



2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FORT COLLINS, COLORADO YEAR ENDED DECEMBER 31, 2011



City of Fort Collins, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2011

Prepared by the Finance Department:

*John Voss, Controller/Assistant Financial Officer
Mindy Pfeiger, Senior Accountant
Becky Sullivan, Accountant
Karen Tracy, CPA, Accountant
Judi Vos, Cash Systems Coordinator*

About our cover and section tabs...

The cover picture is Bobcat Ridge Natural Area. The 2,600-acre natural area has significant biological and ecological resources, rich cultural and human history, abundant interpretive opportunities, and extraordinary opportunities for recreation. Bobcat Ridge has a grassy valley, foothills, ponderosa pines, and stunning red rock cliffs and is the home to elk, wild turkey, mountain lions, bears and other wildlife.

The “Introductory Section” tab photo is the Lincoln Center. The Lincoln Center is the premier performance venue in the region. The \$8.2 million capital project was funded through the citizen approved Building on Basics sales tax renewal, and contributions from major foundations, businesses and community members. Improvements to the 32 year old facility focused on improving the patron experience, such as expanding lobbies, adding restrooms, and improved acoustics, and adding performer amenities, like a new dressing complex. The project added 20,000 s.f. of new space while renovating over 50,000. The Lincoln Center hosts more than 350 performances and rehearsals each year.

The “Financial Section” tab features the statue “On Strong Shoulders” at the Veterans Plaza of Northern Colorado at Spring Canyon Community Park. The Veterans Plaza is located on 3 acres at the entrance of the park. The plaza, four years from conception to completion, was funded through contributions from citizens, civic organizations, and the City of Fort Collins. The plaza pays homage to all US veterans with honorable service. The site includes touch screen interactive walls, soils from over 100 battlefields around the world, and a scrolling list of veterans who have served our country. Here we may celebrate our freedoms, commemorate those who served and honor their sacrifices.

The “Notes to the Basic Financial Statements Section” and “Supplementary Information” tabs are a collage of photos representing the Mason Corridor. The Mason Corridor is an economic initiative enabled by transit. MAX is the new bus rapid transit system that will serve the Corridor. At \$87 million, it is the largest infrastructure project the City has ever built. Eighty percent of the funding comes from a Federal Transit Administration grant. When complete, it will combine transit, trails, public infrastructure and private investment to spur redevelopment along the corridor. Crafted by community members, the vision is becoming a reality! MAX Bus Rapid Transit service will begin in the spring 2014.

The “Statistical Section” tab features Fossil Creek Trail. The Fossil Creek Trail is a recreational trail that serves all non-motorized uses in south Fort Collins. The 10-foot wide concrete trail is 5.17 miles in length and connects residents to area businesses, schools, parks, natural areas, and the City’s on-street bicycle and sidewalk system. A recently completed mile long section of the trail connects Spring Canyon Community Park with the Cathy Fromme Natural Area. Included in this new section is a trail underpass of Larimer County Road No. 38E. The trail provides an opportunity for citizens to socialize, relax, enjoy nature and detach from the urban environment.

The “Other Schedules” tab is the Water Treat Facility. The Water Treatment Facility has an onsite solar power generation facility. This system was installed in late 2011, and produces up to 100 kilowatts. The plant consumes all of the power generated, which helps offset its electricity usage from the power utility, Xcel.

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INTRODUCTORY SECTION

INTRODUCTORY SECTION

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fcgov.com

June 8, 2012

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, 2011.

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 statements of the City for the fiscal year ended December 31, 2011 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, 2011 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 144,875 in 2011. 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, wastewater 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 1953, 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

Financial Condition: Economy, Long-Term Financial Planning and Major Initiatives

Unemployment in Fort Collins has risen as a result of the national recession. At the end of 2011, the local unemployment rate stood at 6.8%, which compares favorably to the State rate of 8.2% and national rate of 7.7%.

The essential economic indicators for the City were beginning to improve in 2011. The population grew approximately 0.6%, and the number of residential building permits issued increased by 45.8%. The City relies heavily on sales and use tax revenue, which were up 4.6%. Growth in inflation, as measured by the Denver-Boulder-Greeley Consumer Price Index was up 1.8% in 2011.

Overall governmental fund revenue increased 16.3% in 2011. 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 \$274 million in unrestricted net assets, \$2.2 million less than 2010. Please see page 18 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, per voter direction, expenditures are focused on street maintenance, other transportation needs, police, fire, parks, recreation and other City priorities. The new tax generated \$19.9 million additional revenue in 2011. The improvements funded by this new tax significantly support the economic and financial vibrancy of Fort Collins. A summary of how the funds were spent is outlined below:

- Re-pavement of several major arterial roads.
- Hiring of 28 additional police officers and police staff.
- An additional South Battalion with Poudre Fire Authority that improved response times within 8 minutes from 18% to 74%.
- Maintenance of various city park facilities and programs within the City's community and senior center.

Fiscal Sustainability. Executive management has identified two strategic objectives to improve fiscal sustainability that will be prioritized for the next few years: diversification of revenue and developing a comprehensive city-wide monthly operating report.

North College Avenue Urban Renewal Authority Plan Area. The North College corridor is the gateway into Fort Collins from the north. The North College area property and business owners have shown robust support for growth and change in the corridor. Projects in the plan area include improvements to streetscapes, the installation of continuous bike lanes and pedestrian sidewalks along College Avenue, and upgrade the storm drainage system. A significant number of projects were completed in 2011 including the North College Market Place anchored by a King Soopers store, various business upgrade and the redesign of the Willox and College intersection. The

Museum of Discovery building was completed on the south end of the URA area in 2011 and is scheduled to open in late 2012. The design of the streetscape between Vine and Conifer was completed in 2011 and construction will be completed in 2012.

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 which was established by Council in September of 2011. The first project within the Midtown URA district was approved shortly thereafter and includes retail space and student housing at the southwest corner of Prospect and College.

With approximately 655,000 square feet of empty retail, College Avenue is ripe for revitalization and renewed attention of developers and investors. The Midtown Urban Renewal Plan will create additional 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 RMI) 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 assisted RMI in the construction of the new 30,000+ square foot, LEED Platinum facility on East Vine Drive. The City's support of RMI represents one of several existing partnerships that leverage City resources to achieve a benefit to the community. In 2011, RMI supported 30 companies with annual revenues of \$4.5 million and 172.5 employees (full and part-time). Five companies completed a Series A stock round in 2011 raising \$9.4 million in capital. Since 2009, RMI has helped client companies raise over \$36.1 million in capital.

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, Technology (Chip Design/Hardware, Software), Water Innovation and Uniquely Fort Collins. Industry growth in Fort Collins saw increases in Bioscience, Clean Energy and Uniquely Fort Collins. The Technology industry cluster declined in the area of industry growth in Fort Collins. The Clean Energy cluster saw the largest industry growth in Fort Collins at over 31.1%. The continued investment and evolution of the clusters has led to a meta-approach called the Innovation Economy Model. This model leverages assets, clusters, and partnerships to support job creation. The City continues to work collaboratively with various stakeholders on developing and expanding these industries. The continued implementation is proving successful in creating and retaining jobs, and encouraging existing companies to expand.

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, 2010. This was the 24th 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 2011 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,

A handwritten signature in dark ink, appearing to read 'Mike Beckstead', with a long horizontal line extending to the right.

Mike Beckstead
Chief Financial Officer

A handwritten signature in dark ink, appearing to read 'John Voss', with a large, stylized 'J' and 'V'.

John Voss
Controller/Assistant 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, 2010

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

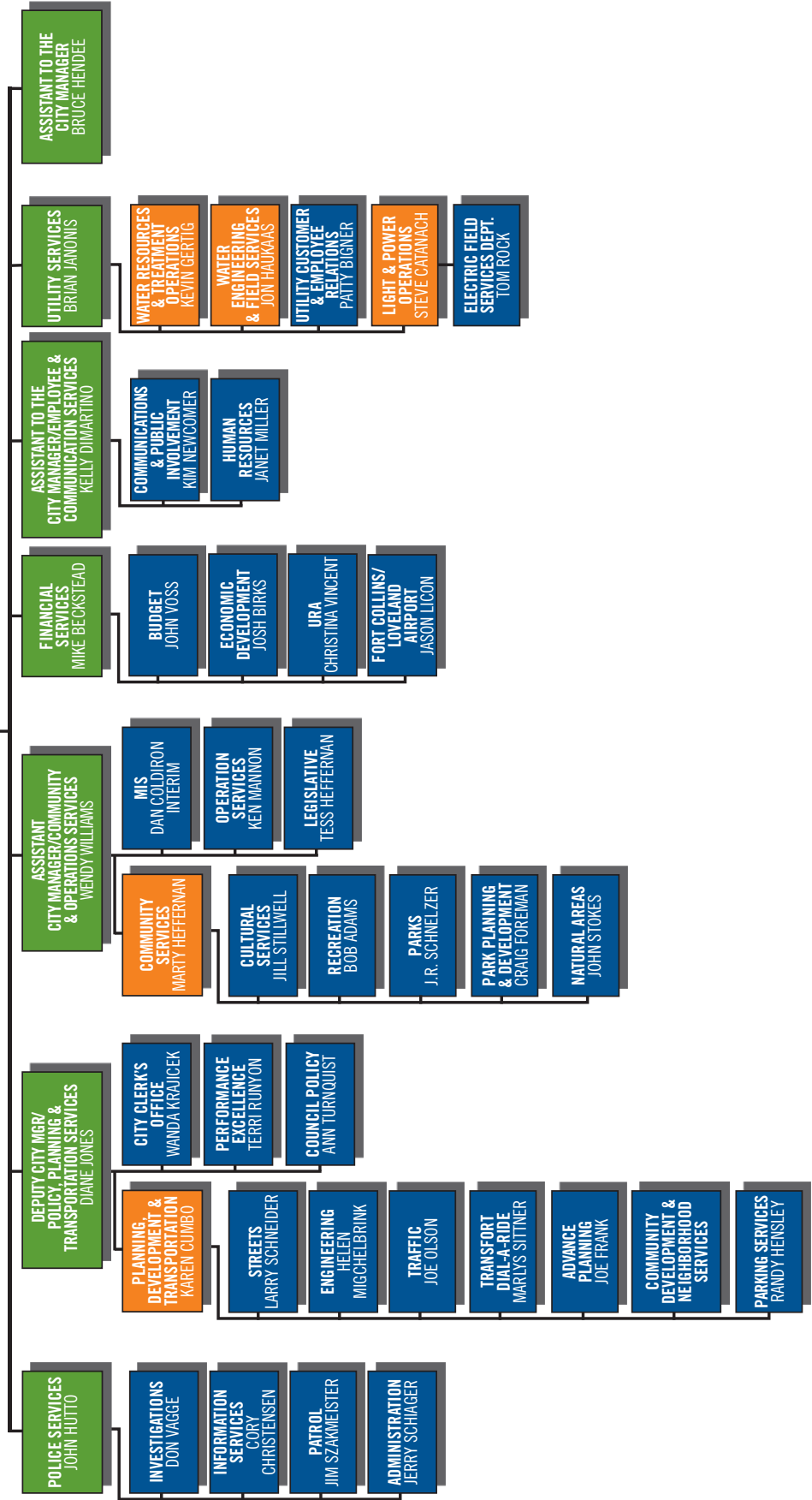
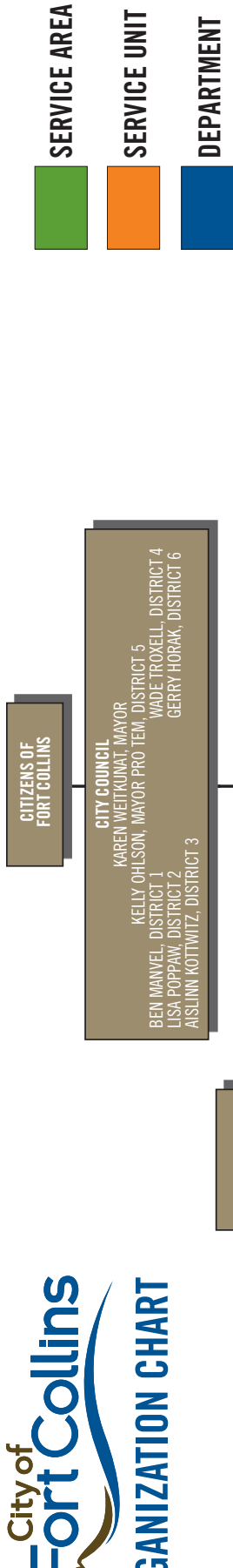


Linda C. Sandison

President

Jeffrey R. Emer

Executive Director



City of Fort Collins, Colorado
Elected and Appointed Officials
As of December 31, 2011

Elected Officials

Karen Weitkunat.....	Mayor
Aislinn Kottwitz.....	District 3 Councilmember
Ben Manvel.....	District 1 Councilmember
Kelly Ohlson.....	Mayor Pro Tem, District 5 Councilmember
Lisa Poppaw	District 2 Councilmember
Gerry Horak.....	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.....	Assistant to the City Manager
Mike Beckstead	Chief Financial Officer
Kevin Gertig	Water Resources/Treatment Operations Manager
John Hutto.....	Chief of Police
Jon Haukaas	Water Engineering Field Operations Manager
Martin J. Heffernan.....	Director of Community 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
Bruce Hendee.....	Assistant to the City Manager
Dan Coldiron	Interim Chief Information Officer
Wendy Williams	Assistant City Manager

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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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Keep Fort Collins Great Fund, Transportation Services Fund and the Urban Renewal Authority Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2012, 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.

As described in Note IV(G), and in Finding 11-II-A of our consideration of the City's internal control over financial reporting referenced above, the City restated beginning net assets of governmental activities and fund balance of the Urban Renewal Authority Fund to correct the recording of certain notes receivable transactions.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 15 through 26, the modified approach for City Streets Infrastructure capital assets on pages 86 through 87, the Pension Plan Schedules of Funding Progress on page 88 and Other Postemployment Benefits Plan Schedule of Funding Progress on page 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements. Accordingly, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

McGladrey LLP

Denver, Colorado
June 6, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Fort Collins (the City) offers the readers of the City's financial statements this overview and analysis of the basic financial statements of the City as of and for the year ended December 31, 2011. Readers should consider the information presented in this discussion and analysis in conjunction with additional information furnished in our letter of transmittal and the City's financial statements, which begin on pages 3 and 29 of this report, respectively.

Financial Highlights

- The City's assets exceeded its liabilities at the end of 2011 by \$1.4 billion (net assets). Of this amount, \$269.2 million is unrestricted and may be used to meet the City's ongoing obligations.
- Citywide net assets increased \$54.4 million (3.9%) in 2011. The governmental net assets increased by \$32.9 million (4.4%) and the business-type assets increased by \$21.5 million (3.4%).
- The General Fund, the City's primary operating fund, ended 2011 with a \$40.2 million fund balance, a decrease of \$0.8 million (1.8%) on a current financial resource basis. Of this amount, \$31.6 million is spendable and complies with City policy.
- The City's total debt decreased by \$11.6 million (7.1%) during the year. Within that activity, the City's governmental debt decreased by \$1.9 million and business-type debt decreased by \$9.7 million. Favorable interest rates allowed for the refinancing of \$8,515,000 Stormwater Utility Revenue Bonds originally issued in 2002. The net effective interest rate on the new 10 year bonds is 2.49%. The net present value savings realized was \$639,317.

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) Citywide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Citywide Financial Statements. The citywide 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, environmental services, planning, 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 50) 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, Keep Fort Collins Great Fund, Urban Renewal Authority Fund, the Transportation Special Revenue Fund and the Capital Projects Fund. These five 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 32-39 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 40-45 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 46-47 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 49-85 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 86-89 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.

Statement of 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	
	2011	2010	2011	2010	2011	2010
Current and other assets as restated	\$ 195,133	\$ 193,790	\$ 195,741	\$ 206,808	\$ 390,874	\$ 400,598
Capital assets	679,351	649,820	576,916	559,075	1,256,267	1,208,895
Total assets as restated	874,484	843,610	772,657	765,883	1,647,141	1,609,493
Other liabilities	30,334	30,421	34,028	18,300	64,362	48,721
Long-term liabilities	63,722	65,695	86,211	116,661	149,933	182,356
Total liabilities	94,056	96,116	120,239	134,961	214,295	231,077
Net assets:						
Invested in capital assets, net of related debt	628,758	597,270	490,511	466,364	1,119,269	1,063,634
Restricted	43,327	37,138	1,025	1,031	44,352	38,169
Unrestricted as restated	108,342	113,086	160,882	163,527	269,224	276,613
Total net assets as restated	\$ 780,427	\$ 747,494	\$ 652,418	\$ 630,922	\$ 1,432,845	\$ 1,378,416

For more detailed information see the Statement of Net Assets on page 29 of this report.

By far, the largest portion of the City's net assets, \$1,119.3 million (78.1%) 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 \$55.6 million (5.2%) in 2011. 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, \$44.4 million (3.1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$269.2 million (18.8%), may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net assets increased by \$54.4 million in 2011. However, unrestricted net assets decreased \$7.4 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 24-26.

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

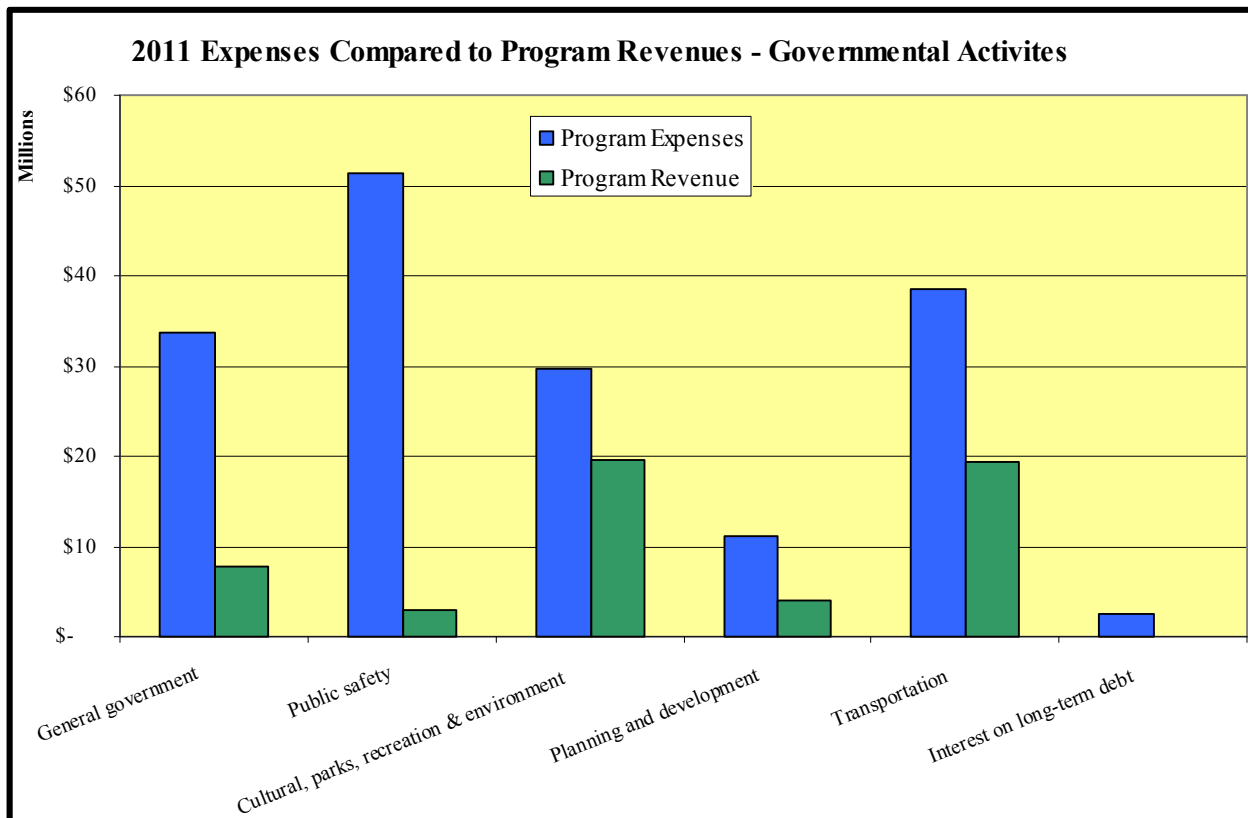
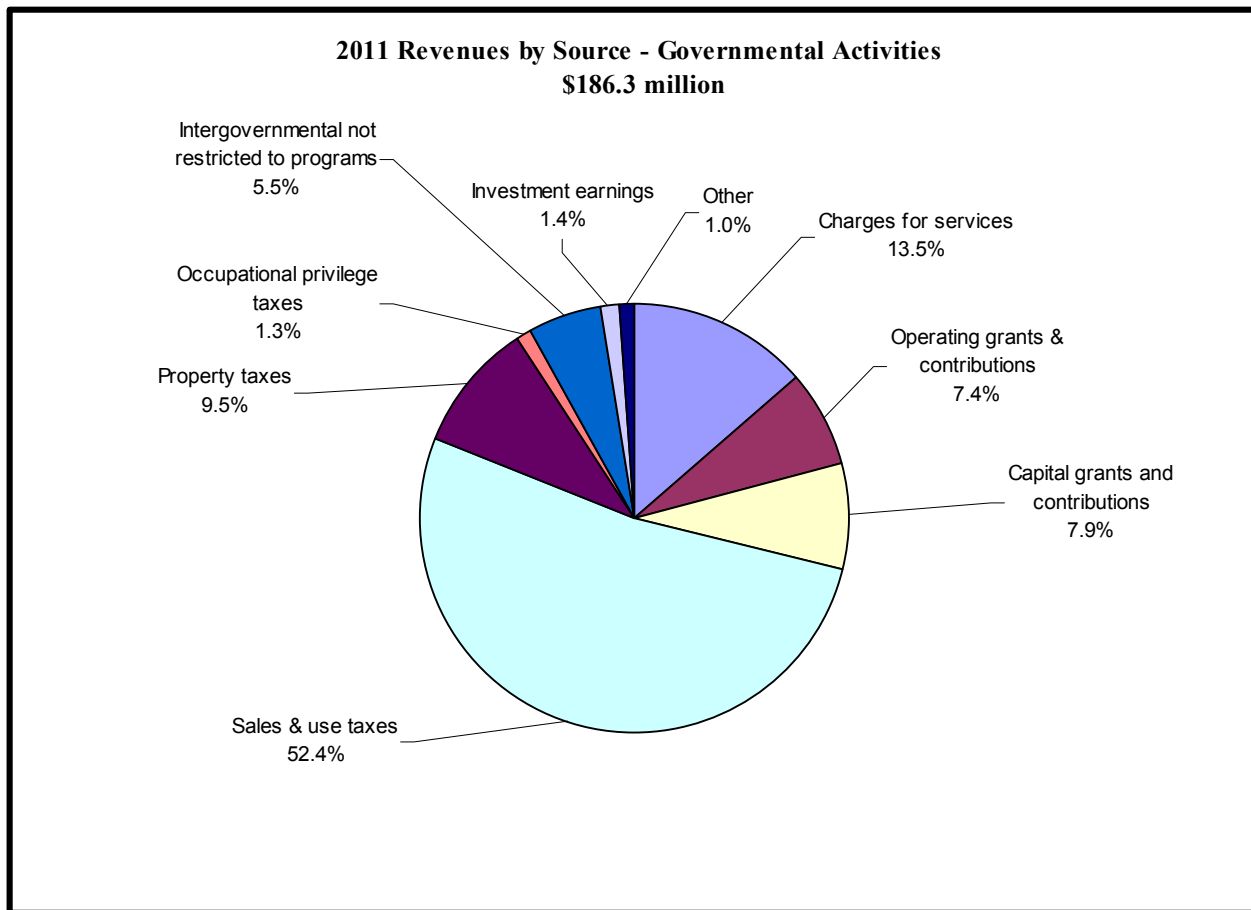
(amounts expressed in thousands, totals may not add due to rounding)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Primary Government</u>	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 25,241	\$ 25,044	\$ 160,888	\$ 154,518	\$ 186,129	\$ 179,562
Operating grants & contributions	13,712	8,240	131	220	13,843	8,460
Capital grants and contributions	14,784	16,014	11,661	9,019	26,445	25,033
General revenues:						
Sales & use taxes	97,589	74,719	-	-	97,589	74,719
Property taxes	17,742	17,833	-	-	17,742	17,833
Occupational privilege taxes	2,433	2,327	-	-	2,433	2,327
Lodging taxes	909	808	-	-	909	808
Intergovernmental not restricted to programs	10,274	9,919	-	-	10,274	9,919
Investment earnings	2,601	2,367	2,919	2,585	5,520	4,953
Miscellaneous	1,019	787	1,498	1,379	2,517	2,166
Total Revenues	186,304	158,057	177,098	167,721	363,402	325,778
Expenses:						
General government	33,674	25,548	-	-	33,674	25,548
Public safety	51,313	48,854	-	-	51,313	48,854
Cultural, parks, recreation and environment	29,755	27,342	-	-	29,755	27,342
Planning and development	11,053	14,331	-	-	11,053	14,331
Transportation	38,540	34,698	-	-	38,540	34,698
Interest on long-term debt	2,523	2,682	-	-	2,523	2,682
Light & power	-	-	97,057	91,693	97,057	91,693
Water	-	-	19,941	19,671	19,941	19,671
Wastewater	-	-	14,163	14,129	14,163	14,129
Storm drainage	-	-	8,407	8,307	8,407	8,307
Golf	-	-	2,547	2,454	2,547	2,454
Total expenses	166,857	153,455	142,115	136,253	308,973	289,707
Increase in net assets before transfers	19,447	4,603	34,982	31,469	54,428	36,070
Transfers	13,486	13,636	(13,486)	(13,636)	-	-
Increase in net assets	32,934	18,238	21,496	17,833	54,429	36,071
Net assets - beginning as restated	747,494	729,256	630,922	613,089	1,378,416	1,342,345
Net assets - ending as restated	\$ 780,428	\$ 747,494	\$ 652,418	\$ 630,922	\$ 1,432,845	\$ 1,378,416

For more detailed information see the Statement of Activities on pages 30-31 of this report.

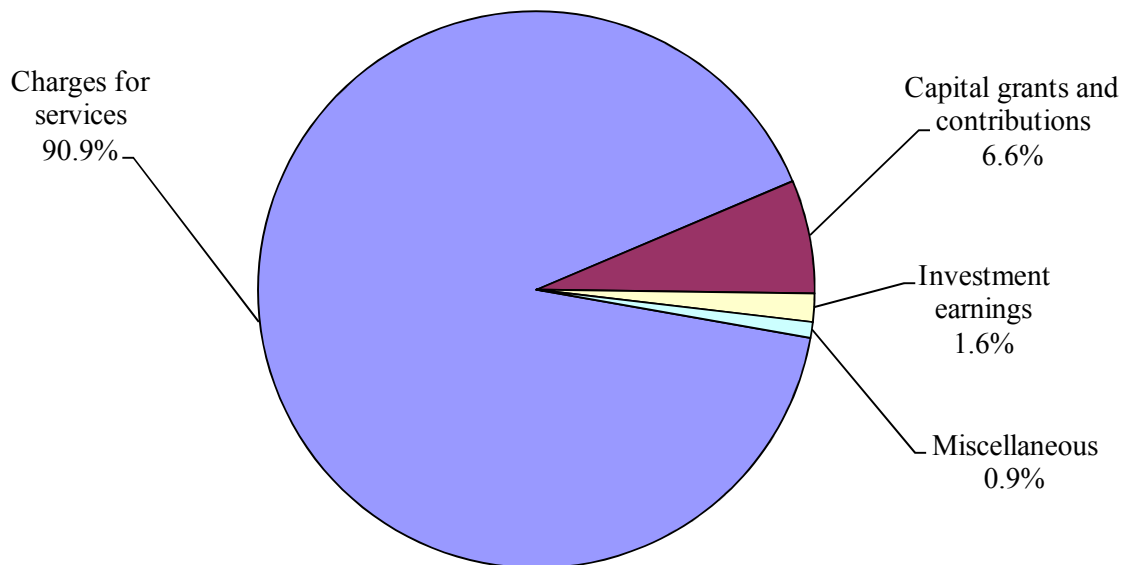
The above condensed summary of the City's governmental and business type activities for the period ended December 31, 2011 reflects net assets increasing by \$54.4 million (4.0%). The prior period is also included for comparative purposes. In addition, revenue and expense graphs have been presented on pages 20-21 to enhance the reader's understanding of the current year activities.

Governmental Activities:

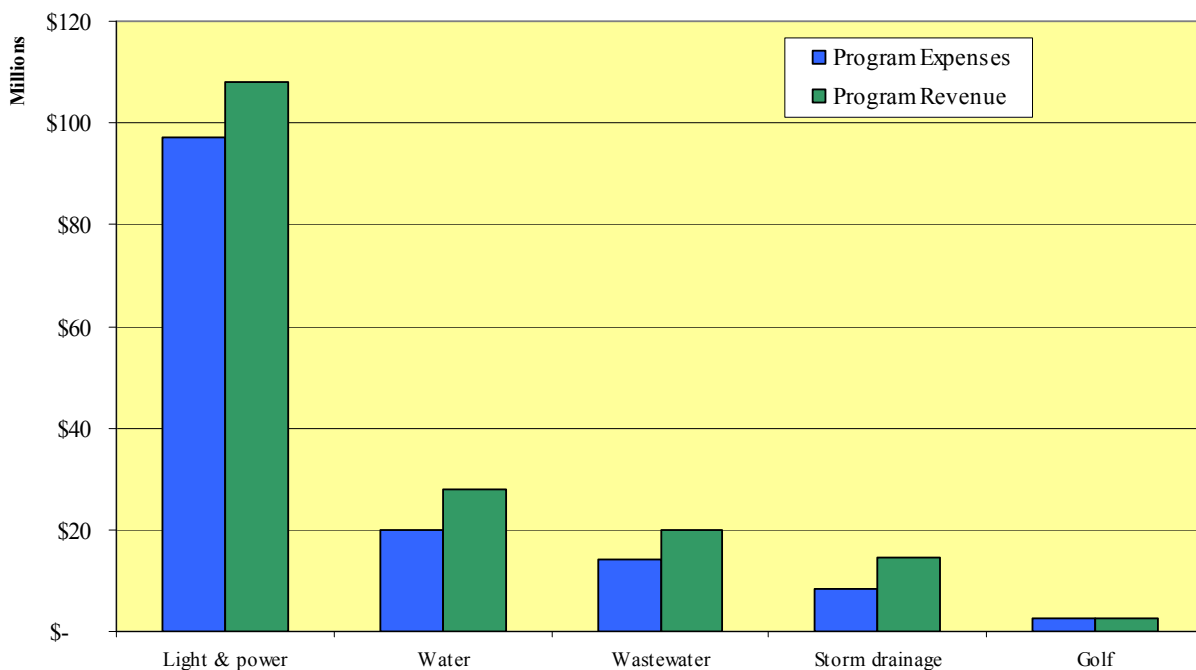


Business-type Activities:

2011 Revenues by Source - Business-type Activities
\$177.1 million



2011 Expenses Compared to Program Revenues - Business Activities



Governmental activities. Governmental activities increased the City's net assets by \$32.9 million, accounting for 60.5% of the City's \$54.4 million overall increase in net assets. Major influences are due to the following:

Operating grants and contributions increased \$5.5 million in 2011. \$2.5 million is the City's share of the net assets to the Fort Collins-Loveland airport which is a joint venture with the City of Loveland. The remaining additional increase is due to more FTA operating grant revenue collected in 2011.

Capital grants and contributions decreased \$1.2 million in 2011. Culture, parks, recreation and environment projects include a \$5.7 million increase due to the Fort Collins Museum/Discovery Science Center contributions and donations. This increase is offset by the decrease in the Transportation grants of \$9.0 million less funds received on the Mason Street Corridor project.

Sales and use tax collections increased \$22.9 million from 2010 collections. The majority of this increase, \$19.9 million, is due to the collection of the new Keep Fort Collins Great sales tax which went into effect in January 2011. The additional remaining amount is due to the economic rebound and regular sales and use tax increased collections.

