

# MEMORANDUM

**To:** Mayor Woodward and City Council  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** November 12, 2008  
**Subject:** October, 2008 Financial Report - For Discussion at the November 17, 2008 Study Session

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## Summary of the October 2008 General Fund Financial Report

### REVENUES:

- Through October 2008, the City of Englewood collected **\$33,512,285 or \$1,600,168 (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 \$2,963,789 in property tax through October 2008 compared to \$2,533,038 collected in October 2007.
- The City collected \$251,948 in specific ownership tax through the end of October; this is \$12,064 less than last year.
- **Year-to-date sales and use collections were \$19,874,109 or \$977,267 (5.2 percent) more than year-to-date 2007**
- Cigarette tax collections were down \$13,051 compared to last year.
- Franchise fee collections were up \$193,851 from October 2007.
- Hotel/Motel taxes collected were about the same as prior year.
- Licenses and permit collections were \$491,941 less than 2007.
- Intergovernmental revenues were \$23,172 less than prior year.
- Charges for services were \$404,853 more than last October.
- Recreation revenues were up \$141,506 from 2007.
- Fines and forfeitures were \$12,342 more than last year.
- Investment income was \$19,625 more that last year.
- Miscellaneous revenues were \$39,753 less than last year.
- The City collected \$577,018 in sales and use tax audit revenue for the year.

### OUTSIDE CITY:

- Outside City sales and use taxes were up \$113,516 or 1.6 percent compared to last year.
- Outside City's impact on total revenues and total sales taxes increased slightly this year.
- 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 through October 2008 was \$1,960,354 compared to \$1,984,801 collected in 2007.

### EXPENDITURES:

- Expenditures through October were \$31,904,995 or \$1,604,534 (5.3 percent) more than the \$30,300,461 expended through October 2007.
- The City has refunded \$487,132 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 \$5,506,916 or 14.4 percent of estimated revenues.

### TRANSFERS:

- Net transfers in of \$2,277,932 were made this year.

### REVENUES OVER/UNDER EXPENDITURES:

- Expenditures are estimated to exceed revenues by \$1,289,500 for 2008. Through October, revenues exceeded expenditures by \$1,607,290.

### PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$2,299,596 in revenues and spent \$6,120,057 year-to-date. Estimated year-end fund balance is (\$3,166).



# City of Englewood, Colorado

## Financial Report

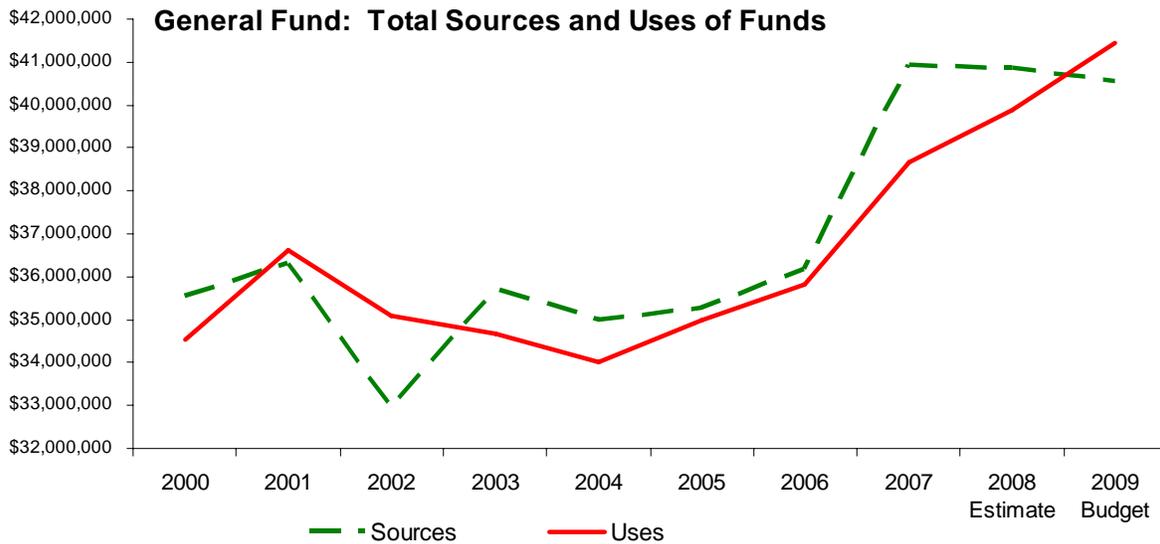
### October 2008

#### 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 2000 to 2009 Budget

The line graph below depicts the history of sources and uses from 2000 to 2009 Budget. 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.



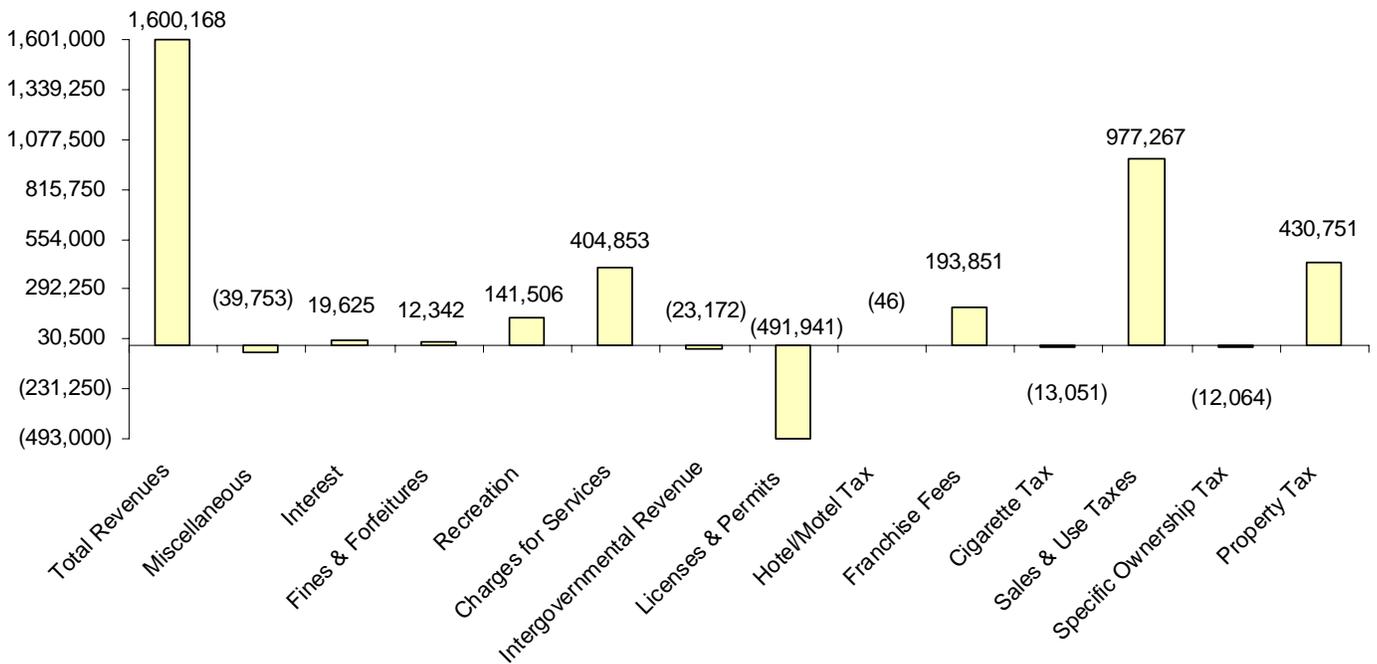
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended October 31, 2008. Comparative figures for years 2007 and 2006 are presented as well. The table also highlights the dollar and percentage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

