



# 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FORT COLLINS, COLORADO YEAR ENDED DECEMBER 31, 2012



# **City of Fort Collins, Colorado**

Comprehensive Annual Financial Report  
For the fiscal year ended  
December 31, 2012

*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  
Louisa Liu, Administrative Aide  
Katie Wiggett, Administrative Assistant*

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

The cover picture is Horsetooth Reservoir. Located just minutes west of Fort Collins, this six and one-half mile long reservoir is named for the distinctive Horsetooth Rock overlooking the waters below. Horsetooth Reservoir is an important water supply source for Fort Collins, providing on average about half of the City's treated water supply. It is owned and operated by the Northern Colorado Water Conservancy District as part of the Colorado-Big Thompson project. Horsetooth stores water primarily from the Colorado River headwaters on the West Slope, water which is transported under the continental divide through a complex system of pumps, reservoirs, tunnels and canals. Featuring multiple campgrounds and picnic areas and surrounded by 1,900 acres of public lands, Horsetooth Reservoir attracts over 500,000 people each year to fish, boat, camp, picnic and hike.

The "Introductory Section" tab shows a picture of City Park Pool, an outdoor pool located in City Park. City Park Pool is one of the best places to be during hot summer days in Fort Collins. With its 30-foot drop slide, open curly slide and geysers, it provides residents and guests a water park experience.

The "Financial Section" tab features the Museum of Discovery. The Museum of Discovery opened to the public on November 10, 2012. Located at the corner of College and Cherry, this unique museum offers exploration into hands-on science, history and culture.

The "Notes to the Basic Financial Statements Sections" tab features a picture of Sheldon Lake at City Park. For 100 years, City Park has been a center-point for family gatherings, cultural events and community celebrations. In 2012, the City celebrated the Park's historic contribution to the community.

The "Supplementary Information" tab shows a picture of Mulberry Pool. Located near Downtown Fort Collins, Mulberry Pool is one of three indoor aquatic facilities operated by the City of Fort Collins Recreation Department. The pool is open year-round and includes a large child-friendly interactive play area with slides and other fun water features. Mulberry Pool is a Fort Collins favorite for birthday parties and other celebrations. The pool is also popular with lap swimmers looking for a workout.

The "Statistical Section" tab features Oak Street Plaza Park located in Downtown Fort Collins. The plaza was developed in 2006 with the intent of creating a special place for visitors to enjoy in Downtown Fort Collins. The plaza's design includes old style pavers, a grass area and stage, a decorative concrete pattern representing the Poudre River and interactive water features including jumping water jets. Moveable tables and chairs allow visitors to easily gather at their special location on the plaza. The plaza accommodates visitors who want to enjoy the shade on a warm day, others who have brought their young children to enjoy the water features, and still others who are present to enjoy an event at the stage. The plaza was funded with Neighborhood Parkland, Downtown Development Authority, and Art in Public Places funding.

The "Other Schedules" tab features a picture of Old Town Square. Old Town Square is the most significant public-private partnership involving the Downtown Development Authority. Old Town Square is a public space owned by the DDA and managed by the Downtown Business Association. The square is in the heart of downtown Fort Collins, and is surrounded by historic buildings, shops, galleries, a bike library and restaurants. The Old Town Square stage is host to many summer performances and events.

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# INTRODUCTORY SECTION





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June 4, 2013

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, 2012.

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, 2012 are free of material misstatement. The independent accountant, McGladrey LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2012 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 fourth largest city in Colorado with an estimated population of 148,700 in 2012 and 151,000 in 2013. 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 by Poudre Fire Authority (PFA) and Poudre River Public Library District. The City is the primary financial supporter for PFA.

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

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

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

Unemployment in Fort Collins remains a challenge due to modest growth and mixed conditions. At the end of 2012, the local unemployment rate stood at 6.0%, which compares favorably to the State rate of 8.0% and national rate of 8.1%.

The essential economic indicators for the City were beginning to improve in 2012. The population grew approximately 2.6%, and the number of residential building permits issued increased by 81.2%. The City relies heavily on sales and use tax revenues, which were up 12.4%. Growth in inflation, as measured by the Denver-Boulder-Greeley Consumer Price Index was up 3.7% in 2012.

Overall governmental fund revenue increased 15.9% in 2012. At year-end, the City held \$292 million in unrestricted net position, \$24.5 million more than it held in 2011. Please see page 18 for more information about the City's total net position.

Data-driven and Transparent. Over the last decade, the City has undergone transformational change, deliberately embracing transparency, accountability and continuous improvement. In 2012, the City launched the Community Dashboard, a new online tool that measures the community's progress in attaining key outcomes. Key metrics such as voluntary code compliance, net percent change in local jobs, community energy use, number of local traffic crashes and transit passengers per revenue hour are measured and monitored so the City can adapt certain programs to ensure targets are met and improve performance where necessary. The Community Dashboard can be viewed at [fcgov.com/metrics](http://fcgov.com/metrics). Another tool staff is using to become more data driven is the Monthly Operating Report (MOR), an internal report prepared monthly by managers and reviewed by the Executive Lead Team. Management uses this report to closely analyze their department's budget and revenue. The report also communicates departments' projects, goals and needs to other departments.

MAX Project. As of May 2013, the City of Fort Collins' \$86 million infrastructure project is nearing the halfway point: MAX buses are on order, and station construction is underway. Our new Bus Rapid Transit (BRT) system is expected to be operational by May 2014. The MAX Project is much more than a transportation initiative, it is about building on our existing investments to create a stronger community. According to the report by Economic & Planning Systems, the Mason Corridor Project, which includes MAX, will encourage private economic development along its 5 mile length. New zoning changes will also promote high density, mixed-use development around the stations.

The Mason Corridor is a fundamental connection between the City, Colorado State University and local businesses and neighborhoods. By pledging the local matching funds for the Mason Corridor project, the City expects to leverage over \$82 million in funding from other sources. The City's funds will also stimulate additional economic impacts such as an increase in property tax revenue and retail sales tax. The Mason Corridor is extremely cost effective and will not only produce financial benefits for years to come, but will also preserve the environmental quality of our community and enhance social equity for our residents.

Fiscal Sustainability. In 2012, executive management identified the following two strategic objectives to improve fiscal sustainability that will continue to be prioritized for the next few years: diversification of revenue and development of a comprehensive citywide monthly operating report. To meet the first objective, City staff are conducting several fee studies, looking into park maintenance fees, street maintenance fees and transit fees with the hope of finding more stable revenue sources to balance the City's heavy dependence on sales and use tax. The second objective is currently being played out in the MOR. Staff have been preparing and reviewing the MOR since the middle of 2012 and are continuing to find ways to make this report more beneficial to the City organization.

Midtown Urban Renewal Authority Plan Area. The Foothills Mall redevelopment site sits in the middle of the City's Midtown Urban Renewal Plan area, a targeted area of community-wide importance. The Foothills Mall has been on the decline for years; since 2001, sales tax revenues at the mall have declined 61%. In May 2013, the City of Fort Collins' City Council approved a \$53 million public assistance package including a \$45 million base financial assistance package to help revitalize the mall and restore essential sales tax revenue. After the mall reopens, revenues are expected to increase steadily by 2% per year. The new developer, Alberta Development Partners, hopes to have the mall open in time for the 2014 holiday season.

The Mall project also includes an \$8 million investment in City infrastructure, including a new Youth Activity Center and an underpass that connects to the Mason Street Corridor. In conjunction with the new MAX Bus Rapid Transit system, the Foothills project is also expected to be a catalyst for improvements to public infrastructure and business redevelopment in the Midtown area. The project consists of retail, a commercial parking structure and up to 800 multi-family dwelling units on 76.3 acres. Total project investment in the community is expected to be \$312 million.

North College Avenue Urban Renewal Authority Plan Area. 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 the upgrading of the storm drainage system. A significant number of projects were completed in 2012 including the North College Market Place, various business upgrades and the redesign of the Willox and College intersection. The Museum of Discovery building, completed in 2011 on the south end of the URA area, opened to the public on November 10, 2012. In 2012, the City's major investment in the North College URA was the completion of the streetscape between Vine and Conifer, a \$10 million investment on top of the \$17 million that the URA had already invested in improving the Area. In 2014 and 2015, the City plans to continue improving the streetscape from Conifer to Willox, another \$10 million investment.

Supporting Job Creation. Woodward, a global technology company that has been in Fort Collins since 1955, has outgrown its Drake facility and plans to expand its overall facilities to accommodate continued growth. With a Business Assistance Agreement from the City of Fort Collins, Woodward plans to develop a campus of office, manufacturing and testing facilities on the Link-N-Greens site, a City targeted redevelopment area. The project will generate economic impacts during both construction and operations. The City's financial assistance should help retain approximately 700 current primary jobs as well as encourage the expansion of a business to include 700-1,000 new primary jobs in Fort Collins (with 185-400 new jobs in Northern Colorado).

Debt Financing Initiatives. The Urban Renewal Authority (URA) intends to refinance a portion of the debt it originally borrowed from the City in relation to the North College Area. The City also plans to issue new debt of approximately \$15 million to finance a new utility administration building downtown as well as to remodel the Wood Street facility.

## **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, 2011. This was the 25th 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 2012 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 LLP, the firm that serves as the City's external auditor. Through the challenges, we are resolved to deliver the best possible services to the Fort Collins community.

Respectfully submitted,



Darin A. Atteberry  
City Manager



Michael N. Beckstead  
Chief Financial Officer



John W. 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, 2011

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.



*Christopher P. Morinell*

President

*Jeffrey R. Emer*

Executive Director

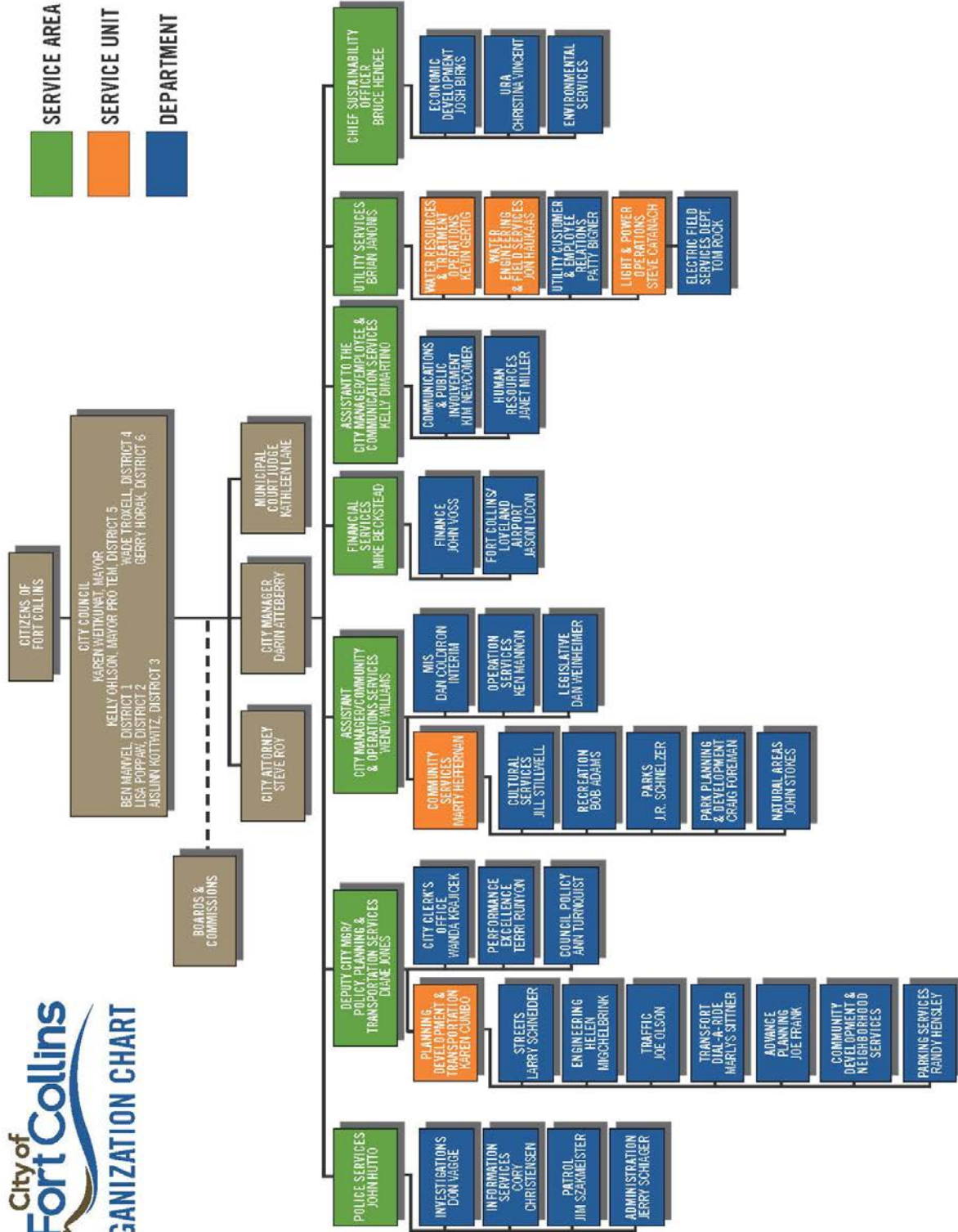


# ORGANIZATION CHART

**SERVICE AREA**

**SERVICE UNIT**

**DEPARTMENT**



OTHER GOVERNMENTAL UNITS AND JOINT VENTURES: Downtown Development Authority, Fort Collins Housing Authority, Metropolitan Planning Organization, Platte River Power Authority, Poudre Fire Authority

UPDATED JAN. 2012

City of Fort Collins, Colorado  
 Elected and Appointed Officials  
 As of December 31, 2012

**Elected Officials**

Karen Weitkunat.....	Mayor
Ben Manvel.....	District 1 Councilmember
Lisa Poppaw .....	District 2 Councilmember
Aislinn Kottwitz.....	District 3 Councilmember
Wade Troxell .....	District 4 Councilmember
Kelly Ohlson.....	Mayor Pro Tem, District 5 Councilmember
Gerry Horak.....	District 6 Councilmember

**Appointed Officials**

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

\*City Manager appointed, City Council approved

**City Officials and Department Directors**

Mike Beckstead .....	Chief Financial Officer
Karen Cumbo.....	Planning, Development and Transportation Director
Kelly DiMartino.....	Assistant to the City Manager
Bruce Hendee.....	Chief Sustainability Officer
John Hutto.....	Chief of Police
Brian Janonis .....	Utilities Executive Director
Diane Jones.....	Deputy City Manager
Wendy Williams .....	Assistant City Manager



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# FINANCIAL SECTION

FINANCIAL  
SECTION

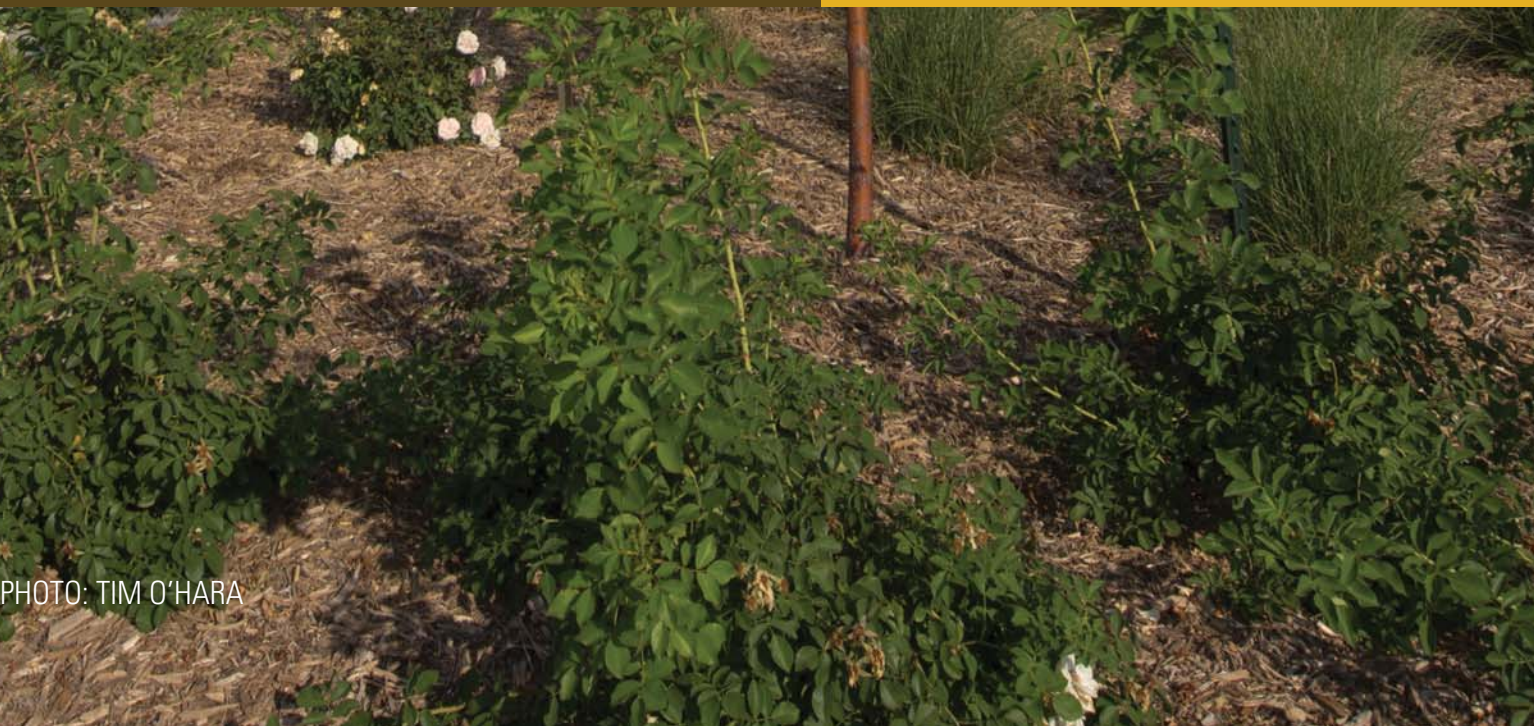


PHOTO: TIM O'HARA

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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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Collins, Colorado (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Collins, Colorado, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Keep Fort Collins Great Fund, the Transportation Services Fund, and Urban Renewal Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As explained in Note IV.G. to the basic financial statements, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which restated beginning net position for items previously reported as assets.

## **Other Matters**

### *Required Supplementary Information*

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 Plans 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 operational, 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 responses 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fort Collins, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules, 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. Such 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical sections and other schedules, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Fort Collins, Colorado's internal control over financial reporting and compliance.



Denver, Colorado  
May 23, 2013

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Fort Collins (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2012. In addition to this overview and analysis based on currently known facts, decisions and conditions, the City would encourage readers to consider the information presented in the City's letter of transmittal and the City's financial statements, which begin on pages 3 and 29 of this report, respectively.

## Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2012 by \$1,516.7 million (net position). Of the net position balance, \$292.5 million is unrestricted and is available to meet the government's ongoing obligations in accordance with the City's fund designations and fiscal policies.
- The City's net position increased by \$85.0 million (5.9%). The governmental net position increased by \$55.0 million (7.1%) and the business-type position increased by \$30.0 million (4.6%).
- The General Fund, the City's primary operating fund, ended 2012 with a \$55.3 million fund balance, an increase of \$15.1 million (37.6%) on a current financial resource basis. Of this amount, \$46.7 million is spendable and complies with City policy.
- The City's total long-term debt decreased by \$14.1 million (9.2%) during the current year. Within that activity, the City's governmental debt decreased by \$3.4 million and business-type debt decreased by \$10.7 million. There was one debt transaction in 2012. There were \$34.4 million in Certificates of Participation (COPs) issued since long-term interest rates were favorable. The net effective interest rate on these bonds is 1.82%. The proceeds were used to retire the remaining 2004 COPs. The net present value savings accomplished through this refunding was \$4.8 million and equates to 13.4% of the refunded principal.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. Other supplementary information is also included at the end of the report.

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

The statement of net position presents information on all of the City's assets and liabilities. The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources are reported as net position. Over time, increases and decreases in net position 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 position has changed during the fiscal year just ended. All changes in net position 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, cultural, parks, recreation, and natural areas, planning and development services, transportation, and interest on long term debt. 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 Fort Collins, Colorado 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, deferred inflows of resources, liabilities, deferred outflows of resources, 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, deferred inflows of resources, liabilities, deferred outflows of resources, 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, 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. 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. 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.

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, 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 Position

The following table reflects the condensed Statement of Net Position.

**Statement of Net Position**

as of December 31

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets as restated	\$ 224,250	\$ 194,574	\$ 192,069	\$ 195,086	\$ 416,319	\$ 389,660
Capital assets	706,974	679,351	601,541	576,916	1,308,515	1,256,267
Total assets as restated	931,224	873,925	793,610	772,002	1,724,834	1,645,927
Deferred Outflows of Resources	1,580	-	1,022	-	2,602	-
Other liabilities	18,853	30,334	16,256	34,028	35,109	64,362
Long-term liabilities	60,489	63,722	96,551	86,211	157,040	149,933
Total liabilities	79,342	94,056	112,807	120,239	192,149	214,295
Deferred Inflows of Resources	18,593	-	17	-	18,610	-
Net position:						
Net investment in capital assets	662,461	628,758	508,284	490,511	1,170,745	1,119,269
Restricted	52,465	43,327	995	1,025	53,460	44,352
Unrestricted as restated	119,944	107,784	172,529	160,227	292,473	268,011
Total net position as restated	\$ 834,870	\$ 779,869	\$ 681,808	\$ 651,763	\$ 1,516,678	\$ 1,431,632

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

By far, the largest portion of the City’s net position, \$1,170.7 million (77.2%) 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 invested in capital assets increased by \$51.5 million (4.6%) in 2012. 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 position, \$53.5 million (3.5%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$292.5 million (19.3%), may be used to meet the City’s ongoing obligations to its citizens and creditors.

The City’s total net position increased by \$85.0 million in 2012. Unrestricted net position increased \$24.5 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 24-25.

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

**S statement of Activities & Changes in Net Position**

as of December 31

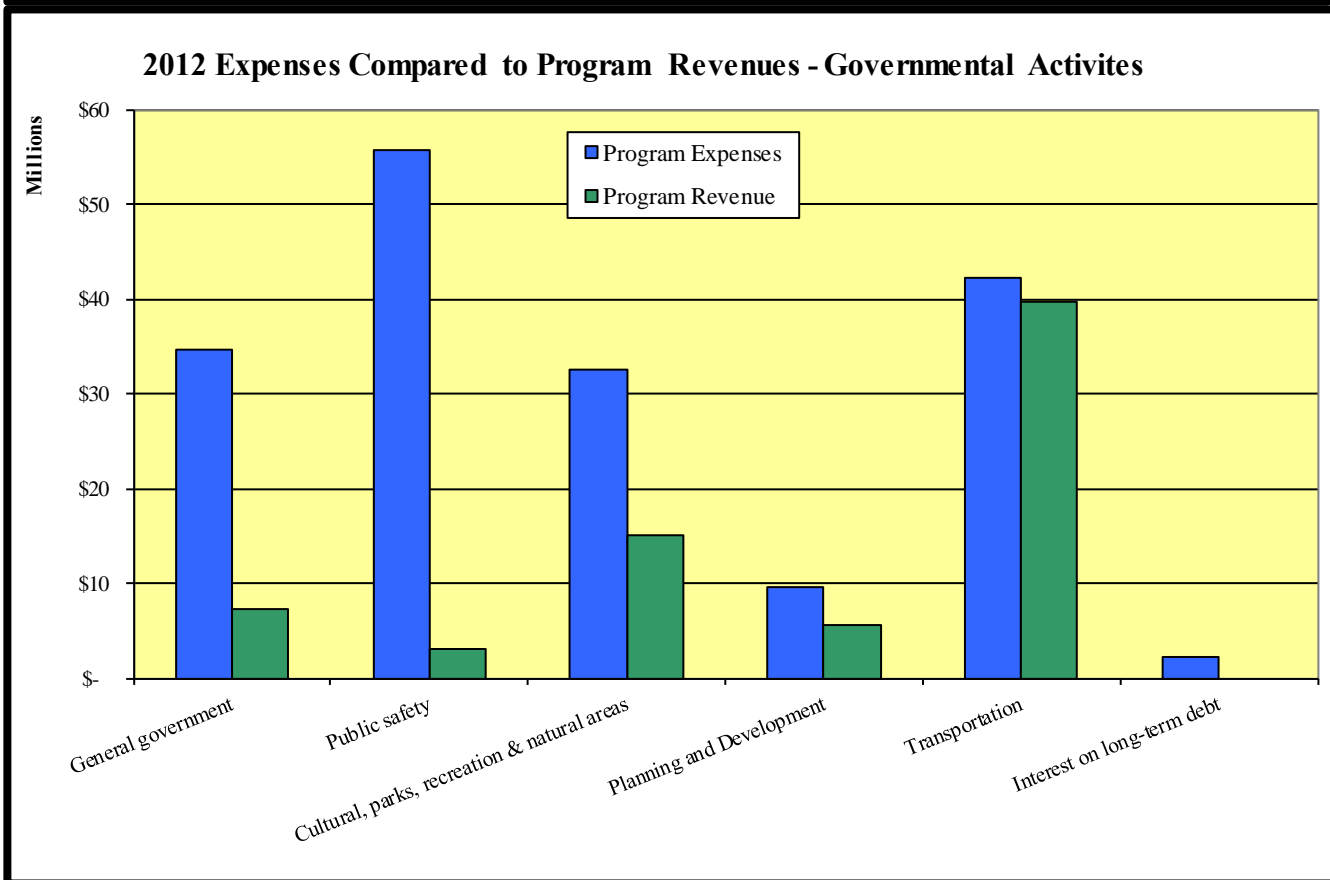
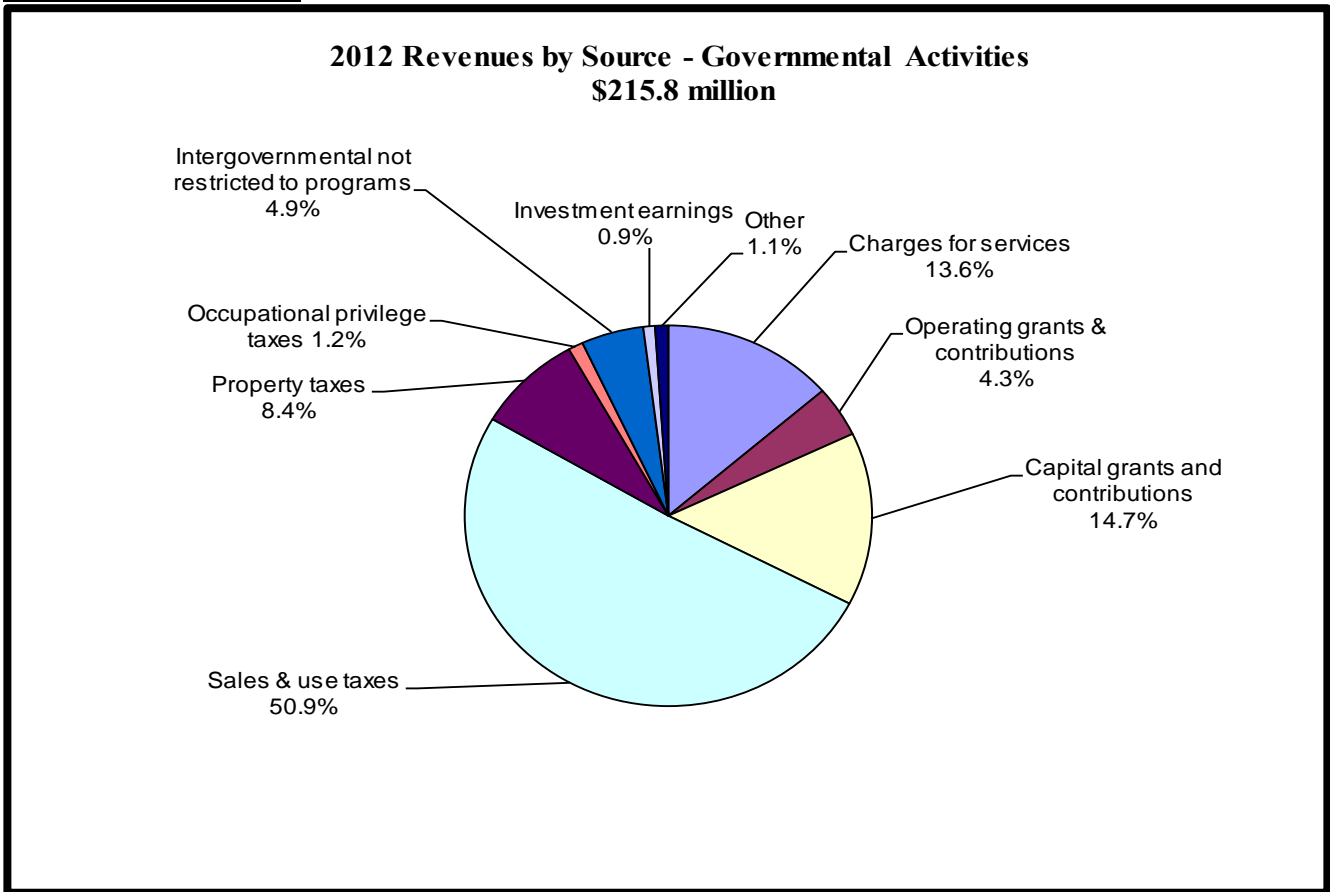
(amounts expressed in thousands, totals may not add due to rounding)

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Primary Government</u>	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 29,412	\$ 25,241	\$ 176,389	\$ 160,888	\$ 205,801	\$ 186,129
Operating grants & contributions	9,284	13,712	6	131	9,290	13,843
Capital grants and contributions	31,678	14,784	15,979	11,661	47,657	26,445
General revenues:						
Sales & use taxes	109,732	97,589	-	-	109,732	97,589
Property taxes	18,188	17,742	-	-	18,188	17,742
Occupational privilege taxes	2,560	2,433	-	-	2,560	2,433
Lodging taxes	1,012	909	-	-	1,012	909
Intergovernmental not restricted to programs	10,681	10,274	-	-	10,681	10,274
Investment earnings	1,998	2,601	2,227	2,919	4,225	5,520
Miscellaneous	1,246	1,019	1,613	1,498	2,859	2,517
Total Revenues	215,790	186,304	196,215	177,098	412,005	363,402
Expenses:						
General government	34,645	33,674	-	-	34,645	33,674
Public safety	55,633	51,313	-	-	55,633	51,313
Cultural, parks, recreation and natural areas	32,448	29,755	-	-	32,448	29,755
Planning and development	9,502	11,053	-	-	9,502	11,053
Transportation	42,249	38,540	-	-	42,249	38,540
Interest on long-term debt	2,148	2,523	-	-	2,148	2,523
Light & power	-	-	101,513	97,057	101,513	97,057
Water	-	-	22,169	19,941	22,169	19,941
Wastewater	-	-	15,872	14,163	15,872	14,163
Storm drainage	-	-	8,119	8,407	8,119	8,407
Golf	-	-	2,661	2,547	2,661	2,547
Total expenses	176,625	166,857	150,333	142,115	326,958	308,973
Increase in net position before transfers	39,165	19,447	45,882	34,982	85,046	54,428
Transfers	15,837	13,486	( 15,837 )	( 13,486 )	-	-
Increase in net position	55,001	32,934	30,045	21,496	85,046	54,429
Net position - beginning as restated	779,869	746,935	651,763	630,267	1,431,631	1,377,203
Net position - ending as restated	\$ 834,870	\$ 779,869	\$ 681,808	\$ 651,763	\$ 1,516,678	\$ 1,431,631

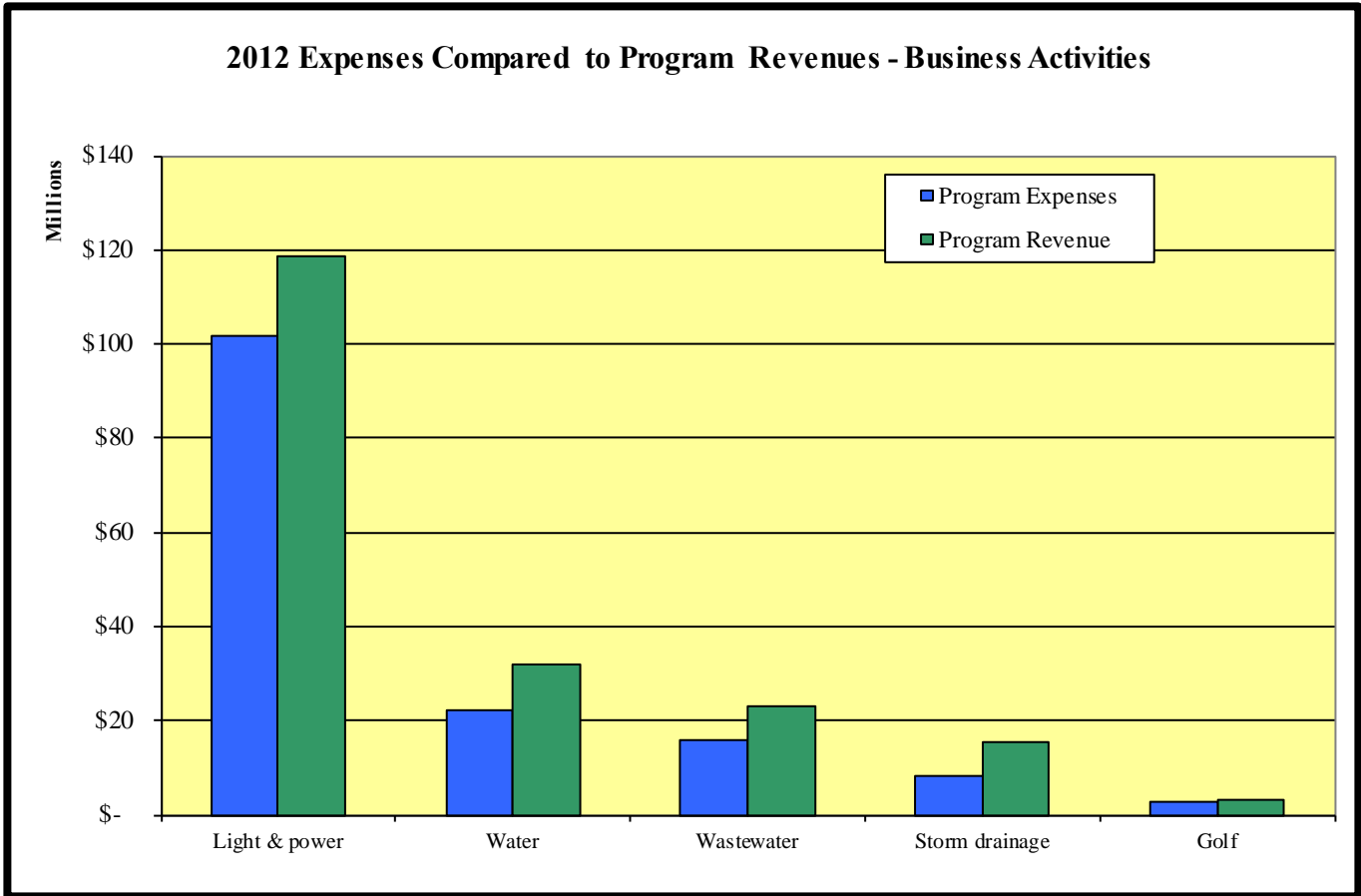
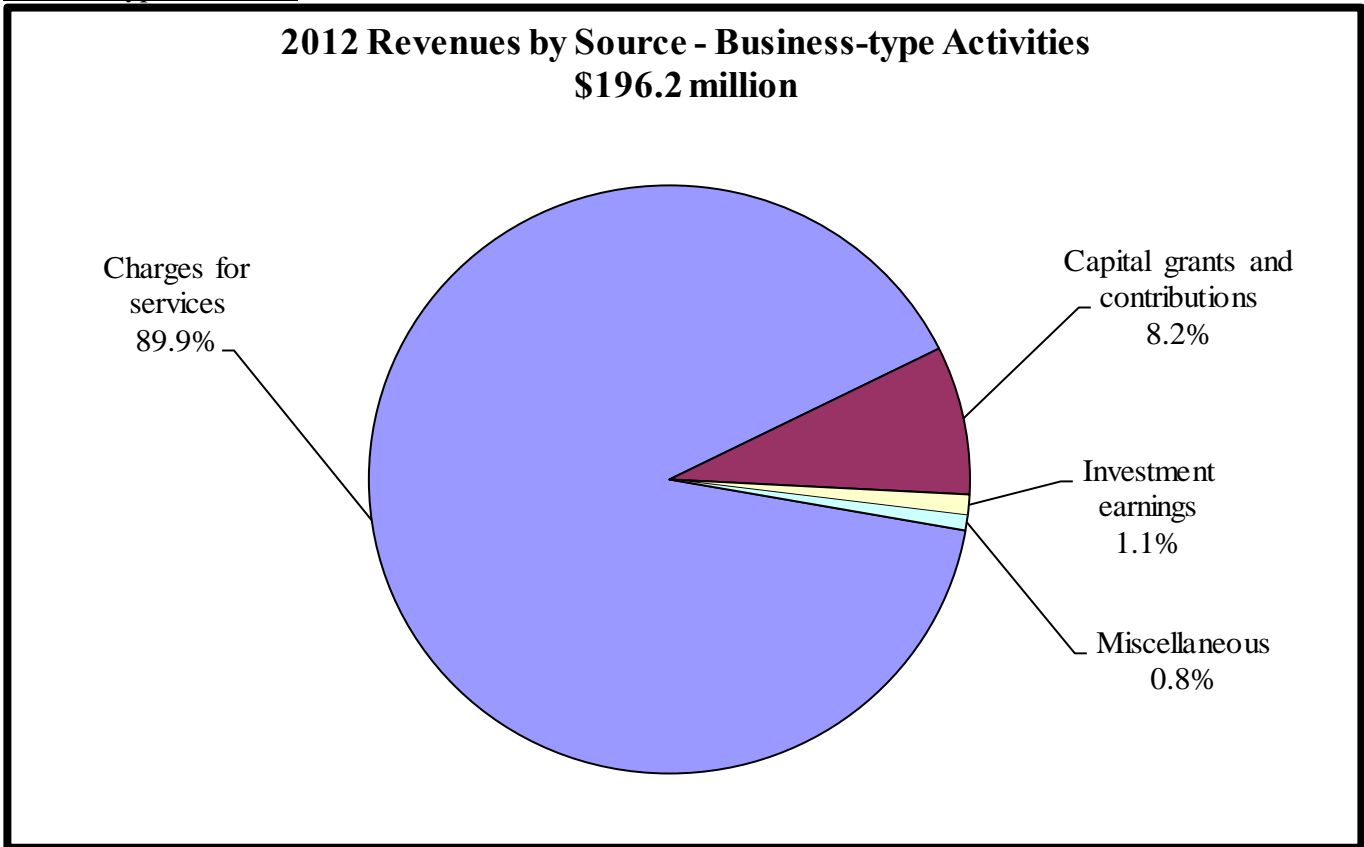
For more detailed information see the Statement of Activities on pages 30-31 of this report.

