

MEMORANDUM

To: Mayor Woodward and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: July 10, 2008
Subject: June 2008 Financial Report

Summary of the June 2008 General Fund Financial Report

REVENUES:

- Through June 2008, the City of Englewood collected **\$19,881,852 or \$947,777 (five percent) more** than last year (See chart attached to the full report for details on changes in revenue in past year).
- The City of Englewood collected \$2,222,856 in property tax through June 2008 compared to \$1,914,508 collected in June 2007.
- The City collected \$137,895 in specific ownership tax through the end of June; this is \$10,762 less than last year.
- **Year-to-date sales and use collections were \$11,842,264 or \$672,716 (six percent) more than year-to-date 2007**
- Cigarette tax collections were down \$3,836 compared to last year.
- Franchise fee collections were up \$75,213 from June 2007.
- Hotel/Motel taxes collected were about the same as prior year.
- Licenses and permit collections were \$255,032 less than 2007.
- Intergovernmental revenues were \$5,937 more than prior year.
- Charges for services were \$38,850 more than last June.
- Recreation revenues were up \$77,243 from 2007.
- Fines and forfeitures were \$33,268 more than last year.
- Investment income was \$67,479 more than last year.
- Miscellaneous revenues were \$61,713 less than last year.
- The City collected \$328,127 in sales and use tax audit revenue for the year.

OUTSIDE CITY:

- Outside City sales and use taxes were up \$382,578 or 9.7 percent compared to last year.
- Outside City's impact on total revenues and total sales taxes increased this year after declining in the past.
- At this time potential refunds total \$760,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is \$650,000

CITY CENTER ENGLEWOOD (CCE):

- Sales tax revenues collected in June 2008 was \$1,208,474 compared to \$1,206,657 collected in 2007.

EXPENDITURES:

- Expenditures through June were \$19,230,211 or \$61,507 (.3 percent) less than the \$19,291,718 expended through June 2007.
- The City has refunded \$309,764 in intercity and other sales/use tax claims so far this year.

RESERVES:

- The reserves for 2008 are *budgeted* at \$3,708,071, or 10 percent of estimated revenues. The estimated ending reserves are \$5,190,315 or 13.6 percent of estimated revenues.

TRANSFERS:

- Transfers in of \$2,572,932 were made this year.

REVENUES OVER/UNDER EXPENDITURES:

- Expenditures are estimated to exceed revenues by \$1,401,101 for 2008. Through June, revenues exceeded expenditures by \$651,641.

City of Englewood, Colorado

Financial Report

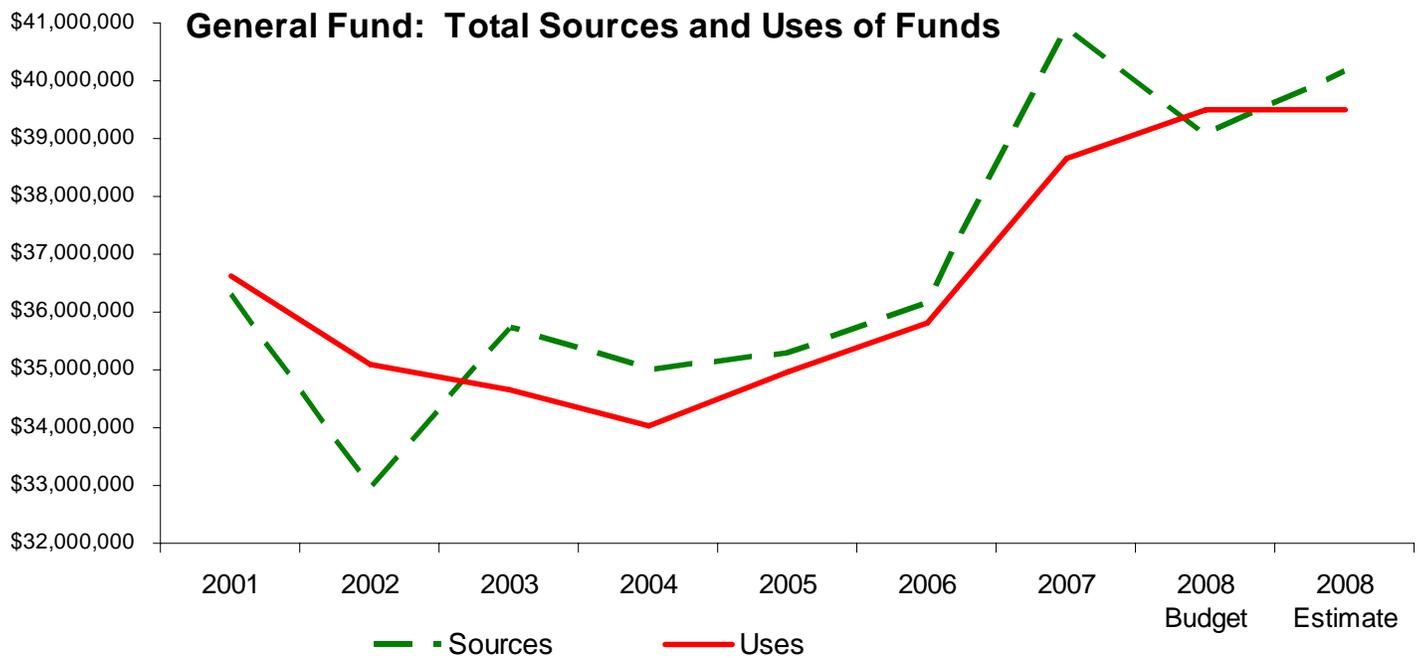
June 2008

GENERAL FUND OVERVIEW AND ANALYSIS

The General Fund accounts for the major “governmental” activities of the City. These activities include “direct” services to the public such as police, fire, public works, parks and recreation, and library services. General government also provides services by the offices of city manager and city attorney; the departments of information technology, finance and administrative services, community development and human resources; the municipal court and legislation. Debt service, lease payments, and other contractual payments are also commitments of the General Fund.

General Fund Surplus and Deficits 2001 to 2008 Estimate

The line graph below depicts the history of revenues and expenditures from 2001 to 2008 Estimate. As illustrated, both surpluses and deficits have occurred in the past. The gap has narrowed over the past few years by reducing expenditures, freezing positions, negotiating lower-cost health benefits, increased revenue collections. Continued efforts will be required to balance revenues and expenditures, especially with persistent upward pressure on expenditures due to increases in the cost of energy, wages and benefits.



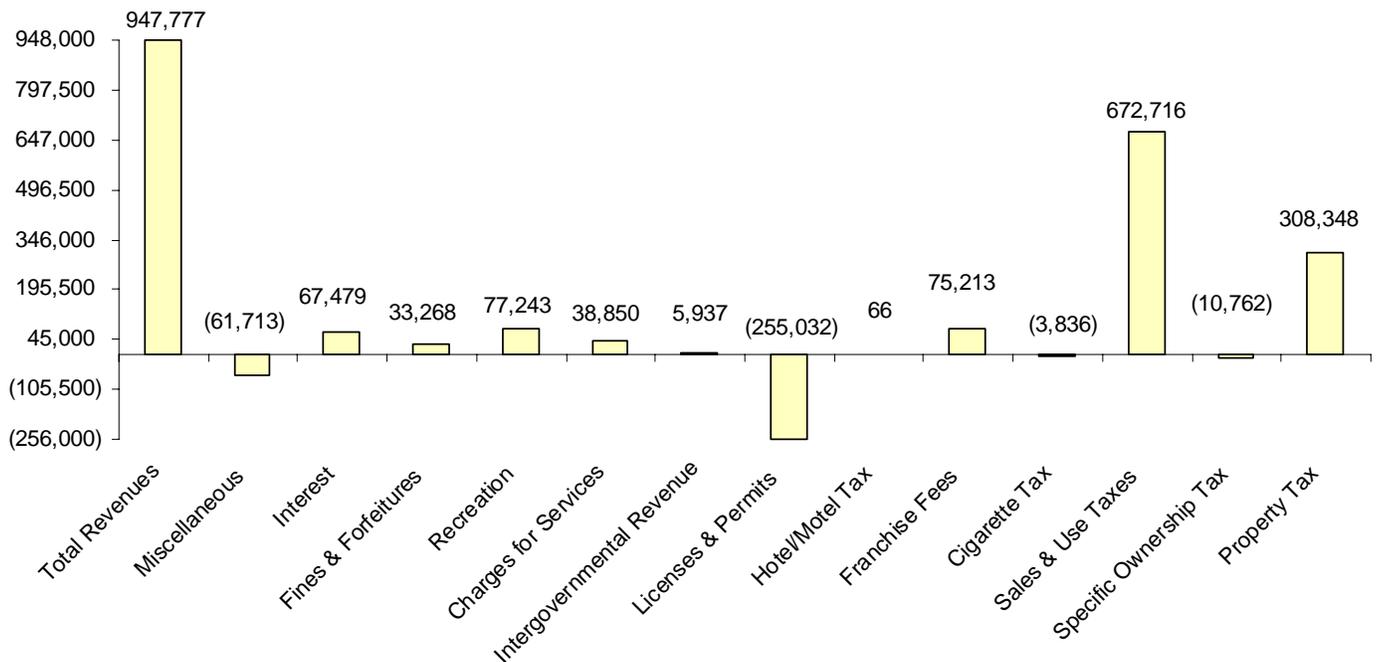
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended June 31, 2008. Comparative figures for years 2007 and 2006 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	2008	2008 vs 2007 Increase (Decrease)		2007	2007 vs 2006 Increase (Decrease)		2006
General Fund							
Year-To-Date Revenues	\$ 19,881,852	\$ 947,777	5.01%	\$ 18,934,075	\$ 208,528	1.11%	\$ 18,725,547
Year-To-Date Expenditures	19,230,211	\$ (61,507)	(.32%)	19,291,718	\$ 1,860,017	10.67%	17,431,701
Net Revenues (Expenditures)	\$ 651,641	\$ 1,009,284		\$ (357,643)	\$ (1,651,489)		\$ 1,293,846
Estimated Unreserved/ Undesignated Fund Balance	\$ 5,190,315	\$ (783,312)	(13.11%)	\$ 5,973,627	\$ 41,525	.70%	\$ 5,932,102
Sales & Use Tax Revenue YTD	\$ 11,842,777	\$ 673,630	6.03%	\$ 11,169,147	\$ (3,205)	(.03%)	\$ 11,172,352
Outside City Sales & Use Tax YTD	\$ 4,318,009	\$ 382,578	9.72%	\$ 3,935,431	\$ (43,656)	(1.10%)	\$ 3,979,087

