MEMORANDUM

To: Mayor Woodward and City Council

From: Frank Gryglewicz, Director of Finance and Administrative Services

Date: February 14, 2011

Subject: Preliminary 2010 Financial Report

Summary of the Preliminary 2010 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 2010, the City of Englewood collected **$36,395,934 or $70,955 (less than one percent)** less than last year (See the chart on page 3 and the attached full report for detail on changes in revenue in past year).
- The City collected $3,020,884 in property and $263,434 in specific ownership tax through December.
- **Year-to-date sales and use tax revenues were $20,712,179 or $87,520 more than December 2009** (In January 2009, the City of Englewood received $201,000 from use tax audits completed in 2008. If this had not occurred, the City would be 1.4 percent ahead of last year.)
- Cigarette tax collections were down $22,128 compared to last year.
- Franchise fee collections were $73,879 more than last year.
- Licenses and permit collections were $107,360 more than 2009.
- Intergovernmental revenues were $130,074 more than the prior year.
- Charges for services increased $24,062 from last year.
- Recreation revenues increased $174,183 from 2009.
- Fines and forfeitures were $201,721 less than last year.
- Investment income was $129,683 less than last year.
- Miscellaneous revenues were $350,703 less than last year.

OUTSIDE CITY:

- Outside City sales and use taxes were down $80,869 or 1.26 percent compared to last year.
- At this time potential refunds total approximately $900,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is $600,000.

CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through December 2010 were $2,091,285 (2.53 percent) less than the $2,145,546 collected during the same period in 2009.

EXPENDITURES:

- Expenditures through December were $38,915,143 or $82,834 (.21 percent) less than the $38,997,977 expended through December 2009. Actual expenditures were 95.8 percent of budget.
- The City refunded $215,756 in sales and use tax claims through December.

RESERVES:

- The unreserved/undesignated reserves for 2010 were budgeted at $3,878,895 or 10.07 percent of budgeted revenues.
- The unaudited unreserved/undesignated fund balance for 2010 is $4,619,993 or 12.7 percent of revenues.

TRANSFERS:

- Net transfers-in to date of $1,456,224 were made in 2010.

REVENUES OVER/UNDER EXPENDITURES:

- Expenditures exceeded revenues by $2,519,209 through December 2010.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected $3,145,438 in revenues and spent $2,084,221 year-to-date. Estimated year-end fund balance is $440,771.

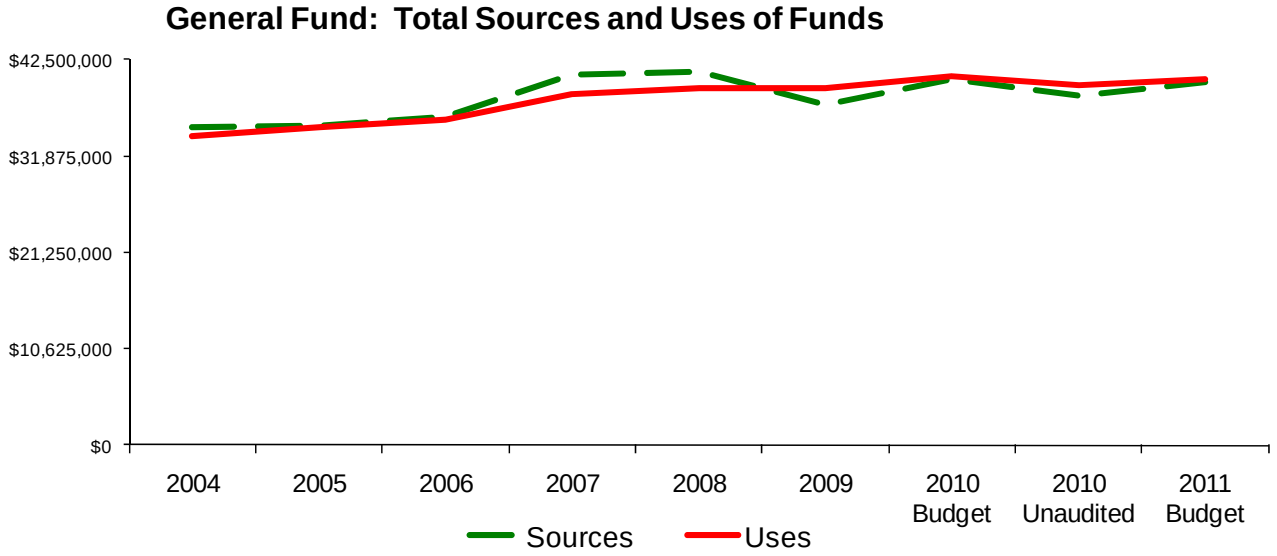
City of Englewood, Colorado
December 2010 Financial Report

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 2004 to 2010 Estimate. As illustrated, both surpluses and deficits have occurred in the past. The gap has narrowed over the past few years by reducing expenditures, freezing positions, negotiating lower-cost health benefits, increased revenue collections. Continued efforts will be required to balance revenues and expenditures, especially with persistent upward pressure on expenditures due to increases in the cost of energy, wages and benefits.

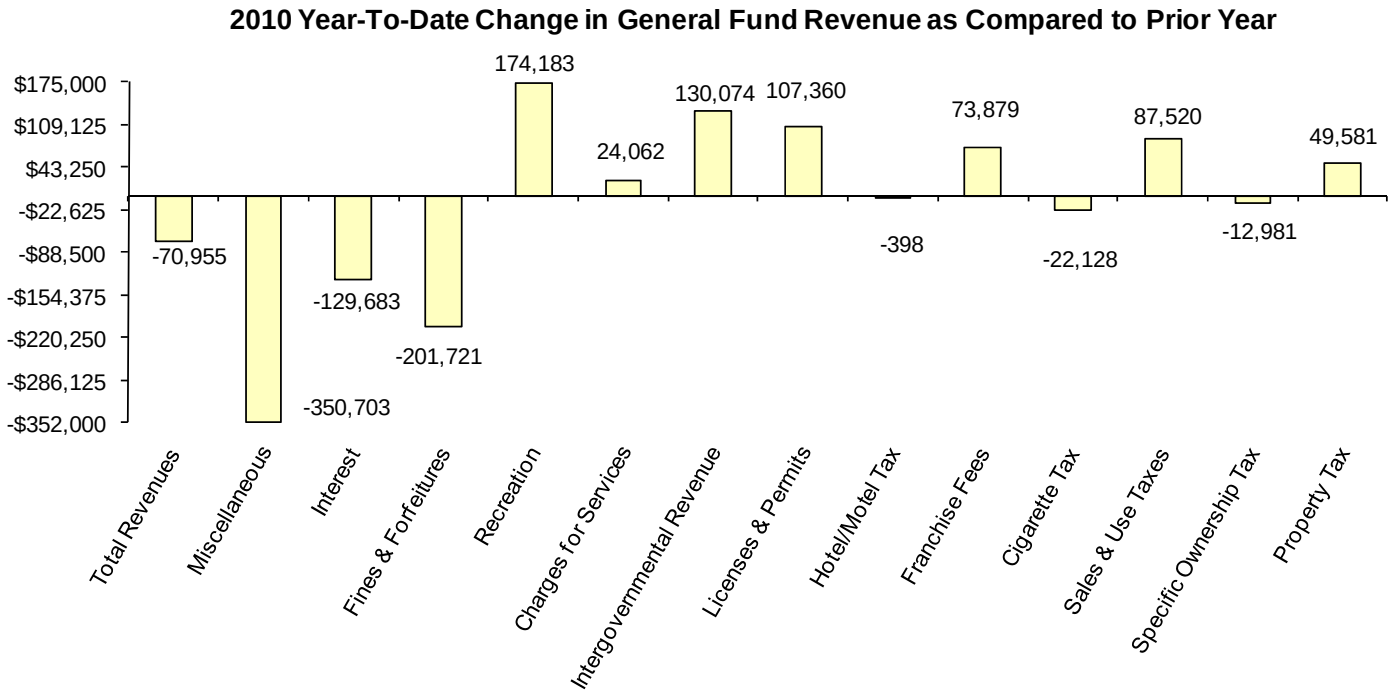


The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended December, 2010. Comparative figures for years 2009 and 2008 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	2010	2010 vs 2009 Increase (Decrease)		2009	2009 vs 2008 Increase (Decrease)		2008
General Fund							
Year-To-Date Revenues	**$ 36,395,934**	$ (70,955)	(.19%)	**$ 36,466,889**	$ (2,112,629)	(5.48%)	**$ 38,579,518**
Year-To-Date Expenditures	**38,915,143**	$ (82,834)	(.21%)	**38,997,977**	$ (17,222)	(.04%)	**39,015,199**
Net Revenues (Expenditures)	**$ (2,519,209)**	$ 11,879		**$ (2,531,088)**	$ (2,095,407)		**$ (435,681)**
Estimated Unreserved/ Undesignated Fund Balance	**$ 4,619,993**	$ (273,785)	(5.59%)	**$ 4,893,778**	$ (1,363,042)	(21.78%)	**$ 6,256,820**
Sales & Use Tax Revenue YTD	**$ 20,712,179**	$ 87,520	.42%	**$ 20,624,659**	$ (1,993,108)	(8.81%)	**$ 22,617,767**
Outside City Sales & Use Tax YTD	**$ 6,355,110**	$ (80,869)	(1.26%)	**$ 6,435,979**	$ (1,587,497)	(19.79%)	**$ 8,023,476**