The above condensed summary of the City's governmental and business type activities for the period ended December 31, 2012 reflects net position increasing by \$85.0 million (5.9%). 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:



Governmental activities. Governmental activities increased the City's net position by \$55.0 million, accounting for 64.7% of the City's \$85.0 million overall increase in net position. Major variations are due to the following:

Charges for services for 2012 increased by \$4.2 million in 2012. Transportation is up due to increased activity in development because of the stronger economy. Building development charges account for increased revenues in street oversizing fees (\$1.9 million), traffic construction (\$.6 million), and construction inspections and development review fees (\$.3 million).

Operating grants and contributions decreased \$4.4 million in 2012. There was a decrease in the operating grants in the Transit fund of \$2.2 million as well as a decrease in Planning and Development of \$.9 million for the Alley Enhancement Project.

Capital grants and contributions increased \$16.9 million in 2012. This is due to an increase in the Transportation grants, specifically the Mason Street Corridor project.

Sales and use tax collections increased \$12.1 million from 2011 collections. Part of this increase is due to the collection of the new Keep Fort Collins Great sales tax which went into effect in January 2011. This special revenue fund contributed a \$1.9 million increase in sales tax revenue in 2012. The additional remaining amount is due to the economic rebound and sales and use tax regular increased collections.

The governmental funds had a \$9.8 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 in this category with Keep Fort Collins Great initiatives in Economic Health and other high performing government categories.

There was a \$4.3 million increase in public safety expenditures in 2012. These are directly related to the Keep Fort Collins Great initiatives specifically for public safety and hiring additional officers that were on staff for the entire year in 2012.

There was a \$3.7 million increase in transportation expenditures. This increase is directly related to the Keep Fort Collins Great initiatives (\$1.4 million) as well as increased street maintenance (\$.3 million). There was also \$1.5 million spent on the I-25/State Highway 392 interchange improvement project.

Business-type activities. Business-type activities in the utility funds increased the City's net position by \$30.0 million, accounting for 35.3% of the City's \$85.0 million increase in net position. Major variations are due to the following:

Charges for services in the business-type activities totaled \$176.4 million for an increase of \$15.5 million (9.6%) from 2011 to 2012. Light and Power operating revenues increased 9% due to an 8.3% retail rate increase in 2012 and a small increase in kilowatt-hour sales. Water operating revenues increased 17.5% compared to 2011. The large increase is due to both a 6% water rate increase and the increase in outdoor demand due to hot summer temperatures. Wastewater operating revenues increased 9.4% from 2011, largely due to the 8% rate increase. Storm drainage rates remained unchanged in 2012 and the fund's revenues increased 0.9% due to modest customer growth.

Other Utility revenues totaled \$19.8 million an increase of \$3.6 million compared to 2011. Increases in utilities revenues include: contributions, plant investment fees and development fees increased by \$3.4 million compared to 2011 due to an increase in development activity; and \$2.4 million increase in Light and Power grant revenue associated with the Smart Grid Investment Grant. Total Light and Power grant revenues were offset with reductions in other State and Federal grant revenues.

Total business-type expenses totaled \$150.3 million in 2012, an increase of \$8.2 million compared to 2011. Purchase power in the Light and Power Fund accounts for \$4.7 million of the increase. The purchase power increase is a result of a 6.4% rate increase from Platte River Power Authority and increased energy

and demand in 2012. Water Fund expenses increased \$2.2 million, largely due to the \$1.3 million mitigation efforts for the High Park Fire. Payment to the General Fund in lieu of taxes increased \$0.8 million due to increases in Light and Power, Water, and Wastewater operating revenues.

### Financial Analysis of the City's Funds

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

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

At December 31, 2012, the total Governmental fund balances were \$142.7 million, an increase of \$20.9 million (17.2%) compared to the prior year. There was \$13.8 million non-spendable, restricted was \$52.5 million, committed was \$31.1 million, assigned was \$35.9 million, and unassigned was \$9.4 million. The explanations for these restrictions are contained in the Notes to the Basic Financial Statements, section III.F.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The fund experienced a net increase of \$.3 million which resulted in a December 31, 2012 fund balance of \$20.4 million. Restricted was \$16.9 million for voter approved projects and assigned was \$3.5 million. The largest capital project expenditures were: \$1.3 million for the Fort Collins Museum/Discovery Center Facility; \$15.3 million for the Mason Street Transportation Corridor; and \$6.2 million for improvements along North College from Vine to Conifer.

The General Fund is the chief operating fund of the City. At December 31, 2012, the total fund balance was \$55.3 million. The spendable fund balance was \$46.8 million. The General Fund increased \$15.1 million in 2012 primarily due to higher taxes collected of \$8.0 million and a one-time transfer from the Sales & Use Tax Fund for \$5.9 million.

The Keep Fort Collins Great Special Revenue Fund is a new major governmental fund of the City as of 2011. As of December 31, 2012, the total fund balance which is restricted due to voter constraints was \$10.3 million. This is an increase of \$4.0 million due to the higher sales tax revenue of \$1.9 million from last year. Also, there are various construction projects that are currently in process that were not completed at the end of 2012.

The Transportation Services Special Revenue Fund is another major governmental fund of the City. As of December 31, 2012, the fund balance was \$13.6 million. It increased by \$.4 million. The increase is primarily due to larger revenue collected in sales tax and collections of charges for services. The fund balance consisted of \$.9 million restricted for Civic Center Parking Structure and assigned was \$12.7 million.

The Urban Renewal Authority Fund primary purpose is to remedy blight by stimulating and leveraging private capital investment, using tax increment financing in private development projects and public improvement projects. The December 31, 2012 fund balance was an unassigned negative \$14.5 million and \$5.3 million was non-spendable. 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 position balances and the growth in net position of the City's proprietary funds (including the major enterprise funds) are reflected in the following table.

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

<u>Proprietary Funds</u>	Unrestricted Net Position at 12/31/12	Change in Net Position for Year Ended 12/31/12
Light & Power	\$ 53,399	\$ 11,109
Water	72,623	7,711
Wastewater	30,894	5,906
Storm Drainage	17,259	7,090
Total of Major Enterprise Funds	174,175	31,816
Other Enterprise Fund - Golf	603	326
Total Enterprise Funds	174,778	32,142
Internal Service Funds	22,184	(387)
Total Proprietary Funds	<u>\$ 196,962</u>	<u>\$ 31,755</u>

General Fund Budgetary Highlights

The final budget appropriations were \$9.4 million higher than the original budget appropriations. They are summarized below:

The 2012 ordinances created new budget appropriations for the following items: \$8.6 million for purchase orders that were carried forward from 2011 and \$2.0 million for police department programs including the radio replacement project.

The variance between actual expenditures and the final budget amounted to \$6.8 million (7.2%) in unspent appropriations. There were significant spending reductions across the City due to budget constraints and the difficult economy in prior years. This philosophy has been maintained for accountability to the citizens.

The decreased expenditures in the general government were primarily due to the following: The Affordable Housing Trust and Human Services Program had \$1.1 million unspent appropriations due to timing regarding their fiscal year ending in September and the new budget cycle starting in October; \$1.6 million in unspent appropriations in facility support services and maintenance; \$1.5 million unspent in contingency and pending lease purchase equipment; and \$1.5 million in police services due to timing of hiring new officers.

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, 2012 amounted to \$1,308.5 million (net of accumulated depreciation). This was an increase of \$52.2 million (4.2%). This investment in capital assets includes land, water rights, buildings and improvements, machinery, equipment, and light & power, water, wastewater and storm drainage infrastructure as well as street system infrastructure.

The City has elected to use the modified approach for infrastructure reporting of its street system infrastructure. The City completes assessments of its entire street system on a 3 year cycle. The most recent 3 year assessment was completed as of December 31, 2012. It resulted in a Pavement Condition Index (PCI) rating of 71. It met the City's policy of achieving a good (Level of Service B) rating. For 2012, the City spent \$14.3 million on its street maintenance program as compared to \$14.3 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	
	2012	2011	2012	2011	2012	2011
Land, rights of way, water rights, other	\$ 203,022	\$ 202,339	\$ 67,989	\$ 65,510	\$ 271,011	\$ 267,849
Street system infrastructure	265,485	259,055	-	-	265,485	259,055
Construction in progress	54,466	45,071	88,308	60,408	142,774	105,479
Infrastructure	8,612	8,101	-	-	8,612	8,101
Buildings and improvements	92,882	95,162	139,766	144,433	232,648	239,595
Improvements other than buildings	59,610	46,186	291,663	292,889	351,273	339,075
Machinery and equipment	22,897	23,437	13,815	13,676	36,712	37,113
<b>Total capital assets</b>	<b>\$ 706,974</b>	<b>\$ 679,351</b>	<b>\$ 601,541</b>	<b>\$ 576,916</b>	<b>\$ 1,308,515</b>	<b>\$ 1,256,267</b>

Major capital improvements during this fiscal year included the following:

Governmental Activities

Completed in 2012:

- Additions to Street Infrastructure - \$6.4 million
- Turnberry Road Improvements - \$1.5 million
- Police Computer Aided Dispatch Replacement - \$1.0 million
- Mason/Troutman Underpass - \$1.2 million

Other capital assets in 2012:

- Fort Collins Science Discovery Center Facility - accumulated costs to date - \$13.4 million
- Bridge Replacement Projects - accumulated costs to date - \$5.6 million
- Mason Street Transportation Corridor - accumulated costs to date - \$27.7 million

Proprietary Activities

Completed in 2012:

- Various Subdivision and Equipment Upgrade Projects - \$7.8 million
- Various Water Rights - \$1.2 million
- Forney Property Acquisition - \$1.1 million

Other capital assets in 2012:

- Smart Grid Investment Grant Project – accumulated costs to date - \$18.1 million
- Advanced Metering Infrastructure – accumulated costs to date - \$3.1 million
- Mulberry Wastewater Redundancy Project – accumulated costs to date - \$6.9 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 \$139.0 million (bonds, certificates of participation, capital leases, etc.). This was a decrease of \$14.1 million (9.2%). Of this amount, \$90.0 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The remaining \$49.0 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		Business-type		Total	
	Activities		Activities		Primary Government	
	2012	2011	2012	2011	2012	2011
Revenue bonds	\$ -	\$ 340	\$ 90,007	\$ 100,380	\$ 90,007	\$ 100,720
Certificates of participation	41,845	45,870	1,095	1,230	42,940	47,100
Assignment of lease payments	501	545	1,594	1,734	2,095	2,279
Capital leases	3,719	2,755	208	245	3,927	3,000
Total outstanding debt	<u>\$ 46,065</u>	<u>\$ 49,510</u>	<u>\$ 92,904</u>	<u>\$ 103,589</u>	<u>\$ 138,969</u>	<u>\$ 153,099</u>

Additional information on the City's long-term obligations can be found in Note III.E on pages 65-73 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 sent to the Controller/Assistant Financial Officer's attention at the following address:

Controller/Assistant Financial Officer  
215 North Mason Street 2nd Floor  
PO Box 580  
Fort Collins, CO 80522-0580

## **BASIC FINANCIAL STATEMENTS**

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**STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

	Primary Government – City of Fort Collins			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,026,391	\$ 18,195,164	\$ 38,221,555	\$ 734,849
Investments	139,645,519	148,483,210	288,128,729	6,076,092
Receivables:				
Property taxes	18,564,143	-	18,564,143	3,376,383
Sales and use taxes	11,093,899	-	11,093,899	-
Accounts	3,950,348	20,774,255	24,724,603	-
Notes	5,553,939	775,948	6,329,887	-
Interest	368,373	392,167	760,540	45,354
Prepaid	220,624	-	220,624	869
Internal Balances component unit	35,000	-	35,000	(35,000)
Internal Balances	1,824,566	(1,824,566)	-	-
Due from other governments	8,039,728	-	8,039,728	3,472
Inventories of materials and supplies	579,355	4,277,940	4,857,295	-
Inventory of real property held for resale	2,896,665	-	2,896,665	135,464
Restricted cash and cash equivalents	189,629	995,383	1,185,012	-
Restricted investments	-	-	-	1,250,000
Investment in joint venture	11,262,355	-	11,262,355	-
Capital assets (non-depreciable)	522,973,317	156,297,802	679,271,119	2,528,747
Capital assets (net of accumulated depreciation)	184,000,574	445,242,852	629,243,426	2,853,874
<b>Total Assets</b>	<b>931,224,425</b>	<b>793,610,155</b>	<b>1,724,834,580</b>	<b>16,970,104</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	1,580,488	1,021,591	2,602,079	-
<b>Total Deferred outflows of resources</b>	<b>1,580,488</b>	<b>1,021,591</b>	<b>2,602,079</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	15,217,831	15,204,355	30,422,186	19,121
Interest payable	99,611	330,794	430,405	52,050
Wages payable	1,780,827	721,116	2,501,943	10,035
Due to other governments	142,284	-	142,284	-
Unearned revenue	1,457,767	-	1,457,767	-
Deposits held	154,730	-	154,730	-
Non-Current liabilities				
Due within one year	12,349,980	12,863,595	25,213,575	1,298,537
Due in more than one year	48,138,952	83,686,933	131,825,885	10,510,000
<b>Total Liabilities</b>	<b>79,341,982</b>	<b>112,806,793</b>	<b>192,148,775</b>	<b>11,889,743</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	18,564,143	-	18,564,143	3,376,383
Deferred charge on refunding	28,426	17,049	45,475	-
<b>Total Deferred inflows of resources</b>	<b>18,592,569</b>	<b>17,049</b>	<b>18,609,618</b>	<b>3,376,383</b>
<b>NET POSITION</b>				
Net investment in capital assets	662,460,759	508,284,136	1,170,744,895	5,382,621
Restricted for:				
Debt service	-	995,383	995,383	2,045,581
Capital projects	30,133,326	-	30,133,326	-
Gifts and grants	9,896,717	-	9,896,717	-
Agreements	7,686,443	-	7,686,443	-
Emergencies	4,749,415	-	4,749,415	-
Unrestricted (deficit)	119,943,702	172,528,385	292,472,087	(5,724,224)
<b>Total Net Position</b>	<b>\$ 834,870,362</b>	<b>\$ 681,807,904</b>	<b>\$ 1,516,678,266</b>	<b>\$ 1,703,978</b>

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

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/ PROGRAM ACTIVITIES:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 34,645,130	\$ 6,457,507	\$ 67,816	\$ 660,803
Public safety	55,632,682	1,547,571	1,070,630	408,522
Culture, parks, recreation and natural areas	32,448,138	7,680,496	1,437,746	5,907,521
Planning and development	9,502,115	2,578,729	2,901,808	-
Transportation	42,249,356	11,147,242	3,806,079	24,701,346
Interest on long-term debt	2,147,891	-	-	-
<b>Total Governmental Activities</b>	<b>176,625,312</b>	<b>29,411,545</b>	<b>9,284,079</b>	<b>31,678,192</b>
<b>Business-type Activities:</b>				
Light & Power	101,512,579	109,776,481	4,018	8,975,333
Water	22,169,293	28,553,350	-	3,448,556
Wastewater	15,871,937	20,881,700	-	2,119,535
Storm Drainage	8,118,557	14,081,535	2,077	1,435,625
Golf	2,660,508	3,096,231	-	-
<b>Total Business-type Activities</b>	<b>150,332,874</b>	<b>176,389,297</b>	<b>6,095</b>	<b>15,979,049</b>
<b>Total Primary Government</b>	<b>326,958,186</b>	<b>205,800,842</b>	<b>9,290,174</b>	<b>47,657,241</b>
<b>Component Unit:</b>				
Downtown Development Authority	\$ 6,096,130	\$ 40,436	\$ 43,518	\$ -

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

<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government - City of Fort Collins</b>				
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
	\$ (27,459,004)	\$	\$ (27,459,004)	\$
	(52,605,959)		(52,605,959)	
	(17,422,375)		(17,422,375)	
	(4,021,578)		(4,021,578)	
	(2,594,689)		(2,594,689)	
	(2,147,891)		(2,147,891)	
	<u>(106,251,496)</u>		<u>(106,251,496)</u>	
		17,243,253	17,243,253	
		9,832,613	9,832,613	
		7,129,298	7,129,298	
		7,400,680	7,400,680	
		435,723	435,723	
	-	42,041,567	42,041,567	
	<u>(106,251,496)</u>	<u>42,041,567</u>	<u>(64,209,929)</u>	
				<u>(6,012,176)</u>
General Revenues				
Sales & use taxes	109,732,062	-	109,732,062	-
Property taxes	18,187,824	-	18,187,824	3,123,150
Occupational privilege taxes	2,559,562	-	2,559,562	-
Lodging taxes	1,011,840	-	1,011,840	-
Intergovernmental not restricted to programs	10,680,931	-	10,680,931	-
Investment earnings	1,997,855	2,227,344	4,225,199	106,391
Miscellaneous	1,246,356	1,612,961	2,859,317	(1,268,279)
Transfers	15,836,538	(15,836,538)	-	-
Total general revenues and transfers	<u>161,252,968</u>	<u>(11,996,233)</u>	<u>149,256,735</u>	<u>1,961,262</u>
Changes in Net Position	55,001,472	30,045,334	85,046,806	(4,050,914)
Net Position--January 1, as restated	<u>779,868,890</u>	<u>651,762,570</u>	<u>1,431,631,460</u>	<u>5,754,892</u>
Net Position--December 31	<u>\$ 834,870,362</u>	<u>\$ 681,807,904</u>	<u>\$ 1,516,678,266</u>	<u>\$ 1,703,978</u>

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2012**

	Primary Government						
	General	Keep Fort Collins Great	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,618,195	\$ 993,598	\$ 1,332,277	\$ 2,115,633	\$ 188,489	\$ 5,214,946	\$ 14,463,138
Investments	37,886,483	8,170,148	10,770,182	17,477,491	1,558,040	43,290,381	119,152,725
Receivables							
Property taxes	16,956,773	-	-	-	1,310,908	296,462	18,564,143
Sales and use taxes	6,876,155	2,240,677	659,022	-	-	1,318,045	11,093,899
Accounts, net	762,468	-	1,713,316	383,039	-	415,923	3,274,746
Notes and loans	125,000	-	-	-	5,303,939	125,000	5,553,939
Interest	96,144	19,359	28,804	46,852	4,555	118,731	314,445
Prepaid item	200	-	150	-	-	6,914	7,264
Due from component unit	35,000	-	-	-	-	-	35,000
Advances to other funds	5,496,830	-	-	2,700,000	-	4,834,743	13,031,573
Due from other governments	72,569	-	311,796	7,086,531	-	560,586	8,031,482
Inventory of real property held for resale	2,896,665	-	-	-	-	-	2,896,665
Restricted - cash and cash equivalents	16,474	-	79,573	-	-	-	96,047
<b>Total Assets</b>	<b>75,838,956</b>	<b>11,423,782</b>	<b>14,895,120</b>	<b>29,809,546</b>	<b>8,365,931</b>	<b>56,181,731</b>	<b>196,515,066</b>
<b>LIABILITIES</b>							
Accounts payable, accruals, and other	2,501,088	1,016,749	915,241	7,887,836	37,796	1,615,279	13,973,989
Wages payable	982,193	104,185	202,299	10,666	2,599	313,883	1,615,825
Due to other governments	45,701	-	2,147	-	-	94,436	142,284
Unearned revenue	100,436	-	-	-	-	1,355,586	1,456,022
Advance from other funds	-	-	-	-	16,242,029	-	16,242,029
Deposits held	-	-	-	-	-	154,730	154,730
<b>Total Liabilities</b>	<b>3,629,418</b>	<b>1,120,934</b>	<b>1,119,687</b>	<b>7,898,502</b>	<b>16,282,424</b>	<b>3,533,914</b>	<b>33,584,879</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	16,956,773	-	-	-	1,310,908	296,462	18,564,143
Unavailable revenue - grants	-	-	166,084	1,506,364	-	17,000	1,689,448
<b>Total Deferred inflows of resources</b>	<b>16,956,773</b>	<b>-</b>	<b>166,084</b>	<b>1,506,364</b>	<b>1,310,908</b>	<b>313,462</b>	<b>20,253,591</b>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	8,518,695	-	150	-	5,303,939	6,914	13,829,698
Restricted	9,750,613	10,302,848	898,005	16,939,691	-	14,574,744	52,465,901
Committed	588,567	-	-	-	-	30,542,811	31,131,378
Assigned	12,439,252	-	12,711,194	3,464,989	-	7,270,589	35,886,024
Unassigned	23,955,638	-	-	-	(14,531,340)	(60,703)	9,363,595
<b>Total Fund Balances (Deficit)</b>	<b>55,252,765</b>	<b>10,302,848</b>	<b>13,609,349</b>	<b>20,404,680</b>	<b>(9,227,401)</b>	<b>52,334,355</b>	<b>142,676,596</b>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 75,838,956	\$ 11,423,782	\$ 14,895,120	\$ 29,809,546	\$ 8,365,931	\$ 56,181,731	\$ 196,515,066

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 POSITION  
DECEMBER 31, 2012**

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

Total fund balances - governmental funds (page 32)	<b>\$ 142,676,596</b>
Capital assets of \$819,542,534 net of accumulated depreciation of \$117,163,959 used in governmental activities are not financial resources, therefore, are not reported in the funds.	702,378,575
City's joint venture equity interest in Fort Collins/Loveland Airport.	11,262,355
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,689,448
Internal service fund allocated to business type activities	5,035,021
Long-term liabilities are not due and payable in the current period and therefore are not reported in funds:	
Interest payable	(94,423)
Certificates of Participation	(41,845,000)
Assignment of lease	(501,222)
Deferred charge on refunding, net	1,552,062
Capital lease	(1,337,304)
Compensated absences	(4,610,925)
Net pension obligation	(2,765,738)
Postemployment healthcare obligation	<u>(1,246,252)</u>
	(50,848,802)
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/deferred outflows of resources and liabilities/deferred inflows of resources of the internal service funds are included in the governmental activities in the statement of net position.	<u>22,677,169</u>
Net position of governmental activities (page 29)	<b><u>\$ 834,870,362</u></b>

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, 2012**

	Primary Government						
	General	Keep Fort Collins Great	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
<b>REVENUES</b>							
Taxes	\$ 88,612,237	\$ 21,752,164	\$ 6,629,784	\$ -	\$ 918,817	\$ 13,578,286	\$ 131,491,288
Licenses and permits	1,999,017	-	184,664	-	-	-	2,183,681
Intergovernmental	10,960,401	-	7,287,170	23,279,223	-	11,664,868	53,191,662
Fees and charges for services	8,161,064	-	6,843,476	-	-	15,737,957	30,742,497
Fines and forfeitures	2,782,990	-	-	-	-	-	2,782,990
Earnings on investments	420,237	93,656	138,442	224,165	109,283	768,356	1,754,139
Miscellaneous revenue	1,935,069	-	115,322	749,845	-	1,423,409	4,223,645
<b>Total Revenues</b>	<b>114,871,015</b>	<b>21,845,820</b>	<b>21,198,858</b>	<b>24,253,233</b>	<b>1,028,100</b>	<b>43,172,876</b>	<b>226,369,902</b>
<b>EXPENDITURES</b>							
Current operating							
Police services	31,554,774	2,956,790	-	-	-	-	34,511,564
Financial services	3,166,784	20,697	-	-	-	-	3,187,481
Community and operation	16,206,925	2,686,024	-	126,885	-	17,023,545	36,043,379
Planning, development and transportation	5,854,179	8,278,794	20,416,748	1,505,730	-	9,341,088	45,396,539
Executive, legislative, and judicial	4,589,435	49,816	-	-	-	-	4,639,251
Employee and communications	2,342,929	106,380	-	-	-	-	2,449,309
Sustainability services	2,915,438	784,820	-	-	495,428	2,900,588	7,096,274
Other	1,404,327	-	-	35,961	-	241,424	1,681,712
Intergovernmental							
Fire protection	16,931,807	2,116,653	-	-	-	234,353	19,282,813
Capital outlay	1,716,333	750,112	5,027,286	27,785,512	-	3,076,993	38,356,236
Debt service							
Principal	76,265	95,796	184,566	3,058,612	-	3,552,355	6,967,594
Interest and debt service costs	174,628	10,469	35,625	113,218	281,631	1,883,107	2,498,678
<b>Total Expenditures</b>	<b>86,933,824</b>	<b>17,856,351</b>	<b>25,664,225</b>	<b>32,625,918</b>	<b>777,059</b>	<b>38,253,453</b>	<b>202,110,830</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,937,191	3,989,469	(4,465,367)	(8,372,685)	251,041	4,919,423	24,259,072
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	6,952,904	-	4,935,765	9,476,318	-	20,415,807	41,780,794
Transfers out	(19,954,954)	-	(642,075)	(808,139)	(2,700,000)	(21,924,842)	(46,030,010)
Certificates of Participation COPS issued	-	-	-	-	-	34,395,000	34,395,000
Capital leases	150,500	-	546,600	-	-	-	697,100
Payments to refunded bond escrow agent	-	-	-	-	-	(34,395,000)	(34,395,000)
Sale of capital assets	-	-	13,850	-	-	166,885	180,735
<b>Total Other Financing Sources (Uses)</b>	<b>(12,851,550)</b>	<b>-</b>	<b>4,854,140</b>	<b>8,668,179</b>	<b>(2,700,000)</b>	<b>(1,342,150)</b>	<b>(3,371,381)</b>
Net Changes in Fund Balances (Deficit)	15,085,641	3,989,469	388,773	295,494	(2,448,959)	3,577,273	20,887,691
Fund Balances (Deficit)-January 1	40,167,124	6,313,379	13,220,576	20,109,186	(6,778,442)	48,757,082	121,788,905
Fund Balances (Deficit)-December 31	\$ 55,252,765	\$ 10,302,848	\$ 13,609,349	\$ 20,404,680	\$ (9,227,401)	\$ 52,334,355	\$ 142,676,596

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, 2012**

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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) **\$ 20,887,691**

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, \$38,356,236, exceeded depreciation, \$10,680,552, in the current period. 27,675,684

The net effect of various miscellaneous transactions involving capital assets:

Disposal	(277,151)	
Transfer of assets between governmental and business type activities	6,944	(270,207)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (280,215)

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 position, so this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities.

Principal payments	3,908,982	
Payment to escrow agent on COP refunding	37,453,612	
Debt payment made by DDA on behalf of the City	221,667	
Issuance of capital lease	(697,100)	
Issuance of refunding COPs	(34,395,000)	
Change in net pension obligation	(994,100)	
Change in postemployment healthcare benefits	(36,191)	
Change in compensated absences	(530,981)	
Amortization of premium, discount, deferred amount of refunding	204,777	
Interest expense	98,138	5,233,804

Expenses in Statement of Activities related to City's Equity in Joint Venture

Change in Non-Capital Equity position in Fort Collins/Loveland Airport	45,773
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Transfer of internal service fund net position from business type activities 1,189,284

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. 519,658

Change in net position of governmental activities (pages 30-31) **\$ 55,001,472**

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, 2012**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 88,612,237	\$ 81,365,000	\$ 85,288,800	\$ 3,323,437
Licenses and permits	1,999,017	1,509,500	1,509,500	489,517
Intergovernmental	10,960,401	9,669,446	10,353,322	607,079
Fees and charges for services	8,161,064	7,073,293	7,418,073	742,991
Fines and forfeitures	2,782,990	2,736,297	2,802,297	(19,307)
Earnings on investments	420,237	933,598	933,598	(513,361)
Miscellaneous revenue	1,935,069	977,725	1,223,151	711,918
Total Revenues	<u>114,871,015</u>	<u>104,264,859</u>	<u>109,528,741</u>	<u>5,342,274</u>
<b>EXPENDITURES</b>				
Current operating				
Police services	31,554,774	30,576,380	33,014,109	1,459,335
Financial services	3,166,784	3,175,633	3,229,996	63,212
Community and operation	16,206,925	16,669,721	17,786,796	1,579,871
Planning, development and transportation	5,854,179	5,138,228	6,016,450	162,271
Executive, legislative, and judicial	4,589,435	4,301,247	4,771,756	182,321
Employee and communications	2,342,929	2,562,773	2,773,432	430,503
Sustainability services	2,915,438	2,555,430	3,985,703	1,070,265
Other	1,404,327	1,722,791	2,882,288	1,477,961
Intergovernmental				
Fire protection	16,931,807	16,773,798	16,931,807	-
Capital Outlay	1,716,333	293,003	2,214,287	497,954
Debt Service				
Principal	76,265	502,232	103,951	27,686
Interest and debt service costs	174,628	21,895	576	(174,052)
Total Expenditures	<u>86,933,824</u>	<u>84,293,131</u>	<u>93,711,151</u>	<u>6,777,327</u>
Excess of Revenues Over Expenditures	<u>27,937,191</u>	<u>19,971,728</u>	<u>15,817,590</u>	<u>12,119,601</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of long-term debt	150,500	-	150,500	-
Transfers in	6,952,904	1,055,686	8,133,300	(1,180,396)
Transfers out	(19,954,954)	(19,909,624)	(20,002,624)	47,670
Total Other Financing Sources (Uses)	<u>(12,851,550)</u>	<u>(18,853,938)</u>	<u>(11,718,824)</u>	<u>(1,132,726)</u>
Net Change in Fund Balances	15,085,641	<u>\$ 1,117,790</u>	<u>\$ 4,098,766</u>	<u>\$ 10,986,875</u>
Fund Balances--January 1	<u>40,167,124</u>			
Fund Balances--December 31	<u>\$ 55,252,765</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 (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 21,752,164	\$ 19,959,000	\$ 20,642,400	\$ 1,109,764
Earnings on investments	93,656	-	-	93,656
Total Revenues	<u>21,845,820</u>	<u>19,959,000</u>	<u>20,642,400</u>	<u>1,203,420</u>
<b>EXPENDITURES</b>				
Programs				
Street Maintenance	6,404,948	6,349,959	6,350,360	(54,588)
Other Street and Transportation	1,722,741	1,955,647	2,655,118	932,377
Police Services	3,069,240	3,179,000	3,303,352	234,112
Fire Protection	2,116,653	2,116,653	2,116,653	-
Parks and Recreation	1,962,437	1,936,145	2,092,204	129,767
Other	1,880,372	2,160,676	2,626,708	746,336
Total Programs	<u>17,156,391</u>	<u>17,698,080</u>	<u>19,144,395</u>	<u>1,988,004</u>
Projects (project level of budgetary control)				
Trail Acquisition and Development	321,000	-	321,000	-
Spring Canyon - Veteran's Plaza	25,000	-	25,000	-
Fort Collins Bikes Programs	55,230	-	80,013	24,783
City Bridge Program	467,120	-	2,483,931	2,016,811
Pedestrian Access	101,477	-	260,000	158,523
North College Improvements-Conifer/Wilcox	25,348	-	326,481	301,133
Total Projects	<u>995,175</u>	<u>-</u>	<u>3,496,425</u>	<u>2,501,250</u>
Total Expenses	<u>18,151,566</u>	<u>17,698,080</u>	<u>22,640,820</u>	<u>4,489,254</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Reconciling Items	3,694,254	<u>\$ 2,260,920</u>	<u>\$ (1,998,420)</u>	<u>\$ 5,692,674</u>
<b>RECONCILIATION TO GAAP BASIS</b>				
Prior Years' Project Expenses	<u>295,215</u>			
Total Reconciling Items	<u>295,215</u>			
Net Change in Fund Balances	3,989,469			
Fund Balances--January 1	<u>6,313,379</u>			
Fund Balances--December 31	<u>\$ 10,302,848</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, 2012**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUES</b>						
Taxes	\$ 6,629,784	\$ -	\$ 6,629,784	\$ 5,896,500	\$ 6,268,467	\$ 361,317
Licenses and permits	184,664	-	184,664	146,515	146,515	38,149
Intergovernmental	7,287,170	-	7,287,170	7,429,706	7,429,706	(142,536)
Fees and charges for services	6,843,476	-	6,843,476	5,211,864	5,611,864	1,231,612
Earnings on investments	138,442	-	138,442	229,057	229,057	(90,615)
Miscellaneous revenue	115,322	-	115,322	42,082	42,082	73,240
Total Revenues	<u>21,198,858</u>	<u>-</u>	<u>21,198,858</u>	<u>18,955,724</u>	<u>19,727,691</u>	<u>1,471,167</u>
<b>EXPENDITURES</b>						
Programs (fund level of budgetary control)						
Comm Dev & Neighborhood Svcs	387,897	-	387,897	449,655	444,711	56,814
PDT Administration	47,024	-	47,024	-	86,000	38,976
Transportation services administration	177,964	-	177,964	121,888	122,798	(55,166)
Harmony road	4,873,033	-	4,873,033	2,782,313	5,034,618	161,585
Pavement management	7,915,462	-	7,915,462	7,787,345	7,976,096	60,634
Streets	5,183,981	-	5,183,981	5,035,054	5,251,485	67,504
Engineering	1,649,183	-	1,649,183	1,774,360	1,735,043	85,860
Traffic	3,597,920	-	3,597,920	2,693,947	3,743,808	145,888
Parking	1,116,145	-	1,116,145	1,256,222	1,331,929	215,784
Planning	413,628	-	413,628	463,033	548,315	134,687
Total Programs	<u>25,362,237</u>	<u>-</u>	<u>25,362,237</u>	<u>22,363,817</u>	<u>26,274,803</u>	<u>912,566</u>
Projects (level of budgetary control)						
FC Bikes	83,693	311,222	394,915	419,161	419,161	24,246
Bike Library	67,951	97,841	165,792	165,792	165,792	-
Traffic Signal System Software	64,199	-	64,199	248,000	248,000	183,801
CDOT SR2S	14,474	73,772	88,246	88,250	88,250	4
Safe Routes to School	71,671	-	71,671	177,476	177,476	105,805
Total Grants	<u>301,988</u>	<u>482,835</u>	<u>784,823</u>	<u>1,098,679</u>	<u>1,098,679</u>	<u>313,856</u>
Total Expenditures	<u>25,664,225</u>	<u>482,835</u>	<u>26,147,060</u>	<u>23,462,496</u>	<u>27,373,482</u>	<u>262,843</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,465,367)</u>	<u>(482,835)</u>	<u>(4,948,202)</u>	<u>(4,506,772)</u>	<u>(7,645,791)</u>	<u>2,697,589</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in:						
General Fund	4,654,765	-	4,654,765	4,734,724	4,781,337	(126,572)
Storm Water	215,000	-	215,000	215,000	215,000	-
Sales and Use Tax- Pvmnt Mgmt	66,000	-	66,000	66,000	66,000	-
Transfers out:						
Debt Service Fund	(490,469)	-	(490,469)	(490,469)	(490,469)	-
Capital Projects Fund	(151,606)	-	(151,606)	-	(800,358)	648,752
Proceeds from Lease Purchase	546,600	-	546,600	-	546,600	-
Sale of capital assets	13,850	-	13,850	32,000	32,000	(18,150)
Total Other Financing Sources (Uses)	<u>4,854,140</u>	<u>-</u>	<u>4,854,140</u>	<u>4,557,255</u>	<u>4,350,110</u>	<u>504,030</u>
Net Change in Fund Balances	388,773	<u>\$ (482,835)</u>	(94,062)	<u>\$ 50,483</u>	<u>\$ (3,295,681)</u>	<u>\$ 3,201,619</u>
Fund Balances--January 1	13,220,576		13,220,576			
Plus Prior Years' Project Expenditures			482,835			
Fund Balances--December 31	<u>\$ 13,609,349</u>		<u>\$ 13,609,349</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 (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes	\$ 918,817	\$ 913,815	\$ 913,815	\$ 5,002
Earnings on investments	109,283	109,500	109,500	(217)
Total Revenues	<u>1,028,100</u>	<u>1,023,315</u>	<u>1,023,315</u>	<u>4,785</u>
<b>EXPENDITURES</b>				
Sustainability Services	495,428	582,248	582,248	86,820
Interest	281,631	281,631	281,631	-
Total Expenditures	<u>777,059</u>	<u>863,879</u>	<u>863,879</u>	<u>86,820</u>
Excess of Revenues Over Expenditures	<u>251,041</u>	<u>159,436</u>	<u>159,436</u>	<u>91,605</u>
<b>OTHER FINANCING (USES)</b>				
Payments on advances	(363,665)	-	-	(363,665)
Transfers out:				
Capital Projects Fund	(2,700,000)	-	(2,770,000)	70,000
Total Other Financing (Uses)	<u>(3,063,665)</u>	<u>-</u>	<u>(2,770,000)</u>	<u>(293,665)</u>
Net Change	(2,812,624)	<u>\$ 159,436</u>	<u>\$ (2,610,564)</u>	<u>\$ (202,060)</u>
<b>RECONCILIATION TO GAAP BASIS</b>				
Payments on Advances	<u>363,665</u>			
Total Reconciling Items	<u>363,665</u>			
Net Change in Fund Balances	(2,448,959)			
Fund Balances--January 1	<u>(6,778,442)</u>			
Fund Balances--December 31	<u>\$ (9,227,401)</u>			

