



City of Englewood

**To:** Mayor Woodward and City Council  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** April 14, 2011  
**Subject:** (First Quarter) 2011 Financial Report

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### Summary of the March 2011 General Fund Financial Report

**Some of the 2010 numbers in this report may change due to the financial audit in progress.**

#### REVENUES:

- Through March 2011, the City of Englewood collected **\$9,353,300 or \$467,324 or 5.3 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 \$561,471 in property and \$43,737 in specific ownership tax through March.
- **Year-to-date sales and use tax revenues were \$5,930,297 or \$379,563 more than March 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 \$3,093 compared to last year.
- Franchise fee collections were \$47 less than last year.
- Licenses and permit collections were \$16,057 less than 2010.
- Intergovernmental revenues were \$306,063 more than the prior year.
- Charges for services increased \$17,983 from last year.
- Recreation revenues increased \$49,125 from 2010.
- Fines and forfeitures were \$71,929 less than last year.
- Investment income was \$48,408 less than last year.
- Miscellaneous revenues were \$11,189 less than last year.

#### OUTSIDE CITY:

- Outside City sales and use taxes were up \$462,331 or 26.4 percent compared to last year, \$357,000 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 March 2011 were \$542,301 (2.28 percent) less than the \$554,978 collected during the same period in 2010.

#### EXPENDITURES:

- Expenditures through March were \$8,641,085 or \$119,995 (1.4 percent) less than the \$8,761,080 expended through March 2010. The City refunded \$7,976 in sales and use tax claims through March.

#### RESERVES:

- The unreserved/undesignated reserves for 2011 are estimated at \$3,845,496 or 10.28 percent of projected revenues. The 2011 estimated Long Term Asset Reserve (LTAR) balance is \$2,713,467 (please refer to page 12).

#### TRANSFERS:

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

#### REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures \$712,215 through March 2011.

#### PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$221,512 in revenues and spent \$2,945,084 year-to-date. Estimated year-end fund balance is \$125,619. Based on a 5 Yr Average approximately 26% of building use tax and 17% of vehicle use tax is collected through March.

# General Fund Comparative Revenue, Expenditure & Fund Balance Report

## as of December 31, 2010

**Percentage of Year Completed = 100%**

| Fund Balance January 1                    | \$ 8,518,581        | \$ 9,234,957        | \$ 9,234,957   | \$ 11,102,763       | \$ 11,102,763       | \$ 9,374,427        | \$ 9,374,427   |                      |                      |                |
|---|---------------------|---------------------|----------------|---------------------|---------------------|---------------------|----------------|----------------------|----------------------|----------------|
| Revenues                                  | 2010                |                     |                |                     | 2009                |                     |                | 2008                 |                      |                |
|   | Budget              | Dec-10              | % Budget       | YE Estimate         | Dec-09              | Dec-09              | % YTD          | Dec-08               | Dec-08               | % YTD          |
| Property Tax                              | 3,046,000           | 3,020,884           | 99.18%         | 3,046,000           | 2,971,303           | 2,971,303           | 100.00%        | 2,995,990            | 2,995,990            | 100.00%        |
| Specific Ownership Tax                    | 350,000             | 263,434             | 75.27%         | 250,000             | 276,415             | 276,415             | 100.00%        | 316,242              | 316,242              | 100.00%        |
| Sales & Use Taxes                         | 22,300,000          | 20,866,515          | 93.57%         | 20,800,000          | 20,624,659          | 20,624,659          | 100.00%        | 22,617,767           | 22,617,767           | 100.00%        |
| Cigarette Tax                             | 250,000             | 196,320             | 78.53%         | 200,000             | 218,448             | 218,448             | 100.00%        | 261,743              | 261,743              | 100.00%        |
| Franchise Fees                            | 2,650,851           | 2,620,191           | 98.84%         | 2,650,851           | 2,452,611           | 2,452,611           | 100.00%        | 2,588,214            | 2,588,214            | 100.00%        |
| Hotel/Motel Tax                           | 8,713               | 8,806               | 101.07%        | 8,713               | 9,141               | 9,141               | 100.00%        | 10,078               | 10,078               | 100.00%        |
| Licenses & Permits                        | 573,300             | 695,563             | 121.33%        | 675,000             | 588,303             | 588,303             | 100.00%        | 671,384              | 671,384              | 100.00%        |
| Intergovernmental Revenue                 | 1,198,327           | 1,465,970           | 122.33%        | 1,398,500           | 1,333,688           | 1,333,688           | 100.00%        | 1,092,701            | 1,092,701            | 100.00%        |
| Charges for Services                      | 3,318,587           | 3,254,830           | 98.08%         | 3,100,000           | 3,163,735           | 3,163,735           | 100.00%        | 3,452,946            | 3,452,946            | 100.00%        |
| Recreation                                | 2,625,194           | 2,489,781           | 94.84%         | 2,568,636           | 2,315,598           | 2,315,598           | 100.00%        | 2,364,758            | 2,364,758            | 100.00%        |
| Fines & Forfeitures                       | 1,426,801           | 1,437,957           | 100.78%        | 1,509,150           | 1,639,678           | 1,639,678           | 100.00%        | 1,461,100            | 1,461,100            | 100.00%        |
| Interest                                  | 372,611             | 100,545             | 26.98%         | 150,000             | 229,999             | 229,999             | 100.00%        | 520,325              | 520,325              | 100.00%        |
| Miscellaneous                             | 412,581             | 293,658             | 71.18%         | 300,000             | 643,311             | 643,311             | 100.00%        | 226,270              | 226,270              | 100.00%        |
| <b>Total Revenues</b>                     | <b>38,532,965</b>   | <b>36,714,454</b>   | <b>95.28%</b>  | <b>36,656,850</b>   | <b>36,466,889</b>   | <b>36,466,889</b>   | <b>100.00%</b> | <b>38,579,518</b>    | <b>38,579,518</b>    | <b>100.00%</b> |
| <b>Expenditures</b>                       |                     |                     |                |                     |                     |                     |                |                      |                      |                |
| Legislation                               | 359,314             | 309,870             | 86.24%         | 358,957             | 346,045             | 346,045             | 100.00%        | 350,254              | 350,254              | 100.00%        |
| City Attorney                             | 767,546             | 702,228             | 91.49%         | 804,282             | 678,038             | 678,038             | 100.00%        | 698,563              | 698,563              | 100.00%        |
| Court                                     | 1,005,723           | 901,469             | 89.63%         | 1,000,079           | 914,493             | 914,493             | 100.00%        | 915,303              | 915,303              | 100.00%        |
| City Manager                              | 668,633             | 659,882             | 98.69%         | 668,899             | 674,170             | 674,170             | 100.00%        | 674,323              | 674,323              | 100.00%        |
| Human Resources                           | 504,898             | 419,421             | 83.07%         | 481,195             | 456,275             | 456,275             | 100.00%        | 579,137              | 579,137              | 100.00%        |
| Financial Services                        | 1,684,000           | 1,445,581           | 85.84%         | 1,551,641           | 1,575,924           | 1,575,924           | 100.00%        | 1,626,571            | 1,626,571            | 100.00%        |
| Information Technology                    | 1,342,948           | 1,280,660           | 95.36%         | 1,345,363           | 1,360,237           | 1,360,237           | 100.00%        | 1,280,156            | 1,280,156            | 100.00%        |
| Public Works                              | 5,497,881           | 5,137,364           | 93.44%         | 5,370,285           | 5,152,891           | 5,152,891           | 100.00%        | 5,189,173            | 5,189,173            | 100.00%        |
| Fire Department                           | 7,407,551           | 7,425,903           | 100.25%        | 7,470,249           | 7,320,268           | 7,320,268           | 100.00%        | 7,215,443            | 7,215,443            | 100.00%        |
| Police Department                         | 10,469,333          | 10,312,633          | 98.50%         | 10,250,000          | 10,183,891          | 10,183,891          | 100.00%        | 9,974,925            | 9,974,925            | 100.00%        |
| Community Development                     | 1,457,667           | 1,301,473           | 89.28%         | 1,388,503           | 1,366,437           | 1,366,437           | 100.00%        | 1,464,725            | 1,464,725            | 100.00%        |
| Library                                   | 1,352,221           | 1,284,083           | 94.96%         | 1,342,938           | 1,275,554           | 1,275,554           | 100.00%        | 1,261,112            | 1,261,112            | 100.00%        |
| Recreation                                | 6,034,770           | 5,811,809           | 96.31%         | 6,002,086           | 5,727,968           | 5,727,968           | 100.00%        | 5,916,449            | 5,916,449            | 100.00%        |
| Debt Service                              | 2,004,456           | 1,860,827           | 92.83%         | 1,864,122           | 1,805,208           | 1,805,208           | 100.00%        | 1,809,306            | 1,809,306            | 100.00%        |
| Contingency                               | 60,000              | 48,139              | 80.23%         | 60,000              | 160,578             | 160,578             | 100.00%        | 59,759               | 59,759               | 100.00%        |
| <b>Total Expenditures</b>                 | <b>40,616,941</b>   | <b>38,901,342</b>   | <b>95.78%</b>  | <b>39,958,599</b>   | <b>38,997,977</b>   | <b>38,997,977</b>   | <b>100.00%</b> | <b>39,015,199</b>    | <b>39,015,199</b>    | <b>100.00%</b> |
| Excess revenues over (under) expenditures | (2,083,976)         | (2,186,888)         | 104.94%        | (3,301,749)         | (2,531,088)         | (2,531,088)         |                | (435,681)            | (435,681)            |                |
| Net transfers in (out)                    | 1,844,433           | 1,446,610           | 78.43%         | 1,456,099           | 663,282             | 663,282             | 100.00%        | 2,164,017            | 2,164,017            | 100.00%        |
| <b>Total Fund Balance</b>                 | <b>\$ 8,279,038</b> | <b>\$ 8,494,679</b> | <b>102.60%</b> | <b>\$ 7,389,307</b> | <b>\$ 9,234,957</b> | <b>\$ 9,234,957</b> | <b>100.00%</b> | <b>\$ 11,102,763</b> | <b>\$ 11,102,763</b> | <b>100.00%</b> |

| Fund Balance Analysis                     |                     |                     |                     |                     |                     |  |  |  |  |  |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|--|--|--|--|--|
| Total Fund Balance                        | \$ 8,279,038        | \$ 8,494,679        | \$ 7,389,307        | \$ 9,234,957        | \$ 11,102,763       |  |  |  |  |  |
| Reserves/designations:                    |                     |                     |                     |                     |                     |  |  |  |  |  |
| -Emergencies (TABOR)                      | 1,280,000           | 1,150,000           | 1,170,000           | 1,170,000           | 1,280,000           |  |  |  |  |  |
| -LTAR                                     | 2,821,631           | 2,130,520           | 2,083,467           | 3,131,979           | 3,485,143           |  |  |  |  |  |
| -MOA                                      | -                   | -                   | -                   | 39,200              | 80,800              |  |  |  |  |  |
| -COPS Grant                               | 298,512             | 298,512             | 298,512             | -                   | -                   |  |  |  |  |  |
| Unreserved/undesignated Fund Balance      | <b>\$ 3,878,895</b> | <b>\$ 4,915,647</b> | <b>\$ 3,837,328</b> | <b>\$ 4,893,778</b> | <b>\$ 6,256,820</b> |  |  |  |  |  |
| Potential reserves/designated             | -                   | -                   | -                   | -                   | -                   |  |  |  |  |  |
| Estimated unres/undesignated Fund Balance | <b>\$ 3,878,895</b> | <b>\$ 4,915,647</b> | <b>\$ 3,837,328</b> | <b>\$ 4,893,778</b> | <b>\$ 6,256,820</b> |  |  |  |  |  |
| As a percentage of projected revenues     | 10.58%              | 13.39%              | 10.45%              | 13.42%              | 16.22%              |  |  |  |  |  |
| As a percentage of budgeted revenues      | 10.07%              | 12.76%              | 9.96%               |                     |                     |  |  |  |  |  |
| Target                                    | 3,853,297           | -                   | 5,779,945           |                     |                     |  |  |  |  |  |

