



City of Englewood

Finance and Administrative Services Department Monthly Financial Report Annual Survey

A new year has begun and we would like your input on the Monthly Financial Report. Please return the completed survey by **February 25, 2011** to Frank Gryglewicz, Department of Finance and Administrative Services. *We appreciate your time in completing this survey.*

Is the content sufficient? **Yes No** If the content is not sufficient, what information would you like included? If possible, please provide examples and/or samples of information you would like included.

Is the report too long? **Yes No** If the report is too long, what information would you like removed?

MEMORANDUM

To: Mayor Woodward and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: February 14, 2011
Subject: January 2011 Financial Report

Summary of the January 2011 General Fund Financial Report

Some of the 2010 numbers in this report are not audited and may change until the audit is complete.

REVENUES:

- Through January 2011, the City of Englewood collected **\$3,732,120 or \$289,623 or 8.4 percent more** than last year (See the chart on page 5 and the attached full report for detail on changes in revenue in past year). The \$225,343 change in intergovernmental revenue from 2010 to 2011 represents the majority of this increase. The City received grant funds from CPPW for the following projects: \$150,000 for a Bike/Pedestrian Study (CD), \$88,000 for a Downtown Street Assessment Study (CD) and \$83,000 for the Community Garden (P&R).
- The City did not collect any property or specific ownership tax through January.
- **Year-to-date sales and use tax revenues were \$2,678,606 or \$49,920 (1.9%) more than January 2010.**
- **Year-to-date sales and use tax receipts were \$2,677,231 or \$69,735 (2.67%) increase over January 2010 receipts. Use tax was up in large part to and audit payment received in January 2011.**
- Cigarette tax collections were up \$173 compared to last year.
- Franchise fee collections were \$4,352 more than last year.
- Licenses and permit collections were \$5,387 more than 2009.
- Intergovernmental revenues were \$225,343 more than the prior year.
- Charges for services decreased \$24,962 from last year.
- Recreation revenues increased \$26,921 from 2009.
- Fines and forfeitures were \$14,042 less than last year.
- Investment income was \$18,986 less than last year.
- Miscellaneous revenues were \$14,457 less than last year.

OUTSIDE CITY:

- Outside City sales and use taxes were down \$20,183 or 1.8 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 January 2011 were \$236,180 (2.8 percent) less than the \$242,884 collected during the same period in 2010.

EXPENDITURES:

- Expenditures through January were \$2,113,627 or \$237,705 (12.7 percent) more than the \$1,875,922 expended through January 2010. The increase is due to the timing of debt service payments and increases in the timing of a few department expenditures. The timing of the Fire Truck lease payment (\$118,393) was in February 2010 as compared to January 2011; the Qualified Energy Conservation Bonds (QECCB) payment (\$30,551) in January for the City of Englewood Green Community Program Projects 2010 debt issue.
- The City did not refund any sales and use tax claims through January.

RESERVES:

- The unreserved/undesignated reserves for 2011 are budgeted at \$3,488,331 or 9.3 percent of budgeted revenues.
- The unreserved/undesignated fund balance for 2011 is *estimated* at \$3,502,789 or 9.4 percent of estimated revenues.

TRANSFERS:

- Net 2011 transfers-in to date of \$1,466,241 were made by the end of January 2011.

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures \$1,618,493 through January 2011.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$21,946 in revenues and spent \$2,934,818 year-to-date. Estimated year-end fund balance is (\$34,973).

City of Englewood, Colorado

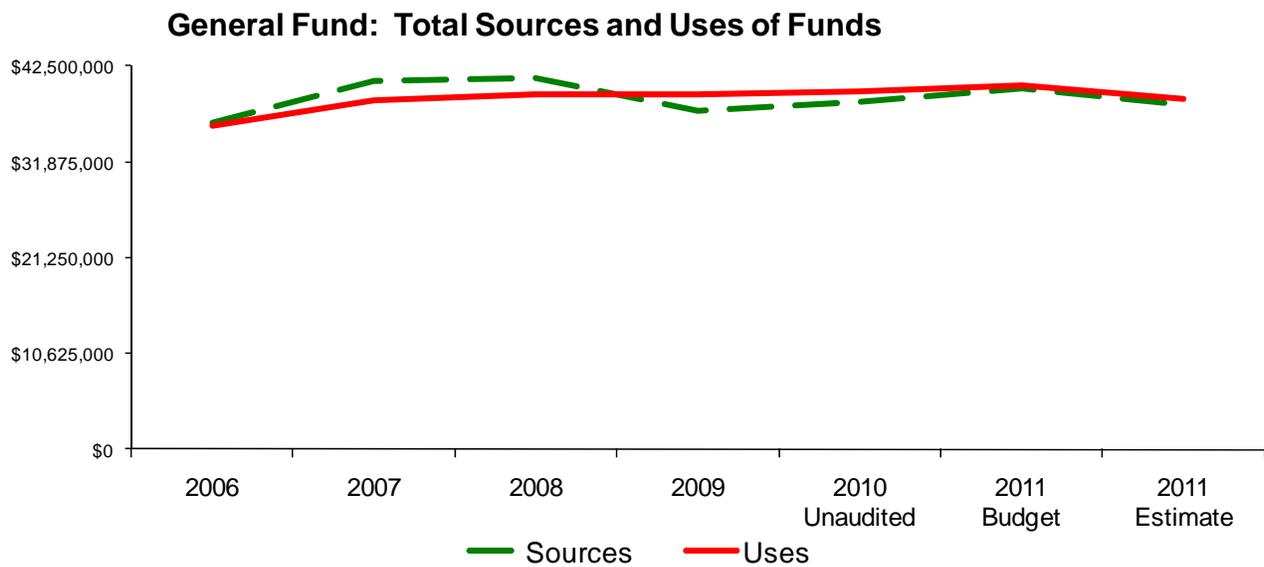
January 2011 Financial Report

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 2006 to 2011 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.



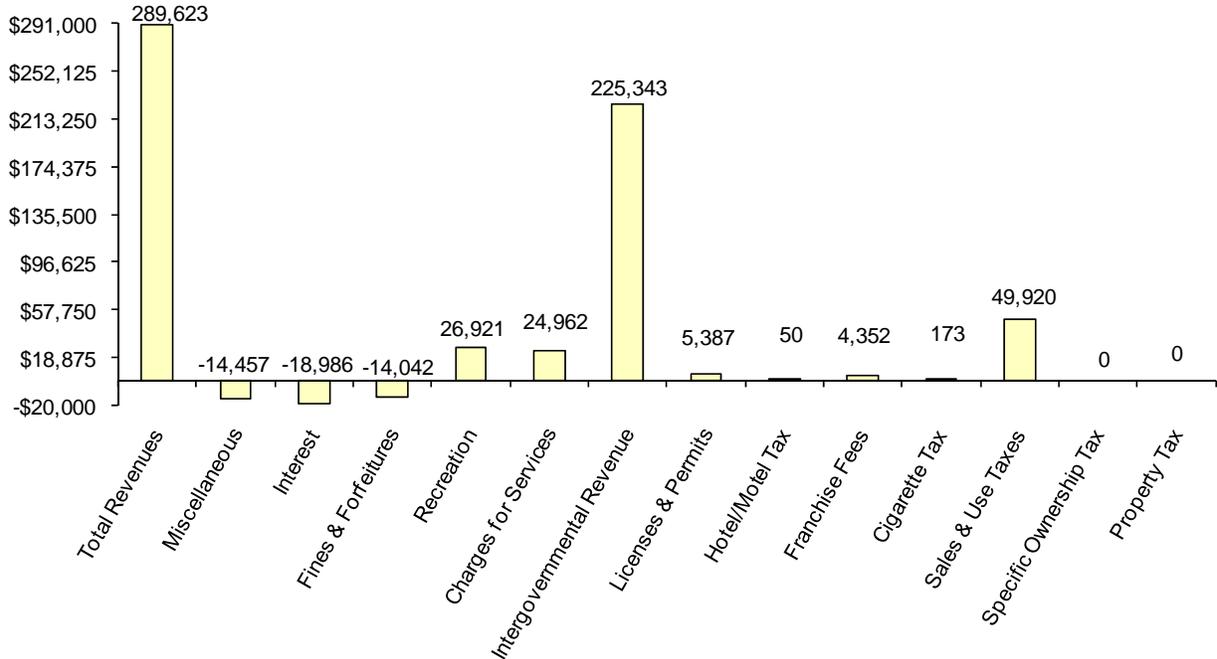
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended January, 2011. Comparative figures for years 2010 and 2009 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	2011	2011 vs 2010 Increase (Decrease)		2010	2010 vs 2009 Increase (Decrease)		2009
General Fund							
Year-To-Date Revenues	\$ 3,732,120	\$ 289,623	8.41%	\$ 3,442,497	\$ (227,206)	(6.19%)	\$ 3,669,703
Year-To-Date Expenditures	2,113,627	\$ 237,705	12.67%	1,875,922	\$ 29,349	1.59%	1,846,573
Net Revenues (Expenditures)	\$ 1,618,493	\$ 51,918		\$ 1,566,575	\$ (256,555)		\$ 1,823,130
Estimated Unreserved/ Undesignated Fund Balance	\$ 3,502,789	\$ (1,117,204)	(24.18%)	\$ 4,619,993	\$ 189,379	4.27%	\$ 4,430,614
Sales & Use Tax Revenue YTD	\$ 2,678,606	\$ 49,920	1.90%	\$ 2,628,686	\$ (279,570)	(9.61%)	\$ 2,908,256
Outside City Sales & Use Tax YTD	\$ 1,090,992	\$ (20,183)	(1.82%)	\$ 1,111,175	\$ 20,397	1.87%	\$ 1,090,778

