

General Fund

General Fund Summary

The General Fund is the largest of the City's operating funds. It includes all resources not restricted legally to a specific use. The major source of revenue for the General Fund is sales and use tax, which accounts for approximately fifty percent of the fund revenue. Approximately thirty department and agencies are funded in the General Fund providing over two hundred programs to the citizens of the City and County of Denver.

This section includes a summary balance sheet for the fund (Schedule 100), a schedule of all revenues in the fund (Schedule 100A) and a detailed discussion of these revenues, and a schedule of all projected expenditures by department/agency (Schedule 100B). The program detail section of this document includes information on each program provided by the City.

The **Schedule 100** on the following page presents a comparison of the revenue and expenditures of the General Fund to provide a picture of the Fund's financial condition.

Financial Resources include all revenues received by the General Fund. The sources and amounts are detailed in Schedule 100A.

Uses of Resources summarizes the City's anticipated expenditures.

Annual Appropriations are appropriations to General Fund agencies for basic operating expenses (personnel, supplies and materials, capital equipment, and internal service charges).

The **General Contingency** is required by the City Charter is two percent of the total annual appropriations and designated reserves, and is set aside to cover unanticipated operating costs throughout the year.

The **Unspent Agency Appropriations** are subtracted from total possible expenditures to reflect the anticipated total use of resources.

The **Net Increase (Decrease) in Fund Balance** is the difference between total Financial Resources and total Uses of Resources.

The **Fund Balance January 1 (Undesignated)** is the prior year's ending balance. This is added to the projected current year's Net Increase (Decrease) in Fund Balance to project the year-end fund balance.

The **Fund Balance December 31 (Undesignated)** is the anticipated year-end balance, which is carried into the next budget year.

Fund Balance Reserves include the reserves for prepaid items and other reserves.

The **Total Fund Balance** includes the total of undesignated and reserved portions of the General Fund Balance.

General Fund

Financial Summary - Schedule 100

(\$ in thousands)

	2010 Final	2011 Revised	2012 Recommended
Financial Resources			
Fund Revenues	\$832,798	\$858,492	\$877,965
Transfers	37,963	31,193	30,373
Total	\$870,761	\$889,685	\$908,338
Uses of Resources			
Annual Appropriations	\$847,920	\$897,144	\$926,415
General Contingency	0	17,794	18,622
Reserve for Merit	0	0	4,700
Estimated Unspent Appropriations	0	(18,900)	(17,500)
Additional Budget Reductions	0	(14,662)	0
Total	\$847,920	\$881,376	\$932,237
Net Increase/(Decrease) in Fund Balance	\$22,841	\$8,309	(\$23,899)
Undesignated Fund Balance - January 1	92,990	115,586	123,895
(Increase)/Decrease in Designated Reserves	(245)	0	0
Undesignated Fund Balance - December 31	115,586	123,895	99,996
Prepaid items and other Reserves	20,475	20,475	20,475
Total Fund Balance - December 31	\$136,061	\$144,370	\$120,471

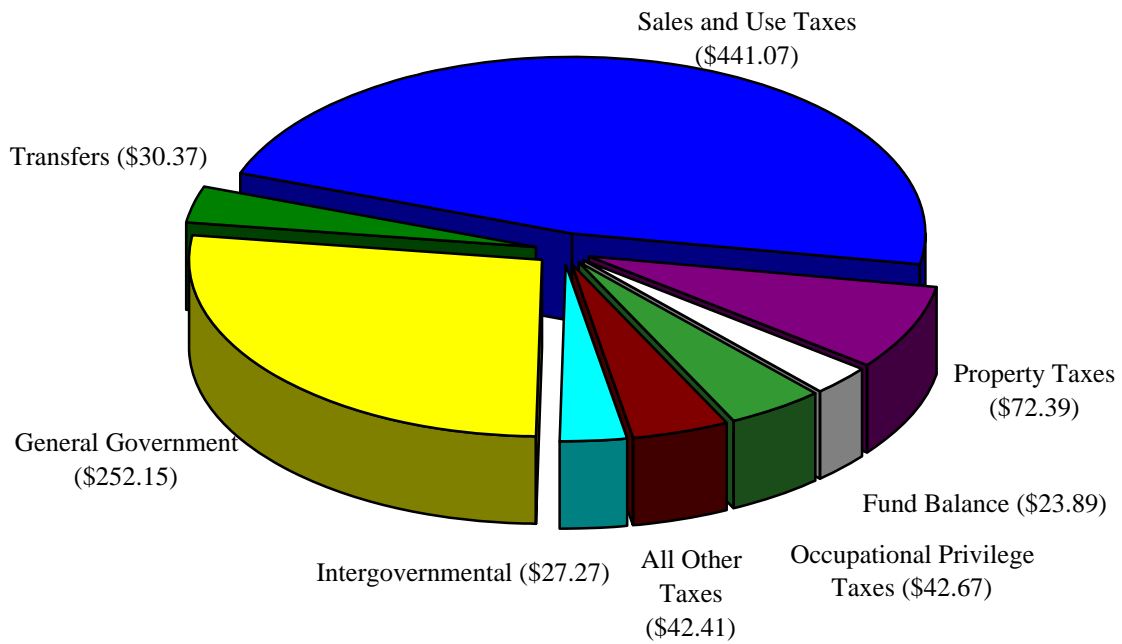
General Fund Summary

Schedule 100A

General Fund Revenue Summary

Where the Money Comes From...

\$932.2



(\$ in Millions)
Source: Schedule 100A

Schedule 100A provides a three-year comparison of revenues to the General Fund. The revenue categories are explained in detail in the discussion of General Fund Revenues.

General Fund

Summary - Estimated Revenues - Schedule 100A

(\$ in thousands)

	2010 Actual	2011 Revised	2012 Projected
Taxes			
Property	\$64,884	\$68,162	\$72,390
Sales and Use	409,816	426,097	441,074
Lodgers'	13,316	14,869	16,128
Occupational Privilege	41,650	41,944	42,673
Motor Veh Own Tax/Fee	17,004	16,981	16,981
Telecommunications	2,787	2,740	2,700
Miscellaneous Other	15,966	6,200	6,600
Taxes Subtotal	\$565,424	\$576,992	\$598,546
Intergovernmental			
Payment In Lieu of Taxes	\$63	\$60	\$60
Highway Users	17,786	16,065	16,974
Cigarette	2,199	2,064	2,064
Miscellaneous Other	8,393	8,249	8,177
Intergovernmental Subtotal	\$28,442	\$26,438	\$27,274
General Government			
Licenses and Permits	\$22,434	\$23,162	\$21,763
Fines and Forfeits	48,186	56,206	59,590
Interest Income	4,358	3,024	3,474
Fees	48,997	50,637	49,412
Charges for Services	10,633	15,897	11,961
Use Charges	19,211	21,096	22,172
Internal Service and Indirect Cost	69,948	71,015	70,533
Investment Service	683	690	700
Cable Franchise	6,140	6,299	6,456
Miscellaneous Other	8,341	7,037	6,085
General Government Subtotal	\$238,932	\$255,062	\$252,145
Transfers			
Convention Center	\$25,805	\$21,425	\$22,643
Miscellaneous Other	12,157	9,767	7,730
Transfers Subtotal	\$37,963	\$31,193	\$30,373
General Fund Total Revenues	\$870,761	\$889,685	\$908,338

Discussion of General Fund Revenues

Economic Overview

In June of 2009, the nation's 18-month long recession officially ended, marking the beginning of a new phase of economic recovery. However, the pace of the recovery has been painfully slow, with many economic indicators suggesting growth has been anything but robust. The national unemployment rate has remained well above pre-recession levels, averaging 9.0 percent during the first half of 2011. Home prices have continued falling in metropolitan areas nationwide, with the Denver metropolitan region experiencing 12 consecutive months of year-over-year home price decreases through June of 2011. And growth in gross domestic product has slowed, increasing by only 0.4 percent in the first quarter of 2011 and by 1.0 percent in the second quarter. These troubling economic indicators, along with disconcerting negotiations over the United States' debt ceiling and a first-ever downgrade of the United States' credit rating, have unsurprisingly rattled markets and consumer confidence. In August, the S&P 500 experienced its worst decline since December 2008 and consumer confidence fell to its lowest level in more than two years.

The economy's current volatility presents a certain degree of risk in forecasting General Fund revenue in 2011 and 2012. In light of this risk, a cautious but not overly conservative approach was used to forecast the City's economically driven revenue streams.

Revised 2011 General Fund Estimate

The revised 2011 General Fund revenue estimate totals \$889,684,600. This represents an increase of \$18,923,921 or 2.2 percent over 2010 actual collections and an \$18,186,300 or 2.1 percent increase over the original forecast. Growth over 2010 actuals is the net result of a number of anticipated revenue increases and decreases, including growth in base revenues as well as revenue enhancements enacted to help address the budget deficit.

Tax revenue in 2011 is projected to increase by \$11,568,400, or 2.0 percent. The net tax revenue increase is largely attributable to anticipated growth in sales and use tax revenue less a decrease in excess Police and Fire mill levy revenue. Agency proposed revenue enhancements impacting tax collections in 2011 include administering a tax amnesty program, and continuing the use of excess Fire mill levy pension funds into 2011 and 2012. It is not anticipated that this revenue source will be available in 2013.

Intergovernmental revenue is projected to decrease by \$2,003,100, or 7.0 percent in 2011. Base intergovernmental collections are projected to decrease due primarily to a reduction in the amount of highway users tax that is distributed to the City and deposited in the General Fund.

General Government revenue in 2011 is forecast to increase by \$16,129,100 or 6.8 percent. Major changes include additional medical marijuana licensing and application fee revenue; increased parking fine revenue associated with changing the fine schedule for parking violations in street sweeping areas; and a one-time increase in revenue from the Sheriff Regional Services Fund in support of Undersheriff's contract inmate program. Other factors contributing to revenue growth in 2011 include increased revenue from construction/excavation permits and plan checking fees. Factors that are partially offsetting these increases include backing out one-time revenue from 2010 and projecting lower interest income.

Transfer revenue is projected to decrease by \$6,770,400 or 17.8 percent in 2011. Included in this decrease is a drop in base transfer revenue largely attributable to two one-time transfers from 2010 not carrying forward into 2011 as well as a reduction in the Capital Improvement Fund transfer back to normal levels. Partially offsetting these decreases is a one-time transfer of excess TABOR Reserve funds to the General Fund.

Beginning 2012 General Fund Forecast

The General Fund revenue forecast for 2012 totals \$908,337,500. This is an increase of \$18,652,900 or 2.1 percent over the 2011 revised estimate. Factors contributing to this increase include revenue enhancements proposed by agencies to help close the budget deficit; \$15,053,200 in tax revenue growth; a \$735,700 increase in

Discussion of General Fund Revenues

intergovernmental revenue; a \$12,856,100 decrease in General Government collections; and an \$839,200 decrease in transfer revenue.

The 2012 forecast for tax revenue is increasing by \$21,553,200 or 3.7 percent over the 2011 revised forecast. Base tax revenue is expected to increase in 2012 due largely to anticipated growth in sales and use tax collections. Other changes include a projected increase in sales and occupational privilege tax audit revenue and the continuation of the policy to use excess Fire and Police mill levy pension funds for new hire pension costs in the General Fund.

Intergovernmental revenue in 2012 is forecasted to increase by \$835,700 or 3.2 percent, primarily due to base intergovernmental revenue growth.

General Government collections are projected to decrease in 2012 by a net \$2,916,300. Declining General Government revenue in 2012 is partly attributable to the backing out of one-time revenue increases from 2011, including the Sheriff Regional Services Fund transfer for the contract inmate program, bond refinancing income, and medical marijuana application revenue. Other factors contributing to the decrease include a reduction in street occupancy permit revenue associated with the Denver Union Station project and the elimination of the occupational privilege tax registration fee. Partially offsetting these decreases is additional medical marijuana licensing revenue and the implementation of a tiered membership fee structure at recreation centers across the city.

The 2012 forecast for transfer revenue is decreasing by \$819,700. This decrease includes backing out one-time transfers from 2011, including the excess TABOR Reserve fund transfer and a Capital Improvement Fund transfer that was enabled by one-time COP savings. Offsetting these decreases is additional excise tax audit revenue that will increase the General Fund's Convention Center transfer revenue in 2012.

Taxes

Property Tax

The property tax is levied on the assessed value of all real property (land and buildings), certain personal property (property used in the production of income), and public utilities within the City. Agricultural equipment, property used for religious or charitable purposes, and property owned by governmental entities are exempt.

According to state statute, all assessable real and personal property must be re-appraised every two years. Property taxes collectable in 2012 are based on values established during the 2011 re-appraisal combined with any physical changes to property, including new construction, completed prior to January 1, 2011.

The Gallagher Amendment requires that residential property carry 45.0 percent of the state-wide burden of all property taxes, with all other property owners (commercial, industrial) carrying a 55.0 percent share. To maintain this balance, the ratio of assessment on residential property is adjusted in re-appraisal years.

Residential assessed values are established by multiplying the actual value (full market value) by the assessment ratio, which is established in re-appraisal years by the State Division of Property Taxation and approved by the Colorado General Assembly. The 2011 General Fund mill levy for property taxes collected in 2012 totals 7.219.

According to TABOR, yearly growth in property tax collections may not exceed the sum of inflation, as measured by the Denver-Boulder-Greeley Consumer Price Index for Urban Consumers, and "local growth," which is a function of the change in actual value caused by additions to and deletions from taxable real property. Mill levies are set in accordance with the TABOR amendment guidelines and will increase for 2012 due to the expiration of a temporary credit used in past years to stay within TABOR growth guidelines. The 2012 mill levy rates for all funds will be set to capture this growth by TABOR.

