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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 Comprehensive Annual Financial Report (CAFR), 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 CAFR. The City's CAFR is prepared in conformity with generally accepted accounting principles (GAAP). Included in the CAFR 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 CAFR'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's CAFR has received awards for outstanding financial reporting from the Government Finance Officers Association. The CAFR and the City Manager's Budget are available on the City's website, fcgov.com/finance.



LETTER FROM THE CITY MANAGER & CFO

Fort Collins Residents,

One of the primary roles of government is to use taxpayer dollars to provide the high-quality programs and services the community expects and deserves, and to do so in a thoughtful, transparent manner. This includes providing regular reports on the City's finances.

It is thus our privilege to present to you the City of Fort Collins 2019 People's Annual Financial Report for the fiscal year. This report is one part of the City's collective focus on accountability, transparency and responsiveness to the community, and we hope this report helps you to learn about and participate in the City's financial activities in an easy-to-understand, concise manner.

This report includes condensed and simplified information from the 2019 Comprehensive Annual Financial Report (CAFR). It is important to note that this report is unaudited and is presented on a non-Generally Accepted Accounting Principles (GAAP) basis. It contains condensed financial information and 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 CAFR 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 work of building community is a high value and it is a commitment that the nearly 2,500 City employees take seriously. We also firmly believe that the best innovation, progress and solutions to both challenges and opportunities take place when there are more voices at the table. The City of Fort Collins is fortunate to have many community partners—the school district, area colleges and universities, our vibrant businesses, non-profits,

healthcare systems, faith communities and many more—who are equally committed to co-creating the Fort Collins we strive toward. In times of uncertainty, those partnerships and communitydeveloped solutions are even more valuable.

The data in this report reflects the City's 2019 financial position; however, it is being produced in 2020 as the City, the nation and the world are still in the midst of the COVID-19 pandemic and the associated economic impacts. While the full extent of this current crisis is still unknown, as you will see in this document the City of Fort Collins entered 2020 from a strong financial state, which has and will continue to help us weather this storm.

We would like to thank the staff of the Accounting and Treasury department for producing this report and the CAFR. 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 CAFR, Biennial Budget, and other detailed reporting are available online at fcgov.com/finance.



Darin Atteberry

City Manager



7

Travis Storin
Interim 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) and 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 8,400 employees, CSU was the largest employer in Fort Collins in 2019.

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 in order 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, the longer-term economic impacts from COVID-19 are still unknown and will present challenges for both the municipal organization and the broader local economy.

QUICK FACTS

- Estimated Population: **174,871** City of Fort Collins, January 2020
- Unemployment Rate: 2.0%%
 Bureau of Labor Statistics Occupational Employment and Wage Estimates, December 2019
- Median Age: 29.1
 American Community Survey 5-Year Estimates, 2014-2018
- Median Household Income: \$62,132
 American Community Survey 5-Year Estimates, 2014-2018
- Education Level (approximate percentage of population with completion of 4 or more years of college education): 54.5%
 American Community Survey 5-Year Estimates, 2014-2018

TOP TEN EMPLOYERS BY HEADCOUNT					
Colorado State University	8,400	Educational Services			
Poudre Valley Hospital	5,400	Health Care & Social Assistance			
Poudre R-1 School District	4,500	Educational Services			
City of Fort Collins	2,100	Public Administration			
Larimer County	2,000	Public Administration			
Woodward Inc	1,400	Manufacturing			
Broadcom (Avago Technologies)	1,200	Manufacturing			
Dillon Companies (multiple King Soopers locations)	910	Grocery			
Otter Products	880	Manufacturing			
Department of Agriculture	750	Public Administration			



ABOUT THE CITYGOVERNMENT 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 Chief 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
- Five utilities: Light & Power, Water, Wastewater, Stormwater, and Broadband
- Streets, Transportation, and Transit infrastructure
- Parks, Recreation, Natural Areas, and Cultural facilities
- Planning, Engineering, and Community services
- Sustainability services, including Economic Health, Environmental Services, and Social Sustainability

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
- S Economic Health
- Environmental Health
- Safe Community
- Transportation & Mobility
- (4) 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 more avenues than ever 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.

fcgov.com/fctv

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

fcgov.com

OpenCity - Designed to take transparency to the next level. The goal of OpenCity 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/opencity

