



City of Englewood

**To:** Mayor Woodward and City Council  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** June 10, 2011  
**Subject:** May 2011 Financial Report

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

#### REVENUES:

- Through May 2011, the City of Englewood collected **\$15,943,711 or \$585,322 or 3.8 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 sales and use tax revenue and 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 \$1,573,204 in property and \$86,649 in specific ownership tax through May.
- **Year-to-date sales and use tax revenues were \$9,357,492 or \$404,152 or 4.5% more than May 2010.** The majority of this increase (\$388,000) 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 \$4,376 compared to last year.
- Franchise fee collections were \$9,570 less than last year.
- Licenses and permit collections were \$23,867 more than 2010.
- Intergovernmental revenues were \$390,755 more than the prior year.
- Charges for services increased \$53,908 from last year.
- Recreation revenues increased \$25,431 from 2010.
- Fines and forfeitures were \$108,410 less than last year.
- Investment income was \$19,105 less than last year.
- Miscellaneous revenues were \$109,102 less than last year.

#### OUTSIDE CITY:

- Outside City sales and use tax were up \$954,581 or 33 percent compared to last year, \$988,000 of the total amount collected is due to the receipt of *one-time sales and use tax revenue* from several taxpayers and \$56,000 is due to a refund in 2010.
- At this time potential refunds total approximately \$1,500,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is \$1,150,000.

#### CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through May 2011 were \$894,073 (1.3percent) more than the \$882,218 collected during the same period in 2010.

#### EXPENDITURES:

- Expenditures through May were \$16,556,832 or \$49,410 (.3 percent) more than the \$16,606,242 expended through May 2010. The City refunded \$18,813 in sales and use tax claims through May.

#### 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 11).

#### TRANSFERS:

- Net 2011 transfers-in to date of \$1,539,896 were made by the end of May 2011 (please refer to page 11 for the make-up).

#### REVENUES OVER/UNDER EXPENDITURES:

- Expenditures exceeded revenues \$613,121 through May 2011.

#### PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$734,627 in revenues and spent \$3,392,536 year-to-date. Estimated year-end fund balance is \$176,782. Based on a five year average approximately 43% of building use tax and 40% of vehicle use tax is collected through May.

# City of Englewood, Colorado

## May 2011 Financial Report

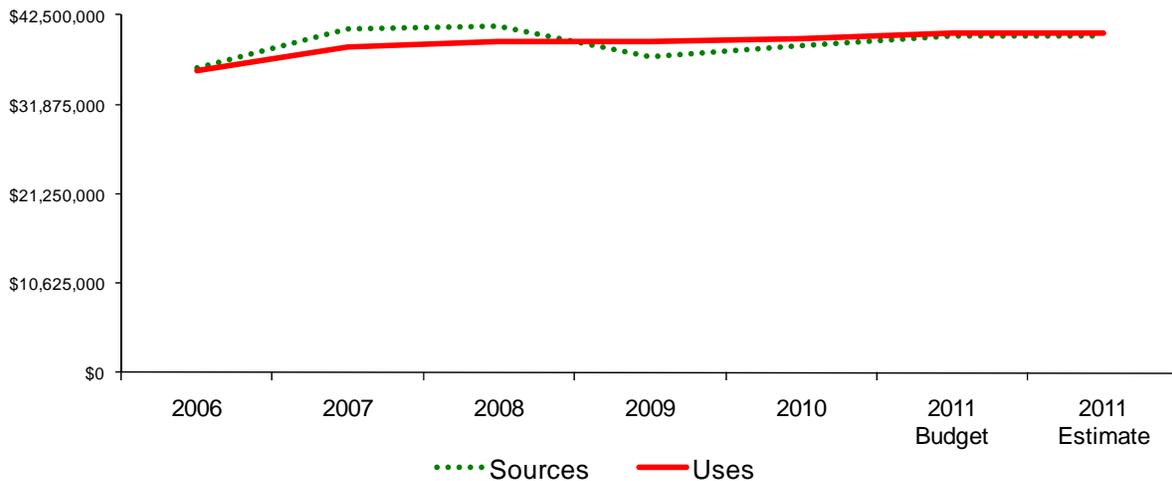
### GENERAL FUND OVERVIEW AND ANALYSIS

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.

**General Fund: Total Sources and Uses of Funds**



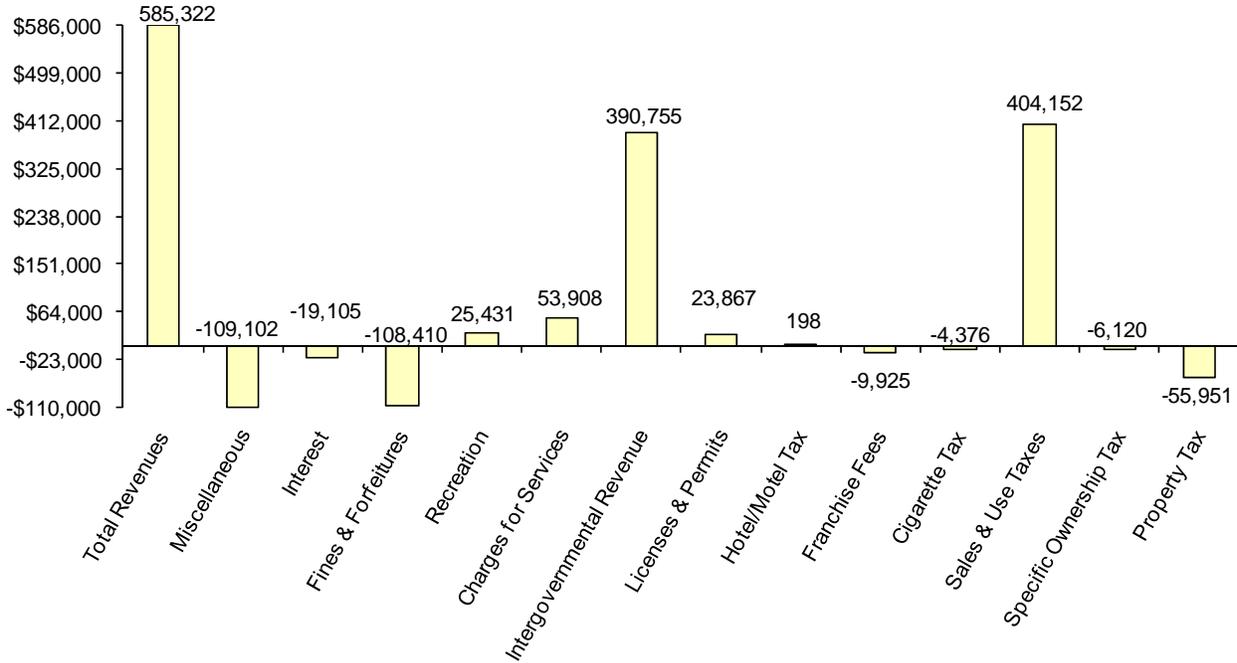
The table below summarizes General Fund Year-To-Date (YTD) Revenue, Expenditure, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended May, 2011. Comparative figures for years 2010 and 2009 are presented as well. The table also highlights the dollar and percentage changes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

	2011	2011 vs 2010 Increase (Decrease)		2010	2010 vs 2009 Increase (Decrease)		2009
<b>General Fund</b>							
Year-To-Date Revenue	\$ 15,943,711	\$ 585,322	3.81%	\$ 15,358,389	\$ (454,810)	( 2.88%)	\$ 15,813,199
Year-To-Date Expenditure	16,556,832	\$ (49,410)	( .30%)	16,606,242	\$ 194,305	1.18%	16,411,937
Net Revenue (Expenditure)	\$ (613,121)	\$ 634,732		\$ (1,247,853)	\$ (649,115)		\$ (598,738)
Estimated Unreserved/ 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	\$ 9,357,492	\$ 404,152	4.51%	\$ 8,953,340	\$ (350,478)	( 3.77%)	\$ 9,303,818
Outside City Sales & Use Tax YTD	\$ 3,847,534	\$ 954,581	33.00%	\$ 2,892,953	\$ (238,423)	( 7.61%)	\$ 3,131,376

**General Fund Revenues**

The City of Englewood’s total budgeted revenue is \$37,424,105. Total revenue collected through May 2011 was \$15,943,711 or \$585,322 (3.8 percent) more than was collected in 2010. The chart below illustrates changes in General Fund revenues this year compared to last year.