General Fund Revenues

The City of Englewood's total budgeted revenue is \$37,092,450. Total revenues collected through June 2008 were \$19,881,852 or \$947,777 (five percent) more than was collected in 2007. Below is a chart displaying the change in General Fund revenues for the year compared to last year.

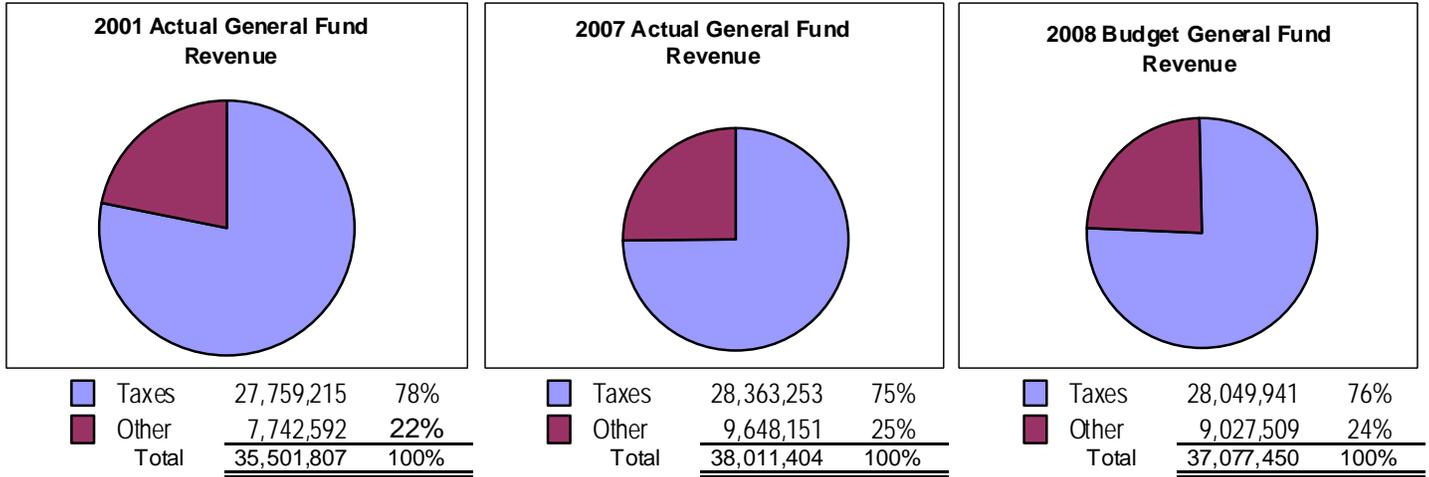
2008 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



General Fund Taxes

The General Fund obtains most of its revenue from taxes. In 2007 total revenues were \$38,011,402 of which \$28,363,253 (74.6 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The following pie charts illustrate the contribution of taxes to total revenue for 2000 actual and budgeted 2008. Taxes as a percentage of total revenue have declined slightly as other fees and charges have been increased to help offset rising costs and relatively flat tax revenues.

General Fund Revenues Taxes vs. Other



Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City’s total 2007 mill levy collected in 2008 is 8.173 mills. The 2006 mill levy for general operations collected in 2007 is 5.880 mills. A voter approved additional mill of 2.293 mills is levied for principal and interest payments on the City’s general obligation debt (parks and recreation projects). Property tax collections grew from \$2,424,440 in 2003 to \$2,623,118 in 2007. This was an increase of \$198,678 or 8.2 percent. In 2007 the City collected \$2,623,118 or 10.8 percent of 2007 total taxes and 6.9 percent of total revenues from property taxes. The City budgeted \$2,820,000 for 2008; the City has collected \$2,222,856 so far this year.

Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the month. The City collected \$333,456 in 2003 and \$341,423 in 2007 which is an increase of \$8,405 or 2.5 percent. The City collected \$341,423 in 2007 which is one percent of total revenues and 1.2 percent of total taxes. The City budgeted \$395,993 for 2008; the City of Englewood has collected \$137,895 through June.

Cigarette Taxes: The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen significantly in the past years. In 2003 the City collected \$366,947, but in 2007 the City collected \$278,785, which is a decrease of \$88,162 or 24 percent. These taxes accounted for one percent of total taxes and less than one percent of total revenues in 2007. The City budgeted \$280,000 for the year and has collected \$125,211 through June 2008, which is \$3,836 less (three percent) than the \$129,047 collected through June 2006.

Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected \$2,003,411 in 2003 and \$2,356,385 in 2007, an increase of \$331,118 or 17.6 percent. These taxes accounted for 8.3 percent of taxes and 6.2 percent of total revenues in 2007. The City budgeted \$2,545,448 for the year; collections through June totaled \$1,132,485 compared to \$1,057,272 collected during the same period last year.

Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,500 for the year and has collected \$4,825 through June 2008.

Sales and Use Taxes Analysis

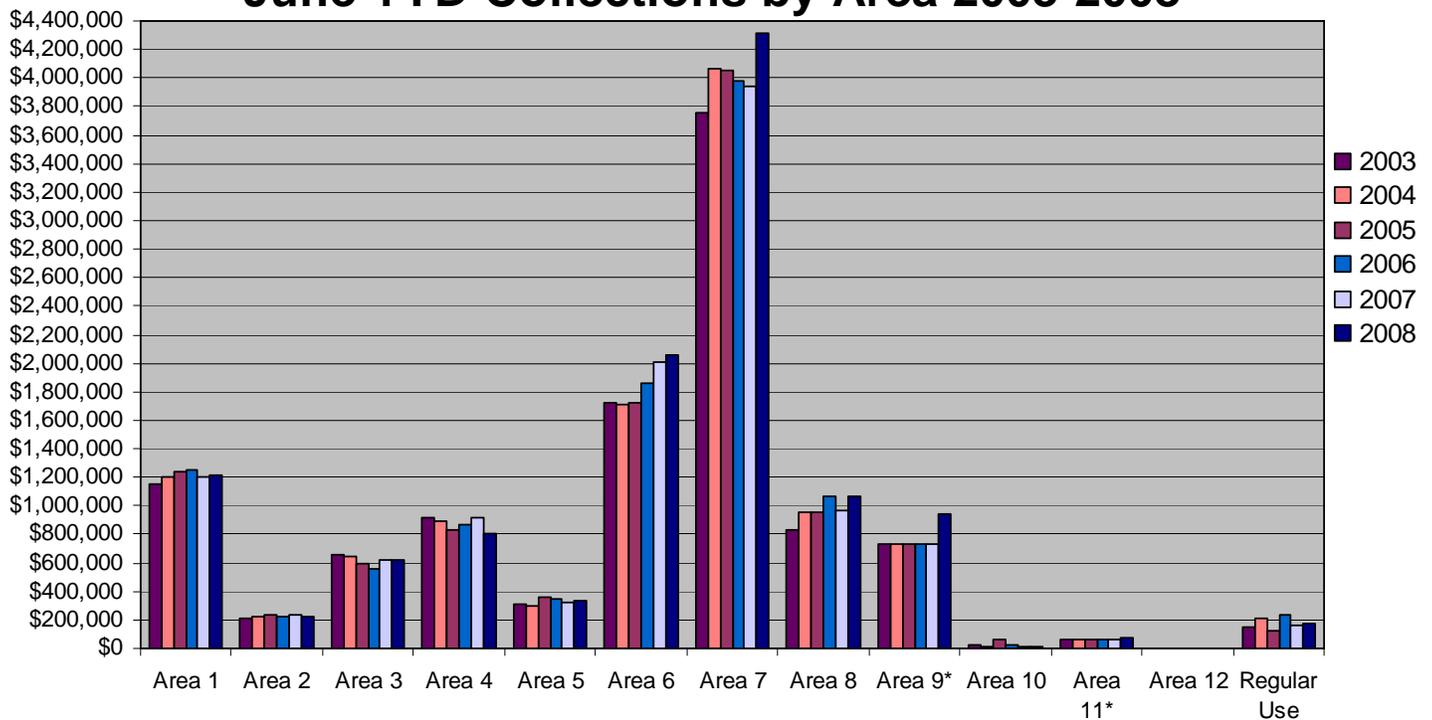
Sales and use taxes are the most important revenue sources for the City. Sales and use taxes generated 80 percent of all taxes and 60 percent of total revenues collected in 2007. This tax is levied on the sale price of taxable goods. Sales tax is calculated by multiplying the sales price of taxable goods times the sales tax rate of 3.5 percent. Vendors receive a .5

percent fee for collecting and remitting the taxes to the City by the due date. Taxes for the current month are due to the City by the 20th day of the following month. The City budgeted \$22,000,000 for 2008. Collections thru June 2008 were \$11,842,264 while collections for June 2007 were \$11,169,548, an increase of \$672,716 or six percent. Collections for the month of June 2008 were \$1,736,668 compared to \$1,501,518 and \$1,558,365 collected in June 2007 and June 2006 respectively.

