



City of Englewood

To: Mayor Woodward and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: March 9, 2011
Subject: February 2011 Financial Report

Summary of the February 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 February 2011, the City of Englewood collected **\$6,244,660 or \$632,581 or 11.3 percent more** than last year (See the chart on page 3 and the attached full report for detail on changes in revenue in past year). Part of the increase is due to the change in intergovernmental revenue (\$225,343) from 2010 to 2011. 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) and from an increase in sales and use tax revenue in 2011 over 2010.
- The City collected \$32,511 in property and \$24,715 in specific ownership tax through February.
- **Year-to-date sales and use tax revenues were \$4,304,059 or \$430,059 more than February 2010.** The majority of this increase (\$332,000) is due to the receipt of one-time sales/use tax revenue from a few taxpayers and a (\$56,000) refund in 2010 that did not occur in 2011.
- Cigarette tax collections were down \$372 compared to last year.
- Franchise fee collections were \$15,191 less than last year.
- Licenses and permit collections were \$7,903 more than 2010.
- Intergovernmental revenues were \$300,714 more than the prior year.
- Charges for services increased \$21,886 from last year.
- Recreation revenues increased \$18,805 from 2010.
- Fines and forfeitures were \$44,516 less than last year.
- Investment income was \$53,707 less than last year.
- Miscellaneous revenues were \$10,739 less than last year.

OUTSIDE CITY:

- Outside City sales and use taxes were up \$257,519 or 18.2 percent compared to last year, \$243,000 of this increase is due to the receipt of one-time use tax revenue from a few taxpayers.
- 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 \$550,000.

CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through February 2011 were \$384,343 (2.8 percent) less than the \$395,502 collected during the same period in 2010.

EXPENDITURES:

- Expenditures through February were \$4,754,021 or \$88,558 (1.9 percent) more than the \$4,665,463 expended through February 2010.
- The City refunded \$7,976 in sales and use tax claims through February.

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 \$3,663,147 or 9.79 percent of estimated revenues.

TRANSFERS:

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

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures \$1,490,639 through February 2011.

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$115,354 in revenues and spent \$2,940,593 year-to-date. Estimated year-end fund balance is 124,868. Based on a 5 Yr Average approximately 26% of building use tax and 17% of vehicle use tax is collected through February.

City of Englewood, Colorado

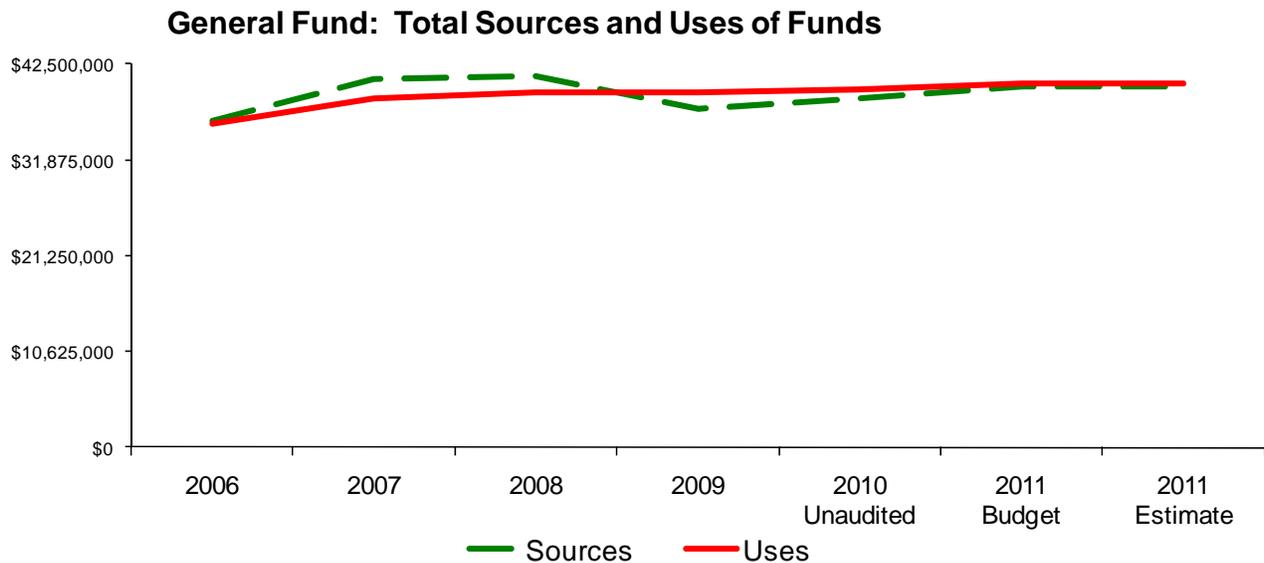
February 2011 Financial Report

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.



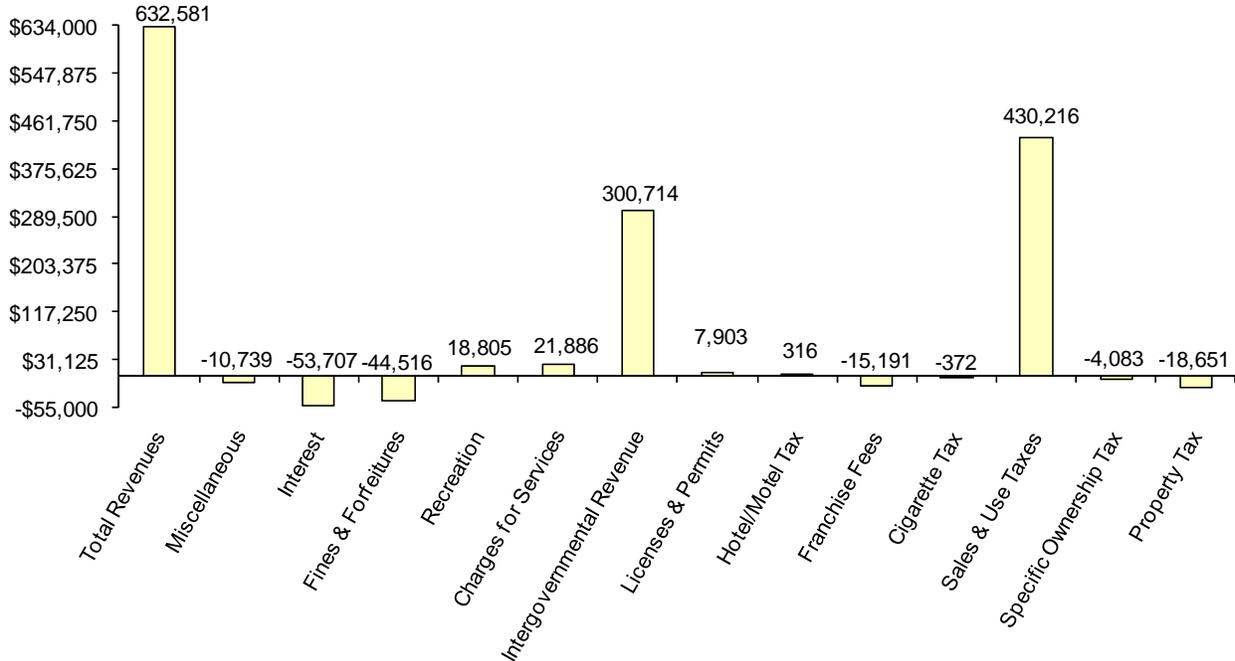
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended February, 2011. Comparative figures for years 2010 and 2009 are presented as well. The table also highlights the dollar and percentage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

	2011	2011 vs 2010 Increase (Decrease)		2010	2010 vs 2009 Increase (Decrease)		2009
General Fund							
Year-To-Date Revenues	\$ 6,244,660	\$ 632,581	11.27%	\$ 5,612,079	\$ (529,429)	(8.62%)	\$ 6,141,508
Year-To-Date Expenditures	4,754,021	\$ 88,558	1.90%	4,665,463	\$ (41,131)	(.87%)	4,706,594
Net Revenues (Expenditures)	\$ 1,490,639	\$ 544,023		\$ 946,616	\$ (488,298)		\$ 1,434,914
Estimated Unreserved/ Undesignated Fund Balance	\$ 3,663,147	\$ (1,020,152)	(21.78%)	\$ 4,683,299	\$ (210,478)	(4.30%)	\$ 4,893,777
Sales & Use Tax Revenue YTD	\$ 4,304,059	\$ 430,216	11.11%	\$ 3,873,843	\$ (469,004)	(10.80%)	\$ 4,342,847
Outside City Sales & Use Tax YTD	\$ 1,669,442	\$ 257,519	18.24%	\$ 1,411,923	\$ (101,350)	(6.70%)	\$ 1,513,273

General Fund Revenues

The City of Englewood's total budgeted revenue is \$37,424,105. Total revenues collected through February 2011 were \$6,244,660 or \$632,581 (11.3 percent) more than was collected in 2010. The chart below illustrates changes in General Fund revenues this year compared to last year.

