



**AGENDA FOR THE
ENGLEWOOD CITY COUNCIL
STUDY SESSION
MONDAY, MAY 21, 2012**

- I. **Executive Session**
At 5:30 p.m. in the City Council Conference Room, City Council will discuss a litigation matter pursuant to C.R.S. 24-6-402-4(b) and a security arrangement matter pursuant to C.R.S. 24-6-402-4(d).
- II. **Cities of Service**
At 6:00 p.m. in the Community Room, Council Member Olson and students from Denver University will discuss Cities of Service Project.
- III. **Comprehensive Annual Financial Report – 6:15 p.m.**
Finance and Administrative Services Director Frank Gryglewicz, Accounting Manager Kevin Engels and Tim Mayberry from Holscher Mayberry & Company LLC will discuss the Comprehensive Annual Financial Report for 2011.
- IV. **Financial Report – 6:40 p.m.**
Finance and Administrative Services Director Frank Gryglewicz will discuss the April, 2012 Financial Report.
- V. **2013 Budget – 7:05 p.m.**
Finance and Administrative Services Director Frank Gryglewicz will discuss the 2013 Budget.
- VI. **July 4th Update – 7:20 p.m.**
Fire Training Chief Kraig Stovall and Police Commander Gary Condreay will provide an update for the July 4th festivities.
- VII. **City Manager's Choice**
A. Englewood Market Place
- VIII. **City Attorney's Choice**

MEMORANDUM

To: Mayor Penn and City Council

From: Frank Gryglewicz, Director of Finance and Administrative Services
Kevin Engels, Accounting Manager

Date: May 17, 2012

Subject: 2011 Comprehensive Annual Financial Report

Enclosed is your copy of the 2011 Comprehensive Annual Financial Report (CAFR). This will be one of the topics of discussion at the May 21, 2012 study session.

We wish to thank all who contributed to the report, particularly to those in Accounting who worked extremely hard to bring the report together: Accountants Kathy Cassai, and Christine Hart, Payroll Technician Joel Berrelez and Accounts Payable Technician Terri Buechler. We also want to thank each Department who provided information relating to the operation of their programs for inclusion in the report.

Finally, we want to thank the City's auditors, Holscher Mayberry & Company LLC, for conducting the audit in a competent, professional and timely manner.



2011
CAFR



Comprehensive Annual Financial Report

City of Englewood, Colorado

Year ended December 31, 2011



City of Englewood

1000 Englewood Parkway
Englewood, CO 80110
www.engagewoodgov.org

CITY OF ENGLEWOOD, COLORADO



COMPREHENSIVE ANNUAL FINANCIAL REPORT



For Fiscal Year Ended
December 31, 2011



*Prepared by the Department of Finance and
Administrative Services:*

Frank Gryglewicz, CPA, CPFO, Director
Kevin Engels, Accounting Manager
Kathy Cassai, Accountant
Christine Hart, Accountant
Jennifer Nolan, Revenue and Budget Manager
Loucrishia Ellis, City Clerk
Carol Wescoat, Retirement Administrator

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2011

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C I T Y O F E N G L E W O O D

April 17, 2012

The Honorable Mayor, City Council Members,
and Citizens of the City of Englewood, Colorado

State law requires that all local governments publish within seven months of the close of each year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant. Pursuant to this requirement, the Department of Finance and Administrative Services is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Englewood, Colorado (the City) for the year ended December 31, 2011.

This report is published to provide the City Council, City staff, our citizens, and other readers with detailed information concerning the financial position and activities of the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

Holscher, Mayberry & Company LLC., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2011. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

The Report

The CAFR is presented in three sections: introductory, financial and statistical. The **introductory section** provides the reader with this transmittal letter, the City's organizational chart, a list of principal officials and last years Government Finance Officer's Association Certificate of Achievement for Excellence in Financial Reporting.

The **financial section** contains the Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, the combining and individual fund statements and schedules, and other information, such as schedules of future debt requirements on all outstanding long-term obligations.

MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. The basic financial statements include the government-wide financial statements that present the City's entire operations, while the fund level statements present the financial information on each of the City's major funds, as well as nonmajor funds.

Lastly, the **statistical section** includes selected financial and demographic information, generally presented on a multi-year basis.

City Profile

Located on the southern border of Denver, Colorado's capital city, Englewood is approximately seven square miles and home to approximately 31,000 residents and 2,400 businesses. Due to easy access to two light rail train stations and the state and US highway systems, Englewood's location offers short and convenient commutes to other areas within the Denver Metro Area and the rocky mountain range. The City's mixed housing and retail environment encourages a pedestrian community. The City's economy is comprised of retail, industrial, manufacturing, healthcare and service sectors.

Englewood is said to have "small town" feel with the conveniences of big city amenities. Recreational opportunities abound in Englewood, including eleven parks, nine athletic fields, an award-winning recreation center, a golf course, and one of the most successful senior centers in the region. The Pirates Cove aquatic center offers a variety of family aquatic activities.

In addition to the recreational opportunities, the City provides a full range of services, including police (1 Station) and fire protection (3 Stations), emergency medical services, the construction and maintenance of streets and other infrastructure, library services and general government services. The City operates its own water treatment plant and distribution system, maintains a wastewater collection system and manages a jointly held regional wastewater treatment plant with the City of Littleton, a neighboring city to the south.

The City of Englewood is a municipal corporation with a Council-Manager form of government. Members of the seven member council are elected to staggered four year terms with term limits of three consecutive terms. The Mayor and Mayor Pro-Tem are selected from among the Council members. The City Council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for overseeing the day-to-day operations of the City, and for appointing heads of the various departments.

The City of Englewood has several boards and commissions made up of council members, residents, local businesspeople, and others who are interested in their community. Members are interviewed and appointed by City Council, and provide guidance for many of Englewood's programs and projects. The Englewood School District operates several educational facilities throughout the City - Early Childhood (2), Elementary (5), Middle Schools (2), High School (1) and Alternative High School (1).

Englewood residents have direct light rail access to two college campuses. To the south, Arapahoe Community College offers comprehensive courses leading to both the Associate of Arts and the Associates of Science degrees. To the north, the 37,000-student Auraria campus is home to three colleges: the University of Colorado at Denver, the Community College of Denver and Metropolitan State College of Denver. Other four year colleges/universities in the Denver Metro area include: University of Colorado-Boulder, Colorado State University (Fort Collins), University of Northern Colorado (Greeley), Colorado School of Mines (Golden), Regis University (Denver) and University of Denver.

As required by generally accepted accounting principles (GAAP), these financial statements present the City of Englewood (the primary government) and its component units. The component units, the Englewood Urban Renewal Authority (EURA), the Englewood Environmental Foundation, Inc. (EEF) and the Englewood McLellan Reservoir Foundation, Inc. (EMRF) are discretely reported in separate columns of the government-wide financial statements to emphasize that they are legally separate from the City. Each discretely presented component unit has a December 31 year-end. Separate financial statements are not prepared for EURA, EEF or the EMRF. Additional information on all three entities can be found throughout the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager must submit the proposed budget to City Council for review by September 15 of each year. The council must hold public hearings within three weeks after the proposed budget is submitted and a final budget must be prepared and adopted by December 1 of each year. The budget is prepared by fund (e.g., General Fund) and department (e.g., Public Works). Approval of the City Council is required for budget revisions, except that the City Manager may transfer any unencumbered appropriation from one expenditure classification to another for the same fund. In the General Fund, the City Manager may transfer the unencumbered appropriation balance from one expenditure classification to another only within departments.

Local Economy

Colorado The 2012 forecast is taken from the *2012 Colorado Business Economic Outlook* report prepared by the Business Research Division of the University of Colorado Leeds School of Business. The *2012 Colorado Business Economic Outlook* predicts that the Colorado unemployment rate is expected to drop to 8.4% in 2012 as job creation should slightly outpace the growth in the potential labor force. Colorado's unemployment rate is expected to more than 1% below that of the nation.

Employment growth is expected to be broad but modest with only three of twenty one sectors showing declines (manufacturing, financial and information activities). Nonfarm employment will increase 1% for a net gain of 23,000 jobs during 2012. The construction sector is expected to gain jobs for the first time in four years.

Colorado's abundance of renewable energy resources including wind, solar, hydroelectric, and biomass resources accounted for nearly 10% of the net power generation in 2010. Colorado is ranked 10th nationally in overall alternative energy generation. Colorado's renewable energy standard of 30% potential renewable electricity by 2020 is one of the most aggressive in the nation.

Colorado continues to be a desirable destination with net migration to the state of 300,000 during the decade from 2000 to 2010. During this decade Colorado's total population grew by more than 700,000 or 16.9%, far outpacing the national average of 9.6%. This is dramatic slowing compared to the 31% increase during the 1990's.

The recovery remains slow for most sectors of the economy. Consumers will remain concerned about their employment outlook and home values (wealth). Colorado's durable and diverse economy has allowed the state to recover from the economic decline more quickly than most of the nation due in part to the following:

- ▶ Above average wages, unemployment rates below national averages and abundant recreational opportunities will continue to attract businesses and a skilled labor force
- ▶ Colorado's population growth will remain above the national average for the near future.
- ▶ Advanced technology will continue to play an integral and evolving role in the state. A solid argument may be made that this is as good as time as any to embark on new technologies in renewable energy, photonics-based products or those developed through nanotechnology.

Metro Denver The 2011 economic update for the Denver Metro Area is from the **December 2011 Colorado Economic Chronicle** report prepared by the Colorado Legislative Council (CLC). The CLC provides non-partisan economic research to the Colorado General Assembly. The report period is from January through December 2011.

The Colorado economy has stabilized but is still sensitive to weaknesses in real estate, slow wage growth and higher commodity prices. Consumer spending and job growth picked up in the second half of 2011 but remain below historical norms mainly due to the continued weak housing market and high levels of debt.

The metro Denver region, which represents over half of the statewide labor force, will continue to see moderate employment gains. The metro Denver region's unemployment rate is 8.3%, which is close to the state rate of 8.4% and below the national rate of over 9% at the end of the year.

The housing market in the metro Denver region continues to struggle. Foreclosure rates have remained elevated and there is still a large inventory of foreclosed homes that the market needs to work through before any meaningful recovery in home prices is expected.

Long-term Financial Planning

At the end of the year, *unassigned* fund balance for the general fund was \$4,962,524, or 13% of total General Fund revenues. The 2012 General Fund budget is calling for a \$523,000 deficit that will lower the percentage to an estimated 10.6% of 2012 budgeted revenues. Total 2012 general fund revenues, before transfers, are estimated at \$38,457,000 or \$150,000 more than 2011 actual revenues. Total 2011 general fund expenditures are budgeted at \$40,949,793 or \$1,450,000 more than the 2011 actual expenditures, a 3.7% increase.

The City is mature and landlocked; however, several development and redevelopment opportunities exist. These opportunities will influence the local economy and are a potential source of revenue for the City of Englewood.

Property owned by the Englewood/McLellan Reservoir Foundation (EMRF) is located adjacent to the four corners of the intersection of C470 and Lucent Boulevard. Any development of the site must protect the McLellan Reservoir water resources and quality. Development is underway in and around the site. The RTD has negotiated to locate a light rail station on the site as part of FasTracks. Douglas County supports a transit-oriented development at this location. Several tracts of land have been leased and are producing revenue for the City.

The Parks and Recreation Master Plan for the City of Englewood guides the future of the City as it relates to parks, trails, and recreation within the City.

The Plan defines Level of Service based on population and geography. Ideally, each citizen should be within one-half mile of a neighborhood park and 1.5 miles of a community park. A critical component of this plan is the identification of potential residential growth and development areas, and ensuring there are adequate neighborhood parks to serve them in the future. Neighborhood parks are the backbone of the community, while community parks are invaluable, citywide resources. The plan further defines the need for access, sizes, and amenities important to achieving desirable results from parks.

Recommendations of the Plan were formulated to address specific needs that arose from the planning process. Recommendations take shape in six essential forms: new parkland and amenities, major park redesigns, facility additions and enhancements, street crossing enhancements, new off-street trails, and key new on-street trail connections. Duncan Park is currently undergoing a major redesign and the Plan recommends enhancements to Cushing Park, Miller Field, Hosanna Athletic Complex, Centennial Park, and Bellevue Park. Additionally, this Plan recommends numerous street crossing enhancements, off-street trails, and on-street trail connections throughout the city. Lastly, the Plan recommends phasing in a comprehensive irrigation system upgrade for all parks.

As with any plan, the effectiveness and success will be measured by the community's ability and willingness to implement the Plan. This Plan provides recommendations and directs actions for the near and more distant future. This Plan also offers specific considerations to help prioritize which projects should be implemented first. The Plan is intended to be flexible and fluid, so that as opportunities for land acquisition and park development become available, the City can immediately capitalize on these opportunities without being committed to a pre-determined project identified in a concrete prioritization system. This long-range planning proposed to establish a perpetual fund or "land bank" to strategically acquire parcels for park development that may become available in the future.

In addition to initial construction costs of any project that may be undertaken, the City would likely incur significant additional operating costs to staff, operate and maintain the new facilities.

Relevant Financial Policies

General Fund Balance

The unreserved/undesignated fund balance target for the General Fund is between 10% and 16% of total General Fund revenues or approximately one to two months of General Fund budgeted expenditures. If the unreserved/undesignated fund balance falls below the minimum target balance, additional sources of funds and/or reductions of uses of funds are identified to bring the balance to the desired level.

Long Term Asset Reserve (LTAR)

This General Fund reserve account accumulates 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 may only be expended if the funds are appropriated in the annual budget or by supplemental appropriation.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Englewood for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the twenty-eighth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. This report would not have been possible without the efficient and dedicated service of the entire staff of the Department of Finance and Administrative Services. We wish to express our appreciation to all members of the Department who assisted and contributed to the preparation of this report. We would also like to thank the City's staff and members of City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Gary Sears

Gary Sears
City Manager

Frank Gryglewicz

Frank Gryglewicz
Director of Finance and Administrative Services

City of Englewood, Colorado
Principal Officials

Elected Officials

City Council

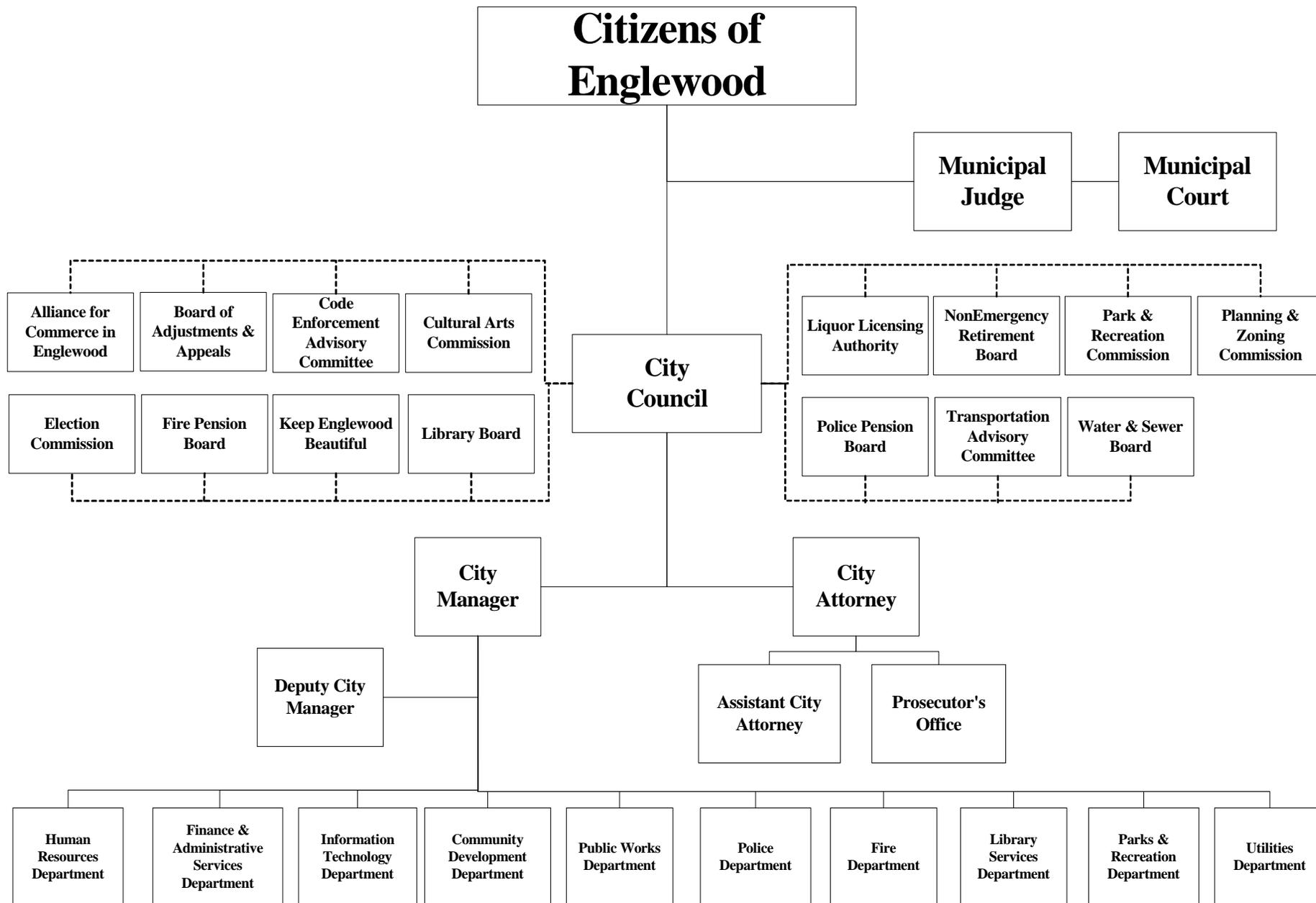
Mayor Randy Penn, District 3
Mayor Pro Tem Jim Woodward, At-Large
Council Member Rick Gillit, District 4
Council Member Joe Jefferson, District 1
Council Member Bob McCaslin, At-Large
Council Member Linda Olson, District 2
Council Member Jill Wilson, At-Large

Municipal Judge Vincent Atencio

City Officials

City Manager Gary Sears
Deputy City Manager Michael Flaherty
City Attorney Dan Brotzman
Community Development Director Alan White
Finance and Administrative Services Director Frank Gryglewicz
Fire Chief Mike Pattarozzi
Human Resources Director Susan Eaton
Information Technology Director Jeff Konishi
Library Services Director Dorothy Hargrove
Municipal Court Administrator Tamara Wolfe
Parks and Recreation Director Jerrell Black
Police Chief John Collins
Public Works Director Rick Kahm
Utilities Director Stewart Fonda

Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Englewood Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

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Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Englewood, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Englewood, Colorado, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Englewood, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Englewood, Colorado's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Englewood, Colorado, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2012, on our consideration of the City of Englewood, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedules of funding progress, and schedules of employer's contributions as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Englewood, Colorado's basic financial statements. The combining and individual fund financial statements and schedules, and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and legal compliance and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Holscher, Mayberry + Company, LLC

Centennial, Colorado
April 17, 2012

Management's Discussion and Analysis

As management of the City of Englewood, Colorado (the "City"), we offer readers of the City's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2011 by \$151.7 million (\$62.8 million in governmental activity net assets and \$88.9 million in business-type activity net assets). Of the governmental activities net asset total, \$11.1 million, or 17.7%, is unrestricted and may be used to meet the City's obligations to the public and creditors. Similarly, \$3.6 million, or 4.0%, of business-type activity net assets are unrestricted.
- The City's total net assets decreased by \$1.2 million, or 0.8% compared to 2010. Net assets of the City's governmental activities increased \$66,000, or less than 1%. Net assets of the business-type activities decreased \$1.3 million, or 1.4%, from 2010.
- The total cost of the City's programs decreased \$2.2 million, or 3%, compared to 2010. The cost of governmental activities program expenses decreased \$1.5 million to \$44.6 million, and the cost of business-type activities decreased \$716,000 or 2.6% from 2010, to \$27 million.
- Total revenues, excluding special items and transfers, increased \$585,000 or 0.8%, compared to 2010. Governmental activities revenues increased \$1.3 million, or 2.9%, to \$44.7 million while revenues of business-type activities decreased \$660,000 or 2.5%, to \$25.8 million compared to 2010.
- The City's governmental funds reported combined ending fund balances of \$14.8 million, a decrease of \$1.2 million when compared to 2010. Of the combined ending governmental fund balances, approximately 70%, or \$10.4 million is available for spending at the City's discretion subject to the City Council's approved policies (*committed and assigned fund balances*).
- The General Fund reported a fund balance of \$8.8 million as of December 31, 2011, of which \$7.7 million is not restricted and \$4.4 million is not restricted, committed or assigned.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements 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*). The governmental activities of the City include general government, which consists of the City Council and the various Boards and Commissions, the City Attorney's Office, Municipal Court, the City Manager's Office, Community Development, Human Resources, Finance and Administrative Services and Information Technology. Governmental activities also include Police, Fire, Public Works and Culture and Recreation (including Library Services). The business-type activities of the City include the water, sewer, golf course, storm drainage, concrete utility and housing rehabilitation operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Englewood Urban Renewal Authority (EURA), the Englewood Environmental Foundation, Inc. (EEF) and the Englewood McLellan Reservoir Foundation, Inc (EMRF). All three (known as *component units*) are legally separate entities for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements

A *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. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for six separate operations: Water, Sewer, Golf Course, Storm Drainage, Concrete Utility and Housing Rehabilitation. Internal service funds are an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for in-house printing, vehicle replacement and maintenance, and insurance costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the six enterprise operations, all of which are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* later in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension and other post employment benefits to employees.

The combining statements referred to earlier in connection with non-major governmental and proprietary funds as well as budget to actual schedules for all funds are presented immediately following the RSI.

Government-wide Financial Analysis

A. Analysis of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The analysis below focuses on the net assets and changes in net assets of the City's governmental and business-type activities. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the governmental and business-type activities. The same is true for the prior year.

Table 1 presents an analysis of the City's net assets as of December 31. The City's assets exceeded liabilities by \$151.7 million at the close of 2011. Governmental activities make up \$62.8 million or (41%) of these assets, with business-type activities making up the remaining \$88.9 million (59%). Total net assets decreased by \$1.3 million in 2011. The decrease is comprised of the following:

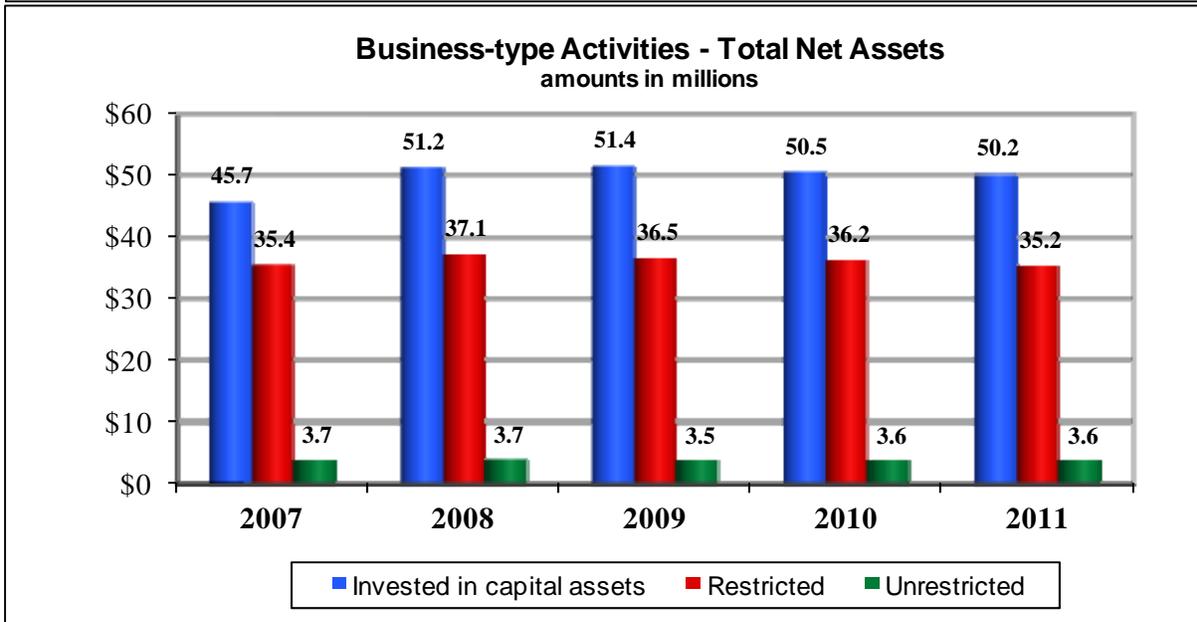
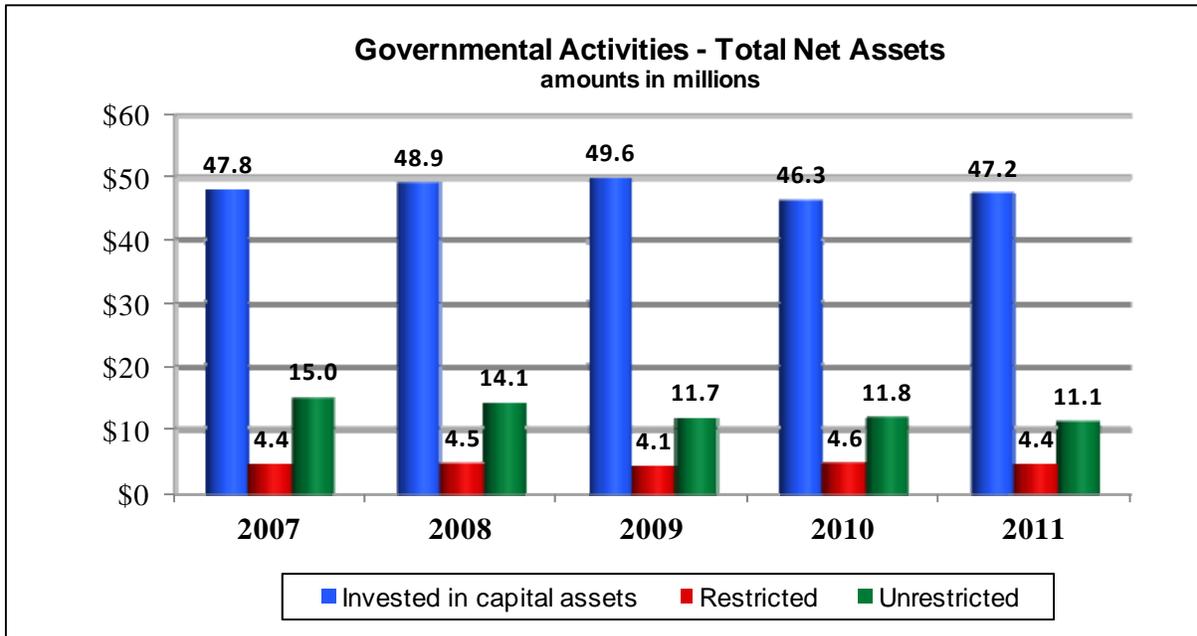
- Total assets decreased \$5.6 million, or 2.1%, to \$263.2 million. This included a decrease in capital assets of \$1.9 million combined with a decrease in current and other assets of \$3.7 million. The majority of this decrease \$4.8 million took place in the City's business-type activities and is due to regular debt service payments.
- Total liabilities decreased \$4.4 million, or 3.8%, to \$111.5 million. No new debt was issued in 2011 so regular debt service payments on the City's notes and bonds accounted for most of this decrease.

Table 1
City of Englewood
Summary of Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Assets						
Current and other assets	\$ 26,643,615	\$ 26,441,325	\$ 97,535,819	\$ 101,409,750	\$ 124,179,434	\$ 127,851,075
Capital assets	74,321,911	75,288,181	64,738,714	65,692,884	139,060,625	140,981,065
Total assets	<u>100,965,526</u>	<u>101,729,506</u>	<u>162,274,533</u>	<u>167,102,634</u>	<u>263,240,059</u>	<u>268,832,140</u>
Liabilities						
Long-term liabilities	30,064,729	31,941,809	62,807,867	67,324,426	92,872,596	99,266,235
Other liabilities	8,124,856	7,078,384	10,521,631	9,565,882	18,646,487	16,644,266
Total liabilities	<u>38,189,585</u>	<u>39,020,193</u>	<u>73,329,498</u>	<u>76,890,308</u>	<u>111,519,083</u>	<u>115,910,501</u>
Net assets						
Invested in capital assets, net of related debt	47,246,217	46,285,709	50,160,730	50,454,808	97,406,947	96,740,517
Restricted	4,412,743	4,592,402	35,191,685	36,189,692	39,604,428	40,782,094
Unrestricted	11,116,981	11,831,202	3,592,620	3,567,826	14,709,601	15,399,028
Total net assets	<u>\$ 62,775,941</u>	<u>\$ 62,709,313</u>	<u>\$ 88,945,035</u>	<u>\$ 90,212,326</u>	<u>\$ 151,720,976</u>	<u>\$ 152,921,639</u>

The largest portion of the City's assets (52.8%) reflects its investment of \$139 million in capital assets (e.g., land, buildings, machinery and equipment). Net Capital assets are reported less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$39.6 million (26.1%) represents resources that are subject to external restrictions on how they may be used. The net assets of the utility funds: Water, Sewer, Storm Drainage and Concrete, are restricted by City Charter as to their use based on the purpose of their respective service fees. The remaining balance of unrestricted net assets, \$14.7 million (9.7%) may be used to meet the government's ongoing obligations to citizens and creditors. Of the \$11.1 million unrestricted net assets attributed to governmental activities, \$3.8 million represents the unrestricted net assets of the City's internal service funds.



B. Analysis of Changes in Net Assets

As presented in Table 2, the City of Englewood’s overall net assets decreased \$1.2 million during 2011. This decrease is explained in the governmental and business-type activities discussion below.

Governmental Activities. Net assets of governmental activities were unchanged from 2010. This is compared to a decrease of \$2.8 million in 2010.

Governmental revenues increased approximately \$1.3 million or 2.9% compared to 2010. This increase is due primarily to an increase in tax collections.

Governmental expenses decreased by approximately \$1.5 million or 3.2% from 2010. This decrease is due to cost cutting measures.

Table 2
City of Englewood
Summary of Changes in Net Assets
For Years as Stated
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Permits, fees, fines and charges for services	\$ 8,632,414	\$ 8,204,698	\$ 24,814,763	\$ 25,575,152	\$ 33,447,177	\$ 33,779,850
Operating grants and contributions	3,249,568	4,647,383	706,241	636,496	3,955,809	5,283,879
Capital grants and contributions	-	10,835	254,699	217,324	254,699	228,159
General Revenues						
Taxes	30,532,471	29,495,567	-	-	30,532,471	29,495,567
Grants and contributions not restricted to specific programs	30,883	112,116	-	-	30,883	112,116
Investment earnings	191,431	186,414	-	-	191,431	186,414
Other	2,029,984	757,988	-	13,250	2,029,984	771,238
Total revenues	<u>44,666,751</u>	<u>43,415,001</u>	<u>25,775,703</u>	<u>26,442,222</u>	<u>70,442,454</u>	<u>69,857,223</u>
Expenses						
General government	9,645,356	9,812,540	-	-	9,645,356	9,812,540
Safety services	17,948,951	17,969,898	-	-	17,948,951	17,969,898
Public works	7,879,992	8,247,383	-	-	7,879,992	8,247,383
Culture and recreation	7,662,387	8,162,117	-	-	7,662,387	8,162,117
Interest on long-term debt	1,069,971	1,495,358	-	-	1,069,971	1,495,358
Unallocated depreciation	436,088	435,804	-	-	436,088	435,804
Water	-	-	7,962,145	7,737,323	7,962,145	7,737,323
Sewer	-	-	15,579,812	16,217,746	15,579,812	16,217,746
Golf Course	-	-	2,100,887	2,188,539	2,100,887	2,188,539
Storm	-	-	286,702	342,273	286,702	342,273
Concrete	-	-	742,759	721,120	742,759	721,120
Housing rehabilitation	-	-	328,067	509,568	328,067	509,568
Total expenses	<u>44,642,745</u>	<u>46,123,100</u>	<u>27,000,372</u>	<u>27,716,569</u>	<u>71,643,117</u>	<u>73,839,669</u>
Increase (decrease) in net assets before special items and transfers	24,006	(2,708,099)	(1,224,669)	(1,274,347)	(1,200,663)	(3,982,446)
Transfers	42,622	(50,000)	(42,622)	50,000	-	-
Change in net assets	66,628	(2,758,099)	(1,267,291)	(1,224,347)	(1,200,663)	(3,982,446)
Net assets - beginning	62,709,313	65,467,412	90,212,326	91,436,673	152,921,639	156,904,085
Net assets - ending	<u>\$ 62,775,941</u>	<u>\$ 62,709,313</u>	<u>\$ 88,945,035</u>	<u>\$ 90,212,326</u>	<u>\$ 151,720,976</u>	<u>\$ 152,921,639</u>

The following graphs provide visual representations of the expenses and revenues for governmental activities for 2011.

Chart 1
Expenses and Program Revenues - Governmental Activities

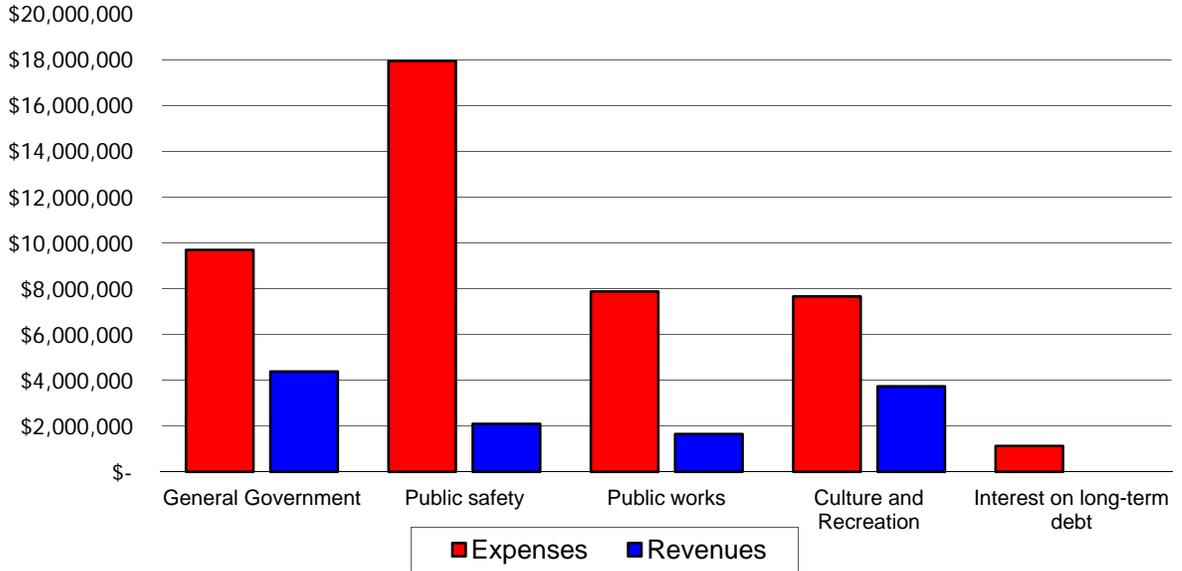
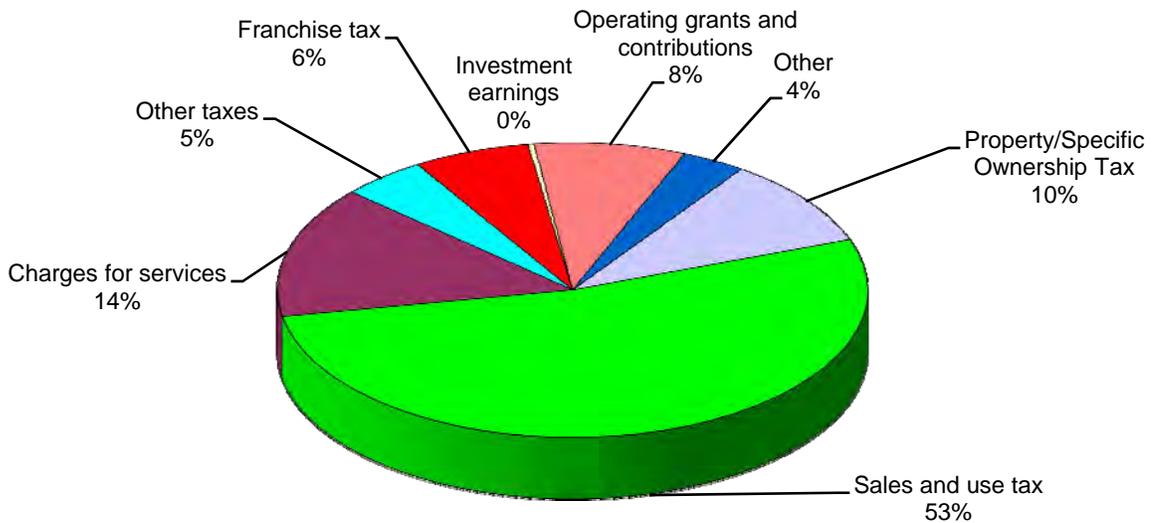
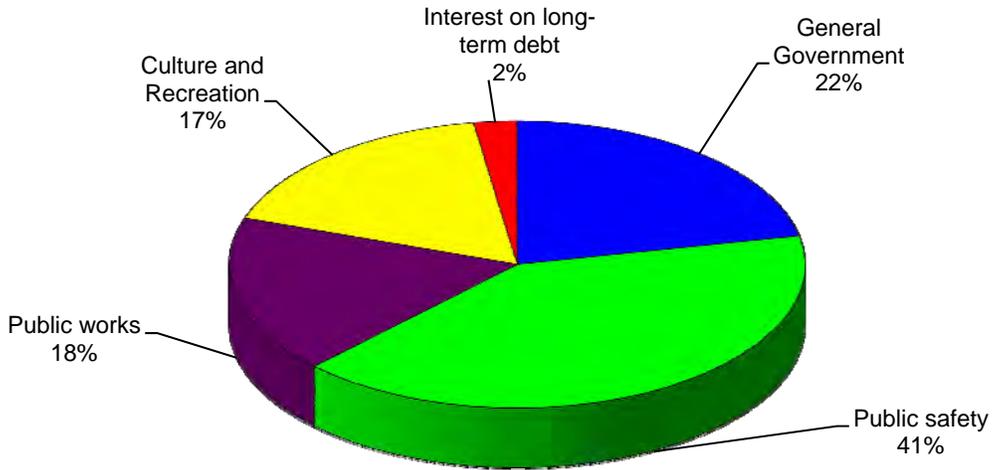


Chart 2
Revenues by Source - Governmental Activities



**Chart 3
Expenses by Function - Governmental Activities**



Business-type Activities. Business-type activities decreased the City’s net assets by \$1,267,000.

The water fund experienced an increase in net assets of \$997,000 compared to an increase of \$966,000 in 2010. Water rates were increased 7% on January 1, 2011. Both the increase in charges for services and the modest increase in expenses caused the fund to report a net operating income of \$1,335,000. This, along with earnings on investments and other income covered the interest on long-term debt of \$549,820.

The sewer fund saw a decrease in net assets of \$2,218,000 compared to a decrease of \$2,173,000 in 2010. Net assets will continue to decrease in future years as depreciation of the recent treatment plant expansion is passed through to the Sewer Fund. The fund experienced income from operations of \$3,214,000 in 2011 compared to an operating income of \$3,564,000 in 2010. This is partially the result of an 8% rate increase on sewer rates on January 1, 2011. The rate increase is designed to provide additional resources to meet debt service requirements, capital improvements, and to fund ongoing operations and maintenance requirements.

The golf course fund experienced a decrease in net assets of \$281,000 compared to a decrease of \$104,000 in 2010. Lower revenues due to poor weather conditions were responsible for the majority of the 2011 decline.

The storm drainage, concrete utility and the housing rehab funds all had insignificant changes in net assets when compared to 2010.

The following graphs provide visual representations of the expenses and revenues for business-type activities for 2011.

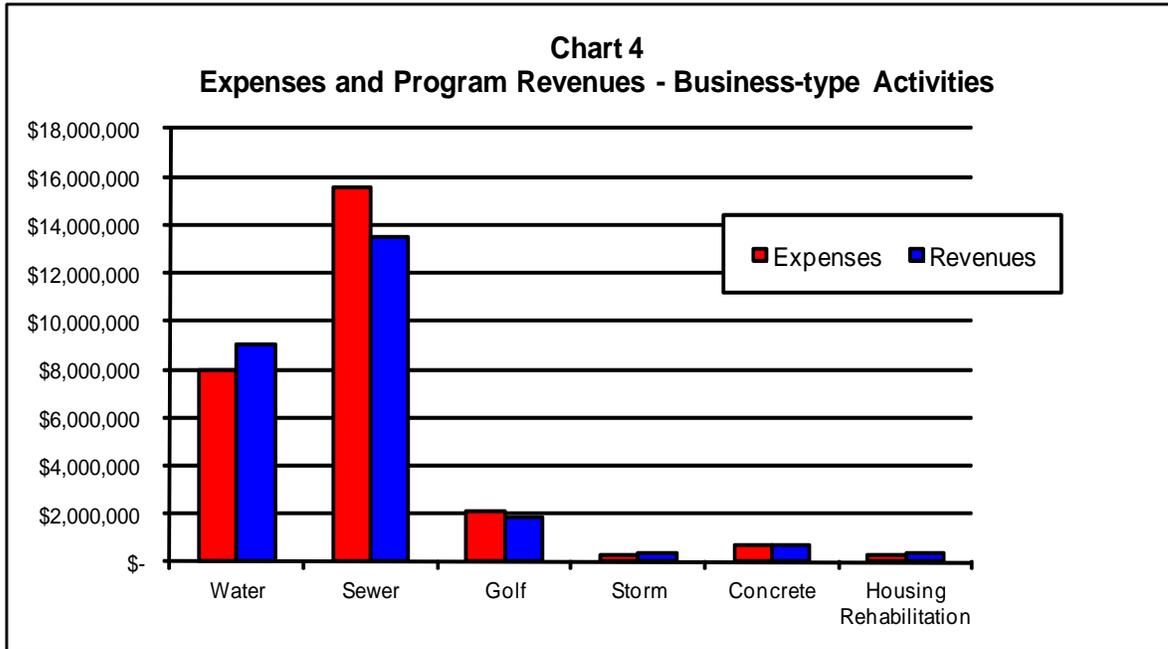
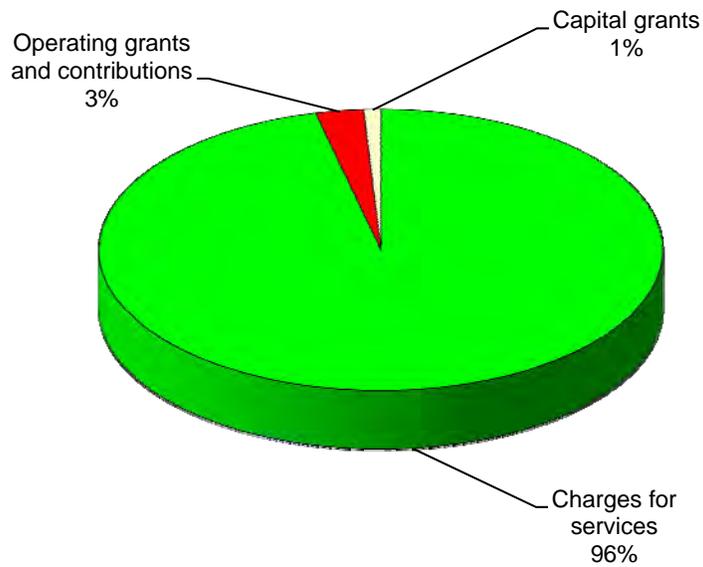


Chart 5
Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

A. Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. This information is necessary to assess the City's financing requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2011, the City's governmental funds reported combined ending fund balances of \$14,805,000, a decrease of \$1,200,000, or 7.5%, compared to 2010. \$10,368,000 (70%) constitutes *committed and assigned fund and unassigned balances*, which are available for spending at the City's discretion. Of the committed fund balance, \$2,705,161 is for the Long Term Asset Reserve (LTAR) fund. The remainder of fund balance is *restricted* for the following purposes:

Restricted for parks and recreation	\$2,831,175
Restricted for law enforcement	301,459
Restricted for debt service	154,267
Restricted for TABOR emergency	1,150,000

The General Fund is the primary operating fund of the City. At the end of 2011, unassigned fund balance of the General Fund was \$4,439,471 while total fund balance was \$8,817,685. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balances represent 12.6% of total General Fund expenditures (unchanged from 2010), while total fund balance represents 22.3% of that same amount (up from 21.8% in 2010).

The total fund balance of the City's General Fund increased by \$323,000 during 2011. Revenues increase by approximately 4.1% and expenditures increased by 1.5%. Key factors are as follows:

- Sales and use tax collections increased 4.2% or \$871,000 compared to 2010 due to recovering economic conditions.
- Expenditures were held close to 2010 levels through city-wide cost cutting measures.
- The General Fund had *excess expenditures over revenues* amounting to \$1,190,000, prior to transfers. Net transfers amounting to \$1,513,000 were made to the General Fund in 2011.

The following schedule summarizes General Fund operations for the last five years:

Revenues	2007	2008	2009	2010	2011
Taxes					
Property	\$ 2,623,118	\$ 2,995,990	\$ 2,971,303	\$ 3,020,884	\$ 2,994,213
Specific ownership	341,423	316,242	276,414	263,434	246,062
Sales and use	22,753,820	22,617,767	20,624,659	20,866,515	21,737,110
Franchise	2,356,385	2,588,214	2,452,611	2,620,191	2,631,393
Cigarette	278,785	261,743	218,449	196,320	190,762
Hotel/motel	9,722	10,078	9,140	8,806	9,820
Subtotal taxes	28,363,253	28,790,034	26,552,576	26,976,150	27,809,360
Intergovernmental	1,106,280	1,079,285	1,319,282	1,465,970	1,724,807
Charges for Services	3,113,550	3,476,583	3,185,443	3,254,830	3,384,317
Recreation	2,235,938	2,364,758	2,315,598	2,489,781	2,635,221
Net Investment Income	411,516	520,325	230,000	100,545	91,034
Licenses and Permits	1,168,977	671,609	588,328	695,563	778,536
Fines and Forfeitures	1,445,641	1,461,100	1,639,678	1,437,957	1,284,759
Contributions from (to) component units	-	599,143	(188,163)	105,125	425,159
Other	166,247	814,966	635,982	293,658	173,382
Total Revenues	38,011,402	39,777,803	36,278,724	36,819,579	38,306,575
Expenditures					
General Government	7,506,085	7,648,789	7,532,196	7,068,723	7,215,089
Public Safety	16,497,359	17,190,369	17,504,158	17,738,536	18,062,080
Public Works	5,421,774	5,189,173	5,152,891	5,137,364	5,259,876
Culture & Recreation	6,825,619	7,177,561	7,003,522	7,095,892	6,862,760
Debt Service	1,869,761	1,809,306	1,805,208	1,860,827	2,096,463
Total Expenditures	38,120,598	39,015,198	38,997,975	38,901,342	39,496,268
Excess Revenues Over (Under) Expenditures	(109,196)	762,605	(2,719,251)	(2,081,763)	(1,189,693)
Other Financing Sources (Uses)					
Transfers In	2,902,197	1,374,646	1,028,456	2,091,485	1,813,945
Transfers Out	(561,876)	(408,915)	(177,011)	(750,000)	(301,246)
Total Other Financing Sources (Uses)	2,340,321	965,731	851,445	1,341,485	1,512,699
Total Revenues and Other Financing Sources Over (Under) Total Expenditures and Other Financing Uses	2,231,125	1,728,336	(1,867,806)	(740,278)	323,006
Fund Balances - Beginning	7,143,302	9,374,427	11,102,763	9,234,957	8,494,679
Fund Balances - Ending	\$ 9,374,427	\$ 11,102,763	\$ 9,234,957	\$ 8,494,679	\$ 8,817,685
Restricted Fund Balance	\$ 1,414,800	\$ 1,360,800	\$ 1,209,200	\$ 1,150,000	\$ 1,150,000
Committed Fund Balance	2,428,312	4,397,853	3,131,979	2,429,032	2,705,161
Assigned Fund Balance	442,312	912,710	239,543	487,204	523,053
Unassigned Fund Balance	5,089,003	4,431,400	4,654,235	4,428,443	4,439,471
Total Fund Balance	\$ 9,374,427	\$ 11,102,763	\$ 9,234,957	\$ 8,494,679	\$ 8,817,685
Assigned/Unassigned Fund Balance as a Percentage of Revenues	14.55%	13.43%	13.49%	13.35%	12.95%
Assigned/Unassigned Fund Balance as a Percentage of Expenditures	14.51%	13.70%	12.55%	12.64%	12.56%
Total Fund Balance as a Percentage of Revenues	24.66%	27.91%	25.46%	23.07%	23.02%
Total Fund Balance as a Percentage of Expenditures	24.59%	28.46%	23.68%	21.84%	22.33%

Note: Prior year fund balances have been restated to comply with current reporting requirements.

The original 2011 expenditure budget adopted in October of 2010 for the General Fund was \$40,430,513. Supplemental appropriations of \$836,778, consisting of the following were made during 2011:

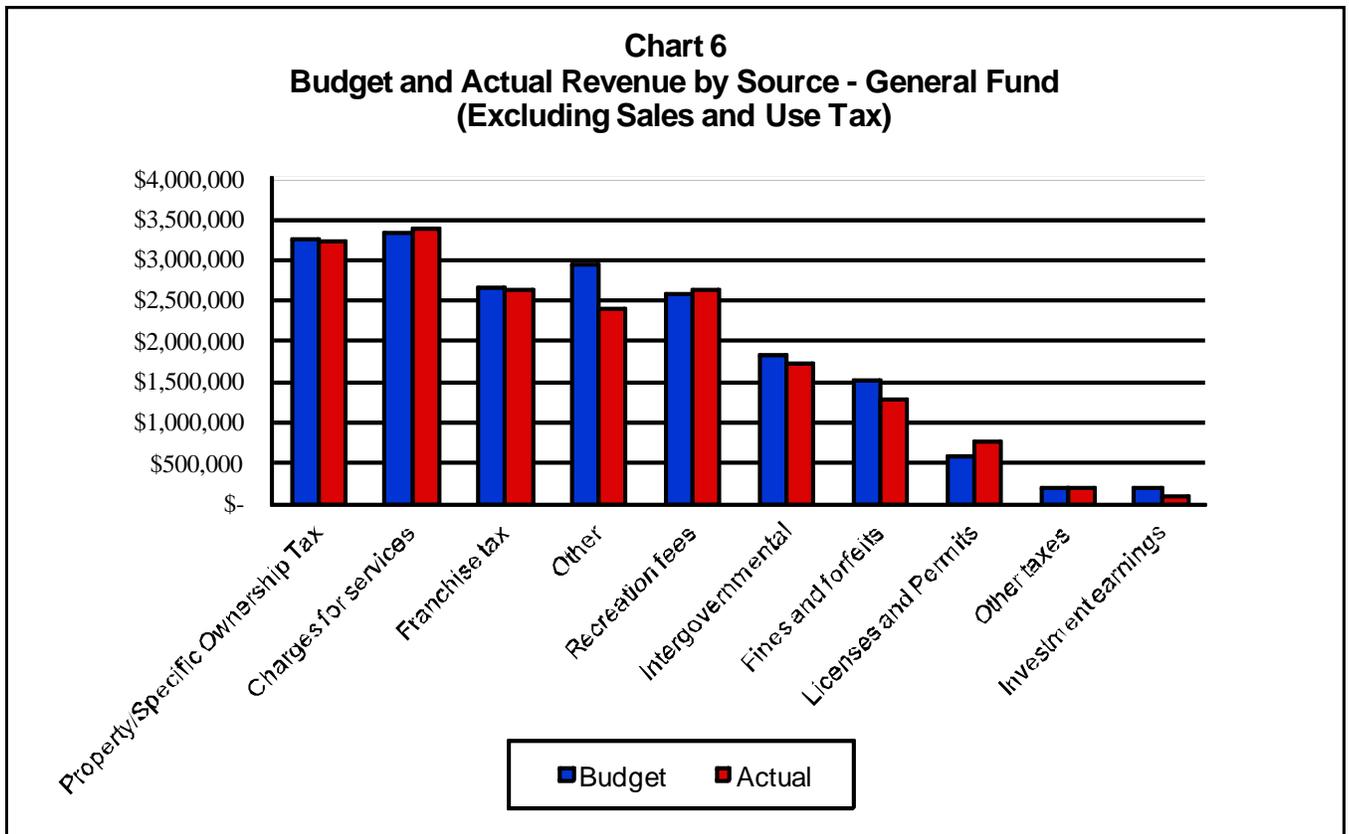
- \$127,000 transfer to PIF fund for accelerated replacement of light poles
- \$77,000 for the Fire Department Budget for operating costs
- \$360,000 for various spending offset by grant revenues received during the year

Actual expenditures were \$1,470,000 less than the amount budgeted, a 3.6% variance. This is primarily due to cost cutting measures implemented throughout the City during 2011.

