MEMORANDUM

To: Mayor Woodward and City Council

From: Frank Gryglewicz, Director of Finance and Administrative Services

Date: January 12, 2010

Subject: Preliminary 2009 Financial Report

Summary of the Preliminary 2009 General Fund Financial Report

Please note all numbers in this report are subject to change until the audited financial report is complete.

REVENUES:

- Through December 2009, the City of Englewood collected **$35,905,381 or $2,674,137 (6.9 percent) less** than last year (See chart attached to the full report for detail on changes in revenue in past year).
- The City collected $24,687 less in property tax and $39,827 less in specific ownership tax this year than last year.
- **Year-to-date sales and use revenue were $20,570,562 or $2,047,205 (nine percent) less than year-to-date 2008**
- Cigarette tax collections were down $43,295 compared to last year.
- Franchise fee collections were down $149,958 from last year.
- Licenses and permit collections were $136,082 less than 2008.
- Intergovernmental revenues were $86,331 more than the prior year.
- Charges for services were $361,390 less than last year. This includes the $30,000 from Englewood Schools to offset the cost of providing the School Resource Officer.
- Recreation revenues decreased $49,160 from 2008.
- Fines and forfeitures were $178,578 more than last year.
- Investment income was $291,389 less than last year.
- Miscellaneous revenues were $416,245 more than last year. The major source of this increase is due to the receipt of forfeiture proceeds of $230,000, additionally the City received a Kaiser refund of $110,000 and a refund of $49,000 to Parks from Utilities for Water billing errors. Due to new billing terms from Wells Fargo and reaching the $5 million purchasing card (p-card) transactions the City received $25,000 in the p-card rebate; an increase of $10,000 over 2008.
- The City collected $465,506 in sales and use tax audit revenue and general collections of balances on account for the year.

OUTSIDE CITY:

- Outside City sales and use taxes were down $1,597,561 or 19.9 percent compared to last year.
- At this time potential refunds total approximately $580,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is $1,000,000.

CITY CENTER ENGLEWOOD (CCE):

- Sales tax revenues collected in December 2009 were $2,145,546 (7.2 percent) less than the $2,312,523 collected in 2008.

EXPENDITURES:

- Expenditures through December were $38,729,628 or $285,570 (.7 percent) less than the 39,015,198 expended through December 2008.
- The City refunded $329,330 in sales and use tax claims through December.

RESERVES:

- The reserves for 2009 are budgeted at $4,207,771 or 10.78 percent of budgeted revenues.
- The unaudited unreserved/undesignated fund balance for 2009 is *estimated* at $3,382,476 or 9.4 percent of unaudited revenues.

TRANSFERS:

- Net transfers-in of $643,282 were made in 2009.

REVENUES OVER/UNDER EXPENDITURES:

- Unaudited expenditures through December exceeded revenues by $2,824,247 for 2009.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected $2,859,905 in revenues and spent $2,863,492 year-to-date. Estimated year-end fund balance is $339,405.

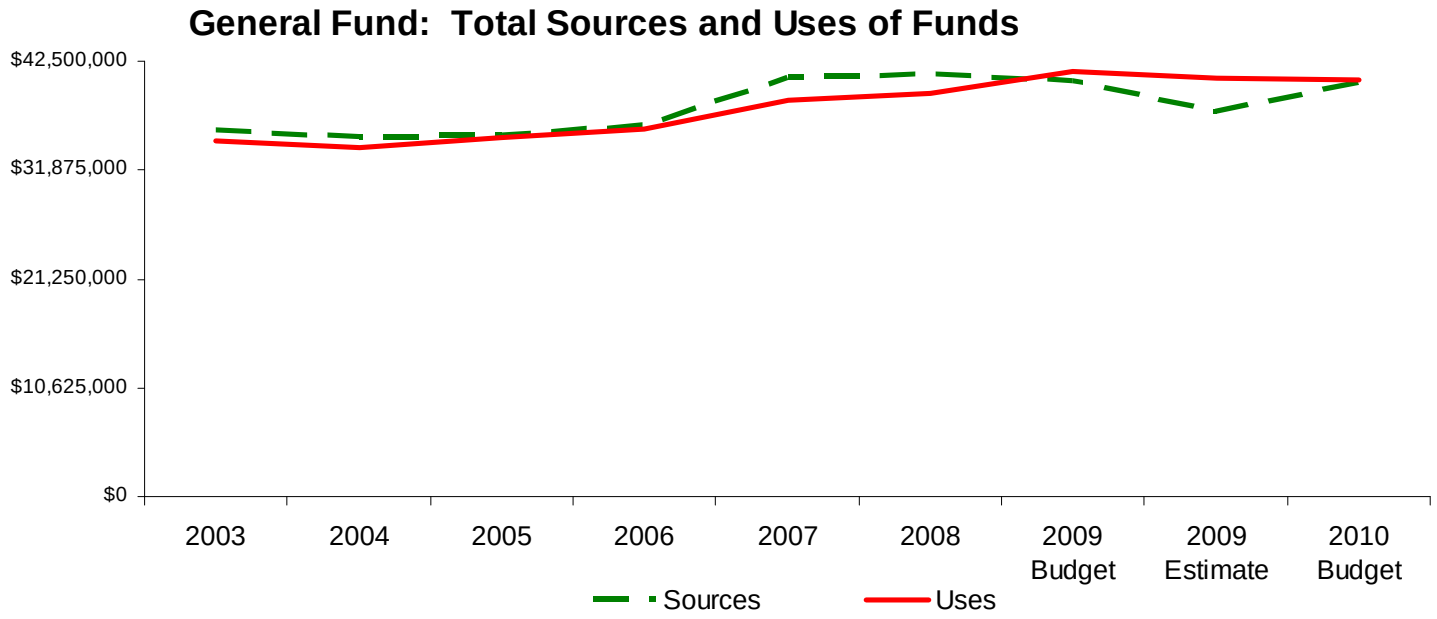
City of Englewood, Colorado
Preliminary 2009 Financial Report

GENERAL FUND OVERVIEW AND ANALYSIS

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

General Fund Surplus and Deficits

The line graph below depicts the history of sources and uses of funds from 2003 to 2010 Budget. As illustrated, both surpluses and deficits have occurred in the past. The gap has narrowed over the past few years by reducing expenditures, freezing positions, negotiating lower-cost health benefits, increased revenue collections. Continued efforts will be required to balance revenues and expenditures, especially with persistent upward pressure on expenditures due to increases in the cost of energy, wages and benefits.

