Use Tax on Automobiles Collected by Clerk & Recorder As of April 30, 2009

	2006	2007	2008	2009	% Chg '06 to '07	% Chg '07 to '08	% Chg '08 to '09
January	224,659	244,815	255,310	187,112	8.97%	4.29%	(26.71%)
February	222,963	216,415	236,292	169,657	(2.94%)	9.18%	(28.20%)
March	278,007	286,629	254,175	206,324	3.10%	(11.32%)	(18.83%)
April	270,074	259,063	279,488	216,512	(4.08%)	7.88%	(22.53%)
May	329,732	274,512	268,159		(16.75%)	(2.31%)	
June	288,103	281,338	246,866		(2.35%)	(12.25%)	
July	246,988	271,907	278,361		10.09%	2.37%	
August	318,058	322,707	254,032		1.46%	(21.28%)	
September	267,867	249,456	221,167		(6.87%)	(11.34%)	
October	262,720	275,186	217,338		4.74%	(21.02%)	
November	226,156	218,546	167,163		(3.37%)	(23.51%)	
December	193,175	176,519	170,225		(8.62%)	(3.57%)	
Year Total	3,128,503	3,077,092	2,848,576	779,605	(1.64%)	(7.43%)	(23.96%)



Use Tax on Construction Materials

Collected by City of Colorado Springs & RBD

As of April 30, 2009

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>% Chg '06 to '07</u>	<u>% Chg '07 to '08</u>	<u>% Chg '08 to '09</u>
January	128,204	63,661	94,488	55,915	(50.34%)	48.43%	(40.82%)
February	54,857	30,820	34,628	34,219	(43.82%)	12.36%	(1.18%)
March	49,164	31,880	54,412	41,327	(35.16%)	70.68%	(24.05%)
April	69,275	71,747	49,770	84,550	3.57%	(30.63%)	69.88%
May	46,130	48,055	39,439		4.17%	(17.93%)	
June	40,532	58,416	41,514		44.12%	(28.93%)	
July	68,090	60,108	62,439		(11.72%)	3.88%	
August	50,507	64,075	45,443		26.86%	(29.08%)	
September	50,312	54,510	45,828		8.34%	(15.93%)	
October	64,991	80,458	62,829		23.80%	(21.91%)	
November	32,483	52,344	52,612		61.14%	0.51%	
December	188,053	38,112	39,100		(79.73%)	2.59%	
Year Total	842,597	654,185	622,505	216,011	(22.36%)	(4.84%)	(7.41%)



TOTAL Sales & Use Tax Collected As of April 30, 2009

	2006	2007	2008	2009	% Chg '06 to '07	% Chg '07 to '08	% Chg '08 to '09	Cumulative % Chg '08 to '09
January	4,801,993	4,977,784	4,988,032	4,568,277	3.66%	0.21%	(8.42%)	(8.42%)
February	4,972,468	5,027,829	5,122,796	4,597,699	1.11%	1.89%	(10.25%)	(9.34%)
March	5,629,439	5,700,258	5,751,284	5,169,042	1.26%	0.90%	(10.12%)	(9.63%)
April	5,673,460	5,457,360	5,569,526	4,848,393	(3.81%)	2.06%	(12.95%)	(10.49%)
May	5,902,567	5,664,380	5,856,876		(4.04%)	3.40%		
June	6,231,726	6,434,814	6,226,081		3.26%	(3.24%)		
July	5,848,452	5,993,317	5,971,320		2.48%	(0.37%)		
August	6,011,136	6,042,060	6,004,574		0.51%	(0.62%)		
September	5,995,375	6,065,591	5,696,501		1.17%	(6.08%)		
October	5,474,489	5,648,508	5,355,428		3.18%	(5.19%)		
November	5,456,535	5,468,323	5,137,560		0.22%	(6.05%)		
December	6,411,450	6,702,880	5,978,606		4.55%	(10.81%)		
Year Total	68,409,089	69,183,104	67,658,586	19,183,411	1.13%	(2.20%)	(10.49%)	(10.49%)



2009 Sales & Use Tax Collection

Budget to Actual Comparison

	Historical		2009 Budget	2009 Actual	\$ Chg Budget to Actual	% Chg Budget to Actual
	2 Year Average	Percentage				
January	4,982,908	7.28%	4,914,014	4,568,277	(345,737)	(7.04%)
February	5,075,312	7.42%	5,005,140	4,597,699	(407,441)	(8.14%)
March	5,725,771	8.37%	5,646,606	5,169,042	(477,564)	(8.46%)
April	5,513,443	8.06%	5,437,214	4,848,393	(588,820)	(10.83%)
May	5,760,628	8.42%	5,680,981			
June	6,330,448	9.25%	6,242,922			
July	5,982,318	8.74%	5,899,606			
August	6,023,317	8.80%	5,940,038			
September	5,881,046	8.60%	5,799,734			
October	5,501,968	8.04%	5,425,897			
November	5,302,942	7.75%	5,229,623			
December	6,340,743	9.27%	6,253,075			
	68,420,845	100%	67,474,850	19,183,411	(1,819,563)	(8.66%)



