

FORT COLLINS, COLORADO  
YEAR ENDED DECEMBER 31, 2010



# 2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT



# **City of Fort Collins, Colorado**

Comprehensive Annual Financial Report  
For the fiscal year ended  
December 31, 2010

*Prepared by the Finance Department:*

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*Mindy Pfeleger, Senior Accountant*

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### ***About our cover and section tabs...***

The cover picture is The Gardens on Spring Creek. Our community botanic garden glows with thousands of LED lights during Garden of Lights, a new holiday tradition in northern Colorado. Visitors enjoy strolling through the whimsically decorated gardens that include giant insects, flowerbeds, and vegetable plants made out of lights.

The “Introductory Section” tab photo is the College and Harmony Intersection. This \$5.5 million project was funded through Building on Basics 1/4-cent sales tax, State and Federal Grant funds, and East Harmony Maintenance funds. The improvements relieve congestion, improve safety, improve bicycle and pedestrian facilities, replaced the asphalted pavement with concrete pavement and added extensive urban design and landscaping. The project also includes the portion of the West Harmony Road Improvements from the BNSF Railroad tracks to College.

The “Financial Section” tab features the Coca-Cola/Angell’s Delicatessen sign, on the historic Hohnstein Block on East Mountain Avenue. It was painted in the 1950s by Don Brown. The sign is known as a “privilege” sign, where a national advertiser financed the painting of a sign in return for including the building owner’s business in the design. Don Brown painted the sign entirely by freehand, using Coca-Cola trademark elements, for which he received \$400.

The “Statistical Section” tab displays the odor control pipes serving the new Activated Sludge Basin (ASB) at Fort Collins’ Mulberry Water Reclamation Facility. The ASB provides improved biological nutrient removal of phosphorus and nitrogen from the City’s wastewater in preparation for the more stringent water quality requirements proposed by the Colorado Department of Public Health and Environment.

The “Other Schedules” tab shows Oak Street Plaza Park which is managed by the City Parks Department. It hosts thousands of visitors each year from children playing in the interactive fountain, to several scheduled events. It is also enjoyed by passive users, “Old Town” visitors, and workers as a place to relax. The plaza features “Art in Public Places” highlighted with black granite stone from the Poudre Canyon and a nighttime lighted fountain.

The repeating sectional tabs are a collage of photos representing the passage of the Keep Fort Collins Great sales tax initiative. The passage of that ballot will allow the City of Fort Collins to avoid cuts in and allow investment in street maintenance and repair, other transportation needs (like bridges), police, fire, parks, recreation, environmental programs and economic health.

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## INTRODUCTORY SECTION





# **INTRODUCTORY SECTION**

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PO Box 580  
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**970.221.6788**  
970.221.6782 - fax  
fcgov.com

June 1, 2011

Honorable Mayor, Members of City Council, Residents and Customers of the City of Fort Collins, Colorado:

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) for the City of Fort Collins, Colorado (the City), for the year ended December 31, 2010.

This report consists of management's representations concerning the finances of the City of Fort Collins. Consequently, management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, 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 information is reported in a manner designed to present fairly the financial position and activities of the various funds of the City. The City has included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The City Charter and State law require an annual audit by independent certified public accountants selected by the City Council. The goal of the independent audit was to provide reasonable assurance that the financial statement of the City for the fiscal year ended December 31, 2010 are free of material misstatement. The independent accountant, McGladrey & Pullen, LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2010 are fairly presented in conformity with accounting principles generally accepted in the United States of America.

The independent audit of the financial statements of the City is required to complete the federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The results of the single audit are available in the City's separately issued Single Audit Report (Compliance Report).

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A. The City's MD&A can be found immediately following the report of the independent audit accountant.

## **Governmental Structure**

The City of Fort Collins, incorporated in 1872, is located in north central Colorado, east of the continental divide, and is approximately sixty miles north of Denver. It is the fifth largest city in Colorado with an estimated population of 143,986 in 2010. This is approximately 48% of the Larimer County population.

The City provides services that include community planning, general government, police, streets and highways, cultural facilities, parks and recreation, transportation, golf courses and public utilities. The City's utilities include electric distribution, water treatment and distribution, wastewater collection and treatment, and storm drainage. Fire protection and library services are not provided by the City but instead Poudre Fire Authority (PFA) and Poudre River Public Library District. The City is the primary financial supporter for PFA.

The City's financial statements include the Downtown Development Authority, Fort Collins Capital Leasing Corporation, General Improvement District No. 1, General Improvement District No. 15-Skyview, and the Urban Renewal Authority.

The City is a home rule city, organized under provisions of the Colorado Constitution. The City Charter, adopted in 1954, provides for the council-manager form of local government. The voters directly elect the mayor to serve a two-year term. Within districts, voters elect six Council members on a non-partisan basis, to staggered four-year terms. The financial statements, schedules, and statistical tables contained in this report include all funds under the control of City Council. The Council is responsible for passing ordinances, adopting the two-year budget and annual appropriations ordinance, appointing advisory board and commission members, and hiring the City Manager, City Attorney, and Municipal Judge. The City Manager is responsible for implementing the policies and ordinances of Council, overseeing the day-to-day operations, and appointing service area directors and other staff members.

### **Factors Affecting Economic and Financial Condition**

Unemployment in Fort Collins has risen as a result of the national recession. At the end of 2010, the local unemployment rate stood at 7.4%, which compares favorably to the State rate of 8.9% and national rate of 9.6%.

The essential economic indicators for the City were beginning to improve in 2010. The population grew approximately 4.3%, and the number of residential building permits issued increased by 17%. The City relies heavily on sales and use tax revenue, which were up 4.5%. Growth in inflation, as measured by the Denver-Boulder-Greeley Consumer Price Index was up 1.33% in 2010.

Overall governmental fund revenue increased 7.7% in 2010. The City also utilized a limited amount of reserves to maintain the level of service expected by the community. At year-end, the City held \$272.4 million in unrestricted net assets, \$32.0 million less than 2009. Please see page 16 for more information about the City's total net assets.

Data-driven and Transparent. The City of Fort Collins has deliberately moved to a data-driven organization. The City is using data to improve efficiency, accountability, and transparency. Expenditure transactions are posted monthly on <http://www.fcgov.com/openbook>. Consolidated performance data and information are provided annually in a Community Scorecard.

Keep Fort Collins Great. In November 2010, voters approved an increase of 0.85% to the sales and use tax rate. This dedicated tax expires in 10 years and is limited to street maintenance, other transportation needs, police, fire, parks, recreation and other City priorities. The new tax is anticipated to generate \$18.7 million additional revenue in 2011.

### **Promoting Economic Health**

North College Avenue Urban Renewal Authority Plan Area. Projects in the plan area will improve streetscapes, install continuous bike lanes and pedestrian sidewalks, and upgrade the storm drainage system. The North College area holds unique opportunities. Perhaps most important is broad, robust support for growth and change on the part of property and business owners in the corridor. There is a general consensus that the area is "left behind, and needs to catch up" with the rest of Fort Collins in terms of the quality of the urban environment. Along with that consensus, however, comes a strong concern that redevelopment and public improvements should be coordinated to maintain the distinct character of the plan area, focus attention on the area's unique circumstances and history, and avoid homogenizing the corridor with standardized suburban development commonly found along other commercial corridors.

Midtown Commercial Corridor Study. One of the most common questions the City receives from community members is, "what's happening to the mall?" The City doesn't have any direct involvement with financing or administering private shopping centers. However, City Council and management completed a commercial corridor study of College Avenue, from Prospect south to Harmony, including the Foothills Mall area and the vacant Wal-Mart just south of Harmony. The study identified numerous barriers to redevelopment and several actions to overcome these barriers. A key action item includes the development of a Midtown Urban Renewal Plan Area.

With approximately 655,000 square feet of empty retail space, College Avenue is ripe for revitalization and renewed attention of developers and investors. The Midtown Urban Renewal Plan will create opportunities and



overcome challenges of the corridor by providing access to the Urban Renewal Authority tool of tax increment financing assistance.

Supporting Start-ups and Entrepreneurs. Rocky Mountain Innosphere (formerly Rocky Mountain Innovation Initiative or RMI2) is a non-profit, technology incubator that provides high-potential innovation-based startups with facilities, access to a network of seasoned mentors and advisors, hands on support services, business connections, networking opportunities and education. Through the Urban Renewal Authority, the City has assisted RMI2 in the construction of a new facility on North College Avenue.

Targeted Industry Clusters. The City has identified five key industries that are the focus of the City's employment strategies. These industries are Bioscience, Clean Energy, Chip Design, Software, and Uniquely Fort Collins. Employment gains were experienced in the Clean Energy and Software sectors. However, there was a decline in the Chip Design sector. The City continues to work aggressively with various stakeholders on developing these industries. The continued implementation is proving successful in retaining jobs and encouraging existing companies to expand. All these actions, of course, take place in an increasingly complex regional economy where Fort Collins is no longer the sole major economic player.

## **Other Information**

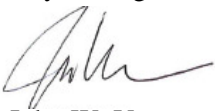
Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Collins for its comprehensive annual financial report for the year ended December 31, 2009. This was the 23rd consecutive year that the City has achieved this prestigious award. In order to earn a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both applicable legal requirements and accounting principles generally accepted in the United States of America. A reproduction of the Certificate of Achievement is included at the end of the introductory section of the comprehensive annual financial report. 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 requirements of the Certificate of Achievement Program and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. We recognize the dedicated efforts of all officials and staff involved in managing and accounting for the City's financial operations. The process of financial planning, management, and accounting requires a team effort by City Council and City staff to be successful. The preparation of this 2010 Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Finance Department. We would like to recognize the members of the Accounting Division who worked many extra hours to ensure the completion of this document and fulfill other financial responsibilities over the past few months. We also thank McGladrey and Pullen, the firm that serves as the City's external auditor. Through the challenges, we are resolved to deliver the best possible services to the Fort Collins community.

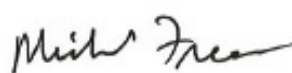
Respectfully submitted,



Darin A. Atteberry  
City Manager



John W. Voss  
Interim Finance Director



Michael A. Freeman  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fort Collins  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

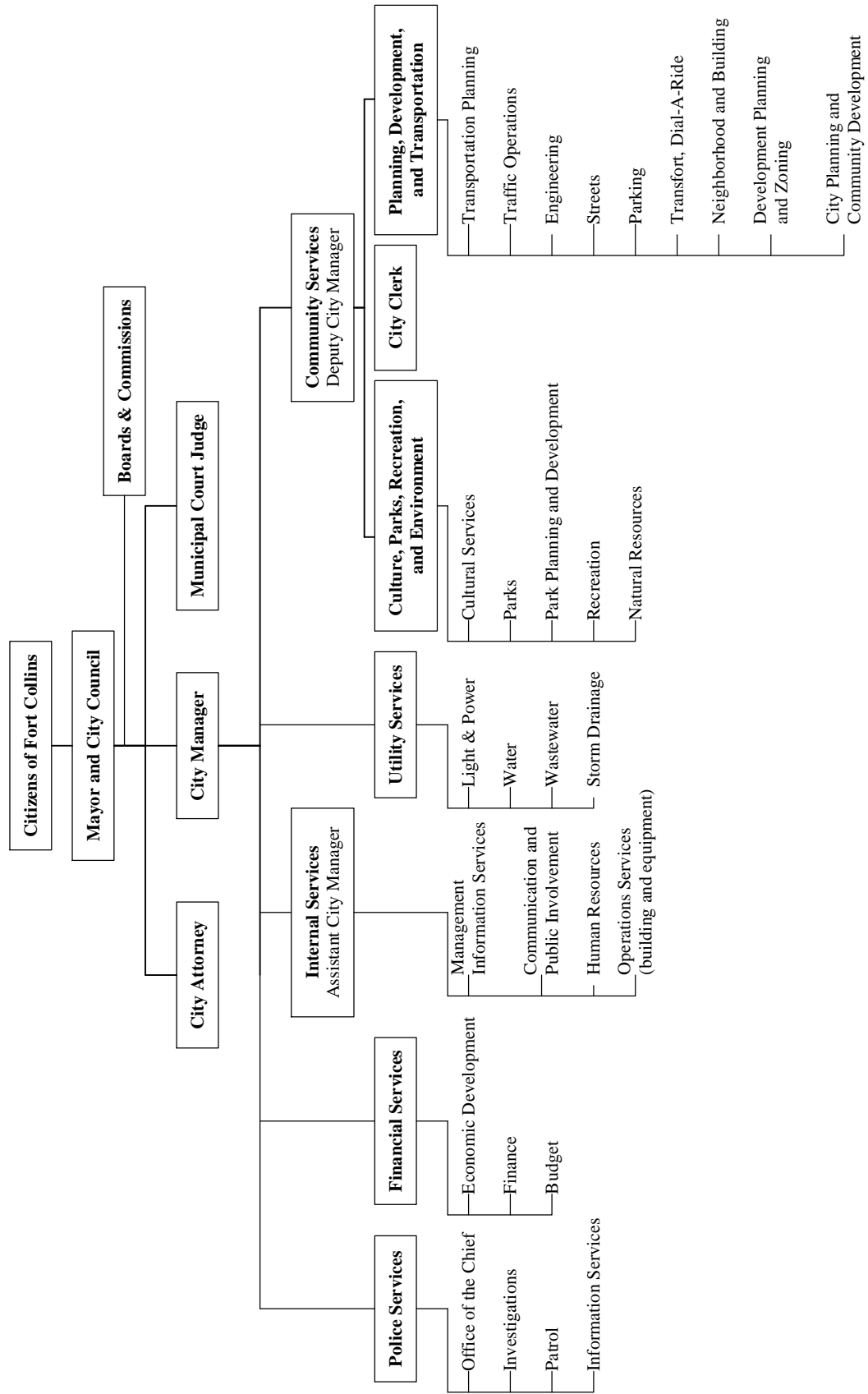
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# City of Fort Collins Organization Chart 2010



City of Fort Collins, Colorado  
Elected and Appointed Officials  
As of December 31, 2010

**Elected Officials**

Doug Hutchinson .....	Mayor
Aislinn Kottwitz.....	District 3 Councilmember
Ben Manvel.....	District 1 Councilmember
Kelly Ohlson.....	Mayor Pro Tem, District 5 Councilmember
Lisa Poppaw .....	District 2 Councilmember
David Roy.....	District 6 Councilmember
Wade Troxell .....	District 4 Councilmember

**Appointed Officials**

Darin Atteberry .....	City Manager
Wanda Krajicek .....	City Clerk*
Stephen J. Roy .....	City Attorney
Kathleen Lane .....	Municipal Judge

\*City Manager appointed, City Council approved

**City Officials and Department Directors**

Steve Catanach.....	Light & Power Operations Manager
Kelly DiMartino.....	Communications and Public Involvement Director
Mike Freeman.....	Chief Financial Officer
Kevin Gertig .....	Water Resources/Treatment Operations Manager
Dennis Harrison.....	Chief of Police
Jon Haukaas .....	Water Engineering Field Operations Manager
Martin J. Heffernan.....	Director of Cultural, Parks, Recreation and Environmental Services
Brian Janonis .....	Utilities Executive Director
Diane Jones.....	Deputy City Manager
Ken Mannon .....	Operation Services Director
Janet Miller .....	Human Resources Director
Karen Cumbo.....	Planning, Development and Transportation Director
John Voss.....	Interim Finance Director
Tom Vosburg .....	Chief Information Officer
Wendy Williams .....	Assistant City Manager/Internal Services





## FINANCIAL SECTION



# **FINANCIAL SECTION**

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## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council and City Manager  
City of Fort Collins, Colorado  
Fort Collins, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the City of Fort Collins, Colorado as of and for the year ended December 31, 2010, 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 Fort Collins, 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, each major fund, the discretely presented component unit and the aggregate remaining fund information of the City of Fort Collins, Colorado as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Sales and Use Tax Fund, and Transportation Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I, D to the basic financial statements, the City made a change to its reporting entity by removing two previously reported fiduciary funds from the presentation of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2011 on our consideration of the City of Fort Collins, 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 on pages 13 through 24, the modified approach for City Streets Infrastructure capital assets on pages 84 through 85, the Pension Plan Schedules of Funding Progress and Schedules of Employer Contributions on page 86 and Other Postemployment Benefits Plan Schedule of Funding Progress on page 87 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 Fort Collins, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis 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 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory, statistical sections and other schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Denver, Colorado  
June 1, 2011

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Fort Collins (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2010. In addition to this overview and analysis based on currently known facts, decisions and conditions, the City would encourage readers to consider the information presented in the City's letter of transmittal and the City's financial statements, which begin on pages 3 and 27 of this report, respectively.

## Financial Highlights

The assets of the City exceeded its liabilities at December 31, 2010 by \$1,374.2 million (net assets). Of the net asset balance, \$272.4 million is unrestricted and is available to meet the government's ongoing obligations in accordance with the City's fund designations and fiscal policies.

The City's net assets increased by \$31.9 million (2.4%). The governmental net assets increased by \$14.1 million (1.9%) and the business-type assets increased by \$17.8 million (2.9%).

The General Fund, the City's primary operating fund, ended 2010 with a \$40.9 million fund balance, an increase of \$3.3 million (8.9%) on a current financial resource basis. Of this amount, \$31.4 million is spendable and complies with City policy.

The City's total long-term debt increased by \$2.9 million (1.8%) during the current year. Within that activity, the City's governmental debt decreased by \$4.2 million and business-type debt increased by \$7.1 million. There were 2 significant debt transactions in 2010.

There were \$9,675,000 in Electric Utility tax-exempt 7 year revenue bonds issued. There were also \$6,410,000 in Electric Utility taxable 3 year revenue bonds issued. The proceeds are being used to finance about 50% of the Fort Collins Smart Grid Project cost. This project will modernize the electric grid and enhance electric delivery and reliability. The net effective interest rate is 2.12%.

There were \$3,900,000 in Wastewater Utility Sewer Revenue Refunding Bonds issued since long-term interest rates were favorable. The net effective interest rate on these 10 year bonds is 2.99%. The proceeds were used to retire the remaining 2000 Wastewater Utility Sewer Revenue Bonds. The present value savings accomplished through this refunding is \$331,980.

## 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 consist of the following three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. Other supplementary information is also included at the end of the report.

Government-Wide Financial Statements. The government-wide statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The statement of net assets presents information on all of the City's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, increases and decreases in net assets may provide an indication of whether the City's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the City's net assets have changed during the fiscal year just ended. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this

statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

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, public safety, library service provided under an intergovernmental agreement, cultural, parks, recreation, and environmental services, planning and development services, and transportation. The business-type activities of the City include light and power, water, wastewater, storm drainage, and golf.

The government-wide financial statements also include the City of Fort Collins' Downtown Development Authority (DDA) as a discretely presented component unit of the City. See Note 1 in the notes to the City's financial statements (page 48) for more details regarding the DDA and its relationship to the City.

Fund Financial Statements. Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds rather than fund types.

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. A major fund should generally meet both of the following criteria: 1) total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, etc.) for that fund type (i.e., governmental or enterprise funds) and 2) total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of 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 report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Urban Renewal Authority Fund, the Transportation Special Revenue Fund and the Capital Projects Fund. These four funds are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

The City adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-36 of this report.

Proprietary funds. The City maintains two different types of proprietary funds, enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. 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 its light & power, water, wastewater, storm drainage and golf operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for employee benefits provided by the City, its communications system, its fleet of vehicles and its self-insurance programs. Aside from the fleet of vehicles, these services predominantly benefit the governmental rather than business-type functions. As such, they have been included within the governmental activities in the government-wide financial statements. The activity in the Equipment Fund used for monitoring the fleet of vehicles is allocated between the governmental and business-type activities based upon actual usage. In addition, the utilities use an internal service fund to account for customer and administrative services. Because this fund is used solely by the utilities, it is included within the business-type 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 Light & Power, Water, Wastewater and Storm Drainage enterprise funds are considered to be major funds and are therefore presented separately within the proprietary fund financial statements. The Golf Fund is presented as a non-major enterprise fund. All internal service funds are considered to be non-major funds and therefore are combined into a single, aggregated presentation in the proprietary fund statements. Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

The City adopts an annual appropriated budget for all of its proprietary funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic proprietary fund financial statements can be found on pages 38-43 of this report.

Fiduciary funds. The City maintains two different types of fiduciary funds, trust and agency funds. The fiduciary fund financial statements are prepared on the accrual basis of accounting.

The fiduciary funds are used to account for resources held by the City in a trustee capacity or as an agent 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 funds underlying each of the fiduciary fund types are combined into a single, aggregated presentation in the fiduciary fund statements. Individual fund data for each of the fiduciary funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

Aside from the General Employees' Retirement Plan Trust fund, the City does not adopt an annual appropriated budget for its fiduciary funds. A budgetary comparison statement for the General Employees' Retirement Plan Trust fund has been provided to demonstrate compliance with the budget.

The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

Notes to the Financial Statements. The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-83 of this report.

Other Information. The City has elected to use the modified approach to account for and report its street infrastructure capital assets and the pension and other postemployment benefits plan. The City has included required supplementary information that explains the modified approach and recent assessments that have been performed using the related asset management system. These schedules can be found on pages 84-87 of this report.

Combining Statements. The combining statements referred to earlier in connection with the non-major governmental funds, non-major enterprise fund, internal service funds, fiduciary funds, and the component unit



funds are presented following the required supplementary information. In addition, budget statements for the Capital Projects Fund and the major enterprise funds are also presented following the required supplementary information.

### Government-Wide Financial Analysis

#### Statement of Net Assets

The following table reflects the condensed Statement of Net Assets.

<b>Statement of Net Assets</b>						
as of December 31						
(amounts expressed in thousands, totals may not add due to rounding)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 189,586	\$ 231,954	\$ 206,808	\$ 254,406	\$ 396,394	\$ 486,360
Capital assets	649,820	630,733	559,075	540,456	1,208,895	1,171,189
Total assets	839,406	862,687	765,883	794,862	1,605,289	1,657,549
Other liabilities	30,421	72,937	18,300	83,853	48,721	156,790
Long-term liabilities	65,695	60,494	116,661	97,920	182,356	158,414
Total liabilities	96,116	133,432	134,961	181,773	231,077	315,205
Net assets:						
Invested in capital assets, net of related debt	597,270	573,887	466,364	453,420	1,063,634	1,027,307
Restricted	37,138	8,961	1,031	1,671	38,169	10,631
Unrestricted	108,882	146,408	163,527	157,998	272,409	304,406
Total net assets	\$ 743,290	\$ 729,256	\$ 630,922	\$ 613,089	\$ 1,374,212	\$ 1,342,345

For more detailed information see the Statement of Net Assets on page 27 of this report.

By far, the largest portion of the City's net assets, \$1,063.6 million (77.4%) is invested in capital assets (e.g., land, buildings, machinery and equipment), less any debt used to acquire those assets that is still outstanding. Net Capital assets increased by \$37.7 million (3.2%) in 2010. 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 this 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, \$38.2 million (2.8%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$272.4 million (19.8%), may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net assets increased by \$31.9 million in 2010. However, unrestricted net assets decreased \$32.0 million and were used to support core operations, maintain infrastructure, and invest in critical capital assets. Additional details of capital asset activity can be seen on pages 22-24.

Changes in Net Assets. The following table reflects a condensed summary of activities and changes in net assets.

**Statement of Activities & Changes in Net Assets**  
as of December 31  
(amounts expressed in thousands, totals may not add due to rounding)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 25,044	\$ 27,752	\$ 154,518	\$ 140,273	\$ 179,562	\$ 168,025
Operating grants & contributions	7,991	7,387	220	112	8,211	7,499
Capital grants and contributions	16,014	25,717	9,019	8,169	25,033	33,885
General revenues:						
Sales & use taxes	74,719	70,501	-	-	74,719	70,501
Property taxes	17,833	17,038	-	-	17,833	17,038
Occupational privilege taxes	2,327	2,413	-	-	2,327	2,413
Lodging taxes	808	736	-	-	808	-
Intergovernmental not restricted to programs	9,919	9,277	-	-	9,919	9,277
Gain on investment in joint venture	249	611	-	-	249	-
Investment earnings	2,367	3,655	2,585	4,727	4,953	8,382
Miscellaneous	787	1,394	1,379	1,792	2,166	4,532
Total Revenues	158,057	166,482	167,721	155,072	325,778	321,554
Expenses:						
General government	29,752	32,868	-	-	29,752	32,868
Public safety	48,854	50,055	-	-	48,854	50,055
Cultural, parks, recreation and environment	27,342	38,515	-	-	27,342	38,515
Planning and development	14,331	9,706	-	-	14,331	9,706
Transportation	34,698	36,471	-	-	34,698	36,471
Interest on long-term debt	2,682	2,632	-	-	2,682	2,632
Light & power	-	-	91,693	83,888	91,693	83,888
Water	-	-	19,671	20,667	19,671	20,667
Wastewater	-	-	14,129	14,668	14,129	14,668
Storm drainage	-	-	8,307	9,426	8,307	9,426
Golf	-	-	2,454	2,387	2,454	2,387
Total expenses	157,659	170,247	136,253	131,037	293,911	301,283
Increase (decrease) in net assets before transfers	399	( 3,765 )	31,469	24,035	31,866	20,270
Transfers	13,636	10,947	( 13,636 )	( 10,947 )	-	-
Increase in net assets	14,034	7,182	17,833	13,088	31,867	20,270
Net assets - beginning	729,256	722,074	613,089	600,000	1,342,345	1,322,075
Net assets - ending	\$ 743,290	\$ 729,256	\$ 630,922	\$ 613,089	\$ 1,374,212	\$ 1,342,345

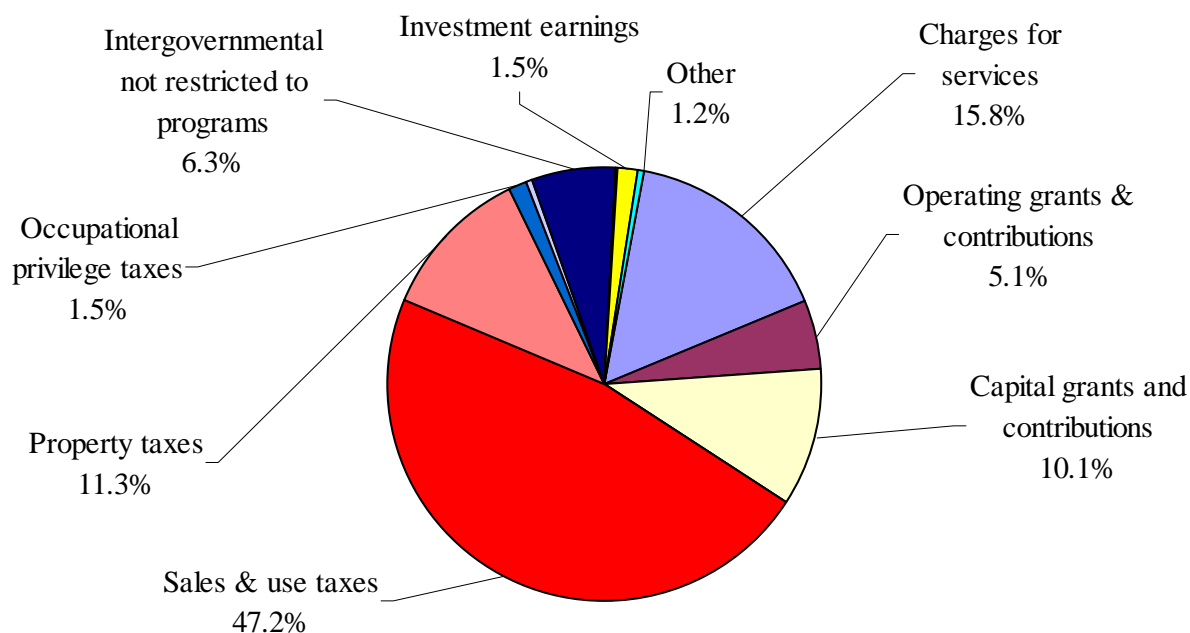
For more detailed information see the Statement of Activities on pages 28-29 of this report.

The above condensed summary of the City's governmental and business type activities for the period ended December 31, 2010 reflects net assets increasing by \$31.9 million (2.4%). The prior period is also included for comparative purposes. In addition, revenue and expense graphs have been presented on pages 18-19 to enhance the reader's understanding of the current year activities.

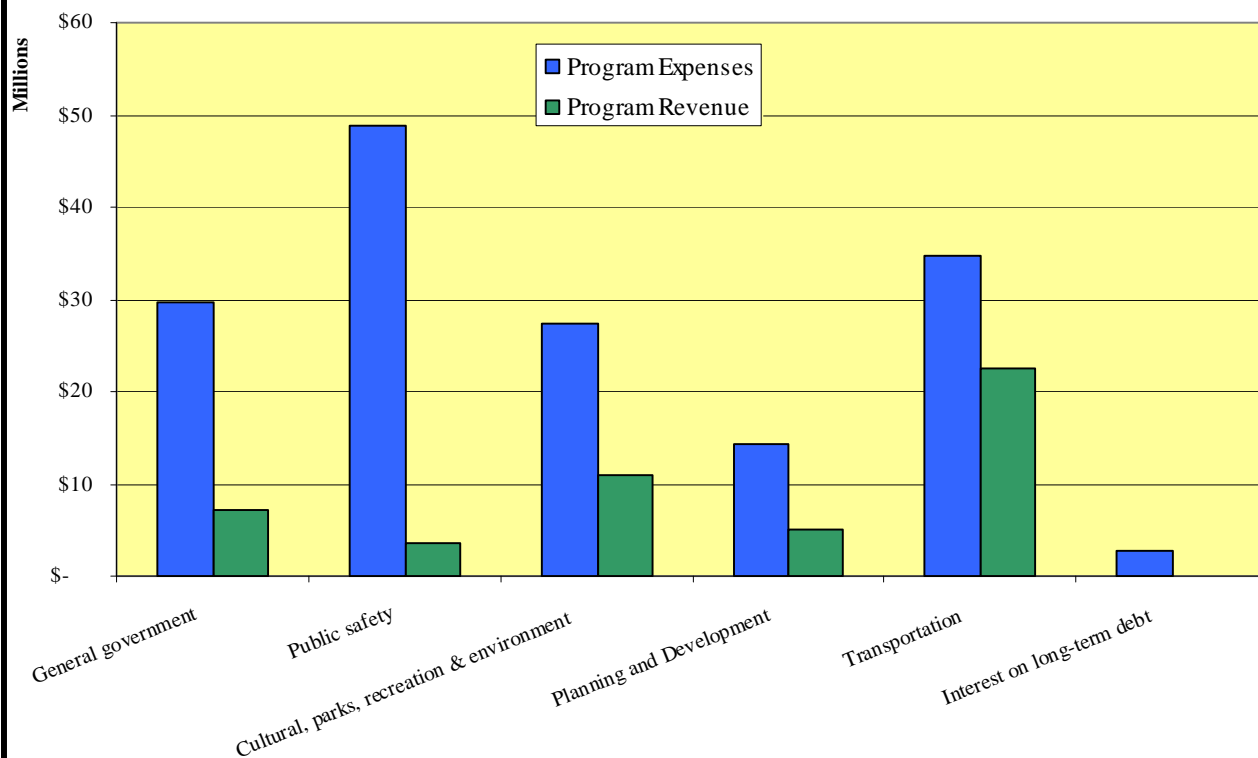
Governmental Activities:

## 2010 Revenues by Source - Governmental Activities

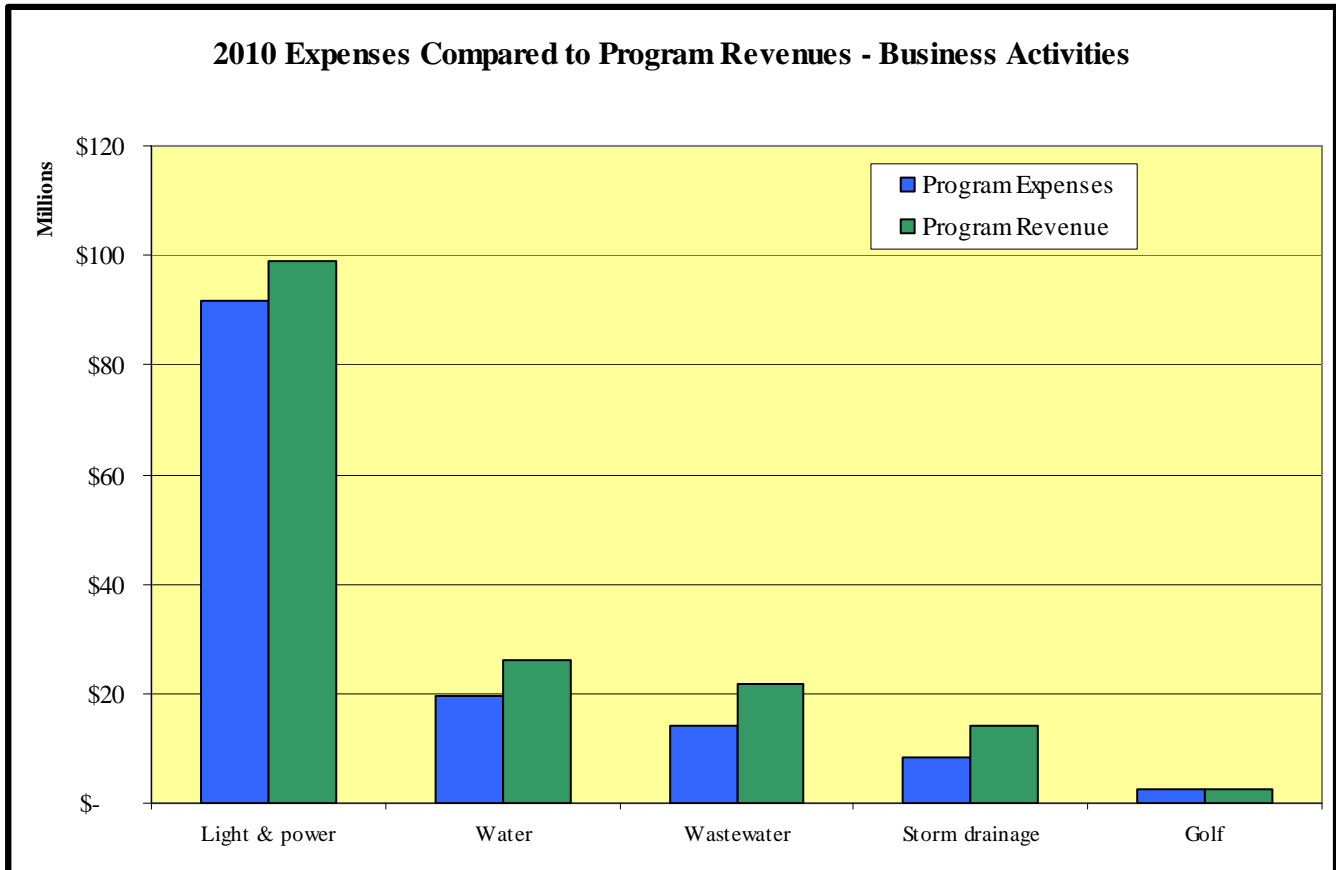
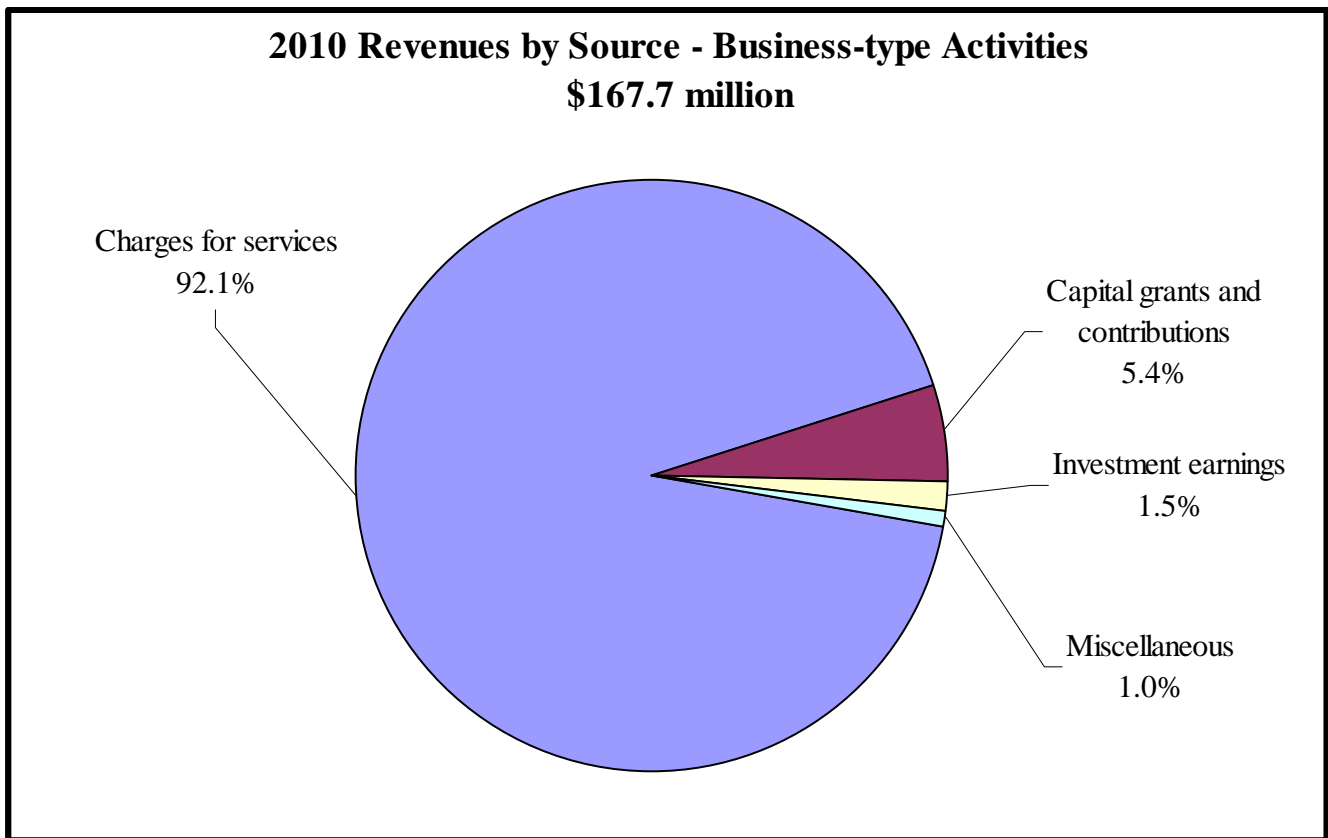
### \$158.1 million



## 2010 Expenses Compared to Program Revenues - Governmental Activities



Business-type Activities:



Governmental activities. Governmental activities increased the City's net assets by \$14.1 million, accounting for 44.2% of the City's \$31.9 million overall increase in net assets. Major variations are due to the following:

Capital grants and contributions decreased \$9.7 million in 2010. Due to the difficult economy, site developers conveyed fewer street infrastructures to the City in 2010. There were \$0.9 million of donated street infrastructures in 2010 compared to \$16.9 million in 2009.

Charges for services decreased \$2.7 million. The Lincoln Center Performing & Visual Arts revenues decreased by \$0.6 million in 2010. This was due to the Center being closed for renovations starting in June 2010. Recreation charges for services decreased by \$0.4 million due to outsourcing concessions sales at City Park Pool and EPIC Center.

Investment earnings decreased by \$1.3 million (35.2%) in 2010. The City earned a 1.88% average interest rate in 2010 compared to 2.55% in 2009. There was a \$7.2 million (2.1%) decrease in the average amounts invested in 2010.

Combined sales and use tax collections increased \$4.2 million (6.0%) from 2009 collections. Use tax collection increased by \$3.2 million due to increased economic activity. Sales tax collections increased \$1.0 million due to greater sales in these areas: restaurants, caterers, and bars tax increased \$0.4 million; vehicle sales, parts, and repairs increased \$0.4 million; and pharmacy, salon and laundry increased \$0.3 million.

The general government had a \$3.1 million decrease in expenditures. Budget constraints caused several expense reductions across city departments. Due to the difficult economy, the facility operations division delayed several 2010 maintenance and repair projects or postponed them into 2011.

There was an \$11.2 million decrease in cultural, parks, recreation and environment expenditures in 2010. This was due to the following: In 2009, there was a one-time transaction where the City donated the \$6.2 million Council Tree Library and the old Main Library to the Poudre River Public Library District (PRPLD); cultural services had reduced expenditures of \$1.4 million because of the Lincoln Center closure for building renovations which started in June 2010; recreation expenditures decreased \$0.5 million due to postponed equipment replacements.

There was a \$1.8 million decrease in transportation expenditures. This was due to the decrease in street maintenance.

Business-type activities. Business-type activities in the utility funds increased the City's net assets by \$17.8 million, accounting for 55.8% of the City's \$31.9 million increase in net assets. Major variations are due to the following:

Charges for services in the utilities business activities increased \$14.2 million (10.1%) from 2009 to 2010. The light and power fund operating revenues increased 11.8%. This is due to a 7.4% rate retail increase in January 2010 as well as increased sales, in the residential sector. Water operating revenues increased 11% compared to 2009. Demand for water increased 8.0% and there was a 3.0% rate increase implemented January 2010. Wastewater operating revenues increased 8.0% from 2009 after implementing a 10.0% rate increase. Storm drainage rates remained unchanged in 2010 and the fund's revenues increased 1.5%.

Investment earnings decreased \$2.1 million primarily due to the lower average interest rates.

The increases in net assets in the utilities are being accumulated for significant future capital purchases.

### Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2010, the total Governmental fund balances were \$121.7 million, a decrease of \$12.4 million (9.2%) compared to the prior year. There was \$9.6 million non-spendable, restricted was \$38.2 million, committed was \$28.3 million, assigned was \$35.2 million, and unassigned was \$10.4 million. The explanations for these restrictions are contained in the Notes to the Basic Financial Statements, section III.F.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The fund experienced a net decrease of \$6.3 million which resulted in a December 31, 2010 fund balance of \$27.5 million. Restricted was \$24.0 million for voter approved projects and assigned was \$3.5 million. The largest capital project expenditures were: \$5.7 million for the Fort Collins Museum/Discovery Center Facility; \$4.9 million for the Mason Street Transportation Corridor; \$3.0 million for Lincoln Center Renovations; and \$3.7 million in Street Oversizing Projects. \$750,000 of fund reserves was used to repay COPS debt.

The General Fund is the chief operating fund of the City. At December 31, 2010, the total fund balance was \$40.9 million. The spendable fund balance was \$31.4 million. The General Fund increased \$3.3 million in 2010 primarily due to \$0.8 million increased utilities payments in lieu of taxes (PILOT) received and \$0.6 million higher utility administrative payments received. In response to budget reductions, expenditures decreased by \$0.9 million due to reduced donations, sponsorships, grants, business travel and seminars.

The Transportation Services Special Revenue Fund is another major governmental fund of the City. As of December 31, 2010, the fund balance was \$12.3 million. It decreased by \$0.3 million. The primary causes were lower charges for services including traffic construction revenues and decreased earnings on investments. The fund balance consisted of \$0.9 million restricted for Civic Center Parking Structure and assigned was \$11.4 million.

The Urban Renewal Authority Fund primary purpose is to remedy blight by stimulating and leveraging private capital investment, using tax increment financing in private development projects and public improvement projects. The December 31, 2010 fund balance was an unassigned negative \$8.9 million. The negative balance was due to advances the fund received from other funds for redevelopment of the North College Corridor Plan area. These advances will be paid back as tax increment funding (TIF) revenues are collected.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net asset balances and the growth in net assets of the City's proprietary funds (including the major enterprise funds) are reflected in the following table.