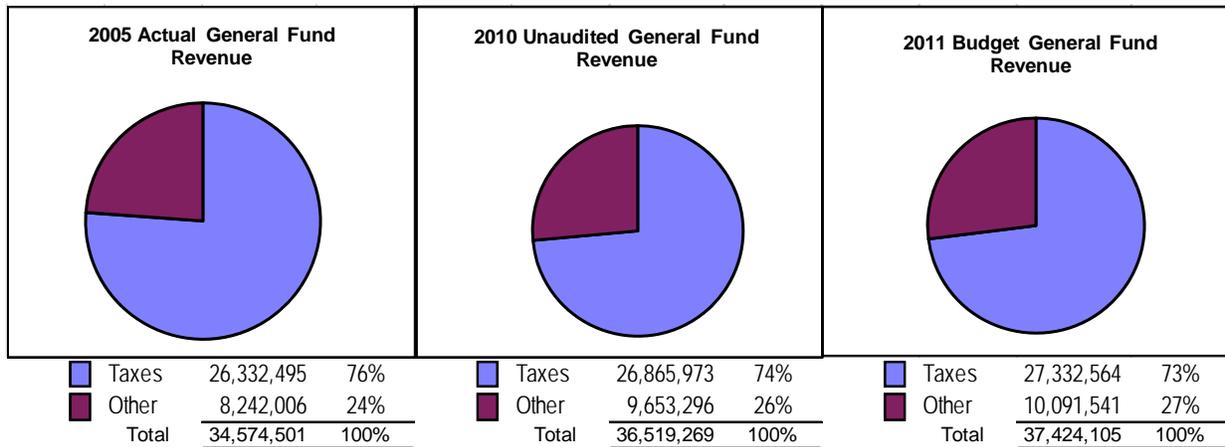
2011 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



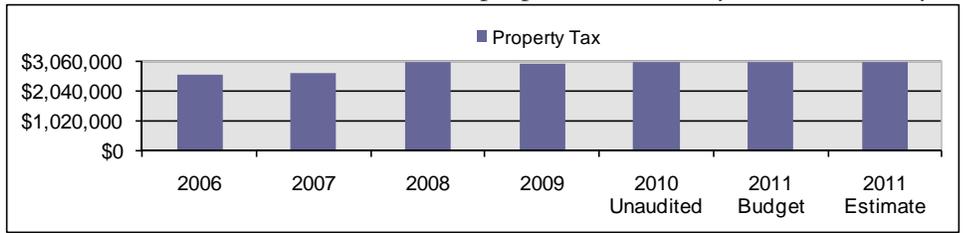
General Fund Taxes

The General Fund obtains most of its revenue from taxes. In 2010 total unaudited revenues were \$36,519,269 of which \$26,815,973 (73.5 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.

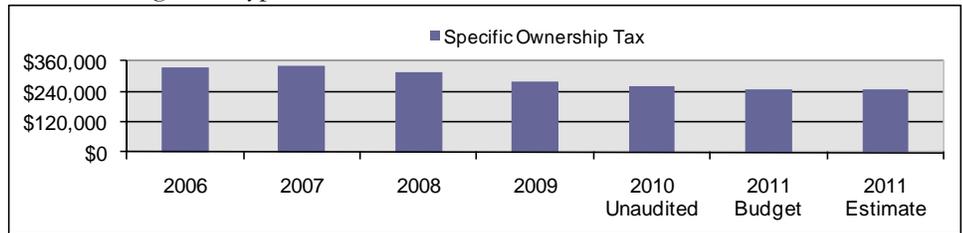
General Fund Revenues Taxes vs. Other



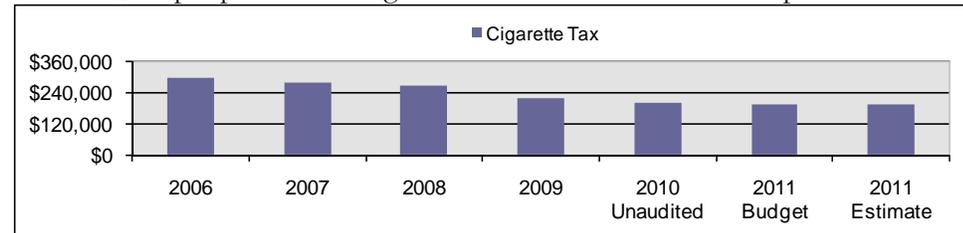
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter 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 collected \$32,511 through February 2011.



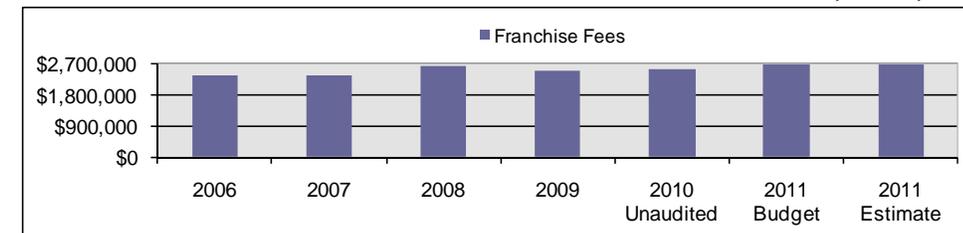
Specific ownership: These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc. These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$333,018 in 2006 and \$263,434 in 2010 which 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 collected \$24,715 through February 2011.



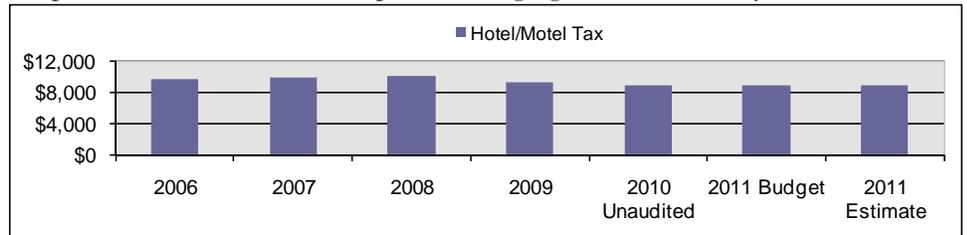
Cigarette Taxes: The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen *significantly* in the past and continue to 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 \$32,380 through February 2011, which is \$372 or 1.1 percent less than the \$32,752 collected through February 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 \$2,620,191 in 2010, an increase of \$258,191 or 10.9 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 February totaled \$275,192 compared to \$290,383 collected during the same period last year.

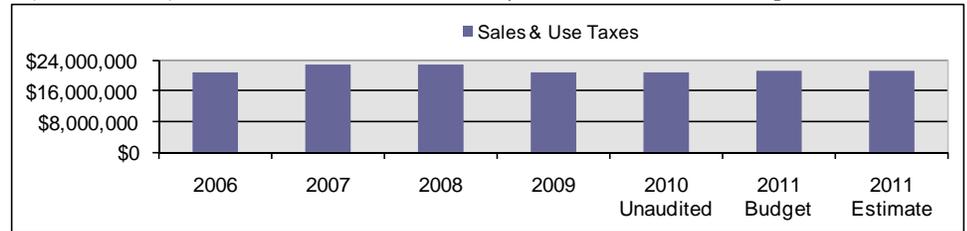


Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,713 for the year and has collected \$1,486 through February 2011.



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 \$20,756,337, an increase of less than one 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 February 2011 was \$4,307,798 while revenue year-to-date for February 2010 was \$3,873,843, an increase of \$430,216.

Collections for February 2011 were \$1,630,567 while collections for February 2010 and February 2009 were \$1,369,094 and \$1,473,617 respectively. February 2011 collections were \$261,473 or 19.1 percent more than February 2010 and \$156,890 or 10.7 percent more than 2009 collections.