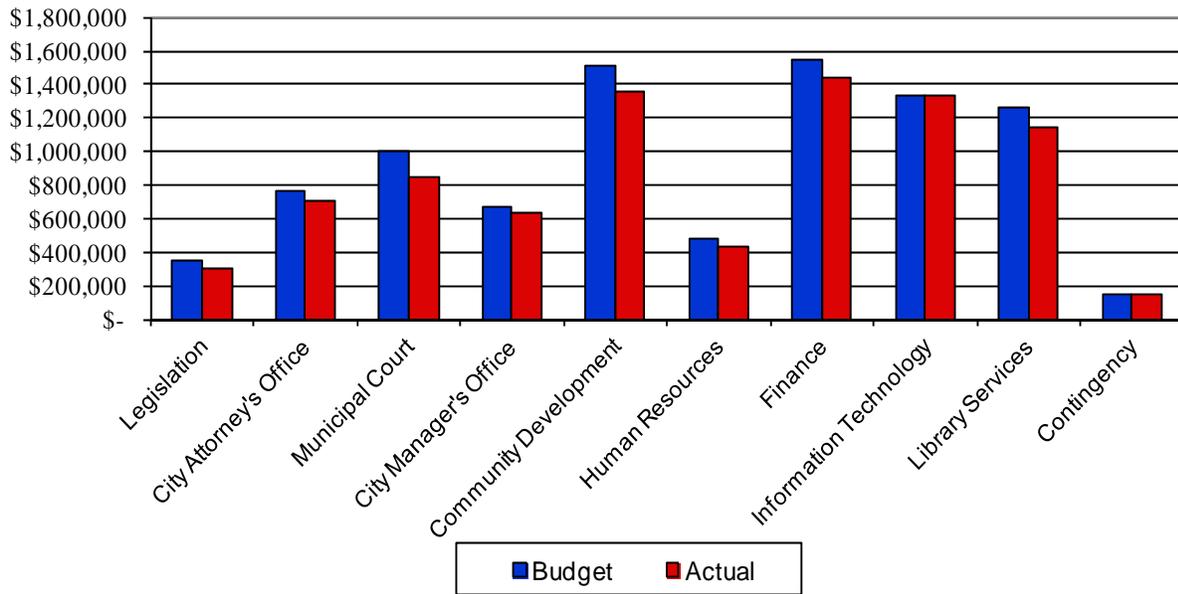
Actual revenues were \$194,000 more than budgeted revenues, a 0.5% variance. Variances were seen in the following areas:

- Collected \$871,000 more in sales and use tax revenues than was budgeted due mainly to improving economic conditions
- Collected \$203,000 more for licenses and permits than was budgeted
- Collected \$225,000 less in court revenues than was budgeted

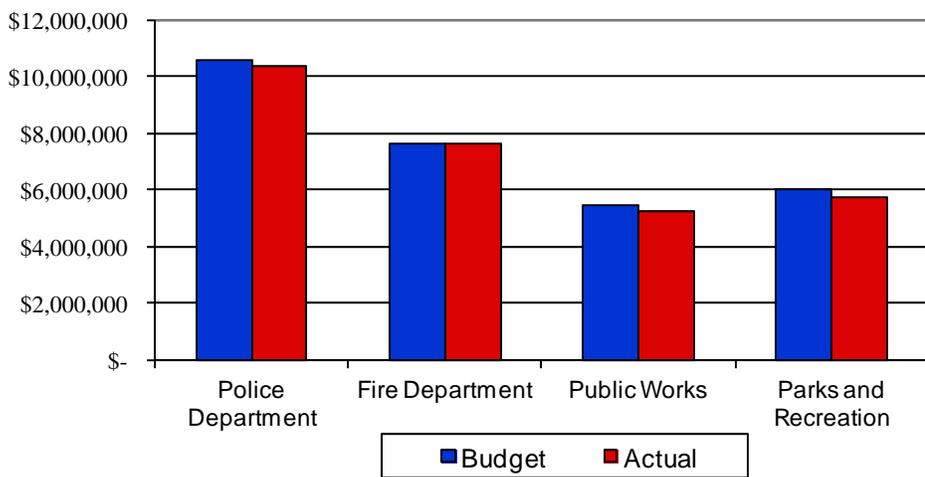
Charts 6 and 7 illustrate the Budget and Actual Revenue and Expenditures for the General Fund.



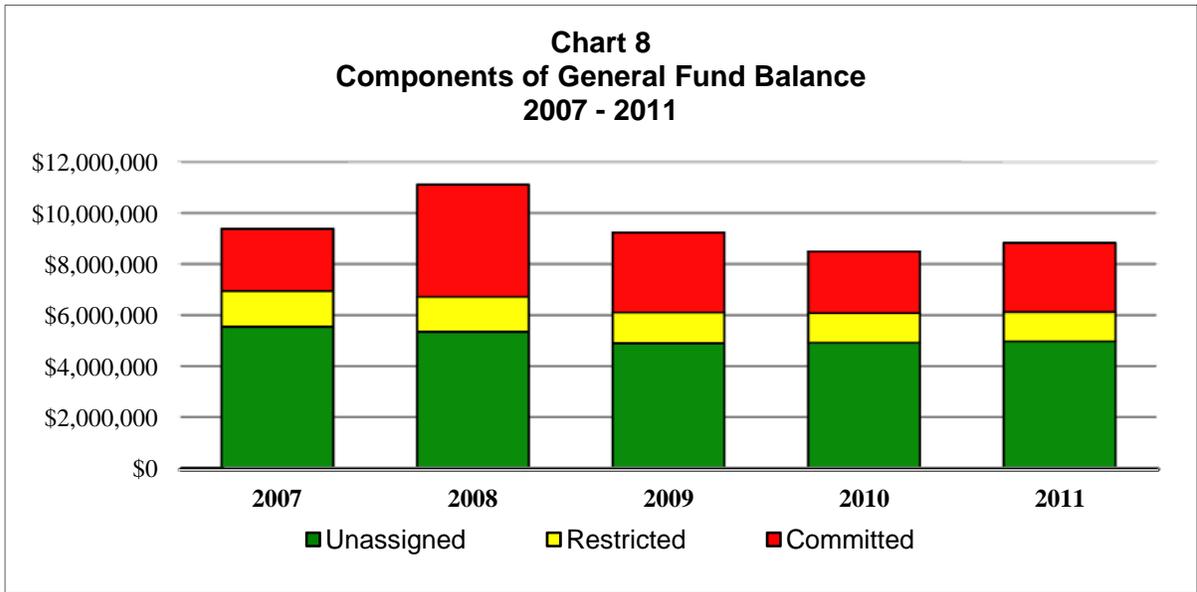
**Chart 7
Budget and Actual Expenditures by Department, less Transfers - General Fund**



**Chart 7
(Continued)**



Fund Balance represents the accumulated excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses, and therefore reflects cumulative results over time. Total Fund Balance consists of reserved and unreserved portions. Only the unreserved portions are available to finance future operations.



B. Proprietary funds. The City’s proprietary funds provide the same type of information in the government-wide financial statements, but in more detail.

Net assets of the enterprise operations at December 31, 2011 follow:

	Net Assets	Change in Net Assets
Water	\$ 29,933,834	\$ 997,321
Sewer	27,819,783	(2,173,157)
Golf	13,690,767	(281,175)
Storm drainage	2,037,308	49,054
Concrete utility	11,883,546	(43,672)
Housing rehabilitation	3,101,724	(14,846)
	<u>\$ 88,466,962</u>	<u>\$ (1,466,475)</u>

Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the City’s business-type activities.

Capital Assets and Debt Administration

A. Capital assets

As can be seen from the table below, the City’s investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to \$139 million (net of accumulated depreciation). This investment in capital assets includes land, plant, buildings, improvements, machinery and equipment, roads

and bridges. The total decrease in capital assets for the current year was \$1.9 million, or 1.4%. Net capital assets of governmental activities decreased approximately \$1 million while business-type activities decreased \$954,000, or 1.5%.

Major capital asset activity during 2011 included the following:

Governmental Activities:

- \$1,500,000 in buildings and improvements were added in 2011

Business-type Activities

- \$317,000 in new concrete sidewalks and alley pans was installed in the City.
- \$175,000 in new water mains

The following tables provide comparative information on the City's capital assets for 2011 and 2010:

**Capital Assets at Year-end
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land and improvements	\$ 15,939,202	\$ 15,897,566	\$ 11,522,825	\$ 11,522,825	\$ 27,462,027	\$ 27,420,391
Raw water	-	-	6,451,003	6,451,003	6,451,003	6,451,003
Works of art	203,750	203,750	-	-	203,750	203,750
Buildings	27,545,605	26,737,193	16,860,405	17,434,067	44,406,010	44,171,260
Infrastructure	20,288,778	21,725,192	11,730,845	11,834,908	32,019,623	33,560,100
Distribution and collection systems	-	-	12,821,666	12,953,030	12,821,666	12,953,030
Machinery and equipment	5,418,424	5,842,700	1,518,140	1,760,059	6,936,564	7,602,759
Improvements other than buildings	3,978,412	4,152,709	3,572,927	3,736,992	7,551,339	7,889,701
Construction in process	947,740	729,071	260,903	-	1,208,643	729,071
	<u>\$ 74,321,911</u>	<u>\$ 75,288,181</u>	<u>\$ 64,738,714</u>	<u>\$ 65,692,884</u>	<u>\$ 139,060,625</u>	<u>\$ 140,981,065</u>

Additional information on capital assets can be found in the notes to the financial statements (Note 3C).

B. Debt Administration

The City's bond ratings carry investment grade ratings as follows:

<u>Bond Issue</u>	<u>Standard & Poors</u>	<u>Moody's</u>
General Obligation	AA-	A2
COPs	A+	A3
General Obligation Water	AA-	A2
Golf Course Enterprise	Not requested	Not requested
Storm Water Enterprise	Not requested	Not requested

City Charter limits the amount of general obligation debt the City may issue to 3% of its *actual* total valuation. The current debt limitation for the City is \$97,993,968, which is significantly in excess of the City's outstanding general obligation debt of \$15,175,000.

At the end of 2011, the City had total long-term debt of \$91,473,140 as follows:

Outstanding Debt, at Year-end

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds	\$ 10,185,000	\$ 10,800,000	\$ 4,990,000	\$ 5,115,000	\$ 15,175,000	\$ 15,915,000
Revenue bonds	-	-	3,610,000	3,750,000	3,610,000	3,750,000
Capital leases	17,040,254	18,289,423	-	-	17,040,254	18,289,423
Deferred costs	(52,773)	(60,934)	(32,855)	(49,772)	(85,628)	(110,706)
Premiums	325,667	325,667	643,789	786,034	969,456	1,111,701
Notes payable	-	98,101	53,146,675	57,308,672	53,146,675	57,406,773
Net OPEB Obligation	181,539	181,866	77,210	42,871	258,749	224,737
Compensated absences	2,301,442	2,307,686	373,047	371,621	2,674,489	2,679,307
Total	<u>\$ 29,981,129</u>	<u>\$ 31,941,809</u>	<u>\$ 62,807,866</u>	<u>\$ 67,324,426</u>	<u>\$ 92,788,995</u>	<u>\$ 99,266,235</u>

Additional information on the City's long-term obligations can be found in the notes to the financial statements (Note 3E and 3F).

Next Year's Budgets and Rates

The **2012 Budget** is essentially "status quo." In other words, staffing and service levels are maintained at 2011 levels.

The following were the general guidelines for the 2012 Budget:

- Salary increases are based on union contracts, market surveys and performance reviews.
- Health, dental, and other insurance premiums were negotiated and provided by Human Resources.
- Required pension contributions were determined by applicable actuarial studies (defined benefit) or pre-determined contribution levels (defined contribution).
- The increase for commodities, contractual, and capital expenditures was held as close as possible to 2011 levels, however, increasing energy costs has negatively impacted several departments.
- Capital items were submitted separately, ranked by relative importance and included in the Multiple Year Capital Plan (MYCP).

The 2012 Budget identifies on-going challenges for the City. The 2012 Budget projects an imbalance between revenues and expenditures that negatively influences the fund balance. This is a concern for future years as forecasts project deficits due to expenditures growing faster than revenues. The proposed General Fund unassigned fund balance for 2012 is projected at 10.98% of projected revenues.

Estimated Revenues

Before interfund transfers, total General Fund revenues are projected at \$38,456,955 for 2012, this is little changed from the 2011 revenues of \$38,307,000. Sales and use tax revenues, which comprise approximately 57% of General Fund revenues in 2011, are estimated at \$22,115,000, a 1.75% increase over estimated 2011 sales taxes. The sales and use tax estimate is based on historical collections data as well as information from the Community Development Department regarding new businesses anticipated to open or existing businesses expected close in 2011 and in 2012.

Expenditure Appropriations

With 2012 revenues projected at \$38,456,955 and proposed expenditures of \$40,949,793, the unfavorable variance between revenues and expenditures is projected to be \$2.5 million.

Net Transfers No Transfer-Out from the General Fund is anticipated for 2012. The Transfer-In to the General Fund is estimated at \$1,969,785. After taking into account these net transfers to the General Fund, the projected operating deficit for 2012 is \$523,023.

Salary and wages for all City department budgets are based on the City's performance and market pay philosophy. The City's cost to provide healthcare insurance coverage to eligible employees is not expected to change significantly for 2012. Excluding personnel, fuel and energy costs, minimal increases are proposed for operating and maintenance costs for 2012.

As noted above in the discussion of Business-type activities, both water and sewer rates are increasing in the coming years to deal with increasing costs of operations as well as to fund capital investment in the system.

In the event of General Fund shortfalls in revenues or unanticipated expenditures over the next year and for the next several years, City management and City Council will need to closely monitor expenditures and revenues to maintain the 10% unreserved/undesignated fund balance to total revenue. Looking to 2012 and beyond, the City will be actively looking for ways to reduce operating expenditures and identify new sources of revenues. While this will not be an easy task, it does provide the City with opportunities to develop and utilize new long-term revenue sources and, perhaps, find new ways to deliver services to our citizens. Collectively, it is believed that the City will be able to meet the financial challenges of the future.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Administrative Services, 1000 Englewood Parkway, Englewood, Colorado, 80110-2373.

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BASIC FINANCIAL STATEMENTS

CITY OF ENGLEWOOD, COLORADO

**Statement of Net Assets
December 31, 2011**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments	\$ 18,519,789	\$ 17,978,962	\$ 36,498,751
Receivables:			
Property taxes	3,740,000	-	3,740,000
Sales and use taxes	2,865,267	-	2,865,267
Interest	85,416	88,965	174,381
Accounts	228,054	3,702,694	3,930,748
Assessments	29,270	-	29,270
Intergovernmental	951,208	-	951,208
Other	-	447,150	447,150
Internal balances	(478,073)	478,073	-
Inventories	170,512	417,520	588,032
Other assets	89,981	-	89,981
Equity in joint venture	-	66,475,316	66,475,316
Restricted assets - cash and investments	19,737	3,931,318	3,951,055
Noncurrent receivables	-	3,730,340	3,730,340
Deferred charge	422,454	285,481	707,935
Lease receivable	-	-	-
Capital assets not being depreciated	17,090,692	18,234,731	35,325,423
Capital assets, net of accumulated depreciation	57,231,219	46,503,983	103,735,202
Total assets	<u>100,965,526</u>	<u>162,274,533</u>	<u>263,240,059</u>
Liabilities			
Accounts payable	1,167,544	559,194	1,726,738
Accrued payroll and related liabilities	952,693	146,922	1,099,615
Deferred revenue	3,869,572	-	3,869,572
Unearned revenue	1,387,100	7,364,528	8,751,628
Other liabilities	129,639	1,544,951	1,674,590
Accrued interest payable	104,036	906,036	1,010,072
Liabilities payable from restricted assets	514,272	-	514,272
Noncurrent liabilities:			
Due within one year	3,156,683	4,587,361	7,744,044
Due in more than one year	26,908,046	58,220,506	85,128,552
Total liabilities	<u>38,189,585</u>	<u>73,329,498</u>	<u>111,519,083</u>
Net Assets			
Invested in capital assets, net of related debt	47,246,217	50,160,730	97,406,947
Restricted:			
Debt service	130,109	431,318	561,427
Parks and recreation	2,831,175	-	2,831,175
Law enforcement	301,459	-	301,459
TABOR emergencies	1,150,000	-	1,150,000
Water system	-	7,618,536	7,618,536
Sewer system	-	25,938,380	25,938,380
Storm drainage system	-	860,176	860,176
Concrete system	-	343,275	343,275
Unrestricted	11,116,981	3,592,620	14,709,601
Total net assets	<u>\$ 62,775,941</u>	<u>\$ 88,945,035</u>	<u>\$ 151,720,976</u>

The notes to the financial statements are an integral part of this statement.

Component Units

EURA	EEF	EMRF
\$ 26,431	\$ 939,995	\$ 75,360
-	-	-
-	-	-
120	56,098	316
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	73,599	4,726
-	-	-
-	-	-
-	-	-
-	14,500,000	-
516,995	8,496,257	5,706,166
-	7,858,464	-
543,546	31,924,413	5,786,568
-	152,535	10,000
-	-	-
-	-	-
-	-	-
-	-	-
-	52,401	-
-	-	-
-	955,000	-
-	13,545,000	-
-	14,704,936	10,000
516,995	16,354,721	5,706,166
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
26,551	864,756	70,402
\$ 543,546	\$ 17,219,477	\$ 5,776,568

CITY OF ENGLEWOOD, COLORADO

**Statement of Activities
For the Year Ended December 31, 2011**

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Permits, Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities:				
General government	\$ 9,645,356	\$ 4,030,425	\$ 355,243	\$ -
Public safety	17,948,951	1,456,260	642,576	-
Public works	7,879,992	441,119	1,215,690	-
Culture and recreation	7,662,387	2,704,610	1,036,059	-
Interest and fiscal charges	1,069,971	-	-	-
Unallocated depreciation	436,088	-	-	-
Total governmental activities	<u>44,642,745</u>	<u>8,632,414</u>	<u>3,249,568</u>	<u>-</u>
Business-type Activities:				
Water	7,962,145	8,790,259	207,115	22,779
Sewer	15,579,812	12,981,737	312,922	231,920
Golf	2,100,887	1,825,599	9,232	-
Storm	286,702	319,211	18,106	-
Concrete	742,759	693,921	7,059	-
Housing Rehabilitation	328,067	204,036	151,807	-
Total business-type activities	<u>27,000,372</u>	<u>24,814,763</u>	<u>706,241</u>	<u>254,699</u>
Total primary government	<u>\$ 71,643,117</u>	<u>\$ 33,447,177</u>	<u>\$ 3,955,809</u>	<u>\$ 254,699</u>
Component Units:				
EURA	\$ 150	\$ -	\$ -	\$ -
EEF	2,781,201	1,461,035	-	642,296
EMRF	498,614	425,159	-	-
Total component units	<u>\$ 3,279,965</u>	<u>\$ 1,886,194</u>	<u>\$ -</u>	<u>\$ 642,296</u>

General revenues:
Property taxes
Sales and use taxes
Franchise tax and other taxes
Unrestricted investment earnings
Unrestricted grants and contributions
Miscellaneous
Transfers, net
Total general revenues
Change in net assets
Net assets - beginning
Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenues and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	EURA	EEF	EMRF
\$ (5,259,688)		\$ (5,259,688)			
(15,850,115)		(15,850,115)			
(6,223,183)		(6,223,183)			
(3,921,718)		(3,921,718)			
(1,069,971)		(1,069,971)			
(436,088)		(436,088)			
<u>(32,760,763)</u>		<u>(32,760,763)</u>			
-	\$ 1,058,008	1,058,008			
-	(2,053,233)	(2,053,233)			
-	(266,056)	(266,056)			
-	50,615	50,615			
-	(41,779)	(41,779)			
-	27,776	27,776			
-	<u>(1,224,669)</u>	<u>(1,224,669)</u>			
<u>(32,760,763)</u>	<u>(1,224,669)</u>	<u>(33,985,432)</u>			
			\$ (150)	\$ -	\$ -
			-	(677,870)	-
			-	-	(73,455)
			<u>(150)</u>	<u>(677,870)</u>	<u>(73,455)</u>
4,327,526	-	4,327,526	-	-	-
23,372,970	-	23,372,970	-	-	-
2,831,975	-	2,831,975	-	-	-
191,431	-	191,431	258	7,226	1,115
30,883	-	30,883	-	-	-
2,029,984	-	2,029,984	-	-	-
42,622	(42,622)	-	-	-	-
<u>32,827,391</u>	<u>(42,622)</u>	<u>32,784,769</u>	<u>258</u>	<u>7,226</u>	<u>1,115</u>
66,628	(1,267,291)	(1,200,663)	108	(670,644)	(72,340)
<u>62,709,313</u>	<u>90,212,326</u>	<u>152,921,639</u>	<u>543,438</u>	<u>17,890,121</u>	<u>5,848,908</u>
<u>\$ 62,775,941</u>	<u>\$ 88,945,035</u>	<u>\$ 151,720,976</u>	<u>\$ 543,546</u>	<u>\$ 17,219,477</u>	<u>\$ 5,776,568</u>

CITY OF ENGLEWOOD, COLORADO

**Balance Sheet
Governmental Funds
December 31, 2011**

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 8,442,624	\$ 5,789,192	\$ 14,231,816
Receivables:			
Property taxes	2,886,000	854,000	3,740,000
Sales and use taxes	2,757,092	108,175	2,865,267
Interest	41,029	26,795	67,824
Accounts	212,444	-	212,444
Assessments	29,270	-	29,270
Intergovernmental	248,157	703,051	951,208
Other assets	37,931	-	37,931
Total assets	<u>\$ 14,654,547</u>	<u>\$ 7,481,213</u>	<u>\$ 22,135,760</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	761,370	314,542	1,075,912
Accrued payroll and related liabilities	915,758	-	915,758
Deferred revenue	3,015,572	854,000	3,869,572
Unearned revenue	1,100,000	287,100	1,387,100
Other liabilities	44,162	37,927	82,089
Total liabilities	<u>5,836,862</u>	<u>1,493,569</u>	<u>7,330,431</u>
Fund Balances:			
Restricted for:			
Parks and recreation	-	2,831,175	2,831,175
Law enforcement	-	301,459	301,459
Debt service	-	154,267	154,267
Tabor emergencies	1,150,000	-	1,150,000
Committed to:			
Capital projects	-	1,761,434	1,761,434
Parks and recreation	-	451,714	451,714
Law enforcement	298,512	-	298,512
Housing	-	408,432	408,432
Long term asset reserve	2,406,649	-	2,406,649
Assigned to:			
Parks and recreation	-	45,705	45,705
Law enforcement	-	28,819	28,819
Fire services	-	3,861	3,861
Other purposes	-	778	778
Subsequent year budgeted deficit	523,053	-	523,053
Unassigned:	4,439,471	-	4,439,471
Total fund balances	<u>8,817,685</u>	<u>5,987,644</u>	<u>14,805,329</u>
Total liabilities and fund balances	<u>\$ 14,654,547</u>	<u>\$ 7,481,213</u>	<u>\$ 22,135,760</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ENGLEWOOD, COLORADO

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2011**

Total fund balances for governmental funds \$ 14,805,329

Total net assets reported for governmental activities in the statement of net assets
is different because:

Capital assets used in governmental activities are not financial resources and therefore
are not reported in the funds. Those assets consist of:

Land	15,599,105	
Works of art	203,750	
Construction in process	921,839	
Infrastructure, net of \$12,169,079 accumulated depreciation	20,294,254	
Buildings and improvements, net of \$12,253,949 accumulated depreciation	27,407,854	
Equipment, net of \$8,247,368 accumulated depreciation	2,426,438	
Other improvements, net of \$1,826,541 accumulated depreciation	<u>3,948,256</u>	70,801,496

Bond issue costs are not financial resources and, therefore, are not reported in
the funds: 422,454

Long-term liabilities applicable to the City's governmental activities are not due and payable in the
current period and accordingly are not reported as fund liabilities. Interest on long-term debt is
not accrued in governmental funds, but rather is recognized as an expenditure when due. All
liabilities - both current and long-term - are reported in the statement of net assets.

Balances at December 31, 2010 are:

Bonds payable	(10,185,000)	
Capital leases	(17,040,254)	
Plus Issuance premium (to be amortized as interest expense)	(550,158)	
Less Deferred loss on refunding (to be amortized as interest expense)	277,264	
Compensated absences	(2,301,442)	
Postemployment benefits	<u>(181,539)</u>	(29,981,129)

Interest on long-term debt is not accrued in the funds, but rather is recognized as an
expenditure when due: (104,036)

Internal Service Funds are used by management to charge the costs of fleet management,
printing and copying, and insurance to individual funds. The assets and liabilities of internal
service funds are included in governmental activities in the statement of net assets. Internal
service fund net assets are:

6,831,827

Net assets of governmental activities \$ 62,775,941

The notes to the financial statements are an integral part of this statement.

CITY OF ENGLEWOOD, COLORADO

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

For the Year Ended December 31, 2011

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ 3,240,275	\$ 1,087,251	\$ 4,327,526
Sales and use taxes	21,737,110	1,635,860	23,372,970
Franchise and other taxes	2,831,975	-	2,831,975
Licenses and permits	778,536	-	778,536
Intergovernmental revenue	1,724,807	1,553,026	3,277,833
Charges for services	6,019,538	390,554	6,410,092
Fines and forfeitures	1,284,759	-	1,284,759
Net investment income	91,034	61,663	152,697
Contributions from component unit	425,159	-	425,159
Other	173,382	1,349,852	1,523,234
Total revenue	<u>38,306,575</u>	<u>6,078,206</u>	<u>44,384,781</u>
Expenditures			
Current:			
General government	7,215,089	2,041,125	9,256,214
Public safety	18,062,080	80,005	18,142,085
Public works	5,259,876	1,290,238	6,550,114
Culture and recreation	6,862,760	259,846	7,122,606
Capital outlay	-	2,345,049	2,345,049
Debt service:			
Principal	1,347,271	615,000	1,962,271
Interest and other fiscal charges	741,031	314,913	1,055,944
Total expenditures	<u>39,488,107</u>	<u>6,946,176</u>	<u>46,434,283</u>
Excess revenues over (under) expenditures	<u>(1,181,532)</u>	<u>(867,970)</u>	<u>(2,049,502)</u>
Other financing sources (uses)			
Transfers in	1,813,945	733,868	2,547,813
Amortization of refunding premium	(8,161)	-	(8,161)
Transfers out	<u>(301,246)</u>	<u>(1,388,410)</u>	<u>(1,689,656)</u>
Total other financing sources (uses)	<u>1,504,538</u>	<u>(654,542)</u>	<u>849,996</u>
Net change in fund balances	323,006	(1,522,512)	(1,199,506)
Fund balances - beginning	<u>8,494,679</u>	<u>7,510,156</u>	<u>16,004,835</u>
Fund balances - ending	<u>\$ 8,817,685</u>	<u>\$ 5,987,644</u>	<u>\$ 14,805,329</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ENGLEWOOD, COLORADO

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011**

Net Change in fund balances-total governmental funds		\$ (1,199,506)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$3,021,650) exceeded capital outlays \$2,497,037 in the current period.		(524,613)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and transfers) is to increase net assets. In the statement of activities, only the gain on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition, if any, increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the asset disposed.		
Contributed assets		17,789
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Adjustment to compensated absences liability	6,244	
Adjustment to postemployment benefit obligation	<u>327</u>	6,571
The issuance of long-term debt and capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and capital leases consume current financial resources of governmental funds. These transactions, however, have no effect on net assets.		
Repayments:		
General Obligation Bonds	615,000	
Notes	98,101	
Capital leases	<u>1,249,170</u>	1,962,271
Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued and accreted interest, amortization of bond premiums, issue costs and refunding losses.		
Increase in accrued interest on long-term debt	13,303	
Amortization of premium	34,720	
Amortization of deferred loss	(42,882)	
Amortization of issuance costs	<u>(27,330)</u>	(22,189)
Internal service funds are used by management to charge the costs of fleet management, printing and copying, and insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>(173,695)</u>
Change in net assets of governmental activities		<u><u>\$ 66,628</u></u>

The notes to the financial statements are an integral part of this statement.

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CITY OF ENGLEWOOD, COLORADO

General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2010 Actual
	Original	Final		Positive (Negative)	
Revenues					
Taxes					
Property	\$ 3,017,000	\$ 3,017,000	\$ 2,994,213	\$ (22,787)	\$ 3,020,884
Specific ownership	250,000	250,000	246,062	(3,938)	263,434
Sales and use	21,216,000	21,216,000	21,737,110	521,110	20,866,515
Franchise	2,650,851	2,650,851	2,631,393	(19,458)	2,620,191
Cigarette	190,000	190,000	190,762	762	196,320
Hotel/motel	8,713	8,713	9,820	1,107	8,806
Total taxes	27,332,564	27,332,564	27,809,360	476,796	26,976,150
Licenses and Permits					
Business licenses and permits	139,925	139,925	172,047	32,122	167,328
Building licenses and permits	435,175	435,175	606,489	171,314	528,235
Total licenses and permits	575,100	575,100	778,536	203,436	695,563
Intergovernmental					
State shared revenue	1,079,132	1,079,132	1,036,623	(42,509)	1,069,188
Federal grants	313,420	671,552	599,500	(72,052)	321,600
State grants	38,035	42,435	60,419	17,984	46,205
Payment in lieu of taxes	28,977	28,977	28,265	(712)	28,977
Total intergovernmental	1,459,564	1,822,096	1,724,807	(97,289)	1,465,970
Charges for Services					
Recreation programs	2,587,653	2,587,653	2,635,221	47,568	2,489,781
General government	1,939,794	1,939,794	1,949,981	10,187	1,853,912
Public safety	749,826	749,826	777,027	27,201	722,874
Administration of joint venture	353,082	353,082	371,976	18,894	383,612
Court costs	192,247	192,247	172,976	(19,271)	190,651
Highway and street	90,410	90,410	97,023	6,613	89,223
School District No. 1	13,558	13,558	15,334	1,776	14,558
Total charges for services	5,926,570	5,926,570	6,019,538	92,968	5,744,611
Fines and Forfeitures					
Court fines	1,487,150	1,487,150	1,264,756	(222,394)	1,415,836
Library fines	20,000	20,000	19,884	(116)	21,923
Property and liability fines	2,000	2,000	119	(1,881)	198
Total fines and forfeitures	1,509,150	1,509,150	1,284,759	(224,391)	1,437,957
Net Investment Income	200,000	200,000	91,034	(108,966)	100,545
Contributions from component units	325,000	325,000	425,159	100,159	105,125
Other	421,157	421,157	173,382	(247,775)	293,658
Total Revenues	37,749,105	38,111,637	38,306,575	194,938	36,819,579

(Continued)

CITY OF ENGLEWOOD, COLORADO

**General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010
(Continued)**

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget -	2010 Actual
	Original	Final		Positive (Negative)	
Current:					
General Government					
Legislation					
City Council	\$ 294,549	\$ 294,549	\$ 268,660	\$ 25,889	\$ 277,854
Board of Adjustments and Appeals	1,106	1,106	1,250	(144)	1,183
Planning and Zoning Commission	3,520	3,520	1,793	1,727	1,441
Library Board	3,500	3,500	3,280	220	3,116
Parks and Recreation Commission	2,753	2,753	1,701	1,052	2,578
Cultural Arts Commission	1,050	1,050	447	603	622
Code Enforcement Advisory Commission	500	500	-	500	-
Alliance for Commerce in Englewood	5,375	5,375	1,477	3,898	1,798
Transportation Advisory Commission	500	500	130	370	268
Keep Englewood Beautiful Comission	33,267	33,267	19,993	13,274	21,010
Total Legislation	346,120	346,120	298,731	47,389	309,870
City Attorney	762,518	762,518	706,841	55,677	702,228
Municipal Court	999,105	999,105	848,775	150,330	901,469
City Manager	664,732	664,732	639,184	25,548	659,882
Community Development	1,344,556	1,507,655	1,359,264	148,391	1,301,473
Human Resources					
Administration	350,602	350,602	314,372	36,230	310,081
Employee services	130,500	130,500	116,420	14,080	109,340
Total Human Resources	481,102	481,102	430,792	50,310	419,421
Finance and Administrative Services					
Administration	296,863	296,863	296,648	215	304,965
City Clerk	319,139	319,139	268,873	50,266	279,451
Accounting	389,970	389,970	367,145	22,825	371,041
Revenue and budget	475,406	475,406	442,270	33,136	422,642
Purchasing	69,528	69,528	71,377	(1,849)	67,482
Total Finance and Administrative Services	1,550,906	1,550,906	1,446,313	104,593	1,445,581
Information Technology	1,338,543	1,338,543	1,332,766	5,777	1,280,660
Contingency	90,000	153,000	152,423	577	48,139
Total General Government	7,577,582	7,803,681	7,215,089	588,592	7,068,723

(Continued)

CITY OF ENGLEWOOD, COLORADO

**General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>	
Police Department					
Administration	\$ 693,987	\$ 702,634	\$ 727,351	\$ (24,717)	\$ 837,765
Communications and records	1,173,328	1,173,328	1,095,288	78,040	1,083,241
Police operations	8,272,849	8,292,014	8,140,140	151,874	7,901,873
Neighborhood services	446,862	446,862	432,459	14,403	489,754
Total Police Department	<u>10,587,026</u>	<u>10,614,838</u>	<u>10,395,238</u>	<u>219,600</u>	<u>10,312,633</u>
Fire Department					
Fire operations	6,791,644	6,994,041	7,037,597	(43,556)	6,773,670
Building and safety	674,131	674,131	629,245	44,886	652,233
Total Fire Department	<u>7,465,775</u>	<u>7,668,172</u>	<u>7,666,842</u>	<u>1,330</u>	<u>7,425,903</u>
Public Works					
Administration	632,779	632,779	623,990	8,789	582,523
Engineering	336,147	336,147	321,054	15,093	307,862
Streets and drainage	2,008,095	2,008,095	1,964,537	43,558	1,864,527
Traffic maintenance	752,364	752,364	746,139	6,225	733,994
General operations and maintenance	1,769,506	1,769,506	1,604,156	165,350	1,648,458
Total Public Works	<u>5,498,891</u>	<u>5,498,891</u>	<u>5,259,876</u>	<u>239,015</u>	<u>5,137,364</u>
Parks and Recreation					
Administration	779,968	779,968	745,495	34,473	727,312
Recreation programs and operations	3,214,466	3,260,690	3,182,635	78,055	3,285,000
Parks	1,975,081	1,975,081	1,789,017	186,064	1,799,497
Total Parks and Recreation	<u>5,969,515</u>	<u>6,015,739</u>	<u>5,717,147</u>	<u>298,592</u>	<u>5,811,809</u>
Library Services	<u>1,256,520</u>	<u>1,266,520</u>	<u>1,145,613</u>	<u>120,907</u>	<u>1,284,083</u>
Debt Service					
Principal	1,446,204	1,446,204	1,347,271	98,933	1,127,772
Interest and other charges	629,000	652,000	749,192	(97,192)	733,055
Total debt service	<u>2,075,204</u>	<u>2,098,204</u>	<u>2,096,463</u>	<u>1,741</u>	<u>1,860,827</u>
Total expenditures	<u>40,430,513</u>	<u>40,966,045</u>	<u>39,496,268</u>	<u>1,469,777</u>	<u>38,901,342</u>
Excess revenues over (under) expenditures	<u>(2,681,408)</u>	<u>(2,854,408)</u>	<u>(1,189,693)</u>	<u>1,664,715</u>	<u>(2,081,763)</u>
Other financing sources (uses)					
Transfers in	2,194,204	2,194,204	1,813,945	(380,259)	2,091,485
Transfers out	-	(301,246)	(301,246)	-	(750,000)
Total other financing sources	<u>2,194,204</u>	<u>1,892,958</u>	<u>1,512,699</u>	<u>(380,259)</u>	<u>1,341,485</u>
Net change in fund balances	<u>(487,204)</u>	<u>(961,450)</u>	<u>323,006</u>	<u>1,284,456</u>	<u>(740,278)</u>
Fund Balance - beginning	<u>5,444,047</u>	<u>8,494,679</u>	<u>8,494,679</u>	<u>-</u>	<u>9,234,957</u>
Fund Balance - ending	<u>\$ 4,956,843</u>	<u>\$ 7,533,229</u>	<u>\$ 8,817,685</u>	<u>\$ 1,284,456</u>	<u>\$ 8,494,679</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ENGLEWOOD, COLORADO

**Statement of Net Assets
Proprietary Funds
December 31, 2011**

	Business-type Activities -			
	Water	Sewer	Golf	Storm Drainage
Assets				
Current assets:				
Cash and investments - unrestricted	\$ 5,486,110	\$ 9,753,583	\$ 693,323	\$ 873,902
Cash and investments - restricted:				
Loan operations and maintenance account	1,250,000	1,250,000	-	-
Insurance claims	-	-	-	-
Interest receivable	28,138	48,338	3,653	4,058
Accounts receivable	1,217,543	2,454,881	-	18,065
Other receivables	132,147	315,003	-	-
Inventory	160,172	7,411	57,072	-
Other assets	-	-	-	-
Total current assets	<u>8,274,110</u>	<u>13,829,216</u>	<u>754,048</u>	<u>896,025</u>
Noncurrent assets:				
Cash and investments - restricted:				
Revenue bond future debt service	-	-	293,500	137,818
Capital replacement	-	1,000,000	-	-
Equity in joint venture	-	66,475,316	-	-
Deferred charge	147,486	73,194	49,035	15,766
Notes receivable	-	-	-	-
Capital assets not being depreciated	7,778,291	59,500	10,396,940	-
Capital assets, net of accumulated depreciation	<u>25,744,486</u>	<u>2,096,715</u>	<u>5,056,792</u>	<u>2,060,741</u>
Total noncurrent assets	<u>33,670,263</u>	<u>69,704,725</u>	<u>15,796,267</u>	<u>2,214,325</u>
Total assets	<u>\$ 41,944,373</u>	<u>\$ 83,533,941</u>	<u>\$16,550,315</u>	<u>\$ 3,110,350</u>

Enterprise Funds			Governmental Activities Internal Service Funds
Concrete Utility	Housing Rehabilitation	Total	
\$ 424,455	\$ 747,589	\$ 17,978,962	\$ 4,287,973
-	-	2,500,000	-
-	-	-	19,737
2,141	2,637	88,965	17,592
12,205	-	3,702,694	15,610
-	-	447,150	-
-	192,865	417,520	170,512
-	-	-	52,050
<u>438,801</u>	<u>943,091</u>	<u>25,135,291</u>	<u>4,563,474</u>
-	-	431,318	-
-	-	1,000,000	-
-	-	66,475,316	-
-	-	285,481	-
-	3,730,340	3,730,340	-
-	-	18,234,731	365,998
<u>11,545,249</u>	<u>-</u>	<u>46,503,983</u>	<u>3,154,417</u>
<u>11,545,249</u>	<u>3,730,340</u>	<u>136,661,169</u>	<u>3,520,415</u>
<u>\$ 11,984,050</u>	<u>\$ 4,673,431</u>	<u>\$ 161,796,460</u>	<u>\$ 8,083,889</u>

(Continued)

CITY OF ENGLEWOOD, COLORADO

**Statement of Net Assets
Proprietary Funds
December 31, 2011
(Continued)**

	Business-type Activities -			
	Water	Sewer	Golf	Storm Drainage
Liabilities				
Current liabilities:				
Accounts payable	\$ 321,056	\$ 37,283	\$ 39,019	\$ 4,159
Accrued wages and related liabilities	81,781	32,998	19,788	2,005
Compensated absences	198,487	79,367	62,591	7,553
Unearned revenue	59,697	7,115,195	111,975	24,827
Other current liabilities	-	1,486,659	58,292	-
Accrued interest payable	144,645	744,408	12,485	4,498
General Obligation bonds payable - current	130,000	-	-	-
Revenue bonds payable - current	-	-	65,000	80,000
Notes payable - current	818,954	3,270,884	-	-
Total current liabilities	<u>1,754,620</u>	<u>12,766,794</u>	<u>369,150</u>	<u>123,042</u>
Noncurrent liabilities:				
General Obligation bonds payable	4,860,000	-	-	-
Revenue bonds payable	-	-	2,515,000	950,000
Notes payable	5,354,069	42,920,257	-	-
Other post employment benefits payable	41,850	27,107	8,253	-
Deferred amount on refunding	-	-	(32,855)	-
Total noncurrent liabilities	<u>10,255,919</u>	<u>42,947,364</u>	<u>2,490,398</u>	<u>950,000</u>
Total liabilities	<u>12,010,539</u>	<u>55,714,158</u>	<u>2,859,548</u>	<u>1,073,042</u>
Net assets				
Invested in capital assets, net of related debt	22,465,390	2,156,215	12,947,369	1,046,507
Restricted:				
Debt service	-	-	293,500	137,818
Unrestricted	7,468,444	25,663,568	449,898	852,983
Total net assets	<u>\$ 29,933,834</u>	<u>\$ 27,819,783</u>	<u>\$13,690,767</u>	<u>\$ 2,037,308</u>

The notes to the financial statements are an integral part of this statement.

Enterprise Funds			Governmental Activities Internal Service Funds
Concrete Utility	Housing Rehabilitation	Total	
\$ 32,271	\$ 125,406	\$ 559,194	\$ 91,632
10,350	-	146,922	36,935
25,049	-	373,047	83,600
32,834	20,000	7,364,528	-
-	-	1,544,951	561,822
-	-	906,036	-
-	-	130,000	-
-	-	145,000	-
-	36,000	4,125,838	-
<u>100,504</u>	<u>181,406</u>	<u>15,295,516</u>	<u>773,989</u>
-	-	4,860,000	-
-	-	3,465,000	-
-	1,390,301	49,664,627	-
-	-	77,210	-
-	-	(32,855)	-
-	1,390,301	58,033,982	-
<u>100,504</u>	<u>1,571,707</u>	<u>73,329,498</u>	<u>773,989</u>
11,545,249	-	50,160,730	3,520,415
-	-	431,318	-
<u>338,297</u>	<u>3,101,724</u>	<u>37,874,914</u>	<u>3,789,485</u>
<u>\$ 11,883,546</u>	<u>\$ 3,101,724</u>	<u>88,466,962</u>	<u>\$ 7,309,900</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

478,073

Net assets of business type activities \$ 88,945,035

CITY OF ENGLEWOOD, COLORADO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-type Activities -			
	Water	Sewer	Golf	Storm Drainage
Operating revenues				
Charges for sales and services:				
Service fees	\$ 6,640,604	\$ 12,981,737	\$ 1,608,249	\$ 319,211
Raw water sales	2,088,330	-	-	-
City ditch revenue	34,112	-	-	-
Concessions	-	-	134,843	-
Interest from notes	-	-	-	-
Other	27,213	-	82,507	-
Total operating revenues	<u>8,790,259</u>	<u>12,981,737</u>	<u>1,825,599</u>	<u>319,211</u>
Operating expenses				
Direct system operating costs:				
Source of supply	1,632,369	-	-	-
Power and pumping	827,449	-	-	-
Purification	1,714,085	-	-	-
Transmission and distribution	721,413	-	-	-
Sanitary system	-	569,548	-	-
Storm drainage system	-	-	-	25,405
Concrete repair & maintenance program	-	-	-	-
Total direct system operating costs	<u>4,895,316</u>	<u>569,548</u>	<u>-</u>	<u>25,405</u>
Littleton/Englewood WWTP operating expenses	-	6,568,679	-	-
Personal services	470,735	615,073	913,576	56,175
Customer accounting and collection	461,585	1,208,506	-	-
Commodities and contractual services	451,132	327,897	606,431	31,253
Other	188,490	388,265	66,020	-
Depreciation	988,329	89,954	347,387	115,101
Total operating expenses	<u>7,455,587</u>	<u>9,767,922</u>	<u>1,933,414</u>	<u>227,934</u>
Operating income (loss)	<u>1,334,672</u>	<u>3,213,815</u>	<u>(107,815)</u>	<u>91,277</u>
Nonoperating revenues (expense)				
Net investment income	54,760	200,008	6,495	8,624
Grant income	-	-	-	-
Interest expense	(549,820)	(1,665,585)	(169,290)	(57,498)
Net loss from joint venture	-	(4,259,415)	-	-
Gain (loss) on disposition of assets	551	-	(7,573)	-
Amortization of issue costs	(17,976)	(6,814)	(5,729)	(2,831)
Other, net	152,355	112,914	2,737	9,482
Total nonoperating revenues (expenses)	<u>(360,130)</u>	<u>(5,618,892)</u>	<u>(173,360)</u>	<u>(42,223)</u>
Income (loss) before contributions and transfers	<u>974,542</u>	<u>(2,405,077)</u>	<u>(281,175)</u>	<u>49,054</u>
Capital contributions - tap fees	22,779	231,920	-	-
Capital contributions - other	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net assets	<u>997,321</u>	<u>(2,173,157)</u>	<u>(281,175)</u>	<u>49,054</u>
Total net assets - beginning	<u>28,936,513</u>	<u>29,992,940</u>	<u>13,971,942</u>	<u>1,988,254</u>
Total net assets - ending	<u>\$ 29,933,834</u>	<u>\$ 27,819,783</u>	<u>\$ 13,690,767</u>	<u>\$ 2,037,308</u>

The notes to the financial statements are an integral part of this statement.

Enterprise Funds			Governmental
Concrete	Housing		Activities -
Utility	Rehabilitation	Total	Internal Service
			Funds
\$ 693,921	\$ -	\$ 22,243,722	\$ 9,459,751
-	-	2,088,330	-
-	-	34,112	-
-	-	134,843	-
-	204,036	204,036	-
-	-	109,720	162,728
<u>693,921</u>	<u>204,036</u>	<u>24,814,763</u>	<u>9,622,479</u>
-	-	1,632,369	-
-	-	827,449	-
-	-	1,714,085	-
-	-	721,413	-
-	-	569,548	-
-	-	25,405	-
190,945	-	190,945	-
<u>190,945</u>	<u>-</u>	<u>5,681,214</u>	<u>-</u>
-	-	6,568,679	-
173,056	-	2,228,615	1,104,166
-	10,500	1,680,591	-
2,274	3,093	1,422,080	7,016,778
-	262,936	905,711	-
<u>378,377</u>	<u>-</u>	<u>1,919,148</u>	<u>789,965</u>
<u>744,652</u>	<u>276,529</u>	<u>20,406,038</u>	<u>8,910,909</u>
<u>(50,731)</u>	<u>(72,493)</u>	<u>4,408,725</u>	<u>711,570</u>
5,181	5,739	280,807	38,734
-	144,978	144,978	-
-	(51,538)	(2,493,731)	-
-	-	(4,259,415)	-
-	-	(7,022)	72,948
-	-	(33,350)	-
<u>1,878</u>	<u>1,090</u>	<u>280,456</u>	<u>9,129</u>
<u>7,059</u>	<u>100,269</u>	<u>(6,087,277)</u>	<u>120,811</u>
<u>(43,672)</u>	<u>27,776</u>	<u>(1,678,552)</u>	<u>832,381</u>
-	-	254,699	-
-	-	-	8,643
-	-	-	330,465
-	(42,622)	(42,622)	(1,146,000)
<u>(43,672)</u>	<u>(14,846)</u>	<u>(1,466,475)</u>	<u>25,489</u>
<u>11,927,218</u>	<u>3,116,570</u>		<u>7,284,411</u>
<u>\$ 11,883,546</u>	<u>\$ 3,101,724</u>		<u>\$ 7,309,900</u>

Adjustment to reflect the consolidation of
internal service fund activities related to
enterprise funds

Change in net assets of business-type activities

199,184

\$ (1,267,291)

CITY OF ENGLEWOOD, COLORADO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-type Activities -			
	Water	Sewer	Golf Course	Storm Drainage
Cash flows from operating activities				
Cash received from customers	\$ 8,643,944	\$ 13,577,041	\$ 1,859,954	\$ 317,425
Collections of program loan principal	-	-	-	-
Interest received from borrowers	-	-	-	-
Program loans issued	-	-	-	-
Cash payments to suppliers for goods and services	(3,816,885)	(8,641,209)	(730,382)	(52,571)
Cash payments to employees for services	(2,326,179)	(1,010,209)	(909,403)	(57,019)
Other cash received	152,355	112,914	2,737	9,482
Net cash provided (used) by operating activities	<u>2,653,235</u>	<u>4,038,537</u>	<u>222,906</u>	<u>217,317</u>
Cash flows from noncapital financing activities				
Operating grants received	-	-	-	-
Line of credit advances	-	-	-	-
Principal paid on debt obligation	-	-	-	-
Interest paid on debt obligation	-	-	-	-
Transfers (to) from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Contributed capital	22,779	231,920	-	-
Proceeds from sale of assets	551	-	2,732	-
Acquisition and construction of capital assets	(756,896)	-	(17,471)	-
Acquisitions and construction of joint venture assets	-	(139,734)	-	-
Principal paid on long-term debt	(920,634)	(3,387,676)	(60,000)	(80,000)
Interest paid on long-term debt	(553,529)	(1,879,676)	(152,604)	(57,818)
Net cash (used) by capital related financing activities	<u>(2,207,729)</u>	<u>(5,175,166)</u>	<u>(227,343)</u>	<u>(137,818)</u>
Cash flows from investing activities				
Net investment income	<u>55,273</u>	<u>215,974</u>	<u>7,017</u>	<u>8,882</u>
Net increase (decrease) in cash and cash equivalents	<u>500,779</u>	<u>(920,655)</u>	<u>2,580</u>	<u>88,381</u>
Cash and cash equivalents - beginning	<u>6,235,331</u>	<u>12,924,238</u>	<u>984,243</u>	<u>923,339</u>
Cash and cash equivalents - ending	<u><u>\$ 6,736,110</u></u>	<u><u>\$ 12,003,583</u></u>	<u><u>\$ 986,823</u></u>	<u><u>\$ 1,011,720</u></u>

Enterprise Funds			Governmental
Concrete	Housing		Activities -
Utility	Rehabilitation	Total	Internal Service
			Funds
\$ 694,770	\$ -	\$ 25,093,134	\$ 9,624,098
-	246,768	246,768	-
-	204,036	204,036	-
-	(194,551)	(194,551)	-
(63,167)	(405,473)	(13,709,687)	(7,005,458)
(321,148)	-	(4,623,958)	(1,108,604)
1,878	1,090	280,456	6,129
<u>312,333</u>	<u>(148,130)</u>	<u>7,296,198</u>	<u>1,516,165</u>
-	144,978	144,978	-
-	267,701	267,701	-
-	(164,177)	(164,177)	-
-	(51,538)	(51,538)	-
-	(42,622)	(42,622)	(815,535)
-	<u>154,342</u>	<u>154,342</u>	<u>(815,535)</u>
-	-	254,699	-
-	-	3,283	77,529
(242,302)	-	(1,016,669)	(299,850)
-	-	(139,734)	-
-	-	(4,448,310)	-
-	-	(2,643,627)	-
<u>(242,302)</u>	<u>-</u>	<u>(7,990,358)</u>	<u>(222,321)</u>
<u>5,026</u>	<u>6,305</u>	<u>298,477</u>	<u>40,671</u>
75,057	12,517	(241,341)	518,980
<u>349,398</u>	<u>735,072</u>	<u>22,151,621</u>	<u>3,788,730</u>
<u>\$ 424,455</u>	<u>\$ 747,589</u>	<u>\$ 21,910,280</u>	<u>\$ 4,307,710</u>

(Continued)

CITY OF ENGLEWOOD, COLORADO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011
(Continued)**

	Business-type Activities -			
	Water	Sewer	Golf Course	Storm Drainage
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,334,672	\$ 3,213,815	\$ (107,815)	\$ 91,277
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	988,329	89,954	347,387	115,101
Miscellaneous nonoperating income	152,355	112,914	2,737	9,482
Effect of changes in operating assets and liabilities:				
Accounts receivable	(14,358)	(126,423)	387	(1,858)
Other receivables	(132,147)	19,352	-	-
Inventory	49,669	(23)	(14,264)	-
Accounts payable	242,106	20,533	(5,642)	4,087
Accrued payroll and related liabilities	32,419	6,040	4,173	(844)
Deferred revenue	190	723,940	(38,025)	72
Other current liabilities	-	(21,565)	33,968	-
Total adjustments	<u>1,318,563</u>	<u>824,722</u>	<u>330,721</u>	<u>126,040</u>
Net cash provided (used) by operating activities	<u>\$ 2,653,235</u>	<u>\$ 4,038,537</u>	<u>\$ 222,906</u>	<u>\$ 217,317</u>

Noncash investing, capital and financing activities

The notes to the financial statements are an integral part of this statement.

Enterprise Funds			Governmental
Concrete	Housing		Activities -
Utility	Rehabilitation	Total	Internal Service
			Funds
\$ (50,731)	\$ (72,493)	\$ 4,408,725	\$ 711,570
378,377	-	1,919,148	789,965
1,878	1,090	280,456	9,129
661	-	(141,591)	(1,381)
-	-	(112,795)	-
-	(1,253)	34,129	(5,282)
(16,145)	406	245,345	2,504
(1,895)	-	39,893	(4,438)
188	-	686,365	-
-	(75,880)	(63,477)	14,098
363,064	(75,637)	2,887,473	804,595
\$ 312,333	\$ (148,130)	\$ 7,296,198	\$ 1,516,165

CITY OF ENGLEWOOD, COLORADO

**Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011**

	<u>NonEmergency</u>	<u>Police</u>	<u>Fire</u>	<u>Volunteer</u>	<u>Total Pension Trust</u>	<u>Agency</u>
Assets						
Cash and equivalents	\$ 15,650	\$ 907	\$ -	\$ 100	\$ 16,657	\$ 2,583,210
Investments	26,052,629	4,842,170	7,087,036	99,021	38,080,856	-
Interest receivable	-	-	-	-	-	11,182
Accounts receivable	-	-	-	-	-	118,297
Assessment receivable	-	-	-	-	-	11,606
Total assets	<u>26,068,279</u>	<u>4,843,077</u>	<u>7,087,036</u>	<u>99,121</u>	<u>38,097,513</u>	<u>\$2,724,295</u>
Liabilities						
Due to other governments	-	-	-	-	-	2,724,295
Total liabilities	-	-	-	-	-	<u>\$ 2,724,295</u>
Net assets held in trust for pension benefits						
	<u>\$ 26,068,279</u>	<u>\$4,843,077</u>	<u>\$7,087,036</u>	<u>\$ 99,121</u>	<u>\$ 38,097,513</u>	

Detailed investment analysis is provided in the notes to the financial statements pages 72 and 73.

The notes to the financial statements are an integral part of this statement.

CITY OF ENGLEWOOD, COLORADO

**Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2011**

	<u>NonEmergency</u>	<u>Police</u>	<u>Fire</u>	<u>Volunteer</u>	<u>Total Pension Trust</u>
Additions					
Contributions:					
City	\$ 936,781	\$ 336,829	\$ 150,385	\$ 4,180	\$ 1,428,175
Plan member		3,181	3,638	-	6,819
Total contributions	<u>936,781</u>	<u>340,010</u>	<u>154,023</u>	<u>4,180</u>	<u>1,434,994</u>
Investment income:					
Net appreciation in fair value of investments	228,549	75,971	112,425	1,875	418,820
Less investment expense	<u>(50,348)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,348)</u>
Net investment income	<u>178,201</u>	<u>75,971</u>	<u>112,425</u>	<u>1,875</u>	<u>368,472</u>
Total additions	<u>1,114,982</u>	<u>415,981</u>	<u>266,448</u>	<u>6,055</u>	<u>1,803,466</u>
Deductions					
Benefits	1,292,939	938,463	1,065,225	24,975	3,321,602
Administrative expenses	70,171	40,252	58,848	918	170,189
Total deductions	<u>1,363,110</u>	<u>978,715</u>	<u>1,124,073</u>	<u>25,893</u>	<u>3,491,791</u>
Change in net assets	(248,128)	(562,734)	(857,625)	(19,838)	(1,688,325)
Net assets - beginning	<u>26,316,407</u>	<u>5,405,811</u>	<u>7,944,661</u>	<u>118,959</u>	<u>39,785,838</u>
Net assets - ending	<u><u>\$ 26,068,279</u></u>	<u><u>\$ 4,843,077</u></u>	<u><u>\$ 7,087,036</u></u>	<u><u>\$ 99,121</u></u>	<u><u>\$ 38,097,513</u></u>

The notes to the financial statements are an integral part of this statement.

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CITY OF ENGLEWOOD, COLORADO
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December 31, 2011

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CITY OF ENGLEWOOD, COLORADO

Notes to the Financial Statements December 31, 2011

The financial statements of the City of Englewood have been prepared in conformity with generally accepted accounting principles as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Englewood is a municipal corporation governed by an elected seven-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

The City follows GASB accounting pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Discretely presented component units

The Englewood Urban Renewal Authority (EURA) was created by resolution passed September 18, 1972, by the Englewood City Council under authorization of State Statutes. The purpose of the EURA is to acquire and develop or redevelop certain blighted areas in the City to maintain the public welfare. The EURA is included in the City's financial statements because the City Council appoints all board members and its tax increment financing is prima facie evidence of financial accountability.

The Englewood Environmental Foundation, Inc. (EEF), a nonprofit corporation, was established on August 14, 1997 under authorization of the Colorado Nonprofit Corporation Act. The purpose of the EEF includes, but is not limited to, maintaining the common areas of CityCenter Englewood, a mixed-use, transit oriented development that includes retail shops, luxury apartment housing and office space. The EEF is included in the City's financial statements because the City Council appoints all board members and provides substantial financial support to the EEF.

The Englewood McLellan Reservoir Foundation, Inc. (EMRF), a nonprofit corporation, was established on June 1, 1999 under authorization of the Colorado Nonprofit Corporation Act. The purpose of the EMRF includes, but is not limited to, taking title to 165 acres of land, which was acquired by the City of Englewood in 1960 as part of the acquisition of the McLellan Reservoir, and overseeing the development of such property while continuing to protect the City's water supply. During 1999, the City contributed the land to the EMRF. The EMRF is included in the City's

financial statements because the City Council appoints all board members and provides substantial financial support to the EMRF.

Each discretely presented component unit has a December 31 year-end. Separate financial statements are not prepared for the discretely presented component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree, to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by given function or segment; fines and forfeitures; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, are custodial in nature and do not present results of operations or have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales and use taxes, franchise taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. All other revenue items are considered to be measurable and available when cash is received by the City and are recognized as revenue at that time. The City reports the following major governmental fund:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The *water fund* accounts for revenues and expenses associated with providing water services to City of Englewood residents.

The *sewer fund* accounts for revenues and expenses associated with providing wastewater services to the City of Englewood residents and some county residents.

The *golf course fund* accounts for revenues and expenses associated with the operations of the Englewood Municipal Golf Course.

The *storm drainage fund* accounts for revenues and expenses associated with maintaining the City's storm drainage system.

The *concrete utility fund* accounts for revenues and expenses associated with maintaining the City's sidewalks, curbs and gutters.

The *housing rehabilitation fund* accounts for revenues and expenses associated with the City's housing rehabilitation programs.

Additionally, the City reports the following fund types:

Internal service funds account for printing fees, vehicle use and maintenance fees, capital replacement fees, and insurance provided to other departments and employees of the City on a cost-reimbursement basis.

Pension trust funds account for the NonEmergency, Police, Firefighters and Volunteer Firefighters Pension Funds administered by the City in a trustee capacity.

The *agency fund* accounts for assets held by the City in a custodial capacity, on behalf of other governmental entities, pursuant to the Big Dry Creek Basin Interceptor Agreement.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicant for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and

contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all City levied taxes.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services, including water and sewer charges, printing fees, vehicle use and maintenance fees, capital replacement fees and insurance fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's water and sewer enterprise funds recognize as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water and sewer distribution system.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The City maintains an internal cash and investment pool that is available for use by all funds including its component units. Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

All investment pool purchases and sales are part of the City's cash management activity and considered cash and cash equivalents. Activities undertaken by the pool on behalf of the proprietary funds are not part of operating, capital, investing, or financing activities of the proprietary funds, and details of these transactions are not reported in the Statement of Cash Flows. Net investment earnings from the combined investments are allocated monthly to each fund based on month-end average balances of cash and investments. Interest from non-pooled investments is recorded based on the specific investments held by the fund. Interest income is recorded in the fund that earned the interest.

The City's investment policy is approved by the City Council and covers all financial assets and funds of the City and its discretely presented component units except for the pension trust funds. Changes to the policy are made on an as-needed basis. All investments are made in accordance with Colorado Revised Statutes. The policy authorizes the City and component units to invest primarily in the following:

- U.S. Treasury Obligations: Treasury Bills, Treasury Notes and Treasury Bonds with maturities not exceeding five years from the date of trade settlement.
- Treasury Strips (book-entry U.S. Treasury securities whose coupons have been removed) with maturities not exceeding five years from the date of trade settlement.
- Federal Instrumentalities - Debentures, Discount Notes, Medium-Term Notes, Callable Securities and Step-up Securities issued by the following only: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) and Federal Farm Credit Banks (FFCB), with maturities not exceeding five years from the date of trade settlement. Federal Instrumentality Securities shall be rated in the highest rating category by at least two Nationally Recognized Statistical Rating Organizations (NRSROs) that rate them, and shall be rated not less by any NRSRO that rates the debt.

- Repurchase Agreements with a termination date of 90 days or less utilizing U.S. Treasury and Federal Instrumentality securities listed above, collateralized at a minimum market value of 102 percent of the dollar value of the transaction with the accrued interest accumulated on the collateral included in the calculation. Repurchase agreements shall be entered into only with dealers who: are recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure; and have executed a City approved Master Repurchase Agreement. Primary Dealers approved as Repurchase Agreement counterparties, if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent. Collateral (purchased securities) shall be held by the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. In no case will the maturity of the collateral exceed 10 years.
- Reverse Repurchase Agreements with a maturity of 90 days or less executed only against securities owned by the City and collateralized by the same type of security reversed.
- Flexible Repurchase Agreements with a final maturity of 10 years or less entered into by the City with approved counterparties.
- Time Certificates of Deposit with a maximum maturity of five years or savings accounts in state or national banks or state or federally chartered savings banks operating in Colorado that are state approved depositories (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit that exceed the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act. The collateral shall have a market value equal to or exceeding 102 percent of the difference between the insured amount and the City's total deposits for all funds within the institution.
- Money Market Mutual Funds registered under the Investment Company Act of 1940 that: 1) are "no-load" (i.e.: no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAM by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch.
- Colorado Local Government Liquid Asset Trust (COLOTRUST) as authorized under CRS 24-75-702.
- Prime Bankers Acceptances, rated at least A-1 by Standard & Poor's, P-1 by Moody's and F1 by Fitch at the time of purchase by at least two services that rate them and shall be rated not less by any service that rates them, with a maturity of six months or less issued on domestic banks or branches of foreign banks domiciled in the U.S. and operating under U.S. banking laws. Accepting banks must have a senior debt rating of A2 by Moody's and A by Standard & Poor's.
- Prime Commercial Paper with a maturity of 270 days or less which, at the time of purchase, is rated at least A-1 by Standard & Poor's, P-1 by Moody's and F1 by Fitch. At the time of purchase, the commercial paper must be rated by at least two of the above stated rating agencies at the stated minimum rating. If more than two of the above stated agencies rate an issuer, all of those rating agencies must rate the issuer in accordance with above stated minimum credit criteria. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated by each service that publishes a rating on the issuer as at least A2 by Moody's, A by Standard and Poor's and A by Fitch.
- Corporate Bonds issued by a corporation or bank with a final maturity not exceeding three years from the date of trade settlement, rated at least AA- by Standard & Poor's, Aa3 by Moody's, or AA by Fitch at the time of purchase by each service that rates the debt. Authorized corporate bonds shall be U.S. dollar denominated, and limited to corporations organized and operated within the United States with a net worth in excess of \$250 million.

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding

between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Property taxes are levied by December 15 of each year and are due in full the following year. The lien date is January 1 following the levy. Taxes may be paid in two equal installments, on or before February 28 and June 15; or in full, on or before April 30. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. Property taxes are collected by Arapahoe County and then remitted, net of a 1% collection fee, to the City. Taxes are recorded as a receivable and deferred revenue when levied, and subsequently recorded as revenue in the year they are available or collected.

3. Inventories and Property Held for Resale

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased. Property held for resale is recorded at lower of cost or estimated market value.

4. Restricted Assets and Liabilities

Certain assets and their related liabilities whose use is restricted for construction, bonded debt service and other purposes by contractual agreement and/or debt indentures are segregated on the government-wide statement of net assets and the fund balance sheets. The “construction” account is used to report those proceeds of revenue bonds and loans that are restricted for use in construction. The “loan operations and maintenance account” is used to report resources set aside to subsidize potential deficiencies from the City’s operation that could adversely affect debt service payments. The “insurance claims” account is used to report resources set aside for the payment of current and future long-term disability claims. The “revenue bond future debt service” account is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account. The “capital replacement” account is used to report resources set aside to fund major capital repairs and replacements at the Littleton/Englewood Wastewater Treatment Plant.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City currently capitalizes expenditures that cost more than \$5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

Capital assets of the primary government, as well as the component units, are depreciated, using the straight-line method over their estimated useful lives:

Infrastructure:	
Bridges	50 years
Streets	25 years
Storm drainage system	35 years
Concrete, curb and gutter	50 years
Buildings and improvements	15-50 years
Water distribution and sewage collection systems	50 years

Water and sewage treatment plants	25 years
Raw water service and treated water storage facilities	15-50 years
Vehicles, machinery and equipment	3-25 years

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and personal leave benefits. All leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements.

7. Leases

Leases that meet certain criteria established by the Financial Accounting Standards Board (FASB) Statement No. 13 are classified as capital lease obligations and recorded at the lesser of the present value of minimum lease payments or the fair value of the leased property at inception. Leases that do not meet the criteria of a capital lease are classified as operating leases. The City's operating leases are not significant.

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bonds payable are reported net of the applicable bond premium and discount. Bond premiums, discounts and deferred losses on bond refundings are deferred and amortized over the life of the bonds using the effective interest method and charged to interest expense. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. The unamortized deferred loss on refunding is reflected as reduction of bonds payable.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

9. Net Assets and Fund Equity

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Invested in capital assets (net of related debt) is intended to reflect the portion of net assets that are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Assets are subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation. Pursuant to the City Charter, the net assets of the City's utilities: water, sewer, storm drainage and concrete, are entirely restricted to their own purpose.

Unrestricted Net Assets represent assets that do not have any third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions.

Designations of fund balance represent tentative management plans that are subject to change. At December 31, 2011 the City has the following fund balance designations:

Restricted Fund Balances

Restricted fund balances carry provisions that are externally imposed by creditors or by law.

Restricted for Parks and recreation-\$2,831,175

The amount reserved for parks and recreation represents the fund balance of the Conservation Trust (State Lottery) Fund, the Open Space Fund, the Malley Center Trust Fund and the Parks and Recreation Trust Fund, which are legally restricted for parks, open space and recreation purposes.

Restricted for Law enforcement-\$301,459

The amount reserved for police operations represents funds that are legally restricted for law enforcement purposes, pursuant to grant requirements.

Restricted for Debt service-\$561,427

The reserve for debt service represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

Restricted for TABOR Emergencies-\$1,150,000

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 5).

Committed Fund Balances

Committed fund balances are created and modified through appropriation by City Council.

Committed to Capital projects-\$1,761,434

Committed to Parks and recreation-\$451,714

Committed to Law Enforcement-\$298,512

Committed to Housing-\$408,432

Committed to Long term asset reserve-\$2,406,649

Assigned Fund Balances

Assigned fund balances are intended for a specific purpose but are neither restricted nor committed. City management may have categorized portions for various purposes, and City Council has the unrestricted authority to revisit or alter these managerial decisions.

Assigned to Parks and recreation-\$45,705

Assigned to Law enforcement-\$28,819

Assigned to Fire services-\$3,861

Assigned to Other purposes-\$523,831

Unassigned Fund Balance

Unassigned fund balance is only reported in the General Fund for balances that are not restricted, committed or assigned. City Council has the unrestricted authority to appropriate these funds.

10. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

Note 2. Stewardship, Compliance and Accountability

A. Budgetary Information

The governmental fund type annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds except the capital projects funds and certain special revenue funds (Conservation Trust and Open Space Funds), which adopt project-length budgets. The proprietary fund type annual budgets are adopted on a non-GAAP modified accrual budgetary basis. All annual appropriations lapse at year-end. Budgets are not adopted for the pension trust funds.

The appropriated budget is prepared by fund, department, division, and object. The legal level of budgetary control is at the department level for the General Fund and at the fund level for all other legally adopted funds. Supplemental appropriations and transfers of appropriations between departments and/or funds require the approval of the City Council. The City Manager may transfer any unencumbered appropriation from one expenditure classification to another within the same department.

Encumbrance accounting is used as a management tool during the year; at year-end, encumbrances are canceled. During the year, thirteen supplemental appropriation resolutions were approved by City Council.

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

	Primary Government			Component Units			Reporting Entity Total
	Governmental and Business-Type Activities	Fiduciary Funds	Total	EURA	EEF	EMRF	
Unrestricted:							
Deposits and investments with City internal investment pool	\$ 35,154,977	\$ 2,599,867	\$ 37,754,844	\$ 26,431	\$ 846,998	\$ 70,558	\$ 38,698,831
Deposits and investments outside City internal investment pool	1,343,774	38,080,856	39,424,630	-	92,997	4,802	39,522,429
Subtotal unrestricted deposits and investments	36,498,751	40,680,723	77,179,474	26,431	939,995	75,360	78,221,260
Restricted:							
Deposits and investments with City internal investment pool	3,951,055	-	3,951,055	-	-	-	3,951,055
Total deposits and investments	<u>\$ 40,449,806</u>	<u>\$ 40,680,723</u>	<u>\$ 81,130,529</u>	<u>\$ 26,431</u>	<u>\$ 939,995</u>	<u>\$ 75,360</u>	<u>\$ 82,172,315</u>
Cash and deposits	\$ 3,379,608	\$ -	\$ 3,379,608	\$ -	\$ 92,997	\$ 4,802	\$ 3,477,407
Investments	37,070,198	40,680,723	77,750,921	26,431	846,998	70,558	78,694,908
	<u>\$ 40,449,806</u>	<u>\$ 40,680,723</u>	<u>\$ 81,130,529</u>	<u>\$ 26,431</u>	<u>\$ 939,995</u>	<u>\$ 75,360</u>	<u>\$ 82,172,315</u>

1. Deposits

Custodial credit risk – deposits:

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2011, the City's deposits amounting to \$648,401 were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

The EEF and the EMRF are not eligible public entities and are not covered by the provisions of the PDPA. At year-end, the component units' cash deposits had a bank balance as follows:

	<u>EEF</u>	<u>EMRF</u>
Insured-FDIC	\$ 92,998	\$ 4,801

2. Investments

The table below identifies the investment types that are authorized for the City, along with the related interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Instrumentalities	5 years	None	None
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	90 days	None	None
Flexible Repurchase Agreements	10 years	None	None
Certificates of Deposit	5 years	50%	None
Bankers Acceptances	180 days	20%	None
Commercial Paper	270 days	40%	None
Corporate Bonds	3 years	30%	5%

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Debt securities of the U.S. government and obligations of U.S. government agencies that are explicitly guaranteed by the U.S. government are not considered to have credit risk.

The City's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below is the minimum rating required by the City's investment policy and the actual rating as of December 31, 2011 for each investment type.

Investment Type	Minimum Rating Required	Standard & Poor's Rating	Moody's Rating	Total Investment Portfolio
U.S. Treasury Notes	N/A	N/A	N/A	4%
Federal Farm Credit Banks (FFCB)	N/A	AAA	Aaa	5%
Federal Home Loan Banks (FHLB)	N/A	AAA	Aaa	6%
Federal Home Loan Mortgage Corporation (FHLMC)	N/A	AAA	Aaa	3%
Federal National Mortgage Association (FNMA)	N/A	AAA	Aaa	14%
Commercial paper	A-1/P1	A-1+	P1	1%
Corporate bonds	AA-/Aa3	AAA	Aaa	1%
Corporate bonds	AA-/Aa3	AA+	Aa2	7%
Corporate bonds	AA-/Aa3	AA-	Aa2	2%
Corporate bonds	AA-/Aa3	AA-	Aa3	3%
Repurchase agreements (a)	N/A	Not rated		1%
COLOTRUST (b)	N/A	AAAm	Aaa	5%

(a) Ratings displayed are of the underlying securities supporting the repurchase agreement

(b) COLOTRUST is a 2a7-like investment pool

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market rates. The following schedule indicates the interest rate risk of the City's investments at December 31, 2011. The Retirement Trust Funds' interest rate risk information begins on page 72.

	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less than 1 year</u>	<u>1 to 5 years</u>
Primary Government:			
Investments in City internal investment pool:			
U.S. Treasury Notes	\$ 3,103,359	\$ 1,001,328	\$ 2,102,031
U.S. Instrumentalities	20,642,980	10,537,143	10,105,837
Corporate Bonds	11,795,596	5,590,766	6,204,830
Colorado Local Government Liquid			
Asset Trust (COLOTRUST PLUS+)	3,937,908	3,937,908	-
Less: Component unit investments in internal investment pool	<u>(943,987)</u>	<u>(943,987)</u>	<u>-</u>
Subtotal investments in City internal investment pool	<u>38,535,856</u>	<u>20,123,158</u>	<u>18,412,698</u>
Investments outside City investment pool:			
Repurchase agreements	1,134,208	<u>\$ 1,134,208</u>	<u>\$ -</u>
Retirement Trust Fund investments	<u>38,080,856</u>		
Total Primary Government	<u>77,750,920</u>		
Component Units:			
EURA:			
Investments in internal investment pool	26,431	<u>\$ 26,431</u>	<u>\$ -</u>
EEF:			
Investments in internal investment pool	846,998	<u>\$ 846,998</u>	<u>\$ -</u>
EMRF:			
Investments in internal investment pool	<u>70,558</u>	<u>\$ 70,558</u>	<u>\$ -</u>
Total Component Units	<u>943,987</u>		
Total Investments	<u>\$ 78,694,907</u>		

One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Additionally, the City's investment policy limits the weighted average maturity of its internal investment pool to less than two years. At December 31, 2011, the weighted average maturity of the City's internal investment portfolio was 1.33 years.

Concentration of Credit Risk

Of the City's total investments in its internal investment pool, 8% were T-Notes, 27% were FNMA Notes, 5% were FHLMC Notes, 10% were FFCB Notes and 12% were FHLB Notes. Additionally, 10% of the internal investment pool was held by COLOTRUST. All other investments not issued or explicitly guaranteed by the U.S. Government were less than 30% of the City's total pooled investments. Of the City's total investments in repurchase agreements, the collateral supporting the repurchase agreements included FNMA Notes (30%), FHLMC Notes (41%) and GNMA Notes (29%).

Retirement Trust Funds' Investments

The investments of the pension trust funds are invested separately from the internal investment pool. At December 31, 2011, the investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Nonemergency Pension Trust Fund	
Fixed Income securities	<u>\$ 9,256,505</u>
Equity securities:	
Domestic	11,323,387
International	<u>3,018,308</u>
Subtotal equity securities	<u>14,341,695</u>
Real estate equity fund	<u>2,454,429</u>
Subtotal nonemergency employees retirement trust	26,052,629
Police Officers, Firefighters and Volunteer Firefighters Pension Trust Funds	
Fire and Police Pension Association	<u>12,028,227</u>
Total Retirement Trust Investments	<u><u>\$ 38,080,856</u></u>

Assets of the Nonemergency Pension Trust Fund (Fund) are invested in accordance with Colorado Revised Statutes Section 15-1.1-102 under the Uniform Prudent Investor Act and subject to investment policy guidelines as established by the Nonemergency Retirement Plan Board. The objective of the policy is to maximize the expected return of the fund at an acceptable level of risk. The Retirement Board has established percentage guidelines for types of investments to ensure the portfolio is diversified. Assets of the Firefighters, Police Officers and Volunteer Firefighters Pension Trust Funds are invested by the Fire and Police Pension Association of Colorado (FPPA) (see Note 4.D.). The discussion that follows relating to interest rate, credit and foreign currency risk applies to the Nonemergency Pension Trust Fund only. A discussion of the investment policy and investment risks of the Firefighters, Police Officers and Volunteer Firefighters Pension Trust Funds may be found in FPPA's publicly issued Comprehensive Annual Financial Report that may be obtained from FPPA's website at www.fppaco.org.

Interest Rate and Credit Risk - Retirement Trust Funds

The fair value of fixed income investments fluctuate in response to changes in market interest rates, generally decreasing in response to increases in market interest rates. The Nonemergency Retirement Plan Board does not have a specific policy to manage interest or credit rate risk but manages its exposure to fair value losses arising from increasing interest rates by requiring retained fixed income investment managers to monitor the duration and maturity of its portfolio and diversify by issuer and by sector or industry. The managers are evaluated against specific market benchmarks that represent their investment style.

Duration measures a fixed income security's exposure to price changes arising from changing interest rates. The calculation uses the present value of cash flows, weighted according to the time to cash receipt. Effective (or option-adjusted) duration is the duration of a bond after adjusting for any embedded options. Effective duration takes into account the fact that yield changes may change the expected cash flows of the bond in the presence of an embedded option, such as a call, put, or prepayment option for asset- or mortgage-backed securities. The longer the duration, the more sensitive the bond or portfolio of bonds should be to changes in interest rates.

At December 31, 2011, the Fund's fixed income securities had an effective duration of 3.9 years.

U.S. Government obligations and those explicitly guaranteed by the U.S. Government account for 31.7% of the Fund's fixed income portfolio. The following table illustrates the credit risk exposure of the remaining fixed income securities as of December 31, 2011:

Rating	Percentage of Fixed Income Total
AAA	5.8%
AA	3.5%
A	11.3%
BBB	15.7%
BB	9.4%
B	9.6%
CCC	2.4%
Not rated	2.3%
	<u>60.0%</u>

Foreign Currency Risk - Retirement Trust Funds

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Fund's exposure to foreign currency risk derives from its allocations to non-U.S. dollar denominated international equity, fixed income, and private equity investments. Through its asset allocation policy, the Fund has set a target asset allocation of 10% to developed and emerging market international equities. Core plus fixed income managers may invest up to 10% of the portfolio in non-U.S. dollar denominated investment grade fixed income securities.

The fair value of the Fund's exposure to foreign currency risk at December 31, 2011 is summarized in the table below.

	Currency	Fair Value	Percentage of Total
Euro zone ³	Euro currency	\$ 526,788	17.5%
Switzerland	Swiss franc	236,223	7.8%
United Kingdom	British pound	540,193	17.9%
Russia	Russian ruble	12,426	0.4%
Denmark	Danish krone	89,031	2.9%
Sweden	Swedish krona	69,050	2.3%
Other Europe	Other Europe	128,430	4.3%
Japan	Japanese yen	339,568	11.3%
Mexico	Mexican peso	35,019	1.2%
South Korea	South Korean won	44,056	1.5%
Canada	Canadian dollar	161,913	5.4%
Taiwan	Taiwan dollar	29,370	1.0%
Australia	Australian dollar	19,204	0.6%
China	Chinese yuan renminbi	197,743	6.6%
Hong Kong	Hong Kong dollar	25,981	0.9%
Other Pacific Basin	Other Pacific Basin	22,593	0.7%
Brazil	Brazilian real	19,204	0.6%
India	Indian rupee	47,444	1.6%
South Africa	South African rand	19,204	0.6%
Israel	Israeli shekel	62,326	2.1%
Other countries	Other countries	188,425	6.2%
		<u>2,814,191</u>	<u>93.2%</u>
	Cash and equivalents	<u>204,117</u>	<u>6.8%</u>
		<u>\$ 3,018,308</u>	<u>100.0%</u>

B. Receivables

Receivables at year-end for the City’s individual major, non-major and internal service funds are as follows:

	Governmental Activities			
	General	Nonmajor Funds	Internal Service	Total
Receivables:				
Property tax	\$ 2,886,000	\$ 854,000	\$ -	\$ 3,740,000
Sales and use tax	2,757,092	108,175	-	2,865,267
Interest	41,029	26,794	17,592	85,415
Accounts	212,444	-	15,610	228,054
Assessments	23,105	-	-	23,105
Intergovernmental	261,191	703,051	-	964,242
	<u>\$6,180,861</u>	<u>\$ 1,692,020</u>	<u>\$ 33,202</u>	<u>\$7,906,083</u>

	Business-type Activities						Total
	Water	Sewer	Golf Course	Storm Drainage	Concrete Utility	Housing Rehabilitation	
Receivables							
Interest	\$ 28,138	\$ 48,338	\$ 3,653	\$ 4,058	\$ 2,141	\$ 2,638	\$ 88,966
Accounts	1,217,543	2,454,881	-	18,065	12,205	-	3,702,694
Notes (see below)	-	-	-	-	-	3,725,443	3,725,443
Other	132,147	315,003	-	-	-	-	447,150
	<u>\$1,377,828</u>	<u>\$ 2,818,222</u>	<u>\$ 3,653</u>	<u>\$ 22,123</u>	<u>\$14,346</u>	<u>\$ 3,728,081</u>	<u>\$7,964,253</u>
Not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,725,443</u>	<u>\$3,725,443</u>

None of the notes receivable in the Housing Rehabilitation Fund are expected to be collected within one year.

1. Notes Receivable

Notes receivable in the Housing Rehabilitation Fund consist of loans to qualified borrowers for rehabilitation of existing homes. Interest rates vary from 0% to 10.8%. Terms of repayment vary from monthly amortized loans to deferred loans, where the payment of loan principal and accrued interest, if any, is payable when the property transfers ownership. A lien is filed on the property to insure loans are repaid. The total loan balance of \$4,775,443 has been reduced by \$1,050,000 to account for the present value of the receivables.

An analysis of the notes receivable follow:

Loan Type	Balance 12/31/2010	New Loans	Principal Payments	Balance 12/31/2011
Amortized loans	\$ 1,744,931	38,096	229,726	\$ 1,553,301
Deferred loans	2,861,831	107,317	174,664	2,794,484
	<u>\$ 4,606,762</u>	<u>\$ 145,413</u>	<u>\$ 404,390</u>	4,347,785
Loans in progress				427,658
				4,775,443
Less unamortized discount based on imputed interest rate of 7% over 20 years				(1,050,000)
Total notes receivable, net				<u>\$ 3,725,443</u>

Notes are classified as follows:

Current	\$ -
Long-term	3,725,443
	<u>\$ 3,725,443</u>

2. Unearned Revenue/Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of December 31, 2011, the various components of *deferred* revenue and *unearned* revenue reported in the governmental funds of the primary government were as follows:

	Unavailable	Unearned	Total
Property taxes receivable (General Fund)	\$2,866,000	\$ -	\$2,866,000
Property taxes receivable (Debt Service Fund)	854,000	-	854,000
Sales and use taxes (General Fund)	-	1,100,000	1,100,000
Grants drawdowns prior to meeting all eligibility requirements (General and Capital Projects Funds)	-	129,573	129,573
Net government-wide deferred / unearned revenue	<u>\$3,720,000</u>	<u>\$1,229,573</u>	<u>\$4,949,573</u>

C. Capital Assets

1. Primary Government

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 15,897,566	\$ 41,636	\$ -	\$ 15,939,202
Works of art	203,750	-	-	203,750
Construction in process	729,071	2,362,721	(2,144,052)	947,740
Total capital assets not being depreciated	16,830,387	2,404,357	(2,144,052)	17,090,692
Capital assets being depreciated				
Buildings	39,178,160	1,543,776	-	40,721,936
Infrastructure	32,430,780	77,553	(45,000)	32,463,333
Machinery and equipment	19,854,802	911,341	(954,035)	19,812,108
Other improvements	5,747,247	61,776	-	5,809,023
Total capital assets being depreciated	97,210,989	2,594,446	(999,035)	98,806,400
Less accumulated depreciation for:				
Buildings	(12,440,967)	(735,364)	-	(13,176,331)
Infrastructure	(10,705,588)	(1,513,967)	45,000	(12,174,555)
Machinery and equipment	(14,012,102)	(1,326,210)	944,630	(14,393,682)
Other improvements	(1,594,538)	(236,075)	-	(1,830,613)
Total accumulated depreciation	(38,753,195)	(3,811,616)	989,630	(41,575,181)
Total capital assets being depreciated, net	58,457,794	(1,217,170)	(9,405)	57,231,219
Governmental activities capital assets, net	<u>\$ 75,288,181</u>	<u>\$ 1,187,187</u>	<u>\$ (2,153,457)</u>	<u>\$ 74,321,911</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 270,040
Safety Services	189,235
Public Works	1,463,614
Culture and Recreation	662,673
Unallocated	436,088

In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets.

Total depreciation expense - governmental activities	<u>\$ 3,811,616</u>
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Capital asset activity for the year ended December 31, 2011 (continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 11,522,825	\$ -	\$ -	\$ 11,522,825
Raw water	6,451,002	-	-	6,451,002
Construction in process	-	260,904	-	260,904
Total capital assets not being depreciated	<u>17,973,827</u>	<u>260,904</u>	<u>-</u>	<u>18,234,731</u>
Capital assets being depreciated:				
Distribution and collection systems	31,967,828	390,658	-	32,358,486
Plant and buildings	27,391,344	-	-	27,391,344
Improvements other than buildings	6,280,486	-	-	6,280,486
Curb, sidewalk and streets	20,106,639	274,314	-	20,380,953
Equipment and other	5,124,627	49,408	(34,087)	5,139,948
Total capital assets being depreciated	<u>90,870,924</u>	<u>714,380</u>	<u>(34,087)</u>	<u>91,551,217</u>
Less accumulated depreciation for:				
Distribution and collection systems	(19,014,799)	(522,022)	-	(19,536,821)
Plant and buildings	(9,957,277)	(573,663)	-	(10,530,940)
Improvements other than buildings	(2,357,898)	(164,065)	-	(2,521,963)
Curb, sidewalk and streets	(8,457,327)	(378,377)	-	(8,835,704)
Equipment and other	(3,364,568)	(281,021)	23,783	(3,621,806)
Total accumulated depreciation	<u>(43,151,869)</u>	<u>(1,919,148)</u>	<u>23,783</u>	<u>(45,047,234)</u>
Total capital assets being depreciated, net	<u>47,719,055</u>	<u>(1,204,768)</u>	<u>(10,304)</u>	<u>46,503,983</u>
Business-type activities capital assets, net	<u>\$ 65,692,882</u>	<u>\$ (943,864)</u>	<u>\$ (10,304)</u>	<u>\$ 64,738,714</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Business-type activities:	
Water	\$ 988,329
Sewer	89,954
Golf	347,387
Storm	115,101
Concrete	378,377
Total depreciation expense - business-type activities	<u>\$ 1,919,148</u>

2. Discretely Presented Component Units

Englewood Urban Renewal Authority (EURA)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 516,995	\$ -	\$ -	\$ 516,995

The capital assets of the EURA consist of a parking lot and vacant land (approximately 1.7 acres).

Englewood Environmental Foundation (EEF)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 8,496,257	\$ -	\$ -	\$ 8,496,257
Capital assets being depreciated				
Site development	10,772,214	-	-	10,772,214
Curb, sidewalk and streets	4,841,536	-	-	4,841,536
Parking structure	3,956,348	-	-	3,956,348
Bridge	2,017,170	-	-	2,017,170
Equipment and other	185,261	-	-	185,261
Total capital assets being depreciated	21,772,529	-	-	21,772,529
Less accumulated depreciation for:				
Site development	(5,575,527)	(453,001)	-	(6,028,528)
Curb, sidewalk and streets	(4,841,538)	-	-	(4,841,538)
Parking structure	(1,740,794)	(158,254)	-	(1,899,048)
Bridge	(887,189)	(80,687)	-	(967,876)
Equipment and other	(174,472)	(2,603)	-	(177,075)
Total accumulated depreciation	(13,219,520)	(694,545)	-	(13,914,065)
Total capital assets being depreciated, net	8,553,009	(694,545)	-	7,858,464
EEF capital assets, net	\$ 17,049,266	\$ (694,545)	\$ -	\$ 16,354,721

Englewood McLellan Reservoir Foundation (EMRF)

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land improvements	\$ 5,706,166	\$ -	\$ -	\$ 5,706,166

D. Interfund Transfers

The composition of interfund balances as of December 31, 2011, is as follows:

	Transfers in:			
	General Fund	Nonmajor Governmental	Internal Service	Total Transfers In
Transfers out:				
General Fund	\$ -	\$ 266,246	\$ 35,000	\$ 301,246
Nonmajor governmental funds	867,945	425,000	95,465	1,388,410
Proprietary funds	-	42,622	-	42,622
Internal service funds	946,000	-	200,000	1,146,000
Total transfers out	<u>\$ 1,813,945</u>	<u>\$ 733,868</u>	<u>\$ 330,465</u>	<u>\$ 2,878,278</u>

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During the year ended December 31, 2011, the City made one-time transfers to the General Fund from nonmajor governmental funds, internal service funds to subsidize the operations of the General Fund. The Public Improvement Fund made transfers to the other capital projects funds and the Golf Fund to assist in funding for projects accounted for in those funds.

E. Capital Leases

The City has entered into capital lease agreements for the purpose of acquiring and financing the Civic Center and equipment. All of these agreements qualify as capital leases for accounting purposes and, therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

Assets acquired through capital leases follow:

Asset	Cost	Accumulated Depreciation	Total
Building - Civic Center	\$ 22,393,532	\$ (6,076,429)	\$ 16,317,103
Equipment - Computer Equipment	195,458	(39,092)	156,366
Equipment - Fire Operations	973,900	(192,594)	781,306
Total	<u>\$ 23,562,890</u>	<u>\$ (6,308,115)</u>	<u>\$ 17,254,775</u>

1. Civic Center

On December 29, 1998, the City entered into a lease purchase agreement with the Englewood Environmental Foundation, Inc. (EEF) for the Englewood Civic Center. The lease represents a legal outstanding economic debt of the City to the EEF, a separate legal entity and not an advance between funds. The lease purchase agreement is renewable annually and lease payments are subject to annual appropriation by the City. Base rentals are intended to cover the EEF's debt service requirements on its outstanding Certificates of Participation (see Note 3.G.). Lease payments are made from the General Fund and are due in semiannual installments through June 1, 2023, with interest at 3.25% to 4.5%.

2. Fire Equipment

On April 20, 2008, the City entered into a lease agreement for two fire trucks. Lease payments are due in annual installments beginning in 2008 and ending March 1, 2017, with interest at 4.24%. Lease payments are made by the General Fund.

3. Computer Equipment

On April 7, 2011, the City entered into a lease agreement for computer equipment. Lease payments are due in semi-annual installments beginning in 2011 and ending April 1, 2013, with interest at 4.6%. Lease payments are made by the General Fund.

4. Phone and Security Equipment

On November 2, 2011, the City entered into a lease agreement for a security camera system and phone equipment. Lease payments are due in semi-annual installments beginning in 2012 and ending November 2, 2015, with interest at 3.87%. Lease payments are made by the General Fund.

The net present value of these minimum lease payments as of December 31, 2011, was as follows:

Year Ending December 31	Governmental Activities				Total
	Civic Center	Fire Equipment	Computer Equipment	Phone/Security Equipment	
2012	\$ 1,566,497	\$ 118,393	\$ 113,331	\$ 152,947	\$ 1,951,168
2013	1,565,625	118,393	56,666	152,947	1,893,631
2014	1,561,563	118,393	-	65,127	1,745,083
2015	1,561,988	118,393	-	65,126	1,745,507
2016	1,559,219	118,393	-	-	-
2017-2021	7,785,411	118,393	-	-	7,903,804
2022-2023	3,105,000	-	-	-	3,105,000
Minimum lease payments	18,705,303	710,358	169,997	436,147	18,344,193
Less: Amount representing interest	(4,205,303)	(94,546)	(7,530)	(49,094)	(4,356,473)
Present value of minimum Lease Payments	<u>\$ 14,500,000</u>	<u>\$ 615,812</u>	<u>\$ 162,467</u>	<u>\$ 387,053</u>	<u>\$ 13,987,720</u>

F. Long-term Obligations

1. General Obligation Bonds

The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City is authorized to levy an ad valorem tax to pay the principal and interest on these bonds.

A description of the general obligation bonds outstanding at the end of the year follows:

General Obligation Refunding Bonds, Series 2010. On October 19, 2010, the City issued \$9,985,000 of General Obligation Refunding Bonds, to provide resources to purchase U.S. Treasury, Certificates and Notes that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$4,000,000 of Series 2001 and \$5,255,000 of Series 2002 General Obligation Bonds representing all outstanding bonds maturing on or after December 1, 2012. As a result, the refunded bonds are considered to be defeased and their liability has been removed from the statement of net assets. The 2010 bonds bear interest at 2.0% to 4.0% and consist of serial bonds maturing yearly on December 1 through 2023. Bonds maturing on or after December 1, 2021 are subject to redemption at the option of the City. Interest is payable semiannually on June 1 and December 1. This refunding is estimated to save taxpayers approximately \$467,000 over the life of the bonds.

General Obligation Bonds, Series 2001, original principal amount of \$5,988,924 dated December 1, 2001. The bonds were issued to fund improvements to the City's two recreation centers. The bonds consist of \$5,810,000 of serial bonds due annually in varying amounts through 2022, with interest payable semiannually at rates ranging from 3.0% to 5.1%; and \$178,924 of "B" Interest Registered Coupons due in 2003 and 2004, with interest accruing through maturity at stated yield rates of 3.2% to 3.6%. Serial bonds maturing on or after December 1, 2012 are callable at par in any order of maturity on December 1, 2012. The "B" Interest Registered Coupons are not callable. The bonds are rated "AAA" by Standard & Poor's and "Aaa" by Moody's. The underlying rating by Standard & Poor's and Moody's is "A" and "A2", respectively. Repayment of both principal and interest on the bonds are insured by MBIA Insurance Corporation. Bonds maturing on or after December 1, 2012 have been refunded (see General Obligation Refunding Bonds, Series 2011 above).

General Obligation Bonds, Series 2002, original principal amount of \$7,846,879 dated August 15, 2002. The bonds were issued primarily to fund the construction of the Pirates Cove Family Aquatics Center. The bonds consist of \$6,990,000 of serial bonds due annually in varying amounts from 2008 through 2023, with interest payable semiannually at rates ranging from 3.50% to 4.75%; and \$856,879 of "B" Interest Registered Coupons due in varying amounts through 2007, with interest accruing through maturity at stated yield rates of 2.2% to 3.3%. Serial bonds maturing on or after December 1, 2013 are callable at par in any order of maturity on December 1, 2013. The "B" Interest Registered Coupons are not callable. The bonds are rated "AAA" by Standard & Poor's and "Aaa" by Moody's. The underlying rating by Standard & Poor's and Moody's is "A" and "A2", respectively. Repayment of both principal and interest on the bonds are insured by MBIA Insurance Corporation. Bonds maturing on or after December 1, 2013 have been refunded (see General Obligation Refunding Bonds, Series 2011 above).

General Obligation Water Bonds, Series 2009, original principal amount of \$2,615,000, dated June 24, 2011, consisting of serial bonds due annually in varying amounts through January 1, 2029. The bonds maturing on January 1, 2026 are subject to mandatory sinking fund redemption commencing on January 1, 2025. Interest is payable semi-annually at rates ranging from 4.15% to 4.625%. Bonds maturing on or after January 1, 2019 are callable at par in any order of maturity on January 1, 2020. The bonds are rated A2 by Moody's and AA- by Standard and Poor's. The bonds were issued to finance miscellaneous water system improvement projects. Although there is a general obligation pledge on these bonds, which allows the City to certify a rate of levy for property taxes to pay principal and interest on the bonds, it is the City's intention to service the debt from available moneys in the Water Fund.

General Obligation Water Bonds, Series 2004, original principal amount of \$3,055,000, dated December 1, 2004, consisting of serial bonds in the original amount of \$1,865,000 due annually in varying amounts through January 1, 2019, and term bonds in the original amount of \$1,190,000 due on January 1, 2025. The term bonds maturing on January 1, 2025 are subject to mandatory sinking fund redemption commencing on January 1, 2020. Interest is payable semi-annually at rates ranging from 3.375% to 4.75%. Bonds maturing on or after January 1, 2015 are callable at par in any order of maturity on January 1, 2014. The bonds are rated A2 by Moody's and A by Standard and Poor's. The bonds were issued to finance miscellaneous water system improvement projects. Although there is a general obligation pledge on these bonds, which allows the City to certify a rate of levy for property taxes to pay principal and interest on the bonds, it is the City's intention to service the debt from available moneys in the Water Fund.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00% - 5.10%	\$ 10,185,000
Business-type activities	3.625% - 4.75%	4,990,000
		<u>\$ 15,175,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 785,000	\$ 508,365	\$ 1,293,365
2013	815,000	483,927	1,298,927
2014	970,000	465,015	1,435,015
2015	1,005,000	442,802	1,447,802
2016	1,020,000	419,985	1,439,985
2017-2021	5,835,000	1,668,354	7,503,354
2022-2026	3,370,000	614,613	3,984,613
2027-2029	1,375,000	129,160	1,504,160
	<u>\$ 15,175,000</u>	<u>\$ 4,732,221</u>	<u>\$ 19,907,221</u>

2. Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year-end are as follows:

Golf Course Revenue Refunding Bonds, Series 2003, original principal amount of \$2,935,000, dated December 15, 2003, consisting of serial bonds in the original amount of \$640,000 due annually in varying amounts through December 1, 2014, and term bonds in the original amount of \$875,000 due on December 1, 2019 and term bonds in the original amount of \$1,420,000 due on December 1, 2024. The term bonds maturing on December 1, 2019 are subject to mandatory sinking fund redemption commencing on December 1, 2015. The term bonds maturing on December 1, 2024 are subject to mandatory sinking fund redemption commencing on December 1, 2020. Interest is payable semi-annually at rates ranging from 2.50% to 6.00%. Bonds maturing on or after December 1, 2014 are callable at par in any order of maturity on December 1, 2013. The bonds are non-rated. The original 1994 bonds that were refunded by this issue were utilized for construction of golf course improvements.

Storm Water Enterprise Revenue Bonds, Series 2001, original principal amount of \$1,675,000, dated October 1, 2001, consisting of serial bonds due annually from December 1, 2002 through December 1,

2021. Interest is payable semi-annually at rates ranging from 3.75% to 5.50% on the outstanding bonds. Bonds maturing on or after December 1, 2012 are callable at par in any order of maturity on December 1, 2012. The bonds are non-rated. The bonds were issued to finance miscellaneous stormwater system improvement projects.

Annual debt service requirements to maturity for revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 145,000	\$ 203,792	\$ 348,792
2013	155,000	196,720	351,720
2014	240,000	188,969	428,969
2015	250,000	176,731	426,731
2016	265,000	162,924	427,924
2017-2021	1,560,000	575,973	2,135,973
2022-2024	995,000	136,200	1,131,200
	<u>\$ 3,610,000</u>	<u>\$ 1,641,309</u>	<u>\$ 5,251,309</u>

3. Qualified Energy Conservation Bonds

The City issued Qualified Energy Conservation Bonds in 2011. The original principal amount of \$1,355,302 dated August 19, 2011. Principal and interest are due quarterly with an interest rate of 5.41%. The interest payments are partially offset by credits from the Federal Government under Section 1112 of the American Recovery and Reinvestment Act of 2009, “Section 54D” that authorizes states and political subdivisions to issue qualified energy conservation bonds “QECCBs”. Proceeds will be used for qualified energy conservation purposes. Payments are made by the General Fund.

Annual debt service requirements for the qualified energy conservation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 58,069	\$ 28,999	\$ 87,068
2013	62,206	27,697	89,903
2014	66,511	26,304	92,815
2015	70,988	24,819	95,807
2016	75,644	23,235	98,879
2016-2021	454,721	88,718	543,439
2022-2026	567,163	32,014	599,177
	<u>\$1,355,302</u>	<u>\$251,786</u>	<u>\$ 1,607,088</u>

4. Notes and loans payable

Colorado Water Resources and Power Development Authority to fund water and sewer system improvements:

<u>Servicing Fund</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>	<u>Last Payment Due</u>
Water	10/1/1997	\$ 15,292,636	4.141%	\$ 6,173,023	8/1/2018
Sewer	11/15/1990	12,750,000	4.642%	855,533	8/1/2012
Sewer	5/1/2004	19,715,000	4.110%	15,165,000	8/1/2017
Sewer	5/1/2004	29,564,275	3.870%	29,526,818	8/1/2025
			Total	<u>\$ 51,720,374</u>	

The City has entered into various loans with local banks to fund the housing rehabilitation loan program. The loans are serviced by the Housing Rehabilitation Fund:

Vectra and US Bank – Included with the City’s notes and loans payable are lines of credit at various interest rates ranging from 3.85% to 7.00% used to provide interim financing for the Housing Rehabilitation Fund program. These funds are subsequently loaned to homeowners to assist in completing home improvements. Repayments are made when payments are received on the corresponding notes receivable. The lines of credit are retired from the proceeds of long-term notes secured by individual homeowners’ notes to the City. The balance of these notes at December 31, 2011 for Vectra and US Bank is \$534,683 and \$891,617, respectively. As the repayments of these notes are based on the repayment of corresponding notes receivable, these notes are not included in the maturity table below.

Notes and loans currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Business-type activities	3.85% - 7.00%	51,720,374

Annual debt service requirements to maturity for notes and loans payable are as follows (excluding notes payable from the Housing Rehabilitation Fund):

	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 4,089,838	\$ 2,038,305	\$ 6,128,143
2013	3,380,369	2,069,354	5,449,723
2014	3,528,690	1,917,030	5,445,720
2015	3,691,125	1,757,725	5,448,850
2016	3,868,651	1,575,441	5,444,092
2017-2021	18,093,285	5,280,746	23,374,031
2022-2025	15,068,416	2,055,006	17,123,422
	<u>\$51,720,374</u>	<u>\$ 16,693,607</u>	<u>\$ 68,413,981</u>

Long-term liability activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General Obligation Bonds:					
Series 2010 Refunding	\$ 9,810,000	\$ -	\$ -	\$ 9,810,000	\$ 280,000
Deferred premium	325,667	-	-	325,667	-
Series 2001 (Refunded)	260,000	-	260,000	-	-
Series 2002 (Refunded)	730,000	-	355,000	375,000	375,000
Subtotal general obligation bonds	<u>11,125,667</u>	<u>-</u>	<u>615,000</u>	<u>10,510,667</u>	<u>655,000</u>
Capital Lease Obligations:					
Civic Center Lease, 2005 Refunding	15,425,000	-	925,000	14,500,000	955,000
Deferred premium	259,211	-	34,720	224,491	-
Deferred amount on refunding	(320,145)	-	(42,881)	(277,264)	-
Computer Equipment Lease	264,781	-	102,314	162,467	107,075
Phone/Security Equipment Lease	540,000	-	133,326	406,674	138,536
Fire Equipment, 2007	704,340	-	88,529	615,811	92,282
Subtotal capital leases	<u>16,873,187</u>	<u>-</u>	<u>1,241,008</u>	<u>15,632,179</u>	<u>1,292,893</u>
Notes Payable:					
Colorado Brownfields Revolving Loan Fund, 2001	98,101	-	98,101	-	-
Qualified Energy Conservation bonds	1,355,302	-	-	1,355,302	58,069
Net OPEB Obligation	181,866	193,895	194,222	181,539	-
Compensated absences	2,307,686	2,133,136	2,139,380	2,301,442	1,150,721
Governmental activity total					
Long-term liabilities	<u>\$ 31,941,809</u>	<u>\$ 2,327,031</u>	<u>\$ 4,287,711</u>	<u>\$ 29,981,129</u>	<u>\$ 3,156,683</u>
Business-type activities:					
General Obligation Water Bonds, 2009	\$ 2,615,000	\$ -	\$ -	\$ 2,615,000	\$ -
General Obligation Water Bonds, 2004	2,500,000	-	125,000	2,375,000	130,000
Subtotal general obligation bonds	<u>5,115,000</u>	<u>-</u>	<u>125,000</u>	<u>4,990,000</u>	<u>130,000</u>
Revenue Bonds payable:					
Golf Course Refunding Bonds, 2003	2,640,000	-	60,000	2,580,000	65,000
Deferred amount on refunding	(49,772)	-	(16,917)	(32,855)	-
Storm Water Revenue Bonds, 2001	1,110,000	-	80,000	1,030,000	80,000
Subtotal revenue bonds	<u>3,700,228</u>	<u>-</u>	<u>123,083</u>	<u>3,577,145</u>	<u>145,000</u>
Notes and loans payable:					
CWR&PDA Sewer Loan, 2004	29,532,169	-	5,351	29,526,818	5,351
Premium	361,115	-	30,755	330,360	-
CWR&PDA Sewer Loan, 2004	17,470,000	-	2,305,000	15,165,000	2,410,000
Premium	424,919	-	111,490	313,429	-
CWR&PDA Sewer Loan, 1990	1,932,858	-	1,077,325	855,533	855,533
CWR&PDA Water Loan, 1997	6,968,657	-	795,634	6,173,023	818,954
Notes payable (Rehab) - Vectra Bank	651,162	-	116,478	534,684	31,000
Notes payable (Rehab) - US Bank	753,826	206,557	68,766	891,617	5,000
Net OPEB Obligation	42,871	43,439	9,100	77,210	-
Compensated absences	371,621	317,175	315,749	373,047	186,524
	<u>58,509,198</u>	<u>567,171</u>	<u>4,835,648</u>	<u>54,240,721</u>	<u>4,312,362</u>
Business-type activity total					
Long-term liabilities	<u>\$ 67,324,426</u>	<u>\$ 567,171</u>	<u>\$ 5,083,731</u>	<u>\$ 62,807,866</u>	<u>\$ 4,587,361</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$83,600 of internal service funds accrued compensated absences are included in the above amounts. In addition, for the governmental activities, compensated absences are generally liquidated by the General Fund.

There are a number of limitations and restrictions contained in the various indentures. The City believes it complies with all significant limitations and restrictions.

General obligation indebtedness of the City is limited by the City Charter to three percent of actual valuation of taxable property within the City. At December 31, 2011, this limit was \$97,993,968 providing a debt margin of \$87,193,968.

G. Component Unit Debt Obligations

Englewood Environmental Foundation, Inc.

As discussed in Note 1, the Englewood Environmental Foundation, Inc. (EEF), a separate legal entity, was created in 1997. The EEF has not adopted an annual budget as it was incorporated as a Colorado not-for-profit corporation and not a Colorado local government.

An analysis of changes in long-term obligations for the year ended December 31, 2011 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Certificates of Participation:					
Series 2005 Refunding	<u>\$ 15,425,000</u>	<u>\$ -</u>	<u>\$ 925,000</u>	<u>\$ 14,500,000</u>	<u>\$ 955,000</u>

The detail of the EEF’s long-term debt is as follows:

On December 29, 1998, the EEF issued Series 1998 Certificates of Participation dated December 1, 1998 to finance the acquisition and renovation of an existing building for use as a Civic Center (the leased property) and the construction of various public improvements adjacent to the Civic Center. The Certificates have been issued in connection with a lease from the City to the EEF and a lease back to the City by the EEF.

On October 4, 2005, the EEF issued \$18,880,000 Refunding Certificates of Participation, Series 2005, to provide resources to purchase U.S. Treasury Notes that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$18,125,000 Series 1998 Certificates of Participation. As a result, the certificates are considered to be defeased and their liability has been removed from the statement of net assets. The 2005 certificates bear interest at 3.25% to 4.5% and consist of term certificates due June 1, 2020. Interest is payable semiannually on June 1 and December 1. The Certificates are subject to redemption at par prior to maturity on any date on or after June 1, 2016. The Certificates are subject to mandatory redemption beginning June 1, 2017 for Certificates maturing on June 1, 2020. Repayment of both principal and interest on the Certificates are insured by MBIA Insurance Corporation.

The EEF's long-term debt service obligations are as follows:

	Certificates of Participation		
	Principal	Interest	Total
2012	\$ 955,000	\$ 611,497	\$ 1,566,497
2013	990,000	575,625	1,565,625
2014	1,025,000	536,563	1,561,563
2015	1,070,000	491,987	1,561,987
2016	1,115,000	444,219	1,559,219
2017-2021	6,375,000	1,410,413	7,785,413
2022-2023	2,970,000	135,000	3,105,000
Total	\$ 14,500,000	\$ 4,205,304	\$ 18,705,304

At December 31, 2011, the EEF has recorded a lease receivable for \$14,500,000. As the City remits the base rentals required by the lease purchase agreement, the EEF will reduce the lease receivable by the principal amount of the base rentals and record lease interest income for the interest portion of the base rentals (see Note 3.E.).

Note 4. Other Information

A. Investment in Joint Venture

The City participates with the City of Littleton, Colorado in a joint venture for the operation of a wastewater treatment facility ("Littleton/Englewood Wastewater Treatment Plant Joint Venture" or "Joint Venture"). Control of the Joint Venture vests in a four-member committee, with two members appointed by each City. Each City owns a 50 percent interest in the Joint Venture, and oversight responsibilities are divided equally. The City's investment in the Joint Venture is accounted by the equity method in the Sewer Fund. Summary audited financial information as of and for the year ended December 31, 2011 follows:

	Total	City's Share
Assets		
Current assets	\$ 1,214,154	\$ 607,077
Capital assets, net	132,834,956	66,417,478
Total assets	134,049,110	67,024,555
Liabilities		
Current liabilities	1,098,478	549,239
Net assets	132,950,632	66,475,316
Revenues	12,678,669	6,339,335
Expenses	20,918,030	10,459,015
Change in net assets	\$ (8,239,361)	\$ (4,119,680)

The City's Sewer Fund has reflected a net loss from joint venture for \$4,119,680. This amount includes the City's share of the Joint Venture's net loss of \$4,259,415 less capital contributions from the City to the Joint Venture of \$139,734.

Complete financial statements for the Joint Venture may be obtained from City's Department of Finance and Administrative Services.

B. Risk Management

1. Property, Liability and Workers' Compensation

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The City is insured for property, liability and workers' compensation claims above its deductible amount of \$150,000. The City established a Risk Management Fund (an internal service fund) to account for and finance these risks of loss. For claims in excess of these amounts, the City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). In the past three years, there have been no claims that have exceeded this coverage. All funds of the City participate in the Risk Management Fund. Amounts payable to the Risk Management Fund are based on historical claims experience. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimated.

Risk Management Fund - Claims Liability

Changes in the balance of claims liabilities during the years ended December 31, 2011 and 2010 are as follows:

	<u>Property & Liability</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Unpaid claims - December 31, 2009	\$ 124,003	\$ 334,310	\$ 458,313
Incurred claims (including claims reserve)	207,002	397,532	604,534
Claim payments	(298,518)	(238,698)	(537,216)
Unpaid claims - December 31, 2010	<u>32,487</u>	<u>493,144</u>	<u>525,631</u>
Incurred claims (including claims reserve)	470,284	(38,527)	431,757
Claim payments	(320,764)	(122,352)	(443,116)
Unpaid claims - December 31, 2011	<u>\$ 182,007</u>	<u>\$ 332,265</u>	<u>\$ 514,272</u>

Colorado Intergovernmental Risk Sharing Agency (CIRSA)

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. The City has participated in CIRSA since its inception in 1982.

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability, workers' compensation and public official's coverage to its members. A seven member Board elected by and from its members governs CIRSA.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The City has not been informed of any excess losses that may have been incurred by the pool.

2. Employee Health Care

Medical, accidental death and disability and life insurance

The City provides medical, accidental death and disability and life insurance to employees through commercial insurance with no risk of loss to the City.

Dental insurance

Dental benefits are entirely self-insured with coverage limited to \$2,000 per covered employee and each eligible dependent per year. In the past three years, there have been no claims that have exceeded this coverage.

The City established the Employee Benefits Fund (an internal service fund) to account for and finance these health benefits. All funds of the City participate in the Employee Benefits Fund. Amounts payable to the Employee Benefits Fund are based on commercial insurance premiums and passed on to the participating funds. A liability for dental claims is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimated.

C. Commitments and Contingencies

1. Legal proceedings

A number of claims are presently pending against the City. The City is denying the allegations and is defending against them. Although the eventual outcome of these matters cannot be predicted, it is the opinion of management, based upon advice of legal counsel, that the City's ultimate liability is not expected to have a material effect on the City's financial position.

2. Federally assisted grant programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

3. Construction Commitments

There were no significant construction commitments at December 31, 2011.

4. Conduit Debt Obligations

From time to time, the City has issued Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of residential facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from revenues of the private sector entities. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2011, there were four series of Revenue Bonds outstanding, with an aggregate principal amount payable of \$27,311,370.

D. Employee Retirement Systems and Pension Plans

City employees are covered by one of eight different pension plans, depending on occupation and date of hire, as follows:

- NonEmergency Employees Retirement Plan
- Police Officers Pension Plan (two plans)
- Firefighters Pension Plan (three plans)
- City Management Retirement Plan
- NonEmergency Employees Money Purchase Plan

The City administers four single-employer, defined benefit pension plans that are reported as Pension Trust Funds in the financial statements and maintains three single-employer defined contribution plans administered by the International City Managers Association Retirement Corporation (ICMA-RC). The City participates in the Statewide Defined Benefit Pension Plan administered by the Fire and Police Pension Association of Colorado (FPPA). The City also maintains a deferred compensation plan for the benefit of its employees administered by ICMA-RC.

1. Defined Benefit Plans

The defined benefit pension plans do not issue separate financial statements. The financial statements for the individual funds, for the year ended December 31, 2011, are presented below.

	Nonemergency Employees	Police	Firefighters	Volunteer Firefighters	Total
Assets					
Cash and short-term investments	\$ 15,650	\$ 907	\$ -	\$ 100	\$ 16,657
Investments	26,052,629	4,842,170	7,087,036	99,021	38,080,856
Total assets	26,068,279	4,843,077	7,087,036	99,121	38,097,513
Liabilities					
Accounts payable	-	-	-	-	-
Net assets held in trust for pension benefits					
	<u>\$ 26,068,279</u>	<u>\$ 4,843,077</u>	<u>\$ 7,087,036</u>	<u>\$ 99,121</u>	<u>\$ 38,097,513</u>
Additions					
Contributions:					
City	\$ 936,781	\$ 336,829	\$ 150,385	\$ 4,180	\$ 1,428,175
Plan member		3,181	3,638	-	6,819
Total contributions	936,781	340,010	154,023	4,180	1,434,994
Investment income:					
Net appreciation in fair value of investments	228,549	75,971	112,425	1,875	418,820
Less investment expense	(50,348)	-	-	-	(50,348)
Net investment income	178,201	75,971	112,425	1,875	368,472
Total additions	1,114,982	415,981	266,448	6,055	1,803,466
Deductions					
Benefits	1,292,939	938,463	1,065,225	24,975	3,321,602
Management fees	70,171	40,252	58,848	918	170,189
Total deductions	1,363,110	978,715	1,124,073	25,893	3,491,791
Change in net assets	(248,128)	(562,734)	(857,625)	(19,838)	(1,688,325)
Net assets - beginning	26,316,407	5,405,811	7,944,661	118,959	39,785,838
Net assets - ending	<u>\$ 26,068,279</u>	<u>\$ 4,843,077</u>	<u>\$ 7,087,036</u>	<u>\$ 99,121</u>	<u>\$ 38,097,513</u>

NonEmergency Employees Retirement Plan (NERP)

Plan Description. The NonEmergency Employees Retirement Plan (NERP) is a defined benefit, single-employer; non-contributory plan established by the City for employees other than management staff, mid-managers, supervisors, confidentials, police officers and firefighters. Employees hired into this group are offered the choice of joining the NERP plan, or the NonEmergency Employees Money Purchase Plan (NEMP), which is discussed later in this section.

Members of this plan are eligible for normal retirement benefits after age 65 or earlier if eligible under the Rule of 88 (members who have attained the age of 55 where age combined with their years of credited service equals 88). Members can elect a benefit paid monthly for life and for a minimum of ten years total to members and their beneficiaries, based on 1.5% of their final average monthly compensation multiplied by their years of eligible service credits. Alternate actuarially equivalent payment options may be selected. The average monthly compensation is equal to 1/36th of the 36 highest paid consecutive months of the last ten years of the employee's eligibility.

Members who receive long-term disability benefits continue to accrue years of service credits and are eligible to receive retirement benefits on the first day of the month following the normal retirement date. Benefits are computed on credited service the employee accrues during the period of time he/she receives long-term disability.

If a pre-retirement member dies prior to the normal retirement date and has five or more years of credited service, the surviving spouse will receive 50% of the monthly accrued benefit for life. If the member is not survived by a spouse, the designated beneficiary will receive 50% of the monthly benefit for ten years. Payments commence on the first day of the month following the later of the member's death, or the date the member would have attained age 55. Members vest after five years of credited service with the City.

The authority under which benefit provisions are established or amended are provided within the Englewood Municipal Code and are summarized as follows: The City reserves the right to alter, amend, or terminate the plan or any part thereof provided that no such alteration or amendment shall provide that the retirement benefit payable to any retired member shall be less than that provided by the member's accumulated contributions or affect the right of any member to receive a refund of his or her accumulated contributions and shall not directly or indirectly reduce any member's accrued pension. Additionally, no alteration or termination of the plan or any part thereof shall permit any part of the fund to revert to or be recoverable by the City or be used for or diverted to purposes other than the exclusive benefit of members, retired members, vested members or beneficiaries. Further, no amendment shall cause the elimination of neither an optional form of benefit nor the elimination of an early retirement benefit that continues after retirement.

The plan does not provide for automatic benefit increases. Ad hoc retirement benefit increases must be approved by the City Council, as funds are available and subject to TABOR restraints regarding issuance of multiple year obligations, which may be subject to a vote.

The Plan includes a Deferred Retirement Option Plan (DROP). This option allows a member that has attained age and service requirements to begin receiving retirement benefits into a separate deferred retirement account and continue employment. The member contracts with the City for the member-determined period of time not to exceed three years at which time employment terminates. The benefit payments are held in a separate account until the member terminates employment. The member is permitted distribution from the separate account only upon death or termination of employment. The member may terminate employment at any time prior to the designated termination date.

Contributions. Funding for the plan is provided within the Englewood Municipal Code that states that the City will contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. The City expects to continue such contributions to the plan, but assumes no responsibility to do so and reserves the right to suspend or to reduce contributions at any time. Members do not contribute. The contribution amount for the plan has been historically determined by annual actuarial studies that resulted in contribution amounts based on a percentage of covered salary.

Administrative costs of the plan, if not paid by the City, are paid from the fund. There are no investments in, loans to or leases with parties related to the plan.

Police Officers Pension Plan

Plan Description. The Police Officers Pension Plan is a defined benefit, single employer plan established for Police Officers hired prior to April 8, 1978. The plan is affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. Police Officers hired after April 8, 1978 are covered under a 401(a) defined contribution plan administered by ICMA-RC.

Members of this plan attain normal retirement date when they are 55 years old and have completed 20 years of credited service with the City or when they have completed 25 years of credited service at any age. Members eligible for normal retirement will receive a monthly pension equal to 2-1/2% of final monthly base pay times the first 20 years of service plus 1% of final monthly base pay for each additional year of service up to a maximum of 65% of the final twelve months average pay including longevity.

If a retired police officer dies, the surviving spouse receives until death or remarriage a monthly pension equal to one half of the amount the officer was entitled to receive prior to death plus one-eighth of such monthly benefit for each dependent child under age 16. If there is no surviving spouse or children, the benefit is payable to a dependent parent or parents. If there are two dependent parents, the benefit is divided equally by them.

Although not a provision in the plan, under a separate agreement with the City, Police officers who receive a total disability from FPPA receive a monthly supplemental disability payment equal to 20% of their monthly salary at the date of the disability payable until their normal retirement date. Police officers who are given an occupational disability from FPPA receive a monthly supplemental pension equal to 10% of their monthly salary at date of the disability until their normal retirement date.

Police officers who leave the City prior to the five years required to vest in the plan receive a refund with interest. Vested officers receive a refund of their contributions or may remain in the plan.

The authority under which benefit provisions are established or amended are provided within Colorado Revised Statutes (CRS 31—30.5-210). The City Council, 65% of active plan members and the Board of Directors of the Colorado Fire and Police Pension Association must approve plan amendments. Any modification must maintain or enhance the actuarial soundness of the plan and cannot adversely affect the benefits of members.

The plan does not provide for automatic benefit increases. Ad hoc retirement benefit increases must be approved by the City Council, as funds are available and subject to TABOR restraints regarding issuance of multiple year obligations, which may be subject to a vote.

The Plan includes a Deferred Retirement Option Plan (DROP). This option allows a member that has attained age and service requirements to begin receiving retirement benefits into a separate deferred retirement account and continue employment. The member contracts with the City for the member-determined period of time not to exceed five years at which time employment terminates. The member's five percent contribution continues to the separate DROP account. The benefit payments and member contributions are held in a separate account until the member terminates employment. The member is permitted distribution from the separate account only upon death or termination of employment. The member may terminate employment at any time prior to the designated termination date.

Contributions. Funding for the plan is provided within the Plan document and Colorado statutes that state the City shall contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. Police Officers contribute 5% of their covered salary per the plan document. The City contributes to the Police Officers Pension Fund at a rate determined in the following manner: at least every three (3) years, the Police Officers Pension Fund shall have an actuarial study prepared relating to the Police Officers Pension Fund. The resultant percentage will be paid annually from general revenues of the City into the Police Officers Retirement Fund. The contribution amount for the plan has been historically determined by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund (CRS 31—30.5-204(3)). There are no investments in, loans to or leases with parties related to the plan.

Firefighters Pension Plan

Plan Description. The Firefighters Pension Plan is a defined benefit, single employer plan established for firefighters hired prior to April 8, 1978. The plan is affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. Firefighters hired on or after April 8, 1978 are covered under the Statewide Defined Benefit Plan of FPPA.

Normal retirement for firefighters is the date the firefighter attains 50 years of age and completes 20 years of credited service. Normal benefits are monthly amounts equal to 2 1/2% of final monthly base pay times the first 20 years of service plus 1% of final monthly base pay for each additional year of service up to a maximum of 65% of final monthly base pay. Alternate actuarially equivalent payment options may be selected.

If a retired firefighter dies, the surviving spouse shall receive until death or remarriage a monthly pension equal to the greater of: (a) one-third of the salary of a first grade firefighter at the time of retirement or (b) 50% of the monthly amount received by the participant at his death; plus \$30 per month for each dependent child under age 18.

Firefighters vest after five years with the City. Firefighters who terminate prior to that time receive their contributions with interest. Vested members who terminate may elect to leave their contributions in the plan and be eligible for a deferred retirement pension payable at age 50.

Although not a provision in the plan, under a separate agreement with the City, firefighters who receive a total disability from FPPA receive a monthly supplemental disability payment equal to 20% of their monthly salary at the date of the disability payable until their normal retirement date. Firefighters who are given an occupational disability from FPPA receive a monthly supplemental pension equal to 10% of their monthly salary at the date of the disability until their normal retirement date.

The authority under which benefit provisions are established or amended are provided within Colorado Revised Statutes (CRS 31—30.5-210). The City Council, 65% of active plan members and the Board of Directors of the Colorado Fire and Police Pension Association must approve plan amendments. Any modification must maintain or enhance the actuarial soundness of the plan and cannot adversely affect the benefits of members.

The plan does not provide for automatic benefit increases. Ad hoc retirement benefit increases must be approved by the City Council, as funds are available and subject to TABOR restraints regarding issuance of multiple year obligations, which may be subject to a vote.

The Plan includes a Deferred Retirement Option Plan (DROP). This option allows a member that has attained age and service requirements to begin receiving retirement benefits into a separate deferred retirement account and continue employment. The member contracts with the City for the member-determined period of time not to exceed five years at which time employment terminates. The member's five percent contribution continues to the separate DROP account. The benefit payments and member contributions are held in a separate account until the member terminates employment. The member is permitted distribution from the separate account only upon death or termination of employment. The member may terminate employment at any time prior to the designated termination date.

Contributions. Funding for the plan is provided within the Plan document and Colorado statutes that state the City shall contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. Firefighters contribute 5% of their covered salary per the plan document. The City contributes to the Firefighters Pension Fund at a rate determined in the following manner: at least every three (3) years, the Firefighters Pension Fund shall have an actuarial study prepared relating to the Firefighters Pension Fund. The resultant percentage will be paid annually from general revenues of the City into the Firefighters Pension Fund. The contribution amount for the plan has been historically determined by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund (CRS 31—30.5-204(3)). There are no investments in, loans to or leases with parties related to the plan.

Volunteer Firefighters Pension Plan

Plan Description. The Volunteer Firefighters Pension plan is a defined benefit, single employer plan that is affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by the Firefighters Pension Board. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. The monthly benefit amount for retirees and beneficiaries are \$450 and \$225, respectively.

Contributions. Funding for the plan is provided within the Plan document and Colorado statutes that state the City shall contribute to the fund to the extent necessary to finance the benefits provided by the plan on a sound actuarial basis. The City contributes to the Volunteer Fire Department Pension Fund at a rate determined in the following manner: at least every three (3) years, the Volunteer Fire Department Pension Fund shall have an actuarial study prepared relating to the Volunteer Fire Department Pension Fund. The resultant amount will be paid annually from general revenues of the City into the Volunteer Fire Department Pension Fund. The contribution amount for the plan has been historically determined by biennial actuarial studies.

The financial statements of the volunteer plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the plan are paid from the pension fund (CRS 31—30.5-204(3)). There are no investments in, loans to or leases with parties related to the plan.

The annual pension cost, net pension obligation and related information for the Nonemergency, Police officers, Firefighters and Volunteer firefighters pension funds for the current year were as follows:

	Non- Emergency	Police Officers	Firefighters	Volunteer Firefighters
Current membership:				
Retirees and beneficiaries receiving benefits	109	38	47	9
Terminated plan members entitled to but not yet receiving benefits	81	-	-	-
Active plan members	147	2	1	-
	<u>337</u>	<u>40</u>	<u>48</u>	<u>9</u>
Contribution Rates:				
City	13.9%	272.2%	43.0%	-
Plan members	-	5.0%	5.0%	-
Annual pension cost (APC)	\$936,781	\$340,010	\$112,425	\$4,180
Contributions made	\$936,781	\$340,010	\$112,425	\$4,180
Net pension obligation	\$0	\$0	\$0	\$0
Percentage of APC contributed	100%	100%	100%	100%
Actuarial valuation date	1/1/2011	1/1/2010	1/1/2010	1/1/2011
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level amount Open	Level amount Open	Level amount Open	Level amount Open
Remaining amortization period	12 years	20 years	20 years	9 years
Asset valuation method	5 year smoothed market	3 year smoothed market	3 year smoothed market	3 year moving average
Actuarial assumptions:				
Investment rate of return	7.5%	8.0%	8.0%	8.0%
Projected salary increases*	3.30-6.30%	4.75%	4.75%	N/A
*Includes inflation at	3.0%	3.5%	3.5%	3.5%
Cost of living adjustments	None	None	None	None

Funded Status and Funding Progress. The following is funded status information for each plan as of the most recent actuarial valuation date:

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) --Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Non-Emergency	1/1/2011	\$27,603,964	\$32,532,251	\$4,928,287	84.9%	\$7,654,420	64.4%
Police Officers	1/1/2010	6,223,109	9,641,165	3,418,056	64.5%	173,045	1975.2%
Firefighters	1/1/2010	9,398,792	10,821,073	1,422,281	86.9%	92,860	1531.6%
Volunteer Firefighters	1/1/2011	124,457	165,844	41,387	75.0%	-	N/A

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Three-year Trend Information:

	Year Ending December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
NonEmergency	2009	\$ 624,134	100%	\$ -
Retirement Plan	2010	764,844	100%	-
	2011	936,781	100%	-
Police Officers	2009	289,033	100%	-
Retirement Plan	2010	289,033	100%	-
	2011	340,010	100%	-
Firefighters	2009	-	N/A	-
Retirement Plan	2010	4,723	100%	-
	2011	112,425	100%	-
Volunteer	2009	-	N/A	-
Firefighters	2010	4,180	100%	-
Retirement Plan	2011	4,180	100%	-

State Fire and Police Pension Plan (FPPA)

Plan Description

The City contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death

and disability coverage is provided for all the City's police officers and firefighters hired prior to January 1, 1997 through the Statewide Death and Disability Plan that is also administered by FPPA. This is a noncontributory plan.

All full-time, paid firefighters of the City hired after April 8, 1978 are members of the Statewide Defined Benefit Plan and all full-time, paid police officers and firefighters are members of the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. The report may be obtained from FPPA's website at www.fppaco.org. or by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

Basis of Accounting

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy

Plan members and the City are required to contribute at a rate set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30, Part 10 of the CRS, as amended. For 2011 and the previous two years, the contribution rate for both plan members and the City is 8.0% of covered salary. The City's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2011, 2010, and 2009 were \$277,078, \$289,320 and \$296,200 respectively, equal to their required contributions for each year.

Statewide Death and Disability Plan

Death and disability coverage is provided for all the City's police officers and firefighters. The plan is noncontributory for those hired prior to January 1, 1997. For employees hired subsequent to January 1, 1997, the City and employee each contribute 1.30% of covered salary.

2. Defined Contribution Plans

City Management Employees Money Purchase Plan

The City established a 401(a) defined contribution plan for City management staff employees for whom the City contributes 10% percent of each eligible employee's base salary, and each eligible employee contributes 6% of base salary. The plan is administered ICMA-RC. All management staff are eligible to participate upon employment, and all contributions vest immediately.

NonEmergency Employees Money Purchase Plan (NEMP)

In December 1987, a majority of the employees classified as mid-managers, supervisors and confidential who were covered by the NonEmergency Employees Retirement Plan (NERP) requested the creation of a 401(a) defined contribution plan. Because of this request, such a plan was formed. The plan is administered by ICMA-RC. All employees promoted into this group from the NERP are offered the choice of remaining in the defined benefit plan, or joining the defined contribution plan. All new hire employees in this group join the defined contribution plan. The City contributes 7% of

each employee's salary to the plan, and each eligible employee contributes 3% of base salary. The City's contributions for each employee (and earnings allocated to the employee's account) begin to vest with the employee after two years of service, and are fully vested after five years of service. Non-vested City contributions and earnings thereon for employees who leave employment before five years of service are used to reduce the City's contribution requirement.

If a promoted employee with less than five years of credited service elects to join the defined contribution plan, the employee immediately vests in the NERP and continues to accrue credited service towards vesting in the defined contribution plan.

Police Officers Money Purchase Plan

Under the State of Colorado Fire and Police Pension Plan's provision in the state statutes, the City established a 401(a) defined contribution plan for all police officers hired on or after April 8, 1978. This plan is administered by ICMA-RC. The City and qualified employees each contribute 10% of the employee's base salary. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Qualified employees may contribute more than 10% under specific guidelines. Employee participation begins on their date of employment. The City's contributions for each employee (and earnings allocated to the employee's account) begin to vest with the employee after three years of service, and are fully vested after seven years of service. Non-vested City contributions and earnings thereon for employees who leave employment before seven years of service are used to reduce the City's contribution requirement.

The authority to amend the provisions of the three defined contribution plans lies within the respective plan documents, which state that the City Council may amend the terms of the plan provided that active or retired members' benefits are not adversely affected.

Required employer and employee contributions for the year ended December 31, 2011, is presented below:

	City		
	<u>Management</u>	<u>NEMP</u>	<u>Police</u>
Employers required, which equal actual, contributions:			
Amount	\$ 161,284	\$ 614,436	\$ 489,512
As a percent of covered payroll	10.00%	7.00%	10.00%
Employees required, which equal actual, contributions:			
Amount	96,771	263,329	489,512
As a percent of covered payroll	6.00%	3.00%	10.00%

There are no investments in, loans to, or leases with parties related to the plans. The plans are financed on a pay-as-you-go basis with the expected benefits being budgeted annually within the General fund and other funds according to personnel assignments.

3. Deferred Compensation Plan

The City has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA-RC. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years.

E. Other Postemployment Benefits

Plan Description

The City of Englewood Retiree Health Insurance Assistance Plan (“the Retiree Assistance Plan”) is a single employer defined benefit plan. The Retiree Assistance Plan provides a retiree assistance benefit by contract with various groups of retired employees and by policy for those not covered by a collective bargaining agreement. The City pays up to an amount that ranges from \$50 to \$100 dependent on which employment contract (or policy) the individual was under while employed by the City. The City pays 50% of the firefighter retiree and dependent monthly coverage cost of any plan selected by a retiree up to an amount of \$100 based on which employment contract the individual was under while employed by the City. The Retiree Assistance Plan does not issue a publicly available financial report.

Funding Policy

The plan is financed on a pay-as-you-go basis with the expected benefits being budgeted annually within the General fund and other governmental funds where appropriate.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 208,434	\$ 172,672	\$ 175,562
Interest on Net OPEB Obligation	10,858	6,497	-
Annual OPEB Cost	219,292	179,169	175,562
Contributions made	(153,056)	(120,758)	(109,733)
Increase in net OPEB obligation	66,236	58,411	65,829
Net OPEB Obligation - beginning of year	231,234	172,823	106,994
Net OPEB Obligation - end of year	<u>\$ 297,470</u>	<u>\$ 231,234</u>	<u>\$ 172,823</u>

Funded Status and Funding Progress

Details of the most recent actuarial study follow:

Actuarial accrued liability (AAL)	2,917,280	2,378,461	2,378,461
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,917,280</u>	<u>\$ 2,378,461</u>	<u>\$ 2,378,461</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%	0%
Covered payroll (active plan members)	\$ 22,390,909	\$ 22,721,979	\$ 22,721,979

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability for occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as

actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2011
Actuarial Cost Method	Entry Age
Amortization Method	Level Amount - Open
Asset Valuation Method	N/A
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return (includes inflation at 4% ; unfunded basis)	5.0%
Healthcare cost trend rate	N/A

Note 5. Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The City's management believes its Enterprise Funds, as listed in the Table of Contents, qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

On November 4, 1997, a majority of the City's electors authorized the City to collect and spend or retain in a reserve all revenues without regard to any limitations under TABOR.

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City of Englewood, Colorado

Required Supplementary Information

Schedules of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability --Entry Age (b)	Unfunded (Funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Health Insurance Assistance Plan (B)						
1/1/2007	\$ -	\$ 2,884,837	\$ 2,884,837	0.0%	\$ 25,357,523	11.4%
1/1/2009	-	2,378,461	2,378,461	0.0%	22,721,979	10.5%
1/1/2011	-	2,917,280	2,917,280	0.0%	22,390,909	13.0%
Non-Emergency Employees Pension Plan (A)						
1/1/2007	25,124,870	27,526,649	2,401,779	91.3%	7,358,429	32.6%
1/1/2008	27,295,776	28,927,998	1,632,222	94.4%	7,332,171	22.3%
1/1/2009	27,367,136	30,242,430	2,875,294	90.5%	8,001,941	35.9%
1/1/2010	27,167,254	31,714,788	4,547,534	85.7%	7,970,574	57.1%
1/1/2011	27,603,964	32,532,251	4,928,287	84.9%	7,654,420	64.4%
Police Officers Pension Plan (B)						
1/1/2004	6,909,579	11,085,277	4,175,698	62.3%	148,841	2805.5%
1/1/2006	6,901,502	10,918,886	4,017,384	63.2%	147,387	2725.7%
1/1/2008	7,447,065	10,067,219	2,620,154	74.0%	156,910	1669.8%
1/1/2010	6,223,109	9,641,165	3,418,056	64.5%	173,045	1975.2%
Firefighters Pension Plan (B)						
1/1/2004	11,407,493	12,095,021	687,528	94.3%	141,474	486.0%
1/1/2006	11,422,910	12,121,516	698,606	94.2%	79,316	880.8%
1/1/2008	11,822,112	11,787,457	(34,655)	100.3%	85,669	(40.5%)
1/1/2010	9,398,792	10,821,073	1,422,281	86.9%	92,860	1531.6%
Volunteer Firefighters Pension Plan (B)						
1/1/2005	277,587	305,165	27,578	91.0%	-	N/A
1/1/2007	256,120	244,526	(11,594)	104.7%	-	N/A
1/1/2009	175,956	214,557	38,601	82.0%	-	N/A
1/1/2011	124,457	165,844	41,387	75.0%	-	N/A

(A) Actuarial valuations performed annually.

(B) Actuarial valuations performed biannually.

CITY OF ENGLEWOOD, COLORADO

Required Supplementary Information

Schedules of Employer Contributions

Year Ended 12/31	Non-Emergency Employees Pension Plan		Police Officers Pension Plan		Firefighters Pension Plan		Volunteer Firefighters Pension Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2007	\$ 697,965	100.0%	\$ 439,853	99.0%	\$ 76,935	96.8%	\$ 2,601	100.0%
2008	708,160	100.0%	439,853	98.1%	76,935	94.2%	-	N/A
2009	624,134	100.0%	289,033	97.0%	-	N/A	-	N/A
2010	764,844	100.0%	289,033	100.0%	4,723	100.0%	4,801	100.0%
2011	936,781	100.0%	340,010	100.0%	112,425	100.0%	4,801	100.0%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

Nonmajor Governmental Funds

Special Revenue Funds

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

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 by State Lottery funds.

Open Space 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 from the Arapahoe County Open Space Sales Tax. The Open Space Tax was originally voter approved on January 1, 2004 and after a voter approved extension will now expire on December 31, 2023.

Donors Fund – Accounts for funds donated to the City for various specified activities.

Community Development Fund – Accounts for grant funds of the Brownfields Pilot Grants Program administered by the United States Environmental Protection Agency. This fund also accounts for the operations of the *art* circulator shuttle which is funded by the Regional Transportation District.

Neighborhood Stabilization Fund – Accounts for the acquisition, rehabilitation and sale of foreclosed residential properties in the City. Financing is provided by the State.

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

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.

Debt Service Funds

Debt Service Funds account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources

General Obligation Bond Fund – Accounts for the accumulation of monies for payment of General Obligation Bond principal and interest.

Capital Projects Funds

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).

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

Capital Projects Fund – Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily with transfers from other City Funds.

CITY OF ENGLEWOOD, COLORADO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011**

	Special Revenue Funds				
	Conservation Trust	Open Space	Donors	Community Development	Neighborhood Stabilization
Assets					
Cash and investments	\$ 1,184,779	\$ 1,196,109	\$ 380,531	\$ -	\$ 240,984
Receivables:					
Property taxes	-	-	-	-	-
Sales and use	-	-	-	-	-
Interest	5,147	4,935	720	-	1,960
Intergovernmental	-	455,079	-	59,342	179,051
Total assets	<u>\$ 1,189,926</u>	<u>\$ 1,656,123</u>	<u>\$ 381,251</u>	<u>\$ 59,342</u>	<u>\$ 421,995</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 5,044	\$ 1,768	\$ 629	\$ 21,415	\$ 13,563
Due to other funds	-	-	-	37,927	-
Deferred revenue	-	287,100	-	-	-
Total liabilities	<u>5,044</u>	<u>288,868</u>	<u>629</u>	<u>59,342</u>	<u>13,563</u>
Fund balances:					
Restricted for:					
Parks and recreation	1,184,882	1,367,255	-	-	-
Law enforcement	-	-	301,459	-	-
Debt service	-	-	-	-	-
Committed to:					
Capital projects	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Housing	-	-	-	-	408,432
Assigned to:					
Parks and recreation	-	-	45,705	-	-
Law enforcement	-	-	28,819	-	-
Fire services	-	-	3,861	-	-
Other purposes	-	-	778	-	-
Total fund balances	<u>1,184,882</u>	<u>1,367,255</u>	<u>380,622</u>	<u>-</u>	<u>408,432</u>
Total liabilities and fund balances	<u>\$ 1,189,926</u>	<u>\$ 1,656,123</u>	<u>\$ 381,251</u>	<u>\$ 59,342</u>	<u>\$ 421,995</u>

See Independent Auditor's Report

Malley Center Trust	Parks and Recreation Trust	Total	Debt Service	Capital Projects Funds			Total Nonmajor Governmental Funds
			General Obligation Bond	Public Improvement	Capital Projects	Total	
\$ 278,070	\$ 449,693	\$ 3,730,166	\$ 152,937	\$ 1,075,269	\$ 830,820	\$ 1,906,089	\$ 5,789,192
-	-	-	854,000	-	-	-	854,000
-	-	-	-	108,175	-	108,175	108,175
1,269	2,021	16,052	2,125	5,715	2,903	8,618	26,795
-	-	693,472	-	9,579	-	9,579	703,051
<u>\$ 279,339</u>	<u>\$ 451,714</u>	<u>\$ 4,439,690</u>	<u>\$ 1,009,062</u>	<u>\$ 1,198,738</u>	<u>\$ 833,723</u>	<u>\$ 2,032,461</u>	<u>\$ 7,481,213</u>
\$ 301	\$ -	\$ 42,720	\$ 795	\$ 264,487	\$ 6,540	\$ 271,027	\$ 314,542
-	-	37,927	-	-	-	-	37,927
-	-	287,100	854,000	-	-	-	1,141,100
<u>301</u>	<u>-</u>	<u>367,747</u>	<u>854,795</u>	<u>264,487</u>	<u>6,540</u>	<u>271,027</u>	<u>1,493,569</u>
279,038	-	2,831,175	-	-	-	-	2,831,175
-	-	301,459	-	-	-	-	301,459
-	-	-	154,267	-	-	-	154,267
-	-	-	-	934,251	827,183	1,761,434	1,761,434
-	451,714	451,714	-	-	-	-	451,714
-	-	408,432	-	-	-	-	408,432
-	-	45,705	-	-	-	-	45,705
-	-	28,819	-	-	-	-	28,819
-	-	3,861	-	-	-	-	3,861
-	-	778	-	-	-	-	778
<u>279,038</u>	<u>451,714</u>	<u>4,071,943</u>	<u>154,267</u>	<u>934,251</u>	<u>827,183</u>	<u>1,761,434</u>	<u>5,987,644</u>
<u>\$ 279,339</u>	<u>\$ 451,714</u>	<u>\$ 4,439,690</u>	<u>\$ 1,009,062</u>	<u>\$ 1,198,738</u>	<u>\$ 833,723</u>	<u>\$ 2,032,461</u>	<u>\$ 7,481,213</u>

CITY OF ENGLEWOOD, COLORADO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011**

	Special Revenue Funds				
	Conservation Trust	Open Space	Donors	Community Development	Neighborhood Stabilization
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle use tax	-	-	-	-	-
Building use tax	-	-	-	-	-
Intergovernmental	294,640	666,675	218,000	-	179,644
Charges for services	-	-	36,299	241,847	-
Construction reimbursements	-	-	-	-	-
Net investment income	11,043	7,602	2,329	-	5,569
Contributions	-	-	42,976	57,456	-
Other	-	5,616	-	-	1,228,352
Total revenues	305,683	679,893	299,604	299,303	1,413,565
Expenditures					
Current:					
General government	-	-	-	299,303	1,502,653
Public safety	-	-	50,256	-	-
Public works	-	-	-	-	-
Culture and recreation	62,678	114,242	36,578	-	-
Capital outlay	110,378	271,375	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	173,056	385,617	86,834	299,303	1,502,653
Excess revenues over (under) expenditures	132,627	294,276	212,770	-	(89,088)
Other financing sources (uses)					
Transfers in	-	-	-	-	175,361
Transfers out	-	-	-	-	(396,130)
Total other financing sources (uses)	-	-	-	-	(220,769)
Net change in fund balances	132,627	294,276	212,770	-	(309,857)
Fund balances - beginning	1,052,255	1,072,979	167,852	-	718,289
Fund balances - ending	\$ 1,184,882	\$1,367,255	\$ 380,622	\$ -	\$ 408,432

See Independent Auditor's Report

Malley Center Trust	Parks and Recreation Trust	Total	Debt Service	Capital Projects Funds			Total Nonmajor Governmental Funds
			General Obligation Bond	Public Improvement	Capital Projects	Total	
\$ -	\$ -	\$ -	\$ 1,087,251	\$ -	\$ -	\$ -	\$ 1,087,251
-	-	-	-	1,030,776	-	1,030,776	1,030,776
-	-	-	-	605,084	-	605,084	605,084
-	-	1,358,959	-	194,067	-	194,067	1,553,026
-	-	278,146	-	-	-	-	278,146
-	-	-	-	-	112,408	112,408	112,408
2,816	4,344	33,703	4,170	15,413	8,377	23,790	61,663
2,282	7,417	110,131	-	-	-	-	110,131
-	-	1,233,968	5,753	-	-	-	1,239,721
<u>5,098</u>	<u>11,761</u>	<u>3,014,907</u>	<u>1,097,174</u>	<u>1,845,340</u>	<u>120,785</u>	<u>1,966,125</u>	<u>6,078,206</u>
-	-	1,801,956	22,610	494	216,065	216,559	2,041,125
-	-	50,256	-	-	29,749	29,749	80,005
-	-	-	-	1,178,644	111,594	1,290,238	1,290,238
17,727	9,350	240,575	-	17,471	1,800	19,271	259,846
-	-	381,753	-	1,542,164	421,132	1,963,296	2,345,049
-	-	-	615,000	-	-	-	615,000
-	-	-	314,913	-	-	-	314,913
<u>17,727</u>	<u>9,350</u>	<u>2,474,540</u>	<u>952,523</u>	<u>2,738,773</u>	<u>780,340</u>	<u>3,519,113</u>	<u>6,946,176</u>
(12,629)	2,411	540,367	144,651	(893,433)	(659,555)	(1,552,988)	(867,970)
-	-	175,361	-	133,507	425,000	558,507	733,868
-	-	(396,130)	-	(992,280)	-	(992,280)	(1,388,410)
-	-	(220,769)	-	(858,773)	425,000	(433,773)	(654,542)
(12,629)	2,411	319,598	144,651	(1,752,206)	(234,555)	(1,986,761)	(1,522,512)
<u>291,667</u>	<u>449,303</u>	<u>3,752,345</u>	<u>9,616</u>	<u>2,686,457</u>	<u>1,061,738</u>	<u>3,748,195</u>	<u>7,510,156</u>
<u>\$279,038</u>	<u>\$ 451,714</u>	<u>\$ 4,071,943</u>	<u>\$ 154,267</u>	<u>\$ 934,251</u>	<u>\$ 827,183</u>	<u>\$ 1,761,434</u>	<u>\$ 5,987,644</u>

CITY OF ENGLEWOOD, COLORADO

**Conservation Trust Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Project Budget and Actual - Budgetary Basis
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Project Budget</u>	<u>Actual Amounts</u>	<u>Project Budget Remaining</u>	<u>2010 Actual</u>
Revenues				
Lottery proceeds	\$ 294,640	\$ 294,640	\$ -	\$ 285,885
Net investment income	11,043	11,043	-	8,366
Total revenues	<u>305,683</u>	<u>305,683</u>	<u>-</u>	<u>294,251</u>
Expenditures				
Current:				
Culture and recreation	119,113	62,678	56,435	27,452
Capital outlay	1,161,226	110,378	1,050,848	65,856
Total expenditures	<u>1,280,339</u>	<u>173,056</u>	<u>1,107,283</u>	<u>93,308</u>
Excess revenues over (under) expenditures	<u>\$ (974,656)</u>	132,627	<u>\$ 1,107,283</u>	200,943
Fund balances - beginning		<u>1,052,255</u>		<u>851,312</u>
Fund balances - ending		1,184,882		1,052,255
Less: Fund Balance Designated for Completion of Projects		<u>(1,107,283)</u>		<u>(796,339)</u>
Unappropriated fund balance		<u>\$ 77,599</u>		<u>\$ 255,916</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Open Space Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Project Budget and Actual - Budgetary Basis
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Project Budget</u>	<u>Actual Amounts</u>	<u>Project Budget Remaining</u>	<u>2010 Actual</u>
Revenues				
Open Space Tax Shareback	\$ 564,729	\$ 564,729	\$ -	\$ 614,153
Open Space Grants	455,716	107,562	348,154	163,865
Net investment income	7,602	7,602	-	9,373
Total revenues	<u>1,028,047</u>	<u>679,893</u>	<u>348,154</u>	<u>787,391</u>
Expenditures				
Current:				
Culture and recreation	178,746	114,242	64,504	133,719
Capital outlay	1,653,518	271,375	1,382,143	817,434
Total expenditures	<u>1,832,264</u>	<u>385,617</u>	<u>1,446,647</u>	<u>951,153</u>
Excess revenues over (under) expenditures	<u>\$ (804,217)</u>	294,276	<u>\$ 1,098,493</u>	(163,762)
Fund balances - beginning		<u>1,072,979</u>		<u>1,236,741</u>
Fund balances - ending		1,367,255		1,072,979
Less: Fund Balance Designated for Completion of Projects		<u>(1,098,493)</u>		<u>(857,254)</u>
Unappropriated fund balance		<u>\$ 268,762</u>		<u>\$ 215,725</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

Donors Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2011

With Comparative Totals for December 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Intergovernmental	\$ -	\$ -	\$ 218,000	\$ 218,000	\$ 50,383
Charges for services	42,000	42,000	36,299	(5,701)	42,358
Net investment income	5,000	5,000	2,329	(2,671)	1,164
Contributions	42,000	42,000	42,976	976	42,113
Total revenues	89,000	89,000	299,604	210,604	136,018
Expenditures					
Current:					
General government	1,700	1,700	-	1,700	521
Police department	70,000	70,000	50,256	19,744	43,033
Fire department	2,500	2,500	-	2,500	-
Culture and recreation	57,000	57,000	36,578	20,422	40,529
Total expenditures	131,200	131,200	86,834	44,366	84,083
Excess expenditures over revenues	(42,200)	(42,200)	212,770	254,970	51,935
Fund balances - beginning	71,633	167,852	167,852	-	115,917
Fund balances - ending	\$ 29,433	\$ 125,652	\$ 380,622	\$ 254,970	\$ 167,852

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Community Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Charges for Services	\$ 290,000	\$ 300,000	\$ 299,303	\$ (697)	\$ 293,499
Expenditures					
Current:					
General government	290,000	300,000	299,303	697	293,499
Excess revenues over expenditures	-	-	-	-	-
Fund balances - beginning	-	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Neighborhood Stabilization Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental	\$ 2,567,379	\$ 2,567,379	\$ 179,644	\$ (2,387,735)	\$ 1,546,842
Charges for services	-	-	-	-	75,600
Net investment income	-	-	5,569	5,569	2,264
Transfers in	-	132,739	175,361	42,622	750,000
Other	-	-	1,228,352	1,228,352	210,000
Total revenues	<u>2,567,379</u>	<u>2,700,118</u>	<u>1,588,926</u>	<u>(1,111,192)</u>	<u>2,584,706</u>
Expenditures					
Current:					
General government	2,567,379	2,567,379	1,502,653	1,064,726	1,819,365
Tranfers out	-	396,130	396,130	-	47,052
Total expenditures	<u>2,567,379</u>	<u>2,963,509</u>	<u>1,898,783</u>	<u>1,064,726</u>	<u>1,866,417</u>
Excess expenditures over revenues	-	(263,391)	(309,857)	(2,175,918)	718,289
Fund balances - beginning	-	718,289	718,289	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 454,898</u>	<u>\$ 408,432</u>	<u>\$ (2,175,918)</u>	<u>\$ 718,289</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Malley Center Trust Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Contributions	\$ 4,000	\$ 4,000	\$ 2,282	\$ (1,718)	\$ 2,618
Net investment income	16,000	16,000	2,816	(13,184)	2,847
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>5,098</u>	<u>(14,902)</u>	<u>5,465</u>
Expenditures					
Current:					
Culture and recreation	50,000	50,000	17,727	32,273	-
Capital outlay	-	-	-	-	1,230
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>17,727</u>	<u>32,273</u>	<u>1,230</u>
Excess revenues over (under) expenditures	(30,000)	(30,000)	(12,629)	17,371	4,235
Fund balances - beginning	<u>257,432</u>	<u>291,667</u>	<u>291,667</u>	<u>-</u>	<u>287,432</u>
Fund balances - ending	<u>\$ 227,432</u>	<u>\$ 261,667</u>	<u>\$ 279,038</u>	<u>\$ 17,371</u>	<u>\$ 291,667</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Parks and Recreation Trust Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Contributions	\$ 3,000	\$ 3,000	\$ 7,417	\$ 4,417	\$ 200
Charges for services	2,000	2,000	-	(2,000)	-
Net investment income	20,000	20,000	4,344	(15,656)	4,460
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>11,761</u>	<u>(13,239)</u>	<u>4,660</u>
Expenditures	<u>30,000</u>	<u>30,000</u>	<u>9,350</u>	<u>20,650</u>	<u>11,300</u>
Excess revenues over (under) expenditures	(5,000)	(5,000)	2,411	7,411	(6,640)
Fund balances - beginning	<u>450,943</u>	<u>449,303</u>	<u>449,303</u>	<u>-</u>	<u>455,943</u>
Fund balances - ending	<u>\$ 445,943</u>	<u>\$ 444,303</u>	<u>\$ 451,714</u>	<u>\$ 7,411</u>	<u>\$ 449,303</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**General Obligation Bond Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Taxes	\$ 1,090,000	\$ 1,090,000	\$ 1,087,251	\$ (2,749)	\$ 1,046,715
Net investment income	4,000	4,000	4,170	170	3,057
Other	-	-	5,753	5,753	-
Total revenues	<u>1,094,000</u>	<u>1,094,000</u>	<u>1,097,174</u>	<u>3,174</u>	<u>1,049,772</u>
Expenditures					
Debt service:					
Principal	615,000	615,000	615,000	-	780,000
Interest	463,648	463,648	314,913	148,735	308,054
Refunding bond issuance costs	-	-	-	-	250,128
Other	11,100	11,100	22,610	(11,510)	10,767
Total expenditures	<u>1,089,748</u>	<u>1,089,748</u>	<u>952,523</u>	<u>137,225</u>	<u>1,348,949</u>
Excess revenues over (under) expenditures	4,252	4,252	144,651	140,399	(299,177)
Other financing sources (uses)					
Refunding bonds issued	-	-	-	-	10,316,477
Payment to refunded bond escrow agent	-	-	-	-	(10,066,349)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,128</u>
Excess revenues and other financing sources over (under) expenditures	4,252	4,252	144,651	140,399	(49,049)
Fund balances - beginning	9,092	9,616	9,616	-	58,665
Fund balances - ending	<u>\$ 13,344</u>	<u>\$ 13,868</u>	<u>\$ 154,267</u>	<u>\$ 140,399</u>	<u>\$ 9,616</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Public Improvement Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Project Budget And Actual - Budgetary Basis
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Project Budget</u>	<u>Actual</u>	<u>Project Budget Remaining</u>	<u>2010 Actual</u>
Revenues				
Vehicle use tax	\$ 1,030,776	\$ 1,030,776	\$ -	\$ 926,715
Building use tax	605,084	605,084	-	545,987
Intergovernmental	194,067	194,067	-	248,230
Net investment income	15,413	15,413	-	12,634
Total revenues	<u>1,845,340</u>	<u>1,845,340</u>	<u>-</u>	<u>1,733,566</u>
Expenditures				
Current:				
General government	20,000	(15,506)	35,506	14,000
Public works	1,642,017	1,178,644	463,373	1,140,612
Culture and recreation	35,072	17,471	17,601	51,577
Capital outlay	1,701,755	1,558,164	143,591	134,786
Total expenditures	<u>3,398,844</u>	<u>2,738,773</u>	<u>660,071</u>	<u>1,340,975</u>
Excess revenues over (under) expenditures	<u>(1,553,504)</u>	<u>(893,433)</u>	<u>660,071</u>	<u>392,591</u>
Other financing sources (uses)				
Transfers in	133,507	133,507	-	121,121
Capital lease proceeds	-	-	-	1,455,302
Transfers out	<u>(992,280)</u>	<u>(992,280)</u>	<u>-</u>	<u>(797,956)</u>
Total other financing sources (uses)	<u>(858,773)</u>	<u>(858,773)</u>	<u>-</u>	<u>778,467</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,412,277)</u>	<u>(1,752,206)</u>	<u>\$ 660,071</u>	<u>1,171,058</u>
Fund balances - beginning		<u>2,686,457</u>		<u>1,515,399</u>
Fund balances - ending		934,251		2,686,457
Less: Fund Balance Designated for Completion of Projects		<u>(660,071)</u>		<u>(2,066,337)</u>
Unappropriated fund balance		<u>\$ 274,180</u>		<u>\$ 620,120</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Project Budget And Actual - Budgetary Basis
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Project Budget</u>	<u>Actual</u>	<u>Project Budget Remaining</u>	<u>2010 Actual</u>
Revenues				
Net investment income	\$ 8,377	\$ 8,377	\$ -	\$ 7,530
Construction reimbursement	112,408	112,408	-	281,366
Total revenues	<u>120,785</u>	<u>120,785</u>	<u>-</u>	<u>288,896</u>
Expenditures				
Current:				
General government	643,851	216,065	427,786	180,473
Public safety	146,522	29,749	116,773	43,292
Public works	136,294	111,594	24,700	96,732
Culture and recreation	57,002	1,800	55,202	202,162
Capital outlay	668,602	421,132	202,722	258,982
Total expenditures	<u>1,652,271</u>	<u>780,340</u>	<u>827,183</u>	<u>781,641</u>
Excess expenditures over revenues	<u>(1,531,486)</u>	<u>(659,555)</u>	<u>827,183</u>	<u>(492,745)</u>
Other financing sources (uses)				
Transfers in	425,000	425,000	-	-
Capital lease proceeds	-	-	-	734,594
Transfers out	-	-	-	(121,120)
Total other financing sources	<u>425,000</u>	<u>425,000</u>	<u>-</u>	<u>613,474</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,106,486)</u>	<u>(234,555)</u>	<u>\$ 827,183</u>	<u>120,729</u>
Fund balances - beginning		<u>1,061,738</u>		<u>941,009</u>
Fund balances - ending		<u>827,183</u>		<u>1,061,738</u>
Less: Fund Balance Designated for Completion of Projects		<u>(827,183)</u>		<u>(1,000,438)</u>
Unappropriated fund balance		<u>\$ -</u>		<u>\$ 61,300</u>

See Independent Auditor's Report

Proprietary Funds

Enterprise Funds

Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of City Council is that 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 Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

Golf Course Fund – Accounts for revenues and expenses associated with the operations of the Englewood Municipal Golf Course.

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

Concrete Utility Fund – Accounts for revenues and expenses associated with maintaining the City's sidewalks, curbs and gutters.

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

Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by one department to other departments of the City, and to other governmental units, on a cost reimbursement basis.

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.

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.

Internal Service Funds (continued)

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

Employee Benefits Fund – Accounts for the administration of providing City employee benefit programs: medical, dental, life, and disability insurance.

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

CITY OF ENGLEWOOD, COLORADO

**Water Fund
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Water sales	\$ 6,323,982	\$ 6,323,982	\$ 6,640,604	\$ 316,622	\$ 6,491,573
Raw water sales	1,700,000	1,700,000	2,088,330	388,330	2,024,963
City ditch revenues	40,000	40,000	34,112	(5,888)	38,914
System development fees	20,000	20,000	22,779	2,779	16,960
Net investment income	119,146	119,146	54,760	(64,386)	47,714
Late fees	20,000	20,000	23,842	3,842	23,917
Water meter sales	30,000	30,000	27,213	(2,787)	21,434
Rentals	9,000	9,000	9,513	513	9,512
Other	55,500	55,500	119,551	64,051	69,601
Total revenues	<u>8,317,628</u>	<u>8,317,628</u>	<u>9,020,704</u>	<u>703,076</u>	<u>8,744,588</u>
Expenditures					
Source of supply	1,357,363	1,357,363	1,632,369	(275,006)	1,432,442
Power and pumping	817,173	817,173	827,449	(10,276)	864,884
Purification	1,934,274	1,934,274	1,714,085	220,189	1,658,955
Transmission and distribution	957,203	957,203	721,413	235,790	804,787
Customer accounting and collection	500,000	500,000	461,585	38,415	461,585
Personal services	450,305	450,305	470,735	(20,430)	452,847
Commodities and contractual services	454,888	454,888	451,132	3,756	343,939
Franchise tax	188,999	188,999	188,490	509	184,732
Capital outlay	1,148,550	1,148,550	683,500	465,050	526,935
Debt service:					
Principal payments	925,634	925,634	920,634	5,000	898,686
Interest expense	549,415	549,415	549,820	(405)	576,323
Total expenditures	<u>9,283,804</u>	<u>9,283,804</u>	<u>8,621,212</u>	<u>662,592</u>	<u>8,206,115</u>
Excess revenues over (under) expenditures	(966,176)	(966,176)	399,492	1,365,668	538,473
Funds available - beginning	<u>5,127,886</u>	<u>7,045,894</u>	<u>7,045,894</u>	<u>-</u>	<u>6,507,421</u>
Funds available - ending	<u>\$ 4,161,710</u>	<u>\$ 6,079,718</u>	<u>\$ 7,445,386</u>	<u>\$ 1,365,668</u>	<u>\$ 7,045,894</u>

Funds available is computed as follows:

Current assets	\$ 8,274,110	\$ 7,677,008
Current liabilities	(1,777,678)	(1,551,748)
Add current portion of long-term debt	948,954	920,634
	<u>\$ 7,445,386</u>	<u>\$ 7,045,894</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Sewer Fund
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Disposal services	\$ 14,016,782	\$ 14,016,782	\$ 12,942,137	\$ (1,074,645)	\$ 13,457,877
System development fees	320,000	320,000	231,920	(88,080)	200,364
South Englewood maintenance fee	39,600	39,600	39,600	-	39,600
Net investment income	440,691	440,691	200,008	(240,683)	279,998
Late fees	75,000	75,000	112,753	37,753	88,164
Other	-	-	161	161	14,934
Total revenues	<u>14,892,073</u>	<u>14,892,073</u>	<u>13,526,579</u>	<u>(1,365,494)</u>	<u>14,080,937</u>
Expenditures					
Joint Venture operations	7,493,620	7,493,620	6,568,679	924,941	6,642,649
Joint Venture capital	822,500	822,500	139,734	682,766	689,819
Sanitary systems	572,333	572,333	569,548	2,785	566,190
Customer accounting and collection	1,300,000	1,300,000	1,208,506	91,494	1,196,870
Personal services	647,777	647,777	615,073	32,704	600,040
Commodities and contractual services	520,635	520,635	327,897	192,738	431,512
Franchise tax	399,659	399,659	388,265	11,394	403,736
Capital outlay	288,554	288,554	-	288,554	-
Debt service:					
Principal payments	3,387,676	3,387,676	3,387,676	-	3,231,045
Interest expense	1,837,018	1,837,018	1,807,830	29,188	1,981,129
Total expenditures	<u>17,269,772</u>	<u>17,269,772</u>	<u>15,013,208</u>	<u>2,256,564</u>	<u>15,742,990</u>
Excess expenditures over revenues	(2,377,699)	(2,377,699)	(1,486,629)	891,070	(1,662,053)
Funds available - beginning	<u>3,664,959</u>	<u>5,811,481</u>	<u>5,811,481</u>	<u>-</u>	<u>7,473,534</u>
Funds available - ending	<u>\$ 1,287,260</u>	<u>\$ 3,433,782</u>	<u>\$ 4,324,852</u>	<u>\$ 891,070</u>	<u>\$ 5,811,481</u>

Funds available is computed as follows:

Current assets	\$ 13,829,216	\$ 14,658,743
Current liabilities	(12,775,248)	(12,234,938)
Add current portion of long-term debt	3,270,884	3,387,676
	<u>\$ 4,324,852</u>	<u>\$ 5,811,481</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Golf Course Fund
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance-</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget - Positive (Negative)</u>	
Revenues					
Green fees	\$ 1,302,606	\$ 1,302,606	\$ 1,086,416	\$ (216,190)	\$ 1,058,416
Rentals	350,466	350,466	286,660	(63,806)	294,659
Driving range	230,000	230,000	215,713	(14,287)	230,257
Merchandise sales	150,000	150,000	99,244	(50,756)	182,971
Concessions	36,000	36,000	35,599	(401)	30,691
Memberships	45,000	45,000	19,460	(25,540)	19,018
Learning center	24,000	24,000	25,045	1,045	24,428
Net investment income	16,151	16,151	6,495	(9,656)	8,863
Contract Reimbursements	-	-	-	-	110,081
Other	116,000	116,000	65,760	(50,240)	69,898
Total revenues	<u>2,270,223</u>	<u>2,270,223</u>	<u>1,840,392</u>	<u>(429,831)</u>	<u>2,029,282</u>
Expenditures					
Personal services	964,369	964,369	913,576	50,793	931,766
Commodities and contractual services	889,895	889,895	606,432	283,463	573,461
Cost of goods sold	100,000	100,000	66,020	33,980	128,595
Payment in lieu of taxes	40,000	40,000	-	40,000	37,044
Capital outlay	50,000	50,000	17,471	32,529	204,990
Debt service:					
Principal payments	60,000	60,000	60,000	-	60,000
Interest expense	152,372	152,372	152,372	-	155,025
Total expenditures	<u>2,256,636</u>	<u>2,256,636</u>	<u>1,815,871</u>	<u>440,765</u>	<u>2,090,881</u>
Excess expenditures over revenues	13,587	13,587	24,521	10,934	(61,599)
Other financing sources (uses)					
Transfers in	-	-	-	-	50,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	13,587	13,587	24,521	10,934	(11,599)
Funds available - beginning	<u>443,829</u>	<u>425,376</u>	<u>425,376</u>	<u>-</u>	<u>436,975</u>
Funds available - ending	<u>\$ 457,416</u>	<u>\$ 438,963</u>	<u>\$ 449,897</u>	<u>\$ 10,934</u>	<u>\$ 425,376</u>
Funds available is computed as follows:					
Current assets			\$ 754,048		\$ 738,111
Current liabilities			(364,151)		(372,735)
Add current portion of long-term debt			60,000		60,000
			<u>\$ 449,897</u>		<u>\$ 425,376</u>

See Independent Auditor's Report

CITY OF ENGLEWOOD, COLORADO

**Storm Drainage Fund
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Storm drainage services	\$ 319,455	\$ 319,455	\$ 319,211	\$ (244)	\$ 318,981
Net investment income	19,472	19,472	8,624	(10,848)	8,025
Other	4,000	4,000	9,482	5,482	4,709
Total revenues	<u>342,927</u>	<u>342,927</u>	<u>337,317</u>	<u>(5,610)</u>	<u>331,715</u>
Expenditures					
Storm drainage system	29,047	29,047	25,405	3,642	59,881
Personal services	48,616	48,616	56,175	(7,559)	58,506
Commodities and contractual services	43,500	43,500	31,253	12,247	25,717
Capital outlay	100,000	100,000	-	100,000	-
Debt service:					
Principal payments	80,000	80,000	80,000	-	75,000
Interest expense	57,818	57,818	57,498	320	61,049
Total expenditures	<u>358,981</u>	<u>358,981</u>	<u>250,331</u>	<u>108,650</u>	<u>280,153</u>
Excess revenues over (under) expenditures	(16,054)	(16,054)	86,986	103,040	51,562
Funds available - beginning	<u>701,887</u>	<u>765,997</u>	<u>765,997</u>	<u>-</u>	<u>714,435</u>
Funds available - ending	<u>\$ 685,833</u>	<u>\$ 749,943</u>	<u>\$ 852,983</u>	<u>\$ 103,040</u>	<u>\$ 765,997</u>

Funds available is computed as follows:

Current assets	\$ 896,025	\$ 806,045
Current liabilities	(123,042)	(120,048)
Add current portion of long-term debt	80,000	80,000
	<u>\$ 852,983</u>	<u>\$ 765,997</u>

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CITY OF ENGLEWOOD, COLORADO

**Concrete Utility Fund
 Schedule of Revenues, Expenditures and Changes in Funds Available -
 Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Concrete repair and maintenance fees	\$ 690,000	\$ 690,000	\$ 693,921	\$ 3,921	\$ 692,774
Late fees	1,200	1,200	1,878	678	2,401
Net investment income	20,000	20,000	5,181	(14,819)	4,048
Total revenues	<u>711,200</u>	<u>711,200</u>	<u>700,980</u>	<u>(10,220)</u>	<u>699,223</u>
Expenditures					
Concrete repair and maintenance program	175,820	175,820	173,056	2,764	167,748
Personal services	186,920	186,920	190,945	(4,025)	175,877
Commodities and contractual services	6,331	6,331	2,274	4,057	2,015
Capital outlay	326,100	326,100	274,314	51,786	322,382
Total expenditures	<u>695,171</u>	<u>695,171</u>	<u>640,589</u>	<u>54,582</u>	<u>668,022</u>
Excess revenues over (under) expenditures	16,029	16,029	60,391	44,362	31,201
Funds available - beginning	<u>260,760</u>	<u>277,906</u>	<u>277,906</u>	<u>-</u>	<u>246,705</u>
Funds available - ending	<u>\$ 276,789</u>	<u>\$ 293,935</u>	<u>\$ 338,297</u>	<u>\$ 44,362</u>	<u>\$ 277,906</u>

Funds available is computed as follows:

Current assets	\$ 438,801	\$ 364,250
Current liabilities	(100,504)	(86,344)
	<u>\$ 338,297</u>	<u>\$ 277,906</u>

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CITY OF ENGLEWOOD, COLORADO

**Housing Rehabilitation Fund
 Schedule of Revenues, Expenditures and Changes in Funds Available -
 Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Grant income	\$ 407,421	\$ 407,421	\$ 144,978	\$ (262,443)	\$ 57,855
Property sales	-	-	-	-	213,000
Loan interest income	573,388	573,388	204,036	(369,352)	267,248
Net investment income	16,128	16,128	5,739	(10,389)	5,108
Late fees	1,231	1,231	438	(793)	360
Other	1,832	1,832	652	(1,180)	553
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>355,843</u>	<u>(644,157)</u>	<u>544,124</u>
Expenditures					
Cost of sales	-	-	-	-	219,470
Interest expense	121,145	121,145	51,538	69,607	55,776
Customer accounting and collection	24,681	24,681	10,500	14,181	2,208
Grants to other governments	41,084	41,084	17,478	23,606	15,647
Net change in notes receivable/payable	228,855	228,855	97,361	131,494	58,820
Grants to individuals	377,894	377,894	160,766	217,128	84,384
Commodities and contractual services	206,341	206,341	87,782	118,559	131,360
Transfers out	-	-	42,622	(42,622)	-
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>468,047</u>	<u>531,953</u>	<u>567,665</u>
Excess expenditures over revenues	-	-	(112,204)	(112,204)	(23,541)
Funds available - beginning	<u>933,430</u>	<u>909,889</u>	<u>909,889</u>	-	<u>933,430</u>
Funds available - ending	<u>\$ 933,430</u>	<u>\$ 909,889</u>	<u>\$ 797,685</u>	<u>\$ (112,204)</u>	<u>\$ 909,889</u>

Funds available is computed as follows:

Current assets	\$ 943,091	\$ 929,889
Current liabilities	(181,406)	(56,000)
Add current portion of long-term debt	36,000	36,000
	<u>\$ 797,685</u>	<u>\$ 909,889</u>

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CITY OF ENGLEWOOD, COLORADO

**Combining Statement of Net Assets
Internal Service Funds
December 31, 2011**

	Central Services	Servi- Center	Capital Equipment Replacement
Assets			
Current assets:			
Cash and investments	\$ 163,731	\$ 920,869	\$ 1,532,881
Cash and investments-restricted	-	-	-
Interest receivable	726	4,810	5,144
Accounts receivable	-	15,610	-
Inventory	8,300	162,212	-
Other current assets	-	-	-
Total current assets	<u>172,757</u>	<u>1,103,501</u>	<u>1,538,025</u>
Capital assets:			
Land	-	340,097	-
Building	-	1,060,133	-
Other improvements	-	46,926	-
Automotive	-	-	7,043,272
Operating machines and equipment	96,124	380,554	1,605,650
Construction in Process	-	25,901	-
Total capital assets	<u>96,124</u>	<u>1,853,611</u>	<u>8,648,922</u>
Less - accumulated depreciation	<u>(94,718)</u>	<u>(1,260,754)</u>	<u>(5,722,770)</u>
Total capital assets, net	<u>1,406</u>	<u>592,857</u>	<u>2,926,152</u>
Total assets	<u>174,163</u>	<u>1,696,358</u>	<u>4,464,177</u>
Liabilities			
Current liabilities:			
Accounts payable	5,145	29,934	-
Accrued payroll and related liabilities	2,368	25,263	-
Compensated absences	13,921	54,429	-
Deposits	-	-	-
Claims and judgments payable	-	-	-
Total liabilities	<u>21,434</u>	<u>109,626</u>	<u>-</u>
Net assets			
Invested in capital assets	1,406	592,857	2,926,152
Unrestricted	<u>151,323</u>	<u>993,875</u>	<u>1,538,025</u>
Total net assets	<u>\$ 152,729</u>	<u>\$ 1,586,732</u>	<u>\$ 4,464,177</u>

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Employee Benefits	Risk Management	Total
\$ 20,242	\$ 1,650,250	\$ 4,287,973
19,737	-	19,737
(1,076)	7,988	17,592
-	-	15,610
-	-	170,512
47,050	5,000	52,050
<u>85,953</u>	<u>1,663,238</u>	<u>4,563,474</u>
-	-	340,097
-	-	1,060,133
-	-	46,926
-	-	7,043,272
-	-	2,082,328
-	-	25,901
-	-	10,598,657
-	-	(7,078,242)
-	-	3,520,415
<u>85,953</u>	<u>1,663,238</u>	<u>8,083,889</u>
21,190	35,363	91,632
4,652	4,652	36,935
7,625	7,625	83,600
47,550	-	47,550
-	514,272	514,272
<u>81,017</u>	<u>561,912</u>	<u>773,989</u>
-	-	3,520,415
<u>4,936</u>	<u>1,101,326</u>	<u>3,789,485</u>
<u>\$ 4,936</u>	<u>\$ 1,101,326</u>	<u>\$ 7,309,900</u>

CITY OF ENGLEWOOD, COLORADO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011**

	Central Services	Servi- Center	Capital Equipment Replacement
Operating revenues			
Billings to departments	\$ 319,924	\$ 2,039,925	\$ 704,277
Intergovernmental	4,214	158,514	-
Total operating revenues	324,138	2,198,439	704,277
Operating expenses			
Cost of goods sold	70,712	801,303	-
Personal services	70,217	754,423	-
Commodities and contractual services	167,739	239,973	6,726
Depreciation	3,923	17,135	768,907
Insurance expense:			
Medical	-	-	-
Life	-	-	-
Long-term disability	-	-	-
Employee assistance program	-	-	-
Unemployment	-	-	-
General liability	-	-	-
Workers' compensation	-	-	-
Claims expense:			
Dental	-	-	-
Long-term disability	-	-	-
General liability	-	-	-
Workers' compensation	-	-	-
Total operating expenses	312,591	1,812,834	775,633
Operating income (loss)	11,547	385,605	(71,356)
Nonoperating revenues			
Net investment income	1,545	8,899	9,649
Gain on disposition of equipment	-	-	72,948
Other	-	6,129	3,000
Total nonoperating revenues	1,545	15,028	85,597
Income before contributions and transfers	13,092	400,633	14,241
Capital contributions - other	-	-	8,643
Transfers in	-	-	295,465
Transfers out	(100,000)	(300,000)	-
Change in net assets	(86,908)	100,633	318,349
Total net assets - beginning	239,637	1,486,099	4,145,828
Total net assets - ending	\$ 152,729	\$ 1,586,732	\$ 4,464,177

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Employee Benefits	Risk Management	Total
\$ 5,039,490	\$ 1,356,135	\$ 9,459,751
-	-	162,728
<u>5,039,490</u>	<u>1,356,135</u>	<u>9,622,479</u>
-	-	872,015
158,029	121,497	1,104,166
12,813	4,830	432,081
-	-	789,965
4,258,711	-	4,258,711
63,557	-	63,557
61,583	-	61,583
24,881	-	24,881
50,317	-	50,317
-	311,779	311,779
-	49,367	49,367
401,043	-	401,043
48,328	-	48,328
-	320,764	320,764
-	122,352	122,352
<u>5,079,262</u>	<u>930,589</u>	<u>8,910,909</u>
<u>(39,772)</u>	<u>425,546</u>	<u>711,570</u>
(1,210)	19,851	38,734
-	-	72,948
-	-	9,129
<u>(1,210)</u>	<u>19,851</u>	<u>120,811</u>
(40,982)	445,397	832,381
-	-	8,643
35,000	-	330,465
<u>(200,000)</u>	<u>(546,000)</u>	<u>(1,146,000)</u>
(205,982)	(100,603)	25,489
<u>210,918</u>	<u>1,201,929</u>	<u>7,284,411</u>
<u>\$ 4,936</u>	<u>\$ 1,101,326</u>	<u>\$ 7,309,900</u>

CITY OF ENGLEWOOD, COLORADO

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2011**

	<u>Central Services</u>	<u>Servi- Center</u>	<u>Capital Equipment Replacement</u>
Cash flows from operating activities			
Cash received from interfund charges	\$ 321,007	\$ 2,039,925	\$ 707,277
Cash received from customers	3,131	157,133	-
Cash payments to suppliers for goods and services	(233,909)	(1,034,706)	(6,726)
Cash paid to employees for services	(70,208)	(759,420)	-
Other cash receipts	-	6,129	-
Net cash provided (used) by operating activities	<u>20,021</u>	<u>409,061</u>	<u>700,551</u>
Cash flows from noncapital financing activities			
Transfers to/from other funds	<u>(100,000)</u>	<u>(300,000)</u>	<u>295,465</u>
Net cash (used) by noncapital financing activities	<u>(100,000)</u>	<u>(300,000)</u>	<u>295,465</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	-	(25,901)	(273,949)
Proceeds from sale of assets	-	-	77,529
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(25,901)</u>	<u>(196,420)</u>
Cash flows from investing activities			
Net investment income	<u>2,079</u>	<u>8,554</u>	<u>8,470</u>
Net cash provided by investing activities	<u>2,079</u>	<u>8,554</u>	<u>8,470</u>
Net increase (decrease) in cash and cash equivalents	<u>(77,900)</u>	<u>91,714</u>	<u>808,066</u>
Cash and cash equivalents - beginning	<u>241,631</u>	<u>829,155</u>	<u>724,815</u>
Cash and cash equivalents - ending	<u>\$ 163,731</u>	<u>\$ 920,869</u>	<u>\$ 1,532,881</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 11,547	\$ 385,605	\$ (71,356)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	3,923	17,135	768,907
Miscellaneous nonoperating income	-	6,129	3,000
Effect of changes in operating assets and liabilities:			
Accounts receivable	-	(1,381)	-
Inventories	108	(5,390)	-
Accounts payable	4,434	11,960	-
Accrued payroll and related liabilities	9	(4,997)	-
Estimated claims payable	-	-	-
Other current liabilities	-	-	-
Total adjustments	<u>8,474</u>	<u>23,456</u>	<u>771,907</u>
Net cash provided (used) by operating activities	<u>\$ 20,021</u>	<u>\$ 409,061</u>	<u>\$ 700,551</u>
Noncash investing, capital and financing activities			
Contributions of capital assets from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,643</u>

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Employee Benefits	Risk Management	Total
\$ 5,039,490	\$ 1,356,135	\$ 9,463,834
-	-	160,264
(4,919,593)	(810,524)	(7,005,458)
(159,681)	(119,295)	(1,108,604)
-	-	6,129
<u>(39,784)</u>	<u>426,316</u>	<u>1,516,165</u>
<u>(165,000)</u>	<u>(546,000)</u>	<u>(815,535)</u>
<u>(165,000)</u>	<u>(546,000)</u>	<u>(815,535)</u>
-	-	(299,850)
-	-	77,529
-	-	<u>(222,321)</u>
69	21,499	40,671
69	21,499	40,671
(204,715)	(98,185)	518,980
244,694	1,748,435	3,788,730
<u>\$ 39,979</u>	<u>\$ 1,650,250</u>	<u>\$ 4,307,710</u>
<u>\$ (39,772)</u>	<u>\$ 425,546</u>	<u>\$ 711,570</u>
-	-	789,965
-	-	9,129
-	-	(1,381)
-	-	(5,282)
(23,816)	9,926	2,504
(1,652)	2,202	(4,438)
-	(11,358)	(11,358)
25,456	-	25,456
<u>(12)</u>	<u>770</u>	<u>804,595</u>
<u>\$ (39,784)</u>	<u>\$ 426,316</u>	<u>\$ 1,516,165</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,643</u>

CITY OF ENGLEWOOD, COLORADO

**Central Services Fund
 Schedule of Revenues, Expenditures and Changes in Funds Available -
 Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Billings to departments:					
Postage	\$ 160,000	\$ 160,000	\$ 115,387	\$ (44,613)	\$ 136,725
Inside printing	45,000	45,000	30,147	(14,853)	35,018
Copier/printer services	140,000	140,000	166,919	26,919	155,281
Supplies	8,400	8,400	7,470	(930)	6,428
Intergovernmental	2,500	2,500	4,214	1,714	4,272
Net investment income	3,000	3,000	1,545	(1,455)	2,237
Total revenues	<u>358,900</u>	<u>358,900</u>	<u>325,682</u>	<u>(33,218)</u>	<u>339,961</u>
Expenditures					
Postage	147,677	147,677	97,445	50,232	106,286
Printing charges	232,090	232,090	211,223	20,867	199,996
Transfers out	100,000	100,000	100,000	-	-
Total expenditures	<u>479,767</u>	<u>479,767</u>	<u>408,668</u>	<u>71,099</u>	<u>306,282</u>
Excess revenues over (under) expenditures	(120,867)	(120,867)	(82,986)	37,881	33,679
Funds available - beginning	<u>179,046</u>	<u>234,309</u>	<u>234,309</u>	<u>-</u>	<u>200,630</u>
Funds available - ending	<u>\$ 58,179</u>	<u>\$ 113,442</u>	<u>\$ 151,323</u>	<u>\$ 37,881</u>	<u>\$ 234,309</u>

Funds available is computed as follows:

Current assets	\$ 172,757	\$ 251,299
Current liabilities	(21,434)	(16,990)
	<u>\$ 151,323</u>	<u>\$ 234,309</u>

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CITY OF ENGLEWOOD, COLORADO

**ServiCenter Fund
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Billings:					
Garage:					
Vehicle maintenance	\$ 960,410	\$ 960,410	\$ 980,146	\$ 19,736	\$ 920,993
Direct charges	559,302	559,302	618,191	58,889	551,172
Intergovernmental	143,023	143,023	158,514	15,491	131,969
Subtotal garage revenues	<u>1,662,735</u>	<u>1,662,735</u>	<u>1,756,851</u>	<u>94,116</u>	<u>1,604,134</u>
Administration:					
Building rentals	413,248	413,248	413,248	-	404,820
Stores charges	35,000	35,000	28,340	(6,660)	29,653
Subtotal administrative revenues	<u>448,248</u>	<u>448,248</u>	<u>441,588</u>	<u>(6,660)</u>	<u>434,473</u>
Total billings to departments	<u>2,110,983</u>	<u>2,110,983</u>	<u>2,198,439</u>	<u>87,456</u>	<u>2,038,607</u>
Net investment income	9,578	9,578	8,899	(679)	7,097
Other	7,810	7,810	6,129	(1,681)	12,585
Total revenues	<u>2,128,371</u>	<u>2,128,371</u>	<u>2,213,467</u>	<u>85,096</u>	<u>2,058,289</u>
Expenditures					
Garage:					
Personal services	664,093	664,093	645,427	18,666	668,652
Cost of goods sold	664,577	664,577	778,203	(113,626)	691,602
Commodities and contractual services	102,706	102,706	82,520	20,186	85,071
Capital outlay	6,801	6,801	6,801	-	6,801
Subtotal garage expenditures	<u>1,438,177</u>	<u>1,438,177</u>	<u>1,512,951</u>	<u>(74,774)</u>	<u>1,452,126</u>
Administration:					
Personal services	169,977	169,977	108,996	60,981	106,197
Commodities and contractual services	277,154	277,154	145,810	131,344	205,920
Cost of goods sold	30,000	30,000	23,100	6,900	15,850
Capital outlay	80,000	80,000	30,742	49,258	2,171
Transfers out	100,000	300,000	300,000	-	200,000
Subtotal administrative expenditures	<u>657,131</u>	<u>857,131</u>	<u>608,648</u>	<u>248,483</u>	<u>530,138</u>
Total expenditures	<u>2,095,308</u>	<u>2,295,308</u>	<u>2,121,599</u>	<u>173,709</u>	<u>1,982,264</u>
Excess revenues over (under) expenditures	<u>33,063</u>	<u>(166,937)</u>	<u>91,868</u>	<u>258,805</u>	<u>76,025</u>
Funds available - beginning	<u>728,847</u>	<u>902,007</u>	<u>902,007</u>	<u>-</u>	<u>825,982</u>
Funds available - ending	<u>\$ 761,910</u>	<u>\$ 735,070</u>	<u>\$ 993,875</u>	<u>\$ 258,805</u>	<u>\$ 902,007</u>

Funds available is computed as follows:

Current assets	\$ 1,103,501	\$ 1,004,671
Current liabilities	(109,626)	(102,664)
	<u>\$ 993,875</u>	<u>\$ 902,007</u>

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CITY OF ENGLEWOOD, COLORADO

**Capital Equipment Replacement Fund
 Schedule of Revenues, Expenditures and Changes in Funds Available -
 Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Billings to departments	\$ 697,492	\$ 697,492	\$ 704,277	\$ 6,785	\$ 682,839
Proceeds from sale of equipment	62,000	62,000	77,528	15,528	107,043
Net investment income	21,500	21,500	9,649	(11,851)	6,937
Other	20,000	20,000	3,000	(17,000)	-
Transfers in	-	200,000	295,465	95,465	-
Total revenues	<u>800,992</u>	<u>1,000,992</u>	<u>1,089,919</u>	<u>88,927</u>	<u>796,819</u>
Expenditures					
Capital outlay	773,618	773,618	274,133	499,485	443,263
Commodities and contractual services	22,614	22,614	6,542	16,072	10,757
Transfers out	-	-	-	-	446,477
Total expenditures	<u>796,232</u>	<u>796,232</u>	<u>280,675</u>	<u>515,557</u>	<u>900,497</u>
Excess revenues over (under) expenditures	4,760	204,760	809,244	604,484	(103,678)
Funds available - beginning	<u>896,357</u>	<u>728,781</u>	<u>728,781</u>	<u>-</u>	<u>832,459</u>
Funds available - ending	<u>\$ 901,117</u>	<u>\$ 933,541</u>	<u>\$ 1,538,025</u>	<u>\$ 604,484</u>	<u>\$ 728,781</u>
Funds available is computed as follows:					
Current assets			\$ 1,538,025		\$ 728,781
Current liabilities			-		-
			<u>\$ 1,538,025</u>		<u>\$ 728,781</u>

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CITY OF ENGLEWOOD, COLORADO

**Employee Benefits Fund
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Billings to departments:					
Medical	\$ 4,279,398	\$ 4,279,398	\$ 4,150,706	\$ (128,692)	\$3,903,096
Dental	447,176	447,176	424,662	(22,514)	484,694
Life	70,000	70,000	63,926	(6,074)	64,825
Long-term disability	113,472	113,472	33,415	(80,057)	82,290
Administrative fees	411,320	411,320	366,781	(44,539)	415,445
Transfers in	-	35,000	35,000	-	-
Net investment income	16,060	16,060	(1,210)	(17,270)	625
Total revenues	<u>5,337,426</u>	<u>5,372,426</u>	<u>5,073,280</u>	<u>(299,146)</u>	<u>4,950,975</u>
Expenditures					
Insurance expense:					
Medical	4,415,898	4,415,898	4,258,711	157,187	4,044,666
Life	70,000	70,000	63,557	6,443	64,648
Long-term disability	62,000	62,000	61,583	417	53,261
Employee assistance program	26,000	26,000	24,881	1,119	22,967
Unemployment	48,000	48,000	50,317	(2,317)	46,182
Claims expense:					
Dental	413,176	413,176	401,043	12,133	383,161
Long-term disability	47,354	47,354	48,328	(974)	48,328
Personal services	110,222	110,222	158,029	(47,807)	162,333
Commodities and contractual services	53,087	53,087	12,813	40,274	43,246
Transfers out	200,000	200,000	200,000	-	200,000
Total expenditures	<u>5,445,737</u>	<u>5,445,737</u>	<u>5,279,262</u>	<u>166,475</u>	<u>5,068,792</u>
Excess revenues over (under) expenditure:	(108,311)	(73,311)	(205,982)	(132,671)	(117,817)
Funds available - beginning	<u>154,571</u>	<u>210,918</u>	<u>210,918</u>	<u>-</u>	<u>328,735</u>
Funds available - ending	<u>\$ 46,260</u>	<u>\$ 137,607</u>	<u>\$ 4,936</u>	<u>\$ (132,671)</u>	<u>\$ 210,918</u>
Funds available is computed as follows:					
Current assets			\$ 85,953		\$ 291,947
Current liabilities			(81,017)		(81,029)
			<u>\$ 4,936</u>		<u>\$ 210,918</u>

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CITY OF ENGLEWOOD, COLORADO

**Risk Management Fund
Schedule of Revenues, Expenditures and Changes in Funds Available -
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget -</u>	<u>2010 Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>	
Revenues					
Billings to departments:					
Property and liability	\$ 889,074	\$ 889,074	\$ 848,938	\$ (40,136)	\$ 831,304
Workers' compensation	536,197	536,197	507,197	(29,000)	514,103
Net investment income	20,000	20,000	19,851	(149)	16,321
Total revenues	<u>1,445,271</u>	<u>1,445,271</u>	<u>1,375,986</u>	<u>(69,285)</u>	<u>1,361,728</u>
Expenditures					
Insurance:					
General liability	323,000	323,000	311,779	11,221	314,790
Workers' compensation	220,550	220,550	49,367	171,183	57,658
Claims:					
General liability	386,767	386,767	320,764	66,003	207,002
Workers' compensation	245,267	245,267	122,352	122,915	397,532
Personal services	111,088	111,088	121,497	(10,409)	113,644
Commodities and contractual services	22,487	22,487	4,830	17,657	3,875
Transfers out	546,000	546,000	546,000	-	450,000
Total expenditures	<u>1,855,159</u>	<u>1,855,159</u>	<u>1,476,589</u>	<u>378,570</u>	<u>1,544,501</u>
Excess revenues over (under) expenditures	(409,888)	(409,888)	(100,603)	309,285	(182,773)
Funds available - beginning	<u>1,011,911</u>	<u>1,201,929</u>	<u>1,201,929</u>	<u>-</u>	<u>1,384,702</u>
Funds available - ending	<u>\$ 602,023</u>	<u>\$ 792,041</u>	<u>\$ 1,101,326</u>	<u>\$ 309,285</u>	<u>\$ 1,201,929</u>
Funds available is computed as follows:					
Current assets			\$ 1,663,238		\$ 1,763,071
Current liabilities			(561,912)		(561,142)
			<u>\$ 1,101,326</u>		<u>\$ 1,201,929</u>

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Fiduciary Funds

Pension Trust Funds:

Nonemergency Employees Pension Trust Fund

Police Pension Trust Fund

Firefighters Pension Trust Fund

Volunteer Firefighters Pension Trust Fund

All four respective funds account for the accumulation of resources for pension benefit payments to qualified employees.

Agency Fund:

Basin Interceptor Fund – Fulfills the custodial duty of accounting for the Big Dry Creek Interceptor Agreement.

CITY OF ENGLEWOOD, COLORADO

**Combining Statement of Fiduciary Net Assets
Pension Trust Funds
December 31, 2011**

	Nonemergency Employees	Police	Firefighters	Volunteer Firefighters	Total
Assets					
Cash and equivalents	\$ 15,650	\$ 907	\$ -	\$ 100	\$ 16,657
Investments	26,052,629	4,842,170	7,087,036	99,021	38,080,856
Total assets	26,068,279	4,843,077	7,087,036	99,121	38,097,513
Liabilities					
Accounts payable	-	-	-	-	-
Net assets held in trust for pension benefits	\$ 26,068,279	\$ 4,843,077	\$ 7,087,036	\$ 99,121	\$ 38,097,513

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CITY OF ENGLEWOOD, COLORADO

**Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended December 31, 2011**

	<u>Nonemergency Employees</u>	<u>Police</u>	<u>Firefighters</u>	<u>Volunteer Firefighters</u>	<u>Total</u>
Additions					
Contributions:					
City	\$ 936,781	\$ 336,829	\$ 150,385	\$ 4,180	\$ 1,428,175
Plan member	-	3,181	3,638	-	6,819
Total contributions	<u>936,781</u>	<u>340,010</u>	<u>154,023</u>	<u>4,180</u>	<u>1,434,994</u>
Investment income:					
Net appreciation in fair value of investments	228,549	75,971	112,425	1,875	418,820
Less investment expense	(50,348)	-	-	-	(50,348)
Net investment income	<u>178,201</u>	<u>75,971</u>	<u>112,425</u>	<u>1,875</u>	<u>368,472</u>
Total additions	<u>1,114,982</u>	<u>415,981</u>	<u>266,448</u>	<u>6,055</u>	<u>1,803,466</u>
Deductions					
Benefits	1,292,939	938,463	1,065,225	24,975	3,321,602
Administrative expenses	70,171	40,252	58,848	918	170,189
Total deductions	<u>1,363,110</u>	<u>978,715</u>	<u>1,124,073</u>	<u>25,893</u>	<u>3,491,791</u>
Change in net assets	(248,128)	(562,734)	(857,625)	(19,838)	(1,688,325)
Net assets - beginning	<u>26,316,407</u>	<u>5,405,811</u>	<u>7,944,661</u>	<u>118,959</u>	<u>39,785,838</u>
Net assets - ending	<u>\$ 26,068,279</u>	<u>\$ 4,843,077</u>	<u>\$ 7,087,036</u>	<u>\$ 99,121</u>	<u>\$38,097,513</u>

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CITY OF ENGLEWOOD, COLORADO

**Agency Fund
Basin Interceptor Fund
Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2011**

	Balance December 31, 2010	Line Charges	Additions Interest	Maintenance Fees	Deductions Maintenance/ Administration	Balance December 31, 2011
Assets						
Cash and investments	\$ 2,080,403	\$ 13,235	\$ 21,496	\$ 594,924	\$ (126,848)	\$ 2,583,210
Interest receivable	10,863	-	319	-	-	11,182
Accounts receivable	92,830	-	-	25,467	-	118,297
Assessment receivable	13,163	-	-	(1,557)	-	11,606
Total assets	<u>\$ 2,197,259</u>	<u>\$ 13,235</u>	<u>\$ 21,815</u>	<u>\$ 618,834</u>	<u>\$ (126,848)</u>	<u>\$ 2,724,295</u>

	Balance December 31, 2010	Line Charges	Additions Interest	Maintenance Fees	Deductions Maintenance/ Administration	Balance December 31, 2011
Liabilities						
Interceptor Maintenance Account	\$ 527,295	\$ -	\$ 21,727	\$ 618,834	\$ (58,123)	\$ 1,109,733
Southgate Sanitation District	1,669,964	11,235	81	-	(68,725)	1,612,555
City of Englewood	-	2,000	7	-	-	2,007
Total liabilities	<u>\$ 2,197,259</u>	<u>\$ 13,235</u>	<u>\$ 21,815</u>	<u>\$ 618,834</u>	<u>\$ (126,848)</u>	<u>\$ 2,724,295</u>

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Component Units

Englewood Environmental Foundation – This fund is used to account for the activities of the Englewood Environmental Foundation, Inc.

Englewood McLellan Reservoir Foundation – This fund is used to account for the activities of the Englewood McLellan Reservoir Foundation, Inc.

CITY OF ENGLEWOOD, COLORADO

**Englewood Environmental Foundation
Statements of Net Assets
December 31, 2011
With Comparative Totals for December 31, 2010**

Assets	2011	2010
Current assets		
Cash and investments	\$ 939,995	\$ 853,843
Interest receivable	56,098	58,999
Other receivables	-	2,531
Prepaid expense	73,599	87,347
Lease receivable - current	955,000	925,000
Total current assets	<u>2,024,692</u>	<u>1,927,720</u>
Noncurrent assets		
Lease receivable	<u>13,545,000</u>	<u>14,500,000</u>
Capital assets		
Land and improvements	8,496,257	8,496,257
Site development	10,772,213	10,772,213
Streets	4,841,536	4,841,536
Parking structure	3,956,348	3,956,348
Rail bridge	2,017,170	2,017,170
Other improvements	159,229	159,229
Operating machinery and equipment	26,032	26,032
Total capital assets	<u>30,268,785</u>	<u>30,268,785</u>
Less accumulated depreciation	<u>(13,914,064)</u>	<u>(13,219,520)</u>
Total capital assets, net	<u>16,354,721</u>	<u>17,049,265</u>
Total assets	<u>31,924,413</u>	<u>33,476,985</u>
Liabilities		
Current liabilities		
Accounts payable	152,535	106,766
Interest payable	52,401	55,098
Certificates of participation - current	955,000	925,000
Total current liabilities	<u>1,159,936</u>	<u>1,086,864</u>
Noncurrent liabilities		
Certificates of participation	<u>13,545,000</u>	<u>14,500,000</u>
Total liabilities	<u>14,704,936</u>	<u>15,586,864</u>
Net assets		
Invested in capital assets	16,354,721	17,049,265
Unrestricted	864,756	840,856
Total net assets	<u>\$ 17,219,477</u>	<u>\$ 17,890,121</u>

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CITY OF ENGLEWOOD, COLORADO

**Englewood Environmental Foundation
Statements of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	<u>2011</u>	<u>2010</u>
Operating revenues		
Common area maintenance	\$ 1,365,000	\$ 1,298,857
 Operating expenses		
Common area maintenance	1,389,697	1,209,944
Professional services	8,594	21,295
Legal	1,120	1,669
Repair and maintenance	36,360	36,360
General administrative and office	1,213	1,392
Insurance	4,491	4,182
Utilities	2,885	1,624
Depreciation	694,545	787,457
Total operating expenses	<u>2,138,905</u>	<u>2,063,923</u>
Operating loss	(773,905)	(765,066)
 Nonoperating revenues (expenses)		
Net investment income	7,226	6,341
Lease interest income	642,296	674,160
Interest expense	(642,296)	(674,160)
Other, net	96,035	61,135
Total nonoperating revenues (expenses)	<u>103,261</u>	<u>67,476</u>
 Change in net assets	(670,644)	(697,590)
 Net assets - beginning	<u>17,890,121</u>	<u>18,587,711</u>
 Net assets - ending	<u>\$ 17,219,477</u>	<u>\$ 17,890,121</u>

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CITY OF ENGLEWOOD, COLORADO

**Englewood Environmental Foundation
Statements of Cash Flows
For the Year Ended December 31, 2011
With Comparative Totals for December 31, 2010**

	2011	2010
Cash flows from operating activities		
Cash received from customers	\$ 1,365,000	\$ 1,330,691
Cash payments to suppliers for goods and services	(1,382,312)	(1,288,840)
Other cash received	96,035	61,135
Net cash (used) by operating activities	<u>78,723</u>	<u>102,986</u>
Cash flows from capital and related financing activities		
Lease principal received	955,000	925,000
Lease interest received	642,296	671,564
Principal paid on long-term debt	(955,000)	(925,000)
Interest paid on long-term debt	(642,296)	(671,564)
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>
Cash flows from investing activities		
Net investment income	7,429	7,740
Net increase (decrease) in cash and cash equivalents	86,152	110,726
Cash and cash equivalents - beginning	853,843	743,117
Cash and cash equivalents - ending	<u>\$ 939,995</u>	<u>\$ 853,843</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:		
Operating loss	\$ (773,905)	\$ (765,066)
Adjustments to reconcile operating loss to net cash (used) by operating activities:		
Depreciation	694,545	787,457
Miscellaneous nonoperating income	96,035	61,135
Effect of changes in operating assets and liabilities:		
Accounts receivable	-	31,834
Other receivables	2,531	(2,541)
Other current assets	13,748	(8,799)
Accounts payable	45,769	(1,034)
Total adjustments	<u>852,628</u>	<u>868,052</u>
Net cash (used) by operating activities	<u>\$ 78,723</u>	<u>\$ 102,986</u>

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CITY OF ENGLEWOOD, COLORADO

Englewood McLellan Reservoir Foundation, Inc.

Statements of Net Assets

December 31, 2011

With Comparative Totals for December 31, 2010

Assets	2011	2010
Current assets		
Cash and investments	\$ 75,360	\$ 211,327
Interest receivable	316	860
Prepaid insurance	4,726	6,145
Total current assets	<u>80,402</u>	<u>218,332</u>
Capital assets		
Land and improvements	5,706,166	5,706,166
Total assets	<u>5,786,568</u>	<u>5,924,498</u>
Liabilities		
Current liabilities		
Accounts payable	<u>10,000</u>	<u>75,590</u>
Net assets		
Invested in capital assets	5,706,166	5,706,166
Unrestricted	70,402	142,742
Total net assets	<u>\$ 5,776,568</u>	<u>\$ 5,848,908</u>

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CITY OF ENGLEWOOD, COLORADO

**Englewood McLellan Reservoir Foundation, Inc.
 Statements of Revenues, Expenses and Changes in Fund Net Assets
 For the Year Ended December 31, 2011
 With Comparative Totals for December 31, 2010**

	<u>2011</u>	<u>2010</u>
Operating Revenues		
Charges for services	\$ 425,159	\$ 105,125
Operating expenses		
Professional services	34,366	66,605
Insurance	7,580	8,224
Legal	31,065	10,864
General administrative and office	444	3,124
Total operating expenses	<u>73,455</u>	<u>88,817</u>
Operating income (loss)	351,704	16,308
Nonoperating revenues (expenses)		
Net investment income	1,115	1,546
Contribution to primary government	(425,159)	(105,125)
Other, net	-	25,000
Total nonoperating revenues (expenses)	<u>(424,044)</u>	<u>(78,579)</u>
Change in net assets	(72,340)	(62,271)
Net assets - beginning	<u>5,848,908</u>	<u>5,911,179</u>
Net assets - ending	<u>\$ 5,776,568</u>	<u>\$ 5,848,908</u>

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CITY OF ENGLEWOOD, COLORADO

Englewood McLellan Reservoir Foundation, Inc.

Statements of Cash Flows

For the Year Ended December 31, 2011

With Comparative Totals for December 31, 2010

	2011	2010
Cash flows from operating activities		
Cash received from customers	\$ 359,569	\$ 772,552
Cash payments to suppliers for goods and services	(72,036)	(680,287)
Other cash receipts	-	25,000
Net cash provided (used) by operating activities	287,533	117,265
Cash flows from noncapital financing activities		
Contributions from (to) primary government	(425,159)	(105,125)
Cash flows from investing activities		
Net investment income	1,659	2,414
Net increase in cash and cash equivalents	(135,967)	14,554
Cash and cash equivalents - January 1,	211,327	196,773
Cash and cash equivalents - December 31,	\$ 75,360	\$ 211,327
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 351,704	\$ 16,308
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Miscellaneous nonoperating income	-	25,000
Prepaid insurance	1,419	367
Accounts receivable	-	591,837
Accounts payable	(65,590)	(516,247)
Total adjustments	(64,171)	100,957
Net cash provided (used) by operating activities	\$ 287,533	\$ 117,265

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CITY OF ENGLEWOOD, COLORADO

**Schedules of Future Debt Service Requirements
December 31, 2010**

General Obligation Refunding Bonds, Series 2010				
<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	2.000	\$ 280,000	\$ 276,213	\$ 556,213
2013	2.000	675,000	270,613	945,613
2014	2.000	835,000	257,113	1,092,113
2015	2.000	855,000	240,412	1,095,412
2016	2.000	870,000	223,312	1,093,312
2017	2.250	890,000	205,912	1,095,912
2018	2.750	905,000	185,888	1,090,888
2019	3.000	935,000	161,000	1,096,000
2020	3.000	965,000	132,950	1,097,950
2021	4.000	985,000	104,000	1,089,000
2022	4.000	1,025,000	64,600	1,089,600
2023	4.000	590,000	23,600	613,600
		<u>\$ 9,810,000</u>	<u>\$2,145,613</u>	<u>\$ 11,955,613</u>

General Obligation Bonds, Series 2002 (Refunded)				
<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	3.650	<u>\$ 375,000</u>	<u>\$ 13,687</u>	<u>\$ 388,687</u>

(Continued)

CITY OF ENGLEWOOD, COLORADO

**Schedules of Future Debt Service Requirements
December 31, 2010**

(Continued)

Year	General Obligation Water Bonds - 2009				General Obligation Water Bonds - 2004			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2012	4.500	\$ -	\$ 117,828	\$ 117,828	3.750	\$ 130,000	\$ 100,638	\$ 230,638
2013	4.500	-	117,828	117,828	3.875	140,000	95,488	235,488
2014	4.500	-	117,828	117,828	4.000	135,000	90,075	225,075
2015	4.500	-	117,828	117,828	3.750	150,000	84,563	234,563
2016	4.500	-	117,828	117,828	3.875	150,000	78,844	228,844
2017	4.500	-	117,828	117,828	4.000	150,000	72,938	222,938
2018	4.500	-	117,828	117,828	4.000	160,000	66,738	226,738
2019	4.500	-	117,828	117,828	4.125	170,000	60,031	230,031
2020	4.150	155,000	117,828	272,828	4.750	175,000	52,369	227,369
2021	4.250	160,000	111,395	271,395	4.750	185,000	43,819	228,819
2022	4.300	170,000	104,595	274,595	4.750	195,000	34,794	229,794
2023	4.400	175,000	97,285	272,285	4.750	205,000	25,294	230,294
2024	4.500	180,000	89,585	269,585	4.750	210,000	15,438	225,438
2025	4.500	195,000	81,485	276,485	4.750	220,000	5,225	225,225
2026	4.500	205,000	72,710	277,710		<u>\$ 2,375,000</u>	<u>\$ 826,254</u>	<u>\$ 3,201,254</u>
2027	4.600	435,000	63,485	498,485				
2028	4.625	460,000	43,475	503,475				
2029	4.625	480,000	22,200	502,200				
		<u>\$ 2,615,000</u>	<u>\$ 1,746,667</u>	<u>\$ 4,361,667</u>				

Year	Golf Course Revenue Refunding Bonds - 2003				Storm Water Revenue Bonds - 2001			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2012	4.85	\$ 65,000	\$ 149,815	\$ 214,815	4.90	\$ 80,000	\$ 53,977	\$ 133,977
2013	5.00	70,000	146,663	216,663	5.00	85,000	50,057	135,057
2014	5.10	150,000	143,162	293,162	5.10	90,000	45,807	135,807
2015	5.75	155,000	135,512	290,512	5.15	95,000	41,217	136,217
2016	5.75	165,000	126,600	291,600	5.20	100,000	36,325	136,325
2017	5.75	175,000	117,112	292,112	5.25	105,000	31,125	136,125
2018	5.75	185,000	107,050	292,050	5.30	110,000	25,612	135,612
2019	5.75	195,000	96,413	291,413	5.35	115,000	19,782	134,782
2020	6.00	205,000	85,200	290,200	5.40	120,000	13,630	133,630
2021	6.00	220,000	72,900	292,900	5.50	130,000	7,150	137,150
2022	6.00	235,000	59,700	294,700		<u>\$ 1,030,000</u>	<u>\$ 324,682</u>	<u>\$ 1,354,682</u>
2023	6.00	245,000	45,600	290,600				
2024	6.00	515,000	30,900	545,900				
		<u>\$ 2,580,000</u>	<u>\$ 1,316,627</u>	<u>\$ 3,896,627</u>				

(Continued)

CITY OF ENGLEWOOD, COLORADO

Schedules of Future Debt Service Requirements

December 31, 2010

(Continued)

Colorado Water Resources and Power Development Authority

	May 1, 2004 - Sewer Fund				May 1, 2004 - Sewer Fund			
	Water Pollution Control Revolving Fund				Water Revenue Bond Program			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2012	3.87	\$ 5,351	\$ 1,149,432	\$ 1,154,783	4.11	\$ 2,410,000	\$ 758,250	\$ 3,168,250
2013	3.87	5,351	1,149,315	1,154,666	4.11	2,530,000	637,750	3,167,750
2014	3.87	5,351	1,149,198	1,154,549	4.11	2,655,000	511,250	3,166,250
2015	3.87	5,351	1,149,081	1,154,432	4.11	2,790,000	378,500	3,168,500
2016	3.87	5,351	1,148,964	1,154,315	4.11	2,925,000	239,000	3,164,000
2017	3.87	1,182,571	1,148,834	2,331,405	4.11	1,855,000	92,750	1,947,750
2018	3.87	3,162,441	1,120,217	4,282,658		<u>\$ 15,165,000</u>	<u>\$ 2,617,500</u>	<u>\$ 17,782,500</u>
2019	3.87	3,258,759	1,021,527	4,280,286				
2020	3.87	3,360,428	919,831	4,280,259				
2021	3.87	3,467,448	814,962	4,282,410				
2022	3.87	3,574,468	706,754	4,281,222				
2023	3.87	3,686,839	595,206	4,282,045				
2024	3.87	3,799,210	480,150	4,279,360				
2025	3.87	4,007,899	272,896	4,280,795				
		<u>\$ 29,526,818</u>	<u>\$ 12,826,367</u>	<u>\$ 42,353,185</u>				

October 1, 1997 - Water Fund

November 15, 1990 - Sewer Fund

	October 1, 1997 - Water Fund				November 15, 1990 - Sewer Fund			
	State Revolving Loan Fund				State Revolving Loan Fund			
	Rate	Principal	Interest	Total	Rate	Principal	Interest (Credits)	Total
2012	4.141	\$ 818,954	\$ 307,230	\$ 1,126,184	4.642	\$ 855,533	\$ (176,607)	\$ 678,926
2013	4.141	845,018	282,289	1,127,307				
2014	4.141	868,339	256,582	1,124,921				
2015	4.141	895,774	230,144	1,125,918				
2016	4.141	938,300	187,477	1,125,777				
2017	4.141	1,016,491	108,526	1,125,017				
2018	4.141	790,147	54,099	844,246				
		<u>\$ 6,173,023</u>	<u>\$ 1,426,347</u>	<u>\$ 7,599,370</u>				

(Continued)

CITY OF ENGLEWOOD, COLORADO

Schedules of Future Debt Service Requirements

December 31, 2010

(Continued)

Certificates of Participation, Series 2005 Refunding

Civic Center Project

Englewood Environmental Foundation, Inc.

