



# City Council Finance Committee

## Meeting Agenda

Friday, August 16, 2019  
City Hall – Spruce Room  
749 Main Street  
9:30 a.m.

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of the Minutes from the July 19, 2019 Meeting (page 2)
- V. Public Comments on Items Not on the Agenda
- VI. Dashboards – Recreation Center and Utilities (page 8)
- VII. Recreation Center Fees (page 15)
- VIII. Department Responses to Internal Controls Examination Report (page 23)
- IX. Sales Tax Report for the Quarter Ended June 30, 2019 (page 50)
- X. Revenue Projection Dashboard (page 65)
- XI. Financial Policies (page 68)
- XII. Staff Reports/Updates/Discussions
  - Work Plan (page 101)
  - Renewal & Replacement Worksheets (page 104)
- XIII. Possible Discussion Items for Next Regular Meeting
  - Preliminary Assessed Valuation
  - Business Assistance Program Discussion
  - Capital Projects Tracking – Budget vs. Final Costs
  - 2020 Budget Review
- XIV. Adjourn

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**City of Louisville, Colorado**

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# City Council Finance Committee

## Meeting Minutes

Monday, July 19, 2019  
City Hall, Spruce Room  
749 Main Street

### CALL TO ORDER

The meeting was called to order at 9:30 a.m.

### ROLL CALL

The following were present:

City Council: Mayor Muckle, Council Member Maloney and Council Member Lipton

Staff/Others Present: Heather Balsler, City Manager, Megan Davis, Deputy City Manager, Kevin Watson, Finance Director, Chris Neves, IT Director, Kurt Kowar, Public Works Director, David Baril, Head Golf Professional, Emily Hogan, Assistant City Manager for Communications & Special Projects, Cara Golden, Accounting Manager, Penney Bolte, Tax Manager, and Nat Ahrens, IT Business Data Analyst

Absent: None

### APPROVAL OF THE AGENDA

Finance Committee Chairperson Maloney requested item IX Revenue Projection Dashboard be moved to item VII, and also that the Recreation and Utility Dashboards be postponed to the August Finance Committee Meeting. Finance Committee Members approved the agenda as amended.

### APPROVAL OF THE MINUTES FROM THE JUNE 7, 2019 MEETING

Finance Committee Members approved the June 7, 2019 minutes as presented.

**PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

None.

**2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND AUDITOR COMMUNICATIONS**

Ms. Kim Higgins, Partner with Eide Bailly LLP, presented the Independent Auditor's Report regarding the audit of the City of Louisville's financial statements for the year ended December 31, 2018. Ms. Higgins stated that report includes an unmodified ("clean") audit opinion of the Financial Statements, Business-type Activities, Major Funds, and Aggregate Remaining Fund Information. Ms. Higgins stated that this is the best opinion a municipality can obtain and complimented City staff for their work on the Comprehensive Annual Financial Report (CAFR).

Ms. Higgins reviewed with Finance Committee Members the Statement of Net Position, Statement of Activities, Governmental Funds Balance Sheet, Governmental Funds Statement of Revenues, Expenditures, Changes in Fund Balances, and Notes to the Financial Statements regarding long-term debt. Ms. Higgins state the net position of the City is very positive. Ms. Carrie Endres of Eide Bailly LLP, presented its Letter of Governance to the Finance Committee Members and stated that the audit process was very smooth with only three minor misstatements identified in the audit.

Finance Committee Chairperson Maloney thanked Ms. Higgins and Ms. Endres for their presentation of the 2018 CAFR, and for reaffirming the great work done by the City's Finance Department.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

**2019 PERFORMANCE MEASURES REFINEMENT REQUEST FOR PROPOSALS**

Ms. Emily Hogan presented to the Finance Committee a draft of the proposed RFP to be issued to secure a consultant to assist the City in refining its performance measures prior to the 2021/2022 budget process. Ms. Hogan stated that staff will be requesting an additional \$20,000 be added to the 2020 budget, and if approved by the Finance Committee, the RFP will be placed on the October City Council consent agenda and issued in November.

Chairperson Maloney complimented Ms. Hogan on the excellent staff report and stated he was glad to see the City taking the performance measures and KPI's seriously by seeking outside assistance. Finance Committee Member Lipton and Mayor Muckle stated the scope of the RFP looked good.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

### **GOLF COURSE DASHBOARD**

Golf Course Professional David Baril presented the Q2 Golf Course Dashboard to the Finance Committee. Mr. Baril stated that his new administrative assistant has reformatted and improved the previously provided dashboard and that he is seeking feedback from the Committee. Mr. Baril stated there are still a few issues being worked on such as cost per round and a formula to allocate annual pass revenue to the correct year. Mr. Baril also stated that the insurance recovery amount has been removed from revenue but remains in expenses, which he hopes to have adjusted for future reports.

Chairperson Maloney stated that he likes the new format but agrees that the budget revenue doesn't match the annualized annual pass revenue. Mayor Muckle stated that actuals are still below budget, but that he also likes the new format. Mr. Baril stated that they are using a new mobile app, which provides a free weekday round when downloaded. So far, 560 rounds have been given away.

Finance Committee Member Lipton stated that the number of rounds is heading towards the budgeted amount, that the lower yield is impacted by the round discounts, and that once the insurance recovery amounts can be removed from expenses, those numbers will be closer. Member Lipton stated he also liked the new dashboard format with some number tweaking still left to be done.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

### **REVENUE PROJECTION DASHBOARD – PROJECTIONS DATED JULY 9, 2019**

Finance Director Kevin Watson presented to the Finance Committee the revenue projection dashboards, noting that they are unchanged from those presented at the July 16, 2019 Council Budget Retreat.

Mayor Muckle stated that while he is concerned with some of the long-term trends, he feels the City's current position is more positive than dire, and is looking forward to seeing the Q2 sales tax reports. Member Lipton stated that the City needs to temper its expectations with the slowed growth. Chairperson Maloney questioned

the decline in Recreation Center swim lesson projections and the increase in construction permit projections but decrease for water tap fees. Chairperson Maloney asked the reason for lower projections for property taxes. Director Watson stated this is due to the Library Bonds being retired and the associated reduction in the mil levy.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

### **CAPITAL IMPROVEMENT PROGRAM REPORT FOR THE QUARTER ENDED JUNE 30, 2019**

Accounting Manager Cara Golden presented the quarterly report to the Finance Committee.

Finance Committee Members discussed the report format and information provided. Chairperson Maloney stated that he wants the report to be actionable. Mayor Muckle agreed stating that there needs to be an indication as to whether work isn't being completed because of budget, capacity, or for other reasons.

Member Lipton stated that KPI's need to be established related to the City's construction work, and perhaps the consultant hired will have suggestions. Member Lipton also suggested adding a percent complete column. Public Works Director Kurt Kowar suggested using 0%, 25%, 50%, 75%, and 100% to make it manageable for Directors.

Finance Committee Member Lipton stated that he is interested in seeing the variances from budget to the actual project completion costs. Mayor Muckle stated that it seems premature to be reviewing the information as there are many months left for projects to be completed. He suggested revisiting the report in September or October.

Finance Committee Members agreed that the "estimate" column of the report, which information is provided by Managers and Directors, needs to be refined.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

### **FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2019**

Finance Director Kevin Watson presented the financial statements to the Finance Committee. Director Watson stated that the 2018 Actual column now reflects the audited actuals and the June 4 budget amendment approved by City Council.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

### **CASH & INVESTMENTS REPORT FOR THE QUARTER ENDED JUNE 30, 2019**

Finance Director Kevin Watson presented the reports to the Finance Committee.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

### **STAFF REPORTS/UPDATES/DISCUSSIONS**

#### Residential Assessment Rate (Gallagher Amendment)

Finance Director Kevin Watson presented to the Finance Committee the latest residential assessment rate calculations issued by the Division of Property Taxation and the Department of Local Affairs (DOLA) for 2019-2020.

Director Watson stated that the rate will decrease from 7.20%, the 2018 rate for the 2019 collection year, to 7.15%. Director Watson provided the Finance Committee a comparison for a home with an actual value of \$500,000, stating the property tax due to Louisville at the 7.20% rate is \$286 and at the new rate will be \$284. Director Watson stated the revenue impact is minor and will account for an approximate \$15-\$20K reduction in property tax revenue for the 2020 collection year.

Finance Committee Members and staff discussed the timing to receive the updated valuations from Boulder County. Director Watson stated that the actual assessment valuations are generally received by November each year. The Finance Committee requested a further discussion of the Gallagher Amendment, property tax revenue, and mil levy at the September 13 Finance Committee Meeting.

The reports and corresponding narrative can be located in the packet of the July 19, 2019 Finance Committee Meeting.

### **DISCUSSION ITEMS FOR THE NEXT REGULAR MEETING**

The next regular Finance Committee Meeting is scheduled for Friday, August 16, 2019 at 9:30 a.m.

Items scheduled for discussion at the next meeting include:

- Sales Tax Report for 2<sup>nd</sup> Quarter Ended June 30, 2019
- Responses from Departments on Internal Controls Report

- Recreation and Utility Dashboards
- Revenue Projection Dashboard

**ADJOURN**

The meeting was adjourned at 11:05 a.m.

**SUBJECT: DASHBOARDS**

**DATE: AUGUST 16, 2019**

**PRESENTED BY: VARIOUS**

**SUMMARY:**

Attached are department dashboards for the Recreation Center and Utilities.

January 1, 2019

To

June 30, 2019

Daily Admissions

Vistor Type (groups)	Non-Resident				Resident				Total			
	2019	2017	Change	%	2019	2017	Change	%	2019	2017	Change	%
Annual	18,939	9,490	9,449	99.57%	61,952	35,466	26,486	74.68%	80,891	44,956	35,935	79.93%
Daily Pass	3,447	701	2,746	391.73%	10,456	7,928	2,528	31.89%	13,903	8,629	5,274	61.12%
Monthly	13,334	7,033	6,301	89.59%	49,439	29,061	20,378	70.12%	62,773	36,094	26,679	73.92%
Punch Pass	4,713	2,036	2,677	131.48%	22,729	13,553	9,176	67.70%	27,442	15,589	11,853	76.03%
<b>Total</b>	<b>40,433</b>	<b>19,260</b>	<b>21,173</b>	<b>109.93%</b>	<b>144,576</b>	<b>86,008</b>	<b>58,568</b>	<b>68.10%</b>	<b>185,009</b>	<b>105,268</b>	<b>79,741</b>	<b>75.75%</b>

Resident	<b>86,010</b>	Silver Sneakers	<b>18,638</b>
Non-Resident	19,262	Top 2 Pass Types:	Monthly Adult <b>11,237</b>

Sub Program Revenue

Sub Program	2019	2017	17/19 Variance	CY Budget
Adult Activities	\$119,588	\$99,270	20%	\$275,310
Aquatics	\$65,559	\$100,067	-34%	\$219,940
Senior Activites & Services	\$44,169	\$91,616	-52%	\$173,750
Youth Activities	\$297,501	\$276,505	8%	\$539,460
Athletic Field Maint				
Memory Square Pool Maint				
RecCenter Bldg Maint				
Recreation Center Mgmt				
<b>Total</b>	<b>\$526,817</b>	<b>\$567,458</b>	<b>-7%</b>	<b>\$1,208,460</b>

Sub Program Expenditures

2019	2017	17/19 Variance	CY Budget
(\$180,425)	(\$104,853)	72%	(\$445,920)
(\$488,564)	(\$304,902)	60%	(\$965,890)
(\$280,674)	(\$238,126)	18%	(\$639,220)
(\$319,728)	(\$288,224)	11%	(\$703,310)
(\$79,696)	(\$64,827)	23%	(\$175,910)
(\$12,614)	(\$9,936)	27%	(\$54,660)
(\$356,853)	(\$162,572)	120%	(\$769,940)
(\$324,360)	(\$213,799)	52%	(\$582,450)
<b>(\$2,042,913)</b>	<b>(\$1,387,239)</b>	<b>47%</b>	<b>(\$4,337,300)</b>

Membership Revenue

Sub Program	2019	2017	17/19 Variance	CY Budget
Rec Memberships	\$880,026	\$429,729	105%	\$1,137,430
Rec Other Revenue	\$57,237	\$46,912	22%	\$93,320
<b>Total</b>	<b>\$937,263</b>	<b>\$476,641</b>	<b>97%</b>	<b>\$1,230,750</b>

SUBTOTALS

\$1,464,080	Program Revenue
(\$2,042,913)	Program Expense
<b>(\$578,833)</b>	Program Surplus/Deficit

- 2 Mac Gym is grouped in Youth Activities
- 3 Senior Activity Variance decreased due to Silver Sneaker move to Membership for 2019.
- 4 Central Wide Charges - Insurance included with Recreation Center Mgmt.
- 5 Program revenue for Aquatics was down because revenue was realized in Dec 2018 for 2019. Revenue for 2020 will be realized in Dec 2019.
- 6 'Rec Other Revenue' includes Rentals, Child Care Fees, Concession Fees, In & Out, Merchandizing, and Unclassified Revenue

Other Operating Revenue

Source	2019	CY Budget
Interest Earnings	\$2,707	
Sales Tax	\$310,196	\$643,310
Use Tax	\$126,241	\$230,440
<b>Total</b>	<b>\$439,143</b>	<b>\$873,750</b>

\$439,143	Other Operating Revenue
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FOR INTERNAL AUDITING PURPOSES:

Expenditures - Adult Activities: 208723,208727; Aquatics: 208722,208725; Athletic Field Maint: 208754; Memory Square Pool Maint: 208754; RecCenter Bldg Maint: 208721; Senior Activities & Services: 208728,208731; Youth Activities: 208724,208726,208732

(\$139,689)	Net Operating Surplus/Deficit
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**SUBTOTALS (CONT'D FROM PG.1)**

(\$139,689)  
Net Operating Surplus/Deficit

(\$121,943)  
Other Operating Expenditures

(\$261,633)  
Net Operating Surplus/Deficit + Other Exp.

\$62,500  
CIF Transfer

\$554,830  
GF Transfer\*\*\*

\$355,697  
Net Change to Fund Balance

**Other Operating Expenditures**

Source	2019 YTD	CY Budget
Capital	(\$121,943)	(\$480,760)
<b>Total</b>	<b>(\$121,943)</b>	<b>(\$480,760)</b>

**Transfers In**

Source	2019 YTD	CY Budget***
Tfer from Capital Projs Fund	\$62,500	\$125,000
Xfer from General Fund	\$867,680	\$1,109,660
<b>Total</b>	<b>\$930,180</b>	<b>\$1,234,660</b>

\*\*\* Initial seed amount of \$625,700 has been subtracted from Xfer from General Fund.

**Budget vs Historical Averages**

	% CY Budget**	Historically*
Revenue	60%	63%
Expenses	45%	51%

\* Avg % of Revenue or Expenses that the Rec Center historically spends during this reporting timeframe. Based on data from 2016-2019. \*\* Budgeted admendments included

\$663,900  
Minimum Ending Fund Balance for 2019

\$811,200  
Targeted Ending Fund Balance for 2019 (includes R&R Reserve)



January 1, 2019 To June 30, 2019

NOT A FINANCIAL STATEMENT. A SNAPSHOT OF KEY INDICATORS.

Revenue

Source	Balance	Budget	% Budget
Commercial Users Fee	\$488,734	\$2,394,000	20%
Residential User Fee	\$1,016,978	\$3,306,000	31%
Tap Fees	\$1,952,503	\$3,282,870	59%
<b>Total</b>	<b>\$3,458,214</b>	<b>\$8,982,870</b>	<b>38%</b>

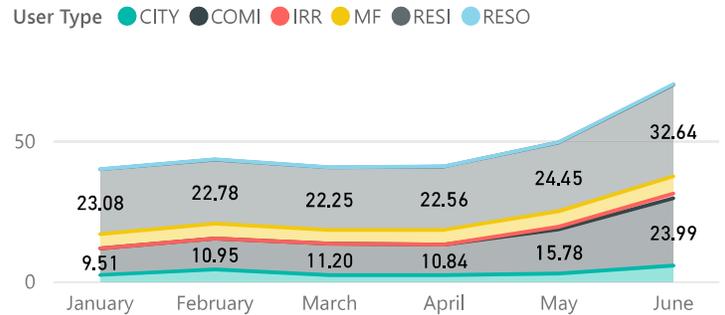
Net Production (MG)

Treatment Plant	January	February	March	April	May	June	Total
HBWTP Net Production	36.55	31.54	16.26	-0.18	0.19	40.98	125.33
SCWTP Net Production	14.13	7.12	26.41	45.93	63.92	72.76	230.25
<b>Total</b>	<b>50.68</b>	<b>38.65</b>	<b>42.66</b>	<b>45.75</b>	<b>64.10</b>	<b>113.74</b>	<b>355.59</b>

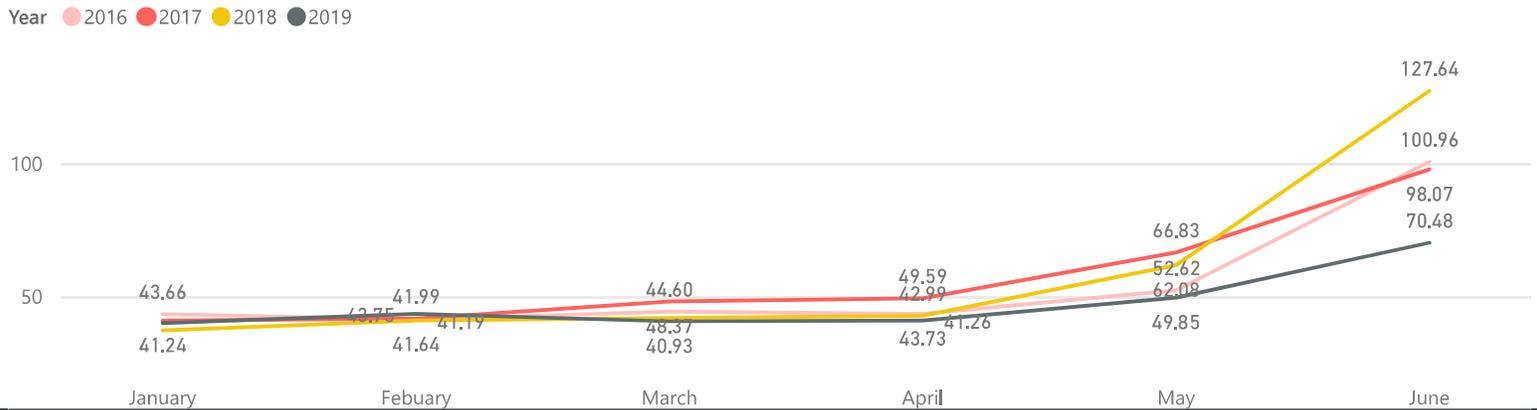
Operating Expenses

Source	Balance	Budget	% Complete
Central Fund-Wide Charges	\$257,175	\$520,330	49%
Raw Water Operations	\$298,680	\$965,790	31%
Utility Billing	\$52,947	\$150,300	35%
Water Distribution	\$216,893	\$604,630	36%
Water Plant Operations	\$504,159	\$1,603,370	31%
Water Utility Engineering	\$35,589	\$74,260	48%
WTP Building Maintenance	\$86,209	\$306,620	28%
<b>Total</b>	<b>\$1,451,653</b>	<b>\$4,225,300</b>	<b>34%</b>

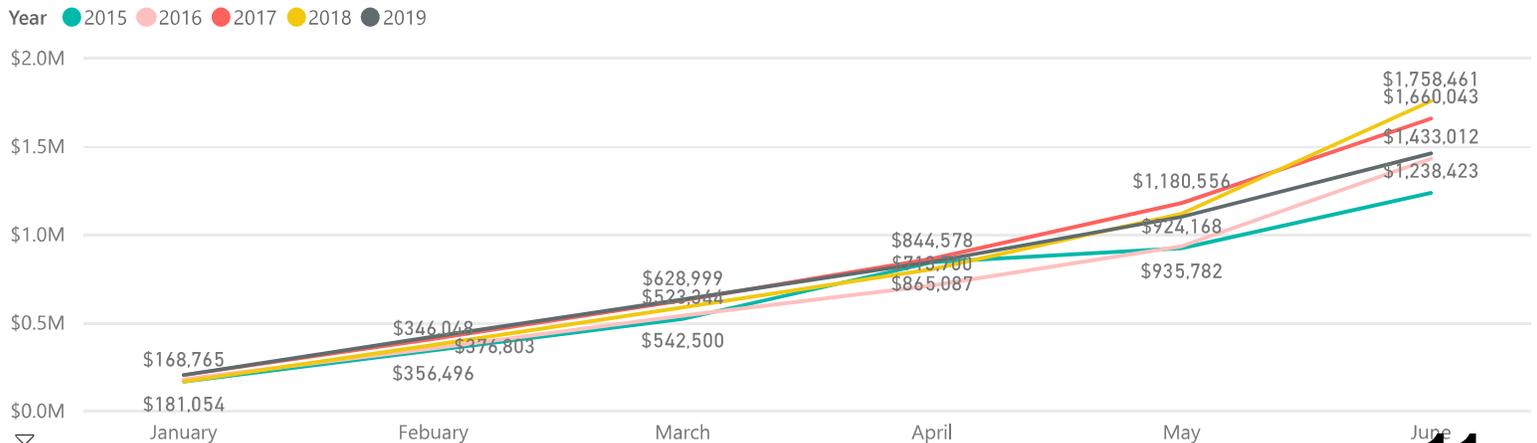
Billed Consumption by User Type (MG)



Billed Consumption (MG)



Cumulative Revenue Year over Year



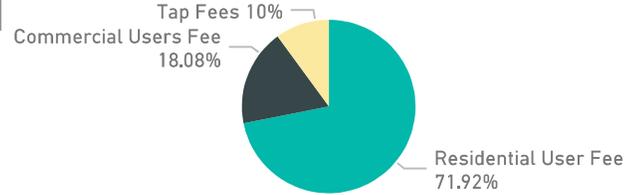


January 1, 2019 To June 30, 2019

NOT A FINANCIAL STATEMENT. A SNAPSHOT OF KEY INDICATORS.

Revenue

Source	Balance	Budget	% Budget
Commercial Users Fee	\$326,361	\$932,580	35%
Residential User Fee	\$1,298,002	\$2,521,420	51%
Tap Fees	\$180,400	\$469,800	38%
<b>Total</b>	<b>\$1,804,762</b>	<b>\$3,923,800</b>	<b>46%</b>



Operating Expenses

Source	Balance	Budget	% Budget
Central Fund-Wide Charges	\$207,434	\$365,690	57%
Pretreatment	\$34,451	\$80,680	43%
Utility Billing	\$44,628	\$135,690	33%
Waste Water Util Engineering	\$22,761	\$146,500	16%
Wastewater Treatment Plant Ops	\$380,128	\$974,590	39%
WW Collections	\$110,532	\$279,840	39%
WWTP Building Maintenance	\$121,379	\$455,670	27%
<b>Total</b>	<b>\$921,313</b>	<b>\$2,438,660</b>	<b>38%</b>

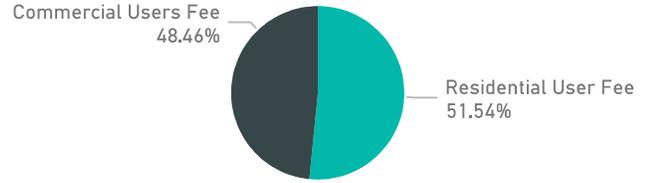


January 1, 2019 To June 30, 2019

NOT A FINANCIAL STATEMENT. A SNAPSHOT OF KEY INDICATORS.

Revenue

Source	Balance	Budget	% Budget
Commercial Users Fee	\$205,238	\$397,470	52%
Residential User Fee	\$218,274	\$430,600	51%
<b>Total</b>	<b>\$423,512</b>	<b>\$828,070</b>	<b>51%</b>



Operating Expenses

Source	Balance	Budget	% Budget
Central Fund-Wide Charges		\$0	
Storm Water Admin & Operations	\$136,752	\$338,530	40%
Storm Water Util Engineering	\$18,241	\$35,920	51%
<b>Total</b>	<b>\$154,993</b>	<b>\$374,450</b>	<b>41%</b>

**Draft**  
**Recreation and Senior Center**  
**Financial Dashboard**  
**January 1, 2019- June 30, 2019**  
**Prepared by Councilmember Jeff Lipton**

	YTD	Total Budgeted	
<b>Operating Revenue:</b>			
Membership Revenue	\$ 937,263	\$ 1,230,750	Staff is budgeting for only \$300,000 in additional revenue for the final six months?
Program Revenue	\$ 526,817	\$ 1,208,460	
Subtotal Operating Revenue	\$ 1,464,080	\$ 2,439,210	
Less: Operating Expense	\$ (2,042,913)	\$ (4,337,300)	Why are second half expenses more than double first half expenses?
Net Operating Income (Loss)	\$ (578,833)	\$ (1,898,090)	
<b>Non-Operating Revenue:</b>			
Interest Earnings	\$ 2,707		Why only six months of interest earnings budgeted?
Sales Tax	\$ 310,196	\$ 643,310	
Use Tax	\$ 126,241	\$ 230,440	
Subtotal Non-Operating Revenue	\$ 439,144	\$ 873,750	
<b>Non-Operating Expenses:</b>			
Capital Expenses	\$ (121,943)	\$ (480,760)	Are any of these capital expenses what we authorized in the budget amendment using the impact fee funds? Are these counted in transfers from building or FF&E renewal funds? In other words, is there any double counting?
Subtotal Non-Operating Income	\$ 317,201	\$ 392,990	
Total Income Before Budgeted Transfers	\$ (261,632)	\$ (1,505,100)	
<b>Transfers In (Budgeted):</b>			
Transfers from Capital Projects Fund	\$ 62,500	\$ 125,000	
Transfers from General Fund	\$ 550,000	\$ 1,100,000	
Total Budgeted Transfers In	\$ 612,500	\$ 1,225,000	
<b>Transfers Out (Budgeted):</b>			
Transfers to Building Renewal Reserves	\$ (150,368)	\$ (300,736)	
Transfers to FF&E Reserves	\$ (140,778)	\$ (281,555)	
Total Budgeted Transfers Out	\$ (291,146)	\$ (582,291)	
Net Operating Surplus/Deficit After Budgeted Transfers	\$ 59,723	\$ (862,391)	

To: Finance Committee  
From: Nathan Mosley, Director of Parks, Recreation and Open Space  
Date: August 16, 2019  
Subject: 2020 Fee Increase Discussion

**Purpose:**

The purpose of this memo is to update the Finance Committee on the Recreation & Senior Center and Coal Creek Golf Course potential fee increases for 2020.