General Fund Revenues

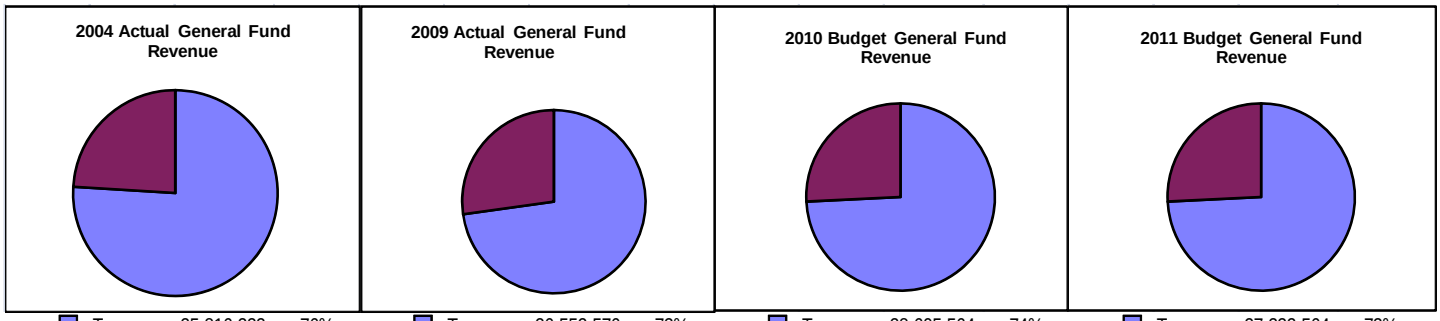
The City of Englewood's total budgeted revenue is $38,532,965. Total revenues collected through December 2010 were $36,395,934 or $70,955 (.19 percent) less than was collected in 2009. The chart below illustrates changes in General Fund revenues this year compared to last year.



General Fund Taxes

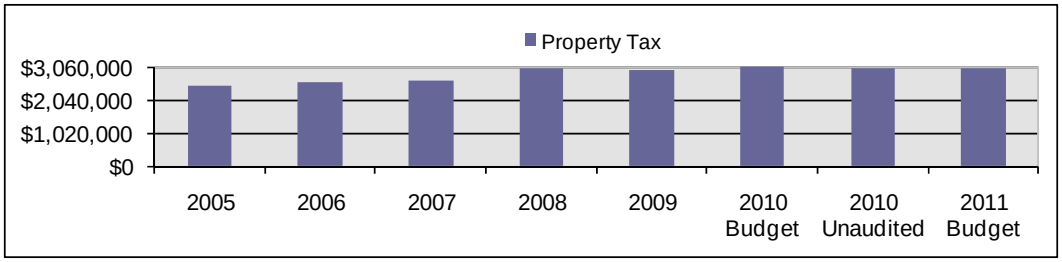
The General Fund obtains most of its revenue from taxes. In 2009 total revenues were $36,466,887 of which $26,552,577 (72.8 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The following pie charts illustrate the contribution of taxes to total revenue for 2004, 2009, budgeted 2010 and 2011. 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

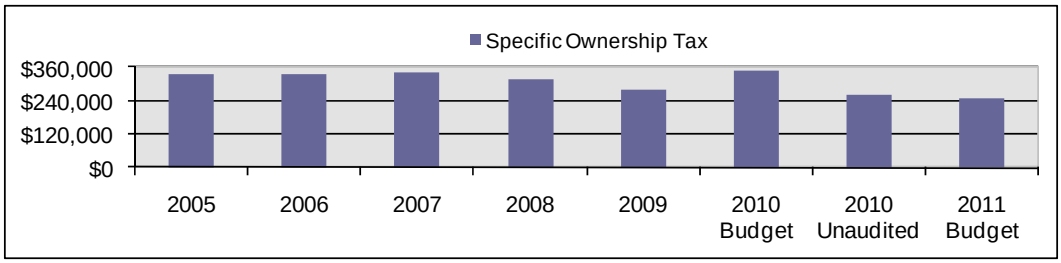


	2004		2009		2010		2011	
Taxes	25,816,332	76%	26,552,576	73%	28,605,564	74%	27,332,564	73%
Other	8,161,911	24%	9,914,311	27%	9,927,401	26%	10,091,541	27%
Total	33,978,243	100%	36,466,887	100%	38,532,965	100%	37,424,105	100%

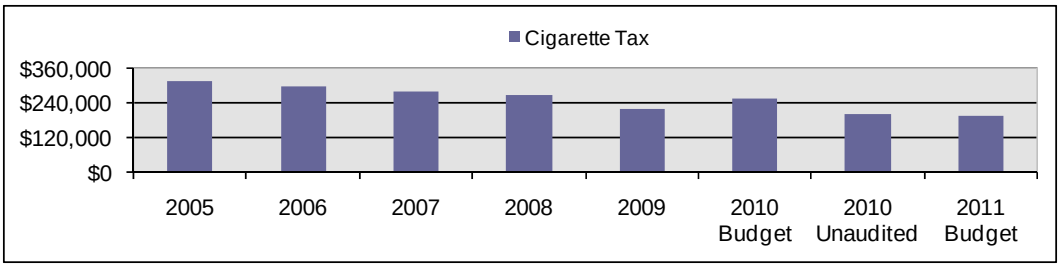
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter approved additional mill of 2.031 mills is levied for principal and interest payments on the City's general obligation debt (parks and recreation projects). Property tax collections grew from $2,493,832 in 2005 to $2,971,303 in 2009. This was an increase of $477,471 or 19.1 percent. In 2009 the City collected $2,971,303 or 11.2 percent of 2009 total taxes and 8.1 percent of total revenues from property taxes. The City budgeted $3,046,000 for 2010; collected $3,020,884 through December 2010.



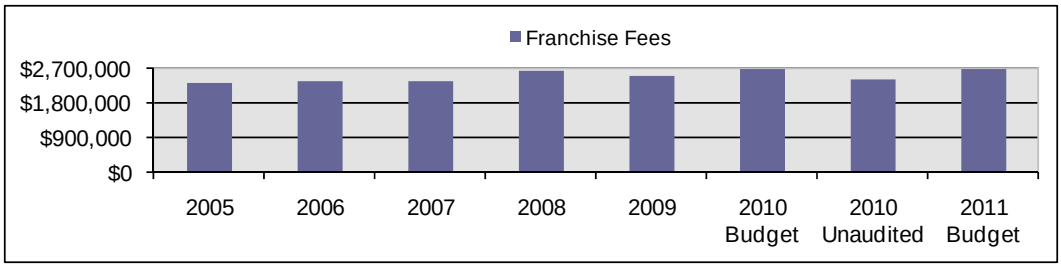
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected $334,768 in 2005 and $276,414 in 2009 which is a decrease of $58,354 or 17.4 percent. The City collected $276,414 in 2009 which is less than one percent of total revenues and one percent of total taxes. The City budgeted $350,000 for 2010 and collected $263,434 through December 2010.



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 and continue to fall after the 2009 federal tax increase of approximately $.62 per pack went into effect. This increase will fund the State Children's Health Insurance Program (SCHIP). In 2005 the City collected $313,731, but in 2009 the City collected $218,449, which is a *decrease* of $95,282 or 30.4 percent. These taxes accounted for one percent of total taxes and less than one percent of total revenues in 2009. The City budgeted $250,000 for the year and collected $196,320 through December 2010, which is $22,128 or 10.13 percent less than the $218,448 collected through December 2009.



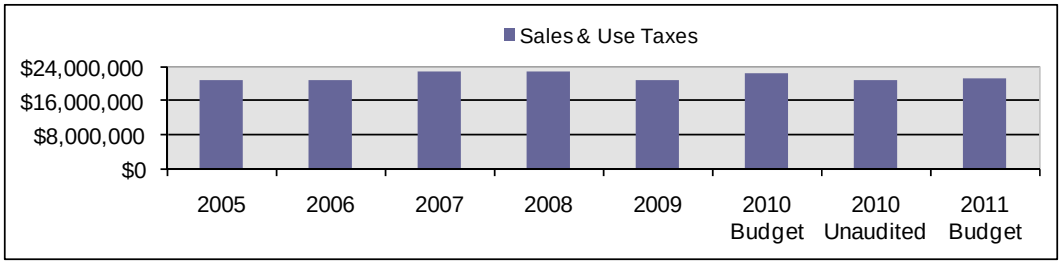
Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected $2,294,972 in 2005 and $2,452,611 in 2009, an increase of $157,639 or 6.9 percent. These taxes accounted for 9.2 percent of taxes and 6.7 percent of total revenues in 2009. The City budgeted $2,650,851 for the year; collections through December totaled $2,526,490 compared to $2,452,611 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 $8,743 through December 2010.