Historically the City collects 52.1 percent of its sales taxes in the first four months of the year; so there is an additional 47.9 percent to be collected over the remaining eight months. If this holds for 2008, the City can expect to collect \$22,773,585. Also, currently sales tax collections are 105 percent of last year; if this increase in percentage were applied to last year's collections to forecast this year's collections, the amount would be \$23,891,511. The estimate for 2008 has been adjusted to \$23,000,000 to reflect increased collections year-to-date, but this estimate could be reduced or increased if collection patterns change during the remainder of the year.

This revenue source tends to ebb and flow with the economy, growing during economic expansions and contracting during downturns. The bar graph below illustrates the economic areas' collection patterns for 2003 through 2008.

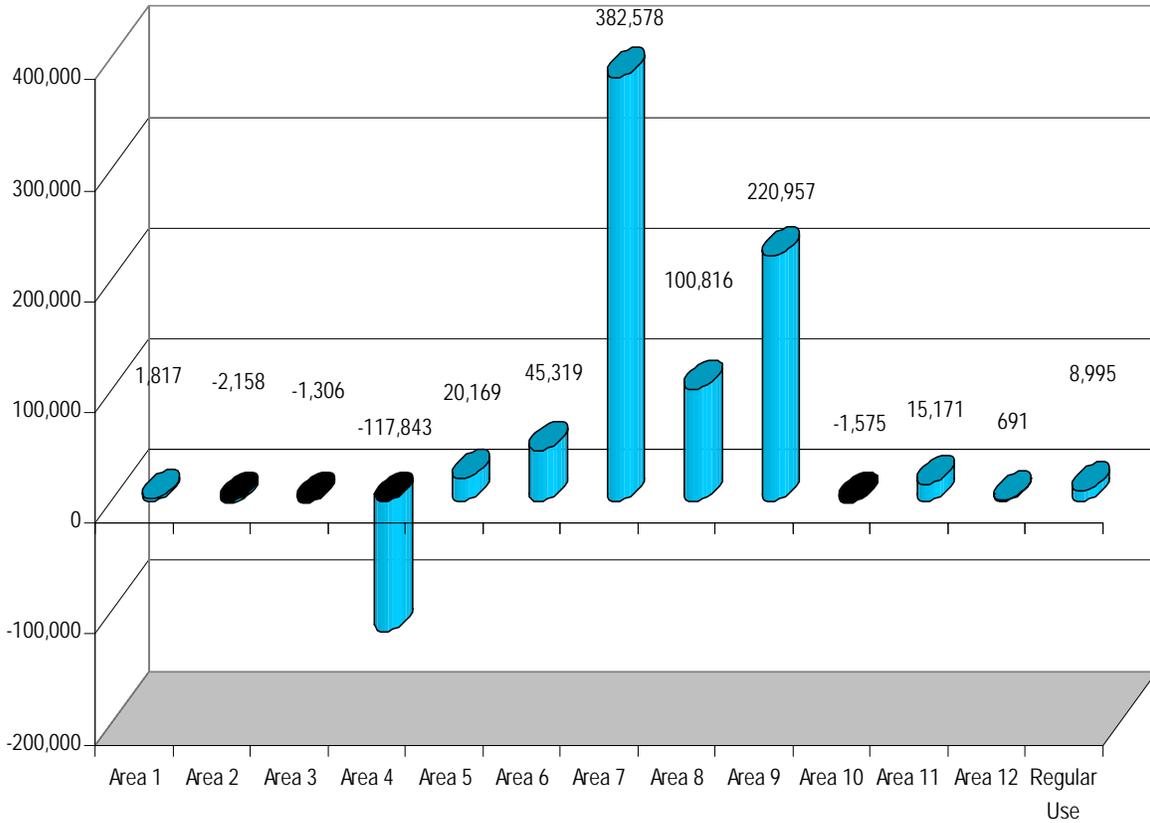
June YTD Collections by Area 2003-2008



It is important to analyze which sales tax geographic areas of the City are growing or declining.

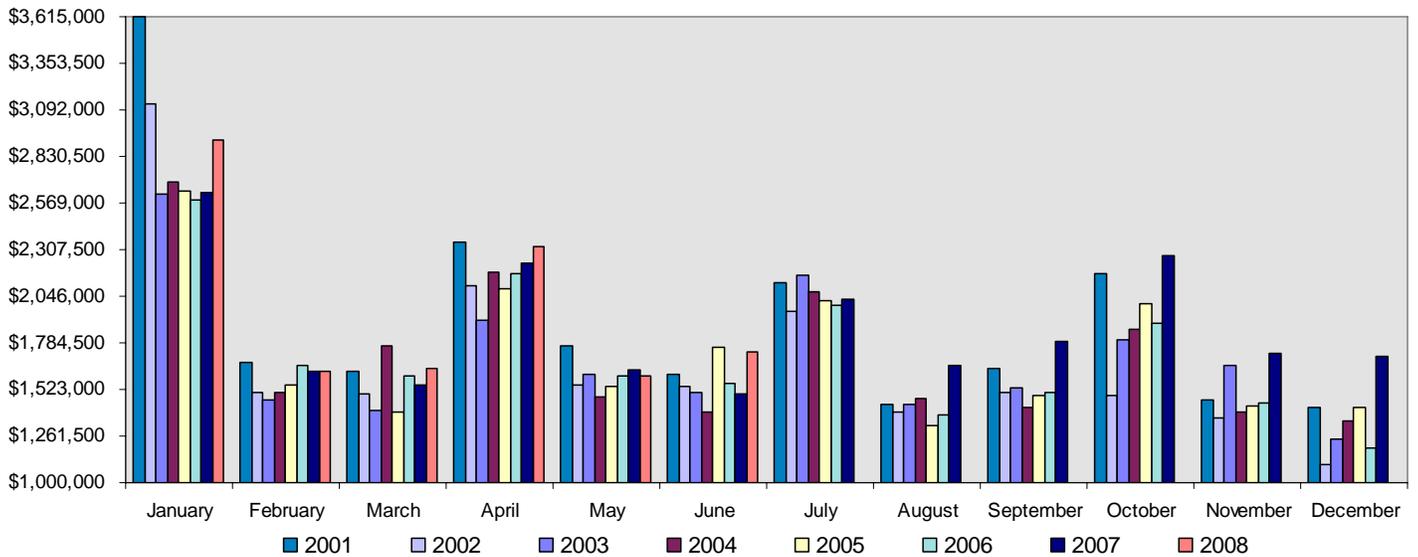
The following chart, "Change in Sales/Use Tax Collections by Area 2008 vs. 2007" indicates that most of the increase in sales tax collections is due to Outside City (Area 7) and Public Utilities (Area 8) sales. Regular use tax is up from last year.

Change in Sales/Use Tax Collections by Area 2008 vs 2007



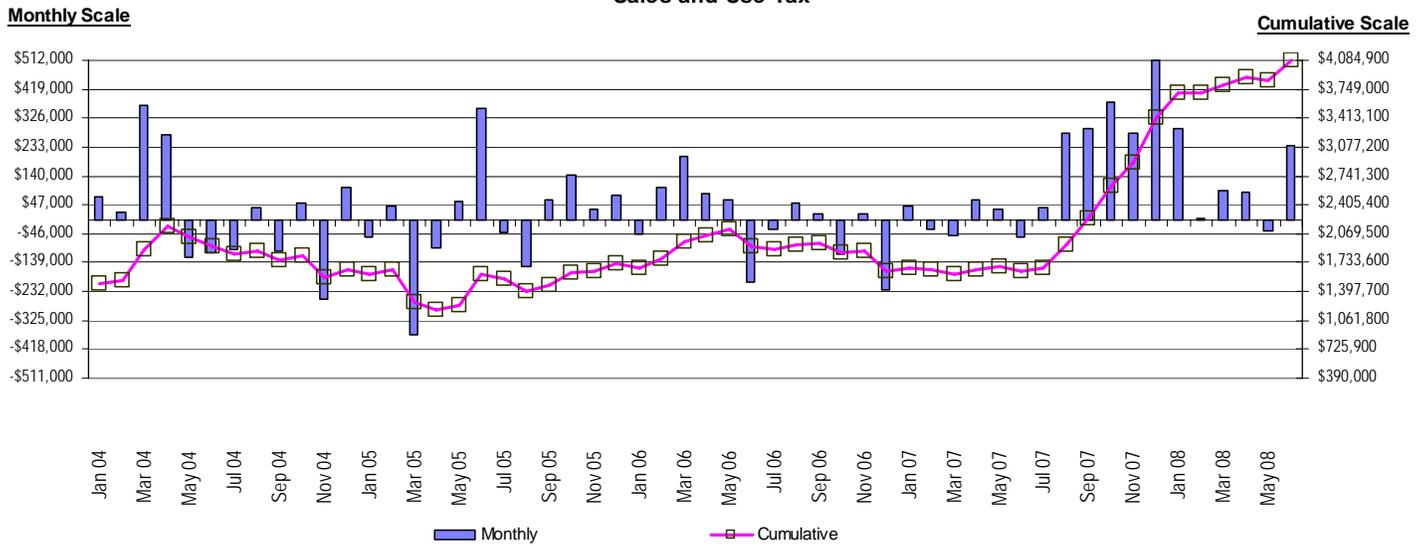
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2001 through 2008.