**Change in Net Assets - Proprietary Funds**  
(amounts expressed in thousands, totals may not add due to rounding)

<u>Proprietary Funds</u>	Unrestricted Net Assets at 12/31/10	Change in Net Assets for Year Ended 12/31/10
Light & Power	\$ 46,865	\$ 1,220
Water	71,653	4,956
Wastewater	27,562	6,365
Storm Drainage	15,029	5,609
Total of Major Enterprise Funds	161,109	18,150
Other Enterprise Fund - Golf	478	103
Total Enterprise Funds	161,587	18,253
Internal Service Funds	21,380	1,698
Total Proprietary Funds	<u>\$ 182,967</u>	<u>\$ 19,951</u>

## General Fund Budgetary Highlights

The final budget appropriations were \$2.9 million higher than the original budget appropriations. They are summarized below:

The 2010 ordinances created new budget appropriations for the following items: \$0.7 million for police department programs including the Northern CO Drug Task Force, New Traffic Surcharge Police Officer; Downtown Development Authority District One Officer, Computer Automated Dispatch system annual maintenance costs, and Police Services Dispatch Center (LETA); \$0.4 million for other community programs including Affordable Housing Fund (Home Buyer Assistance program) and Town of Timnath–Boxelder Overflow Project.

The variance between actual expenditures and the final budget amounted to \$8.3 million (9.3%) in unspent appropriations. There were significant spending reductions across the City due to budget constraints and the difficult economy.

The decreased expenditures in the general government were primarily due to the following: The Affordable Housing Trust and Human Services Program had \$0.7 million unspent appropriations due to timing regarding their fiscal year ending in September and the new budget cycle starting in October; \$0.5 million decreased maintenance expenses in the City parks, the delay in major improvements in the downtown districts alleys, a sustainability program that reduced parks fuel and equipment costs; \$1.3 million decreased facility operations expenditures in major repairs and maintenance, building systems and utilities; \$0.6 million decreased expenditures on MIS system upgrades and projects planned in 2010 but not completed; and police protection had \$1.4 million decreased expenditures primarily in patrol services and district one services, traffic units, camera radar/red light police, drug task force personnel and the financial crimes unit. In response to a decrease in revenues and transfers for 2010, \$0.9 million of appropriations were frozen within the General Fund budget.

The City expects to maintain its solid financial condition by continuous control over expenditures and through the evaluation of viable options for enhancing revenues.

## Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2010 amounted to \$1,208.9 million (net of accumulated depreciation). This was an increase of \$37.7 million (3.2%). This investment in capital assets includes land, water rights, buildings and improvements, machinery, equipment, and light & power, water, wastewater and storm drainage infrastructure as well as street system infrastructure.

The City has elected to use the modified approach for infrastructure reporting of its street system infrastructure. The City completes assessments of its entire street system on a 3 year cycle. The most recent 3 year assessment was completed as of December 31, 2009. It resulted in a Pavement Condition Index (PCI) rating of 71. It met the City's policy of achieving a good (Level of Service B) rating. For 2010, the City spent \$7.3 million on its street maintenance program as compared to \$13.4 million, the asset management system estimate needed to maintain streets at Level of Service B. For more detailed information, see the Required Supplementary Information on pages 84-85 of this report.



### Capital Assets Net of Depreciation

as of December 31

(amounts expressed in thousands, totals may not add due to rounding)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land, rights of way, water rights, other	\$ 199,907	\$ 196,280	\$ 63,812	\$ 61,960	\$ 263,719	\$ 258,240
Street system infrastructure	256,733	251,514	-	-	256,733	251,514
Construction in progress	25,250	15,081	90,827	74,581	116,077	89,662
Infrastructure	7,908	7,707	-	-	7,908	7,707
Buildings and improvements	98,810	101,664	142,576	146,563	241,386	248,227
Improvements other than buildings	37,951	34,685	250,371	245,424	288,322	280,109
Machinery and equipment	23,261	23,802	11,489	11,928	34,750	35,730
Total capital assets	<u>\$ 649,820</u>	<u>\$ 630,733</u>	<u>\$ 559,075</u>	<u>\$ 540,456</u>	<u>\$1,208,895</u>	<u>\$ 1,171,189</u>

Major capital improvements during this fiscal year included the following:

#### Governmental Activities

Completed in 2010:

- Soapstone Public Improvement Project - \$4.8 million
- Additions to Street Infrastructure - \$5.2 million
- Fossil Creek Land Reservoir - 23.44 acres - \$801,000
- Three Bells Conservation Easements - 168.88 acres - \$704,000
- Six Transportation Buses - \$2.4 million

Other capital assets in 2010:

- Fort Collins Science Discovery Center Facility - accumulated costs to date - \$6.3 million
- Lincoln Center Renovation - accumulated costs to date - \$3.3 million
- Harmony Bridge Replacement - accumulated costs to date - \$1.2 million
- North College Avenue Improvements - accumulated costs to date - \$2.2 million
- Mason Street Transportation Corridor - accumulated costs to date - \$5.4 million

#### Proprietary Activities

Completed in 2010:

- Various basin improvement projects - \$2.0 million
- Various underground conduits & conductors - \$5.3 million
- Various water main projects - \$1.7 million
- Sewer improvements - \$3.8 million

Other capital assets in 2010:

- Halligan Reservoir Enlargement Project - accumulated costs to date - \$9.1 million
- Canal Importation Ponds & Outfall - accumulated costs to date - \$12.8 million
- Portner Substation Light & Power - accumulated costs to date - \$11.4 million
- Mulberry Water Reclamation Facility Improvements - accumulated costs to date - \$24.2 million
- Wastewater Odor Control Projects - accumulated costs to date - \$5.7 million

Additional information on the City's capital assets can be found in Note III.C. on pages 61-62 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$164.7 million (bonds, certificates of participation, capital leases, etc.). This was an increase of \$2.8 million (1.7%). Of this amount, \$110.6 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The remaining \$54.1

million represents debt primarily secured by the new facilities or equipment being financed by certificates of participation, assignment of lease payments or capital leases.

**Outstanding Debt**  
as of December 31  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenue bonds	\$ 670	\$ 985	\$ 109,883	\$ 102,440	\$ 110,553	\$ 103,425
Certificates of participation	49,100	52,225	1,360	1,470	50,460	53,695
Assignment of lease payments	587	627	1,868	1,996	2,455	2,623
Capital leases	1,015	1,736	227	381	1,242	2,117
Total outstanding debt	<u>\$ 51,372</u>	<u>\$ 55,573</u>	<u>\$ 113,338</u>	<u>\$ 106,287</u>	<u>\$ 164,710</u>	<u>\$ 161,860</u>

Additional information on the City's long-term obligations can be found in Note III.E on pages 63-71 of this report.

**Other Potentially Significant Matters**

On November 2, 2010, the registered voters of the City of Fort Collins approved a .85% increase in the City's base sales and use tax rate, commencing on January 1, 2011 and expiring in 2021. This will generate an estimated \$18.7 million for the first full fiscal year. The new local sales tax rate is 3.85% and the new total sales tax rate is 7.55%.

The additional revenues from the .85% increase will be spent according to these percentages: street maintenance and repair – 33%; other street and transportation needs – 17%; police services – 17%; fire protection and other emergency services – 11%; park maintenance and recreation services – 11%; and other community priorities determined by the City Council – 11%.

**Requests for Information**

The City's financial statements are designed to provide users with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information presented in this report or requesting additional information should be sent to the Finance Director's attention at the following address:

Director of Finance  
215 North Mason Street 2nd Floor  
PO Box 580  
Fort Collins, CO 80522-0580



KEEPING FORT COLLINS **GREAT**

## **BASIC FINANCIAL STATEMENTS**

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**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

	Primary Government -- City of Fort Collins			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	\$ 15,769,139	\$ 18,166,189	\$ 33,935,328	\$ 1,451,922
Investments	118,265,939	136,087,591	254,353,530	12,736,238
Securities lending collateral	3,315,886	5,753,824	9,069,710	-
Receivables:				
Property taxes	17,895,578	-	17,895,578	6,407,204
Sales and use taxes	7,872,191	-	7,872,191	-
Accounts	4,168,630	18,475,983	22,644,613	3,563
Notes	1,355,651	398,962	1,754,613	-
Interest	576,546	776,082	1,352,628	65,887
Prepaid	184,886	-	184,886	21,375
Internal Balances component unit	1,220,000	-	1,220,000	(1,220,000)
Internal Balances	2,674,076	(2,674,076)	-	-
Due from other governments	3,916,558	936,602	4,853,160	-
Inventories of materials and supplies	580,726	4,371,272	4,951,998	-
Inventory of real property held for resale	2,896,665	-	2,896,665	135,464
Restricted cash and cash equivalents	29,985	1,030,348	1,060,333	-
Restricted investments	-	22,641,548	22,641,548	1,250,000
Investment in joint venture	8,254,154	-	8,254,154	-
Capital assets (non-depreciable)	481,890,295	154,639,278	636,529,573	2,528,747
Capital assets (net of accumulated depreciation)	167,929,522	404,435,902	572,365,424	4,368,254
Unamortized bond issuance costs	609,599	843,514	1,453,113	116,500
Total Assets	839,406,026	765,883,019	1,605,289,045	27,865,154
LIABILITIES				
Accounts payable	6,616,998	11,450,403	18,067,401	69,186
Interest payable	216,091	454,572	670,663	167,821
Wages payable	1,384,799	597,252	1,982,051	14,633
Due to other governments	44,940	-	44,940	-
Unearned revenue	17,912,962	44,643	17,957,605	6,507,204
Obligations under securities lending	3,315,886	5,753,824	9,069,710	-
Deposits held in escrow	928,901	-	928,901	-
Non-Current liabilities				
Due within one year	11,648,835	12,151,314	23,800,149	3,518,549
Due in more than one year	54,046,529	104,509,263	158,555,792	12,500,000
Total Liabilities	96,115,941	134,961,271	231,077,212	22,777,393
NET ASSETS				
Invested in capital assets, net of related debt	597,270,059	466,364,308	1,063,634,367	6,897,001
Restricted for:				
Debt service	4,890,726	1,030,348	5,921,074	1,250,000
Capital projects	19,165,858	-	19,165,858	-
Gifts and grants	6,467,102	-	6,467,102	-
Agreements	2,849,619	-	2,849,619	-
Emergencies	3,764,428	-	3,764,428	-
Unrestricted (deficit)	108,882,293	163,527,092	272,409,385	(3,059,240)
Total Net Assets	\$ 743,290,085	\$ 630,921,748	\$ 1,374,211,833	\$ 5,087,761

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

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<b><u>FUNCTIONS/ PROGRAM ACTIVITIES:</u></b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 29,752,017	\$ 6,781,791	\$ 201,142	\$ 127,462
Public safety	48,853,635	1,862,027	1,453,053	185,525
Culture, parks, recreation and environment	27,341,531	7,004,179	982,613	2,916,838
Planning and development	14,331,313	1,295,168	3,696,038	-
Transportation	34,698,163	8,100,709	1,658,062	12,784,186
Interest on long-term debt	2,681,887	-	-	-
<b>Total Governmental Activities</b>	<b>157,658,546</b>	<b>25,043,874</b>	<b>7,990,908</b>	<b>16,014,011</b>
<b>Business-type Activities:</b>				
Light & Power	91,692,500	94,235,305	212,300	4,453,340
Water	19,671,223	24,463,004	-	1,720,544
Wastewater	14,128,658	19,275,206	-	2,441,543
Storm Drainage	8,306,598	13,868,566	7,301	403,737
Golf	2,453,787	2,675,834	-	-
<b>Total Business-type Activities</b>	<b>136,252,766</b>	<b>154,517,915</b>	<b>219,601</b>	<b>9,019,164</b>
<b>Total Primary Government</b>	<b>293,911,312</b>	<b>179,561,789</b>	<b>8,210,509</b>	<b>25,033,175</b>
<b>Component Unit:</b>				
Downtown Development Authority	\$ 8,210,620	\$ 564,847	\$ 49,699	\$ -

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



<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government - City of Fort Collins</b>				<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>		
\$ (22,641,622)	\$	\$ (22,641,622)	\$	
(45,353,030)		(45,353,030)		
(16,437,901)		(16,437,901)		
(9,340,107)		(9,340,107)		
(12,155,206)		(12,155,206)		
(2,681,887)		(2,681,887)		
<u>(108,609,753)</u>		<u>(108,609,753)</u>		
	7,208,445	7,208,445		
	6,512,325	6,512,325		
	7,588,091	7,588,091		
	5,973,006	5,973,006		
	222,047	222,047		
<u>-</u>	<u>27,503,914</u>	<u>27,503,914</u>		
<u>(108,609,753)</u>	<u>27,503,914</u>	<u>(81,105,839)</u>		
				<u>(7,596,074)</u>
General Revenues				
Sales & use taxes	74,718,996	-	74,718,996	-
Property taxes	17,832,713	-	17,832,713	6,159,032
Occupational privilege taxes	2,327,181	-	2,327,181	-
Lodging taxes	807,748	-	807,748	-
Intergovernmental not restricted to programs	9,918,607	-	9,918,607	-
Gain on investment in joint venture	249,273	-	249,273	-
Investment earnings	2,367,316	2,585,336	4,952,652	254,206
Miscellaneous	786,569	1,379,287	2,165,856	34,873
Transfers	13,635,663	(13,635,663)	-	-
Total general revenues and transfers	<u>122,644,066</u>	<u>(9,671,040)</u>	<u>112,973,026</u>	<u>6,448,111</u>
Changes in Net Assets	14,034,313	17,832,874	31,867,187	(1,147,963)
Net Assets--January 1	729,255,772	613,088,874	1,342,344,646	6,235,724
Net Assets--December 31	<u>\$ 743,290,085</u>	<u>\$ 630,921,748</u>	<u>\$ 1,374,211,833</u>	<u>\$ 5,087,761</u>

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2010**

	Primary Government					
	General	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,797,831	\$ 1,060,080	\$ 2,867,256	\$ 56,617	\$ 4,455,154	\$ 11,236,938
Investments	23,670,877	9,361,832	26,011,594	496,725	40,042,999	99,584,027
Securities lending collateral	1,031,226	367,323	-	-	1,239,829	2,638,378
Receivables						
Property taxes	17,113,497	-	-	547,237	234,844	17,895,578
Sales and use taxes	6,110,198	587,331	-	-	1,174,662	7,872,191
Accounts, net	796,689	1,715,122	288,575	-	888,703	3,689,089
Notes and loans	125,000	-	-	1,100,000	130,651	1,355,651
Interest	139,307	49,518	125,436	2,685	168,021	484,967
Prepaid item	200	150	-	-	5,938	6,288
Due from other funds	144,712	-	-	-	-	144,712
Advances to component unit	1,220,000	-	-	-	-	1,220,000
Advances to other funds	5,303,939	-	-	-	5,172,758	10,476,697
Due from other governments	532,994	249,015	1,699,539	-	1,435,010	3,916,558
Inventory of real property held for resale	2,896,665	-	-	-	-	2,896,665
Restricted assets - cash and cash equivalents	-	29,985	-	-	-	29,985
Total Assets	61,883,135	13,420,356	30,992,400	2,203,264	54,948,569	163,447,724
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>						
Liabilities						
Accounts payable, accruals, and other	1,948,913	409,281	3,088,819	1,089	812,283	6,260,385
Wages payable	793,300	172,411	9,957	4,154	273,921	1,253,743
Due to other governments	36,500	2,394	-	-	6,046	44,940
Due to other funds	-	-	-	-	144,712	144,712
Deferred revenue	17,149,089	190,184	436,014	547,237	1,683,344	20,005,868
Advance from other funds	-	-	-	10,506,697	-	10,506,697
Obligations under securities lending	1,031,226	367,323	-	-	1,239,829	2,638,378
Deposits held in escrow	-	-	-	-	928,901	928,901
Total Liabilities	20,959,028	1,141,593	3,534,790	11,059,177	5,089,036	41,783,624
Fund Balances (Deficit)						
Nonspendable	9,545,804	150	-	-	5,938	9,551,892
Restricted	6,399,747	891,366	24,026,599	-	6,898,221	38,215,933
Committed	719,680	-	-	-	27,555,994	28,275,674
Assigned	4,928,668	11,387,247	3,431,011	-	15,450,429	35,197,355
Unassigned	19,330,208	-	-	(8,855,913)	(51,049)	10,423,246
Total Fund Balances (Deficit)	40,924,107	12,278,763	27,457,610	(8,855,913)	49,859,533	121,664,100
Total Liabilities and Fund Balances (Deficit)	\$ 61,883,135	\$ 13,420,356	\$ 30,992,400	\$ 2,203,264	\$ 54,948,569	\$ 163,447,724

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

**RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2010**

Amounts reported for governmental activities in the statement of net assets (page 27) are different because:

Total fund balances - governmental funds (page 30)	<b>\$ 121,664,100</b>
Capital assets of \$743,731,276 net of accumulated depreciation of \$98,475,086 used in governmental activities are not financial resources, therefore, are not reported in the funds.	645,256,190
City's joint venture equity interest in Fort Collins/Loveland Airport.	8,254,154
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,713,677
Internal service fund allocated to business type activities	2,704,076
Long-term liabilities are not due and payable in the current period and therefore are not reported in funds:	
Interest payable	(215,775)
Bonds payable	(670,000)
Certificates of Participation	(49,100,000)
Assignment of lease	(587,352)
Premium & deferral, net	(1,177,619)
Capital lease	(799,748)
Compensated absences	(4,185,849)
Net pension obligation	(1,477,112)
Postemployment healthcare obligation	(1,359,260)
	(59,572,715)
Internal service funds are used by management to charge the costs of certain activities to individual funds. Except for the utility customer service and administrative fund, the assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	22,270,603
Net assets of governmental activities (page 27)	<b><u>\$ 743,290,085</u></b>

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Primary Government					
	General	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
<b>REVENUES</b>						
Taxes	\$ 78,087,555	\$ 5,609,988	\$ -	\$ 492,625	\$ 11,496,469	\$ 95,686,637
Licenses and permits	1,055,223	180,497	-	-	-	1,235,720
Intergovernmental	10,261,596	7,136,522	10,253,491	-	9,868,763	37,520,372
Fees and charges for services	7,746,727	5,041,736	-	-	9,920,843	22,709,306
Fines and forfeitures	2,737,461	-	-	-	-	2,737,461
Earnings on investments	813,233	167,952	368,480	54,014	660,801	2,064,480
Interest on security lending income	1,860	215	-	-	3,703	5,778
Miscellaneous revenue	904,914	61,998	611,718	-	1,105,064	2,683,694
Total Revenues	101,608,569	18,198,908	11,233,689	546,639	33,055,643	164,643,448
<b>EXPENDITURES</b>						
Current operating						
Executive, legislative, and judicial	10,559,413	-	-	-	-	10,559,413
Facility Operations	6,629,939	-	-	-	-	6,629,939
Cultural, parks, recreation and environment	8,907,398	-	-	-	15,017,993	23,925,391
Planning and Development	4,882,866	-	-	5,033,439	2,935,739	12,852,044
Police protection	30,140,289	-	-	-	350,000	30,490,289
Transportation	-	21,367,251	-	-	8,622,677	29,989,928
Other	1,464,839	-	-	-	1,925,889	3,390,728
Security lending interest expense	1,227	142	-	-	2,429	3,798
Security lending agent fees	164	19	-	-	323	506
Intergovernmental						
Fire protection	17,223,642	-	-	-	234,354	17,457,996
Capital outlay	577,160	816,965	25,244,864	-	5,212,319	31,851,308
Debt service						
Principal	425,640	79,322	-	-	3,300,463	3,805,425
Interest	49,821	7,501	-	235,623	2,400,282	2,693,227
Total Expenditures	80,862,398	22,271,200	25,244,864	5,269,062	40,002,468	173,649,992
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	20,746,171	(4,072,292)	(14,011,175)	(4,722,423)	(6,946,825)	(9,006,544)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,913,119	4,799,997	8,480,810	-	20,262,669	35,456,595
Transfers out	(19,328,706)	(1,321,216)	(785,704)	(2,545,204)	(15,174,970)	(39,155,800)
Sale of capital assets	-	264,631	-	-	-	264,631
Total Other Financing Sources (Uses)	(17,415,587)	3,743,412	7,695,106	(2,545,204)	5,087,699	(3,434,574)
Net Changes in Fund Balances (Deficit)	3,330,584	(328,880)	(6,316,069)	(7,267,627)	(1,859,126)	(12,441,118)
Fund Balances (Deficit)-January 1	37,593,523	12,607,643	33,773,679	(1,588,286)	51,718,659	134,105,218
Fund Balances (Deficit)-December 31	\$ 40,924,107	\$ 12,278,763	\$ 27,457,610	\$ (8,855,913)	\$ 49,859,533	\$ 121,664,100

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

**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, 2010**

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Amounts reported for governmental activities in the statement of activities (pages 28-29) are different because:

Net change in fund balances - total governmental funds (page 32)	<b>\$ (12,441,118)</b>
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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 capital outlays, \$30,579,236, exceeded depreciation, \$9,054,212, in the current period.	21,525,024
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The net effect of various miscellaneous transactions involving capital assets:

Donations	868,011	
Disposal	<u>(2,838,190)</u>	(1,970,179)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	856,042
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net assets, so this transaction has no effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities.

Principal payments	3,805,425	
Debt payment made by DDA on behalf of the City	179,730	
Change in net pension obligation	276,761	
Change in postemployment healthcare benefits	(396,314)	
Change in compensated absences	(238,723)	
Amortization of premium, discount, deferred amount of refunding	95,075	
Interest expense	<u>26,209</u>	3,748,163

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 the governmental funds.	(50,916)
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Expenses in Statement of Activities related to City's Equity in Joint Venture	
Change in Non-Capital Equity position in Fort Collins/Loveland Airport	249,273

Transfer of internal service fund net assets from business type activities	922,341
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Internal service funds are used by management to charge the costs of certain activities to individual funds. Except for the utility customer service and administrative fund, the net revenue of the internal service funds is reported with the governmental activities.	<u>1,195,683</u>
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Change in net assets of governmental activities (pages 28-29)	<b><u>\$ 14,034,313</u></b>
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The notes to the financial statements are an integral part of this statement.

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 78,087,555	\$ 76,971,000	\$ 76,971,000	\$ 1,116,555
Licenses and permits	1,055,223	877,200	972,200	83,023
Intergovernmental	10,261,596	9,090,791	11,969,222	(1,707,626)
Fees and charges for services	7,746,727	6,646,795	7,140,207	606,520
Fines and forfeitures	2,737,461	2,661,147	2,669,989	67,472
Earnings on investments	813,233	1,000,529	1,000,529	(187,296)
Interest on security lending income	1,860	-	-	1,860
Miscellaneous revenue	904,914	732,673	948,304	(43,390)
Total Revenues	<u>101,608,569</u>	<u>97,980,135</u>	<u>101,671,451</u>	<u>(62,882)</u>
<b>EXPENDITURES</b>				
Current operating				
Executive, legislative, and judicial	10,559,413	11,498,506	11,561,081	1,001,668
Facility operations	6,629,939	8,429,309	7,896,140	1,266,201
Cultural, parks, recreation and environment	8,907,398	10,259,797	10,322,522	1,415,124
Planning and Development	4,882,866	5,755,498	6,403,055	1,520,189
Police protection	30,140,289	30,724,635	31,560,493	1,420,204
Other	1,464,839	951,501	2,279,330	814,491
Security lending interest expense	1,227	-	-	(1,227)
Security lending agent fees	164	-	-	(164)
Intergovernmental				
Fire protection	17,223,642	17,223,796	17,223,796	154
Capital Outlay	577,160	905,772	1,411,436	834,276
Debt Service				
Principal	425,640	474,986	474,986	49,346
Interest	49,821	49,139	49,139	(682)
Total Expenditures	<u>80,862,398</u>	<u>86,272,939</u>	<u>89,181,978</u>	<u>8,319,580</u>
Excess of Revenues Over Expenditures	<u>20,746,171</u>	<u>11,707,196</u>	<u>12,489,473</u>	<u>8,256,698</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,913,119	1,559,146	1,559,146	353,973
Transfers out	(19,328,706)	(19,965,302)	(19,471,786)	143,080
Total Other Financing Sources (Uses)	<u>(17,415,587)</u>	<u>(18,406,156)</u>	<u>(17,912,640)</u>	<u>497,053</u>
Net Change in Fund Balances	3,330,584	<u>\$ (6,698,960)</u>	<u>\$ (5,423,167)</u>	<u>\$ 8,753,751</u>
Fund Balances--January 1	<u>37,593,523</u>			
Fund Balances--December 31	<u>\$ 40,924,107</u>			

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



**TRANSPORTATION SERVICES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUES</b>						
Taxes	\$ 5,609,988	\$ -	\$ 5,609,988	\$ -	\$ 5,253,000	\$ 356,988
Licenses and permits	180,497	-	180,497	116,898	139,830	40,667
Intergovernmental	7,136,522	-	7,136,522	6,085,195	5,849,588	1,286,934
Fees and charges for services	5,041,736	-	5,041,736	8,168,854	8,178,854	(3,137,118)
Earnings on investments	167,952	-	167,952	192,500	192,500	(24,548)
Interest on security lending income	215	-	215	-	-	215
Miscellaneous revenue	61,998	-	61,998	37,423	36,923	25,075
Total Revenues	<u>18,198,908</u>	<u>-</u>	<u>18,198,908</u>	<u>14,600,870</u>	<u>19,650,695</u>	<u>(1,451,787)</u>
<b>EXPENDITURES</b>						
Programs (fund level of budgetary control)						
Transportation services administration	179,808	-	179,808	113,179	113,179	(66,629)
Harmony road	807,952	-	807,952	64,333	1,564,333	756,381
Pavement management	7,327,567	-	7,327,567	7,146,363	7,667,783	340,216
Streets	6,178,470	-	6,178,470	8,988,730	9,214,985	3,036,515
Engineering	1,479,870	-	1,479,870	1,714,574	1,714,574	234,704
Traffic	3,183,132	-	3,183,132	4,830,359	3,330,359	147,227
Parking	1,746,485	-	1,746,485	1,867,025	2,204,374	457,889
Planning	914,204	-	914,204	924,738	958,558	44,354
Total Programs	<u>21,817,488</u>	<u>-</u>	<u>21,817,488</u>	<u>25,649,301</u>	<u>26,768,145</u>	<u>4,950,657</u>
Projects (level of budgetary control)						
South College Bikelanes	(2,153)	696,440	694,287	-	750,000	55,713
FC Bikes	172,468	258,684	431,152	299,213	453,176	22,024
Bike Library	70,071	117,675	187,746	147,000	315,269	127,523
Traveler Information Web Page	173,244	-	173,244	217,500	217,500	44,256
Harmony Rd Traffic Responsive	8,085	168,628	176,713	350,000	350,000	173,287
Comprehensive Signal Timing	10,459	289,042	299,501	300,000	300,000	499
Uninterrupted Power Supply	-	-	-	187,500	-	-
CDOT SR2S	21,377	-	21,377	-	88,250	66,873
Total Grants	<u>453,551</u>	<u>1,530,469</u>	<u>1,984,020</u>	<u>1,501,213</u>	<u>2,474,195</u>	<u>490,175</u>
Security lending interest expense	142	(142)	-	-	-	-
Security lending agent fees	19	(19)	-	-	-	-
Total Expenditures	<u>22,271,200</u>	<u>1,530,308</u>	<u>23,801,508</u>	<u>27,150,514</u>	<u>29,242,340</u>	<u>1,029,968</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(4,072,292)</u>	<u>(1,530,308)</u>	<u>(5,602,600)</u>	<u>(12,549,644)</u>	<u>(9,591,645)</u>	<u>3,989,045</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in:						
Sales and Use Tax Fund	500,000	-	500,000	-	500,000	-
General Fund	4,032,997	-	4,032,997	4,038,624	4,038,624	(5,627)
Sales & Use Tax- BOB	52,000	-	52,000	52,000	52,000	-
Storm Water	215,000	-	215,000	215,000	215,000	-
Sales and Use Tax- Pvmt Mgmt	-	-	-	5,753,000	-	-
Transfers out:						
Debt Service Fund	(494,672)	-	(494,672)	(494,672)	(494,672)	-
Capital Projects Fund	(826,544)	-	(826,544)	(1,500,000)	(1,500,000)	673,456
Sale of capital assets	264,631	-	264,631	38,027	38,027	226,604
Total Other Financing Sources (Uses)	<u>3,743,412</u>	<u>-</u>	<u>3,743,412</u>	<u>8,101,979</u>	<u>2,848,979</u>	<u>894,433</u>
Net Change in Fund Balances	<u>(328,880)</u>	<u>\$ (1,530,308)</u>	<u>(1,859,188)</u>	<u>\$ (4,447,665)</u>	<u>\$ (6,742,666)</u>	<u>\$ 4,883,478</u>
Fund Balances--January 1	12,607,643		12,607,643			
Plus Prior Years' Project Expenditures			1,530,308			
Fund Balances--December 31	<u>\$12,278,763</u>		<u>\$12,278,763</u>			

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

**URBAN RENEWAL AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 492,625	\$ 500,000	\$ 500,000	\$ (7,375)
Earnings on investments	54,014	4,375	4,375	49,639
Total Revenues	<u>546,639</u>	<u>504,375</u>	<u>504,375</u>	<u>42,264</u>
<b>EXPENDITURES</b>				
Current operating				
Planning and Development	5,033,439	195,166	2,382,546	(2,650,893)
Principal	-	148,900	148,900	148,900
Interest	235,623	134,430	134,430	(101,193)
Total Expenditures	<u>5,269,062</u>	<u>478,496</u>	<u>2,665,876</u>	<u>(2,603,186)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,722,423)</u>	<u>25,879</u>	<u>(2,161,501)</u>	<u>(2,560,922)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of long-term debt	-	200,000	200,000	(200,000)
Transfers out:				
Capital Projects Fund	(2,545,204)	-	(2,579,140)	33,936
Total Other Financing Sources (Uses)	<u>(2,545,204)</u>	<u>200,000</u>	<u>(2,379,140)</u>	<u>(166,064)</u>
Net Change in Fund Balances (Deficit)	<u>(7,267,627)</u>	<u>\$ 225,879</u>	<u>\$ (4,540,641)</u>	<u>\$ (2,726,986)</u>
Fund Balances (Deficit)--January 1	<u>(1,588,286)</u>			
Fund Balances (Deficit)--December 31	<u>\$ (8,855,913)</u>			

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

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**PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2010**

	<b>Light and Power</b>	<b>Water</b>	<b>Wastewater</b>	<b>Storm Drainage</b>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 5,432,347	\$ 7,230,625	\$ 3,546,922	\$ 1,428,178
Investments	32,431,260	63,430,323	23,364,484	12,528,809
Securities lending collateral	1,715,989	2,298,265	1,127,365	454,392
Receivables				
Accounts, net	12,001,589	2,151,105	2,471,636	1,828,907
Note receivable	72,202	-	-	-
Interest	231,665	310,086	152,148	61,301
Prepaid item	-	-	-	-
Due from other governments	936,602	-	-	-
Inventories of materials and supplies	4,371,272	-	-	-
Total Current Assets	<u>57,192,926</u>	<u>75,420,404</u>	<u>30,662,555</u>	<u>16,301,587</u>
Non-Current Assets				
Advance to other funds	-	-	-	30,000
Restricted Assets - cash & cash equivalents	-	292,490	381,741	356,117
Restricted Assets - investments	14,889,304	-	7,752,244	-
Land, water rights, other	1,878,377	48,203,256	3,217,675	7,647,132
Buildings, improvements and equipment	215,833,791	229,330,069	159,035,002	101,554,864
Accumulated depreciation	(119,682,534)	(97,339,433)	(65,592,478)	(24,751,556)
Construction in progress	18,296,533	16,740,911	40,077,180	15,712,238
Note receivable	326,760	-	-	-
Unamortized bond issuance costs	183,300	129,410	323,121	170,621
Total Non-Current Assets	<u>131,725,531</u>	<u>197,356,703</u>	<u>145,194,485</u>	<u>100,719,416</u>
Total Assets	<u>188,918,457</u>	<u>272,777,107</u>	<u>175,857,040</u>	<u>117,021,003</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	7,998,436	826,642	1,501,800	705,188
Interest payable	51,859	89,113	150,707	125,270
Wages payable	188,985	121,774	95,935	43,764
Compensated absences	580,526	397,953	332,641	145,021
Bonds payable	1,475,804	2,771,980	2,901,515	2,757,708
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Deferred revenue	44,643	-	-	-
Obligations under securities lending	1,715,989	2,298,265	1,127,365	454,392
Total Current Liabilities	<u>12,056,242</u>	<u>6,505,727</u>	<u>6,109,963</u>	<u>4,231,343</u>
Non-Current Liabilities				
Postemployment healthcare benefits	257,642	162,732	215,277	-
Bonds payable	15,217,275	20,450,070	36,667,108	28,447,136
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Total Non-Current Liabilities	<u>15,474,917</u>	<u>20,612,802</u>	<u>36,882,385</u>	<u>28,447,136</u>
Total Liabilities	<u>27,531,159</u>	<u>27,118,529</u>	<u>42,992,348</u>	<u>32,678,479</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	114,522,392	173,712,754	104,921,001	68,957,833
Restricted: debt service	-	292,490	381,741	356,117
Unrestricted	46,864,906	71,653,334	27,561,950	15,028,574
Total Net Assets	<u>\$ 161,387,298</u>	<u>\$ 245,658,578</u>	<u>\$ 132,864,692</u>	<u>\$ 84,342,524</u>

Adjustment to reflect the consolidation of internal service fund net assets related to enterprise funds:

Allocation of governmental activities related to internal service fund net assets:

Net assets of business-type activities (page 27).

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

<b>Non Major Enterprise Fund Golf</b>	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
\$ 51,024	\$ 17,689,096	\$ 5,009,294
529,113	132,283,989	22,485,514
19,046	5,615,057	816,275
20,429	18,473,666	481,858
-	72,202	-
2,536	757,736	109,925
-	-	178,598
-	936,602	-
-	4,371,272	580,726
622,148	180,199,620	29,662,190
-	30,000	-
-	1,030,348	-
-	22,641,548	-
2,865,975	63,812,415	30,126
8,301,037	714,054,763	15,651,787
(3,438,712)	(310,804,713)	(9,932,433)
-	90,826,862	-
-	326,760	-
37,062	843,514	-
7,765,362	582,761,497	5,749,480
8,387,510	762,961,117	35,411,670
46,481	11,078,547	728,469
37,623	454,572	316
17,474	467,932	260,376
60,468	1,516,609	837,828
266,989	10,173,996	-
-	-	2,609,002
118,958	118,958	149,394
-	44,643	11,172
19,046	5,615,057	816,275
567,039	29,470,314	5,412,832
-	635,651	-
2,983,900	103,765,489	-
-	-	3,018,302
108,125	108,125	65,647
3,092,025	104,509,265	3,083,949
3,659,064	133,979,579	8,496,781
4,250,328	466,364,308	5,534,440
-	1,030,348	-
478,118	161,586,882	21,380,449
\$ 4,728,446	628,981,538	\$ 26,914,889
	4,644,286	
	(2,704,076)	
	\$ 630,921,748	

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Light and Power</b>	<b>Water</b>	<b>Wastewater</b>	<b>Storm Drainage</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 93,165,407	\$ 24,228,060	\$ 19,136,611	\$ 13,858,322
Total Operating Revenues	93,165,407	24,228,060	19,136,611	13,858,322
<b>OPERATING EXPENSES</b>				
Personal services	6,650,011	6,008,114	5,176,011	2,018,551
Contractual services	8,750,375	4,960,031	3,348,970	772,596
Commodities	69,006,148	1,608,936	858,645	114,501
Customer service and administrative charges	4,996,141	3,897,100	2,200,049	2,145,454
Other	2,080,366	107,830	533,459	1,022
Depreciation	7,256,236	4,903,418	3,300,653	2,216,025
Total Operating Expenses	98,739,277	21,485,429	15,417,787	7,268,149
Operating Income (Loss)	(5,573,870)	2,742,631	3,718,824	6,590,173
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Earnings on investments	767,897	1,025,328	412,086	296,921
Interest on security lending income	3,673	5,705	3,301	913
Security lending interest expense	(2,422)	(3,744)	(2,162)	(602)
Security lending agent fees	(325)	(500)	(287)	(81)
Intergovernmental	3,071,474	-	-	52,713
Other revenue	1,200,138	285,464	143,390	17,151
Gain (Loss) on sale of capital assets	106,823	23,979	32,941	28,259
Interest expense	(109,601)	(924,838)	(313,449)	(1,447,210)
Other nonoperating expenses	-	(9,204)	(146,856)	(43,524)
Total Nonoperating Revenues (Expenses)	5,037,657	402,190	128,964	(1,095,460)
Income (Loss) Before Contributions and Transfers	(536,213)	3,144,821	3,847,788	5,494,713
Capital contributions	1,635,978	1,720,544	2,441,543	358,325
Transfers in	120,061	90,856	75,815	31,149
Transfers out	-	-	-	(275,000)
Change in Net Assets	1,219,826	4,956,221	6,365,146	5,609,187
Net Assets--January 1	160,167,472	240,702,357	126,499,546	78,733,337
Net Assets--December 31	\$ 161,387,298	\$ 245,658,578	\$ 132,864,692	\$ 84,342,524

Adjustment to reflect the consolidation of internal service fund net assets related to enterprise funds:

Allocation of governmental activities related to internal service fund net assets:

Change in net assets of business-type activities (pages 28-29)

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



<b>Non Major</b>		
<b>Enterprise</b>		
<b>Fund</b>	<b>Enterprise</b>	<b>Internal</b>
<b>Golf</b>	<b>Funds</b>	<b>Service Funds</b>
<u>\$ 2,658,925</u>	<u>\$ 153,047,325</u>	<u>\$ 44,379,717</u>
<u>2,658,925</u>	<u>153,047,325</u>	<u>44,379,717</u>
1,101,347	20,954,034	14,301,299
548,104	18,380,076	27,190,439
255,539	71,843,769	4,977,681
155,480	13,394,224	-
10,124	2,732,801	40,060
<u>281,980</u>	<u>17,958,312</u>	<u>1,392,478</u>
<u>2,352,574</u>	<u>145,263,216</u>	<u>47,901,957</u>
<u>306,351</u>	<u>7,784,109</u>	<u>(3,522,240)</u>
3,770	2,506,002	360,687
44	13,636	2,068
(29)	(8,959)	(1,355)
(4)	(1,197)	(180)
-	3,124,187	-
23,615	1,669,758	1,170,459
935	192,937	(25,254)
(158,651)	(2,953,749)	(14,870)
<u>(1,152)</u>	<u>(200,736)</u>	<u>-</u>
<u>(131,472)</u>	<u>4,341,879</u>	<u>1,491,555</u>
<u>174,879</u>	<u>12,125,988</u>	<u>(2,030,685)</u>
-	6,156,390	-
-	317,881	5,743,249
<u>(72,138)</u>	<u>(347,138)</u>	<u>(2,014,787)</u>
102,741	18,253,121	1,697,777
<u>4,625,705</u>		<u>25,217,112</u>
<u>\$ 4,728,446</u>		<u>\$ 26,914,889</u>
	502,094	
	(922,341)	
	<u>\$ 17,832,874</u>	

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Light and Power</u>	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 90,943,412	\$ 24,201,972	\$ 18,971,439	\$ 13,820,468
Receipts from interfund services provided	-	-	-	-
Cash paid to employees for services	(6,446,993)	(5,907,895)	(5,023,698)	(1,952,450)
Cash paid to other suppliers of goods & services	(78,319,506)	(6,326,174)	(5,740,152)	(1,264,056)
Payments for interfund services used	(5,387,057)	(4,108,636)	(2,449,244)	(2,259,286)
Other receipts	4,252,141	285,464	143,390	69,864
Net cash provided (used) by operating activities	<u>5,041,997</u>	<u>8,144,731</u>	<u>5,901,735</u>	<u>8,414,540</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	120,061	90,856	75,815	31,149
Transfers to other funds	-	-	-	(275,000)
Payment from other funds	-	-	-	30,000
Net cash provided (used) by noncapital financing activities	<u>120,061</u>	<u>90,856</u>	<u>75,815</u>	<u>(213,851)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	16,500,000	-	3,900,000	-
Payment to escrow agent	-	-	(4,057,901)	-
Capital contributions	1,635,978	1,550,732	2,441,543	358,325
Purchases of capital assets	(12,163,301)	(5,880,343)	(13,413,278)	(3,617,772)
Principal paid on capital debt	-	(2,661,260)	(3,377,775)	(2,682,500)
Interest paid on capital debt	(205,847)	(932,385)	(1,604,520)	(1,456,816)
Proceeds from sales of capital assets	106,823	23,979	32,941	35,003
Net cash provided (used) by capital and related financing activities	<u>5,873,653</u>	<u>(7,899,277)</u>	<u>(16,078,990)</u>	<u>(7,363,760)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Advance to component unit	1,062,695	1,486,516	401,055	-
Proceeds from sales and maturities of investments	7,551,599	2,698,502	10,189,616	2,907,168
Purchase of investments	(19,022,261)	(4,984,191)	(2,444,918)	(3,651,033)
Earnings received on investments	970,154	1,187,703	824,996	340,187
Interest on security lending income	3,673	5,705	3,301	913
Security lending interest expense	(2,422)	(3,744)	(2,162)	(602)
Security lending agent fees	(325)	(500)	(287)	(81)
Net cash provided (used) by investing activities	<u>(9,436,887)</u>	<u>389,991</u>	<u>8,971,601</u>	<u>(403,448)</u>
Net increase (decrease) in cash and cash equivalents	1,598,824	726,301	(1,129,839)	433,481
Cash and cash equivalents, January 1 (cash & cash equivalents includes cash held by fiscal agent and restricted assets - cash & cash equivalents)	<u>3,833,523</u>	<u>6,796,814</u>	<u>5,058,502</u>	<u>1,350,814</u>
Cash and cash equivalents, December 31 (cash & cash equivalents includes cash held by fiscal agent and restricted assets - cash & cash equivalents)	<u>5,432,347</u>	<u>7,523,115</u>	<u>3,928,663</u>	<u>1,784,295</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	(5,573,870)	2,742,631	3,718,824	6,590,173
Other receipts	4,252,141	285,464	143,390	17,151
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	7,256,236	4,903,418	3,300,653	2,216,025
(Increase) decrease in accounts receivable	(1,381,915)	(26,088)	(165,172)	(37,854)
(Increase) decrease in intergovernmental receivables	(884,723)	-	-	52,713
(Increase) in inventories	912,680	-	-	-
Increase (decrease) in accounts payable	213,787	139,087	(1,248,273)	(375,937)
Increase (decrease) in compensated absences payable	61,134	32,937	7,689	(4,607)
Increase (decrease) in post-emp healthcare obligation	102,883	42,364	129,300	(51,586)
Increase (decrease) in wages payable	39,001	24,918	15,324	8,462
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in deferred revenue	44,643	-	-	-
Net cash provided (used) by operating activities	<u>\$ 5,041,997</u>	<u>\$ 8,144,731</u>	<u>\$ 5,901,735</u>	<u>\$ 8,414,540</u>
<b>Noncash investing, capital, and financing activities:</b>				
Capitalized interest	(177,355)	-	(1,359,054)	-
Capital contributions	-	169,812	-	-

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

<b>Non Major</b>		
<b>Enterprise Fund</b>	<b>Total</b>	<b>Total Internal</b>
<b>Golf</b>	<b>Enterprise Funds</b>	<b>Service Funds</b>
\$ 2,639,244	\$ 150,576,535	\$ -
-	-	44,346,757
(1,113,201)	(20,444,237)	(14,235,689)
(673,067)	(92,322,955)	(34,252,064)
(279,577)	(14,483,800)	(93,489)
23,615	4,774,474	1,206,574
597,014	28,100,017	(3,027,911)
-	317,881	5,743,249
(72,138)	(347,138)	(2,014,787)
-	30,000	-
(72,138)	743	3,728,462
-	20,400,000	-
-	(4,057,901)	-
-	5,986,578	-
(68,429)	(35,143,123)	(753,278)
(391,914)	(9,113,449)	(215,845)
(161,626)	(4,361,194)	(15,319)
935	199,681	67,843
(621,034)	(26,089,408)	(916,599)
15,842	2,966,108	554,218
99,616	23,446,501	1,779,966
(41,577)	(30,143,980)	(2,379,658)
8,582	3,331,622	508,164
44	13,636	2,068
(29)	(8,959)	(1,355)
(4)	(1,197)	(180)
82,474	(396,269)	463,223
(13,684)	1,615,083	247,175
64,708	17,104,361	4,762,119
51,024	18,719,444	5,009,294
306,351	7,784,109	(3,522,240)
23,615	4,721,761	1,170,459
281,980	17,958,312	1,392,478
(19,681)	(1,630,710)	(34,765)
-	(832,010)	36,115
-	912,680	(54,426)
16,603	(1,254,733)	431,549
1,128	98,281	23,727
(17,195)	205,766	-
4,213	91,918	41,883
-	-	(2,506,782)
-	44,643	(5,909)
\$ 597,014	\$ 28,100,017	\$ (3,027,911)
-	(1,536,409)	-
-	169,812	-

**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**DECEMBER 31, 2010**

---

	<b>General Employee Retirement Plan</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,704,111	\$ 1,956,275
Receivables, interest	89,874	76,674
Investments, at fair value		
Certificate of deposit	-	1,235,041
U S Government securities	5,972,660	13,610,582
Corporate bonds	3,231,852	873,290
Mutual funds	27,360,693	-
Total Investments, at fair value	<u>36,565,205</u>	<u>15,718,913</u>
Total Assets	<u>39,359,190</u>	<u>17,751,862</u>
<b>LIABILITIES</b>		
Amounts held for other governments	-	17,751,862
Accrued expenses	<u>3,280</u>	<u>-</u>
Total Liabilities	<u>3,280</u>	<u>\$ 17,751,862</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits	<u>\$ 39,355,910</u>	

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

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b><u>General Employee Retirement Plan</u></b>
<b>ADDITIONS</b>	
Contributions	
Employer contributions	\$ 2,100,467
Total Contributions	<u>2,100,467</u>
Investment income	
Interest related to plan investments	618,798
Net change in fair value of investments	<u>3,444,739</u>
Total Investment Income	<u>4,063,537</u>
Total Additions	<u>6,164,004</u>
<b>DEDUCTIONS</b>	
Benefit payments	4,074,948
Administration expense	<u>35,408</u>
Total Deductions	<u>4,110,356</u>
Net Increase in Plan Net Assets	2,053,648
Net Assets	
Beginning of year	<u>37,302,262</u>
End of year	<u>\$ 39,355,910</u>

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

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

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## NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fort Collins, Colorado (the City) was incorporated in 1873 and adopted its Home Rule charter in 1913. In 1954, the citizens adopted the Council-Manager form of government. The more significant accounting policies reflected in the financial statements are summarized as follows:

### A. Reporting Entity

These financial statements include those of the City (primary government) and organizations for which the City is financially accountable (component units). The following component units are included in the reporting entity: City of Fort Collins Downtown Development Authority (DDA), City of Fort Collins General Improvement District No. 1 (GID No. 1), the Fort Collins Capital Leasing Corporation (Corporation), the Urban Renewal Authority (URA), and the City of Fort Collins General Improvement District No. 15-Skyview. None of the component units issue their own financial statements.

