COMMUNITY RESILIENCY **PEOPLE'S ANNUAL FINANCIAL REPORT** 2021



FORT COLLINS, COLORADO FISCAL YEAR ENDING DECEMBER 31, 2021

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# **ABOUT** THIS REPORT

The purpose of this report is to provide an overview of the financial position and operations of the City of Fort Collins, as reported in the City's Annual Comprehensive Financial Report, along with other information of interest. The financial information presented is unaudited and in a summarized and condensed form, and does not substitute for the City's Annual Comprehensive Financial Report. The City's Annual Comprehensive Financial Report. The City's Annual Comprehensive Financial Report is prepared in conformity with generally accepted accounting principles (GAAP). Included in the Annual Comprehensive Financial Report is the Independent Auditor's Report by BKD, LLP on the general purpose financial statements of the City. This report summarizes more than 200 pages of the Annual Comprehensive Financial Report's financial and statistical data. The financial statements condense information of all funds included in the "Total Primary Government."

GAAP requires certain financial presentation and disclosures, which are omitted in this report. As a result, the Balance Sheet and Income Statement presented here are not in strict conformity with GAAP. The City has received awards for outstanding financial reporting from the Government Finance Officers Association. The Annual Comprehensive Financial Report and the City Manager's Budget are available on the City's website, <u>fcgov.com/finance</u>.



# LETTER FROM THE CITY MANAGER & CFO

#### Fort Collins Community Members,

One of the City of Fort Collins' primary responsibilities is to steward taxpayer dollars to provide the programs and services you expect and deserve from your local government. It is one we take seriously and strive to do so thoughtfully and with transparency. This includes providing regular reports on the City's finances.

As part of this commitment to financial transparency, we are pleased to present the City of Fort Collins People's Annual Financial Report for the 2021 fiscal year. We hope it is an easy-to-understand, concise way for you to learn more about the City's financial activity.

This report includes condensed and simplified information from the 2021 Annual Comprehensive Financial Report. It is important to note that this report is unaudited and is presented on a non- Generally Accepted Accounting Principles (GAAP) basis, as it does not provide all of the necessary financial statements and note disclosures required by GAAP. This document includes information on the Fort Collins Urban Renewal Authority, a legally separate, blended component unit of the City, which is therefore included in the City's governmental activity figures. It excludes discrete component units and fiduciary fund information. The Annual Comprehensive Financial Report is a more detailed and complete financial presentation, which is prepared in conformity with GAAP and is audited by the City's independent auditors.

The last two years have been challenging for all of us, and while we hope the worst of the pandemic remains behind us, we also recognize that the impacts will reverberate for years to come. The City's financial position is strong, providing an important foundation to our community recovery, where Fort Collins residents and businesses can participate in a resilient, vibrant and inclusive future.

We would like to thank the staff of the Accounting and Treasury department for producing this report and the Annual Comprehensive Financial Report. Their commitment to accountability and integrity provides a great service to the Fort Collins community. We also invite you to seek more in-depth information online. The Annual Comprehensive Financial Report, Biennial Budget, and other detailed reporting are available online at <u>fcgov.com/finance</u>.



Kelly DiMartino

Kelly DiMartino *City Manager* 



Travis Storin Chief Financial Officer

# **MEET** FORT COLLINS

Fort Collins is recognized by various national organizations and magazines as one of the best places to live in the nation. Incorporated in 1873 and located in Northern Colorado, Fort Collins is home to Colorado State University (CSU), an outstanding public school system, several large high-tech employers and leading businesses in the craft brewing industry. The community offers exciting recreational opportunities, unique cultural offerings and amenities, and is a regional center for employment and commerce.

As with many cities that house a large university, the economy and culture of Fort Collins are closely tied with CSU. Both the university and the city have grown considerably in population in recent history. With 8,200 employees, CSU was the largest employer in Fort Collins in 2021.

Despite the vibrancy and general economic stability the community enjoys, the City has several challenges to navigate in coming years. The community has set ambitious climate action goals that will require thoughtful planning to achieve while still maintaining economic vitality and social health. Housing affordability and availability is a top priority for the community and City leadership, as is continuing efforts around equity and inclusion, so that all community members feel safe, welcome and valued in Fort Collins. Finally, implementing the City's Recovery Plan will remain a top priority as we continue to understand the longer-term impacts of the COVID-19 pandemic.

### **QUICK FACTS**

- Estimated Population: **172,321** City of Fort Collins, December 2021
- Unemployment Rate: **3.0%** Bureau of Labor Statistics Occupational Employment
   and Wage Estimates, December 2021
- Median Age: 29.3 American Community Survey 5-Year Estimates, 2015-2019
- Median Household Income: **\$65,866** American Community Survey 5-Year Estimates, 2015-2019
- Education Level (approximate percentage of population with completion of 4 or more years of college education): 55.5%
   American Community Survey 5-Year Estimates, 2015-2019

TOP TEN EMPLOTERS DI HEA	DCOUNT	
Colorado State University	8,100	Educational Services
UC Health	6,100	Health Care & Social Assistance
Poudre School District	4,000	Educational Services
City of Fort Collins	2,000	Public Administration
Larimer County	1,900	Public Administration
Woodward	1,300	Manufacturing
Broadcom	1,100	Public Administration
Department of Agriculture	1,100	Manufacturing
Otter Products	890	Manufacturing
Dillon Companies (multiple King Soopers locations)	690	Grocery

### TOP TEN EMPLOYERS BY HEADCOUNT



# **ABOUT THE CITY** GOVERNMENT ORGANIZATION

### **CITY LEADERSHIP**

Fort Collins is a home rule city with a Council/ Manager form of government. The Council is made up of six district Councilmembers who are elected on a non-partisan basis for a fouryear term and a Mayor who is elected at-large on a non-partisan basis for a two-year term. The Council appoints the City Manager, the City Attorney and the Municipal Judge, who in turn manage the professional municipal organization.

### **CITY SERVICES**

The Fort Collins municipal organization provides a full range of services, including:

- Police
- Fire protection through a local authority
- Coordinated local and regional emergency preparedness
- Streets, transportation and transit infrastructure and operations
- Parks, recreation, natural areas and cultural facilities
- Planning, engineering and community services
- Sustainability services economic health, environmental services and social sustainability
- Utilities electric, water, wastewater and stormwater
- Connexion high-speed internet service
- Internal and operational support services

A full department directory can be found at <u>fcgov.com/cityservices</u>.

## **KEY OUTCOME AREAS**

The City's entire strategic planning, budgeting, execution, and performance measurement revolves around seven outcome areas. Our strategic plan is located at <u>fcgov.com/StrategicPlan</u>; the City budget can be reviewed at <u>fcgov.com/budget</u>.

- Neighborhood Livability & Social Health
- (3) Culture & Recreation
- (s) Economic Health
- 🕒 Environmental Health
- 😟 Safe Community
- Fransportation & Mobility
- High Performing Government

### **VISION, MISSION & VALUES**

**Vision:** To provide world-class municipal services through operational excellence and a culture of innovation.

**Mission:** Exceptional service for an exceptional community.

#### Values:

- Collaboration
- Excellence
- Integrity
- Outstanding Service
- Safety & Well-Being
- Stewardship





# **CUSTOMER-FOCUSED** SERVICE

## **INTERACTING WITH THE CITY**

People have many avenues to keep up to speed on initiatives, news, programs, or requests for City services:

Access Fort Collins - An easy way to reach the City with questions, comments, or service requests. fcgov.com/accessfortcollins\_

**FCTV** - Regularly updated video content, available on basic cable and streaming online, which provides several programming options designed to inform, educate, and inspire. <u>fcgov.com/fctv</u>

**Social Media** - People can also stay current and provide feedback via social media platforms such as Facebook, Twitter, or Instagram. <u>fcgov.com</u>

**OpenData** - Designed to take transparency to the next level. The goal of OpenData is to create a web portal to host data sets, including expense records, that are available to the public in a format that people can easily search, filter, or use in innovative and creative ways.

fcgov.com/opendata

**Our City -** This is your chance to get involved in the City's biggest projects! Engagement and feedback opportunities on this site mirror what is happening on the ground so everyone can join. <u>ourcity.fcgov.com</u>

### THERE'S AN APP FOR THAT

To stay just one tap away from the City, consider downloading these handy applications.

- Access Fort Collins
- Ride Transfort
- FC Parking







### DATA-INFORMED DECISION MAKING

The City of Fort Collins has deliberately moved from a "trust us" model to being a datainformed organization. We are using data to improve efficiency and accountability.

**Community Dashboard** – An online tool that measures the community's progress in attaining the City's Key Outcome Areas. Important metrics such as voluntary code compliance, unemployment rate, community energy use, number of local traffic crashes and transit ridership 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.

**Climate Dashboard** – A snapshot of the community's progress toward reducing carbon emissions. The City tracks emissions annually using 2005 as a baseline year. The community aims to reduce carbon 20% below 2005 levels by 2020 and 80% by 2030 with the goal of being carbon neutral by 2050. View the Climate Dashboard at <u>ftcollinscap.clearpointstrategy.com</u>.

**Financial Reporting** – A wide collection of financial and performance reporting is maintained by the Finance department, including quarterly budget variance reporting, seven-year comparative statements, monthly sales tax reporting, and more. Access these reports at <u>fcgov.com/finance</u>. **Community Survey** – A statistically valid survey is conducted annually to poll the public on their perceptions and satisfaction with local government. The information gained from this survey is an important step in the Strategic Plan and the Budgeting for Outcomes processes. Learn more at <u>fcgov.com/communitysurvey</u>.

#### **Malcolm Baldrige National Quality Award**

In 2017, U.S. Commerce Secretary Wilbur Ross named the City of Fort Collins a recipient of the Malcolm Baldrige National Quality Award. This Presidential-level honor recognizes exemplary practices among American organizations and businesses including a drive for radical innovation, thoughtful leadership, and administrative improvement. Receiving the award was the culmination of a rigorous, multiyear pursuit for the City of Fort Collins, as only the third city to win in the prestigious award's 30-year history. Fort Collins began applying at the state level in 2011 with the Rocky Mountain Performance Excellence (RMPEx) program. After achieving the highest level from RMPEx in 2014, the City began applying to the national Baldrige program in 2015. Additional information on the Baldrige Performance Excellence Program is located at nist.gov/baldrige.





# 2021 Snapshot

### **RECOVERY PLAN**

In collaboration with the community, the City of Fort Collins created a Recovery Plan to guide longterm response and rebuilding from the COVID-19 pandemic. The pandemic revealed and elevated systemic inequities in Fort Collins, and many parts of the community are still struggling. Work remains around healing, inclusion and resilience to move Fort Collins toward a vibrant future. The plan seeks to leverage this historic opportunity to make bold, long-term investments to achieve recovery, with the vision that Fort Collins residents and businesses can participate in a resilient, vibrant and inclusive future.

#### AMERICAN RECOVERY PLAN ACT (ARPA)

The federal American Rescue Plan Act (ARPA) established \$1.9 trillion in COVID-19 relief funding, of which \$28.1M has been allocated to the City of Fort Collins. In May of 2021, City Council appropriated \$4.2M for short-term response efforts, and another \$\$4.0M was allocated in the 2022 City budget. ARPA-funded projects include:

- Eviction legal fund
- Direct assistance for Utilities customers
- 24/7 shelter at Fort Collins Rescue Mission
- For Fort Collins business and economic recovery campaign & website
- Recovery communications

The remaining ARPA funds are expected to be allocated in the 2023-2024 budget cycle to fund projects that address priorities identified in the Recovery Plan.

#### FORT COLLINS CONNEXION

Fort Collins Connexion continued building out across Fort Collins and signing up new residential and business customers, securing a 31% take rate as of December 2021. Construction is scheduled for completion in late 2022. In addition, Connexion welcomed a new executive director, and in November launched a new website and a new billing platform with enhanced features to help customers pay their bills and manage their accounts.

#### **RECREATION CHILDCARE** & COMMUNITY SUPPORT

Camp FunQuest enrolled 900 community children in programs and activities throughout the summer. Scholarship funding for qualifying low-income families provided 2,055 enrollments in childcare and child development programs, including \$5,000 in scholarships from the Child Care Relief Grant, allowing nearly 100 children to participate in accessible, no-cost summer camp programs.

In partnership with local organizations such as Salud Health Clinic, Recreation also hosted several COVID-19 vaccine clinics at facilities throughout the year. Through these clinics, more than 8,000 COVID-19 vaccines were distributed to community members, many of whom were from lowincome or underserved populations.

#### **EQUITY & INCLUSION**

In August, the City welcomed its first Equity & Inclusion Officer to lead the City's diversity, equity and inclusion (DEI) efforts. The position is housed in the City Manager's Office to incorporate an equity lens in City services and operations, and foster partnerships and relationship-building across the community. In addition, the Human Rights Campaign increased the City's Municipal Equality Index rating to a perfect 100 score, recognizing its continued work toward a more inclusive culture for LGBTQ+ employees and community members. The Economic Health Office also hired a full-time Multicultural Business Specialist to address the community-identified need for bilingual business support.







# **FORT COLLINS BY THE NUMBERS** OPERATING STATISTICS

#### **STAFFING**

YEAR-END HEADCOUNTS\*



2020: 1,605 full- and part-time employees and 540 hourly employees.2021: 1,596 full- and part-time employees and 785 hourly employees.\*Contractual employees included in full- and part-time employee count.

### NET 2021 OPERATING & CAPITAL BUDGET \$554.0M (AS AMENDED)



#### **PUBLIC SAFETY** 76,404 21,996 25,169 Police Incidents Medical Calls Fire Calls includes Wellington Fire **CULTURE, PARKS, RECREATION & NATURAL AREAS** 787,377 966 310 900 Parks Acreage Natural Areas **Recreation Facility** Kids Enrolled in Activities for Attendance & Program Camp FunQuest 45 Participation 8,488 Trail Miles participants TRANSPORTATION 1,986 1.47M\* 243 Transfort & Dial-a-Ride Street Lane Traffic Bike Lane Passengers Miles Signals **Centerlane Miles** \*Transfort has experienced a decrease in ridership due to the effects of the COVID-19 pandemic. UTILITIES 565 149,262 99.99% 2,032 Miles of Miles of Primary Electric System Customer Inquiries Water Mains Voltage Cable Processed Reliability **SUSTAINABILITY** × 74 0 CO 123 \$2.2M 250+ 24% Affordable Received in **Business Connections** Reduction in made through the state funding for Housing Units Greenhouse Economic Health Added to Kechter Affordable Gases

Housing Inventory

Townhome Project

(against 2005 levels)

Office

The City's strong financial position provides an important foundation to our community recovery, where community members can participate in a resilient, vibrant and inclusive future."

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— Kelly DiMartino Fort Collins City Manager



# Fort Collins Financial Results

### **NET POSITION**

The net position, or net worth, of the City at December 31, 2021 was \$2.093 billion. Of the net position balance, \$415.0 million is unrestricted and is available to meet ongoing obligations in accordance with the City's fund designations and fiscal policies.

The City's net position increased by over \$64.1 million (3.2%). The governmental net position increased by \$49.9 million (4.2%) and the business-type position increased by \$14.2 million (1.6%). The City's total long-term liabilities decreased by \$11.3 million (4.7%) during the current year. Within that activity, the City's governmental long-term liabilities decreased by \$6.1 million (9.2%) and business-type longterm liabilities decreased by \$5.2 million (3.1%).

NET POSITION	Governmental		Business-type		Total Primary Government	
(at December 31 in thousands)	2020	2021	2020	2021	2020	2021
ASSETS						
Current and other assets	\$ 344,040	\$ 376,693	\$ 277,221	\$ 251,666	\$ 621,261	\$ 628,359
Capital assets	935,789	961,472	816,846	852,239	1,752,635	1,813,711
Total assets	1,279,830	1,338,165	1,094,066	1,103,905	2,373,896	2,442,069
Deferred outflows of resources	677	564	1,008	847	1,686	1,412
LIABILITIES						
Long-term liabilities	72,719	66,602	168,911	163,749	241,630	230,351
Other liabilities	28,152	41,515	35,929	36,112	64,081	77,627
Total liabilities	100,871	108,117	204,840	199,861	305,711	307,978
Deferred inflows of resources	37,782	38,855	2,792	3,225	40,574	42,080
NET POSITION						
Net investment in capital assets	876,683	905,257	719,061	691,652	1,595,743	1,596,909
Restricted	79,732	81,510	-	-	79,732	81,510
Unrestricted	185,439	204,990	168,382	210,014	353,821	415,004
TOTAL NET POSITION	\$ 1,141,854	\$ 1,191,757	\$ 887,442	\$ 901,666	\$ 2,029,296	\$ 2,093,422

# Fort Collins Financial Results

## **SUMMARY OF ACTIVITIES**

Governmental program revenues decreased over 2021 by \$2.9 million, or 4.2%, while sales & use tax revenues increased by \$27.5 million, or 16.9%. These decreases in program revenue is attributed to noticeable decreases to capital grants and contribution revenues, despite increases seen in charges for service in general government, public safety, and transportation activities over 2020; following the lifting of COVID-19 pandemic shutdowns. While the sales and use tax increased as the City showed signs of recovery from COIVD-19 in 2021, while property taxes increased as well. On the business-type side, program revenues increased by \$19.7 million with expenses increasing by \$18.4 million. This 7.9% increase to program revenue was largely driven by higher charges for Water utilities, as well as Electric & Telecommunication revenues for charges, development projects, and the Connexion highspeed internet service.

Expenses are described in greater detail in the following pages.

CONDENSED SUMMARY	NDENSED SUMMARY Governmental OF ACTIVITIES		Busine	ss-type	Total Primary Government	
(at December 31 in thousands)	2020	2021	2020	2021	2020	2021
REVENUES						
Program revenues, primarily service charges	\$ 72,348	\$ 69,453	\$ 228,444	\$ 248,157	\$ 300,792	\$ 317,610
Sales & use taxes	135,243	162,698	-	-	135,243	162,698
Other general revenues	72,530	73,582	6,232	783	78,762	74,365
TOTAL REVENUES	280,121	305,733	234,676	248,939	514,797	554,672
Expenses	270,066	258,746	213,378	231,798	483,444	490,545
Transfers	2,991	2,917	(2,991)	( 2,917 )	-	-
CHANGE IN NET POSITION	13,046	49,903	18,307	14,224	31,353	64,127
Net position, beginning of year	1,128,808	1,141,854	869,135	887,442	1,997,943	2,029,296
NET POSITION, END OF YEAR	\$ 1,141,854	\$ 1,191,757	\$ 887,442	\$ 901,666	\$ 2,029,296	\$ 2,093,423

# **REVENUES** HOW IS FUNDING RAISED?

## **SALES & USE TAX**

Many City services are funded through service charges, such as our Utility or Recreation services. However, the City assesses a 3.85% tax upon sales, purchases, and certain services in order to fund other services that are not charged based on volume or usage.

### **Base Rate**

2.85%

Funds government services like police, transportation, and administration.

### **Streets and Transportation**

0.25%, EXPIRES DECEMBER 31, 2025

Streets maintenance taxes were first approved in 1984 and were renewed in 1989, 1998, 2006, and 2016. The Street Maintenance Program focuses on extending the lifespan of roadways and minimizing the cost of maintaining a viable road surface. Good roads cost less to maintain than those in poor condition, and this tax allows the City to maintain the current level of service.

### Community Capital Improvement Program (CCIP)

0.25%, RENEWED APRIL 2015 AND EXPIRES DECEMBER 31, 2025 IS DEDICATED TO COMMUNITY IMPROVEMENTS

CCIP taxes were initiated in 1985 and were renewed in 1990, 1998, 2006, and 2016. Project highlights using this funding for 2016-2025 include City Park train and Club Tico renovations, Downtown Poudre River Whitewater Park, a Visitor's Center at the Gardens on Spring Creek, Willow and Linden Street improvements, Lincoln Avenue bridge, and a Southeast Community Center.

### **Natural Areas**

0.25%, EXPIRES DECEMBER 31, 2030

Open Space Yes!, originally passed in 1992 and renewed in 1998 and 2006, is a key component in the conservation and management of natural areas and trails. Expenditures from this tax include land acquisition, resource and land management, public improvements, and educational programming.

### **General Fund Renewable**

0.25%, EXPIRES DECEMBER 31, 2030

This tax was passed by the Fort Collins voters in April 2020 to continue funding services and programs residents value. This is also used in conjunction with the Base Rate to fund general government services.

### SALES & USE TAX

Dollar amounts in millions and reflect 2021 revenue



# **EXPENSES** WHERE DOES THE MONEY GO?

Every two years, the City Manager submits a budget for City Council's adoption. The proposed budget cannot include expenditures that exceed estimated reserve balances and anticipated revenue. The budget represents six months of input from residents, City staff and City management, and serves as the two-year blueprint for advancing results in the seven key outcome areas.

Fort Collins uses Budgeting for Outcomes (BFO) for its budget. The process focuses on results and priorities, not on cost. The process shifts from paying for costs to buying results. Service providers, or "sellers", make offers to results teams aligned behind one of the seven outcomes. Teams evaluate effectively purchasing these offers from the seller based on their priority. These purchase decisions put residents and their priorities first. For more information, please visit fcgov.com/bfo.

In 2021, governmental expenditures totaled \$258.8 million, a decrease of \$11.3 million, or 4.2%, when compared to 2020. General Government and Public Safety expenses decreased \$10.2 million and \$6.7 million, respectively, largely due to less services and costs for COVID-19 relief and assistance incurred in 2020. While Transportation increased by \$5.2 million due to more public transportation use and costs as mask mandates and social distancing restrictions were lifted in the City & County. Planning and Development also increased \$1.6 million while Culture, Parks, Recreation and Natural Areas and Interest on long-term debt decreased by \$1.1 million and \$0.1 million, respectively.

Business-type Expenses totaled \$231.8 million in 2021, an increase of \$18.4 million, or 8.6%, when compared to 2020. The largest increase was to Light & Power increasing \$13.7 million over 2020 mostly driven by new development projects, infrastructure maintenance work, and the Fort Collins Connexion high-speed internet service; meanwhile Water and Storm Drainage increased \$3.3 million and \$1.3 million, respectively. Simultaneously, Golf only increased by \$0.2 million while Wastewater decreased by only \$0.1 million.

# **BUSINESS-TYPE EXPENSES** BY SFRVICE



# **GOVERNMENT EXPENSES BY SERVICE**

- PUBLIC SAFETY
- CULTURE, PARKS, RECREATION AND NATURAL AREAS
  - PLANNING AND DEVELOPMENT
    - TRANSPORTATION

INTEREST ON LONG-TERM DEBT



GENERAL GOVERNMENT

# **EXPENSES** (CONTINUED) – WHERE DOES THE MONEY GO?

Many expenditures of the City are segregated from other expenditures by a dedicated revenue source. Below is a breakdown by department of how proceeds from the various dedicated tax components are spent. Dedicated revenues, such as Keep Fort Collins Great, are contained to specified areas of spending by ballot language. Figures are in thousands and on a non-GAAP Budgetary Basis.

SERVICE AREA Department	General Fund	Transportation Fund	Capital Projects Fund	Urban Renewal Authority	Other Gov. Funds	Grand Total
POLICE SERV. TOTAL	147,455	-	-	-	-	147,455
Investigations Police Information Services Patrol Special Operations Police Administration	26,241 23,338 52,609 29,391 15,876					26,241 23,338 52,609 29,391 15,876
FINANCIAL SERV. TOTAL	19,093	-	-	-	-	19,093
COMMUNITY & OPERATION SERV. TOTAL	53,728	-	15,033	-	95,380	164,140
Recreation Community Serv. Admin. Park Planning & Dev. Cultural Services Parks	1,173 59 8,413 42,616		110 11,940 2,332 95		23,205 12,309 15,969 2,888	23,315 1,173 24,308 26,704 45,600
Natural Areas	1,469		566		41,008	43,040
PLANNING, DEV. & TRANS. TOTAL	29,736	100,602	74,443	-	82,860	287,642
PDT Administration Transfort / Parking Comm. Dev & Neighborhood Svcs. FC Moves Streets Traffic	3,151	1,594 4,562 73,650 12,861	587 1,437		75,765 18 1,642 74	4,745 76,353 26,604 5,999 75,292 12,935
Engineering	11	7,936	72,419		5,359	85,713
EXECUTIVE SERVICES TOTAL JUDICIAL SERVICES TOTAL	14,591 4,199	-	-	-	-	14,591 4,199
LEGAL SERVICES TOTAL	8,705	-	-	-	-	8,705
INFO. & EMPLOYEE SVCS. TOTAL	55,135	-	85	-	-	55,219
SUSTAINABILITY SERVICES TOTAL	23,170	-	-	19,332	10,743	53,246
Economic Health Office Social Sustainability Environmental Services Administration Urban Renewal Auth.	5,704 9,513 6,394 1,558			19,332	1,840 8,863 16 24	7,544 18,376 6,410 1,582 19,332
OTHER NON DEPT. TOTAL	6,129	-	-	-	14,386	20,514
POUDRE FIRE AUTHORITY TOTAL	92,963	-	-	-	-	92,963
GRAND TOTAL	\$454,904	\$100,602	\$89,561	\$19,332	\$203,368	\$867,768



# TREASURY ADMINISTRATION WHERE'S THE MONEY KEPT?

### **CASH & INVESTMENT MANAGEMENT**

Investment policies are governed by City Council adopted policy. The principal objective of the city's cash and investment strategy is preservation of investment principal. Thus, the policy allows for only fixed-income investments, such as state or local government debt, U.S. agency obligations, or highly rated U.S. corporate debt. Equity investments, such as common stock or mutual funds, are disallowed under the City's policy.

At Dec. 31, 2021, the fair market value of the City's cash and investments was \$527.1 million. The yield on market for the total assets in the portfolio for 2021 was 0.66% and the realized and unrealized interest losses were \$2.4 million.

### **BONDED DEBT OBLIGATIONS**

The City's credit rating was Aaa by Moody's Investors Service at Dec. 31, 2021. This highly favorable investment rating, maintained by less than 5% of governments, allows the city to pay less interest on its debt issuances. At Dec. 31, 2021, the city held total bonded debt of \$207.6 million. Of this amount, \$49.1 million was related to government activities and \$158.5 million was related to business-type activities. The debt service due within one year is \$16.8 million.

# **CITY DEBT OBLIGATIONS**



## **CASH & INVESTMENTS**

December 31, 2021 in millions





# **CAPITAL ASSETS** WHAT DOES THE CITY OWN?

The book value, historical cost less depreciation, of the City's capital assets totaled \$1.8 billion at Dec. 31, 2021. This investment in capital assets includes buildings and improvements, infrastructure and other improvements, including streets, bridges, and the full utility delivery system, land and right of way, various equipment and construction in progress.

## **GOVERNMENT CAPITAL ASSETS** \$961.5M



Total investment in capital assets increased \$61.0 million compared to 2020. While the City reports its assets at net book value based on acquisition cost and accumulated depreciation, estimated fair market value is 2-3 times higher due to market appreciation of water rights, land and building values. This estimate is based on appraisal value, replacement cost, and/or insured values.

# **BUSINESS-TYPE CAPITAL ASSETS** \$852.2M





# **GLOSSARY**

Assets – what the City of Fort Collins owns.

**Business-type activities** — private sector-type operations, such as Utilities and Golf, where fees for services typically cover all or most of the cost of operations, including depreciation.

**Capital assets** — items such as City or Utility land, construction in progress, equipment, infrastructure and buildings, and improvements net of depreciation.

**Component Unit** — legally separate organizations for which the city is financially accountable. The Urban Renewal Authority, Downtown Development Authority, and General Improvement Districts #1 and #15 are the City's component units

**Current and other assets** — items such as pooled cash and investments, cash and investments with fiscal agents, receivables, internal balances, inventories, deposits with others, prepaid items and deferred charges.

**Deferred inflows** – an acquisition of a net asset that is applicable to a future reporting period.

**Deferred outflows** – a consumption of a net asset that is applicable to a future reporting period.

**Fiduciary fund** — accounts for assets held on behalf of outside parties, including other governments.

**Governmental activities** — City basic services, including police, planning, economic development, and culture and recreation. Sales, use, and property taxes finance the majority of these services.

#### Invested in capital assets, net of related debt—amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.

Liabilities - what the City of Fort Collins owes.

**Long-term liabilities** — items such as bonds, loans, compensated absences, and other City of Fort Collins obligations.

**Net book value** – represents the acquisition cost less accumulated depreciation for an asset.

**Net position** — the difference between City of Fort Collins assets and liabilities. It is the net worth of the City.

**Other liabilities** – items such as payables, payroll, accrued interest and unearned revenue.

**PILOT** — payment in lieu of taxes, made to compensate the primary government for some or all of the tax revenue lost due to the tax-exempt status of the City's utilities.

**Primary government** — all of the governmental and business-type activities belonging to the City of Fort Collins excluding the discretely presented component units and fiduciary funds.

**Restricted** — funds that are not available for use because they have been set aside for a specific purpose or project.

**Unrestricted** – one-time funds available to use for operations or capital.

# Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

> Presented to City of Fort Collins Colorado

For its Annual Financial Report for the Fiscal Year Ended December 31, 2020

Christopher P. Morrill Executive Director/CEO Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Fort Collins for its Popular Annual Financial Report for the fiscal year ended December 31, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