The general government had an \$8.1 million increase in expenditures. Budget constraints caused several expense reductions across city departments in prior years. Many maintenance and repairs projects were postponed in 2010; however, due to the economy being stronger, the facility operations division reinstated various maintenance and repair projects. There was also additional spending with Keep Fort Collins Great initiatives in Economic Health.

There was a \$2.5 million increase in public safety expenditures in 2011. This is due to the Keep Fort Collins Great expenditures for personnel.

There was a \$2.4 million increase in cultural, parks, recreation and environment expenditures. This increase is also directly related to the Keep Fort Collins Great initiatives, such as keeping the Mulberry pool open.

Business-type activities. Business-type activities in the utility funds increased the City's net assets by \$21.5 million, accounting for 39.5% of the City's \$54.4 million increase in net assets. Major variations are due to the following:

Charges for services in the utilities business activities increased \$6.3 million (4.2%) from 2010 to 2011. Light and Power operating revenues increased 7%. This is due to a 6.5% rate retail increase in January 2011 and a small increase in kilowatt-hour sales. Water operating revenues decreased 0.5% compared to 2010. Demand decreased due to conservation and weather offsetting the 3.0% rate increase implemented January 2011. Wastewater operating revenues decreased 0.6% from 2010. The 9% wastewater rate increase in 2011 was offset by the reduction in revenue resulting when a large customer discontinued using the City's wastewater system in 2011. Storm drainage rates remained unchanged in 2011 and the fund's revenues increased 0.5% due to modest growth.

The increase in Light and Power grant revenue for 2011 is due to two major ongoing ARRA (American Reinvestment and Recovery Act) grants: The two grant projects are RDSI (Renewable Distributed System Integration) related to the FortZED area which had a revenue increase \$0.8 million in 2011 and the SGIG (Smart Grid Investment Grant) with revenue increases of \$1.6 million. The RDSI project will be completed in 2012 and the SGIG project will continue through 2015.

Light and Power expenditures increased primarily due to increase in the cost of purchase power which increased \$5.5 million compared to 2010. The increase is a result of a 6.1% rate increase from Platte River Power Authority and increased energy and demand in 2011.

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, unassigned 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, 2011, the total Governmental fund balances were \$121.8 million, a decrease of \$4.1 million (3.2%) compared to the prior year. There was \$8.5 million non-spendable, restricted was \$43.3 million, committed was \$22.1 million, assigned was \$38.3 million, and unassigned was \$9.5 million. The explanations for these restrictions are contained in the Notes to the Basic Financial Statements, section III.F.

The General Fund is the chief operating fund of the City. At December 31, 2011, the total fund balance was \$40.2 million. The spendable fund balance was \$31.7 million. The General Fund decreased \$0.8 million in 2011 primarily due to higher expenditures in capital outlay (\$0.7 million) and slightly higher debt principal payments.

The Keep Fort Collins Great Special Revenue Fund is a new fund of the City. On November 2, 2010, the voters of Fort Collins approved a 0.85% increase in the City's sales and use tax rate. The tax is effective January 1, 2011 until January 1, 2021. The new City sales tax rate is 3.85%, bringing the total sales tax rate to 7.55% within Fort Collins city limits. The additional tax is allocated to dedicated purposes in the following manner: 33% to pavement maintenance, 17% to other transportation needs, 17% to police services, 11% to fire and emergency services, 11% to parks and recreation, and 11% to other community priorities other than those already specified. The new tax generated \$19.9 million for the first full fiscal year.

The Transportation Services Special Revenue Fund is another major governmental fund of the City. As of December 31, 2011, the fund balance was \$13.2 million. It increased by \$0.9 million. The primary increase is due to larger transfers from the General Fund into the Transportation fund specifically for tree and branch cleanup expenses incurred due to a large early snow storm in October. The fund balance consisted of \$1.0 million restricted for Civic Center Parking Structure and assigned was \$12.2 million.

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 \$7.3 million which resulted in a December 31, 2011 fund balance of \$20.1 million. Restricted was \$15.0 million for voter approved projects and assigned was \$5.1 million. The largest capital project expenditures were: \$8.6 million for the Fort Collins Museum/Discovery Center Facility; \$7.5 million for the Mason Street Transportation Corridor; and \$4.7 million for Lincoln Center Renovations.

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, 2011 fund balance was an unassigned negative \$6.8 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)

Proprietary Funds	Unrestricted Net Assets at 12/31/11	Change in Net Assets for Year Ended 12/31/11
Light & Power	\$ 45,789	\$ 5,357
Water	72,390	7,066
Wastewater	28,872	4,764
Storm Drainage	13,981	5,644
Total of Major Enterprise Funds	161,032	22,831
Other Enterprise Fund - Golf	408	68
Total Enterprise Funds	161,440	22,899
Internal Service Funds	20,898	(375)
Total Proprietary Funds	\$ 182,338	\$ 22,524

General Fund Budgetary Highlights

The final budget appropriations were \$10.5 million higher than the original budget appropriations. Major appropriations are summarized below:

The 2011 ordinances created new budget appropriations for the following items: \$2.7 million for police department programs including the Computer Automated Dispatch system and the police services Dispatch Center; \$1.5 million for the Fort Collins Museum/Discovery Science Center; and \$1.3 million for the tree and branch cleanup efforts.

The variance between actual expenditures and the final budget amounted to \$8.9 million (9.7%) 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 \$1.0 million unspent appropriations due to timing regarding their fiscal year ending in September and the new budget cycle starting in October; \$1.0 million in unspent appropriations in facility support services and maintenance; \$1.5 million unspent for the energy efficiency grant in environmental services; \$3.7 million in police services and capital outlay unspent appropriations due to the timing of the replacement of the Computer Automated Dispatch and Records Management system work.

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, 2011 amounted to \$1.3 billion (net of accumulated depreciation). This was an increase of \$47.4 million (3.9%). 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 Pavement Condition Index (PCI) rates the level at 72. It met the City's policy of achieving a good (Level of Service B) rating. For 2011, the City spent \$13.7 million on its street maintenance program as compared to \$14.1 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 86-87 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	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land, rights of way, water rights, other	\$ 202,339	\$ 199,907	\$ 65,510	\$ 63,812	\$ 267,849	\$ 263,719
Street system infrastructure	259,055	256,733	-	-	259,055	256,733
Construction in progress	45,071	25,250	60,408	90,827	105,479	116,077
Infrastructure	8,101	7,908	-	-	8,101	7,908
Buildings and improvements	95,162	98,810	144,433	142,576	239,595	241,386
Improvements other than buildings	46,186	37,951	292,889	250,371	339,075	288,322
Machinery and equipment	23,437	23,261	13,676	11,489	37,113	34,750
Total capital assets	<u>\$ 679,351</u>	<u>\$ 649,820</u>	<u>\$ 576,916</u>	<u>\$ 559,075</u>	<u>\$1,256,267</u>	<u>\$ 1,208,895</u>

Major capital improvements during this fiscal year included the following:

Governmental Activities

Completed in 2011:

- Lincoln Center Renovation - \$8.0 million
- Additions to Street Infrastructure - \$13.7 million
- Alley Enhancements - \$0.9 million
- Transportation Buses - \$2.8 million

Other capital assets in 2011:

- Fort Collins Science Discovery Center Facility - accumulated costs to date - \$13.4 million
- Bridge Replacement projects - accumulated costs to date - \$10.6 million
- Mason Street Transportation Corridor - accumulated costs to date - \$14.5 million

Proprietary Activities

Completed in 2011:

- Halligan Reservoir Enlargement Project - \$10.0 million
- Portner Substation Light & Power - \$6.2 million
- Mulberry Water Reclamation Facility Improvements - \$27.0 million
- Wastewater Odor Control Projects - \$3.5 million
- Meter Additions and Replacements - \$2.0 million

Other capital assets in 2011:

- Timberline Substation – accumulated costs to date - \$5.7 million
- Canal Importation Ponds & Outfall - accumulated costs to date - \$17.4 million
- SGIG Project - accumulated costs to date - \$4.7 million

Additional information on the City's capital assets can be found in Note III.C. on pages 62-63 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$153.1 million (bonds, certificates of participation, capital leases, etc.). This was a decrease of \$11.6 million (7.1%). Of this amount, \$100.7 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The remaining \$52.4

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	
	2011	2010	2011	2010	2011	2010
Revenue bonds	\$ 340	\$ 670	\$ 100,380	\$ 109,883	\$ 100,720	\$ 110,553
Certificates of participation	45,870	49,100	1,230	1,360	47,100	50,460
Assignment of lease payments	545	587	1,734	1,868	2,279	2,455
Capital leases	2,755	1,015	245	227	3,000	1,242
Total outstanding debt	<u>\$ 49,510</u>	<u>\$ 51,372</u>	<u>\$ 103,589</u>	<u>\$ 113,338</u>	<u>\$ 153,099</u>	<u>\$ 164,710</u>

Additional information on the City's long-term obligations can be found in Note III.E on pages 64-72 of this report.

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 addressed to the Finance Department at 215 North Mason Street 2nd Floor, PO Box 580, Fort Collins, CO 80522-0580 or telephone 970-221-6788.

BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government -- City of Fort Collins			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	\$ 13,963,136	\$ 13,153,240	\$ 27,116,376	\$ 803,264
Investments	122,942,469	136,043,865	258,986,334	9,452,944
Receivables:				
Property taxes	18,187,509	-	18,187,509	3,172,581
Sales and use taxes	10,557,368	-	10,557,368	-
Accounts	2,493,654	20,532,308	23,025,962	3,203
Notes	5,555,817	1,201,760	6,757,577	-
Interest	515,668	646,755	1,162,423	56,111
Prepaid	186,233	-	186,233	13,234
Internal Balances	519,265	(519,265)	-	-
Due from other governments	3,258,133	927,311	4,185,444	-
Inventories of materials and supplies	563,556	4,500,745	5,064,301	-
Inventory of real property held for resale	2,896,665	-	2,896,665	135,464
Restricted cash and cash equivalents	1,718,102	1,025,196	2,743,298	-
Restricted investments	-	17,573,878	17,573,878	1,250,000
Investment in joint venture	11,216,582	-	11,216,582	-
Capital assets (non-depreciable)	506,464,487	125,918,299	632,382,786	2,528,747
Capital assets (net of accumulated depreciation)	172,886,745	450,997,775	623,884,520	4,248,064
Unamortized bond issuance costs	558,683	655,011	1,213,694	109,346
Total Assets	874,484,072	772,656,878	1,647,140,950	21,772,958
LIABILITIES				
Accounts payable	8,339,825	12,999,012	21,338,837	64,301
Interest payable	206,157	417,282	623,439	55,597
Wages payable	2,357,915	612,098	2,970,013	6,969
Due to other governments	47,238	-	47,238	-
Unearned revenue	18,360,482	-	18,360,482	3,272,581
Deposits held	1,022,999	-	1,022,999	-
Non-Current liabilities				
Due within one year	11,487,883	12,632,629	24,120,512	709,272
Due in more than one year	52,234,000	93,578,276	145,812,276	11,800,000
Total Liabilities	94,056,499	120,239,297	214,295,796	15,908,720
NET ASSETS				
Invested in capital assets, net of related debt	628,758,485	490,511,106	1,119,269,591	6,776,811
Restricted for:				
Debt service	29,608	1,025,196	1,054,804	1,250,000
Voter limitations	22,496,961	-	22,496,961	-
Gifts and grants	6,621,785	-	6,621,785	-
Agreements	9,914,502	-	9,914,502	-
Emergencies	4,263,863	-	4,263,863	-
Unrestricted (deficit)	108,342,369	160,881,279	269,223,648	(2,162,573)
Total Net Assets	\$ 780,427,573	\$ 652,417,581	\$ 1,432,845,154	\$ 5,864,238

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>FUNCTIONS/ PROGRAM ACTIVITIES:</u>	<u>Expenses</u>			
Primary Government:				
Governmental Activities:				
General government	\$ 33,673,550	\$ 7,478,638	\$ 154,770	\$ 141,676
Public safety	51,312,865	1,724,151	1,131,722	190,998
Culture, parks, recreation and environment	29,754,798	7,491,004	1,515,602	10,676,015
Planning and development	11,053,135	1,621,650	2,303,080	-
Transportation	38,540,130	6,925,659	8,606,926	3,775,052
Interest on long-term debt	2,522,622	-	-	-
Total Governmental Activities	166,857,100	25,241,102	13,712,100	14,783,741
Business-type Activities:				
Light & Power	97,057,287	100,814,140	129,277	6,975,548
Water	19,941,348	24,307,587	-	3,612,394
Wastewater	14,162,834	19,148,678	-	639,193
Storm Drainage	8,406,644	13,945,693	1,845	434,098
Golf	2,547,378	2,671,603	-	-
Total Business-type Activities	142,115,491	160,887,701	131,122	11,661,233
Total Primary Government	308,972,591	186,128,803	13,843,222	26,444,974
Component Unit:				
Downtown Development Authority	\$ 5,748,751	\$ 2,800	\$ 37,246	\$ -

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government - City of Fort Collins				Component Unit
Governmental Activities	Business-type Activities	Total		
\$ (25,898,466)	\$	\$ (25,898,466)	\$	
(48,265,994)		(48,265,994)		
(10,072,177)		(10,072,177)		
(7,128,405)		(7,128,405)		
(19,232,493)		(19,232,493)		
(2,522,622)		(2,522,622)		
<u>(113,120,157)</u>		<u>(113,120,157)</u>		
	10,861,678	10,861,678		
	7,978,633	7,978,633		
	5,625,037	5,625,037		
	5,974,992	5,974,992		
	124,225	124,225		
<u>-</u>	<u>30,564,565</u>	<u>30,564,565</u>		
<u>(113,120,157)</u>	<u>30,564,565</u>	<u>(82,555,592)</u>		
				<u>(5,708,705)</u>
General Revenues				
Sales & use taxes	97,589,264	-	97,589,264	-
Property taxes	17,741,683	-	17,741,683	6,291,356
Occupational privilege taxes	2,433,381	-	2,433,381	-
Lodging taxes	908,908	-	908,908	-
Intergovernmental not restricted to programs	10,274,430	-	10,274,430	-
Investment earnings	2,601,249	2,919,222	5,520,471	192,976
Miscellaneous	1,018,528	1,498,309	2,516,837	850
Transfers	<u>13,486,263</u>	<u>(13,486,263)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>146,053,706</u>	<u>(9,068,732)</u>	<u>136,984,974</u>	<u>6,485,182</u>
Changes in Net Assets	32,933,549	21,495,833	54,429,382	776,477
Net Assets--January 1 as restated	747,494,024	630,921,748	1,378,415,772	5,087,761
Net Assets--December 31	<u>\$ 780,427,573</u>	<u>\$ 652,417,581</u>	<u>\$ 1,432,845,154</u>	<u>\$ 5,864,238</u>

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2011**

	Primary Government						
	General	Keep Fort Collins Great	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
ASSETS							
Cash and cash equivalents	\$ 2,158,442	\$ 332,067	\$ 939,666	\$ 1,680,844	\$ 197,451	\$ 3,492,113	\$ 8,800,583
Investments	25,900,695	4,156,113	11,115,223	19,785,410	2,323,782	40,312,883	103,594,106
Receivables							
Property taxes	16,988,465	-	-	-	925,521	273,523	18,187,509
Sales and use taxes	6,556,774	2,125,315	625,093	-	-	1,250,186	10,557,368
Accounts, net	810,544	-	603,748	277,202	-	276,513	1,968,007
Notes and loans	125,000	-	-	-	5,303,939	126,878	5,555,817
Interest	107,364	18,042	47,139	83,731	9,656	168,799	434,731
Prepaid item	200	-	150	-	-	7,285	7,635
Due from other funds	62,178	-	-	-	-	-	62,178
Advances to other funds	5,496,830	-	-	-	-	5,082,391	10,579,221
Due from other governments	209,148	-	438,320	1,070,062	-	1,530,040	3,247,570
Inventory of real property held for resale	2,896,665	-	-	-	-	-	2,896,665
Restricted assets - cash and cash equivalents	224,889	-	263,701	-	-	-	488,590
Total Assets	61,537,194	6,631,537	14,033,040	22,897,249	8,760,349	52,520,611	166,379,980
LIABILITIES AND FUND BALANCES (DEFICIT)							
Liabilities							
Accounts payable, accruals, and other	2,504,473	254,340	589,096	1,943,895	691,961	1,018,847	7,002,612
Wages payable	1,724,639	63,818	153,897	8,464	3,810	270,797	2,225,425
Due to other governments	42,604	-	2,216	-	-	2,418	47,238
Due to other funds	-	-	-	-	-	62,178	62,178
Deferred revenue	17,098,354	-	67,255	835,704	925,521	1,398,096	20,324,930
Advance from other funds	-	-	-	-	13,905,693	-	13,905,693
Deposits held	-	-	-	-	11,806	1,011,193	1,022,999
Total Liabilities	21,370,070	318,158	812,464	2,788,063	15,538,791	3,763,529	44,591,075
Fund Balances (Deficit)							
Nonspendable	8,518,695	-	150	-	-	7,285	8,526,130
Restricted	7,389,074	6,313,379	1,014,111	15,013,510	-	13,596,645	43,326,719
Committed	604,201	-	-	-	-	21,540,000	22,144,201
Assigned	7,348,271	-	12,206,315	5,095,676	-	13,676,272	38,326,534
Unassigned	16,306,883	-	-	-	(6,778,442)	(63,120)	9,465,321
Total Fund Balances (Deficit)	40,167,124	6,313,379	13,220,576	20,109,186	(6,778,442)	48,757,082	121,788,905
Total Liabilities and Fund Balances (Deficit)	\$ 61,537,194	\$ 6,631,537	\$ 14,033,040	\$ 22,897,249	\$ 8,760,349	\$ 52,520,611	\$ 166,379,980

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, 2011**

Amounts reported for governmental activities in the statement of net assets (page 29) are different because:

Total fund balances - governmental funds (page 32)	\$	121,788,905
Capital assets of \$782,175,573 net of accumulated depreciation of \$107,202,474 used in governmental activities are not financial resources, therefore, are not reported in the funds.		674,973,099
City's joint venture equity interest in Fort Collins/Loveland Airport.		11,216,582
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,969,663
Unamortized bond issuance costs		558,683
Internal service fund allocated to business type activities		3,845,737
Long-term liabilities are not due and payable in the current period and therefore are not reported in funds:		
Interest payable	(192,561)	
Bonds payable	(340,000)	
Certificates of Participation	(45,870,000)	
Assignment of lease	(545,244)	
Premium & deferral, net	(1,082,542)	
Capital lease	(990,617)	
Compensated absences	(4,079,944)	
Net pension obligation	(1,771,638)	
Postemployment healthcare obligation	(1,210,061)	
		(56,082,607)
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.		22,157,511
Net assets of governmental activities (page 29)	\$	<u>780,427,573</u>

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Primary Government						
	General	Keep Fort Collins Great	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
REVENUES							
Taxes	\$ 80,617,012	\$19,818,263	\$ 5,816,588	\$ -	\$ 524,486	\$ 11,896,886	\$ 118,673,235
Licenses and permits	1,368,495	-	185,252	-	-	-	1,553,747
Intergovernmental	10,660,973	-	7,022,578	4,980,662	-	12,073,517	34,737,730
Fees and charges for services	7,593,915	-	4,544,807	-	-	10,626,609	22,765,331
Fines and forfeitures	2,729,678	-	-	-	-	-	2,729,678
Earnings on investments	552,217	76,766	203,724	326,498	146,154	949,414	2,254,773
Miscellaneous revenue	1,294,672	-	117,680	6,474,613	-	947,759	8,834,724
Total Revenues	104,816,962	19,895,029	17,890,629	11,781,773	670,640	36,494,185	191,549,218
EXPENDITURES							
Current operating							
Executive, legislative, and judicial	11,194,558	309,886	-	-	-	-	11,504,444
Facility Operations	7,720,357	-	-	-	-	-	7,720,357
Cultural, parks, recreation and environment	8,991,566	2,051,196	-	-	-	14,848,277	25,891,039
Planning and Development	5,039,753	258,644	-	-	3,809,775	1,254,688	10,362,860
Police protection	30,144,150	1,086,571	-	-	-	-	31,230,721
Transportation	-	7,029,844	21,274,839	-	-	8,948,462	37,253,145
Other	1,273,198	-	25,696	-	-	944,702	2,243,596
Intergovernmental							
Fire protection	16,702,318	2,057,000	-	-	-	234,354	18,993,672
Capital outlay	1,492,206	747,848	1,146,409	27,938,609	-	9,588,579	40,913,651
Debt service							
Principal	625,395	35,952	123,423	-	-	3,389,427	4,174,197
Interest	30,493	4,709	11,968	-	217,938	2,258,694	2,523,802
Total Expenditures	83,213,994	13,581,650	22,582,335	27,938,609	4,027,713	41,467,183	192,811,484
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	21,602,968	6,313,379	(4,691,706)	(16,156,836)	(3,357,073)	(4,972,998)	(1,262,266)
OTHER FINANCING SOURCES (USES)							
Transfers in	1,745,778	-	5,712,698	10,857,390	1,230,605	19,581,667	39,128,138
Transfers out	(24,675,642)	-	(513,380)	(2,048,978)	-	(15,719,904)	(42,957,904)
Capital leases	542,402	-	433,237	-	-	-	975,639
Sale of capital assets	27,511	-	964	-	-	8,784	37,259
Total Other Financing Sources (Uses)	(22,359,951)	-	5,633,519	8,808,412	1,230,605	3,870,547	(2,816,868)
Net Changes in Fund Balances (Deficit)	(756,983)	6,313,379	941,813	(7,348,424)	(2,126,468)	(1,102,451)	(4,079,134)
Fund Balances (Deficit)-January 1, as restated	40,924,107	-	12,278,763	27,457,610	(4,651,974)	49,859,533	125,868,039
Fund Balances (Deficit)-December 31	\$ 40,167,124	\$ 6,313,379	\$ 13,220,576	\$ 20,109,186	\$ (6,778,442)	\$ 48,757,082	\$ 121,788,905

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, 2011**

Amounts reported for governmental activities in the statement of activities (pages 30-31) are different because:

Net change in fund balances - total governmental funds (page 34) \$ (4,079,134)

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, \$39,937,779, exceeded depreciation, \$9,722,576, in the current period. 30,215,203

The net effect of various miscellaneous transactions involving capital assets:

Donations	534,776	
Disposal	(1,044,759)	
Transfer of assets between governmental and business type activities	11,689	(498,294)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (134,415)

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	4,174,197	
Debt payment made by DDA on behalf of the City	212,681	
Issuance of capital lease	(975,639)	
Change in net pension obligation	(294,526)	
Change in postemployment healthcare benefits	149,199	
Change in compensated absences	105,906	
Amortization of premium, discount, deferred amount of refunding	95,076	
Amortization of bond issuance costs	(50,916)	
Interest expense	23,214	3,439,192

Expenses in Statement of Activities related to City's Equity in Joint Venture
Change in Non-Capital Equity position in Fort Collins/Loveland Airport 2,962,428

Transfer of internal service fund net assets from business type activities 1,141,661

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. (113,092)

Change in net assets of governmental activities (pages 30-31) \$ 32,933,549

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, 2011

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 80,617,012	\$ 77,293,000	\$ 80,521,000	\$ 96,012
Licenses and permits	1,368,495	977,850	984,350	384,145
Intergovernmental	10,660,973	9,045,178	12,302,391	(1,641,418)
Fees and charges for services	7,593,915	6,478,350	7,079,737	514,178
Fines and forfeitures	2,729,678	2,701,550	2,701,550	28,128
Earnings on investments	552,217	840,238	840,238	(288,021)
Miscellaneous revenue	1,294,672	1,047,028	1,612,832	(318,160)
Total Revenues	<u>104,816,962</u>	<u>98,383,194</u>	<u>106,042,098</u>	<u>(1,225,136)</u>
EXPENDITURES				
Current operating				
Executive, legislative, and judicial	11,194,558	10,835,458	11,726,634	532,076
Facility operations	7,720,357	8,025,589	8,722,806	1,002,449
Cultural, parks, recreation and environment	8,991,566	8,417,285	10,479,881	1,488,315
Planning and Development	5,039,753	5,009,013	6,820,633	1,780,880
Police protection	30,144,150	29,560,459	31,812,673	1,668,523
Other	1,273,198	1,696,889	1,861,636	588,438
Intergovernmental				
Fire protection	16,702,318	16,544,872	16,544,872	(157,446)
Capital Outlay	1,492,206	962,028	3,492,457	2,000,251
Debt Service				
Principal	625,395	496,312	612,517	(12,878)
Interest	30,493	27,815	27,815	(2,678)
Total Expenditures	<u>83,213,994</u>	<u>81,575,720</u>	<u>92,101,924</u>	<u>8,887,930</u>
Excess of Revenues				
Over Expenditures	<u>21,602,968</u>	<u>16,807,474</u>	<u>13,940,174</u>	<u>7,662,794</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	542,402	-	542,402	-
Transfers in	1,745,778	1,034,646	1,747,258	(1,480)
Transfers out	(24,675,642)	(21,907,156)	(24,928,047)	252,405
Sale of capital assets	27,511	-	-	27,511
Total Other Financing Sources (Uses)	<u>(22,359,951)</u>	<u>(20,872,510)</u>	<u>(22,638,387)</u>	<u>278,436</u>
Net Change in Fund Balances	(756,983)	<u>\$ (4,065,036)</u>	<u>\$ (8,698,213)</u>	<u>\$ 7,941,230</u>
Fund Balances--January 1	<u>40,924,107</u>			
Fund Balances--December 31	<u>\$ 40,167,124</u>			

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

KEEP FORT COLLINS GREAT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 19,818,263	\$ 18,700,000	\$ 19,747,200	\$ 71,063
Earnings on investments	76,766	-	-	76,766
Total Revenues	<u>19,895,029</u>	<u>18,700,000</u>	<u>19,747,200</u>	<u>147,829</u>
EXPENDITURES				
Programs				
Street Maintenance	6,171,555	6,171,000	6,171,000	(555)
Other Street and Transportation	1,173,267	3,179,000	3,179,000	2,005,733
Police Services	1,127,232	3,179,000	3,179,000	2,051,768
Fire Protection	2,057,000	2,057,000	2,057,000	-
Parks and Recreation	1,720,954	2,056,058	2,056,058	335,104
Other	1,331,642	2,057,942	2,057,942	726,300
Total Expenditures	<u>13,581,650</u>	<u>18,700,000</u>	<u>18,700,000</u>	<u>5,118,350</u>
Excess of Revenues Over Expenditures	<u>6,313,379</u>	<u>-</u>	<u>1,047,200</u>	<u>5,266,179</u>
Net Change in Fund Balances	6,313,379	<u>\$ -</u>	<u>\$ 1,047,200</u>	<u>\$ 5,266,179</u>
Fund Balances--January 1	<u>-</u>			
Fund Balances--December 31	<u>\$ 6,313,379</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, 2011

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES						
Taxes	\$ 5,816,588	\$ -	\$ 5,816,588	\$ 5,549,000	\$ 5,822,000	\$ (5,412)
Licenses and permits	185,252	-	185,252	146,515	140,015	45,237
Intergovernmental	7,022,578	-	7,022,578	6,446,608	8,101,838	(1,079,260)
Fees and charges for services	4,544,807	-	4,544,807	5,056,864	4,846,864	(302,057)
Earnings on investments	203,724	-	203,724	251,151	251,151	(47,427)
Miscellaneous revenue	117,680	-	117,680	74,453	65,488	52,192
Total Revenues	<u>17,890,629</u>	<u>-</u>	<u>17,890,629</u>	<u>17,524,591</u>	<u>19,227,356</u>	<u>(1,336,727)</u>
EXPENDITURES						
Programs (fund level of budgetary control)						
Transportation services administration	24,975	-	24,975	25,166	90,040	65,065
Harmony road	98,506	-	98,506	2,270,219	2,326,576	2,228,070
Pavement management	7,571,198	-	7,571,198	7,418,081	7,946,351	375,153
Streets	6,972,907	-	6,972,907	6,070,302	7,202,212	229,305
Engineering	1,882,662	-	1,882,662	2,121,333	2,133,009	250,347
Traffic	3,457,606	-	3,457,606	3,557,508	3,633,687	176,081
Parking	1,807,582	-	1,807,582	1,888,082	2,278,003	470,421
Planning	489,262	-	489,262	539,026	587,629	98,367
Total Programs	<u>22,304,698</u>	<u>-</u>	<u>22,304,698</u>	<u>23,889,717</u>	<u>26,197,507</u>	<u>3,892,809</u>
Projects (level of budgetary control)						
FC Bikes	143,357	301,461	444,818	208,998	513,371	68,553
Bike Library	54,826	187,746	242,572	147,000	315,269	72,697
Traveler Information Web Page	27,059	173,244	200,303	217,500	217,500	17,197
Harmony Rd Traffic Responsive	-	176,713	176,713	350,000	350,000	173,287
Comprehensive Signal Timing	-	299,501	299,501	300,000	300,000	499
CDOT SR2S	52,395	21,377	73,772	-	88,250	14,478
Safe Routes to School	-	-	-	-	99,800	99,800
Total Grants	<u>277,637</u>	<u>1,160,042</u>	<u>1,437,679</u>	<u>1,223,498</u>	<u>1,884,190</u>	<u>446,511</u>
Total Expenditures	<u>22,582,335</u>	<u>1,160,042</u>	<u>23,742,377</u>	<u>25,113,215</u>	<u>28,081,697</u>	<u>2,668,288</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(4,691,706)</u>	<u>(1,160,042)</u>	<u>(5,851,748)</u>	<u>(7,588,624)</u>	<u>(8,854,341)</u>	<u>3,002,593</u>
OTHER FINANCING SOURCES (USES)						
Transfers in:						
General Fund	5,402,698	-	5,402,698	4,404,330	5,410,943	(8,245)
Transit Services Fund	36,000	-	36,000	-	157,398	(121,398)
Storm Water	215,000	-	215,000	215,000	215,000	-
Sales and Use Tax- Pvmnt Mgmt	59,000	-	59,000	59,000	59,000	-
Transfers out:						
Debt Service Fund	(493,283)	-	(493,283)	(493,283)	(493,283)	-
Capital Projects Fund	(20,097)	-	(20,097)	-	(673,456)	653,359
Proceeds from Lease Purchase	433,237	-	433,237	-	433,237	-
Sale of capital assets	964	-	964	-	31,027	(30,063)
Total Other Financing Sources (Uses)	<u>5,633,519</u>	<u>-</u>	<u>5,633,519</u>	<u>4,185,047</u>	<u>5,139,866</u>	<u>493,653</u>
Net Change in Fund Balances	941,813	<u>\$ (1,160,042)</u>	(218,229)	<u>\$ (3,403,577)</u>	<u>\$ (3,714,475)</u>	<u>\$ 3,496,246</u>
Fund Balances--January 1	12,278,763		12,278,763			
Plus Prior Years' Project Expenditures			1,160,042			
Fund Balances--December 31	<u>\$ 13,220,576</u>		<u>\$ 13,220,576</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, 2011

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 524,486	\$ 517,170	\$ 517,170	\$ 7,316
Earnings on investments	146,154	80,000	80,000	66,154
Total Revenues	<u>670,640</u>	<u>597,170</u>	<u>597,170</u>	<u>73,470</u>
EXPENDITURES				
Current operating				
Planning and Development	3,809,775	194,608	3,713,971	(95,804)
Interest	217,938	522,170	522,170	304,232
Total Expenditures	<u>4,027,713</u>	<u>716,778</u>	<u>4,236,141</u>	<u>208,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,357,073)</u>	<u>(119,608)</u>	<u>(3,638,971)</u>	<u>281,898</u>
OTHER FINANCING SOURCES (USES)				
Transfers In:				
Capital Projects Fund	1,230,605	-	3,485,427	(2,254,822)
Total Other Financing Sources (Uses)	<u>1,230,605</u>	<u>-</u>	<u>3,485,427</u>	<u>(2,254,822)</u>
Net Change in Fund Balances (Deficit)	(2,126,468)	<u>\$ (119,608)</u>	<u>\$ (153,544)</u>	<u>\$ (1,972,924)</u>
Fund Balances (Deficit)--January 1 as restated	<u>(4,651,974)</u>			
Fund Balances (Deficit)--December 31	<u>\$ (6,778,442)</u>			

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

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

	Light and Power	Water	Wastewater	Storm Drainage
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 4,518,822	\$ 5,234,281	\$ 2,549,231	\$ 418,848
Investments	31,994,696	61,603,682	25,370,815	12,873,728
Receivables				
Accounts, net	13,652,822	2,472,541	2,502,658	1,902,763
Note receivable	75,812	350,000	-	-
Interest	191,759	259,326	126,296	51,586
Prepaid item	-	-	-	-
Due from other governments	927,311	-	-	-
Inventories of materials and supplies	4,500,745	-	-	-
Total Current Assets	<u>55,861,967</u>	<u>69,919,830</u>	<u>30,549,000</u>	<u>15,246,925</u>
Non-Current Assets				
Advance to other funds	-	3,000,000	-	326,472
Restricted Assets - cash & cash equivalents	-	292,219	382,507	350,470
Restricted Assets - investments	12,942,696	-	4,631,182	-
Land, water rights, other	1,878,377	49,901,197	3,217,675	7,647,132
Buildings, improvements and equipment	229,444,327	243,219,312	195,075,059	102,975,823
Accumulated depreciation	(126,829,657)	(102,295,078)	(69,583,583)	(26,854,972)
Construction in progress	18,736,323	9,667,242	11,724,635	20,279,743
Note receivable	250,948	525,000	-	-
Unamortized bond issuance costs	164,976	103,106	232,197	121,918
Total Non-Current Assets	<u>136,587,990</u>	<u>204,412,998</u>	<u>145,679,672</u>	<u>104,846,586</u>
Total Assets	<u>192,449,957</u>	<u>274,332,828</u>	<u>176,228,672</u>	<u>120,093,511</u>
LIABILITIES				
Current Liabilities				
Accounts payable	9,378,270	603,448	1,184,165	1,410,205
Interest payable	96,644	71,100	125,533	107,784
Wages payable	191,979	126,994	100,472	45,219
Compensated absences	611,158	356,209	317,796	151,604
Current portion - long-term liabilities	1,515,804	2,871,298	3,123,742	2,896,108
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Deferred revenue	-	-	-	-
Total Current Liabilities	<u>11,793,855</u>	<u>4,029,049</u>	<u>4,851,708</u>	<u>4,610,920</u>
Non-Current Liabilities				
Postemployment healthcare benefits	210,670	-	181,099	-
Due beyond one year	13,701,471	17,578,772	33,567,035	25,495,911
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Total Non-Current Liabilities	<u>13,912,141</u>	<u>17,578,772</u>	<u>33,748,134</u>	<u>25,495,911</u>
Total Liabilities	<u>25,705,996</u>	<u>21,607,821</u>	<u>38,599,842</u>	<u>30,106,831</u>
NET ASSETS				
Invested in capital assets, net of related debt	120,954,791	180,042,603	108,374,191	75,655,708
Restricted: debt service	-	292,219	382,507	350,470
Restricted: fiscal agent	-	-	-	-
Unrestricted	45,789,170	72,390,185	28,872,132	13,980,502
Total Net Assets	<u>\$ 166,743,961</u>	<u>\$ 252,725,007</u>	<u>\$ 137,628,830</u>	<u>\$ 89,986,680</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 29).