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*

THERE'S AN APP FOR THAT

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

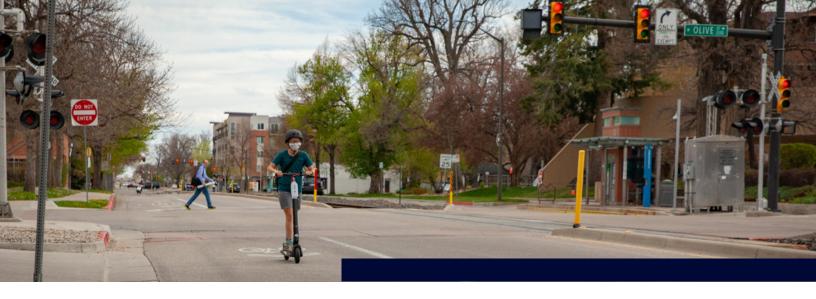
- Access Fort Collins
- Ride Transfort
- FC Parking











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 percent below 2005 levels by 2020 and 80 percent by 2030 with the goal of being carbon neutral by 2050. View the Climate Dashboard at *ftcollinscap.clearpointstrategy.com*.

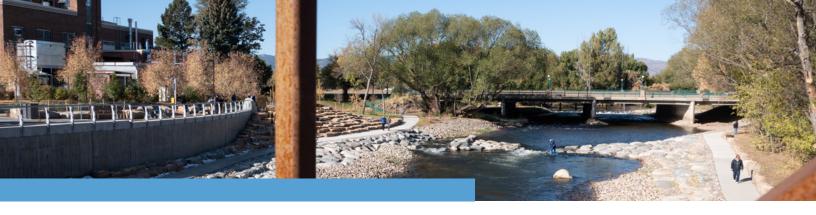
Financial Reporting – A wide collection of financial and performance reporting is maintained by the Finance department, including quarterly budget variance reporting, seven-year comparative statements, monthly sales tax reporting, and more. Access these reports at <u>fcgov.com/finance</u>.

Community Survey – A statistically valid survey is conducted every two years 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.

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*.





2019-2020 Snapshot collaboration for community

CONNEXION BROADBAND

Fort Collins Connexion was born from an idea – to bring fast, affordable and reliable broadband service to the entire community! After voters approved a Utility Charter amendment to add telecommunications services, the City began building out municipal broadband service. Construction began in February 2019 and by August, the first residential customers were accessing the internet in their homes through Connexion.



Many years of visioning, collaboration, creativity and hard work were showcased with the grand opening of the Poudre River Whitewater Park in the fall of 2019. Thanks to a comprehensive blueprint and vision for the river established in the 2014 Poudre River Downtown Master Plan, the whitewater park project accomplished multiple goals including: providing a purposeful and accessible place to recreate on the river, improving the safety and health of the river through floodplain adjustments, and returning the area to a more natural state through habitat and river restoration enhancements.

CITY GIVE

City Give is an umbrella for the many existing and future fundraising activities across departments and projects within the City of Fort Collins. It is a pioneering operational initiative created to orchestrate and strengthen the City's philanthropic practices, standards and partnerships. City Give is an investment in new pathways for successful public-private collaboration.

GARDENS EXPANSION

For well over a decade, the Gardens on Spring Creek has cultivated a world-class botanic garden with roots in education, experience, sustainability and community-building. Now, with more than 89,000 annual visitors, the Gardens on Spring Creek is one of the largest cultural venues in Northern Colorado. Following a two-year, \$6 million expansion project, the Gardens on Spring Creek re-opened its doors to the community in November 2019. The cultural facility now showcases 12 acres of beautifully curated display gardens with more than 1,700 plant varieties. In addition, The Gardens offers a permanent Butterfly House, home to more than 300 fluttering North American butterflies.

SUSTAINABLE NEIGHBORHOODS

The Sustainable Neighborhoods program kicked off in 2019 as a collaborative effort between the City's Neighborhood Services and Environmental Services offices and is modeled on similar programs in Lakewood and Denver. The goal of the program is to empower residents to make meaningful progress toward climate goals by hosting workshops and completing projects that advance sustainability in their own neighborhoods, inspiring others to also begin making change.







FORT COLLINS BY THE NUMBERS

OPERATING STATISTICS

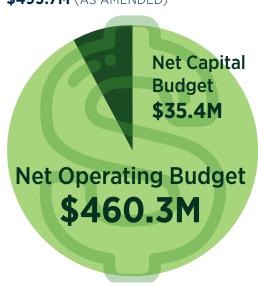
STAFFING

BUDGETED FULL-TIME EQUIVALENTS*



- *Does not include seasonal staff
- **This increase includes 77.75 FTE that were converted from full-time hourly to classified or contractual

NET 2019 OPERATING & CAPITAL BUDGET \$495.7M (AS AMENDED)



PUBLIC SAFETY







110,548

20,444Medical Calls

21,939

CULTURE, PARKS, RECREATION & NATURAL AREAS







44

Trail Miles

45,350 966 Natural Areas Parks Acreage

Acreage



305,053 Cultural Attendance (Museum, Lincoln Center, Gardens)

TRANSPORTATION



4.5M Transfort & Dial-a-Ride **Passengers**



1,974 Street Lane Miles



235 Traffic Signals



Bike Lane Centerlane Miles

UTILITIES



546 Water Mains



Miles of High Voltage Circuits



99.99% Electric System Reliability



118,500 Customer Calls Processed

SUSTAINABILITY



240 Units Under

Construction



Affordable Housing Awarded to Human Services & Affordable

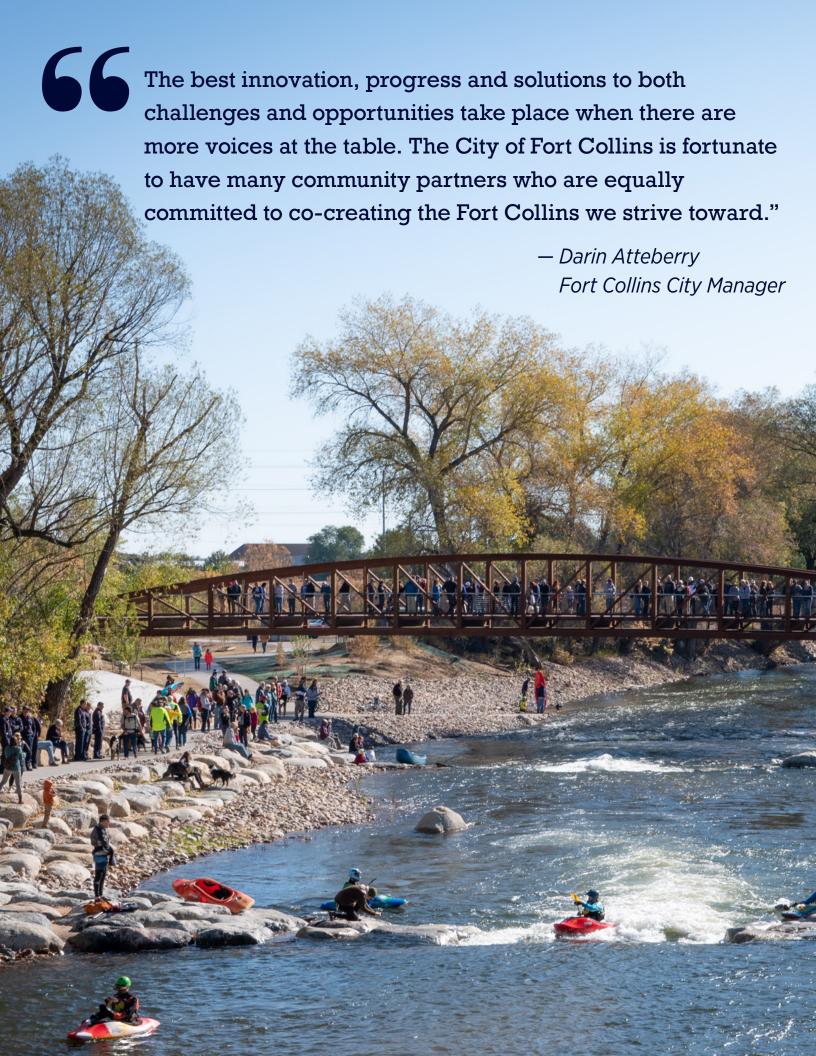
Housing Agencies



Homes Assessed for Indoor Air Quality



Reduction in Greenhouse Gases (against 2005 levels,)





Fort Collins Financial Results

NET POSITION

The net position, or net worth, of the City at December 31, 2019 was \$2.0 billion. Of the net position balance, \$343.0 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 \$47.1 million (2.4%). The governmental net position increased by \$29.3 million (2.6%) and the business-type position increased by \$17.8 million (2.0%). The City's total long-term liabilities increased by \$9.8 million (4.0%) during the current year. Within that activity, the City's governmental long-term liabilities increased by \$20.8 million and business-type long-term liabilities decreased by \$11.0 million.

NET POSITION	Governn	Governmental		s-type	Total Primary Government	
(at December 31 in thousands)	2018	2019	2018	2019	2018	2019
ASSETS						
Current and other assets	\$ 319,266	\$ 352,755	\$ 317,642	\$ 312,087	\$ 636,907	\$ 664,949
Capital assets	897,181	920,760	741,489	765,832	1,638,670	1,686,592
Total assets	1,216,447	1,273,515	1,059,131	1,077,919	2,275,577	2,351,541
Deferred outflows of resources	2,187	790	2,617	1,188	4,804	1,978
LIABILITIES						
Long-term liabilities	59,069	79,823	185,614	174,635	244,683	254,459
Other liabilities	30,016	29,343	24,788	33,695	54,804	63,145
Total liabilities	89,085	109,166	210,402	208,330	299,487	317,604
Deferred inflows of resources	30,046	36,332	-	1,641	30,046	37,973
NET POSITION						
Net investment in capital assets	857,873	855,974	710,492	717,336	1,568,365	1,573,311
Restricted	76,746	81,632	-	-	76,746	81,632
Unrestricted	164,885	191,201	140,854	151,799	305,739	343,000
TOTAL NET POSITION	\$ 1,099,504	\$ 1,128,808	\$ 851,346	\$ 869,135	\$1,950,849	\$ 1,997,943

Fort Collins Financial Results

SUMMARY OF ACTIVITIES

Governmental program revenues increased slightly by \$2.2 million while expenses increased \$2.9 million. This 3.2 percent increase was driven by a combination of increased transportation and cultural services program revenue.

On the business-type side, program revenues experienced a net decrease of \$7.4 million. This 3.4 percent decrease was driven in part due to weather impacts coupled with water conservation efforts.

Expenses are described in greater detail in the following pages.

CONDENSED SUMMARY	Governmental		Business-type		Total Primary Government	
OF ACTIVITIES (at December 31 in thousands)	2018	2019	2018	2019	2018	2019
REVENUES						
Program revenues, primarily service charges	\$ 66,194	\$ 68,399	\$ 227,340	\$ 219,960	\$ 293,534	\$ 288,359
Sales & use taxes	138,560	143,145	-	-	138,560	143,145
Other general revenues	76,457	75,418	9,818	11,733	86,275	87,151
TOTAL REVENUES	281,211	286,962	237,158	231,694	518,369	518,655
Expenses	257,609	260,539	211,144	211,023	468,754	471,561
Transfers	3,274	2,881	(3,274)	(2,881)	-	-
CHANGE IN NET POSITION	26,840	29,304	22,740	17,790	49,615	47,094
Net position, beginning of year	1,072,629	1,099,504	828,605	851,346	1,901,234	1,950,849
NET POSITION, END OF YEAR	\$ 1,099,468	\$ 1,128,808	\$ 851,346	\$ 869,135	\$ 1,950,849	\$ 1,997,943

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 percent tax upon sales, purchases, and certain services in order to fund other services that are not charged based on volume or usage.

Base Rate

2.25%.

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 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.

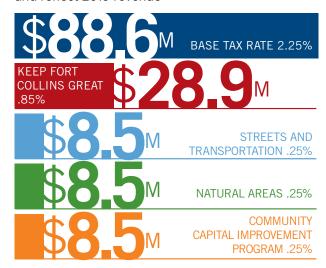
Keep Fort Collins Great

0.85%, EXPIRES DECEMBER 31, 2020

This tax was passed by Fort Collins voters in November 2010 to fund services and programs that the community values. The tax is used for road improvement projects, increased staffing and facilities for emergency responders, parks maintenance, and other priorities. In April 2019, Fort Collins voters approved a reconfiguration of this tax. Beginning in 2021, instead of a .85% renewable tax, Fort Collins will permanently add .60% to the ongoing Base Rate and add a renewable .25% tax through 2030.

SALES & USE TAX

Dollar amounts in millions and reflect 2019 revenue



EXPENSES

WHERE DOES THE MONEY GO?

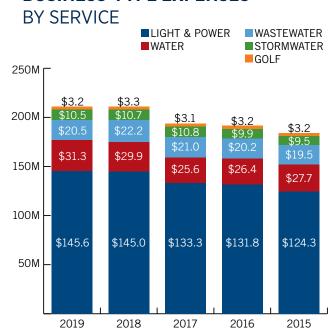
Every two years, the City Manager submits a budget for City Council's adoption. The proposed budget cannot include expenditures that exceed estimated reserve balances and anticipated income. The budget represents six months of input from community members, City staff and City management, and serves as 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 community members and their priorities first. For more information, please visit fcgov.com/bfo.

In 2019, governmental expenditures totaled \$260.5 million, an increase of \$2.9 million, or 1.1 percent, when compared to 2018. Public safety expenses increased \$3.9 million largely due to additional compensation resulting from the police collective bargaining agreement. Transportation and Interest on long-term debt increased \$1.1 million and \$1.0 million respectively while Culture, Parks, Recreation and Natural Areas and General Government decreased \$1.7 million and \$1.4 million, respectively.

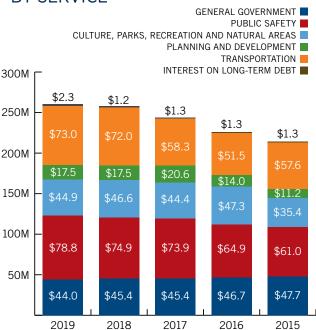
Business-type Expenses totaled \$211.0 million in 2019, a decrease of \$0.1 million compared to 2018. Water increased \$1.4 million due to an increase in debt service while Light and Power only increased \$0.6 million. On the other hand, Wastewater decreased \$1.7 million primarily driven by a reduction in personnel services of \$1.4 million, a decrease of 21.2%.

BUSINESS-TYPE EXPENSES



GOVERNMENT EXPENSES

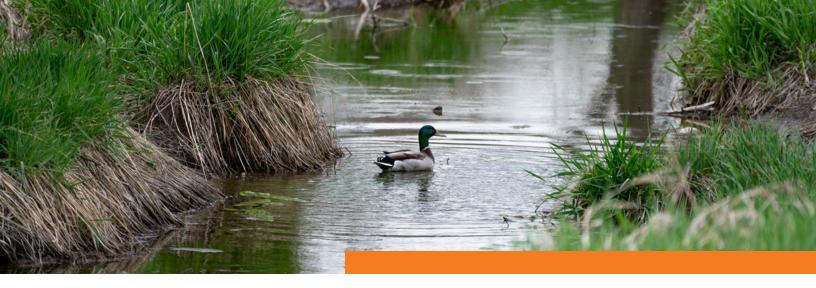
BY SERVICE



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 are in thousands and on a non-GAAP Budgetary Basis.

SERVICE AREA Department	General Fund	Keep Fort Collins Great Fund	Transportation Fund	Capital Projects Fund	Urban Renewal Authority	Other Gov. Funds	Grand Total
POLICE SERV. TOTAL	44,079	6,107	-	-	-	-	50,186
Investigations	6,307	1,653					7,959
Police Information Serv.	8,613	1,322					9,935
Patrol	17,685	777					18,462
Community & Special Serv.	6,163	1,978					8,141
Office of the Chief	5,312	378					5,690
FINANCIAL SERV. TOTAL	4,600	-	-	-	-	-	4,600
COMMUNITY & OPERATION SERV. TOTAL	25,984	4,454	-	8,999	-	29,165	68,603
Operation Services	12,375	0		1			12,376
Recreation		1,709		90		7,090	8,889
Community Serv. Admin.	308	51					359
Park Planning & Dev.		173		6,040		4,135	10,349
Cultural Services	1,599	108		2,159		5,556	9,423
Parks Natural Areas	11,623 79	2,008 405		400 309		647 11,737	14,678 12,531
			27.070	16,877			
PLANNING, DEV. & TRANS. TOTAL PDT Administration	10,317	14,799	23,930	10,077	<u>-</u>	26,176	92,099
Transfort / Parking	1,140	2,186	565	199		25,466	1,704 27,850
Comm. Dev & Neighborhood Svcs.	9,174	115		133		23,400	9,289
FC Moves	3,,,, 1	726	557	301			1,588
Streets		9,563	16,648			104	26,314
Traffic		699	3,416				4,115
Engineering		1,511	2,744	16,376		607	21,238
EXECUTIVE SERVICES TOTAL	4,078	22	-	-	-	-	4,099
JUDICIAL SERVICES TOTAL	1,070	70	-	-	-	-	1,140
LEGAL SERVICES TOTAL	2,702	-	-	-	-	-	2,702
INFO. & EMPLOYEE SVCS. TOTAL	5,842	435	-	-	-	-	6,278
SUSTAINABILITY SERVICES TOTAL	5,710	1,479	-	21	10,629	1,265	19,103
Economic Health Office	1,787	152				120	2,059
Social Sustainability	1,859	637				1,145	3,641
Environmental Services	1,615	647		21			2,283
Administration	450	42			10.000		492
Urban Renewal Auth.	4.071				10,629	6.000	10,629
OTHER NON DEPT. TOTAL	1,674	-	-	-	-	6,096	7,770
POUDRE FIRE AUTHORITY TOTAL	26,716	3,109	-	-	-	-	29,824
GRAND TOTAL	\$132,772	\$30,475	\$23,930	\$25,897	\$10,629	\$62,703	\$286,405



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, 2019, the fair market value of the City's cash and investments was \$577.9 million. The yield on market for the total assets in

CASH & INVESTMENTS

December 31, 2019 in millions

FEDERAL FARM CREDIT BANK 26%	\$147.9 _M
FEDERAL NAT'L MORTGAGE ASSOC. 11%	\$64.1 _M
CASH & DEPOSITS 21%	\$120 _M
CORPORATE BONDS 8%	8.6 _M
FEDERAL HOME LOAN BANK 15%	\$87 M
FEDERAL HOME LOAN MORTGAGE CORP. 18%	\$105.4 _M
US TREASURIES AND CERTIFICATES OF DEPOS	_{IT 1%} \$5 _M

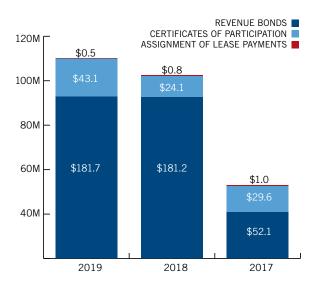
the portfolio for 2019 was 2.04 percent and total interest earnings were \$16.0 million.

BONDED DEBT OBLIGATIONS

The City's credit rating was Aaa by Moody's Investors Service at Dec. 31, 2019. This highly favorable investment rating, maintained by only 4 percent of governments, allows the City to pay less interest on its debt issuances. At Dec. 31, 2019, the City held total bonded debt of \$225.4 million. Of this amount, \$58.2 million was related to government activities and \$167.2 million was related to business-type activities. The debt service due within one year is \$19.9 million.

CITY DEBT OBLIGATIONS

December 31, 2019 in millions



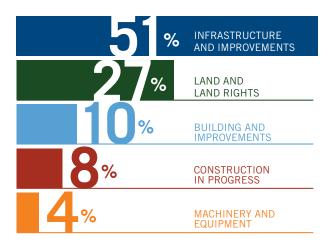


CAPITAL ASSETSWHAT DOES THE CITY OWN?

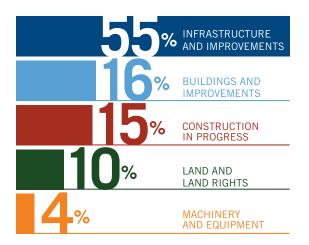
The book value, historical cost less depreciation, of the City's capital assets totaled \$1.7 billion at Dec. 31, 2019. This investment in capital assets includes buildings and improvements, infrastructure and other improvements, including streets, bridges, and the full utility delivery system, land and right-of-way, various equipment and construction in progress.

Total investment in capital assets increased \$47.9 million compared to 2018. 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 \$921M



BUSINESS-TYPE CAPITAL ASSETS \$766M





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.