**Background:**

The Recreation Advisory Board (RAB) Finance Committee met on August 5<sup>th</sup> to review proposed fees for 2020. Staff presented three fee options that included 3%, 5% and 7% increases to daily admission and passes for both Residents and Non-Residents. The feedback from the RAB is to increase fees an average of 5% to mirror increases in the cost of doing business. Increases would be spread across different pass types as well as for residents and non-residents in a blended fashion to meet the percent increase goal.

2019 benchmarking of local recreation centers and private clubs is included for your review. Lafayette, Erie and Broomfield are not proposing fee increases in 2020 but Boulder is proposing a fee increase for their city council to consider later this year.

In addition to admission fees all program fees and rental fees will be evaluated for 2020 with the feedback from RAB to not exceed a 10% increase. Staff has also submitted a request to Tivity Health to request an increase in the reimbursement rate for Silver Sneaker visits. The current rate is \$3.10 a visit with a max of \$30 per month and staff has requested \$4 a visit with a \$40 monthly maximum. If increased this will provide additional revenue from our highest used pass type.

The RAB finance committee also options for increases at Coal Creek Golf Course as well. Options included a 3% and a 5% increase to the base green fee price and the impact to the corresponding dynamic pricing ranges. Feedback from the RAB finance committee was to increase greens fees no more than 3%.

**Next Steps:**

Based on feedback from the City Finance Committee staff will prepare fees to present to the RAB at the August meeting. Further refinement will be made and proposed 2020 fees will then be brought to City Council in September as part of the 2020 biannual budget process.

**ANALYSIS OF PROPOSED FEES FOR THE LOUISVILLE RECREATION/SENIOR CENTER**  
**August 2019**

DAILY ADMISSION	2018 RATE	2019 RATE	2020 3% INCREASE	2020 5% INCREASE	2020 7% INCREASE
Resident Adult	\$6.00	\$7.00	\$7.21	\$7.35	\$7.49
Resident Senior	\$4.00	\$5.00	\$5.15	\$5.25	\$5.35
Resident Youth	\$4.00	\$5.00	\$5.15	\$5.25	\$5.35
Resident Family	na	\$14.00	\$14.42	\$14.70	\$14.98
Non Resident Adult	\$9.00	\$10.00	\$10.30	\$10.50	\$10.70
Non Resident Senior	\$7.00	\$8.00	\$8.24	\$8.40	\$8.56
Non Resident Youth	\$7.00	\$8.00	\$8.24	\$8.40	\$8.56
Non Resident Family	na	\$20.00	\$20.60	\$21.00	\$21.40

MONTHLY PASS FEES	2018 RATE	2019 RATE	2020 3% INCREASE	2020 5% INCREASE	2020 7% INCREASE
Resident Adult	\$35.00	\$40.00	\$41.20	\$42.00	\$42.80
Resident Couple	\$55.00	\$60.00	\$61.80	\$63.00	\$64.20
Resident Family	\$59.00	\$74.00	\$76.22	\$77.70	\$79.18
Resident Senior	\$19.00	\$24.00	\$24.72	\$25.20	\$25.68
Resident Youth	\$19.00	\$24.00	\$24.72	\$25.20	\$25.68
Business Non Resident Adult	\$40.00	\$45.00	\$46.35	\$47.25	\$48.15
Business Non Resident Senior	\$24.00	\$29.00	\$29.87	\$30.45	\$31.03
Non Resident Adult	\$50.00	\$55.00	\$56.65	\$57.75	\$58.85
Non Resident Couple	\$70.00	\$75.00	\$77.25	\$78.75	\$80.25
Non Resident Family	\$74.00	\$99.00	\$101.97	\$103.95	\$105.93
Non Resident Senior	\$29.00	\$34.00	\$35.02	\$35.70	\$36.38
Non Resident Youth	\$29.00	\$34.00	\$35.02	\$35.70	\$36.38

ANNUAL PASS	2018 RATE	2019 RATE	2020 3% INCREASE	2020 5% INCREASE	2020 7% INCREASE
Resident Adult	\$420.00	\$420.00	\$432.60	\$441.00	\$449.40
Resident Couple	\$660.00	\$660.00	\$679.80	\$693.00	\$706.20
Resident Family	\$708.00	\$708.00	\$729.24	\$743.40	\$757.56
Resident Senior	\$228.00	\$228.00	\$234.84	\$239.40	\$243.96
Resident Youth	\$228.00	\$228.00	\$234.84	\$239.40	\$243.96
Business Non Resident Adult	\$480.00	\$480.00	\$494.40	\$504.00	\$513.60
Business Non Resident Senior	\$288.00	\$288.00	\$296.64	\$302.40	\$308.16
Non Resident Adult	\$600.00	\$600.00	\$618.00	\$630.00	\$642.00
Non Resident Couple	\$840.00	\$840.00	\$865.20	\$882.00	\$898.80
Non Resident Family	\$888.00	\$888.00	\$914.64	\$932.40	\$950.16
Non Resident Senior	\$348.00	\$348.00	\$358.44	\$365.40	\$372.36
Non Resident Youth	\$348.00	\$348.00	\$358.44	\$365.40	\$372.36

20 VISIT PASS	2018 RATE	2019 RATE	2020 3% INCREASE	2020 5% INCREASE	2020 7% INCREASE
Resident Adult Per Visit	\$90.00 \$4.50	\$110.00 \$5.50	\$113.30 \$5.67	\$115.50 \$5.78	\$117.70 \$5.89
Resident Senior Per Visit	\$50.00 \$2.50	\$70.00 \$3.50	\$72.10 \$3.61	\$73.50 \$3.68	\$74.90 \$3.75
Resident Youth Per Visit	\$50.00 \$2.50	\$70.00 \$3.50	\$72.10 \$3.61	\$73.50 \$3.68	\$74.90 \$3.75
Non Resident Adult Per Visit	\$150.00 \$7.50	\$170.00 \$8.50	\$175.10 \$8.76	\$178.50 \$8.93	\$181.90 \$9.10
Non Resident Senior Per Visit	\$110.00 \$5.50	\$130.00 \$6.50	\$133.90 \$6.70	\$136.50 \$6.83	\$139.10 \$6.96
Non Resident Youth Per Visit	\$110.00 \$5.50	\$130.00 \$6.50	\$133.90 \$6.70	\$136.50 \$6.83	\$139.10 \$6.96

<b>DAILY ADMISSION REVENUE (445110)</b>	3% INCREASE	5% INCREASE	7% INCREASE
DAILY ADMISSION	\$173,009.00	\$176,368.00	\$179,728.00

<b>MONTHLY PASS REVENUE (445100) (1 month and auto debits)</b>	3% INCREASE	5% INCREASE	7% INCREASE
MEMBERSHIPS	\$1,067,791.00	\$1,088,526.00	\$1,098,824.00

<b>MISCELLANEOUS MEMBERSHIP REVENUE (ADDED TO 445100)</b>	3% INCREASE	5% INCREASE	7% INCREASE
Silver Sneakers Revenue	\$195,700	\$199,500	\$203,300
Corporate Accounts	\$74,160	\$75,600	\$77,040
Punchcard Revenue	\$288,400	\$294,000	\$299,600
<b>TOTAL</b>	<b>\$558,260</b>	<b>\$569,100</b>	<b>\$579,940</b>

<b>TOTAL PASS REVENUE (445100)</b>	3% INCREASE	5% INCREASE	7% INCREASE
MEMBERSHIPS	\$1,626,051	\$1,657,626	\$1,678,764

\* Transfers are made to Adult Fitness and Memory Square from membership revenue based on sales

Daily Admission(resident/non-resident) and Monthly(resident/non-resident)

East Boulder	\$8.25/\$8.25	\$70/\$81
Louisville	\$7.00/\$10.00	\$40/\$55
Lafayette(Bob Burger)	\$5.75/\$5.75	\$38/\$38
Broomfield(Paul Derda)	\$5.00/\$7.75	\$33/\$51
Erie	\$4.50/\$5.50	NA
Lafayette YMCA	\$12 for non-members	\$89
Sports Stable	\$10-Equipment Useage or \$15-Group Exercise	\$65
Lifetime Fitness	N/A	\$119

Broomfield and Lafayette are not proposing an increase in fees for 2020.

Boulder is proposing a fee increase for 2020.

Lafayette YMCA adult is age 26 and older

Coal Creek Golf Course 2019 rate structure	Dynamically priced 18				Indian Peaks		Broadlands		Colorado National		Walnut Creek		Todd Creek		Flatirons		Highland Hills	
	18-holes	9-holes	5-holes		18-holes	9-holes	18-holes	9-holes	18-holes	9-holes	18-holes	9-holes	18-holes	9-holes	18-holes	9-holes	18-holes	9-holes
<b>Weekday</b>																		
6-6:59 am	36	31-41	20	12	47	28	39	23	65	n/a	44	26	55	40	36	24	43	23
7-8:59 am	38	33-43	24	n/a														
9-11:59 am	42	37-47	26	n/a														
12-twilight	35	31-40	24	12														
<b>Weekend</b>																		
6-6:59 am	42	36-48	20	14	56	30	49	25	40-85	n/a	49	28	70	45	41	26	43	23
7-11:59 am	54	48-60	n/a	n/a														
12-twilight	39	33-45	26	14														

Coal Creek Golf Course 2020 rate structure	Retaining 2019 price structure				3% Increase			5% increase		
	18-holes	9-holes	5-holes		18-holes	9-holes		18-holes	9-holes	
<b>Weekday</b>										
6-6:59 am	36	31-41	20	12	37	32-42	21	38	33-43	21
7-8:59 am	38	33-43	24	n/a	39	34-44	25	40	35-45	25
9-11:59 am	42	37-47	26	n/a	43	38-48	27	44	39-49	27
12-twilight	35	31-40	24	12	36	32-41	25	37	33-42	25
<b>Weekend</b>										
6-6:59 am	42	36-48	20	14	43	37-49	21	44	38-50	21
7-11:59 am	54	48-60	n/a	n/a	56	49-61		57	50-62	
12-twilight	39	33-45	26	14	40	34-46	27	41	35-47	27

Current and proposed rates for 2020

Golf Cart rental	18-holes	9-holes	5-holes
	\$18	\$10	\$6
Golf Bike	\$ 12	\$ 8	\$ 4
Pull cart	\$ 6	\$ 4	\$ 2
Handicap fee	\$ 45		
Range fees	\$5 / \$7 / \$9		
Range pass	150 golf ball pass for \$ 100		

all fees are tax included.

If we retain 2019 fee structure we will charge less than the following courses ( assuming they do not change rates in 2020 )

Weekday	Indian Peaks, Colorado National, Todd Creek, Highland Hills
Weekend	Indian Peaks, Colorado National, Todd Creek, Highland Hills

If we increase our green fee rates 3% we will charge less than the following courses ( assuming they do not change rates in 2020 )

Weekday	Indian Peaks , Colorado National, Todd Creek
Weekend	Indian Peaks , Colorado National, Todd Creek

If we increase our green fee rates 5% we will charge less than the following courses ( assuming they do not increase rates in 2020 )

Weekday	Colorado National
Weekend	Colorado National, Todd Creek

**SUBJECT: DEPARTMENT RESPONSES TO INTERNAL CONTROLS  
EXAMINATION REPORT**

**DATE: AUGUST 16, 2019**

**PRESENTED BY: KEVIN WATSON, FINANCE DEPARTMENT**

**SUMMARY:**

The City of Louisville has five main revenue collection areas that receive, reconcile, report, and/or deposit City revenue. Other than the two front counters in City Hall, there are four main “offsite” revenue collection areas; the Recreation Center, the Library, the Golf Course, and the Municipal Court. Because the collection processes at four main offsite areas process a significant amount of cash transactions, staff has recommended periodic third-party reviews of internal controls and collection procedures.

The Finance Committee approved an engagement letter with Eide Bailly on November 19, 2018 to conduct an internal control review for the Recreation Center, the Library, the Golf Course, and the Municipal Court. City Council authorized the execution of the engagement letter on December 4, 2018.

On January 23 and January 24, 2019, a representative from Eide Bailly interviewed City staff at each of the four offsite collection areas. A final report was submitted to the City on February 15, 2019, which contained areas of concern, a discussion of potential risks, and recommendations. The report was presented to the Finance Committee at the April 1, 2019 meeting. A copy of the final report is attached.

The report was shared with the City’s Management Team and each department has been working to alleviate some of the areas of concern within the report. Attached is a table that contains the departments’ responses to the report.



**Internal Controls Examination**  
**Report Date: February 15, 2019**  
**CITY OF LOUISVILLE**

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## EXECUTIVE SUMMARY

Eide Bailly LLP (hereinafter referred to as “we,” “our,” or “us”) conducted an internal controls examination of the City of Louisville (“Louisville”) located in Louisville, Colorado. As part of the examination, we conducted interviews with employees focused on identifying strengths and weaknesses within the controls over their respective positions.

We have provided recommendations within this report for areas perceived to have internal control weaknesses over Louisville’s assets. These recommendations are designed to strengthen current controls as well as increase employee perception of detection, which is an effective measure in reducing an organization’s fraud risk.

## »»» ENGAGEMENT

Specific procedures performed during the examination include the following:

- Discussions with the following individuals:
  - Finance Department
    - Watson, Kevin (“Watson”) – Director of Finance
    - Golden, Cara (“Golden”) – Accounting Manager
    - Kreager, Diane (“Kreager”) – Accounts Payable/Collections Supervisor
  - Recreational Center
    - Seydel, Julie (“Seydel”) – Facility Operations Manager
    - Lemon, Pam (“Lemon”) – Facility Assistant
    - Moran, Tricia (“Morgan”) – Senior Services Program Assistant
  - Golf Course
    - Baril, David (“Baril”) – Head Golf Professional
    - Udall, Jed (“Udall”) – 1<sup>st</sup> Assistant Golf Professional
    - Abbruzzese, Zach (“Abbruzzese”) – 2<sup>nd</sup> Assistant Golf Professional
    - Oksanen, Tracy (“Oksanen”) – Administration Assistant
  - Library
    - Merly, Lisa (“Merly”) – Circulation Services Supervisor
    - Siewert, Jill (“Siewert”) – Library Tech 2, Acquisitions
  - Municipal Courts (“Court”)
    - LeBeck, Linda (“LeBeck”) – Court Clerk
    - Glova, Rita Glova (“Glova”) – Records Management Supervisor

The services provided in this matter adhere to the applicable American Institute of Certified Public Accountants’ Statement on Standards for Consulting Services and the applicable Certified Fraud Examiner Code of Professional Standards established by the Association of Certified Fraud Examiners.

## »» FRAUD CONTROL ACTIVITIES

Job responsibilities were analyzed and evaluated for recommendations that could be made to improve the control activities against fraud, including preventative controls and detective controls.

### PREVENTATIVE CONTROLS

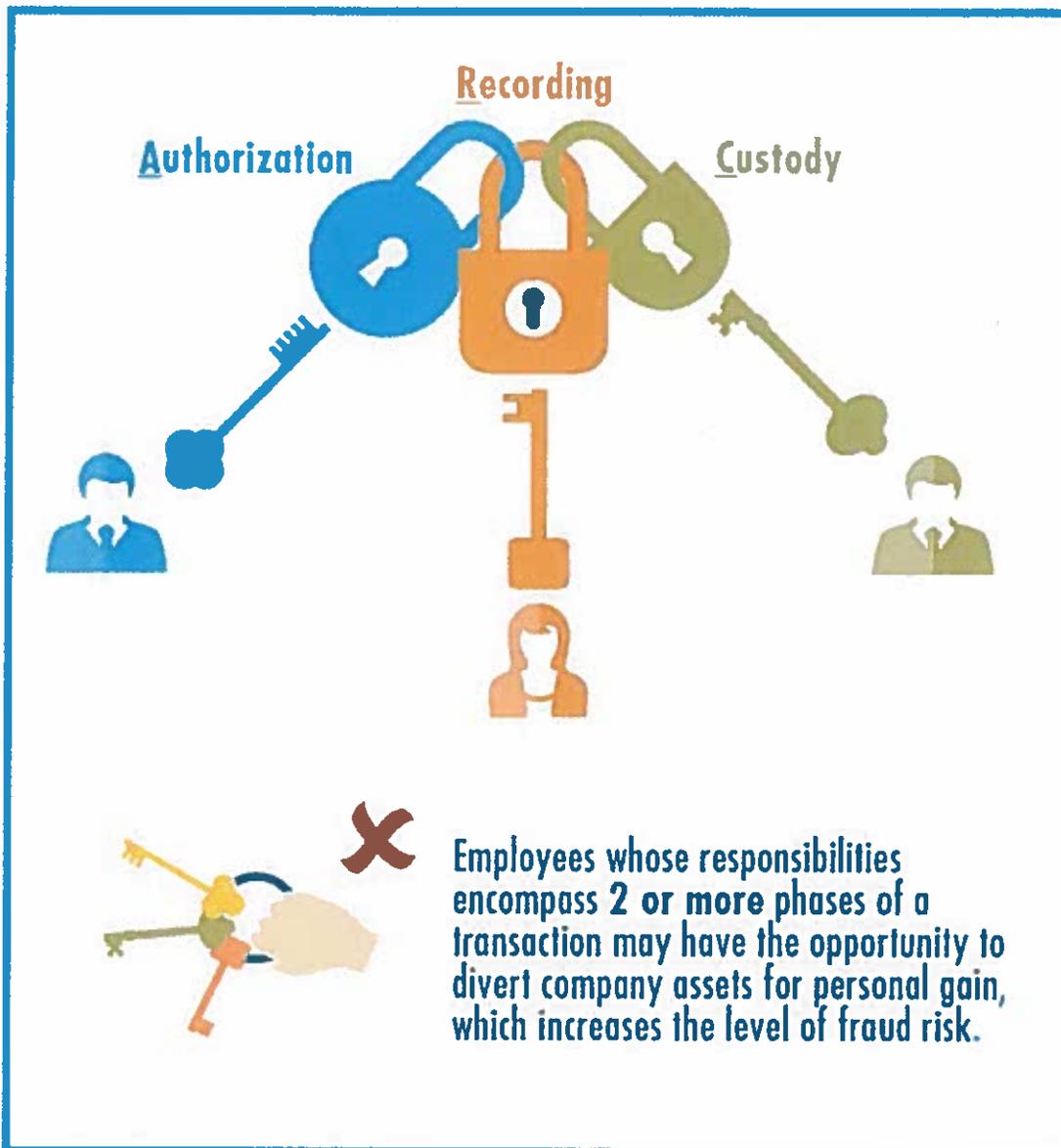
Preventative controls or “before the fact” controls attempt to deter or prevent unauthorized transactions from occurring. Preventative controls include segregation of duties, proper authorization and physical safeguards.

#### PROPER SEGREGATION OF DUTIES

When 1 person controls multiple phases of accounting transactions, the opportunity for fraud in the workplace significantly increases. By involving at least 1 other person in the transaction, the risk of fraud can be greatly reduced. Even with duties being segregated, employees could still work together to override the current controls in place to commit fraud. Fraud research indicates that nearly two-thirds of all frauds are committed by 1 perpetrator acting alone, whereas only one-third involve collusion by 2 or more parties.

The accounting and reporting processes are divided into 4 separate phases: authorization, execution, custody, and recording. The authorization phase requires 1 employee to direct another employee to initiate and execute a transaction. The execution phase requires a person with authority to initiate a transaction. Custody is the actual possession of the asset, such as cash or checks. Recording involves adjusting accounts to reflect the effects of the transaction within the accounting records.

Employees whose responsibilities encompass 2 or more phases of a transaction may have the opportunity to divert company assets for personal gain, which increases the level of fraud risk.



### PHYSICAL SAFEGUARDS

The use of physical safeguards helps to ensure the security of assets and records by only allowing authorized individuals to have access to these assets. Physical safeguards also help to prevent the theft of company assets. Companies should implement physical safeguards such as locks, keys, safes, fences, and passwords to prohibit unauthorized access to assets and records.

## **PROPER AUTHORIZATION**

Proper authorization reduces the opportunity for fraudulent transactions to occur because approval from an authorized individual is necessary to complete various stages of a financial transaction. Authorization can come in the form of signatures, initials and electronic approvals. Pre-determined levels of authority for employees to approve transactions should be clearly documented within an organization.

Individuals with authorization authority should review supporting documentation to verify the validity of transactions before approving them. Requiring proper authorization prevents unapproved transactions from taking place while also creating an audit trail. This audit trail will indicate who approved each transaction or if the authorization requirement was overridden, which can be helpful if further review of a transaction is necessary.

## **DETECTIVE CONTROLS**

Detective controls or “after the fact” controls attempt to identify unauthorized transactions after the occurrence. Detective controls include independent checks and adequate documentation and records. For these controls to be effective they must be continually performed and often take on preventative characteristics. For example, surprise cash counts if used as a detective control, would increase the perception of detection and thus “prevent” some unauthorized acts.

## **INDEPENDENT CHECKS**

Independent checks should be conducted to ensure transactions have proper authority and are recorded accurately. Independent checks include rotating job duties among employees, requiring mandatory vacations, surprise audits, engaging in yearly audits, etc.

## **ADEQUATE DOCUMENTATION & RECORDS**

Adequate documentation and records refers to maintaining proper documentation and records for each transaction, either in paper or electronic form. Procedures to ensure documentation and records are properly maintained should be in place to help guarantee supporting documentation is maintained and can be located and referenced at any time if certain transactions or discrepancies are subject to further review.

## INTERNAL CONTROLS RECOMMENDATIONS

We identified the following potential fraud risks during the interviews. Internal controls recommendations have been provided for areas that appear most vulnerable to fraud, waste or abuse. The areas of concern are provided to make Wasatch aware of its potential fraud-related risks.

Louisville should review the following areas of concern and corresponding recommendations to determine if the benefit of changing the current processes in place to reduce fraud risk exceeds any associated costs.

### GENERAL CONCERNS

#### 1. Area of Concern

Louisville does not currently have a fraud awareness section within its employee handbook.

#### *Potential Risk*

Employees may not know what constitutes fraud. Lack of fraud awareness can inherently increase fraud risk within an organization.

#### **Recommendation**

A fraud awareness section should be included in the employee handbook. This section should address what constitutes fraud in the workplace and what the consequences of committing fraud would be. Management should communicate this policy to its employees on a periodic basis to increase the perception of detection among employees. A sample fraud policy created by the Association of Certified Fraud Examiners ("ACFE") has been provided in **Workpaper 1**.

2. **Area of Concern**

A confidential reporting system is not available for employees to report employee theft and fraud.

***Potential Risk***

If a reporting system is not available for employees to report employee theft and fraud, suspicious activity or known instances of fraud may go unreported. This can result in delayed detection of a fraud scheme and increased losses.

**Recommendation**

A third-party anonymous reporting system for employees to report fraud should be implemented. The reporting system should be composed of both an external hotline number that employees can call to report any fraud and abuse along with an online submission form. The ability of employees to report fraud anonymously to a third-party is important to reduce an employee's fear of retaliation.

3. **Area of Concern**

Formal written procedures are not in place for accounting related personnel.

***Potential Risk***

Employees may intentionally or unintentionally be subverting the internal controls system without written accounting procedures in place.

**Recommendation**

Written accounting procedures for accounts receivable, accounts payable, payroll, cash handling, and other accounting functions should be created. Clearly written procedures will help employees understand how to perform their duties as well as give written record of the internal controls currently in place.

Security cameras should be considered for where the recreation center safe is located. This will help to increase employee perception of detection and decrease the risk of employee theft of assets.

## RECREATION & SENIOR SERVICES CENTER

**NOTE:** It does appear recommendations for the recreation center provided in the November 16, 2015, Agreed Upon Procedures Report have been implemented.

1. **Area of Concern**

Employees are required to leave the property to obtain change for front desk personnel when large denominations are used.

***Potential Risk***

Having an employee leave with cash exposes that employee to hazards such as being accosted for money or simply losing funds during the process.

**Recommendation**

Consider adding an additional drawer to the safe for denomination breaking so employees no longer must travel with recreational funds.

## COAL CREEK GOLF COURSE

**NOTE:** It does appear recommendations for the golf course provided in the November 16, 2015, Agreed Upon Procedures Report have been implemented.

1. **Area of Concern**

Door to room containing the safe is left open during the day.

***Potential Risk***

Unauthorized individuals could gain access to the safe.

**Recommendation**

The door to the room containing the safe should be secure at all times with access provided to only authorized individuals.

2. **Area of Concern**

The safe is left open during business hours.

***Potential Risk***

Unauthorized individuals could gain access to the safe.

**Recommendation**

The safe should be locked at all times with access provided only to authorized individuals.

3. **Area of Concern**

Keys to deposit storage area in the safe are kept in a "hide-a-key" container which is placed in different areas around the room.

***Potential Risk***

Should unauthorized individuals gain access to the safe room, they could locate the deposit key and remove deposits. Camera's may record incident, but money could still be taken and not recovered.

**Recommendation**

Consider installing a locking, wall mounted key storage box.

4. **Area of Concern**

Pick-up sheets completed by courier service when collecting deposits are occasionally not dated correctly date by the courier.

***Potential Risk***

Reconciling deposits can make detecting anomalies difficult if the correct dates are not recorded.

**Recommendation**

Confirm courier sheet is dated correctly when deposits are picked up.

5. **Area of Concern**

Double doors from golf shop into golf course café do not lock properly.

***Potential Risk***

Unauthorized personnel could enter the café and remove inventory undetected.

**Recommendation**

Consider replacing or re-enforcing double door entry into the golf shop.

## LOUISVILLE PUBLIC LIBRARY

**NOTE:** It does appear recommendations for the public library provided in the November 16, 2015, Agreed Upon Procedures Report have been implemented.

**No areas of concern found.**

Library staff has been provided with written procedures on completing the following functions.

**(Bates No. 01-04)**

- Balancing the cash register.
- Cash handling procedures for coin machines.
- Deleting long-expired patron records.

## LOUISVILLE MUNICIPAL COURT

**NOTE:** The court was not included in the November 16, 2015, Agreed Upon Procedures Report.

**1. Area of Concern**

The Court has 1 cash drawer which is stored in the jury room.

***Potential Risk***

Unauthorized individuals could gain access.