Qualified Energy Conservation Bonds - 2010					Englewood Environmental Foundation, Inc.			
Year	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2012	5.41	\$ 58,069	\$ 28,999	\$ 87,068	3.625	\$ 955,000	\$ 611,497	\$ 1,566,497
2013	5.41	62,206	27,697	89,903	3.750	990,000	575,625	1,565,625
2014	5.41	66,511	26,304	92,815	4.000	1,025,000	536,563	1,561,563
2015	5.41	70,988	24,819	95,807	4.500	1,070,000	491,988	1,561,988
2016	5.41	75,644	23,235	98,879	4.250	1,115,000	444,219	1,559,219
2017	5.41	80,483	21,550	102,033	4.500	1,165,000	394,313	1,559,313
2018	5.41	85,513	19,759	105,272	4.500	1,220,000	340,650	1,560,650
2019	5.41	90,741	17,858	108,599	4.500	1,275,000	284,513	1,559,513
2020	5.41	96,171	15,843	112,014	4.500	1,325,000	226,012	1,551,012
2021	5.41	101,813	13,708	115,521	4.500	1,390,000	164,925	1,554,925
2022	5.41	107,672	11,450	119,122	4.500	1,455,000	100,912	1,555,912
2023	5.41	113,755	9,062	122,817	4.500	1,515,000	34,087	1,549,087
2024	5.41	120,070	6,542	126,612		<u>\$ 14,500,000</u>	<u>\$ 4,205,304</u>	<u>\$ 18,705,304</u>
2025	5.41	126,627	3,882	130,509				
2026	5.41	99,039	1,078	100,117				
		<u>\$ 1,355,302</u>	<u>\$ 251,786</u>	<u>\$ 1,607,088</u>				

Capital Lease - Fire Equipment - 2007

Year	Rate	Principal	Interest	Total
2012	4.24	\$ 92,282	\$ 26,111	\$ 118,393
2013	4.24	96,195	22,198	118,393
2014	4.24	100,274	18,119	118,393
2015	4.24	104,526	13,867	118,393
2016	4.24	108,957	9,436	118,393
2017	4.24	113,577	4,816	118,393
		<u>\$ 615,811</u>	<u>\$ 94,547</u>	<u>\$ 710,358</u>

Capital Lease - Security / Phone Equipment - 2010

Year	Rate	Principal	Interest	Total
2012	3.87	\$ 133,326	\$ 19,620	\$ 152,946
2013	3.87	138,536	14,411	152,947
2014	3.87	143,949	8,998	152,947
2015	3.87	60,904	4,222	65,126
2016	3.87	63,285	1,843	65,128
		<u>\$ 540,000</u>	<u>\$ 49,094</u>	<u>\$ 589,094</u>

Capital Lease - Computer Equipment - 2010

Year	Rate	Principal	Interest	Total
2012	4.60	\$ 102,315	\$ 11,017	\$ 113,332
2013	4.60	107,075	6,256	113,331
2014	4.60	55,391	1,274	56,665
		<u>\$ 264,781</u>	<u>\$ 18,547</u>	<u>\$ 283,328</u>

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Englewood
	YEAR ENDING : December 2011

This Information From The Records Of: City of Englewood	Prepared By: Christine Hart Phone: 303-783-6885
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	855,147
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,623,027
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	959,319
2. General fund appropriations	4,222,812	b. Snow and ice removal	305,787
3. Other local imposts (from page 2)	194,067	c. Other	576,426
4. Miscellaneous local receipts (from page 2)	1,282,861	d. Total (a. through c.)	1,841,532
5. Transfers from toll facilities		4. General administration & miscellaneous	472,444
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,929,213
a. Bonds - Original Issues		6. Total (1 through 5)	6,721,363
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	5,699,740	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,021,623	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	6,721,363	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	6,721,363

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		6,721,363	6,721,363		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2011

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	275,759
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	192,109	g. Other Misc. Receipts	873,595
6. Total (1. through 5.)	192,109	h. Other	133,507
c. Total (a. + b.)	192,109	i. Total (a. through h.)	1,282,861
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	914,283	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	107,340	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	107,340	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,021,623	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		855,147	855,147
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	855,147	855,147
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	855,147	855,147
			(Carry forward to page 1)

Notes and Comments:

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	160-167
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources: property tax and sales tax.	168-175
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	167-183
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	184-185
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.	186-188

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Englewood, Colorado
Net Assets by Component
Last Five Years
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 47,246,217	\$ 46,285,709	\$ 49,625,695	\$ 48,918,979	\$ 47,751,190
Restricted	4,412,743	4,592,402	4,119,645	4,542,549	4,422,879
Unrestricted	11,116,981	11,831,202	11,722,072	14,111,853	15,027,044
Total governmental activities net assets	<u>\$ 62,775,941</u>	<u>\$ 62,709,313</u>	<u>\$ 65,467,412</u>	<u>\$ 67,573,381</u>	<u>\$ 67,201,113</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 50,160,730	\$ 50,454,808	\$ 51,426,192	\$ 51,150,411	\$ 45,658,855
Restricted	35,191,685	36,189,692	36,473,848	37,130,023	35,099,722
Unrestricted	3,592,620	3,567,826	3,536,633	3,741,504	3,966,734
Total business-type activities net assets	<u>\$ 88,945,035</u>	<u>\$ 90,212,326</u>	<u>\$ 91,436,673</u>	<u>\$ 92,021,938</u>	<u>\$ 84,725,311</u>
Primary government					
Invested in capital assets, net of related debt	\$ 97,406,947	\$ 96,740,517	\$ 101,051,887	\$ 100,069,390	\$ 93,410,045
Restricted	39,604,428	40,782,094	40,593,493	41,672,572	39,522,601
Unrestricted	14,709,601	15,399,028	15,258,705	17,853,357	18,993,778
Total primary government net assets	<u>\$ 151,720,976</u>	<u>\$ 152,921,639</u>	<u>\$ 156,904,085</u>	<u>\$ 159,595,319</u>	<u>\$ 151,926,424</u>

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2004.

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City of Englewood, Colorado
Changes in Net Assets
Last Five Years
(Accrual basis of accounting)

Schedule 2

Expenses	2011	2010	2009	2008	2007
Governmental activities					
General government	\$ 9,645,356	\$ 9,812,541	\$ 8,580,881	\$ 8,649,466	\$ 8,767,196
Safety services	17,948,951	17,969,898	17,828,000	17,408,124	16,638,900
Public works	7,879,992	8,247,383	8,168,268	8,882,979	9,362,350
Culture and recreation	7,662,387	8,162,117	8,161,986	8,137,512	8,280,338
Interest and fiscal charges	1,069,971	1,495,358	1,314,152	1,371,556	1,394,784
Unallocated depreciation	436,088	435,804	432,309	428,458	427,296
Total governmental activities expenses	<u>44,642,745</u>	<u>46,123,101</u>	<u>44,485,596</u>	<u>44,878,095</u>	<u>44,870,864</u>
Business-type activities					
Water	7,962,145	7,737,323	7,665,820	7,703,058	7,605,096
Sewer	15,579,812	16,217,746	14,435,228	12,409,323	11,679,043
Golf	2,100,887	2,188,539	2,227,877	2,061,201	1,740,380
Storm	286,702	342,273	356,146	413,535	462,910
Concrete	742,759	721,120	729,777	662,462	676,894
Housing Rehabilitation	328,067	509,568	662,299	595,345	1,034,461
Total business-type activities expenses	<u>27,000,372</u>	<u>27,716,569</u>	<u>26,077,147</u>	<u>23,844,924</u>	<u>23,198,784</u>
Total primary government expenses	<u>\$ 71,643,117</u>	<u>\$ 73,839,670</u>	<u>\$ 70,562,743</u>	<u>\$ 68,723,019</u>	<u>\$ 68,069,648</u>
Program revenues					
Governmental activities					
Permits, fees, fines and charges for services					
General government	\$ 4,030,425	\$ 3,966,251	\$ 4,158,838	\$ 4,036,678	\$ 3,801,444
Safety services	1,456,260	1,281,299	1,160,399	1,391,330	1,791,533
Public works	441,119	390,270	384,023	408,740	395,263
Culture and recreation	2,704,610	2,566,878	2,656,850	2,478,692	2,368,189
Operating grants and contributions	3,249,568	4,647,383	3,348,039	3,353,009	3,570,351
Capital grants and contributions	-	10,835	967,440	508,741	385,576
Total governmental activities program revenues	<u>11,881,982</u>	<u>12,862,916</u>	<u>12,675,589</u>	<u>12,177,190</u>	<u>12,312,356</u>
Business-type activities					
Charges for services					
Water	8,790,259	8,590,134	7,761,574	7,969,168	7,402,775
Sewer	12,981,737	13,497,477	12,353,255	10,592,498	9,443,119
Golf	1,825,599	2,008,788	2,070,514	1,928,427	1,661,946

(Continued)

City of Englewood, Colorado
Changes in Net Assets
Last Five Years

(Accrual basis of accounting)
(Continued)

Schedule 2

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Storm	319,211	318,981	320,781	320,720	320,723
Concrete	693,921	692,774	699,546	552,154	550,927
Housing Rehabilitation	204,036	480,248	467,426	502,163	942,965
Operating grants and contributions	706,241	636,496	812,727	1,455,056	1,765,013
Capital grants and contributions	254,699	217,324	369,474	1,337,862	709,707
Total business-type activities program revenues	<u>25,775,703</u>	<u>26,442,222</u>	<u>24,855,297</u>	<u>24,658,048</u>	<u>22,797,175</u>
Total primary government program revenues	<u>\$ 37,657,685</u>	<u>\$ 39,305,138</u>	<u>\$ 37,530,886</u>	<u>\$ 36,835,238</u>	<u>\$ 35,109,531</u>
Net (expense)					
Governmental activities	\$ (32,760,763)	\$ (33,260,185)	\$ (31,810,007)	\$ (32,700,905)	\$ (32,558,508)
Business-type activities	(1,224,669)	(1,274,347)	(1,221,850)	813,124	(401,609)
Total primary government net expense	<u>\$ (33,985,432)</u>	<u>\$ (34,534,532)</u>	<u>\$ (33,031,857)</u>	<u>\$ (31,887,781)</u>	<u>\$ (32,960,117)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities					
Property taxes	\$ 4,327,526	\$ 4,331,033	\$ 4,233,116	\$ 4,479,724	\$ 4,068,830
Sales and use taxes	23,372,970	22,339,217	22,020,529	24,639,023	26,162,289
Franchise and other taxes	2,831,975	2,825,317	2,680,200	2,860,035	2,644,892
Unrestricted investment earnings	191,431	186,414	416,807	955,958	1,166,935
Unrestricted grants and contributions	30,883	112,116	-	58,079	64,812
Miscellaneous	2,029,984	757,989	1,000,343	1,066,518	518,656
Transfers, net	42,622	(50,000)	(646,957)	(986,164)	(33,251)
Total governmental activities	<u>32,827,391</u>	<u>30,502,086</u>	<u>29,704,038</u>	<u>33,073,173</u>	<u>34,593,163</u>
Business-type activities					
Special item - developer contribution	-	-	-	8,317,580	-
Special item - loss on disposition of assets	-	-	(10,372)	(2,820,241)	-
Transfers, net	(42,622)	50,000	646,957	986,164	33,251
Total business-type activities	<u>(42,622)</u>	<u>50,000</u>	<u>636,585</u>	<u>6,483,503</u>	<u>33,251</u>
Total primary government	<u>\$ 32,784,769</u>	<u>\$ 30,552,086</u>	<u>\$ 30,340,623</u>	<u>\$ 39,556,676</u>	<u>\$ 34,626,414</u>
Change in net assets					
Governmental activities	\$ 66,628	\$ (2,758,099)	\$ (2,105,969)	\$ 372,268	\$ 2,034,655
Business-type-activities	(1,267,291)	(1,224,347)	(585,265)	7,296,627	(368,358)
Total primary government	<u>\$ (1,200,663)</u>	<u>\$ (3,982,446)</u>	<u>\$ (2,691,234)</u>	<u>\$ 7,668,895</u>	<u>\$ 1,666,297</u>

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal year 2004.

City of Englewood, Colorado
Fund Balances, Governmental Funds
Last Ten Years
(Modified accrual basis of accounting)

Schedule 3

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund					
Restricted for:					
Labor emergencies	\$ 1,150,000	\$ 1,150,000	\$ 1,209,200	\$ 1,360,800	\$ 1,414,800
Committed to:					
Law enforcement	298,512	298,512	-	-	-
Long term asset reserve	2,406,649	2,130,520	3,131,979	4,397,853	2,428,312
Assigned:					
Subsequent year budgeted deficit	523,053	487,204	239,543	912,710	442,312
Unassigned	4,439,471	4,428,443	4,654,235	4,431,400	5,089,003
Total general fund	<u>\$ 8,817,685</u>	<u>\$ 8,494,679</u>	<u>\$ 9,234,957</u>	<u>\$ 11,102,763</u>	<u>\$ 9,374,427</u>
All Other Governmental Funds					
Restricted for:					
Parks and recreation	\$ 2,831,175	\$ 3,468,645	\$ 2,951,103	\$ 3,224,259	\$ 3,052,357
Law enforcement	301,459	-	-	-	-
Debt service	154,267	-	-	-	-
Committed to:					
Capital projects	1,761,434	3,066,775	1,941,867	2,017,325	4,491,115
Parks and recreation	451,714	681,420	514,541	388,285	582,547
Housing	408,432	-	-	-	-
Assigned to:					
Parks and recreation	45,705	283,316	19,857	54,152	91,515
Law enforcement	28,819	-	-	-	-
Fire services	3,861	-	-	-	-
Other purposes	778	10,000	35,050	32,182	118,366
Total all other governmental funds	<u>\$ 5,987,644</u>	<u>\$ 7,510,156</u>	<u>\$ 5,462,418</u>	<u>\$ 5,716,203</u>	<u>\$ 8,335,900</u>

Notes: For the years prior to 2003, the amounts reported for the special revenue funds were restated no include the City's expendable trust funds which were classified as fiduciary funds.

The substantial increase in reserved fund balance for 2002 was due to the issuance of debt.

Prior year fund balances have been restated to comply with current reporting requirements.

Schedule 3

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 1,211,200	\$ 1,272,613	\$ 1,351,703	\$ 1,427,096	\$ 1,512,372
-	-	-	-	-
2,507,034	-	-	-	-
1,485,293	-	893,489	354,617	-
<u>1,939,775</u>	<u>5,540,363</u>	<u>4,271,795</u>	<u>3,753,751</u>	<u>2,968,835</u>
<u>\$ 7,143,302</u>	<u>\$ 6,812,976</u>	<u>\$ 6,516,987</u>	<u>\$ 5,535,464</u>	<u>\$ 4,481,207</u>
\$ 2,668,136	\$ 2,308,903	\$ 1,390,785	\$ 4,664,100	\$ 14,230,607
-	-	-	-	-
-	(32,173)	(65,105)	(98,371)	(142,769)
2,750,772	1,980,226	1,881,292	2,328,423	3,606,572
3,934,695	305,739	588,727	832,049	525,609
-	-	-	-	-
318,710	318,772	307,297	340,369	388,909
-	-	-	-	-
-	-	-	-	-
<u>35,471</u>	<u>54,920</u>	<u>58,700</u>	<u>100,162</u>	<u>198,068</u>
<u>\$ 9,707,784</u>	<u>\$ 4,936,387</u>	<u>\$ 4,161,696</u>	<u>\$ 8,166,732</u>	<u>\$ 18,806,996</u>

City of Englewood, Colorado Schedule 4
Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified accrual basis of accounting)

	2011	2010	2009	2008	2007
Revenues					
Taxes (see Schedule 5)	\$ 30,532,471	\$ 29,495,567	\$ 28,933,845	\$ 31,978,782	\$ 32,876,011
Licenses and permits	778,536	695,563	588,328	671,609	1,168,977
Intergovernmental revenue	3,277,833	4,375,328	4,315,479	3,919,829	4,020,738
Charges for services	6,410,092	6,353,327	5,992,943	6,021,313	5,590,788
Fines and forfeitures	1,284,759	1,437,957	1,639,678	1,461,100	1,445,641
Special assessments	-	-	31,922	31,922	37,245
Net investment income	152,697	152,240	333,115	791,326	972,058
Contributions (to) from component unit	425,159	105,125	(188,163)	599,143	-
Other	1,523,234	632,696	749,472	351,329	289,652
Total revenues	<u>44,384,781</u>	<u>43,247,803</u>	<u>42,396,619</u>	<u>45,826,353</u>	<u>46,401,110</u>
Expenditures					
Current:					
General government	9,256,214	9,387,348	8,071,028	8,232,062	8,108,949
Safety services	18,142,085	17,824,861	17,635,319	17,263,053	16,612,084
Public works	6,550,114	6,374,708	6,713,512	7,497,736	8,037,202
Culture and recreation	7,122,606	7,562,631	8,171,347	7,958,537	7,676,521
Capital outlay	2,345,049	1,278,288	1,676,676	3,020,685	3,111,726
Debt service:					
Principal	1,962,271	1,907,772	1,620,766	1,570,602	1,655,228
Interest and other fiscal charges	1,055,944	1,041,109	1,279,562	1,335,039	1,349,059
Lease issue costs	-	250,128	-	-	-
Total expenditures	<u>46,434,283</u>	<u>45,626,845</u>	<u>45,168,210</u>	<u>46,877,714</u>	<u>46,550,769</u>
Excess revenues over (under) expenditures	<u>(2,049,502)</u>	<u>(2,379,042)</u>	<u>(2,771,591)</u>	<u>(1,051,361)</u>	<u>(149,659)</u>
Other financing sources (uses)					
Proceeds from borrowing	-	12,506,373	-	-	-
Transfers in	2,547,813	2,962,606	1,366,294	2,997,239	4,949,278
Transfers out	(1,689,656)	(1,716,128)	(716,294)	(2,837,239)	(4,889,278)
Payment to refunded lease escrow agent	(8,161)	(10,066,349)	-	-	948,900
Proceeds from sale of fixed assets	-	-	-	-	-
Total other financing sources (uses)	<u>849,996</u>	<u>3,686,502</u>	<u>650,000</u>	<u>160,000</u>	<u>1,008,900</u>
Net change in fund balances	<u>(1,199,506)</u>	<u>1,307,460</u>	<u>(2,121,591)</u>	<u>(891,361)</u>	<u>859,241</u>
Fund balances - beginning	<u>16,004,835</u>	<u>14,697,375</u>	<u>16,818,966</u>	<u>17,710,327</u>	<u>16,851,086</u>
Fund balances - ending	<u>\$ 14,805,329</u>	<u>\$ 16,004,835</u>	<u>\$ 14,697,375</u>	<u>\$ 16,818,966</u>	<u>\$ 17,710,327</u>
Debt service as a percentage of noncapital expenditures	6.8%	6.6%	6.7%	6.6%	6.9%

Schedule 4

2006	2005	2004	2003	2002
\$ 29,300,961	\$ 29,518,593	\$ 28,844,148	\$ 28,438,774	\$ 28,148,933
623,945	609,971	628,363	626,322	702,821
2,967,346	2,885,737	2,847,942	2,346,710	1,953,100
5,405,336	5,349,340	5,277,969	3,341,661	3,309,726
1,566,922	1,386,842	1,263,206	1,468,861	1,115,163
72,947	68,245	71,824	84,184	152,047
620,093	290,216	171,896	289,970	535,008
-	-	-	-	-
363,732	219,801	258,316	321,013	713,426
<u>40,921,282</u>	<u>40,328,745</u>	<u>39,363,664</u>	<u>36,917,495</u>	<u>36,630,224</u>
7,714,343	7,511,420	7,381,008	8,011,041	7,528,393
15,841,211	14,979,319	14,628,887	15,227,176	15,243,354
6,219,939	5,954,345	6,474,438	5,882,822	4,920,390
7,113,732	6,897,197	6,468,782	5,737,067	5,958,072
1,646,913	1,157,876	4,327,760	11,260,896	7,019,633
856,530	1,551,413	1,657,080	1,214,567	1,319,905
1,515,171	1,417,069	1,621,135	1,728,812	1,576,466
-	367,352	-	-	-
<u>40,907,839</u>	<u>39,835,991</u>	<u>42,559,090</u>	<u>49,062,381</u>	<u>43,566,213</u>
<u>13,443</u>	<u>492,754</u>	<u>(3,195,426)</u>	<u>(12,144,886)</u>	<u>(6,935,989)</u>
-	19,346,678	-	-	8,909,758
1,854,213	990,035	1,748,527	3,680,309	2,607,702
(1,351,999)	(990,035)	(1,629,151)	(1,808,670)	(2,566,550)
-	(19,101,385)	-	-	-
4,586,066	332,633	52,537	800,000	901,566
<u>5,088,280</u>	<u>577,926</u>	<u>171,913</u>	<u>2,671,639</u>	<u>9,852,476</u>
5,101,723	1,070,680	(3,023,513)	(9,473,247)	2,916,487
11,749,363	10,678,683	13,702,196	23,175,443	20,258,956
<u>\$ 16,851,086</u>	<u>\$ 11,749,363</u>	<u>\$ 10,678,683</u>	<u>\$ 13,702,196</u>	<u>\$ 23,175,443</u>
6.0%	7.7%	8.6%	7.8%	7.9%

City of Englewood, Colorado
Tax Revenues by Source, Governmental Funds
Last Ten Years
(Accrual basis of accounting)

Schedule 5

Fiscal Year	Property	Specific Ownership	Sales and Regular Use	Vehicle Use	Building Use	Cigarette	Franchise	Other	Total
2002	\$ 3,069,889	\$ 329,487	\$ 20,069,192	\$ 1,450,012	\$ 825,711	\$ 550,123	\$ 1,829,765	\$ 24,754	\$ 28,148,933
2003	3,203,662	333,456	20,554,656	1,417,122	550,643	366,947	2,003,411	8,877	28,438,774
2004	3,416,455	346,888	20,591,394	1,416,817	612,217	354,876	2,096,425	9,076	28,844,148
2005	3,522,020	334,768	20,886,855	1,294,635	863,275	313,731	2,294,972	8,337	29,518,593
2006	3,525,200	333,018	20,688,258	1,239,648	849,507	293,776	2,362,000	9,554	29,300,961
2007	3,727,407	341,423	22,753,820	1,440,089	1,968,380	278,785	2,356,385	9,722	32,876,011
2008	4,163,482	316,242	22,617,767	1,252,178	769,078	261,743	2,588,214	10,078	31,978,782
2009	3,956,702	276,414	20,624,659	993,597	402,273	218,449	2,452,611	9,140	28,933,845
2010	4,067,599	263,434	20,866,515	926,715	545,987	196,320	2,620,191	8,806	29,495,567
2011	4,081,464	246,062	21,737,110	1,030,776	605,084	190,762	2,631,393	9,820	30,532,471
Change 2002-2011	32.95%	(25.32%)	8.31%	(28.91%)	(26.72%)	(65.32%)	43.81%	(60.33%)	8.47%

City of Englewood, Colorado
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Years

Schedule 6

Year	Residential	Commercial	Vacant	Industrial	State Assessed	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a % of Actual Value
2002	\$ 168,128,390	\$ 211,941,990	\$ 4,100,510	\$ 22,677,030	\$ 22,889,940	\$ 429,737,860	7.438	\$ 2,739,438,875	15.69%
2003	171,217,150	215,451,300	3,129,340	20,416,430	24,569,380	434,783,600	7.770	2,779,944,595	15.64%
2004	168,876,590	224,991,250	3,127,920	19,422,400	21,461,920	437,880,080	8.310	3,048,915,044	14.36%
2005	168,929,440	232,267,780	3,854,840	18,079,950	19,069,900	442,201,910	8.320	3,064,300,553	14.43%
2006	175,035,270	251,099,410	3,517,820	18,066,570	19,815,060	467,534,130	8.100	3,207,387,104	14.58%
2007	175,463,640	253,673,240	3,044,070	17,857,810	18,239,950	468,278,710	8.400	3,213,823,727	14.57%
2008	190,192,280	273,510,780	7,308,110	19,713,830	20,899,330	511,624,330	8.173	3,497,493,528	14.63%
2009	190,910,110	272,343,170	7,460,020	19,073,670	21,637,760	511,424,730	7.911	3,503,350,564	14.60%
2010	176,323,980	296,310,110	7,235,300	19,798,060	19,545,870	519,213,320	8.010	3,397,252,527	15.28%
2011	177,896,360	293,377,190	6,232,240	18,339,590	19,821,960	515,667,340	7.621	3,399,357,133	15.17%

Note: Property in Colorado is reassessed every two years. Tax rates are per \$1,000 of assessed value. The assessed value of taxable property is determined by multiplying the "actual" value times an assessment ratio. The assessment ratio of residential property changes every two years based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the property tax year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment requires that statewide residential assessed values must be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45%/55% ratio, the commercial assessment rate is established at 29% of the actual value of commercial property and the residential assessment rate fluctuates. The assessment rate of residential property by collection year was:

Year	
2002-2003	9.15%
2004-2005	7.96%
2006-2007	7.96%
2008-2009	7.96%
2010-2011	8.77%

(1) Includes the Englewood Urban Renewal Authority, a Tax Increment Financing District.

Source : Arapahoe County Assessor.

City of Englewood, Colorado
Direct and Overlapping Property Tax Rates
Last Ten Years

Schedule 7

Collection Year	City Direct Rates			Overlapping Rates						
	Basic Rate	Debt Service	Total Direct	Arapahoe County	Englewood School District	Littleton School District	Sheridan School District	Valley Sanitation District	South Englewood Sanitation District	Urban Drainage & Flood Control District
2002	5.880	1.558	7.438	13.028	38.842	41.290	42.150	2.321	1.100	0.590
2003	5.880	1.890	7.770	14.594	39.485	45.380	46.580	2.405	1.100	0.602
2004	5.880	2.430	8.310	15.140	39.431	45.304	40.836	2.409	1.100	0.533
2005	5.880	2.440	8.320	15.451	44.419	50.515	40.634	2.477	1.100	0.066
2006	5.880	2.220	8.100	15.421	40.141	49.509	35.989	2.493	0.000	0.597
2007	5.880	2.520	8.400	16.083	40.354	48.907	39.419	2.493	0.000	0.608
2008	5.880	2.293	8.173	15.217	37.211	46.791	38.294	2.493	0.000	0.568
2009	5.880	2.031	7.911	15.672	37.199	46.081	37.627	2.493	0.000	0.508
2010	5.880	2.130	8.010	15.949	37.495	55.389	37.891	2.493	0.000	0.576
2011	5.880	1.741	7.621	17.316	45.858	57.530	38.764	2.493	0.000	0.623

Notes:

The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

Overlapping rates are those governments that apply to property owners within the City of Englewood. Not all overlapping rates apply to all Englewood property owners; for example, although the county rate applies to all City property owners, the rates for the various school districts apply to only property owners whose property is located within that district's geographic boundaries.

Tax rates are per \$1000 of assessed valuation.

Source : Arapahoe County Assessor.

**City of Englewood, Colorado
Principal Property Tax Payers
Current Year and Nine Years Ago**

Schedule 8

Taxpayer	Collection Year					
	2011			2002		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Columbia Healthone LLC	\$ 23,200,010	1	4.50%	\$ 27,770,610	1	6.46%
Englewood Meridian LTD	2,742,230	2	0.53%			
Omni Development Co.	2,711,510	3	0.53%	2,610,010	6	0.61%
Health One	2,485,040	4	0.48%	2,610,000	7	0.61%
Situs Enterprises LLC	2,755,000	5	0.53%			
801/901 Englewood Parkway	2,481,530	6	0.48%			
Wal-Mart	2,348,990	7	0.46%	3,032,530	4	0.71%
Northern Englewood Limited	2,308,400	8	0.45%			
HTA Hampden Place LLC	3,190,000	9	0.62%			
1050 Hampden LTD	2,200,800	10	0.43%			
EQR Marks A LLC				2,459,520	10	0.57%
Qwest Corporation				10,712,100	2	2.49%
Public Service Company				5,700,080	3	1.33%
Wilkerson Corporation				2,931,310	5	0.68%
Healthone & Swedish Medical				2,610,000	8	0.61%
Northern Englewood Limited				2,465,000	9	0.57%
	<u>\$ 46,423,510</u>		<u>9.00%</u>	<u>\$ 62,901,160</u>		<u>14.64%</u>

Source : Arapahoe County Assessor.

City of Englewood, Colorado
Property Tax Levies and Collections
Last Ten Years

Schedule 9

Collection Year	Total Levy	Current Collection	Percentage of Levy	Delinquent Taxes Collected	Total Tax Collection	Percentage of Levy
2002	\$ 3,115,931	\$ 3,068,337	98.47%	\$ 1,552	\$ 3,069,889	98.52%
2003	3,249,168	3,205,322	98.65%	(1,660)	3,203,662	98.60%
2004	3,481,858	3,416,328	98.12%	127	3,416,455	98.12%
2005	3,448,640	3,431,795	99.51%	90,225	3,522,020	102.13%
2006	3,559,146	3,542,013	99.52%	(16,813)	3,525,200	99.05%
2007	3,702,457	3,687,969	99.61%	(6,778)	3,681,191	99.43%
2008	4,181,506	4,158,223	99.44%	5,259	4,163,482	99.57%
2009	4,002,921	3,971,026	99.20%	16,549	3,987,575	99.62%
2010	4,107,497	4,094,389	99.68%	(30,276)	4,064,113	98.94%
2011	4,130,497	4,093,763	99.11%	(14,973)	4,078,790	98.75%

Note:

Taxes are levied by December 15 of each year and are due and payable on January 1. Taxes may be paid in two equal installments, on or before February 28 and June 15; or in full, on or before April 30. After October 1, delinquent real estate is advertised for sale. The tax sale is held on or about December 1 of each year. Delinquent tax collections, as shown above, may be negative due to tax abatements.

Source : Arapahoe County Assessor and Treasurer.

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City of Englewood, Colorado
Sales Tax Collections by Category (1)
Last Ten Years

Schedule 10

<u>Category</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Retail	\$ 4,653,258	\$ 4,330,293	\$ 4,149,309	\$ 4,881,581
Utilities	4,109,175	3,357,033	3,248,988	3,847,273
Automotive Dealers/Service Stations	1,952,101	1,925,035	1,833,262	1,954,468
General Merchandise	1,732,192	1,729,813	1,786,989	2,016,736
Eating/Drinking Places	1,901,217	1,867,441	1,939,054	2,008,877
Personal Service other than Lodging	1,742,996	1,736,575	1,923,168	1,844,698
Bldg Materials/Hardware	1,479,608	1,197,084	1,239,205	1,629,274
Finance/Insurance/Real Estate	833,329	771,929	828,804	1,192,040
Apparel/Accessories	779,874	727,018	700,194	711,537
Food	868,206	732,163	666,727	691,164
Furniture/Home	741,818	718,916	667,597	760,602
Non-classifiable	1,035,461	1,002,921	1,114,561	929,063
Manufacturing	308,440	411,951	395,798	412,842
Contract Construction	59,189	53,281	73,398	85,415
Hotels/Lodging	25,741	22,591	23,283	16,998
	<u>\$ 22,222,605</u>	<u>\$ 20,584,044</u>	<u>\$ 20,590,337</u>	<u>\$ 22,982,568</u>

The City direct sales tax rate is 3.5% for all years presented.

(1) Includes the Englewood Urban Renewal Authority,
a Tax Increment Financing District, which ended on August 23, 2007.

Amounts are presented on a cash basis.

Source : City of Englewood Revenue and Budget Division

Schedule 10

	2007	2006	2005	2004	2003	2002
\$	5,446,717	\$ 5,415,504	\$ 5,272,169	\$ 5,064,841	\$ 5,091,960	\$ 4,213,016
	3,636,480	3,314,418	3,582,230	3,598,872	3,197,317	3,504,593
	2,112,028	2,020,048	2,441,788	2,369,812	2,450,642	2,648,608
	2,097,943	2,145,435	2,126,762	2,084,527	2,151,157	2,159,223
	1,970,427	1,880,357	1,790,727	1,665,241	1,547,705	1,516,288
	1,918,597	1,180,089	1,211,622	1,122,037	1,329,097	1,446,853
	1,503,922	1,568,946	1,121,973	1,141,660	1,154,021	1,188,556
	968,783	978,359	1,098,376	1,120,778	1,315,502	1,085,406
	732,103	709,763	685,281	678,999	685,488	627,727
	724,817	796,463	725,549	751,955	813,660	856,240
	707,230	733,986	813,110	1,091,367	590,668	535,798
	676,711	511,151	534,610	694,865	781,975	1,045,273
	397,553	331,814	283,794	207,309	195,747	226,679
	94,516	100,542	83,022	78,832	24,107	38,878
	17,394	16,653	14,710	15,920	17,931	19,254
\$	<u>23,005,221</u>	<u>\$ 21,703,528</u>	<u>\$ 21,785,723</u>	<u>\$ 21,687,015</u>	<u>\$ 21,346,977</u>	<u>\$ 21,112,392</u>

City of Englewood, Colorado
Ratios of Outstanding Debt by Type
Last Ten Years

Schedule 11

Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Certificates of Participation	Special Assessment Bonds	Loans Payable	Capital Leases	General Obligation Bonds (1)	Revenue Bonds	Loans Payable (1)			
2002	\$ 13,851,834	\$ 20,400,000	\$ 208,000	\$733,011	\$ 1,669,820	\$ -	\$ 4,630,000	\$21,863,873	\$63,356,538	9.28%	\$ 1,940
2003	13,800,745	19,800,000	164,000	733,011	1,184,254	-	4,500,000	20,497,842	60,679,852	8.96%	1,872
2004	13,435,770	19,175,000	121,000	647,608	675,577	3,055,000	4,435,000	70,657,951	112,202,906	16.52%	3,453
2005	13,022,939	18,880,000	77,000	560,497	340,275	3,055,000	4,365,000	66,256,469	106,557,180	15.69%	3,280
2006	12,538,359	18,820,000	36,000	471,644	173,598	2,955,000	4,255,000	64,781,401	104,031,002	15.32%	3,202
2007	12,000,000	18,010,000	-	381,014	948,900	2,845,000	4,135,000	63,235,475	101,555,389	15.05%	3,145
2008	11,435,000	17,175,000	-	288,571	870,741	2,735,000	4,010,000	61,613,444	98,127,756	14.43%	3,016
2009	10,850,000	16,315,000	-	194,279	789,268	5,240,000	3,885,000	59,908,415	97,181,962	14.29%	2,987
2010	10,800,000	15,425,000	-	98,101	2,864,424	5,115,000	3,750,000	55,903,684	93,956,209	14.86%	3,105
2011	10,185,000	14,500,000	-	-	2,775,894	4,990,000	3,610,000	51,720,374	87,781,268	13.88%	2,901

Notes: Details of the City's outstanding debt can be found in the notes to the financial statements.

(1) In addition to the \$3,055,000 of 2004 General Obligation Water Bonds, the City issued \$51,126,340 of new loans with the Colorado Water and Power Development Authority in 2004.

In 2009 the City issued an additional \$2,615,000 of General Obligation Water Bonds.

(2) See Schedule 16 for personal income and population data.

City of Englewood, Colorado
Ratios of General Bonded Debt Outstanding
Last Ten Years

Schedule 12

Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2002	\$ 13,851,834	\$ -	\$ 13,851,834	0.51%	\$ 424.15
2003	13,800,745	(45,058)	13,755,687	0.49%	424.43
2004	13,435,770	(82,742)	13,353,028	0.44%	410.98
2005	13,022,939	(119,638)	12,903,301	0.42%	397.13
2006	12,538,359	(48,541)	12,489,818	0.39%	384.41
2007	12,000,000	(87,630)	11,912,370	0.37%	368.96
2008	11,435,000	(166,137)	11,268,863	0.32%	346.39
2009	10,850,000	(58,665)	10,791,335	0.31%	331.71
2010	10,800,000	(9,616)	10,790,384	0.32%	356.65
2011	10,185,000	(154,267)	10,030,733	0.30%	331.54

Notes: Details of the City's outstanding debt can be found in the notes to the financial statements.

- (1) Excludes general obligation water bonds, which have historically been serviced by available moneys in the Water Fund.
- (2) See Schedule 6 for property value data.
- (3) See Schedule 16 for population data.

City of Englewood, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2011

Schedule 13

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt	\$ 27,460,894	100.000%	\$ 27,460,894
Overlapping entities:			
Englewood School District No. 1	19,044,448	97.320%	18,534,057
Sheridan School District No. 2	19,225,704	33.050%	6,354,095
Littleton School District No. 6	89,245,000	2.130%	1,900,919
Cherry Creek School District No. 5	<u>497,115,000</u>	0.390%	<u>1,938,749</u>
Total overlapping debt	<u>624,630,152</u>		<u>28,727,820</u>
Total direct and overlapping debt	<u><u>\$ 652,091,046</u></u>		<u><u>\$ 56,188,714</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Arapahoe County Assessor. Debt outstanding data provided by each governmental entity.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Englewood. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Englewood, Colorado
Legal Debt Margin Information
Last Ten Years

Schedule 14

Year	Assessed/Actual Valuation (1)	Debt Limit Percentage	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	As a Percentage of Debt Limit
2002	\$ 2,534,423,413	3.00%	\$ 76,032,702	\$ 6,250,000	\$ 69,782,702	9.0%
2003	2,575,902,094	3.00%	77,277,063	13,851,834	63,425,229	21.8%
2004	2,877,509,209	3.00%	86,325,276	13,800,745	72,524,531	19.0%
2005	2,896,261,123	3.00%	86,887,834	13,435,770	73,452,064	18.3%
2006	3,018,993,737	3.00%	90,569,812	13,022,939	77,546,873	16.8%
2007	3,024,628,577	3.00%	90,738,857	12,538,359	78,200,498	16.0%
2008	3,297,243,391	3.00%	98,917,302	12,000,000	86,917,302	13.8%
2009	3,308,401,216	3.00%	99,252,036	11,435,000	87,817,036	13.0%
2010	3,399,357,133	3.00%	101,980,714	10,850,000	91,130,714	11.9%
2011	3,266,465,613	3.00%	97,993,968	10,185,000	87,808,968	11.6%

(1) On November 6, 2001, a majority of the City's electors voted to change the Home Rule Charter of the City of Englewood by allowing the debt ceiling to be three percent (3%) of **actual** valuation versus three percent (3%) of **assessed** valuation. The entire section (Section 104) of the Charter that establishes the debt margin follows:

Indebtedness and obligations of the City shall be incurred and limited as provided in Article XI of the Constitution of the State of Colorado applicable to towns and cities except as otherwise provided in this Charter. Council shall have power to issue general obligation bonds of the City for any public capital purpose, upon majority vote of the registered electors of the City voting thereon at a special election; provided, however, that water extension and water improvement bonds may be issued without an election upon determination to that effect by Council. The total outstanding general obligation indebtedness of the City, other than for water bonds, shall not at any time exceed three percent (3%) of the actual valuation of the taxable property within the City as shown by the last preceding assessment for tax purposes. Water bonds shall mature and be payable as provided by the ordinance authorizing the issuance of said bonds.

Refer to the Notes to Financial Statements, particularly Note 3F, for detailed information regarding long-term indebtedness of the City.

Future debt issuance may be subject to the Taxpayer's Bill of Rights (TABOR).

City of Englewood, Colorado
Pledged Revenue Coverage
Water Fund
Last Ten Years

Schedule 15

Year	Gross Revenue*	Expense*	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	Required Coverage *
				Principal	Interest	Total		
2002	\$ 5,673,029	\$ 4,838,843	\$ 834,186	\$ 640,623	\$ 487,033	\$ 1,127,656	0.74	1.10
2003	5,552,395	4,462,006	1,090,389	655,712	472,955	1,128,667	0.97	1.10
2004	5,990,739	5,128,618	862,121	668,057	467,637	1,135,694	0.76	1.10
2005	7,053,794	5,454,431	1,599,363	684,520	567,293	1,251,813	1.28	1.10
2006	7,496,977	6,244,504	1,252,473	700,981	426,267	1,127,248	1.11	1.10
2007	7,788,802	6,082,067	1,706,735	717,442	405,555	1,122,997	1.52	1.10
2008	8,541,186	6,357,073	2,184,113	735,276	391,266	1,126,542	1.94	1.10
2009	7,939,835	6,121,460	1,818,375	755,852	424,687	1,180,539	1.54	1.10
2010	8,743,689	6,204,171	2,539,518	773,686	352,233	1,125,919	2.26	1.10
2011	9,020,153	6,467,258	2,552,895	773,686	352,233	1,125,919	2.27	1.10

* As defined in the applicable bond indenture

**City of Englewood, Colorado
Pledged Revenue Coverage
Sewer Fund
Last Ten Years**

Schedule 15 (Cont)

Year	Gross Revenue*	Expense*	Rate Stabilization	Total Funds Available for Debt Service	Debt Service Requirements			Coverage	Required Coverage *
					Principal	Interest	Total		
2002	\$ 6,674,106	\$ 6,767,260	\$ -	\$ (93,154)	\$ 579,990	\$ 248,080	\$ 828,070	(0.11)	1.10
2003	6,141,938	6,467,279	-	(484,462)	621,299	310,008	931,307	(0.52)	1.10
2004	8,840,659	7,234,156	834,630	2,441,133	723,306	1,495,905	2,219,211	1.10	1.10
2005	9,724,748	8,314,913	1,730,387	3,140,222	723,306	2,131,441	2,854,748	1.10	1.10
2006	10,211,409	8,376,818	1,497,778	3,332,369	774,087	2,255,340	3,029,427	1.10	1.10
2007	11,247,422	8,684,566	831,149	3,394,005	828,484	2,256,976	3,085,459	1.10	1.10
2008	12,813,297	9,956,867	491,302	3,347,732	886,755	2,156,638	3,043,393	1.10	1.10
2009	13,227,399	10,016,885	136,743	3,347,257	949,177	2,093,784	3,042,961	1.10	1.10
2010	14,080,938	9,840,996	1,545,014	5,784,956	3,231,045	2,028,006	5,259,051	1.10	1.10
2011	13,526,579	9,677,968	1,945,476	5,794,087	3,387,676	1,879,676	5,267,352	1.10	1.10

* As defined in the applicable bond indenture

Since 2004 a rate stabilization account has been maintained to ensure that debt coverage requirements are met.

**City of Englewood, Colorado
Pledged Revenue Coverage
Golf Course Fund
Last Ten Years**

Schedule 15 (Cont)

Year	Gross Revenue*	Expense*	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	Required Coverage *
				Principal	Interest	Total		
2002	\$ 1,971,341	\$ 1,457,644	\$ 513,697	\$ 170,000	\$ 165,906	\$ 335,906	1.53	1.50
2003	1,873,841	1,439,256	434,585	180,000	145,509	325,509	1.34	1.35
2004	1,764,197	1,429,211	334,986	10,000	164,689	174,689	1.92	1.35
2005	1,895,142	1,562,840	332,302	10,000	163,525	173,525	1.92	1.35
2006	2,006,955	1,453,014	553,941	50,000	163,070	213,070	2.60	1.35
2007	1,716,358	1,330,281	386,077	55,000	161,463	216,463	1.78	1.35
2008	1,979,946	1,616,896	363,050	55,000	159,494	214,494	1.69	1.35
2009	2,097,188	1,681,836	415,352	55,000	157,098	212,098	1.96	1.35
2010	2,029,283	1,633,823	395,460	60,000	155,245	215,245	1.84	1.35
2011	1,834,831	1,548,002	286,829	60,000	152,605	212,605	1.35	1.35

* As defined in the applicable bond indenture

**City of Englewood, Colorado
Pledged Revenue Coverage
Storm Drainage Fund
Last Ten Years**

Schedule 15 (Cont)

Year	Gross Revenue*	Expense*	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	Required Coverage *
				Principal	Interest	Total		
2002	\$ 340,215	\$ 132,810	\$ 207,405	\$ 55,000	\$ 82,018	\$ 137,018	1.51	1.15
2003	307,074	117,646	189,428	55,000	79,944	134,944	1.40	1.15
2004	300,054	116,286	183,768	55,000	77,740	132,740	1.38	1.15
2005	341,519	86,611	254,908	60,000	75,463	135,463	1.88	1.15
2006	364,833	105,393	259,440	60,000	72,938	132,938	1.95	1.15
2007	384,088	110,346	273,742	65,000	70,334	135,334	2.02	1.15
2008	378,299	105,869	272,430	70,000	67,450	137,450	1.98	1.15
2009	347,503	121,774	225,729	70,000	64,294	134,294	1.68	1.15
2010	331,715	144,104	187,611	75,000	61,342	136,342	1.38	1.15
2011	337,317	112,833	224,484	80,000	57,818	137,818	1.63	1.15

* As defined in the applicable bond indenture

City of Englewood, Colorado
Demographic and Economic Statistics
Last Ten Years

Schedule 16

Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(2) Median Age	(2) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Rate	(5) Consumer Price Index
2002	32,658	\$ 682,682,832	\$ 20,904	36.2	12.78	4,200	6.7%	1.99%
2003	32,410	677,498,640	20,904	36.2	12.78	4,085	7.2%	1.03%
2004	32,491	679,191,864	20,904	36.2	12.78	3,883	6.5%	0.11%
2005	32,491	679,191,864	20,904	36.2	12.78	3,733	6.0%	2.09%
2006	32,491	679,191,864	20,904	36.2	12.78	3,495	5.0%	3.56%
2007	32,286	674,906,544	20,904	36.2	12.78	3,427	4.5%	2.18%
2008	32,532	680,048,928	20,904	36.2	12.78	3,298	6.0%	3.91%
2009	32,532	680,048,928	20,904	36.2	12.78	3,427	7.3%	-1.34%
2010	30,255	632,450,520	20,904	36.2	12.78	3,414	8.9%	1.86%
2011	30,255	793,528,140	26,228	37.1	12.78	2,954	8.5%	3.75%

Sources:

- (1) Colorado Department of Local Affairs, Division of Local Government
- (2) U.S. Census Bureau - 2000 and 2010 Census
- (3) Colorado Department of Education, Fall Enrollment
- (4) U.S. Dept. of Labor, Bureau of Labor Statistics - Annual Averages, City of Englewood
- (5) U.S. Dept. of Labor, Bureau of Labor Statistics - Annual Increase, Denver/Boulder area. All Urban Consumers

City of Englewood, Colorado
Principal Employers
Current Year and Nine Years Ago

Schedule 17

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Columbia Swedish Medical Center	2,000	1	7.87%	1,300	1	5.83%
The Sports Authority	600	2	2.36%			
Craig Hospital	750	3	2.95%	512	2	2.30%
Englewood School District	525	4	2.07%	503	3	2.26%
City of Englewood	520	5	2.05%	483	4	2.17%
Burt Automotive Dealers	400	6	1.57%	475	5	2.13%
Denver Drywall				365	6	1.64%
Windsor Industries, Inc	350	7	1.38%	270	8	1.21%
7-Up Bottling Company	300	8	1.18%	250	9	1.12%
Riviera Electric Construction				250	10	1.12%
Meadow Gold Dairies	230	9	0.91%			
Wal-Mart	150	10	0.59%			
Wilkerson Corporation				340	7	1.52%
Total	5,825		22.93%	4,748		21.29%

Sources:

City of Englewood Community Development Department

City of Englewood, Colorado
Full-time Equivalent Employees by Function/Program
Last Ten Years

Schedule 18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government:										
City Manager	5.70	5.68	5.60	5.00	5.50	5.50	5.38	5.00	5.00	4.92
City Attorney	6.90	6.90	4.80	5.38	5.38	5.50	5.50	5.50	5.50	5.66
Municipal Court	13.80	11.05	10.20	10.99	10.99	11.06	10.90	10.61	10.38	10.20
Human Resources	8.60	8.00	8.42	6.62	7.48	7.48	7.17	6.57	6.17	6.10
Finance & Admin Services	20.55	20.05	19.25	19.33	19.58	18.60	18.90	17.90	17.76	17.63
Central Services	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.10	1.09	1.08
Information Technology	10.00	10.00	10.00	8.50	9.60	9.60	10.60	11.50	10.42	10.34
Community Development	13.00	13.00	11.50	11.50	12.00	12.00	12.00	11.00	10.92	10.83
Fire:										
Fire Operations	60.00	60.00	59.00	65.75	58.00	57.00	58.00	58.80	58.42	56.99
Building and Safety	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	6.94	6.89
Police:										
Administration	13.20	11.50	11.60	10.63	10.70	10.60	8.60	8.60	8.53	8.47
Communications and Records	20.63	19.50	17.00	17.25	19.63	18.13	17.13	15.40	14.79	14.68
Police Operations	78.88	75.88	75.27	60.00	70.15	69.90	69.90	70.70	72.14	70.89
Neighborhood Services	10.00	10.00	8.00	8.00	6.00	6.00	6.00	6.00	5.95	4.92
Public Works:										
Administration	2.00	2.00	2.00	3.31	2.00	2.00	2.00	2.70	2.80	2.78
Engineering	5.00	4.34	6.90	2.75	4.08	4.22	4.22	3.13	2.99	2.96
Streets and Drainage	15.00	14.00	13.90	13.00	13.00	13.00	13.00	13.00	10.92	10.83
Traffic Maintenance	7.00	7.00	7.00	7.13	6.50	6.50	6.50	6.50	6.45	6.40
General Ops and Maintenance	25.00	24.00	25.00	23.00	22.70	22.70	21.70	21.70	21.84	21.68
Concrete Utility	1.00	1.00	1.00	1.00	3.53	3.53	3.54	3.92	3.89	3.86
Servicenter	11.00	11.00	10.00	11.00	10.30	11.30	11.30	11.30	9.92	9.85
Parks and Recreation:										
Administration	4.00	4.00	4.00	5.00	4.00	4.00	4.00	5.00	4.96	4.92
Programs	21.00	15.02	17.50	15.25	17.19	18.70	18.41	18.41	18.52	18.37
Parks	18.00	18.50	15.00	17.00	17.00	16.50	17.00	15.50	15.38	14.28
Golf	9.50	9.50	9.00	9.98	8.75	8.75	9.00	8.50	7.44	7.39
Library	19.00	18.81	17.20	15.63	16.38	15.97	15.70	16.64	16.27	15.60
Utilities:										
Water Operations	23.84	23.84	24.00	25.00	22.55	24.30	23.80	24.30	23.12	22.94
Sewer Operations	4.50	4.50	4.00	5.00	5.70	5.75	5.50	5.50	5.46	5.42
Storm Drainage Operations	0.65	0.65	0.65	-	0.45	0.65	0.65	0.65	0.65	0.64
Utilities Administration	13.49	13.49	14.00	15.67	15.62	15.36	15.55	15.05	14.93	14.82
Littleton/Englewood										
Wastewater Treatment Plant	72.00	74.00	74.00	74.00	75.13	76.37	76.50	77.50	78.89	77.15
Total	522.24	506.21	493.79	480.67	487.89	488.96	486.55	484.98	478.44	469.49

Source: City Revenue and Budget Division. Includes permanent full and part-time employees only; seasonal employees are excluded.

City of Englewood, Colorado
Operating Indicators by Function/Program
Last Ten Years

Schedule 19

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Number of law violations	45,292	21,754	22,228	38,904	39,911	40,680	40,207	43,766	43,365	45,647
Number of uniformed officers	73	73	68	69	68	68	69	71	72	71
Fire										
Number of calls	4,131	3,802	3,595	4,100	3,844	4,085	4,058	3,987	3,911	4,153
Number of firefighters	59	48	52	55	55	56	56	56	55	53
Building Division										
Commercial construction value	24,067,405	5,957,074	603,833	2,792,800	41,143,000	3,766,805	22,071,707	8,402,603	14,919,187	9,984,183
Number of units	7	8	3	5	8	15	130	77	99	88
Residential construction value	565,844	570,066	638,115	2,846,597	4,927,013	9,976,544	4,177,080	3,700,373	3,681,187	5,021,642
Number of units	4	3	6	21	25	20	264	236	230	264
Building permits value	46,208,851	37,487,565	29,107,108	26,092,072	27,051,370	85,478,543	31,659,277	18,318,108	30,235,127	26,247,031
Number of permits	2524	2261	2352	2110	1842	2147	2065	2018	2479	2517
Parks and Recreation										
Englewood Recreation Center										
Admissions	310,000	303,000	313,000	310,000	315,000	317,000	309,000	313,000	308,000	307,000
Malley Recreation Center										
Memberships	4,001	4,069	4,281	4,116	2,882	2,775	2,812	2,504	2,477	2,154
Park Shelter Reservations	558	521	509	487	414	475	454	476	459	482
Golf Rounds Played: *										
9 hole	22,413	21,033	19,718	19,672	19,047	22,070	17,000	16,078	16,578	17,408
18 hole	34,534	32,072	28,484	30,113	25,995	-	19,061	25,277	25,570	25,508
Par 3 Course	27,344	24,734	22,131	20,469	16,149	-	11,794	21,985	20,961	19,454
Water										
New connections	23	12	18	11	22	18	8	5	6	13
Water Main Breaks	26	30	30	45	29	39	36	34	34	44
Average Daily Consumption (Millions of gallons)	8.000	7.430	5.200	7.010	7.093	6.050	7.000	6.800	6.300	5.650
Peak Daily Consumption (Millions of gallons)	16.5	16	15.2	16.2	16.3	15.45	15.75	16.5	12.27	11.24
Wastewater										
Average Daily Sewage Treated (Millions of gallons)	24.3	22.6	22.3	21.4	22.0	22.1	21.8	22.8	22.6	21.6

* Portions of the Golf Course were closed for reconstruction during 2006-2008

Sources: Various City Departments

City of Englewood, Colorado
Capital Asset Statistics by Function/Program
Last Ten Years

Schedule 20

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Marked police vehicles	23	23	23	21	21	19	18	20	20	20
Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Miles of streets and alleys										
Streets	121.48	121.48	121.63	121.63	121.63	121.63	121.63	121.63	121.63	121.63
Alleys	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Parks and Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Acreage	166.1	166.1	166.1	166.1	166.1	166.1	166.1	166.1	166.1	166.1
Median strips	5	5	5	5	5	5	5	5	5	5
Acreage	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86
Greenbelts	3	3	3	3	3	3	3	3	3	3
Acreage	23.67	23.67	23.67	23.67	23.67	23.67	23.67	23.67	23.67	23.67
Athletic fields	3	3	3	3	3	3	3	3	3	3
Acreage	30.87	30.87	30.87	30.87	30.87	30.87	30.87	30.87	30.87	30.87
Facility sites	9	9	9	9	9	9	9	9	9	9
Acreage	34.15	34.15	34.15	34.15	34.15	34.15	34.15	34.15	34.15	34.15
Miscellaneous areas	11	11	11	11	11	11	11	11	11	11
Acreage	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92	8.92
Landscaped areas	6	6	6	6	6	6	6	6	6	7
Acreage	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	5.54	6.26
Dog Park	-	-	-	-	1	1	1	1	1	1
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Golf courses - 18 hole	1	1	1	1	1	1	1	1	1	1
Golf courses - 9 hole	1	1	1	1	1	1	1	1	1	1
Golf courses - Par 3	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	155	155	155	155	155	155	155	155	155	155
Fire hydrants	550	550	550	550	550	550	550	570	570	570
Storage Capacity										
(Millions of gallons)	13.5	13.5	13.5	13.5	13.5	6.5	6.7	6.7	6.7	6.7
Daily Plant Capacity										
(Millions of gallons)	28	28	28	28	28	28	28	28	28	28
Wastewater										
Sanitary Sewers (miles)	530	530	530	530	530	530	530	530	530	530
Treatment Capacity										
(Millions of gallons)	36.3	36.3	36.3	36.3	36.3	36.3	36.3	50	50	50

Sources: Various City Departments

MEMORANDUM

To: Mayor Penn and City Council

From: Frank Gryglewicz, Director of Finance and Administrative Services
Kevin Engels, Accounting Manager

Date: May 17, 2012

Subject: 2011 Federal Grant Audit Report

Enclosed is a copy of the City's 2011 Single Audit Report (Federal Grants). This will be one of the topics of discussion at the May 21, 2012 study session.

In 2011 the City received and expended over \$900,000 of federal money from more than twenty different grants. Many of these grants were received by the city as pass-through grants coming from various other State or local agencies.

The City relied on one of these pass-through agencies when determining the level of compliance that was required for one particular federal grant. During the 2011 audit process, it was determined that this grantor failed to notify the City of some specific federal guidelines that were required for this grant. The audit identified an issue that might have happened but did not identify issues that actually resulted in an improper payment or misuse of funds. The audit identified three procedural issues and the City's auditing firm has made recommendations for future improvement in these areas.

The specific recommendations and the City's plan of action are included in the audit report that is attached. A representative from the auditing firm will be available at the study session on May 21, 2012.

**CITY OF ENGLEWOOD,
COLORADO**

**SINGLE AUDIT REPORTS
December 31, 2011**

City of Englewood, Colorado

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Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

City Council
City of Englewood
Englewood, Colorado

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Englewood, Colorado (the "City") as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, others within the entity, and the U.S. Departments of Justice and Health and Human Services and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in black ink that reads "Holscher, Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

Englewood, Colorado
April 17, 2012

Holscher, Mayberry & Company, LLC

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Governmental Audit Quality Center
and Private Company Practice Section

City Council
City of Englewood
Englewood, Colorado

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the City of Englewood, Colorado's, (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2011-1 through 2011-3.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-1 through 2011-3. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, City Council, others within the entity, and the U.S. Departments of Justice and Health and Human Services and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Holscher, Mayberry + Company, LLC

Englewood, Colorado
April 17, 2012

**CITY OF ENGLEWOOD, COLORADO
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011**

Grantor and Program Title	Federal CFDA Number	Pass-Through Grantors Number	Expenditures
<u>U.S. Department of Justice</u>			
<u>Bureau of Justice Assistance</u>			
Bullet Proof Vest Partnership Program 2009 Grant	16.607	2009 Grant	\$ 3,600
Bullet Proof Vest Partnership Program 2011 Grant	16.607	2011 Grant	2,371
<u>Office of Community Oriented Policing Services</u>			
COPS Hiring Recovery Program	16.710	2009-RKWX-0181	183,242
Pass-through: Bureau of Justice Assistance, City of Aurora, Colorado			
<u>Bureau of Justice Assistance</u>			
Justice Assistance Grant-JAG 2011	16.738	2011-DJ-BX-2168	13,195
<u>Federal Bureau of Investigation</u>			
Innocent Images Task Force	16.304	305ADN66063	16,125
Total U.S. Department of Justice			218,533
<u>U.S. Department of the Treasury</u>			
U.S. Customs and Borders Service			
Equitable Sharing Program	21.000		11,840
<u>U.S. Department of Transportation</u>			
<u>National Highway Traffic Safety Administration, State and Community Highway Safety</u>			
Pass-through: Colorado Department of Transportation			
CLICK IT OR TICKET - Seat Belt Enforcement Mobilization	20.600	EDSS-6112-1	2,872
Child Passenger Safety Seat Program - State of Colorado 2011 Mini Grants POLICE	20.600		498
Motorcycle Awareness - State of Colorado 2011 Mini Grants	20.600		716
Impaired Driving Education - State of Colorado 2011 Mini Grant	20.600		500
Child Passenger Safety Seat Program - State of Colorado	20.600		4,453
Pass-through: Colorado Department of Local Affairs			
<u>Pipeline and Hazardous Materials Safety Administration</u>			
Hazardous Materials Emergency Planning (HMEP)	20.703		2,800
Total U.S. Department of Transportation			11,839
<u>U.S. Department of Health and Human Services</u>			
Pass-through: Tri County Health Department			
<u>Centers for Disease Control and Prevention - ARRA-Prevention and Wellness - Communities Putting Prevention to Work</u>			
2010 CPPW Grant - Community Garden	93.724	CPPW2010	46,224
2010 CPPW Grant - Bike/Pedestrian Plan	93.724	CPPW2010	74,465
2010 CPPW Grant - Streets Assessment Study	93.724	CPPW2010	88,634
Total U.S. Department of Health and Human Services			209,323
<u>U.S. Department of Homeland Security</u>			
Pass-through: State of Colorado, Department of Local Affairs, Division of Emergency Management			
<u>Emergency Management Performance Grant</u>			
2011 Emergency Management Performance Grant/Local Emergency Management Support	97.042	12EM1L98	34,900
Pass-through: State of Colorado, State Department of Homeland Security, North Region Arapahoe County			
<u>2009 Homeland Security Grant Program</u>			
OMG Drill Support - Police 5/31/11	97.067		2,092
<u>Federal Emergency Management Agency</u>			
2009 Assistance to Firefighter's Grant	97.044		106,274
Total U.S. Department of the Homeland Security			143,266
<u>U.S. Department of Housing and Urban Development</u>			
<u>Office of Community Planning and Development</u>			
Pass-through: Arapahoe County, Colorado			
2010 Community Development Block Grant-House of Hope Staffing	14.228	ENHS1012	17,478
2010 Community Development Block Grant-Energy Efficiency	14.228	ENHS1012	127,500
Pass-through: State of Colorado, Department of Local Affairs			
<u>Office of Community Planning and Development</u>			
Neighborhood Stabilization Program Grant (NSP1)	14.228	HONSP09308	179,644
Total U.S. Department of Housing and Urban Development			324,623
Total Federal Grants			\$ 919,424

Note 1: Basis of Presentation

This schedule is prepared in accordance with U.S. generally accepted accounting principles. The information is presented in accordance with the requirements of OMB Circular A-133, Audits of State, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

See the Accompanying Independent Auditors' Report.

CITY OF ENGLEWOOD, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes no

Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes _____ no

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes no

Identification of major programs:

- 16.710 ARRA – Public Safety Partnership and Community Policing Grant
- 93.724 ARRA – Prevention and Wellness – Communities Putting Prevention to Work Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes _____ no

CITY OF ENGLEWOOD, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011**

II - Findings relating to the financial statement audit as required to be reported in accordance with generally accepted government auditing standards

A. Material Weaknesses in Internal Control

The audit of the financial statements of the City of Englewood, Colorado, as of and for the year ended December 31, 2011, did not disclose any material weaknesses or significant deficiencies in internal controls.

B. Compliance Findings

The audit of the financial statements of the City of Englewood, Colorado, as of and for the year ended December 31, 2011, did not disclose any instances of noncompliance with requirements with certain provisions of laws, regulations, and grants that were material to those financial statements.

III - Findings and Questioned Costs for Federal Awards

2011-1 – Cash Management

U.S. Department of Health and Human Services – Centers for Disease Control
Passed through the Tri-County Health Department (“TCHD”)

CFDA 93.724 ARRA – Prevention and Wellness – Communities Putting Prevention to Work
 (“CPPW”)

Criteria: When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement.

When advance payment procedures are used, recipients must establish similar procedures for subrecipients. Pass-through entities must establish reasonable procedures to ensure receipt of reports on subrecipients' cash balances and cash disbursements in sufficient time to enable the pass-through entities to submit complete and accurate cash transactions reports to the Federal awarding agency or pass-through entity. Pass-through entities must monitor cash drawdowns by their subrecipients to ensure that subrecipients conform substantially to the same standards of timing and amount as apply to the pass-through entity.

Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 USC 6501 et seq.) and the Indian Self-Determination Act (23 USC 450), interest earned by local government and Indian tribal government grantees and subgrantees on advances is required to be submitted promptly, but at least quarterly, to the Federal agency. Up to \$100 per year may be kept for administrative expenses. Interest earned by non-State non-profit entities on Federal fund balances in excess of \$250 is required to be remitted to Department of Health and Human Services

CITY OF ENGLEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-1 – Cash Management (Continued)

Condition: The City received all grant proceeds upon acceptance of the grant by the TCHD. These funds were deposited by the City in January 2011. The City did not begin disbursing funds until April of 2011, with 92 percent of all 2011 disbursements occurring after July 1, 2011. The City had \$112,573 of total grant proceeds of \$321,896 unspent at year end. As such the City did not have adequate procedures to minimize the time elapsing between the receipt of the funds from the grantor agency and the disbursement of those funds as required under federal cash management procedures.

In addition, the City did not have a formal process to track the amount of interest received on the unspent proceeds to determine if those earnings should be remitted to either the TCHD or the U.S. Department of Health and Human Services.

Questioned Costs: None.

Context: The TCHD allowed the City to determine when funding would be remitted. The City had the option to receive funding immediately upon grant approval in 2010 or receive payment in after January 1, 2011. The City requested funding as soon as possible and deposited the grant proceeds in January 2011. It does not appear that the TCHD established procedures to minimize any time lapses with regards to receipt and disbursement of funds by their subrecipients. However, the City also did not request delay the payment of grant receipts to better align with the City's disbursements. The agreement between the TCHD and the City made reference to the grantees compliance with all applicable provisions of 45 CFR Part 74 and 45 CFR Part 92 regarding uniform requirements for the administration of HHS grants and principles for determining costs applicable to activities assisted by HHS grants. The cash management provisions are included at 45 CFR Part 92.20(b)(7).

Effect: By failing to establish internal procedures to minimize the time elapsing between the receipt of advances on the grants and the disbursement of those funds, the City did not comply with the terms of the grant agreement. Similarly, by not establishing a formal process to track interest earned on unspent grant proceeds, the City's internal controls were not sufficient to comply with the federal interest earnings requirements of the cash management procedures.

Cause: The City did not familiarize itself with the Standard Terms and Conditions of the U.S. Department of Health and Human Services ARRA grants and the terms of 45 CFR Parts 74 and 92 sufficiently to insure compliance with those requirements. The City relied on the guidance provided by the TCHD which did not adequately detail the grant requirements.

CITY OF ENGLEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-1 – Cash Management (Continued)

Recommendation: The intent of the advance provisions of cash management is to limit the time elapsing between when the federal government releases funds and when those funds are spent by the grantee agency, thereby benefiting the department's cash flow requirements. In addition, this helps prevent the grantee agency from unduly receiving benefit in the form of interest earnings by requesting funding well in advance of when the proceeds will be utilized. These are core principles that apply to most federal awards. As such, the City needs to insure that the staff handling federal grants are aware of these requirements regardless of whether they are specifically outlined in the subrecipient award agreements. In addition, all language in subrecipient agreements should be reviewed to determine what additional compliance requirements the City is entering into by generic reference.

View of Responsible Officials and Corrective Actions:

The following steps have been or are being put in place to eliminate this issue in the future:

- 1) Organizational training, on identifying federal funds and the subsequent federal requirements, is being reviewed and updated to help properly identify and ensure compliance with current regulations.
- 2) A more thorough review process for all grant applications prior to submission has been put in place so that federal funds are identified and requirements are known prior to receipt to ensure proper planning and oversight throughout the grant process.

2011-2 – Davis-Bacon Act

U.S. Department of Health and Human Services – Centers for Disease Control
Passed through the Tri-County Health Department ("TCHD")

CFDA 93.724 ARRA – Prevention and Wellness – Communities Putting Prevention to Work ("CPPW")

Criteria: When required by the Davis-Bacon Act, the Department of Labor's (DOL) government-wide implementation of the Davis-Bacon Act, ARRA, or by Federal program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL (40 USC 3141-3144, 3146, and 3147 (formerly 40 USC 276a to 276a-7)).

Non-federal entities shall include in their construction contracts subject to Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, 'Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction'). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6).

CITY OF ENGLEWOOD, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011**

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-2 – Davis-Bacon Act (Continued)

Condition: The City submitted a grant application for the construction of a community garden and received funding of \$83,262 for that project through the TCHD. The City did not notify the contractors of the Davis-Bacon Act requirements, nor were contractor payments monitored to insure compliance with the Act. There were two contractors that received payments in excess of the \$2,000 contract standard.

Questioned Costs: \$29,618 paid for construction through two vendors.

Context: Based on communications received from the Centers for Disease Control, (CDC), “(n)one of the CPPW grantees should be engaging in construction activities and therefore (the Davis-Bacon Act) is not applicable. The TCHD provided initiative guidelines that CDC prepared that suggested “supporting and promoting community gardens” would assist in meeting the Healthy Food/Drink Availability goals of the grant.

Similarly, the TCHD in both its “Letter of Intent Guidance” and “Frequently Asked Questions” specifically stated that “funds may not be used for construction”. However, the grant awarded by the TCHD specifically referred to preparing and developing a site and included costs for the same with amounts in excess of \$2,000 although individual contractors were not specifically identified.

Based on follow up communications with the TCHD, they have reiterated that construction is not allowed to be funded through the grant. However, the City has not been able to provide any documentation that the removal of existing tennis courts and the development of two new gardens with related lumber, fill dirt and fencing materials was not construction under the requirements of the Davis-Bacon Act, other than the statement of assurance from the TCHD.

Based on information provided by one of the project vendors, who is familiar with the Davis-Bacon Act requirements and who has completed similar projects that were subject to the Davis-Bacon Act, the primary subcontractor is an “Owner/ Operator” without employees and therefore no wages were paid that would be subject to the prevailing wage clause of the Davis-Bacon Act.

Effect: By failing to determine the requirements for construction activities and the reliance placed on information provided by the Tri-County Health Department, it appears the City completed construction activities as approved by the grantor, regardless of whether those were allowed to be funded through the grant. Absent any exclusion which was not authoritatively provided, the construction activities would be subject to the Davis-Bacon Act requirements, requiring Davis-Bacon Act provisions in the bid documents, the payment of prevailing wages, and the submission of certified payroll.

Cause: The City submitted a project that would not have been eligible for funding under the terms of the grant award. The TCHD subsequently awarded funding based on the application that was submitted, thereby approving non-eligible activities. By approving the non-eligible activities, certain federal grant provisions that were not considered relevant were now applicable.

CITY OF ENGLEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-2 – Davis-Bacon Act (Continued)

Recommendation: The City should carefully review the requirements related to grants for which it is applying to insure that the application being submitted complies with those expectations. The City should also be aware of the various requirements applicable to federal grant awards to insure compliance regardless of whether those terms are specifically identified in the agreement being entered into.

View of Responsible Officials and Corrective Actions:

The following steps have been or are being put in place to eliminate this issue in the future:

- 1) Organizational training, on identifying federal funds and the subsequent federal requirements, is being reviewed and updated to help properly identify and ensure compliance with current regulations.
- 2) A more thorough review process for all grant applications prior to submission has been put in place so that federal funds are identified and requirements are known prior to receipt to ensure proper planning and oversight throughout the grant process.

2011-3 – Procurement, Suspension and Debarment

U.S. Department of Health and Human Services – Centers for Disease Control
Passed through the Tri-County Health Department (“TCHD”)

CFDA 93.724 ARRA – Prevention and Wellness – Communities Putting Prevention to Work
 (“CPPW”)

Criteria: Government-wide requirements for nonprocurement suspension and debarment are contained in the OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension. The OMB guidance, which superseded the suspension and debarment common rule published November 26, 2003, is substantially the same as that rule.

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. 'Covered transactions' include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

CITY OF ENGLEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-3 – Procurement, Suspension and Debarment (Continued)

Criteria (Continued):

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition:

The City submitted a grant application for the construction of a community garden and received funding of \$83,262 for that project through the TCHD. The City did not notify the contractors of the Davis-Bacon Act requirements, nor were contractor payments monitored to insure compliance with the Act. There were two contractors that received payments in excess of the \$25,000 contract standard.

Similarly, the City entered into similar TCHD grant agreements to complete a Street Assessment Study and for a Bike/Pedestrian Plan Study and Development Program. Both of these grant programs also head lead contractors that received payments in excess of the \$25,000 contract standard.

The City's grant administrators did not complete the eligibility determination of the contractors receiving funds through these three TCHD grant agreements until a request for proof of eligibility was made through the audit process. The eligibility determinations that were completed did not disclose any instances of debarred entities receiving payments.

Context:

The City was required to complete or obtain a form of debarment certification prior to entering into contracts in excess of \$25,000 with any vendor. These certifications, while subsequently obtained, were not completed prior to payment being issued.

Effect:

By not completing the debarment certifications prior to entering into contracts with the City's vendors and subsequently making payments to those vendors, the City could have disbursed federal funds to non-eligible parties. Had those payments been made to ineligible vendors, the City could have risked exposure to those costs being disallowed. The City remitted payments of \$198,235 to vendors that were not certified prior to the commencement of the audit process.

Cause:

It does not appear that the individuals managing the CPPW grants were aware of the suspension and debarment provisions of the federal awards, as these were not specifically identified as part of the grant agreements signed with the TCHD.

Recommendation:

The City should also be aware of the various requirements applicable to federal grant awards to insure compliance regardless of whether those terms are specifically identified in the agreement being entered into.

CITY OF ENGLEWOOD, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2011

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-3 – Procurement, Suspension and Debarment (Continued)

View of Responsible Officials and Corrective Actions:

The following steps have been or are being put in place to eliminate this issue in the future:

- 1) Organizational training, on identifying federal funds and the subsequent federal requirements, is being reviewed and updated to help properly identify and ensure compliance with current regulations.
- 2) A more thorough review process for all grant applications prior to submission has been put in place so that federal funds are identified and requirements are known prior to receipt to ensure proper planning and oversight throughout the grant process.



City of Englewood

To: Mayor Randy Penn and City Council
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: May 17, 2012
Subject: April 2012 Financial Report

REVENUES:

- Through April 2012, the City of Englewood collected **\$13,115,024 or \$38,856 or .3 percent more** than last year (See the chart on page 3 and the attached full report for details on changes in revenue in past year).
- The City collected \$1,179,372 in Property Tax and \$65,674 in Specific Ownership Tax through April.
- **Year-to-date sales and use tax revenues were \$7,968,086 or \$130,684 or 1.7 percent more than April 2011**
- Cigarette tax collections were down \$1,494 compared to last year.
- Franchise fee collections were \$81,750 more than last year.
- Licenses and permit collections were \$7,028 more than 2011.
- Intergovernmental revenues were \$256,633 less than the prior year (due to large, one-time collections last year).
- Charges for services decreased \$52,732 from last year.
- Recreation revenues decreased \$17,547 from 2011.
- Fines and forfeitures were \$45,663 more than last year.
- Investment income was \$161 less than last year.
- The City collected \$224,913 in rents from the properties at McLellan Reservoir.
- Miscellaneous revenues were \$13,441 less than last year.

OUTSIDE CITY:

- Outside City sales and use tax receipts (cash basis) were down \$148,113 or 4.8 percent compared to last year.
- At this time potential refunds total approximately \$1,290,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is \$1,100,000.

CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through April 2012 were \$1,167,254.

EXPENDITURES:

- Expenditures through April were \$12,588,325 or \$108,986 (.9 percent) more than the \$12,479,339 expended through April 2011. The City's refund of sales and use tax claims through April 2012 totaled \$82,548.

REVENUES OVER/UNDER EXPENDITURES:

- Revenues exceeded expenditures by \$526,699 this year compared to revenues exceeding expenditures by \$596,829 in 2011.

TRANSFERS:

- Net 2012 transfers-in to date of \$972,739 were made by the end of April 2012 (please refer to page 12 for the makeup).

FUND BALANCE:

- The estimated total fund balance is \$7,828,634 or 20.1% of estimated revenue. The estimated Unassigned Fund Balance for 2012 is estimated at \$3,666,655 or 9.4 percent of revenues. If the transfer of \$334,000 had not been made to the Public Improvement Fund, the estimated Unassigned Fund Balance would be 10.2 percent of revenues.
- The 2012 Long Term Asset Reserve (LTAR) balance is \$2,406,649. The estimate for year-end is \$2,713,467 (please refer to page 12).

PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$920,006 in revenues and spent \$1,672,048 year-to-date. Estimated year-end fund balance is \$70,427.

City of Englewood, Colorado

April 2012 Financial Report

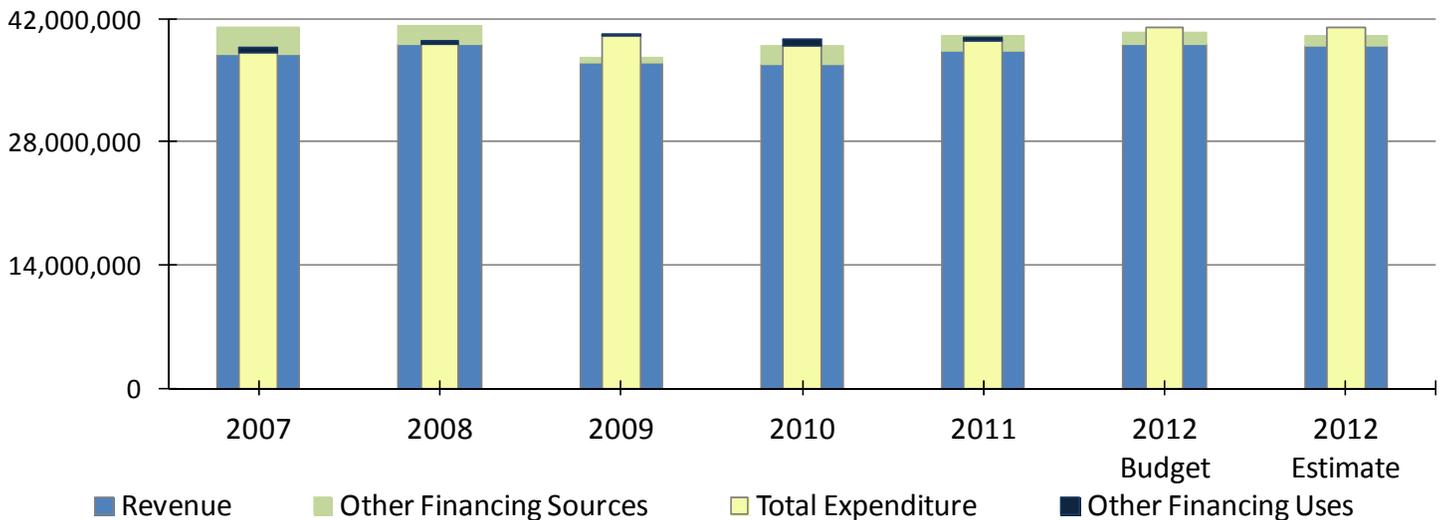
GENERAL FUND OVERVIEW AND ANALYSIS

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 administrative and oversight services through 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 graph below depicts the history of sources and uses of funds from 2007 to 2012 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



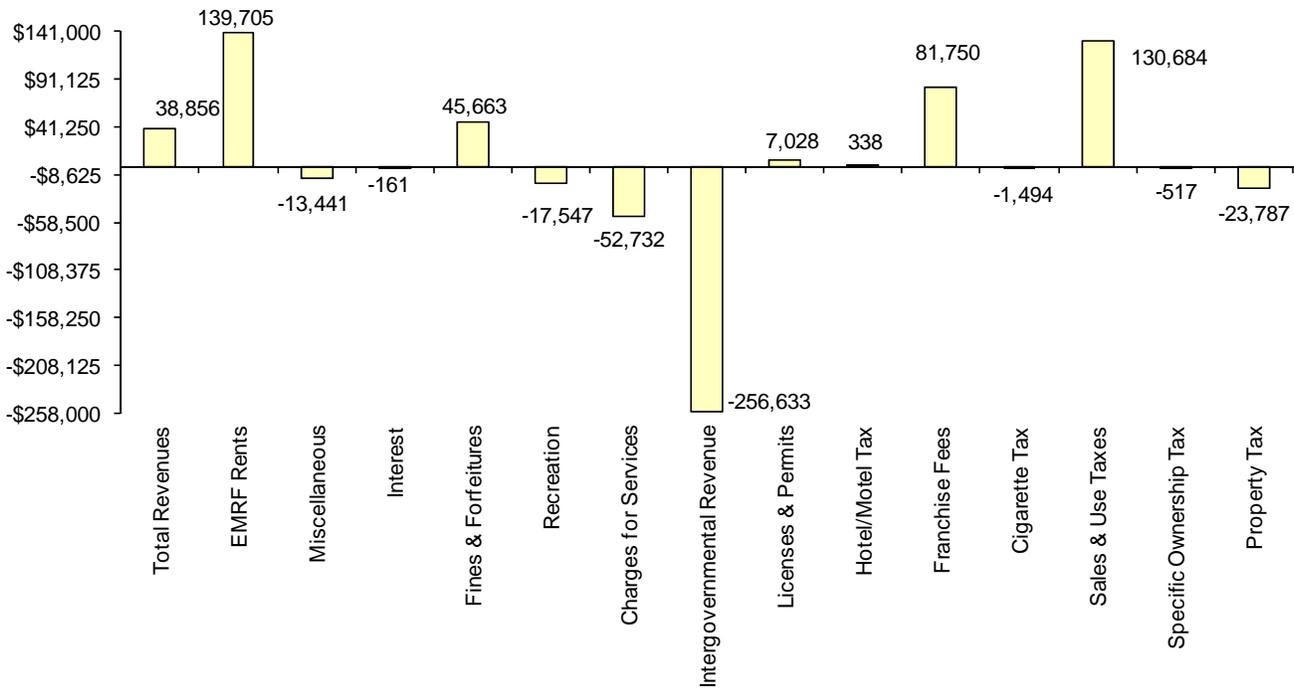
The table below summarizes General Fund Year-To-Date (YTD) Revenue, Expenditure, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended April, 2012. Comparative figures for years 2011 and 2010 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	2012	2012 vs 2011 Increase (Decrease)		2011	2011 vs 2010 Increase (Decrease)		2010
General Fund							
Year-To-Date Revenue	\$ 13,115,024	\$ 38,856	.30%	\$ 13,076,168	\$ 882,275	7.24%	\$ 12,193,893
Year-To-Date Expenditure	12,588,325	\$ 108,986	.87%	12,479,339	\$ (68,291)	(.54%)	12,547,630
Net Revenue (Expenditure)	\$ 526,699	\$ (70,130)		\$ 596,829	\$ 950,566		\$ (353,737)
Estimated Unassigned Fund Balance	\$ 3,666,655	\$ (1,295,869)	(26.11%)	\$ 4,962,524	\$ 46,877	.95%	\$ 4,915,647
Sales & Use Tax Revenue YTD	\$ 7,968,086	\$ 130,684	1.67%	\$ 7,837,402	\$ 483,187	6.57%	\$ 7,354,215
Outside City Sales & Use Tax YTD	\$ 2,952,711	\$ (148,113)	(4.78%)	\$ 3,100,824	\$ 751,450	31.99%	\$ 2,349,374

General Fund Revenues

The City of Englewood’s total budgeted revenue is \$38,456,955. Total revenue collected through April 2012 was \$13,115,024 or \$38,856 (.3 percent) more than was collected in 2011. The chart below illustrates changes in General Fund revenues this year as compared to last year.

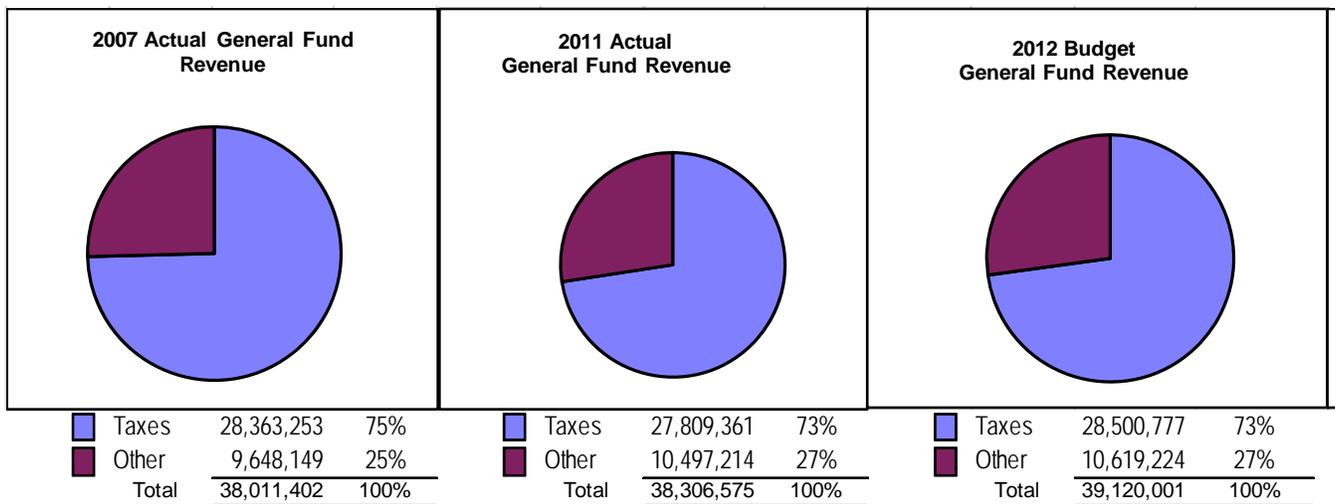
2012 Year-To-Date Change in General Fund Revenue as Compared to Prior Year



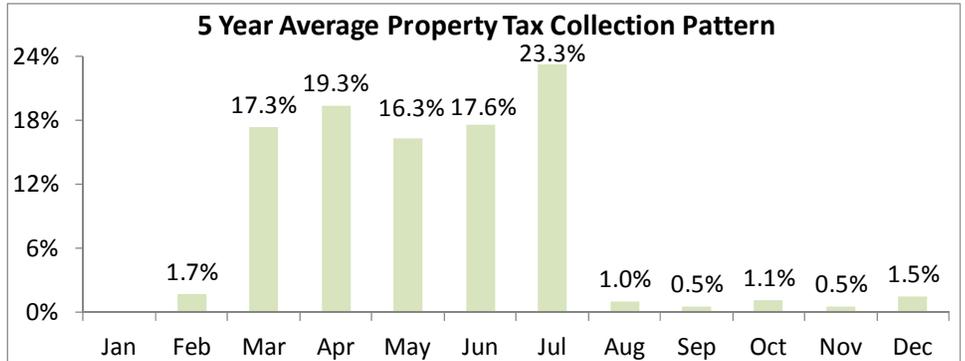
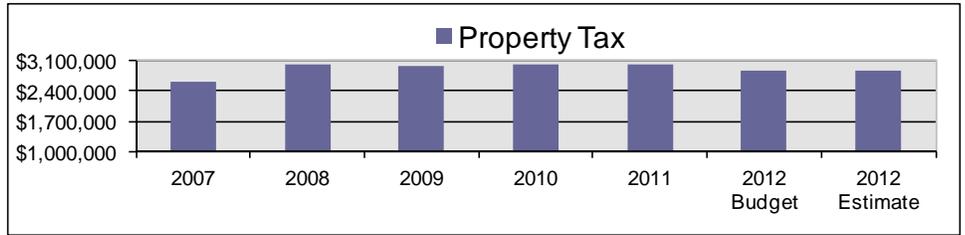
General Fund - Taxes

The General Fund obtains most of its revenue from taxes. In 2011 total revenues were \$38,306,575 of which \$27,809,361 (72.6 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 2007, 2011 and 2012 Budget. 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



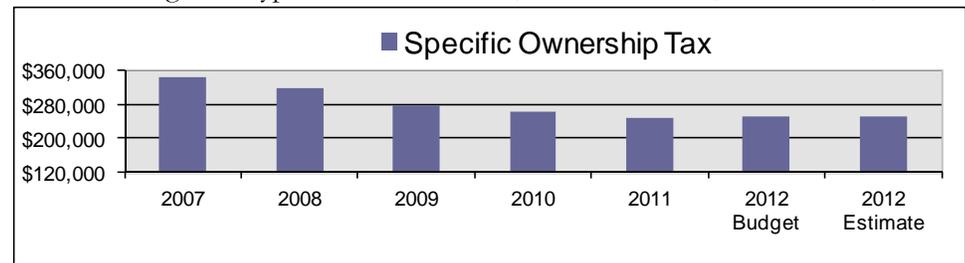
Property taxes: These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property. The City's total 2011 mill levy collected in 2012 is 7.911 mills. The 2011 mill levy for general operations collected in 2012 is 5.880 mills. In 2001, voters approved a separate, dedicated mill levy for principal and interest payments on the City's general obligation debt for the construction of parks and recreation projects. The dedicated general obligation debt mill levy is accounted for in the Debt Service Fund. The dedicated general obligation debt mill levy dedicated for the City's general obligation debt collected in 2012 is 1.741 mills.



Property tax collections grew from \$2,623,118 in 2007 to \$2,994,213 in 2011. This was an increase of \$371,095 or 14.1 percent. In 2011 the City collected \$2,994,213 or 10.8 percent of 2011 total taxes and eight percent of total revenues from property taxes. The City budgeted \$2,880,000 for 2012; and collected \$1,179,372 through April 2012. The estimate for the year is \$2,880,000.

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

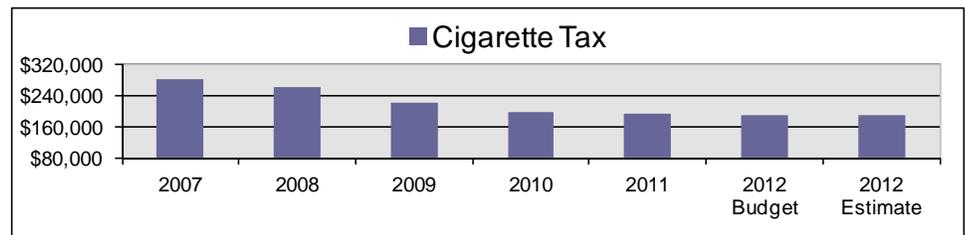
These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$341,423 in 2007 and \$246,062 in 2011 which is a decrease of \$95,361 or 27.9 percent. The City collected \$246,062 in 2011 which is less than one percent of total revenues and total taxes.



The City budgeted \$250,000 for 2011 and collected \$65,764 through April 2012. The estimate for the year is \$250,000.

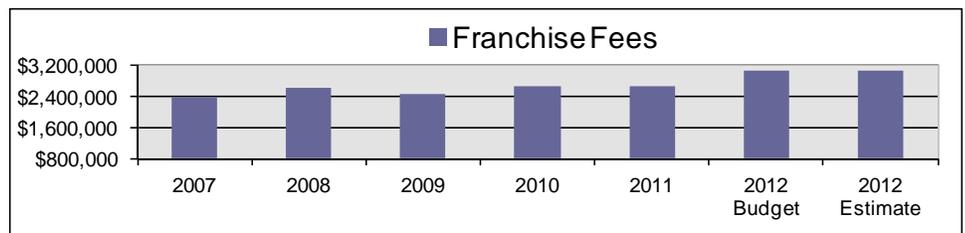
Cigarette Taxes: The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year.

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 federal tax increase will fund the State Children's Health Insurance Program (SCHIP). In 2007 the City collected \$278,785, but in 2011 the City collected \$190,763, which is a decrease of \$88,022 or 31.6 percent.



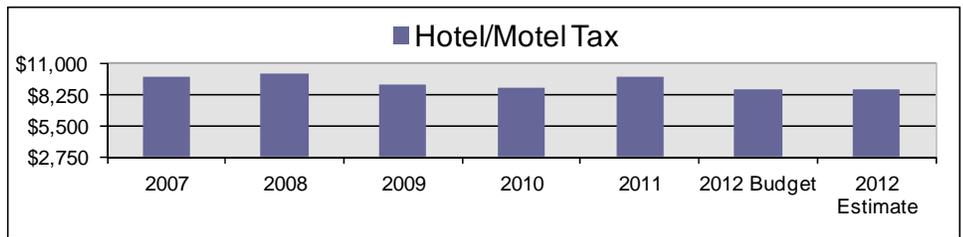
These taxes accounted for less than one percent of total taxes and less than one percent of total revenues in 2010. The City budgeted \$190,000 for the year and collected \$60,156 through April 2012, which is \$1,494 or 2.4 percent less than the \$61,650 collected through April 2011. The estimate for the year is \$190,000.

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 tax on telephone



services. The City collected \$2,356,385 in 2007 and \$2,631,393 in 2011, an increase of \$275,008 or 11.7 percent. These taxes accounted for 9.4 percent of taxes and 6.9 percent of total revenues in 2011. The City budgeted \$3,056,938 for the year; collections through April totaled \$820,616 compared to \$738,866 collected during the same period last year. The estimate for the year is \$3,056,938.

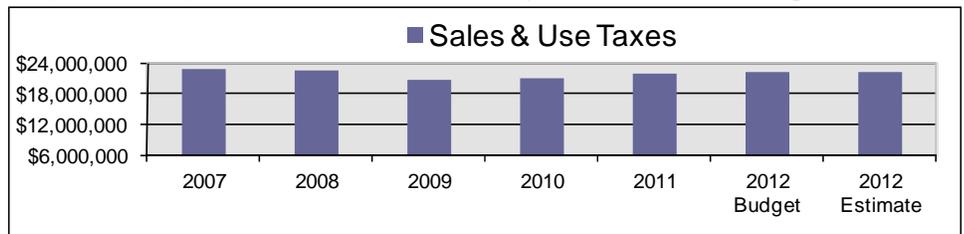
Hotel/Motel Tax: This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,713 for the year and has collected \$3,354 through April 2012. The estimate for the year is \$8,713.



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 78.2 percent of all taxes and 57.2 percent of total revenues collected in 2011.

In 2007, this tax generated \$22,753,820 for the City of Englewood; in 2011 the City collected \$21,737,110, a decrease of 4.5 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 no longer receive a fee for collecting and remitting their sales/use taxes. Taxes for the current month are due to the City by the twentieth day of the following month. The City budgeted \$22,115,126 for 2012. Sales and Use Tax revenue through April 2012 was \$7,968,086 while revenue year-to-date for April 2011 was \$7,837,402, an increase of \$130,684 or 1.7 percent.



Collections (cash basis) for April 2012 were \$2,300,093 while collections for April 2011 and April 2010 were \$2,207,273 and \$1,803,481 respectively. April 2012 collections were 4.2 percent or \$92,821 more than April 2011 collections and \$496,612 or 27.5 percent less than April 2010 collections.

Based on the last five years of sales tax collection data, year to date collections through April contribute 36.6 percent of the total year's sales tax collections; if this pattern holds this year, 63.4 percent is left to collect over the next eight months. Based on collections through April, the City will collect an additional \$13,802,641 over the next eight months for a total of \$21,770,727. Collections through April were 101.7 percent of last April's collections. If this were applied to the entire year, the total collected would be \$22,099,563; the average of the two forecasts is \$21,935,145.

The City budgeted \$22,115,126 for the year. Based on the last five years of sales tax collection data, year to date collections through April contribute 36.6 percent of the total year's sales tax collections. Based on historical collection patterns, the City should have collected \$8,094,136. At this time the collections are \$126,050 behind expectations. Hopefully this deficit can be made up over the next eight months.

Outside City sales and use tax collections through April totaled \$2,952,711 equaling a decrease of approximately \$148,113 from 2011.

This revenue source tends to ebb and flow (often dramatically) with the economy, growing during economic expansions and contracting during downturns. The past three years of sales tax collections have been exceptionally erratic making it extremely difficult 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.

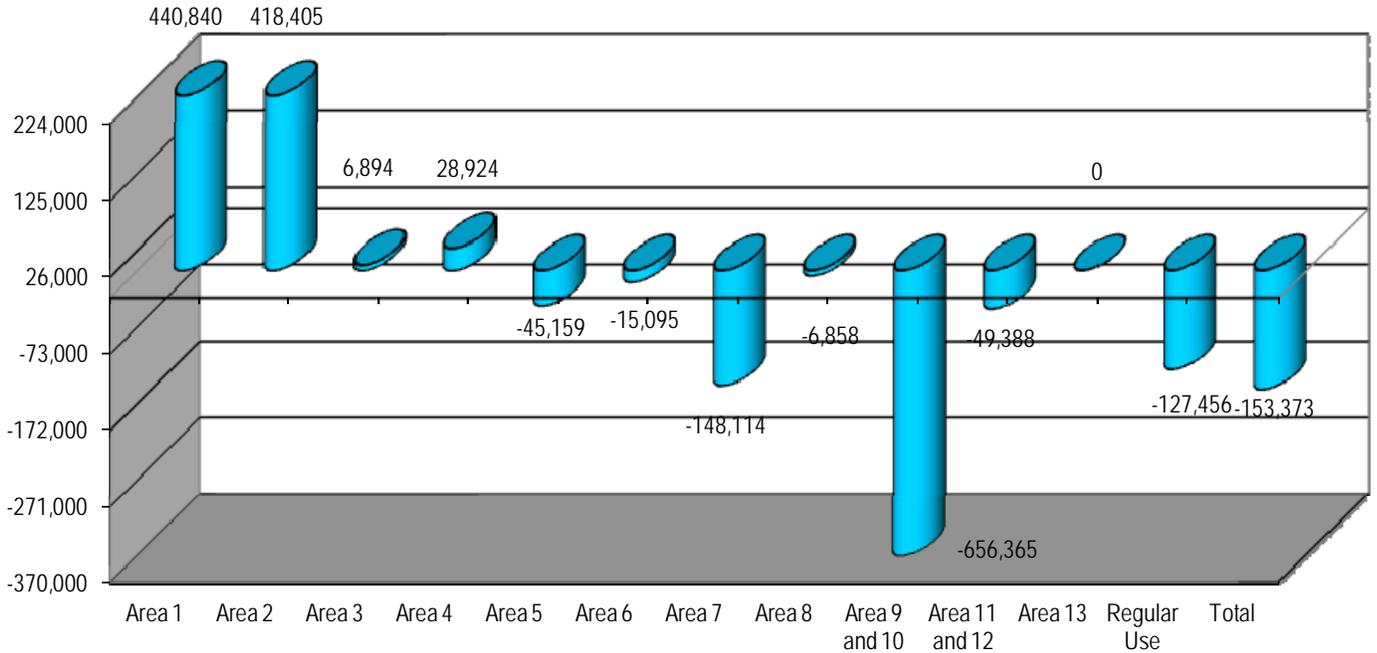
The chart on the next page, "Change in Sales/Use Tax Collections by Area 2011 vs. 2010" indicates that most of the increase in sales tax collections is due to Outside City (Area 7) and Collections from Public Utilities (Area 8). Economic conditions, judged by sales tax collections, appears to be a "mixed bag" with some geographic areas increasing and some decreasing compared to the same period last year.

Please note that the geographic map of the sales tax areas has been changed as of the February 2012 report, and hopefully makes more sense. Some of the areas will look skewed until more comparable data is available (next year).

EURA Areas 9 & 10 and EURA Areas 11 & 12 were incorporated into Areas 1, 2 and 6. Specific changes include:

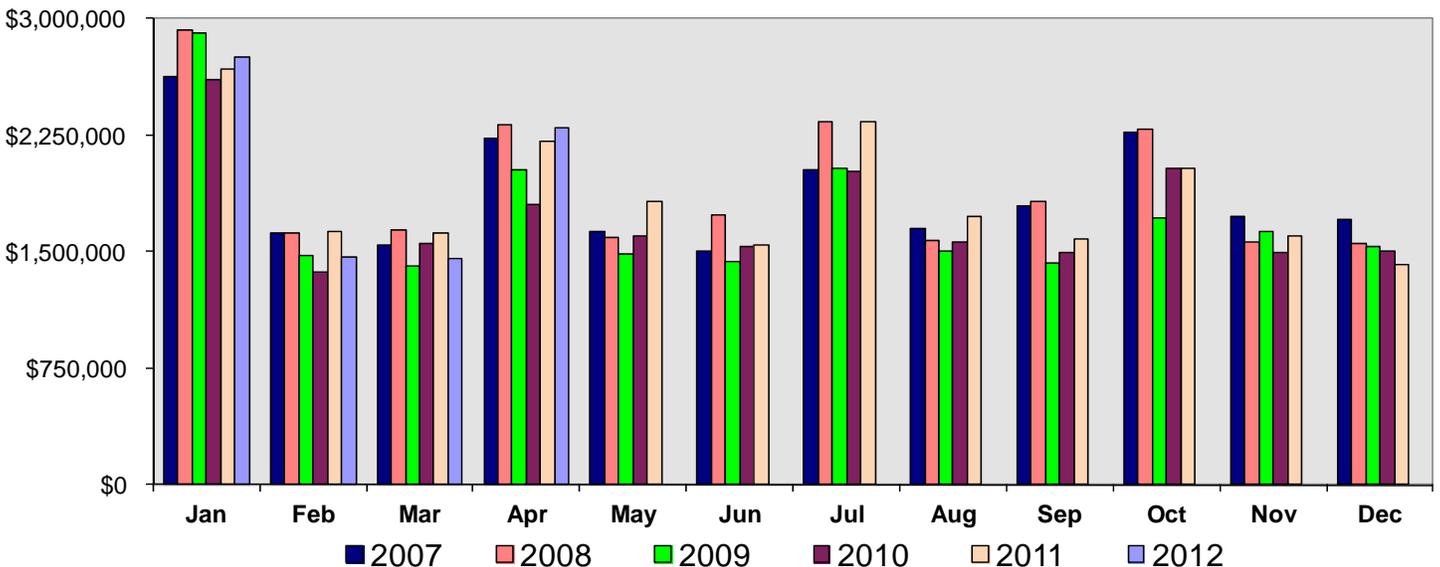
- Area 1 east boundary will change at Bannock St/Englewood Pkwy east to Acoma St south to Jefferson Ave/Hampden Ave/US 285
- Split the address down the middle of the streets for Area 2 and Area 3: Bannock St and Sherman St
- Split the address down the middle of the streets for Area 3 and Area 4: Belleview Ave, Fox St and Logan St
- The north and south side of the street included in Area 1: Jefferson Avenue
- The north and south side of the street included in Area 2: Jefferson Ave/Hampden Ave/US 285

Change in Sales/Use Tax Collections by Area 2012 vs 2011



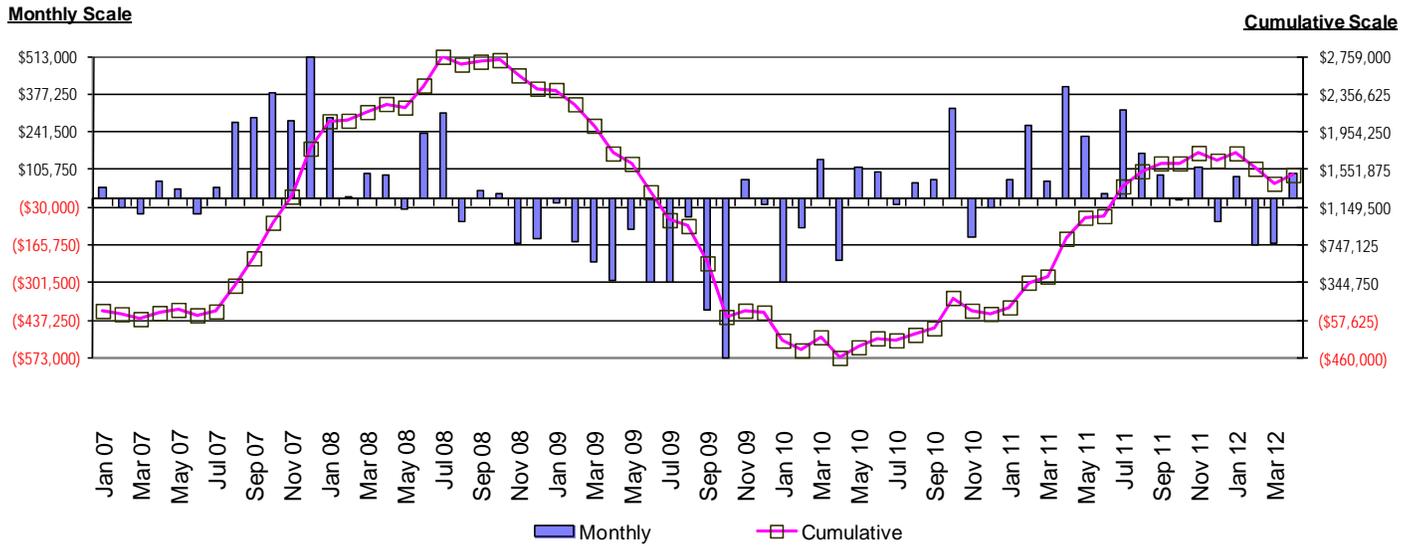
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2007 through 2012.

2007-2012 YTD Sales/Use Tax Collections by Month - Cash Basis



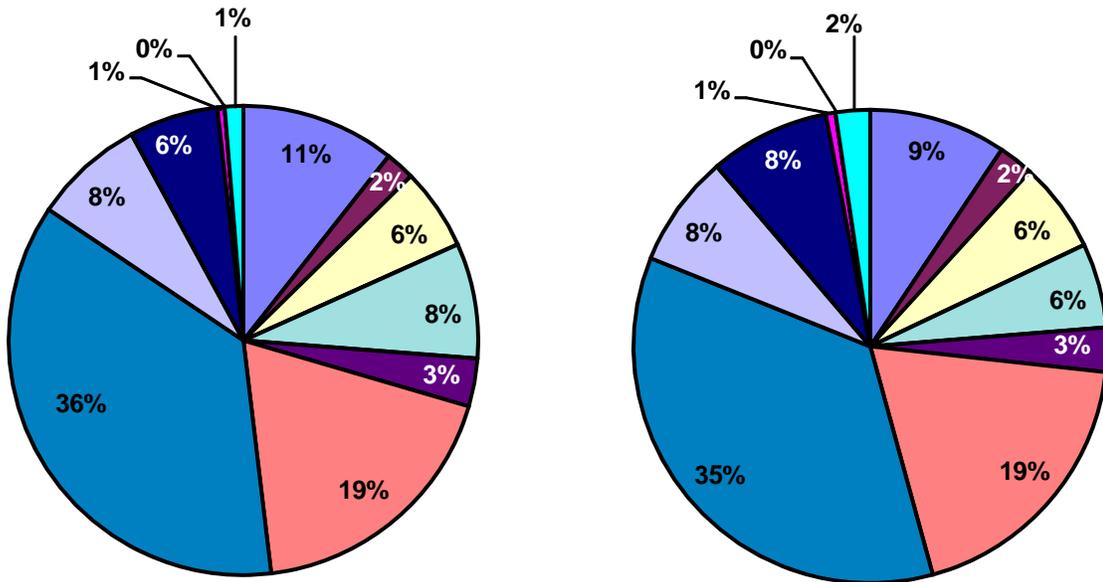
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

2007 - 2012 Monthly Change Sales and Use Tax Receipts



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2007 and 2011.

Geographic Sales Tax Collection Areas



2007 Actual Cash Receipts by Area

Area 1	11%	Area 8	8%
Area 2	2%	Area 9 & 10	6%
Area 3	6%	Area 11 & 12	1%
Area 4	8%	Area 13	0%
Area 5	3%	Regular Use	1%
Area 6	19%		
Area 7	36%		

2011 Actual Cash Receipts by Area

Area 1	9%	Area 8	8%
Area 2	2%	Area 9 & 10	8%
Area 3	6%	Area 11 & 12	1%
Area 4	6%	Area 13	0%
Area 5	3%	Regular Use	2%
Area 6	19%		
Area 7	35%		

Information for business and geographic Areas 7 and 8 follows:

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 1.2 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 2008 for collections through the month of April. 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:

	2008	2009	2010	2011	2012
Total Sales and Use Taxes	8,510,268	7,816,994	7,331,300	8,134,398	7,981,025
Outside City Collections	3,309,238	2,716,973	2,349,374	3,100,824	2,952,711
Percentage of Total	38.9%	34.8%	32.0%	38.1%	37.0%
Total General Fund Revenues	12,987,705	12,711,682	12,193,893	13,076,168	13,115,024
Outside City Collections	3,309,238	2,716,973	2,349,374	3,100,824	2,952,711
Percentage of Revenues	25.5%	21.4%	19.3%	23.7%	22.5%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$1,100,000 to cover intercity claims. The City paid \$82,548 in refunds including intercity sales/use tax claims through April 2012 compared to \$18,813 through April 2011. At this time *potential* refunds total approximately \$1,290,000 for claims submitted to Englewood but not completed.

Area 8: This geographic area consists of collections from public utilities. Collections through April 2012 were essentially the same as April 2011. 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 \$7,533 in sales and use tax audit revenues and general collections of balances on account through the month of April 2012, this compares to \$119,297 collected in 2011 and \$220,092 collected in 2010.

Of the 58 sales tax accounts reviewed in the various geographic areas, 35 (60.3 percent) showed improved collections and 23 (39.7 percent) showed reduced collections this year compared to the same period last year.

The Department issued 158 new sales tax licenses through April 2012; 233 and 214 were issued through April 2011 and 2010 respectively.