	2008	2008 vs 2007		2007	2007 vs 2006		2006
		Increase (Decrease)			Increase (Decrease)		
<b>General Fund</b>							
Year-To-Date Revenues	\$ 33,512,285	\$ 1,600,168	5.01%	\$ 31,912,117	\$ 1,180,756	3.84%	\$ 30,731,361
Year-To-Date Expenditures	31,904,995	\$ 1,604,534	5.30%	30,300,461	\$ 2,185,582	7.77%	28,114,879
Net Revenues (Expenditures)	\$ 1,607,290	\$ (4,366)		\$ 1,611,656	\$ (1,004,826)		\$ 2,616,482
Estimated Unreserved/ Undesignated Fund Balance	\$ 5,506,916	\$ (466,711)	(7.81%)	\$ 5,973,627	\$ 41,525	.70%	\$ 5,932,102
Sales & Use Tax Revenue YTD	\$ 19,874,109	\$ 977,267	5.17%	\$ 18,896,842	\$ 714,150	3.93%	\$ 18,182,692
Outside City Sales & Use Tax YTD	\$ 7,158,821	\$ 113,516	1.61%	\$ 7,045,305	\$ 596,117	9.24%	\$ 6,449,188

**General Fund Revenues**

The City of Englewood’s total budgeted revenue is \$37,092,450. Total revenues collected through October 2008 were \$33,152,285 or \$1,600,168 (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.

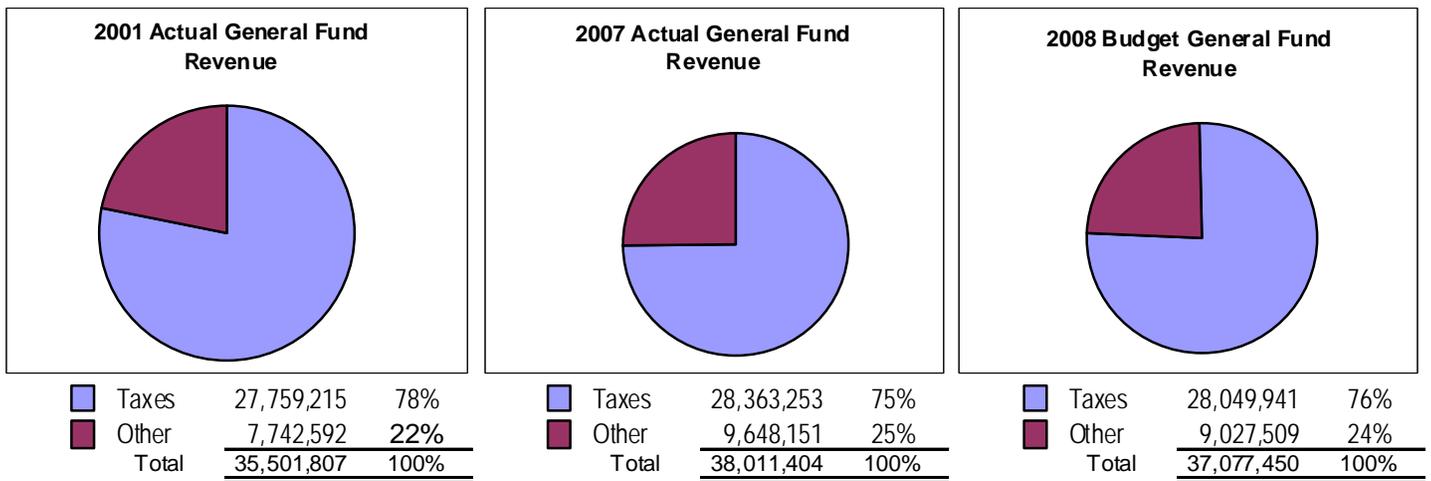
**2008 Year-To-Date Change in General Fund Revenue as Compared to Prior Year**



**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 2001 and 2007 actuals 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 \$2,963,789 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 \$251,948 through October.

**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 \$215,226 through October 2008, which is \$13,051 less (5.7 percent) than the \$228,277 collected through October 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 October totaled \$2,050,686 compared to \$1,856,835 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 \$8,682 through October 2008.

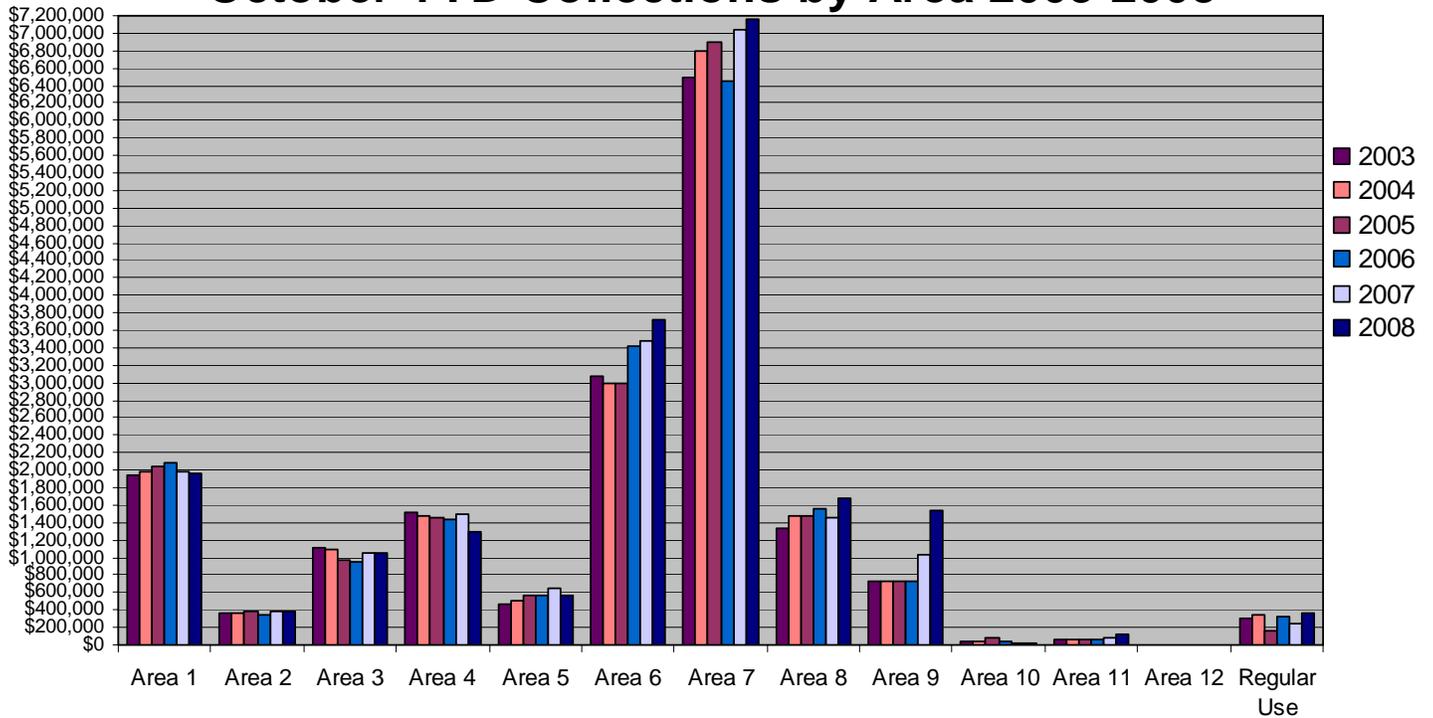
### **Sales and Use Taxes Analysis**

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 20<sup>th</sup> day of the following month. The City budgeted \$22,000,000 for 2008. Collections thru October 2008 were \$19,874,109 while collections for October 2007 were \$18,896,842, an increase of \$977,267 or 5.2 percent. Collections for the month of October 2008 were \$2,286,989 compared to \$2,270,030 and \$1,890,418 collected in October 2007 and October 2006 respectively.

Historically the City collects 86 percent of its sales taxes in the first seven months of the year; so there is an additional 14 percent to be collected over the remaining three months. If this holds for 2008, the City can expect to collect \$23,109,429. 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.

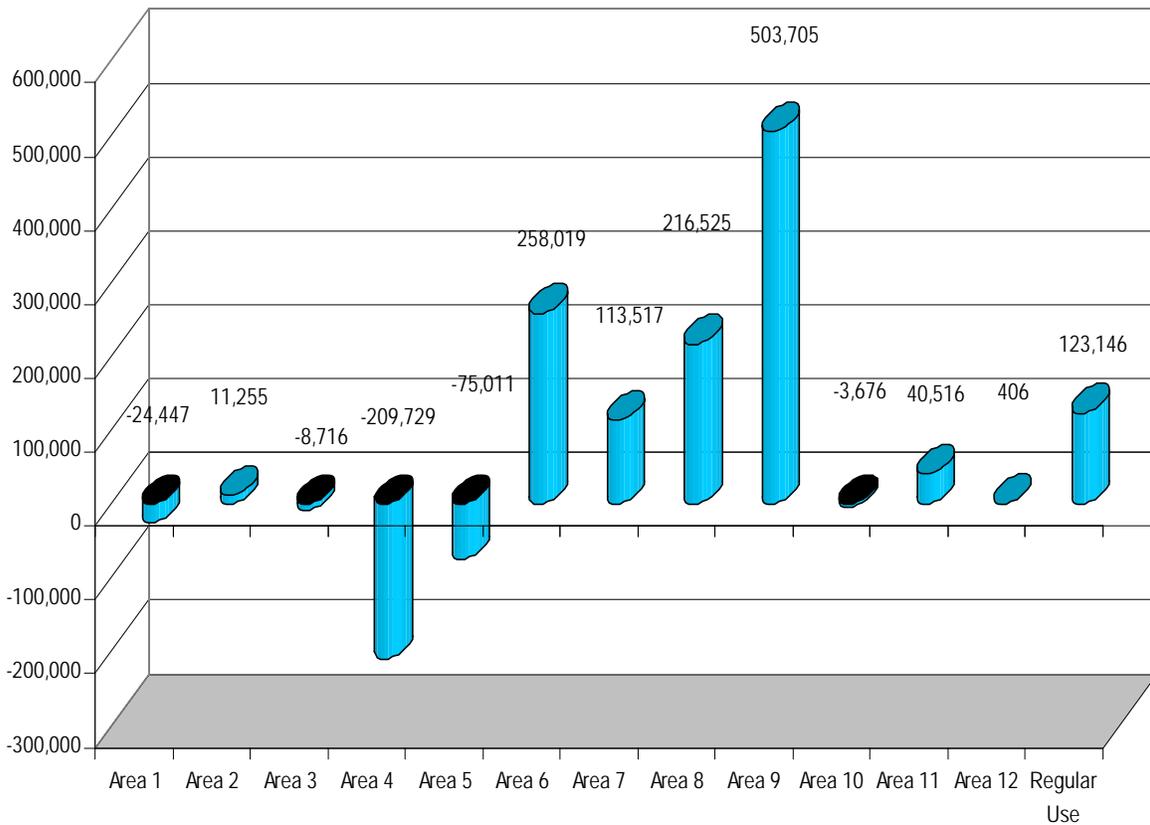
This revenue source tends to ebb and flow with the economy, growing during economic expansions and contracting during downturns. The bar graph on the next page illustrates the economic areas' collection patterns for 2003 through 2008.

# October YTD Collections by Area 2003-2008



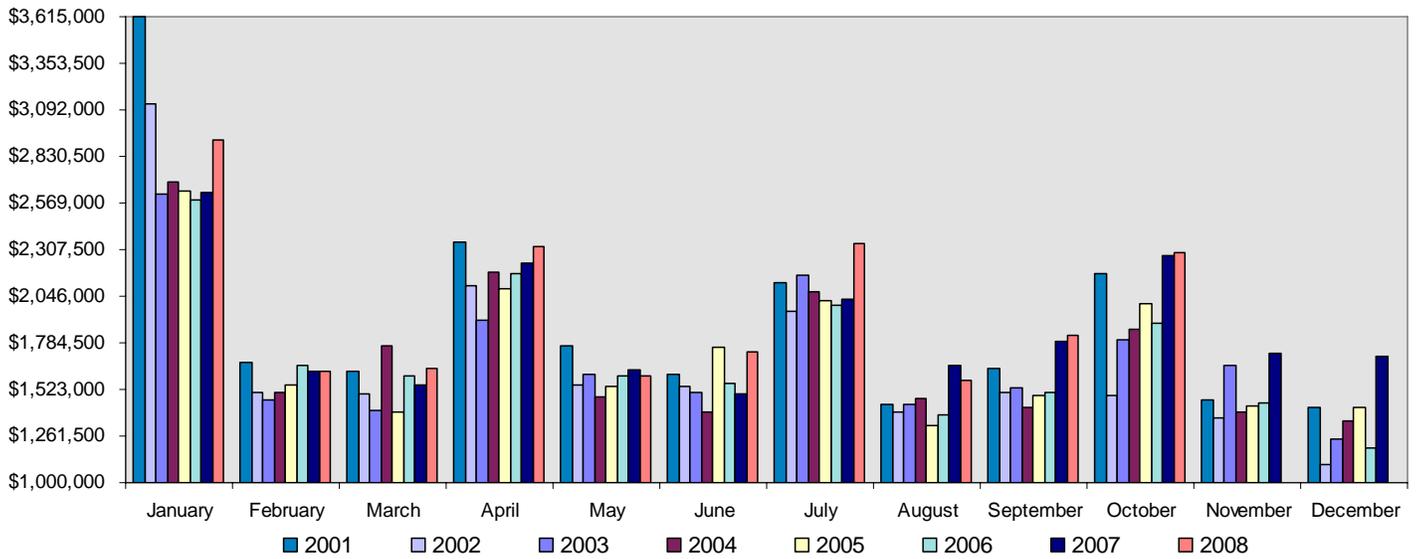
It is important to analyze which sales tax geographic areas of the City are growing or declining. The following chart, “Change in Sales/Use Tax Collections by Area 2008 vs. 2007” indicates that most of the increase in sales tax collections is due to Outside City (Area 7) and Public Utilities (Area 8) sales. Regular use tax is up from last year.

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



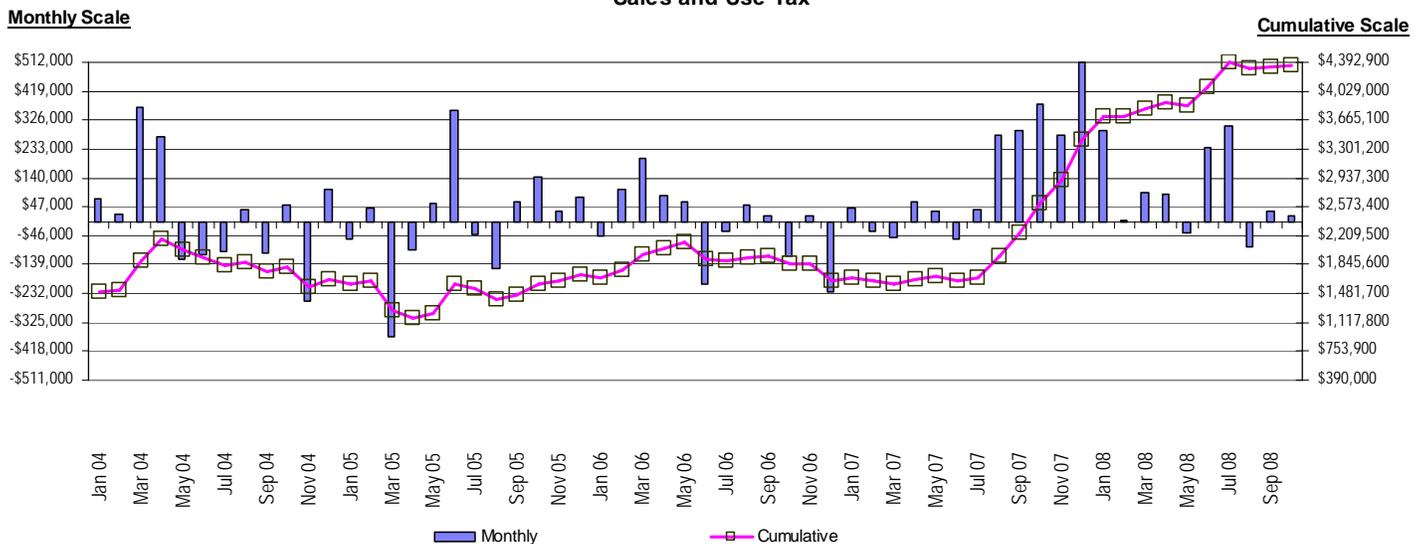
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2001 through 2008.

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



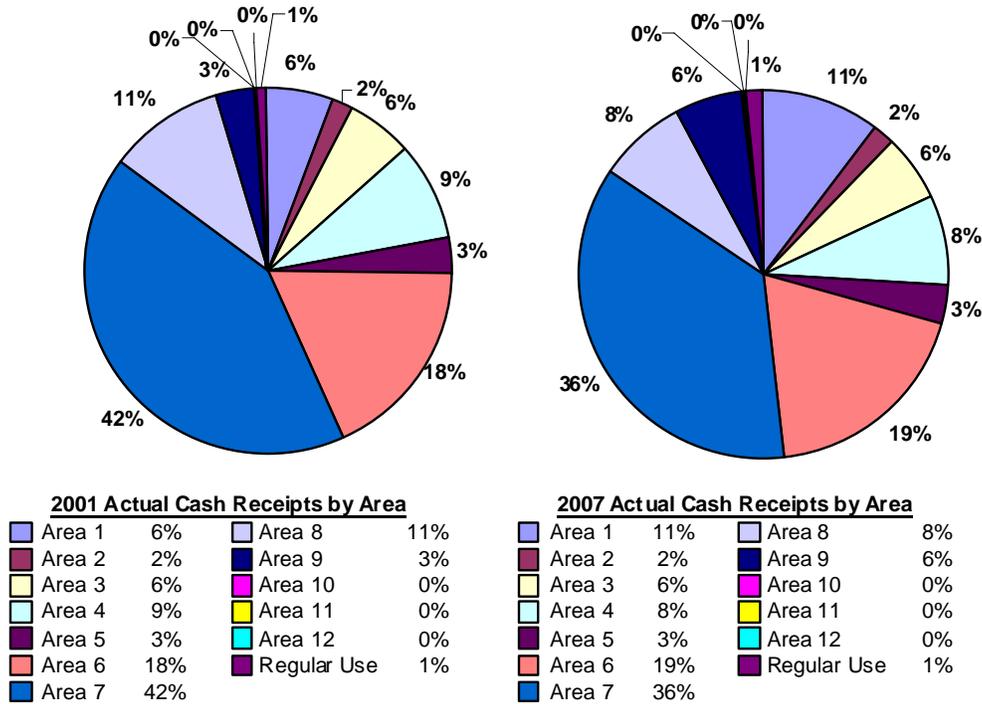
The next chart illustrates sales tax collections (cash basis) by month and total for the year.

**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



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 \$1,782,094 less than one percent lower than 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 October. Outside City collections continues to have an important impact on City revenues.

	2004	2005	2006	2007	2008
Total Sales and Use Taxes	17,891,850	17,953,571	18,182,692	18,896,842	19,874,109
Outside City Collections	6,800,713	6,887,166	6,449,188	7,045,305	7,158,821
Percentage of Total	38.0%	38.4%	35.5%	37.3%	36.0%
Total General Fund Revenues	29,244,344	29,354,836	30,731,361	31,912,117	33,512,285
Outside City Collections	6,800,713	6,887,166	6,449,188	7,045,305	7,158,821
Percentage of Revenues	23.3%	23.5%	21.0%	22.1%	21.4%

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 \$487,132 through October 2008 compared to \$241,870 in October 2007. At this time potential refunds total \$1,420,926 for claims submitted to Englewood but not completed.

**Area 8:** This geographic area consists of collections from public utilities. Collections through October were up \$216,524 or 14.8 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 \$577,018 in sales tax audit revenues through the month of October; this compares to \$498,689 collected in 2007 and \$405,921 collected in 2006.

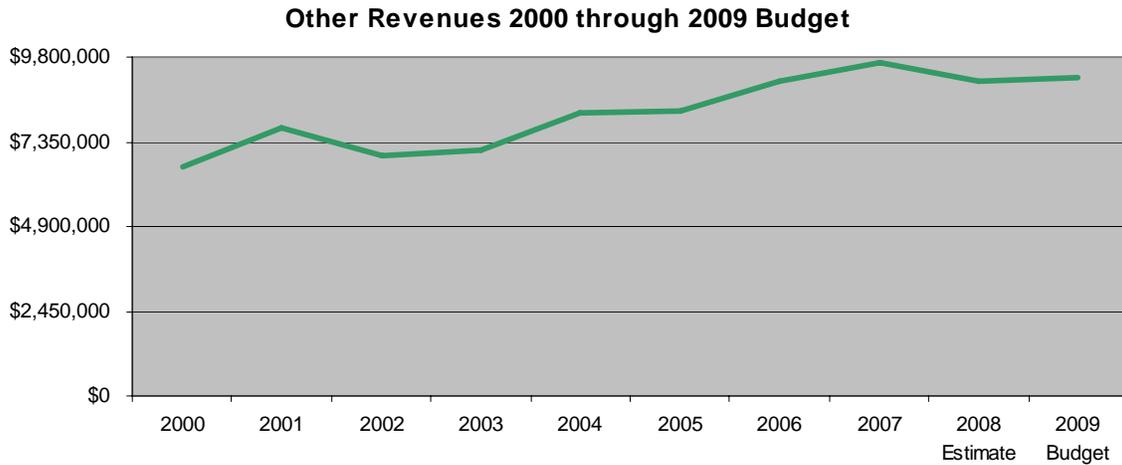
Of 65 sales tax accounts reviewed in the various geographic areas, 25 (38 percent) showed improved collections and 40 (62 percent) showed reduced collections this year compared to the same period last year. In Area 1 (CityCenter), only one of eight accounts showed a gain over last year.

The Department issued 338 new sales tax licenses through October 2008; 386 and 442 were issued through October 2007 and 2006 respectively.

City records indicate that year to date 180 businesses closed (99 of them were outside the physical limits of Englewood) and 338 opened (222 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 2009 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 3 percent of total revenue and 12.1 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 \$529,256, \$491,941 (48.2 percent) less than the \$1,021,197 collected year-to-date October 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 \$839,156 through October 2008 this is \$23,172 (2.7 percent) less than the \$862,238 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 \$2,892,246 or \$404,853 (16.3 percent) more than the \$2,487,393 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. Total collections year-to-date through October 2008 was \$2,184,730 compared to \$2,043,224 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 \$1,241,685 or \$12,342 (one percent) more than the \$1,229,343 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 \$308,300 year-to-date compared to \$288,675 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 \$152,472 (20.1 percent less) compared to the \$192,225 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 the services delivered to the citizens of Englewood. The five outcomes identified Englewood as

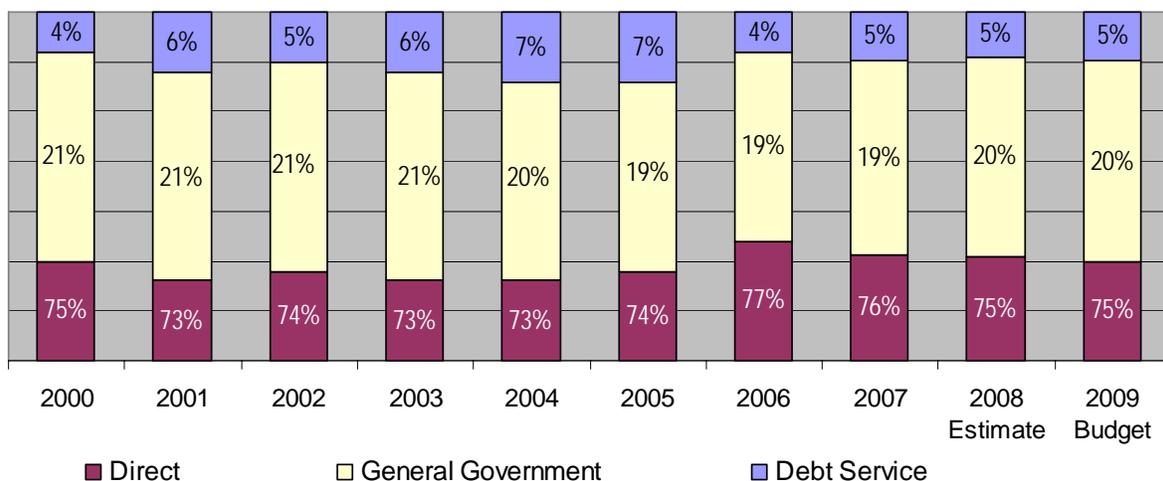
- A City that provides and maintains quality infrastructure,
- A safe, clean, healthy, and attractive City,
- A progressive City that provides responsive and cost efficient services,
- A City that is business friendly and economically diverse, and
- A City that provides diverse cultural, recreational,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

Outcome based budgeting is an additional tool the City Council and staff may 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 October were \$31,904,995 compared to \$30,300,461 in 2007 and \$28,114,879 in 2006.

