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2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FORT COLLINS, COLORADO YEAR ENDED DECEMBER 31, 2014

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ON BOARD

City of
Fort Collins

max

City of Fort Collins, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2014

Prepared by the Finance Department:

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Travis Storin, Accounting Director
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Dena Nachtman, Accountant
Faith Smith, Accountant
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Special thanks for their contribution:

*Lawrence Pollack, Budget & Performance Measurement Manager
Dee Toplyn, Senior Budget Analyst
Christopher Martinez, Senior Budget Analyst
Rachel Rogers, Budget Analyst
Laura Riley, Payroll Specialist*

About our cover and section tabs...

The cover picture photograph features one of the City of Fort Collins' MAX bus stations. MAX began service in May 2014 and represents the largest infrastructure project in the community's history. MAX is the Front Range's first bus rapid transit system and is funded through a variety of federal, state and local partners. A service of Transfort, MAX is the 20th route to support public transportation in Fort Collins. The new, convenient, and modern transit route offers service every 10 minutes during peak service hours and real-time bus arrival information at each station. MAX connects Downtown Fort Collins, Colorado State University, Midtown and south Fort Collins, providing access to popular destinations and employment centers for the community. Funded by the Federal Transit Administration, Colorado Department of Transportation, Colorado State University, Colorado State University Research Foundation, the Fort Collins Downtown Development Authority, and the City of Fort Collins, the \$87 million project developed from a community conversation and long term planning effort to provide a transportation spine that would encourage economic redevelopment and catalyst projects in the heart of Fort Collins. Learn more about MAX at fcgov.com/max.

The Introductory Section tab features Woodward's topping out ceremony held on April 8th, 2015. Mayor Karen Weitkaunat and Mayor-elect Wade Troxell were on hand to celebrate. The project expands over a 101 acre site and includes grading and restoration of a 31-acre river buffer natural area that will be transferred to the City. The project also includes reconstruction of the Poudre Trail through the new natural area. As many as 1,400 to 1,700 employees could eventually work on site over the 10 year build out of the Woodward campus.

The Financial Section tab features the Transformer Cabinet Mural Project. In its ninth year, the City worked with 15 artists and 1 non-profit group to paint bright, active murals on Fort Collins utility equipment as a graffiti abatement program. Fort Collins Art in Public Places Program and Utilities Light and Power work together on this project which has enjoyed great success in lowering maintenance costs. By employing Fort Collins artists to paint the murals, the program also keeps the investment local. Artist Diane Findley titles the featured piece "This Land is Your Land". She described it as, "Elements of the Colorado landscape roam and ramble through scenic byways under endless skyways. With a wink and a nod to Woody Guthrie, this transformer is painted for you by me." It is located in the alley behind 132 Laporte Ave.

The Notes to the Basic Financial Statements Sections tab features a picture of Fort Collins Utilities showing its support for workforce safety and environmental consciousness with the use of its hybrid bucket truck. The truck featured here is primarily used for streetlight maintenance. It is designed to use batteries to run the hydraulics for the boom when the crew is working rather than running the engine as standard bucket trucks do. The batteries are charged while the truck is driving to the job site, and discharged during the course of the work with the boom. If the batteries run down while the crew is working with the boom, then the engine automatically starts to support the power needs for the hydraulics. The truck can avoid idling on the job site solely for the purpose of powering the hydraulics, which reduces noise and exhaust gases while the crew is working with the bucket truck.

The Supplementary Information tab features a picture of Redtail Ponds. The Fort Collins Housing Authority and partners developed Northern Colorado's first Permanent Supportive Housing program using best practice models proven effective throughout the country. Permanent supportive housing is an innovative and proven solution to some of communities' toughest problems. It combines affordable housing with services that help people who face the most complex challenges to live with stability, autonomy and dignity. The FCHA Redtail Ponds development is a mixed-income community with 40 units for formerly homeless individuals and 20 units for individuals earning up to 50% of the Area Median Income. The City's investment in this development represents \$1.6 million of Community Development Block Grant, Home Investment Partnership Program, and City general fund monies.

The Statistical Section tab shows the South Transit Center which is located at 4915 Fossil Blvd. This 4,300 sq. ft. multi-modal transit center serves as a southern bus route hub and includes 171 parking spots, a full service customer service counter, RedTail Coffee Shop, bike racks, and other rider conveniences. An estimated 60% of jobs in Fort Collins are within one mile of the Mason Corridor. *Photo courtesy of alm2s.*

The Other Schedules tab shows the Lincoln Center, one of Colorado's largest and most diverse presenters of professional theatre, dance, music, visual arts and children's programs. It features two performing art spaces (a 1,180-seat performance hall and a 220-seat theatre), three galleries, and an outdoor sculpture/terrace/performance garden. It also has two conference/special events rooms available for rentals. This photograph shows the City of Fort Collins Holiday Christmas Party where all employees are welcome to celebrate and enjoy the atmosphere.

Table of Contents

	Page
INTRODUCTORY SECTION	1
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting.....	7
Organizational Chart.....	8
Elected and Appointed Officials.....	9
FINANCIAL SECTION	11
Independent Auditor’s Report	13
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	15
BASIC FINANCIAL STATEMENTS	27
Government-wide Financial Statements	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	32
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	35
Statement of Revenues, Expenditures, and Changes in Fund Balances	
Actual and Budget (Non-GAAP budgetary basis) - General Fund (Consolidated).....	36
Statement of Revenues, Expenditures, and Changes in Fund Balances Actual	
and Budget (Non-GAAP budgetary basis) - Keep Fort Collins Great Fund	37
Statement of Revenues, Expenditures, and Changes in Fund Balances Actual	
and Budget (Non-GAAP budgetary basis) - Transportation Services Fund.....	38
Statement of Revenues, Expenditures, and Changes in Fund Balances Actual	
and Budget (Non-GAAP budgetary basis) – Urban Renewal Authority Fund	
(Consolidated)	39
Proprietary Fund Financial Statements	
Statement of Net Position	40
Statement of Revenues, Expenses, and Changes in Fund Net Position	42
Statement of Cash Flows	44
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position.....	46
Statement of Changes in Fiduciary Net Position	47
Notes to the Basic Financial Statements.....	49
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A	
Modified Approach for City Streets Infrastructure Capital Assets.....	86
Pension and Other Postemployment Benefits Plan Schedule	88
SUPPLEMENTARY INFORMATION	
General Fund Combining Schedules	92
Balance Sheet	93
Statement of Revenues, Expenditures and Changes in Fund Balance	94

Non-Major Governmental Funds.....	95
Balance Sheet	96
Statement of Revenues, Expenditures and Changes in Fund Balance.....	100
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget	
Natural Areas (Non-GAAP budgetary basis)	104
Cultural Services and Facilities (Non-GAAP budgetary basis).....	105
Recreation (Non-GAAP budgetary basis)	106
Community Development Block Grant (Non-GAAP budgetary basis)	107
Home Program Fund (Non-GAAP budgetary basis).....	108
Transit Services (Non-GAAP budgetary basis).....	109
Neighborhood Parkland (Non-GAAP budgetary basis)	110
Conservation Trust (Non-GAAP budgetary basis).....	111
URA – North College District (Non-GAAP budgetary basis)	112
URA – Prospect South TIF District (Non-GAAP budgetary basis)	113
URA – Foothills Mall (Non-GAAP budgetary basis)	114
Capital Project Fund	115
Schedule of Revenues, Expenditures, and Changes in	
Fund Balance Actual and Budget (Non-GAAP budgetary basis).....	116
Internal Service Funds	117
Combining and Individual Fund Financial Statements and Schedules	
Statement of Net Position	118
Statement of Revenues, Expenses and Changes in Net Position	120
Statement of Cash Flows	122
Fiduciary Funds	124
Combining and Individual Fund Financial Statements and Schedules	
Schedule of Changes in Net Position Held in Trust for	
Pension Benefits—Actual and Budget	125
Statement of Agency Funds Assets and Liabilities	126
Statement of Changes in Agency Funds Assets and Liabilities.....	127
Component Unit Funds.....	128
Combining and Individual Fund Financial Statements and Schedules	
Reconciliation of the Balance Sheet to the Statement of Net Position	129
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances to the Statement of Activities	130
Balance Sheet	131
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	132
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
(Non-GAAP Budgetary Basis) – General Fund	133

STATISTICAL SECTION..... 135

Net Position by Component – Last Ten Years	136
Changes in Net Position – Last Ten Years	137
Fund Balances, Governmental Funds – Last Ten Years.....	138
Changes in Fund Balances, Governmental Funds – Last Ten Years	139
Taxable Sales by Category – Last Ten Years	140
Direct and Overlapping Sales Tax Rates – Last Ten Years.....	141
Sales Tax Revenue Taxpayers by Industry.....	142
Ratios of Outstanding Debt by Type – Last Ten Years	143
Ratios of General Bonded Debt Outstanding – Last Ten Years	144
Direct and Overlapping Governmental Activities Debt.....	145
Legal Debt Margin Information – Last Ten Years	146
Pledged Revenue Coverage – Last Ten Years	147
Demographic and Economic Statistics	149
Principal Employers.....	150
Full-time Equivalent City Employees by Function/Program – Last Ten Years	151

Operating Indicators by Function/Program – Last Ten Years	152
Capital Asset Statistics by Function/Program – Last Ten Years	153

OTHER SCHEDULES

Wastewater Utility Enterprise SEC Rule 15c2-12 Information.....	155
Storm Drainage Utility Enterprise SEC Rule 15c2-12 Information	160
Water Utility Enterprise SEC Rule 15c2-12 Information.....	162
Local Highway Finance Report Form FHWA-536	168

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**INTRODUCTORY
SECTION**

INTRODUCTORY SECTION

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Fort Collins, CO 80522
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970.221.6782 - fax
fcgov.com

June 30, 2015

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, 2014.

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, 2014 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, 2014, 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 auditor.

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 155,400 in 2014. 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 1953, provides for the council-manager form of local government. The voters directly elect the mayor to serve a two-year term. Within districts, voters elect six Council members on a non-partisan basis, to staggered four-year terms. The financial statements, schedules and statistical tables contained in this report include all funds under the control of City Council. The Council is responsible for passing ordinances, adopting the two-year budget and annual appropriations ordinance, appointing advisory board and commission members, and hiring the City Manager, City Attorney, and Municipal Judge. The City Manager is responsible for implementing the policies and ordinances of Council, overseeing the day-to-day operations and appointing service area directors and other staff members

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

Unemployment in Fort Collins has improved a great deal in the past year. At the end of 2014, the local unemployment rate stood at 3.1%, which compares favorably to the state rate of 4.2% and national rate of 5.6%.

The essential economic indicators for the City continued to improve in 2014. The population grew approximately 2.7%, and the number of residential building permits issued increased by 19.7%. The City relies heavily on sales and use tax revenues, which were up 15.4%, excluding rebates. Inflation was 2.7%, as measured by the Denver-Boulder-Greeley Consumer Price Index for the second half of 2014 vs. the second half of 2013.

Overall governmental fund revenue increased 2.8% in 2014. The completion of MAX drove a substantial 40.0% decline in grant revenues, which offset the aforementioned increase in tax revenues. At year-end, the City held \$335.7 million in unrestricted net position, \$11.9 million more than it held in 2013. 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 2013, the City launched the Community Dashboard, a new online tool that measures the community's progress in attaining the City's strategic Outcomes. Key metrics such as voluntary code compliance, unemployment rate, 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/dashboard. In 2013, staff began implementing the use of ClearPoint, a cloud-based solution for collecting performance measurement data, creating charts to visually represent that data, and facilitating easy and flexible reporting of performance. Successful use of both the Community Dashboard and ClearPoint continued into 2014.

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 City executives. 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.

Mason Corridor and MAX. As of May 2014, the City of Fort Collins' \$87 million infrastructure project is completed. The Spring Creek Overpass and new South Transit Center were completed late spring. MAX, our new Bus Rapid Transit system, began service May 10, 2014. While the Mason Corridor Plan helps make

transportation more affordable and convenient, the plan represents more than a transportation initiative; the plan is designed to build on our existing investments to create a stronger community. According to the report by Economic & Planning Systems, the Mason Corridor will encourage private economic development along its length, and catalyst projects in the heart of Fort Collins. New zoning changes will promote high density, mixed-use development around the stations. The Mason Corridor is extremely cost effective and is expected to produce financial, social and economic benefits for years to come.

Continuous Improvement. In 2014, Rocky Mountain Performance Excellence (RMPEX) awarded Fort Collins Peak status, the highest level in the state performance excellence program. It recognizes applicants who undergo a rigorous examination of their processes using the prestigious Baldrige National Quality Award Criteria. The City is only the fifth organization to receive this honor in the thirteen-year history of RMPEX. In 2013, the City achieved the Timberline Award from RMPEX. The City will incorporate feedback from RMPEX into its planning process to continue to improve the organization, with plans to apply to the Malcolm Baldrige Performance Excellence Program at the national level.

The City also worked toward continuous improvement in 2014 by updating its Strategic Plan, a plan that reflects the input of engaged citizens, community and business partners, the Mayor and Council Members and City staff. The plan finalized in March of 2014 represents the first organization-wide, issues-driven and Council-reviewed strategic plan in the City's history. The Strategic Plan is a tool that clearly articulates City priorities to the community directed the development of the 2015-2016 budget.

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 62%. In March 2013, the City of Fort Collins' City Council approved a \$53 million public assistance package to help revitalize the mall and restore essential sales tax revenue. Alberta Development Partners, the developer, expects to have the mall open in November 2015, in time for the 2015 holiday season. Total project investment in the community is expected to be \$312 million.

The Mall project's public assistance package 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 expected to be a catalyst for improvements to public infrastructure and business redevelopment in the Midtown area.

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. The City and the Colorado Department of Transportation are working in tandem to bring North College Avenue the amenities needed to support traveler safety, economic vitality, and community livability. 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. Three sections of a four-part project are complete. The City secured federal and local funding to complete the final section, Conifer Street to Willox Lane. Construction is now underway, representing another \$10-12 million investment in North College, including both federal and local funds. The project team anticipates construction will be completed by October 2015.

Supporting Job Creation. In 2013, the City chose to enter a Business Assistance Agreement with the Downtown Development Authority (DDA) and Woodward, a global company that has been in Fort Collins since 1955. The company had outgrown its Drake facility and planned to expand its overall facilities to accommodate continued growth. Woodward chose to develop a campus of office, manufacturing and testing facilities on the former Link-N-Greens golf course 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 or create between 1,400 and 1,700 primary jobs in the community. The project also includes reconstruction of the Poudre Trail through a new natural area. Other current projects that have contributed to job creation in Fort Collins include the aforementioned Mason Corridor and mall redevelopment projects.

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, 2013. This was the 27th 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 2014 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

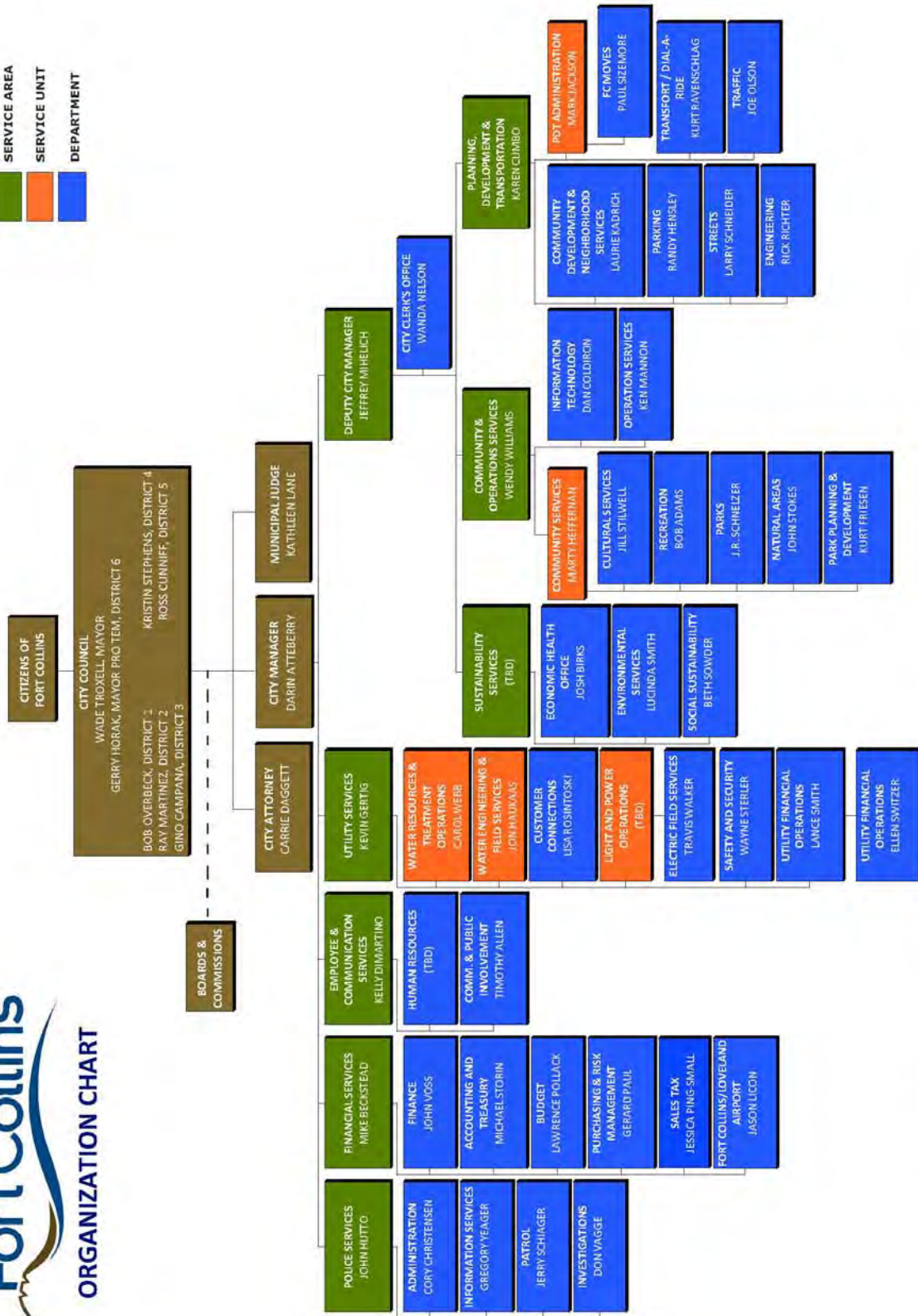
**City of Fort Collins
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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
 Last Modified 4/14/2015

Please see page 9 for Elected and Appointed Officials as of December 31, 2014.

City of Fort Collins, Colorado
Elected and Appointed Officials
As of December 31, 2014

Elected Officials

Karen Weitkunat.....Mayor
Bob Overbeck.....District 1 Councilmember
Lisa Poppaw.....District 2 Councilmember
Gino Campana.....District 3 Councilmember
Wade Troxell.....District 4 Councilmember
Ross Cunniff.....District 5 Councilmember
Gerry Horak..... Mayor Pro Tem, District 6 Councilmember

Appointed Officials

Darin Atteberry..... City Manager
Wanda Nelson.....City Clerk*
Carrie Daggett.....Interim 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
Jeff Mihelich.....Deputy City Manager
Wendy Williams.....Assistant City Manager
Kelly DiMartino.....Assistant City Manager
Bruce Hendee..... Chief Sustainability Officer
John Hutto..... Chief of Police
Kevin Gertig..... Utilities Executive Director

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FINANCIAL SECTION



FINANCIAL SECTION

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Independent Auditor's Report

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

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, 2014, 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, 2014, 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.

Emphasis of Matter

The City adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, which changed the standards for the recognition, measurement and presentation of information about the City's General Employees' Retirement Plan.

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 and 87, and pension and postemployment information on pages 88 through 90 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 June 30, 2015 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.

McGladrey LLP

Denver, Colorado
June 30, 2015

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, 2014. In addition to this overview and analysis based on currently known facts, decisions and conditions, the City would encourage readers to consider the information presented in the City's letter of transmittal and the City's financial statements, which begin on pages 3 and 27 of this report, respectively.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2014 by \$1.7 billion (net position). Of the net position balance, \$335.7 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 \$89.6 million (5.6%). The governmental net position increased by \$52.7 million (5.9%) and the business-type position increased by \$36.9 million (5.2%).

The General Fund, the City's primary operating fund, ended 2014 with a \$74.7 million fund balance, an increase of \$14.6 million (24.2%) on a current financial resource basis. Of this amount, \$66.3 million is spendable.

The City's total long-term debt decreased by \$11.8 million (8.6%) during the current year. Within that activity, the City's governmental debt decreased by \$2.8 million and business-type debt decreased by \$9.0 million. As the City did not issue any new bonded debt in 2014, decreases in long-term debt are driven by principal payments on existing amounts.

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 position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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. The activity in the Equipment

Fund used for monitoring the fleet of vehicles is allocated between the governmental and business-type activities based upon actual usage. In addition, the utilities use an internal service fund to account for customer and administrative services. Because this fund is used solely by the utilities, it is included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Light & Power, Water, Wastewater and Storm Drainage enterprise funds are considered to be major funds and are therefore presented separately within the proprietary fund financial statements. The Golf Fund is presented as a non-major enterprise fund. All internal service funds are considered to be non-major funds and therefore are combined into a single, aggregated presentation in the proprietary fund statements. Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

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

The basic proprietary fund financial statements can be found on pages 40-45 of this report.

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

The fiduciary funds are used to account for resources held by the City in a trustee capacity or as an agent for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The funds underlying each of the fiduciary fund types are combined into a single, aggregated presentation in the fiduciary fund statements. Individual fund data for each of the fiduciary funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

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

The basic fiduciary fund financial statements can be found on pages 46-47 of this report.

Notes to the Financial Statements. The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-85 of this report.

Other Information. The City has elected to use the modified approach to account for and report its street infrastructure capital assets and the pension and other postemployment benefits plan. The City has included required supplementary information that explains the modified approach and recent assessments that have been performed using the related asset management system. These schedules can be found on pages 86-90 of this report.

Combining Statements. The combining statements referred to earlier in connection with the non-major governmental funds, non-major enterprise fund, internal service funds, fiduciary funds, and the component unit funds are presented following the required supplementary information. In addition, budget statements for the Capital Projects Fund and the major enterprise funds are also presented following the required supplementary information.

Government-Wide Financial Analysis

Statement of Net 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 280,256	\$ 256,380	\$ 203,973	\$ 198,662	\$ 484,228	\$ 455,041
Capital assets	769,601	748,299	637,837	613,699	1,407,437	1,361,997
Total assets as restated	<u>1,049,856</u>	<u>1,004,678</u>	<u>841,810</u>	<u>812,360</u>	<u>1,891,666</u>	<u>1,817,039</u>
Deferred Outflows of Resources	1,355	1,468	723	846	2,077	2,314
Other liabilities	20,239	21,458	20,014	16,401	40,253	37,859
Long-term liabilities	63,256	70,361	74,904	86,077	138,161	156,437
Total liabilities	<u>83,495</u>	<u>91,819</u>	<u>94,919</u>	<u>102,477</u>	<u>178,414</u>	<u>194,297</u>
Deferred Inflows of Resources	20,007	19,352	11	14	20,018	19,366
Net position:						
Net investment in capital assets	718,092	694,119	564,294	531,113	1,282,386	1,225,231
Restricted	76,411	55,649	853	1,032	77,264	56,681
Unrestricted	153,205	145,207	182,456	178,571	335,661	323,778
Total net position	<u>\$ 947,708</u>	<u>\$ 894,974</u>	<u>\$ 747,603</u>	<u>\$ 710,716</u>	<u>\$ 1,695,311</u>	<u>\$ 1,605,690</u>

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, \$1.3 billion (75.6%) is invested in capital assets (e.g., land, buildings, machinery and equipment), less any debt used to acquire those assets that is still outstanding. Net Capital assets increased by \$57.2 million (4.7%) in 2014. 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, \$77.2 million (4.6%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$335.7 million (19.8%), may be used to meet the City’s ongoing obligations to its citizens and creditors.

The City’s total net position increased by \$89.6 million in 2014. Unrestricted net position increased \$11.9 million and were used to support core operations, maintain infrastructure, and invest in critical capital assets. Additional details of capital asset activity can be seen on pages 22-24.

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

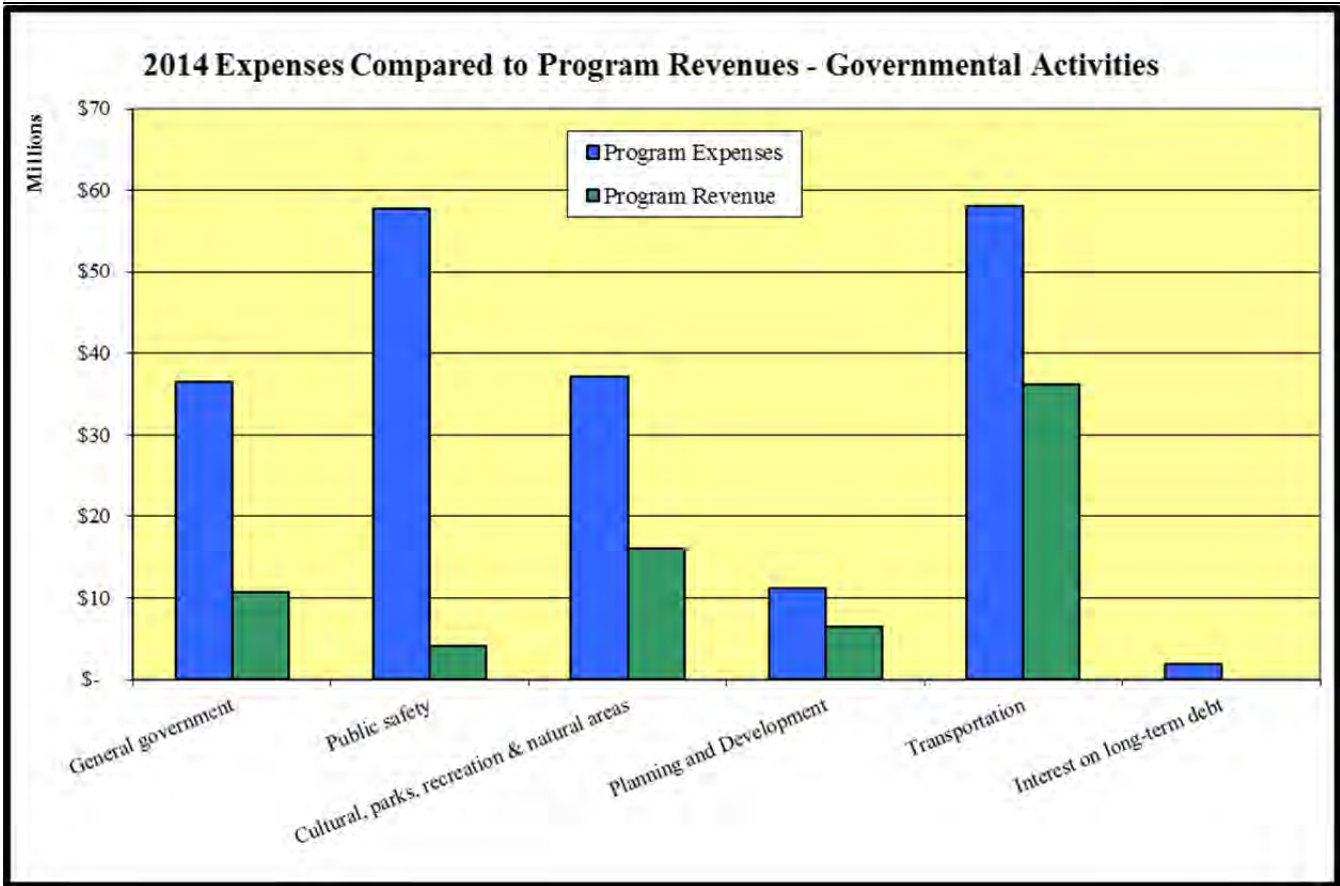
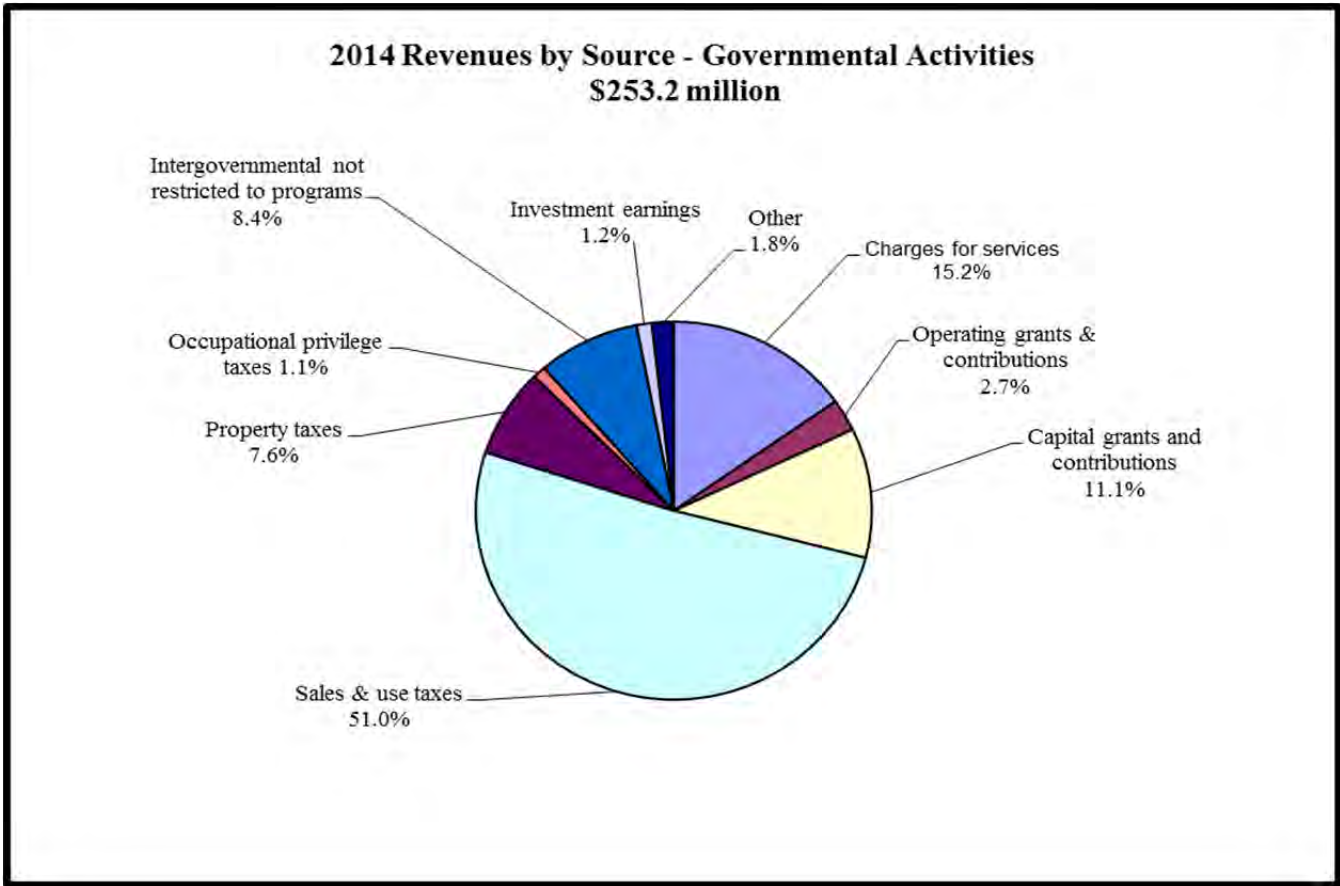
Statement of Activities & Changes in Net Position
as of December 31
(amounts expressed in thousands, totals may not add due to rounding)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 38,465	\$ 32,767	\$ 182,046	\$ 179,834	\$ 220,512	\$ 212,601
Operating grants & contributions	6,958	10,075	8	30	6,967	10,104
Capital grants and contributions	28,040	49,585	25,772	24,099	53,812	73,684
General revenues:						
Sales & use taxes	129,088	111,846	-	-	129,088	111,846
Property taxes	19,155	18,485	-	-	19,155	18,485
Occupational privilege taxes	2,676	2,653	-	-	2,676	2,653
Lodging taxes	1,305	1,103	-	-	1,305	1,103
Intergovernmental not restricted to programs	21,146	20,032	-	-	21,146	20,032
Investment earnings	3,142	537	2,330	466	5,472	1,002
Miscellaneous	3,211	2,991	2,003	808	5,214	3,799
Total Revenues	<u>253,186</u>	<u>250,072</u>	<u>212,160</u>	<u>205,237</u>	<u>465,345</u>	<u>455,309</u>
Expenses:						
General government	36,434	40,118	-	-	36,434	40,118
Public safety	57,686	56,660	-	-	57,686	56,660
Cultural, parks, recreation and natural areas	37,165	40,910	-	-	37,165	40,910
Planning and development	11,160	13,547	-	-	11,160	13,547
Transportation	58,021	43,710	-	-	58,021	43,710
Interest on long-term debt	1,945	1,406	-	-	1,945	1,406
Light & power	-	-	116,911	116,639	116,911	116,639
Water	-	-	25,586	23,312	25,586	23,312
Wastewater	-	-	18,314	17,808	18,314	17,808
Storm drainage	-	-	9,196	9,428	9,196	9,428
Golf	-	-	3,306	2,758	3,306	2,758
Total expenses	<u>202,411</u>	<u>196,352</u>	<u>173,313</u>	<u>169,946</u>	<u>375,724</u>	<u>366,298</u>
Increase in net position before transfers	50,775	53,721	38,846	35,291	89,621	89,012
Transfers	<u>1,959</u>	<u>6,383</u>	<u>(1,959)</u>	<u>(6,383)</u>	<u>-</u>	<u>-</u>
Increase in net position	52,734	60,104	36,887	28,908	89,621	89,012
Net position - beginning	<u>894,974</u>	<u>834,870</u>	<u>710,716</u>	<u>681,808</u>	<u>1,605,690</u>	<u>1,516,678</u>
Net position - ending	<u>\$ 947,708</u>	<u>\$ 894,974</u>	<u>\$ 747,603</u>	<u>\$ 710,716</u>	<u>\$ 1,695,311</u>	<u>\$ 1,605,690</u>

