



MONTHLY FINANCIAL REPORT

March 2012*

PERFORMANCE AT A GLANCE

| | CURRENT MONTH | YEAR TO DATE | REFERENCE |
|--|---------------|--------------|-----------|
| GENERAL FUND | | | |
| General Fund Exp vs. Rev | POSITIVE | POSITIVE | Page 3 |
| Overall Sales Tax Revenue (prior month activity) | POSITIVE | POSITIVE | Page 3 |
| Overall Use Tax Revenue | POSITIVE | POSITIVE | Page 4 |
| Property Tax Revenue | POSITIVE | POSITIVE | Page 4 |
| Fees and Charges | POSITIVE | POSITIVE | Page 5 |
| Other Revenues | WARNING | POSITIVE | Page 6 |
| YTD Revenues with Budget Line | POSITIVE | POSITIVE | Page 6 |
| General Fund Monthly Collection Comparison | POSITIVE | POSITIVE | Page 7 |
| YTD Expenditures with Budget Lines | POSITIVE | POSITIVE | Page 8 |
| General Fund Expenditure vs. Budget | POSITIVE | POSITIVE | Page 8 |

The monthly Financial information for the Utility Funds is provided in a separate report prepared by the City of Fort Collins Utilities.

PERFORMANCE INDICATORS

POSITIVE = Positive variance or negative variance < 1% compared to seasonal trends.

WARNING = Negative variance of 1-4% compared to seasonal trends.

NEGATIVE = Negative variance of > 4% compared to seasonal trends.

*Numbers in this report are subject to change as items are posted into the period they occurred.

ECONOMIC INDICATORS

NATIONAL ECONOMY

National GDP: ↑ GDP is defined as the output of goods and services produced by labor and property located in the United States. The Bureau of Economic Analysis reported that the GDP for the fourth quarter of 2011 increased at a rate of 2.8%. In the third quarter of 2011 GDP increased at a revised rate of 1.8%.

Interest Rates: — The Federal Open Market Committee met on March 13th and the outcome of the meeting was maintaining the Federal Funds interest rate to float between 0% and 0.25%.

Housing Starts: — Housing Starts in February were at a seasonally adjusted rate of 698,000. This is 1.1% below the revised January 2012 figure of 706,000, but is 34.7% above the February 2011 rate of 518,000.

UNEMPLOYMENT RATES

National: ↓ The National unemployment rate for March 2012 decreased to 8.2% from the February 2011 rate of 8.3%.

State-wide: — The Colorado unemployment rate for February 2012 was unchanged at 7.8%.

Larimer County: ↓ The Fort Collins-Loveland area unemployment rate for February 2012 was 6.8%. This is a decrease from the revised January rate of 6.9%.

BUILDING ACTIVITY

State-wide: ↓ Building permits for February 2012 numbered 851. This is a decrease from the January 2012 count of 989.

Local: ↑ City Building and Zoning reported 438 Building Permits issued in February 2012 with a value of \$8,551,686. February 2011 had 329 building permits with a value of \$8,400,033.

CITY NEWS

Keep Fort Collins Great Spending Data Available Online

The City of Fort Collins is pleased to announce the new web resource fcgov.com/kfcg – a central location to access information about how Keep Fort Collins Great (KFCG) tax revenue is spent.

This webpage provides details regarding all 73 programs and services funded by KFCG in 2011. This information will be updated each year, creating an ongoing list of investments in our community.

In November 2010, more than 60 percent of Fort Collins voters agreed to add an additional .85 percent sales tax on purchases to fund basic City services. The ballot language named specific categories that would benefit from these funds and specified what portion of the revenue should be allocated to each.

- 33% - street maintenance and repair
- 17% - other street and transportation needs
- 17% - police services
- 11% - fire protection and other emergency services
- 11% - parks maintenance and recreation services
- 11% - other community priorities as determined by City Council

The ballot language also reinforced the City's commitment to accountability and transparency by requiring an annual report of how the KFCG money is being spent within those categories.

"Fort Collins voters chose to invest in this community, and we are committed to using that investment wisely," said Mike Beckstead, Chief Financial Officer for the City of Fort Collins. "We will be accountable for every dollar spent, to ensure that we are providing the services the community wants and expects."

