



COMPREHENSIVE ANNUAL **FINANCIAL REPORT** 2017

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Office of the State Auditor

July 5, 2018

City of Fort Collins, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2017

Prepared by the Finance Department:

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Special thanks for their contributions:

Blaine Dunn, Investment Administrator

About our cover and section tabs...

The cover picture photograph features Twin Silo Park, a new jewel in the Fort Collins parks system opened in November 2017. This one-of-a-kind 54-acre park carries agriculturally-themed features such as an orchard, large community garden, and hops trestles. The park includes traditional fields such as ballfields, as well as less common features such as pickleball courts and a BMX track. Finally, the park's centerpiece and namesake: two 48-foot tall former grain silos relocated from city property. The silos are connected by a tall slide and stand over a play area cleverly designed as a barn.

The Introductory Section tab features City Manager Darin Atteberry and other city personnel accepting the Malcolm Baldrige National Quality Award. On November 16, 2017, U.S. Commerce Secretary Wilbur Ross named the City of Fort Collins and four other organizations as the 2017 recipients of the Baldrige Award. This Presidential-level honor recognizes exemplary practices among American organizations and businesses including a drive for radical innovation, thoughtful leadership, and administrative improvement.

The Financial Section tab features an Economic Health Listening Session at Wolverine Farm Letterpress & Publick House, a local nonprofit event space and café. The City hosted these sessions throughout the year as part of a strategy to improve business engagement, allowing local business representatives direct engagement with the Mayor and City Manager on topics important to them, including broadband, small business support, and development review.

The Management's Discussion and Analysis tab features scenes from the CityWorks 101 program. This eight-week program gives residents an up-close look at the many facets of local government. Participants develop a deeper understanding of how the City makes decisions, allocates funds, and delivers community services, thereby developing future leaders through well informed and engaged residents.

The Basic Financial Information tab features the ribbon cutting for the new Firehouse Alley parking structure. An excellent example of collaboration, it was built in conjunction with the new Elizabeth Hotel in downtown Fort Collins. In partnering on the parking garage with the hotel's developers, the City is simultaneously supporting its Council-adopted Parking Plan and a longstanding economic and cultural goal of having a boutique hotel in the downtown area.

The Notes to the Basic Financial Statements tab features the lighting ceremony for Downtown Holiday Lights, co-produced by the City, Downtown Development Authority, and Downtown Business Association. More than 76,000 LED bulbs twinkle throughout the holiday season, providing a festive atmosphere for shoppers, ice skaters, carriage rides, and restaurant-goers alike.

The Supplementary Information tab features the opening of the Walk & Wheel Skills Hub. The Skills Hub opened in 2017 and is a miniature city complete with streets, bike lanes, and traffic signs. It is designed to provide a safe bicycling and walking learning environment for people of all ages and abilities, with the goal of improving safety and increasing bicycling and walking. Between May and October, the City hosts drop-in sessions with an instructor for people to learn how to navigate the course and safety tips for around town.

The Statistical Section tab features the annual Hogwarts Halloween event at the Northside Aztlan Recreation Center. Witches and wizards from kindergarten up to eighth grade join for a night of Harry Potter fun, playing Quidditch, drinking butterbeer, being sorted into their house, creating potions, and walking through haunted hallways.

The Other Schedules tab features the groundbreaking on a five-acre expansion of the Gardens on Spring Creek. The \$2.5 million project will include the Great Lawn and outdoor performance venue, Undaunted Garden, Prairie Garden, Foothills Garden, and several educational and themed gardens. This partnership between the City, Friends of the Gardens, and lead donors Bohemian Foundation and Woodward, Inc. is estimated to be open in August 2018.

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INTRODUCTORY SECTION



INTRODUCTORY SECTION

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June 19, 2018

Honorable Mayor, Members of City Council, Residents and Customers of the City of Fort Collins, Colorado:

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) for the City of Fort Collins, Colorado (the City), for the year ended December 31, 2017.

This report consists of management's representations concerning the finances of the City of Fort Collins. Consequently, management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is reported in a manner designed to present fairly the financial position and activities of the various funds of the City. The City has included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The City Charter and State law require an annual audit by independent certified public accountants selected by the City Council. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2017 are free of material misstatement. The independent accountant, RSM US LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America.

The independent audit of the financial statements of the City is required to complete the federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The results of the single audit are available in the City's separately issued Single Audit Report (Compliance Report).

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A. The City's MD&A can be found immediately following the report of the independent auditor.

Governmental Structure

The City of Fort Collins, incorporated in 1872, is located in north central Colorado, east of the continental divide, and is approximately sixty miles north of Denver. It is the fourth largest city in Colorado with an estimated population of 170,100 as of March 2018. This over 50% of the Larimer County population.

The City provides services that include community planning, general government, police, streets and highways, cultural facilities, parks and recreation, transportation, golf courses and public utilities. The City's utilities include electric distribution, water treatment, wastewater treatment and storm drainage. Fire protection and library services are not provided by the City but instead by Poudre Fire Authority (PFA) and Poudre River Public Library District. The City is the primary financial supporter for PFA.

The City's financial statements include the Downtown Development Authority, Fort Collins Capital Leasing Corporation, General Improvement District No. 1, General Improvement District No. 15 – Skyview and the Urban Renewal Authority.

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

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

The essential economic indicators for the City were moderate to strong in 2017. At the end of 2017, the local unemployment rate stood at 2.2%, which compares favorably to the state rate of 3.0% and national rate of 4.1%. The City relies heavily on sales and use tax revenues, which decreased slightly in 2017. Sales taxes and use taxes were up 2.4% and down 12.0%, respectively, for a blended decrease of 0.3%. Inflation was 3.7%, as measured by the Denver-Boulder-Greeley Consumer Price Index for the second half of 2017 versus the second half of 2016.

Overall governmental fund revenue increased 7.3% in 2017. This was attributable to offsetting changes: the aforementioned decrease in sales and use taxes, an increase in volume of development-related fees, and increased Transit-related grant revenues. At year-end, the City held \$310.2 million in unrestricted net position and \$1.9 billion in total net position, \$3.5 million less and \$78.4 million more, respectively, than it held in 2016. Please see page 18 for more information about the City's total net position.

Data-driven and Transparent. Over the last decade, the City has undergone transformational change, deliberately embracing transparency, accountability and continuous improvement. Citizens have more avenues than ever to keep up to speed on initiatives, news, programs, or requests for City services:

- Access Fort Collins at fcgov.com/accessfortcollins is an easy way to reach the City with questions, comments, or service requests. The platform ensures that citizens directly reach the staff best equipped to address their concerns.
- Open Book is an online tool designed to disclose expenses in a simple to use format for members of the public interested in how the local government spends its revenues. Open Book can be viewed online at fcgov.com/openbook
- OpenCity is a City initiative started in 2016 to take transparency to the next level. The goal is to maintain a web portal to host data sets that are available to the public in a format that citizens can easily search, filter, and utilize in an innovative and creative way. There are a number of data sets already available with more scheduled to go-live in the near future, including crime statistics, traffic information, construction permits, City facility utility usage, annexations, and various master plans.
- Regularly updated video content, available at fcgov.com/fctv or on basic cable, provides several programming options designed to inform, educate, and inspire. Content includes Council meetings and public forums, plus regular programming including *CityView*, a bi-weekly news series that highlights major stories, initiatives, and upcoming events throughout the City in less than five minutes.
- The Community Dashboard, an online tool that measures the community's progress in attaining the City's strategic outcomes. Key metrics such as voluntary code compliance, unemployment rate, community energy use, number of local traffic crashes and transit passengers per revenue hour are measured and monitored so the City can adapt certain programs to ensure targets are met and improve performance where necessary. The Community Dashboard can be viewed at fcgov.com/dashboard.
- Strategy Maps are a newly created internal management tool designed to enhance the use of metrics, targets, and initiatives to track the City's progress against its 7 Key Outcome Areas and 54 Strategic Objectives. More information about the 2018 Strategic Plan and Strategy Maps can be found at fcgov.com/strategicplan.

- Another tool staff is using to become more data driven is the Financial Monthly Report (FMR), 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.
- Citizens can also stay current and provide feedback utilizing social media platforms such as Facebook, Twitter, or Instagram.

Malcolm Baldrige National Quality Award. On November 16, 2017 U.S. Commerce Secretary Wilbur Ross named the City of Fort Collins and four other organizations as the 2017 recipients 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, 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 receiving the highest level "Peak status" from RMPEX in 2014, the City began applying to the national Baldrige program through the National Institute of Standards and Technology (NIST) in 2015. Additional information on the Baldrige Performance Excellence Program is located at <https://www.nist.gov/baldrige>.

ICMA Excellence in Performance Management. In June 2017 the City was awarded by the International City/County Management Association (ICMA) for its data-driven management and reporting efforts. Recipients ensure reliability of data, train staff in performance measurement, and report data to the public through budgets, newsletters, and/or information provided to and by elected officials. Certificates are awarded at three levels: Achievement, Distinction, and the highest level, Excellence. Fort Collins's notification cited its key outcome reporting, surveys of residents and employees, performance dashboards, and development of a performance culture. Its eighth year receiving ICMA recognition, Fort Collins was one of 25 jurisdictions receiving the Certificate of Excellence.

Twin Silo Park. A new jewel in the Fort Collins parks system, Twin Silo Park opened in November 2017. This one-of-a-kind 54-acre park carries agriculturally-themed features such as an orchard, large community garden, and hops trestles. The park includes traditional fields such as ballfields, as well as less common features such as pickleball courts and a BMX track. Finally, the park's centerpiece and namesake: two 48-foot tall former grain silos relocated from city property. The silos are connected by a tall slide and stand over a play area cleverly designed as a barn.

Broadband Internet Service. In November 2017, Fort Collins voters approved a Utility Charter amendment to add telecommunication services and, with subsequent Council direction, issue bonds of up to \$150M. Fort Collins began prioritizing broadband after community outreach in the 2014 Budget for Outcome process. In 2015, voters first indicated their support for Broadband by approving a home-rule exception to SB152, which restricts local government participation in telecommunications. After considerable analysis of alternatives, third-party consulting, community outreach, and due diligence, in 2018 the City Council directed staff to issue bonds and begin construction of a municipally-owned, retail network with the objective of servicing its first customers in late 2019.

Lincoln Corridor Plan. In 2017 the City completed construction of a community-supported vision for one of its critical connections from Downtown Fort Collins to the eastern side of the community. The area has a strong, diverse, and "uniquely Fort Collins" mix of retail, industry, offices, recreation, and neighborhoods with rich history and culture. The finished project created a multi-modal design along the corridor and replaced the Poudre River Bridge, thereby improving mobility, safety, and flood control, all while enhancing the appearance and creating a street with a unique identity.

Other Information

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Collins for its comprehensive annual financial report for the year ended December 31, 2016. This

was the 31st consecutive year that the City has achieved this prestigious award. In order to earn a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both applicable legal requirements and accounting principles generally accepted in the United States of America. A reproduction of the Certificate of Achievement is included at the end of the introductory section of the comprehensive annual financial report. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement Program and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. We recognize the dedicated efforts of all officials and staff involved in managing and accounting for the City's financial operations. The process of financial planning, management, and accounting requires a team effort by City Council and City staff to be successful. The preparation of this 2017 Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Finance Department. We would like to recognize the members of the Accounting Division who worked many extra hours to ensure the completion of this document and fulfill other financial responsibilities over the past few months. We also thank RSM US LLP, the firm that serves as the City's external auditor.

Respectfully submitted,



Darin A. Atteberry
City Manager



Michael N. Beckstead
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Fort Collins
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

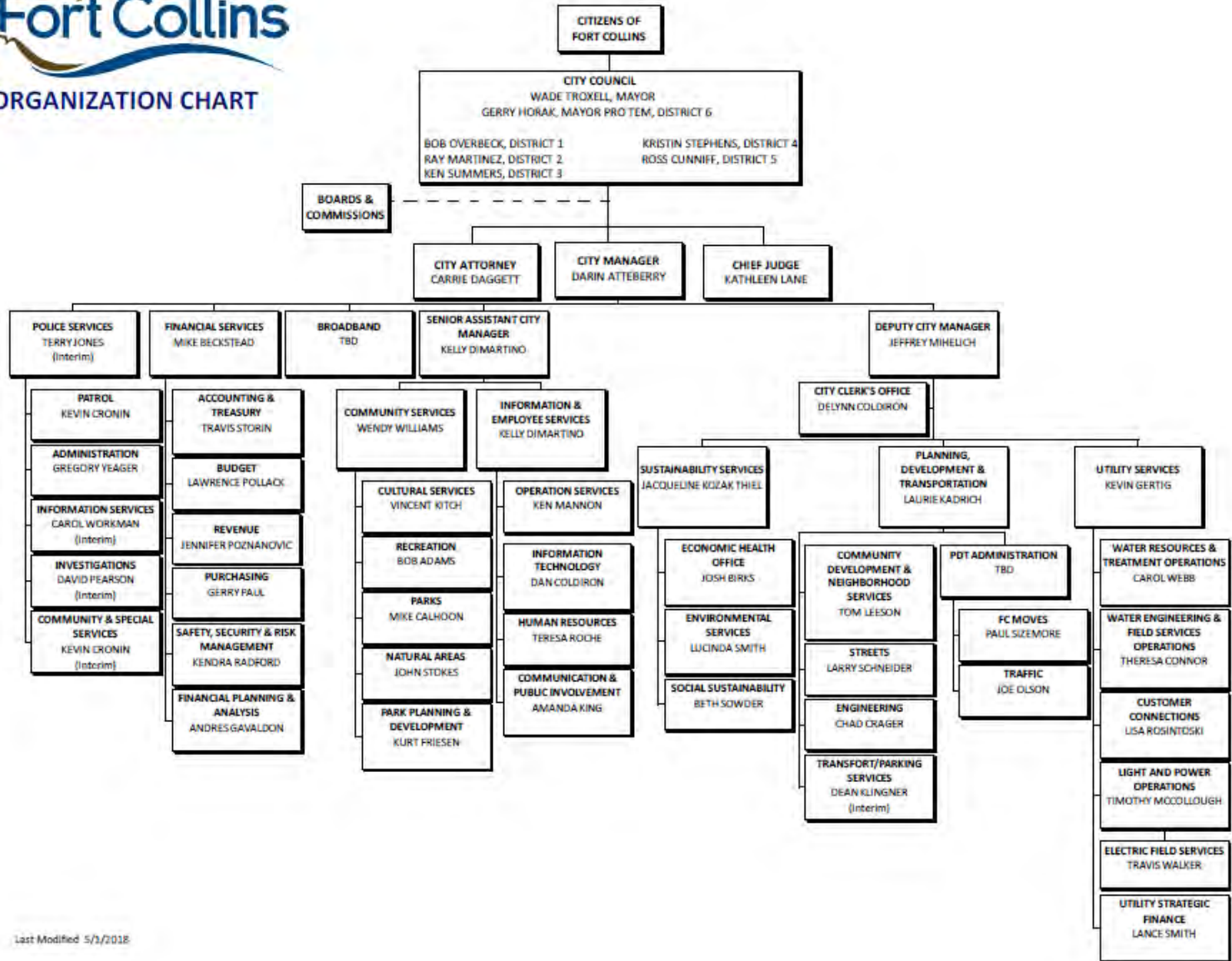
Christopher P. Morill

Executive Director/CEO



City of Fort Collins

ORGANIZATION CHART



Last Modified 5/3/2018

City of Fort Collins, Colorado

Elected and Appointed Officials As of December 31, 2017

Elected Officials

Wade Troxell	Mayor
Bob Overbeck	District 1 Councilmember
Ray Martinez	District 2 Councilmember
Ken Summers.....	District 3 Councilmember
Kristin Stephens.....	District 4 Councilmember
Ross Cunniff	District 5 Councilmember
Gerry Horak	Mayor Pro Tem, District 6 Councilmember

Appointed Officials

Darin Atteberry	City Manager
Delynn Coldiron	City Clerk*
Carrie Daggett.....	City Attorney
Kathleen Lane	Chief Judge

*City Manager appointed, City Council approved

City Officials and Department Directors

Jeff Mihelich	Deputy City Manager
Wendy Williams	Assistant City Manager
Kelly DiMartino.....	Senior Assistant City Manager
Mike Beckstead	Chief Financial Officer
Laurie Kadrich.....	Planning, Development and Transportation Director
Jackie Kozak-Thiel	Chief Sustainability Officer
Terrence Jones (interim)	Chief of Police
Kevin Gertig	Utilities Executive Director

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FINANCIAL SECTION



FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Collins, Colorado (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Collins, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Keep Fort Collins Great Fund, and Urban Renewal Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note 1 to the basic financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which restated beginning net position of the governmental activities, business-type activities, Light & Power fund and Wastewater fund.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the modified approach for City Streets Infrastructure capital assets, and pension and postemployment information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fort Collins, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical sections and other schedules, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2018 on our consideration of the City of Fort Collins, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Fort Collins, Colorado's internal control over financial reporting and compliance.

RSM US LLP

Denver, Colorado
June 19, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Fort Collins (the City) offers the readers of the City's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2017. In addition to this overview and analysis based on currently known facts, decisions and conditions, the City would encourage readers to consider the information presented in the City's letter of transmittal and the City's financial statements, which begin on pages 3 and 27 of this report, respectively.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2017 by \$1.9 billion (net position). Of the net position balance, \$310 million is unrestricted and is available to meet the government's ongoing obligations in accordance with the City's fund designations and fiscal policies.

The City's net position increased by \$76.9 million (4.2%). The governmental net position increased by \$43.3 million (4.2%) and the business-type position increased by \$33.6 million (4.2%).

The General Fund, the City's primary operating fund, ended 2017 with a \$70.7 million fund balance, a decrease of \$4.6 million on a current financial resource basis. Of this amount, \$64.3 million is spendable.

The City's total long-term liabilities decreased by \$9.9 million (8.3%) during the current year. Within that activity, the City's governmental long-term liabilities increased by \$2.3 million and business-type long-term liabilities decreased by \$12.2 million. The City issued \$8.4 million of Certificates of Participation (COP) with an interest rate of 2.4% in 2017 to finance its share of the Firehouse Alley parking structure.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. Other supplementary information is also included at the end of the report.

Government-wide financial statements. The government-wide statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The statement of net position presents information on the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is reported as net position. Over time, increases and decreases in net position may provide an indication of whether the City's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the City's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, cultural, parks, recreation, and natural areas, planning and development services, transportation, and interest on long term debt. The business-type activities of the City include light and power, water, wastewater, storm drainage, and golf.

The government-wide financial statements also include the Fort Collins, Colorado Downtown Development Authority (DDA) as a discretely presented component unit of the City. See Note I.A in the notes to the City's financial statements (page 50) for more details regarding the DDA and its relationship to the City.

Fund Financial Statements. Traditional users of the City's financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds rather than fund types.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. A major fund should generally meet both of the following criteria: 1) total assets, deferred inflows of resources, liabilities, deferred outflows of resources, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, etc.) for that fund type (i.e., governmental or enterprise funds) and 2) total assets, deferred inflows of resources, liabilities, deferred outflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, except for long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Keep Fort Collins Great, Urban Renewal Authority Fund, and the Capital Projects Fund. These four funds are major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

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

The basic governmental fund financial statements can be found on pages 32-38 of this report.

Proprietary funds. The City maintains two different types of proprietary funds, enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its light and power, water, wastewater, storm drainage and golf operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for employee benefits provided by the City, its communications system, its fleet of vehicles and its self-insurance programs. These services predominantly benefit the governmental rather than business-type functions. As such, they have been included within the governmental activities in the government-wide financial statements. The activity in the Equipment Fund used for monitoring the fleet of vehicles is allocated between the governmental and business-type activities based upon actual usage. In

addition, the utilities use an internal service fund to account for customer and administrative services. Because this fund is used solely by the utilities, it is included within the business-type activities in the government-wide financial statements.

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

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

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

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

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

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

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

Notes to the Financial Statements. The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-95 of this report.

Other Information. The City has elected to use the modified approach to account for and report its street infrastructure capital assets. The City has included required supplementary information that explains the modified approach and recent assessments that have been performed using the related asset management system. Information about the City's pension and other post-employment benefit plan is also included as required supplemental information. These schedules can be found on pages 96-100 of this report.

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

Government-Wide Financial Analysis

Statement of Net Position

The following table reflects the condensed Statement of Net Position.

Statement of Net Position						
as of December 31						
(amounts expressed in thousands, totals may not add due to rounding)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016 as restated	2017	2016 as restated	2017	2016 as restated
Current and other assets	\$ 312,097	313,630	\$ 174,728	\$ 178,336	\$ 486,825	\$ 491,966
Capital assets	876,783	824,965	724,038	701,684	1,600,821	1,526,649
Total assets	<u>1,188,880</u>	<u>1,138,595</u>	<u>898,766</u>	<u>880,020</u>	<u>2,087,646</u>	<u>2,018,615</u>
Deferred outflows of resources	1,016	2,203	1,609	2,872	2,625	5,075
Other liabilities	25,764	28,915	20,534	25,369	46,298	54,284
Long-term liabilities	59,731	57,429	50,267	62,468	109,998	119,897
Total liabilities	<u>85,495</u>	<u>86,344</u>	<u>70,801</u>	<u>87,837</u>	<u>156,296</u>	<u>174,181</u>
Deferred inflows of resources	31,772	25,216	969	5	32,741	25,221
Net position:						
Net investment in capital assets	829,571	781,421	679,667	646,367	1,509,238	1,427,788
Restricted	81,844	80,520	-	859	81,844	81,379
Unrestricted	161,214	167,297	148,938	147,824	310,152	315,121
Total net position	<u>\$ 1,072,629</u>	<u>1,029,238</u>	<u>\$ 828,605</u>	<u>\$ 795,050</u>	<u>\$ 1,901,234</u>	<u>\$ 1,824,288</u>

For more detailed information see the Statement of Net Position on page 29 of this report.

By far, the largest portion of the City's net position, \$1.5 billion (79.4%) is invested in capital assets (e.g., land, buildings, machinery and equipment), less any debt used to acquire those assets that is still outstanding. Net Capital assets increased by \$81.8 million (5.7%) in 2017. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$81.4 million (4.3%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$310.1 million (6.3%), may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net position increased by \$76.9 million in 2017. Unrestricted net position decreased \$5.0 million and was used to support core operations, maintain infrastructure, and invest in critical capital assets. Additional details of capital asset activity can be seen on page 25.

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

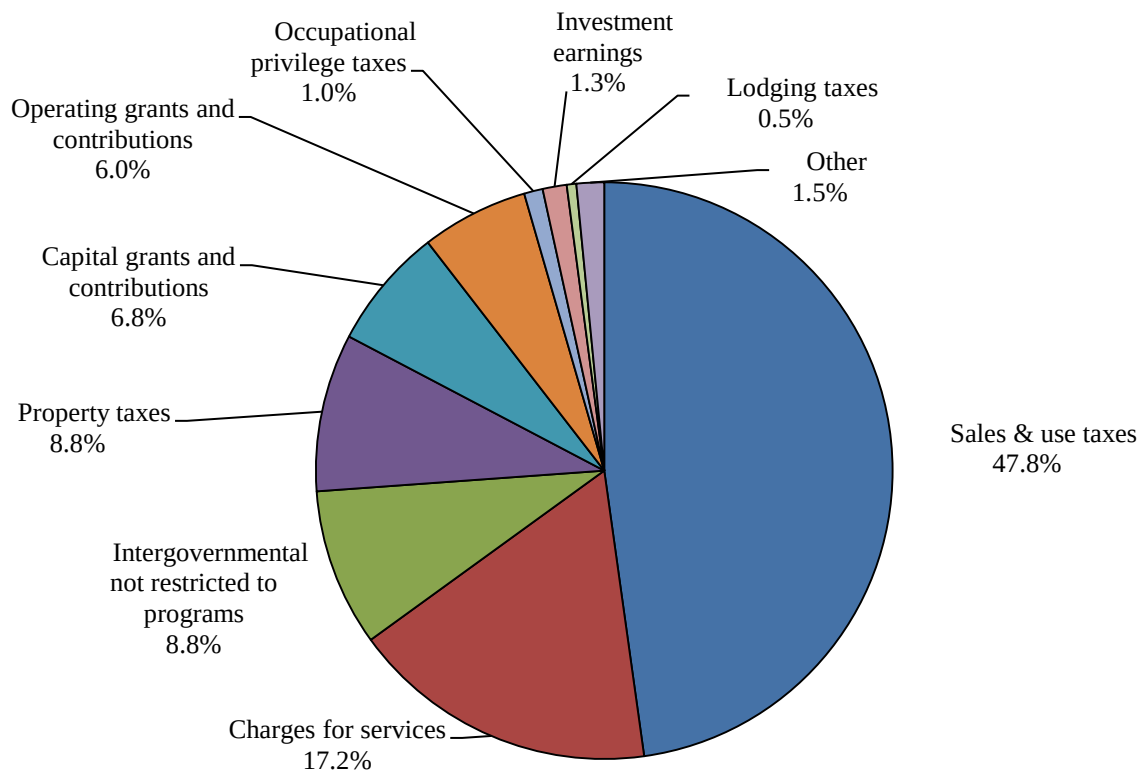
Net (Expense) Revenue and Changes in Net Position				
Primary Government - City of Fort Collins				Component Unit
Governmental Activities	Business-type Activities	Total		
\$ (27,833,290)	\$	\$ (27,833,290)	\$	
(70,120,686)		(70,120,686)		
(24,454,971)		(24,454,971)		
(11,388,381)		(11,388,381)		
(23,563,810)		(23,563,810)		
(1,254,681)		(1,254,681)		
(158,615,819)		(158,615,819)		
	2,403,887	2,403,887		
	16,345,561	16,345,561		
	7,554,720	7,554,720		
	7,090,939	7,090,939		
	331,679	331,679		
-	33,726,786	33,726,786		
(158,615,819)	33,726,786	(124,889,033)		
				(2,677,550)
General Revenues				
Sales & use taxes	135,621,328	-	135,621,328	-
Property taxes	25,097,457	-	25,097,457	5,282,773
Occupational privilege taxes	2,974,186	-	2,974,186	-
Lodging taxes	1,520,567	-	1,520,567	-
Intergovernmental not restricted to programs	25,074,123	225,524	25,299,647	-
Investment earnings	3,826,303	2,219,678	6,045,981	55,686
Miscellaneous	4,387,219	887,676	5,274,895	50,621
Transfers	3,504,975	(3,504,975)	-	-
Total general revenues and transfers	202,006,158	(172,097)	201,834,061	5,389,080
Changes in Net Position	43,390,339	33,554,689	76,945,028	2,711,530
Net Position (Deficit)--January 1 as restated	1,029,238,202	795,050,706	1,824,288,908	(3,125,843)
Net Position (Deficit)--December 31	\$ 1,072,628,541	\$ 828,605,395	\$ 1,901,233,936	\$ (414,313)

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

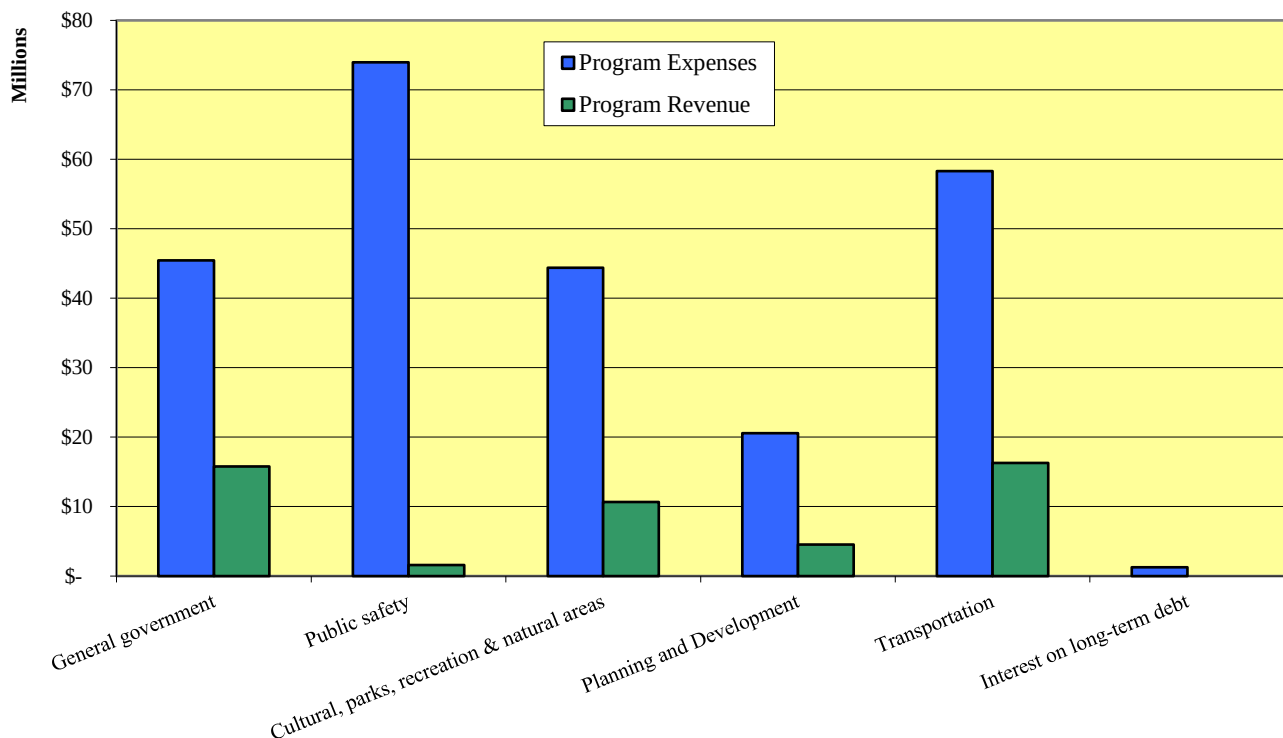
The above condensed summary of the City's governmental and business type activities for the period ended December 31, 2017 reflects net position increasing by \$76.9 million (4.0%). The prior period is also included for comparative purposes. In addition, revenue and expense graphs have been presented on pages 20-21 to enhance the reader's understanding of the current year activities.

Governmental Activities:

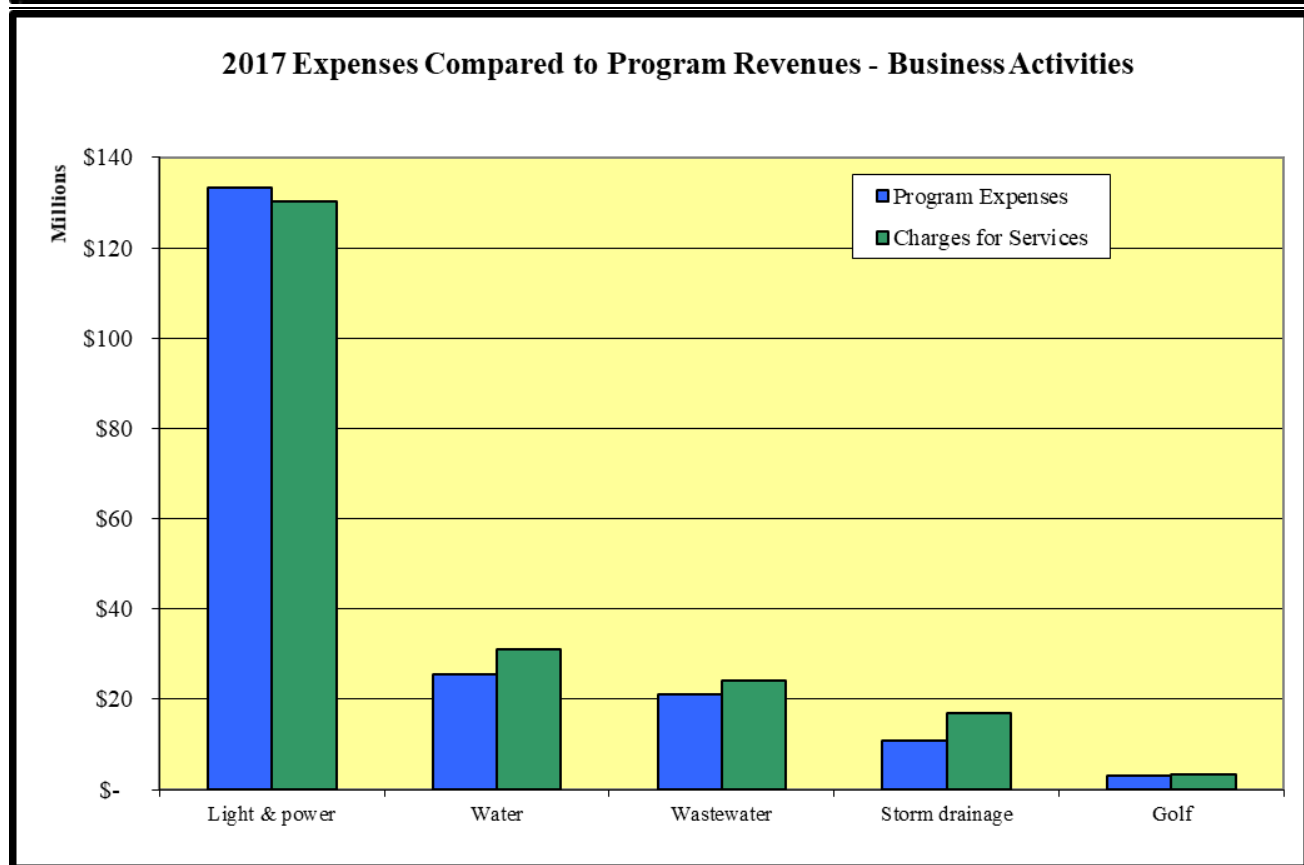
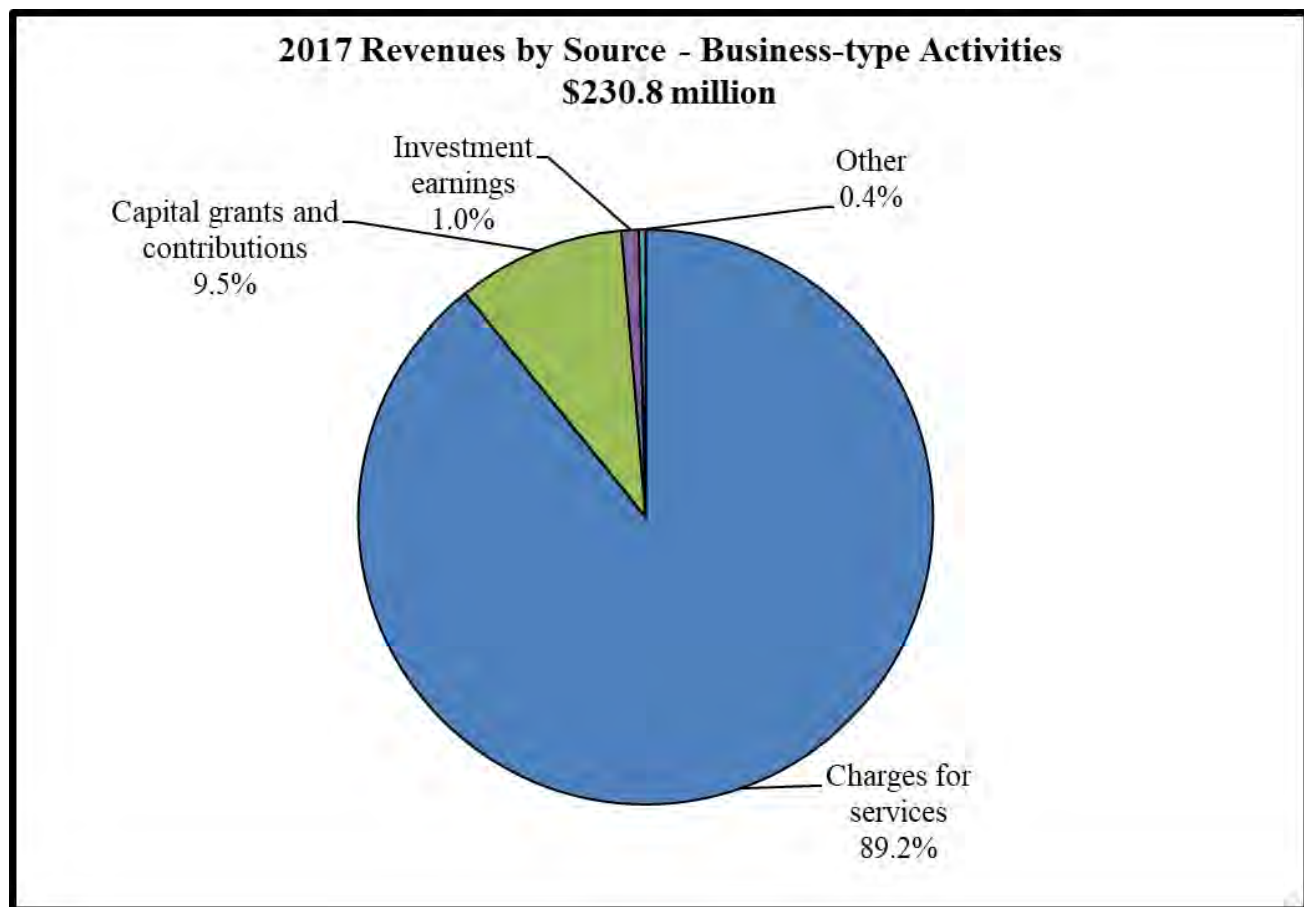
2017 Revenues by Source - Governmental Activities \$283.8 million



2017 Expenses Compared to Program Revenues - Governmental Activities



Business-type Activities:



Governmental activities. Governmental activities increased the City's net position by \$43.4 million, accounting for 56.4% of the City's \$76.9 million overall increase in net position. Major variations are due to the following:

Transportation capital grants and contributions increased by \$4.6 million in 2017 due to a receipt of \$9.1 million in donated assets, and transportation operating grants increased \$4.5 million over prior year. Charges for services were \$4.3 million greater than last year mostly due to transportation

Investment earnings of \$3.8 million were \$2.3 million more than the prior year primarily due to unrealized gains. The City's investment portfolio is entirely composed of fixed-income securities and cash.

Expenses in governmental activities increased \$18.2 million over the prior year. Personnel costs in Police Services, Community Services, and Planning, Development and Transportation increased \$5.0 million. Public safety expenditures increased \$9 million as the City contributed \$4 million more in 2017 than 2016 to support PFA services. Additionally, transportation expenditures increased \$6.7 million as compared to prior year.

Business-type activities. Business-type activities in the utility and golf funds increased the City's net position by \$33.6 million, accounting for 43.6% of the City's \$76.9 million increase in net position. Major variations are due to the following:

Charges for services in the utilities business activities totaled \$205.6 million for an increase of \$6.7 million (3.4%) from 2016 to 2017. Light and Power services charges increased 3.0% year-over-year driven by a 3.45% rate increase while energy sales saw a modest decrease of .03%. Water operating revenues increased 4.0% compared to 2016 due a 5% rate increase. Wastewater operating revenues increased 2.7% from 2016 partially attributable to higher commercial demand as well as a 3.0% rate increase. Storm drainage operating revenue increased 7.2% compared to 2016 due to a 5% rate increase.

Other Utility revenues remained consistent at \$25.2 million in 2016 and 2017. Total Light and Power capital grant and contribution revenues decreased 13.7% in 2017 due to a slowdown in economic development. Total Water contributions and donations revenues increased 47.5% in 2017 for water rights redemptions that occurred at the end of the year. Wastewater capital remained consistent at approximately \$3.8 million in 2017 as compared to 2016. Storm drainage capital contributions and donations revenue decreased by 17.1% compared to 2016 because of a slowdown in economic development. Investment earnings increased \$1.3 million due to unrealized losses on the City's hold-to-maturity portfolio.

Business-type expenses totaled \$193.8 million in 2017, an increase of \$2.3 million compared to 2016. Light and Power expenses increased \$1.5 million (1.1%). Purchased Power costs within Light and Power were up \$2.2 million, construction costs up \$2.7 million, efficiency rebates were down \$408 thousand, and administrative costs, including PILOTs, decreased \$879 thousand. Water expenses decreased \$785 thousand (3.0%) mainly due to decreased debt service. Wastewater expenses increased \$761 thousand (3.8%). Storm Drainage expenses increased \$883 thousand (9.4%) due to increased contractual services

Financial Analysis of the City's Funds

As noted previously, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2017, the total Governmental fund balances were \$207.7 million, a decrease of \$3.7 million (1.7%) compared to the prior year. There was \$6.5 million non-spendable, \$80.2 million restricted, \$50.9 million committed, \$42.2 million assigned, and \$27.7 million unassigned fund balance. The explanations for these restrictions are contained in the Notes to the Basic Financial Statements, section III.F on page 81.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The fund experienced a net decrease of \$2.3 million which resulted in a December 31, 2017 fund balance of \$17.6 million. Restricted fund balance was \$11.3 million for voter approved projects and committed fund balance was \$5.9 million. The largest capital project expenditures (expressed in millions) are shown in the table below.

	Current Year	Life to Date
Southeast Community Park	\$ 5.5	\$ 16.0
Lincoln Avenue improvements-1st/Lemay	3.5	6.3
Lincoln Avenue Bridge	4.8	5.1
Prospect/College intersection improvements	1.9	2.6

The General Fund is the chief operating fund of the City. At December 31, 2017, the total fund balance was \$70.7 million. The spendable fund balance was \$64.3 million. The General Fund decreased \$4.6 million in 2016 compared to an increase of \$2.4 million in 2016. The decrease is driven primarily by intentional use of reserves to fund activities such as the Information technology infrastructure project (\$1.2 million), the police training facility (\$1.1 million), and the police CAD and RMS Replacement CRISP (\$1.0 million).

The Keep Fort Collins Great Special Revenue Fund is another major governmental fund of the City. As of December 31, 2017, the total fund balance, the entirety of which is restricted to voter constraints, was \$12.7 million. This is a decrease of \$2.7 million due primarily to planned use of fund balances for both operations and capital expenditures.

The Urban Renewal Authority Fund has the primary purpose of blight remedy by stimulating and leveraging private capital investment using tax increment financing in private development projects and public improvement projects. The December 31, 2017 fund balance was a deficit \$5.1 million. The fund will continue to have a deficit fund balance for the foreseeable future as Tax Increment Funding (TIF) monies are collected through increased property tax collections.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position balances and the growth in net position of the City's proprietary funds (including the major enterprise funds) are reflected in the following table.

Change in Net Position - Proprietary Funds

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

	Unrestricted Net Position 12/31/2017	Change in Net Position for Year Ended 12/31/17
<u>Proprietary Funds</u>		
Light & Power	\$ 35,336	\$ 3,529
Water	66,047	16,815
Wastewater	40,335	7,886
Storm Drainage	19,742	6,816
Total of Major Enterprise Funds	161,460	35,046
Other Enterprise Fund - Golf	803	345
Total Enterprise Funds	162,263	35,391
Internal Service Funds	16,918	2,146
Total Proprietary Funds	<u>\$ 179,181</u>	<u>\$ 37,537</u>

General Fund Budgetary Highlights

The final budgeted lapsing expenditure appropriations were \$8.7 million higher than the original budget lapsing appropriations. Revision to budget revenue appropriations are generally a product of unanticipated grant revenues and/or self-funded projects being appropriated. Major revisions to lapsing appropriations are summarized below:

The 2017 ordinances created new budget appropriations for the following items: \$.9 million for economic rebates, \$1.5 million for payments to subrecipients, \$1.2 million in 2017 unanticipated revenue or prior year reserve adjustments, and \$4.1 million for purchase orders that were carried forward from 2016.

The variance between actual lapsing expenditures and the final budget amounted to \$12.4 million (8.4%) less than budget. Total lapsing expenditures of \$148.3M were \$10.2 million or 7.4% higher than in 2016.

The decreased expenditures versus budget in the general fund were primarily due to the following: \$6.8 million less than budget was spent on property services and \$1.7 million less than budget was spent on professional and technical services across all service areas.

The City expects to maintain its solid financial condition by continuous control over expenditures and through the evaluation of viable options for diversifying revenues.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounted to \$1.6 billion (net of accumulated depreciation). This was an increase of \$74.2 million (4.9%). This investment in capital assets includes land, water rights, buildings and improvements, machinery, equipment, and light and power, water, wastewater and storm drainage infrastructure as well as street system infrastructure.

The City has elected to use the modified approach for infrastructure reporting of its street system infrastructure. The City completes assessments of its entire street system on a three-year cycle. The most recent three-year assessment was completed as of December 31, 2015. It resulted in a Pavement Condition Index (PCI) rating of 72. It met the City's policy of achieving a good (Level of Service B) rating. For 2017, the City spent \$19.1 million on its street maintenance program as compared to \$18.7 million, the asset management system estimate needed to maintain streets at Level of Service B. For more detailed information, see the Required Supplementary Information on pages 99-100 of this report.

Capital Assets Net of Depreciation

as of December 31

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land, rights of way, water rights, other	\$ 236,303	\$ 226,063	\$ 73,215	\$ 70,833	\$ 309,518	\$ 296,896
Street system infrastructure	347,891	326,038	-	-	347,891	326,038
Construction in progress	40,655	31,155	97,243	124,720	137,898	155,875
Infrastructure	14,470	14,966	-	-	14,470	14,966
Buildings and improvements	99,846	92,717	120,472	125,308	220,318	218,025
Improvements other than buildings	107,908	104,336	401,867	353,332	509,775	457,668
Machinery and equipment	29,709	29,690	31,240	27,353	60,949	57,043
Total capital assets	<u>\$ 876,782</u>	<u>\$ 824,965</u>	<u>\$ 724,037</u>	<u>\$ 701,546</u>	<u>\$ 1,600,819</u>	<u>\$ 1,526,511</u>

Major capital improvements during this fiscal year included the following:

Governmental Activities

Firehouse Alley parking structure	\$ 8.4 million
Lincoln Avenue bridge	4.8 million
Lincoln Avenue improvements 1st to Lemay	3.8 million
Open space improvements	3.0 million

Proprietary Activities

Meters	\$ 19.1 million
Underground conduit	10.9 million
Michigan Ditch repairs	7.4 million
Underground conductors and devices	6.6 million

Additional information on the City's capital assets can be found in Note III.C on pages 68-69 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$88.7 million (bonds, certificates of participation, capital leases, etc.). This was a decrease of \$6.5 million (6.9%). Of this amount, \$48.8 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The remaining \$40.0 million represents debt primarily secured by the new facilities or equipment being financed by certificates of participation, assignment of lease payments or capital leases.

Outstanding Debt
as of December 31
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenue bonds	\$ 8,860	\$ 9,435	\$ 39,960	\$ 49,838	\$ 48,820	\$ 59,273
Certificates of participation	29,410	25,365	225	425	29,635	25,790
Assignment of lease payments	249	304	790	966	1,039	1,270
Capital leases	8,463	8,190	749	720	9,212	8,910
Total outstanding debt	<u>\$ 46,982</u>	<u>\$ 43,294</u>	<u>\$ 41,724</u>	<u>\$ 51,949</u>	<u>\$ 88,706</u>	<u>\$ 95,243</u>

Additional information on the City's long-term obligations can be found in Note III.E on pages 71-80 of this report.