Outside City sales and use tax collections year to date is \$1,676,943 an increase of approximately \$265,000 over 2010 of which \$243,000 is due to the receipt of one-time sales and use tax receipts from taxpayers.

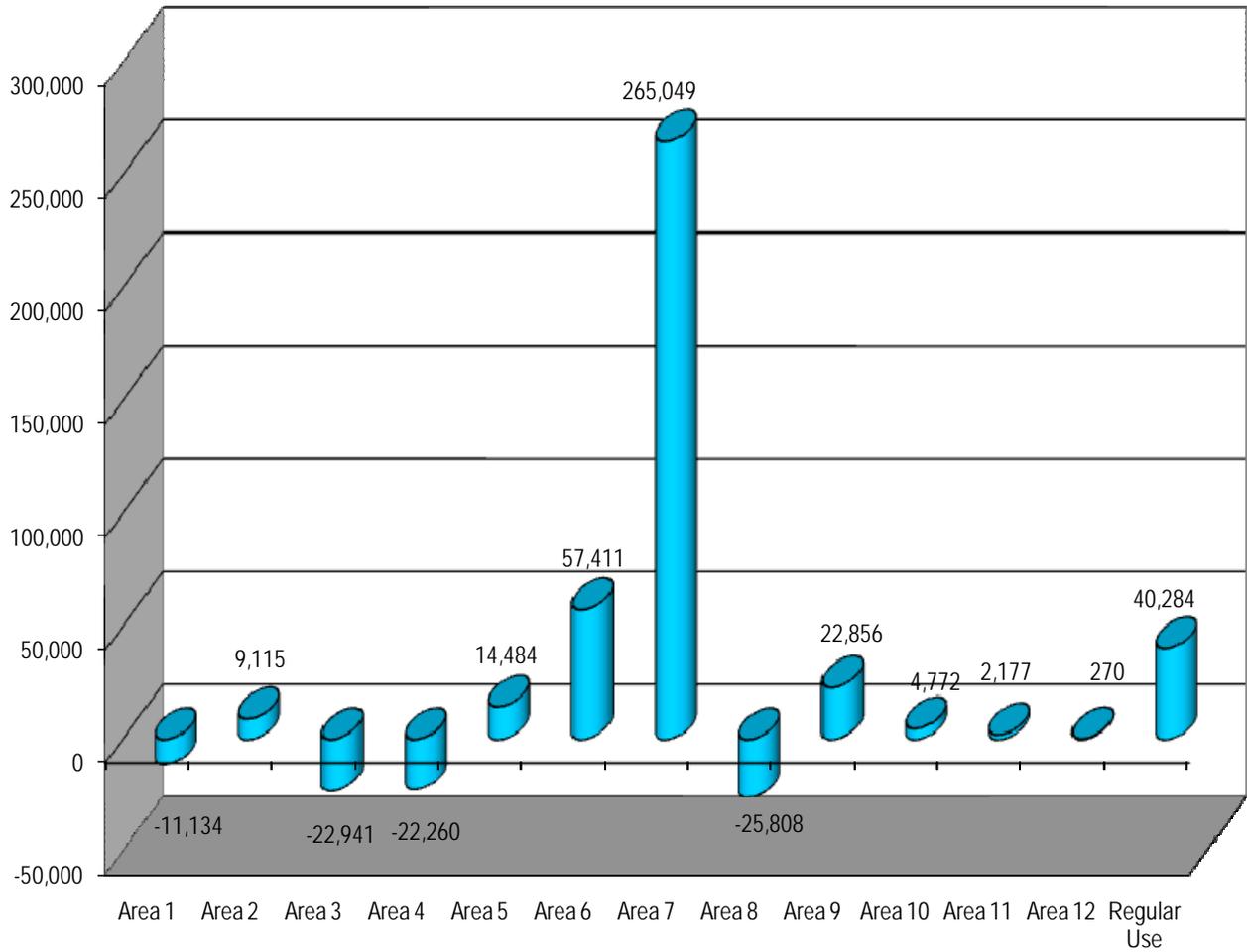
Based on historical sales tax collections, the City of Englewood collects 20 percent of total year's sales tax collections through February; if this pattern holds this year, 80 percent is left to collect over the next ten months. Based on February's collections, the City will collect an additional \$17,231,192 over the next ten months for a total of \$21,538,990.

The City collected 108.2 percent of last year; if this pattern holds for the entire year the City could collect \$22,351,203 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.

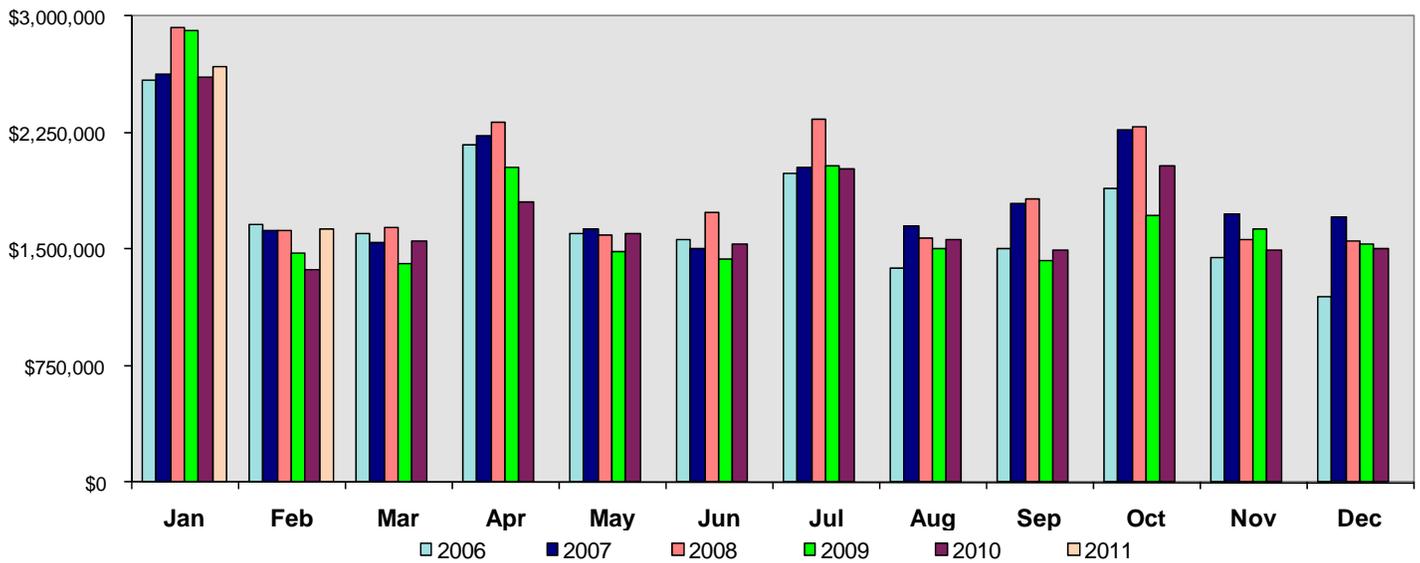
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2011 vs. 2010" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Economic conditions, judged by sales tax collections, appears to be a "mixed bag" with some geographic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