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

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

	Light and Power	Water	Wastewater	Storm Drainage
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 5,205,756	\$ 7,500,336	\$ 3,177,194	\$ 1,747,332
Investments	42,273,529	61,881,438	26,237,392	14,403,291
Receivables				
Accounts, net	13,224,623	2,630,263	2,936,043	1,963,680
Note receivable	79,603	425,000	-	-
Interest	112,030	163,169	69,546	37,091
Prepaid item	-	-	-	-
Due from other governments	-	-	-	-
Inventories of materials and supplies	4,277,940	-	-	-
Total Current Assets	<u>65,173,481</u>	<u>72,600,206</u>	<u>32,420,175</u>	<u>18,151,394</u>
Non-Current Assets				
Advance to other funds	-	2,883,983	-	326,472
Restricted - cash and cash equivalents	-	260,042	388,004	347,337
Land, water rights, other	1,878,377	51,328,566	3,217,675	8,698,750
Buildings, improvements and equipment	236,606,431	246,137,217	198,083,804	103,510,576
Accumulated depreciation	(133,941,956)	(107,553,961)	(73,876,440)	(28,947,164)
Construction in progress	33,447,438	15,116,483	18,162,401	21,582,137
Note receivable	171,345	100,000	-	-
Total Non-Current Assets	<u>138,161,635</u>	<u>208,272,330</u>	<u>145,975,444</u>	<u>105,518,108</u>
Total Assets	<u>203,335,116</u>	<u>280,872,536</u>	<u>178,395,619</u>	<u>123,669,502</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	193,771	144,302	683,518
Total Deferred Outflows of Resources	<u>-</u>	<u>193,771</u>	<u>144,302</u>	<u>683,518</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	10,841,776	2,361,806	782,440	942,749
Interest payable	45,594	62,713	117,713	91,413
Wages payable	221,351	154,842	113,748	51,357
Compensated absences	614,908	381,482	324,420	133,753
Bonds payable	1,550,804	2,659,999	3,308,272	3,095,920
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Unearned revenue	-	-	-	-
Total Current Liabilities	<u>13,274,433</u>	<u>5,620,842</u>	<u>4,646,593</u>	<u>4,315,192</u>
Non-Current Liabilities				
Postemployment healthcare benefits	222,325	-	187,847	-
Bonds payable	12,150,667	15,112,543	30,403,065	23,083,509
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Total Non-Current Liabilities	<u>12,372,992</u>	<u>15,112,543</u>	<u>30,590,912</u>	<u>23,083,509</u>
Total Liabilities	<u>25,647,425</u>	<u>20,733,385</u>	<u>35,237,505</u>	<u>27,398,701</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	124,288,818	187,449,534	112,020,405	79,348,388
Restricted: debt service	-	260,042	388,004	347,337
Restricted: fiscal agent	-	-	-	-
Unrestricted	53,398,873	72,623,346	30,894,007	17,258,594
Total Net Position	<u>\$ 177,687,691</u>	<u>\$ 260,332,922</u>	<u>\$ 143,302,416</u>	<u>\$ 96,954,319</u>

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

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

Net position of business-type activities (page 29).

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

<b>Non Major</b>		
<b>Enterprise Fund</b>	<b>Enterprise</b>	<b>Internal</b>
<b>Golf</b>	<b>Funds</b>	<b>Service Funds</b>
\$ 91,487	\$ 17,722,105	\$ 6,036,312
724,923	145,520,573	23,455,431
18,396	20,773,005	676,852
-	504,603	-
2,034	383,870	62,225
-	-	213,360
-	-	8,246
-	4,277,940	579,355
<u>836,840</u>	<u>189,182,096</u>	<u>31,031,781</u>
-	3,210,455	-
-	995,383	93,582
2,865,975	67,989,343	30,126
8,412,758	792,750,786	17,383,853
(3,879,034)	(348,198,555)	(12,128,042)
-	88,308,459	-
-	271,345	-
<u>7,399,699</u>	<u>605,327,216</u>	<u>5,379,519</u>
<u>8,236,539</u>	<u>794,509,312</u>	<u>36,411,300</u>
-	1,021,591	-
-	1,021,591	-
135,477	15,064,248	1,383,949
13,361	330,794	5,188
21,732	563,030	323,088
62,809	1,517,372	901,633
291,065	10,906,060	-
-	-	2,297,931
78,239	78,239	557,922
-	-	1,745
<u>602,683</u>	<u>28,459,743</u>	<u>5,471,456</u>
-	410,172	-
2,397,712	83,147,496	-
-	-	2,963,183
<u>129,264</u>	<u>129,264</u>	<u>1,823,746</u>
<u>2,526,976</u>	<u>83,686,932</u>	<u>4,786,929</u>
<u>3,129,659</u>	<u>112,146,675</u>	<u>10,258,385</u>
<u>17,049</u>	<u>17,049</u>	<u>-</u>
<u>17,049</u>	<u>17,049</u>	<u>-</u>
4,486,370	507,593,515	3,875,465
-	995,383	-
-	-	93,582
<u>603,461</u>	<u>174,778,281</u>	<u>22,183,868</u>
<u>\$ 5,089,831</u>	<u>683,367,179</u>	<u>\$ 26,152,915</u>
	3,475,746	
	(5,035,021)	
	<u>\$ 681,807,904</u>	



**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Light and Power</b>	<b>Water</b>	<b>Wastewater</b>	<b>Storm Drainage</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 108,634,479	\$ 28,325,535	\$ 20,809,026	\$ 14,051,297
Total Operating Revenues	<u>108,634,479</u>	<u>28,325,535</u>	<u>20,809,026</u>	<u>14,051,297</u>
<b>OPERATING EXPENSES</b>				
Personal services	6,545,285	5,975,279	4,801,381	2,053,894
Contractual services	9,701,076	5,810,268	3,892,897	939,079
Commodities	77,286,971	3,188,042	1,110,486	186,351
Customer service and administrative charges	4,272,291	3,243,872	1,642,200	1,843,573
Other	2,858,065	1,018,025	210,842	41,596
Depreciation	7,739,320	5,374,854	4,627,661	2,200,738
Total Operating Expenses	<u>108,403,008</u>	<u>24,610,340</u>	<u>16,285,467</u>	<u>7,265,231</u>
Operating Income (Loss)	<u>231,471</u>	<u>3,715,195</u>	<u>4,523,559</u>	<u>6,786,066</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Earnings on investments	566,783	952,937	468,178	183,526
Intergovernmental	5,564,701	-	-	489,577
Other revenue	1,395,604	291,436	103,868	30,255
Gain on sale of capital assets	194,540	42,400	19,026	26,199
Interest expense	(259,043)	(739,503)	(1,328,383)	(1,085,299)
Other nonoperating expenses	-	-	-	(68,892)
Total Nonoperating Revenues (Expenses)	<u>7,462,585</u>	<u>547,270</u>	<u>(737,311)</u>	<u>(424,634)</u>
Income (Loss) Before Contributions and Transfers	<u>7,694,056</u>	<u>4,262,465</u>	<u>3,786,248</u>	<u>6,361,432</u>
Capital contributions	3,414,650	3,448,556	2,119,535	948,125
Transfers in	-	-	-	-
Transfers out	-	-	-	(220,000)
Change in Net Position	<u>11,108,706</u>	<u>7,711,021</u>	<u>5,905,783</u>	<u>7,089,557</u>
Net Position--January 1, as restated	<u>166,578,985</u>	<u>252,621,901</u>	<u>137,396,633</u>	<u>89,864,762</u>
Net Position--December 31	<u>\$ 177,687,691</u>	<u>\$ 260,332,922</u>	<u>\$ 143,302,416</u>	<u>\$ 96,954,319</u>

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

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

Change in net position of business-type activities (pages 30-31)

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

<b>Non Major Enterprise</b>		
<b>Fund Golf</b>	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
\$ 3,076,851	\$ 174,897,188	\$ 45,013,325
<u>3,076,851</u>	<u>174,897,188</u>	<u>45,013,325</u>
1,167,624	20,543,463	14,430,138
796,710	21,140,030	27,767,599
431,703	82,203,553	7,375,411
-	11,001,936	-
-	4,128,528	379,766
<u>272,458</u>	<u>20,215,031</u>	<u>1,491,665</u>
<u>2,668,495</u>	<u>159,232,541</u>	<u>51,444,579</u>
<u>408,356</u>	<u>15,664,647</u>	<u>(6,431,254)</u>
6,968	2,178,392	292,668
-	6,054,278	-
29,157	1,850,320	1,193,267
1,582	283,747	84,074
(75,858)	(3,488,086)	(38,965)
<u>-</u>	<u>(68,892)</u>	<u>-</u>
<u>(38,151)</u>	<u>6,809,759</u>	<u>1,531,044</u>
370,205	22,474,406	(4,900,210)
-	9,930,866	-
-	-	6,238,206
<u>(43,806)</u>	<u>(263,806)</u>	<u>(1,725,186)</u>
326,399	32,141,466	(387,190)
<u>4,763,432</u>		<u>26,540,105</u>
<u>\$ 5,089,831</u>		<u>\$ 26,152,915</u>
	(906,848)	
	<u>(1,189,284)</u>	
	<u>\$ 30,045,334</u>	

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Light and Power</b>	<b>Water</b>	<b>Wastewater</b>	<b>Storm Drainage</b>
<b>CASH FLOWS FROM OPERATING</b>				
<b>ACTIVITIES</b>				
Cash received from customers and users	\$ 110,065,801	\$ 28,167,813	\$ 20,375,641	\$ 13,990,380
Receipts from interfund services provided	-	-	-	-
Cash paid to employees for services	(6,500,508)	(5,922,158)	(4,774,733)	(2,065,607)
Cash paid to other suppliers of goods & services	(87,653,390)	(7,413,034)	(4,982,384)	(1,476,764)
Payments for interfund services used	(4,778,702)	(4,088,815)	(2,275,766)	(2,001,291)
Other receipts	1,334,800	274,336	78,800	519,832
Net cash provided (used) by operating activities	12,468,001	11,018,142	8,421,558	8,966,550
<b>CASH FLOWS FROM NONCAPITAL</b>				
<b>FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	(220,000)
Advances from other funds	-	116,017	-	-
Net cash provided (used) by noncapital financing activities	-	116,017	-	(220,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	-	350,000	-	-
Capital contributions	3,414,650	2,206,042	2,119,535	948,125
Purchases of capital assets	(22,245,506)	(8,667,972)	(9,711,033)	(2,997,310)
Principal paid on capital debt	(1,455,000)	(2,854,200)	(3,098,674)	(2,965,000)
Interest paid on capital debt	(579,864)	(747,890)	(1,458,710)	(1,101,670)
Proceeds from sales of capital assets	209,577	42,400	71,251	26,199
Grant proceeds from federal government	5,564,701	-	-	-
Net cash (used) by capital and related financing activities	(15,091,442)	(9,671,620)	(12,077,631)	(6,089,656)
<b>CASH FLOWS FROM INVESTING</b>				
<b>ACTIVITIES</b>				
Proceeds from sales and maturities of investments	2,690,236	61,359,122	29,882,893	-
Purchase of investments	-	(61,576,883)	(26,083,923)	(1,520,501)
Earnings received on investments	620,139	989,100	490,563	188,958
Net cash provided (used) by investing activities	3,310,375	771,339	4,289,533	(1,331,543)
Net increase (decrease) in cash and cash equivalents	686,934	2,233,878	633,460	1,325,351
Cash and cash equivalents, January 1	4,518,822	5,526,500	2,931,738	769,318
Cash and cash equivalents, December 31	5,205,756	7,760,378	3,565,198	2,094,669
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	231,471	3,715,195	4,523,559	6,786,066
Other receipts	1,334,800	274,336	78,800	30,255
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	7,739,320	5,374,854	4,627,661	2,200,738
(Increase) decrease in accounts receivable	504,011	(157,722)	(433,385)	(60,917)
Decrease in intergovernmental receivables	927,311	-	-	489,577
(Increase) decrease in inventories	222,805	-	-	-
(Decrease) in prepaid item	-	-	-	-
Increase (decrease) in accounts payable	1,463,506	1,758,358	(401,725)	(467,456)
Increase (decrease) in compensated absences payable	3,750	25,273	6,624	(17,851)
Increase in post-emp healthcare obligation	11,655	-	6,748	-
Increase in wages payable	29,372	27,848	13,276	6,138
(Decrease) in claims payable	-	-	-	-
(Decrease) in deferred revenue	-	-	-	-
Net cash provided (used) by operating activities	\$ 12,468,001	\$ 11,018,142	\$ 8,421,558	\$ 8,966,550
<b>Noncash investing, capital, and financing activities:</b>				
Capitalized interest	(269,772)	-	(122,507)	-
Capital contributions	-	1,242,514	-	-
<b>Reconciliation of cash and cash equivalents to statement of net position:</b>				
Cash and cash equivalents	5,205,756	7,500,336	3,177,194	1,747,332
Restricted Assets - cash and cash equivalents	-	260,042	388,004	347,337
	\$ 5,205,756	\$ 7,760,378	\$ 3,565,198	\$ 2,094,669

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

<b>Non Major</b>		
<b>Enterprise Fund</b>	<b>Total</b>	<b>Total Internal</b>
<b>Golf</b>	<b>Enterprise Funds</b>	<b>Service Funds</b>
\$ 2,903,845	\$ 175,503,480	\$ -
-	-	44,857,469
(1,156,892)	(20,419,898)	(14,327,857)
(1,162,186)	(102,687,758)	(35,938,268)
156,134	(12,988,440)	(232,086)
26,061	2,233,829	1,193,267
<u>766,962</u>	<u>41,641,213</u>	<u>(4,447,475)</u>
-	-	6,238,206
(43,806)	(263,806)	(1,725,186)
-	116,017	-
<u>(43,806)</u>	<u>(147,789)</u>	<u>4,513,020</u>
77,382	427,382	1,097,585
-	8,688,352	-
(55,228)	(43,677,049)	(1,303,880)
(389,662)	(10,762,536)	(480,260)
(78,718)	(3,966,852)	(47,373)
1,582	351,009	84,074
-	5,564,701	-
<u>(444,644)</u>	<u>(43,374,993)</u>	<u>(649,854)</u>
-	93,932,251	609,425
(241,303)	(89,422,610)	(990,731)
6,967	2,295,727	318,697
<u>(234,336)</u>	<u>6,805,368</u>	<u>(62,609)</u>
44,176	4,923,799	(646,918)
47,311	13,793,689	6,776,812
<u>91,487</u>	<u>18,717,488</u>	<u>6,129,894</u>
408,356	15,664,647	(6,431,254)
26,061	1,744,252	1,193,267
272,458	20,215,031	1,491,665
(16,872)	(164,885)	(151,205)
-	1,416,888	2,317
-	222,805	(15,799)
-	-	(34,762)
66,227	2,418,910	(306,938)
5,829	23,625	42,288
-	18,403	-
4,903	81,537	59,993
-	-	(293,577)
-	-	(3,470)
<u>\$ 766,962</u>	<u>\$ 41,641,213</u>	<u>\$ (4,447,475)</u>
-	(392,279)	-
-	1,242,514	-
91,487	17,722,105	6,036,312
-	995,383	93,582
<u>\$ 91,487</u>	<u>\$ 18,717,488</u>	<u>\$ 6,129,894</u>

**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2012**

	<u>General Employee Retirement Plan</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 803,991	\$ 1,689,685
Receivables, interest	62,629	36,530
Investments, at fair value		
Certificate of deposit	421,430	883,600
U S Government securities	5,413,982	11,419,834
Corporate bonds	3,794,548	1,614,867
Mutual funds	<u>28,992,741</u>	<u>-</u>
Total Investments, at fair value	<u>38,622,701</u>	<u>13,918,301</u>
Total Assets	<u>39,489,321</u>	<u>15,644,516</u>
<b>LIABILITIES</b>		
Amounts held for other governments	-	15,644,516
Accounts Payable	<u>256</u>	<u>-</u>
Total Liabilities	<u>256</u>	<u>\$ 15,644,516</u>
<b>NET POSITION</b>		
Held in trust for pension benefits	<u>\$ 39,489,065</u>	

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

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General Employee Retirement Plan</u>
<b>ADDITIONS</b>	
Contributions	
Employer contributions	\$ 1,241,929
Total Contributions	<u>1,241,929</u>
Investment income	
Interest related to plan investments	236,043
Net change in fair value of investments	<u>3,989,900</u>
Total Investment Income	<u>4,225,943</u>
Total Additions	<u>5,467,872</u>
<b>DEDUCTIONS</b>	
Benefit payments	2,970,386
Administration expense	<u>23,801</u>
Total Deductions	<u>2,994,187</u>
Net Increase in Plan Net Position	2,473,685
Net Position	
Beginning of year	<u>37,015,380</u>
End of year	<u>\$ 39,489,065</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: The Fort Collins, Colorado 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, Eaton, Milliken, Severance 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 position 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.

The City adopted GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”, in the current year. The adoption of this Statement changed the presentation of the financial statements to a Statement of Net Position format.

#### 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. It is shown as a major fund for public interest purposes.

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 tax increment financing 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, communication, 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.

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, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

### 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, restricted and committed fund balance reserve accounts in order to indicate that they are not available or spendable resources.

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, 2012, 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 \$392,279 was capitalized in fiscal year 2012.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Unavailable revenue is reported only in the governmental

funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

### 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 position. 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.

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 Position

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 as outlined in the fund balance policy.

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 positions 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. When both restricted net position and unrestricted net position are available for use, it is the City's policy to use restricted-net position first and then unrestricted net position. Net position 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. The government-wide statement of net position reports \$52,465,901 of restricted net position, of which \$34,882,741 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.

#### 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 Project Funds

Budgets for the Capital Project Funds are 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, the grant portion of Transportation Services and the capital project portion of the Keep Fort Collins Great Fund. Budgets are non-lapsing for capital projects in all the enterprise funds and for one of the internal service funds - Utilities Customer Service and Administration Fund.

Property Taxes

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

Tax Year

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

Ensuing Collection Year

Taxes attach as an enforceable lien on property ..... January 1  
First installment due date (one-half of taxes due)..... February 28  
Taxes due in full (unless installments elected by taxpayer) ..... April 30  
Second installment due date (second half due)..... June 17

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 2012. 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, 2012, expenditures exceeded appropriations in the Capital Expansion fund, Sales and Use Tax fund, and the General Improvement District No. 15 - Skyview fund. These over-expenditures will be covered by fund balance.

### C. Deficit Fund Equity

The Urban Renewal Authority fund had a deficit fund balance of \$9,227,401 as of December 31, 2012. 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 \$60,703 as of December 31, 2012 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 2012 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, 2012, was \$41,900,243. The bank balance was \$40,175,950.

#### Component Unit

The Downtown Development Authority's undivided share of the City's deposits as of December 31, 2012 was a carrying amount of \$734,849. The bank balance was \$806,135.

#### 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 Mortgage Corp (FHLMC), Federal Farm Credit Bank (FFCB) and in Federal Home Loan Bank (FHLB) agency securities. These investments are 40.18%, 18.34%, 10.26% and 9.86% 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) at the time of purchase. As of December 31, 2012, the City's investment in corporate bonds was rated AA- or better by Standard & Poor's and A1 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, 2012, the local government investment pools (ColoTrust & CSAFE) in which the City had invested, were rated AAAM by Standard & Poor’s.

As of December 31, 2012, the City had the following investments and maturities:

Primary Government (including Fiduciary Funds)

<u>Investment Type</u>	<u>Credit Risk Rating</u> <u>S&amp;P/Moody's</u>	<u>Fair</u> <u>Value</u>	<u>Investment Maturities</u>	
			<u>Up to</u> <u>120 days</u>	<u>121 days</u> <u>to 5 years</u>
U.S. Agencies (GNMA)	AA+/AAA	\$ 30,031	\$ -	\$ 30,031
Instrumentality				
Federal Farm Credit Bank (FFCB)	AA+/AAA	33,720,205	-	33,720,205
Federal Home Loan Bank (FHLB)	AA+/AAA	26,698,458	-	26,698,458
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	60,253,500	-	60,253,500
Federal National Mortgage Association (FNMA)	AA+/AAA	132,002,760	-	132,002,760
Corporate bonds	AA+/Aa3	13,042,730	3,011,430	10,031,300
Corporate bonds	AA+/A1	18,315,110	5,001,400	13,313,710
Corporate bonds	AA-/Aa3	7,999,335	-	7,999,335
Certificates of Deposit		19,614,865	-	19,614,865
Total Investments Controlled by the City		\$ 311,676,994	\$ 8,012,830	\$ 303,664,164
Percent of Total			3%	97%

The City has \$28,992,741 invested in Mutuals Funds, but those investments are held by ICMA for employee's retirement accounts.

Component Unit

<u>Investment Type</u>	<u>Credit Risk Rating</u> <u>S&amp;P/Moody's</u>	<u>Fair</u> <u>Value</u>	<u>Investment Maturities</u>	
			<u>Up to</u> <u>120 days</u>	<u>121 days</u> <u>to 5 years</u>
Instrumentality				
Federal Home Loan Bank (FHLB)	AA+/AAA	\$ 5,690,957	\$ -	\$ 5,690,957
Certificates of Deposit		1,635,135	1,250,000	385,135
Total Investments Controlled by the City		\$ 7,326,092	\$ 1,250,000	\$ 6,076,092
Percent of Total			17%	83%

## Restrictions on Cash and Investments

Cash and investments of \$260,042, \$388,004 and \$347,337, respectively, in the Water, Wastewater and Storm Drainage funds are contractually restricted for debt service through bond ordinances. Investments of \$1,250,000 in the DDA are restricted for debt service. Restricted assets for Escrows of \$16,474 in the General fund, \$79,573 in Transportation Services fund and \$93,578 and \$4, 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 2012, the City did receive an interest payment of \$55,675. The outstanding balance as of December 31, 2012 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, 2012 is \$200,000. The allowance recorded against this receivable balance is \$200,000.

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 2012, the City did receive an interest payment of \$13,750. The outstanding balance as of December 31, 2012 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, 2012 is \$250,948.

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, 2012 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 3.5%. The outstanding balance as of December 31, 2012 is \$525,000.

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, 2012 follows:

	Balance, Beginning of Year	Additions	Transfers	Deletions	Balance, End of Year
<b>Primary Government:</b>					
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 202,338,815	\$ 837,562	\$ -	\$ (154,000)	\$ 203,022,377
Street system infrastructure	259,055,110	6,430,097	-	-	265,485,207
Construction in progress	45,070,562	25,526,756	(16,131,585)	-	54,465,733
Total capital assets, not being depreciated	<u>506,464,487</u>	<u>32,794,415</u>	<u>(16,131,585)</u>	<u>(154,000)</u>	<u>522,973,317</u>
Capital assets, being depreciated:					
Infrastructure	17,624,191	1,287,508	-	-	18,911,699
Buildings and improvements	128,019,793	163,458	135,783	-	128,319,034
Improvements other than buildings	76,474,496	905,188	15,689,450	-	93,069,134
Machinery and equipment	66,968,458	4,509,544	434,548	(1,589,347)	70,323,203
Total capital assets being depreciated	<u>289,086,938</u>	<u>6,865,698</u>	<u>16,259,781</u>	<u>(1,589,347)</u>	<u>310,623,070</u>
Less accumulated depreciation for:					
Infrastructure	(9,522,854)	(776,880)	-	-	(10,299,734)
Buildings and improvements	(32,858,008)	(2,579,473)	-	-	(35,437,481)
Improvements other than buildings	(30,288,337)	(3,171,117)	-	-	(33,459,454)
Machinery and equipment	(43,530,992)	(5,239,779)	(121,252)	1,466,196	(47,425,827)
Total accumulated depreciation	<u>(116,200,191)</u>	<u>(11,767,249)</u>	<u>(121,252)</u>	<u>1,466,196</u>	<u>(126,622,496)</u>
Total capital assets being depreciated, net	<u>172,886,747</u>	<u>(4,901,551)</u>	<u>16,138,529</u>	<u>(123,151)</u>	<u>184,000,574</u>
Governmental activities capital assets, net	<u>\$ 679,351,234</u>	<u>\$ 27,892,864</u>	<u>\$ 6,944</u>	<u>\$ (277,151)</u>	<u>\$ 706,973,891</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 65,510,356	\$ 2,478,987	\$ -	\$ -	\$ 67,989,343
Construction in progress	60,407,943	35,358,940	(7,458,424)	-	88,308,459
Total capital assets, not being depreciated	<u>125,918,299</u>	<u>37,837,927</u>	<u>(7,458,424)</u>	<u>-</u>	<u>156,297,802</u>
Capital assets, being depreciated:					
Buildings and improvements	228,057,781	-	-	-	228,057,781
Improvements other than buildings	495,816,198	5,877,225	6,369,756	(90,436)	507,972,743
Machinery and equipment	58,616,463	1,596,689	960,472	(1,093,235)	60,080,389
Total capital assets being depreciated	<u>782,490,442</u>	<u>7,473,914</u>	<u>7,330,228</u>	<u>(1,183,672)</u>	<u>796,110,912</u>
Less accumulated depreciation for:					
Buildings and improvements	(83,625,500)	(4,666,919)	-	-	(88,292,419)
Improvements other than buildings	(202,926,919)	(13,473,363)	-	90,436	(216,309,846)
Machinery and equipment	(44,940,248)	(2,479,717)	121,252	1,032,917	(46,265,796)
Total accumulated depreciation	<u>(331,492,667)</u>	<u>(20,619,999)</u>	<u>121,252</u>	<u>1,123,354</u>	<u>(350,868,060)</u>
Total capital assets being depreciated, net	<u>450,997,775</u>	<u>(13,146,085)</u>	<u>7,451,480</u>	<u>(60,318)</u>	<u>445,242,852</u>
Business-type activities capital assets, net	<u>\$ 576,916,074</u>	<u>\$ 24,691,842</u>	<u>\$ (6,944)</u>	<u>\$ (60,318)</u>	<u>\$ 601,540,654</u>

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
(amounts expressed in thousands)				
<b>Component Unit:</b>				
Capital Assets; not being depreciated:				
Land	\$ 2,529	\$ -	\$ -	\$ 2,529
Capital assets being depreciated:				
Buildings and improvements	5,895	-	(1,400)	4,495
Improvements other than buildings	17	-	-	17
Total capital assets being depreciated	5,912	-	(1,400)	4,512
Less accumulated depreciation for:				
Buildings and improvements	(1,647)	(120)	126	(1,641)
Improvements other than buildings	(17)	-	-	(17)
Total accumulated depreciation	(1,664)	(120)	126	(1,658)
Total capital assets being depreciated, net	4,248	(120)	(1,274)	2,854
Component unit capital assets, net	\$ 6,777	\$ (120)	\$ (1,274)	\$ 5,383

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

	Governmental Activities	Business-Type Activities
General government	\$ 706,213	\$ -
Public safety - police & judicial	1,508,908	-
Cultural, parks, recreation & environmental services	4,589,675	-
Planning and development	10,739	-
Transportation services	3,865,017	-
Capital assets held by the City's internal service funds used for governmental activities	1,086,697	-
Light & Power	-	7,739,320
Water	-	5,374,854
Wastewater	-	4,627,661
Storm Drainage	-	2,200,738
Non-major Enterprise funds - Golf	-	272,458
Capital assets held by the City's internal service fund used for business-type activities	-	404,968
Total depreciation expense	11,767,249	20,619,999
Less capital assets held by the City's internal service funds	1,086,697	404,968
Depreciation expense excluding internal service funds	\$ 10,680,552	\$ 20,215,031

D. Interfund Transfers and Advances:

	<b>Transfers In:</b>					<b>Total</b>
	<u>General</u>	<u>Trans- portation Services</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	
<b>Transfer out:</b>						
<b>Governmental Funds</b>						
General	\$ -	\$ 4,654,765	\$ 93,000	\$ 10,833,780	\$ 4,373,409	\$ 19,954,954
Transportation Services	-	-	151,606	490,469	-	642,075
Capital Projects	-	-	-	808,139	-	808,139
URA	-	-	2,700,000	-	-	2,700,000
Nonmajor Governmental	6,933,864	66,000	6,531,712	8,283,419	109,845	21,924,840
<b>Proprietary Funds</b>						
Storm Drainage	5,000	215,000	-	-	-	220,000
Golf	-	-	-	-	43,806	43,806
Internal Service	14,040	-	-	-	1,711,146	1,725,186
Total transfers in	<u>\$ 6,952,904</u>	<u>\$ 4,935,765</u>	<u>\$ 9,476,318</u>	<u>\$ 20,415,807</u>	<u>\$ 6,238,206</u>	<u>\$ 48,019,000</u>

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, 2012 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, 2012 is \$4,728,540.

In December 2010, the City loaned the Urban Renewal Authority (URA) \$172,758 for the JAX, Inc Building Expansion project. This loan bears a fixed interest rate of 2.50%. For years 0 through 4 there will be annual payments of principal and interest. For the anniversary of the 5<sup>th</sup> year, there will be a lump sum payment of all remaining principal and interest. The amount outstanding as of December 31, 2012 is \$106,203.

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, 2012 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, 2012 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, 2012 is \$2,883,983.

In July 2012, the City loaned the Urban Renewal Authority (URA) \$2,700,000 for the North College Marketplace-Phase 2 (Vine to Conifer) project. The interest rate is 3.928% based on the Treasury bill rate. This is a 17.5 year term loan with it maturing in December 2029. The amount outstanding as of December 31, 2012 is \$2,700,000.

**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, 2012, the City had \$42,346,222 and \$2,688,777 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 \$3,718,972 and \$207,503 of capital leases outstanding as of December 31, 2012, for governmental and business-type activities, respectively.

Cost of all capital assets holding at December 31, 2012 that have been acquired under capital leases:

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

	<b>Governmental Activities</b>	<b>Business Type Activities</b>
	Balance, End of Year	Balance, End of Year
Buildings and Improvements	\$ 351,930	\$ -
Improve o/t buildings	-	114,030
Machinery and equipment	<u>9,189,780</u>	<u>1,343,288</u>
Accumulated depreciation	<u>(7,009,046)</u>	<u>(997,354)</u>
Net Book Value	<u>\$ 2,532,664</u>	<u>\$ 459,964</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, 2012, the Downtown Development Authority had \$7,315,000 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 2012, that payment was \$221,667.