General Fund Revenues

The City of Englewood's total budgeted revenue is \$37,424,105. Total revenues collected through January 2011 were \$3,732,120 or \$289,623 (8.41 percent) more than was collected in 2010. The chart below illustrates changes in General Fund revenues this year compared to last year.

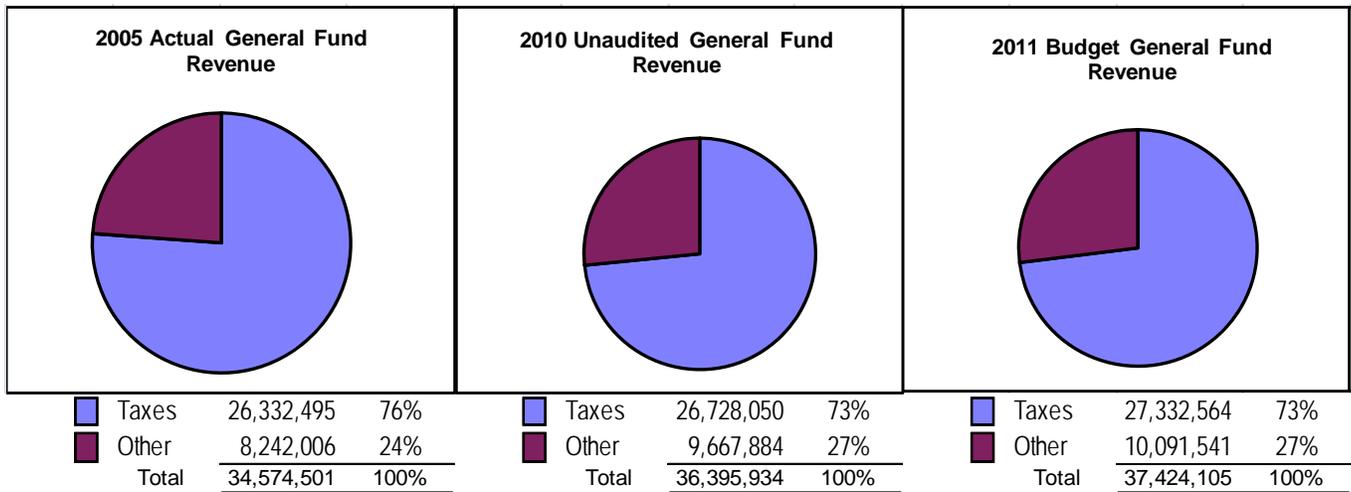
2011 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



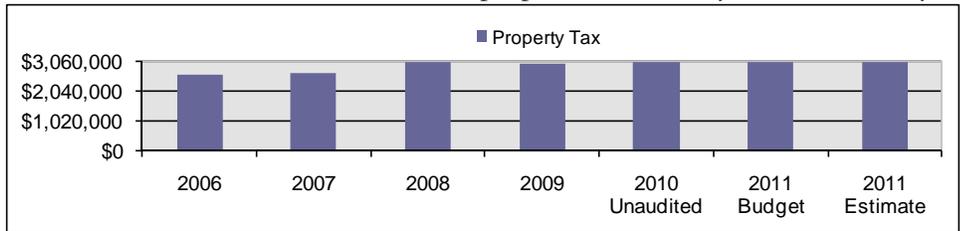
General Fund Taxes

The General Fund obtains most of its revenue from taxes. In 2010 total unaudited revenues were \$36,395,934 of which \$26,728,050 (73.4 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 2005, 2010 unaudited, and budgeted 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.

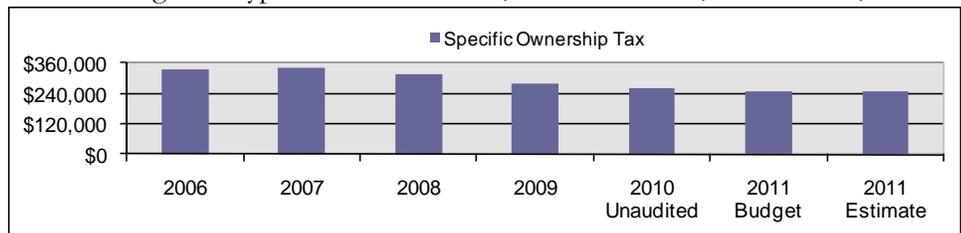
**General Fund Revenues
Taxes vs. Other**



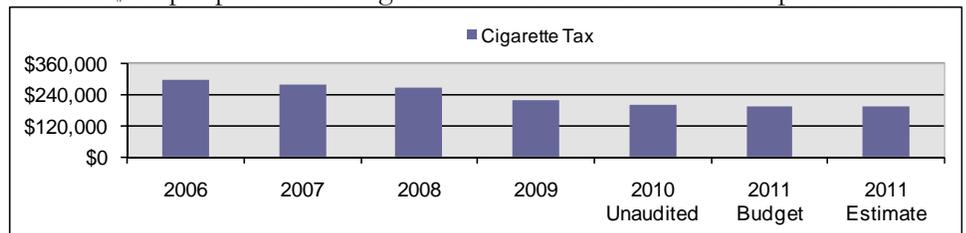
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter 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 \$2,559,369 in 2006 to \$3,020,884 in 2010. This was an increase of \$461,515 or 18 percent. In 2010 the City collected \$3,020,884 or 11.3 percent of 2010 total taxes and 8.3 percent of total revenues from property taxes. The City budgeted \$3,017,000 for 2011; and did not collect anything through January 2011.



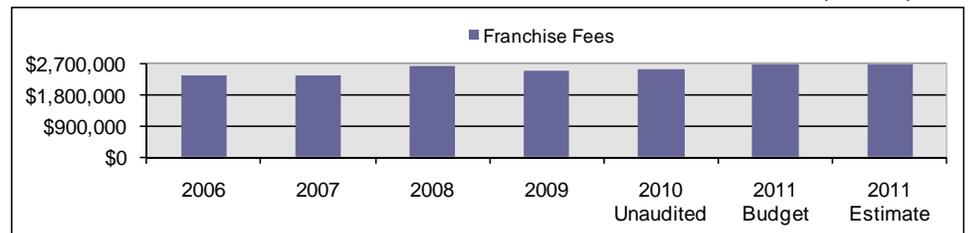
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$333,018 in 2006 and \$263,434 in 2010 which is a decrease of \$69,584 or 20.9 percent. The City collected \$263,434 in 2010 which is less than one percent of total revenues and one percent of total taxes. The City budgeted \$250,000 for 2011 and did not collect anything through January 2011.



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 2006 the City collected \$293,776, but in 2010 the City collected \$196,320, which is a *decrease* of \$97,456 or 33.2 percent. These taxes accounted for less than one percent of total taxes and less than one percent of total revenues in 2010. The City budgeted \$190,000 for the year and collected \$15,975 through January 2011, which is \$173 or one percent more than the \$15,802 collected through January 2010.

