




City of
Golden

911 10TH ST. GOLDEN, CO 80401
TEL: 303-384-8000
FAX: 303-384-8001
WWW.CITYOFGOLDEN.NET

Memo

To: GURA Board
Mark Heller, GURA Director

From: Jeff Hansen, Finance Director 

Date: October 7, 2008

Re: GURA's 3rd Quarter Financials

As requested, I have reviewed GURA's 3rd Quarter Financial Statements, including the Balance Sheet and the Budget to Actual Comparison for Revenues and Expenditures.

Based on this review, it appears that GURA continues to be in good financial condition. The current asset to current liabilities ratio remains very strong, as does the retained earnings balance. Revenues currently exceed expenditures for the year, but that should change in the 4th quarter when the rest of the debt service payments are made. The variances between budgeted and actual amounts also look fine, as does the comparison to the 3rd quarter of 2007. I did not see anything that would be a cause for concern or raise any "red flags".

Please be aware that with the changes to the Budget to Actual Report, the interim Balance Sheet does not accurately reflect the status of long-term assets and liabilities (i.e. funds drawn on the line of credit are reflected as loan proceeds revenue instead of an increase to the CoBiz – Line of Credit long term liability account. This is standard for interim reporting in governmental accounting as the focus during the year should be on the revenues and expenditures compared to the budget. At year end, the various accrual adjustments are made to provide an accurate Balance Sheet.

I see three options for the Board in dealing with this issue: 1.) Have the bookkeeper or auditor perform the accrual adjustments on a quarterly basis so you have a 100% accurate balance sheet with each quarterly report. 2.) Continue to receive interim balance sheets in its current state and recognize the limitations regarding the long-term assets and liabilities. 3.) Do not receive the balance sheet as part of the quarterly interim financial reports.

For what it's worth, I do not provide a balance sheet to the Golden City Council as part of my quarterly financial reports. I keep them informed as to the available cash or fund balance for each fund, but I do not provide the actual balance sheet until the audited year-end financial report is distributed.

I would advise against option 1 due to cost and the additional work involved. Options 2 or 3 are both reasonable and can be easily accomplished.

If any of you have any questions or comments, please call me at 303-384-8020, or email me at jhansen@cityofgolden.net.