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>
1997	Water Revenue Bond	Water Revenues	3,468,699	Water Capital Projects	through 2017
1999	Water Revenue Bonds	Water Revenues	2,389,415	Water Capital Projects	through 2019
2003	Subordinate Water Revenue Bonds	Water Revenues	2,456,770	Water Capital Projects	through 2030
2008	Water Revenue Refunding Bonds	Water Revenues	10,792,602	Water Capital Projects	through 2018
2009	Water Revenue Refunding Bonds	Water Revenues	1,603,300	Water Capital Projects	through 2013
2001	Storm Drainage Revenue Bonds	Storm Drainage Revenues	6,855,545	Storm Drainage Improvements	through 2021
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	13,062,152	Storm Drainage Improvements	through 2019
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	2,274,558	Storm Drainage Improvements	through 2017
2011	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	9,004,713	Storm Drainage Improvements	through 2022
1992	Sewer Revenue Bonds	Sewer Revenues	1,913,468	Sewer Capital Projects	through 2014
2009	Sewer Revenue Bonds	Sewer Revenues	39,919,456	Sewer Capital Projects	through 2028
2010	Sewer Revenue Bonds	Sewer Revenues	3,505,710	Sewer Capital Projects	through 2020
2010	Light and Power Bonds	Light and Power Revenues	15,955,258	Light and Power Capital Projects	through 2020

<u>Date Issued</u>	<u>Description</u>	<u>% Revenue Pledged</u>	<u>P &amp; I for 2012</u>	<u>Recognized for 2012</u>
1997	Water Revenue Bond	1-15%	769,679	12,906,748
1999	Water Revenue Bonds	1-15%	365,521	12,906,748
2003	Subordinate Water Revenue Bonds	1-15%	188,224	12,906,748
2008	Water Revenue Bonds	1-15%	379,219	12,906,748
2009	Water Revenue Refunding Bonds	1-15%	1,992,213	12,906,748
2001	Storm Drainage Revenue Bonds	1-25%	861,198	9,370,548
2007	Storm Drainage Revenue Refunding Bonds	1-25%	1,999,739	9,370,548
2007	Storm Drainage Revenue Refunding Bonds	1-25%	452,043	9,370,548
2011	Storm Drainage Revenue Refunding Bonds	1-25%	892,661	9,370,548
1992	Sewer Revenue Bonds	1-25%	1,788,620	9,240,154
2009	Sewer Revenue Bonds	1-25%	2,374,806	9,240,154
2010	Sewer Revenue Bonds	1-25%	426,660	9,240,154
2010	Light and Power Bonds	1-25%	2,034,863	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	Business-Type Activities		Total
	Principal	Interest	
2013	10,409	3,761	14,170
2014	9,121	3,389	12,510
2015	9,481	2,978	12,459
2016	9,872	2,578	12,450
2017	9,878	2,196	12,074
2018-2022	27,453	5,956	33,409
2023-2027	11,190	2,217	13,407
2028-2032	2,602	121	2,723
	<u>\$ 90,006</u>	<u>\$ 23,196</u>	<u>\$ 113,202</u>

Certificates of Participation Payments

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2013	3,940	941	145	39	5,065
2014	4,090	769	155	34	5,048
2015	4,185	669	175	27	5,056
2016	4,265	567	195	20	5,047
2017	4,380	462	200	13	5,055
2018-2022	13,275	1,203	225	4	14,707
2023-2027	7,710	278	-	-	7,988
	<u>\$ 41,845</u>	<u>\$ 4,889</u>	<u>\$ 1,095</u>	<u>\$ 137</u>	<u>\$ 47,966</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	
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	55	5	175	15	250
2018-2022	249	10	790	32	1,081
	<u>\$ 501</u>	<u>\$ 42</u>	<u>\$ 1,593</u>	<u>\$ 133</u>	<u>\$ 2,269</u>

Capital Lease Payments

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2013	915	79	78	5	1,077
2014	907	57	48	3	1,015
2015	929	35	49	1	1,014
2016	749	15	24	1	789
2017	219	2	8	-	229
	<u>\$ 3,719</u>	<u>\$ 188</u>	<u>\$ 207</u>	<u>\$ 10</u>	<u>\$ 4,124</u>

Component Unit

Year Ending December 31	DDA - Tax Increment Bonds		Total
	Principal	Interest	
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	1,545	286	1,831
2018-2021	4,680	368	5,048
	<u>\$ 11,800</u>	<u>\$ 2,663</u>	<u>\$ 14,463</u>

General long - term obligations of the primary government at December 31, 2012 is comprised of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
<b>COPs / ALPs serviced by General Fund and General Improvement District No. 1 Fund through the Fort Collins Capital Leasing Corporation Debt Service Fund</b>				
2007	Lease Certificates of Participation (3.860%)	2018	\$ 12,880,000	\$ 7,450,000
2012	Lease Certificates of Participation (1.820%)	2026	34,395,000	34,395,000
2001	Assignment of Lease Payments - Police (4.70%)	2021	890,000	501,222
<b>Other Obligations of Governmental Funds</b>				
N/A	Capital lease obligations (secured by leased equipment)	2013	N/A	1,337,304
N/A	Compensated absences	N/A	N/A	4,610,925
N/A	Net pension obligation	N/A	N/A	2,765,738
N/A	Net Post Employment Health Care Obligation	N/A	N/A	1,246,252
<b>Other Obligations of Internal Service Fund used by Governmental Activities</b>				
N/A	Capital lease obligations (secured by leased equipment)	2012	N/A	2,381,668
N/A	Compensated absences	N/A	N/A	539,709
N/A	Claims Payable	N/A	N/A	5,261,114
	<b>Total</b>			<b><u><u>\$ 60,488,932</u></u></b>

Component unit long - term debt at December 31, 2012, is comprised of the following obligations:

<b>Bonds Serviced by Downtown Development Authority Debt Service Fund</b>				
2010	Subordinate Tax Increment Revenue Bonds (4.010-6.080%) (secured by tax increment property taxes)	2020	12,500,000	11,800,000
<b>Other Obligations – Component Unit</b>				
N/A	Compensated absences	N/A	N/A	8,537
	<b>Total</b>			<b><u><u>\$ 11,808,537</u></u></b>

(Continued)

Business-type long-term obligations at December 31, 2012 consists of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
<b>Bonds, COPs, and ALPs, serviced by Enterprise Funds</b>				
<b>Light and Power Fund</b> (secured by light and power revenues)				
2010	Light and Power Bond (2.25-4.52%)	2020	\$ 16,085,000	\$ 13,215,000
<b>Water Fund</b> (secured by water revenues)				
1997	Water Revenue Bond (3.80-5.30%)	2017	10,125,300	2,940,844
1999	Water Revenue Bond (3.28-5.25%)	2019	4,998,395	1,960,741
2003	Subordinate Water Revenue Bonds (5.025% )	2030	2,476,446	1,767,563
2008	Water Revenue Bond (3.46%)	2018	9,645,000	9,465,000
2009	Water Revenue Bond (2.25-4.00%)	2013	7,815,000	1,545,000
<b>Storm Drainage Fund</b> (secured by storm drainage revenues)				
2001	Storm Drainage Revenue Bond (4.50-5.25%)	2021	9,845,000	4,952,500
2007	Storm Drainage Revenue Refunding Bonds (4.086%)	2019	15,945,000	11,240,000
2007	Storm Drainage Revenue Refunding Bonds (4.086%)	2017	3,360,000	2,020,000
2011	Storm Drainage Revenue Refunding Bonds (2.49%)	2022	8,515,000	7,875,000
<b>Wastewater Fund</b> (secured by sewer revenue)				
1992	Sewer Revenue Bond (5.0-6.0%)	2014	24,540,580	1,685,168
2009	Sewer Revenue Bonds (2.0-5.0%)	2028	30,655,000	28,265,000
2010	Sewer Revenue Bonds (2.99%)	2020	3,900,000	3,075,000
	Unamortized premium on bonds			1,374,697
	Unamortized discount on bonds			(16,734)
<b>Golf Fund</b> (secured by golf revenue)				
2007	Lease Certificates of Participation (3.860%)	2018	1,715,000	1,095,000
2001	Assignment of Lease Payments (4.70%)	2021	2,830,000	1,593,777
<b>Other Obligations of Enterprise Funds</b>				
N/A	Capital lease obligations (secured by leased equipment)	2012	N/A	207,503
N/A	Net Post Employment Health Care Obligation	N/A	N/A	410,172
N/A	Compensated absences	N/A	N/A	1,517,372
<b>Other Obligations of the Internal Service Fund used by Business-type Activities</b>				
N/A	Compensated absences	N/A	N/A	361,925
	Total			<u><u>\$ 96,550,528</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 October 18, 2012, the City issued \$34,395,000 of Series 2012 Certificates of Participation (COPs) with an average interest rate of 1.82 percent, to advance refund \$35,030,000 relating to outstanding Series 2004A Certificates of Participation, with an interest rate ranging from 4.00 percent to 5.375 percent. Additional City funds of \$4,049,311 were used to purchase the new 2012 COPs (after payment of \$113,218 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 2004A COPs. The 2004A COPs will be redeemed in full on June 1, 2014.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,599,304. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being amortized over the life of the bonds.

The City completed the refunding to reduce its total debt service payments of the next 15 years by \$9,900,820 and to obtain an economic gain (difference between the present values of the old debt and new debt service payments) of \$4,749,110.

### 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, 2012, there were 19 series of Industrial Development Revenue Bonds outstanding, with an estimated aggregate principal amount payable of \$55.8 million.

### Operating Leases

The City leases various facilities under operating leases, which are cancelable within one year. Costs for these leases in 2012 were \$279,383.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government:</b>					
<b>Governmental Activities</b>					
Bonds, COPS, and ALPs:					
Tax revenue bonds	\$ 340,000	\$ -	\$ (340,000)	\$ -	\$ -
Fort Collins Leasing Corporation					
Certificates of participation	45,870,000	34,395,000	(38,420,000)	41,845,000	3,940,000
Assignment of lease payments	545,244	-	(44,022)	501,222	45,935
Total bonds, COPS and ALPs	46,755,244	34,395,000	(38,804,022)	42,346,222	3,985,935
Add other financing sources (bond premium)	1,048,945	-	(1,048,945)	-	-
Total bonds, COPS and ALPs	47,804,189	34,395,000	(39,852,967)	42,346,222	3,985,935
Other Liabilities:					
Capital leases	2,754,960	1,800,899	(836,887)	3,718,972	915,480
Compensated absences	4,592,746	4,691,661	(4,133,773)	5,150,634	5,150,634
Claims payable	5,554,691	16,106,678	(16,400,255)	5,261,114	2,297,931
Net pension obligation	1,771,638	994,100	-	2,765,738	-
Net post employment health care obligation	1,210,061	36,191	-	1,246,252	-
Total other liabilities	15,884,096	23,629,529	(21,370,915)	18,142,710	8,364,045
Governmental activities long-term liabilities	\$ 63,688,285	\$ 58,024,529	\$ (61,223,882)	\$ 60,488,932	\$ 12,349,980
<b>Business-Type Activities</b>					
Bonds, COPS, and ALPs:					
G.O. & revenue bonds	\$ 100,379,689	\$ -	\$ (10,372,873)	\$ 90,006,816	\$ 10,409,393
Fort Collins Leasing Corporation					
Certificates of participation	1,230,000	-	(135,000)	1,095,000	145,000
Assignment of lease payments	1,733,756	-	(139,979)	1,593,777	146,065
Total bonds, COPS and ALPs	103,343,445	-	(10,647,852)	92,695,593	10,700,458
Add bond premium	1,592,425	-	(217,728)	1,374,697	209,394
Less bond discount and	(20,526)	-	3,792	(16,734)	(3,792)
Total bonds, COPS and ALPs	104,915,344	-	(10,861,788)	94,053,556	10,906,060
Other Liabilities:					
Capital leases	244,805	77,381	(114,683)	207,503	78,238
Compensated absences	1,840,289	2,008,284	(1,969,276)	1,879,297	1,879,297
Net post employment health care obligation	391,769	18,403	-	410,172	-
Total other liabilities	2,476,863	2,104,068	(2,083,959)	2,496,972	1,957,535
Business-type activities long-term liabilities	\$ 107,392,207	\$ 2,104,068	\$ (12,945,747)	\$ 96,550,528	\$ 12,863,595
<b>Component Unit:</b>					
Bonds:					
Tax revenue bonds	\$ 12,500,000	\$ -	\$ (700,000)	\$ 11,800,000	\$ 1,290,000
Total bonds	12,500,000	-	(700,000)	11,800,000	1,290,000
Compensated absences	9,272	24,939	(25,674)	8,537	8,537
Component unit long-term liabilities	\$ 12,509,272	\$ 24,939	\$ (725,674)	\$ 11,808,537	\$ 1,298,537
<u>Changes in short-term obligations</u>					
<b>Component Unit:</b>					
Short Term Obligation - line of credit	\$ -	\$ 621,980	\$ (621,980)	\$ -	\$ -



### 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 preceding 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 preceding 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 preceding 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):	Keep Fort			Capital Projects	Urban	Non-major Governmental	Total
	General	Collins Great	Transportation		Renewal Authority		
<b>Nonspendable:</b>							
Advances	\$ 5,496,830	\$ -	\$ -	\$ -	\$ 5,303,939	\$ -	\$ 10,800,769
Inventories	2,896,665	-	-	-	-	-	2,896,665
Prepays	200	-	150	-	-	6,914	7,264
Long-term notes & loans receivables	125,000	-	-	-	-	-	125,000
<b>Total Nonspendable</b>	<b>8,518,695</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>5,303,939</b>	<b>6,914</b>	<b>13,829,698</b>
<b>Restricted:</b>							
Voter approved capital	37,500	-	-	16,939,691	-	2,569,999	19,547,190
Building on basics - Police CAD	283,288	-	-	-	-	-	283,288
Civic Center Parking	-	-	818,432	-	-	-	818,432
Conservation Trust	-	-	-	-	-	1,689,393	1,689,393
Convention & Visitors Bureau	72,052	-	-	-	-	-	72,052
Economic Rebates	3,039,391	-	-	-	-	-	3,039,391
Emergency	4,749,415	-	-	-	-	-	4,749,415
Fiscal Agent	16,474	-	79,573	-	-	-	96,047
HOME	-	-	-	-	-	475,673	475,673
Horticulture	254,693	-	-	-	-	-	254,693
Larimer County Drug Task Force	620,562	-	-	-	-	-	620,562
KFCG Street Maintenance	-	1,156,789	-	-	-	-	1,156,789
KFCG Other Transportation	-	3,689,573	-	-	-	-	3,689,573
KFCG Police Services	-	2,924,681	-	-	-	-	2,924,681
KFCG Fire & Emergency Services	-	404,283	-	-	-	-	404,283
KFCG Parks & Rec	-	743,768	-	-	-	-	743,768
KFCG Other	-	1,383,754	-	-	-	-	1,383,754
Museum Donations	-	-	-	-	-	46,079	46,079
Natural Areas	-	-	-	-	-	8,004,274	8,004,274
Notes & loans receivable	-	-	-	-	-	125,000	125,000
Perpetual Care	-	-	-	-	-	1,640,377	1,640,377
Tree Donations	34,303	-	-	-	-	-	34,303
PEG Distribution	165,717	-	-	-	-	-	165,717
Police CAD Replacement	331,856	-	-	-	-	-	331,856
Recreation Donations	-	-	-	-	-	23,949	23,949
Udall Property	145,362	-	-	-	-	-	145,362
<b>Total Restricted</b>	<b>9,750,613</b>	<b>10,302,848</b>	<b>898,005</b>	<b>16,939,691</b>	<b>-</b>	<b>14,574,744</b>	<b>52,465,901</b>
<b>Committed:</b>							
Art in public places	-	-	-	-	-	256,825	256,825
Advances	-	-	-	-	-	4,834,743	4,834,743
Capital expansion - General government	-	-	-	-	-	1,324,618	1,324,618
Capital expansion - Police	-	-	-	-	-	1,008,220	1,008,220
Capital expansion - Fire	-	-	-	-	-	262,255	262,255
Capital expansion - Community Parkland	-	-	-	-	-	9,156,115	9,156,115
Capital projects	-	-	-	-	-	131,885	131,885
Cultural development and planning	122,521	-	-	-	-	-	122,521
Cultural, Park, Rec & Environment	-	-	-	-	-	4,728,582	4,728,582
Encumbrances	-	-	-	-	-	891,562	891,562
Operations	-	-	-	-	-	36,755	36,755
Planning & Development	-	-	-	-	-	538,899	538,899
Maintenance, Mitigation & Improvement	10,092	-	-	-	-	-	10,092
Traffic calming	455,954	-	-	-	-	-	455,954
Street Oversizing	-	-	-	-	-	7,283,436	7,283,436
Transportation	-	-	-	-	-	88,916	88,916
<b>Total Committed</b>	<b>588,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,542,811</b>	<b>31,131,378</b>
<b>Assigned:</b>							
Affordable housing	237,158	-	-	-	-	-	237,158
Camera radar	886,873	-	-	-	-	-	886,873
Capital projects	-	-	648,752	3,464,989	-	100,000	4,213,741
DPS Communication System	619,338	-	-	-	-	-	619,338
DT Parking Plan	-	-	532,650	-	-	-	532,650
Encumbrances	4,432,156	-	1,180,778	-	-	3,301,243	8,914,177
Harmony Road	-	-	6,389,666	-	-	-	6,389,666
Manufacturer Use Tax Rebate	200,000	-	-	-	-	-	200,000
Operations	-	-	482,237	-	-	421,143	903,380
Police department	94,407	-	-	-	-	-	94,407
Recreation	-	-	-	-	-	270,212	270,212
Road Improvements	5,700,000	-	-	-	-	-	5,700,000
General Government	-	-	-	-	-	14,880	14,880
Cultural, Park, Rec & Environment	-	-	-	-	-	3,110,372	3,110,372
Transportation	-	-	3,477,111	-	-	52,739	3,529,850
Waste Innovation Program	269,320	-	-	-	-	-	269,320
<b>Total Assigned</b>	<b>12,439,252</b>	<b>-</b>	<b>12,711,194</b>	<b>3,464,989</b>	<b>-</b>	<b>7,270,589</b>	<b>35,886,024</b>
<b>Unassigned:</b>	<b>23,955,638</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,531,340)</b>	<b>(60,703)</b>	<b>9,363,595</b>
<b>Total Fund Balances (Deficit)</b>	<b>\$ 55,252,765</b>	<b>\$ 10,302,848</b>	<b>\$ 13,609,349</b>	<b>\$ 20,404,680</b>	<b>\$ (9,227,401)</b>	<b>\$ 52,334,355</b>	<b>\$ 142,676,596</b>

## NOTE IV. OTHER INFORMATION

### A. Risk Management

#### Property, Liability, and Workers Compensation

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

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

In 2012, 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 2012, 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 \$1,000 deductible and the employment related practice claims have a 50% of loss, with a maximum \$100,000 per occurrence deductible. The property insurance policy has a deductible of \$500. Coverage limits are as follows:

General Liability – \$1,000,000/occurrence, unlimited aggregate  
Public Official Liability - \$1,000,000/occurrence, unlimited aggregate.  
Umbrella Liability - \$1,000,000/occurrence, unlimited aggregate.  
Workers Compensation Liability - \$2,000,000 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 10 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, establish reserves for catastrophic losses, and pay policy premiums.

Claims liabilities for the Self-Insurance and Benefits Funds as of December, 31, 2012, amount to \$4,000,839 and \$1,260,275 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 \$4,000,839

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 2010, 2011 and 2012 are as follows:

	<u>Self-Insurance</u>	<u>Benefits</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	4,317,105	1,237,586
Claims & changes in estimates	748,733	15,357,945
Claim payments	<u>(1,064,999)</u>	<u>(15,335,256)</u>
Claims payable - December 31, 2012	<u>\$ 4,000,839</u>	<u>\$ 1,260,275</u>

### Insurance Recoveries

The City of Fort Collins recovered \$22,258 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, 2013, employee membership data related to the Plan was as follows: Retirees and beneficiaries currently receiving benefits--185; vested terminated employees--129; active plan participants--140

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.

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
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
2012	2,334,577	1,771,638	120,471	8.08	219,019	2,236,029	1,241,929	2,765,738	994,100

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year	Annual Pension Cost	Employer Contribution	% of Annual Pension Cost
2010	1,823,706	2,100,467	115%
2011	1,639,992	1,345,466	82%
2012	2,236,029	1,241,929	56%

**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)
1/1/2011	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%
1/1/2013	38,940,438	54,682,992	15,742,554	71.2%	8,834,557	178.2%

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, 2013
Actuarial cost method:	Entry Age Normal
Amortization method:	10 years, as a level dollar amount.
Remaining amortization period:	10 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 6.8% interest (effective January 1, 2012). 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 2012, the City contributed 10.50% of covered pay to the Plan as well as the supplemental contributions; this amounted to \$1,241,929. 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, 2012, is \$39,489,065 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: Mutual Shares Fund – 7.51%, TRP New Asia – 7.15%, Fidelity Value Fund – 6.20%, American Amcap Fund – 5.81% and TRP International – 5.40%.

### 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 \$4,606,255 and \$2,902,384, respectively during 2012.

## 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 \$155,427 during 2012.

## 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 2012, 2011 and 2010, the City's contributions were \$285,521, \$247,364 and \$217,697 respectively, equal to the statutory required contribution each year.

### Benefits

Benefits are established by Colorado statute.

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

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

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

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

C. Other Postemployment Benefits

Plan Description

The City sponsors a single-employer health care plan that provides medical, vision, dental and prescription drug benefits to all retired employees and their eligible dependents. Employees retiring on or after January 1, 2010 are no longer eligible to participate in the Retiree Health Plan. In addition, those employees retiring on or after September 1, 2009 but before January 1, 2010 and elect retiree health coverage may participate in the Retiree Health Plan until age 65. To be eligible an employee must have had at least 10 or more years of service. The City administrative policy authorized this benefit until January 1, 2010. For the year 2012, the City did not have an actuarial valuation based on the number of members in the plan being under 200. The plan does not issue a stand-alone financial report.

Funding Policy and City Contributions

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2012, the City contributed \$91,599. Retiree and active members receiving benefits contribute monthly premiums as outlined:

	Core		Advantage		Dental	Vision
	Non-Medicare	Core Medicare	Non-Medicare	Advantage Medicare		
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	\$ 228,342
Interest on net OPEB obligation	58,810
Adjustment to annual required contribution	<u>(140,959)</u>
Annual OPEB cost (expense)	146,193
Contributions and payments made	<u>91,599</u>
Increase in net OPEB obligation	54,594
Net OPEB obligation - January 1, 2012	<u>1,601,830</u>
Net OPEB obligation - December 31, 2012	<u><u>\$ 1,656,424</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2012 and the two preceding years follows.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2010	\$ 653,168	7.8%	\$ 1,994,911
December 31, 2011	\$ 152,717	34.6%	\$ 1,601,830
December 31, 2012	\$ 146,193	62.7%	\$ 1,656,424

#### 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:

	<u>Total</u>	<u>Members</u>
Actuarial Accrued Liability		
Current retirees, beneficiaries and dependents	\$ 2,721,966	33
Current active members	<u>-</u>	
Total Actuarial Accrued Liability (AAL)	2,721,966	
OPEB Plan Assets	<u>-</u>	
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 2,721,966</u></u>	

The covered payroll (annual payroll of active employees covered by the plan) was \$73,288,492 and the ratio of the UAAL to the covered payroll was 3.7%.

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 \$1,551,671 for capital projects in governmental fund types and \$438,218 in proprietary fund types at December 31, 2012. 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, 2012 (excluding those relating to capital projects) amounted to \$32,069,114.

### 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 2012, and did not exceed the property tax limit by \$911,001.

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, 2012, the amount required as an emergency reserve in compliance with the amendment is \$4,749,415 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 2012:

##### 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 2011 and in 2012.

##### 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, 2012

Total current assets	\$ 1,825,729
Total capital assets (net of accumulated depreciation)	21,091,123
Total Assets	22,916,852
Total current liabilities	(392,142)
Total Net Position	22,524,710
Net assets invested in capital assets	21,091,123
Restricted capital	80,460
Unrestricted net position	1,353,127
Total Net Position	\$ 22,524,710

For year ending December 31, 2012

Total operating revenue	\$ 1,001,600
Total operating expenses	(2,218,393)
Interest Income	11,929
Nonoperating revenue	320,375
Capital contributions	976,036
Change in Net Position	\$ 91,547

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 Position and Change in Net Position are reflected in the City's Statement of Net Position 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 2012, such funding amounted to \$19,335,813. 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 2012, these purchases amounted to \$75,953,224 of which \$6,015,085 is included in accounts payable at December 31, 2012.

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 2012, billings for benefits and services amounted to \$129,256.

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 2012, billings for benefits and services amounted to \$679,726.

G. Change in Net Position and Fund Balance

As a result of the adoption of GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities”, the beginning net position of the governmental activities, business-type activities, Light & Power fund, Water fund, Wastewater fund, Storm Drainage fund, Golf fund and discretely presented component unit (DDA) was restated.

The following is a summary of the adjustment:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Light and Power</u>	<u>Water</u>	<u>Wastewater</u>	<u>Storm Drainage</u>	<u>Golf</u>	<u>DDA</u>
Net position December 31, 2011, as previously reported	\$ 780,427,573	\$ 652,417,581	\$ 166,743,961	\$ 252,725,007	\$ 137,628,830	\$ 89,986,680	\$ 4,796,246	\$ 5,864,238
Unamortized debt issuance costs previously reported as assets	(558,683)	(655,011)	(164,976)	(103,106)	(232,197)	(121,918)	(32,814)	(109,346)
Net position December 31, 2011, as restated	<u>\$ 779,868,890</u>	<u>\$ 651,762,570</u>	<u>\$ 166,578,985</u>	<u>\$ 252,621,901</u>	<u>\$ 137,396,633</u>	<u>\$ 89,864,762</u>	<u>\$ 4,763,432</u>	<u>\$ 5,754,892</u>

H. Subsequent Events

The City of Fort Collins and the Downtown Development Authority entered into an agreement with Woodward, Inc. in April 2013 in order to provide business investment assistance to Woodward for the relocation and construction of its headquarters and expanding its manufacturing facilities in Fort Collins. Woodward will be dedicating 31 acres of open space to the City as part of the downtown campus development. There are four potential phases with this agreement. The total business assistance is valued at \$12.7 million to \$23.5 million of which 85% is a reinvestment of revenue from the project. This consists of property tax increment, use tax rebates, City fee rebates and a reimbursement reserve. The City has appropriated \$2.3 million to fund the reimbursement reserve which will be needed if only phase one is developed. Woodward has agreed to fund the cost of public improvements and the City and DDA will reimburse Woodward from the property tax increment attributable to construction of buildings and implementation of uses within the Woodward Project on E. Lincoln Avenue.

The City of Fort Collins approved a redevelopment and reimbursement agreement with the Fort Collins Urban Renewal Authority, Walton Foothills Holdings VI, LLC and the Foothills Metropolitan District regarding the redevelopment of the Foothills Mall. The City adopted the Midtown Urban Renewal Plan in September 2011. Located with the Midtown URA is the Foothills Fashion Mall. The redevelopment will include a mixed-use redevelopment with a commercial/retail component, a commercial parking structure and up to 800 multi-family dwelling units. Total public improvement costs eligible for reimbursement totals \$53 million. The Metro District has assigned property tax revenue and public improvement fees as funding sources. The URA pledges property tax increment revenue as well as revenue from sales tax increments. Net new sales tax revenue for the City in 2015 is approximately \$2.9 million per year.

## 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 2012, the City's street system is at a PCI of 71, just within the LOS of "B". The City's street system was at a PCI of 72 in 2011, 71 in 2010, and 71 in 2009. The average detail condition is as follows:

Level of service.....	PCI Range.....	Percent of Roads
LOS A (best).....	100 to 86.....	20.0%
LOS B (good) .....	85 to 71.....	37.9%
LOS C (fair).....	70 to 56.....	25.6%
LOS D (poor).....	55 to 41.....	15.2%
LOS F (worst).....	40 to 0.....	1.3%

The City's next full 3 year assessment cycle will be completed in 2015.

**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>
2012	\$ 14,326,456	\$ 14,320,409
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

**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)
1/1/2011	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%
1/1/2013	38,940,438	54,682,992	15,742,554	71.2%	8,834,557	178.2%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Annual Required Contribution ARC	Employer Contribution	% of ARC Contributed
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	1,706,844	1,345,466	79%
2012	2,334,577	1,241,929	53%

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of January 1, 2013. Additional information follows:

- Actuarial cost method: Entry Age Normal
- Amortization method: 10 years, as a level dollar amount.
- Remaining amortization period: 10 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 6.8% interest (effective January 1, 2012). 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]
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%
2012	12/31/11	\$ -	\$ 2,721,966	\$ 2,752,549	- %	\$ 73,288,492	3.7%

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.



## SUPPLEMENTARY INFORMATION

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

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**Special Revenue Funds**

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

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

**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.

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

**Debt Service Funds**

**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.

**Capital Project Funds**

**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.

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2012**

	<b>Special Revenue Funds</b>				
	<b>Capital Expansion</b>	<b>Sales and Use Tax</b>	<b>Natural Areas</b>	<b>Cultural Services &amp; Facilities</b>	<b>Recreation</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,282,717	\$ 78,637	\$ 861,091	\$ 257,539	\$ 280,001
Investments	10,572,883	690,110	7,071,767	2,446,277	2,351,186
Receivables					
Property taxes	-	-	-	-	-
Sales and use taxes	-	1,318,045	-	-	-
Accounts	1,732	-	-	11,479	140,003
Notes and loans	-	-	-	-	-
Interest	27,656	8,215	17,976	6,345	5,938
Prepaid item	-	-	-	6,914	-
Advances to other funds	4,834,743	-	-	-	-
Due from other governments	-	-	294,874	53,420	-
<b>Total Assets</b>	<b>16,719,731</b>	<b>2,095,007</b>	<b>8,245,708</b>	<b>2,781,974</b>	<b>2,777,128</b>
<b>LIABILITIES</b>					
Accounts payable, accruals, and other	1,895	1,691	174,172	72,040	143,919
Wages payable	-	-	52,754	44,712	79,929
Due to other governments	-	-	-	-	88
Unearned revenue	-	-	-	648,060	219,482
Deposits held	-	67,783	14,508	72,439	-
<b>Total Liabilities</b>	<b>1,895</b>	<b>69,474</b>	<b>241,434</b>	<b>837,251</b>	<b>443,418</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
<b>Total Deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	6,914	-
Restricted	-	2,010,653	8,004,274	605,425	23,949
Committed	16,717,836	-	-	256,825	-
Assigned	-	14,880	-	1,075,559	2,309,761
Unassigned	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>16,717,836</b>	<b>2,025,533</b>	<b>8,004,274</b>	<b>1,944,723</b>	<b>2,333,710</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 16,719,731</b>	<b>\$ 2,095,007</b>	<b>\$ 8,245,708</b>	<b>\$ 2,781,974</b>	<b>\$ 2,777,128</b>

**Special Revenue Funds (continued)**

<b>Cemeteries</b>	<b>Perpetual Care</b>	<b>CDBG</b>	<b>Home Program</b>	<b>Transit Services</b>	<b>Street Oversizing</b>
\$ 53,348	\$ 174,824	\$ 43,565	\$ 88,850	\$ 324,776	\$ 868,271
447,235	1,450,677	-	729,454	2,928,142	7,150,862
-	-	-	-	-	-
-	-	-	-	-	-
43,855	10,998	-	-	204,213	2,455
-	-	-	125,000	-	-
1,220	3,878	-	-	8,378	19,847
-	-	-	-	-	-
-	-	-	-	-	-
-	-	38,477	10,123	145,178	-
545,658	1,640,377	82,042	953,427	3,610,687	8,041,435
4,282	-	1,496	990	196,150	754,119
7,730	-	3,606	1,363	105,838	3,880
-	-	-	-	7,695	-
-	-	137,643	350,401	-	-
-	-	-	-	-	-
12,012	-	142,745	352,754	309,683	757,999
-	-	-	-	-	-
-	-	-	-	17,000	-
-	-	-	-	17,000	-
-	-	-	-	-	-
-	1,640,377	-	600,673	-	-
-	-	-	-	-	7,283,436
533,646	-	-	-	3,284,004	-
-	-	(60,703)	-	-	-
533,646	1,640,377	(60,703)	600,673	3,284,004	7,283,436
\$ 545,658	\$ 1,640,377	\$ 82,042	\$ 953,427	\$ 3,610,687	\$ 8,041,435

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (continued)  
DECEMBER 31, 2012**

	<b>Special Revenue Funds (continued)</b>			
	<b>General Improvement District No. 1</b>	<b>General Imp. District No. 15 Skyview</b>	<b>Timberline/ Prospect SID #94</b>	<b>Total Special Revenues</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 129,381	\$ 9,585	\$ 7,995	\$ 4,460,580
Investments	1,067,592	78,951	65,919	37,051,055
Receivables				
Property taxes	271,800	24,662	-	296,462
Sales and use taxes	-	-	-	1,318,045
Accounts	-	-	-	414,735
Notes and loans	-	-	-	125,000
Interest	2,847	244	163	102,707
Prepaid item	-	-	-	6,914
Advances to other funds	-	-	-	4,834,743
Due from other governments	2,282	136	-	544,490
Total Assets	<u>1,473,902</u>	<u>113,578</u>	<u>74,077</u>	<u>49,154,731</u>
<b>LIABILITIES</b>				
Accounts payable, accruals, and other	46,753	-	21,338	1,418,845
Wages payable	868	-	-	300,680
Due to other governments	86,653	-	-	94,436
Unearned revenue	-	-	-	1,355,586
Deposits held	-	-	-	154,730
Total Liabilities	<u>134,274</u>	<u>-</u>	<u>21,338</u>	<u>3,324,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	271,800	24,662	-	296,462
Unavailable revenue - grants	-	-	-	17,000
Total Deferred inflows of resources	<u>271,800</u>	<u>24,662</u>	<u>-</u>	<u>313,462</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	-	-	-	6,914
Restricted	-	-	-	12,885,351
Committed	1,067,828	88,916	-	25,414,841
Assigned	-	-	52,739	7,270,589
Unassigned	-	-	-	(60,703)
Total Fund Balances (Deficit)	<u>1,067,828</u>	<u>88,916</u>	<u>52,739</u>	<u>45,516,992</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,473,902</u>	<u>\$ 113,578</u>	<u>\$ 74,077</u>	<u>\$ 49,154,731</u>



<b>Debt Service Funds</b>			<b>Capital Project Funds</b>			
<b>Debt Service</b>	<b>Fort Collins Leasing Corporation</b>	<b>Total Debt Service</b>	<b>Neighborhood Parkland</b>	<b>Conservation Trust</b>	<b>Total Capital Project</b>	<b>Total Non-major Governmental</b>
\$ -	\$ -	\$ -	\$ 566,158	\$ 188,208	\$ 754,366	\$ 5,214,946
-	-	-	4,684,527	1,554,799	6,239,326	43,290,381
-	-	-	-	-	-	296,462
-	-	-	-	-	-	1,318,045
-	-	-	1,188	-	1,188	415,923
-	-	-	-	-	-	125,000
-	-	-	12,526	3,498	16,024	118,731
-	-	-	-	-	-	6,914
-	-	-	-	-	-	4,834,743
-	-	-	16,096	-	16,096	560,586
-	-	-	5,280,495	1,746,505	7,027,000	56,181,731
-	-	-	144,947	51,487	196,434	1,615,279
-	-	-	7,578	5,625	13,203	313,883
-	-	-	-	-	-	94,436
-	-	-	-	-	-	1,355,586
-	-	-	-	-	-	154,730
-	-	-	152,525	57,112	209,637	3,533,914
-	-	-	-	-	-	296,462
-	-	-	-	-	-	17,000
-	-	-	-	-	-	313,462
-	-	-	-	-	-	6,914
-	-	-	-	1,689,393	1,689,393	14,574,744
-	-	-	5,127,970	-	5,127,970	30,542,811
-	-	-	-	-	-	7,270,589
-	-	-	-	-	-	(60,703)
-	-	-	5,127,970	1,689,393	6,817,363	52,334,355
\$ -	\$ -	\$ -	\$ 5,280,495	\$ 1,746,505	\$ 7,027,000	\$ 56,181,731

**NON-MAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Special Revenue Funds</b>			
	<b>Capital Expansion</b>	<b>Sales and Use Tax</b>	<b>Natural Areas</b>	<b>Cultural Services &amp; Facilities</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 13,276,455	\$ -	\$ -
Intergovernmental	-	-	3,549,718	103,700
Fees and charges for services	2,523,937	-	22,512	2,153,567
Earnings on investments	266,317	104,994	73,567	27,678
Miscellaneous revenue	-	1,532	175,444	117,685
<b>Total Revenues</b>	<b>2,790,254</b>	<b>13,382,981</b>	<b>3,821,241</b>	<b>2,402,630</b>
<b>EXPENDITURES</b>				
Current operating				
Community and operation	4,217	744,000	4,961,955	3,931,021
Planning, development and transportation	-	-	-	-
Sustainability services	-	283,723	-	-
Other	-	-	-	-
Intergovernmental				
Fire protection	234,353	-	-	-
Capital outlay	-	-	289,296	109,960
Debt service				
Principal	-	-	-	-
Interest and debt service costs	-	-	-	-
<b>Total Expenditures</b>	<b>238,570</b>	<b>1,027,723</b>	<b>5,251,251</b>	<b>4,040,981</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,551,684	12,355,258	(1,430,010)	(1,638,351)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	6,280,820	1,835,057
Transfers out	(420,008)	(17,695,820)	(1,522,566)	(21,200)
Certificates of Participation COPS issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	-	157,482	-
<b>Total Other Financing Sources (Uses)</b>	<b>(420,008)</b>	<b>(17,695,820)</b>	<b>4,915,736</b>	<b>1,813,857</b>
Net Changes in Fund Balances	2,131,676	(5,340,562)	3,485,726	175,506
Fund Balances-January 1	14,586,160	7,366,095	4,518,548	1,769,217
<b>Fund Balances (Deficit)-December 31</b>	<b>\$ 16,717,836</b>	<b>\$ 2,025,533</b>	<b>\$ 8,004,274</b>	<b>\$ 1,944,723</b>