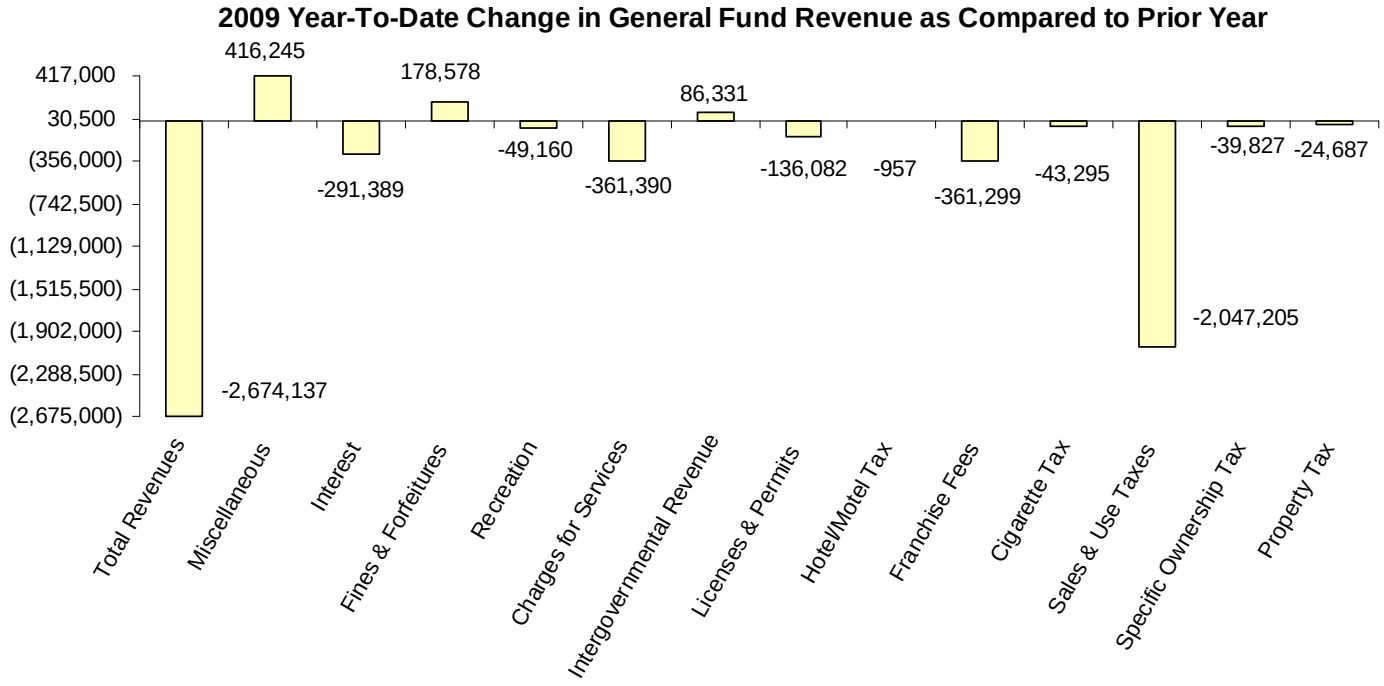


The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended December 31, 2009. Comparative figures for years 2008 and 2007 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	2009	2009 vs 2008 Increase (Decrease)		2008	2008 vs 2007 Increase (Decrease)		2007
General Fund							
Year-To-Date Revenues	**$ 35,905,381**	$ (2,674,137)	(6.93%)	**$ 38,579,518**	$ 568,114	1.49%	**$ 38,011,404**
Year-To-Date Expenditures	**38,729,628**	$ (285,570)	(.73%)	**39,015,198**	$ 894,597	2.35%	**38,120,601**
Net Revenues (Expenditures)	**$ (2,824,247)**	$ (2,388,567)		**$ (435,680)**	$ (326,483)		**$ (109,197)**
Estimated Unreserved/ Undesignated Fund Balance	**$ 3,382,476**	$ (2,874,344)	(45.94%)	**$ 6,256,820**	$ 283,193	4.74%	**$ 5,973,627**
Sales & Use Tax Revenue YTD	**$ 20,570,562**	$ (2,047,205)	(9.05%)	**$ 22,617,767**	$ (136,053)	(.60%)	**$ 22,753,820**
Outside City Sales & Use Tax YTD	**$ 6,425,915**	$ (1,597,561)	(19.91%)	**$ 8,023,476**	$ (94,043)	(1.16%)	**$ 8,117,519**

General Fund Revenues

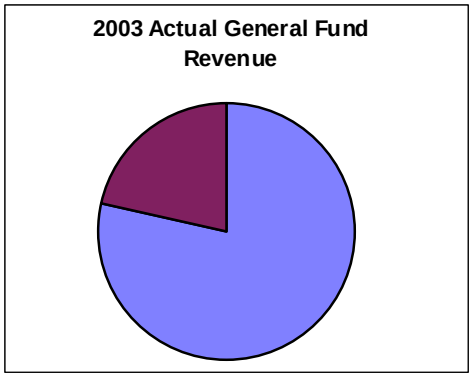
The City of Englewood's total budgeted revenue was $39,050,721. Total revenues collected through December 2009 were $35,905,381 or $2,674,137 (6.9 percent) less than was collected in 2008. The chart below illustrates changes in General Fund revenues this year compared to last year.



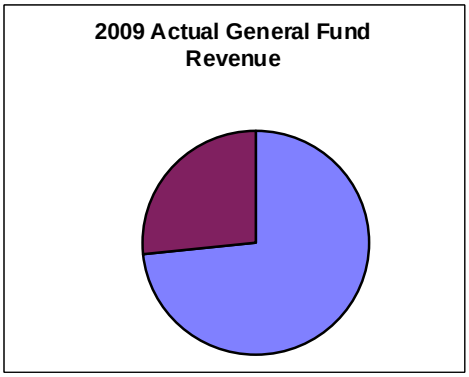
General Fund Taxes

The General Fund obtains most of its revenue from taxes. In 2008 total revenues were $38,579,518 of which $28,790,034 (74.6 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The following pie charts illustrate the contribution of taxes to total revenue for 2003 and 2008 actual and budgeted 2009. Taxes as a percentage of total revenue have declined slightly as other fees and charges have been increased to help offset rising costs and relatively flat tax revenues.

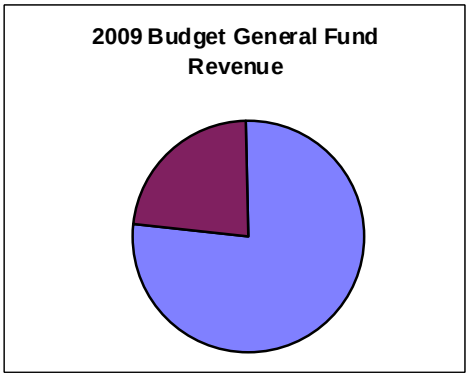
General Fund Revenues
Taxes vs. Other



Taxes	25,691,787	78%
Other	7,086,329	22%
Total	32,778,116	100%



Taxes	26,272,764	73%
Other	9,632,617	27%
Total	35,905,381	100%



Taxes	29,855,064	76%
Other	9,195,657	24%
Total	39,050,721	100%

Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2008 mill levy collected in 2009 is 7.827 mills. The 2008 mill levy for general operations collected in 2009 is 5.880 mills. A voter approved additional mill of 1.947 mills is levied for principal and interest payments on the City's general obligation debt (parks and recreation projects). Property tax collections grew from $2,417,673 in 2004 to $2,995,990 in 2008. This was an increase of $578,317 or 23.9 percent. In 2008 the City collected $2,995,990 or 10.4 percent of 2008 total taxes and 7.7 percent of total revenues from property taxes. The City budgeted $2,993,000 for 2009; the City has collected $2,971,303 compared to $2,995,990 last year

Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected $333,456 in 2004 and $316,242 in 2008 which is a decrease of $17,214 or 5.2 percent. The City collected $316,242 in 2008 which is .8 percent of total revenues and 1.1 percent of total taxes. The City budgeted $350,000 for 2009 and collected $276,415 through December.

Cigarette Taxes: The State of Colorado levies a $.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen *significantly* in the past years and may continue to fall when the 2009 federal tax increase of approximately $.62 per pack goes into effect. This increase will fund the State Children's Health Insurance Program (SCHIP). In 2004 the City collected $354,876, but in 2008 the City collected $261,743, which is a *decrease* of $93,133 or 26.2 percent. These taxes account for one percent of total taxes and less than one percent of total revenues in 2008. The City budgeted $250,000 for the year and collected $218,448 through December 2009, which is $43,295 or 16.5 percent less than the $261,743 collected through December 2008.

Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected $2,096,425 in 2004 and $2,588,214 in 2008, an increase of $491,789 or 23.4 percent. These taxes accounted for nine percent of taxes and 6.6 percent of total revenues in 2008. The City budgeted $2,620,851 for the year; collections through December totaled $2,226,915 compared to $2,588,214 collected during the same period last year.

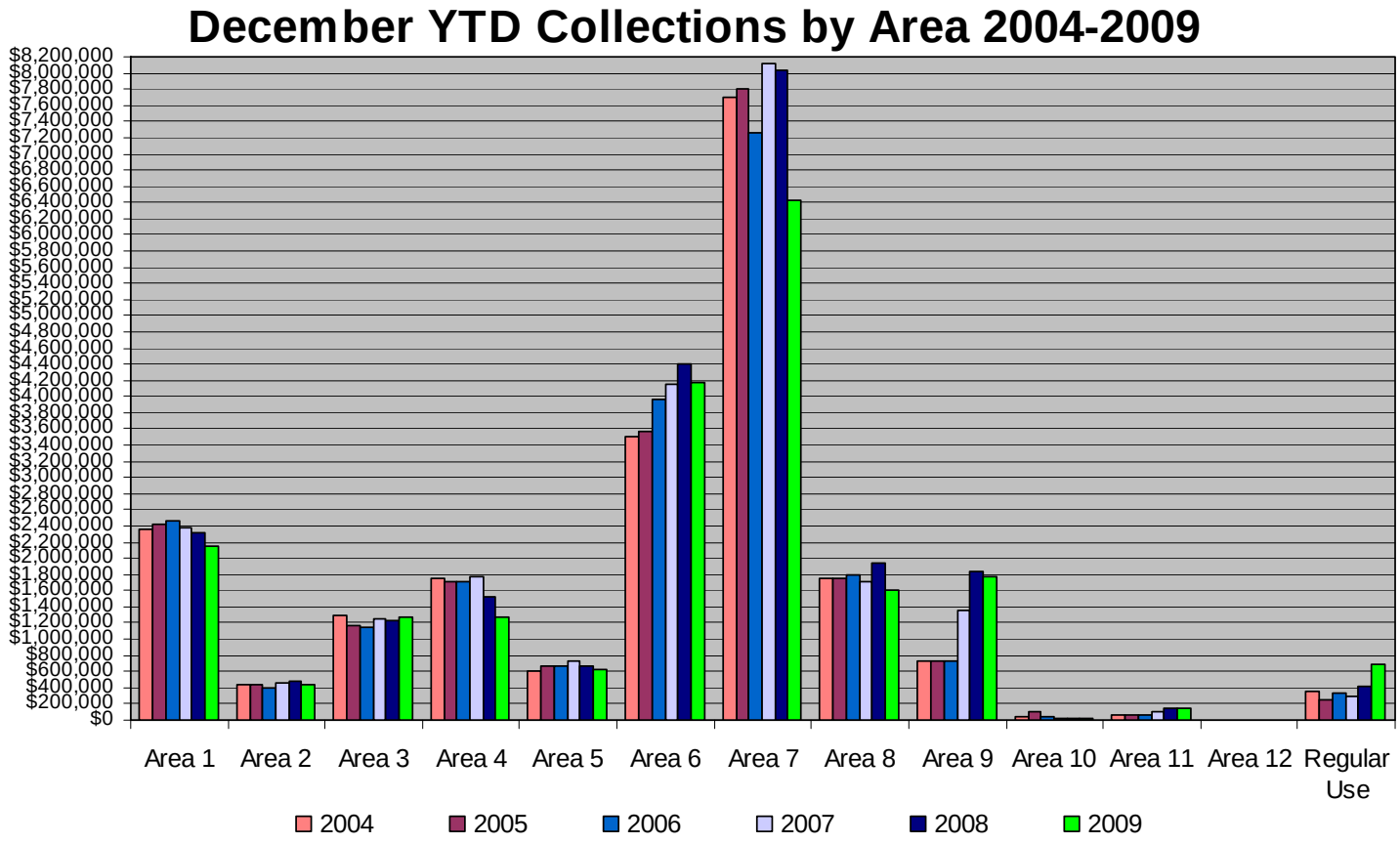
Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted $8,713 for the year and has collected $9,121 through December 2009.

