



# Comprehensive Annual Financial Report

City of Englewood, Colorado

Year Ended December 31, 2008

# CITY OF ENGLEWOOD, COLORADO



## COMPREHENSIVE ANNUAL FINANCIAL REPORT



For Fiscal Year Ended  
December 31, 2008



*Prepared by the Department of Finance and  
Administrative Services:*

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Jennifer Nolan, Revenue and Budget Manager  
Loucrishia Ellis, City Clerk  
Carol Wescoat, Retirement Administrator

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2008

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# C I T Y O F E N G L E W O O D

April 17, 2009

The Honorable Mayor, City Council Members,  
and Citizens of the City of Englewood, Colorado

State law requires that all local governments publish within seven months of the close of each year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant. Pursuant to this requirement, the Department of Finance and Administrative Services is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Englewood, Colorado (the City) for the year ended December 31, 2008.

This report is published to provide the City Council, City staff, our citizens, and other readers with detailed information concerning the financial position and activities of the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

Johnson, Holscher & Company, P.C, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2008. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

## The Report

The CAFR is presented in three sections: introductory, financial and statistical. The **introductory section** provides the reader with this transmittal letter, the City's organizational chart, a list of principal officials and last years Government Finance Officer's Association Certificate of Achievement for Excellence in Financial Reporting.

The **financial section** contains the Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, the combining and individual fund statements and schedules, and other information, such as schedules of future debt requirements on all outstanding long-term obligations.

MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. The basic financial statements include the government-wide financial statements that present the City's entire operations, while the fund level statements present the financial information on each of the City's major funds, as well as nonmajor funds.

Lastly, the **statistical section** includes selected financial and demographic information, generally presented on a multi-year basis.

## City Profile

Located on the southern border of Denver, Colorado's capital city, Englewood is approximately seven square miles and home to approximately 32,000 residents and 2,400 businesses. Due to easy access to two light rail train stations and the state and US highway systems, Englewood's location offers short and convenient commutes to other areas within the Denver Metro Area and the rocky mountain range. The City's mixed housing and retail environment encourages a pedestrian community. The City's economy is comprised of retail, industrial, manufacturing, healthcare and service sectors.

Englewood is said to have "small town" feel with the conveniences of big city amenities. Recreational opportunities abound in Englewood, including eleven parks, nine athletic fields, an award-winning recreation center, a widely used golf course, and one of the most successful senior centers in the region. Pirates Cove, a family aquatic center offers a variety of aquatic activities.

In addition to the recreational opportunities, the City provides a full range of services, including police (1 Station) and fire protection (3 Stations), emergency medical services, the construction and maintenance of streets and other infrastructure, library services and general government services. The City operates its own water treatment plant and distribution system, maintains a wastewater collection system and manages a jointly held wastewater treatment plant with the City of Littleton, a neighboring city to the south.

The City of Englewood is a municipal corporation with a Council-Manager form of government. Members of the seven member council are elected to staggered four year terms with term limits of two consecutive terms. The Mayor and Mayor Pro-Tem are selected from among the Council members. The City Council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for overseeing the day-to-day operations of the City, and for appointing heads of the various departments.

The City of Englewood has several boards and commissions made up of council members, residents, local businesspeople, and others who are interested in their community. Members are interviewed and appointed by City Council, and provide guidance for many of Englewood's programs and projects.

The Englewood School District operates several educational facilities throughout the City - Early Childhood (2), Elementary (5), Middle School (1), Alternative Middle School (1), High School (1) and Alternative High School (1).

Englewood residents have direct light rail access to two college campuses. To the south, Arapahoe Community College offers comprehensive courses leading to both the Associate of Arts and the Associates of Science degrees. To the north, the 37,000-student Auraria campus is home to three colleges: the University of Colorado at Denver, the Community College of Denver and Metropolitan State College of Denver. Other four year colleges/universities in the Denver Metro area include: University of Colorado-Boulder, Colorado State University (Fort Collins), University of Northern Colorado (Greeley), Colorado School of Mines (Golden), Regis University (Denver) and University of Denver.

As required by generally accepted accounting principles (GAAP), these financial statements present the City of Englewood (the primary government) and its component units. The component units, the Englewood Urban Renewal Authority (EURA), the Englewood Environmental Foundation, Inc. (EEF) and the Englewood McLellan Reservoir Foundation, Inc. (EMRF) are discretely reported in separate columns of the government-wide financial statements to emphasize that they are legally separate from the City. Each discretely presented component unit has a December 31 year-end. Complete financial statements for the EURA may be obtained from the City's Department of Finance and Administrative Services. Separate financial statements are not prepared for the EEF or the EMRF. Additional information on all three entities can be found throughout the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager must submit the proposed budget to City Council for review by September 15 of each year. The council must hold public hearings within three weeks after the proposed budget is submitted and a final budget must be prepared and adopted by December 1 of each year. The budget is prepared by fund (e.g., General Fund) and department (e.g., Public Works). Approval of the City Council is required for budget revisions, except that the City Manager may transfer any unencumbered appropriation from one expenditure classification to another for the same fund. In the General Fund, the City Manager may transfer the unencumbered appropriation balance from one expenditure classification to another only within departments.

## **Local Economy**

**Colorado** The 2009 forecast is taken from the *2009 Colorado Business Economic Outlook* report prepared by the Business Research Division of the University of Colorado Leeds School of Business. The *2009 Colorado Business Economic Outlook* predicts that the Colorado employment will contract in 2009. This reduction will be the third instance this decade and only the seventh time since the records were kept in 1939. Colorado's nonfarm wage and salary employment growth rate is expected to decrease by 0.2% or a loss of 4,300 jobs. The job growth projection for this decade is 217,000 workers which are far below the total of 650,300 jobs added during the 1990s. The State's population is expected to increase by 98,100 to 5.1 million. This 2% growth rate is higher than the nation (0.9%). Over the last 10 years, Colorado's annualized population growth rate is 1.9%.

For the period 2000 to 2009, less than 240,000 service sector jobs will be added, while goods-producing employment will decline by about 23,000 workers. The leading categories for growth will be the Professional and Business Services, Educational and Health Services and Government Supersectors, which will add approximately 84,000 net employees. Manufacturing and Information Supersectors will shed almost 31,000 workers.

In 1990, approximately 16.5% of all employees were in the goods-producing sectors (Natural Resources and Mining, Construction and Manufacturing). By 2009, only 13.9% of the workers are expected to be employed in goods-producing industries. There is a concern with this declining trend because goods-producing wages

are often higher than service wages, and goods-producing industries typically have a greater multiplier effect due to the larger supply chain than service industries.

In the near term, all sectors of the state economy will feel the effects of the national and global economic downturn. Consumers will remain concerned about their retirement and home values (wealth) as well as the stability of their jobs (income). Colorado's durable economy will allow the state to ride out the economic decline due to the following:

- ▶ Excluding the construction sector, the anticipated jobs decline is broad and relatively shallow. The recovery should be more short term while construction will be more long term.
- ▶ Tourism will be affected by the economic downturn, but it will not diminish the enjoyment people experience when they take in the natural beauty of the state. Colorado locals may enjoy fewer crowds and take more time to see the sights or take an extra run down the slopes.
- ▶ Investing in the Colorado housing and commercial markets will remain sound opportunities, particularly compared to the east and west coasts. In many rural parts of the state, it is still possible to find a three-bedroom home for less than \$100,000.
- ▶ Colorado's population growth will remain in the range of 1.5%-2.0% for the near future.
- ▶ Colorado will continue to have a highly educated workforce. Efforts have been made to "grow our own"; however, population growth will be enhanced in part by the continuing need to attract workers from other states and countries.
- ▶ Advanced technology will continue to play an integral and evolving role in the state. A solid argument may be made that this is as good as time as any to embark on new technologies in renewable energy, photonics-based products or those developed through nanotechnology.

**Metro Denver** The 2008 economic update for the Denver Metro Area is from the **August 2008 Colorado Economic Chronicle** report prepared by the Colorado Legislative Council (CLC). The CLC provides non-partisan economic research to the Colorado General Assembly. The report period is from January through June 2008. The economy is slowing and reacting to the national economic stagnation. Comparing the second quarter of 2008 to the same period in 2007, employment and retail sales growth is weaker, the unemployment rate is rising, there is a significant decline in new housing starts and nonresidential construction growth is flat. The Metro-Denver region accounts for 60% of the employment and consumer spending in the state.

The region is seeing a general decline due to less business investment and a lack of consumer confidence as consumers are reacting to higher fuel/energy prices, a deteriorating housing sector and tightening credit. Responding to slow growth, a number of retail chains have halted expansion in the region and some are closing their doors. The report also states, "despite the region's economic slowdown, there are some large commercial developments planned in the next five years that may result in faster job growth in high-wage industries that may work toward stimulating the region's economy." For the second quarter ended June 2008, nonfarm **employment** fell by 1.6%, compared to 2.1% and 2.0% for the years 2007 and 2006 respectively. The nonfarm job losses are due in part to 1) the contraction and the troubled banking industry which affects the financial services sector, 2) the manufacturing sector and 3) the federal government. On the other side, job growth was strongest in the education and health services sector and state government. The 2008 **unemployment** rate through June was 5.4%, compared to 3.8% and 4.4% for the years 2007 and 2006 respectively.

**Retail trade sales** for the Denver Metro area increased 3.6% year to date through May 2008, with comparative growth of 6.4% for 2007 and 4.1% for 2006. Consumers are paying higher prices on energy and commodity goods resulting in less disposable income for non-discretionary spending.

The **housing sector** is going through a correction that likely began in 2006 stemming from several years of lax lending standards and rapid home-price appreciation. The Denver region may notice a protracted adjustment period as foreclosures continue to rise and home prices fall. The median price for a single-family home sold in July 2008 decreased 11.3% to \$229,200 from \$255,000 in July 2007.

## **Long-term Financial Planning.**

At the end of the year, *unreserved/undesignated* fund balance for the general fund was \$5,334,110, or 13.6% of total General Fund revenues. The 2009 General Fund budget is calling for a \$912,710 deficit that will lower the percentage to approximately 12.7% of 2009 budgeted revenues. Total 2009 general fund revenues are estimated at \$37,418,221 or \$1,760,439 (5%) less than 2008 actual revenues. Total 2009 general fund expenditures are budgeted at \$41,445,148 or \$2,429,950 more (6%) than the 2008 actual revenues.

The City is mature and landlocked; however, several development and redevelopment opportunities exist. These opportunities will influence the local economy and are a source of revenue for the City of Englewood.

This property owned by the Englewood/McLellan Reservoir Foundation (EMRF) is located adjacent to the four corners of the intersection of C470 and Lucent Boulevard. Any development of the site must protect the McLellan Reservoir water resources and quality. The road network is under development through and around the site. Some negotiations are underway with one interested tenant and others have expressed interest. The RTD has negotiated to locate a light rail station on the site as part of FasTracks by early 2017. Douglas County supports a transit-oriented development at this location. Sale of this property to RTD was completed in early 2008.

Swedish Medical Center/HealthONE began a renovation and expansion project in 2008. The project is scheduled for completion by fall of 2011. Approximately 175,000 square feet will be added by this expansion and remodeling project. This investment demonstrates the hospital's continued commitment to its Englewood location.

The Parks and Recreation Master Plan for the City of Englewood guides the future of the City as it relates to parks, trails, and recreation within the City.

The Plan defines Level of Service based on population and geography. Ideally, each citizen should be within one-half mile of a neighborhood park and 1.5 miles of a community park. A critical component of this plan is the identification of potential residential growth and development areas, and ensuring there are adequate neighborhood parks to serve them in the future. Neighborhood parks are the backbone of the community, while community parks are invaluable, citywide resources. The plan further defines the need for access, sizes, and amenities important to achieving desirable results from parks.

Recommendations of the Plan were formulated to address specific needs that arose from the planning process. Recommendations take shape in six essential forms: new parkland and amenities, major park redesigns, facility additions and enhancements, street crossing enhancements, new off-street trails, and key new on-street trail connections. This Plan recommends the establishment of six new parks throughout the city to meet current and future needs, and recommends major redesign of Cushing Park, Miller Field, Hosanna Athletic Complex, Centennial Park, and Belleview Park. It also recommends facility additions and enhancements for Baker Park, the Northwest Greenbelt, Bates-Logan Park, Barde Park, Romans Park, Jason Park, Rotolo Park, the Southwest Greenbelt, Duncan Park, and Sinclair Middle School. Additionally, this Plan recommends numerous street crossing enhancements, off-street trails, and on-street trail connections throughout the city. Lastly, the Plan recommends phasing in a comprehensive irrigation system upgrade for all parks.

As with any plan, the effectiveness and success will be measured by the community's ability and willingness to implement the Plan. This Plan provides recommendations and directs actions for the near and more distant future. This Plan also offers specific considerations to help prioritize which projects should be implemented first. The Plan is intended to be flexible and fluid, so that as opportunities for land acquisition and park development become available, the City can immediately capitalize on these opportunities without being committed to a pre-determined project identified in a concrete prioritization system. This long-range planning

proposed to establish a perpetual fund or “land bank” to strategically acquire parcels for park development that may become available in the future.

In addition to initial construction costs of any project that may be undertaken, the City would likely incur significant additional operating costs to staff, operate and maintain the new facilities.

### **Relevant Financial Policies**

#### General Fund Balance

The unreserved/undesignated fund balance target for the General Fund is between 10% and 16% of total General Fund revenues or approximately one to two months of General Fund budgeted expenditures. If the unreserved/undesignated fund balance falls below the minimum target balance, additional sources of funds and/or reductions of uses of funds are identified to bring the balance to the desired level.

#### Long Term Asset Reserve (LTAR)

This General Fund reserve account accumulates 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.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Englewood for its comprehensive annual financial report for the fiscal year ended December 31, 2007. This was the twenty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. This report would not have been possible without the efficient and dedicated service of the entire staff of the Department of Finance and Administrative Services. We wish to express our appreciation to all members of the Department who assisted and contributed to the preparation of this report. We would also like to thank the City’s staff and members of City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

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Gary Sears  
City Manager

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Frank Gryglewicz  
Director of Finance and Administrative Services

City of Englewood, Colorado  
**Principal Officials**

**Elected Officials**

**City Council**

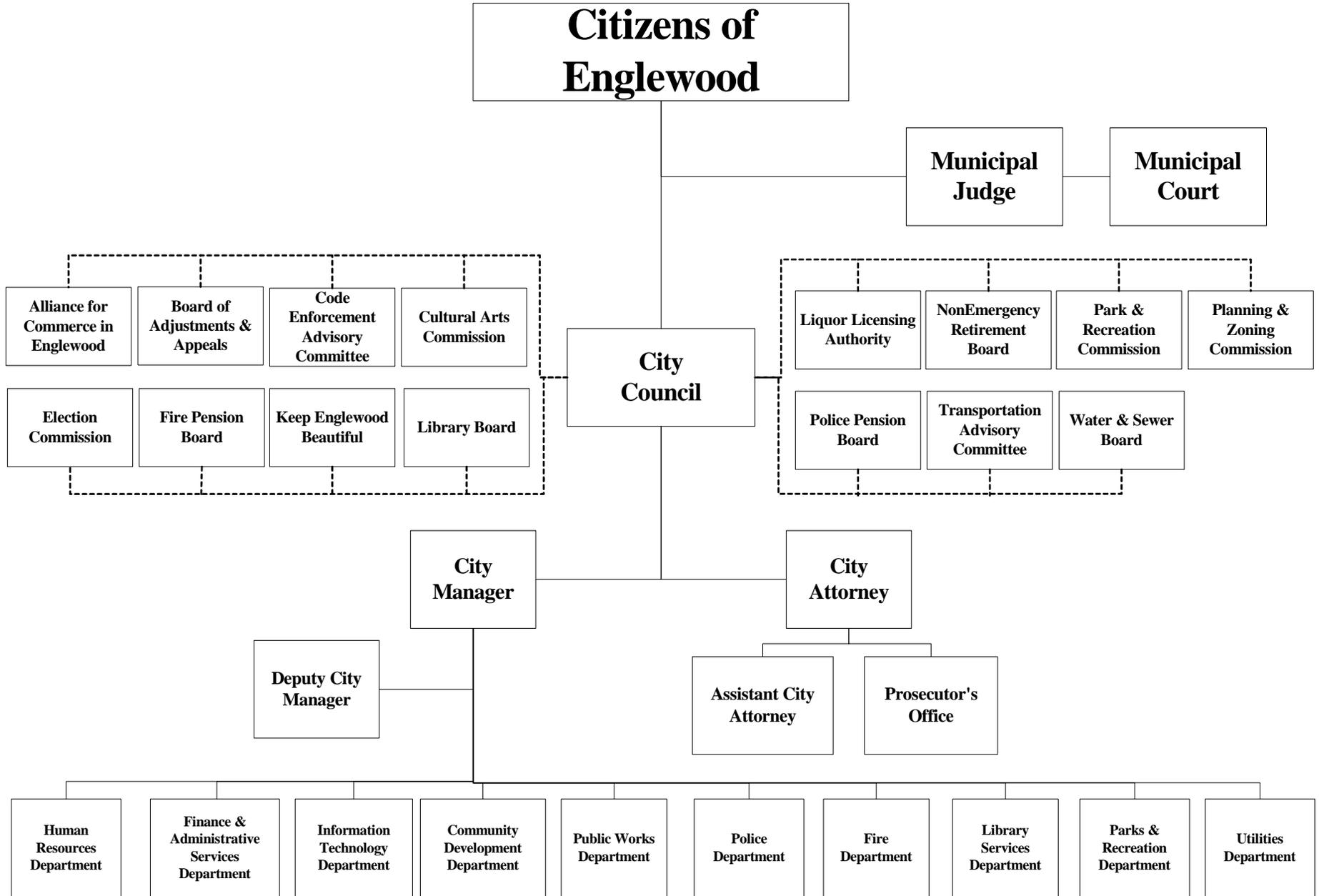
Mayor ..... Jim Woodward, At-Large  
Mayor Pro-Tem ..... John H. Moore, District 2  
Council Member ..... Joe Jefferson, District 1  
Council Member ..... Randy Penn, District 3  
Council Member ..... Wayne Oakley, District 4  
Council Member ..... Bob McCaslin, At-Large  
Council Member ..... Jill Wilson, At-Large

**Municipal Judge** ..... Vincent Atencio

**City Officials**

City Manager ..... Gary Sears  
Deputy City Manager ..... Michael Flaherty  
City Attorney ..... Dan Brotzman  
Community Development Director ..... Alan White  
Finance and Administrative Services Director ..... Frank Gryglewicz  
Fire Chief ..... Mike Pattarozzi  
Human Resources Director ..... Susan Eaton  
Information Technology Director ..... Jeff Konishi  
Library Services Director ..... Hank Long  
Municipal Court Administrator ..... Tamara Wolfe  
Parks and Recreation Director ..... Jerrell Black  
Police Chief ..... Tom Vandermee  
Public Works Director ..... Rick Kahm  
Utilities Director ..... Stewart Fonda

# Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Englewood Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Englewood, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Englewood, Colorado, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Englewood, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Englewood, Colorado, as of December 31, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2009, on our consideration of the City of Englewood, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedules of funding progress, and schedules of employer's contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Englewood, Colorado's basic financial statements. The combining and individual fund financial statements and schedules, and the other information listed in the table of contents are presented for purposes of additional analysis and legal compliance and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Johnson, Holman & Company, P.C.*

Centennial, Colorado  
April 17, 2009

## Management's Discussion and Analysis

As management of the City of Englewood, Colorado (the "City"), we offer readers of the City's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2008 by \$159.6 million (\$67.6 million in governmental activity net assets and \$92.0 million in business-type activity net assets). Of the governmental activities net asset total, \$14.1 million, or 21%, is unrestricted and may be used to meet the City's obligations to the public and creditors. Similarly, \$3.7 million, or 4%, of business-type activity net assets are unrestricted.
- The City's total net assets increased by \$7.7 million, or 5% compared to 2007. Net assets of the City's governmental activities increased \$372,000. Net assets of the business-type activities increased \$7.3 million, or 9%, over 2007.
- The total cost of the City's programs increased \$650,000, or 1%, compared to 2007. The cost of governmental activities program expenses increased just \$7,000 to \$44.9 million, and the cost of business-type activities increased \$646,000, or 3%, to \$23.8 million from 2007.
- Total revenues, excluding special items and transfers, increased \$1.2 million, or 2%, compared to 2007. Governmental activities revenues *decreased* \$700,000, or 1.5%, to \$46.2 million while revenues of business-type activities increased \$1.9 million, or 8%, to \$24.7 million compared to 2007.
- The City's governmental funds reported combined ending fund balances of \$16.8 million, a decrease of \$890,000 in comparison with the prior year. Of the combined ending governmental fund balances, approximately 73%, or \$12.2 million is available for spending at the City's discretion subject to the City Council's approved policies (*unreserved fund balance*).
- The General Fund reported a fund balance of \$11.1 million as of December 31, 2008, of which \$9.7 million is unreserved and \$5.3 million is unreserved and undesignated.
- The City reopened Broken Tee Golf Course after being closed for nearly two years for renovations. Construction costs incurred by the developer and contributed to the City amounting to \$8.3 million were recorded as a contribution in 2008.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements 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*). The governmental activities of the City include general government, which consists of the City Council and the various Boards and Commissions, the City Attorney's Office, Municipal Court, the City Manager's Office, Community Development, Human Resources, Finance and Administrative Services and Information Technology. Governmental activities also include Police, Fire, Public Works and Culture and Recreation (including Library Services). The business-type activities of the City include the water, sewer, golf course, storm drainage, concrete utility and housing rehabilitation operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Englewood Urban Renewal Authority (EURA), the Englewood Environmental Foundation, Inc. (EEF) and the Englewood McLellan Reservoir Foundation, Inc (EMRF). All three (known as *component units*) are legally separate entities for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

## **Fund financial statements**

A *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. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for six separate operations: Water, Sewer, Golf Course, Storm Drainage, Concrete Utility and Housing Rehabilitation. Internal service funds are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for in-house printing, vehicle replacement and maintenance, and insurance costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the six enterprise operations, all of which are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* later in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension benefits to employees.

The combining statements referred to earlier in connection with nonmajor governmental and proprietary funds as well as budget to actual schedules for all funds are presented immediately following the RSI.

## **Government-wide Financial Analysis**

### **A. Analysis of Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The analysis below focuses on the net assets and changes in net assets of the City's governmental and business-type activities. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the governmental and business-type activities. The same is true for the prior year.

Table 1 presents an analysis of the City's net assets as of December 31. The City's assets exceeded liabilities by \$159.6 million at the close of 2008. Governmental activities make up \$67.6 million (42%) of these assets, with business-type activities making up the remaining \$92.0 million (58%). Total net assets increases by \$7.7 million in 2008. The increase is comprised of the following:

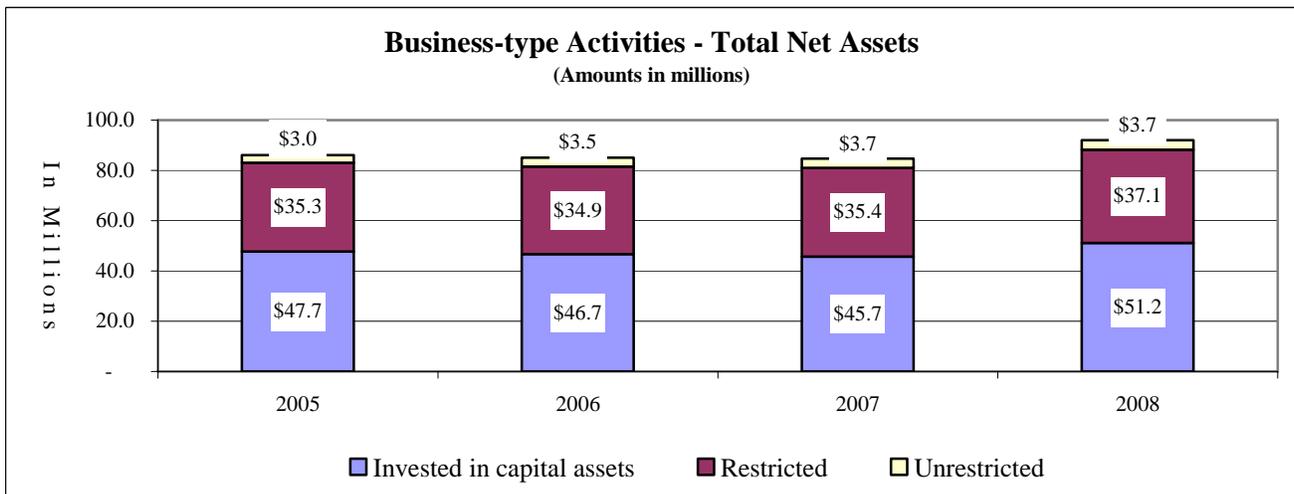
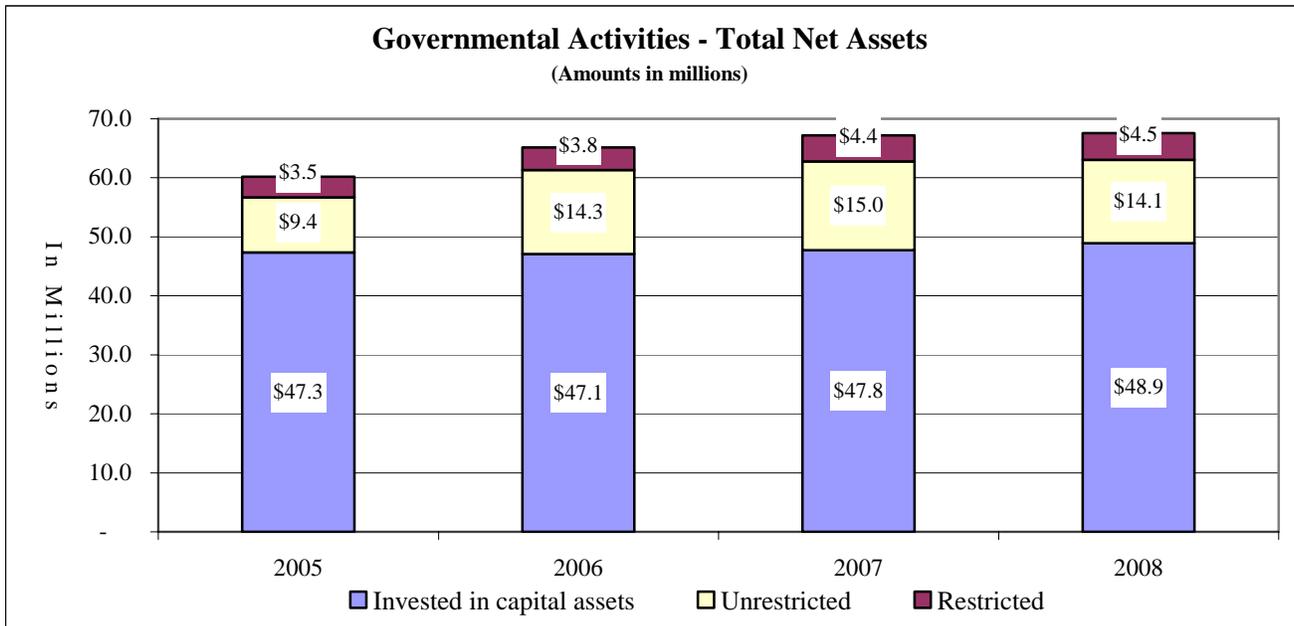
- Total assets increased \$5.1 million, or 1.9%, to \$279.2 million. This included an increase in capital assets of \$5.2 million combined with a decrease in current and other assets of \$131,000. The increase in capital assets was due to an increase in land and land improvements in the Golf Course fund as the redeveloped golf course was transferred from a private developer to the City.
- Total liabilities decreased \$2.6 million, or 2.1%, to \$119.6 million due to regular debt service payments on the City's notes and bonds. The City did not issue any new debt in 2008. Unearned revenue increased \$660,000 due mainly to utility service fees collected in advance.

**Table 1**  
**City of Englewood**  
**Summary of Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Assets</b>						
Current and other assets	\$ 28,300,683	\$ 28,599,599	\$ 106,429,585	\$ 106,261,649	\$ 134,730,268	\$ 134,861,248
Capital assets	78,347,112	78,709,379	66,120,746	60,569,175	144,467,858	139,278,554
Total assets	<u>106,647,795</u>	<u>107,308,978</u>	<u>172,550,331</u>	<u>166,830,824</u>	<u>279,198,126</u>	<u>274,139,802</u>
<b>Liabilities</b>						
Long-term liabilities	31,648,361	33,031,236	71,005,762	72,905,128	102,654,123	105,936,364
Other liabilities	7,426,053	7,076,629	9,522,631	9,200,385	16,948,684	16,277,014
Total liabilities	<u>39,074,414</u>	<u>40,107,865</u>	<u>80,528,393</u>	<u>82,105,513</u>	<u>119,602,807</u>	<u>122,213,378</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	48,918,979	47,751,190	51,150,411	45,658,855	100,069,390	93,410,045
Restricted	4,542,549	4,422,879	37,130,023	35,393,222	41,672,572	39,816,101
Unrestricted	14,111,853	15,027,044	3,741,504	3,673,234	17,853,357	18,700,278
Total net assets	<u>\$ 67,573,381</u>	<u>\$ 67,201,113</u>	<u>\$ 92,021,938</u>	<u>\$ 84,725,311</u>	<u>\$ 159,595,319</u>	<u>\$ 151,926,424</u>

The largest portion of the City's assets (52%) reflects its investment of \$144.5 million in capital assets (e.g., land, buildings, machinery and equipment). Net Capital assets are reported less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$41.7 million (26.1%) represents resources that are subject to external restrictions on how they may be used. The net assets of the utility funds: Water, Sewer, Storm Drainage and Concrete, are restricted by City Charter as to their use based on the purpose of their respective service fees. The remaining balance of unrestricted net assets, \$17.9 million (11%) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$14.1 million attributed to governmental activities, \$3.86 million represents the unrestricted net assets of the City's internal service funds.



**B. Analysis of Changes in Net Assets**

As presented in Table 2, the City of Englewood’s overall net assets increased \$7.7 million during 2008. This increase is explained in the governmental and business-type activities discussion below.

**Governmental Activities.** Net assets of governmental activities increased by just \$372,268 compared to 2007. This was \$1,662,387 less than the increase of \$2,034,655 in 2007. The difference can be attributed to the transfer of assets from the net assets of governmental activities to the Golf Course Fund amounting to nearly \$1 million. Additionally, the City experienced declines in sales and use tax collections and investment earnings.

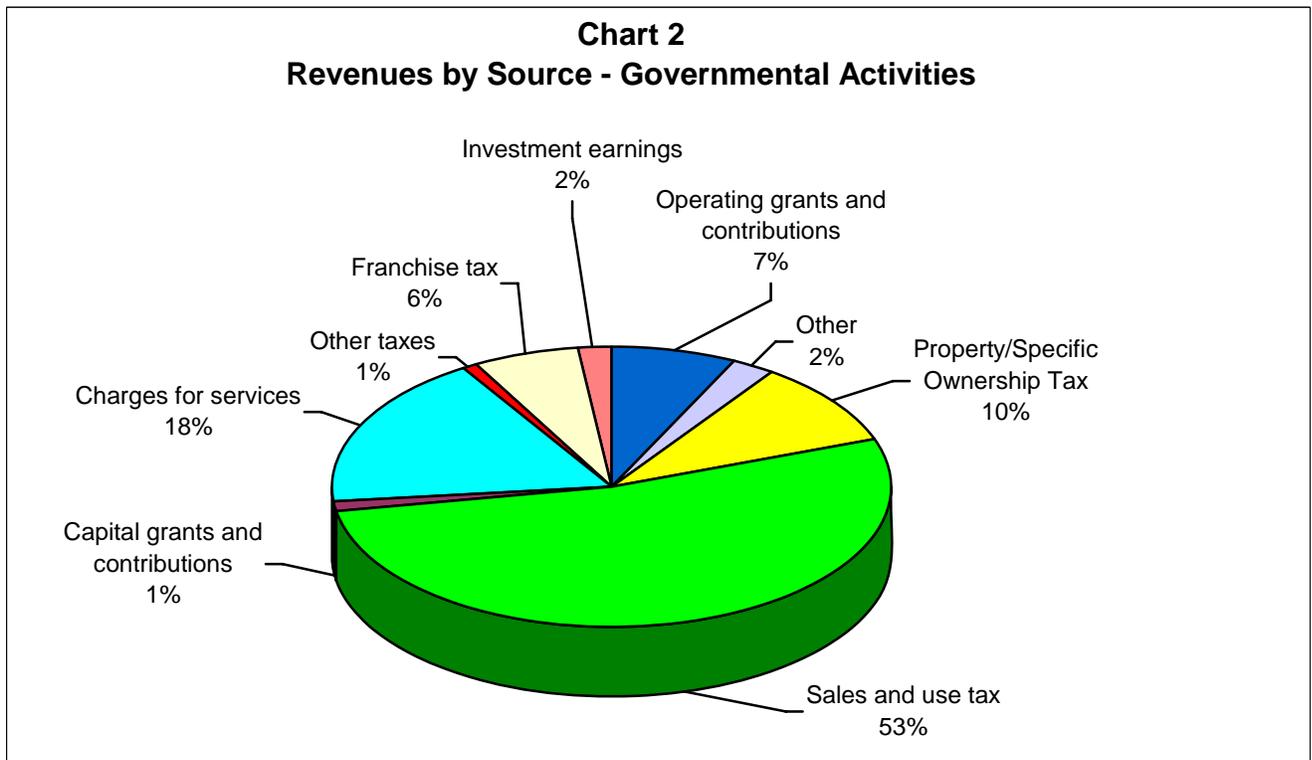
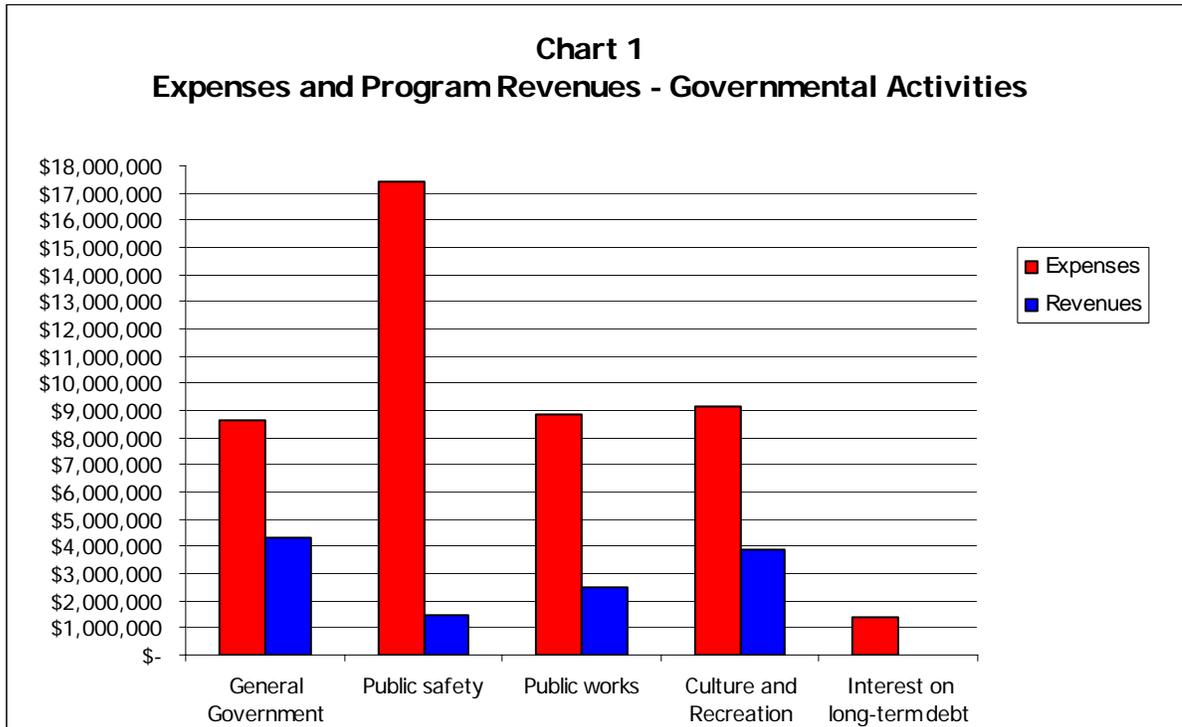
Governmental revenues decreased approximately \$700,000 (1.5%) compared to 2007. The decrease was due primarily to a decrease in sales and use tax (\$900,000) and interest earnings (\$200,000) offset by a one-time payment from the Englewood McLellan Reservoir Foundation of \$600,000.

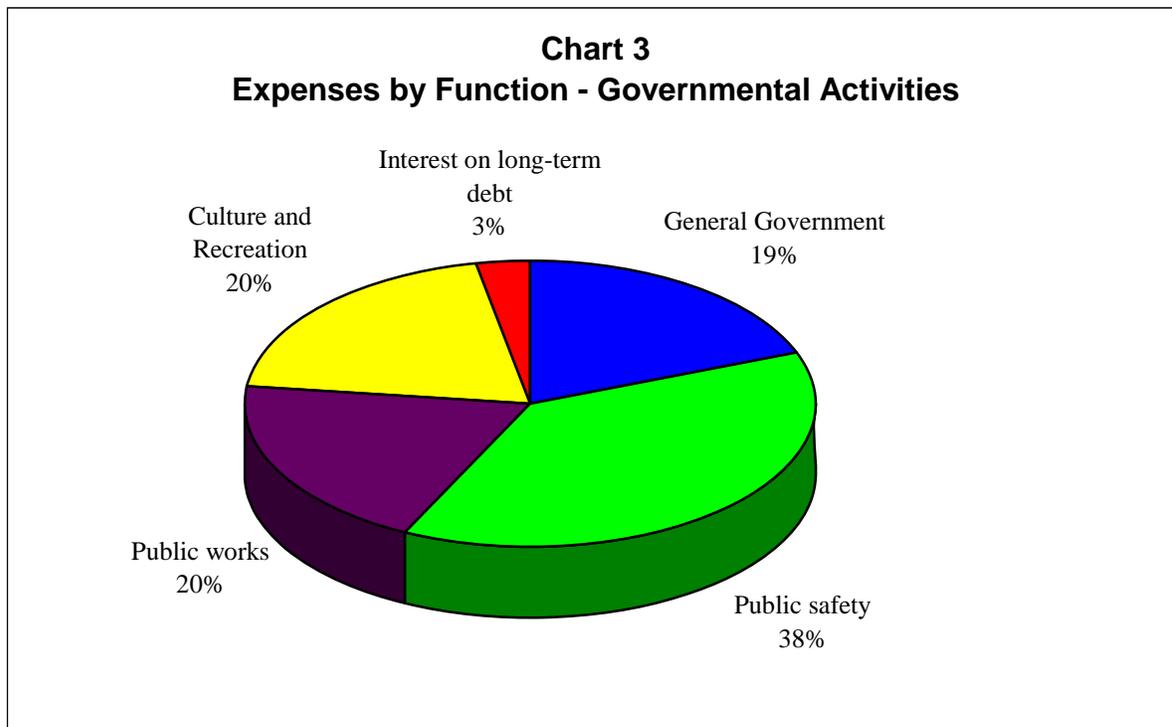
Governmental expenses were flat, increasing by only \$7,000 from 2007.

**Table 2**  
**City of Englewood**  
**Summary of Changes in Net Assets**  
**For Years as Stated**  
**Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues						
Permits, fees, fines and charges for services	\$ 8,315,440	\$ 8,356,429	\$ 21,865,130	\$ 20,322,455	\$ 30,180,570	\$ 28,678,884
Operating grants and contributions	3,353,009	3,570,351	1,455,056	1,765,013	4,808,065	5,335,364
Capital grants and contributions	508,741	385,576	1,337,862	709,707	1,846,603	1,095,283
General Revenues						
Taxes	31,978,782	32,876,011	-	-	31,978,782	32,876,011
Grants and contributions not restricted to specific programs	58,079	64,812	-	-	58,079	64,812
Investment earnings	955,958	1,166,935	-	-	955,958	1,166,935
Other	1,066,518	518,656	-	-	1,066,518	518,656
Total revenues	<u>46,236,527</u>	<u>46,938,770</u>	<u>24,658,048</u>	<u>22,797,175</u>	<u>70,894,575</u>	<u>69,735,945</u>
<b>Expenses</b>						
General government	8,649,466	8,767,196	-	-	8,649,466	8,767,196
Safety services	17,408,124	16,638,900	-	-	17,408,124	16,638,900
Public works	8,882,979	9,362,350	-	-	8,882,979	9,362,350
Culture and recreation	8,137,512	8,280,338	-	-	8,137,512	8,280,338
Interest on long-term debt	1,371,556	1,394,784	-	-	1,371,556	1,394,784
Unallocated depreciation	428,458	427,296	-	-	428,458	427,296
Water	-	-	7,703,058	7,605,096	7,703,058	7,605,096
Sewer	-	-	12,409,323	11,679,043	12,409,323	11,679,043
Golf Course	-	-	2,061,201	1,740,380	2,061,201	1,740,380
Storm	-	-	413,535	462,910	413,535	462,910
Concrete	-	-	662,462	676,894	662,462	676,894
Housing rehabilitation	-	-	595,345	1,034,461	595,345	1,034,461
Total expenses	<u>44,878,095</u>	<u>44,870,864</u>	<u>23,844,924</u>	<u>23,198,784</u>	<u>68,723,019</u>	<u>68,069,648</u>
<b>Increase (decrease) in net assets before special items and transfers</b>	1,358,432	2,067,906	813,124	(401,609)	2,171,556	1,666,297
Special item - developer contribution	-	-	8,317,580	-	8,317,580	-
Special item - loss on disposition of assets	-	-	(2,820,241)	-	(2,820,241)	-
Transfers	(986,164)	(33,251)	986,164	33,251	-	-
<b>Change in net assets</b>	372,268	2,034,655	7,296,627	(368,358)	7,668,895	1,666,297
Net assets - beginning	67,201,113	65,166,458	84,725,311	85,093,669	151,926,424	150,260,127
Net assets - ending	<u>\$ 67,573,381</u>	<u>\$ 67,201,113</u>	<u>\$ 92,021,938</u>	<u>\$ 84,725,311</u>	<u>\$ 159,595,319</u>	<u>\$ 151,926,424</u>

The following graphs provide visual representations of the expenses and revenues for governmental activities for 2008.