As of April 2009 - Road & Bridge

Revenues:

	As of April 30, 2009			2009
	Budget	Actual	Variance	Budget
Sales Tax	806,976	806,976	0	2,420,923
Property Tax	671,209	714,079	42,870	1,088,741
Highway User Tax	3,285,617	3,591,366	305,749	9,128,931
Specific Ownership Tax	1,954,493	1,727,997	(226,496)	5,797,962
Federal Grant Projects*	0	0	0	4,393,445
Fees & Charges for Services	241,548	230,356	(11,192)	934,000
South Academy Boulevard	960,557	960,672	115	960,557
Other Revenue	19,688	1,708	(17,980)	128,059
Direct Bills	196,763	155,424	(41,339)	550,000
Sale of Fixed Assets	6,628	350	(6,278)	100,000
Total Revenues	8,143,479	8,188,928	45,449	25,502,618

Expenditures:

Personnel	3,893,108	3,742,375	150,733	11,679,325
Operating	3,047,419	1,627,956	1,419,463	9,848,924
Federal Projects Operating*	1,773,040	960,429	812,611	5,319,117
Capital	0	0	0	435,250
Transfer to General Fund	3,000,000	3,000,000	0	3,000,000
Total Expenditures	11,713,567	9,330,760	2,382,807	30,282,616

Net Impact to Fund Balance

	(3,570,088)	(1,141,832)	2,428,256	(4,779,998)
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** Federal Projects are seasonal

Beginning Fund Balance	8,126,083
Less: Cash Flow	(1,816,243)
Less: Restricted Funds	(962,766)
Budgeted Change in Fund Balance	(4,779,998)
Estimated Available Fund Balance	567,076



As of April 2009 – Human Services

Revenues:

Sales Tax*	
Federal & State Revenue**	
Senior Center	
Donations/Miscellaneous	
Total Revenues	

Expenditures:

Personnel	
Operating	
Capital	
Transfer to Retirement	
Total Expenditures	

Net Impact to Fund Balance

* Per resolution distribution amount

** Based on two year historical revenue

As of April 30, 2009		
Budget	Actual	Variance
3,056,092	3,056,092	0
5,334,249	6,186,794	852,545
66,668	66,668	0
131	131	0
8,457,140	9,309,685	852,545
5,272,341	5,576,110	(303,769)
4,194,736	5,888,169	(1,693,433)
0	0	0
261,920	274,395	(12,475)
9,728,997	11,738,674	(2,009,677)
(1,271,857)	(2,428,989)	(1,157,133)
Beginning Fund Balance		
Less: Cash Flow		
Budgeted Change in Fund Balance		
Estimated Available Fund Balance		

2009
Budget
9,168,276
32,037,533
200,000
10,500
41,416,309
17,650,958
22,934,587
45,000
785,764
41,416,309
0
139,709
0
0
139,709



As of April 2009 – Self Insurance

Revenues:

	As of April 30, 2009			2009
	Budget	Actual	Variance	Budget
Sales Tax*	5,626,051	5,626,051	0	16,878,153
Employer Contribution**	2,761,356	2,473,763	(287,593)	8,284,067
Employee Contribution	1,960,086	2,001,040	40,954	5,880,258
Fees & Charges for Services	37,452	11,358	(26,094)	112,356
Total Revenues	10,384,945	10,112,213	(272,732)	31,154,834

Expenditures:

Risk & Worker's Compensation	2,143,487	1,022,658	1,120,829	3,814,854
Health Insurance	5,746,388	2,794,530	2,951,858	21,551,790
Dental Insurance	321,163	484,428	(163,265)	1,137,245
Flex Spending	538,768	234,028	304,740	1,399,763
Short Term Disability	52,158	49,854	2,304	167,916
Unempl., Long Term Disab., Life	146,422	135,095	11,327	777,243
Total Expenditures	8,948,386	4,720,594	4,227,792	28,848,811

Net Impact to Fund Balance

	1,436,559	5,391,619	3,955,060	2,306,023
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* Per resolution distribution amount

