

PEOPLE'S ANNUAL FINANCIAL REPORT

2022



Light & Power



City of
Fort Collins

1873  2023

CELEBRATING



FORT COLLINS, COLORADO
FISCAL YEAR ENDING DECEMBER 31, 2022

CONTENTS

Letter from the City Manager & CFO	1
Meet Fort Collins	2
About the City Government Organization	3
Customer-Focused Service	4
2022 Snapshot	6
Fort Collins by the Numbers	7
Fort Collins Financial Results	10-11
Revenues	12
Expenses	13
Treasury Administration	15
Capital Assets	16
Glossary	17



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 is prepared in conformity with generally accepted accounting principles (GAAP). Included in the Annual Comprehensive Financial Report is the Independent Auditor's Report by FORVIS, 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, [fcgov.com/finance](https://www.fcgov.com/finance).



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 2022 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 2022 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.

For 150 years, the City of Fort Collins has provided high quality municipal services to the community. As Fort Collins has grown and the scope of services has evolved, our financial practices and transparency remain a cornerstone of our ability to provide those services. The City's financial position is strong and provides an important foundation for resiliency, operational excellence and innovation.

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 fcgov.com/finance.



A handwritten signature in black ink that reads "Kelly DiMartino".

Kelly DiMartino
City Manager



A handwritten signature in black ink that reads "Travis Storin".

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 both entities are closely tied. CSU is the largest employer in Fort Collins, and both the university and the community have grown considerably in population in recent history.

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 to address transportation infrastructure needs in Fort Collins and across the region. In addition, challenges remain in closing the gap between available funding and ongoing parks, trails and recreation asset maintenance needs.

QUICK FACTS

- **Estimated Population: 168,538**
U.S. Census Bureau, 2022 Estimate
- **Unemployment Rate: 2.9%**
Bureau of Labor Statistics, 2022 average
- **Median Age: 30.4**
2021 American Community Survey 1-Year Estimates
- **Median Household Income: \$72,932**
2021 American Community Survey 5-Year Estimates
- **Educational Attainment (bachelor's degree or higher): 58.5%**
2021 American Community Survey 1-Year Estimates

TOP TEN EMPLOYERS BY HEADCOUNT

Colorado State University	8,100	Educational Services
UC Health	6,400	Healthcare & Social Assistance
Poudre School District	4,500	Educational Services
City of Fort Collins	2,000	Public Administration
Larimer County	2,000	Public Administration
Woodward	1,300	Manufacturing
Broadcom	1,100	Public Administration
Department of Agriculture	1,000	Manufacturing
Otter Products	900	Manufacturing
Dillon Companies (multiple King Soopers locations)	750	Grocery



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 four-year 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
- 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 fcgov.com/cityservices.

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 fcgov.com/StrategicPlan; the City budget can be reviewed at fcgov.com/budget.

-  Neighborhood Livability & Social Health
-  Culture & Recreation
-  Economic Health
-  Environmental Health
-  Safe Community
-  Transportation & Mobility
-  High Performing Government

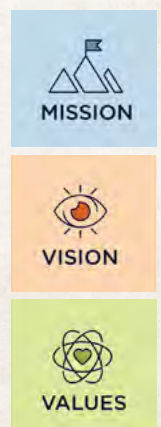
VISION, MISSION & VALUES

Mission: Exceptional service for an exceptional community.

Vision: We foster a thriving and engaged community through our operational excellence and culture of innovation.

Values:

- Partnership
- Service
- Safety & Wellbeing
- Sustainability
- Integrity
- Belonging





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 demand, on the City's YouTube channel, and on basic cable, with several programming options designed to inform, educate, and inspire.

fcgov.com/fctv

Social Media - People can also stay current and provide feedback via social media platforms such as Facebook, Twitter, or Instagram.

[@fortcollinsgov](https://twitter.com/fortcollinsgov)

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.

ourcity.fcgov.com

City News - monthly updates on City services, programs, and events. Subscriptions are also available for specialized newsletters about recreation, natural areas, public art, environmental news and more.





DATA TRANSPARENCY

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 80% by 2030 with the goal of being carbon neutral by 2050. View the Climate Dashboard at ftcollinscap.clearpointstrategy.com.

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 fcgov.com/finance.

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 fcgov.com/communitysurvey.

Recovery Dashboard - In collaboration with the community, the City of Fort Collins adopted a Resilient Recovery Plan in March 2022. This plan serves as a guide to long-term response and rebuilding from the COVID-19 pandemic, along with guiding the spending of the \$28.1 million of American Rescue Plan Act (ARPA) funds the City received. To provide transparency about how ARPA funds are being spent a Recovery Dashboard was launched to provide quarterly updates on all ARPA-funded programs. View the dashboard at fcgov.com/recoverydashboard.



2022 Snapshot

LEADERSHIP TRANSITIONS

In July, City Council appointed Kelly DiMartino as Fort Collins' new city manager, concluding a national search that began when the former city manager departed in 2021. The City also welcomed new executives in the roles of Utilities executive director, assistant city manager and deputy city manager.

PANDEMIC RECOVERY

In March, Council unanimously adopted the Resilient Recovery Plan to guide long-term response and recovery from the COVID-19 pandemic. The plan also lays out priorities for spending the \$28.1M of federal ARPA funds received by the City. City Council appropriated this funding to a variety of projects, including:

- Mental Health Response Team Buildout
- Human Services and Equity Grants
- Multicultural Business and Entrepreneur Center
- Recreation Reduced Fee Scholarships



FORT COLLINS CONNEXION

2022 marked three years of municipal broadband service through Fort Collins Connexion. Construction has reached 95% community buildout, meaning service will be available citywide in 2023.

NATURAL AREAS 30TH ANNIVERSARY

Natural Areas began a year of celebrations in 2022 to honor the landmark ballot measure that established a quarter-cent sales tax dedicated to conserving local natural areas. The celebration included the debut of the Natural Areas Conservation Award to recognize extraordinary achievements in conserving local lands and resources.

MENTAL HEALTH RESPONSE TEAM EXPANSION

The Fort Collins Police Services co-responder program was originally formed in 2018 with one UCHHealth mental health clinician. In 2022, the program expanded and was renamed the Mental Health Response Team, which now includes four clinicians, four police officers and a sergeant. In 2022, the team responded to 2,732 calls for service.

MUSEUM 10TH ANNIVERSARY

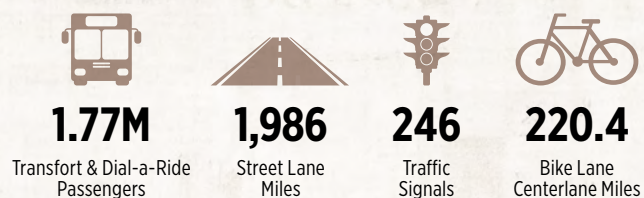
The Fort Collins Museum of Discovery celebrated its 10th anniversary and welcomed its one-millionth visitor. The Museum of Discovery is a public-private partnership that creates a unique destination blending science, music and local history.



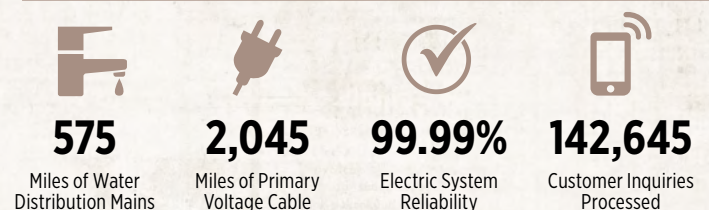
FORT COLLINS BY THE NUMBERS

OPERATING STATISTICS

TRANSPORTATION



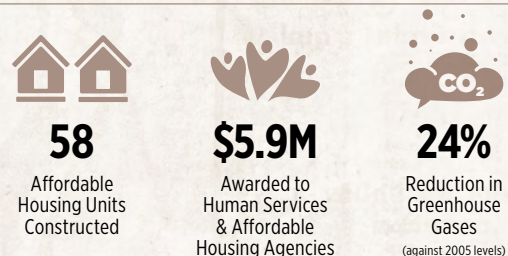
UTILITIES



COMMUNITY SERVICES



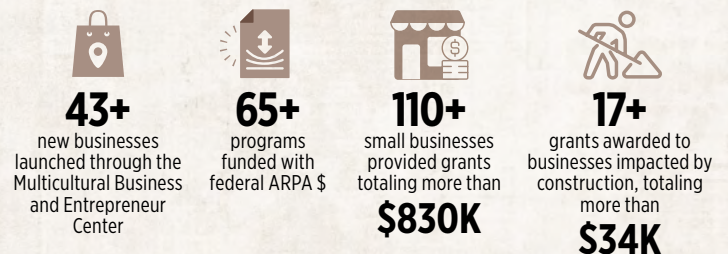
SUSTAINABILITY



PUBLIC SAFETY

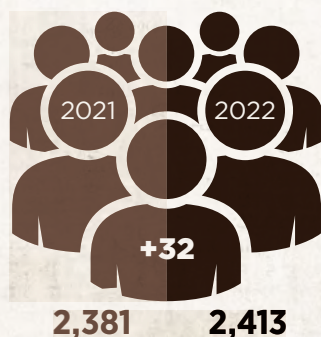


ECONOMIC RECOVERY



STAFFING

YEAR-END HEADCOUNTS*



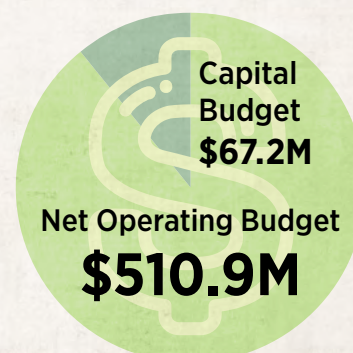
2021
1,596 full- and part-time employees
and 785 hourly employees.

2022
1,692 full- and part-time employees
and 721 hourly employees.

*Contractual employees included in
full- and part-time employee count.

2022 OPERATING & CAPITAL BUDGET

\$578.1M (AS AMENDED)



“For 150 years, the City has provided high quality municipal services to the community, and our strong financial position provides an important foundation for resiliency, operational excellence and innovation.”

— Kelly DiMartino
Fort Collins City Manager



SH Homecoming Game
1982



Colorado State University Teachers
1966



Atletis circa 1976



Old Town
Square



The Hattie McDaniel House

Hattie McDaniel, a twentieth Century film pioneer and Renaissance woman, lived in this house from 1900-1902



Hattie attended Franklin School on W. Mountain Avenue and was good friends with Ruth Collamer, who lived just around the corner on N. Meldrum. As Hattie's biographer, Carlton Jackson, recounts:



Hattie McDaniel house is significant in the history of Fort C. Association with a nationally recognized actress who broke an in. one of the last remaining homes associated. early 1800s.



Shopping in Old Town Fort Collins



Old Town Plaza Ft



Charles H. Clay - 1889



Armstrong Hotel - 1930
Fort Collins, Colo.



Edith and Fannie Green in the great yard



Mr. and Mrs. F.P. Fries



Lincoln Junior High School 1973



CSH Campus Television station
1971



Country Club Golf Group
1906 - 1907



First Brick House in Fort Collins, CO



Fort Collins **Financial Results**

NET POSITION

The net position, or net worth, of the City at December 31, 2022 was \$2.12 billion. Of the net position balance, \$413.4 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 from the prior year by over \$22.5 million (1.1%). The governmental net position increased by \$18.5 million (1.6%) and the business-type position increased by \$4.0 million (0.4%).

The City's total long-term liabilities increased in 2022 by \$23.1 million (10.0%) during the current year. Within that activity, the City's governmental long-term liabilities increased by \$13.9 million (20.8%) and business-type longterm liabilities increased by \$9.2 million (5.6%).

NET POSITION (at December 31 in thousands*)	Governmental		Business-type		Total Primary Government	
	2021	2022	2021	2022	2021	2022
ASSETS						
Current and other assets	\$ 376,693	\$ 399,178	\$ 251,666	\$ 242,958	\$628,358	\$ 642,136
Capital assets	961,472	977,821	852,239	865,499	1,813,711	1,843,320
Total assets	1,338,165	1,376,999	1,103,905	1,108,457	2,442,069	2,485,456
Deferred outflows of resources	564	2,353	847	2,500	1,412	4,853
LIABILITIES						
Long-term liabilities	66,602	80,451	163,749	172,988	230,351	253,439
Other liabilities	41,605	51,790	36,112	32,275	77,717	84,064
Total liabilities	108,270	132,240	199,861	205,263	308,068	337,503
Deferred inflows of resources	38,765	36,858	3,225	-	41,990	36,858
NET POSITION						
Net investment in capital assets	905,257	921,666	691,652	703,114	1,596,909	1,624,780
Restricted	81,510	77,766	-	-	81,510	77,766
Unrestricted	204,990	210,821	210,014	202,580	415,004	413,401
TOTAL NET POSITION	\$ 1,191,757	\$ 1,210,253	\$ 901,666	\$ 905,694	\$ 2,093,423	\$ 2,115,947

* Totals may not add due to rounding

Fort Collins **Financial Results**

SUMMARY OF ACTIVITIES

Governmental program revenues increased over 2021 by \$1.4 million, or 2.0%, while sales & use tax revenues increased by \$11.3 million, or 6.9% while Governmental expenses increased by \$33.2 million over 2021. The increase in program revenue is attributed primarily to charges for services, which have steadily grown due to higher consumption following the wake of the pandemic. Other increases to program revenue include operating grants and contributions from the Coronavirus Local Fiscal Recovery Fund – ARPA, while the sales and use tax revenue has continued to rebound from pandemic driven impacts that affected 2021 commerce.

On the business-type side, program revenues increased by \$9.3 million with expenses increasing by \$13.6 million. This 3.7% increase to program revenue was largely driven Electric & Telecommunication revenues for the build out of the Connexion internet service, and increased electric rates and consumption. Other increases include higher Water revenues for increased raw water surcharges, as well as higher commercial and industrial Wastewater sales.

Expenses are described in greater detail in the following pages. For in-depth analysis, and multi-year trends of revenues & expenses see the 2022 Annual Comprehensive Financial Report.

CONDENSED SUMMARY OF ACTIVITIES (at December 31 in thousands*)	Governmental		Business-type		Total Primary Government	
	2021	2022	2021	2022	2021	2022
REVENUES						
Program revenues, primarily service charges	\$ 69,453	\$ 70,876	\$ 248,157	\$ 257,445	\$ 317,610	\$ 328,321
Sales & use taxes	162,698	173,971	-	-	162,698	173,971
Other general revenues	73,582	63,976	783	(6,456)	74,365	57,520
TOTAL REVENUES	305,733	308,822	248,939	250,989	554,672	559,811
Expenses	258,746	291,906	231,799	245,380	490,545	537,286
Transfers	2,917	1,580	(2,917)	(1,580)	-	-
CHANGE IN NET POSITION	49,903	18,496	14,223	4,029	64,127	22,525
Net position, beginning of year	1,141,854	1,191,757	887,442	901,665	2,029,296	2,093,423
NET POSITION, END OF YEAR	\$ 1,191,757	\$ 1,210,253	\$ 901,665	\$ 905,694	\$ 2,093,423	\$ 2,115,947

* Totals may not add due to rounding

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 on 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 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.

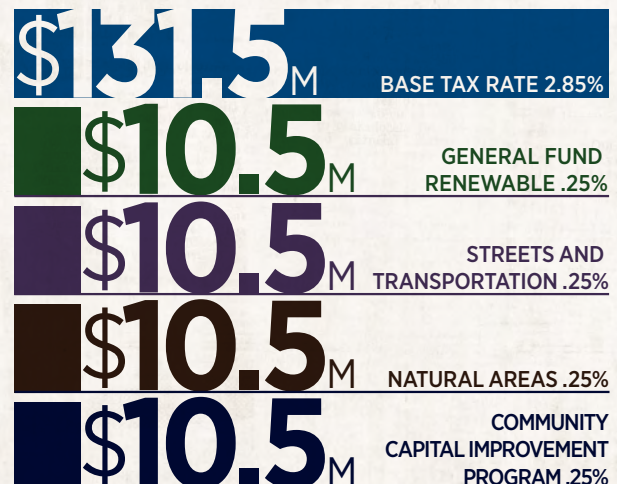
General Fund Renewable

0.25%, EXPIRES DECEMBER 31, 2030

This tax was passed by 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 2022 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.

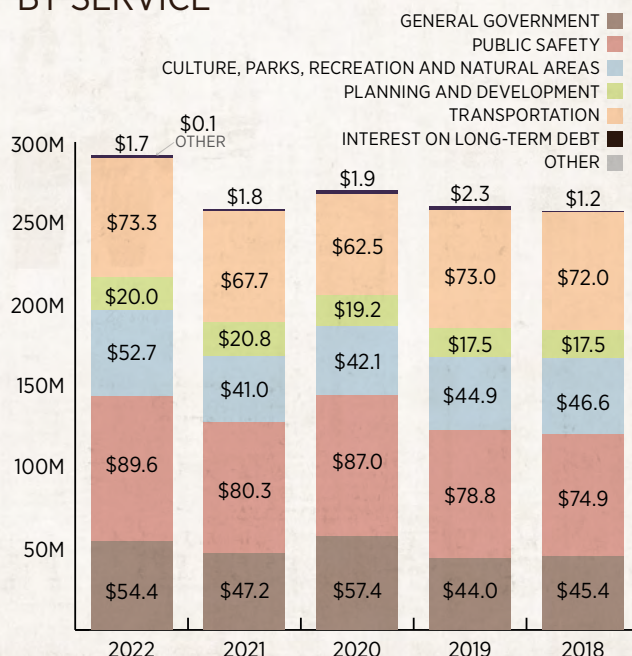
Fort Collins uses Budgeting for Outcomes (BFO) for its budget. The process focuses on results and priorities, not on cost. The process shifts from paying for costs to buying results. Service providers, or "sellers," make offers to results teams aligned behind one of the seven outcomes. Teams evaluate 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 2022, governmental expenditures totaled \$291.8 million, an increase of \$33.0 million, or 12.8%, when compared to 2021. General Government and Public Safety expenses both increased over 2021 by \$7.2 million and \$9.3 million, respectively, with these increases largely due to expenses incurred from

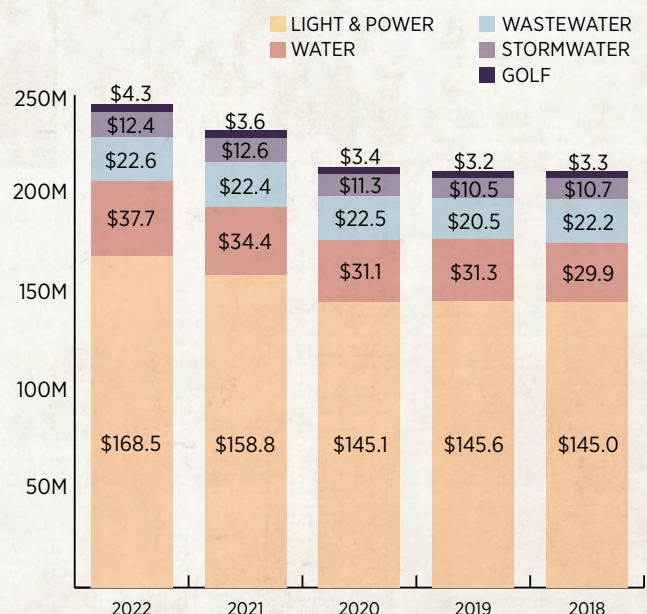
grant revenues, and other City improvements. Additionally, Culture, Parks, Recreation and Natural Areas and Transportation expenses also increased by \$11.7 million and \$5.6 million, respectively, also due to grant-related activity and rebounding economic activity following the pandemic. Planning and Development meanwhile decreased \$0.8 million while interest on long-term debt decreased by \$0.1 million. The City in 2022 also incurred \$0.1 million of expenses that primarily pertains to principal paid on debt.

Business-type Expenses totaled \$245.5 million in 2022, an increase of \$13.7 million, or 5.9%, when compared to 2021. Increases seen over prior years were largely due to inflationary pressures in energy cost, labor, equipment, and supplies, with the largest impact seen in Light & Power increasing \$9.7 million over 2021, because of these factors and the continued build out of the Connexion internet service. Water also had a significant increased of \$3.3 million also due to these impacts, while Wastewater & Golf expenditures only increased \$0.2 million and \$0.7 million, respectively. Storm Drainage was the only Business-type expense to decrease over 2021, declining by \$0.2 million in 2022.

GOVERNMENTAL EXPENSES BY SERVICE



BUSINESS-TYPE EXPENSES BY SERVICE



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 presented are expressed in thousands; totals may not add due to rounding.

SERVICE AREA Department	General Fund	Transportation Fund	Capital Projects Fund	Urban Renewal Authority	Other Gov. Funds	Grand Total
POLICE SERV. TOTAL	\$163,730	-	-	-	-	\$163,730
Investigations	28,810	-	-	-	-	28,810
Police Information Services	26,732	-	-	-	-	26,732
Patrol	57,327	-	-	-	-	57,327
Special Operations	31,911	-	-	-	-	31,911
Police Administration	18,950	-	-	-	-	18,950
FINANCIAL SERV. TOTAL	33,910	-	-	-	-	33,910
COMMUNITY & OPERATION SERV. TOTAL	53,982	-	12,588	-	125,567	192,137
Recreation	168	-	4,766	-	26,479	31,413
Community Serv. Admin.	1,831	-	-	-	-	1,831
Park Planning & Dev.	213	-	4,485	-	15,744	20,442
Cultural Services	1,991	-	224	-	24,581	26,796
Parks	48,171	-	2,290	-	3,160	53,621
Natural Areas	1,608	-	822	-	55,604	58,034
PLANNING, DEV. & TRANS. TOTAL	36,545	109,409	30,754	-	102,455	279,163
PDT Administration	3,466	467	-	-	-	3,934
Transfort / Parking	-	-	574	-	97,256	97,830
Comm. Dev & Neighborhood Svcs.	29,704	-	-	-	8	29,712
FC Moves	-	5,324	962	-	1	6,287
Streets	3,375	79,284	-	-	3	82,662
Traffic	-	15,545	-	-	18	15,562
Engineering	-	8,789	29,217	-	5,170	43,177
EXECUTIVE SERVICES TOTAL	15,228	-	-	-	-	15,228
JUDICIAL SERVICES TOTAL	4,925	-	-	-	-	4,925
LEGAL SERVICES TOTAL	10,071	-	-	-	-	10,071
INFO. & EMPLOYEE SVCS. TOTAL	65,213	-	554	-	-	65,767
SUSTAINABILITY SERVICES TOTAL	26,390	-	-	18,371	9,204	53,965
Economic Health Office	3,051	-	-	-	54	3,106
Social Sustainability	12,783	-	-	-	8,567	21,349
Environmental Services	8,890	-	-	-	-	8,890
Administration	1,666	-	-	-	583	2,249
Urban Renewal Auth.	-	-	-	18,371	-	18,371
OTHER NON DEPT. TOTAL	7,091	-	-	-	14,181	21,272
POUDRE FIRE AUTHORITY TOTAL	101,635	-	-	-	-	101,635
GRAND TOTAL	\$518,719	\$109,409	\$43,895	\$18,371	\$251,408	\$941,802



TREASURY ADMINISTRATION

WHERE'S THE MONEY KEPT?

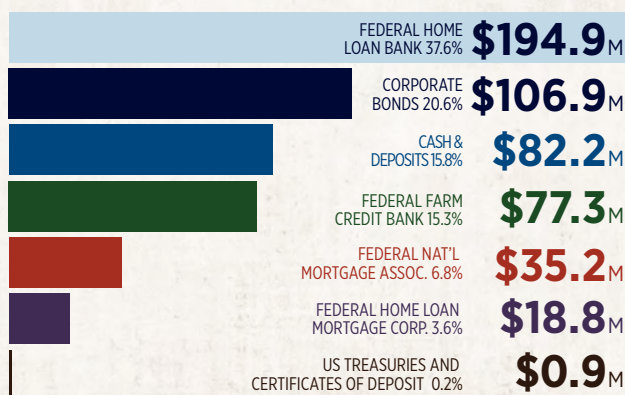
CASH & INVESTMENT MANAGEMENT

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, 2022, the fair market value of the City's cash and investments was \$516.2 million. The portfolio's overall market yield for 2022 was -3.35% and the realized and unrealized interest losses were \$17.3 million.

CASH & INVESTMENTS

December 31, 2022 in millions

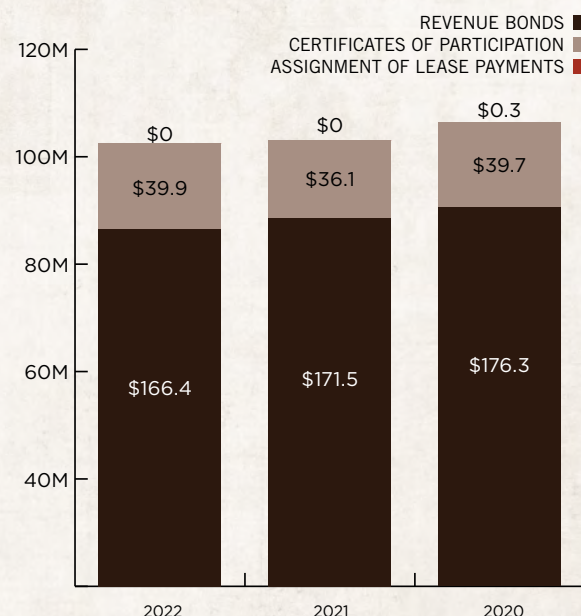


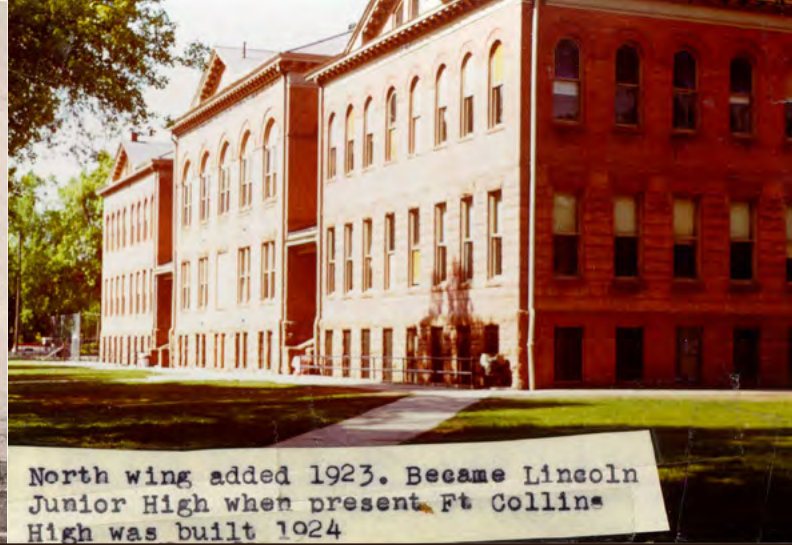
BONDED DEBT OBLIGATIONS

The City's credit rating was Aaa by Moody's Investors Service at Dec. 31, 2022. 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, 2022, the City held total bonded debt of \$206.3 million. Of this amount, \$47.5 million was related to government activities and \$158.8 million was related to business-type activities. The debt service due within one year is \$21.7 million.

CITY DEBT OBLIGATIONS

December 31, 2022 in millions





CAPITAL ASSETS

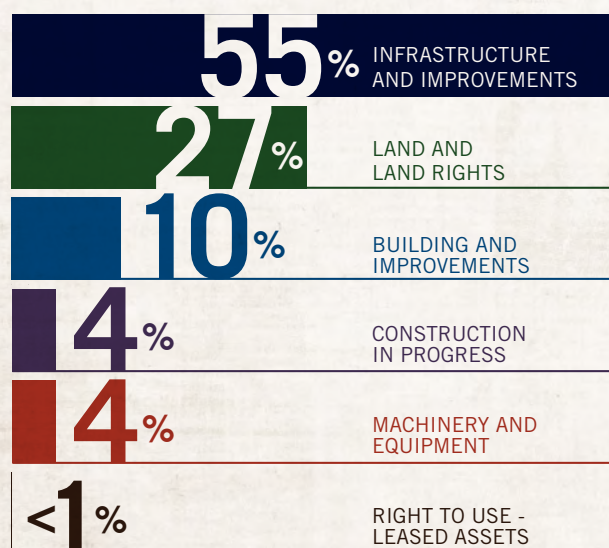
WHAT DOES THE CITY OWN?

The book value, historical cost less depreciation, of the City's capital assets totaled \$1.8 billion at Dec. 31, 2022. 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.

Total investment in capital assets increased \$29.6 million compared to 2021. 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.

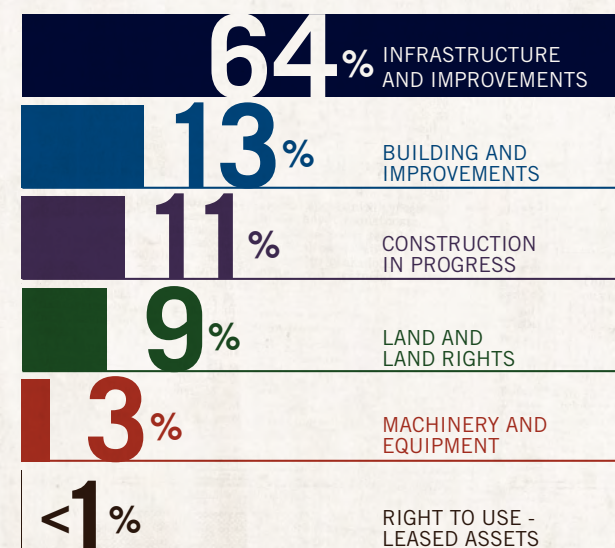
GOVERNMENT CAPITAL ASSETS

\$977.8M



BUSINESS-TYPE CAPITAL ASSETS

\$865.5M





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.

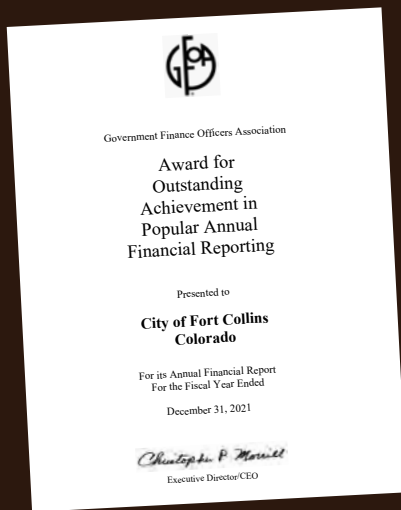
Other liabilities — items such as payables, payroll, accrued interest and unearned revenue.

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 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, 2021. 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.



SPECIAL THANKS
TO THE PHOTO ARCHIVE OF THE FORT COLLINS MUSEUM OF DISCOVERY