# City of Englewood, Colorado

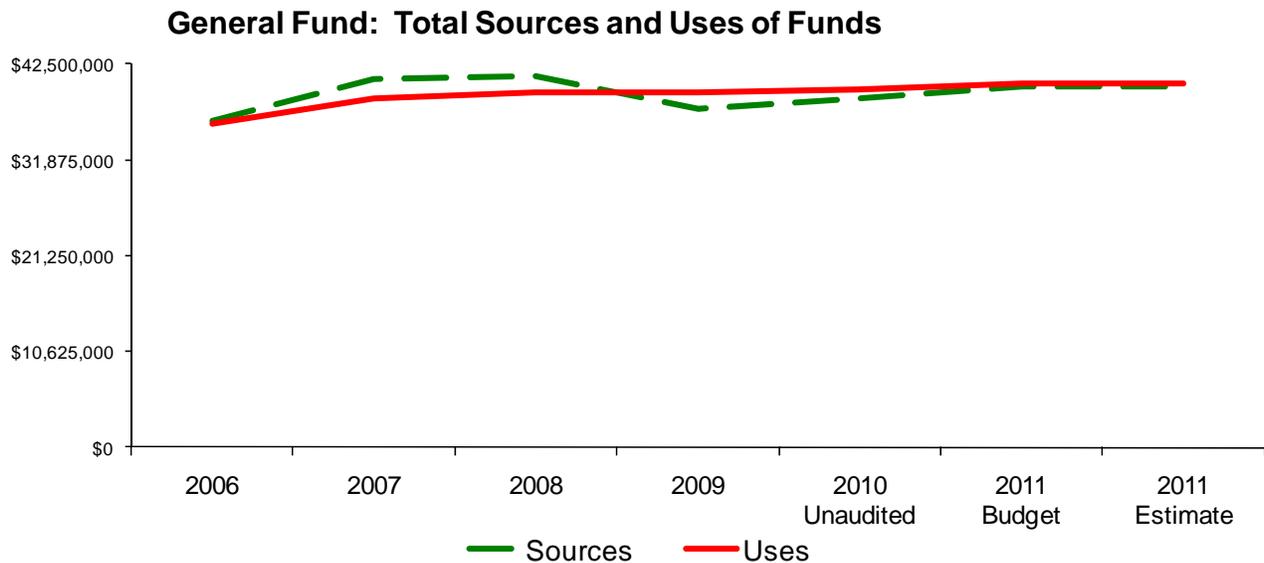
## March 2011 Financial Report

### 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.



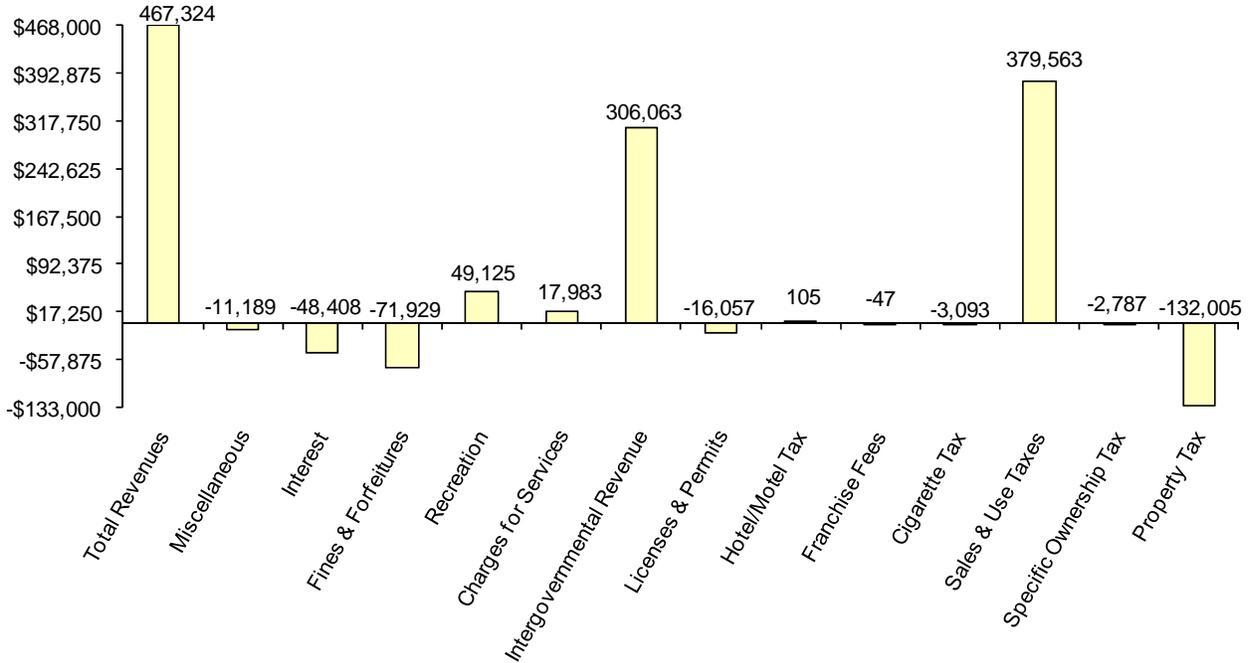
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended March, 2011. Comparative figures for years 2010 and 2009 are presented as well. The table also highlights the dollar and percentage changes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

|  | 2011         | 2011 vs 2010<br>Increase (Decrease) |          | 2010         | 2010 vs 2009<br>Increase (Decrease) |          | 2009         |
|--|--------------|-------------------------------------|----------|--------------|-------------------------------------|----------|--------------|
| <b>General Fund</b>                                |              |                                     |          |              |                                     |          |              |
| Year-To-Date Revenues                              | \$ 9,353,300 | \$ 467,324                          | 5.26%    | \$ 8,885,976 | \$ (77,695)                         | (.87%)   | \$ 8,963,671 |
| Year-To-Date Expenditures                          | 8,641,085    | \$ (119,995)                        | (1.37%)  | 8,761,080    | \$ 171,096                          | 1.99%    | 8,589,984    |
| Net Revenues (Expenditures)                        | \$ 712,215   | \$ 587,319                          |          | \$ 124,896   | \$ (248,791)                        |          | \$ 373,687   |
| Estimated Unreserved/<br>Undesignated Fund Balance | \$ 3,845,496 | \$ (1,070,151)                      | (21.77%) | \$ 4,915,647 | \$ 21,870                           | .45%     | \$ 4,893,777 |
| Sales & Use Tax Revenue YTD                        | \$ 5,930,297 | \$ 379,563                          | 6.84%    | \$ 5,550,734 | \$ (242,999)                        | (4.19%)  | \$ 5,793,733 |
| Outside City Sales & Use Tax YTD                   | \$ 1,883,374 | \$ 130,196                          | 7.43%    | \$ 1,753,178 | \$ (462,331)                        | (20.87%) | \$ 2,215,509 |

**General Fund Revenues**

The City of Englewood’s total budgeted revenue is \$37,424,105. Total revenues collected through March 2011 were \$9,353,300 or \$467,324 (5.3 percent) more than was collected in 2010. The chart below illustrates changes in General Fund revenues this year compared to last year.

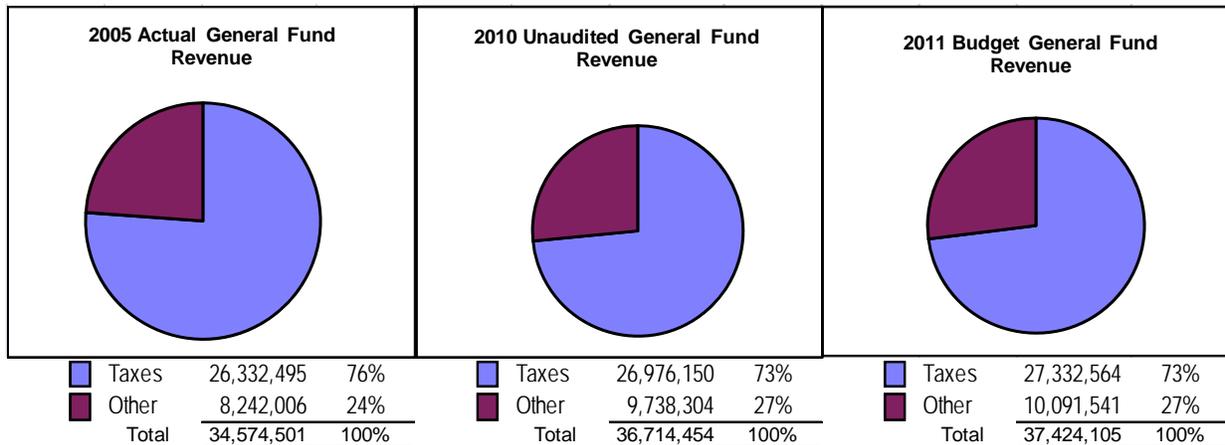
**2011 Year-To-Date Change in General Fund Revenue as Compared to Prior Year**



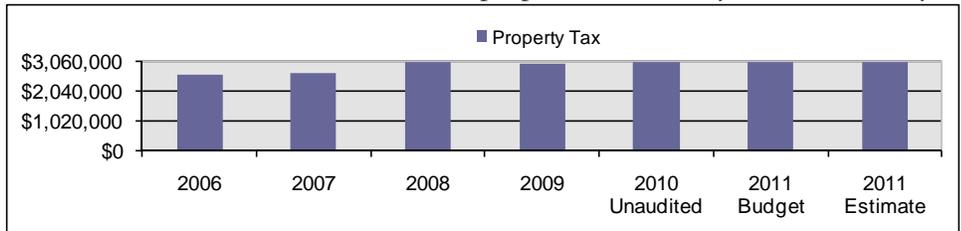
**General Fund Taxes**

The General Fund obtains most of its revenue from taxes. In 2010 total unaudited revenues were \$36,714,454 of which \$26,976,150 (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**



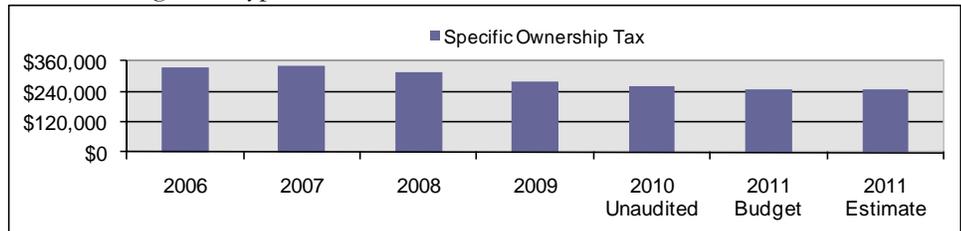
**Property taxes:** These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A 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 11.2 percent of 2010 total taxes and 8.2 percent of total revenues from property taxes. The City budgeted \$3,017,000 for 2011; and collected \$561,471 through March 2011.