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 77.4 percent of all taxes and 56.4 percent of total revenues collected in 2009. In 2005, this tax generated $20,886,855 for the City of Englewood; in 2009 the City collected $20,624,659, a *decrease* of 1.3 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 .25 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 $22,300,000 for 2010. Sales and Use Tax revenue through December 2010 was $20,712,179 while revenue year-to-date for December 2009 was $20,624,659, an increase of $87,520.



In January 2009, the City of Englewood received $201,000 from use tax audits completed in 2008. This skews the percentage difference between 2010 and 2009. If the audit proceeds were removed from 2009 year-to-date collections, the City's 2010 collections would be $288,520 more than 2009 collections.

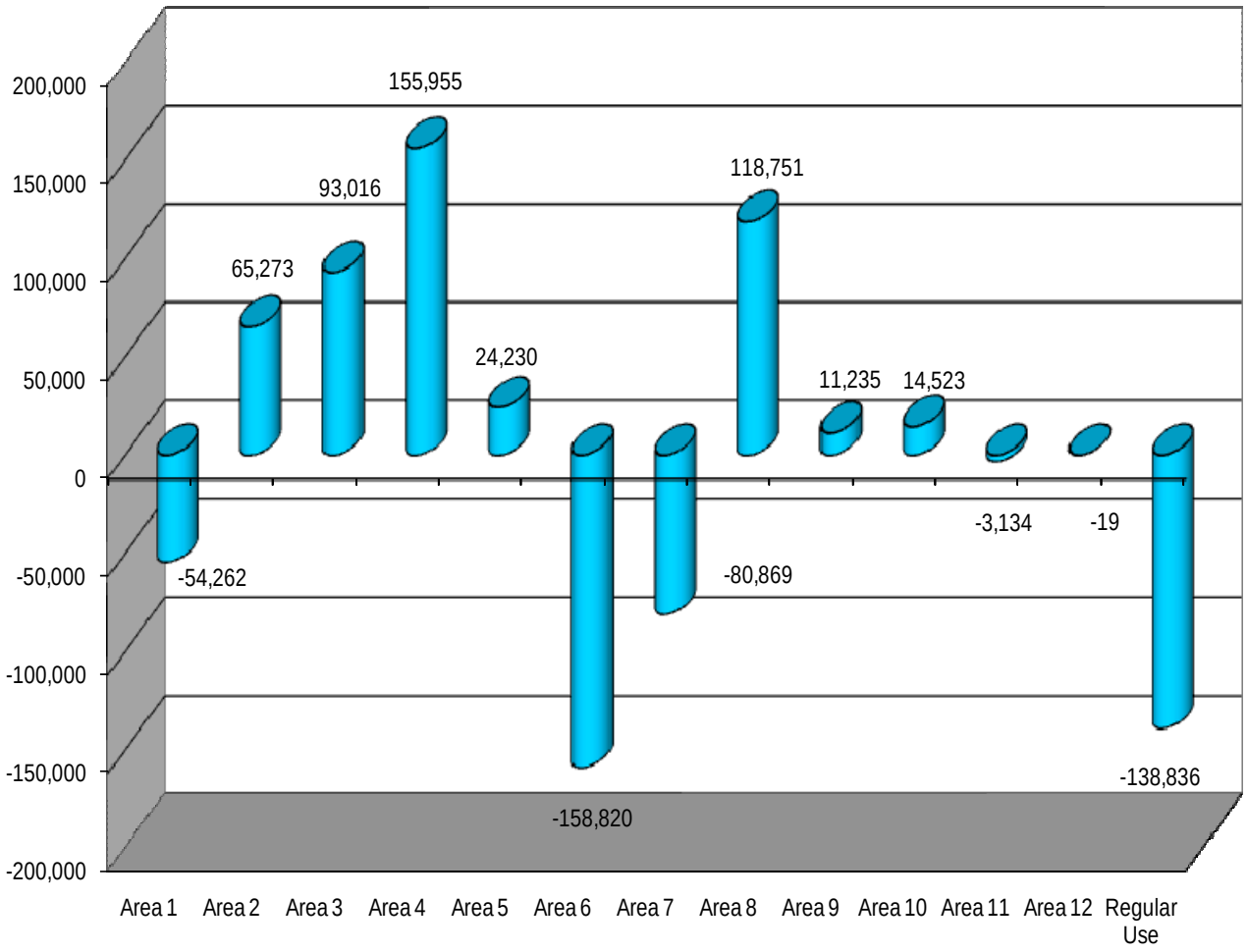
Collections for December 2010 were $1,555,583 while collections for December 2009 and December 2008 were $1,535,818 and $1,564,422 respectively. December 2010 collections were $19,765 or 1.29 percent more than December 2009 and $8,839 or .56 percent less than 2008 collections.

This revenue source tends to ebb and flow (often dramatically) with the economy, growing during economic expansions and contracting during downturns. The past two years of sales tax collections have been exceptionally erratic with no discernable trend to make accurate short or long term forecasts. It is important to continually review and analyze sales and use tax data including trends in the various geographic areas of the City.

The City collected $87,520 more this year ($20,712,179) than last year ($20,624,659).

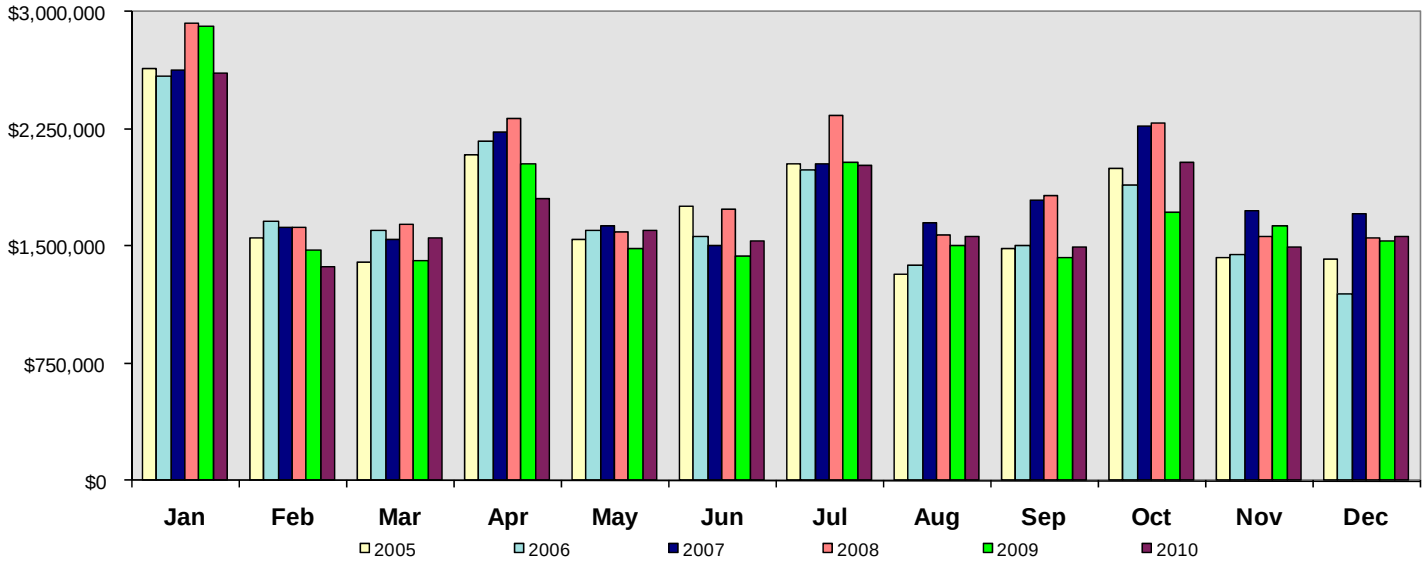
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2010 vs. 2009" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Regular use tax was up last year due to the 2009 receipt of a 2008 audit. Economic conditions, judged by sales tax collections, appears to be a "mixed bag" with some geographic areas increasing and some decreasing compared to the same period last year.