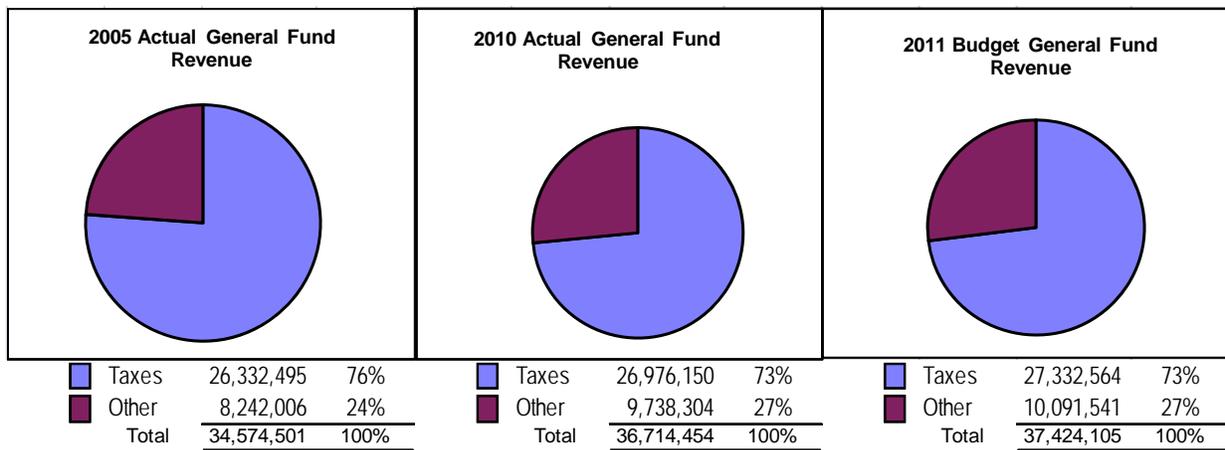
**2011 Year-To-Date Change in General Fund Revenue as Compared to Prior Year**



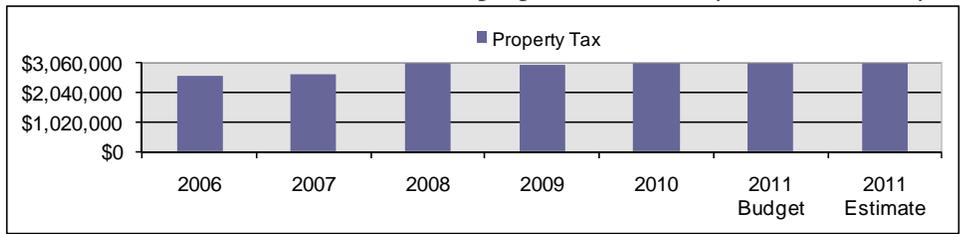
**General Fund Taxes**

The General Fund obtains most of its revenue from taxes. In 2010 total audited 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**



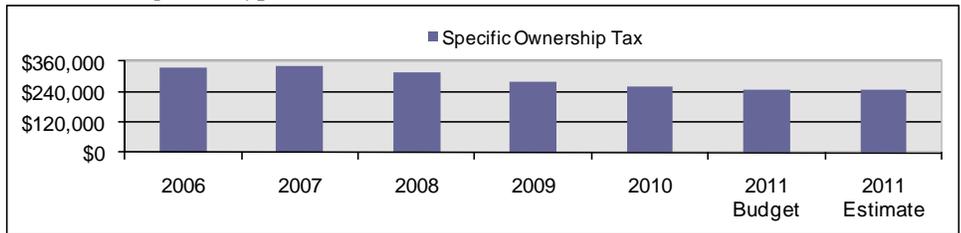
**Property taxes:** These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. Voters approved a separate, dedicated mill levy for principal and interest



payments on the City's general obligation debt (parks and recreation projects). The 2010 mill levy collected in 2011 is 2.130 mills. 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 \$1,573,204 through May 2011.

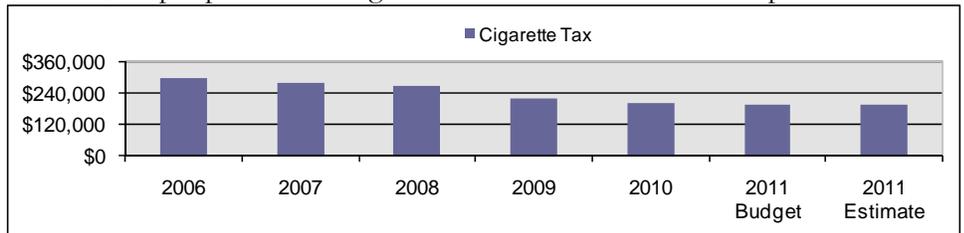
**Specific ownership:** These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc.

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

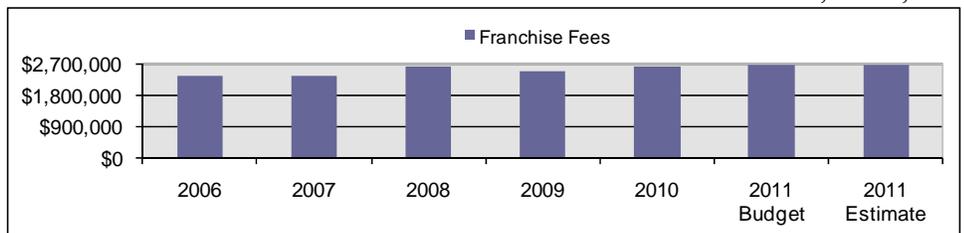


\$263,434 in 2010 which is less than one percent of total revenues and one percent of total taxes. The City budgeted \$250,000 for 2011 and collected \$86,649 through May 2011.

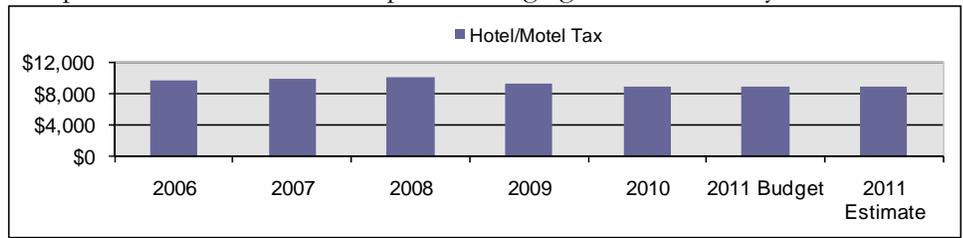
**Cigarette Taxes:** The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen *significantly* in the past and continue 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 \$73,596 through May 2011, which is \$4,376 or 5.6 percent less than the \$77,972 collected through May 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 May totaled \$931,020 compared to \$940,945 collected during the same period last year.



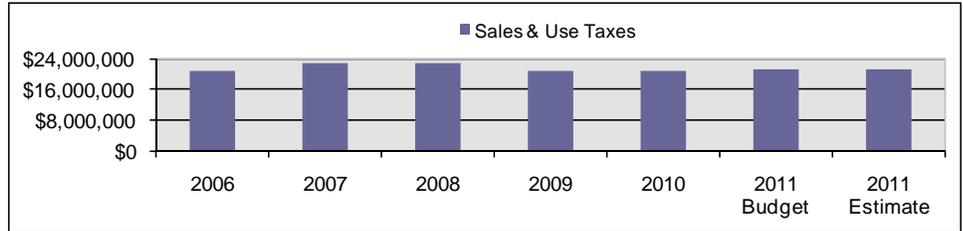
**Hotel/Motel Tax:** This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,713 for the year and has collected \$3,659 through May 2011.



### 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 May 2011 was \$9,357,492 while revenue year-to-date for May 2010 was \$8,953,340, an increase of \$404,152.



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 May 2011 was \$9,357,492 while revenue year-to-date for May 2010 was \$8,953,340, an increase of \$404,152.

A portion (\$600,000) of the collections from outside city has been put in “unearned revenue” because staff believes it could be subject to an intergovernmental claim. If no claim is made after three years, the funds will be recognized as revenue at that time.

Collections (cash basis) for May 2011 were \$1,823,798 while collections for May 2010 and May 2009 were \$1,599,065 and \$1,485,489 respectively. May 2011 collections were \$224,733 or 14.1 percent more than May 2010 and \$338,009 or 22.8 percent more than 2009 collections.