**Recommendation**

The cash drawer should be moved to a secure area in the court clerk's office. Presently the clerk's office has a drawer under the counter which should be equipped with a key lock for use during trial days.

**2. Area of Concern**

Payments to the court are kept in an open file folder in an open file cabinet.

***Potential Risk***

By not securing payments, the court is running the risk of payments being misplaced or potentially taken by unauthorized individuals.

**Recommendation**

Payments received should be stored in a secure location where only authorized individual can gain access.

**3. Area of Concern**

Key pad lock to clerk's office area only uses one access code, allowing anyone with the code to enter with limited was to determine the last individual to enter the area.

***Potential Risk***

Without being able to positively identify people who have entered the area could lead to false assumptions being made against employees.

**Recommendation**

Consider recoding the lock to require individual codes to be issued and used for entry.

**4. Area of Concern**

Maintenance personnel enter the clerk's office to obtain keys to other areas of the court building.

***Potential Risk***

With non-court personnel being allowed into the clerk's office, of the risk of theft of secure/private information increases.

**Recommendation**

Install a lock box outside the clerk's office for maintenance key storage.

## OTHER ITEMS OF INTEREST

**NOTE:** These items are not directly related to cash handling or accounting procedures.

1. **Area of Interest (Recreation Center and Municipal Court)**

No counterfeit detection pens are available for staff use.

***Potential Risk***

If counterfeit bills were provided for payment, staff would not have any ability to identify these bills.

**Recommendation**

Provide training and counterfeit detection pens for use by staff.

2. **Area of Interest (Recreation Center)**

Entry into the building can be obtained without being seen by front desk staff.

***Potential Risk***

Someone could make entry into the center and conduct activity without anyone seeing them or being required to pay for center activities.

**Recommendation**

Limit access into the senior center through the main entry.

3. **Area of Interest (Recreation Center)**

Without any type of entry detection system, someone could prop open doors in remote areas of the center, allowing for non-approved patrons to enter and use center activities without paying.

***Potential Risk***

Employees or patrons could leave seldom used doors propped open to allow individuals to enter to remove center property, cause damage to the facility or use center equipment without supervision or without paying center use fees.

**Recommendation**

Install open door sensors so when propped open, center staff would be alerted, and door could be secured.

**4. Area of Interest (Recreation Center)**

Staff does not have any type of emergency alert system to allow staff to summon emergency assistance if needed.

***Potential Risk***

Should a violent situation unfold in the center, staff has no simple way to alert emergency personnel to an issue and request emergency assistance.

**Recommendation**

Consider installing a complete building alarm system which also provides emergency request buttons for staff use and protection of facility, staff and guests.

**5. Area of Interest (Municipal Court)**

Panic button is not secured and is left lying on the counter.

***Potential Risk***

Panic button could be accidentally covered up or moved without court clerk being aware. Any delay in being able to activate the panic button could result in a delayed emergency response.

**Recommendation**

Consider installing the panic button under a counter top so it is readily accessible to anyone working in the clerk's office should the need arise.

## »» CONCLUSION

We have provided several internal control recommendations within this report based on the interviews conducted with employees. To reduce any potential risk to city assets or employees, Louisville can increase its employees' perception of detection through the implementation of the aforementioned recommendations in addition to the internal controls that are currently in place.

*Eide Bailly LLP*

Forensic Services

## Sample Fraud Policy

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### BACKGROUND

The corporate fraud policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against ABC Corporation. It is the intent of ABC Corporation to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

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### SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with ABC Corporation (also called the Company).

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

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### POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the Director of \_\_\_\_\_, who coordinates all investigations with the Legal Department and other affected areas, both internal and external.

---

**ACTIONS CONSTITUTING FRAUD**

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the company
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company. Exception: Gifts less than \$50 in value.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

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**OTHER IRREGULARITIES**

*Irregularities* concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and the Employee Relations Unit of Human Resources rather than the \_\_\_\_\_ Unit.

If there is any question as to whether an action constitutes fraud, contact the Director of \_\_\_\_\_ for guidance.

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**INVESTIGATION RESPONSIBILITIES**

The \_\_\_\_\_ Unit has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the \_\_\_\_\_ Unit will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors through the Audit Committee.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

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**CONFIDENTIALITY**

The \_\_\_\_\_ Unit treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the \_\_\_\_\_ Unit immediately, and *should not attempt to personally conduct investigations or interviews/interrogations* related to any suspected fraudulent act (see **REPORTING PROCEDURE** section below).

Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

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**AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD**

Members of the Investigation Unit will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

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**REPORTING PROCEDURES**

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will *contact the \_\_\_\_\_ Unit immediately*. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Investigations Unit or the Legal Department. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." *Under no circumstances* should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
  - Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the Legal Department or \_\_\_\_\_ Unit.
-

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**TERMINATION**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the Legal Department and, if necessary, by outside counsel, before any such action is taken. The \_\_\_\_\_ Unit does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's management. Should the \_\_\_\_\_ Unit believe the management decision inappropriate for the facts presented, the facts will be presented to executive level management for a decision.

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**ADMINISTRATION**

The Director of \_\_\_\_\_ is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

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**APPROVAL**

\_\_\_\_\_  
(CEO/Senior Vice President/Executive

\_\_\_\_\_  
Date

## Balancing the Cash Register

- Balancing the cash register is done daily Monday through Friday.
- Before balancing the register you will need the deposit bag, a library revenue sheet, and a deposit slip (deposit slips are kept in the safe). Put today's date at the top of the revenue sheet. You will also need to put all money back in the register from the safe.
- To run the daily cash report, turn the register key to X1/Z1 and press the ■ and then CA/AT/NS key. The report will automatically begin printing and a receipt will come out of the register and the drawer will open.
- If things have been rung up properly the report also tells you how much cash and how much in checks there should be separately. Count the checks first and write the total of the checks and the # of checks in the appropriate space on the sheet. Take a look at the amount listed for Cash in Drawer and remove that from the register. Deposit as much change as possible, and use the coin counter to make sure you are accurate. Follow the guidelines below for the average amount of bills/change you need to leave in the register; you may need to make a trip to the bank to get change.
- This should leave your \$95 bank, but you need to count what is left in the register to make sure. It is very easy to separate the change into dollar increments and start counting from the smallest change to the biggest bills left. This helps if you have to go back and count again and usually you can tell right away if the deposit is off. If you have extra money it should be deposited with the rest of the revenue money. If you are short, money needs to be taken out of the revenue money to restore the bank to \$95. Note the amount short or over on the appropriate "Difference from tape-LIBOS" line.
- Write the amount of cash being deposited on the "Total Cash" line on the revenue sheet. There are designations for all types of cash. Please fill in the appropriate amounts for bills and coins.
- For checks, fill in the total amount in **checks** and the **# of checks** being deposited.
- Add the "Checks" and "Cash" this amount goes on the line "Total Deposit" and should match the amount you have set aside.
- Write the amount of the day's sales (found at the bottom of the report where it says Charge and CA + CK ID, you have to add the charge amount to the CA+CH ID for the total) on the "Revenue amt. from register tape" line on the revenue sheet.
- From the credit card machine, write the amount of sales for each credit card type and write the total for credit card charges on the total line. If it is more than one day between times balancing the cash register, there will be more than one report since the machine reconciles sales daily. Keep the daily reports in with the credit card

January 24, 2019

receipts and checks in the cash register. These reports will need to be added together before writing them in on the revenue form.

- From the register tape, write the individual amounts listed for fines/fees (LIB), copies (LCOPY), printing (LPRIN), ILL fees, Meeting room, and collections fees on the revenue form. (See the attached example)
- Fill out the bank deposit slip for Colorado National Bank. Write the number of bills being deposited on the first line and mark the box next to currency. Write the amount of change in coins if any on the second line, and mark the box labeled coin. Then, list each check amount individually. At the bottom of the slip there is a place to write your total deposit and then enter it again in the boxes to the left of the total at the bottom. Tear out the top copy of the slip and put it in the bag with the rest of the deposit leaving the yellow carbon copy behind. When the book is done it will go to City Hall and they will send us a new book.
- Sign and date the revenue sheet and make a copy of both (on the same sheet). The copy goes in the Circ Supervisor's box and the original goes with the deposit to City Hall.
- Remove the cover for the journal tape and take out the tape with the record of the previous day's sales. This should be folded and paper clipped to the revenue sheet. Check to make sure there is enough journal tape to get through the day, change the tape if necessary, and replace the cover.
- Put the money, revenue sheet, deposit slip, credit receipts, credit reconcile reports, and register tape report in the deposit bag and take to the receptionist at City Hall to count and deposit. You do not have to wait for her to count the money.

Guidelines for what to keep in the register-This is just a guideline, get it as close as you can with what you have to work with. Deposit as much excess change as possible.

10's -\$20.00

5's-\$40.00

1's-\$22.00-\$25.00

Quarters \$3.00-\$5.00

Dimes \$2.00-\$4.00

Nickels \$1.00

Pennies \$.05

January 24, 2019

## Cash Handling Procedures-Coin Machines

- The Tech Services Admin staff person will empty the coin machines (copy machines and SAM printing tower) weekly.
- Coin machine cash box access (key) is limited to Tech Services Admin and Circulation Supervisor. A backup key is also kept in the Master Key box in the Library Support Services Coordinator office.
- The TS Admin person empties the coin boxes and counts the collected cash.
- Once cash has been counted, the TS Admin takes the cash to circulation staff to be rung up in the library cash register. Printing funds (SAM) and copy funds are rung up as separate amounts.

## Procedures for Deleting Long-Expired Patron Records

The circ supervisor performs these procedures in January after the monthly statistics have been run for December of the previous year.

Late fees will be forgiven on expired patron accounts with late fees less than \$10 and no items checked out.

- Create a Review File of Patron Records using the following criteria:

*Expiration Date is less than 12-31-* (expired more than two years)

*CircActive Date is less than 12-31-* (no circ activity for two years)

**Optional-**Run a statistical report on this review file and save in shared files/statistics/system statistics 20xx(year just past).

This is a review file of all expired patron records, but not all records will be deleted.

- Create a Review File run off the above file using the following criteria:

*Money Owed is less than \$10.00*

*Mblock not equal to u (unique collect)*

Run a statistical report on this review file and save in shared files/statistics/system statistics 20xx(year just past).

Globally Purge the fines in these records using Globally Purge Fines function in Sierra.

Delete these records.

If for some reason there are records with checkouts or broken Prospector holds in the file they will show up in the Error Report. Print the error report and fix/report/delete the accounts after repair.

- Create a Review File run off the first file above using the following criteria:

*Money Owed is equal to or greater than \$10.00*

**Optional-**Run a statistical report on this review file and save in same shared statistics file as above.

These are records that will *\*not\** be deleted because of Money Owed. Patron Records will automatically be blocked in system because amount is over \$10.00.

Department	Area of Concern	Resolution
Human Resources	Louisville does not currently have a fraud awareness section within it's employee handbook	The Employee Handbook is currently under review and a Fraud Awareness Section will be included in the 2019 update. This new policy will also be communicated to employees once it has been finalized and then on a periodic but regular basis.
	Confidential Reporting system is not available for employees to report employee theft and fraud	HR will work with the Finance Department and CMO's office to investigate the possibility of creating a confidential employee hotline that employees can call to report any fraud and abuse along with an online submission form
Finance	Formal written procedures are not in place for accounting related personnel	Once the new ERP system is completely implemented, Finance Department staff will begin the process of creating written Statements of Procedure for all the main functions of the department. This will be a multi-year project.
Recreation and Senior Center	Employees are required to leave the property to obtain change for front desk personnel with large denominations are used.	We have added \$400 to our cash drawers between the Recreation Center and MS. Staff going to get change is not occurring anymore
	Entry into building can be obtained without being seen by front desk staff	There are over 50 doors that can give exterior access to the facility. Doors that are not main entrance doors are kept locked. The Senior Center door will remain unlocked as many seniors enter through those doors during senior center hours for non fee programs or activities. That door is locked after senior center hours and all guests enter through the main doors
	Doors can be propped open	See above
	No counterfeit detection pens are available for staff use	Counterfeit pens have been purchased and will be used for all bills greater than \$20
	Staff does not have any type of emergency alert system to allow staff to summon emergency assistance if needed.	IT will be installing an emergency panic button at our front desk

Golf Course	Door to room containing safe is left open during the day	Room with safe is now closed and locked throughout the day
	Safe is left open during business hours	Safe is closed throughout the day
	Keys to deposit storage area in the safe are kept in a hide-a-key container which is placed in different area around the room	Internal key for locked area inside the locked safe no longer stored in hide a key box
	Pick-up sheets completed by courier service when collecting deposits are occasionally not dated correctly by courier	Pick up sheets by courier are dated and signed by courier
	Double doors from golf shop into golf course café to not lock properly	Double doors into pro shop have been altered to make it harder to gain access
Library	No concerns	
Municipal Court	The court has 1 cash drawer which is stored in the jury room	The cash drawer has been moved to a safe in the court clerk's office
	Payments to the court are kept in an open file folder in an open file cabinet	The payments file is now kept in the locked cabinet when not being used
	Key pad lock to clerk's office area only uses one access code allowing anyone with the code to enter with limited ways to determine the last individual to enter the area	There is a capital project underway in 2019 to create uniformity and enhance security.
	Maintenance personnel enter the clerk's office to obtain keys to the other areas of the court building	The keys are now locked in the safe and can only be retrieved by court staff
	No counterfeit detection pens are available for staff use	Counterfeit pens have been purchased and will be used for all bills greater than \$20
Panic button is not secured and is left lying on the counter	Panic button will be secured under the desk in the court clerk's office	

**SUBJECT: SALES TAX REPORTS FOR THE MONTH ENDED JUNE 30,  
2019**

**DATE: AUGUST 16, 2019**

**PRESENTED BY: PENNEY BOLTE, FINANCE DEPARTMENT**

**SUMMARY:**

Attached are the monthly revenue reports for sales tax, lodging tax, auto use tax, consumer use tax, and building use tax for the month ending June 30, 2019. Also included are the monthly and quarterly reports on sales tax revenue by area, by industry for both inside-City and outside-City vendors, revenue by area graphs for restaurants, and historical revenue.

Total revenue through June 2019 for the specific taxes contained on the Revenue History report, increased 8.9% YTD from the same period in 2018.

The month of June 2019 ended with total sales tax revenue up 7.9% from June 2018. YTD sales tax revenue through Q2-2019 is 1.6% above 2018 and 1.9% below projections. Excluding audit revenue, sales tax is trending 0.7% above 2018 YTD.

Lodging tax revenue for June 2019 decreased 6.6% from June 2018, and YTD revenue through Q2-2019 is down 9.3% as compared to 2018. However, lodging tax revenue is currently 2.3% above projections.

Auto use tax revenue for June 2019 increased 9.2% from June 2018. YTD revenue through Q2-2019 is up 12.6% to 2018 and right at current projections.

Building use tax revenue for June 2019 increased 205.3% from June 2018. YTD revenue through Q2-2019 is 28.7% above 2018 revenue YTD, and 4.8% above projections.

Consumer use tax revenue for June 2019 increased 11.5% from June 2018 and YTD revenue through Q2-2019 is currently 28.7% above 2018. Consumer use is 4.8% above projections. Excluding audit revenue, consumer use tax is trending 31.8% above 2018 YTD.

The monthly and quarterly sales tax revenue by area reports represent the YTD retail health of various quadrants of the City. These reports include all vendors remitting tax to the City.

The Monthly Revenue by Area report for June 2019 indicates gains for Outside City, CTC, and Centennial Valley. The areas Interchange, Louisville Plaza, McCaslin North,

**SUBJECT: SALES TAX REPORTS FOR THE MONTH ENDED JUNE 30, 2019**

**DATE: AUGUST 16, 2019**

**PAGE 2 OF 2**

Downtown, Hwy 42 South, and South Suburban decreased slightly. The areas of South Boulder Road, Highway 42 North, Pine Street, and Residential, saw larger percentage declines for the month.

The Quarterly Revenue by Area sales tax report through 2nd quarter 2019 is a one-page snapshot for major areas in the City. The original sectors are combined into Western, Eastern, Northern, Central and Outside City areas.

The Outside City, Downtown/Central, and CTC/Eastern sectors of the City recognized gains through Q2-2019, but the McCaslin/Western and South Boulder Rd/Northern sectors declined through 2nd quarter.

The monthly and quarterly sales tax revenue by industry reports represent the retail health of individual industry sectors of the City. These reports include all vendors remitting tax to the City.

The Monthly Revenue by Industry report for June 2019 indicates gains for all industries except; Grocery, Finance/Leasing, Automotive, and Agriculture, which declined. Communications/Utilities, Building Materials/Construction, General Merchandise had the largest percent increases for the month.

As with the Quarterly Revenue by Area report, the Quarterly Revenue by Industry sales tax report through 2nd quarter 2019 represents industry sectors that have been grouped together and are color-coded.

All major industry sectors ended up through 2nd quarter 2019 except Grocery and General Merchandise.

Also included are separate quarterly reports by industry for Inside-City and Outside-City sales tax revenue. Through Q2-2019, Inside-City sales tax revenue decreased overall by 4.1%, and Outside-City sales tax revenue increased 12.7% as compared to 2018.

The Restaurant Revenue graphs indicate Eating and Drinking establishment revenue continues to be flat to 2018 through 2nd quarter. Sales tax revenue for 2019 reflects small increases for Downtown and McCaslin areas while SBR/Hwy 42, Louisville Plaza and the Interchange were flat or declined slightly.

The Historical quarterly report excludes audit revenue and provides 2nd quarter comparisons from 2012 to present.

**CITY OF LOUISVILLE**

**Revenue History  
2015 through 2019**

YEAR	MONTH	SALES TAX	CONS. USE TAX	BLDG USE TAX	AUTO USE TAX	LODGING TAX	AUDIT REVENUE	TOTAL
2019	JANUARY	1,071,558	127,245	82,854	201,074	21,423	18,826	1,522,980
	FEBRUARY	936,429	147,890	256,667	118,258	21,707	67,844	1,548,795
	MARCH	1,334,863	152,930	65,076	142,231	27,356	74,188	1,796,643
	APRIL	1,159,948	284,945	216,439	123,778	30,600	27,803	1,843,514
	MAY	1,223,169	92,960	281,555	162,333	44,797	105,311	1,910,125
	JUNE	1,579,107	154,476	324,102	109,552	53,263	44,863	2,265,363
	JULY							-
	AUGUST							-
	SEPTEMBER							-
	OCTOBER							-
	NOVEMBER							-
	DECEMBER							-
	YTD TOTALS	7,305,074	960,447	1,226,693	857,226	199,145	338,835	10,887,421
	YTD Variance % to Prior Year	0.7%	31.8%	32.9%	12.6%	-9.3%	201.7%	8.9%
2018	JANUARY	1,141,972	128,132	293,454	114,134	29,376	13,506	1,720,575
	FEBRUARY	984,046	102,847	264,342	135,811	26,701	22,330	1,536,077
	MARCH	1,254,090	142,326	80,344	151,611	29,394	63,215	1,720,980
	APRIL	1,131,949	124,051	131,283	134,771	32,459	6,816	1,561,328
	MAY	1,284,619	86,666	86,100	124,497	44,481	(24,431)	1,601,930
	JUNE	1,458,894	144,902	67,534	100,297	57,035	30,865	1,859,528
	JULY	1,247,212	74,536	202,707	189,545	58,802	18,943	1,791,745
	AUGUST	1,198,848	98,692	356,991	286,799	58,980	196,689	2,196,997
	SEPTEMBER	1,425,270	145,883	295,455	233,665	45,157	125,089	2,270,519
	OCTOBER	1,187,020	103,396	294,551	240,914	39,845	10,093	1,875,820
	NOVEMBER	1,113,867	98,406	128,352	173,601	31,504	24,264	1,569,994
	DECEMBER	1,889,403	194,260	71,376	146,093	18,792	82,181	2,402,104
	YTD TOTALS	15,317,190	1,444,095	2,272,490	2,031,737	472,526	569,560	22,107,598
	YTD Variance % to Prior Year	9.8%	5.1%	24.6%	36.5%	-8.6%	-43.8%	9.6%
2017	JANUARY	1,052,366	120,516	275,878	144,997	27,069	27,040	1,647,866
	FEBRUARY	864,842	92,210	103,187	110,561	24,240	8,935	1,203,976
	MARCH	1,182,825	127,911	300,687	123,024	33,056	48,822	1,816,325
	APRIL	1,044,230	108,870	95,596	92,463	34,743	97,793	1,473,695
	MAY	1,183,115	88,324	76,348	137,918	49,217	20,318	1,555,239
	JUNE	1,336,406	188,150	151,145	96,187	61,489	600,842	2,434,220
	JULY	1,137,813	82,143	94,455	123,752	61,409	25,805	1,525,376
	AUGUST	1,119,641	78,263	126,830	145,656	67,270	16,805	1,554,465
	SEPTEMBER	1,209,258	172,598	125,682	140,721	51,452	60,646	1,760,358
	OCTOBER	1,154,708	74,279	164,724	122,230	49,334	11,343	1,576,618
	NOVEMBER	1,112,434	87,717	37,893	132,970	26,870	45,130	1,443,015
	DECEMBER	1,554,048	153,334	271,190	118,218	30,714	50,309	2,177,813
	YTD TOTALS	13,951,686	1,374,317	1,823,614	1,488,699	516,863	1,013,786	20,168,965
	YTD Variance % to Prior Year	8.7%	-16.0%	-8.9%	9.7%	3.3%	135.0%	7.5%
2016	JANUARY	886,723	222,163	174,842	100,855	25,767	8,203	1,418,554
	FEBRUARY	920,875	109,063	76,430	97,034	28,321	23,180	1,254,904
	MARCH	1,054,128	112,590	159,627	121,325	32,422	21,364	1,501,456
	APRIL	949,906	131,439	62,683	109,192	35,442	122,599	1,411,260
	MAY	1,032,963	93,047	235,856	90,115	48,597	24,809	1,525,386
	JUNE	1,216,853	145,283	510,772	109,738	56,221	8,832	2,047,699
	JULY	1,136,035	65,541	161,699	140,522	61,691	233	1,565,722
	AUGUST	1,050,800	124,102	155,447	112,981	60,005	3,013	1,506,350
	SEPTEMBER	1,153,466	101,636	64,269	115,244	49,801	12,266	1,496,681
	OCTOBER	1,003,857	244,682	305,287	124,471	46,278	3,267	1,727,843
	NOVEMBER	1,005,580	94,546	49,929	95,372	33,551	85,313	1,364,290
	DECEMBER	1,420,942	192,820	44,792	140,458	22,127	118,246	1,939,385
	YTD TOTALS	12,832,129	1,636,914	2,001,634	1,357,306	500,223	431,325	18,759,531
	YTD Variance % to Prior Year	7.2%	28.6%	26.3%	-1.1%	7.2%	-6.4%	9.5%
2015	JANUARY	930,279	85,960	65,576	106,340	24,681	10,554	1,223,389
	FEBRUARY	751,446	89,441	35,569	113,225	23,429	64,859	1,077,969
	MARCH	966,850	124,548	136,921	111,521	30,900	52,296	1,423,036
	APRIL	926,082	94,037	93,561	89,588	34,080	72,649	1,309,996
	MAY	931,057	89,679	157,466	93,186	47,601	36,203	1,355,193
	JUNE	1,116,715	136,236	42,484	99,549	51,846	6,755	1,453,585
	JULY	1,026,333	68,703	472,951	107,445	57,071	29,908	1,762,410
	AUGUST	983,178	95,308	214,635	131,001	55,216	61,248	1,540,586
	SEPTEMBER	1,097,796	122,579	98,891	123,913	45,015	42,235	1,530,430
	OCTOBER	948,794	101,783	149,737	123,187	45,615	56,024	1,425,141
	NOVEMBER	933,235	119,106	72,504	131,168	28,694	19,884	1,304,591
	DECEMBER	1,360,790	145,597	45,098	142,083	22,498	8,276	1,724,342
	YTD TOTALS	11,972,557	1,272,978	1,585,392	1,372,205	466,646	460,891	17,130,668
	YTD Variance % to Prior Year	7.0%	18.7%	30.0%	11.0%	9.2%	-44.0%	

**City of Louisville, Colorado  
Total Sales Tax Revenue  
2015 -2019**

Month Of Sale	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	2019 Actual	Mnthly % Of 2018	Y-T-D % Of 2018	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	938,911	890,050	1,054,675	1,150,144	1,166,862	1,071,177	93.1%	93.1%	91.8%	91.8%
Feb	808,454	922,502	866,877	999,636	1,047,207	987,642	98.8%	95.8%	94.3%	93.0%
Mar	979,639	1,055,715	1,189,196	1,259,719	1,304,507	1,362,876	108.2%	100.4%	104.5%	97.2%
Apr	968,100	964,682	1,045,769	1,132,162	1,228,106	1,181,395	104.3%	101.4%	96.2%	97.0%
May	944,922	1,043,401	1,192,302	1,287,256	1,308,896	1,225,638	95.2%	100.0%	93.6%	96.3%
Jun	1,120,140	1,218,023	1,859,310	1,467,403	1,496,525	1,583,559	107.9%	101.6%	105.8%	98.1%
Jul	1,038,928	1,136,243	1,149,068	1,252,821	1,298,330		0.0%	86.7%	0.0%	83.8%
Aug	993,159	1,053,719	1,134,443	1,202,431	1,268,261		0.0%	76.0%	0.0%	73.3%
Sep	1,103,330	1,154,610	1,256,653	1,432,059	1,384,787		0.0%	66.3%	0.0%	64.4%
Oct	954,697	1,003,914	1,160,202	1,187,678	1,241,955		0.0%	59.9%	0.0%	58.2%
Nov	935,693	1,011,439	1,124,996	1,132,530	1,233,526		0.0%	54.9%	0.0%	53.0%
Dec	1,364,240	1,422,983	1,571,740	1,896,863	1,711,667		0.0%	48.1%	0.0%	47.2%
<b>Totals</b>	<b>12,150,213</b>	<b>12,877,281</b>	<b>14,605,231</b>	<b>15,400,702</b>	<b>15,690,630</b>	<b>7,412,286</b>				
<b>% Of Change</b>	<b>6.1%</b>	<b>6.0%</b>	<b>13.4%</b>	<b>5.4%</b>	<b>1.9%</b>					