**Business-type Activities.** Business-type activities increased the City’s net assets by \$7,296,627.

The water fund experienced an *increase* in net assets of \$533,481 compared to an increase of \$140,508 in 2007. Water rates were increased 7% on January 1, 2008, which resulted in a \$467,468 (8.6%) increase in water service fees. Expenses increased 5.7% in 2008. Both the increase in charges for services and the modest increase in expenses caused the fund to report a net operating income of \$482,066. This, along with earnings on investments and other income covered the interest on long-term debt of \$506,960. The City Council has approved an additional 7% rate increase for each of the next two years (2009-2010) and a 6% increase for 2011.

The sewer fund saw an increase in net assets of \$352,821 compared to a decrease of \$510,067 in 2007. The fund experienced income from operations of \$396,335 in 2008 compared to an operating income of \$513,510 in 2007. This is a result of a 14% rate increase on sewer rates on January 1, 2008, which increased disposal fees by \$1,149,379 or 12.2%. Expenses increased \$1,266,554 (14.2%) from 2007. The increase in expenses is due to increased operating costs of the Littleton/Englewood Wastewater Treatment Plant. The plant experienced a 55% increase in utility and chemical treatment costs in 2008. This amounted to nearly \$650,000 in increased costs. The City Council has approved an additional 8% rate increases for each of the next three years (2009-2011). The rate increase is designed to provide additional resources to meet debt service requirements, capital improvements, and to fund ongoing operations and maintenance requirements.

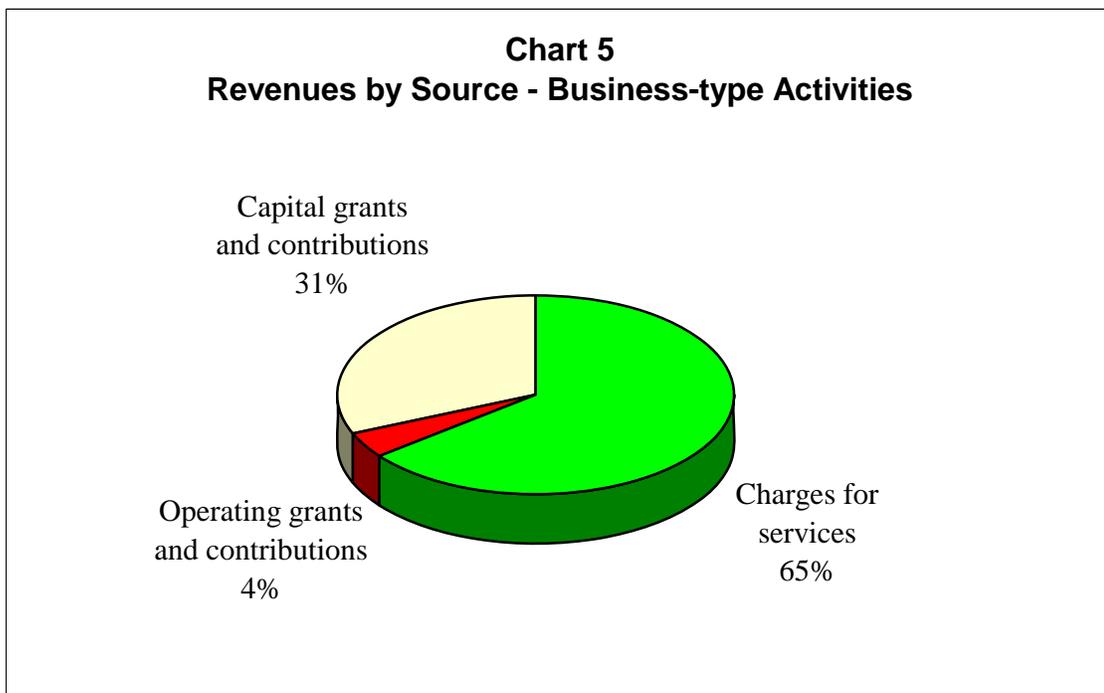
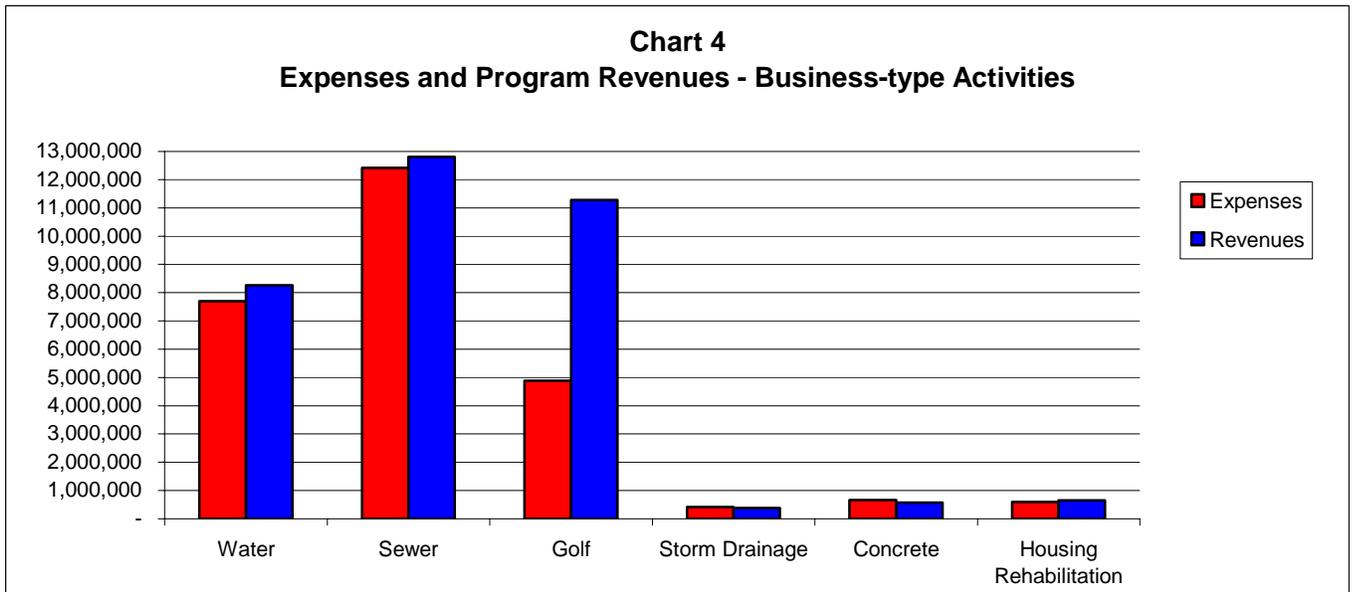
The golf course fund experienced an increase in net assets of \$6,389,091 compared to a decrease of \$43,070 in 2007. As discussed earlier, the City entered into a lease agreement with a developer for the land where the Englewood Municipal Golf Course is located. Except for the back nine holes, the course was closed in September 2006 when the developer began work. Broken Tee Golf Course reopened in July 2008. As a result, greens fee revenues increased \$622,778. At the same time, expenses excluding depreciation increased \$311,195 (19.8%). A provision in the development agreement calls for the developer to reimburse the City for lost revenues. The amount paid under the agreement was \$652,805 and \$1,111,247 in 2008 and 2007, respectively. Additionally, the lease agreement called for the developer to “rebuild” the front nine holes, the driving range and the Par-3 course at no cost to the City. When the course officially reopened, the value of the improvements amounting to \$9,303,744 was recorded as a capital contribution in the Golf Course fund.

The storm drainage fund had a decrease in net assets of \$37,164 caused primarily by depreciation.

The concrete utility fund decreased its net assets by \$66,042 caused primarily by depreciation.

The housing rehabilitation fund increased its net assets by \$39,301.

The following graphs provide visual representations of the expenses and revenues for business-type activities for 2008.



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### A. Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. This information is necessary to assess the City's financing requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2008, the City's governmental funds reported combined ending fund balances of \$16,818,966, a decrease of \$891,361, or 5%, compared to 2007. \$12,233,907 (73%) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. Of the unreserved fund balance, \$912,711 has been designated for use in 2009 and \$3,485,142 is designated for the Long Term Asset Reserve (LTAR) fund. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed as follows:

Reserved for parks and recreation	\$2,988,638
Reserved for police operations	65,619
Reserved for fire operations	3,865
Reserved for debt service	166,137
Reserved for contractual provisions	80,800
Reserved for TABOR emergency	1,280,000

The General Fund is the primary operating fund of the City. At the end of 2008, unreserved/undesignated fund balance of the General Fund was \$5,344,110, while total fund balance reached \$11,102,763. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 13.7% of total General Fund expenditures (down from 14.5% in 2007), while total fund balance represents 28.5% (up from 24.6% in 2007) of that same amount.

The fund balance of the City's General Fund increased \$1,728,336 during 2008. The main cause of the increase was net transfers from other funds of \$1,564,874 as revenues exceeded expenditures by just \$163,462. Revenues increased by 3.1% and expenditures increased by 2.3%. Key factors are as follows:

- An increase in revenues of \$1,167,258, or 3.1%. The General Fund's main revenue source, sales and use tax was relatively flat, decreasing \$136,053 from \$22,753,820 in 2007 to \$22,617,767 in 2008.
- An increase in expenditures amounting to \$955,000 (excluding debt service) or 2.6%. Personnel costs increased approximately \$1,068,000, or 3.88%. For the most part, increases in personnel and other operating expenses closely paralleled inflation and demand for services.
- The General Fund had *excess revenues over expenditures* amounting to \$163,462, prior to transfers. Net transfers amounting to \$1,564,874 were made to the General Fund in 2008.

The following schedule summarizes General Fund operations for the last five years:

Revenues	2004	2005	2006	2007	2008
Taxes					
Property	\$ 2,417,673	\$ 2,493,832	\$ 2,559,369	\$ 2,623,118	\$ 2,995,990
Specific ownership	346,888	334,768	333,018	341,423	316,242
Sales and use	20,591,394	20,886,855	20,688,258	22,753,820	22,617,767
Cigarette	354,876	313,731	293,776	278,785	261,743
Franchise	2,096,425	2,294,972	2,362,000	2,356,385	2,588,214
Hotel/motel	9,076	8,337	9,554	9,722	10,078
Subtotal taxes	25,816,332	26,332,495	26,245,975	28,363,253	28,790,034
Intergovernmental	1,277,490	1,156,221	1,193,863	1,106,280	1,079,285
Charges for Services	2,750,211	2,727,995	3,053,106	3,113,550	3,476,583
Recreation	1,986,688	2,060,758	2,099,202	2,235,938	2,364,758
Net Investment Income	84,295	168,370	353,575	411,516	520,325
Licenses and Permits	628,363	609,971	623,945	1,168,977	671,609
Fines and Forfeitures	1,263,206	1,386,842	1,566,922	1,445,641	1,461,100
Other	171,658	131,849	229,675	166,247	814,966
Total Revenues	33,978,243	34,574,501	35,366,263	38,011,402	39,178,660
Expenditures					
General Government	6,756,639	6,875,267	7,150,627	7,506,085	7,648,789
Public Safety	14,433,427	14,789,807	15,588,534	16,497,359	17,190,369
Public Works	4,694,738	4,675,019	5,024,251	5,421,774	5,189,173
Culture & Recreation	5,884,925	6,365,101	6,799,617	6,825,619	7,177,561
Debt Service	2,248,018	2,030,518	1,259,608	1,869,761	1,809,306
Total Expenditures	34,017,747	34,735,712	35,822,637	38,120,598	39,015,198
Excess Revenues Over (Under) Expenditures	(39,504)	(161,211)	(456,374)	(109,196)	163,462
Other Financing Sources (Uses)					
Transfers In	1,021,027	477,200	950,200	2,902,197	1,973,789
Transfers Out	-	(20,000)	(163,500)	(561,876)	(408,915)
Total Other Financing Sources (Uses)	1,021,027	457,200	786,700	2,340,321	1,564,874
Total Revenues and Other Financing Sources Over Total Expenditures and Other Financing Uses	981,523	295,989	330,326	2,231,125	1,728,336
Fund Balances - Beginning	5,535,464	6,516,987	6,812,976	7,143,302	9,374,427
Fund Balances - Ending	\$ 6,516,987	\$ 6,812,976	\$ 7,143,302	\$ 9,374,427	\$ 11,102,763
Reserved Fund Balance	\$ 1,351,703	\$ 1,272,613	\$ 1,211,200	\$ 1,414,800	\$ 1,360,800
Designated Fund Balance	893,489	-	2,507,034	2,428,312	4,397,853
Unreserved/Undesignated Fund Balance	4,271,795	5,540,363	3,425,068	5,531,315	5,344,110
Total Fund Balance	\$ 6,516,987	\$ 6,812,976	\$ 7,143,302	\$ 9,374,427	\$ 11,102,763
Unreserved/Undesignated Fund Balance as a Percentage of Revenues	12.57%	16.02%	9.68%	14.55%	13.64%
Unreserved/Undesignated Fund Balance a Percentage of Expenditures	12.56%	15.95%	9.56%	14.51%	13.70%
Total Fund Balance as a Percentage of Revenues	19.18%	19.71%	20.20%	24.66%	28.34%
Total Fund Balance as a Percentage of Expenditures	19.16%	19.61%	19.94%	24.59%	28.46%

The original budget adopted in October of 2007 for the General Fund was \$39,493,551. Supplemental appropriations of \$720,615, consisting of the following were made during 2008 and can be briefly summarized as follows:

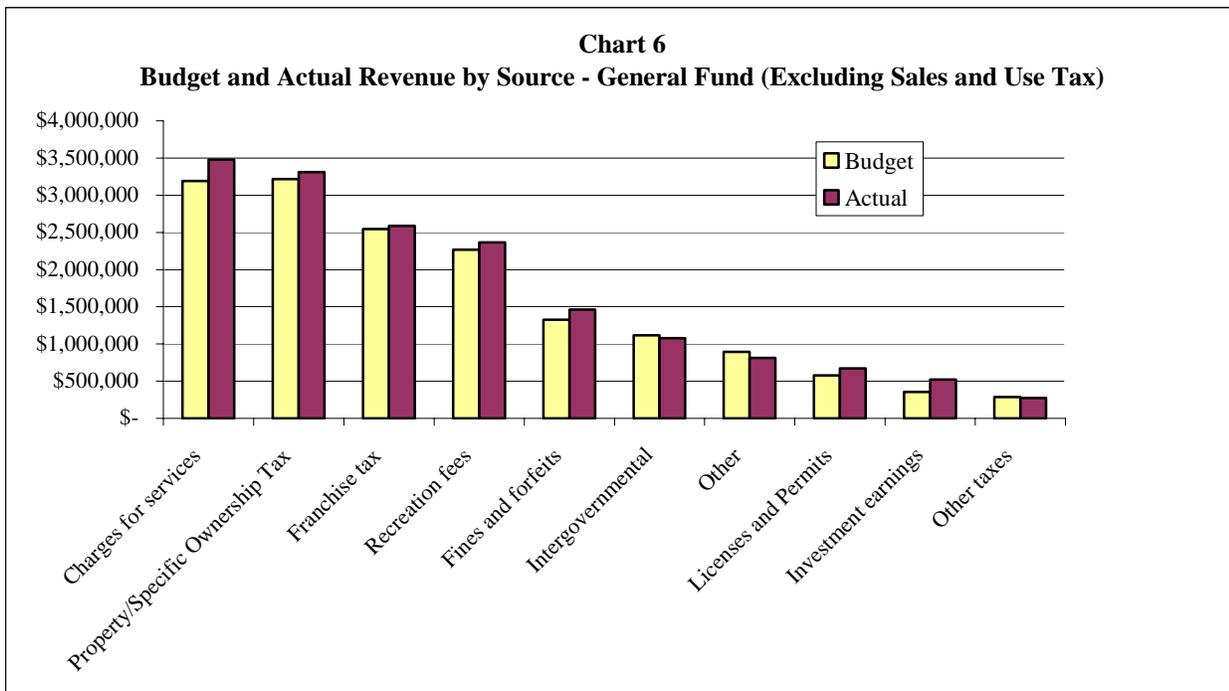
- \$345,915 transfer to the Public Improvement Fund for Golf Course capital improvements
- \$63,000 transfer to the Public Improvement Fund for South Broadway improvements
- \$204,000 increase in the Recreation Services budget for operating costs associated increased recreation program activity
- \$8,700 increase in the Human Resources budget for legal costs.
- \$21,000 increase in the Fire Department budget for expenditures supported by outside grants
- \$78,000 increase in the Fire Department budget for personnel costs associated with outside deployments.

Actual expenditures were \$790,053 less than the amount budgeted, a 2% variance. This is primarily due to cost cutting measures implemented throughout the City during 2008.

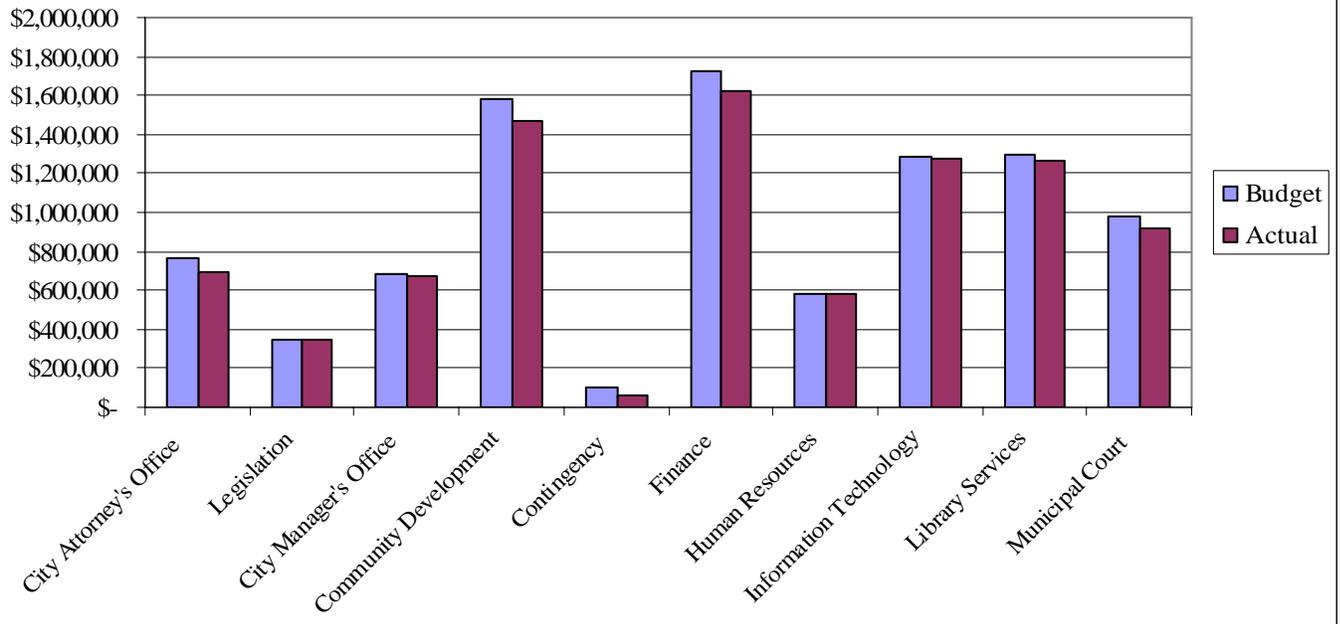
Actual revenues were \$1,401,068 more than budgeted revenues, a 4% variance. Variances were seen in the following areas:

- Collected \$600,000 more in sales and use tax revenues than was budgeted due mainly to increased collections from sales and use tax audits which are not budgeted for
- Charged \$200,000 more in administration fees to the City’s utility funds and the Littleton/Englewood Wastewater Treatment Plant than was budgeted due to a revised cost allocation study
- Collected \$138,000 more in court fines than was budgeted
- Collected \$164,000 in interest earnings than was budgeted due to increases in General Fund cash balances and investment rates during the year.
- Collected \$176,000 more in property taxes than was budgeted due to the end of the EURA tax increment district.

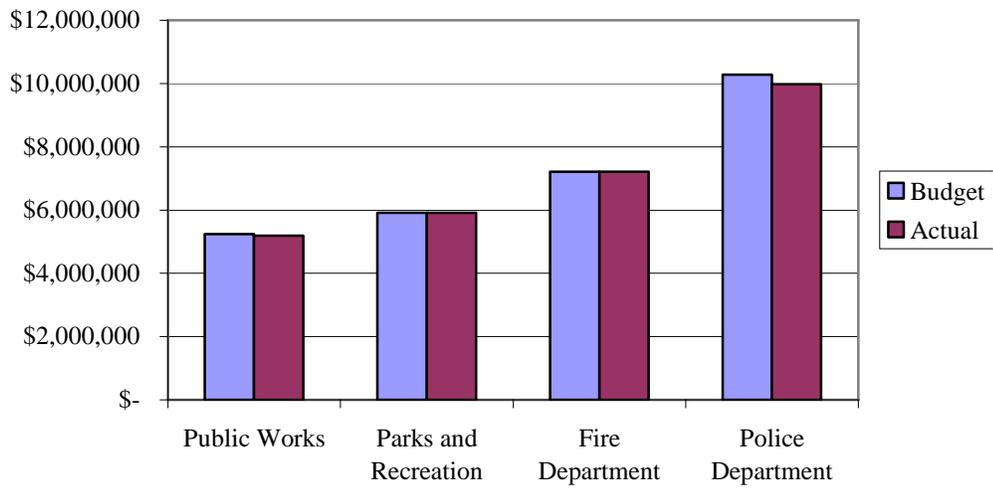
Charts 6 and 7 illustrate the Budget and Actual Revenue and Expenditures for the General Fund.



**Chart 7**  
**Budget and Actual Expenditures by Department, less Transfers - General Fund**

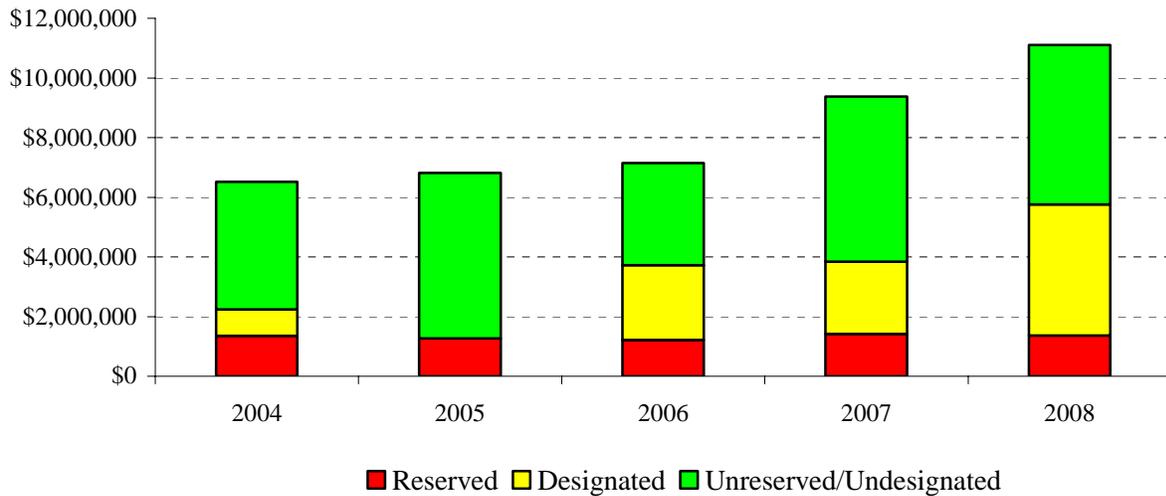


**Chart 7 (Continued)**



Fund Balance represents the accumulated excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses, and therefore reflects cumulative results over time. Total Fund Balance consists of reserved and unreserved portions. Only the unreserved portions are available to finance future operations.

### Components of General Fund Balance 2004 - 2008



**B. Proprietary funds.** The City’s proprietary funds provide the same type of information in the government-wide financial statements, but in more detail.

Net assets of the enterprise operations at December 31, 2008 follow:

	Net Assets	Change in Net Assets
Water	\$ 27,718,762	\$ 533,481
Sewer	33,478,594	352,821
Golf	13,574,906	6,389,091
Storm drainage	2,010,645	(37,164)
Concrete utility	11,968,764	(66,042)
Housing rehabilitation	3,212,615	39,301
	\$ 91,964,286	\$ 7,211,488

Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the City’s business-type activities.

### Capital Assets and Debt Administration

#### A. Capital assets

As can be seen from the table below, the City’s investment in capital assets for its governmental and business-type activities as of December 31, 2008 amounts to \$144.5 million (net of accumulated depreciation). This investment in capital assets includes land, plant, buildings, improvements, machinery and equipment, roads and bridges. The total increase in capital assets for the current year was \$5.2 million, or 4%. Net capital assets of governmental activities decreased approximately \$362,000 while business-type activities increased \$5.6 million, or 9%.

Major capital asset activity during 2008 included the following:

Governmental Activities:

- \$660,000 for construction of Broadway medians
- \$731,682 in rolling stock was replaced as part of the regular capital equipment replacement program.
- \$370,000 for information technology server consolidation
- \$272,000 for partial payment on the Duncan Park land parcel
- \$250,000 for renovations to the Belleview Park restrooms
- \$218,000 for purchase and design of an electronic content management system

Business-type Activities

- As discussed above in the Business-type Activities section, construction was completed on renovations to the golf course. Costs incurred by the City amounting to nearly \$1 million and costs incurred by a private developer who constructed the renovations to the golf course amounting to \$8.3 million were capitalized in 2008.
- \$525,000 in new concrete sidewalks and alley pans was installed in the City.

The following tables provide comparative information on the City's capital assets for 2008 and 2007:

**Capital Assets at Year-end  
(Net of Depreciation)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Land and improvements	\$ 14,883,869	\$ 14,585,812	\$ 11,522,825	\$ 7,972,959	\$ 26,406,694	\$ 22,558,771
Raw water	-	-	6,451,003	6,451,003	6,451,003	6,451,003
Works of art	203,750	192,500	-	-	203,750	192,500
Buildings	27,948,593	27,993,185	18,570,209	18,962,294	46,518,802	46,955,479
Infrastructure	23,545,858	23,194,220	11,711,547	11,530,760	35,257,405	34,724,980
Distribution and collection systems	-	-	12,935,098	12,744,517	12,935,098	12,744,517
Machinery and equipment	6,577,057	5,206,039	1,620,313	1,568,857	8,197,370	6,774,896
Improvements other than buildings	4,483,719	5,196,124	3,279,834	1,226,072	7,763,553	6,422,196
Construction in process	704,266	2,341,499	29,917	112,713	734,183	2,454,212
	<u>\$ 78,347,112</u>	<u>\$ 78,709,379</u>	<u>\$ 66,120,746</u>	<u>\$ 60,569,175</u>	<u>\$ 144,467,858</u>	<u>\$ 139,278,554</u>

Additional information on capital assets can be found in the notes to the financial statements (Note 3C).

## B. Debt Administration

The City's bond ratings carry investment grade ratings as follows:

<u>Bond Issue</u>	<u>Standard &amp; Poor's</u>	<u>Moody's</u>
General Obligation	AA-	A2
COPs	A+	A3
General Obligation Water	AA-	A2
Golf Course Enterprise	Not requested	Not requested
Storm Water Enterprise	Not requested	Not requested

City Charter limits the amount of general obligation debt the City may issue to 3% of its *actual* total valuation. The current debt limitation for the City is \$99,252,036, which is significantly in excess of the City's outstanding general obligation debt of \$11,435,000.

At the end of 2008, the City had total long-term debt of \$102,654,123, as follows:

### Outstanding Debt, at Year-end

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	General obligation bonds	\$ 11,435,000	\$ 12,000,000	\$ 2,735,000	\$ 2,845,000	\$ 14,170,000
Revenue bonds	-	-	4,010,000	4,135,000	4,010,000	4,135,000
Capital leases	18,045,741	18,958,900	-	-	18,045,741	18,958,900
Deferred costs	(78,459)	(87,783)	(84,452)	(102,160)	(162,911)	(189,943)
Notes payable	288,571	381,014	63,985,137	65,671,647	64,273,708	66,052,661
Net OPEB Obligation	64,123	-	-	-	64,123	-
Compensated absences	1,893,385	1,779,105	360,077	355,641	2,253,462	2,134,746
<b>Total</b>	<b>\$ 31,648,361</b>	<b>\$ 33,031,236</b>	<b>\$ 71,005,762</b>	<b>\$ 72,905,128</b>	<b>\$ 102,654,123</b>	<b>\$ 105,936,364</b>

Additional information on the City's long-term obligations can be found in the notes to the financial statements (Note 3E and 3F).

### Next Year's Budgets and Rates

The **2009 Budget** is essentially "status quo." In other words, staffing and service levels are maintained at 2008 levels.

The following were the general guidelines for the 2009 Budget:

- Salary increases are based on union contracts, market surveys and performance reviews.
- Health, dental, and other insurance premiums were negotiated and provided by Human Resources.
- Required pension contributions were determined by applicable actuarial studies (defined benefit) or pre-determined contribution levels (defined contribution).
- The increase for commodities, contractual, and capital expenditures was held as close as possible to 5%; however, increasing energy costs has negatively impacted several departments.
- Capital items were submitted separately, ranked by relative importance and included in the Multiple Year Capital Plan (MYCP).

The 2009 Budget identifies on-going challenges for the City. The 2009 Budget projects an imbalance between revenues and expenditures that negatively influences the fund balance. This is a concern for the "out years" as forecasts project deficits due to expenditures growing faster than revenues.

Through extensive staff and Council review and input, the budget projects an unreserved/undesignated fund balance greater than 10% of revenues. This was accomplished by expenditure reductions, revenue increases, and one-time interfund transfers. The proposed General Fund unreserved/undesignated fund balance for 2008 is projected at 14.39% of revenues, and the proposed undesignated, reserve for 2009 is projected to be 10.78%.

### **Estimated Revenues**

Before interfund transfers, total General Fund revenues are projected at \$39,025,428 for 2009, an increase of 2.0% over the 2008 revenue estimate of \$38,248,529. Sales and use tax revenues, which comprise approximately 60% of General Fund revenues in 2009, are estimated at \$23,632,500, a 2.75% increase over estimated 2008 sales taxes. The sales and use tax estimate is based on historical collections data as well as information from the Community Development Department regarding new businesses anticipated to open or existing businesses expected close in 2008 and in 2009.

### **Expenditure Appropriations**

With 2009 revenues projected at \$39,050,721 and proposed expenditures of \$41,445,148, the unfavorable variance between revenues and expenditures is projected to be \$2,394,427.

**Net Transfers** No Transfer-Out from the General Fund is anticipated for 2009. The Transfer-In to the General Fund is estimated at \$1,481,717.

After taking into account net transfers to the General Fund of \$1,481,717, the projected operating deficit for 2009 is \$912,710.

Salary and wages for all City department budgets are based on the City's performance and market pay philosophy. The City's cost to provide healthcare insurance coverage to eligible employees will increase approximately 8% for 2009. Excluding personnel, fuel and energy costs, minimal increases are proposed for operating and maintenance costs for 2009.

As noted above in the discussion of Business-type activities, both water and sewer rates are increasing in the coming years to deal with increasing costs of operations as well as to fund capital investment in the system.

In the event of General Fund shortfalls in revenues or unanticipated expenditures over the next year and for the next several years, City management and City Council will need to closely monitor expenditures and revenues to maintain the 10% unreserved/undesignated fund balance to total revenue. Looking to 2009 and beyond, the City will be actively looking for ways to reduce operating expenditures and identify new sources of revenues. While this will not be an easy task, it does provide the City with opportunities to develop and utilize new long-term revenue sources and, perhaps, find new ways to deliver services to our citizens. Collectively, it is believed that the City will be able to meet the financial challenges of the future.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Administrative Services, 1000 Englewood Parkway, Englewood, Colorado, 80110-2373.

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## **BASIC FINANCIAL STATEMENTS**

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Net Assets  
December 31, 2008**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 17,963,567	\$ 18,145,320	\$ 36,108,887
Receivables:			
Property taxes	3,984,000	-	3,984,000
Sales and use taxes	2,991,841	-	2,991,841
Interest	214,972	202,667	417,639
Accounts	352,588	3,020,096	3,372,684
Assessments	52,165	-	52,165
Intergovernmental	1,841,185	10,126	1,851,311
Other	-	292,762	292,762
Internal balances	(57,652)	57,652	-
Inventories	159,053	513,704	672,757
Other assets	376,144	-	376,144
Equity in joint venture	-	76,573,886	76,573,886
Restricted assets - cash and investments	160,100	3,931,318	4,091,418
Noncurrent receivables	-	3,400,008	3,400,008
Deferred charge	262,720	282,046	544,766
Lease receivable	-	-	-
Capital assets not being depreciated	15,791,885	18,003,745	33,795,630
Capital assets, net of accumulated depreciation	62,555,227	48,117,001	110,672,228
Total assets	<u>106,647,795</u>	<u>172,550,331</u>	<u>279,198,126</u>
<b>Liabilities</b>			
Accounts payable	917,253	239,457	1,156,710
Accrued payroll and related liabilities	851,380	119,640	971,020
Deferred revenue	3,984,000	-	3,984,000
Unearned revenue	1,214,232	6,330,158	7,544,390
Other liabilities	128,588	1,844,712	1,973,300
Accrued interest payable	102,713	988,664	1,091,377
Liabilities payable from restricted assets	227,887	-	227,887
Noncurrent liabilities:			
Due within one year	3,514,150	2,336,106	5,850,256
Due in more than one year	28,134,211	68,669,656	96,803,867
Total liabilities	<u>39,074,414</u>	<u>80,528,393</u>	<u>119,602,807</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	48,918,979	51,150,411	100,069,390
Restricted:			
Debt service	123,627	431,318	554,945
Parks and recreation	2,988,638	-	2,988,638
Police operations	65,619	-	65,619
Fire operations	3,865	-	3,865
Contractual provisions	80,800	-	80,800
TABOR emergencies	1,280,000	-	1,280,000
Water system	-	4,494,617	4,494,617
Sewer system	-	30,960,644	30,960,644
Storm drainage system	-	985,006	985,006
Concrete system	-	258,438	258,438
Unrestricted	14,111,853	3,741,504	17,853,357
Total net assets	<u>\$ 67,573,381</u>	<u>\$ 92,021,938</u>	<u>\$ 159,595,319</u>

The notes to the financial statements are an integral part of this statement.