Outside City sales and use tax collections through May were \$3,847,534 an increase of approximately \$954,581 over 2010 of which \$988,000 of this increase is due to the receipt of one-time sales and use tax revenue from several taxpayers and \$56,000 is due to a refund in 2010.

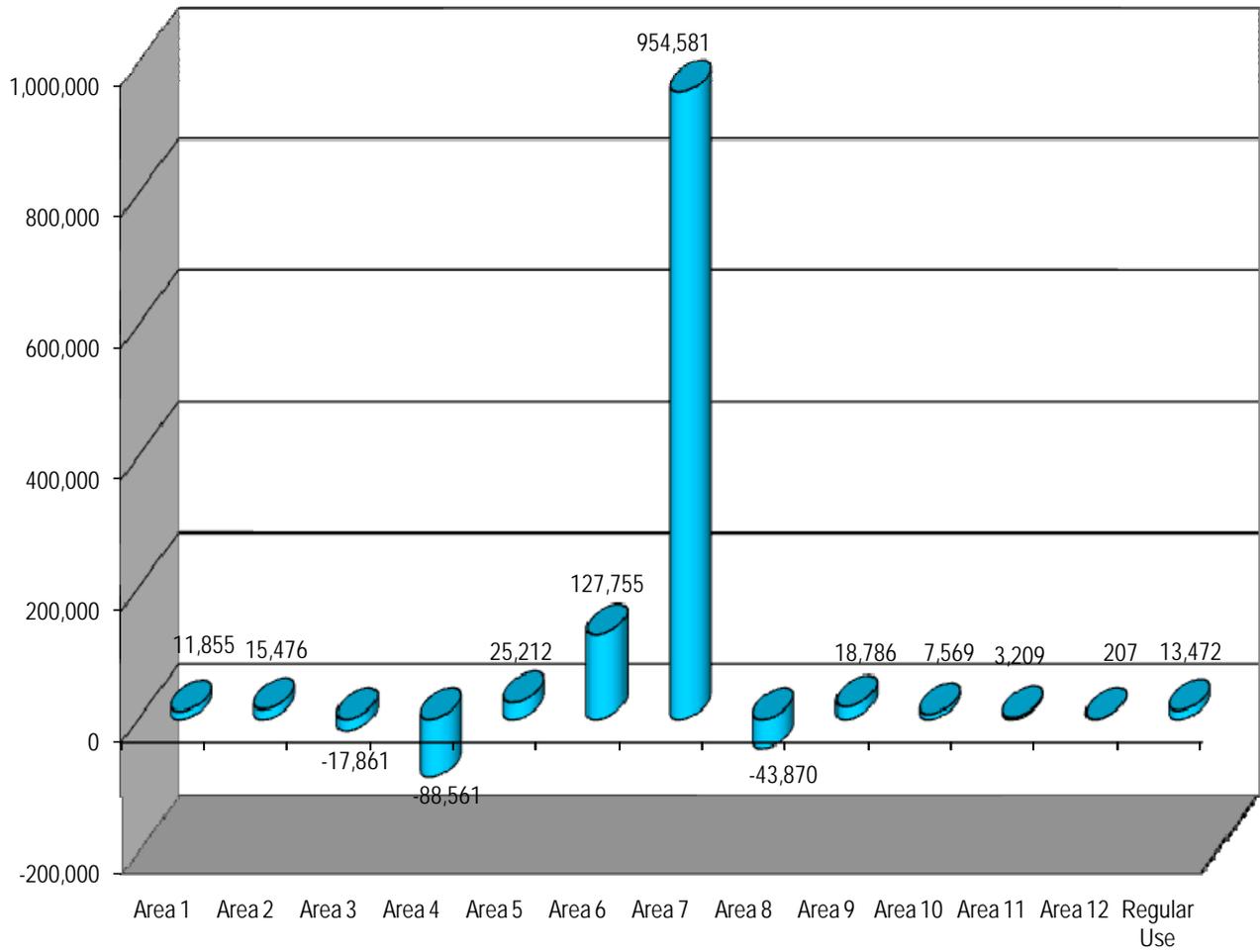
Based on historical sales tax collections, the City of Englewood collects 45.4 percent of total year’s sales tax collections through May; if this pattern holds this year, 54.6 percent is left to collect over the next seven months. Based on May’s collections, the City will collect an additional \$11,253,724 over the next seven months for a total of \$20,611,216.

The City collected 104.5 percent of last year; if this pattern holds for the entire year the City could collect \$21,808,425 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.

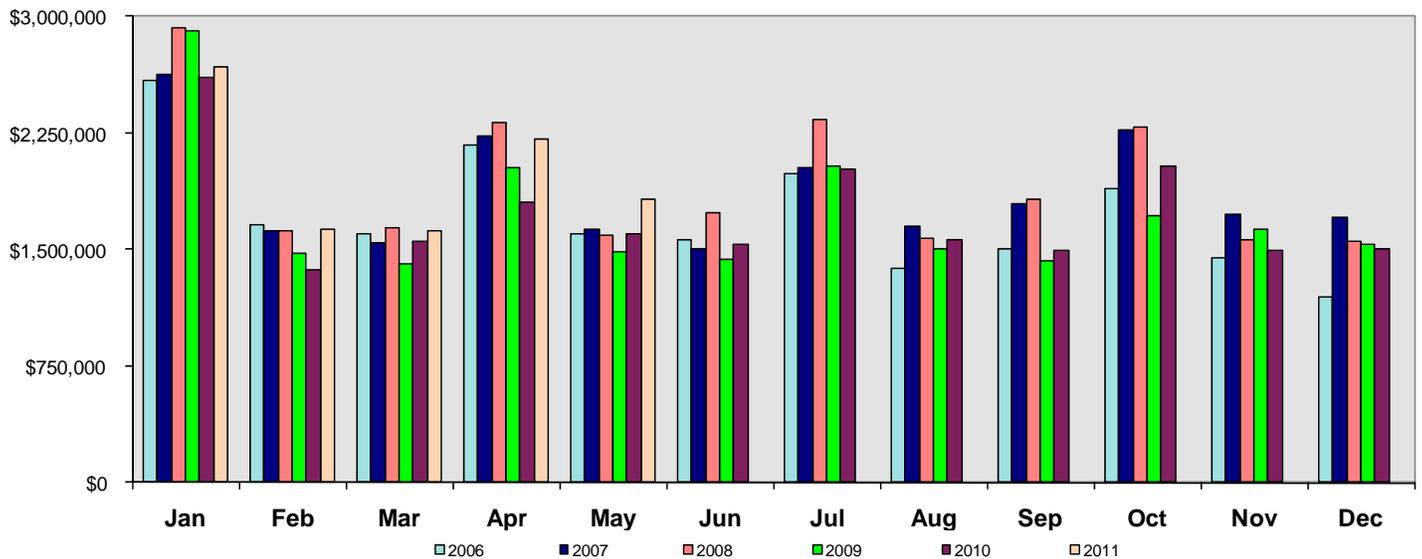
The chart on the next page, “Change in Sales/Use Tax Collections by Area 2011 vs. 2010” indicates that most of the increase in sales tax collections is due to Outside City (Area 7) and Regular Use Tax. Economic conditions, judged by sales tax collections, appears to be a “mixed bag” with some geographic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