**City of Louisville, Colorado  
Lodging Tax Revenue  
2015 -2019**

Month Of Sale	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	2019 Actual	Mnthly % Of 2018	Y-T-D % Of 2018	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	24,681	25,767	27,069	29,376	24,511	21,423	72.9%	72.9%	87.4%	87.4%
Feb	23,429	28,321	24,240	26,701	23,975	21,707	81.3%	76.9%	90.5%	89.0%
Mar	33,963	32,422	33,056	29,394	27,699	27,356	93.1%	82.5%	98.8%	92.5%
Apr	34,080	35,442	34,743	32,459	29,292	30,600	94.3%	85.7%	104.5%	95.8%
May	47,601	48,597	49,217	44,481	42,351	44,797	100.7%	89.8%	105.8%	98.7%
Jun	51,846	56,221	61,489	57,035	46,897	53,263	93.4%	90.7%	113.6%	102.3%
Jul	57,071	61,691	61,409	58,802	50,460		0.0%	71.6%	0.0%	81.2%
Aug	55,216	60,005	67,270	58,980	50,406		0.0%	59.1%	0.0%	67.4%
Sep	45,015	49,801	51,452	45,157	40,287		0.0%	52.1%	0.0%	59.3%
Oct	45,615	46,278	49,334	39,845	40,159		0.0%	47.2%	0.0%	53.0%
Nov	28,694	33,551	26,870	31,504	27,341		0.0%	43.9%	0.0%	49.4%
Dec	22,498	22,127	30,714	18,792	21,893		0.0%	42.1%	0.0%	46.8%
<b>Totals</b>	<b>469,709</b>	<b>500,223</b>	<b>516,863</b>	<b>472,526</b>	<b>425,270</b>	<b>199,145</b>				
<b>% Of Change</b>	<b>9.7%</b>	<b>6.5%</b>	<b>3.3%</b>	<b>-8.6%</b>	<b>-10.0%</b>					

**City of Louisville, Colorado  
Auto Use Tax Revenue  
2015 -2019**

Month Of Sale	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	2019 Actual	Mnthly % Of 2018	Y-T-D % Of 2018	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	106,340	100,855	144,997	114,134	146,760	201,074	176.2%	176.2%	137.0%	137.0%
Feb	113,225	97,034	110,561	135,811	139,206	118,258	87.1%	127.8%	85.0%	111.7%
Mar	111,521	121,325	123,024	151,611	153,753	142,231	93.8%	114.9%	92.5%	105.0%
Apr	89,588	109,192	92,463	134,771	136,587	123,778	91.8%	109.1%	90.6%	101.6%
May	93,186	90,115	137,918	124,497	135,593	162,333	130.4%	113.1%	119.7%	105.0%
Jun	99,549	109,738	96,187	100,297	137,920	109,552	109.2%	112.6%	79.4%	100.9%
Jul	107,445	140,522	123,752	189,545	153,122		0.0%	90.2%	0.0%	85.5%
Aug	131,001	112,981	145,656	271,704	176,668		0.0%	70.1%	0.0%	72.7%
Sep	123,913	115,244	140,721	233,665	175,577		0.0%	58.9%	0.0%	63.3%
Oct	123,187	124,471	122,230	240,914	177,306		0.0%	50.5%	0.0%	55.9%
Nov	131,168	95,372	132,970	173,601	143,834		0.0%	45.8%	0.0%	51.1%
Dec	142,083	140,458	118,218	146,093	152,243		0.0%	42.5%	0.0%	46.9%
<b>Totals</b>	<b>1,372,205</b>	<b>1,357,306</b>	<b>1,488,699</b>	<b>2,016,642</b>	<b>1,828,570</b>	<b>857,226</b>				
<b>% Of Change</b>	<b>11.0%</b>	<b>-1.1%</b>	<b>9.7%</b>	<b>35.5%</b>	<b>-9.3%</b>					

Actual G/L amounts may vary

**City of Louisville, Colorado  
Building Use Tax Revenue  
2015 -2019**

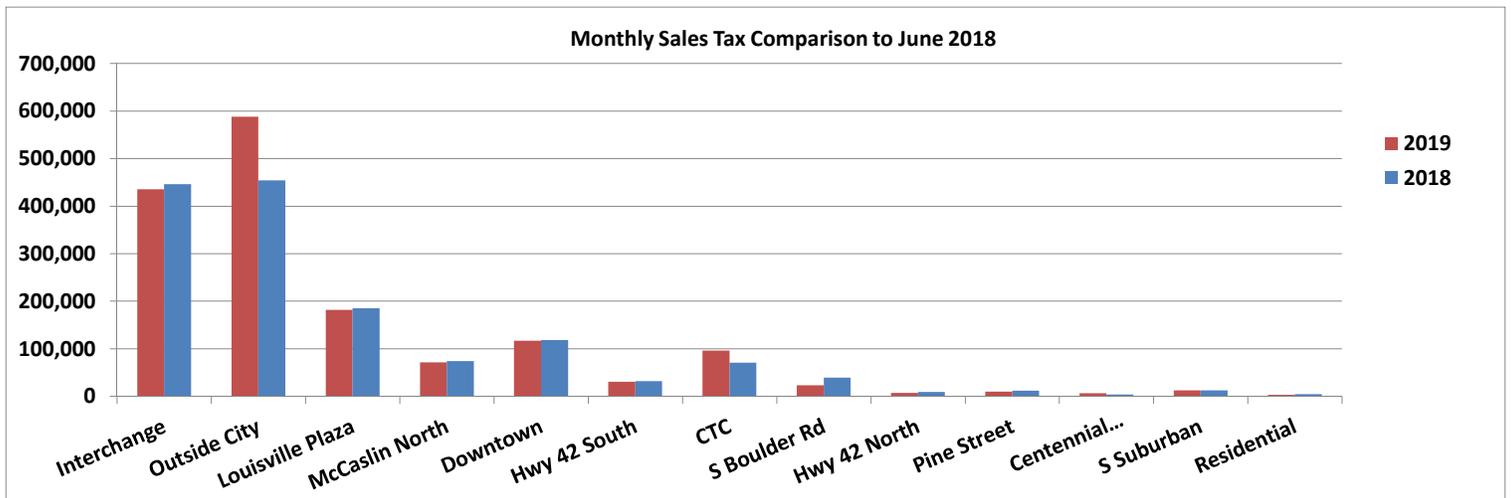
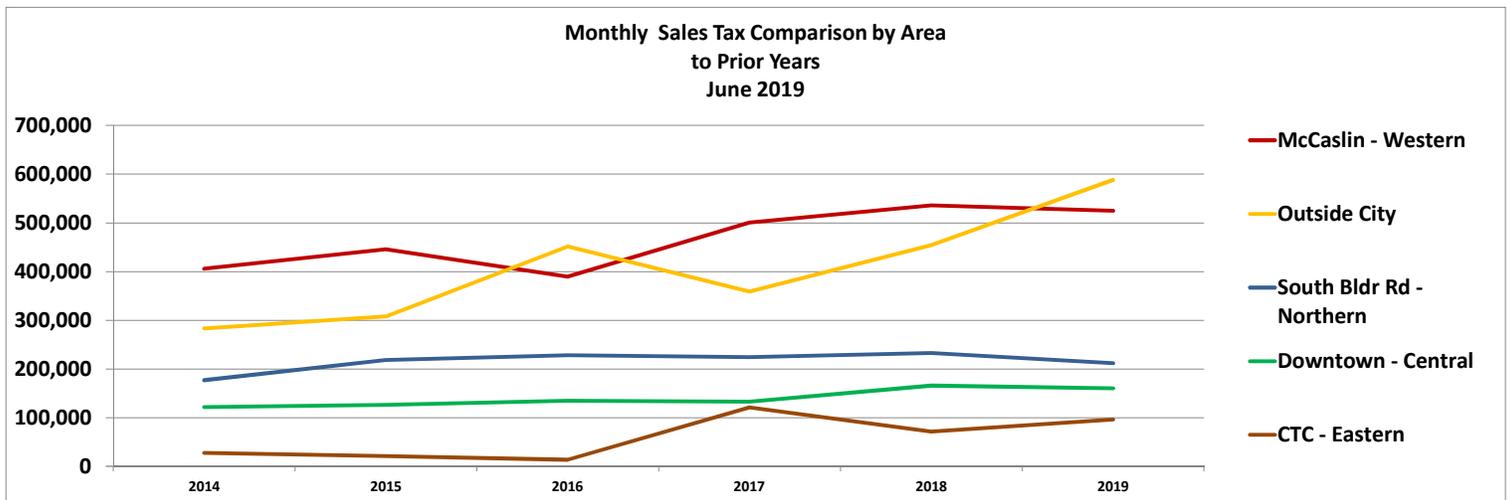
Month Of Sale	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	2019 Actual	Mnthly % Of 2018	Y-T-D % Of 2018	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	65,576	174,842	275,878	293,454	207,555	86,568	29.5%	29.5%	41.7%	41.7%
Feb	35,569	76,430	103,187	264,342	158,888	263,922	99.8%	62.8%	166.1%	95.6%
Mar	136,921	159,627	300,687	80,344	216,450	65,076	81.0%	65.1%	30.1%	71.3%
Apr	93,561	62,683	95,596	131,263	147,362	216,439	164.9%	82.1%	146.9%	86.5%
May	157,466	235,856	76,348	86,100	222,207	281,555	327.0%	106.8%	126.7%	95.9%
Jun	42,484	510,772	151,145	106,167	228,628	324,102	305.3%	128.7%	141.8%	104.8%
Jul	472,951	161,699	94,455	202,707	230,380		0.0%	106.3%	0.0%	87.7%
Aug	214,635	155,447	126,830	356,991	230,335		0.0%	81.4%	0.0%	75.4%
Sep	98,891	64,269	125,682	295,455	161,921		0.0%	68.1%	0.0%	68.6%
Oct	149,737	305,287	164,724	294,551	239,222		0.0%	58.6%	0.0%	60.6%
Nov	72,504	49,929	37,893	128,352	126,183		0.0%	55.3%	0.0%	57.1%
Dec	45,098	44,792	271,190	71,376	135,389		0.0%	53.6%	0.0%	53.7%
<b>Totals</b>	<b>1,585,392</b>	<b>2,001,634</b>	<b>1,823,614</b>	<b>2,311,102</b>	<b>2,304,520</b>	<b>1,237,661</b>				
<b>% Of Change</b>	<b>30.0%</b>	<b>26.3%</b>	<b>-8.9%</b>	<b>26.7%</b>	<b>-0.3%</b>					

**City of Louisville, Colorado  
Consumer Use Tax Revenue  
2015 -2019**

Month Of Sale	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	2019 Actual	Mnthly % Of 2018	Y-T-D % Of 2018	Mnthly % Of Proj.	Y-T-D % Of Proj.
Jan	86,310	226,633	140,390	132,262	144,146	142,282	107.6%	107.6%	98.7%	98.7%
Feb	92,813	126,682	97,871	106,800	112,473	159,797	149.6%	126.4%	142.1%	117.7%
Mar	146,179	129,773	153,044	173,536	165,021	189,651	109.3%	119.2%	114.9%	116.6%
Apr	94,037	177,473	204,559	127,868	152,661	290,688	227.3%	144.8%	190.4%	136.2%
May	101,700	103,736	96,617	100,007	128,537	165,145	165.1%	147.9%	128.5%	134.8%
Jun	139,860	152,470	252,267	166,583	195,810	185,766	111.5%	140.4%	94.9%	126.1%
Jul	83,003	65,541	93,569	87,178	103,879		0.0%	126.7%	0.0%	113.0%
Aug	135,998	124,102	82,678	257,159	170,274		0.0%	98.4%	0.0%	96.6%
Sep	151,963	110,699	184,530	250,108	183,888		0.0%	80.9%	0.0%	83.5%
Oct	140,631	247,533	78,777	111,410	173,135		0.0%	74.9%	0.0%	74.1%
Nov	133,558	155,633	114,528	102,920	181,457		0.0%	70.1%	0.0%	66.2%
Dec	149,597	227,012	169,722	268,009	361,157		0.0%	60.2%	0.0%	54.7%
<b>Totals</b>	<b>1,455,649</b>	<b>1,847,288</b>	<b>1,668,551</b>	<b>1,883,839</b>	<b>2,072,440</b>	<b>1,133,329</b>				
<b>% Of Change</b>	<b>-0.9%</b>	<b>26.9%</b>	<b>-9.7%</b>	<b>12.9%</b>	<b>10.0%</b>					

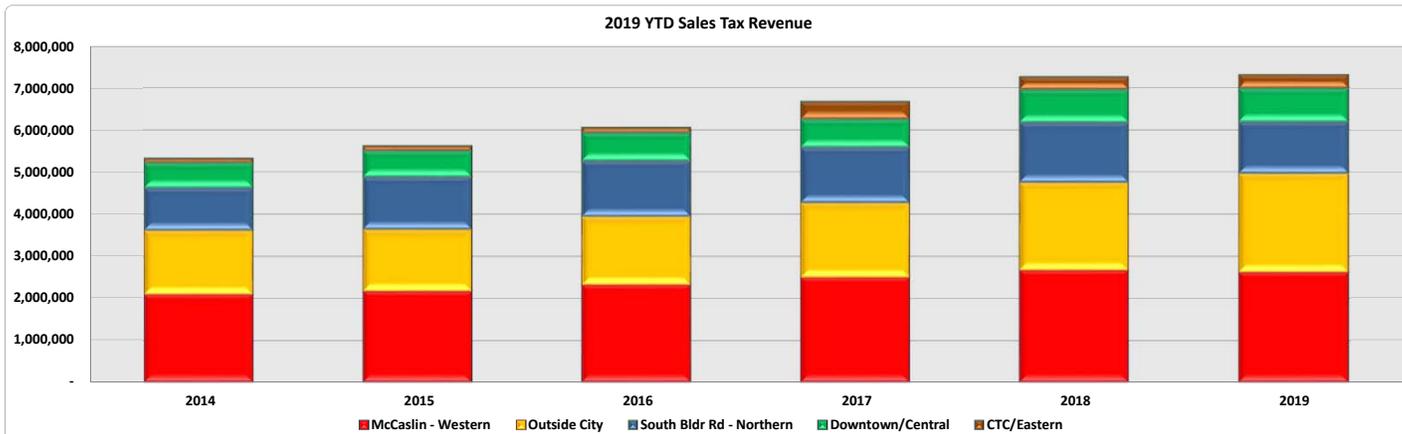
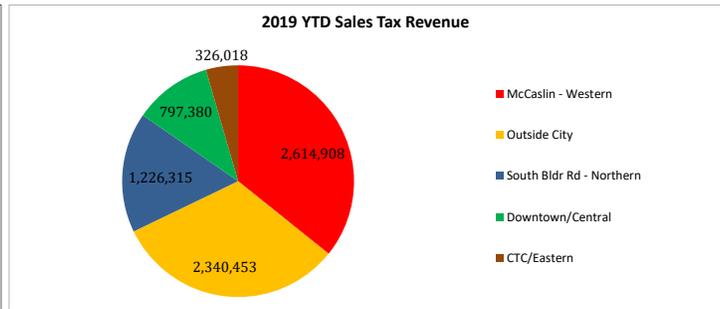
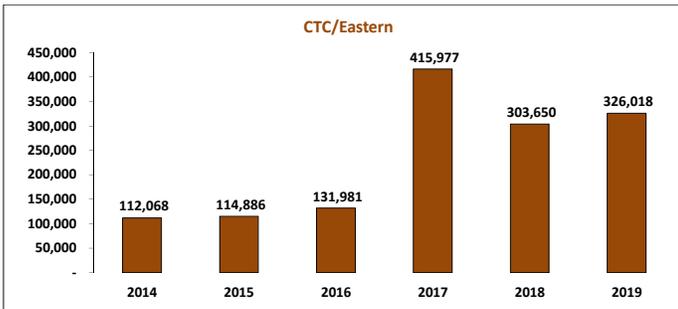
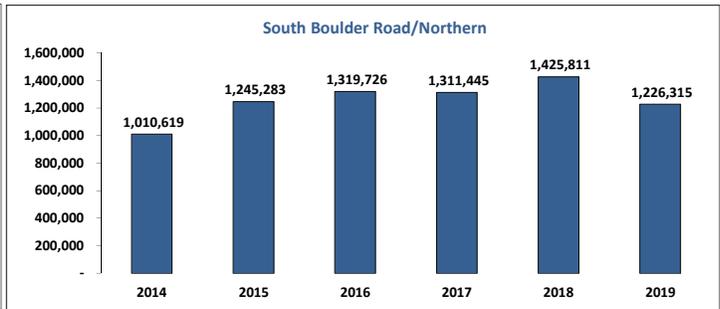
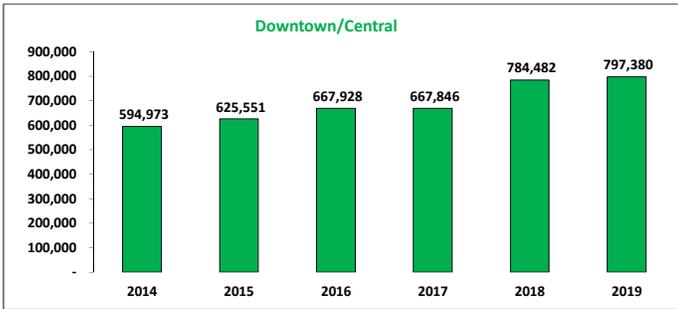
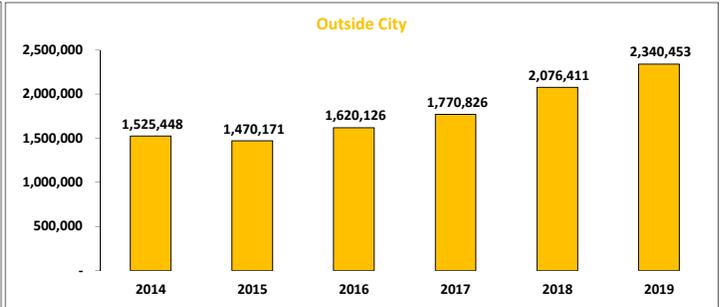
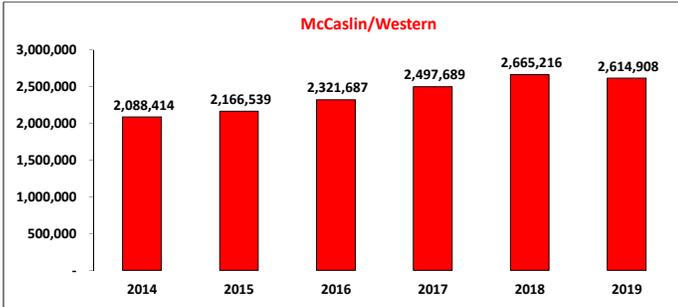
## Monthly Sales Tax Revenue Comparisons by Area (June 2019)

AREA NAME	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	% Of Total	% Change
Interchange	336,331	374,069	389,184	421,941	445,930	435,171	27.6%	-2.4%
Outside City	283,136	307,312	451,624	358,664	454,117	587,899	37.2%	29.5%
Louisville Plaza	154,496	168,026	174,706	174,677	184,733	181,367	11.5%	-1.8%
McCaslin North	60,218	64,705	(13,073)	65,664	73,941	70,979	4.5%	-4.0%
Downtown	88,262	90,057	96,719	95,267	117,922	116,930	7.4%	-0.8%
Hwy 42 South	23,247	24,454	29,163	27,542	31,778	30,212	1.9%	-4.9%
CTC	27,137	20,457	13,384	120,991	70,749	95,671	6.1%	35.2%
S Boulder Rd	13,920	42,298	45,050	41,667	39,015	23,235	1.5%	-40.4%
Hwy 42 North	8,277	7,562	7,810	7,774	9,011	7,016	0.4%	-22.1%
Pine Street	7,571	7,690	6,406	7,185	11,924	9,884	0.6%	-17.1%
Centennial Valley	6,250	4,407	3,041	2,693	3,585	6,003	0.4%	67.4%
S Suburban	2,513	2,084	10,382	9,922	12,117	12,084	0.8%	-0.3%
Residential	2,541	3,594	2,458	2,420	4,071	2,658	0.2%	-34.7%
<b>Total Revenue</b>	<b>1,013,900</b>	<b>1,116,715</b>	<b>1,216,853</b>	<b>1,336,406</b>	<b>1,458,894</b>	<b>1,579,107</b>		
<b>% Of Change</b>	<b>13.2%</b>	<b>10.1%</b>	<b>9.0%</b>	<b>9.8%</b>	<b>9.2%</b>	<b>8.2%</b>		



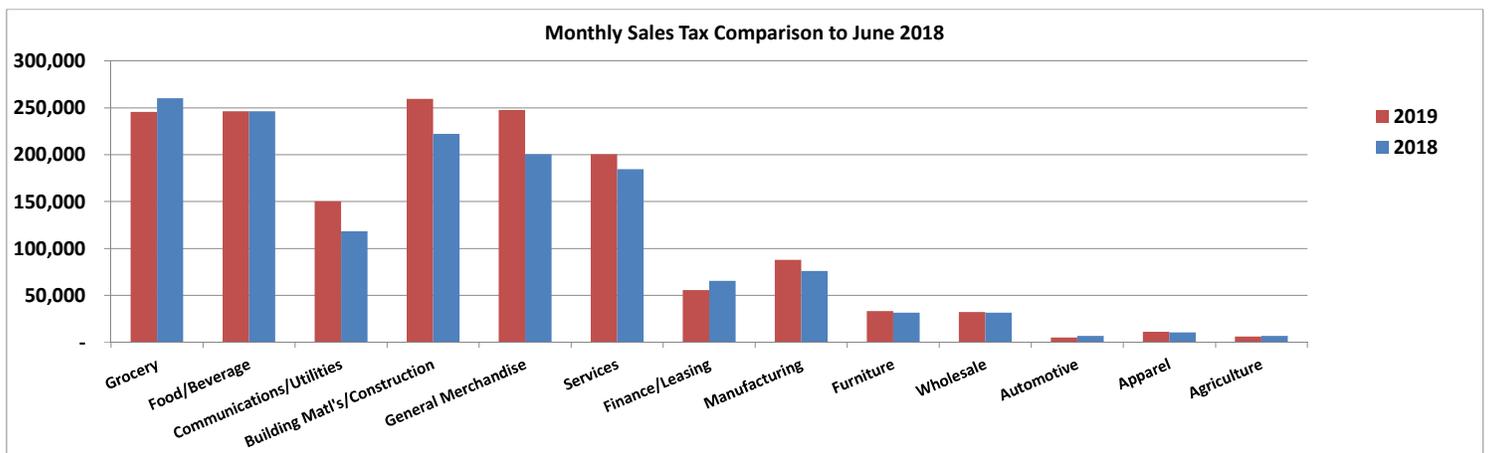
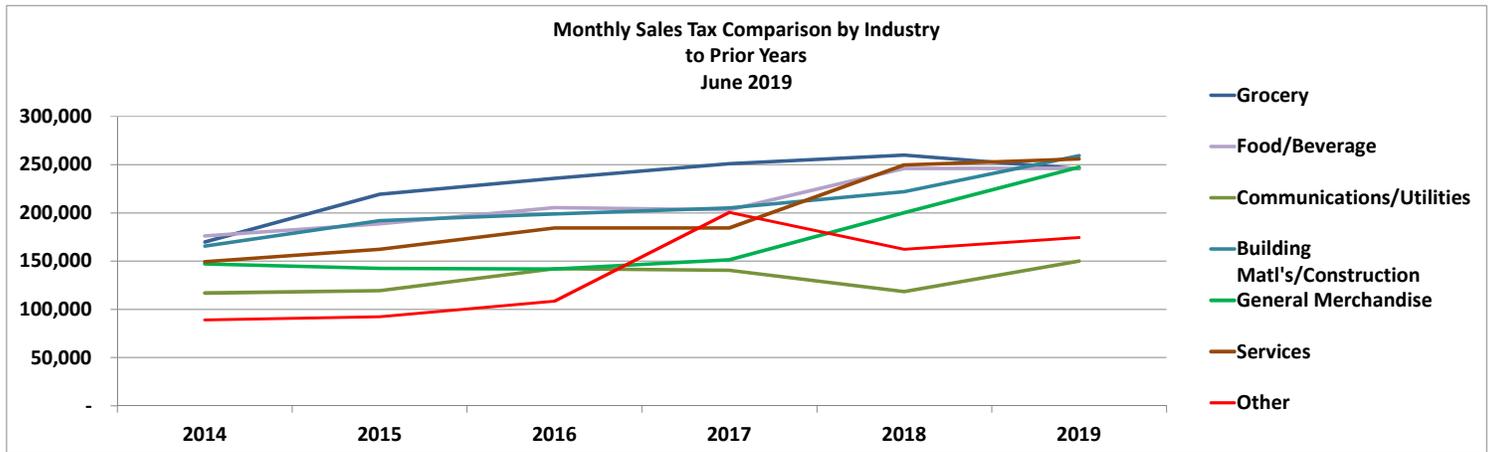
**CITY OF LOUISVILLE**  
**Sales Tax Revenue History by Area (Jan. - Jun. 2019)**

	2014	% Var	2015	% Var	2016	% Var	2017	% Var	2018	% Var	2019	% Var	% of Total
<b>McCaslin - Western</b>	2,088,414	4.59%	2,166,539	3.74%	2,321,687	7.16%	2,497,689	7.58%	2,665,216	6.71%	2,614,908	-1.89%	35.8%
<b>Outside City</b>	1,525,448	10.18%	1,470,171	-3.62%	1,620,126	6.21%	1,770,826	9.30%	2,076,411	17.26%	2,340,453	12.72%	32.0%
<b>South Bldr Rd - Northern</b>	1,010,619	10.66%	1,245,283	23.22%	1,319,726	30.59%	1,311,445	-0.63%	1,425,811	8.72%	1,226,315	-13.99%	16.8%
<b>Downtown/Central</b>	594,973	8.72%	625,551	5.14%	667,928	12.26%	667,846	-0.01%	784,482	17.46%	797,380	1.64%	10.9%
<b>CTC/Eastern</b>	112,068	0.52%	114,886	2.51%	131,981	17.77%	415,977	215.18%	303,650	-27.00%	326,018	7.37%	4.5%
	5,331,522	7.6%	5,622,430	5.5%	6,061,448	7.8%	6,663,784	9.9%	7,255,570	8.9%	7,305,074	0.7%	



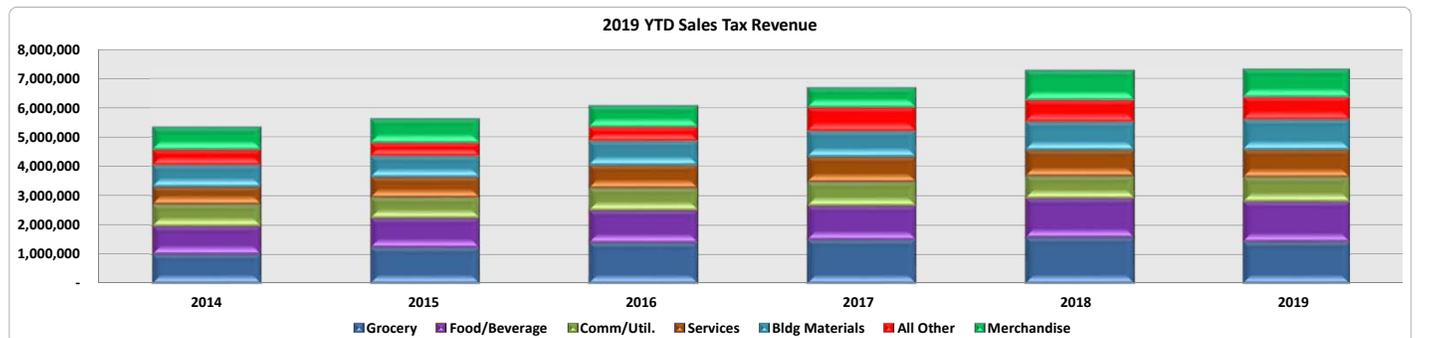
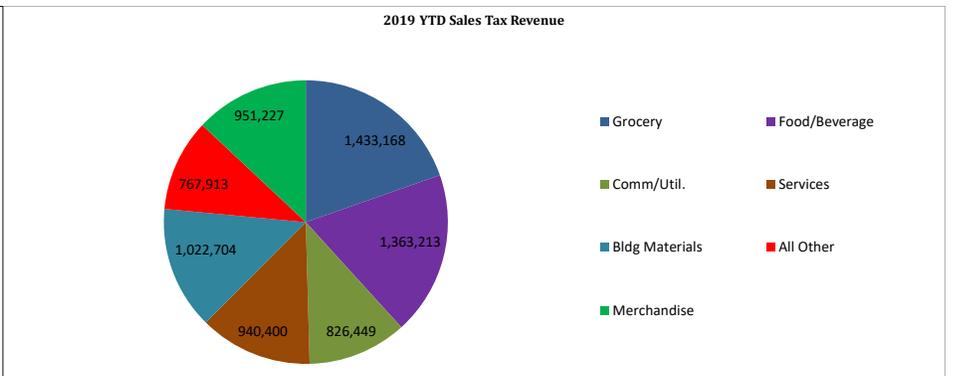
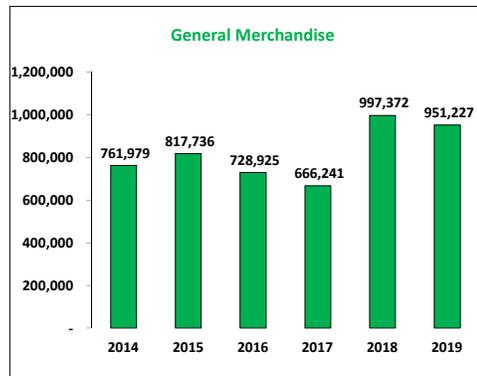
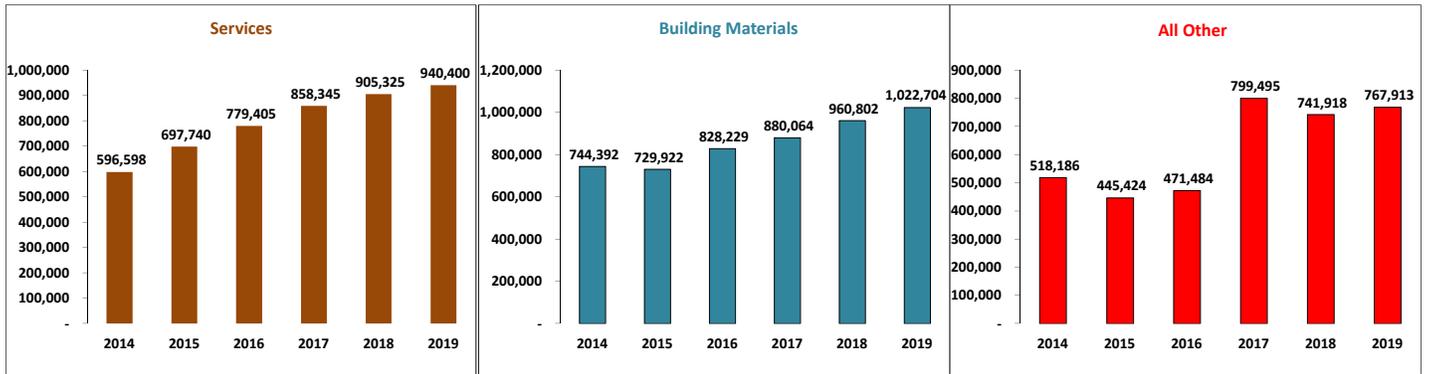
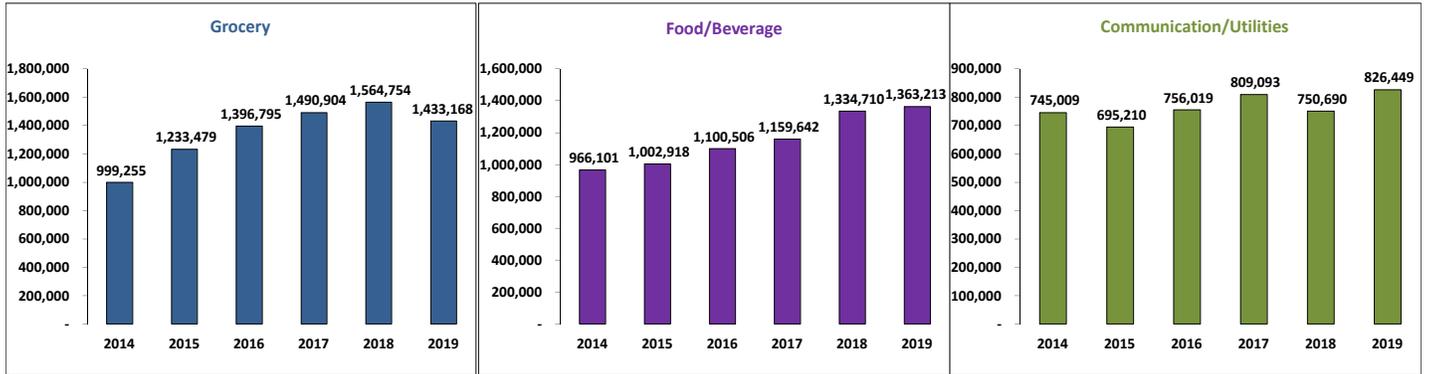
## Monthly Sales Tax Revenue Comparisons by Industry (June 2019)

AREA NAME	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	% Of Total	% Change
Grocery	169,821	219,349	235,799	251,069	259,975	245,637	15.6%	-5.5%
Food/Beverage	176,169	188,669	205,460	203,201	246,143	246,158	15.6%	0.0%
Communications/Utilities	116,903	119,534	142,168	140,573	118,342	150,064	9.5%	26.8%
Building Matl's/Construction	165,589	192,031	198,761	205,091	222,170	259,370	16.4%	16.7%
General Merchandise	146,998	142,432	141,881	151,513	200,226	247,439	15.7%	23.6%
Services	113,318	127,236	145,591	144,149	184,540	200,536	12.7%	8.7%
Finance/Leasing	36,056	35,144	38,691	40,272	65,210	55,411	3.5%	-15.0%
Manufacturing	22,572	21,888	12,436	121,663	75,995	87,675	5.6%	15.4%
Furniture	26,657	27,907	34,716	31,854	31,571	32,941	2.1%	4.3%
Wholesale	18,758	27,326	29,019	26,694	31,492	32,068	2.0%	1.8%
Automotive	7,194	2,581	18,816	5,949	6,488	5,034	0.3%	-22.4%
Apparel	8,288	7,674	8,659	9,806	10,247	10,924	0.7%	6.6%
Agriculture	5,578	4,946	4,825	4,573	6,495	5,850	0.4%	-9.9%
<b>Totals</b>	<b>1,013,900</b>	<b>1,116,715</b>	<b>1,216,822</b>	<b>1,336,406</b>	<b>1,458,894</b>	<b>1,579,107</b>		
<b>% Of Change</b>	<b>13.2%</b>	<b>10.1%</b>	<b>9.0%</b>	<b>9.8%</b>	<b>9.2%</b>	<b>8.2%</b>		



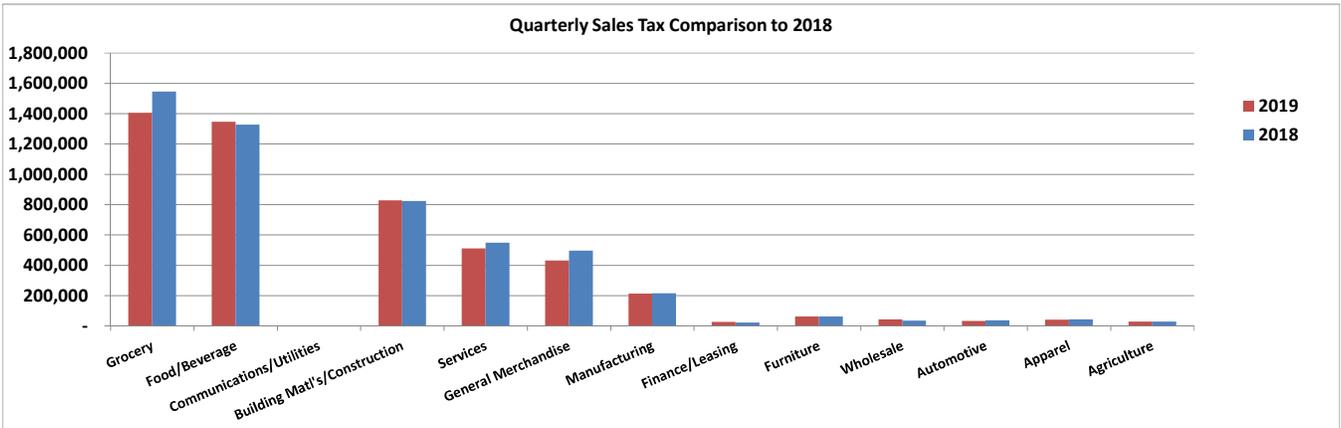
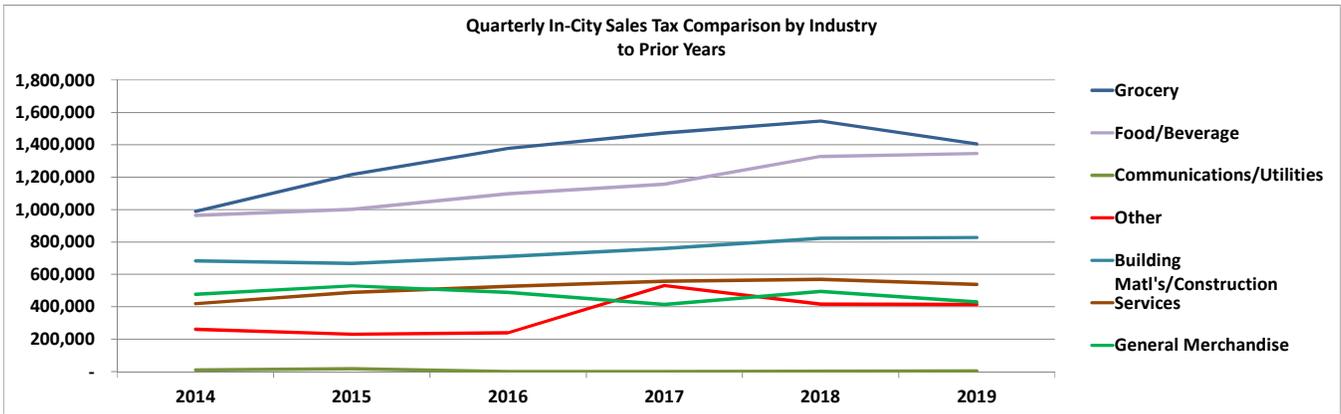
**CITY OF LOUISVILLE**  
**Revenue History by Industry (Jan. - Jun. 2019)**

	2014	% Var	2015	% Var	2016	% Var	2017	% Var	2018	% Var	2019	% Var	% of Total
Grocery	999,255	4.3%	1,233,479	23.4%	1,396,795	13.2%	1,490,904	6.7%	1,564,754	5.0%	1,433,168	-8.4%	19.6%
Food/Beverage	966,101	7.5%	1,002,918	3.8%	1,100,506	9.7%	1,159,642	5.4%	1,334,710	15.1%	1,363,213	2.1%	18.7%
Comm/Util.	745,009	4.3%	695,210	-6.7%	756,019	8.7%	809,093	7.0%	750,690	-7.2%	826,449	10.1%	11.3%
Services	596,598	-4.2%	697,740	17.0%	779,405	11.7%	858,345	10.1%	905,325	5.5%	940,400	3.9%	12.9%
Bldg Materials	744,392	0.4%	729,922	-1.9%	828,229	13.5%	880,064	6.3%	960,802	9.2%	1,022,704	6.4%	14.0%
All Other	518,186	34.9%	445,424	-14.0%	471,484	5.9%	799,495	69.6%	741,918	-7.2%	767,913	3.5%	10.5%
Merchandise	761,979	20.2%	817,736	7.3%	728,925	-10.9%	666,241	-8.6%	997,372	49.7%	951,227	-4.6%	13.0%
	5,331,522	7.6%	5,622,430	5.5%	6,061,363	7.8%	6,663,784	9.9%	7,255,570	8.9%	7,305,074	0.7%	



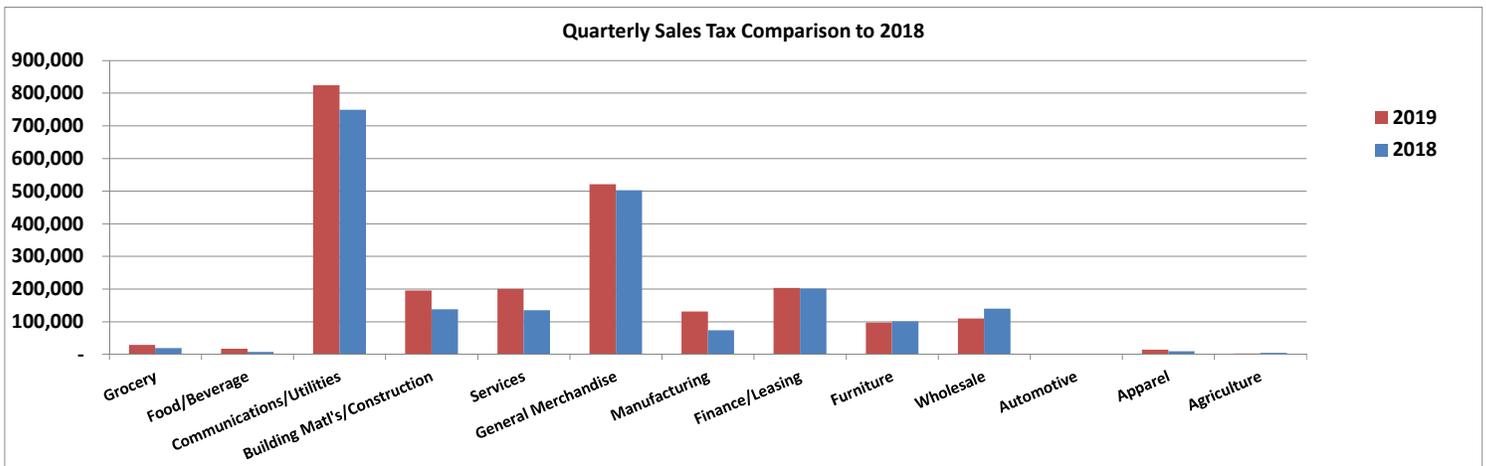
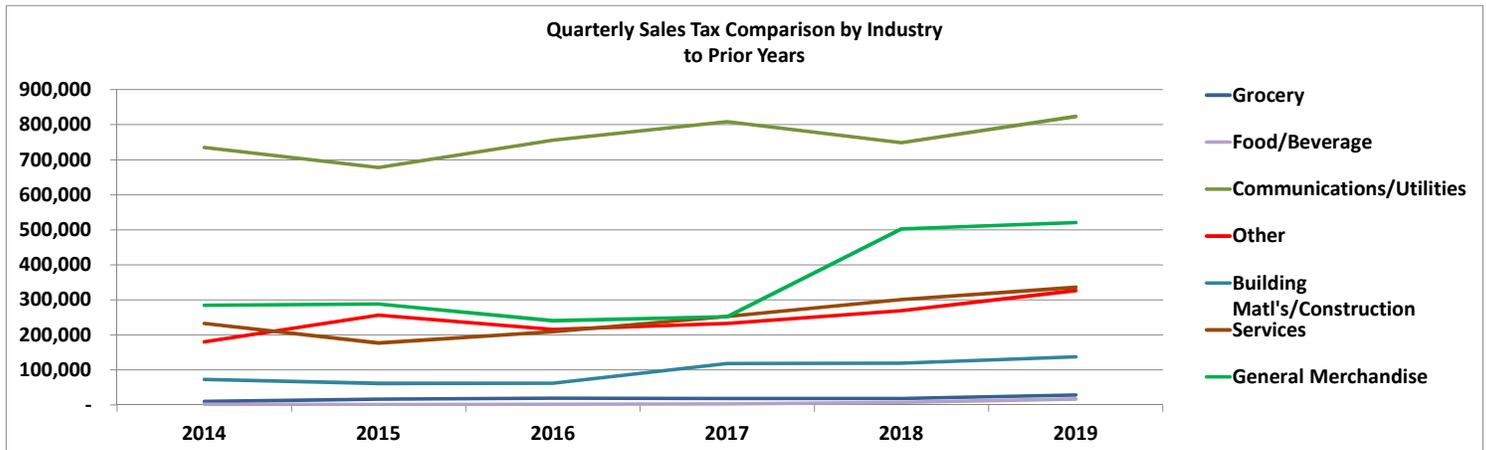
## Quarterly Sales Tax Revenue Comparisons by Industry - Inside City Area (June 2019)

INDUSTRY NAME	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	% Of Total	% Change
Grocery	989,501	1,216,666	1,377,928	1,472,530	1,546,158	1,404,813	28.3%	-9.1%
Food/Beverage	964,195	1,002,066	1,098,932	1,156,945	1,327,715	1,346,339	27.1%	1.4%
Communications/Utilities	10,413	17,469	345	279	1,810	2,995	0.1%	65.5%
Building Mat'l's/Construction	682,901	667,828	710,208	760,779	823,479	827,899	16.7%	0.5%
Services	403,058	467,553	503,271	536,334	548,140	511,010	10.3%	-6.8%
General Merchandise	477,389	529,665	488,436	414,162	495,080	430,511	8.7%	-13.0%
Manufacturing	109,603	67,402	72,408	360,383	214,573	212,088	4.3%	-1.2%
Finance/Leasing	16,746	20,711	23,264	21,323	21,316	26,712	0.5%	25.3%
Furniture	43,736	53,883	49,268	37,487	60,698	61,505	1.2%	1.3%
Wholesale	18,937	22,597	27,252	33,917	34,262	41,507	0.8%	21.1%
Automotive	35,766	30,941	27,616	32,243	36,602	31,724	0.6%	-13.3%
Apparel	32,122	32,976	38,099	41,708	42,378	39,406	0.8%	-7.0%
Agriculture	21,707	22,504	24,293	24,868	26,945	28,112	0.6%	4.3%
<b>Totals</b>	<b>3,806,074</b>	<b>4,152,260</b>	<b>4,441,322</b>	<b>4,892,957</b>	<b>5,179,159</b>	<b>4,964,621</b>		
<b>% Of Change</b>	<b>6.6%</b>	<b>9.1%</b>	<b>7.0%</b>	<b>10.2%</b>	<b>5.8%</b>	<b>-4.1%</b>		

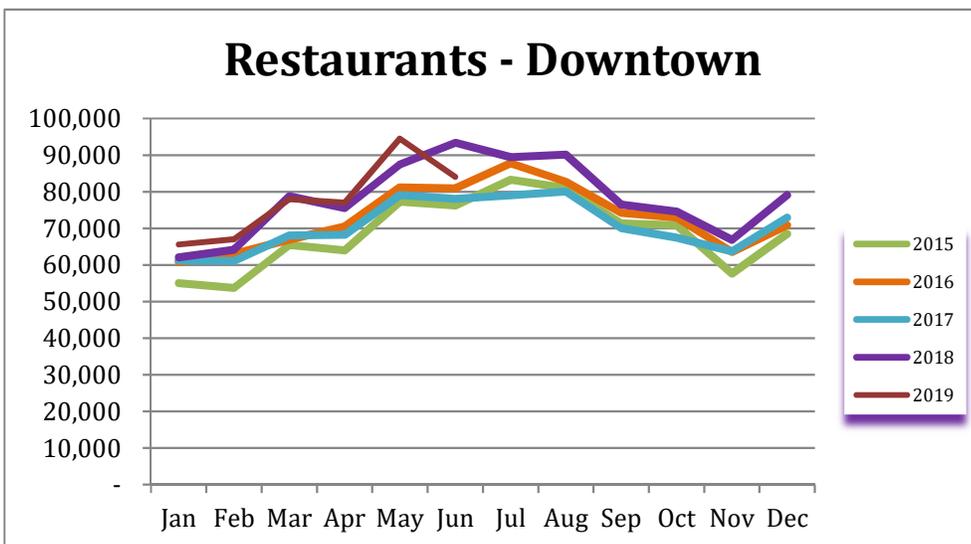
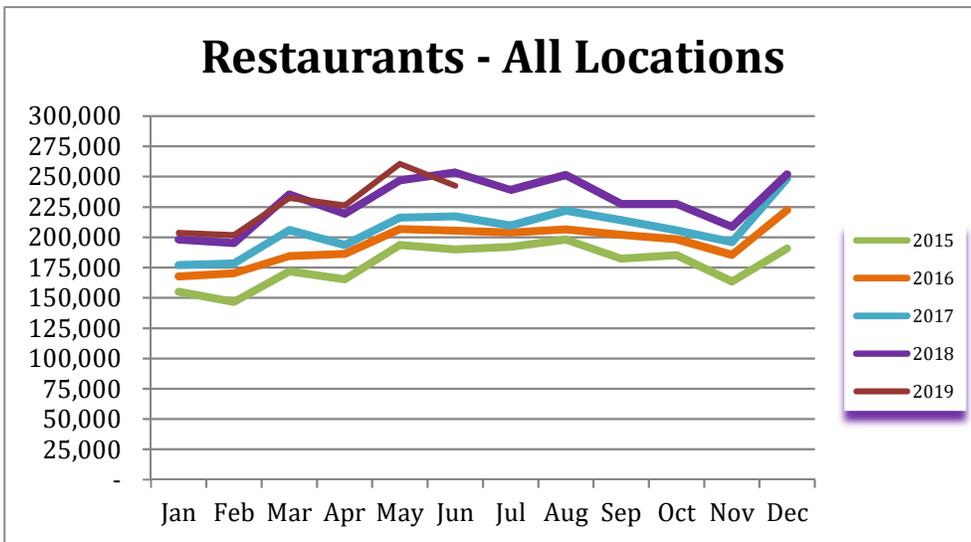
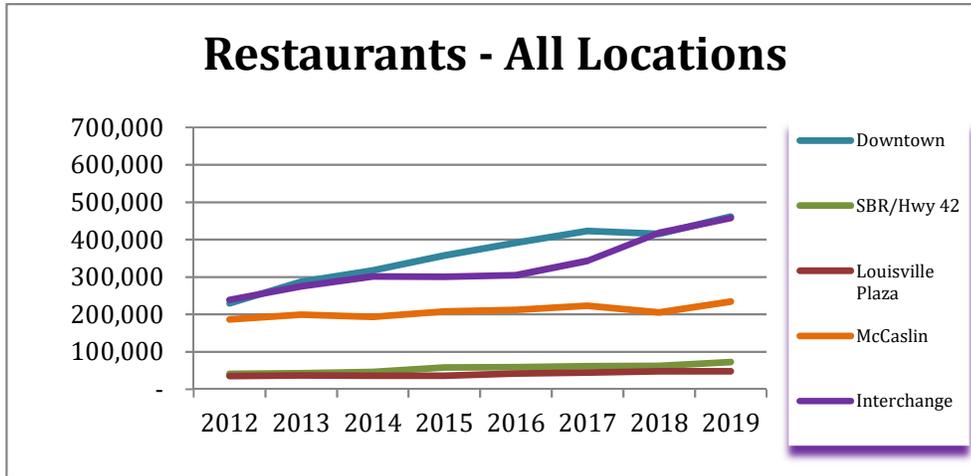