Component Units

EURA	EEF	EMRF
\$ 32,424	\$ 795,741	\$ 392,924
-	-	-
-	-	-
362	67,286	7,664
-	-	31,595
-	-	-
-	-	-
-	148	-
-	-	-
-	-	-
-	-	-
-	-	-
-	17,175,000	-
476,000	8,496,257	5,258,386
-	10,611,513	-
<u>508,786</u>	<u>37,222,559</u>	<u>5,706,790</u>
-	147,943	15,652
-	-	-
-	-	-
-	-	-
-	-	-
-	60,203	-
-	-	-
-	860,000	-
-	16,315,000	-
<u>-</u>	<u>17,383,146</u>	<u>15,652</u>
476,000	19,107,770	5,258,386
-	-	-
-	-	-
-	-	-
-	-	-
60	-	-
-	-	-
-	-	-
-	-	-
-	-	-
32,726	731,643	432,752
<u>\$ 508,786</u>	<u>\$ 19,839,413</u>	<u>\$ 5,691,138</u>

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Activities  
For the Year Ended December 31, 2008**

<b>Function/Program Activities</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Permits, Fees, Fines, and Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental Activities:				
General government	\$ 8,649,466	\$ 4,036,678	\$ 305,474	\$ -
Public safety	17,408,124	1,391,330	85,432	-
Public works	8,882,979	408,740	1,582,376	497,852
Culture and recreation	8,137,512	2,478,692	1,379,727	10,889
Interest and fiscal charges	1,371,556	-	-	-
Unallocated depreciation	428,458	-	-	-
Total governmental activities	<u>44,878,095</u>	<u>8,315,440</u>	<u>3,353,009</u>	<u>508,741</u>
Business-type Activities:				
Water	7,703,058	7,969,168	236,050	55,293
Sewer	12,409,323	10,592,498	938,230	1,282,569
Golf	2,061,201	1,928,427	45,522	-
Storm	413,535	320,720	57,579	-
Concrete	662,462	552,154	23,386	-
Housing Rehabilitation	595,345	502,163	154,289	-
Total business-type activities	<u>23,844,924</u>	<u>21,865,130</u>	<u>1,455,056</u>	<u>1,337,862</u>
Total primary government	<u>\$ 68,723,019</u>	<u>\$ 30,180,570</u>	<u>\$ 4,808,065</u>	<u>\$ 1,846,603</u>
<b>Component Units:</b>				
EURA	\$ 6,906	\$ -	\$ -	\$ -
EEF	3,497,535	1,374,045	-	733,739
EMRF	942,861	12,853	-	3,200,000
Total component units	<u>\$ 4,447,302</u>	<u>\$ 1,386,898</u>	<u>\$ -</u>	<u>\$ 3,933,739</u>

General revenues:  
Property taxes  
Sales and use taxes  
Franchise tax and other taxes  
Unrestricted investment earnings  
Unrestricted grants and contributions  
Miscellaneous  
Special item - developer contribution  
Special item - loss on disposition of assets  
Transfers, net  
Total general revenues  
Change in net assets  
Net assets - beginning  
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenues and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	EURA	EEF	EMRF
\$ (4,307,314)		\$ (4,307,314)			
(15,931,362)		(15,931,362)			
(6,394,011)		(6,394,011)			
(4,268,204)		(4,268,204)			
(1,371,556)		(1,371,556)			
(428,458)		(428,458)			
<u>(32,700,905)</u>		<u>(32,700,905)</u>			
-	\$ 557,453	557,453			
-	403,974	403,974			
-	(87,252)	(87,252)			
-	(35,236)	(35,236)			
-	(86,922)	(86,922)			
-	61,107	61,107			
-	<u>813,124</u>	<u>813,124</u>			
<u>(32,700,905)</u>	<u>813,124</u>	<u>(31,887,781)</u>			
			\$ (6,906)	\$ -	\$ -
			-	(1,389,751)	-
			-	-	2,269,992
			<u>(6,906)</u>	<u>(1,389,751)</u>	<u>2,269,992</u>
4,479,724	-	4,479,724	-	-	-
24,639,023	-	24,639,023	-	-	-
2,860,035	-	2,860,035	-	-	-
955,958	-	955,958	1,674	31,418	20,024
58,079	-	58,079	-	-	-
1,066,518	-	1,066,518	-	-	-
-	8,317,580	8,317,580	-	-	-
-	(2,820,241)	(2,820,241)	-	-	-
(986,164)	986,164	-	-	-	-
<u>33,073,173</u>	<u>6,483,503</u>	<u>39,556,676</u>	<u>1,674</u>	<u>31,418</u>	<u>20,024</u>
372,268	7,296,627	7,668,895	(5,232)	(1,358,333)	2,290,016
67,201,113	84,725,311	151,926,424	514,018	21,197,746	3,401,122
<u>\$ 67,573,381</u>	<u>\$ 92,021,938</u>	<u>\$ 159,595,319</u>	<u>\$ 508,786</u>	<u>\$ 19,839,413</u>	<u>\$ 5,691,138</u>

**CITY OF ENGLEWOOD, COLORADO**

**Balance Sheet  
Governmental Funds  
December 31, 2008**

<b>Assets</b>	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and investments	\$ 9,910,648	\$ 4,474,401	\$ 14,385,049
Receivables:			
Property taxes	2,993,000	991,000	3,984,000
Sales and use taxes	2,908,256	83,585	2,991,841
Interest	123,108	53,192	176,300
Accounts	294,159	19,648	313,807
Assessments	52,165	-	52,165
Intergovernmental	207,527	1,633,658	1,841,185
Due from other funds	10,380	-	10,380
Other assets	6,048	-	6,048
Total assets	<u>\$ 16,505,291</u>	<u>\$ 7,255,484</u>	<u>\$ 23,760,775</u>
<b>Liabilities and fund balances</b>			
Liabilities:			
Accounts payable	\$ 574,659	\$ 342,594	\$ 917,253
Accrued payroll and related liabilities	749,790	-	749,790
Due to other funds	-	10,380	10,380
Deferred revenue	3,024,922	991,000	4,015,922
Unearned revenue	1,018,925	195,307	1,214,232
Other liabilities	34,232	-	34,232
Total liabilities	<u>5,402,528</u>	<u>1,539,281</u>	<u>6,941,809</u>
Fund Balances:			
Reserved for:			
Parks and recreation	-	2,988,638	2,988,638
Police operations	-	65,619	65,619
Fire operations	-	3,865	3,865
Debt service	-	166,137	166,137
Contractual provisions	80,800	-	80,800
TABOR emergencies	1,280,000	-	1,280,000
Unreserved:			
Designated (reported in):			
General fund	4,397,853	-	4,397,853
Special revenue funds	-	32,182	32,182
Capital projects funds	-	2,017,325	2,017,325
Undesignated (reported in):			
General fund	5,344,110	-	5,344,110
Special revenue funds	-	54,152	54,152
Capital projects funds	-	388,285	388,285
Total fund balances	<u>11,102,763</u>	<u>5,716,203</u>	<u>16,818,966</u>
Total liabilities and fund balances	<u>\$ 16,505,291</u>	<u>\$ 7,255,484</u>	<u>\$ 23,760,775</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ENGLEWOOD, COLORADO**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets  
December 31, 2008**

Total fund balances for governmental funds		\$ 16,818,966
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 14,543,772	
Works of art	203,750	
Construction in process	704,266	
Infrastructure, net of \$7,684,613 accumulated depreciation	23,547,227	
Buildings and improvements, net of \$10,127,702 accumulated depreciation	27,798,195	
Equipment, net of \$7,129,172 accumulated depreciation	3,150,439	
Other improvements, net of \$1,135,527 accumulated depreciation	<u>4,452,040</u>	74,399,689
Bond issue costs are not financial resources and, therefore, are not reported in the funds:		
		262,720
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets.		
Balances at December 31, 2008 are:		
Bonds payable	(11,435,000)	
Notes payable	(288,570)	
Capital leases	(18,045,742)	
Plus Issuance premium (to be amortized as interest expense)	(333,756)	
Less Deferred loss on refunding (to be amortized as interest expense)	412,215	
Compensated absences	(1,893,385)	
Postemployment benefits	<u>(64,123)</u>	(31,648,361)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due:		
		(102,713)
Special assessments are long-term assets and are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
		31,922
Internal Service Funds are used by management to charge the costs of fleet management, printing and copying, and insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:		
		<u>7,811,158</u>
Net assets of governmental activities		<u><u>\$ 67,573,381</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2008**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ 3,312,232	\$ 1,167,492	\$ 4,479,724
Sales and use taxes	22,617,767	2,021,256	24,639,023
Franchise and other taxes	2,860,035	-	2,860,035
Licenses and permits	671,609	-	671,609
Intergovernmental revenue	1,079,285	2,840,544	3,919,829
Charges for services	5,809,419	211,894	6,021,313
Fines and forfeitures	1,461,100	-	1,461,100
Special assessments	31,922	-	31,922
Net investment income	520,325	271,001	791,326
Other	814,966	135,506	950,472
Total revenue	<u>39,178,660</u>	<u>6,647,693</u>	<u>45,826,353</u>
<b>Expenditures</b>			
Current:			
General government	7,648,789	583,273	8,232,062
Public safety	17,190,369	72,684	17,263,053
Public works	5,189,173	2,308,563	7,497,736
Culture and recreation	7,177,561	780,976	7,958,537
Capital outlay	-	3,020,685	3,020,685
Debt service:			
Principal	1,005,602	565,000	1,570,602
Interest and other fiscal charges	803,704	531,335	1,335,039
Total expenditures	<u>39,015,198</u>	<u>7,862,516</u>	<u>46,877,714</u>
Excess revenues over (under) expenditures	<u>163,462</u>	<u>(1,214,823)</u>	<u>(1,051,361)</u>
<b>Other financing sources (uses)</b>			
Transfers in	1,973,789	1,023,450	2,997,239
Transfers out	<u>(408,915)</u>	<u>(2,428,324)</u>	<u>(2,837,239)</u>
Total other financing sources (uses)	<u>1,564,874</u>	<u>(1,404,874)</u>	<u>160,000</u>
Net change in fund balances	1,728,336	(2,619,697)	(891,361)
Fund balances - beginning	<u>9,374,427</u>	<u>8,335,900</u>	<u>17,710,327</u>
Fund balances - ending	<u>\$ 11,102,763</u>	<u>\$ 5,716,203</u>	<u>\$ 16,818,966</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ENGLEWOOD, COLORADO**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2008**

Net Change in fund balances-total governmental funds		\$ (891,361)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$3,122,923) exceeded depreciation (\$2,920,995) in the current period.		201,928
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and transfers) is to increase net assets. In the statement of activities, only the gain on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition, if any, increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the asset disposed.		
Loss on disposition of assets		(12,668)
Loss related to assets contributed to business-type activities		(606,648)
Governmental funds report special assessments as revenues in the period they are received. In the statement of activities, however, they are recorded as revenues in the year they are assessed.		(31,922)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Adjustment to compensated absences liability	\$ (114,280)	
Adjustment to postemployment benefit obligation	(64,123)	(178,403)
The issuance of long-term debt and capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and capital leases consume current financial resources of governmental funds. These transactions, however, have no effect on net assets.		
Repayments:		
General Obligation Bonds	565,000	
Notes	92,443	
Capital leases	913,159	1,570,602
Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued and accreted interest, amortization of bond premiums, issue costs and refunding losses.		
Increase in accrued interest on long-term debt	4,029	
Amortization of premium	39,663	
Amortization of deferred loss	(48,987)	
Amortization of issuance costs	(31,222)	(36,517)
Internal service funds are used by management to charge the costs of fleet management, printing and copying, and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		357,257
Change in net assets of governmental activities		\$ 372,268

The notes to the financial statements are an integral part of this statement.

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**CITY OF ENGLEWOOD, COLORADO**

**General Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
<b>Taxes</b>					
Property	\$ 2,820,000	\$ 2,820,000	\$ 2,995,990	\$ 175,990	\$ 2,623,118
Specific ownership	395,993	395,993	316,242	(79,751)	341,423
Sales and use	22,000,000	22,000,000	22,617,767	617,767	22,753,820
Franchise	2,545,448	2,545,448	2,588,214	42,766	2,356,385
Cigarette	280,000	280,000	261,743	(18,257)	278,785
Hotel/motel	8,500	8,500	10,078	1,578	9,722
Total taxes	<u>28,049,941</u>	<u>28,049,941</u>	<u>28,790,034</u>	<u>740,093</u>	<u>28,363,253</u>
<b>Licenses and Permits</b>					
Business licenses and permits	140,450	140,450	161,876	21,426	155,152
Building licenses and permits	434,975	434,975	509,733	74,758	1,013,825
Total licenses and permits	<u>575,425</u>	<u>575,425</u>	<u>671,609</u>	<u>96,184</u>	<u>1,168,977</u>
<b>Intergovernmental</b>					
State shared revenue	1,021,007	1,021,007	950,132	(70,875)	987,990
Federal grants	42,646	42,646	71,886	29,240	61,144
State grants	28,920	28,920	33,199	4,279	34,848
Payment in lieu of taxes	23,000	23,000	24,068	1,068	22,298
Total intergovernmental revenue	<u>1,115,573</u>	<u>1,115,573</u>	<u>1,079,285</u>	<u>(36,288)</u>	<u>1,106,280</u>
<b>Charges for Services</b>					
Recreation programs	2,266,998	2,436,998	2,364,758	(72,240)	2,235,938
General government	1,699,284	1,714,284	1,963,716	249,432	1,734,374
Public safety	758,464	844,464	777,582	(66,882)	720,866
Administration of joint venture	335,000	335,000	385,688	50,688	346,082
Court costs	189,770	189,770	193,028	3,258	184,947
Highway and street	96,500	96,500	143,153	46,653	114,645
School District No. 1	12,880	12,880	13,416	536	12,636
Total charges for services	<u>5,358,896</u>	<u>5,629,896</u>	<u>5,841,341</u>	<u>211,445</u>	<u>5,349,488</u>
<b>Fines and Forfeitures</b>					
Court fines	1,299,730	1,299,730	1,438,159	138,429	1,423,800
Library fines	25,000	25,000	22,746	(2,254)	21,691
Property and liability fines	2,000	2,000	195	(1,805)	150
Total fines and forfeitures	<u>1,326,730</u>	<u>1,326,730</u>	<u>1,461,100</u>	<u>134,370</u>	<u>1,445,641</u>
<b>Net Investment Income</b>	<u>355,500</u>	<u>355,500</u>	<u>520,325</u>	<u>164,825</u>	<u>411,516</u>
<b>Other</b>	<u>295,385</u>	<u>894,527</u>	<u>814,966</u>	<u>(79,561)</u>	<u>166,247</u>
<b>Total Revenues</b>	<u>37,077,450</u>	<u>37,947,592</u>	<u>39,178,660</u>	<u>1,231,068</u>	<u>38,011,402</u>

(Continued)

**CITY OF ENGLEWOOD, COLORADO**

**General Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007  
(Continued)**

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2007 Actual
	Original	Final		Positive (Negative)	
<b>Current:</b>					
<b>General Government</b>					
<b>Legislation</b>					
City Council	\$ 300,821	\$ 300,821	\$ 299,816	\$ 1,005	\$ 310,325
Board of Adjustments and Appeals	2,223	2,223	1,021	1,202	994
Planning and Zoning Commission	4,545	4,545	1,398	3,147	1,806
Library Board	2,825	2,825	2,667	158	3,428
Parks and Recreation Commission	1,409	1,409	3,164	(1,755)	2,011
Cultural Arts Commission	1,600	1,600	197	1,403	1,789
Code Enforcement Advisory Commission	500	500	100	400	39
Alliance for Commerce in Englewood	5,065	5,065	2,337	2,728	3,226
Transportation Advisory Commission	625	625	256	369	346
Keep Englewood Beautiful Comission	31,900	31,900	39,298	(7,398)	-
Subtotal Legislation	351,513	351,513	350,254	1,259	323,964
<b>City Attorney</b>	762,280	762,280	698,563	63,717	694,358
<b>Municipal Court</b>	982,006	982,006	915,303	66,703	890,152
<b>City Manager</b>	679,806	679,806	674,322	5,484	673,949
<b>Community Development</b>	1,576,862	1,576,862	1,464,725	112,137	1,412,444
<b>Human Resources</b>					
Administration	444,574	444,574	427,059	17,515	436,008
Employee services	125,900	134,600	152,077	(17,477)	121,847
Subtotal Human Resources	570,474	579,174	579,136	38	557,855
<b>Finance and Administrative Services</b>					
Administration	307,715	307,715	309,304	(1,589)	291,310
City Clerk	358,389	358,389	305,606	52,783	283,552
Accounting	495,693	495,693	478,305	17,388	425,437
Revenue and budget	470,954	470,954	461,816	9,138	477,808
Purchasing	91,678	91,678	71,540	20,138	89,967
Subtotal Finance and Administrative Services	1,724,429	1,724,429	1,626,571	97,858	1,568,074
<b>Information Technology</b>	1,289,131	1,289,131	1,280,156	8,975	1,254,364
<b>Contingency</b>	100,000	100,000	59,759	40,241	130,925
<b>Total General Government</b>	8,036,501	8,045,201	7,648,789	396,412	7,506,085

(Continued)

**CITY OF ENGLEWOOD, COLORADO**

**General Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>	
<b>Police Department</b>					
Administration	\$ 720,306	\$ 720,306	\$ 602,533	\$ 117,773	\$ 794,532
Communications and records	1,515,153	1,515,153	1,260,899	254,254	1,249,952
Police operations	7,511,154	7,511,154	7,594,148	(82,994)	7,108,250
Neighborhood services	532,788	532,788	517,345	15,443	503,976
<b>Total Police Department</b>	<u>10,279,401</u>	<u>10,279,401</u>	<u>9,974,925</u>	<u>304,476</u>	<u>9,656,710</u>
<b>Fire Department</b>					
Fire operations	6,421,659	6,520,659	6,593,519	(72,860)	6,075,148
Building and safety	695,164	695,164	621,925	73,239	765,501
<b>Total Fire Department</b>	<u>7,116,823</u>	<u>7,215,823</u>	<u>7,215,444</u>	<u>379</u>	<u>6,840,649</u>
<b>Public Works</b>					
Administration	601,825	601,825	611,297	(9,472)	576,224
Engineering	377,159	377,159	328,660	48,499	332,448
Streets and drainage	1,983,312	1,983,312	1,959,726	23,586	2,304,608
Traffic maintenance	723,499	723,499	708,961	14,538	681,552
General operations and maintenance	1,555,505	1,555,505	1,580,529	(25,024)	1,526,942
<b>Total Public Works</b>	<u>5,241,300</u>	<u>5,241,300</u>	<u>5,189,173</u>	<u>52,127</u>	<u>5,421,774</u>
<b>Parks and Recreation</b>					
Administration	737,832	737,832	742,138	(4,306)	705,128
Recreation programs and operations	3,100,753	3,304,753	3,345,415	(40,662)	3,074,839
Parks	1,874,845	1,874,845	1,828,896	45,949	1,786,127
<b>Total Parks and Recreation</b>	<u>5,713,430</u>	<u>5,917,430</u>	<u>5,916,449</u>	<u>981</u>	<u>5,566,094</u>
<b>Library Services</b>	<u>1,294,640</u>	<u>1,294,640</u>	<u>1,261,112</u>	<u>33,528</u>	<u>1,259,525</u>
<b>Debt Service</b>					
Principal	1,005,602	1,005,602	1,005,602	-	1,074,228
Interest and other charges	805,854	805,854	803,704	2,150	795,533
<b>Total debt service</b>	<u>1,811,456</u>	<u>1,811,456</u>	<u>1,809,306</u>	<u>2,150</u>	<u>1,869,761</u>
<b>Total expenditures</b>	<u>39,493,551</u>	<u>39,805,251</u>	<u>39,015,198</u>	<u>790,053</u>	<u>38,120,598</u>
<b>Excess revenues over (under) expenditures</b>	<u>(2,416,101)</u>	<u>(1,857,659)</u>	<u>163,462</u>	<u>2,021,121</u>	<u>(109,196)</u>
<b>Other financing sources (uses)</b>					
Transfers in	1,973,789	1,973,789	1,973,789	-	2,902,197
Transfers out	-	(408,915)	(408,915)	-	(561,876)
<b>Total other financing sources</b>	<u>1,973,789</u>	<u>1,564,874</u>	<u>1,564,874</u>	<u>-</u>	<u>2,340,321</u>
<b>Net change in fund balances</b>	<u>(442,312)</u>	<u>(292,785)</u>	<u>1,728,336</u>	<u>2,021,121</u>	<u>2,231,125</u>
<b>Fund Balance - beginning</b>	<u>5,343,183</u>	<u>9,374,427</u>	<u>9,374,427</u>	<u>-</u>	<u>7,143,302</u>
<b>Fund Balance - ending</b>	<u>\$ 4,900,871</u>	<u>\$ 9,081,642</u>	<u>\$11,102,763</u>	<u>\$ 2,021,121</u>	<u>\$ 9,374,427</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2008**

	<b>Business-type Activities -</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Golf</b>	<b>Storm Drainage</b>
<b>Assets</b>				
Current assets:				
Cash and investments - unrestricted	\$ 2,621,023	\$ 12,791,683	\$ 745,806	\$ 997,984
Cash and investments - restricted:				
Loan operations and maintenance account	1,250,000	1,250,000	-	-
Insurance claims	-	-	-	-
Interest receivable	37,332	136,164	9,737	11,145
Accounts receivable	967,185	1,948,199	58,841	14,099
Due from other governments	-	-	-	-
Notes receivable	-	-	-	-
Other receivables	4,336	222,615	-	-
Inventory	125,731	7,061	29,259	-
Other assets	-	-	-	-
Total current assets	<u>5,005,607</u>	<u>16,355,722</u>	<u>843,643</u>	<u>1,023,228</u>
Noncurrent assets:				
Cash and investable - restricted:				
Revenue bond future debt service	-	-	293,500	137,818
Capital replacement	-	1,000,000	-	-
Equity in joint venture	-	76,573,886	-	-
Deferred charge	97,130	93,638	66,509	24,769
Notes receivable	-	-	-	-
Capital assets not being depreciated	7,537,355	59,500	10,406,890	-
Capital assets, net of accumulated depreciation	<u>26,849,948</u>	<u>2,472,321</u>	<u>4,962,691</u>	<u>2,120,494</u>
Total noncurrent assets	<u>34,484,433</u>	<u>80,199,345</u>	<u>15,729,590</u>	<u>2,283,081</u>
Total assets	<u>\$ 39,490,040</u>	<u>\$ 96,555,067</u>	<u>\$16,573,233</u>	<u>\$ 3,306,309</u>

<b>Enterprise Funds</b>			<b>Governmental Activities Internal Service Funds</b>
<b>Concrete Utility</b>	<b>Housing Rehabilitation</b>	<b>Total</b>	
\$ 304,619	\$ 684,205	\$ 18,145,320	\$ 3,578,518
-	-	2,500,000	-
-	-	-	160,100
4,674	3,615	202,667	38,672
31,772	-	3,020,096	38,781
-	10,126	10,126	-
-	65,811	65,811	-
-	-	226,951	-
-	351,653	513,704	159,053
-	-	-	370,096
<u>341,065</u>	<u>1,115,410</u>	<u>24,684,675</u>	<u>4,345,220</u>
-	-	431,318	-
-	-	1,000,000	-
-	-	76,573,886	-
-	-	282,046	-
-	3,400,008	3,400,008	-
-	-	18,003,745	340,097
11,711,547	-	48,117,001	3,607,326
<u>11,711,547</u>	<u>3,400,008</u>	<u>147,808,004</u>	<u>3,947,423</u>
<u>\$ 12,052,612</u>	<u>\$ 4,515,418</u>	<u>\$ 172,492,679</u>	<u>\$ 8,292,643</u>

(Continued)

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Net Assets**

**Proprietary Funds**

**December 31, 2008**

(Continued)

	<b>Business-type Activities -</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Golf</b>	<b>Storm Drainage</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 135,207	\$ 9,024	\$ 52,005	\$ 1,867
Accounts payable from restricted assets	-	-	-	-
Accrued wages and related liabilities	64,028	26,414	19,337	1,674
Compensated absences	185,668	72,551	73,125	7,135
Unearned revenue	57,151	6,053,113	150,000	24,608
Other current liabilities	-	1,824,527	20,185	-
Accrued interest payable	96,029	874,128	13,127	5,380
General Obligation bonds payable - current	110,000	-	-	-
Revenue bonds payable - current	-	-	55,000	70,000
Notes payable - current	755,852	949,177	-	-
Total current liabilities	<u>1,403,935</u>	<u>9,808,934</u>	<u>382,779</u>	<u>110,664</u>
Noncurrent liabilities:				
General Obligation bonds payable	2,625,000	-	-	-
Revenue bonds payable	-	-	2,700,000	1,185,000
Notes payable	7,742,343	53,267,539	-	-
Deferred amount on refunding	-	-	(84,452)	-
Total noncurrent liabilities	<u>10,367,343</u>	<u>53,267,539</u>	<u>2,615,548</u>	<u>1,185,000</u>
Total liabilities	<u>11,771,278</u>	<u>63,076,473</u>	<u>2,998,327</u>	<u>1,295,664</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	23,251,238	2,531,821	12,765,542	890,263
Restricted:				
Debt service	-	-	293,500	137,818
Unrestricted	4,467,524	30,946,773	515,864	982,564
Total net assets	<u>\$ 27,718,762</u>	<u>\$ 33,478,594</u>	<u>\$13,574,906</u>	<u>\$ 2,010,645</u>

The notes to the financial statements are an integral part of this statement.

<b>Enterprise Funds</b>			<b>Governmental Activities Internal Service Funds</b>
<b>Concrete Utility</b>	<b>Housing Rehabilitation</b>	<b>Total</b>	
\$ 28,777	\$ 12,577	\$ 239,457	\$ 79,874
-	-	-	21,716
8,187	-	119,640	27,885
21,598	-	360,077	66,471
25,286	20,000	6,330,158	-
-	-	1,844,712	227,887
-	-	988,664	-
-	-	110,000	-
-	-	125,000	-
-	36,000	1,741,029	-
<u>83,848</u>	<u>68,577</u>	<u>11,858,737</u>	<u>423,833</u>
-	-	2,625,000	-
-	-	3,885,000	-
-	1,234,226	62,244,108	-
-	-	(84,452)	-
-	1,234,226	68,669,656	-
<u>83,848</u>	<u>1,302,803</u>	<u>80,528,393</u>	<u>423,833</u>
11,711,547	-	51,150,411	3,947,423
-	-	431,318	-
<u>257,217</u>	<u>3,212,615</u>	<u>40,382,557</u>	<u>3,921,387</u>
<u>\$ 11,968,764</u>	<u>\$ 3,212,615</u>	<u>91,964,286</u>	<u>\$ 7,868,810</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

57,652

Net assets of business type activities \$ 92,021,938

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2008**

	<b>Business-type Activities -</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Golf</b>	<b>Storm Drainage</b>
<b>Operating revenues</b>				
Charges for sales and services:				
Service fees	\$ 5,923,560	\$ 10,592,498	\$ 1,073,486	\$ 320,720
Raw water sales	1,969,543	-	-	-
City ditch revenue	51,038	-	-	-
Concessions	-	-	156,284	-
Interest from notes	-	-	-	-
Property sales	-	-	-	-
Other	25,027	-	698,657	-
Total operating revenues	<u>7,969,168</u>	<u>10,592,498</u>	<u>1,928,427</u>	<u>320,720</u>
<b>Operating expenses</b>				
Direct system operating costs:				
Source of supply	1,677,403	-	-	-
Power and pumping	870,851	-	-	-
Purification	1,659,830	-	-	-
Transmission and distribution	663,318	-	-	-
Sanitary system	-	526,767	-	-
Storm drainage system	-	-	-	20,632
Concrete repair & maintenance program	-	-	-	-
Cost of sales	-	-	-	-
Total direct system operating costs	<u>4,871,402</u>	<u>526,767</u>	<u>-</u>	<u>20,632</u>
Littleton/Englewood WWTP operating expenses	-	6,694,990	-	-
Personal services	453,057	654,243	977,574	61,167
Customer accounting and collection	473,340	1,308,142	-	-
Commodities and contractual services	418,533	456,138	561,583	24,070
Other	169,061	316,587	104,030	-
Depreciation	1,101,709	239,296	241,976	238,823
Total operating expenses	<u>7,487,102</u>	<u>10,196,163</u>	<u>1,885,163</u>	<u>344,692</u>
<b>Operating income (loss)</b>	<u>482,066</u>	<u>396,335</u>	<u>43,264</u>	<u>(23,972)</u>
<b>Nonoperating revenues (expense)</b>				
Net investment income	160,610	865,083	42,467	50,245
Grant income	-	-	-	-
Interest expense	(506,960)	(1,528,219)	(177,202)	(67,450)
Net loss from joint venture	-	(729,290)	-	-
Gain (loss) on disposition of assets	280,675	-	(2,820,241)	-
Amortization of issue costs	(13,643)	(6,804)	(5,996)	(3,321)
Other, net	75,440	73,147	3,055	7,334
Total nonoperating revenues (expenses)	<u>(3,878)</u>	<u>(1,326,083)</u>	<u>(2,957,917)</u>	<u>(13,192)</u>
<b>Income (loss) before contributions and transfers</b>	<u>478,188</u>	<u>(929,748)</u>	<u>(2,914,653)</u>	<u>(37,164)</u>
Capital contributions - tap fees	55,293	1,282,569	-	-
Capital contributions - other	-	-	986,164	-
Special item - developer contribution	-	-	8,317,580	-
Transfers out	-	-	-	-
<b>Change in net assets</b>	<u>533,481</u>	<u>352,821</u>	<u>6,389,091</u>	<u>(37,164)</u>
<b>Total net assets - beginning</b>	<u>27,185,281</u>	<u>33,125,773</u>	<u>7,185,815</u>	<u>2,047,809</u>
<b>Total net assets - ending</b>	<u>\$ 27,718,762</u>	<u>\$ 33,478,594</u>	<u>\$ 13,574,906</u>	<u>\$ 2,010,645</u>

The notes to the financial statements are an integral part of this statement.

<b>Enterprise Funds</b>			<b>Governmental</b>
<b>Concrete</b>	<b>Housing</b>		<b>Activities -</b>
<b>Utility</b>	<b>Rehabilitation</b>	<b>Total</b>	<b>Internal Service</b>
			<b>Funds</b>
\$ 552,154	\$ -	\$ 18,462,418	\$ 9,110,869
-	-	1,969,543	-
-	-	51,038	-
-	-	156,284	-
-	273,163	273,163	-
-	229,000	229,000	-
-	-	723,684	161,418
<u>552,154</u>	<u>502,163</u>	<u>21,865,130</u>	<u>9,272,287</u>
-	-	1,677,403	-
-	-	870,851	-
-	-	1,659,830	-
-	-	663,318	-
-	-	526,767	-
-	-	20,632	-
124,105	-	124,105	-
-	294,247	294,247	-
<u>124,105</u>	<u>294,247</u>	<u>5,837,153</u>	<u>-</u>
-	-	6,694,990	-
172,255	-	2,318,296	1,101,079
-	3,812	1,785,294	-
979	23,723	1,485,026	7,108,712
-	241,354	831,032	-
<u>366,049</u>	<u>-</u>	<u>2,187,853</u>	<u>749,641</u>
<u>663,388</u>	<u>563,136</u>	<u>21,139,644</u>	<u>8,959,432</u>
<u>(111,234)</u>	<u>(60,973)</u>	<u>725,486</u>	<u>312,855</u>
21,424	20,878	1,160,707	164,632
-	132,763	132,763	-
-	(54,015)	(2,333,846)	-
-	-	(729,290)	-
-	-	(2,539,566)	71,086
-	-	(29,764)	-
1,962	648	161,586	8,863
<u>23,386</u>	<u>100,274</u>	<u>(4,177,410)</u>	<u>244,581</u>
<u>(87,848)</u>	<u>39,301</u>	<u>(3,451,924)</u>	<u>557,436</u>
-	-	1,337,862	-
21,806	-	1,007,970	44,960
-	-	8,317,580	-
-	-	-	(160,000)
<u>(66,042)</u>	<u>39,301</u>	<u>7,211,488</u>	<u>442,396</u>
<u>12,034,806</u>	<u>3,173,314</u>		<u>7,426,414</u>
<u>\$ 11,968,764</u>	<u>\$ 3,212,615</u>		<u>\$ 7,868,810</u>

Adjustment to reflect the consolidation of  
internal service fund activities related to  
enterprise funds

85,139

Change in net assets of business-type activities

\$ 7,296,627

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2008**

	<b>Business-type Activities -</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Golf Course</b>	<b>Storm Drainage</b>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 8,015,733	\$ 11,481,171	\$ 2,131,221	\$ 322,181
Collections of program loan principal	-	-	-	-
Interest received from borrowers	-	-	-	-
Program loans issued	-	-	-	-
Cash payments to suppliers for goods and services	(4,113,427)	(8,945,619)	(660,409)	(42,896)
Cash payments to employees for services	(2,401,233)	(1,015,080)	(963,144)	(60,642)
Other cash received	175,440	73,147	3,055	7,334
Net cash provided (used) by operating activities	<u>1,676,513</u>	<u>1,593,619</u>	<u>510,723</u>	<u>225,977</u>
<b>Cash flows from noncapital financing activities</b>				
Operating grants received	-	-	-	-
Line of credit advances	-	-	-	-
Principal paid on debt obligation	-	-	-	-
Interest paid on debt obligation	-	-	-	-
Transfers to other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Contributed capital	55,293	1,282,569	-	-
Proceeds from sale of assets	280,675	-	-	-
Acquisition and construction of capital assets	(620,364)	(54,000)	(105,343)	-
Acquisitions and construction of joint venture assets	-	(4,599,202)	-	-
Principal paid on long-term debt	(845,276)	(886,755)	(55,000)	(70,000)
Interest paid on long-term debt	(509,816)	(1,690,089)	(159,673)	(67,713)
Net cash (used) by capital related financing activities	<u>(1,639,488)</u>	<u>(5,947,477)</u>	<u>(320,016)</u>	<u>(137,713)</u>
<b>Cash flows from investing activities</b>				
Net investment income	148,543	857,779	39,090	48,080
<b>Net increase (decrease) in cash and cash equivalents</b>	185,568	(3,496,079)	229,797	136,344
<b>Cash and cash equivalents - beginning</b>	<u>3,685,455</u>	<u>18,537,762</u>	<u>809,509</u>	<u>999,458</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 3,871,023</u></u>	<u><u>\$ 15,041,683</u></u>	<u><u>\$ 1,039,306</u></u>	<u><u>\$ 1,135,802</u></u>

<b>Enterprise Funds</b>			<b>Governmental</b>
<b>Concrete</b>	<b>Housing</b>		<b>Activities -</b>
<b>Utility</b>	<b>Rehabilitation</b>	<b>Total</b>	<b>Internal Service</b>
			<b>Funds</b>
\$ 551,845	\$ 229,000	\$ 22,731,151	\$ 9,241,966
-	274,713	274,713	-
-	105,163	105,163	-
-	(497,413)	(497,413)	-
(12,465)	(373,367)	(14,148,183)	(7,140,005)
(276,579)	-	(4,716,678)	(1,089,608)
1,962	648	261,586	8,863
<u>264,763</u>	<u>(261,256)</u>	<u>4,010,339</u>	<u>1,021,216</u>
-	122,637	122,637	-
-	262,220	262,220	-
-	(164,399)	(164,399)	-
-	(54,015)	(54,015)	-
-	-	-	(160,000)
<u>-</u>	<u>166,443</u>	<u>166,443</u>	<u>(160,000)</u>
-	-	1,337,862	-
-	-	280,675	171,281
(514,443)	-	(1,294,150)	(790,980)
-	-	(4,599,202)	-
-	-	(1,857,031)	-
-	-	(2,427,291)	-
<u>(514,443)</u>	<u>-</u>	<u>(8,559,137)</u>	<u>(619,699)</u>
<u>23,174</u>	<u>23,210</u>	<u>1,139,876</u>	<u>158,365</u>
(226,506)	(71,603)	(3,242,479)	399,882
<u>531,125</u>	<u>755,808</u>	<u>25,319,117</u>	<u>3,338,736</u>
<u>\$ 304,619</u>	<u>\$ 684,205</u>	<u>\$ 22,076,638</u>	<u>\$ 3,738,618</u>

(Continued)

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2008  
(Continued)**

	<b>Business-type Activities -</b>			
	<b>Water</b>	<b>Sewer</b>	<b>Golf Course</b>	<b>Storm Drainage</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 482,066	\$ 396,335	\$ 43,264	\$ (23,972)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,101,709	239,296	241,976	238,823
Miscellaneous nonoperating income	175,440	73,147	3,055	7,334
Effect of changes in operating assets and liabilities:				
Accounts receivable	15,245	312,697	213,707	1,347
Other receivables	31,684	(693)	-	-
Inventory	89,400	(3,335)	11,515	-
Other current assets	-	-	-	-
Accounts payable	(222,862)	2,320	(6,311)	1,806
Accrued payroll and related liabilities	4,195	(2,817)	14,430	525
Deferred revenue	(364)	425,926	-	114
Other current liabilities	-	150,743	(10,913)	-
Total adjustments	<u>1,194,447</u>	<u>1,197,284</u>	<u>467,459</u>	<u>249,949</u>
Net cash provided (used) by operating activities	<u>\$ 1,676,513</u>	<u>\$ 1,593,619</u>	<u>\$ 510,723</u>	<u>\$ 225,977</u>

**Noncash investing, capital and financing activities**

Capital assets contributed from developers to the Golf Course Enterprise Fund totaled \$8,317,580

Capital assets contributed from governmental activities to the Golf Course Enterprise Fund totaled \$986,164

Capital assets contributed from the Housing Rehabilitation Fund to the Concrete Utility Fund totaled \$21,806

The notes to the financial statements are an integral part of this statement.

<b>Enterprise Funds</b>			<b>Governmental</b>
<b>Concrete</b>	<b>Housing</b>		<b>Activities -</b>
<b>Utility</b>	<b>Rehabilitation</b>	<b>Total</b>	<b>Internal Service</b>
			<b>Funds</b>
\$ (111,234)	\$ (60,973)	\$ 725,486	\$ 312,855
366,049	-	2,187,853	749,641
1,962	648	261,586	8,863
(501)	-	542,495	(32,571)
-	(124,618)	(93,627)	-
-	(64,144)	33,436	4,489
-	-	-	(49,857)
6,210	(12,169)	(231,006)	6,684
2,085	-	18,418	11,471
192	-	425,868	(50,177)
-	-	139,830	59,818
<u>375,997</u>	<u>(200,283)</u>	<u>3,284,853</u>	<u>708,361</u>
<u>\$ 264,763</u>	<u>\$ (261,256)</u>	<u>\$ 4,010,339</u>	<u>\$ 1,021,216</u>

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2008**

	<b>Pension Trust</b>	<b>Agency</b>
<b>Assets</b>		
Cash and equivalents	\$ 11,347	\$ 2,017,144
Investments	33,290,614	-
Interest receivable	-	21,227
Accounts receivable	-	58,777
Assessment receivable	-	6,666
Total assets	33,301,961	\$ 2,103,814
<b>Liabilities</b>		
Due to other governments	-	\$ 2,103,814
<b>Net assets held in trust for pension benefits</b>	<b>\$ 33,301,961</b>	

The notes to the financial statements are an integral part of this statement.

**CITY OF ENGLEWOOD, COLORADO**

**Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended December 31, 2008**

	<u><b>Pension Trust</b></u>
<b>Additions</b>	
Contributions:	
City	\$ 1,212,328
Plan member	12,620
Total contributions	<u>1,224,948</u>
Investment income:	
Net appreciation in fair value of investments	(12,623,386)
Less investment expense	<u>(47,862)</u>
Net investment income	<u>(12,671,248)</u>
Total additions	<u>(11,446,300)</u>
<b>Deductions</b>	
Benefits	3,124,141
Administrative expenses	159,821
Total deductions	<u>3,283,962</u>
<b>Change in net assets</b>	(14,730,262)
<b>Net assets - beginning</b>	<u>48,032,223</u>
<b>Net assets - ending</b>	<u><u>\$ 33,301,961</u></u>

The notes to the financial statements are an integral part of this statement.

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**CITY OF ENGLEWOOD, COLORADO**

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December 31, 2008**

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## CITY OF ENGLEWOOD, COLORADO

### Notes to the Financial Statements December 31, 2008

The financial statements of the City of Englewood have been prepared in conformity with generally accepted accounting principles as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

#### **Note 1. Summary of Significant Accounting Policies**

##### **A. Reporting Entity**

The City of Englewood is a municipal corporation governed by an elected seven-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

The City follows GASB accounting pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

##### **Discretely presented component units**

The Englewood Urban Renewal Authority (EURA) was created by resolution passed September 18, 1972, by the Englewood City Council under authorization of State Statutes. The purpose of the EURA is to acquire and develop or redevelop certain blighted areas in the City to maintain the public welfare. The EURA is included in the City's financial statements because the City Council appoints all board members and its tax increment financing is prima facie evidence of financial accountability.

The Englewood Environmental Foundation, Inc. (EEF), a nonprofit corporation, was established on August 14, 1997 under authorization of the Colorado Nonprofit Corporation Act. The purpose of the EEF includes, but is not limited to, maintaining the common areas of CityCenter Englewood, a mixed-use, transit oriented development that includes retail shops, luxury apartment housing and office space. The EEF is included in the City's financial statements because the City Council appoints all board members and provides substantial financial support to the EEF.

The Englewood McLellan Reservoir Foundation, Inc. (EMRF), a nonprofit corporation, was established on June 1, 1999 under authorization of the Colorado Nonprofit Corporation Act. The purpose of the EMRF includes, but is not limited to, taking title to 165 acres of land, which was acquired by the City of Englewood in 1960 as part of the acquisition of the McLellan Reservoir, and overseeing the development of such property while continuing to protect the City's water supply. During 1999, the City contributed the land to the EMRF. The EMRF is included in the City's

financial statements because the City Council appoints all board members and provides substantial financial support to the EMRF.

Each discretely presented component unit has a December 31 year-end. Complete financial statements for the EURA may be obtained from the City's Department of Finance and Administrative Services. Separate financial statements are not prepared for the EEF or the EMRF.

## **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by given function or segment; fines and forfeitures; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

## **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales and use taxes, franchise taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. All other revenue items are considered to be measurable and available when cash is received by the City and are recognized as revenue at that time.

The City reports the following major governmental fund:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The *water fund* accounts for revenues and expenses associated with providing water services to City of Englewood residents.

The *sewer fund* accounts for revenues and expenses associated with providing wastewater services to the City of Englewood residents and some county residents.

The *golf course fund* accounts for revenues and expenses associated with the operations of the Englewood Municipal Golf Course.

The *storm drainage fund* accounts for revenues and expenses associated with maintaining the City's storm drainage system.

The *concrete utility fund* accounts for revenues and expenses associated with maintaining the City's sidewalks, curbs and gutters.

The *housing rehabilitation fund* accounts for revenues and expenses associated with the City's housing rehabilitation programs.

Additionally, the City reports the following fund types:

*Internal service funds* account for printing fees, vehicle use and maintenance fees, capital replacement fees, and insurance provided to other departments and employees of the City on a cost-reimbursement basis.

*Pension trust funds* account for the NonEmergency, Police, Firefighters and Volunteer Firefighters Pension Funds administered by the City in a trustee capacity.

The *agency fund* accounts for assets held by the City in a custodial capacity, on behalf of other governmental entities, pursuant to the Big Dry Creek Basin Interceptor Agreement.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicant for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all City levied taxes.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services, including water and sewer charges, printing fees, vehicle use and maintenance fees, capital replacement fees and insurance fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The City's water and sewer enterprise funds recognize as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water and sewer distribution system.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

## **D. Assets, Liabilities and Net Assets or Equity**

### **1. Deposits and Investments**

The City maintains an internal cash and investment pool that is available for use by all funds including its component units. Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

All investment pool purchases and sales are part of the City's cash management activity and considered cash and cash equivalents. Activities undertaken by the pool on behalf of the proprietary funds are not part of operating, capital, investing, or financing activities of the proprietary funds, and details of these transactions are not reported in the Statement of Cash Flows. Net investment earnings from the combined investments are allocated monthly to each fund based on month-end average balances of cash and investments. Interest from non-pooled investments is recorded based on the specific investments held by the fund. Interest income is recorded in the fund that earned the interest.

The City's investment policy is approved by the City Council and covers all financial assets and funds of the City and its discretely presented component units except for the pension trust funds. Changes to the policy are made on an as-needed basis. All investments are made in accordance with Colorado Revised Statutes. The policy authorizes the City and component units to invest primarily in the following:

- U.S. Treasury Obligations: Treasury Bills, Treasury Notes and Treasury Bonds with maturities not exceeding five years from the date of trade settlement.

- Treasury Strips (book-entry U.S. Treasury securities whose coupons have been removed) with maturities not exceeding five years from the date of trade settlement.
- Federal Instrumentalities - Debentures, Discount Notes, Medium-Term Notes, Callable Securities and Step-up Securities issued by the following only: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal Farm Credit Banks (FFCB), with maturities not exceeding five years from the date of trade settlement. Federal Instrumentality Securities shall be rated in the highest rating category by at least two Nationally Recognized Statistical Rating Organizations (NRSROs) that rate them, and shall be rated not less by any NRSRO that rates the debt.
- Repurchase Agreements with a termination date of 90 days or less utilizing U.S. Treasury and Federal Instrumentality securities listed above, collateralized at a minimum market value of 102 percent of the dollar value of the transaction with the accrued interest accumulated on the collateral included in the calculation. Repurchase agreements shall be entered into only with dealers who: are recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure; and have executed a City approved Master Repurchase Agreement. Primary Dealers approved as Repurchase Agreement counterparties, if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent. Collateral (purchased securities) shall be held by the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. In no case will the maturity of the collateral exceed 10 years.
- Reverse Repurchase Agreements with a maturity of 90 days or less executed only against securities owned by the City and collateralized by the same type of security reversed.
- Flexible Repurchase Agreements with a final maturity of 10 years or less entered into by the City with approved counterparties.
- Time Certificates of Deposit with a maximum maturity of five years or savings accounts in state or national banks or state or federally chartered savings banks operating in Colorado that are state approved depositories (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit that exceed the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act. The collateral shall have a market value equal to or exceeding 102 percent of the difference between the insured amount and the City's total deposits for all funds within the institution.
- Money Market Mutual Funds registered under the Investment Company Act of 1940 that: 1) are "no-load" (i.e.: no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAM by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch.
- Colorado Local Government Liquid Asset Trust (COLOTRUST) as authorized under CRS 24-75-702.
- Prime Bankers Acceptances, rated at least A-1 by Standard & Poor's, P-1 by Moody's and F1 by Fitch at the time of purchase by at least two services that rate them and shall be rated not less by any service that rates them, with a maturity of six months or less issued on domestic banks or branches of foreign banks domiciled in the U.S. and operating under U.S. banking laws. Accepting banks must have a senior debt rating of A2 by Moody's and A by Standard & Poor's.
- Prime Commercial Paper with a maturity of 270 days or less which, at the time of purchase, is rated at least A-1 by Standard & Poor's, P-1 by Moody's and F1 by Fitch. At the time of purchase, the commercial paper must be rated by at least two of the above stated rating agencies at the stated minimum rating. If more than two of the above stated agencies rates an issuer, all of those rating agencies must rate the issuer in accordance with above stated minimum credit criteria. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated by each service that publishes a rating on the issuer as at least A2 by Moody's, A by Standard and Poor's and A by Fitch.