** Based on two year historical revenue

Beginning Fund Balance 1/1/09	6,874,863
2009 Budgeted Change in Fund Balance	2,306,023
Less: Health Trust Reserve	(4,000,000)
Less: Worker's Comp/Building Insurance Reserve	(1,000,000)
Less: Increased Benefits to Employees in 2009	(1,874,863)
2009 Estimated Available Fund Balance	2,306,023



As of April 2009 - Community Investment

Revenues:

Property Tax*	
Internal Direct Bill (Work Release)	
Misc. Other Governmental	
Total Revenues	

Expenditures:

Principal	
Interest and Other costs	
Tax Collection Expenses/Fees	
Total Expenditures	

Net Impact to Fund Balance

* Based on three year historical revenue
 ** Payments made in May and November

As of April 30, 2009		
Budget	Actual	Variance
4,999,149	4,999,091	(58)
383,333	383,333	0
46,413	46,413	0
5,428,895	5,428,837	(58)
0	0	0
0	0	0
81,305	77,510	3,795
81,305	77,510	3,795
5,347,590	5,351,327	3,737

2009
Budget
8,108,919
1,150,000
139,238
9,398,157
3,787,940
4,768,695
131,881
8,688,516
709,641

Beginning Fund Balance	483,123
Less: Cash Flow	0
Budgeted Change in Fund Balance	709,641
Estimated Available Fund Balance	1,192,764



As of April 2009 - Retirement

Revenues:

Property Tax	
Internal Direct Bills	
Total Revenues	

Expenditures:

Personnel	
Tax Collection Expenses/Fees	
Total Expenditures	

Net Impact to Fund Balance

As of April 30, 2009		
Budget	Actual	Variance
2,337,731	2,337,329	(402)
680,664	611,077	(69,587)
3,018,395	2,948,406	(69,989)
1,927,448	1,763,134	164,314
36,559	35,125	1,434
1,964,007	1,798,259	165,748
1,054,388	1,150,147	95,759
	Beginning Fund Balance	
	Less: Cash Flow	
	Budgeted Change in Fund Balance	
	Estimated Available Fund Balance	

2009
Budget
3,791,940
2,041,992
5,833,932
5,782,348
59,297
5,841,645
(7,713)
699,701
(584,165)
(7,713)
107,823



As of April 2009 – General Fund (Unrestricted)

Revenues:

	As of April 30, 2009			2009
	Budget	Actual	Variance	Budget
Property Tax	18,749,590	18,749,653	63	30,411,361
Sales and Use Tax	11,513,854	9,694,291	(1,819,563)	39,007,498
Other Taxes	12,687	18,823	6,136	167,000
Intergovernmental	532,148	594,205	62,057	1,591,410
Fees & Charges for Services	43,440	66,110	22,670	153,200
Traffic Fines	149,150	385,485	236,335	500,000
Assessor Fees	36,451	29,676	(6,775)	69,000
Clerk & Recorder Fees	2,544,072	2,545,371	1,299	7,845,000
Coroner Fees	32,696	66,750	34,054	360,000
Sheriff Fees	335,270	432,157	96,887	1,699,225
Treasurer Fees	1,443,138	1,723,089	279,951	2,685,000
Public Trustee Fees	28,749	23,384	(5,365)	321,723
Park & Recreation Fees	94,899	123,165	28,266	426,000
Parking Fees	66,260	76,476	10,216	206,500
Interest on Investments	216,667	110,514	(106,153)	650,000
Rent Collections	15,887	27,817	11,930	101,919
Internal Direct Bills*	189,492	214,103	24,611	1,940,065
Miscellaneous Revenue	13,382	8,174	(5,208)	404,750
Total Revenues	36,017,832	34,889,243	(1,128,589)	88,539,651



As of April 2009 – General Fund (Unrestricted)

	As of April 30, 2009			2009
	Budget	Actual	Variance	Budget
Total Revenues	36,017,832	34,889,243	(1,128,589)	88,539,651
Expenditures:				
Personnel	22,133,729	22,513,592	(379,863)	67,008,288
Other Operating	8,854,399	7,605,181	1,249,218	23,639,970
Capital	596,392	87,561	508,831	2,237,784
Transfer to DHS	0	0	0	140,000
Transfer to Retirement	9,176	9,176	0	58,808
Total Expenditures	31,593,696	30,215,510	1,378,186	93,084,850
Net Impact to Fund Balance	4,424,135	4,673,733	249,598	(4,545,199)
				Beginning Fund Balance 17,542,029
				Plus: Transfer of Road & Bridge 3,000,000
				Budgeted Change in Fund Balance (4,545,199)
				Less: Cash Flow Reserve (10,437,896)
				Less: TABOR Reserve (5,058,934)
				Estimated BoCC Reserve on 04/30/2009 500,000



What does it mean?