Change in Sales/Use Tax Collections by Area 2010 vs 2009

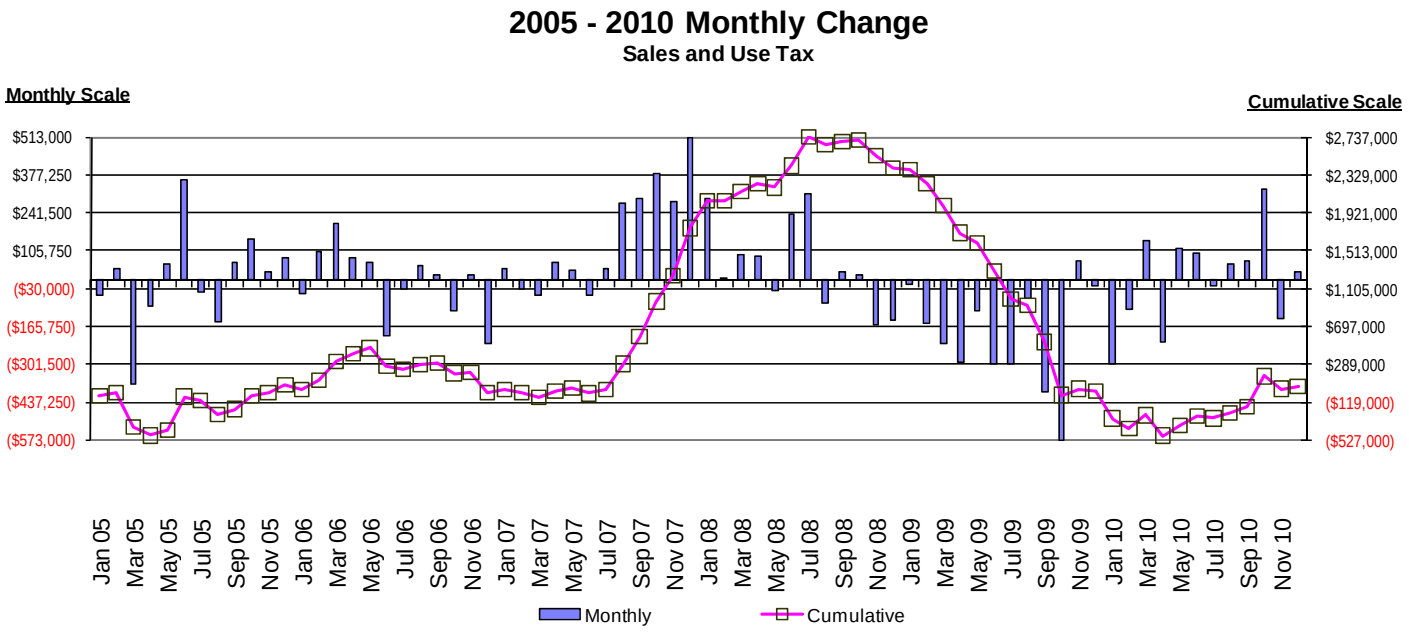


The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

2005-2010 YTD Sales/Use Tax Collections by Month - Cash Basis

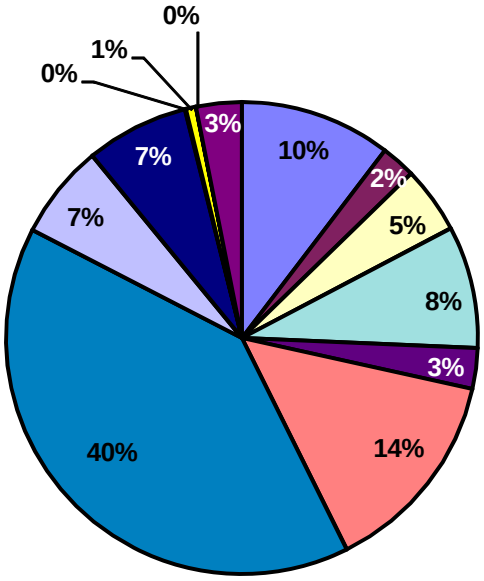


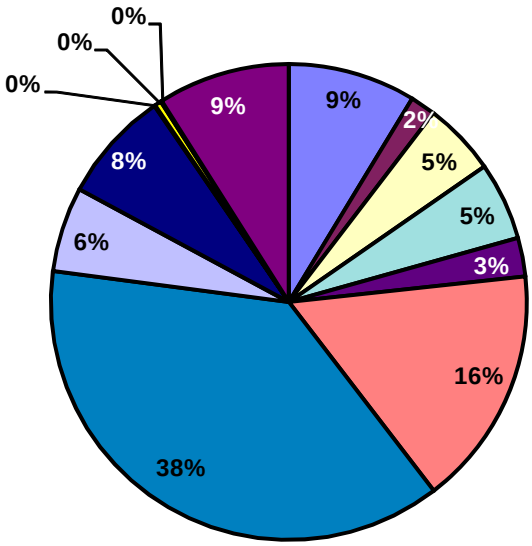
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2004 and 2009.

Geographic Sales Tax Collection Areas





2004 Actual Cash Receipts by Area

Area 1	10%	Area 8	6%
Area 2	2%	Area 9	7%
Area 3	5%	Area 10	0%
Area 4	8%	Area 11	1%
Area 5	3%	Area 12	0%
Area 6	14%	Regular Use	3%
Area 7	40%		

2009 Actual Cash Receipts by Area

Area 1	9%	Area 8	6%
Area 2	2%	Area 9	8%
Area 3	5%	Area 10	0%
Area 4	5%	Area 11	0%
Area 5	3%	Area 12	0%
Area 6	16%	Regular Use	9%
Area 7	38%		

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 $2,091,285 year-to-date 2010, in 2009, the City collected $2,145,546.

Area 6: This geographic area is down from last year due to an audit that was completed and paid last year for $201,000.

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 3.05 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 2006 for collections through the month of December. The importance of Outside City has declined as a percentage of sales and use tax collections but it continues to remain an important impact on the City's General Fund as illustrated by the following:

	2006	2007	2008	2009	2010
Total Sales and Use Taxes	20,574,694	22,349,822	22,982,559	20,591,187	20,638,230
Outside City Collections	7,252,573	8,117,519	8,023,476	6,435,979	6,355,110
Percentage of Total	35.2%	36.3%	35.3%	39.0%	31.2%
Total General Fund Revenues	35,366,263	37,285,813	38,579,518	36,466,889	36,395,934
Outside City Collections	7,252,573	8,117,519	8,023,476	6,435,979	6,355,110
Percentage of Revenues	20.5%	21.8%	20.8%	17.6%	17.5%

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 $600,000 to cover intercity claims. The City paid $215,756 in refunds including intercity sales/use tax claims through December 2010 compared to $329,330 through December 2009. At this time potential refunds total approximately $900,000 for claims submitted to Englewood but not completed.

Area 8: This geographic area consists of collections from public utilities. Collections through December were up $118,751 or 7.37 percent over last year. Weather conditions, energy usage conservation, and rising energy prices play an important role in revenue collections. Collections could increase or decrease if the remainder of the year is significantly hotter/colder than normal.

Other Sales Tax Related Information

Finance and Administrative Services Department collected $376,960 in sales and use tax audit revenues and general collections of balances on account through the month of December; this compares to $482,693 collected in 2009 and $726,131 collected in 2008.

Of the 78 sales tax accounts reviewed in the various geographic areas, 50 (64 percent) showed improved collections and 28 (36 percent) showed reduced collections this year compared to the same period last year.

The Department issued 395 new sales tax licenses through December 2010; 377 and 376 were issued through December 2009 and 2008 respectively.

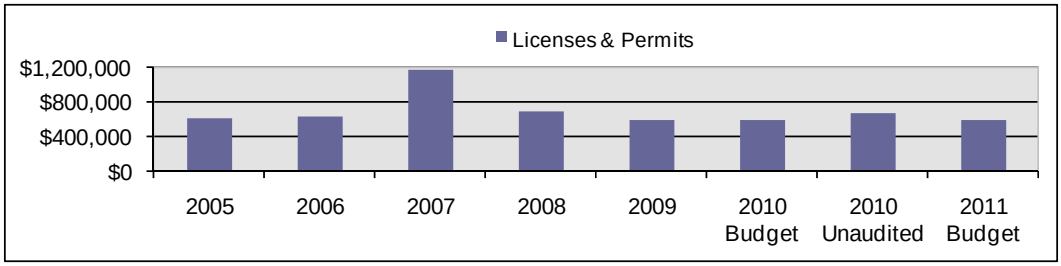
City records indicate that year-to-date 214 businesses closed (122 of them were outside the physical limits of Englewood) and 395 opened (248 of them were outside the physical limits of Englewood).

General Fund Other Revenue

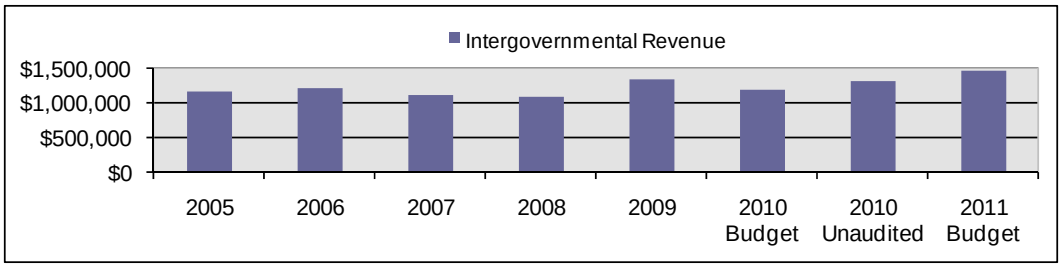
Other revenues accounted for $9,914,311 or 27.2 percent of the total revenues for 2009; the City budgeted $9,927,401 for 2010.