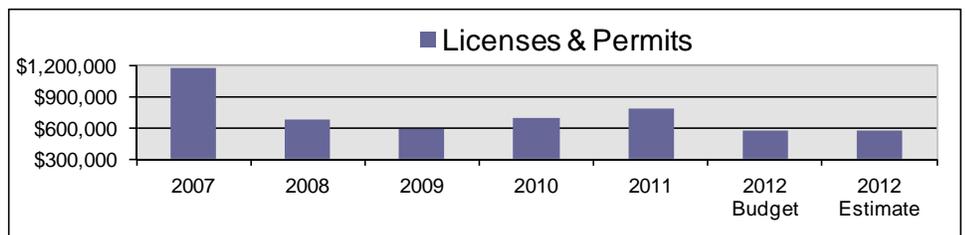
City records indicate that year-to-date 49 businesses closed (35 of them were outside the physical limits of Englewood) and 158 opened (99 of them were outside the physical limits of Englewood).

General Fund - Other Revenue

Other revenues accounted for \$10,497,214 or 27.4 percent of the total revenues for 2011; the City budgeted \$9,956,178 for 2012.

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

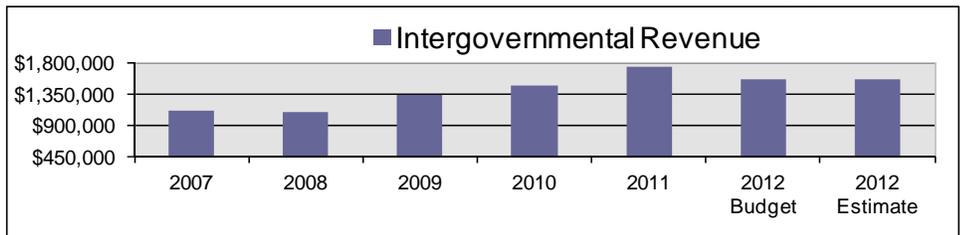
Licenses and Permits: This revenue category includes business and building licenses and permits. This revenue source generated \$778,536 during 2011 or two percent of total revenue and 7.4 percent of total other revenue. This revenue source totaled



\$1,168,977 in 2007 and decreased to \$778,536 in 2011, a 33.4 percent decrease. The City budgeted \$574,025 for 2012 and year-to-date the City collected \$247,501 or \$7,028 (2.9 percent) more than the \$240,473 collected through April 2010. The estimate for the year is \$574,025.

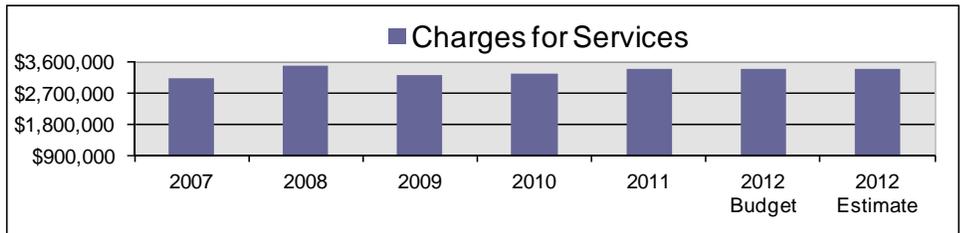
Intergovernmental Revenues: This revenue source includes state and federal shared revenues including payments in lieu of taxes. These revenues are budgeted at \$1,552,315 for 2012.

This revenue source totaled \$1,106,280 in 2007 and the City collected \$1,724,807 in 2011, a 55.9 percent increase. The City collected \$425,571 through April 2012 this is \$256,633 (37.6 percent) less than the \$682,204 collected in the same period in 2011. The estimate for the year is \$1,552,315.



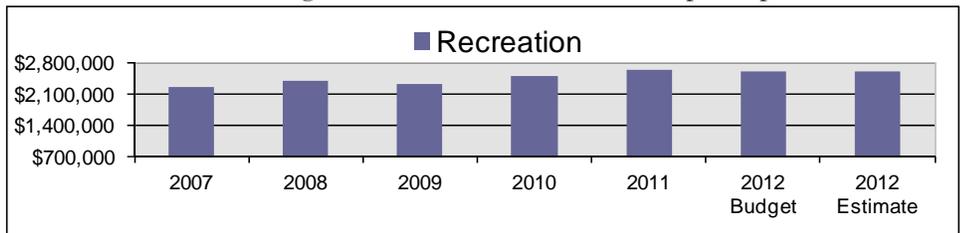
Charges for Services: This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This revenue source is budgeted at \$3,399,722 for 2012.

This revenue source totaled \$3,113,550 in 2007 and increased to \$3,384,318 in 2011, an 8.7 percent increase. Total collected year-to-date was \$1,033,833 or \$52,732 (4.8 percent) less than the \$1,086,565 collected year-to-date in 2011. The estimate for the year is \$3,399,722.

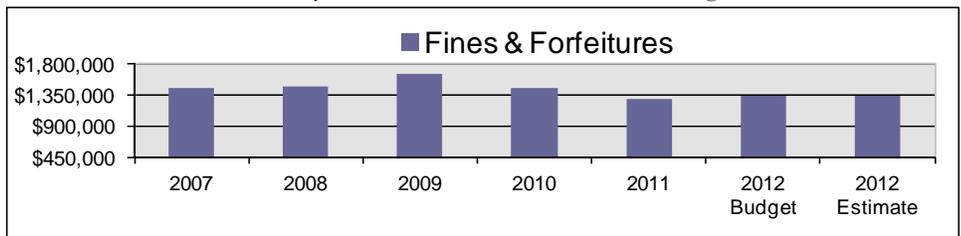


Recreation: This category of revenue includes the fees and charges collected from customers to participate in the various programs offered by the Parks and Recreation Department.

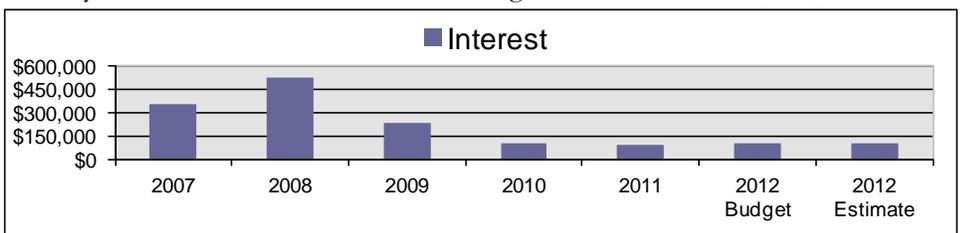
This revenue source is budgeted at \$2,599,668 for 2012. This revenue source totaled \$2,235,938 in 2007 and increased to \$2,635,221 in 2011, a 17.9 percent increase. Total collections through April 2012 were \$476,596 compared to \$494,143 collected in 2011. The estimate for the year is \$2,599,668.



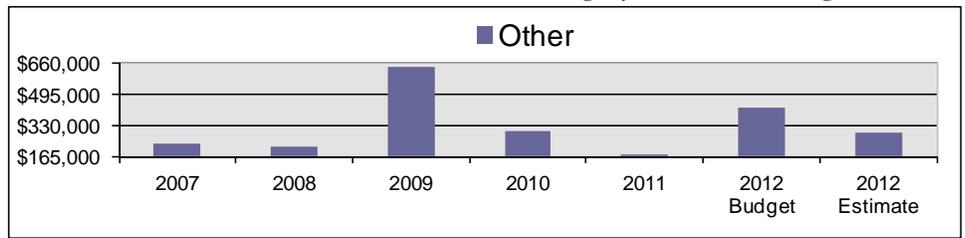
Fines and Forfeitures: This revenue source includes court, library, and other fines. The 2012 budget for this source is \$1,318,450 or 14.7 percent of total other revenue. This revenue source totaled \$1,445,641 in 2007 and decreased to \$1,284,758 in 2011, an 11.1 percent decrease. Total collected year-to-date was \$498,960 or \$45,663 (10.1 percent) more than the \$453,297 collected in the same time period last year. The estimate for the year is \$1,318,450.



Interest: This is the amount earned on the City's cash investments. The 2012 budget for this source is \$100,000. This revenue source totaled \$411,516 in 2007 and decreased to \$91,864 in 2011, a 77.9 percent decrease. The City earned \$33,890 through April 2012; while the City earned \$34,051 through April 2011. The estimate for the year is \$100,000.



Miscellaneous: This source includes all revenues that do not fit in another revenue category. The 2012 budget for this source is \$419,153. This revenue source totaled \$166,247 in 2007 and increased to \$173,381 in 2011, a 4.3 percent increase. Total collected year-to-date is \$76,412 (14.9 percent) less than the \$89,853 collected last year during the same period. The estimate for the year is \$411,998.



General Fund - Expenditures

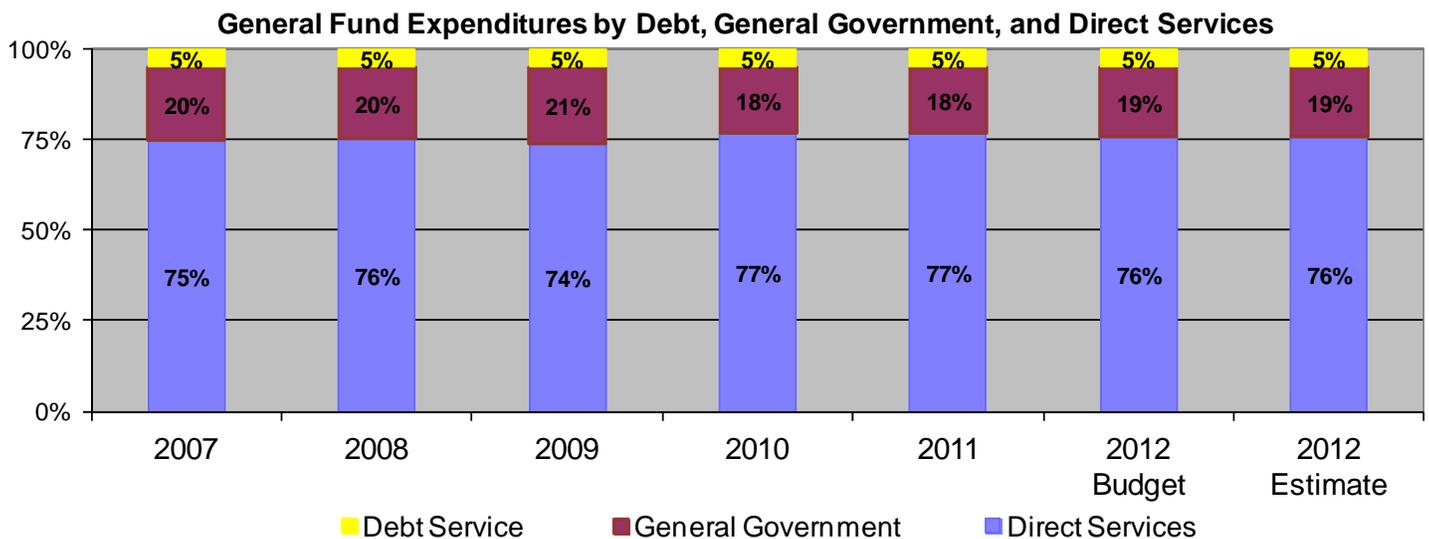
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ 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 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 \$40,949,793 for 2012, this compares to \$39,496,268 and \$38,901,342 expended in 2011 and 2010 respectively. Budgeted expenditures for 2012 general government (City Manager, Human Resources, etc.) totals \$7,728,324 or 18.9 percent of the total. Direct government expenditures (Police, Fire, etc.) are budgeted at \$31,160,730 or 76.1 percent of the total. Debt service (fixed costs) payments are \$2,060,739 or five percent of the total. Total expenditures through April were \$12,588,325 compared to \$12,479,339 in 2010 and \$12,547,630 in 2009.

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



The below chart provides the expenditure for each of the General Fund departments for the years 2007-2012 Estimate.

Expenditure	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2012 Estimate
General Government							
Legislation	323,964	350,254	346,044	309,870	298,731	333,793	333,793
City Manager	673,949	674,322	674,170	659,882	639,184	672,072	672,072
City Attorney	694,358	698,563	678,038	702,228	706,841	746,734	746,734
Municipal Court	890,152	915,303	914,494	901,469	848,775	974,417	974,417
Human Resources	557,855	579,136	456,275	419,422	430,792	470,910	470,910
Finance & Administrative Services	1,568,074	1,626,571	1,575,923	1,445,581	1,446,313	1,541,645	1,541,645
Information Technology	1,254,364	1,280,156	1,360,237	1,280,660	1,332,766	1,360,355	1,360,355
Community Development	1,412,444	1,464,725	1,366,437	1,301,473	1,359,264	1,478,398	1,478,398
Contingencies	130,925	59,759	160,578	48,138	152,423	150,000	150,000
Contribution to Component Unit(s)	-	-	800,000	-	-	-	-
General Government Subtotal	7,506,085	7,648,789	8,332,196	7,068,723	7,215,089	7,728,324	7,728,324
Direct Services							
Public Works	5,421,774	5,189,173	5,152,891	5,137,364	5,259,875	5,436,637	5,436,637
Safety Services	16,497,359						
Police		9,974,925	10,183,890	10,312,633	10,395,239	10,921,455	10,921,455
Fire		7,215,444	7,320,268	7,425,903	7,666,842	7,711,732	7,711,732
Library	1,259,525	1,261,112	1,275,554	1,284,083	1,145,613	1,256,481	1,256,481
Parks and Recreation	5,566,094	5,916,449	5,727,968	5,811,809	5,717,147	5,834,425	5,834,425
Direct Services Subtotal	28,744,752	29,557,103	29,660,571	29,971,792	30,184,716	31,160,730	31,160,730
Debt Service							
Debt Service-Civiccenter	1,575,731	1,575,850	1,571,752	1,570,705	1,658,857	1,574,000	1,574,000
Debt Service-Other	294,030	233,456	233,456	290,122	437,606	486,739	486,739
Debt Service Subtotal	1,869,761	1,809,306	1,805,208	1,860,827	2,096,463	2,060,739	2,060,739
Total Expenditure	38,120,598	39,015,198	39,797,975	38,901,342	39,496,268	40,949,793	40,949,793
% Expenditure Change	5.73%	2.35%	2.01%	-2.25%	1.53%	3.68%	0.00%
Other Financing Uses							
Transfers Out	561,876	408,915	177,011	750,000	301,246	0	334,000
Total Other Financing Uses	561,876	408,915	177,011	750,000	301,246	0	334,000
Total Uses of Funds	38,682,474	39,424,113	39,974,986	39,651,342	39,797,514	40,949,793	41,283,793
% Uses of Funds Change	7.29%	1.92%	1.40%	-0.81%	0.37%	2.90%	0.82%

The chart below provides per capita the General Fund expenditure information categorized into direct and general government services and debt service. Also provided is the per capita General Obligation Debt accounted for in the Debt Service Fund.

	2007	2008	2009	2010	2011	2012 Budget	2012 Estimate
Population	32,191	32,191	32,191	30,255	30,255	30,255	30,255
General Fund							
General Government Services	\$ 233	\$ 238	\$ 234	\$ 234	\$ 238	\$ 255	\$ 255
Direct Services	\$ 893	\$ 918	\$ 921	\$ 991	\$ 998	\$ 1,030	\$ 1,030
Debt Service	\$ 58	\$ 56	\$ 62	\$ 62	\$ 69	\$ 68	\$ 68
Total Expenditure Per Capita	\$ 1,184	\$ 1,212	\$ 1,217	\$ 1,286	\$ 1,305	\$ 1,353	\$ 1,353
Debt Service Fund							
General Obligation Debt Per Capita	\$ 34	\$ 34	\$ 34	\$ 36	\$ 31	\$ 32	\$ 32

General Fund - 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 2012 the General Fund is not in the position to provide funding to the Capital Projects Funds but has received the following net transfers:

Source of Funds	2012 Budget Amount	2012 YTD Amount	2011 Annual Amount
Special Revenue Funds			
Neighborhood Stabilization Program Fund*	\$ -	\$ -	\$ 263,391
Capital Project Funds			
Public Improvement Fund (PIF)	486,739	152,739	338,308
Internal Service Funds			
Central Services Fund	-	-	100,000
Servicenter Fund	100,000	100,000	100,000
Risk Management Fund	720,000	720,000	546,000
Employee Benefits Fund	-	-	165,000
Transfers Total	<u>\$ 1,306,739</u>	<u>\$ 972,739</u>	<u>1,512,699</u>

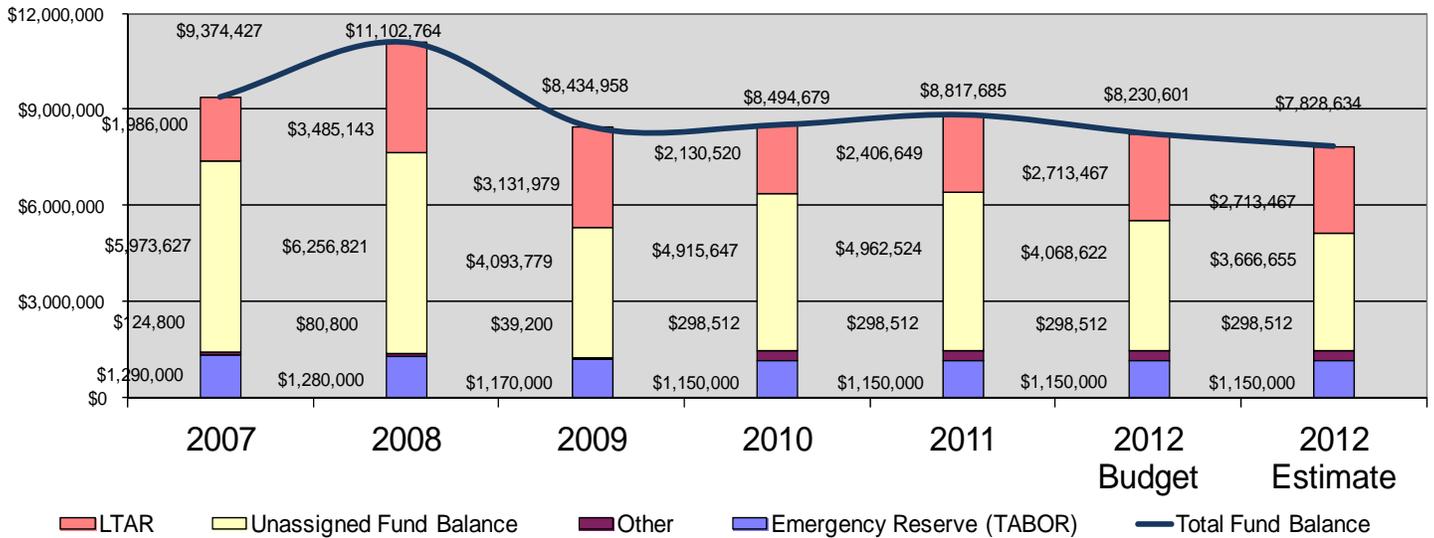
*In addition to the 2011 amount received (\$396,130) from the Neighborhood Stabilization Program (NSP) Fund, the NSP Fund returned \$47,052 in 2010 of the \$750,000 borrowed in this same year. The amount due from the NSP Fund to the General Fund Long-Term Asset Reserve is \$306,819.

General Fund - Fund Balance

The City designates the fund balance into two categories, restricted and unrestricted. The portion of the fund balance which is restricted is referred to as the "Reserves" while the unrestricted portion is referred to as the unassigned fund balance. The unassigned fund balance represents funds the City sets aside for a "rainy day". Another way to view these unrestricted funds is as a stabilization fund, the intent of which is to smooth over unexpected fluctuations in revenues and expenditures. The fund balance is normally built up when revenues exceed expenditures. In the past, excess funds have been transferred out, usually for capital projects identified in the Multiple Year Capital Plan (MYCP). The unassigned fund balance is not adequate to provide for a transfer from the General Fund to the capital projects funds.

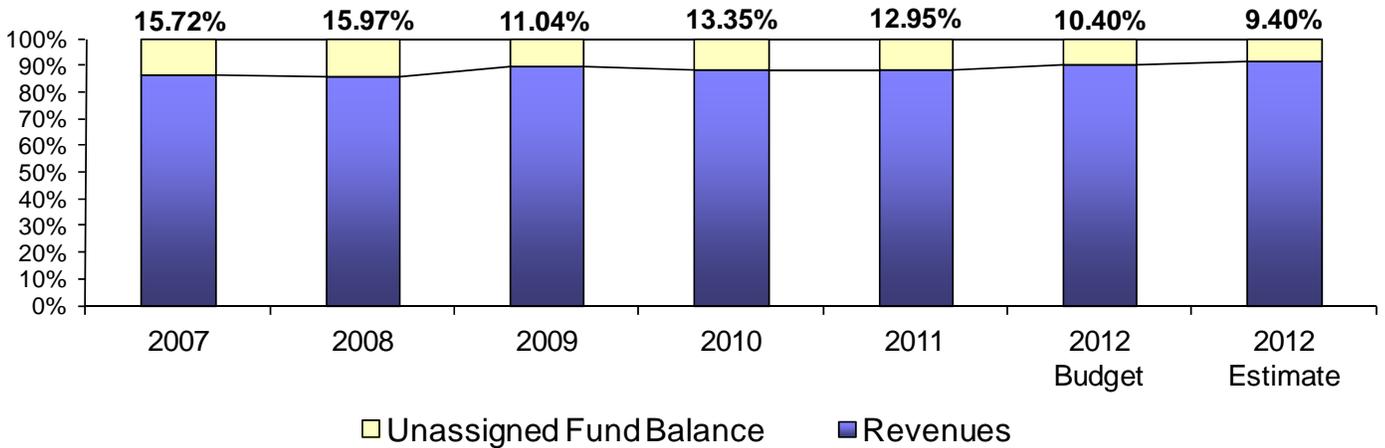
Long Term Asset Reserve (LTAR) At the 2008 Budget workshop held on April 22, 2007, City Council discussed and directed staff to establish a General Fund reserve account to accumulate funds from the sale, lease, or earnings from long-term assets. It was also determined that these funds should be used in a careful, judicious and strategic manner. The funds restricted in this account are to be expended if the funds are appropriated in the annual budget or by supplemental appropriation. The balance at the end of April 2012 is \$2,406,649; the 2012 estimated balance by year-end is \$2,713,467.

General Fund Reserves



The City’s General Fund ended 2011 with total fund balance of \$8,817,685, and an unassigned fund balance of \$4,962,524 or 12.95 percent of revenues or 12.6 percent of expenditures. The estimated total ending fund balance for 2012 are \$7,828,634 with an unassigned fund balance of \$3,666,655 or 9.4 percent of estimated revenues or 9.3 percent of estimated expenditures. The \$3,666,655 would allow the City to operate for approximately 32.7 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.

Unassigned Fund Balance As A Percentage of Revenue



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) revenue and expenditure amounts for the years 2010 through 2012. 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.

Public Improvement Fund (PIF)	2012	2012 vs 2011 Increase (Decrease)		2011	2011 vs 2010 Increase (Decrease)		2010
YTD Revenues	\$ 920,006	\$ 342,271	59.24%	\$ 577,735	\$ 137,099	31.11%	\$ 440,636
YTD Expenditures	1,672,048	\$ (1,674,315)	(50.03%)	3,346,363	\$ 1,512,589	82.49%	1,833,774
Net Revenues (Expenditures)	\$ (752,042)			\$ (2,768,628)			\$ (1,393,138)
Beginning PIF Fund Balance	\$ 934,251			\$ 2,686,457			\$ 1,515,399
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 182,209			\$ (82,171)			\$ 122,261
Plus: Remaining Annual Revenue	1,225,158			1,081,999			1,223,928
Less: Remaining Annual Appropriation	(1,336,940)			(823,046)			(1,219,177)
Estimated Ending Fund Balance	\$ 70,427			\$ 176,782			\$ 127,012
Unappropriated Fund Balance as of December 31,				\$ 274,180			\$ 620,120

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

	2012 Estimate	2012 Adopted Budget	2012 YTD Actual	2012 Vs 2011 Amount	%	2011 YTD Actual	2011 Vs 2010 Amount	%	2010 YTD Actual
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ 324,175	\$ 40,242	14%	\$ 283,934	\$ 72,971	35%	\$ 210,962
Building Use Tax	\$ 550,000	\$ 550,000	\$ 245,066	\$ (27,084)	-10%	\$ 272,150	\$ 115,446	74%	\$ 156,704
Arapahoe County Road and Bridge Tax	\$ 184,000	\$ 184,000	\$ 68,977	\$ (7,678)	-10%	\$ 76,655	\$ 9,417	14%	\$ 67,238

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. These revenue sources are monitored periodically to determine the revision of the 2012 Estimate. **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%.

2012 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)	Restricted/ Committed Balance	Ending Balance
Governmental Fund Types (Fund Balance)						
General Fund	8,817,685	12,890,111	12,588,325	(1,290,837)	4,161,979	3,666,655
Special Revenue Funds						
Conservation Trust	1,184,882	74,986	42,154	(1,221,215)	-	(3,502)
Open Space	1,367,255	4,477	59,170	(1,167,986)	-	144,576
Neighborhood Stabilization Program	408,432	315,887	173,962	(550,357)	-	-
Donors	380,622	37,518	38,126	-	-	380,015
Community Development	-	20,471	79,776	59,305	-	-
Malley Center Trust	279,038	1,460	(18)	-	-	280,516
Parks & Recreation Trust	451,714	1,709	2,186	-	-	451,237
Debt Service Fund						
General Obligation Bond	154,267	349,963	3,489	-	-	500,741
Capital Projects Funds						
PIF	934,251	586,006	325,945	(1,123,886)	-	70,427
MYCP	827,183	2,774	123,498	(685,988)	-	20,471
Proprietary Fund Types (Funds Available Balance)						
Enterprise Funds						
Water	7,426,594	2,445,262	2,876,759	-	-	6,995,097
Sewer	5,306,200	5,084,055	3,359,589	-	1,000,000	6,030,666
Stormwater Drainage	990,801	134,645	25,842	-	137,818	961,786
Golf Course	735,144	452,111	396,342	-	293,500	497,414
Concrete Utility	338,297	442,703	109,661	-	-	671,339
Housing Rehabilitation	489,000	37,756	20,887	(19,877)	-	485,992
Internal Service Funds						
Central Services	151,323	118,061	96,488	-	-	172,895
ServiCenter	993,875	768,821	636,370	(100,000)	-	1,026,325
CERF	1,538,025	246,098	189,405	-	-	1,594,718
Employee Benefits	4,936	2,041,379	2,118,589	-	-	(72,274)
Risk Management	1,101,326	1,183,310	514,948	(720,000)	-	1,049,688

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.

MOA – Museum of Outdoor Arts

FUNDS GLOSSARY

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 located in the City.

Open Space 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 from the Arapahoe County Open Space Sales Tax of .25%. The Open Space Tax was created on January 1, 2004 and expires on December 31, 2023.

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 April 30, 2012

Percentage of Year Completed = 33%

Fund Balance January 1	\$ 8,753,654	\$ 8,817,685	\$ 8,817,685	\$ 8,494,679	\$ 8,494,679	\$ 9,234,957	\$ 9,234,957			
	2012				2011			2010		
	Budget	Apr-12	% Budget	YE Estimate	Dec-11	Apr-11	% YTD	Dec-10	Apr-10	% YTD
<i>Revenues</i>										
Property Tax	2,880,000	1,179,372	40.95%	2,880,000	2,994,213	1,203,159	40.18%	3,020,884	1,159,580	38.39%
Specific Ownership Tax	250,000	65,764	26.31%	250,000	246,062	66,281	26.94%	263,434	68,536	26.02%
Sales & Use Taxes	22,115,126	7,968,086	36.03%	22,115,126	21,737,110	7,837,402	36.06%	20,866,515	7,354,215	35.24%
Cigarette Tax	190,000	60,156	31.66%	190,000	190,763	61,650	32.32%	196,320	63,702	32.45%
Franchise Fees	3,056,938	820,616	26.84%	3,056,938	2,631,393	738,866	28.08%	2,620,191	684,296	26.12%
Hotel/Motel Tax	8,713	3,354	38.49%	8,713	9,820	3,016	30.71%	8,806	2,871	32.60%
Licenses & Permits	574,025	247,501	43.12%	574,025	778,536	240,473	30.89%	695,563	218,270	31.38%
Intergovernmental Revenue	1,552,315	425,571	27.42%	1,552,315	1,724,807	682,204	39.55%	1,465,970	415,530	28.35%
Charges for Services	3,399,722	1,033,833	30.41%	3,399,722	3,384,318	1,086,565	32.11%	3,254,830	1,041,858	32.01%
Recreation	2,599,668	476,596	18.33%	2,599,668	2,635,221	494,143	18.75%	2,489,781	454,947	18.27%
Fines & Forfeitures	1,318,450	498,960	37.84%	1,318,450	1,284,758	453,297	35.28%	1,437,957	546,403	38.00%
Interest	100,000	33,890	33.89%	100,000	91,034	34,051	37.40%	100,545	65,860	65.50%
EMRF Rents	663,046	224,913	33.92%	663,046	425,159	85,208	20.04%	105,125	40,000	38.05%
Miscellaneous	411,998	76,412	18.55%	280,000	173,381	89,853	51.82%	293,658	77,825	26.50%
Total Revenues	39,120,001	13,115,024	33.53%	38,988,003	38,306,575	13,076,168	34.14%	36,819,579	12,193,893	33.12%
<i>Expenditures</i>										
Legislation	333,793	128,861	38.61%	333,793	298,731	115,979	38.82%	309,870	86,248	27.83%
City Attorney	746,734	229,717	30.76%	746,734	706,841	218,317	30.89%	702,228	241,857	34.44%
Court	974,417	272,928	28.01%	974,417	848,775	273,144	32.18%	901,469	283,804	31.48%
City Manager	672,072	233,133	34.69%	672,072	639,184	236,236	36.96%	659,882	242,986	36.82%
Human Resources	470,910	139,739	29.67%	470,910	430,792	133,391	30.96%	419,421	119,750	28.55%
Financial Services	1,541,645	471,631	30.59%	1,541,645	1,446,313	461,323	31.90%	1,445,581	482,372	33.37%
Information Technology	1,360,355	430,787	31.67%	1,360,355	1,332,766	449,126	33.70%	1,280,660	402,182	31.40%
Public Works	5,436,637	1,682,181	30.94%	5,436,637	5,259,875	1,733,682	32.96%	5,137,364	1,769,753	34.45%
Fire Department	7,711,732	2,711,842	35.17%	7,711,732	7,666,842	2,540,900	33.14%	7,425,903	2,564,809	34.54%
Police Department	10,921,455	3,621,710	33.16%	10,921,455	10,395,239	3,595,027	34.58%	10,312,633	3,632,770	35.23%
Community Development	1,478,398	439,391	29.72%	1,478,398	1,359,264	364,269	26.80%	1,301,473	391,689	30.10%
Library	1,256,481	386,002	30.72%	1,256,481	1,145,613	410,612	35.84%	1,284,083	482,824	37.60%
Recreation	5,834,425	1,565,300	26.83%	5,834,425	5,717,147	1,677,001	29.33%	5,811,809	1,720,154	29.60%
Debt Service	2,060,739	234,236	11.37%	2,060,739	2,096,463	228,940	10.92%	1,860,827	123,393	6.63%
Contingency	150,000	40,867	27.24%	150,000	152,423	41,392	27.16%	48,139	3,039	6.31%
Total Expenditures	40,949,793	12,588,325	30.74%	40,949,793	39,496,268	12,479,339	31.60%	38,901,342	12,547,630	32.26%
Excess revenues over (under) expenditures	(1,829,792)	526,699	-28.78%	(1,961,790)	(1,189,693)	596,829		(2,081,763)	(353,737)	
Net transfers in (out)	1,306,739	972,739	74.44%	972,739	1,512,699	1,417,815	93.73%	1,341,485	1,094,433	81.58%
Total Fund Balance	\$ 8,230,601	\$ 10,317,123	125.35%	\$ 7,828,634	\$ 8,817,685	\$ 10,509,323	119.18%	\$ 8,494,679	\$ 9,975,653	117.43%

Fund Balance Analysis

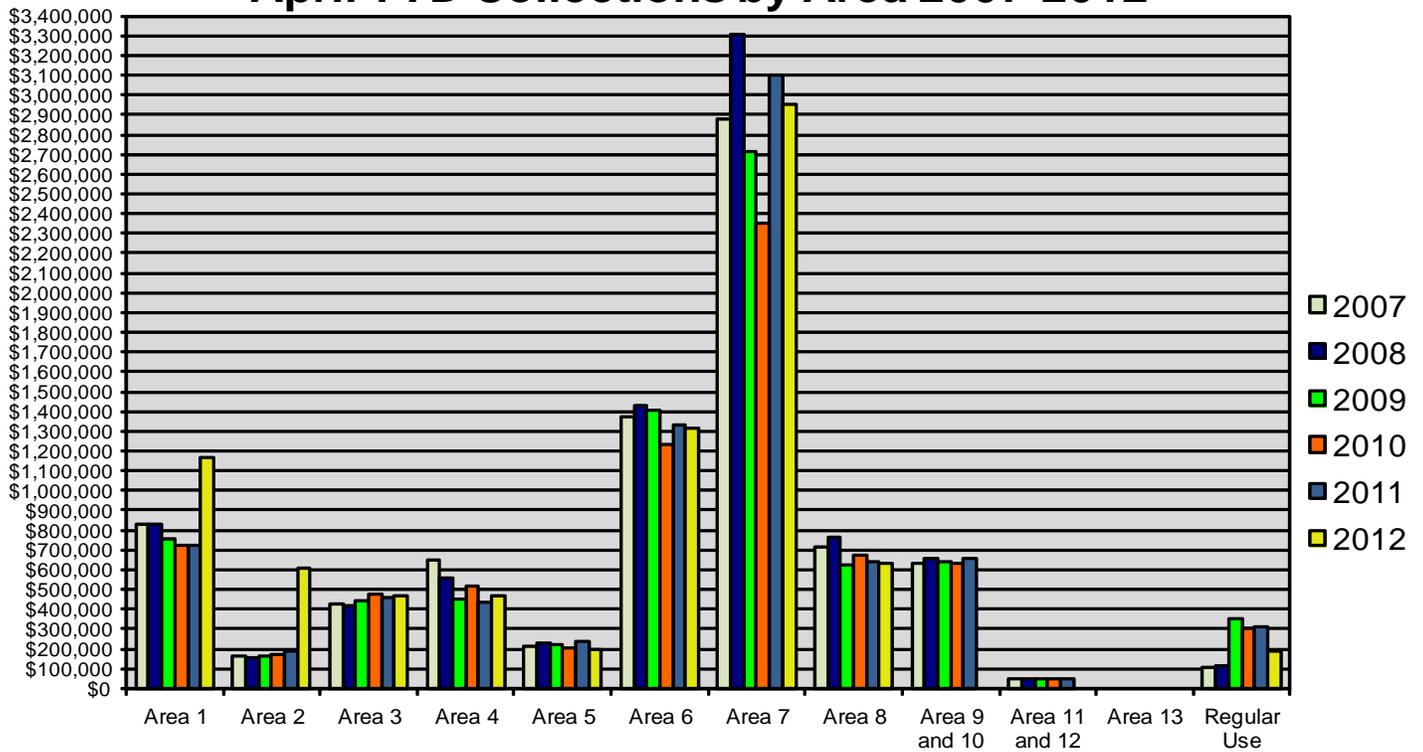
Total Fund Balance	\$ 8,230,601	\$ 10,317,123	\$ 7,828,634	\$ 8,817,685	\$ 8,494,679
Restricted Fund Balance					
-Emergencies (TABOR)	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Committed Fund Balance					
-LTAR	2,713,467	2,406,649	2,713,467	2,406,649	2,130,520
-COPS Grant	298,512	298,512	298,512	298,512	298,512
Restricted/Committed	\$ 4,161,979	\$ 3,855,161	\$ 4,161,979	\$ 3,855,161	\$ 3,579,032
Estimated Unassigned Fund Balance	\$ 4,068,622	\$ 6,461,962	\$ 3,666,655	\$ 4,962,524	\$ 4,915,647
As a percentage of projected revenues	10.44%		9.40%	12.95%	13.35%
As a percentage of budgeted revenues	10.40%		9.37%		
Target	3,912,000	-	5,868,000		

Sales & Use Tax Collections Year-to-Date Comparison for the month of April 2012

Cash Basis

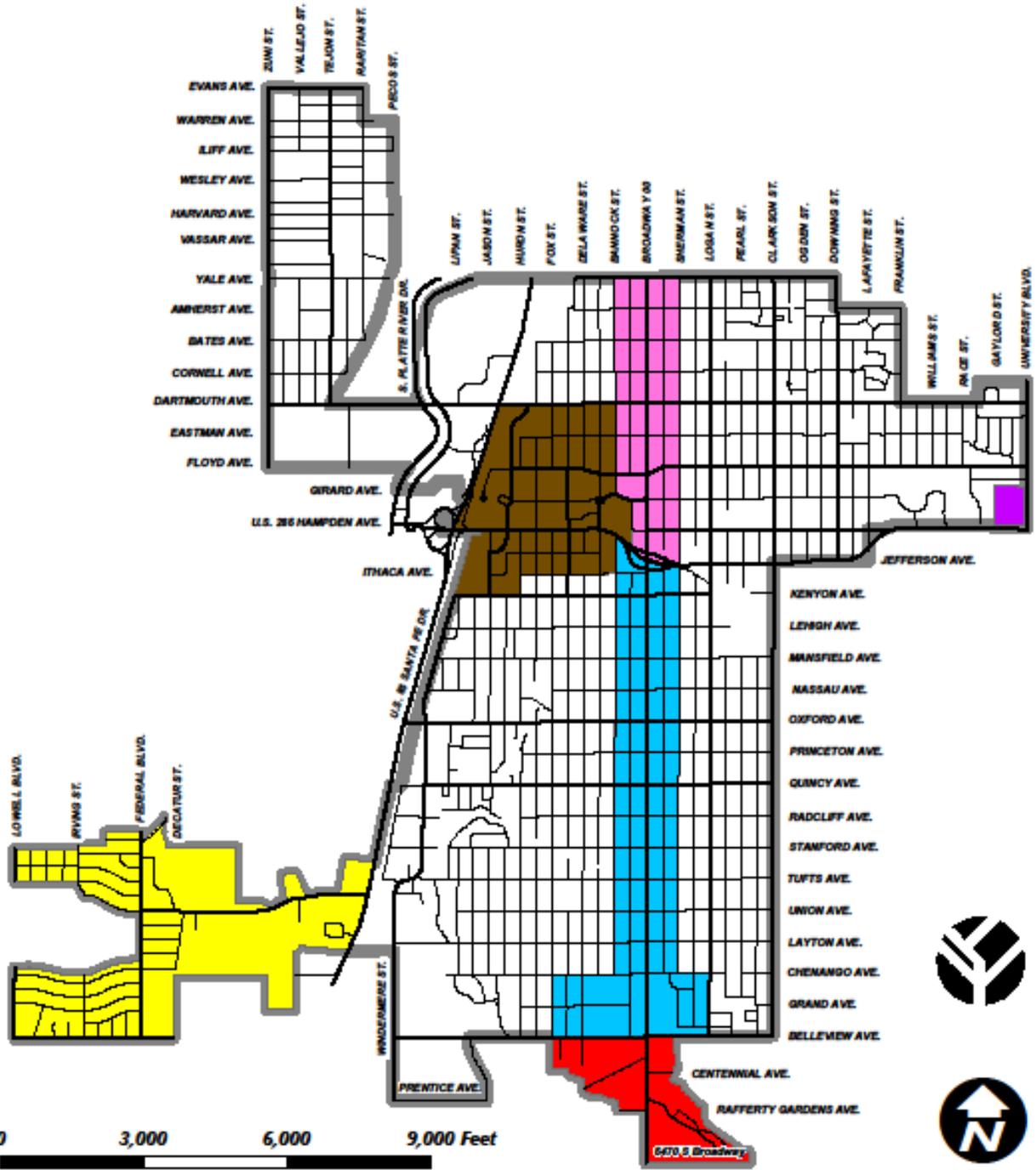
	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change	2012	% Change
Area 1	826,863	-66.39%	826,436	-0.05%	758,248	-8.30%	723,462	-12.46%	726,415	0.41%	1,167,254	60.69%
Area 2	162,240	-59.41%	155,868	-3.93%	159,711	-1.56%	173,028	11.01%	185,744	7.35%	604,149	225.26%
Area 3	429,023	-62.44%	416,889	-2.83%	440,825	2.75%	472,465	13.33%	458,601	-2.93%	465,495	1.50%
Area 4	651,609	-61.83%	558,320	-14.32%	448,785	-31.13%	520,475	-6.78%	438,534	-15.74%	467,458	6.60%
Area 5	211,257	-68.64%	229,614	8.69%	220,305	4.28%	207,642	-9.57%	237,983	14.61%	192,825	-18.98%
Area 6	1,370,503	-65.51%	1,428,696	4.25%	1,402,322	2.32%	1,229,244	-13.96%	1,328,558	8.08%	1,313,463	-1.14%
Area 7	2,880,410	-60.28%	3,309,238	14.89%	2,716,973	-5.67%	2,349,374	-29.01%	3,100,824	31.99%	2,952,711	-4.78%
Area 8	713,778	-60.31%	763,793	7.01%	627,734	-12.05%	675,639	-11.54%	638,677	-5.47%	631,819	-1.07%
Area 9 and 10	633,479	-17.17%	658,481	3.95%	636,717	-3.31%	628,744	-1.25%	656,365	4.39%	0	-100.00%
Area 11 and 12	48,341	-22.35%	51,415	6.36%	50,269	-2.23%	47,491	-5.53%	49,388	3.99%	0	-100.00%
Area 13									0	0.00%	0	0.00%
Regular Use	105,603	-68.96%	111,517	5.60%	355,106	236.27%	303,735	172.37%	313,308	3.15%	185,852	-40.68%
Total	8,033,106	-60.96%	8,510,268	5.94%	7,816,994	-2.69%	7,331,300	-13.85%	8,134,398	10.95%	7,981,025	-1.89%
Refunds	66,096	-78.49%	305,534	362.26%	7,658	-97.49%	166,046	2068.27%	25,158	-84.85%	83,537	232.06%
Audit & Collections Revenue*	187,812	-57.00%	252,971	34.69%	356,128	40.78%	220,092	-38.20%	119,297	-45.80%	13,015	-89.09%
*included Above												
Unearned Sales Tax	650,000	0.00%	650,000	0.00%	600,000	-7.69%	600,000	0.00%	1,100,000	83.33%	1,100,000	0.00%
Building Use	536,531	-36.84%	332,290	-38.07%	89,362	-73.11%	156,704	75.36%	272,150	73.67%	245,066	-9.95%
Vehicle Use	465,333	-62.77%	455,893	-2.03%	343,662	-24.62%	298,399	-13.17%	283,934	-4.85%	432,350	52.27%

April YTD Collections by Area 2007-2012



Area Descriptions

Area 1 - CityCenter (Formerly Cinderella City)	Area 5 - Federal and Belleview W of Santa Fe
Area 2 - S of Yale, north & south side of Jefferson Ave/US 285 between Bannock and Sherman	Area 6 - All other City locations
Area 3 - S of Jefferson Ave/US 285 between Bannock & Sherman and north side of Belleview between Logan & Delaware	Area 7 - Outside City limits
Area 4 - Broadway and Belleview (Between Fox and Sherman and south side of Belleview and to the Southern City Limits)	Area 8 - Public Utilities
	Area 9 and 10 - Downtown & Englewood Pkwy
	Area 11 and 12 - S of 285, N of Kenyon between Jason and Santa Fe
	Area 13 - Hampden Avenue (US 285) and University Boulevard



City of Englewood, Colorado: Sales Tax Areas

- | | | |
|---------|---------|--------------------------|
| Area 1* | Area 4 | Arterials and Collectors |
| Area 2* | Area 5 | Local Streets |
| Area 3 | Area 13 | Englewood City Limits |

Areas Not Depicted on Map:
 Area 6 - Other City Locations* Area 7 - Outside City Limits Area 8 - Public Utilities
 * Includes EURA designated Areas 9, 10, 11, & 12

Memorandum

To: Gary Sears, City Manager, Mike Flaherty, Deputy City Manager, and Department Directors
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: April 30, 2012
Re: Budget Guidelines and Requests 2012/2013

Please note the 2013 Budget Workbooks will be distributed the week of May 7th. After discussing the 2012 forecast and the 2013 preliminary budget with staff, City Manager's Office, and City Council, the following guidelines and requests are listed below.

The revenue forecast is expected to grow slowly in 2012 and 2013; therefore, expenditure growth must be tightly controlled and held closely to 2012 levels.

- ❖ Please provide a 2013 budget at 2012 levels (a zero percent increase from 2012). Contractual personnel increases and all inflationary increases will need to be absorbed. Please include any personnel/service reduction options in your scenario. Please include the estimated number of positions (rather than identifying the positions) impacted by reductions.
- ❖ Please submit separately for the City Manager's consideration, a service enhancement request form for any and all program or personnel costs that exceed your 2012 budget.
- ❖ Continue to review services and programs that may be eliminated, reduced, contracted, "regionalized," or privatized with minimal impact on the City's service levels.
- ❖ Please submit any new or increased revenue sources that may be implemented without a TABOR (tax increases, etc.) vote.
- ❖ Currently "frozen" positions must not be filled without prior approval by the City Manager.
- ❖ Salary increases for the Englewood Employees Association (EEA) is contracted at two percent for 2013. 2013 Salary increases for Englewood Fire Fighters Association (EFFA), Englewood Police Benefit Association (EPBA) are yet to be determined by either ongoing union negotiations and/or salary survey results.
- ❖ Salary increase for the Managers, Supervisors, and Confidential (MSC) employees and Department Directors is based on the EEA contract of two percent for 2013.
- ❖ Payout of personal leave is to be determined for the EPBA. Payout of personal leave for the EFFA is contractually required to be paid out in 2013. No payout of personal leave is budgeted in 2013 for EEA, MSC and Department Directors employee groups.
- ❖ The estimate for health, dental and other insurance premiums will be provided by Human Resources in September 2012.
- ❖ Workers Compensation premiums will be provided by Human Resources in September 2012.
- ❖ Property and Liability premiums will be provided by Human Resources in September 2012.
- ❖ Required pension contributions will be determined by applicable actuarial studies (defined benefit) or pre determined contribution levels (defined contribution).
- ❖ Capital expenditure requests are submitted separately for consideration into the Multiple Year Capital Plan (MYCP).



CITY OF ENGLEWOOD
POLICE DEPARTMENT

MEMORANDUM

TO: Mayor Randy Penn and Members of Englewood City Council
THROUGH: City Manager Gary Sears
FROM: Commander Gary Condreay
DATE: May 16, 2012
SUBJECT: July 4, 2012 Celebration

Event Objectives:

Safety: The primary objective of the planning committee is to continue to provide an event that is safe for members of the surrounding communities to attend and enjoy. Thanks in a large part to the efforts of everyone involved this objective has been met each year.

Fiscally responsible: Financial resources for this event continue to be a concern although the revenues for this event met the material costs in 2011. The revenues committed for 2012 from our sponsors are as follows:

Englewood	\$8,000.00
Littleton	8,000.00
SSPRD	2,500.00
Arapahoe County	5,000.00
Centennial	1,000.00
<u>Sheridan</u>	<u>1,000.00</u>
Total	\$25,500.00

In 2011, we received \$1,200.00 income for vendor entry fees. There were no donations from private sources in 2011.

We have \$2,746.86 carried over from last year's event. With the \$25,500.00 committed from the sponsors we will have **\$28,246.86** to pay expenses for this year. We anticipate some additional income from vendor fees for 2012 similar to that of 2011.

The anticipated major costs for the 2012 celebration are:

• Western Enterprises	\$20,500.00	(Fireworks – increase of \$1,500.00 from 2011)
• Warning Lites, Inc.	4,510.00	(Traffic Barricades – increase of \$25.00)
• Liberty Waste	2,865.00	(Porta Potties – same price as 2011)
• Entertainment	1,300.00	(Orchestra/Band – increase of \$100.00)
• Misc. Expenses	<u>1,000.00</u>	
Total	<u>\$30,175.00</u>	

The addition of Arapahoe County, Centennial and Sheridan as sponsors several years ago has kept us in the black. It will be important to look for additional donations, sponsors, or revenues to mitigate the rising material costs of the event.

Fun: In 2011, we were again able to again offer the fishing derby and duck races. SSPRD continued with free field games at Cornerstone Park. We are planning to continue with these activities in 2012. Other free activities will continue to be a part of the event including the watermelon eating contest, Drug-Free Marshalls, face-painting, the Grant Street Playground and the Air-Life helicopter visit. Our for-fee food and activity vendors will be there as well.

The fireworks show will remain the same which consists of approximately a 20 minute show. The going rate for a show of the caliber we present is slightly more than \$1000 per minute. The bid for the fireworks show went out in January. The contractor for the past several years, Western Enterprises, still offers the best value for the money, and has an outstanding reputation for safety and operations. They provide a discount of \$1,000.00 for early payment. The cost which includes the discount is \$20,500.00, which is a 7.5% increase over last year. This has been the first increase in several years.

Organized: The staffs of the fire, police and parks departments of the three primary sponsors, Englewood, Littleton and South Suburban Parks and Recreation, each do an amazing job planning for, organizing and supervising this event from year to year. We have established a wonderful partnership that works very well.

The planning committee looks forward to providing our communities with another outstanding event this Fourth of July. Please do not hesitate to contact us with your questions, suggestions and concerns.

Gary Condreay, Commander
Fourth of July Planning Committee Chairman
Englewood Police Department
303-762-2434



Memorandum

City Manager's Office

TO: Mayor Penn and Members of City Council

THROUGH: Gary Sears, City Manager

FROM: Michael Flaherty, Deputy City Manager

DATE: May 17, 2012

SUBJECT: McAllister's Deli – Englewood Market Place: Public Improvement Request

McAlister's Deli is a chain of fast casual restaurants based in Oxford, Mississippi with over 300 locations in 23 states, ranging from Virginia in the East to Florida in the South to Indiana in the Midwest and to Colorado in the West. Colorado franchises are currently found in Aurora, Pueblo, Fort Collins and Grand Junction.

Economic Development Manager Darren Hollingsworth was approached earlier this year by a representative of McAllister's and the broker for Englewood Market Place regarding a possible restaurant to be located at the site of the former Blockbuster Video. The McAllister's representative is asking for City assistance in establishing a restaurant at Market Place, specifically, McAllister's letter of intent with Market Place includes a contingency that the lease is subject to the City's agreement to recondition the fountain, provide maintenance of the plaza and provision of a license agreement for outdoor seating.

Within certain limitations, outdoor seating may be accomplished administratively through a City license, and in addition, some repairs are needed in the plaza area to steps, railings, concrete and flagstone. The fountain, which has been out of operation since 2008 due to budget reductions, will require repairs, cleaning and modification. In its previous operation, the fountain drew large quantities of water from the pond area of Little Dry Creek. The volume of water required multiple pumps that were expensive to maintain and to operate, in excess of \$4000 some months in Xcel charges alone, which is the primary reason that the fountain operation was discontinued.

The Public Works staff has proposed that the fountain be changed to a "closed system" that would recirculate potable water, rather than draw water from pond. This would allow for use of small, more energy efficient pumps and avoid the issues of dirt, debris and odor that come with the brackish creek water. The cost of a modified fountain is also considerably less costly than reactivating the fountain as it previously operated.

The estimated cost of repairing the plaza area and putting the fountain into operation is \$100,000. In addition, the operation of the fountain will have annual operating costs to the Parks and Recreation Department, particularly Xcel charges for electricity, although hopefully at a rate considerable less than the prior operation, and general repairs and maintenance during the annual operation of the fountain from May through mid-October. Although this cost cannot be estimated precisely, it could approach \$15,000-\$18,000 annually.

Direct financial benefit will be realized from the proposed restaurant through two sources. Building improvement and acquisition of furniture, fixtures and equipment are estimated at \$1,075,000. Annual sales, based on McAllister's experience, are estimated at \$1,500,000 to \$2,000,000. Use taxes (a one-time payment) derived from the project are estimated at a minimum of \$37,500 and annual sales tax revenues, based on the lower amount of the range, will be \$52,500 annually.

Unfortunately, to meet the time requirements of McAllister's – the Letter of Intent expires on June 15th and it is their desire to be under construction soon thereafter – funding of the requested public improvement by the City would need to be assured before a lease is executed. Funds are not budgeted for the requested improvements, nor are funds available in the Capital Improvement Fund. Consequently, staff is requesting authorization from Council for use of \$100,000 from the LTAR fund for this purpose.

Staff believes that a public investment at this location will not only help the City to secure a desirable tenant, but that these improvements, along with the seven day/week activity that the restaurant will generate, will have a positive impact on Market Place and the surrounding area. It should also be noted that previous prospective restaurant tenant for the same site had also inquired about the City activating the fountain. The Market Place broker has had interest from other potential tenants for this space; however, those uses would not generate sales tax, nor would they provide the level of activity that a restaurant would. Staff believes constructing the needed improvements would be a good investment, given the projected annual net income from sales tax and the benefit that would be realized by the entire area from increased business activity. If Council supports the proposed plan, staff will proceed with the recommended improvements.