The DDA was created in 1981 by City Council and the electorate. The purpose of the DDA is to promote the public health, safety, prosperity, security, and welfare of its inhabitants. The City appoints and removes all members of the DDA's governing board in addition to issuing debt, adopting budgets, and levying taxes on its behalf. The financial statements of the Downtown Development Authority are included in the reporting entity by discrete presentation.

GID No. 1 was created in 1976 for the construction and installation of parking facilities and street and sidewalk beautification improvements. GID No. 1 is, in substance, the same as the primary government since the City Council serves as the board of directors. As such, it levies all taxes, approves all budgets, and issues all debt on behalf of GID No. 1. Accordingly, its transactions and balances are blended with those of the City. GID No. 1 is presented as a special revenue fund.

The Corporation was created in June 1998 and operates under the provisions of the Nonprofit Corporation Law of the State of Colorado. The Corporation's primary purpose is to provide financing assistance by obtaining land, property and equipment on behalf of the City. The directors are appointed by the City Council and receive no compensation. Its transactions and balances are blended with those of the City. The Corporation is presented as a debt service fund.

The Urban Renewal Authority (URA) was established in 2006. The primary purpose of the URA is to remedy blight by stimulating and leveraging private capital investment, using tax increment financing in private development projects and public improvement projects. The URA is, in substance, the same as the primary government since the City Council serves as the board of directors. Its transactions and balances are blended with those of the City. The URA is presented as a special revenue fund.

GID No. 15-Skyview was organized in 1997 by Larimer County and was inherited by the City as part of the Southwest Annexation. The mill levy funds are used to maintain the street system for the Skyview Subdivision. GID No. 15-Skyview is, in substance, the same as the primary government since the City Council serves as the board of directors. As such, it levies all taxes, approves all budgets, and issues all debt on behalf of GID No. 15-Skyview. Accordingly, its transactions and balances are blended with those of the City. GID No. 15-Skyview is presented as a special revenue fund.

### B. Joint Ventures

The City has joined with other governmental units to form the following joint ventures:

Fort Collins-Loveland Airport was created for the purpose of operating a municipal airport for the benefit of the citizens of Loveland and Fort Collins. The City provides a small amount of funding for on-going airport



construction projects. The City and Loveland each retain a 50% ownership interest in the airport. Separately issued financial statements are available upon request from the Airport Manager.

North Front Range Transportation and Air Quality Planning Council (NFRTAQPC) is an association of local governments that was formed in 1987 in response to local needs and federal transportation and air quality planning requirements. Local government membership consists of elected officials representing Fort Collins, Greeley, Loveland, Evans, Berthoud, Windsor, Timnath, Garden City, LaSalle, Johnstown, and Weld and Larimer Counties. Membership is also extended to the Colorado Transportation Commission and the Colorado Air Quality Control Commission. The NFRTAQPC Board appoints its own management and approves its own budget. The City has an agreement with the NFRTAQPC that allows for NFRTAQPC to participate in the City's benefit plans and other City services on a reimbursable basis. Separately issued financial statements are available upon request from the Planning Council.

Poudre Fire Authority (PFA) was created by an intergovernmental agreement between the City of Fort Collins and the Poudre Valley Fire Protection District. The PFA Board consists of five members--two appointed by City Council, two appointed by the District's Board of Directors and a fifth member appointed by the other four members. The PFA Board appoints its own management and approves its own budget. PFA's continuing existence depends, in part, on funding provided by the City. Separately issued financial statements for PFA are available from its administrative office.

Platte River Power Authority (PRPA) was created by an intergovernmental agreement between the Cities of Fort Collins, Estes Park, Loveland, and Longmont to supply their wholesale electric power and energy requirements. The governing Board of PRPA consists of two members from each municipality. Under Colorado law, PRPA's Board of Directors has the exclusive authority to establish electric rates. The City has contracted for its total electric energy supply from PRPA through December 31, 2040. Separately issued financial statements for PRPA are available from its corporate headquarters.

Aside from the Fort Collins-Loveland Airport, the City does not have an equity interest in any of the joint ventures in which it participates. None of the joint ventures are accumulating financial resources or are experiencing fiscal stress that are expected to create a significant financial benefit or burden on the City in the foreseeable future.

### C. Jointly Governed Organization

The City and various governmental entities throughout Larimer County have jointly agreed to establish the Larimer Emergency Telephone Authority (LETA). LETA is a separate legal entity established to provide E-911 telephone service to the citizens of Larimer County. The City does not retain an on-going financial interest or responsibility in LETA.

### D. 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 are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily on fees and charges for support. Also, the primary government is reported separately from the DDA, a legally separate component unit 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 associated with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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 as separate columns in the fund financial statements.

#### E. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and the pension trust funds. The agency funds utilize the accrual basis of accounting but have no 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 and become an enforceable lien on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. An allowance for doubtful accounts is maintained for the utility receivables.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. As under accrual accounting, expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as those related to compensated absences and incurred claims and judgments, are recorded only when payment is due. With regard to self-insurance claims and judgments, an additional expenditure may be recorded based on actuarial information.

Property taxes, special assessments, sales taxes, franchise taxes, charges for services, amounts due from other governments and interest associated with the current fiscal period are all considered to be susceptible to accrual. Other revenue items such as licenses, fines and permits are considered to be measurable and available only when the cash is received by the government, as a result they are not susceptible to accrual.

#### F. Financial Statement Presentation

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. The various funds are summarized by type within the financial statements.

The City reports the following major governmental funds:

The General fund is the government'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 Transportation Services special revenue fund is used to account for taxes, federal and state grants and other revenues utilized to operate and maintain the City's transportation system.

The Capital Projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The URA special revenue fund is used to account for the operations and debt services of the Urban Renewal Authority, a blended component unit.

The City reports the following major proprietary funds:

The Light and Power fund is used to account for the operations of the City's electric utility.

The Water fund is used to account for the operation of the City's water utility.

The Wastewater fund is used to account for the operation of the City's wastewater utility.

The Storm Drainage fund is used to account for the operations of the City's storm water utility.

Additionally, the City reports the following fund types:

Internal Service funds are used to account for the City's fleet maintenance services, phone equipment and services, self-insurance of employee health care and other employee benefits, and a risk management insurance program. There is also an internal service fund to account for the customer and administrative services provided exclusively to the City's utility enterprise funds.

Pension Trust fund is used to account for the City's General Employees' Retirement Plan, a defined benefit contribution pension plan to provide retirement benefits for its employees/retirees, for employees hired before January 1, 1999.

Agency funds are used to account for cash and investments held by the City on behalf of Poudre Fire Authority and Poudre River Public Library District.

In 2010, the City made a change to its reporting entity by removing the previously reported fiduciary funds (Money Purchase Plan and Retirement Health Savings Plan) from the financial statements because the City does not have administrative involvement and does not perform the investment function of these two plans.

Private sector standards of accounting pronouncements issued on or before November 30, 1989 generally are followed in both the government-wide and proprietary fund financial statements, unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to follow subsequent private sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are the charges between the City's utility functions and various other functions.

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

Proprietary funds distinguish 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 principal ongoing operations. The water and storm drainage funds also recognize as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

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

#### G. Assets, Liabilities and Fund Equity

The City has stated certain investments at fair value in accordance with GASB No. 31. Fair value is determined utilizing the third party custodian's statements, Wall Street Journal, Bloomberg, and other recognized pricing services.

Whenever possible, cash is pooled from the various City funds to enhance investment capabilities and maximize investment income. Investments are made taking into consideration cash flow needs, market conditions, and contingency plans. The City's investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance, which are utilized in managing the investment portfolio.

For purposes of the combined statement of cash flows, the City considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

## Restricted Cash and Cash Equivalents

Certain proceeds of Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet since their use is limited by applicable bond covenants.

## Receivables

Accounts receivable are expressed net of allowances for doubtful accounts. Allowances for doubtful accounts are based on historical collection trends for the related receivables. Light and Power Fund maintains an allowance of \$250,000, Water Fund maintains an allowance of \$25,000, Wastewater Fund has an allowance of \$20,000 and Storm Drainage Fund has an allowance of \$10,000. Light and Power Fund and Water Fund have another allowance for doubtful accounts for miscellaneous accounts receivable. The balances maintained are \$25,000 for the Light and Power Fund and \$9,000 for the Water Fund.

Long-term portions of receivables in the governmental fund financial statements are reported and then offset by nonspendable fund balance reserve accounts in order to indicate that they are not available, spendable resources except for long-term portions of special assessments receivable which are offset by deferred revenue.

## Inventories

Inventories are stated at cost using the first-in, first-out method. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in proprietary funds when used. Where appropriate, inventory has been adjusted downward to market value to reflect what is considered a permanent market decline.

## Inventory of Real Property Held for Resale

Inventory of real property held for resale generally reflects the cost of raw land held by the City's Land Bank Program in the General Fund, for development of affordable housing. These assets are carried at the lower of cost or market. Appraisals were done in 2009 and all assets are valued at cost.

## Capital Assets

Capital assets, which are acquired or constructed, are reported at historical cost or estimated historical cost in the applicable governmental or business-type activities' columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of five years or greater. Donated capital assets are recorded at estimated fair market value at the date of donation. Included in capital assets of the business type activities is the interest capitalized during construction. Approximately \$1,536,409 was capitalized in fiscal year 2010.

Capital assets other than land, water rights, and some intangible property are depreciated. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Buildings.....	10-50 years
Improvements other than buildings .....	5-50 years
Machinery and equipment .....	5-20 years

GASB Statement No. 34 provides for an alternative approach to depreciation for measuring the value of infrastructure assets and the related costs incurred to maintain their service life at a locally established minimum standard. In order to adopt this alternative method, the City has developed an asset management system, which will determine if the minimum standards are being maintained. This measurement would occur every three years at a minimum. The City has elected to use this alternative method for reporting its street infrastructure capital assets.

### Compensated Absences

The City allows employees to accumulate unused vacation pay and to defer overtime pay by accumulating compensatory leave up to maximum limits. Unused sick pay is not recognized as a liability because it does not meet the criteria for accrual. The liability associated with these benefits is reported in the government-wide financial statements. Proprietary fund types accrue such benefits in the period in which they are earned.

### 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### Claims and Judgments Payable

Claims and judgments payable are recognized when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Such claims, including an estimate for claims incurred but not reported at year end, are reflected as claims payable in the financial statements.

### Fund Equity/Net Assets

In the fund financial statements, fund equity of the City's governmental funds are classified as nonspendable, restricted, committed, assigned, or unassigned. A governmental fund may not have all five components of fund balance.

Nonspendable fund balances indicate amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact. It also includes the long-term amount of advances, loans and notes receivables as well as property held for resale unless the proceeds from the collection of these items would be considered restricted, committed, or assigned in which case they are included in those categories.

Restricted fund balances indicate amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balances indicate amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require an ordinance by the City Council to remove or change the constraints placed on the resources. This action must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned fund balances indicate amounts of any remaining positive amounts not classified in the above categories for governmental funds, other than the general fund. For the general fund, amounts constrained for the intent to be used for a specific purpose has been delegated to the City Manager, Chief Financial Officer, and Finance Director.

Unassigned fund balances indicate amounts in the general fund that are not classified as non-spendable, restricted, committed, or assigned. The general fund is the only fund that would report a positive amount in unassigned fund

balance. When both unassigned and committed or assigned resources are available for use, it is the City's policy to use committed or assigned resources first, then unassigned resources as needed.

In the government-wide and proprietary fund financial statements, net assets are restricted for amounts that are legally restricted by outside parties for specific purposes or through enabling legislation that is a legally enforceable restriction on the use of revenues. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets invested in capital assets, net of related debt, excludes unspent bond proceeds in the proprietary funds of \$14,889,304 in Light and Power and \$7,752,244 in Wastewater.

#### Inter-fund Transactions

Inter-fund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include payments in lieu of taxes and billings from one fund to another for purchased goods or services. In the government-wide statement of activities, transactions, which constitute reimbursements, are eliminated in the reimbursed fund and accounted for as expenditures or expenses in the fund to which the transaction is applicable.

#### Deferred and Unearned Revenues

Governmental funds report deferred revenue on their balance sheets. Deferred revenues arise in governmental funds when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

In the government-wide financial statements, deferred revenue not meeting the "measurable" and "available" criteria has been recognized as revenue.

#### Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the City has made certain estimates and assumptions relating to its collections of receivables, the valuation of property held for resale, and the ultimate outcome of claims and judgments. Accordingly, actual results could differ from those estimates.

#### Discretely Presented Component Units

The significant accounting policies for the City's discretely presented component unit are substantially the same as the primary government. Additional disclosures follow.

The discretely presented component unit data presented in the government-wide statements includes total data for all fund types of the Downtown Development Authority (DDA), including its General Fund, Debt Service Fund and its non-current assets and liabilities.

The Board of Directors of the DDA approves their respective budget by resolution. The budget is then submitted to City Council for approval. Budgetary matters with respect to basis of accounting and legal level of budgetary control are generally the same for the DDA as those of the City.

## NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. Budgetary Information

#### Budgetary Accounting and Control

Appropriated budgets are established for all funds of the City except agency funds, which do not measure results of operations.

#### General, Special Revenue, Debt Service and Trust Funds

Budgets for general, special revenue, debt service and trust funds are adopted on a basis which is consistent with generally accepted accounting principles (GAAP) except that appropriations for certain special revenue funds do not lapse on an annual basis as further explained below.

#### Capital Projects Fund

The Capital Projects Fund budget is not consistent with GAAP because appropriations do not lapse at year end.

#### Proprietary Funds

Proprietary funds are budgeted on a basis that includes capital items such as amounts for capital outlay and principal reduction of debt. Such budgets exclude depreciation. Proprietary Funds recognize gain on inter-fund sales of capital assets for budgetary purposes only. Capital project budgets for certain enterprise funds are non-lapsing.

#### Legal Level of Control

The legal level of budgetary control is at the individual fund level, except for capital projects and federal and state grants for which the legal level of control is at the project or grant level. For budgetary purposes, operating transfers are considered expenditures.

#### Lapsing Appropriations

All appropriations unexpended or unencumbered lapse at the end of the year to the applicable fund, except capital project and federal and state grant appropriations which lapse when the project or grant activity is completed. Appropriations which are encumbered at year end are carried over to the ensuing year at which time they are matched with their corresponding expenditures.

Budgets for the Capital Projects Fund, special revenue funds with expenditures of a capital or project nature and special revenue funds where the primary source of revenue is project-length federal or state grants are non-lapsing. Included are the Capital Projects Fund, Neighborhood Parkland Fund, Conservation Trust Fund, Community Development Block Grant Fund, Home Program Fund, Transit Services Fund, and grant portion of Transportation Services. Budgets are non-lapsing for capital projects in all the enterprise funds and for one of the internal service funds - Utilities Customer Service and Administration Fund.

#### Property Taxes

Property taxes levied in a particular year are collected in the subsequent year. The property tax calendar is as follows:

##### Tax Year

Tax levy certified to County Commissioners .....	December 15
County Commissioners certify levy to County Assessor .....	December 22

#### Ensuing Collection Year

Taxes attach as an enforceable lien on property .....	January 1
First installment due date (one-half of taxes due).....	February 28
Taxes due in full (unless installments elected by taxpayer) .....	May 2
Second installment due date (second half due).....	June 15

Taxes are collected by the Larimer County Treasurer on behalf of the City and are remitted by the 10th day of the month following collection. A 2% collection fee is retained by the County as compensation for collecting the taxes.

#### Economic Dependency

Anheuser Busch contributed 5% of total property taxes collected in 2010. This company is also a major customer of the City's Light and Power, Water and Wastewater major enterprise funds.

#### B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2010, expenditures exceeded appropriations in the Urban Renewal Authority fund. These over-expenditures will be funded over the next few years as Tax Increment Funding (TIF) monies are collected through increased property tax collections.

#### C. Deficit Fund Equity

The Urban Renewal Authority fund had a deficit fund balance of \$8,855,913 as of December 31, 2010. The fund will continue to have a deficit fund balance for the next few years as Tax Increment Funding (TIF) monies are collected through increased property tax collections. The Community Development Block Grant fund also had a deficit fund balance of \$51,049 as of December 31, 2010. In 2010, the City recorded an allowance against certain notes receivable in this fund.

### NOTE III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

##### Deposits

Colorado State Statutes govern the City's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2010 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

##### Primary Government

The carrying amount of the City's deposit accounts as of December 31, 2010, was \$39,656,047. The bank balance was \$40,826,449.

##### Component Unit

The Downtown Development Authority's undivided share of the City's deposits as of December 31, 2010 was a carrying amount of \$1,451,922. The bank balance was \$1,681,883.



### Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned. Due to the federal deposit insurance and the collateral no deposits for the City or the component unit were exposed to custodial credit risk.

### Investments

Investment policies are governed by the City's own investment policies and procedures. Investments of the City and its discretely presented component unit may include:

- Legal investments for municipalities under state statutes.
- Interest-bearing accounts or certificates of deposit at banks or savings and loans in Colorado which are eligible public depositories (including CDARS).
- Obligations of the United States Government, its agencies or instrumentalities.
- Debt of U.S. corporations.
- Obligations issued by or on behalf of the City.
- State or local government obligations having an investment grade rating.
- Prime rated banker's acceptances.
- Prime rated commercial paper.
- Guaranteed investment contracts.
- Repurchase and reverse repurchase agreements of any marketable security described above which afford the City a perfected security interest in such security.
- Local government investment pools authorized under the laws of the State of Colorado.
- Shares in any money market fund or account, unit investment trust or open or close-end investment company, all of the net assets of which are invested in securities described above.
- Mutual funds that include eligible investments found above.

In addition to the above, investments of the General Employees' Retirement Plan may include:

- Equity Investments.
- Domestic mutual funds.
- International mutual funds.
- Bond mutual funds.

In accordance with GASB Statement No. 40, the City's and its discretely presented component unit's investments are subject to interest rate and credit risk as described below:

### Interest Rate Risk

The City's investment policy limits its exposure to fair value losses arising from rising interest rates by:

- Whenever possible, holding investments to their stated maturity dates.
- Investing a portion of the operating funds in shorter-term securities, money market mutual funds, or local government investment pools.

Based on the current rate environment, the City assumes that all callable securities may be called on the first call date.

The City invests in various mortgage-backed securities and bonds in order to maximize yields. Mortgage-backed securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. If interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on

mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

### Concentration of Credit Risk

The City places maximum limits on the amount the City may invest in any one issuer. Limits vary by investment type. More than 5% of the City's investments are in Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and in Federal Home Loan Mortgage Corporation (FHLMC) agency securities. These investments are 30.73%, 23.55%, 13.60%, and 10.19%, respectively, of the City's total investment. All of these investments were rated AAA.

### Custodial Credit Risk for Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy restricts holding of securities by counterparties.

### Credit Risk

The City's investment policy limits investments in corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs). As of December 31, 2010, the City's investment in corporate bonds was rated AA- or better by Standard & Poor's and Aa3 or better by Moody's Investors Service. The City's investment policy also allows for the City to invest in local government investment pools. As of December 31, 2010, the local government investment pools (ColoTrust & CSAFE) in which the City had invested, were rated AAAM by Standard & Poor's.

As of December 31, 2010, the City had the following investments and maturities:

Primary Government (including Fiduciary Funds)

<u>Investment Type</u>	<u>Credit Risk Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
			<u>Up to 120 days</u>	<u>121 days to 5 years</u>	<u>More than 5 years</u>
U.S. Agencies (GNMA)	AAA	\$ 44,213	\$ -	\$ -	\$ 44,213
Instrumentality					
Federal Farm Credit Bank (FFCB)	AAA	46,853,770	5,001,550	35,879,560	5,972,660
Federal Home Loan Bank (FHLB)	AAA	69,414,872	16,561,555	53,102,538	-
Federal Home Loan Mortgage Corporation (FHLMC)	AAA	35,120,050	-	35,120,050	-
Federal National Mortgage Association (FNMA)	AAA	105,909,020	-	105,909,020	-
Corporate bonds	Aa1	3,002,010	3,002,010	-	-
Corporate bonds	Aa2	18,575,348	5,000,200	13,575,148	-
Certificates of Deposit		22,999,220	-	22,999,221	-
Total Investments Controlled by the City		\$ 301,918,503	\$ 29,565,315	\$ 266,585,537	\$ 6,016,873
Percent of Total			10%	88%	2%

The City has \$27,360,693 invested in Mutuals Funds, but those investments are held by ICMA for employee's retirement accounts.

### Component Unit

<u>Investment Type</u>	<u>Credit Risk Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
			<u>Up to 120 days</u>	<u>121 days to 5 years</u>	<u>More than 5 years</u>
Instrumentality					
Federal Home Loan Bank (FHLB)	AAA	11,735,459	1,290,900	10,444,559	-
Certificates of Deposit		2,250,779	-	2,250,779	-
Total Investments Controlled by the City		\$ 13,986,238	\$ 1,290,900	\$ 12,695,338	\$ -
Percent of Total			9%	91%	0%

The market for securities lending developed to provide temporary access to a large portfolio of securities for broker/dealers who might have a need to borrow specific instruments. At the time of the transaction, the broker/dealer collateralizes their borrowing (in cash or with securities) to 102% of the security value plus accrued

interest and in the event that the fair value of the collateral falls below 100%. If the broker/dealer fails to return the security, upon request, then the custodian, acting as agent, will utilize the collateral to replace the security borrowed. The transaction establishes a rebate interest rate (assuming cash collateral), which is due back to the broker/dealer upon return of the security. The cash is then invested short-term and the City and the custodian share the incremental return available above the rebate rate. The commingled short-term fixed income accounts can be invested in repurchase agreements, master notes, U.S. treasuries and agencies, U.S. certificates of deposit and time deposits, bankers' acceptances, commercial paper, and other short term money market instruments. The securities loaned are on a rolling daily basis and the cash collateral can be deposited and/or withdrawn from the commingled investment on a daily basis.

The City authorizes the lending of fixed income securities, except those held in reserve for the Self Insurance Fund. The City, as a program participant, assumes the risk that (a) the overnight investment will not equal or exceed the rebate rate, (b) a loss of the principal in the overnight investment and (c) the collateral will not be sufficient, if called upon to repurchase the lost security. The City would have credit risk if at any time the above-mentioned 102% daily adjusted collateral falls below 100%. As of December 31, 2010, no market risk had been incurred from the City's securities lending program as the market value of the securities that the City loaned to the financial institution was \$8,832,773 and the collateral received by the City is valued at \$9,069,710.

As of December 31, 2010, no market risk resulted from the City's securities lending program for the General Employees Retirement Plan.

The City periodically reviews the custodian's practices to insure fair distribution of lending opportunities as well as risk evaluation of prospective broker/dealer borrowers. For the year 2010, the City received net income of \$5,488 from security lending activity for its operating portfolio.

#### Restrictions on Cash and Investments

Cash and investments of \$29,985 in Transportation Services fund and \$292,490, \$381,741 and \$356,117, respectively, in the Water, Wastewater and Storm Drainage funds are contractually restricted for debt service through bond ordinances.

#### **B. Notes Receivable**

In March 1996, the City entered into an agreement with a developer for the construction of low income apartment units. Under the agreement, the City loaned \$913,000 to the developer from the HOME Program special revenue fund and received a deed of trust against the property. The loan is to be repaid from 50% of the net available cash flow generated by the project as calculated annually. The loan bears interest at 9% per annum. There is no set payment schedule or due date on the loan. Based upon a review of project income statements, the project did not have a net available cash flow. In 2010, the City did receive an interest payment of \$29. The outstanding balance as of December 31, 2010 is \$913,000. The allowance recorded against this receivable balance is \$913,000.

In May 2000, the City entered into an agreement with a developer for the construction of low income senior apartment units. Under the agreement, the City loaned \$200,000 to the developer from the Community Development Block Grant special revenue fund and received a deed of trust against the property. The loan is to be repaid from the net available cash flow generated by the project as calculated annually. The loan bears interest at 7% per annum. There is no set payment schedule on the loan. The loan has a term of 20 years. The outstanding balance as of December 31, 2010 is \$200,000. The allowance recorded against this receivable balance is \$200,000.

In the mid-1980's, the City loaned money to various individuals that qualified in a low income housing program. The City loaned various amounts from the Community Development Block Grant (CDBG) special revenue fund and filed deed of trusts' against the properties. There are two outstanding loans as of December 31, 2010 and are set to mature in 2012. The outstanding balance of these loans as of December 31, 2010 is \$5,652.

In December 2001, the City entered into an agreement with a developer for the construction of low income senior apartment units. Under the agreement, the City loaned \$250,000 to the developer. 50% of the loan proceeds are

from the HOME Program special revenue fund and 50% of the loan proceeds are from the General Fund. The City received a deed of trust against the property. The loan is to be repaid from the net available cash flow generated by the project as calculated annually. The loan bears interest at 5.5% per annum. There is no set payment schedule on the loan. The loan has a term of 20 years. In 2010, the City did receive an interest payment of \$13,750. The outstanding balance as of December 31, 2010 is \$250,000.

In May 2006, the City (Light & Power Fund) entered an agreement with Platte River Power Authority for the purchase of two V42 Vestes. Under the agreement, the City loaned \$747,137. Platte River Power Authority will make annual payments of \$92,150 over a ten-year period. The loan bears a fixed interest rate at 5%. The outstanding balance as of December 31, 2010 is \$398,962.

In May 2009, the Urban Renewal Authority (URA) loaned Rocky Mountain Innovation Initiative (RMII) \$1,135,262 for the construction of their new facility. This loan has a 20 year term and bears a fixed interest rate of 2.5%. For years 0 through 4, there will be no payments but interest will accrue. For year 5, there will be a lump sum payment consisting of the interest accrued during the no payment term and year 5. For years 6 and 7, there will be an annual payment of interest only. For years 8 through the maturity date, there will be annual payments of principal and interest. The outstanding balance as of December 31, 2010 is \$1,100,000

Accrued interest on the above loans has not been recorded since it is uncertain as to the frequency of when the projects will be able to make payments against the note.

## C. Capital Assets

A summary of changes in capital asset activity for the year ended December 31, 2010 follows:

	Balance, Beginning of Year	Additions	Transfers	Deletions	Balance, End of Year
<b>Primary Government:</b>					
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 196,279,631	\$ 1,930,741	\$ 1,938,444	\$ (241,623)	\$ 199,907,193
Street system infrastructure	251,514,068	1,172,630	4,046,724	-	256,733,422
Construction in progress	15,081,211	27,322,995	(14,748,765)	(2,405,761)	25,249,680
Total capital assets, not being depreciated	462,874,910	30,426,366	(8,763,597)	(2,647,384)	481,890,295
Capital assets, being depreciated:					
Infrastructure	15,805,560	28,263	858,302	-	16,692,125
Buildings and improvements	129,641,824	-	(218,634)	(2)	129,423,188
Improvements other than buildings	60,468,369	222,947	5,240,184	(43,954)	65,887,546
Machinery and equipment	61,245,399	1,363,860	2,883,745	(3,078,290)	62,414,714
Total capital assets being depreciated	267,161,152	1,615,070	8,763,597	(3,122,246)	274,417,573
Less accumulated depreciation for:					
Infrastructure	(8,098,785)	(685,328)	-	-	(8,784,113)
Buildings and improvements	(27,977,623)	(2,636,016)	-	2	(30,613,637)
Improvements other than buildings	(25,783,638)	(2,188,931)	-	36,043	(27,936,526)
Machinery and equipment	(37,443,364)	(4,555,768)	-	2,845,357	(39,153,775)
Total accumulated depreciation	(99,303,410)	(10,066,043)	-	2,881,402	(106,488,051)
Total capital assets being depreciated, net	167,857,742	(8,450,973)	8,763,597	(240,844)	167,929,522
Governmental activities capital assets, net	<u>\$ 630,732,652</u>	<u>\$ 21,975,393</u>	<u>\$ -</u>	<u>\$ (2,888,228)</u>	<u>\$ 649,819,817</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 61,959,935	\$ 169,813	\$ 1,682,669	\$ (1)	\$ 63,812,416
Construction in progress	74,580,724	29,982,496	(13,736,358)	-	90,826,862
Total capital assets, not being depreciated	136,540,659	30,152,309	(12,053,689)	(1)	154,639,278
Capital assets, being depreciated:					
Buildings and improvements	221,258,027	280,834	183,069	(60,570)	221,661,360
Improvements other than buildings	424,169,371	5,105,262	11,613,986	(106,004)	440,782,615
Machinery and equipment	53,971,037	1,470,028	256,634	(981,589)	54,716,110
Total capital assets being depreciated	699,398,435	6,856,124	12,053,689	(1,148,163)	717,160,085
Less accumulated depreciation for:					
Buildings and improvements	(74,695,329)	(4,408,432)	-	18,623	(79,085,138)
Improvements other than buildings	(178,745,076)	(11,772,729)	-	106,004	(190,411,801)
Machinery and equipment	(42,043,180)	(2,157,800)	-	973,736	(43,227,244)
Total accumulated depreciation	(295,483,585)	(18,338,961)	-	1,098,363	(312,724,183)
Total capital assets being depreciated, net	403,914,850	(11,482,837)	12,053,689	(49,800)	404,435,902
Business-type activities capital assets, net	<u>\$ 540,455,509</u>	<u>\$ 18,669,472</u>	<u>\$ -</u>	<u>\$ (49,801)</u>	<u>\$ 559,075,180</u>

<b>Component Unit:</b>	<b>Beginning of Year</b>	<b>Additions (amounts expressed in thousands)</b>	<b>Deletions</b>	<b>End of Year</b>
Capital Assets; not being depreciated:				
Land	\$ 2,529	\$ -	\$ -	\$ 2,529
Capital assets being depreciated:				
Buildings and improvements	5,895	-	-	5,895
Improvements other than buildings	17	-	-	17
Total capital assets being depreciated	5,912	-	-	5,912
Less accumulated depreciation for:				
Buildings and improvements	(1,407)	(120)	-	(1,527)
Improvements other than buildings	(17)	-	-	(17)
Total accumulated depreciation	(1,424)	(120)	-	(1,544)
Total capital assets being depreciated, net	4,488	(120)	-	4,368
Component unit capital assets, net	\$ 7,017	\$ (120)	\$ -	\$ 6,897

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
General government	\$ 763,973	\$ -
Public safety - police & judicial	1,396,981	-
Cultural, parks, recreation & environmental services	3,708,531	-
Planning and development	4,545	-
Transportation services	3,180,182	-
Capital assets held by the City's internal service funds used for governmental activities	1,011,831	-
Light & Power	-	7,256,236
Water	-	4,903,418
Wastewater	-	3,300,653
Storm Drainage	-	2,216,025
Non-major Enterprise funds - Golf	-	281,980
Capital assets held by the City's internal service fund used for business-type activities	-	380,649
Total depreciation expense	\$ 10,066,043	\$ 18,338,961
Less capital assets held by the City's internal service funds	1,011,831	380,649
Depreciation expense excluding internal service funds	\$ 9,054,212	\$ 17,958,312

D. Interfund Transfers and Advances:

	Transfers In:									
	<u>General</u>	<u>Trans- portation Services</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Light and Power</u>	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>	<u>Internal Service</u>	<u>Total</u>
<b>Transfer out:</b>										
<b>Governmental Funds</b>										
General	\$ -	\$4,032,997	\$ 271,537	\$ 11,203,005	\$ -	\$ -	\$ -	\$ -	\$3,821,168	\$19,328,707
Transportation Services	-	-	826,545	494,671	-	-	-	-	-	1,321,216
Capital Projects	-	-	-	785,704	-	-	-	-	-	785,704
URA	-	-	2,545,204	-	-	-	-	-	-	2,545,204
Nonmajor Governmental	1,853,119	552,000	4,837,524	7,779,289	-	-	-	-	153,037	15,174,969
<b>Proprietary Funds</b>										
Golf	-	-	-	-	-	-	-	-	72,138	72,138
Storm Drainage	60,000	215,000	-	-	-	-	-	-	-	275,000
Internal Service	-	-	-	-	120,061	90,856	75,815	31,149	1,696,906	2,014,787
Total transfers in	\$1,913,119	\$4,799,997	\$8,480,810	\$ 20,262,669	\$ 120,061	\$90,856	\$ 75,815	\$31,149	\$5,743,249	\$41,517,725

Transfers are primarily used to 1) move revenues from the fund with collection authorization (e.g. Sales and Use Tax Fund) to the General Fund for overall operating expenditures and the Transportation Services, Capital Projects and Natural Areas Fund for dedicated voter approved programs and projects, and 2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**URA Advance:** The advance agreement between the Fort Collins Urban Renewal Authority and the Storm Drainage fund for funding projects in the North College Urban Renewal Plan Area was entered into in 2006. The Storm Drainage fund loaned the URA \$150,000 with a 5.547% interest rate. All principal and accrued interest is due to the City in 10 years. URA may pay all or any portion of the loan at any time without penalty. The loan amount outstanding as of December 31, 2010 is \$30,000.

In May 2009, the City loaned the Urban Renewal Authority (URA) \$5,303,939 to help fund the development and construction of the Rocky Mountain Innovation Initiative (RMII) facility for the business incubation program. This loan has a 20 year term and bears a fixed interest rate of 2.5%. For years 0 through 4, there will be no payments but interest will accrue. For year 5, there will be a lump sum, annual payment consisting of the interest accrued during the no payment term and year 5. For years 6 and 7, there will be an annual payment, of interest only. For years 8 through the maturity date, there will be annual payments of principal and interest.

In May 2009, the City loaned the Urban Renewal Authority (URA) \$5,000,000 for the North College Marketplace project. The interest rate is 2.85% based on a 10 year T-Note and there is no set repayment plan. URA plans to repay the loan within 10-13 years.

In December 2010, the City loaned the Urban Renewal Authority (URA) \$172,758 for the JAX, Inc Building Expansion project. This loan bears a fixed interest rate of 2.50%. For years 0 through 4 there will be annual payments of principal and interest. For the anniversary of the 5<sup>th</sup> year, there will be a lump sum payment of all remaining principal and interest.

**Component Unit Advance:** This advance is for tax increment bonds purchased by the City for the benefit of the Downtown Development Authority. The tax increment bonds are serviced by the component unit, Downtown Development Authority, and are secured by tax increment property taxes. The bonds were issued in 2007 and will mature in 2011. The amount outstanding as of December 31, 2010 is \$1,220,000.

E. Long-term Obligations

The City utilizes various types of debt and other long-term obligations in conducting its business. The following describes the various bonds and other types of financing used by the City and its component unit.

**Certificates of Participation and Assignment of Lease Payments:** Through the Fort Collins Leasing Corporation, the City issues certificates of participation (COPs) and assignments of lease payments (ALPs) for the acquisition

and construction of major capital facilities and improvements. The debt is secured by the constructed facilities and improvements. Debt service payments are made from the rents collected by the Leasing Corporation based upon lease agreements between the City and the Leasing Corporation. As of December 31, 2010, the City had \$49,687,352 and \$3,227,648 of COPs/ALPs outstanding for governmental and business-type activities, respectively.

**Capital Leases:** The City also enters into lease agreements as a lessee for financing the acquisition of land, various machinery and equipment for both governmental and business-type activities. The capital assets acquired from the lease agreements are included with capital assets and the amortization of leased equipment is included with depreciation in the financial statements. These lease agreements qualify as capital leases for accounting purposes and therefore, have been reflected at the present value of their future minimum lease payments as of the inception date. The City had \$1,014,788 and \$227,083 of capital leases outstanding as of December 31, 2010, for governmental and business-type activities, respectively.

Cost of all capital assets holding at December 31, 2010 that have been acquired under capital leases:

Cost of assets holding at year end that have been acquired under capital leases.

	<b><u>Governmental Activities</u></b>	<b><u>Business Type Activities</u></b>
Buildings and Improvements	\$ 351,930	\$ -
Improve o/t buildings	-	114,030
Machinery and equipment	<u>7,425,388</u>	<u>1,184,011</u>
	<u><u>\$ 7,777,318</u></u>	<u><u>\$ 1,298,041</u></u>

**DDA Tax Increment Revenue Bonds:** The tax increment bonds are serviced by the component unit, Downtown Development Authority, and are secured by tax increment property taxes. The bonds were issued in 2010. The first 2010 tax increment revenue bond issued has an outstanding balance as of December 31, 2010 of \$3,496,000 and will mature in 2011. The second Taxable 2010 tax increment revenue bonds issued will mature in 2018 and the Tax Exempt tax increment revenue bonds issued will mature in 2020. As of December 31, 2010, the Downtown Development Authority had \$8,015,000 and \$4,485,000, respectively, of tax increment revenue bonds outstanding.

The DDA pays a portion of the City's 2007 Certificates of Participation (COPS). In 2010, that payment was \$179,730.