- Corporate Bonds issued by a corporation or bank with a final maturity not exceeding three years from the date of trade settlement, rated at least AA- by Standard & Poor's, Aa3 by Moody's, or AA by Fitch at the time of purchase by each service that rates the debt. Authorized corporate bonds shall be U.S. dollar denominated, and limited to corporations organized and operated within the United States with a net worth in excess of \$250 million.

## **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes are levied by December 15 of each year and are due in full the following year. The lien date is January 1 following the levy. Taxes may be paid in two equal installments, on or before February 28 and June 15; or in full, on or before April 30. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. Property taxes are collected by Arapahoe County and then remitted, net of a 1% collection fee, to the City. Taxes are recorded as a receivable and deferred revenue when levied, and subsequently recorded as revenue in the year they are available or collected.

## **3. Inventories and Property Held for Resale**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased. Property held for resale is recorded at lower of cost or estimated market value.

## **4. Restricted Assets and Liabilities**

Certain assets and their related liabilities whose use is restricted for construction, bonded debt service and other purposes by contractual agreement and/or debt indentures are segregated on the government-wide statement of net assets and the fund balance sheets. The "construction" account is used to report those proceeds of revenue bonds and loans that are restricted for use in construction. The "loan operations and maintenance account" is used to report resources set aside to subsidize potential deficiencies from the City's operation that could adversely affect debt service payments. The "insurance claims" account is used to report resources set aside for the payment of current and future long-term disability claims. The "revenue bond future debt service" account is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account. The "capital replacement" account is used to report resources set aside to fund major capital repairs and replacements at the Littleton/Englewood Wastewater Treatment Plant.

## **5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City currently capitalizes expenditures that cost more than \$5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

Capital assets of the primary government, as well as the component units, are depreciated, using the straight-line method over their estimated useful lives:

Infrastructure:	
Bridges	50 years
Streets	25 years
Storm drainage system	35 years
Concrete, curb and gutter	50 years
Buildings and improvements	15-50 years
Water distribution and sewage collection systems	50 years
Water and sewage treatment plants	25 years
Raw water service and treated water storage facilities	15-50 years
Vehicles, machinery and equipment	3-25 years

## 6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and personal leave benefits. All leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements.

## 7. Leases

Leases that meet certain criteria established by the Financial Accounting Standards Board (FASB) Statement No. 13 are classified as capital lease obligations and recorded at the lesser of the present value of minimum lease payments or the fair value of the leased property at inception. Leases that do not meet the criteria of a capital lease are classified as operating leases. The City's operating leases are not significant.

## 8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium and discount. Bond premiums, discounts and deferred losses on bond refundings are deferred and amortized over the life of the bonds using the effective interest method and charged to interest expense. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The unamortized deferred loss on refundings is reflected as reduction of bonds payable.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

## 9. Net Assets and Fund Equity

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Invested in capital assets (net of related debt) is intended to reflect the portion of net assets that are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Assets are subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling

legislation. Pursuant to the City Charter, the net assets of the City's utilities: water, sewer, storm drainage and concrete, are entirely restricted to their own purpose.

Unrestricted Net Assets represent assets that do not have any third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

***Reserve for Parks and recreation***

The amount reserved for parks and recreation represents the fund balance of the Conservation Trust (State Lottery) Fund, the Open Space Fund, the Malley Center Trust Fund and the Parks and Recreation Trust Fund, which are legally restricted for parks, open space and recreation purposes.

***Reserve for Police operations***

The amount reserved for police operations represents funds that are legally restricted for law enforcement purposes, pursuant to grant requirements.

***Reserve for Fire operations***

The amount reserved for fire operations represents funds that are legally restricted for fire prevention purposes, pursuant to grant requirements.

***Reserve for Debt service***

The reserve for debt service represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

***Reserve for Contractual provisions***

The amount reserved for contractual provisions represents funds that are legally restricted under contractual commitments.

***Reserve for TABOR Emergencies***

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 5).

***Reserve for Employees' pension benefits***

The reserve for employees' retirement represents the amounts held in trust for payment of benefits to participants in the pension plan and their qualified dependents. (See the Schedule of Funding Progress presented as required supplementary information immediately following these notes to the financial statements).

**10. Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

**Note 2. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

The governmental fund type annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds except the capital projects funds and certain special revenue funds (Conservation Trust and Open Space Funds), which adopt project-length budgets. The proprietary fund type annual budgets are adopted on a non-GAAP modified accrual budgetary basis. All annual appropriations lapse at year-end. Budgets are not adopted for the pension trust funds.

The appropriated budget is prepared by fund, department, division, and object. The legal level of budgetary control is at the department level for the General Fund and at the fund level for all other legally adopted funds. Supplemental appropriations and transfers of appropriations between departments and/or funds require the approval of the City Council. The City Manager may transfer any unencumbered appropriation from one expenditure classification to another within the same department.

Encumbrance accounting is used as a management tool during the year; at year-end, encumbrances are canceled.

During the year, seven supplemental appropriation resolutions were approved by City Council.

**Note 3. Detailed Notes on All Funds**

**A. Deposits and Investments**

	Primary Government			Component Units			Reporting Entity Total
	Governmental and Business-Type Activities	Fiduciary Funds	Total	EURA	EEF	EMRF	
<b>Unrestricted:</b>							
Deposits and investments with City internal investment pool	\$ 31,813,308	\$ 2,028,491	\$ 33,841,799	\$ 32,424	\$ 586,798	\$ 392,409	\$ 34,853,430
Deposits and investments outside City internal investment pool	4,295,579	33,290,614	37,586,193	-	208,943	515	37,795,651
Subtotal unrestricted deposits and investments	36,108,887	35,319,105	71,427,992	32,424	795,741	392,924	72,649,081
<b>Restricted:</b>							
Deposits and investments with City internal investment pool	4,091,418	-	4,091,418	-	-	-	4,091,418
Total deposits and investments	<u>\$ 40,200,305</u>	<u>\$ 35,319,105</u>	<u>\$ 75,519,410</u>	<u>\$ 32,424</u>	<u>\$ 795,741</u>	<u>\$ 392,924</u>	<u>\$ 76,740,499</u>
Cash and deposits	\$ (513,922)	\$ -	\$ (513,922)	\$ -	\$ 208,943	\$ 515	\$ (304,464)
Investments	40,714,227	35,319,105	76,033,332	32,424	586,798	392,409	77,044,963
	<u>\$ 40,200,305</u>	<u>\$ 35,319,105</u>	<u>\$ 75,519,410</u>	<u>\$ 32,424</u>	<u>\$ 795,741</u>	<u>\$ 392,924</u>	<u>\$ 76,740,499</u>

## 1. Deposits

### Custodial credit risk – deposits:

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2008, the City's deposits amounting to \$521,102 were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

The EEF and the EMRF are not eligible public entities and are not covered by the provisions of the PDPA. At year-end, the component units' cash deposits had a bank balance as follows:

	<u>EEF</u>	<u>EMRF</u>
Insured-FDIC	<u>\$ 209,280</u>	<u>\$ 515</u>

## 2. Investments

The table below identifies the investment types that are authorized for the City, along with the related interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Instrumentalities	5 years	None	None
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	90 days	None	None
Flexible Repurchase Agreements	10 years	None	None
Certificates of Deposit	5 years	50%	None
Bankers Acceptances	180 days	20%	None
Commercial Paper	270 days	40%	None
Corporate Bonds	3 years	30%	5%

**Credit risk** is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Debt securities of the U.S. government and obligations of U.S. government agencies that are explicitly guaranteed by the U.S. government are not considered to have credit risk.

The City's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the minimum rating required by the City's investment policy and the actual rating as of December 31, 2008 for each investment type.

<b>Investment Type</b>	<b>Minimum Rating Required</b>	<b>Standard &amp; Poor's Rating</b>	<b>Moody's Rating</b>	<b>Total Investment Portfolio</b>
U.S. Treasury Notes	N/A	N/A	N/A	3%
Federal Farm Credit Banks (FFCB)	N/A	AAA	Aaa	9%
Federal Home Loan Banks (FHLB)	N/A	AAA	Aaa	12%
Federal Home Loan Mortgage Corporation (FHLMC)	N/A	AAA	Aaa	5%
Federal National Mortgage Association (FNMA)	N/A	AAA	Aaa	8%
Corporate bonds	AA-/Aa3	AAA	Aaa	2%
Corporate bonds	AA-/Aa3	AAA	Aa1	1%
Corporate bonds	AA-/Aa3	AA	Aa1	2%
Corporate bonds	AA-/Aa3	AA	Aa2	5%
Corporate bonds	AA-/Aa3	A	A2	1%
Repurchase agreements (a)	N/A	Not rated		5%
COLOTRUST (b)	N/A	AAA <sub>m</sub>	Aaa	5%

(a) Ratings displayed are of the underlying securities supporting the repurchase agreement

(b) COLOTRUST is a 2a7-like investment pool

**Interest rate risk** is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The following schedule indicates the interest rate risk of the City's investments at December 31, 2008. The Retirement Trust Funds' interest rate risk information begins on page 72.

	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less than 1 year</u>	<u>1 to 5 years</u>
<b>Primary Government:</b>			
Investments in City internal investment pool:			
U.S. Treasury Notes	\$ 2,033,125	\$ 2,033,125	\$ -
U.S. Instrumentalities	25,232,906	14,703,588	10,529,318
Corporate Bonds	8,634,900	5,541,756	3,093,144
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	3,749,338	3,749,338	-
Less: Component unit investments in internal investment pool	<u>(1,011,631)</u>	<u>(1,011,631)</u>	<u>-</u>
Subtotal investments in City internal investment pool	<u>38,638,638</u>	<u>25,016,176</u>	<u>13,622,462</u>
Investments outside City investment pool:			
Repurchase agreements	4,104,080	<u>\$ 922,679</u>	<u>\$ 3,181,401</u>
Retirement Trust Fund investments	<u>33,290,614</u>		
<b>Total Primary Government</b>	<u>76,033,332</u>		
<b>Component Units:</b>			
EURA:			
Investments in internal investment pool	32,424	<u>\$ 32,424</u>	<u>\$ -</u>
EEF:			
Investments in internal investment pool	586,798	<u>\$ 586,798</u>	<u>\$ -</u>
EMRF:			
Investments in internal investment pool	<u>392,409</u>	<u>\$ 392,409</u>	<u>\$ -</u>
<b>Total Component Units</b>	<u>1,011,631</u>		
<b>Total Investments</b>	<u>\$ 77,044,963</u>		

One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Additionally, the City's investment policy limits the weighted average maturity of its internal investment pool to less than two years. At December 31, 2008, the weighted average maturity of the City's internal investment portfolio was .83 years.

## Concentration of Credit Risk

Of the City's total investments in its internal investment pool, 15.05% were FNMA Notes, 9.92% were FHLMC Notes, 17.97% were FFCB Notes and 22.73% were FHLB Notes. Additionally, 8.15% of the internal investment pool was held by COLOTRUST. All other investments not issued or explicitly guaranteed by the U.S. Government were less than 5% of the City's total pooled investments. Of the City's total investments in repurchase agreements, the collateral supporting the repurchase agreements included FNMA Notes (43.6%), FHLMC Notes (34.0%) and GNMA Notes (22.4%).

## Retirement Trust Funds' Investments

The investments of the pension trust funds are invested separately from the internal investment pool. At December 31, 2008, the investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
<b>Nonemergency Pension Trust Fund</b>	
Fixed Income securities	<u>\$ 6,355,608</u>
Equity securities:	
Domestic	8,442,704
International	<u>2,873,778</u>
Subtotal equity securities	<u>11,316,482</u>
Real estate equity fund	<u>2,678,974</u>
Subtotal nonemergency employees retirement trust	20,351,064
<b>Police Officers, Firefighters and Volunteer Firefighters Pension Trust Funds</b>	
Fire and Police Pension Association	<u>12,939,550</u>
<b>Total Retirement Trust investments</b>	<u><u>\$ 33,290,614</u></u>

Assets of the Nonemergency Pension Trust Fund (Fund) are invested in accordance with Colorado Revised Statutes Section 15-1.1-102 under the Uniform Prudent Investor Act and subject to investment policy guidelines as established by the Nonemergency Retirement Plan Board. The objective of the policy is to maximize the expected return of the fund at an acceptable level of risk. The Retirement Board has established percentage guidelines for types of investments to ensure the portfolio is diversified. Assets of the Firefighters, Police Officers and Volunteer Firefighters Pension Trust Funds are invested by the Fire and Police Pension Association of Colorado (FPPA) (see Note 4.D.). The discussion that follows relating to interest rate, credit and foreign currency risk applies to the Nonemergency Pension Trust Fund only. A discussion of the investment policy and investment risks of the Firefighters, Police Officers and Volunteer Firefighters Pension Trust Funds may be found in FPPA's publicly issued Comprehensive Annual Financial Report that may be obtained from FPPA's website at [www.fppaco.org](http://www.fppaco.org).

## Interest Rate and Credit Risk - Retirement Trust Funds

The fair value of fixed income investments fluctuate in response to changes in market interest rates, generally decreasing in response to increases in market interest rates. The Nonemergency Retirement Plan Board does not have a specific policy to manage interest or credit rate risk but manages its exposure to fair value losses arising from increasing interest rates by requiring retained fixed income investment managers to monitor the duration and maturity of its portfolio and diversify by issuer and by sector or industry. The managers are evaluated against specific market benchmarks that represent their investment style.

Duration measures a fixed income security's exposure to price changes arising from changing interest rates. The calculation uses the present value of cash flows, weighted according to the time to cash receipt. Effective (or option-adjusted) duration is the duration of a bond after adjusting for any embedded options. Effective duration takes into account the fact that yield changes may change the expected cash flows of the bond in the presence of an embedded option, such as a call, put, or prepayment option for asset- or mortgage-backed securities. The longer the duration, the more sensitive the bond or portfolio of bonds should be to changes in interest rates.

At December 31, 2008, the Fund's fixed income securities had an effective duration of 3.6 years.

The following table illustrates the fund's exposure to credit risk excluding obligations of the U.S. government and those explicitly guaranteed by the U.S. government as of December 31, 2008 (which account for 68.2% of the total portfolio):

<u>Rating</u>	<u>Percentage of Total</u>
AAA	2.4%
AA	6.9%
A	14.0%
B	0.2%
Caa	5.3%
Not rated	0.0%
	<u>28.8%</u>

## Foreign Currency Risk - Retirement Trust Funds

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Fund's exposure to foreign currency risk derives from its allocations to non-U.S. dollar denominated international equity, fixed income, and private equity investments. Through its asset allocation policy, the Fund has set a target asset allocation of 10% to developed and emerging market international equities. Core plus fixed income managers may invest up to 10% of the portfolio in non-U.S. dollar denominated investment grade fixed income securities.

The fair value of the Fund's exposure to foreign currency risk at December 31, 2008 is summarized in the table below.

Currency	Fair Value	Percentage of Total
Euro currency	\$ 921,001	32.0%
Swiss franc	274,524	9.6%
British pound	288,935	10.1%
Russian ruble	77,592	2.7%
Danish krone	112,169	3.9%
Swedish krona	53,171	1.9%
Norwegian krone	11,478	0.4%
Turkish lira	18,694	0.7%
Hungarian forint	2,870	0.1%
Other Europe	2,870	0.1%
Japanese yen	222,728	7.8%
Mexican peso	89,083	3.1%
South Korean won	40,174	1.4%
Canadian dollar	163,931	5.7%
Taiwan dollar	37,304	1.3%
Australian dollar	41,647	1.4%
Chinese yuan renminbi	106,409	3.7%
Hong Kong dollar	33,042	1.1%
Singapore dollar	14,348	0.5%
Philippine peso	4,304	0.1%
Other Pacific Basin	10,044	0.3%
Brazilian real	67,511	2.3%
Indian rupee	28,696	1.0%
South African rand	20,087	0.7%
Israeli shekel	69,034	2.4%
Other countries	1,435	0.0%
	2,713,081	94.4%
Cash and equivalents	160,697	5.6%
	\$ 2,873,778	100.0%

**B. Receivables**

Receivables at year-end for the City’s individual major, nonmajor and internal service funds are as follows:

	Governmental Activities						
	General	Nonmajor Funds	Internal Service	Total			
Receivables:							
Property tax	\$ 2,993,000	\$ 991,000	\$ -	\$ 3,984,000			
Sales and use tax	2,908,256	83,585	-	2,991,841			
Interest	123,108	53,192	38,672	214,972			
Accounts	294,159	19,648	38,781	352,588			
Assessments	52,165	-	-	52,165			
Intergovernmental	207,527	1,633,658	-	1,841,185			
	<u>\$ 6,578,215</u>	<u>\$ 2,781,083</u>	<u>\$ 77,453</u>	<u>\$ 9,436,751</u>			
	Business-type Activities						
	Water	Sewer	Golf Course	Storm Drainage	Concrete Utility	Housing Rehabilitation	Total
Receivables							
Interest	\$ 37,332	\$ 136,164	\$ 9,737	\$ 11,145	\$ 4,674	\$ 3,615	\$ 202,667
Accounts	967,185	1,948,199	58,841	14,099	31,772	-	3,020,096
Intergovernmental	-	-	-	-	-	10,126	10,126
Notes (see below)	-	-	-	-	-	3,465,819	3,465,819
Other	4,336	222,615	-	-	-	-	226,951
	<u>\$ 1,008,853</u>	<u>\$ 2,306,978</u>	<u>\$ 68,578</u>	<u>\$ 25,244</u>	<u>\$ 36,446</u>	<u>\$ 3,479,560</u>	<u>\$ 6,925,659</u>
Not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,400,008</u>	<u>\$ 3,400,008</u>

Nearly none of the notes receivable in the Housing Rehabilitation Fund are expected to be collected within one year.

**1. Notes Receivable**

Notes receivable in the Housing Rehabilitation Fund consist of loans to qualified borrowers for rehabilitation of existing homes. Interest rates vary from 0% to 10.8%. Terms of repayment vary from monthly amortized loans to deferred loans, where the payment of loan principal and accrued interest, if any, is payable when the property transfers ownership. A lien is filed on the property to insure loans are repaid. The total loan balance of \$4,823,819 has been reduced by \$1,358,000 to account for the present value of the receivables.

An analysis of the notes receivable follow:

Loan Type	Balance 12/31/2007	New Loans	Principal Payments	Balance 12/31/2008
Amortized loans	\$ 1,393,309	\$ 188,808	\$ 90,659	\$ 1,491,458
Deferred loans	3,031,818	179,477	184,054	3,027,241
	<u>\$ 4,425,127</u>	<u>\$ 368,285</u>	<u>\$ 274,713</u>	4,518,699
Loans in progress				305,120
				<u>4,823,819</u>
Less unamortized discount based on imputed interest rate of 7% over 20 years				(1,358,000)
Total notes receivable, net				<u>\$ 3,465,819</u>
Notes are classified as follows:				
			Current	\$ 65,811
			Long-term	3,400,008
				<u>\$ 3,465,819</u>

## 2. Unearned Revenue/Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of December 31, 2008, the various components of *deferred* revenue and *unearned* revenue reported in the governmental funds of the primary government were as follows:

	Unavailable	Unearned	Total
Property taxes receivable (General Fund)	\$ 2,993,000	\$ -	\$ 2,993,000
Property taxes receivable (Debt Service Fund)	991,000	-	991,000
Sales and use taxes (General Fund)	-	1,000,000	1,000,000
Assessments receivable (General Fund)	31,922	-	31,922
Grants drawdowns prior to meeting all eligibility requirements (General and Open Space Fund)	-	214,232	214,232
	<u>4,015,922</u>	<u>1,214,232</u>	<u>5,230,154</u>
Elimination of deferred items at fund level not deferred at government-wide level	(31,922)	-	(31,922)
Net government-wide deferred / unearned revenue	<u>\$ 3,984,000</u>	<u>\$ 1,214,232</u>	<u>\$ 5,198,232</u>

## C. Capital Assets

### 1. Primary Government

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 14,585,812	\$ 298,057	\$ -	\$ 14,883,869
Works of art	192,500	11,250	-	203,750
Construction in process	2,341,499	341,643	(1,978,876)	704,266
Total capital assets not being depreciated	<u>17,119,811</u>	<u>650,950</u>	<u>(1,978,876)</u>	<u>15,791,885</u>
Capital assets being depreciated				
Buildings	38,331,701	645,354	-	38,977,055
Infrastructure	30,116,072	1,123,543	(7,775)	31,231,840
Machinery and equipment	17,282,778	2,717,664	(874,683)	19,125,759
Other improvements	5,428,632	193,161	-	5,621,793
Total capital assets being depreciated	<u>91,159,183</u>	<u>4,679,722</u>	<u>(882,458)</u>	<u>94,956,447</u>
Less accumulated depreciation for:				
Buildings	(10,338,516)	(689,946)	-	(11,028,462)
Infrastructure	(6,233,944)	(1,455,375)	3,337	(7,685,982)
Machinery and equipment	(12,076,739)	(1,307,657)	835,694	(12,548,702)
Other improvements	(920,416)	(217,658)	-	(1,138,074)
Total accumulated depreciation	<u>(29,569,615)</u>	<u>(3,670,636)</u>	<u>839,031</u>	<u>(32,401,220)</u>
Total capital assets being depreciated, net	<u>61,589,568</u>	<u>1,009,086</u>	<u>(43,427)</u>	<u>62,555,227</u>
Governmental activities capital assets, net	<u>\$ 78,709,379</u>	<u>\$ 1,660,036</u>	<u>\$ (2,022,303)</u>	<u>\$ 78,347,112</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	\$ 269,219
Safety Services	189,171
Public Works	1,411,941
Culture and Recreation	622,206
Unallocated	428,458
In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets.	749,641
Total depreciation expense - governmental activities	<u>\$ 3,670,636</u>

Capital asset activity for the year ended December 31, 2008 (continued):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 7,972,959	\$ 6,233,341	\$ (2,683,475)	\$ 11,522,825
Raw water	6,451,003	-	-	6,451,003
Construction in process	112,713	29,918	(112,714)	29,917
Total capital assets not being depreciated	<u>14,536,675</u>	<u>6,263,259</u>	<u>(2,796,189)</u>	<u>18,003,745</u>
Capital assets being depreciated:				
Distribution and collection systems	30,183,657	819,274	(78,203)	30,924,728
Plant and buildings	27,272,357	174,443	(55,456)	27,391,344
Improvements other than buildings	3,128,470	2,420,497	(302,238)	5,246,729
Curb, sidewalk and streets	18,871,233	546,836	-	19,418,069
Equipment and other	4,372,411	454,669	(231,336)	4,595,744
Total capital assets being depreciated	<u>83,828,128</u>	<u>4,415,719</u>	<u>(667,233)</u>	<u>87,576,614</u>
Less accumulated depreciation for:				
Distribution and collection systems	(17,439,140)	(633,571)	83,081	(17,989,630)
Plant and buildings	(8,310,063)	(565,201)	54,129	(8,821,135)
Improvements other than buildings	(1,902,398)	(251,768)	187,271	(1,966,895)
Curb, sidewalk and streets	(7,340,473)	(366,049)	-	(7,706,522)
Equipment and other	(2,803,554)	(371,264)	199,387	(2,975,431)
Total accumulated depreciation	<u>(37,795,628)</u>	<u>(2,187,853)</u>	<u>523,868</u>	<u>(39,459,613)</u>
Total capital assets being depreciated, net	<u>46,032,500</u>	<u>2,227,866</u>	<u>(143,365)</u>	<u>48,117,001</u>
Business-type activities capital assets, net	<u>\$ 60,569,175</u>	<u>\$ 8,491,125</u>	<u>\$ (2,939,554)</u>	<u>\$ 66,120,746</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Business-type activities:	
Water	\$ 1,101,709
Sewer	239,296
Golf	241,976
Storm	238,823
Concrete	366,049
Total depreciation expense - business-type activities	<u>\$ 2,187,853</u>

## 2. Discretely Presented Component Units

### Englewood Urban Renewal Authority (EURA)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 476,000	\$ -	\$ -	\$ 476,000

The capital assets of the EURA consists of a parking lot (approximately 1.7 acres).

### Englewood Environmental Foundation (EEF)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 8,496,257	\$ -	\$ -	\$ 8,496,257
Capital assets being depreciated				
Site development	10,772,213	-	-	10,772,213
Curb, sidewalk and streets	4,841,536	-	-	4,841,536
Parking structure	3,956,348	-	-	3,956,348
Bridge	2,017,170	-	-	2,017,170
Equipment and other	171,761	-	-	171,761
Total capital assets being depreciated	21,759,028	-	-	21,759,028
Less accumulated depreciation for:				
Site development	(3,976,956)	(545,382)	-	(4,522,338)
Curb, sidewalk and streets	(3,838,127)	(484,154)	-	(4,322,281)
Parking structure	(1,266,032)	(158,254)	-	(1,424,286)
Bridge	(645,128)	(80,687)	-	(725,815)
Equipment and other	(136,873)	(15,922)	-	(152,795)
Total accumulated depreciation	(9,863,116)	(1,284,399)	-	(11,147,515)
Total capital assets being depreciated, net	11,895,912	(1,284,399)	-	10,611,513
EEF capital assets, net	\$ 20,392,169	\$ (1,284,399)	\$ -	\$ 19,107,770

### Englewood McLellan Reservoir Foundation (EMRF)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 3,420,951	\$ 1,849,361	\$ (11,926)	\$ 5,258,386

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2008, is as follows:

**1. Due to / from other funds**

Receivable Fund	Payable Fund	Amount
General fund	Community Development	<u>\$ 10,380</u>

The outstanding balance referred to above represents expenditures incurred by the Community Development Fund that have yet to be reimbursed by grant funds.

**2. Interfund transfers**

<u>Transfers out:</u>	<u>Transfers in:</u>		
	General Fund	Nonmajor Governmental	Total Transfers In
General Fund	\$ -	\$ 408,915	\$ 408,915
Nonmajor governmental funds	1,813,789	614,535	2,428,324
Internal service funds	160,000	-	160,000
Total transfers out	<u>\$1,973,789</u>	<u>\$ 1,023,450</u>	<u>\$ 2,997,239</u>

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During the year ended December 31, 2008, the City made one-time transfers to the General Fund from nonmajor governmental funds and internal service funds to subsidize the operations of the General Fund. The Public Improvement Fund made transfers to the other capital projects funds to assist in funding for projects accounted for in those funds.

**E. Capital Leases**

The City has entered into capital lease agreements for the purpose of acquiring and financing the Civic Center and computer equipment. All of these agreements qualify as capital leases for accounting purposes and, therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

Assets acquired through capital leases follow:

Asset	Cost	Accumulated Depreciation	Total
Building - Civic Center	\$22,393,532	\$ (4,818,580)	\$17,574,952
Equipment - CAD/RMS System	851,500	(851,500)	-
Equipment - Computer Network	378,761	(378,761)	-
Equipment - Computer Equipment	901,566	(811,409)	90,157
Equipment - Fire Operations	973,900	(46,509)	927,391
Total	<u>\$25,499,259</u>	<u>\$ (6,906,759)</u>	<u>\$ 18,592,500</u>

## 1. Civic Center

On December 29, 1998, the City entered into a lease purchase agreement with the Englewood Environmental Foundation, Inc. (EEF) for the Englewood Civic Center. The lease represents a legal outstanding economic debt of the City to the EEF, a separate legal entity and not an advance between funds. The lease purchase agreement is renewable annually and lease payments are subject to annual appropriation by the City. Base rentals are intended to cover the EEF's debt service requirements on its outstanding Certificates of Participation (see Note 3.G.). Lease payments are made from the General Fund and are due in semiannual installments through June 1, 2023, with interest at 3.5% to 4.5%.

## 2. Fire Equipment

On April 20, 2008, the City entered into a lease agreement for two fire trucks. Lease payments are due in annual installments beginning March 1, 2008 through March 1, 2017, with interest at 4.24%. Lease payments are made by the General Fund.

The net present value of these minimum lease payments as of December 31, 2008, was as follows:

Year Ending December 31	Governmental Activities		
	Civic Center	Fire Equipment	Total
2009	\$ 1,567,381	\$ 118,393	\$ 1,685,774
2010	1,566,756	118,393	1,685,149
2011	1,569,994	118,393	1,688,387
2012	1,566,497	118,393	1,684,890
2013	1,565,625	118,393	1,684,018
2014-2018	7,802,733	473,572	8,276,305
2019-2023	7,770,449	-	7,770,449
Minimum lease payments	23,409,435	1,065,537	24,474,972
Less: Amount representing interest	(6,234,435)	(194,796)	(6,429,231)
Present value of minimum Lease Payments	<u>\$ 17,175,000</u>	<u>\$ 870,741</u>	<u>\$ 18,045,741</u>

## F. Long-term Obligations

### 1. General Obligation Bonds

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City is authorized to levy an ad valorem tax to pay the principal and interest on these bonds.

A description of the general obligation bonds outstanding at the end of the year follows:

General Obligation Bonds, Series 2001, original principal amount of \$5,988,924 dated December 1, 2001. The bonds were issued to fund improvements to the City's two recreation centers. The bonds consist of \$5,810,000 of serial bonds due annually in varying amounts through 2022, with interest

payable semiannually at rates ranging from 3.0% to 5.1%; and \$178,924 of “B” Interest Registered Coupons due in 2003 and 2008, with interest accruing through maturity at stated yield rates of 3.2% to 3.6%. Serial bonds maturing on or after December 1, 2012 are callable at par in any order of maturity on December 1, 2012. The “B” Interest Registered Coupons are not callable. The bonds are rated “AAA” by Standard & Poor’s and “Aaa” by Moody’s. The underlying rating by Standard & Poor’s and Moody’s is “A” and “A2”, respectively. Repayment of both principal and interest on the bonds are insured by MBIA Insurance Corporation.

General Obligation Bonds, Series 2002, original principal amount of \$7,846,879 dated August 15, 2002. The bonds were issued primarily to fund the construction of the Pirates Cove Family Aquatics Center. The bonds consist of \$6,990,000 of serial bonds due annually in varying amounts from 2008 through 2023, with interest payable semiannually at rates ranging from 3.50% to 4.75%; and \$856,879 of “B” Interest Registered Coupons due in varying amounts through 2008, with interest accruing through maturity at stated yield rates of 2.2% to 3.3%. Serial bonds maturing on or after December 1, 2013 are callable at par in any order of maturity on December 1, 2013. The “B” Interest Registered Coupons are not callable. The bonds are rated “AAA” by Standard & Poor’s and “Aaa” by Moody’s. The underlying rating by Standard & Poor’s and Moody’s is “A” and “A2”, respectively. Repayment of both principal and interest on the bonds are insured by MBIA Insurance Corporation.

General Obligation Water Bonds, Series 2004, original principal amount of \$3,055,000, dated December 1, 2004, consisting of serial bonds in the original amount of \$1,865,000 due annually in varying amounts through January 1, 2019, and term bonds in the original amount of \$1,190,000 due on January 1, 2025. The term bonds maturing on January 1, 2025 are subject to mandatory sinking fund redemption commencing on January 1, 2020. Interest is payable semi-annually at rates ranging from 3.375% to 4.75%. Bonds maturing on or after January 1, 2015 are callable at par in any order of maturity on January 1, 2014. The bonds are rated A2 by Moody’s and A by Standard and Poor’s. The bonds were issued to finance miscellaneous water system improvement projects. Although there is a general obligation pledge on these bonds, which allows the City to certify a rate of levy for property taxes to pay principal and interest on the bonds, it is the City’s intention to service the debt from available moneys in the Water Fund.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.50% - 5.10%	\$ 11,435,000
Business-type activities	3.50% - 4.75%	2,735,000
		<u>\$ 14,170,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Principal	Interest	Total
2009	\$ 695,000	\$ 623,958	\$ 1,318,958
2010	730,000	597,689	1,327,689
2011	740,000	568,988	1,308,988
2012	790,000	539,273	1,329,273
2013	825,000	507,326	1,332,326
2014-2018	3,630,000	1,670,402	5,300,402
2019-2023	5,535,000	1,087,448	6,622,448
2024-2025	1,225,000	73,982	1,298,982
	<u>\$14,170,000</u>	<u>\$5,669,066</u>	<u>\$19,839,066</u>

## 2. Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year-end are as follows:

Golf Course Revenue Refunding Bonds, Series 2003, original principal amount of \$2,935,000, dated December 15, 2003, consisting of serial bonds in the original amount of \$640,000 due annually in varying amounts through December 1, 2014, and term bonds in the original amount of \$875,000 due on December 1, 2019 and term bonds in the original amount of \$1,420,000 due on December 1, 2024. The term bonds maturing on December 1, 2019 are subject to mandatory sinking fund redemption commencing on December 1, 2015. The term bonds maturing on December 1, 2024 are subject to mandatory sinking fund redemption commencing on December 1, 2020. Interest is payable semi-annually at rates ranging from 2.50% to 6.00%. Bonds maturing on or after December 1, 2014 are callable at par in any order of maturity on December 1, 2013. The bonds are non-rated. The original 1994 bonds that were refunded by this issue were utilized for construction of golf course improvements.

Storm Water Enterprise Revenue Bonds, Series 2001, original principal amount of \$1,675,000, dated October 1, 2001, consisting of serial bonds due annually from December 1, 2002 through December 1, 2021. Interest is payable semi-annually at rates ranging from 4.10% to 5.50% on the outstanding bonds. Bonds maturing on or after December 1, 2012 are callable at par in any order of maturity on December 1, 2012. The bonds are non-rated. The bonds were issued to finance miscellaneous stormwater system improvement projects.

Annual debt service requirements to maturity for revenue bonds are as follows:

	Principal	Interest	Total
2009	\$ 125,000	\$ 222,091	\$ 347,091
2010	135,000	216,588	351,588
2011	140,000	210,423	350,423
2012	145,000	203,792	348,792
2013	155,000	196,720	351,720
2014-2018	1,330,000	809,522	2,139,522
2019-2023	1,465,000	400,375	1,865,375
2024	515,000	30,900	545,900
	<u>\$ 4,010,000</u>	<u>\$ 2,290,411</u>	<u>\$ 6,300,411</u>

## 3. Notes and loans payable

Colorado Brownfields Revolving Loan Fund, in the original principal amount of \$733,011, used for financing the environmental remediation of a new park location in the City, dated August 6, 2001, principal and interest due annually through 2010, with interest at 2.00%. The General Fund services this loan.

Colorado Water Resources and Power Development Authority to fund water and sewer system improvements:

Servicing Fund	Issue Date	Original Amount	Interest Rate	Outstanding Balance	Last Payment Due
Water	10/1/1997	\$ 15,292,636	4.141%	\$ 8,498,195	8/1/2018
Sewer	11/15/1990	12,750,000	4.642%	3,877,378	8/1/2012
Sewer	5/1/2004	19,715,000	4.110%	19,695,000	8/1/2017
Sewer	5/1/2004	29,564,275	3.870%	29,542,871	8/1/2025
			Total	<u>\$ 61,613,444</u>	

The City has entered into various loans with local banks to fund the housing rehabilitation loan program. The loans are serviced by the Housing Rehabilitation Fund:

Vectra and US Bank – Included with the City’s notes and loans payable are lines of credit at various interest rates ranging from 3.85% to 7.00% used to provide interim financing for the Housing Rehabilitation Fund program. These funds are subsequently reloaned to homeowners to assist in completing home improvements. Repayments are made when payments are received on the corresponding notes receivable. The lines of credit are retired from the proceeds of long-term notes secured by individual homeowners’ notes to the City. The balance of these notes at December 31, 2008 for Vectra and US Bank is \$880,796 and \$389,430, respectively. As the repayments of these notes are based on the repayment of corresponding notes receivable, these notes are not included in the maturity table below.

Notes and loans currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental Activities	2.00%	\$ 288,571
Business-type activities	3.85% - 7.00%	62,883,670
		<u>\$ 63,172,241</u>

Annual debt service requirements to maturity for notes and loans payable are as follows (excluding notes payable from the Housing Rehabilitation Fund):

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 94,292	\$ 5,771	\$ 100,063	\$ 1,705,029	\$ 2,466,852	\$ 4,171,881
2010	96,178	3,885	100,063	4,004,731	2,380,445	6,385,176
2011	98,101	1,962	100,063	4,183,310	2,210,635	6,393,945
2012	-	-	-	4,089,838	2,038,305	6,128,143
2013	-	-	-	3,380,369	2,069,354	5,449,723
2014-2018	-	-	-	19,095,116	7,774,622	26,869,738
2019-2023	-	-	-	17,347,942	4,058,280	21,406,222
2024-2025	-	-	-	7,807,109	753,046	8,560,155
	<u>\$ 288,571</u>	<u>\$ 11,618</u>	<u>\$ 300,189</u>	<u>\$ 61,613,444</u>	<u>\$ 23,751,539</u>	<u>\$ 85,364,983</u>

## Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Bonds:					
Series 2001	\$ 5,010,000	\$ -	\$ 240,000	\$ 4,770,000	\$ 250,000
Series 2002	6,990,000	-	325,000	6,665,000	335,000
Subtotal general obligation bonds	<u>12,000,000</u>	<u>-</u>	<u>565,000</u>	<u>11,435,000</u>	<u>585,000</u>
Capital Lease Obligations:					
Civic Center Lease, 2005 Refunding	18,010,000	-	835,000	17,175,000	835,000
Deferred premium	373,419	-	39,663	333,756	-
Deferred amount on refunding	(461,202)	-	(48,987)	(412,215)	-
Fire Equipment, 2007	948,900	-	78,159	870,741	81,473
Subtotal capital leases	<u>18,871,117</u>	<u>-</u>	<u>903,835</u>	<u>17,967,282</u>	<u>916,473</u>
Notes Payable:					
Colorado Brownfields Revolving Loan Fund, 2001	381,014	-	92,443	288,571	94,292
Net OPEB Obligation	-	173,923	109,800	64,123	-
Compensated absences	1,779,105	1,984,800	1,870,520	1,893,385	1,893,385
<b>Governmental activity total</b>					
<b>Long-term liabilities</b>	<u>\$ 33,031,236</u>	<u>\$ 2,158,723</u>	<u>\$ 3,541,598</u>	<u>\$ 31,648,361</u>	<u>\$ 3,489,150</u>
<b>Business-type activities:</b>					
General Obligation Water Bonds, 2004					
Revenue Bonds payable:	\$ 2,845,000	\$ -	\$ 110,000	\$ 2,735,000	\$ 110,000
Golf Course Refunding Bonds, 2003	2,810,000	-	55,000	2,755,000	55,000
Deferred amount on refunding	(102,160)	-	(17,708)	(84,452)	-
Storm Water Revenue Bonds, 2001	1,325,000	-	70,000	1,255,000	70,000
Subtotal revenue bonds	<u>4,032,840</u>	<u>-</u>	<u>107,292</u>	<u>3,925,548</u>	<u>125,000</u>
Notes and loans payable:					
CWR&PDA Sewer Loan, 2004	29,548,222	-	5,351	29,542,871	5,351
Premium	453,343	-	30,712	422,631	-
CWR&PDA Sewer Loan, 2004	19,700,000	-	5,000	19,695,000	5,000
Premium	808,342	-	129,506	678,836	-
CWR&PDA Sewer Loan, 1990	4,753,782	-	876,404	3,877,378	938,826
CWR&PDA Water Loan, 1997	9,233,471	-	735,276	8,498,195	755,852
Notes payable (Rehab) - Vectra Bank	952,842	-	72,046	880,796	31,000
Notes payable (Rehab) - US Bank	221,646	260,138	92,354	389,430	5,000
Compensated absences	355,640	338,472	334,035	360,077	360,077
	<u>66,027,288</u>	<u>598,610</u>	<u>2,280,684</u>	<u>64,345,214</u>	<u>2,101,106</u>
<b>Business-type activity total</b>					
<b>Long-term liabilities</b>	<u>\$ 72,905,128</u>	<u>\$ 598,610</u>	<u>\$ 2,497,976</u>	<u>\$ 71,005,762</u>	<u>\$ 2,336,106</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$66,471 of internal service funds accrued compensated absences are included in the above amounts. In addition, for the governmental activities, compensated absences are generally liquidated by the General Fund.

There are a number of limitations and restrictions contained in the various indentures. The City believes it complies with all significant limitations and restrictions.

General obligation indebtedness of the City is limited by the City Charter to three percent of actual valuation of taxable property within the City. At December 31, 2008, this limit was \$98,917,302 providing a debt margin of \$86,917,302.