Requests for Information

The City's financial statements are designed to provide users with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information presented in this report or requesting additional information should be sent to the Accounting Director's attention at the following address:

Accounting Director
215 North Mason Street 2nd Floor
PO Box 580
Fort Collins, CO 80522-0580

FIREHOUSE ALLEY

BASIC FINANCIAL INFORMATION



BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government -- City of Fort Collins			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	\$ 40,397,904	\$ 23,934,628	\$ 64,332,532	\$ 505,701
Investments	188,339,360	136,518,757	324,858,117	2,939,561
Receivables:				
Property taxes	29,423,967	-	29,423,967	6,389,568
Sales and use taxes	14,059,986	-	14,059,986	-
Accounts, net	10,593,835	20,554,110	31,147,945	6,385
Notes	-	1,219,745	1,219,745	-
Interest	670,794	474,860	1,145,654	10,497
Prepaid	353,764	-	353,764	-
Internal Balances	13,625,711	(13,625,711)	-	-
Due from other governments	-	14,153	14,153	-
Inventories of materials and supplies	644,126	5,631,105	6,275,231	-
Inventory of real property held for resale	1,477,894	-	1,477,894	135,464
Restricted cash and cash equivalents	2,555,001	6,542	2,561,543	-
Restricted investments	-	-	-	1,250,000
Investment in joint venture	9,954,299	-	9,954,299	-
Capital assets (non-depreciable)	624,902,300	170,458,359	795,360,659	2,528,747
Capital assets (net of accumulated depreciation)	251,880,273	553,579,443	805,459,716	2,434,152
Total assets	1,188,879,214	898,765,991	2,087,645,205	16,200,075
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	1,016,016	1,609,483	2,625,499	-
LIABILITIES				
Accounts payable	13,010,378	16,773,292	29,783,670	94,776
Interest payable	165,577	131,603	297,180	17,099
Wages payable	4,230,106	1,516,412	5,746,518	19,164
Compensated absences	6,668,210	2,106,238	8,774,448	15,424
Due to other governments	120,400	-	120,400	-
Unearned revenue	1,223,633	-	1,223,633	-
Deposits held	345,802	5,671	351,473	-
Non-current liabilities				
Due within one year	11,491,430	9,637,445	21,128,875	2,053,122
Due in more than one year	48,239,603	40,629,999	88,869,602	8,025,235
Total liabilities	85,495,139	70,800,660	156,295,799	10,224,820
DEFERRED INFLOWS OF RESOURCES				
Property taxes	29,423,967	-	29,423,967	6,389,568
Unearned revenue - other	1,330,892	-	1,330,892	-
Deferred gain on refunding	2,570	1,569	4,139	-
Other pension-related items	1,014,121	967,850	1,981,971	-
Total deferred inflows of resources	31,771,550	969,419	32,740,969	6,389,568
NET POSITION				
Net investment in capital assets	829,570,967	679,667,176	1,509,238,143	4,962,899
Restricted for:				
Debt service	2,554,504	-	2,554,504	1,377,675
Capital projects	32,335,233	-	32,335,233	-
Donations and grants	1,773,341	-	1,773,341	-
Parks and natural areas	19,486,271	-	19,486,271	-
Development agreements	3,330,718	-	3,330,718	-
Emergencies	6,914,703	-	6,914,703	-
Other	15,449,139	-	15,449,139	-
Unrestricted (deficit)	161,213,665	148,938,219	310,151,884	(6,754,887)
Total Net Position (Deficit)	\$ 1,072,628,541	\$ 828,605,395	\$ 1,901,233,936	\$ (414,313)

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<u>FUNCTIONS/ PROGRAM ACTIVITIES:</u>				
Primary Government:				
Governmental Activities:				
General government	\$ 45,431,357	\$ 15,785,563	\$ 834,439	\$ 978,065
Public safety	73,945,372	1,603,477	1,209,035	1,012,174
Culture, parks, recreation and natural areas	44,396,017	10,673,421	943,779	8,323,846
Planning and development	20,594,284	4,561,147	2,993,203	1,651,553
Transportation	58,290,089	16,279,724	11,032,818	7,413,737
Interest on long-term debt	1,254,681	-	-	-
Total Governmental Activities	243,911,800	48,903,332	17,013,274	19,379,375
Business-type Activities:				
Light & Power	133,285,179	130,198,357	-	5,490,709
Water	25,598,046	31,105,789	-	10,837,818
Wastewater	20,958,486	24,102,167	-	4,411,039
Storm Drainage	10,804,588	16,807,054	-	1,088,473
Golf	3,142,229	3,473,908	-	-
Total Business-type Activities	193,788,528	205,687,275	-	21,828,039
Total Primary Government	437,700,328	254,590,607	17,013,274	41,207,414
Component Unit:				
Downtown Development Authority	\$ 2,831,655	\$ 73,431	\$ 80,674	\$ -

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government - City of Fort Collins				Component Unit
Governmental Activities	Business-type Activities	Total		
\$ (27,833,290)	\$	\$ (27,833,290)	\$	
(70,120,686)		(70,120,686)		
(24,454,971)		(24,454,971)		
(11,388,381)		(11,388,381)		
(23,563,810)		(23,563,810)		
(1,254,681)		(1,254,681)		
<u>(158,615,819)</u>		<u>(158,615,819)</u>		
	2,403,887	2,403,887		
	16,345,561	16,345,561		
	7,554,720	7,554,720		
	7,090,939	7,090,939		
	331,679	331,679		
-	33,726,786	33,726,786		
<u>(158,615,819)</u>	<u>33,726,786</u>	<u>(124,889,033)</u>		
				<u>(2,677,550)</u>
General Revenues				
Sales & use taxes	135,621,328	-	135,621,328	-
Property taxes	25,097,457	-	25,097,457	5,282,773
Occupational privilege taxes	2,974,186	-	2,974,186	-
Lodging taxes	1,520,567	-	1,520,567	-
Intergovernmental not restricted to programs	25,074,123	225,524	25,299,647	-
Investment earnings	3,826,303	2,219,678	6,045,981	55,686
Miscellaneous	4,387,219	887,676	5,274,895	50,621
Transfers	3,504,975	(3,504,975)	-	-
Total general revenues and transfers	<u>202,006,158</u>	<u>(172,097)</u>	<u>201,834,061</u>	<u>5,389,080</u>
Changes in Net Position	43,390,339	33,554,689	76,945,028	2,711,530
Net Position (Deficit)--January 1 as restated	<u>1,029,238,202</u>	<u>795,050,706</u>	<u>1,824,288,908</u>	<u>(3,125,843)</u>
Net Position (Deficit)--December 31	<u>\$ 1,072,628,541</u>	<u>\$ 828,605,395</u>	<u>\$ 1,901,233,936</u>	<u>\$ (414,313)</u>

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017

	Primary Government					
	General	Keep Fort Collins Great	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
ASSETS						
Cash and cash equivalents	\$ 11,857,189	\$ 1,526,050	\$ 2,846,372	\$ 204,846	\$ 16,674,682	\$ 33,109,139
Investments	48,266,216	8,951,897	16,614,423	1,185,106	93,236,089	168,253,731
Receivables						
Property taxes	23,837,669	-	-	5,255,531	330,767	29,423,967
Sales and use taxes	8,734,644	2,852,413	-	-	2,472,929	14,059,986
Accounts, net	939,121	-	942,799	-	8,506,456	10,388,376
Interest	179,978	32,383	53,180	3,479	327,606	596,626
Prepaid item	-	-	-	-	89,322	89,322
Due from other funds	786,132	-	-	-	-	786,132
Advances to other funds	4,882,399	-	-	-	1,017,606	5,900,005
Inventory of real property held for resale	1,477,894	-	-	-	-	1,477,894
Restricted - cash and cash equivalents	-	-	497	953,644	-	954,141
Total Assets	100,961,242	13,362,743	20,457,271	7,602,606	122,655,457	265,039,319
LIABILITIES						
Accounts payable, accruals, and other	3,610,355	386,435	2,281,397	521,590	4,954,849	11,754,626
Wages payable	2,365,218	245,049	19,466	4,859	1,218,879	3,853,471
Due to other governments	107,692	-	-	-	12,708	120,400
Due to other funds	-	-	-	-	786,132	786,132
Unearned revenue	-	-	-	-	1,223,633	1,223,633
Advance from other funds	-	-	-	6,917,610	-	6,917,610
Deposits held	20,000	-	-	-	325,802	345,802
Total Liabilities	6,103,265	631,484	2,300,863	7,444,059	8,522,003	25,001,674
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	23,837,669	-	-	5,255,531	330,767	29,423,967
Unavailable revenue - grants	280,391	-	535,551	-	834,318	1,650,260
Unavailable revenue - other	-	-	-	-	1,330,892	1,330,892
Total Deferred Inflows of Resources	24,118,060	-	535,551	5,255,531	2,495,977	32,405,119
Total Liabilities and Deferred Inflows of Resources	30,221,325	631,484	2,836,414	12,699,590	11,017,980	57,406,793
FUND BALANCES (DEFICIT)						
Nonspendable	6,485,293	-	-	-	89,322	6,574,615
Restricted	12,050,803	12,731,259	11,736,482	968,927	42,755,578	80,243,049
Committed	375,452	-	5,884,375	-	44,631,553	50,891,380
Assigned	17,909,053	-	-	-	24,315,991	42,225,044
Unassigned	33,919,316	-	-	(6,065,911)	(154,967)	27,698,438
Total Fund Balances (Deficit)	70,739,917	12,731,259	17,620,857	(5,096,984)	111,637,477	207,632,526
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 100,961,242	\$ 13,362,743	\$ 20,457,271	\$ 7,602,606	\$ 122,655,457	\$ 265,039,319

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

**RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

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

Total fund balances - governmental funds (page 32)		\$ 207,632,526
Capital assets of \$1,046,323,921 net of accumulated depreciation of \$178,908,787 used in governmental activities are not financial resources, therefore, are not reported in the funds.		867,415,134
City's joint venture equity interest in Fort Collins/Loveland Airport.		9,954,299
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as a deferred inflow of resources in the funds.		1,650,260
Internal service fund allocated to business type activities		14,643,318
Long-term liabilities are not due and payable in the current period and therefore are not reported in funds:		
Bonds payable	(8,860,000)	
Certificates of Participation	(29,410,000)	
Assignment of lease	(248,577)	
Premium	(229,966)	
Capital lease	-	
Deferred loss on refunding, net of deferred gain	1,013,446	
Interest payable	(141,379)	
Compensated absences	(6,049,751)	
Net pension liability	(4,933,850)	
Total OPEB liability	<u>(146,784)</u>	
		(49,006,861)
Deferred outflow of resources, other pension-related items		(871,736)
Internal service funds are used by management to charge the costs of certain activities to individual funds. Except for the utility customer service and administrative fund, the assets/deferred outflows of resources and liabilities/deferred inflows of resources of the internal service funds are included in the governmental activities in the statement of net position.		<u>21,211,601</u>
Net position of governmental activities (page 29)		<u>\$ 1,072,628,541</u>

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Primary Government					
	General	Keep Fort Collins Great	Capital Projects	Urban Renewal Authority	Total Other Governmental	Total Governmental
REVENUES						
Taxes	\$ 109,330,572	\$ 27,413,695	\$ -	\$ 3,622,048	\$ 24,847,223	\$ 165,213,538
Licenses and permits	3,809,880	-	-	-	312,127	4,122,007
Intergovernmental	14,052,239	-	4,269,911	-	29,692,252	48,014,402
Fees and charges for services	9,506,463	-	-	-	32,898,652	42,405,115
Fines and forfeitures	2,033,894	-	-	-	-	2,033,894
Earnings on investments	1,159,928	211,352	239,680	24,224	1,624,636	3,259,820
Miscellaneous revenue	1,424,505	486	2,238,489	-	1,506,340	5,169,820
Total Revenues	141,317,481	27,625,533	6,748,080	3,646,272	90,881,230	270,218,596
EXPENDITURES						
Current						
Police services	36,927,099	4,914,950	-	-	2,368	41,844,417
Financial services	4,360,932	-	-	-	-	4,360,932
Community services	12,485,988	3,830,886	702,099	-	21,367,838	38,386,811
Planning, development and transportation	8,856,489	13,912,953	3,259,017	-	44,192,071	70,220,530
Executive, legislative, and judicial	6,815,336	16,215	-	-	-	6,831,551
Information and employee	17,298,851	257,242	39,510	-	5,805	17,601,408
Sustainability services	6,727,816	1,954,166	10,722	4,523,331	3,241,745	16,457,780
Other	1,695,009	-	-	-	80,541	1,775,550
Intergovernmental						
Fire protection	24,012,449	3,362,292	-	-	1,631,089	29,005,830
Capital outlay	4,022,277	2,103,009	29,825,637	-	10,670,852	46,621,775
Debt service						
Principal	-	-	-	575,000	4,174,658	4,749,658
Interest and debt service costs	497	1,955	-	698,319	453,923	1,154,694
Total Expenditures	123,202,743	30,353,668	33,836,985	5,796,650	85,820,890	279,010,936
Excess of Revenues						
Over (Under) Expenditures	18,114,738	(2,728,135)	(27,088,905)	(2,150,378)	5,060,340	(8,792,340)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,678,411	-	16,677,421	-	28,335,693	46,691,525
Transfers out	(25,967,493)	(20,500)	(321,487)	-	(25,711,631)	(52,021,111)
Debt						
Debt issued	-	-	8,425,000	-	-	8,425,000
Sale of capital assets	1,539,481	-	-	-	479,916	2,019,397
Total Other Financing Sources (Uses)	(22,749,601)	(20,500)	24,780,934	-	3,103,978	5,114,811
Net Changes in Fund Balances (Deficit)	(4,634,863)	(2,748,635)	(2,307,971)	(2,150,378)	8,164,318	(3,677,529)
Fund Balances (Deficit)-January 1	75,374,780	15,479,894	19,928,828	(2,946,606)	103,473,159	211,310,055
Fund Balances (Deficit)-December 31	\$ 70,739,917	\$ 12,731,259	\$ 17,620,857	\$ (5,096,984)	\$ 111,637,477	\$ 207,632,526

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

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Amounts reported for governmental activities in the statement of activities (pages 30-31) are different because:

Net change in fund balances - total governmental funds (page 34)	\$ (3,677,529)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, \$56,293,176, exceeded depreciation, \$15,178,571, in the current period.	41,114,605
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The net effect of disposal of capital assets		
Donations	9,083,543	
Disposal	(95,123)	
		8,988,420

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(5,068,124)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net position, so this transaction has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities.

Principal payments	4,749,658	
Debt payment made by DDA on behalf of the City	260,609	
Debt issued	(8,425,000)	
Amortization of premium, deferred amount of refunding	(88,424)	
Capital lease obligation transferred to Internal Service Funds	2,512,632	
Interest expense	<u>(54,092)</u>	
		(1,044,617)

In the statement of activities, certain expenses - compensated absences, other post-employment benefits and pension expense - are measured by the amounts incurred during the year. In the governmental funds, however, expenditure for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). These amounts represent the net effect of compensated absences, other post-employment benefits and pension-related amounts on the statement of activities.

Change in net pension liability	1,447,441	
Change in postemployment healthcare benefits	4,054	
Change in compensated absences	<u>(374,998)</u>	
		1,076,497

Expenses in Statement of Activities related to City's Equity in Joint Venture	
Change in Non-Capital Equity position in Fort Collins/Loveland Airport	(186,119)

Change in deferred outflow of resources, other pension-related items	(1,795,432)
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Allocation of internal service fund net position to business type activities	1,109,524
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Internal service funds are used by management to charge the costs of certain activities to individual funds. Except for the utility customer service and administrative fund, the net revenue of the internal service funds is reported with the governmental activities.	<u>2,873,114</u>
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Change in net position of governmental activities (pages 30-31)	<u>\$ 43,390,339</u>
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The notes to the financial statements are an integral part of this statement.

GENERAL FUND (CONSOLIDATED)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Taxes	\$ 109,330,572	\$ 114,394,906	\$ 110,194,564	\$ (863,992)
Licenses and permits	3,809,880	3,592,509	3,592,509	217,371
Intergovernmental	13,085,276	13,936,752	13,936,752	(851,476)
Fees and charges for services	9,506,463	9,240,938	9,657,610	(151,147)
Fines and forfeitures	2,033,894	2,127,000	2,127,000	(93,106)
Earnings on investments	1,159,928	1,136,989	1,136,989	22,939
Miscellaneous revenue	1,423,505	1,080,135	1,111,597	311,908
Sale of capital assets	899,312	-	9,779	889,533
Sale of assets held for resale	640,169	-	-	640,169
Transfers	2,813,018	1,634,053	2,361,002	452,016
Projects				
Intergovernmental	3,786,324	-	5,522,396	(1,736,072)
Miscellaneous revenue	344,672	-	306,993	37,679
Transfers	496,160	-	2,500,000	(2,003,840)
Total Revenues	<u>149,329,173</u>	<u>147,143,282</u>	<u>152,457,191</u>	<u>(3,128,018)</u>
EXPENDITURES				
Programs (fund level of budgetary control)				
Community and operation	13,260,528	13,823,792	15,061,431	1,800,903
Employee and communications	23,152,082	24,369,661	25,948,630	2,796,548
Executive, legislative, and judicial	6,739,941	6,579,829	6,948,388	208,447
Financial services	4,360,932	4,652,418	4,734,954	374,022
Fire protection	24,012,449	24,012,449	24,012,449	-
Other	23,387,444	23,109,128	23,361,551	(25,893)
Planning, development and transportation	9,895,314	10,888,472	11,312,685	1,417,371
Police services	38,207,102	41,194,534	42,603,253	4,396,151
Sustainability services	6,300,022	4,747,561	8,117,312	1,817,290
Projects (project level of budgetary control)				
Community and operation	416,062	-	434,693	18,631
Employee and communications	-	-	20,000	20,000
Executive, legislative, and judicial	373,015	-	438,820	65,805
Planning, development and transportation	392,803	-	477,201	84,398
Police services	2,164,686	-	3,005,709	841,023
Sustainability services	1,141,395	-	1,488,267	346,872
Other	1,815,429	-	5,621,841	3,806,412
Total Expenditures	<u>155,619,204</u>	<u>153,377,844</u>	<u>173,587,184</u>	<u>17,967,980</u>
Excess of revenues over (under) expenditures	(6,290,031)	<u>\$ (6,234,562)</u>	<u>\$ (21,129,993)</u>	<u>\$ 14,839,962</u>
RECONCILIATION TO GAAP BASIS				
Prior Years' Project Expenses	5,314,361			
Prior Years' Project Revenues	<u>(3,659,193)</u>			
Total Reconciling Items	<u>1,655,168</u>			
Net Change in Fund Balances	(4,634,863)			
Fund Balances--January 1	<u>75,374,780</u>			
Fund Balances--December 31	<u>\$ 70,739,917</u>			

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

KEEP FORT COLLINS GREAT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Earnings on investments	\$ 211,352	\$ 192,487	\$ 192,487	\$ 18,865
Miscellaneous revenue	486	-	-	486
Taxes	27,413,695	26,326,347	27,982,153	(568,458)
Total Revenues	<u>27,625,533</u>	<u>26,518,834</u>	<u>28,174,640</u>	<u>(549,107)</u>
EXPENDITURES				
Programs (fund level of budgetary control)				
Fire Protection	3,379,797	2,821,897	3,379,504	(293)
Other Community Priorities	4,070,198	4,092,186	5,221,386	1,151,188
Other Street and Transportation	2,007,099	2,009,485	2,274,671	267,572
Parks and Recreation	3,353,792	3,447,729	3,964,471	610,679
Police services	5,010,380	5,326,602	5,545,352	534,972
Street Maintenance	8,972,812	8,987,696	8,987,696	14,884
Projects (project level of budgetary control)				
Capital Maintenance	5,229,992	-	5,415,530	185,538
City Bridge Program	6,277,722	-	8,318,156	2,040,434
Dial-A-Ride Operations	837,394	-	837,394	-
FC Bikes	519,680	-	568,819	49,139
Safe Routes to School	1,206,991	-	1,316,000	109,009
Senior Center Expansion	947,177	-	960,971	13,794
Trail Acquisition & Development	653,537	-	827,000	173,463
Total Expenditures	<u>42,466,571</u>	<u>26,685,595</u>	<u>47,616,950</u>	<u>5,150,379</u>
Excess of revenues over (under) expenditures	(14,841,038)	<u>\$ (166,761)</u>	<u>\$ (19,442,310)</u>	<u>\$ 4,601,272</u>
RECONCILIATION TO GAAP BASIS				
Prior Years' Project Expenses	<u>12,092,403</u>			
Total Reconciling Items	<u>12,092,403</u>			
Net Change in Fund Balances	(2,748,635)			
Fund Balances--January 1	<u>15,479,894</u>			
Fund Balances--December 31	<u>\$ 12,731,259</u>			

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

URBAN RENEWAL AUTHORITY (CONSOLIDATED)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Taxes	3,622,048	5,990,392	5,990,392	(2,368,344)
Earnings on investments	24,224	102,811	102,811	(78,587)
Proceeds from issuance of long-term debt	-	2,503,939	2,503,939	-
Total Revenues	<u>3,646,272</u>	<u>8,597,142</u>	<u>8,597,142</u>	<u>(2,446,931)</u>
EXPENDITURES				
Programs (fund level of budgetary control)				
Debt & Other Uses	1,425,906	3,950,151	3,950,151	2,524,245
Other Purchased Services	16,010	8,883	8,883	(7,127)
Personnel Costs	127,173	110,022	110,022	(17,151)
Purchased Prof & Tech Services	159,564	193,074	198,073	38,509
Purchased Property Services	4,220,037	4,065,629	4,065,629	(154,408)
Supplies	547	1,000	1,000	453
Total Expenditures	<u>5,949,237</u>	<u>8,328,759</u>	<u>8,333,758</u>	<u>2,384,521</u>
Excess of revenues over (under) expenditures	(2,302,965)	<u>\$ 268,383</u>	<u>\$ 263,384</u>	<u>\$ (62,410)</u>
RECONCILIATION TO GAAP BASIS				
Principal Reduction--Advances Payable	<u>152,587</u>			
Total Reconciling Items	<u>152,587</u>			
Net Change in Fund Balances (Deficit)	(2,150,378)			
Fund Balances (Deficit)--January 1	<u>(2,946,606)</u>			
Fund Balances (Deficit)--December 31	<u>\$ (5,096,984)</u>			

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

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**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	Light and Power	Water	Wastewater	Storm Drainage
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 4,127,484	\$ 9,282,485	\$ 6,158,589	\$ 3,114,448
Investments	24,074,490	54,527,776	36,149,956	18,279,898
Receivables				
Accounts, net	14,020,951	2,295,822	2,527,611	1,685,192
Interest	81,146	189,562	125,348	62,933
Prepaid item	-	-	-	-
Due from other governments	-	-	-	14,153
Inventories of materials and supplies	5,631,105	-	-	-
Total Current Assets	47,935,176	66,295,645	44,961,504	23,156,624
Non-Current Assets				
Advance to other funds	-	1,017,606	-	-
Restricted - cash and cash equivalents	-	-	6,542	-
Land, water rights, other	1,762,311	56,762,217	3,423,833	8,385,780
Buildings, improvements and equipment	315,001,250	296,902,132	242,713,519	136,409,408
Accumulated depreciation	(163,540,320)	(137,144,861)	(99,941,003)	(41,030,627)
Construction in progress	23,458,196	39,406,949	13,721,719	20,656,044
Note receivable	1,219,745	-	-	-
Total Non-Current Assets	177,901,182	256,944,043	159,924,610	124,420,605
Total Assets	225,836,358	323,239,688	204,886,114	147,577,229
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	12,939	1,311,510	285,034
LIABILITIES				
Current Liabilities				
Accounts payable	11,462,705	1,411,150	999,881	2,605,643
Interest payable	21,308	12,933	64,410	25,120
Wages payable	446,986	328,217	224,991	125,015
Compensated absences	723,635	456,432	321,160	175,363
Bonds payable	1,740,000	2,480,742	1,905,000	2,830,000
Claims payable	-	-	-	-
Capital lease obligations	23,746	-	-	-
Total Current Liabilities	14,418,380	4,689,474	3,515,442	5,761,141
Non-Current Liabilities				
Postemployment benefits	994,939	1,426,050	1,406,541	410,541
Bonds payable	3,712,436	1,257,843	22,422,855	6,612,325
Claims payable	-	-	-	-
Capital lease obligations	61,533	-	-	-
Deposits held	-	5,671	-	-
Total Non-Current Liabilities	4,768,908	2,689,564	23,829,396	7,022,866
Total Liabilities	19,187,288	7,379,038	27,344,838	12,784,007
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	-	-	-	-
Other pension-related items	169,307	251,961	243,652	72,536
Total Deferred Inflows of Resources	169,307	251,961	243,652	72,536
NET POSITION				
Net investment in capital assets	171,143,722	249,575,038	138,274,311	115,263,313
Restricted: fiscal agent	-	-	-	-
Unrestricted	35,336,041	66,046,590	40,334,823	19,742,407
Total Net Position	\$ 206,479,763	\$ 315,621,628	\$ 178,609,134	\$ 135,005,720

Adjustment to reflect the consolidation of internal service fund net position related to enterprise funds:

Allocation of governmental activities related to internal service fund net position:

Net position of business-type activities (page 29).

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

Non Major		
Enterprise Fund	Enterprise	Internal
Golf	Funds	Service Funds
\$ 208,825	\$ 22,891,831	\$ 8,331,562
1,099,432	134,131,552	22,472,834
19,346	20,548,922	210,647
3,815	462,804	86,224
-	-	264,442
-	14,153	-
-	5,631,105	644,126
1,331,418	183,680,367	32,009,835
-	1,017,606	-
-	6,542	1,600,860
2,881,310	73,215,451	30,126
9,241,920	1,000,268,229	25,821,859
(5,247,852)	(446,904,663)	(16,268,669)
-	97,242,908	-
-	1,219,745	-
6,875,378	726,065,818	11,184,176
8,206,796	909,746,185	43,194,011
-	1,609,483	-
129,269	16,608,648	1,420,396
7,832	131,603	24,199
37,245	1,162,454	730,593
76,480	1,753,070	971,627
-	8,955,742	-
-	-	3,337,035
657,957	681,703	3,042,535
908,783	29,293,220	9,526,385
235,521	4,473,592	1,874,345
-	34,005,459	-
-	-	3,296,101
1,020,937	1,082,470	5,420,319
-	5,671	-
1,256,458	39,567,192	10,590,765
2,165,241	68,860,412	20,117,150
1,569	1,569	-
41,613	779,069	331,166
43,182	780,638	331,166
5,194,915	679,451,299	4,226,559
-	-	1,600,860
803,458	162,263,319	16,918,276
\$ 5,998,373	841,714,618	\$ 22,745,695
	1,534,094	
	(14,643,318)	
	\$ 828,605,394	

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Light and Power	Water	Wastewater	Storm Drainage
OPERATING REVENUES				
Charges for services	\$ 128,730,192	\$ 30,772,056	\$ 23,949,484	\$ 16,755,272
Other revenue	1,925,171	389,042	159,849	208,335
Total Operating Revenues	130,655,363	31,161,098	24,109,333	16,963,607
OPERATING EXPENSES				
Personnel services	10,459,859	7,592,012	5,611,900	2,708,037
Contractual services	11,560,054	4,747,999	3,983,850	1,945,744
Commodities	91,471,848	1,840,707	1,301,947	192,034
Customer service and administrative charges	5,832,953	2,941,511	2,607,355	2,426,866
Other	3,432,567	1,321,744	866,158	297,312
Depreciation	10,325,278	6,955,095	5,940,856	2,716,948
Total Operating Expenses	133,082,559	25,399,068	20,312,066	10,286,941
Operating Income (Loss)	(2,427,196)	5,762,030	3,797,267	6,676,666
NONOPERATING REVENUES (EXPENSES)				
Earnings on investments	522,721	786,963	552,614	328,330
Intergovernmental	225,524	-	-	-
Gain (loss) on sale of capital assets	211,437	95,023	11,765	(124,998)
Interest expense	(258,998)	(239,799)	(675,311)	(532,696)
Total Nonoperating Revenues (Expenses)	700,684	642,187	(110,932)	(329,364)
Income (Loss) Before Contributions and Transfers	(1,726,512)	6,404,217	3,686,335	6,347,302
Capital contributions	5,490,709	10,837,818	4,411,039	1,088,475
Assumption of capital lease liability	-	-	-	-
Transfers in	-	-	-	2,556
Transfers out	(235,226)	(426,813)	(210,986)	(622,718)
Change in Net Position	3,528,971	16,815,222	7,886,388	6,815,615
Net Position--January 1 as restated	202,950,792	298,806,406	170,722,746	128,190,105
Net Position--December 31	\$ 206,479,763	\$ 315,621,628	\$ 178,609,134	\$ 135,005,720

Adjustment to reflect the consolidation of internal service fund net position related to enterprise funds:

Allocation of governmental activities related to internal service fund net position:

Change in net position of business-type activities (pages 30-31)

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

Non Major Enterprise		
Fund Golf	Enterprise Funds	Internal Service Funds
\$ 3,435,768	\$ 203,642,772	\$ 59,238,283
44,598	2,726,995	4,544,042
3,480,366	206,369,767	63,782,325
1,365,155	27,736,963	19,350,893
999,887	23,237,534	39,512,120
336,538	95,143,074	4,937,546
-	13,808,685	-
26,246	5,944,027	1,084,456
328,330	26,266,507	1,782,390
3,056,156	192,136,790	66,667,405
424,210	14,232,977	(2,885,080)
16,090	2,206,718	274,841
-	225,524	142,143
3,319	196,546	152,844
(37,241)	(1,744,045)	(199,103)
(17,832)	884,743	370,725
406,378	15,117,720	(2,514,355)
-	21,828,041	190,880
-	-	(2,414,547)
-	2,556	9,295,915
(61,078)	(1,556,821)	(2,412,062)
345,300	35,391,496	2,145,831
5,653,073		20,599,864
\$ 5,998,373		\$ 22,745,695
	(727,283)	
	(1,109,524)	
	\$ 33,554,689	

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Light and Power	Water	Wastewater	Storm Drainage
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 128,739,304	\$ 30,811,454	\$ 23,841,470	\$ 16,726,031
Receipts from interfund services provided	-	-	-	-
Cash paid to employees for services	(10,332,394)	(7,453,046)	(5,469,508)	(2,657,955)
Cash paid to other suppliers of goods & services	(113,582,739)	(12,098,140)	(8,921,668)	(7,033,231)
Other receipts	1,925,171	389,042	159,849	208,335
Net cash provided (used) by operating activities	6,749,342	11,649,310	9,610,143	7,243,180
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	2,556
Transfers to other funds	(235,226)	(426,813)	(210,986)	(622,718)
Advances from other funds	-	1,634,364	-	-
Net cash provided (used) by noncapital financing activities	(235,226)	1,207,551	(210,986)	(620,162)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	-	-	-
Capital contributions	5,490,709	10,467,630	4,411,039	1,088,475
Purchases of capital assets	(15,228,249)	(13,801,074)	(11,253,371)	(7,975,508)
Principal paid on capital debt	(1,756,530)	(2,744,464)	(2,123,451)	(3,595,000)
Interest paid on capital debt	(302,584)	(221,677)	(548,735)	(475,272)
Proceeds from sales of capital assets	(4,126)	465,212	(4,297)	27,926
Grant proceeds from federal government	225,524	-	-	65,191
Net cash (used) by capital and related financing activities	(11,575,256)	(5,834,373)	(9,518,815)	(10,864,188)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments received for note receivable	90,469	4,903	-	-
Sale (Purchase) of investments	6,434,984	(2,169,521)	2,994,250	5,363,527
Earnings received on investments	542,453	773,214	557,401	344,105
Net cash provided (used) by investing activities	7,067,906	(1,391,404)	3,551,651	5,707,632
Net (decrease) in cash and cash equivalents	2,006,766	5,631,084	3,431,993	1,466,462
Cash and cash equivalents, January 1	2,120,718	3,651,404	2,733,138	1,647,984
Cash and cash equivalents, December 31	\$ 4,127,484	\$ 9,282,488	\$ 6,165,131	\$ 3,114,446
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(2,427,196)	5,762,030	3,797,267	6,676,666
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	10,325,278	6,955,095	5,940,856	2,716,948
(Increase) decrease in accounts receivable	9,112	39,398	(108,014)	(29,241)
(Increase) decrease in inventories	135,736	-	-	-
(Increase) decrease in prepaid item	-	-	-	-
(Increase) decrease in pension-related items	348,706	518,940	688,410	149,396
Increase (decrease) in accounts payable	(1,421,053)	(1,246,179)	(162,358)	(2,171,275)
Increase (decrease) in compensated absences payable	35,010	7,934	31,998	11,227
Increase (decrease) in post-employment benefits	(282,134)	(418,359)	(591,905)	(120,440)
Increase (decrease) in wages payable	25,883	30,451	13,889	9,899
Increase (decrease) in claims payable	-	-	-	-
Net cash provided (used) by operating activities	\$ 6,749,342	\$ 11,649,310	\$ 9,610,143	\$ 7,243,180
Noncash investing, capital, and financing activities:				
Capital contributions	-	370,188	-	-
Reconciliation of cash and cash equivalents to statement of net position:				
Cash and cash equivalents	4,127,484	9,282,485	6,158,589	3,114,448
Restricted Assets - cash and cash equivalents	-	-	6,542	-
	\$ 4,127,484	\$ 9,282,485	\$ 6,165,131	\$ 3,114,448

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

Non Major		
Enterprise Fund	Total	Total Internal
Golf	Enterprise Funds	Service Funds
\$ 3,438,341	\$ 203,556,600	\$ -
-	-	59,332,252
(1,352,075)	(27,264,978)	(19,118,702)
(1,337,071)	(142,972,849)	(45,271,455)
44,598	2,726,995	4,544,042
793,793	36,045,768	(513,863)
-	2,556	9,295,915
(61,078)	(1,556,821)	(2,412,062)
-	1,634,364	-
(61,078)	80,099	6,883,853
292,440	292,440	3,396,700
-	21,457,853	190,880
(326,018)	(48,584,220)	(3,444,596)
(616,067)	(10,835,512)	(3,025,803)
(41,603)	(1,589,871)	(191,540)
3,318	488,033	143,200
-	290,715	142,143
(687,930)	(38,480,562)	(2,789,016)
-	95,372	-
62,663	12,685,903	(949,698)
16,184	2,233,357	261,870
78,847	15,014,632	(687,828)
123,632	12,659,937	2,893,146
85,193	10,238,437	7,039,278
\$ 208,825	\$ 22,898,374	\$ 9,932,424
424,210	14,232,977	(2,885,080)
328,330	26,266,507	1,782,390
2,573	(86,172)	93,969
-	135,736	(11,143)
-	-	4,615
85,706	1,791,158	682,071
25,600	(4,975,265)	(54,121)
884	87,053	79,319
(69,095)	(1,481,933)	(549,875)
(4,415)	75,707	20,676
-	-	323,316
\$ 793,793	\$ 36,045,768	\$ (513,863)
-	370,188	-
208,825	22,891,831	8,331,562
-	6,542	1,600,860
\$ 208,825	\$ 22,898,373	\$ 9,932,422

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2017

	<u>General Employee Retirement Plan</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 2,491,850	\$ 3,566,141
Receivables, interest	67,123	67,414
Investments		
US Government securities	10,410,072	16,542,469
Corporate bonds	1,724,452	2,740,298
Mutual funds	34,114,235	-
Total Investments	<u>46,248,759</u>	<u>19,282,767</u>
Total Assets	<u>48,807,732</u>	<u>22,916,322</u>
LIABILITIES		
Amounts held for other governments	<u>-</u>	<u>22,916,322</u>
Total Liabilities	<u><u>\$ -</u></u>	<u><u>\$ 22,916,322</u></u>
NET POSITION		
Net position restricted for pensions	<u><u>\$ 48,807,732</u></u>	

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

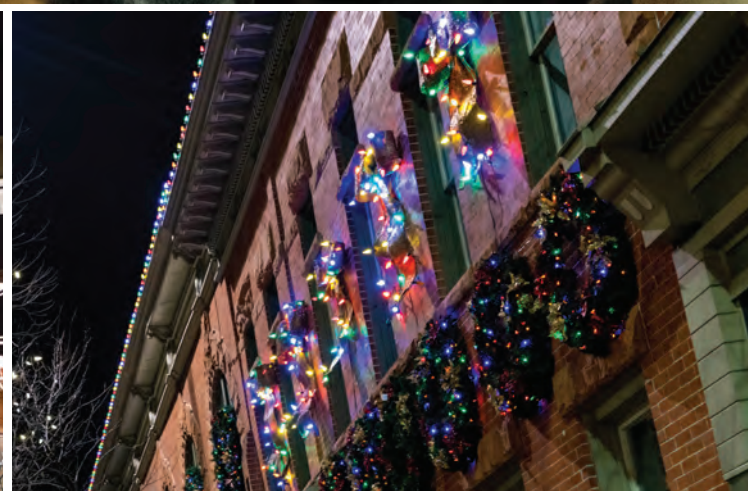
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General Employee Retirement Plan</u>
ADDITIONS	
Contributions	
Employer contributions	\$ 1,652,786
Total Contributions	<u>1,652,786</u>
Investment income	
Interest related to plan investments	208,422
Net change in fair value of investments	<u>6,824,288</u>
Total Investment Income	<u>7,032,710</u>
Total Additions	<u>8,685,496</u>
DEDUCTIONS	
Benefit payments	3,720,322
Administration expense	<u>26,752</u>
Total Deductions	<u>3,747,074</u>
Net Increase in Plan Net Position	4,938,422
Net Position	
Beginning of year	<u>43,869,310</u>
End of year	<u>\$ 48,807,732</u>

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

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NOTES



NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fort Collins, Colorado (the City) was incorporated in 1873 and adopted its Home Rule charter in 1913. In 1954, the citizens adopted the Council-Manager form of government. The more significant accounting policies reflected in the financial statements are summarized as follows:

A. Reporting Entity

These financial statements include those of the City (primary government) and organizations for which the City is financially accountable (component units). The following component units are included in the reporting entity: The Fort Collins, Colorado Downtown Development Authority (DDA); City of Fort Collins General Improvement District No. 1 (GID No. 1); the Fort Collins Capital Leasing Corporation (Corporation); the Urban Renewal Authority (URA); and the City of Fort Collins General Improvement District No. 15-Skyview (GID No. 15-Skyview). None of the component units issue their own financial statements.

The DDA was created in 1981 by City Council and the electorate. The purpose of the DDA is to promote the public health, safety, prosperity, security, and welfare of its inhabitants. The City appoints and removes all members of the DDA's governing board in addition to issuing debt, adopting budgets, and levying taxes on its behalf. The financial statements of the Downtown Development Authority are included in the reporting entity by discrete presentation.

GID No. 1 was created in 1976 for the construction and installation of parking facilities and street and sidewalk beautification improvements. GID No. 1 is, in substance, the same as the primary government since the City Council serves as the board of directors. As such, it levies all taxes, approves all budgets, and issues all debt on behalf of GID No. 1. Accordingly, its transactions and balances are blended with those of the City. GID No. 1 is presented as a special revenue fund.

The Corporation was created in June 1998 and operates under the provisions of the Nonprofit Corporation Law of the State of Colorado. The Corporation's primary purpose is to provide financing assistance by obtaining land, property and equipment on behalf of the City. The directors are appointed by the City Council and receive no compensation. Its transactions and balances are blended with those of the City. The Corporation is presented as a debt service fund.

The URA was established in 2006. The primary purpose of the URA is to remedy blight by stimulating and leveraging private capital investment, using tax increment financing in private development projects and public improvement projects. The URA is, in economic substance and governance for reporting purposes, the same as the primary government because the City Council serves as the board of directors. Management of the primary government, reporting to elected officials of the primary government, has operational responsibility for the URA and is charged with day-to-day operations. Its transactions and balances are blended with those of the City. The URA is presented as a special revenue fund.

GID No. 15-Skyview was organized in 1997 by Larimer County and was inherited by the City as part of the Southwest Annexation. The mill levy funds are used to maintain the street system for the Skyview Subdivision. GID No. 15-Skyview is, in substance, the same as the primary government since the City Council serves as the board of directors. As such, it levies all taxes, approves all budgets, and issues all debt on behalf of GID No. 15-Skyview. Accordingly, its transactions and balances are blended with those of the City. GID No. 15-Skyview is presented as a special revenue fund.

B. Joint Ventures

The City has joined with other governmental units to form the following joint ventures:

The Northern Colorado Regional Airport was created for the purpose of operating a municipal airport for the benefit of the citizens of Loveland and Fort Collins. The City provides a small amount of funding for on-going airport

construction projects. The City and Loveland each retain a 50% ownership interest in the airport. Separately issued financial statements are available upon request from the Airport Manager.

North Front Range Metropolitan Planning Organization (NFRMPO) is an association of local governments that was formed in 1988 in response to local needs and federal transportation and air quality planning requirements. Local government membership consists of elected officials representing Fort Collins, Greeley, Loveland, Evans, Berthoud, Windsor, Timnath, Garden City, LaSalle, Johnstown, Eaton, Milliken, Severance and Weld and Larimer Counties. Membership is also extended to the Colorado Transportation Commission and the Colorado Air Quality Control Commission. The NFRMPO Planning Council appoints its own management and approves its own budget. Separately issued financial statements are available upon request from the Planning Council.

Poudre Fire Authority (PFA) was created by an intergovernmental agreement between the City of Fort Collins and the Poudre Valley Fire Protection District. The PFA Board consists of five members: two appointed by City Council, two appointed by the District's Board of Directors and a fifth member appointed by the other four members. The PFA Board appoints its own management and approves its own budget. PFA's continuing existence depends, in part, on funding provided by the City. Separately issued financial statements for PFA are available from its administrative office.

Platte River Power Authority (PRPA) was created by an intergovernmental agreement between the Cities of Fort Collins, Estes Park, Loveland, and Longmont to supply their wholesale electric power and energy requirements. The governing Board of PRPA consists of two members from each municipality. Under Colorado law, PRPA's Board of Directors has the exclusive authority to establish electric rates. The City has contracted for its total electric energy supply from PRPA through December 31, 2040. Separately issued financial statements for PRPA are available from its corporate headquarters.

Aside from the Airport (see Note IV, G. 1.), the City does not have an equity interest in any of the joint ventures in which it participates. None of the joint ventures are accumulating financial resources or are experiencing fiscal stress that are expected to create a significant financial benefit or burden on the City in the foreseeable future.

C. Jointly Governed Organization

The City and various governmental entities throughout Larimer County have jointly agreed to establish the Larimer Emergency Telephone Authority (LETA). LETA is a separate legal entity established to provide E-911 telephone service to the citizens of Larimer County. The City does not retain an on-going financial interest or responsibility in LETA.

D. Undivided Interest

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

E. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of inter-fund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily on fees and charges for support. Also, the primary government is reported separately from the DDA, a legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is

offset by program revenues. Direct expenses are those that are clearly associated with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

F. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and the pension trust fund. The agency funds utilize the accrual basis of accounting but have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. An allowance for doubtful accounts is maintained for the utility receivables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. As under accrual accounting, expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as those related to compensated absences, pension liabilities, and incurred claims and judgments, are recorded only when payment is due. With regard to self-insurance claims and judgments, an additional expenditure may be recorded based on actuarial information.

Property taxes, special assessments, sales taxes, franchise taxes, charges for services, amounts due from other governments and interest associated with the current fiscal period are all considered to be subject to accrual. Other revenue items such as licenses, fines and permits are considered to be measurable and available only when the cash is received by the City; as a result, they are not subject to accrual.

G. Financial Statement Presentation

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows of resources, fund balance or net position, revenues and expenditures or expenses as appropriate. The various funds are summarized by type within the financial statements.

The City reports the following major governmental funds:

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

Keep Fort Collins Great fund, a special revenue fund, is used to account for collections of the City's 0.85% sales and use tax which is allocated as follows:

33% for street maintenance and repair

17% for other street and transportation needs

17% for police services

11% for fire protection and other emergency services

11% for parks maintenance and recreation services

11% for community priorities other than those listed above, as determined by the City Council.

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

URA, a special revenue fund, is used to account for the tax increment financing for the operations and debt services of the Urban Renewal Authority, a blended component unit.

The City reports the following major proprietary funds:

Light and Power fund is used to account for the operations of the City's electric utility.

Water fund is used to account for the operation of the City's water utility.

Wastewater fund is used to account for the operation of the City's wastewater utility.

Storm Drainage fund is used to account for the operations of the City's storm water utility.

Additionally, the City reports the following fund types:

Internal Service funds are used to account for the City's fleet maintenance services, technology and communication, self-insurance of employee health care and other employee benefits, and a risk management insurance program. There is also an internal service fund to account for the customer and administrative services provided exclusively to the City's utility enterprise funds.

Pension Trust fund is used to account for the City's General Employees' Retirement Plan, a defined benefit pension plan to provide retirement benefits for its employees/retirees.

Agency funds are used to account for cash and investments held by the City on behalf of Poudre Fire Authority and Poudre River Public Library District.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are the charges between the City's utility functions and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The water and storm drainage funds also recognize as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

The City has stated certain investments at fair value in accordance with GASB Statement No. 72. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same--that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability.

Whenever possible, cash is pooled from the various City funds to enhance investment capabilities and maximize investment income. Investments are made taking into consideration cash flow needs, market conditions, and contingency plans. The City's investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance, which are utilized in managing the investment portfolio.

For purposes of the combined statement of cash flows, the City considers highly liquid investments with a maturity of three months or less when purchased, including external investment pools, to be cash equivalents.

Receivables

Accounts receivable are expressed net of allowances for doubtful accounts. Light and Power Fund maintains an allowance of \$225,000, Water Fund maintains an allowance of \$25,000, Wastewater Fund maintains an allowance of \$20,000, and Storm Drainage Fund has an allowance of \$10,000.

Long-term portions of receivables in the governmental fund financial statements are reported and then offset by non-spendable, restricted and committed fund balance reserve accounts to indicate that they are not available or spendable resources.

Inventories

Inventories are stated at cost using the first-in, first-out method. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in proprietary funds when used. Where appropriate, inventory has been adjusted downward to market value to reflect what is considered a permanent market decline.

Inventory of Real Property Held for Resale

Inventory of real property held for resale generally reflects the cost of raw land for development of affordable housing held by the City's Land Bank Program in the General Fund. These assets are carried at the lower of cost or fair value.

Capital Assets

Capital assets, which are acquired or constructed, are reported at historical cost in the applicable governmental or business-type activities' columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of five years or greater. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets other than land, construction in progress, water rights, and some intangible property are depreciated. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Buildings	10 - 50 years
Improvements other than buildings	5 - 50 years
Machinery and equipment	5 - 20 years

GASB Statement No. 34 provides for an alternative approach to depreciation for measuring the value of infrastructure assets and the related costs incurred to maintain their service life at a locally established minimum standard. In order to adopt this alternative method, the City has developed an asset management system, which will determine if the minimum standards are being maintained. This measurement would occur every three years at a minimum. The City has elected to use this alternative method for reporting its street infrastructure capital assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred outflows/inflows of resources as follows:

Gain/Loss on Refunding - In the government-wide and proprietary funds statement of net position, deferred outflows/inflows of resources on refunding represent the difference in the carrying value of refunded debt and its reacquisition price. The difference is amortized and recognized over the remaining life of the old refunded debt or the new refunding debt, whichever is shorter.

Unavailable Revenues - Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, grants and parking tickets. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide Statement of Net Position, only property tax revenue is reported as a deferred inflow of resources and will be recognized as revenue in the year for which they are levied.

Pension-Related Amounts – In the government-wide and proprietary funds statement of net position, a deferred inflow of resources is reported for the unrecognized items not yet charged to pension expense related to the net pension liability, such as the unamortized portion of the net difference projected and actual earnings on pension plan investments and other differences between expected and actual experience. Deferred inflows for the net difference between projected and actual investment earnings are recognized over a period of five years, while the deferred outflow for the differences between expected and actual experience for economic/demographic assumptions are recognized over the average remaining service life for all active and inactive members.

Compensated Absences

The City allows employees to accumulate unused vacation pay and to defer overtime pay by accumulating compensatory leave up to maximum limits. The liability associated with these benefits is reported in the government-wide financial statements. Proprietary fund types accrue such benefits in the period in which they are earned. The entire portion is current, as employees typically use the full balance in the subsequent year and the City records usage on a first in, first out basis. A liability for the amount is reported in governmental funds only if they have matured, for example as a result of employee resignations and retirements. Unused sick pay is not recognized as a liability because it does not meet the criteria for accrual.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Claims and Judgments Payable

Claims and judgments payable are recognized when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Such claims, including an estimate for claims incurred but not reported at year end, are reflected as claims payable in the financial statements.

Pension

The net pension liability and deferred inflows of resources, pension expense and information about the fiduciary net position of the General Employee Retirement Plan (GERP) and additions to/deductions from the fiduciary net position has been determined on the same basis as they are reported by GERP. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Fund Balance/Net Position

GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In the fund financial statements, fund balance of the City's governmental funds is classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balances indicate amounts that cannot be spent such as permanent endowments or assets in non-liquid form. It also includes the long-term amount of advances, loans and notes receivables as well as property held for resale unless the proceeds from the collection of these items would be considered restricted, committed, or assigned in which case they are included in those categories.

Restricted fund balances indicate amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balances indicate amounts constrained for a specific purpose by the City Council, which is the City's highest level of decision-making authority. Amounts are established, modified and rescinded only through a Council approved ordinance. The ordinance must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned fund balances indicate amounts the City intends to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The City Manager, Chief Financial Officer and Controller are authorized to assign fund balance as outlined in the fund balance policy.

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not included in the other classifications. In other funds, the unassigned classification is used to report a deficit fund balance. When unassigned and restricted, committed, or assigned fund balances are available for use, it is the City's policy to use restricted, committed, or assigned resources before unassigned resources.

In the government-wide and proprietary fund financial statements, net positions are restricted for amounts that are legally restricted by outside parties for specific purposes or through enabling legislation that is a legally enforceable restriction on the use of revenues. When both restricted net position and unrestricted net position are available for use, it is the City's policy to use restricted-net position first and then unrestricted net position. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The government-wide statement of net position reports \$81,843,909 of restricted net position, of which \$39,249,936 is restricted by enabling legislation.

Minimum Fund Balance Policy

It is the City's policy to maintain a 60 Day Liquidity Goal minimum unassigned fund balance in the General Fund. Minimum unassigned fund balance should be at least 17% of the subsequent year's originally adopted budgeted expenditures and transfers out, excluding expenditures and transfers out for large and unusual one-time items. The 60 Day Liquidity Goal is in addition to the restricted balance required by Article X, Section 20 of the State Constitution.

Inter-fund Transactions

Inter-fund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include billings from one fund to another for purchased goods or services as well as payment in lieu of taxes. In the government-wide statement of activities, transactions, which constitute reimbursements, are eliminated except for transfers between governmental and business-type activities.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Discretely Presented Component Units

The significant accounting policies for the City's discretely presented component unit are substantially the same as the primary government. Additional disclosures follow.

The discretely presented component unit data presented in the government-wide statements includes total data for all fund types of the Downtown Development Authority (DDA), including its General Fund, Debt Service Fund and its non-current assets and liabilities.

The Board of Directors of the DDA approves their respective budget by resolution. The budget is then submitted to City Council for approval. Budgetary matters with respect to basis of accounting and legal level of budgetary control are generally the same for the DDA as those of the City.