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



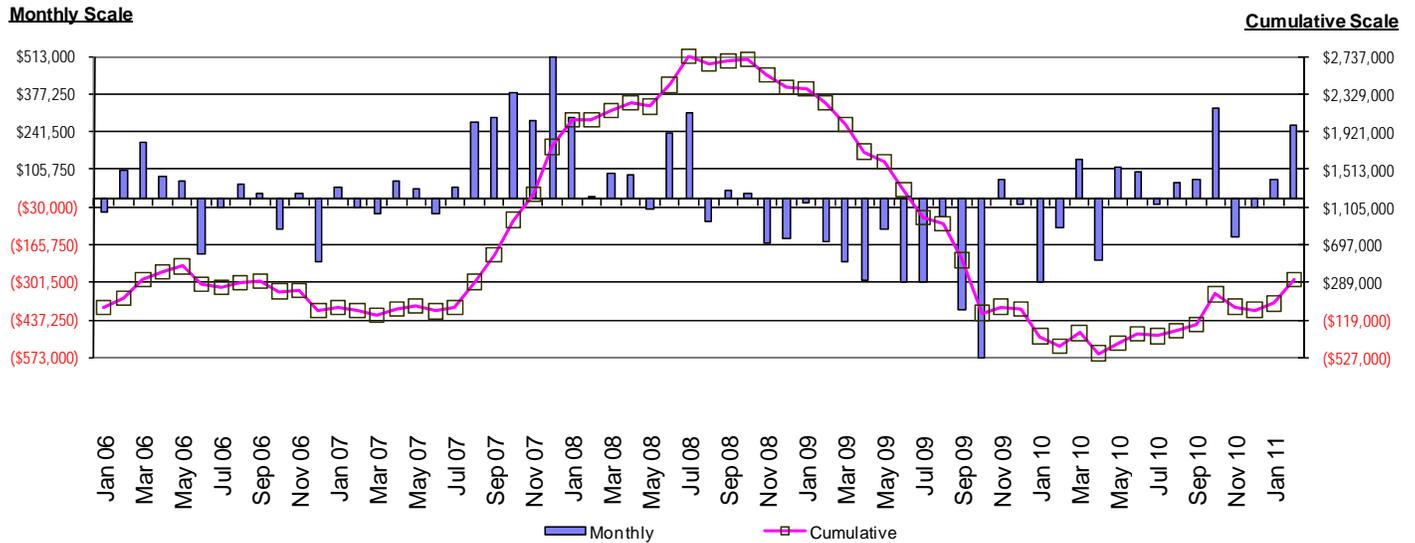
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

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



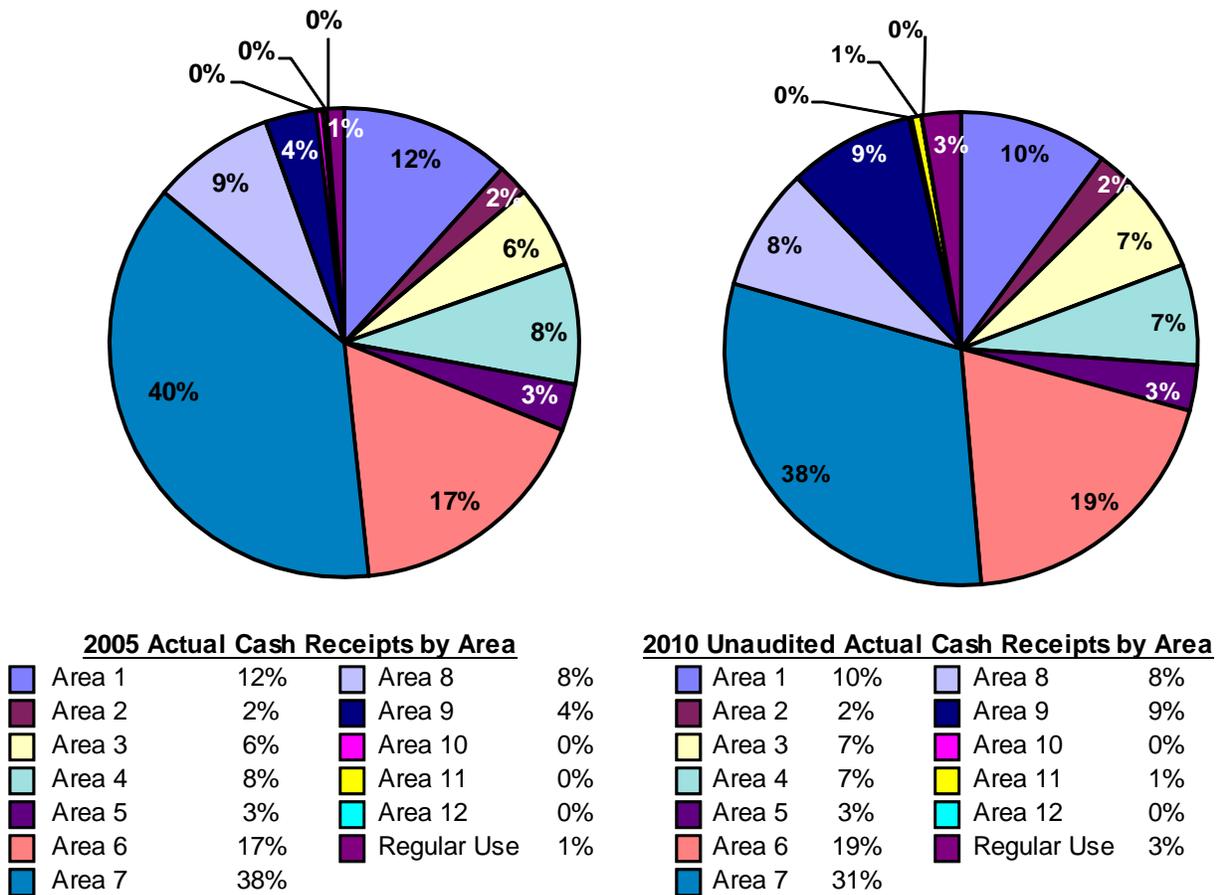
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

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



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 \$384,343 year-to-date 2011, in 2010, the City collected \$395,502.

Area 6: This geographic area is up 9.7 percent from last year. \$72,000 of the increase is due to an audit receipt in January 2011.

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 February. 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	4,251,336	4,548,816	4,381,873	3,976,590	4,307,798
Outside City Collections	1,515,413	1,858,814	1,513,273	1,411,923	1,669,442
Percentage of Total	35.6%	40.9%	42.4%	38.1%	32.8%
Total General Fund Revenues	5,974,452	3,584,914	6,141,508	5,612,079	6,244,660
Outside City Collections	1,515,413	1,858,814	1,513,273	1,411,923	1,669,442
Percentage of Revenues	25.4%	51.9%	24.6%	25.2%	26.7%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$600,000 to cover intercity claims. The City paid \$7,976 in refunds including intercity sales/use tax claims through February 2011 compared to \$74,921 through February 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 February were down \$25,808 or 7.3 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 \$99,734 in sales and use tax audit revenues and general collections of balances on account through the month of February; this compares to \$30,558 collected in 2010 and \$271,936 collected in 2009.

Of the 78 sales tax accounts reviewed in the various geographic areas, 42 (54 percent) showed improved collections and 36 (46 percent) showed reduced collections this year compared to the same period last year.

The Department issued 58 new sales tax licenses through February 2011; 65 and 53 were issued through February 2010 and 2009 respectively.

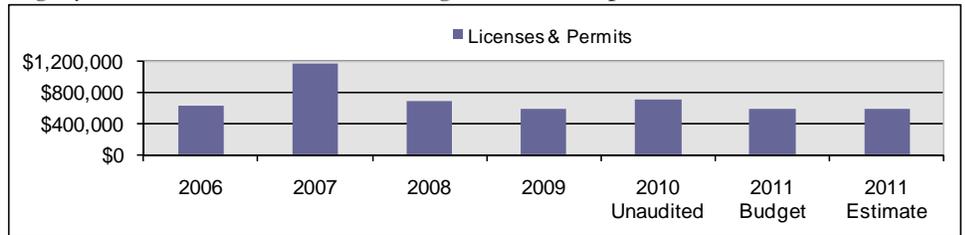
City records indicate that year-to-date 30 businesses closed (21 of them were outside the physical limits of Englewood) and 58 opened (44 of them were outside the physical limits of Englewood).

General Fund Other Revenue

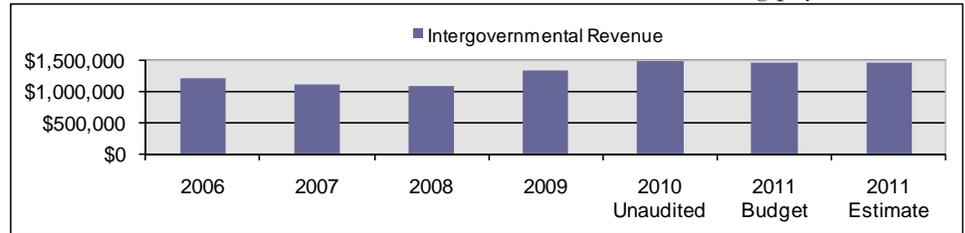
Other revenues accounted for \$9,653,296 or 26.5 percent of the total revenues for 2010; the City budgeted \$10,091,541 for 2011.