The next page provides additional information on the significant revenue sources of the General Fund:

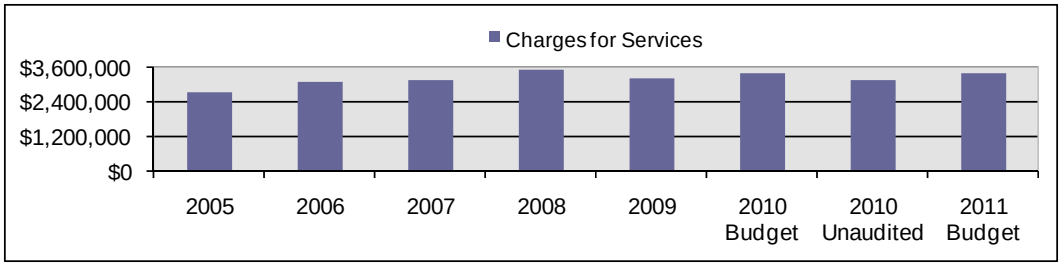
Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated $588,328 during 2009 or 1.6 percent of total revenue and 5.9 percent of total other revenue. This revenue source totaled $609,971 in 2005 and decreased to $588,328 in 2009, a 3.5 percent decrease. The City budgeted $573,300 for 2010 or 5.7 percent of budgeted total other revenues ($9,927,401) and year-to-date the City collected $695,663 or 107,360 (18.25 percent) more than the $588,303 collected through December 2009.



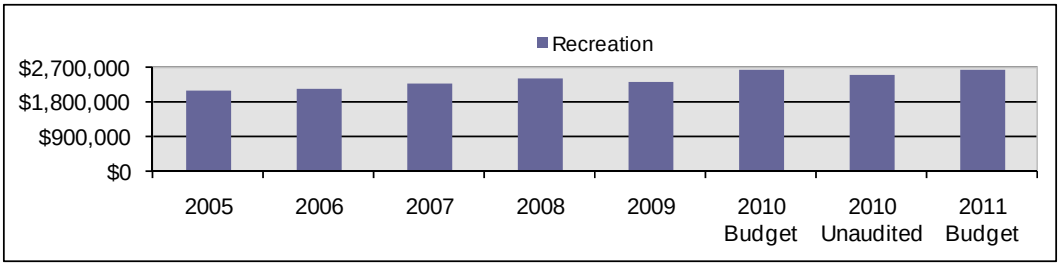
Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at $1,198,327 for 2010, this is 12 percent of total other revenue. This revenue source totaled $1,156,221 in 2005 and the City collected $1,319,282 in 2009, a 14.1 percent increase. The City collected $1,463,762 through December 2010 this is $130,074 (9.75 percent) more than the $1,333,688 collected in the same period in 2009.



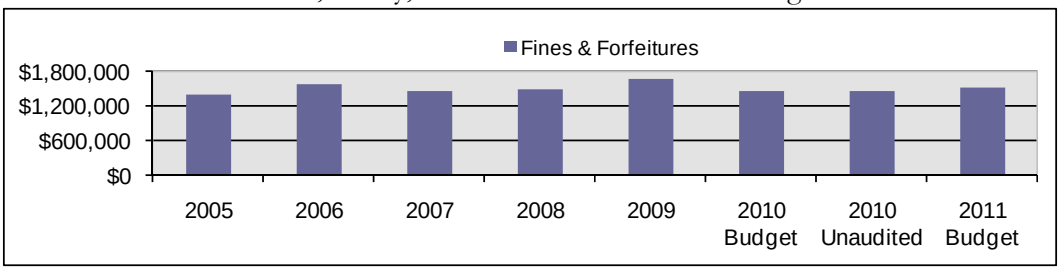
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at $3,318,587 for 2010 or 32 percent of total other revenue. This revenue source totaled $2,750,211 in 2005 and increased to $3,185,443 in 2009, a 15.8 percent increase. Total collected year-to-date was $3,187,797 or $24,062 (.76 percent) more than the $3,163,735 collected year-to-date in 2009.



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 $2,625,194 for 2010 or 26.4 percent of total other revenue. This revenue source totaled $2,060,758 in 2005 and increased to $2,315,598 in 2009, a 12.4 percent increase. Total collections through December 2010 were $2,489,781 compared to $2,315,598 collected in 2009.

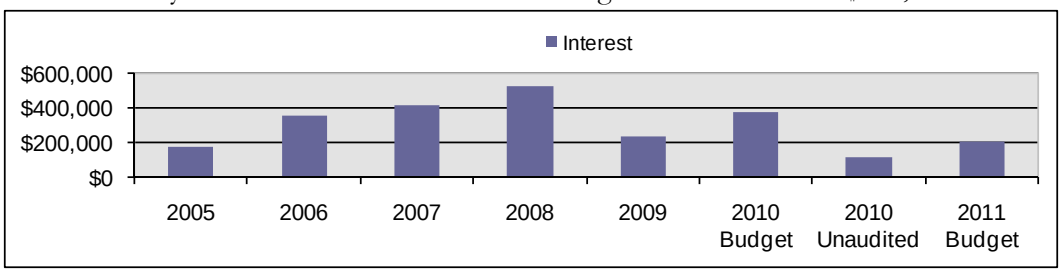


Fines and Forfeitures: This revenue source includes court, library, and other fines. The 2010 budget for this source is $1,426,801 or 14.7 percent of total other revenue. This revenue source totaled $1,386,842 in 2005 and increased to $1,639,678 in 2009, an 18.2 percent increase. Total collected year-to-date

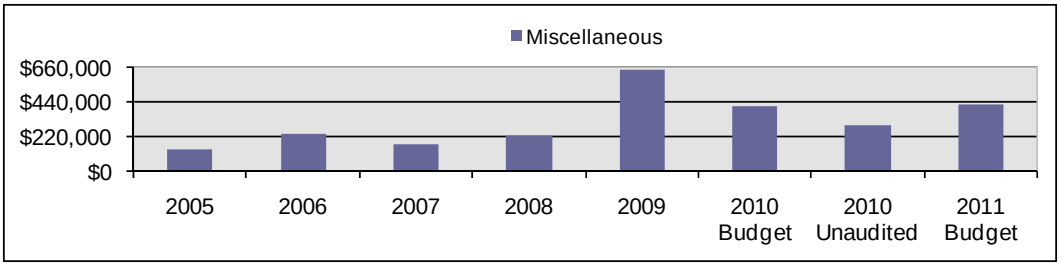


was $1,437,957 or $201,721 (12.3 percent) less than the $1,639,678 collected in the same time period last year.

Interest: This is the amount earned on the City's cash investments. The 2010 budget for this source is $372,611 or 3.8 percent of total other revenue. This revenue source totaled $168,370 in 2005 and increased to $230,000 in 2009, a (36.6 percent) increase. The City earned $100,316 through December 2010; the City earned $229,999 through December 2009.



Miscellaneous: This source includes all revenues that do not fit in another revenue category. The 2010 budget for this source is $412,581 or 4.2 percent of total other revenue. This revenue source totaled $131,849 in 2005 and increased to $635,982 in 2009, a 382 percent increase. Total collected year-to-date is $292,608 (54.5 percent) less compared to the $643,311 collected last year during the same period.



General Fund Expenditures

Outcome Based Budgeting

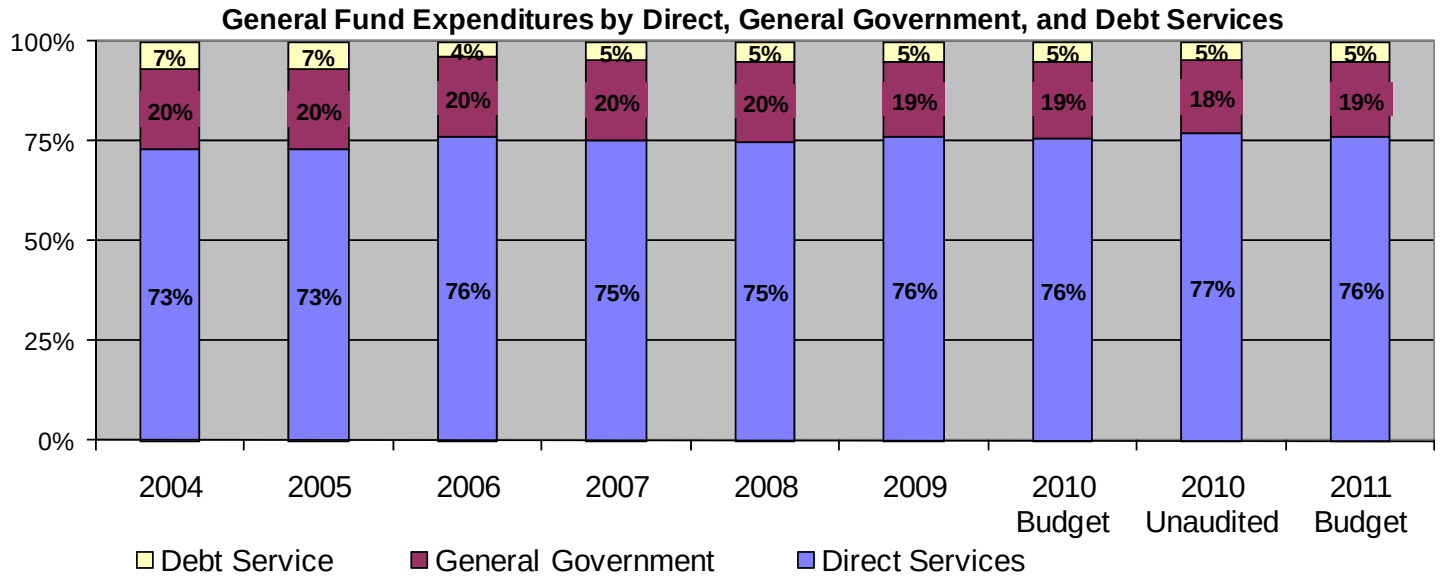
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- 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 $40,616,941 and spent $38,915,143 in 2010, this compares to $38,997,977 and $39,015,199 expended in 2009 and 2008 respectively. Budgeted expenditures for 2010 general government (City Manager, Human Resources, etc.) totals $8,387,284 or 20.2 percent of the total. Direct government expenditures (Police, Fire, etc.) are budgeted at $31,064,182 or 75.0 percent of the total. Debt service (fixed costs) payments are $1,993,682 or 4.8 percent of the total.

