

STEWARDSHIP IN THE 21ST CENTURY CITIZENS' FINANCIAL REPORT 2016



CONTENTS

Letter from the City Manager & CFO	1
Meet Fort Collins	2
About the City Government Organization	3
Stewards of Information	4
2016 Snapshot: Stewardship in Action	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 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 RSM US 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,

Perhaps the highest duty entrusted to your local government is the stewardship and custody of the public's resources, in particular its financial resources. With this spirit of trust and transparency in mind, we consider it vital that citizens are kept informed and updated on the status of the City's finances. We're proud to report that our strong local economy, prudent fiscal management, and healthy fund balances all position us well for the challenges that the future holds. We maintain an Aaa credit rating with Moody's, a designation that only 4 percent of governments receive.

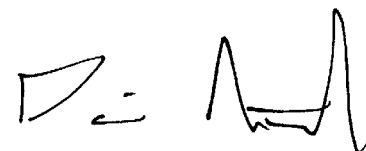
It is thus our privilege to present to you the City of Fort Collins 2016 Citizens' Financial Report for the fiscal year. This report is one part of the City organization's collective focus on accountability, transparency and responsiveness to the individuals and populations we serve. We hope this report provides you an opportunity to learn and participate in the City's financial activities in an easy-to-understand, concise manner.

This report includes condensed and simplified information from the 2016 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.

This year's theme is Stewardship for the 21st Century. Stewardship is one of the six core values adopted by the City's professional staff. As a top community and City Council priority, we are dedicated to protecting and enhancing our community's social, economic, and environmental assets. Throughout the report we will highlight the many avenues through which City staff and community members innovatively and diligently demonstrate that core value.

We would like to thank the hard-working staff of the Accounting and Treasury department, the team responsible for producing this report and the CAFR. Their commitment to accountability and integrity provides a great service to the Fort Collins community. We invite you to seek more in-depth information online. The CAFR, Biennial Budget, and other detailed reporting are available online at fcgov.com/finance. The City's website also includes information about departmental operations, job opportunities, City Council agendas, meetings and much more.



Darin Atteberry
City Manager



Mike Beckstead
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 7,525 employees, CSU was the largest employer in Fort Collins in 2016.

Despite the vibrancy and economic stability the community enjoys, City leadership has several challenges to navigate in coming years. The City is launching City Plan to help shape the community's vision for Fort Collins in the

next 20 years. City Plan will address land use, transportation and transit, and many other topics. The Keep Fort Collins Great sales tax, which is 0.85 percent of taxable sales, or \$27.5 million of 2016 revenues, is scheduled to expire December 31, 2020. Finally, the community has set ambitious goals around Climate Action Planning that will require thoughtful planning in order to achieve while still maintaining economic vitality and social health.

QUICK FACTS

- Population (2017 estimated): 167,500
- Unemployment Rate: 2.2%
- Sales and Use Tax Rate: 3.85%
- 2011-2015 Median Household Income according to American Community Survey: \$55,647
- Education Level (percentage of population with four or more years of college education) according to American Community Survey: 52.5%

TOP TEN EMPLOYERS BY HEADCOUNT

Colorado State University	Education	7,525
Poudre School District R-1	Education	4,297
University Colorado Hospital	Healthcare	3,801
City Of Fort Collins	Government	2,006
Larimer County	Government	1,838
Woodward Inc.	Aerospace	1,232
Avago Technologies US Inc.	Analog Electronics	1,084
Department Of Agriculture	Government	1,078
Otter Products LLC	Electronics Accessories	864
Employment Solutions Personnel	Staffing	850



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
- Four utilities: Light & Power, Water, Wastewater, and Stormwater
- 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

To contact a department, the 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 and Social Health
-  Culture and Recreation
-  Economic Health
-  Environmental Health
-  Safe Community
-  Transportation
-  High Performing Government

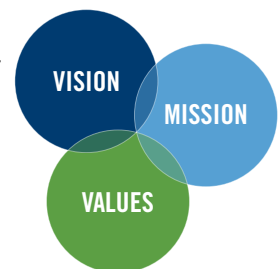
VISION, MISSION, & VALUES

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





Stewards of Information

INTERACTING WITH THE CITY

Citizens 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

Open Book - An online tool designed to disclose expenses in a simple-to-use format for those interested in how the local government spends its revenues. fcgov.com/openbook

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

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

OpenCity - A new initiative to take transparency to the next level. The goal of OpenCity is to create a web portal to host data sets that are available to the public in a format that citizens can easily search, filter, or use in innovative and creative ways. fcgov.com/opencity



DATA-DRIVEN DECISION MAKING

The City of Fort Collins has deliberately moved from a “trust us” model to being a data-driven 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 passengers per revenue hour are measured and monitored so the City can adapt certain programs to ensure targets are met and improve performance where necessary. The Community Dashboard can be viewed at fcgov.com/dashboard.

Strategy Maps - The City created Strategy Maps to enhance metrics and track the City’s progress. Strategy Maps tie to each of the 55 Strategic Objectives within the Strategic Plan. This provides insight into the City’s progress in achieving the Strategic Objectives, which will then help meet the Outcomes. See more about the strategy maps in the 2016 Strategic Plan at fcgov.com/strategicplan.

Monthly Financial Reports - An internal report prepared monthly by managers and reviewed by City executives. Management uses this report to closely analyze their department’s budget expenditures and revenues. The report also communicates departments’ projects, goals and needs to other departments.

Citizen 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/citizensurvey.

Rocky Mountain Performance Excellence (RMPEX) - In its ongoing quest for continuous performance improvement, the City of Fort Collins reached a new level in 2014 with the Rocky Mountain Performance Excellence (RMPEX) Peak Award. This elite designation is for organizations that undergo a rigorous examination of their business processes using the prestigious Baldrige National Quality Award Criteria. The City of Fort Collins was only the fifth organization to receive this honor in the thirteen-year history of RMPEX. The City incorporated feedback from RMPEX into its planning process in 2015 to continue to improve the organization. The City is now working towards the Malcolm Baldrige Performance Excellence Program at the national level.





2016 Snapshot STEWARDSHIP IN ACTION

222 LAPORTE AVENUE

Utilities Administration Building

The City completed one of the most energy efficient offices in the state. Nearly a decade in the making the new Utilities Administration Building at 222 Laporte Ave. is Colorado's first completed Leadership in Environmental Design (LEED) version 4 (v4) new construction projects. The new administration building is one of the most energy efficient buildings in the state and more than 95 percent of the construction waste was diverted from landfills. The City recently learned that the building was awarded LEED Platinum status, only the fourth v4 building in the world to be recognized.

MICHIGAN DITCH

A monumental undertaking for the City, Michigan Ditch is an invaluable asset to the community. The City-owned trans-mountain water rights were not available due to an ongoing landslide that covered part of the ditch in 2015. While many options were considered to repair the damage to the ditch, it was determined that a tunnel would be the best solution. Crews bored an 800-foot, 96-inch diameter rock tunnel through the mountainside, lined it with wood planks and steel rings known as "lag and steel" and ran a 100 cubic feet per second capacity pipe through the tunnel. Between the remote area and inclement weather, the project was a challenge; however the tunnel opened for full use of water rights in time for spring of 2017.

MULBERRY BRIDGE ENHANCEMENTS

Thanks to Keep Fort Collins Great funding, The Mulberry Bridge Urban Design and Landscaping Project completed the design vision along Mulberry Street between Lemay Avenue and Riverside Avenue. Design improvements, associated with the recently constructed roadway and bridge

improvements, were coordinated with recently constructed improvements on Lemay Avenue north of Mulberry Street, along the Poudre Trail, and developments within the project's general vicinity.

HORSETOOTH & TIMBERLINE

In an effort to improve safety and overall efficiency for vehicles, bicycles and pedestrians, the City of Fort Collins improved the intersection of Horsetooth Road and Timberline Road. Improvements included new turn lanes on Timberline Road, new bicycle lanes on Horsetooth Road and new pedestrian crossing areas. Overall, the size of the intersection increased, and the new design elements will created a friendly welcome to the local area. The majority of the project was funded by the voter approved Building on Basics (BOB) quarter-cent sales tax and a Federal Highway Administration air quality grant.

TIMBERLINE RECYCLING CENTER

The City of Fort Collins debuted its new recycling center with options for more hard-to-recycle items at 1903 Timberline Road on August 22, 2016. The facility is located about a half-mile south of the existing drop-off center behind Rivendell School, on Riverside Avenue. The original, 12-year-old recycling facility closed on August 21 to move to the new location. The new center helps support the City's ambitious goal of zero waste by 2030 and treats recycled materials as resources that can be better managed and reinvested in the local economy.

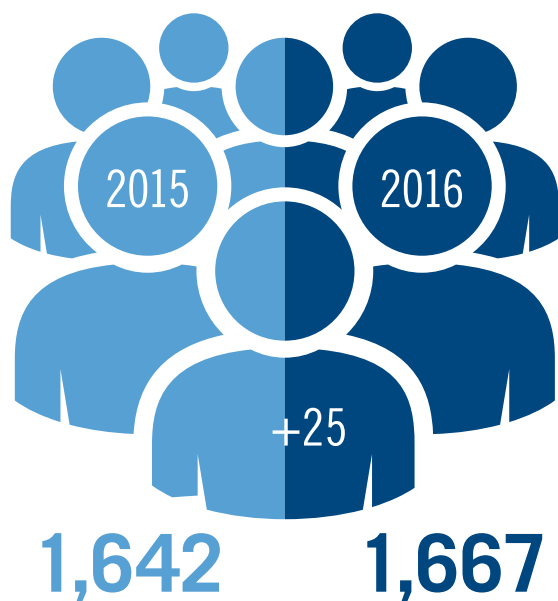




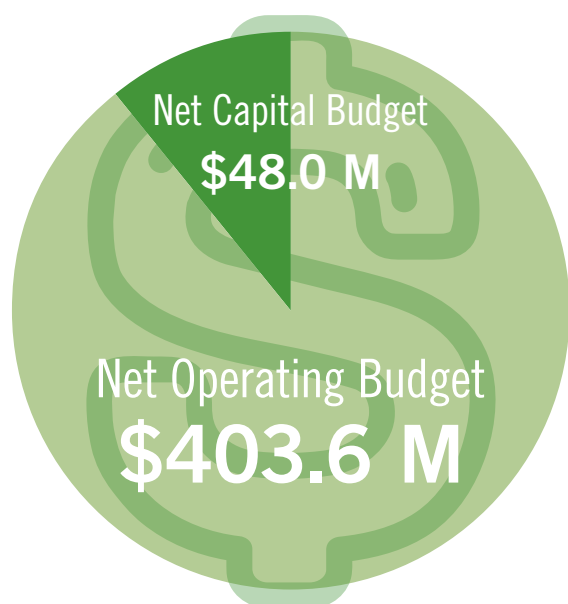
Fort Collins by the Numbers

OPERATING STATISTICS

STAFFING (FULL-TIME EQUIVALENTS, SALARIED AND HOURLY)



NET 2016 OPERATING AND CAPITAL BUDGET (AS AMENDED)



PUBLIC SAFETY



Average Police Response Time for priority one calls in 2016 **5min, 21sec**

In 2016, the Call Center processed:



111,149
Police Incidents



19,978
Medical Calls



21,028
Fire Calls

CULTURE, PARKS, RECREATION & NATURAL AREAS



Recreation Facility Attendance & Program Participation
1.52 M



Parks Acreage
879
Natural Areas
43,278



Cultural Attendance (Museum, Lincoln Center, Gardens)
339,740



Miles of Trails
43

TRANSPORTATION



Transfort & Dial-a-Ride Passengers
4.1 M



Street Lane Miles
1,922



Traffic Signals
224



Bike Lane Miles
210
(approx.)

UTILITIES



Miles Water Mains
539

Treatment Capacity
87 M gal.



Miles high voltage circuits
1,965

Reliability
99.9999%



Calls Responded to
133K

SUSTAINABILITY



Targeted industry cluster funds:
\$178,500



Dollars Awarded to Human Services/Housing Agencies
\$2.9 M



Homes Assessed for Air Quality
178



Greenhouse Gas Emissions Reduced
12%
(against 2015 levels)

“Stewardship

is one of the City's core values. It is part of everything we do, and extends from use of taxpayers dollars to the sustainability of our daily operations.”

Darin Atteberry, City of Fort Collins City Manager



Fort Collins Financial Results

NET POSITION

The net position, or net worth, of the City at December 31, 2016 was \$1.8 billion. Of the net position balance, \$313.7 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 \$67.1 million (3.8%). The governmental net position increased by \$36.7 million (3.7%) and the business-type position increased by \$30.4 million (4.0%).

The City's total long-term liabilities decreased by \$14.3 million (10.6%) during the current year. Within that activity, the City's governmental long-term liabilities decreased by \$5.2 million and business-type long-term liabilities decreased by \$9.1 million. As the City did not issue net new bonded debt in 2016, decreases in long-term debt are driven by principal payments on existing amounts.

Net Position (at December 31 in thousands)	Governmental		Business-type		Total Primary Government	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and other assets	\$ 313,630	\$ 296,714	\$ 178,336	\$ 194,780	\$ 491,965	\$ 491,494
Capital assets	824,965	802,454	701,684	658,900	1,526,649	1,461,355
Total assets	1,138,595	1,099,169	880,020	853,680	2,018,615	1,952,849
Deferred outflows of resources	2,203	2,566	2,872	1,863	5,076	4,429
LIABILITIES						
Long-term liabilities	58,424	63,617	62,903	72,054	121,327	135,671
Other liabilities	28,915	23,422	25,369	19,307	54,284	42,729
Total liabilities	87,339	87,039	88,272	91,361	175,611	178,400
Deferred inflows of resources	25,216	23,119	5	8	25,221	23,127
NET POSITION						
Net investment in capital assets	781,421	754,652	646,367	595,216	1,427,789	1,349,868
Restricted	80,520	75,207	859	1,027	81,379	76,234
Unrestricted	166,301	161,718	147,389	167,931	313,691	329,648
TOTAL NET POSITION	\$ 1,028,243	\$ 991,577	\$ 764,174	\$ 764,174	\$ 1,822,858	\$ 1,755,751

Fort Collins Financial Results

SUMMARY OF ACTIVITIES

On the governmental side, revenues increased modestly by \$1.0 million. Sales and use taxes were up \$1.2 million and property tax increased \$2.8 million as the result of significant increases in assessed values. Investment earnings were down \$6.0 million as rising interest rates affected the valuation of the City's investment portfolio.

On the business-type side, charges for service experienced a net increase of \$11.5 million.

This 6.1% increase was driven by below normal precipitation, strong commercial demand, and increased construction and development.

Expenses are described in greater detail in the following pages.

Condensed Summary of Activities (at December 31 in thousands)	Governmental		Business-type		Total Primary Government	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program revenues, primarily service charges	\$ 70,683	\$ 67,102	\$ 222,379	\$ 203,851	\$ 293,062	\$ 270,953
Sales & use taxes	136,087	134,899	-	-	136,087	134,899
Other general revenues	53,356	57,133	1,780	4,097	55,136	61,230
TOTAL REVENUES	260,126	259,134	224,159	207,948	484,285	467,082
Expenses	225,695	214,332	191,481	183,949	417,777	398,281
Transfers	2,236	1,532	(2,236)	(1,532)	-	-
CHANGE IN NET POSITION	36,666	46,333	30,441	22,467	67,108	68,800
Net position, beginning of year	991,577	945,243	764,174	741,707	1,755,751	1,686,950
NET POSITION, END OF YEAR	\$1,028,243	\$991,577	\$794,615	\$764,174	\$1,822,858	\$1,755,751

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

2.25%.

Funds government services like police, transportation, and administration.

Streets and Transportation

0.25%, EXPIRES DECEMBER 31, 2025.

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%, EXPIRES DECEMBER 31, 2025.

CCIP, formerly known as Building on Basics, was renewed in April 2015 and is dedicated to community improvements. Project highlights using this funding from 2006-2015 include the Fort Collins Museum of Discovery, renovation of the Lincoln Center for performing arts, expansion of Senior Center recreation facility, and numerous improvements to streets.

Natural Areas

0.25%, EXPIRES DECEMBER 31, 2030.

Open Space Yes!, originally passed in 1992 and renewed through 2030, 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.

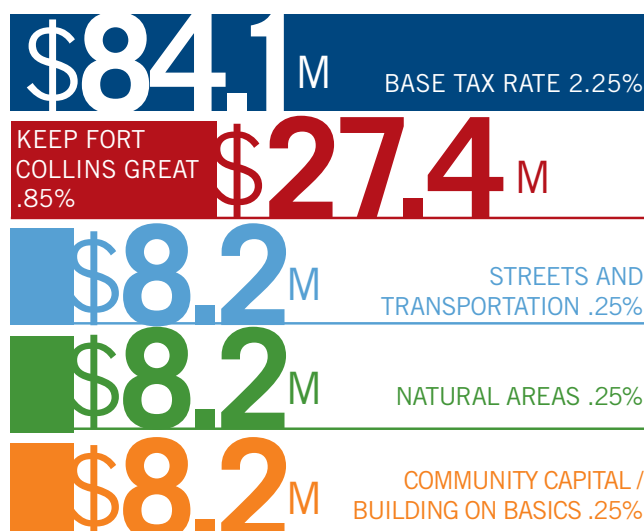
Keep Fort Collins Great

0.85%, EXPIRES DECEMBER 31, 2020.

This tax was passed by Fort Collins voters in November 2010 to fund services and programs that citizens value. The tax is used for road improvement projects, increased staffing and facilities for emergency responders, parks maintenance, and other priorities.

Sales & Use Tax

Dollar amounts in millions and reflect 2016 revenue



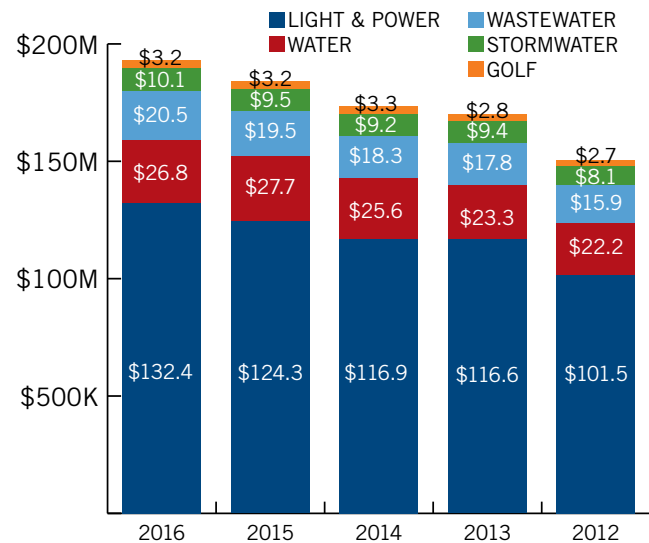
Expenses

WHERE DOES THE MONEY GO?

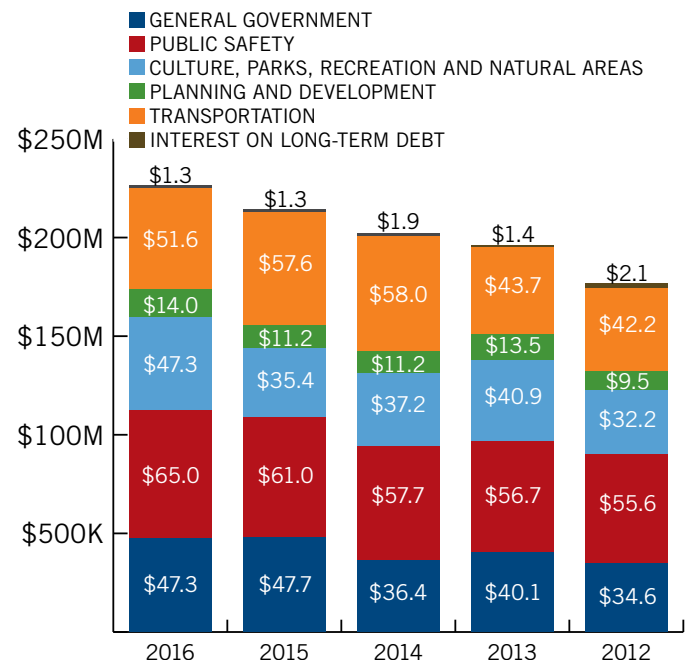
Every two years, the City Manager submits a budget for City Council's adoption. The proposed budget can't include expenditures that exceed estimated reserve balances and anticipated income. The budget represents six months of input from citizens, City staff and City management, and serves as the two-year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

In 2016, governmental expenditures increased by \$11.4 million, or 5.3 percent, when compared to 2015. Included in this increase was \$11.9 million in culture, parks, recreation, and natural areas. This was primarily due to \$1.3 million toward the new community recycling facility, \$5.5 million in parks planning for the under-construction Twin Silos Park, and \$5.2 million in costs reclassified as capitalized in 2015 that did not recur in 2016. Business-type Expenses totaled \$191.5 million in 2016, an increase of \$7.5 million compared to 2015. Purchased Power costs from Platte River Power, the area electricity generation and transmission provider, within Light and Power were up \$5.0 million. Construction costs were up \$2.4 million, efficiency rebates were up \$1.0 million and administrative costs (including PILOTs) were up \$1.6 million, also within Light and Power. Water expenses decreased \$0.9 million (3.2%) mainly due to decreased debt service. Wastewater expenses increased \$1.0 million (5.2%). Storm drainage expenses increased \$0.8 million (8.4%) due to increased operation, maintenance, and administrative cost.

Business-type Expenses by Service



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	\$34,944	\$4,197					\$39,141
Investigations	5,829	1,428					7,257
Police Information Serv.	7,050	219					7,270
Patrol	18,968	2,550					21,518
Office of the Chief	3,097						3,097
FINANCIAL SERV. TOTAL	3,957						3,957
COMMUNITY & OPERATION SERV. TOTAL	22,212	4,288		8,243		23,605	58,348
Operation Services	10,638	153		1,421			12,212
Recreation		1,355		10		6,944	8,309
Community Serv. Admin	271	54					325
Park Planning & Dev.				6,512		2,445	8,957
Cultural Services	2,108	109		65		3,559	5,842
Parks	9,046	2,251				590	11,887
Natural Areas	147	366		236		10,068	10,816
PLANNING, DEV. & TRANSPORTATION	7,830	15,680	25,771	12,424		19,027	80,732
PDT Administration	604		124				728
Transfort / Parking		1,766				17,639	19,405
Comm Dev & Neighborhood Svcs	7,142	203				44	7,389
FC Moves	85	754	1,419	294			2,552
Streets		8,265	17,515			1	25,781
Traffic		308	4,240				4,548
Engineering		4,384	2,472	12,130		1,344	20,329
EXECUTIVE SERVICES	4,133	6					4,139
JUDICIAL SERV. TOTAL	710						710
LEGAL SERV. TOTAL	2,099						2,099
INFORMATION & EMPLOYEE SERVICES	4,887	331					5,218
SUSTAINABILITY SERVICES TOTAL	7,976	1,102		1,270	2,246	3,149	15,744
Economic Health Office	4,017	248					4,264
Social Sustainability	1,413	515				3,149	5,078
Environmental Services	2,144	278		1,270			3,693
Administration	402	61					463
Urban Renewal Auth.					2,246		2,246
OTHER	1,425			61		4,618	6,104
POUDRE FIRE AUTHORITY	20,557	3,267				234	24,058
GRAND TOTAL	\$110,731	\$28,870	\$25,771	\$21,998	\$2,246	\$50,635	\$240,250



Treasury Administration

WHERE'S THE MONEY KEPT?

CASH AND INVESTMENT MANAGEMENT

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

At December 31, 2016, the fair market value of the City's cash and investments was \$403.5 million. The fixed income yield on the portfolio for 2016 was 1.31%, and total interest earnings were \$5.5 million.

Cash & Investments

December 31, 2016 in thousands

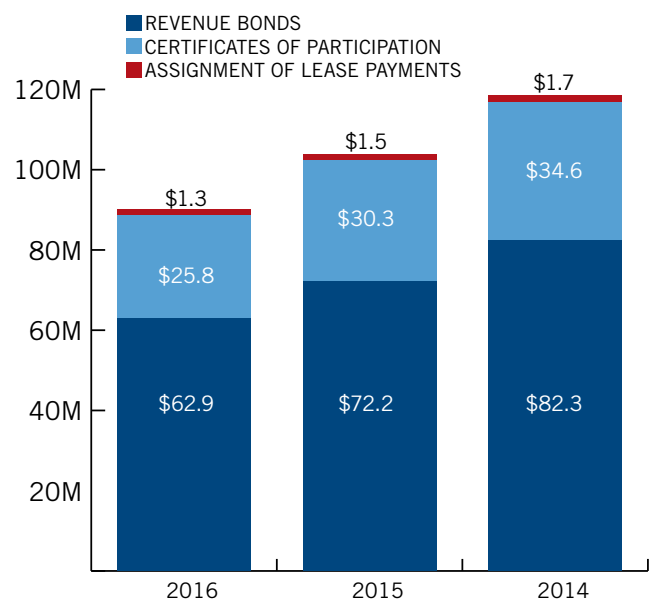
FEDERAL NAT'L MORTGAGE ASSOC. 33%	\$133,896_K
FEDERAL FARM CREDIT BANK 30%	\$119,483_K
CORPORATE BONDS 12%	\$47,977_K
FEDERAL HOME LOAN BANK 11%	\$44,596_K
CASH & DEPOSITS 9%	\$32,668_K
FEDERAL HOME LOAN MORTGAGE CORP. 6%	\$24,902_K

BONDED DEBT OBLIGATIONS

The City's credit rating was Aaa by Moody's Investors Service on December 31, 2016. This highly favorable investment rating, maintained by only 4 percent of governments, allows the City to pay less interest on its debt issuances. At December 31, 2016, the City held total bonded debt of \$90.0 million. Of this amount, \$35.4 million was related to government activities and \$54.6 million was related to business-type activities. The debt service due within one year was \$18.1 million.

City Debt Obligations

December 31, 2016 in millions





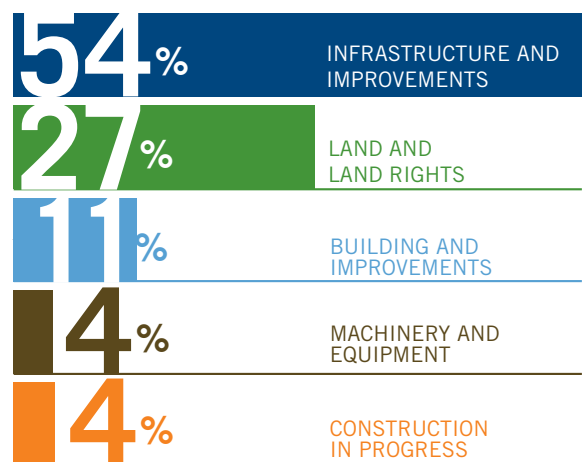
Capital Assets

WHAT DOES THE CITY OWN?

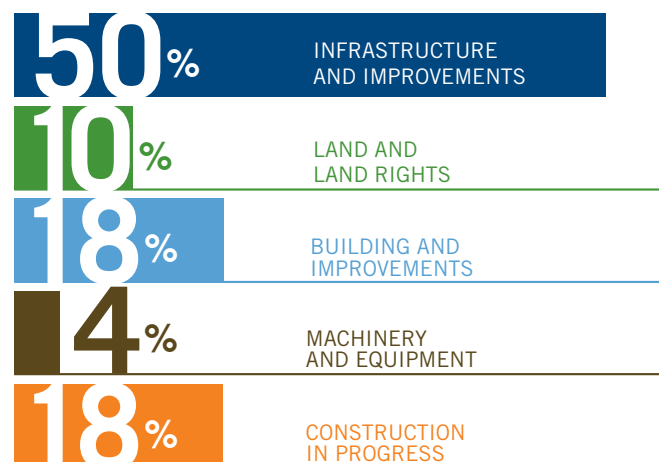
The City's capital assets totaled \$1.53 billion at December 31, 2016. This investment in capital assets includes buildings and improvements, infrastructure and other improvements (including streets,

bridges, and the full utility delivery system), land and right of way, various equipment, and construction in progress. Total investment in capital assets increased \$65.2 million compared to 2015.

Government Capital Assets \$825.0M



Business-type Capital Assets \$701.7M





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 - basic City 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 Position - the difference between the 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, but 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.