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

Non Major Enterprise Fund Golf	Enterprise Funds	Internal Service Funds
\$ 47,311	\$ 12,768,493	\$ 5,547,300
483,620	132,326,541	23,065,687
1,524	20,532,308	525,647
-	425,812	-
2,033	631,000	96,692
-	-	178,598
-	927,311	10,563
-	4,500,745	563,556
534,488	172,112,210	29,988,043
-	3,326,472	-
-	1,025,196	1,229,512
-	17,573,878	-
2,865,975	65,510,356	30,126
8,397,651	779,112,172	16,723,994
(3,646,696)	(329,209,986)	(11,280,398)
-	60,407,943	-
-	775,948	-
32,814	655,011	-
7,649,744	599,176,990	6,703,234
8,184,232	771,289,200	36,691,277
69,250	12,645,338	1,690,887
16,221	417,282	13,596
16,829	481,493	263,095
56,980	1,493,747	859,345
278,075	10,685,027	-
-	-	2,338,414
107,313	107,313	403,607
-	-	5,215
544,668	25,830,200	5,574,159
-	391,769	-
2,705,826	93,049,015	-
-	-	3,216,277
137,492	137,492	1,360,736
2,843,318	93,578,276	4,577,013
3,387,986	119,408,476	10,151,172
4,388,224	489,415,517	4,412,634
-	1,025,196	-
-	-	1,229,512
408,022	161,440,011	20,897,959
\$ 4,796,246	651,880,724	\$ 26,540,105
	4,382,594	
	(3,845,737)	
	\$ 652,417,581	

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Light and Power	Water	Wastewater	Storm Drainage
OPERATING REVENUES				
Charges for services	\$ 99,656,563	\$ 24,100,618	\$ 19,019,995	\$ 13,922,670
Total Operating Revenues	99,656,563	24,100,618	19,019,995	13,922,670
OPERATING EXPENSES				
Personal services	6,593,467	5,720,545	4,818,746	2,010,356
Contractual services	8,939,893	5,451,087	3,384,374	1,020,716
Commodities	72,556,222	1,545,696	1,091,711	197,474
Customer service and administrative charges	4,372,238	3,394,777	1,780,885	1,982,650
Other	3,662,624	198,288	58,764	87,421
Depreciation	7,481,587	5,090,096	3,946,428	2,184,017
Total Operating Expenses	103,606,031	21,400,489	15,080,908	7,482,634
Operating Income (Loss)	(3,949,468)	2,700,129	3,939,087	6,440,036
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	849,346	1,178,406	557,336	251,599
Intergovernmental	5,295,566	-	-	1,845
Other revenue	1,410,768	289,320	142,512	58,953
Gain (Loss) on sale of capital assets	84,508	36,403	15,598	(12,380)
Interest expense	(270,810)	(827,774)	(411,810)	(1,288,011)
Other nonoperating expenses	-	(9,204)	(194,790)	(53,626)
Total Nonoperating Revenues (Expenses)	7,369,378	667,151	108,846	(1,041,620)
Income (Loss) Before Contributions and Transfers	3,419,910	3,367,280	4,047,933	5,398,416
Capital contributions	1,809,258	3,612,394	639,193	434,098
Transfers in	127,495	92,292	77,012	31,642
Transfers out	-	(5,537)	-	(220,000)
Change in Net Assets	5,356,663	7,066,429	4,764,138	5,644,156
Net Assets--January 1	161,387,298	245,658,578	132,864,692	84,342,524
Net Assets--December 31	\$ 166,743,961	\$ 252,725,007	\$ 137,628,830	\$ 89,986,680

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 30-31)

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

Non Major Enterprise Fund Golf	Enterprise Funds	Internal Service Funds
\$ 2,648,723	\$ 159,348,569	\$ 44,238,630
2,648,723	159,348,569	44,238,630
1,149,072	20,292,186	13,376,288
733,847	19,529,917	28,266,713
307,239	75,698,342	6,718,952
-	11,530,550	-
-	4,007,097	172,031
270,647	18,972,775	1,403,258
2,460,805	150,030,867	49,937,242
187,918	9,317,702	(5,698,612)
8,021	2,844,708	420,731
-	5,297,411	-
31,595	1,933,148	1,142,959
4,967	129,096	24,603
(126,432)	(2,924,837)	(28,445)
(1,152)	(258,772)	-
(83,001)	7,020,754	1,559,848
104,917	16,338,456	(4,138,764)
-	6,494,943	-
6,000	334,441	5,823,040
(43,117)	(268,654)	(2,059,060)
67,800	22,899,186	(374,784)
4,728,446		26,914,889
\$ 4,796,246		\$ 26,540,105
	(261,692)	
	(1,141,661)	
	\$ 21,495,833	

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Light and Power</u>	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 98,042,180	\$ 23,779,182	\$ 18,988,973	\$ 13,848,814
Receipts from interfund services provided	-	-	-	-
Cash paid to employees for services	(6,606,813)	(5,919,801)	(4,863,232)	(2,002,318)
Cash paid to other suppliers of goods & services	(83,444,900)	(7,127,483)	(4,583,831)	(457,932)
Payments for interfund services used	(4,835,716)	(3,685,559)	(2,049,538)	(2,125,312)
Other receipts	6,663,854	289,320	142,512	60,798
Net cash provided (used) by operating activities	9,818,605	7,335,659	7,634,884	9,324,050
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	127,495	92,292	77,012	31,642
Transfers to other funds	-	(5,537)	-	(220,000)
Advances to other funds	-	(3,000,000)	-	(326,472)
Payment from other funds	-	-	-	30,000
Loans given	-	(875,000)	-	-
Net cash provided (used) by noncapital financing activities	127,495	(3,788,245)	77,012	(484,830)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	-	-	8,515,000
Payment to escrow agent	-	-	-	(9,263,275)
Capital contributions	1,809,258	1,914,453	639,193	434,098
Purchases of capital assets	(13,995,115)	(6,950,025)	(6,570,560)	(6,082,664)
Principal paid on capital debt	(1,415,000)	(2,754,880)	(2,981,711)	(2,237,500)
Interest paid on capital debt	(622,314)	(845,787)	(1,495,660)	(1,137,468)
Proceeds from sales of capital assets	91,121	36,403	2,000	1,218
Net cash provided (used) by capital and related financing activities	(14,132,050)	(8,599,836)	(10,406,738)	(9,770,591)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	2,518,211	2,009,921	3,224,607	-
Purchase of investments	-	-	(2,020,839)	(308,386)
Earnings received on investments	754,214	1,045,886	494,149	224,780
Net cash provided (used) by investing activities	3,272,425	3,055,807	1,697,917	(83,606)
Net increase (decrease) in cash and cash equivalents	(913,525)	(1,996,615)	(996,925)	(1,014,977)
Cash and cash equivalents, January 1	5,432,347	7,523,115	3,928,663	1,784,295
Cash and cash equivalents, December 31	4,518,822	5,526,500	2,931,738	769,318
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(3,949,468)	2,700,129	3,939,087	6,440,036
Other receipts	6,663,854	289,320	142,512	58,953
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	7,481,587	5,090,096	3,946,428	2,184,017
(Increase) decrease in accounts receivable	(1,579,031)	(321,436)	(31,022)	(73,856)
(Increase) decrease in intergovernmental receivables	9,291	-	-	1,845
(Increase) in inventories	(129,473)	-	-	-
Increase (decrease) in accounts payable	1,379,834	(223,194)	(317,635)	705,017
Increase (decrease) in compensated absences payable	30,632	(41,744)	(14,845)	6,583
Increase (decrease) in post-emp healthcare obligation	(46,972)	(162,732)	(34,178)	-
Increase (decrease) in wages payable	2,994	5,220	4,537	1,455
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in deferred revenue	(44,643)	-	-	-
Net cash provided (used) by operating activities	\$ 9,818,605	\$ 7,335,659	\$ 7,634,884	\$ 9,324,050
Noncash investing, capital, and financing activities:				
Capitalized interest	396,290	-	(1,058,676)	-
Capital contributions	-	1,697,941	-	-
Reconciliation of cash and cash equivalents to statement of net assets:				
Cash and cash equivalents	4,518,822	5,234,281	2,549,231	418,848
Restricted Assets - cash and cash equivalents	-	292,219	382,507	350,470
	\$ 4,518,822	\$ 5,526,500	\$ 2,931,738	\$ 769,318

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

Non Major		
Enterprise Fund	Total	Total Internal
Golf	Enterprise Funds	Service Funds
\$ 2,524,586	\$ 157,183,735	\$ -
-	-	44,197,529
(1,153,205)	(20,545,369)	(13,352,052)
(1,018,317)	(96,632,463)	(34,067,767)
143,042	(12,553,083)	(202,162)
31,595	7,188,079	1,142,959
527,701	34,640,899	(2,281,493)
6,000	334,441	5,823,040
(43,117)	(268,654)	(2,059,060)
-	(3,326,472)	-
-	30,000	-
-	(875,000)	-
(37,117)	(4,105,685)	3,763,980
159,277	8,674,277	1,765,085
-	(9,263,275)	-
-	4,797,002	-
(159,277)	(33,757,641)	(1,151,189)
(405,448)	(9,794,539)	(215,784)
(126,431)	(4,227,660)	(21,912)
4,967	135,709	48,293
(526,912)	(43,436,127)	424,493
24,091	7,776,830	(218,751)
-	(2,329,225)	(338,844)
8,524	2,527,553	418,133
32,615	7,975,158	(139,462)
(3,713)	(4,925,755)	1,767,518
51,024	18,719,444	5,009,294
47,311	13,793,689	6,776,812
187,918	9,317,702	(5,698,612)
31,595	7,186,234	1,142,959
270,647	18,972,775	1,403,258
18,905	(1,986,440)	(43,789)
-	11,136	(10,563)
-	(129,473)	17,170
22,769	1,566,791	962,418
(3,488)	(22,862)	21,517
-	(243,882)	-
(645)	13,561	2,719
-	-	(72,613)
-	(44,643)	(5,957)
\$ 527,701	\$ 34,640,899	\$ (2,281,493)
-	(662,386)	-
-	1,697,941	-
47,311	12,768,493	5,547,300
-	1,025,196	1,229,512
\$ 47,311	\$ 13,793,689	\$ 6,776,812

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2011

	General Employee Retirement Plan	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 451,060	\$ 1,352,760
Receivables, interest	63,010	68,366
Investments, at fair value		
Certificate of deposit	414,644	1,247,011
U S Government securities	6,575,784	13,290,243
Corporate bonds	3,622,265	1,430,759
Mutual funds	25,888,617	-
Total Investments, at fair value	36,501,310	15,968,013
Total Assets	37,015,380	17,389,139
LIABILITIES		
Amounts held for other governments	-	17,389,139
Total Liabilities	-	\$ 17,389,139
NET ASSETS		
Held in trust for pension benefits	\$ 37,015,380	

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, 2011

	General Employee Retirement Plan
ADDITIONS	
Contributions	
Employer contributions	\$ 1,345,466
Total Contributions	<u>1,345,466</u>
Investment income	
Interest related to plan investments	353,324
Net change in fair value of investments	<u>(1,548,050)</u>
Total Investment Income (Loss)	<u>(1,194,726)</u>
Total Additions	<u>150,740</u>
DEDUCTIONS	
Benefit payments	2,467,218
Administration expense	<u>24,052</u>
Total Deductions	<u>2,491,270</u>
Net Decrease in Plan Net Assets	(2,340,530)
Net Assets	
Beginning of year	<u>39,355,910</u>
End of year	<u>\$ 37,015,380</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 (GID 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 Keep Fort Collins Great fund is used to account for collections of the City's 0.85% sales and use tax which is allocated as follows: 33% for street maintenance and repair; 17% for other street and transportation needs; 17% for police services; 11% for fire protection and other emergency services; 11% for parks maintenance and recreation services; and 11% for community priorities other than those listed above, as determined by the City Council.

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 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.

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. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

G. Assets, Liabilities and Fund Equity

Cash and Investments

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.

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 are completed periodically. As of December 31, 2011, 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 \$1,454,966 was capitalized in fiscal year 2011.

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. A liability for the amount is reported in governmental funds only if they have matured, for example as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary 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.

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 Controller/Assistant Financial Officer.

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 \$12,942,696 in Light and Power and \$4,631,182 in Wastewater. The government-wide statement of net assets reports \$43,326,719 of restricted net assets, of which \$26,760,824 is restricted by enabling legislation.

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 29
Taxes due in full (unless installments elected by taxpayer)	April 30
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 4% of total property taxes collected in 2011. 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, 2011, expenditures exceeded appropriations in the Capital Expansion fund, Sales and Use Tax fund, Perpetual Care fund, Fort Collins Leasing Corporation fund, and the Self Insurance fund. These over-expenditures will be covered by fund balance and net assets.

C. Deficit Fund Equity

The Urban Renewal Authority fund had a deficit fund balance of \$6,778,442 as of December 31, 2011. 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 \$63,120 as of December 31, 2011 due to the recognition of 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 2011 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, 2011, was \$31,663,494. The bank balance was \$29,385,491.

Component Unit

The Downtown Development Authority's undivided share of the City's deposits as of December 31, 2011 was a carrying amount of \$803,264. The bank balance was \$945,252.

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), and in Federal Farm Credit Bank (FFCB) agency securities. These investments are 39.75%, 22.32%, and 13.44% respectively, of the City's total investment. All of these investments were rated AAA by Moody's and AA+ by Standard and Poor's.

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, 2011, 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, 2011, the local government investment pools (ColoTrust & CSAFE) in which the City had invested, were rated AAAM by Standard & Poor's.

As of December 31, 2011, the City had the following investments and maturities:
Primary Government (including Fiduciary Funds)

Investment Type	Credit Risk Rating S&P/Moody's	Fair Value	Investment Maturities		
			Up to 120 days	121 days to 5 years	More than 5 years
U.S. Agencies (GNMA)	AA+/AAA	\$ 35,918	\$ -	\$ 8,428	\$ 27,490
Instrumentality					
Federal Farm Credit Bank (FFCB)	AA+/AAA	43,221,550	-	43,221,550	-
Federal Home Loan Bank (FHLB)	AA+/AAA	63,074,961	-	61,158,772	1,916,189
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	15,051,700	-	15,051,700	-
Federal National Mortgage Association (FNMA)	AA+/AAA	127,822,740	-	127,822,740	-
Corporate bonds	AA+/Aa2	18,650,770	-	18,650,770	-
Corporate bonds	AA-/Aa3	3,027,900	-	3,027,900	-
Commercial Paper	A1+/P1	8,993,700	8,993,700	-	-
Certificates of Deposit		23,261,678	3,681,868	19,579,810	-
Total Investments Controlled by the City		\$ 303,140,917	\$ 12,675,568	\$ 288,521,670	\$ 1,943,679
Percent of Total			4%	95%	1%
The City has \$25,888,617 invested in Mutuals Funds, but those investments are held by ICMA for employee's retirement accounts.					

Component Unit

Investment Type	Credit Risk Rating S&P/Moody's	Fair Value	Investment Maturities		
			Up to 120 days	121 days to 5 years	More than 5 years
Instrumentality					
Federal Home Loan Bank (FHLB)	AA+/AAA	8,714,621	-	8,453,182	261,439
Certificates of Deposit		1,988,322	318,132	1,670,190	-
Total Investments Controlled by the City		\$ 10,702,943	\$ 318,132	\$ 10,123,372	\$ 261,439
Percent of Total			3%	95%	2%

Restrictions on Cash and Investments

Cash and investments of \$29,608 in Transportation Services fund and \$292,219, \$382,507 and \$350,470, respectively, in the Water, Wastewater and Storm Drainage funds are contractually restricted for debt service through bond ordinances. Investments of \$12,942,696 and \$4,631,182, respectively, in the Light and Power and Wastewater funds are restricted for unspent bond proceeds. Investments of \$1,250,000 in the DDA are restricted for debt service. Restricted assets for Escrows of \$224,889 in the General fund, \$234,093 in Transportation Services fund and \$658,278 and \$571,234, respectively, in the Equipment and Data and Communications funds are restricted for unspent lease proceeds.

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 2011, the City did receive an interest payment of \$45,078. The outstanding balance as of December 31, 2011 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, 2011 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, 2011 and are set to mature in 2012. The outstanding balance of these loans as of December 31, 2011 is \$1,878.

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 2011, the City did receive an interest payment of \$13,750. The outstanding balance as of December 31, 2011 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, 2011 is \$326,760.

In May 2009, the Urban Renewal Authority (URA) loaned Rocky Mountain Innovation Initiative (RMII) \$1,100,000 for the construction of their new facility. In January 2010, the URA loaned RMII an additional \$4,203,939 for the remaining cost of construction. The 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, 2011 is \$5,303,939.

In September 2011, the City (Water Fund) entered an agreement with the Museum Non-Profit Corporation (NPC) to assist in the continuation of constructing the Fort Collins Museum/Discovery Science Center facility. Under the agreement, the City loaned \$875,000. The NPC had made a commitment of \$4,561,916 to the building with \$875,000 of that amount in the form of pledges being paid between 2011 and 2014. The loan has a 3.25 year term and bears a fixed interest rate of 3.500%. The outstanding balance as of December 31, 2011 is \$875,000.

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 notes.

C. Capital Assets

A summary of changes in capital asset activity for the year ended December 31, 2011 follows:

	Balance, Beginning of Year	Additions	Transfers	Deletions	Balance, End of Year
Primary Government:					
Governmental activities					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 199,907,193	\$ 1,853,659	\$ 992,175	\$ (414,212)	\$ 202,338,815
Street system infrastructure	256,733,422	2,321,688	-	-	259,055,110
Construction in progress	25,249,680	29,533,303	(9,218,192)	(494,229)	45,070,562
Total capital assets, not being depreciated	481,890,295	33,708,650	(8,226,017)	(908,441)	506,464,487
Capital assets, being depreciated:					
Infrastructure	16,692,125	932,064	-	-	17,624,189
Buildings and improvements	129,423,188	40,793	(992,175)	(452,013)	128,019,793
Improvements other than buildings	65,887,546	1,539,761	9,218,192	(171,003)	76,474,496
Machinery and equipment	62,414,714	5,108,824	23,291	(578,370)	66,968,459
Total capital assets being depreciated	274,417,573	7,621,442	8,249,308	(1,201,386)	289,086,937
Less accumulated depreciation for:					
Infrastructure	(8,784,113)	(738,741)	-	-	(9,522,854)
Buildings and improvements	(30,613,637)	(2,615,019)	-	370,648	(32,858,008)
Improvements other than buildings	(27,936,526)	(2,507,455)	-	155,644	(30,288,337)
Machinery and equipment	(39,153,775)	(4,880,704)	(23,291)	526,778	(43,530,992)
Total accumulated depreciation	(106,488,051)	(10,741,919)	(23,291)	1,053,070	(116,200,191)
Total capital assets being depreciated, net	167,929,522	(3,120,477)	8,226,017	(148,316)	172,886,745
Governmental activities capital assets, net	\$ 649,819,817	\$ 30,588,173	\$ -	\$ (1,056,758)	\$ 679,351,232
Business-type activities					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 63,812,416	\$ 1,697,940	\$ -	\$ -	\$ 65,510,356
Construction in progress	90,826,862	29,238,778	(59,657,697)	-	60,407,943
Total capital assets, not being depreciated	154,639,278	30,936,718	(59,657,697)	-	125,918,299
Capital assets, being depreciated:					
Buildings and improvements	221,661,360	-	6,396,421	-	228,057,781
Improvements other than buildings	440,782,615	4,157,776	50,981,011	(105,204)	495,816,198
Machinery and equipment	54,716,110	2,109,704	2,256,974	(466,325)	58,616,463
Total capital assets being depreciated	717,160,085	6,267,480	59,634,406	(571,529)	782,490,442
Less accumulated depreciation for:					
Buildings and improvements	(79,085,138)	(4,540,362)	-	-	(83,625,500)
Improvements other than buildings	(190,411,801)	(12,620,322)	-	105,204	(202,926,919)
Machinery and equipment	(43,227,244)	(2,196,006)	23,291	459,711	(44,940,248)
Total accumulated depreciation	(312,724,183)	(19,356,690)	23,291	564,915	(331,492,667)
Total capital assets being depreciated, net	404,435,902	(13,089,210)	59,657,697	(6,614)	450,997,775
Business-type activities capital assets, net	\$ 559,075,180	\$ 17,847,508	\$ -	\$ (6,614)	\$ 576,916,074

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
	(amounts expressed in thousands)			
Component Unit:				
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	(1,527)	(116)	-	(1,643)
Improvements other than buildings	(17)	(4)	-	(21)
Total accumulated depreciation	(1,544)	(120)	-	(1,664)
Total capital assets being depreciated, net	4,368	(120)	-	4,248
Component unit capital assets, net	\$ 6,897	\$ (120)	\$ -	\$ 6,777

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

	Governmental Activities	Business-Type Activities
General government	\$ 721,841	\$ -
Public safety - police & judicial	1,462,954	-
Cultural, parks, recreation & environmental services	4,026,069	-
Planning and development	1,493	-
Transportation services	3,510,219	-
Capital assets held by the City's internal service funds used for governmental activities	1,019,343	-
Light & Power	-	7,481,587
Water	-	5,090,096
Wastewater	-	3,946,428
Storm Drainage	-	2,184,017
Non-major Enterprise funds - Golf	-	270,647
Capital assets held by the City's internal service fund used for business-type activities	-	383,915
Total depreciation expense	\$ 10,741,919	\$ 19,356,690
Less capital assets held by the City's internal service funds	1,019,343	383,915
Depreciation expense excluding internal service funds	\$ 9,722,576	\$ 18,972,775

D. Interfund Transfers and Advances:

	Transfers In:											Total
	General	Trans- portation Services	Capital Projects	Urban Renewal Authority	Nonmajor Governmental	Light and Power	Water	Wastewater	Storm Drainage	Golf	Internal Service	
Transfer out:												
Governmental Funds												
General	\$ -	\$ 5,402,698	\$ 4,840,274	\$ -	\$ 10,477,559	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 3,949,111	\$ 24,675,642
Transportation Services	-	-	20,098	-	493,282	-	-	-	-	-	-	513,380
Capital Projects	-	-	-	1,230,605	818,373	-	-	-	-	-	-	2,048,978
Nonmajor Governmental	1,727,278	95,000	5,997,018	-	7,792,453	-	-	-	-	-	108,156	15,719,905
Proprietary Funds												
Water	-	-	-	-	-	5,537	-	-	-	-	-	5,537
Storm Drainage	5,000	215,000	-	-	-	-	-	-	-	-	-	220,000
Golf	-	-	-	-	-	-	-	-	-	-	43,117	43,117
Internal Service	13,500	-	-	-	-	121,958	92,292	77,012	31,642	-	1,722,656	2,059,060
Total transfers in	\$ 1,745,778	\$ 5,712,698	\$ 10,857,390	\$ 1,230,605	\$ 19,581,667	\$ 127,495	\$ 92,292	\$ 77,012	\$ 31,642	\$ 6,000	\$ 5,823,040	\$ 45,285,619

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: 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. The amount outstanding as of December 31, 2011 is \$5,303,939.

In May 2009, the City loaned the Urban Renewal Authority (URA) \$5,000,000 for the North College Marketplace-Phase 1 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. The amount outstanding as of December 31, 2011 is \$4,942,500.

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 5th year, there will be a lump sum payment of all remaining principal and interest. The amount outstanding as of December 31, 2011 is \$139,891.

In June 2011, the City loaned the Urban Renewal Authority (URA) \$326,472 for the Northeast College Corridor Outfall (NECCO) project. The interest rate is 3.01% based on a 10 year Treasury bill rate. It will be an interest only loan for a term of 10 years. There will be a lump sum payment of all remaining interest and principal in June 2021. The amount outstanding as of December 31, 2011 is \$326,472.

In July 2011, the City loaned the Urban Renewal Authority (URA) \$192,891 for the Kaufman and Robinson project. The interest rate is 2.46% based on the Treasury bill rate. This is a five year term loan, with the first four years interest only payments and the remaining balance paid in year five. The amount outstanding as of December 31, 2011 is \$192,891.

In July 2011, the City loaned the Urban Renewal Authority (URA) \$3,000,000 for the North College Marketplace-Phase 2 project. The interest rate is 4.09% based on the Treasury bill rate. This is an 18.5 year term loan with it maturing in December 2029. The amount outstanding as of December 31, 2011 is \$3,000,000.

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, 2011, the City had \$46,415,244 and \$2,963,756 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 \$2,754,960 and \$244,805 of capital leases outstanding as of December 31, 2011, for governmental and business-type activities, respectively.

Cost of all capital assets holding at December 31, 2011 that have been acquired under capital leases:

	Governmental Activities	Business Type Activities
	<u>Balance, End of Year</u>	<u>Balance, End of Year</u>
Buildings and Improvements	\$ 351,930	\$ -
Improve o/t buildings	-	114,030
Machinery and equipment	<u>8,206,654</u>	<u>1,343,288</u>
Accumulated depreciation	<u>(7,227,735)</u>	<u>(909,389)</u>
Net Book Value	<u><u>\$ 1,330,849</u></u>	<u><u>\$ 547,929</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 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, 2011, 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 2011, that payment was \$212,681.