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



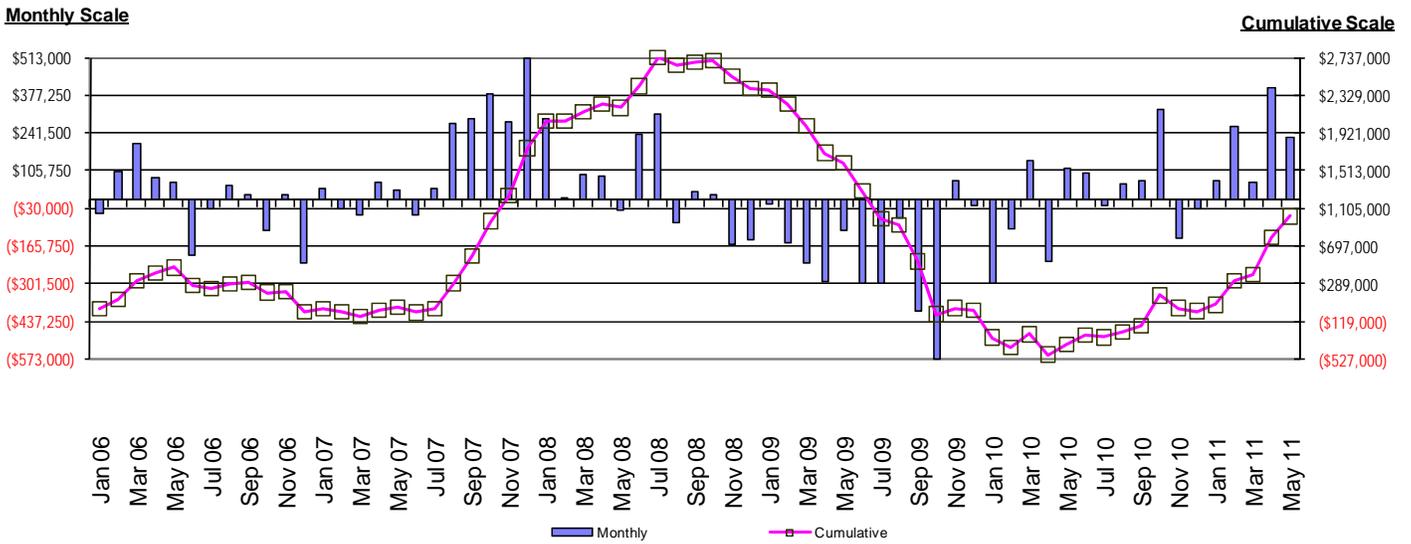
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2006 through 2011.

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



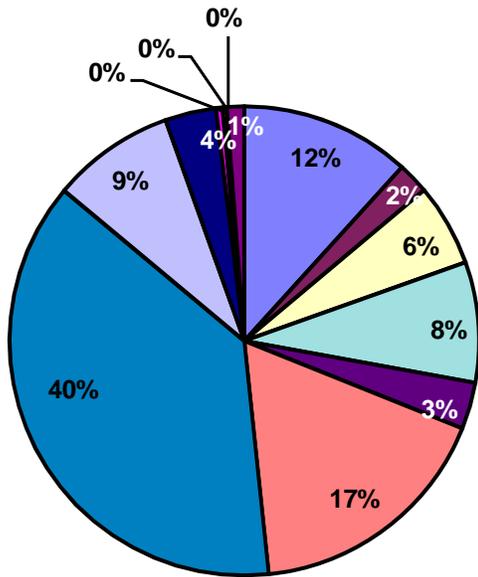
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

### 2006 - 2011 Monthly Change Sales and Use Tax



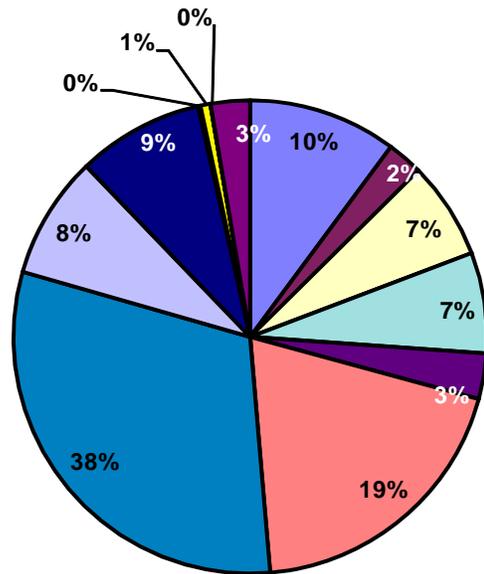
Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2005 and 2010.

### Geographic Sales Tax Collection Areas



**2005 Actual Cash Receipts by Area**

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



**2010 Actual Cash Receipts by Area**

Area 1	10%	Area 8	8%
Area 2	2%	Area 9	9%
Area 3	7%	Area 10	0%
Area 4	7%	Area 11	1%
Area 5	3%	Area 12	0%
Area 6	19%	Regular Use	3%
Area 7	31%		

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

**Area 1:** This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of \$894,073 year-to-date 2011, in 2010, the City collected \$882,218.

**Area 6:** This geographic area is up 8.4 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 May. 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	9,667,629	10,106,109	9,302,483	8,930,365	9,958,195
Outside City Collections	3,426,261	3,825,257	3,131,376	2,892,953	3,847,534
Percentage of Total	35.4%	37.9%	41.1%	35.1%	29.1%
Total General Fund Revenues	15,694,337	16,378,698	15,813,199	15,358,389	15,943,711
Outside City Collections	3,426,261	3,825,257	3,131,376	2,892,953	3,847,534
Percentage of Revenues	21.8%	23.4%	19.8%	18.8%	24.1%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$1,150,000 to cover intercity claims. The City paid \$18,813 in refunds including intercity sales/use tax claims through May 2011 compared to \$167,657 through May 2010. At this time potential refunds total approximately \$1,500,000 for claims submitted to Englewood but not completed.

**Area 8:** This geographic area consists of collections from public utilities. Collections through May were down \$43,870 or 5.4 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 \$100,808 in sales and use tax audit revenues and general collections of balances on account through the month of May; this compares to \$220,092 collected in 2010 and \$356,128 collected in 2009.

Of the 77 sales tax accounts reviewed in the various geographic areas, 43 (56 percent) showed improved collections and 34 (44 percent) showed reduced collections this year compared to the same period last year.

The Department issued 201 new sales tax licenses through May 2011; 189 and 157 were issued through May 2010 and 2009 respectively.

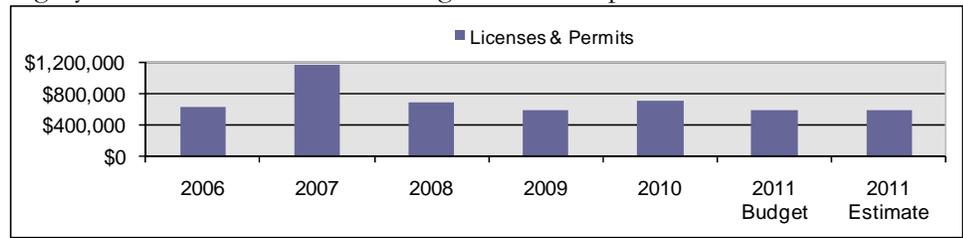
City records indicate that year-to-date 89 businesses closed (50 of them were outside the physical limits of Englewood) and 201 opened (140 of them were outside the physical limits of Englewood).

### **General Fund Other Revenue**

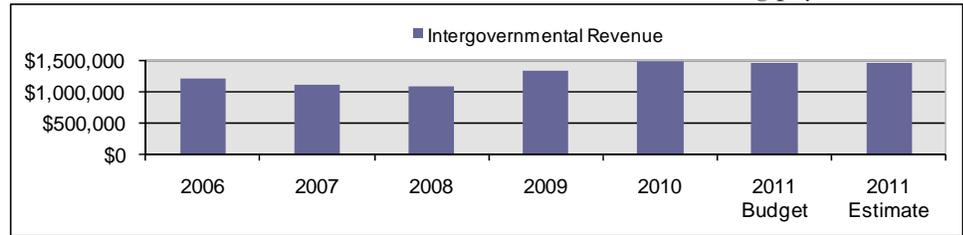
Other revenues accounted for \$9,738,304 or 26.5 percent of the total revenues for 2010; the City budgeted \$10,091,541 for 2011.

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

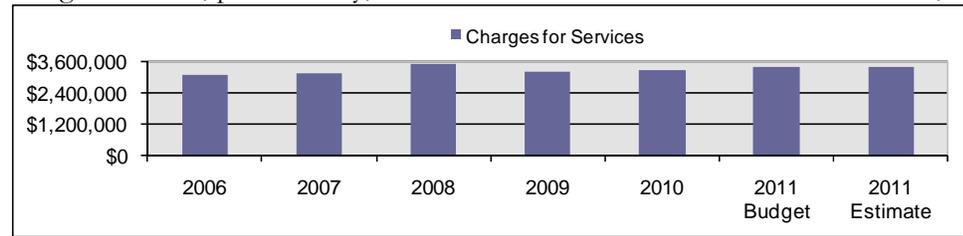
**Licenses and Permits:** This revenue category includes business and building licenses and permits. This revenue source generated \$695,663 during 2010 or 1.9 percent of total revenue and 6.8 percent of total other revenue. This revenue source totaled \$623,945 in 2006 and increased to \$695,663 in 2010, an 11.5 percent increase. The City budgeted \$575,100 for 2011 and year-to-date the City collected \$290,763 or \$23,867 (8.9 percent) more than the \$266,896 collected through May 2010.



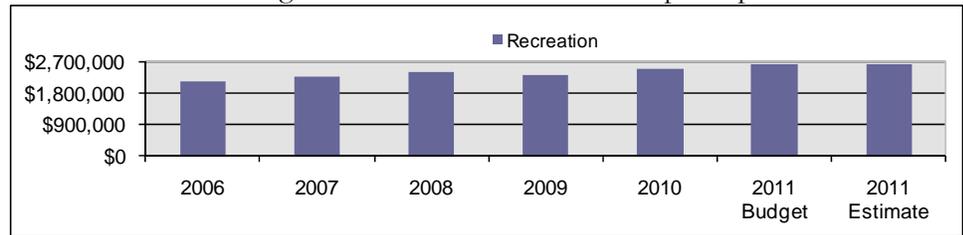
**Intergovernmental Revenues:** This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,459,564 for 2011. This revenue source totaled \$1,193,863 in 2006 and the City collected \$1,465,970 in 2010, a 22.7 percent increase. The City collected \$900,331 through May 2011 this is \$390,755 (76.7 percent) more than the \$509,576 collected in the same period in 2010.



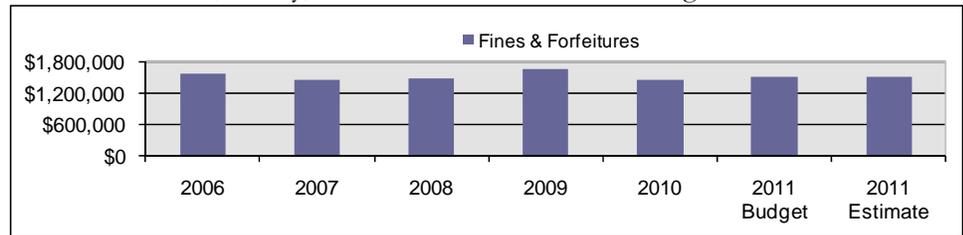
**Charges for Services:** This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,318,587 for 2011. This revenue source totaled \$3,053,106 in 2006 and increased to \$3,254,830 in 2010, a 6.6 percent increase. Total collected year-to-date was \$1,342,733 or \$53,908 (4.2 percent) more than the \$1,288,825 collected year-to-date in 2010.



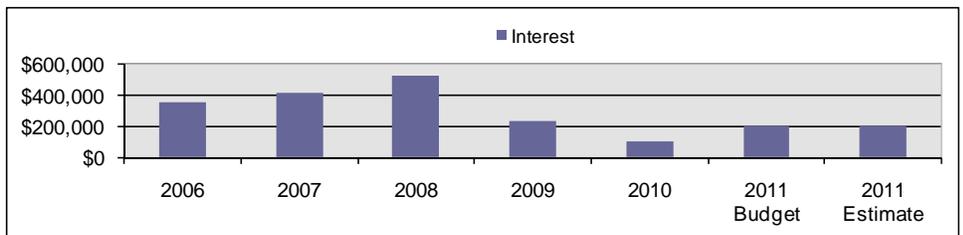
**Recreation:** This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,587,653 for 2011. This revenue source totaled \$2,099,202 in 2006 and increased to \$2,489,781 in 2010, an 18.6 percent increase. Total collections through May 2011 were \$678,669 compared to \$653,238 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 \$555,246 or \$108,410 (16.3 percent) less than the \$663,656 collected in the same time period last year.

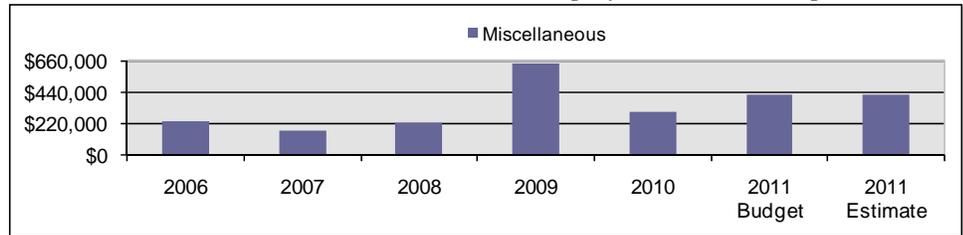


**Interest:** This is the amount earned on the City's cash investments. The 2011 budget for this source is \$200,000. This revenue source totaled \$353,575 in 2006 and decreased to \$100,544 in 2010, a 71.6 percent decrease. The City



earned \$56,973 through May 2011; while the City earned \$76,078 through May 2010.

**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 increase. Total collected year-to-date is \$93,376 (53.9 percent) less compared to the \$202,478 collected last year during the same period.



**General Fund Expenditures**

**Outcome Based Budgeting**

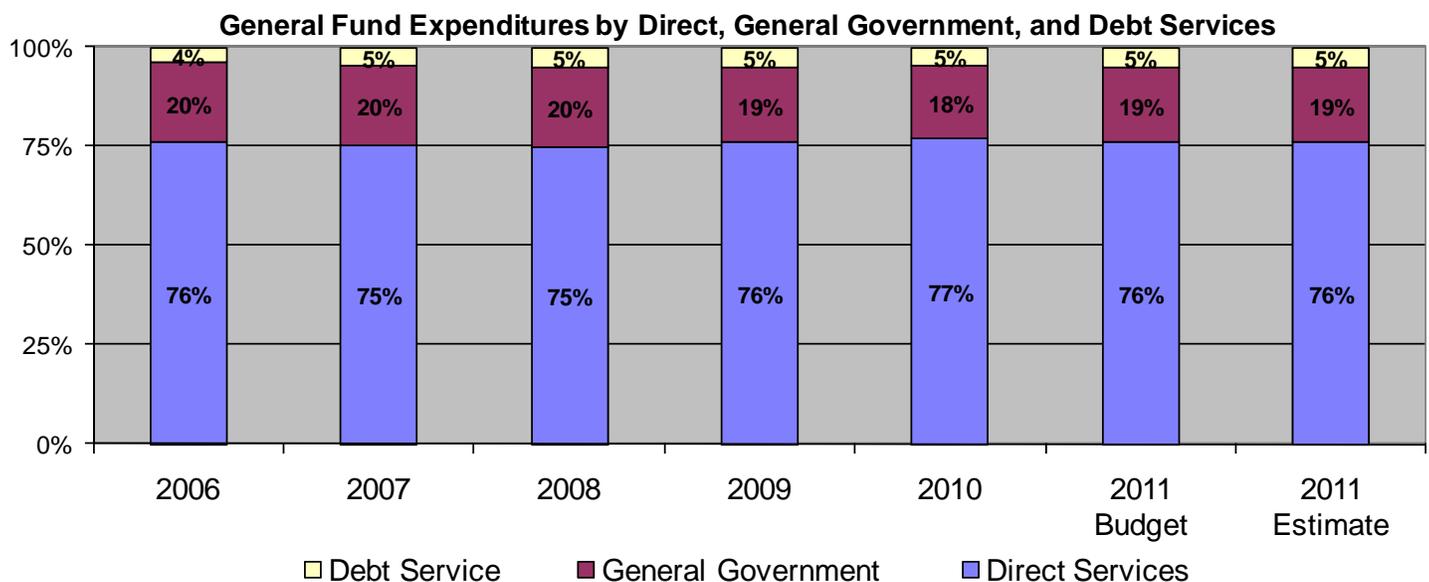
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 May were \$16,556,832 compared to \$16,606,242 in 2010 and \$16,411,937 in 2009.