**Specific ownership:** These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc.

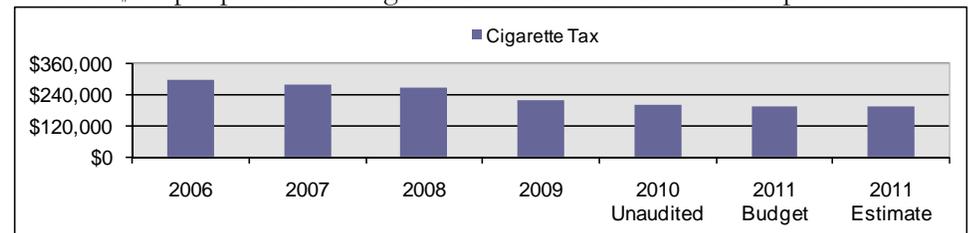
These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$333,018 in 2006 and \$263,434 in 2010 which is a decrease of \$69,584 or 20.9 percent. The City collected \$263,434 in 2010 which is less than one percent of total revenues and one percent of total taxes. The City budgeted \$250,000 for 2011 and collected \$43,737 through March 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.

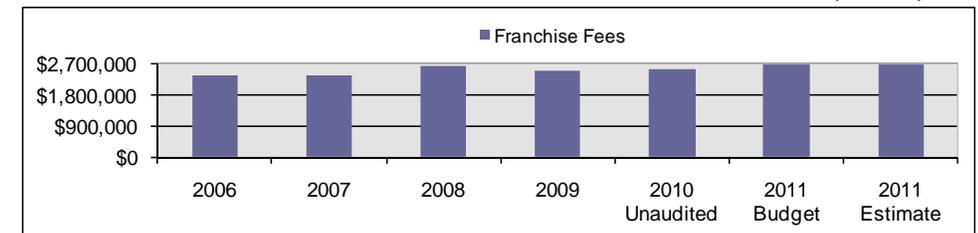
These taxes have fallen *significantly* in the past and continue to fall after the 2009 federal tax increase of approximately \$.62 per pack went into effect.

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 \$47,194 through March 2011, which is \$3,093 or 6.2 percent less than the \$50,287 collected through March 2010.



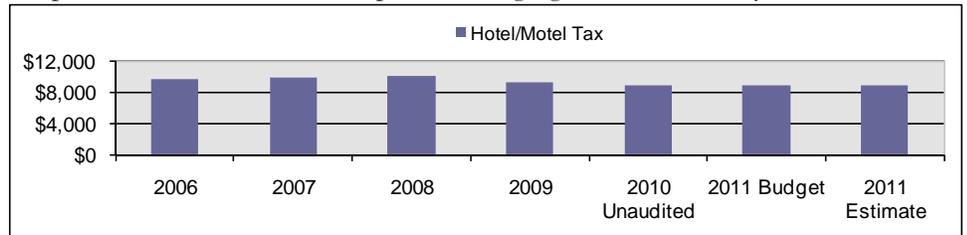
**Franchise Fees:** The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services.

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 9.7 percent of taxes and 7.1 percent of total revenues in 2010. The City budgeted \$2,650,851 for the year; collections through March totaled \$480,226 compared to \$480,273 collected during the same period last year.



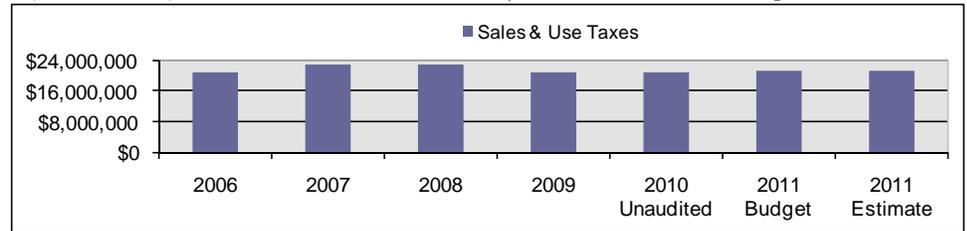
**Hotel/Motel Tax:** This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration.

The City budgeted \$8,713 for the year and has collected \$2,076 through March 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 \$20,866,515, 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 March 2011 was \$5,930,297 while revenue year-to-date for March 2010 was \$5,550,734, an increase of \$379,563.

Collections for March 2011 were \$1,640,379 while collections for March 2010 and March 2009 were \$1,411,085 and \$1,551,229 respectively. March 2011 collections were \$229,294 or 14 percent more than March 2010 and \$89,150 or 5.4 percent more than 2009 collections.

Outside City sales and use tax collections through March were \$2,215,509 an increase of approximately \$462,331 over 2010 of which \$357,000 is due to the receipt of one-time sales and use tax receipts from taxpayers.

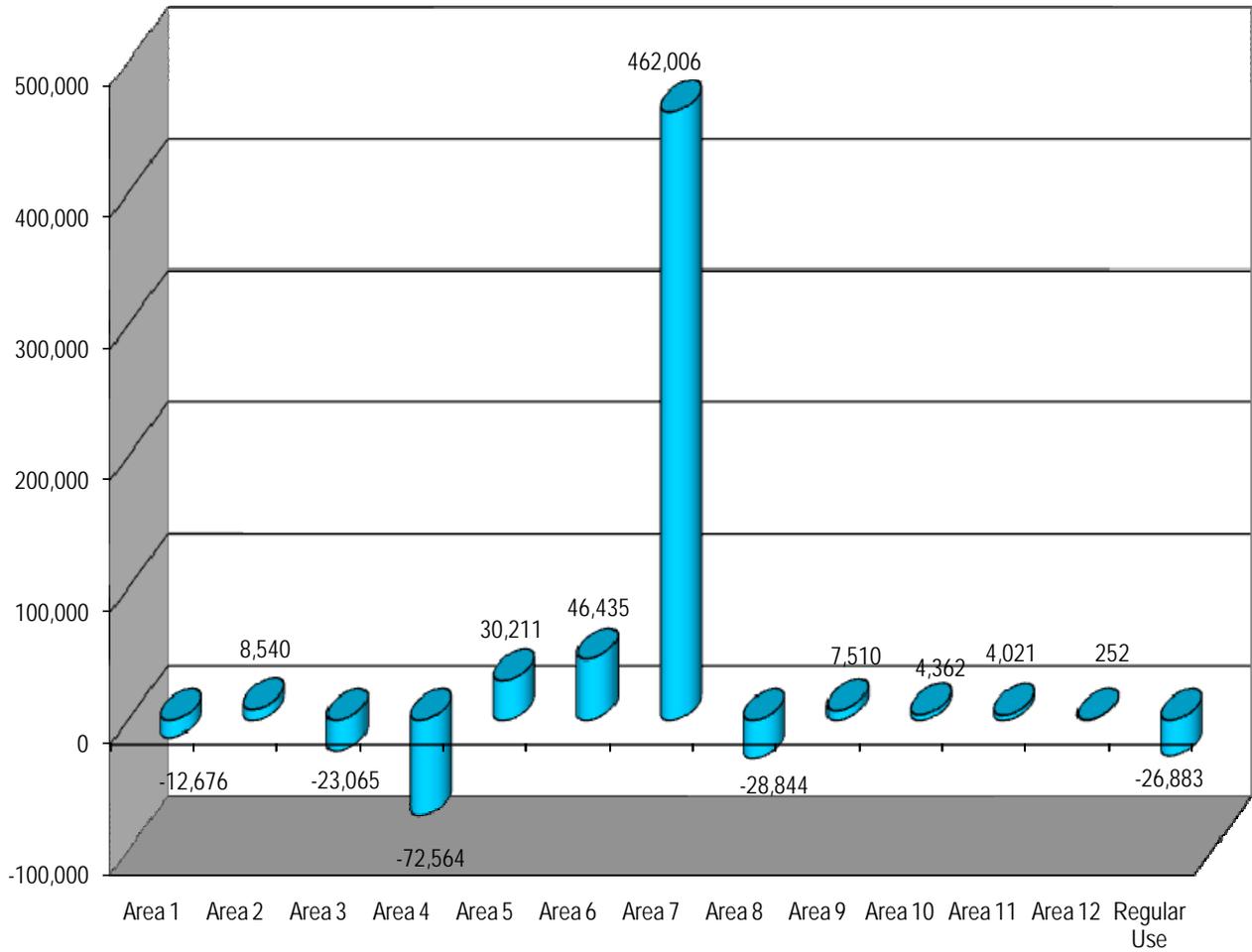
Based on historical sales tax collections, the City of Englewood collects 27.2 percent of total year's sales tax collections through March; if this pattern holds this year, 72.8 percent is left to collect over the next ten months. Based on March's collections, the City will collect an additional \$15,872,265 over the next ten months for a total of \$21,802,562.

The City collected 107.2 percent of last year; if this pattern holds for the entire year the City could collect \$22,390,451 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.