PLEDGED 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	\$ 355,300	Street Maintenance Building	through 2012
1997	Water Revenue Bond	Water Revenues	4,238,378	Water Capital Projects	through 2017
1999	Water Revenue Bonds	Water Revenues	2,754,937	Water Capital Projects	through 2019
2003	Subordinate Water Revenue Bonds	Water Revenues	2,644,993	Water Capital Projects	through 2030
2008	Water Revenue Refunding Bonds	Water Revenues	11,171,821	Water Capital Projects	through 2018
2009	Water Revenue Refunding Bonds	Water Revenues	3,595,513	Water Capital Projects	through 2013
2001	Storm Drainage Revenue Bonds	Storm Drainage Revenues	7,716,743	Storm Drainage Improvements	through 2021
2002	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	-	Storm Drainage Improvements	through 2022
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	15,061,891	Storm Drainage Improvements	through 2019
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	2,726,600	Storm Drainage Improvements	through 2017
2011	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	9,897,374	Storm Drainage Improvements	through 2022
1992	Sewer Revenue Bonds	Sewer Revenues	3,702,088	Sewer Capital Projects	through 2014
2009	Sewer Revenue Bonds	Sewer Revenues	42,294,263	Sewer Capital Projects	through 2028
2010	Sewer Revenue Bonds	Sewer Revenues	3,932,370	Sewer Capital Projects	through 2020
2010	Light and Power Bonds	Light and Power Revenues	17,990,121	Light and Power Capital Projects	through 2020

<u>Date Issued</u>	<u>Description</u>	<u>% Revenue Pledged</u>	<u>P & I for 2011</u>	<u>Recognized for 2011</u>
1998	Highway Users Tax Revenue Refunding Bonds	<10%	\$ 359,820	\$ 4,372,976
1997	Water Revenue Bond	1-15%	769,609	12,906,748
1999	Water Revenue Bonds	1-15%	365,283	12,906,748
2003	Subordinate Water Revenue Bonds	1-15%	188,224	12,906,748
2008	Water Revenue Bonds	1-15%	375,776	12,906,748
2009	Water Revenue Refunding Bonds	1-15%	1,999,213	12,906,748
2001	Storm Drainage Revenue Bonds	1-25%	873,160	9,370,548
2002	Storm Drainage Revenue Refunding Bonds	1-25%	951,550	9,370,548
2007	Storm Drainage Revenue Refunding Bonds	1-25%	1,997,760	9,370,548
2007	Storm Drainage Revenue Refunding Bonds	1-25%	450,935	9,370,548
2011	Storm Drainage Revenue Refunding Bonds	1-25%	-	9,370,548
1992	Sewer Revenue Bonds	1-25%	1,791,556	9,240,154
2009	Sewer Revenue Bonds	1-25%	2,368,406	9,240,154
2010	Sewer Revenue Bonds	1-25%	420,929	9,240,154
2010	Light and Power Bonds	1-25%	2,037,313	12,981,565

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	
2012	340	15	10,372	4,153	14,880
2013	-	-	10,409	3,831	14,240
2014	-	-	9,121	3,319	12,440
2015	-	-	9,481	2,978	12,459
2016	-	-	9,872	2,578	12,450
2017-2021	-	-	34,448	7,422	41,870
2022-2026	-	-	11,642	2,711	14,353
2027-2031	-	-	5,034	357	5,391
	<u>\$ 340</u>	<u>\$ 15</u>	<u>\$ 100,379</u>	<u>\$ 27,349</u>	<u>\$ 128,083</u>

Certificates of Participation Payments

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
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	3,990	1,486	195	20	5,691
2017-2021	15,695	4,774	425	17	20,911
2022-2026	11,710	1,574	-	-	13,284
	<u>\$ 45,870</u>	<u>\$ 15,399</u>	<u>\$ 1,230</u>	<u>\$ 182</u>	<u>\$ 62,681</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	
2012	44	9	140	27	220
2013	46	8	146	25	225
2014	48	7	153	23	231
2015	50	6	161	20	237
2016	53	6	168	18	245
2017-2021	304	15	966	47	1,332
	<u>\$ 545</u>	<u>\$ 51</u>	<u>\$ 1,734</u>	<u>\$ 160</u>	<u>\$ 2,490</u>

Capital Lease Payments

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2012	688	62	107	6	863
2013	569	46	63	3	681
2014	553	31	33	2	619
2015	566	18	33	1	618
2016	379	5	9	-	393
	<u>\$ 2,755</u>	<u>\$ 162</u>	<u>\$ 245</u>	<u>\$ 12</u>	<u>\$ 3,174</u>

Component Unit

Year Ending December 31	DDA - Tax Increment Bonds		Total
	Principal	Interest	
2012	700	667	1,367
2013	1,290	625	1,915
2014	1,370	546	1,916
2015	1,450	463	1,913
2016	1,465	375	1,840
2017-2020	6,225	654	6,879
	<u>\$ 12,500</u>	<u>\$ 3,330</u>	<u>\$ 15,830</u>

General long - term obligations of the primary government at December 31, 2011 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>
Bonds Service by Transportation Services Fund through the City Debt Service Fund (secured by highway users tax revenues and reserves)				
1998	Highway Users Tax Revenue Refunding Bonds (3.2-4.50%)	2012	\$ 3,399,729	\$ 340,000
COPs / ALPs serviced by General Fund and General Improvement District No. 1 Fund through the Fort Collins Capital Leasing Corporation Debt Service Fund				
2004	Lease Certificates of Participation (3.00 - 5.375%)	2026	48,650,000	37,310,000
2007	Lease Certificates of Participation (3.860%)	2018	14,595,000	8,560,000
2001	Assignment of Lease Payments - Police (4.70%)	2021	890,000	545,244
Unamortized premium on bonds				1,048,945
Amortized loss on bond refunding				33,598
Other Obligations of Governmental Funds				
Various	Capital lease obligations (secured by leased equipment)	2013	N/A	990,617
N/A	Compensated absences	N/A	N/A	4,079,944
N/A	Net pension obligation	N/A	N/A	1,771,638
N/A	Net Post Employment Health Care Obligation	N/A	N/A	1,210,061
Other Obligations of Internal Service Fund used by Governmental Activities				
Various	Capital lease obligations (secured by leased equipment)	2012	N/A	1,764,343
N/A	Compensated absences	N/A	N/A	512,802
N/A	Claims Payable	N/A	N/A	5,554,691
	Total			<u><u>\$ 63,721,883</u></u>

Component unit long - term debt at December 31, 2011, is comprised of the following obligations:

Bonds Serviced by Downtown Development Authority Debt Service Fund				
2010	Subordinate Tax Increment Revenue Bonds (4.010-6.080%) (secured by tax increment property taxes)	2020	12,500,000	12,500,000
Other Obligations – Component Unit				
N/A	Compensated absences	N/A	N/A	9,272
	Total			<u><u>\$ 12,509,272</u></u>

(Continued)

Business-type long-term obligations at December 31, 2011 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>
Bonds, COPs, and ALPs, serviced by Enterprise Funds				
Light and Power Fund (secured by light and power revenues)				
2010	Light and Power Bond (2.25-4.52%)	2020	\$16,085,000	\$ 14,670,000
Water Fund (secured by water revenues)				
1997	Water Revenue Bond (3.80-5.30%)	2017	10,125,300	3,523,516
1999	Water Revenue Bond (3.28-5.25%)	2019	4,998,395	2,221,811
2003	Subordinate Water Revenue Bonds (5.025%)	2030	2,476,446	1,863,020
2008	Water Revenue Bond (3.46%)	2018	9,645,000	9,515,000
2009	Water Revenue Bond (2.25-4.00%)	2013	7,815,000	3,410,000
Storm Drainage Fund (secured by storm drainage revenues)				
2001	Storm Drainage Revenue Bond (4.50-5.25%)	2021	9,845,000	5,442,500
2007	Storm Drainage Revenue Refunding Bonds (4.086%)	2019	15,945,000	12,720,000
2007	Storm Drainage Revenue Refunding Bonds (4.086%)	2017	3,360,000	2,375,000
2011	Storm Drainage Revenue Refunding Bonds (2.49%)	2022	8,515,000	8,515,000
Wastewater Fund (secured by sewer revenue)				
1992	Sewer Revenue Bond (5.0-6.0%)	2014	24,540,580	3,248,842
2009	Sewer Revenue Bonds (2.0-5.0%)	2028	30,655,000	29,475,000
2010	Sewer Revenue Bonds (2.99%)	2020	3,900,000	3,400,000
Unamortized premium on bonds				1,592,425
Unamortized loss on bond refundings				(1,181,302)
Unamortized discount on bonds				(20,526)
Golf Fund (secured by golf revenue)				
2007	Lease Certificates of Participation (3.860%)	2018	1,715,000	1,230,000
2001	Assignment of Lease Payments (4.70%)	2021	2,830,000	1,733,756
Other Obligations of Enterprise Funds				
Various	Capital lease obligations (secured by leased equipment)	2012	N/A	244,805
N/A	Net Post Employment Health Care Obligation	N/A	N/A	391,769
N/A	Compensated absences	N/A	N/A	1,493,747
Other Obligations of the Internal Service Fund used by Business-type Activities				
N/A	Compensated absences	N/A	N/A	346,542
	Total			<u><u>\$ 106,210,905</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 September 22, 2011, the City issued \$8,515,000 of Series 2011A Stormwater Utility Revenue Refunding bonds with an average interest rate of 2.49 percent, to refund \$8,630,000 relating to outstanding Series 2002 Storm Drainage Revenue bonds, with an interest rate ranging from 4.25 percent to 5.00 percent. The net proceeds of \$8,458,442 along with \$748,275 of additional City funds were used to purchase the new 2011 bonds (after payment of \$55,000 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 2002 Series bonds. The 2002 bonds will be redeemed in full on December 1, 2012.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$528,184. 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 \$733,069 and to obtain an economic gain (difference between the present values of the old debt and new debt service payments) of \$639,317.

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, 2011, there were 19 series of Industrial Development Revenue Bonds outstanding, with an estimated aggregate principal amount payable of \$58.5 million.

Operating Leases

The City leases various facilities under operating leases, which are cancelable within one year. Costs for these leases in 2011 were \$267,181.

Changes in long-term liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Primary Government:</u>					
Governmental Activities					
Bonds, COPS, and ALPs:					
Tax revenue bonds	\$ 670,000	\$ -	\$ (330,000)	\$ 340,000	\$ 340,000
Fort Collins Leasing Corporation					
Certificates of participation	49,100,000	-	(3,230,000)	45,870,000	3,390,000
Assignment of lease payments	587,352	-	(42,108)	545,244	44,022
Total bonds, COPS and ALPS	50,357,352	-	(3,602,108)	46,755,244	3,774,022
Add other financing sources (bond premium)	1,138,849	-	(89,904)	1,048,945	89,904
Less other financing uses (bond discount and deferred loss on refundings)	38,770	-	(5,172)	33,598	5,172
Total net bonds, COPS and ALPS	51,534,971	-	(3,697,184)	47,837,787	3,869,098
Other Liabilities:					
Capital leases	1,014,789	2,740,725	(1,000,554)	2,754,960	687,625
Compensated absences	4,681,928	4,031,846	(4,121,028)	4,592,746	4,592,746
Claims payable	5,627,304	15,903,788	(15,976,401)	5,554,691	2,338,414
Net pension obligation	1,477,112	294,526	-	1,771,638	-
Net post employment health care obligation	1,359,260	-	(149,199)	1,210,061	-
Total other liabilities	14,160,393	22,970,885	(21,247,182)	15,884,096	7,618,785
Governmental activities long-term liabilities	<u>\$ 65,695,364</u>	<u>\$ 22,970,885</u>	<u>\$ (24,944,366)</u>	<u>\$ 63,721,883</u>	<u>\$ 11,487,883</u>
Business-Type Activities					
Bonds, COPS, and ALPs:					
Revenue bonds	\$ 109,883,781	\$ 8,515,000	\$ (18,019,092)	\$ 100,379,689	\$ 10,372,873
Fort Collins Leasing Corporation					
Certificates of participation	1,360,000	-	(130,000)	1,230,000	135,000
Assignment of lease payments	1,867,648	-	(133,892)	1,733,756	139,978
Total bonds, COPS and ALPS	113,111,429	8,515,000	(18,282,984)	103,343,445	10,647,851
Add bond premium	1,901,492	-	(309,067)	1,592,425	217,728
Less bond discount and deferred loss on refundings	(1,073,437)	(528,184)	399,793	(1,201,828)	(180,552)
Total net bonds, COPS and ALPS	113,939,484	7,986,816	(18,192,258)	103,734,042	10,685,027
Other Liabilities:					
Capital leases	227,083	159,277	(141,555)	244,805	107,313
Compensated absences	1,858,359	1,976,719	(1,994,789)	1,840,289	1,840,289
Net post employment health care obligation	635,651	-	(243,882)	391,769	-
Total other liabilities	2,721,093	2,135,996	(2,380,226)	2,476,863	1,947,602
Business-type activities long-term liabilities	<u>\$ 116,660,577</u>	<u>\$ 10,122,812</u>	<u>\$ (20,572,484)</u>	<u>\$ 106,210,905</u>	<u>\$ 12,632,629</u>
<u>Component Unit:</u>					
Bonds:					
Tax revenue bonds	\$ 15,996,000	\$ -	\$ (3,496,000)	\$ 12,500,000	\$ 700,000
Total bonds	15,996,000	-	(3,496,000)	12,500,000	700,000
Compensated absences	22,549	12,008	(25,285)	9,272	9,272
Component unit long-term liabilities	<u>\$ 16,018,549</u>	<u>\$ 12,008</u>	<u>\$ (3,521,285)</u>	<u>\$ 12,509,272</u>	<u>\$ 709,272</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.

Net Pension Obligation for Governmental Activities

The liability for net pension obligation is liquidated primarily by the General Fund.

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.

Net Post Employment Health Care Obligation for Governmental Activities

The General Fund is primarily used to liquidate the liability for net post employment health care obligation.

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

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The following represents these classifications and the purposes for which the amounts can be spent.

Fund Balances (Deficit):	Urban						Total
	General	Keep Fort Collins Great	Transportation	Capital Projects	Renewal Authority	Non-major Governmental	
Nonspendable:							
Advances	\$ 5,496,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,496,830
Inventories	2,896,665	-	-	-	-	-	2,896,665
Prepays	200	-	150	-	-	7,285	7,635
Long-term notes & loans receivables	125,000	-	-	-	-	-	125,000
Total Nonspendable	8,518,695	-	150	-	-	7,285	8,526,130
Restricted:							
Voter restricted sales tax	-	-	-	15,013,510	-	600,424	15,613,934
Building on basics - Police CAD	569,648	-	-	-	-	-	569,648
Civic Center Parking	-	-	750,410	-	-	-	750,410
Conservation Trust	-	-	-	-	-	1,690,799	1,690,799
Convention & Visitors Bureau	145,407	-	-	-	-	-	145,407
Debt service	-	-	29,608	-	-	-	29,608
Emergency	4,263,863	-	-	-	-	-	4,263,863
Fiscal Agent	224,889	-	234,093	-	-	-	458,982
HOME	-	-	-	-	-	196,443	196,443
Horticulture	139,053	-	-	-	-	-	139,053
Larimer County Drug Task Force	683,771	-	-	-	-	-	683,771
KFCG Street Maintenance	-	373,007	-	-	-	-	373,007
KFCG Other Transportation	-	2,222,866	-	-	-	-	2,222,866
KFCG Police Services	-	2,269,468	-	-	-	-	2,269,468
KFCG Fire & Emergency Services	-	124,523	-	-	-	-	124,523
KFCG Parks & Rec	-	464,706	-	-	-	-	464,706
KFCG Other	-	858,809	-	-	-	-	858,809
Museum Donations	-	-	-	-	-	42,251	42,251
Natural Areas	-	-	-	-	-	4,140,279	4,140,279
Notes & loans receivable	-	-	-	-	-	125,000	125,000
Perpetual Care	-	-	-	-	-	1,593,676	1,593,676
Tree Donations	42,237	-	-	-	-	-	42,237
PEG Distribution	148,127	-	-	-	-	-	148,127
Police CAD Replacement	993,735	-	-	-	-	-	993,735
Recreation Donations	-	-	-	-	-	41,942	41,942
Street Oversizing	-	-	-	-	-	5,165,831	5,165,831
Udall Property	145,178	-	-	-	-	-	145,178
4th of July Donations	33,166	-	-	-	-	-	33,166
Total Restricted	7,389,074	6,313,379	1,014,111	15,013,510	-	13,596,645	43,326,719
Committed:							
Art in public places	-	-	-	-	-	313,704	313,704
Advances	-	-	-	-	-	5,082,391	5,082,391
Capital expansion - General government	-	-	-	-	-	602,972	602,972
Capital expansion - Police	-	-	-	-	-	1,192,189	1,192,189
Capital expansion - Fire	-	-	-	-	-	264,559	264,559
Capital expansion - Community Parkland	-	-	-	-	-	7,292,155	7,292,155
Capital projects	-	-	-	-	-	151,894	151,894
Cultural development and planning	106,270	-	-	-	-	-	106,270
Cultural, Park, Rec & Environment	-	-	-	-	-	5,278,971	5,278,971
Encumbrances	-	-	-	-	-	379,111	379,111
Operations	-	-	-	-	-	43,002	43,002
Planning & Development	-	-	-	-	-	876,947	876,947
Traffic calming	497,931	-	-	-	-	-	497,931
Transportation	-	-	-	-	-	62,105	62,105
Total Committed	604,201	-	-	-	-	21,540,000	22,144,201
Assigned:							
Affordable housing	193,847	-	-	-	-	-	193,847
Camera radar	773,242	-	-	-	-	-	773,242
Capital projects	-	-	653,358	5,095,676	-	130,594	5,879,628
DPS Communication System	1,054,889	-	-	-	-	-	1,054,889
DT Parking Plan	-	-	404,912	-	-	-	404,912
Encumbrances	5,151,284	-	841,794	-	-	896,908	6,889,986
Harmony Road	-	-	8,606,581	-	-	-	8,606,581
Manufacturer Use Tax Rebate	-	-	-	-	-	300,000	300,000
Operations	-	-	446,366	-	-	624,819	1,071,185
Police department	22,555	-	-	-	-	-	22,555
Recreation	-	-	-	-	-	324,437	324,437
General Government	-	-	-	-	-	7,051,215	7,051,215
Cultural, Park, Rec & Environment	-	-	-	-	-	2,701,299	2,701,299
Transportation	-	-	1,253,304	-	-	1,647,000	2,900,304
Waste Innovation Program	152,454	-	-	-	-	-	152,454
Total Assigned	7,348,271	-	12,206,315	5,095,676	-	13,676,272	38,326,534
Unassigned:	16,306,883	-	-	-	(6,778,442)	(63,120)	9,465,321
Total Fund Balances (Deficit)	\$ 40,167,124	\$ 6,313,379	\$ 13,220,576	\$ 20,109,186	\$ (6,778,442)	\$ 48,757,082	\$ 121,788,905

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 2011, 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 2011, 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.

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 12 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, 2011, amount to \$4,317,105 and \$1,237,586 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 \$4,317,105

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 2009, 2010 and 2011 are as follows:

	<u>Self-Insurance</u>	<u>Benefits</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	3,887,177	1,740,127
Claims & changes in estimates	1,976,382	13,927,406
Claim payments	<u>(1,546,454)</u>	<u>(14,429,947)</u>
Claims payable - December 31, 2011	<u>\$ 4,317,105</u>	<u>\$ 1,237,586</u>

Insurance Recoveries

The City of Fort Collins recovered \$26,206 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 78. 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, 2012, employee membership data related to the Plan was as follows: Retirees and beneficiaries currently receiving benefits--171; vested terminated employees--136; active plan participants--155

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
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)
2011	1,706,844	1,477,112	110,783	8.3	177,635	1,639,992	1,345,466	1,771,638	294,526

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Annual Pension Cost	Employer Contribution	% of Annual Pension Cost
2009	1,862,795	1,005,901	54%
2010	1,823,706	2,100,467	115%
2011	1,639,992	1,345,466	82%

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)
1/1/2010	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%
1/1/2012	39,973,803	53,813,281	13,839,478	74.3%	9,582,235	144.4%

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, 2012
Actuarial cost method:	Entry Age Normal
Amortization method:	11 years, as a level dollar amount.
Remaining amortization period:	11 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. 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 expected actuarial value plus the amortization of prior gain or losses 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:	6.8% (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 2011, the City contributed 4.50% of covered pay to the Plan as well as the supplemental contributions; this amounted to \$1,345,466. 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, 2011, is \$37,015,380 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 – 7.29%, Mutual Shares Fund – 6.96%, TRP New Asia – 6.17%, and Fidelity Value Fund – 5.43%.

Money Purchase Plan 401(a)

The City offers its employees a defined contribution money purchase plan. The City does not have administrative involvement and does not perform the investment function of this 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 \$4,350,529 and \$2,779,306, respectively during 2011.

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 City does not have administrative involvement and does not perform the investment function of this plan.

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 \$143,384 during 2011.

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, 2012 valuation, the Board has elected to leave the contribution rate unchanged at 2.6% for the two year period beginning January 1, 2011. During 2011, 2010, and 2009, the City's contributions were \$247,364, \$217,697, and \$205,114, 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. 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 2011, the City contributed \$52,871. Retiree and active members receiving benefits contribute monthly premiums as outlined:

	Core Non- Medicare	Core Medicare	Advantage Non- Medicare	Advantage Medicare	Dental	Vision
Employee:	\$ 826	\$ 331	\$ 931	\$ 372	\$ 33	\$ 7
Employee +1:	\$ 1,653	\$ 661	\$ 1,859	\$ 744	\$ 60	\$ 13

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	\$ 230,908
Interest on net OPEB obligation	55,976
Adjustment to annual required contribution	134,167
Annual OPEB cost (expense)	152,717
Contributions and payments made	52,871
Actuarial adjustment	492,927
Decrease in net OPEB obligation	(393,081)
Net OPEB obligation - January 1, 2011	1,994,911
Net OPEB obligation - December 31, 2011	<u>\$ 1,601,830</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2011 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2009	\$ 517,331	8.9%	\$ 1,392,831
December 31, 2010	\$ 653,168	7.8%	\$ 1,994,911
December 31, 2011	\$ 152,717	34.6%	\$ 1,601,830

Funded status and funding progress

Post Employment Benefit Obligations under GASB Statement No. 45 calculated as of December 31, 2011 the most recent actuarial valuation date is as follows:

	Total	Members
Actuarial Accrued Liability		
Current retirees, beneficiaries and dependents	\$ 2,752,549	36
Current active members	-	
Total Actuarial Accrued Liability (AAL)	2,752,549	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,752,549	

The covered payroll (annual payroll of active employees covered by the plan) was \$69,682,572 and the ratio of the UAAL to the covered payroll was 4.0 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 multi-year 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.

Actuarial Plan Assumptions

Valuation date:	December 31, 2011
Actuarial cost method:	Projected Unit Credit Method
Amortization method:	15 years, as a level dollar amount
Remaining amortization period:	15 years
Asset valuation method:	An expected actuarial value is determined equal to a 3.5% discount rate per year. The medical trend rate beginning in 2012 is 7.2% per year pre and post-Medicare eligible increasing to 7.6% for 2013 before grading to 4.4% over 86 years from 2013. Trends for dental and vision benefits begin at 5.0% for 2011, grading to 4.4% over 87 years. The inflation rate assumption is 2.5%.
Discount rate:	3.5%, net of administrative expenses
Projected pay increases:	0%. The plan was closed to new retirees effective December 31, 2009.

D. Commitments/Contingencies

Construction Commitments

The City had commitments of \$1,565,436 for capital projects in governmental fund types and \$339,467 in proprietary fund types at December 31, 2011. 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, 2011 (excluding those relating to capital projects) amounted to \$45,593,505.

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 2011, and did not exceed the property tax limit by \$295,262.

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, 2011, the amount required as an emergency reserve in compliance with the amendment is \$4,263,863 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 2011:

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 2010 and in 2011.

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, 2011

Total current assets	\$ 2,034,555
Total capital assets (net of accumulated depreciation)	21,581,997
Total Assets	23,616,552
Total current liabilities	(1,183,389)
Total Net Assets	22,433,163
Net assets invested in capital assets	21,581,997
Restricted capital	115,866
Unrestricted net assets	735,300
Total Net Assets	\$ 22,433,163

For year ending December 31, 2011

Total operating revenue	\$ 800,463
Total operating expenses	(1,906,964)
Interest Income	29,454
Nonoperating revenue	372,473
Capital contributions	6,629,430
Change in Net Assets	\$ 5,924,856

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 2011, such funding amounted to \$18,811,955. 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 2011, these purchases amounted to \$71,220,022 of which \$5,964,619 is included in accounts payable at December 31, 2011.

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 2011, billings for benefits and services amounted to \$127,561.

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 2011, billings for benefits and services amounted to \$960,837.

G. Change in Net Assets and Fund Balance

During the fiscal year ended December 31, 2011, the City determined that certain notes receivable transactions had been improperly reported as an expense/expenditure in the financial statements of the governmental activities and Urban Renewal Authority major governmental fund for the year ended December 31, 2010. Management has revised the governmental activities net asset and fund balance as of December 31, 2010 to correct this error.

The following is a summary of the adjustment:

	Governmental Activities	Urban Renewal Authority
Net assets / fund balance (deficit), December 31, 2010, as previously reported	\$ 743,290,085	\$ (8,855,913)
Increase in notes receivable	4,203,939	4,203,939
Net assets / fund balance (deficit), December 31, 2010, as restated	<u>\$ 747,494,024</u>	<u>\$ (4,651,974)</u>

This error resulted in an understatement of \$4,203,939 in the change in net assets and change in fund balance of the governmental activities and Urban Renewal Authority major governmental fund opinion units, respectively, originally reported in the December 31, 2010 financial statements.

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 2011, the City's street system is at a PCI of 72, just within the LOS of "B". The City's street system was at a PCI of 71 in 2010, 71 in 2009, and 77 in 2008. The average detail condition is as follows:

Level of service.....	PCI Range.....	Percent of Roads
LOS A (best).....	100 to 86.....	18%
LOS B (good)	85 to 71	45%
LOS C (fair).....	70 to 56.....	22%
LOS D (poor).....	55 to 41	12%
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>
2011	\$ 14,117,351	\$ 13,742,753
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

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)
1/1/2010	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%
1/1/2012	39,973,803	53,813,281	13,839,478	74.3%	9,582,235	144.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Annual Required Contribution ARC	Employer Contribution	% of ARC Contributed
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%
2011	1,639,992	1,345,466	82%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of January 1, 2012. Additional information follows:

Actuarial cost method:	Entry Age Normal
Amortization method:	11 years, as a level dollar amount.
Remaining amortization period:	11 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. 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 expected actuarial value plus the amortization of prior gain or losses 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:	6.8% (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]
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%
2011	12/31/11	\$ -	\$ 2,752,549	\$ 2,752,549	- %	\$ 69,682,572	4.0%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of December 31, 2011. Additional information follows:

Actuarial cost method: Projected Unit Credit Method
Amortization method: 15 years, as a level dollar amount
Remaining amortization period: 15 years
Asset valuation method: An expected actuarial value is determined equal to a 3.5% discount rate per year. The medical trend rate beginning in 2012 is 7.2% per year pre and post-Medicare eligible increasing to 7.6% for 2013 before grading to 4.4% over 86 years from 2013. Trends for dental and vision benefits begin at 5.0% for 2011, grading to 4.4% over 87 years. The inflation rate assumption is 2.5%.
Discount rate: 3.5%, net of administrative expenses.
Projected pay increases: 0%. The plan was closed to new retirees effective December 31, 2009.

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

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, 2011**

	Special Revenue Funds				
	Capital Expansion	Sales and Use Tax	Neighborhood Parkland	Conservation Trust	Natural Areas
ASSETS					
Cash and cash equivalents	\$ 741,102	\$ 554,949	\$ 466,363	\$ 135,858	\$ 347,190
Investments	8,722,517	6,531,425	5,241,557	1,598,986	4,060,598
Receivables					
Property taxes	-	-	-	-	-
Sales and use taxes	-	1,250,186	-	-	-
Accounts	3,303	-	2,266	-	-
Notes and loans	-	-	-	-	-
Interest	36,847	27,445	22,108	6,734	17,153
Prepaid item	-	-	-	-	-
Advances to other funds	5,082,391	-	-	-	-
Due from other governments	-	-	-	-	256,155
Total Assets	14,586,160	8,364,005	5,732,294	1,741,578	4,681,096
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable, accruals, and other	-	1,225	158,759	46,619	103,650
Wages payable	-	-	6,882	4,160	44,390
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Deposits held	-	996,685	-	-	14,508
Total Liabilities	-	997,910	165,641	50,779	162,548
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	1,690,799	4,140,279
Committed	14,586,160	-	5,566,653	-	-
Assigned	-	7,366,095	-	-	378,269
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	14,586,160	7,366,095	5,566,653	1,690,799	4,518,548
Total Liabilities and Fund Balances (Deficit)	\$14,586,160	\$ 8,364,005	\$ 5,732,294	\$ 1,741,578	\$ 4,681,096

Special Revenue Funds (continued)					
Cultural Services & Facilities	Recreation	Cemeteries	Perpetual Care	CDBG	Home Program
\$ 162,013	\$ 207,048	\$ 29,305	\$ 123,016	\$ -	\$ 24,400
2,344,201	2,322,599	494,277	1,457,372	-	286,041
-	-	-	-	-	-
-	-	-	-	-	-
15,282	126,878	46,059	7,122	-	13,750
-	-	-	-	1,878	125,000
9,783	9,783	2,160	6,166	-	-
4,675	2,610	-	-	-	-
-	-	-	-	-	-
62,622	-	-	-	69,315	-
2,598,576	2,668,918	571,801	1,593,676	71,193	449,191
78,592	202,517	3,991	-	1,260	25,328
34,184	72,844	6,510	-	1,560	1,409
-	-	-	-	-	-
-	-	-	-	62,178	-
716,583	232,664	-	-	69,315	101,011
-	-	-	-	-	-
829,359	508,025	10,501	-	134,313	127,748
4,675	2,610	-	-	-	-
642,675	41,942	-	1,593,676	-	321,443
313,704	-	-	-	-	-
808,163	2,116,341	561,300	-	-	-
-	-	-	-	(63,120)	-
1,769,217	2,160,893	561,300	1,593,676	(63,120)	321,443
\$ 2,598,576	\$ 2,668,918	\$ 571,801	\$1,593,676	\$ 71,193	\$ 449,191

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
DECEMBER 31, 2011**

	Special Revenue Funds (continued)				
	Transit Services	Street Oversizing	General Improvement District No. 1	General Imp. District No. 15 Skyview	Total Special Revenues
ASSETS					
Cash and cash equivalents	\$ 109,732	\$ 425,253	\$ 80,368	\$ 4,832	\$ 3,411,429
Investments	1,272,242	4,978,085	945,856	56,887	40,312,643
Receivables					
Property taxes	-	-	273,523	-	273,523
Sales and use taxes	-	-	-	-	1,250,186
Accounts	55,095	4,489	2,137	132	276,513
Notes and loans	-	-	-	-	126,878
Interest	5,336	20,837	3,939	254	168,545
Prepaid item	-	-	-	-	7,285
Advances to other funds	-	-	-	-	5,082,391
Due from other governments	1,141,948	-	-	-	1,530,040
Total Assets	2,584,353	5,428,664	1,305,823	62,105	52,439,433
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable, accruals, and other	106,437	259,408	20,191	-	1,007,977
Wages payable	94,702	3,425	731	-	270,797
Due to other governments	2,418	-	-	-	2,418
Due to other funds	-	-	-	-	62,178
Deferred revenue	5,000	-	273,523	-	1,398,096
Deposits held	-	-	-	-	1,011,193
Total Liabilities	208,557	262,833	294,445	-	3,752,659
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	7,285
Restricted	-	5,165,831	-	-	13,596,645
Committed	-	-	1,011,378	62,105	21,540,000
Assigned	2,375,796	-	-	-	13,605,964
Unassigned	-	-	-	-	(63,120)
Total Fund Balances (Deficit)	2,375,796	5,165,831	1,011,378	62,105	48,686,774
Total Liabilities and Fund Balances (Deficit)	\$ 2,584,353	\$ 5,428,664	\$ 1,305,823	\$ 62,105	\$52,439,433

Debt Service Funds					
Timberline/ Prospect SID #94	Debt Service	Fort Collins Leasing Corporation	Total Debt Service	Total Non-major Governmental	
\$ 80,684	\$ -	\$ -	\$ 80,684	\$ 3,492,113	
240	-	-	240	40,312,883	
-	-	-	-	273,523	
-	-	-	-	1,250,186	
-	-	-	-	276,513	
-	-	-	-	126,878	
254	-	-	254	168,799	
-	-	-	-	7,285	
-	-	-	-	5,082,391	
-	-	-	-	1,530,040	
81,178	-	-	81,178	52,520,611	
10,870	-	-	10,870	1,018,847	
-	-	-	-	270,797	
-	-	-	-	2,418	
-	-	-	-	62,178	
-	-	-	-	1,398,096	
-	-	-	-	1,011,193	
10,870	-	-	10,870	3,763,529	
-	-	-	-	7,285	
-	-	-	-	13,596,645	
-	-	-	-	21,540,000	
70,308	-	-	70,308	13,676,272	
-	-	-	-	(63,120)	
70,308	-	-	70,308	48,757,082	
\$ 81,178	\$ -	\$ -	\$ 81,178	\$ 52,520,611	

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds				
	Capital Expansion	Sales and Use Tax	Neighborhood Parkland	Conservation Trust	Natural Areas
REVENUES					
Taxes	\$ -	\$ 11,633,174	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,260,042	3,430,375
Fees and charges for services	1,326,962	-	884,093	2,260	29,593
Earnings on investments	298,659	173,168	105,140	28,990	67,715
Miscellaneous revenue	-	1,546	-	1,000	179,571
Total Revenues	1,625,621	11,807,888	989,233	1,292,292	3,707,254
EXPENDITURES					
Current operating					
Cultural, parks, recreation and environment	4,093	-	411,470	265,746	4,664,848
Planning and Development	-	-	-	-	-
Transportation	-	-	-	-	-
Other	-	812,411	-	-	-
Intergovernmental					
Fire protection	234,354	-	-	-	-
Capital outlay	-	-	2,823,925	407,121	3,052,833
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	238,447	812,411	3,235,395	672,867	7,717,681
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,387,174	10,995,477	(2,246,162)	619,425	(4,010,427)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	5,766,500
Transfers out	(391,521)	(11,164,489)	(20,024)	(780,901)	(1,580,271)
Sale of capital assets	-	-	-	-	4,906
Total Other Financing Sources (Uses)	(391,521)	(11,164,489)	(20,024)	(780,901)	4,191,135
Net Changes in Fund Balances (Deficit)	995,653	(169,012)	(2,266,186)	(161,476)	180,708
Fund Balances (Deficit)-January 1	13,590,507	7,535,107	7,832,839	1,852,275	4,337,840
Fund Balances (Deficit)-December 31	\$ 14,586,160	\$ 7,366,095	\$ 5,566,653	\$ 1,690,799	\$ 4,518,548

Special Revenue Funds (continued)					
Cultural Services & Facilities	Recreation	Cemeteries	Perpetual Care	CDBG	Home Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97,159	38,969	-	-	704,789	87,793
1,014,736	4,764,213	382,850	48,900	-	-
41,284	42,800	8,746	26,412	204	13,750
252,620	118,379	13,159	-	60,688	164,915
1,405,799	4,964,361	404,755	75,312	765,681	266,458
2,976,538	6,039,309	485,248	1,025	-	-
-	-	-	-	777,752	476,936
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
93,291	70,793	20,981	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,069,829	6,110,102	506,229	1,025	777,752	476,936
(1,664,030)	(1,145,741)	(101,474)	74,287	(12,071)	(210,478)
1,807,297	864,584	153,337	-	-	-
(350,000)	-	-	(22,945)	-	-
-	-	-	-	-	-
1,457,297	864,584	153,337	(22,945)	-	-
(206,733)	(281,157)	51,863	51,342	(12,071)	(210,478)
1,975,950	2,442,050	509,437	1,542,334	(51,049)	531,921
\$ 1,769,217	\$ 2,160,893	\$ 561,300	\$ 1,593,676	\$ (63,120)	\$ 321,443