Adoption of New Accounting Pronouncements

Effective January 1, 2017, the City adopted *GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 requires a liability for other postemployment benefits (OPEB) obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating funds. Changes in the Net OPEB Liability (Total OPEB Liability for unfunded plans) are immediately recognized as OPEB expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

As this statement is applied retroactively, the financial statements for the year ended December 31, 2016 have been restated to apply the changes associated with the implementation of GASB Statement No. 75 to adjust the total OPEB liability. The effect of this change is as follows:

	Governmental Activities	Business-type Activities	Enterprise Funds	
			Light and Power	Wastewater
Net position December 31, 2016, as previously reported	\$ 1,028,243,092	\$ 373,238,178	\$ 202,702,015	\$ 170,536,163
Total OPEB liability	(150,838)	(65,992)	(37,710)	(28,282)
Removal of net OPEB obligation	1,145,948	501,353	286,488	214,865
Net position January 1, 2017, as restated	<u>\$ 1,029,238,202</u>	<u>\$ 373,673,539</u>	<u>\$ 202,950,793</u>	<u>\$ 170,722,746</u>

The GASB has issued several statements not yet implemented by the City. City management has not yet determined the effect the Statements will have on the financial statements. However, the City intends to implement all standards by the required dates. The Standards which may impact the City are as follows:

GASB Statement No. 84, Fiduciary Activities. This Statement, issued January 2017, will be effective for the City beginning with its fiscal year ending December 31, 2019. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 87, Leases, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement, issued March 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This statement defines debt that must be disclosed in the notes of the financial statements as a liability that arises from contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credits, asset pledges as collateral for debt and the terms specified in the debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information Budgetary

Accounting and Control

Appropriated budgets are established for all funds of the City except agency funds, which do not measure results of operations.

General, Special Revenue, Debt Service and Trust Funds

Budgets for general, special revenue, debt service and trust funds are not adopted on a basis consistent with generally accepted accounting principles (GAAP). The exceptions to GAAP are appropriations for grants and capital projects that do not lapse until the grant or project is completed.

Capital Project Funds

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

Proprietary Funds

Proprietary funds are budgeted on a basis that includes capital items such as amounts for capital outlay and principal reduction of debt. Such budgets exclude depreciation, bond amortization, and changes in estimates such as claim reserves or post-employment liabilities. Capital project budgets for certain enterprise funds do not lapse on an annual basis as explained below.

Legal Level of Control

The legal level of budgetary control is at the individual fund level, except for capital projects, the URA, and federal and state grants for which the legal level of control is at the project, tax increment financing district, or grant level. For budgetary purposes, operating transfers are considered expenditures.

Lapsing Appropriations

All appropriations unexpended or unencumbered lapse at the end of the year to the applicable fund, except capital project and federal and state grant appropriations which lapse when the project or grant activity is completed. Appropriations which are legally encumbered at year end are carried over to the ensuing year at which time they are matched with their corresponding expenditures.

Budgets for the Capital Projects Fund, special revenue funds with expenditures of a capital or project nature and special revenue funds where the primary source of revenue is project-length federal or state grants are non-lapsing. Included are the Capital Projects Fund, Neighborhood Parkland Fund, Conservation Trust Fund, Community Development Block Grant Fund, Home Program Fund, Transit Services Fund, the grant portion of Transportation Services, Community Capital Improvement Program Fund, and the capital project portion of the Keep Fort Collins Great Fund. Budgets are non-lapsing for capital projects in all the enterprise funds and for one of the internal service funds - Utilities Customer Service and Administration Fund.

Property Taxes

Property taxes levied in a particular year are collected in the subsequent year. The property tax calendar is as follows:

Tax Year

Tax levy certified to County Commissioners	December 15
County Commissioners certify levy to County Assessor	December 22

Ensuing Collection Year

Taxes attach as an enforceable lien on property	January 1
First installment due date (one-half of taxes due)	February 28
Taxes due in full (unless installments elected by taxpayer)	April 30
Second installment due date (second half due)	June 15

The City has an enforceable legal claim on the taxes when the levy is certified in December, and records a receivable on that date. Taxes are collected by the Larimer County Treasurer on behalf of the City and are remitted by the 10th day of the month following collection. A 2% collection fee is retained by the County as compensation for collecting the taxes.

B. Deficit Fund Balance and Net Position

The URA fund had a deficit fund balance of \$5,096,984 as of December 31, 2017. The fund will continue to have a deficit fund balance for the next few years as Tax Increment Funding (TIF) monies are collected through increased property tax collections. The Community Development Block Grant fund had a deficit fund balance of \$154,967 as of December 31, 2017 due to expenditures that have not been reimbursed as of year-end and thus associated revenues are deemed unavailable for recognition.

The Downtown Development Authority reported a deficit net position of \$2,288,115. The fund will continue to have a deficit net position for the next few years as TIF monies are collected through increased property tax collections.

C. Tax Abatements

Primary Government and Blended Component Units Abatement Agreements

The City has established two major tax abatement programs: (1) manufacturer's use tax rebates (MUTR) and (2) business assistance agreements for purposes of economic development.

Manufacturer's Use Tax Rebate: The MUTR program is established by City Code Article II – Tax Refund and Rebate Program, section 25-64. Under this code section, the City may refund a portion of use taxes paid by a qualifying manufacturer for manufacturing machinery to be used in the City of Fort Collins directly and exclusively in the manufacture of tangible personal property for sale or profit. Once the taxpayer has completed the application process, the abatement comes in the form of a rebate payment check of taxes previously paid.

The base use tax rate charged is 3.00% of the equipment cost, and rebates are for 1.50% of the first \$5,000,000 in qualifying equipment purchases and 1.00% for purchases from \$5,000,001 and up. The maximum rebate given to any one company is \$2,400,000.

For the fiscal year ended December 31, 2017, the City abated use tax totaling \$477,727, including one abatement agreement that exceeded 10% of the total amount abated under the MUTR program. Broadcom Limited, formerly Avago Technologies, received a MUTR abatement totaling \$359,916.

Business Assistance Agreements: The City approves primary employer business assistance agreements pursuant to and subject to the terms of Economic Health Financial Policy 9 and authorized by City Council under Resolutions 91-15, 99-23, 2013-025, and 2015-079. This policy applies to requests for direct assistance from primary employers looking to remain or expand their operations in the City, as well as primary employers evaluating relocation to the City.

City Council approves business assistance packages subject to the following criteria: economic impact, contribution to quality of place, alignment with City objectives, natural resource stewardship, and community well-being. All agreements are performance-based including but not limited to annual average wages, number of retained or net new jobs, and/or health care premium assistance.

The types of assistance commonly used are private activity bond financing, manufacturing equipment use tax rebates (separate from the standard MUTR program), and business personal property tax rebates. The maximum allowable property tax rebate will not exceed 50% of the City's portion of the personal property tax rate, and the maximum term is not to exceed 10 years.

Applicants for direct assistance commit to the following at a minimum:

- Pledge to Annual Reporting
- Separate Use Tax Schedule
- Timeline for Confidentiality, no greater than 30 days
- Assurance of Existing Workforce Retention

For the fiscal year ended December 31, 2017, the City abated use tax and property tax totaling \$397,716. Abatement recipients exceeding 10% of the total amount abated or that are otherwise deemed material for qualitative reasons were:

Project Name	Avago Technologies [Broadcom Limited] Building 4 FBAR Clean Room Facility
Project Description	Redevelopment of property by retrofitting wafer fabrication facility in 2014, including new 12,160 square foot FBAR Clean Room Facility expansion
Approved Abatement	100% of use taxes paid, up to \$3,882,200. Three rebate applications and seven concurrent annual payments for each application.
	50% of personal property taxes paid, up to \$629,100 in total and a limit on each annual payment of \$157,700
2017 Amount	\$397,716
Project Commitment	135 net new jobs created in Fort Collins
Recapture Provisions	City may reduce the amount of any either use tax or personal property tax paid by the percentage shortfall from full compliance

Project Name	Woodward, Inc. World Headquarters
Project Description	Four-phase relocation and expansion of office space, manufacturing facilities, and testing facilities on a former golf course and designated redevelopment area

Approved Abatement	80% of use taxes paid on construction materials 80% of use taxes paid on eligible equipment, up to \$1,212,000 Separate from the use tax abatement disclosed herein, the agreement includes separate incentives around development fees, capital improvement fees, and tax increment financing (TIF) of improvement and façade projects.
2017 Amount	\$159,145 of use tax rebates
Project Commitment	Maintain employment level of 1,400 employees
Recapture Provisions	Rebate is reduced by \$500,000 if employment level has not reached 1,400 employees by December 31, 2018. Rebate is reduced by 40% if employment level has not reached 1,400 employees by December 31, 2020.
Project Name	Foothills Mall Redevelopment
Project Description	Redevelopment of blighted property after decline in sales tax revenue since 2001 of over 61%. Revitalization project costing \$312 million, of which \$53 million was approved in public assistance in the form of City sales tax revenue abatements and Urban Renewal Authority (URA) tax increment financing (TIF).
Approved Abatement	Pledged sales tax increment on General Fund portion (2.25%) of sales tax collections above a sales tax base established in 2013. Increment of 25 years beginning May 1, 2013 and ending April 30, 2038. Sales tax increment is only paid toward debt service as fifth priority after 1) Mall Metro District Debt Service Mill Levy, 2) Mall Metro District Specific Ownership Taxes, 3) URA Property Tax TIF and 4) Mall Metro District Public Improvement Fee.
2017 Amount	\$205,255
Project Commitment	Developer commits to build parking structure, City-owned and operated recreational facility, ditch relocation for storm drainage, upgrades and improvements to utilities, and construction of a pedestrian underpass linking the District to transit.
Recapture Provisions	Once District debt is paid off, the balances in a supplemental debt service reserve are returned to the City.

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Colorado State Statutes govern the City's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2017 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Primary Government

The carrying amount of the City's deposit accounts as of December 31, 2017 was \$66,894,075, excluding the Pension Trust Fund and agency funds. The bank balance was \$68,570,493.

Component Unit

The Downtown Development Authority's undivided share of the City's deposits as of December 31, 2017 was a carrying amount of \$505,601. The bank balance was \$518,816.

Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned. Due to the federal deposit insurance and the collateral no deposits for the City or the component unit were exposed to custodial credit risk.

Investments

Investment policies are governed by the City's own investment policies and procedures. Investments of the City and its discretely presented component unit may include:

- Legal investments for municipalities under state statutes.
- Interest-bearing accounts or certificates of deposit at banks or savings and loans in Colorado which are eligible public depositories (including CDARS).
- Obligations of the United States Government, its agencies or instrumentalities.
- Debt of U.S. corporations having an investment grade rating.
- Obligations issued by or on behalf of the City.
- State or local government obligations having an investment grade rating.
- Prime rated banker's acceptances.
- Prime rated commercial paper.
- Guaranteed investment contracts.
- Repurchase and reverse repurchase agreements of any marketable security described above which afford the City a perfected security interest in such security.

- Local government investment pools authorized under the laws of the State of Colorado.
- Shares in any money market fund or account, unit investment trust or open or close-end investment company, all of the net assets of which are invested in securities described above.
- Mutual funds that include eligible investments found above.

In addition to the above, investments of the General Employees' Retirement Plan may include:

- Equity investments.
- Domestic mutual funds.
- International mutual funds.
- Bond mutual funds.

The City's and its discretely presented component unit's investments are subject to interest rate and credit risk as described below:

Interest Rate Risk

The City's investment policy limits its exposure to fair value losses arising from rising interest rates by:

- Whenever possible, holding investments to their stated maturity dates.
- Investing a portion of the operating funds in shorter-term securities, money market mutual funds, or local government investment pools.

Concentration of Credit Risk

The City places maximum limits on the amount the City may invest in any one issuer. Limits vary by investment type. More than 5% of the City's investments are in Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and MetLife global Funding (Corporate Bond). These investments were 34.1%, 13.1%, 34.4%, and 6.7%, respectively, of the City's total investment.

Custodial Credit Risk for Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy restricts holding of securities by counterparties and utilizes a third-party safekeeping arrangement with financial institutions.

Credit Risk

The City's investment policy limits investments in corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations (NRSROs) at the time of purchase. As of December 31, 2017, the City's investment in corporate bonds was rated A- or better by Standard and Poor's and Baa1 or better by Moody's Investors Service. The City's investment policy also allows for the City to invest in local government investment pools. As of December 31, 2017, the local government investment pools (ColoTrust and CSAFE) in which the City had invested and reported at amortized cost, were rated AAAM by Standard and Poor's. The City's investments in US government agencies were rated Aaa by Moody's and AA+/- by Standard and Poor's.

Fair Value Measurements

The City categorizes its assets and liabilities measured at fair value within the hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Information regarding the City's fair value, credit risk rating, maturity, and fair value measurement are described below.

Investment prices for the City's securities are reported by US Bank, the City's custodial bank. US Bank acquires its pricing data from Interactive Data, a third-party provider, which provides global security evaluations and fair value pricing for fixed income securities. Their evaluations represent a good faith opinion as to what a buyer in the marketplace would pay for a security in a current sale.

Interactive Data's evaluations are based on market data and evaluated pricing models that vary by asset class and incorporate trade, bid and other market information as well as evaluated pricing applications utilizing benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing to prepare evaluations. In addition, model processes such as the Option Adjusted Spread model are used to assess interest rate impacts and develop prepayment scenarios. For each asset class, teams of evaluators gather information from market sources and integrate relevant credit information, perceived market movements, and sector news into the evaluated pricing applications and models.

The City invests primarily in fixed income securities and Local Government Investment Pools (LGIP). The General Employees' Retirement Plan (GERP) invests primarily in domestic and international mutual funds, and fixed income securities. The investments are valued at fair value at least monthly.

For the City and GERP, the following fair value techniques were utilized in measuring the fair value of its investments.

Mutual Funds: The investments are reported at fair value based on quoted NAV market prices through mutual fund companies and obtained from the National Association of Securities Dealers.

U.S. Government Agency and Investment Grade Corporate securities: U.S. Government Agency securities are reported at fair value based on a multi-dimensional relational model and Option Adjusted Spread model. The model inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and other reference data including TRACE reported trades. TRACE is a program developed by the National Association of Securities Dealers (NASD) which allows for the reporting of over-the counter transactions for eligible fixed-income securities.

The City has no other investments meeting the fair value disclosure requirements of GASB Statement No. 72. As of December 31, 2017, the City had the following investments and maturities:

Investment Type	Credit Risk Rating <u>S&P/Moody's</u>	Fair Value Measurement <u>Level</u>	Investment Maturities			
			Fair <u>Value</u>	Up to <u>120 days</u>	121 days <u>to 5 years</u>	More than <u>5 years</u>
<i>Investments measured by fair value levels</i>						
Instrumentality						
Federal Farm Credit Bank (FFCB)	AA+/AAA	2	\$ 115,597,362	\$ 2,332,785	\$ 110,929,688	\$ 2,334,889
Federal Home Loan Bank (FHLB)	AA+/AAA	2	44,009,848	-	44,009,848	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	2	14,423,971	-	14,423,971	-
Federal National Mortgage Association (FNMA)	AA+/AAA	2	114,330,472	8,728,159	105,602,313	-
Corporate bonds	AA+/AA1	2	5,897,534	-	5,897,534	-
Corporate bonds	AAA/AAA	2	3,277,357	-	3,277,357	-
Corporate bonds	AA+/AAA	2	8,024,945	8,024,945	-	-
Corporate bonds	AA-/AA3	2	28,483,311	12,259,945	16,223,366	-
Corporate bonds	AA/AA2	2	1,697,846	-	1,697,846	-
Total Investments Controlled by the City			\$ 335,742,646	\$ 31,345,834	\$ 302,061,923	\$ 2,334,889
Percent of Total				9%	90%	1%
The City has \$34,114,235 measured at net asset value (NAV) invested in Mutual Funds held by Fidelity Investments for employees' retirement accounts.						

Component Unit

Investment Type	Credit Risk Rating <u>S&P/Moody's</u>	Fair Value Measurement <u>Level</u>	Fair <u>Value</u>	Investment Maturities		
				Up to	121 days	More than
				<u>120 days</u>	<u>to 5 years</u>	<u>5 years</u>
Investments measured by fair value levels						
Instrumentality						
Federal Farm Credit Bank (FFCB)	AA+/AAA	2	\$ 1,442,477	\$ 29,110	\$ 1,384,231	\$ 29,136
Federal Home Loan Bank (FHLB)	AA+/AAA	2	549,176	-	549,176	-
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	2	179,989	-	179,989	-
Federal National Mortgage Association (FNMA)	AA+/AAA	2	1,426,671	108,914	1,317,757	-
Corporate bonds	AA+/AA1	2	73,592	-	73,592	-
Corporate bonds	AAA/AAA	2	40,896	-	40,896	-
Corporate bonds	AA+/AAA	2	100,139	100,139	-	-
Corporate bonds	AA-/AA3	2	355,429	152,986	202,443	-
Corporate bonds	AA/AA2	2	21,187	-	21,187	-
Investments measured at amortized cost						
Certificates of Deposit			1,250,000	-	1,250,000	-
Total DDA Investments			\$ 5,439,556	\$ 391,149	\$ 5,019,271	\$ 29,136
Percent of Total				7%	92%	1%

Restrictions on Cash and Investments

Cash and investments at December 31, 2017 were restricted for the following:

Fund/Component Unit	Amount	Restriction
Downtown Development Authority	\$1,250,000	Debt service through bond ordinance
Urban Renewal Authority	953,644	Debt service through bond ordinance
Equipment fund	1,600,860	Unspent lease proceeds
Wastewater	6,542	Unspent lease proceeds
Capital Projects	497	Unspent lease proceeds

B. Notes Receivable

In March 1996, the City entered into an agreement with a developer for the construction of low income apartment units. Under the agreement, the City loaned \$913,000 to the developer from the HOME Program special revenue fund and received a deed of trust against the property. By an Assignment and Assumption Agreement and a Second Amendment and Loan Extension agreement, both dated May 18, 2017, another developer assumed the original debt obligation and further agreed to pay the City \$1.5 million in principal plus interest. The loan bears interest at 3% per annum. The loan is to be repaid from 50% of the net available cash flow generated by the project as calculated annually. While there is no set payment schedule any unpaid principal balance and accrued interest is to be paid in full as of May 15, 2054. Based upon a review of project income statements, the project did not have a net available cash flow in 2017. The City received no interest payments for 2017. The outstanding balance as of December 31, 2017 is \$1,500,000. The allowance recorded against this receivable is \$1,500,000. Accrued interest on this loan has not been recorded since it is uncertain as to the frequency of when the project will be able to make payments against the note.

The Light and Power Fund and Water Fund have certain notes receivable related to Light and Power efficiencies with customers connected to a Home Efficiency Loan Program. The balance of these loans as of December 31, 2017 is \$1,219,745.

In May 2009, URA loaned Rocky Mountain Innovation Initiative (RMII) \$1,100,000 for the construction of their new facility. In January 2010, the URA loaned RMII an additional \$4,203,939 for the remaining cost of construction. The loan has a 20-year term, interest rate of 1.5%, annual interest only payments, and a balloon payment in 2029. The agreement also provided RMII the option in year 8 to pay \$2,503,939 in principal, plus interest, and the URA will credit RMII's eligible costs up to \$2,800,000. RMII exercised that option in 2017. The loan balance as of December 31, 2017 is \$0.

C. Capital Assets

A summary of changes in capital asset activity for the year ended December 31, 2017 follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Primary Government:					
Governmental activities					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 226,063,039	\$ 5,267,107	\$ 5,087,701	\$ (61,268)	\$ 236,356,579
Street system infrastructure	326,038,145	-	21,852,419	-	347,890,564
Construction in progress	31,154,978	47,772,072	(38,271,893)	-	40,655,157
Total capital assets, not being depreciated	583,256,162	53,039,179	(11,331,773)	(61,268)	624,902,300
Capital assets, being depreciated:					
Infrastructure	28,312,116	872,581	206,022	-	29,390,719
Buildings and improvements	139,294,934	247,938	9,887,869	-	149,430,741
Improvements other than buildings	158,038,289	9,083,546	1,027,557	-	168,149,392
Machinery and equipment	93,993,615	5,646,051	210,325	(3,103,802)	96,746,189
Total capital assets being depreciated	419,638,954	15,850,116	11,331,773	(3,103,802)	443,717,041
Less accumulated depreciation for:					
Infrastructure	(13,346,553)	(1,573,887)	-	-	(14,920,440)
Buildings and improvements	(46,578,014)	(2,820,676)	-	-	(49,398,690)
Improvements other than buildings	(53,702,507)	(6,623,766)	-	-	(60,326,273)
Machinery and equipment	(64,303,195)	(5,770,626)	-	2,882,456	(67,191,365)
Total accumulated depreciation	(177,930,269)	(16,788,955)	-	2,882,456	(191,836,768)
Total capital assets being depreciated, net	241,708,685	(938,839)	11,331,773	(221,346)	251,880,273
Governmental activities capital assets, net	<u>\$ 824,964,847</u>	<u>\$ 52,100,340</u>	<u>\$ -</u>	<u>\$ (282,614)</u>	<u>\$ 876,782,573</u>
Business-type activities					
Capital assets, not being depreciated:					
Land, rights of way, water rights, other	\$ 70,833,214	\$ 2,284,339	\$ 97,899	\$ -	\$ 73,215,452
Construction in progress	124,720,082	44,782,020	(72,259,195)	-	97,242,907
Total capital assets, not being depreciated	195,553,296	47,066,359	(72,161,296)	-	170,458,359
Capital assets, being depreciated:					
Buildings and improvements	231,995,051	-	11,001	-	232,006,052
Improvements other than buildings	619,483,148	-	65,688,813	-	685,171,961
Machinery and equipment	79,305,005	1,768,120	6,461,482	(887,826)	86,646,781
Total capital assets being depreciated	930,783,204	1,768,120	72,161,296	(887,826)	1,003,824,794
Less accumulated depreciation for:					
Buildings and improvements	(106,686,722)	(4,847,012)	-	-	(111,533,734)
Improvements other than buildings	(266,174,030)	(17,130,909)	-	-	(283,304,939)
Machinery and equipment	(51,791,508)	(4,334,340)	-	719,170	(55,406,678)
Total accumulated depreciation	(424,652,260)	(26,312,261)	-	719,170	(450,245,351)
Total capital assets being depreciated, net	506,130,944	(24,544,141)	72,161,296	(168,656)	553,579,443
Business-type activities capital assets, net	<u>\$ 701,684,240</u>	<u>\$ 22,522,218</u>	<u>\$ -</u>	<u>\$ (168,656)</u>	<u>\$ 724,037,802</u>

Component Unit:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated:					
Land, water rights, rights of way, other	\$ 2,528,747	\$ -	\$ -	\$ -	\$ 2,528,747
Construction in progress	15,450	21,000	(36,450)	-	-
Total capital assets, not being depreciated	<u>2,544,197</u>	<u>21,000</u>	<u>(36,450)</u>	<u>-</u>	<u>2,528,747</u>
Capital assets, being depreciated:					
Buildings and improvements	4,495,465	-	-	-	4,495,465
Improvements other than buildings	25,930	-	36,450	-	62,380
Total capital assets being depreciated	<u>4,521,395</u>	<u>-</u>	<u>36,450</u>	<u>-</u>	<u>4,557,845</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,010,351)	(92,190)	-	-	(2,102,541)
Improvements other than buildings	(17,443)	(3,709)	-	-	(21,152)
Total accumulated depreciation	<u>(2,027,794)</u>	<u>(95,899)</u>	<u>-</u>	<u>-</u>	<u>(2,123,693)</u>
Total capital assets being depreciated, net	<u>2,493,601</u>	<u>(95,899)</u>	<u>36,450</u>	<u>-</u>	<u>2,434,152</u>
Component unit capital assets, net	<u>\$ 5,037,798</u>	<u>\$ (74,899)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,962,899</u>

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

	Governmental Activities	Business-Type Activities
General government	\$ 773,684	\$ -
Public safety - police and judicial	1,408,230	-
Cultural, parks, recreation and environmental services	5,040,611	-
Community planning and environmental services	36,094	-
Transportation services	7,919,953	-
Capital assets held by the City's internal service funds used for governmental activities	1,610,383	-
Light and Power	-	10,325,278
Water	-	6,955,095
Wastewater	-	5,940,856
Storm Drainage	-	2,716,948
Non-major enterprise funds - Golf	-	328,330
Capital assets held by the City's internal service fund used for business-type activities	-	45,754
Total depreciation expense	<u>16,788,955</u>	<u>26,312,261</u>
Less capital assets held by the City's internal service funds	<u>1,610,383</u>	<u>45,754</u>
Depreciation expense	<u>\$ 15,178,572</u>	<u>\$ 26,266,507</u>

D. Inter-fund Transfers and Advances

Transfers are primarily used to 1) move revenues from the fund with collection authorization (e.g. Sales and Use Tax Fund) to the General Fund for overall operating expenditures and the Transportation Services, Capital Projects and Natural Areas Fund for dedicated voter approved programs and projects, and 2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Transfer out:	Transfers In:					
	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Storm Drainage</u>	<u>Internal Service</u>	<u>Total</u>
Governmental Funds						
General	\$ -	\$ 2,736,731	\$ 17,269,451	\$ 2,556	\$ 5,958,755	\$ 25,967,493
Keep Fort Collins Great	-	-	20,500	-	-	20,500
Capital Projects	37,500	-	283,987	-	-	321,487
Nonmajor Governmental	853,162	13,940,690	10,492,851	-	424,928	25,711,631
Proprietary Funds						
Light & Power	12,210	-	14,690	-	208,326	235,226
Water	213,207	-	5,281	-	208,326	426,814
Wastewater	66,724	-	16,062	-	128,200	210,986
Storm Drainage	325,748	-	232,871	-	64,100	622,719
Golf	-	-	-	-	61,078	61,078
Internal Service	169,860	-	-	-	2,242,202	2,412,062
Total transfers in	<u>\$ 1,678,411</u>	<u>\$ 16,677,421</u>	<u>\$ 28,335,693</u>	<u>\$ 2,556</u>	<u>\$ 9,295,915</u>	<u>\$ 55,989,996</u>

Advances to URA

In May 2009, the City loaned the URA \$5,303,939 to help fund the development and construction of the Rocky Mountain Innovation Initiative (RMII) facility for the business incubation program. This loan has a 20 year term and bears a fixed interest rate of 2.5%. For years 0 through 4, there will be no payments but interest will accrue. For year 5, there will be a lump sum, annual payment consisting of the interest accrued during the no payment term and year 5. For years 6 and 7, there will be an annual payment, of interest only. For years 8 through the maturity date, there will be annual payments of principal and interest. In 2017, the URA made an interest and principal payment of \$86,780 and \$3,268,728, respectively. The amount outstanding as of December 31, 2017 is \$2,035,211.

In November 2013, the City loaned the URA \$5,000,000 for The Summit on College Project, a mixed-use student housing project in the Prospect South Tax Increment Financing District. The loan has a 24 year term and bears a fixed interest rate of 2.68%. The outstanding balance as of December 31, 2017 is \$4,655,299.

In December 2014, the City loaned URA \$247,000 for Prospect Station project. The loan has a 23 year term and bears a fixed interest rate of 4.5%. The outstanding balance as of December 31, 2017 is \$227,100.

E. Long-term Obligations

The City utilizes various types of debt and other long-term obligations in conducting its business. The following describes the various bonds and other types of financing used by the City and its component unit.

Certificates of Participation and Assignment of Lease Payments: Through the Fort Collins Leasing Corporation, the City issues certificates of participation (COP) and assignments of lease payments (ALP) for the acquisition and construction of major capital facilities and improvements. The debt is secured by the constructed facilities and improvements. Debt service payments are made from the rents collected by the Leasing Corporation based upon lease agreements between the City and the Leasing Corporation. As of December 31, 2017, the City had \$29,658,577 and \$1,015,422 of COP/ALP outstanding for governmental and business-type activities, respectively.

Capital Leases: The City also enters into lease agreements as a lessee for financing the acquisition of land, various machinery and equipment for both governmental and business-type activities. The capital assets acquired from the lease agreements are included with capital assets and the amortization of leased equipment is included with depreciation in the financial statements. These lease agreements qualify as capital leases for accounting purposes and therefore, have been reflected at the present value of their future minimum lease payments as of the inception date. The City had \$8,463,063 and \$748,702 of capital leases outstanding as of December 31, 2017, for governmental and business-type activities, respectively.

Cost of all capital assets holding at December 31, 2017 acquired under capital leases:

	Governmental Activities	Business Type Activities
	<u>Balance, End of Year</u>	<u>Balance, End of Year</u>
Buildings and Improvements	\$ 351,930	\$ -
Improvements other than buildings	-	114,030
Machinery and equipment	<u>20,293,576</u>	<u>2,415,283</u>
Accumulated depreciation	<u>(10,461,699)</u>	<u>\$ (1,587,424)</u>
Net Book Value	<u><u>\$ 10,183,807</u></u>	<u><u>\$ 941,889</u></u>

DDA Short-Term Obligation: In 2012, a revolving line of credit was established with a bank for a 6 year period in the amount of \$1,000,000 to finance DDA projects and programs in accordance with its approved Plan of Development, the Downtown Plan and the Downtown Strategic Plan. During the fiscal year 2017, total draw amounts were \$2,336,168. During 2017, a total of \$2,336,168 was repaid and there is no amount outstanding as of December 31, 2017. No interest was paid as the minimum loan origination fee paid exceeded interest expense during the time the loan was outstanding.

The DDA pays a portion of the City's 2007 COP. In 2017, the principal payment was \$260,609.

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

In 2013, the City issued a subordinate tax increment revenue bond with a Corporation for the principal sum of \$6,050,000 to be serviced by the DDA. The Bond is not a general obligation of the City and full faith and credit of the City is not pledged to pay the debt service requirements. Principal and interest payments are secured by a pledge of Tax Increment Revenue. In the event the available Pledged Tax Increment Revenues are not sufficient to repay the principal of and interest on the Bond in full during the Tax Increment Period the City has declared the intent to pay any unpaid amounts from legally available funds of the City, subject to appropriation by the Council. The outstanding balance as of December 31, 2017 is \$5,398,491.

URA: In 2013, the City issued tax increment revenue bonds for the principal sum of \$11,085,000 to be serviced by the Urban Renewal Authority – North College District. The bond is a special and limited obligation of the City payable solely out of and secured by a pledge of tax increment revenue. The proceeds were received by the URA and were used to pay off advances made by the City for the North College Marketplace, JAX Inc. Building Expansion, Northeast College Corridor Outfall, and the Kaufman and Robinson projects. The outstanding balance as of December 31, 2017 is \$8,860,000.

Pledged Revenues

Date <u>Issued</u>	<u>Description</u>	<u>Revenue Pledged</u>	Amount of <u>Revenue Pledged</u>	<u>Purpose of Debt</u>	Term of <u>Commitment</u>
1999	Water Revenue Bonds	Water Revenues	550,163	Water Capital Projects	through 2019
2003	Subordinate Water Revenue Bonds	Water Revenues	1,515,652	Water Capital Projects	through 2030
2008	Water Revenue Refunding Bonds	Water Revenues	2,089,892	Water Capital Projects	through 2018
2001	Storm Drainage Revenue Bonds	Storm Drainage Revenues	2,604,659	Storm Drainage Improvements	through 2021
2007	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	3,089,580	Storm Drainage Improvements	through 2019
2011	Storm Drainage Revenue Refunding Bonds	Storm Drainage Revenues	4,573,202	Storm Drainage Improvements	through 2022
2009	Sewer Revenue Bonds	Sewer Revenues	2,416,794	Sewer Capital Projects	through 2018
2010	Sewer Revenue Bonds	Sewer Revenues	1,330,946	Sewer Capital Projects	through 2020
2016	Sewer Revenue Bonds	Sewer Revenues	23,453,070	Sewer Capital Projects	through 2028
2010	Light and Power Bonds	Light and Power Revenues	5,783,328	Light and Power Capital Projects	through 2020

Date <u>Issued</u>	<u>Description</u>	% Revenue <u>Pledged</u>	P & I for <u>2017</u>	Recognized for <u>2017</u>
1997	Water Revenue Bond	1-15%	386,166	36,618,710
1999	Water Revenue Bonds	1-15%	366,523	36,618,710
2003	Subordinate Water Revenue Bonds	1-15%	188,224	36,618,710
2008	Water Revenue Bonds	1-15%	2,082,189	36,618,710
2001	Storm Drainage Revenue Bonds	1-25%	745,442	16,755,272
2007	Storm Drainage Revenue Refunding Bonds	1-25%	1,992,451	16,755,272
2007	Storm Drainage Revenue Refunding Bonds	1-25%	452,774	16,755,272
2011	Storm Drainage Revenue Refunding Bonds	1-25%	905,247	16,755,272
2009	Sewer Revenue Bonds	1-25%	2,416,794	23,174,893
2010	Sewer Revenue Bonds	1-25%	439,186	23,174,893
2016	Sewer Revenue Bonds	1-25%	690,400	23,174,893
2010	Light and Power Bonds	1-25%	2,033,801	12,164,304

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

Revenue Bonds
(amounts expressed in thousands)

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2018	595	352	8,956	1,542	11,445
2019	615	334	6,904	1,209	9,062
2020	635	309	5,423	930	7,297
2021	665	284	3,002	691	4,642
2022	690	257	2,773	571	4,291
2023-2027	3,880	851	10,505	1,554	16,790
2028-2030	1,780	114	2,397	53	4,344
	<u>\$ 8,860</u>	<u>\$ 2,501</u>	<u>\$ 39,960</u>	<u>\$ 6,550</u>	<u>\$ 57,871</u>

Certificates of Participation Payments
(amounts expressed in thousands)

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2018	5,225	550	225	4	6,004
2019	3,945	462	-	-	4,407
2020	2,635	397	-	-	3,032
2021	2,690	344	-	-	3,034
2022	2,745	289	-	-	3,034
2023-2026	12,170	616	-	-	12,786
	<u>\$ 29,410</u>	<u>\$ 2,658</u>	<u>\$ 225</u>	<u>\$ 4</u>	<u>\$ 32,296</u>

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

Assignment of Lease Payments
(amounts in thousands)

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2018	58	4	184	12	258
2019	61	3	193	9	266
2020	63	2	202	6	273
2021	67	1	211	3	282
	<u>\$ 249</u>	<u>\$ 10</u>	<u>\$ 790</u>	<u>\$ 30</u>	<u>\$ 1,079</u>

Capital Lease Payments
(amounts in thousands)

Year Ending December 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2018	3,043	162	273	14	3,492
2019	2,400	100	208	9	2,717
2020	1,702	53	142	5	1,902
2021	960	21	95	2	1,078
2022	358	3	31	0	392
	<u>\$ 8,463</u>	<u>\$ 339</u>	<u>\$ 749</u>	<u>\$ 30</u>	<u>\$ 9,581</u>

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

Year Ending December 31	Principal	Interest	Total
2018	2,053	205	2,258
2019	2,070	208	2,278
2020	1,758	147	1,905
2021	384	96	480
2022	383	97	480
2023-2027	1,993	407	2,400
2028-2030	<u>1,438</u>	<u>100</u>	<u>1,538</u>
	<u>\$ 10,079</u>	<u>\$ 1,260</u>	<u>\$ 11,339</u>

General long-term obligations of the primary government at December 31, 2017 is comprised of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
Bonds Serviced by Urban Renewal Authority - North College District				
Secured by tax increment property taxes				
2013	2013 URA Tax Increment Revenue Bonds (2.000 - 4.250%)	2029	\$11,085,000	\$ 8,860,000
COP / ALP serviced by General Fund and General Improvement District No. 1 Fund through the Fort Collins Capital Leasing Corporation Debt Service Fund				
2007	Lease Certificates of Participation (3.860%)	2018	12,880,000	1,340,000
2012	Lease Certificates of Participation (1.820%)	2026	34,395,000	19,645,000
2017	Lease Certificates of Participation (2.480%)	2027	8,425,000	8,425,000
2001	Assignment of Lease Payments - Police (4.70%)	2021	890,000	248,577
Unamortized premium on bonds				229,966
Other Obligations of Governmental Funds				
N/A	Compensated absences	N/A	N/A	6,049,751
N/A	Net pension liability	N/A	N/A	4,933,850
N/A	Total post employment health care liability	N/A	N/A	146,784
Other Obligations of Internal Service Fund used by Governmental Activities				
Various	Capital lease obligations (secured by leased equipment)	Various	N/A	8,462,854
N/A	Compensated absences	N/A	N/A	618,459
N/A	Claims payable	N/A	N/A	6,633,135
N/A	Net pension liability	N/A	N/A	805,867
Total				<u><u>\$66,399,243</u></u>
Component Unit long - term debt at December 31, 2017, is comprised of the following obligations:				
Bonds Serviced by Downtown Development Authority Debt Service Fund				
2010	Subordinate Tax Increment Revenue Bonds (4.010-6.080%)	2020	\$12,500,000	\$ 4,680,000
Secured by tax increment property taxes				
2013	Subordinate Tax Increment Revenue Bonds	2031	6,050,000	5,398,357
Variable interest rate based on the 10 year U.S. Treasury Note with a .25% floor				
Secured by tax increment property taxes				
Other Obligations – Component Unit				
N/A	Compensated absences	N/A	N/A	15,424
Total				<u><u>\$10,093,781</u></u>

(Continued)

Business-type long-term obligations at December 31, 2017 consists of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
Bonds, COP, and ALP, serviced by Enterprise Funds				
Light and Power Fund				
Secured by light and power revenues				
2010	Light and Power Bond B (2.25-4.52%)	2020	\$ 6,410,000	\$ 5,270,000
Water Fund				
Secured by water revenues				
1999	Water Revenue Bond (3.28-5.25%)	2019	4,998,395	503,104
2003	Subordinate Water Revenue Bonds (5.025%)	2030	2,476,446	1,211,397
2008	Water Revenue Bond (3.46%)	2018	9,645,000	2,020,000
Storm Drainage Fund				
Secured by storm drainage revenues				
2001	Storm Drainage Revenue Bond (4.50-5.25%)	2021	9,845,000	2,245,000
2007	Storm Drainage Revenue Refunding Bonds A (4.086%)	2019	15,945,000	2,910,000
2011	Storm Drainage Revenue Refunding Bonds (2.49%)	2022	8,515,000	4,250,000
Wastewater Fund				
Secured by sewer revenue				
2009	Sewer Revenue Bonds (2.0-5.0%)	2018	30,655,000	1,500,000
2010	Sewer Revenue Bonds (2.99%)	2020	3,900,000	1,255,000
2016	Sewer Revenue Refunding Bonds (2.0-4.0%)	2028	18,795,000	18,795,000
Unamortized premium on bonds				3,001,701
Golf Fund				
Secured by golf revenue				
2007	Lease Certificates of Participation (3.860%)	2018	1,715,000	225,000
2001	Assignment of Lease Payments (4.70%)	2021	2,830,000	790,422
Other Obligations of Enterprise Funds				
Various	Capital lease obligations (secured by leased equipment)	Various		748,702
N/A	Net pension liability	N/A		4,409,374
N/A	Total post employment health care liability	N/A		64,218
N/A	Compensated absences	N/A		1,753,070
Other Obligations of the Internal Service Fund used by Business-type Activities				
N/A	Compensated absences	N/A		353,168
N/A	Net pension liability	N/A		1,068,478
	Total			<u><u>\$52,373,634</u></u>

The City is maintaining all reserves required by ordinances and agreements with other third parties. Within the governmental funds, these reserves are being maintained in debt service and special revenue funds as required by ordinances or agreements.

Certificates of participation issued by the Fort Collins Capital Leasing Corporation are payable from rents collected under a lease agreement between the City and the Leasing Corporation.

Conduit Debt Obligations

From time to time, the City has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by sources external to the City and are payable solely from payments received from outside parties. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2017, there were 7 series of Industrial Development Revenue Bonds outstanding, with an estimated aggregate principal amount payable of \$46,785,000.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2017 was as follows:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities					
Bonds, COP, and ALP:					
Revenue bonds	\$ 9,435,000	\$ -	\$ (575,000)	\$ 8,860,000	\$ 595,000
Certificates of participation	25,365,000	8,425,000	(4,380,000)	29,410,000	4,460,000
Assignment of lease payments	303,843	-	(55,266)	248,577	57,898
Total bonds, COP and ALP	35,103,843	8,425,000	(5,010,266)	38,518,577	5,112,898
Add bond premium	249,264	-	(19,298)	229,966	-
Total bonds, COP and ALP	35,353,107	8,425,000	(5,029,564)	38,748,543	5,112,898
Other Liabilities:					
Capital leases	8,190,279	3,396,700	(3,124,125)	8,462,854	3,042,535
Compensated absences	6,254,701	6,194,932	(5,781,423)	6,668,210	6,668,210
Claims payable	6,309,820	21,607,552	(21,284,237)	6,633,135	3,337,035
Net pension liability	7,423,575	-	(1,683,858)	5,739,717	-
Total post employment health care liability	150,838	-	(4,054)	146,784	-
Total other liabilities	28,329,213	31,199,184	(31,877,697)	27,650,700	13,047,780
Governmental activities long-term liabilities	\$ 63,682,320	\$ 39,624,184	\$ (36,907,261)	\$ 66,399,243	\$ 18,160,678
Business-Type Activities					
Bonds, COP, and ALP:					
Revenue bonds	\$ 49,837,666	\$ -	\$ (9,878,165)	\$ 39,959,501	\$ 8,955,742
Certificates of participation	425,000	-	(200,000)	225,000	225,000
Assignment of lease payments	966,156	-	(175,734)	790,422	184,102
	51,228,822	-	(10,253,899)	40,974,923	9,364,844
Add bond premium	3,369,748	-	(368,047)	3,001,701	-
Less bond discount	(1,570)	-	1,570	-	-
Total bonds, COP and ALP	54,597,000	-	(10,620,376)	43,976,624	9,364,844
Other Liabilities:					
Capital leases	719,910	292,440	(263,598)	748,702	272,600
Compensated absences	1,978,380	2,381,224	(2,253,366)	2,106,238	2,106,238
Net pension liability	7,084,886	-	(1,607,034)	5,477,852	-
Total post employment health care liability	65,992	-	(1,774)	64,218	-
Total other liabilities	9,849,168	2,673,664	(4,125,772)	8,397,010	2,378,838
Business-type activities long-term liabilities	\$ 64,446,168	\$ 2,673,664	\$ (14,746,148)	\$ 52,373,634	\$ 11,743,682
Component Unit:					
Bonds:					
Tax revenue bonds	\$ 12,020,705	\$ -	\$ (1,942,348)	\$ 10,078,357	\$ 2,053,122
Compensated absences	14,083	30,532	(29,191)	15,424	15,424
Component unit long-term liabilities	\$ 12,034,788	\$ 30,532	\$ (1,971,539)	\$ 10,093,781	\$ 2,068,546

Liquidation and Reporting of Governmental Activities Long-Term Liabilities

The General Fund is primarily used to liquidate the governmental activities liabilities for compensated absences, net pension liability and net post-employment health care obligation.

Internal service funds, except for the Utility Customer Service and Administration Fund, predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Long-term liabilities of the Utility Customer Service and Administration internal service fund are included as part of the totals for the business-type activities.

F. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The following table represents these classifications and the purposes for which the amounts can be spent as of December 31, 2017.

Fund Balances (Deficit):	General	Keep Fort Collins Great	Capital Projects	Urban Renewal Authority	Other Governmental Funds	Total
Nonspendable:						
Advances	\$ 4,882,399	\$ -	\$ -	\$ -	85,430	\$ 4,967,829
Inventories	1,477,894	-	-	-	-	1,477,894
Prepays	-	-	-	-	3,892	3,892
Udall endowment	125,000	-	-	-	-	125,000
Total Nonspendable	6,485,293	-	-	-	89,322	6,574,615
Restricted:						
Voter approved capital	-	-	11,736,482	-	9,905,500	21,641,982
Community and operation	-	-	-	-	29,230,648	29,230,648
Parking	-	-	-	-	819,773	819,773
Convention and visitors bureau	213,579	-	-	-	-	213,579
DDA/Woodward bonds	700,000	-	-	-	-	700,000
Economic rebates	2,608,840	-	-	-	-	2,608,840
Emergency	6,914,703	-	-	-	-	6,914,703
Fiscal agent	-	-	-	968,927	-	968,927
Horticulture	365,040	-	-	-	-	365,040
Street maintenance	-	3,614,468	-	-	-	3,614,468
Other transportation	-	1,848,870	-	-	1,023,420	2,872,290
Police services	959,738	3,733,155	-	-	-	4,692,893
Fire and emergency services	-	200,930	-	-	-	200,930
Parks and recreation	212,708	1,512,351	-	-	240,979	1,966,038
Other	21,878	1,821,485	-	-	848,535	2,691,898
PEG distribution	27,436	-	-	-	-	27,436
Sustainability services	-	-	-	-	686,723	686,723
Udall property	26,881	-	-	-	-	26,881
Total Restricted	12,050,803	12,731,259	11,736,482	968,927	42,755,578	80,243,049
Committed:						
Capital projects	26,874	-	5,884,375	-	41,830,717	47,741,966
Cultural development and planning	316,796	-	-	-	2,800,837	3,117,633
Traffic calming	31,782	-	-	-	-	31,782
Total Committed	375,452	-	5,884,375	-	44,631,554	50,891,380
Assigned:						
Affordable housing	1,315,652	-	-	-	-	1,315,652
Camera radar	895,397	-	-	-	-	895,397
Community and operation	880,615	-	-	-	4,696,446	5,577,061
Downtown parking plan	-	-	-	-	976,261	976,261
Encumbrance for purchase orders	4,351,985	-	-	-	478,714	4,830,699
Harmony road	-	-	-	-	5,672,599	5,672,599
Manufacturer use tax rebate	670,000	-	-	-	-	670,000
Recreation	-	-	-	-	244,232	244,232
General government	9,598,416	-	-	-	4,100,981	13,699,397
Transportation	-	-	-	-	8,146,758	8,146,758
Waste innovation program	196,988	-	-	-	-	196,988
Total Assigned	17,909,053	-	-	-	24,315,991	42,225,044
Unassigned	33,919,316	-	-	(6,065,911)	(154,968)	27,698,437
Total Fund Balances (Deficit)	\$ 70,739,917	\$ 12,731,259	\$ 17,620,857	\$ (5,096,984)	\$ 111,637,477	\$ 207,632,525

NOTE IV. OTHER INFORMATION

A. Risk Management

Property, Liability, and Workers Compensation

The City self-insures a portion of its comprehensive automobile liability, general liability, police liability, and public official liability exposures as well as damage or destruction of property. The City utilizes the Self- Insurance Fund (an internal service fund) to finance and account for risks of property and liability loss.

The City purchases property insurance that has a \$100,000 per occurrence deductible for most causes of loss including earthquake. Flood deductibles are \$100,000 per occurrence with exception of \$500,000 for Building, \$500,000 for Contents, and \$250,000 per occurrence for properties within a Flood Zone A that are not eligible under the National Flood Insurance Program (NFIP). Crime and boiler and machinery coverage has a \$10,000 deductible. Vehicles have a \$100,000 deductible.

The City purchases liability insurance through a risk retention group. This policy has a \$500,000 deductible for all types of liability claims. Coverage limits are as follows:

General, Law Enforcement and Wrongful Acts Liability – \$10 million/occurrence, \$20 million aggregate, with aggregate applying to each coverage separately. Auto Liability - \$10 million/occurrence with no aggregate. Public Official Liability - \$10 million/each wrongful act, \$20 million aggregate.

Workers' Compensation losses are self-insured up to \$500,000 for all worker classifications. An excess policy providing limits mandated by the State of Colorado provides coverage above the self-insured retention.

The Downtown Development Authority, a component unit, purchases general, public official liability, property, workers compensation, and umbrella insurance policies from commercial insurance companies. The general liability policy has no deductible, the public official liability policy has a \$1,000 deductible and the employment related practice claims have a 50% of loss, with a maximum \$100,000 per occurrence deductible. The property insurance policy has a deductible of \$500. Coverage limits are as follows:

General Liability – included per occurrence, no annual aggregate
Public Entity Liability - \$2,000,000 annual per occurrence limit / no annual aggregate
Public Official Liability - included/occurrence, no annual aggregate.
Umbrella Liability - \$1,000,000 per occurrence, no annual aggregate. Workers
Compensation Liability – Part A is paid according to state schedule Part B
Employers Liability - \$2,000,000 per employee/accident/disease.

Employee Health and Illness

The City and the component unit self-fund their employees for comprehensive major medical benefits under a Preferred Provider Options (PPO) health plan. The Benefits Fund (an internal service fund) is utilized to finance and account for medical risks of loss. Stop-loss coverage of \$225,000 per occurrence is retained as excess risk coverage. During the past three years, there have been 18 claims that have exceeded the stop-loss limit.

Funding and Claims Liabilities

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

Claims liabilities for the Self-Insurance and Benefits Funds as of December 31, 2017, amount to \$5,056,067 and \$1,577,069 respectively. These claims were determined on an actuarial basis, and reflect the GASB Statement No.

10 requirement that a liability for claims be reported, if information prior to the issuance of the City's financial statements indicates that it is probable that a liability has been incurred at December 31, and the amount of the loss can be reasonably estimated. The liability of \$5,056,067 for the Self Insurance Fund is undiscounted and reflects a 75% confidence level factor. The discount refers to the full or undiscounted amount reduced for future investment earnings that can be generated on funds held between the date of valuation and the date of the final payment of claims. Changes in claims liabilities amounts for 2015, 2016, and 2017 are as follows:

	<u>Self-Insurance</u>	<u>Benefits</u>
Claims payable - December 31, 2015	\$ 4,231,647	\$ 1,575,483
Claims & changes in estimates	805,957	22,120,247
Claim payments	<u>(503,345)</u>	<u>(21,920,168)</u>
Claims payable - December 31, 2016	<u>\$ 4,534,259</u>	<u>\$ 1,775,562</u>
Claims & changes in estimates	2,103,780	19,503,772
Claim payments	<u>(1,581,971)</u>	<u>(19,702,265)</u>
Claims payable - December 31, 2017	<u><u>\$ 5,056,067</u></u>	<u><u>\$ 1,577,069</u></u>

B. Employee Retirement Systems and Pension Plans

1. General Employees' Retirement Plan

Plan Description

The General Employees' Retirement Plan (the Plan) is a governmental plan established pursuant to IRS Code Section 414(d). The Plan is administered by the General Employees Retirement Committee (GERC) with City Council having the option to alter, amend or terminate the Plan. All permanent, classified, non-uniformed employees hired before January 1, 1999 are eligible to be members of the General Employees' Retirement Plan, a single-employer defined benefit plan. Employees hired after January 1, 1999 are only eligible to participate in the Money Purchase Plan. The benefits and refunds of the Plan are recognized when due and payable in accordance with the terms of the plan.

Benefits vest 40% after 2 years of credited service and 20% for each year thereafter until 100% is attained after 5 years. Employees who retire at or after age 65 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.5% of final average monthly compensation multiplied by years of credited service. Final average monthly compensation is the highest average of the considered compensation during 60 consecutive full calendar months out of the last 120 calendar months of credited service. A member is eligible for an early retirement benefit after age 55 and completion of 2 years of credited service. The monthly benefit, payable for life, is equal to the vested portion of the normal retirement benefit based on credited service and compensation at early retirement, reduced by 1/180th for each of the first 60 months and 1/360th for each additional month by which payments commence prior to normal retirement date.

The Plan also provides for death and disability benefits. A death benefit of approximately 50% of the member's vested accrued benefit at the date of death is payable to the employee's spouse for life beginning on the first day of the month following the later of the date of death or the date the member would have been age 55. The spouse may elect to receive the actuarial equivalent lump-sum payment. If the member was not married, the beneficiary or estate would receive the actuarial single-sum payment of the benefit.

As of December 31, 2017, employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits	242
Inactive employees entitled to but not yet receiving benefits	89
Active plan participants	<u>70</u>
Total	401

The Plan is accounted for in the General Employees' Retirement Plan Pension Fund (a pension trust fund). The entire cost of the Plan is paid by the City as established or amended by City Council. The City's current funding policy is to contribute 10.5% of the compensation for active plan participants plus an annual supplemental contribution while the plan is underfunded.

The Plan does not issue a stand-alone financial report. Financial statements for the Plan are presented within the City's financial statements as a fiduciary pension trust fund.

Net Pension Liability Actuarial Assumptions

An actuarial valuation is performed annually to determine the total pension liability. The net pension liability is to be measured as the total pension liability less the Plan's fiduciary net position. To value the Plan, the actuary must predict future events such as investment return, mortality, and rates of termination and retirement using actuarial assumptions. Any variation in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the Plan's benefits. A description of assumptions applied in the current valuation follow.

Valuation date	January 1, 2018
Measurement date	December 31, 2017
Inflation	2.50%
Salary increase including inflation	Graded by age including inflation, productivity and merit increases
Mortality	RP-2000 projected generationally using scale AA
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value
Investment rate of return	6.25% per annum, compounded annually net of investment-related expenses
COLA	None
Change in assumptions	The investment return rate assumption was lowered to 6.25% to better reflect anticipated experience
Significant changes	There were no significant changes between the valuation date and measurement date

Discount Rate

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees; therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Change in the discount rate since the prior measurement period is as follows:

Measurement Date	12/31/16	12/31/17
Discount Rate	6.50%	6.25%
Long-term expected rate of return, net of investment expense	6.50%	6.25%
Bond Municipal Bond Index	3.78%	3.44%

Money-Weighted Rate of Return

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

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2017	16.48%
2016	5.92%
2015	-0.62%

Long-Term Expected Rate of Return

The best-estimate range for long-term expected rate of return is determined by adding expected inflation to the expected long-term real returns and reflecting expected volatility and correlation. The following is the Plan's asset target allocations and the long-term expected geometric real rate of return for each asset class as of December 31, 2017.

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Domestic Equity	45%	3.1%
International Equity	15%	4.1%
Fixed Income	40%	1.6%

Change in Net Pension Liability

	Total Pension Liability (a)	Increase(Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance as of December 31, 2016	\$58,377,767	\$43,869,310	\$14,508,457
Changes for the year			
Service Cost	313,286	-	313,286
Interest on total pension liability	3,695,911	-	3,695,911
Effect of economic/demographic gains of losses	21,369	-	21,369
Effect of assumption changes or inputs	1,337,286	-	1,337,286
Benefit payments	(3,720,322)	(3,720,322)	-
Employer contributions	-	1,652,786	1,652,786
Net investment income	-	7,032,710	7,032,710
Administrative expense	-	(26,752)	(26,752)
Balance as of December 31, 2017	\$60,025,297	\$48,807,732	\$11,217,565

Sensitivity Analysis

The following presents the net pension liability, calculated using the discount rate of 6.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current rate.

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Total pension liability	\$65,680,278	\$60,025,297	\$55,127,589
Fiduciary net position	48,807,732	48,807,732	48,807,732
Net pension liability	16,872,546	11,217,565	6,319,857
Fiduciary net position as % of total pension liability	74.3%	81.3%	88.5%

Pension Expense and Deferred Outflows of Resources Related to Pension

For the year ended December 31, 2017, the City recognized pension expense of \$2,443,971. The City reported deferred (inflows) of resources related to pension from the following source:

Net difference between projected and actual earnings (\$1,981,970)

Deferred outflows for the net difference between projected and actual earnings are recognized over a period of five years. Amounts reported as deferred outflows of resources related to pension will be recognized in the pension expense as follows:

Year Ending December 31	Net Deferred (Inflows) of Resources
2018	\$ (166,121)
2019	(166,120)
2020	(800,090)
2021	(849,639)
Total	<u>(1,981,970)</u>

Financial Statements of the General Employees' Retirement Plan

Statement of Fiduciary Net Position

December 31, 2017

ASSETS

Cash and cash equivalents	\$ 2,491,850
Receivables, interest	67,123
Investments, at fair value	
US government securities	10,410,072
Corporate bonds	1,724,452
Mutual funds	34,114,235
Total investments, at fair value	<u>46,248,759</u>
Total Assets	<u>48,807,732</u>

NET POSITION

Net position held in trust for pension benefits	<u><u>\$ 48,807,732</u></u>
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Statement of changes in Fiduciary Net Position

For the Year Ended December 31, 2017

ADDITIONS

Contributions	
Employer contributions	\$ 1,652,786
Investment income	
Interest	208,422
Net change in fair value of investments	<u>6,824,288</u>
Total investment income	<u>7,032,710</u>
Total Additions	<u>8,685,496</u>

DEDUCTIONS

Benefit payments	3,720,322
Administrative expense	<u>26,752</u>
Total Deductions	<u>3,747,074</u>

Increase in Net Position 4,938,422

NET POSITION - Beginning	<u>43,869,310</u>
NET POSITION - Ending	<u><u>\$ 48,807,732</u></u>

Contributions and Reserves

The Plan's funding policy provides for actuarially determined periodic rates determined by the entry age normal cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. Contributions are based on the actuarially determined rates. For 2017, the City contributed 31.5% of covered pay to the Plan as well as the supplemental contributions; this amounted to \$1,652,786. The authority for establishing or amending the obligation to make contributions rests with City Council.

Costs of administering the Plan are all financed from contributions and earnings of the Plan. The entire balance of the Plan's net position available for benefits as of December 31, 2017, is \$48,807,732 all of which is reserved for benefits of employees and beneficiaries.

Concentration of Credit Risk

Investments in mutual funds exceeding 5% of the net position of the plan are as follows: Fidelity Value Fund – 6.0%, Vanguard 500 Index Inv – 7.5%, TRP International (PRITX) – 6.4%, TRP New Asia – 7.1%, Vanguard Mid Cap Index Investor 5.3%.

2. Money Purchase Plan 401(a)

The City offers its employees a defined contribution money purchase plan. The City does not have administrative involvement and does not perform the investment function of this plan; therefore, it is not included in the City's financial statements. Classified employees were offered the plan for the first time in 1995. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate six months from the date of employment. The plan requires both employer and employees to contribute amounts ranging from 3% to 10% (depending on job classification) of base salary each pay period. Contributions made by the City are not taxable to the employee until they are withdrawn. Employee contributions are made with pre-tax dollars, and the earnings on City and employee contributions are not taxed until withdrawn. Except for certain categories of police personnel, employees are fully vested upon initial participation in the plan. Sworn police officers and emergency service dispatchers, who receive higher contribution rates, are fully vested upon completion of three years of service. Plan provisions and contribution requirements are established and may be amended by City Council. City and employee contributions to the plan were \$6,390,833 and \$3,798,842, respectively during 2017.

3. Retirement Health Savings Plan (RHS)

In 2006 and 2007, the City offered to classified and unclassified management employees the employer-sponsored health benefits savings vehicle that allowed the employee to accumulate assets to pay for medical expenses in retirement on a tax-free basis. As of 12/31/07, the plan has been frozen. There can no longer be any money withheld for this plan. Police Services, through the Collective Bargaining Unit (CBU), continue to offer a mandatory RHS plan to collective bargaining unit members only. Both the frozen City plan and the current CBU plan are administered by ICMA-RC. The City does not have administrative involvement and does not perform the investment function of this plan; therefore, it is not included in City's financial statements.

The RHS plan offers triple tax advantage to employees. Employee contributions are made through pre-tax payroll deductions, are invested in ICMA-RC funds and grow tax-free, and monies can be withdrawn tax-free for qualifying expenses. No federal, state or FICA tax will be withheld. Employees cannot change their elections after their initial enrollment. The CBU RHS plan requires a mandatory 1% contribution to be made by all qualifying participants with less than 10 years of service, 1.25% for participants with 10-20 years of service, and 1.5% for participants with more than 20 years of service. Once participants become eligible to get reimbursed from their own RHS account, they can turn in receipts to a third-party administrator and be reimbursed with tax-free monies. If the employee passes away, the employee's spouse and dependents are automatically eligible to use the account and are reimbursed on a tax-free basis. Employee contributions to the CBU RHS plan were \$467,153 during 2017.

4. Statewide Death and Disability Plan

Plan Description

The City contributes to the Fire & Police Pension Association (the Plan), a multi-employer cost sharing defined benefit plan covering full-time employees of substantially all fire and police departments in Colorado. Contributions to the Plan are used solely for the payment of death and disability benefits. The Plan was established in 1980 pursuant to Colorado Revised Statutes. All uniformed employees are eligible to be members of the Fire & Police Pension Association.

Funding Policy and City Contributions

Prior to 1997, the State of Colorado, whose contributions were established by Colorado statute, primarily funded the Plan. The State made a one-time contribution in 1997 of \$39,000,000 to fund the past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The annual contribution rate for members hired on or after January 1, 1997 and for members covered by Social Security is 2.6% as of January 1, 2011. Based on the January 2014 actuarial results, the Fire & Police Pension Association Board of Directors agreed to continue the 2.7% contribution rate effective through December 31, 2017. During 2017, 2016, and 2015, the City's contributions were \$759,433, \$691,991, and \$631,888, respectively, equal to the statutory required contribution each year.

Benefits

Benefits are established by Colorado statute.

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

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

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

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

C. Other Postemployment Benefits

As stated in Note I (Summary of Significant Accounting Policies), Part H Adoption of New Accounting Pronouncements, effective January 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The net OPEB obligation recorded in accordance with GASB Statement No. 45 was removed and the total OPEB liability was recorded in accordance with GASB Statement No. 75.

Plan Description

The City sponsors a single-employer health care plan that provides medical, vision, dental and prescription drug benefits to all retired employees and their eligible dependents. Employees retiring on or after January 1, 2010 are

no longer eligible to participate in the Retiree Health Plan. In addition, those employees retiring on or after September 1, 2009 but before January 1, 2010 and elect retiree health coverage may participate in the Retiree Health Plan until age 65. To be eligible an employee must have had at least 10 or more years of service. The City administrative policy authorized this benefit until January 1, 2010. The plan does not issue a stand-alone financial report.

Funding Policy and City Contributions

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

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2017, the City contributed \$20,180. Retiree and active members receiving benefits contribute monthly premiums as outlined:

	Premier Non-Medicare	Premier Medicare	Dental	Vision
Employee:	\$ 1,227	\$ 490	\$ 40	\$ 8
Employee +1:	2,452	981	71	16

Participants Covered by the Benefit Terms

The following is a summary of Plan participants at December 31, 2017:

Participants

	Retiree	Spouse
Medical	4	1
Dental	13	8
Vision	11	4

Total OPEB Liability: The City's total OPEB liability of \$211,002 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.50%
Salary increases, including inflation	N/A
Discount rate	3.44%

The discount rate was based on the Bond Byer
20-Bond Governmental Obligations Index

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected generationally using Scale AA. The size of the Plan's population is not large enough to have a statistically credible independent study of retiree mortality. A standard published table appropriate to the Plan's retiree population was used with a margin for future mortality improvement relative to recent Plan experience.

Changes in the Total OPEB Liability:

	Increase (Decrease) Total OPEB Liability
Balance as of December 31, 2016	\$ 216,830
Changes for the year:	
Service Cost	-
Interest on total OPEB liability	7,818
Effect of Plan changes	-
Effect of economic/demographic gains/losses	-
Effect of assumption changes or inputs	6,534
Benefit payments	(20,180)
Balance as of December 31, 2017	\$ 211,002

Changes of assumptions and other inputs reflect a change in the discount rate from 3.78 percent in 2016 to 3.44 percent in 2017.

Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.44 percent, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44 percent) or 1 percentage point higher (4.44 percent) than the current rate:

	1% Decrease 2.44%	Discount Rate 3.44%	1% Increase 4.44%
Total OPEB liability	\$ 192,763	\$ 211,002	\$ 232,507

The following presents total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 193,782	\$ 211,002	\$ 230,841

Deferred Inflows/Outflows of Resources

For the year ended December 31, 2017, the City recognized OPEB expense of \$14,352. At December 31, 2017, the City reported \$0 in deferred outflows of resources and \$0 in deferred inflows of resources. There were no amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB.

D. Presentation of Postemployment Benefit Liabilities

Within the basic financial statements, the net pension liability and total OPEB liability are presented on a combined basis on certain exhibits, including within the proprietary funds. The breakdown of these amounts is as follows:

Postemployment Benefit Obligations

	Net Pension Liability	Total OPEB Liability	Total Post- employment Obligations
Governmental Activities			
Governmental Funds	\$ 4,933,849	\$ 146,784	\$ 5,080,633
Internal Service Funds			
Equipment Fund	464,718	-	464,718
Data & Communications Fund	259,404	-	259,404
Benefits Fund	81,746	-	81,746
Total Governmental Activities	5,739,717	146,784	5,886,501
Business -Type Activities			
Enterprise Funds			
Golf Fund	235,521	-	235,521
Light & Power Fund	958,244	36,696	994,940
Water Fund	1,426,050	-	1,426,050
Wastewater Fund	1,379,018	27,522	1,406,540
Storm Drainage Fund	410,541	-	410,541
Internal Service Funds			
Utility Customer Service Fund	1,068,478	-	1,068,478
Total Business-Type Activities	5,477,852	64,218	5,542,070
TOTAL	\$ 11,217,569	\$ 211,002	\$ 11,428,571

E. Commitments/Contingencies

Construction Commitments

The City had commitments of \$4,871,728 for capital projects in governmental fund types and \$4,820,185 in proprietary fund types at December 31, 2017. Future expenditures related to these commitments are expected to be financed through available resources and future revenues.

Encumbrance Commitments for Proprietary Fund Types

The financial statements do not include encumbrances for proprietary fund types. However, encumbrances for these funds are recorded by the City for management and budgetary control purposes. Outstanding encumbrance commitments for the proprietary funds at December 31, 2017 amounted to \$25,598,424.

Street Oversizing Liability

The City has contractual liabilities for street oversizing costs with various developers. The developers are required to install certain oversized streets as a condition of subdivision approval. Once the streets are installed and inspected by the City, a liability is recorded for the difference between a normal sized street and the oversized street installed.

Because the City has no control over when subdivisions will be developed and the related oversized street completed, the liability for uncompleted oversizing costs has not been reflected in the financial statements, because the amount is not considered by management to be probable and measurable.

Solid Waste Financial Assurance

The City's Water Utility owns and operates a Water Treatment Facility, which through the treatment process produces solids, and therefore must provide financial assurance of estimates for post closure costs in accordance with regulations pertaining to solid waste sites and facilities (6 CCR 1007-2, Part 1) as set by the State of Colorado Department of Public Health and Environment. The facility is not expected to be closed in the future, however in the event of closure the City estimates and provides assurance of total Closure Costs and Post- Closure Care Requirements of \$1,278,303 and \$21,439, respectively. This estimate is not reported as a liability by the City because the water treatment facility does not meet the definition of a landfill contained in GASB Statement No. 18, as defined by the U.S. Environmental Protection Agency.

F. Legal Matters

Pending Litigation and Grants

Various claims and lawsuits are pending against the City. After consideration of applicable insurance policy coverage, and the relative merits of each claim or lawsuit, it is the opinion of the City Attorney and City management that the potential ultimate liability resulting from these actions, if any, will not have a material adverse financial effect on the City.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, resulting from any such audits would be immaterial. There currently are no material disallowed or questioned costs.

Tax, Spending, and Debt Limitations

Article X, Section 20, of the State Constitution has several limitations, including those for revenue, expenditures, property taxes, and issuance of debt. These provisions of the Constitution are complex and subject to judicial

interpretation. In the opinion of management, the City is in compliance with such provisions. In 1997, the City's electorate approved the ongoing retention of excess revenue by the City, requiring the excess revenue be spent for specified purposes. This alleviated the need by the City to seek annual approval to retain excess revenue and excess property tax.

The excess revenue will be used for the purposes of public health and safety (including, but not limited to environmental monitoring and mitigation), growth management, transportation services, and maintaining and repairing City facilities.

The State Constitution also requires local governments to establish emergency reserves equal to at least 3% of fiscal year spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue short falls, or salary and benefit increases. As of December 31, 2017, the amount required as an emergency reserve in compliance with the amendment is \$6,914,703 and is shown as a restriction of fund balance in the General Fund.

G. Related Party Transactions

Due to the nature of the relationships, the City has related party transactions with various entities. The following transactions have occurred during 2017:

1. Northern Colorado Regional Airport

Intergovernmental Agreement

The Airport is jointly operated under an Intergovernmental Agreement between the City of Fort Collins, Colorado and the City of Loveland, Colorado. Pursuant to the agreement, any needed contributions for annual operating budgets or capital improvements are shared equally by both cities. Also, either City may invest additional funds in the Airport as it sees fit.

Since July 3, 1979, ownership of assets vests equally with each City. Assets acquired prior to July 3, 1979 vested one-third with the City of Loveland and two-thirds with the City of Fort Collins.

The agreement provides that if either City does not pay its one-half of agreed expenses in a given year, it will convey to the other City ten percent of its total Airport ownership. Each City contributed \$177,500 in 2016 and \$260,000 in 2017.

Financial Information

The Northern Colorado Regional Airport is accounted for as a joint venture. A summary of financial information is as follows:

As of December 31, 2017

Total current assets	\$ 2,613,225
Total capital Assets (net of accumulated depreciation)	<u>17,684,896</u>
Total Assets	<u>20,298,121</u>
Total current liabilities	<u>389,523</u>
Total Net Position	<u><u>19,908,598</u></u>
Net investment in capital assets	17,684,896
Restricted capital	-
Unrestricted net position	<u>2,223,702</u>
Total Net Position	<u><u>\$ 19,908,598</u></u>

For the Year Ended December 31, 2017

Total operating revenue	\$ 703,831
Total operating expense	(2,453,568)
Interest income	25,965
Non-operating revenue	520,000
Capital contributions	<u>831,535</u>
Change in Net Position	<u><u>\$ (372,237)</u></u>

The City's annual contribution is reflected as an expenditure of the General Fund. The City's share of The Northern Colorado Regional Airport's Net Position and Change in Net Position are reflected in the City's Statement of Net Position and Statement of Activities, respectively.

Stand-Alone Financial Statements

The stand-alone financial statements for the Airport can be obtained from the City of Loveland Finance Department at 500 East Third Street, Loveland, Colorado, 80537.

2. Poudre Fire Authority

As mentioned in the summary of significant accounting policies, the City provides funding for PFA. During 2017, such funding amounted to \$29,001,095 and was an expenditure in the General Fund, Keep Fort Collins Great Fund and Capital Expansion Fund. In addition, the City provided accounting and administrative services to PFA at no charge.

3. Platte River Power Authority

The Light and Power Fund purchases all of its electrical power from PRPA. During 2017, these purchases amounted to \$91,313,239 of which \$7,825,224 is included in accounts payable at December 31, 2017.

4. North Front Range Metropolitan Planning Organization

The City allows the North Front Range Metropolitan Planning Organization (NFRMPO) to participate in its employee benefit plans and bills NFRMPO for this coverage. In addition, NFRMPO also used the City's fleet services for vehicle maintenance. During 2017, billings amounted to:

Benefits	\$	120,945
Services		<u>264,982</u>
Total	\$	<u>385,927</u>

H. Subsequent Events

The City issued revenue bonds on June 14, 2018 in the Light and Power Fund with a par value of \$129,635,000 and premium of \$13,374,506. There were two series; 2018A was tax exempt with gross proceeds of \$98,319,506, and 2018B was taxable with gross proceeds of \$44,690,000. Monies will be used to start a new Broadband service within Light and Power.

In conjunction with the issuance of the 2018 AB Light and Power revenue bonds, on June 13, 2018 the City defeased the 2010B Light and Power Revenue bonds. A payment of \$5,646,330 was made from Light and Power to fund the escrow. Principle outstanding was \$5,270,000.

REQUIRED SUPPLEMENTARY INFORMATION

I. Modified Approach for City Streets Infrastructure Capital Assets

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City has several major infrastructure systems including the street system and various systems that distribute utility services. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.

The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. The City's Pavement Management Program conducts condition assessment surveys on a three-year cycle assuring that all data is updated within three-year period. City owned streets are classified based on land use, access and traffic utilization into the following three classifications: arterial, collector and local. Each street was assigned a physical condition based on potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to the physical characteristics of a new street.

The City of Fort Collins is changing its focus from specifying a targeted average condition value to setting a specified Level of Service (LOS). Setting a LOS will allow for a range of funding needs to be determined to assess what funding level best suits the needs of the City in terms of desired LOS and available funding.

LOS is a customer-driven measurement of condition. The City of Fort Collins' goal is to maintain a LOS of "B". LOS B is a high level of service in which pavements are in good condition, few deficiencies are present, the roads are providing good ride quality, low vehicle operating costs, minor signs of deterioration, and with few safety-related issues. Preventive and corrective maintenance activities can be used to keep the average network condition maintained. As of December 2017, the City's street system is at a PCI of 78.9, approximately mid-range within the LOS of "B". The City's street system was at a PCI of 77 in 2016 and 72 in 2015. The average detail condition is as follows:

Level of service.....	PCI Range.....	Percent of Roads
LOS A (excellent).....	100 to 86.....	28% LOS
B (good).....	85 to 71.....	56% LOS C
(fair).....	70 to 56.....	13% LOS D
(poor).....	55 to 41.....	2% LOS F
(very poor).....	40 to 0.....	0%

The City's next full three-year assessment cycle will be completed by the end of 2018.

REQUIRED SUPPLEMENTARY INFORMATION (continued)

The City's streets are constantly deteriorating resulting from the following five factors; (1) traffic loads; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; (4) winter freeze/thaw condition and water damage from both natural and other urban runoff; and (5) growth of the existing street system. The City is continuously taking actions to arrest the deterioration through short-term maintenance activities such as crack sealing, pothole patching, street sweeping, and sidewalk repair.

The City's short-term maintenance expenditures delay deterioration; however, the overall network condition is not improved through these maintenance expenditures. The City has estimated the amount of annual expenditures required to maintain the City's streets at a Level of Service B. A schedule of estimated annual amount calculated to maintain and preserve its streets at the current level compared to actual expenditures for the street maintenance for the last five years is presented below:

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Experience</u>
2017	\$18,678,501	\$19,113,302
2016	16,700,000	16,124,280
2015	15,858,500	15,015,591
2014	15,069,218	15,046,817
2013	15,565,821	15,250,042

REQUIRED SUPPLEMENTARY INFORMATION (continued)

II. Pension

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSION TRUST FUND
FOR THE LAST THREE FISCAL YEARS*

	Fiscal Year Ending December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	\$ 313,286	\$ 383,757	\$ 447,690	\$ 487,063	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	3,695,911	3,681,690	3,651,345	3,571,272	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	21,369	(455,387)	224,753	237,034	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	1,337,286	220,453	-	827,847	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(3,720,322)	(3,367,735)	(4,205,104)	(3,509,719)	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	1,647,530	462,778	118,684	1,613,497	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, Beginning	58,377,767	57,914,989	57,796,305	56,182,808	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, Ending (a)	<u>\$60,025,297</u>	<u>\$58,377,767</u>	<u>\$57,914,989</u>	<u>\$57,796,305</u>	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	\$ 1,652,786	\$ 1,720,650	\$ 1,830,265	\$ 1,905,906	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	7,032,710	2,496,850	(274,583)	2,630,327	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(3,720,322)	(3,367,735)	(4,205,104)	(3,509,719)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(26,752)	(30,743)	(22,706)	(18,935)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in Plan Fiduciary Net Position	4,938,422	819,022	(2,672,128)	1,007,579	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position, Beginning	43,869,310	43,050,288	45,722,416	44,714,837	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position, Ending (b)	<u>\$48,807,732</u>	<u>\$43,869,310</u>	<u>\$43,050,288</u>	<u>45,722,416</u>	N/A	N/A	N/A	N/A	N/A	N/A
Employer's Net Pension Liability (a-b)	<u>\$11,217,565</u>	<u>\$14,508,457</u>	<u>\$14,864,701</u>	<u>\$12,073,889</u>	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 5,255,224	\$ 6,191,383	\$ 7,306,661	\$ 7,306,659	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	213.46%	234.33%	203.44%	165.25%	N/A	N/A	N/A	N/A	N/A	N/A

*Information for prior years is unavailable

REQUIRED SUPPLEMENTARY INFORMATION (continued)

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUND
LAST TEN FISCAL YEARS**

Plan Year	Required Contribution	Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$1,671,799	\$1,652,786	\$ 19,013	\$5,255,224	31.5%
2016	1,770,095	1,720,650	49,445	6,191,383	27.8%
2015	1,887,199	1,830,265	56,934	7,306,661	25.0%
2014	2,659,452	1,905,906	753,546	7,306,659	26.1%
2013	2,681,999	2,067,363	614,636	8,202,862	25.2%
2012	2,334,577	1,241,929	1,092,648	8,834,557	14.1%
2011	1,706,844	1,345,466	361,378	9,582,235	14.0%
2010	1,892,946	2,100,467	(207,521)	10,399,210	20.2%
2009	1,901,281	1,005,901	895,380	12,897,653	7.8%
2008	1,325,710	1,807,834	(482,124)	13,958,960	13.0%

**SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES' RETIREMENT
PLAN FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2017	16.4%
2016	5.9%
2015	-0.6%
2014	6.0%
2013	18.7%
2012	11.6%
2011	-3.1%
2010	11.1%
2009	20.5%
2008	-26.5%

*Rate of return for 2013 and earlier are net of all expenses.
Rate of return for 2014 and later is net of investment
expenses only.*

REQUIRED SUPPLEMENTARY INFORMATION (continued)

Actuarial Assumptions

Valuation date	January 1, 2018
Measurement date	December 31, 2017
Inflation	2.50%
Salary increase including inflation	Graded by age including inflation, productivity, and merit increases
Mortality	RP-2000 projected generationally using scale AA
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value

There were no significant changes between the fiscal year end and the valuation date.

III. Other Postemployment Benefits Plan

Total OPEB Liability:	
Service Cost	\$ -
Interest	7,818
Changes of assumptions and other inputs	6,534
Benefit payments	<u>(20,180)</u>
Net change in total OPEB liability	(5,828)
Total OPEB liability, beginning	<u>216,830</u>
Total OPEB liability, ending	<u>\$ 211,002</u>

Schedule of Changes in Total OPEB Liability and Related Ratios

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total OPEB Liability										
Service cost	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	7,818	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	6,534	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(20,180)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(5,828)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	216,830	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	211,002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are discount rates used in each period.

2017	3.44%
2016	3.78%

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

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SUPPLEMENTARY INFORMATION



SUPPLEMENTARY INFORMATION

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

Special Revenue Funds

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

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

CCIP -- to account for collections of the City's .25% sales and use tax designated for Community Capital Improvement Program, a 10-year voter-approved tax renewal dedicated to specific projects.

Natural Areas -- to account for dedicated financial resources to be used for the acquisition of natural areas and trails. In addition, some of the fund is used for long-term management of existing natural areas and trails.

Cultural Services and Facilities -- to account for revenues received from the Lincoln Center facility, performing and visual arts and General Fund subsidies used to promote cultural activities.

Recreation -- to account for recreation fees and General Fund subsidies used to provide recreational programs for citizens.

Cemeteries -- to account for revenues collected from the sale of burial plots.

Perpetual Care -- to account for monies set aside for the maintenance costs of burial plots.

Community Development Block Grant (CDBG) -- to account for revenues received from the federal government which are restricted to financing the City's Community Development Block Grant Program.

Home Program -- to account for revenues received from the federal government restricted to financing the City's Home Program.

Transit Services -- to account for federal grants and other revenues utilized to operate and maintain the City's bus system.

Transportation Capital Expansion Fees -- to account for capital expansion fees used to pay the City's portion of street oversizing costs.

Transportation -- to account for the revenues used to operate and maintain streets, bridges, traffic controls, and transportation long-term planning.

Parking -- to account for the revenue and operations of Parking Services.

General Improvement District No. 1 -- to account for property taxes and investment earnings used to fund debt service and other activities of the General Improvement District No. 1, a blended component unit.

General Improvement District No. 15 - Skyview -- to account for property taxes and investment earnings used to fund the maintenance of the Skyview Subdivision street system of the General Improvement District No. 15, a blended component unit.

Timberline/Prospect SID #94 -- to account for assessments used to pay for public improvements.

Debt Service Fund

Debt Service -- to account for property taxes and transfers from other funds used to pay general obligation bonds, sales and use tax revenue bonds, and highway users tax revenue bonds.

Fort Collins Leasing Corporation -- to account for rental amounts received from lease payments between the City and the Corporation on municipal buildings and other structures. Monies used to pay certificates of participation issued by the Corporation.

Capital Project Funds

Neighborhood Parkland -- to account for parkland fees used to fund the acquisition, development and administration of neighborhood park and capital improvements.

Conservation Trust Fund -- to account for revenues received from the Colorado State Lottery through the State Conservation Trust Fund which are restricted to financing capital projects which relate to the acquisition and development of open space and trails.

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	Special Revenue Funds				
	Capital Expansion	Sales and Use Tax	Community Capital Improve- ment Program	Natural Areas	Cultural Services & Facilities
ASSETS					
Cash and cash equivalents	\$ 2,440,303	\$ 122,586	\$ 1,035,400	\$ 2,436,667	\$ 516,204
Investments	14,321,526	720,798	6,068,790	14,304,917	2,876,412
Receivables					
Property taxes	-	-	-	-	-
Sales and use taxes	-	780,867	846,031	-	-
Accounts	-	-	-	412,812	6,871
Interest	51,859	2,279	22,479	49,986	10,019
Prepaid item	-	-	-	-	3,742
Advances to other funds	1,017,606	-	-	-	-
Total Assets	17,831,294	1,626,530	7,972,700	17,204,382	3,413,248
LIABILITIES					
Accounts payable, accruals, and other	-	1,615	-	224,951	102,411
Wages payable	-	-	-	126,054	75,752
Due to other governments	-	-	-	-	-
Due to other funds	-	624,074	-	-	-
Unearned revenue	-	-	-	-	566,672
Deposits held	-	252,304	-	14,508	58,990
Total Liabilities	-	877,993	-	365,513	803,825
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
Total Deferred inflows of resources	-	-	-	-	-
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	-	3,742
Restricted	-	748,537	7,972,700	16,838,869	100,000
Committed	17,831,294	-	-	-	468,578
Assigned	-	-	-	-	2,037,103
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	17,831,294	748,537	7,972,700	16,838,869	2,609,423
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 17,831,294	\$ 1,626,530	\$ 7,972,700	\$ 17,204,382	\$ 3,413,248

Special Revenue Funds (continued)								
Recreation	Cemeteries	Perpetual Care	CDBG	Home Program	Transit Services	Trans- portation CEF	Trans- portation Services	
\$ 473,991	\$ 105,330	\$ 275,184	\$ -	\$ 676,898	\$ 148,275	\$ 3,674,196	\$ 2,428,287	
2,560,769	617,443	1,615,018	-	-	778,113	21,571,286	14,321,956	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	846,031	
78,884	28,878	3,035	56,920	13,460	4,865,620	-	1,584,578	
8,933	2,154	5,628	-	-	2,755	75,694	48,512	
-	-	-	-	-	85,430	-	150	
-	-	-	-	-	-	-	-	
3,122,577	753,805	1,898,865	56,920	690,358	5,880,193	25,321,176	19,229,514	
290,265	6,437	-	46,931	-	273,965	182,817	3,400,773	
170,951	16,745	-	2,898	3,636	364,526	9,441	383,237	
170	-	-	-	-	9,819	-	2,719	
-	-	-	162,058	-	-	-	-	
379,573	-	-	-	-	277,388	-	-	
-	-	-	-	-	-	-	-	
840,959	23,182	-	211,887	3,636	925,698	192,258	3,786,729	
-	-	-	-	-	-	-	-	
-	-	-	-	-	768,085	-	66,233	
-	-	-	-	-	-	-	-	
-	-	-	-	-	768,085	-	66,233	
-	-	-	-	-	85,430	-	150	
40,641	-	1,898,865	-	686,722	-	-	-	
-	33,757	-	-	-	-	25,004,102	1,293,822	
2,240,977	696,866	-	-	-	4,100,980	124,816	14,082,580	
-	-	-	(154,967)	-	-	-	-	
2,281,618	730,623	1,898,865	(154,967)	686,722	4,186,410	25,128,918	15,376,552	
\$ 3,122,577	\$ 753,805	\$ 1,898,865	\$ 56,920	\$ 690,358	\$ 5,880,193	\$ 25,321,176	\$ 19,229,514	

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
DECEMBER 31, 2017

	Special Revenue Funds (continued)				
	Parking	General Improvement District # 1	General Imp. District # 15 Skyview	Timberline/Prospect SID #94	Total Special Revenues
ASSETS					
Cash and cash equivalents	\$ 294,911	\$ 121,051	\$ 27,064	\$ -	\$ 14,776,347
Investments	1,469,940	709,740	158,844	-	82,095,552
Receivables					
Property taxes	-	298,626	32,141	-	330,767
Sales and use taxes	-	-	-	-	2,472,929
Accounts	1,451,551	3,642	205	-	8,506,456
Interest	5,219	2,476	554	-	288,547
Prepaid item	-	-	-	-	89,322
Advances to other funds	-	-	-	-	1,017,606
Total Assets	3,221,621	1,135,535	218,808	-	109,577,526
LIABILITIES					
Accounts payable, accruals, and other	56,113	156	-	-	4,586,434
Wages payable	38,581	-	-	-	1,191,821
Due to other governments	-	-	-	-	12,708
Due to other funds	-	-	-	-	786,132
Unearned revenue	-	-	-	-	1,223,633
Deposits held	-	-	-	-	325,802
Total Liabilities	94,694	156	-	-	8,126,530
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	298,626	32,141	-	330,767
Unavailable revenue - grants	-	-	-	-	834,318
Unavailable revenue - other	1,330,892	-	-	-	1,330,892
Total Deferred inflows of resources	1,330,892	298,626	32,141	-	2,495,977
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	-	89,322
Restricted	819,773	836,753	186,667	-	30,129,527
Committed	-	-	-	-	44,631,553
Assigned	976,262	-	-	-	24,259,584
Unassigned	-	-	-	-	(154,967)
Total Fund Balances (Deficit)	1,796,035	836,753	186,667	-	98,955,019
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 3,221,621	\$ 1,135,535	\$ 218,808	\$ -	\$ 109,577,526

Debt Service Fund		Capital Project Funds			
Fort Collins Leasing Corporation	Neighborhood Parkland	Conservation Trust	Total Capital Project	Total Non-major Governmental	
\$ -	\$ 1,455,688	\$ 442,647	\$ 1,898,335	\$ 16,674,682	
-	8,537,301	2,603,236	11,140,537	93,236,089	
-	-	-	-	330,767	
-	-	-	-	2,472,929	
-	-	-	-	8,506,456	
-	30,003	9,056	39,059	327,606	
-	-	-	-	89,322	
-	-	-	-	1,017,606	
-	10,022,992	3,054,939	13,077,931	122,655,457	
-	334,015	34,400	368,415	4,954,849	
-	19,597	7,461	27,058	1,218,879	
-	-	-	-	12,708	
-	-	-	-	786,132	
-	-	-	-	1,223,633	
-	-	-	-	325,802	
-	353,612	41,861	395,473	8,522,003	
-	-	-	-	330,767	
-	-	-	-	834,318	
-	-	-	-	1,330,892	
-	-	-	-	2,495,977	
-	-	-	-	89,322	
-	9,612,973	3,013,078	12,626,051	42,755,578	
-	-	-	-	44,631,553	
-	56,407	-	56,407	24,315,991	
-	-	-	-	(154,967)	
-	9,669,380	3,013,078	12,682,458	111,637,477	
\$ -	\$ 10,022,992	\$ 3,054,939	\$ 13,077,931	\$ 122,655,457	

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds				
	Capital Expansion	Sales and Use Tax	Community Capital Improve- ment Program	Natural Areas	Cultural Services & Facilities
REVENUES					
Taxes	\$ -	\$ 8,172,280	\$ 8,178,558	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	5,022,002	15,000
Fees and charges for services	4,175,085	-	-	64,877	3,035,603
Earnings on investments	325,310	30,685	70,011	213,233	43,227
Miscellaneous revenue	-	3,274	-	316,001	112,536
Total Revenues	4,500,395	8,206,239	8,248,569	5,616,113	3,206,366
EXPENDITURES					
Current operating					
Police services	2,368	-	-	-	-
Community services	18,103	-	-	6,805,339	3,917,167
Planning, development and transportation	-	-	-	-	-
Information and employee	5,805	-	-	-	-
Sustainability services	-	-	-	-	-
Other	-	-	-	-	-
Intergovernmental					
Fire protection	1,631,089	-	-	-	-
Capital outlay	-	-	-	5,435,632	376,876
Debt service					
Principal	-	-	-	-	-
Interest and debt service costs	-	-	-	-	-
Total Expenditures	1,657,365	-	-	12,240,971	4,294,043
Excess of Revenues					
Over (Under) Expenditures	2,843,030	8,206,239	8,248,569	(6,624,858)	(1,087,677)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	8,705,826	1,314,809
Transfers out	(6,180,424)	(8,705,826)	(7,031,372)	(1,485,068)	(16,025)
Sale of capital assets	-	-	-	229,283	2,114
Total Other Financing Sources (Uses)	(6,180,424)	(8,705,826)	(7,031,372)	7,450,041	1,300,898
Net Changes in Fund Balances	(3,337,394)	(499,587)	1,217,197	825,183	213,221
Fund Balances (Deficit)-January 1	21,168,688	1,248,124	6,755,503	16,013,686	2,396,202
Fund Balances (Deficit)-December 31	\$ 17,831,294	\$ 748,537	\$ 7,972,700	\$ 16,838,869	\$ 2,609,423

Special Revenue Funds (continued)

Recreation	Cemeteries	Perpetual Care	CDBG	Home Program	Transit Services	Trans- portation CEF	Trans- portation Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,178,557
-	-	-	-	-	-	-	312,127
22,755	-	-	1,361,934	1,612,915	11,322,756	-	8,666,382
6,021,821	494,428	60,865	-	-	972,935	7,781,081	5,184,881
50,663	8,108	23,670	656	694	(8,483)	279,907	379,807
171,367	15,421	-	159,550	389,594	60,795	18,894	147,890
6,266,606	517,957	84,535	1,522,140	2,003,203	12,348,003	8,079,882	22,869,644
-	-	-	-	-	-	-	-
6,725,432	572,848	182	-	-	-	-	-
-	-	-	-	-	14,986,532	386,624	26,803,536
-	-	-	-	-	-	-	-
-	-	-	1,536,739	1,705,006	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
589,798	7,157	-	-	-	378,516	2,092,909	513,268
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,426
7,315,230	580,005	182	1,536,739	1,705,006	15,365,048	2,479,533	27,319,230
(1,048,624)	(62,048)	84,353	(14,599)	298,197	(3,017,045)	5,600,349	(4,449,586)
641,344	184,912	-	-	-	9,045,274	219,919	3,594,171
(32,050)	(16,243)	(24,139)	-	-	(64,100)	(304,052)	(1,554,156)
2,034	6,250	-	-	-	4,882	-	235,353
611,328	174,919	(24,139)	-	-	8,986,056	(84,133)	2,275,368
(437,296)	112,871	60,214	(14,599)	298,197	5,969,011	5,516,216	(2,174,218)
2,718,914	617,752	1,838,651	(140,368)	388,525	(1,782,601)	19,612,702	17,550,770
\$ 2,281,618	\$ 730,623	\$ 1,898,865	\$ (154,967)	\$ 686,722	\$ 4,186,410	\$ 25,128,918	\$ 15,376,552

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds (continued)				
	Parking	General Improvement District No. 1	General Imp. District No. 15 Skyview	Timberline/Prospect SID #94	Total Special Revenues
REVENUES					
Taxes	\$ -	\$ 288,646	\$ 29,182	\$ -	\$ 24,847,223
Licenses and permits	-	-	-	-	312,127
Intergovernmental	22,967	47,787	2,902	-	28,097,400
Fees and charges for services	2,611,588	-	-	-	30,403,164
Earnings on investments	19,937	7,067	1,908	3,158	1,449,558
Miscellaneous revenue	42,232	1,615	-	7,054	1,446,223
Total Revenues	2,696,724	345,115	33,992	10,212	86,555,695
EXPENDITURES					
Current operating					
Police services	-	-	-	-	2,368
Community services	-	-	-	-	18,039,071
Planning, development and transportation	1,959,849	54,946	584	-	44,192,071
Information and employee	-	-	-	-	5,805
Sustainability services	-	-	-	-	3,241,745
Other	-	-	-	76,241	76,241
Intergovernmental					
Fire protection	-	-	-	-	1,631,089
Capital outlay	412,169	-	-	-	9,806,325
Debt service					
Principal	-	-	-	-	-
Interest and debt service costs	-	-	-	-	2,426
Total Expenditures	2,372,018	54,946	584	76,241	76,997,141
Excess of Revenues					
Over (Under) Expenditures	324,706	290,169	33,408	(66,029)	9,558,554
OTHER FINANCING SOURCES (USES)					
Transfers in	58,685	-	-	-	23,764,940
Transfers out	(104,309)	(55,000)	-	(84,108)	(25,656,872)
Sale of capital assets	-	-	-	-	479,916
Total Other Financing Sources (Uses)	(45,624)	(55,000)	-	(84,108)	(1,412,016)
Net Changes in Fund Balances	279,082	235,169	33,408	(150,137)	8,146,538
Fund Balances (Deficit)-January 1	1,516,953	601,584	153,259	150,137	90,808,481
Fund Balances (Deficit)-December 31	\$ 1,796,035	\$ 836,753	\$ 186,667	\$ -	\$ 98,955,019

Debt Service Fund		Capital Project Funds			Total Non-major Governmental
Fort Collins Leasing Corporation		Neighborhood Parkland	Conservation Trust	Total Capital Project	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,847,223
-	-	-	-	-	312,127
-	-	-	1,594,852	1,594,852	29,692,252
-	2,495,488	-	-	2,495,488	32,898,652
-	142,606	32,472	-	175,078	1,624,636
59,702	415	-	-	415	1,506,340
59,702	2,638,509	1,627,324	-	4,265,833	90,881,230
-	-	-	-	-	2,368
-	2,818,526	510,241	-	3,328,767	21,367,838
-	-	-	-	-	44,192,071
-	-	-	-	-	5,805
-	-	-	-	-	3,241,745
4,300	-	-	-	-	80,541
-	-	-	-	-	1,631,089
-	282,861	581,666	-	864,527	10,670,852
4,174,658	-	-	-	-	4,174,658
451,497	-	-	-	-	453,923
4,630,455	3,101,387	1,091,907	-	4,193,294	85,820,890
(4,570,753)	(462,878)	535,417	-	72,539	5,060,340
4,570,753	-	-	-	-	28,335,693
-	(28,010)	(26,749)	-	(54,759)	(25,711,631)
-	-	-	-	-	479,916
4,570,753	(28,010)	(26,749)	-	(54,759)	3,103,978
-	(490,888)	508,668	-	17,780	8,164,318
-	10,160,268	2,504,410	-	12,664,678	103,473,159
\$ -	\$ 9,669,380	\$ 3,013,078	\$ -	\$ 12,682,458	\$ 111,637,477

CAPITAL EXPANSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 325,310	\$ 331,667	\$ (6,357)
Fees and charges for services	4,175,085	3,804,186	370,899
Proceeds from issuance of long-term debt	<u>1,634,364</u>	<u>1,251,970</u>	<u>382,394</u>
Total Revenues	<u>6,134,759</u>	<u>5,387,823</u>	<u>746,936</u>
EXPENDITURES			
Programs			
Capital Expansion-General	86,246	88,205	1,959
Community Parkland Capital Exp	5,743,087	8,706,902	2,963,815
Fire Capital Expansion	1,631,089	1,631,089	-
Police Capital Expansion	<u>377,368</u>	<u>377,368</u>	<u>-</u>
Total Expenditures	<u>7,837,790</u>	<u>10,803,564</u>	<u>2,965,774</u>
Excess (deficiency) of revenues over (under) expenditures	(1,703,031)	<u>\$ (5,415,741)</u>	<u>\$ 3,712,710</u>
RECONCILIATION TO GAAP BASIS			
Proceeds From Advances	<u>(1,634,363)</u>		
Net Change in Fund Balances	<u>(3,337,394)</u>		
Fund Balances--January 1	<u>21,168,688</u>		
Fund Balances--December 31	<u>\$ 17,831,294</u>		

SALES AND USE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 30,685	\$ 26,084	\$ 4,601
Miscellaneous revenue	3,274	-	3,274
Taxes	8,172,280	8,230,100	(57,820)
Total Revenues	<u>8,206,239</u>	<u>8,256,184</u>	<u>(49,945)</u>
EXPENDITURES			
Programs			
Transfers to Funds	8,705,826	9,287,076	581,250
Total Expenditures	<u>8,705,826</u>	<u>9,287,076</u>	<u>581,250</u>
Excess (deficiency) of revenues over (under) expenditures	(499,587)	<u><u>\$ (1,030,892)</u></u>	<u><u>\$ 531,305</u></u>
Fund Balances--January 1	<u>1,248,124</u>		
Fund Balances--December 31	<u><u>\$ 748,537</u></u>		

COMMUNITY CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 8,178,558	\$ 8,230,100	\$ (51,542)
Taxes	70,011	-	70,011
Total Revenues	<u>8,248,569</u>	<u>8,230,100</u>	<u>18,469</u>
EXPENDITURES			
Projects (project level of budgetary control)			
City Park Train	-	350,000	350,000
Club Tico Renovation	245,514	250,000	4,486
Nature in the City	164,683	400,000	235,317
Bus Stop Improvements	173,462	200,000	26,538
Bicycle Infrastructure Imprvmt	486,124	650,000	163,876
Bike/Ped Grade Separated Cross	52,170	1,500,000	1,447,830
Arterial Intersection Imprvmnt	192,505	700,000	507,495
Lincoln Avenue Bridge	5,153,059	5,541,000	387,941
Pedestrian Sidewalk - ADA	1,980,029	2,000,000	19,971
Affordable Housing Fund	-	450,000	450,000
Total Expenditures	<u>8,447,546</u>	<u>12,041,000</u>	<u>3,593,454</u>
Excess (deficiency) of revenues over (under) expenditures	(198,977)	<u>\$ (3,810,900)</u>	<u>\$ 3,611,923</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	<u>1,416,174</u>		
Net Change in Fund Balances	1,217,197		
Fund Balances--January 1	<u>6,755,503</u>		
Fund Balances--December 31	<u>\$ 7,972,700</u>		

NATURAL AREAS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 213,232	\$ 181,458	\$ 31,774
Fees and charges for services	64,877	35,000	29,877
Intergovernmental	5,012,229	4,000,000	1,012,229
Miscellaneous revenue	316,001	165,000	151,001
Proceeds from sale of capital assets	229,283	-	229,283
Transfers	8,705,826	9,287,076	(581,250)
Projects			
Intergovernmental	19,766	20,000	(234)
Miscellaneous revenue	10,000	10,000	-
Total Revenues	<u>14,571,214</u>	<u>13,698,534</u>	<u>872,680</u>
EXPENDITURES			
Programs			
Education	504,448	573,967	69,519
Enforcement	820,338	770,149	(50,189)
Facility Operations	415,903	950,923	535,020
Land Conservation	7,360,733	16,819,075	9,458,342
Land Management	652,172	897,173	245,001
Program Management	1,083,735	1,102,821	19,086
Public Improvements	1,173,234	2,065,477	892,243
Resource Management	1,714,446	3,708,168	1,993,722
Projects			
Education	28,522	30,000	1,478
Total Expenditures	<u>13,753,531</u>	<u>26,917,753</u>	<u>13,164,222</u>
Excess (deficiency) of revenues over (under) expenditures	817,683	<u>\$ (13,219,219)</u>	<u>\$ 14,036,902</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	27,493		
Prior Years' Project Revenues	(19,993)		
Total Reconciling Items	<u>7,500</u>		
Net Change in Fund Balances	825,183		
Fund Balances--January 1	<u>16,013,686</u>		
Fund Balances--December 31	<u>\$ 16,838,869</u>		