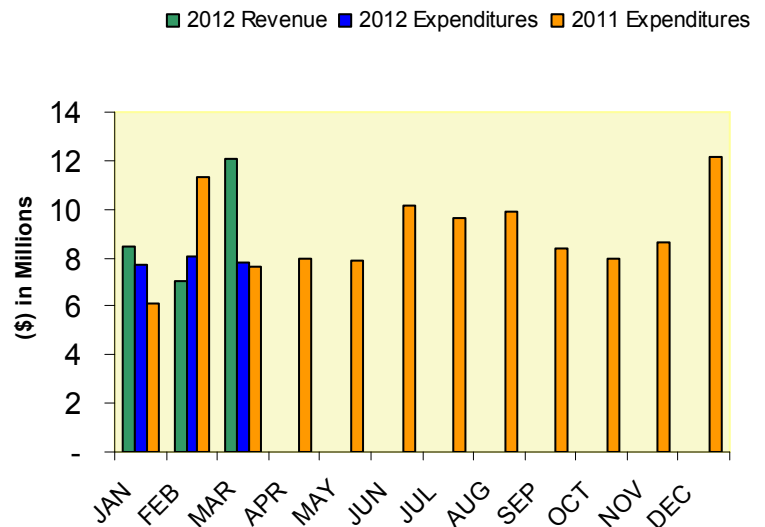
Other Voter-Approved Tax Initiatives

KFCG joins recent quarter-cent tax initiatives such as Building Community Choices (1997) and Building on Basics (2005) to fund services and programs the citizens of Fort Collins value. Although not required by the ballot language, the City of Fort Collins developed detailed reporting on the use of these funds as well. Detailed project information for those tax initiatives can also be found online, at fcgov.com/bcc and fcgov.com/bob.

OVERALL FUND PERFORMANCE:

GENERAL FUND REVENUE VS EXPENDITURES 2012

| | 2012 Revenue | 2012 Expenditures | Monthly Variance |
|---------------|----------------------|----------------------|---------------------|
| JAN | \$ 8,484,601 | \$ 7,700,004 | \$ 784,597 |
| FEB | 7,076,619 | 8,009,974 | (933,355) |
| MAR | 12,098,714 | 7,784,208 | 4,314,506 |
| APR | | | |
| MAY | | | |
| JUN | | | |
| JUL | | | |
| AUG | | | |
| SEP | | | |
| OCT | | | |
| NOV | | | |
| DEC | | | |
| Totals | \$ 27,659,934 | \$ 23,494,186 | \$ 4,165,748 |

**POSITIVE**

March 2012 generated a positive cash flow month with revenues greater than expenditures by \$4,314,506. During the month revenues were 55.4% higher than expenditures. The trend is for revenues to be greater than expenditures during the first half of the year.

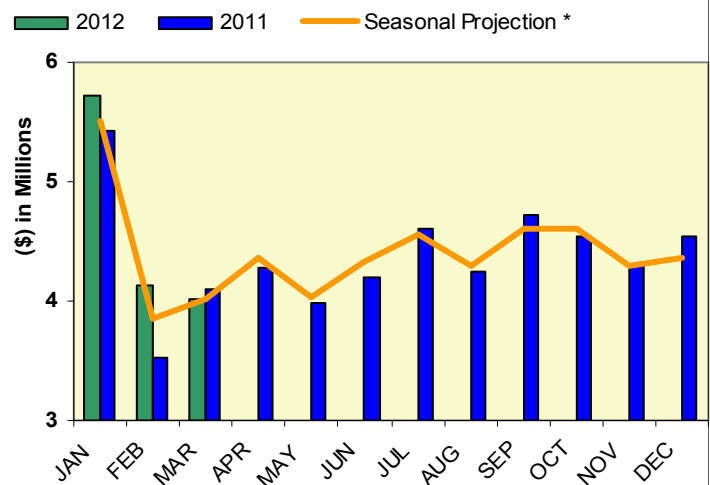
REVENUE ANALYSIS:

GENERAL FUND SALES TAX 2011-2012 COMPARISON

| | 2012 | 2011 | Seasonal Projection * |
|---------------|----------------------|----------------------|--------------------------|
| JAN | \$ 5,716,879 | \$ 5,421,512 | \$ 5,505,219 |
| FEB | 4,126,638 | 3,518,181 | 3,853,323 |
| MAR | 4,011,513 | 4,093,808 | 4,013,288 |
| APR | | 4,275,177 | 4,358,933 |
| MAY | | 3,983,462 | 4,025,252 |
| JUN | | 4,204,117 | 4,320,722 |
| JUL | | 4,604,545 | 4,555,644 |
| AUG | | 4,246,151 | 4,301,264 |
| SEP | | 4,723,839 | 4,601,689 |
| OCT | | 4,542,258 | 4,606,321 |
| NOV | | 4,314,496 | 4,301,537 |
| DEC | | 4,535,163 | 4,361,808 |
| TOTALS | \$ 13,855,030 | \$ 52,462,709 | \$ 52,805,000 |

Sales Tax collections are for Sales in prior month.

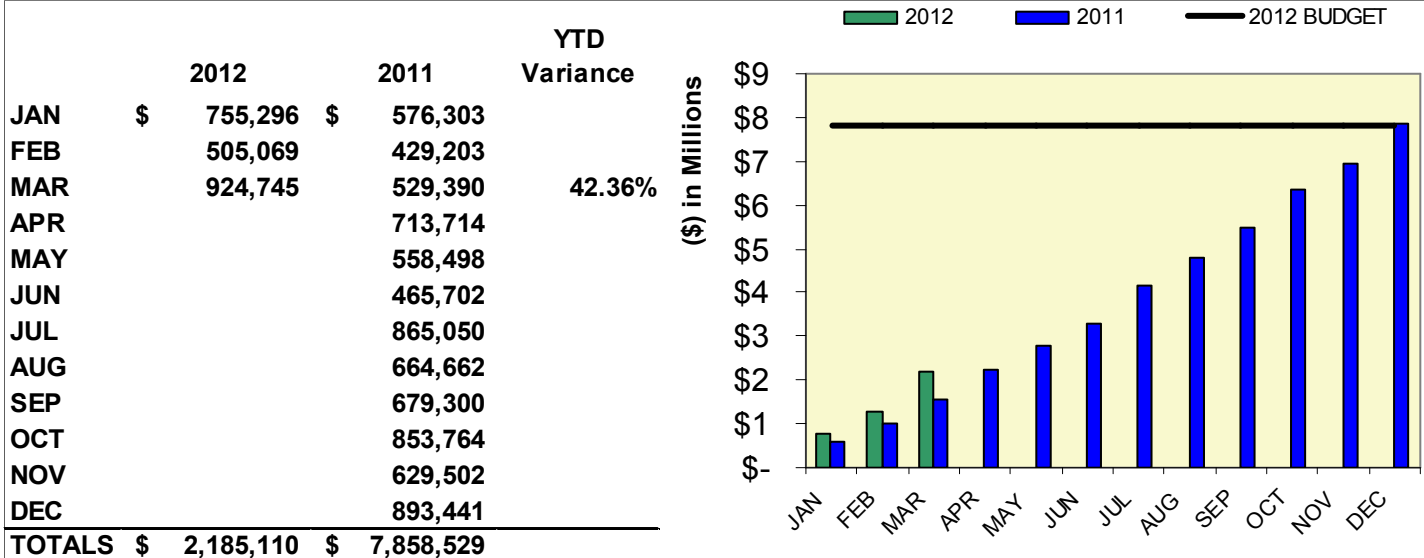
* Seasonally adjusted projection based on last three years' activity

**POSITIVE**

Sales Tax represents just over 50% of the General Fund Budget and serves as the primary funding source for the general government. The General Fund allocation of sales tax remitted to the City in February and collected by merchants in January experienced an increase of 17.3% from sales tax remitted in February 2011. Monthly collections by merchants were higher than the seasonal projection by 7.1%. The year over year increase was primarily due to the increase in Grocery, Convenience, Liquor; Building Materials, Garden Equipment and Supplies; and Restaurants, Caterers, and Bars categories (up 12.9%, 9.0% and 7.9% respectively).