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds (continued)				
	Transit Services	Street Oversizing	General Improvement District No. 1	General Imp. District No. 15 Skyview	Total Special Revenues
REVENUES					
Taxes	\$ -	\$ -	\$ 237,596	\$ 26,116	\$ 11,896,886
Intergovernmental	6,429,538	-	24,852	-	12,073,517
Fees and charges for services	731,895	1,441,107	-	-	10,626,609
Earnings on investments	29,927	93,456	17,540	1,008	948,799
Miscellaneous revenue	18,782	26,276	113	-	837,049
Total Revenues	7,210,142	1,560,839	280,101	27,124	36,382,860
EXPENDITURES					
Current operating					
Cultural, parks, recreation and environment	-	-	-	-	14,848,277
Planning and Development	-	-	-	-	1,254,688
Transportation	8,754,737	193,725	-	-	8,948,462
Other	-	-	87,483	-	899,894
Intergovernmental					
Fire protection	-	-	-	-	234,354
Capital outlay	2,867,593	52,091	199,951	-	9,588,579
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	11,622,330	245,816	287,434	-	35,774,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,412,188)	1,315,023	(7,333)	27,124	608,606
OTHER FINANCING SOURCES (USES)					
Transfers in	5,028,479	378,699	-	-	13,998,896
Transfers out	(152,525)	(1,257,228)	-	-	(15,719,904)
Sale of capital assets	-	3,878	-	-	8,784
Total Other Financing Sources (Uses)	4,875,954	(874,651)	-	-	(1,712,224)
Net Changes in Fund Balances (Deficit)	463,766	440,372	(7,333)	27,124	(1,103,618)
Fund Balances (Deficit)-January 1	1,912,030	4,725,459	1,018,711	34,981	49,790,392
Fund Balances (Deficit)-December 31	\$ 2,375,796	\$ 5,165,831	\$ 1,011,378	\$ 62,105	\$ 48,686,774

Debt Service Funds				
Timberline/ Prospect SID #94	Debt Service	Fort Collins Leasing Corporation	Total Debt Service	Total Non-major Governmental
\$ -	\$ -	\$ -	\$ -	\$ 11,896,886
-	-	-	-	12,073,517
-	-	-	-	10,626,609
615	-	-	615	949,414
40,992	-	69,718	110,710	947,759
41,607	-	69,718	111,325	36,494,185
-	-	-	-	14,848,277
-	-	-	-	1,254,688
-	-	-	-	8,948,462
40,440	-	4,368	44,808	944,702
-	-	-	-	234,354
-	-	-	-	9,588,579
-	330,000	3,059,427	3,389,427	3,389,427
-	29,820	2,228,874	2,258,694	2,258,694
40,440	359,820	5,292,669	5,692,929	41,467,183
1,167	(359,820)	(5,222,951)	(5,581,604)	(4,972,998)
-	359,820	5,222,951	5,582,771	19,581,667
-	-	-	-	(15,719,904)
-	-	-	-	8,784
-	359,820	5,222,951	5,582,771	3,870,547
1,167	-	-	1,167	(1,102,451)
69,141	-	-	69,141	49,859,533
\$ 70,308	\$ -	\$ -	\$ 70,308	\$ 48,757,082

CAPITAL EXPANSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Fees and charges for services	\$ 1,326,962	\$ 1,150,000	\$ 176,962
Earnings on investments	298,659	316,113	(17,454)
Total Revenues	<u>1,625,621</u>	<u>1,466,113</u>	<u>159,508</u>
EXPENDITURES			
Community Parkland Capital	4,093	-	(4,093)
Fire Capital Expansion	234,354	234,354	-
Total Expenditures	<u>238,447</u>	<u>234,354</u>	<u>(4,093)</u>
Excess of Revenues Over Expenditures	<u>1,387,174</u>	<u>1,231,759</u>	<u>155,415</u>
OTHER FINANCING SOURCES (USES)			
Transfers out:			
General Fund	(33,520)	(35,000)	1,480
Debt Service - COPS	(350,000)	(350,000)	-
Capital Projects Fund	(8,001)	(159,895)	151,894
Total Other Financing Sources (Uses)	<u>(391,521)</u>	<u>(544,895)</u>	<u>153,374</u>
Net Change in Fund Balances	995,653	<u>\$ 686,864</u>	<u>\$ 308,789</u>
Fund Balances--January 1	<u>13,590,507</u>		
Fund Balances--December 31	<u>\$ 14,586,160</u>		

SALES AND USE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 11,633,174	\$ 11,666,000	\$ (32,826)
Earnings on investments	173,168	-	173,168
Miscellaneous revenue	1,546	-	1,546
Total Revenues	<u>11,807,888</u>	<u>11,666,000</u>	<u>141,888</u>
EXPENDITURES			
Current operating			
Other	812,411	811,526	(885)
Total Expenditures	<u>812,411</u>	<u>811,526</u>	<u>(885)</u>
Excess of Revenues Over Expenditures	<u>10,995,477</u>	<u>10,854,474</u>	<u>141,003</u>
OTHER FINANCING (USES)			
Transfers out:			
General Fund	(931,612)	(931,612)	-
Natural Areas Fund	(5,766,500)	(5,766,500)	-
Cultural Services & Facilities Fund	(224,000)	(224,000)	-
Transit Services Fund	(383,626)	(383,626)	-
Transportation Services Fund	(59,000)	(59,000)	-
Capital Projects Fund	(3,799,751)	(3,799,751)	-
Total Other Financing (Uses)	<u>(11,164,489)</u>	<u>(11,164,489)</u>	<u>-</u>
Net Change in Fund Balances	(169,012)	<u>\$ (310,015)</u>	<u>\$ 141,003</u>
Fund Balances--January 1	<u>7,535,107</u>		
Fund Balances--December 31	<u>\$ 7,366,095</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, 2011

	Actual	Prior Year Actual	Cumulative Actual	Budget	Variance
REVENUES					
Intergovernmental	\$ -	\$ 478,224	\$ 478,224	\$ 428,896	\$ 49,328
Fees and charges for services	884,093	13,294,178	14,178,271	11,739,876	2,438,395
Earnings on investments	105,140	2,209,231	2,314,371	1,987,749	326,622
Miscellaneous revenue	-	279,072	279,072	269,979	9,093
Total Revenues	<u>989,233</u>	<u>16,260,705</u>	<u>17,249,938</u>	<u>14,426,500</u>	<u>2,823,438</u>
EXPENDITURES					
Waters Way Park	1,191,458	152,447	1,343,905	1,725,364	381,459
New Site Acquisition	-	1,960,995	1,960,995	2,038,424	77,429
New Park Site Development	41,723	1,414,738	1,456,461	2,634,788	1,178,327
Lee Martinez Park Addition	12,810	157,572	170,382	439,462	269,080
Huidekoper Park	2,331	152,640	154,971	422,000	267,029
Lilac Park	-	140,383	140,383	177,000	36,617
Registry Park	1,463,515	87,393	1,550,908	1,586,700	35,792
Romero	-	-	-	150,000	150,000
Richards Lake	49,719	296,238	345,957	1,132,506	786,549
Staley Neighborhood Park	29,029	250,277	279,306	1,045,000	765,694
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	11,717	221,626	233,343	530,000	296,657
Golden Meadows Park	-	150,588	150,588	350,000	199,412
Soft Gold Neighborhood Park	21,623	-	21,623	100,000	78,377
Parkland Administration	400,190	(1)	400,189	384,653	(15,536)
Park Equipment Replacement	11,280	-	11,280	15,000	3,720
Total Expenditures	<u>3,235,395</u>	<u>5,450,065</u>	<u>8,685,460</u>	<u>13,780,897</u>	<u>5,095,437</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,246,162)</u>	<u>10,810,640</u>	<u>8,564,478</u>	<u>645,603</u>	<u>7,918,875</u>
OTHER FINANCING SOURCES (USES)					
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	(9,000)	(45,800)	(54,800)	(54,800)	-
Capital Projects Fund	-	(488,220)	(488,220)	(488,220)	-
Data & Communications Fund	(11,024)	-	(11,024)	(11,024)	-
Total Other Financing Sources (Uses)	<u>(20,024)</u>	<u>(446,313)</u>	<u>(466,337)</u>	<u>(466,337)</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,266,186)</u>	<u>\$ 10,364,327</u>	<u>8,098,141</u>	<u>\$ 179,266</u>	<u>\$ 7,918,875</u>
Fund Balances--January 1	7,832,839		7,832,839		
Less Prior Years' Project Revenues			(16,348,412)		
Plus Prior Years' Project Expenditures			5,984,085		
Fund Balances--December 31	<u>\$ 5,566,653</u>		<u>\$ 5,566,653</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, 2011

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 1,260,042	\$ 19,881,836	\$ 21,141,878	\$ 20,175,527	\$ 966,351
Fees and charges for services	2,260	-	2,260	-	2,260
Earnings on investments	28,990	483,438	512,428	732,578	(220,150)
Miscellaneous revenue	1,000	313,899	314,899	263,525	51,374
Total Revenues	<u>1,292,292</u>	<u>20,679,173</u>	<u>21,971,465</u>	<u>21,171,630</u>	<u>799,835</u>
EXPENDITURES					
Trail acquisition/development	153,451	7,554,033	7,707,484	8,685,820	978,336
Open space acquisition	-	1,103,992	1,103,992	1,152,403	48,411
Fossil Creek Trail	70,115	3,678,824	3,748,939	3,745,950	(2,989)
Tri-City trails	12,000	665,174	677,174	1,042,541	365,367
Pickle Plant	-	15,386	15,386	-	(15,386)
Hughes Stadium Disc Golf Course	171,555	-	171,555	135,000	(36,555)
Administration	265,746	-	265,746	247,771	(17,975)
Total Expenditures	<u>672,867</u>	<u>13,017,409</u>	<u>13,690,276</u>	<u>15,009,485</u>	<u>1,319,209</u>
Excess of Revenues Over Expenditures	<u>619,425</u>	<u>7,661,764</u>	<u>8,281,189</u>	<u>6,162,145</u>	<u>2,119,044</u>
OTHER FINANCING SOURCES (USES)					
Transfers in:					
Capital Projects Fund	-	235,000	235,000	235,000	-
Transfers out:					
General Fund	(762,146)	(884,400)	(1,646,546)	(1,646,546)	-
Cultural Services & Facilities Fund	(4,400)	(100,050)	(104,450)	(104,450)	-
Capital Projects Fund	-	(1,007,337)	(1,007,337)	(1,017,618)	10,281
Data and Communications Fund	(14,355)	-	(14,355)	(14,355)	-
Total Other Financing Sources (Uses)	<u>(780,901)</u>	<u>(1,756,787)</u>	<u>(2,537,688)</u>	<u>(2,547,969)</u>	<u>10,281</u>
Net Change in Fund Balances	(161,476)	<u>\$ 5,904,977</u>	5,743,501	<u>\$ 3,614,176</u>	<u>\$ 2,129,325</u>
Fund Balances--January 1	1,852,275		1,852,275		
Less Prior Years' Project Revenues			(20,914,173)		
Plus Prior Years' Project Expenditures			15,009,196		
Fund Balances--December 31	<u>\$ 1,690,799</u>		<u>\$ 1,690,799</u>		

NATURAL AREAS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 3,430,375	\$ 3,060,391	\$ 369,984
Fees and charges for services	29,593	23,000	6,593
Earnings on investments	67,715	82,487	(14,772)
Miscellaneous revenue	179,571	94,000	85,571
Total Revenues	<u>3,707,254</u>	<u>3,259,878</u>	<u>447,376</u>
EXPENDITURES			
Land Conservation	1,977,292	2,999,222	1,021,930
Enforcement	634,357	650,843	16,486
Education	378,019	520,198	142,179
Program Management	558,882	644,278	85,396
Resource Management	1,354,018	1,727,562	373,544
Public Improvements	2,163,161	3,058,259	895,098
Facility Operations	179,022	361,933	182,911
Land Management	472,930	564,495	91,565
Total Expenditures	<u>7,717,681</u>	<u>10,526,790</u>	<u>2,809,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,010,427)</u>	<u>(7,266,912)</u>	<u>3,256,485</u>
OTHER FINANCING SOURCES (USES)			
Transfers in:			
Sales and Use Tax Fund	5,766,500	5,549,000	217,500
Transfers out:			
Debt Service - COPS	(1,381,981)	(1,381,981)	-
Capital Projects Fund	(115,513)	(146,106)	30,593
Data and Communications Fund	(82,777)	(82,777)	-
Sale of capital assets	4,906	-	4,906
Total Other Financing Sources (Uses)	<u>4,191,135</u>	<u>3,938,136</u>	<u>252,999</u>
Net Change in Fund Balances	180,708	<u>\$ (3,328,776)</u>	<u>\$ 3,509,484</u>
Fund Balances--January 1	<u>4,337,840</u>		
Fund Balances--December 31	<u>\$ 4,518,548</u>		

CULTURAL SERVICES AND FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 97,159	\$ 349,672	\$ (252,513)
Fees and charges for services	1,014,736	1,178,755	(164,019)
Earnings on investments	41,284	42,852	(1,568)
Miscellaneous revenue	252,620	573,285	(320,665)
Total Revenues	<u>1,405,799</u>	<u>2,144,564</u>	<u>(738,765)</u>
EXPENDITURES			
Administration	1,075,608	1,182,539	106,931
Lincoln Center	757,406	803,767	46,361
Museum	821,428	1,552,585	731,157
Art in Public Places	156,573	539,347	382,774
Performing and visual arts	608,814	670,300	61,486
Total Expenditures	<u>3,419,829</u>	<u>4,748,538</u>	<u>1,328,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,014,030)</u>	<u>(2,603,974)</u>	<u>589,944</u>
OTHER FINANCING SOURCES			
Transfers in:			
General Fund	1,501,524	1,501,524	-
Neighborhood Parkland	9,000	9,000	-
Conservation Trust Fund	4,400	4,400	-
Transfer S&U Tax - BOB	224,000	224,000	-
Capital Projects Fund	68,373	68,373	-
Total Other Financing Sources	<u>1,807,297</u>	<u>1,807,297</u>	<u>-</u>
Net Change in Fund Balances	(206,733)	<u>\$ (796,677)</u>	<u>\$ 589,944</u>
Fund Balances--January 1	<u>1,975,950</u>		
Fund Balances--December 31	<u>\$ 1,769,217</u>		

RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 38,969	\$ 122,811	\$ (83,842)
Fees and charges for services	4,764,213	4,774,325	(10,112)
Earnings on investments	42,800	57,164	(14,364)
Miscellaneous revenue	118,379	266,676	(148,297)
Total Revenues	<u>4,964,361</u>	<u>5,220,976</u>	<u>(256,615)</u>
EXPENDITURES			
Recreation administration	2,859,917	3,062,143	202,226
Ice/aquatics programming	1,423,774	1,487,644	63,870
Adult programming	763,431	805,519	42,088
Youth programming	423,557	438,842	15,285
Sports programming	490,299	494,926	4,627
Special reserves	106,964	182,740	75,776
Grants/miscellaneous	42,160	130,311	88,151
Total Expenditures	<u>6,110,102</u>	<u>6,602,125</u>	<u>492,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,145,741)</u>	<u>(1,381,149)</u>	<u>235,408</u>
OTHER FINANCING SOURCES			
Transfers in:			
General Fund	864,584	864,584	-
Total Other Financing Sources	<u>864,584</u>	<u>864,584</u>	<u>-</u>
Net Change in Fund Balances	(281,157)	<u>\$ (516,565)</u>	<u>\$ 235,408</u>
Fund Balances--January 1	<u>2,442,050</u>		
Fund Balances--December 31	<u>\$ 2,160,893</u>		

CEMETERIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Fees and charges for services	\$ 382,850	\$ 318,000	\$ 64,850
Earnings on investments	8,746	10,000	(1,254)
Miscellaneous revenue	13,159	11,900	1,259
Total Revenues	<u>404,755</u>	<u>339,900</u>	<u>64,855</u>
EXPENDITURES			
Cemetery services	485,248	519,558	34,310
Capital outlay	20,981	70,000	49,019
Total Expenditures	<u>506,229</u>	<u>589,558</u>	<u>83,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(101,474)</u>	<u>(249,658)</u>	<u>148,184</u>
OTHER FINANCING SOURCES (USES)			
Transfers in:			
General Fund	130,392	130,392	-
Perpetual Care Fund	22,945	45,000	(22,055)
Total Other Financing Sources (Uses)	<u>153,337</u>	<u>175,392</u>	<u>(22,055)</u>
Net Change in Fund Balances	51,863	<u>\$ (74,266)</u>	<u>\$ 126,129</u>
Fund Balances--January 1	<u>509,437</u>		
Fund Balances--December 31	<u>\$ 561,300</u>		

PERPETUAL CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Fees and charges for services	\$ 48,900	\$ 45,000	\$ 3,900
Earnings on investments	26,412	45,000	(18,588)
Total Revenues	<u>75,312</u>	<u>90,000</u>	<u>(14,688)</u>
EXPENDITURES			
Other	<u>1,025</u>	<u>395</u>	<u>(630)</u>
Total Expenditures	<u>1,025</u>	<u>395</u>	<u>(630)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>74,287</u>	<u>89,605</u>	<u>(15,318)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out:			
Cemeteries Fund	<u>(22,945)</u>	<u>(45,000)</u>	<u>22,055</u>
Total Other Financing Sources (Uses)	<u>(22,945)</u>	<u>(45,000)</u>	<u>22,055</u>
Net Change in Fund Balances	51,342	<u>\$ 44,605</u>	<u>\$ 6,737</u>
Fund Balances--January 1	<u>1,542,334</u>		
Fund Balances--December 31	<u>\$ 1,593,676</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, 2011

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 704,789	\$ 2,356,653	\$ 3,061,442	\$ 4,343,293	\$ (1,281,851)
Earnings on investments	204	444	648	82,596	(81,948)
Miscellaneous revenue	60,688	118,383	179,071	740,824	(561,753)
Total Revenues	<u>765,681</u>	<u>2,475,480</u>	<u>3,241,161</u>	<u>5,166,713</u>	<u>(1,925,552)</u>
EXPENDITURES					
2007-08 Grant	47,419	192,581	240,000	240,000	-
2008-09 Grant	20,798	63,501	84,299	122,711	38,412
2009-10 Grant	126,268	338,597	464,865	464,865	-
2010-11 Grant	551,082	103,567	654,649	1,042,561	387,912
2011-12 Grant	32,185	-	32,185	1,214,256	1,182,071
Total Expenditures	<u>777,752</u>	<u>698,246</u>	<u>1,475,998</u>	<u>3,084,393</u>	<u>1,608,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,071)</u>	<u>1,777,234</u>	<u>1,765,163</u>	<u>2,082,320</u>	<u>(317,157)</u>
Net Change in Fund Balances (Deficit)	(12,071)	<u>\$ 1,777,234</u>	1,765,163	<u>\$ 2,082,320</u>	<u>\$ (317,157)</u>
Fund Balances (Deficit)--January 1	(51,049)		(51,049)		
Less Prior Years' Project Revenues			(2,475,480)		
Plus Prior Years' Project Expenditures			698,246		
Fund Balances (Deficit)--December 31	<u>\$ (63,120)</u>		<u>\$ (63,120)</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, 2011

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 87,793	\$ 747,622	\$ 835,415	\$ 2,945,493	\$ (2,110,078)
Earnings on investments	13,750	13,750	27,500	-	27,500
Miscellaneous revenue	164,915	117,011	281,926	95,095	186,831
Total Revenues	<u>266,458</u>	<u>878,383</u>	<u>1,144,841</u>	<u>3,040,588</u>	<u>(1,895,747)</u>
EXPENDITURES					
2006-07 Grant	9,395	252,668	262,063	266,882	4,819
2007-08 Grant	12,993	406,942	419,935	442,144	22,209
2008-09 Grant	217,179	591,165	808,344	808,344	-
2009-10 Grant	131,251	535,807	667,058	721,358	54,300
2010-11 Grant	68,278	16,665	84,943	445,831	360,888
2011-12 Grant	37,840	-	37,840	983,967	946,127
Total Expenditures	<u>476,936</u>	<u>1,803,247</u>	<u>2,280,183</u>	<u>3,668,526</u>	<u>1,388,343</u>
(Deficiency) of Revenues					
(Under) Expenditures	<u>(210,478)</u>	<u>(924,864)</u>	<u>(1,135,342)</u>	<u>(627,938)</u>	<u>(507,404)</u>
Net Change in Fund Balances	(210,478)	<u>\$ (924,864)</u>	(1,135,342)	<u>\$ (627,938)</u>	<u>\$ (507,404)</u>
Fund Balances--January 1	531,921		531,921		
Less Prior Years' Project Revenues			(878,383)		
Plus Prior Years' Project Expenditures			1,803,247		
Fund Balances--December 31	<u>\$ 321,443</u>		<u>\$ 321,443</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, 2011

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 6,429,538	\$ 5,433,414	\$ 11,862,952	\$ 16,623,467	\$ (4,760,515)
Fees and charges for services	731,895	797,390	1,529,285	1,484,024	45,261
Earnings on investments	29,927	35,394	65,321	71,320	(5,999)
Miscellaneous revenue	18,782	79,550	98,332	55,400	42,932
Total Revenues	<u>7,210,142</u>	<u>6,345,748</u>	<u>13,555,890</u>	<u>18,234,211</u>	<u>(4,678,321)</u>
EXPENDITURES					
FTA Grants					
2007 Operating	243	141,882	142,125	142,774	649
2008 Operating	9,814	1,368,817	1,378,631	1,269,001	(109,630)
2009 Operating	732,523	327,048	1,059,571	1,462,933	403,362
2010 Operating	115,791	1,786,631	1,902,422	2,608,496	706,074
2010 Operating	7,870,048	-	7,870,048	8,913,727	1,043,679
2007 Capital	9,053	558,511	567,564	1,125,000	557,436
2008 Capital	221,648	1,325,824	1,547,472	1,771,997	224,525
2009 Capital	182,889	2,910,918	3,093,807	3,444,790	350,983
2010 Capital	2,474,500	3,978	2,478,478	3,465,924	987,446
2011 Capital	5,821	-	5,821	685,618	679,797
Total Expenditures	<u>11,622,330</u>	<u>8,423,609</u>	<u>20,045,939</u>	<u>24,890,260</u>	<u>4,844,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,412,188)</u>	<u>(2,077,861)</u>	<u>(6,490,049)</u>	<u>(6,656,049)</u>	<u>166,000</u>
OTHER FINANCING SOURCES (USES)					
Transfers in:					
General Fund	5,028,479	5,543,316	10,571,795	10,571,797	(2)
Transfers out:					
Capital Projects Fund	<u>(152,525)</u>	<u>1</u>	<u>(152,524)</u>	<u>(152,525)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>4,875,954</u>	<u>5,543,317</u>	<u>10,419,271</u>	<u>10,419,272</u>	<u>(1)</u>
Net Change in Fund Balances	463,766	<u>\$ 3,465,456</u>	3,929,222	<u>\$ 3,763,223</u>	<u>\$ 165,999</u>
Fund Balances--January 1	1,912,030		1,912,030		
Less Prior Years' Project Revenues			(11,889,064)		
Plus Prior Years' Project Expenditures			8,423,608		
Fund Balances--December 31	<u>\$ 2,375,796</u>		<u>\$ 2,375,796</u>		

STREET OVERSIZING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Fees and charges for services	\$ 1,441,107	\$ 1,895,000	\$ (453,893)
Earnings on investments	93,456	66,215	27,241
Miscellaneous revenue	26,276	100,000	(73,724)
Total Revenues	<u>1,560,839</u>	<u>2,061,215</u>	<u>(500,376)</u>
EXPENDITURES			
Oversizing costs	<u>245,816</u>	<u>2,978,079</u>	<u>2,732,263</u>
Total Expenditures	<u>245,816</u>	<u>2,978,079</u>	<u>2,732,263</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,315,023</u>	<u>(916,864)</u>	<u>2,231,887</u>
OTHER FINANCING SOURCES (USES)			
Transfers in:			
General Fund	378,699	378,699	-
Transfers out:			
Capital Projects Fund	(1,257,228)	(2,214,697)	957,469
Sale of capital assets	3,878	-	3,878
Total Other Financing Sources (Uses)	<u>(874,651)</u>	<u>(1,835,998)</u>	<u>961,347</u>
Net Change in Fund Balances	440,372	<u>\$ (2,752,862)</u>	<u>\$ 3,193,234</u>
Fund Balances--January 1	<u>4,725,459</u>		
Fund Balances--December 31	<u>\$ 5,165,831</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 237,596	\$ 246,600	\$ (9,004)
Intergovernmental	24,852	28,000	(3,148)
Earnings on investments	17,540	23,275	(5,735)
Miscellaneous revenue	113	-	113
Total Revenues	<u>280,101</u>	<u>297,875</u>	<u>(17,774)</u>
EXPENDITURES			
Other	<u>287,434</u>	<u>1,004,523</u>	<u>717,089</u>
Total Expenditures	<u>287,434</u>	<u>1,004,523</u>	<u>717,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,333)</u>	<u>(706,648)</u>	<u>699,315</u>
Net Change in Fund Balances	(7,333)	<u>\$ (706,648)</u>	<u>\$ 699,315</u>
Fund Balances--January 1	<u>1,018,711</u>		
Fund Balances--December 31	<u>\$ 1,011,378</u>		

GENERAL IMPROVEMENT DISTRICT NO. 15 - SKYVIEW FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 26,116	\$ -	\$ 26,116
Earnings on investments	1,008	-	1,008
Total Revenues	<u>27,124</u>	<u>-</u>	<u>27,124</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>27,124</u>	<u>-</u>	<u>27,124</u>
Net Change in Fund Balances	27,124	<u>\$ -</u>	<u>\$ 27,124</u>
Fund Balances--January 1	<u>34,981</u>		
Fund Balances--December 31	<u>\$ 62,105</u>		

TIMBERLINE/PROSPECT SID #94
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Earnings on investments	\$ 615	\$ 466	\$ 149
Miscellaneous revenue	40,992	106,885	(65,893)
Total Revenues	<u>41,607</u>	<u>107,351</u>	<u>(65,744)</u>
EXPENDITURES			
Other	40,440	106,885	66,445
Total Expenditures	<u>40,440</u>	<u>106,885</u>	<u>66,445</u>
Excess of Revenues Over Expenditures	<u>1,167</u>	<u>466</u>	<u>701</u>
Net Change in Fund Balances	1,167	<u>\$ 466</u>	<u>\$ 701</u>
Fund Balances--January 1	<u>69,141</u>		
Fund Balances--December 31	<u>\$ 70,308</u>		

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Principal	330,000	330,000	-
Interest	29,820	29,820	-
Total Expenditures	<u>359,820</u>	<u>359,820</u>	<u>-</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(359,820)</u>	<u>(359,820)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers in:			
Transportation Fund	<u>359,820</u>	<u>359,820</u>	<u>-</u>
Total Other Financing Sources	<u>359,820</u>	<u>359,820</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Miscellaneous revenue	\$ 69,718	\$ 69,688	\$ 30
Total Revenues	<u>69,718</u>	<u>69,688</u>	<u>30</u>
EXPENDITURES			
Principal	3,059,427	3,059,427	-
Interest	2,228,874	2,228,868	(6)
Other	4,368	2,500	(1,868)
Total Expenditures	<u>5,292,669</u>	<u>5,290,795</u>	<u>(1,874)</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(5,222,951)</u>	<u>(5,221,107)</u>	<u>(1,844)</u>
OTHER FINANCING SOURCES			
Transfers in:			
General Fund	2,607,507	2,605,663	1,844
Capital Expansion Fund	350,000	350,000	-
Natural Areas Fund	1,381,981	1,381,981	-
Transportation Fund	133,463	133,463	-
Capital Projects Fund	750,000	750,000	-
Total Other Financing Sources	<u>5,222,951</u>	<u>5,221,107</u>	<u>1,844</u>
Net Change in Fund Balances	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balances--January 1	<u>-</u>		
Fund Balances--December 31	<u>\$ -</u>		

**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, 2011

	Current Year Actual	Prior Year Actual	Cumulative Actual	Budget	Variance
REVENUES					
Intergovernmental	\$ 4,980,662	\$ 12,583,229	\$ 17,563,891	\$ 86,737,800	\$ (69,173,909)
Earnings on investments	326,498	9,963,700	10,290,198	5,422,317	4,867,881
Miscellaneous revenue	6,474,613	1,207,163	7,681,776	8,831,557	(1,149,781)
Total Revenues	<u>11,781,773</u>	<u>23,754,092</u>	<u>35,535,865</u>	<u>100,991,674</u>	<u>(65,455,809)</u>
EXPENDITURES					
Alley Enhancement-WMA	940,737	-	940,737	940,737	-
Major Repairs and Maintenance	177,574	6,611	184,185	193,912	9,727
DOLA - NEC Project	12,500	63,803	76,303	110,928	34,625
DOE - RDSI Project (ARRA)	13,107	139,375	152,482	241,797	89,315
FC Museum / DSC Fac Design	8,571,351	6,336,190	14,907,541	15,936,221	1,028,680
BOB-Lincoln Center Renovation	4,659,597	3,312,635	7,972,232	8,041,025	68,793
Police Facility	88,407	1,866,787	1,955,194	5,784,345	3,829,151
Env Site Mitigation - 112 E. Willow	-	183,019	183,019	200,000	16,981
Block 32 Redevelopment	-	41,521	41,521	195,000	153,479
New Branch Library-Beyer Site	-	5,214,161	5,214,161	5,544,000	329,839
Soapstone Public Improvement	400	4,830,007	4,830,407	4,861,000	30,593
Coventry Dev Wildlife Habitat	-	-	-	9,000	9,000
Regional Trails	-	1,550,900	1,550,900	1,988,718	437,818
Southeast Community Park	8,001	3,590,131	3,598,132	3,750,026	151,894
Spring Canyon-Veteran's Plaza	262,634	-	262,634	335,000	72,366
Water Craft Course	-	36,342	36,342	150,000	113,658
BOB-Park Upgrades/Enhancements	121,158	14,625	135,783	304,897	169,114
Prospect, Poudre River/Summitview	43,100	6,217,322	6,260,422	6,568,801	308,379
Street Oversizing Projects	193,136	10,358,778	10,551,914	11,744,576	1,192,662
BOB Int Imp & Traffic Signals	1,138,928	3,323,729	4,462,657	7,644,396	3,181,739
I-25 & SH 392 Interchg & Imprv	963,939	1,824,758	2,788,697	4,639,593	1,850,896
City Bridge Program	415,199	2,640,627	3,055,826	7,078,161	4,022,335
Rairoad Crossing Replacement	69,649	56,444	126,093	400,000	273,907
Mason Street Transportation Corridor	7,546,530	14,817,034	22,363,564	80,347,984	57,984,420
Pedestrian Plan (BCC)	265	94,789	95,054	97,775	2,721
BOB Ped Plan & ADA Improvements	1,318,894	418,048	1,736,942	2,996,216	1,259,274
Bicycle Plan Implementation	-	-	-	280,000	280,000
BOB-N. College Ave Improvements	1,358,589	1,366,982	2,725,571	11,215,464	8,489,893
Administrative Charges	34,914	-	34,914	34,914	-
Total Expenditures	<u>27,938,609</u>	<u>68,304,618</u>	<u>96,243,227</u>	<u>181,634,486</u>	<u>85,391,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,156,836)</u>	<u>(44,550,526)</u>	<u>(60,707,362)</u>	<u>(80,642,812)</u>	<u>19,935,450</u>

(Continued on Next Page)