Sales and Use Taxes Analysis

Sales and use taxes are the most important (and volatile) revenue sources for the City. Sales and use taxes generated 78.6 percent of all taxes and 57.7 percent of total revenues collected in 2008. In 2004, this tax generated $20,591,394 for the City of Englewood; in 2008 the City collected $22,617,767, an increase of 9.8 percent. This tax is levied on the sale price of taxable goods. Sales tax is calculated by multiplying the sales price of taxable goods times the sales tax rate of 3.5 percent. Vendors receive a .5 (.25 percent in 2010) percent fee for collecting and remitting the taxes to the City by the due date. Taxes for the current month are due to the City by the twentieth day of the following month. The City budgeted $23,632,500 for 2009. Collections through December 2009 were $20,570,562 while collections year-to-date December 2008 were $22,617,767 a decrease of $2,047,205 or nine percent.

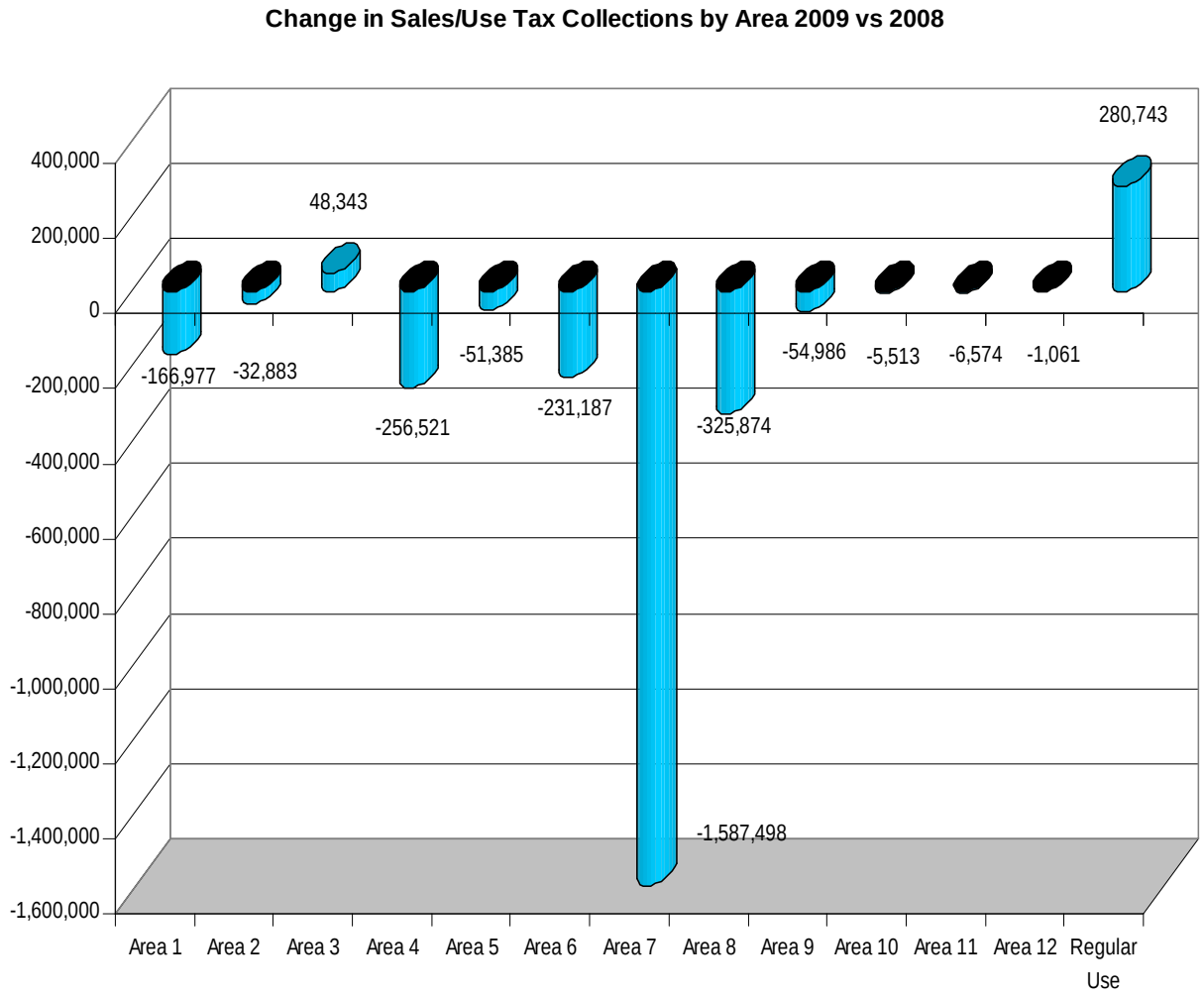
Collections for December 2009 were $1,535,818 while collections for December 2008 and December 2007 were $1,555,583 and $1,706,696 respectively. December 2009 collections were $19,765 or 1.3 percent less than December 2008 collections.

This revenue source tends to ebb and flow with the economy, growing during economic expansions and contracting during downturns. The bar graph below illustrates the economic areas' collection patterns for 2004 through 2009.

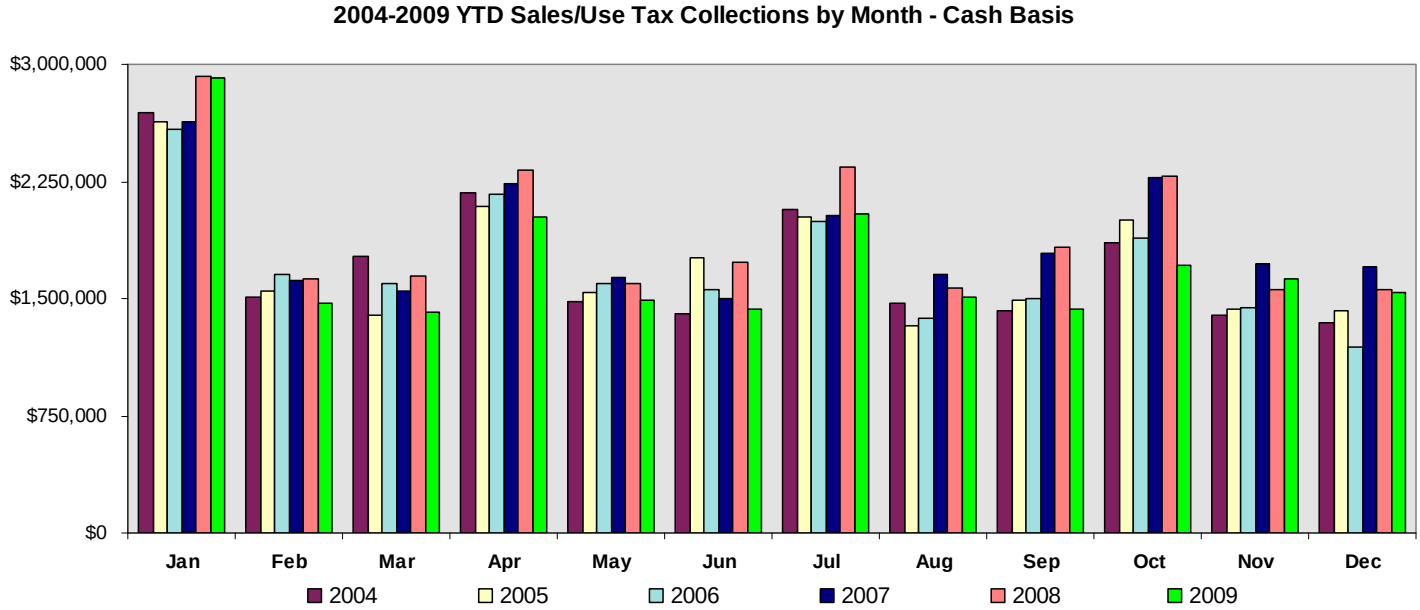


It is important to analyze which sales tax geographic areas of the City are growing or declining.