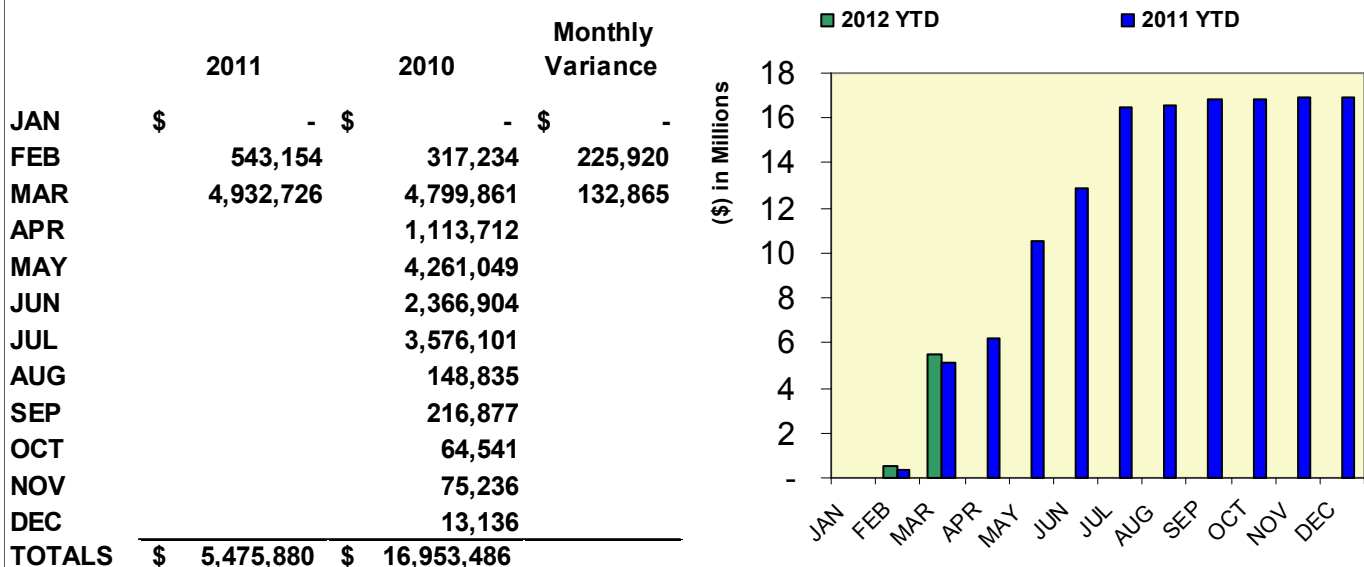
REVENUE ANALYSIS (continued):

GENERAL FUND USE TAX 2011-2012 COMPARISON

**POSITIVE**

Use Tax represents slightly more than 7% of the General Fund Budget. Use tax is volatile because it is heavily dependent on building activity and vehicle sales. Overall Use Tax collections in March 2012 were up 74.7% compared to March 2011. The increase was due to increased collections in Return Tax, Building Permits, and Car Tax (up 113.9%, 42.0% and 16.9% respectively).

PROPERTY TAXES 2011-2012 COMPARISON

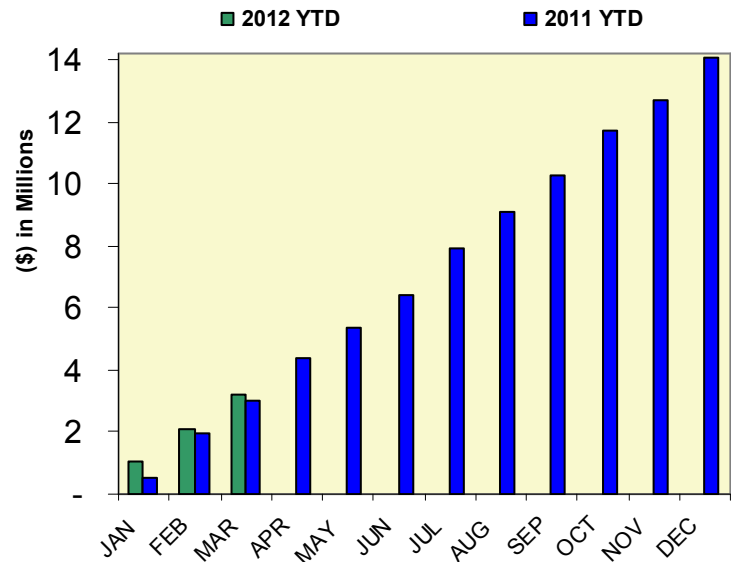
**POSITIVE**

Property taxes represent 17% of the overall General Fund Budget. They are remitted in two installments due on February 29 and June 15 or they are paid in full by April 30. Whether paid by installment or in full by the April deadline, over 95% of the levy has typically been remitted to the City by the end of July each year. Property tax collections for March 2012 were greater than 2011 by 2.7%.

REVENUE ANALYSIS (continued):

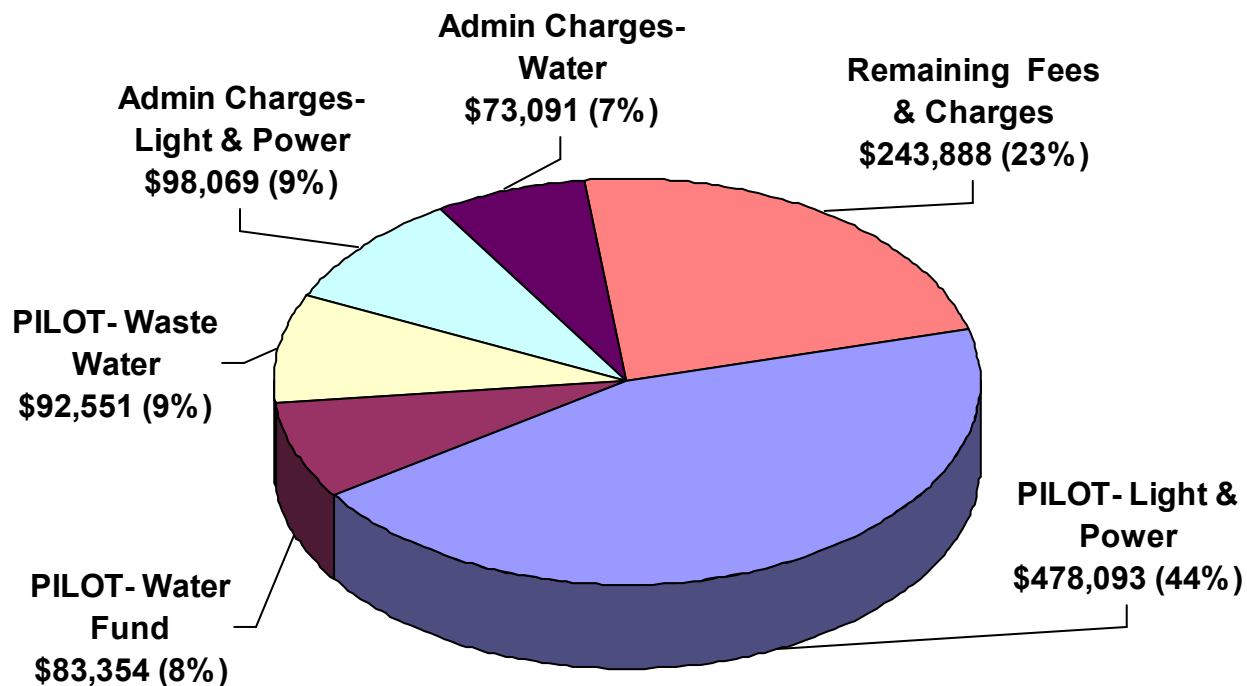
FEES AND CHARGES 2011-2012 COMPARISON

| | 2012 | 2011 | YTD Variance |
|---------------|---------------------|----------------------|-----------------|
| JAN | \$ 1,040,553 | \$ 551,908 | |
| FEB | 1,080,386 | 1,380,799 | |
| MAR | 1,069,046 | 1,068,732 | 6.3% |
| APR | | 1,395,093 | |
| MAY | | 950,056 | |
| JUN | | 1,092,756 | |
| JUL | | 1,495,221 | |
| AUG | | 1,146,146 | |
| SEP | | 1,166,687 | |
| OCT | | 1,434,993 | |
| NOV | | 994,511 | |
| DEC | | 1,390,213 | |
| TOTALS | \$ 3,189,985 | \$ 14,067,115 | |

**POSITIVE**

Fees and charges represent nearly 15% of the overall General Fund Budget. Fees and charges for services include the following: payments in lieu of taxes ("Pilot") paid by the Utilities to the General Fund, administrative charges, plan checking fees, PUD Subdivision & zoning fees, real estate service fees, custodial service fees, project management service fees, and cable franchise fees. March 2012 Fees and Charges were up slightly compared to March 2011.