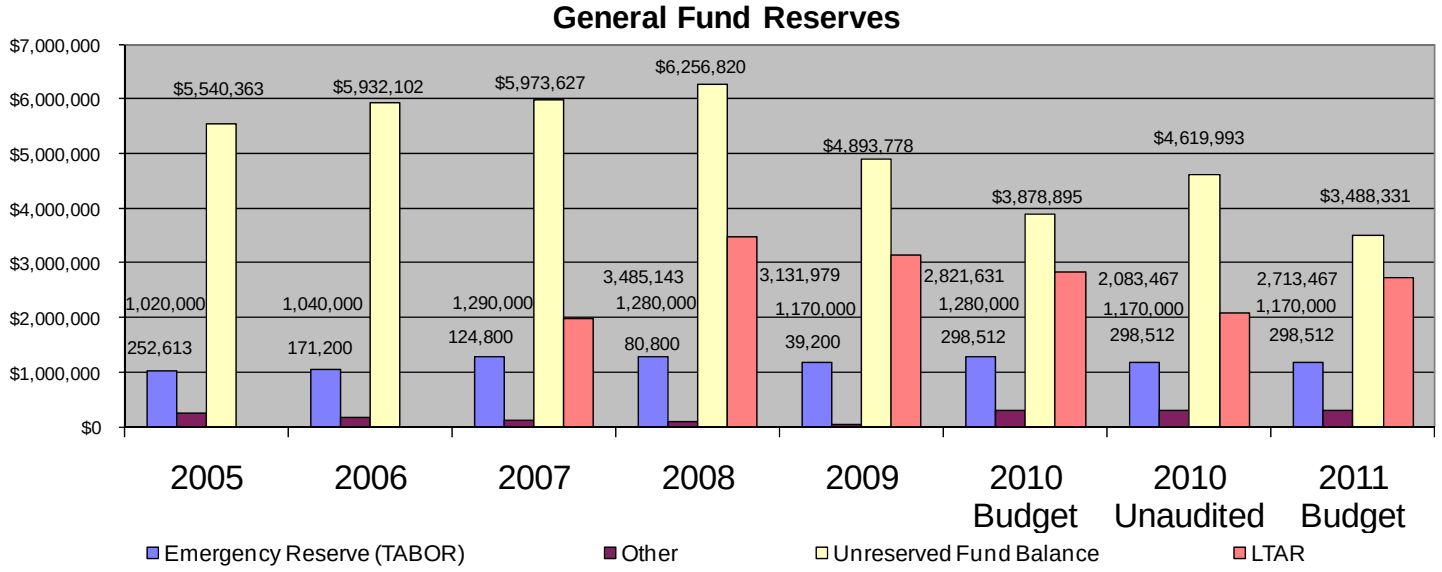
The chart below illustrates the breakdown of expenditures into debt service, general and direct government.

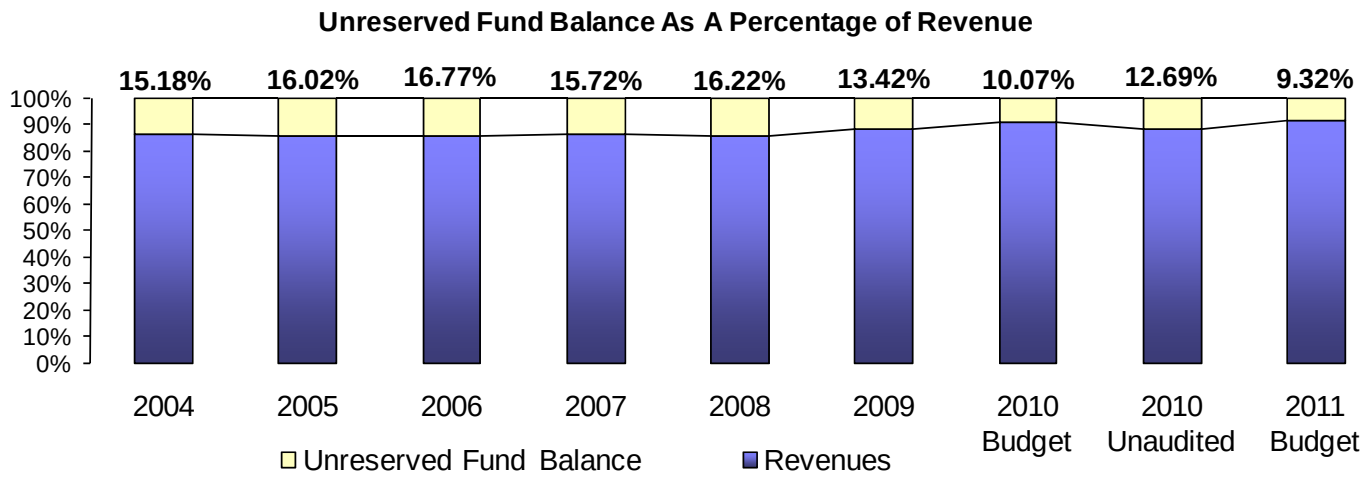


General Fund Reserves

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 2010 estimated year-end balance in the account is $2,083,467 (This balance reflects a $750,000 transfer that was appropriated for the purchase of two homes and rehabilitation of ten homes).





The City ended 2009 with an unreserved/undesignated general fund balance of $4,619,993 or 12.7 percent of revenues. The 2010 estimate shows an unaudited ending fund balance of $4,619,993 or 11.7 percent of revenues or 10.8 percent of expenditures. The $4,619,993 would allow the City to operate for approximately 31.5 days (using average daily expenditures) if all other revenues and financing sources ceased. In these times of economic uncertainty, it is more important 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 2008 through 2010. 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.

	2010	2010 vs 2009 Increase (Decrease)		2009	2009 vs 2008 Increase (Decrease)		2008
Public Improvement Fund (PIF)							
YTD Revenues	**$ 3,145,437**	$ 285,532	9.98%	**$ 2,859,905**	$ (680,905)	(19.23%)	**$ 3,540,810**
YTD Expenditures	**2,084,221**	$ (779,271)	(27.21%)	**2,863,492**	$ (4,312,214)	(60.09%)	**7,175,706**
Net Revenues (Expenditures)	**$ 1,061,216**	$ 1,064,803		**$ (3,587)**	$ 3,631,309		**$ (3,634,896)**
Beginning PIF Fund Balance	**$ 1,515,399**			**$ 1,067,525**			**$ 3,359,169**
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	**$ 2,576,615**			**$ 1,063,938**			**$ (275,727)**
Plus: Remaining Annual Revenue	**-**			**399,152**			**1,288,368**
Less: Remaining Annual Appropriation	**(2,135,844)**			**(1,123,685)**			**(1,083,793)**
Estimated Ending Fund Balance	**$ 440,771**			**$ 339,405**			**$ (71,152)**
Unappropriated Fund Balance as of December 31,				**$ 337,197**			**$ 21,117**

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

	2010 Estimate	2010 Adopted Budget	2010 Unaudited	2010 Vs 2009 $	2010 Vs 2009 %	2009 YTD Actual	2009 Vs 2008 $	2009 Vs 2008 %	2008 YTD Actual
Vehicle Use Tax	$ 1,000,000	$ 1,000,000	$ 926,718	$ (66,879)	-7%	$ 993,597	$ (258,581)	-21%	$ 1,252,178
Building Use Tax	$ 400,000	$ 400,000	$ 542,808	$ 140,535	35%	$ 402,273	$ (366,806)	-48%	$ 769,079
Arapahoe County Road and Bridge Tax	$ 192,109	$ 200,000	$ 192,109	$ (8,881)	-4%	$ 200,990	$ 3,247	2%	$ 197,743

Vehicle Use Tax is based on the valuation of new vehicles purchased by City of Englewood residents. This tax is collected and remitted by Arapahoe County at the time the vehicle is registered. ***Building Use Tax*** is based on the valuation of building permits issued by the City of Englewood. We will monitor these revenue sources to determine if the 2010 estimate needs to be revised. ***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%.