## Quarterly Sales Tax Revenue Comparisons by Industry - Outside City Area (June 2019)

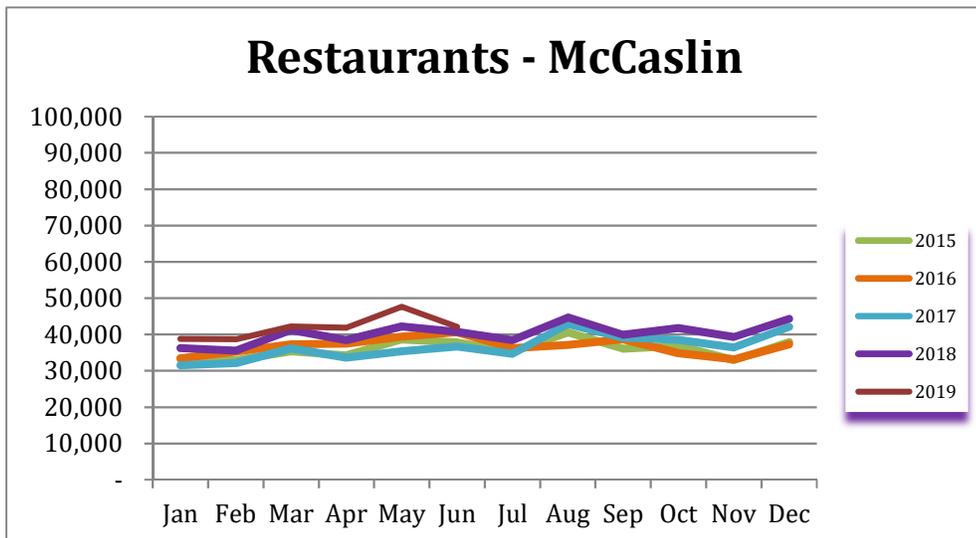
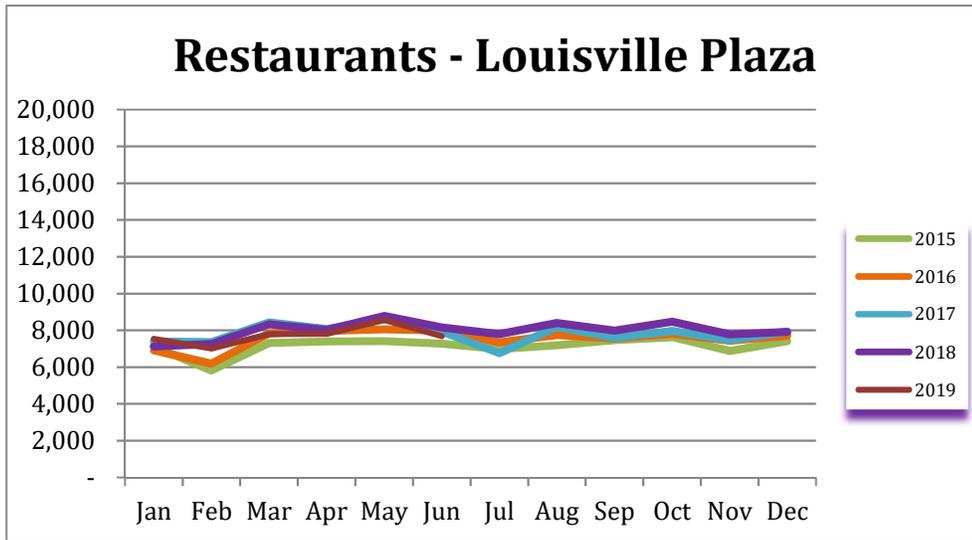
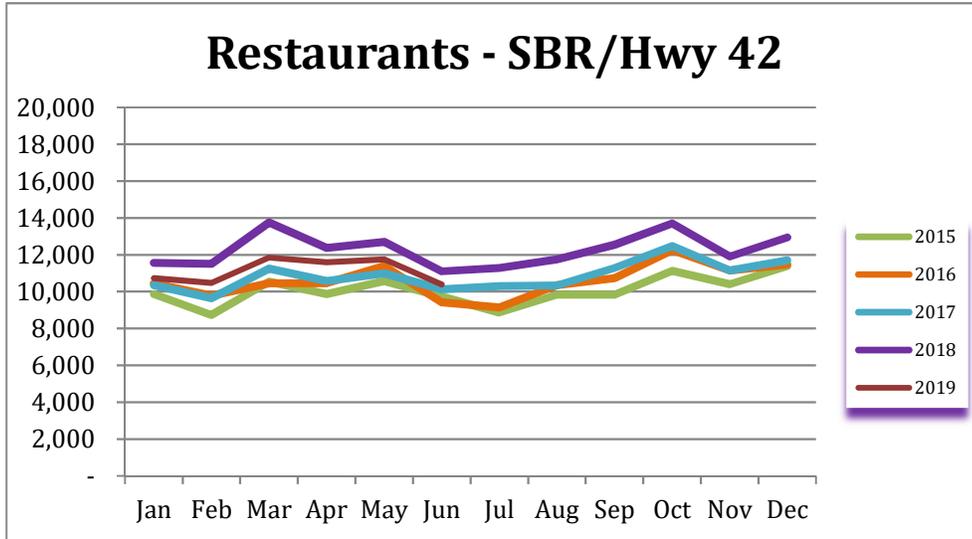
INDUSTRY NAME	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	% Of Total	% Change
Grocery	9,755	16,813	18,866	18,373	18,595	28,355	1.2%	52.5%
Food/Beverage	1,906	853	1,574	2,697	6,994	16,874	0.7%	141.3%
Communications/Utilities	734,596	677,741	755,674	808,814	748,880	823,454	35.2%	10.0%
Building Mat'l's/Construction	61,491	62,094	118,021	119,285	137,323	194,805	8.3%	41.9%
Services	63,552	75,485	99,227	130,847	134,406	199,735	8.5%	48.6%
General Merchandise	284,591	288,071	240,489	252,079	502,292	520,716	22.2%	3.7%
Manufacturing	54,213	41,307	46,404	65,934	72,919	131,262	5.6%	80.0%
Finance/Leasing	113,242	133,991	153,643	169,842	201,462	202,943	8.7%	0.7%
Furniture	66,826	73,205	84,396	96,818	100,461	96,287	4.1%	-4.2%
Wholesale	129,246	93,188	91,003	93,026	139,995	109,871	4.7%	-21.5%
Automotive	261	921	1,306	115	16	463	0.0%	2793.8%
Apparel	2,622	4,984	6,455	10,217	9,350	13,675	0.6%	46.3%
Agriculture	3,147	1,518	3,068	2,780	3,718	2,014	0.1%	-45.8%
<b>Totals</b>	<b>1,525,448</b>	<b>1,470,171</b>	<b>1,620,126</b>	<b>1,770,826</b>	<b>2,076,411</b>	<b>2,340,453</b>		
<b>% Of Change</b>	<b>10.2%</b>	<b>-3.6%</b>	<b>10.2%</b>	<b>9.3%</b>	<b>17.3%</b>	<b>12.7%</b>		



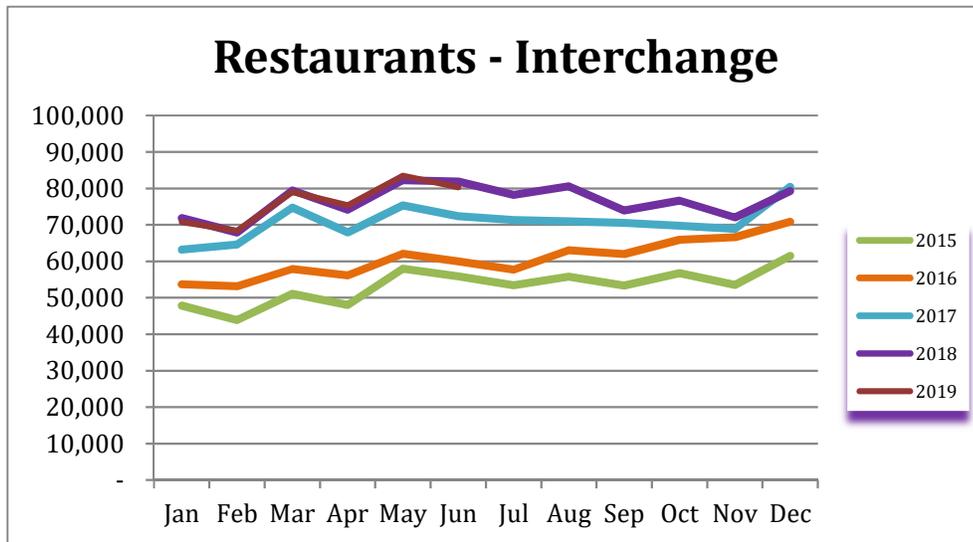
**Restaurant Graphs  
June 2019**



**Restaurant Graphs  
June 2019**



Restaurant Graphs  
June 2019

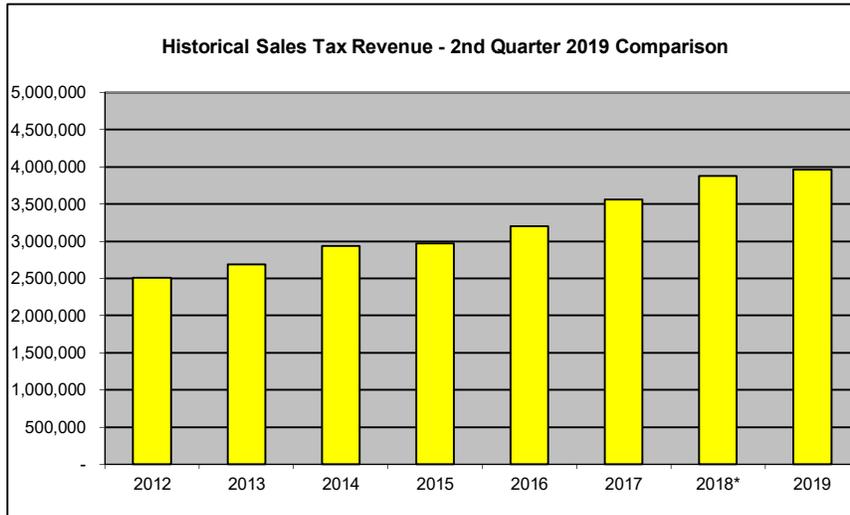


**CITY OF LOUISVILLE**  
**2018 HISTORICAL SALES TAX REVENUE (COMPARISONS FROM 2012 - 2019)**  
**6/30/2019**

MONTH	2012	2013	2014	2015	2016	2017	2018*	2019
January	681,326	777,242	798,792	930,279	886,723	1,052,366	1,141,972	1,071,558
February	656,603	669,879	708,164	751,446	920,875	864,842	984,046	936,429
March	816,468	820,313	891,756	966,850	1,054,128	1,182,825	1,254,090	1,334,863
April	757,617	870,965	990,489	926,082	949,906	1,044,230	1,131,949	1,159,948
May	855,685	918,954	928,421	931,057	1,032,963	1,183,115	1,284,619	1,223,169
June	890,833	895,906	1,013,900	1,116,715	1,216,853	1,336,406	1,458,894	1,579,107
July	794,745	856,770	866,647	1,026,333	1,136,035	1,137,813	1,247,212	-
August	776,002	821,538	983,356	983,178	1,050,800	1,119,641	1,198,848	-
September	836,117	1,017,791	974,352	1,097,796	1,153,466	1,209,258	1,425,270	-
October	737,769	827,461	876,022	948,794	1,003,857	1,154,708	1,187,020	-
November	855,913	812,544	867,460	933,235	1,005,580	1,112,434	1,113,867	-
December	1,091,578	1,125,418	1,294,297	1,360,790	1,420,942	1,554,048	1,889,403	-
Total Tax	\$ 9,750,654	\$ 10,414,782	\$ 11,193,655	\$ 11,972,557	\$ 12,832,129	\$ 13,951,686	\$ 15,317,190	\$ 7,305,074
Tax Variance %	7.0%	6.8%	7.5%	7.0%	7.2%	8.7%	9.8%	-52.3%

QUARTERLY SUMMARY	2012	2013	2014	2015	2016	2017	2018*	2019
1st Quarter	2,154,396	2,267,435	2,398,712	2,648,576	2,861,726	3,100,032	3,380,108	3,342,849
2nd Quarter	2,504,135	2,685,825	2,932,810	2,973,855	3,199,722	3,563,751	3,875,462	3,962,225
3rd Quarter	2,406,864	2,696,099	2,824,355	3,107,307	3,340,301	3,466,712	3,871,330	-
4th Quarter	2,685,259	2,765,423	3,037,779	3,242,820	3,430,379	3,821,190	4,190,290	-
Tax Incr/(Decr)	173,320	181,690	246,985	41,045	225,867	364,030	311,710	86,763
Tax Variance %	7.4%	7.3%	9.2%	1.4%	7.6%	11.4%	8.7%	2.2%

\* Includes Recreation/Senior Center tax rate of .15% or 4.3% increase in total tax rate.



**SUBJECT: REVENUE PROJECTION DASHBOARD – PROJECTIONS  
DATED AUGUST 7, 2019**

**DATE: AUGUST 16, 2019**

**PRESENTED BY: KEVIN WATSON, FINANCE**

**SUMMARY:**

Attached are two revenue projection dashboards with 2019 revenue projections dated August 7, 2019.

The first dashboard contains most City-wide revenue sources totaling at least \$100,000 per year. For each revenue source, a 2019 annual projection is compared to the 2019 annual budget and to the 2018 annual actual amount. Variances are expressed in both dollar amounts and percentages. Positive variances exceeding \$100,000 and/or 5% are highlighted in green. Negative variances exceeding \$100,000 and/or 5% are highlighted in red.

The second dashboard is similar to the first, but contains only General Fund revenue sources totaling at least \$100,000 per year. This dashboard also includes the latest projection of total General Fund revenue at the bottom.

Projections are based on a simple trend analysis using amounts actually received during the first seven (7) months of the year. For some revenue sources, projections are based on forecasts made by the departments that assess and/or collect the revenue. These projections are highlighted in orange. In all other cases, projections are based on the Finance Department's trend analysis.

All projections for building-related revenue are based on forecasts from the Planning & Building Safety Department. Building-related revenue includes Building Use Tax, Construction Permits, Impact Fees, and Utility Tap Fees.

All projections for Recreation Center Fees are based on forecasts from the Parks & Recreation Department. The projection for Golf Course operating revenue includes a consolidation of green fees, annual season passes, golf cart rentals, driving range fees, pro shop merchandise sales, pull cart rentals, club rentals, golf lesson fees, club repair fees, handicap fees and payments from Sweet Spot. These are also based on forecasts from the Parks & Recreation Department.

All projections for Utility User Fees are based on forecasts from the Public Works Department.

**SUBJECT: REVENUE PROJECTION DASHBOARD**

**DATE: AUGUST 16, 2019**

**PAGE 2 OF 2**

The projections are similar to those presented on July 19, 2019. The Consumer Use Tax revenue projection has been increased. The Auto Use Tax, Franchise & Telephone Tax, and Court Fines revenue projections have all been reduced.

City of Louisville, Colorado  
2019 Revenue Projection Dashboard - **All Funds**  
Projections As Of August 7, 2019

Revenue Category	2019 Budget	2019 Projection	Variance		2018 Actual	2019 Projection	Variance	
			Amount	Percent			Amount	Percent
Property Tax	5,053,030	5,047,970	(5,060)	-0.1%	5,564,951	5,047,970	(516,981)	-9.3%
Sales Tax	15,690,630	15,690,630	-	0.0%	15,382,975	15,690,630	307,655	2.0%
Consumer Use Tax	1,884,040	2,260,850	376,810	20.0%	1,884,037	2,260,850	376,813	20.0%
Auto Use Tax	1,676,690	1,726,970	50,280	3.0%	2,031,738	1,726,970	(304,768)	-15.0%
Building Use Tax	1,962,180	2,304,520	342,340	17.4%	2,272,263	2,304,520	32,257	1.4%
Lodging Tax	425,270	425,270	-	0.0%	472,526	425,270	(47,256)	-10.0%
Specific Ownership Tax	236,600	278,540	41,940	17.7%	309,486	278,540	(30,946)	-10.0%
Franchise & Telephone Tax	1,096,350	1,042,230	(54,120)	-4.9%	1,074,576	1,042,230	(32,346)	-3.0%
Marijuana Tax	151,010	136,830	(14,180)	-9.4%	136,830	136,830	0	0.0%
Construction Permits	965,820	1,020,060	54,240	5.6%	662,763	1,020,060	357,297	53.9%
Court Fines	149,690	113,280	(36,410)	-24.3%	141,597	113,280	(28,317)	-20.0%
Highway Users Tax	694,530	780,090	85,560	12.3%	783,844	780,090	(3,754)	-0.5%
Rec Ctr Membership Fees	1,017,420	1,200,000	182,580	17.9%	716,788	1,200,000	483,212	67.4%
Rec Ctr Daily User Fees	120,010	140,000	19,990	16.7%	54,846	140,000	85,154	155.3%
Rec Ctr Swim Lessons	129,680	84,500	(45,180)	-34.8%	90,554	84,500	(6,054)	-6.7%
Rec Ctr Youth Activity Fees	224,020	200,000	(24,020)	-10.7%	206,095	200,000	(6,095)	-3.0%
Rec Ctr Youth Sports Fees	138,080	135,540	(2,540)	-1.8%	143,251	135,540	(7,711)	-5.4%
State Lottery Proceeds	194,410	228,760	34,350	17.7%	198,924	228,760	29,836	15.0%
Impact Fees	766,360	530,140	(236,220)	-30.8%	702,021	530,140	(171,881)	-24.5%
Water User Fees	5,700,000	5,575,200	(124,800)	-2.2%	6,313,843	5,575,200	(738,643)	-11.7%
Water Tap Fees	3,282,270	2,161,000	(1,121,270)	-34.2%	1,647,686	2,161,000	513,314	31.2%
Wastewater User Fees	3,454,000	3,488,540	34,540	1.0%	3,535,215	3,488,540	(46,675)	-1.3%
Wastewater Tap Fees	469,800	275,360	(194,440)	-41.4%	161,360	275,360	114,000	70.6%
Storm Water User Fees	828,070	836,350	8,280	1.0%	778,366	836,350	57,984	7.4%
Golf Course Operating Revenue	1,725,700	1,578,300	(147,400)	-8.5%	1,589,564	1,578,300	(11,264)	-0.7%
Solid Waste & Recycling Fees	1,520,470	1,446,440	(74,030)	-4.9%	1,455,963	1,446,440	(9,523)	-0.7%

Orange = Department Projection  
Green = Positive Variance exceeding \$100,000 and/or 5%  
White = Neutral Variance within \$100,000 and/or 5%  
Red = Negative Variance exceeding \$100,000 and/or 5%

City of Louisville, Colorado  
2019 Revenue Projection Dashboard - **General Fund**  
Projections As Of August 7, 2019

Revenue Category	2019 Budget	2019 Projection	Variance		2018 Actual	2019 Projection	Variance	
			Amount	Percent			Amount	Percent
Property Tax	3,301,600	3,296,540	(5,060)	-0.2%	3,250,690	3,296,540	45,850	1.4%
Sales Tax	8,592,190	8,592,190	-	0.0%	8,423,715	8,592,190	168,475	2.0%
Consumer Use Tax	1,042,070	1,250,480	208,410	20.0%	1,042,068	1,250,480	208,412	20.0%
Auto Use Tax	1,378,110	1,419,430	41,320	3.0%	1,669,921	1,419,430	(250,491)	-15.0%
Lodging Tax	425,270	425,270	-	0.0%	472,526	425,270	(47,256)	-10.0%
Specific Ownership Tax	236,600	278,540	41,940	17.7%	309,486	278,540	(30,946)	-10.0%
Franchise & Telephone Tax	1,096,350	1,042,230	(54,120)	-4.9%	1,074,576	1,042,230	(32,346)	-3.0%
Marijuana Tax	151,010	136,830	(14,180)	-9.4%	136,830	136,830	0	0.0%
Construction Permits	965,820	1,020,060	54,240	5.6%	662,763	1,020,060	357,297	53.9%
Court Fines	149,690	113,280	(36,410)	-24.3%	141,597	113,280	(28,317)	-20.0%
Highway Users Tax	694,530	780,090	85,560	12.3%	783,844	780,090	(3,754)	-0.5%
<b>All General Fund Revenue</b> <i>(not a total of above)</i>	<b>20,144,640</b>	<b>20,138,160</b>	<b>(6,480)</b>	<b>0.0%</b>	<b>21,361,436</b>	<b>20,245,210</b>	<b>(1,116,226)</b>	<b>-5.2%</b>

Orange = Department Other Than Finance Making the Projection  
Green = Positive Variance exceeding \$100,000 and/or 5%  
White = Neutral Variance within \$100,000 and/or 5%  
Red = Negative Variance exceeding \$100,000 and/or 5%

**SUBJECT: FINANCIAL POLICIES**

**DATE: AUGUST 16, 2019**

**PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR**

**SUMMARY:**

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

The City of Louisville's initial Fiscal Policies were adopted in 1984 and were updated intermittently until 1997. In 2015, staff updated and modernized the policies. Staff worked closely with the Finance Committee and, on December 15, 2015, the City Council formally approved the new Financial Policies by Resolution 92, Series 2015.

The current policies include an Introduction Section and the following eight Policy Sections:

1. General Policies
2. Reserve Policies
3. Debt Policies
4. Revenue Policies
5. Operating Budget Policies
6. Investment Policies
7. Capital Asset Management Policies
8. Accounting, Auditing, and Financial Reporting Policies

On April 1, 2019, the Finance Committee approved amendments to the current policies and instructed staff to present these amendments to the full City Council at the Budget Retreat. The Council requested some additional amendments.

**SUBJECT: DISCUSSION OF FINANCIAL POLICIES**

**DATE: AUGUST 16, 2019**

**PAGE 2 OF 2**

Attached are the current versions of the Introductory Section and all eight Policy Sections. All proposed amendments, including those requested by Council at the Budget Retreat, have been redlined.

Staff requests the Committee discuss these and any other amendments the Committee wishes to consider. Once approved by the Finance Committee, staff will prepare a Resolution to formally adopt the amendments.

## Introduction

The City of Louisville is an organization charged with providing a wide range of services that are supported by a wide range of revenue sources. The City's Financial Policies have been established to guide the City in providing these services in the most efficient way possible within the bounds of available revenue.

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

The City's Financial Policies shall be adopted by resolution of the City Council. The policies shall be reviewed annually by management and any modifications made thereto must also be approved by resolution of the City Council.

## Definitions

- *Advanced Refunding* – a refunding in which the outstanding bonds are callable and remain outstanding for a period of more than 90 days after the issuance of the refunding bonds. Proceeds from the sale of the refunding bonds are used to purchase permissible legal securities, which are deposited into an escrow account.
- *Agencies* – federal agency securities and/or Government-sponsored enterprises.
- *Arbitrage* – the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher-yielding taxable securities. The Internal Revenue Service regulates arbitrage on the proceeds from the issuance of municipal securities.
- *Bankers' Acceptance* – a draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.
- *Broker* – brings buyers and sellers together for a commission.

- *Capital Budget* – the first two years of the ~~Five~~Six-Year Capital Improvement Plan. These amounts are automatically included in the annual biennial budget process.
- *Capital Improvement Plan (C-I-P)* – a plan that describes the capital projects and associated funding sources the City intends to undertake ~~in the next fiscal year plus four additional future years~~during the next six years.
- *Collateral* – securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies (Public Deposit Protection Act; CRS 11-10.5-101 et seq.)
- *Current Refunding* – a refunding in which the outstanding bonds are retired within 90 days after the new bonds are sold.
- *Competitive Bond Sale* – bonds are marketed to a wide audience of investment banking (underwriter) firms. Sealed bids are submitted at a specific date and time and the underwriter is selected based on its bid for the City's securities.
- *Dealer* – as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
- *Delivery-versus-Payment* – delivery of securities with an exchange of money for the securities. *Delivery-versus-receipt* is delivery of securities with an exchange of a signed receipt for the securities.
- *Full Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when earned and expenses are recognized when the liability is incurred.
- *Fund* – an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives.
- *Fund Balance* – the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a governmental fund. Used as a measure of reserves in governmental funds.
  - *Non-spendable Fund Balance* – fund balance that is inherently non-spendable, such as the long-term portion of loans receivable, the principal of an endowment, and inventories.
  - *Restricted Fund Balance* – fund balance that has externally enforceable limitations on its use, imposed by parties such as creditors, grantors, or laws and regulations of other governments.
  - *Committed Fund Balance* – fund balance with limitations imposed by the government itself at its highest level of decision making. For example, for the City of Louisville, this

would be limitations imposed on fund balance by the Council through an ordinance or resolution.

- *Assigned Fund Balance* – fund balance that is earmarked for an intended use at either the highest level of decision making or by a body or an official designated for that purpose.
- *Unassigned Fund Balance* – all fund balances that are left after considering the other four categories. Use is the least restricted in this category of fund balance.
- *Unrestricted Fund Balance* – a category of fund balance that comprises committed fund balance, assigned fund balance, and unassigned fund balance. Unrestricted fund balance is, therefore, unconstrained or the constraints are self-imposed, so they could be lifted in order to make fund balances available for other purposes.
- *General Fund Operating Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Operating Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less other financing sources (such as sales of assets) and interfund transfers-in.
- *General Fund Recurring Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Recurring Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less non-recurring building-related revenue, non-recurring and non-operational grants, other financing sources, and interfund transfers-in.
- *General Fund Sales Tax Revenue* – as used in the financial indicators, this term refers to total sales tax revenue less any sales tax rebates due to Business Assistance Packages.
- *General Obligation Bonds* – bonds backed by the “full faith and credit” of the City. Bondholders have the authority to compel the City to use its taxing power, or to use other revenue sources, to generate the revenue necessary to repay the bonds. General obligation bonds are subject to the City’s debt limitation and voter approval is required.
- *Liquidity* – refers to the ease in which an asset can be converted into cash without a substantial loss of value.
- *Modified Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when it become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when they are expected to draw on current spendable resources.

- *Negotiated Bond Sale* – the City selects the underwriter in advance of the bond sale. The Financial Advisor and City staff work with the underwriter to bring the issue to the market and negotiate all rates and terms of the sale.
- ~~*Open Space & Parks Fund Targeted Fund Balance* – as used in the financial indicators, this term refers to 15% of current operating expenditures plus an amount sufficient to cover the City's share of the total projected cost of acquiring the three highest priority candidate open space properties~~
- *Private Bond Placement* – the City sells its bonds to a limited number of sophisticated investors, and not the general public.
- *Program* – a set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.
- *Refunding* – refinancing an outstanding bond issue by issuing new bonds.
- *Reserves – refers to unrestricted fund balance in governmental funds and working capital in proprietary funds.*
- *Revenue Bonds* – bonds secured by revenue generated by user fees or by other non-*valorem* revenue sources typically generated by the project being financed. Only the specific revenue source is pledged for the bond repayment. No taxing power or General fund pledge is provided as security. Revenue bonds are not subject to the City's debt limitation and voter approval is not required.
- *TABOR* – the Taxpayer Bill of Rights amendment to the Colorado Constitution and other Colorado law and court decisions.
- *Treasuries* – securities issued by the U.S. Treasury to finance the national debt. Treasury Bills are non-interest bearing discount securities that mature in one year or less. Treasury Notes are coupon bearing securities having initial maturities of two to ten years. Treasury Bonds are coupon-bearing securities having initial maturities of more than ten years.
- *Underwriter* – a dealer that purchases new issues of municipal securities from the issuer and resells them to investors. The difference between the price at which the bonds are bought and the price at which they are offered to investors is the underwriter's discount.
- *Utility Fund Budgetary Basis Expenses* – as used in the financial indicators, this term refers all expenses under the City's budgetary basis of accounting, less capital outlay and interfund transfers-out.
- *Working Capital* – current assets less current liabilities. Used as a measure of *reserves* in proprietary funds. Proprietary funds, unlike governmental funds, report both capital assets and long-term debt, even though neither is directly relevant to near-term financing. Therefore, the difference between proprietary fund assets and liabilities (net position) is not equivalent to the fund balance reported in governmental funds, and is not a useful indicator of *reserves*.