**Special Revenue Funds (continued)**

<b>Recreation</b>	<b>Cemeteries</b>	<b>Perpetual Care</b>	<b>CDBG</b>	<b>Home Program</b>	<b>Transit Services</b>	<b>Street Oversizing</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,525	-	-	1,431,750	1,225,192	3,266,039	-
4,857,224	376,104	49,259	-	-	805,456	3,294,063
31,211	6,396	19,668	35	13,750	41,533	83,218
107,412	11,400	-	142,764	85,021	275,477	419,774
<b>5,007,372</b>	<b>393,900</b>	<b>68,927</b>	<b>1,574,549</b>	<b>1,323,963</b>	<b>4,388,505</b>	<b>3,797,055</b>
5,974,312	589,411	407	-	-	-	-
-	-	-	-	-	8,492,524	584,094
-	-	-	1,572,132	1,044,733	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,346	-	-	-	-	6,945	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>5,992,658</b>	<b>589,411</b>	<b>407</b>	<b>1,572,132</b>	<b>1,044,733</b>	<b>8,499,469</b>	<b>584,094</b>
<b>(985,286)</b>	<b>(195,511)</b>	<b>68,520</b>	<b>2,417</b>	<b>279,230</b>	<b>(4,110,964)</b>	<b>3,212,961</b>
1,156,710	167,857	-	-	-	5,011,162	378,730
-	-	(21,819)	-	-	-	(1,474,086)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,393	-	-	-	-	8,010	-
<b>1,158,103</b>	<b>167,857</b>	<b>(21,819)</b>	<b>-</b>	<b>-</b>	<b>5,019,172</b>	<b>(1,095,356)</b>
172,817	(27,654)	46,701	2,417	279,230	908,208	2,117,605
2,160,893	561,300	1,593,676	(63,120)	321,443	2,375,796	5,165,831
<b>\$ 2,333,710</b>	<b>\$ 533,646</b>	<b>\$ 1,640,377</b>	<b>\$ (60,703)</b>	<b>\$ 600,673</b>	<b>\$ 3,284,004</b>	<b>\$ 7,283,436</b>

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Special Revenue Funds (continued)</b>			
	<b>General Improvement District No. 1</b>	<b>General Imp. District No. 15 Skyview</b>	<b>Timberline/ Prospect SID #94</b>	<b>Total Special Revenues</b>
<b>REVENUES</b>				
Taxes	\$ 277,180	\$ 24,651	\$ -	\$ 13,578,286
Intergovernmental	28,605	1,701	-	9,618,230
Fees and charges for services	-	-	-	14,082,122
Earnings on investments	14,581	951	498	684,397
Miscellaneous revenue	62	-	20,876	1,357,447
<b>Total Revenues</b>	<b>320,428</b>	<b>27,303</b>	<b>21,374</b>	<b>39,320,482</b>
<b>EXPENDITURES</b>				
Current operating				
Community and operation	-	-	-	16,205,323
Planning, development and transportation	263,978	492	-	9,341,088
Sustainability services	-	-	-	2,900,588
Other	-	-	38,943	38,943
Intergovernmental				
Fire protection	-	-	-	234,353
Capital outlay	-	-	-	424,547
Debt service				
Principal	-	-	-	-
Interest and debt service costs	-	-	-	-
<b>Total Expenditures</b>	<b>263,978</b>	<b>492</b>	<b>38,943</b>	<b>29,144,842</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,450	26,811	(17,569)	10,175,640
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	14,830,336
Transfers out	-	-	-	(21,155,499)
Certificates of Participation COPS issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	-	-	166,885
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,158,278)</b>
Net Changes in Fund Balances	56,450	26,811	(17,569)	4,017,362
Fund Balances-January 1	1,011,378	62,105	70,308	41,499,630
<b>Fund Balances (Deficit)-December 31</b>	<b>\$ 1,067,828</b>	<b>\$ 88,916</b>	<b>\$ 52,739</b>	<b>\$ 45,516,992</b>

<b>Debt Service Funds</b>			<b>Capital Project Funds</b>			<b>Total Non-major Governmental</b>
<b>Debt Service</b>	<b>Fort Collins Leasing Corporation</b>	<b>Total Debt Service</b>	<b>Neighborhood Parkland</b>	<b>Conservation Trust</b>	<b>Total Capital Project</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,578,286
-	-	-	16,096	2,030,542	2,046,638	11,664,868
-	-	-	1,655,835	-	1,655,835	15,737,957
-	-	-	65,094	18,865	83,959	768,356
-	52,472	52,472	11,990	1,500	13,490	1,423,409
-	52,472	52,472	1,749,015	2,050,907	3,799,922	43,172,876
-	-	-	437,488	380,734	818,222	17,023,545
-	-	-	-	-	-	9,341,088
-	-	-	-	-	-	2,900,588
-	202,481	202,481	-	-	-	241,424
-	-	-	-	-	-	234,353
-	-	-	1,730,014	922,432	2,652,446	3,076,993
340,000	3,212,355	3,552,355	-	-	-	3,552,355
15,300	1,867,807	1,883,107	-	-	-	1,883,107
355,300	5,282,643	5,637,943	2,167,502	1,303,166	3,470,668	38,253,453
(355,300)	(5,230,171)	(5,585,471)	(418,487)	747,741	329,254	4,919,423
355,300	5,230,171	5,585,471	-	-	-	20,415,807
-	-	-	(20,196)	(749,147)	(769,343)	(21,924,842)
-	34,395,000	34,395,000	-	-	-	34,395,000
-	(34,395,000)	(34,395,000)	-	-	-	(34,395,000)
-	-	-	-	-	-	166,885
355,300	5,230,171	5,585,471	(20,196)	(749,147)	(769,343)	(1,342,150)
-	-	-	(438,683)	(1,406)	(440,089)	3,577,273
-	-	-	5,566,653	1,690,799	7,257,452	48,757,082
\$ -	\$ -	\$ -	\$ 5,127,970	\$ 1,689,393	\$ 6,817,363	\$ 52,334,355

**CAPITAL EXPANSION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 2,523,937	\$ 1,640,000	\$ 883,937
Earnings on investments	266,317	175,618	90,699
Total Revenues	<u>2,790,254</u>	<u>1,815,618</u>	<u>974,636</u>
<b>EXPENDITURES</b>			
Community Parkland Capital	4,217	-	(4,217)
Fire Capital Expansion	234,353	234,353	-
Total Expenditures	<u>238,570</u>	<u>234,353</u>	<u>(4,217)</u>
Excess of Revenues Over Expenditures	<u>2,551,684</u>	<u>1,581,265</u>	<u>970,419</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Advances	247,648	-	247,648
Transfers out:			
General Fund	(50,000)	(50,000)	-
Debt Service - COPS	(350,000)	(350,000)	-
Capital Projects Fund	(20,008)	(151,894)	131,886
Total Other Financing Sources (Uses)	<u>(172,360)</u>	<u>(551,894)</u>	<u>379,534</u>
Net Change	2,379,324	<u>\$ 1,029,371</u>	<u>\$ 1,349,953</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Proceeds From Advances	<u>(247,648)</u>		
Total Reconciling Items	<u>(247,648)</u>		
Net Change in Fund Balances	2,131,676		
Fund Balances--January 1	<u>14,586,160</u>		
Fund Balances--December 31	<u>\$ 16,717,836</u>		

**SALES AND USE TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 13,276,455	\$ 12,536,934	\$ 739,521
Earnings on investments	104,994	-	104,994
Miscellaneous revenue	<u>1,532</u>	<u>-</u>	<u>1,532</u>
Total Revenues	<u>13,382,981</u>	<u>12,536,934</u>	<u>846,047</u>
<b>EXPENDITURES</b>			
Current operating			
Community and Operations	744,000	744,000	-
Sustainability	<u>283,723</u>	<u>282,812</u>	<u>(911)</u>
Total Expenditures	<u>1,027,723</u>	<u>1,026,812</u>	<u>(911)</u>
Excess of Revenues Over Expenditures	<u>12,355,258</u>	<u>11,510,122</u>	<u>845,136</u>
<b>OTHER FINANCING (USES)</b>			
Transfers out:			
General Fund	(6,153,718)	(7,334,114)	1,180,396
Natural Areas Fund	(6,280,820)	(6,280,820)	-
Cultural Services & Facilities Fund	(224,000)	(224,000)	-
Cemeteries Fund	(7,500)	(7,500)	-
Transportation Services Fund	(66,000)	(66,000)	-
Capital Projects Fund	<u>(4,963,782)</u>	<u>(4,963,782)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(17,695,820)</u>	<u>(18,876,216)</u>	<u>1,180,396</u>
Net Change in Fund Balances	(5,340,562)	<u>\$ (7,366,094)</u>	<u>\$ 2,025,532</u>
Fund Balances--January 1	<u>7,366,095</u>		
Fund Balances--December 31	<u>\$ 2,025,533</u>		

**NATURAL AREAS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
 ACTUAL AND BUDGET  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 3,549,718	\$ 3,124,304	\$ 425,414
Fees and charges for services	22,512	23,000	(488)
Earnings on investments	73,567	45,826	27,741
Miscellaneous revenue	175,444	98,920	76,524
Total Revenues	<u>3,821,241</u>	<u>3,292,050</u>	<u>529,191</u>
<b>EXPENDITURES</b>			
Land Conservation	470,514	3,951,893	3,481,379
Enforcement	623,350	694,702	71,352
Education	524,375	637,095	112,720
Program Management	605,284	690,264	84,980
Resource Management	1,263,162	1,856,488	593,326
Public Improvements	1,068,681	2,411,932	1,343,251
Facility Operations	189,850	427,431	237,581
Land Management	506,035	533,245	27,210
Total Expenditures	<u>5,251,251</u>	<u>11,203,050</u>	<u>5,951,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,430,010)</u>	<u>(7,911,000)</u>	<u>6,480,990</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
Sales and Use Tax Fund	6,280,820	5,896,500	384,320
Transfers out:			
Debt Service - COPS	(1,385,881)	(1,385,881)	-
Capital Projects Fund	(52,637)	(63,803)	11,166
Data and Communications Fund	(84,048)	(84,048)	-
Sale of capital assets	157,482	-	157,482
Total Other Financing Sources (Uses)	<u>4,915,736</u>	<u>4,362,768</u>	<u>552,968</u>
Net Change in Fund Balances	3,485,726	<u><u>\$ (3,548,232)</u></u>	<u><u>\$ 7,033,958</u></u>
Fund Balances--January 1	<u>4,518,548</u>		
Fund Balances--December 31	<u><u>\$ 8,004,274</u></u>		



**CULTURAL SERVICES AND FACILITIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 103,700	\$ 307,194	\$ (203,494)
Fees and charges for services	2,153,567	2,297,752	(144,185)
Earnings on investments	27,678	47,613	(19,935)
Miscellaneous revenue	117,685	551,109	(433,424)
Total Revenues	<u>2,402,630</u>	<u>3,203,668</u>	<u>(801,038)</u>
<b>EXPENDITURES</b>			
Administration	823,097	856,941	33,844
Lincoln Center	879,758	1,191,401	311,643
Museum	996,923	1,808,747	811,824
Art in Public Places	171,646	401,858	230,212
Performing and visual arts	1,169,557	1,223,350	53,793
Total Expenditures	<u>4,040,981</u>	<u>5,482,297</u>	<u>1,441,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,638,351)</u>	<u>(2,278,629)</u>	<u>640,278</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
General Fund	1,539,518	1,539,518	-
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	58,139	58,139	-
Transfers out:			
Capital Projects Fund	(21,200)	(21,200)	-
Total Other Financing Sources (Uses)	<u>1,813,857</u>	<u>1,813,857</u>	<u>-</u>
Net Change in Fund Balances	175,506	<u>\$ (464,772)</u>	<u>\$ 640,278</u>
Fund Balances--January 1	<u>1,769,217</u>		
Fund Balances--December 31	<u>\$ 1,944,723</u>		

**RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 11,525	\$ 125,471	\$ (113,946)
Fees and charges for services	4,857,224	4,973,509	(116,285)
Earnings on investments	31,211	63,516	(32,305)
Miscellaneous revenue	107,412	104,934	2,478
Total Revenues	<u>5,007,372</u>	<u>5,267,430</u>	<u>(260,058)</u>
<b>EXPENDITURES</b>			
Recreation administration	2,795,121	3,164,443	369,322
Ice/aquatics programming	1,333,285	1,508,854	175,569
Adult programming	710,734	795,922	85,188
Youth programming	418,415	443,006	24,591
Sports programming	516,199	524,310	8,111
Special reserves	209,277	244,502	35,225
Grants/miscellaneous	9,627	132,971	123,344
Total Expenditures	<u>5,992,658</u>	<u>6,814,008</u>	<u>821,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(985,286)</u>	<u>(1,546,578)</u>	<u>561,292</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
General Fund	1,156,710	1,156,710	-
Sale of capital assets	1,393	-	1,393
Total Other Financing Sources	<u>1,158,103</u>	<u>1,156,710</u>	<u>1,393</u>
Net Change in Fund Balances	172,817	<u>\$ (389,868)</u>	<u>\$ 562,685</u>
Fund Balances--January 1	<u>2,160,893</u>		
Fund Balances--December 31	<u>\$ 2,333,710</u>		

**CEMETERIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 376,104	\$ 323,000	\$ 53,104
Earnings on investments	6,396	10,000	(3,604)
Miscellaneous revenue	11,400	11,900	(500)
Total Revenues	<u>393,900</u>	<u>344,900</u>	<u>49,000</u>
<b>EXPENDITURES</b>			
Cemetery services	<u>589,411</u>	<u>641,939</u>	<u>52,528</u>
Total Expenditures	<u>589,411</u>	<u>641,939</u>	<u>52,528</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(195,511)</u>	<u>(297,039)</u>	<u>101,528</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
General Fund	138,539	138,539	-
Perpetual Care Fund	21,818	45,000	(23,182)
Sales & Use Tax - Building on Basics	7,500	7,500	-
Total Other Financing Sources	<u>167,857</u>	<u>191,039</u>	<u>(23,182)</u>
Net Change in Fund Balances	(27,654)	<u>\$ (106,000)</u>	<u>\$ 78,346</u>
Fund Balances--January 1	<u>561,300</u>		
Fund Balances--December 31	<u>\$ 533,646</u>		

**PERPETUAL CARE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 49,259	\$ 45,000	\$ 4,259
Earnings on investments	19,668	45,000	(25,332)
Total Revenues	<u>68,927</u>	<u>90,000</u>	<u>(21,073)</u>
<b>EXPENDITURES</b>			
Other	407	407	-
Total Expenditures	<u>407</u>	<u>407</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>68,520</u>	<u>89,593</u>	<u>(21,073)</u>
<b>OTHER FINANCING (USES)</b>			
Transfers out:			
Cemeteries Fund	(21,819)	(45,000)	23,181
Total Other Financing (Uses)	<u>(21,819)</u>	<u>(45,000)</u>	<u>23,181</u>
Net Change in Fund Balances	46,701	<u>\$ 44,593</u>	<u>\$ 2,108</u>
Fund Balances--January 1	<u>1,593,676</u>		
Fund Balances--December 31	<u>\$ 1,640,377</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, 2012**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 1,431,750	\$ 3,061,443	\$ 4,493,193	\$ 5,321,021	\$ (827,828)
Earnings on investments	35	648	683	82,596	(81,913)
Miscellaneous revenue	142,764	179,070	321,834	808,260	(486,426)
Total Revenues	<u>1,574,549</u>	<u>3,241,161</u>	<u>4,815,710</u>	<u>6,211,877</u>	<u>(1,396,167)</u>
<b>EXPENDITURES</b>					
2008-09 Grant	39,308	84,299	123,607	123,607	-
2010-11 Grant	186,127	654,649	840,776	1,041,665	200,889
2011-12 Grant	905,397	32,186	937,583	1,185,505	247,922
2012-13 Grant	441,300	-	441,300	1,073,914	632,614
Total Expenditures	<u>1,572,132</u>	<u>771,134</u>	<u>2,343,266</u>	<u>3,424,691</u>	<u>1,081,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,417</u>	<u>2,470,027</u>	<u>2,472,444</u>	<u>2,787,186</u>	<u>(314,742)</u>
Net Change in Fund Balances	2,417	<u>\$ 2,470,027</u>	2,472,444	<u>\$ 2,787,186</u>	<u>\$ (314,742)</u>
Fund Balances (Deficit)--January 1	(63,120)		(63,120)		
Less Prior Years' Project Revenues			(3,241,161)		
Plus Prior Years' Project Expenditures			771,134		
Fund Balances (Deficit)--December 31	<u>\$ (60,703)</u>		<u>\$ (60,703)</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, 2012**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 1,225,192	\$ 835,415	\$ 2,060,607	\$ 3,488,000	\$ (1,427,393)
Earnings on investments	13,750	27,500	41,250	-	41,250
Miscellaneous revenue	<u>85,021</u>	<u>281,926</u>	<u>366,947</u>	<u>296,421</u>	<u>70,526</u>
Total Revenues	<u>1,323,963</u>	<u>1,144,841</u>	<u>2,468,804</u>	<u>3,784,421</u>	<u>(1,315,617)</u>
<b>EXPENDITURES</b>					
2006-07 Grant	27,028	480,459	507,487	507,487	-
2008-09 Grant	-	234,395	234,395	234,395	-
2009-10 Grant	51,481	113,600	165,081	167,900	2,819
2010-11 Grant	267,917	84,943	352,860	445,831	92,971
2011-12 Grant	105,403	37,840	143,243	894,079	750,836
2012-13 Grant	<u>592,904</u>	<u>-</u>	<u>592,904</u>	<u>833,721</u>	<u>240,817</u>
Total Expenditures	<u>1,044,733</u>	<u>951,237</u>	<u>1,995,970</u>	<u>3,083,413</u>	<u>1,087,443</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>279,230</u>	<u>193,604</u>	<u>472,834</u>	<u>701,008</u>	<u>(228,174)</u>
Net Change in Fund Balances	279,230	<u>\$ 193,604</u>	472,834	<u>\$ 701,008</u>	<u>\$ (228,174)</u>
Fund Balances--January 1	321,443		321,443		
Less Prior Years' Project Revenues			(1,144,841)		
Plus Prior Years' Project Expenditures			<u>951,237</u>		
Fund Balances--December 31	<u>\$ 600,673</u>		<u>\$ 600,673</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, 2012**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 3,266,039	\$ 7,627,396	\$ 10,893,435	\$ 19,207,432	\$ (8,313,997)
Fees and charges for services	805,456	1,174,076	1,979,532	1,923,911	55,621
Earnings on investments	41,533	65,321	106,854	116,395	(9,541)
Miscellaneous revenue	<u>275,477</u>	<u>41,424</u>	<u>316,901</u>	<u>143,673</u>	<u>173,228</u>
Total Revenues	<u>4,388,505</u>	<u>8,908,217</u>	<u>13,296,722</u>	<u>21,391,411</u>	<u>(8,094,689)</u>
<b>EXPENDITURES</b>					
FTA Grants					
2010 Operating	48,095	1,600,076	1,648,171	2,263,488	615,317
2011 Operating	482,957	7,869,974	8,352,931	8,721,298	368,367
2012 Operating	7,805,033	-	7,805,033	9,460,907	1,655,874
2008 Capital	111,217	1,547,473	1,658,690	1,771,997	113,307
2009 Capital	-	618,975	618,975	969,958	350,983
2010 Capital	48,920	2,213,033	2,261,953	3,465,924	1,203,971
2011 Capital	-	5,738	5,738	625,000	619,262
2012 Capital	<u>3,247</u>	<u>-</u>	<u>3,247</u>	<u>4,493,381</u>	<u>4,490,134</u>
Total Expenditures	<u>8,499,469</u>	<u>13,855,269</u>	<u>22,354,738</u>	<u>31,771,953</u>	<u>9,417,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,110,964)</u>	<u>(4,947,052)</u>	<u>(9,058,016)</u>	<u>(10,380,542)</u>	<u>1,322,526</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
General Fund	5,011,162	6,332,143	11,343,305	11,343,305	-
Transfers out:					
Capital Projects Fund	-	(152,524)	(152,524)	(152,525)	1
Sale of capital assets	<u>8,010</u>	<u>-</u>	<u>8,010</u>	<u>-</u>	<u>8,010</u>
Total Other Financing Sources (Uses)	<u>5,019,172</u>	<u>6,179,619</u>	<u>11,198,791</u>	<u>11,190,780</u>	<u>8,011</u>
Net Change in Fund Balances	908,208	<u>\$ 1,232,567</u>	2,140,775	<u>\$ 810,238</u>	<u>\$ 1,330,537</u>
Fund Balances--January 1	2,375,796		2,375,796		
Less Prior Years' Project Revenues			(15,240,360)		
Plus Prior Years' Project Expenditures			<u>14,007,793</u>		
Fund Balances--December 31	<u>\$ 3,284,004</u>		<u>\$ 3,284,004</u>		

**STREET OVERSIZING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Fees and charges for services	\$ 3,294,063	\$ 1,895,000	\$ 1,399,063
Earnings on investments	83,218	73,573	9,645
Miscellaneous revenue	419,774	792,510	(372,736)
Total Revenues	<u>3,797,055</u>	<u>2,761,083</u>	<u>1,035,972</u>
<b>EXPENDITURES</b>			
Oversizing costs	584,094	2,155,482	1,571,388
Total Expenditures	<u>584,094</u>	<u>2,155,482</u>	<u>1,571,388</u>
Excess of Revenues Over Expenditures	<u>3,212,961</u>	<u>605,601</u>	<u>2,607,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
General Fund	378,730	378,730	-
Transfers out:			
Capital Projects Fund	(1,474,086)	(2,491,957)	1,017,871
Total Other Financing Sources (Uses)	<u>(1,095,356)</u>	<u>(2,113,227)</u>	<u>1,017,871</u>
Net Change in Fund Balances	2,117,605	<u>\$ (1,507,626)</u>	<u>\$ 3,625,231</u>
Fund Balances--January 1	<u>5,165,831</u>		
Fund Balances--December 31	<u>\$ 7,283,436</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, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 277,180	\$ 249,000	\$ 28,180
Intergovernmental	28,605	28,000	605
Earnings on investments	14,581	26,179	(11,598)
Miscellaneous revenue	62	-	62
Total Revenues	<u>320,428</u>	<u>303,179</u>	<u>17,249</u>
<b>EXPENDITURES</b>			
Other	<u>263,978</u>	<u>931,546</u>	<u>667,568</u>
Total Expenditures	<u>263,978</u>	<u>931,546</u>	<u>667,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>56,450</u>	<u>(628,367)</u>	<u>684,817</u>
Net Change in Fund Balances	56,450	<u><u>\$ (628,367)</u></u>	<u><u>\$ 684,817</u></u>
Fund Balances--January 1	<u>1,011,378</u>		
Fund Balances--December 31	<u><u>\$ 1,067,828</u></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, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 24,651	\$ 24,615	\$ 36
Intergovernmental	1,701	-	1,701
Earnings on investments	951	-	951
Total Revenues	<u>27,303</u>	<u>24,615</u>	<u>2,688</u>
<b>EXPENDITURES</b>			
Other	<u>492</u>	<u>-</u>	<u>(492)</u>
Total Expenditures	<u>492</u>	<u>-</u>	<u>(492)</u>
Excess of Revenues Over Expenditures	<u>26,811</u>	<u>24,615</u>	<u>2,196</u>
Net Change in Fund Balances	26,811	<u>\$ 24,615</u>	<u>\$ 2,196</u>
Fund Balances--January 1	<u>62,105</u>		
Fund Balances--December 31	<u>\$ 88,916</u>		

**TIMBERLINE/PROSPECT SID #94**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Earnings on investments	\$ 498	\$ 518	\$ (20)
Miscellaneous revenue	20,876	102,926	(82,050)
Total Revenues	<u>21,374</u>	<u>103,444</u>	<u>(82,070)</u>
<b>EXPENDITURES</b>			
Other	38,943	102,926	63,983
Total Expenditures	<u>38,943</u>	<u>102,926</u>	<u>63,983</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,569)</u>	<u>518</u>	<u>(18,087)</u>
Net Change in Fund Balances	(17,569)	<u>\$ 518</u>	<u>\$ (18,087)</u>
Fund Balances--January 1	<u>70,308</u>		
Fund Balances--December 31	<u>\$ 52,739</u>		

**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
Principal	\$ 340,000	\$ 340,000	\$ -
Interest	15,300	15,300	-
Total Expenditures	<u>355,300</u>	<u>355,300</u>	<u>-</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(355,300)</u>	<u>(355,300)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in:			
Transportation Fund	355,300	355,300	-
Total Other Financing Sources	<u>355,300</u>	<u>355,300</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, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Miscellaneous revenue	\$ 52,472	\$ 69,688	\$ (17,216)
Total Revenues	<u>52,472</u>	<u>69,688</u>	<u>(17,216)</u>
<b>EXPENDITURES</b>			
Principal	3,212,355	3,212,355	-
Interest	1,867,807	2,084,876	217,069
Other	202,481	2,500	(199,981)
Total Expenditures	<u>5,282,643</u>	<u>5,299,731</u>	<u>17,088</u>
(Deficiency) of Revenues			
(Under) Expenditures	<u>(5,230,171)</u>	<u>(5,230,043)</u>	<u>(128)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in:			
General Fund	2,609,121	2,608,993	128
Capital Expansion Fund	350,000	350,000	-
Natural Areas Fund	1,385,881	1,385,881	-
Transportation Fund	135,169	135,169	-
Capital Projects Fund	750,000	750,000	-
Proceeds from issuance of long-term debt	34,395,000	-	34,395,000
Proceeds to Escrow Agent	(34,395,000)	-	(34,395,000)
Total Other Financing Sources (Uses)	<u>5,230,171</u>	<u>5,230,043</u>	<u>128</u>
Net Change in Fund Balances	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balances--January 1	<u>-</u>		
Fund Balances--December 31	<u>\$ -</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, 2012**

	Actual	Prior Year Actual	Cumulative Actual	Budget	Variance
<b>REVENUES</b>					
Intergovernmental	\$ 16,096	\$ 478,223	\$ 494,319	\$ 428,896	\$ 65,423
Fees and charges for services	1,655,835	14,178,272	15,834,107	12,239,876	3,594,231
Earnings on investments	65,094	2,314,371	2,379,465	2,080,725	298,740
Miscellaneous revenue	11,990	279,072	291,062	271,389	19,673
Total Revenues	<u>1,749,015</u>	<u>17,249,938</u>	<u>18,998,953</u>	<u>15,020,886</u>	<u>3,978,067</u>
<b>EXPENDITURES</b>					
Waters Way Park	402,695	1,343,905	1,746,600	1,825,364	78,764
New Site Acquisition	-	1,960,995	1,960,995	2,003,424	42,429
New Park Site Development	43,880	1,456,461	1,500,341	2,584,788	1,084,447
Lee Martinez Park Addition	24,769	170,381	195,150	439,462	244,312
Huidekoper Park	-	154,971	154,971	422,000	267,029
Lilac Park	-	140,383	140,383	177,000	36,617
Registry Park	65,569	1,550,908	1,616,477	1,696,700	80,223
Romero	-	-	-	150,000	150,000
Richards Lake	17,784	345,957	363,741	1,330,506	966,765
Staley Neighborhood Park	1,204,518	279,306	1,483,824	1,866,000	382,176
Avery Park Improvements	-	39	39	200,000	199,961
Maple Hill Park	-	461,198	461,198	676,410	215,212
Rosborough Park Improvements	-	3,932	3,932	175,000	171,068
Trailhead Park	10,680	233,342	244,022	827,000	582,978
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	383,584	1	383,585	394,891	11,306
Park Equipment Replacement	14,023	-	14,023	15,000	977
Total Expenditures	<u>2,167,502</u>	<u>8,273,990</u>	<u>10,441,492</u>	<u>15,233,545</u>	<u>4,792,053</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(418,487)</u>	<u>8,975,948</u>	<u>8,557,461</u>	<u>(212,659)</u>	<u>8,770,120</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
General Fund	-	82,162	82,162	82,162	-
Capital Projects Fund	-	5,545	5,545	5,545	-
Transfers out:					
Cultural Services & Facilities Fund	(9,000)	(54,800)	(63,800)	(63,800)	-
Capital Projects Fund	-	(488,220)	(488,220)	(488,220)	-
Data & Communications Fund	(11,196)	-	(11,196)	(11,196)	-
Total Other Financing Sources (Uses)	<u>(20,196)</u>	<u>(455,313)</u>	<u>(475,509)</u>	<u>(475,509)</u>	<u>-</u>
Net Change in Fund Balances	(438,683)	<u>\$ 8,520,635</u>	8,081,952	<u>\$ (688,168)</u>	<u>\$ 8,770,120</u>
Fund Balances--January 1	5,566,653		5,566,653		
Less Prior Years' Project Revenues			(17,337,645)		
Plus Prior Years' Project Expenditures			8,817,010		
Fund Balances--December 31	<u>\$ 5,127,970</u>		<u>\$ 5,127,970</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, 2012**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>					
Intergovernmental	\$ 2,030,542	\$ 21,141,878	\$ 23,172,420	\$ 23,313,124	\$ (140,704)
Earnings on investments	18,865	512,428	531,293	777,714	(246,421)
Miscellaneous revenue	1,500	314,899	316,399	356,775	(40,376)
Total Revenues	<u>2,050,907</u>	<u>21,969,205</u>	<u>24,020,112</u>	<u>24,447,613</u>	<u>(427,501)</u>
<b>EXPENDITURES</b>					
Trail acquisition/development	737,466	7,707,484	8,444,950	9,769,017	1,324,067
Open space acquisition	1,957	1,103,992	1,105,949	1,162,403	56,454
Fossil Creek Trail	308,432	3,748,940	4,057,372	5,045,021	987,649
Tri-City trails	-	677,174	677,174	1,072,541	395,367
Pickle Plant	-	15,386	15,386	90,750	75,364
Hughes Stadium Disc Golf Course	-	171,555	171,555	135,000	(36,555)
Administration	<u>255,311</u>	<u>-</u>	<u>255,311</u>	<u>253,304</u>	<u>(2,007)</u>
Total Expenditures	<u>1,303,166</u>	<u>13,424,531</u>	<u>14,727,697</u>	<u>17,528,036</u>	<u>2,800,339</u>
Excess of Revenues					
Over Expenditures	<u>747,741</u>	<u>8,544,674</u>	<u>9,292,415</u>	<u>6,919,577</u>	<u>2,372,838</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
Capital Projects Fund	-	235,000	235,000	235,000	-
Transfers out:					
General Fund	(730,146)	(884,400)	(1,614,546)	(1,614,546)	-
Cultural Services & Facilities Fund	(4,400)	(104,450)	(108,850)	(108,850)	-
Capital Projects Fund	-	(1,007,337)	(1,007,337)	(1,017,618)	10,281
Data and Communications Fund	<u>(14,601)</u>	<u>-</u>	<u>(14,601)</u>	<u>(14,601)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(749,147)</u>	<u>(1,761,187)</u>	<u>(2,510,334)</u>	<u>(2,520,615)</u>	<u>10,281</u>
Net Change in Fund Balances	(1,406)	<u>\$ 6,783,487</u>	6,782,081	<u>\$ 4,398,962</u>	<u>\$ 2,383,119</u>
Fund Balances--January 1	1,690,799		1,690,799		
Less Prior Years' Project Revenues			(22,204,205)		
Plus Prior Years' Project Expenditures			<u>15,420,718</u>		
Fund Balances--December 31	<u>\$ 1,689,393</u>		<u>\$ 1,689,393</u>		

\*\*Conservation Trust Funds (lottery proceeds only) fund balance \$1,717,130

**CAPITAL PROJECTS FUND  
INDIVIDUAL FUND BUDGET SCHEDULE**

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**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, 2012**

	<b>Current Year Actual</b>	<b>Prior Year Actual</b>	<b>Cumulative Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES</b>					
Intergovernmental	\$ 23,279,223	\$ 15,887,051	\$ 39,166,274	\$ 103,723,630	\$ (64,557,356)
Earnings on investments	224,165	10,213,894	10,438,059	5,981,533	4,456,526
Miscellaneous revenue	749,845	7,681,775	8,431,620	9,536,709	(1,105,089)
Total Revenues	24,253,233	33,782,720	58,035,953	119,241,872	(61,205,919)
<b>EXPENDITURES</b>					
DOE - RDSI Project (ARRA)	-	152,482	152,482	241,797	89,315
FC Museum / DSC Fac Design	1,252,330	14,907,541	16,159,871	16,296,470	136,599
BOB-Lincoln Center Renovation	113,118	7,972,232	8,085,350	8,062,225	(23,125)
Police Facility	3,206,280	1,955,194	5,161,474	5,323,825	162,351
Env Site Mitigation - 112 E. Willow	-	183,019	183,019	200,000	16,981
Block 32 Redevelopment	4,123	41,521	45,644	195,000	149,356
New Branch Library-Beyer Site	60,000	5,214,161	5,274,161	5,544,000	269,839
NA Office Building	24,813	-	24,813	-	(24,813)
Soapstone Public Improvement	52,637	4,830,406	4,883,043	4,883,044	1
Coventry Dev Wildlife Habitat	-	-	-	9,000	9,000
Regional Trails	267,537	1,550,900	1,818,437	1,988,718	170,281
Southeast Community Park	20,008	3,598,133	3,618,141	3,750,026	131,885
Spring Canyon-Veteran's Plaza	59,038	262,634	321,672	335,000	13,328
Water Craft Course	-	36,342	36,342	150,000	113,658
BOB-Park Upgrades/Enhancements	163,458	135,782	299,240	304,897	5,657
BOB-Senior Center Expansion	7,406	-	7,406	425,937	418,531
Prospect, Poudre River/Summitview	2,367	6,260,423	6,262,790	6,568,801	306,011
Street Oversizing Projects	1,467,997	9,514,852	10,982,849	12,226,165	1,243,316
BOB Int Imp & Traffic Signals	913,195	4,462,657	5,375,852	12,196,189	6,820,337
I-25 & SH 392 Interchange	1,401,736	2,788,697	4,190,433	4,639,593	449,160
City Bridge Program	1,571,738	3,055,826	4,627,564	7,705,161	3,077,597
Rairoad Crossing Replacement	105,499	126,092	231,591	519,903	288,312
Harmony/UPRR Safety & Maintenance	11,925	-	11,925	575,000	563,075
Mason Street Transportation Corridor	15,343,767	22,363,564	37,707,331	95,901,607	58,194,276
Pedestrian Plan (BCC)	2,663	95,054	97,717	97,775	58
BOB Ped Plan & ADA Improvements	318,255	1,698,525	2,016,780	3,254,716	1,237,936
Bicycle Plan Implementation	48,834	-	48,834	405,000	356,166
N. College Improvements-Vine/Conifer	6,067,895	2,725,571	8,793,466	11,215,464	2,421,998
N. College Improvements-Conifer/Wilcox	103,338	-	103,338	1,426,000	1,322,662
Administrative Charges	35,961	-	35,961	35,961	-
Total Expenditures	32,625,918	93,931,608	126,557,526	204,477,274	77,919,748
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(8,372,685)	(60,148,888)	(68,521,573)	(85,235,402)	16,713,829

(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, 2012**

	<b>Current Year Actual</b>	<b>Prior Year Actual</b>	<b>Cumulative Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of long term debt	\$ -	\$ 1,897,805	\$ 1,897,805	\$ 1,897,805	\$ -
Transfers in					
General Fund	93,000	6,496,838	6,589,838	8,342,549	(1,752,711)
Capital Expansion Fund	20,008	8,577,746	8,597,754	8,729,639	(131,885)
Sales and Use Tax Fund	4,963,781	49,237,099	54,200,880	53,190,964	1,009,916
Natural Areas Fund	52,637	5,743,733	5,796,370	5,796,370	-
Cultural Services & Facilities Fund	21,200	350,000	371,200	471,200	(100,000)
Transit Services Fund	-	116,525	116,525	116,525	-
Street Oversizing Fund	1,474,086	3,566,251	5,040,337	6,058,208	(1,017,871)
Transportation Services Fund	151,606	1,131,642	1,283,248	1,785,000	(501,752)
URA Operations & Maintenance Fund	2,700,000	1,548,079	4,248,079	4,318,079	(70,000)
Transfers out					
Cultural Services and Facilities Fund	(58,139)	(462,798)	(520,937)	(520,937)	-
Debt Service Fund-Ft Collins Leasing	(750,000)	(1,500,000)	(2,250,000)	(2,250,000)	-
Total Other Financing Sources (Uses)	<u>8,668,179</u>	<u>76,702,920</u>	<u>85,371,099</u>	<u>87,935,402</u>	<u>(2,564,303)</u>
Net Changes in Fund Balance	295,494	<u>\$ 16,554,032</u>	16,849,526	<u>\$ 2,700,000</u>	<u>\$ 14,149,526</u>
Fund Balances--January 1	20,109,186		20,109,186		
Less Prior Years' Project Revenues			(112,448,438)		
Plus Prior Years' Project Expenditures			<u>95,894,406</u>		
Fund Balances--December 31	<u>\$ 20,404,680</u>		<u>\$ 20,404,680</u>		