## G. Component Unit Debt Obligations

### 1. Englewood Environmental Foundation, Inc.

As discussed in Note 1, the Englewood Environmental Foundation, Inc. (EEF), a separate legal entity, was created in 1997. The EEF has not adopted an annual budget as it was incorporated as a Colorado not-for-profit corporation and not a Colorado local government.

An analysis of changes in long-term obligations for the year ended December 31, 2008 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Certificates of Participation:					
Series 2005 Refunding	\$ 18,010,000	\$ -	\$ 835,000	\$ 17,175,000	\$ 860,000

The detail of the EEF's long-term debt is as follows:

On December 29, 1998, the EEF issued Series 1998 Certificates of Participation dated December 1, 1998 to finance the acquisition and renovation of an existing building for use as a Civic Center (the leased property) and the construction of various public improvements adjacent to the Civic Center. The Certificates have been issued in connection with a lease from the City to the EEF and a lease back to the City by the EEF.

On October 4, 2005, the EEF issued \$18,880,000 Refunding Certificates of Participation, Series 2005, to provide resources to purchase U.S. Treasury Notes that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$18,125,000 Series 1998 Certificates of Participation. As a result, the certificates are considered to be defeased and their liability has been removed from the statement of net assets. The 2005 certificates bear interest at 3.25% to 4.5% and consist of term certificates due June 1, 2020. Interest is payable semiannually on June 1 and December 1. The Certificates are subject to redemption at par prior to maturity on any date on or after June 1, 2016. The Certificates are subject to mandatory redemption beginning June 1, 2017 for Certificates maturing on June 1, 2020. Repayment of both principal and interest on the Certificates are insured by MBIA Insurance Corporation.

The EEF's long-term debt service obligations are as follows:

	<b>Certificates of Participation</b>		
	Principal	Interest	Total
2009	\$ 860,000	\$ 707,381	\$ 1,567,381
2010	890,000	676,756	1,566,756
2011	925,000	644,994	1,569,994
2012	955,000	611,497	1,566,497
2013	990,000	575,625	1,565,625
2014-2018	5,595,000	2,207,733	7,802,733
2019-2023	6,960,000	810,449	7,770,449
Total	<u>\$ 17,175,000</u>	<u>\$ 6,234,435</u>	<u>\$ 23,409,435</u>

At December 31, 2008, the EEF has recorded a lease receivable for \$17,175,000. As the City remits the base rentals required by the lease purchase agreement, the EEF will reduce the lease receivable by

the principal amount of the base rentals and record lease interest income for the interest portion of the base rentals (see Note 3.E.).

**Note 4. Other Information**

**A. Investment in Joint Venture**

The City participates with the City of Littleton, Colorado in a joint venture for the operation of a wastewater treatment facility ("Littleton/Englewood Wastewater Treatment Plant Joint Venture" or "Joint Venture"). Control of the Joint Venture vests in a four-member committee, with two members appointed by each City. Each City owns a 50 percent interest in the Joint Venture, and oversight responsibilities are divided equally. The City's investment in the Joint Venture is accounted by the equity method in the Sewer Fund. Summary audited financial information as of and for the year ended December 31, 2008 follows:

	<u>Total</u>	<u>City's Share</u>
<b>Assets</b>		
Current assets	\$ 4,595,508	\$ 2,297,753
Capital assets, net	<u>153,032,097</u>	<u>76,516,049</u>
Total assets	157,627,605	78,813,802
<b>Liabilities</b>		
Current liabilities	<u>4,479,832</u>	<u>2,239,916</u>
<b>Net assets</b>	<u>\$ 153,147,773</u>	<u>\$ 76,573,886</u>
<b>Revenues</b>	\$ 22,054,654	\$ 11,027,327
<b>Expenses</b>	<u>14,314,830</u>	<u>7,157,415</u>
<b>Change in net assets</b>	<u>\$ 7,739,824</u>	<u>\$ 3,869,912</u>

The City's Sewer Fund has reflected a net loss from joint venture for \$729,290. This amount includes the City's share of the Joint Venture's net gain of \$3,869,912 less capital contributions from the City to the Joint Venture of \$4,599,202.

Complete financial statements for the Joint Venture may be obtained from City's Department of Finance and Administrative Services.

**B. Risk Management**

**1. Property, Liability and Workers' Compensation**

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The City is insured for property, liability and workers' compensation claims above its deductible amount of \$150,000. The City established a Risk Management Fund (an internal service fund) to account for and finance these risks of loss. For claims in excess of these amounts, the City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). In the past three years, there have been no claims that have exceeded this coverage. All funds of the City participate in the Risk Management Fund. Amounts payable to the Risk Management Fund are based on historical claims experience. A liability for a claim is established if information indicates that it is probable that a

liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimated.

Risk Management Fund - Claims Liability

Changes in the balance of claims liabilities during the years ended December 31, 2008 and 2007 are as follows:

	<u>Property &amp; Liability</u>	<u>Workers’ Compensation</u>	<u>Totals</u>
Unpaid claims - January 1, 2007	\$ 41,811	\$ 150,813	\$ 192,624
Incurred claims (including claims reserve)	160,979	59,518	220,497
Claim payments	<u>(185,640)</u>	<u>(118,957)</u>	<u>(304,597)</u>
Unpaid claims - December 31, 2007	17,150	91,374	108,524
Incurred claims (including claims reserve)	193,522	248,818	442,340
Claim payments	<u>(136,664)</u>	<u>(237,718)</u>	<u>(374,382)</u>
Unpaid claims - December 31, 2008	<u>\$ 74,008</u>	<u>\$ 102,474</u>	<u>\$ 176,482</u>

Colorado Intergovernmental Risk Sharing Agency (CIRSA)

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. The City has participated in CIRSA since its inception in 1982.

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability, workers’ compensation and public official’s coverage to its members. A seven member Board elected by and from its members governs CIRSA.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The City has not been informed of any excess losses that may have been incurred by the pool.

**2. Employee Health Care**

Medical, accidental death and disability and life insurance

The City provides medical, accidental death and disability and life insurance to employees through commercial insurance with no risk of loss to the City.

### Dental insurance

Dental benefits are entirely self-insured with coverage limited to \$2,000 per covered employee and each eligible dependent per year. In the past three years, there have been no claims that have exceeded this coverage.

The City established the Employee Benefits Fund (an internal service fund) to account for and finance these health benefits. All funds of the City participate in the Employee Benefits Fund. Amounts payable to the Employee Benefits Fund are based on commercial insurance premiums and passed on to the participating funds. A liability for dental claims is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimated.

### Employee Benefits Fund - Claims Liability

Changes in the balance of claims liabilities during the year ended December 31, 2008 and 2007 are as follows:

	<u>Dental</u>
Unpaid claims - January 1, 2007	\$ 16,000
Incurred claims (including claims reserve):	387,614
Claim payments	<u>(390,614)</u>
Unpaid claims - December 31, 2007	13,000
Incurred claims (including claims reserve):	361,718
Claim payments	<u>(361,718)</u>
Unpaid claims - December 31, 2008	<u><u>\$ 13,000</u></u>

## **C. Commitments and Contingencies**

### **1. Legal proceedings**

A number of claims are presently pending against the City. The City is denying the allegations and is defending against them. Although the eventual outcome of these matters cannot be predicted, it is the opinion of management, based upon advice of legal counsel, that the City's ultimate liability is not expected to have a material effect on the City's financial position.

### **2. Littleton/Englewood Wastewater Treatment Plant**

In 1984, the cities of Englewood and Littleton, in addition to a number of other communities, were named as potentially responsible parties in the Lowry Landfill Superfund site as a result of sanitary sewer sludge that was deposited between September 1977 and June 1980 at the landfill through the direction and approval of the Colorado Department of Health.

In an agreement reached in March 1994, the City paid \$1,224,547 to the City and County of Denver, Waste Management of Colorado, Inc. and Chemical Waste Management of Colorado, Inc. in exchange for a release of claims against the City and for holding the City harmless of claims from other parties involved in Lowry. In addition, Englewood has agreed to pay .6347% of the amount by which certain expenses for cleaning up Lowry exceed \$319,000,000 in 1992 dollars.

While it currently appears unlikely that future cleanup costs will exceed that amount, the cities are unable to predict, with certainty, the extent and probability of its share of future cleanup costs.

### **3. Federally assisted grant programs**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### **4. Construction Commitments**

There were no significant construction commitments at December 31, 2008.

### **5. Conduit Debt Obligations**

From time to time, the City has issued Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of residential facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from revenues of the private sector entities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2008, there were four series of Revenue Bonds outstanding, with an aggregate principal amount payable of \$27,608,939.

## **D. Employee Retirement Systems and Pension Plans**

City employees are covered by one of eight different pension plans, depending on occupation and date of hire, as follows:

- NonEmergency Employees Retirement Plan
- Police Officers Pension Plan (two plans)
- Firefighters Pension Plan (three plans)
- City Management Retirement Plan
- NonEmergency Employees Money Purchase Plan

The City administers four single-employer, defined benefit pension plans that are reported as Pension Trust Funds in the financial statements and maintains three single-employer defined contribution plans administered by the International City Managers Association Retirement Corporation (ICMA-RC). The City participates in the Statewide Defined Benefit Pension Plan administered by the Fire and Police Pension Association of Colorado (FPPA). The City also maintains a deferred compensation plan for the benefit of its employees administered by ICMA-RC.

## 1. Defined Benefit Plans

The defined benefit pension plans do not issue separate financial statements. Therefore, the financial statements for the individual funds, as of and for the year ended December 31, 2008, are presented below.

	<b>Nonemergency Employees</b>	<b>Police</b>	<b>Firefighters</b>	<b>Volunteer Firefighters</b>	<b>Total</b>
<b>Assets</b>					
Cash and short-term investments	\$ 8,255	\$ 2,378	\$ 541	\$ 173	\$ 11,347
Investments	20,351,064	5,043,709	7,749,211	146,630	33,290,614
Total assets	<u>20,359,319</u>	<u>5,046,087</u>	<u>7,749,752</u>	<u>146,803</u>	<u>33,301,961</u>
<b>Liabilities</b>					
Accounts payable	-	-	-	-	-
<b>Net assets held in trust for pension benefits</b>	<u>\$ 20,359,319</u>	<u>\$ 5,046,087</u>	<u>\$ 7,749,752</u>	<u>\$ 146,803</u>	<u>\$ 33,301,961</u>
<b>Additions</b>					
Contributions:					
City	\$ 708,160	\$ 431,701	\$ 72,467	\$ -	\$ 1,212,328
Plan member	-	8,152	4,468	-	12,620
Total contributions	<u>708,160</u>	<u>439,853</u>	<u>76,935</u>	<u>-</u>	<u>1,224,948</u>
Investment income:					
Net appreciation in fair value of investments	(7,185,823)	(2,101,319)	(3,272,309)	(63,935)	(12,623,386)
Less investment expense	(47,862)	-	-	-	(47,862)
Net investment income	<u>(7,233,685)</u>	<u>(2,101,319)</u>	<u>(3,272,309)</u>	<u>(63,935)</u>	<u>(12,671,248)</u>
Total additions	<u>(6,525,525)</u>	<u>(1,661,466)</u>	<u>(3,195,374)</u>	<u>(63,935)</u>	<u>(11,446,300)</u>
<b>Deductions</b>					
Benefits	1,079,131	884,955	1,122,255	37,800	3,124,141
Management fees	19,694	54,346	84,042	1,739	159,821
Total deductions	<u>1,098,825</u>	<u>939,301</u>	<u>1,206,297</u>	<u>39,539</u>	<u>3,283,962</u>
<b>Change in net assets</b>	<u>(7,624,350)</u>	<u>(2,600,767)</u>	<u>(4,401,671)</u>	<u>(103,474)</u>	<u>(14,730,262)</u>
<b>Net assets - beginning</b>	<u>27,983,669</u>	<u>7,646,854</u>	<u>12,151,423</u>	<u>250,277</u>	<u>48,032,223</u>
<b>Net assets - ending</b>	<u>\$ 20,359,319</u>	<u>\$ 5,046,087</u>	<u>\$ 7,749,752</u>	<u>\$ 146,803</u>	<u>\$ 33,301,961</u>

### NonEmergency Employees Retirement Plan (NERP)

*Plan Description.* The NonEmergency Employees Retirement Plan (NERP) is a defined benefit, single-employer, non-contributory plan established by the City for employees other than management staff, mid-managers, supervisors, confidentials, police officers and firefighters. Employees hired into this group are offered the choice of joining the NERP plan, or the NonEmergency Employees Money Purchase Plan (NEMP), which is discussed later in this section.

Members of this plan are eligible for normal retirement benefits after age 65 or earlier if eligible under the Rule of 88 (members who have attained the age of 55 where age combined with their years of credited service equals 88). Members can elect a benefit paid monthly for life and for a minimum of ten years total to members and their beneficiaries, based on 1.5% of their final average monthly compensation multiplied by their years of eligible service credits. Alternate actuarially equivalent payment options may be selected. The average monthly compensation is equal to 1/36th of the 36 highest paid consecutive months of the last ten years of the employee's eligibility.

Members who receive long-term disability benefits are eligible to receive normal benefits on the first day of the month following the normal retirement date. Benefits are computed on credited service the employee would have accrued had he/she worked to his/her normal retirement date.

If a pre-retirement member dies prior to the normal retirement date and has five or more years of credited service, the surviving spouse will receive 50% of the monthly accrued benefit for life. If the member is not survived by a spouse, the designated beneficiary will receive 50% of the monthly benefit for ten years. Payments commence on the first day of the month following the later of the member's death, or the date the member would have attained age 55. Members vest after five years of credited service with the City.

The authority under which benefit provisions are established or amended are provided within the Englewood Municipal Code and are summarized as follows: The City reserves the right to alter, amend, or terminate the plan or any part thereof provided that no such alteration or amendment shall provide that the retirement benefit payable to any retired member shall be less than that provided by the member's accumulated contributions or affect the right of any member to receive a refund of his or her's accumulated contributions and shall not directly or indirectly reduce any member's accrued pension. Additionally, no alteration or termination of the plan or any part thereof shall permit any part of the fund to revert to or be recoverable by the City or be used for or diverted to purposes other than the exclusive benefit of members, retired members, vested members or beneficiaries. Further, no amendment shall cause the elimination of neither an optional form of benefit nor the elimination of an early retirement benefit that continues after retirement.

The plan does not provide for automatic benefit increases. Ad hoc retirement benefit increases must be approved by the City Council, as funds are available and subject to TABOR restraints regarding issuance of multiple year obligations, which may be subject to a vote.

The Plan includes a Deferred Retirement Option Plan (DROP). This option allows a member that has attained age and service requirements to begin receiving retirement benefits into a separate deferred retirement account and continue employment. The member contracts with the City for the member-determined period of time not to exceed three years at which time employment terminates. The benefit payments are held in a separate account until the member terminates employment. The member is permitted distribution from the separate account only upon death or termination of employment. The member may terminate employment at anytime prior to the designated termination date.

*Contributions.* Funding for the plan is provided within the Englewood Municipal Code that states that the City will contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. The City expects to continue such contributions to the plan, but assumes no responsibility to do so and reserves the right to suspend or to reduce contributions at any time. Members do not contribute. The contribution amount for the plan has been historically determined by annual actuarial studies that resulted in contribution amounts based on a percentage of covered salary.

Administrative costs of the plan, if not paid by the City, are paid from the fund.

There are no investments in, loans to or leases with parties related to the plan.

## **Police Officers Pension Plan**

*Plan Description.* The Police Officers Pension Plan is a defined benefit, single employer plan established for Police Officers hired prior to April 8, 1978. The plan is affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. Police Officers hired after April 8, 1978 are covered under a 401(a) defined contribution plan administered by ICMA-RC.

Members of this plan attain normal retirement date when they are 55 years old and have completed 20 years of credited service with the City or when they have completed 25 years of credited service at any age. Members eligible for normal retirement will receive a monthly pension equal to 2-1/2% of final monthly base pay times the first 20 years of service plus 1% of final monthly base pay for each additional year of service up to a maximum of 65% of the final twelve months average pay including longevity.

If a retired police officer dies, the surviving spouse receives until death or remarriage a monthly pension equal to one half of the amount the officer was entitled to receive prior to death plus one-eighth of such monthly benefit for each dependent child under age 16. If there is no surviving spouse or children, the benefit is payable to a dependent parent or parents. If there are two dependent parents, the benefit is divided equally by them.

Although not a provision in the plan, under a separate agreement with the City, Police officers who receive a total disability from FPPA receive a monthly supplemental disability payment equal to 20% of their monthly salary at the date of the disability payable until their normal retirement date. Police officers who are given an occupational disability from FPPA receive a monthly supplemental pension equal to 10% of their monthly salary at date of the disability until their normal retirement date.

Police officers who leave the City prior to the five years required to vest in the plan receive a refund with interest. Vested officers receive a refund of their contributions or may remain in the plan.

The authority under which benefit provisions are established or amended are provided within Colorado Revised Statutes (CRS 31—30.5-210). The City Council, 65% of active plan members and the Board of Directors of the Colorado Fire and Police Pension Association must approve plan amendments. Any modification must maintain or enhance the actuarial soundness of the plan and cannot adversely affect the benefits of members.

The plan does not provide for automatic benefit increases. Ad hoc retirement benefit increases must be approved by the City Council, as funds are available and subject to TABOR restraints regarding issuance of multiple year obligations, which may be subject to a vote.

The Plan includes a Deferred Retirement Option Plan (DROP). This option allows a member that has attained age and service requirements to begin receiving retirement benefits into a separate deferred retirement account and continue employment. The member contracts with the City for the member-determined period of time not to exceed five years at which time employment terminates. The member's five percent contribution continues to the separate DROP account. The benefit payments and member contributions are held in a separate account until the member terminates employment. The member is permitted distribution from the separate account only upon death or termination of employment. The member may terminate employment at anytime prior to the designated termination date.

*Contributions.* Funding for the plan is provided within the Plan document and Colorado statutes that state the City shall contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. Police Officers contribute 5% of their covered salary per the plan document. The City contributes to the Police Officers Retirement Fund at a rate determined in the following manner: at least every three (3) years, the Police Officers Retirement Fund shall have an actuarial study prepared relating to the Police Officers Retirement Fund. The resultant percentage will be paid annually from general revenues of the City into the Police Officers Retirement Fund. The contribution amount for the plan has been historically determined by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund (CRS 31—30.5-204(3)).

There are no investments in, loans to or leases with parties related to the plan.

### **Firefighters Pension Plan**

*Plan Description.* The Firefighters Pension Plan is a defined benefit, single employer plan established for firefighters hired prior to April 8, 1978. The plan is affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. Firefighters hired on or after April 8, 1978 are covered under the Statewide Defined Benefit Plan of FPPA.

Normal retirement for firefighters is the date the firefighter attains 50 years of age and completes 20 years of credited service. Normal benefits are monthly amounts equal to 2 1/2% of final monthly base pay times the first 20 years of service plus 1% of final monthly base pay for each additional year of service up to a maximum of 65% of final monthly base pay. Alternate actuarially equivalent payment options may be selected.

If a retired firefighter dies, the surviving spouse shall receive until death or remarriage a monthly pension equal to one-third of the salary of a first grade firefighter at the time of retirement plus \$30 per month for each dependent child under age 18.

Firefighters vest after five years with the City. Firefighters who terminate prior to that time receive their contributions with interest. Vested members who terminate may elect to leave their contributions in the plan and be eligible for a deferred retirement pension payable at age 50.

Although not a provision in the plan, under a separate agreement with the City, firefighters who receive a total disability from FPPA receive a monthly supplemental disability payment equal to 20% of their monthly salary at the date of the disability payable until their normal retirement date. Firefighters who are given an occupational disability from FPPA receive a monthly supplemental pension equal to 10% of their monthly salary at the date of the disability until their normal retirement date.

The authority under which benefit provisions are established or amended are provided within Colorado Revised Statutes (CRS 31—30.5-210). The City Council, 65% of active plan members and the Board of Directors of the Colorado Fire and Police Pension Association must approve plan amendments. Any modification must maintain or enhance the actuarial soundness of the plan and cannot adversely affect the benefits of members.

The plan does not provide for automatic benefit increases. Ad hoc retirement benefit increases must be approved by the City Council, as funds are available and subject to TABOR restraints regarding issuance of multiple year obligations, which may be subject to a vote.

The Plan includes a Deferred Retirement Option Plan (DROP). This option allows a member that has attained age and service requirements to begin receiving retirement benefits into a separate deferred retirement account and continue employment. The member contracts with the City for the member-determined period of time not to exceed five years at which time employment terminates. The member's five percent contribution continues to the separate DROP account. The benefit payments and member contributions are held in a separate account until the member terminates employment. The member is permitted distribution from the separate account only upon death or termination of employment. The member may terminate employment at anytime prior to the designated termination date.

*Contributions.* Funding for the plan is provided within the Plan document and Colorado statutes that state the City shall contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. Firefighters contribute 5% of their covered salary per the plan document. The City contributes to the Firefighters Benefit Fund at a rate determined in the following manner: at least every three (3) years, the Firefighters Pension Fund shall have an actuarial study prepared relating to the Firefighters Pension Fund. The resultant percentage will be paid annually from general revenues of the City into the Firefighters Pension Fund. The contribution amount for the plan has been historically determined by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund (CRS 31—30.5-204(3)).

There are no investments in, loans to or leases with parties related to the plan.

### **Volunteer Firefighters Pension Plan**

*Plan Description.* The Volunteer Firefighters Pension plan is a defined benefit, single employer plan that is affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by the Firefighters Pension Board. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. The monthly benefit amount for retirees and beneficiaries are \$450 and \$225, respectively.

*Contributions.* Funding for the plan is provided within the Plan document and Colorado statutes that state the City shall contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. The City contributes to the Volunteer Fire Department Pension Fund at a rate determined in the following manner: at least every three (3) years, the Volunteer Fire Department Pension Fund shall have an actuarial study prepared relating to the Volunteer Fire Department Pension Fund. The resultant amount will be paid annually from general revenues of the City into the Volunteer Fire Department Pension Fund. The contribution amount for the plan has been historically determined by biennial actuarial studies.

The financial statements of the volunteer plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the plan are paid from the pension fund (CRS 31—30.5-204(3)).

There are no investments in, loans to or leases with parties related to the plan.

The annual pension cost, net pension obligation and related information for the Nonemergency, Police officers, Firefighters and Volunteer firefighters pension funds for the current year were as follows:

	<b>Non- Emergency</b>	<b>Police Officers</b>	<b>Firefighters</b>	<b>Volunteer Firefighters</b>
Current membership:				
Retirees and beneficiaries receiving benefits	104	40	50	13
Terminated plan members entitled to but not yet receiving benefits	87	-	-	-
Active plan members	155	2	1	-
	<u>346</u>	<u>42</u>	<u>51</u>	<u>13</u>
Contribution Rates:				
City	8.9%	272.176%	43.014%	-
Plan members	-	5.0%	5.0%	-
Annual pension cost (APC)	\$708,160	\$439,853	\$76,935	\$0
Contributions made	\$708,160	\$439,853	\$76,935	\$0
Net pension obligation	\$0	\$0	\$0	\$0
Percentage of APC contributed	100%	100%	100%	100%
Actuarial valuation date	1/1/2008	1/1/2008	1/1/2008	1/1/2007
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level amount Open	Level amount Open	Level amount Open	Level amount Open
Remaining amortization period	15 years	14 years	14 years	N/A
Asset valuation method	5 year smoothed market	3 year smoothed market	3 year smoothed market	3 year moving average
Actuarial assumptions:				
Investment rate of return	7.5%	8.0%	8.0%	8.0%
Projected salary increases*	4.30-7.30%	4.75%	4.75%	N/A
*Includes inflation at	4.0%	3.5%	3.5%	4.0%
Cost of living adjustments	None	None	None	None

*Funded Status and Funding Progress.* The following is funded status information for each plan as of the most recent actuarial valuation date:

	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) --Entry Age (b)</b>	<b>Unfunded (Funded) AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
Non-Emergency	1/1/2008	\$ 27,295,776	\$ 28,927,998	\$ 1,632,222	94.4%	\$ 7,332,171	22.3%
Police Officers	1/1/2008	7,447,065	10,067,219	2,620,154	74.0%	156,910	1669.8%
Firefighters	1/1/2008	11,822,112	11,787,457	(34,655)	100.3%	85,669	(40.5%)
Volunteer Firefighters	1/1/2007	256,120	244,526	(11,594)	104.7%	-	N/A

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Three-year Trend Information:

	<b>Year Ending December 31,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
NonEmergency Retirement Plan	2006	\$ 711,258	100%	\$ -
	2007	\$ 697,965	100%	\$ -
	2008	\$ 708,160	100%	\$ -
Police Officers Retirement Plan	2006	\$ 424,162	100%	\$ -
	2007	\$ 443,297	100%	\$ -
	2008	\$ 439,853	100%	\$ -
Firefighters Retirement Plan	2006	\$ 67,927	100%	\$ -
	2007	\$ 78,726	100%	\$ -
	2008	\$ 76,935	100%	\$ -
Volunteer Firefighters Retirement Plan	2006	\$ 2,601	100%	\$ -
	2007	\$ 2,601	100%	\$ -
	2008	\$ -	N/A	\$ -

### **State Fire and Police Pension Plan (FPPA)**

#### **Plan Description**

The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for all the City's police officers and firefighters hired prior to January 1, 1997 through the Statewide Death and Disability Plan that is also administered by FPPA. This is a noncontributory plan.

All full-time, paid firefighters of the City hired after April 8, 1978 are members of the Statewide Defined Benefit Plan and all full-time, paid police officers and firefighters are members of the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. The report may be obtained from FPPA's website at [www.fppaco.org](http://www.fppaco.org). or by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

#### **Basis of Accounting**

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the

plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

### **Funding Policy**

Plan members and the City are required to contribute at a rate set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30, Part 10 of the CRS, as amended. For 2008 and the previous two years, the contribution rate for both plan members and the City is 8.0% of covered salary. The City's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2008, 2007, and 2006 were \$286,021, \$280,255 and \$266,436 respectively, equal to their required contributions for each year.

### **Statewide Death and Disability Plan**

Death and disability coverage is provided for all the City's police officers and firefighters. The plan is noncontributory for those hired prior to January 1, 1997. For employees hired subsequent to January 1, 1997, the City and employee each contribute 1.30% of covered salary.

## **2. Defined Contribution Plans**

### **City Management Employees Money Purchase Plan**

The City established a 401(a) defined contribution plan for City management staff employees for whom the City contributes 10% percent of each eligible employee's base salary, and each eligible employee contributes 6% of base salary. The plan is administered ICMA-RC. All management staff are eligible to participate upon employment, and all contributions vest immediately.

### **NonEmergency Employees Money Purchase Plan (NEMP)**

In December 1987, a majority of the employees classified as mid-managers, supervisors and confidential who were covered by the NonEmergency Employees Retirement Plan (NERP) requested the creation of a 401(a) defined contribution plan. Because of this request, such a plan was formed. The plan is administered by ICMA-RC. All employees promoted into this group from the NERP are offered the choice of remaining in the defined benefit plan, or joining the defined contribution plan. All new hire employees in this group join the defined contribution plan. The City contributes 7% of each employee's salary to the plan, and each eligible employee contributes 3% of base salary. The City's contributions for each employee (and earnings allocated to the employee's account) begin to vest with the employee after two years of service, and are fully vested after five years of service. Non-vested City contributions and earnings thereon for employees who leave employment before five years of service are used to reduce the City's contribution requirement.

If a promoted employee with less than five years of credited service elects to join the defined contribution plan, the employee immediately vests in the NERP and continues to accrue credited service towards vesting in the defined contribution plan.

### **Police Officers Money Purchase Plan**

Under the State of Colorado Fire and Police Pension Plan's provision in the state statutes, the City established a 401(a) defined contribution plan for all police officers hired on or after April 8, 1978. This plan is administered by ICMA-RC. The City and qualified employees each contribute 9% of the employee's base salary. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Qualified employees may contribute more than 9% under specific guidelines. Employee participation begins on their date of employment. The City's contributions for each employee (and earnings allocated to the employee's account) begin to vest with the employee after three years of service, and are fully vested after seven years of service. Non-vested City contributions and earnings thereon for employees who leave employment before seven years of service are used to reduce the City's contribution requirement.

The authority to amend the provisions of the three defined contribution plans lies within the respective plan documents, which state that the City Council may amend the terms of the plan provided that active or retired members' benefits are not adversely affected.

Required employer and employee contributions for the year ended December 31, 2008, is presented below:

	<b>City</b>			
	<b>Management</b>	<b>NEMP</b>	<b>Police</b>	
Employers required, which equal actual, contributions:				
Amount	\$ 157,275	\$ 591,487	\$ 398,778	
As a percent of covered payroll	10.00%	7.00%	9.00%	
Employees required, which equal actual, contributions:				
Amount	\$ 94,365	\$ 253,494	\$ 398,778	
As a percent of covered payroll	6.00%	3.00%	9.00%	

There are no investments in, loans to, or leases with parties related to the plans.

### **3. Deferred Compensation Plan**

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA-RC. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years.

## E. Other Postemployment Benefits

### Plan Description

The City of Englewood Retiree Health Insurance Assistance Plan (“the Retiree Assistance Plan”) is a single employer defined benefit plan. The Retiree Assistance Plan provides a retiree assistance benefit by contract with various groups of retired employees and by policy for those not covered by a collective bargaining agreement. The City pays up to an amount that ranges from \$50 to \$100 dependent on which employment contract (or policy) the individual was under while employed by the City. The City pays 50% of the firefighter retiree and dependent monthly coverage cost of any plan selected by a retiree up to an amount of \$100 based on which employment contract the individual was under while employed by the City. The Retiree Assistance Plan does not issue a publicly available financial report.

### Funding Policy

The plan is financed on a pay-as-you-go basis with the expected benefits being budgeted annually.

### Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The requirements of GASB Statement 45 are being implemented prospectively for the year ended December 31, 2008. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation:

Annual required contribution (equal to annual OPEB cost)	\$ 173,923
Contributions made	<u>(109,800)</u>
Increase in net OPEB obligation	64,123
Net OPEB Obligation - beginning of year	<u>-</u>
Net OPEB Obligation - end of year	<u>\$ 64,123</u>
Percentage of Annual OPEB Cost Contributed	63.1%

### Funded Status and Funding Progress

Details of the most recent actuarial study follow:

Actuarial accrued liability (AAL)	\$ 2,884,837
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,884,837</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 7,656,647
UAAL as a percentage of covered payroll	37.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability for occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2007
Actuarial Cost Method	Entry Age
Amortization Method	Level Amount - Open
Asset Valuation Method	Fair value
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return (includes inflation at 4%; unfunded basis)	5.0%
Healthcare cost trend rate	N/A

**Note 5. Tax, Spending and Debt Limitations**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The City's management believes its Enterprise Funds, as listed in the Table of Contents, qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to

use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

On November 4, 1997, a majority of the City's electors authorized the City to collect and spend or retain in a reserve all revenues without regard to any limitations under TABOR.

**City of Englewood, Colorado**

**Required Supplementary Information**

**Schedules of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability --Entry Age (b)</b>	<b>Unfunded (Funded) AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
<b>Health Insurance Assistance Plan</b>						
1/1/2007	\$ -	\$ 2,884,837	\$ 2,884,837	0.0%	\$ 7,656,647	37.7%
Note - GASB 45 was prospectively implemented as of January 1, 2007; therefore, actuarial information on the Health Insurance Assistance Plan is not available prior to that date.						
<b>Non-Emergency Employees Pension Plan (A)</b>						
1/1/2004	\$ 21,761,097	\$ 23,796,708	\$ 2,035,611	91.4%	\$ 7,057,904	28.8%
1/1/2005	22,416,261	25,125,148	2,708,887	89.2%	7,283,790	37.2%
1/1/2006	23,534,617	26,097,993	2,563,376	90.2%	7,262,614	35.3%
1/1/2007	25,124,870	27,526,649	2,401,779	91.3%	7,358,429	32.6%
1/1/2008	27,295,776	28,927,998	1,632,222	94.4%	7,332,171	22.3%
<b>Police Officers Pension Plan (B)</b>						
1/1/2002	\$ 9,217,467	\$ 11,187,995	\$ 1,970,528	82.4%	\$ 188,947	1042.9%
1/1/2004	6,909,579	11,085,277	4,175,698	62.3%	148,841	2805.5%
1/1/2006	6,901,502	10,918,886	4,017,384	63.2%	147,387	2725.7%
1/1/2008	7,447,065	10,067,219	2,620,154	74.0%	156,910	1669.8%
<b>Firefighters Pension Plan (B)</b>						
1/1/2002	\$ 14,801,593	\$ 12,680,988	\$ (2,120,605)	116.7%	\$ 182,773	(1160.2%)
1/1/2004	11,407,493	12,095,021	687,528	94.3%	141,474	486.0%
1/1/2006	11,422,910	12,121,516	698,606	94.2%	79,316	880.8%
1/1/2008	11,822,112	11,787,457	(34,655)	100.3%	85,669	(40.5%)
<b>Volunteer Firefighters Pension Plan (B)</b>						
1/1/2001	\$ 569,839	\$ 470,331	\$ (99,508)	121.2%	\$ -	N/A
1/1/2003	390,864	390,365	(499)	100.1%	-	N/A
1/1/2005	277,587	305,165	27,578	91.0%	-	N/A
1/1/2007	256,120	244,526	(11,594)	104.7%	-	N/A

(A) Actuarial valuations performed annually.

(B) Actuarial valuations performed biannually.

**CITY OF ENGLEWOOD, COLORADO**

**Required Supplementary Information**

**Schedules of Employer Contributions**

<b>Year Ended 12/31</b>	<b>Non-Emergency Employees Pension Plan</b>		<b>Police Officers Pension Plan</b>		<b>Firefighters Pension Plan</b>		<b>Volunteer Firefighters Pension Plan</b>	
	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2004	\$ 551,117	100.0%	\$ 185,836	95.9%	\$ 9,058	50.0%	\$ -	N/A
2005	640,243	100.0%	412,552	99.0%	67,927	94.2%	-	N/A
2006	711,258	100.0%	412,552	101.0%	67,927	93.3%	2,601	100.0%
2007	697,965	100.0%	439,853	99.0%	76,935	96.8%	2,601	100.0%
2008	708,160	100.0%	439,853	98.1%	76,935	94.2%	-	N/A

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

## Nonmajor Governmental Funds

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### Special Revenue Funds

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

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 by State Lottery funds.

Open Space 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 from the Arapahoe County Open Space Sales Tax. The Open Space Tax was created on January 1, 2004 and expires on December 31, 2013.

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.

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

Community Development Fund – Accounts for grant funds of the Brownfields Pilot Grants Program administered by the United States Environmental Protection Agency. This fund also accounts for the operations of the *art* circulator shuttle which is funded by the Regional Transportation District.

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

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.

### Debt Service Funds

**Debt Service Funds account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources**

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

### Capital Projects Funds

**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).**

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

Capital Projects Fund – Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily with transfers from other City Funds.

**CITY OF ENGLEWOOD, COLORADO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2008**

	<b>Special Revenue Funds</b>				
	<b>Conservation Trust</b>	<b>Open Space</b>	<b>Donors</b>	<b>Community Development</b>	<b>Malley Center Trust</b>
<b>Assets</b>					
Cash and investments	\$ 927,736	\$ 908,548	\$ 182,377	\$ -	\$ 275,554
Receivables:					
Property taxes	-	-	-	-	-
Sales and use	-	-	-	-	-
Interest	8,913	10,288	2,368	-	3,032
Accounts	-	-	-	-	-
Intergovernmental	-	509,690	-	30,481	-
Total assets	<u>\$ 936,649</u>	<u>\$ 1,428,526</u>	<u>\$ 184,745</u>	<u>\$ 30,481</u>	<u>\$ 278,586</u>
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable	\$ 8,668	\$ 11,315	\$ 28,927	\$ 20,101	\$ -
Due to other funds	-	-	-	10,380	-
Deferred revenue	-	89,840	-	-	-
Total liabilities	<u>8,668</u>	<u>101,155</u>	<u>28,927</u>	<u>30,481</u>	<u>-</u>
Fund balances:					
Reserved for: parks and recreation					
Parks and recreation	927,981	1,327,371	-	-	278,586
Police operations	-	-	65,619	-	-
Fire operations	-	-	3,865	-	-
Debt service	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	32,182	-	-
Undesignated	-	-	54,152	-	-
Total fund balances	<u>927,981</u>	<u>1,327,371</u>	<u>155,818</u>	<u>-</u>	<u>278,586</u>
Total liabilities and fund balances	<u>\$ 936,649</u>	<u>\$ 1,428,526</u>	<u>\$ 184,745</u>	<u>\$ 30,481</u>	<u>\$ 278,586</u>

See Independent Auditor's Report

		<u>Debt Service</u>		<u>Capital Projects Funds</u>			<u>Total</u>
<u>Parks and Recreation Trust</u>	<u>Total</u>	<u>General Obligation Bond</u>	<u>Public Improvement</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>	
\$ 449,907	\$ 2,744,122	\$ 158,321	\$ 104,912	\$ 1,467,046	\$ 1,571,958	\$ 4,474,401	
-	-	991,000	-	-	-	991,000	
-	-	-	83,585	-	83,585	83,585	
4,793	29,394	7,816	-	15,982	15,982	53,192	
-	-	-	19,648	-	19,648	19,648	
-	540,171	-	1,093,487	-	1,093,487	1,633,658	
<u>\$ 454,700</u>	<u>\$ 3,313,687</u>	<u>\$ 1,157,137</u>	<u>\$ 1,301,632</u>	<u>\$ 1,483,028</u>	<u>\$ 2,784,660</u>	<u>\$ 7,255,484</u>	
\$ -	\$ 69,011	\$ -	\$ 128,640	\$ 144,943	\$ 273,583	\$ 342,594	
-	10,380	-	-	-	-	10,380	
-	89,840	991,000	105,467	-	105,467	1,186,307	
-	169,231	991,000	234,107	144,943	379,050	1,539,281	
454,700	2,988,638	-	-	-	-	2,988,638	
-	65,619	-	-	-	-	65,619	
-	3,865	-	-	-	-	3,865	
-	-	166,137	-	-	-	166,137	
-	32,182	-	1,046,408	970,917	2,017,325	2,049,507	
-	54,152	-	21,117	367,168	388,285	442,437	
454,700	3,144,456	166,137	1,067,525	1,338,085	2,405,610	5,716,203	
<u>\$ 454,700</u>	<u>\$ 3,313,687</u>	<u>\$ 1,157,137</u>	<u>\$ 1,301,632</u>	<u>\$ 1,483,028</u>	<u>\$ 2,784,660</u>	<u>\$ 7,255,484</u>	

**CITY OF ENGLEWOOD, COLORADO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2008**

	<b>Special Revenue Funds</b>				
	<b>Conservation Trust</b>	<b>Open Space</b>	<b>Commercial Revolving Loan</b>	<b>Donors</b>	<b>Community Development</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle use tax	-	-	-	-	-
Building use tax	-	-	-	-	-
Intergovernmental	325,505	1,046,000	-	7,265	272,031
Charges for services	-	-	-	51,205	-
Construction reimbursements	-	-	-	-	-
Net investment income	40,129	46,522	-	10,815	-
Contributions	-	-	-	41,110	-
Other	-	-	-	-	-
Total revenues	<u>365,634</u>	<u>1,092,522</u>	<u>-</u>	<u>110,395</u>	<u>272,031</u>
<b>Expenditures</b>					
Current:					
General government	-	-	118,366	2,447	272,031
Public safety	-	-	-	43,055	-
Public works	-	-	-	-	-
Culture and recreation	78,121	77,487	-	56,894	-
Capital outlay	154,373	1,146,610	-	89,908	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>232,494</u>	<u>1,224,097</u>	<u>118,366</u>	<u>192,304</u>	<u>272,031</u>
Excess revenues over (under) expenditures	<u>133,140</u>	<u>(131,575)</u>	<u>(118,366)</u>	<u>(81,909)</u>	<u>-</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	158,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>158,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	133,140	26,425	(118,366)	(81,909)	-
<b>Fund balances - beginning</b>	<u>794,841</u>	<u>1,300,946</u>	<u>118,366</u>	<u>237,727</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 927,981</u>	<u>\$ 1,327,371</u>	<u>\$ -</u>	<u>\$ 155,818</u>	<u>\$ -</u>

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Malley Center Trust	Parks and Recreation Trust	Total	Debt Service	Capital Projects Funds			Total Nonmajor Governmental Funds
			General Obligation Bond	Public Improvement	Capital Projects	Total	
\$ -	\$ -	\$ -	\$ 1,167,492	\$ -	\$ -	\$ -	\$ 1,167,492
-	-	-	-	1,252,178	-	1,252,178	1,252,178
-	-	-	-	769,078	-	769,078	769,078
-	-	1,650,801	-	1,189,743	-	1,189,743	2,840,544
-	-	51,205	-	-	-	-	51,205
-	-	-	-	12,526	148,163	160,689	160,689
13,659	21,510	132,635	19,661	41,028	77,677	118,705	271,001
1,430	895	43,435	-	-	-	-	43,435
-	1,300	1,300	-	10,771	80,000	90,771	92,071
<u>15,089</u>	<u>23,705</u>	<u>1,879,376</u>	<u>1,187,153</u>	<u>3,275,324</u>	<u>305,840</u>	<u>3,581,164</u>	<u>6,647,693</u>
-	-	392,844	12,311	-	178,118	178,118	583,273
-	-	43,055	-	-	29,629	29,629	72,684
-	-	-	-	2,261,542	47,021	2,308,563	2,308,563
-	9,646	222,148	-	480,347	78,481	558,828	780,976
18,590	-	1,409,481	-	955,670	655,534	1,611,204	3,020,685
-	-	-	565,000	-	-	-	565,000
-	-	-	531,335	-	-	-	531,335
<u>18,590</u>	<u>9,646</u>	<u>2,067,528</u>	<u>1,108,646</u>	<u>3,697,559</u>	<u>988,783</u>	<u>4,686,342</u>	<u>7,862,516</u>
<u>(3,501)</u>	<u>14,059</u>	<u>(188,152)</u>	<u>78,507</u>	<u>(422,235)</u>	<u>(682,943)</u>	<u>(1,105,178)</u>	<u>(1,214,823)</u>
-	-	158,000	-	483,915	381,535	865,450	1,023,450
-	-	-	-	(2,353,324)	(75,000)	(2,428,324)	(2,428,324)
-	-	158,000	-	(1,869,409)	306,535	(1,562,874)	(1,404,874)
<u>(3,501)</u>	<u>14,059</u>	<u>(30,152)</u>	<u>78,507</u>	<u>(2,291,644)</u>	<u>(376,408)</u>	<u>(2,668,052)</u>	<u>(2,619,697)</u>
<u>282,087</u>	<u>440,641</u>	<u>3,174,608</u>	<u>87,630</u>	<u>3,359,169</u>	<u>1,714,493</u>	<u>5,073,662</u>	<u>8,335,900</u>
<u>\$ 278,586</u>	<u>\$ 454,700</u>	<u>\$3,144,456</u>	<u>\$ 166,137</u>	<u>\$ 1,067,525</u>	<u>\$ 1,338,085</u>	<u>\$ 2,405,610</u>	<u>\$ 5,716,203</u>

**CITY OF ENGLEWOOD, COLORADO**

**Conservation Trust Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Project Budget and Actual - Budgetary Basis  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Project Budget</u>	<u>Actual Amounts</u>	<u>Project Budget Remaining</u>	<u>2007 Actual</u>
<b>Revenues</b>				
Lottery proceeds	\$ 325,505	\$ 325,505	\$ -	\$ 327,051
Net investment income	40,129	40,129	-	37,356
Total revenues	<u>365,634</u>	<u>365,634</u>	<u>-</u>	<u>364,407</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	483,652	78,121	405,531	26,831
Capital outlay	268,204	154,373	113,831	67,365
Total expenditures	<u>751,856</u>	<u>232,494</u>	<u>519,362</u>	<u>94,196</u>
Excess revenues over (under) expenditures	<u>\$ (386,222)</u>	133,140	<u>\$ 519,362</u>	270,211
<b>Fund balances - beginning</b>		<u>794,841</u>		<u>524,630</u>
<b>Fund balances - ending</b>		927,981		794,841
Less: Fund Balance Designated for Completion of Projects		<u>(519,362)</u>		<u>(383,100)</u>
<b>Unappropriated fund balance</b>		<u>\$ 408,619</u>		<u>\$ 411,741</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Open Space Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Project Budget and Actual - Budgetary Basis  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Project Budget</u>	<u>Actual Amounts</u>	<u>Project Budget Remaining</u>	<u>2007 Actual</u>
<b>Revenues</b>				
Open Space Tax Shareback	\$ 663,148	\$ 663,148	\$ -	\$ 733,539
Open Space Grants	884,440	382,852	501,588	645,342
Net investment income	46,522	46,522	-	69,765
Total revenues	<u>1,594,110</u>	<u>1,092,522</u>	<u>501,588</u>	<u>1,448,646</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	152,187	77,487	74,700	667,899
Capital outlay	2,438,076	1,146,610	1,291,466	720,313
Total expenditures	<u>2,590,263</u>	<u>1,224,097</u>	<u>1,366,166</u>	<u>1,388,212</u>
Excess revenues over (under) expenditures	(996,153)	(131,575)	864,578	60,434
<b>Other financing sources</b>				
Transfers in	<u>158,000</u>	<u>158,000</u>	-	-
Excess revenues and other financing sources over (under) expenditures	<u>\$ (838,153)</u>	26,425	<u>\$ 864,578</u>	60,434
<b>Fund balances - beginning</b>		<u>1,300,946</u>		<u>1,240,512</u>
<b>Fund balances - ending</b>		1,327,371		1,300,946
Less: Fund Balance Designated for Completion of Projects		(864,578)		(898,554)
<b>Unappropriated fund balance</b>		<u>\$ 462,793</u>		<u>\$ 402,392</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Commercial Revolving Loan Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ 2,912
<b>Expenditures</b>					
Current:					
General government	<u>88,154</u>	<u>118,366</u>	<u>118,366</u>	<u>-</u>	<u>100,000</u>
Excess expenditures over revenues	(88,154)	(118,366)	(118,366)	-	(97,088)
<b>Fund balances - beginning</b>	<u>214,003</u>	<u>118,366</u>	<u>118,366</u>	<u>-</u>	<u>215,454</u>
<b>Fund balances - ending</b>	<u>\$ 125,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,366</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Donors Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**For the Year Ended December 31, 2008**

**With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Intergovernmental	\$ -	\$ -	\$ 7,265	\$ 7,265	\$ -
Charges for services	36,100	36,100	51,205	15,105	32,992
Net investment income	10,000	10,000	10,815	815	16,256
Contributions	43,000	43,000	41,110	(1,890)	115,240
<b>Total revenues</b>	<b>89,100</b>	<b>89,100</b>	<b>110,395</b>	<b>21,295</b>	<b>164,488</b>
<b>Expenditures</b>					
Current:					
General government	-	-	2,447	(2,447)	37,506
Police department	33,346	33,346	43,055	(9,709)	54,159
Fire department	1,000	1,000	-	1,000	-
Culture and recreation	63,499	63,499	56,894	6,605	71,678
Capital outlay	-	95,000	89,908	5,092	45,026
<b>Total expenditures</b>	<b>97,845</b>	<b>192,845</b>	<b>192,304</b>	<b>541</b>	<b>208,369</b>
Excess expenditures over revenues	(8,745)	(103,745)	(81,909)	21,836	(43,881)
<b>Other financing sources</b>					
Transfers in	-	-	-	-	11,876
Excess expenditures over revenues and other financing sources	(8,745)	(103,745)	(81,909)	21,836	(32,005)
<b>Fund balances - beginning</b>	<b>251,558</b>	<b>237,727</b>	<b>237,727</b>	<b>-</b>	<b>269,732</b>
<b>Fund balances - ending</b>	<b>\$ 242,813</b>	<b>\$ 133,982</b>	<b>\$ 155,818</b>	<b>\$ 21,836</b>	<b>\$ 237,727</b>

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**CITY OF ENGLEWOOD, COLORADO**

**Community Development Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Intergovernmental	\$ 290,000	\$ 290,000	\$ 272,031	\$ (17,969)	\$ 210,309
<b>Expenditures</b>					
Current:					
General government	290,000	290,000	272,031	17,969	210,309
Excess revenues over expenditures	-	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-	-
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Malley Center Trust Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>	
<b>Revenues</b>					
Contributions	\$ 15,100	\$ 15,100	\$ 1,430	\$ (13,670)	\$ 2,140
Net investment income	8,000	8,000	13,659	5,659	16,223
Total revenues	<u>23,100</u>	<u>23,100</u>	<u>15,089</u>	<u>(8,011)</u>	<u>18,363</u>
<b>Expenditures</b>					
Current:					
Culture and recreation	30,070	30,070	-	30,070	2,492
Capital outlay	20,000	20,000	18,590	1,410	-
Total expenditures	<u>50,070</u>	<u>50,070</u>	<u>18,590</u>	<u>31,480</u>	<u>2,492</u>
Excess revenues over (under) expenditures	(26,970)	(26,970)	(3,501)	23,469	15,871
<b>Fund balances - beginning</b>	<u>239,246</u>	<u>282,087</u>	<u>282,087</u>	<u>-</u>	<u>266,216</u>
<b>Fund balances - ending</b>	<u>\$ 212,276</u>	<u>\$ 255,117</u>	<u>\$ 278,586</u>	<u>\$ 23,469</u>	<u>\$ 282,087</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Parks and Recreation Trust Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Contributions	\$ 2,000	\$ 2,000	\$ 895	\$ (1,105)	\$ 3,540
Charges for services	1,500	1,500	-	(1,500)	-
Net investment income	10,000	10,000	21,510	11,510	25,624
Other	-	-	1,300	1,300	-
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>23,705</u>	<u>10,205</u>	<u>29,164</u>
<b>Expenditures</b>	<u>29,738</u>	<u>29,738</u>	<u>9,646</u>	<u>20,092</u>	<u>20,742</u>
Excess revenues over (under) expenditures	(16,238)	(16,238)	14,059	30,297	8,422
<b>Fund balances - beginning</b>	<u>415,981</u>	<u>440,641</u>	<u>440,641</u>	<u>-</u>	<u>432,219</u>
<b>Fund balances - ending</b>	<u>\$ 399,743</u>	<u>\$ 424,403</u>	<u>\$ 454,700</u>	<u>\$ 30,297</u>	<u>\$ 440,641</u>

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**CITY OF ENGLEWOOD, COLORADO**

**General Obligation Bond Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,167,492	\$ 67,492	\$ 1,104,289
Net investment income	10,000	10,000	19,661	9,661	31,857
Total revenues	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,187,153</u>	<u>77,153</u>	<u>1,136,146</u>
<b>Expenditures</b>					
Debt service:					
Principal	565,000	565,000	565,000	-	545,000
Interest	531,335	531,335	531,335	-	540,306
Other	16,300	16,300	12,311	3,989	11,751
Total expenditures	<u>1,112,635</u>	<u>1,112,635</u>	<u>1,108,646</u>	<u>3,989</u>	<u>1,097,057</u>
Excess revenues over (under) expenditures	(2,635)	(2,635)	78,507	81,142	39,089
<b>Fund balances - beginning</b>	11,020	87,630	87,630	-	48,541
<b>Fund balances - ending</b>	<u>\$ 8,385</u>	<u>\$ 84,995</u>	<u>\$ 166,137</u>	<u>\$ 81,142</u>	<u>\$ 87,630</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Public Improvement Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Project Budget And Actual - Budgetary Basis  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Project Budget</u>	<u>Actual</u>	<u>Project Budget Remaining</u>	<u>2007 Actual</u>
<b>Revenues</b>				
Vehicle use tax	\$ 1,252,178	\$ 1,252,178	\$ -	\$ 1,440,089
Building use tax	769,078	769,078	-	1,968,380
Intergovernmental	1,765,726	1,189,743	575,983	1,053,062
Net investment income	41,028	41,028	-	244,439
Construction reimbursement	156,522	12,526	143,996	22,625
Other	10,771	10,771	-	1,964
Total revenues	<u>3,995,303</u>	<u>3,275,324</u>	<u>719,979</u>	<u>4,730,559</u>
<b>Expenditures</b>				
Current:				
Public works	2,573,846	2,261,542	312,304	2,527,393
Culture and recreation	1,857,766	480,347	1,377,419	5,763
Capital outlay	1,032,334	955,670	76,664	861,193
Total expenditures	<u>5,463,946</u>	<u>3,697,559</u>	<u>1,766,387</u>	<u>3,394,349</u>
Excess revenues over (under) expenditures	<u>(1,468,643)</u>	<u>(422,235)</u>	<u>1,046,408</u>	<u>1,336,210</u>
<b>Other financing sources (uses)</b>				
Transfers in	483,915	483,915	-	550,000
Transfers out	<u>(2,353,324)</u>	<u>(2,353,324)</u>	<u>-</u>	<u>(4,300,235)</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,338,052)</u>	<u>(2,291,644)</u>	<u>\$ 1,046,408</u>	<u>(2,414,025)</u>
<b>Fund balances - beginning</b>		<u>3,359,169</u>		<u>5,773,194</u>
<b>Fund balances - ending</b>		1,067,525		3,359,169
Less: Fund Balance Designated for Completion of Projects		<u>(1,046,408)</u>		<u>(3,137,223)</u>
<b>Unappropriated fund balance</b>		<u>\$ 21,117</u>		<u>\$ 221,946</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Capital Projects Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Project Budget And Actual - Budgetary Basis  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Project Budget</u>	<u>Actual</u>	<u>Project Budget Remaining</u>	<u>2007 Actual</u>
<b>Revenues</b>				
Net investment income	\$ 77,677	\$ 77,677	\$ -	\$ 107,509
Construction reimbursement	148,163	148,163	-	136,682
Other	80,000	80,000	-	-
Total revenues	<u>305,840</u>	<u>305,840</u>	<u>-</u>	<u>244,191</u>
<b>Expenditures</b>				
Current:				
General government	433,985	178,118	255,867	254,149
Public safety	91,050	29,629	61,421	60,566
Public works	47,021	47,021	-	88,035
Culture and recreation	124,307	78,481	45,826	55,497
Capital outlay	1,263,337	655,534	607,803	468,929
Total expenditures	<u>1,959,700</u>	<u>988,783</u>	<u>970,917</u>	<u>927,176</u>
Excess expenditures over revenues	<u>(1,653,860)</u>	<u>(682,943)</u>	<u>970,917</u>	<u>(682,985)</u>
<b>Other financing sources (uses)</b>				
Transfers in	381,535	381,535	-	1,485,205
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	-	-
Total other financing sources	<u>306,535</u>	<u>306,535</u>	<u>-</u>	<u>1,485,205</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,347,325)</u>	<u>(376,408)</u>	<u>\$ 970,917</u>	<u>802,220</u>
<b>Fund balances - beginning</b>		<u>1,714,493</u>		<u>912,273</u>
<b>Fund balances - ending</b>		<u>1,338,085</u>		<u>1,714,493</u>
Less: Fund Balance Designated for Completion of Projects		<u>(970,917)</u>		<u>(1,353,892)</u>
<b>Unappropriated fund balance</b>		<u>\$ 367,168</u>		<u>\$ 360,601</u>

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## Proprietary Funds

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### Enterprise Funds

**Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of City Council is that 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 Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.**

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

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

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

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

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

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

### Internal Service Funds

**Internal Service Funds account for the financing of goods or services provided by one department to other departments of the City, and to other governmental units, on a cost reimbursement basis.**

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.

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.

**Internal Service Funds (continued)**

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

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

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

**CITY OF ENGLEWOOD, COLORADO**

**Water Fund  
Schedule of Revenues, Expenditures and Changes in Funds Available -  
Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Water sales	\$ 6,001,420	\$ 6,001,420	\$ 5,923,560	\$ (77,860)	\$ 5,456,092
Raw water sales	1,700,000	1,700,000	1,969,543	269,543	1,883,483
City ditch revenues	40,000	40,000	51,038	11,038	35,327
System development fees	20,000	20,000	55,293	35,293	37,059
Net investment income	96,594	96,594	160,610	64,016	212,039
Late fees	20,000	20,000	20,316	316	18,123
Water meter sales	30,000	30,000	25,027	(4,973)	27,873
Rentals	9,000	9,000	8,370	(630)	8,369
Proceeds from sale of assets	-	280,675	280,675	-	-
Other	62,000	62,000	46,754	(15,246)	210,437
Total revenues	<u>7,979,014</u>	<u>8,259,689</u>	<u>8,541,186</u>	<u>281,497</u>	<u>7,888,802</u>
<b>Expenditures</b>					
Source of supply	1,130,472	1,130,472	1,677,403	(546,931)	887,918
Power and pumping	858,156	858,156	870,851	(12,695)	743,047
Purification	1,604,656	1,679,476	1,659,830	19,646	1,360,450
Transmission and distribution	905,495	905,495	663,318	242,177	974,591
Customer accounting and collection	450,000	450,000	473,340	(23,340)	449,830
Personal services	481,012	481,012	453,057	27,955	470,098
Commodities and contractual services	409,347	409,347	418,533	(9,186)	1,040,084
Franchise tax	179,323	179,323	169,061	10,262	156,049
Capital outlay:					
Operations	1,246,650	1,246,650	560,626	686,024	507,940
Principal payments	845,276	845,276	845,276	-	827,442
Interest expense	506,651	506,651	506,960	(309)	528,674
Total expenditures	<u>8,617,038</u>	<u>8,691,858</u>	<u>8,298,255</u>	<u>393,603</u>	<u>7,946,123</u>
<b>Excess revenues over (under) expenditures</b>	(638,024)	(432,169)	242,931	675,100	(57,321)
<b>Funds available - beginning</b>	<u>3,842,827</u>	<u>4,224,593</u>	<u>4,224,593</u>	<u>-</u>	<u>4,281,914</u>
<b>Funds available - ending</b>	<u>\$ 3,204,803</u>	<u>\$ 3,792,424</u>	<u>\$ 4,467,524</u>	<u>\$ 675,100</u>	<u>\$ 4,224,593</u>
Funds available is computed as follows:					
Current assets			\$ 5,005,607		\$ 5,044,301
Current liabilities			(1,403,935)		(1,664,984)
Add current portion of long-term debt			865,852		845,276
			<u>\$ 4,467,524</u>		<u>\$ 4,224,593</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Sewer Fund  
Schedule of Revenues, Expenditures and Changes in Funds Available -  
Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Disposal services	\$ 11,912,516	\$ 11,912,516	\$ 10,552,898	\$ (1,359,618)	\$ 9,403,519
System development fees	395,000	395,000	1,282,569	887,569	672,648
South Englewood maintenance fee	39,600	39,600	39,600	-	39,600
Net investment income	541,156	541,156	865,083	323,927	1,054,663
Late fees	49,000	49,000	71,862	22,862	69,371
Other	-	-	1,285	1,285	7,621
Total revenues	<u>12,937,272</u>	<u>12,937,272</u>	<u>12,813,297</u>	<u>(123,975)</u>	<u>11,247,422</u>
<b>Expenditures</b>					
Joint Venture operations	6,200,000	6,200,000	6,694,990	(494,990)	5,839,663
Joint Venture capital	3,860,855	4,635,855	4,599,202	36,653	9,677,962
Sanitary systems	522,018	522,018	526,767	(4,749)	482,411
Customer accounting and collection	1,140,000	1,140,000	1,308,142	(168,142)	1,121,052
Personal services	661,252	661,252	654,243	7,009	671,314
Commodities and contractual services	281,772	289,732	456,138	(166,406)	288,021
Franchise tax	357,375	357,375	316,587	40,788	282,105
Capital outlay	292,665	292,665	54,000	238,665	-
Principal payments	886,755	886,755	886,755	-	828,484
Interest expense	2,203,487	2,203,487	1,688,437	515,050	2,243,692
Total expenditures	<u>16,406,179</u>	<u>17,189,139</u>	<u>17,185,261</u>	<u>3,878</u>	<u>21,434,704</u>
<b>Excess expenditures over revenues</b>	<b>(3,468,907)</b>	<b>(4,251,867)</b>	<b>(4,371,964)</b>	<b>(120,097)</b>	<b>(10,187,282)</b>
<b>Funds available - beginning</b>	<u>11,750,760</u>	<u>11,867,929</u>	<u>11,867,929</u>	<u>-</u>	<u>22,055,211</u>
<b>Funds available - ending</b>	<u>\$ 8,281,853</u>	<u>\$ 7,616,062</u>	<u>\$ 7,495,965</u>	<u>\$ (120,097)</u>	<u>\$ 11,867,929</u>

Funds available is computed as follows:

Current assets	\$ 16,355,722	\$ 20,153,166
Current liabilities	(9,808,934)	(9,171,992)
Add current portion of long-term debt	949,177	886,755
	<u>\$ 7,495,965</u>	<u>\$ 11,867,929</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Golf Course Fund  
 Schedule of Revenues, Expenditures and Changes in Funds Available -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Green fees	\$ 825,000	\$ 825,000	\$ 751,182	\$ (73,818)	\$ 344,907
Rentals	213,000	213,000	204,298	(8,702)	99,114
Driving range	122,000	122,000	101,493	(20,507)	-
Merchandise sales	200,000	200,000	147,284	(52,716)	70,164
Concessions	-	-	9,000	9,000	-
Memberships	20,000	20,000	16,513	(3,487)	6,687
Learning center	-	-	5,959	5,959	-
Net investment income	10,667	10,667	42,467	31,800	51,253
Contract Reimbursements	518,000	518,000	652,805	134,805	1,111,247
Other	68,000	68,000	42,948	(25,052)	32,986
Total revenues	<u>1,976,667</u>	<u>1,976,667</u>	<u>1,973,949</u>	<u>(2,718)</u>	<u>1,716,358</u>
<b>Expenditures</b>					
Personal services	984,507	984,507	977,574	6,933	841,654
Commodities and contractual services	551,132	551,132	535,292	15,840	437,499
Cost of goods sold	100,000	100,000	104,030	(4,030)	51,128
Payment in lieu of taxes	25,000	25,000	26,291	(1,291)	12,072
Principal payments	55,000	55,000	55,000	-	55,000
Interest expense	159,494	159,494	159,494	-	161,463
Capital outlay	95,029	95,029	94,459	570	66,581
Total expenditures	<u>1,970,162</u>	<u>1,970,162</u>	<u>1,952,140</u>	<u>18,022</u>	<u>1,625,397</u>
<b>Excess revenues over expenditures</b>	6,505	6,505	21,809	15,304	90,961
<b>Funds available - beginning</b>	<u>287,375</u>	<u>494,055</u>	<u>494,055</u>	<u>-</u>	<u>403,094</u>
<b>Funds available - ending</b>	<u>\$ 293,880</u>	<u>\$ 500,560</u>	<u>\$ 515,864</u>	<u>\$ 15,304</u>	<u>\$ 494,055</u>
Funds available is computed as follows:					
Current assets			\$ 843,643		\$ 821,471
Current liabilities			(382,779)		(382,416)
Add current portion of long-term debt			55,000		55,000
			<u>\$ 515,864</u>		<u>\$ 494,055</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Storm Drainage Fund  
Schedule of Revenues, Expenditures and Changes in Funds Available -  
Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Storm drainage services	\$ 319,311	\$ 319,311	\$ 320,720	\$ 1,409	\$ 320,723
Net investment income	24,954	24,954	50,245	25,291	57,351
Other	4,000	4,000	7,334	3,334	6,014
Total revenues	<u>348,265</u>	<u>348,265</u>	<u>378,299</u>	<u>30,034</u>	<u>384,088</u>
<b>Expenditures</b>					
Storm drainage system	46,335	46,335	20,632	25,703	26,821
Personal services	52,429	52,429	61,167	(8,738)	59,251
Commodities and contractual services	34,050	34,050	24,070	9,980	24,274
Capital outlay	100,000	100,000	-	100,000	-
Debt service:					
Principal payments	70,000	70,000	70,000	-	65,000
Interest expense	<u>67,713</u>	<u>67,713</u>	<u>67,450</u>	<u>263</u>	<u>70,334</u>
Total expenditures	<u>370,527</u>	<u>370,527</u>	<u>243,319</u>	<u>127,208</u>	<u>245,680</u>
<b>Excess revenues over (under) expenditures</b>	(22,262)	(22,262)	134,980	157,242	138,408
<b>Funds available - beginning</b>	<u>681,558</u>	<u>847,584</u>	<u>847,584</u>	<u>-</u>	<u>709,176</u>
<b>Funds available - ending</b>	<u>\$ 659,296</u>	<u>\$ 825,322</u>	<u>\$ 982,564</u>	<u>\$ 157,242</u>	<u>\$ 847,584</u>

Funds available is computed as follows:

Current assets	\$ 1,023,228	\$ 886,066
Current liabilities	(110,664)	(108,482)
Add current portion of long-term debt	70,000	70,000
	<u>\$ 982,564</u>	<u>\$ 847,584</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Concrete Utility Fund  
 Schedule of Revenues, Expenditures and Changes in Funds Available -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Concrete repair and maintenance fees	\$ 600,000	\$ 600,000	\$ 552,154	\$ (47,846)	\$ 550,882
Late fees	1,200	1,200	1,962	762	2,886
Net investment income	20,000	20,000	21,424	1,424	38,301
Other	-	-	-	-	45
Total revenues	<u>621,200</u>	<u>621,200</u>	<u>575,540</u>	<u>(45,660)</u>	<u>592,114</u>
<b>Expenditures</b>					
Concrete repair and maintenance program	159,886	159,886	124,105	35,781	125,585
Personal services	177,980	177,980	172,255	5,725	171,694
Commodities and contractual services	4,970	4,970	979	3,991	15,694
Capital outlay	350,000	480,000	525,030	(45,030)	236,915
Total expenditures	<u>692,836</u>	<u>822,836</u>	<u>822,369</u>	<u>467</u>	<u>549,888</u>
<b>Excess revenues over (under) expenditures</b>	(71,636)	(201,636)	(246,829)	(45,193)	42,226
<b>Funds available - beginning</b>	<u>405,960</u>	<u>504,046</u>	<u>504,046</u>	<u>-</u>	<u>461,820</u>
<b>Funds available - ending</b>	<u>\$ 334,324</u>	<u>\$ 302,410</u>	<u>\$ 257,217</u>	<u>\$ (45,193)</u>	<u>\$ 504,046</u>

Funds available is computed as follows:

Current assets	\$ 341,065	\$ 568,820
Current liabilities	(83,848)	(64,774)
	<u>\$ 257,217</u>	<u>\$ 504,046</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Housing Rehabilitation Fund  
 Schedule of Revenues, Expenditures and Changes in Funds Available -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Grant income	\$ 267,872	\$ 267,872	\$ 132,763	\$ (135,109)	\$ 87,676
Property sales	462,045	462,045	229,000	(233,045)	749,000
Loan interest income	551,151	551,151	273,163	(277,988)	64,965
Net investment income	42,125	42,125	20,878	(21,247)	38,135
Late fees	815	815	404	(411)	492
Other	492	492	244	(248)	1,073
Total revenues	<u>1,324,500</u>	<u>1,324,500</u>	<u>656,452</u>	<u>(668,048)</u>	<u>941,341</u>
<b>Expenditures</b>					
Cost of sales	647,270	647,270	294,247	353,023	812,058
Interest expense	118,819	118,819	54,015	64,804	61,367
Customer accounting and collection	8,385	8,385	3,812	4,573	9,270
Grants to other governments	103,709	103,709	47,146	56,563	9,625
Net change in notes receivable/payable	386,923	386,923	175,894	211,029	38,508
Grants to individuals	404,622	404,622	183,940	220,682	22,065
Commodities and contractual services	26,806	26,806	12,186	14,620	1,784
Capital outlay	47,966	47,966	21,805	26,161	361,509
Total expenditures	<u>1,744,500</u>	<u>1,744,500</u>	<u>793,045</u>	<u>951,455</u>	<u>1,316,186</u>
<b>Excess expenditures over revenues</b>	(420,000)	(420,000)	(136,593)	283,407	(374,845)
<b>Funds available - beginning</b>	<u>1,594,271</u>	<u>1,219,426</u>	<u>1,219,426</u>	-	<u>1,594,271</u>
<b>Funds available - ending</b>	<u>\$ 1,174,271</u>	<u>\$ 799,426</u>	<u>\$ 1,082,833</u>	<u>\$ 283,407</u>	<u>\$ 1,219,426</u>

Funds available is computed as follows:

Current assets	\$ 1,115,410	\$ 1,239,834
Current liabilities	(68,577)	(56,408)
Add current portion of long-term debt	36,000	36,000
	<u>\$ 1,082,833</u>	<u>\$ 1,219,426</u>

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**CITY OF ENGLEWOOD, COLORADO**

**Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2008**

	<b>Central Services</b>	<b>Servi- Center</b>	<b>Capital Equipment Replacement</b>	<b>Employee Benefits</b>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 218,049	\$ 490,357	\$ 1,108,031	\$ 394,890
Cash and investments-restricted	-	-	-	160,100
Interest receivable	2,198	5,909	10,287	4,428
Accounts receivable	-	36,531	-	-
Inventory	14,565	144,488	-	-
Prepaid expense	-	-	-	354,096
Other current assets	-	-	-	11,000
Total current assets	<u>234,812</u>	<u>677,285</u>	<u>1,118,318</u>	<u>924,514</u>
Capital assets:				
Land	-	340,097	-	-
Building	-	1,051,158	-	-
Other improvements	-	46,926	-	-
Automotive	-	-	7,066,519	-
Operating machines and equipment	96,124	370,484	1,300,321	-
Total capital assets	<u>96,124</u>	<u>1,808,665</u>	<u>8,366,840</u>	<u>-</u>
Less - accumulated depreciation	<u>(75,745)</u>	<u>(1,206,603)</u>	<u>(5,041,858)</u>	<u>-</u>
Total capital assets, net	<u>20,379</u>	<u>602,062</u>	<u>3,324,982</u>	<u>-</u>
Total assets	<u>255,191</u>	<u>1,279,347</u>	<u>4,443,300</u>	<u>924,514</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	127	26,150	-	23,542
Claims payable from restricted assets	-	-	-	21,716
Accrued payroll and related liabilities	2,031	19,744	-	3,055
Compensated absences	13,980	40,457	-	6,017
Deposits	-	-	-	38,405
Claims and judgments payable	-	-	-	13,000
Total liabilities	<u>16,138</u>	<u>86,351</u>	<u>-</u>	<u>105,735</u>
<b>Net assets</b>				
Invested in capital assets	20,379	602,062	3,324,982	-
Unrestricted	218,674	590,934	1,118,318	818,779
Total net assets	<u>\$ 239,053</u>	<u>\$ 1,192,996</u>	<u>\$ 4,443,300</u>	<u>\$ 818,779</u>

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<b>Risk Management</b>	<b>Total</b>
\$ 1,367,191	\$ 3,578,518
-	160,100
15,850	38,672
2,250	38,781
-	159,053
-	354,096
5,000	16,000
<u>1,390,291</u>	<u>4,345,220</u>
-	340,097
-	1,051,158
-	46,926
-	7,066,519
-	1,766,929
-	10,271,629
-	(6,324,206)
-	3,947,423
<u>1,390,291</u>	<u>8,292,643</u>
30,055	79,874
-	21,716
3,055	27,885
6,017	66,471
-	38,405
176,482	189,482
<u>215,609</u>	<u>423,833</u>
-	3,947,423
<u>1,174,682</u>	<u>3,921,387</u>
<u>\$ 1,174,682</u>	<u>\$ 7,868,810</u>

**CITY OF ENGLEWOOD, COLORADO**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2008**

	<b>Central Services</b>	<b>Servi- Center</b>	<b>Capital Equipment Replacement</b>	<b>Employee Benefits</b>
<b>Operating revenues</b>				
Billings to departments	\$ 422,076	\$ 1,868,251	\$ 680,471	\$ 4,846,349
Intergovernmental	770	160,648	-	-
Total operating revenues	<u>422,846</u>	<u>2,028,899</u>	<u>680,471</u>	<u>4,846,349</u>
<b>Operating expenses</b>				
Cost of goods sold	95,518	876,126	-	-
Personal services	83,079	792,270	-	113,014
Commodities and contractual services	182,876	268,475	34,639	37,195
Depreciation	7,911	18,517	723,213	-
Insurance expense:				
Medical	-	-	-	4,085,364
Life	-	-	-	58,420
Long-term disability	-	-	-	44,872
Employee assistance program	-	-	-	22,967
Unemployment	-	-	-	6,737
General liability	-	-	-	-
Workers' compensation	-	-	-	-
Claims expense:				
Dental	-	-	-	361,718
Long-term disability	-	-	-	50,178
General liability	-	-	-	-
Workers' compensation	-	-	-	-
Total operating expenses	<u>369,384</u>	<u>1,955,388</u>	<u>757,852</u>	<u>4,780,465</u>
<b>Operating income (loss)</b>	<u>53,462</u>	<u>73,511</u>	<u>(77,381)</u>	<u>65,884</u>
<b>Nonoperating revenues</b>				
Net investment income	9,845	24,296	47,678	26,626
Gain on disposition of equipment	-	-	71,086	-
Other	-	7,247	1,616	-
Total nonoperating revenues	<u>9,845</u>	<u>31,543</u>	<u>120,380</u>	<u>26,626</u>
<b>Income before contributions and transfers</b>	63,307	105,054	42,999	92,510
Capital contributions - other	-	-	44,960	-
Transfers out	(100,000)	(60,000)	-	-
<b>Change in net assets</b>	(36,693)	45,054	87,959	92,510
<b>Total net assets - beginning</b>	<u>275,746</u>	<u>1,147,942</u>	<u>4,355,341</u>	<u>726,269</u>
<b>Total net assets - ending</b>	<u>\$ 239,053</u>	<u>\$ 1,192,996</u>	<u>\$ 4,443,300</u>	<u>\$ 818,779</u>

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<b>Risk Management</b>	<b>Total</b>
\$ 1,293,722	\$ 9,110,869
-	161,418
<u>1,293,722</u>	<u>9,272,287</u>
-	971,644
112,716	1,101,079
53,261	576,446
-	749,641
-	4,085,364
-	58,420
-	44,872
-	22,967
-	6,737
238,646	238,646
249,380	249,380
-	361,718
-	50,178
193,522	193,522
248,818	248,818
<u>1,096,343</u>	<u>8,959,432</u>
<u>197,379</u>	<u>312,855</u>
56,187	164,632
-	71,086
-	8,863
<u>56,187</u>	<u>244,581</u>
253,566	557,436
-	44,960
-	(160,000)
253,566	442,396
<u>921,116</u>	<u>7,426,414</u>
<u>\$ 1,174,682</u>	<u>\$ 7,868,810</u>

**CITY OF ENGLEWOOD, COLORADO**

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2008**

	<u>Central Services</u>	<u>Servi- Center</u>	<u>Capital Equipment Replacement</u>	<u>Employee Benefits</u>
<b>Cash flows from operating activities</b>				
Cash received from interfund charges	\$ 422,076	\$ 1,868,251	\$ 680,471	\$ 4,846,349
Cash received from customers	770	130,327	-	-
Cash payments to suppliers for goods and services	(287,544)	(1,147,645)	(34,639)	(4,763,227)
Cash paid to employees for services	(82,232)	(787,589)	-	(110,094)
Other cash receipts	-	7,247	1,616	-
Net cash provided (used) by operating activities	<u>53,070</u>	<u>70,591</u>	<u>647,448</u>	<u>(26,972)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers to other funds	<u>(100,000)</u>	<u>(60,000)</u>	-	-
Net cash (used) by noncapital financing activities	<u>(100,000)</u>	<u>(60,000)</u>	-	-
<b>Cash flows from capital and related financing activities</b>				
Acquisition and construction of capital assets	-	(59,298)	(731,682)	-
Proceeds from sale of assets	-	-	171,281	-
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(59,298)</u>	<u>(560,401)</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Net investment income	<u>10,110</u>	<u>24,345</u>	<u>46,831</u>	<u>25,537</u>
Net cash provided by investing activities	<u>10,110</u>	<u>24,345</u>	<u>46,831</u>	<u>25,537</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(36,820)</u>	<u>(24,362)</u>	<u>133,878</u>	<u>(1,435)</u>
<b>Cash and cash equivalents - beginning</b>	<u>254,869</u>	<u>514,719</u>	<u>974,153</u>	<u>556,425</u>
<b>Cash and cash equivalents - ending</b>	<u>\$ 218,049</u>	<u>\$ 490,357</u>	<u>\$ 1,108,031</u>	<u>\$ 554,990</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	<u>\$ 53,462</u>	<u>\$ 73,511</u>	<u>\$ (77,381)</u>	<u>\$ 65,884</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	7,911	18,517	723,213	-
Miscellaneous nonoperating income	-	7,247	1,616	-
Effect of changes in operating assets and liabilities:				
Accounts receivable	-	(30,321)	-	-
Inventories	(9,277)	13,766	-	-
Prepaid expenses	-	-	-	(49,857)
Accounts payable	127	(16,810)	-	12,398
Accrued payroll and related liabilities	847	4,681	-	2,920
Estimated claims payable	-	-	-	-
Other current liabilities	-	-	-	(8,140)
Deferred revenue	-	-	-	(50,177)
Total adjustments	<u>(392)</u>	<u>(2,920)</u>	<u>724,829</u>	<u>(92,856)</u>
Net cash provided (used) by operating activities	<u>\$ 53,070</u>	<u>\$ 70,591</u>	<u>\$ 647,448</u>	<u>\$ (26,972)</u>
<b>Noncash investing, capital and financing activities</b>				
Contributions of capital assets from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,960</u>	<u>\$ -</u>

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<u>Risk Management</u>	<u>Total</u>
\$ 1,293,722	\$ 9,110,869
-	131,097
(906,950)	(7,140,005)
(109,693)	(1,089,608)
	8,863
<u>277,079</u>	<u>1,021,216</u>
-	(160,000)
-	(160,000)
-	(790,980)
-	171,281
-	(619,699)
51,542	158,365
<u>51,542</u>	<u>158,365</u>
328,621	399,882
1,038,570	3,338,736
<u>\$ 1,367,191</u>	<u>\$ 3,738,618</u>
<u>\$ 197,379</u>	<u>\$ 312,855</u>
-	749,641
-	8,863
(2,250)	(32,571)
-	4,489
-	(49,857)
10,969	6,684
3,023	11,471
67,958	67,958
-	(8,140)
-	(50,177)
<u>79,700</u>	<u>708,361</u>
<u>\$ 277,079</u>	<u>\$ 1,021,216</u>
<u>\$ -</u>	<u>\$ 44,960</u>

**CITY OF ENGLEWOOD, COLORADO**

**Central Services Fund  
 Schedule of Revenues, Expenditures and Changes in Funds Available -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Billings to departments:					
Postage	\$ 150,000	\$ 150,000	\$ 157,434	\$ 7,434	\$ 143,923
Inside printing	30,000	30,000	54,225	24,225	57,861
Copier charges	150,000	150,000	201,070	51,070	167,960
Supplies	2,000	2,000	9,347	7,347	8,413
Intergovernmental	-	-	770	770	
Net investment income	10,000	10,000	9,845	(155)	13,623
Total revenues	<u>342,000</u>	<u>342,000</u>	<u>432,691</u>	<u>90,691</u>	<u>391,780</u>
<b>Expenditures</b>					
Cost of goods sold:					
Postage	125,002	125,002	110,569	14,433	113,658
Copier charges	216,709	236,709	250,904	(14,195)	245,122
Transfers out	100,000	100,000	100,000	-	-
Total expenditures	<u>441,711</u>	<u>461,711</u>	<u>461,473</u>	<u>238</u>	<u>358,780</u>
<b>Excess revenues over (under) expenditures</b>	(99,711)	(119,711)	(28,782)	90,929	33,000
<b>Funds available - beginning</b>	<u>233,958</u>	<u>247,456</u>	<u>247,456</u>	<u>-</u>	<u>214,456</u>
<b>Funds available - ending</b>	<u>\$ 134,247</u>	<u>\$ 127,745</u>	<u>\$ 218,674</u>	<u>\$ 90,929</u>	<u>\$ 247,456</u>

Funds available is computed as follows:

Current assets	\$ 234,812	\$ 262,620
Current liabilities	(16,138)	(15,164)
	<u>\$ 218,674</u>	<u>\$ 247,456</u>

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**CITY OF ENGLEWOOD, COLORADO**

**ServiCenter Fund  
Schedule of Revenues, Expenditures and Changes in Funds Available -  
Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Billings:					
Garage:					
Vehicle maintenance	\$ 947,292	\$ 947,292	\$ 962,351	\$ 15,059	\$ 943,426
Direct charges	588,522	588,522	692,942	104,420	569,003
Intergovernmental	105,104	105,104	160,648	55,544	151,020
Subtotal garage revenues	<u>1,640,918</u>	<u>1,640,918</u>	<u>1,815,941</u>	<u>175,023</u>	<u>1,663,449</u>
Administration:					
Building rentals	191,380	191,380	176,620	(14,760)	189,112
Stores charges	30,000	30,000	36,338	6,338	29,741
Subtotal administrative revenues	<u>221,380</u>	<u>221,380</u>	<u>212,958</u>	<u>(8,422)</u>	<u>218,853</u>
Total billings to departments	<u>1,862,298</u>	<u>1,862,298</u>	<u>2,028,899</u>	<u>166,601</u>	<u>1,882,302</u>
Net investment income	7,438	7,438	24,296	16,858	34,485
Other	7,051	7,051	7,247	196	7,655
Total revenues	<u>1,876,787</u>	<u>1,876,787</u>	<u>2,060,442</u>	<u>183,655</u>	<u>1,924,442</u>
<b>Expenditures</b>					
Garage:					
Personal services	739,022	739,022	670,096	68,926	650,899
Cost of goods sold	755,000	755,000	837,363	(82,363)	739,380
Commodities and contractual services	93,901	93,901	67,790	26,111	71,164
Capital outlay	6,800	6,800	6,800	-	-
Subtotal garage expenditures	<u>1,594,723</u>	<u>1,594,723</u>	<u>1,582,049</u>	<u>12,674</u>	<u>1,461,443</u>
Administration:					
Personal services	125,418	125,418	122,174	3,244	118,795
Commodities and contractual services	246,720	246,720	224,737	21,983	198,923
Cost of goods sold	30,000	30,000	38,763	(8,763)	24,830
Capital outlay	25,000	25,000	23,446	1,554	94,146
Transfers out	60,000	60,000	60,000	-	60,000
Subtotal administrative expenditures	<u>487,138</u>	<u>487,138</u>	<u>469,120</u>	<u>18,018</u>	<u>496,694</u>
Total expenditures	<u>2,081,861</u>	<u>2,081,861</u>	<u>2,051,169</u>	<u>30,692</u>	<u>1,958,137</u>
<b>Excess revenues over (under) expenditures</b>	<u>(205,074)</u>	<u>(205,074)</u>	<u>9,273</u>	<u>214,347</u>	<u>(33,695)</u>
<b>Funds available - beginning</b>	<u>348,098</u>	<u>581,661</u>	<u>581,661</u>	<u>-</u>	<u>615,356</u>
<b>Funds available - ending</b>	<u>\$ 143,024</u>	<u>\$ 376,587</u>	<u>\$ 590,934</u>	<u>\$ 214,347</u>	<u>\$ 581,661</u>
Funds available is computed as follows:					
Current assets			\$ 677,285		\$ 685,141
Current liabilities			(86,351)		(103,480)
			<u>\$ 590,934</u>		<u>\$ 581,661</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Capital Equipment Replacement Fund  
 Schedule of Revenues, Expenditures and Changes in Funds Available -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended December 31, 2008  
 With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
<b>Revenues</b>					
Billings to departments	\$ 680,633	\$ 680,633	\$ 645,649	\$ (34,984)	\$ 680,633
Proceeds from sale of equipment	50,000	50,000	97,264	47,264	187,613
Net investment income	15,000	15,000	47,678	32,678	55,842
Other	20,000	20,000	36,438	16,438	4,006
Total revenues	<u>765,633</u>	<u>765,633</u>	<u>827,029</u>	<u>61,396</u>	<u>928,094</u>
<b>Expenditures</b>					
Capital outlay	1,082,256	1,082,256	731,682	350,574	797,516
Commodities and contractual services	22,614	22,614	34,639	(12,025)	20,865
Total expenditures	<u>1,104,870</u>	<u>1,104,870</u>	<u>766,321</u>	<u>338,549</u>	<u>818,381</u>
<b>Excess revenues over (under) expenditures</b>	(339,237)	(339,237)	60,708	399,945	109,713
<b>Funds available - beginning</b>	<u>608,600</u>	<u>1,057,610</u>	<u>1,057,610</u>	<u>-</u>	<u>947,897</u>
<b>Funds available - ending</b>	<u>\$ 269,363</u>	<u>\$ 718,373</u>	<u>\$ 1,118,318</u>	<u>\$ 399,945</u>	<u>\$ 1,057,610</u>
Funds available is computed as follows:					
Current assets			\$ 1,118,318		\$ 1,057,610
Current liabilities			-		-
			<u>\$ 1,118,318</u>		<u>\$ 1,057,610</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Employee Benefits Fund  
Schedule of Revenues, Expenditures and Changes in Funds Available -  
Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Billings to departments:					
Medical	\$ 3,992,409	\$ 3,992,409	\$ 3,874,453	\$ (117,956)	\$3,658,617
Dental	491,850	491,850	479,119	(12,731)	475,985
Life	72,000	72,000	57,914	(14,086)	55,079
Long-term disability	101,372	101,372	83,748	(17,624)	115,853
Administrative fees	350,851	350,851	351,115	264	347,621
Net investment income	12,995	12,995	17,778	4,783	19,597
Total revenues	<u>5,021,477</u>	<u>5,021,477</u>	<u>4,864,127</u>	<u>(157,350)</u>	<u>4,672,752</u>
<b>Expenditures</b>					
Insurance expense:					
Medical	4,107,909	4,107,909	4,085,364	22,545	3,808,450
Life	72,000	72,000	58,420	13,580	49,482
Long-term disability	60,000	60,000	44,872	15,128	60,437
Employee assistance program	26,000	26,000	22,967	3,033	22,967
Unemployment	48,000	48,000	6,737	41,263	21,404
Claims expense:					
Dental	487,850	487,850	361,718	126,132	387,314
Long-term disability	41,372	41,372	50,178	(8,806)	80,734
Personal services	122,635	122,635	113,014	9,621	108,008
Commodities and contractual services	53,306	53,306	37,195	16,111	42,294
Total expenditures	<u>5,019,072</u>	<u>5,019,072</u>	<u>4,780,465</u>	<u>238,607</u>	<u>4,581,090</u>
<b>Excess revenues over expenditures</b>	2,405	2,405	83,662	81,257	91,662
<b>Funds available - beginning</b>	<u>487,909</u>	<u>596,733</u>	<u>596,733</u>	<u>-</u>	<u>505,071</u>
<b>Funds available - ending</b>	<u>\$ 490,314</u>	<u>\$ 599,138</u>	<u>\$ 680,395</u>	<u>\$ 81,257</u>	<u>\$ 596,733</u>
Funds available is computed as follows:					
Current assets			\$ 924,514		\$ 875,003
Current liabilities			(105,735)		(148,734)
Less restricted assets			(160,100)		(201,429)
Plus restricted liabilities payable from restricted assets			21,716		71,893
			<u>\$ 680,395</u>		<u>\$ 596,733</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Risk Management Fund  
Schedule of Revenues, Expenditures and Changes in Funds Available -  
Budget and Actual (Budgetary Basis)  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2007 Actual</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Billings to departments:					
Property and liability	\$ 771,074	\$ 771,074	\$ 771,074	\$ -	\$ 809,718
Workers' compensation	522,648	522,648	522,648	-	488,914
Insurance Reimbursement	15,442	15,442	-	(15,442)	-
Net investment income	20,000	20,000	56,187	36,187	57,523
Total revenues	<u>1,329,164</u>	<u>1,329,164</u>	<u>1,349,909</u>	<u>20,745</u>	<u>1,356,155</u>
<b>Expenditures</b>					
Insurance:					
General liability	244,442	244,442	238,646	5,796	297,710
Workers' compensation	251,960	251,960	249,380	2,580	234,741
Claims:					
General liability	385,484	385,484	193,522	191,962	160,979
Workers' compensation	239,267	239,267	248,818	(9,551)	59,518
Personal services	123,016	123,016	112,716	10,300	103,978
Commodities and contractual services	22,633	22,633	53,261	(30,628)	12,519
Total expenditures	<u>1,266,802</u>	<u>1,266,802</u>	<u>1,096,343</u>	<u>170,459</u>	<u>869,445</u>
<b>Excess revenues over expenditures</b>	62,362	62,362	253,566	191,204	486,710
<b>Funds available - beginning</b>	<u>485,474</u>	<u>921,116</u>	<u>921,116</u>	<u>-</u>	<u>434,406</u>
<b>Funds available - ending</b>	<u>\$ 547,836</u>	<u>\$ 983,478</u>	<u>\$ 1,174,682</u>	<u>\$ 191,204</u>	<u>\$ 921,116</u>
Funds available is computed as follows:					
Current assets			\$ 1,390,291		\$ 1,054,775
Current liabilities			(215,609)		(133,659)
			<u>\$ 1,174,682</u>		<u>\$ 921,116</u>

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## **Fiduciary Funds**

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### **Pension Trust Funds:**

**Nonemergency Employees Pension Trust Fund**

**Police Pension Trust Fund**

**Firefighters Pension Trust Fund**

**Volunteer Firefighters Pension Trust Fund**

All four respective funds account for the accumulation of resources for pension benefit payments to qualified employees.

### **Agency Fund:**

**Basin Interceptor Fund** – Fulfills the custodial duty of accounting for the Big Dry Creek Interceptor Agreement.

**CITY OF ENGLEWOOD, COLORADO**

**Combining Statement of Fiduciary Net Assets  
Pension Trust Funds  
December 31, 2008**

	<u>Nonemergency Employees</u>	<u>Police</u>	<u>Firefighters</u>	<u>Volunteer Firefighters</u>	<u>Total</u>
<b>Assets</b>					
Cash and equivalents	\$ 8,255	\$ 2,378	\$ 541	\$ 173	\$ 11,347
Investments	<u>20,351,064</u>	<u>5,043,709</u>	<u>7,749,211</u>	<u>146,630</u>	<u>33,290,614</u>
Total assets	20,359,319	5,046,087	7,749,752	146,803	33,301,961
<b>Liabilities</b>					
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets held in trust for pension benefits</b>	<u>\$ 20,359,319</u>	<u>\$ 5,046,087</u>	<u>\$ 7,749,752</u>	<u>\$ 146,803</u>	<u>\$ 33,301,961</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Combining Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
For the Year Ended December 31, 2008**

	<u>Nonemergency Employees</u>	<u>Police</u>	<u>Firefighters</u>	<u>Volunteer Firefighters</u>	<u>Total</u>
<b>Additions</b>					
Contributions:					
City	\$ 708,160	\$ 431,701	\$ 72,467	\$ -	\$ 1,212,328
Plan member	-	8,152	4,468	-	12,620
Total contributions	<u>708,160</u>	<u>439,853</u>	<u>76,935</u>	<u>-</u>	<u>1,224,948</u>
Investment income:					
Net appreciation in fair value of investments	(7,185,823)	(2,101,319)	(3,272,309)	(63,935)	(12,623,386)
Less investment expense	(47,862)	-	-	-	(47,862)
Net investment income	<u>(7,233,685)</u>	<u>(2,101,319)</u>	<u>(3,272,309)</u>	<u>(63,935)</u>	<u>(12,671,248)</u>
Total additions	<u>(6,525,525)</u>	<u>(1,661,466)</u>	<u>(3,195,374)</u>	<u>(63,935)</u>	<u>(11,446,300)</u>
<b>Deductions</b>					
Benefits	1,079,131	884,955	1,122,255	37,800	3,124,141
Administrative expenses	19,694	54,346	84,042	1,739	159,821
Total deductions	<u>1,098,825</u>	<u>939,301</u>	<u>1,206,297</u>	<u>39,539</u>	<u>3,283,962</u>
<b>Change in net assets</b>	(7,624,350)	(2,600,767)	(4,401,671)	(103,474)	(14,730,262)
<b>Net assets - beginning</b>	<u>27,983,669</u>	<u>7,646,854</u>	<u>12,151,423</u>	<u>250,277</u>	<u>48,032,223</u>
<b>Net assets - ending</b>	<u>\$ 20,359,319</u>	<u>\$ 5,046,087</u>	<u>\$ 7,749,752</u>	<u>\$ 146,803</u>	<u>\$33,301,961</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Agency Fund  
Basin Interceptor Fund  
Statement of Changes in Assets and Liabilities  
For the Year Ended December 31, 2008**

	Balance December 31, 2007	Line Charges	Additions Interest	Maintenance Fees	Deductions Maintenance/ Administration	Balance December 31, 2008
<b>Assets</b>						
Cash and investments	\$ 2,318,927	\$ 83,399	\$ 95,228	\$ 398,021	\$ (878,431)	\$ 2,017,144
Interest receivable	22,466	-	(1,239)	-	-	21,227
Accounts receivable	66,097	-	-	(7,320)	-	58,777
Assessment receivable	73	-	-	6,593	-	6,666
Total assets	<u>\$ 2,407,563</u>	<u>\$ 83,399</u>	<u>\$ 93,989</u>	<u>\$ 397,294</u>	<u>\$ (878,431)</u>	<u>\$ 2,103,814</u>

	Balance December 31, 2007	Line Charges	Additions Interest	Maintenance Fees	Deductions Maintenance/ Administration	Balance December 31, 2008
<b>Liabilities</b>						
Interceptor Maintenance Account	\$ 569,188	\$ -	\$ 90,089	\$ 397,294	\$ (793,255)	\$ 263,316
Southgate Sanitation District	1,837,879	50,665	2,369	-	(85,035)	1,805,878
South Englewood Sanitation District	355	767	36	-	-	1,158
City of Englewood	141	31,967	1,495	-	(141)	33,462
Total liabilities	<u>\$ 2,407,563</u>	<u>\$ 83,399</u>	<u>\$ 93,989</u>	<u>\$ 397,294</u>	<u>\$ (878,431)</u>	<u>\$ 2,103,814</u>

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### **Component Units**

Englewood Environmental Foundation – This fund is used to account for the activities of the Englewood Environmental Foundation, Inc.

Englewood McLellan Reservoir Foundation – This fund is used to account for the activities of the Englewood McLellan Reservoir Foundation, Inc.

**CITY OF ENGLEWOOD, COLORADO**

**Englewood Environmental Foundation  
Statements of Net Assets  
December 31, 2008  
With Comparative Totals for December 31, 2007**

<b>Assets</b>	<b>2008</b>	<b>2007</b>
<b>Current assets</b>		
Cash and investments	\$ 795,741	\$ 835,498
Interest receivable	67,286	69,617
Other receivables	148	37
Prepaid expense	76,614	77,276
Lease receivable - current	860,000	835,000
Total current assets	<u>1,799,789</u>	<u>1,817,428</u>
<b>Noncurrent assets</b>		
Lease receivable	<u>16,315,000</u>	<u>17,175,000</u>
<b>Capital assets</b>		
Land and improvements	8,496,257	8,496,257
Site development	10,772,213	10,772,213
Streets	4,841,536	4,841,536
Parking structure	3,956,348	3,956,348
Rail bridge	2,017,170	2,017,170
Other improvements	159,229	159,229
Operating machinery and equipment	12,532	12,532
Total capital assets	<u>30,255,285</u>	<u>30,255,285</u>
Less accumulated depreciation	<u>(11,147,515)</u>	<u>(9,863,116)</u>
Total capital assets, net	<u>19,107,770</u>	<u>20,392,169</u>
Total assets	<u>37,222,559</u>	<u>39,384,597</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	147,943	114,387
Interest payable	60,203	62,464
Certificates of participation - current	860,000	835,000
Total current liabilities	<u>1,068,146</u>	<u>1,011,851</u>
<b>Noncurrent liabilities</b>		
Certificates of participation	<u>16,315,000</u>	<u>17,175,000</u>
Total liabilities	<u>17,383,146</u>	<u>18,186,851</u>
<b>Net assets</b>		
Invested in capital assets	19,107,770	20,392,169
Unrestricted	731,643	805,577
Total net assets	<u>\$ 19,839,413</u>	<u>\$ 21,197,746</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Englewood Environmental Foundation  
Statements of Revenues, Expenses and Changes in Fund Net Assets  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<u>2008</u>	<u>2007</u>
<b>Operating revenues</b>		
Common area maintenance	\$ 1,318,111	\$ 1,275,000
<b>Operating expenses</b>		
Common area maintenance	1,423,978	1,306,254
Professional services	4,085	8,601
Legal	1,149	10,406
Repair and maintenance	42,674	48,847
General administrative and office	1,834	2,377
Insurance	4,586	4,586
Utilities	1,091	1,248
Depreciation	1,284,399	1,284,399
Total operating expenses	<u>2,763,796</u>	<u>2,666,718</u>
<b>Operating loss</b>	(1,445,685)	(1,391,718)
<b>Nonoperating revenues (expenses)</b>		
Net investment income	31,418	36,510
Lease interest income	733,739	760,538
Interest expense	(733,739)	(760,538)
Other, net	55,934	50,630
Total nonoperating revenues (expenses)	<u>87,352</u>	<u>87,140</u>
<b>Change in net assets</b>	(1,358,333)	(1,304,578)
<b>Net assets - beginning</b>	<u>21,197,746</u>	<u>22,502,324</u>
<b>Net assets - ending</b>	<u>\$ 19,839,413</u>	<u>\$ 21,197,746</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Englewood Environmental Foundation  
Statements of Cash Flows  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 1,319,971	\$ 1,345,849
Cash payments to suppliers for goods and services	(1,447,150)	(1,426,399)
Other cash received	55,934	50,630
Net cash (used) by operating activities	<u>(71,245)</u>	<u>(29,920)</u>
<b>Cash flows from capital and related financing activities</b>		
Lease principal received	835,000	810,000
Lease interest received	738,261	762,732
Principal paid on long-term debt	(835,000)	(810,000)
Interest paid on long-term debt	<u>(738,261)</u>	<u>(762,732)</u>
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Net investment income	31,488	36,410
Net cash provided by investing activities	<u>31,488</u>	<u>36,410</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(39,757)	6,490
<b>Cash and cash equivalents - beginning</b>	<u>835,498</u>	<u>829,008</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 795,741</u></u>	<u><u>\$ 835,498</u></u>
<b>Reconciliation of operating (loss) to net cash (used) by operating activities:</b>		
Operating loss	\$ (1,445,685)	\$ (1,391,718)
Adjustments to reconcile operating loss to net cash (used) by operating activities:		
Depreciation	1,284,399	1,284,399
Miscellaneous nonoperating income	55,934	50,630
Effect of changes in operating assets and liabilities:		
Accounts receivable	1,860	70,849
Other receivables	(111)	298
Other current assets	662	4,772
Accounts payable	<u>31,696</u>	<u>(49,150)</u>
Total adjustments	<u>1,374,440</u>	<u>1,361,798</u>
Net cash (used) by operating activities	<u><u>\$ (71,245)</u></u>	<u><u>\$ (29,920)</u></u>

See Independent Auditor's Report

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**CITY OF ENGLEWOOD, COLORADO**

**Englewood McLellan Reservoir Foundation, Inc.**

**Statements of Net Assets**

**December 31, 2008**

**With Comparative Totals for December 31, 2007**

<b>Assets</b>	<u>2008</u>	<u>2007</u>
<b>Current assets</b>		
Cash and investments	\$ 392,924	\$ 90,979
Interest receivable	7,664	154
Accounts receivable	31,595	31,595
Prepaid insurance	16,221	17,052
Total current assets	<u>448,404</u>	<u>139,780</u>
<b>Capital assets</b>		
Land and improvements	5,258,386	3,420,951
Total assets	<u>5,706,790</u>	<u>3,560,731</u>
 <b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	15,652	9,609
Due to primary government	-	150,000
Total current liabilities	<u>15,652</u>	<u>159,609</u>
Total liabilities	<u>15,652</u>	<u>159,609</u>
 <b>Net assets</b>		
Invested in capital assets	5,258,386	3,420,951
Unrestricted	432,752	(19,829)
Total net assets	<u>\$ 5,691,138</u>	<u>\$ 3,401,122</u>

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Englewood McLellan Reservoir Foundation, Inc.  
Statements of Revenues, Expenses and Changes in Fund Net Assets  
For the Year Ended December 31, 2008  
With Comparative Totals for December 31, 2007**

	<b>2008</b>	<b>2007</b>
<b>Operating Revenues</b>		
Charges for services	\$ 12,853	\$ 487,149
<b>Operating expenses</b>		
Professional services	300	300
Insurance	25,143	11,957
Legal	24,976	19,618
General administrative and office	698	550
Total operating expenses	51,117	32,425
<b>Operating income (loss)</b>	(38,264)	454,724
<b>Nonoperating revenues (expenses)</b>		
Net investment income	20,024	-
Proceeds from sale of assets	3,200,000	-
Contribution to primary government	(599,143)	-
Loss on sale of assets	(292,601)	-
Total nonoperating revenues (expenses)	2,328,280	-
<b>Income before contributions and transfers</b>	2,290,016	454,724
Capital contributions - other	-	2,680,960
<b>Change in net assets</b>	2,290,016	3,135,684
<b>Net assets - beginning</b>	3,401,122	265,438
<b>Net assets - ending</b>	\$ 5,691,138	\$ 3,401,122

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Englewood McLellan Reservoir Foundation, Inc.**

**Statements of Cash Flows**

**For the Year Ended December 31, 2008**

**With Comparative Totals for December 31, 2007**

	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 12,853	\$ 487,149
Cash payments to suppliers for goods and services	(44,243)	(36,038)
Other cash receipts	-	50,000
Net cash provided (used) by operating activities	(31,390)	501,111
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(1,849,361)	(411,039)
Sale of capital assets	2,170,182	-
Net cash provided (used) by capital related financing activities	320,821	(411,039)
<b>Cash flows from investing activities</b>		
Net investment income	12,514	557
Net cash provided by investing activities	12,514	557
<b>Net increase in cash and cash equivalents</b>	301,945	90,629
<b>Cash and cash equivalents - January 1,</b>	90,979	350
<b>Cash and cash equivalents - December 31,</b>	\$ 392,924	\$ 90,979
 <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (38,264)	\$ 454,724
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Miscellaneous nonoperating income	-	50,000
Prepaid insurance	831	(13,222)
Accounts payable	6,043	9,609
Total adjustments	6,874	46,387
Net cash provided (used) by operating activities	\$ (31,390)	\$ 501,111
 <b>Noncash investing, capital and financing activities</b>		
Contributed capital assets from other sources	\$ -	\$ 2,680,960

See Independent Auditor's Report

**CITY OF ENGLEWOOD, COLORADO**

**Schedules of Future Debt Service Requirements  
December 31, 2008**

<b>General Obligation Bonds, Series 2001</b>					<b>General Obligation Bonds, Series 2002</b>			
Year	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2009	4.200	\$ 250,000	\$ 229,850	\$ 479,850	3.500	\$ 335,000	\$ 280,270	\$ 615,270
2010	4.350	260,000	219,350	479,350	3.750	345,000	268,545	613,545
2011	4.500	260,000	208,040	468,040	3.750	355,000	255,607	610,607
2012	4.600	285,000	196,340	481,340	3.650	375,000	242,295	617,295
2013	4.625	300,000	183,230	483,230	3.750	385,000	228,608	613,608
2014	4.750	310,000	169,355	479,355	3.900	400,000	214,170	614,170
2015	4.800	325,000	154,630	479,630	4.000	420,000	198,770	618,770
2016	4.850	340,000	139,030	479,030	4.150	435,000	181,770	616,770
2017	4.900	360,000	122,540	482,540	4.250	455,000	163,717	618,717
2018	4.950	375,000	104,900	479,900	4.350	470,000	144,380	614,380
2019	5.000	400,000	86,337	486,337	4.450	490,000	123,935	613,935
2020	5.100	415,000	66,338	481,338	4.500	515,000	102,130	617,130
2021	5.050	435,000	45,172	480,172	4.600	535,000	78,955	613,955
2022	5.100	455,000	23,205	478,205	4.700	560,000	54,345	614,345
2023	-	-	-	-	4.750	590,000	28,025	618,025
		<u>\$ 4,770,000</u>	<u>\$ 1,948,317</u>	<u>\$ 6,718,317</u>		<u>\$ 6,665,000</u>	<u>\$ 2,565,522</u>	<u>\$ 9,230,522</u>

<b>Capital Lease - 2007</b>					<b>Note Payable - Brownfields - 2001</b>			
<b>Fire Equipment</b>								
Year	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2009	4.24	\$ 81,473	\$ 36,920	\$ 118,393	2.00	\$ 94,292	\$ 5,771	\$ 100,063
2010	4.24	84,928	33,465	118,393	2.00	96,178	3,885	100,063
2011	4.24	88,529	29,864	118,393	2.00	98,101	1,962	100,063
2012	4.24	92,282	26,111	118,393		<u>\$ 288,571</u>	<u>\$ 11,618</u>	<u>\$ 300,189</u>
2013	4.24	96,195	22,198	118,393				
2014	4.24	100,274	18,119	118,393				
2015	4.24	104,526	13,867	118,393				
2016	4.24	108,957	9,436	118,393				
2017	4.24	113,577	4,816	118,393				
		<u>\$ 870,741</u>	<u>\$ 194,796</u>	<u>\$ 1,065,537</u>				

(Continued)

**CITY OF ENGLEWOOD, COLORADO**

**Schedules of Future Debt Service Requirements**

**December 31, 2008**

(Continued)

Year	<b>General Obligation Water Bonds - 2004</b>				<b>Golf Course Revenue Refunding Bonds - 2003</b>			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2009	3.500	\$ 110,000	\$ 113,838	\$ 223,838	4.15	\$ 55,000	\$ 157,528	\$ 212,528
2010	3.625	125,000	109,794	234,794	4.40	60,000	155,245	215,245
2011	3.750	125,000	105,341	230,341	4.65	60,000	152,605	212,605
2012	3.875	130,000	100,638	230,638	4.85	65,000	149,815	214,815
2013	4.000	140,000	95,488	235,488	5.00	70,000	146,663	216,663
2014	3.750	135,000	90,075	225,075	5.10	150,000	143,162	293,162
2015	3.875	150,000	84,563	234,563	5.75	155,000	135,512	290,512
2016	4.000	150,000	78,844	228,844	5.75	165,000	126,600	291,600
2017	4.000	150,000	72,938	222,938	5.75	175,000	117,112	292,112
2018	4.125	160,000	66,738	226,738	5.75	185,000	107,050	292,050
2019	4.750	170,000	60,031	230,031	5.75	195,000	96,413	291,413
2020	4.750	175,000	52,369	227,369	6.00	205,000	85,200	290,200
2021	4.750	185,000	43,819	228,819	6.00	220,000	72,900	292,900
2022	4.750	195,000	34,794	229,794	6.00	235,000	59,700	294,700
2023	4.750	205,000	25,294	230,294	6.00	245,000	45,600	290,600
2024	4.750	210,000	15,438	225,438	6.00	515,000	30,900	545,900
2025	4.750	220,000	5,225	225,225				
		<u>\$ 2,735,000</u>	<u>\$ 1,155,227</u>	<u>\$ 3,890,227</u>		<u>\$ 2,755,000</u>	<u>\$ 1,782,005</u>	<u>\$ 4,537,005</u>

**Storm Water Revenue Bonds - 2001**

	Rate	Principal	Interest	Total
2009	4.60	\$ 70,000	\$ 64,563	\$ 134,563
2010	4.70	75,000	61,343	136,343
2011	4.80	80,000	57,818	137,818
2012	4.90	80,000	53,977	133,977
2013	5.00	85,000	50,057	135,057
2014	5.10	90,000	45,807	135,807
2015	5.15	95,000	41,217	136,217
2016	5.20	100,000	36,325	136,325
2017	5.25	105,000	31,125	136,125
2018	5.30	110,000	25,612	135,612
2019	5.35	115,000	19,782	134,782
2020	5.40	120,000	13,630	133,630
2021	5.50	130,000	7,150	137,150
		<u>\$ 1,255,000</u>	<u>\$ 508,406</u>	<u>\$ 1,763,406</u>

(Continued)

**CITY OF ENGLEWOOD, COLORADO**

**Schedules of Future Debt Service Requirements**

**December 31, 2008**

(Continued)

**Colorado Water Resources and Power Development Authority**

	<b>May 1, 2004 - Sewer Fund</b>				<b>May 1, 2004 - Sewer Fund</b>			
	<b>Water Pollution Control Revolving Fund</b>				<b>Water Revenue Bond Program</b>			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2009	3.87	\$ 5,351	\$ 1,149,670	\$ 1,155,021	4.11	\$ 5,000	\$ 950,925	\$ 955,925
2010	3.87	5,351	1,149,603	1,154,954	4.11	2,220,000	950,775	3,170,775
2011	3.87	5,351	1,149,524	1,154,875	4.11	2,305,000	861,975	3,166,975
2012	3.87	5,351	1,149,432	1,154,783	4.11	2,410,000	758,250	3,168,250
2013	3.87	5,351	1,149,315	1,154,666	4.11	2,530,000	637,750	3,167,750
2014	3.87	5,351	1,149,198	1,154,549	4.11	2,655,000	511,250	3,166,250
2015	3.87	5,351	1,149,081	1,154,432	4.11	2,790,000	378,500	3,168,500
2016	3.87	5,351	1,148,964	1,154,315	4.11	2,925,000	239,000	3,164,000
2017	3.87	1,182,571	1,148,834	2,331,405	4.11	1,855,000	92,750	1,947,750
2018	3.87	3,162,441	1,120,217	4,282,658		<u>\$ 19,695,000</u>	<u>\$ 5,381,175</u>	<u>\$ 25,076,175</u>
2019	3.87	3,258,759	1,021,527	4,280,286				
2020	3.87	3,360,428	919,831	4,280,259				
2021	3.87	3,467,448	814,962	4,282,410				
2022	3.87	3,574,468	706,754	4,281,222				
2023	3.87	3,686,839	595,206	4,282,045				
2024	3.87	3,799,210	480,150	4,279,360				
2025	3.87	4,007,899	272,896	4,280,795				
		<u>\$ 29,542,871</u>	<u>\$ 16,275,164</u>	<u>\$ 45,818,035</u>				

	<b>October 1, 1997 - Water Fund</b>				<b>November 15, 1990 - Sewer Fund</b>			
	<b>State Revolving Loan Fund</b>				<b>State Revolving Loan Fund</b>			
Rate	Principal	Interest	Total	Rate	Principal	Interest (Credits)	Total	
2009	4.141	\$ 755,852	\$ 372,978	\$ 1,128,830	4.642	\$ 938,826	\$ (6,721)	\$ 932,105
2010	4.141	773,686	352,233	1,125,919	4.642	1,005,694	(72,166)	933,528
2011	4.141	795,634	330,360	1,125,994	4.642	1,077,325	(131,224)	946,101
2012	4.141	818,954	307,230	1,126,184	4.642	855,533	(176,607)	678,926
2013	4.141	845,018	282,289	1,127,307		<u>\$ 3,877,378</u>	<u>\$ (386,718)</u>	<u>\$ 3,490,660</u>
2014	4.141	868,339	256,582	1,124,921				
2015	4.141	895,774	230,144	1,125,918				
2016	4.141	938,300	187,477	1,125,777				
2017	4.141	1,016,491	108,526	1,125,017				
2018	4.141	790,147	54,099	844,246				
		<u>\$ 8,498,195</u>	<u>\$ 2,481,918</u>	<u>\$ 10,980,113</u>				

(Continued)

**CITY OF ENGLEWOOD, COLORADO**

**Schedules of Future Debt Service Requirements**

**December 31, 2008**

(Continued)

**Certificates of Participation, Series 2005 Refunding**

**Civic Center Project**

**Englewood Environmental Foundation, Inc.**

<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	3.500	\$ 860,000	\$ 707,381	\$ 1,567,381
2010	3.500	890,000	676,756	1,566,756
2011	3.500	925,000	644,994	1,569,994
2012	3.625	955,000	611,497	1,566,497
2013	3.750	990,000	575,625	1,565,625
2014	4.000	1,025,000	536,563	1,561,563
2015	4.500	1,070,000	491,988	1,561,988
2016	4.250	1,115,000	444,219	1,559,219
2017	4.500	1,165,000	394,313	1,559,313
2018	4.500	1,220,000	340,650	1,560,650
2019	4.500	1,275,000	284,513	1,559,513
2020	4.500	1,325,000	226,012	1,551,012
2021	4.500	1,390,000	164,925	1,554,925
2022	4.500	1,455,000	100,912	1,555,912
2023	4.500	1,515,000	34,087	1,549,087
		<u>\$ 17,175,000</u>	<u>\$ 6,234,435</u>	<u>\$ 23,409,435</u>

## Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	158-166
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources: property tax and sales tax.	167-173
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	174-181
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	182-183
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.	184-186

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Englewood, Colorado**  
**Net Assets by Component**  
**Last Five Years**  
 (Accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 48,918,979	\$ 47,751,190	\$ 47,058,294	\$ 47,336,293	\$ 46,051,888
Restricted	4,542,549	4,422,879	3,834,310	3,503,193	2,589,840
Unrestricted	14,111,853	15,027,044	14,273,854	9,358,835	9,625,591
Total governmental activities net assets	<u>\$ 67,573,381</u>	<u>\$ 67,201,113</u>	<u>\$ 65,166,458</u>	<u>\$ 60,198,321</u>	<u>\$ 58,267,319</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 51,150,411	\$ 45,658,855	\$ 46,651,180	\$ 47,691,329	\$ 48,204,803
Restricted	37,130,023	35,099,722	34,913,194	35,295,633	36,458,179
Unrestricted	3,741,504	3,966,734	3,529,295	3,041,609	3,200,135
Total business-type activities net assets	<u>\$ 92,021,938</u>	<u>\$ 84,725,311</u>	<u>\$ 85,093,669</u>	<u>\$ 86,028,571</u>	<u>\$ 87,863,117</u>
Primary government					
Invested in capital assets, net of related debt	\$ 100,069,390	\$ 93,410,045	\$ 93,709,474	\$ 95,027,622	\$ 94,256,691
Restricted	41,672,572	39,522,601	38,747,504	38,798,826	39,048,019
Unrestricted	17,853,357	18,993,778	17,803,149	12,400,444	12,825,726
Total primary government net assets	<u>\$ 159,595,319</u>	<u>\$ 151,926,424</u>	<u>\$ 150,260,127</u>	<u>\$ 146,226,892</u>	<u>\$ 146,130,436</u>

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2004.

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**City of Englewood, Colorado**  
**Changes in Net Assets**  
**Last Five Years**  
(Accrual basis of accounting)

**Schedule 2**

<b>Expenses</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Governmental activities					
General government	\$ 8,649,466	\$ 8,767,196	\$ 8,517,439	\$ 8,228,228	\$ 8,219,995
Safety services	17,408,124	16,638,900	15,898,956	15,299,585	14,665,487
Public works	8,882,979	9,362,350	6,533,130	6,084,214	7,186,353
Culture and recreation	8,137,512	8,280,338	7,652,400	7,451,806	6,889,876
Interest and fiscal charges	1,371,556	1,394,784	1,449,506	1,558,774	1,648,699
Unallocated depreciation	428,458	427,296	422,524	419,283	419,283
Total governmental activities expenses	<u>44,878,095</u>	<u>44,870,864</u>	<u>40,473,955</u>	<u>39,041,890</u>	<u>39,029,693</u>
Business-type activities					
Water	7,703,058	7,605,096	8,036,884	7,028,053	6,476,773
Sewer	12,409,323	11,679,043	11,442,474	11,253,244	10,674,423
Golf	2,061,201	1,740,380	1,858,115	1,978,441	1,834,685
Storm	413,535	462,910	460,855	444,695	476,996
Concrete	662,462	676,894	644,608	625,222	614,022
Housing Rehabilitation	595,345	1,034,461	969,446	479,735	1,032,581
Total business-type activities expenses	<u>23,844,924</u>	<u>23,198,784</u>	<u>23,412,382</u>	<u>21,809,390</u>	<u>21,109,480</u>
Total primary government expenses	<u>\$ 68,723,019</u>	<u>\$ 68,069,648</u>	<u>\$ 63,886,337</u>	<u>\$ 60,851,280</u>	<u>\$ 60,139,173</u>
<b>Program revenues</b>					
Governmental activities					
Permits, fees, fines and charges for services					
General government	\$ 4,036,678	\$ 3,801,444	\$ 3,835,303	\$ 4,044,395	\$ 3,967,902
Safety services	1,391,330	1,791,533	1,242,034	945,780	992,923
Public works	408,740	395,263	344,532	334,280	197,636
Culture and recreation	2,478,692	2,368,189	2,276,648	2,137,126	2,157,053
Operating grants and contributions	3,353,009	3,570,351	2,799,562	2,533,364	2,333,444
Capital grants and contributions	508,741	385,576	117,426	478,296	423,355
Total governmental activities program revenues	<u>12,177,190</u>	<u>12,312,356</u>	<u>10,615,505</u>	<u>10,473,241</u>	<u>10,072,313</u>
Business-type activities					
Charges for services					
Water	7,969,168	7,402,775	7,143,355	6,539,137	5,735,990
Sewer	10,592,498	9,443,119	8,557,662	7,569,175	6,529,238
Golf	1,928,427	1,661,946	1,974,802	1,872,327	1,755,104

(Continued)

**City of Englewood, Colorado**  
**Changes in Net Assets**  
**Last Five Years**  
(Accrual basis of accounting)  
(Continued)

Schedule 2

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Storm	320,720	320,723	319,854	320,131	290,668
Concrete	552,154	550,927	553,670	652,822	545,220
Housing Rehabilitation	502,163	942,965	892,114	157,162	696,307
Operating grants and contributions	1,455,056	1,765,013	2,026,191	1,752,470	1,370,876
Capital grants and contributions	1,337,862	709,707	659,001	1,111,620	2,931,883
Total business-type activities program revenues	<u>24,658,048</u>	<u>22,797,175</u>	<u>22,126,649</u>	<u>19,974,844</u>	<u>19,855,286</u>
Total primary government program revenues	<u>\$ 36,835,238</u>	<u>\$ 35,109,531</u>	<u>\$ 32,742,154</u>	<u>\$ 30,448,085</u>	<u>\$ 29,927,599</u>
<b>Net (expense)</b>					
Governmental activities	\$ (32,700,905)	\$ (32,558,508)	\$ (29,858,450)	\$ (28,568,649)	\$ (28,957,380)
Business-type activities	813,124	(401,609)	(1,285,733)	(1,834,546)	(1,254,194)
Total primary government net expense	<u>\$ (31,887,781)</u>	<u>\$ (32,960,117)</u>	<u>\$ (31,144,183)</u>	<u>\$ (30,403,195)</u>	<u>\$ (30,211,574)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities					
Property taxes	\$ 4,479,724	\$ 4,068,830	\$ 3,858,218	\$ 3,856,788	\$ 3,763,343
Sales and use taxes	24,639,023	26,162,289	22,777,413	23,044,765	22,620,428
Franchise and other taxes	2,860,035	2,644,892	2,665,330	2,617,040	2,460,377
Unrestricted investment earnings	955,958	1,166,935	745,592	369,393	201,794
Unrestricted grants and contributions	58,079	64,812	65,857	71,874	91,145
Miscellaneous	1,066,518	518,656	478,942	318,579	330,806
Gain on disposition of assets	-	-	4,586,066	221,212	-
Transfers, net	(986,164)	(33,251)	(350,831)	-	-
Total governmental activities	<u>33,073,173</u>	<u>34,593,163</u>	<u>34,826,587</u>	<u>30,499,651</u>	<u>29,467,893</u>
Business-type activities					
Special item - developer contribution	8,317,580	-	-	-	-
Special item - loss on disposition of assets	(2,820,241)	-	-	-	-
Transfers, net	986,164	33,251	350,831	-	-
Total business-type activities	<u>6,483,503</u>	<u>33,251</u>	<u>350,831</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 39,556,676</u>	<u>\$ 34,626,414</u>	<u>\$ 35,177,418</u>	<u>\$ 30,499,651</u>	<u>\$ 29,467,893</u>
<b>Change in net assets</b>					
Governmental activities	\$ 372,268	\$ 2,034,655	\$ 4,968,137	\$ 1,931,002	\$ 510,513
Business type-activities	7,296,627	(368,358)	(934,902)	(1,834,546)	(1,254,194)
Total primary government	<u>\$ 7,668,895</u>	<u>\$ 1,666,297</u>	<u>\$ 4,033,235</u>	<u>\$ 96,456</u>	<u>\$ (743,681)</u>

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2004.

**City of Englewood, Colorado**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**  
(Modified accrual basis of accounting)

**Schedule 3**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund					
Reserved	\$ 1,360,800	\$ 1,414,800	\$ 1,211,200	\$ 1,272,613	\$ 1,351,703
Unreserved:					
Designated	4,397,853	2,428,312	2,507,034	-	893,489
Undesignated	5,344,110	5,531,315	3,425,068	5,540,363	4,271,795
Total general fund	<u>\$ 11,102,763</u>	<u>\$ 9,374,427</u>	<u>\$ 7,143,302</u>	<u>\$ 6,812,976</u>	<u>\$ 6,516,987</u>
All Other Governmental Funds					
Reserved (1)	\$ 3,224,259	\$ 3,052,357	\$ 2,668,136	\$ 2,308,903	\$ 1,390,785
Unreserved, reported in:					
Designated:					
Special revenue funds	32,182	118,366	35,471	54,920	58,700
Capital projects funds	2,017,325	4,491,115	2,750,772	1,980,226	1,881,292
Undesignated:					
Special revenue funds	54,152	91,515	318,710	318,772	307,297
Debt service funds	-	-	-	(32,173)	(65,105)
Capital projects funds	388,285	582,547	3,934,695	305,739	588,727
Total all other governmental funds	<u>\$ 5,716,203</u>	<u>\$ 8,335,900</u>	<u>\$ 9,707,784</u>	<u>\$ 4,936,387</u>	<u>\$ 4,161,696</u>

(1) The substantial increase in reserved fund balance for 2001 and 2002 was due to the issuance of debt.

Note: For the years prior to 2003, the amounts reported for the special revenue funds were restated to include the City's expendable trust funds which were classified as fiduciary funds.

**Schedule 3**

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 1,427,096	\$ 1,512,372	\$ 1,544,055	\$ 1,611,843	\$ 1,636,924
354,617	-	-	100,000	-
3,753,751	2,968,835	5,075,766	5,229,991	4,282,357
<u>\$ 5,535,464</u>	<u>\$ 4,481,207</u>	<u>\$ 6,619,821</u>	<u>\$ 6,941,834</u>	<u>\$ 5,919,281</u>
\$ 4,664,100	\$ 14,230,607	\$ 7,641,883	\$ 1,590,335	\$ 8,216,392
100,162	198,068	99,650	198,070	60,567
2,328,423	3,606,572	4,050,825	3,050,234	3,928,202
340,369	388,909	461,762	401,547	440,774
(98,371)	(142,769)	(167,738)	(210,534)	(240,092)
832,049	525,609	1,665,513	1,164,934	1,775,950
<u>\$ 8,166,732</u>	<u>\$ 18,806,996</u>	<u>\$ 13,751,895</u>	<u>\$ 6,194,586</u>	<u>\$ 14,181,793</u>

**City of Englewood, Colorado**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Years**  
(Modified accrual basis of accounting)

**Schedule 4**

	2008	2007	2006	2005	2004
<b>Revenues</b>					
Taxes (see Schedule 5)	\$ 31,978,782	\$ 32,876,011	\$ 29,300,961	\$ 29,518,593	\$ 28,844,148
Licenses and permits	671,609	1,168,977	623,945	609,971	628,363
Intergovernmental revenue	3,919,829	4,020,738	2,967,346	2,885,737	2,847,942
Charges for services	6,021,313	5,590,788	5,405,336	5,349,340	5,277,969
Fines and forfeitures	1,461,100	1,445,641	1,566,922	1,386,842	1,263,206
Special assessments	31,922	37,245	72,947	68,245	71,824
Net investment income	791,326	972,058	620,093	290,216	171,896
Other	950,472	289,652	363,732	219,801	258,316
Total revenues	<u>45,826,353</u>	<u>46,401,110</u>	<u>40,921,282</u>	<u>40,328,745</u>	<u>39,363,664</u>
<b>Expenditures</b>					
Current:					
General government	8,232,062	8,108,949	7,714,343	7,511,420	7,381,008
Safety services	17,263,053	16,612,084	15,841,211	14,979,319	14,628,887
Public works	7,497,736	8,037,202	6,219,939	5,954,345	6,474,438
Culture and recreation	7,958,537	7,676,521	7,113,732	6,897,197	6,468,782
Capital outlay	3,020,685	3,111,726	1,646,913	1,157,876	4,327,760
Debt service:					
Principal	1,570,602	1,655,228	856,530	1,551,413	1,657,080
Interest and other fiscal charges	1,335,039	1,349,059	1,515,171	1,417,069	1,621,135
Lease issue costs	-	-	-	367,352	-
Total expenditures	<u>46,877,714</u>	<u>46,550,769</u>	<u>40,907,839</u>	<u>39,835,991</u>	<u>42,559,090</u>
Excess revenues over (under) expenditures	<u>(1,051,361)</u>	<u>(149,659)</u>	<u>13,443</u>	<u>492,754</u>	<u>(3,195,426)</u>
<b>Other financing sources (uses)</b>					
Proceeds from borrowing	-	-	-	19,346,678	-
Transfers in	2,997,239	4,949,278	1,854,213	990,035	1,748,527
Transfers out	(2,837,239)	(4,889,278)	(1,351,999)	(990,035)	(1,629,151)
Payment to refunded lease escrow agent	-	948,900	-	(19,101,385)	-
Proceeds from sale of fixed assets	-	-	4,586,066	332,633	52,537
Total other financing sources (uses)	<u>160,000</u>	<u>1,008,900</u>	<u>5,088,280</u>	<u>577,926</u>	<u>171,913</u>
Net change in fund balances	<u>(891,361)</u>	<u>859,241</u>	<u>5,101,723</u>	<u>1,070,680</u>	<u>(3,023,513)</u>
Fund balances - beginning	<u>17,710,327</u>	<u>16,851,086</u>	<u>11,749,363</u>	<u>10,678,683</u>	<u>13,702,196</u>
Fund balances - ending	<u>\$ 16,818,966</u>	<u>\$ 17,710,327</u>	<u>\$ 16,851,086</u>	<u>\$ 11,749,363</u>	<u>\$ 10,678,683</u>
 Debt service as a percentage of noncapital expenditures	 6.6%	 6.9%	 6.0%	 7.7%	 8.6%

Schedule 4

2003	2002	2001	2000	1999
\$ 28,438,774	\$ 28,148,933	\$ 31,257,005	\$ 31,737,405	\$ 27,175,461
626,322	702,821	784,698	692,501	603,257
2,346,710	1,953,100	4,309,979	4,970,784	2,887,706
3,341,661	3,309,726	3,301,668	3,069,959	2,862,677
1,468,861	1,115,163	994,406	896,173	924,427
84,184	152,047	166,689	159,922	752,329
289,970	535,008	972,803	1,274,748	1,150,832
321,013	713,426	1,087,986	529,671	292,321
<u>36,917,495</u>	<u>36,630,224</u>	<u>42,875,234</u>	<u>43,331,163</u>	<u>36,649,010</u>
8,011,041	7,528,393	7,252,098	7,369,020	6,139,539
15,227,176	15,243,354	14,302,959	13,018,565	12,208,973
5,882,822	4,920,390	4,824,579	4,203,944	3,699,567
5,737,067	5,958,072	5,912,469	5,418,251	4,943,812
11,260,896	7,019,633	7,415,435	18,972,409	15,957,933
1,214,567	1,319,905	1,272,436	864,979	395,000
1,728,812	1,576,466	1,353,927	1,206,171	1,233,608
-	-	-	-	-
<u>49,062,381</u>	<u>43,566,213</u>	<u>42,333,903</u>	<u>51,053,339</u>	<u>44,578,432</u>
<u>(12,144,886)</u>	<u>(6,935,989)</u>	<u>541,331</u>	<u>(7,722,176)</u>	<u>(7,929,422)</u>
-	8,909,758	6,693,965	378,761	1,463,500
3,680,309	2,607,702	4,059,048	2,660,497	13,856,268
(1,808,670)	(2,566,550)	(4,059,048)	(2,660,497)	(13,344,599)
-	-	-	-	-
800,000	901,566	-	378,761	851,500
<u>2,671,639</u>	<u>9,852,476</u>	<u>6,693,965</u>	<u>757,522</u>	<u>2,826,669</u>
<u>(9,473,247)</u>	<u>2,916,487</u>	<u>7,235,296</u>	<u>(6,964,654)</u>	<u>(5,102,753)</u>
<u>23,175,443</u>	<u>20,258,956</u>	<u>13,023,660</u>	<u>19,988,314</u>	<u>25,091,067</u>
<u>\$ 13,702,196</u>	<u>\$ 23,175,443</u>	<u>\$ 20,258,956</u>	<u>\$ 13,023,660</u>	<u>\$ 19,988,314</u>
7.8%	7.9%	7.5%	6.5%	5.7%

**City of Englewood, Colorado**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Years**  
(Accrual basis of accounting)

**Schedule 5**

<b>Fiscal Year</b>	<b>Property</b>	<b>Specific Ownership</b>	<b>Sales and Regular Use</b>	<b>Vehicle Use</b>	<b>Building Use</b>	<b>Cigarette</b>	<b>Franchise</b>	<b>Other</b>	<b>Total</b>
1999	\$ 2,196,991	\$ 249,513	\$ 20,170,709	\$ 1,379,427	\$ 755,910	\$ 606,240	\$ 1,790,952	\$ 25,719	\$ 27,175,461
2000	2,569,380	284,913	23,941,579	1,567,874	892,720	648,427	1,798,150	34,362	31,737,405
2001	2,560,457	305,619	22,635,921	1,656,566	1,422,348	712,889	1,915,047	48,158	31,257,005
2002	3,069,889	329,487	20,069,192	1,450,012	825,711	550,123	1,829,765	24,754	28,148,933
2003	3,203,662	333,456	20,554,656	1,417,122	550,643	366,947	2,003,411	8,877	28,438,774
2004	3,416,455	346,888	20,591,394	1,416,817	612,217	354,876	2,096,425	9,076	28,844,148
2005	3,522,020	334,768	20,886,855	1,294,635	863,275	313,731	2,294,972	8,337	29,518,593
2006	3,525,200	333,018	20,688,258	1,239,648	849,507	293,776	2,362,000	9,554	29,300,961
2007	3,727,407	341,423	22,753,820	1,440,089	1,968,380	278,785	2,356,385	9,722	32,876,011
2008	4,163,482	316,242	22,617,767	1,252,178	769,078	261,743	2,588,214	10,078	31,978,782
Change 1999-2008	89.51%	26.74%	12.13%	(9.22%)	1.74%	(56.83%)	44.52%	(60.81%)	17.68%

**City of Englewood, Colorado**  
**Assessed Value and Estimated Actual Value of Taxable Property (1)**  
**Last Ten Years**

**Schedule 6**

<b>Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Vacant</b>	<b>Industrial</b>	<b>State Assessed</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a % of Actual Value</b>
1999	\$ 120,719,660	\$ 153,234,860	\$ 2,075,420	\$ 18,764,750	\$ 13,399,120	\$ 308,193,810	7.340	\$ 1,885,803,522	16.34%
2000	137,232,350	194,896,880	3,194,820	21,010,300	16,647,220	372,981,570	7.055	2,221,692,344	16.79%
2001	137,465,500	197,306,310	4,001,590	21,597,400	20,287,030	380,657,830	7.030	2,249,749,956	16.92%
2002	168,128,390	211,941,990	4,100,510	22,677,030	22,889,940	429,737,860	7.438	2,739,438,875	15.69%
2003	171,217,150	215,451,300	3,129,340	20,416,430	24,569,380	434,783,600	7.770	2,779,944,595	15.64%
2004	168,876,590	224,991,250	3,127,920	19,422,400	21,461,920	437,880,080	8.310	3,048,915,044	14.36%
2005	168,929,440	232,267,780	3,854,840	18,079,950	19,069,900	442,201,910	8.320	3,064,300,553	14.43%
2006	175,035,270	251,099,410	3,517,820	18,066,570	19,815,060	467,534,130	8.100	3,207,387,104	14.58%
2007	175,463,640	253,673,240	3,044,070	17,857,810	18,239,950	468,278,710	8.400	3,213,823,727	14.57%
2008	190,192,280	273,510,780	7,308,110	19,713,830	20,899,330	511,624,330	8.173	3,497,493,528	14.63%

Note: Property in Colorado is reassessed every two years. Tax rates are per \$1,000 of assessed value. The assessed value of taxable property is determined by multiplying the "actual" value times an assessment ratio. The assessment ratio of residential property changes every two years based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the property tax year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment requires that statewide residential assessed values must be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45%/55% ratio, the commercial assessment rate is established at 29% of the actual value of commercial property and the residential assessment rate fluctuates. The assessment rate of residential property by collection year was:

<b>Year</b>	
1995	12.86%
1996-1997	10.36%
1998-1999	9.74%
2000-2001	9.74%
2002-2003	9.15%
2004-2005	7.96%
2006-2007	7.96%
2008-2009	7.96%

(1) Includes the Englewood Urban Renewal Authority, a Tax Increment Financing District.

Source : Arapahoe County Assessor.

**City of Englewood, Colorado**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**

Schedule 7

Collection Year	City Direct Rates			Overlapping Rates						
	Basic Rate	Debt Service	Total Direct	Arapahoe County	Englewood School District	Littleton School District	Sheridan School District	Valley Sanitation District	South Englewood Sanitation District	Urban Drainage & Flood Control District
1999	5.880	1.460	7.340	15.549	46.483	54.163	46.550	2.467	1.243	0.756
2000	5.880	1.175	7.055	13.706	42.765	47.789	37.780	2.384	1.100	0.655
2001	5.880	1.150	7.030	14.013	42.544	47.126	46.641	2.553	1.100	0.667
2002	5.880	1.558	7.438	13.028	38.842	41.290	42.150	2.321	1.100	0.590
2003	5.880	1.890	7.770	14.594	39.485	45.380	46.580	2.405	1.100	0.602
2004	5.880	2.430	8.310	15.140	39.431	45.304	40.836	2.409	1.100	0.533
2005	5.880	2.440	8.320	15.451	44.419	50.515	40.634	2.477	1.100	0.066
2006	5.880	2.220	8.100	15.421	40.141	49.509	35.989	2.493	0.000	0.597
2007	5.880	2.520	8.400	16.083	40.354	48.907	39.419	2.493	0.000	0.608
2008	5.880	2.293	8.173	15.217	37.211	46.791	38.294	2.493	0.000	0.568

**Notes:**

The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

Overlapping rates are those governments that apply to property owners within the City of Englewood. Not all overlapping rates apply to all Englewood property owners; for example, although the county rate applies to all City property owners, the rates for the various school districts apply to only property owners whose property is located within that district's geographic boundaries.

Tax rates are per \$1000 of assessed valuation.

Source : Arapahoe County Assessor.

**City of Englewood, Colorado  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

**Schedule 8**

<b>Taxpayer</b>	<b>Collection Year</b>					
	<b>2008</b>			<b>1999</b>		
	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Columbia Healthone LLC	\$ 32,983,900	1	6.45%	\$ 28,225,540	1	7.57%
Englewood Meridian LTD	4,316,290	2	0.84%	4,997,170	3	1.34%
TSA Corporate Services	3,949,500	3	0.77%	7,596,600	2	2.04%
Meadow Gold	3,160,920	4	0.62%			
First Industrial LP	3,045,000	5	0.60%			
First Industrial LP	3,016,000	6	0.59%			
Omni Development Co.	2,957,990	7	0.58%			
First Industrial LP	2,726,000	8	0.53%			
Wal-Mart	2,648,660	9	0.52%	2,320,000	9	0.62%
801/901 Englewood Parkway	2,481,530	10	0.49%			
Wilkerson Corporation				4,303,440	4	1.15%
Northern Englewood Limited				2,400,780	8	0.64%
Wellsford Marks B Corporation				2,781,740	5	0.75%
EQR Marks A LLC				2,318,120	10	0.62%
Healthone & Swedish Medical				2,610,000	6	0.70%
Healthone				2,610,000	7	0.70%
	<u>\$ 61,285,790</u>		<u>11.98%</u>	<u>\$ 60,163,390</u>		<u>16.13%</u>

Source : Arapahoe County Assessor.

**City of Englewood, Colorado**  
**Property Tax Levies and Collections**  
**Last Ten Years**

**Schedule 9**

<b>Collection Year</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Percentage of Levy</b>	<b>Delinquent Taxes Collected</b>	<b>Total Tax Collection</b>	<b>Percentage of Levy</b>
1999	\$ 2,218,614	\$ 2,189,291	98.68%	\$ 7,700	\$ 2,196,991	99.03%
2000	2,578,374	2,559,617	99.27%	9,763	2,569,380	99.65%
2001	2,613,937	2,565,696	98.15%	(5,239)	2,560,457	97.95%
2002	3,115,931	3,068,337	98.47%	1,552	3,069,889	98.52%
2003	3,249,168	3,205,322	98.65%	(1,660)	3,203,662	98.60%
2004	3,481,858	3,416,328	98.12%	127	3,416,455	98.12%
2005	3,448,640	3,431,795	99.51%	90,225	3,522,020	102.13%
2006	3,559,146	3,542,013	99.52%	(16,813)	3,525,200	99.05%
2007	3,702,457	3,687,969	99.61%	(6,778)	3,681,191	99.43%
2008	4,181,506	4,158,223	99.44%	5,259	4,163,482	99.57%

Note:

Taxes are levied by December 15 of each year and are due and payable on January 1. Taxes may be paid in two equal installments, on or before February 28 and June 15; or in full, on or before April 30. After October 1, delinquent real estate is advertised for sale. The tax sale is held on or about December 1 of each year. Delinquent tax collections, as shown above, may be negative due to tax abatements.

Source : Arapahoe County Assessor and Treasurer.

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**City of Englewood, Colorado**  
**Sales Tax Collections by Category (1)**  
**Last Ten Years**

**Schedule 10**

<u>Category</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Retail	\$ 6,034,760	\$ 5,764,996	\$ 5,084,212	\$ 4,213,016	\$ 5,091,960
Utilities	5,107,018	5,854,735	5,303,203	3,504,593	3,197,317
Automotive Dealers/Service Stations	2,800,493	2,924,973	2,957,738	2,648,608	2,450,642
General Merchandise	752,239	1,019,289	1,824,220	2,159,223	2,151,157
Eating/Drinking Places	1,289,163	1,334,941	1,401,532	1,516,288	1,547,705
Personal Service other than Lodging	1,231,069	1,217,626	1,615,052	1,446,853	1,329,097
Bldg Materials/Hardware	1,552,555	1,703,759	1,514,381	1,188,556	1,154,021
Finance/Insurance/Real Estate	1,444,256	1,929,900	1,716,023	1,085,406	1,315,502
Apparel/Accessories	581,355	567,533	578,387	627,727	685,488
Food	855,875	856,616	860,024	856,240	813,660
Furniture/Home	553,074	591,332	574,729	535,798	590,668
Non-classifiable	631,943	946,383	1,027,471	1,045,273	781,975
Manufacturing	453,653	446,326	314,570	226,679	195,747
Contract Construction	41,441	28,325	18,678	38,878	24,107
Hotels/Lodging	21,623	19,552	20,305	19,254	17,931
	<u>\$ 23,350,517</u>	<u>\$ 25,206,286</u>	<u>\$ 24,810,525</u>	<u>\$ 21,112,392</u>	<u>\$ 21,346,977</u>

**The City direct sales tax rate is 3.5% for all years presented.**

(1) Includes the Englewood Urban Renewal Authority, a Tax Increment Financing District, which ended on August 23, 2007. Amounts are presented on a cash basis.

Source : City of Englewood Revenue and Budget Division

Schedule 10

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 5,064,841	\$ 5,272,169	\$ 5,415,504	\$ 5,446,717	\$ 4,881,581
3,598,872	3,582,230	3,314,418	3,636,480	3,847,273
2,369,812	2,441,788	2,020,048	2,112,028	1,954,468
2,084,527	2,126,762	2,145,435	2,097,943	2,016,736
1,665,241	1,790,727	1,880,357	1,970,427	2,008,877
1,122,037	1,211,622	1,180,089	1,918,597	1,844,698
1,141,660	1,121,973	1,568,946	1,503,922	1,629,274
1,120,778	1,098,376	978,359	968,783	1,192,040
678,999	685,281	709,763	732,103	711,537
751,955	725,549	796,463	724,817	691,164
1,091,367	813,110	733,986	707,230	760,602
694,865	534,610	511,151	676,711	929,063
207,309	283,794	331,814	397,553	412,842
78,832	83,022	100,542	94,516	85,415
15,920	14,710	16,653	17,394	16,998
<u>\$ 21,687,015</u>	<u>\$ 21,785,723</u>	<u>\$ 21,703,528</u>	<u>\$ 23,005,221</u>	<u>\$ 22,982,568</u>

**City of Englewood, Colorado**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**

**Schedule 11**

Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Certificates of Participation	Special Assessment Bonds	Loans Payable	Capital Leases	General Obligation Bonds (1)	Revenue Bonds	Loans Payable (1)			
1999	\$ 1,285,000	\$ 21,530,000	\$ 612,000	\$ 3,844	\$ 851,500	\$ -	\$3,495,000	\$ 25,166,417	\$ 52,943,761	12.33%	\$ 1,666
2000	870,000	21,530,000	331,000	-	1,076,282	-	3,340,000	24,319,789	51,467,071	7.76%	1,622
2001	6,429,441	20,975,000	272,000	733,011	847,846	-	4,855,000	23,113,063	57,225,361	8.45%	1,767
2002	13,851,834	20,400,000	208,000	733,011	1,669,820	-	4,630,000	21,863,873	63,356,538	9.28%	1,940
2003	13,800,745	19,800,000	164,000	733,011	1,184,254	-	4,500,000	20,497,842	60,679,852	8.96%	1,872
2004	13,435,770	19,175,000	121,000	647,608	675,577	3,055,000	4,435,000	70,657,951	112,202,906	16.52%	3,453
2005	13,022,939	18,880,000	77,000	560,497	340,275	3,055,000	4,365,000	66,256,469	106,557,180	15.69%	3,280
2006	12,538,359	18,820,000	36,000	471,644	173,598	2,955,000	4,255,000	64,781,401	104,031,002	15.32%	3,202
2007	12,000,000	18,010,000	-	381,014	948,900	2,845,000	4,135,000	63,235,475	101,555,389	15.05%	3,145
2008	11,435,000	17,175,000	-	288,571	870,741	2,735,000	4,010,000	61,613,444	98,127,756	14.43%	3,016

**Notes:** Details of the City's outstanding debt can be found in the notes to the financial statements.

(1) In addition to the \$3,055,000 of General Obligation Water Bonds, the City issued \$51,126,340 of new loans with the Colorado Water and Power Development Authority in 2004.

(2) See Schedule 16 for personal income and population data.

**City of Englewood, Colorado**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

**Schedule 12**

<b>Year</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net General Bonded Debt</b>	<b>Percentage of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
1999	\$ 1,285,000	\$ (124,871)	\$ 1,160,129	0.06%	\$ 36.50
2000	870,000	(97,712)	772,288	0.03%	24.34
2001	6,429,441	(60,283)	6,369,158	0.28%	196.62
2002	13,851,834	-	13,851,834	0.51%	424.15
2003	13,800,745	(45,058)	13,755,687	0.49%	424.43
2004	13,435,770	(82,742)	13,353,028	0.44%	410.98
2005	13,022,939	(119,638)	12,903,301	0.42%	397.13
2006	12,538,359	(48,541)	12,489,818	0.39%	384.41
2007	12,000,000	(87,630)	11,912,370	0.37%	368.96
2008	11,435,000	(166,137)	11,268,863	0.32%	346.39

**Notes:** Details of the City's outstanding debt can be found in the notes to the financial statements.

- (1) Excludes general obligation water bonds, which have historically been serviced by available moneys in the Water Fund.
- (2) See Schedule 6 for property value data.
- (3) See Schedule 16 for population data.

**City of Englewood, Colorado**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2008**

**Schedule 13**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct debt</b>	\$ 29,769,312	100.000%	\$ 29,769,312
<b>Overlapping entities:</b>			
Englewood School District No. 1	23,895,425	97.320%	23,255,028
Sheridan School District No. 2	21,040,000	33.050%	6,953,720
Littleton School District No. 6	102,740,000	2.130%	2,188,362
Cherry Creek School District No. 5	348,545,000	0.390%	1,359,326
Total direct and overlapping debt	<u>\$ 525,989,737</u>		<u>\$ 63,525,748</u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Arapahoe County Assessor. Debt outstanding data provided by each governmental entity.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Englewood. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**City of Englewood, Colorado**  
**Legal Debt Margin Information**  
**Last Ten Years**

**Schedule 14**

<b>Year</b>	<b>Assessed/Actual Valuation (1)</b>	<b>Debt Limit Percentage</b>	<b>Debt Limit</b>	<b>Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>As a Percentage of Debt Limit</b>
2000	\$ 365,467,610	3.00%	\$ 10,964,028	\$ 1,285,000	\$ 9,679,028	13.3%
2001	371,825,997	3.00%	11,154,780	870,000	10,284,780	8.5%
2002	2,534,423,413	3.00%	76,032,702	6,250,000	69,782,702	9.0%
2003	2,575,902,094	3.00%	77,277,063	12,800,000	64,477,063	19.9%
2004	2,877,509,209	3.00%	86,325,276	12,800,000	73,525,276	17.4%
2005	2,896,261,123	3.00%	86,887,834	12,670,000	74,217,834	17.1%
2006	3,018,993,737	3.00%	90,569,812	12,455,000	78,114,812	15.9%
2007	3,024,628,577	3.00%	90,738,857	12,230,000	78,508,857	15.6%
2008	3,297,243,391	3.00%	98,917,302	12,000,000	86,917,302	13.8%
2009	3,308,401,216	3.00%	99,252,036	11,435,000	87,817,036	13.0%

(1) On November 6, 2001, a majority of the City's electors voted to change the Home Rule Charter of the City of Englewood by allowing the debt ceiling to be three percent (3%) of **actual** valuation versus three percent (3%) of **assessed** valuation. The entire section (Section 104) of the Charter that establishes the debt margin follows:

Indebtedness and obligations of the City shall be incurred and limited as provided in Article XI of the Constitution of the State of Colorado applicable to towns and cities except as otherwise provided in this Charter. Council shall have power to issue general obligation bonds of the City for any public capital purpose, upon majority vote of the registered electors of the City voting thereon at a special election; provided, however, that water extension and water improvement bonds may be issued without an election upon determination to that effect by Council. The total outstanding general obligation indebtedness of the City, other than for water bonds, shall not at any time exceed three percent (3%) of the actual valuation of the taxable property within the City as shown by the last preceding assessment for tax purposes. Water bonds shall mature and be payable as provided by the ordinance authorizing the issuance of said bonds.

Refer to the Notes to Financial Statements, particularly Note 3F, for detailed information regarding long-term indebtedness of the City.

Future debt issuance may be subject to the Taxpayer's Bill of Rights (TABOR).

**City of Englewood, Colorado  
Pledged Revenue Coverage  
Water Fund  
Last Ten Years**

**Schedule 15**

<b>Year</b>	<b>Gross Revenue*</b>	<b>Expense*</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>	<b>Required Coverage *</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
1999	\$ 5,654,479	\$ 3,615,379	\$ 2,039,100	\$ 600,841	\$ 423,397	\$ 1,024,238	1.99	1.10
2000	6,091,179	3,898,612	2,192,567	613,188	236,075	849,263	2.58	1.10
2001	6,241,946	4,103,945	2,138,001	628,277	500,525	1,128,802	1.89	1.10
2002	5,673,029	4,838,843	834,186	640,623	487,033	1,127,656	0.74	1.10
2003	5,552,395	4,462,006	1,090,389	655,712	472,955	1,128,667	0.97	1.10
2004	5,990,739	5,128,618	862,121	668,057	467,637	1,135,694	0.76	1.10
2005	7,053,794	5,454,431	1,599,363	684,520	567,293	1,251,813	1.28	1.10
2006	7,496,977	6,244,504	1,252,473	700,981	426,267	1,127,248	1.11	1.10
2007	7,788,802	6,082,067	1,706,735	717,442	405,555	1,122,997	1.52	1.10
2008	8,541,186	6,385,393	2,155,793	735,276	391,266	1,126,542	1.91	1.10

\* As defined in the applicable bond indenture

**City of Englewood, Colorado  
Pledged Revenue Coverage  
Sewer Fund  
Last Ten Years**

**Schedule 15 (Cont)**

<b>Year</b>	<b>Gross Revenue*</b>	<b>Expense*</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>	<b>Required Coverage *</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
1999	\$ 7,611,512	\$ 4,969,520	\$ 2,641,992	\$ 471,822	\$ 459,903	\$ 931,725	2.84	1.10
2000	7,582,330	5,862,216	1,720,114	505,427	427,369	932,796	1.84	1.10
2001	13,272,849	6,825,105	6,447,744	541,427	389,807	931,234	6.92	1.10
2002	6,674,106	6,767,260	(93,154)	579,990	248,080	828,070	(0.11)	1.10
2003	6,141,938	6,626,400	(484,462)	621,299	310,008	931,307	(0.52)	1.10
2004	10,576,079	8,198,477	2,377,602	665,551	1,495,905	2,161,456	1.10	1.10
2005	11,313,327	8,314,911	2,998,416	723,306	2,002,527	2,725,833	1.10	1.10
2006	11,519,731	8,376,818	3,142,913	774,087	2,083,107	2,857,194	1.10	1.10
2007	11,886,280	8,684,566	3,201,714	828,484	2,082,165	2,910,649	1.10	1.10
2008	12,813,297	9,956,867	2,856,430	886,755	1,528,219	2,414,974	1.18	1.10

\* As defined in the applicable bond indenture

**City of Englewood, Colorado  
Pledged Revenue Coverage  
Golf Course Fund  
Last Ten Years**

**Schedule 15 (Cont)**

<b>Year</b>	<b>Gross Revenue*</b>	<b>Expense*</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>	<b>Required Coverage *</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
1999	\$ 1,792,733	\$1,275,951	\$ 516,782	\$ 145,000	\$ 186,083	\$ 331,083	1.56	1.50
2000	1,957,705	1,283,107	674,598	155,000	179,938	334,938	2.01	1.50
2001	2,049,388	1,411,591	637,797	160,000	173,158	333,158	1.91	1.50
2002	1,971,341	1,457,644	513,697	170,000	165,906	335,906	1.53	1.50
2003	1,873,841	1,439,256	434,585	180,000	145,509	325,509	1.34	1.35
2004	1,764,197	1,429,211	334,986	10,000	164,689	174,689	1.92	1.35
2005	1,895,142	1,562,840	332,302	10,000	163,525	173,525	1.92	1.35
2006	2,006,955	1,453,014	553,941	50,000	163,070	213,070	2.60	1.35
2007	1,716,358	1,330,281	386,077	55,000	161,463	216,463	1.78	1.35
2008	1,973,949	1,616,896	357,053	55,000	159,494	214,494	1.66	1.35

\* As defined in the applicable bond indenture

**City of Englewood, Colorado  
Pledged Revenue Coverage  
Storm Drainage Fund  
Last Eight Years**

**Schedule 15 (Cont)**

<b>Year</b>	<b>Gross Revenue*</b>	<b>Expense*</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>	<b>Required Coverage *</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
2001	\$ 242,533	\$ 98,336	\$ 144,197	\$ -	\$ 20,548	\$ 20,548	7.02	1.15
2002	340,215	132,810	207,405	55,000	82,018	137,018	1.51	1.15
2003	307,074	117,646	189,428	55,000	79,944	134,944	1.40	1.15
2004	300,054	116,286	183,768	55,000	77,740	132,740	1.38	1.15
2005	341,519	86,611	254,908	60,000	75,463	135,463	1.88	1.15
2006	364,833	105,393	259,440	60,000	72,938	132,938	1.95	1.15
2007	384,088	110,346	273,742	65,000	70,334	135,334	2.02	1.15
2008	378,299	105,869	272,430	70,000	67,450	137,450	1.98	1.15

\* As defined in the applicable bond indenture

**City of Englewood, Colorado**  
**Demographic and Economic Statistics**  
**Last Ten Years**

**Schedule 16**

<b>Year</b>	<b>(1) Population</b>	<b>Personal Income</b>	<b>(2) Per Capita Personal Income</b>	<b>(2) Median Age</b>	<b>(2) Education Level in Years of Schooling</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>	<b>(5) Consumer Price Index</b>
1999	31,784	\$ 429,528,976	\$ 13,514	33.5	12.62	4,378	2.6%	2.96%
2000	31,727	663,221,208	20,904	36.2	12.78	4,413	2.9%	3.96%
2001	32,393	677,143,272	20,904	36.2	12.78	4,327	4.4%	4.62%
2002	32,658	682,682,832	20,904	36.2	12.78	4,200	6.7%	1.99%
2003	32,410	677,498,640	20,904	36.2	12.78	4,085	7.2%	1.03%
2004	32,491	679,191,864	20,904	36.2	12.78	3,883	6.5%	0.11%
2005	32,491	679,191,864	20,904	36.2	12.78	3,733	6.0%	2.09%
2006	32,491	679,191,864	20,904	36.2	12.78	3,495	5.0%	3.56%
2007	32,286	674,906,544	20,904	36.2	12.78	3,427	4.5%	2.18%
2008	32,532	680,048,928	20,904	36.2	12.78	3,298	6.0%	3.91%

**Sources:**

- (1) Colorado Department of Local Affairs, Division of Local Government
- (2) U.S. Census Bureau - 1990 Census (1999); 2000 Census (2000-2008)
- (3) Colorado Department of Education, Fall Enrollment
- (4) U.S. Dept. of Labor, Bureau of Labor Statistics - Annual Averages, City of Englewood
- (5) U.S. Dept. of Labor, Bureau of Labor Statistics - Annual Increase, Denver/Boulder area. All Urban Consumers

**City of Englewood, Colorado**  
**Principal Employers**  
**Current Year and Nine Years Ago**

**Schedule 17**

<b>Employer</b>	<b>2008</b>			<b>1999</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Columbia Swedish Medical Center	2,000	1	7.87%	1,300	1	5.83%
The Sports Authority	600	2	2.36%			
Craig Hospital	750	3	2.95%	512	2	2.30%
Englewood School District	525	4	2.07%	503	3	2.26%
City of Englewood	520	5	2.05%	483	4	2.17%
Burt Automotive Dealers	400	6	1.57%	475	5	2.13%
Denver Drywall				365	6	1.64%
Windsor Industries, Inc	350	7	1.38%	270	8	1.21%
7-Up Bottling Company	300	8	1.18%	250	9	1.12%
Riviera Electric Construction				250	10	1.12%
Meadow Gold Dairies	230	9	0.91%			
Wal-Mart	150	10	0.59%			
Wilkerson Corporation				340	7	1.52%
Total	5,825		22.93%	4,748		21.29%

**Sources:**

City of Englewood Community Development Department

**City of Englewood, Colorado**  
**Full-time Equivalent Employees by Function/Program**  
**Last Ten Years**

**Schedule 18**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General government:										
City Manager	4.62	4.31	6.01	5.70	5.68	5.60	5.00	5.50	5.50	5.38
City Attorney	4.40	6.40	7.20	6.90	6.90	4.80	5.38	5.38	5.50	5.50
Municipal Court	9.01	9.61	12.80	13.80	11.05	10.20	10.99	10.99	11.06	10.90
Human Resources	7.80	8.68	8.75	8.60	8.00	8.42	6.62	7.48	7.48	7.17
Finance & Admin Services	19.43	19.97	19.67	20.55	20.05	19.25	19.33	19.58	18.60	18.90
Central Services	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.10
Information Technology	7.00	7.00	8.00	10.00	10.00	10.00	8.50	9.60	9.60	10.60
Community Development	13.00	12.00	13.00	13.00	13.00	11.50	11.50	12.00	12.00	12.00
Fire:										
Fire Operations	59.38	62.80	60.00	60.00	60.00	59.00	65.75	58.00	57.00	58.00
Building and Safety	7.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Police:										
Administration	13.96	11.30	11.95	13.20	11.50	11.60	10.63	10.70	10.60	8.60
Communications and Records	20.20	19.50	21.62	20.63	19.50	17.00	17.25	19.63	18.13	17.13
Police Operations	70.37	77.90	78.05	78.88	75.88	75.27	60.00	70.15	69.90	69.90
Neighborhood Services	9.00	9.00	10.00	10.00	10.00	8.00	8.00	6.00	6.00	6.00
Public Works:										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	3.31	2.00	2.00	2.00
Engineering	6.67	6.67	7.00	5.00	4.34	6.90	2.75	4.08	4.22	4.22
Streets and Drainage	16.00	16.00	15.00	15.00	14.00	13.90	13.00	13.00	13.00	13.00
Traffic Maintenance	4.00	4.00	4.00	7.00	7.00	7.00	7.13	6.50	6.50	6.50
General Ops and Maintenance	24.00	27.00	27.00	25.00	24.00	25.00	23.00	22.70	22.70	21.70
Concrete Utility	-	-	-	1.00	1.00	1.00	1.00	3.53	3.53	3.54
Servicenter	10.00	10.00	10.00	11.00	11.00	10.00	11.00	10.30	11.30	11.30
Parks and Recreation:										
Administration	3.00	4.00	4.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00
Programs	13.00	13.00	16.00	21.00	15.02	17.50	15.25	17.19	18.70	18.41
Parks	15.00	19.00	18.00	18.00	18.50	15.00	17.00	17.00	16.50	17.00
Golf	9.50	8.50	8.50	9.50	9.50	9.00	9.98	8.75	8.75	9.00
Library	17.59	19.27	19.46	19.00	18.81	17.20	15.63	16.38	15.97	15.70
Utilities:										
Water Operations	24.30	23.83	23.83	23.84	23.84	24.00	25.00	22.55	24.30	23.80
Sewer Operations	4.00	4.00	4.00	4.50	4.50	4.00	5.00	5.70	5.75	5.50
Storm Drainage Operations	0.65	0.65	0.65	0.65	0.65	0.65	-	0.45	0.65	0.65
Utilities Administration	12.70	13.49	13.49	13.49	13.49	14.00	15.67	15.62	15.36	15.55
Littleton/Englewood										
Wastewater Treatment Plant	60.00	60.00	70.00	72.00	74.00	74.00	74.00	75.13	76.37	76.50
<b>Total</b>	<b>468.83</b>	<b>488.88</b>	<b>508.98</b>	<b>522.24</b>	<b>506.21</b>	<b>493.79</b>	<b>480.67</b>	<b>487.89</b>	<b>488.96</b>	<b>486.55</b>

**Source:** City Revenue and Budget Division. Includes permanent full and part-time employees only; seasonal employees are excluded.

**City of Englewood, Colorado**  
**Operating Indicators by Function/Program**  
**Last Ten Years**

**Schedule 19**

<b>Function/Program</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Police</b>										
Number of law violations	22,734	44,086	46,800	45,292	21,754	22,228	38,904	39,911	40,680	40,207
Number of uniformed officers	70	70	77	73	73	68	69	68	68	69
<b>Fire</b>										
Number of calls	3,525	3,663	3,930	4,131	3,802	3,595	4,100	3,844	4,085	4,058
Number of firefighters	57	57	59	59	48	52	55	55	56	56
<b>Building Division</b>										
Commercial construction value	10,740,155	11,781,275	6,564,000	24,067,405	5,957,074	603,833	2,792,800	41,143,000	3,766,805	22,071,707
Number of units	12	9	7	7	8	3	5	8	15	130
Residential construction value	2,076,660	31,280,439	10,957,401	565,844	570,066	638,115	2,846,597	4,927,013	9,976,544	4,177,080
Number of units	18	482	292	4	3	6	21	25	20	264
Building permits value	39,977,232	66,472,265	67,555,400	46,208,851	37,487,565	29,107,108	26,092,072	27,051,370	85,478,543	31,659,277
Number of permits	2543	2302	2948	2524	2261	2352	2110	1842	2147	2065
<b>Parks and Recreation</b>										
Englewood Recreation Center										
Admissions	302,000	312,000	307,000	310,000	303,000	313,000	310,000	315,000	317,000	309,000
Malley Recreation Center										
Memberships	3,701	3,841	3,972	4,001	4,069	4,281	4,116	2,882	2,775	2,812
Park Shelter Reservations	488	562	559	558	521	509	487	414	475	454
Golf Rounds Played:										
9 hole	22,454	21,929	21,937	22,413	21,033	19,718	19,672	19,047	22,070	17,000
18 hole	34,017	34,301	33,767	34,534	32,072	28,484	30,113	25,995	-	19,061
Par 3 Course	23,730	26,176	26,701	27,344	24,734	22,131	20,469	16,149	-	11,794
<b>Water</b>										
New connections	46	39	39	23	12	18	11	22	18	8
Water Main Breaks	21	23	16	26	30	30	45	29	39	36
Average Daily Consumption (Millions of gallons)	8.070	8.875	8.370	8.000	7.430	5.200	7.010	7.093	6.050	7.000
Peak Daily Consumption (Millions of gallons)	18.1	20.5	17.7	16.5	16	15.2	16.2	16.3	15.45	15.75
<b>Wastewater</b>										
Average Daily Sewage Treated (Millions of gallons)	29.7	25.7	26.5	24.3	22.6	22.3	21.4	22.0	22.1	21.8

n/a - not available

Sources: Various City Departments

**City of Englewood, Colorado**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

**Schedule 20**

<b>Function/Program</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Police</b>										
Marked police vehicles	35	23	23	23	23	23	21	21	19	18
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire Stations</b>	3	3	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Miles of streets and alleys										
Streets	121.11	121.11	121.48	121.48	121.48	121.63	121.63	121.63	121.63	121.63
Alleys	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5
<b>Parks and Recreation</b>										
Parks	12	12	12	12	12	12	12	12	12	12
Acreage	166.1	166.1	166.1	166.1	166.1	166.1	166.1	166.1	166.1	166.1
Median strips	5	5	5	5	5	5	5	5	5	5
Acreage	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86
Greenbelts	3	3	3	3	3	3	3	3	3	3
Acreage	23.67	23.67	23.67	23.67	23.67	23.67	23.67	23.67	23.67	23.67
Athletic fields	3	3	3	3	3	3	3	3	3	3
Acreage	30.87	30.87	30.87	30.87	30.87	30.87	30.87	30.87	30.87	30.87
Facility sites	9	9	9	9	9	9	9	9	9	9
Acreage	34.15	34.15	34.15	34.15	34.15	34.15	34.15	34.15	34.15	34.15
Miscellaneous areas	11	11	11	11	11	11	11	11	11	11
Acreage	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92
Landscaped areas	6	6	6	6	6	6	6	6	6	6
Acreage	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54
Dog Park	-	-	-	-	-	-	-	1	1	1
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
Golf courses - 9 hole	1	1	1	1	1	1	1	1	1	1
Golf courses - Par 3	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water Mains (miles)	155	155	155	155	155	155	155	155	155	155
Fire hydrants	550	550	550	550	550	550	550	550	550	550
Storage Capacity										
(Millions of gallons)	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	6.5	6.7
Daily Plant Capacity										
(Millions of gallons)	28	28	28	28	28	28	28	28	28	28
<b>Wastewater</b>										
Sanitary Sewers (miles)	530	530	530	530	530	530	530	530	530	530
Treatment Capacity										
(Millions of gallons)	32	32	36.3	36.3	36.3	36.3	36.3	36.3	36.3	36.3

**Sources:** Various City Departments