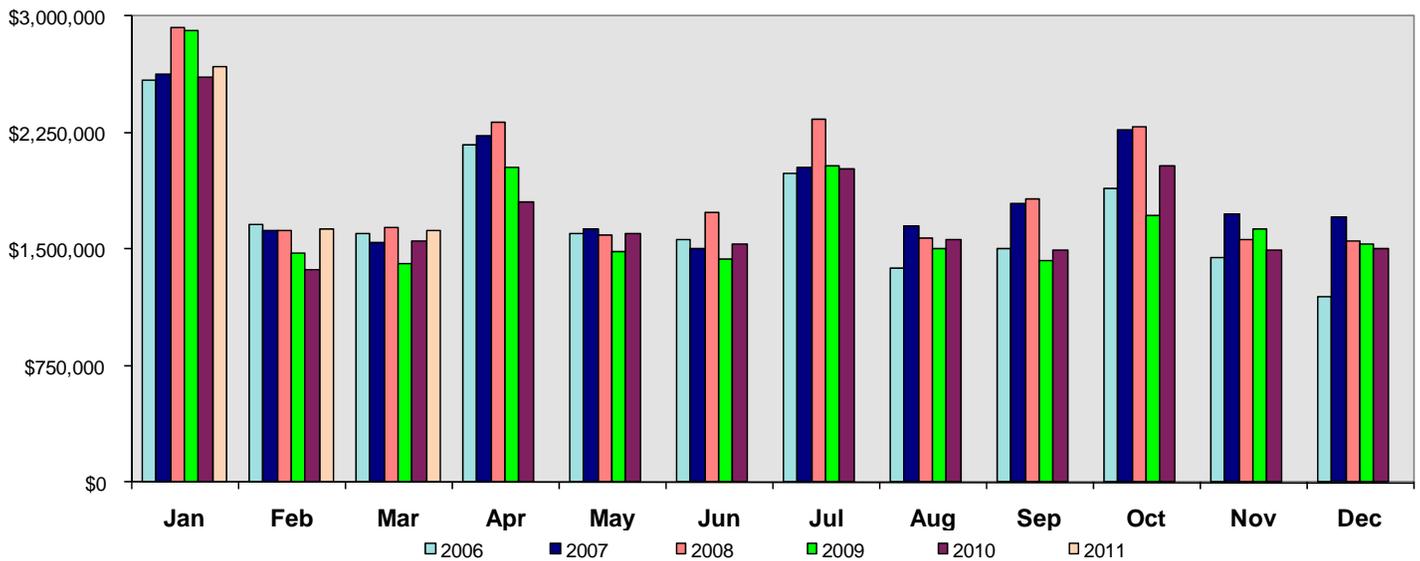
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2011 vs. 2010" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Economic conditions, judged by sales tax collections, appears to be a "mixed bag" with some geographic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

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



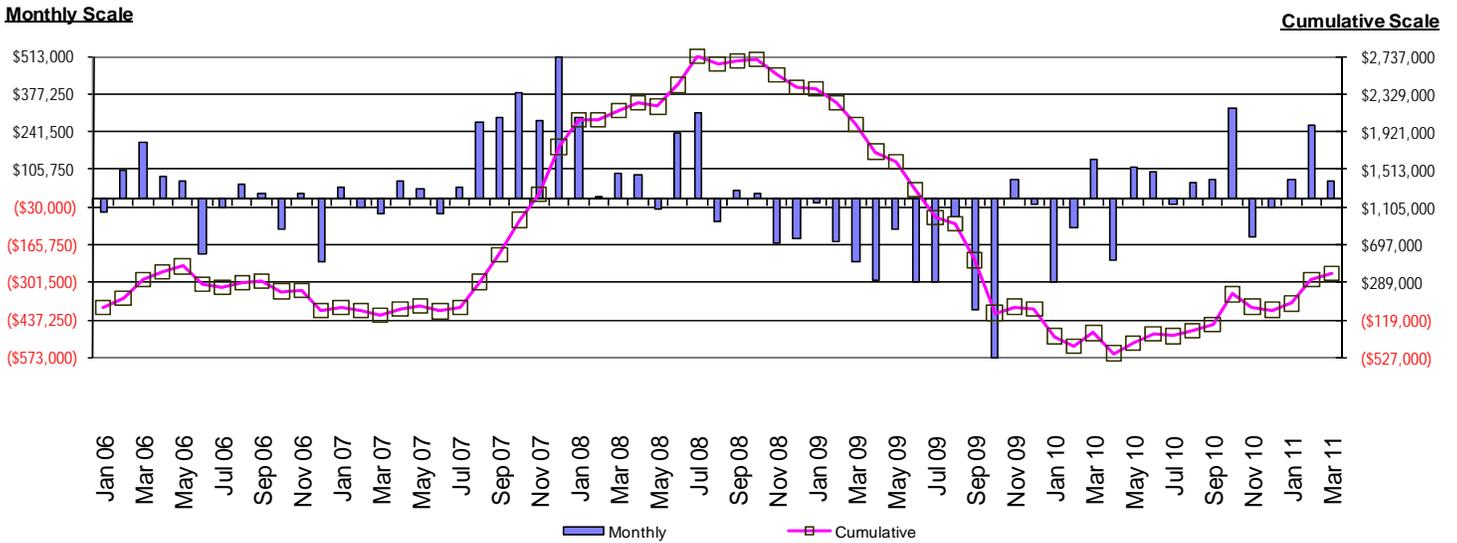
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

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



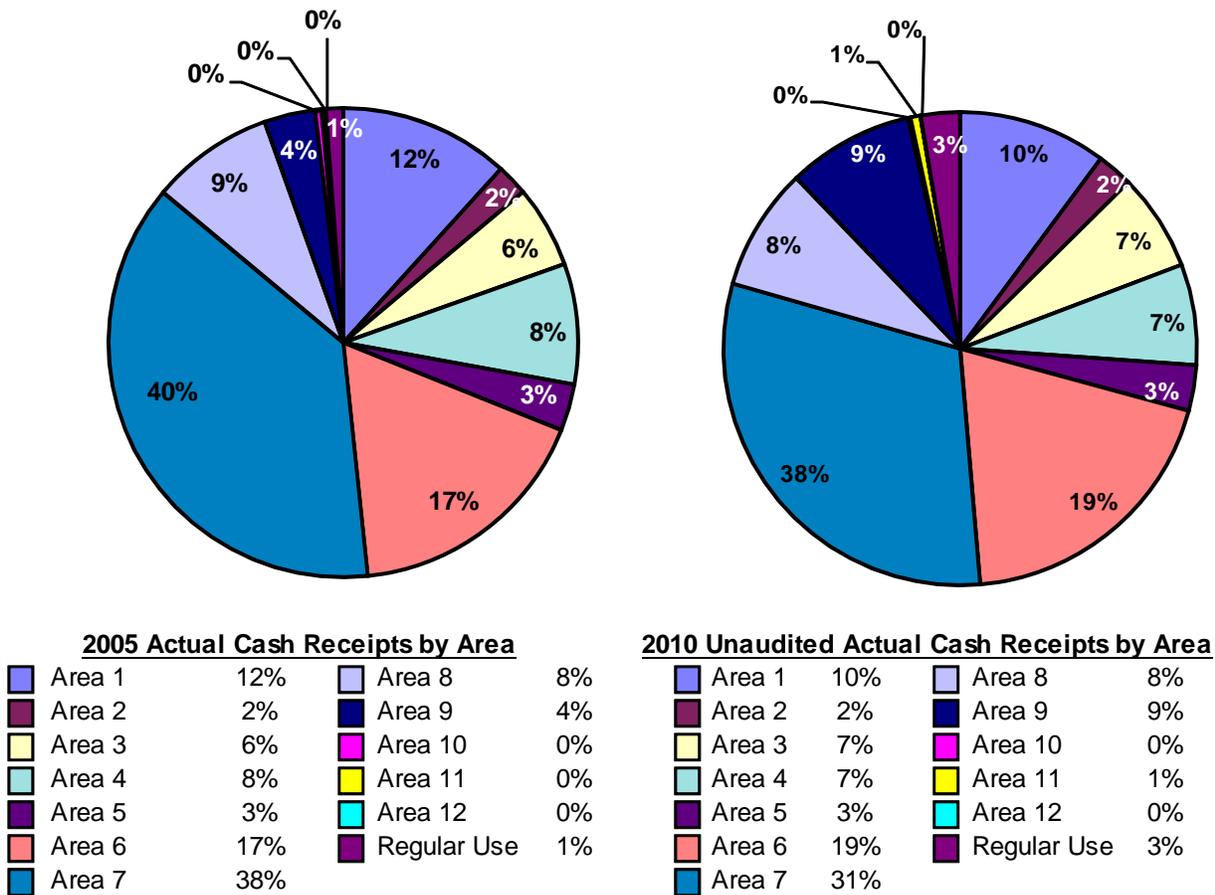
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

### 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 2005 and 2010.

### 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 \$542,301 year-to-date 2011, in 2010, the City collected \$554,978.

**Area 6:** This geographic area is up 5.2 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 March. 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   | 5,798,409 | 6,189,194 | 5,792,958 | 5,527,819 | 5,927,450 |
| Outside City Collections    | 2,007,922 | 2,321,348 | 1,883,374 | 1,753,178 | 2,215,509 |
| Percentage of Total         | 34.6%     | 37.5%     | 40.1%     | 34.1%     | 29.6%     |
| Total General Fund Revenues | 8,909,440 | 8,536,092 | 8,589,984 | 8,761,080 | 8,641,085 |
| Outside City Collections    | 2,007,922 | 2,321,348 | 1,883,374 | 1,753,178 | 2,215,509 |
| Percentage of Revenues      | 22.5%     | 27.2%     | 21.9%     | 20.0%     | 25.6%     |

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$550,000 to cover intercity claims. The City paid \$7,976 in refunds including intercity sales/use tax claims through March 2011 compared to \$115,761 through March 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 March were down \$28,843 or 5.6 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 \$99,84 in sales and use tax audit revenues and general collections of balances on account through the month of March; this compares to \$214,903 collected in 2010 and \$298,426 collected in 2009.

Of the 73 sales tax accounts reviewed in the various geographic areas, 46 (63 percent) showed improved collections and 27 (37 percent) showed reduced collections this year compared to the same period last year.

The Department issued 115 new sales tax licenses through March 2011; 118 and 95 were issued through March 2010 and 2009 respectively.

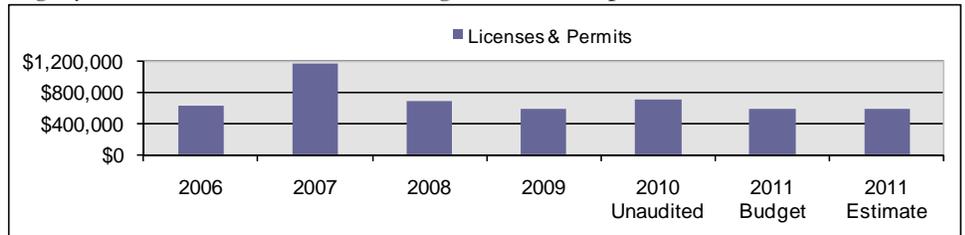
City records indicate that year-to-date 52 businesses closed (31 of them were outside the physical limits of Englewood) and 115 opened (81 of them were outside the physical limits of Englewood).

#### **General Fund Other Revenue**

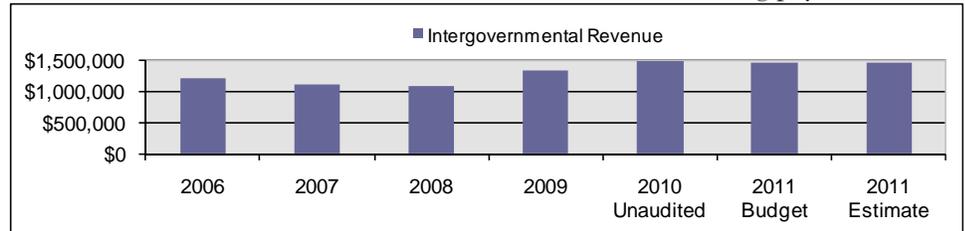
Other revenues accounted for \$9,738,304 or 26.5 percent of the total revenues for 2010; the City budgeted \$10,091,541 for 2011.