**ENTERPRISE FUNDS  
INDIVIDUAL FUND BUDGET SCHEDULES**

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

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

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

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

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

**LIGHT AND POWER FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 108,634,479	\$ 106,693,911	\$ 1,940,568
Intergovernmental	5,564,701	241,849	5,322,852
Other nonoperating income	1,334,800	1,259,979	74,821
Earnings on investments	566,783	752,150	(185,367)
Gain on sale of capital assets	194,540	-	194,540
Contributed capital	3,414,650	1,906,816	1,507,834
Total Revenues	<u>119,709,953</u>	<u>110,854,705</u>	<u>8,855,248</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	4,272,291	5,477,296	1,205,005
System additions	8,814,033	9,573,425	759,392
Light and Power operations	7,537,528	7,337,448	(200,080)
Payments and transfers	9,691,390	9,734,136	42,746
Purchase of power	76,283,258	78,051,087	1,767,829
Energy services	3,546,448	5,946,946	2,400,498
Total Programs	<u>110,144,948</u>	<u>116,120,338</u>	<u>5,975,390</u>
Projects (project level of budgetary control)			
Substation Improvements	6,298,401	8,388,148	2,089,747
Smart Grid	18,148,045	34,890,127	16,742,082
SW Enclave System Purchases	1,598,080	2,664,354	1,066,274
Underground Conversion Program	41,680	1,800,249	1,758,569
Grants	6,548,821	6,524,181	(24,640)
Service Center Additions	115,775	4,619,563	4,503,788
Mason Corridor	969,069	1,020,000	50,931
Total Projects	<u>33,719,871</u>	<u>59,906,622</u>	<u>26,186,751</u>
Total Expenses	<u>143,864,819</u>	<u>176,026,960</u>	<u>32,162,141</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(24,154,866)	<u>\$ (65,172,255)</u>	<u>\$ 41,017,389</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	8,814,033		
Current Year's Project Expenses	13,431,473		
Prior Years' Project Expenses	19,241,582		
Principal Reduction--Long-Term Debt	1,455,000		
Depreciation	(7,739,320)		
Bond Amortization	60,804		
Total Reconciling Items	<u>35,263,572</u>		
Change in net position	11,108,706		
Net Position--January 1, as restated	<u>166,578,985</u>		
Net Position--December 31	<u>\$ 177,687,691</u>		

**WATER FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 28,325,535	\$ 26,748,036	\$ 1,577,499
Other nonoperating income	274,336	208,828	65,508
Earnings on investments	952,937	1,430,558	(477,621)
Gain on sale of capital assets	42,400	-	42,400
Contributed capital	3,448,556	1,948,015	1,500,541
Proceeds from issuance of long term debt	116,017	-	116,017
Total Revenues	<u>33,159,781</u>	<u>30,335,437</u>	<u>2,824,344</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	4,060,707	5,068,831	1,008,124
Payments and transfers	7,848,175	8,254,422	406,247
Transmission and distribution	2,268,016	2,910,675	642,659
Water engineering	98,211	99,111	900
Water production	7,089,429	11,063,664	3,974,235
Water quality	1,053,459	1,212,973	159,514
Water resources	2,042,049	2,456,540	414,491
Total Programs	<u>24,460,046</u>	<u>31,066,216</u>	<u>6,606,170</u>
Projects (project level of budgetary control)			
Advanced Metering Infrastructure	3,096,099	4,181,000	1,084,901
Asset Management	24,139	171,666	147,527
Cathodic Protection	845,651	905,000	59,349
Distribution System Replacement	1,795,277	2,330,714	535,437
Engineering Distribution Sys Replcmnt	4,671,185	6,267,639	1,596,454
Gravel Pit Storage Ponds	509,145	11,577,000	11,067,855
Halligan Reservoir Enlargement	10,796,716	36,997,446	26,200,730
Master Plan Facilities	7,076,437	7,212,072	135,635
Meter Conversion Program	29,403	1,319,000	1,289,597
Michigan Ditch improvements	786,730	800,000	13,270
Poudre Pipeline	1,026,144	1,000,000	(26,144)
Service Center Improvements	971,870	1,343,297	371,427
Source of Supply Gen Replcmnt	43,566	146,748	103,182
Southwest System Improvements	1,002,486	1,486,528	484,042
Treatment Facility Improvement	796,838	997,013	200,175
Water Production Replcmnt Program	3,561,120	6,897,830	3,336,710
Water Supply Development	1,441,795	2,382,203	940,408
Total Projects	<u>38,474,601</u>	<u>86,015,156</u>	<u>47,540,555</u>
Total Expenses	<u>62,934,647</u>	<u>117,081,372</u>	<u>54,146,725</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(29,774,866)	<u>\$ (86,745,935)</u>	<u>\$ 56,971,069</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	985,887		
Current Year's Project Expenses	7,682,085		
Prior Years' Project Expenses	31,437,486		
Principal Reduction--Long-Term Debt	2,854,200		
Proceeds From Advances	(116,017)		
Depreciation	(5,374,854)		
Bond Amortization	17,100		
Total Reconciling Items	<u>37,485,887</u>		
Change in net position	7,711,021		
Net Position--January 1, as restated	<u>252,621,901</u>		
Net Position--December 31	<u>\$ 260,332,922</u>		

**WASTEWATER FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 20,809,026	\$ 19,688,503	\$ 1,120,523
Other nonoperating income	78,800	76,957	1,843
Earnings on investments	468,178	1,059,353	(591,175)
Gain on sale of capital assets	19,026	-	19,026
Contributed capital	2,119,535	1,775,104	344,431
Total Revenues	<u>23,494,565</u>	<u>22,599,917</u>	<u>894,648</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	1,642,200	2,105,385	463,185
Payments and transfers	6,837,176	7,655,900	818,724
Pollution control	1,106,328	1,255,477	149,149
Trunk and collection	1,603,603	1,932,682	329,079
Water engineering	98,794	103,088	4,294
Water reclamation	5,029,748	5,532,658	502,910
Total Programs	<u>16,317,849</u>	<u>18,585,190</u>	<u>2,267,341</u>
Projects (project level of budgetary control)			
Asset Management	24,139	171,668	147,529
Collection System Replacement	3,799,923	10,173,097	6,373,174
Collection System Study	850,875	970,000	119,125
Flow Monitoring Stations	995,595	1,015,000	19,405
Mulberry Water Reclamation Improvement	35,975,613	36,784,863	809,250
Service Center Improvements	2,079,527	2,579,139	499,612
Sludge Disposal Improvements	5,706,018	6,443,943	737,925
Treatment Plant Expansion	35,296,390	35,802,161	505,771
Water Reclamation Replacement Program	5,701,234	8,397,128	2,695,894
Total Projects	<u>90,429,314</u>	<u>102,336,999</u>	<u>11,907,685</u>
Total Expenses	<u>106,747,163</u>	<u>120,922,189</u>	<u>14,175,026</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(83,252,598)	<u>\$ (98,322,272)</u>	<u>\$ 15,069,674</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	232,986		
Current Year's Project Expenses	9,478,047		
Prior Years' Project Expenses	80,951,267		
Principal Reduction--Long-Term Debt	3,098,674		
Depreciation	(4,627,661)		
Bond Amortization	25,068		
Total Reconciling Items	<u>89,158,381</u>		
Change in net position	5,905,783		
Net Position--January 1, as restated	<u>137,396,633</u>		
Net Position--December 31	<u>\$ 143,302,416</u>		

**STORM DRAINAGE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 14,051,297	\$ 13,907,929	\$ 143,368
Other nonoperating income	519,832	559,636	(39,804)
Earnings on investments	183,526	270,283	(86,757)
Gain on sale of capital assets	26,199	-	26,199
Contributed capital	948,125	171,624	776,501
Total Revenues	<u>15,728,979</u>	<u>14,909,472</u>	<u>819,507</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	1,843,573	2,363,555	519,982
Drainage and detention	1,481,590	2,042,074	560,484
Storm drainage engineering	1,321,649	1,386,835	65,186
Payments and transfers	4,761,729	5,065,532	303,803
Total Programs	<u>9,408,541</u>	<u>10,857,996</u>	<u>1,449,455</u>
Projects (project level of budgetary control)			
Drainage System Replacement	827,753	1,286,836	459,083
Old Town Basin	606,880	736,890	130,010
McClelland Mail Creek Basin	4,140	4,140	-
Spring Creek Basin	31,251	736,432	705,181
Dry Creek Basin	443,089	1,680,475	1,237,386
West Vine Channel	1,288,845	2,486,913	1,198,068
Foothills Basin	3,950	8,728	4,778
Canal Importation	20,264,912	21,282,504	1,017,592
Cooper Slough	715,385	1,601,254	885,869
Fossil Creek	70,972	317,075	246,103
Cache La Poudre Drainageway	583,255	1,690,524	1,107,269
Utility Service Center	182,700	475,610	292,910
Master Planning	4,824,126	4,951,990	127,864
Flood Mapping	469,023	581,913	112,890
Developer Repays	1,550,963	2,101,870	550,907
Total Projects	<u>31,867,244</u>	<u>39,943,154</u>	<u>8,075,910</u>
Total Expenses	<u>41,275,785</u>	<u>50,801,150</u>	<u>9,525,365</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(25,546,806)	<u>\$ (35,891,678)</u>	<u>\$ 10,344,872</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	73,749		
Current Year's Project Expenses	2,923,561		
Prior Years' Project Expenses	28,943,682		
Principal Reduction--Long-Term Debt	2,965,000		
Depreciation	(2,200,737)		
Bond Amortization	(68,892)		
Total Reconciling Items	<u>32,636,363</u>		
Change in net position	7,089,557		
Net Position--January 1, as restated	<u>89,864,762</u>		
Net Position--December 31	<u>\$ 96,954,319</u>		

**GOLF FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 3,076,851	\$ 2,958,000	\$ 118,851
Other nonoperating income	32,253	10,000	22,253
Earnings on investments	6,968	40,000	(33,032)
Gain on sale of capital assets	1,582	-	1,582
Total Revenues	<u>3,195,036</u>	<u>3,085,382</u>	<u>109,654</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Golf courses	2,916,785	3,052,702	135,917
Transfers	43,806	43,806	-
Total Programs	<u>2,960,591</u>	<u>3,096,508</u>	<u>135,917</u>
Total Expenses	<u>2,960,591</u>	<u>3,096,508</u>	<u>135,917</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	234,445	<u>\$ (11,126)</u>	<u>\$ 245,571</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	55,228		
Principal Reduction--Long-Term Debt	274,979		
Principal Reduction--Capital Lease Obligations	114,683		
Proceeds From Lease Purchases	(77,382)		
Depreciation	(272,458)		
Bond Amortization	(3,096)		
Total Reconciling Items	<u>91,954</u>		
Change in net position	326,399		
Net Position--January 1, as restated	<u>4,763,432</u>		
Net Position--December 31	<u>\$ 5,089,831</u>		



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

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

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

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

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

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

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

	<u>Equipment</u>	<u>Self Insurance</u>	<u>Data and Communications</u>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 194,452	\$ 2,923,360	\$ 334,408
Investments	1,603,338	4,330,974	2,758,126
Receivables			
Accounts	121,222	34,215	2,731
Note receivable from other fund	-	-	-
Interest	3,498	11,306	7,483
Prepaid item	-	213,360	-
Due from other governments	-	-	8,246
Inventories of materials and supplies	579,355	-	-
Total Current Assets	<u>2,501,865</u>	<u>7,513,215</u>	<u>3,110,994</u>
Non-Current Assets			
Restricted - cash and cash equivalents	93,578	-	4
Land, water rights, other	30,126	-	-
Buildings, improvements and equipment	10,037,436	-	3,986,291
Accumulated depreciation	(6,504,749)	-	(2,953,788)
Total Non-Current Assets	<u>3,656,391</u>	<u>-</u>	<u>1,032,507</u>
Total Assets	<u>6,158,256</u>	<u>7,513,215</u>	<u>4,143,501</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	236,392	18,822	425,115
Interest payable	3,370	-	1,818
Wages payable	58,404	8,825	84,725
Compensated absences	132,906	29,301	340,306
Claims payable	-	1,037,656	-
Capital lease obligations	341,294	-	216,628
Unearned revenue	-	1,745	-
Total Current Liabilities	<u>772,366</u>	<u>1,096,349</u>	<u>1,068,592</u>
Non-Current Liabilities			
Claims payable	-	2,963,183	-
Capital lease obligations	1,069,178	-	754,568
Total Non-Current Liabilities	<u>1,069,178</u>	<u>2,963,183</u>	<u>754,568</u>
Total Liabilities	<u>1,841,544</u>	<u>4,059,532</u>	<u>1,823,160</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,152,341	-	1,032,503
Restricted: fiscal agent	93,578	-	4
Unrestricted	2,070,793	3,453,683	1,287,834
Total Net Position	<u>\$ 4,316,712</u>	<u>\$ 3,453,683</u>	<u>\$ 2,320,341</u>

<b>Benefits</b>	<b>Utility Customer Service and Admin.</b>	<b>Total</b>
\$ 2,111,033	\$ 473,059	\$ 6,036,312
11,800,356	2,962,637	23,455,431
517,434	1,250	676,852
-	-	-
31,641	8,297	62,225
-	-	213,360
-	-	8,246
-	-	579,355
14,460,464	3,445,243	31,031,781
-	-	93,582
-	-	30,126
-	3,360,126	17,383,853
-	(2,669,505)	(12,128,042)
-	690,621	5,379,519
14,460,464	4,135,864	36,411,300
563,513	140,107	1,383,949
-	-	5,188
13,048	158,086	323,088
37,195	361,925	901,633
1,260,275	-	2,297,931
-	-	557,922
-	-	1,745
1,874,031	660,118	5,471,456
-	-	2,963,183
-	-	1,823,746
-	-	4,786,929
1,874,031	660,118	10,258,385
-	690,621	3,875,465
-	-	93,582
12,586,433	2,785,125	22,183,868
\$ 12,586,433	\$ 3,475,746	\$ 26,152,915

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Equipment</u>	<u>Self Insurance</u>	<u>Data and Communications</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 8,309,008	\$ 3,045,466	\$ 2,085,619
Total Operating Revenues	<u>8,309,008</u>	<u>3,045,466</u>	<u>2,085,619</u>
<b>OPERATING EXPENSES</b>			
Personal services	2,638,761	394,262	3,753,911
Contractual services	1,372,211	1,699,725	1,999,639
Commodities	4,051,687	106,862	2,720,965
Other	191,926	-	1,142
Depreciation	751,078	-	335,619
Total Operating Expenses	<u>9,005,663</u>	<u>2,200,849</u>	<u>8,811,276</u>
Operating Income (Loss)	<u>(696,655)</u>	<u>844,617</u>	<u>(6,725,657)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings on investments	15,828	49,470	35,202
Other revenue	65,573	9,989	634
Gain (Loss) on sale of capital assets	84,074	-	-
Interest expense	(27,276)	-	(11,689)
Total Nonoperating Revenues (Expenses)	<u>138,199</u>	<u>59,459</u>	<u>24,147</u>
Income (Loss) Before Transfers	<u>(558,456)</u>	<u>904,076</u>	<u>(6,701,510)</u>
Transfers in	336,807	-	5,901,399
Transfers out	-	-	-
Change in Net Position	<u>(221,649)</u>	<u>904,076</u>	<u>(800,111)</u>
Net Position--January 1	<u>4,538,361</u>	<u>2,549,607</u>	<u>3,120,452</u>
Net Position--December 31	<u>\$ 4,316,712</u>	<u>\$ 3,453,683</u>	<u>\$ 2,320,341</u>

<b>Benefits</b>	<b>Utility Customer Service and Admin.</b>	<b>Total</b>
\$ 20,571,295	\$ 11,001,937	\$ 45,013,325
20,571,295	11,001,937	45,013,325
590,685	7,052,519	14,430,138
19,506,956	3,189,068	27,767,599
19,466	476,431	7,375,411
62	186,636	379,766
-	404,968	1,491,665
20,117,169	11,309,622	51,444,579
454,126	(307,685)	(6,431,254)
143,216	48,952	292,668
40,000	1,077,071	1,193,267
-	-	84,074
-	-	(38,965)
183,216	1,126,023	1,531,044
637,342	818,338	(4,900,210)
-	-	6,238,206
-	(1,725,186)	(1,725,186)
637,342	(906,848)	(387,190)
11,949,091	4,382,594	26,540,105
\$ 12,586,433	\$ 3,475,746	\$ 26,152,915

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Equipment</b>	<b>Self Insurance</b>	<b>Data and Communications</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services provided	\$ 8,240,468	\$ 3,039,509	\$ 2,080,269
Cash paid to employees for services	(2,639,344)	(390,838)	(3,701,794)
Cash paid to other suppliers of goods & services	(5,428,385)	(2,161,706)	(5,085,973)
Payments for interfund services used	(104,354)	(203)	(2,869)
Other receipts	65,573	9,989	634
Net cash provided (used) by operating activities	<u>133,958</u>	<u>496,751</u>	<u>(6,709,733)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	336,807	-	5,901,399
Transfers to other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>336,807</u>	<u>-</u>	<u>5,901,399</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from capital debt	684,000	-	413,585
Purchases of capital assets	(1,116,756)	-	(187,124)
Principal paid on capital debt	(334,616)	-	(145,644)
Interest paid on capital debt	(30,755)	-	(16,618)
Proceeds from sales of capital assets	84,074	-	-
Net cash provided (used) by capital and related financing activities	<u>(714,053)</u>	<u>-</u>	<u>64,199</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	3,035	(373,315)	217,953
Purchase of investments	(260,977)	-	-
Earnings received on investments	16,802	54,809	38,646
Net cash provided (used) by investing activities	<u>(241,140)</u>	<u>(318,506)</u>	<u>256,599</u>
Net increase (decrease) in cash and cash equivalents	(484,428)	178,245	(487,536)
Cash and cash equivalents, January 1	772,458	2,745,115	821,948
Cash and cash equivalents, December 31	<u>\$ 288,030</u>	<u>\$ 2,923,360</u>	<u>\$ 334,412</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (696,655)	\$ 844,617	\$ (6,725,657)
Other receipts	65,573	9,989	634
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	751,078	-	335,619
(Increase) decrease in accounts receivable	(68,540)	(6,160)	27
(Increase) decrease in intergovernmental receivables	10,563	-	(8,246)
(Increase) in inventories	(15,799)	-	-
(Decrease) in prepaid item	-	(34,762)	-
Increase (decrease) in accounts payable	88,321	(621)	(364,227)
Increase (decrease) in compensated absences payable	(9,338)	1,861	32,421
Increase in wages payable	8,755	1,563	19,696
Increase (decrease) in claims payable	-	(316,266)	-
(Decrease) in deferred revenue	-	(3,470)	-
Net cash provided (used) by operating activities	<u>\$ 133,958</u>	<u>\$ 496,751</u>	<u>\$ (6,709,733)</u>
<b>Reconciliation of cash and cash equivalents to statement of net position:</b>			
Cash and cash equivalents	194,452	2,923,360	334,408
Restricted Assets - cash and cash equivalents	93,578	-	4
	<u>\$ 288,030</u>	<u>\$ 2,923,360</u>	<u>\$ 334,412</u>

	Utility Customer		
Benefits	Service and Admin.		Total
\$ 20,496,536	\$ 11,000,687	\$	44,857,469
(586,226)	(7,009,655)		(14,327,857)
(19,320,639)	(3,941,565)		(35,938,268)
(523)	(124,137)		(232,086)
40,000	1,077,071		1,193,267
629,148	1,002,401		(4,447,475)
-	-		6,238,206
-	(1,725,186)		(1,725,186)
-	(1,725,186)		4,513,020
-	-		1,097,585
-	-		(1,303,880)
-	-		(480,260)
-	-		(47,373)
-	-		84,074
-	-		(649,854)
-	761,752		609,425
(729,754)	-		(990,731)
159,095	49,345		318,697
(570,659)	811,097		(62,609)
58,489	88,312		(646,918)
2,052,544	384,747		6,776,812
\$ 2,111,033	\$ 473,059	\$	6,129,894
\$ 454,126	\$ (307,685)	\$	(6,431,254)
40,000	1,077,071		1,193,267
-	404,968		1,491,665
(75,282)	(1,250)		(151,205)
-	-		2,317
-	-		(15,799)
-	-		(34,762)
183,156	(213,567)		(306,938)
1,961	15,383		42,288
2,498	27,481		59,993
22,689	-		(293,577)
-	-		(3,470)
\$ 629,148	\$ 1,002,401	\$	(4,447,475)
2,111,033	473,059		6,036,312
-	-		93,582
\$ 2,111,033	\$ 473,059	\$	6,129,894

**EQUIPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 8,309,008	\$ 9,509,656	\$ (1,200,648)
Other nonoperating income	65,573	50,500	15,073
Earnings on investments	15,828	44,530	(28,702)
Transfers	336,807	336,807	-
Gain on sale of capital assets	84,074	5,000	79,074
Proceeds from issuance of long term debt	684,000	684,000	-
Total Revenues	<u>9,495,290</u>	<u>10,630,493</u>	<u>(1,135,203)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Fleet services	<u>9,733,233</u>	<u>11,255,092</u>	<u>1,521,859</u>
Total Programs	<u>9,733,233</u>	<u>11,255,092</u>	<u>1,521,859</u>
Total Expenses	<u>9,733,233</u>	<u>11,255,092</u>	<u>1,521,859</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(237,943)	<u>\$ (624,599)</u>	<u>\$ 386,656</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	1,116,756		
Principal Reduction--Capital Lease Obligations	334,616		
Proceeds From Lease Purchases	(684,000)		
Depreciation	<u>(751,078)</u>		
Total Reconciling Items	<u>16,294</u>		
Change in net position	(221,649)		
Net Position--January 1	<u>4,538,361</u>		
Net Position--December 31	<u>\$ 4,316,712</u>		



**SELF INSURANCE FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 3,045,466	\$ 3,063,815	\$ (18,349)
Other nonoperating income	9,989	-	9,989
Earnings on investments	49,470	153,964	(104,494)
Total Revenues	<u>3,104,925</u>	<u>3,217,779</u>	<u>(112,854)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Risk Management	411,828	509,555	97,727
Property & Liability Insurance	1,063,414	1,432,392	368,978
Workers Compensation	627,749	1,215,519	587,770
Risk Management Environmental	97,858	120,031	22,173
Total Expenses	<u>2,200,849</u>	<u>3,277,497</u>	<u>1,076,648</u>
Change in net position	904,076	<u>\$ (59,718)</u>	<u>\$ 963,794</u>
Net Position--January 1	<u>2,549,607</u>		
Net Position--December 31	<u>\$ 3,453,683</u>		

**DATA AND COMMUNICATIONS FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 2,085,619	\$ 1,346,610	\$ 739,009
Other nonoperating income	634	-	634
Earnings on investments	35,202	79,874	(44,672)
Transfers	5,901,399	5,901,399	-
Proceeds from issuance of long term debt	413,585	413,585	-
Total Revenues	<u>8,436,439</u>	<u>7,741,468</u>	<u>694,971</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Management of Information Services	<u>8,820,114</u>	<u>9,389,081</u>	<u>568,967</u>
Total Programs	<u>8,820,114</u>	<u>9,389,081</u>	<u>568,967</u>
Total Expenses	<u>8,820,114</u>	<u>9,389,081</u>	<u>568,967</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(383,675)	<u>\$ (1,647,613)</u>	<u>\$ 1,263,938</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Capital Outlay--Programs	187,124		
Principal Reduction--Capital Lease Obligations	145,644		
Proceeds From Lease Purchases	(413,585)		
Depreciation	<u>(335,619)</u>		
Total Reconciling Items	<u>(416,436)</u>		
Change in net position	(800,111)		
Net Position--January 1	<u>3,120,452</u>		
Net Position--December 31	<u>\$ 2,320,341</u>		

**BENEFITS FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ACTUAL AND BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 20,571,295	\$ 21,691,000	\$ (1,119,705)
Other nonoperating income	40,000	40,000	-
Earnings on investments	143,216	235,819	(92,603)
Total Revenues	<u>20,754,511</u>	<u>21,966,819</u>	<u>(1,212,308)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Benefits	<u>20,117,169</u>	<u>23,022,153</u>	<u>2,904,984</u>
Total Expenses	<u>20,117,169</u>	<u>23,022,153</u>	<u>2,904,984</u>
Change in net position	637,342	<u>\$ (1,055,334)</u>	<u>\$ 1,692,676</u>
Net Position--January 1	<u>11,949,091</u>		
Net Position--December 31	<u>\$ 12,586,433</u>		

**UTILITY CUSTOMER SERVICE AND ADMINISTRATIVE FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 11,001,937	\$ 14,105,047	\$ (3,103,110)
Other nonoperating income	1,077,071	930,993	146,078
Earnings on investments	48,952	59,528	(10,576)
Total Revenues	<u>12,127,960</u>	<u>15,095,568</u>	<u>(2,967,608)</u>
<b>EXPENSES</b>			
Programs (fund level of budgetary control)			
Customer and administrative services	10,904,654	14,788,974	3,884,320
Transfers	<u>1,725,186</u>	<u>1,725,186</u>	<u>-</u>
Total Programs	<u>12,629,840</u>	<u>16,514,160</u>	<u>3,884,320</u>
Total Expenses	<u>12,629,840</u>	<u>16,514,160</u>	<u>3,884,320</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(501,880)	<u>\$ (1,418,592)</u>	<u>\$ 916,712</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Depreciation	<u>(404,968)</u>		
Total Reconciling Items	<u>(404,968)</u>		
Change in net position	(906,848)		
Net Position--January 1	<u>4,382,594</u>		
Net Position--December 31	<u>\$ 3,475,746</u>		

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

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**Trust Funds:**

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

**Agency Funds:**

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

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

**GENERAL EMPLOYEES' RETIREMENT PLAN TRUST FUND  
SCHEDULE OF CHANGES IN NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS - ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Contributions	\$ 1,241,929	\$ 1,300,000	\$ (58,071)
Earnings on investments	236,043	468,000	(231,957)
Net decrease in the fair value of investments	3,989,900	-	3,989,900
 Total Operating Revenues	 <u>5,467,872</u>	 <u>1,768,000</u>	 <u>3,699,872</u>
<b>OPERATING EXPENSES</b>			
Benefit payments	2,970,386	3,050,000	79,614
Administration	23,801	26,808	3,007
 Total Operating Expenses	 <u>2,994,187</u>	 <u>3,076,808</u>	 <u>82,621</u>
 Changes in Net Position	 2,473,685	 <u>\$ (1,308,808)</u>	 <u>\$ 3,782,493</u>
 Net Position Held in Trust for Pension Benefits--January 1	 <u>37,015,380</u>		
 Net Position Held in Trust for Pension Benefits--December 31	 <u>\$ 39,489,065</u>		

**AGENCY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
DECEMBER 31, 2012**

	<b>Poudre Fire Authority</b>	<b>Poudre River Public Library District</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 1,137,858	\$ 551,827	\$ 1,689,685
Receivables			
Interest	23,840	12,690	36,530
Investments, at fair value			
Certificates of deposit	594,439	289,161	883,600
U S Government securities	7,672,354	3,747,480	11,419,834
Corporate bonds	<u>1,084,892</u>	<u>529,975</u>	<u>1,614,867</u>
Total Investments, at fair value	<u>9,351,685</u>	<u>4,566,616</u>	<u>13,918,301</u>
Total Assets	<u>10,513,383</u>	<u>5,131,133</u>	<u>15,644,516</u>
<b>LIABILITIES</b>			
Current Liabilities			
Amounts held for other governments	<u>10,513,383</u>	<u>5,131,133</u>	<u>15,644,516</u>
Total Liabilities	<u><u>\$ 10,513,383</u></u>	<u><u>\$ 5,131,133</u></u>	<u><u>\$ 15,644,516</u></u>

**AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>POUDRE FIRE AUTHORITY</b>	<b>Balance-- Dec. 31, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance-- Dec. 31, 2012</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 691,092	\$ 35,806,622	\$ 35,359,856	\$ 1,137,858
Receivables - interest	34,568	-	10,728	23,840
Investments, at fair value				
Certificates of deposit	639,010	35,951	80,522	594,439
U S Government securities	6,810,579	978,430	116,655	7,672,354
Corporate bonds	733,127	351,765	-	1,084,892
Total Investments, at fair value	<u>8,182,716</u>	<u>1,366,146</u>	<u>197,177</u>	<u>9,351,685</u>
Total Assets	<u>8,908,376</u>	<u>37,172,768</u>	<u>35,567,761</u>	<u>10,513,383</u>
<b>LIABILITIES</b>				
Amounts held for other governments	<u>\$ 8,908,376</u>	<u>\$ 37,172,768</u>	<u>\$ 35,567,761</u>	<u>\$ 10,513,383</u>
<b>POUDRE RIVER PUBLIC LIBRARY DISTRICT</b>				
	<b>Balance-- Dec. 31, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance-- Dec. 31, 2012</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 661,668	\$ 16,883,360	\$ 16,993,201	\$ 551,827
Receivables - interest	33,798	-	21,108	12,690
Investments, at fair value				
Certificates of deposit	608,001	-	318,840	289,161
U S Government securities	6,479,664	119,587	2,851,771	3,747,480
Corporate bonds	697,632	132,938	300,595	529,975
Total Investments, at fair value	<u>7,785,297</u>	<u>252,525</u>	<u>3,471,206</u>	<u>4,566,616</u>
Total Assets	<u>8,480,763</u>	<u>17,135,885</u>	<u>20,485,515</u>	<u>5,131,133</u>
<b>LIABILITIES</b>				
Amounts held for other governments	<u>\$ 8,480,763</u>	<u>\$ 17,135,885</u>	<u>\$ 20,485,515</u>	<u>\$ 5,131,133</u>
<b>TOTAL - ALL FUNDS</b>				
	<b>Balance-- Dec. 31, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance-- Dec. 31, 2012</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,352,760	\$ 52,689,982	\$ 52,353,057	\$ 1,689,685
Receivables - interest	68,366	-	31,836	36,530
Investments, at fair value				
Certificates of deposit	1,247,011	35,951	399,362	883,600
U S Government securities	13,290,243	1,098,017	2,968,426	11,419,834
Corporate bonds	1,430,759	484,703	300,595	1,614,867
Total Investments, at fair value	<u>15,968,013</u>	<u>1,618,671</u>	<u>3,668,383</u>	<u>13,918,301</u>
Total Assets	<u>17,389,139</u>	<u>54,308,653</u>	<u>56,053,276</u>	<u>15,644,516</u>
<b>LIABILITIES</b>				
Amounts held for other governments	<u>\$ 17,389,139</u>	<u>\$ 54,308,653</u>	<u>\$ 56,053,276</u>	<u>\$ 15,644,516</u>



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

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**DOWNTOWN DEVELOPMENT AUTHORITY**

**Reconciliations:**

Reconciliation of the Balance Sheet to the Statement of Net Position

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 POSITION  
DECEMBER 31, 2012**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 734,849	\$ -	\$ 734,849
Investments	6,076,092	-	6,076,092
Receivables			
Property taxes	3,376,383	-	3,376,383
Interest	45,354	-	45,354
Prepaid	869	-	869
Due from other governments	3,472	-	3,472
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)	-	2,853,874	1 2,853,874
<b>Total Assets</b>	<u>11,622,483</u>	<u>5,382,621</u>	<u>17,005,104</u>
<b>LIABILITIES</b>			
Accounts payable	19,121	-	19,121
Interest payable	-	52,050	2 52,050
Wages payable	10,035	-	10,035
Due to other governments	35,000	-	35,000
Non-Current liabilities			
Due within one year	-	1,298,537	2 1,298,537
Due after one year	-	10,510,000	2 10,510,000
<b>Total Liabilities</b>	<u>64,156</u>	<u>11,860,587</u>	<u>11,924,743</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	3,376,383	-	3,376,383
<b>Total Deferred inflows of resources</b>	<u>3,376,383</u>	<u>-</u>	<u>3,376,383</u>
<b>FUND BALANCES/NET POSITION</b>			
Fund balances			
Nonspendable	136,333	-	136,333
Restricted	2,045,581	-	2,045,581
Assigned	5,781,928	(5,781,928)	-
Unassigned	218,102	-	218,102
<b>Total Fund Balances</b>	<u>8,181,944</u>	<u>(5,781,928)</u>	<u>2,400,016</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 11,622,483</u>		
Net Position:			
Net investment in capital assets		5,382,621	5,382,621
Restricted for debt service		2,045,581	2,045,581
Unrestricted (deficits)		(5,724,224)	3 (5,724,224)
<b>Total Net Position of Component Unit (page 29)</b>		<u>\$ 1,703,978</u>	<u>\$ 1,703,978</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 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.
- 3 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 position for the component unit reflects a deficit balance for unrestricted net position.