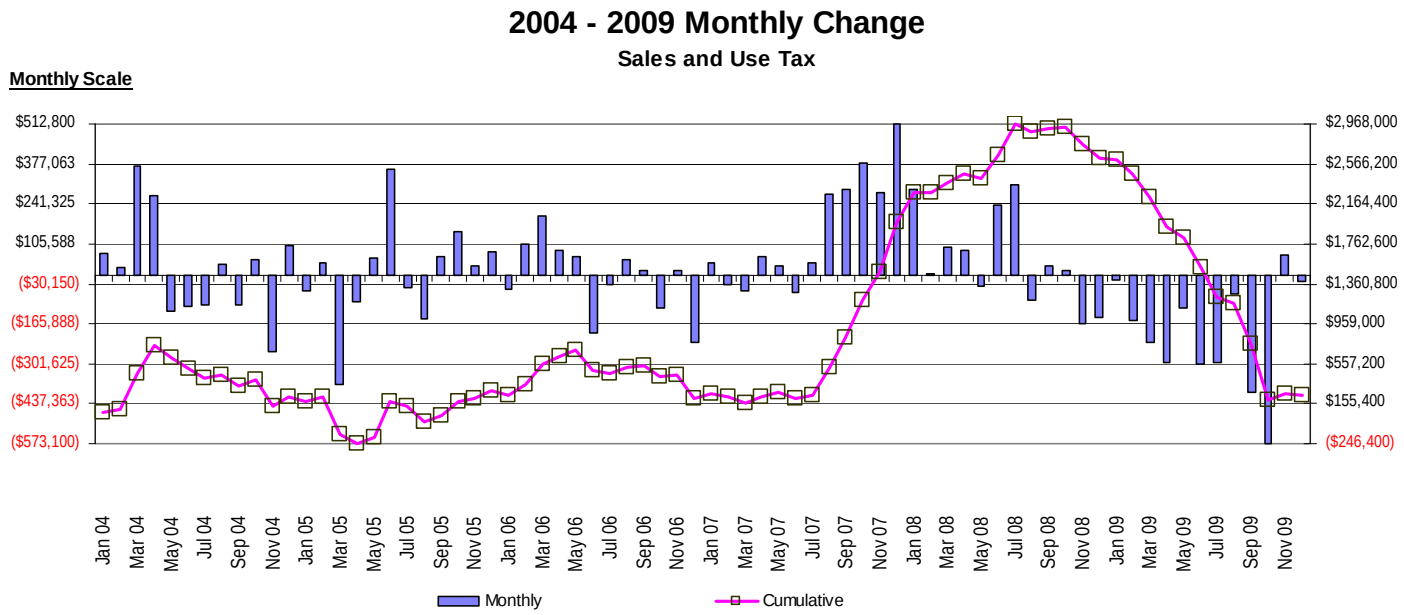
The following chart, "Change in Sales/Use Tax Collections by Area 2009 vs. 2008" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and Public Utilities (Area 8) sales. Regular use tax is up from last year due to the 2009 receipt of a 2008 audit. Economic improvement, judged strictly by sales tax collections, appears to be in decline in most of the geographic areas compared to the same period last year.



The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2004 through 2009.

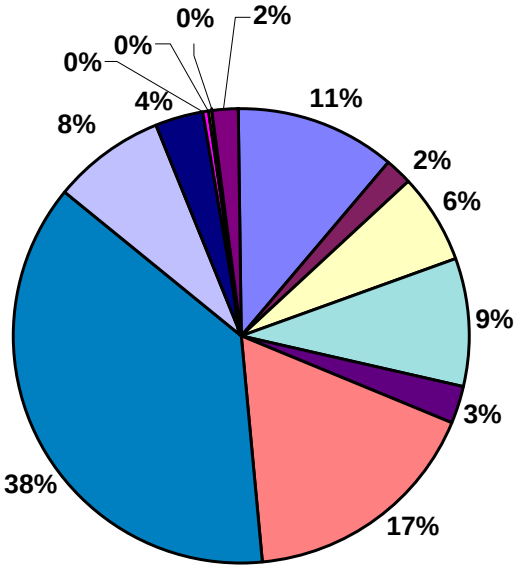


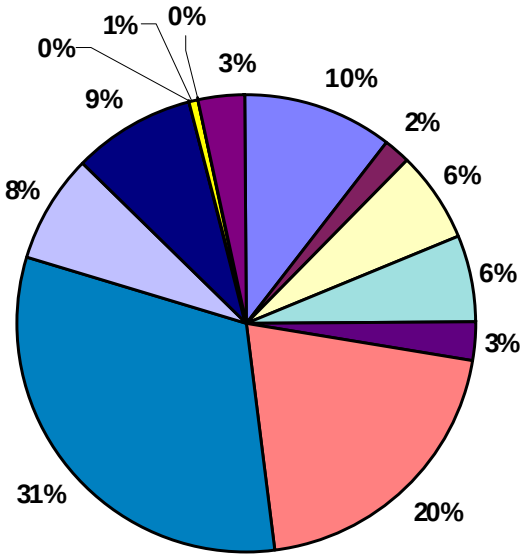
The next chart illustrates sales tax collections (cash basis) by month and total for the year.



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2003 and 2008.

Geographic Sales Tax Collection Areas





2003 Actual Cash Receipts by Area

Area 1	11%	Area 8	8%
Area 2	2%	Area 9	4%
Area 3	6%	Area 10	0%
Area 4	9%	Area 11	0%
Area 5	3%	Area 12	0%
Area 6	17%	Regular Use	2%
Area 7	38%		

2009 Actual Cash Receipts by Area

Area 1	10%	Area 8	8%
Area 2	2%	Area 9	9%
Area 3	6%	Area 10	0%
Area 4	6%	Area 11	1%
Area 5	3%	Area 12	0%
Area 6	20%	Regular Use	3%
Area 7	31%		

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

Area 1: This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of $2,145,546 year-to-date 2009, in 2008, the City collected $2,312,523.

Area 7: This geographic area records the outside city sales tax collections (Outside City). Outside City has been the geographic area responsible for much of the sales tax growth (and decline) in past years. Outside City collections have decreased significantly (21.2 percent) from the same period last year. The chart below illustrates this area's contribution to total sales and use taxes (cash basis) as well as total revenues since 2005 for collections through the month of December. The importance of Outside City declined as a percentage of sales and use tax collections until this year; as a percentage of total revenues it continues to decline in importance, but continues to have a significant impact on the City's General Fund as illustrated by the following:

	2005	2006	2007	2008	2009
Total Sales and Use Taxes	20,657,801	20,574,694	22,349,822	22,982,559	20,578,311
Outside City Collections	7,794,388	7,252,573	8,117,519	8,023,476	6,425,915
Percentage of Total	37.7%	35.2%	32.5%	35.3%	39.0%
Total General Fund Revenues	34,735,712	34,924,358	38,120,601	39,015,198	38,729,628
Outside City Collections	7,794,388	7,252,573	8,117,519	8,023,476	6,425,915
Percentage of Revenues	22.4%	20.8%	21.3%	20.6%	16.6%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of $1,000,000 to cover intercity claims. The City paid $329,330.45 in refunds including intercity sales/use tax claims through December 2009 compared to $518,888 in December 2008. At this time potential refunds total approximately $580,000 for claims submitted to Englewood but not completed.

Area 8: This geographic area consists of collections from public utilities. Collections through December were down $325,874 or 16.8 percent under last year. Weather conditions, energy usage, and rising energy prices play an important role in revenue collections. Collections could increase or decrease if the remainder of the year is significantly hotter/colder than normal.

On April 27 Council discussed three scenarios, a worst, middle, and best case scenario. Council determined the middle case was the best case to use to begin budget preparations. Based on the middle case scenario, sales tax revenues were forecast at $20,508,695. This amount was $3,123,805 or 13.2 percent below the original budget. Unaudited sales taxes collected through December are $20,570,562.

Other Sales Tax Related Information

Finance and Administrative Services Department collected $475,407 in sales and use tax audit revenues and general collections of balances on account through the month of December; this compares to $726,131 collected in 2008 and $531,193 collected in 2007.