2010 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	8,252,439	3,732,120	2,113,625	(2,816,166)	3,551,979	3,502,789
Special Revenue Funds						
Conservation Trust	1,052,255	942	2,350	(824,942)	-	225,905
Open Space	423,810	520	11,071	(171,688)	-	241,571
Donors	167,852	1,692	1,322	-	-	168,222
Community Development	(201.06)	9,482	2,549	(6,732)	-	-
Malley Center Trust	291,667	336	-	-	-	292,004
Parks & Recreation Trust	449,303	402	1,701	-	-	448,004
Debt Service Fund						
General Obligation Bond	9,616	6	1,200	-	-	8,423
Capital Projects Funds						
PIF	2,576,616	102,239	34,947	(2,203,136)	-	440,771
MYCP	576,323	611	4,196	(467,813)	-	104,925
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	6,910,596	325,183	645,826	-	-	6,589,953
Sewer	6,885,209	1,088,594	1,485,942	-	1,000,000	5,487,860
Stormwater Drainage	903,814	44,248	4,262	-	137,818	805,982
Golf Course	681,313	23,740	42,540	-	293,500	369,014
Concrete Utility	277,940	62,730	15,154	-	-	325,516
Housing Rehabiliation	406,277	8,985	14,933	-	-	400,330
Internal Service Funds						
Central Services	234,309	26,869	20,848	(100,000)	-	140,331
ServiCenter	886,271	189,546	119,093	(100,000)	-	856,723
CERF	728,781	61,100	-	-	-	789,880
Employee Benefits	210,918	345,227	737,616	(200,000)	63,514	(444,985)
Risk Management	1,269,246	3,698	359,898	(546,000)	-	913,047

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 Brownfield's 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.

FUNDS GLOSSARY

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.

MOA – Museum of Outdoor Arts

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

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

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

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

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

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

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

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

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

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

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

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

General Fund Comparative Revenue, Expenditure & Fund Balance Report

as of December 31, 2010

Percentage of Year Completed = 100%

	2010				2009			2008		
Fund Balance January 1	$ 8,518,581	$ 9,234,957		$ 9,234,957	$ 11,102,763	$11,102,763		$ 9,374,427	$ 9,374,427	
	Budget	Dec-10	% Budget	YE Estimate	Dec-09	Dec-09	% YTD	Dec-08	Dec-08	% YTD
Revenues										
Property Tax	3,046,000	3,020,884	99.18%	3,046,000	2,971,303	2,971,303	100.00%	2,995,990	2,995,990	100.00%
Specific Ownership Tax	350,000	263,434	75.27%	250,000	276,415	276,415	100.00%	316,242	316,242	100.00%
Sales & Use Taxes	22,300,000	20,712,179	92.88%	20,800,000	20,624,659	20,624,659	100.00%	22,617,767	22,617,767	100.00%
Cigarette Tax	250,000	196,320	78.53%	200,000	218,448	218,448	100.00%	261,743	261,743	100.00%
Franchise Fees	2,650,851	2,526,490	95.31%	2,650,851	2,452,611	2,452,611	100.00%	2,588,214	2,588,214	100.00%
Hotel/Motel Tax	8,713	8,743	100.34%	8,713	9,141	9,141	100.00%	10,078	10,078	100.00%
Licenses & Permits	573,300	695,663	121.34%	675,000	588,303	588,303	100.00%	671,384	671,384	100.00%
Intergovernmental Revenue	1,198,327	1,463,762	122.15%	1,398,500	1,333,688	1,333,688	100.00%	1,092,701	1,092,701	100.00%
Charges for Services	3,318,587	3,187,797	96.06%	3,100,000	3,163,735	3,163,735	100.00%	3,452,946	3,452,946	100.00%
Recreation	2,625,194	2,489,781	94.84%	2,568,636	2,315,598	2,315,598	100.00%	2,364,758	2,364,758	100.00%
Fines & Forfeitures	1,426,801	1,437,957	100.78%	1,509,150	1,639,678	1,639,678	100.00%	1,461,100	1,461,100	100.00%
Interest	372,611	100,316	26.92%	150,000	229,999	229,999	100.00%	520,325	520,325	100.00%
Miscellaneous	412,581	292,608	70.92%	300,000	643,311	643,311	100.00%	226,270	226,270	100.00%
Total Revenues	38,532,965	36,395,934	94.45%	36,656,850	36,466,889	36,466,889	100.00%	38,579,518	38,579,518	100.00%
Expenditures										
Legislation	359,314	309,870	86.24%	358,957	346,045	346,045	100.00%	350,254	350,254	100.00%
City Attorney	767,546	702,228	91.49%	804,282	678,038	678,038	100.00%	698,563	698,563	100.00%
Court	1,005,723	901,469	89.63%	1,000,079	914,493	914,493	100.00%	915,303	915,303	100.00%
City Manager	668,633	659,882	98.69%	668,899	674,170	674,170	100.00%	674,323	674,323	100.00%
Human Resources	504,898	419,422	83.07%	481,195	456,275	456,275	100.00%	579,137	579,137	100.00%
Financial Services	1,684,000	1,445,582	85.84%	1,551,641	1,575,924	1,575,924	100.00%	1,626,571	1,626,571	100.00%
Information Technology	1,342,948	1,280,660	95.36%	1,345,363	1,360,237	1,360,237	100.00%	1,280,156	1,280,156	100.00%
Public Works	5,497,881	5,136,619	93.43%	5,370,285	5,152,891	5,152,891	100.00%	5,189,173	5,189,173	100.00%
Fire Department	7,407,551	7,418,568	100.15%	7,470,249	7,320,268	7,320,268	100.00%	7,215,443	7,215,443	100.00%
Police Department	10,469,333	10,310,683	98.48%	10,250,000	10,183,891	10,183,891	100.00%	9,974,925	9,974,925	100.00%
Community Development	1,457,667	1,301,472	89.28%	1,388,503	1,366,437	1,366,437	100.00%	1,464,725	1,464,725	100.00%
Library	1,352,221	1,284,083	94.96%	1,342,938	1,275,554	1,275,554	100.00%	1,261,112	1,261,112	100.00%
Recreation	6,034,770	5,835,640	96.70%	6,002,086	5,727,968	5,727,968	100.00%	5,916,449	5,916,449	100.00%
Debt Service	2,004,456	1,860,827	92.83%	1,864,122	1,805,208	1,805,208	100.00%	1,809,306	1,809,306	100.00%
Contingency	60,000	48,138	80.23%	60,000	160,578	160,578	100.00%	59,759	59,759	100.00%
Total Expenditures	40,616,941	38,915,143	95.81%	39,958,599	38,997,977	38,997,977	100.00%	39,015,199	39,015,199	100.00%
Excess revenues over (under) expenditures	(2,083,976)	(2,519,209)	120.88%	(3,301,749)	(2,531,088)	(2,531,088)		(435,681)	(435,681)	
Net transfers in (out)	1,844,433	1,456,224	78.95%	1,456,099	663,282	663,282	100.00%	2,164,017	2,164,017	100.00%
Total Fund Balance	$ 8,279,038	$ 8,171,972	98.71%	$ 7,389,307	$ 9,234,957	$ 9,234,957	100.00%	$ 11,102,763	$ 11,102,763	100.00%