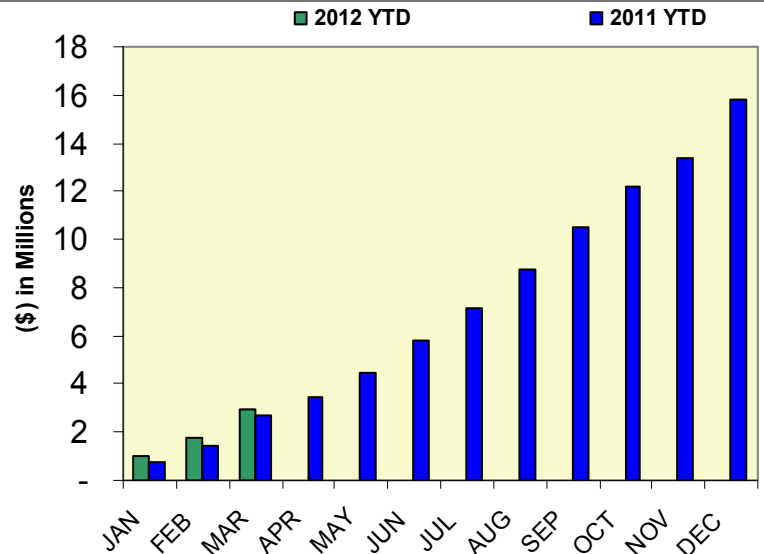
MARCH 2012 FEES & CHARGES



REVENUE ANALYSIS (continued):

OTHER REVENUE 2011-2012 COMPARISON

| | 2012 | 2011 | YTD Variance |
|--------|--------------|---------------|-----------------|
| JAN | \$ 971,873 | \$ 749,711 | |
| FEB | 821,372 | 703,213 | |
| MAR | 1,160,684 | 1,246,671 | 9.4% |
| APR | | 746,933 | |
| MAY | | 996,840 | |
| JUN | | 1,359,168 | |
| JUL | | 1,348,848 | |
| AUG | | 1,603,437 | |
| SEP | | 1,773,101 | |
| OCT | | 1,691,553 | |
| NOV | | 1,193,984 | |
| DEC | | 2,377,356 | |
| TOTALS | \$ 2,953,929 | \$ 15,790,815 | |

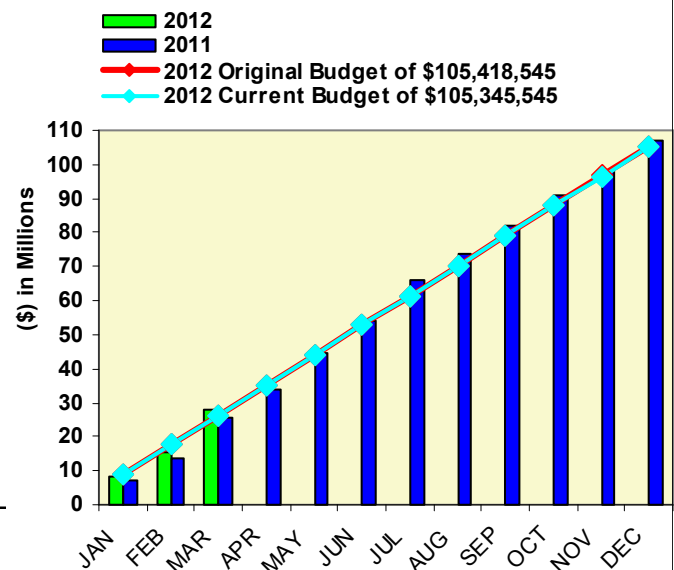


WARNING

Other revenue consists of licenses (e.g., contractor license, liquor license), permits (e.g., building permits, street cut permits), fines (e.g., court fines, camera radar fines), earnings on investments and miscellaneous. The volume of activity (i.e., building permits and fines) will fluctuate month to month. Other revenue collections were lower than March 2011 by 6.9%.