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, 2011

	Current Year Actual	Prior Year Actual	Cumulative Actual	Budget	Variance
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of long term debt	\$ -	\$ 1,897,805	\$ 1,897,805	\$ 1,897,805	\$ -
Transfers in					
General Fund	4,840,274	2,946,414	7,786,688	8,536,460	(749,772)
Capital Expansion Fund	8,001	8,569,744	8,577,745	8,729,639	(151,894)
Sales and Use Tax Fund	4,149,751	45,230,526	49,380,277	48,942,943	437,334
Natural Areas Fund	115,513	5,628,220	5,743,733	5,774,326	(30,593)
Cultural Services & Facilities Fund	350,000	-	350,000	450,000	(100,000)
Transit Services Fund	116,525	-	116,525	116,525	-
Street Oversizing Fund	1,257,228	2,540,134	3,797,362	4,754,832	(957,470)
Transportation Services Fund	20,098	1,111,544	1,131,642	1,785,000	(653,358)
URA Operations & Maintenance Fund	(1,230,605)	2,778,685	1,548,080	1,618,080	(70,000)
Transfers out					
Cultural Services and Facilities Fund	(68,373)	(394,425)	(462,798)	(462,798)	-
Debt Service Fund-Ft Collins Leasing	(750,000)	(750,000)	(1,500,000)	(1,500,000)	-
Total Other Financing Sources (Uses)	<u>8,808,412</u>	<u>69,558,647</u>	<u>78,367,059</u>	<u>80,642,812</u>	<u>(2,275,753)</u>
Net Changes in Fund Balance	(7,348,424)	<u>\$ 25,008,121</u>	17,659,697	<u>\$ -</u>	<u>\$ 17,659,697</u>
Fund Balances--January 1	27,457,610		27,457,610		
Less Prior Years' Project Revenues			(94,457,164)		
Plus Prior Years' Project Expenditures			<u>69,449,043</u>		
Fund Balances--December 31	<u>\$ 20,109,186</u>		<u>\$ 20,109,186</u>		

ENTERPRISE FUNDS
INDIVIDUAL FUND BUDGET SCHEDULES

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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 99,656,563	\$ 95,892,159	\$ 3,764,404
Other nonoperating income	6,706,334	1,591,828	5,114,506
Earnings on investments	849,346	959,649	(110,303)
Transfers	127,495	121,958	5,537
Gain on sale of capital assets	84,508	-	84,508
Contributed capital	<u>1,809,258</u>	<u>1,900,176</u>	<u>(90,918)</u>
Total Revenues	<u>109,233,504</u>	<u>100,465,770</u>	<u>8,767,734</u>
EXPENSES			
Programs (fund level of budgetary control)			
Customer and administrative services	4,372,238	5,433,998	1,061,760
System additions	6,105,515	8,190,180	2,084,665
Light and Power operations	7,441,553	7,246,523	(195,030)
Payments and transfers	8,755,470	8,974,243	218,773
Purchase of power	71,513,728	71,702,873	189,145
Energy services	<u>2,742,191</u>	<u>5,543,017</u>	<u>2,800,826</u>
Total Programs	<u>100,930,695</u>	<u>107,090,834</u>	<u>6,160,139</u>
Projects (project level of budgetary control)			
Substation Improvements	13,211,815	14,696,808	1,484,993
Smart Grid	6,151,068	35,038,711	28,887,643
SW Enclave System Purchases	1,903,759	3,545,719	1,641,960
Underground Conversion Program	7,589	1,800,248	1,792,659
Grants	6,637,331	8,019,562	1,382,231
Service Center Additions	91,563	4,648,244	4,556,681
Mason Corridor	<u>317,491</u>	<u>1,020,000</u>	<u>702,509</u>
Total Projects	<u>28,320,616</u>	<u>68,769,292</u>	<u>40,448,676</u>
Total Expenses	<u>129,251,311</u>	<u>175,860,126</u>	<u>46,608,815</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(20,017,807)	<u>\$ (75,394,356)</u>	<u>\$ 55,376,549</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	6,105,515		
Current Year's Project Expenses	7,889,600		
Prior Years' Project Expenses	17,488,422		
Principal Reduction--Long-Term Debt	1,415,000		
Depreciation	(7,481,587)		
Bond Amortization	<u>(42,480)</u>		
Total Reconciling Items	<u>25,374,470</u>		
Change in net assets	5,356,663		
Net Assets--January 1	<u>161,387,298</u>		
Net Assets--December 31	<u>\$ 166,743,961</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 24,100,618	\$ 25,008,022	\$ (907,404)
Other nonoperating income	289,320	209,543	79,777
Earnings on investments	1,178,406	1,473,191	(294,785)
Transfers	92,292	92,292	-
Gain on sale of capital assets	36,403	-	36,403
Contributed capital	3,612,394	1,716,649	1,895,745
Total Revenues	<u>29,309,433</u>	<u>28,499,697</u>	<u>809,736</u>
EXPENSES			
Programs (fund level of budgetary control)			
Customer and administrative services	4,042,816	5,887,876	1,845,060
Payments and transfers	6,369,972	11,199,628	4,829,656
Transmission and distribution	2,349,486	2,699,731	350,245
Water engineering	106,285	97,049	(9,236)
Water production	4,826,611	7,725,667	2,899,056
Water quality	884,098	1,001,672	117,574
Water resources	1,919,051	2,298,210	379,159
Total Programs	<u>20,498,319</u>	<u>30,909,833</u>	<u>10,411,514</u>
Projects (project level of budgetary control)			
Advanced Metering Infrastructure	498,183	4,000,000	3,501,817
Asset Management	21,739	83,333	61,594
Cathodic Protection	717,100	790,000	72,900
Distribution System Replacement	569,529	1,499,176	929,647
Engineering Distribution Sys Replcmnt	3,197,972	4,767,638	1,569,666
Gravel Pit Storage Ponds	394,537	11,577,000	11,182,463
Halligan Reservoir Enlargement	9,980,523	36,807,446	26,826,923
Master Plan Facilities	7,076,436	7,212,072	135,636
Meter Conversion Program	2,354,176	2,350,848	(3,328)
Michigan Ditch improvements	754,699	800,000	45,301
Poudre Pipeline	1,013,344	1,000,000	(13,344)
Service Center Improvements	898,019	1,343,297	445,278
Source of Supply Gen Replcmnt	211,458	211,458	-
Southwest System Improvements	1,001,361	1,486,528	485,167
Treatment Facility Improvement	1,081,700	1,355,963	274,263
Water Production Replcmnt Program	3,209,896	6,042,542	2,832,646
Water Quality Lab	171,187	190,000	18,813
Water Supply Development	1,390,596	2,282,203	891,607
Total Projects	<u>34,542,455</u>	<u>83,799,504</u>	<u>49,257,049</u>
Total Expenses	<u>55,040,774</u>	<u>114,709,337</u>	<u>59,668,563</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(25,731,341)	<u>\$ (86,209,640)</u>	<u>\$ 60,478,299</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	599,735		
Current Year's Project Expenses	6,350,289		
Prior Years' Project Expenses	28,192,166		
Principal Reduction--Long-Term Debt	2,754,880		
Depreciation	(5,090,096)		
Bond Amortization	(9,204)		
Total Reconciling Items	<u>32,797,770</u>		
Change in net assets	7,066,429		
Net Assets--January 1	<u>245,658,578</u>		
Net Assets--December 31	<u>\$252,725,007</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 19,019,995	\$ 18,713,219	\$ 306,776
Other nonoperating income	142,512	74,715	67,797
Earnings on investments	557,336	953,418	(396,082)
Transfers	77,012	77,012	-
Gain on sale of capital assets	15,598	-	15,598
Contributed capital	639,193	1,674,429	(1,035,236)
Total Revenues	<u>20,451,646</u>	<u>21,492,793</u>	<u>(1,041,147)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Customer and administrative services	1,780,885	2,213,485	432,600
Payments and transfers	5,458,457	7,775,592	2,317,135
Pollution control	1,081,107	1,181,581	100,474
Trunk and collection	1,656,808	1,895,516	238,708
Water engineering	114,943	97,049	(17,894)
Water reclamation	4,948,295	5,531,810	583,515
Total Programs	<u>15,040,495</u>	<u>18,695,033</u>	<u>3,654,538</u>
Projects (project level of budgetary control)			
Asset Management	21,739	83,334	61,595
Collection System Replacement	4,083,743	10,737,782	6,654,039
Collection System Study	701,301	920,000	218,699
Flow Monitoring Stations	922,689	940,000	17,311
Harmony Lift Station	62,644	49,529	(13,115)
Mulberry Water Reclamation Improvement	30,574,545	36,756,651	6,182,106
Service Center Improvements	2,027,764	2,579,139	551,375
Sludge Disposal Improvements	5,337,993	6,243,943	905,950
Treatment Plant Expansion	35,203,456	35,802,422	598,966
Water Reclamation Replacement Program	4,243,300	7,360,295	3,116,995
Total Projects	<u>83,179,174</u>	<u>101,473,095</u>	<u>18,293,921</u>
Total Expenses	<u>98,219,669</u>	<u>120,168,128</u>	<u>21,948,459</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(77,768,023)	<u>\$ (98,675,335)</u>	<u>\$ 20,907,312</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	512,977		
Current Year's Project Expenses	6,057,583		
Prior Years' Project Expenses	77,121,108		
Principal Reduction--Long-Term Debt	2,981,711		
Depreciation	(3,946,428)		
Bond Amortization	(194,790)		
Total Reconciling Items	<u>82,532,161</u>		
Change in net assets	4,764,138		
Net Assets--January 1	<u>132,864,692</u>		
Net Assets--December 31	<u>\$137,628,830</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 13,922,670	\$ 13,798,078	\$ 124,592
Other nonoperating income	60,798	2,769,204	(2,708,406)
Earnings on investments	251,599	243,255	8,344
Transfers	31,642	31,642	-
Loss on sale of capital assets	(12,380)	-	(12,380)
Contributed capital	434,098	169,926	264,172
Total Revenues	<u>14,688,427</u>	<u>17,012,105</u>	<u>(2,323,678)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Customer and administrative services	1,984,265	2,477,286	493,021
Drainage and detention	1,668,839	1,962,137	293,298
Storm drainage engineering	1,412,940	1,482,119	69,179
Payments and transfers	4,564,025	5,405,519	841,494
Total Programs	<u>9,630,069</u>	<u>11,327,061</u>	<u>1,696,992</u>
Projects (project level of budgetary control)			
Drainage System Replacement	356,252	1,020,286	664,034
Old Town Basin	604,172	736,889	132,717
McClelland Mail Creek Basin	105,513	103,428	(2,085)
Spring Creek Basin	4,196,946	4,913,665	716,719
Dry Creek Basin	2,151,913	3,382,538	1,230,625
West Vine Channel	69,244	399,413	330,169
Foothills Basin	3,950	8,728	4,778
Canal Importation	20,214,466	21,714,837	1,500,371
Cooper Slough	714,017	1,467,663	753,646
Fossil Creek	50,260	317,075	266,815
Cache La Poudre Drainageway	1,125,232	1,234,567	109,335
Utility Service Center	130,937	475,610	344,673
Master Planning	4,563,367	4,856,990	293,623
Flood Mapping	431,807	581,913	150,106
Developer Repays	1,663,785	2,049,595	385,810
Total Projects	<u>36,381,861</u>	<u>43,263,197</u>	<u>6,881,336</u>
Total Expenses	<u>46,011,930</u>	<u>54,590,258</u>	<u>8,578,328</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(31,323,503)	<u>\$ (37,578,153)</u>	<u>\$ 6,254,650</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	271,774		
Current Year's Project Expenses	5,827,770		
Prior Years' Project Expenses	30,541,786		
Principal Reduction--Long-Term Debt	2,563,972		
Depreciation	(2,184,017)		
Bond Amortization	(53,626)		
Total Reconciling Items	<u>36,967,659</u>		
Change in net assets	5,644,156		
Net Assets--January 1	<u>84,342,524</u>		
Net Assets--December 31	<u>\$ 89,986,680</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 2,648,723	\$ 2,837,000	\$ (188,277)
Other nonoperating income	31,595	40,000	(8,405)
Earnings on investments	8,021	10,000	(1,979)
Transfers	6,000	6,000	-
Gain on sale of capital assets	4,967	-	4,967
Proceeds from issuance of long term debt	159,277	159,277	-
Total Revenues	<u>2,858,583</u>	<u>3,052,277</u>	<u>(193,694)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Golf courses	2,881,315	3,001,547	120,232
Transfers	43,117	43,117	-
Total Programs	<u>2,924,432</u>	<u>3,044,664</u>	<u>120,232</u>
Total Expenses	<u>2,924,432</u>	<u>3,044,664</u>	<u>120,232</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(65,849)	<u>\$ 7,613</u>	<u>\$ (73,462)</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	(159,277)		
Principal Reduction--Long-Term Debt	405,448		
Proceeds From Lease Purchases	159,277		
Depreciation	(270,647)		
Bond Amortization	(1,152)		
Total Reconciling Items	<u>133,649</u>		
Change in net assets	67,800		
Net Assets--January 1	<u>4,728,446</u>		
Net Assets--December 31	<u>\$ 4,796,246</u>		

INTERNAL SERVICE FUNDS
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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, 2011

	Equipment	Self Insurance	Data and Communications
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 114,180	\$ 2,745,115	\$ 250,714
Investments	1,344,024	3,957,659	2,976,078
Receivables			
Accounts	52,682	28,055	2,758
Interest	5,845	16,645	10,927
Prepaid item	-	178,598	-
Due from other governments	10,563	-	-
Inventories of materials and supplies	563,556	-	-
Total Current Assets	<u>2,090,850</u>	<u>6,926,072</u>	<u>3,240,477</u>
Non-Current Assets			
Restricted Assets - cash & cash equivalent	658,278	-	571,234
Land, water rights, other	30,126	-	-
Buildings, improvements and equipment	9,524,057	-	3,821,667
Accumulated depreciation	(6,357,048)	-	(2,640,669)
Total Non-Current Assets	<u>3,855,413</u>	<u>-</u>	<u>1,752,232</u>
Total Assets	<u>5,946,263</u>	<u>6,926,072</u>	<u>4,992,709</u>
LIABILITIES			
Current Liabilities			
Accounts payable	148,071	19,443	789,342
Interest payable	6,849	-	6,747
Wages payable	49,649	7,262	65,029
Compensated absences	142,244	27,440	307,885
Claims payable	-	1,100,828	-
Capital lease obligations	269,469	-	134,138
Unearned revenue	-	5,215	-
Total Current Liabilities	<u>616,282</u>	<u>1,160,188</u>	<u>1,303,141</u>
Non-Current Liabilities			
Claims payable	-	3,216,277	-
Capital lease obligations	791,620	-	569,116
Total Non-Current Liabilities	<u>791,620</u>	<u>3,216,277</u>	<u>569,116</u>
Total Liabilities	<u>1,407,902</u>	<u>4,376,465</u>	<u>1,872,257</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	2,136,047	-	1,180,998
Restricted: Fiscal agent	658,278	-	571,234
Unrestricted	1,744,036	2,549,607	1,368,220
Total Net Assets	<u>\$ 4,538,361</u>	<u>\$ 2,549,607</u>	<u>\$ 3,120,452</u>

Benefits	Utility Customer Service and Admin.	Total
\$ 2,052,544	\$ 384,747	\$ 5,547,300
11,070,602	3,717,324	23,065,687
442,152	-	525,647
47,520	15,755	96,692
-	-	178,598
-	-	10,563
-	-	563,556
13,612,818	4,117,826	29,988,043
-	-	1,229,512
-	-	30,126
-	3,378,270	16,723,994
-	(2,282,681)	(11,280,398)
-	1,095,589	6,703,234
13,612,818	5,213,415	36,691,277
380,357	353,674	1,690,887
-	-	13,596
10,550	130,605	263,095
35,234	346,542	859,345
1,237,586	-	2,338,414
-	-	403,607
-	-	5,215
1,663,727	830,821	5,574,159
-	-	3,216,277
-	-	1,360,736
-	-	4,577,013
1,663,727	830,821	10,151,172
-	1,095,589	4,412,634
-	-	1,229,512
11,949,091	3,287,005	20,897,959
\$ 11,949,091	\$ 4,382,594	\$ 26,540,105

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Equipment	Self Insurance	Data and Communications
OPERATING REVENUES			
Charges for services	\$ 8,189,864	\$ 2,833,109	\$ 2,082,447
Total Operating Revenues	8,189,864	2,833,109	2,082,447
OPERATING EXPENSES			
Personal services	2,472,144	423,180	3,292,327
Contractual services	1,285,579	2,822,345	1,963,247
Commodities	4,156,963	110,426	2,017,308
Other	73,092	-	-
Depreciation	709,341	-	310,002
Total Operating Expenses	8,697,119	3,355,951	7,582,884
Operating Income (Loss)	(507,255)	(522,842)	(5,500,437)
NONOPERATING REVENUES (EXPENSES)			
Earnings on investments	19,024	71,744	50,732
Other revenue	77,709	7,239	-
Gain (Loss) on sale of capital assets	24,603	-	-
Interest expense	(21,698)	-	(6,747)
Total Nonoperating Revenues (Expenses)	99,638	78,983	43,985
Income (Loss) Before Contributions and Transfers	(407,617)	(443,859)	(5,456,452)
Transfers in	302,108	-	5,393,836
Transfers out	-	-	(450,000)
Changes in Net Assets	(105,509)	(443,859)	(512,616)
Net Assets--January 1	4,643,870	2,993,466	3,633,068
Net Assets--December 31	\$ 4,538,361	\$ 2,549,607	\$ 3,120,452

Benefits	Utility Customer Service and Admin.	Total
\$ 19,602,640	\$ 11,530,570	\$ 44,238,630
19,602,640	11,530,570	44,238,630
571,972	6,616,665	13,376,288
18,312,947	3,882,595	28,266,713
13,879	420,376	6,718,952
-	98,939	172,031
-	383,915	1,403,258
18,898,798	11,402,490	49,937,242
703,842	128,080	(5,698,612)
204,716	74,515	420,731
40,334	1,017,677	1,142,959
-	-	24,603
-	-	(28,445)
245,050	1,092,192	1,559,848
948,892	1,220,272	(4,138,764)
-	127,096	5,823,040
-	(1,609,060)	(2,059,060)
948,892	(261,692)	(374,784)
11,000,199	4,644,286	26,914,889
\$ 11,949,091	\$ 4,382,594	\$ 26,540,105

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Equipment	Self Insurance	Data and Communications
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 8,181,964	\$ 2,832,379	\$ 2,093,572
Cash paid to employees for services	(2,464,632)	(421,204)	(3,286,471)
Cash paid to other suppliers of goods & services	(5,397,326)	(2,512,045)	(3,373,390)
Payments for interfund services used	(80,794)	(311)	(2,156)
Other receipts	77,709	7,239	-
Net cash provided (used) by operating activities	<u>316,921</u>	<u>(93,942)</u>	<u>(4,568,445)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	302,108	-	5,393,836
Transfers to other funds	-	-	(450,000)
Net cash provided (used) by noncapital financing activities	<u>302,108</u>	<u>-</u>	<u>4,943,836</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	1,061,831	-	703,254
Purchases of capital assets	(405,534)	-	(452,004)
Principal paid on capital debt	(215,784)	-	-
Interest paid on capital debt	(15,165)	-	(6,747)
Proceeds from sales of capital assets	48,293	-	-
Net cash (used) by capital and related financing activities	<u>473,641</u>	<u>-</u>	<u>244,503</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	-	(79,668)	(170,514)
Purchase of investments	(436,355)	-	-
Earnings received on investments	13,205	74,041	53,527
Net cash provided (used) by investing activities	<u>(423,150)</u>	<u>(5,627)</u>	<u>(116,987)</u>
Net increase (decrease) in cash and cash equivalents	669,520	(99,569)	502,907
Cash and cash equivalents, January 1	102,938	2,844,684	319,041
Cash and cash equivalents, December 31	<u>\$ 772,458</u>	<u>\$ 2,745,115</u>	<u>\$ 821,948</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (507,255)	\$ (522,842)	\$ (5,500,437)
Other receipts	77,709	7,239	-
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	709,341	-	310,002
(Increase) decrease in accounts receivable	(7,900)	(1,041)	8,969
(Increase) decrease in intergovernmental receivables	(10,563)	-	-
(Increase) decrease in inventories	17,170	-	-
Increase (decrease) in accounts payable	30,907	(3,245)	607,165
Increase (decrease) in compensated absences payable	5,845	3,000	4,767
Increase (decrease) in wages payable	1,667	(1,024)	1,089
Increase (decrease) in claims payable	-	429,928	-
Increase (decrease) in deferred revenue	-	(5,957)	-
Net cash provided (used) by operating activities	<u>\$ 316,921</u>	<u>\$ (93,942)</u>	<u>\$ (4,568,445)</u>
Reconciliation of cash and cash equivalents to statement of net assets:			
Cash and cash equivalents	114,180	2,745,115	250,714
Restricted Assets - cash and cash equivalents	658,278	-	571,234
	<u>\$ 772,458</u>	<u>\$ 2,745,115</u>	<u>\$ 821,948</u>

Benefits	Utility Customer Service and Admin.	Total
\$ 19,556,727	\$ 11,532,887	\$ 44,197,529
(569,158)	(6,610,587)	(13,352,052)
(18,483,594)	(4,301,412)	(34,067,767)
(221)	(118,680)	(202,162)
40,334	1,017,677	1,142,959
544,088	1,519,885	(2,281,493)
-	127,096	5,823,040
-	(1,609,060)	(2,059,060)
-	(1,481,964)	3,763,980
-	-	1,765,085
-	(293,651)	(1,151,189)
-	-	(215,784)
-	-	(21,912)
-	-	48,293
-	(293,651)	424,493
31,431	-	(218,751)
-	97,511	(338,844)
211,487	65,873	418,133
242,918	163,384	(139,462)
787,006	(92,346)	1,767,518
1,265,538	477,093	5,009,294
\$ 2,052,544	\$ 384,747	\$ 6,776,812
\$ 703,842	\$ 128,080	\$ (5,698,612)
40,334	1,017,677	1,142,959
-	383,915	1,403,258
(46,134)	2,317	(43,789)
-	-	(10,563)
-	-	17,170
345,773	(18,182)	962,418
3,112	4,793	21,517
(298)	1,285	2,719
(502,541)	-	(72,613)
-	-	(5,957)
544,088	1,519,885	(2,281,493)
2,052,544	384,747	5,547,300
-	-	1,229,512
\$ 2,052,544	\$ 384,747	\$ 6,776,812

EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ -	\$ 2,500	\$ (2,500)
Charges for services	8,189,864	8,950,423	(760,559)
Other nonoperating income	77,709	50,500	27,209
Earnings on investments	19,024	40,077	(21,053)
Transfers	302,108	302,108	-
Gain on sale of capital assets	24,603	5,000	19,603
Proceeds from issuance of long term debt	1,061,831	1,061,831	-
Total Revenues	<u>9,675,139</u>	<u>10,412,439</u>	<u>(737,300)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Fleet services	8,630,794	10,473,149	1,842,355
Total Programs	<u>8,630,794</u>	<u>10,473,149</u>	<u>1,842,355</u>
Total Expenses	<u>8,630,794</u>	<u>10,473,149</u>	<u>1,842,355</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	1,044,345	<u>\$ (60,710)</u>	<u>\$ 1,105,055</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	405,534		
Principal Reduction--Capital Lease Obligations	215,784		
Proceeds From Lease Purchases	(1,061,831)		
Depreciation	(709,341)		
Total Reconciling Items	<u>(1,149,854)</u>		
Change in net assets	(105,509)		
Net Assets--January 1	<u>4,643,870</u>		
Net Assets--December 31	<u>\$ 4,538,361</u>		

SELF INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 2,833,109	\$ 2,859,517	\$ (26,408)
Other nonoperating income	7,239	-	7,239
Earnings on investments	71,744	138,567	(66,823)
Total Revenues	<u>2,912,092</u>	<u>2,998,084</u>	<u>(85,992)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Risk Management	429,176	496,661	67,485
Property & Liability Insurance	1,076,593	1,426,000	349,407
Workers Compensation	1,757,294	1,207,500	(549,794)
Risk Management Environmental	92,888	117,067	24,179
Total Expenses	<u>3,355,951</u>	<u>3,247,228</u>	<u>(108,723)</u>
Change in Net Assets	(443,859)	<u>\$ (249,144)</u>	<u>\$ (194,715)</u>
Net Assets--January 1	<u>2,993,466</u>		
Net Assets--December 31	<u>\$ 2,549,607</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 2,082,447	\$ 1,300,733	\$ 781,714
Earnings on investments	50,732	71,886	(21,154)
Transfers	5,393,836	5,436,495	(42,659)
Proceeds from issuance of long term debt	703,254	703,254	-
Total Revenues	<u>8,230,269</u>	<u>7,512,368</u>	<u>717,901</u>
EXPENSES			
Programs (fund level of budgetary control)			
Management of Information Services	7,731,633	8,326,249	594,616
Transfers	450,000	450,000	-
Total Programs	<u>8,181,633</u>	<u>8,776,249</u>	<u>594,616</u>
Total Expenses	<u>8,181,633</u>	<u>8,776,249</u>	<u>594,616</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	48,636	<u>\$ (1,263,881)</u>	<u>\$ 1,312,517</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	452,004		
Proceeds From Lease Purchases	(703,254)		
Depreciation	<u>(310,002)</u>		
Total Reconciling Items	<u>(561,252)</u>		
Change in net assets	(512,616)		
Net Assets--January 1	<u>3,633,068</u>		
Net Assets--December 31	<u>\$ 3,120,452</u>		

BENEFITS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 19,602,640	\$ 20,471,000	\$ (868,360)
Other nonoperating income	40,334	40,000	334
Earnings on investments	204,716	212,237	(7,521)
Total Revenues	<u>19,847,690</u>	<u>20,723,237</u>	<u>(875,547)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Benefits	<u>18,898,798</u>	<u>21,724,230</u>	<u>2,825,432</u>
Total Expenses	<u>18,898,798</u>	<u>21,724,230</u>	<u>2,825,432</u>
Change in Net Assets	948,892	<u>\$ (1,000,993)</u>	<u>\$ 1,949,885</u>
Net Assets--January 1	<u>11,000,199</u>		
Net Assets--December 31	<u>\$ 11,949,091</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, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 11,530,570	\$ 14,330,550	\$ (2,799,980)
Other nonoperating income	1,017,677	912,738	104,939
Earnings on investments	74,515	55,786	18,729
Transfers	127,096	127,096	-
Total Revenues	<u>12,749,858</u>	<u>15,426,170</u>	<u>(2,676,312)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Customer and administrative services	11,310,579	14,795,937	3,485,358
Transfers	1,609,060	1,651,719	42,659
Total Programs	<u>12,919,639</u>	<u>16,447,656</u>	<u>3,528,017</u>
Projects (project level of budgetary control)			
System Additions & Replacements	-	170,433	170,433
Voice Over IP	1,647	37,569	35,922
Total Projects	<u>1,647</u>	<u>208,002</u>	<u>206,355</u>
Total Expenses	<u>12,921,286</u>	<u>16,655,658</u>	<u>3,734,372</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(171,428)	<u>\$ (1,229,488)</u>	<u>\$ 1,058,060</u>
RECONCILIATION TO GAAP BASIS			
Capital Outlay--Programs	293,651		
Depreciation	<u>(383,915)</u>		
Total Reconciling Items	<u>(90,264)</u>		
Change in net assets	(261,692)		
Net Assets--January 1	<u>4,644,286</u>		
Net Assets--December 31	<u>\$ 4,382,594</u>		

FIDUCIARY FUNDS
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
OPERATING REVENUES			
Contributions	\$ 1,345,466	\$ 1,300,000	\$ 45,466
Earnings on investments	353,324	432,000	(78,676)
Net decrease in the fair value of investments	<u>(1,548,050)</u>	<u>-</u>	<u>(1,548,050)</u>
Total Operating Revenues	<u>150,740</u>	<u>1,732,000</u>	<u>(1,581,260)</u>
OPERATING EXPENSES			
Benefit payments	2,467,218	3,017,476	550,258
Administration	<u>24,052</u>	<u>26,450</u>	<u>2,398</u>
Total Operating Expenses	<u>2,491,270</u>	<u>3,043,926</u>	<u>552,656</u>
Changes in Net Assets	(2,340,530)	<u><u>\$ (1,311,926)</u></u>	<u><u>\$ (1,028,604)</u></u>
Net Assets Held in Trust for Retirement Benefits--January 1	<u>39,355,910</u>		
Net Assets Held in Trust for Retirement Benefits--December 31	<u><u>\$ 37,015,380</u></u>		

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2011

	Poudre Fire Authority	Poudre River Public Library District	Total Agency Funds
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 691,092	\$ 661,668	\$ 1,352,760
Receivables, interest	34,568	33,798	68,366
Investments, at fair value			
Certificates of deposit	639,010	608,001	1,247,011
U S Government securities	6,810,579	6,479,664	13,290,243
Corporate bonds	733,127	697,632	1,430,759
Total Investments, at fair value	8,182,716	7,785,297	15,968,013
Total Assets	8,908,376	8,480,763	17,389,139
LIABILITIES			
Current Liabilities			
Amounts held for other governments	8,908,376	8,480,763	17,389,139
Total Liabilities	\$ 8,908,376	\$8,480,763	\$17,389,139

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

POUDRE FIRE AUTHORITY				
	Balance-- Dec. 31, 2010	Additions	Deletions	Balance-- Dec. 31, 2011
ASSETS				
Cash and cash equivalents	\$ 936,293	\$ 33,194,005	\$ 33,439,206	\$ 691,092
Receivables, interest	40,281	243	5,956	34,568
Investments, at fair value				
Certificates of deposit	648,297	33,590	42,877	639,010
U S Government securities	7,145,150	300,829	635,400	6,810,579
Corporate bonds	458,408	274,719	-	733,127
Total Investments, at fair value	8,251,855	609,138	678,277	8,182,716
Total Assets	9,228,429	33,803,386	34,123,439	8,908,376
LIABILITIES				
Amounts held for other governments	\$ 9,228,429	\$ 33,803,386	\$ 34,123,439	\$ 8,908,376
POUDRE RIVER PUBLIC LIBRARY DISTRICT				
	Balance-- Dec. 31, 2010	Additions	Deletions	Balance-- Dec. 31, 2011
ASSETS				
Cash and cash equivalents	\$ 1,019,982	\$ 17,032,858	\$ 17,391,172	\$ 661,668
Receivables, interest	36,393	-	2,595	33,798
Investments, at fair value				
Certificates of deposit	586,744	30,306	9,049	608,001
U S Government securities	6,465,432	227,873	213,641	6,479,664
Corporate bonds	414,882	282,750	-	697,632
Total Investments, at fair value	7,467,058	540,929	222,690	7,785,297
Total Assets	8,523,433	17,573,787	17,616,457	8,480,763
LIABILITIES				
Amounts held for other governments	\$ 8,523,433	\$ 17,573,787	\$ 17,616,457	\$ 8,480,763
TOTAL - ALL FUNDS				
	Balance-- Dec. 31, 2010	Additions	Deletions	Balance-- Dec. 31, 2011
ASSETS				
Cash and cash equivalents	\$ 1,956,275	\$ 50,226,863	\$ 50,830,378	\$ 1,352,760
Receivables, interest	76,674	243	8,551	68,366
Investments, at fair value				
Certificates of deposit	1,235,041	63,896	51,926	1,247,011
U S Government securities	13,610,582	528,702	849,041	13,290,243
Corporate bonds	873,290	557,469	-	1,430,759
Total Investments, at fair value	15,718,913	1,150,067	900,967	15,968,013
Total Assets	17,751,862	51,377,173	51,739,896	17,389,139
LIABILITIES				
Amounts held for other governments	\$ 17,751,862	\$ 51,377,173	\$ 51,739,896	\$ 17,389,139

**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, 2011**

	Total	Adjustments	Statement of Net Assets
ASSETS			
Cash and cash equivalents	\$ 803,264	\$ -	\$ 803,264
Investments	9,452,944	-	9,452,944
Receivables			
Property taxes	3,172,581	-	3,172,581
Accounts	3,203	-	3,203
Interest	56,111	-	56,111
Prepaid	13,234	-	13,234
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)	-	4,248,064	1 4,248,064
Unamortized bond issuance costs	-	109,346	2 109,346
Total Assets	<u>\$ 14,886,801</u>	<u>\$ 6,886,157</u>	<u>\$ 21,772,958</u>
LIABILITIES			
Accounts payable	64,301	-	64,301
Interest payable	-	55,597	3 55,597
Wages payable	6,969	-	6,969
Unearned revenue	3,272,581	-	3,272,581
Non-Current liabilities			
Due within one year	-	709,272	3 709,272
Due after one year	-	11,800,000	3 11,800,000
Total Liabilities	<u>3,343,851</u>	<u>12,564,869</u>	<u>15,908,720</u>
FUND BALANCES/NET ASSETS			
Fund balances			
Nonspendable	148,699	-	148,699
Restricted	1,250,000	-	1,250,000
Assigned	9,492,454	(9,492,454)	-
Unassigned	651,797	-	651,797
Total Fund Balances	<u>11,542,950</u>	<u>(9,492,454)</u>	<u>2,050,496</u>
Total Liabilities and Fund Balances	<u>\$ 14,886,801</u>		
Net Assets:			
Invested in capital assets, net of related debt		6,776,811	6,776,811
Restricted for debt service		1,250,000	1,250,000
Unrestricted (deficits)		(2,162,573)	4 (2,162,573)
Total Net Assets of Component Unit (page 29)		<u>\$ 5,864,238</u>	<u>\$ 5,864,238</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.