PLEGDED REVENUES

<u>Date Issued</u>	<u>Description</u>	<u>Revenue Pledged</u>	<u>Amount of Revenue Pledged</u>	<u>Purpose of Debt</u>	<u>Term of Commitment</u>
1998	Highway Users Tax Revenue Refunding Bonds	Highway Users Tax Revenues	\$ 715,120	Street Maintenance Building	through 2012
1997	Water Revenue Bond	Water Revenues	5,007,987	Water Capital Projects	through 2017
1999	Water Revenue Bonds	Water Revenues	3,120,220	Water Capital Projects	through 2019
2003	Subordinate Water Revenue Bonds	Water Revenues	2,833,217	Water Capital Projects	through 2030
2008	Water Revenue Refunding Bonds	Water Revenues	11,547,597	Water Capital Projects	through 2018
2009	Water Revenue Refunding Bonds	Water Revenues	5,594,726	Water Capital Projects	through 2013
2001	Storm Drainage Revenue Bonds	Storm Drainage Revenues	8,589,903	Storm Drainage Improvements	through 2021
2002	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	11,580,435	Storm Drainage Improvements	through 2022
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	17,059,651	Storm Drainage Improvements	through 2019
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	3,177,535	Storm Drainage Improvements	through 2017
1992	Sewer Revenue Bonds	Sewer Revenues	5,493,644	Sewer Capital Projects	through 2014
2009	Sewer Revenue Bonds	Sewer Revenues	44,662,669	Sewer Capital Projects	through 2028
2010	Sewer Revenue Bonds	Sewer Revenues	4,353,299	Sewer Capital Projects	through 2020
2010	Light and Power Bonds	Light and Power Revenues	20,027,434	Light and Power Capital Projects	through 2020

<u>Date Issued</u>	<u>Description</u>	<u>% Revenue Pledged</u>	<u>P &amp; I for 2010</u>	<u>Recognized for 2010</u>
1998	Highway Users Tax Revenue Refunding Bonds	<10%	\$ 358,365	\$ 4,296,948
1997	Water Revenue Bond	1-15%	771,257	10,707,069
1999	Water Revenue Bonds	1-15%	367,593	10,707,069
2003	Subordinate Water Revenue Bonds	1-15%	188,224	10,707,069
2008	Water Revenue Bonds	1-15%	377,333	10,707,069
2009	Water Revenue Refunding Bonds	1-15%	1,991,113	10,707,069
2001	Storm Drainage Revenue Bonds	1-25%	883,010	9,560,480
2002	Storm Drainage Revenue Refunding Bonds	1-25%	952,550	9,560,480
2007	Storm Drainage Revenue Refunding Bonds	1-25%	1,998,534	9,560,480
2007	Storm Drainage Revenue Refunding Bonds	1-25%	454,419	9,560,480
1992	Sewer Revenue Bonds	1-25%	1,825,933	10,052,738
2005	Sewer Revenue Refunding Bonds	1-25%	1,800,900	10,052,738
2009	Sewer Revenue Bonds	1-25%	1,188,406	10,052,738
2010	Sewer Revenue Bonds	1-25%	266,120	10,052,738
2010	Light and Power Bonds	1-25%	235,097	8,468,349

The following tables display the debt service requirements to maturity for the obligations described:  
(amounts expressed in thousands)

Revenue Bonds

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2011	330	30	9,934	4,656	14,950
2012	340	15	10,303	4,283	14,941
2013	-	-	10,334	3,994	14,328
2014	-	-	9,052	3,473	12,525
2015	-	-	9,416	3,121	12,537
2016-2020	-	-	41,018	9,635	50,653
2021-2025	-	-	12,491	3,295	15,786
2026-2030	-	-	7,335	707	8,042
	<u>\$ 670</u>	<u>\$ 45</u>	<u>\$ 109,883</u>	<u>\$ 33,164</u>	<u>\$ 143,762</u>

Certificates of Participation Payments

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2011	3,230	2,271	130	50	5,681
2012	3,390	2,121	135	45	5,691
2013	3,555	1,972	145	39	5,711
2014	3,685	1,817	155	34	5,691
2015	3,845	1,655	175	27	5,702
2016-2020	17,645	5,585	620	37	23,887
2021-2025	11,245	2,187	-	-	13,432
2026-2030	2,505	63	-	-	2,568
	<u>\$ 49,100</u>	<u>\$ 17,671</u>	<u>\$ 1,360</u>	<u>\$ 232</u>	<u>\$ 68,363</u>

The following tables display the debt service requirements to maturity for the obligations described:  
(amounts expressed in thousands)

Assignment of Lease Payments

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2011	42	28	134	88	292
2012	44	26	140	81	291
2013	46	24	146	75	291
2014	48	21	153	68	290
2015	50	19	161	61	291
2016-2020	290	58	922	184	1,454
2021-2025	67	3	212	10	292
	<u>\$ 587</u>	<u>\$ 179</u>	<u>\$ 1,868</u>	<u>\$ 567</u>	<u>\$ 3,201</u>

Capital Lease Payments

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2011	661	39	119	7	826
2012	283	9	76	3	371
2013	71	1	32	1	105
	<u>\$ 1,015</u>	<u>\$ 49</u>	<u>\$ 227</u>	<u>\$ 11</u>	<u>\$ 1,302</u>

Component Unit

Year Ending December 31	DDA - Tax Increment Bonds		Total
	Principal	Interest	
2011	3,496	836	4,332
2012	700	667	1,367
2013	1,290	625	1,915
2014	1,370	546	1,916
2015	1,450	463	1,913
2016-2020	7,690	1,029	8,719
	<u>\$ 15,996</u>	<u>\$ 4,166</u>	<u>\$ 20,162</u>

General long - term obligations of the primary government at December 31, 2010 is comprised of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
<b>Bonds Service by Transportation Services Fund through the City Debt Service Fund</b> (secured by highway users tax revenues and reserves)				
1998	Highway Users Tax Revenue Refunding Bonds (3.2-4.50%)	2012	\$ 3,399,729	\$ 670,000
<b>COPs / ALPs serviced by General Fund and General Improvement District No. 1 Fund through the Fort Collins Capital Leasing Corporation Debt Service Fund</b>				
2004	Lease Certificates of Participation (3.00 - 5.375%)	2026	48,650,000	39,475,000
2007	Lease Certificates of Participation (3.860%)	2018	14,595,000	9,625,000
2001	Assignment of Lease Payments - Police (4.70%)	2021	890,000	587,352
Unamortized premium on bonds				1,138,849
Amortized loss on bond refunding				38,770
<b>Other Obligations of Governmental Funds</b>				
N/A	Capital lease obligations (secured by leased equipment)	2013	N/A	799,748
N/A	Compensated absences	N/A	N/A	4,185,849
<b>Other Obligations of Internal Service Fund used by Governmental Activities</b>				
N/A	Capital lease obligations (secured by leased equipment)	2012	N/A	215,041
N/A	Compensated absences	N/A	N/A	496,079
N/A	Net pension obligation	N/A	N/A	1,477,112
N/A	Net Post Employment Health Care Obligation	N/A	N/A	1,359,260
N/A	Claims Payable	N/A	N/A	5,627,304
	Total			<u><u>\$ 65,695,364</u></u>

Component unit long - term debt at December 31, 2010, is comprised of the following obligations:

<b>Bonds Serviced by Downtown Development Authority Debt Service Fund</b>				
2010	Subordinate Tax Increment Revenue Bonds (5.268-5.554%) (secured by tax increment property taxes)	2011	\$ 3,496,000	\$ 3,496,000
2010	Subordinate Tax Increment Revenue Bonds (4.010-6.080%) (secured by tax increment property taxes)	2020	12,500,000	12,500,000
<b>Other Obligations – Component Unit</b>				
N/A	Compensated absences	N/A	N/A	22,549
	Total			<u><u>\$ 16,018,549</u></u>

(Continued)

Business-type long-term obligations at December 31, 2010 consists of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
<b>Bonds, COPs, and ALPs, serviced by Enterprise Funds</b>				
<b>Light and Power Fund</b> (secured by light and power revenues)				
2010	Light and Power Bond (2.25-4.52%)	2020	\$16,085,000	\$ 16,085,000
<b>Water Fund</b> (secured by water revenues)				
1997	Water Revenue Bond (3.80-5.30%)	2017	10,125,300	4,089,698
1999	Water Revenue Bond (3.28-5.25%)	2019	4,998,395	2,474,722
2003	Subordinate Water Revenue Bonds (5.025% )	2030	2,476,446	1,953,809
2008	Water Revenue Bond (3.46%)	2018	9,645,000	9,560,000
2009	Water Revenue Bond (2.25-4.00%)	2013	7,815,000	5,210,000
<b>Storm Drainage Fund</b> (secured by storm drainage revenues)				
2001	Storm Drainage Revenue Bond (4.50-5.25%)	2021	9,845,000	5,920,000
2002	Storm Drainage Revenue Bonds (4.38-5.00%)	2022	12,300,000	8,630,000
2007	Storm Drainage Revenue Refunding Bonds (4.086%)	2019	15,945,000	14,140,000
2007	Storm Drainage Revenue Refunding Bonds (4.086%)	2017	3,360,000	2,715,000
<b>Wastewater Fund</b> (secured by sewer revenue)				
1992	Sewer Revenue Bond (5.0-6.0%)	2014	24,540,580	4,740,552
2005	Sewer Revenue Refunding Bonds (3.5 - 4.0%)	2010	11,415,000	-
2009	Sewer Revenue Bonds (2.0-5.0%)	2028	30,655,000	30,655,000
2010	Sewer Revenue Bonds (2.99%)	2020	3,900,000	3,710,000
Unamortized premium on bonds				1,901,492
Unamortized loss on bond refundings				(1,014,944)
Unamortized discount on bonds				(58,493)
<b>Golf Fund</b> (secured by golf revenue)				
2007	Lease Certificates of Participation (3.860%)	2018	1,715,000	1,360,000
2001	Assignment of Lease Payments (4.70%)	2021	2,830,000	1,867,648
<b>Other Obligations of Enterprise Funds</b>				
N/A	Capital lease obligations (secured by leased equipment)	2012	N/A	227,083
N/A	Net Post Employment Health Care Obligation	N/A	N/A	635,651
N/A	Compensated absences	N/A	N/A	1,516,610
<b>Other Obligations of the Internal Service Fund used by Business-type Activities</b>				
N/A	Compensated absences	N/A	N/A	341,749
	Total			<u><u>\$ 116,660,577</u></u>

The City is in compliance with all significant limitations and restrictions. The City is maintaining all reserves required by ordinances and agreements with other third parties. Within the governmental funds, these reserves are being maintained in debt service and special revenue funds as required by ordinances or agreements.

Certificates of participation issued by the Fort Collins Capital Leasing Corporation are payable from rents collected under a lease agreement between the City and the Leasing Corporation.

### Refunding of Debt

On April 6, 2010, the City issued \$3,900,000 of Series 2010A Sewer Revenue Refunding bonds with an average interest rate of 2.99 percent, to refund \$3,820,000 relating to outstanding Series 2000 Sewer bonds, with an interest rate ranging from 5.00 percent to 5.50 percent. The net proceeds of \$3,853,583 along with \$161,819 of additional City funds were used to purchase the new 2010 bonds (after payment of \$46,417 in underwriting fees, insurance, and other issuance costs). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2000 Series bonds. The 2000 bonds were redeemed in full on December 1, 2010.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$193,901. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being amortized over the life of the bonds.

The City completed the refunding to reduce its total debt service payments of the next 10 years by \$386,810 and to obtain an economic gain (difference between the present values of the old debt and new debt service payments) of \$331,980.

### Conduit Debt Obligations

From time to time, the City has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by sources external to the City and are payable solely from payments received from outside parties. The City is not 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, 2010, there were 19 series of Industrial Development Revenue Bonds outstanding, with an estimated aggregate principal amount payable of \$60.3 million.

### Operating Leases

The City leases various facilities under operating leases, which are cancelable within one year. Costs for these leases in 2010 were \$265,813.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government:</b>					
<b>Governmental Activities</b>					
Bonds, COPS, and ALPs:					
Tax revenue bonds	\$ 985,000	\$ -	\$ (315,000)	\$ 670,000	\$ 330,000
Fort Collins Leasing Corporation					
Certificates of participation	52,225,000	-	(3,125,000)	49,100,000	3,230,000
Assignment of lease payments	627,546	-	(40,194)	587,352	42,108
Total bonds, COPS and ALPS	53,837,546	-	(3,480,194)	50,357,352	3,602,108
Add other financing sources (bond premium)	1,228,752	-	(89,903)	1,138,849	89,904
Less other financing uses (bond discount and deferred loss on refundings)	43,942	-	(5,172)	38,770	5,172
Total bonds, COPS and ALPS	55,110,240	-	(3,575,269)	51,534,971	3,697,184
Other Liabilities:					
Capital leases	1,735,595	-	(720,806)	1,014,789	660,721
Compensated absences	4,428,925	4,075,410	(3,822,407)	4,681,928	4,681,928
Claims payable	8,134,086	14,872,594	(17,379,376)	5,627,304	2,609,002
Net pension obligation	1,753,873	-	(276,761)	1,477,112	-
Net post employment health care obligation	962,946	396,314	-	1,359,260	-
Total other liabilities	17,015,425	19,344,318	(22,199,350)	14,160,393	7,951,651
Governmental activities long-term liabilities	<u>\$ 72,125,665</u>	<u>\$ 19,344,318</u>	<u>\$ (25,774,619)</u>	<u>\$ 65,695,364</u>	<u>\$ 11,648,835</u>
<b>Business-Type Activities</b>					
Bonds, COPS, and ALPs:					
G.O. & revenue bonds	\$102,440,315	\$ 19,985,000	\$ (12,541,534)	\$ 109,883,781	\$ 9,934,091
Fort Collins Leasing Corporation					
Certificates of participation	1,470,000	-	(110,000)	1,360,000	130,000
Assignment of lease payments	1,995,455	-	(127,807)	1,867,648	133,893
	105,905,770	19,985,000	(12,779,341)	113,111,429	10,197,984
Add bond premium	1,477,229	635,948	(211,685)	1,901,492	244,620
Less bond discount and deferred loss on refundings	(1,158,736)	(193,901)	279,200	(1,073,437)	(268,608)
Total bonds, COPS and ALPS	106,224,263	20,427,047	(12,711,826)	113,939,484	10,173,996
Other Liabilities:					
Capital leases	381,191	-	(154,108)	227,083	118,959
Compensated absences	1,750,630	2,012,160	(1,904,431)	1,858,359	1,858,359
Net post employment health care obligation	429,885	205,766	-	635,651	-
Total other liabilities	2,561,706	2,217,926	(2,058,539)	2,721,093	1,977,318
Business-type activities long-term liabilities	<u>\$108,785,969</u>	<u>\$ 22,644,973</u>	<u>\$ (14,770,365)</u>	<u>\$ 116,660,577</u>	<u>\$ 12,151,314</u>
<b>Component Unit:</b>					
Bonds:					
Tax revenue bonds	\$ 387,938	\$ 15,996,000	\$ (387,938)	\$ 15,996,000	\$ 3,496,000
Total bonds	387,938	15,996,000	(387,938)	15,996,000	3,496,000
Compensated absences	25,517	32,042	(35,010)	22,549	22,549
Component unit long-term liabilities	<u>\$ 413,455</u>	<u>\$ 16,028,042</u>	<u>\$ (422,948)</u>	<u>\$ 16,018,549</u>	<u>\$ 3,518,549</u>

### Compensated Absences for Governmental Activities

The General Fund is primarily used to liquidate the liability for compensated absences.

Internal service funds, except for the Utility Customer Service and Administration Fund, predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Long-term liabilities of the Utility Customer Service and Administration internal service fund are included as part of the totals for the business-type activities on the proceeding page.

### F. Fund Balances

In fiscal year 2009, the City adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.



<b>Fund Balances (Deficit):</b>	<b>General</b>	<b>Transportation</b>	<b>Capital Projects</b>	<b>Urban Renewal Authority</b>	<b>Non-major Governmental</b>	<b>Total</b>
<b>Nonspendable:</b>						
Advances	\$ 6,523,939	\$ -	\$ -	\$ -	\$ -	\$ 6,523,939
Inventories	2,896,665	-	-	-	-	2,896,665
Prepays	200	150	-	-	5,938	6,288
Long-term notes & loans receivables	125,000	-	-	-	-	125,000
<b>Total Nonspendable</b>	<b>9,545,804</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>5,938</b>	<b>9,551,892</b>
<b>Restricted:</b>						
Voter restricted sales tax	-	-	19,165,858	-	421,200	19,587,058
Building on basics - Police CAD	657,000	-	-	-	-	657,000
Civic Center Parking	-	861,381	-	-	-	861,381
Conservation Trust	-	-	-	-	1,852,275	1,852,275
Convention & Visitors Bureau	78,480	-	-	-	-	78,480
Emergency	3,764,428	-	-	-	-	3,764,428
Debt service	-	29,985	4,860,741	-	-	4,890,726
HOME	-	-	-	-	406,921	406,921
Horticulture	43,882	-	-	-	-	43,882
Larimer County Drug Task Force	465,423	-	-	-	-	465,423
Museum Donations	-	-	-	-	144,468	144,468
Natural Areas	-	-	-	-	3,925,554	3,925,554
Notes & loans receivable	-	-	-	-	125,000	125,000
Tree Donations	74,496	-	-	-	-	74,496
PEG Distribution	142,862	-	-	-	-	142,862
Police CAD Replacement	1,000,000	-	-	-	-	1,000,000
Recreation Donations	-	-	-	-	22,803	22,803
Udall Property	145,128	-	-	-	-	145,128
4th of July Donations	28,048	-	-	-	-	28,048
<b>Total Restricted</b>	<b>6,399,747</b>	<b>891,366</b>	<b>24,026,599</b>	<b>-</b>	<b>6,898,221</b>	<b>38,215,933</b>
<b>Committed:</b>						
Art in public places	-	-	-	-	353,497	353,497
Advances	-	-	-	-	5,172,758	5,172,758
Capital expansion - General government	-	-	-	-	165,966	165,966
Capital expansion - Police	-	-	-	-	1,452,357	1,452,357
Capital expansion - Fire	-	-	-	-	383,083	383,083
Capital expansion - Community Parkland	-	-	-	-	6,416,343	6,416,343
Capital projects	-	-	-	-	2,320,461	2,320,461
Cultural development and planning	70,347	-	-	-	-	70,347
Cultural, Park, Rec & Enviroment	-	-	-	-	7,703,683	7,703,683
Encumbrances	-	-	-	-	105,733	105,733
Operations	-	-	-	-	107,513	107,513
Planning & Development	-	-	-	-	1,029,164	1,029,164
Maintenance, Mitigation & Improvement	3,787	-	-	-	-	3,787
Traffic calming	645,546	-	-	-	-	645,546
Transportation	-	-	-	-	2,345,436	2,345,436
<b>Total Committed</b>	<b>719,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,555,994</b>	<b>28,275,674</b>
<b>Assigned:</b>						
Affordable housing	157,412	-	-	-	-	157,412
Camera radar	965,558	-	-	-	-	965,558
Capital projects	-	673,456	3,431,011	-	843,610	4,948,077
DPS Communication System	876,139	-	-	-	-	876,139
DT Parking Plan	40,000	159,529	-	-	-	199,529
Encumbrances	2,852,075	606,925	-	-	1,728,706	5,187,706
Harmony Road	-	8,142,940	-	-	-	8,142,940
Manufacturer Use Tax Rebate	-	-	-	-	200,000	200,000
Operations	-	476,884	-	-	560,871	1,037,755
Police department	37,484	-	-	-	-	37,484
Recreation	-	-	-	-	306,739	306,739
Sales & use tax	-	-	-	-	1,174,662	1,174,662
General Government	-	-	-	-	5,770,076	5,770,076
Cultural, Park, Rec & Enviroment	-	-	-	-	4,796,624	4,796,624
Transportation	-	1,327,513	-	-	69,141	1,396,654
<b>Total Assigned</b>	<b>4,928,668</b>	<b>11,387,247</b>	<b>3,431,011</b>	<b>-</b>	<b>15,450,429</b>	<b>35,197,355</b>
<b>Unassigned:</b>	<b>19,330,208</b>	<b>-</b>	<b>-</b>	<b>(8,855,913)</b>	<b>(51,049)</b>	<b>10,423,246</b>
<b>Total Fund Balances (Deficit)</b>	<b>\$ 40,924,107</b>	<b>\$ 12,278,763</b>	<b>\$ 27,457,610</b>	<b>\$ (8,855,913)</b>	<b>\$ 49,859,533</b>	<b>\$ 121,664,100</b>

## NOTE IV. OTHER INFORMATION

### A. Risk Management

#### Property, Liability, and Workers Compensation

The City self-insures a portion of its comprehensive automobile liability, general liability, police liability, and public official liability exposures as well as damage or destruction of property. The City utilizes the Self-Insurance Fund (an internal service fund) to finance and account for risks of property and liability loss.

The City purchases property insurance that has a \$50,000 deductible for most causes of loss including earthquake and flood. Special flood hazard areas of 100 year flooding, as defined by FEMA have a deductible of 5% of the total insurable value at each location, subject to a minimum of \$500,000 at any one occurrence. Crime and boiler & machinery coverage has a \$10,000 deductible. Vehicles have a \$100,000 deductible.

In 2010, the City purchased liability insurance through a risk retention group called States. This policy has a \$500,000 deductible for all types of liability claims. Coverage limits are as follows:

General, Auto, Law Enforcement & Wrongful Acts Liability – \$3 million/occurrence, \$6 million aggregate.  
Public Official Liability - \$3 million/each wrongful act, \$6 million aggregate.

Workers' Compensation losses are self-insured up to \$400,000 per occurrence. Employees in the Electrical Utility function are self-insured up to \$750,000 per occurrence. An excess policy providing limits mandated by the State of Colorado provides coverage above the self-insured retention.

In 2010, the Downtown Development Authority, a component unit, purchased general, public official liability, property, workers compensation, and umbrella insurance policies from private insurance companies. The general liability policy has no deductible, the public official liability policy has a \$2,500 deductible and the employment related practice claims have a \$1,000 deductible. The property insurance policy has a deductible of \$500. Coverage limits are as follows:

General Liability – \$1,000,000/occurrence, \$2,000,000 aggregate  
Public Official Liability - \$500,000/occurrence, \$500,000 aggregate.  
Umbrella Liability - \$1,000,000/occurrence, \$1,000,000 aggregate.  
Workers Compensation Liability - \$500,000 per accident/illness.

During 2010, policies were taken out for Beet Street, a 501c(3), with a private insurance company. The same coverage limits listed above for the Downtown Development Authority apply to Beet Street.

#### Employee Health and Illness

The City and the component unit self-fund their employees for comprehensive major medical benefits under two health plan options. The two options include one low Preferred Provider Options (PPO) and one high Preferred Provider Options (PPO). The Benefits Fund (an internal service fund) is utilized to finance and account for medical risks of loss. Stop-loss coverage of \$215,000 per occurrence is retained as excess risk coverage. During the past three years, there have been 15 claims that have exceeded the stop-loss limit.

#### Funding and Claims Liabilities

All funds or employees of the City, as applicable, participate in the above risk management programs. Charges to City funds for these services are based on estimates of the amounts needed to pay claims and establish reserves for catastrophic losses.

Claims liabilities for the Self-Insurance and Benefits Funds as of December, 31, 2010, amount to \$3,887,177 and \$1,740,127 respectively. These claims were determined on an actuarial basis, and reflect the Governmental

Accounting Standards Board (GASB) Statement No. 10 requirement that a liability for claims be reported, if information prior to the issuance of the City's financial statements indicates that it is probable that a liability has been incurred at December 31, and the amount of the loss can be reasonably estimated. The liability of \$3,887,177 for the Self Insurance Fund is undiscounted and reflects an 80% confidence level factor. The discount refers to the full or undiscounted amount reduced for future investment earnings that can be generated on funds held between the date of valuation and the date of the final payment of claims. Changes in claims liabilities amounts for 2008, 2009 and 2010 are as follows:

	<u>Self-Insurance</u>	<u>Benefits</u>
Claims payable - December 31, 2008	\$ 4,473,848	\$ 1,611,394
Claims & changes in estimates	3,396,517	13,843,259
Claim payments	<u>(1,453,753)</u>	<u>(13,737,179)</u>
Claims payable - December 31, 2009	6,416,612	1,717,474
Claims & changes in estimates	206,068	14,666,526
Claim payments	<u>(2,735,503)</u>	<u>(14,643,873)</u>
Claims payable - December 31, 2010	<u><u>\$ 3,887,177</u></u>	<u><u>\$ 1,740,127</u></u>

### Insurance Recoveries

The City of Fort Collins recovered \$35,920 from 3rd party sources for damages caused to city owned property.

## B. Employee Retirement Systems and Pension Plans

### General Employees' Retirement Plan

#### Plan Description

All permanent, classified, non-uniformed employees hired before January 1, 1999 are eligible to be members of the General Employees' Retirement Plan (the Plan), a single-employer defined benefit plan. Employees hired after January 1, 1999 are only eligible to participate in the Money Purchase Plan explained on page 80. The benefits and refunds of the General Employees' Retirement Plan are recognized when due and payable in accordance with the terms of the plan.

The Plan is accounted for in the General Employees' Retirement Plan Pension Fund (a pension trust fund). Separate financial statements are not issued for the Plan. As of January 1, 2011, employee membership data related to the Plan was as follows: Retirees and beneficiaries currently receiving benefits--170; vested terminated employees--135; active plan participants--169

Benefits vest 40% after 2 years of credited service and 20% for each year thereafter until 100% is attained after 5 years. Employees who retire at or after age 65 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-1/2% of final average monthly compensation multiplied by years of credited service. Final average monthly compensation is the highest average of the considered compensation during 60 consecutive full calendar months out of the last 120 calendar months of credited service. A member is eligible for an early retirement benefit after age 55 and completion of 2 years of credited service. The monthly benefit, payable for life, is equal to the vested portion of the normal retirement benefit based on credited service and compensation at early retirement, reduced by 1/180th for each of the first 60 months and 1/360th for each additional month by which payments commence prior to normal retirement date. The Plan also provides for death and disability benefits. The entire cost of the Plan is paid by the City as established or amended by City Council.

A death benefit of approximately 50% of the member's vested accrued benefit at the date of death is payable to the employee's spouse for life beginning on the first day of the month following the later of the date of death or the date the member would have been age 55. The spouse may elect to receive the actuarial equivalent lump-sum payment. If the member was not married, the beneficiary or estate would receive the actuarial single-sum payment of the benefit.

A change in the plan assumptions was approved by the General Employees Retirement Plan Board. The actuarial cost method changed from the Aggregate cost method to the Entry Age Normal method. The Plan does not issue a stand-alone financial report.

#### Annual Pension Cost

The costs of the Plan are derived by making certain specific assumptions as to the rates of interest and mortality, which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Three year historical information of the General Employees' Retirement Plan is presented to help users assess the plan's status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

#### CALCULATION OF NET PENSION OBLIGATION AND PENSION COST (As required by GASB No. 27)

Plan Year	Annual Required Contribution (ARC)	Net Pension Obligation (NPO) as of January 1	Interest on NPO to End of Year	Amortization Factor	ARC Adjustment	Annual Pension Cost (APC)	Actual Employer Contribution	Net Pension Obligation at End of Year	Increase (Decrease) Net Pension Obligation
2008	1,325,710	1,443,775	108,283	8	172,955	1,261,038	1,807,834	896,979	(546,796)
2009	1,901,281	896,979	67,273	8	105,759	1,862,795	1,005,901	1,753,873	856,894
2010	1,892,946	1,753,873	131,540	8.7	200,780	1,823,706	2,100,467	1,477,112	(276,761)

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Annual Pension Cost	Employer Contribution	% of Annual Pension Cost
2008	1,261,038	1,807,834	143%
2009	1,862,795	1,005,901	54%
2010	1,823,706	2,100,467	115%

#### SCHEDULE OF FUNDING PROGRESS \*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (b)	Unfunded Actuarial Liability (UAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
1/1/2009	39,568,446	49,707,694	10,139,248	79.6%	13,958,960	72.6%
1/1/2010	39,577,509	50,300,314	10,722,805	78.7%	12,897,653	83.1%
1/1/2011	39,974,052	49,651,276	9,677,224	80.5%	10,399,210	93.1%

\* Note: Prior to January 1, 2008, the Plan utilized the aggregate cost method. A schedule of funding progress is not required for the aggregate cost method.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial plan assumptions:	
Valuation date:	January 01, 2011
Actuarial cost method:	Entry Age Normal
Amortization method:	12 years, as an open level dollar amount.
Remaining amortization period:	12 years
Asset valuation method:	An expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date and assuming a 7.5% interest return. The unrecognized gain or loss is then added to the expected value. Any difference between this amount and the market value of the assets is set up as a gain or loss base and amortized over 5 years. The result is constrained to a value of 80% to 120% of the market value of assets at the valuation date in order to determine the final actuarial value of assets.
Investment rate of return:	7.5% (including inflation at 2.5%)
Projected pay increases:	Ranges from 4.5% at age 30 to 3.6% at age 65+ (including inflation at 2.5%)

### Contributions and Reserves

The Plan's funding policy provides for actuarially determined periodic rates determined by the entry age normal cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. Contributions are based on the actuarially determined rates. For 2010, the City contributed 4.50% of covered pay to the Plan as well as the supplemental contributions; this amounted to \$2,100,467. The authority for establishing or amending the obligation to make contributions rests with City Council.

Costs of administering the Plan are all financed from contributions and earnings of the Plan. The entire balance of the Plan's net assets available for benefits as of December 31, 2010, is \$39,355,910 all of which is reserved for benefits of employees and beneficiaries.

### Concentration of Credit Risk

Investments in mutual funds exceeding 5% of the net assets of the plan are as follows: American Amcap Fund – 6.83%, Mutual Shares Fund – 6.65%, TRP New Asia – 6.61%, Fidelity Value Fund – 5.47%, TRP International Fund – 5.21%, and Artio Global Intl - 5.20%.

### Money Purchase Plan 401(a)

The City offers its employees a defined contribution money purchase plan. Classified employees were offered the plan for the first time in 1995. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate six months from the date of employment. The plan requires both employer and employees to contribute amounts ranging from 3% to 10% (depending on job classification) of base salary each pay period. Contributions made by the City are not taxable to the employee until they are withdrawn. Employee contributions are made with pre-tax dollars, and the earnings on City and employee contributions are not taxed until withdrawn. Except for certain categories of police personnel, employees are fully vested upon initial participation in the plan. Sworn police officers and emergency service dispatchers, who receive higher contribution rates, are fully vested upon completion of three years of service. Plan provisions and contribution requirements are established and may be amended by City Council. City and employee contributions to the plan were \$4,834,488 and \$2,726,105, respectively during 2010.

### Retirement Health Savings Plan (RHS)

In 2006 and 2007, the City offered to classified and unclassified management employees the employer-sponsored health benefits savings vehicle that allowed the employee to accumulate assets to pay for medical expenses in retirement on a tax-free basis. As of 12/31/07, that plan has been frozen. There can no longer be any money

withheld for this plan. Police Services, through the Collective Bargaining Agreement (CBU), continue to offer a mandatory RHS plan to collective bargaining unit members only. Both the frozen City plan and the current CBU plan are administered by ICMA-RC.

The RHS plan offers triple tax advantage to employees. Employee contributions are made through pre-tax payroll deductions, are invested in ICMA-RC funds and grow tax-free, and monies can be withdrawn tax-free for qualifying expenses. No federal, state or FICA tax will be withheld. Employees cannot change their elections after their initial enrollment. The CBU RHS plan requires a mandatory 1% contribution to be made by all qualifying participants. Once the participant becomes eligible to get reimbursed from their own RHS account, they can turn in receipts to a 3rd party administrator and be reimbursed with tax-free monies. If the employee passes away, the employee's spouse and dependents are automatically eligible to use the account and are reimbursed on a tax-free basis. Employee contributions to the CBU RHS plan were \$433,156 during 2010.

### Statewide Death and Disability Plan

#### Plan Description

The City contributes to the Fire & Police Pension Association (the Plan), a multi-employer cost sharing defined benefit plan covering full-time employees of substantially all fire and police departments in Colorado. Contributions to the Plan are used solely for the payment of death and disability benefits. The Plan was established in 1980 pursuant to Colorado Revised Statutes. All uniformed employees are eligible to be members of the Fire & Police Pension Association.

#### Funding Policy and City Contributions

Prior to 1997, the State of Colorado, whose contributions were established by Colorado statute, primarily funded the Plan. The State made a one-time contribution in 1997 of \$39,000,000 to fund the past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The annual contribution rate for members hired on or after January 1, 1997 and for members covered by Social Security is 2.6% as of January 1, 2011. The rate was last increased from 2.5% to 2.6% as of January 1, 2007. Based on the January 1, 2010 valuation, the Board has elected to leave the contribution rate unchanged at 2.6% for the two year period beginning January 1, 2011. During 2010, 2009, and 2008, the City's contributions were \$217,697, \$205,114, and \$177,990, respectively, equal to the statutory required contribution each year.

#### Benefits

Benefits are established by Colorado statute.

If a member dies prior to retirement, the surviving spouse is entitled to a benefit equal to 40% of the member's monthly base salary with an additional 10% of base salary if a surviving spouse has two or more dependent children, or if there are three or more dependent children without a surviving spouse. Benefit entitlement continues until death of the spouse and death, marriage, or other termination of dependency of children.

A member who becomes disabled prior to retirement shall be eligible for disability benefits. The benefit is 70% of base salary for cases of total disability. Effective October 1, 2002, the benefit is 50% of base salary for a permanent occupational disability and 40% of base pay for a temporary occupation disability.

Benefits paid to members are evaluated and may be re-determined on October 1 of each year. Any increase in the level of benefits cannot increase by more than 3% for any one year. Totally disabled members and their beneficiaries receive an automatic cost of living adjustment each year of 3%.

Separately issued financial statements and the related actuarial valuation may be obtained from the Fire & Police Pension Association.

## C. Other Postemployment Benefits

### Plan Description

The City sponsors a single-employer health care plan that provides medical, vision, dental and prescription drug benefits to all retired employees and their eligible dependents. Employees retiring on or after January 1, 2010 are no longer eligible to participate in the Retiree Health Plan. In addition, those employees retiring on or after September 1, 2009 but before January 1, 2010 and elect retiree health coverage may participate in the Retiree Health Plan until age 65. To be eligible an employee must have had at least 10 or more years of service. The City administrative policy authorized this benefit until January 1, 2010. For the year 2010, the City did not have an actuarial valuation based on the number of members in the plan being under 200. The plan does not issue a stand-alone financial report.

### Funding Policy and City Contributions

Employees pay the full premium. The current funding policy of the City is to pay health claims as they occur through internal allocated funds.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2010, the City contributed \$51,088. Retiree and active members receiving benefits contribute monthly premiums as outlined:

	Core Non- Medicare	Core Medicare	Advantage Non- Medicare	Advantage Medicare	Dental Basic	Dental Compre.	Vision
Employee:	\$ 791	\$ 317	\$ 890	\$ 356	\$ 21	\$ 33	\$ 9
Employee +1:	\$ 1,583	\$ 633	\$ 1,781	\$ 712	\$ 37	\$ 59	\$ 16
Employee +Family:	\$ 1,899	\$ 950	\$ 2,137	\$ 1,068	\$ 62	\$ 98	\$ 26

### Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	\$ 590,791
Interest on net OPEB obligation	61,904
Adjustment to annual required contribution	(473)
Annual OPEB cost (expense)	653,168
Contributions and payments made	51,088
Increase in net OPEB obligation	602,080
Net OPEB obligation - January 1, 2010	1,392,831
Net OPEB obligation - December 31, 2010	\$ 1,994,911

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2010 and the two preceding years follows. Fiscal year 2008 was the transition year of GASB Statement No. 45.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2008	\$ 994,326	7.3%	\$ 921,479
December 31, 2009	\$ 517,331	8.9%	\$ 1,392,831
December 31, 2010	\$ 653,168	7.8%	\$ 1,994,911

#### Funded status and funding progress

Post Employment Benefit Obligations under GASB Statement No. 45 calculated as of December 31, 2009, the most recent actuarial valuation date is as follows:

	Total	Members
Actuarial Accrued Liability		
Current retirees, beneficiaries and dependents	\$ 2,319,637	37
Current active members	-	
Total Actuarial Accrued Liability (AAL)	2,319,637	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,319,637	

The covered payroll (annual payroll of active employees covered by the plan) was \$69,518,011 and the ratio of the UAAL to the covered payroll was 3.3 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and 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 multiyear trend information about 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 and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation date, projected unit credit method was used. The actuarial assumptions included a 4 percent discount rate (net of administrative expenses) and an annual health care cost trend rate of 8.5 percent per year, grading down to 4.5 percent over 57 years. Trends for dental and vision benefits begin at 5 percent, grading to 4.5 percent over 57 years. All three rates include a 3 percent salary growth assumption. The City's unfunded actuarial accrued liability is being amortized as an open 30-year level dollar amount. The remaining amortization period at December 31, 2010, was 30 years.



## D. Commitments/Contingencies

### Construction Commitments

The City had commitments of \$876,110 for capital projects in governmental fund types and \$976,641 in proprietary fund types at December 31, 2010. Future expenditures related to these commitments are expected to be financed through available resources and future revenues.

### Encumbrance Commitments for Proprietary Fund Types

The financial statements do not include encumbrances for proprietary fund types. However, encumbrances for these funds are recorded by the City for management and budgetary control purposes. Outstanding encumbrance commitments for the enterprise funds at December 31, 2010 (excluding those relating to capital projects) amounted to \$18,944,773.

### Street Oversizing Liability

The City has contractual liabilities for street oversizing costs with various developers. The developers are required to install certain oversized streets as a condition of subdivision approval. Once the streets are installed and inspected by the City, a liability is recorded for the difference between a normal sized street and the oversized street installed.

Because the City has no control over when subdivisions will be developed and the related oversized street completed, the liability for uncompleted oversizing costs has not been reflected in the financial statements.

## E. Legal Matters

### Pending Litigation and Grants

Various claims and lawsuits are pending against the City. After consideration of applicable insurance policy coverage, and the relative merits of each claim or lawsuit, it is the opinion of the City Attorney and City management that the potential ultimate liability resulting from these actions, if any, will not have a material adverse financial effect on the City.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, resulting from any such audits would be immaterial. There currently are no material disallowed or questioned costs.

### Tax, Spending, and Debt Limitations

Article X, Section 20, of the State Constitution has several limitations, including those for revenue, expenditures, property taxes, and issuance of debt. These provisions of the Constitution are complex and subject to judicial interpretation. In the opinion of management, the City is in compliance with such provisions. In 1997, the City's electorate approved the ongoing retention of excess revenue by the City, requiring the excess revenue be spent for specified purposes. This alleviated the need by the City to seek annual approval to retain excess revenue and excess property tax. The City did not exceed the revenue limitation in 2010, and did not exceed the property tax limit by \$407,488.

The excess revenue will be used for the purposes of public health and safety (including, but not limited to environmental monitoring and mitigation), growth management, transportation services, and maintaining and repairing City facilities.

The amendment requires local governments to establish emergency reserves equal to at least 3% of fiscal year spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic

conditions, revenue short falls, or salary and benefit increases. As of December 31, 2010, the amount required as an emergency reserve in compliance with the amendment is \$3,764,428 and is shown as a restriction of fund balance in the General Fund.

#### F. Related Party Transactions

Due to the nature of the relationships, the City has related party transactions with various entities. The following transactions have occurred during 2010:

##### Fort Collins-Loveland Airport

##### Intergovernmental Agreement

The Airport is jointly operated under an Intergovernmental Agreement between the City of Fort Collins, Colorado and the City of Loveland, Colorado. Pursuant to the agreement, any needed contributions for annual operating budgets or capital improvements are shared equally by both cities. Also, either City may invest additional funds in the Airport as it sees fit.

Since July 3, 1979, ownership of assets vests equally with each City. Assets acquired prior to July 3, 1979 vested one-third with the City of Loveland and two-thirds with the City of Fort Collins.

The agreement provides that if either City does not pay its one-half of agreed expenses in a given year, it will convey to the other City ten percent of its total Airport ownership. Each City contributed \$85,000 in 2009 and in 2010.

##### Financial Information

The Fort Collins-Loveland Municipal Airport is accounted for as a proprietary joint venture. A summary of financial information is as follows:

As of December 31, 2010

Total current assets	\$ 1,313,627
Total capital assets (net of accumulated depreciation)	<u>15,509,860</u>
Total Assets	<u>16,823,487</u>
Total current liabilities	<u>(315,180)</u>
Total Net Assets	<u>16,508,307</u>
Net assets invested in capital assets	15,509,860
Restricted capital	173,091
Unrestricted net assets	<u>825,356</u>
Total Net Assets	<u>\$ 16,508,307</u>

For year ending December 31, 2010

Total operating revenue	\$ 797,949
Total operating expenses	(1,810,398)
Interest Income	10,931
Nonoperating revenue	344,647
Capital contributions	<u>1,155,417</u>
Change in Net Assets	<u>\$ 498,546</u>

The City's annual contribution is reflected as another expenditure of the General Fund. The City's share of Fort Collins-Loveland Airport's Net Assets and Change in Net Assets are reflected in the City's Statement of Net Assets and Statement of Activities, respectively.

#### Stand-Alone Financial Statements

The stand-alone financial statements for the Fort Collins-Loveland Airport can be obtained from the City of Loveland Finance Department at 500 East Third Street, Loveland, Colorado, 80537.

#### Town of Timnath

The City and the Town of Timnath entered into an intergovernmental agreement for the Boxelder Overflow Project on February 19, 2009. The City agreed to reimburse Timnath for up to 50% of the costs actually incurred by Timnath in the design, engineering, right-of-way acquisition and construction of the Boxelder Overflow Project but not to exceed \$2,000,000. The City deposits \$200,000 a year into an escrow account that is managed by an escrow agent.

#### Poudre Fire Authority

As mentioned in the summary of significant accounting policies, the City provides funding for PFA. During 2010, such funding amounted to \$17,276,209. In addition, the City provided accounting and administrative services to PFA at no charge.

#### Platte River Power Authority

The Light and Power Fund purchases all of its electrical power from PRPA. During 2010, these purchases amounted to \$65,723,757 of which \$5,473,877 is included in accounts payable at December 31, 2010.

#### Fort Collins Housing Authority

The City allows the Fort Collins Housing Authority (FCHA) to participate in its employee benefit plans and bills the Fort Collins Housing Authority for this coverage. In addition, FCHA also uses the City's fleet services for vehicle maintenance. During 2010, billings for benefits and services amounted to \$118,967.

#### North Front Range Transportation and Air Quality Planning Council

The City allows the North Front Range Transportation and Air Quality Planning Council (NFRTAQPC) to participate in its employee benefit plans and bills NFRTAQPC for this coverage. In addition, NFRTAQPC also used the City's fleet services for vehicle maintenance. During 2010, billings for benefits and services amounted to \$573,161.

## REQUIRED SUPPLEMENTARY INFORMATION

### MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City has several major infrastructure systems including the street system and various systems that distribute utility services. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.

The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. The City's Pavement Management Program conducts condition assessment surveys on a three year cycle assuring that all data is updated within three year period. City owned streets are classified based on land use, access and traffic utilization into the following three classifications: arterial, collector and local. Each street was assigned a physical condition based on potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to the physical characteristics of a new street.

The City of Fort Collins is changing its focus from specifying a targeted average condition value to setting a specified Level of Service (LOS). Setting a LOS will allow for a range of funding needs to be determined to assess what funding level best suits the needs of the City in terms of desired LOS and available funding.

LOS is a customer-driven measurement of condition. The City of Fort Collins' goal is to maintain a LOS of "B". LOS B is a high level of service in which pavements are in good condition, few deficiencies are present, the roads are providing good ride quality, low vehicle operating costs, minor signs of deterioration, and with few safety-related issues. Preventive and corrective maintenance activities can be used to keep the average network condition maintained. As of December 2010, the City's street system is at a PCI of 71, just within the LOS of "B". The City's street system was at a PCI of 71 in 2009, 77 in 2008, and 79 in 2007. The average detail condition is as follows:

Level of service.....	PCI Range.....	Percent of Roads
LOS A (best).....	100 to 86.....	17%
LOS B (good) .....	85 to 71 .....	43%
LOS C (fair).....	70 to 56.....	24%
LOS D (poor).....	55 to 41 .....	13%
LOS F (worst).....	40 to 0.....	3%

The City's next full 3 year assessment cycle will be completed in 2012.

## REQUIRED SUPPLEMENTARY INFORMATION (continued)

### MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS (continued)

The City's streets are constantly deteriorating resulting from the following five factors; (1) traffic loads; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; (4) winter freeze/thaw condition and water damage from both natural and other urban runoff; and (5) growth of the existing street system. The City is continuously taking actions to arrest the deterioration through short-term maintenance activities such as crack sealing, pothole patching, street sweeping, and sidewalk repair.

The City's short-term maintenance expenditures delay deterioration; however, the overall network condition is not improved through these maintenance expenditures. The City has estimated the amount of annual expenditures required to maintain the City's streets at a Level of Service B. A schedule of estimated annual amount calculated to maintain and preserve its streets at the current level compared to actual expenditures for the street maintenance for the last five years is presented below:

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditure</u>
2010	\$ 13,378,521	\$ 7,323,073
2009	\$ 10,123,079	\$ 7,848,312
2008	\$ 9,736,502	\$ 10,733,015
2007	\$ 8,777,961	\$ 7,141,788
2006	\$ 8,435,993	\$ 7,517,472

## REQUIRED SUPPLEMENTARY INFORMATION (continued)

### Pension

#### SCHEDULE OF FUNDING PROGRESS \*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Liability (UAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
1/1/2009	39,568,446	49,707,694	10,139,248	79.6%	13,958,960	72.6%
1/1/2010	39,577,509	50,300,314	10,722,805	78.7%	12,897,653	83.1%
1/1/2011	39,974,052	49,651,276	9,677,224	80.5%	10,399,210	93.1%

\* Note: Prior to January 1, 2008, the Plan utilized the aggregate cost method. A schedule of funding progress is not required for the aggregate cost method.

#### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Annual Required Contribution ARC	Employer Contribution	% of ARC Contributed
2005	1,397,352	739,281	53%
2006	1,761,893	909,179	52%
2007	1,725,108	866,694	50%
2008	1,325,710	1,807,834	136%
2009	1,901,281	1,005,901	53%
2010	1,892,946	2,100,467	111%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of January 1, 2011. Additional information follows:

Actuarial cost method:	Entry Age Normal
Amortization method:	12 years, as an open level dollar amount.
Remaining amortization period:	12 years
Asset valuation method:	An expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date and assuming a 7.5% interest return. The unrecognized gain or loss is then added to the expected value. Any difference between this amount and the market value of the assets is set up as a gain or loss base and amortized over 5 years. The result is constrained to a value of 80% to 120% of the market value of assets at the valuation date in order to determine the final actuarial value of assets.
Investment rate of return:	7.5% (including inflation at 2.5%)
Projected pay increases:	Ranges from 4.5% at age 30 to 3.6% at age 65+ (including inflation at 2.5%)

## REQUIRED SUPPLEMENTARY INFORMATION (continued)

### Other Postemployment Benefits Plan

#### SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Over funded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2008	12/31/08	\$ -	\$ 10,932,956	\$ 10,932,956	- %	\$ 67,913,847	16.1%
2009	12/31/09	\$ -	\$ 2,087,673	\$ 2,087,673	- %	\$ 70,409,610	3.0%
2010	12/31/09	\$ -	\$ 2,319,637	\$ 2,319,637	- %	\$ 69,518,011	3.3%

Note: Fiscal year 2008 is the transition year for GASB Statement No. 45

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of December 31, 2009.  
Additional information follows:

Actuarial cost method:	Projected Unit Credit Method
Amortization method:	30 years, as an open level dollar amount
Remaining amortization period:	30 years
Asset valuation method:	An expected actuarial value is determined equal to a 4% discount rate per year, and a health care cost trend rate of 8.5% per year, grading down to 4.5% over 57 years. Trends for dental and vision benefits being at 5%, grading to 4.5% over 57 years. All rates include a 3% salary growth assumption.
Discount rate:	4%
Projected pay increases:	3%

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**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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**Special Revenue Funds**

**Capital Expansion** -- to account for capital expansion fees collected by the City and various projects funded by those fees.

**Sales and Use Tax** -- to account for collections of the City's .25% sales and use tax designated for Natural Areas and Building on Basics.

**Neighborhood Parkland** -- to account for parkland fees used to fund the acquisition, development and administration of neighborhood park and capital improvements.

**Conservation Trust Fund** -- to account for revenues received from the Colorado State Lottery through the State Conservation Trust Fund which are restricted to financing capital projects which relate to the acquisition and development of open space and trails.

**Natural Areas** -- to account for dedicated financial resources to be used for the acquisition of natural areas and trails. In addition, some of the fund is used for long-term management of existing natural areas and trails.