**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, 2012**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses (including transfers):			
Expenditures/expenses	\$ 7,302,202	\$ (1,206,072) <sup>1</sup>	\$ 6,096,130
	<u>7,302,202</u>	<u>(1,206,072)</u>	<u>6,096,130</u>
Program Revenues			
Charges for services	40,436	-	40,436
Operating grants and contributions	43,518	-	43,518
Net Program Revenues	<u>83,954</u>	<u>-</u>	<u>83,954</u>
Net Program Expense	<u>7,218,248</u>	<u>(1,206,072)</u>	<u>6,012,176</u>
General Revenues			
Property taxes	3,123,150	-	3,123,150
Investment earnings	106,391	-	106,391
Miscellaneous	627,701	(1,895,980) <sup>2</sup>	(1,268,279)
Total General Revenues	<u>3,857,242</u>	<u>(1,895,980)</u>	<u>1,961,262</u>
Change in Net Position (pages 30-31)	(3,361,006)	(689,908)	(4,050,914)
Fund Balance (Deficit)/Net Position			
Beginning of the year, as restated	11,542,950	(5,678,712)	5,754,892
End of the year	<u>\$ 8,181,944</u>	<u>\$ (6,368,620)</u>	<u>\$ 1,703,978</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 decrease in accrued interest related to last debt service payment | (3,547)               |
| Net decrease in compensated absences                                  | (735)                 |
| Debt payment  | (1,321,980)           |
| Current year depreciation   | 120,190               |
|   | <u>\$ (1,206,072)</u> |
- 2** Proceeds from issuance of long term debt are not reported as revenues
- |   |                       |
|---|-----------------------|
| Loss on capital assets                                      | (1,274,000)           |
| Proceeds from issuance of debt are not reported as revenues | (621,980)             |
|   | <u>\$ (1,895,980)</u> |

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**BALANCE SHEET**  
**DECEMBER 31, 2012**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 651,746	\$ 83,103	\$ 734,849
Investments	5,394,327	681,765	6,076,092
Receivables			
Property taxes	639,894	2,736,489	3,376,383
Interest	14,641	30,713	45,354
Prepaid item	869	-	869
Due from other governments	3,472	-	3,472
Inventory of real property held for resale	135,464	-	135,464
Restricted - investments	-	1,250,000	1,250,000
Total Assets	<u>6,840,413</u>	<u>4,782,070</u>	<u>11,622,483</u>
<b>LIABILITIES</b>			
Accounts payable, accruals, and other	19,121	-	19,121
Wages payable	10,035	-	10,035
Due to other governments	35,000	-	35,000
Total Liabilities	<u>64,156</u>	<u>-</u>	<u>64,156</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	639,894	2,736,489	3,376,383
Total Deferred Inflows of Resources	<u>639,894</u>	<u>2,736,489</u>	<u>3,376,383</u>
<b>FUND BALANCES</b>			
Nonspendable	136,333	-	136,333
Restricted	-	2,045,581	2,045,581
Assigned	5,781,928	-	5,781,928
Unassigned	218,102	-	218,102
Total Fund Balances	<u>6,136,363</u>	<u>2,045,581</u>	<u>8,181,944</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,840,413</u>	<u>\$ 4,782,070</u>	<u>\$ 11,622,483</u>

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

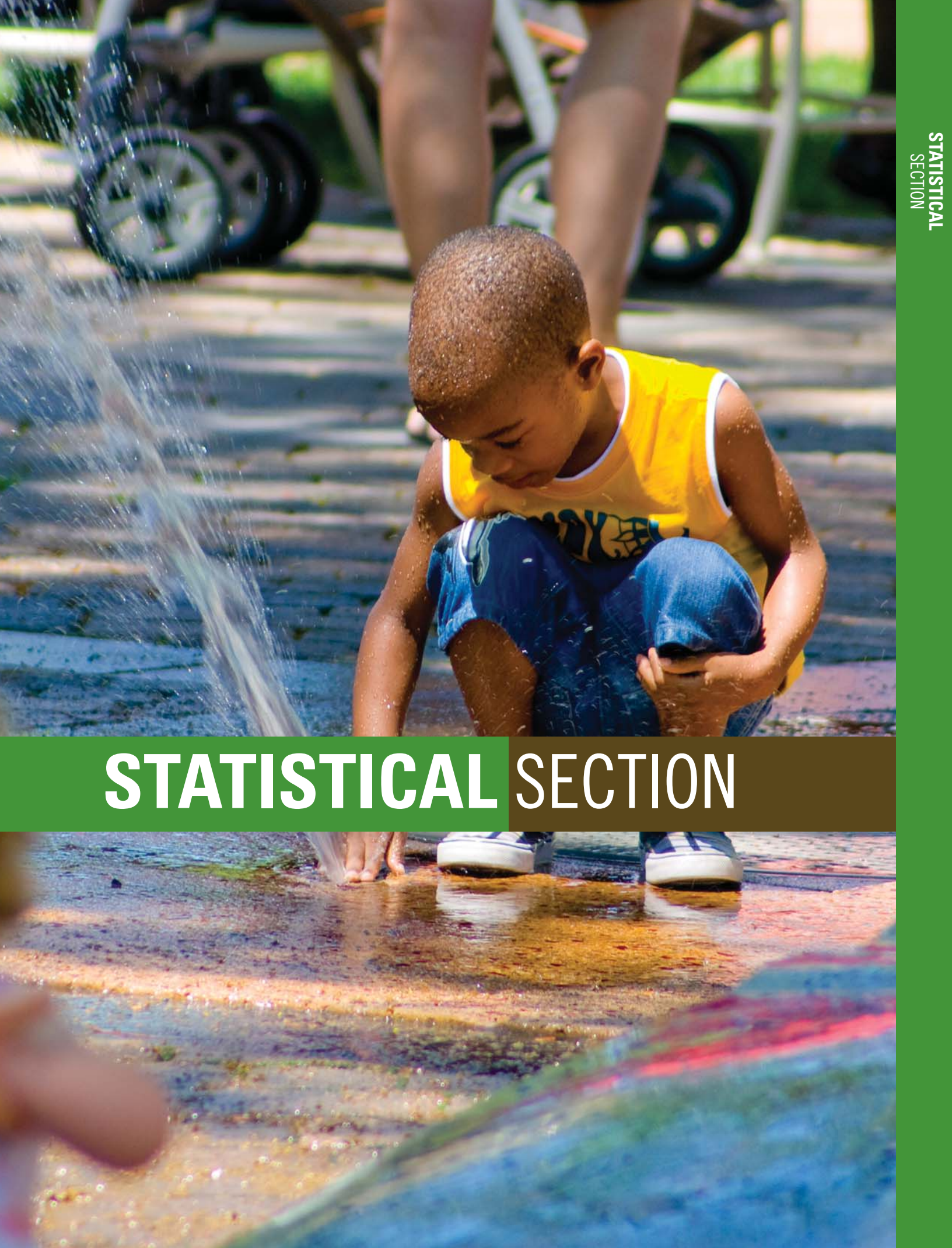
	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 630,858	\$ 2,492,292	\$ 3,123,150
Licenses and permits	2,000	-	2,000
Intergovernmental	43,518	-	43,518
Fees and charges for services	38,436	-	38,436
Earnings on investments	78,295	28,096	106,391
Miscellaneous revenue	5,721	-	5,721
Total Revenues	<u>798,828</u>	<u>2,520,388</u>	<u>3,319,216</u>
<b>EXPENDITURES</b>			
Current operating			
Administrative	5,027,627	1,812	5,029,439
Debt service			
Principal	-	1,543,647	1,543,647
Interest	-	729,116	729,116
Total Expenditures	<u>5,027,627</u>	<u>2,274,575</u>	<u>7,302,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,228,799)</u>	<u>245,813</u>	<u>(3,982,986)</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance of debt	621,980	-	621,980
Total Other Financing Sources	<u>621,980</u>	<u>-</u>	<u>621,980</u>
Net Change in Fund Balances	(3,606,819)	245,813	(3,361,006)
Fund Balances-January 1	<u>9,743,182</u>	<u>1,799,768</u>	<u>11,542,950</u>
Fund Balances-December 31	<u>\$ 6,136,363</u>	<u>\$ 2,045,581</u>	<u>\$ 8,181,944</u>

**DOWNTOWN DEVELOPMENT AUTHORITY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--  
ACTUAL AND BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 630,858	\$ 593,580	\$ 37,278
Licenses and permits	2,000	1,800	200
Intergovernmental	43,518	35,000	8,518
Fees and charges for services	38,436	180,000	(141,564)
Earnings on investments	78,295	4,384	73,911
Miscellaneous revenue	5,721	-	5,721
Total Revenues	<u>798,828</u>	<u>814,764</u>	<u>(15,936)</u>
<b>EXPENDITURES</b>			
Administration	<u>5,027,627</u>	<u>13,269,409</u>	<u>8,241,782</u>
Total Expenditures	<u>5,027,627</u>	<u>13,269,409</u>	<u>8,241,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,228,799)</u>	<u>(12,454,645)</u>	<u>8,225,846</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance of debt	<u>621,980</u>	<u>1,000,000</u>	<u>(378,020)</u>
Total Other Financing Sources	<u>621,980</u>	<u>1,000,000</u>	<u>(378,020)</u>
Net Change in Fund Balances	(3,606,819)	<u>\$ (11,454,645)</u>	<u>\$ 7,847,826</u>
Fund Balances--January 1	<u>9,743,182</u>		
Fund Balances--December 31	<u>\$ 6,136,363</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, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 2,492,292	\$ 2,465,411	\$ 26,881
Earnings on investments	28,096	22,150	5,946
Total Revenues	<u>2,520,388</u>	<u>2,487,561</u>	<u>32,827</u>
<b>EXPENDITURES</b>			
Internal Administration Services	1,812	1,812	-
Principal	1,543,647	1,921,417	377,770
Interest	729,116	729,117	1
Total Expenditures	<u>2,274,575</u>	<u>2,652,346</u>	<u>377,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>245,813</u>	<u>(164,785)</u>	<u>410,598</u>
Net Change in Fund Balances	245,813	<u>\$ (164,785)</u>	<u>\$ 410,598</u>
Fund Balances--January 1	<u>1,799,768</u>		
Fund Balances--December 31	<u>\$ 2,045,581</u>		



**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 Position by Component.....	Exh. A-1 .....	155
Changes in Net Position.....	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 Position by Component** (in thousands)  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>									<b>Restated</b>	<b>Restated</b>
Net investment in capital assets	\$ 419,142	\$ 392,475	\$ 428,474	\$ 481,713	\$ 526,367	\$ 551,853	\$ 573,887	\$ 597,270	\$ 628,758	\$ 662,461
Restricted	7,675	10,005	9,826	8,957	(12,037)	5,229	8,960	37,138	43,327	52,466
Unrestricted	127,167	146,213	188,871	193,016	184,842	161,680	146,408	113,086	107,784	119,944
<b>Total governmental activities net position</b>	<b>553,984</b>	<b>548,693</b>	<b>627,170</b>	<b>683,685</b>	<b>699,172</b>	<b>718,762</b>	<b>729,256</b>	<b>747,494</b>	<b>779,869</b>	<b>834,870</b>
<b>Business-type activities</b>										
Net investment in capital assets	327,794	340,554	358,079	376,929	398,949	429,392	453,420	466,364	490,511	508,284
Restricted	7,117	4,546	1,118	1,091	1,130	1,642	1,671	1,030	1,025	995
Unrestricted	109,284	123,724	141,010	161,847	175,273	168,966	157,998	163,527	160,226	172,528
<b>Total business-type activities net position</b>	<b>444,194</b>	<b>468,824</b>	<b>500,207</b>	<b>539,867</b>	<b>575,353</b>	<b>600,000</b>	<b>613,089</b>	<b>630,922</b>	<b>651,763</b>	<b>681,808</b>
<b>Primary government</b>										
Net investment in capital assets	746,936	733,029	786,553	858,642	925,317	981,245	1,027,307	1,063,634	1,119,270	1,170,745
Restricted	14,792	14,551	10,944	10,047	(10,907)	6,871	10,631	38,168	44,352	53,461
Unrestricted	236,451	269,938	329,880	354,863	360,115	330,646	304,406	276,613	268,010	292,472
<b>Total primary government net position</b>	<b>\$ 998,179</b>	<b>\$ 1,017,517</b>	<b>\$ 1,127,377</b>	<b>\$ 1,223,552</b>	<b>\$ 1,274,525</b>	<b>\$ 1,318,762</b>	<b>\$ 1,342,345</b>	<b>\$ 1,378,416</b>	<b>\$ 1,431,631</b>	<b>\$ 1,516,678</b>

Totals may not add due to rounding

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

Exhibit A-2

<b>Expenses</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental activities</b>										
General government	\$ 22,943	\$ 13,358	\$ 19,382	\$ 27,085	\$ 26,553	\$ 33,535	\$ 32,868	\$ 29,752	\$ 33,674	\$ 34,645
Public safety	34,662	35,766	38,703	43,299	44,412	46,521	50,056	48,854	51,313	55,633
Culture, parks, recreation & natural areas	22,699	31,412	34,029	32,004	34,790	35,490	38,515	27,342	29,755	32,448
Planning and development	9,747	11,730	5,752	5,525	7,593	6,585	9,706	14,331	11,053	9,502
Transportation	35,262	43,125	41,074	44,644	42,839	44,659	36,471	34,698	38,540	42,249
Library	3,759	3,645	3,790	3,729	3,900	-	-	-	-	-
Interest on long-term debt	1,237	2,092	3,172	3,100	3,113	3,063	2,632	2,682	2,523	2,148
<b>Total governmental activities expenses</b>	<b>130,308</b>	<b>141,128</b>	<b>145,902</b>	<b>159,386</b>	<b>163,199</b>	<b>169,852</b>	<b>170,247</b>	<b>157,659</b>	<b>166,857</b>	<b>176,625</b>
<b>Business-type activities</b>										
Light & Power	67,103	69,014	73,898	73,793	80,479	81,620	83,888	91,693	97,057	101,513
Water	18,991	19,644	19,787	19,790	23,272	21,205	20,667	19,671	19,941	22,169
Wastewater	13,079	14,105	13,866	13,187	14,240	13,370	14,668	14,129	14,163	15,872
Storm drainage	6,826	8,237	8,187	7,493	9,132	9,021	9,426	8,307	8,407	8,119
Golf	2,349	2,297	2,529	2,469	2,697	2,507	2,387	2,454	2,547	2,661
<b>Total business-type activities expenses</b>	<b>108,348</b>	<b>113,297</b>	<b>118,267</b>	<b>116,732</b>	<b>129,820</b>	<b>127,723</b>	<b>131,037</b>	<b>136,253</b>	<b>142,115</b>	<b>150,333</b>
<b>Total primary government expenses</b>	<b>238,656</b>	<b>254,425</b>	<b>264,169</b>	<b>276,118</b>	<b>293,019</b>	<b>297,575</b>	<b>301,284</b>	<b>293,911</b>	<b>308,973</b>	<b>326,958</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
General government	3,309	4,299	4,297	4,706	4,890	12,962	8,863	6,782	7,479	6,458
Public safety	2,998	2,768	2,371	2,436	3,719	1,823	1,930	1,862	1,724	1,548
Culture, parks, recreation & natural areas	6,601	6,223	6,952	7,257	11,868	8,065	7,388	7,004	7,491	7,680
Planning and development	3,110	3,588	3,063	2,828	2,617	1,649	994	1,295	1,622	2,579
Transportation	8,549	9,216	8,805	9,296	9,293	12,003	8,577	8,101	6,926	11,147
Operating grants & contributions	10,194	10,454	23,640	10,684	10,988	6,917	7,998	8,240	13,712	9,284
Capital grants & contributions	25,086	28,275	46,702	31,530	30,932	7,775	25,717	16,014	14,784	31,678
<b>Total governmental activities program revenues</b>	<b>59,848</b>	<b>64,823</b>	<b>95,829</b>	<b>68,736</b>	<b>74,306</b>	<b>51,194</b>	<b>61,467</b>	<b>49,298</b>	<b>53,737</b>	<b>70,374</b>
<b>Business-type activities</b>										
Light & Power	71,020	74,571	80,049	81,482	83,326	83,521	84,253	94,235	100,814	109,776
Water	23,615	22,798	24,544	26,366	25,243	24,499	21,978	24,463	24,308	28,553
Wastewater	12,994	13,415	13,908	14,235	15,114	16,272	17,803	19,275	19,149	20,882
Storm drainage	11,963	13,234	13,505	13,074	13,197	13,576	13,631	13,869	13,946	14,082
Golf	2,207	2,215	2,415	2,540	2,579	2,644	2,608	2,676	2,672	3,096
Operating grants & contributions	182	52	57	13	20	24	112	220	131	6
Capital grants & contributions	12,696	12,984	16,591	16,151	16,651	12,233	8,169	9,019	11,661	15,979
<b>Total business-type activities program revenues</b>	<b>134,676</b>	<b>139,270</b>	<b>151,069</b>	<b>153,860</b>	<b>156,129</b>	<b>152,768</b>	<b>148,553</b>	<b>163,757</b>	<b>172,680</b>	<b>192,374</b>
<b>Total primary government program revenues</b>	<b>194,524</b>	<b>204,093</b>	<b>246,898</b>	<b>222,596</b>	<b>230,436</b>	<b>203,963</b>	<b>210,020</b>	<b>213,055</b>	<b>226,417</b>	<b>262,748</b>
<b>Net (expenses) revenue</b>										
Governmental activities	(70,460)	(76,304)	(50,073)	(90,649)	(88,892)	(118,658)	(108,780)	(108,360)	(113,120)	(106,251)
Business-type activities	26,328	25,973	32,802	37,128	26,309	25,046	17,517	27,504	30,565	42,042
<b>Total primary government net expenses</b>	<b>(44,132)</b>	<b>(50,332)</b>	<b>(17,271)</b>	<b>(53,522)</b>	<b>(62,583)</b>	<b>(93,612)</b>	<b>(91,263)</b>	<b>(80,857)</b>	<b>(82,556)</b>	<b>(64,210)</b>
<b>General revenues and other changes in net position</b>										
<b>Governmental activities</b>										
Taxes:										
Sales & use taxes	68,376	72,057	72,735	75,631	78,445	75,865	70,501	74,719	97,589	109,732
Property taxes	13,903	14,444	14,955	15,898	16,298	16,683	17,038	17,833	17,742	18,188
Occupational privilege taxes	2,341	2,253	2,228	2,424	2,359	2,494	2,413	2,327	2,433	2,560
Lodging tax	582	601	668	842	838	833	736	808	909	1,012
Intergovernmental not restricted to programs	504	527	494	486	541	10,420	9,277	9,919	10,274	10,681
Investment earnings	2,820	2,955	8,941	17,231	14,546	9,043	3,655	2,367	2,601	1,998
Miscellaneous	512	278	392	3,540	3,261	14,400	1,394	787	1,019	1,246
Transfers	4,881	5,927	6,405	6,670	6,900	11,820	10,947	13,636	13,486	15,837
<b>Total governmental activities</b>	<b>93,918</b>	<b>99,042</b>	<b>106,818</b>	<b>122,722</b>	<b>123,188</b>	<b>141,560</b>	<b>115,962</b>	<b>122,395</b>	<b>146,054</b>	<b>161,253</b>
<b>Business-type activities</b>										
Intergovernmental not restricted to programs	-	-	-	-	10	-	-	-	-	-
Investment earnings	3,041	2,434	3,719	7,072	15,279	9,583	4,727	2,585	2,919	2,227
Sale of land & equipment	(39)	1,535	244	-	-	-	-	-	-	-
Insurance recovery	73	-	-	-	-	-	-	-	-	-
Other miscellaneous	130	1,102	1,022	2,130	787	1,839	1,792	1,379	1,498	1,613
Transfers	(4,881)	(5,927)	(6,405)	(6,670)	(6,900)	(11,820)	(10,947)	(13,636)	(13,486)	(15,837)
<b>Total business-type activities</b>	<b>(1,677)</b>	<b>(855)</b>	<b>(1,420)</b>	<b>2,532</b>	<b>9,177</b>	<b>(398)</b>	<b>(4,428)</b>	<b>(9,671)</b>	<b>(9,069)</b>	<b>(11,996)</b>
<b>Total primary government</b>	<b>92,242</b>	<b>98,187</b>	<b>105,399</b>	<b>125,254</b>	<b>132,364</b>	<b>141,161</b>	<b>111,533</b>	<b>112,724</b>	<b>136,985</b>	<b>149,257</b>
<b>Change in net position</b>										
Governmental activities	23,458	22,738	56,745	32,072	34,295	22,902	7,181	14,034	32,934	55,001
Business-type activities	24,652	25,118	31,383	39,660	35,486	24,648	13,088	17,833	21,496	30,045
<b>Total primary government</b>	<b>\$ 48,109</b>	<b>\$ 47,855</b>	<b>\$ 88,128</b>	<b>\$ 71,732</b>	<b>\$ 69,781</b>	<b>\$ 47,549</b>	<b>\$ 20,270</b>	<b>\$ 31,867</b>	<b>\$ 54,429</b>	<b>\$ 85,047</b>

Totals may not add due to rounding

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

	<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>	<u>2012</u>
<b>General Fund</b>								<b>Restated</b>		
Non Spendable	\$ 1,781	\$ 1,781	\$ 1,781	\$ 3,026	\$ 3,026	\$ 3,026	\$ 16,616	\$ 9,546	\$ 8,519	\$ 8,519
Restricted	5,876	6,085	6,433	5,386	5,278	4,956	4,287	6,400	7,389	9,751
Committed	521	420	460	813	1,025	569	700	720	604	589
Assigned	22,432	21,146	24,418	21,806	16,444	13,008	5,015	4,929	7,348	12,439
Unassigned	6,187	4,723	4,304	11,973	22,485	23,897	10,977	19,330	16,307	23,956
<b>Total general fund</b>	<b>36,797</b>	<b>34,155</b>	<b>37,397</b>	<b>43,005</b>	<b>48,258</b>	<b>45,456</b>	<b>37,594</b>	<b>40,924</b>	<b>40,167</b>	<b>55,253</b>
<b>All Other Governmental Funds</b>										
Non Spendable	-	-	-	-	-	-	1	6	7	5,311
Restricted	410	411	428	1,183	1,199	1,245	4,674	31,816	35,938	42,715
Committed	18,231	21,823	25,495	15,293	13,440	14,652	14,352	27,556	21,540	30,543
Assigned	71,554	119,428	131,285	114,448	95,644	89,859	87,415	30,269	30,978	23,447
Unassigned	-	-	-	-	-	-	(9,930)	(4,703)	(6,842)	(14,592)
<b>Total other governmental funds</b>	<b>\$ 90,195</b>	<b>\$ 141,661</b>	<b>\$ 157,207</b>	<b>\$ 130,924</b>	<b>\$ 110,283</b>	<b>\$ 105,755</b>	<b>\$ 96,512</b>	<b>\$ 84,944</b>	<b>\$ 81,622</b>	<b>\$ 87,424</b>

Totals may not add due to rounding

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 84,771	\$ 88,866	\$ 90,071	\$ 93,994	\$ 97,278	\$ 95,875	\$ 90,689	\$ 95,687	\$ 118,673	\$ 131,491
Licenses & permits	1,855	1,948	1,887	1,656	1,657	1,493	1,013	1,236	1,554	2,184
Intergovernmental	17,545	21,302	15,985	22,241	18,057	26,998	29,802	37,520	34,738	53,192
Fees and charges for services	30,395	33,975	31,382	31,681	39,947	30,013	22,918	22,709	22,765	30,742
Fines & forfeitures	1,845	2,287	1,929	2,266	2,825	2,749	2,779	2,737	2,783	2,783
Earnings on investments	2,291	2,422	5,381	8,515	8,798	5,861	3,082	2,064	2,255	1,754
Securities lending income	183	275	3,077	7,807	3,915	1,809	103	6	-	-
Miscellaneous revenue	12,863	14,175	30,199	15,201	12,646	4,408	2,472	2,684	8,835	4,224
<b>Total Revenues</b>	<b>151,748</b>	<b>165,251</b>	<b>179,911</b>	<b>183,362</b>	<b>185,121</b>	<b>169,205</b>	<b>152,858</b>	<b>164,643</b>	<b>191,549</b>	<b>226,370</b>
<b>Expenditures</b>										
Police services	24,081	27,240	24,748	26,566	28,463	28,424	29,269	30,490	31,231	34,512
Financial services	3,028	2,849	2,641	2,553	2,877	3,013	3,044	2,909	2,874	3,187
Community and operation	24,781	48,233	28,611	32,441	33,674	32,924	32,894	29,375	32,298	36,043
Planning, development and transportation	28,994	37,501	36,313	36,419	36,103	42,977	37,091	34,475	41,862	45,397
Executive, legislative, and judicial	4,898	4,771	4,907	4,323	4,613	4,945	4,306	4,675	4,390	4,639
Employee and communications	1,901	1,832	1,849	1,618	1,536	2,036	2,774	1,949	2,590	2,449
Sustainability services	5,915	3,670	4,306	3,788	5,215	4,579	8,735	12,246	9,643	7,096
Other	1,064	1,790	1,128	1,084	1,478	1,995	1,177	1,717	1,318	1,682
Library	3,759	3,645	3,740	3,729	3,997	346	-	-	-	-
Emergency recovery	602	-	-	-	-	-	-	-	-	-
Securities lending	147	255	3,056	7,695	3,854	1,563	53	4	-	-
Interest	14	20	21	45	37	57	28	1	-	-
Agent fees	-	-	-	-	-	-	-	-	-	-
Intergovernmental	12,683	12,625	14,515	15,161	15,505	16,383	17,224	17,458	18,994	19,283
Fire protection	41,145	18,922	27,363	61,964	54,065	27,379	23,944	31,851	40,914	38,356
Capital outlay	2,854	3,090	3,777	4,243	2,988	4,626	4,731	3,805	4,174	6,968
Debt service	1,515	1,274	4,262	3,267	3,128	2,955	2,654	2,693	2,524	2,499
Principal	157,382	167,716	161,237	204,897	197,534	174,201	167,923	173,650	192,811	202,111
Interest and debt service costs	(5,634)	(2,465)	18,674	(21,535)	(12,413)	(4,996)	(15,066)	(9,007)	(1,262)	24,259
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>173</b>	<b>51,402</b>	<b>162</b>	<b>608</b>	<b>763</b>	<b>1,198</b>	<b>-</b>	<b>-</b>	<b>976</b>	<b>35,092</b>
<b>Other Financing Sources (Uses)</b>	<b>107,193</b>	<b>103,815</b>	<b>104,098</b>	<b>114,140</b>	<b>112,846</b>	<b>114,237</b>	<b>115,086</b>	<b>35,457</b>	<b>39,128</b>	<b>41,781</b>
Proceeds from issuance of long term debt	(107,078)	(103,927)	(104,147)	(113,888)	(116,583)	(117,769)	(117,124)	(39,156)	(42,958)	(46,030)
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	(2)	265	37	181
<b>Total other financing sources (uses)</b>	<b>289</b>	<b>51,290</b>	<b>113</b>	<b>860</b>	<b>(2,975)</b>	<b>(2,334)</b>	<b>(2,040)</b>	<b>(3,435)</b>	<b>(2,817)</b>	<b>(3,371)</b>
<b>Net change in fund balances</b>	<b>\$ (5,345)</b>	<b>\$ 48,825</b>	<b>\$ 18,788</b>	<b>\$ (20,675)</b>	<b>\$ (15,388)</b>	<b>\$ (7,330)</b>	<b>\$ (17,106)</b>	<b>\$ (12,441)</b>	<b>\$ (4,079)</b>	<b>\$ 20,888</b>
Debt service as a percentage of noncapital expenditures	3.64%	3.17%	6.67%	5.13%	4.35%	5.42%	5.11%	4.54%	4.38%	5.78%

Totals may not add due to rounding

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

<b>Sales Tax Category</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Grocery, Convenience, Liquor	\$ 274.9	\$ 283.3	\$ 299.6	\$ 320.1	\$ 347.4	\$ 359.8	\$ 359.7	\$ 363.8	\$ 394.1	\$ 429.0
Restaurants, Caterers and Bars	226.5	238.3	248.7	257.0	274.8	285.9	285.4	295.6	315.4	337.9
General Merchandise	332.6	335.5	339.7	334.9	336.2	318.3	306.7	299.4	303.0	303.5
Vehicle Sales, Parts and Repairs	171.1	165.3	157.7	157.8	175.8	162.9	149.3	160.0	164.5	180.6
Building Materials, Garden Equipment & Supplies	112.9	121.6	128.3	129.2	132.4	138.4	130.2	142.9	154.8	165.9
Sporting, Hobby, Book, Music	115.6	114.3	116.1	116.9	121.7	126.0	126.1	129.2	134.5	134.9
Broadcasting and Telecommunications	119.1	119.8	103.2	99.5	116.5	113.7	113.0	119.0	116.7	117.2
Electronics and Appliances	79.6	84.1	94.3	104.8	116.8	117.7	107.8	111.9	118.2	122.1
Miscellaneous Retailers	96.2	98.0	99.1	102.5	113.6	110.0	103.9	110.4	116.4	121.7
Utilities	72.3	83.3	93.3	99.6	96.0	103.3	97.5	100.8	107.0	111.2
Clothing and Accessories	84.7	94.7	95.7	87.8	84.9	79.4	74.8	76.9	83.0	88.7
Pharmacy, Salon and Laundry	37.6	38.6	39.8	40.0	44.0	45.4	45.0	54.5	61.1	54.6
Other	50.5	45.8	45.5	47.6	47.4	47.2	43.0	44.3	45.9	51.0
Rental and Leasing Services	57.3	52.4	52.0	49.1	52.1	52.1	46.4	43.1	42.7	46.3
Furniture and Home Furnishings	44.0	48.4	50.9	51.7	56.7	52.3	38.9	41.0	43.7	50.0
Wholesale Trade	37.7	42.7	41.6	138.8	57.9	49.2	41.9	35.6	37.5	42.4
Lodging	23.2	25.0	27.2	31.7	34.3	33.9	29.1	32.2	35.2	40.2
Manufacturing	31.3	30.5	39.0	33.2	37.9	37.3	26.7	30.5	37.1	44.5
<b>Total</b>	<b>\$1,967.1</b>	<b>\$2,021.5</b>	<b>\$2,071.8</b>	<b>\$2,202.1</b>	<b>\$2,246.4</b>	<b>\$2,232.8</b>	<b>\$2,125.3</b>	<b>\$2,191.2</b>	<b>\$2,310.9</b>	<b>\$2,441.7</b>
City direct sales tax rate*	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.85%	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>
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%
2012 ~	3.85%	0.80% / 0.60%	2.90%

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

~Larimer County tax rate decreased from 0.8% to 0.6% effective July 1, 2012



**Sales Tax Revenue Taxpayers by Industry**

Current Year and 2003

tax liability in thousands

	Fiscal Year 2012			Fiscal Year 2003			
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Grocery, Convenience, Liquor	212	1.95%	\$ 12,179	154	1.74%	\$ 6,899	12.25%
Restaurants, Caterers and Bars	471	4.33%	12,970	413	4.66%	6,663	11.83%
General Merchandise	23	0.21%	10,401	16	0.18%	9,314	16.54%
Vehicle Sales, Parts and Repairs	389	3.58%	6,959	344	3.88%	5,064	8.99%
Building Materials, Garden Equipment	2,454	22.58%	6,387	1,473	16.61%	3,340	5.93%
Sporting, Hobby, Book, Music	423	3.89%	5,178	329	3.71%	3,409	6.05%
Broadcasting & Telecommunications	255	2.35%	4,576	261	2.94%	3,530	6.27%
Electronics and Appliances	340	3.13%	4,705	163	1.84%	2,357	4.19%
Miscellaneous Retailers	1,327	12.21%	4,697	1,028	11.59%	2,824	5.01%
Utilities	11	0.10%	4,282	7	0.08%	2,146	3.81%
Clothing and Accessories	265	2.44%	3,412	212	2.39%	2,491	4.42%
Pharmacy, Salon and Laundry	707	6.51%	2,049	516	5.82%	1,090	1.94%
Other	2,769	25.48%	1,950	2,624	29.59%	1,500	2.66%
Rental and Leasing Services	358	3.29%	1,782	388	4.38%	1,684	2.99%
Furniture and Home Furnishings	176	1.62%	1,920	169	1.91%	1,291	2.29%
Wholesale Trade	308	2.83%	1,635	320	3.61%	1,108	1.97%
Lodging	29	0.27%	1,548	19	0.21%	692	1.23%
Manufacturing	349	3.21%	1,651	431	4.86%	912	1.62%
<b>Total</b>	<b>10,866</b>	<b>100.00%</b>	<b>\$ 88,281</b>	<b>8,867</b>	<b>100.00%</b>	<b>\$ 56,314</b>	<b>100.00%</b>

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

Totals may not add due to rounding

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

Exhibit A-8

Fiscal Year	Certificates of Participation					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Bonds	Assignment of Lease Payments	Capital Leases	General Obligation Bonds	Revenue Bonds	Participation	Assignment of Lease Payments	Capital Leases	Revenue Bonds	Participation			
2003	7,989	15,370	4,921	16,410	118,475	1,970	2,649	466	169,083	4.3%	1.35		
2004	6,879	63,220	4,603	13,455	115,037	1,890	2,552	280	208,720	5.0%	1.64		
2005	5,744	61,870	3,475	10,455	107,495	1,805	2,451	251	194,317	4.4%	1.52		
2006	4,579	60,190	2,815	7,395	99,031	1,715	2,345	-	178,807	3.9%	1.38		
2007	3,342	58,345	2,602	5,000	90,602	1,715	2,234	489	165,032	3.3%	1.23		
2008	2,250	55,340	2,636	2,535	81,618	1,595	2,117	544	149,301	2.8%	1.09		
2009	985	52,225	1,736	-	102,440	1,470	1,995	381	161,860	3.1%	1.17		
2010	670	49,100	1,015	-	109,884	1,360	1,868	227	164,711	3.0%	1.14		
2011	340	45,870	2,755	-	100,380	1,230	1,734	245	153,098	2.7%	1.06		
2012	-	41,845	3,719	-	90,007	1,095	1,594	208	138,968	n/a	0.93		

Totals may not add due to rounding

Note: Personal Income provided by the Bureau of Economic Analysis. Information is updated regularly and 2012 data was not available at the time this schedule was prepared.

**Ratios of General Bonded Debt Outstanding**

Exhibit A-9

Last Ten Fiscal Years

*in thousands*

<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>
2003	16,410	0.18%	131
2004	13,455	0.14%	106
2005	10,455	0.10%	82
2006	7,395	0.07%	57
2007	5,000	0.04%	37
2008	2,535	0.02%	19
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-

**Direct and Overlapping Governmental Activities Debt**

Exhibit A-10

As of December 31, 2012

in thousands

	Debt Outstanding <sup>2</sup>	Percentage Applicable to the City <sup>3</sup>	Share of Debt Applicable to the City
<u>Direct Debt</u>			
City of Fort Collins <sup>1</sup>	\$ 42,346	100.00%	\$ 42,346
<u>Overlapping Debt</u>			
Harmony Tech Park No. 1 <sup>4</sup>	-	0.00%	-
Harmony Tech Park No. 2 <sup>4</sup>	-	0.08%	-
Harmony Tech Park No. 3 <sup>4</sup>	-	0.00%	-
Poudre R-1 School District <sup>4</sup>	233,533	74.54%	174,085
Poudre Health Services District <sup>4</sup>	-	73.26%	-
Poudre River Public Library <sup>4</sup>	-	75.88%	-
Total Overlapping Debt	233,533		174,085
Total Direct and Overlapping Debt	<u>\$ 275,879</u>		<u>\$ 216,431</u>

**ASSESSED VALUATION, DEBT, AND DEBT RATIO  
DECEMBER 31, 2012**

Estimated actual valuation	\$ 14,531,851
Assessed valuation	\$ 1,796,031
Net direct debt	\$ 42,346
Estimated overlapping debt	\$ 174,085
Net direct and estimated overlapping debt	\$ 216,431
Ratio of net direct debt to estimated actual valuation	0.0029
Ratio of net direct debt to assessed valuation	0.0236
Net direct debt per capita <sup>5</sup>	\$ 0
Ratio of net direct and estimated overlapping debt to estimated actual valuation	0.0149
Ratio of net direct and estimated overlapping debt to assessed valuation	0.1205
Net direct and estimated overlapping debt per capita <sup>5</sup>	\$ 1
Estimated actual valuation per capita <sup>5</sup>	\$ 98
Assessed valuation per capita <sup>5</sup>	\$ 12

<sup>1</sup> Includes all governmental activities outstanding debt supported by general property taxes less available debt service monies.

<sup>2</sup> Includes outstanding debt supported by general property taxes less available debt service monies.

<sup>3</sup> Determined by calculating ratio of assessed valuation of taxable property within the City to assessed valuation of the overlapping unit. Source for assessed valuations: Larimer County Assessor's Office.

<sup>4</sup> Source: Governmental entity.

<sup>5</sup> Based on 2012 Population estimate per City of Fort Collins Planning Office--148,700



**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	Debt Service Requirements				
				Principal	Interest	Total		
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	
2012	119,771	100,664	19,107	1,455	580	2,035	9.39	

**SEWER REVENUE BONDS**

	Gross		Net Revenue		Debt Service Requirements			Coverage
	Revenues	Expenses	Available for Debt Service	Debt Service Requirements				
				Principal	Interest	Total		
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	
2012	23,520	11,658	11,862	3,099	1,459	4,557	2.60	

**STORM DRAINAGE REVENUE BONDS**

	Gross		Net Revenue		Debt Service Requirements			Coverage
	Revenues	Expenses	Available for Debt Service	Debt Service Requirements				
				Principal	Interest	Total		
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	
2012	15,729	5,064	10,664	2,965	1,102	4,067	2.62	

**Pledged Revenue Coverage**

Last Ten Fiscal Years

*in thousands*

Exhibit A-12

(continued)

**WATER REVENUE BONDS**

	<b>Gross Revenues</b>	<b>Expenses</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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
2012	33,061	19,235	13,825	2,854	841	3,695	3.74

*Totals may not add due to rounding*

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u> <i>(thousands of dollars)</i>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Denver/Boulder Greeley CPI-U</u>	<u>Residential Building Permits</u>
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	12,149,896	39,767	6.8%	220.29	431
2012	148,700	n/a	n/a	6.4%	224.57	508

**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. Data for 2012 was not available at the time this schedule was prepared. Unemployment rate provided by the Colorado Department of Labor and Employment. Population prior to 2009 provided by the Colorado State Demography Office. 2010 population is from the US Census 2009, 2011-2012 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**  
2012 and Ten Years Ago

Exhibit A-14

<b>Employer</b>	<b>Fiscal Year 2012</b>			<b>Fiscal Year 2003</b>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Colorado State University	6,753	1	7.8%	6,252	1	7.8%
Poudre R-1 School District	3,957	2	4.6%	3,677	2	4.6%
Poudre Valley Health Care Inc.	3,100	3	3.6%	2,213	3	2.8%
City of Fort Collins	2,000	4	2.3%	1,749	5	2.2%
Larimer County	1,910	5	2.2%	1,476	6	1.8%
Woodward Inc	1,302	6	1.5%	750	9	0.9%
Center Partners	1,112	7	1.3%	-	-	0.0%
Hewlett Packard Company	927	8	1.1%	2,163	4	2.7%
Employment Solutions Personnel Serv.	713	9	0.8%	-	-	0.0%
Otter Productions LLC.	468	10	0.5%	-	-	0.0%
Celestica USA Inc	-	-	0.0%	635	10	0.8%
Agilent Technologies	-	-	0.0%	1,046	7	1.3%
Advanced Energy Industries Inc	-	-	0.0%	758	8	0.9%
<b>Total</b>	<b>22,242</b>		<b>25.7%</b>	<b>20,719</b>		<b>25.9%</b>

Source 2012: QCEW, Second Quarter, 2012

Source 2003: City of Fort Collins Planning Department

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

Exhibit A-15

<u>Function/ Program</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>	<u>2012</u>
<b>General government</b>										
Economic Development	0.0	0.8	0.2	0.7	1.5	2.9	3.8	3.5	4.4	4.2
Finance Administration	5.8	5.8	3.8	2.6	2.9	3.0	3.0	2.6	2.6	3.1
Accounting, Sales Tax, Treasury	15.6	15.7	15.8	19.3	22.1	20.8	20.6	20.2	20.7	19.9
Budget	2.0	2.0	1.9	1.5	2.0	3.7	4.0	4.0	3.5	3.8
Purchasing & Risk Management	11.1	10.7	9.8	8.8	8.7	9.3	9.8	9.4	9.0	9.3
Information Technology	45.7	46.9	46.6	43.6	45.4	50.0	51.0	51.8	50.4	55.3
Community & Public Involvement	9.3	10.1	9.8	8.1	9.2	10.0	10.2	10.1	10.2	11.0
Human Resources	17.9	16.9	16.2	16.8	16.7	19.0	19.9	19.7	19.9	20.4
Operation Services	65.0	63.6	60.2	59.0	60.7	64.9	66.8	64.2	64.3	70.2
City Clerk's Office	5.9	5.6	5.6	5.8	5.8	5.8	5.8	5.8	5.7	5.8
City Attorney's Office	9.2	9.1	8.7	8.9	9.0	9.0	9.0	10.6	11.3	11.1
City Council	7.0	7.0	7.3	7.0	7.2	6.8	6.5	7.0	6.8	7.0
City Manager's Office	11.1	9.9	9.9	8.8	10.5	9.6	10.9	9.6	10.7	12.3
Municipal Court	7.8	7.9	7.9	8.2	7.8	8.5	7.7	7.2	8.3	8.2
<b>Public safety</b>										
Investigations	61.0	62.6	63.9	63.1	63.7	66.0	66.3	65.4	64.8	63.5
Police Information Services	59.8	62.0	59.9	56.5	55.1	53.8	53.6	54.9	56.8	59.8
Patrol	98.0	95.7	98.1	99.8	100.3	105.3	107.3	111.2	120.0	132.6
Office of the Chief	20.0	19.8	18.9	18.1	18.0	18.4	18.6	18.2	17.6	17.5
<b>Culture, parks, recreation &amp; natural areas</b>										
Environmental Services	6.1	5.6	4.8	3.5	3.7	5.7	6.3	5.8	7.4	9.8
Recreation	135.0	132.5	133.0	129.3	128.3	130.7	132.3	127.5	126.1	127.0
Community Services Admin	3.8	3.5	3.0	2.8	2.0	2.0	2.0	2.0	2.0	2.0
Park Planning & Development	6.7	6.4	6.3	5.4	5.2	5.8	6.0	5.4	5.1	5.4
Cultural Services	33.5	32.1	31.8	31.5	33.8	37.3	39.8	33.8	35.6	40.6
Parks	84.5	91.4	89.0	89.9	89.2	101.7	105.3	101.5	110.0	115.4
Natural Areas	29.2	33.1	37.2	38.7	39.4	40.8	43.9	43.2	43.9	45.7
<b>Planning and development</b>										
Social Sustainability	5.0	4.9	4.8	5.2	5.0	5.0	5.0	5.0	4.9	4.7
PDT Administration	5.3	4.8	4.6	4.8	4.8	5.4	5.3	5.4	5.6	4.8
Comm Dev & Neighborhood Svcs	51.4	51.6	49.2	47.5	45.4	44.9	39.5	36.1	37.5	46.7
Urban Renewal Authority	0.0	0.0	0.0	0.4	0.5	1.0	1.0	1.1	1.0	1.0
<b>Transportation</b>										
PDT Administration	3.0	3.0	3.0	2.5	0.7	0.0	0.0	0.0	0.0	0.0
Transfort / Dial-a-Ride	90.4	87.6	81.1	72.1	74.2	75.6	75.0	72.9	74.2	74.3
FC Moves	3.2	2.1	1.4	1.5	2.5	4.7	4.4	4.4	4.3	4.7
Streets	50.7	52.9	50.5	49.7	48.9	48.7	45.3	47.6	53.4	53.4
Traffic	24.8	24.1	25.1	24.0	26.8	28.2	28.0	26.9	27.9	28.9
Engineering	38.6	36.2	32.6	30.5	28.7	30.8	31.2	29.6	30.7	33.3
Parking	22.4	23.1	20.9	19.3	19.0	17.7	17.8	18.8	19.2	20.6
<b>Light &amp; Power</b>										
Light & Power Administration	42.1	40.9	40.2	38.7	39.3	39.2	38.9	38.8	39.1	40.6
Light & Power Operations	50.6	51.3	50.5	53.0	54.2	58.8	63.0	60.7	60.0	61.7
L&P System Additions	43.2	43.4	37.6	32.1	30.6	29.1	30.6	31.4	30.7	28.4
L&P Energy Services	6.0	6.8	7.0	7.7	8.4	9.8	14.0	17.2	17.8	17.5
<b>Water</b>										
Water Administration	33.7	32.2	31.5	30.1	29.6	30.3	30.1	29.6	30.2	31.7
Water Trans & Distribution	18.6	18.3	21.2	20.6	21.6	23.6	26.0	24.7	24.9	23.3
Water Meter Operations	10.6	10.5	10.5	10.7	9.7	9.6	10.0	9.8	11.1	10.9
Water Production	27.3	27.4	26.3	25.0	26.4	29.2	29.4	29.2	29.7	29.4
Water Quality	9.2	9.0	9.0	7.7	7.8	8.0	8.0	8.0	7.8	8.0
Water Resources	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0
<b>Wastewater</b>										
WW Administration	14.5	14.8	15.0	14.5	14.7	14.7	13.9	13.5	13.6	14.1
WW Trunk and Collection	16.2	15.5	15.6	15.0	14.9	14.3	15.2	16.1	16.6	17.1
WW Water Quality	7.9	8.3	8.5	7.8	7.5	8.0	8.9	8.7	8.0	8.3
WW Water Reclamation	38.6	39.4	37.7	36.6	36.1	35.9	35.6	35.0	33.2	32.2
<b>Storm drainage</b>										
Stormwater Administration	12.4	12.0	11.8	11.4	11.6	11.5	11.4	11.4	11.5	12.0
Stormwater Operations	28.9	27.7	25.5	26.3	27.3	29.5	30.4	29.3	29.0	28.1
<b>Golf</b>										
Golf Administration	2.6	1.9	1.7	1.7	1.7	1.7	0.9	0.8	0.8	0.7
Golf Operations	20.4	20.4	20.4	19.8	18.9	20.0	20.5	21.2	20.8	19.6
<b>Total City of Fort Collins</b>	<b>1,431.7</b>	<b>1,430.2</b>	<b>1,396.3</b>	<b>1,357.3</b>	<b>1,368.3</b>	<b>1,429.8</b>	<b>1,453.3</b>	<b>1,430.8</b>	<b>1,464.0</b>	<b>1,519.6</b>

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

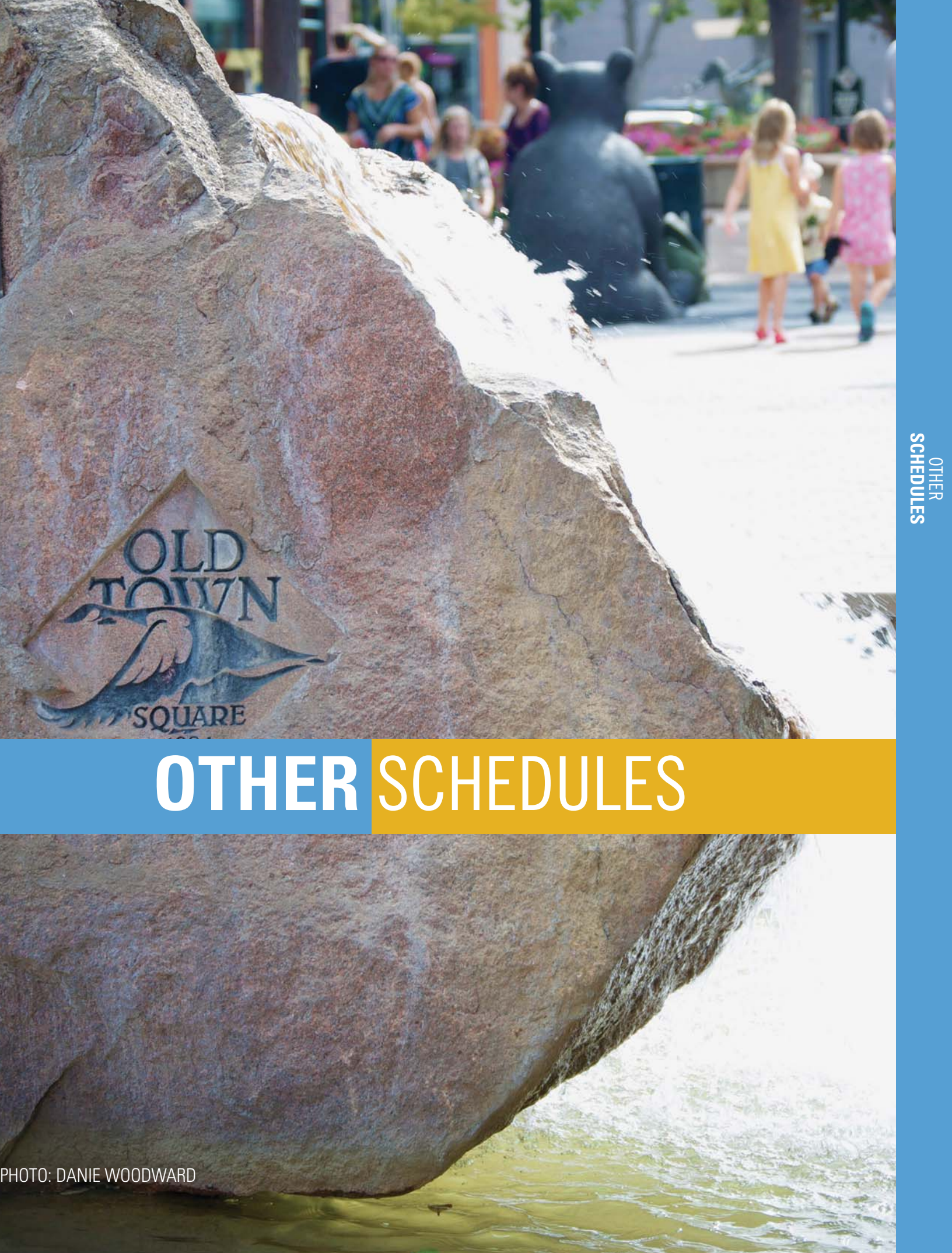
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
Job applications processed	n/a	n/a	n/a	12,823	8,907	9,209	5,148	7,112	11,415	10,192
Warrants issued	n/a	n/a	n/a	972	918	1,010	798	1,231	1,370	1,379
Camera Radar completed cases	n/a	n/a	n/a	9,761	19,026	21,239	20,414	18,137	17,634	13,954
<b>Public Safety</b>										
Adult arrests	6,588	6,313	4,202	4,663	5,188	4,373	4,154	4,739	4,792	5,112
Juvenile arrests	1,293	1,306	914	963	958	809	811	849	675	610
Traffic violations	12,644	12,744	13,334	13,838	15,341	18,890	15,737	20,792	18,484	21,678
Number of fines per 1000 population	3.31	2.85	3.89	2.75	2.16	2.64	2.22	2.22	2.19	2.12
Total inspections per 1000 population	25.53	17.57	1.80	1.99	3.76	9.83	16.83	16.75	11.91	24.20
Average calls per week	230	229	230	237	246	259	266	276	299	306
Average response time	4:39	4:29	4:17	4:15	4:20	4:14	4:10	4:39	4:59	5:34
<b>Culture, parks, recreation &amp; natural areas</b>										
Epic Pool & Ice attendance	368,353	494,577	405,660	424,313	323,183	373,809	353,161	480,586	385,426	364,459
City Park Pool attendance	69,954	64,413	63,376	70,851	71,608	91,444	77,276	74,821	75,755	66,651
Mulberry Pool attendance	93,280	89,358	73,909	87,351	92,322	98,640	117,033	167,810	202,148	134,358
Senior Center Pool attendance	44,498	23,754	35,931	25,338	37,888	32,980	55,765	21,179	25,775	29,236
Youth Activity Center attendance	24,511	45,921	23,686	3,578	7,729	712	1,090	24,207	31,171	46,202
North Azlan Center attendance	125,135	156,697	167,136	187,728	135,203	105,362	145,898	177,779	194,315	183,292
Farm attendance	99,367	91,204	91,139	60,215	62,161	79,730	61,166	61,737	61,336	62,736
Museum attendance	21,337	34,057	40,107	40,607	32,000	18,142	33,904	26,852	22,752	23,315
Scheduled Park events	857	5,962	5,538	5,057	5,672	6,185	5,650	5,630	5,953	6,486
<b>Planning and development</b>										
Construction permits- single family units	860	893	674	394	385	254	153	177	258	469
Construction permits- Multi family units	92	63	44	24	24	37	4	10	31	39
<b>Transportation</b>										
Transfort										
Passengers	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	2,271,732
Revenue Miles	729,639	703,081	686,030	640,677	774,545	798,849	791,627	913,682	995,858	1,028,405
Revenue Hours	57,165	58,516	57,782	54,665	66,647	68,356	69,984	75,564	77,356	78,551
Dial a Ride										
Passengers	73,607	82,276	87,725	85,735	51,779	44,135	41,719	40,385	37,851	37,747
Revenue Miles	419,127	439,771	450,047	560,053	348,952	282,257	269,831	252,107	166,893	156,941
Revenue Hours	31,628	34,883	38,399	47,188	31,678	25,092	23,456	21,690	20,407	19,429
<b>Light &amp; Power</b>										
Customers	n/a	n/a	n/a	62,548	62,991	63,913	64,750	65,504	66,220	67,209
Electric Use- megawatt hours	n/a	n/a	n/a	1,404,784	1,442,861	1,429,797	1,404,529	1,442,741	1,493,417	1,508,735
Peak demand- megawatts	n/a	n/a	n/a	279	296	285	264	282	292	302
Interruption Index- minutes/year	n/a	n/a	n/a	25.63	18.00	10.00	10.99	17.27	21.73	16.84
<b>Water</b>										
Customers	n/a	n/a	n/a	33,312	32,780	33,082	32,910	32,983	33,074	33,147
Treated water delivered- acre feet	n/a	n/a	n/a	29,133	27,192	25,633	22,683	24,030	23,387	26,875
Peak day water use- million gallons/day	n/a	n/a	n/a	49.0	47.5	44.3	37.1	40.8	39.7	46.8
Water main breaks	n/a	n/a	n/a	100	67	59	79	139	97	108
<b>Wastewater</b>										
Customers	n/a	n/a	n/a	33,120	32,992	32,847	33,134	33,226	33,305	33,398
Average flow wastewater treated- million gallons/day	n/a	n/a	n/a	14.5	15.1	15.7	14.8	13.9	13.7	12.9
Recycled processed wastewater biosolids- dry tons	n/a	n/a	n/a	1,764	1,709	1,738	1,793	1,747	1,817	1,901
Industrial discharge permits	n/a	n/a	n/a	13	13	15	14	14	14	15
<b>Storm Drainage</b>										
Customers	n/a	n/a	n/a	39,938	40,272	40,554	40,911	40,813	41,395	42,020
<b>Golf</b>										
Rounds played	124,327	118,781	123,313	124,609	117,133	115,031	121,579	93,898	120,236	86,842

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
Administrative buildings	3	3	3	3	3	3	3	3	3	3
Municipal court	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police cars	n/a	n/a	n/a	198	220	224	232	225	281	284
Fire stations	13	13	13	13	13	13	13	13	13	13
<b>Culture, parks, recreation &amp; natural areas</b>										
Swimming pools	4	4	4	4	4	4	4	4	4	4
Number of parks	43	44	45	45	46	46	46	46	46	48
Acreage of parks	752	759	761	761	861	861	861	861	861	871
Miles of hard surface trails	19.87	22.52	23.62	24.87	28.67	28.67	28.67	30.39	31.74	32.44
<b>Planning and development</b>										
Land Bank program-acres*	n/a	n/a	n/a	51	51	51	51	51	51	51
Land Bank program- yield of future affordable housing units*	n/a	n/a	n/a	513	513	513	446	510	510	510
<b>Transportation</b>										
Transit buses	n/a	n/a	n/a	23	27	27	29	44	34	40
Lane miles	n/a	n/a	n/a	1,756	1,793	1,796	1,796	1,796	1,796	1,861
<b>Light &amp; Power</b>										
Underground distribution lines- miles	n/a	n/a	n/a	766.0	788.0	801.4	820.0	837.5	851.8	864.0
Overhead distribution lines- miles	n/a	n/a	n/a	11.0	9.0	6.7	7.0	8.4	10.6	10.7
Distribution substations	n/a	n/a	n/a	5	5	5	5	5	6	7
Distribution transformers	n/a	n/a	n/a	7,525	7,982	8,060	8,082	8,226	8,357	8,453
<b>Water</b>										
Water mains and distribution lines- miles of pipe	n/a	n/a	n/a	532	539	540	541	527	528	529
Hydrants	n/a	n/a	n/a	3,411	3,464	3,487	3,494	3,510	3,524	3,539
Plant capacity- millions gallons/day	n/a	n/a	n/a	87	87	87	87	87	87	87
Raw water storage- acre feet	n/a	n/a	n/a	6,500	7,161	7,161	7,161	7,161	7,161	7,161
Treated water storage- million gallons	n/a	n/a	n/a	36.3	36.0	35.5	35.5	35.5	35.5	35.5
Water rights owned- avg yield in acre feet/year	n/a	n/a	n/a	73,000	73,700	74,120	74,140	74,160	74,420	74,670
<b>Wastewater</b>										
Trunk and collection- miles of pipe	n/a	n/a	n/a	434	435	437	436	437	436	437
Plants- treatment capacity	n/a	n/a	n/a	29	29	29	29	29	29	29
Biosolids facility- acres	n/a	n/a	n/a	26,200	26,000	26,350	26,582	26,680	26,680	26,680
<b>Storm Drainage</b>										
City owned detention basins	n/a	n/a	n/a	90	90	90	90	90	90	90
City owned detention basins- acres	n/a	n/a	n/a	320	320	320	320	320	320	320
Regional drainage channels	n/a	n/a	n/a	63	67	69	69	69	69	58
Storm sewer manholes	n/a	n/a	n/a	2,676	2,765	2,968	3,265	2,568	3,524	3,640
Storm sewer pipeline- miles	n/a	n/a	n/a	175.0	190.2	197.2	219.6	220.0	224.2	232.0
<b>Golf</b>										
Golf courses	3	3	3	3	3	3	3	3	3	3
City Park Nine- acres	56	56	56	56	56	56	56	56	56	56
Collindale- acres	160	160	160	160	160	160	160	160	160	160
South Ridge- 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 2003 to 2012:

<u>Years (at December 31)</u>	<u>Wastewater Customers</u>
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
2012	33,398

Approximately 94% of the wastewater customers are residential, with the remaining 6% being industrial and commercial customers. Currently two customers represent more than 3% of wastewater system revenues. In 2012, amounts paid by the university comprised 5.6% of wastewater system revenues (\$1,168,142), with a total usage representing 8.2% of total system usage. Additionally, amounts paid by a large commercial customer comprised 3.2% of wastewater system revenues (\$655,785), with a total usage representing 5.1% 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, 9% in 2011 and 8% in 2012. There was no rate increase implemented in 2013. The minimum winter quarter average consumption (WQA) is 3,000 gallons for single family customers (4000 gallons for duplexes).

Monthly User Charges <sup>1</sup>

<u>Residential Metered<sup>2</sup></u>	<u>Wastewater Rates</u>
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
<u>Commercial Metered<sup>3</sup></u>	
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:

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

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

<sup>3</sup> The usage charge of \$2.929 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)**

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

Large commercial customers who have facility or manufacturing processes that result in a significant difference between the volume of water delivered and the volume of wastewater discharged had the ability to start metering their flows beginning in 2012. There was no metering of flows performed by large commercial customers in 2012 and it is expected that this will commence in 2013. It is difficult to predict, but projections for this potential loss are \$1 million in 2013 and up to \$1.5 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, 2012.

<b>Plant Investment Fees</b>	
<u>Residential:</u>	
Single family residence	\$ 3,440
Duplex and Multi-family residence (per living unit)	\$ 2,410
 <u>Non-Residential:</u> (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:

	2008	2009	2010	2011	2012
User rates	\$ 16,171	\$ 17,702	\$ 19,137	\$ 19,020	\$ 20,809
Plant investment fees	4,064	3,416	2,442	639	2,120
Other fees & charges	121	108	176	158	123
Investment earnings	1,155	1,611	413	557	468
Total Wastewater Revenue	<u>\$ 21,512</u>	<u>\$ 22,837</u>	<u>\$ 22,167</u>	<u>\$ 20,375</u>	<u>\$ 23,520</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, 2012. The following sets forth the operating history of the Wastewater Fund for the years ended December 31, 2008 through 2012:

	2008	2009	2010	2011	Restated 2012
<b>Operating Revenues</b>					
Charges for services	\$ 16,171	\$ 17,702	\$ 19,137	\$ 19,020	\$ 20,809
<b>Operating Expenses</b>					
Administrative charge	1,430	1,487	2,200	1,781	1,642
Personal services	4,980	4,961	5,176	4,819	4,801
Contractual services	1,727	1,767	3,349	3,384	3,893
Commodities	921	775	859	1,092	1,110
Other	1,375	1,587	533	59	211
Depreciation	3,189	3,219	3,301	3,946	4,628
Total Operating Expenses	<u>13,623</u>	<u>13,796</u>	<u>15,418</u>	<u>15,081</u>	<u>16,285</u>
Operating Income	<u>2,548</u>	<u>3,906</u>	<u>3,719</u>	<u>3,939</u>	<u>4,524</u>
<b>Nonoperating Revenues (Expenses)</b>					
Other revenue	106	103	143	143	104
Earnings on investments	1,155	1,611	413	557	468
Gain on sale of capital assets	15	6	33	16	19
Interest expense	(1,105)	(1,989)	(313)	(412)	(1,328)
Other expenses	(154)	(140)	(147)	(195)	-
Total Nonoperating Revenues (Expenses)	<u>17</u>	<u>(410)</u>	<u>129</u>	<u>109</u>	<u>(737)</u>
Income Before Contributions and Transfers	<u>2,565</u>	<u>3,495</u>	<u>3,848</u>	<u>4,048</u>	<u>3,786</u>
Capital contributed	4,064	3,416	2,442	639	2,120
Operating transfers in	-	-	76	77	-
Operating transfers out	<u>(153)</u>	<u>(158)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income After Contributions and Transfers	<u>3,911</u>	<u>3,258</u>	<u>2,517</u>	<u>716</u>	<u>2,120</u>
Change in Net Position	6,476	6,754	6,365	4,764	5,906
Net Position--Jan. 1	<u>113,270</u>	<u>119,746</u>	<u>126,500</u>	<u>132,865</u>	<u>137,397</u>
Net Position--Dec. 31	<u>\$ 119,746</u>	<u>\$ 126,500</u>	<u>\$ 132,865</u>	<u>\$ 137,629</u>	<u>\$ 143,302</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--2003 TO 2012 <sup>1</sup>**

	<u>Gross Revenues <sup>2</sup></u>	<u>Expenses <sup>3</sup></u>	<u>Net Pledged Revenues</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2012	23,520	11,658	11,862	3,099	1,459	4,557	2.60

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

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

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

*Totals may not add due to rounding*

**WASTEWATER UTILITY ENTERPRISE  
SEWER REVENUE BONDS  
SEC RULE 15C2-12 INFORMATION – BALANCES ON DEPOSIT (UNAUDITED)**

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

Operation and Maintenance Fund. As a first charge on the Wastewater Fund, the bond ordinances require the City to credit from time to time to the operation and maintenance fund revenue sufficient to pay the necessary and reasonable current expenses of operating, maintaining, and repairing the sewer system. **The balance on deposit in this fund as of December 31, 2012 is \$1,021,779.**

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, 2012 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 1992, Series 2009, and Series 2010 Sewer Revenue Bonds. However, a debt service reserve insurance policy 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, 2012 was \$388,004.**

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 \$29,029,158 as of December 31, 2012. This amount satisfies the 17% requirement indicated above for fiscal year 2012.**

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, 2012 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 2008 through 2012.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Storm drainage utility fee (operation & maintenance component)	\$ 13,568	\$ 13,624	\$ 13,858	\$ 13,923	\$ 14,051
Storm drainage basin fees	455	168	358	434	948
Total Storm Drainage Fund Fee Revenues	<u>\$ 14,024</u>	<u>\$ 13,792</u>	<u>\$ 14,217</u>	<u>\$ 14,357</u>	<u>\$ 14,999</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, 2012. The following sets forth the operating history of the Storm Drainage for the years ended December 31, 2008 through 2012.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Restated 2012</u>
<b>Operating Revenues</b>					
Charges for services	\$ 13,568	\$ 13,624	\$ 13,858	\$ 13,923	\$ 14,051
<b>Operating Expenses</b>					
Administrative charge	2,140	2,181	2,145	1,983	1,844
Personal services	1,901	2,112	2,019	2,010	2,054
Contractual services	700	1,359	773	1,021	939
Commodities	124	108	115	197	186
Other	-	78	1	87	42
Depreciation	2,315	2,258	2,216	2,184	2,201
Total Operating Expenses	<u>7,180</u>	<u>8,095</u>	<u>7,268</u>	<u>7,483</u>	<u>7,265</u>
Operating Income	<u>6,388</u>	<u>5,529</u>	<u>6,590</u>	<u>6,440</u>	<u>6,786</u>
<b>Nonoperating Revenues (Expenses)</b>					
Other revenue	51	16	17	59	30
Earnings on investments	822	399	297	252	184
Intergovernmental	0	-	53	2	490
Gain/loss on sale of capital assets	(3)	(21)	28	(12)	26
Interest expense	(1,697)	(1,501)	(1,447)	(1,288)	(1,085)
Other expenses	(155)	(44)	(44)	(54)	(69)
Total Nonoperating Revenues (Expenses)	<u>(981)</u>	<u>(1,150)</u>	<u>(1,095)</u>	<u>(1,042)</u>	<u>(425)</u>
Income Before Contributions and Transfers	<u>5,407</u>	<u>4,379</u>	<u>5,495</u>	<u>5,398</u>	<u>6,361</u>
Capital contributions	455	168	358	434	948
Operating transfers In	-	-	31	32	-
Operating transfers out	(178)	(180)	(275)	(220)	(220)
Income After Contributions and Transfers	<u>277</u>	<u>(12)</u>	<u>114</u>	<u>246</u>	<u>728</u>
Change in Net Position	5,684	4,367	5,609	5,644	7,090
Net Position--Jan. 1	68,682	74,366	78,733	84,343	89,865
Net Position--December 31	<u>\$ 74,366</u>	<u>\$ 78,733</u>	<u>\$ 84,343</u>	<u>\$ 89,987</u>	<u>\$ 96,954</u>

*Totals may not add due to rounding*

**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 2012 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 2013.

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 46% of storm drainage revenues are attributable to single family residential customers. 17% of accounts and 54% of storm drainage revenues are attributable to multi-family residential, commercial and industrial customers. Two customers of the storm drainage utility contribute 2% or more of the storm drainage utility’s total monthly revenue - the school district with 4.5% of total revenue and the City municipal government at 2.7%. Due to the perpetual lien ordinance, historically, the City collects over 99% of its billed monthly utility charges for storm drainage.

**Historic Net Pledged Revenues**

Based on the 2012 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 2012 would have covered the combined average annual debt service\* requirements of the bonds approximately 2.26 times and would have covered the combined maximum debt service of the bonds approximately 2.25 times.

\*2012-2016

**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>
1998	26%	2003	10%	2008	0%
1999	0%	2004	10%	2009	0%
2000	10%	2005	0%	2010	0%
2001	9%	2006	0%	2011	0%
2002	45%	2007	0%	2012	0%

**Storm drainage fees have not been increased since 2004. No increase is planned for 2013.**

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 2003-2012:

<u>Years (at December 31)</u>	<u>Water Customers</u>
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
2012	33,147

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, 2012 is set forth below:

<u>Classification</u>	<u>Number of Accounts</u>	<u>Accounts</u>
Residential	30,983	93.5%
Commercial & Industrial	2,164	6.5%
Total	33,147	100.0%

The following table sets forth the ten largest customers of the water system, which in the aggregate accounted for approximately 27.9% of total water usage during 2012:

<u>Customer</u>	<u>Water Usage Millions of Gallons</u>	<u>Percent of Total Water Use</u>
Industrial	916.90	11.0%
University	399.61	4.8%
Water District	287.77	3.4%
Industrial	205.85	2.5%
Water District	157.23	1.9%
School District	104.19	1.2%
Industrial	101.12	1.2%
City Government	94.46	1.1%
Industrial	40.94	0.5%
Commercial	40.54	0.4%

**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. A 6% across the board rate increase was implemented in 2012 for all rate classes.

**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, 2013. 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, 2013**

- (1) Residential customers with one dwelling unit.
  - a. *Base Charges.* Residential customers with one dwelling unit shall pay a base monthly charge of \$14.14.
  - 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 \$2.189 per 1,000 gallons
    - For the next 6,000 gallons used per month at \$2.516 per 1,000 gallons
    - For all additional gallons used per month at \$2.894 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 \$16.61.
  - 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 \$2.109 per 1,000 gallons
    - For the next 4,000 gallons used per month at \$2.424 per 1,000 gallons
    - For all additional gallons used per month at \$2.789 per 1,000 gallons.

**Metered Rates – Nonresidential**

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

<b>Meter Size (inches)</b>	<b>Monthly Base Charge</b>
3/4	\$ 12.66
1	\$ 35.31
1 1/2	\$ 96.02
2	\$ 144.71
3	\$ 220.71
4	\$ 346.49
6	\$ 672.15
8	\$ 1,187.42

(2) *Quantity Charges.* Nonresidential customers shall pay a monthly quantity charge of \$1.761 per 1,000 gallons used in the winter season months of November through April. They shall pay a monthly quantity charge of \$2.201 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 \$2.530 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 \$3.164 per 1,000 gallons used in the summer season months of May through October.

<b>Meter Size (inches)</b>	<b>Specified Amount (gallons per month)</b>
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, 2013.

**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, in thousands, 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>
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
2012	441	1,675	-	1,293	-	39	3,449

**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:

	2008	2009	2010	2011	2012
User charges for services	\$ 24,284	\$ 21,752	\$ 24,228	\$ 24,101	\$ 28,326
Plant investment fees	5,367	2,116	1,721	3,612	3,449
Other fees & charges	329	260	309	326	334
Investment earnings	2,915	1,573	1,027	1,178	953
<b>Total Water System Revenue</b>	<b>\$ 32,896</b>	<b>\$ 25,701</b>	<b>\$ 27,285</b>	<b>\$ 29,217</b>	<b>\$ 33,061</b>

**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, 2012. The following sets forth the operating history of the Water Fund for the years ended December 31, 2008 through 2012.

	2008	2009	2010	2011	Restated 2012
<b>Operating Revenues</b>					
Charges for services	\$ 24,284	\$ 21,752	\$ 24,228	\$ 24,101	\$ 28,326
<b>Operating Expenses</b>					
Administrative charge	3,859	3,840	3,897	3,395	3,244
Personal services	5,563	5,726	6,008	5,721	5,975
Contractual services	2,877	4,924	4,960	5,451	5,810
Commodities	1,378	1,555	1,609	1,546	3,188
Other	2,146	314	108	198	1,018
Depreciation	4,824	4,853	4,903	5,090	5,375
<b>Total Operating Expense</b>	<b>20,647</b>	<b>21,211</b>	<b>21,485</b>	<b>21,400</b>	<b>24,610</b>
<b>Operating Income</b>	<b>3,637</b>	<b>541</b>	<b>2,743</b>	<b>2,700</b>	<b>3,715</b>
<b>Nonoperating Revenues (Expenses)</b>					
Other revenue	313	250	285	289	291
Earnings on investments	2,915	1,573	1,027	1,178	953
Gain on sale of capital assets	17	10	24	36	42
Interest expense	(1,435)	(1,061)	(925)	(828)	(740)
Other expenses	(121)	(189)	(9)	(9)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,689</b>	<b>584</b>	<b>402</b>	<b>667</b>	<b>547</b>
<b>Income Before Contributions and Transfers</b>	<b>5,326</b>	<b>1,125</b>	<b>3,145</b>	<b>3,367</b>	<b>4,262</b>
Capital contributions	5,367	2,116	1,721	3,612	3,449
Operating transfers in (out)	(184)	(189)	91	87	-
<b>Income After Contributions and Transfers</b>	<b>5,183</b>	<b>1,926</b>	<b>1,811</b>	<b>3,699</b>	<b>3,449</b>
<b>Change in Net Position</b>	<b>10,509</b>	<b>3,051</b>	<b>4,956</b>	<b>7,066</b>	<b>7,711</b>
Net Position--Jan. 1	227,142	237,651	240,702	245,659	252,622
<b>Net Position--Dec. 31</b>	<b>\$ 237,651</b>	<b>\$ 240,702</b>	<b>\$ 245,659</b>	<b>\$ 252,725</b>	<b>\$ 260,333</b>

*Totals may not add due to rounding*



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

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As of December 31, 2012, 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	2,941
Water Revenue Bond, Series 1999	4,998	1,961
Water Subordinate, 2004	2,476	1,768
Water Revenue Refunding Series 2008	9,645	9,465
Water Revenue Refunding Series 2009	<u>7,815</u>	<u>1,545</u>
<b>Total</b>	<b><u><u>\$ 35,060</u></u></b>	<b><u><u>\$ 17,679</u></u></b>

*Totals may not add due to rounding*

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Fort Collins			
		YEAR ENDING: December 2012			
This Information From The Records Of (example - City of _ or County of _): City of Fort Collins		Prepared By: Phone:	Karen Tracy (970) 416-2426		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,626,718		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	19,632,158		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	4,123,851		
2. General fund appropriations	5,033,495	b. Snow and ice removal	1,117,114		
3. Other local imposts (from page 2)	11,746,030	c. Other	2,247,814		
4. Miscellaneous local receipts (from page 2)	8,498,575	d. Total (a. through c.)	7,488,780		
5. Transfers from toll facilities		4. General administration & miscellaneous	1,247,069		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	29,994,725		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	35,625		
7. Total (1 through 6)	25,278,099	b. Redemption			
<b>B. Private Contributions</b>		c. Total (a. + b.)	35,625		
<b>C. Receipts from State government</b> (from page 2)	4,752,251	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	30,030,350	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	35,625		
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	30,030,350		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>	340,000		340,000	0	
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>				0	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		30,030,350	30,030,350		0
<b>Notes and Comments:</b>					

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2012

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	0	a. Interest on investments	248,277
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	6,024,487	c. Parking Garage Fees	1,866,649
2. Infrastructure & Impact Fees	3,290,129	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	14,576
4. Licenses	184,664	f. Charges for Services	5,426,151
5. Specific Ownership &/or Other	2,246,749	g. Other Misc. Receipts	115,322
6. Total (1. through 5.)	11,746,030	h. Other	827,600
c. Total (a. + b.)	11,746,030	i. Total (a. through h.)	8,498,575
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	4,322,462	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	429,789	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.)	429,789	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	4,752,251	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		1,026	1,026
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		1,625,692	1,625,692
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,625,692	1,625,692
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,626,718	1,626,718
			(Carry forward to page 1)

**Notes and Comments:**