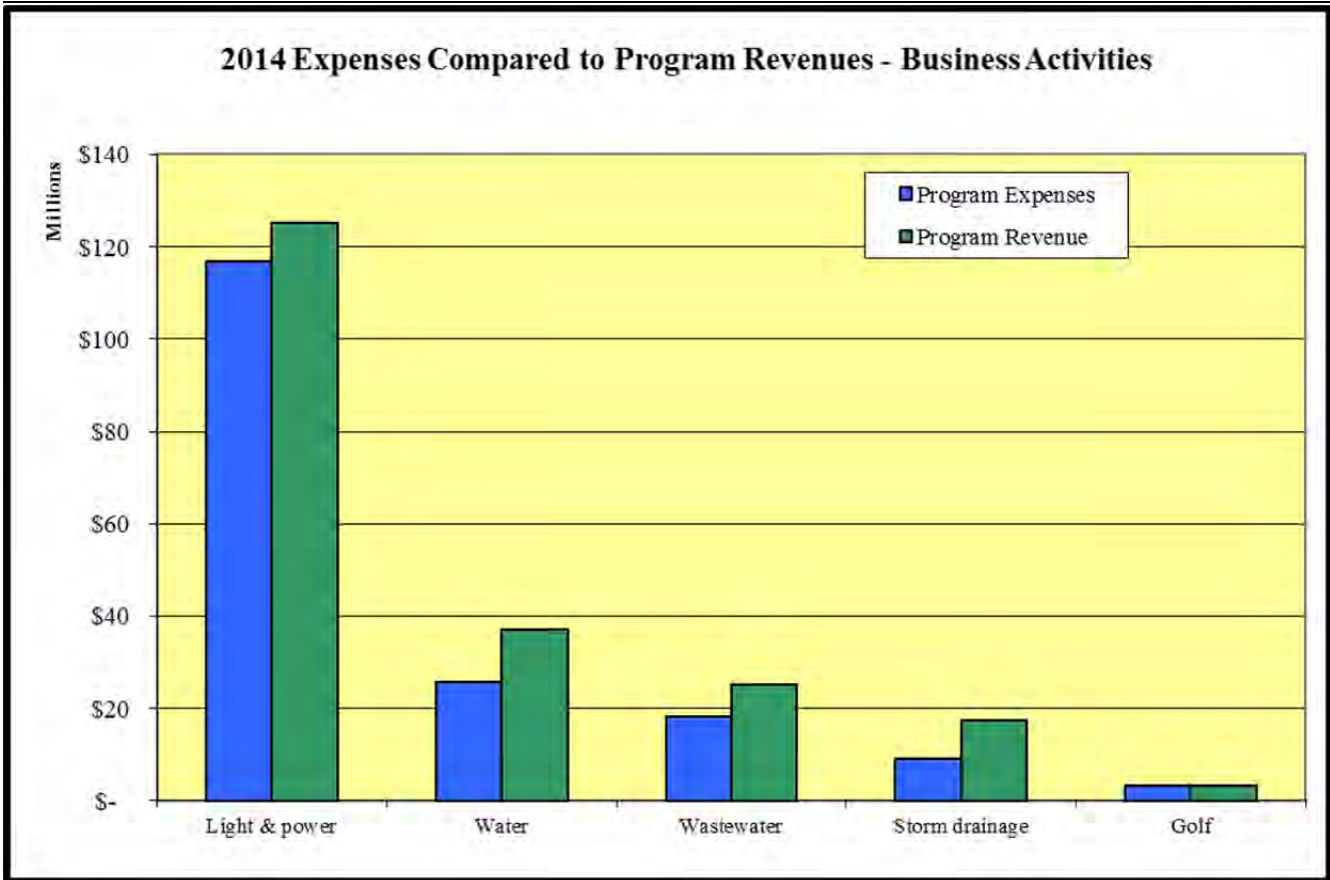
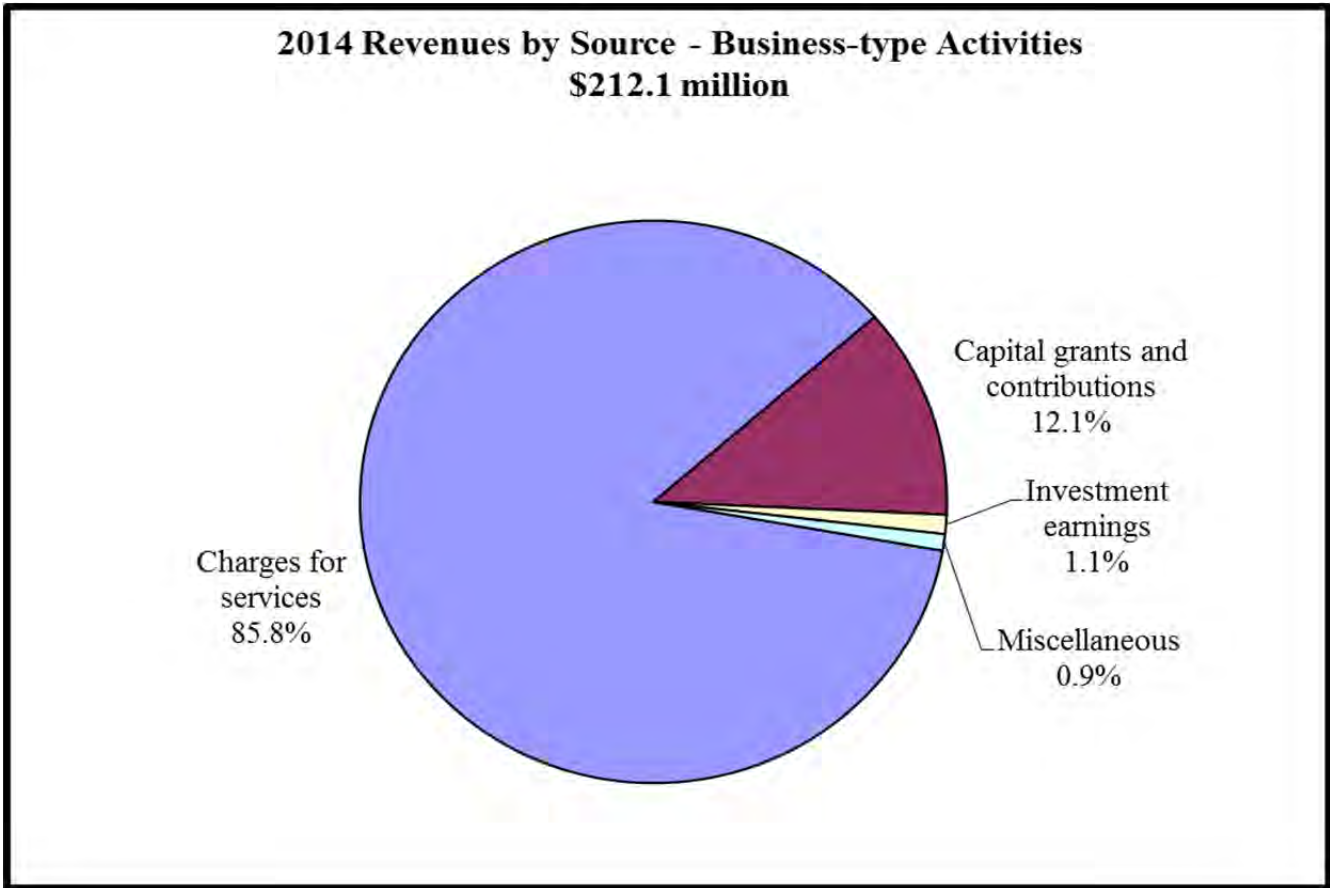
For more detailed information see the Statement of Activities on pages 30-31 of this report.

The above condensed summary of the City's governmental and business type activities for the period ended December 31, 2014 reflects net position increasing by \$89.6 million (5.6%). 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 \$52.7 million, accounting for 58.8% of the City's \$89.6 million overall increase in net position. Major variations are due to the following:

Charges for services for 2014 increased \$5.7 million. The increase was primarily driven by economic development efforts within Capital Expansion (\$758,000), Transit Services (\$633,086), and Street Oversizing (\$1,110,000).

Capital grants and contributions decreased by \$21.5 million in 2014 which was mostly due to decreases in transportation-related grant programs.

Sales and use tax collections increased \$17.2 million from 2013 collections due to economic and population growth.

The governmental activities had a \$6.1 million increase in expenditures. Included in the increase was \$14.3 million increase in Transportation costs, while some departments had a decrease in their expenditures including General Government of \$3.7 million, Cultural, Parks, Recreation and Natural Areas of \$3.7 million and a decrease of \$2.4 million in Planning and Development expenditures. The increase in expenditures for transportation were primarily due to the opening of MAX services, which drove increases in personnel costs, economic rebates/development, land improvements and street maintenance.

Business-type activities. Business-type activities in the utility funds increased the City's net position by \$36.9 million, accounting for 41.2% of the City's \$89.6 million increase in net position. Major variations are due to the following:

Charges for services in the utilities business activities totaled \$182.0 million for an increase of \$2.2 million (1.2%) from 2013 to 2014. Light and Power services charges decreased 0.4% year-over-year. Water operating revenues increased 3.1% compared to 2013. Wastewater operating revenues increased 4.9% from 2013. Storm drainage revenue increased 3.0% compared to 2013. In general, utility rate increases were offset by decreased consumption and an unseasonably mild summer.

Other Utility revenues totaled \$30.1 million an increase of \$4.7 million compared to 2013. Total Light and Power capital grant and contribution revenues decreased 30.5% in 2014 due to unusually high grant activity in 2013 for renewable energy development. Total Water contributions and donations revenues increased 58.8% in 2014 for contribution for water permits and plant/system investment fees, driven by rapid growth in new residential and commercial construction. Storm drainage revenue increased for capital grants/contributions by \$1.7 million (206.2%) compared to 2013. New construction and the associated plant investment fees contributed \$0.7 million of this variance. The remainder is driven by intergovernmental agreements with other city and county entities for the City to develop regional drainage basins.

Total business-type expenses totaled \$173.3 million in 2014, an increase of \$3.4 million compared to 2013. Light and Power expenses increased \$0.3 million (0.2%). Water expenses increased \$2.3 million (9.8%) mainly due to purchasing property for projects. Wastewater expenses increased \$0.5 million (2.8%). Storm Drainage expenses decreased \$0.2 million (-2.5%). Once more, consumption rates have decreased vs. 2013 which somewhat offset increased rates.

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, 2014, the total Governmental fund balances were \$202.7 million, an increase of \$32.8 million (19.3%) compared to the prior year. There was \$13.7 million non-spendable, restricted was \$76.4 million, committed was \$44.7 million, assigned was \$51.5 million, and unassigned was \$16.3 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 \$2.5 million which resulted in a December 31, 2014 fund balance of \$23.6 million. Restricted fund balance was \$20.0 million for voter approved projects and committed was \$3.6 million. The largest capital project expenditures were for the Senior Center Expansion and Mason Street Transportation Corridor.

The General Fund is the chief operating fund of the City. At December 31, 2014, the total fund balance was \$74.7 million. The spendable fund balance was \$66.3 million. The General Fund increased \$14.6 million compared to an increase of \$4.9 million in 2013. The larger increase in 2014 is primarily due to an increase of 8.4% in Sales & Use Tax revenue due to thriving economic and population growth.

The Keep Fort Collins Great Special Revenue Fund is a new major governmental fund of the City as of 2011. As of December 31, 2014, the total fund balance, the entirety of which is restricted to voter constraints, was \$14.9 million. This is an increase of \$2.1 million due primarily to an increase of sales tax revenue in excess of projections.

The Transportation Services Special Revenue Fund is another major governmental fund of the City. As of December 31, 2014, the fund balance was \$18.8 million and increased by \$3.8 million from 2013. The primary increase is due to larger revenue collected in tax revenue and collections of charges for services.

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, 2014 fund balance was a deficit \$2.9 million. 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.

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 12/31/14	Change in Net Position for Year Ended 12/31/14
Light & Power	\$ 57,844	\$ 10,039
Water	66,882	12,427
Wastewater	40,601	8,355
Storm Drainage	22,993	8,536
Total of Major Enterprise Funds	188,320	39,357
Other Enterprise Fund - Golf	883	72
Total Enterprise Funds	189,203	39,429
Internal Service Funds	16,516	(3,814)
Total Proprietary Funds	<u>\$ 205,719</u>	<u>\$ 35,614</u>

General Fund Budgetary Highlights

The final budgeted lapsing appropriations were \$9.1 million higher than the original budget lapsing appropriations. They are summarized below:

The 2014 ordinances created new budget appropriations for the following items: \$4.0 million for purchase orders that were carried forward from 2013, \$1.2 million for lease purchasing arrangements, \$0.9 million for lapsed 2013 expenses that were previously authorized in 2013, \$0.5 million for police services, \$0.3 million for manufacturing use tax rebates, and \$0.2 million for Arthur Ditch rehabilitation.

The variance between actual lapsing expenditures and the final budget amounted to \$12.8 million (9.6%) in increased appropriations. Total expenditures of \$96.3M were 5.4 million or 6.0% higher than in 2013. The largest driver of the increase was capital outlay, which was \$2.5 million higher in 2014 than in the previous year.

The decreased expenditures vs. budget in the general fund were primarily due to the following: The Economic Health Office spent \$3.6 million less on economic rebates and incentives due to timing, as much of this was spent in 2013. 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. Facility support services and maintenance ended the year with \$1.9 million in unspent appropriations. Finally, the City transferred \$2.9 million less than appropriated from general fund to capital projects.

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, 2014 amounted to \$1.4 billion (net of accumulated depreciation). This was an increase of \$45.4 million (3.3%). 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 2014, the City spent \$15.0 million on its street maintenance program as compared to \$15.1 million, the asset management system estimate needed to maintain streets at Level of Service B. For more detailed information, see the Required Supplementary Information on pages 86-87 of this report.

Capital Assets Net of Depreciation

as of December 31

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land, rights of way, water rights, other	\$ 214,881	\$ 205,036	\$ 70,090	\$ 69,411	\$ 284,970	\$ 274,446
Street system infrastructure	285,322	282,127	-	-	285,322	282,127
Construction in progress	25,293	78,867	75,671	97,851	100,964	176,718
Infrastructure	15,285	8,145	-	-	15,285	8,145
Buildings and improvements	98,332	90,320	134,739	138,851	233,071	229,171
Improvements other than buildings	102,507	54,240	344,531	294,481	447,038	348,721
Machinery and equipment	27,982	29,563	12,805	13,104	40,787	42,668
Total capital assets	\$ 769,601	\$ 748,299	\$ 637,837	\$ 613,699	\$ 1,407,437	\$ 1,361,997

Major capital improvements during this fiscal year included the following:

Governmental Activities

Completed in 2014:

Mason Street Transportation Corridor completed in 2014 \$88.4 million
 BOB Senior Center Expansion completed in 2014 \$6.6 million

Other capital assets in 2014:

Natural Areas Office Building expenses in 2014 \$1.2 million
 Platte River Power Authority Transmission Line expenses in 2014 \$1.3 million
 North College improvement Conifer/Wilcox \$2.8 million
 Building on Basics (BOB) Pedestrian Plan & ADA \$0.4 million

Proprietary Activities

Completed in 2014:

Drake Water Reclamation Facility program \$2.2 million
 West Vine Channel outfall \$5.9 million
 Elizabeth Street Water main replacement \$1.0 million

Additional information on the City's capital assets can be found in Note III.C. on pages 63-64 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$125.8 million (bonds, certificates of participation, capital leases, etc.). This was a decrease of \$11.8 million (8.6%). Of this amount, \$81.0 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The remaining \$44.8 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	
	2014	2013	2014	2013	2014	2013
Revenue bonds	\$ 10,545	\$ 11,085	\$ 70,476	\$ 79,597	\$ 81,021	\$ 90,682
Certificates of participation	33,815	37,905	795	950	34,610	38,855
Assignment of lease payments	407	455	1,294	1,448	1,701	1,903
Capital leases	7,790	5,872	651	271	8,441	6,143
Total outstanding debt	\$ 52,557	\$ 55,317	\$ 73,216	\$ 82,266	\$ 125,773	\$ 137,583

Additional information on the City's long-term obligations can be found in Note III.E on pages 65-74 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's attention at the following address:

Controller
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, 2014**

	Primary Government -- City of Fort Collins			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 24,470,522	\$ 16,745,398	\$ 41,215,920	\$ 402,875
Investments	184,132,042	167,123,371	351,255,413	4,060,682
Receivables:				
Property taxes	19,989,402	-	19,989,402	3,987,420
Sales and use taxes	13,319,875	-	13,319,875	-
Accounts	4,999,690	20,315,419	25,315,109	-
Notes	5,303,939	141,063	5,445,002	-
Interest	558,261	506,532	1,064,793	14,745
Prepaid	232,567	-	232,567	-
Internal Balances	6,677,356	(6,677,356)	-	-
Due from other governments	2,785,985	233,811	3,019,796	4,841
Inventories of materials and supplies	531,481	4,730,914	5,262,395	-
Inventory of real property held for resale	2,896,665	-	2,896,665	135,464
Restricted cash and cash equivalents	2,695,443	853,738	3,549,181	-
Restricted investments	-	-	-	1,250,000
Investment in joint venture	11,662,307	-	11,662,307	-
Capital assets (non-depreciable)	525,495,312	145,761,275	671,256,587	2,528,747
Capital assets (net of accumulated depreciation)	244,105,314	492,075,336	736,180,650	2,669,494
Total Assets	1,049,856,161	841,809,501	1,891,665,662	15,054,268
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,354,696	722,679	2,077,375	-
Total Deferred outflows of resources	1,354,696	722,679	2,077,375	-
LIABILITIES				
Accounts payable	10,725,839	16,714,468	27,440,307	130,782
Interest payable	122,174	255,552	377,726	38,573
Wages payable	2,706,670	1,054,054	3,760,724	13,497
Compensated absences	5,605,057	1,982,479	7,587,536	-
Due to other governments	9,944	-	9,944	-
Unearned revenue	902,898	-	902,898	-
Deposits held	165,992	7,500	173,492	-
Non-Current liabilities				
Due within one year	9,828,585	9,994,168	19,822,753	1,461,615
Due in more than one year	53,427,884	64,910,328	118,338,212	13,740,000
Total Liabilities	83,495,043	94,918,549	178,413,592	15,384,467
DEFERRED INFLOWS OF RESOURCES				
Property taxes	19,989,402	-	19,989,402	3,987,420
Deferred gain on refunding	18,082	10,857	28,939	-
Total Deferred inflows of resources	20,007,484	10,857	20,018,341	3,987,420
NET POSITION				
Net investment in capital assets	718,092,465	564,293,779	1,282,386,244	5,198,241
Restricted for:				
Debt service	949,035	853,163	1,802,198	1,722,037
Capital projects	39,281,436	-	39,281,436	-
Gifts and grants	18,804,913	-	18,804,913	-
Agreements	11,042,723	-	11,042,723	-
Emergencies	6,332,732	-	6,332,732	-
Unrestricted (deficit)	153,205,026	182,455,832	335,660,858	(11,237,897)
Total Net Position (Deficit)	\$ 947,708,330	\$ 747,602,774	\$ 1,695,311,104	\$ (4,317,619)

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>FUNCTIONS/ PROGRAM ACTIVITIES:</u>				
Primary Government:				
Governmental Activities:				
General government	\$ 36,434,365	\$ 8,806,710	\$ 97,726	\$ 1,809,453
Public safety	57,685,744	1,750,416	1,316,940	1,093,735
Culture, parks, recreation and natural areas	37,164,982	9,164,764	932,729	5,880,668
Planning and development	11,160,227	5,334,622	1,120,387	-
Transportation	58,021,075	13,408,846	3,490,511	19,256,238
Interest on long-term debt	1,944,512	-	-	-
Total Governmental Activities	202,410,905	38,465,358	6,958,293	28,040,094
Business-type Activities:				
Light & Power	116,910,667	115,411,906	2,182	9,629,693
Water	25,585,980	27,043,737	5,387	9,888,688
Wastewater	18,314,211	21,485,555	-	3,673,971
Storm Drainage	9,195,958	14,835,231	657	2,579,784
Golf	3,306,490	3,270,020	-	-
Total Business-type Activities	173,313,306	182,046,449	8,226	25,772,136
Total Primary Government	375,724,211	220,511,807	6,966,519	53,812,230
Component Unit:				
Downtown Development Authority	\$ 3,060,347	\$ 1,800	\$ 55,116	\$ -

Net (Expense) Revenue and Changes in Net Position			
Primary Government - City of Fort Collins			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (25,720,476)	\$	\$ (25,720,476)	\$
(53,524,653)		(53,524,653)	
(21,186,821)		(21,186,821)	
(4,705,218)		(4,705,218)	
(21,865,480)		(21,865,480)	
(1,944,512)		(1,944,512)	
<u>(128,947,160)</u>		<u>(128,947,160)</u>	
	8,133,114	8,133,114	
	11,351,832	11,351,832	
	6,845,315	6,845,315	
	8,219,714	8,219,714	
	(36,470)	(36,470)	
<u>-</u>	<u>34,513,505</u>	<u>34,513,505</u>	
<u>(128,947,160)</u>	<u>34,513,505</u>	<u>(94,433,655)</u>	
			<u>(3,003,431)</u>
General Revenues			
Sales & use taxes	129,087,531	-	129,087,531
Property taxes	19,154,739	-	19,154,739
Occupational privilege taxes	2,676,401	-	2,676,401
Lodging taxes	1,304,613	-	1,304,613
Intergovernmental not restricted to programs	21,145,876	-	21,145,876
Investment earnings	3,142,011	2,329,595	5,471,606
Miscellaneous	3,210,595	2,003,384	5,213,979
Transfers	1,959,338	(1,959,338)	-
Total general revenues and transfers	<u>181,681,104</u>	<u>2,373,641</u>	<u>184,054,745</u>
Changes in Net Position	52,733,944	36,887,146	89,621,090
Net Position--January 1	894,974,386	710,715,628	1,605,690,014
Net Position (Deficit)--December 31	<u>\$ 947,708,330</u>	<u>\$ 747,602,774</u>	<u>\$ 1,695,311,104</u>
			<u>\$ (4,317,619)</u>

**GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2014**

	Primary Government						
	General	Keep Fort Collins Great	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
ASSETS							
Cash and cash equivalents	\$ 4,625,885	\$ 1,026,940	\$ 1,672,037	\$ 2,189,293	\$ 129,181	\$ 9,233,684	\$ 18,877,020
Investments	55,027,323	11,484,842	15,441,706	22,071,907	1,301,137	62,905,141	168,232,056
Receivables	-	-	-	-	-	-	-
Property taxes	18,186,953	-	-	-	1,501,239	301,210	19,989,402
Sales and use taxes	8,213,753	2,676,085	799,629	-	-	1,630,408	13,319,875
Accounts, net	1,171,091	-	1,559,984	367,078	8,484	849,759	3,956,396
Notes and loans	-	-	-	-	5,303,939	-	5,303,939
Interest	169,448	34,955	46,671	67,418	3,974	187,720	510,186
Prepaid item	200	-	150	-	-	12,423	12,773
Due from other funds	928,878	-	-	-	-	-	928,878
Advances to other funds	5,322,732	-	-	-	-	2,651,970	7,974,702
Due from other governments	44,016	-	163,833	1,961,588	-	616,548	2,785,985
Inventory of real property held for resale	2,896,665	-	-	-	-	-	2,896,665
Restricted - cash and cash equivalents	236,578	34,464	1,219,714	-	949,035	-	2,439,791
Total Assets	96,823,522	15,257,286	20,903,724	26,657,284	9,196,989	78,388,863	247,227,668
LIABILITIES							
Accounts payable, accruals, and other	2,122,974	237,277	1,808,878	2,954,190	9,095	2,701,254	9,833,668
Wages payable	1,505,271	146,968	318,095	8,485	3,673	472,279	2,454,771
Due to other governments	1,363	-	3,453	-	-	5,128	9,944
Due to other funds	157,031	-	-	-	-	771,847	928,878
Unearned revenue	-	-	-	-	-	902,898	902,898
Advance from other funds	-	-	-	-	10,626,671	-	10,626,671
Deposits held	-	-	-	-	-	165,992	165,992
Total Liabilities	3,786,639	384,245	2,130,426	2,962,675	10,639,439	5,019,398	24,922,822
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	18,186,953	-	-	-	1,501,239	301,210	19,989,402
Unavailable revenue - grants	176,129	-	-	129,179	-	236,608	541,916
Total Deferred inflows of resources	18,363,082	-	-	129,179	1,501,239	537,818	20,531,318
FUND BALANCES (DEFICIT)							
Nonspendable	8,344,598	-	150	-	5,303,939	12,423	13,661,110
Restricted	16,369,370	14,873,041	1,701,500	19,984,610	949,035	22,533,283	76,410,839
Committed	506,417	-	-	-	-	44,236,742	44,743,159
Assigned	23,709,076	-	17,071,648	3,580,820	-	6,249,146	50,610,690
Unassigned	25,744,340	-	-	-	(9,196,663)	(199,947)	16,347,730
Total Fund Balances (Deficit)	74,673,801	14,873,041	18,773,298	23,565,430	(2,943,689)	72,831,647	201,773,528
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 96,823,522	\$ 15,257,286	\$ 20,903,724	\$ 26,657,284	\$ 9,196,989	\$ 78,388,863	\$ 247,227,668

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, 2014**

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

Total fund balances - governmental funds (page 32)	\$ 201,773,528
Capital assets of \$904,082,912 net of accumulated depreciation of \$138,656,054 used in governmental activities are not financial resources, therefore, are not reported in the funds.	765,426,858
City's joint venture equity interest in Fort Collins/Loveland Airport.	11,662,307
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,310,382
Internal service fund allocated to business type activities	9,329,326
Long-term liabilities are not due and payable in the current period and therefore are not reported in funds:	
Bonds payable	(10,545,000)
Certificates of Participation	(33,815,000)
Assignment of lease	(407,198)
Premium	(287,860)
Capital lease	(4,755,268)
Deferred charge on refunding, net of deferred gain	1,336,614
Interest payable	(107,232)
Compensated absences	(5,039,482)
Net pension obligation	(3,713,026)
Postemployment healthcare obligation	(1,104,730)
	<u>(58,438,182)</u>
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>16,644,111</u>
Net position of governmental activities (page 29)	<u><u>\$ 947,708,330</u></u>

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Primary Government						
	General	Keep Fort Collins Great	Trans- portation Services	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
REVENUES							
Taxes	\$ 101,405,160	\$ 25,884,971	\$ 7,815,628	\$ -	\$ 1,220,060	\$ 15,897,465	\$ 152,223,284
Licenses and permits	4,366,908	-	278,081	-	-	-	4,644,989
Intergovernmental	11,684,816	-	7,373,935	20,097,726	-	10,622,276	49,778,753
Fees and charges for services	9,182,619	-	7,452,989	-	-	20,933,847	37,569,455
Fines and forfeitures	2,536,019	-	-	-	-	-	2,536,019
Earnings on investments	1,334,797	188,442	159,703	201,518	114,192	924,001	2,922,653
Miscellaneous revenue	1,319,949	-	215,060	1,166,388	328,301	2,199,396	5,229,094
Total Revenues	131,830,268	26,073,413	23,295,396	21,465,632	1,662,553	50,576,985	254,904,247
EXPENDITURES							
Current operating							
Police services	31,588,192	\$ 4,028,833	-	-	-	-	35,617,025
Financial services	3,716,210	81,698	-	-	-	-	3,797,908
Community and operation	19,156,348	3,051,963	-	412,414	-	17,636,410	40,257,135
Planning, development and transportation	6,699,335	9,361,780	23,806,142	856,576	-	12,183,282	52,907,115
Executive, legislative, and judicial	5,838,697	105,938	-	-	-	-	5,944,635
Employee and communications	2,812,320	27,889	-	-	-	-	2,840,209
Sustainability services	4,712,753	855,441	-	-	1,303,463	1,548,978	8,420,635
Other	1,198,085	-	-	-	-	122,349	1,320,434
Intergovernmental	-	-	-	-	-	-	-
Fire protection	17,682,145	2,836,536	-	-	-	234,354	20,753,035
Capital outlay	3,370,494	3,219,877	1,463,988	28,685,169	-	5,964,091	42,703,619
Debt service	-	-	-	-	-	-	-
Principal	110,761	421,098	301,459	-	540,000	3,901,444	5,274,762
Interest and debt service costs	11,430	41,899	24,356	-	1,143,267	732,203	1,953,155
Total Expenditures	96,896,770	24,032,952	25,595,945	29,954,159	2,986,730	42,323,111	221,789,667
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,933,498	2,040,461	(2,300,549)	(8,488,527)	(1,324,177)	8,253,874	33,114,580
OTHER FINANCING SOURCES (USES)							
Transfers in	3,398,310	-	4,422,078	11,258,629	-	20,953,666	40,032,683
Transfers out	(25,115,948)	(2,110)	(188,954)	(242,737)	(125,000)	(18,821,000)	(44,495,749)
Capital leases	1,321,925	34,464	1,833,972	-	-	-	3,190,361
Sale of capital assets	16,097	-	17,380	-	-	33,154	66,631
Total Other Financing Sources (Uses)	(20,379,616)	32,354	6,084,476	11,015,892	(125,000)	2,165,820	(1,206,074)
Net Changes in Fund Balances (Deficit)	14,553,882	2,072,815	3,783,927	2,527,365	(1,449,177)	10,419,694	31,908,506
Fund Balances (Deficit)-January 1	60,119,919	12,800,226	14,989,371	21,038,065	(1,494,512)	62,411,953	169,865,022
Fund Balances (Deficit)-December 31	\$ 74,673,801	\$ 14,873,041	\$ 18,773,298	\$ 23,565,430	\$ (2,943,689)	\$ 72,831,647	\$ 201,773,528

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 (DEFICIT) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

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)		31,908,506
<p>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, \$40,445,590, exceeded depreciation, \$13,162,587, in the current period.</p>		
		27,283,003
<p>The net effect of various miscellaneous transactions involving capital assets:</p>		
Disposal	(5,098,627)	
Transfer of assets between governmental and business type activities	<u>9,675</u>	
		(5,088,952)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(1,219,885)
<p>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.</p>		
Principal payments	5,274,762	
Debt payment made by DDA on behalf of the City	236,645	
Issuance of capital lease	(3,190,361)	
Amortization of premium, deferred amount of refunding	(88,426)	
Change in net pension obligation	(509,888)	
Change in postemployment healthcare benefits	83,397	
Change in compensated absences	(133,248)	
Interest expense	<u>4,665</u>	
		1,677,546
<p>Expenses in Statement of Activities related to City's Equity in Joint Venture</p>		
Change in Non-Capital Equity position in Fort Collins/Loveland Airport		(553,501)
<p>Transfer of internal service fund net position to business type activities</p>		
		2,630,962
<p>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.</p>		
		<u>(3,903,735)</u>
Change in net position of governmental activities (pages 30-31)		<u>\$ 52,733,944</u>

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

GENERAL FUND (CONSOLIDATED)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 101,405,160	\$ 92,428,536	\$ 92,428,536	8,976,624
Licenses and permits	4,366,908	2,710,200	2,824,306	1,542,602
Intergovernmental	11,684,816	10,513,590	11,062,484	622,332
Fees and charges for services	9,182,619	7,545,592	8,219,286	963,333
Fines and forfeitures	2,536,019	2,750,958	2,750,958	(214,939)
Earnings on investments	1,334,797	1,027,204	1,027,204	307,593
Miscellaneous revenue	1,319,949	1,319,820	1,599,292	(279,343)
Proceeds from issuance of long-term debt	1,321,925	-	1,180,769	141,156
Transfers	3,398,310	2,364,782	2,364,782	1,033,528
Sale of capital assets	16,097	-	-	16,097
Total Revenues	<u>136,566,600</u>	<u>120,660,682</u>	<u>123,457,617</u>	<u>13,108,983</u>
EXPENDITURES				
Current operating				
Police services	32,677,351	32,338,017	33,640,281	962,930
Financial services	3,725,213	3,541,474	3,742,965	17,752
Community and operation	20,157,666	24,619,041	22,829,136	2,671,470
Planning, development and transportation	6,480,085	5,593,377	6,860,819	380,734
Executive, legislative, and judicial	5,757,889	5,719,283	6,058,094	300,205
Employee and communications	2,984,764	2,919,775	3,390,052	405,288
Sustainability services	4,702,807	7,720,999	9,653,931	4,951,124
Fire protection	17,682,145	17,737,772	17,737,772	55,627
Other	1,961,980	1,185,472	1,930,833	(31,147)
Principal	110,761	56,000	37,800	(72,961)
Interest	11,430	-	-	(11,430)
Transfers	25,115,948	23,680,554	28,291,456	3,175,508
Total Operating	<u>121,368,039</u>	<u>125,111,764</u>	<u>134,173,139</u>	<u>12,805,100</u>
Projects and Grants				
Police services	2,830,638		2,833,271	2,633
Community and operation	274,833		419,693	144,860
Planning, development and transportation	1,079,477		1,147,912	68,435
Executive, legislative, and judicial	118,375		175,528	57,153
Sustainability services	42,908		66,392	23,484
Total Projects and Grants	<u>4,346,231</u>		<u>4,642,796</u>	<u>296,565</u>
Total Expenditures	<u>125,714,270</u>		<u>138,815,935</u>	<u>13,101,665</u>
Excess (deficiency) of revenues over (under) expenditures	10,852,330			
RECONCILIATION TO GAAP BASIS				
Prior Years' Project Expenses	<u>3,701,552</u>			
Total Reconciling Items	<u>3,701,552</u>			
Net Change in Fund Balances	14,553,882			
Fund Balances--January 1	<u>60,119,919</u>			
Fund Balances--December 31	<u>\$ 74,673,801</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, 2014

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES						
Taxes	\$ 25,884,971			21,935,429	21,935,429	3,949,542
Earnings (loss) on investments	188,442			29,079	29,079	159,363
Other Financing Sources	34,464			-	-	34,464
Total Revenues	<u>26,107,877</u>			<u>21,964,508</u>	<u>21,964,508</u>	<u>4,143,369</u>
EXPENDITURES						
Programs						
Street Maintenance	7,023,011			7,025,040	7,025,040	2,029
Other Street and Transportation	1,456,648			1,287,916	2,035,850	579,202
Police services	4,235,055			4,132,762	4,392,262	157,207
Fire Protection	2,836,536			2,621,440	2,836,536	-
Parks and Recreation	2,319,761			2,453,815	2,649,361	329,600
Other Community Priorities	2,405,151			2,350,486	3,733,285	1,328,134
Total Programs	<u>20,276,163</u>			<u>19,871,459</u>	<u>22,672,334</u>	<u>2,396,171</u>
Projects						
Trail Acquisition and Development	120,517	474,000	594,517		587,000	(7,517)
Transit	505,733	499,314	1,005,047		1,182,803	177,756
Fort Collins Bikes Programs	166,258	108,351	274,609		518,819	244,210
City Bridge Program	2,651,686	1,401,952	4,053,638		6,134,931	2,081,293
Pedestrian Access	40,699	219,301	260,000		260,000	-
Senior Center Expansion	210,579	-	210,579		210,971	392
N. College Improvements - Conifer/Wilcox	63,427	229,641	293,068		326,481	33,413
Total Projects	<u>3,758,899</u>	<u>2,932,559</u>	<u>6,691,458</u>		<u>9,221,005</u>	<u>2,529,547</u>
Total Expenditures	<u>24,035,062</u>	<u>2,932,559</u>	<u>6,691,458</u>	<u>19,871,459</u>	<u>31,893,339</u>	<u>4,925,718</u>
Net Change in Fund Balances	<u>2,072,815</u>					
Fund Balances--January 1	<u>12,800,226</u>					
Fund Balances--December 31	<u>\$ 14,873,041</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, 2014**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES						
Taxes	\$ 7,815,628			\$ 6,451,585	\$ 6,451,585	1,364,043
Licenses and permits	278,081			165,000	165,000	113,081
Intergovernmental	7,373,935			6,932,308	7,977,161	(603,226)
Fees and charges for services	7,452,989			5,784,380	5,784,380	1,668,609
Earnings on investments	159,703			97,371	97,371	62,332
Miscellaneous revenue	215,060			49,580	154,347	60,713
Transfers	4,422,078			4,429,410	4,429,410	(7,332)
Proceeds from Lease Purchase	1,833,972			-	1,019,772	814,200
Sale of Capital Assets	17,380			-	-	17,380
Total Revenues	<u>29,568,826</u>			<u>23,909,634</u>	<u>26,079,026</u>	<u>3,489,800</u>
EXPENDITURES						
Programs						
PDT Administration	115,507			118,702	118,702	3,195
FC Moves	572,865			706,094	785,711	212,846
Engineering	2,327,946			2,767,033	2,940,533	612,587
Streets	16,629,520			14,473,995	16,382,766	(246,754)
Traffic	3,780,825			3,750,275	4,081,652	300,827
Parking	1,975,099			2,089,555	2,343,929	368,830
Transfers	188,954			185,805	188,954	-
Total Programs	<u>25,590,716</u>			<u>24,091,459</u>	<u>26,842,247</u>	<u>1,251,531</u>
Projects and Grants						
FC Bikes	157,499	27,920	185,419		808,895	651,396
Safe Routes to School	36,684	96,536	133,220		337,576	300,892
Traffic Signal System Software	-	208,801	208,801		-	-
Total Projects and Grants	<u>194,183</u>	<u>333,256</u>	<u>527,439</u>		<u>1,146,471</u>	<u>952,288</u>
Total Expenditures	<u>25,784,899</u>	<u>333,256</u>	<u>527,439</u>	<u>24,091,459</u>	<u>27,988,718</u>	<u>2,203,819</u>
Net Change in Fund Balance	3,783,927			<u>(181,825)</u>	<u>(1,909,692)</u>	<u>1,285,982</u>
Fund Balances--January 1	<u>14,989,371</u>					
Fund Balances--December 31	<u>\$ 18,773,298</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 (DEFICIT)--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 1,220,060	\$ 1,269,694	\$ 1,269,694	\$ (49,634)
Earnings on investments	114,192	90,590	90,590	23,602
Miscellaneous revenue	328,301	-	340,188	(11,887)
Proceeds from issuance of long-term debt	-	247,000	247,000	(247,000)
Total Revenues	<u>1,662,553</u>	<u>1,607,284</u>	<u>1,947,472</u>	<u>(284,919)</u>
EXPENDITURES				
Sustainability Services	1,303,463	263,312	1,263,525	(39,938)
Principal	540,000	901,731	901,731	361,731
Interest	1,143,267	1,026,703	1,026,703	(116,564)
Transfers	125,000	-	-	(125,000)
Total Expenditures	<u>3,111,730</u>	<u>2,191,746</u>	<u>3,191,959</u>	<u>80,229</u>
Net Change in Fund Balance (Deficit)	(1,449,177)	<u>\$ (584,462)</u>	<u>\$ (1,244,487)</u>	<u>\$ (204,690)</u>
Fund Balances (Deficit)--January 1	<u>(1,494,512)</u>			
Fund Balances (Deficit)--December 31	<u>\$ (2,943,689)</u>			

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

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Light and Power	Water	Wastewater	Storm Drainage
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 4,678,432	\$ 5,789,913	\$ 3,591,151	\$ 2,158,549
Investments	46,911,196	58,371,041	36,158,137	21,765,965
Receivables	-	-	-	-
Accounts, net	13,461,944	2,389,778	2,591,450	1,856,689
Interest	141,444	177,009	109,706	66,120
Prepaid item	-	-	-	-
Due from other governments	233,811	-	-	-
Inventories of materials and supplies	4,730,914	-	-	-
Total Current Assets	70,157,741	66,727,741	42,450,444	25,847,323
Non-Current Assets				
Advance to other funds	-	2,651,970	-	-
Restricted - cash and cash equivalents	-	268,138	237,759	347,266
Land, water rights, other	1,691,597	54,035,861	3,217,675	8,278,750
Buildings, improvements and equipment	248,200,355	264,159,091	218,676,135	127,612,904
Accumulated depreciation	(135,804,975)	(118,561,118)	(83,278,759)	(33,316,216)
Construction in progress	38,092,393	26,564,034	6,670,945	4,344,045
Note receivable	122,172	18,891	-	-
Total Non-Current Assets	152,301,542	229,136,867	145,523,755	107,266,749
Total Assets	222,459,283	295,864,608	187,974,199	133,114,072
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	90,555	108,230	523,894
Total Deferred Outflows of Resources	-	90,555	108,230	523,894
LIABILITIES				
Current Liabilities				
Accounts payable	11,003,505	1,843,936	1,020,573	2,556,544
Interest payable	37,733	44,349	96,509	64,028
Wages payable	317,014	220,414	154,749	81,007
Compensated absences	679,926	407,503	317,602	153,096
Bonds payable	1,580,000	2,871,098	1,695,000	3,335,000
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Total Current Liabilities	13,618,178	5,387,300	3,284,433	6,189,675
Non-Current Liabilities				
Postemployment healthcare benefits	389,905	-	259,937	-
Bonds payable	8,989,860	9,483,330	27,024,956	16,535,088
Claims payable	-	-	-	-
Capital lease obligations	-	-	-	-
Deposits held	7,500	-	-	-
Total Non-Current Liabilities	9,387,265	9,483,330	27,284,893	16,535,088
Total Liabilities	23,005,443	14,870,630	30,569,326	22,724,763
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
NET POSITION				
Net investment in capital assets	141,609,510	213,933,995	116,674,270	87,573,289
Restricted: debt service	-	268,138	237,759	347,266
Unrestricted	57,844,330	66,882,400	40,601,074	22,992,648
Total Net Position	\$ 199,453,840	\$ 281,084,533	\$ 157,513,103	\$ 110,913,203

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.

Non Major		
Enterprise Fund	Enterprise	Internal
Golf	Funds	Service Funds
\$ 118,094	\$ 16,336,139	\$ 6,002,761
971,687	164,178,026	18,845,331
-		
15,558	20,315,419	274,828
2,940	497,219	57,388
-	-	219,794
-	233,811	-
-	4,730,914	531,481
<u>1,108,279</u>	<u>206,291,528</u>	<u>25,931,583</u>
-	2,651,970	-
575	853,738	255,652
2,865,975	70,089,858	30,126
8,575,787	867,224,272	17,772,772
(4,369,510)	(375,330,578)	(13,447,488)
-	75,671,417	-
-	141,063	-
<u>7,072,827</u>	<u>641,301,740</u>	<u>4,611,062</u>
<u>8,181,106</u>	<u>847,593,268</u>	<u>30,542,645</u>
-	722,679	-
-	722,679	-
116,845	16,541,403	1,065,240
12,933	255,552	14,939
30,733	803,917	502,036
65,450	1,623,577	924,477
335,519	9,816,617	-
-	-	2,754,842
177,551	177,551	1,033,358
<u>739,031</u>	<u>29,218,617</u>	<u>6,294,892</u>
-	649,842	-
1,754,282	63,787,516	-
-	-	2,839,096
472,970	472,970	2,001,091
-	7,500	-
<u>2,227,252</u>	<u>64,917,828</u>	<u>4,840,187</u>
<u>2,966,283</u>	<u>94,136,445</u>	<u>11,135,079</u>
10,857	10,857	-
<u>10,857</u>	<u>10,857</u>	<u>-</u>
4,321,073	564,112,137	2,636,173
-	853,163	255,652
882,893	189,203,345	16,515,741
<u>\$ 5,203,966</u>	<u>754,168,645</u>	<u>\$ 19,407,566</u>
	2,763,455	
	(9,329,326)	
	<u>\$ 747,602,774</u>	

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Light and Power	Water	Wastewater	Storm Drainage
OPERATING REVENUES				
Charges for services	\$ 114,114,704	\$ 26,770,909	\$ 21,329,460	\$ 14,716,985
Total Operating Revenues	<u>114,114,704</u>	<u>26,770,909</u>	<u>21,329,460</u>	<u>14,716,985</u>
OPERATING EXPENSES				
Personal services	7,407,796	6,376,693	4,852,303	1,807,185
Contractual services	10,342,768	6,237,692	3,331,263	1,239,484
Commodities	81,711,589	1,559,852	1,186,434	218,236
Customer service and administrative charges	5,126,811	3,524,795	1,897,081	2,233,858
Other	2,615,812	929,770	319,111	250,700
Depreciation	8,332,877	5,816,319	5,063,229	2,348,045
Total Operating Expenses	<u>115,537,653</u>	<u>24,445,121</u>	<u>16,649,421</u>	<u>8,097,508</u>
Operating Income (Loss)	<u>(1,422,949)</u>	<u>2,325,788</u>	<u>4,680,039</u>	<u>6,619,477</u>
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	620,546	907,507	438,133	318,311
Intergovernmental	112,218	5,387	411,870	18,436
Other revenue	1,768,063	332,673	371,458	81,602
Gain (loss) on sale of capital assets	(181,901)	85,277	32,943	26,930
Interest expense	(447,728)	(510,245)	(1,216,707)	(891,425)
Total Nonoperating Revenues (Expenses)	<u>1,871,198</u>	<u>820,599</u>	<u>37,697</u>	<u>(446,146)</u>
Income (Loss) Before Contributions and Transfers	<u>448,249</u>	<u>3,146,387</u>	<u>4,717,736</u>	<u>6,173,331</u>
Capital contributions	9,519,556	9,476,818	3,673,971	2,579,783
Transfers in	87,888	-	-	32,000
Transfers out	(16,897)	(196,375)	(36,255)	(249,342)
Change in Net Position	10,038,796	12,426,830	8,355,452	8,535,772
Net Position--January 1	<u>189,415,044</u>	<u>268,657,703</u>	<u>149,157,651</u>	<u>102,377,431</u>
Net Position--December 31	<u>\$ 199,453,840</u>	<u>\$ 281,084,533</u>	<u>\$ 157,513,103</u>	<u>\$ 110,913,203</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.

Non Major Enterprise		
Fund Golf	Enterprise Funds	Internal Service Funds
\$ 3,242,750	\$ 180,174,808	\$ 47,048,370
3,242,750	180,174,808	47,048,370
1,250,675	21,694,652	16,215,866
816,455	21,967,662	33,748,158
334,114	85,010,225	5,569,895
-	12,782,545	-
426,636	4,542,029	530,350
292,381	21,852,851	1,356,686
3,120,261	167,849,964	57,420,955
122,489	12,324,844	(10,372,585)
8,582	2,293,079	275,718
-	547,911	-
38,699	2,592,495	1,357,455
4,124	(32,627)	128,177
(65,448)	(3,131,553)	(81,735)
(14,043)	2,269,305	1,679,615
108,446	14,594,149	(8,692,970)
-	25,250,128	-
-	119,888	6,763,688
(36,480)	(535,349)	(1,885,161)
71,966	39,428,816	(3,814,443)
5,132,000		23,222,009
\$ 5,203,966		\$ 19,407,566
	89,292	
	(2,630,962)	
	\$ 36,887,146	

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Light and Power	Water	Wastewater	Storm Drainage
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 114,677,285	\$ 27,363,812	\$ 21,465,591	\$ 14,780,073
Receipts from interfund services provided	-	-	-	-
Cash paid to employees for services	(7,383,103)	(6,322,681)	(4,831,317)	(1,797,734)
Cash paid to other suppliers of goods & services	(99,780,105)	(11,532,155)	(6,124,100)	(3,603,833)
Other receipts	1,768,063	332,673	371,458	81,602
Net cash provided (used) by operating activities	9,282,140	9,841,649	10,881,632	9,460,108
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	87,888	-	-	32,000
Transfers to other funds	(16,897)	(196,375)	(36,255)	(249,342)
Net cash provided (used) by noncapital financing activities	70,991	(196,375)	(36,255)	(217,342)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	-	-	-
Capital contributions	9,519,556	8,618,652	3,673,971	2,579,783
Purchases of capital assets	(15,856,761)	(18,661,163)	(5,754,053)	(5,312,644)
Principal paid on capital debt	(1,520,000)	(2,759,037)	(1,640,000)	(3,202,500)
Interest paid on capital debt	(513,602)	(494,207)	(1,252,849)	(839,711)
Proceeds from sales of capital assets	177,548	94,836	12,479	31,177
Grant proceeds from federal government	836,411	350,062	411,870	18,436
Net cash (used) by capital and related financing activities	(7,356,848)	(12,850,857)	(4,548,582)	(6,725,459)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments received for note receivable	98,736	81,109	-	-
Purchase of investments	(3,369,158)	807,586	(6,707,704)	(3,112,765)
Earnings received on investments	599,692	897,205	410,893	304,118
Net cash provided (used) by investing activities	(2,670,730)	1,785,900	(6,296,811)	(2,808,647)
Net increase (decrease) in cash and cash equivalents	(674,447)	(1,419,683)	(16)	(291,340)
Cash and cash equivalents, January 1	5,352,879	7,477,734	3,828,926	2,797,155
Cash and cash equivalents, December 31	4,678,432	6,058,051	3,828,910	2,505,815
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(1,422,949)	2,325,788	4,680,039	6,619,477
Other receipts	1,768,063	332,673	371,458	81,602
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	8,332,877	5,816,319	5,063,229	2,348,045
(Increase) decrease in accounts receivable	561,081	592,903	136,131	63,088
Decrease in intergovernmental receivables	-	-	-	-
(Increase) decrease in inventories	147,153	-	-	-
(Decrease) in prepaid item	-	-	-	-
Increase (decrease) in accounts payable	(130,278)	719,954	609,789	338,445
Increase (decrease) in compensated absences payable	8,748	18,813	(5,969)	(2,981)
Increase in post-emp healthcare obligation	(25,939)	-	22,312	-
Increase in wages payable	41,884	35,199	4,643	12,432
(Decrease) in claims payable	-	-	-	-
Increase (decrease) in deposits	1,500	-	-	-
Increase (decrease) in intergovernmental payable	-	-	-	-
(Decrease) in unearned revenue	-	-	-	-
Net cash provided (used) by operating activities	\$ 9,282,140	\$ 9,841,649	\$ 10,881,632	\$ 9,460,108
Noncash investing, capital, and financing activities:				
Capital contributions	-	858,166	-	-
Reconciliation of cash and cash equivalents to statement of net position:				
Cash and cash equivalents	4,678,432	5,789,913	3,591,151	2,158,549
Restricted Assets - cash and cash equivalents	-	268,138	237,759	347,266
	\$ 4,678,432	\$ 6,058,051	\$ 3,828,910	\$ 2,505,815

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

Non Major		
Enterprise Fund	Total	Total Internal
Golf	Enterprise Funds	Service Funds
\$ 3,241,049	\$ 181,527,810	\$ -
-	-	47,666,763
(1,249,637)	(21,584,472)	(16,132,272)
(1,549,461)	(122,589,654)	(39,602,075)
38,699	2,592,495	1,357,455
480,650	39,946,179	(6,710,129)
-	119,888	6,763,688
(36,480)	(535,349)	(1,885,161)
(36,480)	(415,461)	4,878,527
505,538	505,538	500,590
-	24,391,962	-
(109,638)	(45,694,259)	(276,379)
(433,946)	(9,555,483)	(939,742)
(68,168)	(3,168,537)	(79,789)
4,124	320,164	148,770
-	1,616,779	-
(102,090)	(31,583,836)	(646,550)
-	179,845	-
(318,266)	(12,700,307)	1,824,985
7,603	2,219,511	278,196
(310,663)	(10,300,951)	2,103,181
31,417	(2,354,069)	(374,971)
87,252	19,543,946	6,633,384
118,669	17,189,877	6,258,413
122,489	12,324,844	(10,372,585)
38,699	2,592,495	1,357,455
292,381	21,852,851	1,356,686
(1,701)	1,351,502	618,392
-	-	9,937
-	147,153	13,773
-	-	-
27,744	1,565,654	(476,992)
(3,602)	15,009	(16,361)
-	(3,627)	-
4,640	98,798	99,955
-	-	699,611
-	1,500	-
-	-	-
-	-	-
\$ 480,650	\$ 39,946,179	\$ (6,710,129)
-	858,166	-
118,094	16,336,139	6,002,761
575	853,738	255,652
\$ 118,669	\$ 17,189,877	\$ 6,258,413

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2014

	<u>General Employee Retirement Plan</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 812,283	\$ 1,803,503
Receivables, interest	53,778	52,851
Investments, at fair value		
U S Government securities	8,123,603	15,353,712
Corporate bonds	4,564,267	2,099,847
Mutual funds	32,168,850	-
Total Investments, at fair value	<u>44,856,720</u>	<u>17,453,559</u>
Total Assets	<u>45,722,781</u>	<u>19,309,913</u>
LIABILITIES		
Accounts Payable	365	-
Amounts held for other governments	-	19,309,913
Total Liabilities	<u>365</u>	<u>\$ 19,309,913</u>
NET POSITION		
Held in trust for pension benefits	<u>\$ 45,722,416</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, 2014

	<u>General Employee Retirement Plan</u>
ADDITIONS	
Contributions	
Employer contributions	\$ 1,905,906
Total Contributions	<u>1,905,906</u>
Investment income	
Interest related to plan investments	155,242
Net change in fair value of investments	<u>2,475,085</u>
Total Investment Income	<u>2,630,327</u>
 Total Additions	 <u>4,536,233</u>
DEDUCTIONS	
Benefit payments	3,509,719
Administration expense	<u>18,935</u>
 Total Deductions	 <u>3,528,654</u>
 Net Increase in Plan Net Position	 1,007,579
 Net Position	
Beginning of year	<u>44,714,837</u>
 End of year	 <u>\$ 45,722,416</u>

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

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BASIC FINANCIAL STATEMENTS NOTES

NOTES TO THE BASIC FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity.....	50
B. Joint Ventures	50
C. Jointly Governed Organization	51
D. Undivided Interest.....	51
E. Government-wide and Fund Financial Statements	51
F. Measurement Focus and Basis for Accounting	52
G. Financial Statement Presentation.....	52
H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance	53

II. Stewardship, Compliance and Accountability

A. Budgetary Information.....	57
B. Deficit Fund Balance and Net Position	58

III. Detailed Notes on all Funds

A. Deposits and Investments	58
B. Notes Receivable.....	62
C. Capital Assets.....	63
D. Inter-fund Transfers	65
E. Long-term Obligations	65
F. Fund Balances	74

IV. Other Information

A. Risk Management	75
B. Employee Retirement Systems and Pension Plans	76
C. Other Postemployment Benefits	80
D. Commitments and Contingencies	82
E. Legal Matters	83
F. Related Party Transactions	84

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. Undivided Interest

The City completed construction of the Fort Collins Museum of Discovery (the "Museum") in November 2012 with the partnership of Discovery Center, a Colorado non-profit corporation. In January 2013, in accordance with the partnership agreement, the City granted a shared ownership of the property to Discovery Center. The two entities now jointly operate a museum where visitors from the northern Colorado region and surrounding areas can experience interactive exhibits and educational programs of a broad spectrum of relevant topics. The financial transactions of the City for the Museum are reported in the as a sub-fund of the General Fund.

E. 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. 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.

F. 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 subject 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 subject to accrual.

G. 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 balance or net position, revenues and expenditures or expenses as appropriate. The various funds are summarized by type within the financial statements.

The City reports the following major governmental funds:

The General fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Keep Fort Collins Great fund is used to account for collections of the City's 0.85% sales and use tax which is allocated as follows: 33% for street maintenance and repair; 17% for other street and transportation needs; 17% for police services; 11% for fire protection and other emergency services; 11% for parks maintenance and recreation services; and 11% for community priorities other than those listed above, as determined by the City Council.

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

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

The URA special revenue fund is used to account for the 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.

H. 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 Statement 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. Light and Power Fund maintains an allowance of \$82,229, Water Fund maintains an allowance of \$16,314, and Storm Drainage Fund has an allowance of \$635.

Long-term portions of receivables in the governmental fund financial statements are reported and then offset by non-spendable, 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, 2014, 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.

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 sometimes 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 that qualify for reporting in this category. Unavailable revenue is reported 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. In the government-wide Statement of Net Position, only property taxes are reported as a deferred inflow of resources. Property taxes are recognized as an inflow of resources in the year they are levied. The other item is the deferred gain on refunding reported in the government-wide and proprietary funds statement of net position. A deferred gain 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. 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. The entire portion is current, as employees typically use the full balance in the subsequent year and the City records usage on a first in, first out basis. 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. Unused sick pay is not recognized as a liability because it does not meet the criteria for accrual.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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 Balance/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 the City Council which is the City's highest level of decision-making authority. Amounts are established, modified and rescinded only through a Council approved ordinance. The ordinance must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned fund balances indicate amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager, Chief Financial Officer and Controller are authorized to assign fund balance as outlined in the fund balance policy.

Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed or assigned to specific purposes. The general fund is the only fund that would report a positive amount in unassigned fund balance. When unassigned and restricted, committed, or assigned are available for use, it is the City's policy to use restricted, 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. Investment in capital assets, 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 \$77,264,002 of restricted net position, of which \$45,614,168 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 billings from one fund to another for purchased goods or services as well as payment in lieu of taxes. 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 in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. 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). The exceptions to GAAP for the budgetary financial statements are for appropriations for certain special revenue funds which do not lapse on an annual basis as explained below. Also certain liabilities that were not estimable for appropriation are not recognized as expenditures in the general fund.

Capital Project Funds

Budgets for the Capital Project Funds are not consistent with GAAP because appropriations do not lapse on an annual basis as explained below.

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. Capital project budgets for certain enterprise funds do not lapse on an annual basis as explained below.

Legal Level of Control

The legal level of budgetary control is at the individual fund level, except for capital projects, the Urban Renewal Authority Fund, and federal and state grants for which the legal level of control is at the project, tax increment financing district, 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 legally 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)..... March 2
Taxes due in full (unless installments elected by taxpayer) April 30
Second installment due date (second half due)..... June 15

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

B. Deficit Fund Balance and Net Position

The Urban Renewal Authority fund had a deficit fund balance of \$2,943,689 as of December 31, 2014. 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 \$199,947 as of December 31, 2014 due to expenditures that have not been reimbursed as of year-end and thus associated revenues are deemed unavailable for recognition. The Emergency Recovery fund also had a deficit fund balance of \$136,025. The General Fund maintains restricted funds for emergencies and would be available for use in the event of an emergency. The ending balance for these restricted funds as of December 31, 2014 was \$6,332,732.

The Downtown Development Authority reported a deficit net position of \$4,317,619. The fund will continue to have a deficit net position for the next few years as Tax Increment Funding (TIF) monies are collected through increased property tax collections.

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 2014 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, 2014 was \$45,577,384, including the General Employees' Retirement Plan but excluding agency funds. The bank balance was \$43,070,933.

Component Unit

The Downtown Development Authority's undivided share of the City's deposits as of December 31, 2014 was a carrying amount of \$402,875. The bank balance was \$442,523.

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 Federal Home Loan Bank (FHLB) agency securities. These investments were 23.4%, 14.1%, 36.8% and 13.6%, 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, the City utilizes a third-party safekeeping arrangement with financial institutions.

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, 2014, the City's investment in corporate bonds was rated A- or better by Standard & Poor's and Baa1 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, 2014, the local government investment pools (ColoTrust & CSAFE, which are 2a7-like investment pools) in which the City had invested, were rated AAAM by Standard & Poor's.

As of December 31, 2014, the City had the following investments and maturities:

Primary Government (excluding Agency Funds)

<u>Investment Type</u>	<u>Credit Risk Rating</u> S&P/Moody's	<u>Fair Value</u>	<u>Investment Maturities</u>		
			<u>Up to 120 days</u>	<u>121 days to 5 years</u>	<u>More than 5 years</u>
U.S. Agencies (GNMA)	AA+/AAA	\$ 14,222	\$ -	\$ 14,222	\$ -
Instrumentality					
Federal Farm Credit Bank (FFCB)	AA+/AAA	134,101,783	-	131,725,668	2,376,115
Federal Home Loan Bank (FHLB)	AA+/AAA	49,570,964	-	49,570,964	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	51,229,778	-	51,229,778	-
Federal National Mortgage Association (FNMA)	AA+/AAA	85,245,507	-	85,245,507	-
Corporate bonds	AA+/Aa1	2,357,916	-	2,357,916	-
Corporate bonds	AA/AA1	2,365,469	-	2,365,469	-
Corporate bonds	AA+/Aa3	8,519,428	-	8,519,428	-
Corporate bonds	AA+/Aa3	10,430,914	-	10,430,914	-
Corporate bonds	AA-/AA3	11,157,132	4,721,686	6,435,446	-
Corporate bonds	AA/AA2	7,030,880	-	7,030,880	-
Corporate bonds	A-/Baa1	1,925,214	-	1,925,214	-
Total Investments Controlled by the City		\$363,949,207	\$4,721,686	\$356,851,406	\$2,376,115
Percent of Total			1%	98%	1%

The City has \$32,168,850 invested in Mutuals Funds; those investments are held by Fidelity Investments for employee's retirement accounts.

Component Unit

<u>Investment Type</u>	<u>Credit Risk Rating</u> S&P/Moody's	<u>Fair Value</u>	<u>Investment Maturities</u>		
			<u>Up to 120 days</u>	<u>121 days to 5 years</u>	<u>More than 5 years</u>
U.S. Agencies (GNMA)	AA+/AAA	\$ 158	\$ -	\$ 158	\$ -
Instrumentality					
Federal Farm Credit Bank (FFCB)	AA+/AAA	1,496,211	-	1,469,700	26,511
Federal Home Loan Bank (FHLB)	AA+/AAA	553,077	-	553,077	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	571,585	-	571,585	-
Federal National Mortgage Association (FNMA)	AA+/AAA	951,108	-	951,108	-
Corporate bonds	AA+/Aa1	26,308	-	26,308	-
Corporate bonds	AA/AA1	26,392	-	26,392	-
Corporate bonds	AA+/Aa3	95,054	-	95,054	-
Corporate bonds	AA+/Aa3	116,381	-	116,381	-
Corporate bonds	AA-/AA3	124,483	52,681	71,802	-
Corporate bonds	AA/AA2	78,445	-	78,445	-
Corporate bonds	A-/Baa1	21,480	-	21,480	-
Certificates of Deposit		1,250,000	-	1,250,000	-
Total DDA Investments		\$ 5,310,683	\$ 52,681	\$ 5,231,491	\$ 26,511
Percent of Total			1%	99%	0%

Restrictions on Cash and Investments

Cash and investments at December 31, 2014 were restricted for the following:

<u>Fund/Component Unit</u>	<u>Amount</u>	<u>Restriction</u>
Water	\$268,138	Debt service through bond ordinance
Wastewater	237,759	Debt service through bond ordinance
Storm Drainage	347,266	Debt service through bond ordinance
General	236,578	Unspent lease proceeds
Keep Fort Collins Great	34,464	Unspent lease proceeds
Transportation Services	1,219,714	Unspent lease proceeds
Urban Renewal Authority	949,035	Unspent lease proceeds
Data and Communications	255,652	Unspent lease proceeds
Golf Fund	575	Unspent lease proceeds
Downtown Development Authority	1,250,000	Debt service through bond ordinance

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 2014, the City did receive an interest payment of \$89,882. The outstanding balance as of December 31, 2014 is \$913,000. The allowance recorded against this receivable is \$913,000.

The Light and Power Fund and Water Fund have certain notes receivable related to Light and Power efficiencies and Water efficiencies with customers connected to a Home Efficiency Loan Program. The balance of these loans as of December 31, 2014 are \$122,172 and \$18,891 respectively.

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, 2014 is \$5,303,939.

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, 2014 follows:

<u>Primary Government:</u>	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 205,035,655	\$ 2,460,034	\$ 7,384,861	\$ -	\$ 214,880,550
Street system infrastructure	282,127,040	-	3,194,658	-	285,321,698
Construction in progress	78,867,343	32,611,864	(81,803,665)	(4,382,478)	25,293,064
Total capital assets, not being depreciated	<u>566,030,038</u>	<u>35,071,898</u>	<u>(71,224,146)</u>	<u>(4,382,478)</u>	<u>525,495,312</u>
Capital assets, being depreciated:					
Infrastructure	19,203,806	715,610	7,316,052	-	27,235,468
Buildings and improvements	128,344,157	107,307	11,316,429	(720,110)	139,047,783
Improvements other than buildings	91,017,511	296,207	52,601,340	-	143,915,058
Machinery and equipment	81,620,700	4,530,947	(50,932)	(3,236,180)	82,864,535
Total capital assets being depreciated	<u>320,186,174</u>	<u>5,650,071</u>	<u>71,182,889</u>	<u>(3,956,290)</u>	<u>393,062,844</u>
Less accumulated depreciation for:					
Infrastructure	(11,058,368)	(892,176)	-	-	(11,950,544)
Buildings and improvements	(38,024,099)	(2,776,706)	-	84,550	(40,716,255)
Improvements other than buildings	(36,777,681)	(4,630,352)	-	-	(41,408,033)
Machinery and equipment	(52,057,361)	(6,011,268)	50,932	3,134,999	(54,882,698)
Total accumulated depreciation	<u>(137,917,509)</u>	<u>(14,310,502)</u>	<u>50,932</u>	<u>3,219,549</u>	<u>(148,957,530)</u>
Total capital assets being depreciated, net	<u>182,268,665</u>	<u>(8,660,431)</u>	<u>71,233,821</u>	<u>(736,741)</u>	<u>244,105,314</u>
Governmental activities capital assets, net	<u>\$ 748,298,703</u>	<u>\$ 26,411,467</u>	<u>\$ 9,675</u>	<u>\$ (5,119,219)</u>	<u>\$ 769,600,626</u>
Business-type activities					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 69,410,840	\$ 858,166	\$ (2,043)	\$ (177,105)	\$ 70,089,858
Construction in progress	97,851,083	44,044,044	(66,223,710)	-	75,671,417
Total capital assets, not being depreciated	<u>167,261,923</u>	<u>44,902,210</u>	<u>(66,225,753)</u>	<u>(177,105)</u>	<u>145,761,275</u>
Capital assets, being depreciated:					
Buildings and improvements	231,886,820	-	721,944	(882,392)	231,726,372
Improvements other than buildings	519,378,702	-	65,213,520	(6,157,329)	578,434,893
Machinery and equipment	59,120,368	1,661,123	117,092	(507,922)	60,390,661
Total capital assets being depreciated	<u>810,385,890</u>	<u>1,661,123</u>	<u>66,052,556</u>	<u>(7,547,643)</u>	<u>870,551,926</u>
Less accumulated depreciation for:					
Buildings and improvements	(93,035,646)	(4,833,928)	-	882,392	(96,987,182)
Improvements other than buildings	(224,897,597)	(14,990,899)	-	5,984,659	(233,903,837)
Machinery and equipment	(46,015,971)	(2,236,795)	163,522	503,673	(47,585,571)
Total accumulated depreciation	<u>(363,949,214)</u>	<u>(22,061,622)</u>	<u>163,522</u>	<u>7,370,724</u>	<u>(378,476,590)</u>
Total capital assets being depreciated, net	<u>446,436,676</u>	<u>(20,400,499)</u>	<u>66,216,078</u>	<u>(176,919)</u>	<u>492,075,336</u>
Business-type activities capital assets, net	<u>\$ 613,698,599</u>	<u>\$ 24,501,711</u>	<u>\$ (9,675)</u>	<u>\$ (354,024)</u>	<u>\$ 637,836,611</u>

Component Unit	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,528,747	\$ -	\$ -	\$ 2,528,747
Capital assets being depreciated:				
Buildings and improvements	4,495,465	-	-	4,495,465
Improvements other than buildings	16,500	-	-	16,500
Total capital assets being depreciated	4,511,965	-	-	4,511,965
Less accumulated depreciation for:				
Buildings and improvements	(1,733,781)	(92,190)	-	(1,825,971)
Improvements other than buildings	(16,500)	-	-	(16,500)
Total accumulated depreciation	(1,750,281)	(92,190)	-	(1,842,471)
Total capital assets being depreciated, net	2,761,684	(92,190)	-	2,669,494
Component unit capital assets, net	\$ 5,290,431	\$ (92,190)	\$ -	\$ 5,198,241

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

	Governmental Activities	Business-Type Activities
General government	\$ 641,331	\$ -
Public safety	1,617,289	-
Culture, parks, recreation & natural areas	4,878,500	-
Planning and development	45,945	-
Transportation services	5,979,522	-
Capital assets held by the City's internal service funds used for governmental activities	1,147,915	-
Light & Power	-	8,332,877
Water	-	5,816,319
Wastewater	-	5,063,229
Storm Drainage	-	2,348,045
Non-major Enterprise funds - Golf	-	292,381
Capital assets held by the City's internal service fund used for business-type activities	-	208,771
Total depreciation expense	14,310,502	22,061,622
Less capital assets held by the City's internal service funds	1,147,915	208,771
Depreciation expense excluding internal service funds	\$ 13,162,587	\$ 21,852,851

D. Inter-fund Transfers and Advances.

	Transfers In:							<u>Total</u>
	<u>General</u>	<u>Trans- portation Services</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Light and Power</u>	<u>Storm Drainage</u>	<u>Internal Service</u>	
Transfer out:								
Governmental Funds								
General	\$ -	\$ 4,159,078	\$ 3,236,000	\$ 12,834,238	\$ 87,888	\$ 32,000	\$ 4,766,744	\$ 25,115,948
Keep Fort Collins Great	-	-	-	2,110	-	-	-	2,110
Transportation Services	-	-	-	188,954	-	-	-	188,954
Capital Projects	-	-	-	242,737	-	-	-	242,737
URA	-	-	125,000	-	-	-	-	125,000
Nonmajor Governmental	3,144,619	48,000	7,897,629	7,612,240	-	-	118,512	18,821,000
Proprietary Funds								
Light & Power	-	-	-	16,897	-	-	-	16,897
Water	168,387	-	-	27,988	-	-	-	196,375
Wastewater	21,047	-	-	15,208	-	-	-	36,255
Storm Drainage	21,048	215,000	-	13,294	-	-	-	249,342
Golf	-	-	-	-	-	-	36,480	36,480
Internal Service	43,209	-	-	-	-	-	1,841,952	1,885,161
Total transfers in	<u>\$ 3,398,310</u>	<u>\$ 4,422,078</u>	<u>\$ 11,258,629</u>	<u>\$ 20,953,666</u>	<u>\$ 87,888</u>	<u>\$ 32,000</u>	<u>\$ 6,763,688</u>	<u>\$ 46,916,259</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.

Advances to URA: 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, 2014 is \$5,303,939.

In November 2013, the City loaned Urban Renewal Authority (URA) \$5,000,000 for The Summit on College Project, a mixed-use student housing project in the Prospect South Tax Increment Financing (TIF) District. The loan has a 24 year term and bears a fixed interest rate of 2.68%. The outstanding balance as of December 31, 2014 is \$5,000,000, plus interest of \$75,732.

In December 2014, the City loaned Urban Renewal Authority (URA) \$247,000 for Prospect Station project. The loan has a 23 year term and bears a fixed interest rate of 4.5%.

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, 2014, the City had

\$34,222,198 and \$2,089,801 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 \$7,789,717 and \$650,521 of capital leases outstanding as of December 31, 2014, for governmental and business-type activities, respectively.

Cost of all capital assets holding at December 31, 2014 that have been acquired under capital leases:

	Government al Activities	Business Type Activities
	<u>Balance, End of Year</u>	<u>Balance, End of Year</u>
Buildings and Improvements	\$ 351,930	\$ -
Improve other than buildings	-	114,030
Machinery and equipment	<u>12,339,825</u>	<u>1,512,067</u>
Accumulated depreciation	<u>(6,932,596)</u>	<u>(1,171,984)</u>
Net Book Value	<u>\$ 5,759,159</u>	<u>\$ 454,113</u>

DDA Short-Term Obligation: In 2012, a revolving line of credit was established with a bank for a 6 year period in the amount of \$1,000,000 to finance DDA projects and programs in accordance with its approved Plan of Development, the Downtown Plan and the Downtown Strategic Plan. During the fiscal year 2014, total draw amounts were \$564,815. In July 2014, a total of \$564,815 was repaid and there is no amount outstanding as of December 31, 2014.

The DDA pays a portion of the City's 2007 Certificates of Participation (COPS). In 2014, that payment was \$236,645.

The Downtown Development Authority services the 2010A and 2010B Subordinate Tax Increment Revenue Bonds. The taxable 2010A tax increment revenue bonds will mature in 2018 and the tax-exempt 2010B increment revenue bonds will mature in 2020.

In 2013 the City issued a subordinate tax increment revenue bond with a Corporation for the principal sum of \$6,050,000 to be serviced by the Downtown Development Authority. The Bond is not a general obligation of the City and full faith and credit of the City is not pledged to pay the debt service requirements. Principal and interest payments are secured by a pledge of Tax Increment Revenue. In the event the available Pledged Tax Increment Revenues are not sufficient to repay the principal of and interest on the Bond in full during the Tax Increment Period the City has declared the intent to pay any unpaid amounts from legally available funds of the City, subject to appropriation by the Council. The outstanding balance as of December 31, 2014 is \$6,050,000.

In 2013 the City issued tax increment revenue bonds for the principal sum of \$11,085,000 to be serviced by the Urban Renewal Authority – North College District (URA). The bond is a special and limited obligation of the City payable solely out of and secured by a pledge of tax increment revenue. The proceeds were received by the URA and were used to pay off advances made by the City for the North College Marketplace, JAX Inc. Building

Expansion, Northeast College Corridor Outfall, and the Kaufman and Robinson projects. The outstanding balance as of December 31, 2014 is \$10,545,000.

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	1,927,220	Water Capital Projects	through 2017
1999	Water Revenue Bonds	Water Revenues	1,653,324	Water Capital Projects	through 2019
2003	Subordinate Water Revenue Bonds	Water Revenues	2,080,323	Water Capital Projects	through 2030
2008	Water Revenue Refunding Bonds	Water Revenues	8,334,354	Water Capital Projects	through 2018
2001	Storm Drainage Revenue Bonds	Storm Drainage Revenues	5,166,150	Storm Drainage Improvements	through 2021
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	9,071,339	Storm Drainage Improvements	through 2019
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	1,369,602	Storm Drainage Improvements	through 2017
2011	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	7,259,346	Storm Drainage Improvements	through 2022
2009	Sewer Revenue Bonds	Sewer Revenues	35,133,144	Sewer Capital Projects	through 2028
2010	Sewer Revenue Bonds	Sewer Revenues	2,641,841	Sewer Capital Projects	through 2020
2010	Light and Power Bonds	Light and Power Revenues	11,884,531	Light and Power Capital Projects	through 2020

<u>Date Issued</u>	<u>Description</u>	<u>% Revenue Pledged</u>	<u>P & I for 2014</u>	<u>Recognized for 2014</u>
1997	Water Revenue Bond	1-15%	769,986	18,972,769
1999	Water Revenue Bonds	1-15%	367,867	18,972,769
2003	Subordinate Water Revenue Bonds	1-15%	188,224	18,972,769
2008	Water Revenue Bonds	1-15%	2,080,759	18,972,769
2001	Storm Drainage Revenue Bonds	1-25%	839,244	11,992,585
2007	Storm Drainage Revenue Refunding Bonds	1-25%	1,996,546	11,992,585
2007	Storm Drainage Revenue Refunding Bonds	1-25%	452,419	11,992,585
2011	Storm Drainage Revenue Refunding Bonds	1-25%	874,280	11,992,585
1992	Sewer Revenue Bonds	1-25%	36,811	14,671,643
2009	Sewer Revenue Bonds	1-25%	2,400,706	14,671,643
2010	Sewer Revenue Bonds	1-25%	436,926	14,671,643
2010	Light and Power Bonds	1-25%	2,033,601	18,748,410

The following tables display the debt service requirements to maturity for the obligations described:

Revenue Bonds					
(amounts expressed in thousands)					
Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2015	550	397	9,481	2,917	13,345
2016	560	386	9,872	2,495	13,313
2017	575	369	9,878	2,144	12,966
2018	595	352	8,956	1,779	11,682
2019	615	334	6,984	1,434	9,367
2020-2024	3,450	1,282	15,731	3,889	24,352
2025-2029	4,200	533	9,554	1	14,288
2030	-	-	20	1	21
	<u>\$ 10,545</u>	<u>\$ 3,653</u>	<u>\$ 70,476</u>	<u>\$ 14,660</u>	<u>\$ 99,334</u>

Certificates of Participation Payments					
(amounts expressed in thousands)					
Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
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	4,460	355	225	4	5,044
2019	3,175	272	-	-	3,447
2020-2024	9,570	786	-	-	10,356
2025-2028	3,780	69	-	-	3,849
	<u>\$ 33,815</u>	<u>\$ 3,180</u>	<u>\$ 795</u>	<u>\$ 64</u>	<u>\$ 37,854</u>

The following tables display the debt service requirements to maturity for the obligations described:

Assignment of Lease Payments
(amounts in thousands)

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2015	50	6	161	20	237
2016	53	6	168	18	245
2017	55	5	176	15	251
2018	58	4	184	12	258
2019	61	3	193	9	266
2020-2024	130	3	413	10	556
	<u>\$ 407</u>	<u>\$ 27</u>	<u>\$ 1,295</u>	<u>\$ 84</u>	<u>\$ 1,813</u>

Capital Lease Payments
(amounts in thousands)

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2015	2,288	131	178	13	2,610
2016	2,140	85	156	9	2,390
2017	1,641	46	143	6	1,836
2018	1,202	18	121	3	1,344
2019	519	2	53	-	574
	<u>\$ 7,790</u>	<u>\$ 282</u>	<u>\$ 651</u>	<u>\$ 31</u>	<u>\$ 8,754</u>

Component Unit
DDA - Tax Increment Bonds
(amounts in thousands)

Year Ending December 31	Principal	Interest	Total
2015	1,450	463	1,913
2016	1,722	474	2,196
2017	1,960	351	2,311
2018	2,038	269	2,307
2019	2,070	207	2,277
2020-2024	3,300	526	3,826
2025-2029	2,347	311	2,658
2030-2031	303	11	314
	<u>\$ 15,190</u>	<u>\$ 2,612</u>	<u>\$ 17,802</u>

General long-term obligations of the primary government at December 31, 2014 is comprised of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
Bonds Service by Urban Renewal Authority - North College District (secured by tax increment property taxes)				
2013	2013 URA Tax Increment Revenue Bonds (2.000 - 4.250%)	2029	\$ 11,085,000	\$ 10,545,000
COPs / ALPs serviced by General Fund and General Improvement District No. 1 Fund through the Fort Collins Capital Leasing Corporation Debt Service Fund				
2007	Lease Certificates of Participation (3.860%)	2018	\$ 12,880,000	\$ 5,115,000
2012	Lease Certificates of Participation (1.820%)	2026	34,395,000	28,700,000
2001	Assignment of Lease Payments - Police (4.70%)	2021	890,000	407,198
Unamortized premium on bonds				287,860
Other Obligations of Governmental Funds				
Various	Capital lease obligations (secured by leased equipment)	Various	N/A	4,755,268
N/A	Compensated absences	N/A	N/A	5,039,482
N/A	Net pension obligation	N/A	N/A	3,713,026
N/A	Net Post Employment Health Care Obligation	N/A	N/A	1,104,730
Other Obligations of Internal Service Fund used by Governmental Activities				
Various	Capital lease obligations (secured by leased equipment)	Various	N/A	3,034,449
N/A	Compensated absences	N/A	N/A	565,575
N/A	Claims Payable	N/A	N/A	5,593,938
Total				<u>\$ 68,861,526</u>
Component Unit long - term debt at December 31, 2014, is comprised of the following obligations:				
Bonds Serviced by Downtown Development Authority Debt Service Fund				
2010	Subordinate Tax Increment Revenue Bonds (4.010-6.080%) (secured by tax increment property taxes)	2020	12,500,000	9,140,000
2013	Subordinate Tax Increment Revenue Bonds (variable interest rate based on the 10 year U.S. Treasury Note with a floor of .25%) (secured by tax increment property taxes)	2031	6,050,000	6,050,000
Other Obligations – Component Unit				
N/A	Compensated absences	N/A	N/A	11,615
Total				<u>\$ 15,201,615</u>

(Continued)

Business-type long-term obligations at December 31, 2014 consists of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
Bonds, COPs, and ALPs, serviced by Enterprise Funds				
Light and Power Fund				
(secured by light and power revenues)				
2010	Light and Power Bond A (2.25-4.52%)	2017	\$ 9,675,000	\$ 3,795,000
2010	Light and Power Bond B (2.25-4.52%)	2020	6,410,000	6,410,000
Water Fund				
(secured by water revenues)				
1997	Water Revenue Bond (3.80-5.30%)	2017	10,125,300	1,720,533
1999	Water Revenue Bond (3.28-5.25%)	2019	4,998,395	1,408,685
2003	Subordinate Water Revenue Bonds (5.025%)	2030	2,476,446	1,561,670
2008	Water Revenue Bond (3.46%)	2018	9,645,000	7,660,000
Storm Drainage Fund				
(secured by storm drainage revenues)				
2001	Storm Drainage Revenue Bond (4.50-5.25%)	2021	9,845,000	3,925,000
2007	Storm Drainage Revenue Refunding Bonds A (4.086%)	2019	15,945,000	8,105,000
2007	Storm Drainage Revenue Refunding Bonds B (4.086%)	2017	3,360,000	1,265,000
2011	Storm Drainage Revenue Refunding Bonds (2.49%)	2022	8,515,000	6,505,000
Wastewater Fund				
(secured by sewer revenue)				
2009	Sewer Revenue Bonds (2.0-5.0%)	2028	30,655,000	25,735,000
2010	Sewer Revenue Bonds (2.99%)	2020	3,900,000	2,385,000
	Unamortized premium on bonds			1,047,596
	Unamortized discount on bonds			(9,152)
Golf Fund				
(secured by golf revenue)				
2007	Lease Certificates of Participation (3.860%)	2018	1,715,000	795,000
2001	Assignment of Lease Payments (4.70%)	2021	2,830,000	1,294,801
Other Obligations of Enterprise Funds				
Various	Capital lease obligations (secured by leased equipment)	Various	N/A	650,521
N/A	Net Post Employment Health Care Obligation	N/A	N/A	649,842
N/A	Compensated absences	N/A	N/A	1,623,577
Other Obligations of the Internal Service Fund used by Business-type Activities				
N/A	Compensated absences	N/A	N/A	358,902
	Total			<u>\$ 76,886,975</u>

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.

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, 2014, there were 11 series of Industrial Development Revenue Bonds outstanding, with an estimated aggregate principal amount payable of \$51.1 million.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Primary Government:</u>					
Governmental Activities					
Bonds, COPS, and ALPs:					
Revenue Bonds	\$ 11,085,000	\$ -	\$ (540,000)	\$ 10,545,000	\$ 550,000
Fort Collins Leasing Corporation					
Certificates of participation	37,905,000	-	(4,090,000)	33,815,000	4,185,000
Assignment of lease payments	455,287	-	(48,089)	407,198	50,481
Total bonds, COPS and ALPS	49,445,287	-	(4,678,089)	44,767,198	4,785,481
Add other financing sources (bond premium)	307,158	-	(19,298)	287,860	-
Total bonds, COPS and ALPs	49,752,445	-	(4,697,387)	45,055,058	4,785,481
Other Liabilities:					
Capital leases	5,871,826	3,690,951	(1,773,060)	7,789,717	2,288,262
Compensated absences	5,450,961	5,069,496	(4,915,400)	5,605,057	5,605,057
Claims payable	4,894,327	20,170,604	(19,470,993)	5,593,938	2,754,842
Net pension obligation	3,203,138	509,888	-	3,713,026	-
Net post employment health care obligation	1,188,127	-	(83,397)	1,104,730	-
Total other liabilities	20,608,379	29,440,939	(26,242,850)	23,806,468	10,648,161
Governmental activities long-term liabilities	<u>\$ 70,360,824</u>	<u>\$ 29,440,939</u>	<u>\$ (30,940,237)</u>	<u>\$ 68,861,526</u>	<u>\$ 15,433,642</u>
Business-Type Activities					
Bonds, COPS, and ALPs:					
Revenue Bonds	\$ 79,597,424	\$ -	\$ (9,121,536)	\$ 70,475,888	\$ 9,481,098
Fort Collins Leasing Corporation					
Certificates of participation	950,000	-	(155,000)	795,000	175,000
Assignment of lease payments	1,447,712	-	(152,911)	1,294,801	160,519
Total bonds, COPS and ALPS	81,995,136	-	(9,429,447)	72,565,689	9,816,617
Add bond premium	1,165,303	-	(117,707)	1,047,596	-
Less bond discount and	(12,943)	-	3,791	(9,152)	-
Total bonds, COPS and ALPs	83,147,496	-	(9,543,363)	73,604,133	9,816,617
Other Liabilities:					
Capital leases	271,017	505,538	(126,034)	650,521	177,551
Compensated absences	2,004,679	2,202,832	(2,225,032)	1,982,479	1,982,479
Net post employment health care obligation	653,469	-	(3,627)	649,842	-
Total other liabilities	2,929,165	2,708,370	(2,354,693)	3,282,842	2,160,030
Business-type activities long-term liabilities	<u>\$ 86,076,661</u>	<u>\$ 2,708,370</u>	<u>\$ (11,898,056)</u>	<u>\$ 76,886,975</u>	<u>\$ 11,976,647</u>
<u>Component Unit:</u>					
Bonds:					
Tax revenue bonds	\$ 16,560,000	\$ -	\$ (1,370,000)	\$ 15,190,000	\$ 1,450,000
Compensated absences	10,414	26,028	(24,827)	11,615	11,615
Component unit long-term liabilities	<u>\$ 16,570,414</u>	<u>\$ 26,028</u>	<u>\$ (1,394,827)</u>	<u>\$ 15,201,615</u>	<u>\$ 1,461,615</u>

Liquidation and Reporting of Governmental Activities Long-Term Liabilities

The General Fund is primarily used to liquidate the liabilities for compensated absences, net pension obligation and 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.

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 table represents these classifications and the purposes for which the amounts can be spent.

	General	Keep Fort Collins Great	Trans- portation	Capital Projects	Urban Renewal Authority	Other Governmental Funds	Total Governmental Funds
Nonspendable							
Advances	\$ 5,322,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,322,732
Notes and Loans Receivable	-	-	-	-	5,303,939	-	5,303,939
Inventories	2,896,665	-	-	-	-	-	2,896,665
Prepays	201	-	150	-	-	12,423	12,774
Endowment-Udall Natural Area	125,000	-	-	-	-	-	125,000
Total Nonspendable	8,344,598	-	150	-	5,303,939	12,423	13,661,110
Restricted							
Capital Equipment	236,578	34,464	814,200	-	-	-	1,085,242
Debt Service	-	-	-	-	949,035	-	949,035
Emergency Use	6,332,732	-	-	-	-	-	6,332,732
Endowment - Udall Natural Area	20,519	-	-	-	-	-	20,519
Police services	1,548,365	3,063,704	-	-	-	-	4,612,069
Fire protection services	-	512,538	-	-	-	-	512,538
Transportation services	-	7,447,053	887,300	-	-	-	8,334,353
Community and operation	434,552	1,170,771	-	-	-	13,873,093	15,478,416
Employee and communications	76,158	-	-	-	-	-	76,158
Sustainability services	230,729	-	-	-	-	1,196,586	1,427,315
Other KFCG	-	2,644,511	-	-	-	-	2,644,511
Capital improvements	-	-	-	19,984,610	-	7,463,604	27,448,214
DDA/Woodward bonds	2,272,000	-	-	-	-	-	2,272,000
Economic health rebates	5,217,737	-	-	-	-	-	5,217,737
Total Restricted	16,369,370	14,873,041	1,701,500	19,984,610	949,035	22,533,283	76,410,839
Committed							
Capital improvements	-	-	-	-	-	44,236,742	44,236,742
Police services	305,443	-	-	-	-	-	305,443
Community and operation	200,974	-	-	-	-	-	200,974
Total Committed	506,417	-	-	-	-	44,236,742	44,743,159
Assigned							
Police services	896,219	-	-	-	-	-	896,219
Transportation services	-	-	17,071,648	-	-	1,450,670	18,522,318
Community and operation	838,160	-	-	-	-	4,798,476	5,636,636
Capital Project Priorities	6,940,999	-	-	3,580,820	-	-	10,521,819
Subsequent Year Budget	9,297,322	-	-	-	-	-	9,297,322
Sustainability services	343,097	-	-	-	-	-	343,097
Encumbrances	4,928,279	-	-	-	-	-	4,928,279
Economic health rebates	465,000	-	-	-	-	-	465,000
Total Assigned	23,709,076	-	17,071,648	3,580,820	-	6,249,146	50,610,690
Unassigned	25,744,340	-	-	-	(9,196,663)	(199,947)	16,347,730
Total Fund Balance	\$ 74,673,801	\$ 14,873,041	\$ 18,773,298	\$ 23,565,430	\$(2,943,689)	\$ 72,831,647	\$ 201,773,528

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.

The City purchases liability insurance through a risk retention group. 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 \$500,000 for all worker classifications. An excess policy providing limits mandated by the State of Colorado provides coverage above the self-insured retention.

The Downtown Development Authority, a component unit, purchases 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 \$225,000 per occurrence is retained as excess risk coverage. During the past three years, there have been 12 claims that have exceeded the stop-loss limit.

Funding and Claims Liabilities

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

Claims liabilities for the Self-Insurance and Benefits Funds as of December 31, 2014, amount to \$4,212,757 and \$1,381,181 respectively. These claims were determined on an actuarial basis, and reflect the 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 \$4,212,757 for the Self Insurance Fund is undiscounted and reflects a

75% 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 2012, 2013 and 2014 are as follows:

	<u>Self-Insurance</u>	<u>Benefits</u>
Claims payable - December 31, 2012	\$ 4,000,839	\$ 1,260,275
Claims & changes in estimates	807,917	16,893,464
Claim payments	<u>(1,310,823)</u>	<u>(16,757,345)</u>
Claims payable - December 31, 2013	3,497,933	1,396,394
Claims & changes in estimates	2,317,115	17,853,489
Claim payments	<u>(1,602,291)</u>	<u>(17,868,702)</u>
Claims payable - December 31, 2014	<u>\$ 4,212,757</u>	<u>\$ 1,381,181</u>

B. Employee Retirement Systems and Pension Plans

1. General Employees' Retirement Plan

a) Plan Description

In 2014, the City adopted GASB Statement No. 67, "Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25," which changed the standards for the recognition, measurement, and presentation of information about the plan.

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 79. 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 December 31, 2014, employee membership data related to the Plan was as follows: Retirees and beneficiaries currently receiving benefits--205; vested terminated employees--113; active plan participants--113

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.

b) 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 Net Pension Obligation
2012	2,334,577	1,771,638	120,471	8.08	219,019	2,236,029	1,241,929	2,765,738	994,100
2013	2,681,999	2,765,738	188,070	7.57	365,306	2,504,763	2,067,363	3,203,138	437,400
2014	2,659,452	3,203,138	208,204	7.09	451,862	2,415,794	1,905,906	3,713,026	509,888

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Annual Pension Cost	Employer Contribution	% of Annual Pension Cost
2012	2,236,029	1,241,929	56%
2013	2,504,763	2,067,363	83%
2014	2,415,794	1,905,906	79%

c) Money-Weighted Rate of Return

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2014	6.00%

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

d) Long Term Expected Rate of Return

The best-estimate range for long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The following is the Plan's asset target allocations the long-term expected geometric real rate of return for each asset class as of December 31, 2014.

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Domestic Equity	45%	4.0%
International Equity	15%	4.5%
Fixed Income	40%	2.0%

Valuation date: December 31, 2014
 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 6.5% interest (effective January 1, 2014). The unrecognized 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: 6.5% (including inflation at 2.5%)
 Projected pay increases: Ranges from 4.5% at age 30 to 3.6% at age 65+ (including inflation at 2.5%)

e) 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 2014, the City contributed 26.1% of covered pay to the Plan as well as the supplemental contributions; this amounted to \$1,905,906. 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 position available for benefits as of December 31, 2014, is \$45,722,416 all of which is reserved for benefits of employees and beneficiaries.

f) Concentration of Credit Risk

Investments in mutual funds exceeding 5% of the net position of the plan are as follows: Fidelity Value Fund – 8.19%, Vanguard 500 Index Inv – 5.78%, Vanguard Growth Index Inv – 6.23%, TRP International STK – 5.28%, TRP New Asia – 5.64%, American Funds Amcap A – 5.31%.

g) Sensitivity Analysis

The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Total pension liability	\$63,389,020	\$57,796,305	\$52,952,570
Fiduciary net position	45,722,416	45,722,416	45,722,416
Net pension liability	17,666,604	12,073,889	7,230,154
Fiduciary net position as % of total pension liability	72.1%	79.1%	86.3%

2. 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 \$5,299,855 and \$3,278,621, respectively during 2014.

3. 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, the 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 \$169,731 during 2014.

4. Statewide Death and Disability Plan

a) 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.

b) 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%. During 2014, 2013, and 2012, the City's contributions were \$564,652, \$313,474, and \$285,521 respectively, equal to the statutory required contribution each year.

c) Benefits

Benefits are established by Colorado statute.

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

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

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

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

C. Other Postemployment Benefits

Plan Description

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

Funding Policy and City Contributions

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2014, the City contributed \$82,769. Retiree and active members receiving benefits contribute monthly premiums as outlined:

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 108,379
Interest on net OPEB obligation	63,625
Adjustment to annual required contribution	(176,259)
Annual OPEB cost (expense)	(4,255)
Contributions and payments made	(82,769)
Increase in net OPEB obligation	(87,024)
Net OPEB obligation - January 1, 2014	1,841,596
Net OPEB obligation - December 31, 2014	<u>\$ 1,754,572</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2014 and the two preceding years follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2012	\$ 146,193	62.7%	\$ 1,656,424
December 31, 2013	267,937	30.9%	1,841,596
December 31, 2014	(4,255)	-1944.6%	1,754,572

Funded status and funding progress

Post-employment Benefit Obligations under GASB Statement No. 45 calculated as of December 31, 2014 the most recent actuarial valuation date is as follows:

	<u>Total</u>	<u>Beneficiaries</u>
Actuarial Accrued Liability		
Current retirees, beneficiaries and dependents	\$ 1,291,924	30
Current active members	-	
Total Actuarial Accrued Liability (AAL)	<u>1,291,924</u>	
OPEB Plan Assets	-	
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,291,924</u>	

Because there were no active members in 2014, the covered payroll was \$0.

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:	January 1, 2015
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 2015 is 5.6% per year pre and post-Medicare eligible increasing to 6.5% for 2031 before grading to 4.5% over 40 years from 2031. Trends for dental and vision benefits begin at 5.0% for 2015, grading to 4.5% over 6 years starting in 2066. 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 \$8,819,424 for capital projects in governmental fund types and \$4,633,562 in proprietary fund types at December 31, 2014. 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 proprietary funds at December 31, 2014 (excluding those relating to capital projects) amounted to \$4,072,516.

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, because the amount is not considered by management to be probable and measurable.

Solid Waste Financial Assurance

The City's Water Utility owns and operates a Water Treatment Facility, which through the treatment process produces solids, and therefore must provide financial assurance of estimates for post closure costs in accordance with regulations pertaining to solid waste sites and facilities (6 CCR 1007-2, Part 1) as set by the State of Colorado Department of Public Health and Environment. The facility is not expected to be closed in the future, however in the event of closure the City estimates and provides assurance of total Closure Costs and Post-Closure Care Requirements of \$1,213,944 and \$20,360, respectively. This estimate is not reported as a liability by the City because the water treatment facility does not meet the definition of a landfill contained in GASB Statement No. 18, as defined by the U.S. Environmental Protection Agency.

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 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, 2014, the amount required as an emergency reserve in compliance with the amendment is \$6,332,732 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 2014:

1. Fort Collins-Loveland Airport

a) 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 \$88,750 in 2013 and \$177,500 in 2014.

b) Financial Information

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

As of December 31, 2014

Total current assets	\$ 2,065,455
Total capital assets (net of accumulated depreciation)	<u>21,341,483</u>
Total Assets	23,406,938
Total current liabilities	<u>(82,325)</u>
Total Net Position	<u>23,324,613</u>
Net assets invested in capital assets	21,341,483
Restricted capital	26,893
Unrestricted net position	<u>1,956,237</u>
Total Net Position	<u>\$ 23,324,613</u>

For year ending December 31, 2014

Total operating revenue	\$ 653,868
Total operating expenses	(2,332,281)
Interest Income	22,291
Nonoperating revenue	359,100
Capital contributions	<u>190,022</u>
Change in Net Position	<u>\$ (1,107,000)</u>

The City's annual contribution is reflected as an 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.

c) 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.

2. 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 escrow account is managed by an escrow agent. During 2014, \$200,000 was withdrawn. The balance, including interest earned, at the end of December 31, 2014 is \$1,552,044.

3. Poudre Fire Authority

As mentioned in the summary of significant accounting policies, the City provides funding for PFA. During 2014, such funding amounted to \$20,753,035 and was an expense in the General Fund, Keep Fort Collins Great Fund and Capital Expansion Fund. In addition, the City provided accounting and administrative services to PFA at no charge.

4. Platte River Power Authority

The Light and Power Fund purchases all of its electrical power from PRPA. During 2014, these purchases amounted to \$80,096,970 of which \$8,597,459 is included in accounts payable at December 31, 2014.

5. 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 2014, billings for benefits and services amounted to \$634,581.

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 2014, the City's street system is at a PCI of 71, just within the LOS of "B". The City's street system was at a PCI of 71 in 2013, 71 in 2012, and 72 in 2011. The average detail condition is as follows:

Level of service	PCI Range	Percent of Roads
LOS A (excellent)	100 to 86	20.5%
LOS B (good)	85 to 71	37.1%
LOS C (fair)	70 to 56	26.2%
LOS D (poor)	55 to 41	15.2%
LOS F (very poor)	40 to 0	1.0%

The City's next full 3 year assessment cycle will be completed by the end of 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>
2014	\$ 15,069,218	\$ 15,046,817
2013	\$ 15,565,821	\$ 15,250,042
2012	\$ 14,326,456	\$ 14,320,409
2011	\$ 14,117,351	\$ 13,742,753
2010	\$ 13,378,521	\$ 7,323,073

REQUIRED SUPPLEMENTARY INFORMATION (continued)

PENSION

Changes in Net Pension Liability

Changes in Net Pension Liability	Increase(Decrease)		Net Pension Liability
	Total Pension Liability	Plan Fiduciary Net Position	
	(a)	(b)	(a) – (b)
Balances as of December 31, 2013	\$56,182,808	\$44,714,837	\$11,467,971
Changes for the year:			
Service cost	487,063	-	487,063
Interest on total pension liability	3,571,272	-	3,571,272
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	237,034	-	237,034
Effect of assumptions changes or inputs	827,847	-	827,847
Benefit payments	(3,509,719)	(3,509,719)	-
Employer contributions	-	1,905,906	1,905,906
Member contributions	-	-	-
Investment income	-	2,630,327	2,630,327
Administrative expense	-	(18,935)	(18,935)
Balances as of December 31, 2014	<u>\$57,796,305</u>	<u>\$45,722,416</u>	<u>\$12,073,889</u>

Related Ratios

Fiduciary net position as % of total pension liability	79.11%
Covered payroll	\$8,202,862
Net pension liability as a % covered payroll	147.19%

Actuarial Assumptions

Valuation date	December 31, 2014
Measurement date	December 31, 2014
Inflation	2.50%
Salary increases including inflation	Graded by Age
Mortality	RP-2000 projected generationally using Scale AA
Actuarial cost method	Entry Age Normal

Money-Weighted Rate of Return, net * 2014
6.00%

**Information for prior years is unavailable*

REQUIRED SUPPLEMENTARY INFORMATION (continued)

PENSION (continued)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	Annual Required Contribution ARC	Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Actual Contributions as Percentage of Covered Payroll
2005	1,397,352	739,281	658,071	N/A	N/A
2006	1,761,893	909,179	852,714	N/A	N/A
2007	1,725,108	866,694	858,414	13,851,399	6.3%
2008	1,325,710	1,807,834	(482,124)	13,958,960	13.0%
2009	1,901,281	1,005,901	895,380	12,897,653	7.8%
2010	1,892,946	2,100,467	(207,521)	10,399,210	20.2%
2011	1,706,844	1,345,466	361,378	9,582,235	14.0%
2012	2,334,577	1,241,929	1,092,648	8,834,557	14.1%
2013	2,681,999	2,067,363	614,636	8,202,862	25.2%
2014	2,659,452	1,905,906	753,546	7,306,659	26.1%

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]
2012	12/31/11	\$ -	\$ 2,721,966	\$ 2,721,966	- %	\$ -	n/a
2013	12/31/11	\$ -	\$ 2,788,530	\$ 2,788,530	- %	\$ -	n/a
2014	12/31/14	\$ -	\$ 1,291,924	\$ 1,291,924	- %	\$ -	n/a

The information presented in the required supplementary schedule was determined as part of the actuarial valuation date as of December 31, 2014. 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 2015 is 5.6% per year pre and post-Medicare eligible increasing to 6.5% for 2031 before grading to 4.5% over 40 years from 2031. Trends for dental and vision benefits begin at 5.0% for 2015, grading to 4.5% over 6 years starting in 2066. 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.

There is no covered payroll reported because the plan was closed to new retirees effective December 31, 2009.

SUPPLEMENTARY INFORMATION



SUPPLEMENTARY INFORMATION

General Fund Combining Schedules.....	92
Nonmajor Governmental Funds	95
Capital Projects Fund Budget Schedule	115
Internal Service Funds.....	117
Fiduciary Funds	124
Component Unit Statements.....	128

**GENERAL FUND
COMBINING FINANCIAL STATEMENTS AND SCHEDULES**

General Fund Components

General -- this 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.

Museum -- to account for revenues received from Fort Collins Museum of Discovery and General Fund subsidies used to promote cultural activities.

Emergency Recovery -- to account for monies, including FEMA assistance, to offset costs associated with the 2013 floods.

**GENERAL FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2014**

	<u>General Fund</u>	<u>Museum</u>	<u>Emergency Recovery</u>	<u>Consolidated</u>
ASSETS				
Cash and cash equivalents	\$ 4,548,302	\$ 77,583	\$ -	\$ 4,625,885
Investments	54,245,187	782,136	-	55,027,323
Receivables			-	
Property taxes	18,186,953	-	-	18,186,953
Sales and use taxes	8,213,753	-	-	8,213,753
Accounts, net	1,129,875	-	41,216	1,171,091
Interest	167,080	2,368	-	169,448
Prepaid item	200	-	-	200
Due from other funds	928,878	-	-	928,878
Advances to other funds	5,322,732	-	-	5,322,732
Due from other governments	44,016	-	-	44,016
Inventory of real property held for resale	2,896,665	-	-	2,896,665
Restricted - cash and cash equivalents	236,578	-	-	236,578
Total Assets	95,920,219	862,087	41,216	96,823,522
LIABILITIES				
Accounts payable, accruals, and other	2,101,019	4,883	17,072	2,122,974
Wages payable	1,483,084	19,049	3,138	1,505,271
Due to other governments	1,363	-	-	1,363
Due to other funds	-	-	157,031	157,031
Total Liabilities	3,585,466	23,932	177,241	3,786,639
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	18,186,953	-	-	18,186,953
Unavailable revenue - grants	176,129	-	-	176,129
Total Deferred inflows of resources	18,363,082	-	-	18,363,082
FUND BALANCES (DEFICIT)				
Nonspendable	8,344,598	-	-	8,344,598
Restricted	16,369,370	-	-	16,369,370
Committed	506,417	-	-	506,417
Assigned	22,870,921	838,155	-	23,709,076
Unassigned	25,880,365	-	(136,025)	25,744,340
Total Fund Balances (Deficit)	73,971,671	838,155	(136,025)	74,673,801
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 95,920,219	\$ 862,087	\$ 41,216	\$ 96,823,522

GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General Fund</u>	<u>Museum</u>	<u>Emergency Recovery</u>	<u>Consolidated</u>
REVENUES				
Taxes	\$ 101,405,160	\$ -	\$ -	\$ 101,405,160
Licenses and permits	4,366,908	-	-	4,366,908
Intergovernmental	11,117,029	-	567,787	11,684,816
Fees and charges for services	9,182,619	-	-	9,182,619
Fines and forfeitures	2,536,019	-	-	2,536,019
Earnings on investments	1,334,537	260	-	1,334,797
Miscellaneous revenue	1,319,949	-	-	1,319,949
Total Revenues	<u>131,262,221</u>	<u>260</u>	<u>567,787</u>	<u>131,830,268</u>
EXPENDITURES				
Current operating				
Police services	31,588,192	-	-	31,588,192
Financial services	3,716,210	-	-	3,716,210
Community and operation	18,116,109	1,040,239	-	19,156,348
Planning, development and transportation	6,699,335	-	-	6,699,335
Executive, legislative, and judicial	5,838,697	-	-	5,838,697
Employee and communications	2,812,320	-	-	2,812,320
Sustainability services	4,712,753	-	-	4,712,753
Other	945,029	-	253,056	1,198,085
Intergovernmental				
Fire protection	17,682,145	-	-	17,682,145
Capital outlay	3,370,194	300	-	3,370,494
Debt service				
Principal	110,761	-	-	110,761
Interest and debt service costs	11,430	-	-	11,430
Total Expenditures	<u>95,603,175</u>	<u>1,040,539</u>	<u>253,056</u>	<u>96,896,770</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>35,659,046</u>	<u>(1,040,279)</u>	<u>314,731</u>	<u>34,933,498</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,382,469	2,015,841	-	3,398,310
Transfers out	(25,091,262)	(24,686)	-	(25,115,948)
Capital leases	1,321,925	-	-	1,321,925
Sale of capital assets	15,185	912	-	16,097
Total Other Financing Sources (Uses)	<u>(22,371,683)</u>	<u>1,992,067</u>	<u>-</u>	<u>(20,379,616)</u>
Net Changes in Fund Balances (Deficit)	13,287,363	951,788	314,731	14,553,882
Fund Balances (Deficit)-January 1	60,684,308	(113,633)	(450,756)	60,119,919
Fund Balances (Deficit)-December 31	<u>\$ 73,971,671</u>	<u>\$ 838,155</u>	<u>\$ (136,025)</u>	<u>\$ 74,673,801</u>

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

Special Revenue Funds

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

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

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, 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 Fund

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.

URA Sub-funds

URA - N. College District-- to account for the tax increment financing for the operations and debit services of the Urban Renewal Authority - N. College District.

URA - Prospect South TIF Dist-- to account for the tax increment financing for the operations and debit services of the Urban Renewal Authority - Prospect South TIF District.

URA - Foothills Mall -- to account for the tax increment financing for the operations and debit services of the Urban Renewal Authority - Foothills Mall TIF District.

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014**

	Special Revenue Funds			
	Capital Expansion	Sales and Use Tax	Natural Areas	Cultural Services & Facilities
ASSETS				
Cash and cash equivalents	\$ 1,724,607	\$ 1,628,358	\$ 1,114,332	\$ 244,475
Investments	17,387,247	1,102,701	11,210,471	2,378,814
Receivables				
Property taxes	-	-	-	-
Sales and use taxes	-	1,630,408	-	-
Accounts	-	-	179	5,866
Notes and loans	-	-	-	-
Interest	52,919	1,347	34,095	7,220
Prepaid item	-	-	-	10,097
Advances to other funds	2,651,970	-	-	-
Due from other governments	-	-	396,573	-
Total Assets	21,816,743	4,362,814	12,755,650	2,646,472
LIABILITIES				
Accounts payable, accruals, and other	-	32,762	562,207	54,348
Wages payable	-	-	80,433	43,606
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	657,710
Deposits held	-	-	14,508	151,484
Total Liabilities	-	32,762	657,148	907,148
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Total Deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICIT)				
Nonspendable	-	-	-	10,097
Restricted	-	4,330,052	12,098,502	-
Committed	21,816,743	-	-	-
Assigned	-	-	-	1,729,227
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	21,816,743	4,330,052	12,098,502	1,739,324
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$21,816,743	\$ 4,362,814	\$ 12,755,650	\$ 2,646,472

Special Revenue Funds (continued)

Recreation	Cemeteries	Perpetual Care	CDBG	Home Program	Transit Services
\$ 278,849	\$ 49,898	\$ 155,602	\$ 659,717	\$ 810,600	\$ 123,141
2,699,595	481,492	1,572,583	-	388,975	1,042,161
-	-	-	-	-	-
-	-	-	-	-	-
84,340	40,524	10,834	-	-	708,016
-	-	-	-	-	-
8,137	1,455	4,779	-	-	3,152
2,326	-	-	-	-	-
-	-	-	-	-	-
-	-	-	154,400	-	62,208
3,073,247	573,369	1,743,798	814,117	1,199,575	1,938,678
156,035	7,736	-	14,828	2,989	283,101
109,965	13,333	-	2,578	-	199,972
193	-	-	-	-	4,935
-	-	-	771,847	-	-
245,188	-	-	-	-	-
-	-	-	-	-	-
511,381	21,069	-	789,253	2,989	488,008
-	-	-	-	-	-
11,797	-	-	224,811	-	-
11,797	-	-	224,811	-	-
2,326	-	-	-	-	-
30,794	-	1,743,798	-	1,196,586	-
-	-	-	-	-	-
2,516,949	552,300	-	-	-	1,450,670
-	-	-	(199,947)	-	-
2,550,069	552,300	1,743,798	(199,947)	1,196,586	1,450,670
\$ 3,073,247	\$ 573,369	\$ 1,743,798	\$ 814,117	\$ 1,199,575	\$ 1,938,678

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
DECEMBER 31, 2014**

	Special Revenue Funds (continued)				
	Street Oversizing	General Improvement District No. 1	General Imp. District No. 15 Skyview	Timberline/ Prospect SID #94	Total Special Revenues
ASSETS					
Cash and cash equivalents	\$ 1,509,943	\$ 106,815	\$ 8,419	\$ 9,691	\$ 8,424,447
Investments	15,223,027	1,076,887	84,875	97,701	54,746,529
Receivables					
Property taxes	-	275,774	25,436	-	301,210
Sales and use taxes	-	-	-	-	1,630,408
Accounts	-	-	-	-	849,759
Notes and loans	-	-	-	-	-
Interest	46,097	3,261	257	296	163,015
Prepaid item	-	-	-	-	12,423
Advances to other funds	-	-	-	-	2,651,970
Due from other governments	-	3,185	182	-	616,548
Total Assets	16,779,067	1,465,922	119,169	107,688	69,396,309
LIABILITIES					
Accounts payable, accruals, and other	1,472,890	1,104	-	-	2,588,000
Wages payable	4,920	421	-	-	455,228
Due to other governments	-	-	-	-	5,128
Due to other funds	-	-	-	-	771,847
Unearned revenue	-	-	-	-	902,898
Deposits held	-	-	-	-	165,992
Total Liabilities	1,477,810	1,525	-	-	4,889,093
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	275,774	25,436	-	301,210
Unavailable revenue - grants	-	-	-	-	236,608
Total Deferred inflows of resources	-	275,774	25,436	-	537,818
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	-	12,423
Restricted	-	1,188,623	93,733	107,688	20,789,776
Committed	15,301,257	-	-	-	37,118,000
Assigned	-	-	-	-	6,249,146
Unassigned	-	-	-	-	(199,947)
Total Fund Balances (Deficit)	15,301,257	1,188,623	93,733	107,688	63,969,398
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 16,779,067	\$ 1,465,922	\$ 119,169	\$ 107,688	\$ 69,396,309

Debt Service		Capital Project Funds			
Fund					
Fort Collins	Neighborhood	Conservation	Total	Total	
Leasing	Parkland	Trust	Capital	Non-major	
Corporation			Project	Governmental	
\$ -	\$ 642,900	\$ 166,337	\$ 809,237	\$ 9,233,684	
-	6,481,628	1,676,984	8,158,612	62,905,141	
-	-	-	-	301,210	
-	-	-	-	1,630,408	
-	-	-	-	849,759	
-	-	-	-	-	
-	19,626	5,079	24,705	187,720	
-	-	-	-	12,423	
-	-	-	-	2,651,970	
-	-	-	-	616,548	
-	7,144,154	1,848,400	8,992,554	78,388,863	
-	17,181	96,073	113,254	2,701,254	
-	8,231	8,820	17,051	472,279	
-	-	-	-	5,128	
-	-	-	-	771,847	
-	-	-	-	902,898	
-	-	-	-	165,992	
-	25,412	104,893	130,305	5,019,398	
-	-	-	-	301,210	
-	-	-	-	236,608	
-	-	-	-	537,818	
-	-	-	-	12,423	
-	-	1,743,507	1,743,507	22,533,283	
-	7,118,742	-	7,118,742	44,236,742	
-	-	-	-	6,249,146	
-	-	-	-	(199,947)	
-	7,118,742	1,743,507	8,862,249	72,831,647	
\$ -	\$ 7,144,154	\$ 1,848,400	\$ 8,992,554	\$ 78,388,863	

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Special Revenue Funds			
	Capital Expansion	Sales and Use Tax	Natural Areas	Cultural Services & Facilities
REVENUES				
Taxes	\$ -	\$ 15,583,970	\$ -	\$ -
Intergovernmental	-	-	4,252,825	12,000
Fees and charges for services	3,936,253	-	31,633	2,360,804
Earnings on investments	306,254	34,548	149,595	40,406
Miscellaneous revenue	-	302	615,636	93,060
Total Revenues	4,242,507	15,618,820	5,049,689	2,506,270
EXPENDITURES				
Current operating				
Community and operation	857	744,649	6,029,834	3,239,219
Planning, development and transportation	-	-	-	-
Sustainability services	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Fire protection	234,354	-	-	-
Capital outlay	-	-	1,577,952	68,926
Debt service				
Principal	-	-	-	-
Interest and debt service costs	-	-	-	-
Total Expenditures	235,211	744,649	7,607,786	3,308,145
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,007,296	14,874,171	(2,558,097)	(801,875)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,998,255	1,090,408
Transfers out	(1,011,804)	(13,001,562)	(2,456,384)	(1,019,793)
Sale of capital assets	-	-	4,830	-
Total Other Financing Sources (Uses)	(1,011,804)	(13,001,562)	4,546,701	70,615
Net Changes in Fund Balances	2,995,492	1,872,609	1,988,604	(731,260)
Fund Balances (Deficit)-January 1	18,821,251	2,457,443	10,109,898	2,470,584
Fund Balances (Deficit)-December 31	<u>\$21,816,743</u>	<u>\$ 4,330,052</u>	<u>\$12,098,502</u>	<u>\$ 1,739,324</u>

Special Revenue Funds (continued)

Recreation	Cemeteries	Perpetual Care	CDBG	Home Program	Transit Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99,977	-	-	591,790	484,278	3,710,283
5,347,909	410,226	54,765	-	-	1,415,504
34,022	5,893	21,406	-	3,061	24,290
160,579	12,153	-	697,805	305,132	48,322
5,642,487	428,272	76,171	1,289,595	792,471	5,198,399
5,975,163	538,630	149	-	-	-
-	-	-	-	-	11,732,560
-	-	-	1,367,997	180,981	-
-	-	-	-	-	-
-	-	-	-	-	-
8,100	3,115	-	-	-	2,528,494
-	-	-	-	-	-
-	-	-	-	-	-
5,983,263	541,745	149	1,367,997	180,981	14,261,054
(340,776)	(113,473)	76,022	(78,402)	611,490	(9,062,655)
896,480	174,106	-	-	-	6,979,717
(500,000)	-	(21,406)	-	-	-
460	16,636	-	-	-	11,228
396,940	190,742	(21,406)	-	-	6,990,945
56,164	77,269	54,616	(78,402)	611,490	(2,071,710)
2,493,905	475,031	1,689,182	(121,545)	585,096	3,522,380
\$ 2,550,069	\$ 552,300	\$ 1,743,798	\$ (199,947)	\$ 1,196,586	\$ 1,450,670

**NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Special Revenue Funds (continued)				
	Street Oversizing	General Improvement District No. 1	General Imp. District No. 15 Skyview	Timberline/ Prospect SID #94	Total Special Revenues
REVENUES					
Taxes	\$ -	\$ 288,050	\$ 25,445	\$ -	\$ 15,897,465
Intergovernmental	-	36,152	2,086	-	9,189,391
Fees and charges for services	5,264,882	-	-	-	18,821,976
Earnings on investments	198,810	14,139	1,679	1,248	835,351
Miscellaneous revenue	30,423	-	-	171,484	2,134,896
Total Revenues	5,494,115	338,341	29,210	172,732	46,879,079
EXPENDITURES					
Current operating					
Community and operation	-	-	-	-	16,528,501
Planning, development and transportation	231,223	168,942	50,557	-	12,183,282
Sustainability services	-	-	-	-	1,548,978
Other	-	-	-	119,699	119,699
Intergovernmental					
Fire protection	-	-	-	-	234,354
Capital outlay	1,378,308	-	-	-	5,564,895
Debt service					
Principal	-	-	-	-	-
Interest and debt service costs	-	-	-	-	-
Total Expenditures	1,609,531	168,942	50,557	119,699	36,179,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,884,584	169,399	(21,347)	53,033	10,699,370
OTHER FINANCING SOURCES (USES)					
Transfers in	233,605	-	-	-	16,372,571
Transfers out	-	(40,000)	-	-	(18,050,949)
Sale of capital assets	-	-	-	-	33,154
Total Other Financing Sources (Uses)	233,605	(40,000)	-	-	(1,645,224)
Net Changes in Fund Balances	4,118,189	129,399	(21,347)	53,033	9,054,146
Fund Balances (Deficit)-January 1	11,183,068	1,059,224	115,080	54,655	54,915,252
Fund Balances (Deficit)-December 31	\$ 15,301,257	\$ 1,188,623	\$ 93,733	\$ 107,688	\$ 63,969,398

Debt Service Fund	Capital Project Funds				
Fort Collins Leasing Corporation	Neighborhood Parkland	Conservation Trust	Total Capital Project		Total Non-major Governmental
\$ -	\$ -	\$ -	\$ -		\$ 15,897,465
-	-	1,432,885	1,432,885		10,622,276
-	2,111,871	-	2,111,871		20,933,847
-	65,615	23,035	88,650		924,001
55,202	9,298	-	9,298		2,199,396
55,202	2,186,784	1,455,920	3,642,704		50,576,985
-	463,861	644,048	1,107,909		17,636,410
-	-	-	-		12,183,282
-	-	-	-		1,548,978
2,650	-	-	-		122,349
-	-	-	-		234,354
-	155,845	243,351	399,196		5,964,091
3,901,444	-	-	-		3,901,444
732,203	-	-	-		732,203
4,636,297	619,706	887,399	1,507,105		42,323,111
(4,581,095)	1,567,078	568,521	2,135,599		8,253,874
4,581,095	-	-	-		20,953,666
-	(13,880)	(756,171)	(770,051)		(18,821,000)
-	-	-	-		33,154
4,581,095	(13,880)	(756,171)	(770,051)		2,165,820
-	1,553,198	(187,650)	1,365,548		10,419,694
-	5,565,544	1,931,157	7,496,701		62,411,953
\$ -	\$ 7,118,742	\$ 1,743,507	\$ 8,862,249		\$ 72,831,647

**NATURAL AREAS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 4,252,825	\$ 3,549,296	703,529
Fees and charges for services	31,633	28,000	3,633
Earnings on investments	149,595	33,543	116,052
Miscellaneous revenue	615,636	125,892	489,744
Transfers	6,998,255	6,998,255	-
Sale of capital asset	4,830	-	-
Total Revenues	<u>12,052,774</u>	<u>10,734,986</u>	<u>1,312,958</u>
EXPENDITURES			
Land Conservation	3,163,176	9,129,040	5,965,864
Enforcement	650,083	666,713	16,630
Education	528,753	760,344	231,591
Program Management	781,864	902,286	120,422
Resource Management	2,399,336	3,830,315	1,430,979
Public Improvements	1,911,401	2,763,711	852,310
Facility Operations	234,903	335,566	100,663
Land Management	394,654	708,173	313,519
Total Expenditures	<u>10,064,170</u>	<u>19,096,148</u>	<u>9,031,978</u>
Excess (deficiency) of revenues over (under) expenditures	1,988,604	<u>\$ (8,361,162)</u>	<u>\$ (7,719,020)</u>
Fund Balances--January 1	<u>10,109,898</u>		
Fund Balances--December 31	<u>\$ 12,098,502</u>		

CULTURAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Intergovernmental	12,000	12,000	-
Fees and charges for services	2,360,804	2,921,575	(560,771)
Earnings on investments	40,406	17,529	22,877
Miscellaneous revenue	93,060	81,114	11,946
Transfers in:			
General Fund	854,407	854,407	-
Keep Fort Collins Great	2,110	2,110	-
Neighborhood Parkland	6,092	6,092	-
Conservation Trust Fund	10,000	10,000	-
Transportation Fund	3,149	3,149	-
Capital Projects Fund	117,263	117,263	-
Light & Power Fund	16,897	16,897	-
Water Fund	27,988	27,988	-
Wastewater Fund	15,208	15,208	-
Stormwater Fund	13,294	13,294	-
Transfer S&U Tax - BOB	24,000	24,000	-
Total Revenues	<u>3,596,678</u>	<u>4,122,626</u>	<u>(525,948)</u>
EXPENDITURES			
Administration	1,980,764	1,903,643	(77,121)
Lincoln Center	941,957	1,313,086	371,129
Museum	-	57,522	57,522
Art in Public Places - Operations	75,558	238,777	163,219
Art in Public Places - Project	68,925	559,678	490,753
Performing and visual arts	1,260,734	1,698,000	437,266
Total Expenditures	<u>4,327,938</u>	<u>5,770,706</u>	<u>1,442,768</u>
Excess (deficiency) of revenues over (under) expenditures	(731,260)	<u>\$ (1,648,080)</u>	<u>\$ (1,968,716)</u>
Fund Balances--January 1	<u>2,470,584</u>		
Fund Balances--December 31	<u>\$ 1,739,324</u>		

RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 99,977	\$ 164,764	\$ (64,787)
Fees and charges for services	5,347,909	4,989,595	358,314
Earnings on investments	34,022	20,849	13,173
Miscellaneous revenue	160,579	89,250	71,329
Sale of capital asset	460	-	460
Transfers	896,480	896,480	-
Total Revenues	<u>6,539,427</u>	<u>6,160,938</u>	<u>378,489</u>
EXPENDITURES			
Recreation administration	1,402,451	1,529,655	127,204
Special Revenue Accounts	106,888	108,475	1,587
EPIC	1,455,769	1,490,831	35,062
City Park Pool	129,046	132,837	3,791
Adult Programs & Senior Center	1,373,272	1,384,723	11,451
NACC	607,598	678,840	71,242
Child Development	215,025	224,924	9,899
Sports	815,371	821,336	5,965
Farm	282,005	287,253	5,248
Grants/miscellaneous	95,838	164,764	68,926
Total Expenditures	<u>6,483,263</u>	<u>6,823,638</u>	<u>340,375</u>
Excess (deficiency) of revenues over (under) expenditures	56,164	<u>\$ (662,700)</u>	<u>\$ 38,114</u>
Fund Balances--January 1	<u>2,493,905</u>		
Fund Balances--December 31	<u>\$ 2,550,069</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, 2014**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 591,790	\$ 5,150,201	5,741,991	\$ 6,990,706	\$ (1,248,715)
Earnings on investments	-	683	683	82,596	(81,913)
Miscellaneous revenue	<u>697,805</u>	<u>484,559</u>	<u>1,182,364</u>	<u>1,755,077</u>	<u>(572,713)</u>
Total Revenues	<u>1,289,595</u>	<u>5,635,443</u>	<u>6,925,038</u>	<u>8,828,379</u>	<u>(1,903,341)</u>
EXPENDITURES					
2010-11 Grant	33,501	894,018	927,519	1,041,666	114,147
2011-12 Grant	(10)	1,185,515	1,185,505	1,185,505	-
2012-13 Grant	24,190	985,722	1,009,912	1,012,669	2,757
2013-14 Grant	718,260	34,978	753,238	1,692,466	939,228
2014-15 Grant	<u>592,056</u>	<u>1</u>	<u>592,057</u>	<u>1,235,281</u>	<u>643,224</u>
Total Expenditures	<u>1,367,997</u>	<u>3,100,234</u>	<u>4,468,231</u>	<u>6,167,587</u>	<u>1,699,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,402)</u>	<u>2,535,209</u>	<u>2,456,807</u>	<u>2,660,792</u>	<u>(203,985)</u>
Fund Balances (deficit)--January 1	<u>(121,545)</u>				
Fund Balances (deficit)--December 31	<u>\$ (199,947)</u>				

**HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 484,278	\$ 2,428,147	\$ 2,912,425	\$ 4,549,655	(1,637,230)
Earnings on investments	3,061	53,932	56,993	-	56,993
Miscellaneous revenue	305,132	783,399	1,088,531	1,272,823	(184,292)
Total Revenues	<u>792,471</u>	<u>3,265,478</u>	<u>4,057,949</u>	<u>5,822,478</u>	<u>(1,764,529)</u>
EXPENDITURES					
2010-11 Grant	4,789	\$ 442,728	447,517	447,518	1
2011-12 Grant	-	825,032	825,032	892,392	67,360
2012-13 Grant	39,636	739,210	778,846	834,531	55,685
2013-14 Grant	5,173	16,469	21,642	1,339,453	1,317,811
2014-15 Grant	131,383	-	131,383	697,794	566,411
Total Expenditures	<u>180,981</u>	<u>2,023,439</u>	<u>2,204,420</u>	<u>4,211,688</u>	<u>2,007,268</u>
Excess (deficiency) of revenues over (under) expenditures	611,490	<u>\$ 1,242,039</u>	<u>\$ 1,853,529</u>	<u>\$ 1,610,790</u>	<u>\$ 242,739</u>
Fund Balances--January 1	585,096				
Fund Balances--December 31	<u>\$ 1,196,586</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, 2014

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 3,710,283	\$ 13,676,030	\$ 17,386,313	\$ 25,289,084	\$(7,902,771)
Fees and charges for services	1,415,504	2,996,914	4,412,418	3,868,649	543,769
Earnings (loss) on investments	24,290	114,898	139,188	153,547	(14,359)
Miscellaneous revenue	59,550	327,355	386,905	211,073	175,832
Total Revenues	<u>5,209,627</u>	<u>17,115,197</u>	<u>22,324,824</u>	<u>29,522,353</u>	<u>(7,197,529)</u>
EXPENDITURES					
FTA Grants					
2010 Operating	51,375	8,247,247	8,298,622	9,129,638	831,016
2012 Operating	3,920	8,070,353	8,074,273	9,645,288	1,571,015
2013 Operating	335,328	8,580,716	8,916,044	10,247,011	1,330,967
2014 Operating	11,341,923	70,416	11,412,339	10,966,696	(445,643)
2008 Capital	35,331	2,143,928	2,179,259	1,921,997	(257,262)
2010 Capital	73,145	2,679,685	2,752,830	3,582,449	829,619
2011 Capital	676,864	5,738	682,602	685,618	3,016
2012 Capital	1,323,098	1,079,902	2,403,000	4,309,000	1,906,000
2013 Capital	110,302	9,538	119,840	567,920	448,080
2014 Capital	309,768	-	309,768	664,812	355,044
Total Expenditures	<u>14,261,054</u>	<u>30,887,523</u>	<u>45,148,577</u>	<u>51,720,429</u>	<u>6,571,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,051,427)</u>	<u>(13,772,326)</u>	<u>(22,823,753)</u>	<u>(22,198,076)</u>	<u>(625,677)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in:					
General Fund	6,895,479	20,696,233	27,591,712	27,591,712	-
Transportation Fund	84,238	-	84,238	84,238	-
Transfers out:					
Capital Projects Fund	-	(152,524)	(152,524)	(152,524)	-
Total Other Financing Sources (Uses)	<u>6,979,717</u>	<u>20,543,709</u>	<u>27,523,426</u>	<u>27,523,426</u>	<u>-</u>
Net Change in Fund Balances	(2,071,710)	<u>\$ 6,771,383</u>	<u>\$ 4,699,673</u>	<u>\$ 5,325,350</u>	<u>\$ (625,677)</u>
Fund Balances--January 1	3,522,380				
Fund Balances--December 31	<u>\$ 1,450,670</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, 2014**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Cumulative Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	-	494,319	494,319	428,896	65,423
Fees and charges for services	2,111,871	17,845,140	19,957,011	14,139,876	5,817,135
Earnings (loss) on investments	65,615	2,387,841	2,453,456	2,208,773	244,683
Miscellaneous revenue	9,298	256,062	265,360	236,389	28,971
Total Revenues	<u>2,186,784</u>	<u>20,983,362</u>	<u>23,170,146</u>	<u>17,013,934</u>	<u>6,156,212</u>
EXPENDITURES					
Waters Way Park	27,734	1,840,391	1,868,125	1,875,364	7,239
New Site Acquisition	7,406	1,987,699	1,995,105	2,460,945	465,840
New Park Site Development	44,586	1,537,410	1,581,996	2,574,788	992,792
Lee Martinez Park Addition	144,532	269,097	413,629	489,462	75,833
Huidekoper Park	-	154,971	154,971	422,000	267,029
Lilac Park	-	140,383	140,383	177,000	36,617
Registry Park	41,661	1,646,527	1,688,188	1,711,700	23,512
Romero	-	1,845	1,845	150,000	148,155
Richards Lake	-	363,741	363,741	541,051	177,310
Staley Neighborhood Park	2,059	1,969,102	1,971,161	2,151,000	179,839
Avery Park Improvements	-	39	39	200,000	199,961
Maple Hill Park	298	532,325	532,623	2,670,971	2,138,348
Rosborough Park Impvmts	-	3,932	3,932	175,000	171,068
Trailhead Park	-	252,824	252,824	827,000	574,176
Golden Meadows Park	-	150,588	150,588	450,000	299,412
Soft Gold Neighborhood Park	-	21,623	21,623	175,000	153,377
Side Hill Neighborhood Park	4,500	-	4,500	396,000	391,500
Bacon School Neighborhood Park	9,220	340,775	349,995	350,000	5
Parkland Administration	337,710	-	337,710	419,079	81,369
Total Expenditures	<u>619,706</u>	<u>11,213,272</u>	<u>11,832,978</u>	<u>18,216,360</u>	<u>6,383,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,567,078</u>	<u>\$ 9,770,090</u>	<u>\$ 11,337,168</u>	<u>\$ (1,202,426)</u>	<u>\$ 12,539,594</u>
OTHER FINANCING SOURCES (USES)					
Transfers In:					
General Fund	-	82,162	82,162	82,162	-
Capital Projects Fund	-	5,545	5,545	5,545	-
Downtown Development Authority	-	35,000	35,000	35,000	-
Transfers Out:					
Cultural Services & Facilities Fund	(6,092)	(65,800)	(71,892)	(71,892)	-
Capital Projects Fund	-	(488,220)	(488,220)	(488,220)	-
Data and Communications Fund	(7,788)	-	(7,788)	(7,794)	6
Total Other Financing Sources (Uses)	<u>(13,880)</u>	<u>(431,313)</u>	<u>(445,193)</u>	<u>(445,199)</u>	<u>6</u>
Net Change in Fund Balances	<u>\$ 1,553,198</u>	<u>\$ 9,338,777</u>	<u>\$ 10,891,975</u>	<u>\$ (1,647,625)</u>	<u>\$ 12,539,600</u>
Fund Balances--January 1	<u>5,565,544</u>				
Fund Balances--December 31	<u>\$ 7,118,742</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, 2014**

	<u>Actual</u>	<u>Prior Year Actual</u>	<u>Cumulative Actual</u>	<u>Cumulative Budget</u>	<u>Variance</u>
REVENUES					
Intergovernmental	\$ 1,432,885	\$ 16,932,989	\$ 18,365,874	\$ 16,410,954	\$ 1,954,920
Earnings (loss) on investments	23,035	524,400	547,435	786,368	(238,933)
Miscellaneous revenue	-	7,103	7,103	-	7,103
Total Revenues	<u>1,455,920</u>	<u>17,464,492</u>	<u>18,920,412</u>	<u>17,197,322</u>	<u>1,723,090</u>
EXPENDITURES					
Trail Acquisition/Development	251,507	7,564,579	7,816,086	8,989,190	1,173,104
Fossil Creek Trail	288,237	3,704,099	3,992,336	4,123,566	131,230
Hughes Stadium Disc Golf Course	467	43,528	43,995	48,700	4,705
Open Space Acquisition	-	1,105,949	1,105,949	1,104,942	(1,007)
Tri-City Trails	63,083	677,174	740,257	647,891	(92,366)
Administration	284,105	-	284,105	275,958	(8,147)
Total Expenditures	<u>887,399</u>	<u>13,095,329</u>	<u>13,982,728</u>	<u>15,190,247</u>	<u>1,207,519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 568,521</u>	<u>\$ 4,369,163</u>	<u>\$ 4,937,684</u>	<u>\$ 2,007,075</u>	<u>\$ 515,571</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out:					
General Fund	(734,543)	(884,400)	(1,618,943)	(1,618,943)	-
Cultural Services & Facilities Fund	(10,000)	(117,850)	(127,850)	(127,850)	-
Capital Projects Fund	-	(1,007,337)	(1,007,337)	(1,017,618)	10,281
Data and Communications Fund	(11,628)	-	(11,628)	(11,648)	20
Total Other Financing Sources (Uses)	<u>(756,171)</u>	<u>(2,009,587)</u>	<u>(2,765,758)</u>	<u>(2,776,059)</u>	<u>10,301</u>
Net Change in Fund Balances	(187,650)	<u>2,359,576</u>	<u>2,171,926</u>	<u>(768,984)</u>	<u>525,872</u>
Fund Balances--January 1	<u>1,931,157</u>				
Fund Balances--December 31	<u>\$ 1,743,507</u>				

**URBAN RENEWAL AUTHORITY - NORTH COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 1,138,568	\$ 1,198,915	\$ 1,198,915	\$ (60,347)
Earnings on investments	104,596	90,590	90,590	14,006
Total Revenues	<u>1,243,164</u>	<u>1,289,505</u>	<u>1,289,505</u>	<u>(46,341)</u>
EXPENDITURES				
Sustainability Services	715,067	263,312	923,337	208,270
Principal	540,000	583,952	583,952	43,952
Interest	1,070,665	1,026,703	1,026,703	(43,962)
Total Expenditures	<u>2,325,732</u>	<u>1,873,967</u>	<u>2,533,992</u>	<u>208,260</u>
Excess of Revenues Over Expenditures	<u>(1,082,568)</u>	<u>(584,462)</u>	<u>(1,244,487)</u>	<u>161,920</u>
OTHER FINANCING (USES)				
Transfers out:	(125,000)	-	-	(125,000)
Payment on advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing (Uses)	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>
Net Change	(1,207,568)	<u>\$ (584,462)</u>	<u>\$ (1,244,487)</u>	<u>\$ 36,920</u>
Fund Balances--January 1	<u>2,779,318</u>			
Fund Balances--December 31	<u>\$ 1,571,750</u>			

**URBAN RENEWAL AUTHORITY - PROSPECT SOUTH TIF DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 81,492	\$ 70,779	\$ 70,779	10,713
Earnings (loss) on investments	9,596	-	-	9,596
Proceeds from issuance of long-term debt	-	247,000	247,000	(247,000)
Total Revenues	<u>91,088</u>	<u>317,779</u>	<u>317,779</u>	<u>(226,691)</u>
EXPENDITURES				
Sustainability services	248,630	317,779	317,779	(69,149)
Interest	72,602	-	-	72,602
Total Expenditures	<u>321,232</u>	<u>317,779</u>	<u>317,779</u>	<u>3,453</u>
Excess (deficiency) of revenues over (under) expenditures	(230,144)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230,144)</u>
Fund Balances--January 1	<u>(4,273,830)</u>			
Fund Balances--December 31	<u>\$ (4,503,974)</u>			

**URBAN RENEWAL AUTHORITY - FOOTHILLS MALL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Miscellaneous revenue	328,301	-	340,188	(11,887)
Total Revenues	<u>328,301</u>	<u>-</u>	<u>340,188</u>	<u>(11,887)</u>
EXPENDITURES				
Current operating				
Sustainability services	339,766	-	340,188	422
Total Expenditures	<u>339,766</u>	<u>-</u>	<u>340,188</u>	<u>422</u>
Excess (deficiency) of revenues over (under) expenditures	(11,465)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,309)</u>
Fund Balances--January 1	<u>-</u>			
Fund Balances--December 31	<u>\$ (11,465)</u>			

**CAPITAL PROJECTS FUND
INDIVIDUAL FUND BUDGET SCHEDULE**

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

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Current Year Actual	Prior Years Actual	Cumulative Actual	Final Budget	Variance
REVENUES					
Intergovernmental	\$ 20,097,726	\$ 68,314,787	\$ 88,412,513	\$ 104,477,047	\$ 16,064,534
Earnings (loss) on investments	201,518	6,441,949	6,643,467	7,173,178	529,711
Miscellaneous revenue	1,166,388	11,895,776	13,062,164	12,841,096	(221,068)
Transfers in					
General Fund	3,250,914	6,511,515	9,762,429	11,891,162	2,128,733
Capital Expansion Fund	548,648	4,096,007	4,644,655	6,294,026	1,649,371
Sales and Use Tax Fund	5,592,781	36,790,302	42,383,083	40,250,598	(2,132,485)
Natural Areas Fund	1,225,672	1,077,519	2,303,191	2,983,213	680,022
Recreation Fund	500,000	-	500,000	500,000	-
Museum Fund	24,684	75,316	100,000	100,000	-
Transit Services Fund		116,525	116,525	116,525	-
Street Oversizing Fund	(9,070)	3,572,378	3,563,308	4,301,937	738,629
Transportation Services Fund		767,846	767,846	767,846	-
URA North College Fund	125,000	-	125,000	-	(125,000)
Total Revenues	<u>32,724,261</u>	<u>139,659,920</u>	<u>172,384,181</u>	<u>191,696,628</u>	<u>19,312,447</u>
EXPENDITURES					
Woodward Public Improvements	3,823,217	398,454	4,221,671	6,801,080	2,579,409
FC Museum / DSC Exhibits	24,684	2,561,221	2,585,905	2,585,905	-
Env Site Mitigation - 112 E. Willow	-	183,019	183,019	200,000	16,981
Block 32 Redevelopment	103,497	201,542	305,039	439,000	133,961
Integrated Recycling Facility	20,242	33,178	53,420	685,000	631,580
Natural Areas Office Building	1,228,811	454,306	1,683,117	1,860,000	176,883
Downtown Poudre River Improvements	26,755	148,995	175,750	250,000	74,250
Coventry Dev Wildlife Habitat	-	-	-	9,000	9,000
Southeast Community Park	131,128	3,785,307	3,916,435	4,383,624	467,189
East Community Park	578,801	175,700	754,501	1,700,000	945,499
Spring Canyon-Veterans Plaza	811	325,539	326,350	349,607	23,257
Water Craft Course	21,262	36,342	57,604	150,000	92,396
Gardens Capital Project	50,283	2,500	52,783	400,000	347,217
BOB-Senior Center Expansion	5,445,809	1,111,233	6,557,042	6,752,533	195,491
Mulberry/Lemay Ped Bridge-Poudre Trail	-	-	-	368,000	368,000
Trail Acq/Dev- Special Funds	12,800	10,000	22,800	1,751,405	1,728,605
Fossil Creek Trail	211,629	-	211,629	200,000	(11,629)
Pickle Plant	-	-	-	75,364	75,364
Street Oversizing Projects	88,344	8,047,751	8,136,095	12,431,241	4,295,146
BOB Int Imp & Traffic Signals	1,451,657	6,239,141	7,690,798	14,412,518	6,721,720
I-25 & SH 392 Interchange	23,723	4,329,239	4,352,962	4,739,593	386,631
I-25 Interchange Design Project	-	-	-	100,000	100,000
Remington Greenway Implementation	18,806	-	18,806	450,000	431,194
City Bridge Program	720,256	3,487,902	4,208,158	5,956,336	1,748,178
Rairoad Crossing Replacement	121,795	324,430	446,225	719,903	273,678
Harmony/UPRR Safety & Maintenance	100,039	474,961	575,000	575,000	-
Mason Street Transportation Corridor	11,361,868	77,075,269	88,437,137	96,903,230	8,466,093
BOB Ped Plan & ADA Improvements	461,556	3,126,777	3,588,333	3,888,843	300,510
Bicycle Plan Implementation	230,062	122,874	352,936	655,000	302,064
N. College Improvements-Vine/Conifer	57,012	9,400,185	9,457,197	9,672,323	215,126
N. College Improvements-Conifer/Wilcox	3,659,442	693,066	4,352,508	11,768,000	7,415,492
Lemay/Vine Grade Sep Crossing	35,731	13,455	49,186	50,000	814
Willow St. River District Enhancements	15,039	-	15,039	367,760	352,721
Administrative Charges	46,363	-	46,363	46,363	-
Transfer Out					
Natural Areas Fund	125,474	-	125,474	125,474	-
Total Expenditures	<u>30,196,896</u>	<u>122,762,386</u>	<u>152,959,282</u>	<u>191,822,102</u>	<u>38,862,820</u>
Excess (deficiency) of revenues over (under) expenditures	2,527,365	<u>\$ 16,897,534</u>		<u>\$ (125,474)</u>	<u>\$ (19,550,373)</u>
Fund Balances--January 1	<u>21,038,065</u>				
Fund Balances--December 31	<u>\$ 23,565,430</u>				

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

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

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

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

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

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

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Equipment	Self Insurance	Data and Communications
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 338,286	\$ 3,557,674	\$ 295,915
Investments	2,529,403	2,305,367	2,983,385
Receivables			
Accounts	37,054	9,445	1,163
Interest	7,671	6,986	9,034
Prepaid item	-	219,794	-
Inventories of materials and supplies	531,481	-	-
Total Current Assets	<u>3,443,895</u>	<u>6,099,266</u>	<u>3,289,497</u>
Non-Current Assets			
Restricted - cash and cash equivalents	-	-	255,652
Land, water rights, other	30,126	-	-
Buildings, improvements and equipment	10,634,216	-	3,810,902
Accumulated depreciation	(7,085,819)	-	(3,215,657)
Total Non-Current Assets	<u>3,578,523</u>	<u>-</u>	<u>850,897</u>
Total Assets	<u>7,022,418</u>	<u>6,099,266</u>	<u>4,140,394</u>
LIABILITIES			
Current Liabilities			
Accounts payable	194,235	41,890	127,175
Interest payable	10,367	-	4,572
Wages payable	87,132	8,374	135,236
Compensated absences	123,500	26,016	371,687
Claims payable	-	1,373,661	-
Capital lease obligations	635,256	-	398,102
Total Current Liabilities	<u>1,050,490</u>	<u>1,449,941</u>	<u>1,036,772</u>
Non-Current Liabilities			
Claims payable	-	2,839,096	-
Capital lease obligations	1,083,981	-	917,110
Total Non-Current Liabilities	<u>1,083,981</u>	<u>2,839,096</u>	<u>917,110</u>
Total Liabilities	<u>2,134,471</u>	<u>4,289,037</u>	<u>1,953,882</u>
NET POSITION			
Net investment in capital assets	1,859,286	-	595,245
Restricted: debt service	-	-	255,652
Unrestricted	3,028,661	1,810,229	1,335,615
Total Net Position	<u>\$ 4,887,947</u>	<u>\$ 1,810,229</u>	<u>\$ 2,186,512</u>

	Benefits	Utility Customer Service and Admin.	Total
\$	1,401,627	\$ 409,259	\$ 6,002,761
	8,081,831	2,945,345	18,845,331
	227,166	-	274,828
	24,384	9,313	57,388
	-	-	219,794
	-	-	531,481
	<u>9,735,008</u>	<u>3,363,917</u>	<u>25,931,583</u>
	-	-	255,652
	-	-	30,126
	-	3,327,654	17,772,772
	-	(3,146,012)	(13,447,488)
	-	181,642	4,611,062
	<u>9,735,008</u>	<u>3,545,559</u>	<u>30,542,645</u>
	528,875	173,065	1,065,240
	-	-	14,939
	21,157	250,137	502,036
	44,372	358,902	924,477
	1,381,181	-	2,754,842
	-	-	1,033,358
	<u>1,975,585</u>	<u>782,104</u>	<u>6,294,892</u>
	-	-	2,839,096
	-	-	2,001,091
	-	-	4,840,187
	<u>1,975,585</u>	<u>782,104</u>	<u>11,135,079</u>
	-	181,642	2,636,173
	-	-	255,652
	<u>7,759,423</u>	<u>2,581,813</u>	<u>16,515,741</u>
\$	<u>7,759,423</u>	\$ <u>2,763,455</u>	\$ <u>19,407,566</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Equipment</u>	<u>Self Insurance</u>	<u>Data and Communications</u>
OPERATING REVENUES			
Charges for services	\$ 9,037,502	\$ 2,544,141	\$ 1,958,022
Total Operating Revenues	<u>9,037,502</u>	<u>2,544,141</u>	<u>1,958,022</u>
OPERATING EXPENSES			
Personal services	2,636,261	340,300	4,438,896
Contractual services	1,675,318	3,591,353	1,885,765
Commodities	3,939,811	195,269	935,913
Other	140,034	41,318	316,924
Depreciation	856,622	-	291,293
Total Operating Expenses	<u>9,248,046</u>	<u>4,168,240</u>	<u>7,868,791</u>
Operating Income (Loss)	<u>(210,544)</u>	<u>(1,624,099)</u>	<u>(5,910,769)</u>
NONOPERATING REVENUES (EXPENSES)			
Earnings on investments	25,576	40,558	40,251
Other revenue	65,856	-	-
Gain (loss) on sale of capital assets	128,024	-	(5,565)
Interest expense	(53,555)	-	(28,180)
Total Nonoperating Revenues (Expenses)	<u>165,901</u>	<u>40,558</u>	<u>6,506</u>
Income (Loss) Before Transfers	<u>(44,643)</u>	<u>(1,583,541)</u>	<u>(5,904,263)</u>
Transfers in	683,852	-	5,900,736
Transfers out	-	(179,100)	-
Change in Net Position	639,209	(1,762,641)	(3,527)
Net Position--January 1	<u>4,248,738</u>	<u>3,572,870</u>	<u>2,190,039</u>
Net Position--December 31	<u>\$ 4,887,947</u>	<u>\$ 1,810,229</u>	<u>\$ 2,186,512</u>

	Utility Customer		
Benefits	Service and Admin.	Total	
\$ 20,725,477	\$ 12,783,228	\$47,048,370	
20,725,477	12,783,228	47,048,370	
726,157	8,074,252	16,215,866	
22,932,682	3,663,040	33,748,158	
16,230	482,672	5,569,895	
-	32,074	530,350	
-	208,771	1,356,686	
23,675,069	12,460,809	57,420,955	
(2,949,592)	322,419	(10,372,585)	
132,816	36,517	275,718	
40,000	1,251,599	1,357,455	
-	5,718	128,177	
-	-	(81,735)	
172,816	1,293,834	1,679,615	
(2,776,776)	1,616,253	(8,692,970)	
-	179,100	6,763,688	
-	(1,706,061)	(1,885,161)	
(2,776,776)	89,292	(3,814,443)	
10,536,199	2,674,163	23,222,009	
<u>\$ 7,759,423</u>	<u>\$ 2,763,455</u>	<u>\$19,407,566</u>	

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Equipment	Self Insurance	Data and Communications
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 9,051,883	\$ 2,569,605	\$ 1,960,917
Cash paid to employees for services	(2,611,207)	(346,802)	(4,398,338)
Cash paid to other suppliers of goods & services	(5,849,121)	(3,089,448)	(3,436,642)
Other receipts	65,856	-	-
Net cash provided (used) by operating activities	<u>657,411</u>	<u>(866,645)</u>	<u>(5,874,063)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	683,852	-	5,900,736
Transfers to other funds	-	(179,100)	-
Net cash provided (used) by noncapital financing activities	<u>683,852</u>	<u>(179,100)</u>	<u>5,900,736</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	-	500,590
Purchases of capital assets	(195,269)	-	(81,110)
Principal paid on capital debt	(620,900)	-	(318,842)
Interest paid on capital debt	(53,301)	-	(26,488)
Proceeds from sales of capital assets	143,052	-	-
Net cash provided (used) by capital and related financing activities	<u>(726,418)</u>	<u>-</u>	<u>74,150</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(554,701)	841,218	38,982
Earnings received on investments	22,107	42,725	39,716
Net cash provided (used) by investing activities	<u>(532,594)</u>	<u>883,943</u>	<u>78,698</u>
Net increase (decrease) in cash and cash equivalents	82,251	(161,802)	179,521
Cash and cash equivalents, January 1	256,035	3,719,476	372,046
Cash and cash equivalents, December 31	<u>\$ 338,286</u>	<u>\$ 3,557,674</u>	<u>\$ 551,567</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(210,544)	(1,624,099)	(5,910,769)
Other receipts	65,856	-	-
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	856,622	-	291,293
(Increase) decrease in accounts receivable	14,381	25,463	2,895
(Increase) decrease in intergovernmental receivables	9,937	-	-
(Increase) in inventories	13,773	-	-
Increase (decrease) in accounts payable	(117,668)	23,669	(298,040)
Increase (decrease) in compensated absences payable	3,760	(5,303)	18,363
Increase in wages payable	21,294	(1,199)	22,195
Increase (decrease) in claims payable	-	714,824	-
Net cash provided (used) by operating activities	<u>\$ 657,411</u>	<u>\$ (866,645)</u>	<u>\$ (5,874,063)</u>
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	338,286	3,557,674	295,915
Restricted Assets - cash and cash equivalents	-	-	255,652
	<u>\$ 338,286</u>	<u>\$ 3,557,674</u>	<u>\$ 551,567</u>

	Utility Customer		
Benefits	Service and Admin.	Total	
\$ 21,300,491	\$ 12,783,867	\$ 47,666,763	
(718,766)	(8,057,159)	(16,132,272)	
(23,003,450)	(4,223,414)	(39,602,075)	
40,000	1,251,599	1,357,455	
<u>(2,381,725)</u>	<u>1,754,893</u>	<u>(6,710,129)</u>	
-	179,100	6,763,688	
-	(1,706,061)	(1,885,161)	
-	(1,526,961)	4,878,527	
-	-	500,590	
-	-	(276,379)	
-	-	(939,742)	
-	-	(79,789)	
-	5,718	148,770	
-	5,718	(646,550)	
1,835,380	(335,894)	1,824,985	
138,224	35,424	278,196	
1,973,604	(300,470)	2,103,181	
(408,121)	(66,820)	(374,971)	
1,809,748	476,079	6,633,384	
<u>\$ 1,401,627</u>	<u>\$ 409,259</u>	<u>\$ 6,258,413</u>	
(2,949,592)	322,419	\$ (10,372,585)	
40,000	1,251,599	1,357,455	
-	208,771	1,356,686	
575,014	639	618,392	
-	-	9,937	
-	-	13,773	
(39,325)	(45,628)	(476,992)	
4,028	(37,209)	(16,361)	
3,363	54,302	99,955	
(15,213)	-	699,611	
<u>\$ (2,381,725)</u>	<u>\$ 1,754,893</u>	<u>\$ (6,710,129)</u>	
1,401,627	409,259	6,002,761	
-	-	255,652	
<u>\$ 1,401,627</u>	<u>\$ 409,259</u>	<u>\$ 6,258,413</u>	

FIDUCIARY FUNDS
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Trust Funds:

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

Agency Funds:

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

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

**GENERAL EMPLOYEES' RETIREMENT PLAN TRUST FUND
SCHEDULE OF CHANGES IN NET POSITION HELD IN TRUST FOR
PENSION BENEFITS - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
ADDITIONS			
Contributions	\$ 1,905,906	\$ 1,920,000	\$ (14,094)
Earnings on investments	155,242	83,000	72,242
Change in the fair value of investments	<u>2,475,085</u>	<u>-</u>	<u>2,475,085</u>
Total Additions	<u>4,536,233</u>	<u>2,003,000</u>	<u>2,533,233</u>
DEDUCTIONS			
Benefit payments	3,509,719	3,500,000	(9,719)
Administration	<u>18,935</u>	<u>40,017</u>	<u>21,082</u>
Total Deductions	<u>3,528,654</u>	<u>3,540,017</u>	<u>11,363</u>
Net Increase in Plan Net Position	1,007,579	<u>\$ (1,537,017)</u>	<u>\$ 2,544,596</u>
Net Position Held in Trust for Pension Benefits--January 1	<u>44,714,837</u>		
Net Position Held in Trust for Pension Benefits--December 31	<u>\$ 45,722,416</u>		

**AGENCY FUNDS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 DECEMBER 31, 2014**

	Poudre Fire Authority	Poudre River Public Library District	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 1,240,334	\$ 563,169	\$ 1,803,503
Interest Receivable	35,514	17,337	52,851
Investments, at fair value			
U S Government securities	10,317,793	5,035,919	15,353,712
Corporate bonds	<u>1,411,112</u>	<u>688,735</u>	<u>2,099,847</u>
Total Investments, at fair value	<u>11,728,905</u>	<u>5,724,654</u>	<u>17,453,559</u>
Total Assets	<u>13,004,753</u>	<u>6,305,160</u>	<u>19,309,913</u>
LIABILITIES			
Amounts held for other governments	<u>13,004,753</u>	<u>6,305,160</u>	<u>19,309,913</u>
Total Liabilities	<u><u>\$ 13,004,753</u></u>	<u><u>\$ 6,305,160</u></u>	<u><u>\$ 19,309,913</u></u>

**AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

POUDRE FIRE AUTHORITY	Balance-- Dec. 31, 2013	Additions	Deductions	Balance-- Dec. 31, 2014
ASSETS				
Cash and cash equivalents	\$ 1,269,560	\$ 55,177	\$ 84,403	\$ 1,240,334
Receivables - interest	28,491	7,023	-	35,514
Investments, at fair value				
Certificates of deposit	302,892	-	302,892	-
U S Government securities	8,482,357	1,835,436	-	10,317,793
Corporate bonds	1,591,543	-	180,431	1,411,112
Total Investments, at fair value	<u>10,376,792</u>	<u>1,835,436</u>	<u>483,323</u>	<u>11,728,905</u>
Total Assets	<u>11,674,843</u>	<u>1,897,636</u>	<u>567,726</u>	<u>13,004,753</u>
LIABILITIES				
Amounts held for other governments	<u>\$11,674,843</u>	<u>\$ 1,897,636</u>	<u>\$ 567,726</u>	<u>\$13,004,753</u>
POUDRE RIVER PUBLIC LIBRARY DISTRICT				
	Balance-- Dec. 31, 2013	Additions	Deductions	Balance-- Dec. 31, 2014
ASSETS				
Cash and cash equivalents	\$ 614,193	\$ -	\$ 51,024	\$ 563,169
Receivables - interest	14,943	2,394	-	17,337
Investments, at fair value				
Certificates of deposit	147,083	-	147,083	-
U S Government securities	4,126,616	909,303	-	5,035,919
Corporate bonds	773,617	-	84,882	688,735
Total Investments, at fair value	<u>5,047,316</u>	<u>909,303</u>	<u>231,965</u>	<u>5,724,654</u>
Total Assets	<u>5,676,452</u>	<u>911,697</u>	<u>282,989</u>	<u>6,305,160</u>
LIABILITIES				
Amounts held for other governments	<u>\$ 5,676,452</u>	<u>\$ 911,697</u>	<u>\$ 282,989</u>	<u>\$ 6,305,160</u>
TOTAL - ALL FUNDS				
	Balance-- Dec. 31, 2013	Additions	Deductions	Balance-- Dec. 31, 2014
ASSETS				
Cash and cash equivalents	\$ 1,883,753	\$ 55,177	\$ 135,427	\$ 1,803,503
Receivables - interest	43,434	9,417	-	52,851
Investments, at fair value				
Certificates of deposit	449,975	-	449,975	-
U S Government securities	12,608,973	2,744,739	-	15,353,712
Corporate bonds	2,365,160	-	265,313	2,099,847
Total Investments, at fair value	<u>15,424,108</u>	<u>2,744,739</u>	<u>715,288</u>	<u>17,453,559</u>
Total Assets	<u>17,351,295</u>	<u>2,809,333</u>	<u>850,715</u>	<u>19,309,913</u>
LIABILITIES				
Amounts held for other governments	<u>\$17,351,295</u>	<u>\$2,809,333</u>	<u>\$ 850,715</u>	<u>\$19,309,913</u>

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

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

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, 2014**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and cash equivalents	\$ 402,875	\$ -	\$ 402,875
Investments	4,060,682	-	4,060,682
Receivables			
Property taxes	3,987,420	-	3,987,420
Interest	14,745	-	14,745
Due from other governments	4,841	-	4,841
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)	-	2,669,494	1 2,669,494
Total Assets	<u>9,856,027</u>	<u>5,198,241</u>	<u>15,054,268</u>
LIABILITIES			
Accounts payable	130,782	-	130,782
Interest payable	-	38,573	2 38,573
Wages payable	13,497	-	13,497
Non-Current liabilities			
Due within one year	-	1,461,615	2 1,461,615
Due after one year	-	13,740,000	2 13,740,000
Total Liabilities	<u>144,279</u>	<u>15,240,188</u>	<u>15,384,467</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	3,987,420	-	3,987,420
Total Deferred inflows of resources	<u>3,987,420</u>	<u>-</u>	<u>3,987,420</u>
FUND BALANCES/NET POSITION			
Fund balances			
Nonspendable	135,464		
Restricted	1,722,037		
Assigned	3,866,827		
Total Fund Balances	<u>5,724,328</u>	<u>(10,041,947)</u>	<u>(4,317,619)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,856,027</u>		
Net Position:			
Net investment in capital assets			5,198,241
Restricted for debt service			1,722,037
Unrestricted (deficits)			3 (11,237,897)
Total Net Position (Deficit) of Component Unit (page 29)			<u>\$ (4,317,619)</u>

- Capital assets net of accumulated depreciation used in governmental activities are not current financial resources. Therefore they are not reported in the funds.
- 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.
- 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, 2014**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses (including transfers):			
Expenditures/expenses	\$ 4,913,123	\$ (1,852,776) ¹	\$ 3,060,347
	<u>4,913,123</u>	<u>(1,852,776)</u>	<u>3,060,347</u>
Program Revenues			
Charges for services	1,800	-	1,800
Operating grants and contributions	55,116	-	55,116
Net Program Revenues	<u>56,916</u>	<u>-</u>	<u>56,916</u>
Net Program Expense	<u>4,856,207</u>	<u>(1,852,776)</u>	<u>3,003,431</u>
General Revenues			
Property taxes	3,457,834	-	3,457,834
Investment earnings	65,706	-	65,706
Miscellaneous	564,815	(564,815) ²	-
Total General Revenues	<u>4,088,355</u>	<u>(564,815)</u>	<u>3,523,540</u>
Change in Net Position (pages 30-31)	(767,852)	1,287,961	520,109
Fund Balance/Net Position			
Beginning of the year	6,492,180	(11,329,908)	(4,837,728)
End of the year	<u>\$ 5,724,328</u>	<u>\$ (10,041,947)</u>	<u>\$ (4,317,619)</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	(11,352)
Net increase in compensated absences	1,201
Debt Payment	(1,934,815)
Current year depreciation	92,190
	<u>\$ (1,852,776)</u>

² Proceeds from issuance of long term debt are not reported as revenues in the governmental funds.

	<u>\$ (564,815)</u>
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**DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2014**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 360,617	\$ 42,258	\$ 402,875
Investments	3,634,642	426,040	4,060,682
Receivables			
Property taxes	712,379	3,275,041	3,987,420
Interest	11,006	3,739	14,745
Due from other governments	4,841	-	4,841
Inventory of real property held for resale	135,464	-	135,464
Restricted - investments	-	1,250,000	1,250,000
Total Assets	<u>4,858,949</u>	<u>4,997,078</u>	<u>9,856,027</u>
LIABILITIES			
Accounts payable, accruals, and other	130,782	-	130,782
Wages payable	13,497	-	13,497
Total Liabilities	<u>144,279</u>	<u>-</u>	<u>144,279</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	712,379	3,275,041	3,987,420
Total Deferred inflows of resources	<u>712,379</u>	<u>3,275,041</u>	<u>3,987,420</u>
Total Liabilities and Deferred inflows of resources	<u>856,658</u>	<u>3,275,041</u>	<u>4,131,699</u>
FUND BALANCES			
Nonspendable	135,464	-	135,464
Restricted	-	1,722,037	1,722,037
Assigned	3,866,827	-	3,866,827
Total Fund Balances	<u>4,002,291</u>	<u>1,722,037</u>	<u>5,724,328</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,858,949</u>	<u>\$ 4,997,078</u>	<u>\$ 9,856,027</u>

**DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Taxes	\$ 671,564	\$ 2,786,270	\$ 3,457,834
Licenses and permits	1,800	-	1,800
Intergovernmental	55,116	-	55,116
Earnings on investments	40,505	25,201	65,706
Total Revenues	<u>768,985</u>	<u>2,811,471</u>	<u>3,580,456</u>
EXPENDITURES			
Current operating			
Administrative	2,150,440	309	2,150,749
Debt service			
Principal	-	2,171,460	2,171,460
Interest	-	590,914	590,914
Total Expenditures	<u>2,150,440</u>	<u>2,762,683</u>	<u>4,913,123</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,381,455)</u>	<u>48,788</u>	<u>(1,332,667)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long term debt	<u>564,815</u>	<u>-</u>	<u>564,815</u>
Total Other Financing Sources	<u>564,815</u>	<u>-</u>	<u>564,815</u>
Net Change in Fund Balances	(816,640)	48,788	(767,852)
Fund Balances-January 1	<u>4,818,931</u>	<u>1,673,249</u>	<u>6,492,180</u>
Fund Balances-December 31	<u>\$ 4,002,291</u>	<u>\$ 1,722,037</u>	<u>\$ 5,724,328</u>

**DOWNTOWN DEVELOPMENT AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 671,564	\$ 667,800	\$ 667,800	\$ 3,764
Licenses and permits	1,800	1,800	1,800	-
Intergovernmental	55,116	39,653	39,653	15,463
Fees and charges for services	-	47,161	47,161	(47,161)
Earnings on investments	40,505	1,000	1,000	39,505
Proceeds from issuance of long-term debt	564,815	1,000,000	1,000,000	-
Total Revenues	<u>1,333,800</u>	<u>1,757,414</u>	<u>1,757,414</u>	<u>11,571</u>
EXPENDITURES				
Administration	2,150,440	1,764,404	13,924,424	11,773,984
Total Expenditures	<u>2,150,440</u>	<u>1,764,404</u>	<u>13,924,424</u>	<u>11,773,984</u>
Excess (deficiency) of revenues over (under) expenditures	(816,640)	<u>\$ (6,990)</u>	<u>\$ (12,167,010)</u>	<u>\$ (11,762,413)</u>
Net Change in Fund Balances	(816,640)			
Fund Balances--January 1	<u>4,818,931</u>			
Fund Balances--December 31	<u>\$ 4,002,291</u>			

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STATISTICAL SECTION



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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	136
Changes in Net Position.....	Exh. A-2	137
Fund Balances, Governmental Funds	Exh. A-3	138
Changes in Fund Balances, Governmental Funds	Exh. A-4	139

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	140
Direct and Overlapping Sales Tax Rates	Exh. A-6	141
Sales Tax Revenue Taxpayers by Industry.....	Exh. A-7	142

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	143
Ratios of General Bonded Debt Outstanding	Exh. A-9	144
Direct & Overlapping Governmental Act. Debt.....	Exh. A-10	145
Legal Debt Margin Information.....	Exh. A-11	146
Pledged Revenue Coverage	Exh. A-12	147

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	149
Principal Employers.....	Exh. A-14	150
Full-time Equivalent City Emp. By Function/Program	Exh. A-15	151

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	152
Capital Asset Statistics by Function/Program	Exh. A-17	153

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.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 428,474	\$ 481,713	\$ 526,367	\$ 551,853	\$ 573,887	\$ 597,270	\$ 628,758	\$ 662,461	\$ 694,119	\$ 718,092
Restricted	9,826	8,957	(12,037)	5,229	8,960	37,138	43,327	52,466	55,649	76,411
Unrestricted	188,871	193,016	184,842	161,680	146,408	113,086	107,784	119,944	145,207	153,205
Total governmental activities net position	627,170	683,685	699,172	718,762	729,256	747,494	779,869	834,870	894,974	947,708
Business-type activities										
Net investment in capital assets	358,079	376,929	398,949	429,392	453,420	466,364	490,511	508,284	531,113	564,294
Restricted	1,118	1,091	1,130	1,642	1,671	1,030	1,025	995	1,032	853
Unrestricted	141,010	161,847	175,273	168,966	157,998	163,527	160,226	172,528	178,571	182,456
Total business-type activities net position	500,207	539,867	575,353	600,000	613,089	630,922	651,763	681,808	710,716	747,603
Primary government										
Net investment in capital assets	786,553	858,642	925,317	981,245	1,027,307	1,063,634	1,119,270	1,170,745	1,225,231	1,282,386
Restricted	10,944	10,047	(10,907)	6,871	10,631	38,168	44,352	53,461	56,681	77,264
Unrestricted	329,880	354,863	360,115	330,646	304,406	276,613	268,010	292,472	323,778	335,661
Total primary government net position	\$ 1,127,377	\$ 1,223,552	\$ 1,274,525	\$ 1,318,762	\$ 1,342,345	\$ 1,378,416	\$ 1,431,631	\$ 1,516,678	\$ 1,605,690	\$ 1,695,311

Totals may not add due to rounding

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

Exhibit A-2

Expenses	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
General government	\$ 19,382	\$ 27,085	\$ 26,553	\$ 33,535	\$ 32,868	\$ 29,752	\$ 33,674	\$ 34,645	\$ 40,118	\$ 36,434
Public safety	38,703	43,299	44,412	46,521	50,056	48,854	51,313	55,633	56,660	57,686
Culture, parks, recreation & natural areas	34,029	32,004	34,790	35,490	38,515	27,342	29,755	32,448	40,910	37,165
Planning and development	5,752	5,525	7,593	6,585	9,706	14,331	11,053	9,502	13,547	11,160
Transportation	41,074	44,644	42,839	44,659	36,471	34,698	38,540	42,249	43,710	58,021
Library	3,790	3,729	3,900	-	-	-	-	-	-	-
Interest on long-term debt	3,172	3,100	3,113	3,063	2,632	2,682	2,523	2,148	1,406	1,945
Total governmental activities expenses	145,902	159,386	163,199	169,852	170,247	157,659	166,857	176,625	196,352	202,411
Business-type activities										
Light & Power	73,898	73,793	80,479	81,620	83,888	91,693	97,057	101,513	116,639	116,911
Water	19,787	19,790	23,272	21,205	20,667	19,671	19,941	22,169	23,312	25,586
Wastewater	13,866	13,187	14,240	13,370	14,668	14,129	14,163	15,872	17,808	18,314
Storm drainage	8,187	7,493	9,132	9,021	9,426	8,307	8,407	8,119	9,428	9,196
Golf	2,529	2,469	2,697	2,507	2,387	2,454	2,547	2,661	2,758	3,306
Total business-type activities expenses	118,267	116,732	129,820	127,723	131,037	136,253	142,115	150,333	169,946	173,313
Total primary government expenses	264,169	276,118	293,019	297,575	301,284	293,911	308,973	326,958	366,298	375,724
Program revenues										
Governmental activities										
General government	4,297	4,706	4,890	12,962	8,863	6,782	7,479	6,458	6,944	8,807
Public safety	2,371	2,436	3,719	1,823	1,930	1,862	1,724	1,548	1,688	1,750
Culture, parks, recreation & natural areas	6,952	7,257	11,868	8,065	7,388	7,004	7,491	7,680	8,486	9,165
Planning and development	3,063	2,828	2,617	1,649	994	1,295	1,622	2,579	3,540	5,335
Transportation	8,805	9,296	9,293	12,003	8,577	8,101	6,926	11,147	12,108	13,409
Operating grants & contributions	23,640	10,684	10,988	6,917	7,998	8,240	13,712	9,284	10,075	6,958
Capital grants & contributions	46,702	31,530	30,932	7,775	25,717	16,014	14,784	31,678	49,585	28,040
Total governmental activities program revenues	95,829	68,736	74,306	51,194	61,467	49,298	53,737	70,374	92,426	73,464
Business-type activities										
Light & Power	80,049	81,482	83,326	83,521	84,253	94,235	100,814	109,776	115,879	115,412
Water	24,544	26,366	25,243	24,499	21,978	24,463	24,308	28,553	26,210	27,044
Wastewater	13,908	14,235	15,114	16,272	17,803	19,275	19,149	20,882	20,430	21,486
Storm drainage	13,505	13,074	13,197	13,576	13,631	13,869	13,946	14,082	14,396	14,835
Golf	2,415	2,540	2,579	2,644	2,608	2,676	2,672	3,096	2,921	3,270
Operating grants & contributions	57	13	20	24	112	220	131	6	30	8
Capital grants & contributions	16,591	16,151	16,651	12,233	8,169	9,019	11,661	15,979	24,099	25,772
Total business-type activities program revenues	151,069	153,860	156,129	152,768	148,553	163,757	172,680	192,374	203,963	207,827
Total primary government program revenues	246,898	222,596	230,436	203,963	210,020	213,055	226,417	262,748	296,389	281,291
Net (expenses) revenue										
Governmental activities	(50,073)	(90,649)	(88,892)	(118,658)	(108,780)	(108,360)	(113,120)	(106,251)	(103,925)	(128,947)
Business-type activities	32,802	37,128	26,309	25,046	17,517	27,504	30,565	42,042	34,017	34,514
Total primary government net expenses	(17,271)	(53,522)	(62,583)	(93,612)	(91,263)	(80,857)	(82,556)	(64,210)	(69,908)	(94,434)
General revenues and other changes in net position										
Governmental activities										
Taxes:										
Sales & use taxes	72,735	75,631	78,445	75,865	70,501	74,719	97,589	109,732	111,846	129,088
Property taxes	14,955	15,898	16,298	16,683	17,038	17,833	17,742	18,188	18,485	19,155
Occupational privilege taxes	2,228	2,424	2,359	2,494	2,413	2,327	2,433	2,560	2,653	2,676
Lodging tax	668	842	838	833	736	808	909	1,012	1,103	1,305
Intergovernmental not restricted to programs	494	486	541	10,420	9,277	9,919	10,274	10,681	20,032	21,146
Investment earnings	8,941	17,231	14,546	9,043	3,655	2,367	2,601	1,998	537	3,142
Miscellaneous	392	3,540	3,261	14,400	1,394	787	1,019	1,246	2,991	3,211
Transfers	6,405	6,670	6,900	11,820	10,947	13,636	13,486	15,837	6,383	1,959
Total governmental activities	106,818	122,722	123,188	141,560	115,962	122,395	146,054	161,253	164,029	181,681
Business-type activities										
Intergovernmental not restricted to programs	-	-	10	-	-	-	-	-	-	-
Investment earnings	3,719	7,072	15,279	9,583	4,727	2,585	2,919	2,227	466	2,330
Sale of land & equipment	244	-	-	-	-	-	-	-	-	-
Other miscellaneous	1,022	2,130	787	1,839	1,792	1,379	1,498	1,613	808	2,003
Transfers	(6,405)	(6,670)	(6,900)	(11,820)	(10,947)	(13,636)	(13,486)	(15,837)	(6,383)	(1,959)
Total business-type activities	(1,420)	2,532	9,167	(398)	(4,428)	(9,671)	(9,069)	(11,996)	(5,109)	2,374
Total primary government	105,399	125,254	132,354	141,161	111,533	112,724	136,985	149,257	158,920	184,055
Change in net position										
Governmental activities	56,745	32,072	34,295	22,902	7,181	14,034	32,934	55,001	60,104	52,734
Business-type activities	31,383	39,660	35,476	24,648	13,088	17,833	21,496	30,045	28,908	36,887
Total primary government	\$ 88,128	\$ 71,732	\$ 69,771	\$ 47,549	\$ 20,270	\$ 31,867	\$ 54,429	\$ 85,047	\$ 89,012	\$ 89,621

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
Non Spendable	\$ 1,781	\$ 3,026	\$ 3,026	\$ 3,026	\$ 16,616	\$ 9,546	\$ 8,519	\$ 8,519	\$ 7,897	\$ 8,345
Restricted	6,433	5,386	5,278	4,956	4,287	6,400	7,389	9,751	12,161	16,369
Committed	460	813	1,025	569	700	720	604	589	646	506
Assigned	24,418	21,806	16,444	13,008	5,015	4,929	7,348	12,439	10,403	23,709
Unassigned	4,304	11,973	22,485	23,897	10,977	19,330	16,307	23,956	29,012	25,744
Total general fund	37,397	43,005	48,258	45,456	37,594	40,924	40,167	55,253	60,120	74,674
All Other Governmental Funds										
Non Spendable	-	-	-	-	1	6	7	5,311	5,313	5,317
Restricted	428	1,183	1,199	1,245	4,674	31,816	35,938	42,715	43,718	60,041
Committed	25,495	15,293	13,440	14,652	14,352	27,556	21,540	30,543	37,142	44,237
Assigned	131,285	114,448	95,644	89,859	87,415	30,269	30,978	23,447	31,444	26,902
Unassigned	-	-	-	-	(9,930)	(4,703)	(6,842)	(14,592)	(7,872)	(9,397)
Total other governmental funds	\$ 157,207	\$ 130,924	\$ 110,283	\$ 105,755	\$ 96,512	\$ 84,944	\$ 81,622	\$ 87,424	\$ 109,745	\$ 127,099

Totals may not add due to rounding

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 90,071	\$ 93,994	\$ 97,278	\$ 95,875	\$ 90,689	\$ 95,687	\$ 118,673	\$ 131,491	\$ 134,086	\$ 152,223
Licenses & permits	1,887	1,656	1,657	1,493	1,013	1,236	1,554	2,184	3,040	4,645
Intergovernmental	15,985	22,241	18,057	26,998	29,802	37,520	34,738	53,192	68,696	49,779
Fees and charges for services	31,382	31,681	39,947	30,013	22,918	22,709	22,765	30,742	33,323	37,569
Fines & forfeitures	1,929	2,266	2,825	2,749	2,779	2,737	2,730	2,783	2,803	2,536
Earnings on investments	5,381	8,515	8,798	5,861	3,082	2,064	2,255	1,754	585	2,923
Securities lending income	3,077	7,807	3,915	1,809	103	6	-	-	-	-
Miscellaneous revenue	30,199	15,201	12,646	4,408	2,472	2,684	8,835	4,224	6,275	5,229
Total Revenues	179,911	183,362	185,121	169,205	152,858	164,643	191,549	226,370	248,809	254,904
Expenditures										
Police services	24,748	26,566	28,463	28,424	29,269	30,490	31,231	34,512	34,805	35,617
Financial services	2,641	2,553	2,877	3,013	3,044	2,909	2,874	3,187	3,616	3,798
Community and operation	28,611	32,441	33,674	32,924	32,894	29,375	32,298	36,043	43,973	40,257
Planning, development and transportation	36,313	36,419	36,103	42,977	37,091	34,475	41,862	45,397	45,830	52,907
Executive, legislative, and judicial	4,907	4,323	4,613	4,945	4,306	4,675	4,390	4,639	5,370	5,945
Employee and communications	1,849	1,618	1,536	2,036	2,774	1,949	2,590	2,449	2,766	2,840
Sustainability services	4,306	3,788	5,215	4,579	8,735	12,246	9,643	7,096	12,332	8,421
Other	1,128	1,084	1,478	1,995	1,177	1,717	1,318	1,682	1,753	1,320
Library	3,740	3,729	3,997	346	-	-	-	-	-	-
Securities lending										
Interest	3,056	7,695	3,854	1,563	53	4	-	-	-	-
Agent fees	21	45	37	57	28	1	-	-	-	-
Intergovernmental										
Fire protection	14,515	15,161	15,505	16,383	17,224	17,458	18,994	19,283	20,065	20,753
Capital outlay	27,363	61,964	54,065	27,379	23,944	31,851	40,914	38,356	55,057	42,704
Debt service										
Principal	3,777	4,243	2,988	4,626	4,731	3,805	4,174	6,968	4,202	5,275
Interest and debt service costs	4,262	3,267	3,128	2,955	2,654	2,693	2,524	2,499	1,517	1,953
Total expenditures	161,237	204,897	197,534	174,201	167,923	173,650	192,811	202,111	231,287	221,790
Excess (deficiency) of revenues over (under) expenditures	18,674	(21,535)	(12,413)	(4,996)	(15,066)	(9,007)	(1,262)	24,259	17,522	33,115
Other Financing Sources (Uses)										
Proceeds from issuance of long term debt	162	608	763	1,198	-	-	976	35,092	12,909	3,190
Transfers in	104,098	114,140	112,846	114,237	115,086	35,457	39,128	41,781	33,445	40,033
Transfers out	(104,147)	(113,888)	(116,583)	(117,769)	(117,124)	(39,156)	(42,958)	(46,030)	(37,705)	(44,496)
Sale of capital assets	-	-	-	-	-	265	37	181	1,018	67
Payments to escrow agent	-	-	-	-	(2)	-	-	(34,395)	-	-
Total other financing sources (uses)	113	860	(2,975)	(2,334)	(2,040)	(3,435)	(2,817)	(3,371)	9,667	(1,206)
Net change in fund balances	\$ 18,788	\$ (20,675)	\$ (15,388)	\$ (7,330)	\$ (17,106)	\$ (12,441)	\$ (4,079)	\$ 20,888	\$ 27,188	\$ 31,909
Debt service as a percentage of noncapital expenditures	6.67%	5.13%	4.35%	5.42%	5.11%	4.54%	4.38%	5.78%	3.29%	3.99%

Totals may not add due to rounding

Taxable Sales by Category

Last Ten Fiscal Years
in millions of dollars

Exhibit A-5

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Sales Tax Category</u>										
Grocery, Convenience, Liquor	\$ 299.6	\$ 320.1	\$ 347.4	\$ 359.8	\$ 359.7	\$ 363.8	\$ 394.1	\$ 429.0	\$ 458.9	\$ 488.3
Restaurants, Caterers and Bars	248.7	257.0	274.8	285.9	285.4	295.6	315.4	337.9	353.1	380.2
General Merchandise	339.7	334.9	336.2	318.3	306.7	299.4	303.0	303.5	313.1	323.2
Vehicle Sales, Parts and Repairs	157.7	157.8	175.8	162.9	149.3	160.0	164.5	180.6	193.6	221.4
Building Materials, Garden Equipment & Supplies	128.3	129.2	132.4	138.4	130.2	142.9	154.8	165.9	186.1	221.5
Sporting, Hobby, Book, Music	116.1	116.9	121.7	126.0	126.1	129.2	134.5	134.9	137.3	140.5
Broadcasting and Telecommunications	103.2	99.5	116.5	113.7	113.0	119.0	116.7	117.2	108.0	111.8
Electronics and Appliances	94.3	104.8	116.8	117.7	107.8	111.9	118.2	122.1	126.0	150.7
Miscellaneous Retailers	99.1	102.5	113.6	110.0	103.9	110.4	116.4	121.7	131.0	138.6
Utilities	93.3	99.6	96.0	103.3	97.5	100.8	107.0	111.2	117.5	122.2
Clothing and Accessories	95.7	87.8	84.9	79.4	74.8	76.9	83.0	88.7	82.9	78.4
Pharmacy, Salon and Laundry	39.8	40.0	44.0	45.4	45.0	54.5	61.1	54.6	56.8	66.6
Other	45.5	47.6	47.4	47.2	43.0	44.3	45.9	51.0	53.7	58.6
Rental and Leasing Services	52.0	49.1	52.1	52.1	46.4	43.1	42.7	46.3	44.5	52.0
Furniture and Home Furnishings	50.9	51.7	56.7	52.3	38.9	41.0	43.7	50.0	56.5	60.7
Wholesale Trade	41.6	138.8	57.9	49.2	41.9	35.6	37.5	42.4	43.6	45.2
Lodging	27.2	31.7	34.3	33.9	29.1	32.2	35.2	40.2	42.1	49.8
Manufacturing	39.0	33.2	37.9	37.3	26.7	30.5	37.1	44.5	44.2	52.2
Total	\$2,071.8	\$2,202.1	\$2,246.4	\$2,232.8	\$2,125.3	\$2,191.2	\$2,310.9	\$2,441.7	\$2,548.9	\$2,761.9
City direct sales tax rate*	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.85%	3.85%	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>
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%
2013	3.85%	0.60%	2.90%
2014	3.85%	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 2005
tax liability in thousands

	Fiscal Year 2014			Fiscal Year 2005			
	Number of Filers	Percentage of Total	Tax Liability	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Grocery, Convenience, Liquor	256	2.25%	\$ 13,790	181	1.88%	\$ 7,558	12.70%
Restaurants, Caterers and Bars	543	4.78%	14,617	436	4.52%	7,280	12.23%
General Merchandise	26	0.23%	10,978	19	0.20%	9,568	16.08%
Vehicle Sales, Parts and Repairs	410	3.61%	8,572	371	3.84%	4,686	7.87%
Building Materials, Garden Equipment & Supplies	2,553	22.45%	8,548	1,798	18.63%	3,810	6.40%
Sporting, Hobby, Book, Music	397	3.49%	5,428	361	3.74%	3,460	5.81%
Broadcasting & Telecommunications	283	2.49%	4,331	268	2.78%	3,083	5.18%
Electronics and Appliances	363	3.19%	5,809	216	2.24%	2,812	4.73%
Miscellaneous Retailers	1,402	12.33%	5,306	1,121	11.62%	2,925	4.92%
Utilities	11	0.10%	4,680	9	0.09%	2,796	4.70%
Clothing and Accessories	246	2.16%	3,028	230	2.38%	2,824	4.75%
Pharmacy, Salon and Laundry	768	6.75%	2,501	570	5.91%	1,155	1.94%
Other	2,816	24.77%	2,233	2,780	28.81%	1,330	2.23%
Rental and Leasing Services	377	3.32%	2,094	374	3.88%	1,553	2.61%
Furniture and Home Furnishings	178	1.57%	2,327	184	1.91%	1,520	2.55%
Wholesale Trade	301	2.65%	1,614	320	3.32%	1,245	2.09%
Lodging	70	0.62%	1,941	19	0.20%	809	1.36%
Manufacturing	370	3.25%	2,046	392	4.06%	1,101	1.85%
Total	11,370	100.00%	\$ 99,847	9,649	100.00%	\$ 59,517	100.00%

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

Totals may not add due to rounding

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
in thousands

Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Assignment of Lease Payments	Capital Leases	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Assignment of Lease Payments	Capital Leases			
2005	-	5,744	61,870	771	3,475	10,455	107,495	1,805	2,451	251	194,317	4.4%	1.52
2006	-	4,579	60,190	737	2,815	7,395	99,031	1,715	2,345	-	178,807	3.9%	1.38
2007	-	3,342	58,345	702	2,602	5,000	90,602	1,715	2,234	489	165,032	3.3%	1.23
2008	-	2,250	55,340	666	2,636	2,535	81,618	1,595	2,117	544	149,301	2.8%	1.09
2009	-	985	52,225	628	1,736	-	102,440	1,470	1,995	381	161,860	3.1%	1.17
2010	-	670	49,100	587	1,015	-	109,884	1,360	1,868	227	164,711	3.0%	1.14
2011	-	340	45,870	545	2,755	-	100,380	1,230	1,734	245	153,098	2.7%	1.06
2012	-	-	41,845	501	3,719	-	90,007	1,095	1,594	208	138,968	2.3%	0.93
2013	-	11,085	37,905	455	5,872	-	79,597	950	1,448	271	137,583	2.1%	0.91
2014	-	10,833	33,815	407	7,790	-	71,514	795	1,295	651	127,100	n/a	0.82

Totals may not add due to rounding

Note: Personal Income provided by the Bureau of Economic Analysis. Information is updated regularly and 2014 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>
2005	10,455	0.09%	81
2006	7,395	0.06%	55
2007	5,000	0.04%	37
2008	2,535	0.02%	18
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-

Direct and Overlapping Governmental Activities Debt

Exhibit A-10

As of December 31, 2014

in thousands

	Debt Outstanding ²	Percentage Applicable to the City ³	Share of Debt Applicable to the City
Direct Debt			
City of Fort Collins ¹	\$ 52,845	100.00%	\$ 52,845
Overlapping Debt			
Harmony Tech Park No. 1 ⁴	-	100.00%	-
Harmony Tech Park No. 2 ⁴	-	100.00%	-
Harmony Tech Park No. 3 ⁴	-	100.00%	-
Mall Metro Distict ⁴	72,950	100.00%	72,950
Poudre R-1 School District ⁴	258,488	75.58%	195,363
Poudre Health Services District ⁴	-	76.06%	-
Poudre River Public Library ⁴	-	78.43%	-
Total Overlapping Debt	331,438		268,313
Total Direct and Overlapping Debt	<u>\$ 384,283</u>		<u>\$ 321,158</u>

**ASSESSED VALUATION, DEBT, AND DEBT RATIO
DECEMBER 31, 2014**

Estimated actual valuation	\$ 15,676,980
Assessed valuation	\$ 1,934,218
Net direct debt	\$ 52,845
Estimated overlapping debt	\$ 268,313
Net direct and estimated overlapping debt	\$ 321,158
Ratio of net direct debt to estimated actual valuation	0.3%
Ratio of net direct debt to assessed valuation	2.7%
Net direct debt per capita ⁵	\$ 340
Ratio of net direct and estimated overlapping debt to estimated actual valuation	2.0%
Ratio of net direct and estimated overlapping debt to assessed valuation	16.6%
Net direct and estimated overlapping debt per capita ⁵	\$ 2,067
Estimated actual valuation per capita ⁵	\$ 100,881
Assessed valuation per capita ⁵	\$ 12,447

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

² Includes outstanding debt supported by general property taxes less available debt service monies.

³ 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.

⁴ Source: Governmental entity.

⁵ Based on 2014 Population estimate per City of Fort Collins Planning Office--155,400. Per capita amounts are presented unrounded.

Legal Debt Margin Information
 Last Ten Fiscal Years
in thousands

Assessed Valuation ¹									\$ 1,934,218	
Debt limit - 10% of assessed value									193,422	
Amount of debt applicable to limit:										
Total bonded debt (including special assessments)								85,666		
Less:										
Assets in debt service funds available for payment of general obligation debt								-		
Other deductions allowed by law:										
Downtown Development Authority tax increment bonds								(15,190)		
Light and Power revenue bonds								(10,205)		
Water revenue bonds								(12,351)		
Sewer revenue bonds								(28,120)		
Storm drainage revenue bonds								(19,800)		
Net amount of debt applicable to debt limit								-		
Legal debt margin									<u>\$ 193,422</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>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 149,791	\$ 152,958	\$ 171,317	\$ 175,881	\$ 182,224	\$ 181,595	\$ 179,223	\$ 179,603	\$ 188,469	\$ 193,422
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 149,791</u>	<u>\$ 152,958</u>	<u>\$ 171,317</u>	<u>\$ 175,881</u>	<u>\$ 182,224</u>	<u>\$ 181,595</u>	<u>\$ 179,223</u>	<u>\$ 179,603</u>	<u>\$ 188,469</u>	<u>\$ 193,422</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹Source: Larimer County Assessor's Office.

Pledged Revenue Coverage

Last Ten Fiscal Years

in thousands

Exhibit A-12

LIGHT AND POWER REVENUE BONDS

	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for	Principal	Interest	Total	
			Debt Service				
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	n/a
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
2013	129,264	108,976	20,287	1,490	547	2,037	9.96
2014	125,953	107,205	18,748	1,520	514	2,034	9.22

SEWER REVENUE BONDS

	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for	Principal	Interest	Total	
			Debt Service				
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
2013	23,811	11,942	11,870	3,265	1,308	4,573	2.60
2014	26,258	11,586	14,672	1,640	1,217	2,857	5.14

STORM DRAINAGE REVENUE BONDS

	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for	Principal	Interest	Total	
			Debt Service				
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
2013	15,322	6,510	8,812	3,085	954	4,039	2.18
2014	17,742	5,749	11,993	3,203	840	4,042	2.97

Pledged Revenue Coverage
 Last Ten Fiscal Years
in thousands

Exhibit A-12
 (continued)

WATER REVENUE BONDS

	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for Debt Service	Principal	Interest	Total	
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
2013	32,727	18,109	14,617	2,569	676	3,245	4.50
2014	37,579	18,629	18,950	2,759	510	3,269	5.80

Totals may not add due to rounding

Demographic and Economic Statistics
Last Ten Fiscal Years

Exhibit A-13

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Denver/Boulder Greeley CPI-U</u>	<u>Residential Building Permits</u>
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	12,826,581	41,311	6.4%	224.57	508
2013	151,330	13,545,018	42,866	5.4%	230.79	670
2014	155,400	n/a	n/a	4.3%	237.20	802

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 2014 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, 2011-2014 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
2014 and Ten Years Ago

Exhibit A-14

<u>Employer</u>	Fiscal Year 2014			Fiscal Year 2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Colorado State University	6,700	1	7.67%	6,400	1	8.56%
Poudre R-1 School District	4,300	2	4.93%	3,800	2	5.08%
Poudre Valley Hospital	3,100	3	3.55%	2,600	3	3.48%
City of Fort Collins	2,304	4	2.64%	2,000	5	2.68%
Larimer County	1,500	5	1.72%	1,700	6	2.27%
Woodward, Inc	1,300	6	1.49%	-	-	0.00%
Hewlett Packard	1,100	7	1.26%	2,200	4	2.94%
Avago	870	8	1.00%	-	-	0.00%
Center Partners	800	9	0.92%	820	7	1.10%
Otterbox	730	10	0.84%	-	-	0.00%
Agilent Technologies	-	-	0.00%	800	8	1.07%
Anheuser Busch	-	-	0.00%	700	9	0.94%
Advanced Energy Industries	-	-	0.00%	600	10	0.80%
Total	22,704		26.0%	21,620		28.9%

Source: BizWest Book of Lists, Infogroup CDLE, Labor Market Information, Local Area Unemployment Statistics

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

Exhibit A-15

Function/ Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Economic Health Office	0.2	0.7	1.5	2.2	2.8	3.0	2.7	2.1	2.6	3.0
Sustainability Services Admin	-	-	-	-	-	-	0.9	1.3	2.0	1.9
Finance Administration	3.8	3.0	3.1	3.0	3.0	2.6	2.8	4.0	5.3	5.7
Accounting and Treasury	10.5	12.7	14.5	12.7	12.6	12.9	13.0	11.9	12.7	12.8
Budget	1.8	1.5	2.0	3.7	4.0	4.0	3.4	3.8	3.7	3.9
Purchasing	4.4	4.0	4.0	4.4	5.0	5.0	5.2	5.5	4.9	5.8
Safety, Security, & Risk Mgmt.	5.4	4.8	4.7	4.9	4.8	4.4	3.8	3.8	4.7	4.5
Sales Tax	4.9	5.0	5.0	5.0	5.0	4.2	4.7	4.9	5.5	5.7
Information Technology	44.1	40.5	41.9	46.5	47.4	48.3	47.1	53.0	58.4	66.1
Comm. & Public Involvement	9.0	7.3	8.4	9.9	10.9	10.8	11.2	12.6	13.5	15.0
Human Resources	16.2	17.5	17.7	20.0	20.9	20.7	20.9	21.4	22.8	22.2
Operation Services	60.8	59.2	60.4	64.8	66.7	64.0	64.3	71.0	72.0	72.2
City Clerk's Office	6.6	6.7	6.8	6.8	6.8	6.7	6.7	6.7	6.5	6.0
City Attorney's Office	8.7	9.4	9.8	10.0	10.0	11.6	12.3	12.1	13.1	14.7
City Council	7.3	7.0	7.2	6.8	6.5	7.0	6.8	7.0	6.7	7.0
City Manager's Office	10.9	9.8	11.5	10.6	11.9	10.6	11.7	13.3	13.0	14.3
Municipal Court	7.9	8.2	7.8	8.5	7.7	7.2	8.3	8.2	7.5	7.5
Public Safety										
Investigations	47.4	48.6	51.6	56.0	56.9	57.2	57.4	56.9	57.3	56.8
Police Information Services	55.9	52.3	50.3	50.0	50.7	52.0	54.1	56.6	57.9	59.7
Patrol	115.6	115.7	113.3	114.7	115.2	117.7	127.0	139.0	145.3	155.9
Office of the Chief	20.9	20.1	20.4	21.4	21.5	21.4	20.7	21.5	21.2	19.7
Culture, Park, Rec, & Enviro										
Environmental Services	4.8	3.5	3.7	5.7	6.3	6.4	8.1	9.8	11.0	11.8
Recreation	131.8	127.6	127.2	129.1	130.5	125.4	123.8	123.8	123.5	125.8
Community Services Admin	3.0	2.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Park Planning & Development	6.3	5.4	5.2	5.8	6.0	5.4	5.1	5.4	4.9	4.0
Cultural Services	32.4	32.2	34.6	38.1	40.4	34.1	35.6	41.1	45.5	42.5
Parks	90.5	91.3	91.2	103.3	106.1	101.6	110.2	115.8	120.4	120.0
Natural Areas	37.2	38.7	39.5	41.2	44.4	43.0	43.8	46.4	45.7	46.4
Planning & Development										
Social Sustainability	5.8	6.2	6.0	6.0	6.0	6.0	5.9	5.1	5.9	7.2
PDT Administration	3.8	4.0	4.0	4.6	4.0	3.6	3.8	3.1	3.0	2.7
Comm Dev & Neighborhood Svcs	46.3	44.9	42.4	41.9	36.5	33.1	34.8	43.4	48.9	54.7
Urban Renewal Authority	-	0.4	0.5	1.0	1.0	1.1	1.0	1.0	2.0	1.8
Transportation										
PDT Administration	3.0	2.5	0.7	-	-	-	-	-	-	-
Transfort / Dial-a-Ride	83.0	73.6	77.0	79.1	78.6	77.4	78.2	78.8	78.9	94.1
FC Moves	1.4	1.5	2.5	4.7	4.4	4.4	4.3	5.6	5.9	7.0
Streets	49.4	49.2	49.4	50.0	45.9	48.3	53.9	53.5	52.6	54.8
Traffic	25.1	24.0	26.1	27.2	27.0	25.9	26.9	27.9	26.7	26.0
Engineering	33.0	30.8	28.4	30.3	31.5	30.1	31.0	31.8	32.5	31.0
Parking	20.1	18.3	18.0	16.7	16.8	17.8	17.6	17.6	18.8	20.7
Light & Power										
Light & Power Administration	34.0	32.8	33.1	33.2	33.1	33.5	33.3	34.5	35.1	34.9
Light & Power Operations	64.7	67.7	70.5	76.7	82.0	80.1	78.9	79.4	78.1	79.3
L&P System Additions	23.4	17.4	14.2	10.3	10.6	11.0	10.7	9.8	8.9	8.2
L&P Energy Services	5.0	5.7	6.4	7.8	11.7	14.0	14.3	13.6	12.6	11.4
Water										
Water Administration	29.3	28.3	28.5	28.6	28.5	28.9	28.7	29.7	30.2	30.1
Water Minor Capital	0.6	0.2	-	0.2	-	-	-	-	-	-
Water Payments and Transfers	5.5	5.1	4.1	4.8	4.9	4.4	4.3	4.4	5.1	5.7
Water Trans & Distribution	22.2	21.6	23.0	26.2	28.6	27.1	27.8	26.3	26.8	26.7
Water Meter Operations	10.5	10.7	9.7	9.6	10.0	9.8	11.1	10.9	10.6	10.1
Water Production	26.7	25.7	26.4	29.1	29.4	29.2	29.8	30.4	32.5	30.9
Water Quality	9.0	7.7	7.8	8.0	8.0	8.0	7.8	8.0	7.9	8.7
Water Resources	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.4	3.5
Wastewater										
WW Administration	20.8	20.1	20.3	20.3	20.2	20.5	20.4	21.1	21.5	21.3
WW Payments and Transfers	3.0	3.0	3.0	3.1	2.3	2.0	2.0	2.0	2.0	2.0
WW Trunk and Collection	14.7	14.0	13.9	13.3	14.3	15.1	16.3	17.7	18.7	17.2
WW Water Quality	7.5	7.4	7.5	7.4	7.9	7.7	7.0	7.3	8.3	9.2
WW Water Reclamation	38.7	37.7	38.0	38.9	39.3	38.2	36.5	35.2	33.5	32.3
Storm Drainage										
Stormwater Administration	10.4	10.0	10.1	10.1	10.1	10.2	10.2	10.5	10.7	10.7
Stormwater Minor Capital	0.7	-	-	-	-	-	-	-	-	-
Stormwater Operations	24.8	26.3	27.1	28.5	29.4	28.3	27.3	25.5	28.1	29.6
Golf										
Golf Administration	1.7	1.7	1.7	1.7	0.9	0.8	0.8	0.7	0.7	0.7
Golf Operations	20.4	19.8	18.9	20.0	20.5	21.7	22.2	21.1	20.3	22.1
Total City of Fort Collins	1,396.3	1,357.3	1,368.3	1,429.8	1,453.3	1,430.8	1,464.0	1,519.6	1,560.2	1,607.4

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.

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Job applications processed	n/a	12,823	8,907	9,209	5,148	7,112	11,415	10,192	10,760	6,666
Warrants issued	n/a	972	918	1,010	798	1,231	1,370	1,379	1,146	874
Camera Radar completed cases	n/a	9,761	19,026	21,239	20,414	18,137	17,634	13,954	16,750	13,599
Public Safety										
Adult arrests	4,202	4,663	5,188	4,373	4,154	4,739	4,792	5,112	4,605	4,827
Juvenile arrests	914	963	958	809	811	849	675	610	553	658
Traffic violations	13,334	13,838	15,341	18,890	15,737	20,792	18,484	21,678	19,399	17,292
Number of fires per 1000 population	3.89	2.75	2.16	2.64	2.22	2.22	2.19	2.12	2.05	1.76
Total inspections per 1000 population	1.80	1.99	3.76	9.83	16.83	16.75	11.91	24.20	21.70	13.39
Average calls per week	230	237	246	259	266	276	299	306	317	339
Average response time	4:17	4:15	4:20	4:14	4:10	4:39	4:59	5:34	6:55	n/a
% of time on-site within 5 minutes 45 seconds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	80.0%
Culture, parks, recreation & natural areas										
Epic Pool & Ice attendance	405,660	424,313	323,183	373,809	353,161	480,586	385,426	364,459	465,615	361,276
City Park Pool attendance	63,376	70,851	71,608	91,444	77,276	74,821	75,755	66,651	60,138	49,155
Mulberry Pool attendance	73,909	87,351	92,322	98,640	117,033	167,810	202,148	134,358	148,641	57,260
Senior Center Pool attendance	35,931	25,338	37,888	32,980	55,765	21,179	25,775	29,236	32,599	20,213
Youth Activity Center attendance ¹	23,686	3,578	7,729	712	1,090	24,207	31,171	46,202	41,666	11,951
North Aztlan Center attendance	167,136	187,728	135,203	105,362	145,898	177,779	194,315	183,292	164,849	210,766
Farm attendance	91,139	60,215	62,161	79,730	61,166	61,737	61,336	62,736	57,502	60,077
Museum attendance	40,107	40,607	32,000	18,142	33,904	26,852	22,752	23,315	114,292	92,251
Scheduled Park events	5,538	5,057	5,672	6,185	5,650	5,630	5,953	6,486	6,122	7,016
Planning and development										
Construction permits- single family units	674	394	385	254	153	177	258	469	630	743
Construction permits- Multi family units	44	24	24	37	4	10	31	39	40	59
Transportation										
Transfort										
Passengers	1,481,472	1,479,241	1,641,509	1,884,194	1,994,229	2,034,195	2,156,775	2,271,732	2,296,511	2,611,642
Revenue Miles	686,030	640,677	774,545	798,849	791,627	913,682	995,858	1,028,405	1,033,967	1,297,623
Revenue Hours	57,782	54,665	66,647	68,356	69,984	75,564	77,356	78,551	78,741	103,232
Dial a Ride										
Passengers	87,725	85,735	51,779	44,135	41,719	40,385	37,851	37,747	34,121	34,533
Revenue Miles	450,047	560,053	348,952	282,257	269,831	252,107	166,893	156,941	205,512	207,782
Revenue Hours	38,399	47,188	31,678	25,092	23,456	21,690	20,407	19,429	17,770	17,642
Light & Power										
Customers	n/a	62,548	62,991	63,913	64,750	65,504	66,220	67,209	68,585	69,619
Electric Use- megawatt hours	n/a	1,404,784	1,442,861	1,429,797	1,404,529	1,442,741	1,493,417	1,508,735	1,500,215	1,475,103
Peak demand- megawatts	n/a	279	296	285	264	282	292	302	295	281
Interruption Index- minutes/year	n/a	25.63	18.00	10.00	10.99	17.27	21.73	16.84	9.58	25.54
Water										
Customers	n/a	33,312	32,780	33,082	32,910	32,983	33,074	33,147	33,348	34,290
Treated water delivered- acre feet	n/a	29,133	27,192	25,633	22,683	24,030	23,387	26,875	23,972	23,733
Peak day water use- million gallons/day	n/a	49.0	47.5	44.3	37.1	40.8	39.7	46.8	43.0	40.8
Water main breaks	n/a	100	67	59	79	139	97	108	92	80
Wastewater										
Customers	n/a	33,120	32,992	32,847	33,134	33,226	33,305	33,398	33,555	34,203
Average flow wastewater treated- million gallons/day	n/a	14.5	15.1	15.7	14.8	13.9	13.7	12.9	13.9	14.7
Recycled processed wastewater biosolids- dry tons	n/a	1,764	1,709	1,738	1,793	1,747	1,817	1,901	1,890	2,277
Industrial discharge permits	n/a	13	13	15	14	14	14	15	16	16
Storm Drainage										
Customers	n/a	39,938	40,272	40,554	40,911	40,813	41,395	42,020	42,589	43,609
Customers	n/a	39,938	40,272	40,554	40,911	40,813	41,395	42,020	42,589	43,609
Rounds played	80,487	79,811	80,095	78,916	83,751	78,608	77,854	86,865	77,812	81,469
Golf										
Customers	n/a	39,938	40,272	40,554	40,911	40,813	41,395	42,020	42,589	43,609
Rounds played	80,487	79,811	80,095	78,916	83,751	78,608	77,854	86,865	77,812	81,469
Youth Activity Center closed Q1 for reconstruction										

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Exhibit A-17

<u>Function/Program</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>	<u>2013</u>	<u>2014</u>
General Government										
Administrative buildings	3	3	3	3	3	3	3	3	3	3
Municipal court	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police cars	n/a	198	220	224	232	225	281	284	270	257
Fire stations	13	13	13	13	13	13	13	13	13	13
Culture, parks, recreation & natural areas										
Swimming pools	4	4	4	4	4	4	4	4	4	4
Number of parks	45	45	46	46	46	46	46	48	49	49
Acres of parks	761	761	861	861	861	861	861	871	878	878
Miles of hard surface trails	23.62	24.87	28.67	28.67	28.67	30.39	31.74	32.44	35.62	35.62
Planning and development										
Land Bank program- acres*	n/a	51	51	51	51	51	51	51	49	49
Land Bank program- yield of future affordable housing units*	n/a	513	513	513	446	510	510	510	490	490
Transportation										
Transit buses	n/a	23	27	27	29	44	34	40	34	44
Lane miles	n/a	1,756	1,793	1,796	1,796	1,796	1,796	1,861	1,901	1,901
Light & Power										
Underground distribution lines- miles	n/a	766	788.0	801.4	820.0	837.5	851.8	864.0	874.8	897.1
Overhead distribution lines- miles	n/a	11	9.0	6.7	7.0	8.4	10.6	10.7	10.7	10.3
Distribution substations	n/a	5	5	5	5	5	6	7	7	7
Distribution transformers	n/a	7,525	7,982	8,060	8,082	8,226	8,357	8,453	8,655	8,827
Water										
Water mains and distribution lines- miles of pipe	n/a	532	539	540	541	527	528	529	539	544
Hydrants	n/a	3,411	3,464	3,487	3,494	3,510	3,524	3,539	3,617	3,659
Plant capacity- millions gallons/day	n/a	87	87	87	87	87	87	87	87	87
Raw water storage- acre feet	n/a	6,500	7,161	7,161	7,161	7,161	7,161	7,161	7,161	7,161
Treated water storage- million gallons	n/a	36.3	36.0	35.5	35.5	35.5	35.5	35.5	35.5	35.5
Water rights owned- avg yield in acre feet/year	n/a	73,000	73,700	74,120	74,140	74,160	74,420	74,670	74,945	75,245
Wastewater										
Trunk and collection- miles of pipe	n/a	434	435	437	436	437	436	437	437	445
Plants- treatment capacity	n/a	29	29	29	29	29	29	29	29	29
Biosolids facility- acres	n/a	26,200	26,000	26,350	26,582	26,680	26,680	26,680	26,680	26,680
Storm Drainage										
City owned detention basins	n/a	90	90	90	90	90	90	90	90	90
City owned detention basins- acres	n/a	320	320	320	320	320	320	320	320	320
Regional drainage channels	n/a	63	67	69	69	69	69	69	69	69
Storm sewer manholes	n/a	2,676	2,765	2,968	3,265	2,568	3,524	3,640	3,909	3,909
Storm sewer pipeline- miles	n/a	175.0	190.2	197.2	219.6	220.0	224.2	232.0	237.0	241.0
Golf										
Golf courses	3	3	3	3	3	3	3	3	3	3
City Park Nine- acres	56	56	56	56	56	56	56	56	56	56
Collindale- acres	160	160	160	160	160	160	160	160	160	160
SouthRidge- acres	128	128	128	128	128	128	128	128	128	128

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

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**OTHER
SCHEDULES**

CONCER
City of

**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 2005 to 2014:

<u>Years (at December 31)</u>	<u>Wastewater Customers</u>
2005	32,757
2006	33,038
2007	32,992
2008	32,847
2009	33,134
2010	33,226
2011	33,305
2012	33,398
2013	33,555
2014	34,203

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 2014, amounts paid by the university comprised 5.2% of wastewater system revenues (\$1,072,792). Additionally, amounts paid by a large commercial customer comprised 3.3% of wastewater system revenues (\$677,992).

Rate Structure

User Charges. The following tables show the City’s monthly wastewater user charges in effect on January 1, 2014. 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. Wastewater rates increased 3% in 2014 and varied by rate class based on cost of service: +7.5% single family residential, -5.6% duplex, +4.2% multi-family, and -3.6 commercial. The minimum winter quarter average consumption (WQA) is 3,000 gallons for single family customers (4000 gallons for duplexes).

2014 Monthly User Charges ¹

<u>Residential</u> ²	<u>Wastewater Rates</u>
Single family	\$16.21 plus \$3.150 per 1,000 gallons of WQC
Duplex	\$18.42 plus \$2.764 per 1,000 gallons of WQC
Multi-family	\$2.40 per living unit plus \$3.051 per 1,000 gallons of WQC
<u>Commercial</u> ³	
3/4" metered	\$8.15 plus \$2.823 per 1,000 gallons
1"	\$18.81 plus \$2.823 per 1,000 gallons
1 1/2"	\$37.85 plus \$2.823 per 1,000 gallons
2"	\$64.77 plus \$2.823 per 1,000 gallons
3"	\$103.48 plus \$2.823 per 1,000 gallons
4"	\$163.43 plus \$2.823 per 1,000 gallons
6"	\$716.42 plus \$2.823 per 1,000 gallons
8"	\$827.20 plus \$2.823 per 1,000 gallons

Footnotes:

- ¹ Excludes payments in lieu of taxes which are included as an additional 6% charge in the wastewater bill and remitted to the general fund.
- ² Average monthly amount of water billed during January, February, and March.
- ³ The usage charge of \$2.823 multiplied by each increment of 1,000 gallons either (a) metered water 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)**

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. Nine customers qualified for the consumptive credit in 2014, with the credit totaling \$153,059; much less than earlier projections for the reduced revenues.

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, 2014, and there was no increase in 2015.

Plant Investment Fees	
<u>Residential:</u>	
Single family residence	\$ 3,090
Duplex and Multi-family residence (per living unit)	\$ 2,470
<u>Non-Residential:</u> (based on water connection size)	
3/4"	\$ 6,550
1"	\$ 15,440
1 1/2"	\$ 29,890
2"	\$ 58,790
3"	**
4"	**

**Calculated on an individual basis, but not less than the 2" 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:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
User rates	\$ 19,137	\$ 19,020	\$ 20,809	\$ 20,338	\$ 21,329
Plant investment fees	2,442	639	2,120	3,172	3,674
Other fees & charges	176	158	123	129	404
Investment earnings	413	557	468	172	438
Total Wastewater Revenue	<u>\$ 22,167</u>	<u>\$ 20,375</u>	<u>\$ 23,520</u>	<u>\$ 23,811</u>	<u>\$ 25,846</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, 2014. The following sets forth the operating history of the Wastewater Fund for the years ended December 31, 2010 through 2014:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Operating Revenues					
Charges for services	\$ 19,137	\$ 19,020	\$ 20,809	\$ 20,338	\$ 21,329
Operating Expenses					
Administrative charge	2,200	1,781	1,642	1,724	1,897
Personnel services	5,176	4,819	4,801	4,931	4,852
Contractual services	3,349	3,384	3,893	3,873	3,331
Commodities	859	1,092	1,110	1,245	1,186
Other	533	59	211	169	319
Depreciation	3,301	3,946	4,628	4,697	5,063
Total Operating Expenses	<u>15,418</u>	<u>15,081</u>	<u>16,285</u>	<u>16,638</u>	<u>16,649</u>
Operating Income	<u>3,719</u>	<u>3,939</u>	<u>4,524</u>	<u>3,700</u>	<u>4,680</u>
Nonoperating Revenues (Expenses)					
Other revenue	143	143	104	98	783
Earnings on investments	413	557	468	172	438
Gain on sale of capital assets	33	16	19	31	33
Interest expense	(313)	(412)	(1,328)	(1,308)	(1,217)
Other expenses	(147)	(195)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>129</u>	<u>109</u>	<u>(737)</u>	<u>(1,007)</u>	<u>38</u>
Income Before Contributions and Transfers	<u>3,848</u>	<u>4,048</u>	<u>3,786</u>	<u>2,693</u>	<u>4,718</u>
Capital contributed	2,442	639	2,120	3,172	3,674
Operating transfers in	76	77	-	-	-
Operating transfers out	-	-	-	(10)	(36)
Income After Contributions and Transfers	<u>2,517</u>	<u>716</u>	<u>2,120</u>	<u>3,162</u>	<u>3,638</u>
Change in Net Position	6,365	4,764	5,906	5,855	8,355
Net Position--Jan. 1	126,500	132,865	137,397	143,302	149,158
Net Position--Dec. 31	<u>\$ 132,865</u>	<u>\$ 137,629</u>	<u>\$ 143,302</u>	<u>\$ 149,157</u>	<u>\$ 157,513</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--2005 TO 2014 ¹**

	<u>Gross Revenues ²</u>	<u>Expenses ³</u>	<u>Net Pledged Revenues</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2013	23,811	11,942	11,870	3,265	1,308	4,573	2.60
2014	26,258	11,586	14,672	1,640	1,217	2,857	5.14

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

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

³ Operating expenses less depreciation.

Totals may not add due to rounding

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

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

Operation and Maintenance Fund. As a first charge on the Wastewater Fund, the bond ordinances require the City to credit from time to time to the operation and maintenance fund revenue sufficient to pay the necessary and reasonable current expenses of operating, maintaining, and repairing the sewer system. **The balance on deposit in this fund as of December 31, 2014 is \$2,985,404.**

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, 2014 was \$237,759.**

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 \$37,616,628 as of December 31, 2014. This amount satisfies the 17% requirement indicated above for fiscal year 2014.** Final debt service requirements for Series 1992 were met in 2014, with no portion remaining unpaid as of December 31, 2014.

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

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 2010 through 2014.

	2010	2011	2012	2013	2014
Storm drainage utility fee	\$ 13,858	\$ 13,923	\$ 14,051	\$ 14,385	\$ 14,717
Storm drainage basin fees	358	434	948	842	2,580
Other Revenues	-	-	-	127	477
Total Storm Drainage Fund Fee Revenues	<u>\$ 14,217</u>	<u>\$ 14,357</u>	<u>\$ 14,999</u>	<u>\$ 15,354</u>	<u>\$ 17,774</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, 2014. The following sets forth the operating history of the Storm Drainage for the years ended December 31, 2010 through 2014.

	2010	2011	Restated 2012	2013	2014
Operating Revenues					
Charges for services	\$ 13,858	\$ 13,923	\$ 14,051	\$ 14,385	\$ 14,717
Operating Expenses					
Administrative charge	2,145	1,983	1,844	1,990	2,234
Personnel services	2,019	2,010	2,054	1,908	1,807
Contractual services	773	1,021	939	2,096	1,239
Commodities	115	197	186	185	218
Other	1	87	42	331	251
Depreciation	2,216	2,184	2,201	2,134	2,348
Total Operating Expenses	<u>7,268</u>	<u>7,483</u>	<u>7,265</u>	<u>8,644</u>	<u>8,098</u>
Operating Income	<u>6,590</u>	<u>6,440</u>	<u>6,786</u>	<u>5,740</u>	<u>6,619</u>
Nonoperating Revenues (Expenses)					
Other revenue	17	59	30	18	82
Earnings on investments	297	252	184	48	318
Intergovernmental	53	2	490	0	18
Gain/loss on sale of capital assets	28	(12)	26	28	27
Interest expense	(1,447)	(1,288)	(1,085)	(1,012)	(891)
Other expenses	(44)	(54)	(69)	-	-
Total Nonoperating Revenues (Expenses)	<u>(1,095)</u>	<u>(1,042)</u>	<u>(425)</u>	<u>(917)</u>	<u>(446)</u>
Income Before Contributions and Transfers	<u>5,495</u>	<u>5,398</u>	<u>6,361</u>	<u>4,823</u>	<u>6,173</u>
Capital contributions	358	434	948	842	2,580
Operating transfers In	31	32	-	32	32
Operating transfers out	(275)	(220)	(220)	(274)	(249)
Income After Contributions and Transfers	<u>114</u>	<u>246</u>	<u>728</u>	<u>600</u>	<u>2,362</u>
Change in Net Position	5,609	5,644	7,090	5,423	8,536
Net Position--Jan. 1	78,733	84,343	89,865	96,954	102,377
Net Position--December 31	<u>\$ 84,343</u>	<u>\$ 89,987</u>	<u>\$ 96,954</u>	<u>\$ 102,377</u>	<u>\$ 110,913</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 throughout the City. The monthly storm drainage utility fee in effect at the end of 2014 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 did not increase in 2014 or 2015.

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

Approximately 83% of storm drainage utility billing accounts and 45% of storm drainage revenues are attributable to single family residential customers. 17% of accounts and 55% of storm drainage revenues are attributable to multi-family residential, commercial and industrial customers. Two customers of the storm drainage utility contribute 2% or more of the storm drainage utility’s total monthly revenue - the school district with 4.3% of total revenue and the City municipal government at 2.5%. 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 2014 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 2014 would have covered the combined average annual debt service* requirements of the bonds approximately 2.37 times and would have covered the combined maximum debt service of the bonds approximately 2.26 times.

*2014-2018

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>
2000	10%	2005	0%	2010	0%
2001	9%	2006	0%	2011	0%
2002	45%	2007	0%	2012	0%
2003	10%	2008	0%	2013	0%
2004	10%	2009	0%	2014	0%

Storm drainage fees have not been increased since 2004. No increase is planned for 2015.

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 2005-2014:

<u>Years (at December 31)</u>	<u>Water Customers</u>
2005	33,057
2006	32,944
2007	32,780
2008	33,082
2009	32,910
2010	32,983
2011	33,074
2012	33,147
2013	33,348
2014	34,290

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, 2014 is set forth below:

<u>Classification</u>	<u>Number of Accounts</u>	<u>Accounts</u>
Residential	31,771	92.7%
Commercial & Industrial	2,519	7.3%
Total	34,290	100.0%

The following table sets forth the ten largest customers of the water system, which in the aggregate accounted for approximately 28.5% of total water usage during 2014:

<u>Customer</u>	<u>Water Usage Millions of Gallons</u>	<u>Total Water Use</u>
Industrial	814,810	12.1%
University	363,018	5.4%
Industrial	227,372	3.4%
Water District	130,891	1.9%
Industrial	115,715	1.7%
City Government	100,557	1.5%
School District	77,110	1.1%
Commercial	33,838	0.5%
Hospital	31,140	0.5%
Commercial	30,439	0.5%

Water Rate Structure

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

In 2004, City Council directed staff to develop a 4-tier rate that would reduce the severity of 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 and a 4% across the board rate increase was implemented in 2013 for all rate classes. In January 2014, water rates were increased an average of 4%. The 2014 increase varied by cost of service: +9% single family residential, -1.8% duplex, -16.4 multi-family, 7.7% commercial, and +3.5% high volume industrial.

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

The following water rates were effective January 1, 2014. 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, 2014

- (1) Residential customers with one dwelling unit.
 - a. *Base Charges.* Residential customers with one dwelling unit shall pay a base monthly charge of \$15.41.
 - 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 \$2.386 per 1,000 gallons
 - For the next 6,000 gallons used per month at \$2.742 per 1,000 gallons
 - For all additional gallons used per month at \$3.154 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 \$16.31.
 - 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 \$ 2.071 per 1,000 gallons
 - For the next 4,000 gallons used per month at \$2.380 per 1,000 gallons
 - For all additional gallons used per month at \$2.739 per 1,000 gallons.

Metered Rates – Nonresidential

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

Nonresidential	
Meter Size (inches)	Monthly Base Charge
3/4	\$ 13.63
1	\$ 38.03
1 1/2	\$ 103.41
2	\$ 155.85
3	\$ 237.70
4	\$ 373.17
6	\$ 723.91
8	\$ 1,278.85

(2) *Quantity Charges.* Nonresidential customers shall pay a monthly quantity charge of \$ 1.897 per 1,000 gallons used in the winter season months of November through April. They shall pay a monthly quantity charge of \$2.370 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 \$ 2.725 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 \$3.408 per 1,000 gallons used in the summer season months of May through October.

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

**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, 2014.

<u>Dwelling Category</u>	<u>Residential Plant Investment Fee</u>
Single Family	\$720 plus \$0.32 per square foot of lot area
Duplex, Multi-Family, Mobile Home	\$540 per living unit plus \$0.25 per square foot of lot area

Nonresidential

<u>Water Meter Size (inches)</u>	<u>Plant Investment Fee</u>
3/4"	\$ 7,000.00
1"	\$ 19,050.00
1 1/2"	\$ 41,600.00
2"	\$ 64,410.00
3" 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>
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
2013	629	3,049	-	1,791	-	5	5,474
2014	321	3,323	-	5,832	-	-	9,477

**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:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
User charges for services	\$ 24,228	\$ 24,101	\$ 28,326	\$ 25,954	\$ 26,771
Plant investment fees	1,721	3,612	3,449	5,474	9,477
Other fees & charges	309	326	334	384	418
Investment earnings	<u>1,027</u>	<u>1,178</u>	<u>953</u>	<u>164</u>	<u>908</u>
 Total Water System Revenue	 <u>\$ 27,285</u>	 <u>\$ 29,217</u>	 <u>\$ 33,061</u>	 <u>\$ 31,976</u>	 <u>\$ 37,573</u>

Operating History of the Water Fund

The financial section of this Comprehensive Annual Financial Report contains financial statements of the City and the Water Fund as of and for the year ended December 31, 2014. The following sets forth the operating history of the Water Fund for the years ended December 31, 2010 through 2014.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Operating Revenues					
Charges for services	\$ 24,228	\$ 24,101	\$ 28,326	\$ 25,954	\$ 26,771
Operating Expenses					
Administrative charge	3,897	3,395	3,244	3,209	3,525
Personal services	6,008	5,721	5,975	6,250	6,377
Contractual services	4,960	5,451	5,810	6,251	6,238
Commodities	1,609	1,546	3,188	1,725	1,560
Other	108	198	1,018	675	930
Depreciation	<u>4,903</u>	<u>5,090</u>	<u>5,375</u>	<u>5,514</u>	<u>5,816</u>
 Total Operating Expense	 <u>21,485</u>	 <u>21,400</u>	 <u>24,610</u>	 <u>23,624</u>	 <u>24,445</u>
Operating Income	<u>2,743</u>	<u>2,700</u>	<u>3,715</u>	<u>2,330</u>	<u>2,326</u>
Nonoperating Revenues (Expenses)					
Other revenue	285	289	291	1,076	338
Earnings on investments	1,027	1,178	953	164	908
Gain on sale of capital assets	24	36	42	58	85
Interest expense	(925)	(828)	(740)	(581)	(510)
Other expenses	<u>(9)</u>	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>402</u>	<u>667</u>	<u>547</u>	<u>718</u>	<u>821</u>
Income Before Contributions and Transfers	3,145	3,367	4,262	3,048	3,146
Capital contributions	1,721	3,612	3,449	5,474	9,477
Operating transfers in (out)	<u>91</u>	<u>87</u>	<u>-</u>	<u>(197)</u>	<u>(196)</u>
Income After Contributions and Transfers	<u>1,811</u>	<u>3,699</u>	<u>3,449</u>	<u>5,277</u>	<u>9,280</u>
Change in Net Position	4,956	7,066	7,711	8,325	12,427
Net Position--Jan. 1	<u>240,702</u>	<u>245,659</u>	<u>252,622</u>	<u>260,333</u>	<u>268,658</u>
Net Position--Dec. 31	<u>\$ 245,659</u>	<u>\$ 252,725</u>	<u>\$ 260,333</u>	<u>\$ 268,658</u>	<u>\$ 281,085</u>

Totals may not add due to rounding

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

As of December 31, 2014, 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	\$ 1,721
Water Revenue Bond, Series 1999	4,998	1,409
Water Subordinate, 2004	2,476	1,562
Water Revenue Refunding Series 2008	9,645	7,660
Water Revenue Refunding Series 2009	<u>7,815</u>	<u>-</u>
Total	<u><u>\$ 35,060</u></u>	<u><u>\$ 12,351</u></u>

Totals may not add due to rounding

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Fort Collins		
		YEAR ENDING : December 2014		
This Information From The Records Of (example - City of _ or County of _): City of Fort Collins		Prepared By: Phone:		Faith Smith 970-416-2459
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from local sources:		A. Local highway disbursements:		
1. Local highway-user taxes		1. Capital outlay (from page 2)	198,024	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	25,035,775	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations	4,021,028	
2. General fund appropriations	4,383,106	b. Snow and ice removal	2,235,465	
3. Other local imposts (from page 2)	18,179,250	c. Other	3,918,322	
4. Miscellaneous local receipts (from page 2)	10,361,026	d. Total (a. through c.)	10,174,816	
5. Transfers from toll facilities		4. General administration & miscellaneous	1,393,202	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	909,797	
a. Bonds - Original Issues		6. Total (1 through 5)	37,711,613	
b. Bonds - Refunding Issues		B. Debt service on local obligations:		
c. Notes		1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest	24,356	
7. Total (1 through 6)	32,923,382	b. Redemption		
B. Private Contributions		c. Total (a. + b.)	24,356	
C. Receipts from State government (from page 2)	4,812,587	2. Notes:		
D. Receipts from Federal Government (from page 2)	0	a. Interest		
E. Total receipts (A.7 + B + C + D)	37,735,969	b. Redemption		
		c. Total (a. + b.)	0	
		3. Total (1.c + 2.c)	24,356	
		C. Payments to State for highways		
		D. Payments to toll facilities		
		E. Total disbursements (A.6 + B.3 + C + D)	37,735,969	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0
V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
		37,735,969	37,735,969	0
Notes and Comments:				

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	18,179,250	a. Interest on investments	512,499
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	2,017,781
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	17,380
4. Licenses		f. Charges for Services	5,500,034
5. Specific Ownership &/or Other		g. Other Misc. Receipts	216,360
6. Total (1. through 5.)	0	h. Other	2,096,972
c. Total (a. + b.)	18,179,250	i. Total (a. through h.)	10,361,026
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,359,673	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	452,914	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.)	452,914	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	4,812,587	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		198,024	198,024
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	198,024	198,024
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	198,024	198,024
			(Carry forward to page 1)

Notes and Comments: