

MEMORANDUM

To: Mayor Woodward and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: January 14, 2009
Subject: December, 2008 Financial Report - For Discussion at the January 20, 2009 Study Session

Summary of the December 2008 General Fund Financial Report

The numbers presented in this document are preliminary and subject to change; until the final audited Comprehensive Annual Financial Report (CAFR) is presented to City Council the numbers in the report will most likely change.

REVENUES:

- Through December 2008, the City of Englewood collected **\$38,554,550 or \$543,144 (1.4 percent) more than last year and \$1,300,313 more than the original budget.**
- The City of Englewood collected \$2,995,990 in property tax through December 2008 compared to \$2,623,118 collected in December 2007.
- The City collected \$316,242 in specific ownership tax through the end of December; this is \$25,181 less than last year.
- **Year-to-date sales and use collections were \$22,999,770 or \$245,950 (one percent) more than year-to-date 2007**
- Cigarette tax collections were down \$17,042 compared to last year.
- Franchise fee collections were up \$20,526 from December 2007.
- Hotel/Motel taxes collected were a little higher than last year.
- Licenses and permit collections were \$539,034 less than 2007.
- Intergovernmental revenues were \$110,032 less than prior year.
- Charges for services were \$326,064 more than last December.
- Recreation revenues were up \$129,185 from 2007.
- Fines and forfeitures were \$15,459 more than last year.
- Investment income was \$110,091 more than last year.
- Miscellaneous revenues were \$13,930 more than last year.
- The City collected \$599,681 in sales and use tax audit revenue for the year.

OUTSIDE CITY:

- Outside City sales and use taxes were down \$124,400 or 1.5 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 \$1,420,926 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 December 2008 was \$2,312,523 compared to \$2,371,783 collected in 2007.

EXPENDITURES:

- Expenditures through December were \$38,862,388 or \$741,787 (1.9 percent) more than the \$38,120,601 expended through December 2007. The City has refunded \$499,573 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 \$5,506,385 or 14.3 percent of estimated revenues.

TRANSFERS:

- Net transfers in of \$2,164,017 were made this year.

REVENUES OVER/UNDER EXPENDITURES:

- Expenditures are estimated to exceed revenues by \$1,176,116 for 2008. Through December, expenditures exceeded revenues by \$307,838.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$2,431,498 in revenues and spent \$6,874,591 year-to-date. Estimated year-end fund balance is (\$27,044).

City of Englewood, Colorado

Financial Report

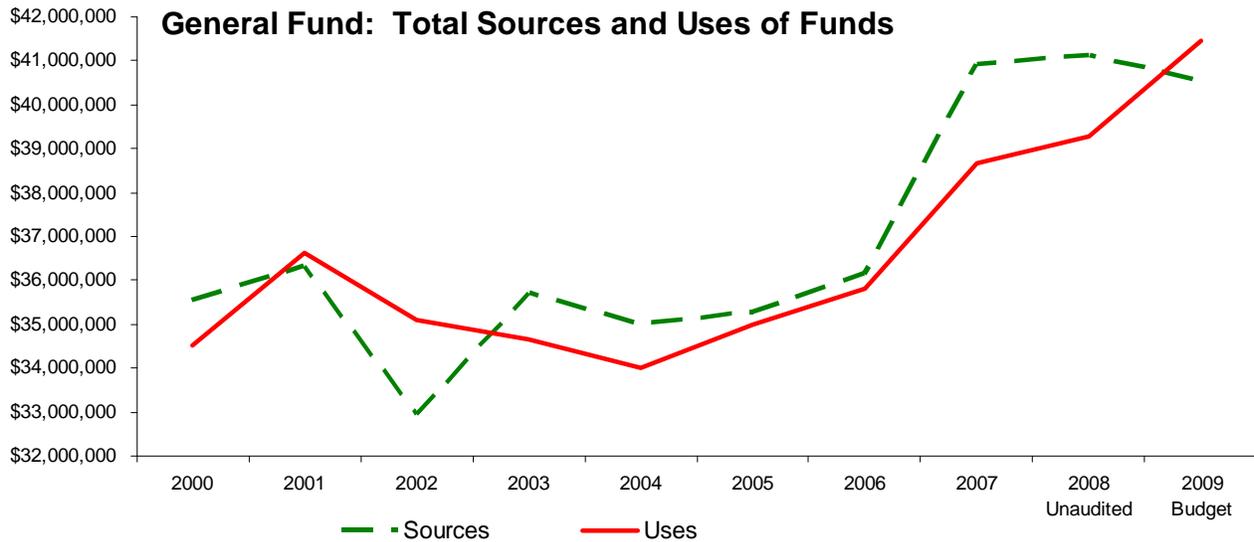
December 2008

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.



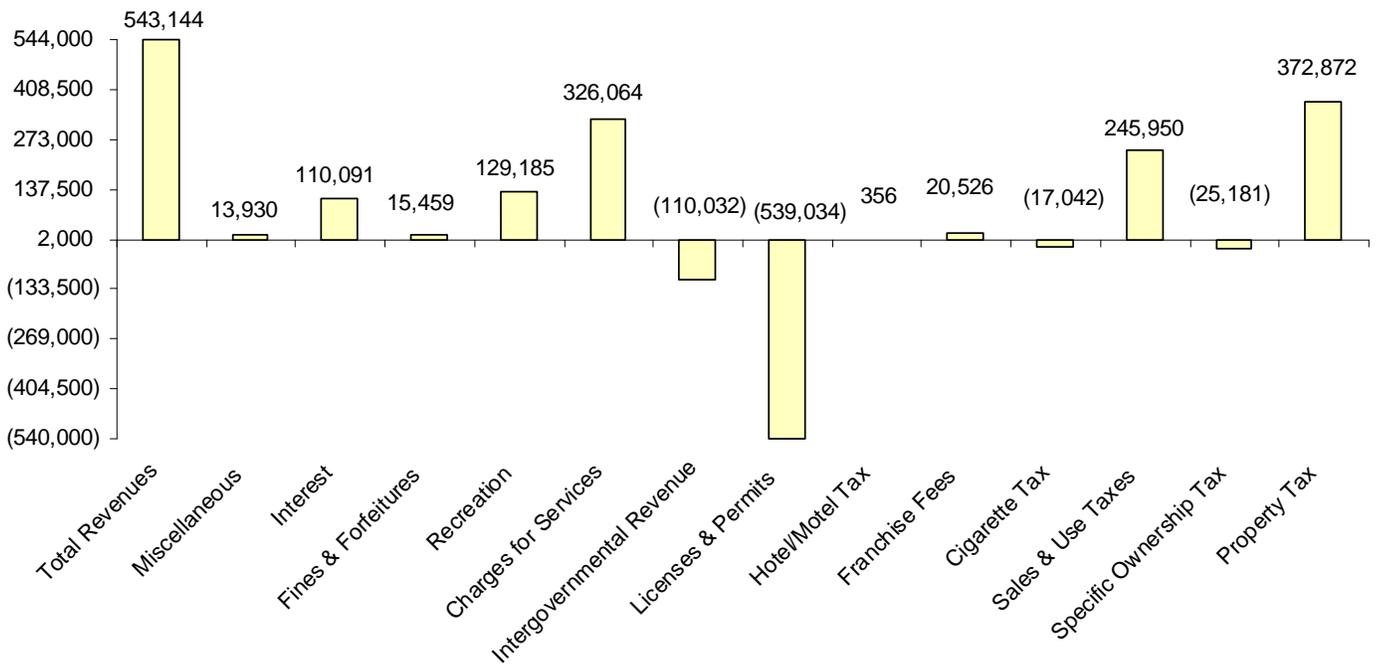
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended December 31, 2008. Comparative figures for years 2007 and 2006 are presented as well. The table also highlights the dollar and percentage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

	2008	2008 vs 2007		2007	2007 vs 2006		2006
		Increase (Decrease)			Increase (Decrease)		
General Fund							
Year-To-Date Revenues	\$ 38,554,550	\$ 543,144	1.43%	\$ 38,011,406	\$ 2,645,143	7.48%	\$ 35,366,263
Year-To-Date Expenditures	38,862,388	\$ 741,787	1.95%	38,120,601	\$ 2,297,964	6.41%	35,822,637
Net Revenues (Expenditures)	\$ (307,838)	\$ (198,643)		\$ (109,195)	\$ 347,179		\$ (456,374)
Estimated Unreserved/ Undesignated Fund Balance	\$ 5,506,385	\$ (467,242)	(7.82%)	\$ 5,973,627	\$ 41,525	.70%	\$ 5,932,102
Sales & Use Tax Revenue YTD	\$ 22,999,770	\$ 245,950	1.08%	\$ 22,753,820	\$ 2,065,562	9.98%	\$ 20,688,258
Outside City Sales & Use Tax YTD	\$ 7,993,119	\$ (124,400)	(1.53%)	\$ 8,117,519	\$ 864,946	11.93%	\$ 7,252,573

General Fund Revenues

The City of Englewood’s total budgeted revenue is \$37,092,450. Total revenues collected through December 2008 were \$38,554,550 or \$543,144 (1.4 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.

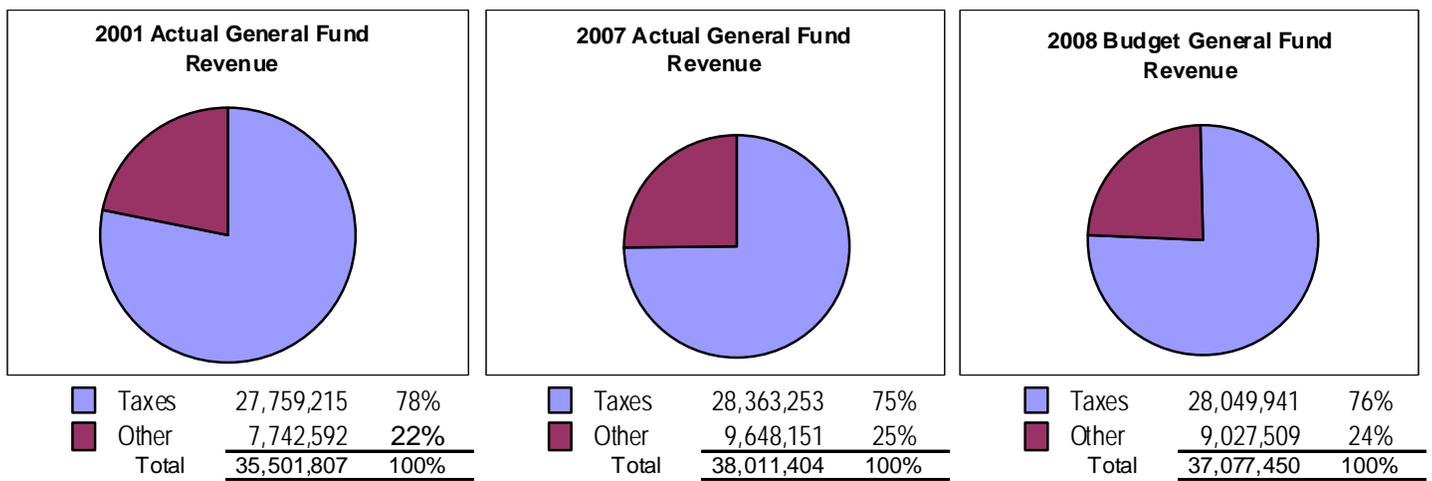
2008 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



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 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 \$2,995,990 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 \$316,242 through December.

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 \$261,743 through December 2008, which is \$17,042 less (6.1 percent) than the \$278,785 collected through December 2007.

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 December totaled \$2,376,911 compared to \$2,356,385 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 \$10,078 through December 2008.

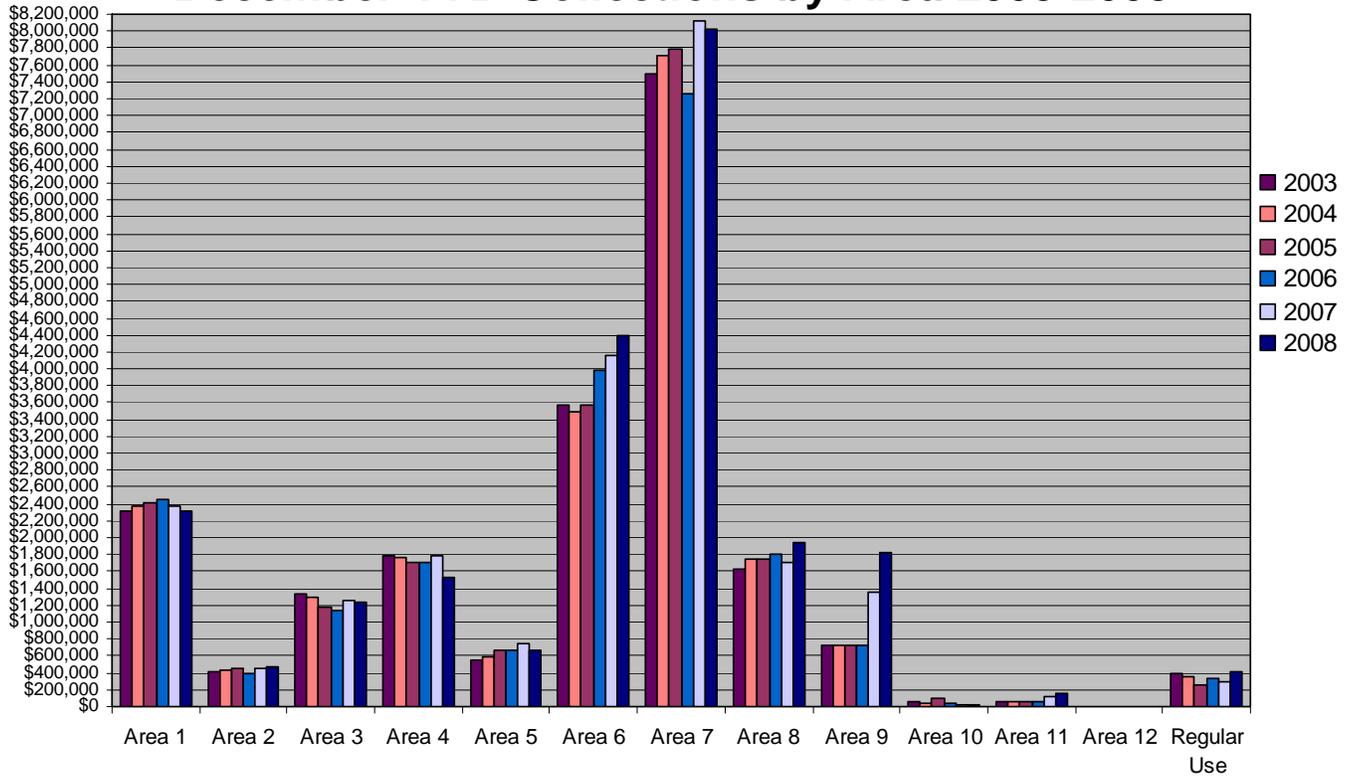
Sales and Use Taxes Analysis

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 December 2008 were \$22,999,770 while collections for December 2007 were \$22,349,822, an increase of \$578,284 or 2.6 percent. Collections for the month of December 2008 were \$1,564,883 (\$141,812 or 8.3 percent less than last year) compared to \$1,706,695 and \$1,194,381 collected in December 2007 and December 2006 respectively.

The Sales and Use Tax Collections Year-to-Date Comparison report illustrates where, geographically, the increase in collections came from. Area 9 accounted for nearly all the increase; this increase was due to the Englewood Urban Renewal Area tax increment ending. Looking at the chart indicates most geographic areas of the City of Englewood declined or had modest gains.

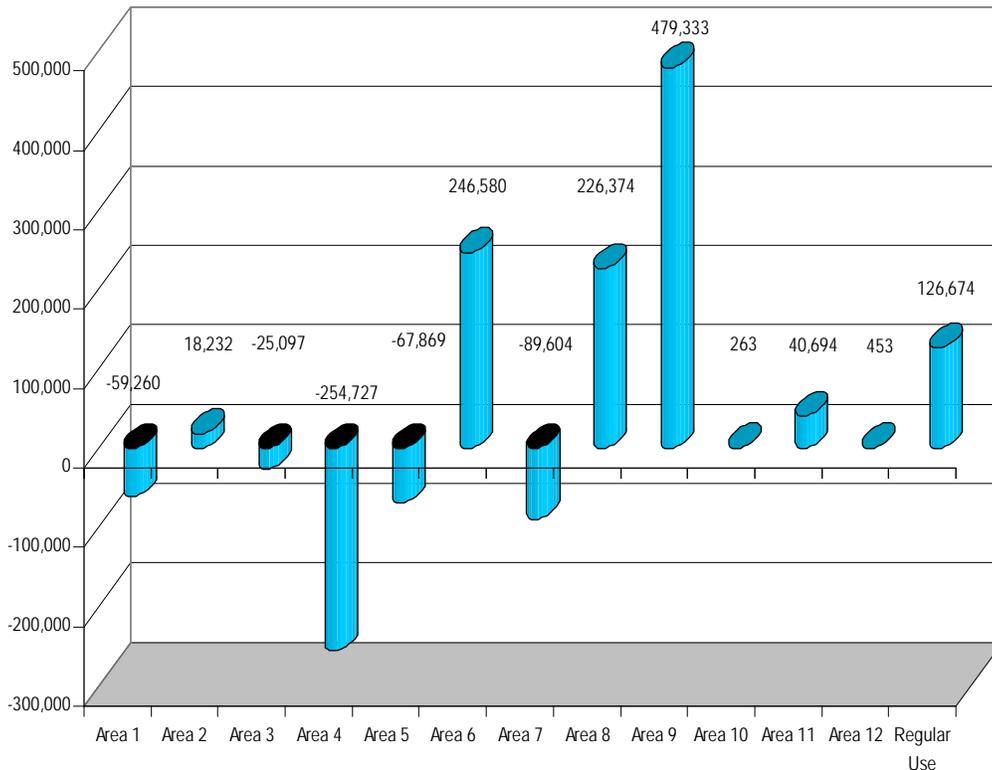
This revenue source tends to ebb and flow with the economy, growing during economic expansions and contracting during downturns. The bar graph on the next page illustrates the economic areas' collection patterns for 2003 through 2008.

December YTD Collections by Area 2003-2008



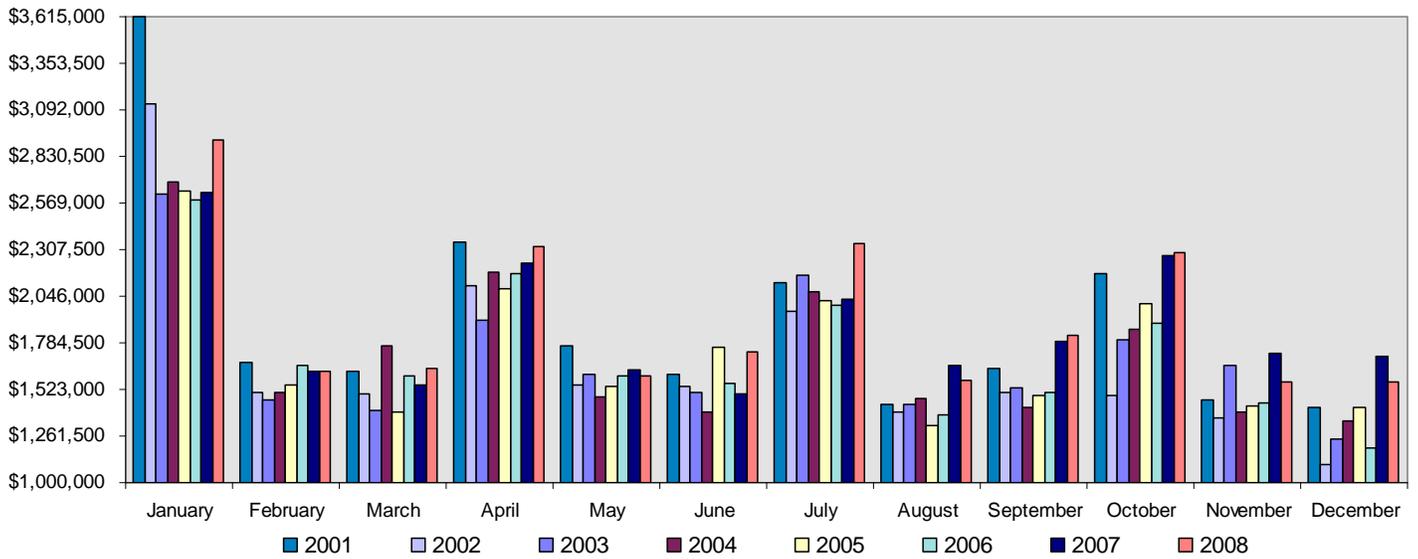
It is important to analyze which sales tax geographic areas of the City are growing or declining. The following chart, “Change in Sales/Use Tax Collections by Area 2008 vs. 2007” indicates that most of the increase in sales tax collections is due to Outside City (Area 7) and Public Utilities (Area 8)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

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



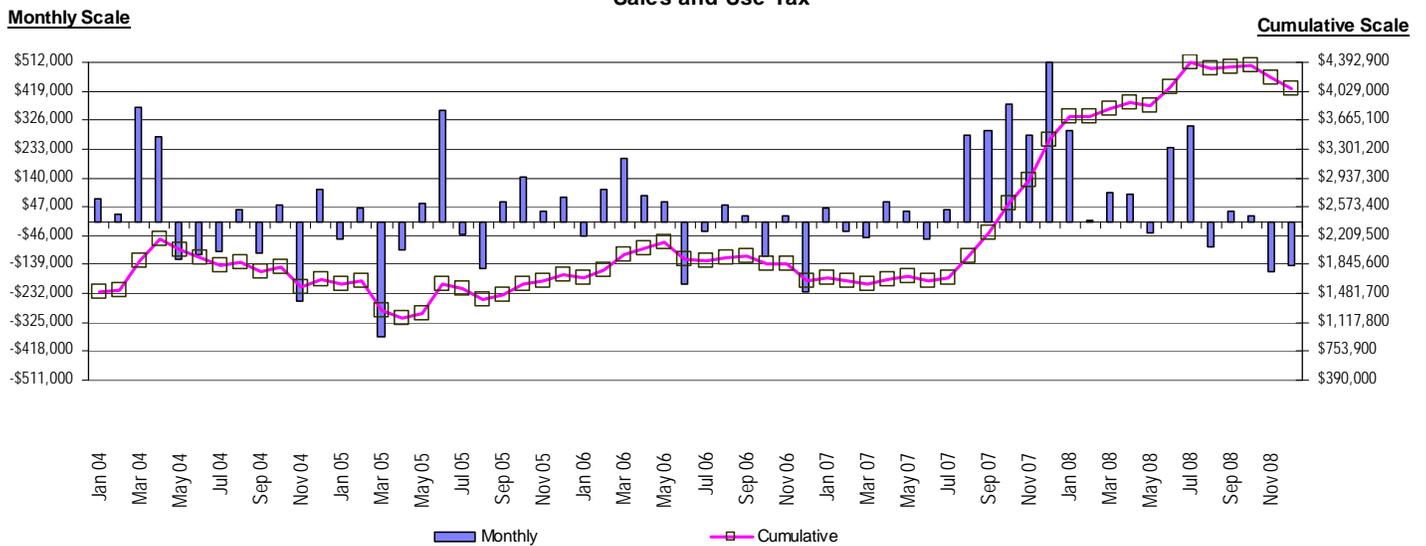
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2001 through 2008.

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



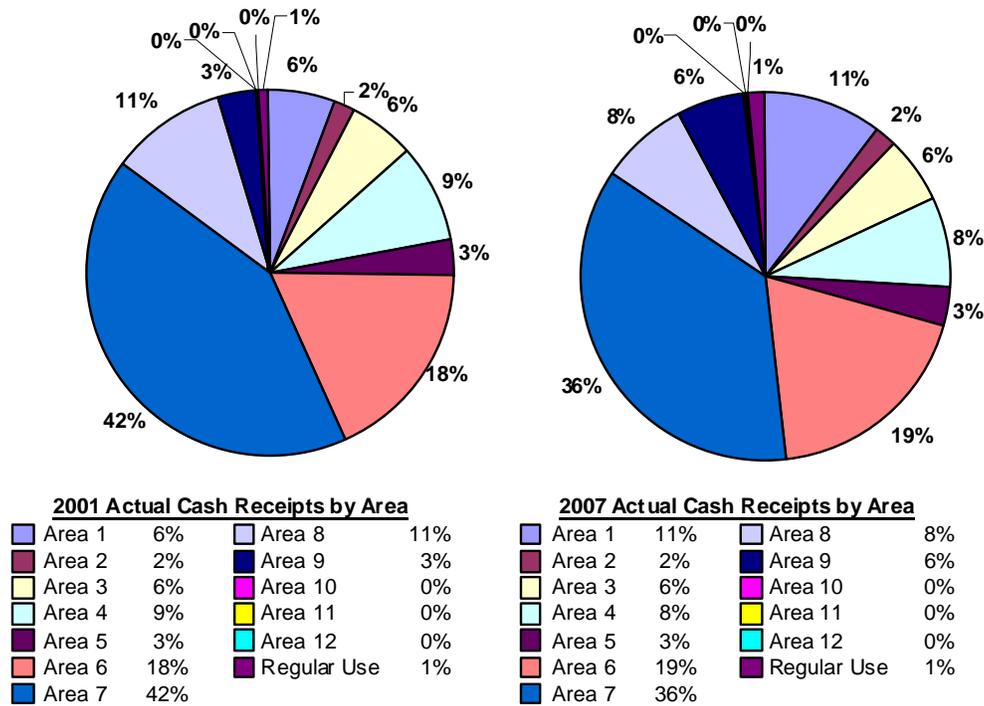
The next chart illustrates sales tax collections (cash basis) by month and total for the year.

**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



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 \$2,312,523 or 2.5 percent less than the \$2,371,783 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 December. Outside City collections continues to have an important impact on City revenues.

	2004	2005	2006	2007	2008
Total Sales and Use Taxes	20,584,971	20,657,801	20,574,694	22,349,822	22,928,106
Outside City Collections	7,705,926	7,794,388	7,252,573	8,117,519	7,993,119
Percentage of Total	37.4%	37.7%	35.2%	36.3%	34.9%
Total General Fund Revenues	32,778,116	33,978,243	35,366,263	38,011,406	38,554,550
Outside City Collections	7,705,926	7,794,388	7,252,573	8,117,519	7,993,119
Percentage of Revenues	23.5%	22.9%	20.5%	21.4%	20.7%

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 \$499,573 through December 2008 compared to \$247,740 in December 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 December were up \$226,374 or 13.2 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 \$599,681 in sales tax audit revenues through the month of December; this compares to \$531,194 collected in 2007 and \$436,763 collected in 2006.

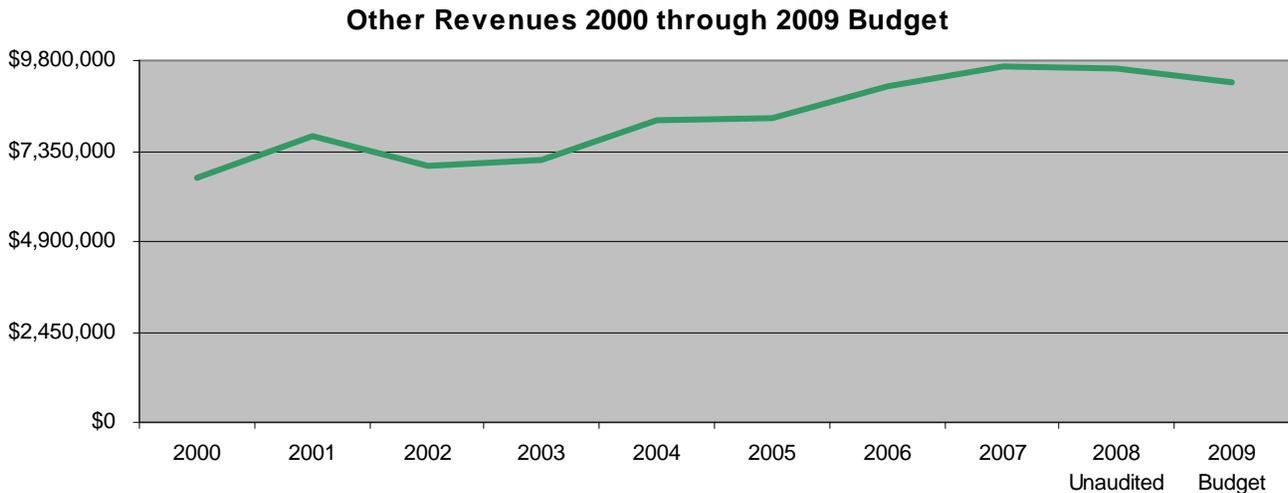
Of 84 sales tax accounts reviewed in the various geographic areas, 47 (56 percent) showed improved collections and 37 (44 percent) showed reduced collections this year compared to the same period last year.

The Department issued 376 new sales tax licenses through December 2008; 411 and 470 were issued through December 2007 and 2006 respectively.

City records indicate that year to date 227 businesses closed (122 of them were outside the physical limits of Englewood) and 377 opened (248 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 \$629,943 (46.1 percent) less than the \$1,168,977 collected year-to-date December 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 \$1,008,884 through December 2008 this is \$110,032 (9.8 percent) less than the \$1,118,916 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 \$3,394,061 or \$326,064 (10.6 percent) more than the \$3,067,997 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 December 2008 was \$2,365,123 compared to \$2,235,938 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 \$1,461,100 or \$15,459 (one percent) more than the \$1,445,641 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 \$521,608 year-to-date compared to \$411,517 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 \$213,097 (7 percent more) compared to the \$199,167 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

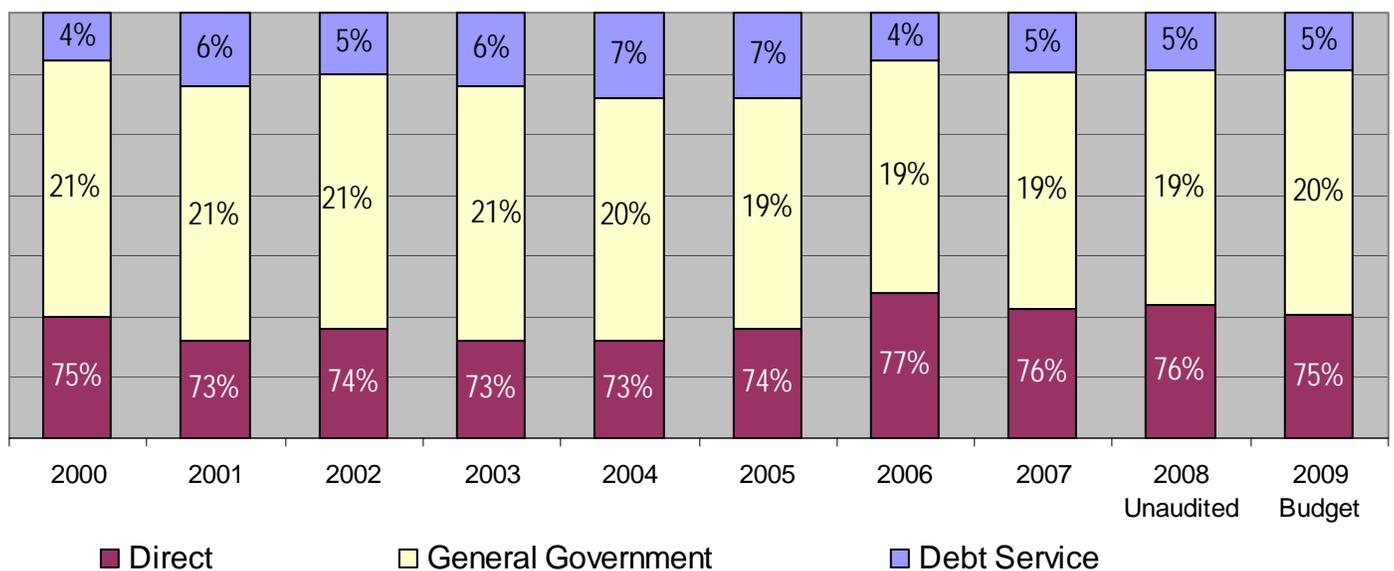
- A City that provides and maintains quality infrastructure,
- A safe, clean, healthy, and attractive City,
- A progressive City that provides responsive and cost efficient services,
- A City that is business friendly and economically diverse, and
- A City that provides diverse cultural, recreational, 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 December were \$38,862,388 compared to \$38,120,601 in 2007 and \$35,822,637 in 2006.

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

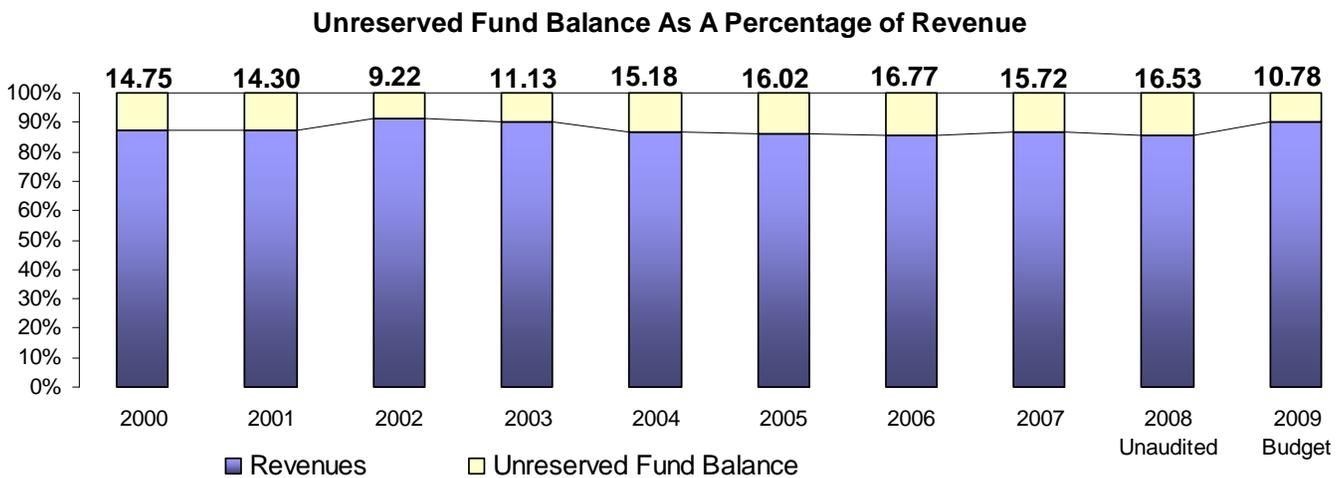
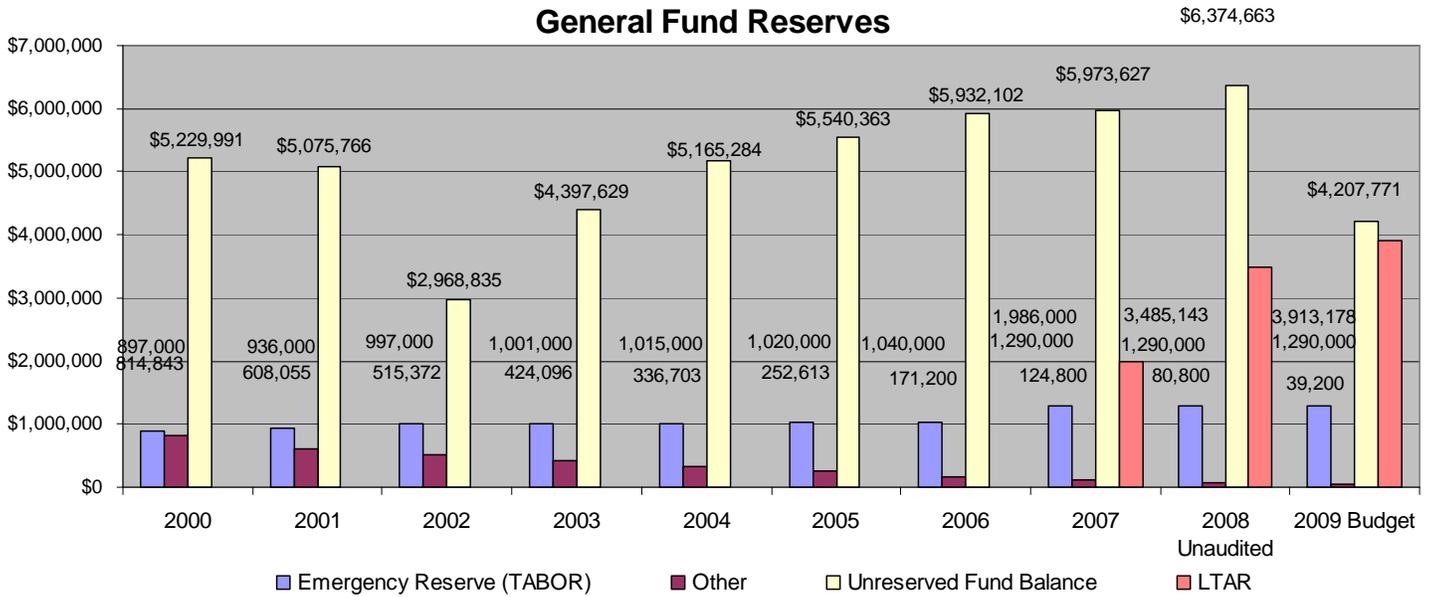
Direct, General Government and Debt Service



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.



The City ended 2007 with an unreserved/undesigned general fund balance of \$5,973,627 or 15.7 percent of projected revenues. The 2008 estimated ending fund balance is \$5,506,385 or 14.3 percent of projected revenues. The \$5,506,385 would allow the City to operate for 50.9 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 the December PIF Year-To-Date (YTD) revenues and expenditures for years 2008 through 2006. 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
Public Improvement Fund (PIF)							
YTD Revenues	\$ 3,540,810	\$ (1,739,749)	(32.95%)	\$ 5,280,559	\$ (1,875,020)	(26.20%)	\$ 7,155,579
YTD Expenditures	7,175,706	\$ (518,877)	(6.74%)	7,694,583	\$ 4,952,629	180.62%	2,741,954
Net Revenues (Expenditures)	\$ (3,634,896)	\$ (1,220,872)		\$ (2,414,024)	\$ (6,827,649)		\$ 4,413,625
Beginning PIF Fund Balance	\$ 3,359,169			\$ 5,773,194			\$ 1,359,568
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ (275,727)			\$ 3,359,170			\$ 5,773,193
Plus: Remaining Annual Revenue	1,288,368			-			-
Less: Remaining Annual Appropriation	(1,083,793)			(3,137,224)			(1,904,144)
Less: Amount to be designated	-			-			\$ -
Estimated Ending Fund Balance	\$ (71,152)			\$ 221,946			\$ 3,869,049
Unappropriated Fund Balance as of December 31,				\$ 221,946			\$ 3,869,049

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
Governmental Fund Types						
General Fund	9,374,427	38,554,551	38,862,388	1,296,269	4,855,943	5,506,916
Special Revenue Funds						
Conservation Trust	794,841	365,633	223,826	(591,408)	-	345,241
Open Space	1,300,946	358,273	1,183,294	(115,414)	-	360,511
Commercial Revolving Loan	118,366	-	118,366	-	-	-
Donors	237,727	110,395	163,392	-	-	184,731
Community Development	-	270,698	251,930	(18,768)	-	-
Malley Center Trust	282,087	15,089	18,590	-	-	278,586
Parks & Recreation Trust	440,641	23,705	9,646	-	-	454,700
Debt Service Fund						
General Obligation Bond	87,630	1,187,152	1,108,646	-	-	166,137
Capital Projects Funds						
PIF	3,359,169	3,048,311	3,648,148	(2,830,484)	-	(71,152)
MYCP	1,714,493	157,677	835,046	(685,601)	-	351,522
Proprietary Fund Types						
Enterprise Funds						
Water	4,124,592	7,848,692	7,922,380	280,675	-	4,331,579
Sewer	12,867,928	12,813,285	15,628,886	-	1,000,000	9,052,327
Stormwater Drainage	985,402	378,299	243,132	-	137,818	982,751
Golf Course	787,554	1,918,766	1,907,119	-	293,500	505,701
Concrete Utility	504,046	575,541	822,369	-	-	257,218
Housing Rehabilitation	384,420	498,776	445,860	-	-	437,336
Internal Service Funds						
Central Services	247,457	430,533	361,585	(100,000)	-	216,404
ServiCenter	581,661	2,041,876	1,946,395	(60,000)	-	617,142
CERF	1,057,610	798,035	766,321	-	-	1,089,324
Employee Benefits	726,269	4,872,975	4,775,460	-	138,384	685,400
Risk Management	921,116	1,427,909	1,079,545	-	-	1,269,479

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 December 31, 2008

Percentage of Year Completed = 100%

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		
Revenues	Budget	Dec-08	% Budget	YE Estimate	Dec-07	Dec-07	% YTD	Dec-06	Dec-06	% YTD
	Property Tax	2,820,000	2,995,990	106.24%	2,995,990	2,623,118	2,623,118	100.00%	2,559,369	2,559,369
Specific Ownership Tax	395,993	316,242	79.86%	316,242	341,423	341,423	100.00%	333,018	333,018	100.00%
Sales & Use Taxes	22,000,000	22,999,770	104.54%	23,000,000	22,753,820	22,753,820	100.00%	20,688,258	20,688,258	100.00%
Cigarette Tax	280,000	261,743	93.48%	261,743	278,785	278,785	100.00%	293,776	293,776	100.00%
Franchise Fees	2,545,448	2,376,911	93.38%	2,545,448	2,356,385	2,356,385	100.00%	2,362,000	2,362,000	100.00%
Hotel/Motel Tax	8,500	10,078	118.56%	8,500	9,722	9,722	100.00%	9,554	9,554	100.00%
Licenses & Permits	575,425	629,943	109.47%	577,157	1,168,977	1,168,977	100.00%	623,945	623,945	100.00%
Intergovernmental Revenue	1,107,453	1,008,884	91.10%	1,145,657	1,118,916	1,118,916	100.00%	1,193,863	1,193,863	100.00%
Charges for Services	3,083,574	3,394,061	110.07%	3,001,089	3,067,997	3,067,997	100.00%	3,053,106	3,053,106	100.00%
Recreation	2,266,998	2,365,123	104.33%	2,271,883	2,235,938	2,235,938	100.00%	2,099,202	2,099,202	100.00%
Fines & Forfeitures	1,326,730	1,461,100	110.13%	1,534,349	1,445,641	1,445,641	100.00%	1,566,922	1,566,922	100.00%
Interest	355,500	521,608	146.73%	521,608	411,517	411,517	100.00%	353,575	353,575	100.00%
Miscellaneous	326,829	213,097	65.20%	213,097	199,167	199,167	100.00%	229,675	229,675	100.00%
Total Revenues	37,092,450	38,554,550	103.94%	38,392,763	38,011,406	38,011,406	100.00%	35,366,263	35,366,263	100.00%
Expenditures										
Legislation	351,513	347,319	98.81%	360,818	323,964	323,964	100.00%	306,360	306,360	100.00%
City Attorney	762,280	691,721	90.74%	768,405	694,359	694,359	100.00%	586,588	586,588	100.00%
Court	982,006	911,463	92.82%	981,038	890,152	890,152	100.00%	831,859	831,859	100.00%
City Manager	679,806	672,479	98.92%	676,892	673,949	673,949	100.00%	618,649	618,649	100.00%
Human Resources	570,474	568,639	99.68%	585,474	557,855	557,855	100.00%	516,302	516,302	100.00%
Financial Services	1,724,429	1,611,422	93.45%	1,693,806	1,568,074	1,568,074	100.00%	1,589,900	1,589,900	100.00%
Information Technology	1,289,131	1,265,745	98.19%	1,289,131	1,254,364	1,254,364	100.00%	1,103,732	1,103,732	100.00%
Public Works	5,241,300	5,199,312	99.20%	5,219,153	5,421,775	5,421,775	100.00%	5,024,251	5,024,251	100.00%
Fire Department	7,116,823	7,201,007	101.18%	7,169,464	-	-	-	-	-	-
Police Department	10,279,401	9,945,237	96.75%	10,239,343	-	-	-	-	-	-
Safety Services	-	-	-	-	16,497,359	16,497,359	100.00%	15,588,534	15,588,534	100.00%
Community Development	1,576,862	1,420,098	90.06%	1,532,773	1,412,444	1,412,444	100.00%	1,366,545	1,366,545	100.00%
Library	1,294,640	1,256,593	97.06%	1,334,313	1,259,526	1,259,526	100.00%	1,265,511	1,265,511	100.00%
Recreation	5,713,430	5,902,288	103.31%	5,848,963	5,566,093	5,566,093	100.00%	5,534,106	5,534,106	100.00%
Debt Service	1,811,456	1,809,306	99.88%	1,809,306	1,869,762	1,869,762	100.00%	1,259,608	1,259,608	100.00%
Contingency	100,000	59,759	59.76%	60,000	130,925	130,925	100.00%	230,692	230,692	100.00%
Total Expenditures	39,493,551	38,862,388	98.40%	39,568,879	38,120,601	38,120,601	100.00%	35,822,637	35,822,637	100.00%
Excess revenues over (under) expenditures	(2,401,101)	(307,838)	12.82%	(1,176,116)	(109,195)	(109,195)		(456,374)	(456,374)	
Net transfers in (out)	1,973,789	2,164,017	109.64%	2,164,017	2,340,320	2,336,873	99.85%	786,700	817,744	103.95%
Total Fund Balance	\$ 6,901,871	\$ 11,230,606	162.72%	\$ 10,362,328	\$ 9,374,427	\$ 9,370,980	99.96%	\$ 7,143,302	\$ 7,174,346	100.43%

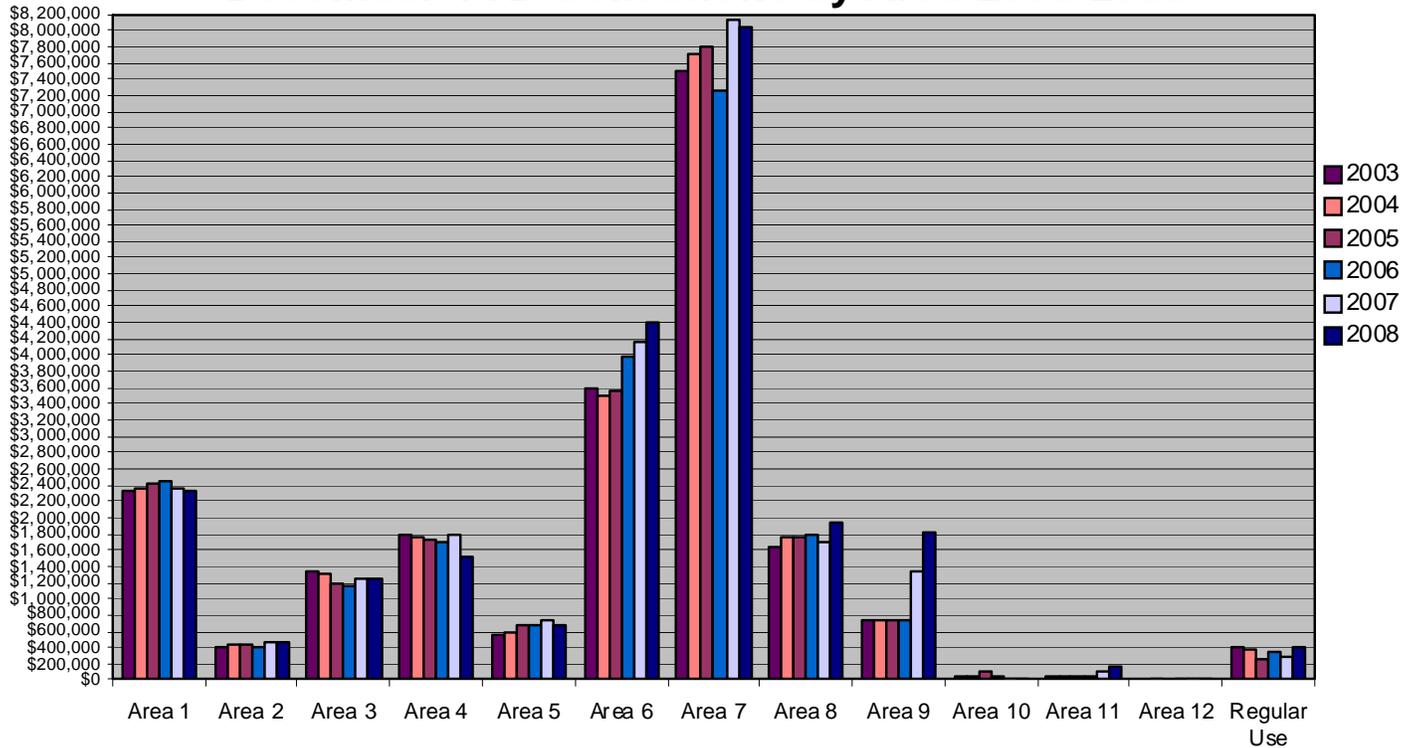
Fund Balance Analysis			
Total Fund Balance	\$ 6,901,871	\$ 10,362,328	\$ 7,143,302
Reserves/designations:			
-Emergencies (TABOR)	1,112,000	1,290,000	1,040,000
-LTAR	1,986,000	3,485,143	-
-Museum of Outdoor Arts	80,800	80,800	171,200
Unreserved/undesignated Fund Balance	\$ 3,723,071	\$ 5,506,385	\$ 5,932,102
Potential reserves/designations	-	-	-
Estimated unres/undesig Fund Balance	\$ 3,723,071	\$ 5,506,385	\$ 5,932,102
As a percentage of projected revenues	9.70%	14.34%	15.72%
As a percentage of budgeted revenues	10.04%	14.85%	16.77%
Target	3,709,245	-	5,563,868

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

Cash Basis

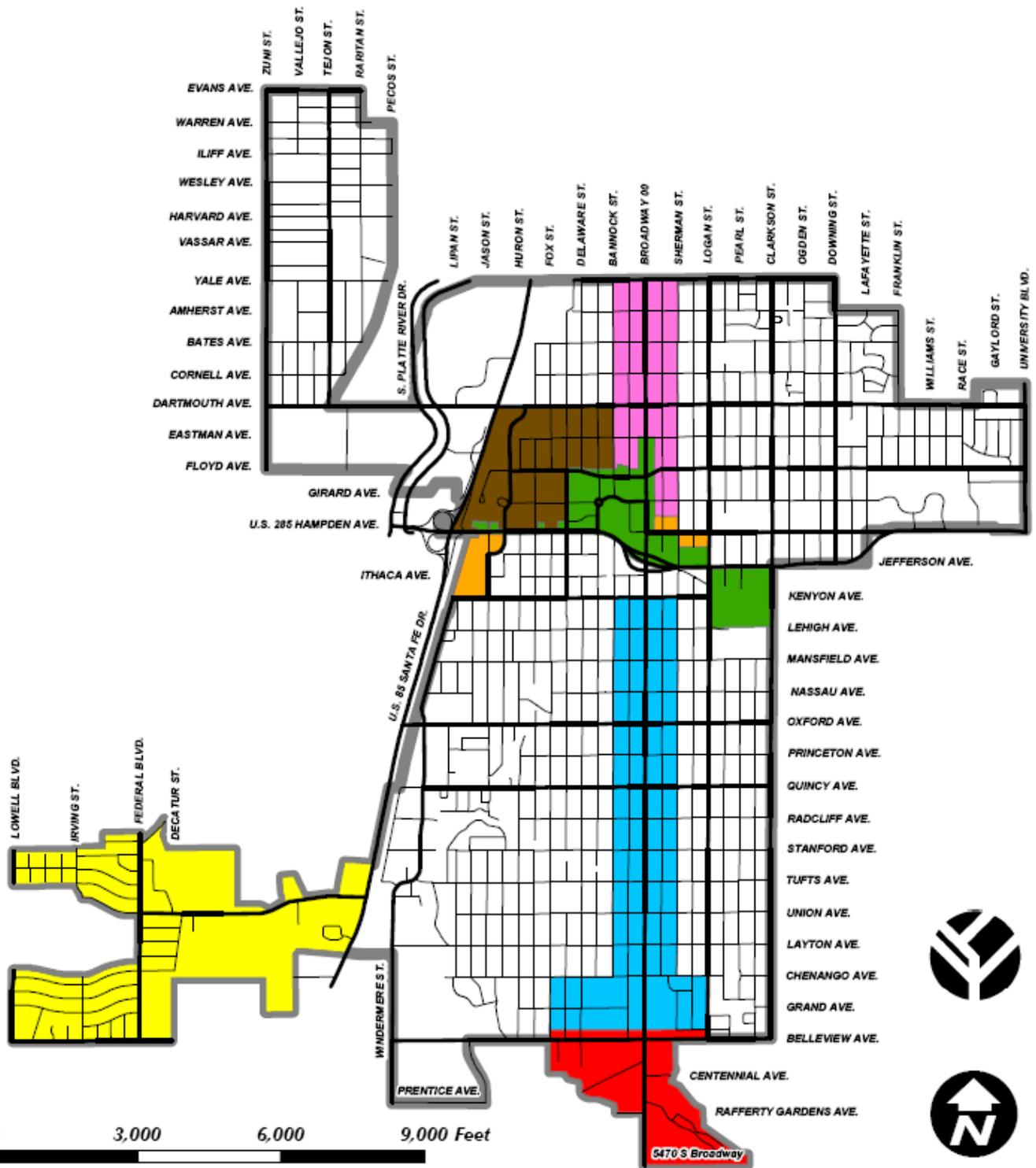
	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change
Area 1	2,317,691	19.07%	2,364,216	2.01%	2,420,140	2.37%	2,460,242	1.66%	2,371,783	-3.60%	2,312,523	-2.50%
Area 2	408,688	-10.11%	428,863	4.94%	447,080	4.25%	399,721	-10.59%	452,412	13.18%	470,644	4.03%
Area 3	1,336,261	-3.56%	1,292,728	-3.26%	1,171,975	-9.34%	1,142,213	-2.54%	1,261,017	10.40%	1,235,920	-1.99%
Area 4	1,792,515	-12.08%	1,762,962	-1.65%	1,715,350	-2.70%	1,706,913	-0.49%	1,777,035	4.11%	1,522,308	-14.33%
Area 5	552,883	-11.44%	595,534	7.71%	665,035	11.67%	673,739	1.31%	737,247	9.43%	669,378	-9.21%
Area 6	3,576,931	-7.35%	3,500,731	-2.13%	3,567,158	1.90%	3,973,682	11.40%	4,152,602	4.50%	4,399,182	5.94%
Area 7	7,501,340	4.21%	7,705,926	2.73%	7,794,388	1.15%	7,252,573	-6.95%	8,117,519	11.93%	8,027,915	-1.10%
Area 8	1,624,972	3.10%	1,746,347	7.47%	1,750,924	0.26%	1,798,364	2.71%	1,710,973	-4.86%	1,937,347	13.23%
Area 9	725,669	0.00%	725,669	0.00%	725,669	0.00%	725,669	0.00%	1,346,796	85.59%	1,826,129	35.59%
Area 10	49,633	42.62%	36,684	-26.09%	94,537	157.71%	39,163	-58.57%	24,435	-37.61%	24,698	1.08%
Area 11	58,239	0.00%	58,239	0.00%	58,239	0.00%	58,239	0.00%	108,489	86.28%	149,183	37.51%
Area 12	1,605	-55.92%	6,645	314.02%	1,446	-78.24%	4,012	177.46%	3,588	-10.56%	4,041	12.62%
Regular Use	392,869	65.23%	360,427	-8.26%	245,860	-31.79%	340,164	38.36%	285,926	-15.94%	412,599	44.30%
Total	20,339,296	0.96%	20,584,971	1.21%	20,657,801	0.35%	20,574,694	-0.40%	22,349,822	8.63%	22,991,868	2.87%
Refunds	243,271	-77.48%	131,529	-45.93%	219,297	66.73%	307,242	40.10%	247,740	-19.37%	518,888	109.45%
Audit & Collections												
Revenue*	335,998	1155.33%	123,384	-63.28%	686,007	455.99%	436,763	-36.33%	531,194	21.62%	626,354	17.91%
*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	825,094	-38.45%	612,256	-25.80%	612,256	0.00%	849,507	38.75%	1,967,482	131.60%	764,136	-61.16%
Vehicle Use	1,488,240	-10.99%	1,410,631	-5.21%	1,410,631	0.00%	1,250,023	-11.39%	1,434,885	14.79%	1,283,056	-10.58%

December 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