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

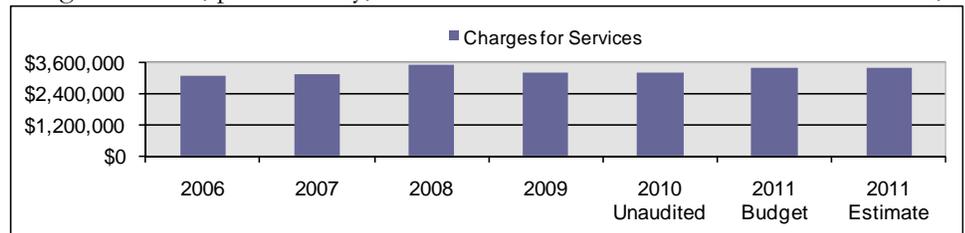
**Licenses and Permits:** This revenue category includes business and building licenses and permits. This revenue source generated \$695,663 during 2010 or 1.9 percent of total revenue and 6.8 percent of total other revenue. This revenue source totaled \$623,945 in 2006 and decreased to \$695,663 in 2010, an 11.5 percent increase. The City budgeted \$575,100 for 2011 and year-to-date the City collected \$153,828 or 16,057 (9.45 percent) less than the \$169,885 collected through March 2010.



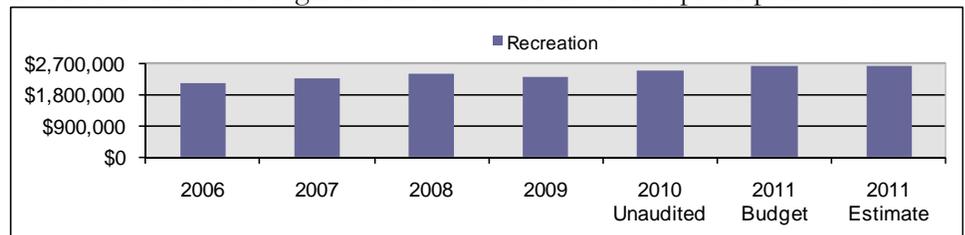
**Intergovernmental Revenues:** This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,459,564 for 2011. This revenue source totaled \$1,193,863 in 2006 and the City collected \$1,465,970 in 2010, a 22.7 percent increase. The City collected \$552,574 through March 2011 this is \$306,063 (124.2 percent) more than the \$246,511 collected in the same period in 2010.



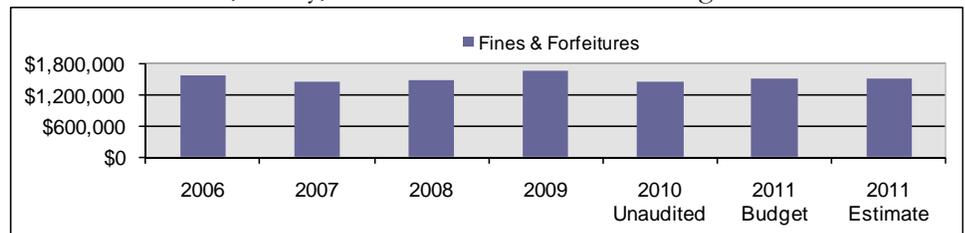
**Charges for Services:** This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,318,587 for 2011. This revenue source totaled \$3,053,106 in 2006 and increased to \$3,254,830 in 2010, a 6.6 percent increase. Total collected year-to-date was \$811,129 or \$17,983 (2.3 percent) more than the \$793,146 collected year-to-date in 2010.



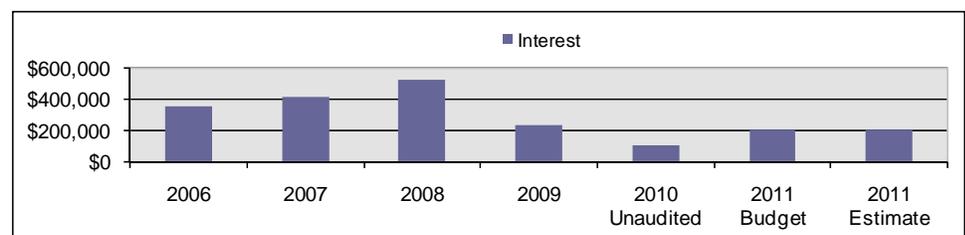
**Recreation:** This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,587,653 for 2011. This revenue source totaled \$2,099,202 in 2006 and increased to \$2,489,781 in 2010, an 18.6 percent increase. Total collections through March 2011 were \$385,464 compared to \$336,339 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 \$342,857 or \$71,929 (17.4 percent) less than the \$414,786 collected in the same time period last year.

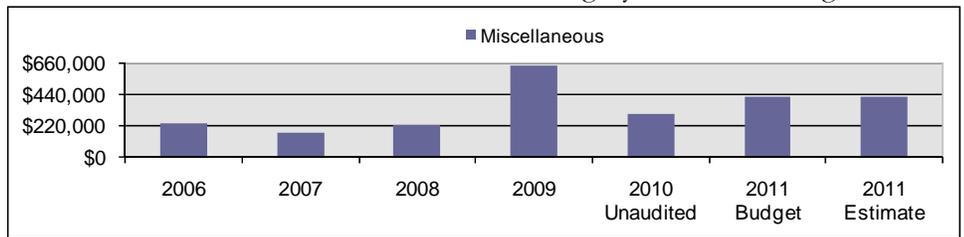


**Interest:** This is the amount earned on the City's cash investments. The 2010 budget for this source is \$372,611. This revenue source totaled \$353,575 in 2006 and decreased to \$100,544 in 2010, a 71.6 percent



decrease. The City earned \$417 through March 2011; the City earned \$48,825 through March 2009. The decrease is due to an adjustment for the change in the March 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 \$42,030 (21 percent) less compared to the \$53,219 collected last year during the same period.



## General Fund Expenditures

### Outcome Based Budgeting

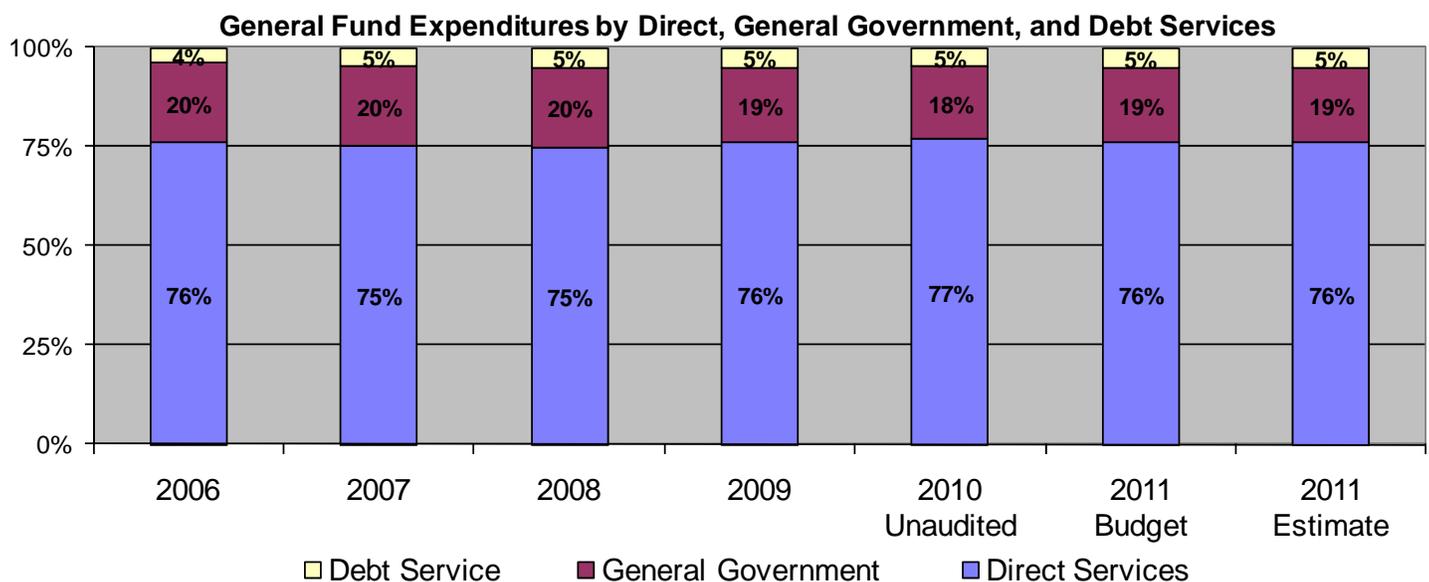
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 \$38,901,342 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 March were \$8,641,085 compared to \$8,761,080 in 2010 and \$8,589,984 in 2009.

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

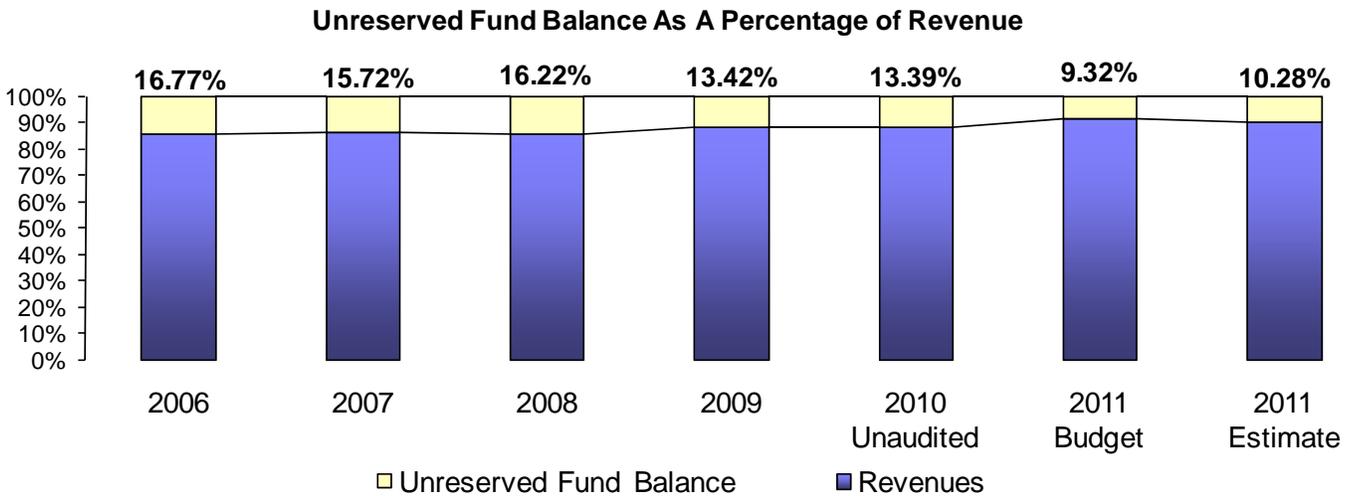
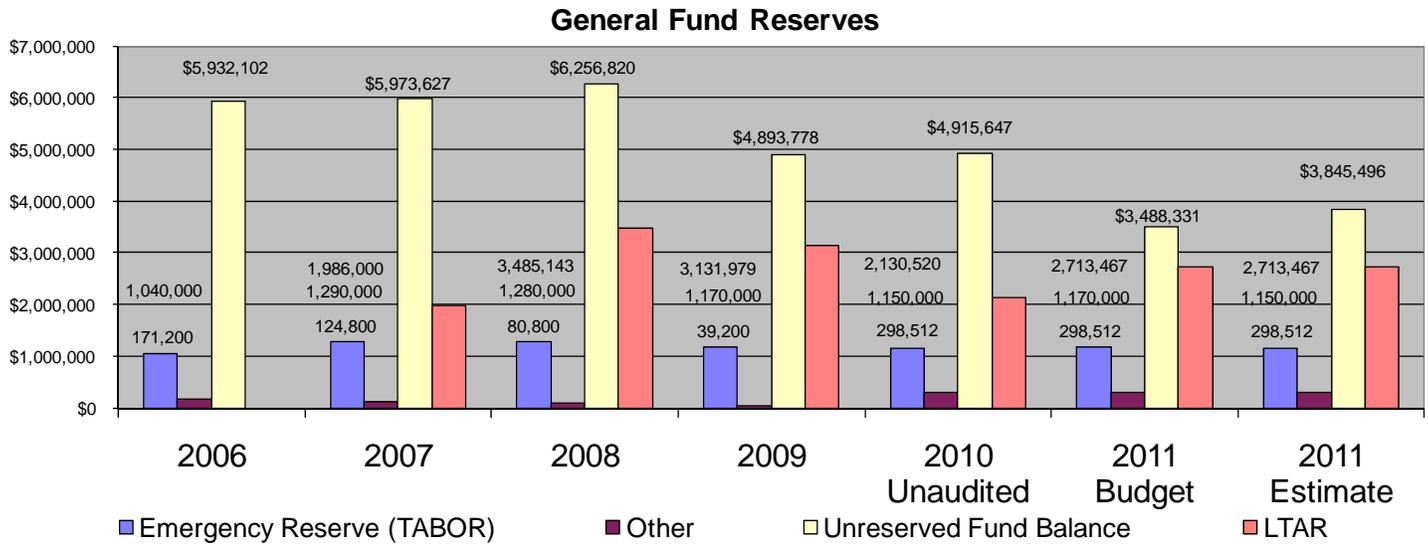


### General Fund Reserves

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 March 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 \$2,713,467. The 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 balance also includes a \$120,000 transfer from LTAR to fund the Community Development Department's 2011 Catalyst Program.*



The City ended 2010 with an unreserved/undesignated general fund balance of \$4,915,647 or 13.39 percent of (unaudited) revenues. The 2011 estimate shows an unaudited ending fund balance of \$3,845,496 or 10.28 percent of projected revenues or 9.51 percent of budgeted expenditures. The \$3,845,496 would allow the City to operate for approximately 34.7 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<br>(Decrease) |          | 2010              | 2010 vs 2009 Increase<br>(Decrease) |           | 2009              |
|---|----------------|-------------------------------------|----------|-------------------|-------------------------------------|-----------|-------------------|
| <b>Public Improvement Fund (PIF)</b>  |                |                                     |          |                   |                                     |           |                   |
| YTD Revenues  | \$ 221,512     | \$ (18,262)                         | ( 7.62%) | \$ 239,774        | \$ (491,192)                        | ( 67.20%) | \$ 730,966        |
| YTD Expenditures  | 2,945,084      | \$ 1,347,141                        | 84.30%   | 1,597,943         | \$ (934,125)                        | ( 36.89%) | 2,532,068         |
| Net Revenues (Expenditures)   | \$ (2,723,572) | \$ (1,365,403)                      |          | \$ (1,358,169)    | \$ 442,933                          |           | \$ (1,801,102)    |
| Beginning PIF Fund Balance  | \$ 2,686,457   |                                     |          | \$ 1,515,399      |                                     |           | \$ 1,067,525      |
| Ending PIF Fund Balance Before<br>Remaining Annual Revenue and<br>Appropriation | \$ (37,115)    |                                     |          | \$ 157,230        |                                     |           | \$ (733,577)      |
| Plus: Remaining Annual Revenue  | 1,387,059      |                                     |          | 1,432,681         |                                     |           | 3,039,691         |
| Less: Remaining Annual Appropriation  | (1,224,325)    |                                     |          | (1,461,611)       |                                     |           | (1,867,208)       |
| Estimated Ending Fund Balance   | \$ 125,619     |                                     |          | \$ 128,300        |                                     |           | \$ 438,906        |
| <b>Unappropriated Fund Balance as of December 31,</b>                           |                |                                     |          | <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<br>Estimate | 2011<br>Adopted<br>Budget | 2011<br>YTD Actual | 2011 Vs 2010 |      | 2010<br>Unaudited | 2010 Vs 2009 |      | 2009<br>YTD Actual |
|--|------------------|---------------------------|--------------------|--------------|------|-------------------|--------------|------|--------------------|
|  |                  |                           |                    | \$           | %    |                   | \$           | %    |                    |
| Vehicle Use Tax                        | \$ 1,000,000     | \$ 1,000,000              | \$ 134,186         | \$ 15,722    | 13%  | \$ 118,465        | \$ (65,478)  | -36% | \$ 183,943         |
| Building Use Tax                       | \$ 400,000       | \$ 400,000                | \$ 86,641          | \$ (30,227)  | -26% | \$ 116,868        | \$ 46,956    | 67%  | \$ 69,912          |
| Arapahoe County Road<br>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<br>Balance | Revenues  | Expenditures | Other Sources<br>(Uses) | Reserved<br>Balance | Ending<br>Balance |
|---|----------------------|-----------|--------------|-------------------------|---------------------|-------------------|
| <b>Governmental Fund Types (Fund Balance)</b>           |                      |           |              |                         |                     |                   |
| <b>General Fund</b>                                     | 8,494,679            | 9,353,300 | 8,641,086    | (1,762,365)             | 3,599,031           | 3,845,496         |
| <b>Special Revenue Funds</b>                            |                      |           |              |                         |                     |                   |
| Conservation Trust                                      | 1,052,255            | 86,265    | 8,734        | (1,030,870)             | -                   | 98,916            |
| Open Space  | 1,072,979            | 129       | 68,482       | (667,207)               | -                   | 337,419           |
| Neighborhood<br>Stabilization Program                   | 718,290              | 263,815   | 224,186      | (757,919)               | -                   | -                 |
| Donors  | 167,852              | 13,061    | 7,962        | -                       | -                   | 172,951           |
| Community Development                                   | -                    | 21,633    | 50,606       | 28,973                  | -                   | -                 |
| Malley Center Trust                                     | 291,667              | 886       | -            | -                       | -                   | 292,553           |
| Parks & Recreation Trust                                | 449,303              | 100       | 3,777        | -                       | -                   | 445,627           |
| <b>Debt Service Fund</b>                                |                      |           |              |                         |                     |                   |
| General Obligation Bond                                 | 9,616                | 209,199   | 5,259        | -                       | -                   | 213,556           |
| <b>Capital Projects Funds</b>                           |                      |           |              |                         |                     |                   |
| PIF   | 2,686,457            | 301,805   | 232,976      | (2,629,667)             | -                   | 125,619           |
| MYCP  | 1,061,738            | 39        | 103,229      | (1,000,787)             | -                   | (42,239)          |
| <b>Proprietary Fund Types (Funds Available Balance)</b> |                      |           |              |                         |                     |                   |
| <b>Enterprise Funds</b>                                 |                      |           |              |                         |                     |                   |
| Water   | 7,027,103            | 1,444,153 | 2,001,991    | -                       | -                   | 6,469,265         |
| Sewer   | 6,792,828            | 3,361,463 | 2,318,095    | -                       | 1,000,000           | 6,836,196         |
| Stormwater Drainage                                     | 903,814              | 106,050   | 17,292       | -                       | 137,818             | 854,754           |
| Golf Course   | 713,451              | 182,986   | 238,325      | -                       | 293,500             | 364,612           |
| Concrete Utility  | 277,905              | 139,981   | 70,610       | -                       | -                   | 347,277           |
| Housing Rehabilitation                                  | 404,633              | 31,326    | 23,980       | -                       | -                   | 411,979           |
| <b>Internal Service Funds</b>                           |                      |           |              |                         |                     |                   |
| Central Services  | 234,309              | 74,258    | 64,871       | (100,000)               | -                   | 143,696           |
| ServiCenter   | 902,008              | 574,427   | 432,100      | (100,000)               | -                   | 944,334           |
| CERF  | 728,781              | 176,209   | 33,768       | -                       | -                   | 871,221           |
| Employee Benefits                                       | 210,918              | 1,428,475 | 1,572,657    | (200,000)               | 59,445              | (192,709)         |
| Risk Management   | 1,201,929            | 1,369,011 | 407,903      | (546,000)               | -                   | 1,617,037         |

### **CLOSING**

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

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

## FUNDS GLOSSARY

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

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

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

**Community Development Fund** – Accounts for the **art** Shuttle Program which is funded in part by the Regional Transportation District (RTD). **art** provides riders free transportation to 19 stops connecting CityCenter Englewood, businesses in downtown Englewood, and the medical facilities in and near Craig Hospital and Swedish Medical Center.

**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.

## FUNDS GLOSSARY

**MOA** – Museum of Outdoor Arts

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

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

**Neighborhood Stabilization Program Fund** – Accounts for the federal grant awarded to acquire, rehabilitate and resale approximately eleven foreclosed residential properties in the City.