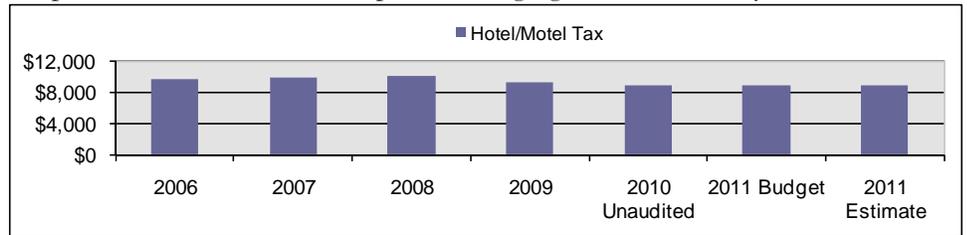


Franchise Fees: The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected \$2,362,000 in 2006 and \$2,526,490 in 2010, an increase of \$164,490 or 6.9 percent. These taxes accounted for 9.4 percent of taxes and 6.9 percent of total revenues in 2010. The City budgeted \$2,650,851 for the year; collections through January totaled \$80,493 compared to \$76,141 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.

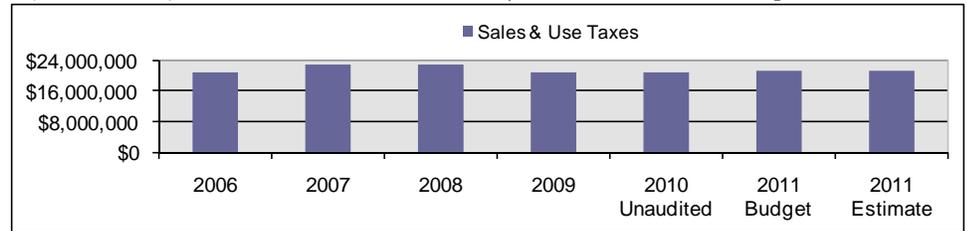
The City budgeted \$8,713 for the year and has collected \$885 through January 2011.



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 77.5

percent of all taxes and 56.9 percent of total revenues collected in 2010. In 2006, this tax generated \$20,688,258 for the City of Englewood; in 2010 the City collected \$20,712,179, an increase of .12 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 \$21,216,000 for 2011. Sales and Use Tax revenue through January 2011 was \$2,678,606 while revenue year-to-date for January 2010 was \$2,628,666, an increase of \$49,920.



of total revenues collected in 2010. In 2006, this tax generated \$20,688,258 for the City of Englewood; in 2010 the City collected \$20,712,179, an increase of .12 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 \$21,216,000 for 2011. Sales and Use Tax revenue through January 2011 was \$2,678,606 while revenue year-to-date for January 2010 was \$2,628,666, an increase of \$49,920.

Collections for January 2011 were \$2,677,231 while collections for January 2010 and January 2009 were \$2,607,496 and \$2,908,256 respectively. January 2011 collections were \$69,735 or 2.7 percent more than January 2010 and \$231,025 or 7.9 percent less than 2009 collections.

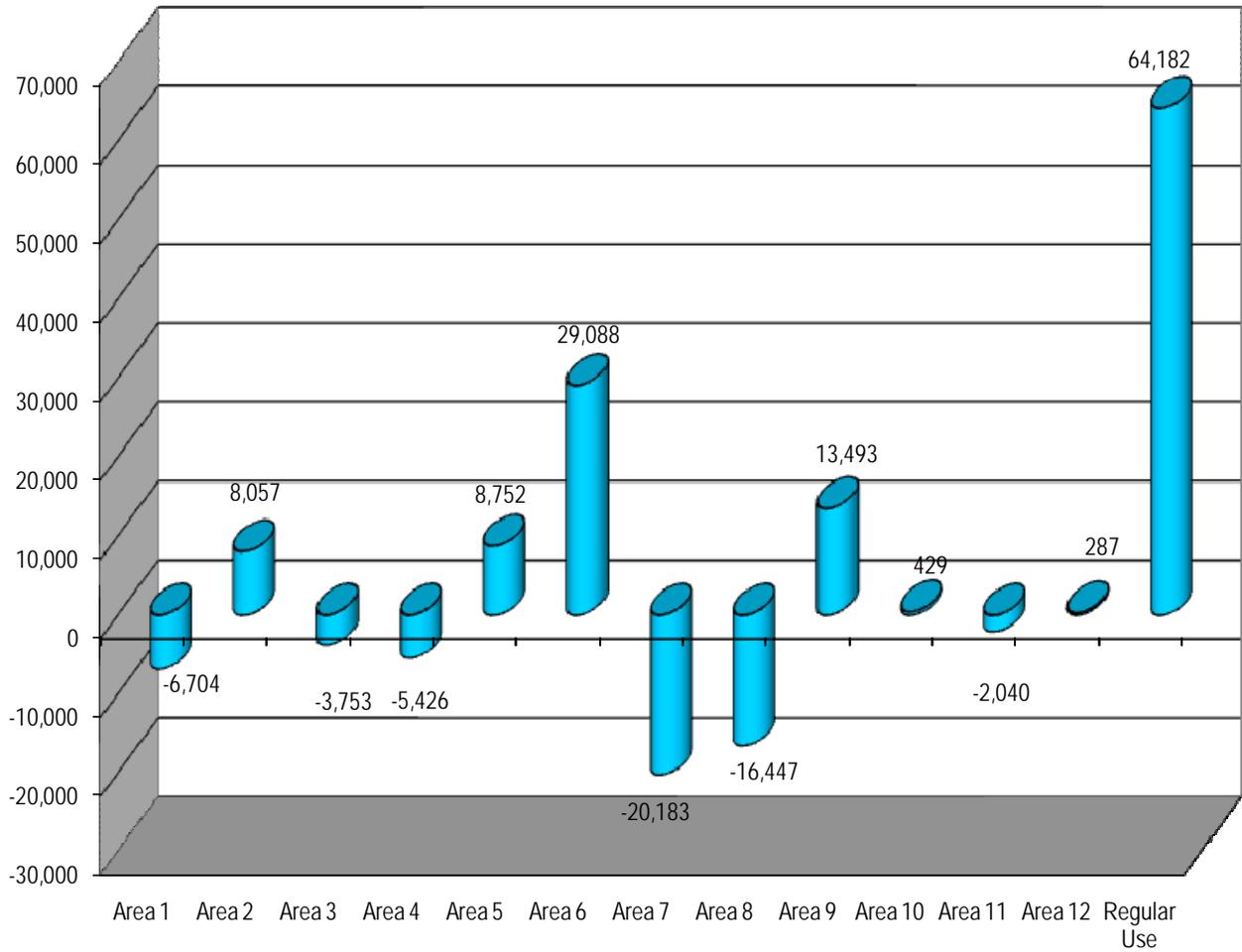
Based on last five years of sales tax collection data, January contributes 12.75 percent of total year's sales tax collections; if this pattern holds this year, 87.25 percent is left to collect over the next eleven months. Based on January's collections, the City will collect an additional \$18,322,408 over the next eleven months for a total of \$20,999,639.

The City collected 2.7 percent more this January than last January; if this pattern holds for the entire year the City will collect \$21,266,107 for the year.

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.

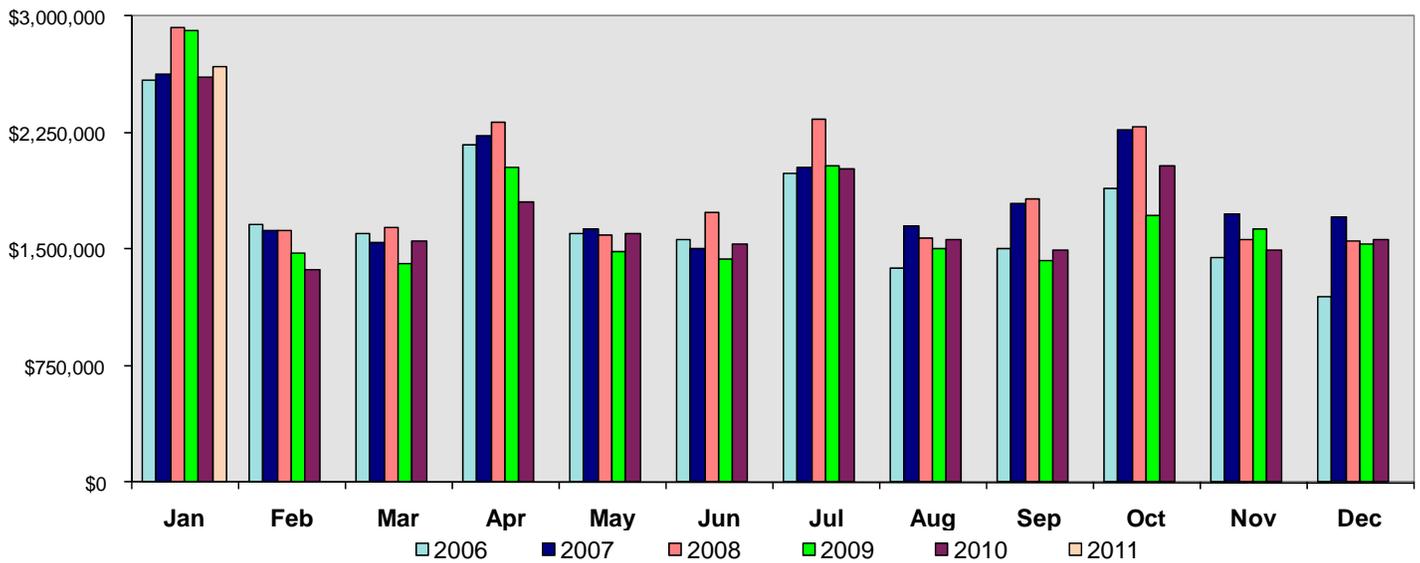
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2011 vs. 2010" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Economic conditions, judged by sales tax collections, appears to be a "mixed bag" with some geographic areas increasing and some decreasing compared to the same period last year.