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



**Transfers**

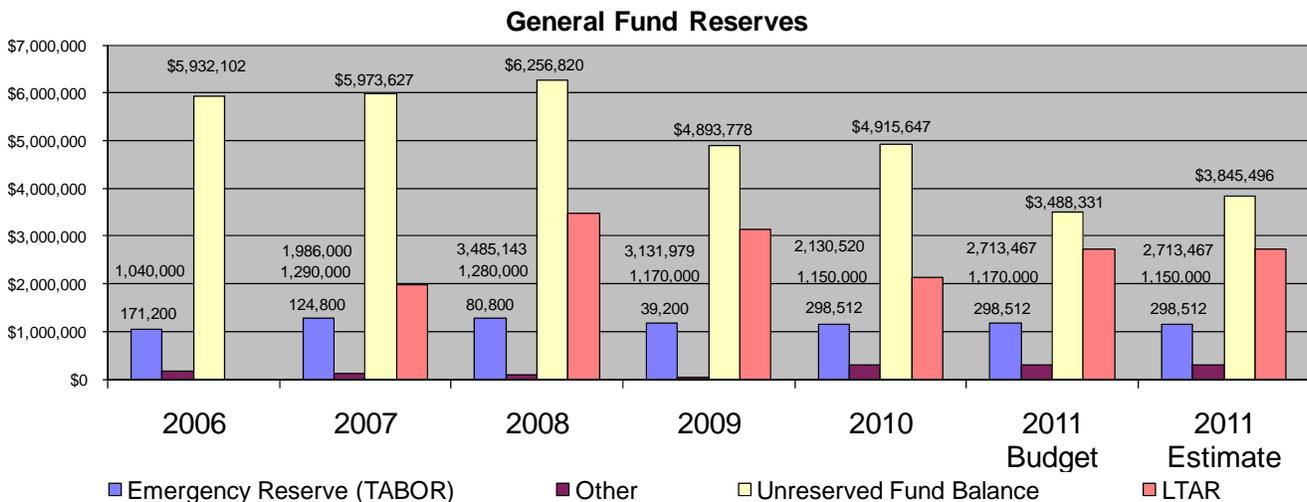
The General Fund has provided funds to and has received funds from Special Revenue Funds, Capital Projects Funds, Internal Service Funds and Component Units in order to buffer temporary gaps in revenue and expenditure amounts. In 2011 the General Fund was not in the position to provide funding to the Capital Projects Funds but has received the following transfers:

<b>Source of Funds</b>	<b>Budget Amount</b>	<b>YTD Amount</b>
<b>Special Revenue Funds</b>		
Neighborhood Stabilization Program Fund	\$ 750,000	\$ -
<b>Capital Project Funds</b>		
Public Improvement Fund (PIF)	471,815	471,815
<b>Internal Service Funds</b>		
Central Services Fund	100,000	100,000
Servicenter Fund	105,278	100,000
Risk Management Fund	546,000	546,000
Employee Benefits Fund	200,000	200,000
<b>Component Units</b>		
Englewood/McLellan Reservoir Foundation, Inc (EMRF)	325,000	122,081
<b>Enterprise Funds</b>		
Transfers Total	\$ 2,519,204	\$ 1,539,896

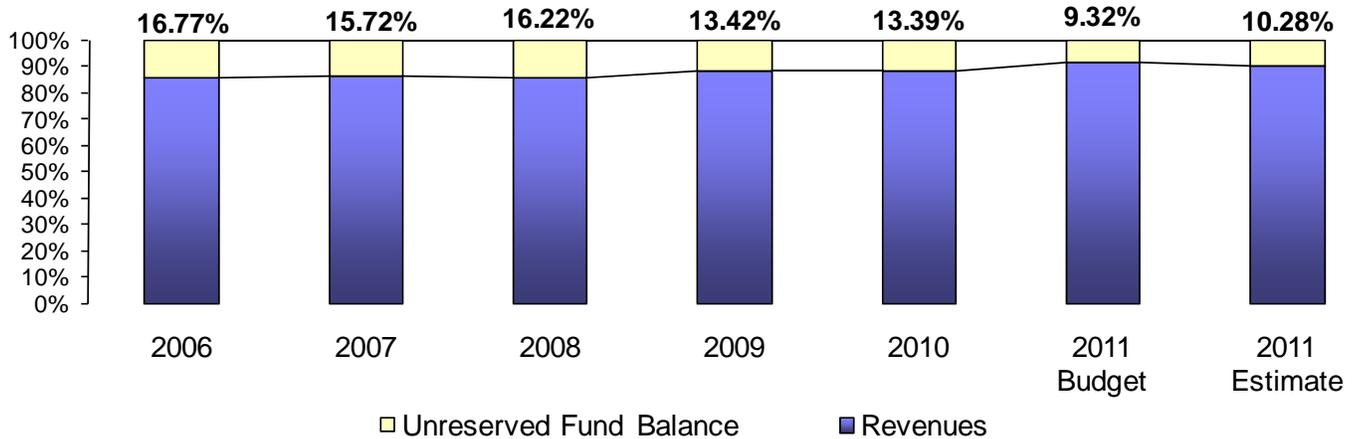
**General Fund Reserves**

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 May 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.*



### Unreserved Fund Balance As A Percentage of Revenue



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 (Decrease)		2010	2010 vs 2009 Increase (Decrease)		2009
<b>Public Improvement Fund (PIF)</b>							
YTD Revenues	\$ 734,627	\$ 161,089	28.09%	\$ 573,538	\$ (812,660)	( 58.63%)	\$ 1,386,198
YTD Expenditures	3,392,536	1,512,176	80.42%	1,880,360	(573,064)	( 23.36%)	2,453,424
Net Revenues (Expenditures)	\$ (2,657,909)	\$ (1,351,087)		\$ (1,306,822)	\$ (239,596)		\$ (1,067,226)
Beginning PIF Fund Balance	\$ 2,686,457			\$ 1,515,399			\$ 1,067,525
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 28,548			\$ 208,577			\$ 299
Plus: Remaining Annual Revenue	925,107			1,126,221			2,042,809
Less: Remaining Annual Appropriation	(776,873)			(1,174,089)			(1,974,418)
Estimated Ending Fund Balance	\$ 176,782			\$ 160,709			\$ 68,690
<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 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	\$ 302,539	\$ 17,380	6%	\$ 285,159	\$ (36,163)	-11%	\$ 321,322
Building Use Tax	\$ 400,000	\$ 400,000	\$ 327,996	\$ 142,243	77%	\$ 185,753	\$ 67,774	57%	\$ 117,979
Arapahoe County Road and Bridge Tax	\$ 191,000	\$ 191,000	\$ 67,050	\$ (188)	0%	\$ 67,238	\$ (3,108)	-4%	\$ 70,346

**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	Revenue	Expenditure	Other Sources (Uses)	Reserved Balance	Ending Balance
<b>Governmental Fund Types (Fund Balance)</b>						
<b>General Fund</b>	8,494,679	15,943,712	16,556,833	(437,031)	3,599,031	3,845,496
<b>Special Revenue Funds</b>						
Conservation Trust	1,052,255	93,416	37,328	(1,009,427)	-	98,916
Open Space	1,072,979	141,576	116,881	(762,285)	-	335,390
Neighborhood Stabilization Program	718,290	267,804	499,544	(486,550)	-	-
Donors	167,852	41,436	38,539	-	-	170,749
Community Development	-	108,462	102,276	(6,186)	-	-
Malley Center Trust	291,667	3,171	-	-	-	294,838
Parks & Recreation Trust	449,303	4,255	5,723	-	-	447,836
<b>Debt Service Fund</b>						
General Obligation Bond	9,616	578,291	166,383	-	-	421,525
<b>Capital Projects Funds</b>						
PIF	2,686,457	734,627	1,102,689	(2,141,614)	-	176,782
MYCP	1,061,738	6,473	175,960	(934,490)	-	(42,239)
<b>Proprietary Fund Types (Funds Available Balance)</b>						
<b>Enterprise Funds</b>						
Water	7,027,103	2,867,333	3,591,288	-	-	6,303,149
Sewer	6,792,828	5,856,440	4,886,008	-	1,000,000	6,763,260
Stormwater Drainage	903,814	170,169	63,870	-	137,818	872,295
Golf Course	713,451	584,155	650,127	-	293,500	353,979
Concrete Utility	277,905	448,380	134,761	-	-	591,525
Housing Rehabilitation	404,633	55,036	40,312	-	-	419,357
<b>Internal Service Funds</b>						
Central Services	234,309	127,303	110,530	(100,000)	-	151,082
ServiCenter	902,008	939,238	730,761	(100,000)	-	1,010,484
CERF	728,781	314,799	53,891	-	-	989,689
Employee Benefits	210,918	2,324,957	2,443,036	(200,000)	59,826	(166,986)
Risk Management	1,201,929	1,383,433	520,057	(546,000)	-	1,519,305