**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 March 31, 2011

Percentage of Year Completed = 25%

| Fund Balance January 1                    | \$ 8,157,514        | \$ 8,494,679         | \$ 8,494,679   | \$ 9,234,957        | \$ 9,234,957        | \$ 11,102,763        | \$ 11,102,763  |                     |                      |                |  |
|---|---------------------|----------------------|----------------|---------------------|---------------------|----------------------|----------------|---------------------|----------------------|----------------|--|
| Revenues                                  | 2011                |                      |                |                     | 2010                |                      |                | 2009                |                      |                |  |
|   | Budget              | Mar-11               | % Budget       | YE Estimate         | Dec-10              | Mar-10               | % YTD          | Dec-09              | Mar-09               | % YTD          |  |
| Property Tax                              | 3,017,000           | 561,471              | 18.61%         | 3,017,000           | 3,020,884           | 693,476              | 22.96%         | 2,971,303           | 467,686              | 15.74%         |  |
| Specific Ownership Tax                    | 250,000             | 43,737               | 17.49%         | 250,000             | 263,434             | 46,524               | 17.66%         | 276,415             | 52,766               | 19.09%         |  |
| Sales & Use Taxes                         | 21,216,000          | 5,930,297            | 27.95%         | 21,216,000          | 20,866,515          | 5,550,734            | 26.60%         | 20,624,659          | 5,793,733            | 28.09%         |  |
| Cigarette Tax                             | 190,000             | 47,194               | 24.84%         | 190,000             | 196,320             | 50,287               | 25.61%         | 218,448             | 59,216               | 27.11%         |  |
| Franchise Fees                            | 2,650,851           | 480,226              | 18.12%         | 2,650,851           | 2,620,191           | 480,273              | 18.33%         | 2,452,611           | 443,407              | 18.08%         |  |
| Hotel/Motel Tax                           | 8,713               | 2,076                | 23.83%         | 8,713               | 8,806               | 1,971                | 22.38%         | 9,141               | 2,128                | 23.28%         |  |
| Licenses & Permits                        | 575,100             | 153,828              | 26.75%         | 575,100             | 695,563             | 169,885              | 24.42%         | 588,303             | 124,612              | 21.18%         |  |
| Intergovernmental Revenue                 | 1,459,564           | 552,574              | 37.86%         | 1,459,564           | 1,465,970           | 246,511              | 16.82%         | 1,333,688           | 160,521              | 12.04%         |  |
| Charges for Services                      | 3,338,567           | 811,129              | 24.30%         | 3,338,567           | 3,254,830           | 793,146              | 24.37%         | 3,163,735           | 757,975              | 23.96%         |  |
| Recreation                                | 2,587,653           | 385,464              | 14.90%         | 2,587,653           | 2,489,781           | 336,339              | 13.51%         | 2,315,598           | 340,836              | 14.72%         |  |
| Fines & Forfeitures                       | 1,509,150           | 342,857              | 22.72%         | 1,509,150           | 1,437,957           | 414,786              | 28.85%         | 1,639,678           | 446,734              | 27.25%         |  |
| Interest                                  | 200,000             | 417                  | 0.21%          | 200,000             | 100,545             | 48,825               | 48.56%         | 229,999             | 63,030               | 27.40%         |  |
| Miscellaneous                             | 421,507             | 42,030               | 9.97%          | 421,507             | 293,658             | 53,219               | 18.12%         | 643,311             | 251,027              | 39.02%         |  |
| <b>Total Revenues</b>                     | <b>37,424,105</b>   | <b>9,353,300</b>     | <b>24.99%</b>  | <b>37,424,105</b>   | <b>36,714,454</b>   | <b>8,885,976</b>     | <b>24.20%</b>  | <b>36,466,889</b>   | <b>8,963,671</b>     | <b>24.58%</b>  |  |
| <b>Expenditures</b>                       |                     |                      |                |                     |                     |                      |                |                     |                      |                |  |
| Legislation                               | 346,120             | 55,520               | 16.04%         | 346,120             | 309,870             | 74,013               | 23.89%         | 346,045             | 85,353               | 24.67%         |  |
| City Attorney                             | 762,518             | 134,245              | 17.61%         | 762,518             | 702,228             | 161,129              | 22.95%         | 678,038             | 139,227              | 20.53%         |  |
| Court                                     | 999,105             | 184,253              | 18.44%         | 999,105             | 901,469             | 189,617              | 21.03%         | 914,493             | 200,791              | 21.96%         |  |
| City Manager                              | 664,732             | 166,825              | 25.10%         | 664,732             | 659,882             | 173,343              | 26.27%         | 674,170             | 183,204              | 27.17%         |  |
| Human Resources                           | 481,102             | 72,802               | 15.13%         | 481,102             | 419,421             | 82,047               | 19.56%         | 456,275             | 88,059               | 19.30%         |  |
| Financial Services                        | 1,550,906           | 301,740              | 19.46%         | 1,550,906           | 1,445,581           | 322,625              | 22.32%         | 1,575,924           | 330,854              | 20.99%         |  |
| Information Technology                    | 1,338,543           | 291,874              | 21.81%         | 1,338,543           | 1,280,660           | 262,303              | 20.48%         | 1,360,237           | 246,123              | 18.09%         |  |
| Public Works                              | 5,498,891           | 1,235,609            | 22.47%         | 5,498,891           | 5,137,364           | 1,268,217            | 24.69%         | 5,152,891           | 1,203,669            | 23.36%         |  |
| Fire Department                           | 7,465,775           | 1,719,131            | 23.03%         | 7,465,775           | 7,425,903           | 1,724,202            | 23.22%         | 7,320,268           | 1,678,180            | 22.93%         |  |
| Police Department                         | 10,587,026          | 2,523,897            | 23.84%         | 10,587,026          | 10,312,633          | 2,554,166            | 24.77%         | 10,183,891          | 2,448,486            | 24.04%         |  |
| Community Development                     | 1,344,556           | 237,938              | 17.70%         | 1,344,556           | 1,301,473           | 257,778              | 19.81%         | 1,366,437           | 293,929              | 21.51%         |  |
| Library                                   | 1,256,520           | 292,399              | 23.27%         | 1,256,520           | 1,284,083           | 356,430              | 27.76%         | 1,275,554           | 348,971              | 27.36%         |  |
| Recreation                                | 5,969,515           | 1,174,529            | 19.68%         | 5,969,515           | 5,811,809           | 1,210,303            | 20.82%         | 5,727,968           | 1,216,797            | 21.24%         |  |
| Debt Service                              | 2,075,204           | 209,359              | 10.09%         | 2,075,204           | 1,860,827           | 122,143              | 6.56%          | 1,805,208           | 122,143              | 6.77%          |  |
| Contingency                               | 90,000              | 40,964               | 45.52%         | 90,000              | 48,139              | 2,764                | 5.74%          | 160,578             | 4,198                | 2.61%          |  |
| <b>Total Expenditures</b>                 | <b>40,430,513</b>   | <b>8,641,085</b>     | <b>21.37%</b>  | <b>40,430,513</b>   | <b>38,901,342</b>   | <b>8,761,080</b>     | <b>22.52%</b>  | <b>38,997,977</b>   | <b>8,589,984</b>     | <b>22.03%</b>  |  |
| Excess revenues over (under) expenditures | (3,006,408)         | 712,215              | -23.69%        | (3,006,408)         | (2,186,888)         | 124,896              |                | (2,531,088)         | 373,687              |                |  |
| Net transfers in (out)                    | 2,519,204           | 1,471,440            | 58.41%         | 2,519,204           | 1,446,610           | 1,874,433            | 129.57%        | 663,282             | 3,682                | 0.56%          |  |
| <b>Total Fund Balance</b>                 | <b>\$ 7,670,310</b> | <b>\$ 10,678,334</b> | <b>139.22%</b> | <b>\$ 8,007,475</b> | <b>\$ 8,494,679</b> | <b>\$ 11,234,286</b> | <b>132.25%</b> | <b>\$ 9,234,957</b> | <b>\$ 11,480,132</b> | <b>124.31%</b> |  |

## Fund Balance Analysis

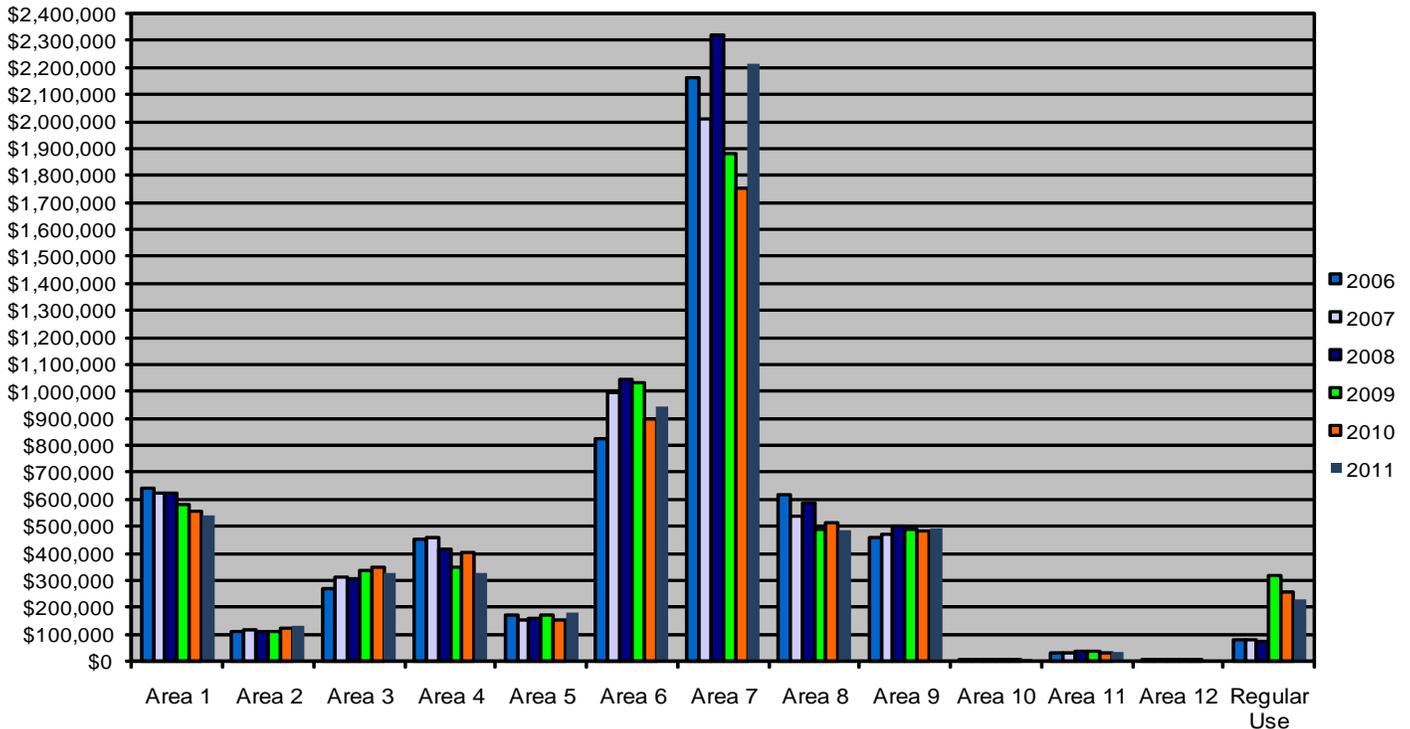
|  |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Fund Balance                               | \$ 7,670,310        | \$ 10,678,334       | \$ 8,007,475        | \$ 8,494,679        | \$ 9,234,957        |
| Reserves/designations:                           |                     |                     |                     |                     |                     |
| -Emergencies (TABOR)                             | 1,170,000           | 1,150,000           | 1,150,000           | 1,150,000           | 1,170,000           |
| -LTAR  | 2,713,467           | 2,010,520           | 2,713,467           | 2,130,520           | 3,131,980           |
| -MOA   | -                   | -                   | -                   | -                   | 39,200              |
| -COPS Grant                                      | 298,512             | 298,512             | 298,512             | 298,512             | -                   |
| <b>Unreserved/undesignated Fund Balance</b>      | <b>\$ 3,488,331</b> | <b>\$ 7,219,302</b> | <b>\$ 3,845,496</b> | <b>\$ 4,915,647</b> | <b>\$ 4,893,777</b> |
| Potential reserves/designations                  | -                   | -                   | -                   | -                   | -                   |
| <b>Estimated unres/undesignated Fund Balance</b> | <b>\$ 3,488,331</b> | <b>\$ 7,219,302</b> | <b>\$ 3,845,496</b> | <b>\$ 4,915,647</b> | <b>\$ 4,893,777</b> |
| As a percentage of projected revenues            | 9.32%               |                     | 10.28%              | 13.39%              | 13.42%              |
| As a percentage of budgeted revenues             | 9.32%               |                     | 10.28%              |                     |                     |
| <b>Target</b>                                    | <b>3,742,411</b>    | <b>-</b>            | <b>5,613,616</b>    |                     |                     |

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

### Cash Basis

|                              | 2006             | % Change     | 2007             | % Change      | 2008             | % Change     | 2009             | % Change      | 2010             | % Change       | 2011             | % Change     |
|------------------------------|------------------|--------------|------------------|---------------|------------------|--------------|------------------|---------------|------------------|----------------|------------------|--------------|
| <b>Area 1</b>                | 644,534          | 0.54%        | 624,965          | -3.04%        | 623,378          | -0.25%       | 577,970          | -7.52%        | 554,978          | -10.97%        | 542,301          | -2.28%       |
| <b>Area 2</b>                | 110,183          | -0.94%       | 119,495          | 8.45%         | 109,861          | -8.06%       | 113,420          | -5.08%        | 124,817          | 13.61%         | 133,358          | 6.84%        |
| <b>Area 3</b>                | 272,197          | -4.22%       | 310,746          | 14.16%        | 306,546          | -1.35%       | 334,027          | 7.49%         | 351,555          | 14.68%         | 328,489          | -6.56%       |
| <b>Area 4</b>                | 451,656          | 4.89%        | 458,622          | 1.54%         | 418,193          | -8.82%       | 348,162          | -24.09%       | 402,456          | -3.76%         | 329,893          | -18.03%      |
| <b>Area 5</b>                | 174,769          | 5.37%        | 151,369          | -13.39%       | 162,133          | 7.11%        | 169,272          | 11.83%        | 151,168          | -6.76%         | 181,379          | 19.98%       |
| <b>Area 6</b>                | 822,294          | -0.58%       | 993,217          | 20.79%        | 1,044,047        | 5.12%        | 1,032,320        | -3.94%        | 896,909          | -14.09%        | 943,344          | 5.18%        |
| <b>Area 7</b>                | 2,164,759        | 7.84%        | 2,007,922        | -7.25%        | 2,321,348        | 15.61%       | 1,883,374        | -6.20%        | 1,753,178        | -24.48%        | 2,215,184        | 26.35%       |
| <b>Area 8</b>                | 618,788          | 17.85%       | 536,156          | -13.35%       | 585,165          | 9.14%        | 488,490          | -8.89%        | 516,438          | -11.74%        | 487,595          | -5.59%       |
| <b>Area 9</b>                | 461,558          | -3.07%       | 473,779          | 2.65%         | 499,776          | 5.49%        | 486,970          | -2.78%        | 484,036          | -3.15%         | 491,546          | 1.55%        |
| <b>Area 10</b>               | 7,906            | 49.37%       | 6,183            | -21.79%       | 4,896            | -20.82%      | 5,421            | -12.32%       | 4,741            | -3.17%         | 9,103            | 92.01%       |
| <b>Area 11</b>               | 34,162           | -17.94%      | 32,893           | -3.71%        | 36,247           | 10.20%       | 35,459           | -7.80%        | 31,245           | -13.80%        | 35,266           | 12.87%       |
| <b>Area 12</b>               | 1,609            | 74.89%       | 1,525            | -5.22%        | 2,319            | 52.04%       | 2,189            | -43.51%       | 1,993            | -14.03%        | 2,245            | 12.65%       |
| <b>Regular Use</b>           | 78,292           | 11.77%       | 81,537           | 4.14%         | 75,288           | -7.66%       | 315,884          | 287.41%       | 254,305          | -237.78%       | 227,422          | -10.57%      |
| <b>Total</b>                 | <b>5,842,707</b> | <b>4.59%</b> | <b>5,798,409</b> | <b>-0.76%</b> | <b>6,189,194</b> | <b>6.74%</b> | <b>5,792,958</b> | <b>-0.09%</b> | <b>5,527,819</b> | <b>-10.69%</b> | <b>5,927,125</b> | <b>7.22%</b> |
| Refunds                      | 10,702           | -58.34%      | 44,525           | 316.05%       | 99,260           | 122.93%      | 7,566            | -92.38%       | 115,761          | 1430.05%       | 18,813           | -83.75%      |
| Audit & Collections Revenue* | 74,020           | -41.93%      | 126,799          | 71.30%        | 226,468          | 78.60%       | 298,426          | 31.77%        | 214,903          | -27.99%        | 100,808          | -53.09%      |
| *included Above              |                  |              |                  |               |                  |              |                  |               |                  |                |                  |              |
| Unearned Sales Tax           | 650,000          | -7.14%       | 650,000          | 0.00%         | 650,000          | 0.00%        | 600,000          | -7.69%        | 600,000          | 0.00%          | 550,000          | -8.33%       |
| Building Use                 | 484,291          | 275.92%      | 518,622          | 7.09%         | 302,111          | -41.75%      | 69,911           | -76.86%       | 116,868          | 67.17%         | 86,641           | -25.86%      |
| Vehicle Use                  | 282,529          | -18.49%      | 334,953          | 18.56%        | 319,948          | -4.48%       | 267,528          | -16.38%       | 205,901          | -23.04%        | 204,874          | -0.50%       |

## March YTD Collections by Area 2006-2011



### Area Descriptions

Area 1 - CityCenter (Formerly Cinderella City)

Area 2 - S of Yale, N of Kenyon between Bannock & Sherman (excludes EURA 1)

Area 3 - S of Kenyon, N of Chenango between Bannock & Sherman and S of Chenango, N of Bellewood between Logan & Delaware

Area 4 - Brookridge Shopping Center (Between Fox and Sherman and North side of Belleview and to the Southern City Limits)

Area 5 - Centennial Area W of Santa Fe

Area 6 - All other City locations

Area 7 - Outside City limits

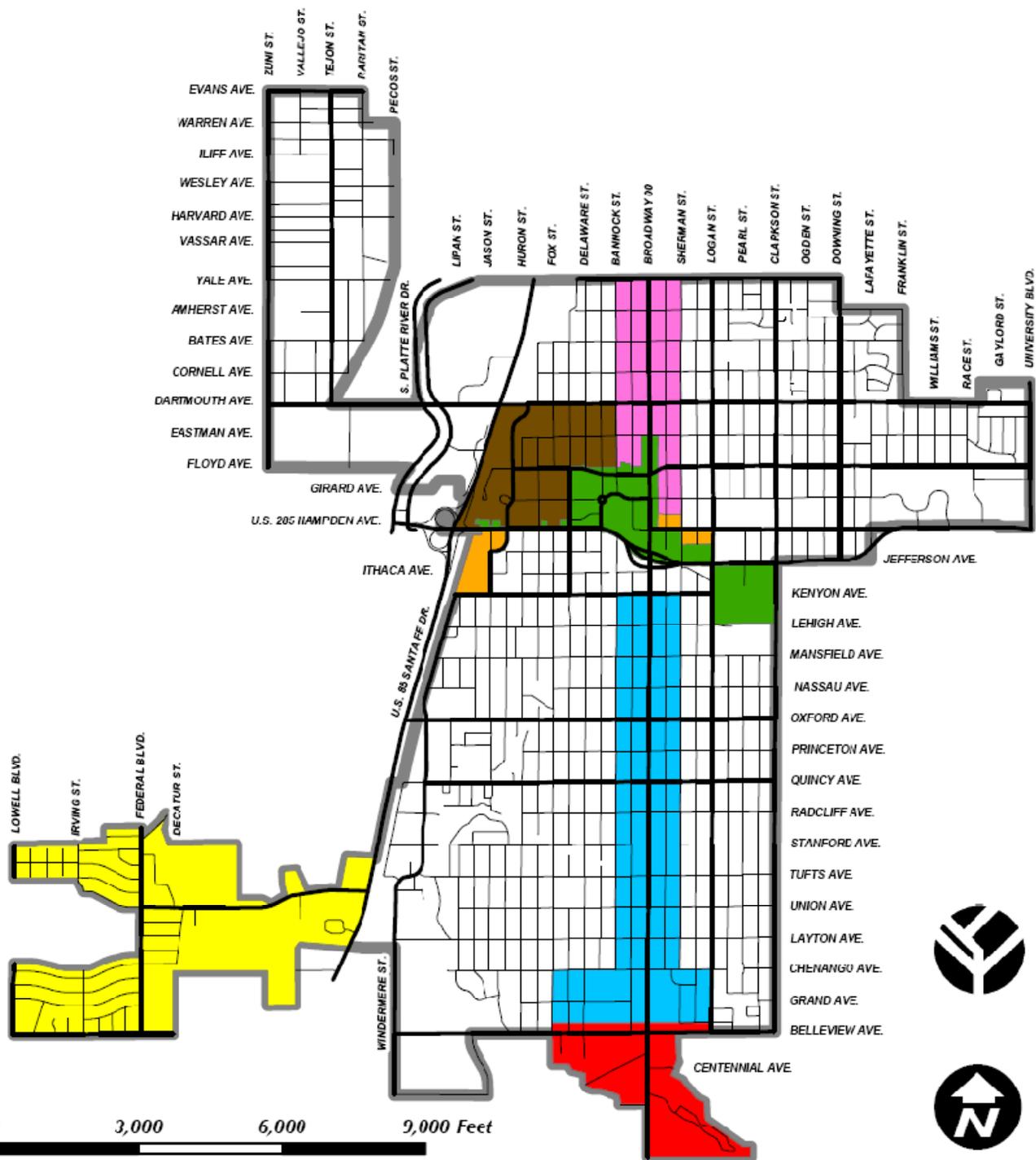
Area 8 - Public Utilities (Xcel Energy, Qwest)

Area 9 - Downtown & Englewood Pkwy

Area 10 - Downtown & Englewood Pkwy Use Tax Only

Area 11 - S of 285, N of Kenyon between Jason and Santa Fe

Area 12 - S of 285, N of Kenyon between Jason and Santa Fe Use Tax Only



**City of Englewood, Colorado: Sales Tax Areas**

- |        |                |                          |
|--------|----------------|--------------------------|
| Area 1 | Area 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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