Change in Sales/Use Tax Collections by Area 2011 vs 2010



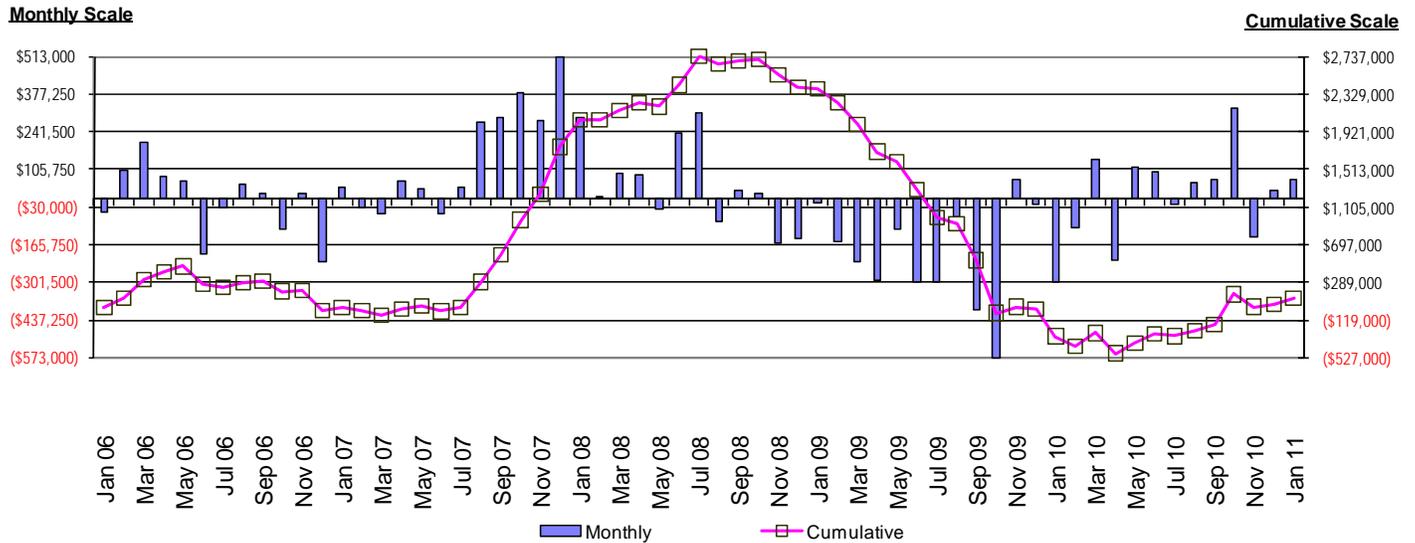
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

2006-2011 YTD Sales/Use Tax Collections by Month - Cash Basis



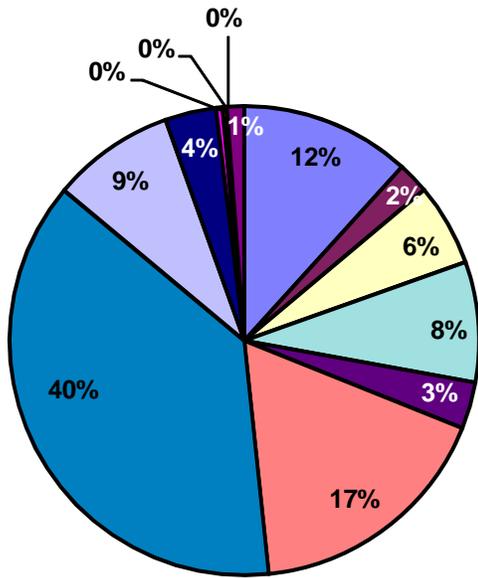
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

2006 - 2011 Monthly Change Sales and Use Tax



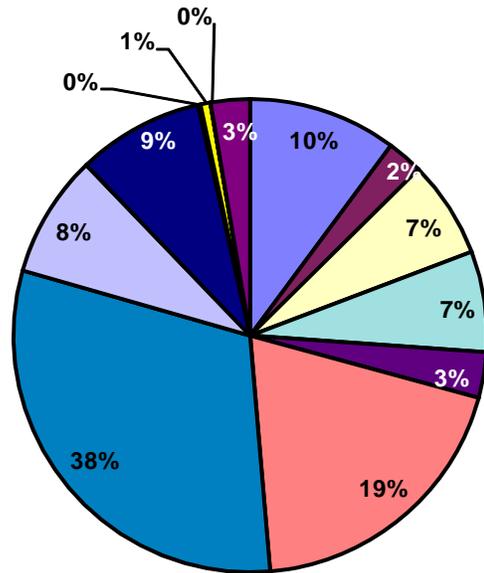
Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2004 and 2009.

Geographic Sales Tax Collection Areas



2005 Actual Cash Receipts by Area

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



2010 Unaudited Actual Cash Receipts by Area

Area 1	10%	Area 8	8%
Area 2	2%	Area 9	9%
Area 3	7%	Area 10	0%
Area 4	7%	Area 11	1%
Area 5	3%	Area 12	0%
Area 6	19%	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 \$236,180 year-to-date 2011, in 2010, the City collected \$242,884.

Area 6: This geographic area is up/down from last year.

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 2007 for collections through the month of January. 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:

	2007	2008	2009	2010	2011
Total Sales and Use Taxes	2,630,656	2,923,058	2,908,256	2,607,496	2,677,231
Outside City Collections	1,052,675	1,355,126	1,090,778	1,111,175	1,090,992
Percentage of Total	40.0%	46.4%	46.6%	41.8%	41.5%
Total General Fund Revenues	3,332,818	3,584,914	3,669,703	3,442,497	3,732,120
Outside City Collections	1,052,675	1,355,126	1,090,778	1,111,175	1,090,992
Percentage of Revenues	31.6%	37.8%	29.7%	32.3%	29.2%

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 no refunds including intercity sales/use tax claims through January 2011 compared to \$14,740 through January 2010. 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 January were down \$16,447 or 9.5 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 did not collect any sales and use tax audit revenues and general collections of balances on account through the month of January; this compares to \$1,425 collected in 2010 and \$203,633 collected in 2009.

Of the 85 sales tax accounts reviewed in the various geographic areas, 50 (59 percent) showed improved collections and 35 (41 percent) showed reduced collections this year compared to the same period last year.

The Department issued 25 new sales tax licenses through January 2011; 30 and 52 were issued through January 2010 and 2009 respectively.

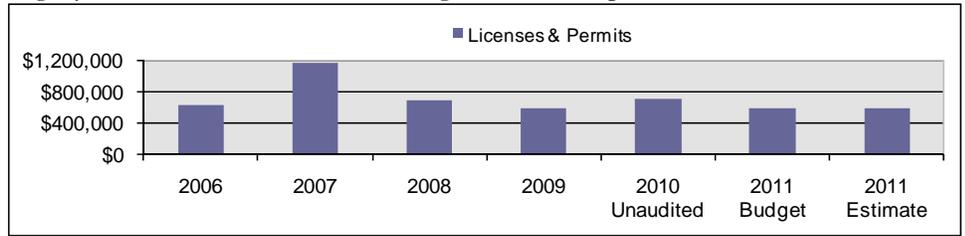
City records indicate that year-to-date 25 businesses closed (19 of them were outside the physical limits of Englewood) and 36 opened (30 of them were outside the physical limits of Englewood).

General Fund Other Revenue

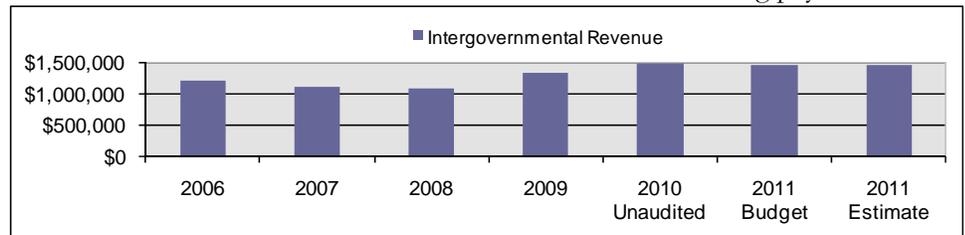
Other revenues accounted for \$9,667,884 or 26.6 percent of the total revenues for 2010; the City budgeted \$10,091,541 for 2011.

Following is additional information on the significant revenue sources of the General Fund:

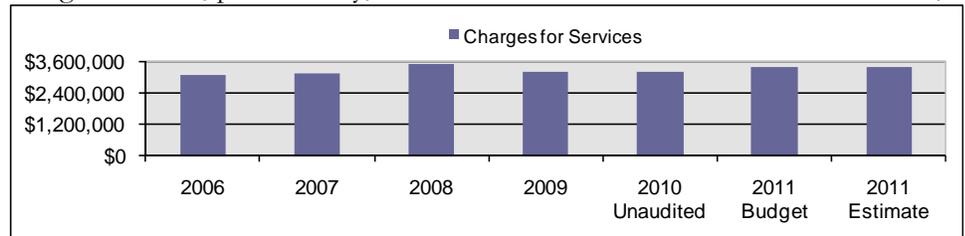
Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated \$695,663 during 2010 or 1.9 percent of total revenue and 6.8 percent of total other revenue. This revenue source totaled \$623,945 in 2006 and decreased to \$695,663 in 2010, an 11.5 percent decrease. The City budgeted \$575,100 for 2011 and year-to-date the City collected \$53,806 or 5,387 (11.1 percent) more than the \$48,419 collected through January 2010.



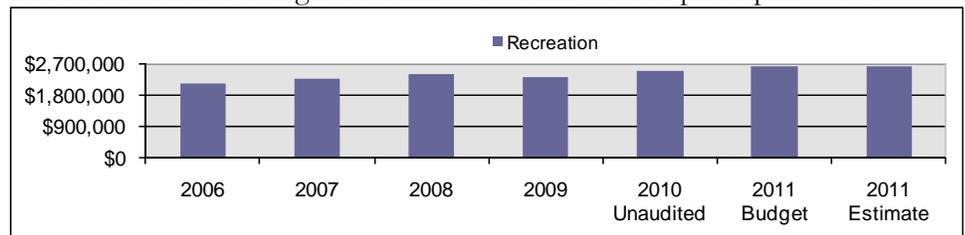
Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,459,564 for 2011. This revenue source totaled \$1,193,863 in 2006 and the City collected \$1,463,762 in 2010, a 22.6 percent increase. The City collected \$341,791 through January 2011 this is \$225,343 (193.5 percent) more than the \$116,448 collected in the same period in 2010.



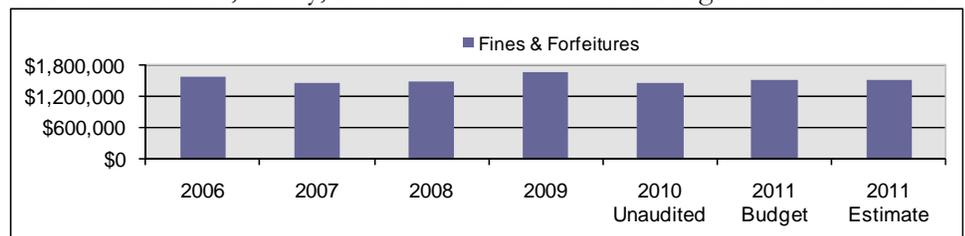
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,318,587 for 2011. This revenue source totaled \$3,053,106 in 2006 and increased to \$3,187,797 in 2010, a 4.4 percent increase. Total collected year-to-date was \$289,933 or \$24,962 (9.4 percent) more than the \$264,971 collected year-to-date in 2010.



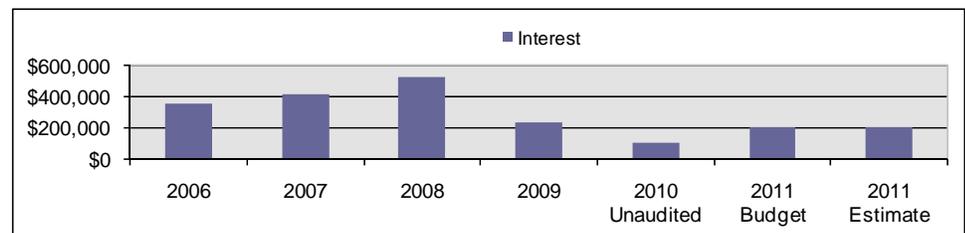
Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,587,653 for 2011. This revenue source totaled \$2,099,202 in 2006 and increased to \$2,489,781 in 2010, a 18.6 percent increase. Total collections through January 2011 were \$137,943 compared to \$111,022 collected in 2010.



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 \$1,543,353 in 2006 and decreased to \$1,437,957 in 2010, a 6.8 percent decrease. Total collected year-to-date was \$109,017 or \$14,042 (11.4 percent) less than the \$123,059 collected in the same time period last year.

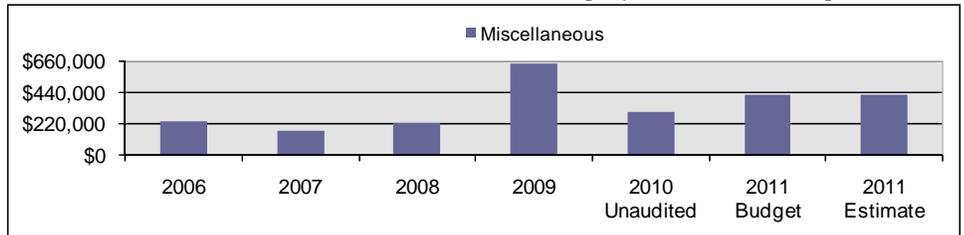


Interest: This is the amount earned on the City's cash investments. The 2010 budget for this source is \$372,611. This revenue source totaled \$353,575 in 2006 and decreased to



\$100,316 in 2010, a 71.6 percent decrease. The City earned \$7,047 through January 2011; the City earned \$26,033 through January 2009.

Miscellaneous: This source includes all revenues that do not fit in another revenue category. The 2011 budget for this source is \$421,507. This revenue source totaled \$229,675 in 2006 and increased to \$292,608 in 2010, a 27.4 percent decrease. Total collected year-to-date is \$16,624 (46.5 percent) less compared to the \$31,081 collected last year during the same period.



General Fund Expenditures

Outcome Based Budgeting

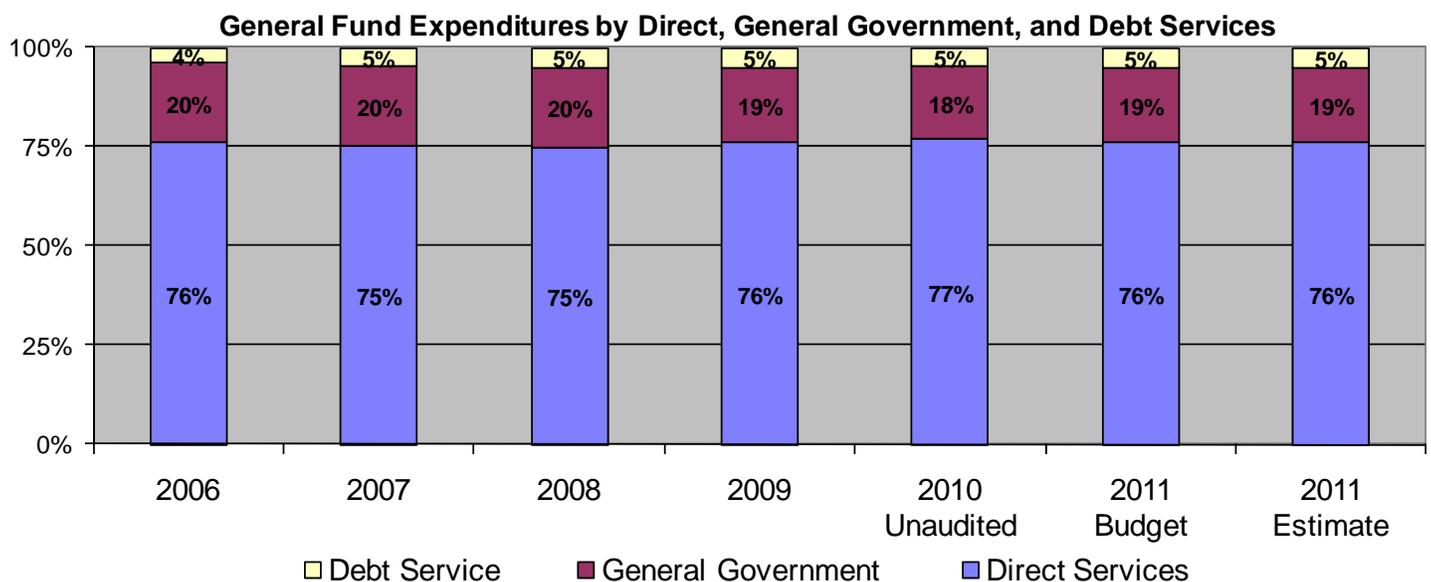
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 \$40,430,513 for 2011, this compares to \$38,915,143 and \$38,997,977 expended in 2010 and 2009 respectively. Budgeted expenditures for 2011 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. Total expenditures through January were \$2,113,627 compared to \$1,875,922 in 2010 and \$1,846,573 in 2009.

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

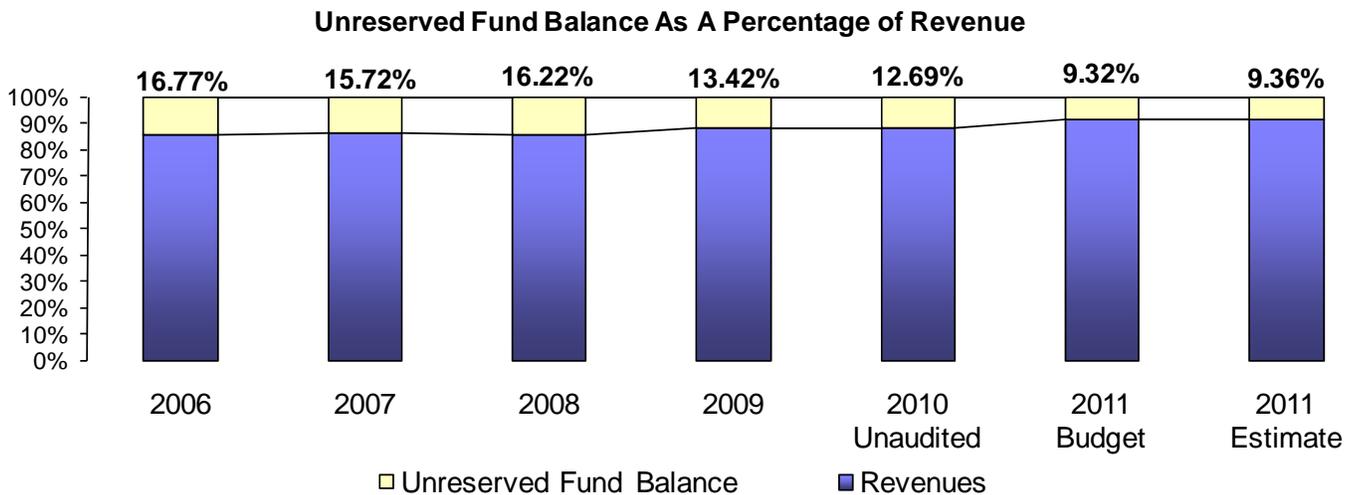
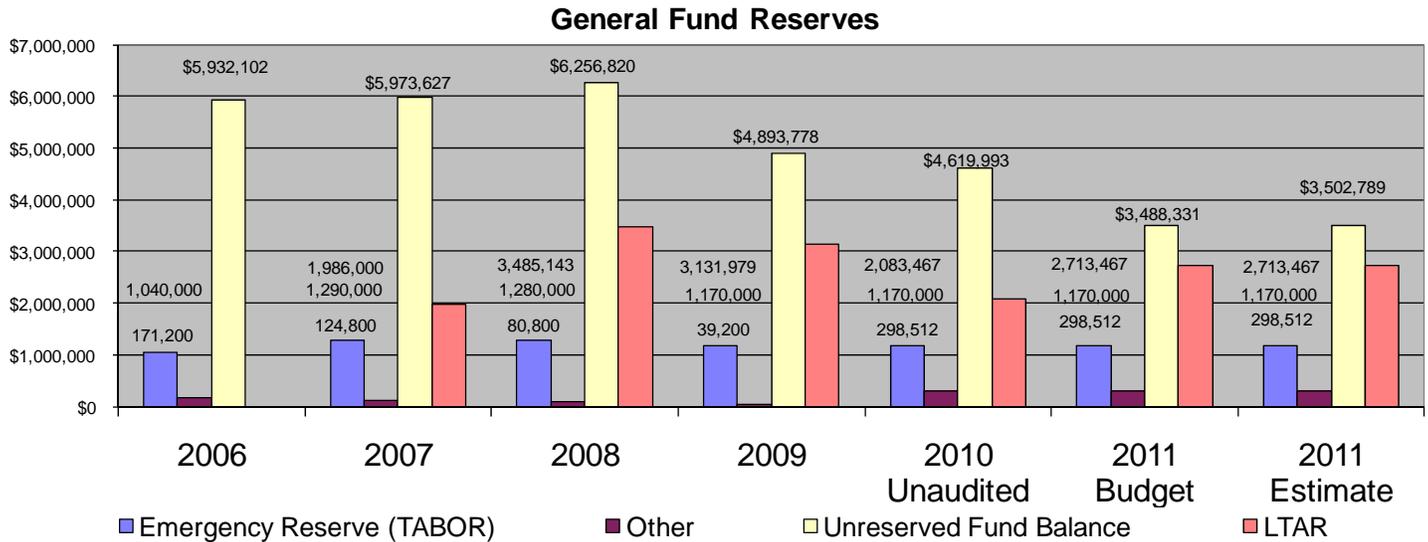


General Fund Reserves

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 January 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 2011 estimated year-end balance in the account is \$2,833,467 (This balance reflects a \$750,000 transfer that was appropriated in 2010 for the purchase of two homes and rehabilitation of ten homes and will be returned to the LTAR in 2011).



The City ended 2010 with an unreserved/undesigned general fund balance of \$4,619,993 or 12.7 percent of (unaudited) revenues. The 2011 estimate shows an unaudited ending fund balance of \$3,502,789 or 9.4 percent of revenues or 10.2 percent of budgeted expenditures. The \$3,502,789 would allow the City to operate for approximately 31.6 days (using average daily budgeted 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 2009 through 2011. 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.

	2011	2011 vs 2010 Increase (Decrease)		2010	2010 vs 2009 Increase (Decrease)		2009
Public Improvement Fund (PIF)							
YTD Revenues	\$ 21,946	\$ (18,770)	(46.10%)	\$ 40,716	\$ (185,439)	(82.00%)	\$ 226,155
YTD Expenditures	2,934,818	\$ 1,464,415	99.59%	1,470,403	\$ (816,848)	(35.71%)	2,287,251
Net Revenues (Expenditures)	\$ (2,912,872)	\$ (1,483,185)		\$ (1,429,687)	\$ 631,409		\$ (2,061,096)
Beginning PIF Fund Balance	\$ 2,576,616			\$ 1,433,942			\$ 854,098
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ (336,256)			\$ 4,255			\$ (1,206,998)
Plus: Remaining Annual Revenue	1,586,624			1,631,739			3,039,388
Less: Remaining Annual Appropriation	(1,285,341)			(1,561,262)			(1,840,543)
Estimated Ending Fund Balance	\$ (34,973)			\$ 74,732			\$ (8,153)
Unappropriated Fund Balance as of December 31,				<u>\$ 440,771</u>			<u>\$ 339,405</u>

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

	2011 Estimate	2011 Adopted Budget	2011 YTD Actual	2011 Vs 2010		2010 Unaudited	2010 Vs 2009		2009 Actual
				\$	%		\$	%	
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (926,718)	-100%	\$ 926,718	\$ (66,879)	-7%	\$ 993,597
Building Use Tax	\$ 400,000	\$ 400,000	\$ 20,178	\$ (522,629)	-96%	\$ 542,808	\$ 140,535	35%	\$ 402,273
Arapahoe County Road and Bridge Tax	\$ 191,000	\$ 191,000	\$ -	\$ (192,109)	-100%	\$ 192,109	\$ (8,881)	-4%	\$ 200,990

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	(951,942)	-	98,905
Open Space	423,810	520	11,071	24,207	-	437,466
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	(2,678,880)	-	(34,973)
MYCP	576,323	611	4,196	(570,470)	-	2,268
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 Rehabilitation	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**.

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

FUNDS GLOSSARY

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.

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.

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 January 31, 2011

Percentage of Year Completed = 8%

<i>Fund Balance January 1</i>	\$ 8,157,514	\$ 8,171,972	\$ 8,171,972	\$ 9,234,957	\$ 9,234,957	\$ 11,102,763	\$ 11,102,763				
<i>Revenues</i>	2011				2010			2009			
	Budget	Jan-11	% Budget	YE Estimate	Dec-10	Jan-10	% YTD	Dec-09	Jan-09	% YTD	
Property Tax	3,017,000	-	0.00%	3,017,000	3,020,884	-	0.00%	2,971,303	-	0.00%	
Specific Ownership Tax	250,000	-	0.00%	250,000	263,434	-	0.00%	276,415	-	0.00%	
Sales & Use Taxes	21,216,000	2,678,606	12.63%	21,216,000	20,712,179	2,628,686	12.69%	20,624,659	2,908,256	14.10%	
Cigarette Tax	190,000	15,975	8.41%	190,000	196,320	15,802	8.05%	218,448	19,352	8.86%	
Franchise Fees	2,650,851	80,493	3.04%	2,650,851	2,526,490	76,141	3.01%	2,452,611	73,297	2.99%	
Hotel/Motel Tax	8,713	885	10.16%	8,713	8,743	835	9.55%	9,141	1,056	11.55%	
Licenses & Permits	575,100	53,806	9.36%	575,100	695,663	48,419	6.96%	588,303	53,476	9.09%	
Intergovernmental Revenue	1,459,564	341,791	23.42%	1,459,564	1,463,762	116,448	7.96%	1,333,688	4,579	0.34%	
Charges for Services	3,338,567	289,933	8.68%	3,338,567	3,187,797	264,971	8.31%	3,163,735	256,512	8.11%	
Recreation	2,587,653	137,943	5.33%	2,587,653	2,489,781	111,022	4.46%	2,315,598	114,885	4.96%	
Fines & Forfeitures	1,509,150	109,017	7.22%	1,509,150	1,437,957	123,059	8.56%	1,639,678	120,434	7.34%	
Interest	200,000	7,047	3.52%	200,000	100,316	26,033	25.95%	229,999	16,740	7.28%	
Miscellaneous	421,507	16,624	3.94%	421,507	292,608	31,081	10.62%	643,311	101,116	15.72%	
Total Revenues	37,424,105	3,732,120	9.97%	37,424,105	36,395,934	3,442,497	9.46%	36,466,889	3,669,703	10.06%	
Expenditures											
Legislation	346,120	30,390	8.78%	346,120	309,870	35,397	11.42%	346,045	46,351	13.39%	
City Attorney	762,518	28,628	3.75%	762,518	702,228	36,315	5.17%	678,038	31,592	4.66%	
Court	999,105	38,344	3.84%	999,105	901,469	41,004	4.55%	914,493	44,995	4.92%	
City Manager	664,732	64,190	9.66%	664,732	659,882	66,519	10.08%	674,170	33,576	4.98%	
Human Resources	481,102	16,475	3.42%	481,102	419,422	17,748	4.23%	456,275	19,340	4.24%	
Financial Services	1,550,906	62,076	4.00%	1,550,906	1,445,582	64,055	4.43%	1,575,924	71,180	4.52%	
Information Technology	1,338,543	71,676	5.35%	1,338,543	1,280,660	55,978	4.37%	1,360,237	53,988	3.97%	
Public Works	5,498,891	313,755	5.71%	5,498,891	5,136,619	265,361	5.17%	5,152,891	222,496	4.32%	
Fire Department	7,465,775	346,318	4.64%	7,465,775	7,418,568	358,623	4.83%	7,320,268	332,973	4.55%	
Police Department	10,587,026	605,681	5.72%	10,587,026	10,310,683	552,589	5.36%	10,183,891	593,776	5.83%	
Community Development	1,344,556	45,871	3.41%	1,344,556	1,301,472	55,871	4.29%	1,366,437	70,075	5.13%	
Library	1,256,520	98,825	7.86%	1,256,520	1,284,083	127,598	9.94%	1,275,554	104,815	8.22%	
Recreation	5,969,515	211,841	3.55%	5,969,515	5,835,640	197,314	3.38%	5,727,968	215,968	3.77%	
Debt Service	2,075,204	150,194	7.24%	2,075,204	1,860,827	1,250	0.07%	1,805,208	1,250	0.07%	
Contingency	90,000	29,363	32.63%	90,000	48,138	300	0.62%	160,578	4,198	2.61%	
Total Expenditures	40,430,513	2,113,627	5.23%	40,430,513	38,915,143	1,875,922	4.82%	38,997,977	1,846,573	4.74%	
Excess revenues over (under) expenditures	(3,006,408)	1,618,493	-53.83%	(3,006,408)	(2,519,209)	1,566,575		(2,531,088)	1,823,130		
Net transfers in (out)	2,519,204	1,466,241	58.20%	2,519,204	1,456,224	1,854,433	127.35%	663,282	968,682	146.04%	
Total Fund Balance	\$ 7,670,310	\$ 11,256,706	146.76%	\$ 7,684,768	\$ 8,171,972	\$ 12,655,965	154.87%	\$ 9,234,957	\$ 13,894,575	150.46%	

Fund Balance Analysis

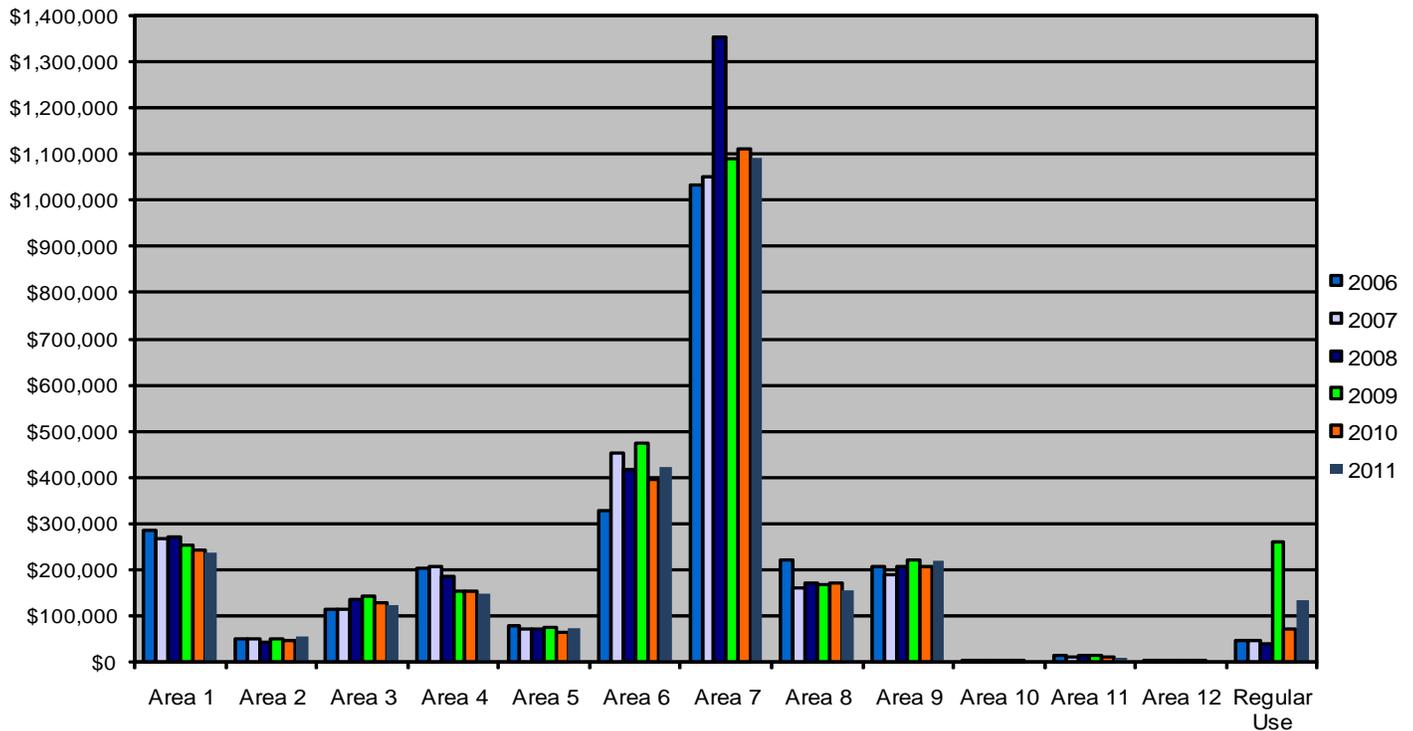
Total Fund Balance	\$ 7,670,310	\$ 11,256,706	\$ 7,684,768	\$ 8,171,972	\$ 9,234,957
Reserves/designations:					
-Emergencies (TABOR)	1,170,000	1,170,000	1,170,000	1,170,000	1,280,000
-LTAR	2,713,467	2,083,467	2,713,467	2,083,467	3,485,143
-MOA	-	-	-	-	39,200
-COPS Grant	298,512	298,512	298,512	298,512	-
Unreserved/undesignated Fund Balance	\$ 3,488,331	\$ 7,704,727	\$ 3,502,789	\$ 4,619,993	\$ 4,430,614
Potential reserves/designations	-	-	-	-	-
Estimated unres/undesignated Fund Balance	\$ 3,488,331	\$ 7,704,727	\$ 3,502,789	\$ 4,619,993	\$ 4,430,614
As a percentage of projected revenues	9.32%	9.36%	12.69%	12.15%	
As a percentage of budgeted revenues	9.32%	9.36%			
Target	3,742,411	-	5,613,616		

Sales & Use Tax Collections Year-to-Date Comparison for the month of January 2011

Cash Basis

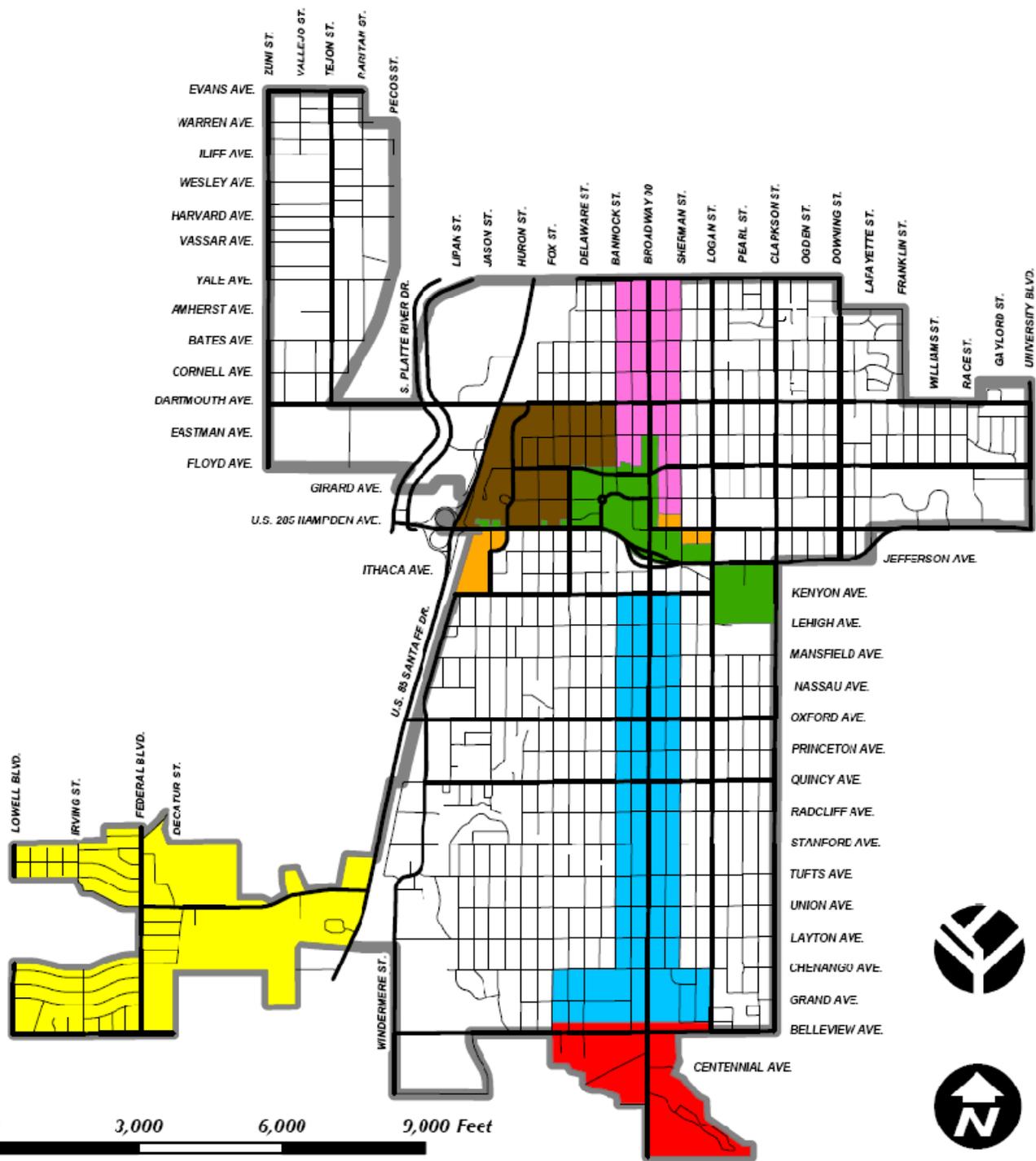
	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change
Area 1	285,288	0.08%	269,175	-5.65%	270,518	0.50%	252,180	-6.31%	242,884	-10.22%	236,180	-2.76%
Area 2	50,019	-3.38%	48,901	-2.24%	42,735	-12.61%	49,946	2.14%	46,994	9.96%	55,050	17.14%
Area 3	112,858	4.21%	115,123	2.01%	136,795	18.83%	144,347	25.39%	128,061	-6.39%	124,308	-2.93%
Area 4	202,177	3.23%	207,926	2.84%	187,229	-9.95%	154,100	-25.89%	153,350	-18.09%	147,924	-3.54%
Area 5	80,238	1.18%	70,439	-12.21%	73,429	4.25%	76,404	8.47%	64,306	-12.42%	73,057	13.61%
Area 6	329,623	-9.27%	453,069	37.45%	417,640	-7.82%	473,984	4.62%	394,740	-5.48%	423,828	7.37%
Area 7	1,034,227	-6.21%	1,052,675	1.78%	1,355,126	28.73%	1,090,778	3.62%	1,111,175	-18.00%	1,090,992	-1.82%
Area 8	221,009	26.82%	159,909	-27.65%	173,106	8.25%	167,948	5.03%	172,348	-0.44%	155,901	-9.54%
Area 9	205,991	-0.49%	189,919	-7.80%	207,867	9.45%	220,511	16.11%	207,319	-0.26%	220,812	6.51%
Area 10	3,662	166.52%	3,650	-0.33%	1,929	-47.16%	1,829	-49.90%	1,559	-19.16%	1,988	27.50%
Area 11	13,644	-30.99%	12,705	-6.88%	13,860	9.09%	13,145	3.46%	12,266	-11.50%	10,226	-16.63%
Area 12	1,607	1573.96%	1,286	-19.98%	2,249	74.86%	2,115	64.43%	1,888	-16.03%	2,175	15.21%
Regular Use	47,958	-0.09%	45,879	-4.34%	40,573	-11.56%	260,970	468.82%	70,606	74.02%	134,788	90.90%
Total	2,588,301	-1.84%	2,630,656	1.64%	2,923,058	11.12%	2,908,256	10.55%	2,607,496	-10.80%	2,677,231	2.67%
Refunds	0	-100.00%	264	---	8,916	3276.05%	0	-100.00%	14,740	65.32%	3,004	-79.62%
Audit & Collections												
Revenue*	6,553	-11.59%	75,808	1056.84%	158,450	109.02%	203,633	28.52%	1,425	-99.10%	98,570	6817.21%
*included Above												
Unearned Sales Tax	650,000	-7.14%	650,000	0.00%	650,000	0.00%	600,000	-7.69%	600,000	-7.69%	600,000	0.00%
Building Use	405,440	1434.54%	470,260	15.99%	260,087	-44.69%	7,080	-97.28%	36,873	-85.82%	20,178	-45.28%
Vehicle Use	119,635	8.88%	109,259	-8.67%	114,464	4.76%	83,585	-26.98%	87,440	-23.61%	70,687	-19.16%

January YTD Collections by Area 2006-2011



Area Descriptions

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



City of Englewood, Colorado: Sales Tax Areas

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

Areas Not Depicted on Map:

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

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