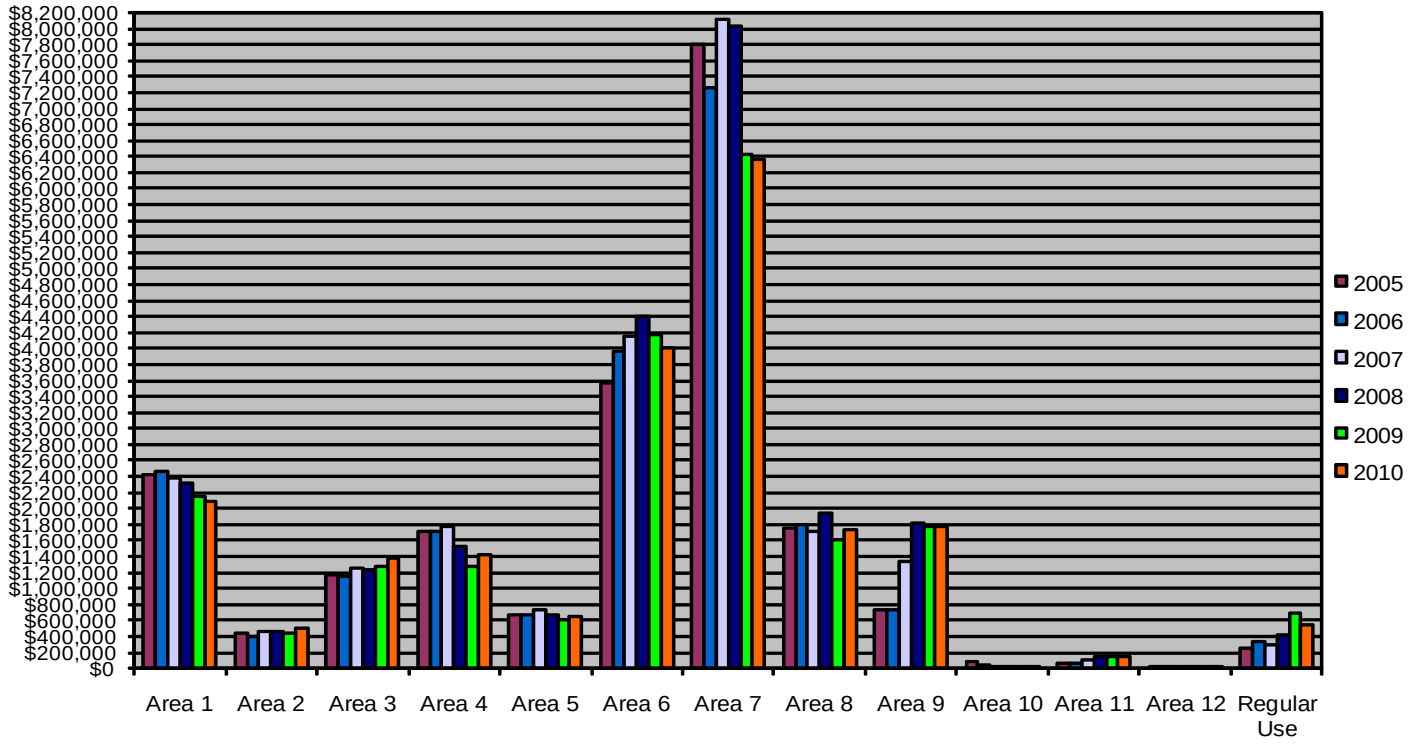
Fund Balance Analysis

Total Fund Balance	$ 8,279,038	$ 8,171,972		$ 7,389,307	$ 9,234,957			$ 11,102,763		
Reserves/designations:										
-Emergencies (TABOR)	1,280,000	1,170,000		1,170,000	1,170,000			1,280,000		
-LTAR	2,821,631	2,083,467		2,083,467	3,131,979			3,485,143		
-MOA	-	-		-	39,200			80,800		
-COPS Grant	298,512	298,512		298,512	-			-		
Unreserved/undesignated Fund Balance	$ 3,878,895	$ 4,619,993		$ 3,837,328	$ 4,893,778			$ 6,256,820		
Potential reserves/designa	-	-		-	-			-		
Estimated unres/undesig Fund Balance	$ 3,878,895	$ 4,619,993		$ 3,837,328	$ 4,893,778			$ 6,256,820		
As a percentage of projected revenues	10.58%	12.69%		10.54%	13.42%			16.22%		
As a percentage of budgeted revenues	10.07%	11.99%		9.96%						
Target	3,853,297	-	5,779,945							

Sales & Use Tax Collections Year-to-Date Comparison
for the month of December 2010
Cash Basis

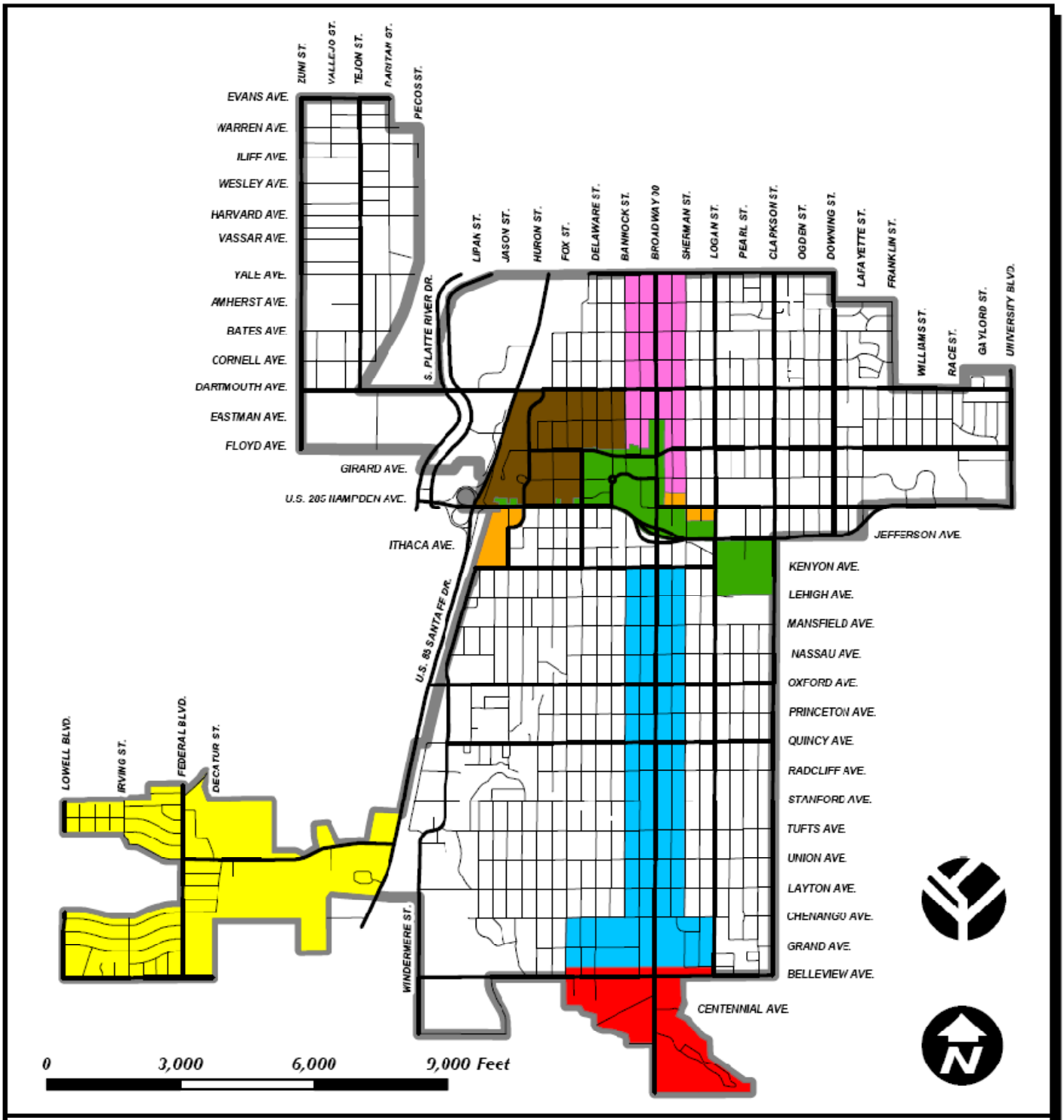
	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change
Area 1	2,420,140	2.37%	2,460,242	1.66%	2,371,783	-3.60%	2,312,523	-2.50%	2,145,546	-9.54%	2,091,285	-2.53%
Area 2	447,080	4.25%	399,721	-10.59%	452,412	13.18%	470,644	4.03%	437,761	-3.24%	503,034	14.91%
Area 3	1,171,975	-9.34%	1,142,213	-2.54%	1,261,017	10.40%	1,233,408	-2.19%	1,281,752	1.64%	1,374,768	7.26%
Area 4	1,715,350	-2.70%	1,706,913	-0.49%	1,777,035	4.11%	1,522,308	-14.33%	1,265,788	-28.77%	1,421,743	12.32%
Area 5	665,035	11.67%	673,739	1.31%	737,247	9.43%	668,902	-9.27%	617,516	-16.24%	641,746	3.92%
Area 6	3,567,158	1.90%	3,973,682	11.40%	4,152,602	4.50%	4,397,299	5.89%	4,166,112	0.33%	4,007,292	-3.81%
Area 7	7,794,388	1.15%	7,252,573	-6.95%	8,117,519	11.93%	8,023,476	-1.16%	6,435,979	-20.71%	6,355,110	-1.26%
Area 8	1,750,924	0.26%	1,798,364	2.71%	1,710,973	-4.86%	1,937,347	13.23%	1,611,473	-5.82%	1,730,224	7.37%
Area 9	725,669	0.00%	725,669	0.00%	1,346,796	85.59%	1,826,129	35.59%	1,771,144	31.51%	1,782,379	0.63%
Area 10	94,537	157.71%	39,163	-58.57%	24,435	-37.61%	24,698	1.08%	19,186	-21.48%	33,708	75.70%
Area 11	58,239	0.00%	58,239	0.00%	108,489	86.28%	149,183	37.51%	142,609	31.45%	139,475	-2.20%
Area 12	1,446	-78.24%	4,012	177.46%	3,588	-10.56%	4,041	12.62%	2,980	-16.95%	2,961	-0.65%
Regular Use	245,860	-31.79%	340,164	38.36%	285,926	-15.94%	412,599	44.30%	693,343	142.49%	554,507	-20.02%
Total	20,657,801	0.35%	20,574,694	-0.40%	22,349,822	8.63%	22,982,559	2.83%	20,591,187	-7.87%	20,638,230	0.23%
Refunds	219,297	66.73%	307,242	40.10%	247,740	-19.37%	518,888	109.45%	329,330	-36.53%	215,756	-34.49%
Audit & Collections Revenue*	686,007	455.99%	436,763	-36.33%	531,193	21.62%	726,131	36.70%	482,693	-33.53%	376,960	-21.90%
*included Above												
Unearned Sales Tax	700,000	-29.18%	650,000	-7.14%	650,000	0.00%	650,000	0.00%	600,000	-7.69%	600,000	0.00%
Building Use	612,256	0.00%	849,507	38.75%	1,967,482	131.60%	764,136	-61.16%	402,273	-47.36%	542,808	34.94%
Vehicle Use	1,410,631	0.00%	1,250,023	-11.39%	1,434,885	14.79%	1,283,056	-10.58%	989,742	-22.86%	943,467	-4.68%

December YTD Collections by Area 2005-2010



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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