**Cultural Services and Facilities** -- to account for revenues received from the Lincoln Center facility, the Fort Collins Museum, performing and visual arts and General Fund subsidies used to promote cultural activities.

**Recreation** -- to account for recreation fees and General Fund subsidies used to provide recreational programs for citizens.

**Cemeteries** -- to account for revenues collected from the sale of burial plots.

**Perpetual Care** -- to account for monies set aside for the maintenance costs of burial plots.

**Community Development Block Grant (CDBG)** -- to account for revenues received from the federal government which are restricted to financing the City's Community Development Block Grant Program.

**Home Program** -- to account for revenues received from the federal government restricted to financing the City's Home Program.

**Transit Services** -- to account for federal grants and other revenues utilized to operate and maintain the City's bus system.

**Street Oversizing** -- to account for street oversizing fees used to pay the City's portion of street oversizing costs.

**General Improvement District No. 1** -- to account for property taxes and investment earnings used to fund debt service and other activities of the General Improvement District No. 1, a blended component unit.

**General Improvement District No. 15 - Skyview** -- to account for property taxes and investment earnings used to fund the maintenance of the Skyview Subdivision street system of the General Improvement District No. 15, a blended component unit.

**Debt Service Funds**

**Timberline/Prospect SID #94** -- to account for assessments used to pay for public improvements

**Debt Service** -- to account for property taxes and transfers from other funds used to pay general obligation bonds, sales and use tax revenue bonds, and highway users tax revenue bonds.

**Fort Collins Leasing Corporation** -- to account for rental amounts received from lease payments between the City and the Corporation on municipal buildings and other structures. Monies used to pay certificates of participation issued by the Corporation.

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2010**

	Special Revenue Funds				
	Capital Expansion	Sales and Use Tax	Neighborhood Parkland	Conservation Trust	Natural Areas
<b>ASSETS</b>					
Cash and cash equivalents	\$ 705,637	\$ 746,139	\$ 789,675	\$ 190,263	\$ 426,326
Investments	7,672,100	6,540,268	6,927,483	1,669,108	3,719,268
Securities lending collateral	278,440	39,000	251,231	60,767	136,046
Receivables					
Property taxes	-	-	-	-	-
Sales and use taxes	-	1,174,662	-	-	-
Accounts	2,426	-	169,449	-	275,784
Notes and loans	-	-	-	-	-
Interest	37,586	5,220	33,857	8,203	18,346
Prepaid item	-	-	-	-	-
Advances to other funds	5,172,758	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	13,868,947	8,505,289	8,171,695	1,928,341	4,575,770
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable, accruals, and other	-	2,281	81,339	11,073	57,328
Wages payable	-	-	6,286	4,226	44,556
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Obligations under securities lending	278,440	39,000	251,231	60,767	136,046
Deposits held in escrow	-	928,901	-	-	-
Total Liabilities	278,440	970,182	338,856	76,066	237,930
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	1,852,275	3,925,554
Committed	13,590,507	-	7,832,839	-	-
Assigned	-	7,535,107	-	-	412,286
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	13,590,507	7,535,107	7,832,839	1,852,275	4,337,840
Total Liabilities and Fund Balances (Deficit)	\$13,868,947	\$ 8,505,289	\$ 8,171,695	\$ 1,928,341	\$ 4,575,770

Special Revenue Funds (continued)					
Cultural Services & Facilities	Recreation	Cemeteries	Perpetual Care	CDBG	Home Program
\$ 201,723	\$ 277,744	\$ 49,604	\$ 155,130	\$ -	\$ 41,000
1,801,726	2,495,764	442,323	1,372,125	-	359,328
64,395	90,697	16,325	48,976	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,419	228,856	28,364	8,289	34,931	-
-	-	-	-	5,651	125,000
8,651	12,230	2,237	6,790	-	-
2,918	3,020	-	-	-	-
-	-	-	-	-	-
42,619	-	-	-	114,818	7,854
2,136,451	3,108,311	538,853	1,591,310	155,400	533,182
17,013	198,672	5,378	-	1,580	-
30,261	81,483	7,713	-	2,914	1,261
-	211	-	-	-	-
-	-	-	-	144,712	-
48,832	295,198	-	-	57,243	-
64,395	90,697	16,325	48,976	-	-
-	-	-	-	-	-
160,501	666,261	29,416	48,976	206,449	1,261
2,918	3,020	-	-	-	-
565,668	22,803	-	-	-	531,921
353,497	-	-	-	-	-
1,053,867	2,416,227	509,437	1,542,334	-	-
-	-	-	-	(51,049)	-
1,975,950	2,442,050	509,437	1,542,334	(51,049)	531,921
\$ 2,136,451	\$ 3,108,311	\$ 538,853	\$1,591,310	\$ 155,400	\$ 533,182

**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (continued)**  
**DECEMBER 31, 2010**

	Special Revenue Funds (continued)				
	Transit Services	Street Oversizing	General Improvement District No. 1	General Imp. District No. 15 Skyview	Total Special Revenues
<b>ASSETS</b>					
Cash and cash equivalents	\$ 186,104	\$ 506,902	\$ 106,559	\$ 3,564	\$ 4,386,370
Investments	1,630,531	4,446,844	934,804	31,268	40,042,940
Securities lending collateral	58,953	161,441	33,558	-	1,239,829
Receivables					
Property taxes	-	-	234,844	-	234,844
Sales and use taxes	-	-	-	-	1,174,662
Accounts	70,465	53,272	2,448	-	888,703
Notes and loans	-	-	-	-	130,651
Interest	8,054	21,776	4,624	149	167,723
Prepaid item	-	-	-	-	5,938
Advances to other funds	-	-	-	-	5,172,758
Due from other governments	1,269,719	-	-	-	1,435,010
Total Assets	3,223,826	5,190,235	1,316,837	34,981	54,879,428
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable, accruals, and other	112,115	295,780	29,724	-	812,283
Wages payable	87,666	7,555	-	-	273,921
Due to other governments	5,835	-	-	-	6,046
Due to other funds	-	-	-	-	144,712
Deferred revenue	1,047,227	-	234,844	-	1,683,344
Obligations under securities lending	58,953	161,441	33,558	-	1,239,829
Deposits held in escrow	-	-	-	-	928,901
Total Liabilities	1,311,796	464,776	298,126	-	5,089,036
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	5,938
Restricted	-	-	-	-	6,898,221
Committed	-	4,725,459	1,018,711	34,981	27,555,994
Assigned	1,912,030	-	-	-	15,381,288
Unassigned	-	-	-	-	(51,049)
Total Fund Balances (Deficit)	1,912,030	4,725,459	1,018,711	34,981	49,790,392
Total Liabilities and Fund Balances (Deficit)	\$ 3,223,826	\$ 5,190,235	\$ 1,316,837	\$ 34,981	\$54,879,428

Debt Service Funds					
Timberline/ Prospect SID #94	Debt Service	Fort Collins Leasing Corporation	Total Debt Service	Total Non-major Governmental	
\$ 68,784	\$ -	\$ -	\$ 68,784	\$ 4,455,154	
59	-	-	59	40,042,999	
-	-	-	-	1,239,829	
-	-	-	-	234,844	
-	-	-	-	1,174,662	
-	-	-	-	888,703	
-	-	-	-	130,651	
298	-	-	298	168,021	
-	-	-	-	5,938	
-	-	-	-	5,172,758	
-	-	-	-	1,435,010	
69,141	-	-	69,141	54,948,569	
-	-	-	-	812,283	
-	-	-	-	273,921	
-	-	-	-	6,046	
-	-	-	-	144,712	
-	-	-	-	1,683,344	
-	-	-	-	1,239,829	
-	-	-	-	928,901	
-	-	-	-	5,089,036	
-	-	-	-	5,938	
-	-	-	-	6,898,221	
-	-	-	-	27,555,994	
69,141	-	-	69,141	15,450,429	
-	-	-	-	(51,049)	
69,141	-	-	69,141	49,859,533	
\$ 69,141	\$ -	\$ -	\$ 69,141	\$ 54,948,569	

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Special Revenue Funds				
	Capital Expansion	Sales and Use Tax	Neighborhood Parkland	Conservation Trust	Natural Areas
<b>REVENUES</b>					
Taxes	\$ -	\$ 11,222,311	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,429,642	3,024,540
Fees and charges for services	777,353	-	346,749	9,104	25,661
Earnings on investments	167,511	57,278	113,853	23,678	60,834
Interest on security lending income	1,179	353	646	143	300
Miscellaneous revenue	-	404	183,129	-	122,049
Total Revenues	946,043	11,280,346	644,377	1,462,567	3,233,384
<b>EXPENDITURES</b>					
Current operating					
Cultural, parks, recreation and environment	174,481	-	405,033	242,968	4,296,932
Planning and Development	-	-	-	-	-
Police protection	350,000	-	-	-	-
Transportation	-	-	-	-	-
Other	-	1,399,394	-	-	-
Security lending interest expense	773	229	424	94	197
Security lending agent fees	103	30	57	12	27
Intergovernmental					
Fire protection	234,354	-	-	-	-
Capital outlay	-	-	368,576	662,158	1,905,246
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	759,711	1,399,653	774,090	905,232	6,202,402
Excess (Deficiency) of Revenues Over (Under) Expenditures	186,332	9,880,693	(129,713)	557,335	(2,969,018)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	5,553,893
Transfers out	(567,545)	(12,112,679)	(15,974)	(674,753)	(1,897,998)
Total Other Financing Sources (Uses)	(567,545)	(12,112,679)	(15,974)	(674,753)	3,655,895
Net Changes in Fund Balances	(381,213)	(2,231,986)	(145,687)	(117,418)	686,877
Fund Balances-January 1	13,971,720	9,767,093	7,978,526	1,969,693	3,650,963
Fund Balances (Deficit)-December 31	\$ 13,590,507	\$ 7,535,107	\$ 7,832,839	\$ 1,852,275	\$ 4,337,840

Special Revenue Funds (continued)					
Cultural Services & Facilities	Recreation	Cemeteries	Perpetual Care	CDBG	Home Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60,419	73,067	-	-	877,494	1,015,864
983,645	4,548,421	334,808	46,892	-	-
26,771	39,670	7,069	23,786	444	13,750
175	231	152	-	-	-
29,850	126,604	11,399	-	118,382	54,264
1,100,860	4,787,993	353,428	70,678	996,320	1,083,878
2,619,807	6,729,475	548,862	435	-	-
-	-	-	-	1,111,499	1,824,240
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115	152	100	-	-	-
15	20	13	-	-	-
-	-	-	-	-	-
29,062	13,447	20,614	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,648,999	6,743,094	569,589	435	1,111,499	1,824,240
(1,548,139)	(1,955,101)	(216,161)	70,243	(115,179)	(740,362)
1,769,635	1,543,346	256,952	-	-	-
-	-	-	(28,489)	-	-
1,769,635	1,543,346	256,952	(28,489)	-	-
221,496	(411,755)	40,791	41,754	(115,179)	(740,362)
1,754,454	2,853,805	468,646	1,500,580	64,130	1,272,283
\$ 1,975,950	\$ 2,442,050	\$ 509,437	\$ 1,542,334	\$ (51,049)	\$ 531,921

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Special Revenue Funds (continued)				
	Transit Services	Street Oversizing	General Improvement District No. 1	General Imp. District No. 15 Skyview	Total Special Revenues
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 239,357	\$ 34,801	\$ 11,496,469
Intergovernmental	3,361,519	-	26,218	-	9,868,763
Fees and charges for services	727,045	2,121,165	-	-	9,920,843
Earnings on investments	35,355	73,704	16,066	180	659,949
Securities lending income	149	283	92	-	3,703
Miscellaneous revenue	32,996	77,605	-	-	756,682
Total Revenues	4,157,064	2,272,757	281,733	34,981	32,706,409
<b>EXPENDITURES</b>					
Current operating					
Cultural, parks, recreation and environment	-	-	-	-	15,017,993
Planning and Development	-	-	-	-	2,935,739
Police protection	-	-	-	-	350,000
Transportation	8,091,190	531,487	-	-	8,622,677
Other	-	-	273,981	-	1,673,375
Security lending interest expense	98	187	60	-	2,429
Security lending agent fees	13	25	8	-	323
Intergovernmental					
Fire protection	-	-	-	-	234,354
Capital outlay	1,932,987	280,229	-	-	5,212,319
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	10,024,288	811,928	274,049	-	34,049,209
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,867,224)	1,460,829	7,684	34,981	(1,342,800)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	5,116,400	389,050	-	-	14,629,276
Transfers out	-	265,170	(142,702)	-	(15,174,970)
Total Other Financing Sources (Uses)	5,116,400	654,220	(142,702)	-	(545,694)
Net Changes in Fund Balances	(750,824)	2,115,049	(135,018)	34,981	(1,888,494)
Fund Balances-January 1	2,662,854	2,610,410	1,153,729	-	51,678,886
Fund Balances (Deficit)-December 31	\$ 1,912,030	\$ 4,725,459	\$ 1,018,711	\$ 34,981	\$ 49,790,392



Debt Service Funds				
Timberline/ Prospect SID #94	Debt Service	Fort Collins Leasing Corporation	Total Debt Service	Total Non-major Governmental
\$ -	\$ -	\$ -	\$ -	\$ 11,496,469
-	-	-	-	9,868,763
-	-	-	-	9,920,843
852	-	-	852	660,801
-	-	-	-	3,703
278,694	-	69,688	348,382	1,105,064
279,546	-	69,688	349,234	33,055,643
-	-	-	-	15,017,993
-	-	-	-	2,935,739
-	-	-	-	350,000
-	-	-	-	8,622,677
250,178	-	2,336	252,514	1,925,889
-	-	-	-	2,429
-	-	-	-	323
-	-	-	-	234,354
-	-	-	-	5,212,319
-	315,000	2,985,463	3,300,463	3,300,463
-	43,365	2,356,917	2,400,282	2,400,282
250,178	358,365	5,344,716	5,953,259	40,002,468
29,368	(358,365)	(5,275,028)	(5,604,025)	(6,946,825)
-	358,365	5,275,028	5,633,393	20,262,669
-	-	-	-	(15,174,970)
-	358,365	5,275,028	5,633,393	5,087,699
29,368	-	-	29,368	(1,859,126)
39,773	-	-	39,773	51,718,659
\$ 69,141	\$ -	\$ -	\$ 69,141	\$ 49,859,533

**CAPITAL EXPANSION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 777,353	\$ 1,904,354	\$ (1,127,001)
Earnings on investments	167,511	314,230	(146,719)
Interest on security lending income	1,179	-	1,179
Total Revenues	<u>946,043</u>	<u>2,218,584</u>	<u>(1,272,541)</u>
<b>EXPENDITURES</b>			
Community Parkland Capital	5,564	-	(5,564)
Library Capital Expansion	168,917	270,000	101,083
Fire Capital Expansion	234,354	234,354	-
Police Capital Expansion	350,000	350,000	-
Security lending interest expense	773	-	(773)
Security lending agent fees	103	-	(103)
Total Expenditures	<u>759,711</u>	<u>854,354</u>	<u>94,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>186,332</u>	<u>1,364,230</u>	<u>(1,177,898)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out:			
General Fund	(18,973)	(50,000)	31,027
Debt Service - COPS	(350,000)	(350,000)	-
Capital Projects Fund	(198,572)	(358,467)	159,895
Total Other Financing Sources (Uses)	<u>(567,545)</u>	<u>(758,467)</u>	<u>190,922</u>
Net Change in Fund Balances	(381,213)	<u>\$ 605,763</u>	<u>\$ (986,976)</u>
Fund Balances--January 1	<u>13,971,720</u>		
Fund Balances--December 31	<u>\$ 13,590,507</u>		

**SALES AND USE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 11,222,311	\$ 10,506,001	\$ 716,310
Earnings on investments	57,278	57,065	213
Interest on security lending income	353	-	353
Miscellaneous revenue	404	-	404
Total Revenues	<u>11,280,346</u>	<u>10,563,066</u>	<u>717,280</u>
<b>EXPENDITURES</b>			
Current operating			
Other	1,399,394	62,260,262	60,860,868
Security lending interest expense	229	-	(229)
Security lending agent fees	30	-	(30)
Total Expenditures	<u>1,399,653</u>	<u>62,260,262</u>	<u>60,860,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,880,693</u>	<u>(51,697,196)</u>	<u>61,577,889</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out:			
General Fund	(1,169,000)	(1,169,000)	-
Natural Areas Fund	(5,553,893)	(5,553,893)	-
Cultural Services & Facilities Fund	(200,000)	(200,000)	-
Transportation Services Fund	(552,000)	(552,000)	-
Capital Projects Fund	<u>(4,637,786)</u>	<u>(5,013,275)</u>	<u>375,489</u>
Total Other Financing Sources (Uses)	<u>(12,112,679)</u>	<u>(12,488,168)</u>	<u>375,489</u>
Net Change in Fund Balances	(2,231,986)	<u>\$ (64,185,364)</u>	<u>\$ 61,953,378</u>
Fund Balances--January 1	<u>9,767,093</u>		
Fund Balances--December 31	<u>\$ 7,535,107</u>		

**NEIGHBORHOOD PARKLAND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 478,223	\$ 478,223	\$ 428,896	\$ 49,327
Fees and charges for services	346,749	12,947,430	13,294,179	11,339,876	1,954,303
Earnings on investments	113,853	2,068,589	2,182,442	1,820,391	362,051
Interest on security lending income	646	418,309	418,955	-	418,955
Miscellaneous revenue	183,129	95,943	279,072	103,787	175,285
Total Revenues	<u>644,377</u>	<u>16,008,494</u>	<u>16,652,871</u>	<u>13,692,950</u>	<u>2,959,921</u>
<b>EXPENDITURES</b>					
Waters Way Park	50,456	101,991	152,447	1,308,567	1,156,120
New Site Acquisition	3,925	1,957,070	1,960,995	2,688,424	727,429
New Park Site Development	83,803	1,330,935	1,414,738	2,484,788	1,070,050
Lee Martinez Park Addition	6,019	151,553	157,572	439,462	281,890
Huidekoper Park	-	152,640	152,640	422,000	269,360
Lilac Park	-	140,383	140,383	177,000	36,617
Registry Park	35,880	51,513	87,393	936,700	849,307
Romero	-	-	-	150,000	150,000
Richards Lake	158,211	138,027	296,238	835,506	539,268
Staley Neighborhood Park	18,225	232,052	250,277	550,000	299,723
Avery Park Improvements	-	39	39	200,000	199,961
Maple Hill Park	-	461,198	461,198	675,000	213,802
Rosborough Park Improvements	-	3,932	3,932	175,000	171,068
Trailhead Park	12,057	209,568	221,625	330,000	108,375
Golden Meadows Park	-	150,588	150,588	350,000	199,412
Parkland Administration	397,354	-	397,354	379,303	(18,051)
Park Equipment Replacement	7,679	-	7,679	15,000	7,321
Security lending interest expense	424	382,131	382,555	-	(382,555)
Security lending agent fees	57	9,554	9,611	-	(9,611)
Total Expenditures	<u>774,090</u>	<u>5,473,174</u>	<u>6,247,264</u>	<u>12,116,750</u>	<u>5,869,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(129,713)</u>	<u>10,535,320</u>	<u>10,405,607</u>	<u>1,576,200</u>	<u>8,829,407</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
General Fund	-	82,162	82,162	82,162	-
Capital Projects Fund	-	5,545	5,545	5,545	-
Transfers out:					
Cultural Services & Facilities Fund	-	(45,800)	(45,800)	(45,800)	-
Capital Projects Fund	-	(488,220)	(488,220)	(488,220)	-
Data and Communications Fund	(15,974)	-	(15,974)	(15,974)	-
Total Other Financing Sources (Uses)	<u>(15,974)</u>	<u>(446,313)</u>	<u>(462,287)</u>	<u>(462,287)</u>	<u>-</u>
Net Change in Fund Balances	(145,687)	<u>\$ 10,089,007</u>	9,943,320	<u>\$ 1,113,913</u>	<u>\$ 8,829,407</u>
Fund Balances--January 1	7,978,526		7,978,526		
Less Prior Years' Project Revenues			(16,096,201)		
Plus Prior Years' Project Expenditures			6,007,194		
Fund Balances--December 31	<u>\$ 7,832,839</u>		<u>\$ 7,832,839</u>		

**CONSERVATION TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 1,429,642	\$ 19,710,845	\$ 21,140,487	\$ 19,988,942	\$ 1,151,545
Fees and charges for services	9,104	-	9,104	-	9,104
Earnings on investments	23,678	452,658	476,336	691,956	(215,620)
Interest on security lending income	143	116,982	117,125	-	117,125
Miscellaneous revenue	-	313,899	313,899	262,910	50,989
Total Revenues	<u>1,462,567</u>	<u>20,594,384</u>	<u>22,056,951</u>	<u>20,943,808</u>	<u>1,113,143</u>
<b>EXPENDITURES</b>					
Open space acquisition	-	1,103,992	1,103,992	1,142,403	38,411
Trail acquisition/development	562,493	6,991,540	7,554,033	8,335,820	781,787
Open space and trail maintenance	-	853,768	853,768	854,475	707
Fossil Creek Trail	99,665	3,579,160	3,678,825	3,700,350	21,525
Tri-City trails	-	665,174	665,174	1,012,541	347,367
Pickle Plant	-	15,386	15,386	-	(15,386)
Administration	242,968	-	242,968	231,997	(10,971)
Security lending interest expense	94	107,500	107,594	-	(107,594)
Security lending agent fees	12	2,418	2,430	-	(2,430)
Total Expenditures	<u>905,232</u>	<u>13,318,938</u>	<u>14,224,170</u>	<u>15,277,586</u>	<u>1,053,416</u>
Excess of Revenues Over Expenditures	<u>557,335</u>	<u>7,275,446</u>	<u>7,832,781</u>	<u>5,666,222</u>	<u>2,166,559</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
Capital Projects Fund	-	235,000	235,000	235,000	-
Transfers out:					
General Fund	(665,146)	(1,289,283)	(1,954,429)	(2,058,486)	104,057
Cultural Services & Facilities Fund	(6,000)	(94,050)	(100,050)	(100,050)	-
Capital Projects Fund	-	(1,007,337)	(1,007,337)	(1,017,618)	10,281
Data and Communications Fund	(3,607)	-	(3,607)	(3,607)	-
Total Other Financing Sources (Uses)	<u>(674,753)</u>	<u>(2,155,670)</u>	<u>(2,830,423)</u>	<u>(2,944,761)</u>	<u>114,338</u>
Net Change in Fund Balances	<u>(117,418)</u>	<u>\$ 5,119,776</u>	<u>5,002,358</u>	<u>\$ 2,721,461</u>	<u>\$ 2,280,897</u>
Fund Balances--January 1	1,969,693		1,969,693		
Less Prior Years' Project Revenues			(20,829,384)		
Plus Prior Years' Project Expenditures			15,709,608		
Fund Balances--December 31	<u>\$ 1,852,275</u>		<u>\$ 1,852,275</u>		

**NATURAL AREAS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 3,024,540	\$ 3,128,986	\$ (104,446)
Fees and charges for services	25,661	25,000	661
Earnings on investments	60,834	110,164	(49,330)
Interest on security lending income	300	-	300
Miscellaneous revenue	122,049	106,000	16,049
Total Revenues	<u>3,233,384</u>	<u>3,370,150</u>	<u>(136,766)</u>
<b>EXPENDITURES</b>			
Land Conservation	2,129,929	3,043,207	913,278
Enforcement	640,477	656,075	15,598
Education	359,193	475,351	116,158
Program Management	508,092	664,839	156,747
Resource Management	1,141,238	1,417,337	276,099
Public Improvements	876,336	2,611,253	1,734,917
Facility Operations	250,934	864,170	613,236
Land Management	295,979	443,031	147,052
Security lending interest expense	197	-	(197)
Security lending agent fees	27	-	(27)
Total Expenditures	<u>6,202,402</u>	<u>10,175,263</u>	<u>3,972,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,969,018)</u>	<u>(6,805,113)</u>	<u>3,836,095</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
Sales and Use Tax Fund	5,553,893	5,553,893	-
Transfers out:			
Cultural Services & Facilities Fund	(111,674)	(111,674)	-
Capital Projects Fund	(266,337)	(417,933)	151,596
Debt Service - COPS	(1,386,531)	(1,386,531)	-
Data and Communications Fund	(133,456)	(133,456)	-
Total Other Financing Sources (Uses)	<u>3,655,895</u>	<u>3,504,299</u>	<u>151,596</u>
Net Change in Fund Balances	686,877	<u>\$ (3,300,814)</u>	<u>\$ 3,987,691</u>
Fund Balances--January 1	<u>3,650,963</u>		
Fund Balances--December 31	<u>\$ 4,337,840</u>		

**CULTURAL SERVICES AND FACILITIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 60,419	\$ 255,383	\$ (194,964)
Fees and charges for services	983,645	1,770,060	(786,415)
Earnings on investments	26,771	41,987	(15,216)
Interest on security lending income	175	-	175
Miscellaneous revenue	29,850	291,731	(261,881)
Total Revenues	<u>1,100,860</u>	<u>2,359,161</u>	<u>(1,258,301)</u>
<b>EXPENDITURES</b>			
Administration	734,140	959,731	225,591
Lincoln Center	376,788	512,727	135,939
Museum	831,543	1,241,742	410,199
Art in Public Places	82,163	386,151	303,988
Performing and visual arts	624,235	1,309,407	685,172
Security lending interest expense	115	-	(115)
Security lending agent fees	15	-	(15)
Total Expenditures	<u>2,648,999</u>	<u>4,409,758</u>	<u>1,760,759</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,548,139)</u>	<u>(2,050,597)</u>	<u>502,458</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
General Fund	1,416,257	1,416,257	-
Conservation Trust Fund	6,000	6,000	-
Natural Areas Fund	111,674	111,674	-
Transfer S&U Tax - BOB	200,000	200,000	-
Capital Projects Fund	35,704	35,704	-
Total Other Financing Sources	<u>1,769,635</u>	<u>1,769,635</u>	<u>-</u>
Net Change in Fund Balances	221,496	<u>\$ (280,962)</u>	<u>\$ 502,458</u>
Fund Balances--January 1	<u>1,754,454</u>		
Fund Balances--December 31	<u>\$ 1,975,950</u>		

**RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 73,067	\$ 371,965	\$ (298,898)
Fees and charges for services	4,548,421	4,685,963	(137,542)
Earnings on investments	39,670	48,625	(8,955)
Interest on security lending income	231	-	231
Miscellaneous revenue	126,604	5,000	121,604
Total Revenues	<u>4,787,993</u>	<u>5,111,553</u>	<u>(323,560)</u>
<b>EXPENDITURES</b>			
Recreation administration	3,315,926	3,546,610	230,684
Ice/aquatics programming	1,412,519	1,457,116	44,597
Adult programming	846,211	889,972	43,761
Youth programming	435,168	480,179	45,011
Sports programming	483,852	490,369	6,517
Special reserves	156,054	192,340	36,286
Grants/miscellaneous	93,192	620,501	527,309
Security lending interest expense	152	-	(152)
Security lending agent fees	20	-	(20)
Total Expenditures	<u>6,743,094</u>	<u>7,677,087</u>	<u>933,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,955,101)</u>	<u>(2,565,534)</u>	<u>610,433</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
General Fund	<u>1,543,346</u>	<u>1,543,346</u>	<u>-</u>
Total Other Financing Sources	<u>1,543,346</u>	<u>1,543,346</u>	<u>-</u>
Net Change in Fund Balances	(411,755)	<u>\$ (1,022,188)</u>	<u>\$ 610,433</u>
Fund Balances--January 1	<u>2,853,805</u>		
Fund Balances--December 31	<u>\$ 2,442,050</u>		



**CEMETERIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 334,808	\$ 338,000	\$ (3,192)
Earnings on investments	7,069	6,970	99
Interest on security lending income	152	-	152
Miscellaneous revenue	11,399	10,500	899
Total Revenues	<u>353,428</u>	<u>355,470</u>	<u>(2,042)</u>
<b>EXPENDITURES</b>			
Cemetery services	548,862	630,210	81,348
Capital outlay	20,614	89,360	68,746
Security lending interest expense	100	-	(100)
Security lending agent fees	13	-	(13)
Total Expenditures	<u>569,589</u>	<u>719,570</u>	<u>149,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(216,161)</u>	<u>(364,100)</u>	<u>147,939</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
General Fund	228,463	228,463	-
Perpetual Care Fund	28,489	55,000	(26,511)
Total Other Financing Sources (Uses)	<u>256,952</u>	<u>283,463</u>	<u>(26,511)</u>
Net Change in Fund Balances	40,791	<u>\$ (80,637)</u>	<u>\$ 121,428</u>
Fund Balances--January 1	<u>468,646</u>		
Fund Balances--December 31	<u>\$ 509,437</u>		

**PERPETUAL CARE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 46,892	\$ 58,000	\$ (11,108)
Earnings on investments	23,786	50,435	(26,649)
Total Revenues	<u>70,678</u>	<u>108,435</u>	<u>(37,757)</u>
<b>EXPENDITURES</b>			
Other	435	435	-
Total Expenditures	<u>435</u>	<u>435</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>70,243</u>	<u>108,000</u>	<u>(37,757)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out:			
Cemeteries Fund	(28,489)	(55,000)	26,511
Total Other Financing Sources (Uses)	<u>(28,489)</u>	<u>(55,000)</u>	<u>26,511</u>
Net Change in Fund Balances	41,754	<u>\$ 53,000</u>	<u>\$ (11,246)</u>
Fund Balances--January 1	<u>1,500,580</u>		
Fund Balances--December 31	<u>\$ 1,542,334</u>		

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 877,494	\$ 1,479,159	\$ 2,356,653	\$ 3,419,824	\$ (1,063,171)
Earnings on investments	444	-	444	82,596	(82,152)
Miscellaneous revenue	118,382	-	118,382	670,126	(551,744)
Total Revenues	<u>996,320</u>	<u>1,479,159</u>	<u>2,475,479</u>	<u>4,172,546</u>	<u>(1,697,067)</u>
<b>EXPENDITURES</b>					
2007-08 Grant	1,814	491,305	493,119	540,537	47,418
2008-09 Grant	58,549	4,952	63,501	122,711	59,210
2009-10 Grant	747,570	450,293	1,197,863	1,324,131	126,268
2010-11 Grant	103,566	-	103,566	1,262,650	1,159,084
Total Expenditures	<u>911,499</u>	<u>946,550</u>	<u>1,858,049</u>	<u>3,250,029</u>	<u>1,391,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>84,821</u>	<u>532,609</u>	<u>617,430</u>	<u>922,517</u>	<u>(305,087)</u>
Net Change in Fund Balances	84,821	<u>\$ 532,609</u>	617,430	<u>\$ 922,517</u>	<u>\$ (305,087)</u>
Fund Balances--January 1	64,130		64,130		
Less Prior Years' Project Revenues			(1,479,159)		
Adjustment to Loans Receivable	(200,000)		(200,000)		
Plus Prior Years' Project Expenditures			946,550		
Fund Balances (Deficit)--December 31	<u>\$ (51,049)</u>		<u>\$ (51,049)</u>		

**HOME PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 1,015,864	\$ 1,598,166	\$ 2,614,030	\$ 4,091,172	\$ (1,477,142)
Earnings on investments	13,750	65,432	79,182	-	79,182
Miscellaneous revenue	54,264	294,842	349,106	50,002	299,104
Total Revenues	<u>1,083,878</u>	<u>1,958,440</u>	<u>3,042,318</u>	<u>4,141,174</u>	<u>(1,098,856)</u>
<b>EXPENDITURES</b>					
2005-06 Grant	22,452	649,175	671,627	675,169	3,542
2006-07 Grant	-	315,909	315,909	566,364	250,455
2007-08 Grant	47,606	422,785	470,391	506,144	35,753
2008-09 Grant	304,899	505,698	810,597	1,040,184	229,587
2009-10 Grant	519,619	114,617	634,236	819,787	185,551
2010-11 Grant	16,664	-	16,664	682,541	665,877
Total Expenditures	<u>911,240</u>	<u>2,008,184</u>	<u>2,919,424</u>	<u>4,290,189</u>	<u>1,370,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>172,638</u>	<u>(49,744)</u>	<u>122,894</u>	<u>(149,015)</u>	<u>271,909</u>
Net Change in Fund Balances	172,638	<u>\$ (49,744)</u>	122,894	<u>\$ (149,015)</u>	<u>\$ 271,909</u>
Fund Balances--January 1	1,272,283		1,272,283		
Less Prior Years' Project Revenues			(1,958,440)		
Adjustment to Loans Receivable	(913,000)		(913,000)		
Plus Prior Years' Project Expenditures			2,008,184		
Fund Balances--December 31	<u>\$ 531,921</u>		<u>\$ 531,921</u>		

**TRANSIT SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 3,361,519	\$ 4,405,260	\$ 7,766,779	\$ 14,528,461	\$ (6,761,682)
Fees and charges for services	727,045	787,431	1,514,476	1,567,527	(53,051)
Earnings on investments	35,355	31,106	66,461	30,753	35,708
Interest on security lending income	149	2,184	2,333	-	2,333
Miscellaneous revenue	32,996	40,377	73,373	55,000	18,373
Total Revenues	<u>4,157,064</u>	<u>5,266,358</u>	<u>9,423,422</u>	<u>16,181,741</u>	<u>(6,758,319)</u>
<b>EXPENDITURES</b>					
FTA Grants					
2008 Operating	38,161	1,792,052	1,830,213	1,830,213	-
2009 Operating	53,159	6,642,654	6,695,813	8,507,904	1,812,091
2010 Operating	7,993,425	-	7,993,425	9,129,638	1,136,213
2008 CMAQ Projects	-	83,434	83,434	85,000	1,566
2009 CMAQ Projects	4,043	52,184	56,227	68,000	11,773
2010 CMAQ Projects	1,727	-	1,727	-	(1,727)
2007 Capital	16,784	541,726	558,510	1,125,000	566,490
2008 Capital	49,485	1,356,641	1,406,126	1,921,997	515,871
2009 Capital	1,863,416	1,066,291	2,929,707	3,594,790	665,083
2010 Capital	3,977	-	3,977	2,020,140	2,016,163
Security lending expenses	111	1,844	1,955	-	(1,955)
Total Expenditures	<u>10,024,288</u>	<u>11,536,826</u>	<u>21,561,114</u>	<u>28,282,682</u>	<u>6,721,568</u>
(Deficiency) of Revenues					
(Under) Expenditures	<u>(5,867,224)</u>	<u>(6,270,468)</u>	<u>(12,137,692)</u>	<u>(12,100,941)</u>	<u>(36,751)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
General Fund	5,116,400	8,107,992	13,224,392	13,224,393	(1)
Transfers out:					
Capital Projects Fund	-	-	-	(116,525)	116,525
Total Other Financing Sources	<u>5,116,400</u>	<u>8,107,992</u>	<u>13,224,392</u>	<u>13,107,868</u>	<u>116,524</u>
Net Change in Fund Balances	<u>(750,824)</u>	<u>\$ 1,837,524</u>	<u>1,086,700</u>	<u>\$ 1,006,927</u>	<u>\$ 79,773</u>
Fund Balances--January 1	2,662,854		2,662,854		
Less Prior Years' Project Revenues			(13,374,350)		
Plus Prior Years' Project Expenditures			11,536,826		
Fund Balances--December 31	<u>\$ 1,912,030</u>		<u>\$ 1,912,030</u>		

**STREET OVERSIZING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 2,121,165	\$ 1,900,000	\$ 221,165
Earnings on investments	73,704	135,791	(62,087)
Interest on security lending income	283	-	283
Miscellaneous revenue	77,605	100,000	(22,395)
Total Revenues	<u>2,272,757</u>	<u>2,135,791</u>	<u>136,966</u>
<b>EXPENDITURES</b>			
Oversizing costs	811,716	3,533,689	2,721,973
Security lending interest expense	187	-	(187)
Security lending agent fees	25	-	(25)
Total Expenditures	<u>811,928</u>	<u>3,533,689</u>	<u>2,721,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,460,829</u>	<u>(1,397,898)</u>	<u>2,858,727</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
General Fund	389,050	389,050	-
Transfers out:			
Capital Projects Fund	<u>265,170</u>	<u>(2,055,291)</u>	<u>2,320,461</u>
Total Other Financing Sources (Uses)	<u>654,220</u>	<u>(1,666,241)</u>	<u>2,320,461</u>
Net Change in Fund Balances	2,115,049	<u>\$ (3,064,139)</u>	<u>\$ 5,179,188</u>
Fund Balances--January 1	<u>2,610,410</u>		
Fund Balances--December 31	<u>\$ 4,725,459</u>		

**GENERAL IMPROVEMENT DISTRICT NO. 1 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 239,357	\$ 237,000	\$ 2,357
Intergovernmental	26,218	7,000	19,218
Earnings on investments	16,066	8,000	8,066
Interest on security lending income	92	-	92
Total Revenues	<u>281,733</u>	<u>252,000</u>	<u>29,733</u>
<b>EXPENDITURES</b>			
Other	273,981	528,200	254,219
Security lending interest expense	60	-	(60)
Security lending agent fees	8	-	(8)
Total Expenditures	<u>274,049</u>	<u>528,200</u>	<u>254,151</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,684</u>	<u>(276,200)</u>	<u>283,884</u>
<b>OTHER FINANCING (USES)</b>			
Transfers out:			
Debt Service - COPS	(142,702)	(142,702)	-
Total Other Financing (Uses)	<u>(142,702)</u>	<u>(142,702)</u>	<u>-</u>
Net Change in Fund Balances	(135,018)	<u>\$ (418,902)</u>	<u>\$ 283,884</u>
Fund Balances--January 1	<u>1,153,729</u>		
Fund Balances--December 31	<u>\$ 1,018,711</u>		

**GENERAL IMPROVEMENT DISTRICT NO. 15 - SKYVIEW**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 34,801	\$ -	\$ 34,801
Earnings on investments	180	-	180
Total Revenues	<u>34,981</u>	<u>-</u>	<u>34,981</u>
<b>EXPENDITURES</b>			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,981</u>	<u>-</u>	<u>34,981</u>
Net Change in Fund Balances	34,981	<u>\$ -</u>	<u>\$ 34,981</u>
Fund Balances--January 1	<u>-</u>		
Fund Balances--December 31	<u>\$ 34,981</u>		



**TIMBERLINE/PROSPECT SID #94**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Earnings on investments	\$ 852	\$ 143	\$ 709
Miscellaneous revenue	278,694	236,567	42,127
Total Revenues	<u>279,546</u>	<u>236,710</u>	<u>42,836</u>
<b>EXPENDITURES</b>			
Other	250,178	250,179	1
Total Expenditures	<u>250,178</u>	<u>250,179</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,368</u>	<u>(13,469)</u>	<u>42,837</u>
Net Change in Fund Balances	29,368	<u>\$ (13,469)</u>	<u>\$ 42,837</u>
Fund Balances--January 1	<u>39,773</u>		
Fund Balances--December 31	<u>\$ 69,141</u>		

**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
Principal	315,000	315,000	-
Interest	<u>43,365</u>	<u>43,365</u>	<u>-</u>
Total Expenditures	<u>358,365</u>	<u>358,365</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(358,365)</u>	<u>(358,365)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
Transportation Fund	<u>358,365</u>	<u>358,365</u>	<u>-</u>
Total Other Financing Sources	<u>358,365</u>	<u>358,365</u>	<u>-</u>
Net Change in Fund Balances	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balances--January 1	<u>-</u>		
Fund Balances--December 31	<u>\$ -</u>		

**FORT COLLINS LEASING CORPORATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Miscellaneous revenue	\$ 69,688	\$ 69,688	\$ -
Total Revenues	<u>69,688</u>	<u>69,688</u>	<u>-</u>
<b>EXPENDITURES</b>			
Principal	2,985,463	2,985,464	1
Interest	2,356,917	2,356,929	12
Other	2,336	2,500	164
Total Expenditures	<u>5,344,716</u>	<u>5,344,893</u>	<u>177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,275,028)</u>	<u>(5,275,205)</u>	<u>177</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
General Fund	2,509,489	2,509,666	(177)
Capital Expansion Fund	350,000	350,000	-
General Improvement District #1 Fund	142,702	142,702	-
Natural Areas Fund	1,386,531	1,386,531	-
Transportation Fund	136,306	136,306	-
Capital Projects Fund	750,000	750,000	-
Total Other Financing Sources (Uses)	<u>5,275,028</u>	<u>5,275,205</u>	<u>(177)</u>
Net Change in Fund Balances	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balances--January 1	<u>-</u>		
Fund Balances--December 31	<u>\$ -</u>		

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KEEPING FORT COLLINS **GREAT**

**CAPITAL PROJECTS FUND  
INDIVIDUAL FUND BUDGET SCHEDULE**

---

**Capital Projects Fund** -- to account for financial resources to be used for the acquisition or construction of major capital facilities. Revenues and other financing sources are primarily derived from issuance of debt or transfers from other funds.

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Current Year Actual</b>	<b>Prior Year Actual</b>	<b>Cumulative Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES</b>					
Intergovernmental	\$ 10,253,491	\$ 4,085,801	\$ 14,339,292	\$ 82,095,836	\$ (67,756,544)
Earnings on investments	368,480	11,727,612	12,096,092	4,124,087	7,972,005
Miscellaneous revenue	611,718	1,150,548	1,762,266	8,372,141	(6,609,875)
Total Revenues	11,233,689	16,963,961	28,197,650	94,592,064	(66,394,414)
<b>EXPENDITURES</b>					
Downtown Alley Enhancement	1,595,307	-	1,595,307	1,595,307	-
Major Repairs and Maintenance	6,611	-	6,611	193,911	187,300
DOLA - NEC Project	63,803	-	63,803	110,928	47,125
DOE - RDSI Project (ARRA)	139,375	-	139,375	241,797	102,422
FC Museum / DSC Fac Design	5,669,721	666,469	6,336,190	14,821,007	8,484,817
BOB-Lincoln Center Renovation	3,042,148	270,488	3,312,636	6,826,405	3,513,769
Police Facility	40,525	31,456,098	31,496,623	35,414,182	3,917,559
N. Side Aztlan Ctr Replacement	3,725	9,919,949	9,923,674	9,954,674	31,000
Env Site Mitigation - 112 E. Willow	29	182,990	183,019	200,000	16,981
Block 32 Redevelopment	-	41,521	41,521	195,000	153,479
New Branch Library-Beyer Site	57,249	5,156,912	5,214,161	5,544,000	329,839
Soapstone Public Improvement	1,005	4,829,002	4,830,007	4,861,000	30,993
Robert Benson Dam	(7,881)	652,778	644,897	765,500	120,603
Coventry Dev Wildlife Habitat	-	-	-	9,000	9,000
Soft Gold Park	-	954,784	954,784	954,784	-
Regional Trails	-	1,550,900	1,550,900	1,988,718	437,818
Southeast Community Park	198,572	3,391,559	3,590,131	3,750,026	159,895
Water Craft Course	-	36,342	36,342	150,000	113,658
BOB-Park Upgrades/Enhancements	12,122	2,503	14,625	304,897	290,272
The Garden of Eatin'	53,671	86,634	140,305	200,000	59,695
Prospect, Poudre River/Summitview	50,178	6,167,144	6,217,322	6,568,801	351,479
Taft Hill, Drake Road to Derby	-	5,059,147	5,059,147	5,254,804	195,657
Street Oversizing Projects	3,738,048	13,254,854	16,992,902	19,580,746	2,587,844
BOB Int Imp & Traffic Signals	2,643,859	679,870	3,323,729	7,644,396	4,320,667
I-25 & SH 392 Interchg & Imprv	144,490	1,680,268	1,824,758	1,999,593	174,835
Minor Street Capital Projects	7,299	323,378	330,677	332,718	2,041
City Bridge Program	1,837,666	802,961	2,640,627	4,746,440	2,105,813
Rairoad Crossing Replacement	23,879	32,565	56,444	300,000	243,556
Mason Street Transportation Corridor	4,855,005	9,962,029	14,817,034	78,677,553	63,860,519
Pedestrian Plan (BCC)	28,329	66,460	94,789	97,774	2,985
BOB Ped Plan & ADA Improvements	282,553	212,349	494,902	2,794,068	2,299,166
Bicycle Plan Implementation	796	124,204	125,000	275,000	150,000
BOB-N. College Ave Improvements	734,828	632,154	1,366,982	3,285,017	1,918,035
Administrative Charges	21,952	-	21,952	21,952	-
Total Expenditures	25,244,864	98,196,312	123,441,176	219,659,998	96,218,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,011,175)	(81,232,351)	(95,243,526)	(125,067,934)	29,824,408

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**CAPITAL PROJECTS FUND (Continued)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Current Year Actual</b>	<b>Prior Year Actual</b>	<b>Cumulative Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of long term debt	\$ -	\$ 32,525,601	\$ 32,525,601	\$ 32,525,601	\$ -
Transfers in					
General Fund	271,537	3,055,198	3,326,735	6,180,026	(2,853,291)
Capital Expansion Fund	198,572	8,371,172	8,569,744	8,729,639	(159,895)
Sales and Use Tax Fund	4,637,786	55,772,853	60,410,639	59,233,126	1,177,513
Neighborhood Parkland Fund	-	164,400	164,400	164,400	-
Natural Areas Fund	266,337	6,006,780	6,273,117	6,424,713	(151,596)
Cultural Services & Facilities Fund	-	-	-	200,000	(200,000)
Transit Services Fund	-	-	-	116,525	(116,525)
Street Oversizing Fund	(265,170)	9,273,384	9,008,214	11,328,675	(2,320,461)
Transportation Services Fund	826,544	285,000	1,111,544	1,785,000	(673,456)
URA Operations & Maintenance Fund	2,545,204	233,480	2,778,684	2,812,620	(33,936)
Transfers out					
Cultural Services and Facilities Fund	(35,704)	(826,714)	(862,418)	(862,418)	-
Debt Service Fund-Ft Collins Leasing	(750,000)	(2,819,973)	(3,569,973)	(3,569,973)	-
Total Other Financing Sources (Uses)	<u>7,695,106</u>	<u>112,041,181</u>	<u>119,736,287</u>	<u>125,067,934</u>	<u>(5,331,647)</u>
Net Changes in Fund Balance	(6,316,069)	<u>\$ 30,808,830</u>	24,492,761	<u>\$ -</u>	<u>\$ 24,492,761</u>
Fund Balances--January 1	33,773,679		33,773,679		
Less Prior Years' Project Revenues			(132,651,829)		
Plus Prior Years' Project Expenditures			<u>101,842,999</u>		
Fund Balances--December 31	<u>\$ 27,457,610</u>		<u>\$ 27,457,610</u>		



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KEEPING FORT COLLINS **GREAT**

**ENTERPRISE FUNDS  
INDIVIDUAL FUND BUDGET SCHEDULES**

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**Light and Power** -- to account for operation of the City's electric utility.