## 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.

## FUNDS GLOSSARY

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

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

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

**MOA** – Museum of Outdoor Arts

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

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

**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 May 31, 2011

Percentage of Year Completed = 42%

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	May-11	% Budget	YE Estimate	Dec-10	May-10	% YTD	Dec-09	May-09	% YTD
Property Tax	3,017,000	1,573,204	52.14%	3,017,000	3,020,884	1,629,155	53.93%	2,971,303	1,580,054	53.18%
Specific Ownership Tax	250,000	86,649	34.66%	250,000	263,434	92,769	35.22%	276,415	104,740	37.89%
Sales & Use Taxes	21,216,000	9,357,492	44.11%	21,216,000	20,866,515	8,953,340	42.91%	20,624,659	9,303,818	45.11%
Cigarette Tax	190,000	73,596	38.73%	190,000	196,320	77,972	39.72%	218,448	94,337	43.19%
Franchise Fees	2,650,851	931,020	35.12%	2,650,851	2,620,191	940,945	35.91%	2,452,611	875,605	35.70%
Hotel/Motel Tax	8,713	3,659	41.99%	8,713	8,806	3,461	39.30%	9,141	3,733	40.84%
Licenses & Permits	575,100	290,763	50.56%	575,100	695,563	266,896	38.37%	588,303	197,810	33.62%
Intergovernmental Revenue	1,459,564	900,331	61.68%	1,459,564	1,465,970	509,576	34.76%	1,333,688	344,364	25.82%
Charges for Services	3,338,567	1,342,733	40.22%	3,338,567	3,254,830	1,288,825	39.60%	3,163,735	1,311,734	41.46%
Recreation	2,587,653	678,669	26.23%	2,587,653	2,489,781	653,238	26.24%	2,315,598	669,160	28.90%
Fines & Forfeitures	1,509,150	555,246	36.79%	1,509,150	1,437,957	663,656	46.15%	1,639,678	727,533	44.37%
Interest	200,000	56,973	28.49%	200,000	100,545	76,078	75.67%	229,999	129,374	56.25%
Miscellaneous	421,507	93,376	22.15%	421,507	293,658	202,478	68.95%	643,311	470,937	73.21%
<b>Total Revenues</b>	<b>37,424,105</b>	<b>15,943,711</b>	<b>42.60%</b>	<b>37,424,105</b>	<b>36,714,454</b>	<b>15,358,389</b>	<b>41.83%</b>	<b>36,466,889</b>	<b>15,813,199</b>	<b>43.36%</b>
<b>Expenditures</b>										
Legislation	346,120	136,684	39.49%	346,120	309,870	145,712	47.02%	346,045	169,251	48.91%
City Attorney	762,518	269,723	35.37%	762,518	702,228	294,618	41.95%	678,038	260,347	38.40%
Court	999,105	341,960	34.23%	999,105	901,469	350,722	38.91%	914,493	366,501	40.08%
City Manager	664,732	283,000	42.57%	664,732	659,882	293,966	44.55%	674,170	300,639	44.59%
Human Resources	481,102	170,090	35.35%	481,102	419,421	151,639	36.15%	456,275	168,968	37.03%
Financial Services	1,550,906	571,536	36.85%	1,550,906	1,445,581	597,879	41.36%	1,575,924	618,576	39.25%
Information Technology	1,338,543	566,888	42.35%	1,338,543	1,280,660	512,753	40.04%	1,360,237	508,966	37.42%
Public Works	5,498,891	2,100,915	38.21%	5,498,891	5,137,364	2,160,971	42.06%	5,152,891	2,082,869	40.42%
Fire Department	7,465,775	3,077,480	41.22%	7,465,775	7,425,903	3,118,066	41.99%	7,320,268	3,022,033	41.28%
Police Department	10,587,026	4,367,433	41.25%	10,587,026	10,312,633	4,396,276	42.63%	10,183,891	4,243,855	41.67%
Community Development	1,344,556	453,867	33.76%	1,344,556	1,301,473	488,708	37.55%	1,366,437	526,013	38.50%
Library	1,256,520	498,032	39.64%	1,256,520	1,284,083	574,204	44.72%	1,275,554	583,344	45.73%
Recreation	5,969,515	2,071,730	34.71%	5,969,515	5,811,809	2,153,905	37.06%	5,727,968	2,173,637	37.95%
Debt Service	2,075,204	1,562,248	75.28%	2,075,204	1,860,827	1,360,804	73.13%	1,805,208	1,347,433	74.64%
Contingency	90,000	85,246	94.72%	90,000	48,139	6,019	12.50%	160,578	39,505	24.60%
<b>Total Expenditures</b>	<b>40,430,513</b>	<b>16,556,832</b>	<b>40.95%</b>	<b>40,430,513</b>	<b>38,901,342</b>	<b>16,606,242</b>	<b>42.69%</b>	<b>38,997,977</b>	<b>16,411,937</b>	<b>42.08%</b>
Excess revenues over (under) expenditures	(3,006,408)	(613,121)	20.39%	(3,006,408)	(2,186,888)	(1,247,853)		(2,531,088)	(598,738)	
Net transfers in (out)	2,519,204	1,539,896	61.13%	2,519,204	1,446,610	1,134,433	78.42%	663,282	3,682	0.56%
<b>Total Fund Balance</b>	<b>\$ 7,670,310</b>	<b>\$ 9,421,454</b>	<b>122.83%</b>	<b>\$ 8,007,475</b>	<b>\$ 8,494,679</b>	<b>\$ 9,121,537</b>	<b>107.38%</b>	<b>\$ 9,234,957</b>	<b>\$ 10,507,707</b>	<b>113.78%</b>

## Fund Balance Analysis

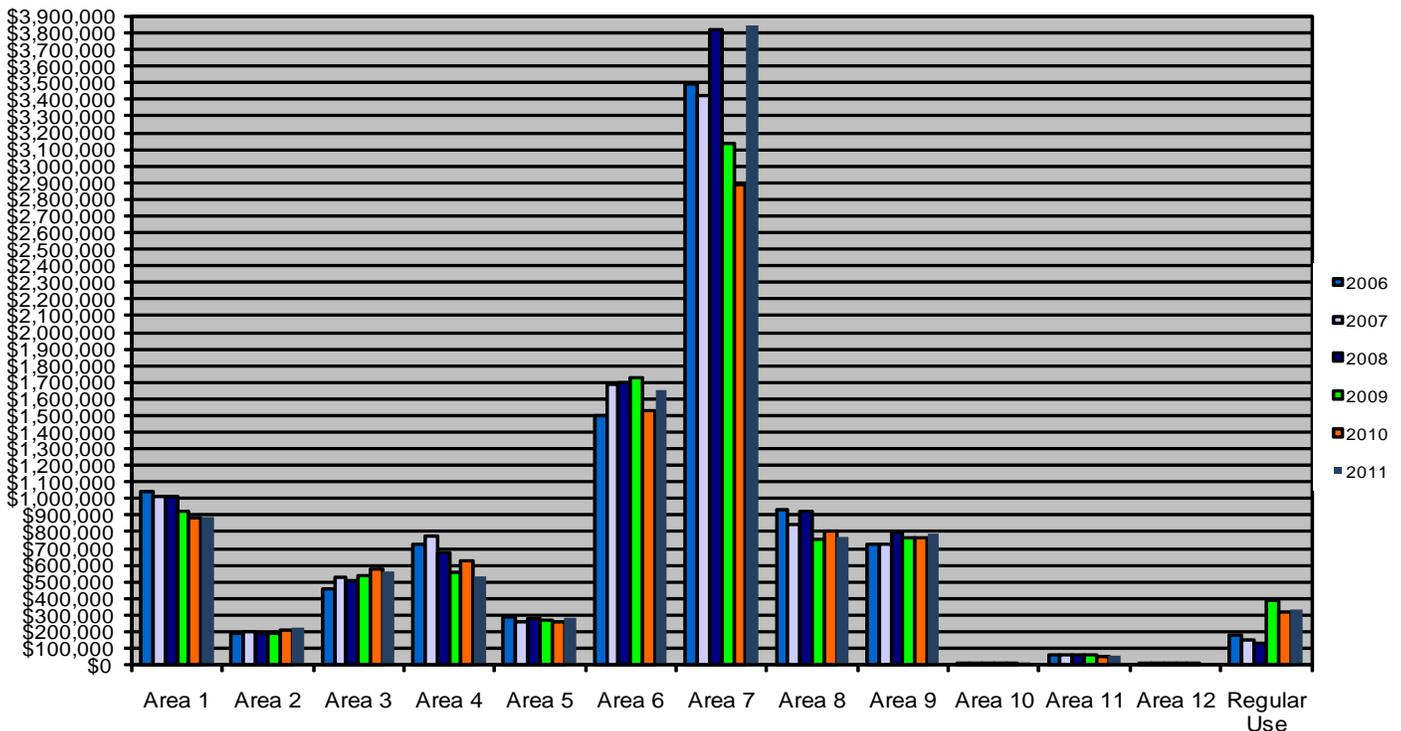
Total Fund Balance	\$ 7,670,310	\$ 9,421,454	\$ 8,007,475	\$ 8,494,679	\$ 9,234,957
Reserves/designations:					
-Emergencies (TABOR)	1,170,000	1,150,000	1,150,000	1,150,000	1,170,000
-LTAR	2,713,467	2,010,520	2,713,467	2,130,520	3,131,980
-MOA	-	-	-	-	39,200
-COPS Grant	298,512	298,512	298,512	298,512	-
Unreserved/undesignated					
Fund Balance	<b>\$ 3,488,331</b>	<b>\$ 5,962,422</b>	<b>\$ 3,845,496</b>	<b>\$ 4,915,647</b>	<b>\$ 4,893,777</b>
Potential reserves/designations	-	-	-	-	-
Estimated unres/undesig					
Fund Balance	<b>\$ 3,488,331</b>	<b>\$ 5,962,422</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%		
Target	3,742,411	-	5,613,616		