Revenue Shortfall

(thru April 30,2009)

(\$ 1,128,589)

Projected Revenue Shortfall

for 2009

(\$3,385,767)



What does it mean?

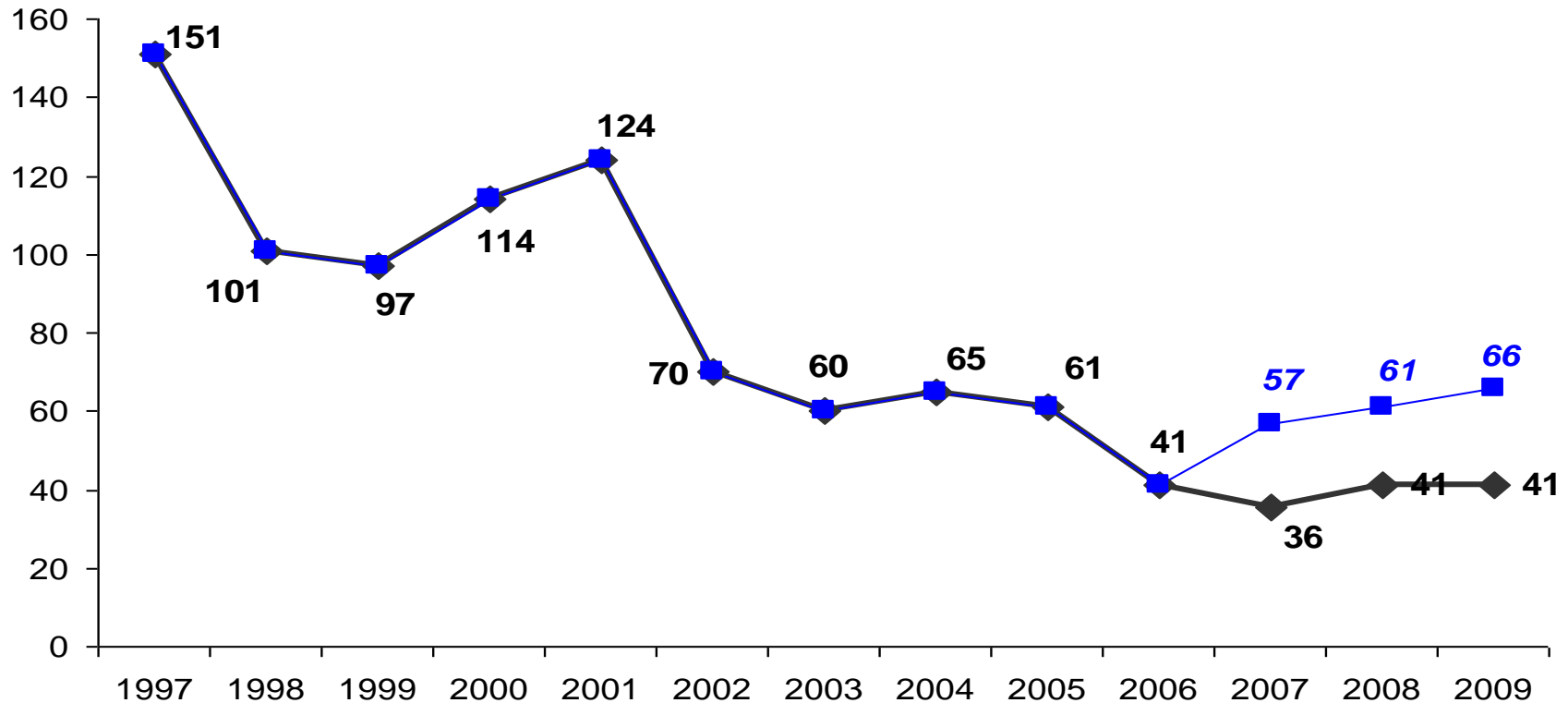
Items Offsetting Shortfall:

1. Additional Use Tax Collections
 - Not Budgeted (\$360,000 -\$750,000)
2. Current Underspending
 - Net Impact is \$249,598
3. Base Budget Reductions for 2008
 - Increasing the funds available



Items Offsetting Shortfall

General Fund Historical Days of Available Cash Flow



Black Line represents Historical Days of Cash Flow

Blue Line represents Historical Days of Cash Flow with restricted funds not obligated & 2008 Base Budget Reductions



In Summary

- In 2009, we are “barely surviving”
- Based on 2009 to date
 - “weather the storm” for the remainder of the year
- 2010 will require extensive planning and coordination



Questions?