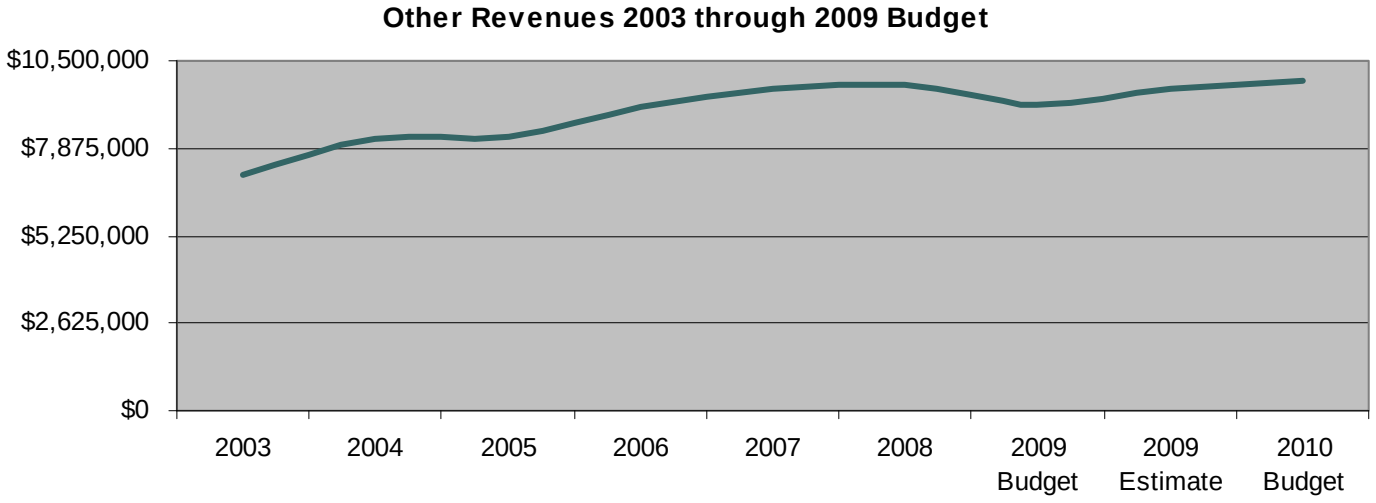
Of the 66 sales tax accounts reviewed in the various geographic areas, 28 (42 percent) showed improved collections and 38 (58 percent) showed reduced collections this year compared to the same period last year.

The Department issued 341 new sales tax licenses through December 2009; 359 and 411 were issued through December 2008 and 2007 respectively.

City records indicate that year-to-date 367 businesses closed (233 of them were outside the physical limits of Englewood) and 424 opened (261 of them were outside the physical limits of Englewood).

General Fund Other Revenue

Other revenues accounted for $9,789,484 or 25.4 percent of the total revenues for 2008 and the City budgeted $9,195,657 for 2009. The following graph illustrates other revenue collections from 2003 through 2009 Estimate.



Additional significant revenue sources are listed below:

Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated $1,168,977 during 2007 or 12.1 percent of total revenue and 3 percent of total other revenue. This revenue source totaled $628,363 in 2004 and increased to $671,609 in 2008, a 6.9 percent increase. The City budgeted $577,100 for 2009 or 6.3 percent of budgeted total other revenues and year-to-date the City collected $535,302 or $136,082 (20.3 percent) less than the $671,384 collected in December 2008.

Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at $1,003,462 for 2009, this is 11 percent of total other revenue. This revenue source totaled $1,277,490 in 2004 and the City collected $1,079,285 in 2008, a 15.5 percent *decrease*. The City collected $1,179,032 through December 2009 this is $86,331 (7.9 percent) more than the $1,092,701 collected in same period in 2008.

Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at $3,216,286 for 2009 or 35 percent of total other revenue. This revenue source totaled $2,750,211 in 2004 and increased to $3,476,583 in 2008, a 26.4 percent increase. Total collected year-to-date was $3,091,556 or $361,390 (10.5 percent) less than the $3,452,946 collected year-to-date in 2008.

Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at $2,334,265 for 2009 or 25.4 percent of total other revenue. This revenue source totaled $1,986,688 in 2004 and increased to $2,364,758 in 2008, a 19 percent increase. Total collections through December 2009 were $2,364,758 compared to $2,364,758 collected in 2008.

Fines and Forfeitures: This revenue source includes court, library, and other fines. The 2009 budget for this source is $1,389,150 or 15 percent of total other revenue. This revenue source totaled $1,263,206 in 2004 and increased to $1,461,100 in 2008, a 16.7 percent increase. Total collected year-to-date was $1,639,678 or $178,578 (12.2 percent) more than the $1,461,100 collected in the same time period last year.

Interest: This is the amount earned on the City's cash investments. The 2009 budget for this source is $372,611 or 4.1 percent of total other revenue. This revenue source totaled $84,295 in 2004 and increased to $520,325 in 2008, a (517

percent) increase. The City earned $228,936 through December 2009; the City earned $520,325 through December 2008 or $291,389 more than this year..

Miscellaneous: This source includes all revenues that do not fit in another revenue category. The 2009 budget for this source is $302,783 or 3.3 percent of total other revenue. This revenue source totaled $171,658 in 2004 and increased to $215,824 in 2008, a 26 percent increase. Total collected year-to-date is $642,515 (184 percent) more compared to the $226,270 collected last year during the same period. The summary page lists the major contributors to the increased collections for the year.

General Fund Expenditures

Outcome Based Budgeting

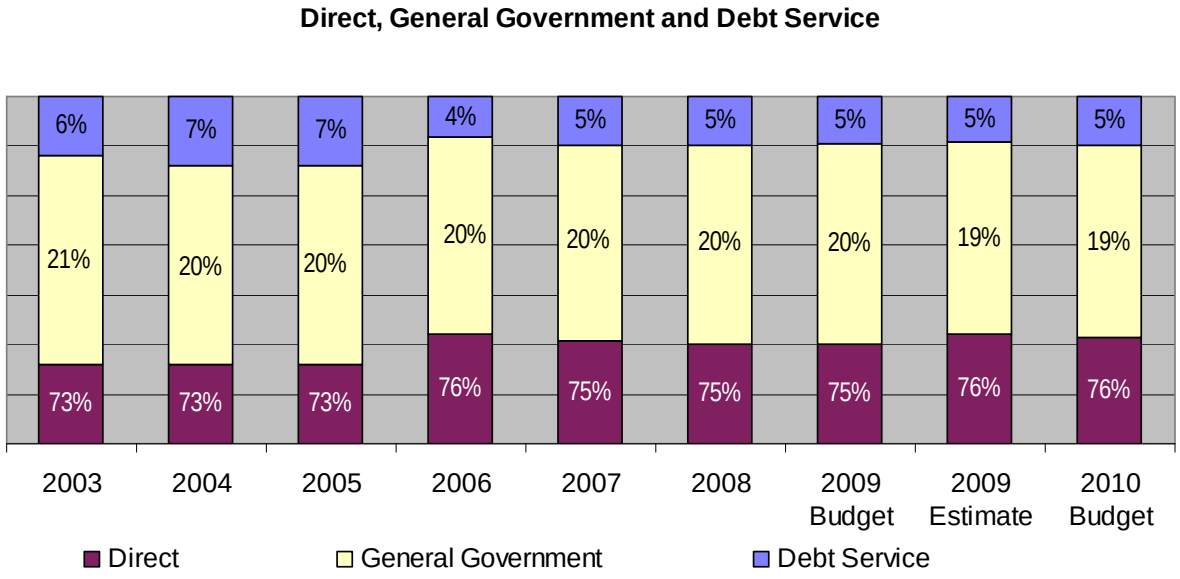
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

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

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

The City budgeted total expenditures at $41,445,148 for 2009, this compares to $39,015,198 and $38,120,601 expended in 2008 and 2007 respectively. Budgeted expenditures for 2009 general government totals $8,387,284 or 20.2 percent of the total. Direct government expenditures are budgeted at $31,064,182 or 75.0 percent of the total. Debt service payments are $1,993,682 or 4.8 percent of the total. Total expenditures through December were $38,729,628 compared to $39,015,198 in 2008 and $38,120,601 in 2007.

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



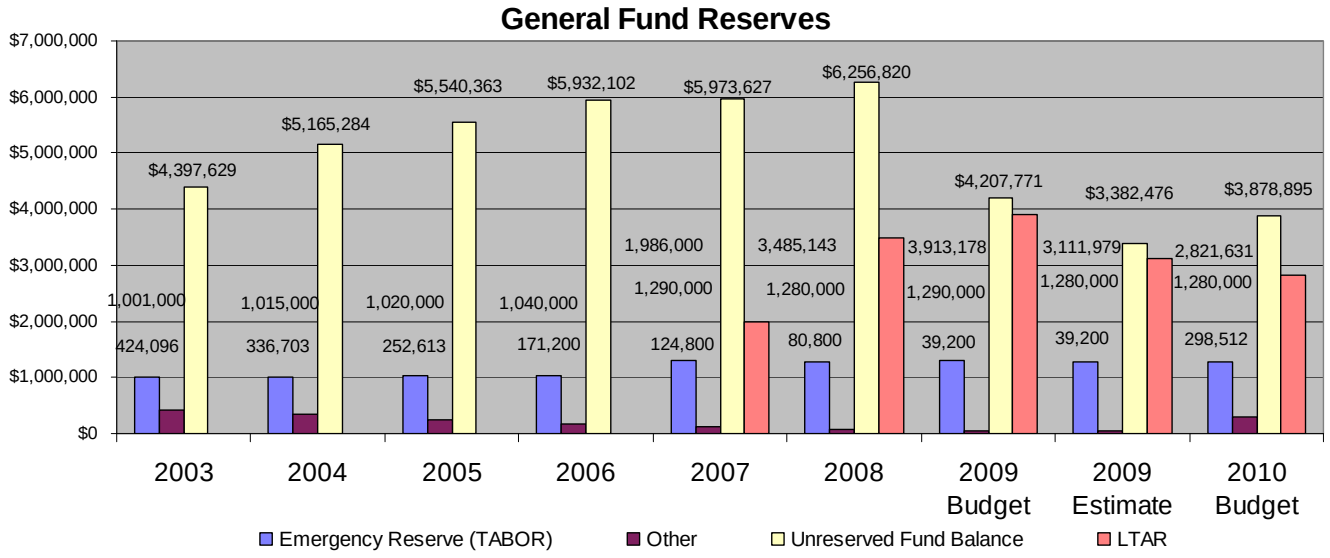
General Fund Reserves

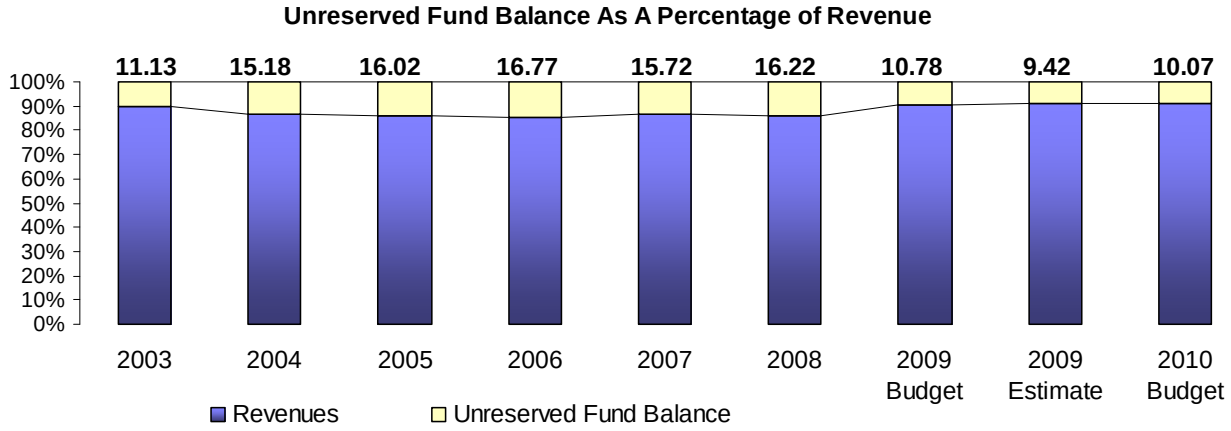
Reserves are those funds the City sets aside for a "rainy day". The intent is to smooth over unexpected revenue declines and expenditure increases. The fund is normally built up when revenues exceed expenditures. In the past, excess reserves have been transferred out to other funds, usually for capital projects identified in the Multiple Year Capital Plan (MYCP). The reserve balance is not adequate to provide for a transfer from the General Fund to the capital projects funds.

Long Term Asset Reserve (LTAR) At the 2008 Budget workshop held on December 22, 2007, City Council discussed and directed staff to establish a General Fund reserve account to accumulate funds from the sale, lease, or earnings from long-term assets. It was also determined that these funds should be used in a careful, judicious and strategic manner. The funds restricted in this account can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation. The balance in the account is $3,111,979, which includes the funds ($591,836.86) repaid to the Englewood McLellan Reservoir Foundation Fund by the Regional Transportation District for work done on their site.

LTAR 2009 Budget to Actual Reconciliation

2009 Budget	$ 3,913,178
2009 Actual	$ 3,111,979
Difference	$ (801,199)
2009 EMRF Rental Income budgeted and not received	$ (513,035)
2009 Allocation to the Parks and Recreation Department Budget	$ 85,000
Transfer to PIF for Streets Program	$ (165,000)
Transfer to EMRF for land preparation	$ (800,000)
Transfer from EMRF	$ 591,836
Total	$ (801,199)





The City ended 2008 with an unreserved/undesignated general fund balance of $6,256,820 or 16 percent of revenues. The 2009 estimate shows an unaudited ending fund balance of $3,382,476 or 9.4 percent of unaudited revenues. The

$3,382,476 would allow the City to operate for approximately 31 days (using average daily estimated expenditures) if all other revenues and financing sources ceased. It is more important now than ever to maintain reserves to help the City make up for revenue shortfalls and unexpected expenditure increases given that the one-time transfers made to the General Fund to help maintain reserves are no longer available.

PUBLIC IMPROVEMENT FUND OVERVIEW

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

Provided for your information is the table below that illustrates the PIF Year-To-Date (YTD) revenues and expenditures for the years 2009 through 2007. The dollar and percentage change between each year is also provided. The Estimated Ending Fund Balance is included in order to account for the remaining PIF appropriation in addition to the remaining annual revenue anticipated for the fund.

	2009	2009 vs 2008 Increase (Decrease)		2008	2008 vs 2007 Increase (Decrease)		2007
Public Improvement Fund (PIF)							
YTD Revenues	**$ 2,859,905**	$ (680,905)	(19.23%)	**$ 3,540,810**	$ (1,739,749)	(32.95%)	**$ 5,280,559**
YTD Expenditures	**2,863,492**	$ (4,312,214)	(60.09%)	**7,175,706**	$ (518,877)	(6.74%)	**7,694,583**
Net Revenues (Expenditures)	**$ (3,587)**	$ 3,631,309		**$ (3,634,896)**	$ (1,220,872)		**$ (2,414,024)**
Beginning PIF Fund Balance	**$ 1,067,525**			**$ 3,359,169**			**$ 5,773,194**
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	**$ 1,063,938**			**$ (275,727)**			**$ 3,359,170**
Plus: Remaining Annual Revenue	**399,152**			**1,288,368**			**-**
Less: Remaining Annual Appropriation	**(1,123,685)**			**(1,083,793)**			**(3,137,224)**
Estimated Ending Fund Balance	**$ 339,405**			**$ (71,152)**			**$ 221,946**
Unappropriated Fund Balance as of December 31,				**$ 21,117**			**$ 221,946**

The three main funding sources for the PIF are Vehicle Use Tax, Building Use Tax and Arapahoe County Road and Bridge Tax.

	2009 Estimate	2009 Adopted Budget	2009 YTD Actual	2009 Vs 2008 $	2009 Vs 2008 %	2008 YTD Actual	2008 Vs 2007 $	2008 Vs 2007 %	2007 YTD Actual
Vehicle Use Tax	$ 900,000	$ 1,400,000	$ 906,157	$ (346,021)	-28%	$ 1,252,178	$ (187,911)	-13%	$ 1,440,089
Building Use Tax	$ 400,000	$ 450,000	$ 402,273	$ (366,806)	-48%	$ 769,079	$ (1,199,302)	-61%	$ 1,968,381
Arapahoe County Road and Bridge Tax	$ 200,990	$ 198,000	$ 200,990	$ 3,247	2%	$ 197,743	$ 8,212	4%	$ 189,531

Vehicle Use Tax is based on the number of new vehicles purchased by City of Englewood residents. As of December 2009, Vehicle Use Tax revenue totaled $906,157 compared to $1,252,178 and $1,440,089 reported for the same period in 2008 and 2007 respectively. Vehicle Use Tax revenue is down $346,021 or 28% in 2009 over 2008. The 2009 Vehicle Use Tax estimate was reduced by $500,000 to $900,000. ***Building Use Tax*** is based on the number of building permits issued by the City of Englewood. The Building Use Tax revenue is down 48% as compared to last year. The 2009 Building Use Tax estimate was reduced by $50,000 to $400,000. We will continue to monitor these revenue sources to determine if the 2009 estimate needs to be revised further. ***Arapahoe County Road and Bridge Tax*** is restricted to the construction and maintenance of streets and bridges. This tax is based on a mill levy established by Arapahoe

County multiplied by the City's assessed valuation multiplied by 50%. Each January the City is notified of the amount to be distributed; therefore, the budgeted amount may differ from the actual amount received. The City received $200,990 in 2009 for the Arapahoe County Road and Bridge Tax.

2009 Year-To-Date City Funds At-A-Glance

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

	Beginning Balance	Revenues	Expenditures	Other Sources (Uses)	Reserved Balance	Ending Balance
Governmental Fund Types (Fund Balance)						
General Fund	11,102,763	35,905,381	38,729,629	(111,696)	4,784,343	3,382,476
Special Revenue Funds						
Conservation Trust	927,981	323,181	383,212	(605,588)	-	262,361
Open Space	1,327,371	796,221	1,330,104	(573,828)	-	219,661
Donors	155,818	99,544	109,339	(30,000)	-	116,023
Community Development	-	239,932	242,832	2,900	-	-
Malley Center Trust	278,586	9,637	790	-	-	287,432
Parks & Recreation Trust	454,700	13,047	11,804	-	-	455,943
Debt Service Fund						
General Obligation Bond	166,137	998,103	1,105,574	-	-	58,665
Capital Projects Funds						
PIF	1,067,525	2,682,894	2,409,471	(1,001,542)	-	339,405
MYCP	1,338,085	27,079	434,078	(610,377)	-	320,709
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	4,467,524	7,191,908	8,211,743	2,615,000	-	6,062,688
Sewer	8,495,965	13,227,385	12,351,742	-	1,000,000	8,371,608
Stormwater Drainage	1,120,382	347,503	604,082	-	137,818	725,985
Golf Course	809,363	2,237,738	2,014,344	(100,000)	293,500	639,256
Concrete Utility	257,218	711,993	722,317	-	-	246,894
Housing Rehabiliation	321,441	365,002	568,967	-	-	117,476
Internal Service Funds						
Central Services	218,674	369,062	328,246	(50,000)	-	209,491
ServiCenter	590,934	1,956,385	1,661,805	-	-	885,514
CERF	1,118,318	828,256	1,114,116	-	-	832,458
Employee Benefits	818,779	5,074,167	5,013,028	(500,000)	114,854	265,064
Risk Management	1,174,681	1,541,394	1,007,367	-	-	1,708,709

CLOSING

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

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

Funds Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Funds Glossary

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

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

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

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

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

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

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

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

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

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

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

General Fund Comparative Revenue, Expenditure & Fund Balance Report

as of December 31, 2009

Percentage of Year Completed = 100%

	2009				2008			2007		
Fund Balance January 1	$ 10,362,859	$ 11,102,763		$ 11,102,763	$ 9,374,427	$ 9,374,427		$ 7,143,302	$ 7,143,302	
	Budget	Dec-09	% Budget	YE Estimate	Dec-08	Dec-08	% YTD	Dec-07	Dec-07	% YTD
Revenues										
Property Tax	2,993,000	2,971,303	99.28%	2,971,303	2,995,990	2,995,990	100.00%	2,623,118	2,623,118	100.00%
Specific Ownership Tax	350,000	276,415	78.98%	276,415	316,242	316,242	100.00%	341,423	341,423	100.00%
Sales & Use Taxes	23,632,500	20,570,562	87.04%	20,570,562	22,617,767	22,617,767	100.00%	22,753,820	22,753,820	100.00%
Cigarette Tax	250,000	218,448	87.38%	218,448	261,743	261,743	100.00%	278,785	278,785	100.00%
Franchise Fees	2,620,851	2,226,915	84.97%	2,226,915	2,588,214	2,588,214	100.00%	2,356,385	2,356,385	100.00%
Hotel/Motel Tax	8,713	9,121	104.68%	9,121	10,078	10,078	100.00%	9,722	9,722	100.00%
Licenses & Permits	577,100	535,302	92.76%	535,302	671,384	671,384	100.00%	1,168,977	1,168,977	100.00%
Intergovernmental Revenue	1,003,462	1,179,032	117.50%	1,179,032	1,092,701	1,092,701	100.00%	1,118,916	1,118,916	100.00%
Charges for Services	3,216,286	3,091,556	96.12%	3,091,556	3,452,946	3,452,946	100.00%	3,067,997	3,067,997	100.00%
Recreation	2,334,265	2,315,598	99.20%	2,315,598	2,364,758	2,364,758	100.00%	2,235,938	2,235,938	100.00%
Fines & Forfeitures	1,389,150	1,639,678	118.03%	1,639,678	1,461,100	1,461,100	100.00%	1,445,641	1,445,641	100.00%
Interest	372,611	228,936	61.44%	228,936	520,325	520,325	100.00%	411,517	411,517	100.00%
Miscellaneous	302,783	642,515	212.20%	642,515	226,270	226,270	100.00%	199,167	199,165	100.00%
Total Revenues	39,050,721	35,905,381	91.95%	35,905,381	38,579,518	38,579,518	100.00%	38,011,406	38,011,404	100.00%
Expenditures										
Legislation	379,853	346,001	91.09%	374,893	350,254	350,254	100.00%	323,964	323,964	100.00%
City Attorney	799,937	670,654	83.84%	768,607	698,563	698,563	100.00%	694,359	694,359	100.00%
Court	1,026,917	912,615	88.87%	936,216	915,303	915,303	100.00%	890,152	890,152	100.00%
City Manager	707,145	674,051	95.32%	682,140	674,322	674,322	100.00%	673,949	673,949	100.00%
Human Resources	560,898	452,923	80.75%	478,516	579,136	579,136	100.00%	557,855	557,855	100.00%
Financial Services	1,764,772	1,569,967	88.96%	1,568,000	1,626,571	1,626,571	100.00%	1,568,074	1,568,074	100.00%
Information Technology	1,448,147	1,319,144	91.09%	1,314,147	1,280,156	1,280,156	100.00%	1,254,364	1,254,364	100.00%
Public Works	5,523,010	5,027,681	91.03%	5,191,255	5,189,173	5,189,173	100.00%	5,421,775	5,421,775	100.00%
Fire Department	7,487,169	7,299,261	97.49%	7,279,891	7,215,444	7,215,444	100.00%	6,840,649	6,840,649	100.00%
Police Department	10,538,437	10,162,064	96.43%	10,438,437	9,974,925	9,974,925	100.00%	9,656,710	9,656,710	100.00%
Community Development	1,639,615	1,340,641	81.77%	1,437,667	1,464,725	1,464,725	100.00%	1,412,444	1,412,444	100.00%
Library	1,398,558	1,271,801	90.94%	1,377,958	1,261,112	1,261,112	100.00%	1,259,526	1,259,526	100.00%
Recreation	6,117,008	5,718,289	93.48%	6,001,588	5,916,449	5,916,449	100.00%	5,566,093	5,566,093	100.00%
Debt Service	1,993,682	1,803,958	90.48%	1,808,456	1,809,306	1,809,306	100.00%	1,869,762	1,869,762	100.00%
Contingency	60,000	160,578	267.63%	180,000	59,759	59,759	100.00%	130,925	130,925	100.00%
Total Expenditures	41,445,148	38,729,628	93.45%	39,837,771	39,015,198	39,015,198	100.00%	38,120,601	38,120,601	100.00%
Excess revenues over (under) expenditures	(2,394,427)	(2,824,247)	117.95%	(3,932,390)	(435,680)	(435,680)		(109,195)	(109,197)	
Net transfers in (out)	1,481,717	643,282	43.41%	643,282	2,164,016	2,277,932	105.26%	2,340,320	2,336,873	99.85%
Total Fund Balance	$ 9,450,149	$ 8,921,798	94.41%	$ 7,813,655	$ 11,102,763	$ 11,216,679	101.03%	$ 9,374,427	$ 9,370,978	99.96%

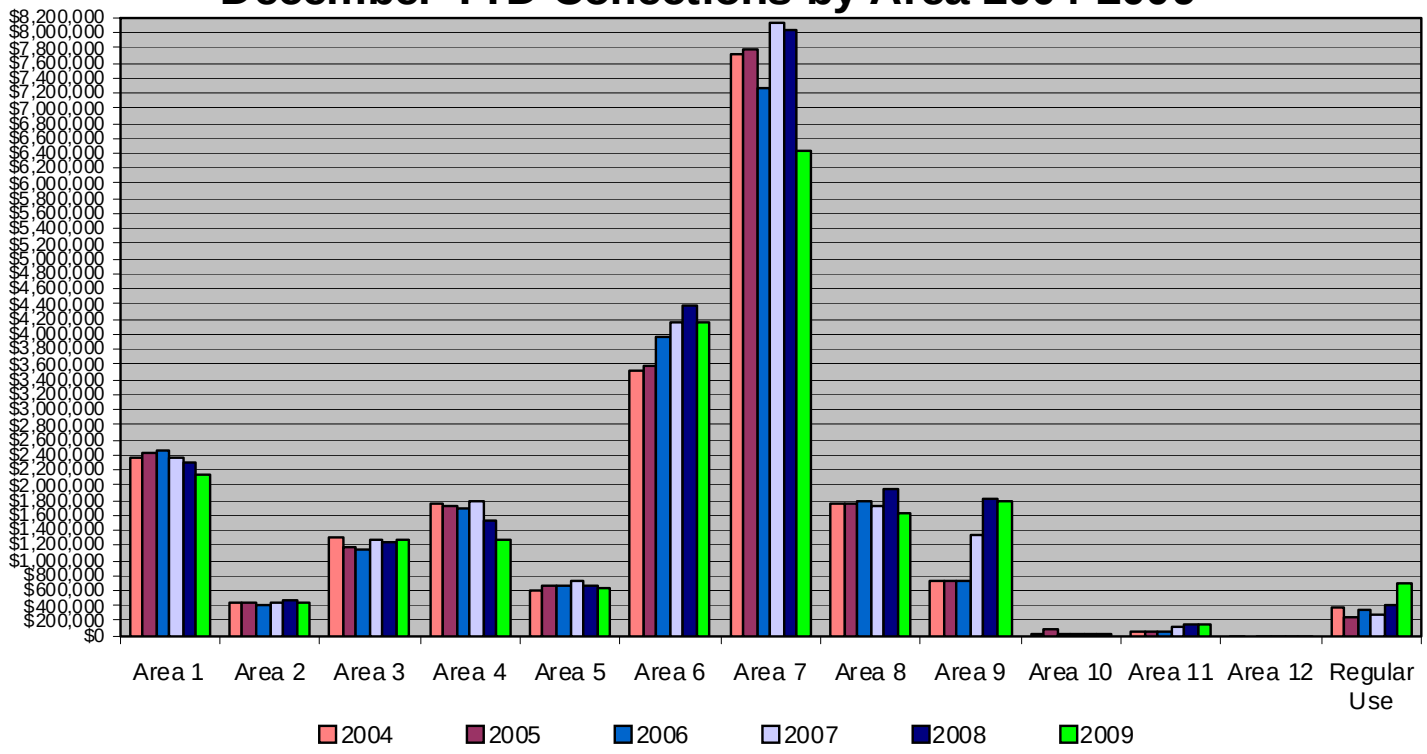
Fund Balance Analysis

Total Fund Balance	$ 9,450,149			$ 7,813,655	$ 11,102,763			$ 9,374,427		
Reserves/designations:										
-Emergencies (TABOR)	1,290,000			1,280,000	1,280,000			1,290,000		
-LTAR	3,913,178			3,111,979	3,485,143			1,986,000		
-Museum of Outdoor Arts	39,200			39,200	80,800			124,800		
Unreserved/undesignated Fund Balance	$ 4,207,771			$ 3,382,476	$ 6,256,820			$ 5,973,627		
Potential reserves/designati	-			-	-			-		
Estimated unres/undesig Fund Balance	$ 4,207,771			$ 3,382,476	$ 6,256,820			$ 5,973,627		
As a percentage of projected revenues	11.72%			9.42%	16.22%			15.72%		
As a percentage of budgeted revenues	10.78%			8.66%						
Target	3,905,072	-	5,857,608							

Sales & Use Tax Collections Year-to-Date Comparison
for the month of December 2009
Cash Basis

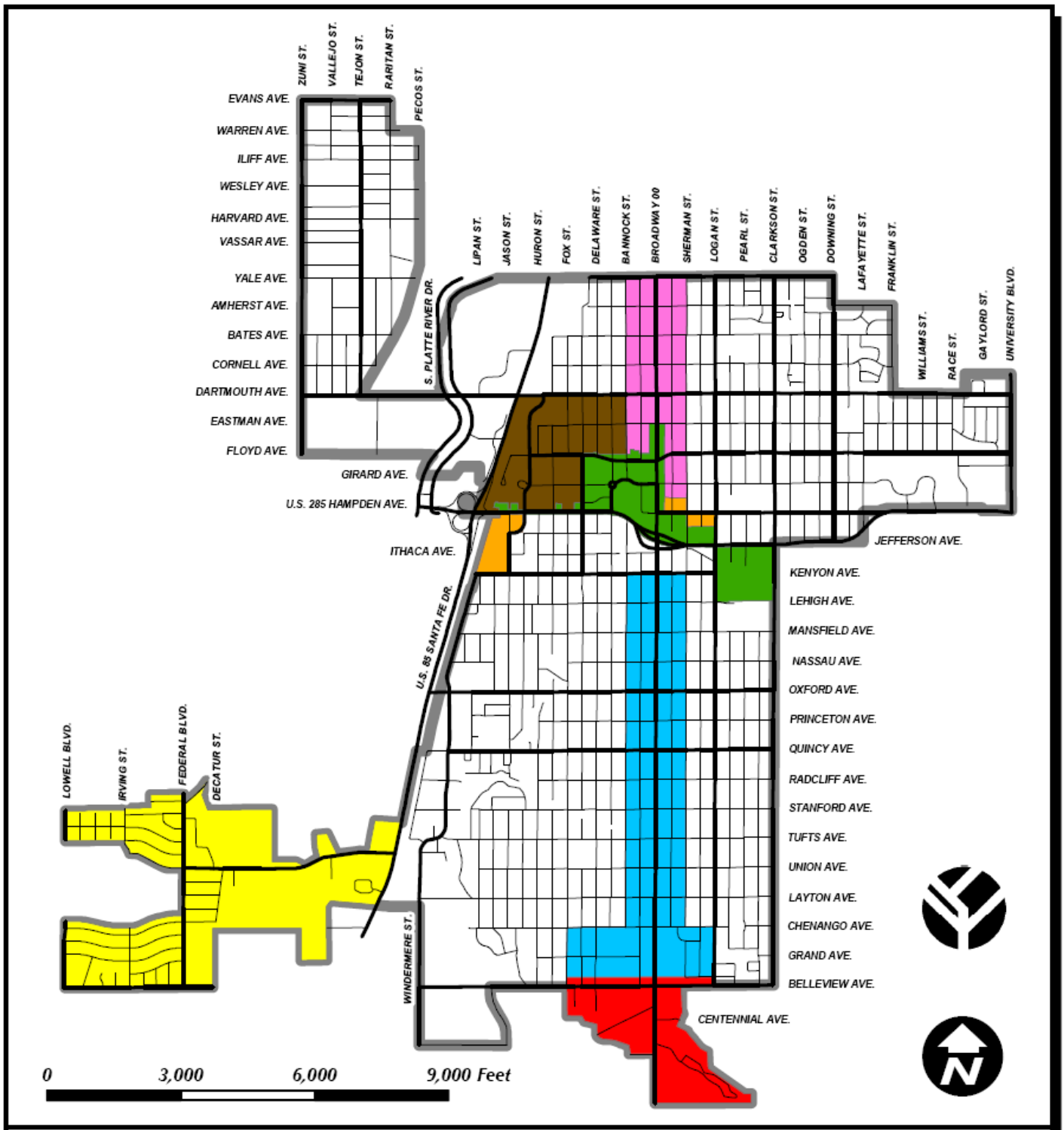
	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change
Area 1	2,364,216	2.01%	2,420,140	2.37%	2,460,242	1.66%	2,371,783	-3.60%	2,312,523	-2.50%	2,145,546	-7.22%
Area 2	428,863	4.94%	447,080	4.25%	399,721	-10.59%	452,412	13.18%	470,644	4.03%	437,761	-6.99%
Area 3	1,292,728	-3.26%	1,171,975	-9.34%	1,142,213	-2.54%	1,261,017	10.40%	1,233,408	-2.19%	1,281,752	3.92%
Area 4	1,762,962	-1.65%	1,715,350	-2.70%	1,706,913	-0.49%	1,777,035	4.11%	1,522,308	-14.33%	1,265,788	-16.85%
Area 5	595,534	7.71%	665,035	11.67%	673,739	1.31%	737,247	9.43%	668,902	-9.27%	617,516	-7.68%
Area 6	3,500,731	-2.13%	3,567,158	1.90%	3,973,682	11.40%	4,152,602	4.50%	4,397,299	5.89%	4,166,112	-5.26%
Area 7	7,705,926	2.73%	7,794,388	1.15%	7,252,573	-6.95%	8,117,519	11.93%	8,023,476	-1.16%	6,435,979	-19.79%
Area 8	1,746,347	7.47%	1,750,924	0.26%	1,798,364	2.71%	1,710,973	-4.86%	1,937,347	13.23%	1,611,473	-16.82%
Area 9	725,669	0.00%	725,669	0.00%	725,669	0.00%	1,346,796	85.59%	1,826,129	35.59%	1,771,144	-3.01%
Area 10	36,684	-26.09%	94,537	157.71%	39,163	-58.57%	24,435	-37.61%	24,698	1.08%	19,186	-22.32%
Area 11	58,239	0.00%	58,239	0.00%	58,239	0.00%	108,489	86.28%	149,183	37.51%	142,609	-4.41%
Area 12	6,645	314.02%	1,446	-78.24%	4,012	177.46%	3,588	-10.56%	4,041	12.62%	2,980	-26.26%
Regular Use	360,427	-8.26%	245,860	-31.79%	340,164	38.36%	285,926	-15.94%	412,599	44.30%	693,343	68.04%
Total	20,584,971	1.21%	20,657,801	0.35%	20,574,694	-0.40%	22,349,822	8.63%	22,982,559	2.83%	20,591,187	-10.41%
Refunds	131,529	-45.93%	219,297	66.73%	307,242	40.10%	247,740	-19.37%	518,888	109.45%	329,330	-36.53%
Audit & Collections Revenue*	123,385	-63.28%	686,007	455.99%	436,763	-36.33%	531,193	21.62%	726,131	36.70%	482,611	-33.54%
*included Above												
Unearned Sales Tax	988,364	-10.15%	700,000	-29.18%	650,000	-7.14%	650,000	0.00%	650,000	0.00%	1,000,000	53.85%
Building Use	612,256	-25.80%	612,256	0.00%	849,507	38.75%	1,967,482	131.60%	764,136	-61.16%	402,273	-47.36%
Vehicle Use	1,410,631	-5.21%	1,410,631	0.00%	1,250,023	-11.39%	1,434,885	14.79%	1,283,056	-10.58%	989,742	-22.86%

December YTD Collections by Area 2004-2009



Area Descriptions

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



City of Englewood, Colorado: Sales Tax Areas

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

Areas Not Depicted on Map:

Area 6 - Other City Locations Area 7 - Outside City Limits Area 8 - Public Utilities

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