2011 Estimate

The 2011 estimate for property tax totals \$68,161,600, representing a \$3,277,752 or 5.1 percent increase over 2010 actual property tax collections.

Discussion of General Fund Revenues

2012 Forecast

Property tax is projected to increase by 6.2 percent in 2012 to \$72,389,600. This forecast is within expected TABOR limitations.



*Beginning in 2008, a portion of property tax started going directly to the Capital Improvement Projects fund instead of the General Fund. This change was made in response to no longer diverting one-half of occupational privilege tax to the Capital Improvement Projects fund.

Sales and Use Tax

The sales and use tax is the principal source of revenue to the General Fund, accounting for half of all revenues. Included in this revenue category are sales tax, use tax, aviation fuel tax, short-term car rental tax, and prepared food and beverage tax.

The sales tax is a fixed-rate tax levied on the purchase price of tangible personal property sold at retail. Exempt items include sales to governments and charitable organizations, cigarettes, motor fuel, food sold by grocers, and sales to purchasers outside of the City when delivery is outside the City. Denver's sales tax rate is 3.62 percent, with 3.50 percent distributed to the General Fund and 0.12 percent distributed to a special revenue fund that supports the City's Preschool Program.

The use tax is a fixed-rate tax levied on tangible personal property that is used, stored, distributed or consumed in the City but that is not subject to retail sales tax. Use tax is primarily imposed on construction materials and on heavy equipment that make use of public roads but that are not registered as motor vehicles. Denver's use tax is 3.62 percent and is distributed in the same way as sales tax.

The aviation fuel tax is imposed on the sale of airline fuel, a brokered commodity. If a licensed dealer sells the fuel, a sales tax is levied. If an unlicensed dealer sells the fuel, the tax is paid as use tax by the airlines. The aviation fuel tax is \$0.04 per gallon with 50 percent of the proceeds going to the General Fund and 50 percent going to the Airport Gross Revenue Fund.

The short-term car rental tax is applied when automotive vehicles are hired, rented, or leased for 30 days or less. The tax rate is 7.25 percent and is divided among three funds: the General Fund receives 3.5 percent; the Excise Tax Pledged Revenue Fund receives 2.0 percent for the payment of the Colorado Convention Center bonds; and the Convention Center Expansion Fund receives 1.75 percent for the expansion of the Convention Center.

The prepared food and beverage tax applies to food or drink served by or furnished in restaurants, cafes, lunch counters, hotels, drugstores, etc. The tax rate is 4.0 percent and is divided between two funds: the General Fund

Discussion of General Fund Revenues

receives 3.5 percent and the Excise Tax Pledged Revenue Fund receives 0.5 percent for the payment of the Colorado Convention Center bonds.

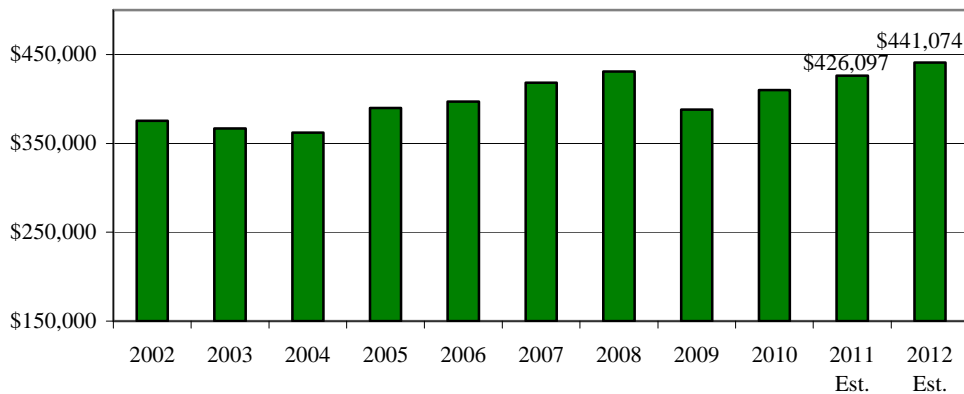
2011 Estimate

The 2011 revised estimate for sales and use tax totals \$426,096,900. This is an increase of \$16,280,425 or 4.0 percent over 2010 actual collections and an increase of \$7,332,000 or 1.8 percent over the original 2011 forecast. The original estimate was revised upward based on year-to-date actuals exceeding original growth expectations and to account for the implementation of the City's tax amnesty program.

2012 Forecast

The 2012 sales and use tax projection totals \$441,074,200, representing a \$14,977,300 or 3.5 percent increase over the 2011 revised estimate. Steady growth in core sales and use tax collections and anticipated growth in audit revenue underlie this revenue projection.

Sales and Use Tax Collections (in 000s)



Lodgers' Tax

Guests staying in Denver lodging facilities for fewer than 30 consecutive days pay a lodgers' tax on the purchase price of their lodging. Primary exemptions include governmental, religious, and charitable organizations.

Denver's lodgers' tax rate is 10.75 percent. Of this, the General Fund receives 30 percent, the Denver Metro Convention and Visitors Bureau receives 26 percent, the Excise Tax Revenue Bond Fund receives 28 percent for the repayment of bonds issued to build the Colorado Convention Center, and the Convention Center Expansion Fund receives 16 percent for the expansion of the Convention Center.

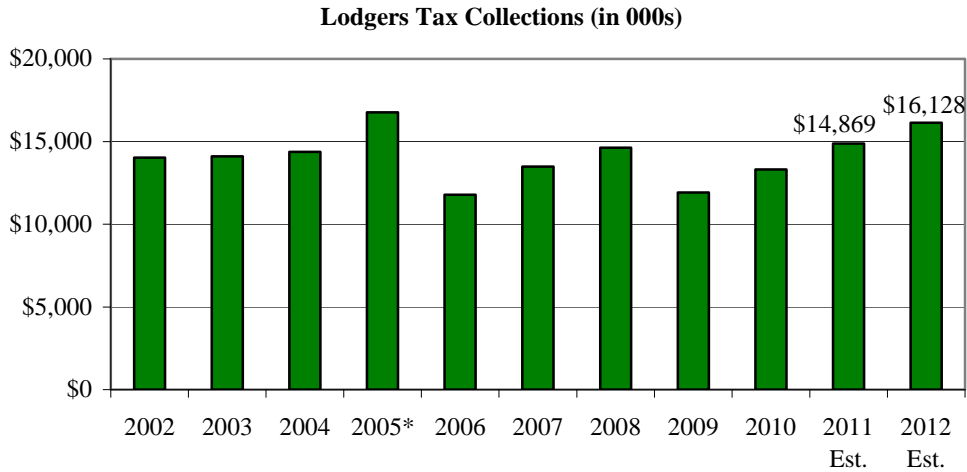
2011 Estimate

Lodgers' tax is projected to total \$14,869,200 in 2011, which is \$1,552,714 or 11.7 percent over 2010 actual collections. The 2011 estimate was revised upward by \$2,199,600 or 17.4 percent from the original projection. Through June, lodgers' tax actuals increased 16.3 percent year-over-year. It is anticipated that this strong growth will not be sustained through the end of the year, bringing the 2011 growth rate down to a more conservative 11.7 percent.

2012 Forecast

The 2012 lodgers' tax forecast is projected to increase by \$1,258,700 or 8.5 percent to \$16,127,900. This forecast incorporates Visit Denver's 2012 projected lodgers' tax growth rate of 3 percent and also factors in one-time audit revenue.

Discussion of General Fund Revenues



*A portion of lodgers' tax that previously went the General Fund started going to the newly-created Denver Metro Convention and Visitor's Bureau fund beginning in 2006.

Occupational Privilege Tax

The occupational privilege tax is levied on any person employed within Denver city limits receiving \$500 or more a month for services performed and on any business having a fixed or transitory location within the City. Primary exemptions include religious and charitable organizations. In these cases, employers do not pay the tax, but employees still pay their share.

Employees pay \$5.75 per month and employers pay \$4.00 per month for each owner, partner, manager, or taxable employee.

2011 Estimate

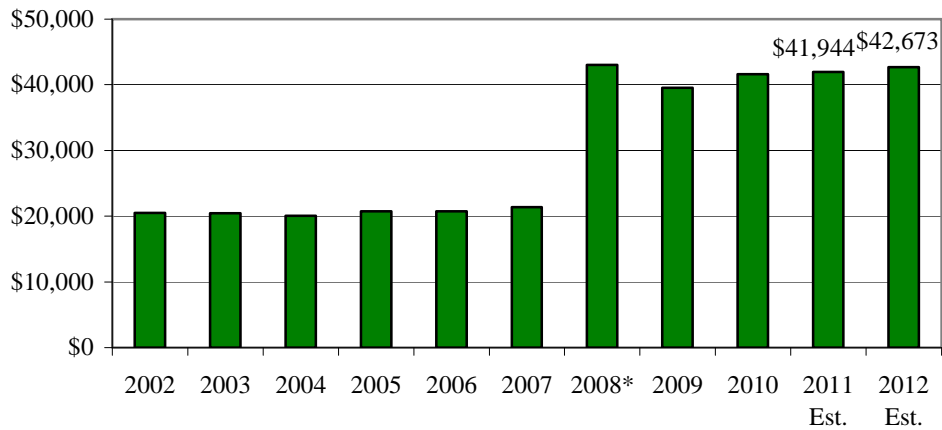
The 2011 revised estimate for occupational privilege tax is \$41,943,800, which is a 0.7 percent increase over 2010 actual collections and a 3.6 percent increase over the original projection. Occupational privilege tax was revised upward to better align it with year-to-date actual collections. The revised growth rate of 0.7 percent is consistent with Colorado Legislative Council's 2011 projected job growth rate for the state.

2012 Forecast

In 2012, occupational privilege tax is projected to increase by 1.7 percent over the 2011 revised estimate to \$42,673,000. This projected growth rate is consistent with 2012 projected job growth in the state.

Discussion of General Fund Revenues

Occupational Privilege Tax Collections (in 000s)



*Beginning in 2008, one-half of OPT collections are no longer diverted to the Capital Improvement Projects fund.

Motor Vehicle Ownership Tax (Auto A & B)

The motor vehicle ownership tax (auto A & B) is levied annually on vehicle ownership and collected when new vehicles are registered or when license plates are renewed. The tax is proportional to the age and value of the vehicle, ranging from 0.45 percent to 2.10 percent of the vehicle’s taxable value, with older vehicles being assessed a lower rate. Vehicles that are 10 years or older are taxed at a flat rate of \$3.00. Car rental agencies can pay a tax of 2.0 percent of their gross sales in lieu of the ownership tax.

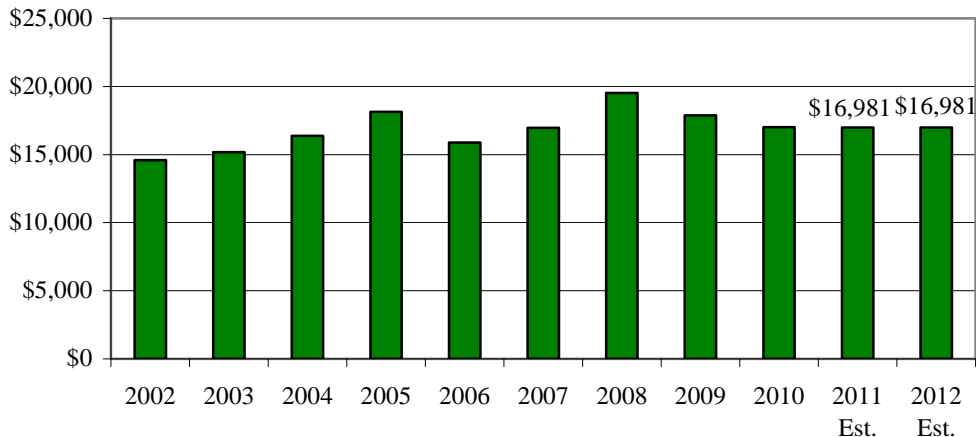
2011 Estimate

The 2011 motor vehicle ownership tax estimate totals \$16,980,800, which is a slight decrease of 0.1 percent from 2010 actual collections. This projection assumes no major changes in the age, value and number of vehicles that are registered in 2011.

2012 Forecast

In 2012, motor vehicle ownership tax is projected to remain flat with 2011, totaling \$16,980,800.

Motor Vehicle Ownership Tax Collections (in 000s)



Discussion of General Fund Revenues

Telecommunications Business Tax

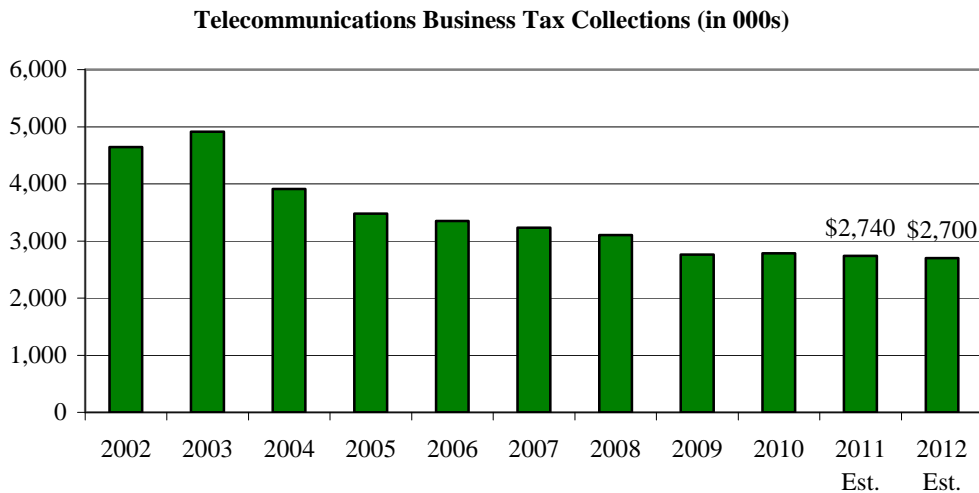
The telecommunications business tax is imposed on all companies that provide local exchange telecommunication service to Denver customers. It is a flat tax of \$1.12 per account per month.

2011 Estimate

The 2011 telecommunications business tax estimate is \$2,740,000, a 1.7 percent decrease from 2010 actual collections. This revenue stream is projected to decrease in 2011 and future years as users increasingly make use of wireless communication, which is not subject to the telecommunications business tax.

2012 Forecast

The downward trend in this revenue stream is expected to continue into 2012 with collections decreasing by \$40,000 or 1.5 percent to \$2,700,000.



Miscellaneous Other Tax

The miscellaneous other tax category includes one-time tax revenues that need to be isolated from existing tax revenue streams for accounting purposes.

2011 Estimate

In 2011, the miscellaneous other tax estimate totals \$6,200,000. This is a decrease of \$9,766,277 or 61.2 percent from 2010 actuals. The 2011 estimate is comprised of one-time excess Fire and Police mill levy funds that are being used to compensate the General Fund for pension and benefits related costs. The decrease from 2010 actuals is due to fewer excess mill levy funds being available for transfer in 2011.

2012 Forecast

The 2012 forecast is increasing by 6.5 percent to \$6,600,000 to account for additional one-time excess Fire and Police mill levy revenue.

Intergovernmental

Highway Users Trust Fund (HUTF)

Discussion of General Fund Revenues

The highway users tax is state-collected, locally shared revenue that is distributed monthly among the state, counties, and municipalities. Revenue is derived from gasoline taxes, special fuel taxes, motor vehicle registration fees, title fees, license fees, and increases in driver's license fees, motor vehicle registration fees and certain truck registration fees. Highway users tax is distributed to the City's General Fund and Capital Improvement Fund.

2011 Estimate

Forecasts prepared by the Colorado Municipal League and the Colorado Department of Transportation show Denver's share of highway users tax is projected to decrease by 3.8 percent in 2011 to \$24,031,000. Of this total, the General Fund's share is budgeted at \$16,065,200 and the remaining \$7,965,800 is budgeted in the Capital Improvement Fund. Compared to 2010 actuals, the General Fund's 2011 share reflects a decrease of 9.7 percent and the Capital Improvement Fund's share reflects an increase of 10.9 percent. HUTF revenue is being shifted away from the General Fund and into the Capital Improvement Fund in 2011 in order to process a reconciliation of 2010 FASTER revenue and to better align the Capital Improvement Fund's budgeted FASTER revenue with actuals.

2012 Forecast

Again using estimates provided by the Colorado Municipal League and the Colorado Department of Transportation, Denver's total HUTF estimate for 2012 is \$25,046,100, which is a 4.2 percent increase over the 2011 estimate. Of this total, the General Fund's share is projected to total \$16,973,500, or 5.7 percent above the 2011 General Fund estimate, and the Capital Improvement Fund's share is projected at \$8,072,600, reflecting a 1.3 percent increase over the 2011 Capital Improvement Fund estimate. The General Fund's higher growth rate in 2012 is due in part to backing out the one-time FASTER reconciliation that is being processed in 2011.

Cigarette Tax Rebate

The state levies a flat tax on cigarette sales and rebates a portion of the revenues to municipalities and counties. The tax now equals \$.84 for a 20-count pack and \$1.05 for a 25-count pack. A ballot measure increased this tax to 4.2 cents per cigarette from 1 cent per cigarette in 2004. All revenues from the 3.2 cent increase go to the state tobacco tax cash fund. However, language in the statute specifies that municipalities and counties shall be proportionately compensated out of these additional revenues from any decrease in their rebate revenue resulting from lower consumption.

2011 Estimate

The cigarette tax rebate estimate for 2011 is \$2,064,000, down 6.2 percent from 2010 actual collections. Decreasing cigarette sales due to higher taxes and the statewide public smoking ban will restrict growth in this revenue stream for the foreseeable future.

2012 Forecast

The 2012 forecast totals \$2,064,000, reflecting no change from the 2011 estimate.

Miscellaneous Other Intergovernmental

Miscellaneous intergovernmental revenues include indirect cost reimbursement from the State, reimbursement from the State to the Department of Public Works for road maintenance expenditures, Denver's share of the state severance tax, state grants to Environmental Health and the Police Department, and other collections from governmental entities.

2011 Estimate

The 2011 estimate for miscellaneous other intergovernmental revenue totals \$8,249,100, a \$143,464 or 1.7

Discussion of General Fund Revenues

percent decrease from 2010 actual collections. In 2011, Human Services' countywide cost allocation revenue is being returned to the Human Services Special Revenue Fund. A large portion of this revenue decrease is offset by increased traffic control and street maintenance reimbursement revenue from the Colorado Department of Transportation and additional revenue related to the FasTracks East Corridor Oversight project.

2012 Forecast

Miscellaneous other intergovernmental revenue is forecast to decrease slightly by 0.9 percent to \$8,176,500.

General Government

Licenses and Permits

Revenue is derived from the sale of licenses and permits by a variety of City agencies, including contractors' licenses, building permits, business licenses, and sales tax licenses.

2011 Estimate

The 2011 estimate for licenses and permits totals \$23,162,100. This is a \$727,801 or 3.2 percent increase over 2010 actuals and a \$3,066,000 or 15.3 percent increase over the original projection. The original projection was revised upward to account for recent legislative action by the State involving licensing of medical marijuana centers, infused product manufacturers and optional premise cultivation centers and to account for stronger growth assumptions in construction/excavation permitting.

2012 Forecast

In 2012, revenue from licenses and permits is projected to decrease by \$1,399,600 or 6.0 percent to \$21,762,500. Most of this decrease is attributable to a decrease in street occupancy revenue associated with the Denver Union Station project, which is further along in its construction schedule.

Fines and Forfeits

Fines are collected from persons or businesses that violate state statutes or City ordinances, and forfeits are collected from the sale of confiscated or abandoned property.

2011 Estimate

In 2011, fines and forfeits are projected to grow by \$8,019,243 or 16.6 percent over 2010 actuals to \$56,205,500. Major items contributing to this increase include adjusting the fine schedule for parking violations in street sweeping areas and accounting for operational changes in photo enforcement that were enacted in early 2011 as part of last year's budget process.

2012 Forecast

The 2012 forecast totals \$59,589,600, a \$3,384,100 or 6.0 percent increase over the 2011 estimate. Increases in traffic court fines, parking fines and auction revenue are primary contributors to this projected growth.

Interest Income

Revenue is derived from investing "general pool" monies in various securities. The general pool is a collection of various accounts of certain City funds. The earnings from these investments are apportioned back to the individual funds based on the ratio of a fund's average daily equity to the total equity of the pool.

2011 Estimate

The 2011 revised estimate for interest income is \$3,023,700. This represents a decrease of \$1,334,679 or 30.6

Discussion of General Fund Revenues

percent from 2010 actual collections and a decrease of \$1,514,500 or 33.4 percent from the original projection. The original projection was revised downward in response to mid-2011 market activity and the Federal Reserve's commitment to keep the federal funds rate low through mid-2013.

2012 Forecast

The investment income forecast for 2012 totals \$3,473,700, a 450,000 or 14.9 percent increase over the 2011 revised estimate.

Fees

General Fund agencies charge individuals and businesses for the provision of various services. This category includes the Xcel Franchise fee, motor vehicle license fees, docket fees, probation fees, foreclosure fees, recording of documents fees, property tax collection fees, plan checking fees, court cost fees, zoning fees, Excise and License application fees, copy work and certification fees, street repair fees, engineering inspection fees, animal shelter fees, and other fees.

2011 Estimate

In 2011, the revised estimate totals \$50,637,300. This is an increase of \$1,639,887 or 3.3 percent over 2010 actual collections. Growth in Xcel Franchise Fee revenue and plan checking fee revenue are the greatest factors contributing to this growth.

2012 Forecast

Fee revenue is projected to decrease by \$1,225,800 or 2.4 percent in 2012 to \$49,411,500. This decrease is mainly due to backing out 2011 one-time application fee revenue associated with medical marijuana centers, infused product manufacturers and grow facility operations, and due to eliminating the Occupational Privilege Tax registration fee.

Charges for Services

Revenue is derived from charges to individuals and businesses for services, supplies and materials. Revenue includes towing and storage charges, charges for the care of federal and state prisoners in City facilities, charges for recycling materials and supplies, charges for tree trimming, DUI alcohol evaluation charges, and charges for off-duty firefighters.

2011 Estimate

The estimate for 2011 is \$15,897,000, which is an increase of \$5,263,866 or 49.5 percent over 2010 actual collections. This growth is mainly attributable to a temporary revenue transfer from the Sheriff Regional Services Fund in support of the contract inmate program, the Fire Department providing fire services to the City of Sheridan, and Public Works anticipating increased revenue from the sale of recyclable commodities.

2012 Forecast

In 2012, charges for services are projected to decrease by \$3,935,700 or 24.8 percent to \$11,961,300. Most of this decrease is due to backing out the Sheriff Regional Services revenue transfer for the contract inmate program.

Use Charges

User fees are charges to the public for the performance of specific services that benefit the person(s) charged. Included in this category are parking meter and parking lot charges, public phone commissions, and recreation center and athletic field fees.

2011 Estimate

Discussion of General Fund Revenues

User fees are projected to increase by \$1,884,810 or 9.8 percent over 2010 actuals to \$21,095,800. This increase is primarily due to introducing a tiered fee structure citywide recreation centers, making operational changes at various city-owned parking garages, expanding the deployment of enhanced parking meter technology and charging for overnight parking.

2012 Forecast

The 2012 forecast for user fees shows an increase of \$1,076,500 or 5.1 percent to \$22,172,300. Factors underlying this revenue growth include implementing a new tiered fee structure at recreations centers across the city, introducing personal training and fitness assessments at recreation centers, and continuing to implement operational changes at city-owned parking garages.

Internal Service Charges and Indirect Cost Billings

Internal service charges result from General Fund agencies providing services and billing other City funds for these services. Indirect cost billings are the reimbursement of all costs incurred by General Fund agencies in support of non-General Fund activities that are not recovered through direct internal service charges.

2011 Estimate

The 2011 estimate totals \$71,015,000, reflecting an increase of \$1,067,465 or 1.5 percent over 2010 actual collections. This estimate was revised downward from the original projection by \$2,530,300 or 3.4 percent. The primary factor contributing to this downward revision involves eliminating billings revenue from the 911 Trust Fund. Previously, the 911 Trust Fund was billed to reimburse the General Fund for the cost of 911 call takers. Beginning in 2011, 911 call takers will be paid directly out of the 911 Trust Fund.

2012 Forecast

The 2012 forecast is decreasing by \$482,000 or 0.7 percent to \$70,533,000.

Investment Service Fees

Investment service fees are repayment to the General Fund for services rendered and expenses incurred in the administration, management, and investment of funds for various enterprise funds.

2011 Estimate

The 2011 estimate for investment service fee revenue is \$690,000.

2012 Forecast

Investment service fees are expected to total \$700,000 in 2012.

Cable Franchise Fee

Revenue is derived from a franchise agreement between Comcast (formerly AT&T Broadband) and the City and County of Denver. The agreement continues until 2012.

2011 Estimate

The 2011 revised estimate for cable franchise fee revenue totals \$6,298,600. This represents a \$158,815 or 2.6 percent increase over 2010 actual collections. The first two quarterly cable franchise fee payments are in line with this estimate.

2012 Forecast

Discussion of General Fund Revenues

In 2012, cable franchise fee revenue is projected to increase by 2.5 percent to \$6,456,100.

Miscellaneous Other General Government

The miscellaneous other general government category includes revenues such as short check collection fees, salvage item sales revenue, unclaimed monies, insurance recoveries, and various one-time revenue increases.

2011 Estimate

The 2011 revised estimate totals \$7,036,500, a decrease of \$1,304,854 or 15.6 percent from 2010 actual collections. Factors contributing to this decrease include backing out the 2010 sale of the Fire Line Shop, backing out a Denver Union Station Project Authority loan repayment that was received in 2010, and lowering the projection for surplus vehicle sale revenue. These decreases are partially offset by a number of miscellaneous revenue increases, including a one-time revenue increase related to refinancing debt.

2012 Forecast

The 2012 forecast is decreasing by \$951,300 or 13.5 percent to \$6,085,200. This decrease is primarily due to not carrying forward the one-time bond harvesting income that is expected in 2011.

Transfers

Convention Center Transfer and Other Transfers

Revenue to the General Fund includes direct cash transfers from other City funds. The largest transfer is the Convention Center Pledged Revenue Fund transfer, which reflects revenues from the Convention Center Excise Tax Bond Fund in excess of the required annual debt service and capital reserve requirements.

2011 Estimate

Transfer revenue in 2011 is projected to total \$31,192,500. This is \$6,770,383 or 17.8 percent below 2010 actual collections. Less revenue is expected in 2011 due primarily to two one-time transfers from 2010 not carrying forward into 2011, including a one-time cash reserve release from the Convention Center Excise Tax Bond Fund and a one-time transfer of fire mill levy funds from the Liability Claims Fund. The 2011 estimate is also decreasing due to lowering the Capital Improvement Fund transfer back to normal levels. This reduction is partially offset by one-time excess TABOR Reserve funds being transferred to the General Fund in 2011.