- *Yield* – the rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

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**General Policies****Policy Section: 1****Adopted by Resolution No. ~~92, Series 2015~~****Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

General Policies are financial policies that are not easily categorized under any of the other policy sections. Among other things, these policies will direct management to calculate specific information about the City of Louisville's current fiscal condition, past and future trends, as well as providing guidelines for making fiscal decisions and assuring that the City continues to pursue a financially prudent course.

**Policies**

- 1.1 **Financial Indicators.** The City of Louisville shall annually calculate and publish financial indicators consistent with those listed in Appendix "A". All indicators shall be calculated as of year-end and published each year in the budget document, along with the previous year's indicators for up to ten years. Any indicator that shows a warning trend when compared to prior years shall be more closely analyzed for reasons why a change has occurred.

**City of Louisville, Colorado**  
**Financial Policies**  
**General Policy 1.1**  
**Appendix A - Financial Indicators**

Category	Description	Formula	Warning Trend
Revenue:			
	General Fund Revenue Per Capita	$\frac{\text{General Fund Operating Revenue}}{\text{Population}}$	Decrease
	General Fund Intergovernmental Revenue	$\frac{\text{General Fund Intergovernmental Revenue}}{\text{General Fund Operating Revenue}}$	Increase
	General Fund Sales Tax	$\frac{\text{General Fund Sales Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Property Tax	$\frac{\text{General Fund Property Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Actual Revenue vs. Budget	$\frac{\text{General Fund Actual Revenue}}{\text{General Fund Budgeted Revenue}}$	Decrease
Expenditures:			
	General Fund Expenditures Per Capita	$\frac{\text{General Fund Operating Expenditures}}{\text{Population}}$	Increase
	General Fund Expenditures vs. Budget	$\frac{\text{General Fund Actual Expenditures}}{\text{General Fund Budgeted Expenditures}}$	Increase
	City-Wide Employees Per Capita	$\frac{\text{City-Wide Employees (FTE's)}}{\text{Population}}$	Increase
	City-Wide Employee Benefit Cost	$\frac{\text{City-Wide Employee Benefits Cost}}{\text{City-Wide Employee Wages Cost}}$	Increase
Operating Position:			
	General Fund Operational Surplus/(Deficit)	$\frac{\text{General Fund Recurring Operating Revenue}}{\text{General Fund Recurring Operating Expenditures}}$	Decrease
	General Fund Operating Margin	$\frac{\text{General Fund Operational Surplus/(Deficit)}}{\text{General Fund Recurring Operating Revenue}}$	Decrease
	General Fund Reserves	$\frac{\text{General Fund Unrestricted Fund Balance}}{\text{General Fund Operating Expenditures}}$	Decrease
	Open Space & Parks Fund Reserves	$\frac{\text{Open Space \& Parks Fund Total Fund Balance}}{\text{Open Space \& Parks Fund Targeted Fund Balance}}$	Decrease
	Water Utility Fund Working Capital	$\frac{\text{Water Utility Fund Working Capital}}{\text{Water Utility Fund Budgetary Basis Expenses}}$	Decrease

(continued)

**City of Louisville, Colorado  
Financial Policies  
General Policy 1.1  
Appendix A - Financial Indicators  
(continued)**

Category	Description	Formula	Warning Trend
Operating Position: (continued)			
	Wastewater Utility Fund Working Capital	$\frac{\text{Wastewater Utility Fund Working Capital}}{\text{Wastewater Utility Fund Budgetary Basis Expenses}}$	Decrease
	Storm Water Utility Fund Working Capital	$\frac{\text{Storm Water Utility Fund Working Capital}}{\text{Storm Water Utility Fund Budgetary Basis Expenses}}$	Decrease
	Combined Utility Fund Debt Burden	$\frac{\text{Total Combined Utility Fund Revenue}}{\text{Total Combined Utility Fund Debt Service}}$	Decrease
	Combined Utility Fund Net Position	$\frac{\text{Combined Utility Fund Current Year Net Position}}{\text{Combined Utility Fund Prior Year Net Position}}$	Decrease
	City-Wide Cash & Investments	$\frac{\text{City-Wide Unrestricted Cash \& Investments}}{\text{City-Wide Current Liabilities}}$	Decrease
	City-Wide Net Position	$\frac{\text{City-Wide Current Year Net Position}}{\text{City-Wide Prior Year Net Position}}$	Decrease
	City Wide Accumulated Depreciation	$\frac{\text{City Wide Accumulated Depreciation}}{\text{City-Wide Depreciable Assets}}$	Increase
	City-Wide Debt Per Capita	$\frac{\text{City-Wide Total Debt}}{\text{Population}}$	Increase



## Reserve Policies

Policy Section: 2

Adopted by Resolution No. ~~92, Series 2015~~

Effective Date: ~~December 15, 2015~~

### Purpose and Scope

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures. This policy is also intended to document the appropriate reserve levels to protect the City's credit worthiness and maintain its good standing with bond rating agencies.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. This policy also stipulates the conditions under which those reserves may be used and how the reserves will be replenished if they fall below established reserve amounts.

The City will measure its compliance with this policy as of December 31<sup>st</sup> of each year, as soon as practical after final year-end information is audited and becomes available.

### Policies

- 2.1 **General Fund Reserves.** The minimum unrestricted fund balance of the General Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures less any interfund transfers to other funds, regardless of whether the transfers are considered recurring or non-recurring.

While the minimum unrestricted fund balance is set at 15% of current operating expenditures, the targeted unrestricted fund balance will be at or above 20% of current operating expenditures. This higher target is in recognition of:

- the General Fund's reliance on revenue sources that are subject to fluctuations (sales and use taxes);
- the General Fund's exposure to unexpected and significant one-time expenditure outlays (transfers to the Capital Projects Fund, mid-year changes to operations, disasters, etc.); and
- the potential drain on General Fund resources from other funds (recurring support transfers to the Open Space & Parks Fund, ~~and~~ the Cemetery Fund, and the Recreation Fund).

The use of General Fund reserves will be limited to addressing unanticipated, non-recurring needs. Reserves shall not normally be used for recurring annual operating expenditures. However, reserves may be used to provide the City time to restructure operations (as might be required in an economic downturn), but such use will only take place in the context of a long-term financial plan. Use of reserves below the 20% target requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.2 **Open Space & Parks Fund Reserves.** The entire fund balance for the Open Space and Parks Fund is restricted by voters for acquisition, development, and operation of open space, trails, wildlife habitats, wetlands, and parks.

The minimum fund balance of the Open Space and Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space and parks operations and exclude all interfund transfers and capital outlay.

~~The targeted fund balance of the Open Space and Parks Fund will include the minimum fund balance plus an amount sufficient to cover the City's share (considering other likely joint partners) of the total projected cost of acquiring the three highest priority candidate open space properties. As the highest priority properties are purchased, this amount will be adjusted.~~

~~The Open Space & Parks Fund requires a recurring annual transfer from the General Fund to fund its operating deficit. This annual transfer will be calculated by taking the amount of funding provided by the General Fund for Parks in 2007 (\$626,900) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2007 funding level for Parks is the starting point for the calculation, since that was the last year that Parks was funded within the General Fund.~~

~~The City Council will annually consider interfund transfers of excess General Fund or Capital Project Fund balances to the Open Space & Parks Fund for property acquisition reserves.~~

~~Use of reserves below the targeted amount requires authorization from City Council. In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, the event reserves are used to acquire open space property resulting in a fund balance below the targeted amount, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include transfers from other funds, securing loans from other agencies to jointly purchase property, seeking approval of bonds to finance property acquisition, and/or delaying/reducing expenditures for development, construction, operation, and maintenance of open space zones, trails, wildlife habitats, wetlands, and parks.~~

- 2.3 **Cemetery Fund Reserves.** The minimum unrestricted fund balance of the Cemetery Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

The Cemetery Fund requires a recurring annual transfer from the General Fund to fund its operational deficit. This transfer will be adjusted on an annual basis to ensure that the unrestricted fund balance of the Cemetery Fund is maintained at or above 15% of current operating expenditures.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.4 **Combined Utility Fund Reserves.** The Water, Wastewater, and Storm Water Utility Funds are enterprise funds and, therefore, the measure of reserves is based on levels of working capital rather than on levels of fund balance. It is important to maintain adequate levels of working capital in these funds to mitigate risks and to ensure a stable fee structure and service level.

The minimum working capital for the Water, Wastewater, and Storm Water Utility Funds shall be maintained at or above 25% of current operating expenses, as measured on the City's budgetary basis. For purpose of this policy, operating expenses are defined as all budgetary-basis expenses, excluding interfund transfers and capital outlay.

In the event reserves are used resulting in a working capital balance below the 25% minimum, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.5 **Recreation Fund Reserves.** The minimum unrestricted fund balance of the Recreation Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In addition to maintaining an operating reserve, the Recreation Fund will also maintain a capital asset renewal and replacement reserve. The purpose of this reserve is to accumulate funds for the timely renewal and replacement of Recreation Center and Memory Square Pool assets. The methodology for calculating this reserve will be approved by the Finance Committee on an annual basis.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum and capital asset renewal and replacement reserves, a plan will be developed by the City Manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

It is the intent of the City Council that the dedicated sales tax and user fee revenues generated by the Recreation Center and Memory Square Pool facilities cover the operating costs for those facilities, fund the 15% minimum fund balance, and fund the capital asset renewal and replacement reserve. However, the City Council also recognizes that the dedicated sales tax

and user fee revenues may not be sufficient and the Recreation Fund may also need to rely on annual General Fund transfers. The maximum annual General Fund transfer will be calculated by taking the General Fund subsidy for the Recreation Center/Memory Square Pool in 2017 (\$986,300) and inflating that amount on an annual basis by the regional Consumer Price Index for All Urban Consumers. The 2017 General Fund subsidy level is the starting point for the calculation, since that is the last year that the Recreation Center and Memory Square Pool were funded within the General Fund.

In addition to the annual General Fund transfer towards the annual operating costs, minimum fund balance requirements, and capital asset renewal and replacement reserves, this policy also authorizes an annual transfer from the Capital Projects Fund to the Recreation Fund in the amount of \$125,000 for 2019 and each year thereafter inflated on an annual basis by the regional Consumer Price Index for All Urban Consumers. This revenue source is restricted for capital outlay.

**2.6 Golf Course Fund Reserves.** The minimum working capital balance of the Golf Course Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

In addition to maintaining an operating reserve, the Golf Course Fund will also maintain a capital asset renewal and replacement reserve. The purpose of this reserve is to accumulate funds for the timely replacement of Golf Course assets. The methodology for calculating this reserve will be approved by the Finance Committee on an annual basis.

In the event reserves are used resulting in working capital balance below the 15% minimum and capital asset renewal and replacement reserves, a plan will be developed by the City manager to replenish the reserves as quickly as reasonably possible and will be presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

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**Debt Policies**

**Policy Section: 3**  
**Adopted by Resolution No. 92, Series 2015**  
**Effective Date: December 15, 2015**

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**Purpose and Scope**

To enhance creditworthiness and engage in prudent financial management, the City of Louisville is committed to systematic capital planning and long-term financial planning. Maintaining the City's bond rating is an important objective and, to this end, the City is continually working to improve its financial policies, budgets, forecasts, and financial health.

These policies establish criteria for the issuance of debt obligations by the City so that acceptable levels of indebtedness are maintained. The objectives of these policies are to ensure that the City obtains debt financing only when necessary, that the process for identifying the timing and amount of debt financing be as efficient as possible, that the most favorable interest rates and related issuance costs are obtained, and that future financial flexibility remains relatively unconstrained.

Debt financing includes general obligation bonds, revenue bonds, notes payable to the Colorado Water Resources & Power Development Authority, leases, and any other City obligations permitted to be issued or incurred under Colorado law, the City's Municipal Code, and the City's Charter.

This policy does not apply to the Urban Revitalization District, a legally separate entity, but a component unit of the City for financial reporting purposes.

**Policies**

- 3.1 **Use of Debt Financing.** Although the City will normally finance projects on a cash basis (pay-as-you-go), the City may decide that the most equitable way of financing a project is through debt financing (pay-as-you-use).

Factors which may favor *pay-as-you-go* financing include circumstances where:

- the project can be adequately funded from available current revenue and reserves;
- the project can be completed in an acceptable timeframe given the available resources;
- additional debt levels could adversely affect the City's credit rating or repayment sources; or
- market conditions are unstable or are not conducive to marketing debt.

Factors which may favor *pay-as-you-use* financing include circumstances where:

- current revenue or reserves are insufficient to pay project costs;
- a project is immediately required;
- revenue available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
- market conditions present favorable interest rates and demand for municipal debt financing; or
- the useful life of the project or asset is five years or greater.

The City will not use long-term debt to finance any recurring purpose such as current operations. Debt financing will be used only for capital improvement projects and large equipment purchases. Debt payments shall not extend beyond the estimated useful life of the project or the equipment being financed.

- 3.2 **Limitations and Constraints on Debt Financing.** Per Article 12, Section 12-1, of the City of Louisville Charter, the total amount of the City's indebtedness shall not at any time exceed three (3) percent of the actual value, as determined by the County Assessor, of taxable property within the City, except such debt as may be incurred by supplying water.

Per Article 12, Section 12-3, of the City of Louisville Charter, any lease-purchase agreement, except for the acquisition of water rights, entered into by the City shall be approved by the City Council by non-emergency ordinance.

Per the Taxpayer Bill of Rights (TABOR) amendment to the Colorado Constitution, all multiple-year debt shall first be approved by the City's taxpaying electorate unless it is issued for a TABOR-defined government enterprise, refinances bonded debt at a lower interest rate, or sufficient cash reserves are pledged irrevocably for future payments. The City's TABOR-defined enterprises include the Water Utility Fund, the Wastewater Utility Fund, the Storm Water Utility Fund, and the Golf Course Fund. Operating leases, lease-purchases, and certificates of participation (COP's) that are subject to annual appropriation are not considered multiple-year debt and are not subject to TABOR election requirements.

- 3.3 **Structure of Debt Financing.** City debt will be structured to achieve the lowest possible net interest cost given market conditions, the urgency of the capital project, and the nature and type of any security provided. City debt will be structured in ways that will minimize impacts on future financing flexibility. To the extent possible, repayment of debt shall be structured to rapidly recapture credit capacity for future use.

City debt will be amortized for the shortest period consistent with a fair allocation of cost to current and future beneficiaries of the project being financed, and in keeping with other related provisions of this policy. The City shall normally issue general obligation bonds or revenue bonds with a maximum life of twenty years or less.

The City will normally seek to amortize general obligation bonds and revenue bonds with level payments (principal plus interest) over the life of the issue. Pushing higher debt service costs to future years will only be considered under special circumstances. The City will also avoid repayment schedules that consist of low annual payments and a large payment of the balance due at the end of the term. There shall always be at least one interest payment in the first fiscal year after a bond sale. Principal repayment shall start no later than the second year after the bond issue.

Call provisions for bond issues shall be made as short as possible, consistent with the lowest interest cost to the City. Unless specific compelling reasons exist, all bonds shall be callable only at par.

Credit enhancements may be used if the costs of such enhancements are lower than the reduction in net debt service payments or if they provide other significant financial benefits to the City.

- 3.4 **Bond Counsel.** The City will retain an external bond counsel through a competitive process administered by the Finance Department and the City Attorney's Office. All debt issues of the City will include a written opinion by bond counsel on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation.
- 3.5 **Financial Advisor.** The City will retain an external financial advisor through a competitive process administered by the Finance Department. For each debt issuance, the financial advisor will provide the City with information and recommendations on all aspects of the issuance, including market opportunities, method of sale, structure, term, pricing, and fees.
- 3.6 **Method of Sale.** As a matter of general policy, the City shall seek to issue its general and revenue bond obligations with a competitive sale process unless it is determined by the City's Financial Advisor and Finance Director that such a method will not produce the best results for the City. Other methods of sale that may be authorized by the Financial Advisor and Finance Director are a negotiated sales process and a private placement process.

Conditions that may favor a negotiated sale process are:

- The bond issue is, or contains, a refinancing that is dependent on market timing;
- At the time of the issuance, the interest rate environment or economic factors that affect the bond issue are volatile;
- The nature of the debt is unique and requires particular skills from the underwriter; or
- The debt issuance is bound by a compressed timeline due to extenuating circumstances that prevent a competitive process from being accomplished.

Whenever a negotiated sale process is determined to be in the best interests of the City, the City will use a competitive process to select its investment banking team.

In such instances where the City, through competitive bidding, deems the bids as unsatisfactory, or does not receive bids, it may, at the election of the Finance Director, immediately enter into a negotiated sale process or private placement process.

- 3.7 **Refunding of Debt.** Periodic reviews of all outstanding debts will be undertaken by the Finance Director and Financial Advisor to determine refunding opportunities. Refundings will be considered (within legal constraints) if and when there is a net economic benefit of the refunding, or if the refunding is essential in order to amend covenants to enhance operations and management. As a general rule, refundings will only be considered if the present value savings (net of all costs) of a particular refunding will exceed five percent (5%) of the refunded principal.

- 3.8 **Arbitrage Liability Management.** It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law. The City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Because of the complexity of the arbitrage rebate regulations and the severity of non-compliance penalties, the City will use the services of Bond Counsel and other arbitrage compliance experts when determining arbitrage liability, reporting, and exemptions.
- 3.9 **Financial Disclosure.** The City is committed to full and complete financial disclosure and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, accurate, and timely financial information. Continuing disclosure requirements under Rule 15c2-12 issued by the Securities and Exchange Commission (SEC) may apply to certain debt transactions of the City. The City will comply with all such Federal or other State reporting requirements on a timely basis. The City is committed to meeting continuing disclosure requirements of the national information repositories.

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**Revenue Policies****Policy Section: 4****Adopted by Resolution No. ~~92, Series 2015~~****Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

The City of Louisville collects revenue from various sources, the largest of which are from sales and use taxes, utility fees, property taxes, and intergovernmental revenue. The structure, equity, fluctuation, and collection of revenue are important for financial stability and are reviewed by bond rating agencies to determine the City's credit quality.

**Policies**

- 4.1 **Diversification and Stabilization.** The City will strive to maintain a diversified and stable revenue system to reduce the overall effects of fluctuations in any one revenue source.
- 4.2 **Equity.** Revenue will be derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens. Services having a City-wide benefit shall be financed with revenue sources generated from a broad base, such as sales taxes and property taxes. Services where the customer determines the use shall be fully or partially financed with user fees and charges related to the level of service provided.
- 4.3 **Collections.** The City will monitor all taxes, fees, and charges to make sure they are equitably administered and collections are timely and accurate. The City will pursue collection of delinquent amounts (including related penalties and interest) as authorized by the Louisville Municipal Code.
- 4.4 **Recurring and Non-recurring Revenue.** The City's objective is to fund all recurring expenditures with recurring revenue. Non-recurring, one-time revenue should be used to fund only non-recurring, one-time expenditures. The preferred use of non-recurring revenue is to invest in projects that will result in long-term operational cost savings.
- 4.5 **Intergovernmental Revenue.** The City will pursue intergovernmental aid, including grants, for those programs and activities that address a recognized need and are consistent with the City's goals and objectives, and will attempt to recover all allowable costs associated with those programs. The City will avoid using grants for ongoing service delivery needs. Any decision to pursue intergovernmental aid should only be made after consideration of the present and future funding requirements, costs of administering the funds, costs associated with special conditions or regulations attached to the aid, and ongoing operational costs after the aid period.

- 4.6 **User Fees and Services Charges.** The City will periodically recalculate the full cost of providing services in order to provide a basis for setting the associated user fee or service charge. Full cost shall incorporate direct and indirect costs, including operations (with City labor costs), maintenance, overhead, debt service, equipment, and capital charges. The intent of this policy is to set fees at a level that is related to the actual cost of producing the good or service. The City will also periodically examine and compare rates from other cities providing similar services. It is recognized that competing policy objectives may result in user fee levels that recover only a portion of the costs. The City Council's intent is to review all fees every year during the budget process. For years in which a complete recalculation of full costs is not done, this policy authorizes the use of an annual fee inflator to be applied to certain fees.
- 4.7 **Fees for Children's Recreational Services and Senior Programs.** The City may set fees for children's recreational programs and senior services at levels below the full cost of providing those services.
- 4.8 **Fees for Non-Resident City Services.** Non-residents may be required to pay higher fees than residents for City services.

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**Operating Budget  
Policies****Policy Section: 5**  
**Adopted by Resolution No. ~~92, Series 2015~~**  
**Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

The formulation of the annual operating budget, including the publication of the budget document, is one of the most important financial activities that the City of Louisville undertakes each year. The budget process provides a comprehensive plan to deliver efficient services to residents and stakeholders of the City in a manner that aligns resources with the policies, goals, mission, and vision of the City. This policy is intended to provide guidelines to assist in the formulation of financial discussion and the broader implications of financial decisions. This policy shall apply to all funds with an adopted budget.

**Policies**

- 5.1 **Budgetary Basis of Accounting.** The “basis of accounting” is a term used to describe the timing of revenue and expenditure recognition. In other words, when the effects of transactions or events should be recognized. In governmental accounting, the basis of accounting used for financial reporting purposes, as required by generally accepted accounting principles (GAAP), is not required for use in preparing a budget document. Under GAAP, governmental funds are required to utilize a modified accrual basis of accounting and proprietary funds (enterprise and internal service) are required to utilize a full accrual basis of accounting for financial reporting purposes. The City of Louisville’s *budgetary* basis of accounting is a modified accrual basis for *all* fund types, including proprietary funds. Some of the differences between the City’s budgetary basis of accounting and the GAAP basis of accounting for proprietary fund types are:
- *Issuance of debt* – budgeted as a revenue item, adjusted at year-end to a liability for financial reporting purposes.
  - *Principal payment on debt* – budgeted as an expense item, adjusted at year-end to a reduction in the liability for financial reporting purposes.
  - *Capital acquisition* – budgeted as an expense item, adjusted at year-end to an asset acquisition for financial reporting purposes.
  - *Depreciation* – not recognized for budgeting purposes, recorded at year-end as an expense for financial reporting purposes.

5.2 **Level of Budgetary Control.** The level of budgetary control is the level at which spending cannot exceed the budgeted amount without City Council authorization. The level of control is also the level of detail the City Council approves in the appropriation resolution. The City's current level of budgetary control is at the fund level. However, department management is responsible for administering their respective programs within the financial constraints described by the budget as adopted.

Article 11, Section 11-6 of the City of Louisville Charter states, *"During the fiscal year, no officer or employee shall expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated by the City Council. Any contract, verbal or written, made in violation of this subsection shall be void, and no moneys of the City shall be paid on such contract; except that the City Council may ratify such a contract if it determines that ratification would be in the best interest of the City, and if it adopts a resolution making the necessary appropriation."*

5.3 **Balanced Budget.** The City's definition of a balance budget requires each fund's revenue plus appropriated fund balance/working capital to be equal to, or greater than, each fund's total appropriations. However, it is the City's intent to go further and develop *structurally* balanced budgets for the General Fund and the other major operating funds (excluding capital project funds). In a structurally balanced budget, annual recurring revenue will be projected to equal or exceed annual recurring expenditures for each fund. If a structural imbalance (recurring expenditures exceeding recurring revenue) should occur in the General Fund or in any of the major operating funds, a plan will be developed and implemented to bring the budget back into structural balance.

5.4 **Budget Form.** Article 11, Section 11-2 of the City of Louisville Charter states, *"The proposed budget shall provide a complete financial plan for the City in a format acceptable to the City Council. Except as otherwise provided by this Charter, the proposed budget shall be prepared in accordance with State statutes establishing the local government budget law and the local government uniform accounting law."*

5.5 **Capital Improvement Plan (C-I-P).** A ~~Five~~Six-Year Capital Improvement Plan will be presented to the City Council for consideration during the biennial budget development process. The annual capital budget will be based on the first year of the approved C-I-P.

5.6 **Long-Term Financial Plan (LTFP).** ~~Five~~Six-year financial forecasts for each of the City's major operating funds will be presented to the City Council for consideration during budget development. The LTFP will coordinate the C-I-P with the operating budget and will provide insight into potential future financial imbalances so that action can be taken before a crisis occurs.

5.7 **Budget Amendment.** The City Council may amend or supplement the budget by resolution at any time after its initial adoption. A public hearing is required.

5.8 **Budget Control System.** The City will develop and maintain a budgetary control system to help it adhere to the budget. All departments are part of the budget control system and will have access to individual department reports that compare budget-to-actual financial performance. The Finance Department will report City-wide budget-to-actual performance on a ~~monthly~~quarterly basis for both revenue and expenditures to the City Finance Committee.

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**Investment Policies**

**Policy Section: 6**  
**Adopted by Resolution No. 92, Series 2015**  
**Effective Date: December 15, 2015**

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**Purpose and Scope**

It is the policy of the City of Louisville to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all Colorado Revised Statutes, the City of Louisville Charter, and the City of Louisville Municipal Code.

The provisions of this investment policy shall apply to all funds held in the custody of the City and all of its offices. Except for cash in certain restricted and special funds, the City shall consolidate, or “pool”, cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping, and administration. The investment income derived from the pooled cash and investment accounts shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

**Policies**

6.1 **Objectives.** In order of priority, the primary objectives of investment activities shall be safety, liquidity, and yield:

- *Safety.* Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through the mitigation of credit risk and interest rate risk.
- *Liquidity.* The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in local government investment pools (LGIPs) which offer same-day, constant dollar liquidity for short-term funds.
- *Yield.* The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary

importance compared to the safety and liquidity objectives described above. Securities generally shall be held to maturity with the following exceptions:

- A security with a declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity needs of the portfolio require the security to be sold.

**6.2 Delegation of Authority.** The Finance Director shall be the designated investment officer of the City and shall be responsible for all investment decisions and activities, under the direction of the City Manager. The Finance Director shall establish investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates and/or an external registered investment advisor who shall act in accordance with established procedures on internal controls and in compliance with this investment policy.