YTD REVENUES WITH ORIGINAL (CURRENT) BUDGET 2011-2012 COMPARISON

| | 2012 | 2011 | Monthly Variance |
|--------|---------------|----------------|---------------------|
| JAN | \$ 8,484,601 | \$ 7,299,434 | \$ 1,185,167 |
| FEB | 7,076,619 | 6,348,630 | 727,989 |
| MAR | 12,098,714 | 11,738,462 | 360,252 |
| APR | | 8,244,628 | |
| MAY | | 10,749,906 | |
| JUN | | 9,488,647 | |
| JUL | | 11,889,765 | |
| AUG | | 7,809,231 | |
| SEP | | 8,559,804 | |
| OCT | | 8,587,109 | |
| NOV | | 7,207,729 | |
| DEC | | 9,209,309 | |
| TOTALS | \$ 27,659,934 | \$ 107,132,653 | |

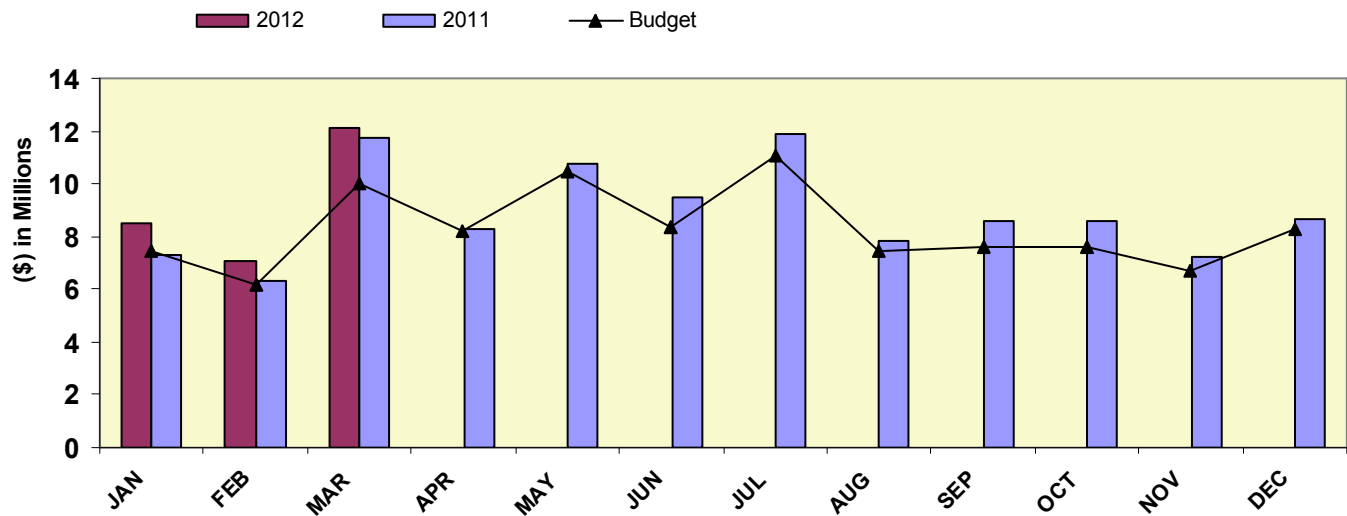


POSITIVE

Revenues for March 2012 were higher than March 2011 by \$360,252. The year over year increase was due to higher collections in Use Tax and Property Tax revenue.

REVENUE ANALYSIS (continued):