2001-2008 YTD Sales/Use Tax Collections by Month - Cash Basis



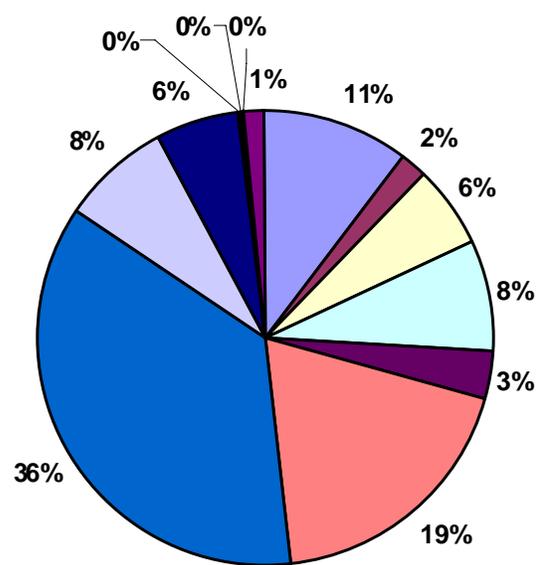
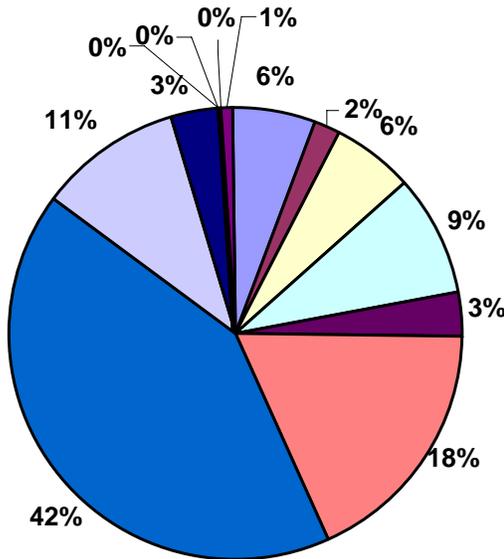
The next chart illustrates sales tax collections (cash basis) by month and total for the year.

2004 - 2008 Monthly Change Sales and Use Tax



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2001 and 2007.

Geographic Sales Tax Collection Areas



2001 Actual Cash Receipts by Area

Area 1	6%	Area 8	11%
Area 2	2%	Area 9	3%
Area 3	6%	Area 10	0%
Area 4	9%	Area 11	0%
Area 5	3%	Area 12	0%
Area 6	18%	Regular Use	1%
Area 7	42%		

2007 Actual Cash Receipts by Area

Area 1	11%	Area 8	8%
Area 2	2%	Area 9	6%
Area 3	6%	Area 10	0%
Area 4	8%	Area 11	0%
Area 5	3%	Area 12	0%
Area 6	19%	Regular Use	1%
Area 7	36%		

Economic improvement, judged strictly by sales tax collections, appears to be improving somewhat in most of the geographic areas compared to the same period last year.

A brief description and analysis of the significant geographic areas follows:

Area 1: This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of \$1,208,474 almost what was collected last year. Total collections for the year were estimated between \$2.2 and \$2.5 million.

Area 7: This geographic area records the outside city sales tax collections (Outside City). Outside City has been the geographic area responsible for much of the sales tax growth (and decline) in past years. Outside City collections have increased considerably (9.7 percent) from the same period last year. The chart below illustrates this area's contribution to total sales and use taxes (cash basis) as well as total revenues since 2002 for collections through the month of June. The importance of Outside City is slowly declining as a percentage of sales and use tax collections and total revenues, but continues to have a significant impact on the City's General Fund as illustrated by the chart following.

	2004	2005	2006	2007	2008
Total Sales and Use Taxes	9,621,173	9,213,390	9,613,988	9,667,629	10,106,109
Outside City Collections	4,066,014	4,053,643	3,979,087	3,935,431	4,318,009
Percentage of Total	42.3%	44.0%	41.4%	40.7%	42.7%
Total General Fund Revenues	17,887,938	17,958,805	18,725,547	18,934,075	19,881,852
Outside City Collections	4,066,014	4,053,643	3,979,087	3,935,431	4,318,009
Percentage of Revenues	22.7%	22.6%	21.2%	20.8%	21.7%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$650,000 to cover intercity claims. The City paid intercity sales/use tax refunds totaling \$309,764 through June 2008 compared to \$71,114 in June 2007. At this time potential refunds total \$1,529,158 for claims submitted to Englewood but not completed.

Area 8: This geographic area consists of collections from public utilities. Collections through June were up \$100,816 or 10.5 percent over last year. Weather conditions, energy usage, and rising energy prices play an important role in revenue collections. Collections could increase or decrease if the remainder of the year is significantly hotter/colder than normal.

Other Sales Tax and Economic Activity Related Information

Finance and Administrative Services Department collected \$328,127 in sales tax audit revenues through the month of June; this compares to \$259,732 collected in 2007 and \$156,835 collected in 2006.

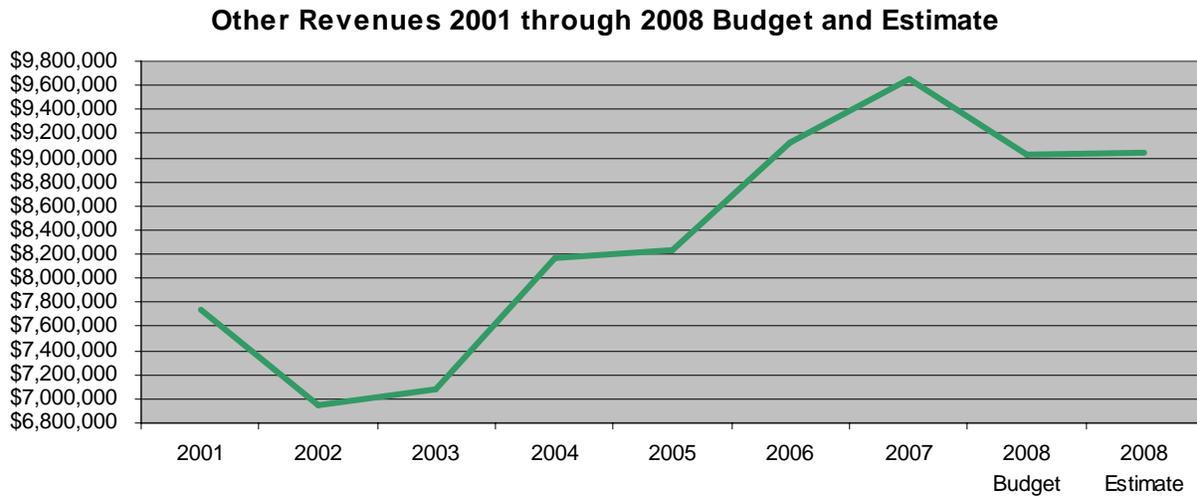
Of 72 sales tax accounts reviewed in the various geographic areas, 46 (64 percent) showed improved collections and 26 (36 percent) showed reduced collections this year compared to the same period last year.

The Department issued 220 new sales tax licenses through June 2008; 266 and 269 were issued through June 2007 and 2006 respectively.

City records indicate that year to date 80 businesses closed (42 of them were outside the physical limits of Englewood) and 220 opened (142 of them were outside the physical limits of Englewood).

General Fund Other Revenue

Other revenues accounted for \$9,648,149 or 25 percent of the total revenues for 2007 and the City budgeted \$9,027,509 for 2008. The following graph illustrates other revenue collections from 2000 through 2008 Budget.



Additional significant revenue sources are listed below:

Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated \$1,168,977 during 2007 or 12.1 percent of total revenue and 3 percent of total other revenue. This revenue source totaled \$702,821 in 2003 and increased to \$1,168,977 in 2007, a 66 percent increase. The City budgeted \$575,425 for 2008 or 6 percent of budgeted total other revenues and year-to-date the City collected \$296,450, \$255,032 (46.2 percent) less than the \$551,482 collected in June 2007.

Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,107,453 for 2008, this is 11.5 percent of total other revenue. This revenue source totaled \$1,408,450 in 2003 and the City collected \$1,118,916 in 2007, a 20.5 percent decrease. The City collected \$444,086 through June 2008 this is \$5,937 (1.4 percent) more than the \$438,149 collected in same period in 2007.

Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,083,574 for 2008 or 32 percent of total other revenue. This revenue source totaled \$2,130,086 in 2003 and increased to \$3,067,997 in 2007, a 44 percent increase. Total collected year-to-date was \$1,546,424 or \$38,850 (2.6 percent) more than the \$1,507,574 collected year-to-date in 2008.

Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,266,998 for 2008 or 23.5 percent of total other revenue. This revenue source totaled \$1,150,861 in 2003 and increased to \$2,235,938 in 2007, a 94.3 percent increase. This revenue source increased substantially in 2004 due to the opening of the Pirates Cove water park. Total collections for June 2008 were \$1,098,851 compared to \$1,021,608 collected year-to-date in 2007.

Fines and Forfeitures: This revenue source includes court, library, and other fines. The 2008 budget for this source is \$1,326,730 or .13.8 percent of total other revenue. This revenue source totaled \$1,449,558 in 2003 and decreased to \$1,445,641 in 2007, a .3 percent decrease. Total collected year-to-date was \$765,250 or \$33,268 (4.5 percent) more than the \$731,982 collected in the same time period last year.

Interest: This is the amount earned on the City's cash investments. The 2008 budget for this source is \$355,000 or 3.7 percent of total other revenue. This revenue source totaled \$78,127 in 2003 and increased to \$411,517 in 2007, a 427 percent increase. Earnings were \$212,702 year-to-date compared to \$145,223 for the same period last year.

Miscellaneous: This source includes all revenues that do not fit in another revenue category. The 2008 budget for this source is \$311,829 or .3.2 percent of total other revenue. This revenue source totaled \$223,622 in 2003 and decreased to \$199,155 in 2007, a 20.4 percent decrease. Total collected year-to-date is \$52,553 (54 percent less) compared to the \$114,266 collected last year during the same period.

General Fund Expenditures

Outcome Based Budgeting

In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the services delivered to the citizens of Englewood. The five outcomes identified include:

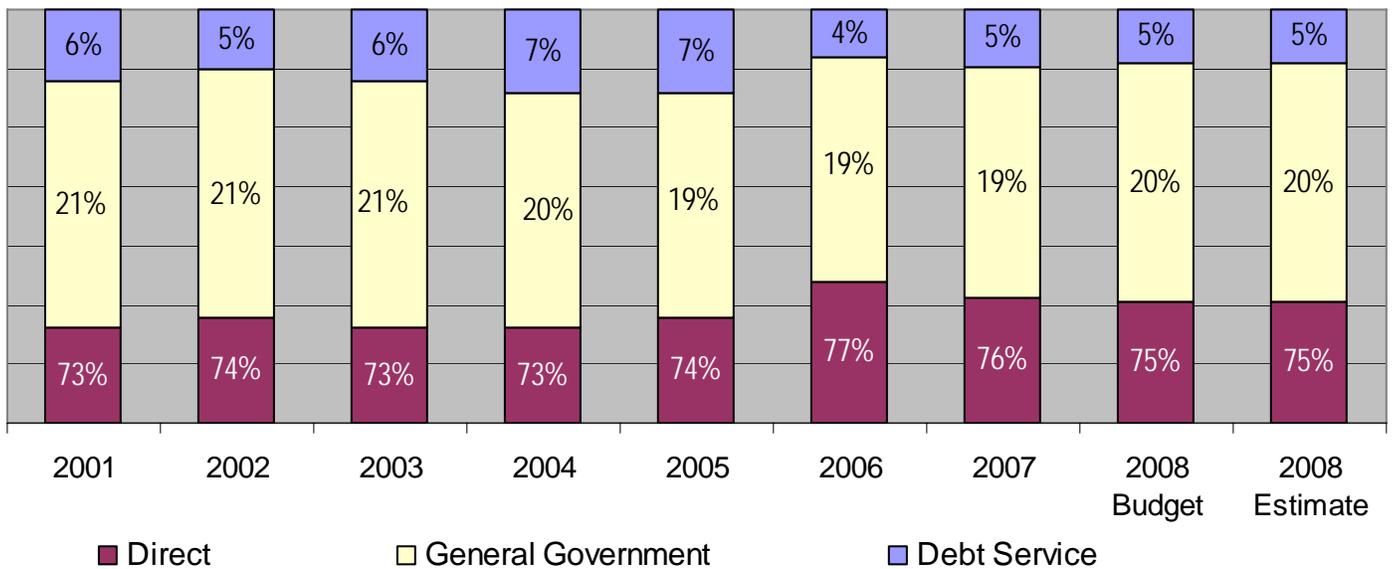
1. A City that provides and maintains quality infrastructure,
2. A safe, clean, healthy, and attractive City,
3. A progressive City that provides responsive and cost efficient services,
4. A City that is business friendly and economically diverse, and
5. A City that provides diverse cultural, recreational, and entertainment opportunities.

Outcome based budgeting is an additional tool the City Council and staff June use to better develop ways to serve our citizens. This type of budgeting is a new concept and will be refined and reviewed on an on-going basis to help us better focus our resources on ways to meet the objectives of our citizens.

The City budgeted total expenditures at \$39,493,551 for 2008, this compares to \$38,120,601 and \$35,822,637 expended in 2007 and 2006 respectively. Budgeted expenditures for 2008 general government totals \$8,036,501 or 20.4 percent of the total. Direct government expenditures are budgeted at \$29,654,594 or 75 percent of the total. Debt service payments are \$1,811,456 or 4.6 percent of the total. Total expenditures through June were \$19,230,211 compared to \$19,291,718 in 2007 and \$17,431,701 in 2006.

The chart below illustrates the breakdown of expenditures into debt service, general and direct government expenditures.

**Direct, General Government and Debt Service
2001 through 2008 Estimate**

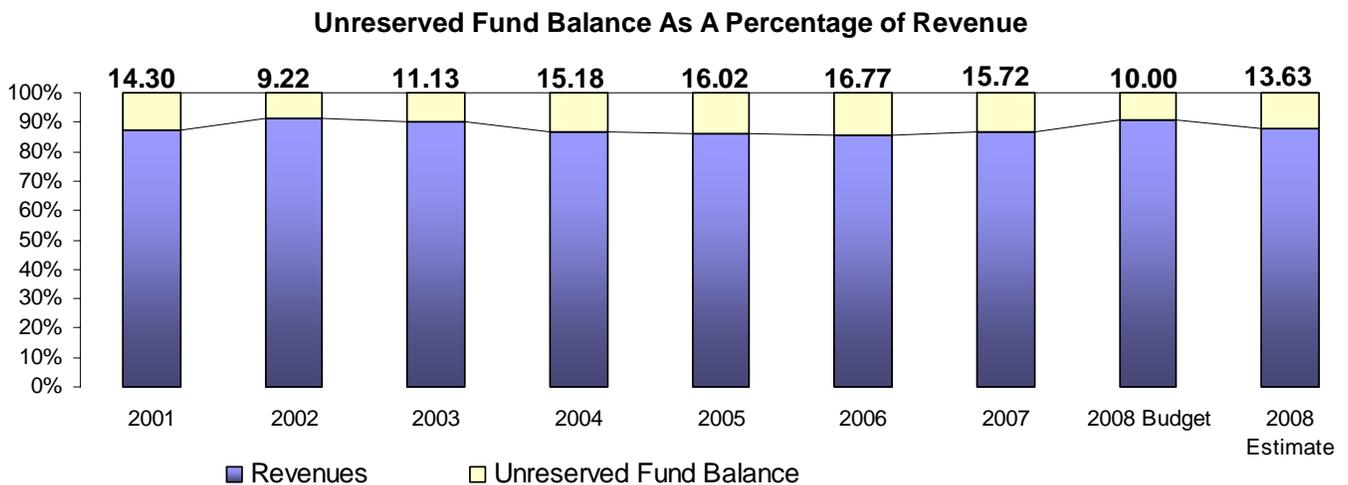
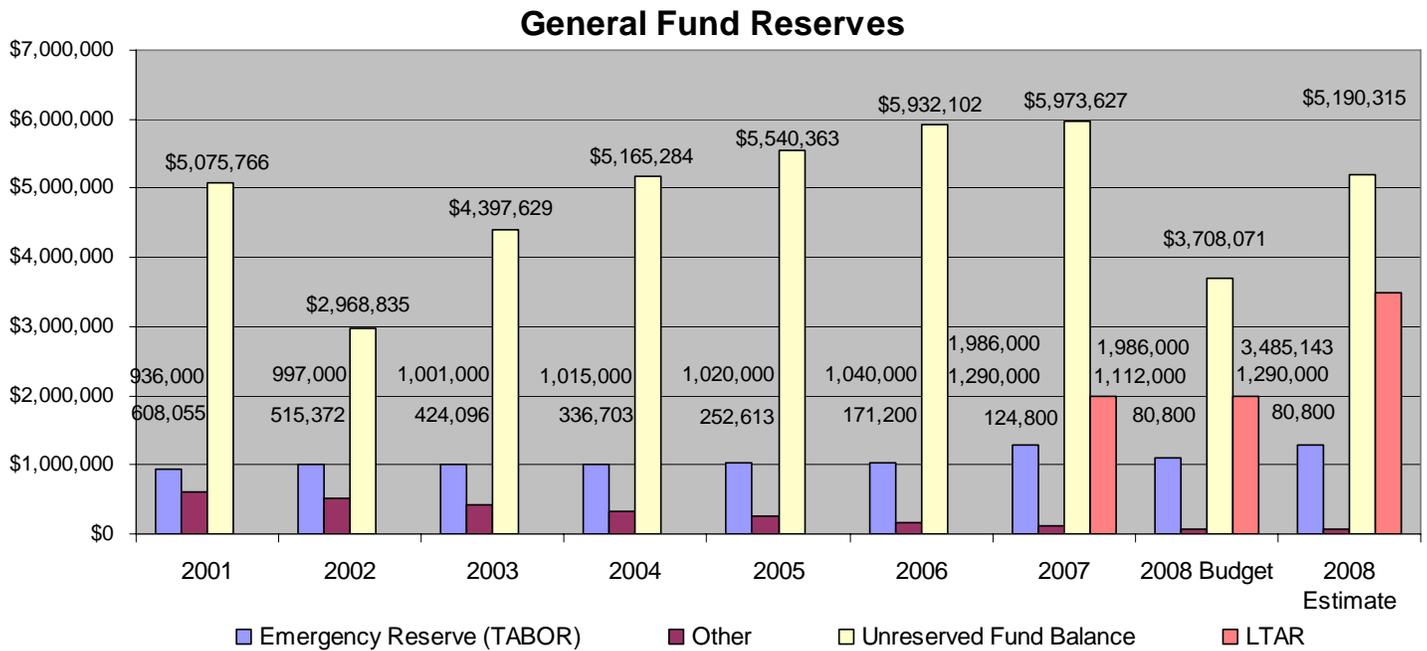


General Fund Reserves

Reserves are those funds the City sets aside for a “rainy day”. The intent is to smooth over unexpected revenue declines and expenditure increases. The fund is normally built up when revenues exceed expenditures. In the past, excess reserves have been transferred out to other funds, usually for capital projects identified in the Multiple Year Capital Plan

(MYCP). The reserve balance is not adequate to provide for a transfer from the General Fund to the capital projects funds.

Long Term Asset Reserve (LTAR) At the 2008 Budget workshop held on September 22, 2007, City Council discussed and directed staff to establish a General Fund reserve account to accumulate funds from the sale, lease, or earnings from long-term assets. It was also determined that these funds should be used in a careful, judicious and strategic manner. The funds restricted in this account may only be expended if the funds are appropriated in the annual budget or by supplemental appropriation. The balance in the account is \$1,986,000. Proceeds of the sale of McLellan property to the Regional Transportation District increased the balance by \$499,142.50 as well as a transfer of \$1,000,000 from General Fund reserves; this brings the total to \$3,485,142.50.



The City ended 2007 with an unreserved/undesignated general fund balance of \$5,973,627 or 15.7 percent of projected revenues. The 2008 estimated ending fund balance is \$5,190,315 or 13.6 percent of projected revenues. The \$5,190,315 would allow the City to operate for 48 days (using budgeted expenditures) if all other revenues and financing sources ceased. It is more important now than ever to maintain reserves to help the City make up for revenue shortfalls and unexpected expenditure increases given that the one-time transfers made to the General Fund to help maintain reserves are not as readily available as in the past.

PUBLIC IMPROVEMENT FUND OVERVIEW

The Public Improvement Fund (PIF) accounts for the City's "public-use" capital projects (e.g. roads, bridges, pavement, etc.). The PIF funding is from the collection of vehicle and building use taxes, intergovernmental revenues, interest income, and other miscellaneous sources.

Provided for your information is the table below that illustrates for the month of June and years 2008 through 2006, the PIF Year-To-Date (YTD) revenues and expenditures. The dollar and percentage change between each year is also provided. The Estimated Ending Fund Balance is included in order to account for the remaining PIF appropriation for 2008 as well as the remaining annual revenue anticipated for the fund.

	2008	2008 vs 2007 Increase (Decrease)	2007	2007 vs 2006 Increase (Decrease)	2006
Public Improvement Fund (PIF)					
YTD Revenues	\$ 1,305,982	\$ (813,682) (38.39%)	\$ 2,119,664	\$ 815,116 62.48%	\$ 1,304,548
YTD Expenditures	5,369,208	\$ 867,477 19.27%	4,501,731	\$ 2,386,946 112.87%	2,114,785
Net Revenues (Expenditures)	\$ (4,063,226)	\$ (1,681,159)	\$ (2,382,067)	\$ (1,571,830)	\$ (810,237)
Beginning PIF Fund Balance	\$ 3,359,169		\$ 5,773,194		\$ 1,359,568
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ (704,057)		\$ 3,391,127		\$ 549,331
Plus: Remaining Annual Revenue	3,087,666		2,594,102		1,326,311
Less: Remaining Annual Appropriation	(2,100,395)		(1,814,895)		(2,020,774)
Less: Amount to be designated	-		(3,836,066)		-
Estimated Ending Fund Balance	<u>\$ 283,214</u>		<u>\$ 334,268</u>		<u>\$ (145,132)</u>
Unappropriated Fund Balance as of December 31,			<u>\$ 221,946</u>		<u>\$ 3,866,796</u>

2008 Year-To-Date City Funds At-A-Glance

(Please refer to "Funds Glossary" for Brief Description of Funds and Fund Types)

	Beginning Balance	Revenues	Expenditures	Other Sources (Uses)	Reserved Balance	Ending Balance
Governmental Fund Types						
General Fund	9,374,427	19,881,850	19,230,212	20,193	4,855,943	5,190,315
Special Revenue Funds						
Conservation Trust	794,841	181,542	152,447	(483,696)	-	340,241
Open Space	1,300,946	189,920	878,318	(372,698)	-	239,850
Commercial Revolving Loan	118,366	-	118,366	-	-	-
Donors	237,727	72,055	78,436	-	-	231,345
Community Development	-	89,497	116,382	26,885	-	-
Malley Center Trust	282,087	6,300	-	-	-	288,387
Parks & Recreation Trust	440,641	10,744	6,175	-	-	445,210
Debt Service Fund						
General Obligation Bond	87,630	869,040	274,789	-	-	681,881
Capital Projects Funds						
PIF	3,359,169	1,085,982	1,282,251	(2,879,687)	-	283,214
MYCP	1,714,493	117,122	491,502	(1,053,621)	-	286,491
Proprietary Fund Types						
Enterprise Funds						
Water	4,124,592	3,410,948	3,974,878	280,675	-	3,841,337
Sewer	12,867,928	7,395,068	7,788,671	-	1,000,000	11,474,326
Stormwater Drainage	985,402	208,232	40,044	-	137,818	1,015,772
Golf Course	787,554	823,957	903,462	-	293,500	414,549
Concrete Utility	504,046	386,553	259,417	-	-	631,183
Housing Rehabilitation	384,420	127,283	251,999	-	-	259,704
Internal Service Funds						
Central Services	247,457	204,236	173,359	(100,000)	-	178,334
ServiCenter	581,661	1,010,177	992,255	(60,000)	-	539,583
CERF	1,057,610	367,373	238,242	-	-	1,186,741
Employee Benefits	726,269	2,599,137	2,740,487	-	133,780	451,139
Risk Management	921,116	1,347,576	695,673	-	-	1,573,019

CLOSING

The Finance and Administrative Services Department staff works closely with the City Manager, Deputy City Manager and the various departments to help identify revenue and expenditure threats, trends and opportunities as well as strategies to balance revenues and expenditures. I will continue to provide Council with monthly reports. It is important to frequently monitor the financial condition of the City so City staff and Council can work together to take action, if necessary, to maintain service levels, employees, and fiscal health of the City.

I plan to discuss this report with Council at an upcoming study session. If you have any questions regarding this report, I can be reached at **303.762.2401**.

Funds Glossary

Capital Equipment Replacement Fund (CERF) – Accounts for the accumulation of funds for the scheduled replacement of City-owned equipment and vehicles.

Capital Projects Funds account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds).

Central Services Fund – Accounts for the financing of printing services and for maintaining an inventory of frequently used or essential office supplies provided by Central Services to other departments of the City on a cost reimbursement basis.

Commercial Revolving Loan Fund – Accounts for funds used for making low interest loans to existing businesses in downtown Englewood to promote revitalization of the area.

Community Development Fund – Accounts for grant funds of the Brownfields Pilot Grants Program administered by the United States Environmental Protection Agency and the Art Shuttle Program administered by the Regional Transportation District (RTD).

Concrete Utility Fund – Accounts for revenues and expenses associated with maintaining the City's sidewalks, curbs and gutters.

Conservation Trust Fund – Accounts for the acquisition of parks and open space land not previously owned by the City and for improvements to existing park and recreation facilities. Financing is provided primarily from State Lottery funds.

Debt Service Funds account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond and loan principal and interest from special assessment levies when the government is obligated in some manner for payment.

Donors' Fund – Accounts for funds donated to the City for various specified activities.

Employee Benefits Fund – Accounts for the administration of providing City employee benefit programs: medical, dental, life, and disability insurance.

Enterprise Funds account for operations that: (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the City Council has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management controls, accountability or other purposes.

Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Obligation Bond Fund – Accounts for the accumulation of monies for payment of General Obligation Bond principal and interest.

Golf Course Fund – Accounts for revenues and expenses associated with the operations of the Englewood Municipal Golf Course.

Governmental Funds distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). These funds focus on the near-term *inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the year.

Housing Rehabilitation Fund – Accounts for revenues and expenses associated with the City's housing rehabilitation program.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Funds Glossary

Malley Center Trust Fund – Accounts for a trust established by Elsie Malley to be used for the benefit of the Malley Senior Recreation Center.

Multi-Year Capital Projects Fund (MYCP) - Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily with transfers from other City Funds.

Parks and Recreation Trust Fund – Accounts for a trust established by the City, financed primarily by donations, to be used exclusively for specific park and recreation projects.

Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.

Public Improvement Fund (PIF) – Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily from building and vehicle use taxes.

Risk Management Fund – Accounts for the administration of maintaining property and liability and workers' compensation insurance.

ServiCenter Fund – Accounts for the financing of automotive repairs and services provided by the ServiCenter to other departments of the City, or to other governmental units, on a cost reimbursement basis.

Sewer Fund – Accounts for revenues and expenses associated with providing wastewater services to the City of Englewood residents and some county residents.

Special Assessment Funds account for and pay special assessment bond principal and interest and/or inter-fund loan principal and interest: Following are funds to account for special assessments: **Paving District No. 35, Paving District No. 38, and Concrete Replacement District 1995.**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Storm Drainage Fund – Accounts for revenues and expenses associated with maintaining the City's storm drainage system.

Water Fund – Accounts for revenues and expenses associated with providing water services to City of Englewood residents.

General Fund Comparative Revenue, Expenditure & Fund Balance Report

as of June 30, 2008

Percentage of Year Completed = 50%

Fund Balance January 1	\$ 7,329,183 \$ 9,374,427		\$ 9,374,427		\$ 7,143,302 \$ 7,143,302		\$ 6,812,976 \$ 6,812,976			
	2008				2007			2006		
	Budget	Jun-08	% Budget	YE Estimate	Dec-07	Jun-07	% YTD	Dec-06	Jun-06	% YTD
Revenues										
Property Tax	2,820,000	2,222,856	78.82%	2,820,000	2,623,118	1,914,508	72.99%	2,559,369	1,872,718	73.17%
Specific Ownership Tax	395,993	137,895	34.82%	395,993	341,423	148,657	43.54%	333,018	142,356	42.75%
Sales & Use Taxes	22,000,000	11,842,264	53.83%	23,000,000	22,753,820	11,169,548	49.09%	20,688,258	11,230,156	54.28%
Cigarette Tax	280,000	125,211	44.72%	280,000	278,785	129,047	46.29%	293,776	144,710	49.26%
Franchise Fees	2,545,448	1,132,485	44.49%	2,545,448	2,356,385	1,057,272	44.87%	2,362,000	1,083,811	45.89%
Hotel/Motel Tax	8,500	4,825	56.76%	8,500	9,722	4,759	48.95%	9,554	4,647	48.64%
Licenses & Permits	575,425	296,450	51.52%	575,425	1,168,977	551,482	47.18%	623,945	281,097	45.05%
Intergovernmental Revenue	1,107,453	444,086	40.10%	1,107,453	1,118,916	438,149	39.16%	1,193,863	425,113	35.61%
Charges for Services	3,083,574	1,546,424	50.15%	3,083,574	3,067,997	1,507,574	49.14%	3,053,106	1,540,805	50.47%
Recreation	2,266,998	1,098,851	48.47%	2,266,998	2,235,938	1,021,608	45.69%	2,099,202	1,017,661	48.48%
Fines & Forfeitures	1,326,730	765,250	57.68%	1,326,730	1,445,641	731,982	50.63%	1,566,922	814,147	51.96%
Interest	355,500	212,702	59.83%	355,500	411,517	145,223	35.29%	353,575	113,426	32.08%
Miscellaneous	326,829	52,553	16.08%	326,829	199,167	114,266	57.37%	229,675	54,900	23.90%
Total Revenues	37,092,450	19,881,852	53.60%	38,092,450	38,011,406	18,934,075	49.81%	35,366,263	18,725,547	52.95%
Expenditures										
Legislation	351,513	169,855	48.32%	351,513	323,964	182,234	56.25%	306,360	166,417	54.32%
City Attorney	762,280	314,905	41.31%	762,280	694,359	341,002	49.11%	586,588	277,244	47.26%
Court	982,006	456,283	46.46%	982,006	890,152	411,258	46.20%	831,859	389,184	46.78%
City Manager	679,806	360,035	52.96%	679,806	673,949	349,004	51.78%	618,649	308,483	49.86%
Human Resources	570,474	264,781	46.41%	570,474	557,855	270,845	48.55%	516,302	236,270	45.76%
Financial Services	1,724,429	781,388	45.31%	1,724,429	1,568,074	783,900	49.99%	1,589,900	751,173	47.25%
Information Technology	1,289,131	606,618	47.06%	1,289,131	1,254,364	596,056	47.52%	1,103,732	508,949	46.11%
Public Works	5,241,300	2,510,254	47.89%	5,241,300	5,421,775	2,883,260	53.18%	5,024,251	2,389,854	47.57%
Fire Department	7,116,823	3,464,273	48.68%	7,116,823	-	-	-	-	-	-
Police Department	10,279,401	4,875,036	47.43%	10,279,401	-	-	-	-	-	-
Safety Services	-	-	-	-	16,497,359	8,148,198	49.39%	15,588,534	7,678,433	49.26%
Community Development	1,576,862	656,916	41.66%	1,576,862	1,412,444	628,045	44.47%	1,366,545	598,612	43.80%
Library	1,294,640	635,866	49.12%	1,294,640	1,259,526	672,011	53.35%	1,265,511	663,144	52.40%
Recreation	5,713,430	2,785,203	48.75%	5,713,430	5,566,093	2,675,293	48.06%	5,534,106	2,707,285	48.92%
Debt Service	1,811,456	1,337,252	73.82%	1,811,456	1,869,762	1,296,506	69.34%	1,259,608	670,789	53.25%
Contingency	100,000	11,546	11.55%	100,000	130,925	54,106	41.33%	230,692	85,864	37.22%
Total Expenditures	39,493,551	19,230,211	48.69%	39,493,551	38,120,601	19,291,718	50.61%	35,822,637	17,431,701	48.66%
Excess revenues over (under) expenditures	(2,401,101)	651,641	-27.14%	(1,401,101)	(109,195)	(357,643)		(456,374)	1,293,846	
Net transfers in (out)	1,973,789	2,352,932	119.21%	2,072,932	2,340,320	(270,970)	-11.58%	786,700	817,744	103.95%
Total Fund Balance	\$ 6,901,871	\$ 12,379,000	179.36%	\$ 10,046,258	\$ 9,374,427	\$ 6,514,689	69.49%	\$ 7,143,302	\$ 8,924,566	124.94%

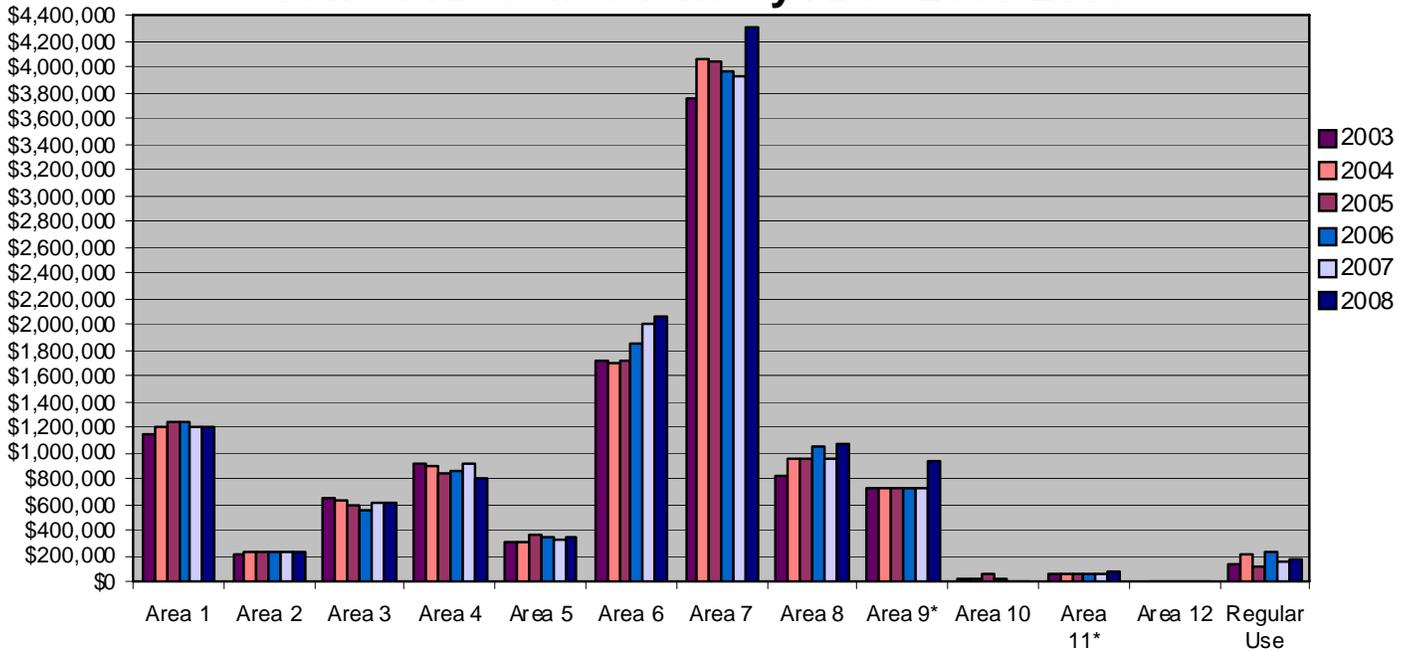
Fund Balance Analysis				
Total Fund Balance	\$ 6,901,871	\$ 10,046,258	\$ 9,374,427	\$ 7,143,302
Reserves/designations:				
-Emergencies (TABOR)	1,112,000	1,290,000	1,290,000	1,040,000
-LTAR	1,986,000	3,485,143	1,986,000	-
-Museum of Outdoor Arts	80,800	80,800	124,800	171,200
Unreserved/undesignated Fund Balance	<u>\$ 3,723,071</u>	<u>\$ 5,190,315</u>	<u>\$ 5,973,627</u>	<u>\$ 5,932,102</u>
Potential reserves/designations	-	-	-	-
Estimated unres/undesig Fund Balance	<u>\$ 3,723,071</u>	<u>\$ 5,190,315</u>	<u>\$ 5,973,627</u>	<u>\$ 5,932,102</u>
As a percentage of projected revenues	9.77%	13.63%	15.72%	16.77%
As a percentage of budgeted revenues	10.04%	13.99%		
Target	3,709,245	-	5,563,868	

Sales & Use Tax Collections Year-to-Date Comparison for the month of June 2008

Cash Basis

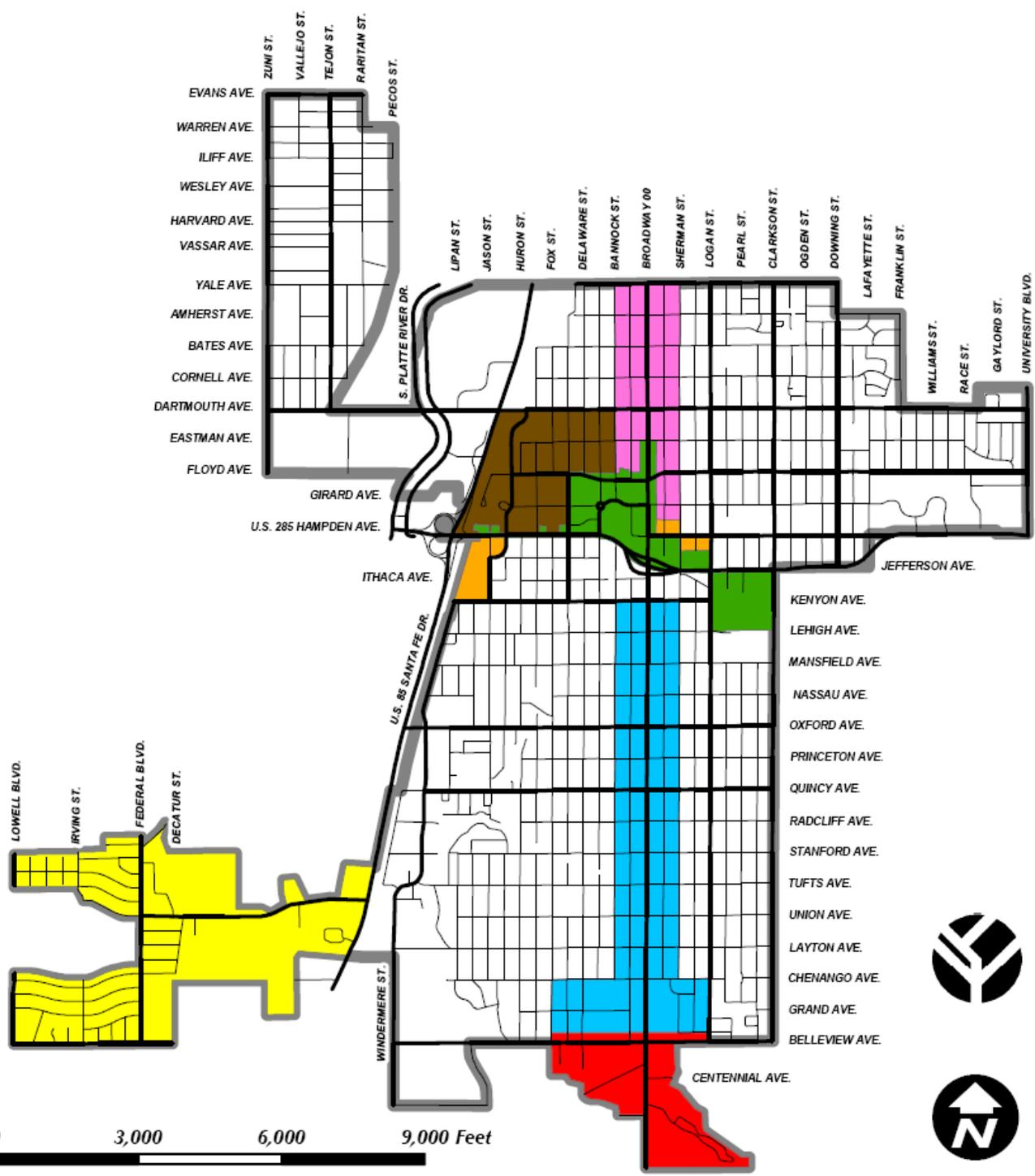
	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change
Area 1	1,150,377	19.75%	1,198,922	4.22%	1,236,711	3.15%	1,251,217	1.17%	1,206,657	-3.56%	1,208,474	0.15%
Area 2	214,271	-9.70%	227,846	6.34%	234,583	2.96%	222,904	-4.98%	231,034	3.65%	228,876	-0.93%
Area 3	657,632	-4.58%	641,034	-2.52%	594,637	-7.24%	551,676	-7.22%	621,650	12.68%	620,344	-0.21%
Area 4	920,902	-13.12%	898,588	-2.42%	836,258	-6.94%	867,156	3.69%	919,364	6.02%	801,521	-12.82%
Area 5	304,243	-4.12%	301,502	-0.90%	364,342	20.84%	345,884	-5.07%	319,125	-7.74%	339,295	6.32%
Area 6	1,720,810	-7.23%	1,709,120	-0.68%	1,717,243	0.48%	1,854,490	7.99%	2,013,915	8.60%	2,059,234	2.25%
Area 7	3,755,442	-14.42%	4,066,014	8.27%	4,053,643	-0.30%	3,979,087	-1.84%	3,935,431	-1.10%	4,318,009	9.72%
Area 8	825,107	-10.16%	957,185	16.01%	959,711	0.26%	1,061,016	10.56%	963,214	-9.22%	1,064,030	10.47%
Area 9*	725,669	0.00%	725,669	0.00%	725,669	0.00%	725,669	0.00%	725,669	0.00%	946,626	30.45%
Area 10	26,009	190.09%	18,115	-30.35%	67,750	274.00%	18,832	-72.20%	12,437	-33.96%	10,862	-12.66%
Area 11*	58,239	0.00%	58,239	0.00%	58,239	0.00%	58,239	0.00%	58,239	0.00%	73,410	26.05%
Area 12	821	-49.35%	4,997	508.65%	1,073	-78.53%	2,116	97.20%	1,791	-15.36%	2,482	38.58%
Regular Use	143,697	41.18%	214,215	49.07%	121,097	-43.47%	234,066	93.29%	160,619	-31.38%	169,614	5.60%
Total	10,503,219	-7.23%	11,021,446	4.93%	10,970,956	-0.46%	11,172,352	1.84%	11,169,147	-0.03%	11,842,777	6.03%
Refunds	111,880	-26.27%	104,251	-6.82%	59,806	-42.63%	66,850	11.78%	71,114	6.38%	309,764	335.59%
Audit & Collections												
Revenue*	126,601	626.52%	48,586	-61.62%	521,644	973.65%	228,808	-56.14%	259,732	13.52%	328,127	26.33%
*included Above												
Unearned Sales Tax	1,100,000	-8.33%	988,364	-10.15%	700,000	-29.18%	650,000	-7.14%	650,000	0.00%	650,000	0.00%
Building Use	319,956	-52.71%	238,691	-25.40%	238,691	0.00%	626,049	162.28%	672,841	7.47%	450,120	-33.10%
Vehicle Use	736,291	-8.62%	692,821	-5.90%	692,821	0.00%	566,286	-18.26%	710,844	25.53%	647,292	-8.94%

June YTD Collections by Area 2003-2008



Area Descriptions

Area 1 - CityCenter (Formerly Cinderella City)	Area 6 - All other City locations
Area 2 - S of Yale, N of Kenyon between Bannock & Sherman (excludes EURA 1)	Area 7 - Outside City limits
Area 3 - S of Kenyon, N of Chenango between Bannock & Sherman and S of Chenango, N of Bellewood between Logan & Delaware	Area 8 - Public Utilities (Xcel Energy, Qwest)
Area 4 - Brookridge Shopping Center (Between Fox and Sherman and North side of Belleview and to the Southern City Limits)	Area 9 - Downtown & Englewood Pkwy
Area 5 - Centennial Area W of Santa Fe	Area 10 - Downtown & Englewood Pkwy <u>Use Tax Only</u>
	Area 11 - S of 285, N of Kenyon between Jason and Santa Fe
	Area 12 - S of 285, N of Kenyon between Jason and Santa Fe <u>Use Tax Only</u>



City of Englewood, Colorado: Sales Tax Areas

- | | | |
|--------|----------------|--------------------------|
| Area 1 | Area 5 | Arterials and Collectors |
| Area 2 | Area 9 and 10 | Local Streets |
| Area 3 | Area 11 and 12 | Englewood City Limits |
| Area 4 | | |

Areas Not Depicted on Map:
 Area 6 - Other City Locations Area 7 - Outside City Limits Area 8 - Public Utilities

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