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

**Direct, General Government and Debt Service**

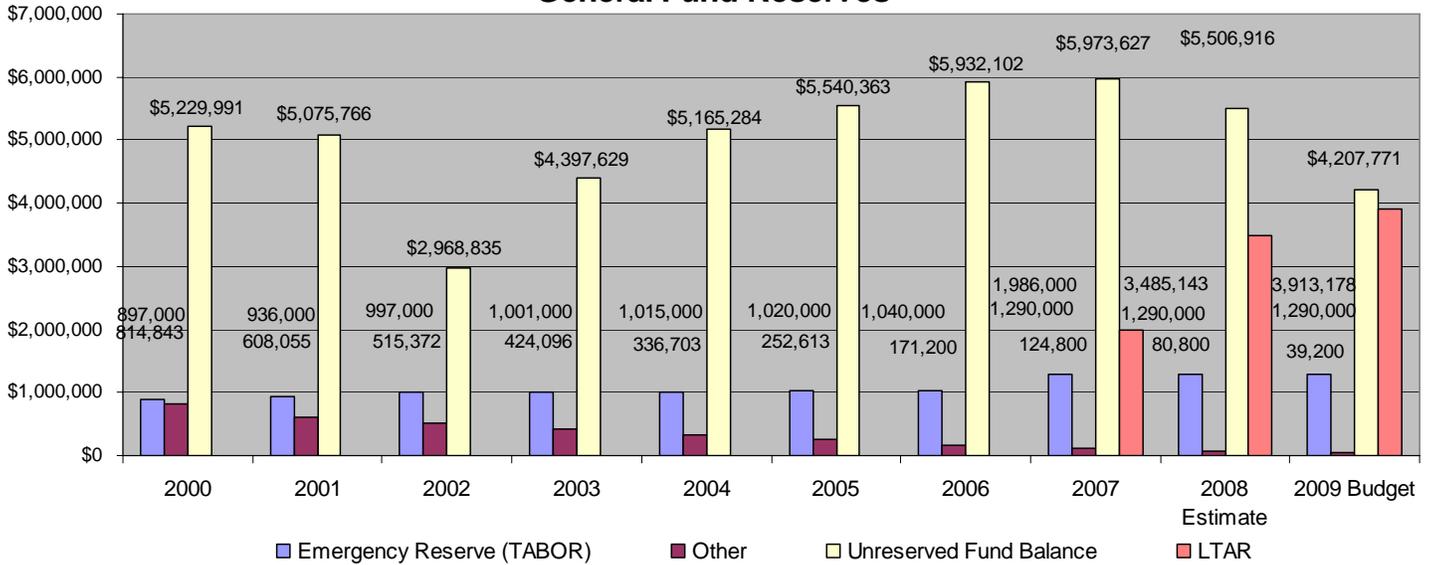


**General Fund Reserves**

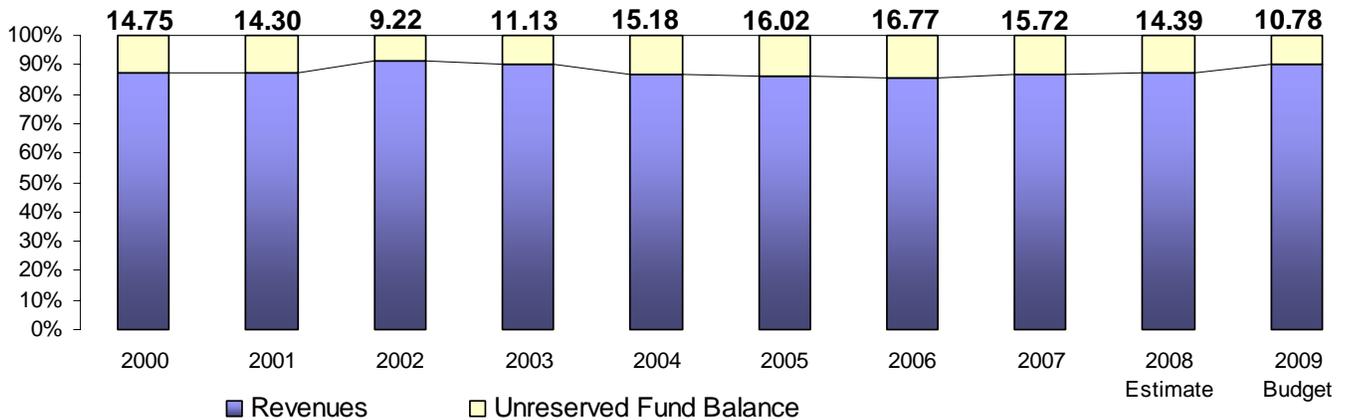
Reserves are those funds the City sets aside for a “rainy day”. The intent is to smooth over unexpected revenue declines and expenditure increases. The fund is normally built up when revenues exceed expenditures. In the past, excess reserves have been transferred out to other funds, usually for capital 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, 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 2007 balance in the account was \$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 2008 total to \$3,485,142.50.

### General Fund Reserves



### Unreserved Fund Balance As A Percentage of Revenue



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 \$5,506,916 or 14.4 percent of projected revenues. The \$5,506,916 would allow the City to operate for 53.5 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 years 2008 through 2006, the October 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 as well as the remaining annual revenue anticipated for the fund.

	2008	2008 vs 2007 Increase		2007	2007 vs 2006 Increase		2006
<b>Public Improvement Fund (PIF)</b>							
YTD Revenues	\$ 2,299,596	\$ (1,997,212)	(46.48%)	\$ 4,296,808	\$ 2,229,429	107.84%	\$ 2,067,379
YTD Expenditures	6,120,056	\$ (1,467,450)	(19.34%)	7,587,506	\$ 4,517,720	147.17%	3,069,786
Net Revenues (Expenditures)	\$ (3,820,460)	\$ (529,762)		\$ (3,290,698)	\$ (2,288,291)		\$ (1,002,407)
Beginning PIF Fund Balance	\$ 3,359,169			\$ 5,773,194			\$ 1,359,568
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ (461,291)			\$ 2,482,496			\$ 357,161
Plus: Remaining Annual Revenue	2,398,996			2,264,741			1,126,209
Less: Remaining Annual Appropriation	(1,935,871)			(4,363,107)			(1,671,545)
Less: Amount to be designated	-			-			-
Estimated Ending Fund Balance	\$ (3,166)			\$ 384,130			\$ (188,175)
<b>Unappropriated Fund Balance as of December 31,</b>				<b>\$ 221,946</b>			<b>\$ 3,866,796</b>

## 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	<i>Estimated</i> Ending Balance
<b>Governmental Fund Types</b>						
<b>General Fund</b>	9,374,427	33,512,284	31,904,997	(618,855)	4,855,943	5,506,916
<b>Special Revenue Funds</b>						
Conservation Trust	794,841	260,485	216,019	(499,066)	-	340,241
Open Space	1,300,946	196,907	1,171,767	34,425	-	360,511
Commercial Revolving Loan	118,366	-	118,366	-	-	-
Donors	237,727	100,613	107,667	-	-	230,673
Community Development	-	182,143	209,334	27,191	-	-
Malley Center Trust	282,087	8,845	-	-	-	290,932
Parks & Recreation Trust	440,641	14,326	9,039	-	-	445,929
<b>Debt Service Fund</b>						
General Obligation Bond	87,630	1,166,284	277,693	-	-	976,220
<b>Capital Projects Funds</b>						
PIF	3,359,169	2,004,596	2,853,694	(2,513,237)	-	(3,166)
MYCP	1,714,493	129,030	803,097	(683,049)	-	357,376
<b>Proprietary Fund Types</b>						
<b>Enterprise Funds</b>						
Water	4,124,592	6,334,211	6,833,385	280,675	-	3,906,093
Sewer	12,867,928	11,476,828	13,536,474	-	1,000,000	9,808,282
Stormwater Drainage	985,402	326,851	107,835	-	137,818	1,066,599
Golf Course	787,554	1,769,131	1,592,040	-	293,500	671,146
Concrete Utility	504,046	540,398	659,059	-	-	385,385
Housing Rehabilitation	384,420	188,661	395,820	-	-	177,262
<b>Internal Service Funds</b>						
Central Services	247,457	357,791	290,175	(100,000)	-	215,073
ServiCenter	581,661	1,732,909	1,644,549	(60,000)	-	610,021
CERF	1,057,610	601,624	759,220	-	-	900,013
Employee Benefits	726,269	4,160,831	4,300,350	-	135,118	451,632
Risk Management	921,116	1,397,724	966,736	-	-	1,352,104

### 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.

**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.

## Funds Glossary

**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 October 31, 2008

Percentage of Year Completed = 83%

Fund Balance January 1	2008				2007			2006		
	Budget	Oct-08	% Budget	YE Estimate	Dec-07	Oct-07	% YTD	Dec-06	Oct-06	% YTD
	<i>Revenues</i>									
Property Tax	2,820,000	2,963,789	105.10%	2,998,000	2,623,118	2,533,038	96.57%	2,559,369	2,524,868	98.65%
Specific Ownership Tax	395,993	251,948	63.62%	350,000	341,423	264,012	77.33%	333,018	257,764	77.40%
Sales & Use Taxes	22,000,000	19,874,109	90.34%	23,000,000	22,753,820	18,896,842	83.05%	20,688,258	18,182,692	87.89%
Cigarette Tax	280,000	215,226	76.87%	263,000	278,785	228,277	81.88%	293,776	241,797	82.31%
Franchise Fees	2,545,448	2,050,686	80.56%	2,545,448	2,356,385	1,856,835	78.80%	2,362,000	1,826,126	77.31%
Hotel/Motel Tax	8,500	8,682	102.14%	8,500	9,722	8,728	89.78%	9,554	8,362	87.52%
Licenses & Permits	575,425	529,256	91.98%	577,157	1,168,977	1,021,197	87.36%	623,945	489,597	78.47%
Intergovernmental Revenue	1,107,453	839,156	75.77%	1,145,657	1,118,916	862,328	77.07%	1,193,863	925,795	77.55%
Charges for Services	3,083,574	2,892,246	93.80%	3,001,089	3,067,997	2,487,393	81.08%	3,053,106	2,494,760	81.71%
Recreation	2,266,998	2,184,730	96.37%	2,271,883	2,235,938	2,043,224	91.38%	2,099,202	1,918,575	91.40%
Fines & Forfeitures	1,326,730	1,241,685	93.59%	1,534,349	1,445,641	1,229,343	85.04%	1,566,922	1,345,842	85.89%
Interest	355,500	308,300	86.72%	356,446	411,517	288,675	70.15%	353,575	296,211	83.78%
Miscellaneous	326,829	152,472	46.65%	230,000	199,167	192,225	96.51%	229,675	218,972	95.34%
<b>Total Revenues</b>	<b>37,092,450</b>	<b>33,512,285</b>	<b>90.35%</b>	<b>38,281,529</b>	<b>38,011,406</b>	<b>31,912,117</b>	<b>83.95%</b>	<b>35,366,263</b>	<b>30,731,361</b>	<b>86.89%</b>
<i>Expenditures</i>										
Legislation	351,513	260,850	74.21%	360,818	323,964	233,835	72.18%	306,360	220,996	72.14%
City Attorney	762,280	565,822	74.23%	768,405	694,359	550,730	79.31%	586,588	460,571	78.52%
Court	982,006	754,975	76.88%	981,038	890,152	702,764	78.95%	831,859	659,005	79.22%
City Manager	679,806	554,525	81.57%	676,892	673,949	534,929	79.37%	618,649	492,959	79.68%
Human Resources	570,474	458,315	80.34%	585,474	557,855	441,343	79.11%	516,302	407,978	79.02%
Financial Services	1,724,429	1,330,308	77.14%	1,693,806	1,568,074	1,223,993	78.06%	1,589,900	1,234,965	77.68%
Information Technology	1,289,131	1,029,344	79.85%	1,289,131	1,254,364	980,949	78.20%	1,103,732	871,779	78.98%
Public Works	5,241,300	4,200,205	80.14%	5,219,153	5,421,775	4,335,064	79.96%	5,024,251	3,820,166	76.03%
Fire Department	7,116,823	5,828,288	81.89%	7,169,464	-	-	-	-	-	-
Police Department	10,279,401	8,196,597	79.74%	10,239,343	-	-	-	-	-	-
Safety Services	-	-	-	-	16,497,359	13,004,880	78.83%	15,588,534	12,276,649	78.75%
Community Development	1,576,862	1,153,174	73.13%	1,532,773	1,412,444	1,027,243	72.73%	1,366,545	1,015,935	74.34%
Library	1,294,640	1,037,295	80.12%	1,334,313	1,259,526	1,036,444	82.29%	1,265,511	1,010,078	79.82%
Recreation	5,713,430	5,052,055	88.42%	5,848,963	5,566,093	4,640,849	83.38%	5,534,106	4,596,149	83.05%
Debt Service	1,811,456	1,442,315	79.62%	1,811,456	1,869,762	1,491,052	79.75%	1,259,608	865,336	68.70%
Contingency	100,000	40,927	40.93%	60,000	130,925	96,396	73.63%	230,692	182,313	79.03%
<b>Total Expenditures</b>	<b>39,493,551</b>	<b>31,904,995</b>	<b>80.79%</b>	<b>39,571,029</b>	<b>38,120,601</b>	<b>30,300,461</b>	<b>79.49%</b>	<b>35,822,637</b>	<b>28,114,879</b>	<b>78.48%</b>
Excess revenues over (under) expenditures	(2,401,101)	1,607,290	-66.94%	(1,289,500)	(109,195)	1,611,656	99.85%	(456,374)	2,616,482	103.95%
Net transfers in (out)	1,973,789	2,277,932	115.41%	2,277,932	2,340,320	2,336,873	99.85%	786,700	817,744	103.95%
<b>Total Fund Balance</b>	<b>\$ 6,901,871</b>	<b>\$ 13,259,649</b>	<b>192.12%</b>	<b>\$ 10,362,859</b>	<b>\$ 9,374,427</b>	<b>\$ 11,091,831</b>	<b>118.32%</b>	<b>\$ 7,143,302</b>	<b>\$ 10,247,202</b>	<b>143.45%</b>

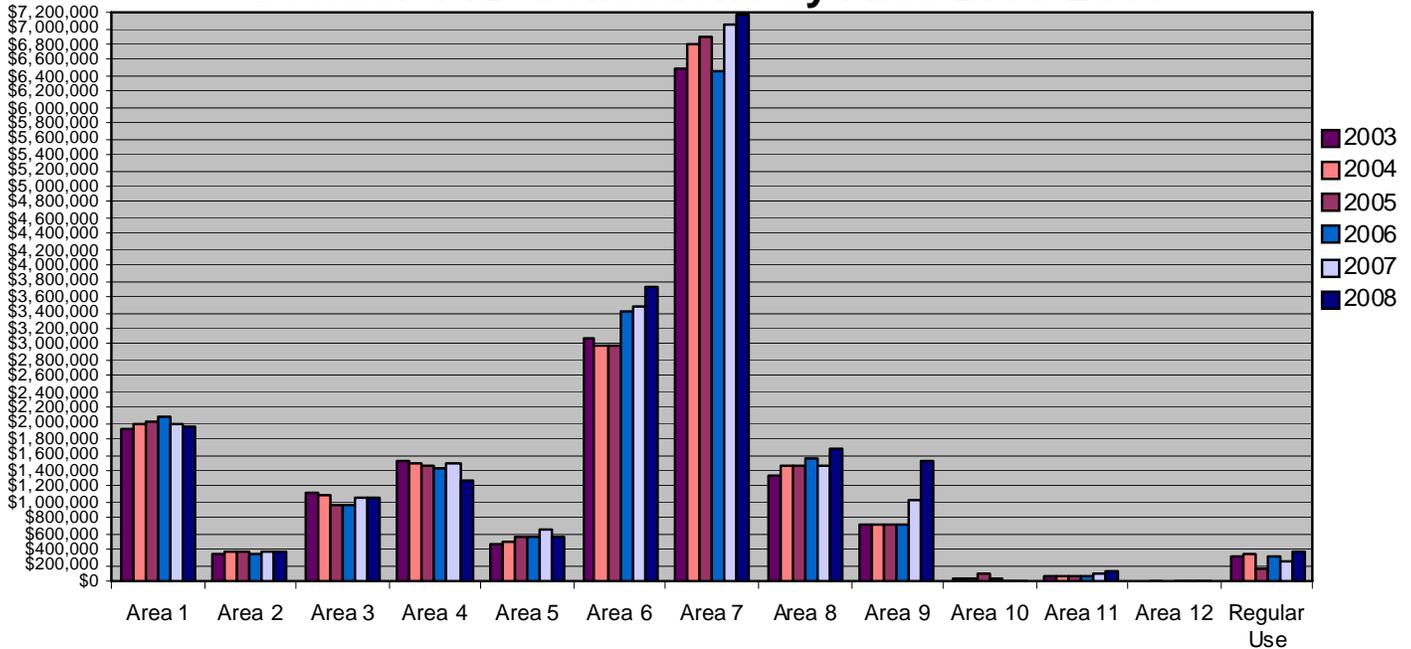
Fund Balance Analysis										
Total Fund Balance	\$ 6,901,871	\$ 10,362,859	\$ 9,374,427	\$ 7,143,302						
Reserves/designations:										
-Emergencies (TABOR)	1,112,000	1,290,000	1,290,000	1,040,000						
-LTAR	1,986,000	3,485,143	1,986,000	-						
-Museum of Outdoor Arts	80,800	80,800	124,800	171,200						
Unreserved/undesignated Fund Balance	<b>\$ 3,723,071</b>	<b>\$ 5,506,916</b>	<b>\$ 5,973,627</b>	<b>\$ 5,932,102</b>						
Potential reserves/designations	-	-	-	-						
Estimated unres/undesig Fund Balance	<b>\$ 3,723,071</b>	<b>\$ 5,506,916</b>	<b>\$ 5,973,627</b>	<b>\$ 5,932,102</b>						
As a percentage of projected revenues	<b>9.73%</b>	<b>14.39%</b>	<b>15.72%</b>	<b>16.77%</b>						
As a percentage of budgeted revenues	<b>10.04%</b>	<b>14.85%</b>								
Target	3,709,245	-	5,563,868							

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

**Cash Basis**

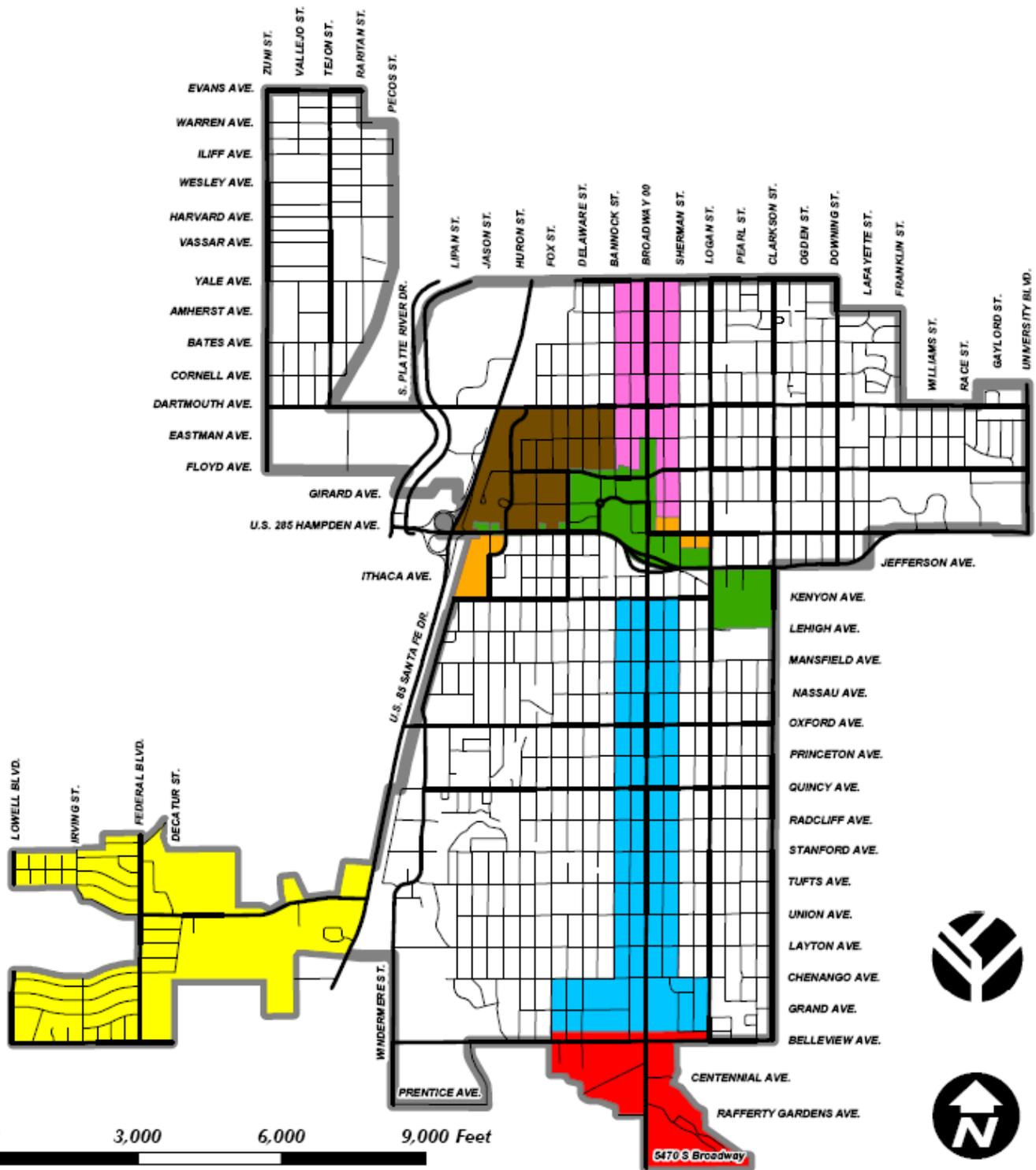
	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change
<b>Area 1</b>	1,938,044	21.01%	1,977,654	2.04%	2,033,251	2.81%	2,075,575	2.08%	1,984,801	-4.37%	1,960,354	-1.23%
<b>Area 2</b>	354,690	-8.51%	364,358	2.73%	380,429	4.41%	343,446	-9.72%	377,190	9.83%	388,445	2.98%
<b>Area 3</b>	1,115,338	-4.60%	1,087,387	-2.51%	972,830	-10.54%	959,657	-1.35%	1,056,915	10.13%	1,048,199	-0.82%
<b>Area 4</b>	1,519,519	-11.46%	1,486,213	-2.19%	1,451,665	-2.32%	1,427,973	-1.63%	1,497,990	4.90%	1,288,261	-14.00%
<b>Area 5</b>	470,223	-11.57%	503,516	7.08%	572,190	13.64%	574,050	0.33%	641,130	11.69%	566,120	-11.70%
<b>Area 6</b>	3,071,262	-5.68%	2,987,955	-2.71%	2,995,504	0.25%	3,408,837	13.80%	3,470,560	1.81%	3,728,579	7.43%
<b>Area 7</b>	6,498,370	-1.34%	6,800,713	4.65%	6,887,166	1.27%	6,449,188	-6.36%	7,045,305	9.24%	7,158,821	1.61%
<b>Area 8</b>	1,343,274	-4.43%	1,476,451	9.91%	1,469,924	-0.44%	1,556,746	5.91%	1,460,847	-6.16%	1,677,371	14.82%
<b>Area 9</b>	725,669	0.00%	725,669	0.00%	725,669	0.00%	725,669	0.00%	1,025,129	41.27%	1,528,835	49.14%
<b>Area 10</b>	40,374	112.82%	33,534	-16.94%	86,627	158.33%	35,099	-59.48%	21,550	-38.60%	17,875	-17.06%
<b>Area 11</b>	58,239	0.00%	58,239	0.00%	58,239	0.00%	58,239	0.00%	84,765	45.55%	125,281	47.80%
<b>Area 12</b>	1,418	-56.79%	6,507	358.89%	1,446	-77.78%	3,522	143.57%	3,565	1.21%	3,971	11.40%
<b>Regular Use</b>	305,269	39.29%	336,754	10.31%	171,746	-49.00%	317,377	84.79%	250,609	-21.04%	373,755	49.14%
<b>Total</b>	<b>17,441,689</b>	<b>-1.35%</b>	<b>17,844,950</b>	<b>2.31%</b>	<b>17,806,686</b>	<b>-0.21%</b>	<b>17,935,378</b>	<b>0.72%</b>	<b>18,920,356</b>	<b>5.49%</b>	<b>19,865,867</b>	<b>5.00%</b>
Refunds	226,000	-62.20%	122,831	-45.65%	124,090	1.03%	227,581	83.40%	241,870	6.28%	487,132	101.40%
Audit & Collections												
Revenue*	275,517	1174.67%	104,709	-62.00%	632,163	503.73%	405,921	-35.79%	498,689	22.85%	577,018	15.71%
*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	707,087	-37.39%	564,058	-20.23%	564,058	0.00%	786,852	39.50%	1,901,726	141.69%	694,855	-63.46%
Vehicle Use	1,224,673	-9.03%	1,208,502	-1.32%	1,208,502	0.00%	1,035,503	-14.32%	1,169,056	12.90%	1,122,225	-4.01%

**October 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