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

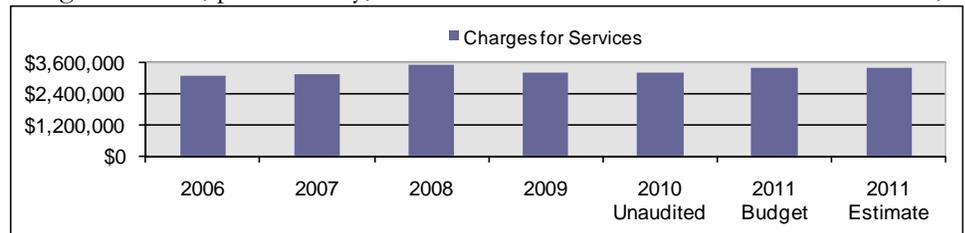
Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated \$695,663 during 2010 or 1.9 percent of total revenue and 6.8 percent of total other revenue. This revenue source totaled \$623,945 in 2006 and decreased to \$695,663 in 2010, an 11.5 percent increase. The City budgeted \$575,100 for 2011 and year-to-date the City collected \$96,547 or 7,903 (8.9 percent) more than the \$88,644 collected through February 2010.



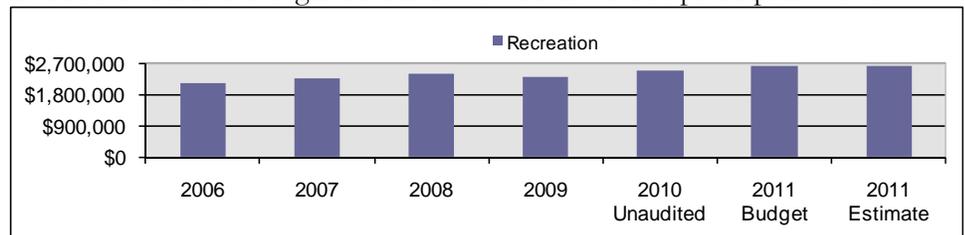
Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,459,564 for 2011. This revenue source totaled \$1,193,863 in 2006 and the City collected \$1,465,970 in 2010, a 22.7 percent increase. The City collected \$445,426 through February 2011 this is \$300,714 (207.8 percent) more than the \$144,712 collected in the same period in 2010.



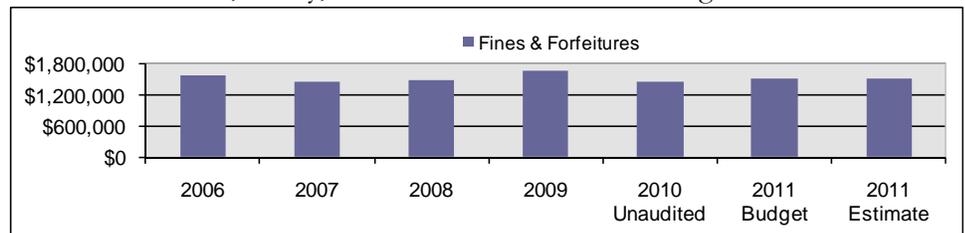
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,318,587 for 2011. This revenue source totaled \$3,053,106 in 2006 and increased to \$3,169,823 in 2010, a 3.8 percent increase. Total collected year-to-date was \$545,772 or \$21,886 (4.2 percent) more than the \$523,886 collected year-to-date in 2010.



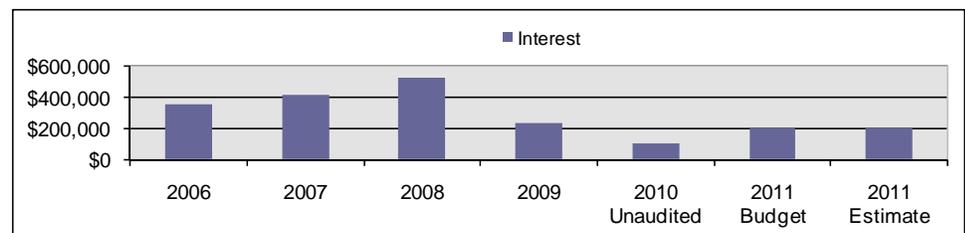
Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,587,653 for 2011. This revenue source totaled \$2,099,202 in 2006 and increased to \$2,489,781 in 2010, an 18.6 percent increase. Total collections through February 2011 were \$240,410 compared to \$221,605 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 \$210,403 or \$44,516 (17.5 percent) less than the \$254,919 collected in the same time period last year.

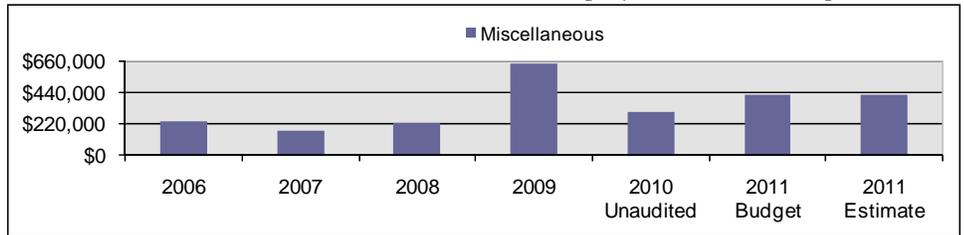


Interest: This is the amount earned on the City's cash investments. The 2010 budget for this source is \$372,611. This revenue source totaled \$353,575 in 2006 and decreased to \$100,544 in 2010, a 71.6 percent



decrease. The City lost \$1,805 through February 2011; the City earned \$48,303 through February 2009. The decrease is due to an adjustment for the change in the February 2011 investment market valuation.

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 \$293,658 in 2010, a 27.9 percent decrease. Total collected year-to-date is \$37,564 (22.2 percent) less compared to the \$48,303 collected last year during the same period.



General Fund Expenditures

Outcome Based Budgeting

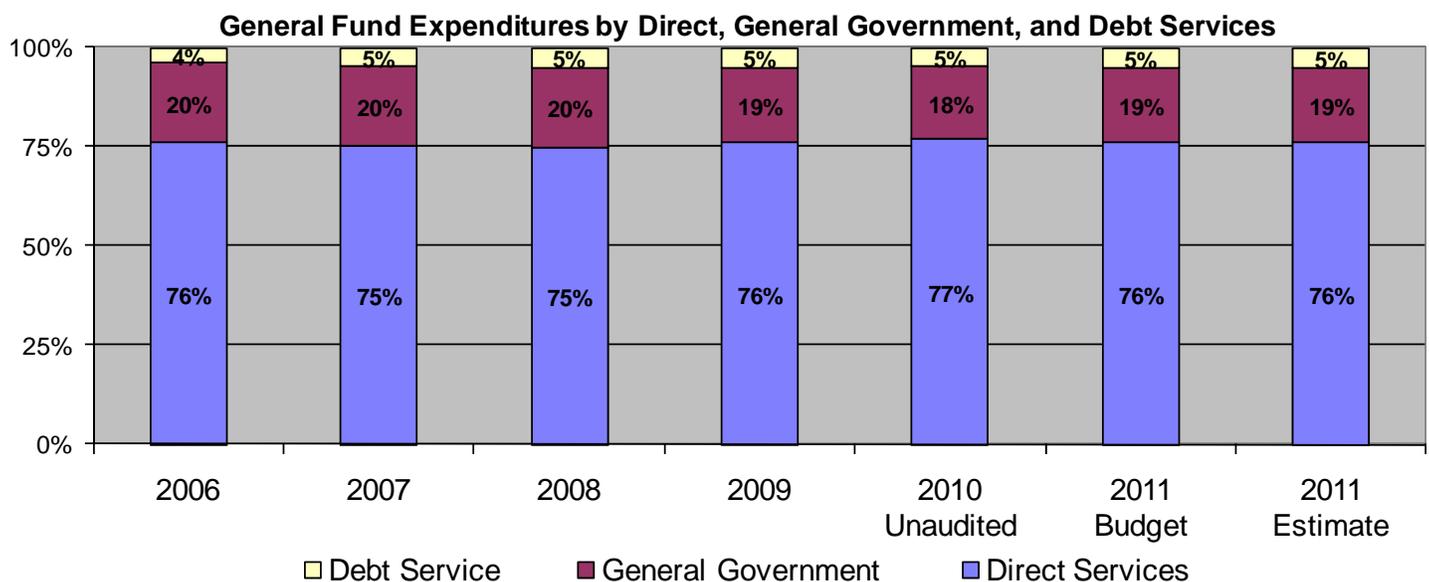
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 \$38,925,172 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 February were \$4,754,021 compared to \$4,665,463 in 2010 and \$4,706,594 in 2009.