CULTURAL SERVICES AND FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 43,227	\$ 36,381	\$ 6,846
Fees and charges for services	3,035,604	2,586,100	449,504
Miscellaneous revenue	47,640	35,000	12,640
Proceeds from issuance of long-term debt	2,100	-	2,100
Transfers	1,139,124	1,145,425	(6,301)
Projects			
Intergovernmental	47,050	5,000	42,050
Miscellaneous revenue	200,008	54,518	145,490
Transfers	787,908	842,449	(54,541)
Total Revenues	<u>5,302,661</u>	<u>4,704,873</u>	<u>597,788</u>
EXPENDITURES			
Programs			
Art in Public Places	101,827	192,629	90,802
Lincoln Center	3,834,881	3,652,813	(182,068)
Projects			
Art in Public Places	642,725	1,142,515	499,790
Lincoln Center	100,326	85,000	(15,326)
Total Expenditures	<u>4,679,759</u>	<u>5,072,957</u>	<u>393,198</u>
Excess (deficiency) of revenues over (under) expenditures	622,902	<u>\$ (368,084)</u>	<u>\$ 990,986</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	369,690		
Prior Years' Project Revenues	<u>(779,371)</u>		
Total Reconciling Items	<u>(409,681)</u>		
Net Change in Fund Balances	213,221		
Fund Balances--January 1	<u>2,396,202</u>		
Fund Balances--December 31	<u>\$ 2,609,423</u>		

RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 50,663	\$ 45,627	\$ 5,036
Fees and charges for services	6,021,821	5,954,885	66,936
Miscellaneous revenue	171,451	161,100	10,351
Sale of capital assets	1,950	-	1,950
Transfers	641,344	641,344	-
Projects			
Intergovernmental	369,919	453,634	(83,715)
Miscellaneous revenue	-	7,500	(7,500)
Total Revenues	<u>7,257,148</u>	<u>7,264,090</u>	<u>(6,942)</u>
EXPENDITURES			
Programs			
Adult Programs & Senior Center	1,617,274	1,632,603	15,329
Child Development	236,943	298,286	61,343
City Park Pool	118,624	141,842	23,218
EPIC	1,761,568	1,809,816	48,248
Farm	319,659	322,803	3,144
NACC	757,158	773,355	16,197
Recreation Administration	1,063,772	1,187,717	123,945
Special Revenue Accounts	52,381	123,677	71,296
Sports	803,478	884,640	81,162
Projects			
Recreation Grants	<u>955,377</u>	<u>1,086,134</u>	<u>130,757</u>
Total Expenditures	<u>7,686,234</u>	<u>8,260,873</u>	<u>574,639</u>
Excess (deficiency) of revenues over (under) expenditures	(429,086)	<u>\$ (996,783)</u>	<u>\$ 567,697</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	338,954		
Prior Years' Project Revenues	<u>(347,164)</u>		
Total Reconciling Items	<u>(8,210)</u>		
Net Change in Fund Balances	(437,296)		
Fund Balances--January 1	<u>2,718,914</u>		
Fund Balances--December 31	<u>\$ 2,281,618</u>		

CEMETERIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 8,108	\$ 7,335	\$ 773
Fees and charges for services	494,428	396,000	98,428
Miscellaneous revenue	15,421	12,500	2,921
Sale of capital asset	6,250	-	6,250
Transfers	184,912	184,419	493
Total Revenues	<u>709,119</u>	<u>600,254</u>	<u>108,865</u>
EXPENDITURES			
Programs			
Grandview Cemetery	469,681	505,674	35,993
Roselawn Cemetery	110,324	101,737	(8,587)
Dummy for 275 Transfer to 400	16,243	50,000	33,757
Total Expenditures	<u>596,248</u>	<u>657,411</u>	<u>61,163</u>
Excess (deficiency) of revenues over (under) expenditures	112,871	<u>\$ (57,157)</u>	<u>\$ 170,028</u>
Fund Balances--January 1	<u>617,752</u>		
Fund Balances--December 31	<u>\$ 730,623</u>		

PERPETUAL CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 23,670	\$ 23,645	\$ 25
Fees and charges for services	60,865	55,000	5,865
Total Revenues	<u>84,535</u>	<u>78,645</u>	<u>5,890</u>
EXPENDITURES			
Programs (fund level of budgetary control)			
Internal Admin Services	182	182	-
Transfers to Funds	<u>24,139</u>	<u>23,646</u>	<u>(493)</u>
Total Expenditures	<u>24,321</u>	<u>23,828</u>	<u>(493)</u>
Excess (deficiency) of revenues over (under) expenditures	60,214	<u>\$ 54,817</u>	<u>\$ 5,397</u>
Fund Balances--January 1	<u>1,838,651</u>		
Fund Balances--December 31	<u>\$ 1,898,865</u>		

COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 656	\$ -	\$ 656
Miscellaneous revenue	4,252	-	4,252
Earnings on investments	629	82,596	(81,967)
Intergovernmental	7,862,167	9,377,225	(1,515,058)
Miscellaneous revenue	1,975,062	2,186,217	(211,155)
Total Revenues	<u>9,842,766</u>	<u>11,646,038</u>	<u>(1,803,272)</u>
EXPENDITURES			
Projects			
CDBG FY 10-11	976,199	1,041,666	65,467
CDBG FY 12-13	1,300,366	1,073,914	(226,452)
CDBG FY 13-14	1,434,844	1,296,922	(137,922)
CDBG FY 14-15	902,432	940,596	38,164
CDBG FY 15-16	947,437	988,357	40,920
CDBG Grant PI FY13-14	263,718	713,635	449,917
CDBG Grant PI FY14-15	157,865	143,704	(14,161)
CDBG Grant PI FY 15-16	233,634	233,634	-
CDBG Grant PI FY 10-11	2,881	2,881	-
CDBG FY 16-17	806,518	975,901	169,383
CDBG Grant FY 17-18	79,436	1,324,036	1,244,600
Total Expenditures	<u>7,105,330</u>	<u>8,735,246</u>	<u>1,629,916</u>
Excess (deficiency) of revenues over (under) expenditures	2,737,436	<u>\$ 2,910,792</u>	<u>\$ (173,356)</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	5,568,592		
Prior Years' Project Revenues	<u>(8,320,627)</u>		
Total Reconciling Items	<u>(2,752,035)</u>		
Net Change in Fund Balances	(14,599)		
Fund Balances--January 1	<u>(140,368)</u>		
Fund Balances--December 31	<u>\$ (154,967)</u>		

HOME PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 694	\$ -	\$ 694
Miscellaneous revenue	339,878	-	339,878
Earnings on investments	40,182	-	40,182
Intergovernmental	4,733,853	5,890,416	(1,156,563)
Miscellaneous revenue	2,527,078	2,268,485	258,593
Total Revenues	<u>7,641,685</u>	<u>8,158,901</u>	<u>(517,216)</u>
EXPENDITURES			
Projects			
HOME FY 11-12	867,964	892,392	24,428
HOME FY 12-13	807,671	834,531	26,860
HOME FY 13-14	737,993	823,958	85,965
HOME FY 14-15	464,783	564,878	100,095
HOME FY 15-16	402,459	550,344	147,885
HOME FY15-16 PI	425,773	277,888	(147,885)
HOME Grant PI FY 11-12	24,428	-	(24,428)
HOME Grant PI FY 12-13	55,318	22,629	(32,689)
HOME Grant PI FY13-14	541,280	530,280	(11,000)
HOME Grant PI FY14-15	567,809	498,405	(69,404)
HOME FY 16-17	449,370	561,870	112,500
HOME Grant FY 17-18	312,334	886,344	574,010
Total Expenditures	<u>5,657,182</u>	<u>6,443,519</u>	<u>786,337</u>
Excess (deficiency) of revenues over (under) expenditures	1,984,503	<u>\$ 1,715,382</u>	<u>\$ 269,121</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	3,952,175		
Prior Years' Project Revenues	<u>(5,638,481)</u>		
Total Reconciling Items	<u>(1,686,306)</u>		
Net Change in Fund Balances	298,197		
Fund Balances--January 1	<u>388,525</u>		
Fund Balances--December 31	<u>\$ 686,722</u>		

TRANSIT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Projects			
Earnings on investments	\$ 584,582	\$ 649,048	\$ (64,466)
Fees and charges for services	12,472,862	11,986,686	486,176
Intergovernmental	79,812,352	83,320,783	(3,508,431)
Miscellaneous revenue	1,083,582	937,058	146,524
Sales of capital assets	47,045	-	47,045
Transfers	94,158,415	94,328,920	(170,505)
Total Revenues	<u>188,158,838</u>	<u>191,222,495</u>	<u>(3,063,657)</u>
EXPENDITURES			
Projects			
5307 Pass-Thru	6,032,003	7,799,881	1,767,878
5309 Capital	19,858,448	22,224,509	2,366,061
Additional Revenue Service	1,962,291	1,091,496	(870,795)
CMAQ Capital	5,141,827	5,164,640	22,813
CSU Transit Center	675,558	806,066	130,508
DAR Operations	24,683,404	29,267,189	4,583,785
DAR Overhead	2,192,758	2,350,596	157,838
DAR Revenue	70	-	(70)
Dispatch Operations	3,826,852	3,792,211	(34,641)
Downtown Transit Center	3,647,902	2,936,803	(711,099)
Fixed Operations	83,599,653	92,099,690	8,500,037
Fixed Overhead	17,514,156	16,826,469	(687,687)
Information Technology	3,484,954	2,803,380	(681,574)
Marketing - GF	2,928,624	2,725,728	(202,896)
MAX - Start Up & Testing	1,025,381	1,116,004	90,623
Safe Ride Home Program	579,436	543,541	(35,895)
Safety/Training	6,171,124	4,275,556	(1,895,568)
South Transit Center	108,717	596,475	487,758
Variable Revenue	15,975	-	(15,975)
Bike N Ride Shelter TAP Grant	4,539	210,000	205,461
Total Expenditures	<u>183,453,672</u>	<u>196,630,234</u>	<u>13,176,562</u>
Excess (deficiency) of revenues over (under) expenditures	4,705,166	<u>\$ (5,407,739)</u>	<u>\$ 10,112,905</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	168,024,526		
Prior Years' Project Revenues	<u>(166,760,681)</u>		
Total Reconciling Items	<u>1,263,845</u>		
Net Change in Fund Balances	5,969,011		
Fund Balances--January 1	<u>(1,782,601)</u>		
Fund Balances--December 31	<u>\$ 4,186,410</u>		

TRANSPORTATION CAPITAL EXPANSION FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Fees and charges for services	\$ 7,781,081	\$ 4,101,603	\$ 3,679,478
Earnings on investments	279,907	248,336	31,571
Miscellaneous revenue	18,894	100,000	(81,106)
Transfers	219,919	219,919	-
Total Revenues	<u>8,299,801</u>	<u>4,669,858</u>	<u>3,629,943</u>
EXPENDITURES			
Programs			
Capital Outlay	2,092,909	4,911,262	2,818,353
Other	27,772	27,773	1
Other Purchased Services	128,182	155,135	26,953
Personnel Costs	163,164	202,094	38,930
Purchased Prof & Tech Services	31,820	93,750	61,930
Purchased Property Services	34,855	77,700	42,845
Supplies	831	5,950	5,119
Transfers	304,052	4,805,328	4,501,276
Total Expenditures	<u>2,783,585</u>	<u>10,278,992</u>	<u>7,495,407</u>
Excess (deficiency) of revenues over (under) expenditures	5,516,216	<u>\$ (5,609,134)</u>	<u>\$ 11,125,350</u>
Fund Balances--January 1	<u>19,612,702</u>		
Fund Balances--December 31	<u>\$ 25,128,918</u>		

TRANSPORTATION SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 379,807	\$ 231,474	\$ 148,333
Fees and charges for services	5,184,881	4,096,830	1,088,051
Intergovernmental	8,437,977	8,156,489	281,488
Licenses and permits	312,127	217,500	94,627
Miscellaneous revenue	151,335	52,500	98,835
Proceeds from issuance of long-term debt	231,910	-	231,910
Taxes	8,178,557	8,230,100	(51,543)
Transfers	3,594,171	3,594,171	-
Projects			
Intergovernmental	1,240,122	1,280,361	(40,239)
Miscellaneous revenue	3,000	3,000	-
Total Revenues	<u>27,713,887</u>	<u>25,862,425</u>	<u>1,851,462</u>
EXPENDITURES			
Programs (fund level of budgetary control)			
Engineering	2,489,514	2,711,659	222,145
FC Moves	566,099	646,951	80,852
PDT Administration	1,885,663	3,177,586	1,291,923
Streets	19,436,910	18,006,875	(1,430,035)
Traffic	4,191,403	4,296,523	105,120
Projects (project level of budgetary control)			
FC Moves	1,015,003	1,034,991	19,988
Traffic Signal System Software	432,052	528,370	96,318
Total Expenditures	<u>30,016,644</u>	<u>30,402,955</u>	<u>386,311</u>
Excess of revenues over (under) expenditures	(2,302,757)	<u>\$ (4,540,530)</u>	<u>\$ 2,237,773</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	1,143,256		
Prior Years' Project Revenues	<u>(1,014,717)</u>		
Total Reconciling Items	<u>128,539</u>		
Net Change in Fund Balances	(2,174,218)		
Fund Balances--January 1	<u>17,550,770</u>		
Fund Balances--December 31	<u>\$ 15,376,552</u>		

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

PARKING SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 19,937	\$ 8,014	\$ 11,923
Fees and charges for services	2,611,588	2,180,000	431,588
Intergovernmental	22,967	60,000	(37,033)
Miscellaneous revenue	42,232	61,000	(18,768)
Transfers	58,685	65,000	(6,315)
Total Revenues	<u>2,755,409</u>	<u>2,374,014</u>	<u>381,395</u>
EXPENDITURES			
Programs			
Parking Services	1,065,341	948,765	(116,576)
Civic Center Parking Structure	922,888	1,082,976	160,088
Old Town Parking Structure	465,710	497,448	31,738
On-Street Pay Parking	-	10,800	10,800
Harmony Park & Ride	13,793	60,000	46,207
Jefferson St Parking Structure	8,595	151,000	142,405
Total Expenditures	<u>2,476,327</u>	<u>2,750,989</u>	<u>274,662</u>
Excess (deficiency) of revenues over (under) expenditures	279,082	<u>\$ (376,975)</u>	<u>\$ 656,057</u>
Fund Balances--January 1	<u>1,516,953</u>		
Fund Balances--December 31	<u>\$ 1,796,035</u>		

GENERAL IMPROVEMENT DISTRICT NO. 1 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 7,067	\$ 4,693	\$ 2,374
Intergovernmental	47,787	36,000	11,787
Miscellaneous revenue	1,615	-	1,615
Taxes	288,646	302,000	(13,354)
Total Revenues	<u>345,115</u>	<u>342,693</u>	<u>2,422</u>
EXPENDITURES			
Programs			
Construction Services	18,180	25,000	6,820
Internal Admin Services	36	107	71
Other Prof & Tech Services	102	6,000	5,898
Professional & Technical	5,786	11,500	5,714
Rebates & Incentives	28,470	23,000	(5,470)
Transfers to Funds	55,000	90,000	35,000
Utility Services	2,372	2,500	128
Total Expenditures	<u>109,946</u>	<u>158,107</u>	<u>48,161</u>
Excess (deficiency) of revenues over (under) expenditures	235,169	<u>\$ 184,586</u>	<u>\$ 50,583</u>
Fund Balances--January 1	<u>601,584</u>		
Fund Balances--December 31	<u>\$ 836,753</u>		

GENERAL IMPROVEMENT DISTRICT NO. 15 - SKYVIEW FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 1,908	\$ 1,515	\$ 393
Intergovernmental	2,902	2,100	802
Taxes	29,182	29,700	(518)
Total Revenues	<u>33,992</u>	<u>33,315</u>	<u>677</u>
EXPENDITURES			
Programs			
Professional & Technical	<u>584</u>	<u>1,000</u>	<u>416</u>
Total Expenditures	<u>584</u>	<u>1,000</u>	<u>416</u>
Excess (deficiency) of revenues over (under) expenditures	33,408	<u>\$ 32,315</u>	<u>\$ 1,093</u>
Fund Balances--January 1	<u>153,259</u>		
Fund Balances--December 31	<u>\$ 186,667</u>		

TIMBERLINE/PROSPECT SID #94

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Earnings on investments	\$ 3,158	\$ 1,675	\$ 1,483
Miscellaneous revenue	7,054	43,500	(36,446)
Total Revenues	<u>10,212</u>	<u>45,175</u>	<u>(34,963)</u>
EXPENDITURES			
Programs			
Other	76,241	42,000	(34,241)
Transfers	84,108	74,000	(10,108)
Total Expenditures	<u>160,349</u>	<u>116,000</u>	<u>(44,349)</u>
Excess (deficiency) of revenues over (under) expenditures	(150,137)	<u>\$ (70,825)</u>	<u>\$ (79,312)</u>
Fund Balances--January 1	<u>150,137</u>		
Fund Balances--December 31	<u>\$ -</u>		

FORT COLLINS LEASING CORPORATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Miscellaneous revenue	\$ 59,702	\$ -	\$ 59,702
Transfers	4,570,753	4,629,978	(59,225)
Total Revenues	<u>4,630,455</u>	<u>4,629,978</u>	<u>477</u>
EXPENDITURES			
Programs			
Debt Service	4,626,155	4,626,478	323
Other Prof & Tech Services	3,300	3,500	200
Professional & Technical	1,000	-	(1,000)
Total Expenditures	<u>4,630,455</u>	<u>4,629,978</u>	<u>(477)</u>
Excess (deficiency) of revenues over (under) expenditures	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balances--January 1	<u>-</u>		
Fund Balances--December 31	<u>\$ -</u>		

NEIGHBORHOOD PARKLAND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Fees and charges for services	\$ 560,655	\$ -	\$ 560,655
Projects			
Earnings on investments	2,339,622	2,445,915	(106,293)
Fees and charges for services	17,059,540	17,833,096	(773,556)
Intergovernmental	205,691	237,197	(31,506)
Miscellaneous revenue	153,813	144,954	8,859
Transfers	122,707	422,707	(300,000)
Total Revenues	<u>20,442,028</u>	<u>21,083,869</u>	<u>(641,841)</u>
EXPENDITURES			
Programs			
Parkland & Administration Cost	560,653	685,550	124,897
Projects			
Avery Park Improvements	249,171	270,364	21,193
English Ranch Community Garden	39,566	39,566	-
Lake Canal Neighborhood Park	5,286	5,300	14
Lee Martinez Park Addition	466,596	839,462	372,866
Maple Hill Park	1,826,658	2,681,061	854,403
New Park Site Development	2,033,704	2,926,914	893,210
New Site Acquisition	2,832,017	3,050,945	218,928
Romero	5,789	150,000	144,211
Side Hill Neighborhood Park	8,500	416,096	407,596
Trailhead Park	399,546	1,952,000	1,552,454
Radiant Neighborhood Park	2,053,980	2,233,820	179,840
Waters Way Repairs	49,871	56,996	7,125
9-11 Memorial Project	12,718	20,000	7,282
Impact Fee Analysis	41,908	60,532	18,624
Eastridge Park	1,580	10,000	8,420
Maple Hill Water Delivery	744,885	1,400,000	655,115
Streets Facility Park	3,673	500,000	496,327
Whitewater Neighborhood Park	42,814	200,000	157,186
Avery Pk Restroom ADA Upgrade	67,046	69,880	2,834
Total Expenditures	<u>11,445,961</u>	<u>17,568,486</u>	<u>6,122,525</u>
Excess (deficiency) of revenues over (under) expenditures	8,996,067	<u>\$ 3,515,383</u>	<u>\$ 5,480,684</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	8,316,565		
Prior Years' Project Revenues	<u>(17,803,520)</u>		
Total Reconciling Items	<u>(9,486,955)</u>		
Net Change in Fund Balances	(490,888)		
Fund Balances--January 1	<u>10,160,268</u>		
Fund Balances--December 31	<u>\$ 9,669,380</u>		

CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Intergovernmental	\$ 219,919	\$ -	\$ 219,919
Projects			
Earnings on investments	348,116	847,878	(499,762)
Intergovernmental	<u>18,939,110</u>	<u>18,661,881</u>	<u>277,229</u>
Total Revenues	<u>19,507,145</u>	<u>19,509,759</u>	<u>(2,614)</u>
EXPENDITURES			
Programs			
Administration	219,918	224,293	4,375
Projects			
Fossil Creek Trail	5,307,190	5,380,866	73,676
Longview Corridor Trail	164,740	570,000	405,260
Trail Acquisition/Development	9,461,113	9,523,994	62,881
Trees Along the Trails	58,294	125,000	66,706
Fossil Creek Trail Underpass	1,082,212	1,123,253	41,041
Fossil Ck Trl-Shields/College	177,195	1,707,040	1,529,845
Front Range Trail	14,707	80,000	65,293
East Ridge Cost Share	-	50,000	50,000
FC Trl/FC Dr to CF Prairie	<u>1,056</u>	<u>-</u>	<u>(1,056)</u>
Total Expenditures	<u>16,486,425</u>	<u>18,784,446</u>	<u>2,298,021</u>
Excess (deficiency) of revenues over (under) expenditures	3,020,720	<u>\$ 725,313</u>	<u>\$ 2,295,407</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	15,367,770		
Prior Years' Project Revenues	<u>(17,879,822)</u>		
Total Reconciling Items	<u>(2,512,052)</u>		
Net Change in Fund Balances	508,668		
Fund Balances--January 1	<u>2,504,410</u>		
Fund Balances--December 31	<u>\$ 3,013,078</u>		

**GENERAL FUND
COMBINING SCHEDULES**

General Fund Components

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

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

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

**GENERAL FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	<u>General Fund</u>	<u>Museum</u>	<u>Emergency Recovery</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS					
Cash and cash equivalents	\$ 11,719,640	\$ 137,549	\$ -	\$ -	\$ 11,857,189
Investments	47,458,984	807,232	-	-	48,266,216
Receivables					
Property taxes	23,837,669	-	-	-	23,837,669
Sales and use taxes	8,734,644	-	-	-	8,734,644
Accounts, net	939,121	-	-	-	939,121
Interest	177,163	2,815	-	-	179,978
Due from other funds	786,132	-	-	-	786,132
Advances to other funds	4,882,399	-	-	-	4,882,399
Inventory of real property held for resale	1,477,894	-	-	-	1,477,894
Total Assets	<u>100,013,646</u>	<u>947,596</u>	<u>-</u>	<u>-</u>	<u>100,961,242</u>
LIABILITIES					
Accounts payable, accruals, and other	3,579,839	30,516	-	-	3,610,355
Wages payable	2,334,164	31,054	-	-	2,365,218
Due to other governments	107,692	-	-	-	107,692
Deposits held	20,000	-	-	-	20,000
Total Liabilities	<u>6,041,695</u>	<u>61,570</u>	<u>-</u>	<u>-</u>	<u>6,103,265</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	23,837,669	-	-	-	23,837,669
Unavailable revenue - grants	280,391	-	-	-	280,391
Total Deferred inflows of resources	<u>24,118,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,118,060</u>
FUND BALANCES (DEFICIT)					
Nonspendable	6,485,293	-	-	-	6,485,293
Restricted	12,050,803	-	-	-	12,050,803
Committed	375,452	-	-	-	375,452
Assigned	17,023,027	886,026	-	-	17,909,053
Unassigned	33,919,316	-	-	-	33,919,316
Total Fund Balances (Deficit)	<u>69,853,891</u>	<u>886,026</u>	<u>-</u>	<u>-</u>	<u>70,739,917</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 100,013,646</u>	<u>\$ 947,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,961,242</u>

GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Museum	Emergency Recovery	Eliminations	Consolidated
REVENUES					
Taxes	\$ 109,330,572	\$ -	\$ -	\$ -	\$ 109,330,572
Licenses and permits	3,809,880	-	-	-	3,809,880
Intergovernmental	14,052,239	-	-	-	14,052,239
Fees and charges for services	9,506,463	-	-	-	9,506,463
Fines and forfeitures	2,033,894	-	-	-	2,033,894
Earnings on investments	1,147,269	12,659	-	-	1,159,928
Miscellaneous revenue	1,424,488	17	-	-	1,424,505
Total Revenues	<u>141,304,805</u>	<u>12,676</u>	<u>-</u>	<u>-</u>	<u>141,317,481</u>
EXPENDITURES					
Current operating					
Police services	36,927,099	-	-	-	36,927,099
Financial services	4,360,932	-	-	-	4,360,932
Community and operation	11,463,307	1,022,681	-	-	12,485,988
Planning, development and transportation	8,856,489	-	-	-	8,856,489
Executive, legislative, and judicial	6,815,336	-	-	-	6,815,336
Employee and communications	17,298,851	-	-	-	17,298,851
Sustainability services	6,727,816	-	-	-	6,727,816
Other	1,695,009	-	-	-	1,695,009
Intergovernmental					
Fire protection	24,012,449	-	-	-	24,012,449
Capital outlay	4,022,277	-	-	-	4,022,277
Debt service					
Interest and debt service costs	497	-	-	-	497
Total Expenditures	<u>122,180,062</u>	<u>1,022,681</u>	<u>-</u>	<u>-</u>	<u>123,202,743</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>19,124,743</u>	<u>(1,010,005)</u>	<u>-</u>	<u>-</u>	<u>18,114,738</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,329,931	1,006,179	476,908	(1,134,607)	1,678,411
Transfers out	(27,102,100)	-	-	1,134,607	(25,967,493)
Sale of capital assets	1,539,481	-	-	-	1,539,481
Total Other Financing Sources (Uses)	<u>(24,232,688)</u>	<u>1,006,179</u>	<u>476,908</u>	<u>-</u>	<u>(22,749,601)</u>
Net Changes in Fund Balances (Deficit)	(5,107,945)	(3,826)	476,908	-	(4,634,863)
Fund Balances (Deficit)-January 1	74,961,836	889,852	(476,908)	-	75,374,780
Fund Balances (Deficit)-December 31	<u>\$ 69,853,891</u>	<u>\$ 886,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,739,917</u>

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Taxes	\$ 109,330,572	\$ 114,394,906	\$ 110,194,564	\$ (863,992)
Licenses and permits	3,809,880	3,592,509	3,592,509	217,371
Intergovernmental	13,085,276	13,936,752	13,936,752	(851,476)
Fees and charges for services	9,506,463	9,240,938	9,657,610	(151,147)
Fines and forfeitures	2,033,894	2,127,000	2,127,000	(93,106)
Earnings on investments	1,147,269	1,124,914	1,124,914	22,355
Miscellaneous revenue	1,423,488	1,030,135	1,061,597	361,891
Sale of capital assets	899,312	-	9,779	889,533
Sale of assets held for resale	640,169	-	-	640,169
Transfers	1,329,931	627,874	1,354,823	(24,892)
Projects				
Intergovernmental	3,523,578	-	3,885,545	(361,967)
Miscellaneous revenue	278,333	-	300,760	(22,427)
Total Revenues	<u>147,008,165</u>	<u>146,075,028</u>	<u>147,245,853</u>	<u>(237,688)</u>
EXPENDITURES				
Programs (fund level of budgetary control)				
Community Services	12,237,847	12,444,538	13,682,179	1,444,332
Employee and communications	23,152,082	24,369,661	25,948,630	2,796,548
Executive, legislative, and judicial	6,739,941	6,579,829	6,948,388	208,447
Financial services	4,360,932	4,652,418	4,734,954	374,022
Fire protection	24,012,449	24,012,449	24,012,449	-
Other	23,387,444	23,109,128	23,361,551	(25,893)
Planning, development and transportation	9,895,314	10,888,472	11,312,685	1,417,371
Police services	38,207,102	41,194,534	42,603,253	4,396,151
Sustainability services	6,300,022	4,747,561	8,117,312	1,817,290
Projects (project level of budgetary control)				
Employee and communications	-	-	20,000	20,000
Executive, legislative, and judicial	373,015	-	438,820	65,805
Planning, development and transportation	392,803	-	477,201	84,398
Police services	2,164,686	-	3,005,709	841,023
Sustainability services	1,141,395	-	1,488,267	346,872
Community Services	289,158	-	295,760	6,602
Total Expenditures	<u>152,654,190</u>	<u>151,998,590</u>	<u>166,447,158</u>	<u>13,792,968</u>
Excess (deficiency) of revenues over (under) expenditures	(5,646,025)	<u>\$ (5,923,562)</u>	<u>\$ (19,201,305)</u>	<u>\$ 13,555,280</u>
RECONCILIATION TO GAAP BASIS				
Prior Years' Project Expenses	3,372,028			
Prior Years' Project Revenues	<u>(2,833,948)</u>			
Total Reconciling Items	<u>538,080</u>			
Net Change in Fund Balances	(5,107,945)			
Fund Balances--January 1	<u>74,961,836</u>			
Fund Balances--December 31	<u>\$ 69,853,891</u>			

MUSEUM FUND (A SUB-FUND OF THE GENERAL FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 12,659	\$ 12,075	\$ 584
Miscellaneous revenue	17	50,000	(49,983)
Transfers	1,006,179	1,006,179	-
Projects			
Intergovernmental	127,680	138,933	(11,253)
Total Revenues	<u>1,146,535</u>	<u>1,207,187</u>	<u>(60,652)</u>
EXPENDITURES			
Programs (fund level of budgetary control)			
Capital Outlay	-	300,000	300,000
Other	-	18,070	18,070
Other Purchased Services	116,079	117,204	1,125
Personnel Costs	780,615	833,793	53,178
Purchased Prof & Tech Services	63,153	10,000	(53,153)
Purchased Property Services	12,284	21,635	9,351
Supplies	50,550	78,550	28,000
Projects (project level of budgetary control)			
IMLS High Park Fire	126,904	138,933	12,029
Total Expenditures	<u>1,149,585</u>	<u>1,518,185</u>	<u>368,600</u>
Excess (deficiency) of revenues over (under) expenditures	(3,050)	<u>\$ (310,998)</u>	<u>\$ 307,948</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	126,904		
Prior Years' Project Revenues	<u>(127,680)</u>		
Total Reconciling Items	<u>(776)</u>		
Net Change in Fund Balances	(3,826)		
Fund Balances--January 1	<u>889,852</u>		
Fund Balances--December 31	<u>\$ 886,026</u>		

EMERGENCY RECOVERY FUND (A SUB-FUND OF THE GENERAL FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Transfers	\$ 476,908	\$ -	\$ 476,908
Projects			-
Transfers	496,160	2,500,000	(2,003,840)
Intergovernmental	135,066	1,497,918	(1,362,852)
Miscellaneous	66,339	6,233	60,106
Total Revenues	<u>1,174,473</u>	<u>4,004,151</u>	<u>(2,829,678)</u>
EXPENDITURES			
Projects (project level of budgetary control)			
Other	<u>1,815,429</u>	<u>5,621,841</u>	<u>3,806,412</u>
Total Expenditures	<u>1,815,429</u>	<u>5,621,841</u>	<u>3,806,412</u>
Excess (deficiency) of revenues over (under) expenditures	(640,956)	<u>\$ (1,617,690)</u>	<u>\$ 976,734</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	1,815,429		
Prior Years' Project Revenues	<u>(697,565)</u>		
Total Reconciling Items	<u>1,117,864</u>		
Net Change in Fund Balances	476,908		
Fund Balances--January 1	<u>(476,908)</u>		
Fund Balances--December 31	<u>\$ -</u>		

**URBAN RENEWAL AUTHORITY
COMBINING SCHEDULES**

URA Components

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

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

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

**URBAN RENEWAL AUTHORITY FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	North College	Prospect South	Foothills Mall	Consolidated
ASSETS				
Cash and cash equivalents	\$ 88,741	\$ 41,103	\$ 75,002	\$ 204,846
Investments	509,138	228,706	447,262	1,185,106
Receivables				
Property taxes	1,835,225	528,599	2,891,707	5,255,531
Interest	1,815	1,642	22	3,479
Restricted - cash and cash equivalents	953,644	-	-	953,644
Total Assets	<u>3,388,563</u>	<u>800,050</u>	<u>3,413,993</u>	<u>7,602,606</u>
LIABILITIES				
Accounts payable, accruals, and other	14,587	-	507,003	521,590
Wages payable	4,859	-	-	4,859
Advance from other funds	2,035,211	4,882,399	-	6,917,610
Total Liabilities	<u>2,054,657</u>	<u>4,882,399</u>	<u>507,003</u>	<u>7,444,059</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,835,225	528,599	2,891,707	5,255,531
Total Deferred inflows of resources	<u>1,835,225</u>	<u>528,599</u>	<u>2,891,707</u>	<u>5,255,531</u>
FUND BALANCES (DEFICIT)				
Restricted	953,644	-	15,283	968,927
Unassigned	(1,454,963)	(4,610,948)	-	(6,065,911)
Total Fund Balances (Deficit)	<u>(501,319)</u>	<u>(4,610,948)</u>	<u>15,283</u>	<u>(5,096,984)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 3,388,563</u>	<u>\$ 800,050</u>	<u>\$ 3,413,993</u>	<u>\$ 7,602,606</u>

URBAN RENEWAL AUTHORITY FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2017

	North College	Prospect South	Foothills Mall	Consolidated
REVENUES				
Taxes	\$ 1,689,687	\$ 480,883	\$ 1,451,478	\$ 3,622,048
Earnings (loss) on investments	20,537	3,743	(56)	24,224
Total Revenues	<u>1,710,224</u>	<u>484,626</u>	<u>1,451,422</u>	<u>3,646,272</u>
EXPENDITURES				
Current operating				
Sustainability services	3,068,793	21,380	1,433,158	4,523,331
Debt service				
Principal	575,000	-	-	575,000
Interest and debt service costs	455,843	242,476	-	698,319
Total Expenditures	<u>4,099,636</u>	<u>263,856</u>	<u>1,433,158</u>	<u>5,796,650</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,389,412)</u>	<u>220,770</u>	<u>18,264</u>	<u>(2,150,378)</u>
Net Changes in Fund Balances (Deficit)	(2,389,412)	220,770	18,264	(2,150,378)
Fund Balances (Deficit)-January 1	1,888,093	(4,831,718)	(2,981)	(2,946,606)
Fund Balances (Deficit)-December 31	<u>\$ (501,319)</u>	<u>\$ (4,610,948)</u>	<u>\$ 15,283</u>	<u>\$ (5,096,984)</u>

URBAN RENEWAL AUTHORITY - NORTH COLLEGE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Taxes	\$ 1,689,687	\$ 1,462,412	\$ 1,462,412	\$ 227,275
Earnings (loss) on investments	20,537	89,358	89,358	(68,821)
Proceeds from issuance of long-term debt	-	2,503,939	2,503,939	-
Total Revenues	<u>1,710,224</u>	<u>4,055,709</u>	<u>4,055,709</u>	<u>158,454</u>
EXPENDITURES				
Programs (fund level of budgetary control)				
Debt & Other Uses	1,030,843	3,580,600	3,580,600	2,549,757
Other Purchased Services	16,010	8,883	8,883	(7,127)
Personnel Costs	127,173	110,022	110,022	(17,151)
Purchased Prof & Tech Services	125,022	167,598	167,598	42,576
Purchased Property Services	2,800,041	-	-	(2,800,041)
Supplies	547	1,000	1,000	453
Total Expenditures	<u>4,099,636</u>	<u>3,868,103</u>	<u>3,868,103</u>	<u>(231,533)</u>
Excess (deficiency) of revenues over (under) expenditures	(2,389,412)	<u>\$ 187,606</u>	<u>\$ 187,606</u>	<u>\$ (73,079)</u>
Fund Balances--January 1	<u>1,888,093</u>			
Fund Balances--December 31	<u>\$ (501,319)</u>			

URBAN RENEWAL AUTHORITY - PROSPECT SOUTH TIF DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Taxes	\$ 480,883	\$ 449,860	\$ 449,860	\$ 31,023
Earnings (loss) on investments	3,743	13,453	13,453	(9,710)
Total Revenues	<u>484,626</u>	<u>463,313</u>	<u>463,313</u>	<u>21,313</u>
EXPENDITURES				
Programs (fund level of budgetary control)				
Debt & Other Uses	395,063	369,551	369,551	(25,512)
Purchased Prof & Tech Services	9,618	11,497	11,497	1,879
Purchased Property Services	11,762	11,762	11,762	-
Total Expenditures	<u>416,443</u>	<u>392,810</u>	<u>392,810</u>	<u>(23,633)</u>
Excess (deficiency) of revenues over (under) expenditures	68,183	<u>\$ 70,503</u>	<u>\$ 70,503</u>	<u>\$ (2,320)</u>
RECONCILIATION TO GAAP BASIS				
Principal Reduction--Advances	<u>152,587</u>			
Net Change in Fund Balances	220,770			
Fund Balances (Deficit)--January 1	<u>(4,831,718)</u>			
Fund Balances (Deficit)--December 31	<u>\$ (4,610,948)</u>			

URBAN RENEWAL AUTHORITY - FOOTHILLS MALL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Taxes	\$ 1,451,478	\$ 4,078,120	\$ 4,078,120	\$ (2,626,642)
Earnings (loss) on investments	(56)	-	-	(56)
Total Revenues	<u>1,451,422</u>	<u>4,078,120</u>	<u>4,078,120</u>	<u>(2,626,698)</u>
EXPENDITURES				
Programs				
Purchased Prof & Tech Services	24,924	13,979	18,978	(5,946)
Purchased Property Services	<u>1,408,234</u>	<u>4,053,867</u>	<u>4,053,867</u>	<u>2,645,633</u>
Total Expenditures	<u>1,433,158</u>	<u>4,067,846</u>	<u>4,072,845</u>	<u>2,639,687</u>
Excess (deficiency) of revenues over (under) expenditures	18,264	<u>\$ 10,274</u>	<u>\$ 5,275</u>	<u>\$ 12,989</u>
Fund Balances (Deficit)--January 1	<u>(2,981)</u>			
Fund Balances (Deficit)--December 31	<u>\$ 15,283</u>			

**CAPITAL PROJECTS FUND
INDIVIDUAL FUND BUDGET SCHEDULE**

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

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CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Miscellaneous revenue	\$ 791	\$ -	\$ 791
Transfers	(3,313,540)	-	(3,313,540)
Projects			
Earnings on investments	6,168,801	6,389,031	(220,230)
Intergovernmental	92,070,156	101,253,683	(9,183,527)
Miscellaneous revenue	13,051,479	13,929,829	(878,350)
Proceeds from issuance of long-term debt	8,425,000	8,430,000	(5,000)
Transfers	84,736,034	102,773,385	(18,037,351)
Total Revenues	<u>201,138,721</u>	<u>232,775,928</u>	<u>(31,637,207)</u>
EXPENDITURES			
Programs			
Transfers	162,000	162,000	-
Projects			
Arthur Ditch M.P/Alt analysis	127,426	185,000	57,574
Block 32 redevelopment	320,579	439,000	118,421
BOB pedestrian plan/ADA improvement	1,083,923	1,083,947	24
BOB-intersection improvement and traffic sign	12,132,155	13,374,590	1,242,435
BOB-senior center expansion	6,796,848	6,802,533	5,685
City bridge program	3,469,618	4,057,144	587,526
Downtown Poudre river improvement	1,424,287	1,482,509	58,222
East community park	1,780,301	2,550,000	769,699
EPIC pool improvements	1,753,087	1,839,000	85,913
Gardens capital project	386,622	2,831,000	2,444,378
I-25 interchange design project	77,556	100,000	22,444
I-25/SH392 interchange	4,488,775	4,639,593	150,818
Integrated recycling facility	1,456,716	1,685,000	228,284
Lemay/Vine railroad crossing	558,684	2,694,723	2,136,039
Linden Street-Walnut/Jefferson	4,133	300,000	295,867
Mason Street transportation corridor	85,158,094	88,853,001	3,694,907
North College improvement-Conifer/Wilcox	11,700,239	13,997,690	2,297,451
NA office building	1,729,904	1,860,000	130,096
Northeast community park	7,000	2,060,000	2,053,000
Oak Street public restroom replacement	347,583	350,000	2,417
Pickle plant	18,524	75,364	56,840
Prospect/College intersection improvement	2,663,953	2,700,000	36,047
Railroad crossing replacement	614,391	1,119,903	505,512
Remington greenway implementation	435,561	450,000	14,439
Southeast community park	16,080,507	16,221,624	141,117
Traffic calming - capital	237,057	500,000	262,943
Trail acquisition/development-special funds	1,013,808	1,013,808	-
Water craft course	57,604	150,000	92,396

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CAPITAL PROJECTS FUND (Continued)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Actual	Final Budget	Variance
Willow Street river district enhancements	\$ 123,607	\$ 372,985	\$ 249,378
WW public improvements	6,306,782	6,801,080	494,298
CCIP pedestrian/ADA	1,980,029	2,000,000	19,971
BOB-park improvements	107,157	1,703,622	1,596,465
Fossil Creek trail-College/Shields	1,000,000	1,000,000	-
Expansion of shop	187,200	1,620,000	1,432,800
Sharp point connection	66,033	1,250,000	1,183,967
CCIP arterial intersection improvement	421,469	5,700,000	5,278,531
CCIP bike/pedestrian crossing	52,170	1,500,000	1,447,830
Parking structure	8,424,503	8,430,000	5,497
BOB-Timberline Road improvement-Drake/Prospect	4,517,534	5,087,102	569,568
Lincoln Avenue improvement-First/Lemay	6,381,675	7,056,397	674,722
BOB-bicycle plan implementation	352,897	355,498	2,601
CCIP City Park train	3,500	350,000	346,500
CCIP Club Tico renovation	242,014	250,000	7,986
CCIP Poudre river downtown project	154,333	6,332,456	6,178,123
Grandview mausoleum section 2	16,243	50,000	33,757
CCIP nature in the city	154,794	390,111	235,317
CCIP bus stop improvements	173,462	200,000	26,538
CCIP bicycle infrastructure improvement	486,124	650,000	163,876
CCIP Lincoln Avenue bridge	5,153,059	5,541,000	387,941
Suniga Improvements-College/Blondel	102,669	300,000	197,331
Riverside bridge replacement	364,509	2,456,223	2,091,714
Railroad Riverside corridor implementation	584	-	(584)
Willow Street improvements	(1)	-	1
Total Expenditures	<u>192,859,281</u>	<u>232,973,903</u>	<u>40,114,622</u>
Excess (deficiency) of revenues over (under) expenditures	8,279,440	<u>\$ (197,975)</u>	<u>\$ 8,477,415</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	158,700,811		
Prior Years' Project Revenues	<u>(169,288,222)</u>		
Total Reconciling Items	<u>(10,587,411)</u>		
Net Change in Fund Balances	(2,307,971)		
Fund Balances--January 1	<u>19,928,828</u>		
Fund Balances--December 31	<u>\$ 17,620,857</u>		

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ENTERPRISE FUNDS
INDIVIDUAL FUND BUDGET SCHEDULES

Light and Power -- to account for operation of the City's electric utility.

Water -- to account for the operation of the City's water utility.

Wastewater -- to account for the operation of the City's wastewater utility.

Storm Drainage -- to account for the City's storm drainage utility.

Golf -- to account for operations of all City golf courses.

LIGHT AND POWER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 522,721	\$ 653,323	\$ (130,602)
Fees and charges for services	128,730,192	129,990,000	(1,259,808)
Intergovernmental	225,524	220,000	5,524
Miscellaneous revenue	7,510,766	4,340,000	3,170,766
Sale of Capital Assets	116,551	-	116,551
Projects			
Intergovernmental	18,101,263	18,101,264	(1)
Miscellaneous revenue	594,575	748,982	(154,407)
Proceeds from issuance of long-term debt	16,500,000	17,000,000	(500,000)
Total Revenues	<u>172,301,592</u>	<u>171,053,569</u>	<u>1,248,023</u>
EXPENSES			
Programs (fund level of budgetary control)			
L&P Energy Services	5,126,556	6,534,492	1,407,936
L&P Payments and Transfers	17,259,533	17,917,664	658,131
L&P Purchase of Power	92,892,983	95,340,052	2,447,069
L&P System Additions	6,633,601	6,368,507	(265,094)
Light & Power Operations	10,034,801	10,390,802	356,001
Projects (project level of budgetary control)			
Art in Public Places	520,279	1,029,280	509,001
Service Center-L&P Parent	13,724,010	13,610,372	(113,638)
Smart Grid Invest Grant	26,527,241	27,314,576	787,335
Substation Cap Proj	1,631,343	2,569,977	938,634
SW Enclave Sys Purchases	2,810	1,442,688	1,439,878
Underground Conversion	1,345,193	1,707,471	362,278
New Capacity-Duct Banks	4,085,829	4,012,394	(73,435)
Substation Cap Prj - Parent	-	877,952	877,952
New Capacity - Circuits	1,500,598	2,028,098	527,500
Dist. System Impr. & Replace	896,747	1,767,000	870,253
Operational Technology	235,404	2,490,000	2,254,596
CMMS--Maintenance Management	644,129	644,129	-
800 MHz Radio System	648,325	648,325	-
Integrated Util Services Grant	79,887	125,000	45,113
Total Expenses	<u>183,789,269</u>	<u>196,818,779</u>	<u>13,029,510</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(11,487,677)	<u>\$ (25,765,210)</u>	<u>\$ 14,277,533</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	42,876,125		
Prior Years' Project Revenues	(35,195,838)		
Capital Outlay--Programs	15,458,501		
Current Year's Project Expenses	409,065		
Principal Reduction--Long-term Debt	1,733,265		
Depreciation	(10,325,278)		
Bond Amortization	60,808		
Total Reconciling Items	<u>15,016,648</u>		
Change in net position	3,528,971		
Net Position--January 1 (as restated)	<u>202,950,792</u>		
Net Position--December 31	<u>\$ 206,479,763</u>		

WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Actual	Final Budget	Variance
REVENUES			
Programs			
Earnings on investments	\$ 786,963	\$ 927,902	\$ (140,939)
Fees and charges for services	30,772,056	27,979,613	2,792,443
Miscellaneous revenue	11,245,937	5,030,000	6,215,937
Proceeds from advances	1,710,310	1,251,970	458,340
Projects			
Fees and charges for services	111,842	-	111,842
Miscellaneous revenue	108,000	450,000	(342,000)
Transfers	390,491	390,491	-
Total Revenues	<u>45,125,599</u>	<u>36,029,976</u>	<u>9,095,623</u>
EXPENSES			
Programs (fund level of budgetary control)			
Water Meter Operations	538,689	767,019	228,330
Water Minor Capital	162,380	2,100,464	1,938,084
Water Payments and Transfers	10,037,589	11,139,829	1,102,240
Water Production	4,054,010	5,614,190	1,560,180
Water Quality	1,058,798	1,149,631	90,833
Water Resources	2,858,476	3,107,351	248,875
Water Trans & Distribution	3,113,955	3,101,536	(12,419)
Projects (project level of budgetary control)			
800MHz Radios	512,525	512,610	85
Art in Public Places	379,051	1,337,452	958,401
CMMS--Maintenance Management	741,924	867,629	125,705
Distribution Sys Replcmnts	2,689,570	4,997,563	2,307,993
Gravel Pit Storage Ponds	11,409,255	11,569,369	160,114
Halligan Res Enlargement Proj	17,388,709	37,377,446	19,988,737
High Park Fire	-	342,688	342,688
Treatment Facility Improv	324,069	699,989	375,920
Water Meter Replace & Rehab	1,204,796	3,020,509	1,815,713
Water Prod Replcmnt Prgm	11,168,235	13,691,291	2,523,056
Water Supply Development	454,166	1,518,729	1,064,563
Wtr Cathodic Protection	235,688	312,663	76,975
Wtr Svc Ctr Improvements	6,203,708	6,410,010	206,302
Hoffman Mill Property Purchase	121,941	125,000	3,059
Chlorine Contact Basin	9,625,691	10,720,000	1,094,309
Watershed Protection	-	80,000	80,000
2017-Water Quality Lab Rehab	61,160	1,300,000	1,238,840
2017-Water Quality Master Plan	97,936	110,000	12,064
2017-Undergmd Elec Pow Supply	4,618	650,000	645,382
2017-Poudre Canyon Water Line	698,255	800,000	101,745
2017-Azalea Water Replace	400,401	450,000	49,599
PARENT-Distro Small Projects	-	565,000	565,000
Total Expenses	<u>85,545,595</u>	<u>124,437,968</u>	<u>38,892,373</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(40,419,996)	<u>\$ (88,407,992)</u>	<u>\$ 47,987,996</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	51,391,492		
Prior Years' Project Revenues	(610,333)		
Capital Outlay--Programs	11,147,631		
Current Year's Project Expenses	1,177,295		
Principal Reduction--Long-term Debt	2,743,165		
Proceeds From Advances	(1,634,364)		
Depreciation	(6,955,095)		
Bond Amortization	(24,573)		
Total Reconciling Items	<u>57,235,218</u>		
Change in net position	16,815,222		
Net Position--January 1 (as restated)	<u>298,806,406</u>		
Net Position--December 31	<u>\$ 315,621,628</u>		

WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Fees and charges for services	\$ 23,949,484	\$ 22,260,000	\$ 1,689,484
Fines and forfeitures	800	-	800
Earnings on investments	552,614	520,507	32,107
Miscellaneous revenue	4,027,354	1,670,000	2,357,354
Sale of Capital Assets	10,835	-	10,835
Projects			
Intergovernmental	1,782,146	1,163,044	619,102
Total Revenues	<u>30,323,233</u>	<u>25,613,551</u>	<u>4,709,682</u>
EXPENSES			
Programs (fund level of budgetary control)			
WW Minor Capital	847,451	1,045,135	197,684
WW Payments and Transfers	8,062,819	8,946,688	883,869
WW Trunk and Collection	2,027,771	1,963,347	(64,424)
WW Water Quality	1,148,774	1,308,467	159,693
WW Water Reclamation	5,595,347	5,874,920	279,573
Projects (project level of budgetary control)			
800MHz Radios	240,920	240,920	-
Art in Public Places	280,707	823,545	542,838
CMMS--Maintenance Management	694,136	826,880	132,744
DWRF CIP Summary	1,502,061	5,427,497	3,925,436
MWRF Improvements	487,410	498,664	11,254
North College Sewer	555,778	729,256	173,478
Sludge Disposal Improv	394,139	759,885	365,746
Wtr Reclam Replcmnt Prgm	1,396,446	2,453,653	1,057,207
WW Collection Sys Replcmnt	5,378,844	6,714,488	1,335,644
WW Svc Ctr Improvements	3,314,058	3,668,741	354,683
Hoffman Mill Property Purchase	73,262	75,000	1,738
UV Disinfection System	5,438,404	5,900,000	461,596
2017-Dewatering Improvements	596,133	2,135,000	1,538,867
2017-Polut Control Master Plan	94,006	100,000	5,994
2017-Sludge Strain Press	207,922	720,000	512,078
2017-Inflow/Infiltration Study	-	200,000	200,000
2017-Water Rec&Bio Master Plan	360,133	500,000	139,867
Total Expenses	<u>38,696,521</u>	<u>50,912,086</u>	<u>12,215,565</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(8,373,288)	<u>\$ (25,298,535)</u>	<u>\$ 16,925,247</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	10,178,475		
Prior Years' Project Revenues	(1,238,479)		
Capital Outlay--Programs	433,551		
Current Year's Project Expenses	10,835,882		
Principal Reduction--Long-term Debt	1,830,000		
Depreciation	(5,940,856)		
Bond Amortization	161,103		
Total Reconciling Items	<u>16,259,676</u>		
Change in net position	7,886,388		
Net Position--January 1 (as restated)	<u>170,722,746</u>		
Net Position--December 31	<u>\$ 178,609,134</u>		

STORM DRAINAGE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 328,330	\$ 350,414	\$ (22,084)
Fees and charges for services	16,755,272	16,210,000	545,272
Licenses and permits	27,100	-	27,100
Miscellaneous revenue	1,110,325	1,023,262	87,063
Proceeds from issuance of long-term debt	24,326	-	24,326
Transfers	2,556	2,556	-
Projects			
Intergovernmental	4,454,470	5,752,574	(1,298,104)
Total Revenues	<u>22,702,379</u>	<u>23,338,806</u>	<u>(636,427)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Stormwater Minor Capital	284,314	413,912	129,598
Stormwater Operations	3,483,726	3,559,686	75,960
SW Payments and Transfers	7,696,867	8,291,024	594,157
Projects (project level of budgetary control)			
800 MHz Radio System	58,810	58,810	-
Art in Public Places	203,269	454,249	250,980
CMMS--Maintenance Management	504,901	826,879	321,978
Flood Mapping/Stream Gaging	665,393	700,990	35,597
Hoffman Mill Land Purchase	97,553	100,000	2,447
McClelland/Mail Crk Basin	5,000	68,267	63,267
Post Fire-Flood Warning Grant	18,184	23,841	5,657
Spring Crk Basin Improv	116,667	119,550	2,883
SW Basin Improvements	21,350,548	28,144,056	6,793,508
SW Developer Repays	608,918	688,944	80,026
SW Master Planning	2,044,836	2,160,208	115,372
Util Ser Cntr Add/Remodel	3,213,001	3,454,538	241,537
Stormwater Basin Improvements	-	194,647	194,647
2017-Buckingham & Lincoln Outfall	200,000	200,000	-
2017-Prospect & College SW	709,100	750,000	40,900
2017-Remington St Storm Sewer	71,626	100,000	28,374
2017-Magnolia St Outfall Ph 1	213,411	300,000	86,589
2017-McClelland Crk @ Twin Silo	442,789	450,000	7,211
Total Expenses	<u>41,988,913</u>	<u>51,059,601</u>	<u>9,070,688</u>
Excess (deficiency) of revenues over (under)			
expenses before reconciling items	(19,286,534)	<u>\$ (27,720,795)</u>	<u>\$ 8,434,261</u>
RECONCILIATION TO GAAP BASIS			
Prior Years' Project Expenses	21,761,313		
Prior Years' Project Revenues	(4,444,409)		
Capital Outlay--Programs	223,285		
Current Year's Project Expenses	7,744,497		
Principal Reduction--Long-term Debt	3,602,726		
Depreciation	(2,716,948)		
Bond Amortization	(68,315)		
Total Reconciling Items	<u>26,102,149</u>		
Change in net position	6,815,615		
Net Position--January 1 (as restated)	<u>128,190,105</u>		
Net Position--December 31	<u>\$ 135,005,720</u>		

GOLF FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Fees and charges for services	\$ 3,435,768	\$ 3,489,000	\$ (53,232)
Earnings (loss) on investments	16,090	16,710	(620)
Miscellaneous revenue	44,598	41,000	3,598
Proceeds from lease purchase	3,319	-	3,319
Total Revenues	<u>3,499,775</u>	<u>3,546,710</u>	<u>(46,935)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Capital Outlay	26,246	26,246	-
Debt and Other Uses	656,404	658,789	2,385
Other	-	18,450	18,450
Other Purchased Services	203,246	202,329	(917)
Personnel Costs	1,365,155	1,378,754	13,599
Purchased Prof and Tech Services	514,288	525,378	11,090
Purchased Property Services	316,060	316,258	198
Supplies	336,539	370,211	33,672
Transfers	61,078	61,078	-
Total Expenses	<u>3,479,016</u>	<u>3,557,493</u>	<u>78,477</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	20,759	<u>\$ (10,783)</u>	<u>\$ 31,542</u>
RECONCILIATION TO GAAP BASIS			
Current Year's Project Expenses	33,708		
Principal Reduction--Long-term Debt	616,067		
Depreciation	(328,330)		
Bond Amortization	3,096		
Total Reconciling Items	<u>324,541</u>		
Change in net position	345,300		
Net Position--January 1	<u>5,653,073</u>		
Net Position--December 31	<u>\$ 5,998,373</u>		

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

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

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

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

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

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

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	<u>Equipment</u>	<u>Self Insurance</u>	<u>Data and Communications</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 684,889	\$ 3,727,556	\$ 695,753
Investments	4,017,729	2,714,828	4,082,794
Receivables			
Accounts	171,880	-	14,274
Interest	14,088	9,520	14,210
Prepaid item	-	264,442	-
Inventories of materials and supplies	644,126	-	-
Total Current Assets	<u>5,532,712</u>	<u>6,716,346</u>	<u>4,807,031</u>
Non-Current Assets			
Restricted - cash and cash equivalents	1,600,860	-	-
Land, water rights, other	30,126	-	-
Buildings, improvements and equipment	17,929,026	-	4,336,268
Accumulated depreciation	(9,119,631)	-	(3,808,350)
Total Non-Current Assets	<u>10,440,381</u>	<u>-</u>	<u>527,918</u>
Total Assets	<u>15,973,093</u>	<u>6,716,346</u>	<u>5,334,949</u>
LIABILITIES			
Current Liabilities			
Accounts payable	352,456	24,985	343,904
Interest payable	23,569	-	630
Wages payable	114,972	35,780	194,168
Compensated absences	131,273	34,530	412,239
Claims payable	-	1,759,966	-
Capital lease obligations	2,864,462	-	178,073
Total Current Liabilities	<u>3,486,732</u>	<u>1,855,261</u>	<u>1,129,014</u>
Non-Current Liabilities			
Postemployment benefits	464,718	-	259,403
Claims payable	-	3,296,101	-
Capital lease obligations	5,341,730	-	78,589
Total Non-Current Liabilities	<u>5,806,448</u>	<u>3,296,101</u>	<u>337,992</u>
Total Liabilities	<u>9,293,180</u>	<u>5,151,362</u>	<u>1,467,006</u>
DEFERRED INFLOWS OF RESOURCES			
Other pension related items	82,109	-	45,833
NET POSITION			
Net investment in capital assets	3,197,654	-	813,028
Restricted: fiscal agent	1,600,860	-	-
Unrestricted	1,799,290	1,564,984	3,009,082
Total Net Position	<u>\$ 6,597,804</u>	<u>\$ 1,564,984</u>	<u>\$ 3,822,110</u>

		Utility Customer	
Benefits		Service and Admin.	Total
\$ 2,180,567	\$ 1,042,797	\$ 8,331,562	
9,270,278	2,387,205	22,472,834	
-			
19,305	5,188	210,647	
36,350	12,056	86,224	
-	-	264,442	
-	-	644,126	
11,506,500	3,447,246	32,009,835	
-	-	1,600,860	
-	-	30,126	
-	3,556,565	25,821,859	
-	(3,340,688)	(16,268,669)	
-	215,877	11,184,176	
11,506,500	3,663,123	43,194,011	
534,407	164,644	1,420,396	
-	-	24,199	
31,715	353,958	730,593	
40,417	353,168	971,627	
1,577,069	-	3,337,035	
-	-	3,042,535	
2,183,608	871,770	9,526,385	
81,746	1,068,478	1,874,345	
-	-	3,296,101	
-	-	5,420,319	
81,746	1,068,478	10,590,765	
2,265,354	1,940,248	20,117,150	
14,443	188,781	331,166	
-	215,877	4,226,559	
-	-	1,600,860	
9,226,703	1,318,217	16,918,276	
\$ 9,226,703	\$ 1,534,094	\$ 22,745,695	

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Equipment	Self Insurance	Data and Communications
OPERATING REVENUES			
Charges for services	\$ 8,785,401	\$ 3,382,460	\$ 2,136,593
Other revenue	3,104,545	41,575	8,816
Total Operating Revenues	11,889,946	3,424,035	2,145,409
OPERATING EXPENSES			
Personal services	3,177,083	922,130	5,007,079
Contractual services	2,391,201	3,772,562	3,279,360
Commodities	2,852,477	170,029	1,463,860
Other	903,755	-	90,285
Depreciation	1,562,062	-	147,182
Total Operating Expenses	10,886,578	4,864,721	9,987,766
Operating Income (Loss)	1,003,368	(1,440,686)	(7,842,357)
NONOPERATING REVENUES (EXPENSES)			
Earnings on investments	64,962	48,988	63,052
Intergovernmental	136,006	-	-
Gain (loss) on sale of capital assets	146,794	-	3,550
Interest expense	(192,585)	-	(6,518)
Total Nonoperating Revenues (Expenses)	155,177	48,988	60,084
Income (Loss) Before Transfers	1,158,545	(1,391,698)	(7,782,273)
Capital contributions	190,880	-	-
Assumption of capital lease	(2,414,547)	-	-
Transfers in	-	1,602,505	7,490,778
Transfers out	(56,088)	(202,632)	-
Change in Net Position	(1,121,210)	8,175	(291,495)
Net Position--January 1 as restated	7,719,014	1,556,809	4,113,605
Net Position--December 31	\$ 6,597,804	\$ 1,564,984	\$ 3,822,110

		Utility Customer	
Benefits	Service and Admin.	Total	
\$ 31,131,861	\$ 13,801,968	\$ 59,238,283	
40,412	1,348,694	4,544,042	
31,172,273	15,150,662	63,782,325	
824,675	9,419,926	19,350,893	
26,120,309	3,948,688	39,512,120	
34,049	417,131	4,937,546	
476	89,940	1,084,456	
-	73,146	1,782,390	
26,979,509	13,948,831	66,667,405	
4,192,764	1,201,831	(2,885,080)	
84,880	12,959	274,841	
-	6,137	142,143	
-	2,500	152,844	
-	-	(199,103)	
84,880	21,596	370,725	
4,277,644	1,223,427	(2,514,355)	
-	-	190,880	
-	-	(2,414,547)	
-	202,632	9,295,915	
-	(2,153,342)	(2,412,062)	
4,277,644	(727,283)	2,145,831	
4,949,059	2,261,377	20,599,864	
\$ 9,226,703	\$ 1,534,094	\$ 22,745,695	

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Equipment	Self Insurance	Data and Communications
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 8,613,521	\$ 3,628,032	\$ 2,153,379
Cash paid to employees for services	(3,155,574)	(908,712)	(4,933,061)
Cash paid to suppliers of goods and services	(6,138,809)	(3,431,940)	(4,595,948)
Other receipts	3,104,545	41,575	8,816
Net cash provided (used) by operating activities	2,423,683	(671,045)	(7,366,814)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	1,602,505	7,490,778
Transfers to other funds	(56,088)	(202,632)	-
Net cash provided (used) by noncapital financing activities	(56,088)	1,399,873	7,490,778
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	3,396,700	-	-
Capital contributions	190,880	-	-
Purchases of capital assets	(3,105,814)	-	(192,885)
Principal paid on capital debt	(2,772,796)	-	(253,007)
Interest paid on capital debt	(181,978)	-	(9,562)
Proceeds from sales of capital assets	21,548	-	3,550
Grant proceeds from federal government	136,006	-	-
Net cash (used) by capital and related financing activities	(2,315,454)	-	(451,904)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	571,785	(629,015)	627,244
Earnings received on investments	66,416	46,952	64,589
Net cash provided (used) by investing activities	638,201	(582,063)	691,833
Net increase (decrease) in cash and cash equivalents	690,342	146,765	363,893
Cash and cash equivalents, January 1	1,595,407	3,580,791	331,860
Cash and cash equivalents, December 31	\$ 2,285,749	\$ 3,727,556	\$ 695,753
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,003,368	\$ (1,440,686)	\$ (7,842,357)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	1,562,062	-	147,182
(Increase) decrease in accounts receivable	(171,880)	245,572	16,786
(Increase) in inventories	(11,143)	-	-
(Increase) decrease in prepaid item	-	4,615	-
(Increase) decrease in pension-related items	169,111	-	94,397
Increase (decrease) in accounts payable	19,767	(15,773)	237,557
Increase (decrease) in compensated absences payable	(2,410)	3,893	43,711
Increase (decrease) in post-employment obligation	(136,334)	-	(76,102)
Increase in wages payable	(8,858)	9,525	12,012
Increase (decrease) in claims payable	-	521,809	-
Net cash provided (used) by operating activities	\$ 2,423,683	\$ (671,045)	\$ (7,366,814)
Noncash investing, capital, and financing activities:			
Bond proceeds transferred to escrow agent	2,414,547	-	-
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	684,889	3,727,556	695,753
Restricted Assets - cash and cash equivalents	1,600,860	-	-
	\$ 2,285,749	\$ 3,727,556	\$ 695,753

Utility Customer		
Benefits	Service and Admin.	Total
\$ 31,131,295	\$ 13,806,025	\$ 59,332,252
(817,428)	(9,303,927)	(19,118,702)
(26,616,666)	(4,488,092)	(45,271,455)
40,412	1,348,694	4,544,042
3,737,613	1,362,700	(513,863)
-	202,632	9,295,915
-	(2,153,342)	(2,412,062)
-	(1,950,710)	6,883,853
-	-	3,396,700
-	-	190,880
-	(145,897)	(3,444,596)
-	-	(3,025,803)
-	-	(191,540)
-	118,102	143,200
-	6,137	142,143
-	(21,658)	(2,789,016)
(2,991,326)	1,471,614	(949,698)
70,277	13,636	261,870
(2,921,049)	1,485,250	(687,828)
816,564	875,582	2,893,146
1,364,003	167,217	7,039,278
\$ 2,180,567	\$ 1,042,799	\$ 9,932,424
\$ 4,192,764	\$ 1,201,831	\$ (2,885,080)
-	73,146	1,782,390
(566)	4,057	93,969
-	-	(11,143)
-	-	4,615
29,746	388,817	682,071
(263,339)	(32,333)	(54,121)
(6,682)	40,807	79,319
(23,981)	(313,458)	(549,875)
8,164	(167)	20,676
(198,493)	-	323,316
\$ 3,737,613	\$ 1,362,700	\$ (513,863)
-	-	2,414,547
2,180,567	1,042,797	8,331,562
-	-	1,600,860
\$ 2,180,567	\$ 1,042,797	\$ 9,932,422

EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Fees and charges for services	\$ 8,785,401	\$ 10,450,436	\$ (1,665,035)
Earnings (loss) on investments	64,962	44,321	20,641
Miscellaneous revenue	787,706	3,031,799	(2,244,093)
Sale of capital assets	-	90,000	(90,000)
Projects			
Intergovernmental	380,622	285,782	94,840
Total Revenues	<u>10,018,691</u>	<u>13,902,338</u>	<u>(3,883,647)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Compressed natural gas site	514,928	500,000	(14,928)
Equipment shop	2,727,957	2,656,120	(71,837)
Fleet fuel	2,392,425	3,221,246	828,821
Fleet pool rental	283,580	548,291	264,711
Fleet support services	622,333	620,742	(1,591)
Fleet warehouse	76,131	73,132	(2,999)
General fund equipment replacement	99,871	78,248	(21,623)
Parks, forestry, horticulture vehicle replacement	460,588	513,823	53,235
Police equipment replacement	1,130,316	1,149,202	18,886
Streets shop	828,980	1,103,586	274,606
Transfort shop	2,019,065	2,233,138	214,073
PDT vehicle replacement	1,376,587	1,357,683	(18,904)
Projects (project level of budgetary control)	-		
Fleet services energy grants	543,626	305,167	(238,459)
Total Expenses	<u>13,076,387</u>	<u>14,360,378</u>	<u>1,283,991</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(3,057,696)	<u>\$ (458,040)</u>	<u>\$ (2,599,656)</u>
RECONCILIATION TO GAAP BASIS			
Prior years' project expenses	401,746		
Prior years' project revenues	(238,742)		
Capital outlay--programs	141,880		
Current year's project expenses	903,755		
Principal reduction--long-term debt	2,772,796		
Proceeds from lease purchases	(482,887)		
Depreciation	(1,562,062)		
Total Reconciling Items	<u>1,936,486</u>		
Change in net position	(1,121,210)		
Net Position--January 1 (as restated)	<u>7,719,014</u>		
Net Position--December 31	<u>\$ 6,597,804</u>		

SELF INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Fees and charges for services	\$ 3,382,460	\$ 3,326,751	\$ 55,709
Earnings (loss) on investments	48,988	27,532	21,456
Miscellaneous revenue	41,576	-	41,576
Transfers	1,602,505	1,602,505	-
Total Revenues	<u>5,075,529</u>	<u>4,956,788</u>	<u>118,741</u>
EXPENSES			
Programs (fund level of budgetary control)			
Risk management	<u>4,369,425</u>	<u>4,859,629</u>	<u>490,204</u>
Total Expenses	<u>4,369,425</u>	<u>4,859,629</u>	<u>490,204</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	706,104	<u>\$ 97,159</u>	<u>\$ 608,945</u>
RECONCILIATION TO GAAP BASIS			
Actuarial change	<u>(697,929)</u>		
Change in net position	8,175		
Net Position--January 1	<u>1,556,809</u>		
Net Position--December 31	<u>\$ 1,564,984</u>		

DATA AND COMMUNICATIONS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Fees and charges for services	\$ 2,136,593	\$ 1,907,618	\$ 228,975
Earnings (loss) on investments	63,052	52,552	10,500
Miscellaneous revenue	8,816	-	8,816
Sale of capital assets	3,550	-	3,550
Transfers	7,490,778	7,490,778	-
Total Revenues	<u>9,702,789</u>	<u>9,450,948</u>	<u>251,841</u>
EXPENSES			
Programs (fund level of budgetary control)			
Application services	335,538	568,997	233,459
Data management services	1,038,821	996,033	(42,788)
Dev tracking system	419,848	304,858	(114,990)
E-Government services	462,080	541,389	79,309
E-Mail services	103,641	101,750	(1,891)
Enterprise document management services	205,669	1,069,030	863,361
ERP services	1,488,344	1,381,749	(106,595)
Geographic informational services	571,910	559,033	(12,877)
Infra equipment replacement	1,889,572	2,207,169	317,597
IT administration	561,985	557,904	(4,081)
IT client services	1,158,619	1,161,113	2,494
Network services	1,103,075	1,292,240	189,165
Non-enterprise equipment and support	147,200	372,010	224,810
Voice services	806,773	908,585	101,812
Total Expenses	<u>10,293,075</u>	<u>12,021,860</u>	<u>1,728,785</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(590,286)	<u>\$ (2,570,912)</u>	<u>\$ 1,980,626</u>
RECONCILIATION TO GAAP BASIS			
Current year's project expenses	192,966		
Principal reduction--long-term debt	253,007		
Depreciation	(147,182)		
Total Reconciling Items	<u>298,791</u>		
Change in net position	(291,495)		
Net Position--January 1 (as restated)	<u>4,113,605</u>		
Net Position--December 31	<u>\$ 3,822,110</u>		

BENEFITS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Fees and charges for services	\$ 31,131,385	\$ 30,933,650	\$ 197,735
Earnings (loss) on investments	84,880	103,378	(18,498)
Miscellaneous revenue	40,412	200,000	(159,588)
Total Revenues	<u>31,256,677</u>	<u>31,237,028</u>	<u>19,649</u>
EXPENSES			
Programs (fund level of budgetary control)			
Benefits	27,208,033	30,002,793	2,794,760
Total Expenses	<u>27,208,033</u>	<u>30,002,793</u>	<u>2,794,760</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	4,048,644	<u>\$ 1,234,235</u>	<u>\$ 2,814,409</u>
RECONCILIATION TO GAAP BASIS			
Actuarial change	<u>229,000</u>		
Total Reconciling Items	<u>229,000</u>		
Change in net position	4,277,644		
Net Position--January 1 (as restated)	<u>4,949,059</u>		
Net Position--December 31	<u>\$ 9,226,703</u>		

UTILITY CUSTOMER SERVICE AND ADMINISTRATIVE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Intergovernmental	6,137	-	6,137
Fees and charges for services	\$ 13,808,475	\$ 15,873,475	\$ (2,065,000)
Earnings (loss) on investments	12,959	4,639	8,320
Miscellaneous revenue	1,348,694	1,130,000	218,694
Other financing sources	2,500	-	2,500
Transfers	202,632	202,632	-
Total Revenues	<u>15,381,397</u>	<u>17,210,746</u>	<u>(1,829,349)</u>
EXPENSES			
Programs (fund level of budgetary control)			
Electric field services	223,036	316,439	93,403
Safety and security	107,265	142,632	35,367
Utilities electric systems eng div	809,375	815,347	5,972
Utilities enviro regulatory affairs	826,756	879,600	52,844
Utilities standards engineering div	88,148	171,201	83,053
Utilities customer connections	6,056,781	6,556,744	499,963
Utilities management	822,386	1,061,302	238,916
Utilities strategic planning	237,160	415,295	178,135
Utility financial operations	2,407,183	2,710,231	303,048
Utility tech and cust service	4,487,741	4,961,934	474,193
Total Expenses	<u>16,065,831</u>	<u>18,030,725</u>	<u>1,964,894</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(684,434)	<u>\$ (819,979)</u>	<u>\$ 135,545</u>
RECONCILIATION TO GAAP BASIS			
Current year's project expenses	30,297		
Depreciation	<u>(73,146)</u>		
Total Reconciling Items	<u>(42,849)</u>		
Change in net position	(727,283)		
Net Position--January 1 (as restated)	<u>2,261,377</u>		
Net Position--December 31	<u>\$ 1,534,094</u>		

FIDUCIARY FUNDS
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Trust Funds:

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

Agency Funds:

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

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

GENERAL EMPLOYEES' RETIREMENT PLAN TRUST FUND
SCHEDULE OF CHANGES IN NET POSITION HELD IN TRUST FOR
PENSION BENEFITS - ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
ADDITIONS			
Contributions	\$ 1,652,786	\$ 1,770,000	\$ (117,214)
Earnings on investments	208,422	175,000	33,422
Change in the fair value of investments	<u>6,824,288</u>	<u>-</u>	<u>6,824,288</u>
Total Additions	<u>8,685,496</u>	<u>1,945,000</u>	<u>6,740,496</u>
DEDUCTIONS			
Benefit payments	3,720,322	5,200,000	1,479,678
Administration	<u>26,752</u>	<u>27,750</u>	<u>998</u>
Total Deductions	<u>3,747,074</u>	<u>5,227,750</u>	<u>1,480,676</u>
Net Increase (Decrease) in Plan Net Position	4,938,422	<u>\$ (3,282,750)</u>	<u>\$ 8,221,172</u>
Net Position Held in Trust for Pension Benefits--January 1	<u>43,869,310</u>		
Net Position Held in Trust for Pension Benefits--December 31	<u>\$ 48,807,732</u>		

AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2017

	Poudre Fire Authority	Poudre River Public Library District	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 2,481,618	\$ 1,084,523	\$ 3,566,141
Interest Receivable	45,518	21,896	67,414
Investments, at fair value			
U S Government securities	11,150,446	5,392,023	16,542,469
Corporate bonds	<u>1,847,097</u>	<u>893,201</u>	<u>2,740,298</u>
Total Investments, at fair value	<u>12,997,543</u>	<u>6,285,224</u>	<u>19,282,767</u>
Total Assets	<u>15,524,679</u>	<u>7,391,643</u>	<u>22,916,322</u>
LIABILITIES			
Amounts held for other governments	<u>15,524,679</u>	<u>7,391,643</u>	<u>22,916,322</u>
Total Liabilities	<u>\$ 15,524,679</u>	<u>\$ 7,391,643</u>	<u>\$ 22,916,322</u>

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

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

POUDRE FIRE AUTHORITY	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 2,208,451	\$ 273,167	\$ -	\$ 2,481,618
Receivables - interest	41,778	3,740	-	45,518
Investments, at fair value				
US government securities	10,820,897	329,549	-	11,150,446
Corporate bonds	1,607,897	239,200	-	1,847,097
Total Investments, at fair value	12,428,794	568,749	-	12,997,543
Total Assets	14,679,023	845,656	-	15,524,679
LIABILITIES				
Amounts held for other governments	\$ 14,679,023	\$ 845,656	\$ -	\$ 15,524,679
POUDRE RIVER PUBLIC LIBRARY DISTRICT	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 478,274	\$ 606,249	\$ -	\$ 1,084,523
Receivables - interest	22,474	-	578	21,896
Investments, at fair value				
US government securities	5,817,561	-	425,538	5,392,023
Corporate bonds	864,442	28,759	-	893,201
Total Investments, at fair value	6,682,003	28,759	425,538	6,285,224
Total Assets	7,182,751	635,008	426,116	7,391,643
LIABILITIES				
Amounts held for other governments	\$ 7,182,751	\$ 635,008	\$ 426,116	\$ 7,391,643
TOTAL - ALL FUNDS	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 2,686,725	\$ 879,416	\$ -	\$ 3,566,141
Receivables - interest	64,252	3,740	578	67,414
Investments, at fair value				
US government securities	16,638,458	329,549	425,538	16,542,469
Corporate bonds	2,472,339	267,959	-	2,740,298
Total Investments, at fair value	19,110,797	597,508	425,538	19,282,767
Total Assets	21,861,774	1,480,664	426,116	22,916,322
LIABILITIES				
Amounts held for other governments	\$ 21,861,774	\$ 1,480,664	\$ 426,116	\$ 22,916,322

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

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

Reconciliations:

Reconciliation of the Balance Sheet to the Statement of Net Position

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

Funds:

General -- to account for all general operations of the DDA except those required to be accounted for in another fund.

Debt Service -- to account for tax increment revenues received from property taxes and used to service the DDA's tax increment bonds.

**COMPONENT UNIT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	Total	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 505,701	\$ -	\$ 505,701
Investments	2,939,561	-	2,939,561
Receivables			
Property taxes	6,389,568	-	6,389,568
Accounts	6,385	-	6,385
Interest	10,497	-	10,497
Inventory of real property held for resale	135,464	-	135,464
Restricted investments	1,250,000	-	1,250,000
Capital assets (non-depreciable)	-	2,528,747	1 2,528,747
Capital assets (net of accumulated depreciation)	-	2,434,152	1 2,434,152
Total Assets	<u>11,237,176</u>	<u>4,962,899</u>	<u>16,200,075</u>
LIABILITIES			
Accounts payable	94,776	-	94,776
Interest payable	-	17,099	2 17,099
Wages payable	19,164	-	19,164
Compensated absences	-	15,424	15,424
Non-Current liabilities			
Due within one year	-	2,053,122	2 2,053,122
Due after one year	-	8,025,235	2 8,025,235
Total Liabilities	<u>113,940</u>	<u>10,110,880</u>	<u>10,224,820</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	6,389,568	-	6,389,568
FUND BALANCES/NET POSITION			
Fund balances			
Nonspendable	135,464		
Restricted	1,377,675		
Assigned	3,220,529		
Total Fund Balances	<u>4,733,668</u>	<u>(5,147,981)</u>	<u>(414,313)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,237,176</u>		
Net Position:			
Net investment in capital assets			4,962,899
Restricted for debt service			1,377,675
Unrestricted (deficits)			3 (6,754,887)
Total Net Position (Deficit) of Component Unit (page 29)			<u>\$ (414,313)</u>

- 1 Capital assets net of accumulated depreciation used in governmental activities are not current financial resources. Therefore they are not reported in the funds.
- 2 Long-term liabilities, including bonds payable, related interest, and compensated absences, are not due and payable in the current period and therefore not reported in the funds.
- 3 The component unit receives tax increment to service the bonds issued for improvements made within the downtown area. A majority of these improvements relate to building facades intended to preserve the historical architecture in the Old Town area of the City's downtown. Although the component unit may benefit over time from any increase in the assessed value of these properties related to these improvements, no assets are recorded in relation to these activities. As a result, the statement of net position for the component unit reflects a deficit balance for unrestricted net position.

**COMPONENT UNIT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses (including transfers):			
Expenditures/expenses	\$ 7,041,625	\$ (4,209,970) ¹	\$ 2,831,655
	7,041,625	(4,209,970)	2,831,655
Program Revenues			
Charges for services	73,431	-	73,431
Operating grants and contributions	80,674	-	80,674
Net Program Revenues	154,105	-	154,105
Net Program Expense	6,887,520	(4,209,970)	2,677,550
General Revenues			
Property taxes	5,282,773	-	5,282,773
Investment earnings	55,686	-	55,686
Miscellaneous	2,386,789	(2,336,168) ²	50,621
Total General Revenues	7,725,248	(2,336,168)	5,389,080
Change in Net Position (pages 30-31)	837,728	1,873,802	2,711,530
Fund Balance/Net Position			
Beginning of the year	3,895,940	(7,021,783)	(3,125,843)
End of the year	\$ 4,733,668	\$ (5,147,981)	\$ (414,313)

- ¹ Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

Net decrease in accrued interest related to last debt service payment	(7,693)
Net increase in compensated absences	1,341
Debt Payment	(4,278,516)
Fixed asset acquisitions reported as governmental expenditures	(21,000)
Current year depreciation	95,898
	<u>\$ (4,209,970)</u>

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

<u>\$ (2,336,168)</u>

DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
DECEMBER 31, 2017

	General	Debt Service	Total
ASSETS			
Cash and cash equivalents	\$ 483,878	\$ 21,823	\$ 505,701
Investments	2,834,389	105,172	2,939,561
Receivables			
Property taxes	724,502	5,665,066	6,389,568
Accounts	6,151	234	6,385
Interest	10,051	446	10,497
Inventory of real property held for resale	135,464	-	135,464
Restricted - investments	-	1,250,000	1,250,000
Total Assets	4,194,435	7,042,741	11,237,176
LIABILITIES			
Accounts payable, accruals, and other	94,776	-	94,776
Wages payable	19,164	-	19,164
Total Liabilities	113,940	-	113,940
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	724,502	5,665,066	6,389,568
Total deferred inflows of resources	724,502	5,665,066	6,389,568
Total Liabilities and Deferred inflows of resources	838,442	5,665,066	6,503,508
FUND BALANCES			
Nonspendable	135,464	-	135,464
Restricted	-	1,377,675	1,377,675
Assigned	3,220,529	-	3,220,529
Total Fund Balances	3,355,993	1,377,675	4,733,668
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,194,435	\$ 7,042,741	\$ 11,237,176

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

DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Debt Service	Total
REVENUES			
Taxes	\$ 660,858	\$ 4,621,915	\$ 5,282,773
Licenses and permits	1,800	-	1,800
Intergovernmental	80,674	-	80,674
Fees and charges for services	71,631	-	71,631
Earnings on investments	28,238	27,448	55,686
Miscellaneous revenue	50,621	-	50,621
Total Revenues	893,822	4,649,363	5,543,185
EXPENDITURES			
Current operating			
Administrative	2,207,673	146	2,207,819
Debt service			
Principal	-	4,539,125	4,539,125
Interest	-	294,681	294,681
Total Expenditures	2,207,673	4,833,952	7,041,625
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,313,851)	(184,589)	(1,498,440)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long term debt	2,336,168	-	2,336,168
Total Other Financing Sources	2,336,168	-	2,336,168
Net Change in Fund Balances	1,022,317	(184,589)	837,728
Fund Balances-January 1	2,333,676	1,562,264	3,895,940
Fund Balances-December 31	\$ 3,355,993	\$ 1,377,675	\$ 4,733,668

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

**DOWNTOWN DEVELOPMENT AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Programs			
Earnings on investments	\$ 28,238	\$ 1,228	\$ 27,010
Fees and charges for services	71,631	70,000	1,631
Intergovernmental	80,674	47,385	33,289
Licenses and permits	1,800	1,800	-
Miscellaneous revenue	50,621	-	50,621
Proceeds from issuance of long-term debt	2,336,168	2,450,000	(113,832)
Taxes	660,858	655,673	5,185
Total Revenues	<u>3,229,990</u>	<u>3,226,086</u>	<u>3,904</u>
EXPENDITURES			
Programs			
DDA - financed activities	1,472,507	4,130,308	2,657,801
Operation and maintenance DDA	<u>735,166</u>	<u>835,283</u>	<u>100,117</u>
Total Expenditures	<u>2,207,673</u>	<u>4,965,591</u>	<u>2,757,918</u>
Excess (deficiency) of revenues over (under) expenditures	1,022,317	<u>\$ (1,739,505)</u>	<u>\$ 2,761,822</u>
Fund Balances--January 1	<u>2,333,676</u>		
Fund Balances--December 31	<u>\$ 3,355,993</u>		

**DOWNTOWN DEVELOPMENT AUTHORITY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 4,621,915	\$ 4,613,287	\$ 8,628
Earnings (loss) on investments	27,448	21,495	5,953
Total Revenues	<u>4,649,363</u>	<u>4,634,782</u>	<u>14,581</u>
EXPENDITURES			
Debt service	4,833,806	4,937,890	104,084
Internal admin services	146	146	-
Total Expenditures	<u>4,833,952</u>	<u>4,938,036</u>	<u>104,084</u>
Excess (deficiency) of revenues over (under) expenditures	(184,589)	<u>\$ (303,254)</u>	<u>\$ 118,665</u>
Fund Balances--January 1	<u>1,562,264</u>		
Fund Balances--December 31	<u>\$ 1,377,675</u>		

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STATISTICAL SECTION



Statistical Section

This part of the City of Fort Collins comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the governments overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the City of Fort Collins' financial performance and well-being have changed over time.

Net Position by Component.....	Exh. A-1	181
Changes in Net Position.....	Exh. A-2	182
Fund Balances, Governmental Funds	Exh. A-3	183
Changes in Fund Balances, Governmental Funds	Exh. A-4	184

Revenue Capacity - These schedules contain information to help the reader assess the City of Fort Collins' most significant local revenue sources - Sales and Use taxes.

Taxable Sales by Category	Exh. A-5	185
Direct and Overlapping Sales Tax Rates	Exh. A-6	186
Sales Tax Revenue Taxpayers by Industry.....	Exh. A-7	187

Debt Capacity - These schedules present information to help the reader assess the affordability of the City of Fort Collins' current levels of outstanding debt and its ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	Exh. A-8	188
Ratios of General Bonded Debt Outstanding	Exh. A-9	189
Direct and Overlapping Governmental Act. Debt	Exh. A-10	190
Legal Debt Margin Information.....	Exh. A-11	191
Pledged Revenue Coverage	Exh. A-12	192

Demographic and Economic Information - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City of Fort Collins financial activities take place.

Demographic and Economic Statistics	Exh. A-13	194
Principal Employers.....	Exh. A-14	195
Full-time Equivalent City Emp. By Function/Program	Exh. A-15	196

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in City of Fort Collins financial report relates to the services government provides and the activities it performs.

Operating Indicators by Function/Program	Exh. A-16	198
Capital Asset Statistics by Function/Program	Exh. A-17	198

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year and/or city departments.

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

Exhibit A-1

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities										
Net investment in capital assets	\$ 551,853	\$ 573,887	\$ 597,270	\$ 628,758	\$ 662,461	\$ 694,119	\$ 718,092	\$ 754,652	\$ 781,421	\$ 829,571
Restricted	5,229	8,960	37,138	43,327	52,466	55,649	76,411	75,207	80,520	81,844
Unrestricted	161,680	146,408	113,086	107,784	119,944	145,207	153,205	161,718	166,301	161,214
Total governmental activities net position	<u>718,762</u>	<u>729,256</u>	<u>747,494</u>	<u>779,869</u>	<u>834,870</u>	<u>894,974</u>	<u>947,708</u>	<u>991,577</u>	<u>1,028,243</u>	<u>1,072,629</u>
Business-type activities										
Net investment in capital assets	429,392	453,420	466,364	490,511	508,284	531,113	564,294	595,216	646,367	679,667
Restricted	1,642	1,671	1,030	1,025	995	1,032	853	1,027	859	-
Unrestricted	168,966	157,998	163,527	160,226	172,528	178,571	182,456	167,931	147,389	148,938
Total business-type activities net position	<u>600,000</u>	<u>613,089</u>	<u>630,922</u>	<u>651,763</u>	<u>681,808</u>	<u>710,716</u>	<u>747,603</u>	<u>764,174</u>	<u>794,615</u>	<u>828,605</u>
Primary government										
Net investment in capital assets	981,245	1,027,307	1,063,634	1,119,270	1,170,745	1,225,231	1,282,386	1,349,868	1,427,789	1,509,238
Restricted	6,871	10,631	38,168	44,352	53,461	56,681	77,264	76,234	81,379	81,844
Unrestricted	330,646	304,406	276,613	268,010	292,472	323,778	335,661	329,648	313,691	310,152
Total primary government net position	<u>\$ 1,318,762</u>	<u>\$ 1,342,345</u>	<u>\$ 1,378,416</u>	<u>\$ 1,431,631</u>	<u>\$ 1,516,678</u>	<u>\$ 1,605,690</u>	<u>\$ 1,695,311</u>	<u>\$ 1,755,751</u>	<u>\$ 1,822,858</u>	<u>\$ 1,901,234</u>

Totals may not add due to rounding

Changes in Net Position (in thousands)

Exhibit A-2

Last Ten Fiscal Years

(accrual basis of accounting)

Expenses	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
General government	\$ 33,535	\$ 32,868	\$ 29,752	\$ 33,674	\$ 34,645	\$ 40,118	\$ 36,434	\$ 47,737	\$ 46,706	\$ 45,431
Public safety	46,521	50,056	48,854	51,313	55,633	56,660	57,686	61,018	64,852	73,945
Culture, parks, recreation and natural areas	35,490	38,515	27,342	29,755	32,448	40,910	37,165	35,423	47,315	44,396
Planning and development	6,585	9,706	14,331	11,053	9,502	13,547	11,160	11,241	13,982	20,594
Transportation	44,659	36,471	34,698	38,540	42,249	43,710	58,021	57,596	51,514	58,290
Interest on long-term debt	3,063	2,632	2,682	2,523	2,148	1,406	1,945	1,317	1,326	1,255
Total governmental activities expenses	169,852	170,247	157,659	166,857	176,625	196,352	202,411	214,332	225,695	243,912
Business-type activities										
Light and Power	81,620	83,888	91,693	97,057	101,513	116,639	116,911	124,304	131,780	133,285
Water	21,205	20,667	19,671	19,941	22,169	23,312	25,586	27,698	26,383	25,598
Wastewater	13,370	14,668	14,129	14,163	15,872	17,808	18,314	19,492	20,197	20,958
Storm drainage	9,021	9,426	8,307	8,407	8,119	9,428	9,196	9,287	9,913	10,805
Golf	2,507	2,387	2,454	2,547	2,661	2,758	3,306	3,169	3,208	3,142
Total business-type activities expenses	127,723	131,037	136,253	142,115	150,333	169,946	173,313	183,949	191,481	193,789
Total primary government expenses	297,575	301,284	293,911	308,973	326,958	366,298	375,724	398,281	417,177	437,700
Program revenues										
Governmental activities										
General government	12,962	8,863	6,782	7,479	6,458	6,944	8,807	15,194	15,980	15,786
Public safety	1,823	1,930	1,862	1,724	1,548	1,688	1,750	1,918	1,598	1,603
Culture, parks, recreation & natural areas	8,065	7,388	7,004	7,491	7,680	8,486	9,165	9,222	9,813	10,673
Planning and development	1,649	994	1,295	1,622	2,579	3,540	5,335	4,409	4,870	4,561
Transportation	12,003	8,577	8,101	6,926	11,147	12,108	13,409	9,833	12,356	16,280
Operating grants and contributions	6,917	7,998	8,240	13,712	9,284	10,075	6,958	8,737	11,277	17,013
Capital grants and contributions	7,775	25,717	16,014	14,784	31,678	49,585	28,040	17,788	14,788	19,379
Total governmental activities program revenues	51,194	61,467	49,298	53,737	70,374	92,426	73,464	67,102	70,683	85,296
Business-type activities										
Light and Power	83,521	84,253	94,235	100,814	109,776	115,879	115,412	118,780	126,466	130,198
Water	24,499	21,978	24,463	24,308	28,553	26,210	27,044	27,925	29,912	31,106
Wastewater	16,272	17,803	19,275	19,149	20,882	20,430	21,486	22,223	23,460	24,102
Storm drainage	13,576	13,631	13,869	13,946	14,082	14,396	14,835	15,070	15,696	16,807
Golf	2,644	2,608	2,676	2,672	3,096	2,921	3,270	3,499	3,430	3,474
Operating grants and contributions	24	112	220	131	6	30	8	74	260	-
Capital grants and contributions	12,233	8,169	9,019	11,661	15,979	24,099	25,772	16,280	23,155	21,828
Total business-type activities program revenues	152,768	148,553	163,757	172,680	192,374	203,963	207,827	203,851	222,379	227,515
Total primary government program revenues	203,963	210,020	213,055	226,417	262,748	296,389	281,291	270,953	293,062	312,811
Net (expenses) revenue										
Governmental activities	(118,658)	(108,780)	(108,360)	(113,120)	(106,251)	(103,925)	(128,947)	(147,231)	(155,013)	(158,616)
Business-type activities	25,046	17,517	27,504	30,565	42,042	34,017	34,514	19,902	30,898	33,727
Total primary government net expenses	(93,612)	(91,263)	(80,857)	(82,556)	(64,210)	(69,908)	(94,434)	(127,329)	(124,115)	(124,889)
General revenues and other changes in net position										
Governmental activities										
Taxes:										
Sales and use taxes	75,865	70,501	74,719	97,589	109,732	111,846	129,088	134,899	136,087	135,621
Property taxes	16,683	17,038	17,833	17,742	18,188	18,485	19,155	19,988	22,822	25,097
Occupational privilege taxes	2,494	2,413	2,327	2,433	2,560	2,653	2,676	2,851	2,757	2,974
Lodging tax	833	736	808	909	1,012	1,103	1,305	1,451	1,453	1,521
Intergovernmental not restricted to programs	10,420	9,277	9,919	10,274	10,681	20,032	21,146	22,436	24,075	25,074
Investment earnings	9,043	3,655	2,367	2,601	1,998	537	3,142	7,497	1,541	3,826
Miscellaneous	14,400	1,394	787	1,019	1,246	2,991	3,211	2,912	708	4,387
Transfers	11,820	10,947	13,636	13,486	15,837	6,383	1,959	1,532	2,236	3,505
Total governmental activities	141,560	115,962	122,395	146,054	161,253	164,029	181,681	193,564	191,679	202,006
Business-type activities										
Intergovernmental not restricted to programs	-	-	-	-	-	-	-	-	-	226
Investment earnings	9,583	4,727	2,585	2,919	2,227	466	2,330	2,113	890	2,220
Other miscellaneous	1,839	1,792	1,379	1,498	1,613	808	2,003	1,984	890	888
Transfers	(11,820)	(10,947)	(13,636)	(13,486)	(15,837)	(6,383)	(1,959)	(1,532)	(2,236)	(3,505)
Total business-type activities	(398)	(4,428)	(9,671)	(9,069)	(11,996)	(5,109)	2,374	2,565	(456)	(172)
Total primary government	141,161	111,533	112,724	136,985	149,257	158,920	184,055	196,129	191,223	201,834
Change in net position										
Governmental activities	22,902	7,181	14,034	32,934	55,001	60,104	52,734	46,333	36,666	43,390
Business-type activities	24,648	13,088	17,833	21,496	30,045	28,908	36,887	22,467	30,441	33,555
Total primary government	\$ 47,549	\$ 20,270	\$ 31,867	\$ 54,429	\$ 85,047	\$ 89,012	\$ 89,621	\$ 68,800	\$ 67,108	\$ 76,945

Totals may not add due to rounding

Fund Balances, Governmental Funds *(in thousands)*

Exhibit A-3

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Non Spendable	\$ 3,026	\$ 16,616	\$ 9,546	\$ 8,519	\$ 8,519	\$ 7,897	\$ 8,345	\$ 7,196	\$ 6,998	\$ 6,485
Restricted	4,956	4,287	6,400	7,389	9,751	12,161	16,369	13,795	13,540	12,051
Committed	569	700	720	604	589	646	506	529	482	375
Assigned	13,008	5,015	4,929	7,348	12,439	10,403	23,709	20,715	20,963	17,909
Unassigned	23,897	10,977	19,330	16,307	23,956	29,012	25,744	30,708	33,391	33,919
Total general fund	<u>45,456</u>	<u>37,594</u>	<u>40,924</u>	<u>40,167</u>	<u>55,253</u>	<u>60,120</u>	<u>74,674</u>	<u>72,943</u>	<u>75,375</u>	<u>70,740</u>
All Other Governmental Funds										
Non Spendable	-	1	6	7	5,311	5,313	5,317	5,314	5,382	89
Restricted	1,245	4,674	31,816	35,938	42,715	43,718	60,041	63,491	66,973	68,254
Committed	14,652	14,352	27,556	21,540	30,543	37,142	44,237	53,892	51,864	45,125
Assigned	89,859	87,415	30,269	30,978	23,447	31,444	26,902	21,497	22,899	24,397
Unassigned	-	(9,930)	(4,703)	(6,842)	(14,592)	(7,872)	(9,397)	(9,458)	(11,183)	27,665
Total other governmental funds	<u>\$ 105,755</u>	<u>\$ 96,512</u>	<u>\$ 84,944</u>	<u>\$ 81,622</u>	<u>\$ 87,424</u>	<u>\$ 109,745</u>	<u>\$ 127,099</u>	<u>\$ 134,736</u>	<u>\$ 135,935</u>	<u>\$ 165,529</u>

Totals may not add due to rounding

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 95,875	\$ 90,689	\$ 95,687	\$ 118,673	\$ 131,491	\$ 134,086	\$ 152,223	\$ 159,188	\$ 163,119	\$ 165,214
Licenses and permits	1,493	1,013	1,236	1,554	2,184	3,040	4,645	3,924	4,001	4,122
Intergovernmental	26,998	29,802	37,520	34,738	53,192	68,696	49,779	45,717	38,362	48,076
Fees and charges for services	30,013	22,918	22,709	22,765	30,742	33,323	37,569	32,611	39,330	39,446
Fines and forfeitures	2,749	2,779	2,737	2,730	2,783	2,803	2,536	2,774	2,152	2,034
Earnings on investments	5,861	3,082	2,064	2,255	1,754	585	2,923	2,558	1,116	3,040
Securities lending income	1,809	103	6	-	-	-	-	-	-	5,255
Miscellaneous revenue	4,408	2,472	2,684	8,835	4,224	6,275	5,229	4,203	3,767	
Total Revenues	169,205	152,858	164,643	191,549	226,370	248,809	254,904	250,975	251,847	267,187
Expenditures										
Police services	28,424	29,269	30,490	31,231	34,512	34,805	35,617	36,619	38,755	41,822
Financial services	3,013	3,044	2,909	2,874	3,187	3,616	3,798	3,868	3,957	4,361
Community services	21,926	24,794	22,575	24,075	27,497	34,112	30,726	32,356	43,895	38,387
Planning, development and transportation	42,977	37,091	34,475	41,862	45,397	45,830	52,907	59,985	53,449	69,950
Executive, legislative, and judicial	4,945	4,306	4,675	4,390	4,639	5,370	5,945	6,850	6,940	6,832
Information and employee	13,034	10,873	8,749	10,813	10,996	12,627	12,371	14,375	15,773	17,601
Sustainability services	4,579	8,735	12,246	9,643	7,096	12,332	8,421	10,280	12,997	16,458
Other	1,995	1,177	1,717	1,318	1,682	1,753	1,320	2,368	1,314	1,776
Library	346	-	-	-	-	-	-	-	-	-
Securities lending										
Interest	1,563	53	4	-	-	-	-	-	-	-
Agent fees	57	28	1	-	-	-	-	-	-	-
Intergovernmental										
Fire protection	16,383	17,224	17,458	18,994	19,283	20,065	20,753	22,280	24,058	29,006
Capital outlay	27,379	23,944	31,851	40,914	38,356	55,057	42,704	42,221	31,762	45,479
Debt service										
Principal	4,626	4,731	3,805	4,174	6,968	4,202	5,275	5,819	5,831	4,844
Interest and debt service costs	2,955	2,654	2,693	2,524	2,499	1,517	1,953	1,440	1,370	1,155
Total expenditures	174,201	167,923	173,650	192,811	202,111	231,287	221,790	238,462	240,101	277,670
Excess (deficiency) of revenues over (under) expenditures	(4,996)	(15,066)	(9,007)	(1,262)	24,259	17,522	33,115	12,513	11,746	(10,483)
Other Financing Sources (Uses)										
Proceeds from issuance of long term debt	1,198	-	-	976	35,092	12,909	3,190	239	-	8,425
Transfers in	114,237	115,086	35,457	39,128	41,781	33,445	40,033	50,047	42,056	46,696
Transfers out	(117,769)	(117,124)	(39,156)	(42,958)	(46,030)	(37,705)	(44,496)	(57,124)	(50,246)	(52,796)
Sale of capital assets	-	-	265	37	181	1,018	67	230	75	2,019
Payments to escrow agent	-	(2)	-	-	(34,395)	-	-	-	-	-
Total other financing sources (uses)	(2,334)	(2,040)	(3,435)	(2,817)	(3,371)	9,667	(1,206)	(6,608)	(8,115)	4,344
Net change in fund balances	\$ (7,330)	\$ (17,106)	\$ (12,441)	\$ (4,079)	\$ 20,888	\$ 27,188	\$ 31,909	\$ 5,906	\$ 3,631	\$ (6,139)
Debt service as a percentage of noncapital expenditures	6.47%	5.52%	4.33%	4.13%	5.84%	2.96%	4.40%	3.67%	3.73%	2.48%

Totals may not add due to rounding

Taxable Sales by Category

Last Ten Fiscal Years

in millions of dollars

Exhibit A-5

<u>Sales Tax Category</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Grocery, Convenience, Liquor	\$ 359.8	\$ 359.7	\$ 363.8	\$ 394.1	\$ 429.0	\$ 458.9	\$ 488.3	\$ 513.5	\$ 530.3	\$ 532.4
Restaurants, Caterers and Bars	285.9	285.4	295.6	315.4	337.9	353.1	380.2	408.8	427.7	448.3
General Merchandise	318.3	306.7	299.4	303.0	303.5	313.1	323.2	302.9	300.0	301.3
Building Materials, Garden Equipment & Supplies	138.4	130.2	142.9	154.8	165.9	186.1	221.5	226.4	230.0	241.8
Vehicle Sales, Parts and Repairs	162.9	149.3	160.0	164.5	180.6	193.6	221.4	228.5	227.6	235.3
Miscellaneous Retailers	110.0	103.9	110.4	116.4	121.7	131.0	138.6	146.9	169.8	202.7
Electronics and Appliances	117.7	107.8	111.9	118.2	122.1	126.0	150.7	163.0	156.6	154.4
Sporting, Hobby, Book, Music	126.0	126.1	129.2	134.5	134.9	137.3	140.5	149.2	144.8	137.1
Broadcasting and Telecommunications	113.7	113.0	119.0	116.7	117.2	108.0	111.8	115.2	124.7	121.4
Utilities	103.3	97.5	100.8	107.0	111.2	117.5	122.2	118.1	118.9	124.2
Clothing and Accessories	79.4	74.8	76.9	83.0	88.7	82.9	78.4	78.1	103.1	105.3
Pharmacy, Salon and Laundry	45.4	45.0	54.5	61.1	54.6	56.8	66.6	84.5	101.2	117.9
Other	47.2	43.0	44.3	45.9	51.0	53.7	58.6	63.3	70.3	75.2
Furniture and Home Furnishings	52.3	38.9	41.0	43.7	50.0	56.5	60.7	65.4	68.0	68.2
Rental and Leasing Services	52.1	46.4	43.1	42.7	46.3	44.5	52.0	59.3	66.5	67.6
Wholesale Trade	49.2	41.9	35.6	37.5	42.4	43.6	45.2	54.1	57.1	43.4
Lodging	33.9	29.1	32.2	35.2	40.2	42.1	49.8	54.9	53.5	56.0
Manufacturing	37.3	26.7	30.5	37.1	44.5	44.2	52.2	51.4	51.6	64.5
Total	<u>\$2,232.8</u>	<u>\$2,125.3</u>	<u>\$2,191.2</u>	<u>\$2,310.9</u>	<u>\$2,441.7</u>	<u>\$2,548.9</u>	<u>\$2,761.9</u>	<u>\$2,883.7</u>	<u>\$3,001.7</u>	<u>\$3,097.0</u>
City direct sales tax rate*	3.00%	3.00%	3.00%	3.00%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%

* Food sales city direct sales tax rate is 2.25%

Totals may not add due to rounding

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Exhibit A-6

<u>Fiscal Year</u>	<u>City Direct Rate*</u>	<u>Larimer County</u>	<u>State of Colorado</u>
2008	3.00%	0.80%	2.90%
2009	3.00%	0.80%	2.90%
2010	3.00%	0.80%	2.90%
2011	3.85%	0.80%	2.90%
2012 ~	3.85%	0.80% / 0.60%	2.90%
2013	3.85%	0.60%	2.90%
2014	3.85%	0.60%	2.90%
2015	3.85%	0.65%	2.90%
2016	3.85%	0.65%	2.90%
2017	3.85%	0.65%	2.90%

* Food for home consumption sales direct rate is 2.25%

~Larimer County tax rate decreased from 0.8% to 0.6% effective July 1, 2012

Sales Tax Revenue Taxpayers by Industry
 Current Year and 2008
tax liability in thousands

Exhibit A-7

	Fiscal Year 2017				Fiscal Year 2008			
	Number <u>of Filers</u>	Percentage <u>of Total</u>	Tax <u>Liability</u>	Percentage <u>of Total</u>	Number <u>of Filers</u>	Percentage <u>of Total</u>	Tax <u>Liability</u>	Percentage <u>of Total</u>
Grocery, convenience, liquor	651	5.31%	\$ 15,843	15.40%	465	4.42%	\$ 8,521	13.25%
Restaurants, caterers and bars	290	2.37%	13,918	13.53%	189	1.80%	9,024	14.03%
General merchandise	21	0.17%	9,320	9.06%	26	0.25%	8,883	13.81%
Vehicle sales, parts and repairs	2,407	19.64%	8,588	8.35%	2,104	20.01%	4,143	6.44%
Building materials, garden equipment and supplies	429	3.50%	8,337	8.10%	410	3.90%	4,872	7.57%
Broadcasting and telecommunications	1,985	16.20%	7,004	6.81%	1,170	11.12%	3,274	5.09%
Sporting, hobby, book, and music	392	3.20%	5,279	5.13%	288	2.74%	3,521	5.48%
Miscellaneous retailers	356	2.91%	4,877	4.74%	422	4.01%	3,800	5.91%
Utilities	13	0.11%	4,408	4.28%	12	0.11%	3,102	4.82%
Electronics and appliances	308	2.51%	4,292	4.17%	277	2.63%	3,404	5.29%
Pharmacy, salon and laundry	755	6.16%	4,114	4.00%	637	6.06%	1,316	2.05%
Clothing and accessories	242	1.97%	3,726	3.62%	254	2.42%	2,370	3.68%
Other	2,689	21.94%	2,619	2.55%	2,890	27.48%	1,406	2.19%
Furniture and home furnishings	421	3.44%	2,417	2.35%	401	3.81%	1,562	2.43%
Rental and leasing services	185	1.51%	2,385	2.32%	212	2.02%	1,558	2.42%
Manufacturing	454	3.70%	2,257	2.19%	414	3.94%	1,089	1.69%
Wholesale trade	359	2.93%	2,033	1.98%	24	0.23%	1,013	1.58%
Lodging	297	2.42%	1,480	1.44%	322	3.06%	1,456	2.26%
Total	12,254	100.00%	\$ 102,896	100.00%	10,517	100.00%	\$ 64,316	100.00%

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

Totals may not add due to rounding

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

in thousands

Exhibit A-8

Fiscal Year	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita *
	Revenue Bonds	Certificates of Participation	Assignment of Lease Payments	Capital Leases	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Assignment of Lease Payments	Capital Leases			
2008	\$ 2,250	\$ 55,340	\$ 666	\$ 2,636	\$ 2,535	\$ 81,618	\$ 1,595	\$ 2,117	\$ 544	\$ 149,301	2.8%	1.09
2009	985	52,225	628	1,736	-	102,440	1,470	1,995	381	161,860	3.1%	1.17
2010	670	49,100	587	1,015	-	109,884	1,360	1,868	227	164,711	3.0%	1.14
2011	340	45,870	545	2,755	-	100,380	1,230	1,734	245	153,098	2.7%	1.06
2012	-	41,845	501	3,719	-	90,007	1,095	1,594	208	138,968	2.3%	0.93
2013	11,085	37,905	455	5,872	-	79,597	950	1,448	271	137,583	2.1%	0.91
2014	10,833	33,815	407	7,790	-	71,514	795	1,295	651	127,100	1.9%	0.82
2015	9,995	29,630	357	8,781	-	60,995	620	1,134	608	112,120	1.5%	0.70
2016	9,435	25,365	304	8,190	-	49,838	425	966	720	95,243	1.2%	0.58
2017	\$ 8,860	\$ 29,410	\$ 249	\$ 8,463	-	\$ 39,960	\$ 225	\$ 790	\$ 749	\$ 88,705	N/A	0.53

Totals may not add due to rounding

Note: Personal Income provided by the Bureau of Economic Analysis. Information is updated regularly and 2016 data was not available at the time this schedule was prepared.

*These numbers are in thousands as rest of the table. In 2016 the 0.59 means \$590.00 is the total debt per person

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit A-9

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of</u> <u>Property</u>	<u>Per</u> <u>Capita</u>
2008	2,535,000	0.02%	18
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-

Direct and Overlapping Governmental Activities Debt

Exhibit A-10

As of December 31, 2017

in thousands

	Debt Outstanding ²	Percentage Applicable to the City ³	Share of Debt Applicable to the City
Direct Debt			
City of Fort Collins ¹	46,982	100.00%	\$ 46,982
Overlapping Debt			
Harmony Tech Park No. 1 ⁴	-	100.00%	-
Harmony Tech Park No. 2 ⁴	10,930	100.00%	10,930
Harmony Tech Park No. 3 ⁴	-	100.00%	-
Mall Metro District ⁴	72,950	100.00%	72,950
Poudre R-1 School District ⁴	158,235	100.85%	159,586
Health District of Northern Larimer County	-	101.49%	-
Poudre River Public Library ⁴	-	104.66%	-
Total Overlapping Debt	242,115		243,466
Total Direct and Overlapping Debt	<u>\$ 289,097</u>		<u>\$ 290,447</u>

ASSESSED VALUATION, DEBT, AND DEBT RATIO**DECEMBER 31, 2017**

Estimated actual valuation	\$ 23,119,632
Assessed valuation	\$ 2,581,037
Net direct debt	\$ 46,982
Estimated overlapping debt	\$ 243,466
Net direct and estimated overlapping debt	\$ 290,447
Ratio of net direct debt to estimated actual valuation	0.2%
Ratio of net direct debt to assessed valuation	1.8%
Net direct debt per capita ⁵	\$ 280
Ratio of net direct and estimated overlapping debt to estimated actual valuation	1.3%
Ratio of net direct and estimated overlapping debt to assessed valuation	11.3%
Net direct and estimated overlapping debt per capita ⁵	\$ 1,734
Estimated actual valuation per capita ⁵	\$ 138,028
Assessed valuation per capita ⁵	\$ 15,409

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

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

³ Determined by calculating ratio of assessed valuation of taxable property within the City to assessed valuation of the overlapping unit. Source for assessed valuations: Larimer County Assessor's Office.

⁴ Source: Governmental entity.

⁵ Based on 2017 Population estimate per City of Fort Collins Planning Office--167,500. Per capita amounts are presented unrounded and not in thousands.

Legal Debt Margin Information
 Last Ten Fiscal Years
in thousands

Exhibit A-11

Assessed Valuation ¹	\$ 2,308,002
Debt limit - 10% of assessed value	230,800
Amount of debt applicable to limit:	
Total bonded debt (including special assessments)	50,038
Less:	
Assets in debt service funds available for payment of general obligation debt	-
Other deductions allowed by law:	
Downtown Development Authority tax increment bonds	(10,078)
Light and Power revenue bonds	(5,270)
Water revenue bonds	(3,735)
Storm drainage revenue bonds	(9,405)
Sewer revenue bonds	(21,550)
Net amount of debt applicable to debt limit	0
Legal debt margin	<u><u>\$ 230,800</u></u>

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 175,881	\$ 182,224	\$ 181,595	\$ 179,223	\$ 179,603	\$ 188,469	\$ 193	\$ 222,960	\$ 230,800,217	\$ 230,800
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 175,881</u></u>	<u><u>\$ 182,224</u></u>	<u><u>\$ 181,595</u></u>	<u><u>\$ 179,223</u></u>	<u><u>\$ 179,603</u></u>	<u><u>\$ 188,469</u></u>	<u><u>\$ 193</u></u>	<u><u>\$ 222,960</u></u>	<u><u>\$ 230,800.217</u></u>	<u><u>\$ 230,800.000</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹Source: Larimer County Assessor's Office.

Pledged Revenue Coverage
Last Ten Fiscal Years
in thousands

Exhibit A-12

LIGHT AND POWER REVENUE BONDS

	Gross Revenues	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	89,499	79,266	10,232	-	-	-	n/a
2009	88,490	82,132	6,359	-	-	-	n/a
2010	99,951	91,483	8,468	-	-	-	n/a
2011	109,106	96,124	12,982	-	235	235	n/a
2012	119,771	100,664	19,107	1,415	622	2,037	9.38
2013	129,264	108,976	20,287	1,455	580	2,035	9.97
2014	125,953	107,205	18,748	1,490	547	2,037	9.20
2015	125,308	114,156	11,152	1,520	514	2,034	5.48
2016	134,007	122,822	11,186	1,580	453	2,033	5.50
2017	137,106	122,757	14,348	1,757	303	2,059	6.97

WATER REVENUE BONDS

	Gross Revenues	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	33,922	15,823	18,098	2,402	1,409	3,810	4.75
2009	25,767	16,358	9,409	2,482	1,173	3,655	2.57
2010	27,289	16,582	10,707	2,633	1,034	3,667	2.92
2011	29,217	16,310	12,907	2,661	943	3,604	3.58
2012	33,061	19,235	13,825	2,755	841	3,596	3.85
2013	32,727	18,109	14,617	2,854	676	3,530	4.14
2014	37,579	18,629	18,950	2,569	510	3,079	6.15
2015	34,521	20,302	14,219	2,759	474	3,233	4.40
2016	37,911	20,004	17,908	2,871	326	3,197	5.60
2017	42,881	18,444	24,437	2,744	222	2,966	8.24

WASTEWATER REVENUE BONDS

	Gross Revenues	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	21,844	10,434	11,410	4,081	1,005	5,087	2.24
2009	22,875	10,577	12,298	4,237	1,817	6,054	2.03
2010	22,170	12,117	10,053	3,378	1,704	5,081	1.98
2011	20,375	11,134	9,240	2,982	1,496	4,477	2.06
2012	23,520	11,658	11,862	3,099	1,459	4,557	2.60
2013	23,811	11,942	11,870	3,265	1,308	4,573	2.60
2014	26,258	11,586	14,672	1,640	1,217	2,857	5.14
2015	24,360	12,303	12,057	1,695	1,158	2,853	4.23
2016	28,376	14,072	14,305	1,760	328	2,088	6.85
2017	29,085	14,371	14,714	2,123	549	2,672	5.51

Pledged Revenue Coverage
Last Ten Fiscal Years
in thousands

Exhibit A-12
(continued)

STORM DRAINAGE REVENUE BONDS							
	Gross		Net Revenue	Debt Service Requirements			Coverage
	Revenues	Expenses	Available for Debt Service	Principal	Interest	Total	
2008	15,139	4,865	10,274	2,610	2,483	5,093	2.02
2009	14,219	5,838	8,381	2,568	2,346	4,914	1.71
2010	14,613	5,052	9,560	2,683	1,606	4,289	2.23
2011	14,669	5,299	9,371	2,238	1,143	3,380	2.77
2012	15,729	5,064	10,664	2,965	1,102	4,067	2.62
2013	15,322	6,510	8,812	3,085	954	4,039	2.18
2014	17,742	5,749	11,993	3,203	840	4,042	2.97
2015	16,129	5,635	10,494	3,335	832	4,167	2.52
2016	20,387	6,771	13,616	3,465	699	4,164	3.27
2017	18,255	7,570	10,685	3,595	475	4,070	2.63

Totals may not add due to rounding

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Denver-Aurora Lakewood CPI-U</u>	<u>Residential Building Permits</u>
2008	136,427	11,378,132	38,848	5.0%	209.90	385
2009	138,100	11,149,957	37,368	6.6%	208.55	227
2010	143,986	11,600,000	38,585	7.4%	212.44	266
2011	144,875	12,149,896	39,767	6.8%	220.29	431
2012	148,700	12,826,581	41,311	6.4%	224.57	508
2013	151,330	13,545,018	42,866	5.4%	230.79	670
2014	155,400	14,126,667	43,584	4.3%	237.20	802
2015	160,935	15,118,879	45,318	3.3%	239.99	558
2016	162,919	16,019,414	47,117	2.8%	246.64	589
2017	167,500	n/a	n/a	2.2%	255.00	649

Note: Information for personal income, per capita, and unemployment rate is based on the Fort Collins/Loveland regional area.

Source:

- 1) Population prior to 2009 provided by the Colorado State Demography Office. 2010 population is from the US Census 2009, 2011-2015 population is estimated by the Colorado State Demography Office; 2016 population is estimated by the City of Fort Collins Planning Department.
- 2) Personal income, and per capita personal income provided by the Bureau of Economic Analysis. Information is updated regularly and is subject to change. Data for 2017 was not available at the time this schedule was prepared. GeoName states 'Fort Collins, CO (Metropolitan Statistical Area)'
- 3) Unemployment rate provided by the United States Department of Labor - Bureau of Labor Statistics. Average/year
- 4) CPI-U, annual, is provided by the US Bureau of Labor Statistics- Denver-Aurora-Lakewood area is the nearest region CPIU database changed from Denver-Boulder-Greeley to Denver-Aurora-Lakewood in 2017.
- 5) Number of residential building permits issued obtained from the City of Fort Collins Neighborhood and Building Services department.
Single family detached and attached with the multi family

Principal Employers
2017 and Nine Years Ago

Exhibit A-14

<u>Employer</u>	Fiscal Year 2017			Fiscal Year 2009 *		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Colorado State University	7,829	1	8.0%	6,755	1	7.8%
Poudre R-1 School District	4,394	2	4.5%	3,929	2	4.5%
UC Health: Poudre Valley Hospital	4,288	3	4.4%	2,832	3	3.3%
City of Fort Collins	1,992	4	2.0%	1,795	5	2.1%
Larimer County	1,855	5	1.9%	1,975	4	2.3%
Broadcom (Avago)	1,244	6	1.3%	656	9	0.8%
Woodward	1,201	7	1.2%	994	8	1.1%
Employment Solutions Personnel	868	8	0.9%			
Otter Products, LLC	826	9	0.8%			
Department of Agriculture	789	10	0.8%			
Hewlett Packard				1,524	6	1.8%
Anheuser Busch				609	10	0.7%
Center Partners				1,081	7	1.2%
Total	25,286		25.8%	22,150		25.4%

Source: United States Bureau of Labor and Statistics

*2008 data not available

Full-time Equivalent City Employees by Service Area/Department
Last Ten Fiscal Years

Exhibit A-15

<u>Service Area/ Department</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Financial Services	37	37	35	35	35	38	38	38	43	47
Executive Services	23	23	23	25	25	25	28	28	29	30
Judicial Services	7	7	7	8	8	7	8	8	9	10
Legal Services	11	11	12	12	12	12	15	17	18	19
Sustainability Services	11	12	13	15	19	25	26	25	32	33
Police Services										
<i>Investigations</i>	47	46	45	48	55	56	57	55	55	54
<i>Police Information Systems</i>	54	56	55	57	60	61	61	57	57	61
<i>Patrol</i>	134	135	140	144	149	153	159	161	164	167
<i>Office of the Chief</i>	14	14	14	15	16	18	18	18	19	20
Community & Operation Services										
<i>Operation Services</i>	65	67	63	65	70	72	73	72	78	81
<i>Recreation</i>	130	133	128	128	128	126	128	130	124	127
<i>Cultural Services</i>	44	48	42	46	50	56	55	51	53	56
<i>Parks</i>	130	132	127	132	135	138	139	135	142	148
<i>Natural Areas</i>	43	47	45	46	48	47	48	48	50	49
<i>Library</i>	3	-	-	-	-	-	-	-	-	-
Planning, Development & Transportation										
<i>Transport / Parking Services</i>	96	93	91	92	94	96	115	132	140	142
<i>Comm Dev & Neighborhood Svcs</i>	54	48	44	45	51	56	60	61	65	69
<i>FC Moves</i>	7	7	6	6	6	5	6	8	9	8
<i>Streets</i>	55	51	51	57	57	53	55	56	56	57
<i>Traffic</i>	30	29	26	29	30	28	27	26	28	29
<i>Engineering</i>	30	30	30	30	33	35	33	33	35	35
Information & Employee Services										
<i>Information Technology</i>	41	47	54	52	57	61	67	67	69	71
<i>Comm. & Public Involvement</i>	8	8	9	9	10	11	13	15	16	17
<i>Human Resources</i>	19	20	20	19	20	22	21	22	24	26
Utility Services										
<i>Light & Power</i>	93	103	104	107	108	107	107	112	110	108
<i>Water</i>	82	77	77	80	80	84	84	87	89	91
<i>Wastewater</i>	60	62	61	61	60	60	59	59	63	63
<i>Storm Drainage</i>	25	29	30	31	29	32	33	32	31	32
<i>Customer Service & Admin.</i>	97	97	91	88	92	93	93	88	93	92
Total City of Fort Collins	1,449	1,469	1,445	1,481	1,537	1,577	1,623	1,642	1,701	1,741

Note: Full time equivalents are based on filled positions using hours worked, excluding overtime, but including vacation, sick and holiday time. The data includes *all employees*, including exempt, not-exempt, with benefits, and without benefits. Vacancies are not included. Prior years restated due to reorganization, and data was missing compensation time used. Totals may not add due to rounding.

Operating Indicators by Function/Program
Last Ten Fiscal Years

Exhibit A-16

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Job applications processed	9,209	5,148	7,112	11,415	10,192	10,760	6,666	19,162	21,052	19,978
Warrants issued	1,010	798	1,231	1,370	1,379	1,146	874	723	952	920
Camera Radar completed cases	21,239	20,414	18,137	17,634	13,954	16,750	13,599	14,003	16,747	18,977
Public Safety										
Adult arrests	4,373	4,154	4,739	4,792	5,112	4,605	4,827	5,235	5,983	6,237
Juvenile arrests	809	811	849	675	610	553	658	767	587	589
Traffic violations	18,890	15,737	20,792	18,484	21,678	19,399	17,292	17,418	15,293	13,756
Number of fires per 1000 population	2.64	2.22	2.22	2.19	2.12	2.05	1.76	1.91	1.78	1.71
Total inspections per 1000 population	9.83	16.83	16.75	11.91	24.20	21.70	13.39	26.35	26.03	33
Average calls per week	259	266	276	299	306	317	339	367	403	427
Average response time	4:14	4:10	4:39	4:59	5:34	6:55	N/A	N/A	N/A	N/A
Minutes fire personnel are on scene 90% of the time	N/A	N/A	N/A	N/A	N/A	N/A	0.359027778	7:45	7:23	7:16
Culture, parks, recreation & natural areas										
Epic Pool & Ice attendance	373,809	353,161	480,586	385,426	364,459	465,615	361,276	354,486	294,860	323,231
City Park Pool attendance	91,444	77,276	74,821	75,755	66,651	60,138	49,155	52,545	51,311	46,764
Mulberry Pool attendance	98,640	117,033	167,810	202,148	134,358	148,641	57,260	57,149	65,168	71,578
Senior Center Pool attendance	32,980	55,765	21,179	25,775	29,236	32,599	20,213	24,627	24,415	25,461
Youth Activity Center attendance	712	1,090	24,207	31,171	46,202	41,666	11,951	N/A	N/A	N/A
Foothills Activity Center attendance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48,572	55,329
North Aztlán Center attendance	105,362	145,898	177,779	194,315	183,292	164,849	210,766	218,225	170,618	170,837
Farm attendance	79,730	61,166	61,737	61,336	62,736	57,502	60,077	62,326	66,648	66,969
Museum attendance	18,142	33,904	26,852	22,752	23,315	114,292	92,251	99,146	122,549	126,839
Scheduled park events	6,185	5,650	5,630	5,953	6,486	6,122	7,016	5,877	6,061	7,700
Planning and development										
Construction permits- single family units	254	153	177	258	469	630	743	509	522	583
Construction permits- multi family units	37	4	10	31	39	40	59	49	67	66
Transportation										
Transfort										
Passengers	1,884,194	1,994,229	2,034,195	2,156,775	2,271,732	2,296,511	2,611,642	3,266,194	4,089,206	4,306,807
Revenue miles	798,849	791,627	913,682	995,858	1,028,405	1,033,967	1,297,623	1,496,165	1,611,409	1,612,941
Revenue hours	68,356	69,984	75,564	77,356	78,551	78,741	103,232	118,846	126,380	129,438
Dial a Ride										
Passengers	44,135	41,719	40,385	37,851	37,747	34,121	34,533	35,450	34,005	29,594
Revenue miles	282,257	269,831	252,107	166,893	156,941	205,512	207,782	210,076	200,018	183,355
Revenue hours	25,092	23,456	21,690	20,407	19,429	17,770	17,642	18,229	17,741	16,062
Light & Power										
Customers	63,913	64,750	65,504	66,220	67,209	68,585	69,619	70,594	71,016	72,523
Electric use- megawatt hours	1,429,797	1,404,529	1,442,741	1,493,417	1,508,735	1,500,215	1,475,103	1,519,377	1,547,459	1,532,219
Peak demand- megawatts	285	264	282	292	302	295	281	291	304	311
Interruption index- minutes/year	10.00	10.99	17.27	21.73	16.84	9.58	25.54	20.60	18.83	15.95
Water										
Customers	33,082	32,910	32,983	33,074	33,147	33,348	34,290	34,744	35,092	35,279
Treated water delivered- acre feet	25,633	22,683	24,030	23,387	26,875	23,972	23,733	24,263	27,173	26,000
Peak day water use- million gallons/day	44.3	37.1	40.8	39.7	46.8	43.0	40.8	40.2	49.6	45.0
Water main breaks	59	79	139	97	108	92	80	116	111	97
Wastewater										
Customers	32,847	33,134	33,226	33,305	33,398	33,555	34,203	34,425	34,995	35,195
Average flow wastewater treated- million gallons/day	15.7	14.8	13.9	13.7	12.9	13.9	14.7	15.0	14.6	14.5
Recycled processed wastewater bio solids- dry tons	1,738	1,793	1,747	1,817	1,901	1,890	2,277	2,322	2,321	2,355
Industrial discharge permits	15	14	14	14	15	16	16	13	13	14
Storm Drainage										
Customers	40,554	40,911	40,813	41,395	42,020	42,589	43,609	44,388	45,008	45,589
Golf										
Rounds played	78,916	83,751	78,608	77,854	86,865	77,812	81,469	82,349	78,084	78,654

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Exhibit A-17

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Administrative buildings	3	3	3	3	3	3	3	3	3	3
Municipal court	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	3
Police cars	224	232	225	281	284	270	257	260	279	259
Fire stations	13	13	13	13	13	13	13	13	13	13
Culture, parks, recreation & natural areas										
Swimming pools	4	4	4	4	4	4	4	4	4	4
Number of parks	46	46	46	46	48	49	49	49	49	49
Acreage of parks	861	861	861	861	871	878	878	878	879	939
Miles of hard surface trails	28.67	28.67	30.39	31.74	32.44	35.62	35.62	38.55	39.05	39.38
Planning and development										
Land Bank program- acres*	51	51	51	51	51	49	49	49	49	41
Land Bank program- yield of future affordable housing units*	513	446	510	510	510	490	490	490	490	410
Transportation										
Transit buses	27	29	44	34	40	34	44	54	56	58
Lane miles	1,796	1,796	1,796	1,796	1,861	1,901	1,901	1,922	1,922	1,957
Light & Power										
Underground distribution lines- miles	801.4	820.0	837.5	851.8	864.0	874.8	897.1	920.3	946.30	968.71
Overhead distribution lines- miles	6.7	7.0	8.4	10.6	10.7	10.7	10.3	9.5	5.81	4.69
Distribution substations	5	5	5	6	7	7	7	7	7	7
Distribution transformers	8,060	8,082	8,226	8,357	8,453	8,655	8,827	8,882	9,015	9,138
Water										
Water mains and distribution lines- miles of pipe	540	541	527	528	529	539	544	549	549	542
Hydrants	3,487	3,494	3,510	3,524	3,539	3,617	3,659	3,729	3,763	3,780
Plant capacity- millions gallons/day	87	87	87	87	87	87	87	87	87	87
Raw water storage- acre feet	7,161	7,161	7,161	7,161	7,161	7,161	7,161	7,161	7,161	9,100
Treated water storage- million gallons	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	36	36
Water rights owned- avg yield in acre feet/year	74,120	74,140	74,160	74,420	74,670	74,945	75,245	75,295	75,345	75,795
Wastewater										
Trunk and collection- miles of pipe	437	436	437	436	437	437	445	445	446	446
Plants- treatment capacity	29	29	29	29	29	29	29	29	29	29
Biosolids facility- acres	26,350	26,582	26,680	26,680	26,680	26,680	26,680	26,680	26,680	26,054
Storm Drainage										
City owned detention basins	90	90	90	90	90	90	90	105	106	108
City owned detention basins- acres	320	320	320	320	320	320	320	330	321	325
Regional drainage channels	69	69	69	69	69	69	69	69	69	69
Storm sewer manholes	2,968	3,265	2,568	3,524	3,640	3,909	3,909	4,271	4,326	4,372
Storm sewer pipeline- miles**	197.2	219.6	220.0	224.2	232.0	237.0	241.0	247.0	177.0	178.0
Golf										
Golf courses	3	3	3	3	3	3	3	3	3	3
City Park Nine- acres	56	56	56	56	56	56	56	56	56	56
Collindale- acres	160	160	160	160	160	160	160	160	160	160
SouthRidge-acres	128	128	128	128	128	128	128	128	128	128

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

Land Bank code allows up to 12 dwelling units per acre; report has consistently used 10 bu's per acre

**Miles for 2015 and prior includes storm drainage systems not maintained by the City. Miles for 2016 includes only City of Fort Collins maintained pipes.

***Unclear definition on police stations. For last 20 years have had 2 stations and added an addition one in 2017

****Police cars includes 5 motorcycles, 1 bearcat and 1 accident callout vehicle as of 2017 data



OTHER SCHEDULES



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ELECTRIC UTILITY ENTERPRISE
TAX-EXEMPT REVENUE BONDS SERIES 2010A and 2010B
SEC RULE 15c2-12 INFORMATION—CUSTOMER BASE and LARGEST UTILITY CUSTOMERS
(UNAUDITED)

Customer Base

The Electric Utility System serves a customer base which has grown as follows in the years 2008 to 2017:

Customer Base		
<u>Years</u>	<u>Electric Customers</u>	<u>% Change</u>
2008	63,913	1.5
2009	64,750	1.3
2010	65,507	1.2
2011	66,223	1.1
2012	67,212	1.5
2013	68,588	2.0
2014	69,621	1.5
2015	70,596	1.4
2016	71,327	1.0
2017	72,523	1.7

Ten Largest Electric Utility Customers

2017
Ten Largest Electric Utility Customers

<u>Customer (NAICS code)</u>	<u>Electric Charges for Services</u>	<u>% of Total Electric</u>
University	\$ 10,136,594	7.9%
Industrial	8,997,409	7.0%
Industrial	5,095,370	4.0%
Industrial	4,748,675	3.7%
City Government	2,431,962	1.9%
School District	1,658,976	1.3%
Industrial	1,600,931	1.2%
Hospitals	1,495,363	1.2%
County	873,147	0.7%
Industrial	629,760	0.5%
Total Ten Largest Customers	\$ 37,668,188	29.3%

(1) State laws prohibit disclosing the identity of the Enterprise's customers

(2) Based on the total charges for electric services of \$128,730,192 in 2017

**ELECTRIC UTILITY ENTERPRISE
TAX-EXEMPT REVENUE BONDS SERIES 2010A and 2010B
SEC RULE 15c2-12 INFORMATION—REVENUE BY CUSTOMER CLASS
(UNAUDITED)**

The following table sets forth Electric Utility System's sales and revenues by customer class for the past five years.

Statistics by Customer Class					
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Electric sales in MWH					
Residential	508,379	482,399	485,337	495,471	485,354
Commercial & Traffic Signals ⁽¹⁾	502,579	498,597	519,802	514,419	506,731
Industrial & Contract ⁽²⁾	458,414	452,249	463,409	493,830	506,951
Total	1,469,372	1,433,245	1,468,548	1,503,720	1,499,036
Electric Revenues					
Residential	\$ 48,353,181	\$ 46,813,927	\$ 47,083,536	\$ 50,029,684	\$ 50,959,274
Commercial & Traffic Signals ⁽¹⁾	38,881,484	39,316,511	41,679,100	42,879,865	43,738,751
Industrial & Contract ⁽²⁾	27,523,024	27,984,895	28,687,555	32,163,442	34,032,167
Total	\$ 114,757,689	\$ 114,115,333	\$ 117,450,191	\$ 125,072,991	\$ 128,730,192
Average Customer Accounts					
Residential	60,464	61,016	61,738	62,770	63,760
Commercial & Traffic Signals ⁽¹⁾	8,106	8,587	8,843	8,543	8,750
Industrial & Contract ⁽²⁾	18	18	15	14	13
Total	68,588	69,621	70,596	71,327	72,523
Average Annual Use per Residential Customer					
	8,408	7,906	7,861	7,893	7,612
Annual Peak Demand (MW)					
	296	282	291	304	311

(1) Commercial accounts include all non residential customers with average monthly demands less than 750 kW.

(2) Industrial accounts include all non residential customers with average monthly demands greater than 750 kW.

ELECTRIC UTILITY ENTERPRISE**TAX-EXEMPT REVENUE BONDS SERIES 2010A and 2010B****SEC RULE 15c2-12 INFORMATION—PLEDGED REVENUES AND CHANGES IN WORKING CAPITAL
(UNAUDITED)****Collections**

Although the Enterprise has not been required to calculate Gross Pledged Revenues, Operation and Maintenance Expenses and Net Pledged Revenues relating to the Electric Utility System prior to those terms being defined in the Bond Ordinance, the Enterprise has calculated what such amounts would have been for the fiscal years ended December 31, 2012 through 2017 as follows:

Historical Net Pledged Revenues

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Pledged Revenues ⁽¹⁾	\$ 119,770,757	\$ 129,263,898	\$ 125,953,186	\$ 125,694,580	\$ 132,198,698	\$ 132,198,698
Operating and Maintenance Expense ⁽²⁾	100,663,688	108,976,494	107,204,776	114,156,098	122,821,511	122,821,511
Net Pledged Revenues	\$ 19,107,069	\$ 20,287,404	\$ 18,748,410	\$ 11,538,482	\$ 9,377,187	\$ 9,377,187

(1) For purposes of comparison with the five-year Comparative Statement of Revenue, Expenditures and Changes in Net Assets herein, Gross Pledged Revenues reflect "Total Revenues" less Transfers In.

(2) For purposes of comparison with the five-year Comparative Statement of Revenue, Expenditures and Changes in Net Assets herein, Operating and Maintenance Expenses reflect "Total Expenditures" less Depreciation, Interest Expense and Transfers Out.

**Light and Power Fund
Changes in Working Capital**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current Assets	\$ 68,958,186	\$ 70,157,741	\$ 65,126,493	\$ 52,523,574	\$ 47,935,176
Current Liabilities	13,703,695	13,618,178	13,701,093	15,754,103	14,418,380
Working Capital	\$ 55,254,491	\$ 56,539,563	\$ 51,425,400	\$ 36,769,471	\$ 33,516,796
Change in Working Capital	\$ 3,355,443	\$ 1,285,072	\$ (5,114,163)	\$ (14,655,929)	\$ (3,252,675)

**ELECTRIC UTILITY ENTERPRISE
TAX-EXEMPT REVENUE BONDS SERIES 2010A and 2010B
SEC RULE 15c2-12 INFORMATION – OPERATING HISTORY
(UNAUDITED)**

Operating History of the Light and Power Fund

The following table sets forth the Comparative Statements of Revenue, Expenditures and Changes in Net Assets for the years ended December 31, 2013 through 2017:

CITY OF FORT COLLINS LIGHT AND POWER FUND

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES					
Charges for services	\$ 114,757,689	\$ 114,114,704	\$ 117,450,191	\$ 125,072,991	\$ 128,730,192
Earnings on investments	74,170	620,546	546,738	249,907	522,721
Interest on security lending income	-	-	-	-	-
Intergovernmental	933,688	112,218	224,799	337,380	225,524
Other revenue	1,417,461	1,768,063	1,596,769	1,808,474	1,925,171
Transfers In	86,147	87,888	179,000	67,000	-
Gain on sale of capital assets	(873,819)	(181,901)	144,160	123,422	211,437
Contributed Capital	12,954,709	9,519,556	5,731,923	6,414,998	5,490,709
Total Revenues	<u>\$ 129,350,045</u>	<u>\$ 126,041,074</u>	<u>\$ 125,873,580</u>	<u>\$ 134,074,172</u>	<u>\$ 137,105,754</u>
EXPENDITURES					
Personal services	\$ 7,676,785	\$ 7,407,796	\$ 7,510,929	\$ 7,936,963	\$ 10,459,859
Contractual services	10,554,688	10,342,768	9,496,190	11,053,742	11,560,054
Commodities	81,723,155	81,711,589	89,287,299	94,439,663	91,471,848
Customer service and admin charges	4,683,584	5,126,811	5,268,453	6,500,603	5,832,953
Interest	483,529	447,728	386,728	324,879	258,998
Other	4,338,282	2,615,812	2,593,227	2,890,540	3,432,567
Depreciation	8,032,824	8,332,877	8,646,806	9,209,164	10,325,278
Transfers Out	129,845	16,897	19,281	103,715	235,226
Total Expenditures	<u>117,622,692</u>	<u>116,002,278</u>	<u>123,208,913</u>	<u>132,459,269</u>	<u>133,576,783</u>
Change in Net Assets	11,727,353	10,038,796	2,664,666	1,614,903	3,528,971
Net Assets -- January 1	177,687,691	189,415,044	198,422,466 ⁽¹⁾	201,087,112	202,950,792 ⁽²⁾
Net Assets -- December 31	<u>\$ 189,415,044</u>	<u>\$ 199,453,840</u>	<u>\$ 201,087,112</u>	<u>\$ 202,702,015</u>	<u>206,479,763</u>

(1) Net Assets -- January 1, 2015 beginning balance was adjusted, due to the adoption of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" resulted in a restatement to recognize the liability expected to be liquidated with expendable available financial resources.

(2) Net Assets -- January 1, 2017 beginning balance was adjusted, due to the adoption of GASB Statement No. 75 "Accounting and Financial Reporting for OPEB Liability" resulted in a restatement to recognize the liability expected to be liquidated with expendable available financial resources.

**ELECTRIC UTILITY ENTERPRISE TAX-EXEMPT REVENUE BONDS SERIES 2010A and 2010B
SEC RULE 15c2-12 INFORMATION – COMPARISON AGAINST RECENT BUDGET
(UNAUDITED)**

Budget Summary

The following table shows the 2017 budgeted Statement of Net Assets compared against the 207 Actual Statement of Net Asset.

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>
REVENUES				
Programs				
Earnings on investments	\$ 522,721	\$ 653,323	\$ 653,323	\$ (130,602)
Fees and charges for services	128,730,192	126,490,000	129,990,000	(1,259,808)
Intergovernmental	225,524	220,000	220,000	5,524
Miscellaneous revenue	7,510,766	4,340,000	4,340,000	3,170,766
Sale of Capital Assets	116,551	-	-	116,551
Projects				
Intergovernmental	18,101,263	-	18,101,264	(1)
Miscellaneous revenue	594,575	-	748,982	(154,407)
Proceeds from issuance of long-term debt	16,500,000	-	17,000,000	(500,000)
Total Revenues	<u>172,301,592</u>	<u>131,703,323</u>	<u>171,053,569</u>	<u>1,248,023</u>
EXPENSES				
Programs (fund level of budgetary control)				
L&P Energy Services	5,126,556	6,080,264	6,534,492	1,407,936
L&P Payments and Transfers	17,259,533	17,917,664	17,917,664	658,131
L&P Purchase of Power	92,892,983	91,582,500	95,340,052	2,447,069
L&P System Additions	6,633,601	5,666,141	6,368,507	(265,094)
Light & Power Operations	10,034,801	10,187,223	10,390,802	356,001
Projects (project level of budgetary control)				
Art in Public Places	520,279	-	1,029,280	509,001
Maintenance Mgmt	13,724,010	-	13,610,372	(113,638)
Electric Vehicle Charging Stn	26,527,241	-	27,314,576	787,335
Radios	1,631,343	-	2,569,977	938,634
Service Center-L&P Parent	2,810	-	1,442,688	1,439,878
Smart Grid Invest Grant	1,345,193	-	1,707,471	362,278
Substation Cap Proj	4,085,829	-	4,012,394	(73,435)
SW Enclave Sys Purchases	-	-	877,952	877,952
Substation Cap Prj - Parent	1,500,598	-	2,028,098	527,500
Genesis64 SCADA Upgrade	896,747	-	1,767,000	870,253
New Capacity - Circuits	235,404	-	2,490,000	2,254,596
Dist. System Impr. & Replace	644,129	-	644,129	-
Operational Technology	648,325	-	648,325	-
CMMS--Maintenance Management	79,887	-	125,000	45,113
Total Expenses	<u>183,789,269</u>	<u>131,433,792</u>	<u>196,818,779</u>	<u>13,029,510</u>
Excess (deficiency) of revenues over (under) expenses before reconciling items	(11,487,677)	<u>\$ 269,531</u>	<u>\$ (25,765,210)</u>	<u>\$ 14,277,533</u>
RECONCILIATION TO GAAP BASIS				
Prior Years' Project Expenses	42,876,125			
Prior Years' Project Revenues	(35,195,838)			
Capital Outlay--Programs	15,458,501			
Current Year's Project Expenses	409,065			
Principal Reduction--Long-term Debt	1,733,265			
Depreciation	(10,325,278)			
Bond Amortization	60,808			
Total Reconciling Items	<u>15,016,648</u>			
Change in net position	3,528,971			
Net Position--January 1	<u>202,950,792</u>			
Net Position--December 31	<u>\$ 206,479,763</u>			

WASTEWATER UTILITY ENTERPRISE**SEWER REVENUE BONDS****SEC RULE 15c2-12 INFORMATION—CUSTOMER BASE, RATE STRUCTURE, AND ENFORCEMENT
(UNAUDITED)****Customer Base**

The sewer (wastewater) system serves a customer base which has grown as follows in the years 2008 to 2017:

Years (at December 31)	Wastewater Customers
2008	32,847
2009	33,134
2010	33,226
2011	33,305
2012	33,398
2013	33,555
2014	34,203
2015	34,425
2016	34,982
2017	35,184

Approximately 94.2% of the wastewater customers are residential, with the remaining 5.8% being industrial and commercial customers. Two customers of the wastewater utility contribute 3% or more of the wastewater utility's total monthly revenue - a large commercial customer at 4.2% (1,305,236) of total revenue and the university at 4.3% (\$1,013,322).

Rate Structure

User Charges. The following tables show the City's monthly wastewater user charges in effect on January 1, 2017. Historically, user charges increased 4.5% for residential rates and 7.5% for commercial rates in 1990, 8.6% for residential rates and 11.6% for commercial rates in 1991, 6.0% per year for all customer classes in 1992, 1993, 1994, and 1995, 3.0% in 1996, 0% in 1997, 2.0% in 1998, 1999, 2000, 2001, 2002 and 2003, 5% in 2004, 2005, 2006 and 2007, 12% in 2008, 11% in 2009, 10% in 2010, 9% in 2011, and 8% in 2012. There was no rate increase implemented in 2013. In 2014 Wastewater rates increased 3% in and varied by rate class based on cost of service: +7.5% single family residential, -5.6% duplex, +4.2% multi-family, and -3.6 commercial. Wastewater rates increased 3% in 2015 for all rate classes. In 2016 Wastewater rates increased 3% in and varied by rate class based on cost of service: +2.5% single family residential, duplex, and multi-family, and +4.5% commercial. In 2017 Wastewater rates increased 3% in and varied by rate class based on cost of service: +2.5% single family residential, duplex, and multi-family, and +4.5% commercial. The minimum winter quarter average consumption (WQA) is 3,000 gallons for single family customers (4,000 gallons for duplexes).

Large commercial customers who have facility or manufacturing processes that result in a significant difference between the volumes of water delivered and the volume of wastewater discharged had the ability to start metering their flows beginning in 2012. Seven customers qualified for the consumptive credit in 2017, with the credit totaling \$196,269.

WASTEWATER UTILITY ENTERPRISE
SEWER REVENUE BONDS
SEC RULE 15c2-12 INFORMATION- RATE STRUCTURE (UNAUDITED)
(Continued)

2017 Monthly User Charges ¹

<u>Residential ²</u>	Wastewater Rates	
	Fixed	Variable
Single family	\$ 17.63	\$ 3.426 /kgal of WQA
Duplex	\$ 20.02	\$ 3.006 /kgal of WQA
Multi-family	\$ 2.61 per living unit	\$ 3.319 /kgal of WQA
<u>Commercial ³</u>		
3/4" metered	\$ 9.03	\$ 3.130 /kgal
1"	\$ 20.85	\$ 3.130 /kgal
1 1/2"	\$ 41.96	\$ 3.130 /kgal
2"	\$ 71.80	\$ 3.130 /kgal
3"	\$ 114.72	\$ 3.130 /kgal
4"	\$ 181.18	\$ 3.130 /kgal
6"	\$ 794.25	\$ 3.130 /kgal
8"	\$ 917.07	\$ 3.130 /kgal

Footnotes:

- ¹ Excludes payments in lieu of taxes which are included as an additional 6% charge in the wastewater bill and remitted to the general fund.
- ² Average monthly amount of water billed during January, February and March.
- ³ The usage charge of \$2.908 multiplied by each increment of 1,000 gallons either (a) metered water or (b) based on WQA, if customer is eligible.

Plant Investment Fees. Plant Investment Fees (PIFs) are used to finance growth related capital facility costs for wastewater “backbone” and treatment facilities. They establish equity between existing customers and new customers and shelter existing customers from the cost of growth but must be established and applied in a legal manner (Colorado Senate Bill 15, 2001). This fee is paid at the time a building permit is issued. Proceeds of the plant investment fee are accounted for as contributed capital of the wastewater system, rather than as operating revenue. The City Council adopted the following plant investment fee schedule, which took effect January 1, 2017.

Plant Investment Fees

<u>Residential:</u>		
Single family residence	\$	3,500
Duplex and Multi-family residence (per living unit)	\$	2,520
<u>Non-Residential:</u> (based on water connection size)		
3/4"	\$	7,130
1"	\$	17,200
1 1/2"	\$	33,410
2"	\$	59,140
3"	**	
4"	**	

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

Other Fees and Charges. The City also charges additional fees and charges related to the provision of sewer service, including wastewater strength surcharges, industrial wastewater discharge permit application and administration fees, wastewater monitoring and sampling charges, laboratory analysis and support service charges, a private sewage disposal system permit and inspection fee, and a building sewer permit and inspection fee.

WASTEWATER UTILITY ENTERPRISE

SEWER REVENUE BONDS

SEC RULE 15c2-12 INFORMATION- ENFORCEMENT (UNAUDITED)

(Continued)

Enforcement

The City's collections of wastewater charges historically have been in excess of 99%. Unpaid charges constitute a perpetual lien on the property to which service was delivered. Customers with delinquent active accounts are sent courtesy notices after 43 days. Wastewater service is not discontinued due to delinquency because of public health regulations. However, the City may discontinue water and electric service on delinquent accounts. Sometimes liens are filed while the delinquent customer is still an active account. Customers who have moved from the address where service was supplied and left the account owing to the City are typically assigned to a collection agency.

WASTEWATER UTILITY ENTERPRISE**SEWER REVENUE BONDS****SEC RULE 15c2-12 INFORMATION—COLLECTIONS AND OPERATING HISTORY (UNAUDITED)****(Continued)****Collections (in thousands)**

The following table sets forth the historical Wastewater System user rates, plant investment fee, other fees and charges, and investment earnings.

Collections (in thousands)

	2013	2014	2015	2016	2017
User rates	\$ 20,338	\$ 21,329	\$ 22,064	\$ 23,297	\$ 23,949
Plant investment fees	3,172	3,674	2,729	4,673	4,411
Other fees and charges	129	404	253	273	172
Investment earnings	172	438	439	133	553
Total Wastewater Revenue	<u>\$ 23,811</u>	<u>\$ 25,846</u>	<u>\$ 25,486</u>	<u>\$ 28,376</u>	<u>\$ 29,085</u>

Operating History of the Wastewater Fund

The financial section of this Comprehensive Annual Financial Report contains financial statements of the City and the Wastewater Fund as of and for the year ended December 31, 2016. The following sets forth the operating history of the Wastewater Fund for the years ended December 31, 2013 through 2017.

	2013	2014	2015	2016	2017
Operating Revenues					
Charges for services	\$ 20,338	\$ 21,329	\$ 22,064	\$ 23,297	\$ 23,949
Other revenue	98	783	204	191	160
Total Operating Revenues	<u>20,436</u>	<u>22,113</u>	<u>22,268</u>	<u>23,488</u>	<u>24,109</u>
Operating Expenses					
Administrative charge	1,724	1,897	2,159	2,679	2,607
Personnel services	4,931	4,852	5,010	5,451	5,612
Contractual services	3,873	3,331	3,026	4,061	3,984
Commodities	1,245	1,186	1,102	1,176	1,302
Other	169	319	1,006	703	866
Depreciation	4,697	5,063	5,474	5,708	5,941
Total Operating Expenses	<u>16,638</u>	<u>16,649</u>	<u>17,776</u>	<u>19,779</u>	<u>20,312</u>
Operating Income	<u>3,798</u>	<u>5,463</u>	<u>4,492</u>	<u>3,708</u>	<u>3,797</u>
Nonoperating Revenues (Expenses)					
Earnings on investments	172	438	439	133	553
Gain on sale of capital assets	31	33	50	82	12
Interest expense	(1,308)	(1,217)	(1,127)	(717)	(675)
Total Nonoperating Revenues (Expenses)	<u>(1,105)</u>	<u>(746)</u>	<u>(638)</u>	<u>(502)</u>	<u>(111)</u>
Income Before Contributions and Transfers	<u>2,693</u>	<u>4,718</u>	<u>3,854</u>	<u>3,207</u>	<u>3,686</u>
Capital contributed	3,172	3,674	2,729	4,673	4,411
Operating transfers in	-	-	29	125	-
Operating transfers out	<u>(10)</u>	<u>(36)</u>	<u>(38)</u>	<u>(72)</u>	<u>(211)</u>
Income After Contributions and Transfers	<u>3,162</u>	<u>3,638</u>	<u>2,720</u>	<u>4,726</u>	<u>4,200</u>
Change in Net Position	5,855	8,355	6,574	7,933	7,886
Net Position--Jan. 1	<u>143,302</u>	<u>149,158</u>	<u>* 156,029</u>	<u>157,513</u>	<u>** 170,723</u>
Net Position--Dec. 31	<u>\$ 149,157</u>	<u>\$ 157,513</u>	<u>\$ 162,603</u>	<u>\$ 165,446</u>	<u>\$ 178,609</u>

Totals may not add due to rounding

* Restated 2015 Beginning balance as result of implementing GASB 68.

** Restated 2017 Beginning balance as result of implementing GASB 75.

WASTEWATER UTILITY ENTERPRISE
SEWER REVENUE BONDS
SEC RULE 15c2-12 INFORMATION—HISTORIC DEBT SERVICE COVERAGE (UNAUDITED)
(Continued)

The historic debt service coverage on obligations payable from net pledged revenues of the Wastewater Fund for the past ten years is as follows (*in thousands*):

SEWER REVENUE BONDS--COVERAGE OF DEBT SERVICE REQUIREMENTS BY NET PLEDGED REVENUES OF THE SEWER SYSTEM--2008 TO 2017 ¹							
	Gross Revenues ²	Expenses ³	Net Pledged Revenues	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	21,844	10,434	11,410	4,081	1,005	5,087	2.24
2009	22,875	10,577	12,298	4,237	1,817	6,054	2.03
2010	22,170	12,117	10,053	3,378	1,704	5,081	1.98
2011	20,375	11,134	9,240	2,982	1,496	4,477	2.06
2012	23,520	11,658	11,862	3,099	1,459	4,557	2.60
2013	-	11,942	(11,942)	3,265	1,308	4,573	-2.61
2014	26,258	11,586	14,672	1,640	1,217	2,857	5.14
2015	24,360	12,303	12,057	1,695	1,158	2,853	4.23
2016	28,376	14,072	14,305	1,760	328	2,088	6.85
2017	29,085	14,371	14,714	2,123	549	2,672	5.51

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

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

³ Operating expenses less depreciation.

Totals may not add due to rounding

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

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

Operation and Maintenance Fund. As a first charge on the Wastewater Fund, the bond ordinances require the City to credit from time to time to the operation and maintenance fund revenue sufficient to pay the necessary and reasonable current expenses of operating, maintaining, and repairing the sewer system. **The balance on deposit in this fund as of December 31, 2017 is \$3,592,803.**

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

Sewer Fund. The Sewer Fund, referred to in the bond ordinance, was established by Ordinance No. 67, 1974. Complete financial statements, which reflect all deposits and balances of this fund (herein referred to as the “Wastewater Fund”) are included in the financial section of this report.

STORM DRAINAGE UTILITY ENTERPRISE
STORM DRAINAGE REVENUE BONDS
SEC RULE 15c2-12 INFORMATION—FEE REVENUES AND OPERATING HISTORY (UNAUDITED)
(Continued)

Collections (in thousands)

The following table sets forth the historical Storm Drainage Fund fee revenues for the years 2013 through 2017.

	2013	2014	2015	2016	2017
Storm drainage utility fee	\$ 14,385	\$ 14,717	\$ 15,035	\$ 15,620	\$ 16,755
Storm drainage basin fees	842	2,580	1,526	4,530	(2,749)
Other Revenues	127	477	342	236	414
Total Storm Drainage Fund Fee Revenues	<u>\$ 15,354</u>	<u>\$ 17,774</u>	<u>\$ 16,904</u>	<u>\$ 20,387</u>	<u>\$ 14,420</u>

Operating History of the Storm Drainage Fund

The financial section of this Comprehensive Annual Financial Report contains financial statement of the City and the Storm Drainage Fund as of and for the year ended December 31, 2017. The following sets forth the operating history of the Storm Drainage for the years ended December 31, 2013 through 2017.

	2013	2014	2015	2016	2017
Operating Revenues					
Charges for services	\$ 14,385	\$ 14,717	\$ 15,035	\$ 15,620	\$ 16,755
Other revenue	18	82	47	86	208
Total Operating Revenues	14,403	14,799	15,082	15,707	16,964
Operating Expenses					
Administrative charge	1,990	2,234	2,276	2,815	2,427
Personnel services	1,908	1,807	1,748	2,401	2,708
Contractual services	2,096	1,239	998	1,081	1,946
Commodities	185	218	316	195	192
Other	331	251	296	278	297
Depreciation	2,134	2,348	2,603	2,633	2,717
Total Operating Expenses	8,644	8,098	8,238	9,404	10,287
Operating Income	5,759	6,701	6,844	6,303	6,677
Nonoperating Revenues (Expenses)					
Earnings on investments	48	318	295	135	328
Intergovernmental	0	18	1	-	-
Gain/loss on sale of capital assets	28	27	0	14	(125)
Interest expense	(1,012)	(891)	(775)	(661)	(533)
Total Nonoperating Revenues (Expenses)	(936)	(528)	(479)	(511)	(329)
Income Before Contributions and Transfers	4,823	6,173	6,365	5,792	6,347
Capital contributions	842	2,580	1,526	4,530	1,088
Operating transfers In	32	32	-	-	3
Operating transfers out	(274)	(249)	(247)	(247)	(623)
Income After Contributions and Transfers	600	2,362	1,279	4,283	468
Change in Net Position	5,423	8,536	7,644	10,075	6,816
Net Position--Jan. 1	96,954	102,377	* 110,471	118,115	128,190
Net Position--December 31	<u>\$ 102,377</u>	<u>\$ 110,913</u>	<u>\$ 118,115</u>	<u>\$ 128,190</u>	<u>\$ 135,006</u>

Totals may not add due to rounding

* Restated 2015 Beginning balance as result of implementing GASB 68.

STORM DRAINAGE UTILITY ENTERPRISE
STORM DRAINAGE REVENUE BONDS
SEC RULE 15c2-12 INFORMATION – FEE STRUCTURE, PLEDGED REVENUES (UNAUDITED)
(Continued)

Storm Drainage Utility Fee Structure

Storm drainage utility fees are imposed on every developed lot and parcel of land within the City and are payable monthly. The storm drainage utility fee is designed to pay for the operation and maintenance of the City's storm drainage system. The fee also pays for the design, right-of-way acquisition, and construction or reconstruction of storm drainage facilities throughout the City. The monthly storm drainage utility fee in effect at the end of 2017 for a residential lot of approximately 8,600 square feet is \$14.97 and \$29.95 for a commercial lot of approximately 8,600 square feet. This storm drainage utility fee did not increase in 2015 or 2016, and increased by 5% in 2017.

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

Approximately 81% of storm drainage utility billing accounts and 44% of storm drainage revenues are attributable to single family residential customers. 19% of accounts and 56% of storm drainage revenues are attributable to multi-family residential, commercial and industrial customers. Two customers of the storm drainage utility contribute 2% or more of the storm drainage utility's total monthly revenue - the school district with 4.2% (\$662,518) of total revenue and the University at 3.9% (601,593). Due to the perpetual lien ordinance, historically, the City collects over 99% of its billed monthly utility charges for storm drainage.

Historic Net Pledged Revenues

Pledged Revenue Coverage

Last Ten Fiscal Years

in thousands

STORM DRAINAGE REVENUE BONDS							
	Gross		Net Revenue	Debt Service Requirements			
	Revenues	Expenses	Available for	Principal	Interest	Total	Coverage
			Debt Service				
2008	15,139	4,865	10,274	2,610	2,483	5,093	2.02
2009	14,219	5,838	8,381	2,568	2,346	4,914	1.71
2010	14,613	5,052	9,560	2,683	1,606	4,289	2.23
2011	14,669	5,299	9,371	2,238	1,143	3,380	2.77
2012	15,729	5,064	10,664	2,965	1,102	4,067	2.62
2013	15,322	6,510	8,812	3,085	954	4,039	2.18
2014	17,742	5,749	11,993	3,203	840	4,042	2.97
2015	16,129	5,635	10,494	3,335	832	4,167	2.52
2016	20,387	6,771	13,616	3,465	699	4,164	3.27
2017	14,420	7,570	6,851	3,595	501	4,096	1.67

Changes in Storm Drainage Fees

Since 1987, the City has increased the overall storm drainage fees sixteen times. The average increase in the total fees is as follows:

<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>
2003	10%	2008	0%	2013	0%
2004	10%	2009	0%	2014	0%
2005	0%	2010	0%	2015	0%
2006	0%	2011	0%	2016	0%
2007	0%	2012	0%	2017	5%

Prior to November of 1998, storm drainage utility fees varied by basin depending on drainage problems and improvements needed in each basin. Beginning in November of 1988, the fees were assessed uniformly on a city-wide basis and improvements are to be prioritized and constructed based on needs of the City as a whole.

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

The water system serves a customer base that has grown as follows in the years 2008-2017:

Years (at December 31)	Water Customers
2008	33,082
2009	32,910
2010	32,983
2011	33,074
2012	33,147
2013	33,348
2014	34,290
2015	34,744
2016	35,085
2017	35,279

The City classifies its water customers according to several classifications. A breakdown of the accounts based on such classifications being served as of December 31, 2017 is set forth below:

Classification	Number of Accounts	Accounts
Residential	32,600	92.4%
Commercial & Industrial	2,679	7.6%
Total	35,279	100.0%

The following table sets forth the ten largest customers of the water system, which in the aggregate accounted for approximately 27.7% of total water usage during 2017:

Customer	Water Usage Millions of	Percent of Total Water
Industrial	793,073	11.1%
Industrial	394,930	5.5%
University	332,234	4.6%
City Government	122,645	1.7%
School District	98,059	1.4%
Industrial	91,354	1.3%
Industrial	46,341	0.6%
Commercial	40,775	0.6%
Hospital	35,613	0.5%
Commercial	29,567	0.4%
		27.7%

Water Rate Structure

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

WATER UTILITY ENTERPRISE

WATER REVENUE BONDS

SEC RULE 15c2-12 INFORMATION – CUSTOMER BASE AND RATE STRUCTURE (UNAUDITED)

(Continued)

In 2004, City Council directed staff to develop a 4-tier rate that would reduce the severity of cost impacts for larger, single-family, and duplex residential users due to the 2003 5-tier rates. The 4-tier rate structure was adopted by City Council and went into effect May 1, 2004 and remained in effect through April 30, 2006. On March 21, 2006 City Council passed a 3-tier water rate for single family and duplex customers that will be in effect for billings after May 1, 2006 and remain in effect January 1, 2008. A 3% rate increase was implemented for 2009. While a 3% overall revenue increase was implemented for 2010 the resulting cost of service adjustments were +3.8% for residential, 0% for duplex and multi-family and +1.7% for commercial rate classes. A 3% rate increase was implemented for 2011. A 6% across the board rate increase was implemented in 2012 and a 4% across the board rate increase was implemented in 2013 for all rate classes. In January 2014, water rates were increased an average of 4%. The 2014 increase varied by cost of service: +9% single family residential, -1.8% duplex, -16.4 multi-family, 7.7% commercial, and +3.5% high volume industrial. There was no increase in 2015 or 2016. In January 2017, water rates were increased an average of 5% for all rate classes.

The following water rates were effective January 1, 2017. In addition to these rates, a 6% payment in lieu of taxes (“PILOT”) is added to all charges and paid to the City’s general fund.

Monthly User Charges Effective January 1, 2017

(1) Residential customers with one dwelling unit.

a. *Base Charges.* Residential customers with one dwelling unit shall pay a base monthly charge of \$16.18.

b. *Quantity Charges.* Residential customers with one dwelling units shall pay a monthly quantity charge as follows:

For the first 7,000 gallons used per month at \$2.505 per 1,000 gallons

For the next 6,000 gallons used per month at \$2.879 per 1,000 gallons

For all additional gallons used per month at \$3.312 per 1,000 gallons.

(2) Residential customers with two dwelling units.

a. *Base Charges.* Residential customers with two dwelling units shall pay a base monthly charge of \$17.13.

b. *Quantity Charges.* Residential customers with two dwelling units shall pay a monthly quantity charge as follows:

For the next 9,000 gallons used per month at \$2.175 per 1,000 gallons

For the next 4,000 gallons used per month at \$2.499 per 1,000 gallons

For all additional gallons used per month at \$2.876 per 1,000 gallons.

Metered Rates – Nonresidential

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

Nonresidential	
Meter Size (inches)	Monthly Base Charge
3/4	\$ 14.31
1	\$ 39.93
1 1/2	\$ 105.58
2	\$ 163.64
3	\$ 249.59
4	\$ 391.83
6	\$ 760.11
8	\$ 1,342.79

(2) *Quantity Charges.* Nonresidential customers shall pay a monthly quantity charge of \$1.992 per 1,000 gallons used in the winter season months of November through April. They shall pay a monthly quantity charge of \$2.489 per 1,000 gallons used in the summer season months of May through October.

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

(3) *Charges for Excess Use.* Monthly water use in excess of the amounts specified in the following table shall be billed at \$2.861 per 1,000 gallons used in the winter season months of November through April. Monthly water use in excess of the amounts specified below shall be billed at \$3.578 per 1,000 gallons used in the summer season months of May through October.

Nonresidential

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

Plant Investment Fees. Plant Investment Fees (PIFs) are used to finance growth related capital facility costs for water “backbone” and treatment facilities. They establish equity between existing customers and new customers and shelter existing customers from the cost of growth but must be established and applied in a legal manner (Colorado Senate Bill 15, 2001). This fee is paid at the time a building permit is issued. Proceeds of the plant investment fee are accounted for as contributed capital of the water system, rather than as operating revenue. The City Council adopted the following plant investment fee schedule, which took effect January 1, 2016.

Residential:**Dwelling Category****Plant Investment Fee**

Single Family

\$720 plus \$0.33 per square foot of lot area 1

Duplex, Multi-Family, Mobile Home

\$540 per living unit plus \$0.24 per square foot of lot area

Non-residential:

Water Meter Size (inches)	Plant Investment Fee
3/4"	\$ 7,180
1"	\$ 19,710
1 1/2"	\$ 42,220
2"	\$ 66,680
3" and above	Based on peak day demand

Enforcement

The City’s collections of water charges historically have been in excess of 99%. Unpaid water charges constitute a perpetual lien on the property to which service was delivered. Customers with delinquent active accounts are sent delinquency notices after 38 days. The City may discontinue water and electric service on delinquent accounts. Sometimes liens are filed while the delinquent customer is still an active account. Customers who have moved from the address where service was supplied and left the account owing to the City are typically assigned to a collection agency.

WATER UTILITY ENTERPRISE
WATER REVENUE BONDS
SEC RULE 15c2-12 INFORMATION – CONTRIBUTED CAPITAL AND COLLECTIONS (UNAUDITED)
(Continued)

Contributed Capital (in thousands)

Several significant categories of receipts of the Water Fund which are pledged to the payment of the Bonds are accounted for as contributed capital rather than as revenue. The following table presents, in thousands, receipts of major categories of contributed capital by the Water Fund for the past ten years:

Year	Contributions In Aid of Construction	Cash Contributed In Lieu of Water Rights	Plant Investment Fees	Anheuser- Busch Master Agreement Payments	Anheuser- Busch Capacity Payments	Total Contributed Capital
2008	50	3,233	1,356	698	30	5,367
2009	13	824	521	725	32	2,116
2010	11	1,006	668	-	35	1,721
2011	16	2,591	969	-	37	3,612
2012	441	1,675	1,293	-	39	3,449
2013	629	3,049	1,791	-	5	5,474
2014	321	3,323	5,832	-	-	9,477
2015	275	2,632	3,235	-	-	6,141
2016	297	3,504	3,547	-	-	7,347
2017	115	7,537	3,185	-	-	10,837

Collections (in thousands)

The following table sets forth the historical Water System user rates, plant investment fees, other fees and charges, and investment earnings:

	2013	2014	2015	2016	2017
User charges for services	\$ 25,954	\$ 26,771	\$ 27,705	\$ 29,776	\$ 30,772
Plant investment fees	5,474	9,477	6,141	7,347	10,838
Other fees & charges	384	418	377	446	484
Investment earnings	164	908	785	343	787
Total Water System Revenue	<u>\$ 31,976</u>	<u>\$ 37,573</u>	<u>\$ 35,008</u>	<u>\$ 37,911</u>	<u>\$ 42,881</u>

WATER UTILITY ENTERPRISE**WATER REVENUE BONDS****SEC RULE 15c2-12 INFORMATION – OPERATING HISTORY AND DEBT STRUCTURE OF THE WATER FUND
(UNAUDITED)****(Continued)****Operating History of the Water Fund (in thousands)**

The financial section of this Comprehensive Annual Financial Report contains financial statements of the City and the Water Fund as of and for the year ended December 31, 2017. The following sets forth the operating history of the Water Fund for the years ended December 31, 2013 through 2017.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues					
Charges for services	\$ 25,954	\$ 26,771	\$ 27,705	\$ 29,776	\$ 30,772
Other revenue	<u>1,076</u>	<u>338</u>	<u>288</u>	<u>417</u>	<u>389</u>
Total Operating Revenues	27,030	27,109	27,993	30,193	31,161
Operating Expenses					
Administrative charge	3,209	3,525	2,983	3,666	2,942
Personal services	6,250	6,377	6,819	7,308	7,592
Contractual services	6,251	6,238	6,867	6,287	4,748
Commodities	1,725	1,560	1,675	1,816	1,841
Other	675	930	653	927	1,322
Capital asset impairments	-	-	1,305	-	-
Depreciation	<u>5,514</u>	<u>5,816</u>	<u>6,083</u>	<u>6,431</u>	<u>6,955</u>
Total Operating Expense	23,624	24,445	26,385	26,435	25,399
Operating Income	<u>3,406</u>	<u>2,664</u>	<u>1,607</u>	<u>3,758</u>	<u>5,762</u>
Nonoperating Revenues (Expenses)					
Earnings on investments	164	908	785	343	787
Gain on sale of capital assets	58	85	89	29	95
Interest expense	<u>(581)</u>	<u>(510)</u>	<u>(486)</u>	<u>(357)</u>	<u>(240)</u>
Total Nonoperating					
Revenues (Expenses)	<u>(358)</u>	<u>483</u>	<u>387</u>	<u>14</u>	<u>642</u>
Income Before Contributions and Transfers	3,048	3,146	1,995	3,773	6,404
Capital contributions	5,474	9,477	6,141	7,347	10,838
Operating transfers in (out)	<u>(197)</u>	<u>(196)</u>	<u>209</u>	<u>(208)</u>	<u>(427)</u>
Income After Contributions and Transfers	<u>5,277</u>	<u>9,280</u>	<u>6,350</u>	<u>7,139</u>	<u>10,411</u>
Change in Net Position	8,325	12,427	8,345	10,912	16,815
Net Position--Jan. 1	<u>260,333</u>	<u>268,658</u>	<u>* 279,550</u>	<u>287,895</u>	<u>298,806</u>
Net Position--Dec. 31	<u>\$ 268,658</u>	<u>\$ 281,085</u>	<u>\$ 287,895</u>	<u>\$ 298,806</u>	<u>\$ 315,622</u>

Totals may not add due to rounding

* Restated 2015 Beginning balance as result of implementing GASB 68.

As of December 31, 2017, the Net Revenue of the Water Fund serviced the following obligations:

(in thousands)

<u>Name of Issue</u>	<u>Originally Authorized</u>	<u>Outstanding Principal</u>
Water Revenue Bond, Series 1999	\$ 4,998	\$ 503
Water Subordinate, 2004	2,476	1,211
Water Revenue Refunding Series 2008	<u>9,645</u>	<u>2,020</u>
Total	<u>\$ 27,245</u>	<u>\$ 3,735</u>

Totals may not add due to rounding

**FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – ASSESSED VALUATION HISTORY (UNAUDITED)**

Ad Valorem Property Tax Data

The following table sets forth a ten-year history of the total assessed valuation in the Plan Area, the amount of such valuation allocable to the Property Tax Base Amount and the amount allocable to the incremental assessed valuation.

History of Assessed Valuations in the Plan Area

Levy Year	Collection Year	Total Assessed Valuation in Tax Increment Area	Valuation Allocable to Base Amount	Valuation Allocable to Increment
2008	2009	\$ 24,100,310	\$ 20,994,374	\$ 3,105,936
2009	2010	27,041,580	21,231,611	5,809,969
2010	2011	27,045,790	20,939,619	6,106,171
2011	2012	30,223,310	20,025,954	10,196,356
2012	2013	34,008,140	19,957,399	14,050,741
2013	2014	32,584,550	20,112,768	12,471,782
2014	2015	32,757,840	20,016,051	12,741,789
2015	2016	38,261,030	22,011,398	15,918,112
2016	2017	40,300,349	21,667,359	18,632,990
2017	2018	44,086,170	23,878,464	20,207,706
2015	2016	38,261,030	22,011,398	15,918,112
2016	2017	40,300,349	21,667,359	18,632,990
2017	2018	44,086,170	23,878,464	20,207,706

Source: Larimer County Assessor's Office

FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – COLLECTION AND ENFORCEMENT HISTORY
(Continued)

The following table sets forth the history of the Authority's ad valorem property tax collections.

Property Tax Collections in the Plan Area				
Levy Year	Collection Year	Anticipated Tax Increment ⁽¹⁾	Current Tax Collections	Collection Rate
2008	2009	263,227	263,227	100%
2009	2010	502,669	492,625	98%
2010	2011	547,237	524,486	96%
2011	2012	925,521	918,817	99%
2012	2013	1,309,288	1,284,690	98%
2013 ⁽²⁾	2014 ⁽²⁾	1,115,796 ⁽³⁾	1,115,796 ⁽⁴⁾	100%
2014	2015	1,138,877	1,138,877	100%
2015	2016	1,442,005	1,428,674	99%
2016	2017	1,666,784	1,655,585	99%
2017	2018	1,835,225	N/A	N/A

(1) Increment amounts do not reflect abatements and other adjustments.

(2) Beginning with the 2013 Levy Year and 2014 Collection Year and going forward.

(3) The County Treasurer's 2% collection fee has been deducted from these amounts.

(4) The Larimer County Assessor's Office's current policy regarding collections in the Plan Area is to remit 100% of the property tax increment levied in such Area to the Authority (less the 2% collection fee) regardless of the amount collected. Figures do not include interest, fees and penalties.

Source: Larimer County Assessor's Office

The following table sets forth the assessed valuation of specific classes of real and personal property within the Authority based upon the Authority's 2017 certified assessed valuation. As shown below, commercial property accounts for the largest percentage of the Authority's assessed valuation, and therefore it is anticipated owners of commercial property will pay the largest percentage of ad valorem property taxes levied by the Authority.

2017 Assessed Valuation of Classes of Property in the Plan Area

Class	Total Assessed Valuation ⁽¹⁾	Percent of total Assessed Valuation
Residential	\$ 10,457,655	21.40%
Commercial	28,934,428	68.94%
Industrial	882,152	2.37%
Agricultural	3,222	0.01%
Natural Resources	115	0.00%
Vacant	3,400,618	6.29%
State Assessed	407,980	1.00%
TOTAL	\$ 44,086,170	100.00%

⁽¹⁾ Includes real and personal property

⁽²⁾ Assessed Value on Exempt properties are not included in calculation,

Source: Larimer County Assessor's Office

**FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – TAXPAYER BASE (UNAUDITED)
(Continued)**

Based on the most recent information available from Larimer County, the following table represents the ten largest taxpayers within the Authority. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is possible owners of several small parcels may have an aggregate assessed value in excess of those set forth in the following chart. Furthermore, the taxpayers shown in the chart may own additional parcels within the Authority not included herein.

No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Authority.

Largest Taxpayers in the Plan Area - 2017

Taxpayer Name	2017 Assessed Valuation	Percentage of Total Assessed Valuation ⁽¹⁾
Dillon Companies Inc	\$ 3,826,666	8.68%
Ft Collins Borrower LLC	3,711,476	8.42%
RMI2 Properties LLC	1,465,312	3.32%
King Soopers	907,042	2.06%
Jog LLC	898,623	2.04%
Cole Ab Fort Collins Co LLC	782,391	1.77%
1415 Blue Spruce LLC	716,503	1.63%
College Country Club LLC	677,962	1.54%
Kaufman And Robinson Inc	672,040	1.52%
North College LLC	626,727	1.42%
	\$ 14,284,742	32.40%

⁽¹⁾ Based on 2017 total assessed valuation of \$44,086,170

Source: Larimer County Assessor's Office

Sample Mill Levy Affecting Property Owners Within the Plan Area

Individual property owners within the Plan Area are obligated to pay ad valorem property taxes to all taxing jurisdictions in which their property is located. Such levies applied to the property tax increment generate the Pledged Property Tax Revenues. According to the Larimer County Assessor's Office there are currently seven entities overlapping all or a portion of the Plan Area. As a result, property owners within the Plan Area may be subject to various mill levies depending upon the location of their property. The following table is representative of a sample total 2017 mill levy (for payment in 2018) attributable to taxpayers within the Plan Area and is not intended to portray the mill levied against all properties within the Plan Area. Additional taxing entities may overlap the Plan Area in the future.

Sample Total 2017 Mill Levy

<u>Taxing Entity</u>	<u>2017 Mill Levy⁽¹⁾</u>
Poudre R-1 School District	52.630
Larimer County	22.092
City	9.797
Health District of Northern Larimer County	2.167
Larimer County Pest Control	0.142
Poudre River Public Library District	3.000
Northern Colorado Water Conservation District	1.000

⁽¹⁾ One mill equals one tenth of one cent. Mill levies certified in 2017 are for the collection of ad valorem property taxes in 2018.

Source: Larimer County Assessor's Office

**FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – OVERLAPPING DEBT (UNAUDITED)
(Continued)**

Estimated Overlapping General Obligation Debt

Other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the Plan Area. The following table sets forth the estimated overlapping general obligation debt chargeable to property owners within the Plan Area as of the date of this disclosure. Additional taxing entities may overlap with the Authority in the future.

Estimated Overlapping General Obligation Debt				
(in thousands)				
<u>Entity</u>	<u>2017 Assessed Valuation⁽¹⁾</u>	<u>Outstanding General Obligation Debt</u>	<u>Outstanding G.O. Debt Attributable to the Authority⁽²⁾</u>	
			<u>Percent</u>	<u>Debt</u>
Poudre R-1 School District	\$ 34,261,857	\$ 243,466	1.12%	\$2,730
TOTAL		\$ 243,466		\$2,730

⁽¹⁾ Assessed values certified in 2017 are for collection of ad valorem property taxes in 2018.

⁽²⁾ The percentage of an entity's outstanding debt chargeable to the Authority is calculated by comparing the assessed valuation of the portion overlapping the Authority to the total assessed valuation of the overlapping entity. To the extent the Authority's assessed valuation changes disproportionately with the assessed valuation of an overlapping entity, the percentage of debt for which property owners within the Authority are responsible will also change.

Sources: Larimer County Assessor's Office; and individual taxing entities

FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – OUTSTANDING PRINCIPAL AND PLEDGED REVENUE SOURCES
(UNAUDITED)
(Continued)

Urban Renewal Authority Fund – History Revenues, Expenditures, and Changes in Fund Balance

General. The Authority's revenues are provided primarily from the Pledged Property Tax Revenues. The activities of the Authority are recorded in the Urban Renewal Authority Fund, which is included in the City's audited financial statements.

History of Revenues, Expenditures, and Changes in Fund Balance. The following table provides a comparative history of revenues, expenditures and changes in fund balance in the Urban Renewal Authority Fund for fiscal years 2013 through 2017. The information in this table has been derived from the audited financial information presented in the City's Comprehensive Annual Financial Report (CAFR) for each of those years.

History of Revenues, Expenditures and Changes in Fund Balances

	Year Ended December 31				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES					
Taxes	\$ 1,284,690	\$ 1,220,060	\$ 1,501,239	\$ 1,903,682	\$ 3,622,048
Interest earnings	77,174	114,192	99,439	87,369	24,224
Miscellaneous revenue	233,832	328,301	8,484	4,499	-
Total Revenues	1,595,696	1,662,553	1,609,162	1,995,550	3,646,272
EXPENDITURES					
Sustainability services ⁽¹⁾	4,668,120	1,303,463	257,553	789,592	4,523,331
Debt service					
Principal	-	540,000	550,000	560,000	575,000
Interest	596,493	1,143,267	702,963	747,521	698,319
Total Expenditures	5,264,613	2,986,730	1,510,516	2,097,113	5,796,650
Excess (Deficiency) of Revenues ⁽¹⁾					
Over (Under) Expenditures	(3,668,917)	(1,324,177)	98,646	(101,563)	(2,150,378)
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(125,000)	-	-	-
Loan Issuance	11,085,000	-	-	-	-
Premium on Debt	316,806	-	-	-	-
Total Other Financing Sources (Uses)	11,401,806	(125,000)	-	-	-
Net change in Fund Balances (Deficit)	7,732,889	(1,449,177)	98,646	(101,563)	(2,150,378)
Fund Balances (Deficit)-January 1	(9,227,401)	(1,494,512)	(2,943,689)	(2,845,043)	(2,946,606)
Fund Balances (Deficit)-December 31 ⁽¹⁾	\$ (1,494,512)	\$ (2,943,689)	\$ (2,845,043)	\$ (2,946,606)	\$ (5,096,984)

(1) Excess deficiencies of Revenues Under Expenditures and negative fund balances are reflected because the category "Sustainability Services" includes, among other things, the entire amount of advances payable to the City in each year. The advances are to be repaid by property tax increment revenue to be received through 2029. However, modified accrual accounting standards do not allow the recognition of a taxes receivable assets beyond those due within the year advanced.

**FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – OUTSTANDING PRINCIPAL AND PLEDGED REVENUE SOURCES
(UNAUDITED)
(Continued)**

Outstanding Obligations

The following table sets forth the Authority's outstanding obligations as of December 31, 2017. No additional obligations have been issued by the Authority. According to City officials, the Authority may issue additional debt in the future to finance public improvements in the Plan Area.

Outstanding Revenue Obligations		
<u>Issue</u>		Outstanding Principal
2013 URA Revenue Bond	\$	8,860,000
<u>City Loan Obligations</u>		
RMI2	\$	2,035,211
Prospect Station		227,100
Summit/Capstone		4,655,299

CITY FINANCIAL INFORMATION AND DEBT STRUCTURE

Major Sources of Revenue

Property Taxes. The City has the power to levy general (ad valorem) taxes against all taxable property in the City. The right of the City to increase the rate of levy for ad valorem taxes and to collect, retain and spend the revenue derived from such ad valorem taxes may be limited by the State Constitution. Tax levies may be made for general obligation bond principal and interest payments and for the cost of the City's operations. Under the City Charter, the mill levy is limited to fifteen mills, except for debt service on general obligation bonds.

The following table set forth the total assessed value and estimated actual value of property within the City for assessment years 2008 through 2017.

<u>Assessment Year</u>	<u>Total Assessed Value</u>	<u>Estimated Actual Value⁽¹⁾</u>
2008	1,758,807,267	13,915,507,484
2009	1,822,241,879	14,345,784,572
2010	1,815,946,000	14,520,314,000
2011	1,792,231,000	14,456,330,000
2012	1,796,031,012	14,531,850,737
2013	1,884,693,625	15,272,734,901
2014	1,934,218,000	15,676,980,000
2015	2,229,600,072	18,146,317,000
2016	2,308,002,168	18,766,287,951
2017	2,581,037,435	23,119,631,947

⁽¹⁾ Actual value is derived from a statutory formula based on manuals and data supplied by the State Property Tax Administrator and differs from market value.

⁽²⁾ Assessed Value and Actual Value on Exempt properties are not included in calculation,

Source: Larimer County Assessor's Office

FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – LEVY AND COLLECTION HISTORY (UNAUDITED)
(Continued)

The following property tax levies and collections have been remitted to the City by the County in the collection years 2008 through 2017.

Property Tax Levies and Collections

<u>Levy Year⁽¹⁾</u>	<u>Tax Levy (Mills)⁽²⁾</u>	<u>Collection Year</u>	<u>Dollar Amount Levied⁽³⁾</u>	<u>Dollar Amount Collected⁽⁴⁾</u>	<u>Percentage Collected</u>
2008	9.797	2009	16,616,294	16,198,109	97.48
2009	9.797	2010	17,171,540	16,702,488	97.27
2010	9.797	2011	17,113,497	16,696,371	97.56
2011	9.797	2012	16,988,466	16,594,770	97.68
2012	9.797	2013	16,956,775	16,537,511	97.53
2013	9.797	2014	17,812,490	17,304,529	97.15
2014	9.797	2015	18,186,953	17,680,445	97.21
2015	9.797	2016	21,843,126	21,623,883	99.00
2016	9.797	2017	22,611,497	22,520,432	99.60
2017	9.797	2018	25,286,424	10,409,408	41.17 ⁽⁵⁾

(1) Taxes for the year levied are collected in the following year.

(2) One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation.

(3) Amounts are net of incremental taxes pledged for the City's tax increment revenue obligations.

(4) The dollar amounts collected in Levy Years 2008-2014 are reduced by the County's 2% collection fees. Accordingly, the maximum possible percentage of property taxes collected in such years was 98% of the property taxes levied.

(5) Collections as of 03/13/2018

Source: Larimer County Treasurer's Office

FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – TAXPAYER BASE (UNAUDITED)
(Continued)

Ten Largest Property Taxpayers of the City
2017 Assessed Valuation for Taxes Due in 2018
(in thousands of dollars)

Taxpayer	Assessed Valuation (Property in the City)	Percentage of Total City Assessed Valuation
Avago Technologies Wireless USA Mfg	\$ 138,020,663	5.98%
Anheuser Busch LLC	49,117,245	2.13
Ramco-Gershenson Properties LP	31,691,432	1.37
Walton Foothills Holdings VI LLC	29,222,125	1.27
Woodward Inc	26,540,750	1.15
Anheuser-Busch Commercial	22,910,000	0.99
Qwest Corporation	18,674,400	0.81
Amcap Harmony LLC	15,705,327	0.68
Public Service Company of CO (Xcel)	12,284,235	0.53
Hewlett Packard	11,600,000	0.50

Source: Larimer County Assessor's Office

**Present Tax Levy Applicable to Most Properties Located in the City
For 2017 Taxes Due in 2018**

<u>Governmental Unit</u>	<u>Mill Levy</u>
City of Fort Collins	9.797
Larimer County	22.092
Larimer County Pest Control	0.142
Poudre School District R-1	52.630
Northern Colorado Water Conservancy District	1.000
Health District of Northern Larimer County	2.167
Poudre River Public Library District	3.000

Portions of the City are subject to additional mill levies due to their location within the following tax districts:

<u>Governmental Unit</u>	<u>Mill Levy</u>
Fort Collins General Improvement District No. 1 ⁽¹⁾	4.924
Fort Collins-Loveland Water District	1.500
South Fort Collins Sanitation District	0.500
Thompson R2-J School District	36.315
Thompson Valley Health Services District	1.758
Larimer County GID No. 15 Skyview South	10.000
Harmony Technology Park Metro District No. 2	5.000
Foothills Metro District	60.110
<u>Fort Collins Downtown Development Authority⁽¹⁾</u>	<u>5.000</u>

⁽¹⁾ Part of the City's reporting entity

Source: Larimer County Assessor's Office

**FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – SALES TAX RATES (UNAUDITED)
(Continued)**

The following table shows the historical breakdown of the total sales tax rate within the City for fiscal years 2008 through 2017.

Direct and Overlapping Sales Tax Rates				
<u>Fiscal Year</u>	<u>City Direct Rate⁽¹⁾</u>	<u>Larimer County</u>	<u>State of Colorado</u>	<u>Total</u>
2008	3.00	0.80	2.90	6.70
2009	3.00	0.80	2.90	6.70
2010	3.00	0.80	2.90	6.70
2011	3.85	0.80	2.90	7.55
2012	3.85	0.80/0.60 ⁽²⁾	2.90	7.55/7.35
2013	3.85	0.6	2.90	7.35
2014	3.85	0.60	2.90	7.35
2015	3.85	0.65	2.90	7.4
2016	3.85	0.65	2.90	7.40
2017	3.85	0.65	2.90	7.40

⁽¹⁾ Food for home consumption sales direct rate is 2.25%

⁽²⁾ Larimer County sales tax rate decreased from 0.8% to 0.6% effective July 1, 2012.

Source: City's Finance Department

The City's base 2.25% sales and use tax is comprised of a 1% tax approved by Ordinance No. 58, 1967, a 1% tax approved by Ordinance No. 140, 1979 and 0.25% tax by Ordinance No. 149, 1981. This sales and use base tax has no expiration, no restrictions on how it can be used, and is deposited into the General Fund.

Sales and Use Tax Collections - In addition to the sales and use base tax, there are several special sales and use taxes which are restricted to specific purposes and have expiration dates. A street capital maintenance tax of 0.25% is imposed for a renewed period expiring December 31, 2025. A Capital Improvements tax of 0.25% tax is imposed for a renewed period expiring December 31, 2025. Natural Areas and Parks Tax is another 0.25% tax which is imposed through December 31, 2030 and may only be used for preservation and improvement of natural areas and trails and specified capital parks projects. An additional 0.85% of the tax is imposed through December 31, 2020 and referred to as Keep Fort Collins Great. The revenue from such 0.85% tax may only be used for Street Maintenance (33%), Other Transportation Needs (17%), Police Services (17%), Fire Protection (11%), Parks Maintenance and Recreation Services (11%), and Other Community Priorities (11%). The following table shows the sales and use tax revenues collected for such unrestricted and restricted purposes for fiscal years 2008 through 2017.

Sales and Use Tax Revenue (in thousands of dollars)						
<u>Year</u>	<u>Unrestricted</u>	<u>Restricted Purpose</u>				<u>Total</u>
	<u>2.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.85%</u>	
	<u>General Fund</u>	<u>Pavement Maintenance</u>	<u>Capital Projects</u>	<u>Natural Areas</u>	<u>Keep Fort Collins Great</u>	
2008	58,922	\$ 5,529	\$ 5,529	\$ 5,529	\$ -	\$ 75,509
2009	55,379	5,146	5,146	5,146	-	70,818
2010	57,887	5,554	5,554	5,554	-	74,548
2011	60,321	5,817	5,817	5,817	19,818	97,589
2012	68,074	6,596	6,596	6,596	21,752	109,613
2013	68,967	6,689	6,689	6,689	22,811	111,846
2014	79,803	7,800	7,800	7,800	25,885	129,088
2015	83,895	8,112	8,112	8,112	26,669	134,899
2016	84,039	8,198	8,188	8,216	27,447	136,087
2017	83,473	8,179	8,179	8,172	27,414	135,416

Source: City's Finance Department

**FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – TAXABLE SALES HISTORY (UNAUDITED)
(Continued)**

<u>Sales Tax Category</u>	Taxable Sales by Category Last Ten Fiscal Years (in millions of dollars)									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Grocery, Convenience, Liquor	\$ 359.8	\$ 359.7	\$ 363.8	\$ 394.1	\$ 429.0	\$ 458.9	\$ 488.3	\$ 513.5	\$ 530.3	\$ 532.4
Restaurants, Caterers and Bars	285.9	285.4	295.6	315.4	337.9	353.1	380.2	408.8	427.7	448.3
General Merchandise	318.3	306.7	299.4	303.0	303.5	313.1	323.2	302.9	300.0	301.3
Building Materials, Garden Equipment & Supplies	138.4	130.2	142.9	154.8	165.9	186.1	221.5	226.4	230.0	241.8
Vehicle Sales, Parts and Repairs	162.9	149.3	160.0	164.5	180.6	193.6	221.4	228.5	227.6	235.3
Miscellaneous Retailers	110.0	103.9	110.4	116.4	121.7	131.0	138.6	146.9	169.8	202.7
Electronics and Appliances	117.7	107.8	111.9	118.2	122.1	126.0	150.7	163.0	156.6	154.4
Sporting, Hobby, Book, Music	126.0	126.1	129.2	134.5	134.9	137.3	140.5	149.2	144.8	137.1
Utilities	103.3	97.5	100.8	107.0	111.2	117.5	122.2	118.1	118.9	124.2
Broadcasting and Telecommunications	113.7	113.0	119.0	116.7	117.2	108.0	111.8	115.2	124.7	121.4
Pharmacy, Salon and Laundry	45.4	45.0	54.5	61.1	54.6	56.8	66.6	84.5	101.2	117.9
Clothing and Accessories	79.4	74.8	76.9	83.0	88.7	82.9	78.4	78.1	103.1	105.3
Other	47.2	43.0	44.3	45.9	51.0	53.7	58.6	63.3	70.3	75.2
Furniture and Home Furnishings	52.3	38.9	41.0	43.7	50.0	56.5	60.7	65.4	68.0	68.2
Rental and Leasing Services	52.1	46.4	43.1	42.7	46.3	44.5	52.0	59.3	66.5	67.6
Manufacturing	37.3	26.7	30.5	37.1	44.5	44.2	52.2	51.4	51.6	64.5
Lodging	33.9	29.1	32.2	35.2	40.2	42.1	49.8	54.9	53.5	56.0
Wholesale Trade	49.2	41.9	35.6	37.5	42.4	43.6	45.2	54.1	57.1	43.4
Total	<u>\$2,232.8</u>	<u>\$2,125.3</u>	<u>\$2,191.2</u>	<u>\$2,310.9</u>	<u>\$2,441.7</u>	<u>\$2,548.9</u>	<u>\$2,761.9</u>	<u>\$2,883.7</u>	<u>\$3,001.7</u>	<u>\$3,096.8</u>
City direct sales tax rate*	3.00%	3.00%	3.00%	3.00%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%

⁽¹⁾ Food sales city direct sales tax rate is 2.25%

Totals may not add due to rounding

Source: City's Finance Department

FORT COLLINS URBAN RENEWAL AUTHORITY
TAX INCREMENT REVENUE REFUNDING BONDS
SEC RULE 15c2-12 INFORMATION – GENERAL FUND OPERATING HISTORY (UNAUDITED)
(Continued)

City of Fort Collins General Fund
Comparative Statement of Revenues and Other Sources, Expenditures
and Other Uses and Fund Balance
For the Years Ended December 31

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES					
Taxes	\$ 89,625,619	\$ 101,405,160	\$ 106,377,268	\$ 108,842,908	\$ 109,330,572
Licenses and permits	2,776,268	4,366,908	3,635,061	3,740,888	3,809,880
Intergovernmental	10,903,908	11,684,816	12,604,604	12,575,111	14,052,239
Fees and charges for services	8,668,524	9,182,619	9,209,344	10,132,917	9,506,463
Fines and forfeitures	2,803,037	2,536,019	2,774,131	2,151,744	2,033,894
Earnings on investments	113,166	1,334,797	1,007,591	501,851	1,147,269
Miscellaneous revenue	1,490,609	1,319,949	2,014,863	1,796,671	1,424,488
Total Revenues	116,381,131	131,830,268	137,622,862	139,742,090	141,304,805
EXPENDITURES					
Current operating					
Police services	31,009,177	31,588,192	32,706,835	34,735,721	36,927,099
Financial services	3,583,699	3,716,210	3,867,954	3,957,133	4,360,932
Community and operation	19,494,541	19,156,348	20,618,636	21,560,882	11,463,307
Planning, development and transportation	4,918,379	6,699,335	6,829,551	7,755,895	8,856,489
Executive, legislative and judicial	5,287,972	5,838,697	6,841,668	6,934,808	6,815,336
Employee and communications	2,708,537	2,812,320	3,541,153	4,651,522	17,298,851
Sustainability services	5,328,328	4,712,753	6,772,316	7,913,103	6,727,816
Other	1,649,314	1,198,085	2,205,191	1,249,843	1,695,009
Intergovernmental					
Fire protection	17,412,296	17,682,145	19,383,092	20,556,911	24,012,449
Capital outlay	830,728	3,370,494	1,860,349	1,174,048	4,022,277
Debt service					
Principal	27,725	110,761	235,228	224,223	-
Interest	1,903	11,430	21,798	16,534	497
Total Expenditures	92,252,599	96,896,770	104,883,771	110,730,623	122,180,062
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	24,128,532	34,933,498	32,739,091	29,011,467	19,124,743
OTHER FINANCING SOURCES (USES)					
Transfers in	2,085,971	3,398,310	619,247	955,314	1,329,931
Transfers out	(21,506,120)	(25,115,948)	(34,192,559)	(27,536,157)	(27,102,100)
Capital leases	158,771	1,321,925	43,800	-	-
Sale of capital assets	-	16,097	118,298	1,249	1,539,481
Impairment of land held for resale	-	-	(1,058,771)	-	-
Total Other Financing Sources (Uses)	(19,261,378)	(20,379,616)	(34,469,985)	(26,579,594)	(24,232,688)
Net Change in Fund Balance	4,867,154	14,553,882	(1,730,894)	2,431,873	(5,107,945)
Fund Balances-January 1	55,252,765	60,119,919	74,673,801	72,942,907	74,961,836 ⁽¹⁾
Fund Balance-December 31	\$60,119,919	\$74,673,801	\$72,942,907	\$75,374,780	69,853,891

⁽¹⁾ Restated 2017 Beginning balance as result of implementing GASB 75.

Sources: City's Comprehensive Annual Financial Reports.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Fort Collins	
		YEAR ENDING : December 2017	
This Information From The Records Of (example - City of _ or County of _):		Prepared By: Accounting	Phone: 970-416-2436
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes
D. Receipts from Federal Highway Administration			
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	625,017
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	30,740,966
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	4,895,773
2. General fund appropriations	3,551,090	b. Snow and ice removal	2,110,851
3. Other local imposts (from page 2)	27,113,171	c. Other	2,489,514
4. Miscellaneous local receipts (from page 2)	6,771,257	d. Total (a. through c.)	9,496,138
5. Transfers from toll facilities		4. General administration & miscellaneous	1,262,253
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	754,725
a. Bonds - Original Issues		6. Total (1 through 5)	42,879,099
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	37,435,518	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	
C. Receipts from State government		2. Notes:	
(from page 2)	5,443,581	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	-	c. Total (a. + b.)	
E. Total receipts (A.7 + B + C + D)	42,879,099	3. Total (1.c + 2.c)	
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	42,879,099
IV. LOCAL HIGHWAY DEBT STATUS			
(Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)			
1. Bonds (Refunding Portion)			
B. Notes (Total)			
V. LOCAL ROAD AND STREET FUND BALANCE			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
		42,879,099	42,879,099
			D. Ending Balance
			E. Reconciliation
			-
Notes and Comments:			

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	871,067
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	18,475,983	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	5,086,230	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	231,910
4. Licenses	312,127	f. Charges for Services	5,253,947
5. Specific Ownership &/or Other	3,238,831	g. Other Misc. Receipts	151,333
6. Total (1. through 5.)	27,113,171	h. Other	263,000
c. Total (a. + b.)	27,113,171	i. Total (a. through h.)	6,771,257
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,683,918	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	484,315	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	275,348	f. Other Federal	
f. Total (a. through e.)	759,663	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	5,443,581	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		625,017	625,017
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)			0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		625,017	625,017
			(Carry forward to page 1)
Notes and Comments:			

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