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

### Cash Basis

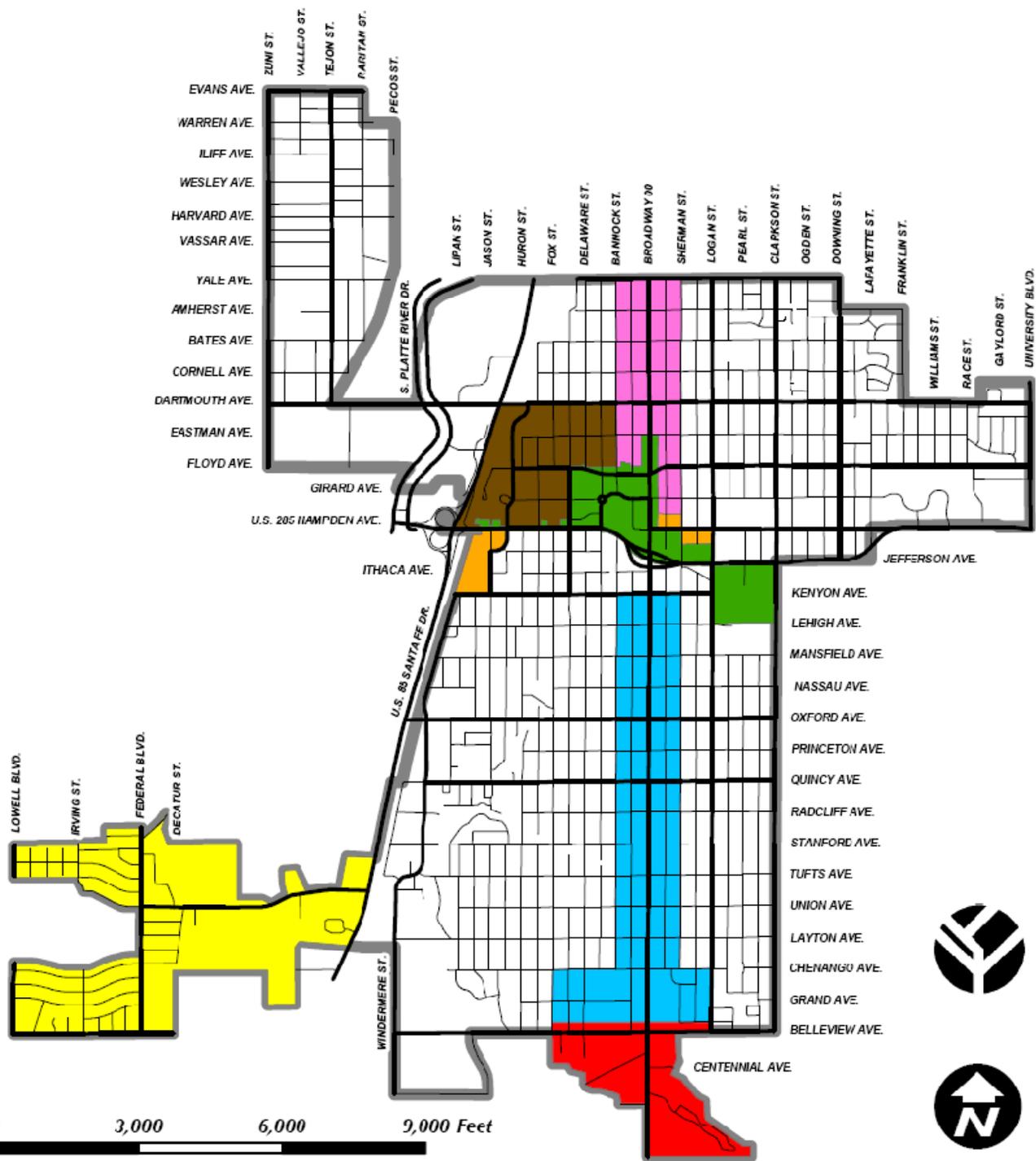
	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change
<b>Area 1</b>	1,042,746	1.39%	1,008,824	-3.25%	1,009,827	0.10%	919,936	-8.81%	882,218	-12.64%	894,073	1.34%
<b>Area 2</b>	191,196	2.42%	196,346	2.69%	191,584	-2.43%	185,591	-5.48%	210,395	9.82%	225,871	7.36%
<b>Area 3</b>	456,217	-5.07%	523,106	14.66%	506,994	-3.08%	534,066	2.10%	576,528	13.71%	558,667	-3.10%
<b>Area 4</b>	727,731	4.83%	779,149	7.07%	673,680	-13.54%	553,453	-28.97%	622,268	-7.63%	533,707	-14.23%
<b>Area 5</b>	287,230	5.47%	263,416	-8.29%	279,631	6.16%	265,702	0.87%	261,164	-6.60%	286,377	9.65%
<b>Area 6</b>	1,502,800	4.65%	1,687,646	12.30%	1,701,798	0.84%	1,731,134	2.58%	1,525,619	-10.35%	1,653,374	8.37%
<b>Area 7</b>	3,494,400	2.91%	3,426,261	-1.95%	3,825,257	11.65%	3,131,376	-8.61%	2,892,953	-24.37%	3,847,534	33.00%
<b>Area 8</b>	935,815	13.31%	842,897	-9.93%	921,627	9.34%	754,424	-10.50%	809,641	-12.15%	765,771	-5.42%
<b>Area 9</b>	725,669	0.00%	725,669	0.00%	792,201	9.17%	769,187	6.00%	768,075	-3.05%	786,862	2.45%
<b>Area 10</b>	14,357	63.39%	8,297	-42.21%	9,676	16.62%	7,696	-7.24%	7,043	-27.21%	14,612	107.46%
<b>Area 11</b>	57,766	-0.81%	58,239	0.82%	60,454	3.80%	57,608	-1.08%	55,816	-7.67%	59,025	5.75%
<b>Area 12</b>	2,079	93.94%	1,756	-15.54%	2,447	39.34%	2,424	38.03%	2,353	-3.82%	2,561	8.81%
<b>Regular Use</b>	175,982	75.89%	146,023	-17.02%	130,934	-10.33%	389,886	167.00%	316,289	141.56%	329,761	4.26%
<b>Total</b>	<b>9,613,988</b>	<b>4.35%</b>	<b>9,667,629</b>	<b>0.56%</b>	<b>10,106,109</b>	<b>4.54%</b>	<b>9,302,483</b>	<b>-3.78%</b>	<b>8,930,365</b>	<b>-11.63%</b>	<b>9,958,195</b>	<b>11.51%</b>
Refunds	63,953	6.93%	66,096	3.35%	308,275	366.40%	10,664	-96.54%	167,657	1472.13%	25,158	-84.99%
Audit & Collections Revenue*	156,835	-3.00%	204,587	30.45%	287,599	40.58%	377,866	31.39%	222,044	-41.24%	121,099	-45.46%
*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%	1,150,000	91.67%
Building Use	598,672	186.85%	590,921	-1.29%	390,323	-33.95%	117,978	-69.77%	185,753	57.45%	327,996	76.58%
Vehicle Use	469,709	-19.00%	597,577	27.22%	549,872	-7.98%	404,907	-26.36%	372,596	-7.98%	302,539	-18.80%

## May 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