2012 Forecast

The 2012 forecast totals \$30,372,800, an \$819,700 or 2.6 percent decrease from the 2011 estimate. This decrease is due to backing out one-time transfers from 2011, including the excess TABOR Reserve fund transfer and a Capital Improvement Fund transfer that was enabled by one-time COP savings. Offsetting these decreases is additional excise tax audit revenue that will increase the General Fund's Convention Center transfer revenue in 2012.

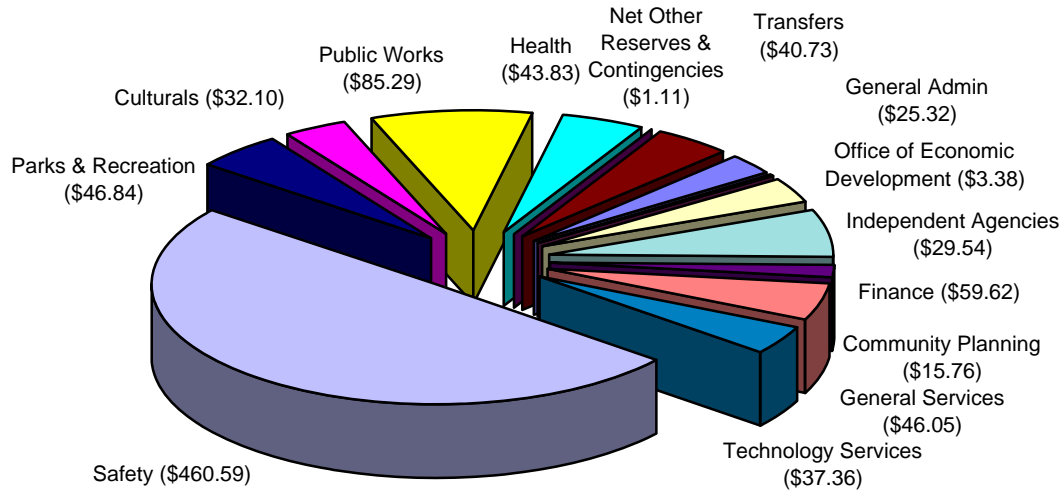
General Fund Summary

Schedule 100B

General Fund Expenditure Summary By Agency

Where the Money Goes...

\$927.5



(\$ in Millions)

Source: Schedule 100B

Schedule 100B provides a three-year summary of General Fund agency expenditures. The information is derived from the individual agencies' budget summary sheets in the budget document.

General Fund

Summary - Estimated Expenditures - Schedule 100B

	2010 Actual	2011 Appropriated	2012 Recommended
General Administration			
Mayor's Office	\$1,497,299	\$1,404,100	\$1,468,500
Civic Events	855,702	853,400	814,700
Mayor's Office for Education and Children	835,475	804,800	810,200
Office of Cultural Affairs	1,146,195	399,400	0
Office of Employee Assistance	406,471	399,000	403,400
City Attorney	17,713,946	18,946,156	18,703,200
Board of Ethics	99,227	104,100	105,600
Excise and Licenses	1,235,403	1,438,400	1,457,900
Office of the Independent Monitor	583,289	602,100	626,700
Human Rights and Community Relations	971,149	937,100	932,700
General Administration Total	\$25,344,156	\$25,888,556	\$25,322,900
Office of Economic Development			
Office of the Director	\$1,177,334	\$1,417,600	\$1,319,400
Division of Business Development	503,188	657,600	739,600
Division of Small Business Opportunity	917,508	1,344,400	1,322,800
Office of Economic Development Total	\$2,598,030	\$3,419,600	\$3,381,800
Independent Agencies			
City Council	\$3,937,421	\$4,246,158	\$4,199,800
Office of Telecommunications	299,429	328,600	0
Clerk and Recorder Administration	1,023,669	963,000	971,900
Clerk and Recorder	1,491,785	1,839,300	1,803,900
Clerk and Recorder Elections	4,017,359	5,302,300	6,073,100
Career Service Authority	8,177,648	9,794,245	9,839,800
Hearing Office	366,821	403,500	435,200
Board of Adjustment for Zoning Appeals	242,820	261,600	257,900
Auditor	5,487,634	6,274,200	5,957,900
Independent Agencies Total	\$25,044,585	\$29,412,903	\$29,539,500

General Fund

Summary - Estimated Expenditures - Schedule 100B

	2010 Actual	2011 Appropriated	2012 Recommended
Finance			
Office of the CFO	\$1,683,110	\$1,831,200	\$1,685,200
Assessment Division	4,641,348	4,835,200	4,522,800
Treasury Division	11,885,429	11,776,200	12,662,400
Motor Vehicle Division	3,444,839	3,783,700	4,031,900
Budget and Management Office	2,164,902	2,333,700	2,242,200
Office of the Controller	5,806,247	6,919,400	7,098,000
Risk Management	2,845,671	3,298,300	2,915,300
Finance Operations Total	\$32,471,546	\$34,777,700	\$35,157,800
Other Finance Appropriations			
Unemployment Compensation Insurance	1,251,297	765,000	765,000
Payments to the Elderly and Disabled	1,032,327	1,275,000	1,275,000
Hotel Tax Increment	1,239,909	1,011,000	1,506,000
Downtown Historic District Tax Rebate	0	0	0
Annual Rental Payments	16,130,224	19,752,600	20,915,200
Other Finance Appropriations Total	\$19,653,757	\$22,803,600	\$24,461,200
Finance Total	\$52,125,303	\$57,581,300	\$59,619,000
Community Planning and Development			
Office of the Manager	\$2,169,903	\$2,067,400	\$2,261,700
Development Services	10,756,282	11,334,000	11,231,300
Planning Services	2,038,732	2,302,100	2,270,100
Community Planning & Development Total	\$14,964,918	\$15,703,500	\$15,763,100
General Services			
General Services Administration	\$991,733	\$787,000	\$831,000
Purchasing	1,708,475	2,180,500	2,119,300
Facilities Management	15,120,355	16,939,400	16,365,900
Energy Management	27,919,303	29,257,700	26,730,200
General Services Total	\$45,739,865	\$49,164,600	\$46,046,400
Technology Services			
Office of the CIO	\$2,080,633	\$2,262,400	\$2,553,700
Operations	16,671,046	18,349,250	17,989,700
Application Development	12,092,252	13,319,400	13,766,600
Denver 8 TV	1,054,067	1,183,018	1,449,200
Denver 311	1,517,343	1,571,600	1,603,400
Technology Services Total	\$33,415,341	\$36,685,668	\$37,362,600

General Fund

Summary - Estimated Expenditures - Schedule 100B

	2010 Actual	2011 Appropriated	2012 Recommended
Safety			
Safety Administration	\$3,307,947	\$4,009,900	\$4,414,100
911 Emergency Communications	9,184,310	9,400,200	5,448,900
Safe City Office	1,222,220	1,237,000	1,459,300
Police			
Police Administration	\$29,497,134	\$33,111,500	\$32,630,900
Police Operations	147,152,819	145,007,200	155,055,100
Police Total	\$176,649,953	\$178,118,700	\$187,686,000
Fire			
Fire Administration	\$22,177,759	\$23,039,000	\$24,456,600
Fire Operations	82,751,005	88,971,000	92,439,000
Fire Total	\$104,928,764	\$112,010,000	\$116,895,600
Undersheriff			
Undersheriff Administration	\$7,115,125	\$5,930,900	\$6,867,100
Undersheriff Operations	86,402,148	91,391,227	96,589,800
Undersheriff Total	\$93,517,273	\$97,322,127	\$103,456,900
Safety Total	\$388,810,468	\$402,097,927	\$419,360,800
Other Safety Agencies			
Civil Service Commission	\$1,242,364	\$1,437,300	\$1,536,600
District Attorney	16,876,679	17,819,000	18,108,600
Denver County Court	20,755,239	21,352,000	20,990,500
Office of Emergency Management	572,540	608,200	594,000
Other Safety Agencies Total	\$39,446,822	\$41,216,500	\$41,229,700
Parks and Recreation			
Parks and Recreation Administration	\$2,073,963	\$2,278,100	\$2,393,800
Recreation Division	\$13,868,224	\$15,443,600	\$15,373,700
Parks and Planning	\$24,763,397	\$27,524,200	\$27,794,800
CSU Cooperative Extension	156,900	156,900	156,900
Mountain Parks	668,529	755,500	810,000
Buffalo Bill Museum	340,425	349,000	310,300
Parks and Recreation Total	\$41,871,437	\$46,507,300	\$46,839,500
Cultural Facilities			
Denver Public Library	\$29,056,320	\$30,959,300	\$32,104,500
Cultural Facilities Total	\$29,056,320	\$30,959,300	\$32,104,500

General Fund

Summary - Estimated Expenditures - Schedule 100B

	2010 Actual	2011 Appropriated	2012 Recommended
Public Works			
Office of the Manager	\$606,207	\$719,300	\$814,000
Finance and Administration	3,010,363	3,118,300	2,880,600
Policy, Planning, & Communication	867,973	1,053,200	1,172,200
Right-of-Way Services	14,319,587	16,495,000	17,081,600
Capital Projects Management	4,000,489	3,709,400	4,080,200
Traffic Engineering Services	9,831,834	10,834,300	11,206,200
Street Lighting	1,893,586	2,575,000	2,575,000
Street Maintenance	18,754,924	19,920,100	20,904,300
Solid Waste	22,363,385	23,737,500	24,576,700
Public Works Total	\$75,648,347	\$82,162,100	\$85,290,800
Health			
Environmental Health			
Community Health and Decision Support	\$1,852,564	\$1,749,700	\$1,677,900
Public Health Inspection	1,715,665	2,245,600	2,480,700
Animal Care and Control	2,697,152	3,028,700	2,883,300
Environmental Quality	365,405	382,200	0
Office of the Medical Examiner	2,651,500	2,814,500	2,775,200
Environmental Health Total	\$9,282,286	\$10,220,700	\$9,817,100
Payments to Denver Health & Hospital Authority			
Payment for Public Health Clinical Services	\$2,342,600	\$2,205,700	\$2,189,700
Payment for Denver C.A.R.E.S. Services	3,317,700	3,103,400	3,629,000
Payment for Poison Center Services	96,900	96,900	96,900
Payment for Medically Indigent Services	27,977,300	27,977,300	27,977,300
Payment for Park Hill Clinic Financing	107,582	121,900	116,900
Payments to Authority Total	\$33,842,082	\$33,505,200	\$34,009,800
Health Total	\$43,124,367	\$43,725,900	\$43,826,900
General Fund Total Operations	\$817,189,961	\$864,525,154	\$885,687,500

General Fund

Summary - Estimated Expenditures - Schedule 100B

	2010 Actual	2011 Appropriated	2012 Recommended
General Fund Transfers*			
Transfer to Liability Claims SRF	\$2,000,000	\$2,000,000	\$2,000,000
Transfer to Business/Comm Investment SRF	200,000	200,000	500,000
Transfer to Economic Opportunity SRF	455,700	455,700	423,700
Transfer to Training SRF	75,000	75,000	75,000
Transfer to Educational Refund SRF	138,900	138,900	0
Transfer to General Government SRF	35,677	0	0
Transfer to Risk Management SRF	100,000	100,000	100,000
Transfer to Alternative Transportation SRF	433,700	433,700	433,700
Transfer to Grant Development SRF	220,000	220,000	280,000
Transfer to Human Services SRF	1,650,000	75,000	1,075,000
Transfer to Convention Complex SRF	3,098,700	2,798,700	2,800,000
Transfer to Public Safety SRF	67,000	67,000	67,000
Transfer to Crime Control and Prevention SRF	3,500,000	3,150,000	3,150,000
Transfer to Diversion and Youth SRF	247,700	177,700	0
Transfer to Four Mile Historic Park SRF	66,600	66,600	66,600
Transfer to Denver Art Museum SRF	1,393,200	1,325,200	1,325,200
Transfer to Museum of Nature & Science SRF	1,054,000	1,002,400	1,002,400
Transfer to Botanic Gardens SRF	1,013,600	964,000	964,000
Transfer to Zoological Gardens SRF	0	2,090,600	2,235,900
Transfer to Municipal Band SRF	50,300	48,300	48,300
Transfer to Fleet Replacement SRF	1,871,600	5,446,800	9,810,700
Transfer to Arts and Venues Denver	0	0	47,700
Transfer to CIF - IT Projects	9,872,000	8,283,000	10,000,000
Transfer to CIF - Radio Replacement	0	1,000,000	1,500,000
Transfer to CIF - User Component Repl.	700,000	1,500,000	1,500,000
Transfer to CIF - Infrastructure Replacement	1,000,000	1,000,000	1,322,000
Transfer to Capital Improvements Fund	6,000	0	0
Transfers Total	\$29,249,677	\$32,618,600	\$40,727,200
General Fund Annual Appropriations	\$846,439,638	\$897,143,754	\$926,414,700
General Fund Contingency	\$0	\$17,794,000	\$18,622,000
Estimated Unspent Appropriations	\$0	(\$18,900,000)	(\$17,500,000)
General Fund Total Expenditures	\$846,439,638	\$896,037,754	\$927,536,700

*These transfers represent General Fund support for various Special Revenue Fund and Capital Improvement Fund programs. For descriptions of the programs utilizing these transfers, please see the Special Revenue Fund and Capital Improvement Fund sections of this document.