**Water** -- to account for the operation of the City's water utility.

**Wastewater** -- to account for the operation of the City's wastewater utility.

**Storm Drainage** -- to account for the City's storm drainage utility.

**Golf** -- to account for operations of all City golf courses.

**LIGHT AND POWER FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES</b>			
Charges for services	\$ 93,165,407	\$ 91,213,692	\$ 1,951,715
Other nonoperating income	4,271,612	1,412,847	2,858,765
Earnings on investments	767,897	883,174	(115,277)
Interest on security lending income	3,673	-	3,673
Transfers	120,061	120,061	-
Gain on sale of capital assets	106,823	-	106,823
Contributed capital	1,635,978	1,886,889	(250,911)
Proceeds from issuance of long term debt	16,500,000	16,500,000	-
Total Revenues	<u>116,571,451</u>	<u>112,016,663</u>	<u>4,554,788</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	4,996,141	5,940,658	944,517
System additions	7,379,677	10,283,165	2,903,488
Light and Power operations	6,779,165	7,293,378	514,213
Payments and transfers	6,896,015	7,000,738	104,723
Purchase of power	65,840,330	74,771,886	8,931,556
Energy services	3,437,297	5,165,739	1,728,442
Security lending interest expense	2,422	-	(2,422)
Security lending agent fees	325	-	(325)
Total Programs	<u>95,331,372</u>	<u>110,455,564</u>	<u>15,124,192</u>
Projects (project level of budgetary control)			
Substation Improvements	11,737,511	14,381,808	2,644,297
Smart Grid	1,195,696	35,038,711	33,843,015
SW Enclave System Purchases	1,198,728	2,159,969	961,241
Underground Conversion Program	-	1,800,249	1,800,249
Grants	3,838,268	8,214,562	4,376,294
Service Center Additions	238,771	4,856,017	4,617,246
Total Projects	<u>18,208,974</u>	<u>66,451,316</u>	<u>48,242,342</u>
Total Expenses	<u>113,540,346</u>	<u>176,906,880</u>	<u>63,366,534</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	3,031,105	<u>\$ (64,890,217)</u>	<u>\$ 67,921,322</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	7,379,676		
Current Year's Project Expenses	4,783,625		
Prior Years' Project Expenses	9,781,656		
Proceeds From Issuance of Bonds	(16,500,000)		
Depreciation	(7,256,236)		
Total Reconciling Items	<u>(1,811,279)</u>		
Change in net assets	1,219,826		
Net Assets--January 1	<u>160,167,472</u>		
Net Assets--December 31	<u>\$161,387,298</u>		

**WATER FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 24,228,060	\$ 26,448,689	\$ (2,220,629)
Other nonoperating income	285,464	190,277	95,187
Earnings on investments	1,025,328	1,195,035	(169,707)
Interest on security lending income	5,705	-	5,705
Transfers	90,856	90,856	-
Gain on sale of capital assets	23,979	-	23,979
Contributed capital	1,720,544	1,839,816	(119,272)
Total Revenues	<u>27,379,936</u>	<u>29,764,673</u>	<u>(2,384,737)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	4,480,247	5,424,564	944,317
Payments and transfers	6,479,227	8,387,599	1,908,372
Transmission and distribution	2,401,366	2,811,760	410,394
Water engineering	103,802	96,208	(7,594)
Water production	4,759,988	7,268,300	2,508,312
Water quality	897,282	1,028,428	131,146
Water resources	1,497,096	2,365,738	868,642
Security lending interest expense	3,744	-	(3,744)
Security lending agent fees	500	-	(500)
Total Programs	<u>20,623,252</u>	<u>27,382,597</u>	<u>6,759,345</u>
Projects (project level of budgetary control)			
Advanced Metering Infrastructure	51,528	4,000,000	3,948,472
Cathodic Protection	563,352	620,000	56,648
Distribution System Replacement	1,313,430	1,516,567	203,137
Engineering Distribution Sys Replcmnt	1,408,370	2,232,638	824,268
Gravel Pit Storage Ponds	342,055	11,577,000	11,234,945
Halligan Reservoir Enlargement	9,197,254	36,617,446	27,420,192
Master Plan Facilities	7,087,698	7,275,359	187,661
Meter Conversion Program	1,883,183	2,350,848	467,665
Michigan Ditch improvements	132,408	800,000	667,592
Poudre Pipeline	1,000,697	1,000,000	(697)
Service Center Improvements	994,178	1,441,803	447,625
Source of Supply Gen Replcmnt	211,458	211,476	18
Southwest System Improvements	3,202,059	3,690,531	488,472
Treatment Facility Improvement	1,202,038	1,559,822	357,784
Water Production Replcmnt Program	1,673,088	4,867,524	3,194,436
Water Quality Lab	171,187	190,000	18,813
Water Supply Development	1,325,366	2,182,203	856,837
Total Projects	<u>31,759,349</u>	<u>82,133,217</u>	<u>50,373,868</u>
Total Expenses	<u>52,382,601</u>	<u>109,515,814</u>	<u>57,133,213</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(25,002,665)	<u>\$ (79,751,141)</u>	<u>\$ 54,748,476</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	450,898		
Current Year's Project Expenses	5,429,445		
Prior Years' Project Expenses	26,329,905		
Principal Reduction--Long-Term Debt	2,661,260		
Depreciation	(4,903,418)		
Bond Amortization	(9,204)		
Total Reconciling Items	<u>29,958,886</u>		
Change in net assets	4,956,221		
Net Assets--January 1	<u>240,702,357</u>		
Net Assets--December 31	<u>\$245,658,578</u>		

**WASTEWATER FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 19,136,611	\$ 17,622,768	\$ 1,513,843
Other nonoperating income	143,390	62,830	80,560
Earnings on investments	412,086	449,820	(37,734)
Interest on security lending income	3,301	-	3,301
Transfers	75,815	75,815	-
Gain on sale of capital assets	32,941	-	32,941
Contributed capital	2,441,543	2,657,661	(216,118)
Proceeds from issuance of long term debt	4,015,402	4,100,000	(84,598)
Total Revenues	<u>26,261,089</u>	<u>24,968,894</u>	<u>1,292,195</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	2,200,049	2,640,059	440,010
Trunk and collection	1,663,565	1,911,416	247,851
Payments and transfers	10,491,018	11,997,026	1,506,008
Water reclamation	4,606,143	5,246,540	640,397
Security lending interest expense	2,162	-	(2,162)
Security lending agent fees	287	-	(287)
Water engineering	90,100	97,773	7,673
Pollution control	1,082,511	1,203,171	120,660
Total Programs	<u>20,135,835</u>	<u>23,095,985</u>	<u>2,960,150</u>
Projects (project level of budgetary control)			
Collection System Replacement	6,067,841	10,568,321	4,500,480
Harmony Lift Station	62,644	49,529	(13,115)
Service Center Improvements	2,066,667	2,619,748	553,081
Treatment Plant Expansion	35,712,680	36,316,643	603,963
Sludge Disposal Improvements	5,478,805	6,319,446	840,641
Collection System Study	607,860	750,000	142,140
Water Reclamation Replacement Program	3,582,644	6,424,000	2,841,356
Mulberry Water Reclamation Improvement	28,023,886	37,329,146	9,305,261
Flow Monitoring Stations	769,675	840,000	70,325
Total Projects	<u>82,372,702</u>	<u>101,216,833</u>	<u>18,844,132</u>
Total Expenses	<u>102,508,537</u>	<u>124,312,818</u>	<u>21,804,282</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(76,247,448)	<u>\$ (99,343,924)</u>	<u>\$ 23,096,476</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	309,628		
Current Year's Project Expenses	13,103,651		
Prior Years' Project Expenses	69,269,047		
Principal Reduction--Long-Term Debt	7,393,179		
Proceeds From Issuance of Bonds	(4,015,402)		
Depreciation	(3,300,653)		
Bond Amortization	(146,856)		
Total Reconciling Items	<u>82,612,594</u>		
Change in net assets	6,365,146		
Net Assets--January 1	<u>126,499,546</u>		
Net Assets--December 31	<u>\$ 132,864,692</u>		



**STORM DRAINAGE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 13,858,322	\$ 13,724,845	\$ 133,477
Other nonoperating income	69,864	2,769,727	(2,699,863)
Earnings on investments	296,921	266,337	30,584
Interest on security lending income	913	-	913
Transfers	31,149	31,149	-
Gain on sale of capital assets	28,259	-	28,259
Contributed capital	358,325	410,429	(52,104)
Total Revenues	<u>14,643,753</u>	<u>17,202,487</u>	<u>(2,558,734)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	2,145,454	2,734,545	589,091
Drainage and detention	1,267,751	1,914,471	646,720
Storm drainage engineering	1,288,223	1,467,761	179,538
Payments and transfers	4,779,879	5,408,547	628,668
Security lending interest expense	602	-	(602)
Security lending agent fees	81	-	(81)
Total Programs	<u>9,481,990</u>	<u>11,525,324</u>	<u>2,043,334</u>
Projects (project level of budgetary control)			
Drainage System Replacement	792,530	1,233,115	440,585
Old Town Basin	261,331	711,890	450,559
McClelland Mail Creek Basin	101,824	103,428	1,604
Spring Creek Basin	4,196,525	4,913,665	717,140
Dry Creek Basin	10,708,799	11,950,000	1,241,201
West Vine Channel	40,440	399,413	358,973
Foothills Basin	3,950	8,728	4,778
Canal Importation	15,751,374	19,036,191	3,284,817
Cooper Slough	607,198	1,467,663	860,465
Fossil Creek	4,364	317,075	312,711
Cache La Poudre Drainageway	909,176	1,259,567	350,391
Utility Service Center	153,547	514,541	360,994
Master Planning	4,336,832	4,761,990	425,158
Flood Mapping	431,624	581,913	150,289
Developer Repays	1,592,848	1,871,262	278,414
Total Projects	<u>39,892,362</u>	<u>49,130,441</u>	<u>9,238,079</u>
Total Expenses	<u>49,374,352</u>	<u>60,655,765</u>	<u>11,281,413</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(34,730,599)	<u>\$ (43,453,278)</u>	<u>\$ 8,722,679</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	24,471		
Current Year's Project Expenses	3,593,301		
Prior Years' Project Expenses	36,299,063		
Principal Reduction--Long-Term Debt	2,682,500		
Depreciation	(2,216,025)		
Bond Amortization	(43,524)		
Total Reconciling Items	<u>40,339,786</u>		
Change in net assets	5,609,187		
Net Assets--January 1	<u>78,733,337</u>		
Net Assets--December 31	<u>\$ 84,342,524</u>		

**GOLF FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 2,658,925	\$ 2,841,000	\$ (182,075)
Other nonoperating income	23,615	45,000	(21,385)
Earnings on investments	3,770	7,193	(3,423)
Interest on security lending income	44	-	44
Gain on sale of capital assets	935	-	935
Total Revenues	<u>2,687,289</u>	<u>2,893,193</u>	<u>(205,904)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Golf courses	2,689,588	2,821,055	131,467
Transfers	72,138	72,138	-
Security lending interest expense	29	-	(29)
Security lending agent fees	4	-	(4)
Total Programs	<u>2,761,759</u>	<u>2,893,193</u>	<u>131,434</u>
Total Expenses	<u>2,761,759</u>	<u>2,893,193</u>	<u>131,434</u>
(Deficiency) of revenues (under) expenses before reconciling items	(74,470)	<u>\$ -</u>	<u>\$ (74,470)</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	68,429		
Principal Reduction--Long-Term Debt	237,806		
Principal Reduction--Capital Lease Obligations	154,108		
Depreciation	(281,980)		
Bond Amortization	(1,152)		
Total Reconciling Items	<u>177,211</u>		
Change in net assets	102,741		
Net Assets--January 1	<u>4,625,705</u>		
Net Assets--December 31	<u>\$ 4,728,446</u>		





INTERNAL SERVICE  
FUNDS

KEEPING FORT COLLINS **GREAT**

**INTERNAL SERVICE FUNDS  
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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**Equipment** -- to account for the fleet services provided to other funds of the City.

**Self-Insurance** -- to account for self-insurance of property and liability claims.

**Data and Communications** -- to account for the acquisition, operation, and maintenance of the City's telephone system, office automation system, and network backbone, as well as computer application services.

**Benefits** -- to account for the self-insurance of employee health care benefits and other benefits provided to City employees.

**Utility Customer Service and Administration** -- to account for customer and administrative services provided to the City's utility funds.

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

	<u>Equipment</u>	<u>Self Insurance</u>	<u>Data and Communications</u>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 102,938	\$ 2,844,684	\$ 319,041
Investments	903,071	3,877,991	2,798,817
Securities lending collateral	33,558	140,581	101,581
Receivables			
Accounts	44,782	27,014	11,727
Interest	4,624	18,942	13,722
Prepaid item	-	178,598	-
Inventories of materials and supplies	580,726	-	-
Total Current Assets	<u>1,669,699</u>	<u>7,087,810</u>	<u>3,244,888</u>
Non-Current Assets			
Land, water rights, other	30,126	-	-
Buildings, improvements and equipment	9,159,747	-	3,386,719
Accumulated depreciation	(5,665,242)	-	(2,347,723)
Total Non-Current Assets	<u>3,524,631</u>	<u>-</u>	<u>1,038,996</u>
Total Assets	<u>5,194,330</u>	<u>7,087,810</u>	<u>4,283,884</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	117,164	22,688	182,177
Interest payable	316	-	-
Wages payable	47,982	8,286	63,940
Compensated absences	136,399	24,440	303,118
Claims payable	-	868,875	-
Capital lease obligations	149,394	-	-
Unearned revenue	-	11,172	-
Obligations under securities lending	33,558	140,581	101,581
Total Current Liabilities	<u>484,813</u>	<u>1,076,042</u>	<u>650,816</u>
Non-Current Liabilities			
Claims payable	-	3,018,302	-
Capital lease obligations	65,647	-	-
Total Non-Current Liabilities	<u>65,647</u>	<u>3,018,302</u>	<u>-</u>
Total Liabilities	<u>550,460</u>	<u>4,094,344</u>	<u>650,816</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	3,309,591	-	1,038,996
Unrestricted	1,334,279	2,993,466	2,594,072
Total Net Assets	<u>\$ 4,643,870</u>	<u>\$ 2,993,466</u>	<u>\$ 3,633,068</u>

<b>Benefits</b>	<b>Utility Customer Service and Admin.</b>	<b>Total</b>
\$ 1,265,538	\$ 477,093	\$ 5,009,294
11,102,033	3,803,602	22,485,514
401,788	138,767	816,275
396,018	2,317	481,858
54,291	18,346	109,925
-	-	178,598
-	-	580,726
13,219,668	4,440,125	29,662,190
-	-	30,126
-	3,105,321	15,651,787
-	(1,919,468)	(9,932,433)
-	1,185,853	5,749,480
13,219,668	5,625,978	35,411,670
34,584	371,856	728,469
-	-	316
10,848	129,320	260,376
32,122	341,749	837,828
1,740,127	-	2,609,002
-	-	149,394
-	-	11,172
401,788	138,767	816,275
2,219,469	981,692	5,412,832
-	-	3,018,302
-	-	65,647
-	-	3,083,949
2,219,469	981,692	8,496,781
-	1,185,853	5,534,440
11,000,199	3,458,433	21,380,449
\$ 11,000,199	\$ 4,644,286	\$ 26,914,889

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Equipment</b>	<b>Self Insurance</b>	<b>Data and Communications</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 7,031,300	\$ 2,217,973	\$ 1,613,010
Total Operating Revenues	7,031,300	2,217,973	1,613,010
<b>OPERATING EXPENSES</b>			
Personal services	2,462,551	483,033	3,614,518
Contractual services	1,073,918	1,099,771	1,856,089
Commodities	3,360,702	85,718	1,073,581
Other	11,099	-	-
Depreciation	716,893	-	294,936
Total Operating Expenses	7,625,163	1,668,522	6,839,124
Operating Income (Loss)	(593,863)	549,451	(5,226,114)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings on investments	(8,187)	84,872	50,685
Interest on security lending income	73	461	275
Security lending interest expense	(48)	(300)	(180)
Security lending agent fees	(6)	(40)	(24)
Other revenue	112,764	7,934	-
Gain (Loss) on sale of capital assets	67,843	-	(50,041)
Interest expense	(14,870)	-	-
Total Nonoperating Revenues (Expenses)	157,569	92,927	715
Income (Loss) Before Contributions and Transfers	(436,294)	642,378	(5,225,399)
Transfers in	-	-	5,618,130
Transfers out	-	-	(443,000)
Changes in Net Assets	(436,294)	642,378	(50,269)
Net Assets--January 1	5,080,164	2,351,088	3,683,337
Net Assets--December 31	\$ 4,643,870	\$ 2,993,466	\$ 3,633,068

<b>Benefits</b>	<b>Utility Customer Service and Admin.</b>	<b>Total</b>
\$ 20,278,689	\$ 13,238,745	\$ 44,379,717
20,278,689	13,238,745	44,379,717
600,637	7,140,560	14,301,299
18,835,411	4,325,250	27,190,439
10,961	446,719	4,977,681
-	28,961	40,060
-	380,649	1,392,478
19,447,009	12,322,139	47,901,957
831,680	916,606	(3,522,240)
167,950	65,367	360,687
928	331	2,068
(609)	(218)	(1,355)
(81)	(29)	(180)
40,000	1,009,761	1,170,459
-	(43,056)	(25,254)
-	-	(14,870)
208,188	1,032,156	1,491,555
1,039,868	1,948,762	(2,030,685)
-	125,119	5,743,249
-	(1,571,787)	(2,014,787)
1,039,868	502,094	1,697,777
9,960,331	4,142,192	25,217,112
\$ 11,000,199	\$ 4,644,286	\$ 26,914,889

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Equipment</u>	<u>Self Insurance</u>	<u>Data and Communications</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services provided	\$ 7,064,035	\$ 2,226,103	\$ 1,621,312
Cash paid to employees for services	(2,448,887)	(481,041)	(3,602,907)
Cash paid to other suppliers of goods & services	(4,388,169)	(3,743,733)	(2,809,363)
Payments for interfund services used	(91,298)	(246)	(1,805)
Other receipts	148,879	7,934	-
Net cash provided (used) by operating activities	<u>284,560</u>	<u>(1,990,983)</u>	<u>(4,792,763)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	-	5,618,130
Transfers to other funds	-	-	(443,000)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>5,175,130</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(130,145)	-	(464,043)
Principal paid on capital debt	(215,845)	-	-
Interest paid on capital debt	(15,319)	-	-
Proceeds from sales of capital assets	67,843	-	-
Net cash (used) by capital and related financing activities	<u>(293,466)</u>	<u>-</u>	<u>(464,043)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Advance to component unit	63,476	172,037	79,766
Proceeds from sales and maturities of investments	20,561	1,581,105	178,300
Purchase of investments	(70,958)	-	(207,789)
Earnings received on investments	(1,976)	136,652	57,900
Interest on security lending income	73	461	275
Security lending interest expense	(48)	(300)	(180)
Security lending agent fees	(6)	(40)	(24)
Net cash provided (used) by investing activities	<u>11,122</u>	<u>1,889,915</u>	<u>108,248</u>
Net increase (decrease) in cash and cash equivalents	2,216	(101,068)	26,572
Cash and cash equivalents, January 1	100,722	2,945,752	292,469
Cash and cash equivalents, December 31	<u>\$ 102,938</u>	<u>\$ 2,844,684</u>	<u>\$ 319,041</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (593,863)	\$ 549,451	\$ (5,226,114)
Other receipts	112,764	7,934	-
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	716,893	-	294,936
(Increase) decrease in accounts receivable	32,735	8,130	6,497
(Increase) decrease in intergovernmental receivables	36,115	-	-
(Increase) decrease in inventories	(54,426)	-	-
Increase (decrease) in accounts payable	20,678	(23,146)	120,307
Increase (decrease) in compensated absences payable	2,980	1,329	5,106
Increase (decrease) in wages payable	10,684	663	6,505
Increase (decrease) in claims payable	-	(2,529,435)	-
Increase (decrease) in deferred revenue	-	(5,909)	-
Net cash provided (used) by operating activities	<u>\$ 284,560</u>	<u>\$ (1,990,983)</u>	<u>\$ (4,792,763)</u>



<b>Benefits</b>	<b>Utility Customer Service and Admin.</b>	<b>Total</b>
\$ 20,198,819	\$ 13,236,488	\$ 44,346,757
(593,413)	(7,109,441)	(14,235,689)
(18,789,684)	(4,521,115)	(34,252,064)
(140)	-	(93,489)
40,000	1,009,761	1,206,574
855,582	2,615,693	(3,027,911)
-	125,119	5,743,249
-	(1,571,787)	(2,014,787)
-	(1,446,668)	3,728,462
-	(159,090)	(753,278)
-	-	(215,845)
-	-	(15,319)
-	-	67,843
-	(159,090)	(916,599)
181,129	57,810	554,218
-	-	1,779,966
(1,070,686)	(1,030,225)	(2,379,658)
235,294	80,294	508,164
928	331	2,068
(609)	(218)	(1,355)
(81)	(29)	(180)
(654,025)	(892,037)	463,223
201,557	117,898	247,175
1,063,981	359,195	4,762,119
\$ 1,265,538	\$ 477,093	\$ 5,009,294
\$ 831,680	\$ 916,606	\$ (3,522,240)
40,000	1,009,761	1,170,459
-	380,649	1,392,478
(79,870)	(2,257)	(34,765)
-	-	36,115
-	-	(54,426)
33,895	279,815	431,549
4,865	9,447	23,727
2,359	21,672	41,883
22,653	-	(2,506,782)
-	-	(5,909)
\$ 855,582	\$ 2,615,693	\$ (3,027,911)



**EQUIPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 7,031,300	\$ 9,450,091	\$ (2,418,791)
Other nonoperating income	112,764	126,503	(13,739)
Earnings on investments	(8,187)	63,498	(71,685)
Interest on security lending income	73	-	73
Gain on sale of capital assets	67,843	6,000	61,843
Total Revenues	<u>7,203,793</u>	<u>9,646,092</u>	<u>(2,442,299)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Fleet services	7,269,130	9,451,142	2,182,012
Security lending interest expense	48	-	(48)
Security lending agent fees	6	-	(6)
Total Programs	<u>7,269,184</u>	<u>9,451,142</u>	<u>2,181,958</u>
Total Expenses	<u>7,269,184</u>	<u>9,451,142</u>	<u>2,181,958</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(65,391)	<u>\$ 194,950</u>	<u>\$ (260,341)</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	130,145		
Principal Reduction--Capital Lease Obligations	215,845		
Depreciation	<u>(716,893)</u>		
Total Reconciling Items	<u>(370,903)</u>		
Change in net assets	(436,294)		
Net Assets--January 1	<u>5,080,164</u>		
Net Assets--December 31	<u>\$ 4,643,870</u>		

**SELF INSURANCE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 2,217,973	\$ 2,277,915	\$ (59,942)
Other nonoperating income	7,934	-	7,934
Earnings on investments	84,872	141,904	(57,032)
Interest on security lending income	461	-	461
Total Revenues	<u>2,311,240</u>	<u>2,419,819</u>	<u>(108,579)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Risk Management	473,818	527,973	54,155
Property & Liability Insurance	1,065,416	1,354,258	288,842
Workers Compensation	37,533	1,292,500	1,254,967
Risk Management Environmental	91,755	118,233	26,478
Security lending interest expense	300	-	(300)
Security lending agent fees	40	-	(40)
Total Expenses	<u>1,668,862</u>	<u>3,292,964</u>	<u>1,624,102</u>
Change in Net Assets	642,378	<u>\$ (873,145)</u>	<u>\$ 1,515,523</u>
Net Assets--January 1	<u>2,351,088</u>		
Net Assets--December 31	<u>\$ 2,993,466</u>		

**DATA AND COMMUNICATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 1,613,010	\$ 1,532,797	\$ 80,213
Earnings on investments	50,685	37,975	12,710
Interest on security lending income	275	-	275
Transfers	5,618,130	5,890,546	(272,416)
Loss on sale of capital assets	(50,041)	-	(50,041)
Total Revenues	<u>7,232,059</u>	<u>7,461,318</u>	<u>(229,259)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Management of Information Services	7,008,231	9,131,569	2,123,338
Security lending interest expense	180	-	(180)
Security lending agent fees	24	-	(24)
Transfers	443,000	443,000	-
Total Programs	<u>7,451,435</u>	<u>9,574,569</u>	<u>2,123,134</u>
Total Expenses	<u>7,451,435</u>	<u>9,574,569</u>	<u>2,123,134</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(219,376)	<u>\$ (2,113,251)</u>	<u>\$ 1,893,875</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	464,043		
Depreciation	(294,936)		
Total Reconciling Items	<u>169,107</u>		
Change in net assets	(50,269)		
Net Assets--January 1	<u>3,683,337</u>		
Net Assets--December 31	<u>\$ 3,633,068</u>		

**BENEFITS FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 20,278,689	\$ 19,197,700	\$ 1,080,989
Other nonoperating income	40,000	40,000	-
Earnings on investments	167,950	160,973	6,977
Interest on security lending income	928	-	928
Total Revenues	<u>20,487,567</u>	<u>19,398,673</u>	<u>1,088,894</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Benefits	19,447,009	20,321,405	874,396
Security lending interest expense	609	-	(609)
Security lending agent fees	81	-	(81)
Total Expenses	<u>19,447,699</u>	<u>20,321,405</u>	<u>873,706</u>
Change in Net Assets	1,039,868	<u>\$ (922,732)</u>	<u>\$ 1,962,600</u>
Net Assets--January 1	<u>9,960,331</u>		
Net Assets--December 31	<u>\$ 11,000,199</u>		

**UTILITY CUSTOMER SERVICE AND ADMINISTRATIVE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 13,238,745	\$ 15,960,716	\$ (2,721,971)
Other nonoperating income	1,009,761	898,289	111,472
Earnings on investments	65,367	43,044	22,323
Interest on security lending income	331	-	331
Transfers	125,119	125,119	-
Loss on sale of capital assets	(43,056)	-	(43,056)
Total Revenues	<u>14,396,267</u>	<u>17,027,168</u>	<u>(2,630,901)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	12,077,329	15,489,941	3,412,612
Transfers	1,571,787	1,863,982	292,195
Total Programs	<u>13,649,116</u>	<u>17,353,923</u>	<u>3,704,807</u>
Projects (project level of budgetary control)			
IVR/ACD System Maintenance	7,950	7,950	-
Security Improvement	84,048	84,048	-
System Additions	-	178,002	178,002
Voice Over IP	35,922	30,000	(5,922)
Total Projects	<u>127,920</u>	<u>300,000</u>	<u>172,080</u>
Total Expenses	<u>13,777,036</u>	<u>17,653,923</u>	<u>3,876,887</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	619,231	<u>\$ (626,755)</u>	<u>\$ 1,245,986</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	135,592		
Current Year's Project Expenses	23,498		
Prior Years' Project Expenses	104,422		
Depreciation	(380,649)		
Total Reconciling Items	<u>(117,137)</u>		
Change in net assets	502,094		
Net Assets--January 1	<u>4,142,192</u>		
Net Assets--December 31	<u>\$ 4,644,286</u>		



KEEPING FORT COLLINS **GREAT**

**FIDUCIARY FUNDS**  
**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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**Trust Funds:**

**General Employees' Retirement Plan --** to account for the general employees' retirement plan.  
Closed to new hires as of 1/1/1999.

**Agency Funds:**

**Poudre Fire Authority --** to account for cash and investments held by the City on behalf of Poudre Fire Authority

**Poudre River Public Library District --** to account for cash and investments held by the City on behalf  
of Poudre River Public Library District.

**GENERAL EMPLOYEES' RETIREMENT PLAN TRUST FUND  
SCHEDULE OF CHANGES IN NET ASSETS HELD IN TRUST FOR  
PENSION BENEFITS - ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Contributions	\$ 2,100,467	\$ 1,300,000	\$ 800,467
Earnings on investments	618,798	490,000	128,798
Net increase in the fair value of investments	<u>3,444,739</u>	<u>-</u>	<u>3,444,739</u>
Total Operating Revenues	<u>6,164,004</u>	<u>1,790,000</u>	<u>4,374,004</u>
<b>OPERATING EXPENSES</b>			
Benefit payments	35,408	2,732,973	2,697,565
Administration	<u>4,074,948</u>	<u>27,450</u>	<u>(4,047,498)</u>
Total Operating Expenses	<u>4,110,356</u>	<u>2,760,423</u>	<u>(1,349,933)</u>
Changes in Net Assets	2,053,648	<u>\$ (970,423)</u>	<u>\$ 3,024,071</u>
Net Assets Held in Trust for Retirement Benefits--January 1	<u>37,302,262</u>		
Net Assets Held in Trust for Retirement Benefits--December 31	<u>\$ 39,355,910</u>		



**AGENCY FUNDS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**DECEMBER 31, 2010**

	<b><u>Poudre Fire Authority</u></b>	<b><u>Poudre River Public Library District</u></b>	<b><u>Total Agency Funds</u></b>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 936,293	\$1,019,982	\$ 1,956,275
Receivables			
Interest	40,281	36,393	76,674
Investments, at fair value			
Certificates of deposit	648,297	586,744	1,235,041
U S Government securities	7,145,150	6,465,432	13,610,582
Corporate bonds	<u>458,408</u>	<u>414,882</u>	<u>873,290</u>
Total Investments, at fair value	<u>8,251,855</u>	<u>7,467,058</u>	<u>15,718,913</u>
Total Assets	<u>9,228,429</u>	<u>8,523,433</u>	<u>17,751,862</u>
<b>LIABILITIES</b>			
Current Liabilities			
Amounts held for other governments	<u>9,228,429</u>	<u>8,523,433</u>	<u>17,751,862</u>
Total Liabilities	<u><u>\$ 9,228,429</u></u>	<u><u>\$8,523,433</u></u>	<u><u>\$17,751,862</u></u>

**AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>POUDRE FIRE AUTHORITY</b>				
	<b>Balance-- Dec. 31, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance-- Dec. 31, 2010</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 828,302	\$ 31,914,316	\$ 31,806,325	\$ 936,293
Receivables - interest	61,430	811	21,960	40,281
Investments, at fair value				
Certificates of deposit	-	648,297	-	648,297
U S Government securities	7,806,871	615,017	1,276,738	7,145,150
Corporate bonds	331,942	127,831	1,365	458,408
Total Investments, at fair value	<u>8,138,813</u>	<u>1,391,145</u>	<u>1,278,103</u>	<u>8,251,855</u>
Total Assets	<u>9,028,545</u>	<u>33,306,272</u>	<u>33,106,388</u>	<u>9,228,429</u>
<b>LIABILITIES</b>				
Amounts held for other governments	<u>\$ 9,028,545</u>	<u>\$ 33,306,272</u>	<u>\$ 33,106,388</u>	<u>\$ 9,228,429</u>
<b>POUDRE RIVER PUBLIC LIBRARY DISTRICT</b>				
	<b>Balance-- Dec. 31, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance-- Dec. 31, 2010</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,558,057	\$ 17,019,604	\$ 17,557,679	\$ 1,019,982
Receivables - interest	42,459	12,608	18,674	36,393
Investments, at fair value				
Certificates of deposit	-	586,744	-	586,744
U S Government securities	5,379,894	1,931,130	845,592	6,465,432
Corporate bonds	232,283	183,465	866	414,882
Total Investments, at fair value	<u>5,612,177</u>	<u>2,701,339</u>	<u>846,458</u>	<u>7,467,058</u>
Total Assets	<u>7,212,693</u>	<u>19,733,551</u>	<u>18,422,811</u>	<u>8,523,433</u>
<b>LIABILITIES</b>				
Amounts held for other governments	<u>\$ 7,212,693</u>	<u>\$ 19,733,551</u>	<u>\$ 18,422,811</u>	<u>\$ 8,523,433</u>
<b>TOTAL - ALL FUNDS</b>				
	<b>Balance-- Dec. 31, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance-- Dec. 31, 2010</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,386,359	\$ 48,933,920	\$ 49,364,004	\$ 1,956,275
Receivables - interest	103,889	13,419	40,634	76,674
Investments, at fair value				
Certificates of deposit	-	1,235,041	-	1,235,041
U S Government securities	13,186,765	2,546,147	2,122,330	13,610,582
Corporate bonds	564,225	311,296	2,231	873,290
Total Investments, at fair value	<u>13,750,990</u>	<u>4,092,484</u>	<u>2,124,561</u>	<u>15,718,913</u>
Total Assets	<u>16,241,238</u>	<u>53,039,823</u>	<u>51,529,199</u>	<u>17,751,862</u>
<b>LIABILITIES</b>				
Amounts held for other governments	<u>\$ 16,241,238</u>	<u>\$ 53,039,823</u>	<u>\$ 51,529,199</u>	<u>\$ 17,751,862</u>



KEEPING FORT COLLINS **GREAT**

**COMPONENT UNIT FUNDS  
RECONCILIATIONS  
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

---

**DOWNTOWN DEVELOPMENT AUTHORITY**

**Reconciliations:**

Reconciliation of the Balance Sheet to the Statement of Net Assets

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

**Funds:**

**General** -- to account for all general operations of the DDA except those required to be accounted for in another fund.

**Debt Service** -- to account for tax increment revenues received from property taxes and used to service the DDA's tax increment bonds.

**COMPONENT UNIT  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2010**

	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,451,922	\$ -	\$ 1,451,922
Investments	12,736,238	-	12,736,238
Receivables			
Property taxes	6,407,204	-	6,407,204
Accounts	3,563	-	3,563
Interest	65,887	-	65,887
Prepaid	21,375	-	21,375
Inventory of real property held for resale	135,464	-	135,464
Restricted investments	1,250,000	-	1,250,000
Capital assets (non-depreciable)	-	2,528,747	1 2,528,747
Capital assets (net of accumulated depreciation)	-	4,368,254	1 4,368,254
Unamortized bond issuance costs	-	116,500	2 116,500
Total Assets	<u>\$ 22,071,653</u>	<u>\$ 7,013,501</u>	<u>\$ 29,085,154</u>
<b>LIABILITIES</b>			
Accounts payable	69,186	-	69,186
Interest payable	-	167,821	3 167,821
Wages payable	14,633	-	14,633
Advance from primary government	1,220,000	-	1,220,000
Unearned revenue	6,507,204	-	6,507,204
Non-Current liabilities			
Due within one year	-	3,518,549	3 3,518,549
Due after one year	-	12,500,000	3 12,500,000
Total Liabilities	<u>7,811,023</u>	<u>16,186,370</u>	<u>23,997,393</u>
<b>FUND BALANCES/NET ASSETS</b>			
Fund balances			
Nonspendable	156,839	-	156,839
Restricted	1,250,000	-	1,250,000
Assigned	12,334,332	(12,334,332)	-
Unassigned	519,459	-	519,459
Total Fund Balances	<u>14,260,630</u>	<u>(12,334,332)</u>	<u>1,926,298</u>
Total Liabilities and Fund Balances	<u>\$ 22,071,653</u>		
Net Assets:			
Invested in capital assets, net of related debt		6,897,001	6,897,001
Restricted for debt service		1,250,000	1,250,000
Unrestricted (deficits)		(3,059,240)	4 (3,059,240)
Total Net Assets of Component Unit (page 27)		<u>\$ 5,087,761</u>	<u>\$ 5,087,761</u>

- 1 Capital assets net of accumulated depreciation used in governmental activities are not current financial resources. Therefore they are not reported in the funds.
- 2 Bond issuance costs are not financial resources and therefore not reported in the funds.
- 3 Long-term liabilities, including bonds payable, related interest, and compensated absences, are not due and payable in the current period and therefore not reported in the funds.
- 4 The component unit receives tax increment to service the bonds issued for improvements made within the downtown area. A majority of these improvements relate to building facades intended to preserve the historical architecture in the Old Town area of the City's downtown. Although the component unit may benefit over time from any increase in the assessed value of these properties related to these improvements, no assets are recorded in relation to these activities. As a result, the statement of net assets for the component unit reflects a deficit balance for unrestricted net assets.

See the accompanying independent auditors' report

**COMPONENT UNIT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses (including transfers):			
Expenditures/expenses	\$ 8,438,487	\$ (227,867) <sup>1</sup>	\$ 8,210,620
	<u>8,438,487</u>	<u>(227,867)</u>	<u>8,210,620</u>
Program Revenues			
Charges for services	564,847	-	564,847
Operating grants and contributions	49,699	-	49,699
Net Program Revenues	<u>614,546</u>	<u>-</u>	<u>614,546</u>
Net Program Expense	<u>7,823,941</u>	<u>(227,867)</u>	<u>7,596,074</u>
General Revenues			
Property taxes	6,159,032	-	6,159,032
Investment earnings	254,206	-	254,206
Miscellaneous	16,030,873	(15,996,000) <sup>2</sup>	34,873
Total General Revenues	<u>22,444,111</u>	<u>(15,996,000)</u>	<u>6,448,111</u>
Change in Net Assets (pages 28-29)	14,620,170	(15,768,133)	(1,147,963)
Fund Balance (Deficit)/Net Assets			
Beginning of the year	(359,540)	6,595,264	6,235,724
End of the year	<u>\$ 14,260,630</u>	<u>\$ (9,172,869)</u>	<u>\$ 5,087,761</u>

- <sup>1</sup> 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 the governmental funds

Net increase in accrued interest related to last debt service payment	141,239
Net decrease in compensated absences	(2,968)
Debt Payment	(378,938)
Net decrease in current year amortization of bond cost	(107,390)
Current year depreciation	120,190
	<u>\$ (227,867)</u>

- <sup>2</sup> Proceeds from issuance of long term debt are not reported as revenues  
Proceeds from issuance of long term debt are not reported as revenues

(15,996,000)
<u>\$ (15,996,000)</u>

See the accompanying independent auditors' report

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**BALANCE SHEET**  
**DECEMBER 31, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,380,701	\$ 71,221	\$ 1,451,922
Investments	12,111,456	624,782	12,736,238
Receivables			
Property taxes	596,439	5,810,765	6,407,204
Accounts	3,563	-	3,563
Interest	59,362	6,525	65,887
Prepaid item	21,375	-	21,375
Inventory of real property held for resale	135,464	-	135,464
Restricted assets - investmemts	-	1,250,000	1,250,000
Total Assets	<u>14,308,360</u>	<u>7,763,293</u>	<u>22,071,653</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable, accruals, and other	69,186	-	69,186
Wages payable	14,633	-	14,633
Advance from primary government	-	1,220,000	1,220,000
Deferred revenue	696,439	5,810,765	6,507,204
Total Liabilities	<u>780,258</u>	<u>7,030,765</u>	<u>7,811,023</u>
Fund Balances			
Nonspendable	156,839	-	156,839
Restricted	-	1,250,000	1,250,000
Assigned	12,334,332	-	12,334,332
Unassigned	1,036,931	(517,472)	519,459
Total Fund Balances	<u>13,528,102</u>	<u>732,528</u>	<u>14,260,630</u>
Total Liabilities and Fund Balances	<u>\$ 14,308,360</u>	<u>\$ 7,763,293</u>	<u>\$ 22,071,653</u>



**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 602,384	\$ 5,556,648	\$ 6,159,032
Licenses and permits	1,800	-	1,800
Intergovernmental	49,699	-	49,699
Fees and charges for services	563,047	-	563,047
Earnings on investments	178,995	75,211	254,206
Miscellaneous revenue	34,873	-	34,873
Total Revenues	<u>1,430,798</u>	<u>5,631,859</u>	<u>7,062,657</u>
<b>EXPENDITURES</b>			
Current operating			
Administrative	7,177,460	35,548	7,213,008
Debt service			
Principal	-	558,668	558,668
Interest	-	550,311	550,311
Bond issue costs	116,500	-	116,500
Total Expenditures	<u>7,293,960</u>	<u>1,144,527</u>	<u>8,438,487</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(5,863,162)</u>	<u>4,487,332</u>	<u>(1,375,830)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from issuance of long term debt	12,500,000	3,496,000	15,996,000
Transfers in	-	1,250,000	1,250,000
Transfers out			
Debt Services - COPS	(1,250,000)	-	(1,250,000)
Total Other Financing Sources	<u>11,250,000</u>	<u>4,746,000</u>	<u>15,996,000</u>
Net Change in Fund Balances	5,386,838	9,233,332	14,620,170
Fund Balances (Deficit)-January 1	<u>8,141,264</u>	<u>(8,500,804)</u>	<u>(359,540)</u>
Fund Balances-December 31	<u>\$ 13,528,102</u>	<u>\$ 732,528</u>	<u>\$ 14,260,630</u>



**DOWNTOWN DEVELOPMENT AUTHORITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 602,384	\$ 590,379	\$ 12,005
Licenses and permits	1,800	1,800	-
Intergovernmental	49,699	92,599	(42,900)
Fees and charges for services	563,047	488,247	74,800
Earnings on investments	178,995	11,824	167,171
Miscellaneous revenue	34,873	84,600	(49,727)
Total Revenues	<u>1,430,798</u>	<u>1,269,449</u>	<u>161,349</u>
<b>EXPENDITURES</b>			
Administration	7,177,460	20,723,082	13,545,622
Bond issue costs	116,500	122,500	6,000
Total Expenditures	<u>7,293,960</u>	<u>20,845,582</u>	<u>13,551,622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,863,162)</u>	<u>(19,576,133)</u>	<u>13,712,971</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from issuance of long-term debt	12,500,000	12,500,000	-
Transfers out	(1,250,000)	(1,250,000)	-
Total Other Financing Sources (Uses)	<u>11,250,000</u>	<u>11,250,000</u>	<u>-</u>
Net Change in Fund Balances	5,386,838	<u>\$ (8,326,133)</u>	<u>\$ 13,712,971</u>
Fund Balances--January 1	<u>8,141,264</u>		
Fund Balances--December 31	<u>\$ 13,528,102</u>		

**DOWNTOWN DEVELOPMENT AUTHORITY  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 5,556,648	\$ 5,687,599	\$ (130,951)
Earnings on investments	75,211	62,641	12,570
Total Revenues	<u>5,631,859</u>	<u>5,750,240</u>	<u>(118,381)</u>
<b>EXPENDITURES</b>			
Internal Administration Services	35,548	33,972	(1,576)
Principal	558,668	7,500,730	6,942,062
Interest	550,311	579,902	29,591
Total Expenditures	<u>1,144,527</u>	<u>8,114,604</u>	<u>6,970,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,487,332</u>	<u>(2,364,364)</u>	<u>6,851,696</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance of long-term debt	3,496,000	-	3,496,000
Transfers in	1,250,000	1,250,000	-
Total Other Financing Sources	<u>4,746,000</u>	<u>1,250,000</u>	<u>3,496,000</u>
Net Change in Fund Balances	9,233,332	<u>\$ (1,114,364)</u>	<u>\$ 10,347,696</u>
Fund Balances (Deficit)--January 1	<u>(8,500,804)</u>		
Fund Balances--December 31	<u>\$ 732,528</u>		

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# STATISTICAL SECTION



# Statistical Section

This part of the City of Fort Collins 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 governments overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the City of Fort Collins' financial performance and well-being have changed over time.

Net Assets by Component .....	Exh. A-1 .....	153
Changes in Net Assets .....	Exh. A-2 .....	154
Fund Balances, Governmental Funds .....	Exh. A-3 .....	155
Changes in Fund Balances, Governmental Funds .....	Exh. A-4 .....	156

Revenue Capacity - These schedules contain information to help the reader assess the City of Fort Collins' most significant local revenue sources - Sales and Use taxes.

Taxable Sales by Category .....	Exh. A-5 .....	157
Direct and Overlapping Sales Tax Rates .....	Exh. A-6 .....	158
Sales Tax Revenue Taxpayers by Industry.....	Exh. A-7 .....	159

Debt Capacity - These schedules present information to help the reader assess the affordability of the City of Fort Collins' current levels of outstanding debt and its ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type .....	Exh. A-8 .....	160
Ratios of General Bonded Debt Outstanding .....	Exh. A-9 .....	161
Direct & Overlapping Governmental Act. Debt.....	Exh. A-10 .....	162
Legal Debt Margin Information.....	Exh. A-11 .....	163
Pledged Revenue Coverage .....	Exh. A-12 .....	164

Demographic and Economic Information - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City of Fort Collins financial activities take place.

Demographic and Economic Statistics .....	Exh. A-13 .....	166
Principal Employers.....	Exh. A-14 .....	167
Full-time Equivalent City Emp. By Function/Program ....	Exh. A-15 .....	168

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in City of Fort Collins financial report relates to the services government provides and the activities it performs.

Operating Indicators by Function/Program .....	Exh. A-16 .....	169
Capital Asset Statistics by Function/Program .....	Exh. A-17 .....	170

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

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**Net Assets by Component** *(in thousands)*  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 118,462	\$ 194,620	\$ 419,142	\$ 392,475	\$ 428,474	\$ 481,713	\$ 526,367	\$ 551,853	\$ 573,887	\$ 597,270
Restricted	6,868	11,546	7,675	10,005	9,826	8,957	7,490	5,229	8,960	37,138
Unrestricted	159,735	130,336	126,505	173,580	194,505	174,208	165,316	164,993	146,408	108,882
Total governmental activities net assets	285,064	336,501	553,322	576,060	632,805	664,877	699,172	722,074	729,256	743,290
Business-type activities										
Invested in capital assets, net of related debt	261,470	291,048	327,794	340,554	358,079	376,929	398,949	429,392	453,420	466,364
Restricted	13,512	19,012	7,117	4,546	1,118	1,091	1,130	1,642	1,671	1,030
Unrestricted	110,193	109,482	109,284	123,724	141,010	161,847	175,273	168,966	157,998	163,527
Total business-type activities net assets	385,175	419,543	444,194	468,824	500,207	539,867	575,353	600,000	613,089	630,922
Primary government										
Invested in capital assets, net of related debt	379,932	485,668	746,936	733,029	786,553	858,642	925,317	981,245	1,027,307	1,063,634
Restricted	20,380	30,558	14,792	14,551	10,944	10,047	8,620	6,871	10,631	38,168
Unrestricted	269,927	239,818	235,789	297,304	335,515	336,055	340,589	333,958	304,406	272,409
Total Primary government net assets	\$ 670,240	\$ 756,044	\$ 997,516	\$ 1,044,884	\$ 1,133,012	\$ 1,204,744	\$ 1,274,525	\$ 1,322,075	\$ 1,342,345	\$ 1,374,212

*Totals may not add due to rounding*

**Changes in Net Assets** (in thousands)  
Last Ten Fiscal Years  
(accrual basis of accounting)

<b>Expenses</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Governmental activities</b>										
General government	\$ 14,198	\$ 20,885	\$ 22,943	\$ 13,358	\$ 19,382	\$ 27,085	\$ 26,553	\$ 33,535	\$ 32,868	\$ 29,752
Public safety	31,768	34,467	34,662	35,766	38,703	43,299	44,412	46,521	50,056	48,854
Culture, parks, recreation & environment	33,561	25,220	22,699	31,412	34,029	32,004	34,790	35,490	38,515	27,342
Planning and development	1,110	11,113	9,747	11,730	5,752	5,525	7,593	6,585	9,706	14,331
Transportation	46,422	42,135	35,262	43,125	41,074	44,644	42,839	44,659	36,471	34,698
Library	3,638	3,938	3,759	3,645	3,790	3,729	3,900	-	-	-
Interest on long-term debt	2,298	1,968	1,237	2,092	3,172	3,100	3,113	3,063	2,632	2,682
<b>Total governmental activities expenses</b>	<b>132,996</b>	<b>139,724</b>	<b>130,308</b>	<b>141,128</b>	<b>145,902</b>	<b>159,386</b>	<b>163,199</b>	<b>169,852</b>	<b>170,247</b>	<b>157,659</b>
<b>Business-type activities</b>										
Light & Power	62,481	65,180	67,103	69,014	73,898	73,793	80,479	81,620	83,888	91,693
Water	17,810	17,972	18,991	19,644	19,787	19,790	23,272	21,205	20,667	19,671
Wastewater	13,645	13,665	13,079	14,105	13,866	13,187	14,240	13,370	14,668	14,129
Storm drainage	5,216	6,499	6,826	8,237	8,187	7,493	9,132	9,021	9,426	8,307
Golf	2,166	2,303	2,349	2,297	2,529	2,469	2,697	2,507	2,387	2,454
Fort Collins Housing Authority	6,437	-	-	-	-	-	-	-	-	-
<b>Total business-type activities expenses</b>	<b>107,754</b>	<b>105,618</b>	<b>108,348</b>	<b>113,297</b>	<b>118,267</b>	<b>116,732</b>	<b>129,820</b>	<b>127,723</b>	<b>131,037</b>	<b>136,253</b>
<b>Total primary government expenses</b>	<b>240,749</b>	<b>245,343</b>	<b>238,656</b>	<b>254,425</b>	<b>264,169</b>	<b>276,118</b>	<b>293,019</b>	<b>297,575</b>	<b>301,284</b>	<b>293,911</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
General government	3,476	3,927	3,309	4,299	4,297	4,706	4,890	12,962	8,863	6,782
Public safety	1,633	1,562	2,998	2,768	2,371	2,436	3,719	1,823	1,930	1,862
Culture, parks, recreation & environment	6,115	5,965	6,601	6,223	6,952	7,257	11,868	8,065	7,388	7,004
Planning and development	2,812	4,582	3,110	3,588	3,063	2,828	2,617	1,649	994	1,295
Transportation	9,971	8,252	8,549	9,216	8,805	9,296	9,293	12,003	8,577	8,101
Operating grants & contributions	9,702	11,715	10,194	10,454	23,640	10,684	10,988	6,412	7,387	7,991
Capital grants & contributions	23,641	45,931	25,086	28,275	46,702	31,530	30,932	7,775	25,717	16,014
<b>Total governmental activities program revenues</b>	<b>57,349</b>	<b>81,935</b>	<b>59,848</b>	<b>64,823</b>	<b>95,829</b>	<b>68,736</b>	<b>74,306</b>	<b>50,690</b>	<b>60,856</b>	<b>49,049</b>
<b>Business-type activities</b>										
Light & Power	67,104	69,581	71,020	74,571	80,049	81,482	83,326	83,521	84,253	94,235
Water	21,556	22,565	23,615	22,798	24,544	26,366	25,243	24,499	21,978	24,463
Wastewater	13,314	13,395	12,994	13,415	13,908	14,235	15,114	16,272	17,803	19,275
Storm drainage	6,697	10,782	11,963	13,234	13,505	13,074	13,197	13,576	13,631	13,869
Golf	2,278	2,356	2,207	2,215	2,415	2,540	2,579	2,644	2,608	2,676
Fort Collins Housing Authority	1,021	-	-	-	-	-	-	-	-	-
Operating grants & contributions	5,791	57	182	52	57	13	20	24	112	220
Capital grants & contributions	18,250	12,152	12,696	12,984	16,591	16,151	16,651	12,233	8,169	9,019
<b>Total business-type activities program revenues</b>	<b>136,012</b>	<b>130,889</b>	<b>134,676</b>	<b>139,270</b>	<b>151,069</b>	<b>153,860</b>	<b>156,129</b>	<b>152,768</b>	<b>148,553</b>	<b>163,757</b>
<b>Total primary government program revenues</b>	<b>193,361</b>	<b>212,824</b>	<b>194,524</b>	<b>204,093</b>	<b>246,898</b>	<b>222,596</b>	<b>230,436</b>	<b>203,458</b>	<b>209,409</b>	<b>212,805</b>
<b>Net (expenses) revenue</b>										
<b>Governmental activities</b>	<b>(75,647)</b>	<b>(57,789)</b>	<b>(70,460)</b>	<b>(76,304)</b>	<b>(50,073)</b>	<b>(90,649)</b>	<b>(88,892)</b>	<b>(119,162)</b>	<b>(109,391)</b>	<b>(108,610)</b>
<b>Business-type activities</b>	<b>28,259</b>	<b>25,270</b>	<b>26,328</b>	<b>25,973</b>	<b>32,802</b>	<b>37,128</b>	<b>26,309</b>	<b>25,046</b>	<b>17,517</b>	<b>27,504</b>
<b>Total primary government net expenses</b>	<b>(47,388)</b>	<b>(32,519)</b>	<b>(44,132)</b>	<b>(50,332)</b>	<b>(17,271)</b>	<b>(53,522)</b>	<b>(62,583)</b>	<b>(94,116)</b>	<b>(91,874)</b>	<b>(81,106)</b>
<b>General revenues and other changes in net assets</b>										
<b>Governmental activities</b>										
Taxes:										
Sales & use taxes	70,591	69,519	68,376	72,057	72,735	75,631	78,445	75,865	70,501	74,719
Property taxes	13,052	13,503	13,903	14,444	14,955	15,898	16,298	16,683	17,038	17,833
Occupational privilege taxes	2,104	2,094	2,341	2,253	2,228	2,424	2,359	2,494	2,413	2,327
Lodging tax	565	574	582	601	668	842	838	833	736	808
Intergovernmental not restricted to programs	521	527	504	527	494	486	541	10,420	9,277	9,919
Gain on investment in joint venture	-	-	-	-	-	-	-	505	611	249
Investment earnings	9,266	5,684	2,820	2,955	8,941	17,231	14,546	9,043	3,655	2,367
Miscellaneous	909	3,335	512	278	392	3,540	3,261	14,400	1,394	787
Transfers	6,688	5,777	4,881	5,927	6,405	6,670	6,900	11,820	10,947	13,636
<b>Total governmental activities</b>	<b>103,695</b>	<b>101,012</b>	<b>93,918</b>	<b>99,042</b>	<b>106,818</b>	<b>122,722</b>	<b>123,188</b>	<b>142,064</b>	<b>116,573</b>	<b>122,644</b>
<b>Business-type activities</b>										
Intergovernmental not restricted to programs	-	-	-	-	-	-	10	-	-	-
Investment earnings	6,781	4,719	3,041	2,434	3,719	7,072	15,279	9,583	4,727	2,585
Sale of land & equipment	869	768	(39)	1,535	244	-	-	-	-	-
Insurance recovery	117	163	73	-	-	-	-	-	-	-
Other miscellaneous	186	44	130	1,102	1,022	2,130	787	1,839	1,792	1,379
Transfers	(5,873)	(5,777)	(4,881)	(5,927)	(6,405)	(6,670)	(6,900)	(11,820)	(10,947)	(13,636)
<b>Total business-type activities</b>	<b>2,081</b>	<b>(82)</b>	<b>(1,677)</b>	<b>(855)</b>	<b>(1,420)</b>	<b>2,532</b>	<b>9,177</b>	<b>(398)</b>	<b>(4,428)</b>	<b>(9,671)</b>
<b>Total primary government</b>	<b>105,776</b>	<b>100,930</b>	<b>92,242</b>	<b>98,187</b>	<b>105,399</b>	<b>125,254</b>	<b>132,364</b>	<b>141,666</b>	<b>112,144</b>	<b>112,973</b>
<b>Change in net assets</b>										
<b>Governmental activities</b>	<b>28,049</b>	<b>43,223</b>	<b>23,458</b>	<b>22,738</b>	<b>56,745</b>	<b>32,072</b>	<b>34,295</b>	<b>22,902</b>	<b>7,181</b>	<b>14,034</b>
<b>Business-type activities</b>	<b>30,339</b>	<b>25,188</b>	<b>24,652</b>	<b>25,118</b>	<b>31,383</b>	<b>39,660</b>	<b>35,486</b>	<b>24,648</b>	<b>13,088</b>	<b>17,833</b>
<b>Total primary government</b>	<b>\$ 58,388</b>	<b>\$ 68,411</b>	<b>\$ 48,109</b>	<b>\$ 47,855</b>	<b>\$ 88,128</b>	<b>\$ 71,732</b>	<b>\$ 69,781</b>	<b>\$ 47,549</b>	<b>\$ 20,270</b>	<b>\$ 31,867</b>

Totals may not add due to rounding



**Fund Balances, Governmental Funds (in thousands)**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Non Spendable	\$ 125	\$ 125	\$ 1,781	\$ 1,781	\$ 1,781	\$ 3,026	\$ 3,026	\$ 3,026	\$ 16,616	\$ 9,546
Restricted	946	1,142	5,876	6,085	6,433	5,386	5,278	4,956	4,287	6,400
Committed	502	509	521	420	460	813	1,025	569	700	720
Assigned	22,356	24,475	22,432	21,146	24,418	21,806	16,444	13,008	5,015	4,929
Unassigned	10,885	5,385	6,187	4,723	4,304	11,973	22,485	23,897	10,977	19,330
Total general fund	34,814	31,635	36,797	34,155	37,397	43,005	48,258	45,456	37,594	40,924
All Other Governmental Funds										
Non Spendable	363	32	-	-	-	-	-	-	1	6
Restricted	3,478	3,425	410	411	428	1,183	1,199	1,245	4,674	31,816
Committed	17,626	14,600	18,231	21,823	25,495	15,293	13,440	14,652	14,352	27,556
Assigned	88,671	82,238	71,554	119,428	131,285	114,448	95,644	89,859	87,415	30,269
Unassigned	-	-	-	-	-	-	-	-	(9,930)	(8,907)
Total other governmental funds	\$ 110,137	\$ 100,295	\$ 90,195	\$ 141,661	\$ 157,207	\$ 130,924	\$ 110,283	\$ 105,755	\$ 96,512	\$ 80,740

Totals may not add due to rounding

**Changes in Fund Balances, Governmental Funds** (in thousands)  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Exhibit A-4

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 84,402	\$ 84,888	\$ 84,771	\$ 88,866	\$ 90,071	\$ 93,994	\$ 97,278	\$ 95,875	\$ 90,689	\$ 95,687
Licenses & permits	1,966	1,809	1,855	1,948	1,887	1,656	1,657	1,493	1,013	1,236
Intergovernmental	21,359	23,373	17,545	21,302	15,985	22,241	18,057	26,998	29,802	37,520
Fees and charges for services	31,459	28,912	30,395	33,975	31,382	31,681	39,947	30,013	22,918	22,709
Fines & forfeitures	1,225	1,307	1,845	2,287	1,929	2,266	2,825	2,749	2,779	2,737
Earnings on investments	8,373	4,798	2,291	2,422	5,381	8,515	8,798	5,861	3,082	2,064
Securities lending income	-	314	183	275	3,077	7,807	3,915	1,809	103	6
Miscellaneous revenue	12,858	18,600	12,863	14,175	30,199	15,201	12,646	4,408	2,472	2,684
<b>Total Revenues</b>	<b>161,643</b>	<b>164,001</b>	<b>151,748</b>	<b>165,251</b>	<b>179,911</b>	<b>183,362</b>	<b>185,121</b>	<b>169,205</b>	<b>152,858</b>	<b>164,643</b>
<b>Expenditures</b>										
Executive, legislative and judicial	5,376	9,689	5,402	5,335	8,770	8,117	9,609	10,823	10,922	10,559
Facility operations	9,534	6,861	7,477	8,090	3,873	5,449	5,738	8,153	7,485	6,630
Culture, parks, recreation & environment	17,041	16,806	18,664	18,385	17,887	23,591	24,175	25,755	26,181	23,925
Library	3,638	3,938	3,759	3,645	3,790	3,729	3,900	-	-	-
Communications & technology	-	-	3,642	3,573	3,751	4,023	3,765	75	-	-
Planning and development	5,068	7,586	4,961	27,198	11,383	7,089	8,193	6,674	9,677	12,852
Police protection	20,375	23,049	24,081	27,240	24,748	26,566	28,463	28,316	29,269	30,490
Transportation	29,131	26,212	24,602	33,388	32,029	32,049	31,695	38,163	32,751	29,990
Emergency recovery	-	-	602	-	-	-	-	-	-	-
Other	2,883	7,006	5,833	4,676	2,010	1,909	2,417	3,280	3,004	3,391
Securities lending	-	-	-	-	-	-	-	-	-	-
Interest	-	278	147	255	3,056	7,695	3,854	1,563	53	4
Agent fees	-	14	14	20	21	45	37	57	28	1
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Fire protection	11,696	12,620	12,683	12,625	14,515	15,161	15,505	16,383	17,224	17,458
Flood recovery	-	-	-	-	-	-	-	-	-	-
Capital outlay	46,375	57,542	41,145	18,922	27,363	61,964	54,065	27,379	23,944	31,851
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	4,350	4,363	2,854	3,090	3,777	4,243	2,988	4,626	4,731	3,805
Interest	1,894	1,781	1,515	1,274	4,262	3,267	3,128	2,955	2,654	2,693
<b>Total expenditures</b>	<b>157,361</b>	<b>177,746</b>	<b>157,382</b>	<b>167,716</b>	<b>161,237</b>	<b>204,897</b>	<b>197,534</b>	<b>174,201</b>	<b>167,923</b>	<b>173,650</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,281</b>	<b>(13,745)</b>	<b>(5,634)</b>	<b>(2,465)</b>	<b>18,674</b>	<b>(21,535)</b>	<b>(12,413)</b>	<b>(4,996)</b>	<b>(15,066)</b>	<b>(9,007)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from issuance of long term debt	1,966	381	173	51,402	162	608	763	1,198	-	-
Transfers in	102,175	105,116	107,193	103,815	104,098	114,140	112,846	114,237	115,086	35,457
Transfers in from component unit	816	-	-	-	-	-	-	-	-	-
Transfers out	(101,819)	(104,771)	(107,078)	(103,927)	(104,147)	(113,888)	(116,583)	(117,769)	(117,124)	(39,156)
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	265
Payments to escrow agent	-	-	-	-	-	-	-	-	(2)	-
<b>Total other financing sources (uses)</b>	<b>3,138</b>	<b>726</b>	<b>289</b>	<b>51,290</b>	<b>113</b>	<b>860</b>	<b>(2,975)</b>	<b>(2,334)</b>	<b>(2,040)</b>	<b>(3,435)</b>
<b>Net change in fund balances</b>	<b>\$ 7,419</b>	<b>\$ (13,019)</b>	<b>\$ (5,345)</b>	<b>\$ 48,825</b>	<b>\$ 18,788</b>	<b>\$ (20,675)</b>	<b>\$ (15,388)</b>	<b>\$ (7,330)</b>	<b>\$ (17,106)</b>	<b>\$ (12,441)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.34%</b>	<b>4.87%</b>	<b>3.64%</b>	<b>3.17%</b>	<b>6.67%</b>	<b>5.13%</b>	<b>4.35%</b>	<b>5.42%</b>	<b>5.11%</b>	<b>4.54%</b>

Totals may not add due to rounding

**Taxable Sales by Category**  
Last Ten Fiscal Years  
in millions of dollars

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b><u>Sales Tax Category</u></b>										
Grocery, Convenience, Liquor	\$ 303.8	\$ 268.0	\$ 274.9	\$ 283.3	\$ 299.6	\$ 320.1	\$ 347.4	\$ 359.8	\$ 359.7	\$ 363.8
Restaurants, Caterers and Bars	215.1	222.6	226.5	238.3	248.7	257.0	274.8	285.9	285.4	295.6
General Merchandise	271.6	323.4	332.6	335.5	339.7	334.9	336.2	318.3	306.7	299.4
Vehicle Sales, Parts and Repairs	166.7	175.9	171.1	165.3	157.7	157.8	175.8	162.9	149.3	160.0
Building Materials, Garden Equipment & Supplies	128.4	120.4	112.9	121.6	128.3	129.2	132.4	138.4	130.2	142.9
Sporting, Hobby, Book, Music	119.6	120.0	115.6	114.3	116.1	116.9	121.7	126.0	126.1	129.2
Broadcasting and Telecommunications	110.9	113.0	119.1	119.8	103.2	99.5	116.5	113.7	113.0	119.0
Electronics and Appliances	72.3	74.2	79.6	84.1	94.3	104.8	116.8	117.7	107.8	111.9
Miscellaneous Retailers	102.6	95.7	96.2	98.0	99.1	102.5	113.6	110.0	103.9	110.4
Utilities	82.3	72.3	72.3	83.3	93.3	99.6	96.0	103.3	97.5	100.8
Clothing and Accessories	84.6	84.4	84.7	94.7	95.7	87.8	84.9	79.4	74.8	76.9
Pharmacy, Salon and Laundry	34.7	37.3	37.6	38.6	39.8	40.0	44.0	45.4	45.0	54.5
Other	85.7	56.4	50.5	45.8	45.5	47.6	47.4	47.2	43.0	44.3
Rental and Leasing Services	61.2	66.6	57.3	52.4	52.0	49.1	52.1	52.1	46.4	43.1
Furniture and Home Furnishings	45.9	46.8	44.0	48.4	50.9	51.7	56.7	52.3	38.9	41.0
Wholesale Trade	30.6	32.7	37.7	42.7	41.6	138.8	57.9	49.2	41.9	35.6
Lodging	23.5	24.1	23.2	25.0	27.2	31.7	34.3	33.9	29.1	32.2
Manufacturing	43.3	32.8	31.3	30.5	39.0	33.2	37.9	37.3	26.7	30.5
<b>Total</b>	<b>\$1,982.6</b>	<b>\$1,966.4</b>	<b>\$1,967.1</b>	<b>\$2,021.5</b>	<b>\$2,071.8</b>	<b>\$2,202.1</b>	<b>\$2,246.4</b>	<b>\$2,232.8</b>	<b>\$2,125.3</b>	<b>\$2,191.2</b>
City direct sales tax rate*	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

\* Food sales city direct sales tax rate is 2.25%

Totals may not add due to rounding

**Direct and Overlapping Sales Tax Rates**  
Last Ten Fiscal Years

Exhibit A-6

<u>Fiscal Year</u>	<u>City Direct Rate*</u>	<u>Larimer County</u>	<u>State of Colorado</u>
2001	3.00%	0.80%	2.90%
2002	3.00%	0.80%	2.90%
2003	3.00%	0.80%	2.90%
2004	3.00%	0.80%	2.90%
2005	3.00%	0.80%	2.90%
2006	3.00%	0.80%	2.90%
2007	3.00%	0.80%	2.90%
2008	3.00%	0.80%	2.90%
2009	3.00%	0.80%	2.90%
2010	3.00%	0.80%	2.90%

\* Food for home consumption sales direct rate is 2.25%

**Sales Tax Revenue Taxpayers by Industry**  
Current Year and 2001  
*tax liability in thousands*

Exhibit A-7

	Fiscal Year 2010			Fiscal Year 2001		
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Grocery, Convenience, Liquor	183	1.81%	\$ 9,194	2.05%	\$ 9,194	13.19%
Restaurants, Caterers and Bars	425	4.20%	8,880	5.73%	6,303	11.09%
General Merchandise	27	0.27%	8,381	0.22%	7,790	13.70%
Vehicle Sales, Parts and Repairs	371	3.66%	4,816	4.31%	4,946	8.70%
Building Materials, Garden Equipment &	2,258	22.30%	4,271	11.74%	3,795	6.67%
Sporting, Hobby, Book, Music	413	4.08%	3,864	3.98%	3,529	6.21%
Broadcasting & Telecommunications	259	2.56%	3,504	3.59%	3,261	5.74%
Electronics and Appliances	301	2.97%	3,438	1.57%	2,132	3.75%
Miscellaneous Retailers	1,154	11.40%	3,246	13.03%	2,997	5.27%
Utilities	9	0.09%	3,110	0.14%	2,443	4.30%
Clothing and Accessories	231	2.28%	2,307	2.59%	2,468	4.34%
Pharmacy, Salon and Laundry	670	6.62%	1,629	5.63%	1,000	1.76%
Other	2,639	26.06%	1,351	26.67%	2,461	4.33%
Rental and Leasing Services	331	3.27%	1,288	5.46%	1,773	3.12%
Furniture and Home Furnishings	167	1.65%	1,439	2.35%	1,349	2.37%
Wholesale Trade	304	3.00%	1,063	4.22%	885	1.56%
Lodging	23	0.23%	966	0.37%	693	1.22%
Manufacturing	362	3.57%	917	6.35%	1,262	2.22%
<b>Total</b>	<b>10,127</b>	<b>100.00%</b>	<b>\$ 63,666</b>	<b>100.00%</b>	<b>\$ 56,857</b>	<b>100.00%</b>

**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the city's revenue.

*Totals may not add due to rounding*

**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years  
*in thousands*

Exhibit A-8

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Assignment of Lease Payments	Capital Leases	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Assignment of Lease Payments	Capital Leases			
2001	-	12,804	16,865	890	4,227	22,280	122,327	2,115	2,830	721	185,059	4.8%	1.51
2002	-	10,204	16,135	862	5,019	19,255	128,111	2,045	2,742	556	184,929	4.7%	1.49
2003	-	7,989	15,370	833	4,921	16,410	118,475	1,970	2,649	466	169,083	4.3%	1.35
2004	-	6,879	63,220	803	4,603	13,455	115,037	1,890	2,552	280	208,720	5.0%	1.64
2005	-	5,744	61,870	771	3,475	10,455	107,495	1,805	2,451	251	194,317	4.4%	1.52
2006	-	4,579	60,190	737	2,815	7,395	99,031	1,715	2,345	-	178,807	3.9%	1.38
2007	-	3,342	58,345	702	2,602	5,000	90,602	1,715	2,234	489	165,032	3.3%	1.23
2008	-	2,250	55,340	666	2,636	2,535	81,618	1,595	2,117	544	149,301	2.8%	1.09
2009	-	985	52,225	628	1,736	-	102,440	1,470	1,995	381	161,860	3.1%	1.17
2010	-	670	49,100	587	1,015	-	109,884	1,360	1,868	227	164,711	n/a	1.14

*Totals may not add due to rounding*

**Ratios of General Bonded Debt Outstanding**  
 Last Ten Fiscal Years  
*in thousands*

Exhibit A-9

<u>Fiscal</u> <u>Year</u>	General Obligation <u>Bonds</u>	Percentage of Actual Taxable Value of <u>Property</u>	Per <u>Capita</u>
2001	22,280	0.25%	182
2002	19,255	0.21%	155
2003	16,410	0.15%	131
2004	13,455	0.12%	106
2005	10,455	0.09%	82
2006	7,395	0.06%	57
2007	5,000	0.04%	37
2008	2,535	0.02%	19
2009	-	0.00%	-
2010	-	0.00%	-

**Direct and Overlapping Governmental Activities Debt**

Exhibit A-10

As of December 31, 2010

*in thousands*

	Outstanding General Obligation Debt <sup>1</sup>	Percentage Applicable to the City <sup>2</sup>	Share of Debt Applicable to the City
City of Fort Collins	\$ -	-	\$ -
<u>Overlapping Debt</u>			
Poudre R-1 School District <sup>3</sup>	237,045	73.98%	175,359
Poudre Health Services District <sup>3</sup>	-	72.47%	-
Fort Collins Regional Library <sup>3</sup>	-	75.45%	-
	237,045		175,359
Totals	<u>\$ 237,045</u>		<u>\$ 175,359</u>

**ASSESSED VALUATION, DEBT, AND DEBT RATIO  
DECEMBER 31, 2010**

Estimated actual valuation . . . . .	\$ 14,520,314
Assessed valuation . . . . .	\$ 1,815,946
Net general obligation direct debt . . . . .	-
Estimated overlapping debt . . . . .	\$ 175,359
Net direct and estimated overlapping debt . . . . .	\$ 175,359
Ratio of net direct debt to estimated actual valuation . . . . .	-
Ratio of net direct debt to assessed valuation . . . . .	-
Net direct debt per capita <sup>4</sup> . . . . .	-
Ratio of net direct and estimated overlapping debt to estimated actual valuation . . . . .	0.0121
Ratio of net direct and estimated overlapping debt to assessed valuation . . . . .	0.0966
Net direct and estimated overlapping debt per capita <sup>4</sup> . . . . .	\$ 1
Estimated actual valuation per capita <sup>4</sup> . . . . .	\$ 101
Assessed valuation per capita <sup>4</sup> . . . . .	\$ 13

<sup>1</sup> Includes only general obligation debt supported by general property taxes less available debt service monies. Does not include general obligation water bonds which have historically been supported by water revenue and not property taxes or general obligation bonds supported by special assessments.

<sup>2</sup> Determined by calculating ratio of assessed valuation of taxable property within the City to assessed valuation of the overlapping unit. Source for assessed valuations: Larimer County Assessor's Office.

<sup>3</sup> Source: Governmental entity.

<sup>4</sup> Based on 2010 Census- 143,986



**Legal Debt Margin Information**  
Last Ten Fiscal Years  
*in thousands*

Exhibit A-11

Assessed Valuation <sup>1</sup>	\$ 1,815,946	
Debt limit – 10% of assessed value	181,595	
Amount of debt applicable to limit:		
Total bonded debt (including special assessments)	126,550	
Less:		
Assets in debt service funds available for payment of general obligation debt	-	
Other deductions allowed by law:		
Downtown Development Authority tax increment	(15,996)	
Light and Power revenue bonds	(16,085)	
Water revenue bonds	(23,288)	
Sewer revenue bonds	(39,106)	
Storm drainage revenue bonds	(31,405)	
Highway users tax revenue bonds	(670)	
Net amount of debt applicable to debt limit	-	
Legal debt margin	<u><u>\$ 181,595</u></u>	

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 124,864	\$ 163,033	\$ 136,426	\$ 139,080	\$ 149,791	\$ 152,958	\$ 171,317	\$ 175,881	\$ 182,224	\$ 181,595
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u><u>\$ 124,864</u></u>	<u><u>\$ 163,033</u></u>	<u><u>\$ 136,426</u></u>	<u><u>\$ 139,080</u></u>	<u><u>\$ 149,791</u></u>	<u><u>\$ 152,958</u></u>	<u><u>\$ 171,317</u></u>	<u><u>\$ 175,881</u></u>	<u><u>\$ 182,224</u></u>	<u><u>\$ 181,595</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>1</sup>Source: Larimer County Assessor's Office.

**Pledged Revenue Coverage**

Exhibit A-12

Last Ten Fiscal Years

*in thousands***LIGHT AND POWER REVENUE BONDS**

			Net Revenue				
	Gross		Available for	Debt Service Requirements			Coverage
	Revenues	Expenses	Debt Service	Principal	Interest	Total	
2001	74,159	59,978	14,181	-	-	-	n/a
2002	75,271	62,487	12,785	-	-	-	n/a
2003	75,953	64,029	11,924	-	-	-	n/a
2004	79,214	65,891	13,323	-	-	-	n/a
2005	84,804	71,280	13,524	-	-	-	n/a
2006	88,113	71,873	16,240	-	-	-	n/a
2007	90,901	76,362	14,539	-	-	-	n/a
2008	89,499	79,266	10,232	-	-	-	n/a
2009	88,490	82,132	6,359	-	-	-	n/a
2010	99,951	91,483	8,468	-	235	235	36.02

**SEWER REVENUE BONDS**

	Net Revenue						Coverage
	Gross Revenues	Expenses	Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	
2001	19,267	8,733	10,534	3,040	2,057	5,098	2.07
2002	17,498	9,022	8,476	3,161	2,374	5,534	1.53
2003	16,498	8,767	7,731	3,172	2,220	5,392	1.43
2004	16,979	9,461	7,517	1,505	1,951	3,456	2.18
2005	17,140	9,488	7,652	2,970	1,874	4,844	1.58
2006	21,391	9,383	12,008	3,748	1,588	5,335	2.25
2007	22,048	9,931	12,116	3,922	1,184	5,105	2.37
2008	21,844	10,434	11,410	4,081	1,005	5,087	2.24
2009	22,875	10,577	12,298	4,237	1,817	6,054	2.03
2010	22,170	12,117	10,053	3,378	1,704	5,081	1.98

**STORM DRAINAGE REVENUE BONDS**

			Net Revenue				Coverage
	Gross Revenues	Expenses	Available for	Debt Service Requirements			
			Debt Service	Principal	Interest	Total	
2001	8,289	2,257	6,032	1,410	1,645	3,055	1.97
2002	11,583	2,621	8,962	1,655	2,337	3,992	2.25
2003	12,910	2,574	10,336	2,163	2,284	4,447	2.32
2004	13,762	3,782	9,980	2,248	2,194	4,442	2.25
2005	14,848	3,741	11,107	2,325	2,114	4,439	2.50
2006	15,396	3,779	11,618	2,405	2,030	4,435	2.62
2007	16,698	4,615	12,084	2,150	1,643	3,793	3.19
2008	15,139	4,865	10,274	2,610	2,483	5,093	2.02
2009	14,219	5,838	8,381	2,568	2,346	4,914	1.71
2010	14,613	5,052	9,560	2,683	1,606	4,289	2.23

**Pledged Revenue Coverage**  
Last Ten Fiscal Years  
*in thousands*

Exhibit A-12  
(continued)

**WATER REVENUE BONDS**

			Net Revenue				Coverage
	Gross		Available for	Debt Service Requirements			
	Revenues	Expenses	Debt Service	Principal	Interest	Total	
2001	32,228	11,099	21,129	1,699	1,793	3,491	6.05
2002	29,504	11,887	17,618	1,760	1,737	3,497	5.04
2003	31,105	12,932	18,173	2,027	1,678	3,705	4.91
2004	32,140	12,962	19,178	2,162	1,733	3,895	4.92
2005	36,535	13,288	23,247	2,237	1,656	3,893	5.97
2006	35,522	13,927	21,595	2,312	1,578	3,890	5.55
2007	39,010	14,632	24,379	2,402	1,497	3,899	6.25
2008	33,922	15,823	18,098	2,482	1,409	3,890	4.65
2009	25,767	16,358	9,409	2,633	1,173	3,806	2.47
2010	27,289	16,582	10,707	2,661	1,034	3,696	2.90

**HIGHWAY USERS TAX REVENUE BONDS <sup>1</sup>**

	DEBT SERVICE COVERAGE RATIO						
			Net Revenue				Coverage
	Gross		Available for	Debt Service Requirements			
Revenues	Expenses	Debt Service	Principal	Interest	Total		
2001	3,264	-	2,367	230	127	357	6.64
2002	3,282	-	2,366	235	118	353	6.70
2003	3,185	-	2,309	245	110	355	6.51
2004	3,462	-	3,462	255	100	355	9.74
2005	3,220	-	3,220	260	90	350	9.19
2006	3,641	-	3,641	275	80	355	10.26
2007	3,478	-	3,478	148	206	354	9.84
2008	3,656	-	3,656	157	201	358	10.22
2009	3,741	-	3,741	300	56	356	10.51
2010	4,297	-	4,297	315	43	358	11.99

<sup>1</sup> Gross revenues are reported as part of intergovernmental revenues in the Transportation Fund.

<sup>2</sup> Gross revenues are less sales tax restricted for specific purposes.

<sup>3</sup> General obligation water bonds have historically been paid from water revenues of the City and not general property taxes.

*Totals may not add due to rounding*

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Denver/Boulder Greeley CPI-U</u>	<u>Residential Building Permits</u>
2001	122,521	8,164,809	31,451	3.0%	181.30	1,899
2002	124,428	8,267,020	31,344	4.7%	184.80	1,540
2003	125,461	8,264,210	31,036	5.3%	186.80	1,398
2004	126,903	8,816,010	32,796	4.6%	187.00	1,295
2005	127,686	9,330,387	34,323	4.4%	190.90	979
2006	129,511	9,968,698	35,397	3.9%	197.70	585
2007	134,169	10,541,856	36,766	3.4%	202.03	506
2008	136,427	11,378,132	38,848	5.0%	209.90	385
2009	138,100	11,149,957	37,368	6.6%	208.55	227
2010	143,986	n/a	n/a	7.4%	212.44	266

**Note:** Information for personal income, per capita, and unemployment rate is based on the Fort Collins/Loveland regional area.

**Source:** Personal income, and per capita personal income provided by the Bureau of Economic Analysis. Information is updated regularly and is subject to change.

Unemployment rate provided by the Colorado Department of Labor and Employment.

Population prior to 2009 provided by the Colorado State Demography Office.

2009 population is estimated by the City of Fort Collins Planning Department.

2010 population is from the US Census

CPI is provided by the US Bureau of Labor Statistics- Denver, Boulder, Greeley area is the nearest region.

**Principal Employers**  
2009 and Nine Years Ago

Exhibit A-14

<b><u>Employer</u></b>	<b>Fiscal Year 2009</b>			<b>Fiscal Year 2000</b>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Colorado State University	6,755	1	7.8%	6,025	1	8.2%
Poudre R-1 School District	3,929	2	4.5%	3,403	2	4.6%
Poudre Valley Health System	2,832	3	3.3%	1,715	5	2.3%
Larimer County	1,975	4	2.3%	1,463	6	2.0%
City of Fort Collins	1,795	5	2.1%	1,884	4	2.6%
Hewlett Packard	1,524	6	1.8%	2,318	3	3.2%
Center Partners	1,081	7	1.2%	-	-	0.0%
Woodward Governor	994	8	1.1%	-	-	0.0%
Avago Technologies	656	9	0.8%	-	-	0.0%
Anheuser- Busch	609	10	0.7%	647	10	0.9%
Agilent Technologies	-	-	0.0%	1,258	7	1.7%
Department of Agriculture	-	-	0.0%	798	8	1.1%
Advanced Energy	-	-	0.0%	715	9	1.0%
<b>Total</b>	<b>22,150</b>		<b>25.4%</b>	<b>20,226</b>		<b>23.2%</b>

Source: City of Fort Collins Planning Department  
Data not available for 2010

**Full-time Equivalent City Employees by Function/ Program**  
Last Ten Fiscal Years

Exhibit A-15

<u>Function/ Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General government</b>										
Finance	34.3	36.4	34.5	34.3	31.2	31.7	35.0	35.8	36.5	35.5
Human Resources	16.8	18.1	17.9	16.9	16.2	16.8	16.7	19.9	19.9	19.6
Operation Services	65.4	67.3	64.6	63.7	60.2	58.8	61.3	64.6	66.0	63.0
Comm & Public Involvement	7.7	9.1	9.2	10.1	9.8	8.1	8.5	9.0	9.2	9.1
MIS	45.3	47.2	47.6	48.9	48.6	45.6	47.4	51.9	53.0	53.0
City Attorney's Office	9.2	9.7	10.2	10.1	9.7	10.4	10.8	11.0	11.0	11.7
City Clerk's Office	6.2	6.4	5.9	5.6	5.6	5.8	5.8	5.8	5.8	5.8
City Council	7.2	6.9	7.0	7.0	7.3	7.0	7.2	6.8	6.5	7.0
City Manager's Office	11.8	12.9	11.6	11.3	10.9	10.5	13.6	13.6	14.7	14.8
Municipal Court	7.4	7.2	6.8	6.9	6.9	7.1	6.3	7.2	7.1	7.3
<b>Public safety</b>										
Police	222.7	232.0	240.5	241.6	242.3	239.6	238.8	244.0	246.4	250.2
<b>Culture, parks, recreation &amp; environment</b>										
CPRE - Administration	5.8	5.5	4.8	4.5	4.7	4.8	4.0	3.8	4.1	3.0
Lincoln Center	27.7	27.2	27.8	24.7	23.8	23.5	23.8	25.7	26.3	19.9
Museum	5.2	5.7	5.8	7.5	8.4	8.6	10.5	12.5	14.0	13.8
Parks	89.8	87.1	87.4	95.5	94.9	94.9	93.0	107.3	112.0	109.7
Recreation	133.0	129.1	136.5	132.8	131.2	127.5	126.9	130.8	133.7	127.7
Natural Resources	30.8	32.6	35.7	38.7	42.0	42.8	44.0	47.0	51.9	49.6
<b>Planning and development</b>										
Advance Planning	12.5	12.6	13.0	13.2	11.8	11.6	11.0	11.2	10.8	10.1
Comm Dev & Neighborhood Svcs	41.1	43.9	42.7	42.6	41.4	40.1	38.2	38.5	35.8	32.5
PDT Administration	4.0	4.0	4.0	3.5	3.0	3.0	3.0	3.6	3.0	4.6
<b>Transportation</b>										
Comm Dev & Neighborhood Svcs	6.3	6.0	6.4	5.8	4.6	4.2	3.6	4.2	4.6	4.6
Engineering	23.5	23.0	23.1	22.3	19.7	18.6	18.5	20.1	19.6	24.0
Pavement Management Program	3.5	3.9	4.5	4.6	5.2	4.9	5.0	5.0	4.9	6.8
Street Oversizing	7.9	9.7	9.8	9.1	9.2	8.4	5.6	5.6	6.0	1.0
Streets	46.9	47.6	46.7	48.4	45.5	45.0	46.3	46.6	44.2	42.8
Traffic Operations	23.1	27.0	24.8	24.1	25.1	24.0	27.1	28.8	28.0	26.9
Transit	88.2	91.3	90.4	87.6	81.1	72.1	74.2	75.1	73.7	70.9
Transportation Administration	2.8	3.0	3.0	3.0	3.0	2.5	0.7	0.0	0.0	0.0
Parking	19.2	20.6	21.8	22.2	19.8	18.6	18.6	17.6	17.4	17.8
Transportation Planning	5.4	4.8	4.2	3.1	2.4	2.5	3.5	6.4	6.5	5.4
<b>Light &amp; Power</b>										
Light & Power Administration	41.7	43.8	43.3	42.9	42.3	40.6	40.7	40.8	41.1	38.9
Light & Power Operations	46.7	48.0	48.5	48.5	47.0	50.1	52.5	56.7	60.8	60.6
L&P System Additions	48.2	45.6	45.0	45.3	40.1	34.0	31.1	29.4	30.2	30.5
L&P Energy Services	3.6	3.5	4.0	4.0	4.0	4.7	5.4	6.7	9.7	15.0
<b>Water</b>										
Water Administration	34.0	35.6	34.3	33.0	32.2	30.7	29.6	29.6	29.7	29.8
Water Trans & Distribution	15.9	16.8	17.2	17.1	20.0	19.8	20.0	22.2	24.6	21.0
Water Meter Operations	8.9	9.3	9.9	9.5	9.5	9.7	8.8	9.0	9.0	9.8
Water Production	29.6	27.7	27.3	27.3	26.3	25.0	26.4	29.2	29.4	29.2
Water Quality	7.9	8.0	9.2	9.0	9.0	7.7	7.8	8.0	8.0	8.0
Water Resources	3.4	3.3	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5
<b>Wastewater</b>										
WW Administration	14.4	15.0	14.9	15.4	15.6	15.1	15.1	15.2	14.5	13.6
WW Trunk and Collection	17.3	16.9	16.6	15.7	15.8	14.7	14.9	14.3	14.6	16.0
WW Water Quality	8.9	8.3	7.9	8.3	8.5	8.4	8.5	8.4	8.9	9.7
WW Water Reclamation	42.7	40.4	37.6	38.4	36.7	35.7	35.2	34.9	34.6	34.0
<b>Storm drainage</b>										
Stormwater Administration	12.3	12.9	12.7	12.6	12.4	11.9	12.0	12.0	12.1	11.4
Stormwater Operations	29.4	30.2	29.9	28.9	26.7	26.7	28.1	30.2	30.5	31.9
<b>Golf</b>										
Golf Administration	3.0	3.0	2.6	1.9	1.7	1.7	1.7	1.7	0.9	0.7
Golf Operations	21.3	21.3	20.4	20.4	20.4	19.8	18.8	19.1	19.0	19.1
<b>Total City of Fort Collins</b>	<b>1,399.9</b>	<b>1,427.4</b>	<b>1,432.6</b>	<b>1,431.2</b>	<b>1,397.5</b>	<b>1,358.7</b>	<b>1,369.0</b>	<b>1,430.5</b>	<b>1,453.8</b>	<b>1,430.8</b>

Note: Full time equivalents are based on filled positions using hours worked, excluding overtime, but including vacation, sick and holiday time. The data includes *all employees*, including exempt, not-exempt, with benefits, and without benefits. Vacancies are not included.

**Operating Indicators by Function/Program**  
Last Ten Fiscal Years

<b>Function/Program</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Government</b>										
Job applications processed	n/a	n/a	n/a	n/a	n/a	12,823	8,907	9,209	5,148	7,112
Warrants issued	n/a	n/a	n/a	n/a	n/a	972	918	1,010	798	1,231
Camera Radar completed cases	n/a	n/a	n/a	n/a	n/a	9,761	19,026	21,239	20,414	18,137
<b>Public Safety</b>										
Adult arrests	4,979	5,793	6,588	6,313	4,202	4,663	5,188	4,373	4,154	4,739
Juvenile arrests	1,437	1,508	1,293	1,306	914	963	958	809	811	849
Traffic violations	10,247	12,250	12,644	12,744	13,334	13,838	15,341	18,890	15,737	16,971
Number of fires per 1000 population	3.55	3.89	3.31	2.85	3.89	2.75	2.16	2.64	2.22	2.22
Total inspections per 1000 population	17.59	18.12	25.53	17.57	1.80	1.99	3.76	9.83	16.83	16.75
Average calls per week	206.20	100.00	100.00	99.99	99.99	99.99	246	258	266	276
Average response time	4:29	4:27	4:39	4:29	4:17	4:15	4:20	4:14	4:10	4:39
<b>Culture, parks, recreation &amp; environment</b>										
Epic Pool & Ice attendance	343,967	451,620	368,353	494,577	405,660	424,313	323,183	373,809	353,161	480,586
City Park Pool attendance	39,495	5,100	69,954	64,413	63,376	70,851	71,608	91,444	77,276	74,821
Mulberry Pool attendance	75,471	86,029	93,280	89,358	73,909	87,351	92,322	98,640	117,033	167,810
Senior Center Pool attendance	35,986	25,124	44,498	23,754	35,931	25,338	37,888	32,980	55,765	21,179
Youth Activity Center attendance	86,387	26,575	24,511	45,921	23,686	3,578	7,729	712	1,090	24,207
North Aztlan Center attendance	156,779	132,910	125,135	156,697	167,136	187,728	135,203	105,362	145,898	177,779
Farm attendance	96,209	90,749	99,367	91,204	91,139	60,215	62,161	79,730	61,166	61,737
Museum attendance	25,934	19,860	21,337	34,057	40,107	40,607	32,000	18,142	33,904	26,852
Scheduled Park events	n/a	n/a	n/a	n/a	n/a	7,212	8,515	9,214	10,619	13,035
<b>Planning and development</b>										
Construction permits- single family units	1,050	1,159	860	893	674	394	385	254	153	177
Construction permits- Multi family units	56	53	92	63	44	24	24	37	4	10
<b>Transportation</b>										
Transfort										
Passengers	1,616,328	1,477,735	1,504,683	1,418,102	1,481,472	1,479,241	1,641,509	1,884,194	1,994,229	2,034,195
Revenue Miles	793,358	705,886	729,639	703,081	686,030	640,677	774,545	798,849	791,627	913,682
Revenue Hours	59,747	56,616	57,165	58,516	57,782	54,665	66,647	68,356	69,984	75,564
Dial a Ride										
Passengers	74,884	77,300	73,607	82,276	87,725	85,735	51,779	44,135	41,719	40,385
Revenue Miles	385,467	432,087	419,127	439,771	450,047	560,053	348,952	282,257	269,831	252,107
Revenue Hours	34,843	35,921	31,628	34,883	38,399	47,188	31,678	25,092	23,456	21,690
<b>Light &amp; Power</b>										
Customers	n/a	n/a	n/a	n/a	n/a	62,548	62,991	63,913	64,750	65,504
Electric Use- megawatt hours	n/a	n/a	n/a	n/a	n/a	1,404,784	1,442,861	1,429,797	1,404,529	1,442,741
Peak demand- megawatts	n/a	n/a	n/a	n/a	n/a	279	296	285	264	282
Interruption Index- minutes/year	n/a	n/a	n/a	n/a	n/a	25.63	18.00	10.00	10.99	17.27
<b>Water</b>										
Customers	n/a	n/a	n/a	n/a	n/a	33,312	32,780	33,082	32,910	32,983
Treated water delivered- acre feet	n/a	n/a	n/a	n/a	n/a	29,133	27,192	25,633	22,683	24,030
Peak day water use- million gallons/day	n/a	n/a	n/a	n/a	n/a	49.0	47.5	44.3	37.1	40.8
Water main breaks	n/a	n/a	n/a	n/a	n/a	100	67	59	79	139
<b>Wastewater</b>										
Customers	n/a	n/a	n/a	n/a	n/a	33,120	32,992	32,847	33,134	33,226
Average flow wastewater treated- million gallons/day	n/a	n/a	n/a	n/a	n/a	14.5	15.1	15.7	14.8	13.9
Recycled processed wastewater biosolids- dry tons	n/a	n/a	n/a	n/a	n/a	1,764	1,709	1,738	1,793	1,747
Industrial discharge permits	n/a	n/a	n/a	n/a	n/a	13	13	15	14	14
<b>Storm Drainage</b>										
Customers	n/a	n/a	n/a	n/a	n/a	39,938	40,272	40,554	40,911	40,813
<b>Golf</b>										
Rounds played	150,829	139,583	124,327	118,781	123,313	124,609	117,133	115,031	121,579	93,898

**Capital Asset Statistics by Function/Program**  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Government</b>										
Administrative buildings	3	3	3	3	3	3	3	3	3	3
Municipal court	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police cars	n/a	n/a	n/a	n/a	n/a	198	220	224	232	225
Fire stations	12	12	13	13	13	13	13	13	13	13
<b>Culture, parks, recreation &amp; environmental</b>										
Swimming pools	4	4	4	4	4	4	4	4	4	4
Number of parks	39	40	41	42	43	43	45	45	45	45
Acreeage of parks	592	616	722	728	735	735	821	821	821	821
Miles of hard surface trails	18.87	19.37	19.87	22.52	23.62	24.87	28.67	28.67	28.67	28.67
<b>Planning and development</b>										
Land Bank program- acres*	n/a	n/a	n/a	n/a	n/a	51	51	51	51	51
Land Bank program- yield of future affordable housing units*	n/a	n/a	n/a	n/a	n/a	513	513	513	446	510
<b>Transportation</b>										
Transit buses	n/a	n/a	n/a	n/a	n/a	23	27	27	29	44
Lane miles	n/a	n/a	n/a	n/a	n/a	1,756	1,793	1,796	2,141	2,142
<b>Light &amp; Power</b>										
Underground distribution lines- miles	n/a	n/a	n/a	n/a	n/a	766.0	788.0	801.4	820.0	837.5
Overhead distribution lines- miles	n/a	n/a	n/a	n/a	n/a	11.0	9.0	6.7	7.0	8.4
Distribution substations	n/a	n/a	n/a	n/a	n/a	5	5	5	5	5
Distribution transformers	n/a	n/a	n/a	n/a	n/a	7,525	7,982	8,060	8,082	8,226
<b>Water</b>										
Water mains and distribution lines- miles of pipe	n/a	n/a	n/a	n/a	n/a	532	539	540	541	527
Hydrants	n/a	n/a	n/a	n/a	n/a	3,411	3,464	3,487	3,494	3,510
Plant capacity- millions gallons/day	n/a	n/a	n/a	n/a	n/a	87	87	87	87	87
Raw water storage- acre feet	n/a	n/a	n/a	n/a	n/a	6,500	7,161	7,161	7,161	7,161
Treated water storage- million gallons	n/a	n/a	n/a	n/a	n/a	36.3	36.0	35.5	35.5	35.5
Water rights owned- avg yield in acre feet/year	n/a	n/a	n/a	n/a	n/a	73,000	73,700	74,120	74,140	74,160
<b>Wastewater</b>										
Trunk and collection- miles of pipe	n/a	n/a	n/a	n/a	n/a	434	435	437	436	437
Plants- treatment capacity	n/a	n/a	n/a	n/a	n/a	29	29	29	29	29
Biosolids facility- acres	n/a	n/a	n/a	n/a	n/a	26,200	26,000	26,350	26,582	26,680
<b>Storm Drainage</b>										
City owned detention basins	n/a	n/a	n/a	n/a	n/a	90	90	90	90	90
City owned detention basins- acres	n/a	n/a	n/a	n/a	n/a	320	320	320	320	320
Regional drainage channels	n/a	n/a	n/a	n/a	n/a	63	67	69	69	69
Storm sewer manholes	n/a	n/a	n/a	n/a	n/a	2,676	2,765	2,968	3,265	2,568
Storm sewer pipeline- miles	n/a	n/a	n/a	n/a	n/a	175.0	190.2	197.2	219.6	220.0
<b>Golf</b>										
Golf courses	3	3	3	3	3	3	3	3	3	3
City Park Nine- acres	56	56	56	56	56	56	56	56	56	56
Collindale- acres	167	167	167	167	167	167	167	167	167	167
SouthRidge-acres	128	128	128	128	128	128	128	128	128	128

\* The Land Bank program acquires unimproved sites that are appropriate for affordable housing and holds them long- term (5 years minimum), which will ultimately be sold at discount to non-profit developers to build affordable housing projects.





## OTHER SCHEDULES



**WASTEWATER UTILITY ENTERPRISE  
SEWER REVENUE BONDS  
SEC RULE 15c2-12 INFORMATION—CUSTOMER BASE, RATE STRUCTURE, AND ENFORCEMENT  
(UNAUDITED)**

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**Customer Base**

The sewer (wastewater) system serves a customer base which has grown as follows in the years 2001 to 2010:

<u>Years (at December 31)</u>	<u>Wastewater Customers</u>
2001	32,564
2002	32,905
2003	32,865
2004	32,637
2005	32,757
2006	33,038
2007	32,992
2008	32,847
2009	33,134
2010	33,226

Approximately 94% of the wastewater customers are residential, with the remaining 6% being industrial and commercial customers. Currently, only two customers represent more than 3% of wastewater system revenues. In 2010, amounts paid by an industrial customer comprised 9.3% of wastewater revenues (\$1,649,777) with a total flow representing 0.0% of total system usage; and amounts paid by the university comprised 5.2% of wastewater system revenues (\$973,966), with a total usage representing 2.82% of total system usage.

**Rate Structure**

User Charges. The following tables show the City's monthly wastewater user charges in effect on January 1, 2011. Historically, user charges 6.0% per year for all customer classes in 1992, 1993, 1994, and 1995, 3.0% in 1996, 0% in 1997, 2.0% in 1998, 1999, 2000, 2001, 2002 and 2003, 5% in 2004, 2005, 2006 and 2007, 12% in 2008, 11% in 2009 and 10% in 2010. An increase of 9% has been projected for 2011. The minimum winter quarter average consumption (WQA) is 3,000 gallons for single family customers (4,000 gallons for duplexes).

**Monthly User Charges <sup>1</sup>**

<u>Residential Metered <sup>2</sup></u>	<u>Wastewater Rates</u>
Single family	\$13.95 plus \$2.712 per 1,000 gallons of WQC
Duplex	\$18.07 plus \$2.712 per 1,000 gallons of WQC
Multi-family	\$2.13 per living unit plus \$2.712 per 1,000 gallons of WQC
<u>Commercial Metered <sup>3</sup></u>	
¾" metered	\$7.83 plus \$2.712 per 1,000 gallons
1"	\$18.07 plus \$2.712 per 1,000 gallons
1 ½"	\$36.37 plus \$2.712 per 1,000 gallons
2"	\$62.23 plus \$2.712 per 1,000 gallons
3"	\$99.43 plus \$2.712 per 1,000 gallons
4"	\$157.03 plus \$2.712 per 1,000 gallons
6"	\$688.35 plus \$2.712 per 1,000 gallons
8"	\$794.80 plus \$2.712 per 1,000 gallons

**Footnotes:**

<sup>1</sup> Excludes payments in lieu of taxes which are included as an additional 6% charge in the wastewater bill and remitted to the general fund.

<sup>2</sup> Average monthly amount of water billed during January, February, and March.

<sup>3</sup> The usage charge of \$2.712 multiplied by each increment of 1,000 gallons either (a) actually consumed or (b) based on WQC, if customer is eligible.

## WASTEWATER UTILITY ENTERPRISE

### SEWER REVENUE BONDS

#### SEC RULE 15c2-12 INFORMATION-CUSTOMER BASE, RATE STRUCTURE, AND ENFORCEMENT (UNAUDITED)

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Beginning in 2011 the City's largest customer will no longer be utilizing the City's wastewater system. This will result in an annual loss of approximately \$1.7 million in operating revenue. This customer comprised approximately 10% of the wastewater fund operating revenue in 2009 and 8.7% in 2010.

Large commercial customers who have facility or manufacturing processes that result in a significant difference between the volume of water delivered and the volume of wastewater discharged will start metering their flows beginning in 2011. It is difficult to predict, but projections for this potential loss are \$.5 million in 2011 and up to \$1.7 million by 2014, when it is expected all metering has been implemented.

**Plant Investment Fees.** The plant investment fee is collected to pay for new development-related capital expansion costs of the City's wastewater treatment plants, collection system and sludge disposal facilities. This fee is paid at the time a building permit is issued. Set forth in the following table is the current plant investment fee schedule which becomes effective on January 1, 2011. Revenue generated by the plant investment fee generally is restricted for the purpose of capital improvements and expansion of the wastewater treatment plant.

#### **Plant Investment Fees**

##### Residential:

Single family residence	\$3,550
Duplex and Multi-family residence (per living unit)	\$2,490

##### Non-Residential: (based on water connection size)

¾"	\$7,100
1"	\$17,880
1 ½"	\$31,490
2"	\$55,290
3"	\$150,130
4"	Calculated on an individual basis, but not less than the 3" charge

**Other Fees and Charges.** The City also charges additional fees and charges related to the provision of sewer service, including wastewater strength surcharges, industrial wastewater discharge permit application and administration fees, wastewater monitoring and sampling charges, laboratory analysis and support service charges, a private sewage disposal system permit and inspection fee, and a building sewer permit and inspection fee.

#### **Enforcement**

The City's collections of wastewater charges historically have been in excess of 99%. Unpaid charges constitute a perpetual lien on the property to which service was delivered. Customers with delinquent active accounts are sent courtesy notices after 38 days. Wastewater service is not discontinued due to delinquency because of public health regulations. However, the City may discontinue water and electric service on delinquent accounts. Sometimes liens are filed while the delinquent customer is still an active account. Customers who have moved from the address where service was supplied and left the account owing to the City are typically assigned to a collection agency.

**WASTEWATER UTILITY ENTERPRISE  
SEWER REVENUE BONDS  
SEC RULE 15c2-12 INFORMATION—COLLECTIONS AND OPERATING HISTORY (UNAUDITED)**

**Collections (in thousands)**

The following table sets forth the historical Wastewater System user rates, plant investment fees, other fees and charges, and investment earnings:

	2006	2007	2008	2009	2010
User rates	\$ 14,203	\$ 14,640	\$ 16,171	\$ 17,702	\$ 19,137
Plant investment fees	3,708	4,320	4,064	3,416	2,442
Other fees & charges	2,055	514	121	108	176
Investment earnings	1,250	2,574	1,155	1,611	413
Total Sewer System Revenue	<u>\$ 21,215</u>	<u>\$ 22,048</u>	<u>\$ 21,512</u>	<u>\$ 22,837</u>	<u>\$ 22,167</u>

**Operating History of the Wastewater Fund**

The financial section of this Comprehensive Annual Financial Report contains financial statements of the City and the Wastewater Fund as of and for the year ended December 31, 2010. The following sets forth the operating history of the Wastewater Fund for the years ended December 31, 2006 through 2010:

	2006	2007	2008	2009	2010
<b>Operating Revenues</b>					
Charges for services	<u>\$ 14,203</u>	<u>\$ 14,640</u>	<u>\$ 16,171</u>	<u>\$ 17,702</u>	<u>\$ 19,137</u>
<b>Operating Expenses</b>					
Administrative charge	1,279	1,309	1,430	1,487	2,200
Personal services	4,358	4,734	4,980	4,961	5,176
Contractual services	1,512	1,569	1,727	1,767	3,349
Commodities	833	814	921	775	859
Other	1,401	1,506	1,375	1,587	533
Depreciation	3,064	2,818	3,189	3,219	3,301
Total Operating Expenses	<u>12,447</u>	<u>12,749</u>	<u>13,623</u>	<u>13,796</u>	<u>15,418</u>
Operating Income	<u>1,755</u>	<u>1,891</u>	<u>2,548</u>	<u>3,906</u>	<u>3,719</u>
<b>Nonoperating Revenues (Expenses)</b>					
Other revenue	-	433	106	103	143
Earnings on investments	1,250	2,574	1,155	1,611	413
Net increase (decrease) in the fair value of investments	176	-	-	-	-
Gain on sale of capital assets	2,019	39	15	6	33
Interest expense	(1,489)	(2,118)	(1,105)	(1,989)	(313)
Other expenses	(45)	(45)	(154)	(140)	(147)
Total Nonoperating Revenues (Expenses)	<u>1,912</u>	<u>883</u>	<u>17</u>	<u>(410)</u>	<u>129</u>
Income Before Contributions and Transfers	<u>3,667</u>	<u>2,774</u>	<u>2,565</u>	<u>3,495</u>	<u>3,848</u>
Capital contributed	3,743	4,362	4,064	3,416	2,442
Operating transfers in	-	-	-	-	76
Operating transfers out	-	-	(153)	(158)	-
Income After Contributions and Transfers	<u>3,743</u>	<u>4,362</u>	<u>3,911</u>	<u>3,258</u>	<u>2,517</u>
Change in Net Assets	7,410	7,136	6,476	6,754	6,365
Fund Equity--Jan. 1	98,724	106,134	113,270	119,746	126,500
Fund Equity--Dec. 31	<u>\$ 106,134</u>	<u>\$ 113,270</u>	<u>\$ 119,746</u>	<u>\$ 126,500</u>	<u>\$ 132,865</u>

Totals may not add due to rounding

**WASTEWATER UTILITY ENTERPRISE  
SEWER REVENUE BONDS  
SEC RULE 15c2-12 INFORMATION—HISTORIC DEBT SERVICE COVERAGE (UNAUDITED)**

The historic debt service coverage on obligations payable from net pledged revenues of the Wastewater Fund for the past ten years is as follows (*in thousands*):

**SEWER REVENUE BONDS--COVERAGE OF DEBT SERVICE REQUIREMENTS BY  
NET PLEDGED REVENUES OF THE SEWER SYSTEM--2001 TO 2010 <sup>1</sup>**

	<b>Gross Revenues <sup>2</sup></b>	<b>Expenses <sup>3</sup></b>	<b>Net Pledged Revenues</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2001	19,267	8,733	10,534	3,040	2,057	5,098	2.07
2002	17,498	9,022	8,476	3,161	2,374	5,534	1.53
2003	16,498	8,767	7,731	3,172	2,220	5,392	1.43
2004	16,979	9,461	7,517	1,505	1,951	3,456	2.18
2005	17,140	9,488	7,652	2,970	1,874	4,844	1.58
2006	21,391	9,383	12,008	3,748	1,588	5,335	2.25
2007	22,048	9,931	12,116	3,922	1,184	5,105	2.37
2008	21,844	10,434	11,410	4,081	1,005	5,087	2.24
2009	22,875	10,577	12,298	4,237	1,817	6,054	2.03
2010	22,170	12,117	10,053	3,378	1,704	5,081	1.98

<sup>1</sup> Includes debt service on all bonds secured by sewer system revenues.

<sup>2</sup> Includes all income of the Wastewater Fund pledged for the payment of bonds.

<sup>3</sup> Operating expenses less depreciation.

*Totals may not add due to rounding*

**WASTEWATER UTILITY ENTERPRISE  
SEWER REVENUE BONDS  
SEC RULE 15c2-12 INFORMATION – BALANCES ON DEPOSIT (UNAUDITED)**

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The sewer revenue bonds are secured by an irrevocable pledge of a first lien upon net pledged revenues of the Wastewater Fund. The sewer revenue bond ordinances provide that all gross revenues pledged to the sewer revenue bonds will be set aside and credited to the Wastewater Fund and that such revenues will be deposited and applied in the following order of priority:

Operation and Maintenance Fund. As a first charge on the Wastewater Fund, the bond ordinances require the City to credit from time to time to the operation and maintenance fund revenue sufficient to pay the necessary and reasonable current expenses of operating, maintaining, and repairing the sewer system. **The balance on deposit in this fund as of December 31, 2010 was \$1,013,289.**

Principal and Interest Fund. The bond ordinances require the City, after making the payments required above, to apply monthly to the principal and interest fund moneys sufficient in the aggregate to pay the principal of and interest on the sewer revenue bonds. **The balance on deposit in this fund as of December 31, 2010 was \$0.**

Debt Service Reserve Fund. The bond ordinances require the City to retain certain amounts in the debt service reserve fund for the Series 1995, Series 2000, and Series 2009 Sewer Revenue Bonds. However, concurrently with the issuance of the 2000 Sewer Revenue Bonds, a debt service reserve insurance policy was issued that unconditionally guarantees the payment of principal and interest on these bonds (up to and including the amount provided for in the reserve policy) in the event of nonpayment by the City. **Accordingly, the amount on deposit in the Debt Service Reserve Fund as of December 31, 2010 was \$381,741.**

Wastewater Utility Capital Reserve. The City has covenanted, so long as any debt service requirements of the City's Sewer Revenue Bond, Series 1992, remain unpaid, to maintain in the Wastewater Utility Capital Reserve and amount equal to 17% of the necessary and reasonable operation and maintenance expenses budgeted for the then-current fiscal year. These amounts are to be maintained as a continuing reserve for payment of costs of necessary capital improvements to the sewer system. **The balance on deposit in this reserve was \$24,868,472 as of December 31, 2010. This amount satisfies the 17% requirement indicated above for fiscal year 2010.**

In addition to the above, the bond ordinance established the following funds:

Excess Investment Earnings Fund. This fund was established for the purpose of accumulating and paying rebatable arbitrage earnings to the federal government under Sections 103 and 148(f)(2) of the Internal Revenue Code. **As of December 31, 2010 the balance on deposit in this fund was \$0.**

Sewer Fund. The Sewer Fund, referred to in the bond ordinance, was established by Ordinance No. 67, 1974. Complete financial statements, which reflect all deposits and balances of this fund (herein referred to as the "Wastewater Fund") are included in the financial section of this report.



**STORM DRAINAGE UTILITY ENTERPRISE**  
**STORM DRAINAGE REVENUE BONDS**  
**SEC RULE 15c2-12 INFORMATION—FEE REVENUES AND OPERATING HISTORY (UNAUDITED)**

**Collections (in thousands)**

The following table sets forth the historical Storm Drainage Fund fee revenues for the years 2006 through 2010.

	2006	2007	2008	2009	2010
Storm drainage utility fee (operation & maintenance component)	\$ 13,074	\$ 13,174	\$ 13,568	\$ 13,624	\$ 13,858
Storm drainage basin fees	465	671	455	168	358
Total Storm Drainage Fund Fee Revenues	<u>\$ 13,538</u>	<u>\$ 13,845</u>	<u>\$ 14,024</u>	<u>\$ 13,792</u>	<u>\$ 14,217</u>

**Operating History of the Storm Drainage Fund**

The financial section of this Comprehensive Annual Financial Report contains financial statements of the City and the Storm Drainage Fund as of and for the year ended December 31, 2010. The following sets forth the operating history of the Storm Drainage Fund for the years ended December 31, 2006 through 2010:

	2006	2007	2008	2009	2010
<b>Operating Revenues</b>					
Charges for services	\$ 13,074	\$ 13,174	\$ 13,568	\$ 13,624	\$ 13,858
<b>Operating Expenses</b>					
Administrative charge	1,246	1,311	2,140	2,181	2,145
Personal services	1,751	1,830	1,901	2,112	2,019
Contractual services	328	998	700	1,359	773
Commodities	94	111	124	108	115
Other	360	364	-	78	1
Depreciation	1,614	2,261	2,315	2,258	2,216
Total Operating Expenses	<u>5,393</u>	<u>6,875</u>	<u>7,180</u>	<u>8,095</u>	<u>7,268</u>
Operating Income	<u>7,681</u>	<u>6,299</u>	<u>6,388</u>	<u>5,529</u>	<u>6,590</u>
<b>Nonoperating Revenues (Expenses)</b>					
Other revenue	-	50	51	16	17
Earnings on investments	824	1,568	822	399	297
Net increase (decrease) in the fair value of investments	55	-	-	-	-
Intergovernmental	-	1,236	0	-	53
Gain/loss on sale of capital assets	-	(96)	(3)	(21)	28
Interest expense	(2,044)	(2,083)	(1,697)	(1,501)	(1,447)
Other expenses	(52)	(32)	(155)	(44)	(44)
Total Nonoperating Revenues (Expenses)	<u>(1,218)</u>	<u>642</u>	<u>(981)</u>	<u>(1,150)</u>	<u>(1,095)</u>
Income Before Contributions and Transfers	<u>6,463</u>	<u>6,941</u>	<u>5,407</u>	<u>4,379</u>	<u>5,495</u>
Capital contributions	1,444	671	455	168	358
Operating transfers In	-	-	-	-	31
Operating transfers out	(112)	(116)	(178)	(180)	(275)
Income After Contributions and Transfers	<u>1,332</u>	<u>555</u>	<u>277</u>	<u>(12)</u>	<u>114</u>
Change in Net Assets	<u>7,795</u>	<u>7,495</u>	<u>5,684</u>	<u>4,367</u>	<u>5,609</u>
Net Assets--Jan. 1	<u>53,392</u>	<u>61,187</u>	<u>68,682</u>	<u>74,366</u>	<u>78,733</u>
Net Assets--December 31	<u>\$ 61,187</u>	<u>\$ 68,682</u>	<u>\$ 74,366</u>	<u>\$ 78,733</u>	<u>\$ 84,343</u>

Totals may not add due to rounding

**STORM DRAINAGE UTILITY ENTERPRISE  
STORM DRAINAGE REVENUE BONDS  
SEC RULE 15c2-12 INFORMATION (UNAUDITED)**

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**Storm Drainage Utility Fee Structure**

Storm drainage utility fees are imposed on every developed lot and parcel of land within the City and are payable monthly. The storm drainage utility fee is designed to pay for the operation and maintenance of the City's storm drainage system. The fee also pays for the design, right-of-way acquisition, and construction or reconstruction of storm drainage facilities through out the City. The monthly storm drainage utility fee in effect at the end of 2010 for a residential lot of approximately 8,600 square feet is \$14.26 and \$28.52 for a commercial lot of approximately 8,600 square feet. This storm drainage utility fee does not increase in 2011.

Storm drainage utility fees are billed through the City's consolidated monthly billing system, permitting the City to include storm drainage utility fees on a customer's regular utility bill. If a customer fails to pay any utility fees, the City has the authority to terminate utility service to the delinquent customer and to place a lien on the property for which the fees are delinquent.

Approximately 83% of storm drainage utility billing accounts and 45% of storm drainage revenues are attributable to single family residential customers. 17% of accounts and 55% of storm drainage revenues are attributable to multi-family residential, commercial and industrial customers. Two customers of the storm drainage utility contribute 2% or more of the storm drainage utility's total monthly revenue - the school district with 4.5% of total revenue and the City municipal government at 2.6%. Historically, the City collects over 99% of its billed monthly utility charges for storm drainage.

**Historic Net Pledged Revenues**

Based on the 2010 revenues and expenditures of the Storm Drainage Fund and using the combined actual debt service requirements of the City's outstanding storm drainage utility revenue bonds and the debt service requirements of the bonds, the net pledged revenues available for debt service in 2010 would have covered the combined average annual debt service requirements of the bonds approximately 2.77 times and would have covered the combined maximum debt service of the bonds approximately 2.22 times.

**Changes in Storm Drainage Fees**

Since 1987, the City has increased the overall storm drainage fees fifteen times. The average increase in the total fees is as follows:

<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>
1996	0%	2001	9%	2006	0%
1997	0	2002	45	2007	0
1998	26	2003	10	2008	0
1999	0	2004	10	2009	0
2000	10	2005	0	2010	0

**Storm drainage fees have not been increased since 2004. No increase is planned for 2011.**

Prior to November of 1998, storm drainage utility fees varied by basin depending on drainage problems and improvements needed in each basin. Beginning in November of 1998, the fees were assessed uniformly on a city-wide basis and improvements are to be prioritized and constructed based on the needs of the City as a whole.



**WATER UTILITY ENTERPRISE**  
**WATER REVENUE BONDS**  
**SEC RULE 15c2-12 INFORMATION – CUSTOMER BASE, RATE STRUCTURE, AND ENFORCEMENT (UNAUDITED)**

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**Customer Base**

The water system serves a customer base that has grown as follows in the years 2001-2010:

<u>Years</u> <u>(at December 31)</u>	<u>Total Water</u> <u>Accounts</u>
2001	32,101
2002	32,273
2003	32,726
2004	32,889
2005	33,057
2006	32,944
2007	32,780
2008	33,082
2009	32,910
2010	32,983

The City classifies its water customers according to several classifications. A breakdown of the accounts based on such classifications being served as of December 31, 2010 is set forth below:

<u>Classification</u>	<u>Number of Accounts</u>	<u>Accounts</u>
Residential	30,828	93.5%
Commercial & Industrial	2,155	6.5%
Total	32,983	100.0%

The following table sets forth the ten largest customers of the water system, which in the aggregate accounted for approximately 27.3% of total water usage during 2010:

<u>Customer</u>	<u>Water Usage</u> <u>Millions of</u> <u>Gallons</u>	<u>Percent of</u> <u>Total Water</u> <u>Use</u>
Industrial	958.61	13.0%
University	350.18	4.7%
Industrial	158.63	2.1%
Water District	151.43	2.0%
City Government	121.94	1.6%
School District	89.31	1.2%
Industrial	86.06	1.2%
Hospital	35.78	0.5%
Mobile Home Park	35.30	0.5%
Industrial	34.59	0.5%

**Water Rate Structure**

The City's water rate structure is administered in substantial compliance with the "cost of service" method endorsed by the American Water Works Association. Under the cost of service method, an effort is made to establish equitable charges which reflect the true costs of serving various classes of customers.

The 2003 water rates were structured to provide stronger price incentives for conservation. A 5-tier rate structure was adopted for single family residential and duplex customers and seasonal rates were adopted for commercial and multi-family residential customers. The 2003 water rates were established to recover a 6% increase in revenue after an assumed 15% system wide reduction in water use. In 2004, City Council directed staff to develop a 4-tier rate that would reduce the severity of the cost impacts for larger, single-family, and duplex residential users due to the 2003 5-tier rates. The 4-tier rate structure was adopted by City Council and went into effect May 1, 2004 and remained in effect through April 30, 2006. On March 21, 2006 City Council passed a 3-tier water rate for single family and duplex customers that will be in effect for billings after May 1, 2006 and remain in effect January 1, 2008. A 3% rate increase was implemented for 2009. While a 3% overall revenue increase was implemented for 2010 the resulting cost of service adjustments were +3.8% for residential, 0% for duplex and multi-family and +1.7% for commercial rate classes. A 3% rate increase will be implemented for 2011.

**WATER UTILITY ENTERPRISE  
WATER REVENUE BONDS  
SEC RULE 15c2-12 INFORMATION – CUSTOMER BASE, RATE STRUCTURE, AND ENFORCEMENT (UNAUDITED)**

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The following water rates remain in effect at January 1, 2011. In addition to these rates, a 6% payment in lieu of taxes (“PILOT”) is added to all charges and paid to the City’s general fund.

**Monthly User Charges Effective January 1, 2011**

(1) Residential customers with one dwelling unit.

- a. *Base Charges.* Residential customers with one dwelling unit shall pay a base monthly charge of \$12.83.
- b. *Quantity Charges.* Residential customers with one dwelling units shall pay a monthly quantity charge as follows:  
 For the first 7,000 gallons used per month at \$1.986 per 1,000 gallons.  
 For the next 6,000 gallons used per month at \$2.282 per 1,000 gallons.  
 For all additional gallons used per month at \$2.625 per 1,000 gallons.

(2) Residential customers with two dwelling units.

- a. *Base Charges.* Residential customers with two dwelling units shall pay a base monthly charge of \$15.07.
- b. *Quantity Charges.* Residential customers with two dwelling units shall pay a monthly quantity charge as follows:  
 For the next 9,000 gallons used per month at \$1.913 per 1,000 gallons.  
 For the next 4,000 gallons used per month at \$2.199 per 1,000 gallons.  
 For all additional gallons used per month at \$2.530 per 1,000 gallons.

**Metered Rates – Nonresidential**

(1) *Base Charges.* Nonresidential customers shall pay a base monthly charge based on meter size:

<u>Meter Size (inches)</u>	<u>Monthly Base Charge</u>
¾	\$11.48
1	\$32.03
1 ½	\$87.10
2	\$131.26
3	\$200.21
4	\$314.30
6	\$609.72
8	\$1,077.12

(2) *Quantity Charges.* Nonresidential customers shall pay a monthly quantity charge of \$1.597 per 1,000 gallons used in the winter season months of November through April. They shall pay a monthly quantity charge of \$1.996 per 1,000 gallons used in the summer season months of May through October.

(3) *Charges for Excess Use.* Monthly water use in excess of the amounts specified in the following table shall be billed at \$2.295 per 1,000 gallons used in the winter season months of November through April. Monthly water use in excess of the amounts specified below shall be billed at \$2.870 per 1,000 gallons used in the summer season months of May through October.

<u>Meter Size (inches)</u>	<u>Specified Amount (gallons per month)</u>
¾	100,000
1	300,000
1 ½	625,000
2	1,200,000
3	1,400,000
4	2,500,000

(continued)

**WATER UTILITY ENTERPRISE****WATER REVENUE BONDS****SEC RULE 15c2-12 INFORMATION – CUSTOMER BASE, RATE STRUCTURE, AND ENFORCEMENT (UNAUDITED)**

**Plant Investment Fees.** The plant investment fee is a one-time charge assessed for the purpose of recovering the pro-rata portion of the capital cost of the water system attributable to the customer. The PILOT referred to previously is not assessed on plant investment fees. Proceeds of the plant investment fee are accounted for as contributed capital of the water system, rather than as operating revenue. The City Council adopted the following plant investment fee schedule, which took effect January 1, 2011.

<u>Dwelling Category</u>	<u>Residential Plant Investment Fee</u>
Single Family	\$730 plus \$0.36 per square foot of lot area
Duplex, Multi-Family, Mobile Home	\$490 per living unit plus \$0.27 per square foot of lot area

<u>Water Meter Size (inches)</u>	<u>Nonresidential Plant Investment Fee</u>
¾	\$7,530
1	\$21,730
1½	\$45,300
2	\$69,070
3	\$157,920
4" and above	Based on peak day demand

**Enforcement**

The City's collections of water charges historically have been in excess of 99%. Unpaid water charges constitute a perpetual lien on the property to which service was delivered. Customers with delinquent active accounts are sent delinquency notices after 38 days. The City may discontinue water and electric service on delinquent accounts. Sometimes liens are filed while the delinquent customer is still an active account. Customers who have moved from the address where service was supplied and left the account owing to the City are typically assigned to a collection agency.

**Contributed Capital**

Several significant categories of receipts of the Water Fund which are pledged to the payment of the Bonds are accounted for as contributed capital rather than as revenue. The following table presents receipts of major categories of contributed capital by the Water Fund for the past ten years:

(in thousands)

<u>Year</u>	<u>Contributions In Aid of Construction</u>	<u>Cash Contributed In Lieu of Water Rights</u>	<u>Anheuser- Busch Water Rights Payments</u>	<u>Plant Investment Fees</u>	<u>Anheuser- Busch Master Agreement Payments</u>	<u>Anheuser- Busch Capacity Payments</u>	<u>Total Contributed Capital</u>
2001	162	3,795	239	3,573	491	155	8,415
2002	100	2,249	256	2,754	524	166	6,049
2003	62	2,940	178	3,123	656	274	7,232
2004	47	4,833	294	3,098	677	191	9,140
2005	53	6,972	315	2,847	690	205	11,081
2006	51	2,821	338	2,427	704	219	6,560
2007	61	3,708	362	2,674	680	235	7,720
2008	50	3,233	-	1,356	698	30	5,367
2009	13	824	-	521	725	32	2,116
2010	11	1,006	-	668	-	35	1,721

**WATER UTILITY ENTERPRISE**  
**WATER REVENUE BONDS**  
**SEC RULE 15c2-12 INFORMATION – COLLECTIONS AND OPERATING HISTORY (UNAUDITED)**

**Collections (in thousands)**

The following table sets forth the historical Water System user rates, plant investment fees, other fees and charges, and investment earnings:

	2006	2007	2008	2009	2010
User charges for services	\$ 26,379	\$ 24,820	\$ 24,284	\$ 21,752	\$ 24,228
Plant investment fees	2,393	2,632	5,367	2,116	1,721
Other fees & charges	4,175	5,518	329	260	309
Investment earnings	2,289	3,714	2,915	1,573	1,027
Total Water System Revenue	<u>\$ 35,236</u>	<u>\$ 36,684</u>	<u>\$ 32,896</u>	<u>\$ 25,701</u>	<u>\$ 27,285</u>

**Operating History of the Water Fund**

The financial section of this Comprehensive Annual Financial Report contains financial statements of the City and the Water Fund as of and for the year ended December 31, 2010. The following sets forth the operating history of the Water Fund for the years ended December 31, 2006 through 2010:

	2006	2007	2008	2009	2010
<b>Operating Revenues</b>					
Charges for services	\$ 26,379	\$ 24,820	\$ 24,284	\$ 21,752	\$ 24,228
<b>Operating Expenses</b>					
Administrative charge	2,836	2,902	3,859	3,840	3,897
Personal services	4,884	5,211	5,563	5,726	6,008
Contractual services	2,721	2,745	2,877	4,924	4,960
Commodities	1,327	1,432	1,378	1,555	1,609
Other	2,159	2,342	2,146	314	108
Depreciation	5,230	5,600	4,824	4,853	4,903
Total Operating Expense	19,157	20,232	20,647	21,211	21,485
Operating Income	7,221	4,588	3,637	541	2,743
<b>Nonoperating Revenues (Expenses)</b>					
Other revenue	-	430	313	250	285
Earnings on investments	2,289	3,714	2,915	1,573	1,027
Net increase (decrease) in					
the fair value of investments	286	-	-	-	-
Gain(loss)on fixed asset sales	9	(26)	17	10	24
Interest expense	(1,854)	(1,713)	(1,435)	(1,061)	(925)
Other expenses	(47)	(47)	(121)	(189)	(9)
Total Nonoperating					
Revenues (Expenses)	683	2,358	1,689	584	402
Income Before Contributions and					
Transfers	7,904	6,946	5,326	1,125	3,145
Capital contributions	6,560	7,720	5,367	2,116	1,721
Operating transfers in (out)	-	-	(184)	(189)	91
Income After Contributions and					
Transfers	6,560	7,720	5,183	1,926	1,811
Change in Net Assets	14,464	14,667	10,509	3,051	4,956
Net Assets--Jan. 1	198,012	212,476	227,142	237,651	240,702
Net Assets--Dec. 31	<u>\$ 212,476</u>	<u>\$ 227,142</u>	<u>\$ 237,651</u>	<u>\$ 240,702</u>	<u>\$ 245,659</u>

Totals may not add due to rounding

**WATER UTILITY ENTERPRISE  
WATER REVENUE BONDS  
SEC RULE 15c2-12 INFORMATION – DEBT STRUCTURE OF THE WATER FUND (UNAUDITED)**

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As of December 31, 2010, the Net Revenue of the Water Fund serviced the following obligations:

*(in thousands)*

<u>Name of Issue</u>	<u>Originally Authorized</u>	<u>Outstanding Principal</u>
Water Revenue Bond, Series 1997	10,125	4,090
Water Revenue Bond, Series 1999	4,998	2,475
Water Subordinate, 2004	2,476	1,954
Water Revenue Refunding Series 2008	9,645	9,560
Water Revenue Refunding Series 2009	<u>7,815</u>	<u>5,210</u>
<b>Total</b>	<u><u>\$ 35,060</u></u>	<u><u>\$ 23,288</u></u>

*Totals may not add due to rounding*

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Fort Collins	
		YEAR ENDING : December 2010	
This Information From The Records Of (example - City of _ or County of _) City of Fort Collins		Prepared By: Karen Tracy Phone: (970)416-2426	
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
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			
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,188,909
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	12,127,568
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,183,132
2. General fund appropriations	3,957,104	b. Snow and ice removal	1,378,468
3. Other local imposts (from page 2)	5,571,699	c. Other	3,748,571
4. Miscellaneous local receipts (from page 2)	8,599,656	d. Total (a. through c.)	8,310,171
5. Transfers from toll facilities	0	4. General administration & miscellaneous	179,808
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	22,806,456
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	43,365
7. Total (1 through 6)	18,128,458	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	43,365
<b>C. Receipts from State government</b> (from page 2)	4,721,363	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	22,849,821	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	43,365
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	22,849,821
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
<b>A. Bonds (Total)</b>	985,000	0	670,000
1. Bonds (Refunding Portion)			
<b>B. Notes (Total)</b>			0
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
		22,849,821	22,849,821
			D. Ending Balance
			E. Reconciliation
			0
<b>Notes and Comments:</b>			

FORM FHWA-536 (Rev. 1-05)

PREVIOUS EDITIONS OBSOLETE

(Next Page)

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2010	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	291,123
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	1,336,864	c. Parking Garage Fees	1,792,364
2. Infrastructure & Impact Fees	2,121,165	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	180,497	f. Charges for Services	5,474,541
5. Specific Ownership &/or Other	1,933,172	g. Other Misc. Receipts	326,629
6. Total (1. through 5.)	5,571,699	h. Other	715,000
c. Total (a. + b.)	5,571,699	i. Total (a. through h.)	8,599,656
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	4,296,948	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	424,415	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	424,415	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	4,721,363	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	880	880
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	2,188,029	2,188,029
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,188,029	2,188,029
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,188,909	2,188,909
		(Carry forward to page 1)	
Notes and Comments:			