**6.4 Legal Investments.** All investments shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 24-75-601, et seq., Funds - Legal Investments for Government Units; CRS 24-75-603, et seq., Depositories; CRS 24-75-701 and 702, et seq., Local Governments - Local Government Pooling and that the investment or deposit meets the standard established in section CRS 15-1-304. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon enactment.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the settlement date or in accordance with state and local statutes and ordinance. Pursuant to CRS Section 24-75-601.1(1), as amended from time to time, and subject to the limitations set forth therein, the securities listed herein shall be eligible for investment of public funds by the City. In the event of a conflict between CRS 24-75-601.1(1) and this policy, other than this policy being more restrictive than CRS 24-75-601(1), CRS 24-75-601.1(1) shall control. Nothing herein shall preclude the City from adopting a policy to permit securities other than those listed in CRS 24-75-601.1(1) for investment of public funds.

CRS 24-75-601(1) and this policy authorize the following investments:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment; allowing for inflation indexed securities. The period from the date of settlement of this type of security to the maturity date shall be no more than five years, unless the City Council authorizes investment for a period in excess of five years.
- Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, A Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, or an entity or organization that is not

listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. The period from the date of settlement of this type of security to its maturity date shall be no more than three years. Any entity or organization listed in this paragraph may represent up to but not more than 35% of the investment portfolio. The total of the above mentioned entities or organizations and inclusive of corporate or bank securities cannot represent more than 95% of the investment portfolio.

- Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. The period from the date of settlement of this type of security to the maturity date shall be no more than three years.
- Any interest in a local government investment pool pursuant to CRS 24-75-701, et seq.
- Any guaranteed investment contract (GIC) if at the time the contract or agreement is entered into, the long-term credit rating, financial obligations rating, claims paying ability rating, or financial strength rating of the party, or of the guarantor of the party, with whom the public entity enters the contract or agreement is, at the time of issuance, rated in one of the two highest rating categories by two or more nationally recognized securities rating agencies that regularly issue such ratings. Contracts or agreements purchased under this paragraph shall not have a maturity period greater than three years.
- Any dollar-denominated corporate or bank security issued by a corporation or bank that has a maturity of less than three years from the date of settlement and, at the time of purchase, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA- or Aa3" by any credit rating agency. The aggregate value of all securities referred to in this paragraph shall equal no more than 25% of the total portfolio.
- Money market instruments, such as commercial paper or bankers' acceptance, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "A1, P1, or F1" by any credit rating agency.
- Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, at the time the investing public entity invests in such fund. The money market fund must: 1) have no commission fee on the charged on purchases or sales of shares; 2) have a constant daily net asset value per share of \$1.00; 3) limit assets of the fund to U.S. Treasury Securities; 4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 270-2A-7; and 5) have a rating at the time of purchase of at least AAAM by Standard & Poor's or Aaa/MRI+ Moody's
- The purchase of any repurchase agreement of marketable securities referred to in the preceding paragraphs. A Master Repurchase Agreement must be executed with the bank or dealer. The securities must be delivered to the City's custodian or to a third-party custodian or third-party trustee for safekeeping on behalf of the City. The title to or

a perfected security interest in such securities along with any necessary transfer documents must be transferred to the City or the City's custodian. The collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. Collateralization is required per the Public Deposit Protection Act, CRS 11-10.5-101 et seq. The securities subject to the repurchase agreement may have a maturity in excess of five years. The repurchase agreement itself may not have a maturity of more than five years from the date of settlement unless the City Council authorizes investment for a period in excess of five years.

- Certificates of deposit in state or national banks or in state or federally chartered savings banks, which are state-approved depositories per CRS Section 24-75-603, et seq. (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit, which exceed the FDIC insured amount, shall be collateralized in accordance with the Colorado Public Deposit Protection Act. Certificates of deposit must comply with CRS Section 30-10-708 (1). The aggregate value of all certificates of deposit shall equal no more than 25% of the total portfolio.

6.4 **Standards of Care and Performance.** The “reasonable prudence” standard shall be used by investment officials in the context of managing an overall portfolio. The “reasonable prudence” standard provides that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In addition, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

6.5 **Authorized Financial Institutions, Depositories, and Broker-Dealers.** Unless utilizing the services of an external registered investment advisor, the Finance Department shall maintain a list of financial institutions and depositories authorized to provide investment services to the City. In addition, the Finance Department shall maintain a list of approved security broker/dealers that may include “primary” dealers or regional dealers qualifying under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration for investment transactions with the City, all financial institutions and broker-dealers must supply the following, as appropriate:

- Proof of state registration (except for those firms providing safekeeping and custodial services only).
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Evidence of adequate insurance coverage.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

- 6.6 **Safekeeping and Custody.** All trades of marketable securities will be executed “delivery versus payment” (where applicable) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall provide on an annual basis a copy of its most recent report on internal controls (Statement of Standards 70).

Moreover, management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure should address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorization of wire transfers.

Compliance with these controls shall be reviewed and confirmed through the City's annual independent audit.

- 6.7 **Performance Standards & Reporting**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the ColoTrust local government investment pool, the one-year US Treasury Bill, and the two-year Agency Benchmark.

The Finance Director shall provide the Finance Committee monthly investment reports that provide the status and characteristics of the current investment portfolio. The investment report should include schedules on:

- Portfolio diversification.
- Maturity distribution.
- A listing of all securities held by authorized investment category.
- Par value, amortized book value, and market value for all securities held.
- Monthly activity – purchases, sales, calls, and interest received.

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**Capital Asset  
Investment &  
Management Policies****Policy Section: 7**  
**Adopted by Resolution No. ~~92, Series 2015~~**  
**Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

Capital assets have a major impact on the ability of the City of Louisville to deliver services, the economic vitality of the City, and the overall quality of life for the City's citizens. The purpose of this policy is to provide general guidelines for a comprehensive process of allocating limited resources to capital investments. This policy applies to all funds included in the City's FiveSix-Year Capital Improvement Plan.

**Policies**

- 7.1 **General Process for FiveSix-Year Capital Improvement Plan (C-I-P).** The Finance Department is responsible for coordinating the C-I-P process within the annual budget calendar and for compiling the requested, recommended, and adopted C-I-P document.

Each year, City departments will submit a list of prioritized projects for inclusion into the C-I-P. The City Manager will review the requests and make the final recommendations to City Council. City Council will review the recommended C-I-P and direct any changes for the final C-I-P. The first two years of the C-I-P will be included in the Annual-Biennial Operating & Capital Budget presented to the City Council for formal adoption in November.

The City shall provide meaningful opportunities for all stakeholders to provide input into the C-I-P development process.

- 7.2 **C-I-P Project Selection.** An objective set of criteria will be used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:
- Long-Term Forecasts – Long-term forecasts will be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance and replacement costs.
  - Impact of Other Projects – Projects shall not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.

- Full Costing – Cost analysis of a proposed project should encompass the entire cost of the project, including annual maintenance and other impacts to the operating budget.
- Predictable Project Timing & Scope – Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

7.3 **Balanced C-I-P.** The adopted C-I-P will be balanced. This means that for the ~~five~~-six-year period, revenue plus the use of fund reserves will equal or exceed total project expenditures.

7.4 **Asset Maintenance & Replacement.** It is the City's intent to maintain its existing assets and a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Based on an asset inventory and risk assessment, staff shall include recommendations for asset maintenance in the C-I-P. It is the City's intent to ensure that adequate resources are allocated to preserve the City's existing infrastructure to the best of its ability before allocating resources to other capital projects.

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**Accounting, Auditing, &  
Financial Reporting  
Policies****Policy Section: 8**  
**Adopted by Resolution No. ~~92, Series 2015~~**  
**Effective Date: ~~December 15, 2015~~**

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**Purpose and Scope**

The City of Louisville desires to maintain a system of financial management that safeguards City assets, promotes financial transparency, and provides timely, accurate, and relevant financial information to citizens, elected officials, and management. This policy pertains to all funds and operations of the City and, to the extent reasonably possible, all component units of the City.

**Policies**

- 8.1 **Accounting.** The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to state and local governments. The City's accounting and reporting policies will conform to the generally accepted accounting principles (GAAP).
- 8.2 **Auditing.** Article 11, Section 11-7 of the City of Louisville Charter states, *"The Council shall provide for a financial audit, which shall be performed at least annually by a certified public accountant selected by the Council. The Audit shall be performed in accordance with the State statutes establishing the local government audit law. Copies of the audit shall be made available for public inspection."*

In compliance with the Charter, an annual audit will be performed by an independent certified public accounting firm in accordance with Generally Accepted Governmental Auditing Standards and the auditor's opinion will be included in the City's Comprehensive Annual Financial Report (CAFR).

The City's Finance Department shall be responsible for managing the audit procurement process. The City Council will appoint the independent auditor and approve each year's audit engagement letter. The audit engagement term shall typically be for five to ten years, subject to annual review, approval, and appropriation.

- 8.3 **Audit Committee.** The City's Finance Committee will act as the City's Audit Committee. The Audit Committee will provide an independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. The City's independent auditors will meet with the Audit Committee at least annually and have direct access to the Audit Committee if City staff is unresponsive to auditor recommendations or if

the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- 8.4 **Financial Reporting.** The City's Comprehensive Annual Financial Report (CAFR) will be published annually to present the results, financial position, and results of operations of the City for the prior year. As an additional independent confirmation of the quality of the City's financial information, the City will annually submit its CAFR to the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

The Finance Department will provide ~~monthly~~quarterly interim financial reports to the Finance Committee after the close of each ~~month~~quarter. The reports will be designed to keep the Committee continuously informed of the City's overall financial status.

- 8.5 **Internal Controls.** The goals and objectives of the City's internal control policies are to safeguard City assets and to foster reliance on public information for decision-making purposes at all levels both internally and externally. Management shall establish the presence of integrity, ethics, competence, and a positive control environment. Directors are responsible for establishing, executing, and maintaining control policies and procedures at the detail level within their specific departments.

The City's internal control structure will be based on the Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting (COSO) framework and comprised of the following elements:

- **Control Environment** – Factors include integrity and ethical values, commitment to competence, leadership philosophy and operating style, assignment of authority and responsibility, and policy and procedures;
  - **Risk Assessment** – Routine assessment of risk and its impact on internal controls;
  - **Control Activities** – Such as segregation of duties, authorization of transactions, retention of records, supervision and monitoring of operations, and physical safeguards;
  - **Information and Communication** – Policies and procedures are documented and accessible; and
  - **Monitoring** – Assessment of the quality of performance over time to determine whether controls are effective and track resolution achievements of identified problems.
- 8.6 **Capitalization of Assets.** The terms capital assets, capital outlay, and fixed assets are used to describe assets that are used in operations that have initial lives extending beyond a single reporting period, such as water rights, infrastructure, land, buildings, improvements other than buildings, and equipment. It is incumbent upon departments to maintain adequate control over all resources, including capital assets, to minimize the risk of loss or misuse.

Not all capital assets are required to be reported on the City's balance sheet. Specifically, capital assets with extremely short useful lives or of small monetary value are properly reported as an "expenditure" or "expense" of the period in which they are acquired. Capital

assets that are reported on the City's balance sheet are said to be "capitalized" and must meet the capitalization criteria outlined in this policy.

The City's capitalization criteria are, as follows:

- Assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- The capitalization thresholds shall normally be applied to individual items rather than to groups of similar items (e.g., chairs), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., library books).
- The capitalization threshold for each individual item is ~~\$5,000~~10,000.
- Directors are responsible for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.

**8.7 Accounts Receivable Write-Off.** Accounts receivable is an asset account reflecting amounts owed to the City. Staff will make every effort to collect all receivables. Only receivables deemed uncollectible can be written off. In order to be deemed uncollectible, a receivable must meet the following criteria:

- All standardized collections procedures have been exhausted;
- Further measures to collect the debt have been determined as inappropriate; and
- The characteristics of the debt are such that write-off is appropriate (e.g., the debt is small relative to the cost of further collection efforts).

The City Manager or Finance Director is authorized to approve a write-off of up to \$100 per individual account. Staff's request to write-off accounts greater than \$100 must be approved by the Finance Committee. The amounts and reasons for all write-offs will be documented and made available for audit.

**SUBJECT: FINANCE COMMITTEE 2019 WORK PLAN**

**DATE: AUGUST 16, 2019**

**PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR**

**SUMMARY:**

Attached is the latest draft of the Finance Committee's Work Plan for 2019. This is presented for Committee information/discussion and no action is requested.

# City of Louisville Colorado Finance Committee 2019 Work Plan

Topics will be discussed in the quarter which they are listed. Items that are not complete will roll to the next quarter.

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## Quarterly Reports: material exceptions will be discussed at monthly FC meetings

- Sales & Use Tax Reports
  - Financial Statements
  - Capital Improvement Program Reports
  - Enterprise Dashboards (recreation, golf, utilities)
  - Cash and Investments Reports
- 

### First Quarter

- ✓ Review appropriate uses of HPF for development purposes (Jan)
- ✓ Review City policies for overtime (Jan)
- ✓ Financial policies – initial review (Jan)
- ✓ Work Plan Review (Jan)
- ✓ Quarterly Reports that are available (Feb)
- ✓ Outside Louisville Sales Tax Categorization (Feb)
- ✓ Recreation Center Sales tax collection and TABOR issues (Feb)
- ✓ Financial Policies – Second Review (Feb)
- ✓ Write-offs of Accounts Receivable (Feb)
- ✓ 2020 Budget – Review calendar and “off-year” process (Mar)
- ✓ Recreation Sales/Use Tax and TABOR Ballot Language (Mar)
- ✓ Excise Tax for Marijuana Cultivation (Mar)
- ✓ Remaining Quarterly Reports (Mar)
- ✓ Sales Tax on Internet Sales (Mar)
- ✓ Financial Policies – Third Review (Mar)
- ✓ Presentation on Eide Bailly’s Review of Internal Controls and Off-Site Cash Collection Processes (Mar)

### Second Quarter

- ✓ Presentation from Chandler on Economy and Investments (Apr)
- ✓ Excise Tax for Marijuana Cultivation (Apr)
- ✓ Review Budget Scenarios and Process for 2021 Budget including zero-based and negative and positive adjustments scenarios (Apr)
- ✓ Quarterly Reports that are available (Apr)
- ✓ Staff Discussion on Delinquent Sales Tax Enforcement (Apr)
- ✓ Recreation Sales/Use Tax and TABOR Ballot Language (May)
- ✓ Budget Amendment (May)
  - 2018 carryover

- 2019 changes

- ✓ Remaining Quarterly Reports (May)
- ✓ Review Fiscal Impact Analysis of Parcel O (May)
- ✓ Business Assistance Program Discussion (Jun)
- ✓ Review Renewal and Replacement schedule and operating budget for Recreation Center (Jun)
- ✓ Review Renewal and Replacement schedule and operating budget for Golf Course (Jun)

### Third Quarter

- ✓ Quarterly Reports that are available (July)
- ✓ Revenue Projection Dashboards (July)
- ✓ Presentation from Eide Bailly on Audit of 2018 CAFR (July)
- ✓ Residential Assessment Rate (July)
- Internal Controls Examination Report – Responses from Departments (Aug)
- Recreation Center Fees (Aug)
- Remaining Quarterly Reports (Aug)
- Revenue Projection Dashboards (Aug)
- Financial Policies (Aug)
- Business Assistance Program Discussion (Sept)
- Preliminary Assessed valuation (Sept)
- Capital projects tracking – budget vs. final cost (Sept)
- 2020 Budget Review (Sept)
- Long-Term Financial Plan (Sept)

### Fourth Quarter

- Revenue Projection Dashboards
- Review 2020 Budget
- Re-Programming Recreation Center Sales Tax Refund
- Quarterly Reports
- Review of 2020 Proposed Fees

- Review Non-Profit Grant application process for 2021-2022
- Review Expenditure Cost Allocations



DRAFT - 08/16/2019																											
Louisville Coal Creek Golf Course																											
25-Year Building and Equipment Renewal and Replacement Projections																											
Assumptions:																											
Building Renewal and Replacement Reserve Factor (Louisville estimate)	2.00%																										
Initial Building Replacement Value for Non-Core and Shell (Louisville estimate)	2,702,000																										
Annual Building Current Replacement Reserve for FF&E with 5 Year Replacement	3.0%																										
Annual FF&E Replacement Value Inflation Factor	3.0%																										
Annual User Fee Cost Recovery Revenue Inflation Factor	3.0%																										
Annual Non-Capital Operating Expense Inflation Factor (Cost of Government)	3.0%																										
Annual CIP Allocation Inflation Factor	3.0%																										
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	25 Year
		Fiscal Year	Reserve/																								
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Expenditures
<b>Furniture, Fixtures, and Equipment (FF&amp;E) Replacement:</b>																											
FF&E Replacement Value with 5 Year Replacement Cycle		10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024	17,535	18,061	18,603	19,161	19,736	20,328	
Annual Renewal and Replacement Reserve for FF&E with 5 Year Replacement	5	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,852	2,937	3,025	3,116	3,209	3,306	3,405	3,507	3,612	3,721	3,832	3,947	4,066	
FF&E Replacement Value with 6 Year Replacement Cycle		14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379	19,961	20,559	21,176	21,812	22,466	23,140	23,834	24,549	25,286	26,044	26,825	27,630	28,459	
Annual Renewal and Replacement Reserve for FF&E with 6 Year Replacement	6	2,333	2,403	2,475	2,550	2,626	2,705	2,786	2,870	2,956	3,044	3,136	3,230	3,327	3,427	3,529	3,635	3,744	3,857	3,972	4,092	4,214	4,341	4,471	4,605	4,743	
FF&E Replacement Value with 7 Year Replacement Cycle		489,609	504,297	519,426	535,009	551,059	567,591	584,619	602,157	620,222	638,829	657,994	677,733	698,065	719,007	740,578	762,795	785,679	809,249	833,527	858,532	884,288	910,817	938,141	966,286	995,274	
Annual Renewal and Replacement Reserve for FF&E with 7 Year Replacement	7	69,944	72,042	74,204	76,430	78,723	81,084	83,517	86,022	88,603	91,261	93,999	96,819	99,724	102,715	105,797	108,971	112,240	115,607	119,075	122,647	126,327	130,117	134,020	138,041	142,182	
FF&E Replacement Value with 9 Year Replacement Cycle		132,332	136,302	140,391	144,603	148,941	153,409	158,011	162,752	167,634	172,663	177,843	183,178	188,674	194,334	200,164	206,169	212,354	218,725	225,286	232,045	239,006	246,177	253,562	261,169	269,004	
Annual Renewal and Replacement Reserve for FF&E with 9 Year Replacement	9	14,704	15,145	15,599	16,067	16,549	17,045	17,557	18,084	18,626	19,185	19,760	20,353	20,964	21,593	22,240	22,908	23,595	24,303	25,032	25,783	26,556	27,353	28,174	29,019	29,889	
FF&E Replacement Value with 10 Year Replacement Cycle		10,982	11,311	11,651	12,000	12,360	12,731	13,113	13,506	13,912	14,329	14,759	15,202	15,658	16,127	16,611	17,110	17,623	18,152	18,696	19,257	19,835	20,430	21,043	21,674	22,324	
Annual Renewal and Replacement Reserve for FF&E with 10 Year Replacement	10	1,098	1,131	1,165	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566	1,613	1,661	1,711	1,762	1,815	1,870	1,926	1,983	2,043	2,104	2,167	2,232	
FF&E Replacement Value with 12 Year Replacement Cycle		73,878	76,094	78,377	80,728	83,150	85,645	88,214	90,861	93,586	96,394	99,286	102,264	105,332	108,492	111,747	115,100	118,553	122,109	125,772	129,546	133,432	137,435	141,558	145,805	150,179	
Annual Renewal and Replacement Reserve for FF&E with 12 Year Replacement	12	6,157	6,341	6,531	6,727	6,929	7,137	7,351	7,572	7,799	8,033	8,274	8,522	8,778	9,041	9,312	9,592	9,879	10,176	10,481	10,795	11,119	11,453	11,796	12,150	12,515	
FF&E Replacement Value with 13 Year Replacement Cycle		75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794	103,818	106,932	110,140	113,444	116,848	120,353	123,964	127,682	131,513	135,458	139,522	143,708	148,019	152,460	
Annual Renewal and Replacement Reserve for FF&E with TBD Year Replacement	13	5,769	5,942	6,121	6,304	6,493	6,688	6,889	7,095	7,308	7,528	7,753	7,986	8,226	8,472	8,726	8,988	9,258	9,536	9,822	10,116	10,420	10,732	11,054	11,386	11,728	
FF&E Replacement Value with 15 Year Replacement Cycle		6,600	6,798	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612	8,870	9,136	9,410	9,692	9,983	10,283	10,591	10,909	11,236	11,573	11,920	12,278	12,646	13,026	13,416	
Annual Renewal and Replacement Reserve for FF&E with 15 Year Replacement	15	440	453	467	481	495	510	525	541	557	574	591	609	627	646	666	686	706	727	749	772	795	819	843	868	894	
Annual FF&E 5 Year Expenditures	5					10,618					12,309					14,270				16,543						19,178	
Annual FF&E 6 Year Expenditures	6						15,093						18,022						21,519						25,695	80,328	
Annual FF&E 7 Year Expenditures	7							535,944							659,144						810,664					2,005,752	
Annual FF&E 9 Year Expenditures	9								149,375										194,900							344,275	
Annual FF&E 10 Year Expenditures	10									12,590										16,919						29,509	
Annual FF&E 12 Year Expenditures	12												87,373											124,573		211,947	
Annual FF&E 13 Year Expenditures	13													90,103												90,103	
Annual FF&E 15 Year Expenditures	15															8,184										8,184	
<b>Total Annual FF&amp;E Expenditures</b>		-	-	-	-	10,618	15,093	535,944	-	149,375	24,899	-	105,395	90,103	659,144	22,454	-	-	216,419	-	33,462	810,664	-	-	150,268	19,178	2,843,016
<b>Building Renewal and Replacement:</b>																											
Current Replacement Value of Non-Core and Shell (All Buildings)		2,702,000	2,783,060	2,866,552	2,952,548	3,041,125	3,132,359	3,226,329	3,323,119	3,422,813	3,525,497	3,631,262	3,740,200	3,852,406	3,967,978	4,087,017	4,209,628	4,335,917	4,465,994	4,599,974	4,737,973	4,880,113	5,026,516	5,177,311	5,332,631	5,492,610	
Average Building Annual Renewal and Replacement Expense		54,040	55,661	57,331	59,051	60,822	62,647	64,527	66,462	68,456	70,510	72,625	74,804	77,048	79,360	81,740	84,193	86,718	89,320	91,999	94,759	97,602	100,530	103,546	106,653	109,852	
<b>Sources and Uses - Golf Course Fund</b>																											
<b>Sources of Funds:</b>																											
Charges for Services		1,422,245	1,535,442	1,598,224	1,578,300	1,601,060	1,648,200	1,696,740	1,746,750	1,798,250	1,852,198	1,907,763	1,964,996	2,023,946	2,084,665	2,147,205	2,211,621	2,277,969	2,346,308	2,416,698	2,489,199	2,563,875	2,640,791	2,720,014	2,801,615	49,074,073	
Miscellaneous Revenue		7,200	4,107	132,091	56,500	9,730	7,660	7,650	7,620	7,430	7,653	7,882	8,119	8,363	8,613	8,872	9,138	9,412	9,694	9,985	10,285	10,593	10,911	11,239	11,576	382,323	
Subtotal - Fund Operating Revenue		1,429,445	1,539,549	1,730,315	1,634,800	1,610,790	1,655,860	1,704,390	1,754,370	1,805,680	1,859,850	1,915,646	1,973,115	2,032,309	2,093,278	2,156,076	2,220,759	2,287,381	2,356,003	2,426,683	2,499,483	2,574,468	2,651,702	2,731,253	2,813,191	49,456,397	
General Fund Operating Subsidy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal - Fund Revenue		1,429,445	1,539,549	1,730,315	1,634,800	1,610,790	1,655,860	1,704,390	1,754,370	1,805,680	1,859,850	1,915,646	1,973,115	2,032,309	2,093,278	2,156,076	2,220,759	2,287,381	2,356,003	2,426,683	2,499,483	2,574,468	2,651,702	2,731,253	2,813,191	49,456,397	
Capital Expenditures Funded Through the Capital Projects Fund (based on lease cost)		-	-	-	-	217,270	117,360	117,360	117,360	241,490	72,625	180,199	167,151	738,504	104,194	84,193	86,718	305,739	91,999	128,222	908,266	100,530	103,546	256,921	129,030	4,151,317	
<b>Total Sources of Funds</b>		<b>1,429,445</b>	<b>1,539,549</b>	<b>1,730,315</b>	<b>1,634,800</b>	<b>1,610,790</b>	<b>1,873,130</b>	<b>1,821,750</b>	<b>1,871,730</b>	<b>2,047,170</b>	<b>1,932,476</b>	<b>2,095,845</b>	<b>2,140,266</b>	<b>2,770,812</b>	<b>2,197,472</b>	<b>2,240,269</b>	<b>2,307,477</b>	<b>2,593,121</b>	<b>2,448,002</b>	<b>2,554,905</b>	<b>3,407,750</b>	<b>2,674,998</b>	<b>2,755,248</b>	<b>2,988,174</b>	<b>2,942,221</b>	<b>53,607,714</b>	
<b>Uses of Funds:</b>																											
General & Marketing		105,658	134,525	114,824	119,130	177,470	132,340	137,380	142,630	148,100	152,543	157,119	161,833	166,688	171,688	176,839	182,144	187,609	193,237	199,034	205,005	211,155	217,490	224,015	230,735	4,049,192	
Golf Operations & Pro Shop		555,506	630,213	697,908	716,760	674,790	691,940	712,370	733,460	755,180	777,835	801,170	825,206	849,962	875,461	901,724	928,776	956,639	985,339	1,014,899	1,045,346	1,076,706	1,109,007	1,142,278	1,176,546	20,635,020	
Golf Course Maintenance		610,376	551,453	871,183	701,650	775,350	800,380	825,040	850,510	876,820	903,125	930,218	958,125	986,869	1,016,475	1,046,969	1,078,378	1,110,729	1,144,051	1,178,373	1,213,724	1,250,136	1,287,640	1,326,269	1,366,057	23,659,899	
Golf Clubhouse Operations & Maintenance		88,348	86,596	147,737	96,490	93,540	96,720	99,950																			