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, 2011

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses (including transfers):			
Expenditures/expenses	\$ 9,242,908	\$ (3,494,157) ¹	\$ 5,748,751
	<u>9,242,908</u>	<u>(3,494,157)</u>	<u>5,748,751</u>
Program Revenues			
Charges for services	2,800	-	2,800
Operating grants and contributions	37,246	-	37,246
Net Program Revenues	<u>40,046</u>	<u>-</u>	<u>40,046</u>
Net Program Expense	<u>9,202,862</u>	<u>(3,494,157)</u>	<u>5,708,705</u>
General Revenues			
Property taxes	6,291,356	-	6,291,356
Investment earnings	192,976	-	192,976
Miscellaneous	850	-	850
Total General Revenues	<u>6,485,182</u>	<u>-</u>	<u>6,485,182</u>
Change in Net Assets (pages 30-31)	(2,717,680)	3,494,157	776,477
Fund Balance/Net Assets			
Beginning of the year	14,260,630	(9,172,869)	5,087,761
End of the year	<u>\$ 11,542,950</u>	<u>\$ (5,678,712)</u>	<u>\$ 5,864,238</u>

- ¹ 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	(112,224)
Net decrease in compensated absences	(13,277)
Debt Payment	(3,496,000)
Net decrease in current year amortization of bond cost	7,154
Current year depreciation	120,190
	<u>\$ (3,494,157)</u>

**DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2011**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 761,638	\$ 41,626	\$ 803,264
Investments	8,963,050	489,894	9,452,944
Receivables			
Property taxes	629,426	2,543,155	3,172,581
Accounts	3,203	-	3,203
Interest	37,863	18,248	56,111
Prepaid item	13,234	-	13,234
Inventory of real property held for resale	135,464	-	135,464
Restricted assets - investmemts	-	1,250,000	1,250,000
Total Assets	<u>10,543,878</u>	<u>4,342,923</u>	<u>14,886,801</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable, accruals, and other	64,301	-	64,301
Wages payable	6,969	-	6,969
Deferred revenue	<u>729,426</u>	<u>2,543,155</u>	<u>3,272,581</u>
Total Liabilities	<u>800,696</u>	<u>2,543,155</u>	<u>3,343,851</u>
Fund Balances			
Nonspendable	148,699	-	148,699
Restricted	-	1,250,000	1,250,000
Assigned	9,492,454	-	9,492,454
Unassigned	<u>102,029</u>	<u>549,768</u>	<u>651,797</u>
Total Fund Balances	<u>9,743,182</u>	<u>1,799,768</u>	<u>11,542,950</u>
Total Liabilities and Fund Balances	<u>\$ 10,543,878</u>	<u>\$ 4,342,923</u>	<u>\$ 14,886,801</u>

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Taxes	\$ 596,806	\$ 5,694,550	\$ 6,291,356
Licenses and permits	1,800	-	1,800
Intergovernmental	37,246	-	37,246
Fees and charges for services	1,000	-	1,000
Earnings on investments	138,864	54,112	192,976
Total Revenues	<u>775,716</u>	<u>5,748,662</u>	<u>6,524,378</u>
EXPENDITURES			
Current operating			
Administrative	4,561,486	1,759	4,563,245
Debt service			
Principal	-	3,708,681	3,708,681
Interest	-	970,982	970,982
Total Expenditures	<u>4,561,486</u>	<u>4,681,422</u>	<u>9,242,908</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(3,785,770)</u>	<u>1,067,240</u>	<u>(2,718,530)</u>
OTHER FINANCING SOURCES			
Sale of capital assets	<u>850</u>	<u>-</u>	<u>850</u>
Total Other Financing Sources	<u>850</u>	<u>-</u>	<u>850</u>
Net Change in Fund Balances	(3,784,920)	1,067,240	(2,717,680)
Fund Balances-January 1	<u>13,528,102</u>	<u>732,528</u>	<u>14,260,630</u>
Fund Balances-December 31	<u>\$ 9,743,182</u>	<u>\$ 1,799,768</u>	<u>\$ 11,542,950</u>

DOWNTOWN DEVELOPMENT AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 596,806	\$ 594,494	\$ 2,312
Licenses and permits	1,800	1,800	-
Intergovernmental	37,246	40,000	(2,754)
Fees and charges for services	1,000	-	1,000
Earnings on investments	138,864	3,000	135,864
Total Revenues	<u>775,716</u>	<u>639,294</u>	<u>136,422</u>
EXPENDITURES			
Administration	<u>4,242,130</u>	<u>14,450,157</u>	<u>10,208,027</u>
Total Expenditures	<u>4,242,130</u>	<u>14,450,157</u>	<u>10,208,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,466,414)</u>	<u>(13,810,863)</u>	<u>10,344,449</u>
OTHER FINANCING SOURCES			
Sale of capital assets	<u>850</u>	<u>-</u>	<u>850</u>
Total Other Financing Sources	<u>850</u>	<u>-</u>	<u>850</u>
Net Change in Fund Balances	(3,465,564)	<u>\$ (13,810,863)</u>	<u>\$ 10,345,299</u>
Fund Balances--January 1	<u>13,528,102</u>		
Fund Balances--December 31	<u>\$ 10,062,538</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, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 5,694,550	\$ 5,520,529	\$ 174,021
Earnings on investments	54,112	18,685	35,427
Total Revenues	<u>5,748,662</u>	<u>5,539,214</u>	<u>209,448</u>
EXPENDITURES			
Internal Administration Services	1,759	-	(1,759)
Principal	3,708,681	4,928,681	1,220,000
Interest	970,982	1,021,533	50,551
Total Expenditures	<u>4,681,422</u>	<u>5,950,214</u>	<u>1,268,792</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,067,240</u>	<u>(411,000)</u>	<u>1,478,240</u>
Net Change in Fund Balances	1,067,240	<u>\$ (411,000)</u>	<u>\$ 1,478,240</u>
Fund Balances--January 1	<u>732,528</u>		
Fund Balances--December 31	<u>\$ 1,799,768</u>		

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A photograph of two women walking a stroller on a paved path through tall, golden-brown grass. The woman on the left is wearing a black tank top and sunglasses, pushing a stroller with a baby inside. The woman on the right is wearing a black t-shirt, dark pants, and sunglasses. In the background, there is a wooden bench and a body of water under a clear blue sky.

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	155
Changes in Net Assets	Exh. A-2	156
Fund Balances, Governmental Funds	Exh. A-3	157
Changes in Fund Balances, Governmental Funds	Exh. A-4	158

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	159
Direct and Overlapping Sales Tax Rates	Exh. A-6	160
Sales Tax Revenue Taxpayers by Industry	Exh. A-7	161

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	162
Ratios of General Bonded Debt Outstanding	Exh. A-9	163
Direct & Overlapping Governmental Act. Debt	Exh. A-10	164
Legal Debt Margin Information	Exh. A-11	165
Pledged Revenue Coverage	Exh. A-12	166

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	168
Principal Employers	Exh. A-14	169
Full-time Equivalent City Emp. By Function/Program	Exh. A-15	170

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	171
Capital Asset Statistics by Function/Program	Exh. A-17	172

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										Restated
	<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>	<u>2011</u>	
Governmental activities											
Invested in capital assets, net of related debt	\$ 194,620	\$ 419,142	\$ 392,475	\$ 428,474	\$ 481,713	\$ 526,367	\$ 551,853	\$ 573,887	\$ 597,270	\$ 628,758	
Restricted	11,546	7,675	10,005	9,826	8,957	(12,037)	5,229	8,960	37,138	43,327	
Unrestricted	134,294	127,167	146,213	188,871	193,016	184,842	161,680	146,408	113,086	108,342	
Total governmental activities net assets	340,459	553,984	548,693	627,170	683,685	699,172	718,762	729,256	747,494	780,428	
Business-type activities											
Invested in capital assets, net of related debt	291,048	327,794	340,554	358,079	376,929	398,949	429,392	453,420	466,364	490,511	
Restricted	19,012	7,117	4,546	1,118	1,091	1,130	1,642	1,671	1,030	1,025	
Unrestricted	109,482	109,284	123,724	141,010	161,847	175,273	168,966	157,998	163,527	160,881	
Total business-type activities net assets	419,543	444,194	468,824	500,207	539,867	575,353	600,000	613,089	630,922	652,418	
Primary government											
Invested in capital assets, net of related debt	485,668	746,936	733,029	786,553	858,642	925,317	981,245	1,027,307	1,063,634	1,119,270	
Restricted	30,558	14,792	14,551	10,944	10,047	(10,907)	6,871	10,631	38,168	44,352	
Unrestricted	243,776	236,451	269,938	329,880	354,863	360,115	330,646	304,406	276,613	269,224	
Total Primary government net assets	\$ 760,002	\$ 998,179	\$ 1,017,517	\$ 1,127,377	\$ 1,223,552	\$ 1,274,525	\$ 1,318,762	\$ 1,342,345	\$ 1,378,416	\$ 1,432,845	

Totals may not add due to rounding

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

Exhibit A-2

Expenses	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
General government	\$ 20,885	\$ 22,943	\$ 13,358	\$ 19,382	\$ 27,085	\$ 26,553	\$ 33,535	\$ 32,868	\$ 29,752	\$ 33,674
Public safety	34,467	34,662	35,766	38,703	43,299	44,412	46,521	50,056	48,854	51,313
Culture, parks, recreation & environment	25,220	22,699	31,412	34,029	32,004	34,790	35,490	38,515	27,342	29,755
Planning and development	11,113	9,747	11,730	5,752	5,525	7,593	6,585	9,706	14,331	11,053
Transportation	42,135	35,262	43,125	41,074	44,644	42,839	44,659	36,471	34,698	38,540
Library	3,938	3,759	3,645	3,790	3,729	3,900	-	-	-	-
Interest on long-term debt	1,968	1,237	2,092	3,172	3,100	3,113	3,063	2,632	2,682	2,523
Total governmental activities expenses	139,724	130,308	141,128	145,902	159,386	163,199	169,852	170,247	157,659	166,857
Business-type activities										
Light & Power	65,180	67,103	69,014	73,898	73,793	80,479	81,620	83,888	91,693	97,057
Water	17,972	18,991	19,644	19,787	19,790	23,272	21,205	20,667	19,671	19,941
Wastewater	13,665	13,079	14,105	13,866	13,187	14,240	13,370	14,668	14,129	14,163
Storm drainage	6,499	6,826	8,237	8,187	7,493	9,132	9,021	9,426	8,307	8,407
Golf	2,303	2,349	2,297	2,529	2,469	2,697	2,507	2,387	2,454	2,547
Total business-type activities expenses	105,618	108,348	113,297	118,267	116,732	129,820	127,723	131,037	136,253	142,115
Total primary government expenses	245,343	238,656	254,425	264,169	276,118	293,019	297,575	301,284	293,911	308,973
Program revenues										
Governmental activities										
General government	3,927	3,309	4,299	4,297	4,706	4,890	12,962	8,863	6,782	7,479
Public safety	1,562	2,998	2,768	2,371	2,436	3,719	1,823	1,930	1,862	1,724
Culture, parks, recreation & environment	5,965	6,601	6,223	6,952	7,257	11,868	8,065	7,388	7,004	7,491
Planning and development	4,582	3,110	3,588	3,063	2,828	2,617	1,649	994	1,295	1,622
Transportation	8,252	8,549	9,216	8,805	9,296	9,293	12,003	8,577	8,101	6,926
Operating grants & contributions	11,715	10,194	10,454	23,640	10,684	10,988	6,917	7,998	8,240	13,712
Capital grants & contributions	45,931	25,086	28,275	46,702	31,530	30,932	7,775	25,717	16,014	14,784
Total governmental activities program revenues	81,935	59,848	64,823	95,829	68,736	74,306	51,194	61,467	49,298	53,737
Business-type activities										
Light & Power	69,581	71,020	74,571	80,049	81,482	83,326	83,521	84,253	94,235	100,814
Water	22,565	23,615	22,798	24,544	26,366	25,243	24,499	21,978	24,463	24,308
Wastewater	13,395	12,994	13,415	13,908	14,235	15,114	16,272	17,803	19,275	19,149
Storm drainage	10,782	11,963	13,234	13,505	13,074	13,197	13,576	13,631	13,869	13,946
Golf	2,356	2,207	2,215	2,415	2,540	2,579	2,644	2,608	2,676	2,672
Operating grants & contributions	57	182	52	57	13	20	24	112	220	131
Capital grants & contributions	12,152	12,696	12,984	16,591	16,151	16,651	12,233	8,169	9,019	11,661
Total business-type activities program revenues	130,889	134,676	139,270	151,069	153,860	156,129	152,768	148,553	163,757	172,680
Total primary government program revenues	212,824	194,524	204,093	246,898	222,596	230,436	203,963	210,020	213,055	226,417
Net (expenses) revenue										
Governmental activities	(57,789)	(70,460)	(76,304)	(50,073)	(90,649)	(88,892)	(118,658)	(108,780)	(108,360)	(113,120)
Business-type activities	25,270	26,328	25,973	32,802	37,128	26,309	25,046	17,517	27,504	30,565
Total primary government net expenses	(32,519)	(44,132)	(50,332)	(17,271)	(53,522)	(62,583)	(93,612)	(91,263)	(80,857)	(82,556)
General revenues and other changes in net assets										
Governmental activities										
Taxes:										
Sales & use taxes	69,519	68,376	72,057	72,735	75,631	78,445	75,865	70,501	74,719	97,589
Property taxes	13,503	13,903	14,444	14,955	15,898	16,298	16,683	17,038	17,833	17,742
Occupational privilege taxes	2,094	2,341	2,253	2,228	2,424	2,359	2,494	2,413	2,327	2,433
Lodging tax	574	582	601	668	842	838	833	736	808	909
Intergovernmental not restricted to programs	527	504	527	494	486	541	10,420	9,277	9,919	10,274
Investment earnings	5,684	2,820	2,955	8,941	17,231	14,546	9,043	3,655	2,367	2,601
Miscellaneous	3,335	512	278	392	3,540	3,261	14,400	1,394	787	1,019
Transfers	5,777	4,881	5,927	6,405	6,670	6,900	11,820	10,947	13,636	13,486
Total governmental activities	101,012	93,918	99,042	106,818	122,722	123,188	141,560	115,962	122,395	146,054
Business-type activities										
Intergovernmental not restricted to programs	-	-	-	-	-	10	-	-	-	-
Investment earnings	4,719	3,041	2,434	3,719	7,072	15,279	9,583	4,727	2,585	2,919
Sale of land & equipment	768	(39)	1,535	244	-	-	-	-	-	-
Insurance recovery	163	73	-	-	-	-	-	-	-	-
Other miscellaneous	44	130	1,102	1,022	2,130	787	1,839	1,792	1,379	1,498
Transfers	(5,777)	(4,881)	(5,927)	(6,405)	(6,670)	(6,900)	(11,820)	(10,947)	(13,636)	(13,486)
Total business-type activities	(82)	(1,677)	(855)	(1,420)	2,532	9,177	(398)	(4,428)	(9,671)	(9,069)
Total primary government	100,930	92,242	98,187	105,399	125,254	132,364	141,161	111,533	112,724	136,985
Change in net assets										
Governmental activities	43,223	23,458	22,738	56,745	32,072	34,295	22,902	7,181	14,034	32,934
Business-type activities	25,188	24,652	25,118	31,383	39,660	35,486	24,648	13,088	17,833	21,496
Total primary government	\$ 68,411	\$ 48,109	\$ 47,855	\$ 88,128	\$ 71,732	\$ 69,781	\$ 47,549	\$ 20,270	\$ 31,867	\$ 54,429

Totals may not add due to rounding

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

	<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>Restated</u>	
									<u>2010</u>	<u>2011</u>
General Fund										
Non Spendable	\$ 125	\$ 1,781	\$ 1,781	\$ 1,781	\$ 3,026	\$ 3,026	\$ 3,026	\$ 16,616	\$ 9,546	\$ 8,519
Restricted	1,142	5,876	6,085	6,433	5,386	5,278	4,956	4,287	6,400	7,389
Committed	509	521	420	460	813	1,025	569	700	720	604
Assigned	24,475	22,432	21,146	24,418	21,806	16,444	13,008	5,015	4,929	7,348
Unassigned	5,385	6,187	4,723	4,304	11,973	22,485	23,897	10,977	19,330	16,307
Total general fund	31,635	36,797	34,155	37,397	43,005	48,258	45,456	37,594	40,924	40,167
All Other Governmental Funds										
Non Spendable	32	-	-	-	-	-	-	1	6	7
Restricted	3,425	410	411	428	1,183	1,199	1,245	4,674	31,816	35,938
Committed	14,600	18,231	21,823	25,495	15,293	13,440	14,652	14,352	27,556	21,540
Assigned	82,238	71,554	119,428	131,285	114,448	95,644	89,859	87,415	30,269	30,978
Unassigned	-	-	-	-	-	-	-	(9,930)	(4,703)	(6,842)
Total other governmental funds	\$ 100,295	\$ 90,195	\$ 141,661	\$ 157,207	\$ 130,924	\$ 110,283	\$ 105,755	\$ 96,512	\$ 84,944	\$ 81,622

Totals may not add due to rounding

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 84,888	\$ 84,771	\$ 88,866	\$ 90,071	\$ 93,994	\$ 97,278	\$ 95,875	\$ 90,689	\$ 95,687	\$ 118,673
Licenses & permits	1,809	1,855	1,948	1,887	1,656	1,657	1,493	1,013	1,236	1,554
Intergovernmental	23,373	17,545	21,302	15,985	22,241	18,057	26,998	29,802	37,520	34,738
Fees and charges for services	28,912	30,395	33,975	31,382	31,681	39,947	30,013	22,918	22,709	22,765
Fines & forfeitures	1,307	1,845	2,287	1,929	2,266	2,825	2,749	2,779	2,737	2,730
Earnings on investments	4,798	2,291	2,422	5,381	8,515	8,798	5,861	3,082	2,064	2,255
Securities lending income	314	183	275	3,077	7,807	3,915	1,809	103	6	-
Miscellaneous revenue	18,600	12,863	14,175	30,199	15,201	12,646	4,408	2,472	2,684	8,835
Total Revenues	164,001	151,748	165,251	179,911	183,362	185,121	169,205	152,858	164,643	191,549
Expenditures										
Executive, legislative and judicial										
Facility operations	9,689	5,402	5,335	8,770	8,117	9,609	10,823	10,922	10,559	11,504
Culture, parks, recreation & environment	6,861	7,477	8,090	3,873	5,449	5,738	8,153	7,485	6,630	7,720
Library	16,806	18,664	18,385	17,887	23,591	24,175	25,755	26,181	23,925	25,891
Communications & technology	3,938	3,759	3,645	3,790	3,729	3,900	-	-	-	-
Planning and development	-	3,642	3,573	3,751	4,023	3,765	75	-	-	-
Police protection	7,586	4,961	27,198	11,383	7,089	8,193	6,674	9,677	12,852	10,363
Transportation	23,049	24,081	27,240	24,748	26,566	28,463	28,316	29,269	30,490	31,231
Emergency recovery	26,212	24,602	33,388	32,029	32,049	31,695	38,163	32,751	29,990	37,253
Other	-	602	-	-	-	-	-	-	-	-
Securities lending	7,006	5,833	4,676	2,010	1,909	2,417	3,280	3,004	3,391	2,244
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	12,620	12,683	12,625	14,515	15,161	15,505	16,383	17,224	17,458	18,994
Capital outlay	57,542	41,145	18,922	27,363	61,964	54,065	27,379	23,944	31,851	40,914
Debt service										
Principal	4,363	2,854	3,090	3,777	4,243	2,988	4,626	4,731	3,805	4,174
Interest	1,781	1,515	1,274	4,262	3,267	3,128	2,955	2,654	2,693	2,524
Total expenditures	177,746	157,382	167,716	161,237	204,897	197,534	174,201	167,923	173,650	192,811
Excess (deficiency) of revenues over (under) expenditures	(13,745)	(5,634)	(2,465)	18,674	(21,535)	(12,413)	(4,996)	(15,066)	(9,007)	(1,262)
Other Financing Sources (Uses)										
Proceeds from issuance of long term debt	381	173	51,402	162	608	763	1,198	-	-	976
Transfers in	105,116	107,193	103,815	104,098	114,140	112,846	114,237	115,086	35,457	39,128
Transfers out	(104,771)	(107,078)	(103,927)	(104,147)	(113,888)	(116,583)	(117,769)	(117,124)	(39,156)	(42,958)
Sale of Capital Assets	-	-	-	-	-	-	-	-	265	37
Payments to escrow agent	-	-	-	-	-	-	-	(2)	-	-
Total other financing sources (uses)	726	289	51,290	113	860	(2,975)	(2,334)	(2,040)	(3,435)	(2,817)
Net change in fund balances	\$ (13,019)	\$ (5,345)	\$ 48,825	\$ 18,788	\$ (20,675)	\$ (15,388)	\$ (7,330)	\$ (17,106)	\$ (12,441)	\$ (4,079)
Debt service as a percentage of noncapital expenditures	4.87%	3.64%	3.17%	6.67%	5.13%	4.35%	5.42%	5.11%	4.54%	4.38%

Totals may not add due to rounding

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Sales Tax Category</u>										
Grocery, Convenience, Liquor	\$ 268.0	\$ 274.9	\$ 283.3	\$ 299.6	\$ 320.1	\$ 347.4	\$ 359.8	\$ 359.7	\$ 363.8	\$ 394.1
Restaurants, Caterers and Bars	222.6	226.5	238.3	248.7	257.0	274.8	285.9	285.4	295.6	315.4
General Merchandise	323.4	332.6	335.5	339.7	334.9	336.2	318.3	306.7	299.4	303.0
Vehicle Sales, Parts and Repairs	175.9	171.1	165.3	157.7	157.8	175.8	162.9	149.3	160.0	164.5
Building Materials, Garden Equipment & Supplies	120.4	112.9	121.6	128.3	129.2	132.4	138.4	130.2	142.9	154.8
Sporting, Hobby, Book, Music	120.0	115.6	114.3	116.1	116.9	121.7	126.0	126.1	129.2	134.5
Broadcasting and Telecommunications	113.0	119.1	119.8	103.2	99.5	116.5	113.7	113.0	119.0	116.7
Electronics and Appliances	74.2	79.6	84.1	94.3	104.8	116.8	117.7	107.8	111.9	118.2
Miscellaneous Retailers	95.7	96.2	98.0	99.1	102.5	113.6	110.0	103.9	110.4	116.4
Utilities	72.3	72.3	83.3	93.3	99.6	96.0	103.3	97.5	100.8	107.0
Clothing and Accessories	84.4	84.7	94.7	95.7	87.8	84.9	79.4	74.8	76.9	83.0
Pharmacy, Salon and Laundry	37.3	37.6	38.6	39.8	40.0	44.0	45.4	45.0	54.5	61.1
Other	56.4	50.5	45.8	45.5	47.6	47.4	47.2	43.0	44.3	45.9
Rental and Leasing Services	66.6	57.3	52.4	52.0	49.1	52.1	52.1	46.4	43.1	42.7
Furniture and Home Furnishings	46.8	44.0	48.4	50.9	51.7	56.7	52.3	38.9	41.0	43.7
Wholesale Trade	32.7	37.7	42.7	41.6	138.8	57.9	49.2	41.9	35.6	37.5
Lodging	24.1	23.2	25.0	27.2	31.7	34.3	33.9	29.1	32.2	35.2
Manufacturing	32.8	31.3	30.5	39.0	33.2	37.9	37.3	26.7	30.5	37.1
Total	\$1,966.4	\$1,967.1	\$2,021.5	\$2,071.8	\$2,202.1	\$2,246.4	\$2,232.8	\$2,125.3	\$2,191.2	\$2,310.9
City direct sales tax rate*	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.85%

* 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>
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%
2011	3.85%	0.80%	2.90%

* Food for home consumption sales direct rate is 2.25%

Sales Tax Revenue Taxpayers by Industry
 Current Year and 2002
tax liability in thousands

	Fiscal Year 2011				Fiscal Year 2002			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Grocery, Convenience, Liquor	196	1.85%	\$ 11,068	13.50%	142	1.73%	\$ 6,700	9.95%
Restaurants, Caterers and Bars	462	4.37%	11,860	14.46%	401	4.88%	6,606	9.81%
General Merchandise	24	0.23%	10,073	12.28%	16	0.19%	9,206	13.67%
Vehicle Sales, Parts and Repairs	380	3.59%	6,224	7.59%	325	3.95%	5,278	7.84%
Building Materials, Garden Equipment &	2,409	22.78%	5,933	7.24%	1,286	15.64%	3,696	5.49%
Sporting, Hobby, Book, Music	414	3.91%	5,032	6.14%	300	3.65%	3,561	5.29%
Broadcasting & Telecommunications	261	2.47%	4,390	5.35%	253	3.08%	3,447	5.12%
Electronics and Appliances	317	3.00%	4,434	5.41%	144	1.75%	2,264	3.36%
Miscellaneous Retailers	1,261	11.92%	4,346	5.30%	971	11.81%	2,836	4.21%
Utilities	11	0.10%	4,089	4.99%	7	0.09%	2,177	3.23%
Clothing and Accessories	248	2.34%	3,107	3.79%	181	2.20%	2,504	3.72%
Pharmacy, Salon and Laundry	683	6.46%	2,279	2.78%	485	5.90%	1,116	1.66%
Other	2,701	25.54%	1,714	2.09%	2,390	29.06%	8,565	12.72%
Rental and Leasing Services	353	3.34%	1,610	1.96%	371	4.51%	1,989	2.95%
Furniture and Home Furnishings	170	1.61%	1,679	2.05%	164	1.99%	1,381	2.05%
Wholesale Trade	308	2.91%	1,385	1.69%	318	3.87%	967	1.44%
Lodging	25	0.24%	1,341	1.64%	21	0.26%	710	1.05%
Manufacturing	354	3.35%	1,432	1.75%	449	5.46%	4,347	6.45%
Total	10,577	100.00%	\$ 81,995	100.00%	8,224	100.00%	\$ 67,348	100.00%

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			
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	3.0%	1.14
2011	-	340	45,870	545	2,755	-	100,380	1,230	1,734	245	153,098	n/a *	1.06

*Provided by the Bureau of Economic Analysis and the information was not available at the time of print.

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>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of</u> <u>Property</u>	<u>Per</u> <u>Capita</u>
2002	19,255	0.21%	155
2003	16,410	0.18%	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%	-
2011	-	0.00%	-

Direct and Overlapping Governmental Activities Debt

Exhibit A-10

As of December 31, 2011

in thousands

	Outstanding General Obligation Debt ¹	Percentage Applicable to the City ²	Share of Debt Applicable to the City
City of Fort Collins	\$ -	-	\$ -
<u>Overlapping Debt</u>			
Poudre R-1 School District ³	220,493	74.54%	164,355
Poudre Health Services District ³	-	73.37%	-
Poudre River Public Library ³	-	75.91%	-
	220,493		164,355
Totals	<u>\$ 220,493</u>		<u>\$ 164,355</u>

**ASSESSED VALUATION, DEBT, AND DEBT RATIO
DECEMBER 31, 2011**

Estimated actual valuation	\$ 14,456,330
Assessed valuation	\$ 1,792,231
Net general obligation direct debt	-
Estimated overlapping debt	\$ 164,355
Net direct and estimated overlapping debt	\$ 164,355
Ratio of net direct debt to estimated actual valuation	-
Ratio of net direct debt to assessed valuation	-
Net direct debt per capita ⁴	-
Ratio of net direct and estimated overlapping debt to estimated actual valuation	0.0114
Ratio of net direct and estimated overlapping debt to assessed valuation	0.0917
Net direct and estimated overlapping debt per capita ⁴	\$ 1
Estimated actual valuation per capita ⁴	\$ 100
Assessed valuation per capita ⁴	\$ 12

¹ 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.

² 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.

³ Source: Governmental entity.

⁴ Based on 2011 Population estimate per City of Fort Collins Planning Office--144,875

Legal Debt Margin Information
Last Ten Fiscal Years
in thousands

Exhibit A-11

Assessed Valuation ¹	\$ 1,792,231
Debt limit - 10% of assessed value	179,223
Amount of debt applicable to limit:	
Total bonded debt (including special assessments)	113,220
Less:	
Assets in debt service funds available for payment of general obligation debt	-
Other deductions allowed by law:	
Downtown Development Authority tax increment bonds	(12,500)
Light and Power revenue bonds	(14,670)
Water revenue bonds	(20,533)
Sewer revenue bonds	(36,124)
Storm drainage revenue bonds	(29,053)
Highway users tax revenue bonds	(340)
Net amount of debt applicable to debt limit	-
Legal debt margin	<u><u>\$ 179,223</u></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>	<u>2011</u>
Debt Limit	\$ 163,033	\$ 136,426	\$ 139,080	\$ 149,791	\$ 152,958	\$ 171,317	\$ 175,881	\$ 182,224	\$ 181,595	\$ 179,223
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u><u>\$ 179,223</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%

¹Source: Larimer County Assessor's Office.

Pledged Revenue Coverage
Last Ten Fiscal Years
in thousands

Exhibit A-12

LIGHT AND POWER REVENUE BONDS

	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for Debt Service	Principal	Interest	Total	
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
2011	109,106	96,124	12,982	1,415	622	2,037	6.37

SEWER REVENUE BONDS

	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for Debt Service	Principal	Interest	Total	
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
2011	20,375	11,134	9,240	2,982	1,496	4,477	2.06

STORM DRAINAGE REVENUE BONDS

	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for Debt Service	Principal	Interest	Total	
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
2011	14,669	5,299	9,371	2,238	1,143	3,380	2.77

Pledged Revenue Coverage
Last Ten Fiscal Years
in thousands

Exhibit A-12
(continued)

WATER REVENUE BONDS

	Net Revenue						
	Gross Revenues	Expenses	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2011	29,217	16,310	12,907	2,755	943	3,698	3.49

HIGHWAY USERS TAX REVENUE BONDS ¹

	Net Revenue			Debt Service Requirements			Coverage
	Gross Revenues	Expenses	Available for Debt Service	Principal	Interest	Total	
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
2011	4,373	-	4,373	330	30	360	12.15

¹ Gross revenues are reported as part of intergovernmental revenues in the Transportation Fund.

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>
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	11,600,000	38,585	7.4%	212.44	266
2011	144,875	n/a	n/a	6.8%	220.29	431

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. 2011 numbers were not available at the time of print
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
2011 population is estimated by the City of Fort Collins Planning Department.
CPI is provided by the US Bureau of Labor Statistics- Denver, Boulder, Greeley area is the nearest region.