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

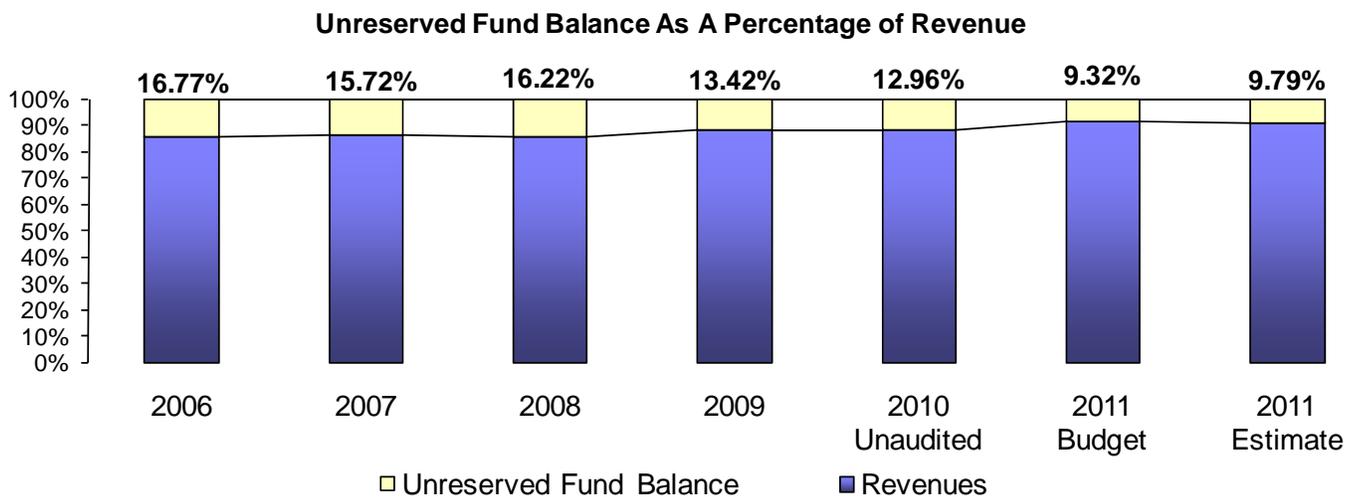
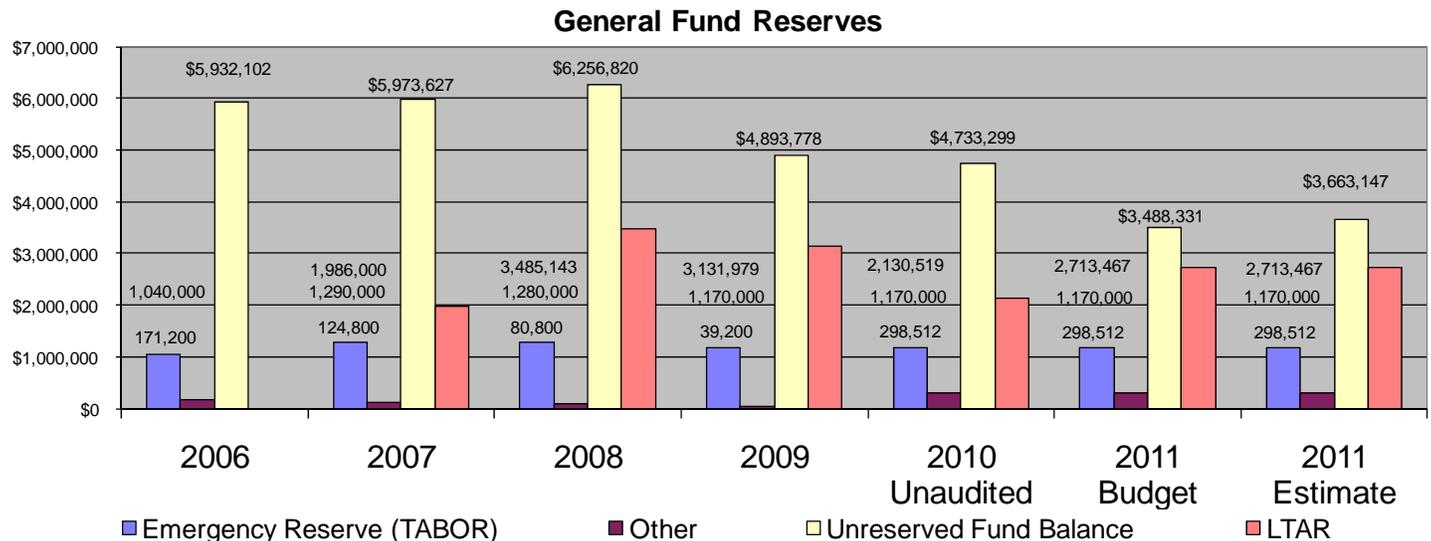


General Fund Reserves

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 February 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 \$4,733,299 or 12.84 percent of (unaudited) revenues. The 2011 estimate shows an unaudited ending fund balance of \$3,663,147 or 9.79 percent of revenues or 8.94 percent of budgeted expenditures. The \$3,663,147 would allow the City to operate for approximately 33.1 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	\$ 115,354	\$ (14,187)	(10.95%)	\$ 129,541	\$ (205,727)	(61.36%)	\$ 335,268
YTD Expenditures	2,940,593	\$ 1,404,345	91.41%	1,536,248	\$ (859,156)	(35.87%)	2,395,404
Net Revenues (Expenditures)	\$ (2,825,239)	\$ (1,418,532)		\$ (1,406,707)	\$ 653,429		\$ (2,060,136)
Beginning PIF Fund Balance	\$ 2,686,457			\$ 1,515,399			\$ 1,067,525
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ (138,782)			\$ 108,692			\$ (992,611)
Plus: Remaining Annual Revenue	1,493,217			1,542,914			3,113,379
Less: Remaining Annual Appropriation	(1,229,567)			(1,495,609)			(1,869,382)
Estimated Ending Fund Balance	\$ 124,868			\$ 155,997			\$ 251,386
Unappropriated Fund Balance as of December 31,				\$ 440,771			\$ 339,405

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 YTD Actual
				\$	%		\$	%	
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ 65,437	\$ 6,250	11%	\$ 59,188	\$ (32,480)	-35%	\$ 91,668
Building Use Tax	\$ 400,000	\$ 400,000	\$ 49,658	\$ (15,338)	-24%	\$ 64,997	\$ 40,482	165%	\$ 24,515
Arapahoe County Road and Bridge Tax	\$ 191,000	\$ 191,000	\$ -	\$ -	---	\$ -	\$ -	---	\$ -

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%.

2011 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	8,275,662	6,244,660	4,754,022	(2,504,121)	3,599,031	3,663,147
Special Revenue Funds						
Conservation Trust	1,052,255	(16)	5,921	(947,402)	-	98,916
Open Space	1,072,979	2	48,192	(687,370)	-	337,419
Donors	167,852	9,326	2,157	-	-	175,021
Community Development	-	18,057	26,771	8,714	-	-
Malley Center Trust	291,667	170	-	-	-	291,837
Parks & Recreation Trust	449,303	(7)	2,279	-	-	447,018
Debt Service Fund						
General Obligation Bond	9,616	11,800	3,193	-	-	18,223
Capital Projects Funds						
PIF	2,686,457	195,646	49,045	(2,708,191)	-	124,868
MYCP	1,061,738	(171)	51,894	(1,051,913)	-	(42,239)
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	7,050,934	523,715	1,198,033	-	-	6,376,615
Sewer	6,792,828	2,296,978	2,019,606	-	1,000,000	6,070,199
Stormwater Drainage	903,814	83,122	11,226	-	137,818	837,892
Golf Course	713,451	50,909	110,789	-	293,500	360,071
Concrete Utility	277,905	111,388	40,576	-	-	348,716
Housing Rehabilitation	404,633	24,441	19,383	-	-	409,690
Internal Service Funds						
Central Services	234,309	49,522	40,006	(100,000)	-	143,825
ServiCenter	902,008	373,391	259,165	(100,000)	-	916,233
CERF	728,781	117,312	-	-	-	846,093
Employee Benefits	210,918	704,786	1,158,365	(200,000)	59,431	(502,092)
Risk Management	1,201,929	8,851	377,713	(546,000)	-	287,067

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.

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 February 28, 2011

Percentage of Year Completed = 17%

<i>Fund Balance January 1</i>	\$ 8,157,514	\$ 8,332,330	\$ 8,332,330	\$ 9,234,957	\$ 9,234,957	\$ 11,102,763	\$ 11,102,763			
<i>Revenues</i>	2011				2010			2009		
	Budget	Feb-11	% Budget	YE Estimate	Dec-10	Feb-10	% YTD	Dec-09	Feb-09	% YTD
Property Tax	3,017,000	32,511	1.08%	3,017,000	3,020,884	51,162	1.69%	2,971,303	35,594	1.20%
Specific Ownership Tax	250,000	24,715	9.89%	250,000	263,434	28,798	10.93%	276,415	28,554	10.33%
Sales & Use Taxes	21,216,000	4,304,059	20.29%	21,216,000	20,756,337	3,873,843	18.66%	20,624,659	4,342,847	21.06%
Cigarette Tax	190,000	32,380	17.04%	190,000	196,320	32,752	16.68%	218,448	37,362	17.10%
Franchise Fees	2,650,851	275,192	10.38%	2,650,851	2,620,191	290,383	11.08%	2,452,611	279,201	11.38%
Hotel/Motel Tax	8,713	1,486	17.05%	8,713	8,807	1,170	13.28%	9,141	1,609	17.60%
Licenses & Permits	575,100	96,547	16.79%	575,100	695,563	88,644	12.74%	588,303	81,091	13.78%
Intergovernmental Revenue	1,459,564	445,426	30.52%	1,459,564	1,465,970	144,712	9.87%	1,333,688	84,799	6.36%
Charges for Services	3,338,567	545,772	16.35%	3,338,567	3,169,823	523,886	16.53%	3,163,735	505,366	15.97%
Recreation	2,587,653	240,410	9.29%	2,587,653	2,489,781	221,605	8.90%	2,315,598	236,413	10.21%
Fines & Forfeitures	1,509,150	210,403	13.94%	1,509,150	1,437,957	254,919	17.73%	1,639,678	271,963	16.59%
Interest	200,000	(1,805)	-0.90%	200,000	100,544	51,902	51.62%	229,999	39,238	17.06%
Miscellaneous	421,507	37,564	8.91%	421,507	293,658	48,303	16.45%	643,311	197,471	30.70%
Total Revenues	37,424,105	6,244,660	16.69%	37,424,105	36,519,269	5,612,079	15.37%	36,466,889	6,141,508	16.84%
Expenditures										
Legislation	346,120	40,596	11.73%	346,120	309,870	57,079	18.42%	346,045	72,950	21.08%
City Attorney	762,518	80,666	10.58%	762,518	702,228	100,549	14.32%	678,038	81,056	11.95%
Court	999,105	103,684	10.38%	999,105	901,469	106,604	11.83%	914,493	116,687	12.76%
City Manager	664,732	115,013	17.30%	664,732	659,882	115,815	17.55%	674,170	128,379	19.04%
Human Resources	481,102	43,116	8.96%	481,102	419,422	43,504	10.37%	456,275	51,351	11.25%
Financial Services	1,550,906	167,164	10.78%	1,550,906	1,445,582	175,081	12.11%	1,575,924	183,079	11.62%
Information Technology	1,338,543	188,816	14.11%	1,338,543	1,280,660	151,243	11.81%	1,360,237	146,510	10.77%
Public Works	5,498,891	690,312	12.55%	5,498,891	5,137,363	670,049	13.04%	5,152,891	642,659	12.47%
Fire Department	7,465,775	916,362	12.27%	7,465,775	7,425,903	873,957	11.77%	7,320,268	856,527	11.70%
Police Department	10,587,026	1,368,882	12.93%	10,587,026	10,312,633	1,339,644	12.99%	10,183,891	1,328,552	13.05%
Community Development	1,344,556	129,915	9.66%	1,344,556	1,301,472	138,313	10.63%	1,366,437	168,023	12.30%
Library	1,256,520	184,104	14.65%	1,256,520	1,284,083	225,786	17.58%	1,275,554	226,669	17.77%
Recreation	5,969,515	541,622	9.07%	5,969,515	5,835,640	546,346	9.36%	5,727,968	579,061	10.11%
Debt Service	2,075,204	151,444	7.30%	2,075,204	1,860,827	120,893	6.50%	1,805,208	120,893	6.70%
Contingency	90,000	32,325	35.92%	90,000	48,138	600	1.25%	160,578	4,198	2.61%
Total Expenditures	40,430,513	4,754,021	11.76%	40,430,513	38,925,172	4,665,463	11.99%	38,997,977	4,706,594	12.07%
Excess revenues over (under) expenditures	(3,006,408)	1,490,639	-49.58%	(3,006,408)	(2,405,903)	946,616		(2,531,088)	1,434,914	
Net transfers in (out)	2,519,204	1,453,565	57.70%	2,519,204	1,503,276	1,864,433	124.02%	663,282	968,682	146.04%
Total Fund Balance	\$ 7,670,310	\$ 11,276,534	147.02%	\$ 7,845,126	\$ 8,332,330	\$ 12,046,006	144.57%	\$ 9,234,957	\$ 13,506,359	146.25%

Fund Balance Analysis

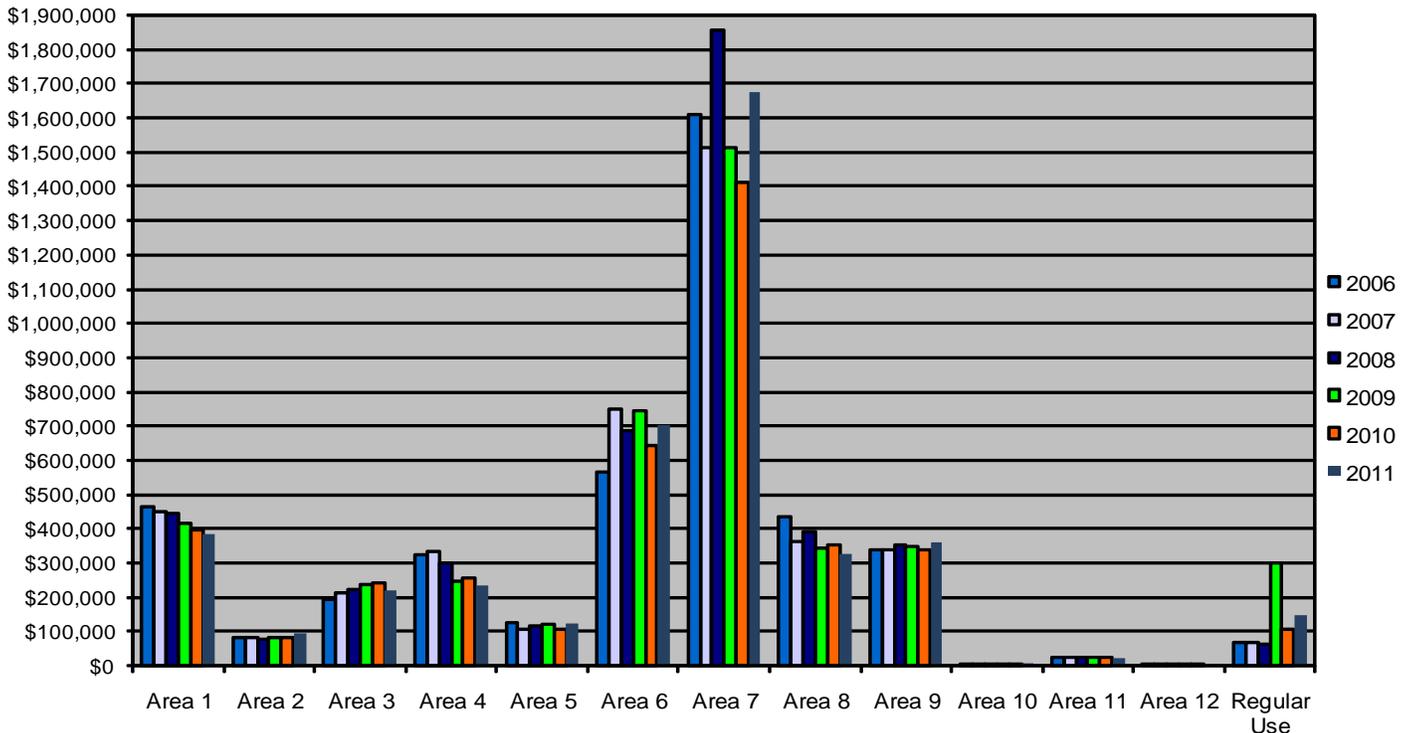
Total Fund Balance	\$ 7,670,310	\$ 11,276,534	\$ 7,845,126	\$ 8,332,330	\$ 9,234,957
Reserves/designations:					
-Emergencies (TABOR)	1,170,000	1,170,000	1,170,000	1,170,000	1,170,000
-LTAR	2,713,467	2,130,519	2,713,467	2,130,519	3,131,980
-MOA	-	-	-	-	39,200
-COPS Grant	298,512	298,512	298,512	298,512	-
Unreserved/undesignated Fund Balance	\$ 3,488,331	\$ 7,677,503	\$ 3,663,147	\$ 4,733,299	\$ 4,893,777
Potential reserves/designations	-	-	-	-	-
Estimated unres/undesignated Fund Balance	\$ 3,488,331	\$ 7,677,503	\$ 3,663,147	\$ 4,733,299	\$ 4,893,777
As a percentage of projected revenues	9.32%	9.32%	9.79%	12.96%	13.42%
As a percentage of budgeted revenues	9.32%	9.32%	9.79%		
Target	3,742,411	-	5,613,616		

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

Cash Basis

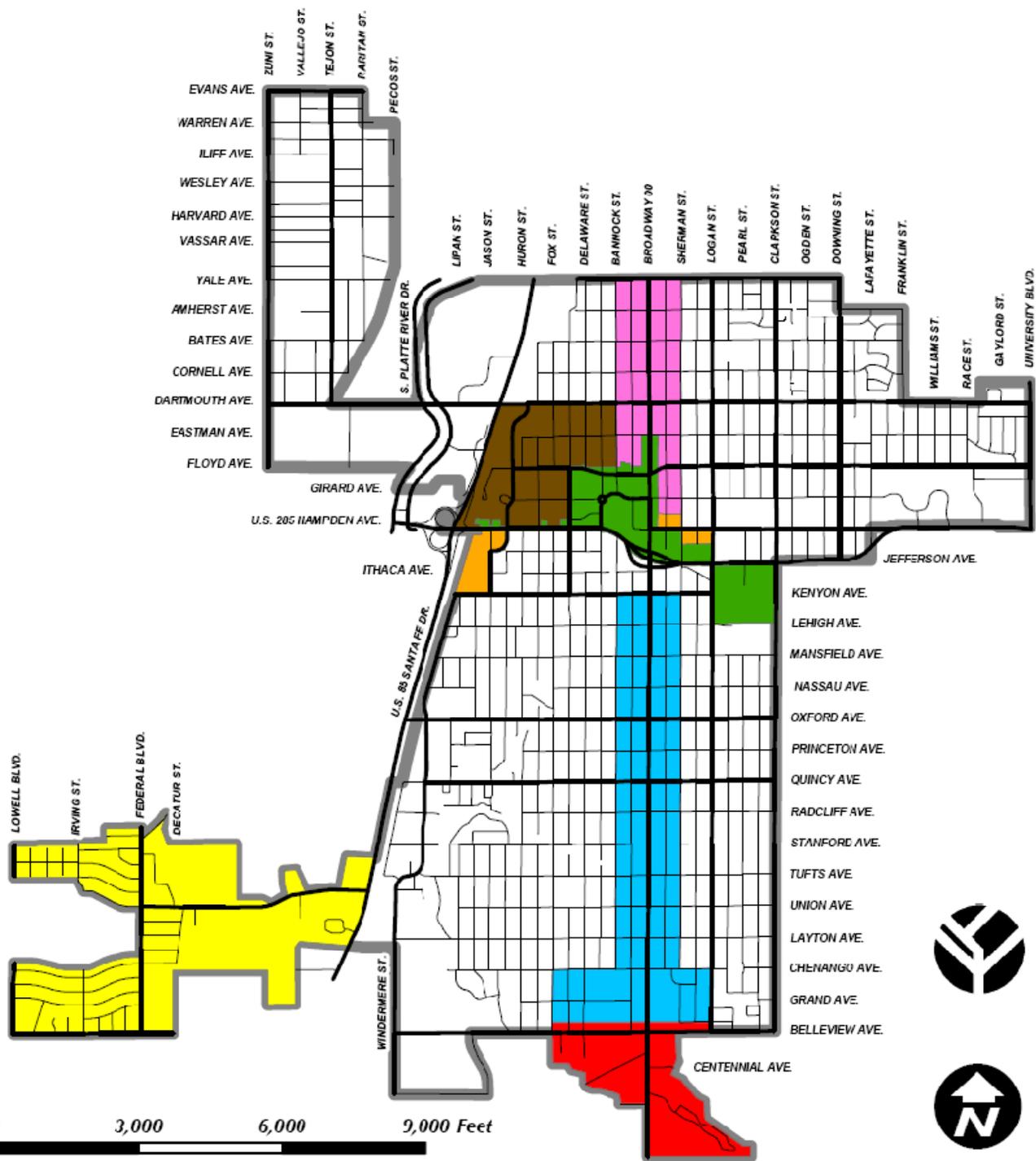
	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change
Area 1	466,819	1.15%	452,495	-3.07%	444,451	-1.78%	414,645	-8.36%	395,502	-11.01%	384,368	-2.82%
Area 2	82,156	2.00%	81,240	-1.11%	79,073	-2.67%	81,351	0.14%	84,944	7.43%	94,059	10.73%
Area 3	194,514	-2.11%	213,813	9.92%	222,140	3.89%	239,646	12.08%	244,685	10.15%	221,744	-9.38%
Area 4	325,101	4.44%	333,365	2.54%	302,300	-9.32%	246,995	-25.91%	256,622	-15.11%	234,362	-8.67%
Area 5	126,317	2.58%	107,891	-14.59%	117,650	9.04%	122,545	13.58%	108,316	-7.93%	122,800	13.37%
Area 6	568,266	-4.73%	747,460	31.53%	689,255	-7.79%	744,704	-0.37%	644,635	-6.47%	702,046	8.91%
Area 7	1,609,675	-0.72%	1,515,413	-5.86%	1,858,814	22.66%	1,513,273	-0.14%	1,411,923	-24.04%	1,676,973	18.77%
Area 8	434,142	21.23%	361,463	-16.74%	390,303	7.98%	342,173	-5.34%	353,992	-9.30%	328,184	-7.29%
Area 9	338,272	0.12%	339,894	0.48%	351,339	3.37%	348,363	2.49%	339,839	-3.27%	362,696	6.73%
Area 10	5,022	45.44%	5,017	-0.10%	3,323	-33.77%	3,129	-37.63%	2,878	-13.37%	7,650	165.78%
Area 11	24,108	-29.05%	22,784	-5.49%	25,094	10.14%	24,523	7.63%	22,655	-9.72%	24,832	9.61%
Area 12	1,607	813.07%	1,477	-8.09%	2,284	54.61%	2,154	45.81%	1,941	-15.02%	2,210	13.90%
Regular Use	67,403	9.39%	69,024	2.40%	62,791	-9.03%	298,374	332.28%	108,657	73.05%	148,941	37.08%
Total	4,243,402	1.32%	4,251,336	0.19%	4,548,816	7.00%	4,381,873	3.07%	3,976,590	-12.58%	4,310,866	8.41%
Refunds	3,154	-87.63%	41,280	1208.76%	44,336	7.40%	468	-98.94%	74,921	68.99%	7,976	-89.35%
Audit & Collections Revenue*	61,363	-45.39%	119,034	93.98%	172,401	44.83%	271,936	57.73%	30,558	-82.28%	99,834	226.71%
*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	456,464	386.01%	500,236	9.59%	282,710	-43.48%	24,514	-91.33%	51,565	-81.76%	49,658	-3.70%
Vehicle Use	212,765	-3.82%	225,930	6.19%	219,298	-2.94%	175,252	-20.08%	146,625	-33.14%	136,125	-7.16%

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



City of Englewood, Colorado: Sales Tax Areas

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

Areas Not Depicted on Map:

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

<http://www.cienglewood.co.us/englewood/englewoodmap.pdf>