GENERAL FUND REVENUE MONTHLY COLLECTION COMPARISON

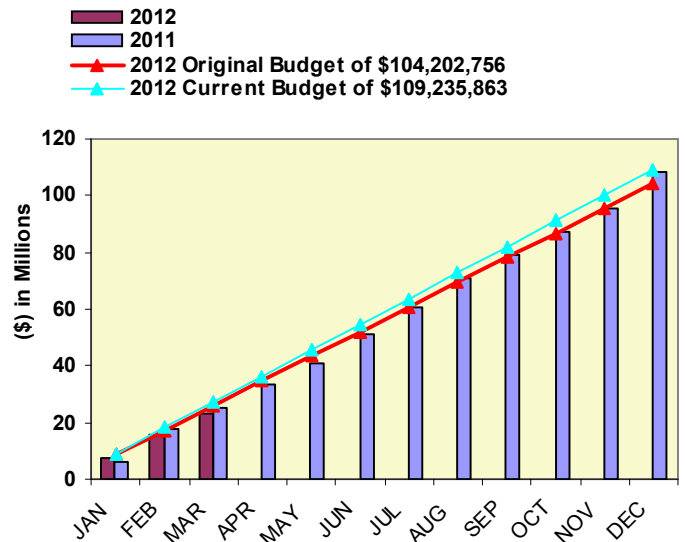
**POSITIVE**

March 2012 General Fund revenue collections were higher than March 2011 by 3.1%. Compared to the three year average projection revenues were up 20.9%. The year over year increase was due to higher collections in Use Tax and Property Tax.

EXPENDITURE ANALYSIS:

2011-2012 YTD EXPENDITURES WITH BUDGET COMPARISON

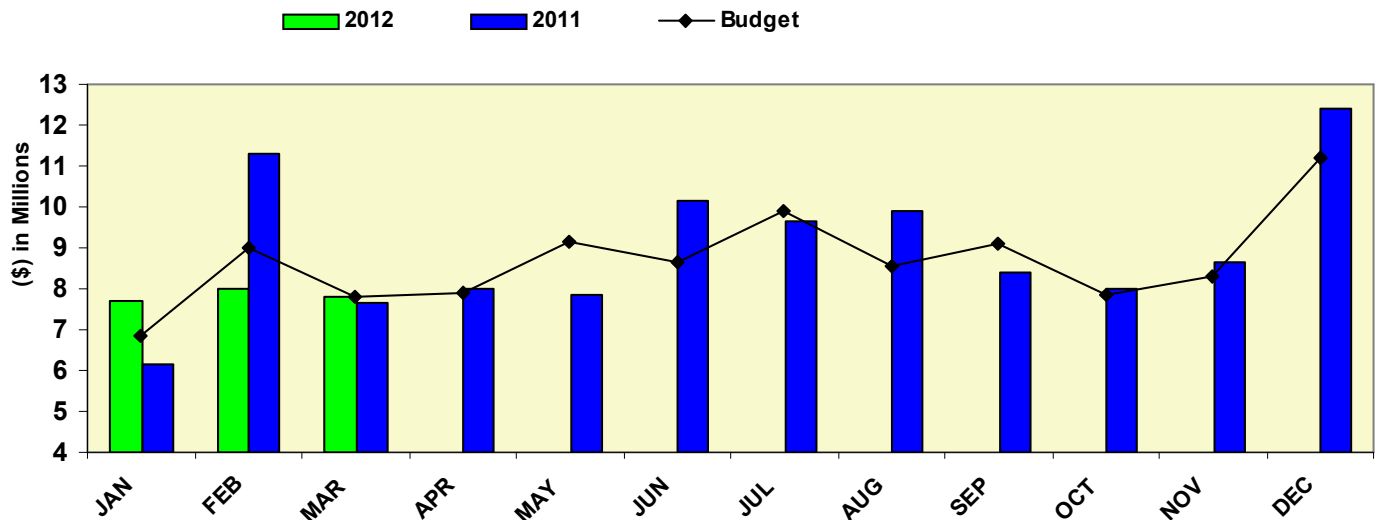
| | 2012 | 2011 | Variance |
|--------|---------------|----------------|--------------|
| JAN | \$ 7,700,004 | \$ 6,159,093 | \$ 1,540,911 |
| FEB | 8,009,974 | 11,308,468 | (3,298,494) |
| MAR | 7,784,208 | 7,656,324 | 127,884 |
| APR | | 8,000,303 | |
| MAY | | 7,840,726 | |
| JUN | | 10,151,004 | |
| JUL | | 9,638,522 | |
| AUG | | 9,901,753 | |
| SEP | | 8,391,963 | |
| OCT | | 8,001,005 | |
| NOV | | 8,635,076 | |
| DEC | | 12,398,209 | |
| TOTALS | \$ 23,494,186 | \$ 108,082,446 | |



POSITIVE

Expenditures in March 2012 were higher than March 2011 by \$127,884.

2011-2012 MONTHLY EXPENDITURES WITH HISTORICAL TREND LINE



POSITIVE

Expenditures for March 2012 were higher than March 2011 by 1.7% but were slightly lower than the monthly trend.