Principal Employers
2011 and Ten Years Ago

Exhibit A-14

<u>Employer</u>	Fiscal Year 2011			Fiscal Year 2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Colorado State University	6,573	1	6.8%	6,193	1	9.3%
Poudre R-1 School District	3,908	2	4.0%	3,443	2	5.1%
Poudre Valley Health System	3,060	3	3.1%	1,711	5	2.6%
Larimer County	1,901	4	2.0%	1,419	6	2.1%
City of Fort Collins	1,830	5	1.9%	1,937	4	2.9%
Center Partners	1,339	6	1.4%	-	-	0.0%
Woodward Governor	1,073	7	1.1%	821	8	1.2%
Hewlett Packard	925	8	1.0%	2,310	3	3.5%
Department of Agriculture	827	9	0.9%	-	-	0.0%
Avago Technologies	681	10	0.7%	-	-	0.0%
Celestica USA Inc	-	-	0.0%	816	9	1.2%
Agilent Technologies	-	-	0.0%	1,296	7	1.9%
Advanced Energy	-	-	0.0%	715	10	1.1%
Total	22,117		22.7%	20,661		30.9%

Source 2011: City of Fort Collins Planning Department

Source 2002: QCEW, January, 2002

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

Exhibit A-15

<u>Function/ Program</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>	<u>2011</u>
General government										
Finance	36.4	34.5	34.3	31.2	31.7	35.0	35.8	36.5	35.1	35.7
Human Resources	18.1	17.9	16.9	16.2	16.8	16.7	19.9	19.9	19.6	19.9
Operation Services	67.3	64.6	63.7	60.2	58.8	61.3	64.6	66.0	63.4	63.1
Comm & Public Involvement	9.1	9.2	10.1	9.8	8.1	8.5	9.0	9.2	9.1	9.2
MIS	47.2	47.6	48.9	48.6	45.6	47.4	51.9	53.0	52.8	51.4
City Attorney's Office	9.7	10.2	10.1	9.7	10.4	10.8	11.0	11.0	11.7	12.3
City Clerk's Office	6.4	5.9	5.6	5.6	5.8	5.8	5.8	5.8	5.8	5.7
City Council	6.9	7.0	7.0	7.3	7.0	7.2	6.8	6.5	7.0	6.8
City Manager's Office	12.9	11.6	11.3	10.9	10.5	13.6	13.6	14.7	14.8	15.3
Municipal Court	7.2	6.8	6.9	6.9	7.1	6.3	7.2	7.1	7.3	7.5
Public safety										
Police	232.0	240.5	241.6	242.3	239.6	238.8	244.0	246.4	250.2	261.3
Culture, parks, recreation & environment										
CPRE - Administration	5.5	4.8	4.5	4.7	4.8	4.0	3.8	4.1	3.0	3.0
Lincoln Center	27.2	27.8	24.7	23.8	23.5	23.8	25.7	26.3	19.9	23.3
Museum	5.7	5.8	7.5	8.4	8.6	10.5	12.5	14.0	13.8	12.3
Parks	87.1	87.4	95.5	94.9	94.9	93.0	107.3	112.0	109.7	114.5
Recreation	129.1	136.5	132.8	131.2	127.5	126.9	130.8	133.7	127.7	127.2
Natural Resources	32.6	35.7	38.7	42.0	42.8	44.0	47.0	51.9	49.6	50.6
Planning and development										
Advance Planning	12.6	13.0	13.2	11.8	11.6	11.0	11.2	10.8	10.1	8.9
Comm Dev & Neighborhood Svcs	43.9	42.7	42.6	41.4	40.1	38.2	38.5	35.8	32.5	32.9
PDT Administration	4.0	4.0	3.5	3.0	3.0	3.0	3.6	3.0	4.6	5.6
Transportation										
Comm Dev & Neighborhood Svcs	6.0	6.4	5.8	4.6	4.2	3.6	4.2	4.6	4.6	4.3
Engineering	23.0	23.1	22.3	19.7	18.6	18.5	20.1	19.6	24.0	24.4
Pavement Management Program	3.9	4.5	4.6	5.2	4.9	5.0	5.0	4.9	6.8	10.2
Street Oversizing	9.7	9.8	9.1	9.2	8.4	5.6	5.6	6.0	1.0	1.0
Streets	47.6	46.7	48.4	45.5	45.0	46.3	46.6	44.2	42.8	46.4
Traffic Operations	27.0	24.8	24.1	25.1	24.0	27.1	28.8	28.0	26.9	27.9
Transit	91.3	90.4	87.6	81.1	72.1	74.2	75.1	73.7	70.9	74.2
Transportation Administration	3.0	3.0	3.0	3.0	2.5	0.7	0.0	0.0	0.0	0.0
Parking	20.6	21.8	22.2	19.8	18.6	18.6	17.6	17.4	17.8	17.7
Transportation Planning	4.8	4.2	3.1	2.4	2.5	3.5	6.4	6.5	5.4	5.3
Light & Power										
Light & Power Administration	43.8	43.3	42.9	42.3	40.6	40.7	40.8	41.1	38.9	39.6
Light & Power Operations	48.0	48.5	48.5	47.0	50.1	52.5	56.7	60.8	60.6	59.1
L&P System Additions	45.6	45.0	45.3	40.1	34.0	31.1	29.4	30.2	30.5	30.7
L&P Energy Services	3.5	4.0	4.0	4.0	4.7	5.4	6.7	9.7	15.0	16.3
Water										
Water Administration	35.6	34.3	33.0	32.2	30.7	29.6	29.6	29.7	29.8	30.6
Water Trans & Distribution	16.8	17.2	17.1	20.0	19.8	20.0	22.2	24.6	21.0	24.1
Water Meter Operations	9.3	9.9	9.5	9.5	9.7	8.8	9.0	9.0	9.8	11.1
Water Production	27.7	27.3	27.3	26.3	25.0	26.4	29.2	29.4	29.2	29.7
Water Quality	8.0	9.2	9.0	9.0	7.7	7.8	8.0	8.0	8.0	7.8
Water Resources	3.3	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Wastewater										
WW Administration	15.0	14.9	15.4	15.6	15.1	15.1	15.2	14.5	13.6	13.8
WW Trunk and Collection	16.9	16.6	15.7	15.8	14.7	14.9	14.3	14.6	16.0	16.3
WW Water Quality	8.3	7.9	8.3	8.5	8.4	8.5	8.4	8.9	9.7	9.0
WW Water Reclamation	40.4	37.6	38.4	36.7	35.7	35.2	34.9	34.6	34.0	32.2
Storm drainage										
Stormwater Administration	12.9	12.7	12.6	12.4	11.9	12.0	12.0	12.1	11.4	11.7
Stormwater Operations	30.2	29.9	28.9	26.7	26.7	28.1	30.2	30.5	31.9	30.1
Golf										
Golf Administration	3.0	2.6	1.9	1.7	1.7	1.7	1.7	0.9	0.7	0.8
Golf Operations	21.3	20.4	20.4	20.4	19.8	18.8	19.1	19.0	19.1	20.7
Total City of Fort Collins	1,427.4	1,432.6	1,431.2	1,397.5	1,358.7	1,369.0	1,430.5	1,453.8	1,430.5	1,465.0

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

Exhibit A-16

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Job applications processed	n/a	n/a	n/a	n/a	12,823	8,907	9,209	5,148	7,112	11,415
Warrants issued	n/a	n/a	n/a	n/a	972	918	1,010	798	1,231	1,370
Camera Radar completed cases	n/a	n/a	n/a	n/a	9,761	19,026	21,239	20,414	18,137	17,634
Public Safety										
Adult arrests	5,793	6,588	6,313	4,202	4,663	5,188	4,373	4,154	4,739	4,792
Juvenile arrests	1,508	1,293	1,306	914	963	958	809	811	849	675
Traffic violations	12,250	12,644	12,744	13,334	13,838	15,341	18,890	15,737	20,792	18,484
Number of fires per 1000 population	3.89	3.31	2.85	3.89	2.75	2.16	2.64	2.22	2.22	2.19
Total inspections per 1000 population	18.12	25.53	17.57	1.80	1.99	3.76	9.83	16.83	16.75	11.91
Average calls per week	223	230	229	230	237	246	259	266	276	299
Average response time	4:27	4:39	4:29	4:17	4:15	4:20	4:14	4:10	4:39	4:59
Culture, parks, recreation & environment										
Epic Pool & Ice attendance	451,620	368,353	494,577	405,660	424,313	323,183	373,809	353,161	480,586	385,426
City Park Pool attendance	5,100	69,954	64,413	63,376	70,851	71,608	91,444	77,276	74,821	75,755
Mulberry Pool attendance	86,029	93,280	89,358	73,909	87,351	92,322	98,640	117,033	167,810	202,148
Senior Center Pool attendance	25,124	44,498	23,754	35,931	25,338	37,888	32,980	55,765	21,179	25,775
Youth Activity Center attendance	26,575	24,511	45,921	23,686	3,578	7,729	712	1,090	24,207	31,171
North Aztlan Center attendance	132,910	125,135	156,697	167,136	187,728	135,203	105,362	145,898	177,779	194,315
Farm attendance	90,749	99,367	91,204	91,139	60,215	62,161	79,730	61,166	61,737	61,336
Museum attendance	19,860	21,337	34,057	40,107	40,607	32,000	18,142	33,904	26,852	22,752
Scheduled Park events	785	857	5,962	5,538	5,057	5,672	6,185	5,650	5,630	5,953
Planning and development										
Construction permits- single family units	1,159	860	893	674	394	385	254	153	177	258
Construction permits- Multi family units	53	92	63	44	24	24	37	4	10	31
Transportation										
Transfort	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	2,156,775
Passengers	705,886	729,639	703,081	686,030	640,677	774,545	798,849	791,627	913,682	995,858
Revenue Miles	56,616	57,165	58,516	57,782	54,665	66,647	68,356	69,984	75,564	77,356
Dial a Ride										
Passengers	77,300	73,607	82,276	87,725	85,735	51,779	44,135	41,719	40,385	37,851
Revenue Miles	432,087	419,127	439,771	450,047	560,053	348,952	282,257	269,831	252,107	166,893
Revenue Hours	35,921	31,628	34,883	38,399	47,188	31,678	25,092	23,456	21,690	20,407
Light & Power										
Customers	n/a	n/a	n/a	n/a	62,548	62,991	63,913	64,750	65,504	66,220
Electric Use- megawatt hours	n/a	n/a	n/a	n/a	1,404,784	1,442,861	1,429,797	1,404,529	1,442,741	1,493,417
Peak demand- megawatts	n/a	n/a	n/a	n/a	279	296	285	264	282	292
Interruption Index- minutes/year	n/a	n/a	n/a	n/a	25.63	18.00	10.00	10.99	17.27	21.73
Water										
Customers	n/a	n/a	n/a	n/a	33,312	32,780	33,082	32,910	32,983	33,074
Treated water delivered- acre feet	n/a	n/a	n/a	n/a	29,133	27,192	25,633	22,683	24,030	23,387
Peak day water use- million gallons/day	n/a	n/a	n/a	n/a	49.0	47.5	44.3	37.1	40.8	39.7
Water main breaks	n/a	n/a	n/a	n/a	100	67	59	79	139	97
Wastewater										
Customers	n/a	n/a	n/a	n/a	33,120	32,992	32,847	33,134	33,226	33,305
Average flow wastewater treated- million gallons/day	n/a	n/a	n/a	n/a	14.5	15.1	15.7	14.8	13.9	13.7
Recycled processed wastewater biosolids- dry tons	n/a	n/a	n/a	n/a	1,764	1,709	1,738	1,764	1,747	1,817
Industrial discharge permits	n/a	n/a	n/a	n/a	13	13	15	14	14	14
Storm Drainage										
Customers	n/a	n/a	n/a	n/a	39,938	40,272	40,554	40,911	40,813	41,395
Golf										
Rounds played	139,583	124,327	118,781	123,313	124,609	117,133	115,031	121,579	93,898	120,236

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Exhibit A-17

<u>Function/Program</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>	<u>2011</u>
General Government										
Administrative buildings	3	3	3	3	3	3	3	3	3	3
Municipal court	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police cars	n/a	n/a	n/a	n/a	198	220	224	232	225	374
Fire stations	12	13	13	13	13	13	13	13	13	13
Culture, parks, recreation & environmental										
Swimming pools	4	4	4	4	4	4	4	4	4	4
Number of parks	40	41	42	43	43	45	45	45	45	46
Acreage of parks	616	722	728	735	735	821	821	821	821	821
Miles of hard surface trails	19.37	19.87	22.52	23.62	24.87	28.67	28.67	28.67	30.39	31.74
Planning and development										
Land Bank program- acres*	n/a	n/a	n/a	n/a	51	51	51	51	51	51
Land Bank program- yield of future affordable housing units*	n/a	n/a	n/a	n/a	513	513	513	446	510	510
Transportation										
Transit buses	n/a	n/a	n/a	n/a	23	27	27	29	44	34
Lane miles	n/a	n/a	n/a	n/a	1,756	1,793	1,796	2,141	2,142	1,255
Light & Power										
Underground distribution lines- miles	n/a	n/a	n/a	n/a	766.0	788.0	801.4	820.0	837.5	851.8
Overhead distribution lines- miles	n/a	n/a	n/a	n/a	11.0	9.0	6.7	7.0	8.4	10.6
Distribution substations	n/a	n/a	n/a	n/a	5	5	5	5	5	6
Distribution transformers	n/a	n/a	n/a	n/a	7,525	7,982	8,060	8,082	8,226	8,357
Water										
Water mains and distribution lines- miles of pipe	n/a	n/a	n/a	n/a	532	539	540	541	527	528
Hydrants	n/a	n/a	n/a	n/a	3,411	3,464	3,487	3,494	3,510	3,524
Plant capacity- millions gallons/day	n/a	n/a	n/a	n/a	87	87	87	87	87	87
Raw water storage- acre feet	n/a	n/a	n/a	n/a	6,500	7,161	7,161	7,161	7,161	7,161
Treated water storage- million gallons	n/a	n/a	n/a	n/a	36.3	36.0	35.5	35.5	35.5	35.5
Water rights owned- avg yield in acre feet/year	n/a	n/a	n/a	n/a	73,000	73,700	74,120	74,140	74,160	74,420
Wastewater										
Trunk and collection- miles of pipe	n/a	n/a	n/a	n/a	434	435	437	436	437	436
Plants- treatment capacity	n/a	n/a	n/a	n/a	29	29	29	29	29	29
Biosolids facility- acres	n/a	n/a	n/a	n/a	26,200	26,000	26,350	26,582	26,680	26,680
Storm Drainage										
City owned detention basins	n/a	n/a	n/a	n/a	90	90	90	90	90	90
City owned detention basins- acres	n/a	n/a	n/a	n/a	320	320	320	320	320	320
Regional drainage channels	n/a	n/a	n/a	n/a	63	67	69	69	69	69
Storm sewer manholes	n/a	n/a	n/a	n/a	2,676	2,765	2,968	3,265	2,568	3,524
Storm sewer pipeline- miles	n/a	n/a	n/a	n/a	175.0	190.2	197.2	219.6	220.0	224.2
Golf										
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)****Customer Base**

The sewer (wastewater) system serves a customer base which has grown as follows in the years 2002 to 2011:

Years (at December 31)	Wastewater Customers
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
2011	33,305

Approximately 94% of the wastewater customers are residential, with the remaining 6% being industrial and commercial customers. Currently, only one customer represents more than 3% of wastewater system revenues. In 2011, amounts paid by the university comprised 5.6% of wastewater system revenues (\$1,060,560), with a total usage representing 8.1% of total system usage.

Rate Structure

User Charges. The following tables show the City's monthly wastewater user charges in effect on January 1, 2012. Historically, user charges increased 4.5% for residential rates and 7.5% for commercial rates in 1990, 8.6% for residential rates and 11.6% for commercial rates in 1991, 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, 10% in 2010, and 9% in 2011. An increase of 8% has been projected for 2012. The minimum winter quarter average consumption (WQA) is 3,000 gallons for single family customers (4,000 gallons for duplexes).

Monthly User Charges ¹

Residential Metered ²	Wastewater Rates
Single family	\$15.07 plus \$2.929 per 1,000 gallons of WQC
Duplex	\$19.52 plus \$2.929 per 1,000 gallons of WQC
Multi-family	\$2.30 per living unit plus \$2.929 per 1,000 gallons of WQC
Commercial Metered ³	
3/4" metered	\$8.46 plus \$2.929 per 1,000 gallons
1"	\$19.52 plus \$2.929 per 1,000 gallons
1 1/2"	\$39.28 plus \$2.929 per 1,000 gallons
2"	\$67.21 plus \$2.929 per 1,000 gallons
3"	\$107.38 plus \$2.929 per 1,000 gallons
4"	\$169.59 plus \$2.929 per 1,000 gallons
6"	\$743.42 plus \$2.929 per 1,000 gallons
8"	\$858.38 plus \$2.929 per 1,000 gallons

Footnotes:

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

² Average monthly amount of water billed during January, February, and March.

³ The usage charge of \$2.929 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) (Continued)

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 2012. It is difficult to predict, but projections for this potential loss are \$1 million in 2012 and up to \$1.8 million by 2015, when it is expected all metering has been implemented.

Plant Investment Fees. Plant Investment Fees (PIFs) are used to finance growth related capital facility costs for wastewater "backbone" and treatment facilities. They establish equity between existing customers and new customers and shelter existing customers from the cost of growth but must be established and applied in a legal manner (Colorado Senate Bill 15, 2001). This fee is paid at the time a building permit is issued. Proceeds of the plant investment fee are accounted for as contributed capital of the wastewater system, rather than as operating revenue. The City Council adopted the following plant investment fee schedule, which took effect January 1, 2011.

Plant Investment Fees

Residential:

Single family residence	\$ 3,440
Duplex and Multi-family residence (per living unit)	\$ 2,410

Non-Residential: (based on water connection size)

3/4"	\$ 6,880
1"	\$ 17,300
1 1/2"	\$ 30,480
2"	\$ 53,520
3"	\$ 145,310
4"	**

**Calculated on an individual basis, but not less than the 3" charges

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:

	2007	2008	2009	2010	2011
User rates	\$ 14,640	\$ 16,171	\$ 17,702	\$ 19,137	\$ 19,020
Plant investment fees	4,320	4,064	3,416	2,442	639
Other fees & charges	514	121	108	176	158
Investment earnings	2,574	1,155	1,611	413	557
Total Sewer System Revenue	<u>\$ 22,048</u>	<u>\$ 21,512</u>	<u>\$ 22,837</u>	<u>\$ 22,167</u>	<u>\$ 20,375</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, 2011. The following sets forth the operating history of the Wastewater Fund for the years ended December 31, 2007 through 2011:

	2007	2008	2009	2010	2011
Operating Revenues					
Charges for services	\$ 14,640	\$ 16,171	\$ 17,702	\$ 19,137	\$ 19,020
Operating Expenses					
Administrative charge	1,309	1,430	1,487	2,200	1,781
Personal services	4,734	4,980	4,961	5,176	4,819
Contractual services	1,569	1,727	1,767	3,349	3,384
Commodities	814	921	775	859	1,092
Other	1,506	1,375	1,587	533	59
Depreciation	2,818	3,189	3,219	3,301	3,946
Total Operating Expenses	<u>12,749</u>	<u>13,623</u>	<u>13,796</u>	<u>15,418</u>	<u>15,081</u>
Operating Income	<u>1,891</u>	<u>2,548</u>	<u>3,906</u>	<u>3,719</u>	<u>3,939</u>
Nonoperating Revenues (Expenses)					
Other revenue	433	106	103	143	143
Earnings on investments	2,574	1,155	1,611	413	557
Gain on sale of capital assets	39	15	6	33	16
Interest expense	(2,118)	(1,105)	(1,989)	(313)	(412)
Other expenses	(45)	(154)	(140)	(147)	(195)
Total Nonoperating Revenues (Expenses)	<u>883</u>	<u>17</u>	<u>(410)</u>	<u>129</u>	<u>109</u>
Income Before Contributions and Transfers	<u>2,774</u>	<u>2,565</u>	<u>3,495</u>	<u>3,848</u>	<u>4,048</u>
Capital contributed	4,362	4,064	3,416	2,442	639
Operating transfers in	-	-	-	76	77
Operating transfers out	-	(153)	(158)	-	-
Income After Contributions and Transfers	<u>4,362</u>	<u>3,911</u>	<u>3,258</u>	<u>2,517</u>	<u>716</u>
Change in Net Assets	7,136	6,476	6,754	6,365	4,764
Fund Equity--Jan. 1	106,134	113,270	119,746	126,500	132,865
Fund Equity--Dec. 31	<u>\$ 113,270</u>	<u>\$ 119,746</u>	<u>\$ 126,500</u>	<u>\$ 132,865</u>	<u>\$ 137,629</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--2002 TO 2011 ¹**

	Gross Revenues ²	Expenses ³	Net Pledged Revenues	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2011	20,375	11,134	9,240	2,982	1,496	4,477	2.06

¹ Includes debt service on all bonds secured by sewer system revenues.

² Includes all income of the Wastewater Fund pledged for the payment of bonds.

³ 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)**

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, 2011 is \$1,068,249.**

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, 2011 is \$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, 2011 was \$382,507.**

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 \$27,126,163 as of December 31, 2011. This amount satisfies the 17% requirement indicated above for fiscal year 2011.**

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, 2011 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 2007 through 2011.

	2007	2008	2009	2010	2011
Storm drainage utility fee (operation & maintenance component)	\$ 13,174	\$ 13,568	\$ 13,624	\$ 13,858	\$ 13,923
Storm drainage basin fees	671	455	168	358	434
Total Storm Drainage Fund Fee Revenues	<u>\$ 13,845</u>	<u>\$ 14,024</u>	<u>\$ 13,792</u>	<u>\$ 14,217</u>	<u>\$ 14,357</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, 2011. The following sets forth the operating history of the Storm Drainage for the years ended December 31, 2007 through 2011.

	2007	2008	2009	2010	2011
Operating Revenues					
Charges for services	\$ 13,174	\$ 13,568	\$ 13,624	\$ 13,858	\$ 13,923
Operating Expenses					
Administrative charge	1,311	2,140	2,181	2,145	1,983
Personal services	1,830	1,901	2,112	2,019	2,010
Contractual services	998	700	1,359	773	1,021
Commodities	111	124	108	115	197
Other	364	-	78	1	87
Depreciation	2,261	2,315	2,258	2,216	2,184
Total Operating Expenses	6,875	7,180	8,095	7,268	7,483
Operating Income	<u>6,299</u>	<u>6,388</u>	<u>5,529</u>	<u>6,590</u>	<u>6,440</u>
Nonoperating Revenues (Expenses)					
Other revenue	50	51	16	17	59
Earnings on investments	1,568	822	399	297	252
Intergovernmental	1,236	0	-	53	2
Gain/loss on sale of capital assets	(96)	(3)	(21)	28	(12)
Interest expense	(2,083)	(1,697)	(1,501)	(1,447)	(1,288)
Other expenses	(32)	(155)	(44)	(44)	(54)
Total Nonoperating Revenues (Expenses)	<u>642</u>	<u>(981)</u>	<u>(1,150)</u>	<u>(1,095)</u>	<u>(1,042)</u>
Income Before Contributions and Transfers	<u>6,941</u>	<u>5,407</u>	<u>4,379</u>	<u>5,495</u>	<u>5,398</u>
Capital contributions	671	455	168	358	434
Operating transfers In	-	-	-	31	32
Operating transfers out	(116)	(178)	(180)	(275)	(220)
Income After Contributions and Transfers	<u>555</u>	<u>277</u>	<u>(12)</u>	<u>114</u>	<u>246</u>
Change in Net Assets	7,495	5,684	4,367	5,609	5,644
Net Assets--Jan. 1	61,187	68,682	74,366	78,733	84,343
Net Assets--December 31	<u>\$ 68,682</u>	<u>\$ 74,366</u>	<u>\$ 78,733</u>	<u>\$ 84,343</u>	<u>\$ 89,987</u>

**STORM DRAINAGE UTILITY ENTERPRISE
STORM DRAINAGE REVENUE BONDS
SEC RULE 15C2-12 INFORMATION (UNAUDITED)**

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 2011 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 2012.

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 4.4% 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 2011 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 2011 would have covered the combined average annual debt service requirements of the bonds approximately 2.13 times and would have covered the combined maximum debt service of the bonds approximately 2.12 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>
1997	0%	2002	45%	2007	0%
1998	26%	2003	10%	2008	0%
1999	0%	2004	10%	2009	0%
2000	10%	2005	0%	2010	0%
2001	9%	2006	0%	2011	0%

Storm drainage fees have not been increased since 2004. No increase is planned for 2012.

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)****Customer Base**

The water system serves a customer base that has grown as follows in the years 2002-2011:

Years (at December 31)	Wastewater Customers
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
2011	33,074

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, 2011 is set forth below:

Classification	Number of Accounts	Accounts
Residential	30,903	93.4%
Commercial & Industrial	2,171	6.6%
Total	33,074	100.0%

The following table sets forth the ten largest customers of the water system, which in the aggregate accounted for approximately 28.4% of total water usage during 2011:

Customer	Water Usage Millions of Gallons	Percent of Total Water Use
Industrial	959.80	13.4%
University	349.03	4.9%
Industrial	169.18	2.4%
Water District	146.80	2.4%
City Government	109.61	1.5%
Industrial	101.67	1.4%
School District	87.19	1.2%
Hospital	38.21	0.5%
Hospital	37.29	0.5%
Industrial	36.39	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 was implemented for 2011.

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

The following water rates remain in effect at January 1, 2012. 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, 2012

(1) Residential customers with one dwelling unit.

- a. *Base Charges.* Residential customers with one dwelling unit shall pay a base monthly charge of \$13.60.
- 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 \$2.105 per 1,000 gallons
 For the next 6,000 gallons used per month at \$2.419 per 1,000 gallons
 For all additional gallons used per month at \$2.783 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 \$15.97.
- 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 \$2.028 per 1,000 gallons
 For the next 4,000 gallons used per month at \$2.331 per 1,000 gallons
 For all additional gallons used per month at \$2.682 per 1,000 gallons.

Metered Rates – Nonresidential

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

Meter Size (inches)	Monthly Base Charge
3/4	\$ 12.17
1	\$ 33.95
1 1/2	\$ 92.33
2	\$ 139.14
3	\$ 212.22
4	\$ 333.16
6	\$ 646.30
8	\$ 1,141.75

(2) *Quantity Charges.* Nonresidential customers shall pay a monthly quantity charge of \$1.693 per 1,000 gallons used in the winter season months of November through April. They shall pay a monthly quantity charge of \$2.116 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 \$2.433 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 \$3.042 per 1,000 gallons used in the summer season months of May through October.

Meter Size (inches)	Specified Amount (gallons per month)
3/4	100,000
1	300,000
1 1/2	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)**
(Continued)

Plant Investment Fees. Plant Investment Fees (PIFs) are used to finance growth related capital facility costs for water “backbone” and treatment facilities. They establish equity between existing customers and new customers and shelter existing customers from the cost of growth but must be established and applied in a legal manner (Colorado Senate Bill 15, 2001). This fee is paid at the time a building permit is issued. 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.

Residential

<u>Dwelling Category</u>	<u>Plant Investment Fee</u>
Single Family	\$730 plus \$0.39 per square foot of lot area
Duplex, Multi-Family, Mobile Home	\$510 per living unit plus \$0.27 per square foot of lot area

Nonresidential

<u>Water Meter Size (inches)</u>	<u>Plant Investment Fee</u>
3/4"	\$ 7,880.00
1"	\$ 22,750.00
1 1/2"	\$ 47,410.00
2"	\$ 72,290.00
3"	\$ 165,290.00
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:

<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>
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
2011	16	2,591	-	969	-	37	3,612

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:

	2007	2008	2009	2010	2011
User charges for services	\$ 24,820	\$ 24,284	\$ 21,752	\$ 24,228	\$ 24,101
Plant investment fees	2,632	5,367	2,116	1,721	3,612
Other fees & charges	5,518	329	260	309	326
Investment earnings	3,714	2,915	1,573	1,027	1,178
Total Water System Revenue	<u>\$ 36,684</u>	<u>\$ 32,896</u>	<u>\$ 25,701</u>	<u>\$ 27,285</u>	<u>\$ 29,217</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, 2011. The following sets forth the operating history of the Water Fund for the year

	2007	2008	2009	2010	2011
Operating Revenues					
Charges for services	\$ 24,820	\$ 24,284	\$ 21,752	\$ 24,228	\$ 24,101
Operating Expenses					
Administrative charge	2,902	3,859	3,840	3,897	3,395
Personal services	5,211	5,563	5,726	6,008	5,721
Contractual services	2,745	2,877	4,924	4,960	5,451
Commodities	1,432	1,378	1,555	1,609	1,546
Other	2,342	2,146	314	108	198
Depreciation	5,600	4,824	4,853	4,903	5,090
Total Operating Expense	20,232	20,647	21,211	21,485	21,400
Operating Income	4,588	3,637	541	2,743	2,700
Nonoperating Revenues (Expenses)					
Other revenue	430	313	250	285	289
Earnings on investments	3,714	2,915	1,573	1,027	1,178
Gain(loss) on fixed asset sales	(26)	17	10	24	36
Interest expense	(1,713)	(1,435)	(1,061)	(925)	(828)
Other expenses	(47)	(121)	(189)	(9)	(9)
Total Nonoperating Revenues (Expenses)	2,358	1,689	584	402	667
Income Before Contributions and Transfers	6,946	5,326	1,125	3,145	3,367
Capital contributions	7,720	5,367	2,116	1,721	3,612
Operating transfers in (out)	-	(184)	(189)	91	87
Income After Contributions and Transfers	7,720	5,183	1,926	1,811	3,699
Change in Net Assets	14,667	10,509	3,051	4,956	7,066
Net Assets--Jan. 1	212,476	227,142	237,651	240,702	245,659
Net Assets--Dec. 31	<u>\$ 227,142</u>	<u>\$ 237,651</u>	<u>\$ 240,702</u>	<u>\$ 245,659</u>	<u>\$ 252,725</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)**

As of December 31, 2011, 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	3,524
Water Revenue Bond, Series 1999	4,998	2,222
Water Subordinate, 2004	2,476	1,863
Water Revenue Refunding Series 2008	9,645	9,515
Water Revenue Refunding Series 2009	<u>7,815</u>	<u>3,410</u>
Total	<u><u>\$ 35,060</u></u>	<u><u>\$ 20,533</u></u>

Totals may not add due to rounding

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Fort Collins			
		YEAR ENDING : December 2011			
This Information From The Records Of (example - City of _ or County of _ City of Fort Collins		Prepared By: Karen Tracy Phone: *(970)416-2426			
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,413,271		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	19,666,171		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	3,561,054		
2. General fund appropriations	5,708,122	b. Snow and ice removal	1,386,401		
3. Other local imposts (from page 2)	13,122,410	c. Other	2,188,571		
4. Miscellaneous local receipts (from page 2)	5,539,666	d. Total (a. through c.)	7,136,026		
5. Transfers from toll facilities		4. General administration & miscellaneous	926,008		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	29,141,475		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	11,968		
7. Total (1 through 6)	24,370,198	b. Redemption			
B. Private Contributions		c. Total (a. + b.)	11,968		
C. Receipts from State government (from page 2)	4,783,246	2. Notes:			
D. Receipts from Federal Government (from page 2)	0	a. Interest			
E. Total receipts (A.7 + B + C + D)	29,153,443	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	11,968		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	29,153,443		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	670,000		330,000	340,000	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		29,153,443	29,153,443		0
Notes and Comments:					

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	307,921
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	9,676,133	c. Parking Garage Fees	1,875,000
2. Infrastructure & Impact Fees	1,441,107	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	185,252	f. Charges for Services	2,720,116
5. Specific Ownership &/or Other	1,819,918	g. Other Misc. Receipts	326,629
6. Total (1. through 5.)	13,122,410	h. Other	310,000
c. Total (a. + b.)	13,122,410	i. Total (a. through h.)	5,539,666
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,372,976	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	410,270	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	410,270	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	4,783,246	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		2,916	2,916
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		1,410,355	1,410,355
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,410,355	1,410,355
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,413,271	1,413,271
		(Carry forward to page 1)	

Notes and Comments: