

City of Colorado Springs, Colorado Comprehensive Annual Financial Report

2019

For the year ended December 31, 2019





COLORADO
SPRINGS

OLYMPIC CITY **USA**

Comprehensive Annual Financial Report

City of Colorado Springs
Colorado

For the fiscal year ended
December 31, 2019

Finance Department

Charae McDaniel, Chief Financial Officer
Kerry George, Assistant Finance Director
Tracy Peters, Accounting Manager

Accounting Staff

Rochelle Kennedy, Accounting Supervisor
Jim Adams, Senior Accountant
Erin Garcia, Senior Accountant
Jessica Hyman, Senior Accountant
Erin Phillips, Accountant
Giovanni Villarreal, Accountant

A special thanks to the Budget Division



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INTRODUCTORY SECTION





FINANCE DEPARTMENT

June 10, 2020

The Honorable Mayor and Members of City Council
City of Colorado Springs
107 North Nevada Avenue
Colorado Springs, Colorado 80903

Dear Honorable Mayor and Members of City Council:

The Comprehensive Annual Financial Report of the City of Colorado Springs for the fiscal year ended December 31, 2019, is hereby presented. State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report fulfills this requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control 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.

BKD, LLP, Certified Public Accountants, have issued unmodified ("clean") opinions on the City of Colorado Springs' financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

Generally accepted accounting principles (GAAP) 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 and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF COLORADO SPRINGS

Founded on July 31, 1871, the City of Colorado Springs (the City) became a home-rule city, organized under provisions of the Colorado Constitution on May 11, 1909. With a population of approximately 480,000, the City is the second most populated city in Colorado and covers approximately 195 square miles.

The City provides a full range of municipal government services. These services include, but are not limited to, police and fire protection, traffic and street construction and maintenance, parks, recreation, cultural services, municipal court, planning and zoning, building and code enforcement, mass transit, and economic development.

Additionally, the City owns and operates major enterprise activities that include electric generation and distribution, natural gas distribution, waterworks, sewerage collection and treatment, health system, municipal airport, parking facilities, golf courses, tourist highway, cemeteries, stormwater operations, and a development review activity.

Pursuant to the City Charter, the Mayor of the City is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. Policy-making and legislative authority are vested in the governing council (Council) consisting of nine members, all elected on a non-partisan basis.

The Council also has significant control over several legally separate entities. These entities are component units of the City and, accordingly, their financial data have been included in this report. The entities included as Governmental-type component units are the General Improvement Districts (Spring Creek, Briargate, and Market Place at Austin Bluffs), Colorado Springs Health Foundation, Colorado Springs Urban Renewal Authority, Colorado Springs Downtown Development Authority, and Business Improvement Districts (Barnes & Powers North, Barnes & Powers South, Briargate Center, Creekwalk Marketplace, First & Main, First & Main No. 2, First & Main North, Greater Downtown Colorado Springs, Interquest North, Interquest South, Interquest Town Center, MW Retail, Powers & Woodmen Commercial, Southwest Downtown, and USAFA Visitor's Center). MW Retail BID has not yet commenced activity and therefore is not displayed in the City's attached financial statements. Public Authority for Colorado Energy (PACE), Fountain Valley Authority, Aurora-Colorado Springs Joint Water Authority and Twin Lakes, Lake Meredith, Colorado Canal and Lake Henry Reservoir companies, and the Pikes Peak Regional Communications Network are included as Business-type component units.

LOCAL ECONOMY

Major industries located within the government's boundaries or in close proximity include aerospace, defense, homeland security, cybersecurity, life sciences, sports and related organizations. The City also has a significant military presence with Peterson Air Force Base, the Air Force Academy, Fort Carson, Cheyenne Mountain Air Station, and Schriever Air Force Base located within or in close proximity to the City.

Colorado Springs has been ranked in the top 3 best places to live in the United States by U.S. News and World Report for two years in a row, based on affordability, job market, net migration and quality of life indicators, including health care and education.

Important contributing factors in achieving our current national status are the various ways in which we have experienced a renewed investment in public infrastructure:

- In 2013, under state legislation known as the Regional Tourism Act, Colorado Springs applied to the Colorado Economic Development Commission and secured \$120.5 million in state sales tax increment financing to support four local projects: the U.S. Olympic and Paralympic Museum, a Sports Medicine facility at UCCS, a downtown stadium and arena, and a new Air Force Academy Visitor Center adjacent to I-25.

- In November of 2015, voters in Colorado Springs passed Issue 2C, agreeing to invest in our roads with \$250 million over 5 years. In November of 2019, voters approved a renewal of 2C for an additional 5 years, through 2025, at a reduced sales tax rate of 0.57%, down from 0.62%. This renewal is projected to generate \$57 million per year over the 5 year period. This funding is used exclusively for road, sidewalk, curb and gutter improvements within the City of Colorado Springs.
- In November of 2017, voters passed Issue 2A, agreeing to invest in our stormwater program, including reinstating a stormwater fee which will allow us, over the following 20 years, not only to meet our various legal obligations, but to create the best stormwater program in Colorado.

General Fund dollars freed up by the passage of the stormwater fee will allow the City to hire 120 police officers and 32 firefighters by 2020. The additional sworn personnel are essential to reducing critical incident response times and making our public safety capabilities among the best in the country.

LONG-TERM STRATEGIC AND FINANCIAL PLANNING

As stated in the City Charter, the Mayor maintains a Strategic Plan (Plan) that prioritizes goals for the City and establishes measurable outcomes. The 2019 Plan encompasses the years 2016 through 2020. The Plan details four platform goals, with objectives for each goal, and initiatives to achieve each objective. The Plan and initiatives incorporate the City's fervent commitment to delivering "best in class" municipal government and offer game-changing new ideas with real, measurable outcomes.

Job Creation - Create an environment that promotes job creation and stimulates strong, diverse, and sustainable economic development and opportunity for all of our citizens.

Investing in Infrastructure - Maintain and preserve the City's vital infrastructure and assets.

Excelling in City Services - Ensure a fiscally sustainable and resilient City that delivers consistent quality services and continuously seeks to improve service delivery.

Building Community & Collaborative Relationships - Celebrate and connect community through ongoing dialogue with our citizens and local, regional, and state leaders to reach mutual goals, and by encouraging private sector and non-profit initiatives that improve the well-being of everyone.

As a budgeting and financial planning best-practice, the City develops a five-year financial forecast and includes that as part of its annual budget document. The forecast is useful to understand what the future financial condition of the City could be based upon a set of reasonable assumptions. However, actual experience will differ from the assumptions - impacting financial results. The City will make strategic adjustments to changing conditions. For example, if revenue is trending under budget, the City will take actions to modify expenditures mid-year.

FINANCIAL POLICIES

The City has administratively approved financial policies that are included in the annual budget document. Included are policies concerning: budget, debt, cash management, investments, fund balance, capital improvement program, revenue, expenditures, and grants. The financial policies that had a significant impact to the City's financial statements this year include:

- The City has a General Fund unrestricted fund balance goal of 16.7% to 25% of the following year's expenditure budget.
- The City annually prepares a five-year capital improvement plan included in the annual budget document.
- Current operating expenditures will be funded with current operating revenues, approved grants, or the use of fund balance in accordance with fund balance policies.
- The City is limited by City Charter Amendment #3, "Taxpayers Bill of Rights" and similar statewide constitutional amendments. These provisions limit the growth of "fiscal year spending" as defined in the amendments. These amendments also require voter approval for the issuance of general fund debt.

AWARDS AND ACKNOWLEDGEMENTS

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the 29th consecutive year that the City has received this prestigious award. To receive this Certificate of Achievement award, the City must publish an easily readable and effectively organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report is due to the effective and dedicated efforts of the staff of the Accounting Office. Beyond these efforts, this report is representative of the excellence of the financial processes existing in Colorado Springs City government. Each department and agency of the City must be credited for the excellence of its individual systems of financial administration. For the efforts of all of these people, we wish to express our sincere gratitude.

Sincerely,



Charae McDaniel, Chief Financial Officer



Kerry George, Assistant Finance Director



Tracy Peters, Accounting Manager



Government Finance Officers Association

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

Presented to

**City of Colorado Springs
Colorado**

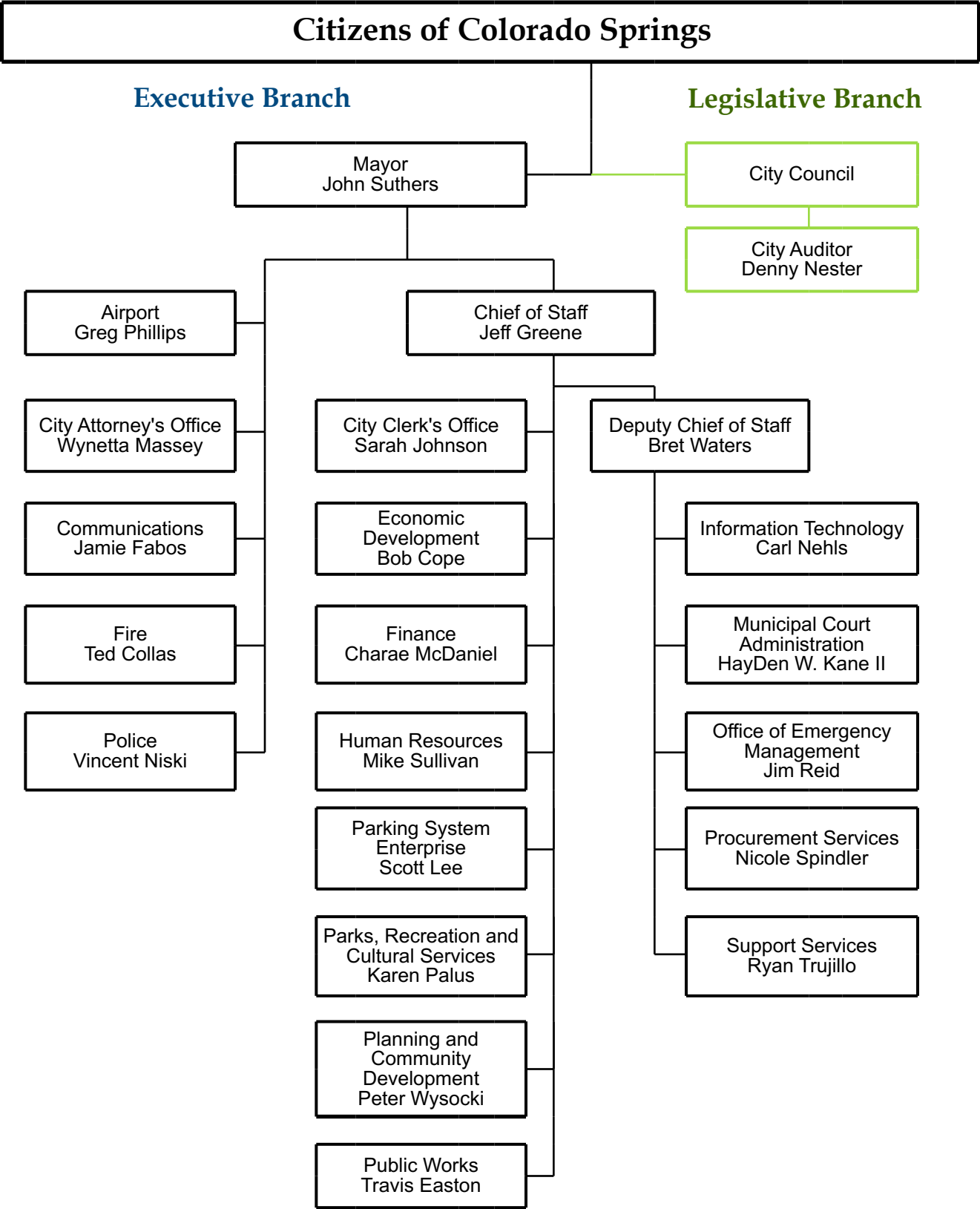
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

City Organizational Chart



City Leadership

Mayor's Office

Mayor	John Suthers
Chief of Staff/Chief Administrative Officer	Jeff Greene
Deputy Chief of Staff	Bret Waters

Department Heads

Chief Communications Officer	Jamie Fabos
Chief Financial Officer	Charae McDaniel
Chief Human Resources and Risk Officer	Mike Sullivan
Chief Information Officer	Carl Nehls
City Attorney	Wynetta Massey
City Clerk	Sarah Johnson
Director of Aviation	Greg Phillips
Fire Chief	Ted Collas
Office of Emergency Management Regional Director	Jim Reid
Parks, Recreation and Cultural Services Director	Karen Palus
Planning and Community Development Director	Peter Wysocki
Public Works Director	Travis Easton
Police Chief	Vincent Niski
Presiding Municipal Court Judge/Court Administrator	HayDen W. Kane II



John Suthers
Mayor

City Council



Colorado Springs City Council

Front Row (from left to right):

- Council Member David Geislinger, District 2
- Council Member Yolanda Avila, District 4
- Council Member Bill Murray, At-Large
- Council Member Andy Pico, District 6

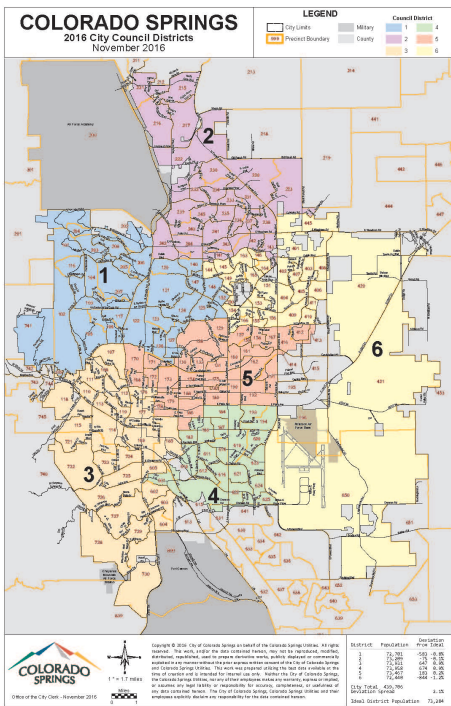
Back Row (from left to right):

- Council Member Don Knight, District 1
- Council President Pro-Tem Tom Strand, At-Large
- Council President Richard Skorman, District 3
- Council Member Jill Gaebler, District 5
- Council Member Wayne Williams, At-Large

City Council's Direct Report

City Auditor	Denny Nester
Utilities Chief Executive Officer	Aram Benyamin
City Council Administrator	Emily Evans

Council District Map



FINANCIAL SECTION



Independent Auditor's Report

Honorable Mayor and Members
of City Council and City Auditor
City of Colorado Springs
Colorado Springs, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Colorado Springs, Colorado (the City), as of and for the year ended December 31, 2019 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. With the exception of Colorado Springs Health Foundation and the Pikes Peak Regional Communications Network, we did not audit the financial statements of the discretely presented component units, which represent 60.18 percent, 18.46 percent, and 65.83 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2019. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts of the aggregate discretely presented component units, excluding the Colorado Springs Health Foundation and the Pikes Peak Regional Communications Network, is based solely on the reports of the other auditors. We did not audit the financial statements of Colorado Springs Utilities, included as an enterprise fund of the City, or Public Authority for Colorado Energy, included as a blended component unit (enterprise fund), which represent 90.72 percent, 84.45 percent, and 94.13 percent, respectively, of the assets, net position, and operating revenues of the enterprise funds as of and for the year ended December 31, 2019. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion on the enterprise fund information, insofar as it relates to the amounts included for Colorado Springs Utilities and Public Authority for Colorado Energy, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Honorable Mayor and Members
of City Council and City Auditor
City of Colorado Springs

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 City'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 City'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, based on our audit and the reports of the other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefits 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, and certain other auditors, 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, and other auditors, obtained during the 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's basic financial statements. The combining and individual fund statements and schedules, the Annual Statement of Receipts and Expenditures for Roads, Bridges, and Streets, and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Mayor and Members
of City Council and City Auditor
City of Colorado Springs

The combining and individual fund statements and schedules and the Annual Statement of Receipts and Expenditures for Roads, Bridges, and Streets 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, based on our audit, the procedures performed as described above, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

BKD, LLP

Colorado Springs, Colorado
June 8, 2020



The following discussion and analysis of the City of Colorado Springs' (City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. Please read the information presented here in conjunction with the transmittal letter, located at the front of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the City's assets and deferred outflow of resources exceed its liabilities and deferred inflow of resources at December 31, 2019, by \$3.6 billion (net position). The City's net position increased by \$285.5 million or 8.6% as a result of current year activity.
 - The governmental net position increased by \$72.0 million or 5.6%. Sales taxes and investment revenues experienced gains while expenses remained relatively flat overall compared to 2018.
 - The business-type net position increased by \$213.5 million or 10.6%, significantly due to an increase in Utilities' net position of \$190.5 million led by reduced other operating expenses primarily driven by a decrease in net pension and OPEB expense. Additionally, the Stormwater fund experienced an increase of \$7.9 million in net position due to its first full year of activity.
- The City's governmental funds report combined ending fund balances of \$207.4 million. This was an increase of \$36.7 million or 21.5%, largely due to increased tax revenues.
- The General Fund, the City's primary operating fund presented on a current financial resources basis, ended 2019 with a fund balance of \$84.8 million or 26.2% of 2019 total General Fund expenditures and uses of other financing sources. Of this, \$63.1 million is "unrestricted" which the Government Finance Officers Association (GFOA) defines as the sum of committed, assigned and unassigned fund balances. GFOA adopted a recommended best practice to maintain an unrestricted fund balance of at least 16.7% of expenditures and the City has adopted a target range of 16.7% to 25% of expenditures. For 2019 the \$63.1 million in unrestricted fund balance represents 19.5% of 2019 total General Fund expenditures and uses of other financing sources. Unrestricted fund balance increased from 2018 by \$11.2 million. Restricted fund balance increased by \$0.1 million primarily due to an increase in the City's emergency reserve offset by a decrease in funds restricted for capital projects as well as a decrease in the revenue in excess of the Taxpayer's Bill of Rights (TABOR) limits. Additional information on TABOR is presented in Note IV.D.3 in the notes to the financial statements. See General Fund Budgetary Highlights for additional information on other General Fund changes.
- The City's total long-term debt is \$2.8 billion. This is a \$146.4 million or 5.0% decrease from 2018. Governmental activity debt increased by \$3.8 million due to the issuance of new certificates of participation, partially offset by debt repayments. The City's business-type activity debt decreased by \$150.2 million largely due to Utilities debt repayments exceeding new issuances.

(unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

In addition to the basic financial statements, this report also contains certain other supplementary information.

The following table summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the City's Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses; the utilities system, airport, and parking system	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows	• Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements

The government-wide financial 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. These two reports include:

Statement of net position – This statement presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Statement of activities – This statement presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods.

The government-wide financial statements of the City are divided into three categories:

Governmental activities – Most of the City's basic services are included here, such as public safety, public works, parks, planning/housing, and general government. Taxes, intergovernmental revenues, and surplus revenue transfers finance most of these activities.

Business-type activities – Other services such as water, sewer, gas, and electricity system, health system, airport, parking facilities, golf courses, cemeteries, tourist highway, development review program, and stormwater are intended to recover all or a significant portion of their costs through user fees and charges.

Component units – Component units are legally separate entities for which the City is financially accountable. The City reports the following as component units: Fountain Valley Authority, Aurora-Colorado Springs Joint Water Authority, and several canal and reservoir companies: Twin Lakes, Lake Meredith, Colorado Canal, and Lake Henry; the Pikes Peak Regional Communications Network, the Colorado Springs Health Foundation and several business improvement districts: Barnes & Powers North, Barnes & Powers South, Briargate Center, Creekwalk Marketplace, Colorado Springs Downtown Development Authority, Colorado Springs Urban Renewal Authority, First & Main, First & Main No. 2, First & Main North, Greater Downtown Colorado Springs, Interquest North, Interquest South, Interquest Town Center, MW Retail, Powers & Woodmen Commercial, Southwest Downtown, and USAFA Visitor's Center Business Improvement Districts. While MW Retail was created in 2019, this district had no financial activity to be reported.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. 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 which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its governmental funds and budgetary comparisons have been provided to demonstrate compliance with these budgets.

Proprietary funds – The City maintains two different types of proprietary funds: *Enterprise funds*, used to report the same functions presented as *business-type activities* in the government-wide financial statements, and *Internal Service funds*, used as an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its printing, self-insurance and various other activities of the City. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. However, the change in net position for internal service funds has been allocated between governmental activities and business-type activities on the statement of activities.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for Utilities, Public Authority for Colorado Energy (PACE), and Memorial Health System (MHS) which are considered to be major proprietary funds of the City. Both non-major enterprise funds and internal service funds are combined into single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its proprietary funds and budgetary comparisons have been provided to demonstrate compliance with these budgets.

Fiduciary fund – A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is 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 accounting used for the fiduciary fund is much like that used for proprietary funds. The basic fiduciary fund financial statements are presented later in this report.

The City does not adopt an annual appropriated budget for its fiduciary fund.

Notes to the Financial Statements

The notes provide additional information essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

Following the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) and combining, individual fund statements and schedules, and statistical tables.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3.6 billion at the close of 2019 which is \$285.5 million more than at the close of 2018.

The following table reflects the condensed Statement of Net Position for 2019 with comparative information for 2018:

City of Colorado Springs Statement of Net Position (in 000's)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 313,691	\$ 280,423	\$ 1,257,608	\$ 1,297,866	\$ 1,571,298	\$ 1,578,289
Capital assets	1,476,812	1,435,616	4,443,285	4,364,366	5,920,097	5,799,983
Total assets	1,790,502	1,716,039	5,700,893	5,662,233	7,491,395	7,378,272
Deferred outflows of resources	133,444	58,937	158,692	120,418	292,136	179,355
Total assets and deferred outflows of resources	1,923,946	1,774,976	5,859,585	5,782,650	7,783,531	7,557,627
Long-term liabilities	437,473	326,933	3,418,231	3,485,835	3,855,704	3,812,768
Other liabilities	80,193	77,645	210,606	216,851	290,799	294,496
Total liabilities	517,666	404,578	3,628,837	3,702,687	4,146,503	4,107,264
Deferred inflows of resources	37,843	73,953	3,309	66,060	41,152	140,014
Total liabilities and deferred inflows of resources	555,508	478,531	3,632,146	3,768,747	4,187,654	4,247,278
Net position						
Net investment in capital assets	1,413,603	1,379,549	2,229,703	2,109,119	3,643,307	3,488,668
Restricted	36,633	47,079	57,213	41,771	93,845	88,850
Unrestricted	(81,798)	(130,183)	(59,477)	(136,987)	(141,275)	(267,170)
Total net position	\$ 1,368,438	\$ 1,296,445	\$ 2,227,439	\$ 2,013,903	\$ 3,595,877	\$ 3,310,348

Note: Immaterial differences may occur due to rounding.

The City's investment in capital assets, less any related debt used to acquire those assets that is still outstanding is actually greater than its total net position, at \$3.6 billion. The City's unrestricted net position is a deficit due to the impact of *GASB 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as well as the impact of *GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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 liquidated to satisfy these liabilities.

(unaudited)

Restricted net position increased by \$5.0 million, due to increased restricted net position for Utilities, partially offset by a lower amount reserved for revenues in excess of the TABOR limits between 2018 and 2019. Additional information on TABOR is presented in Note IV.D.3 in the notes to the financial statements.

The unrestricted net position shows a deficit of \$141.3 million. While certain unrestricted funds are designated for specific, future purposes such as encumbrances and subsequent year expenses, significant net pension and OPEB liabilities offset these amounts, resulting in negative unrestricted net position.

As noted, the City's combined net position is \$3.6 billion, an increase of \$285.5 million, as a result of current year activity and fluctuations in pension and OPEB calculated expenses.

The net position of the business-type activities is \$2.2 billion. This net position can only be used for the continuing operations of the utilities, airport, downtown parking facilities, golf courses, cemeteries, tourist highway, development review program, and stormwater activities. This amount cannot be used to make up for any decrease reported in governmental activities.

The following table shows revenues and expenses for both governmental and business-type activities for 2019 with comparative information for 2018. As noted earlier, the City's net position increased from 2018 to 2019 by \$285.5 million. Governmental activities increased the City's net position by \$72.0 million or 5.6%, which accounts for 25.2% of the City's overall change in net position. Business-type activities increased the City's net position by \$213.5 million or 10.6%, which accounts for 74.8% of the City's overall change in net position.

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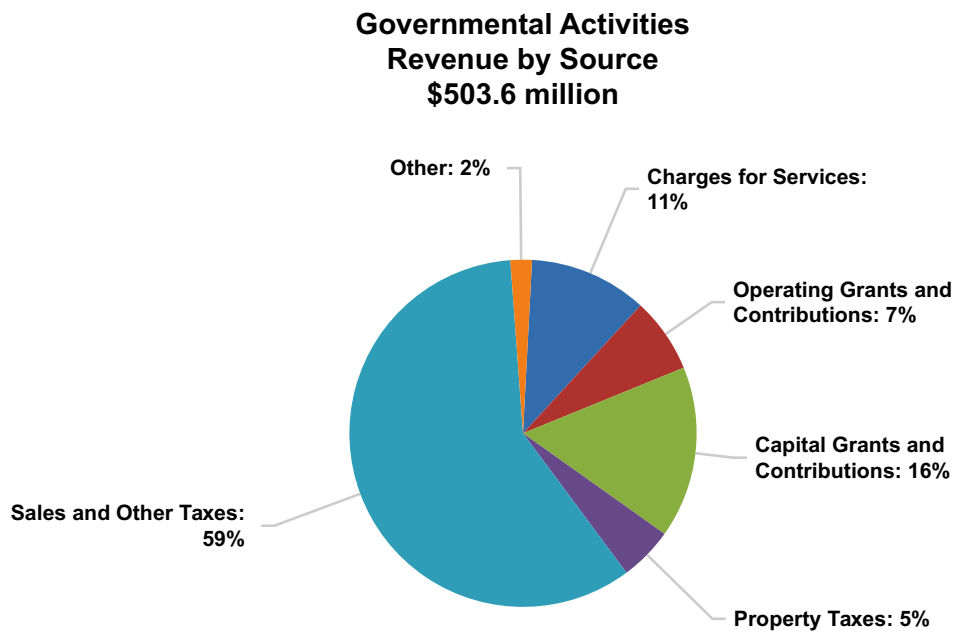
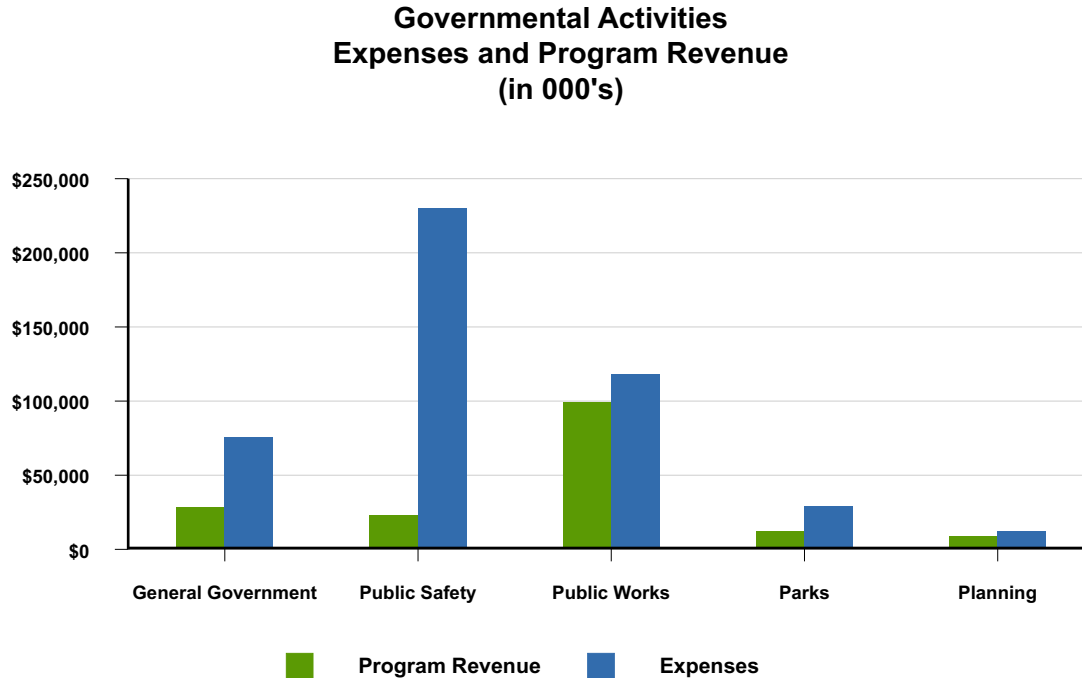
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City of Colorado Springs
Changes in Net Position (in 000's)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 55,179	\$ 54,378	\$ 1,001,926	\$ 987,998	\$ 1,057,105	\$ 1,042,376
Operating grants and contributions	36,420	24,964	—	—	36,420	24,964
Capital grants and contributions	82,049	100,367	87,203	70,294	169,251	170,661
General revenues:						
Property taxes	23,841	23,475	—	—	23,841	23,475
Sales and other taxes	296,648	291,281	—	—	296,648	291,281
Investment earnings	8,122	2,259	17,151	12,407	25,273	14,666
Gain on sale of capital assets	1,243	1,376	1,264	—	2,506	1,376
Contributions to endowments	62	71	—	—	62	71
Total revenues	503,563	498,171	1,107,543	1,070,699	1,611,107	1,568,870
Expenses:						
General government	75,780	109,660	—	—	75,780	109,660
Public safety	230,131	181,773	—	—	230,131	181,773
Public works	118,033	141,233	—	—	118,033	141,233
Parks	29,426	26,268	—	—	29,426	26,268
Planning	12,198	7,958	—	—	12,198	7,958
Interest on long-term debt	2,047	1,976	—	—	2,047	1,976
Utilities	—	—	741,238	818,766	741,238	818,766
PACE	—	—	59,525	59,945	59,525	59,945
MHS	—	—	2,987	3,052	2,987	3,052
Non-major enterprises	—	—	54,212	40,716	54,212	40,716
Total expenses	467,615	468,868	857,963	922,479	1,325,578	1,391,347
Change in net position before transfers	35,948	29,303	249,581	148,220	285,529	177,523
Transfers	36,045	30,142	(36,045)	(30,142)	—	—
Change in net position	71,993	59,445	213,536	118,078	285,529	177,523
Net position - beginning	1,296,445	1,237,000	2,013,903	1,895,825	3,310,348	3,132,825
Net position - ending	\$1,368,438	\$1,296,445	\$2,227,439	\$2,013,903	\$3,595,877	\$3,310,348

Note: Immaterial differences may occur due to rounding.

(unaudited)

Governmental ActivitiesNote: Exclusive of transfers.Note: Exclusive of transfers.

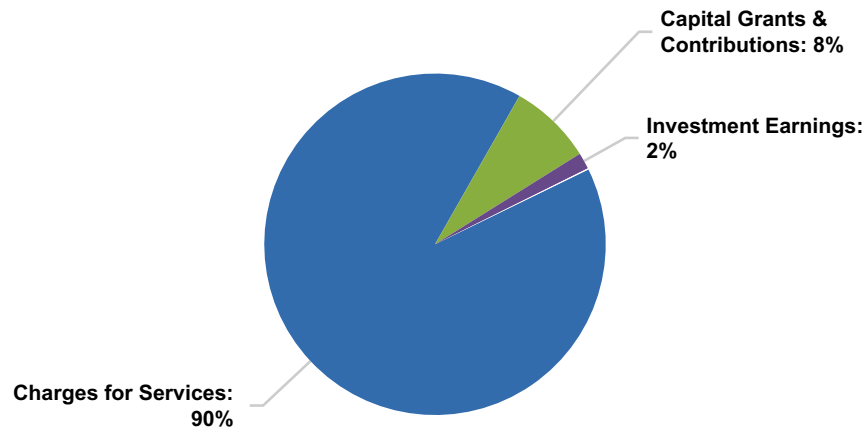
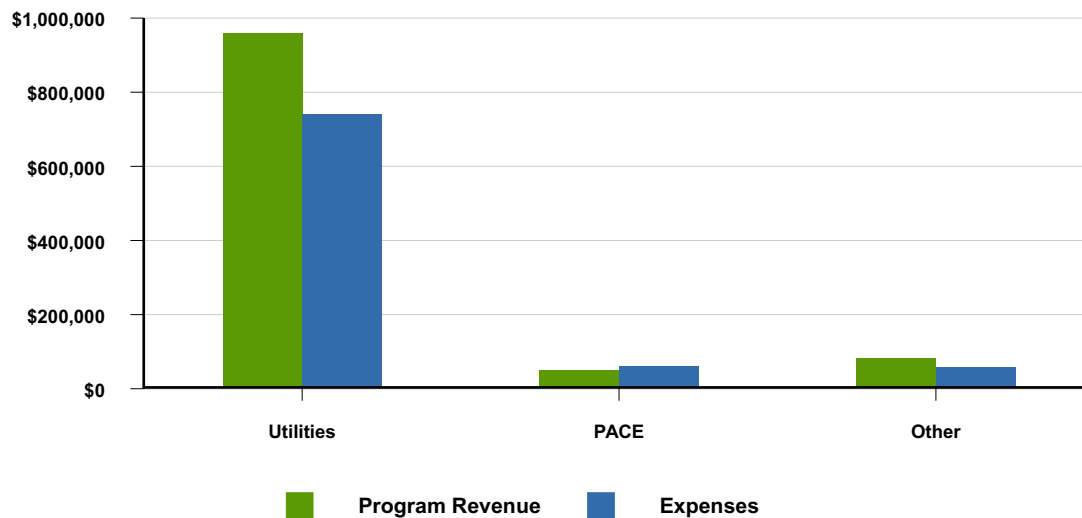
(unaudited)

For 2019, governmental activities revenues increased, while expenses decreased, resulting in an increase in net position based upon current year activity. Revenue was up from 2018 by \$5.4 million primarily as a result of an increase in sales tax revenue. Sales tax revenue increased largely due to continued strong economic conditions and a high level of consumer confidence. Expenses decreased \$1.3 million from 2018. The most significant expense changes were the following:

- General government expenses decreased \$33.9 million primarily due to decreased pension expenses.
- Public safety expenses increased \$48.4 million primarily due to increased staffing, operations, and pension expenses.
- Public works expenses decreased \$23.2 million primarily due to stormwater expenses previously in governmental activity now funded by a business-type activity.
- Pension plan expenses impacted other categories as pension expense for the City's civilian pension plan, PERA, decreased \$38.7 million.

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(unaudited)

Business-type Activities**Business-type Activities
Revenue by Source
\$1,107.5 million**Note: Exclusive of transfers.**Business-type Activities
Expenses and Program Revenue
(in 000's)**Note: Exclusive of transfers.

(unaudited)

For 2019, business-type activities revenue increased \$36.8 million, while expenses decreased \$64.5 million. In 2019, Utilities' revenue experienced a net decrease of \$2.2 million primarily due to decreases in electric and water revenues, partially offset by an increase of natural gas revenues. Meanwhile the Airport experienced an increase in revenues due to an increase in capital contributions of \$12.9 million. The stormwater fee, which went into effect mid-year 2018 to fund critical stormwater infrastructure and maintenance operations, resulted in charges for services of \$8.6 million higher than for the partial 2018 year. Business-type activities net expenses decreased \$64.5 million. In 2019, Utilities' operating expenses decreased \$112.5 million driven primarily by the decrease in other operating expenses of \$118.0 million. This decrease was due to lower net pension and OPEB expenses and lower fuel costs. Finally, stormwater activities reported an increase of \$4.9 million in operating expenses due to the full year of activity.

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FINANCIAL ANALYSIS OF THE CITY'S FUNDS**Governmental funds**

As of the end of 2019, the City's governmental funds reported total combined fund balances of \$207.4 million of which \$51.2 million or approximately 24.7%, is unassigned. *Unassigned fund balance* serves as a useful measure of a government's net resources available for spending at the end of the fiscal year. The *nonspendable* portion of fund balance, \$13.5 million, is primarily comprised of endowments; and the *restricted* portion of fund balance, \$87.9 million, is primarily comprised of \$66.0 million in special revenue funds restricted balances, \$1.9 million for the TABOR refund/retention, and the \$9.2 million TABOR emergency reserve.

The General Fund is the principal operating fund of the City. At the end of 2019, the General Fund's total fund balance was \$84.8 million. The unrestricted fund balance of the General Fund was \$63.1 million. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and unrestricted fund balance to total fund expenditures including uses of other financing sources. Total fund balance represents 26.2% of 2019 total General Fund expenditures while unrestricted fund balance represents 19.5% of 2019 total General Fund expenditures.

Proprietary funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position as of December 31, 2019 and 2018 for the proprietary funds are as follows:

Unrestricted Net Position (in 000's)

	2019	2018	Variance
Utilities	\$ 56,934	\$ (28,225)	\$ 85,159
PACE	(156,142)	(147,593)	(8,549)
Non-major enterprise funds	50,892	50,227	665
Internal service funds	(24,300)	(25,937)	1,637

Note: Immaterial differences may occur due to rounding.

Utilities, non-major enterprise funds, and the internal service funds each showed increases in unrestricted net position, while PACE experienced a decline in 2019. Utilities increase was due to fluctuations in pension and OPEB amounts. The increase for non-major enterprise funds was largely due to healthy operations as a result of a strong local economy as well as the full year of activity for the stormwater fund. The internal service funds showed increased unrestricted net position due to higher funding for the City's employee benefits fund. PACE's decrease, as in prior years, was primarily due to significant interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, City Council revised the City budget several times. These budget amendments can be briefly summarized as follows:

- \$7.6 million increase due to a supplemental appropriation to provide for the construction of a new fire and radio shop facility, police firing range, and work at the ice center. These projects were funded by the proceeds from the issuance of certificates of participation.
- \$2.2 million increase due to a supplemental appropriation to recognize revenue received from the State of Colorado as a result of SB 18-001 Fix Colorado Roads Act. This Act provided funding to the Highway Users Tax Fund (HUTF), which was then distributed to Colorado jurisdictions. The funding was appropriated for transportation infrastructure projects.
- \$4.5 million increase due to a supplemental appropriation for the refinance of the city administration building lease. This funding allowed the City to take advantage of historic low interest rates.
- \$7.0 million increase due to a supplemental appropriation for the voter approved retention of 2018 revenue in excess of the TABOR limit, dedicated to improvements of historic parks.

Also, per City Code, the City rolled over project budgets and encumbrances from the previous year totaling \$24.5 million.

Total revenues, excluding other financing sources, exceeded the final budget by 2.0% or \$5.3 million as the number of revenues exceeding budget outpaced those that fell short. Fines were strong coming in above budget by \$1.5 million due to increased focus on traffic safety. Intergovernmental revenue exceeded budget by \$1.9 million, lead by continued growth in the collections from the highway user tax fund. The charges for services for public works exceeded budget by \$1.0 million due to strong local development activity. Investment earnings exceeded budget by \$1.7 million largely due to the continued strong economy. Sales and use tax revenue (including penalty and interest), while increased from 2018, fell short of budget by \$1.8 million.

Total expenditures, excluding other financing uses, are \$28.0 million less than the final budget as projects can span across more than one fiscal year and there were vacancies across the organization which resulted in salary and benefit cost savings.

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(unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital assets**

At the end of 2019, the City has \$5.9 billion invested in a broad range of capital assets and infrastructure (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and other vehicles, infrastructure (including streets, alleys, traffic signals and signs, bridges, and drainage systems), enterprise plants, construction in process and intangible capital assets. This amount represents a net increase (including additions and deletions) of \$120.1 million.

City of Colorado Springs
Capital Assets (in 000's)
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 369,645	\$ 364,631	\$ 244,846	\$ 220,699	\$ 614,491	\$ 585,331
Buildings	117,825	101,868	40,104	42,631	157,929	144,499
Improvements other than buildings	51,798	52,346	180,564	167,211	232,361	219,557
Machinery and equipment	54,237	44,417	15,988	16,066	70,225	60,483
Infrastructure	847,186	830,595	40,359	33,336	887,545	863,931
Utilities plant	—	—	3,669,055	3,651,439	3,669,055	3,651,439
Construction in progress	25,722	30,471	185,791	168,044	211,513	198,515
Intangible capital assets	10,399	11,287	66,579	64,940	76,978	76,227
Total	\$ 1,476,812	\$ 1,435,616	\$ 4,443,285	\$ 4,364,366	\$ 5,920,097	\$ 5,799,983

Note: Immaterial differences may occur due to rounding.

The increase to capital assets for 2019 was due to both governmental and business-type activities. Specifically, in 2019, Utilities' capital assets increased \$36.5 million or 0.9%. The change is due largely to capital improvements that are required to maintain and rehabilitate aging infrastructure in order to provide safe and reliable services to customers, to prepare for future demand and to meet environmental and regulatory requirements.

In 2019, Pikes Peak Rural Transportation Authority donated \$24.0 million of infrastructure and developers donated of \$11.1 million of infrastructure to governmental activities. These donated amounts, while lower than in the prior year, remain strong as a result of continued development.

Additional information on the City's capital assets is presented in Note III.G. in the notes to the financial statements.

(unaudited)

Long-term debt

The following schedule provides the debt outstanding at the end of 2019 and 2018. Total long-term debt outstanding at the end of 2019 is \$2.8 billion.

City of Colorado Springs
Outstanding Debt (in 000's)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 6,985	\$ 9,805	\$ —	\$ —	\$ 6,985	\$ 9,805
Certificates of participation	38,140	30,165	—	—	38,140	30,165
Revenue bonds	—	—	2,721,679	2,868,778	2,721,679	2,868,778
Lease/lease purchase	9,835	11,150	—	—	9,835	11,150
Notes payable	—	—	8,981	12,126	8,981	12,126
Total	\$ 54,960	\$ 51,120	\$ 2,730,660	\$ 2,880,904	\$ 2,785,620	\$ 2,932,024

Note: Immaterial differences may occur due to rounding.

During 2019, long-term debt for the governmental activities increased \$3.8 million, primarily due to the issuance of \$9.0 million in certificates of participation, partially offset by debt repayments. Business-type activities decreased \$150.2 million due to debt repayments exceeding the issuance of refunding revenue bonds.

The City's latest bond ratings are as follows:

Description	Moody's Rating	Standard & Poor's Rating	Fitch Rating
Certificates of Participation	Aa2	AA	N/A
Pikes Peak America's Mountain Revenue Bonds	N/A	A	N/A
Parking Revenue Bonds	N/A	N/A	N/A
Utilities Revenue Bonds	Aa2	AA+	AA
PACE Revenue Bonds	A2	A-	A+

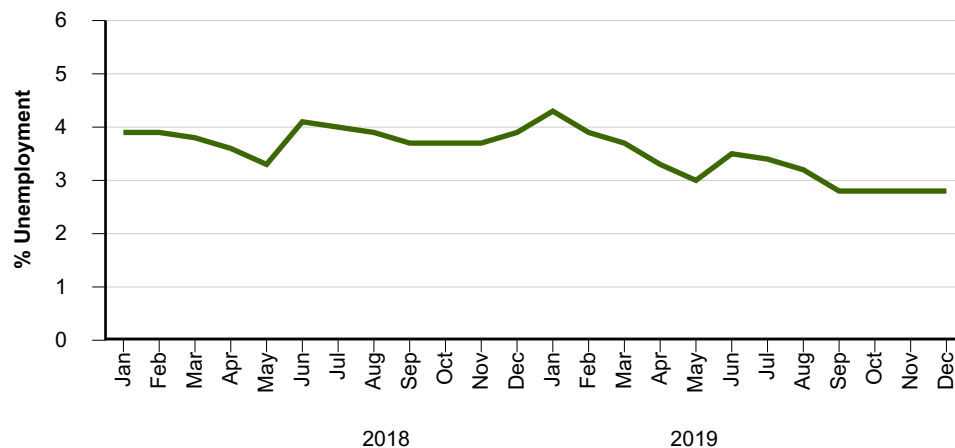
The current debt limitation for the City is \$550.8 million or 10% of the assessed property valuation. The City has no outstanding general obligation debt as it relates to this debt limit. The general obligation debt shown in the financial statements relate to the City's blended component units.

Additional information on the City's long-term debt is presented in Note III.J. in the notes to the financial statements.

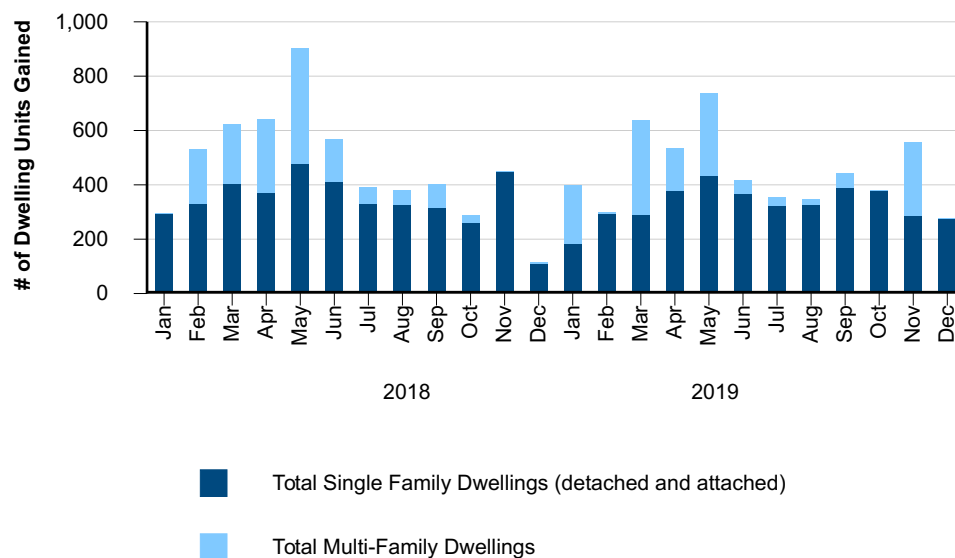
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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**Local Economic Indicators**

The local economy exhibited continued strength in 2019, as the local unemployment rate declined by 1.5% from 4.3% to 2.8%; the number of home sales grew by 3.1%; and, hotel occupancy grew by 0.5%, reflecting strong trends in the tourist industry. Residential building permits decreased 3.5%, however, building continues at a robust pace.

El Paso County Unemployment Rate

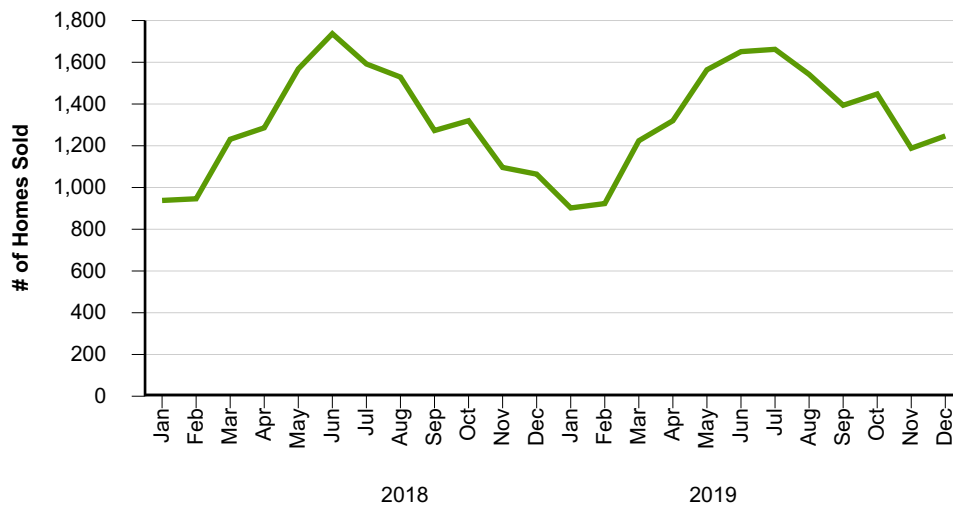
Source: US Bureau of Labor Statistics - Local Area Unemployment Statistics

**Pikes Peak Region
Residential Building Permits**

Source: Pikes Peak Regional Building Department

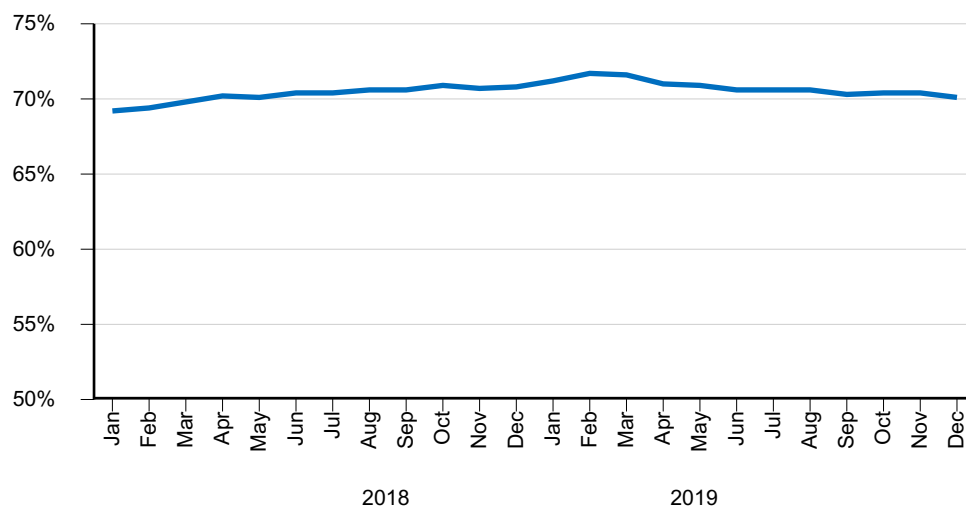
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**Pikes Peak Region
Home Sales**
(Single Family/Patio Homes)



Source: Pikes Peak Association of Realtors

Colorado Springs Hotel Occupancy Rate
(12 Month Moving Average)



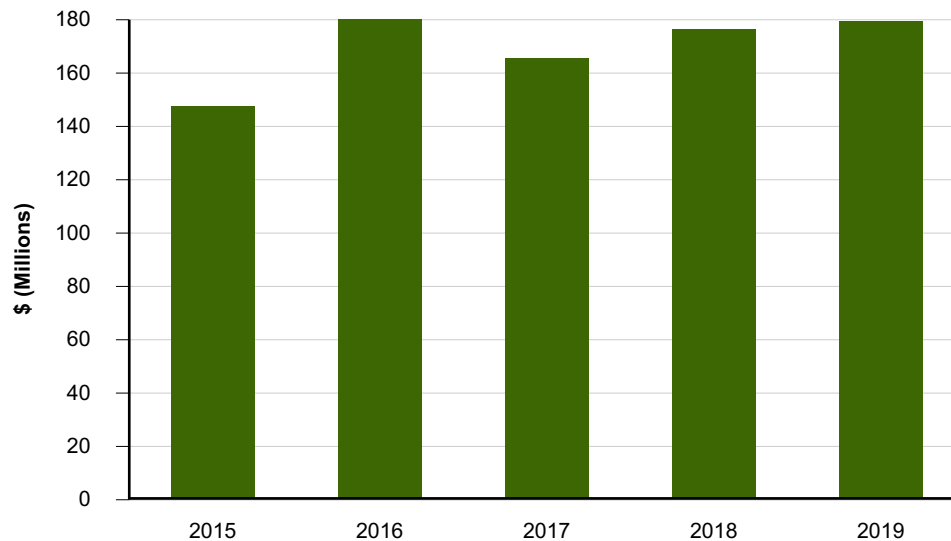
Source: University of Colorado Colorado Springs Economic Forum Dashboard

(unaudited)

Sales and use tax revenue

The City's General Fund sales and use tax revenue was up \$2.9 million or 1.6% from 2018 driven by continued growth in all categories except Auto Dealers, Commercial Machines and Miscellaneous Retail. City sales and use tax collections are primarily dependent upon the level of local economic activity, consumer confidence, tourist activity, and inflationary growth.

**General Fund
Sales and Use Tax Revenue**



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2020 Budget

The 2020 General Fund budget of approximately \$331.3 million is 7.5% higher than the 2019 original General Fund budget. At 56.1%, sales and use tax is the largest single source of General Fund revenue. 2020 sales and use tax is budgeted at \$185.8 million.

The 2020 budget addresses important strategic and operational goals which are reflected in the following important funding decisions:

- \$4.4 million increased funding for 20 new Police Officer positions and 8 new sworn Fire positions and equipment
- \$400,000 increased funding for park maintenance, recreational and cultural service needs
- \$1.45 million increased funding for park watering
- \$1.4 million increased funding for the City's Americans with Disabilities Act operating and capital programs
- \$550,000 increased funding for city fleet replacement
- \$500,000 funding to support shelter bed operations for the homeless population
- \$300,000 increased funding to Mountain Metro Transit
- \$1.3 million continuing support to address Information Technology core infrastructure, applications, and cybersecurity improvements and sustainment
- \$9.65 million to bring police and fire sworn position compensation to the market average, increases for civilian compensation, and full-year funding for the portion of compensation that was phased in during 2019
- \$1.0 million one-time increased funding for an aerial ladder truck for fire

In early 2020, the world began experiencing the widespread novel coronavirus. As a result of the spread of a novel coronavirus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the City. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at City of Colorado Springs, 30 S. Nevada Avenue, Suite 202, Colorado Springs, Colorado, 80903, www.coloradosprings.gov, or 719-385-5224.

BASIC FINANCIAL STATEMENTS



STATEMENT OF NET POSITION
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 1
(PAGE 1 of 2)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
<u>ASSETS</u>					
Cash and investments	\$ 180,084,060	\$ 303,150,574	\$ 483,234,634	\$ 147,993,231	\$ 4,921,236
Receivables (net of allowance for uncollectibles)	109,073,184	120,859,517	229,932,701	21,057,513	1,658,864
Lease receivable	—	93,794,151	93,794,151	—	—
Due from primary government	—	—	—	—	6,721,217
Due from component unit	—	1,492	1,492	—	—
Inventories	289,047	54,710,426	54,999,473	—	182,807
Prepays	1,900	411,072,000	411,073,900	209,781	6,680,779
Derivative instruments	—	—	—	333,249	—
Other	—	122,486,388	122,486,388	—	332,022
Restricted assets (temporarily):					
Cash and investments	24,242,362	150,438,990	174,681,352	65,472,808	2,561,288
Interest receivable	—	142,000	142,000	—	—
Investment in joint ventures	—	952,000	952,000	—	—
Capital assets nondepreciable:					
Land	369,645,304	244,845,731	614,491,035	—	65,147
Intangibles	—	38,588,000	38,588,000	—	—
Construction in progress	25,722,326	185,790,614	211,512,940	15,574,823	1,059,415
Capital assets (net of accumulated depreciation):					
Buildings	117,824,684	40,104,424	157,929,108	1,794,789	—
Improvements other than buildings	51,797,567	180,563,772	232,361,339	7,232,080	—
Machinery and equipment	54,237,384	15,987,663	70,225,047	14,627	—
Infrastructure	847,185,844	40,358,685	887,544,529	35,164,661	—
Utility plant	—	3,669,055,000	3,669,055,000	—	66,542,182
Intangibles	10,398,666	27,991,173	38,389,839	—	—
Total assets	1,790,502,328	5,700,892,600	7,491,394,928	294,847,562	90,724,957
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred cash flow hedges - unrealized					
loss on derivative instruments	—	30,640,000	30,640,000	—	—
Grants	—	—	—	193,750	—
Loss on debt refundings	1,280,048	42,136,751	43,416,799	4,146,014	—
Pension-related amounts	126,578,445	81,987,349	208,565,794	—	—
OPEB-related amounts	5,585,664	3,928,171	9,513,835	—	—
Total deferred outflows of resources	\$ 133,444,157	\$ 158,692,271	\$ 292,136,428	\$ 4,339,764	\$ —

(continued)

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

STATEMENT OF NET POSITION
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 1
(PAGE 2 of 2)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
<u>LIABILITIES</u>					
Accounts payable and other liabilities	\$ 65,208,606	\$ 85,744,068	\$ 150,952,674	\$ 13,202,163	\$ 4,585,376
Contingent liabilities and promise to CSHF	—	94,011,992	94,011,992	—	—
Deposits payable	424,039	—	424,039	—	—
Funds held for others	59,896	—	59,896	—	—
Accrued interest payable	193,152	15,734,540	15,927,692	1,125,493	45,900
Due to primary government	—	—	—	—	1,492
Due to component unit	6,709,522	11,695	6,721,217	—	—
Internal balances	(9,781,967)	9,781,967	—	—	—
Unearned revenue:					
Grants	13,364,210	—	13,364,210	—	—
Other	4,015,327	5,321,487	9,336,814	—	5,333,873
Noncurrent liabilities:					
Due within one year	8,569,154	110,438,758	119,007,912	2,363,548	5,621,582
Due in more than one year	428,903,600	3,307,792,576	3,736,696,176	207,981,121	11,640,039
Total liabilities	517,665,539	3,628,837,083	4,146,502,622	224,672,325	27,228,262
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Gain on debt refundings	—	1,257,000	1,257,000	—	—
Interest rate swap	—	—	—	333,249	—
Property taxes	28,365,203	—	28,365,203	13,752,861	—
Pension-related amounts	7,646,646	1,179,862	8,826,508	—	—
OPEB-related amounts	1,831,024	871,833	2,702,857	—	—
Total deferred inflows of resources	37,842,873	3,308,695	41,151,568	14,086,110	—
<u>NET POSITION</u>					
Net investment in capital assets	1,413,603,440	2,229,703,432	3,643,306,872	(5,346,825)	51,309,938
Restricted for:					
Debt service	1,515,857	22,044,608	23,560,465	9,510,555	2,476,191
Endowments:					
Expendable	405,871	—	405,871	—	—
Nonexpendable	13,199,141	—	13,199,141	—	—
Emergency reserve (TABOR)	9,210,168	—	9,210,168	92,452	—
Capital improvement	10,438,861	—	10,438,861	9,742,595	—
Other	1,862,882	35,167,951	37,030,833	—	—
Unrestricted	(81,798,147)	(59,476,898)	(141,275,045)	46,430,114	9,710,566
Total net position	\$ 1,368,438,073	\$ 2,227,439,093	\$ 3,595,877,166	\$ 60,428,891	\$ 63,496,695

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

STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	
Primary government										
Governmental activities										
General government	\$ 75,779,622	\$ 25,884,456	\$ 2,014,464	\$ 922,207	\$ (46,958,495)	\$ —	\$ (46,958,495)	\$ —	\$ —	
Public safety	230,131,163	7,154,791	10,349,184	5,933,982	(206,693,206)	—	(206,693,206)	—	—	
Public works	118,032,617	16,962,729	13,184,081	69,391,745	(18,494,062)	—	(18,494,062)	—	—	
Parks	29,426,437	3,044,391	3,670,650	5,800,575	(16,910,821)	—	(16,910,821)	—	—	
Planning	12,198,087	2,132,235	7,201,681	—	(2,864,171)	—	(2,864,171)	—	—	
Interest on long-term debt	2,047,097	—	—	—	(2,047,097)	—	(2,047,097)	—	—	
Total governmental activities	467,615,023	55,178,602	36,420,060	82,048,509	(293,967,852)	—	(293,967,852)	—	—	
Business-type activities										
Utilities	741,238,248	893,026,000	—	64,939,000	—	216,726,752	216,726,752	—	—	
PACE	59,525,000	50,108,000	—	—	—	(9,417,000)	(9,417,000)	—	—	
MHS	2,987,413	—	—	—	—	(2,987,413)	(2,987,413)	—	—	
Other non-major enterprises	54,212,096	58,792,179	—	22,263,848	—	26,843,931	26,843,931	—	—	
Total business-type activities	857,962,757	1,001,926,179	—	87,202,848	—	231,166,270	231,166,270	—	—	
Total primary government	\$1,325,577,780	\$1,057,104,781	\$ 36,420,060	\$ 169,251,357	\$ (293,967,852)	\$ 231,166,270	\$ (62,801,582)	\$ —	\$ —	
Component units										
Governmental activities	\$ 67,675,088	\$ 333,141	\$ 23,202,111	\$ —	\$ —	\$ —	\$ —	\$ (44,139,836)	\$ —	
Business-type activities	10,675,493	20,407,778	—	—	—	—	—	—	9,732,285	
Total component units	\$ 78,350,581	\$ 20,740,919	\$ 23,202,111	\$ —	\$ —	\$ —	\$ —	\$ (44,139,836)	\$ 9,732,285	
General revenues										
Property taxes					\$ 23,841,133	\$ —	\$ 23,841,133	\$ 11,265,472	\$ —	
Sales taxes					292,419,454	—	292,419,454	—	—	
Specific ownership taxes					3,279,689	—	3,279,689	614,217	—	
Occupational liquor taxes					315,546	—	315,546	—	—	
Admissions tax					575,495	—	575,495	—	—	
Bicycle excise tax					57,612	—	57,612	—	—	
Miscellaneous					—	—	—	12,681,186	—	
Investment earnings					8,122,461	17,150,551	25,273,012	24,845,393	172,034	
Gain on sale of capital assets					1,242,627	1,263,697	2,506,324	—	—	
Contributions to endowments					62,074	—	62,074	—	—	
Transfers					36,044,699	(36,044,699)	—	—	—	
Total general revenues and transfers					365,960,790	(17,630,451)	348,330,339	49,406,268	172,034	
Change in net position					71,992,938	213,535,819	285,528,757	5,266,432	9,904,319	
Net position - January 1					1,296,445,135	2,013,903,274	3,310,348,409	55,162,459	53,592,376	
Net position - December 31					\$1,368,438,073	\$2,227,439,093	\$ 3,595,877,166	\$ 60,428,891	\$ 63,496,695	

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 68,367,512	\$ 107,121,042	\$ 175,488,554
Accounts receivable (net of allowance for uncollectibles)	5,796,078	33,691,149	39,487,227
Sales tax receivable	18,908,740	10,962,070	29,870,810
Loans receivable (net of allowance for uncollectibles)	236,668	10,049,521	10,286,189
Property taxes receivable			
Current	24,311,078	4,054,125	28,365,203
Delinquent	12,579	—	12,579
Inventories	255,294	—	255,294
Due from other funds	17,971,194	—	17,971,194
Restricted cash and investments	10,543,221	13,699,141	24,242,362
Total assets	\$ 146,402,364	\$ 179,577,048	\$ 325,979,412
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 7,761,475	\$ 11,964,658	\$ 19,726,133
Funds held for others	59,896	—	59,896
Accrued salaries and benefits	9,933,953	1,771,748	11,705,701
Due to other funds	1,416,841	15,368,369	16,785,210
Due to component unit	6,709,522	—	6,709,522
Deposits payable	—	424,039	424,039
Escrow deposits	7,373,307	—	7,373,307
Unearned revenue			
Grants	—	13,364,210	13,364,210
Other	4,015,327	—	4,015,327
Total liabilities	37,270,321	42,893,024	80,163,345
Deferred inflows of resources			
Unavailable revenue - loans (net of allowance for uncollectibles)	—	10,049,521	10,049,521
Unavailable revenue - property taxes	24,311,078	4,054,125	28,365,203
Total deferred inflows of resources	24,311,078	14,103,646	38,414,724
Fund balances			
Nonspendable	267,873	13,199,141	13,467,014
Restricted	21,453,968	66,424,359	87,878,327
Committed	8,619,660	33,683,967	42,303,627
Assigned	3,271,255	9,272,911	12,544,166
Unassigned	51,208,209	—	51,208,209
Total fund balances	84,820,965	122,580,378	207,401,343
Total liabilities, deferred inflows of resources and fund balances	\$ 146,402,364	\$ 179,577,048	\$ 325,979,412

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

GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 3
(PAGE 2 OF 2)

Total fund balances - governmental funds \$ 207,401,343

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, at historical cost	\$ 2,382,667,268	
Less: Accumulated depreciation	(905,855,493)	
Less: Internal service fund net capital assets included above	(275,670)	
		1,476,536,105

Loans and assessments - certain long-term receivables are not available to pay for current-period expenditures because they are not collected within the prescribed time period after year-end and, therefore, are unavailable in the funds. 10,049,521

Interest on investments that is not available to pay for current-period expenditures is not reported in the funds. 736,015

Internal service funds are used by management to charge the costs of support services and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. (12,863,122)

Long-term liabilities, including bonds payable and net pension-related amounts, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(47,298,194)	
Accrued interest payable	(193,152)	
Lease/lease purchase payable	(9,835,000)	
Capital lease payable	(16,514,002)	
Drainage fees payable	(3,128,804)	
Compensated absences	(18,354,746)	
Municipal solid waste landfill	(339,971)	
Pension-related amounts	(182,468,969)	
OPEB-related amounts	(35,288,951)	
		(313,421,789)

Net position of governmental activities \$ 1,368,438,073

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

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 4

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 204,595,834	\$ 115,893,095	\$ 320,488,929
Licenses, permits and fines	10,068,157	—	10,068,157
Intergovernmental	27,693,102	53,192,512	80,885,614
Charges for services	17,019,755	12,665,339	29,685,094
Endowments and donations	—	3,820,491	3,820,491
Interfund services provided	7,502,200	—	7,502,200
Investment earnings	2,771,166	5,111,035	7,882,201
Other revenue	5,838,248	2,055,083	7,893,331
Rental income	229,723	189,509	419,232
Total revenues	275,718,185	192,927,064	468,645,249
Expenditures			
Current			
General government	77,255,466	6,461,827	83,717,293
Public safety	160,705,728	52,159,342	212,865,070
Planning	4,458,651	7,614,921	12,073,572
Public works	22,589,168	34,258,462	56,847,630
Parks	14,399,272	10,789,855	25,189,127
Miscellaneous	—	22,461	22,461
Debt service			
Principal	5,656,475	3,510,000	9,166,475
Interest	1,609,806	387,743	1,997,549
Debt issuance expense	266,544	—	266,544
Capital outlay	27,427,767	61,335,375	88,763,142
Total expenditures	314,368,877	176,539,986	490,908,863
Excess (deficiency) of revenues over expenditures	(38,650,692)	16,387,078	(22,263,614)
Other financing sources (uses)			
Transfers - in	34,853,756	10,241,443	45,095,199
Transfers - out	(9,816,443)	(1,200,905)	(11,017,348)
Issuance of debt	9,000,000	—	9,000,000
Premium on bonds issued	1,602,734	—	1,602,734
Capital lease financing	13,051,761	—	13,051,761
Sale of capital assets	1,242,627	—	1,242,627
Total other financing sources	49,934,435	9,040,538	58,974,973
Net change in fund balances	11,283,743	25,427,616	36,711,359
Fund balances - January 1	73,537,222	97,152,762	170,689,984
Fund balances - December 31	\$ 84,820,965	\$ 122,580,378	\$ 207,401,343

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 OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2019**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit 5**

Net change in fund balances - total governmental funds		\$ 36,711,359
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Capital outlay	\$ 67,666,546	
Depreciation expense	(58,142,303)	
		9,524,243
The net effect of various miscellaneous transactions involving capital assets. (i.e., sales, trade-ins, donations, and transfers)		
In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	(6,324,210)	
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	36,040,060	
Capital assets transferred from enterprise funds are not recorded in the governmental funds.	1,966,848	
		31,682,698
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt incurred:		
Issuance of debt	(9,000,000)	
Bond premium on issuance	(1,602,734)	
Capital lease financing	(13,051,761)	
Principal repayments:		
Bond premium	62,742	
General obligation debt	2,820,000	
Certificates of participation	1,025,000	
Lease/lease purchase	1,315,000	
Capital leases	4,006,475	
		(14,425,278)
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 governmental funds.		
Accrued interest	(49,548)	
Drainage fees	150,000	
Compensated absences	(453,726)	
Landfill closing costs	(6,339)	
Net pension-related amounts	8,838,901	
Net OPEB-related amounts	(1,029,964)	
		7,449,324
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(340,438)
Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		
		1,391,030
Change in net position of governmental activities		\$ 71,992,938

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 6
(PAGE 1 OF 4)

	Budgeted Amounts		2019	Variance With
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues				
Taxes				
General property taxes				
Current	\$ 20,480,000	\$ 20,480,000	\$ 20,324,600	\$ (155,400)
Penalty and interest	—	—	26,922	26,922
	20,480,000	20,480,000	20,351,522	(128,478)
Sales and use taxes	182,334,000	182,334,000	179,325,780	(3,008,220)
Penalty and interest	—	—	1,174,000	1,174,000
Specific ownership taxes	2,844,464	2,844,464	2,853,491	9,027
Occupational liquor taxes	305,000	305,000	315,546	10,546
Admission taxes	645,000	645,000	575,495	(69,505)
Total taxes	206,608,464	206,608,464	204,595,834	(2,012,630)
Licenses, permits and fines				
Business licenses and permits	3,261,260	3,261,260	3,439,701	178,441
Fines	5,148,210	5,148,210	6,628,456	1,480,246
Total licenses, permits and fines	8,409,470	8,409,470	10,068,157	1,658,687
Intergovernmental				
State shared revenue				
Cigarette tax	970,000	970,000	889,772	(80,228)
Highway users tax-regular	19,947,148	22,122,196	24,091,059	1,968,863
Highway users tax-added fees	1,575,000	1,575,000	1,587,282	12,282
Severance tax	130,000	130,000	97,895	(32,105)
	22,622,148	24,797,196	26,666,008	1,868,812
Other governmental units				
El Paso County road and bridge	775,000	775,000	784,246	9,246
El Paso County shared fines	175,000	175,000	242,848	67,848
	950,000	950,000	1,027,094	77,094
Total intergovernmental	\$ 23,572,148	\$ 25,747,196	\$ 27,693,102	\$ 1,945,906

(continued)

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 6
(PAGE 2 OF 4)

	Budgeted Amounts		2019	Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Charges for services				
General government	\$ 2,623,912	\$ 2,623,912	\$ 2,756,140	\$ 132,228
Public safety	6,488,541	6,488,541	6,759,030	270,489
Planning	1,210,075	1,210,075	1,280,005	69,930
Public works	3,233,414	3,233,414	4,205,883	972,469
Parks	2,169,565	2,169,565	2,018,697	(150,868)
Total charges for services	15,725,507	15,725,507	17,019,755	1,294,248
Miscellaneous				
Interfund services provided	6,836,476	6,936,476	7,502,200	565,724
Investment earnings	1,105,000	1,105,000	2,771,166	1,666,166
Other revenue	5,614,769	5,694,794	5,838,248	143,454
Rental income	198,965	198,965	229,723	30,758
Total miscellaneous	13,755,210	13,935,235	16,341,337	2,406,102
Total revenues	\$ 268,070,799	\$ 270,425,872	\$ 275,718,185	\$ 5,292,313

(continued)

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 6
(PAGE 3 OF 4)

	Budgeted Amounts		2019	Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures				
General government				
City attorney	\$ 5,976,060	\$ 5,972,570	\$ 5,768,723	\$ 203,847
City auditor	1,673,207	1,673,207	1,664,111	9,096
City clerk	1,035,082	1,035,082	956,135	78,947
City council	826,538	826,538	695,022	131,516
Communications	1,211,552	1,355,656	1,266,035	89,621
Community development	833,359	833,359	688,623	144,736
Economic development	525,962	525,962	499,457	26,505
Finance	4,183,206	4,183,206	4,090,371	92,835
General costs	36,887,050	36,885,050	34,080,149	2,804,901
Human resources	2,515,567	2,515,567	2,433,681	81,886
Information technology	18,201,000	18,201,000	17,254,513	946,487
Innovation, fleet and facilities	2,531,975	2,387,871	2,788,572	(400,701)
Mayor	1,072,975	1,072,975	1,017,350	55,625
Municipal court	4,055,371	4,055,371	4,052,724	2,647
Total general government	81,528,904	81,523,414	77,255,466	4,267,948
Public safety				
Fire/OEM	56,594,078	56,594,078	56,083,530	510,548
Police	105,662,216	105,662,216	104,622,198	1,040,018
Total public safety	162,256,294	162,256,294	160,705,728	1,550,566
Planning	4,499,271	4,534,271	4,458,651	75,620
Public works	23,556,560	23,783,957	22,589,168	1,194,789
Parks	\$ 14,768,372	\$ 14,768,372	\$ 14,399,272	\$ 369,100

(continued)

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 6
(PAGE 4 OF 4)

	Budgeted Amounts		2019	Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Debt service expenditures				
Principal payments	\$ 5,727,594	\$ 5,727,594	\$ 5,656,475	\$ 71,119
Interest payments	1,600,824	1,600,824	1,609,806	(8,982)
Debt issuance expense	—	266,544	266,544	—
Total debt service	7,328,418	7,594,962	7,532,825	62,137
Capital outlay	29,062,628	47,941,791	27,427,767	20,514,024
Total expenditures	323,000,447	342,403,061	314,368,877	28,034,184
Deficiency of revenues over expenditures	(54,929,648)	(71,977,189)	(38,650,692)	33,326,497
Other financing sources (uses)				
Transfers - in				
Utilities surplus	32,697,100	32,697,100	34,015,348	1,318,248
Other funds	700,000	600,000	838,408	238,408
Transfers - out				
City funded capital improvement projects	(7,599,840)	(9,816,443)	(9,816,443)	—
Other funds	(285,000)	—	—	—
Issuance of debt	—	9,000,000	9,000,000	—
Premium on bonds issued	—	1,602,734	1,602,734	—
Capital lease financing	5,800,000	10,300,000	13,051,761	2,751,761
Sale of capital assets	815,000	815,000	1,242,627	427,627
Total other financing sources (uses)	32,127,260	45,198,391	49,934,435	4,736,044
Net change in fund balance	(22,802,388)	(26,778,798)	11,283,743	38,062,541
Fund balance - January 1	73,537,222	73,537,222	73,537,222	—
Fund balance - December 31	\$ 50,734,834	\$ 46,758,424	\$ 84,820,965	\$ 38,062,541

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
ASSETS AND DEFERRED						
OUTFLOWS OF RESOURCES						
Current assets						
Cash and investments - unrestricted	\$ 238,790,000	\$ 49,000	\$ 4,369,442	\$ 59,942,132	\$ 303,150,574	\$ 4,595,506
Cash and investments - restricted	43,775,000	—	—	18,036,382	61,811,382	—
Accounts receivable (net of allowance for uncollectibles)	99,270,522	7,231,000	—	11,038,413	117,539,935	315,162
Lease receivable	—	—	2,823,398	—	2,823,398	—
Interest receivable	863,000	—	—	—	863,000	—
Due from other funds	3,480,986	—	—	1,269,659	4,750,645	57,538
Due from component unit	1,492	—	—	—	1,492	—
Inventories	53,869,000	—	—	841,426	54,710,426	33,753
Prepays	11,326,000	19,627,000	—	—	30,953,000	1,900
Other	—	—	78,388	—	78,388	—
Total current assets	451,376,000	26,907,000	7,271,228	91,128,012	576,682,240	5,003,859
Noncurrent assets						
Cash and investments - restricted	79,861,000	6,799,000	—	1,967,608	88,627,608	—
Interest receivable - restricted	142,000	—	—	—	142,000	—
Lease receivable - net	—	—	88,831,723	2,139,030	90,970,753	—
Note receivable	—	—	—	2,456,582	2,456,582	—
Due from other funds	—	—	—	1,281,757	1,281,757	—
Investment in joint ventures	952,000	—	—	—	952,000	—
Prepays	—	380,119,000	—	—	380,119,000	—
Other	122,408,000	—	—	—	122,408,000	—
Capital assets nondepreciable:						
Land	224,071,000	—	—	20,774,731	244,845,731	13,000
Intangibles	38,588,000	—	—	—	38,588,000	—
Construction in progress	148,990,000	—	—	36,800,614	185,790,614	—
Depreciable capital assets:						
Buildings	—	—	—	97,388,411	97,388,411	201,250
Improvements other than buildings	—	—	—	326,150,655	326,150,655	310,198
Machinery and equipment	—	—	—	43,494,955	43,494,955	506,597
Infrastructure	—	—	—	56,627,575	56,627,575	—
Utility plant	6,246,143,000	—	—	—	6,246,143,000	—
Intangibles	81,180,000	—	—	661,903	81,841,903	—
Less accumulated depreciation and amortization	(2,630,485,000)	—	—	(247,100,782)	(2,877,585,782)	(755,375)
Total noncurrent assets	4,311,850,000	386,918,000	88,831,723	342,643,039	5,130,242,762	275,670
Deferred outflows of resources						
Deferred cash flow hedges - unrealized loss on derivatives	30,640,000	—	—	—	30,640,000	—
Loss on debt refundings	42,059,000	—	—	77,751	42,136,751	—
Pension-related amounts	74,092,000	—	—	7,895,349	81,987,349	—
OPEB-related amounts	3,328,000	—	—	600,171	3,928,171	—
Total deferred outflows of resources	150,119,000	—	—	8,573,271	158,692,271	—
Total assets and deferred outflows of resources	\$ 4,913,345,000	\$ 413,825,000	\$ 96,102,951	\$ 442,344,322	\$ 5,865,617,273	\$ 5,279,529

(continued)

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities						
Accounts payable	\$ 52,732,542	\$ —	\$ 1,964,196	\$ 12,827,475	\$ 67,524,213	\$ 2,174,792
Accrued liabilities	2,212,000	—	48,529	—	2,260,529	—
Accrued salaries and benefits	13,808,000	—	78,234	909,092	14,795,326	134,674
Claims payable	—	—	—	—	—	14,823,000
Compensated absences	9,879,000	—	—	62,573	9,941,573	13,882
Due to other funds	4,607,763	—	—	45,635	4,653,398	2,622,526
Due to component unit	11,695	—	—	—	11,695	—
Unearned revenue	—	—	—	2,390,781	2,390,781	—
Accrued interest payable	10,922,000	4,640,000	—	172,540	15,734,540	—
Matured bonds payable	85,284,000	12,860,000	—	1,205,000	99,349,000	—
Notes payable	420,000	—	—	565,720	985,720	—
Capital lease payable	—	—	—	162,465	162,465	—
Other	1,164,000	—	—	—	1,164,000	—
Total current liabilities	181,041,000	17,500,000	2,090,959	18,341,281	218,973,240	19,768,874
Noncurrent liabilities						
Claims payable	—	—	—	—	—	9,271,000
Contingent liabilities and promise to CSHF	—	—	94,011,992	—	94,011,992	—
Compensated absences	5,918,000	—	—	1,188,890	7,106,890	263,748
Customer deposits	3,420,000	—	—	—	3,420,000	—
Unearned revenue	—	—	—	2,930,706	2,930,706	—
Revenue bonds payable, net	2,193,584,000	550,308,000	—	36,582,199	2,780,474,199	—
Notes payable	4,832,000	—	—	3,163,523	7,995,523	—
Customer advances for construction	22,576,000	—	—	—	22,576,000	—
Capital lease payable	—	—	—	—	—	—
Municipal solid waste landfill closure and postclosure care	4,818,000	—	—	—	4,818,000	—
Derivative instruments	100,410,000	—	—	—	100,410,000	—
Net pension liability	305,277,000	—	—	19,654,169	324,931,169	—
Net OPEB liability	44,848,000	—	—	2,575,795	47,423,795	—
Other long-term liabilities	8,637,000	—	—	—	8,637,000	—
Total noncurrent liabilities	2,694,320,000	550,308,000	94,011,992	66,095,282	3,404,735,274	9,534,748
Total liabilities	2,875,361,000	567,808,000	96,102,951	84,436,563	3,623,708,514	29,303,622
Deferred inflows of resources						
Gain on debt refundings	1,257,000	—	—	—	1,257,000	—
Pension-related amounts	982,000	—	—	197,862	1,179,862	—
OPEB-related amounts	785,000	—	—	86,833	871,833	—
Total deferred inflows of resources	\$ 3,024,000	\$ —	\$ —	\$ 284,695	\$ 3,308,695	\$ —

(continued)

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Net position						
Net investment in capital assets	\$ 1,926,373,000	\$ —	\$ —	\$ 303,330,432	\$ 2,229,703,432	\$ 275,670
Restricted for passenger facility charges	—	—	—	1,432,951	1,432,951	—
Restricted for debt service	17,918,000	2,159,000	—	1,967,608	22,044,608	—
Restricted for other	33,735,000	—	—	—	33,735,000	—
Unrestricted	56,934,000	(156,142,000)	—	50,892,073	(48,315,927)	(24,299,763)
Total net position	2,034,960,000	(153,983,000)	—	357,623,064	2,238,600,064	(24,024,093)
Total liabilities, deferred inflows						
of resources and net position	\$ 4,913,345,000	\$ 413,825,000	\$ 96,102,951	\$ 442,344,322		\$ 5,279,529
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(11,160,971)	
Net position of business-type activities					<u>\$ 2,227,439,093</u>	

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 8

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 893,026,000	\$ 50,108,000	\$ —	\$ 58,792,179	\$ 1,001,926,179	\$ 47,980,267
Total operating revenues	893,026,000	50,108,000	—	58,792,179	1,001,926,179	47,980,267
Operating expenses						
Salaries and benefits	200,639,000	—	—	17,963,990	218,602,990	3,285,360
Other operating expenses	269,643,000	19,537,000	—	20,672,069	309,852,069	43,174,186
Depreciation and amortization	160,155,000	—	—	19,735,040	179,890,040	28,272
Total operating expenses	630,437,000	19,537,000	—	58,371,099	708,345,099	46,487,818
Operating income	262,589,000	30,571,000	—	421,080	293,581,080	1,492,449
Nonoperating revenues (expenses)						
Derivative instruments	(11,365,000)	—	—	—	(11,365,000)	—
Investment earnings	10,231,000	1,019,000	113,009	2,913,138	14,276,147	133,828
Lease interest income	—	—	2,874,404	—	2,874,404	—
Interest expense	(97,992,000)	(39,168,000)	—	(1,679,020)	(138,839,020)	—
Passenger facility charges	—	—	—	3,423,557	3,423,557	—
Customer facility charges	—	—	—	1,508,555	1,508,555	—
Amortization expense	—	(820,000)	—	—	(820,000)	—
Gain on disposal of capital assets	—	—	—	1,263,697	1,263,697	—
Change in contingent liabilities	—	—	(4,378,328)	—	(4,378,328)	—
Miscellaneous	(1,561,000)	—	1,390,915	787,416	617,331	—
Total nonoperating revenues (expenses)	(100,687,000)	(38,969,000)	—	8,217,343	(131,438,657)	133,828
Income (loss) before contributions and transfers	161,902,000	(8,398,000)	—	8,638,423	162,142,423	1,626,277
Capital contributions	64,939,000	—	—	22,263,848	87,202,848	—
Transfers - in	—	—	—	304,301	304,301	—
Transfers - out	(34,015,000)	—	—	—	(34,015,000)	—
Transfers - other	(2,334,000)	—	—	—	(2,334,000)	—
Change in net position	190,492,000	(8,398,000)	—	31,206,572	213,300,572	1,626,277
Total net position - January 1	1,844,468,000	(145,585,000)	—	326,416,492		(25,650,370)
Total net position - December 31	\$ 2,034,960,000	\$ (153,983,000)	\$ —	\$ 357,623,064		\$ (24,024,093)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					235,247	
Change in net position of business-type activities					\$ 213,535,819	

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

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 9
(PAGE 1 OF 3)

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 892,748,000	\$ 50,038,000	\$ —	\$ 59,530,210	\$1,002,316,210	\$ 9,110,333
Receipts from interfund services provided	16,087,000	—	—	1,071,491	17,158,491	38,987,854
Receipts from lease receivable	—	—	2,737,708	—	2,737,708	—
Payments to suppliers	(351,331,000)	(90,000)	(2,035,272)	(14,490,922)	(367,947,194)	(39,322,156)
Payments to employees	(208,087,000)	—	—	(19,321,048)	(227,408,048)	(2,711,972)
Payments for interfund services used	(24,218,000)	—	—	(5,426,992)	(29,644,992)	(4,303,612)
Other receipts	3,489,000	—	1,004	—	3,490,004	—
Net cash provided by operating activities	328,688,000	49,948,000	703,440	21,362,739	400,702,179	1,760,447
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental non-operating revenues provided	(33,909,000)	—	—	—	(33,909,000)	—
Transfers - out	(2,166,000)	—	—	—	(2,166,000)	—
Transfers - in	—	—	—	304,301	304,301	—
Repayment of advance from other funds	—	—	—	—	—	(3,796,530)
Advance from other funds	—	—	—	—	—	2,622,196
Repayment of long-term debt	—	(11,680,000)	—	—	(11,680,000)	—
Interest payments on long-term debt	—	(37,813,000)	—	—	(37,813,000)	—
Interest payments - other	—	(1,444,000)	—	—	(1,444,000)	—
Operating grants	13,000	—	—	426,694	439,694	—
Net cash provided (used) by noncapital financing activities	(36,062,000)	(50,937,000)	—	730,995	(86,268,005)	(1,174,334)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions and advances	47,734,000	—	—	—	47,734,000	—
Payments from accounts payable incurred for capital asset additions	—	—	—	(1,749,243)	(1,749,243)	—
Bond issuance proceeds	84,090,000	—	—	—	84,090,000	—
Premium related to bond issuance	26,540,000	—	—	—	26,540,000	—
Bond issuance costs and other related costs	(599,000)	—	—	—	(599,000)	—
Repayment and refunding of revenue bonds	(218,409,000)	—	—	—	(218,409,000)	—
Purchases of capital assets	(152,594,000)	—	—	(52,860,165)	(205,454,165)	(17,000)
Repayment of capital lease obligations	—	—	—	(246,666)	(246,666)	—
Principal paid on capital debt	—	—	—	(1,651,922)	(1,651,922)	—
Interest paid on capital debt	(104,036,000)	—	—	(1,790,496)	(105,826,496)	—
Interest paid - other	(62,000)	—	—	(9,033)	(71,033)	—
Proceeds from the sale of capital assets	1,126,000	—	—	2,106,647	3,232,647	—
Capital grant	7,759,000	—	—	15,007,533	22,766,533	—
Passenger facility charges	—	—	—	3,370,833	3,370,833	—
Customer facility charges	—	—	—	1,440,991	1,440,991	—
Insurance settlement	—	—	—	2,291,835	2,291,835	—
Miscellaneous	—	—	—	97,757	97,757	—
Net cash used by capital and related financing activities	\$ (308,451,000)	\$ —	\$ —	(33,991,929)	\$ (342,442,929)	\$ (17,000)

(continued)

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

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 9
(PAGE 2 OF 3)

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	\$ 134,707,000	\$ —	\$ 1,383,067	\$ 23,319,626	\$ 159,409,693	\$ 1,382,628
Purchases of investments	(117,898,000)	(62,000)	(2,033,249)	(29,395,082)	(149,388,331)	(1,967,555)
Interest and dividends received	8,039,000	1,019,000	10,587	1,119,127	10,187,714	79,204
Distributions from joint ventures	106,000	—	—	—	106,000	—
Principal received on lease/note receivable	—	—	—	235,489	235,489	—
Interest received on lease/note receivable	—	—	—	278,787	278,787	—
Principal received from interfund loan	—	—	—	77,032	77,032	—
Interest received from interfund loan	—	—	—	56,156	56,156	—
Release of restricted investments	—	—	—	15,255,457	15,255,457	—
Net cash provided (used) by investing activities	24,954,000	957,000	(639,595)	10,946,592	36,217,997	(505,723)
Net change in cash and cash equivalents	9,129,000	(32,000)	63,845	(951,603)	8,209,242	63,390
Cash and cash equivalents - January 1	141,051,000	81,000	132,937	3,693,438	144,958,375	143,574
Cash and cash equivalents - December 31	\$ 150,180,000	\$ 49,000	\$ 196,782	\$ 2,741,835	\$ 153,167,617	\$ 206,964
Cash and cash equivalents	\$ 150,180,000	\$ 49,000	\$ 196,782	\$ 2,741,835	\$ 153,167,617	\$ 206,964
Investments	212,246,000	6,799,000	4,172,660	77,204,287	300,421,947	4,388,542
Total cash and investments	\$ 362,426,000	\$ 6,848,000	\$ 4,369,442	\$ 79,946,122	\$ 453,589,564	\$ 4,595,506
Reconciliation of operating income to net cash provided by operating activities						
Operating income	\$ 262,589,000	\$ 30,571,000	\$ —	\$ 421,080	\$ 293,581,080	\$ 1,492,449
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation and amortization expense	160,155,000	—	—	19,735,040	179,890,040	28,272
Other expense	(30,217,000)	—	—	—	(30,217,000)	—
Decrease (increase) in assets and outflows of resources						
Accounts receivable	9,928,000	(70,000)	—	4,203,681	14,061,681	151,714
Lease receivable	—	—	2,737,708	—	2,737,708	—
Due from other funds	—	—	—	(141,194)	(141,194)	(31,894)
Inventories	(3,913,000)	—	—	(323,392)	(4,236,392)	(2,303)
Prepays	122,000	19,447,000	—	—	19,569,000	(1,900)
Other assets	(3,546,000)	—	1,004	—	(3,544,996)	—
Deferred outflows of resources - pensions	(33,828,000)	—	—	(5,501,561)	(39,329,561)	—
Deferred outflows of resources - OPEB	(348,000)	—	—	(320,638)	(668,638)	—
Increase (decrease) in liabilities and inflows of resources						
Accounts and other payables	(10,909,000)	—	708,400	1,201,953	(8,998,647)	76,814
Accrued expenses	1,368,000	—	73,846	140,155	1,582,001	49,134
Due to other funds	—	—	—	(124,403)	(124,403)	(1,839)
Contingent liability	—	—	(2,817,518)	—	(2,817,518)	—
Other liabilities	2,401,000	—	—	(2,252,968)	148,032	—
Deferred inflows of resources - pensions	(59,359,000)	—	—	(2,720,306)	(62,079,306)	—
Deferred inflows of resources - OPEB	(546,000)	—	—	59,555	(486,445)	—
Net pension liabilities	35,990,000	—	—	6,644,850	42,634,850	—
Net OPEB liabilities	(1,199,000)	—	—	340,887	(858,113)	—
Net cash provided by operating activities	\$ 328,688,000	\$ 49,948,000	\$ 703,440	\$ 21,362,739	\$ 400,702,179	\$ 1,760,447

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

(continued)

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Noncash investing, capital and financing activities						
Amortization, charge-off of debt discount and expense	\$ 6,025,000	\$ 820,000	\$ —	\$ —	\$ 6,845,000	\$ —
Noncash acquisition of capital assets						
(incurrence of payable/capital lease obligation)	29,097,000	—	—	10,391,297	39,488,297	—
Noncash capital contributions	23,174,000	—	—	3,047,999	26,221,999	—
Change in fair value of derivatives	(11,365,000)	—	—	—	(11,365,000)	—
Change in fair value of investments	—	—	51,211	763,940	815,151	54,624

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

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 10

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and investments	\$ 97,802
Total assets	<u>\$ 97,802</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 97,802
Total liabilities	<u>\$ 97,802</u>

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

GOVERNMENTAL FUND COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2019

	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation	CS Urban Renewal Authority	First & Main BID
ASSETS								
Cash and investments - unrestricted	\$ 82,300	\$ 2	\$ 40,017	\$ 7,272	\$ 990,037	\$145,137,111	\$ 435,518	\$ 1,637
Cash and investments - restricted	20,122	117,329	957,340	11,365,203	1,268,526	—	46,414,892	134,769
Accounts receivable (net of allowance for uncollectibles)	4,734	1,016	5,197	1,001	114,835	1,384,091	903,294	1,883
Note receivable	—	—	—	—	1,010,677	—	—	—
Assessments receivable	—	—	3,683,694	—	—	—	—	—
Property taxes receivable	348,907	67,050	502,215	53,580	1,790,109	—	7,521,002	176,807
Prepays	—	—	166,842	—	9,294	1,880	—	—
Interest rate swap	—	—	—	—	—	—	333,249	—
Construction in progress	—	—	—	14,437,063	—	—	—	—
Capital assets (net of accumulated depreciation):								
Buildings	—	—	—	—	1,794,789	—	—	—
Machinery and equipment	—	—	—	—	—	—	—	—
Improvements other than buildings	1,049,470	—	1,576,687	—	—	—	—	—
Infrastructure	234,481	72,851	10,132,997	—	—	—	—	1,032,216
Total assets	1,740,014	258,248	17,064,989	25,864,119	6,978,267	146,523,082	55,607,955	1,347,312
DEFERRED OUTFLOWS OF RESOURCES								
Grants	—	—	—	—	193,750	—	—	—
Loss on refunding	—	—	—	—	—	—	4,146,014	—
Total deferred outflows of resources	—	—	—	—	193,750	—	4,146,014	—
LIABILITIES								
Accounts payable	10,603	1,018	2,696	14,840	53,503	22,114	8,824,847	3,520
Escrows	—	—	—	—	9,334	—	22,302	—
Grants payable	—	—	—	—	193,750	2,836,980	—	—
Accrued interest payable	17,550	2,356	26,773	112,417	—	—	772,284	9,846
Unearned revenue	—	—	—	—	—	—	—	—
Noncurrent liabilities:								
Due within one year	110,000	50,000	567,500	—	—	—	1,162,000	30,000
Due in more than one year	3,355,960	385,000	11,888,105	27,257,809	1,350,000	—	114,125,586	1,360,000
Total liabilities	3,494,113	438,374	12,485,074	27,385,066	1,606,587	2,859,094	124,907,019	1,403,366
DEFERRED INFLOWS OF RESOURCES								
Property taxes	348,907	67,050	502,215	53,580	1,790,109	—	7,521,002	176,807
Interest rate swap	—	—	—	—	—	—	333,249	—
Total deferred inflows of resources	348,907	67,050	502,215	53,580	1,790,109	—	7,854,251	176,807
NET POSITION								
Net investment in capital assets	(561,897)	(4,449)	59,866	—	444,789	—	—	(357,784)
Restricted for:								
Debt service	572	114,973	3,975,316	103,872	1,023,576	—	862,410	124,923
Emergency reserve	2,000	—	3,670	600	51,200	—	—	—
Capital improvement	—	—	—	—	—	—	9,742,595	—
Unrestricted	(1,543,681)	(357,700)	38,848	(1,678,999)	2,255,756	143,663,988	(83,612,306)	—
Total net position	\$ (2,103,006)	\$ (247,176)	\$ 4,077,700	\$ (1,574,527)	\$ 3,775,321	\$143,663,988	\$ (73,007,301)	\$ (232,861)

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

First & Main BID No 2	First & Main North BID	Greater Downtown CS BID	Interquest North BID	Interquest South BID	Interquest Town Center BID	Powers & Woodmen Commercial BID	Southwest Downtown BID	USAFA Visitor's Center BID	Total
\$ 202,141	\$ 4,209	\$ 453,817	\$ 533,315	\$ 32,805	\$ 4,167	\$ 67,235	\$ 1,648	\$ —	\$ 147,993,231
1,593,318	6,005	—	788,055	1,372,411	3,169	833,636	598,033	—	65,472,808
72,179	2,201	14,676	85,791	13,843	932	3,541	1,067	—	2,610,281
—	—	—	—	—	—	—	—	—	1,010,677
—	—	—	—	—	—	—	—	—	3,683,694
606,689	206,223	526,692	1,352,445	132,955	54,609	344,447	69,131	—	13,752,861
3,668	—	19,804	—	1,339	100	—	6,854	—	209,781
—	—	—	—	—	—	—	—	—	333,249
—	—	—	—	—	—	—	1,137,760	—	15,574,823
—	—	—	—	—	—	—	—	—	1,794,789
—	—	14,627	—	—	—	—	—	—	14,627
3,929,538	676,385	—	—	—	—	—	—	—	7,232,080
9,434,020	481,043	—	9,414,191	2,060,392	—	2,302,470	—	—	35,164,661
15,841,553	1,376,066	1,029,616	12,173,797	3,613,745	62,977	3,551,329	1,814,493	—	294,847,562
—	—	—	—	—	—	—	—	—	193,750
—	—	—	—	—	—	—	—	—	4,146,014
—	—	—	—	—	—	—	—	—	4,339,764
10,296	5,366	11,432	73,926	36,595	5,998	5,357	1,009,086	19,054	10,110,251
—	—	—	—	—	—	—	29,546	—	61,182
—	—	—	—	—	—	—	—	—	3,030,730
45,113	44,503	—	66,786	16,248	—	11,617	—	—	1,125,493
—	—	—	—	—	—	—	—	—	—
170,000	59,048	—	150,000	30,000	—	35,000	—	—	2,363,548
25,601,935	1,677,684	—	11,869,200	4,191,428	17,382	3,984,535	837,506	78,991	207,981,121
25,827,344	1,786,601	11,432	12,159,912	4,274,271	23,380	4,036,509	1,876,138	98,045	224,672,325
606,689	206,223	526,692	1,352,445	132,955	54,609	344,447	69,131	—	13,752,861
—	—	—	—	—	—	—	—	—	333,249
606,689	206,223	526,692	1,352,445	132,955	54,609	344,447	69,131	—	14,086,110
(1,826,165)	(390,866)	14,627	(1,123,668)	(297,190)	—	(1,304,088)	—	—	(5,346,825)
1,606,653	—	—	784,698	60,221	—	820,419	32,922	—	9,510,555
3,300	900	19,882	5,900	2,500	100	1,600	800	—	92,452
—	—	—	—	—	—	—	—	—	9,742,595
(10,376,268)	(226,792)	456,983	(1,005,490)	(559,012)	(15,112)	(347,558)	(164,498)	(98,045)	46,430,114
\$ (10,592,480)	\$ (616,758)	\$ 491,492	\$ (1,338,560)	\$ (793,481)	\$ (15,012)	\$ (829,627)	\$ (130,776)	\$ (98,045)	\$ 60,428,891

GOVERNMENTAL FUND COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

	Program Revenues			Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation
General Government									
Barnes & Powers North BID	\$ 118,207	\$ —	\$ 15,672						
Barnes & Powers South BID	19,906	—	—						
Briargate Center BID	439,227	—	202,264						
Creekwalk Marketplace BID	132,588	—	—						
CS Downtown Development Authority	1,970,459	—	664,137						
CS Health Foundation	4,586,532	—	6,928,060						
CS Urban Renewal Authority	7,423,130	313,512	15,243,326						
First & Main BID	71,242	—	—						
First & Main BID No. 2	624,978	—	17,074						
First & Main North BID	95,854	—	—						
Greater Downtown CS BID	664,495	19,629	113,000						
Interquest North BID	501,502	—	—						
Interquest South BID	112,788	—	—						
Interquest Town Center BID	21,063	—	—						
Powers & Woodmen Commercial BID	124,754	—	—						
Southwest Downtown BID	133,105	—	18,578						
USAFA Visitor's Center BID	96,416	—	—						
Subtotal				\$ (102,535)	\$ (19,906)	\$ (236,963)	\$ (132,588)	\$ (1,306,322)	\$ 2,341,528
Public Works									
CS Urban Renewal Authority	40,199,979	—	—						
Interquest North BID	102,163	—	—						
Subtotal				—	—	—	—	—	—
Interest on long-term debt									
Barnes & Powers North BID	237,442	—	—						
Barnes & Powers South BID	32,584	—	—						
Briargate Center BID	384,087	—	—						
Creekwalk Marketplace BID	1,425,919	—	—						
CS Urban Renewal Authority	5,258,399	—	—						
First & Main BID	123,130	—	—						
First & Main BID No. 2	1,262,788	—	—						
First & Main North BID	111,218	—	—						
Interquest North BID	895,544	—	—						
Interquest South BID	209,673	—	—						
Interquest Town Center BID	171	—	—						
Powers & Woodmen Commercial BID	284,075	—	—						
Southwest Downtown BID	10,041	—	—						
USAFA Visitor's Center BID	1,629	—	—						
Subtotal				(237,442)	(32,584)	(384,087)	(1,425,919)	—	—
Totals by component unit									
Barnes & Powers North BID	355,649	—	15,672						
Barnes & Powers South BID	52,490	—	—						
Briargate Center BID	823,314	—	202,264						
Creekwalk Marketplace BID	1,558,507	—	—						
CS Downtown Development Authority	1,970,459	—	664,137						
CS Health Foundation	4,586,532	—	6,928,060						
CS Urban Renewal Authority	52,881,508	313,512	15,243,326						
First & Main BID	194,372	—	—						
First & Main BID No. 2	1,887,766	—	17,074						
First & Main North BID	207,072	—	—						
Greater Downtown CS BID	664,495	19,629	113,000						
Interquest North BID	1,499,209	—	—						
Interquest South BID	322,461	—	—						
Interquest Town Center BID	21,234	—	—						
Powers & Woodmen Commercial BID	408,829	—	—						
Southwest Downtown BID	143,146	—	18,578						
USAFA Visitor's Center BID	98,045	—	—						
Total component units	\$ 67,675,088	\$ 333,141	\$ 23,202,111	(339,977)	(52,490)	(621,050)	(1,558,507)	(1,306,322)	2,341,528
General revenues:									
Property taxes				340,426	93,130	484,338	49,871	761,566	—
Specific ownership taxes				41,215	11,275	57,641	6,281	98,637	—
Miscellaneous				—	—	—	16,804	113,750	—
Investment earnings				7,892	3,516	34,713	91,487	75,002	23,390,859
Total general revenues				389,533	107,921	576,692	164,443	1,048,955	23,390,859
Change in net position				49,556	55,431	(44,358)	(1,394,064)	(257,367)	25,732,387
Net position - January 1				(2,152,562)	(302,607)	4,122,058	(180,463)	4,032,688	117,931,601
Net position - December 31				\$ (2,103,006)	\$ (247,176)	\$ 4,077,700	\$ (1,574,527)	\$ 3,775,321	\$ 143,663,988

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

Changes in Net Position											Total
CS Urban Renewal Authority	First & Main BID	First & Main BID No 2	First & Main North BID	Greater Downtown CS BID	Interquest North BID	Interquest South BID	Interquest Town Center BID	Powers & Woodmen Commercial BID	Southwest Downtown BID	USAFA Visitor's Center BID	
											\$ (102,535)
											(19,906)
											(236,963)
											(132,588)
											(1,306,322)
											2,341,528
											8,133,708
											(71,242)
											(607,904)
											(95,854)
											(531,866)
											(501,502)
											(112,788)
											(21,063)
											(124,754)
											(114,527)
											(96,416)
\$ 8,133,708	\$ (71,242)	\$ (607,904)	\$ (95,854)	\$ (531,866)	\$ (501,502)	\$ (112,788)	\$ (21,063)	\$ (124,754)	\$ (114,527)	\$ (96,416)	6,399,006
											(40,199,979)
											(102,163)
(40,199,979)	—	—	—	—	(102,163)	—	—	—	—	—	(40,302,142)
											(237,442)
											(32,584)
											(384,087)
											(1,425,919)
											(5,258,399)
											(123,130)
											(1,262,788)
											(111,218)
											(895,544)
											(209,673)
											(171)
											(284,075)
											(10,041)
											(1,629)
(5,258,399)	(123,130)	(1,262,788)	(111,218)	—	(895,544)	(209,673)	(171)	(284,075)	(10,041)	(1,629)	(10,236,700)
											(339,977)
											(52,490)
											(621,050)
											(1,558,507)
											(1,306,322)
											2,341,528
											(37,324,670)
											(194,372)
											(1,870,692)
											(207,072)
											(531,866)
											(1,499,209)
											(322,461)
											(21,234)
											(408,829)
											(124,568)
											(98,045)
(37,324,670)	(194,372)	(1,870,692)	(207,072)	(531,866)	(1,499,209)	(322,461)	(21,234)	(408,829)	(124,568)	(98,045)	(44,139,836)
6,280,058	171,476	612,439	200,703	501,027	1,304,077	107,275	—	324,364	34,722	—	11,265,472
—	20,881	74,427	24,411	64,494	157,884	13,012	—	39,271	4,788	—	614,217
11,146,235	—	466,544	—	283	796,620	134,728	6,222	—	—	—	12,681,186
1,035,886	5,910	47,443	2,399	7,912	89,529	30,820	—	21,649	376	—	24,845,393
18,462,179	198,267	1,200,853	227,513	573,716	2,348,110	285,835	6,222	385,284	39,886	—	49,406,268
(18,862,491)	3,895	(669,839)	20,441	41,850	848,901	(36,626)	(15,012)	(23,545)	(84,682)	(98,045)	5,266,432
(54,144,810)	(236,756)	(9,922,641)	(637,199)	449,642	(2,187,461)	(756,855)	—	(806,082)	(46,094)	—	55,162,459
\$ (73,007,301)	\$ (232,861)	\$ (10,592,480)	\$ (616,758)	\$ 491,492	\$ (1,338,560)	\$ (793,481)	\$ (15,012)	\$ (829,627)	\$ (130,776)	\$ (98,045)	\$ 60,428,891

PROPRIETARY FUND COMPONENT UNITS
 COMBINING BALANCE SHEET
 December 31, 2019

	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Authority	The Lake Meredith Reservoir Authority
ASSETS				
Current assets				
Cash and investments	\$ 1,080,882	\$ 121,470	\$ 2,265,164	\$ 703,943
Accounts receivable (net of allowance for uncollectibles)	1,332,902	—	5,313	—
Inventories	182,807	—	—	—
Due from primary government	—	—	—	—
Prepays	5,369,602	—	1,279,460	3,922
Total current assets	7,966,193	121,470	3,549,937	707,865
Noncurrent assets				
Restricted cash and cash equivalents	2,476,191	—	—	85,097
Other	—	—	274,279	—
Capital assets nondepreciable:				
Land	65,147	—	—	—
Construction in progress	912,283	—	—	—
Depreciable capital assets				
Utility plant	94,459,846	9,940,819	14,570,630	3,447,774
Less accumulated depreciation	(45,163,407)	(3,188,307)	(7,814,839)	(1,078,185)
Total noncurrent assets	52,750,060	6,752,512	7,030,070	2,454,686
Total assets	\$ 60,716,253	\$ 6,873,982	\$ 10,580,007	\$ 3,162,551
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable	\$ 627,690	\$ —	\$ 41,880	\$ 622
Due to primary government	—	—	—	—
Unearned revenue	5,333,873	—	—	—
Accrued interest payable	27,502	—	—	18,398
Notes payable	694,174	—	—	48,602
Capital lease payable	4,878,806	—	—	—
Total current liabilities	11,562,045	—	41,880	67,622
Noncurrent liabilities				
Notes payable	722,818	—	—	856,213
Capital lease payable	10,061,008	—	—	—
Total noncurrent liabilities	10,783,826	—	—	856,213
Total liabilities	22,345,871	—	41,880	923,835
Net position				
Net investment in capital assets	33,917,063	6,752,512	6,755,791	2,369,589
Restricted				
Debt service	2,476,191	—	—	—
Unrestricted	1,977,128	121,470	3,782,336	(130,873)
Total net position	38,370,382	6,873,982	10,538,127	2,238,716
Total liabilities and net position	\$ 60,716,253	\$ 6,873,982	\$ 10,580,007	\$ 3,162,551

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

CITY OF COLORADO SPRINGS

COLORADO

Exhibit 13

The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
\$ 429,263	\$ 320,514	\$ —	\$ 4,921,236
48,072	719	271,858	1,658,864
—	—	—	182,807
—	—	6,721,217	6,721,217
25,862	1,933	—	6,680,779
503,197	323,166	6,993,075	20,164,903
—	—	—	2,561,288
25,334	32,409	—	332,022
—	—	—	65,147
—	147,132	—	1,059,415
2,752,443	1,275,012	—	126,446,524
(2,094,578)	(565,026)	—	(59,904,342)
683,199	889,527	—	70,560,054
\$ 1,186,396	\$ 1,212,693	\$ 6,993,075	\$ 90,724,957
\$ 30,698	\$ 34,512	\$ 3,849,974	\$ 4,585,376
—	—	1,492	1,492
—	—	—	5,333,873
—	—	—	45,900
—	—	—	742,776
—	—	—	4,878,806
30,698	34,512	3,851,466	15,588,223
—	—	—	1,579,031
—	—	—	10,061,008
—	—	—	11,640,039
30,698	34,512	3,851,466	27,228,262
657,865	857,118	—	51,309,938
—	—	—	2,476,191
497,833	321,063	3,141,609	9,710,566
1,155,698	1,178,181	3,141,609	63,496,695
\$ 1,186,396	\$ 1,212,693	\$ 6,993,075	\$ 90,724,957

PROPRIETARY FUND COMPONENT UNITS
 COMBINING STATEMENT OF ACTIVITIES
 For the year ended December 31, 2019

	Program Revenues		Changes in Net Position		
	Expenses	Charges for Services	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company
Fountain Valley Authority					
General government	\$ 7,669,119	\$ 16,094,179	\$ 8,425,060		
Aurora-Colorado Springs Joint Water Authority					
General government	170,032	104,266		\$ (65,766)	
The Twin Lakes Reservoir and Canal Company					
General government	1,069,447	1,499,376			\$ 429,929
The Lake Meredith Reservoir Company					
General government	116,667	247,996			
The Colorado Canal Company					
General government	648,983	788,548			
The Lake Henry Reservoir Company					
General government	75,362	164,029			
Pikes Peak Regional Communications Network					
General government	925,883	1,509,384			
Total component units	<u>\$ 10,675,493</u>	<u>\$ 20,407,778</u>			
Investment earnings			44,688	131	1,162
Total general revenues			44,688	131	1,162
Change in net position			8,469,748	(65,635)	431,091
Total net position - January 1			29,900,634	6,939,617	10,107,036
Total net position - December 31			<u>\$ 38,370,382</u>	<u>\$ 6,873,982</u>	<u>\$ 10,538,127</u>

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

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 14

Changes in Net Position				
The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
				\$ 8,425,060
				(65,766)
				429,929
\$ 131,329				131,329
	\$ 139,565			139,565
		\$ 88,667		88,667
			\$ 583,501	583,501
				9,732,285
236	329	79	125,409	172,034
236	329	79	125,409	172,034
131,565	139,894	88,746	708,910	9,904,319
2,107,151	1,015,804	1,089,435	2,432,699	53,592,376
\$ 2,238,716	\$ 1,155,698	\$ 1,178,181	\$ 3,141,609	\$ 63,496,695



NOTES TO FINANCIAL STATEMENTS



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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Colorado Springs (City) is a home-rule city, organized under provisions of the Colorado Constitution. In 2011, the City transitioned to a “council-mayor” form of government as the result of the November 2, 2010, municipal election. Historically, the City had been managed by a “council-manager” form of government. The City provides services, as authorized by its Charter, to advance the welfare and safety of the City and its residents.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to units of local government and promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

A. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the primary government and its component units, those entities for which the City is considered to be financially accountable. Blended component units are those entities, which while legally separate, are, in substance, part of the City's operation and the financial data for which are combined with that of the City and reported in both the government-wide and fund financial reporting level. Discretely presented component units are legally separate entities for which the financial data are presented separately from the financial data of the City. The City has blended the General Improvement Districts and Public Authority for Colorado Energy. All other component units are discretely presented.

1. Governmental Fund Type Component Units

General Improvement Districts – Spring Creek, Briargate, and Market Place at Austin Bluffs. General Improvement Districts (GIDs) were created under provisions of Colorado state statutes. Each district has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The GIDs are legally separate entities from the City. Because City Council sits as the Board of Directors for each of the GIDs, and the City can impose its will over the GIDs, their financials are blended in the City financial statements. Services provided by the GIDs are entirely for the benefit of the citizens of each respective district. The fiscal year-end for each of these districts is December 31.

Colorado Springs Health Foundation – Colorado Springs Health Foundation (CSHF) was established in 2012 under the provisions of City Council Resolution No. 121-12, resulting from the lease of Memorial Health System (MHS System) by University of Colorado Health (UCH). CSHF is a 501(c)(3) nonprofit corporation which receives funds from the City originating from the lease which are not held for other purposes in accordance with the agreements (see Note III.H.5). The CSHF will make distributions from those funds for the purpose of addressing health issues in the MHS System service area. CSHF is discretely presented in the City's financial statements. CSHF is a legally separate entity from the City. The City does, however, appoint a voting majority of CSHF's board and is able to impose its will on CSHF. The City's board and CSHF's board are not substantively the same. The fiscal year-end for CSHF is December 31.

Colorado Springs Urban Renewal Authority – The Colorado Springs Urban Renewal Authority (CSURA) was formed under the provisions of Colorado state statutes. The CSURA has the power to issue tax increment financing in order to acquire property and fund improvements. CSURA is discretely presented in the City's financial statements. CSURA is a legally separate

entity from the City. The City does, however, appoint a voting majority of CSURA's board and is able to impose its will on CSURA. The City's board and CSURA's board are not substantively the same. Services provided by CSURA are entirely for the benefit of the citizens. The fiscal year-end for CSURA is December 31.

Colorado Springs Downtown Development Authority – The Colorado Springs Downtown Development Authority (the Authority) was established in 2007 by the City of Colorado Springs City Council. The Authority was organized for the public health, safety, prosperity, security and welfare in order to halt or prevent deterioration of property values or structures within the central business district. Operations are financed primarily by tax revenues collected on real and personal property located within the central business district. The Authority is a separate legal entity and is discretely presented in the City's financial statements. An eleven-member board, as provided by the City of Colorado Springs, Colorado Ordinance 07-15, governs the Authority. The fiscal year-end for the Authority is December 31.

Business Improvement Districts – Barnes & Powers North, Barnes & Powers South, Briargate Center, Creekwalk Marketplace, First & Main, First & Main No. 2, First & Main North, Greater Downtown Colorado Springs, Interquest North, Interquest South, Interquest Town Center, MW Retail, Powers & Woodmen Commercial, Southwest Downtown, and USAFA Visitor's Center. Business Improvement Districts (BIDs) were created under provisions of Colorado state statutes. The BIDs have the power to acquire, construct or install public improvements within their own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The BIDs are discretely presented in the City's financial statements. The BIDs are legally separate entities from the City. The City does, however, approve the budgets and is able to impose its will on the BIDs. The City's board and the BID boards are not substantively the same. Services provided by the BIDs are entirely for the benefit of the business communities in the districts. The fiscal year-end for the BIDs is December 31. MW Retail BID has not yet commenced activity and therefore is not displayed in the City's financial statements.

The financial statements of each of these entities may be obtained at the following address:

City of Colorado Springs
Chief Financial Officer
30 South Nevada Avenue, Suite 202
Colorado Springs, CO 80903

2. Proprietary Fund Type Component Units

Public Authority for Colorado Energy (PACE) – In June 2008, the City contracted to purchase approximately 20.0% of Utilities' natural gas supply needs for 30 years through a natural gas prepayment transaction with Merrill Lynch Commodities, Inc., Bank of America Corporation and Royal Bank of Canada that is financed by PACE non-recourse revenue bonds. PACE is obligated to pay the principal and interest on the PACE Bonds. Utilities is obligated to purchase and pay for natural gas tendered for delivery by PACE at an index price minus a predetermined discount and is not obligated to make payments in respect to debt service on the PACE Bonds. PACE is a legally separate entity and provides services entirely to Colorado Springs Utilities (Utilities), an enterprise fund of the City. Because PACE provides services entirely to Utilities, PACE is considered a blended component unit.

The following proprietary fund type component units are discretely presented, as they are legally separate from the City, the City Council and the Boards of Directors of the component units are not substantively the same, and the component units do not provide services exclusively to the City.

Fountain Valley Authority – The Fountain Valley Authority constructed a water treatment plant, approximately 17 miles south of the City, with 18,000,000 gallons per day capacity. Utilities acts as operator of the plant under contract with the Fountain Valley Authority. Utilities is entitled to receive approximately 71.4% of the water treated at the Fountain Valley Authority plant. The remaining water is available to the other Fountain Valley Authority participants, which include the City of Fountain, the Security Water District, the Stratmoor Hills Water District and the Widefield Water and Sanitation District, each of which owns and operates a water distribution system. The Fountain Valley Authority is a legally separate entity and is under the direction of a Board of Directors consisting of eight persons appointed by the member governments they represent. The Establishing Contract specifies that the Board of Directors is made up of four members designated by the City and one designated each by the remaining four participants. Fountain Valley Authority is a component unit due to the nature and significance of its relationship to the City.

Under the applicable long-term contracts relating to the Fountain Valley Authority, Utilities is obligated to pay water treatment service charges to the Fountain Valley Authority and water conveyance service charges to the U.S. Bureau of Reclamation (Bureau) for conveyance of its water through the Bureau's Fountain Valley Conduit, which conveys raw water from the Pueblo Reservoir to the Fountain Valley Authority's treatment plant and treated water from the treatment plant to distribution reservoirs of the Fountain Valley Authority participants.

Aurora-Colorado Springs Joint Water Authority – The Aurora-Colorado Springs Joint Water Authority has constructed a 66-inch diameter pipeline from the Twin Lakes Dam, which is located approximately 12 miles south of Leadville, Colorado, to connect with the Otero Pumping Station intake pipeline located approximately 10 miles north of Buena Vista, Colorado. The sole participants and customers of the Aurora-Colorado Springs Joint Water Authority are the City of Aurora and Utilities. The Aurora-Colorado Springs Joint Water Authority is a legally separate entity and is under the direction of the Board of Directors consisting of six voting members and two nonvoting members. Three voting directors represent each city and are appointed by the city councils of each city. Utilities has a 66.7% participation share in the Aurora-Colorado Springs Joint Water Authority's project, which was determined by the parties on the basis of their projected pumping demands. No provision is made in the Aurora-Colorado Springs Joint Water Authority contracts for adjustments in participation shares if actual pumping demands differ from these projections. Therefore, it is possible that the transmission service charges to be paid by Utilities will be disproportionate to the water transmission service that Utilities is using during a particular time period. Aurora-Colorado Springs Joint Water Authority is a component unit due to the nature and significance of its relationship to the City.

Canal and Reservoir Companies – Utilities owns from 51.9% to 77.2% in four canal and reservoir companies which include The Twin Lakes Reservoir and Canal Company, The Lake Meredith Reservoir Company, The Colorado Canal Company and The Lake Henry Reservoir Company. This ownership interest represents proportionate ownership and control of the companies' facilities and water rights. The water rights add significant physical water to the water supply portfolio in addition to allowing for exchange, storage, staging, and delivery of Utilities' water supply.

Other auditors have examined the financial statements of each of these entities, and their complete individual financial statements may be obtained at the following address:

Colorado Springs Utilities
Chief Planning and Finance Officer
P.O. Box 1103, Mail Code 950
Colorado Springs, CO 80947-0950

The Pikes Peak Regional Communications Network (PPRCN) was established by an intergovernmental agreement between the City and El Paso County (County) on December 1, 1999. PPRCN commenced operations during 2001 and is governed by a five member Board of Directors of which two members are appointed by the City, one is appointed by Utilities, and two are appointed by the County. PPRCN was established to provide a modern, trunked radio system, available to the participating public safety and public service activities, throughout the City and the County.

The complete individual financial statements for PPRCN may be obtained at the following address:

City of Colorado Springs
Chief Financial Officer
30 South Nevada Avenue, Suite 202
Colorado Springs, CO 80903

3. Joint Ventures

The City has joined with other governmental entities in a joint venture to provide building and construction code inspection and enforcement. The joint venture, Pikes Peak Regional Building Department (PPRBD), in which the City participates, is not considered a component unit and is, therefore, not included in the City's reporting entity. The PPRBD was formed in accordance with intergovernmental agreements among various affected local governments to administer and enforce building and construction codes on behalf of its member entities. Member entities are the City, the County and the cities of Manitou Springs, Green Mountain Falls, Fountain, and the towns of Monument and Palmer Lake. A three-member commission appointed by the City, the County and a member selected by the remaining municipalities, governs the PPRBD. The City has not invested money in the PPRBD and the commission is required to set its fees so as to fully recover operating expenses. Since the City has only a residual equity interest, the equity method is not considered appropriate for this joint venture.

The City has joined with the County and cities of Manitou Springs and Green Mountain Falls, and the town of Ramah, Colorado, in a joint venture to provide infrastructure improvements for their various municipalities. The joint venture, Pikes Peak Rural Transportation Authority (PPRTA), is not considered a component unit of the City and is, therefore, not included in the City's reporting entity. PPRTA is funded with a 1% sales and use tax approved by voters in November 2004. In 2012, voters extended the 1% tax for another ten years starting in 2015 and running through 2024. These funds are allocated to the various municipalities and are to be used for capital projects, maintenance programs, and transit services. PPRTA is governed by a nine-member board appointed by the member municipalities.

The City of Colorado Springs, along with 38 agencies within El Paso and Teller Counties, has entered into a joint venture to provide the technical infrastructure necessary to connect emergency 9-1-1 telephone callers with the proper communication center. The joint venture of

the El Paso-Teller County Emergency Telephone Service Authority (E911 Authority), in which the City participates, is not considered a component unit and is, therefore, not included in the City's reporting entity. The E911 Authority was formed by an intergovernmental agreement in 1989 and is governed by a nine-member board appointed by the City (3 members), El Paso County (2 members), Teller County (1 member), and the Board itself (3 members) from a list of qualified nominees. The E911 Authority is funded entirely by a 70¢ per phone line tariff applied to every wire line and wireless telephone with a subscriber address within the two-county area. The funds are used to maintain the emergency telephone system infrastructure, call-answering and processing equipment, back-up power supplies, and furnishings at each of the communication centers in the two county service area.

The City's Fire Department is a member of the Colorado Metropolitan Certification Board (CMCB), a joint venture along with the Denver Fire Department, Aurora Fire Department, the West Metro Fire Protection District, Poudre Fire Authority, and Littleton Fire Rescue, that provides certification of fire training to its member fire departments. The CMCB is accredited by the National Board on Fire Service Professional Qualifications for Fire Service Certification. The joint venture of the CMCB, in which the City participates, is not considered a component unit and is, therefore, not included in the City's reporting entity. The CMCB was formed in accordance with an intergovernmental agreement in 1996 and is governed by the current six voting members. In 2015, the Board determined that the governance model will not exceed seven members with the original four retaining the majority. The six-member board is comprised of Training Chiefs appointed by each Department's Fire Chief. It is intended that each of the CMCB member governments cover one-sixth of the operational expenses associated with the CMCB.

Utilities has an equity interest of 5.0% in Young Gas Storage Company Ltd. (Young). Young is a Colorado Limited Partnership organized on June 30, 1993, to develop and operate a natural gas storage system near Fort Morgan, Colorado.

The financial statements of the PPRBD, the PPRTA, the E-911 Authority and the CMCB may be obtained at the following address:

City of Colorado Springs
Chief Financial Officer
30 South Nevada Avenue, Suite 202
Colorado Springs, CO 80903

The financial statements of Young may be obtained at the following address:

Colorado Springs Utilities
Chief Planning and Financial Officer
P.O. Box 1103, Mail Code 950
Colorado Springs, CO 80947-0950

B. 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 nonfiduciary activities of the primary government and its component units. Interfund activity has been eliminated in the process of consolidating the government-wide financial statements, except for the interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and

charges for support. Likewise, the primary government is reported separately from certain legally separate component units 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 identifiable 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. General revenues include all taxes.

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.

C. 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 fund and fiduciary fund financial statements, with the exception of the agency fund, which has 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 imposed by the provider have been met.

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 30 days of the end of the current fiscal period for all sales tax transactions or within 60 days of the end of the current fiscal period for all other transactions. Expenditures are recognized when the related liability is incurred, with the exception of debt service expenditures and expenditures related to compensated absences and claims and judgments which are recorded when due.

Licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental fund:

- The General Fund 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.

The City reports the following major proprietary funds:

- Utilities fund provides water and wastewater collection, treatment, and distribution system; electric generation, transmission, distribution and street light system; and gas distribution system.
- PACE fund provides natural gas to Utilities.
- MHS fund carries out its rights and duties under the Lease Agreement as described in Note III.H.5.

Additionally, the City reports the following fund types:

- Special revenue funds account for revenue derived from specific sources that are restricted legally or by regulation.
- Capital projects funds account for financial resources used for the acquisition or construction of major capital facilities and infrastructure.
- Permanent funds account for the activities of resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the City's programs.
- Internal service funds account for general liability insurance, workers' compensation insurance, health insurance, printing and mailing services, and radio services provided to other departments or agencies of the City on a cost-reimbursement basis.
- Fiduciary funds include the miscellaneous depository agency fund which accounts for the resources that are held by the City in a purely custodial capacity. The agency fund is made up of timing between when the resources are collected and when the resources are paid out to the various entities, such as payroll withholdings.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are surplus revenue and other charges between the General Fund and Utilities. 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 proprietary funds' principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general policy, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. The policy differs for special revenue and permanent funds as discussed in Note D.9.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance**1. Deposits and Investments**

In accordance with City Code and Colorado state statutes, the City maintains an Investment Policy approved by City Council. Per the Investment Policy, the City is authorized to invest in obligations of the United States, certain US instrumentalities; certain international agency securities; general obligation or revenue bonds of any state or local government of the U.S.; bankers acceptances of certain banks; certain commercial paper; local government investment pools; written repurchase agreements properly collateralized by certain authorized securities; certain money market funds; negotiable and time certificates of deposit; corporate bonds; and guaranteed investment contracts.

Also in accordance with City Code, the City maintains a separate Cemetery Endowment Fund (CEF) Investment Policy approved by City Council. Per the CEF Investment Policy, the City is authorized to invest in a more broad class of assets including fixed income instruments, domestic and global equities, special opportunities and commodities. The investment vehicles used to gain exposure to the asset classes may include mutual funds, commingle trust funds, separate accounts, limited partnerships, and offshore exempted companies.

For purposes of the statements of cash flows, cash and cash equivalents include amounts on hand and in demand deposits with original maturities of 90 days or less.

Investments are stated at fair value based on quoted market prices.

2. Receivables and Payables

Outstanding balances between funds at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Trade and property tax receivables shown on the financial statements are net of an estimated allowance for uncollectibles.

The County Assessor certifies property valuations to the City on November 25 of each year. By December 15th, the City sets and certifies its mill levy rate with the County, which then bills and collects the property taxes due. These property taxes attach as an enforceable lien on January 1 of the tax year. The taxes are payable in two installments on February 28 and June 15, or in one installment due April 30.

3. Inventories and Prepaid Items

Inventories held for resale, exclusive of component units, are reported at the lower of cost or market. Inventories of supplies are reported at cost. Proprietary fund inventories, including internal service funds, consist of materials, supplies, and fuel stock. The costs of inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. At the combining and individual fund reporting level, an equal amount of fund balance is considered non-spendable as the amount is not available for general appropriation.

Business-type activities show a significant prepaid item for PACE. PACE has prepaid for delivery of natural gas with the proceeds from bonds and entered into a Prepaid Gas Agreement (Agreement) effective June 11, 2008. PACE amortizes the historical cost of the prepaid gas supply pursuant to the Agreement on a net present value (NPV) basis based upon the change in the NPV of the Agreement over its remaining thirty-year contract life.

4. Restricted Assets

In accordance with applicable bond covenants, ordinances and conditions attached by donors, certain investments are displayed as restricted on the financial statements of certain funds. Restricted investments are carried at fair value.

5. Capital Assets

Capital outlays are recorded as expenditures of governmental funds in the fund financial statements and as assets in the government-wide financial statements to the extent the City's capitalization thresholds, \$5,000 for general assets and \$500,000 for infrastructure assets, are met. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method. To the extent the City's capitalization thresholds are met, capital outlays of the proprietary funds are recorded as capital assets and depreciated over their useful lives using the straight-line method of depreciation on both the fund basis and the government-wide basis of accounting. The following are the estimated useful lives used for the straight-line method of depreciation:

Infrastructure	20 - 35 years
Buildings	10 - 40 years
Utility plant	25 - 100 years
Improvements other than buildings	15 - 25 years
Furniture and equipment	3 - 15 years
Intangibles	5 - infinite

Donated assets are valued at their estimated acquisition value on the date of receipt. The City does not capitalize historical treasure or works of art. With the early adoption of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* (GASB 89), as of January 1, 2019, the City is no longer capitalizing interest costs incurred during construction of the assets of business-type activities.

GASB Statement No. 83, *Certain Asset Retirement Obligations* is effective for the City in 2019. The City performed an assessment of its legal obligations to perform future asset retirement activities related to its tangible capital assets and determined there are no material obligations as of December 31, 2019. An annual assessment will be performed, and any future material obligations will be recorded in the period they are identified.

Utility plant is stated at the cost of construction, including expenditures for contracted services, direct labor and materials, indirect charges for engineering, labor burden, supervision and administration and general expense. With the early adoption of GASB 89, as of January 1, 2019, Utilities is no longer applying capitalized interest to major capital projects. GASB 89 requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. Prior to 2019, capitalized interest was

applied to projects that required 30 days or more to complete. Utilities computes depreciation and amortization on plant in service on a straight-line, service-life basis.

Depreciation is calculated using the following estimated maximum service lives for major asset classifications:

Electric boiler plant/station equipment	25 years
Electric underground conduit	28.5 years
Gas mains and services	80 years
Water source of supply	100 years
Water treatment plant	25 years
Water transmission and distribution mains	50 years
Sewer mains and laterals	100 years
Wastewater preliminary treatment facility	45 years
General structures and improvements	57 years
Intangibles	50 years

6. Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet will 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. The City only has five items that qualify for reporting in this category. The first item is *deferred cash flow hedges – unrealized loss on derivative instruments* reported in the government-wide statement of net position and the proprietary funds balance sheet. This amount is recognized when the interest rate cap is exercised. The second item, *grants*, is reported in the government-wide statement of net position and the governmental fund component units combining statement of net position. This amount is deferred and recognized as an outflow of resources in the period that the amount is incurred. The third, *loss on debt refundings*, is reported in the government-wide statement of net position, the proprietary funds balance sheet, and governmental fund component units combining statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The fourth and fifth items recorded as a deferred outflow of resources are for pension-related amounts and other postemployment benefit related amounts as described below.

The statement of net position and balance sheet will 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 has six types of items that qualify for reporting in this category. The first item, *unavailable revenue – property taxes*, is reported in the governmental funds balance sheets, government-wide statement of net position, and governmental fund component units combining statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are initially deferred on the statement of net position and subsequently recognized on the statement of activities as an inflow of resources in the following fiscal year, when the amounts become available for spending. The second item, *gain on debt refundings*, is reported in both the government-wide statement of net position and proprietary funds balance sheet. Gains on debt refunding is deferred and amortized over the shorter of the life of the

refunded or refunding debt. The third item, *unavailable revenue – loans (net of allowance for uncollectibles)*, is reported in the governmental funds balance sheet and special revenue funds balance sheet and is recognized as loans are repaid or written off. The fourth item, *interest rate swap*, is reported in both the government-wide statement of net position and the governmental fund component units combining statement of net position. This item represents the net change in fair value of the hedging derivative instrument (the interest rate swap) used in order to hedge and protect against rising interest rates. The fifth and sixth items recorded as a deferred inflow of resources are for pension-related amounts and other postemployment benefit related amounts as described below.

Deferred inflows and outflows of resources *related to pensions* as well as *related to OPEB (other postemployment benefits)* arise from differences between expected and actual experience with regard to economic and demographic factors, changes in assumptions or other inputs, projected and actual plan earnings, and changes in proportionate share (if a cost sharing plan). These deferrals are amortized over a closed period. The amounts not recognized as a pension expense and OPEB expense in the current period are reported as deferred outflows or deferred inflows related to pensions and deferred outflows or deferred inflows related to OPEB, respectively. Contributions made to the plans subsequent to the plans fiduciary net position measurement date are recorded as a deferred outflows of resources related to pensions and deferred outflows of resources related to OPEB.

7. Compensated Absences

City employees earn sick leave and vacation leave in varying amounts depending upon years of service. The City accrues compensated absences in the government-wide and proprietary fund financial statements. 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.

8. Long-term Obligations

For long-term obligations, only the current portion, or the portion financed from expendable available financial resources, is reported on the governmental fund financial statements. The current and non-current portions are recorded in the government-wide and the proprietary fund financial statements. For certain debt issues, Utilities and CSURA enter into interest rate swap agreements to modify their interest rates on outstanding debt.

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as prepaid insurance costs related to issuance, 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. Prepaid insurance costs related to bond issuance are amortized over the term of the related debt. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as prepaid insurance costs and other costs related to bond issuance, during the period in which they occur. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuance are reported as other financing sources or uses. Prepaid insurance costs and other costs related to bond issuance, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Net Position/Fund Balance

Sometimes the City will fund outlays for a particular purpose from both restricted (restricted bonds or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption is made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, fund balance of the City's governmental funds are classified as nonspendable, restricted, committed, assigned, or unassigned. A governmental fund other than the General Fund may not necessarily have all five components of fund balance.

Nonspendable fund balances indicate amounts that cannot be spent either 1) due to form, for example, prepaid items and inventories, or 2) due to legal or contractual requirements to be maintained intact, for example, the principal of an endowment or the capital of a revolving loan fund. It also includes assets that will not convert to cash soon enough to affect the current period such as the long-term portion of loans and notes receivable as well as property held for resale.

Restricted fund balances indicate amounts subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties altogether outside the City such as creditors, grantors, contributors, or other governments.

Committed fund balances indicate amounts constrained by limitations that the City, by resolution, imposes on itself by City Council (highest decision making level). It requires the same level of resolution by the City Council to remove or change the constraints placed on the resources. The action that imposed the limitation would need to occur no later than the close of the reporting period.

Assigned fund balance is the portion of fund balance that reflects the City's intended use of resources but does not meet the criteria to be classified as committed. The City's Charter authorizes the Mayor or Mayor's designee to assign fund balance through the use of encumbrances. City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments often exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Interest earned on fund balances is assigned to be used by that fund unless otherwise specified through City Council or voter documentation.

Unassigned fund balances indicate amounts in the General Fund that are not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balances in other governmental funds are reported as unassigned once other purposes for that fund were reduced. Additionally, for the General Fund, any negative restricted, committed, or assigned fund balance would be eliminated by reducing unassigned fund balance first.

For the General Fund, in the event that an expenditure can be considered restricted or unrestricted (committed, assigned, or unassigned) and both have available amounts, the expenditure will be first applied against the most restrictive fund balance classification.

The order of use of funds for special revenue funds and other (permanent) funds will be from the least constrained to most constrained (assigned, committed, restricted, and then non-spendable).

In the City's Financial Policies included in the annual budget document, the City's goal target range for the General Fund reserve – unrestricted fund balance is 16.67% to 25% of the following year's expenditure budget. The target for the unrestricted General Fund balance would exclude the TABOR emergency reserves but include other categories of fund balance that are committed, assigned or unassigned.

10. Municipal Solid Waste Landfill Closure and Postclosure Care Costs

The City is subject to the Colorado Department of Public Health and Environment regulations, which require the City to incur closure and postclosure care costs for landfills. As of December 31, 2019, the Utilities fund recognized a liability of \$4,818,100 for closure and postclosure care costs based upon landfill capacity used to date. The estimated total current cost of closure and postclosure care to be recognized for the Utilities fund landfills is \$7,975,373. The average landfill capacity used to date is 67.9%. As of December 31, 2019, the governmental activities recognized a liability of \$339,971 for closure and postclosure care costs in the government-wide financial statements. There are no financial assurance requirements or restricted assets for the payment of closure and postclosure care costs. Estimates are stated in current dollars and shall be adjusted annually for inflation and changes in laws and regulations. An independent assessment is done every five years to verify this cost. Based on the last independent assessment adjusted for inflation, the total closure and postclosure costs for governmental and business-type activities combined are \$8,315,344. The last independent assessment was completed in 2018.

11. Derivative Instruments

Utilities uses financial derivative instruments to manage its exposure to fluctuating natural gas prices through the use of natural gas hedge contracts as well as its exposure to changing interest rates through the use of interest rate swaps. Colorado Springs Urban Renewal Authority also uses financial derivatives in the form of an interest rate swap in order to hedge interest rates and protect against rising interest rates. See Note III.M. for further discussion related to derivatives and interest rate swaps.

All financial derivatives are stated on the balance sheet at fair value as of December 31, 2019, based on quoted market prices, current market conditions, or other estimates obtained from third-party broker dealers or valuation services.

Derivative instruments deemed effective by applying methods of evaluating effectiveness pursuant to GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, are recognized as cash flow hedges. Changes in the fair value of cash flow hedge derivative instruments are reported as either a deferred cash flow hedge outflow or inflow on the Statements of Net Position.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with City Charter, the Mayor is required to submit a balanced budget to City Council on or before the first Monday in October each year. The budget is reviewed and modified if supported by a majority of City Council and an appropriation ordinance prepared to adopt the budget. According to City Charter, the appropriation ordinance is to be adopted no later than December 31 each year. City budgeting and accounting systems provide for program planning of expenditures by function and activity within the funds. Amendments to the original budget were material in relation to the initial appropriation.

The City prepares annual budgets and maintains budgetary controls for all funds in order to ensure compliance with the annual appropriation ordinance as approved by City Council. The legal level of budgetary control for all funds, other than the General Fund, is at the fund level. For the General Fund, the legal level of budgetary control is appropriating departments determined during the annual budget process. Transfer of appropriation within the budget of an appropriating department may be authorized by approval of the affected General Fund department head. Transfer of appropriation within the budget of the other funds may be authorized by approval of the affected department head. Such transfers are filed with the Chief Financial Officer but require no City Council action. Any net increase of appropriation to a fund or transfer between General Fund appropriating departments requires City Council action. The budget is prepared in a manner consistent with the Colorado state statutes. However, unlike the financial basis of reporting, the City's budget is prepared completely on a modified accrual basis.

Appropriations for all funds that are not budgeted on a project-length basis lapse at year-end except for contractually encumbered and reserved appropriations. Project-length budgets are those where appropriations are initially made to individual projects and do not lapse until such time as the project is complete. Project-length budgets are adopted for all capital projects as well as for intergovernmental grants, capital improvements, special projects and special assessments. All budgets are prepared on the modified accrual basis and are reported as such.

B. Excess of Expenditures over Appropriations

During 2019, expenditures exceeded appropriations for the Banning Lewis Ranch Fund, Briargate General Improvement District, Park Developer Easement Fund and Spring Creek General Improvement District by \$5,715, \$1,576, \$75, and \$552, respectively, as a result of unanticipated allocated expenditures including bank, audit, and other fees. The Gift Trust Fund exceeded appropriations by \$489,597 as a result of significant donations received and expended on the Pikes Peak Summit House project. The Cemetery Endowment Fund exceeded appropriations by \$54,301 as a result of a significant increase in investment revenues and resulting transfer out to the Cemetery Enterprise Fund. The Cemetery Fund exceeded appropriations by \$5,847 as a result of increased operational costs incurred. The Office Services Fund exceeded appropriations by \$15,235 as a result of increased business activity and services provided.

C. Deficit Fund Equity

The Claims Reserve Self-Insurance fund, the Workers' Compensation Self-Insurance fund, and the Employee Benefits Self-Insurance fund all had deficit fund equity as of December 31, 2019. The deficit in the Workers' Compensation Self-Insurance fund of \$17,196,952 is entirely due to incurred but not reported claims. The deficits in the Claims Reserve Self-Insurance fund and the Employee Benefits Self-Insurance fund of \$946,322 and \$7,616,762, respectively, are in large part due to incurred but not reported claims. Public Authority for Colorado Energy, a proprietary fund, had deficit fund equity as of December 31, 2019. The deficit of \$153,983,000 relates to bonds issued for prepaid natural gas contracts and capital assets. The following governmental fund component units have deficit fund equity at year end: Barnes & Powers North BID \$2,103,006, Barnes & Powers South BID \$247,176, Creekwalk Marketplace BID \$1,574,527, CSURA \$73,007,301, First & Main BID \$232,861, First & Main BID No. 2 \$10,592,480, First & Main North BID \$616,758, Interquest North BID \$1,338,560, Interquest South BID \$793,481, Interquest Town Center BID \$15,012, Powers & Woodmen Commercial BID \$829,627, Southwest Downtown BID \$130,776 and USAFA Visitor's Center BID \$98,045. These deficits also relate to bonds and other noncurrent liabilities that have been issued for capital assets. The deficits will decrease over time as the entities collect the dedicated general property taxes to make payments on the bonds. Additional information about the component units can be found in their respective financial statements.

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III. DETAILED NOTES ON ALL FUNDS

A. Unrestricted and Restricted Cash and Investments

The City's restricted and unrestricted cash and investments, exclusive of component units, total \$658,014,000 and consist of the following on December 31, 2019 (in 000's):

Investment Type	Unrestricted Assets	Restricted Assets	Total
Demand accounts (incl petty cash of \$53)	\$ 74,361	\$ 63,246	\$ 137,607
Money market mutual funds	360	3,671	4,031
Colorado Liquid Asset Trust (COLOTRUST)	12,580	11,093	23,673
Colorado Surplus Asset Trust Fund (CSAFE)	—	35,164	35,164
Repurchase agreements	—	4,507	4,507
Commercial paper	6,033	—	6,033
US treasury securities	183,167	8,543	191,710
US instrumentality securities	144,793	29,116	173,909
Domestic corporate fixed-income securities	37,731	—	37,731
Mutual funds	—	11,169	11,169
Municipal bonds	8,126	—	8,126
Certificates of deposit	1,454	—	1,454
Supra-national securities	7,705	—	7,705
Domestic equities	—	1,023	1,023
Guaranteed investment contract	—	6,799	6,799
Mortgages pooled	7,023	—	7,023
Domestic partnership	—	350	350
Total	<u>\$ 483,333</u>	<u>\$ 174,681</u>	<u>\$ 658,014</u>

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the financial statements at December 31, 2019 (in 000's):

	Governmental Activities	Business-type Activities	Fiduciary	Total
Unrestricted	\$ 180,084	\$ 303,151	\$ 98	\$ 483,333
Restricted	24,242	150,439	—	174,681
Total	<u>\$ 204,326</u>	<u>\$ 453,590</u>	<u>\$ 98</u>	<u>\$ 658,014</u>

Note: Immaterial differences may occur due to rounding.

1. Deposits

The carrying amount of the City's deposits at December 31, 2019, was \$137,554,000 and the bank balances were \$149,344,000. Of the bank balances, \$7,826,000 was covered by federal deposit insurance and \$141,518,000 was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (CPDPA). The collateral is pooled and held in trust for all uninsured deposits as a group. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 per depositor, per insured bank, for each account ownership category. Therefore, the City's deposits are not subject to custodial credit risk.

2. Investments

The City, a home-rule municipality operating under its City Charter, is allowed under Colorado state statutes to promulgate and implement local standards for cash and investment management operations. The adopted investment policy for the City authorizes all investments shall be made in accordance with applicable City policies, Colorado state statutes, and Federal regulations. The provisions of the City's investment policy apply to all investable funds of the City to include bond ordinance accounts and reserve accounts. Excluded from the City investment policy are Utilities' funds, trust and endowment funds, and money held in bank checking accounts for operating purposes. Utilities has adopted individual investment policies to manage their investment portfolios. The investments of the City are reported in aggregate to include investments of money related to governmental and business-type activities, individual major funds and non-major funds. The City's investments are subject to interest rate risk, credit risk, concentration of credit risk, and custodial credit risk.

Interest rate risk - Interest rate risk is the risk that changes in the financial market rates of interest will adversely affect the value of an instrument. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City investment policy limits investment maturities to less than five years. The Utilities investment policy further defines this requirement by limiting investments of their income fund to maturities of two years or less.

Credit risk - Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit (either principal, interest or both). The City investment policy authorizes the City to invest in obligations of the United States or agencies thereof, commercial paper, municipal bonds, corporate bonds, bankers acceptances, local government investment pools, specific money market mutual funds, time certificates of deposit, repurchase agreements, and obligations of the City of Colorado Springs. To mitigate credit risk, the City investment policy outlines credit rating benchmarks for these obligations.

Concentration of credit risk - Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investments in a single issuer. Concentration risk is defined by the GASB as positions of 5% or more in the securities of any one issuer. The City's pooled investments are in compliance with the City investment policy which limits investments with any single issuer other than the Federal Government to 5%. The securities of the Federal Government are defined as obligations of the United States Treasury and are explicitly guaranteed by the United States Government. None of the City's pooled investments at December 31, 2019, were subject to concentration of credit risk.

Custodial credit risk - Custodial credit risk is the risk, that in the event of the failure of a depository financial institution, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. City investments are placed in depository financial institutions by a designated investment adviser during the fiscal year.

Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name and are held by either the counterparty to the investment purchase or held by the counterparty's trust department or agent but not held in the City's name. None of the City's investments owned at December 31, 2019, were subject to custodial credit risk.

As of December 31, 2019, Utilities invested \$4,507,000 in repurchase agreements. Underlying investments related to the repurchase agreements were in US Agency securities and other Government Sponsored Enterprises which carry an implied AAA credit rating.

As of December 31, 2019, the City had the following investment maturities:

Investment Type	Value (in 000's)	Weighted Average Maturity (Years)
Money market and mutual funds	\$ 15,201	0.00
Colorado Liquid Asset Trust (COLOTRUST)	23,673	0.00
Colorado Surplus Asset Trust (CSAFE)	35,164	0.00
Repurchase agreements	4,507	0.00
Commercial paper	6,033	1.92
US treasury securities	191,708	2.25
US instrumentality securities	173,910	2.18
Domestic corporate fixed-income securities	37,731	1.41
Municipal bond	8,126	2.78
Certificates of deposit	1,454	0.88
Supra-national securities	7,705	1.97
Domestic equities	1,023	0.00
Guaranteed investment contract	6,799	18.87
Mortgages pooled	7,023	2.18
Domestic partnership	350	0.00
Total	520,407	
Portfolio weighted average maturity		2.04
Reconciliation to total cash and investments		
Add:		
Cash on hand and in banks	137,607	
	<u>\$ 658,014</u>	

Note: Immaterial differences may occur due to rounding.

As of December 31, 2019, the City had the following investment credit quality distribution:

Investment Type	Standard and Poor's (S&P) or Equivalent	% of Total
Money market mutual funds	AAA	0.78%
Money market mutual funds	unrated	2.15%
Local investment pools	AAAm	11.31%
Repurchase agreement	unrated	0.87%
Commercial paper	AA+	0.44%
Commercial paper	AA	0.50%
Commercial paper	AA-	0.21%
US treasury securities	AA+	36.83%
US instrumentality securities	AA+	33.41%
Domestic corporate fixed-income securities	AAA	1.56%
Domestic corporate fixed-income securities	AA+	0.48%
Domestic corporate fixed-income securities	AA	2.60%
Domestic corporate fixed-income securities	AA-	2.33%
Domestic corporate fixed-income securities	A+	0.29%
Municipal bond	AA+	0.99%
Municipal bond	AA	0.57%
Certificates of deposit	AA-	0.28%
Supra-national securities	AAA	1.48%
Domestic equities	unrated	0.20%
Guaranteed investment contract	A+	0.65%
Guaranteed investment contract	AA-	0.65%
Mortgages pooled	AA+	1.35%
Domestic partnership	unrated	0.07%
		100.00%

As of December 31, 2019, the City has invested \$23,673,000 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool.

The City's investment in COLOTRUST is rated AAAm by S&P. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Separately issued financial statements may be obtained at the following address:

COLOTRUST
717 17th Street, Suite 1850
Denver, CO 80202
www.colotrust.com

As of December 31, 2019, the City has invested \$35,164,000 in the Colorado Surplus Asset Trust Fund (CSAFE), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool.

The City's investment in CSAFE is rated AAAm by S&P. CSAFE is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Separately issued financial statements may be obtained at the following address:

CSAFE
1675 Broadway, Ste 500
Denver, CO 80202
www.csafe.org

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3. Component Unit Deposits and Investments

Cash and investments of the component units of the City are reported at fair value and consist of the following at December 31, 2019 (in 000's):

	Demand Accounts	Money Market Mutual Funds	COLOTRUST	Alternative Investments	Total
Governmental Activities:					
Barnes & Powers North BID	\$ 23	\$ —	\$ 80	\$ —	\$ 103
Barnes & Powers South BID	—	—	117	—	117
Briargate Center BID	—	773	224	—	997
Creekwalk Marketplace BID	72	—	11,300	—	11,372
CS Downtown Development Authority	17	—	2,242	—	2,259
CS Health Foundation	1,783	136,883	—	6,471	145,137
CS Urban Renewal Authority	259	—	46,591	—	46,850
First & Main BID	—	—	136	—	136
First & Main BID No. 2	10	—	1,786	—	1,796
First & Main North BID	5	—	5	—	10
Greater Downtown CS BID	7	—	447	—	454
Interquest North BID	41	—	1,280	—	1,321
Interquest South BID	33	—	1,373	—	1,406
Interquest Town Center BID	7	—	—	—	7
Powers & Woodmen Commercial BID	12	—	889	—	901
Southwest Downtown BID	566	—	34	—	600
	<u>2,835</u>	<u>137,656</u>	<u>66,504</u>	<u>6,471</u>	<u>213,466</u>
Business-type Activities:					
Fountain Valley Authority	2,012	1,545	—	—	3,557
Aurora-Colorado Springs					
Joint Water Authority	121	—	—	—	121
Various canal & reservoir companies	3,804	—	—	—	3,804
	<u>5,937</u>	<u>1,545</u>	<u>—</u>	<u>—</u>	<u>7,482</u>
Total	<u>\$ 8,772</u>	<u>\$ 139,201</u>	<u>\$ 66,504</u>	<u>\$ 6,471</u>	<u>\$ 220,948</u>

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the government-wide financial statements at December 31, 2019 (in 000's):

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 147,993	\$ 4,921	\$ 152,914
Restricted	<u>65,473</u>	<u>2,561</u>	<u>68,034</u>
Total	<u>\$ 213,466</u>	<u>\$ 7,482</u>	<u>\$ 220,948</u>

Note: Immaterial differences may occur due to rounding.

The carrying amount of the deposits of the component units of the City at December 31, 2019, was \$8,772,000, and the bank balances were \$8,910,000. Of the bank balances, \$2,380,000 was covered by federal deposit insurance, and \$2,193,000 was collateralized in accordance with provisions of the CPDPA. The Colorado Springs Health Foundation and the various canal companies are not public entities. Their excess balances above federal deposit insurance are not covered by the CPDPA. The various canal companies are publicly traded. At December 31, 2019, bank balances exceeded federally insured limits by approximately \$4,337,000.

4. Fair Value Measurement

Governmental Accounting Standards Board Statement No. 72 (GASB 72) *Fair Value Measurement and Application* establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques. According to GASB 72, an investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

The City records assets and liabilities in accordance with GASB 72, which establishes general principles for measuring fair value, provides additional fair value application guidance and enhances disclosures about fair value measurements.

With the exception of COLOTRUST and CSAFE, which are discussed on the following page, the City's investments and derivative instruments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure fair value of assets and liabilities as follows:

Level 1 - Quoted prices in active markets for identical securities.

Level 2 - Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy.

Level 3 - Prices determined using significant unobservable inputs. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

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The following table reflects the fair value of the City's investments and derivative instruments, exclusive of discretely presented component units, as of December 31, 2019 (in 000's):

		Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3	
Assets					
Investments					
Money market mutual funds	\$ 15,201	\$ 15,201	\$ —	\$ —	
Colorado Liquid Asset Trust (COLOTRUST)	23,673	(A)	(A)	(A)	
Colorado Surplus Asset Trust Fund (CSAFE)	35,164	(A)	(A)	(A)	
Repurchase agreements	4,507	4,507	—	—	
Commercial paper	6,033	—	6,033	—	
US treasury securities	191,708	—	191,708	—	
US instrumentality securities	173,910	—	173,910	—	
Domestic corporate fixed-income securities	37,731	—	37,731	—	
Municipal bond	8,126	—	8,126	—	
Certificates of deposit	1,454	—	1,454	—	
Supra-national securities	7,705	—	7,705	—	
Domestic equities	1,023	1,023	—	—	
Guaranteed investment contract	6,799	—	6,799	—	
Mortgages pooled	7,023	—	7,023	—	
Domestic partnership	350	—	—	350	
Total investments	<u>\$ 520,407</u>	<u>\$ 20,731</u>	<u>\$ 440,489</u>	<u>\$ 350</u>	
Liabilities					
Derivative instruments	\$ 100,410	\$ —	\$ 100,410	\$ —	
Total derivative instruments	<u>\$ 100,410</u>	<u>\$ —</u>	<u>\$ 100,410</u>	<u>\$ —</u>	

Note: Immaterial differences may occur due to rounding.

(A) During the year, the City invested in COLOTRUST and CSAFE, local government investment pools. The valuation is measured at net asset value and is designed to approximate the share value. The pools' Board of Trustees, elected by the participants, is responsible for overseeing the management of the investment pools, including establishing operating standards and policies. COLOTRUST and CSAFE are designed to provide local governments with a convenient method for investing in short-term investments carefully chosen to provide maximum safety and liquidity, while still maximizing interest earnings.

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The following table reflects the fair value of the investments for component units of the City as of December 31, 2019 (in 000's):

		Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3	
Governmental Activities Assets					
Investments					
Money market mutual funds	\$ 137,656	\$ 137,656	\$ —	\$ —	
Colorado Liquid Asset Trust (COLOTRUST)	66,504	(A)	(A)	(A)	
Alternative investments	6,471	(B)	(B)	(B)	
Derivative instruments	333	—	333	—	
	210,964	137,656	333	—	
Business-type Activities Assets					
Investments					
Money market mutual funds	1,545	1,545	—	—	
	1,545	1,545	—	—	
Total	\$ 212,509	\$ 139,201	\$ 333	\$ —	

Note: Immaterial differences may occur due to rounding.

(A) During the year, the component units of the City invested in COLOTRUST, a local government investment pool. The valuation is measured at net asset value and is designed to approximate the share value. The pool's Board of Trustees, elected by the participants, is responsible for overseeing the management of COLOTRUST, including establishing operating standards and policies. COLOTRUST is designed to provide local governments with a convenient method for investing in short-term investments carefully chosen to provide maximum safety and liquidity, while still maximizing interest earnings.

(B) In accordance with GASB 72, component units of the City are not required to classify investments in certain entities that calculate net assets value per share (or its equivalent) in the fair value hierarchy above.

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B. Receivables

Receivables for governmental funds, proprietary funds, fiduciary funds and component units at December 31, 2019, include the following (in 000's):

	General	Utilities	PACE	MHS	Non-Major & Other	Total
Interest	\$ —	\$ 1,005	\$ —	\$ —	\$ —	\$ 1,005
Taxes	43,232	—	—	—	28,769	72,001
Accounts	5,846	102,253	7,231	—	49,329	164,659
Lease	—	—	—	91,655	2,139	93,794
Assessments	—	—	—	—	3,684	3,684
Intergovernmental loans	—	—	—	—	25,462	25,462
Notes and loans	237	—	—	—	3,467	3,704
Gross receivables	49,315	103,258	7,231	91,655	112,850	364,309
Less: allowances for uncollectibles	(50)	(2,982)	—	—	(15,428)	(18,460)
Net receivables	\$ 49,265	\$ 100,276	\$ 7,231	\$ 91,655	\$ 97,422	\$ 345,849

Note: Immaterial differences may occur due to rounding.

Loans receivable of \$10,049,521 are included in receivables - net of an allowance of \$15,412,861 in the statement of net position/balance sheet as of December 31, 2019, for Community Development Division (CDD). These loans were funded with HOME (Federal Home Investment Partnership Act), CDBG (Community Development Block Grant), CHFA (Colorado Housing Finance Authority), and HOPE III (Homeownership Opportunity Program) funds.

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C. Interfund and Component Unit Receivables, Payables and Transfers

Individual fund interfund and component unit receivable and payable balances as of December 31, 2019, were:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utilities	\$ 3,360,736
	Non-major Governmental Funds	11,988,262
	Internal Service Funds	2,622,196
		<u>17,971,194</u>
Utilities	General Fund	54,914
	Non-major Governmental Funds	3,380,107
	Non-major Business-type Funds	45,635
	Internal Service Funds	330
	Component Unit	<u>1,492</u>
		<u>3,482,478</u>
Non-major Business-type Funds	General Fund	1,361,927
	Utilities	<u>1,189,489</u>
		<u>2,551,416</u>
Internal Service Funds	Utilities	57,538
		<u>57,538</u>
Component Unit	General Fund	6,709,522
	Utilities	<u>11,695</u>
		<u>6,721,217</u>
Total		<u>\$ 30,783,843</u>

Note: Immaterial differences may occur due to rounding.

A major portion of the total due to Utilities from Non-major Governmental Funds resulted from a 2002 sale of a gas operations building between the funds.

The majority of the balance of \$1,361,927 due to Non-major Business-type Funds from the General Fund resulted from construction of the parking facility for the General Fund's use; \$1,281,757 of the balance is due beyond one year.

All remaining balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

	Transfers In:			Total Transfers Out
	General Fund	Non-major Governmental Funds	Non-major Enterprise Funds	
Transfers out:				
General Fund	\$ —	\$ 9,816,443	\$ —	\$ 9,816,443
Non-major governmental funds	471,604	425,000	304,301	1,200,905
Utilities	36,349,000	—	—	36,349,000
Transfers in	36,820,604	10,241,443	304,301	47,366,348
Capital asset transfer	(1,966,848)	—	—	(1,966,848)
Total transfers in	<u>\$ 34,853,756</u>	<u>\$ 10,241,443</u>	<u>\$ 304,301</u>	<u>\$ 45,399,500</u>

Transfers were made in accordance with budgetary authorizations for the following purposes:

- 1) From General Fund into Non-major Governmental Funds: to move unrestricted revenues collected in the General Fund to finance various capital projects;
- 2) From Non-major Governmental Funds to General Fund: to move fund balance from the Cable Franchise Fund due to changes in revenue collection practices;
- 3) From Non-major Governmental Funds to Non-major Governmental Funds: to move LART contributions to finance various capital projects;
- 4) From Non-major Governmental Funds to Non-major Enterprise Funds: to move the annual allocated earnings into the Cemetery Enterprise Fund;
- 5) From Utilities to General Fund: to transfer Utilities surplus detailed in Note III.D. below, some other minor cost sharing projects between the two funds, and capital assets.

D. Transfer of Surplus

As allowed by City Charter, section 6-40(b), Utilities provides transfers of surplus to the City. These amounts are based on actual sales inside the City, and rates are fixed per kilowatt hour of electricity and per thousand cubic feet of natural gas. The money is transferred every month from Utilities to the General Fund of the City as they become available. Payments are recorded as transfers on the statement of revenues. In 2019, the amount transferred was \$34.0 million.

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E. Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (deferred inflows of resources). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At the end of 2019, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
	<u> </u>	<u> </u>
Loans	\$ 10,049,521	\$ —
Property taxes	28,365,203	—
Grant drawdowns prior to meeting all eligibility requirements	—	13,364,210
Other unearned revenue	<u>—</u>	<u>4,015,327</u>
 Total unavailable/unearned revenue for governmental funds	 <u><u>\$ 38,414,724</u></u>	 <u><u>\$ 17,379,537</u></u>

F. Inventories

Inventories held for resale, exclusive of component units, are reported at the lower of cost or market. Inventories of supplies are reported at cost. Proprietary fund inventories, including internal service funds, consist of the following at December 31, 2019:

Materials and supplies	\$ 43,488,543
Fuel	<u>11,255,636</u>
 Total	 <u><u>\$ 54,744,179</u></u>

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G. Changes in Capital Assets

The following schedule reflects the changes in capital assets, exclusive of discretely presented component units, for governmental activities for the year ended December 31, 2019 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 364,631	\$ 5,014	\$ —	\$ 369,645
Construction in progress	30,471	23,483	(28,232)	25,722
Total capital assets not being depreciated	395,102	28,497	(28,232)	395,367
Capital assets being depreciated:				
Buildings	188,811	20,887	(448)	209,250
Improvements other than buildings	87,155	2,968	(6)	90,117
Machinery and equipment	168,953	20,389	(7,119)	182,223
Intangibles	20,760	19	(35)	20,744
Infrastructure	1,438,920	61,521	(15,472)	1,484,969
Total capital assets being depreciated	1,904,599	105,784	(23,080)	1,987,303
Less accumulated depreciation for:				
Buildings	(86,943)	(4,723)	241	(91,425)
Improvements other than buildings	(34,809)	(3,516)	6	(38,319)
Machinery and equipment	(124,536)	(10,249)	6,799	(127,986)
Intangibles	(9,473)	(898)	26	(10,345)
Infrastructure	(608,324)	(39,244)	9,785	(637,783)
Total accumulated depreciation	(864,085)	(58,630)	16,857	(905,858)
Total capital assets being depreciated, net	1,040,514	47,154	(6,223)	1,081,445
Governmental activities capital assets, net	\$ 1,435,616	\$ 75,651	\$ (34,455)	\$ 1,476,812

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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The following schedule reflects the changes in capital assets, exclusive of discretely presented component units, for business-type activities for the year ended December 31, 2019 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 220,699	\$ 27,699	\$ (3,553)	\$ 244,845
Intangible	35,023	3,565	—	38,588
Construction in progress	168,044	229,895	(212,148)	185,791
Total capital assets not being depreciated	423,766	261,159	(215,701)	469,224
Capital assets being depreciated:				
Buildings	98,831	892	(2,335)	97,388
Improvements other than buildings	309,793	26,332	(9,974)	326,151
Machinery and equipment	42,578	2,581	(1,664)	43,495
Infrastructure	47,933	8,695	—	56,628
Utilities plant	6,085,249	280,891	(119,997)	6,246,143
Intangible	81,021	822	—	81,843
Total capital assets being depreciated	6,665,405	320,213	(133,970)	6,851,648
Less accumulated depreciation for:				
Buildings	(56,200)	(2,552)	1,468	(57,284)
Improvements other than buildings	(142,582)	(12,940)	9,935	(145,587)
Machinery and equipment	(26,512)	(2,591)	1,596	(27,507)
Infrastructure	(14,597)	(1,672)	—	(16,269)
Utilities plant	(2,433,810)	(162,085)	18,807	(2,577,088)
Intangible	(51,104)	(2,748)	—	(53,852)
Total accumulated depreciation	(2,724,805)	(184,588)	31,806	(2,877,587)
Total capital assets being depreciated, net	3,940,600	135,625	(102,164)	3,974,061
Business-type activities capital assets, net	<u>\$ 4,364,366</u>	<u>\$ 396,784</u>	<u>\$ (317,865)</u>	<u>\$ 4,443,285</u>

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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Depreciation expense was charged to governmental activities and business-type activities as of December 31, 2019, as follows (in 000's):

Governmental Activities:

General government	\$ 3,064
Public safety	5,429
Public works	44,412
Parks	5,124
Planning	113
Internal service funds	28
Total depreciation expense governmental activities	<u>58,170</u>
Accumulated depreciation recorded through asset transfers from business-type activities	<u>460</u>
	<u><u>\$ 58,630</u></u>

Business-type Activities:

Utilities	\$ 164,773
Non-major enterprise funds	<u>19,735</u>
Total depreciation expense business-type activities	<u>184,508</u>
Accumulated depreciation recorded through asset transfers from governmental-type activities	<u>80</u>
	<u><u>\$ 184,588</u></u>

Note: Immaterial differences may occur due to rounding.

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The following schedule reflects the changes in discretely presented component unit capital assets for governmental activities for the year ended December 31, 2019 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Construction in progress	\$ —	\$ 157,938	\$ (142,363)	\$ 15,575
Capital assets being depreciated:				
Buildings	—	1,805	—	1,805
Improvements other than buildings	7,688	1,579	—	9,267
Machinery and equipment	122	6	—	128
Infrastructure	39,353	6,144	—	45,497
Total capital assets being depreciated	47,163	9,534	—	56,697
Less accumulated depreciation for:				
Buildings	—	(10)	—	(10)
Improvements other than buildings	(1,720)	(316)	—	(2,036)
Machinery and equipment	(103)	(10)	—	(113)
Infrastructure	(9,062)	(1,270)	—	(10,332)
Total accumulated depreciation	(10,885)	(1,606)	—	(12,491)
Total capital assets being depreciated, net	36,278	7,928	—	44,206
Governmental activities capital assets, net	\$ 36,278	\$ 165,866	\$ (142,363)	\$ 59,781

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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The following schedule reflects the changes in discretely presented component unit capital assets for business-type activities for the year ended December 31, 2019 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 65	\$ —	\$ —	\$ 65
Construction in progress	1,450	2,109	(2,500)	1,059
Total capital assets not being depreciated	1,515	2,109	(2,500)	1,124
Capital assets being depreciated:				
Utilities plant	124,563	2,794	(910)	126,447
Less accumulated depreciation for:				
Utilities plant	(58,768)	(1,512)	376	(59,904)
Total capital assets being depreciated, net	65,795	1,282	(534)	66,543
Business-type activities capital assets, net	<u>\$ 67,310</u>	<u>\$ 3,391</u>	<u>\$ (3,034)</u>	<u>\$ 67,667</u>

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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H. Leases**1. Operating Leases**

Total rental expense on all operating leases, including month-to-month leases, for the year ended December 31, 2019, was \$1,221,416 for governmental activities and \$180,003 for business-type activities. The following schedule shows minimum rental payments for succeeding years for both governmental and business-type activities:

Year ending December 31:	Governmental Activities	Business-type Activities
2020	\$ 534,272	\$ 110,912
2021	546,070	110,431
2022	510,544	110,706
2023	135,751	110,729
2024	50,370	—
Total	<u>\$ 1,777,007</u>	<u>\$ 442,778</u>

2. Operating Leases (Component Units)

The City's component units for governmental activities had no operating lease rental expense for 2019. The Pikes Peak Regional Communications Network (PPRCN) was the only City business-type activity that had operating lease rental expense for 2019, which was \$72,026. The following is a schedule of minimum rental payments for PPRCN for succeeding years:

Year ending December 31:	Business-type Activities
2020	\$ 80,923
2021	48,415
2022	29,360
2023	24,411
2024	6,166
Total	<u>\$ 189,275</u>

3. Capital Leases

The City has entered into various capital lease commitments in order to acquire a building, machinery and equipment. The building, machinery and equipment so acquired are capitalized in the government-wide financial statements and in the business-type activities/proprietary fund financial statements. All related lease payments are subject to annual appropriation and made from the acquiring fund. Should the City not appropriate monies for these payments, the building, machinery or equipment would revert to the lessor.

Future minimum lease obligations consist of governmental activities and business-type activities. The following schedule shows these obligations, and their net present value as of December 31, 2019, exclusive of component units, (in 000's):

Year	Governmental Activities	Business-type Activities
2020	\$ 4,793	\$ 166
2021	4,396	—
2022	3,903	—
2023	2,049	—
2024	605	—
2025-2029	1,808	—
Future minimum lease payments	17,554	166
Amount representing interest	(1,040)	(4)
Present value of net minimum payments	\$ 16,514	\$ 162

Note: Immaterial differences may occur due to rounding.

These capital leases represent agreements for certain capital assets, which have been included as assets as follows (in 000's):

	Governmental Activities	Business-type Activities
Building	\$ 4,436	\$ —
Machinery and equipment	19,192	1,143
Accumulated depreciation	(7,133)	(975)
Net capitalized lease property	\$ 16,495	\$ 168

Note: Immaterial differences may occur due to rounding.

Amortization of the leased property is included in depreciation expense.

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4. Capital Leases (Component Units)

Fountain Valley Authority leases various plant assets under a capital lease agreement expiring December 31, 2025. As of December 31, 2019, future minimum payments under the Fountain Valley Authority capital lease consisted of the following (in 000's):

Year	Business-type Activities
2020	\$ 5,334
2021	5,336
2022	4,918
2023	275
Future minimum lease payments	15,863
Amount representing interest	(923)
Present value of net minimum payments	<u>\$ 14,940</u>

Note: Immaterial differences may occur due to rounding.

Property recorded under the capital lease for Fountain Valley Authority is as follows (in 000's):

	Business-type Activities
Assets:	
Utilities plant	\$ 74,982
Accumulated depreciation	(29,228)
Net capitalized lease property	<u>\$ 45,754</u>

Note: Immaterial differences may occur due to rounding.

Amortization of the plant cost has been included in depreciation expense.

5. Lease and Integration Agreements

Memorial Health System

For many years, the City owned and operated Memorial Health System (MHS System), which consisted of hospitals and provided medical services, as an enterprise of the City (MHS). Effective October 1, 2012, the MHS System was leased to University of Colorado Health (UCH), under a Lease Agreement and related instruments approved by the electors of the City.

Under the Lease Agreement, the City leased the MHS System facilities and transferred its operations to the Lessee. The Lease Agreement and related instruments contained transition provisions regarding liabilities assumed by the Lessee and certain liabilities which were not assumed. The term of the Lease Agreement was initially 40 years, with the option in year nine, upon mutual agreement of the parties, to extend the term by additional one-year terms to be

automatically added to the original term on each anniversary date of the effective date, commencing on the tenth anniversary of the effective date. The Lease Agreement is subject to certain early termination provisions.

In addition to a lump sum payment made at Lease inception, the Lease Agreement also provides for various payments to MHS over the term of the Lease Agreement, including fixed payments of \$467,676 per month for 30 years. MHS recorded the present value of the future lease payments as a lease receivable using an imputed discount interest rate of approximately 3%.

As of December 31, 2019, future minimum payments under the capital lease consisted of the following (in 000's):

Year	Amount
2020	\$ 5,612
2021	5,612
2022	5,612
2023	5,612
2024	5,612
2025-2029	28,061
2030-2034	28,061
2035-2039	28,061
2040-2042	15,433
Future minimum lease payments	127,676
Amount representing discount interest	(36,021)
Present value of net minimum payments	<u>\$ 91,655</u>

Note: Immaterial differences may occur due to rounding.

The Lessee is also required to make Margin Sharing Payments to MHS throughout the 40-year term of the Lease Agreement equal to 5% of the excess in any fiscal year of Operating EBITDA (as defined in the lease) over a baseline annual margin of 8%. While no amounts have been recorded in the accompanying financial statements relating to future contingent Margin Sharing Payments, since 2015, MHS has received and recognized \$5.8 million. The Lessee is also obligated to spend an annual average of \$28 million for capital improvements during the term of the Lease Agreement and UCH is obligated under the Lease related instruments to provide \$3 million annually for 40 years to fund the development of a branch of the University of Colorado, School of Medicine in Colorado Springs. To the best of the City's knowledge, the Lessee has been in compliance with these capital investment requirements.

Concurrent with the lease of facilities and transfer of operations under the Lease Agreement, MHS derecognized MHS System assets and the UCH assumed liabilities relating to the MHS System operations and all leased property and equipment. Certain assets and liabilities were specifically excluded from the Lease Agreement and remain as assets and liabilities of MHS.

UCH and certain related entities have agreed that they generally will not individually or collectively provide any service within the city limits of Colorado Springs that competes with the services or operations of the MHS System hospitals as they existed as of October 1, 2012, for a period of two years beyond the expiration of the term of the Lease Agreement. The City has agreed that it generally will not provide any service within the city limits of Colorado Springs that competes with the services or operations of the MHS System hospitals being operated by the Lessee throughout the term of the Lease Agreement.

The parties to the Lease Agreement may terminate the Lease Agreement at any time by mutual written agreement. The Lease Agreement may be terminated by either party in the event of certain default provisions, as defined. Upon the expiration or termination of the Lease Agreement, the Lessee must convey to the City the facilities and expansions to the facilities of the MHS System hospitals. The Lessee must also transfer all assets and assign all claims and liabilities relating to the MHS System hospitals' operations at the time of the expiration or termination. As a condition to the transfer of the assets and liabilities upon expiration or termination, the City must pay the Lessee an amount representing the fair market value of the MHS System hospitals' operating businesses as of such date, as is more thoroughly defined in the Lease Agreement.

Colorado Springs Health Foundation - In connection with the Lease Agreement and contemplated transaction, Colorado Springs Health Foundation (CSHF) was established in 2012 pursuant to the provisions of City Council Resolution No. 121-12. As further provided in that resolution, and subject to any obligation payable by CSHF under a Guaranty and Indemnification Agreement (the "Guaranty") executed by CSHF, CSHF receives distributions of funds related to the lease transaction for the purpose of addressing community health issues in the MHS System service area. In accordance with the Lease and the Guaranty, in order to fulfill certain indemnification against claims and other obligations that the City or MHS has to UCH, CSHF held \$50 million in a "segregated account" through October 1, 2015. After that date, CSHF was required to hold \$25 million in the "segregated account" through October 1, 2017. Such claims and obligations are subject to a dispute resolution process. As of December 31, 2017, funds are no longer required to be segregated and no material claims or obligations exist.

In November 2015, City Council approved Resolution No. 109-15, approving a Funds Management Agreement between the City and CSHF. The Funds Management Agreement provides greater clarity with respect to how lease proceeds will be transferred to CSHF and the manner in which CSHF will invest funds.

Third Party Payer Settlements - Pursuant to the Lease Agreement, the recorded amounts of Medicare and Medicaid cost report liabilities, liabilities under the Medicare Recovery Audit Contractor Program and other accrued commercial payer liabilities were assumed by the Lessee.

However, the differences between the actual settlements under third-party payer agreements and the estimated settlements included in the working capital calculations discussed above will result in net payments to or from the Health System. Laws and regulations that govern these payer systems, including Medicare and Medicaid, are extremely complex. As a result, the actual settlements could be materially different from the estimated settlement amounts used in the working capital calculations. As of December 31, 2015, the Lessee identified approximately \$5.3 million due to the City as a result of third-party payer settlements to date, as well as other reconciliations. During 2016, City Council approved Ordinance 16-37, approving the transfer of these funds, less audit fees, to CSHF. During 2017, the Lessee transferred \$2.6 million to the

City. City Council approved Ordinance 17-43, approving the transfer of these funds, less audit fees, to CSHF. No transfers were made to CSHF for third-party payer settlements in 2019.

Recording of Contingent Liabilities - The ultimate amounts owed by MHS relating to the above contingencies are not reasonably determinable. MHS has recorded a liability which encompasses all contingent liabilities and a promise to transfer to CSHF all net proceeds, after expenses, of the lease transaction.

Airport

The Airport leases facilities, infrastructure, and land to various parties, including but not limited to airlines, concessionaires, and others. Substantially all of the leases are operating leases for land, buildings, and terminal space. The leases contain provisions for cancellation by either party if certain conditions are met. Effective July 1, 2018, a new ten year rental car agreement was entered into between the Airport and all on-site rental car companies. This agreement will expire June 30, 2028. The following is a schedule, by year, of minimum future rentals of the operating leases as of December 31, 2019 (in 000's):

Year	Amount
2020	\$ 9,815
2021	9,281
2022	5,944
2023	5,692
2024	5,079
2025-2029	17,942
2030-2034	5,771
2035-2039	5,393
2040-2044	5,002
2045-2049	4,785
2050-2054	3,916
2055-2059	1,538
2060-2064	864
2065-2069	564
	<u>\$ 81,586</u>

Note: Immaterial differences may occur due to rounding.

Minimum future rentals do not include contingent rentals, which may be received under certain leases on the basis of revenue, fuel flow, or number of uses. Contingent rentals amounted to \$2,331,731 for the year ended December 31, 2019.

I. Revolving Loan Agreement/Letter of Credit

On September 4, 2019, Utilities amended the Revolving Loan Agreement (Credit Line) with U.S. Bank National Association dated as of September 8, 2016. As of December 31, 2019, Utilities may receive advances up to \$60.0 million under the Credit Line to fund Utilities' operating needs and normal expenditures including, without limitation, regularly scheduled capital expenses. Utilities' repayment obligations under the Credit Line is limited to the net pledged revenues on a subordinate basis to the parity bonds and certain related obligations. The 2019 Credit Line expires on September 9, 2022. Utilities has entered into agreements similar to this Credit Line over the past several years and to date, Utilities has not drawn on any such agreement.

On November 24, 2015, City Council approved Ordinance 15-83 authorizing the issuance of up to \$150.0 million in commercial paper notes (Series A Notes and Series B Notes collectively the Notes). The maximum principal amount of the commercial paper notes which may be outstanding at any time is limited to \$75.0 million for each series. In October 2018, Utilities terminated the Irrevocable Transferable Direct-Pay Letters of Credit for the Notes and suspended the commercial paper program, and there was no outstanding principal balance as of December 31, 2019. Market conditions will determine if and when the City (on behalf of Utilities) will deliver more commercial paper notes.

J. Long-term Debt

The City has outstanding long-term debt in the form of several instruments. General Obligation bonds are direct obligations that pledge the full faith and credit of the City for the repayment of principal and interest. Certificates of participation and lease/lease purchase agreements are issued for particular projects and are repaid from lease payments made by the City for use of the acquired property. Special assessment bonds and notes are used to finance projects, which benefit particular properties and are repaid solely from charges levied upon the benefiting properties. While principal and interest payments are intended to be paid solely from revenues derived from assessments levied upon the benefiting property, the City may choose to commit resources should the need arise. Proprietary fund principal and interest payments on revenue bonds and notes payable are pledged solely from revenues of the proprietary fund operation.

There were no known violations of the terms or provisions of the various contracts and agreements relating to long-term debt during this reporting period.

During 2019, the City issued \$9,000,000 in Certificates of Participation to finance the costs of certain projects and costs of issuance. The City expects to apply the proceeds towards the costs of constructing a new fire station, police firing range and the replacement of the ice chiller at Sertich Ice Arena. Payments continue through 2039 with the interest rates ranging from 4.00% to 5.00%

During 2019, Utilities issued \$84,090,000 of Utilities System Refunding Revenue Bonds, Series 2019A, to refund outstanding Variable Rate Demand Utilities System Subordinate Lien Revenue Bonds, Series 2000A. The reacquisition price of the refunded bonds equaled the net carrying amount of the old debt. As a result, the debt service payments were reduced by a total of \$6,527,331 and resulted in a net present value savings of \$4,225,469.

During 2019, Creekwalk Marketplace Business Improvement District issued \$24,230,000 in Series 2019A Limited Tax Supported and Special Revenue Senior Bonds and \$2,500,000 in Series 2019B Subordinate Bonds. The proceeds from the sale of the bonds will be used to finance certain public improvements, a reserve fund, capitalized interest, and pay the costs of issuance. The Series

2019A Bonds are serial bonds with a final maturity of 2049 with interest rates ranging from 5.00% to 5.75%. The Series 2019B Bonds are term bonds with a final maturity of 2049 with an interest rate of 8.00%.

Sales Tax Increment Financings - During 2019, the City approved a resolution authorizing CSURA to use 87.5% of the annual City General Fund sales tax increments generated within the True North Commons Urban Renewal Project Plan area. The dedication of these sales tax increments shall be for a period not to exceed 25 years.

During 2018, the City approved a resolution authorizing CSURA to use 87.5% of the annual City General Fund sales tax increments generated within the Museum and Park Urban Renewal Project Plan area. The dedication of these sales tax increments shall be for a period not to exceed 25 years.

During 2018, the City approved a resolution authorizing CSURA to use 87.5% of the annual City General Fund sales tax increments generated within the Tejon and Costilla Urban Renewal Project Plan area. The dedication of these sales tax increments shall be for a period not to exceed 25 years.

During 2015, the City approved a resolution authorizing CSURA to use 87.5% of the annual City General Fund sales tax increments generated within the Gold Hill Mesa Commercial Urban Renewal Plan area for the first 5 years and 75% for the remaining 20 years. The dedication of these sales tax increments shall be for a period not to exceed 25 years.

During 2015, the City approved a resolution authorizing CSURA to use 87.5% of the annual City General Fund sales tax increments generated within the South Nevada Area Urban Renewal Project Urban Renewal Plan area for the first 5 years and 75% for the remaining 20 years. The dedication of these sales tax increments shall be for a period not to exceed 25 years.

During 2013, the City approved a resolution authorizing CSURA to use 50% of the annual City General Fund sales tax increments generated within the Copper Ridge Metropolitan District area. During 2019, the dedication of these sales tax increments was amended to extend the 25 year duration period through 2044.

During 2012, the City approved a resolution authorizing CSURA to use 100% of the annual City General Fund sales tax increments generated within the Ivywild Urban Renewal area. The dedication of these sales tax increments shall be for a period from January 24, 2012 through June 28, 2036.

During 2007, the City approved a resolution authorizing CSURA to use 100% of the annual City General Fund sales tax increments generated within the North Nevada Avenue corridor Urban Renewal area. The dedication of these sales tax increments shall be for a period not to exceed 23 years and is estimated to total \$98,800,000. The increment will be utilized to support a bond issue that will fund needed infrastructure improvements and administrative expenses within the renewal area.

1. Summary of Long-term Debt

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
Governmental Activities¹					
General Obligation Bonds					
Spring Creek GID Series 2005	\$ 2,695	\$ 275	\$ 16	5.900%	2007 - 2020
Briargate GID Series 2014	8,960	4,710	690	2.960	2015 - 2030
Marketplace at Austin Bluffs GID Series 2008	2,790	2,000	1,072	6.500	2010 - 2033
Certificates of Participation					
Refunding COP Series 2011	13,485	205	7	3.250 - 5.000	2011 - 2020
Refunding COP Series 2017	29,930	28,935	13,630	3.000 - 5.250	2018 - 2039
COP Series 2019	9,000	9,000	4,571	4.000 - 5.000	2020 - 2039
Lease/Lease Purchase					
Lease Purchase Series 2016	13,690	9,835	647	1.620	2017 - 2026
Total Governmental Activities	\$ 80,550	\$ 54,960	\$ 20,633		
Business-type Activities²					
Utilities Revenue Bonds					
Series 2000B	\$ 15,000	\$ 1,350	\$ 101	7.500%	2001 - 2020
Series 2005A	100,000	77,220	34,550	resets weekly	2010 - 2035
Series 2006B	75,000	61,300	25,767	resets weekly	2011 - 2036
Series 2007A	75,000	57,770	19,232	resets weekly	2008 - 2037
Series 2008A	50,000	38,790	18,728	resets weekly	2009 - 2038
Series 2008D	3,631	519	11	1.350	2008 - 2021
Series 2009A	60,750	6,875	2,006	2.250 - 5.000	2010 - 2033
Series 2009B-2	64,450	64,450	41,238	4.949 - 5.545	2010 - 2039
Series 2009C	66,455	57,525	26,235	resets weekly	2010 - 2028
Series 2009D-2	56,750	53,115	60,294	4.164 - 6.313	2016 - 2049
Series 2010A	139,835	87,205	29,297	0.600 - 5.467	2011 - 2040
Series 2010B-2	174,295	168,120	177,275	3.397 - 5.738	2016 - 2050
Series 2010C	50,000	40,635	19,574	resets weekly	2011 - 2040
Series 2010D	224,520	175,940	145,185	1.324 - 5.158	2011 - 2040
Series 2011A	167,490	80,655	21,201	2.000 - 5.000	2012 - 2033
Series 2012A	50,000	41,875	22,015	resets weekly	2012 - 2041
Series 2012B	108,015	88,345	37,016	3.000 - 5.000	2013 - 2043
Series 2012C	157,670	88,865	42,171	3.000 - 5.000	2013 - 2042
Series 2013A	97,580	91,780	48,593	1.500 - 5.000	2014 - 2045
Series 2013B-1	58,915	52,360	38,596	1.500 - 5.000	2014 - 2043
Series 2013B-2	68,645	61,375	45,531	2.000 - 5.000	2014 - 2043
Series 2014A-1	58,515	57,530	41,465	4.000 - 5.000	2019 - 2044
Series 2014A-2	53,995	53,105	38,178	4.000 - 5.000	2019 - 2044
Series 2015A	82,975	79,575	41,037	3.000 - 5.000	2018 - 2048
Series 2017A-1	89,750	88,295	38,606	3.000 - 5.000	2018 - 2042
Series 2017A-2	84,340	82,010	72,263	2.500 - 5.000	2018 - 2047
Series 2017A-3	66,090	43,235	6,054	5.000	2018 - 2023
Series 2018A-1	125,645	124,345	33,636	3.000 - 5.000	2018 - 2026
Series 2018A-2	39,500	38,820	34,565	3.000 - 5.000	2019 - 2048
Series 2018A-3	4,810	4,520	1,665	5.000	2019 - 2033
Series 2018A-4	56,860	55,915	50,056	4.000 - 5.000	2019 - 2048
Series 2019A	84,090	84,090	41,688	5.000	2027 - 2029
PACE Revenue Bonds Series 2008	653,210	578,480	459,096	5.750 - 6.500	2009 - 2038
Parking System Revenue Bonds Series 2015	9,520	6,040	662	2.430	2015 - 2027

(continued)

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
Business-type Activities²					
(continued)					
Pikes Peak America's Mountain Revenue Bonds Series 2018	\$ 30,050	\$ 29,650	\$ 26,833	3.750 - 5.250%	2019 - 2048
Notes Payable					
Airport, 2014	2,336	1,240	95	2.500	2015 - 2024
Airport, 2016	3,431	2,489	255	2.500	2017 - 2026
Drinking Water - Utilities, 2009	8,600	5,252	788	2.500	2011 - 2030
Total Business-type Activities	\$ 3,317,718	\$ 2,730,660	\$ 1,741,558		
Component Units²					
Special Assessment Revenue Bonds					
Briargate Center BID Series 2006	\$ 7,360	\$ 3,515	\$ 832	4.500 - 4.900%	2006 - 2007
Urban Renewal Authority Series 2016B ³	5,879	1,273	—	6.750	N/A
Urban Renewal Authority Series 2018A	7,325	7,325	7,126	5.750	2021 - 2047
Urban Renewal Authority Series 2018B ³	1,156	1,156	—	8.125	N/A
Limited Tax General Obligation Bonds					
Barnes & Powers North BID Series 2007	4,000	3,240	2,209	6.500	2009 - 2036
Barnes & Powers South BID Series 2007	835	435	120	6.500	2009 - 2026
First & Main BID Series 2009	1,650	1,390	1,461	8.500	2009 - 2038
First & Main North BID Series 2005	1,927	1,483	853	6.000	2005 - 2035
First & Main No. 2 BID Series 2009	2,400	2,105	2,212	8.500	2011 - 2038
First & Main No. 2 BID Series 2015	1,750	1,640	1,799	6.750	2015 - 2044
Interquest North BID Series 2010	6,500	5,865	6,676	8.500	2012 - 2040
Interquest North BID Series 2016	4,765	4,660	6,268	8.500	2017 - 2045
Powers & Woodmen Commercial BID Series 2010	1,850	1,640	1,823	8.500	2011 - 2039
Revenue Bonds					
First & Main No. 2 BID Series 2011	2,000	1,675	1,445	8.500	2011 - 2035
First & Main No. 2 BID Series 2015	1,725	1,620	1,380	6.750	2017 - 2039
Interquest South BID Series 2017	4,000	3,975	3,698	4.500 - 5.000	2018 - 2047
Urban Renewal Authority Series 2017	39,000	38,700	9,321	3.330	2018 - 2027
Urban Renewal Authority Series 2019	12,400	12,400	3,136	3.330	2020 - 2031
Creekwalk Marketplace Series 2019A	24,230	24,230	27,763	5.000 - 8.000	2020 - 2049
Creekwalk Marketplace Series 2019B ³	2,500	2,500	—	8.000	2049
Notes Payable and Lines of Credit					
Barnes & Powers North BID ³	322	195	—	7.000	N/A
Briargate Center BID 2018	3,380	3,125	815	4.770	2019 - 2028
Briargate Center BID 2019 ³	6,196	5,816	—	—	N/A
Colorado Springs Downtown Development ³	1,350	1,350	—	—	N/A
Creekwalk Marketplace ³	496	496	—	7.000	N/A
First & Main North BID ³	366	199	—	7.000	N/A
First & Main No. 2 BID ³	11,183	10,014	—	7.000	N/A
Interquest North BID ³	2,368	1,481	—	7.000	N/A
Interquest South BID ³	2,405	169	—	7.000	N/A
Powers & Woodmen Commercial BID ³	2,034	1,967	—	7.000	N/A
SW Downtown BID ³	828	828	—	7.000	N/A
Interquest Town Center BID ³	17	17	—	8.000	N/A
USAFA Visitor's Center BID ³	77	77	—	7.000	N/A
Urban Renewal Authority, 2008 ³	3,420	3,395	—	5.450	N/A
Urban Renewal Authority, 2009 ³	158	158	—	5.000	N/A
Urban Renewal Authority, 2012 ³	778	569	—	7.000	2013 - 2028
Urban Renewal Authority, 2015 ³	2,500	2,500	—	6.500	N/A
Urban Renewal Authority Series 2016A Senior Loan ³	56,000	44,282	—	variable	N/A
Fountain Valley Authority	10,830	1,417	134	3.030 - 4.400	2001 - 2024
The Lake Meredith Reservoir Company, 2003	1,472	905	304	4.000	2005 - 2034
Total Component Units	\$ 239,432	\$ 199,787	\$ 79,375		

¹Exclusive of capital leases, municipal solid waste landfill and compensated absences

²Exclusive of capital leases and other liabilities

³These items have no repayment schedule

Note: Immaterial differences may occur due to rounding.

2. Changes in Long-term Liabilities

The City has issued and has long-term debt in various instruments. The following is a summary of transactions of the long-term liabilities, exclusive of discretely presented component units, for the year ended December 31, 2019 (in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and notes payable:					
General obligation bonds	\$ 9,805	\$ —	\$ 2,820	\$ 6,985	\$ 855
Certificates of participation	30,165	9,000	1,025	38,140	995
Lease/lease purchase	11,150	—	1,315	9,835	1,340
Capital leases	7,469	13,051	4,006	16,514	4,448
	58,589	22,051	9,166	71,474	7,638
Add issuance premium	2,011	1,603	161	3,453	—
Total bonds and notes payable	60,600	23,654	9,327	74,927	7,638
Other liabilities:					
Municipal solid waste landfill	334	6	—	340	—
Compensated absences	18,159	20,832	20,359	18,632	931
Net pension liability	205,208	124,961	28,768	301,401	—
Net OPEB liability	39,353	1,974	2,283	39,044	—
Developer reimbursements	3,279	—	150	3,129	—
Total other liabilities	266,333	147,773	51,560	362,546	931
Governmental activities long-term liabilities	<u>\$ 326,933</u>	<u>\$ 171,427</u>	<u>\$ 60,887</u>	<u>\$ 437,473</u>	<u>\$ 8,569</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and notes payable:					
Revenue bonds	\$ 2,868,778	\$ 84,090	\$ 231,189	\$ 2,721,679	\$ 99,349
Notes payable	12,126	—	3,145	8,981	986
Capital leases	409	—	247	162	162
	2,881,313	84,090	234,581	2,730,822	100,497
Add issuance premiums/discounts	143,036	26,540	11,432	158,144	—
Total bonds and notes payable	3,024,349	110,630	246,013	2,888,966	100,497
Other liabilities:					
Municipal solid waste landfill	4,649	169	—	4,818	—
Compensated absences	16,833	20,640	20,425	17,048	9,942
Customer deposits	3,466	1,694	1,740	3,420	—
Customer advances for construction	14,933	14,322	6,679	22,576	—
Net pension liability	282,295	115,824	73,188	324,931	—
Net OPEB liability	48,282	6,967	7,825	47,424	—
Derivative instruments	84,755	15,655	—	100,410	—
Other	6,273	2,495	131	8,637	—
Total other liabilities	461,486	177,766	109,988	529,264	9,942
Business-type activities long-term liabilities	<u>\$ 3,485,835</u>	<u>\$ 288,396</u>	<u>\$ 356,001</u>	<u>\$ 3,418,230</u>	<u>\$ 110,439</u>

Note: Immaterial differences may occur due to rounding.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included in the governmental activities totals. Also, municipal solid waste landfill, compensated absences, net pension liability, net OPEB liability, and developer reimbursements for governmental activities are generally liquidated by the General Fund.

Component Units

The following is a summary of long-term debt transactions for component units of the City for the year ended December 31, 2019 (in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Limited tax general obligation bonds	\$ 22,934	\$ —	\$ 476	\$ 22,458	\$ 509
Special assessment revenue bonds	15,899	—	2,630	13,269	295
Revenue bonds	46,385	39,130	415	85,100	1,287
Notes payable	71,081	24,550	18,993	76,638	273
Other	13,628	1,465	2,213	12,880	—
Governmental activities long-term liabilities	<u>\$ 169,927</u>	<u>\$ 65,145</u>	<u>\$ 24,727</u>	<u>\$ 210,345</u>	<u>\$ 2,364</u>
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ 880	\$ —	\$ 880	\$ —	\$ —
Add issuance premiums	23	—	23	—	—
Note payable	3,092	—	770	2,322	743
Capital leases	21,137	—	6,197	14,940	4,879
Business-type activities long-term liabilities	<u>\$ 25,132</u>	<u>\$ —</u>	<u>\$ 7,870</u>	<u>\$ 17,262</u>	<u>\$ 5,622</u>

Note: Immaterial differences may occur due to rounding.

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3. Annual Debt Service Requirements of Long-term Debt

The following is a summary of general obligation bond scheduled maturities as of December 31, 2019 (in 000's):

Year	Governmental Activities		Governmental Activities Component Units	
	Principal	Interest	Principal	Interest
2020	\$ 855	\$ 286	\$ 509	\$ 1,676
2021	605	249	548	1,639
2022	625	227	591	1,598
2023	645	205	630	1,555
2024	690	182	679	1,508
2025-2029	2,865	521	3,959	6,724
2030-2034	700	108	5,502	5,031
2035-2039	—	—	5,835	2,727
2040-2044	—	—	3,540	920
2045	—	—	665	43
Total	<u>\$ 6,985</u>	<u>\$ 1,778</u>	<u>\$ 22,458</u>	<u>\$ 23,421</u>

Note: Immaterial differences may occur due to rounding.

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The following is a summary of revenue bond scheduled maturities as of December 31, 2019 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,287	\$ 3,164	\$ 99,349	\$ 142,025
2021	1,421	3,446	107,659	136,706
2022	1,614	3,394	113,290	131,361
2023	2,359	3,335	117,250	125,757
2024	2,722	3,247	124,845	119,851
2025-2029	41,485	12,684	690,740	501,587
2030-2034	10,377	7,323	605,645	330,133
2035-2039	7,385	5,217	527,285	171,719
2040-2044	5,575	3,262	216,170	62,186
2045-2049	8,375	1,671	110,635	18,589
2050	—	—	8,811	506
Total	<u>\$ 82,600</u>	<u>\$ 46,743</u>	<u>\$ 2,721,679</u>	<u>\$ 1,740,420</u>

Note: Immaterial differences may occur due to rounding.

The governmental activities component units have an additional revenue bond in the amount of \$2,500,000. This amount is to be repaid exclusively from specified revenues, and therefore has no predetermined payback period. As such, this amount is not listed in the above schedule.

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The following is a summary of certificates of participation scheduled maturities as of December 31, 2019 (in 000's):

Year	Governmental Activities	
	Principal	Interest
2020	\$ 995	\$ 1,603
2021	920	1,514
2022	1,010	1,468
2023	1,105	1,417
2024	1,205	1,362
2025-2029	7,805	5,792
2030-2034	11,285	3,608
2035-2039	13,815	1,444
Total	<u>\$ 38,140</u>	<u>\$ 18,208</u>

Note: Immaterial differences may occur due to rounding.

The following is a summary of lease/lease purchase scheduled maturities as of December 31, 2019 (in 000's):

Year	Governmental Activities	
	Principal	Interest
2020	\$ 1,340	\$ 159
2021	1,360	138
2022	1,380	116
2023	1,405	93
2024	1,425	70
2025-2026	2,925	71
Total	<u>\$ 9,835</u>	<u>\$ 647</u>

Note: Immaterial differences may occur due to rounding.

The following is a summary of special assessment bond scheduled maturities as of December 31, 2019 (in 000's):

Year	Governmental Activities Component Units	
	Principal	Interest
2020	\$ 295	\$ 593
2021	505	579
2022	545	553
2023	575	526
2024	615	496
2025-2029	2,480	2,002
2030-2034	1,460	1,520
2035-2039	2,100	1,030
2040-2044	1,090	486
2045-2047	1,175	173
Total	<u>\$ 10,840</u>	<u>\$ 7,958</u>

Note: Immaterial differences may occur due to rounding.

CSURA issued special assessment bonds in 2016 and 2018. These bonds are to be repaid exclusively from specified revenues, and therefore have no predetermined payback period. As such, these bonds are not listed in the above schedule. As of December 31, 2019, the outstanding principal balance is \$2,429,000.

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The following is a summary of notes payable scheduled maturities as of December 31, 2019 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities		Business-type Activities Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 273	\$ 149	\$ 986	\$ 222	\$ 743	\$ 96
2021	286	136	1,011	197	219	71
2022	300	122	1,036	172	226	58
2023	315	108	1,062	146	240	43
2024	329	93	1,088	120	253	29
2025-2029	1,622	207	3,259	271	320	105
2030-2034	—	—	539	10	321	36
Total	<u>\$ 3,125</u>	<u>\$ 815</u>	<u>\$ 8,981</u>	<u>\$ 1,138</u>	<u>\$ 2,322</u>	<u>\$ 438</u>

Note: Immaterial differences may occur due to rounding.

The governmental activities component units have additional combined notes payable and other long-term liabilities in the amount of \$73,513,362. These amounts are to be repaid exclusively from specified revenues, and therefore have no predetermined payback period. As such, these amounts are not listed in the above schedule.

Over the years, the City has issued revenue bonds with pledged revenues as collateral. The revenue bonds have been issued as Utilities revenue bonds, Public Authority for Colorado Energy (PACE) revenue bonds, Parking revenue bonds, and Pikes Peak revenue bonds. These bonds were issued to finance various construction projects within each of the issuing funds, with the pledged revenue coming from the respective fund.

	Amount Pledged (in 000's)	Term of Commitment
Business-type Activities:		
Utilities revenue bonds	\$ 3,361,338	2001 - 2050
PACE revenue bonds	1,037,576	2009 - 2038
Parking revenue bonds	6,702	1999 - 2027
Pikes Peak revenue bonds	56,483	2019 - 2048

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain as to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage, or comparison of pledged revenues net of specific operating expenses, for each pledged debt is provided in Table 12 of the Statistical Section.

K. Industrial Development Revenue Bonds and Other Instruments Issued under the Colorado County and Municipality Development Revenue Bond Act

The City has lent its name to various industrial development revenue bond issues over the years. Proceeds of these bond issues were used to finance various private activities relating to business expansion, construction and development. In addition, Private Activity Bonds (PAB) are a form of tax-exempt financing in which the City acts as the issuer under the County and Municipality Development Revenue Bond Act, section 29-3-101 CRS. PABs were authorized to allow counties and municipalities to promote industry and develop trade or other economic activity by inducing profit or nonprofit enterprises to locate, expand or remain in their communities. The advantage to nonprofit entities that borrow through the City is that they borrow funds at lower interest rates because the bonds are exempt from federal and state income tax.

The City is not liable for the repayment of principal or interest on these bonds and related financial activity is not shown in the financial statements. Prior to 2018, the City assigned its annual allocation to El Paso County. It is possible that PABs, or industrial revenue bonds, were issued during 2019 using this allocation. During 2019, the City retained its PAB allocation in the amount of \$24,866,520. There were no PABs or industrial revenue bonds issued under the City's allocation during 2019.

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L. Fund Balance

Fund balances of the governmental funds at December 31, 2019, include the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>			
Delinquent property taxes receivable	\$ 12,579	\$ —	\$ 12,579
Inventories	255,294	—	255,294
Endowments - CD Smith trust fund	—	1,023,082	1,023,082
Endowment - Cemetery endowment fund	—	11,535,806	11,535,806
Endowment - TOPS maintenance trust fund	—	640,253	640,253
Total nonspendable	267,873	13,199,141	13,467,014
<u>Restricted:</u>			
Debt service	14,204	—	14,204
Emergency reserve - TABOR	9,210,168	—	9,210,168
TABOR refund/retention	1,790,735	72,147	1,862,882
Capital reserve - public safety	8,230,640	—	8,230,640
Capital reserve - parks	2,208,221	—	2,208,221
Bicycle Tax	—	149,281	149,281
Trails/Open Space	—	19,756,614	19,756,614
Conservation Trust	—	1,257,790	1,257,790
Public Safety Sales Tax	—	10,936,647	10,936,647
Road Repair, Maintenance, & Improvement Sales Tax	—	21,539,566	21,539,566
Special Improvement Maintenance Districts - ALL	—	1,033,852	1,033,852
Public improvements - Banning Lewis Ranch	—	3,120,834	3,120,834
General Improvement Districts - ALL	—	1,501,653	1,501,653
Lodgers and Auto Rental Tax	—	2,018,647	2,018,647
Gift Trust - general government	—	173,182	173,182
Gift Trust - public safety	—	373,607	373,607
Gift Trust - public works	—	9,313	9,313
Gift Trust - parks	—	4,075,355	4,075,355
Endowment - CD Smith trust fund	—	181,504	181,504
Endowment - Cemetery endowment fund	—	14,130	14,130
Endowment - TOPS maintenance trust fund	—	210,237	210,237
Total restricted	21,453,968	66,424,359	87,878,327
<u>Committed:</u>			
Public improvements - Public Space and Development	—	5,160,901	5,160,901
Public improvements - Subdivision Drainage	—	6,798,656	6,798,656
Public improvements - Arterial Roadway	—	2,232,857	2,232,857
Public improvements - Park Developer Easement	—	125,815	125,815
Ballfield Capital Improvements	—	13,032	13,032
Street Tree	—	92,868	92,868
Senior Programs	—	548,275	548,275
Therapeutic Recreation	—	4,732	4,732
Capital outlay - general government	1,201,583	18,706,831	19,908,414
Capital outlay - public safety	764,668	—	764,668
Capital outlay - planning	3,789	—	3,789
Capital outlay - public works	6,575,034	—	6,575,034
Capital outlay - parks	74,586	—	74,586
Total committed	8,619,660	33,683,967	42,303,627
<u>Assigned:</u>			
Public improvements - Park Developer Easement	—	56,370	56,370
Public improvements - Banning Lewis Ranch	—	248,405	248,405
Encumbrances - general government	931,514	—	931,514
Encumbrances - public safety	592,904	—	592,904
Encumbrances - planning	90,016	—	90,016
Encumbrances - public works	1,043,432	—	1,043,432
Encumbrances - parks	378,362	—	378,362
Encumbrances - innovation, fleet and facilities	235,027	—	235,027
Encumbrances - capital projects	—	8,968,136	8,968,136
Total assigned	3,271,255	9,272,911	12,544,166
<u>Unassigned:</u>	51,208,209	—	51,208,209
Total unassigned	51,208,209	—	51,208,209
Total Fund Balance	\$ 84,820,965	\$ 122,580,378	\$ 207,401,343

M. Derivatives and Interest Rate Swaps**1. Utilities Derivative Instruments**

Utilities' financial derivatives are acquired with the objective of effectively hedging expected cash flows. Interest rate hedges that are deemed effective by applying methods of evaluating effectiveness pursuant to GASB 53 are recognized as cash flow hedges. Financial derivatives that do not meet the effectiveness criteria are classified as investment derivatives. Changes in the fair value of cash flow hedge derivative instruments are reported as either Deferred Outflows or Inflows of Resources on the Statements of Net Position. Interest rate hedges that are deemed ineffective are recognized as standalone investment derivatives. The change in the fair value of investment derivatives is recognized as Nonoperating Revenues (Expenses) on the Statements of Revenues, Expenses and Changes in Net Position.

Utilities has interest rate hedges based on both the Securities Industry and Financial Markets Association (SIFMA) index and the London Interbank Offered Rate (LIBOR) index. Historically, Utilities' interest rate derivatives based on 68.0% of 1-month LIBOR were classified as cash flow hedges. As of December 31, 2013, these LIBOR-based derivatives are no longer effective pursuant to GASB 53 hedge effectiveness standards and are considered investment derivatives.

Utilities values interest rate derivatives based on valuations provided by Stifel, a third-party valuation service provider for 2019. Baum, the third-party valuation service provider for 2018, was acquired by Stifel in 2019. Valuation methodologies were unchanged in the acquisition. The fair values of the interest rate derivatives are based on present value of their estimated future cash flows and account for the risk of nonperformance.

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Summary of Derivative Instruments

The fair value and notional amount of derivative instruments outstanding at December 31, 2019, classified by type and changes in fair value of such derivative instruments for the year then ended (in 000's):

	2019 Changes in Fair Value		Fair Value at December 31, 2019		
	Classification	Amount	Classification	Amount	Notional
<u>Cash Flow Hedges</u>					
Interest Rate Swaps	Deferred outflows	\$ (4,290)	Derivative instruments	\$ (30,640)	\$ 116,010
Total Cash Flow Hedges		<u>\$ (4,290)</u>		<u>\$ (30,640)</u>	
<u>Investment Derivative</u>					
Interest Rate Swaps	Derivative loss	\$ (11,365)	Derivative instruments	\$ (69,770)	\$ 259,535
Total Investment Derivative		<u>\$ (11,365)</u>		<u>\$ (69,770)</u>	

Note: Immaterial differences may occur due to rounding.

Utilities employs interest rate swap derivatives that are designed to synthetically fix the cash flows on Variable Rate Demand Obligation bonds (VRDO). The variable rate received on the interest rate swaps is intended to offset the variable rate being paid on the obligations so that the fixed rate of the swap is essentially the effective rate incurred by Utilities.

Summary of scheduled projected future cash flows for interest rate derivatives as of December 31, 2019 (in 000's):

December 31,	Projected Future Cash Flows In/(Out) for Hedging Derivatives
2020	\$ (11,058)
2021	(10,703)
2022	(10,332)
2023	(9,943)
2024	(9,534)
2025-2029	(38,244)
2030-2034	(17,878)
2035-2039	(4,859)
2040-2041	(271)
Total	<u>\$ (112,822)</u>

Note: Immaterial differences may occur due to rounding.

Summary of Utilities' pay-fixed interest rate swap agreements outstanding as of December 31, 2019:

	Notional Amount (in 000's)	Effective Date	Maturity Date	Terms	Counterparty
<u>Cash Flow Hedges</u>					
2005A SIFMA Swap	\$ 57,808	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2005A SIFMA Swap	19,413	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	J. Aron & Company
2008A SIFMA Swap	38,790	09/12/08	11/01/38	Pay 4.2686%; receive SIFMA index	Bank of America, N.A.
<u>Investment Derivatives</u>					
2005A SIFMA Swap	430	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2006B New Money LIBOR Swap	24,520	09/14/06	11/01/36	Pay 4.1185%; receive 68% of LIBOR	JPMorgan Chase Bank, N.A.
2006B New Money LIBOR Swap	36,780	09/14/06	11/01/36	Pay 4.1185%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
2007A New Money LIBOR Swap	34,662	09/13/07	11/01/37	Pay 3.1980%; receive 68% of LIBOR	J. Aron & Company
2007A New Money LIBOR Swap	23,108	09/13/07	11/01/37	Pay 3.1980%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
2009C LIBOR Swap (2012 Novation)	57,525	10/01/09	11/01/28	Pay 5.4750%; receive 68% of LIBOR	Wells Fargo Bank, N.A.
2010C LIBOR Swap	40,635	10/26/10	11/01/40	Pay 3.8807%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
2012A LIBOR Swap	41,875	03/15/12	11/01/41	Pay 4.0242%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
Total Notional Amount for Interest Rate Swaps	<u>\$ 375,546</u>				

Note: Immaterial differences may occur due to rounding.

2005A SIFMA Swap - During the fourth quarter 2012, it was discovered that in 2008, Utilities redeemed a portion of its 2005A variable rate bond series through the issuance of the 2008D Clean Renewable Energy Bonds. This transaction created an immaterial difference between the notional size of the bond issuance and the interest rate swap hedge. The overhedged portion of the swap has therefore been declared an investment derivative.

2006A 68% of 1 Month Libor Swap - During the second quarter 2018, Utilities terminated the 2006A Swap with JPMorgan Chase Bank, N.A. and refunded the associated VRDO bond. This termination and refunding was performed using Utilities' Series 2018 A-1 debt issuance, which was approved by the Utilities' Finance Committee and Utilities Board.

2007B SIFMA Swap - During the second quarter 2018, Utilities terminated the 2007B Swap with The Bank of New York Mellon and refunded the associated VRDO bond. This termination and refunding was performed using Utilities' Series 2018 A-1 debt issuance, which was approved by the Utilities' Finance Committee and Utilities Board.

Risk

Utilities routinely monitors and manages risks in the areas of credit risk, interest rate risk and associated basis risk, termination risk, rollover risk, market access risk and foreign currency risk. These risks are discussed in detail below.

Credit Risk - The exposure resulting when the counterparty is unable or unwilling to fulfill its present and future financial obligations. Each of Utilities' interest rate cash flow and investment derivative instruments are held with various counterparties of high credit quality. Utilities views counterparty credit risks that may arise through interest rate derivative transactions as similar between cash flow hedges and investment derivatives.

Long-term counterparty credit ratings from Moody's and S&P at December 31:

Counterparty	Credit Rating 2019
J. Aron & Co.	A3/BBB+
JP Morgan Chase Bank, N.A.	Aa2/A+
Bank of America, N.A.	Aa2/A+
Morgan Stanley Capital Services, Inc.	A3/BBB+
Wells Fargo Bank, N.A.	Aa2/A+

The Financial Risk Management Plan requires that Utilities' counterparties to financial instruments be on an approved counterparty list. To be on the interest rate counterparty transaction list, at the time of transaction execution, counterparties must have a minimum credit rating in the "A-" category by at least one of the major credit rating agencies previously listed or a counterparty shall provide a guarantee, swap surety, or other form of credit enhancement such that its creditworthiness is of an "A-" category equivalent. Each counterparty must also have a demonstrated record of successfully executing swap transactions and shall have a minimum capitalization of at least \$250.0 million.

The Energy Risk Management Plan requires that Utilities' counterparties to commodity transactions be on an approved counterparty list. To be on this list, counterparties must have the necessary contracts in place for the commodity being transacted and have adequate credit or credit facilities in place to cover assumed transactions. The Energy Risk Management Plan limits the amount of counterparty credit exposure according to the counterparty's credit rating. At December 31, 2019, Utilities has no forward exposure to energy financial commodity transactions.

It is Utilities' policy to require collateral posting provisions for all counterparties involved in its non-exchange-traded derivative instrument transactions. The collateral posted by counterparties is governed by ISDA agreements with collateral threshold limits as specified in each agreement. As the mark to market value of a fixed price financial derivative held by Utilities decreases relative to market, Utilities may be obligated to post collateral with the applicable counterparty. Conversely, as

the mark to market value of a fixed price financial derivative agreement or call option increases, Utilities' counterparties may be required to post collateral.

At December 31, 2019, Utilities has posted approximately \$18.8 million in collateral with various counterparties to the swap agreements. Utilities' aggregate fair value of derivative instruments as of December 31, 2019 was approximately (\$100.4) million.

The combined fair value of all derivative instruments, net of collateral postings, as of December 31, 2019 was approximately (\$81.6) million.

Collateral postings represent the initial amount that Utilities would be required to pay in the event counterparties failed due to a credit default event. Collateral posted is presented as restricted cash and impacts Utilities' cash reserves and liquidity. In the event of a failure of all counterparties due to a credit default, Utilities anticipates the full value of the collateral posting would be liquidated on behalf of secured creditors, thereby reducing actual cash balances and liquidity by the value of the collateral posting. A credit default by all counterparties could lead to additional cash requirements called by secured creditors up to the net liability of the combined derivative positions.

The impact of a future credit default on Utilities is dependent on market conditions that exist at the time of the event. As a result, the impact on Utilities' cash and liquidity position could be negative or positive. In consideration of this uncertainty and to minimize the impact of such an event on liquidity, as of December 31, 2019, Utilities has total lines of credit available in the amount of \$60.0 million. Utilities also closely monitors the creditworthiness of all existing counterparties and awards future business based on creditworthiness and collateral positions existing at the time of the transaction.

Interest Rate Risk - The risk that changes in market interest rates will adversely affect Utilities' anticipated cash flows. Utilities is exposed to interest rate risk on variable rate debt. Utilities utilizes fixed price swaps to offset cash flow exposures to a portion of the variable rate debt. Utilities receives fixed rate swap payments against VRDOs based on SIFMA and LIBOR swap indices.

Basis Risk - The risk that arises when variable rates or prices of a derivative instrument and a hedged item are based on different reference rates. Utilities is exposed to basis risk on pay-fixed interest rate swap hedging derivative instruments because the variable rate payments received by Utilities on these hedging derivative instruments are based on a rate or index other than interest rates. Utilities pays on hedged variable rate debt, which is generally remarketed every 7 days. As of December 31, 2019, the weighted average interest rate on Utilities' variable rate debt was 1.68%, the SIFMA swap index rate was 1.61%, while 68.0% of the LIBOR was 1.20%.

Termination Risk - The risk that a derivative instrument's unscheduled end will affect Utilities' asset and liability strategy or will present Utilities with potentially unscheduled termination payments to the counterparty. Utilities or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract or if both parties agree to terminate, or "close." If at the time of termination a hedging derivative instrument is in a liability position, Utilities would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Rollover Risk - The risk that a derivative instrument associated with a hedged item does not extend to the maturity of that hedged item. Utilities is exposed to rollover risk on hedging instruments of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or if a counterparty exercises a termination option, Utilities will be re-exposed to the risks being hedged by the hedging derivative instrument. Utilities has no exposure to rollover risk with current interest rate derivative instruments.

Market Access Risk - The risk that Utilities will not be able to enter credit markets or that credit will become more costly. A strong credit rating tends to broaden an entity's credit market access and bondholder base while achieving lower cost funding. As of December 2019, Utilities' long-term credit rating are "Aa2/AA+/AA" by Moody's, S&P and Fitch, respectively.

Foreign Currency Risk - The risk that changes in exchange rates will adversely affect the cash flows of a transaction. Utilities has no exposure to foreign currency risk.

2. Colorado Springs Urban Renewal Authority Derivative Instruments

Swap Agreement

On August 24, 2016, CSURA entered into an interest rate swap transaction (hedging derivative instrument) (Swap) with U.S. Bank National Association (Bank) in order to hedge interest rates and protect against rising interest rates. The Swap is associated with the Series 2016A Senior Loan, and used the debt service maturity schedule of the Series 2016A Senior Loan as the notional amount of the Swap. An International Swaps and Derivatives Association (ISDA) Master Agreement was used to develop the Swap which is set to terminate on December 1, 2030 (Terminate Date).

From the effective date of the agreement through Terminate Date, CSURA is the fixed rate payer under the Swap, paying a rate of 1.1045%, on the 1st day of each month, based on a 30/360 day count. The Bank is the floating rate payer, paying the current 70% of a 1-month LIBOR rate based on an actual/360 day count.

The following is the projected payments based on the interest rate Swap transaction as of December 31, 2019:

December 31,	Swap Notional Amount	Net Interest Rate Swap Payments	Bank Interest Payments	Total
2020	\$ 3,440,000	\$ 266,698	\$ 1,045,924	\$ 4,752,622
2021	3,600,000	245,806	963,993	4,809,799
2022	3,760,000	223,943	878,252	4,862,195
2023	3,925,000	201,109	788,700	4,914,809
2024	4,095,000	177,272	695,218	4,967,490
2025	4,275,000	152,403	597,688	5,025,091
2026	4,275,000	126,441	495,870	4,897,311
2027	4,105,000	100,478	394,052	4,599,530
2028	4,410,000	75,549	296,283	4,781,832
2029	5,095,000	48,767	191,251	5,335,018
2030	2,935,000	17,824	69,903	3,022,727
	<u>\$ 43,915,000</u>	<u>\$ 1,636,290</u>	<u>\$ 6,417,134</u>	<u>\$ 51,968,424</u>

Payments on the 2016 Senior Loan and the Swap are calculated using interest rates in effect on December 31, 2019.

The following is a summary of the effective interest rate calculation on CSURA's Swap Agreement for the year ended December 31, 2019:

	Counterparty Swap Payment			Interest	Total	Actual
	To	From	Net	Payments to Bank	Payments	Synthetic Rate
December 31, 2019	\$ 518,351	\$ 755,079	\$(236,728)	\$ 1,687,770	\$ 1,451,042	3.3042%

The following is a summary of CSURA's derivative for the year ended December 31, 2019:

	Net Change in Fair Value		Fair Value at December 31, 2019	
	Classification	Amount	Classification	Amount
Governmental Activities:	Deferred inflow	\$ 333,249	Asset	\$ 333,249

The basic terms and parties to the Swap are listed below:

Counterparty	Trade/Effective Date	Original Notional Amount	Termination Date	Optional Termination Date	Associated Debt Series	Payable Swap Rate	Variable Receivable Swap Rate	Fair Value at December 31, 2019
US Bank National Assoc.	8/24/2016	\$ 56,000,000	12/1/2030	8/24/2026	2016 Senior Loan	1.1045%	70% 1-month LIBOR	\$ 333,249

The year-end fair values were calculated using the mid-market LIBOR valuations as of December 31, 2019. As of this date, the 70% of 1-month LIBOR Index rate was 1.183791%. Fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2019.

When the present value of payments to be made by CSURA exceeds the present value of payments to be received, the Swap has a negative value to CSURA. When the present value of payments to be received by CSURA exceeds that of payments to be made, the Swap has a positive value to CSURA.

The following risks are generally associated with the Swap:

Credit Risk - The Swap relies upon the performance of the Swap counterparty. CSURA is exposed to the risk of this counterparty being unable to fulfill its financial obligation to CSURA. CSURA measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the Swap. As of December 31, 2019, there was no risk of loss as the fair value of the Swap was positive. The Moody's rating of the counterparty as of December 31, 2019 is as follows:

<u>Counterparty</u>	<u>Credit Rating 2019</u>
US Bank National Association	Aa3

Termination Risk - Either party to the Swap may terminate the Swap if the other party fails to perform under the terms of the agreement. Further, certain credit or tax events can lead to a termination event under the Swap. If the Swap has a negative fair value at the time of the termination, CSURA could be liable to the counterparty for a payment equal to the Swap's fair value. If the Swap is terminated the associated variable rate loan would no longer be hedged with a synthetic fixed interest rate. CSURA is not aware of any existing event that would lead to a termination with respect to the Swap.

N. Tax Abatements

As a home rule city, the City Council has the authority to and has entered into Economic Development Agreements with local businesses which provide incentive payments based upon sales/use taxes paid by the businesses to the City. The taxes paid to the City are included in the revenue reported in these financial statements. The payments made to the businesses based upon the taxes paid are also included as expenditures in these financial statements. While the revenues and expenditures associated with these agreements are recognized by the City in accordance with City Code and included in these financial statements, per GASB 77, the substance of the agreements meet the definition of "tax abatements" as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

The purpose of these agreements is to proactively enhance the local business climate by retaining existing businesses and jobs and to bring new companies and industries to the City. Specific agreements are formalized through various City Council Resolutions and generally require a certain level of capital expenditure and/or job creation. The agreements are not assignable and payments are subject to annual appropriation by City Council.

Companies party to an agreement must pay their sales/use tax when due and submit documentation to the City to request the agreed-upon payment. The City reviews these submissions to verify compliance with the terms of each specific agreement and then issues the payment via check back to the company. The City reserves the right to recapture any payment paid in error and requires the company to return funds when either party becomes aware of an excess payment.

For the fiscal year ended December 31, 2019, under this program the City has "abatements" of sales/use taxes totaling \$115,195 as follows:

Type of business	Number of Agreements	Sales/Use Tax "Abatements" (Payments based upon Sales/Use Taxes Paid)
Airplane/airline	1	\$ 23,736
Hotel/entertainment	1	91,459
		<u>\$ 115,195</u>

IV. OTHER INFORMATION

A. Risk Management

The City's Risk Management division manages the insurance and self-insurance programs that have been established to respond to claims presented against the City, Utilities and MHS. For workers' compensation coverage the City has purchased commercial insurance to cover losses in excess of \$750,000 per occurrence. The City pays losses less than this amount through the Workers' Compensation Self-Insurance fund and records a liability for unpaid workers' compensation claims and an estimate of claims incurred but not reported (IBNR). MHS is self-insured for workers' compensation claims up to \$750,000 per claim and maintains reinsurance covering claims in excess of \$750,000. A liability is recorded for unpaid workers' compensation claims. MHS exposure to workers' compensation claims is limited to operations prior to the lease of the system on October 1, 2012. Since October 1, 2012, MHS has had no employees. All MHS workers' compensation claims have been resolved.

General liability coverage for the operations of Utilities is purchased from commercial carriers for losses in excess of \$1,000,000. General liability coverage for the Airport is purchased from commercial carriers with varying deductibles. The City and its enterprises are self-insured for general liability coverage up to \$1,000,000. The Colorado Governmental Immunity Act currently provides that the maximum amount that may be recovered against entities such as the City is \$387,000 for any injury to one person in any single occurrence and \$1,093,000 for any injury to two or more persons in any single occurrence. A liability is recorded for claims for which the City is legally obligated to pay.

The City maintains a self-insurance certificate from the State of Colorado for auto liability. The certificate renews every three years. For 2019, the City is reporting auto liability case reserves of \$526,000 and IBNR reserves of \$132,000 as reflected in the 2019 actuary report.

The City has purchased property coverage to insure against loss to City property. Deductibles are paid by the General Fund or enterprise.

For medical claims coverage, the City has a reinsurance policy that provides coverage for claims in excess of \$500,000 specific deductible per person, along with \$200,000 aggregating specific deductible. The City pays for medical claims through its Employee Benefits Self-Insurance fund. The City has recorded a liability for medical claims and an estimate of IBNR. Utilities is self-insured up to \$400,000 per individual for medical and self-insured for a limited dental benefit, and is fully insured for the vision plan. Utilities pays claims and associated plan expenses through its Employee Benefits Self-Insurance fund. Utilities maintains a reinsurance policy should a covered medical claim exceed \$400,000 and has a fully funded reserve account for claims IBNR, Health Reimbursement Account (HRA) and catastrophic claims.

There were no significant reductions in insurance coverage in 2019 as compared to coverage in 2018. Additionally, there were no settlements in excess of insurance coverage in the past three fiscal years.

The following is a summary of changes in outstanding reserves for 2019. The City's liability is included in claims payable in the respective internal service funds. The liabilities for Utilities and MHS are included in accrued liabilities and other long-term liabilities.

	2019 (in 000's)	2018 (in 000's)
Claims liabilities, beginning of the year	\$ 28,073	\$ 29,654
Increases	64,289	63,494
Decreases	(63,388)	(65,075)
Claims liabilities, end of year	<u>\$ 28,974</u>	<u>\$ 28,073</u>

B. Donor-restricted Endowments

As of the end of 2019, the City maintained three donor-restricted endowment funds as follows:

	Fund Balance	Available for Spending
C.D. Smith Trust	\$ 1,204,586	\$ 181,504
Cemetery Endowment	11,549,936	14,130
TOPS Maintenance Trust	850,490	210,237

State law does not restrict the ability to spend net appreciation on these funds. Terms of the donation, however, restrict spending to investment earnings only. The policy for authorizing and spending investment income states that all investment earnings are available for expenditure. The amount available for spending is reported as expendable under net position restricted for endowments on the statement of net position and as restricted fund balance on the balance sheet.

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C. Postemployment Benefits Other than Pensions

The City's former or current non-uniformed and uniformed (firefighters and police officers) employees are eligible to participate in various defined benefit postemployment benefit other than pension (OPEB) plans. More detailed notes regarding each plan follows. Below is a table that summarizes the net OPEB liabilities, deferred outflows and inflows of resources, and OPEB expenses associated with each of the plans (in 000's).

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
GOVERNMENTAL ACTIVITIES				
PERA Health Care Trust Fund	\$ 11,068	\$ 1,302	\$ 17	\$ 968
City OPEB Plan	27,976	4,284	1,814	2,345
Utilities OPEB Plan	—	—	—	—
Total governmental activities	39,044	5,586	1,831	3,313
BUSINESS-TYPE ACTIVITIES				
PERA Health Care Trust Fund	27,118	2,555	807	2,101
City OPEB Plan	1,077	163	65	92
Utilities OPEB Plan	19,228	1,209	—	(1,154)
Total business-type activities	47,423	3,927	872	1,039
TOTAL				
PERA Health Care Trust Fund	38,186	3,857	824	3,069
City OPEB Plan	29,053	4,447	1,879	2,437
Utilities OPEB Plan	19,228	1,209	—	(1,154)
Total	<u>\$ 86,467</u>	<u>\$ 9,513</u>	<u>\$ 2,703</u>	<u>\$ 4,352</u>

Note: Immaterial differences may occur due to rounding.

1. Colorado PERA Health Care Trust Fund

The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined on the same basis as they are reported by HCTF using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description: Eligible employees of the City are provided with OPEB through the HCTF a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is

established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the CRS, as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at:

www.copera.org/investments/pera-financial-reports

or by writing to
Colorado PERA, 1301 Pennsylvania Street
Denver, Colorado 80203

or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372)

All City civilian employees are members of the HCTF. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll in the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit

recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions: Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$2,613,609 for the year ended 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2019 the City reported a liability of \$38,186,373 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The City's proportion of the net OPEB liability was based on their contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the City's proportion was 2.8067%, which was an increase of 0.0440% from its proportion measured as of December 31, 2017.

The City and Utilities report contributions to the HCTF independent of each other; therefore all OPEB related amounts, including net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense, are allocated from the HCTF independently. The City allocates its portion of the HCTF between governmental activities and business-type activities, except Utilities, based on contributions. This allocation for the year-ended December 31, 2019 (a December 31, 2018 measurement date) was 88.0757% and 11.9243% between the governmental activities and business-type activities, respectively, excluding Utilities. This allocation is a decrease from the prior year in the governmental activities of 2.2168% and a corresponding increase in the business-type activities. It is important to note, amounts presented in this disclosure footnote include both City and Utilities amounts combined.

For the year ended December 31, 2019 the City recognized OPEB expense of \$3,068,527.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 138,609	\$ 58,128
Net difference between projected and actual earnings on OPEB plan investments	219,266	—
Change in assumptions	268,151	—
Changes in proportion	617,230	766,022
Contributions subsequent to the measurement date	2,613,575	—
Total	<u>\$ 3,856,831</u>	<u>\$ 824,150</u>

The \$2,613,575 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Investments	Change in Assumptions	Net Changes in Proportion	Total Effect of Amortized Deferred Inflows/Outflows on OPEB Expense
2019	\$ 22,369	\$ 16,756	\$ 53,159	\$ (60,177)	\$ 32,107
2020	22,369	16,756	53,159	(60,177)	32,107
2021	22,369	16,756	53,159	(60,177)	32,107
2022	22,369	168,998	53,159	(60,177)	184,349
2023	(8,547)	—	53,159	88,406	133,018
Thereafter	(448)	—	2,356	3,510	5,418
	<u>\$ 80,481</u>	<u>\$ 219,266</u>	<u>\$ 268,151</u>	<u>\$ (148,792)</u>	<u>\$ 419,106</u>

The differences between expected and actual experience, and the City's change in proportion in the plan are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The HCTF determined the average expected remaining service lives for active and inactive members at the beginning of the 2018 measurement period to be 6.04 years. The difference between expected and actual investment experience is amortized over a closed five year period.

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

	Rate %
Actuarial cost method	Entry Age
Price inflation	2.40
Real wage growth	1.10
Wage inflation	3.50
Salary increases, including wage inflation	3.50
Long-term investment rate of return, net of OPEB	
plan investment expenses, including price inflation	7.25
Discount rate	7.25
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00
PERACare Medicare plans	5.00
Medicare Part A premiums	3.25
* 3.25% for 2018, gradually rising to 5.00% in 2025	

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

	Cost for Members	Premiums for Members
Medicare Plan	Without Medicare Part A	Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$ 736	\$ 367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to 65 for the year following the valuation date:

Medicare Plan	Cost for Members	
	Without Medicare Part A	
Self-Funded Medicare Supplement Plans	\$	289
Kaiser Permanente Medicare Advantage HMO		300
Rocky Mountain Health Plans Medicare HMO		270
UnitedHealthcare Medicare HMO		400

All costs are subject to the health care cost trend rates as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare	Medicare Part A
	Medicare Plans	Premiums
2018	5.00%	3.25%
2019	5.00	3.50
2020	5.00	3.75
2021	5.00	4.00
2022	5.00	4.25
2023	5.00	4.50
2024	5.00	4.75
Thereafter	5.00	5.00

Mortality assumptions for the determination of the total OPEB liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	30 Year Expected Geometric Real Rate of Return (%)
US equity - large cap	21.20	4.30
US equity - small cap	7.42	4.80
Non US equity - developed	18.55	5.20
Non US equity - emerging	5.83	5.40
Core fixed income	19.32	1.20
High yield	1.38	4.30
Non US fixed income - developed	1.84	0.60
Emerging market debt	0.46	3.90
Core real estate	8.50	4.90
Opportunity fund	6.00	3.80
Private equity	8.50	6.60
Cash	1.00	0.20
Total	100%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates: The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percent lower or one percent higher than the current rates:

Sensitivity of the NOL:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25	3.25	4.25
Ultimate Medicare Part A trend rate	4.00	5.00	6.00
Proportionate share of the net OPEB liability	\$ 37,131,895	\$ 38,186,373	\$ 39,399,206

Discount rate: The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of the liabilities used to determine the discount rate was an actuarial valuation performed as of December 31, 2017 and the financial status of the HCTF as of the prior measurement date (December 31, 2017). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percent lower (6.25%) or one percent higher (8.25%) than the current rate:

Sensitivity of the NOL:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net OPEB liability	\$ 42,727,226	\$ 38,186,373	\$ 34,304,366

OPEB plan fiduciary net position: Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at:

<https://www.copera.org/resources/forms-publications/2018-cafr>

2. The City of Colorado Springs OPEB Plan

The City's postemployment benefits other than pension plan, is a single-employer defined benefit OPEB plan administered by the City of Colorado Springs. The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense of the plan have been determined on the same basis as they are reported by the plan using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 as the plan is pay-as-you-go.

Plan description: Uniformed employees who retire from active service with the City and who begin receiving pension benefit payments are eligible to participate in the City's medical benefits plan as a retiree until the retiree reaches Medicare-eligible age, currently 65. Beginning January 1, 2011, retirees who reach age 65 and are Medicare-eligible are no longer eligible to participate in City's medical benefit plans, but have access to the One Health (formerly Extend Health) private medical plan exchange. "Grandfathered" retirees who have reached age 65 and are not Medicare-eligible are allowed to stay on the City's medical plans.

Civilian employees who retire from active service with the City and who begin receiving pension benefit payments are not eligible to participate in the City's medical benefits plan as they have access to PERACare. There remain a few civilian retirees who have reached the Medicare-eligible age that have access to One Health (formerly Extend Health) medical plans as they are not eligible to participate in the PERACare plans. Both uniformed and civilian retirees have access to the City's dental and vision benefits plans before and after they reach Medicare-eligible age.

Upon retirement from employment with the City, the following life insurance benefits are available to the retiree:

- \$9,000 for Mayor and Mayoral Appointees
- \$6,000 for City Department Heads and other City Executives
- \$3,000 for all other City retirees

The benefit recipients and members of the City' OPEB plan as of December 31, 2018 are as follows:

Number of retirees receiving benefits	1,620
Number of beneficiaries receiving benefits	167
Number of active employees	2,347

There are no inactive employees eligible for benefits.

Benefit payments: Medical Plan - City benefit payments for a retiree's medical plan premium vary as follows:

Retirees that were:	City pays:
Eligible to retire prior to January 1, 1979	The retiree's medical plan premium paid in full
Hired prior to August 1, 1988 and eligible to retire on or after January 1, 1979	\$91.40 per month toward the retiree medical plan premium costs, the retiree pays the balance of the premium costs
Hired on or after August 1, 1988	Nothing toward the retiree's medical plan premium costs, retiree pays the full medical plan premium

There is no direct cost to the City for those uniformed retirees that participate in the medical benefits plan as the retirees are responsible for their full medical plan premium cost.

Dental and Vision Plan - All retirees are required to pay the full dental and vision plan premiums should they choose to participate the City's plans. In addition, the vision plan is not self-funded, but rather fully insured.

Retiree Life Plan - The City pays the following annually for retiree life insurance premiums:

- \$13.56 for Mayor and Mayoral Appointees
- \$9.00 for City Department Heads and other City Executives
- \$4.56 for all other City retirees

If the retirement is a disability retirement, the retiree applies for a waiver of premium through the City's carrier. If approved, the retiree receives a life insurance benefit in the amount of one and a half times his or her salary until the retiree attains the age of 65, at which point the life insurance is reduced to the amounts listed above. The City does not pay for the carrier approved waivers.

Employer benefit payments recognized from the City were \$1,512,642 for the year ended December 31, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2019, the City reported a liability of \$29,052,980 for total OPEB liability. The total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

The City allocates its OPEB plan between governmental activities and business-type activities, except Utilities, based on benefit payments. This allocation for the year-ended December 31, 2019, (a December 31, 2018 measurement date) was 96.2918% and 3.7082% between governmental activities and business-type activities, respectively. This allocation is an increase from the prior year in the governmental activities of .0132% and a corresponding decrease in the business-type activities.

For the year ended December 31, 2019 the City recognized OPEB expense of \$2,436,512.

At December 31, 2019, the City reported deferred outflows of resources of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,722,452	\$ —
Change in assumptions	1,211,910	1,878,707
Benefit payments subsequent to the measurement date	1,512,642	—
Total	<u>\$ 4,447,004</u>	<u>\$ 1,878,707</u>

The \$1,512,642 reported as deferred outflows of resources related to OPEB, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Differences Between Expected and Actual Experience	Change in Assumptions	Total Effect of Amortized Deferred Outflows on OPEB expense
2020	\$ 498,625	\$ 164,215	\$ 662,840
2021	498,625	164,215	662,840
2022	332,388	(49,652)	282,736
2023	129,214	(311,044)	(181,830)
2024	129,214	(311,044)	(181,830)
Thereafter	134,386	(323,487)	(189,101)
	<u>\$ 1,722,452</u>	<u>\$ (666,797)</u>	<u>\$ 1,055,655</u>

The differences between expected and actual experience and changes of assumptions are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The average expected remaining service lives for active and inactive members at the beginning of the 2018 measurement period to be 7.04 years.

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

	Rate %
Actuarial cost method	Entry age
Wage inflation	3.50
Salary increases, including wage inflation	3.50 - 11.25
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	0.00
Discount rate	4.10

The medical and drug health care cost trend rate that were used to measure the total OPEB liability are summarized in the table below:

Year	Medical/Drug Cost Trend (%)
2019	6.75
2020	6.50
2021	6.25
2022	6.00
2023	5.75
2024	5.50
2025	5.25
2026	5.00
2027	4.75
Thereafter	4.50

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation. Health care trend rates assumptions were developed by Segal Consulting's internal guidelines, which are established each year using data sources such as the 2019 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor and Statistics.

Mortality, turnover, disability, retirement and salary scale assumptions are based on the Local Government Division rates in the PERA pension valuation as of December 31, 2018 for civilian members as well as the Fire and Police Pension Association (FPPA) 2018 Actuarial Experience Study for the period ending December 31, 2018 for sworn members.

Civilian Mortality Assumptions: Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Sworn Mortality Assumptions: Pre-retirement mortality rate was based on RP-2014 Mortality Tables for males and females projected to 2018 using the MP-2017 projected scales times 50% and increased by 0.00015, and then projected generationally using scale MP-2017. Post-retirement mortality rate was based on RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then generationally projected using scale MP-2017. Disabled mortality rates were based on RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales with a minimum probability of 3% for males and 2% for females, and then generationally projected using scale MP-2017.

All current retired participants are assumed to continue retiree medical coverage. Forty percent of future eligible retired participants are assumed to elect retiree medical coverage. All participants eligible for the \$91.40 are assumed to participate in the program.

Primary changes in assumptions since the previous measurement date of December 31, 2017 include:

- The discount rate increased from 3.44% to 4.10% based on changes in the 20-year municipal bond rate

The following presents the total OPEB liability using the current health care cost trend rates applicable to the benefit structure, as well as if it were calculated using health care cost trend rates that are one percent lower or one percent higher than the current rates:

Sensitivity of the TOL:

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Health care cost trend rates	5.75 - 3.50%	6.75 - 4.50%	7.75 - 5.50%
Total OPEB liability	\$ 27,860,128	\$ 29,052,980	\$ 30,877,071

Discount Rate: The plan is pay-as-you-go. Since there are no dedicated assets and retiree benefits are paid annually in an amount equal to the benefits distributed, the discount rate used was 4.10% based on a yield or index rate for 20-year, tax-exempt general obligation municipal bond rate with an average rating of AA/Aa or higher.

The following presents the total OPEB liability calculated using the discount rate of 4.10%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower (3.10%) or one percent higher (5.10%) than the current rate:

Sensitivity of the TOL:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	3.10%	4.10%	5.10%
Total OPEB liability	\$ 32,474,191	\$ 29,052,980	\$ 26,169,511

Because the City's medical and dental plans are self-funded, the plan does not release a separate report. However, the benefits are accounted for under the Employee Benefits Self-Insurance Fund under the City's Internal Service Funds.

Changes in the Total OPEB Liability: Below is a schedule of changes in the total OPEB liability for the City's OPEB plan for year ended December 31, 2019.

Total OPEB liability (TOL) - January 1, 2019	\$ 30,107,637
Service cost	739,173
Interest	1,034,500
Changes in benefit terms	—
Differences between expected and actual experience	909,670
Changes of assumptions or other inputs	(2,189,751)
Benefit payments	(1,548,249)
Net changes to TOL	(1,054,657)
Total OPEB liability (TOL) - December 31, 2019	<u>\$ 29,052,980</u>
Plan fiduciary net position as a percentage of total OPEB liability	—%
Covered employee payroll	\$ 183,328,604
Total OPEB liability as a percentage of covered employee payroll	15.85%

3. Colorado Springs Utilities OPEB Plan

In accordance with City Code, Utilities offers a single-employer defined benefit health care OPEB plan to retirees with Utilities' benefit payments determined by City Council. Employees eligible to retire prior to January 1, 1979, receive this health care plan without cost to the employee. Those eligible to retire after January 1, 1979 and hired prior to August 1, 1988 receive a limited Utilities' contribution not to exceed \$91.40 per month. The monthly subsidy for these members is determined as the difference between the full PERA premium and the PERA service subsidy. All employees hired after August 1, 1988, receive no contribution from Utilities for this health care plan. In addition to regular medical insurance subsidies, Utilities also funds a Medicare supplement for eligible retirees. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB 75.

Utilities' OPEB plan also provides a subsidy of life insurance premiums of \$0.13/\$1,000 for life insurance amounts up to \$9,000/year per member, depending on employee type, to those who have retired prior to January 1, 2013. Employees retiring after January 1, 2013 are no longer eligible to receive the life insurance benefits.

As of the most recent actuarial valuation of the plan, 1,270 retired members or beneficiaries and 30 active employees were covered by the benefit terms.

Utilities total OPEB liability as of December 31, 2019 of \$19,228,000 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements, unless otherwise specified:

	December 31, 2018
Measurement date	December 31, 2018
Actuarial cost method	Entry age
Inflation	3.50%
Salary increases	3.50 - 10.45%
Discount rate	4.10%
Health care cost trend rates	
PERA Premiums	5.60% graded to 4.50% over 10 years
Medicare Part B	4.50%

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table with a 70.0% factor applied to male rates and 55.0% factor applies to female rates.

Healthy, post-retirement mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table with adjustments for the following:

- Males: Mortality improvement projected to 2018 using the MP-2015 projections scale, a 73.0% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on RP-2014 Disabled Retiree Mortality Table with a 90.0% factor applied to all rates.

Changes in the Total OPEB Liability

Total OPEB liability (TOL) - January 1, 2019	\$	21,624,000
Service cost		23,000
Interest		723,000
Changes in benefit terms		—
Differences between expected and actual experience		(511,000)
Changes of assumptions or other inputs		(1,389,000)
Benefit payments		(1,242,000)
Net changes to TOL		<u>(2,396,000)</u>
Total OPEB liability (TOL) - December 31, 2019	\$	<u>19,228,000</u>
Fiduciary net position as a percentage of total OPEB liability		—%
Covered employee payroll	\$	3,530,000
Total OPEB liability as a percentage of covered employee payroll		544.70%

Changes of assumptions and other inputs: Changes in the discount rate from 3.44% to 4.10% based on changes in the 20-year municipal bond rate. Future trend rates for PERA and Medicare Part B were updated.

Discount Rate: The plan is pay-as-you-go. Since there are no dedicated assets and retiree benefits are paid annually in an amount equal to the benefits distributed, the discount rate used was 4.10% based on a yield or index rate for 20-year, tax-exempt general obligation municipal bond rate with an average rating of AA/Aa or higher.

The following presents the total OPEB liability calculated using the discount rate of 4.10%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower (3.10%) or one percent higher (5.10%) than the current rate:

Sensitivity of the TOL:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
	3.10%	4.10%	5.10%
Total OPEB liability	\$ 21,414,000	\$ 19,228,000	\$ 17,394,000

Sensitivity of the Total OPEB liability to Changes in the Health Care Cost Trend Rates: The following presents the total OPEB liability of Utilities, as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are one percent lower or one percent higher than the current health care cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERA Premiums trend rate	4.60%	5.60%	6.60%
Ultimate PERA Premiums trend rate	3.50	4.50	5.50
Medicare Part B	3.50	4.50	5.50
Total OPEB liability	\$ 19,194,000	\$ 19,228,000	\$ 19,266,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended December 31, 2019, Utilities recognized OPEB expense of (\$1,153,619). At December 31, 2018, Utilities reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Benefit payments subsequent to the measurement date	\$ 1,209,000
Total	\$ 1,209,000

The \$1,209,000 reported as deferred outflows of resources related to OPEB, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020.

D. Commitments and Contingent Liabilities

1. Construction and Purchase Commitments

Significant construction and purchase commitments of the City, as of December 31, 2019, are as follows (in millions):

General Fund	\$ 5.4
Non-major governmental funds	19.4
Utilities	76
Non-major enterprise funds	27.0

On April 27, 2016, the City entered into an Intergovernmental Agreement with Pueblo County (IGA), relating to the City's future operation of its stormwater program. The IGA included provisions requiring the City to make certain minimum expenditures for its stormwater program, including both operation and maintenance, and capital improvements, a portion of which will be paid by Utilities. For calendar years 2016 through 2035, the City and Utilities agreed to expend a minimum of \$460 million, with a minimum total, annual averages, and annual minimum expenditures.

The IGA also included provisions that require a portion of these funds to be spent on capital improvement projects benefitting the City and Pueblo County.

Although the IGA does not contain express language stating that these City expenditures are subject to annual appropriation, future year City expenditures are nevertheless made subject to this appropriation limitation by Section IV (N) of the IGA. Moreover, the City is obligated under the federal Clean Water Act to operate its stormwater system in compliance with a municipal separate storm sewer system (MS4) Discharge Permit. A substantial portion of the expenditures required by the IGA will also serve to fulfill the City's obligations under the Discharge Permit and federal law.

In November 2017, City voters approved reestablishment of Stormwater User Service Fees to be imposed upon all developed or improved property within the City. This approval directs that the revenues derived therefrom will be collected by an enterprise fund and used only for the stormwater system capital and operating expenses, performance of MS4 Discharge Permit obligations, and meeting the obligations arising under intergovernmental agreements entered into prior to June 1, 2016, which includes the IGA. The voter authorization also allows the fees to be increased by City Council if necessary to comply with federal law, a court order, or to meet IGA obligations. After imposition of the fees beginning July 1, 2018, it was anticipated that this revenue stream would be sufficient to fund the IGA financial commitments.

2. Refunded Bonds

The City placed proceeds from advance refunding bond issues and in-substance defeasances in irrevocable refunding escrow accounts. As of December 31, 2019, the City remains contingently liable for the outstanding principal balance of \$34,095,000 in refunded bonds and debt defeased in-substance.

Utilities has placed proceeds from advance refunding bond issues in irrevocable refunding escrow accounts throughout various years. As of December 31, 2019, Utilities remains contingently liable for the outstanding principal balance of \$79,380,000 in refunded bonds.

3. Charter Amendments

In April 1991, voters approved City Charter Amendment #3, entitled Taxpayers Bill of Rights (TABOR). In November 1992, voters adopted a similar statewide constitutional amendment. Both contain provisions which limit the amount of revenue the City may retain in any given year. TABOR permits a maximum annual percentage change in "fiscal year spending" (FYS) equivalent to the sum of inflation in the prior calendar year and annual local growth. Should actual FYS increase at a rate greater than that which the formula allows, the City must refund the "excess" in the ensuing year or seek voter approval to retain the "excess." TABOR also establishes a separate requirement for local governments that limits the increase in property tax revenue from year to year. Based upon the City's calculations, 2019 FYS exceeded the allowed amount by approximately \$1.9 million. This amount is included in the General Fund and LART fund restricted fund balance.

Policy-making and legislative authority are vested in the governing council (Council) consisting of nine members, all elected on a non-partisan basis. Council members serve four-year terms and are term limited to two terms. Three council members are elected at large; the remaining council members are elected from six equally-populated districts. Biennially, council members elect a President from among themselves to preside over the meetings and a President Pro Tempore to fill in when the President is absent.

4. Litigation

The City is involved as a defendant in various legal actions involving claims and litigation arising from contracts, personal injury, property damage, and other matters. It is the practice of the City to expense and record as a liability those claims where a liability has been incurred and the amount of ultimate settlement can be reasonably estimated. Except as stated below, the City has provided for these estimated probable losses in the financial statements and, in the opinion of management, such claims and litigation will not have a material, adverse effect on the operations of the City.

The Clean Water Act Litigation - On November 9, 2016, the United States, on behalf of the Environmental Protection Agency, and the State of Colorado, on behalf of its Department of Public Health and Environment, filed a complaint against the City in the United States District Court for Colorado. The complaint seeks injunctive relief and civil penalties against the City claiming that the City has not complied with discharge permits for its MS4. The City answered the complaint and has been defending the action. Pueblo County and a conservancy district had intervened as additional plaintiffs.

In September, 2018, the Court conducted a trial limited in scope to declaratory judgment claims with respect to three (3) "exemplar" sites that the Court determined were representative of a number of the factual bases for the Plaintiffs' claims. Following that trial, on November 9, 2018, the Court entered "Findings, Conclusions, and Order for Judgment" (the "Order") finding that the City had violated its MS4 permit with respect to its actions involving the three exemplar sites. The Order is not a final appealable judgment at this time. Thereafter, the parties have sought and obtained mutually-agreed stays of the litigation while they attempt to negotiate a potential settlement of the claims.

Though progress has been made in the settlement discussions, the City cannot at this time determine or characterize the likelihood of settlement, nor determine or characterize the likelihood of an unfavorable outcome (beyond the November 9, 2018 Order) or the range of any potential loss. As of May 2020, the Court has stayed the action until August 20, 2020 so that the parties may continue negotiating a possible settlement. In any event, the City anticipates that funds derived from the Stormwater User Service Fees collected by the City's Stormwater Enterprise may be available to offset, at least in part, the cost of any obligations or amount of any monetary judgment which may arise from a settlement or a final judgment which is adverse to the City.

The Curb Ramps Litigation - On March 20, 2019, Sharon King and Paul Spotts filed a class action lawsuit in the United States District Court for Colorado alleging that the City had failed to provide access to its public sidewalks for individuals with mobility disabilities, contrary to federal laws, and particularly the Americans with Disabilities Act. The plaintiffs and City have entered into a class action settlement agreement, which has been approved by the Court, and will require the City to install or retrofit 15,400 curb ramps over a period of 14 years, at the rate of at least 1,100 curb ramps per year at an aggregate cost to the City estimated to be \$61,600,000 (2018 dollars) and attorneys' fees. The City intends to fulfill the obligation over the stated period from its general fund and other available revenues.

5. Contingent Liabilities

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 grant. Such audits could lead to reimbursements to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. Management believes disallowances, if any, resulting from any such audits would be immaterial.

6. Environmental Matters

Numerous federal, state and local environmental laws and regulations affect Utilities' facilities and operations. Utilities monitors its compliance with environmental laws and regulations on an ongoing basis. Additional detailed information may be found in the separately issued Utilities financial statements.

E. Passenger Facility Charges

The Federal Aviation Administration (FAA) has approved previously filed applications of the Airport for the right to impose passenger facility charges (PFCs) on enplaned passengers at the Airport. PFC revenue is required to be used to fund FAA-approved capital projects eligible under federal legislation permitting the imposition of PFCs. The approved Airport projects include certain completed and ongoing projects such as runway and taxiway rehabilitations, security enhancements, roadway upgrades, and drainage improvements. GASB 34 requires PFCs be recognized when earned, not when received. Unspent PFC revenue is recorded in the financial statements as restricted cash and restricted net position.

F. Customer Facility Charges

The Airport has established a Rental Car Company Customer Facility Charge Policy, in accordance with the rental car concession agreements. In 2018, the Airport entered into a new agreement that extends the collection of customer facility charges (CFCs) at the \$2.50 rate until December 31, 2028. Any increase in this rate will be based on the projected costs of anticipated capital projects outlined in the policy.

G. Joint Venture - Utilities

Utilities has an equity interest in Young Gas Storage Company, Ltd. (Young) of 5%. Young is a Colorado limited partnership organized on June 30, 1993, to develop and operate a natural gas storage system near Fort Morgan, Colorado. Young's natural gas storage system consists of 38 natural gas storage facility wells, a 6,000 horsepower compressor station, a natural gas processing plant, eleven miles of 20-inch transmission line and four miles of storage gathering line.

The net investment in the joint venture reported on the Statement of Net Position as of December 31, 2019 is (in 000's):

<u>Entity</u>	<u>Amount Invested</u>	<u>Undistributed Net Earnings</u>	<u>Utilities Investment</u>
Young Gas Storage Company Ltd.	\$ 500	\$ 452	\$ 952

H. Retirement Plans

The City's former or current non-uniformed and uniformed (firefighters and police officers) employees are eligible to participate in one of six defined benefit pension plans. Non-uniformed employees participate in the Public Employees' Retirement Association of Colorado (PERA) and uniformed employees participate in one of five plans administered by the Fire and Police Pension Association (FPPA). More detailed notes regarding each plan follows. Below is a table that summarizes the net pension liabilities, deferred outflows and inflows of resources, and pension expenses associated with each of the plans (in 000's).

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
GOVERNMENTAL ACTIVITIES				
Old Hire Fire	\$ 25,223	\$ 4,981	\$ —	\$ 2,799
Old Hire Police	20,813	4,096	—	2,326
New Hire Fire	43,716	14,512	1,007	9,412
New Hire Police	70,111	34,172	5,787	15,721
PERA	132,167	34,983	—	(11,449)
FPPA Statewide	9,371	33,834	852	1,119
Total governmental activities	301,401	126,578	7,646	19,928
BUSINESS-TYPE ACTIVITIES				
Old Hire Fire	—	—	—	—
Old Hire Police	—	—	—	—
New Hire Fire	—	—	—	—
New Hire Police	1,750	790	100	389
PERA	323,170	81,156	1,060	(36,802)
FPPA Statewide	10	41	20	(1)
Total business-type activities	324,930	81,987	1,180	(36,414)
TOTAL				
Old Hire Fire	25,223	4,981	—	2,799
Old Hire Police	20,813	4,096	—	2,326
New Hire Fire	43,716	14,512	1,007	9,412
New Hire Police	71,861	34,962	5,887	16,110
PERA	455,337	116,139	1,060	(48,251)
FPPA Statewide	9,381	33,875	872	1,118
Total	\$ 626,331	\$ 208,565	\$ 8,826	\$ (16,486)

Note: Immaterial differences may occur due to rounding.

1. Non-Uniformed Employees

Defined Benefit Pension Plan

Plan Description: The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by PERA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/ deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Title 24, Article 51, of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for LGDTF. That report may be obtained online at:

<https://www.copera.org/resources/forms-publications/2018-cafr>

or by writing to:

Colorado PERA
1301 Pennsylvania Street
Denver, Colorado 80203

or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

All City employees, except uniformed police and fire, are members of the LGDTF. However, the Mayor, direct reports of the Mayor, and elected officials of the City may elect to be exempt from membership in PERA. The LGDTF of PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- Value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by Federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

On an annual basis, eligible benefit recipients receive post-retirement, cost-of-living adjustments called annual increases (AI). The AI payment month, eligibility and amounts are determined by the date the retiree or deceased member began membership in PERA. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve for the LGDTF. If PERA's overall funded status is at or above 103%, the AI cap of 2% will increase by .25% per year. If after PERA's overall funded status subsequently drops below 90%, the AI cap will decrease by .25% per year, but will never drop below 2%. The LGDTF of Colorado PERA is currently open to new entrants.

The City and its eligible employees are required to contribute to the LGDTF at a rate set by Colorado state statutes. The contribution requirements are established under CRS § 24-51-401, et seq. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate (%) ¹
Employer Contribution Rate	10.00
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f)	(1.02)
Amount Apportioned to the LGDTF	8.98
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS § 24-51-411	1.50
Total Employer Contribution Rate to the LGDTF	12.68

¹Rates are expressed as % of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$32,516,797 for the year ended December 31, 2019.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2019, the City reported a liability of \$455,336,546 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 and rolled forward to December 31, 2018 using standard roll-forward techniques. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the City's proportion was 36.2179%, which was a decrease of 0.6383% from its proportion measured as of December 31, 2017.

The City and Utilities report contributions to the LGDTF independent of each other; therefore all pension related amounts, including net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, are allocated from the LGDTF independently. The City allocates its portion of the LGDTF between governmental activities and business-type activities, except Utilities, based on contributions. This allocation for the year-ended December 31, 2019 (a December 31, 2018 measurement date) was 88.0757% and 11.9243% between the governmental activities and business-type activities respectively. This allocation is a decrease from the prior year in the governmental activities of 2.2166% and a corresponding increase in the business-type activities. It is important to note, amounts presented in this disclosure footnote include both City and Utilities amounts combined.

For the year ended December 31, 2019 the City's pension expense related to the PERA LGDTF was (\$48,251,456).

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the PERA LGDTF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,039,042	\$ —
Net difference between projected and actual earnings on pension plan investments	59,297,809	—
Changes in proportion	5,285,999	1,060,084
Contributions subsequent to the measurement date	32,516,797	—
Total	<u>\$ 116,139,647</u>	<u>\$ 1,060,084</u>

The \$32,516,797 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Investments	Net Changes in Proportion	Total Effect of Amortized Deferred Inflows/Outflows on Pension Expense
2020	\$ 14,874,342	\$ 19,761,952	\$ 2,881,324	\$ 37,517,618
2021	4,164,700	3,862,642	1,344,591	9,371,933
2022	—	3,304,162	—	3,304,162
2023	—	32,369,053	—	32,369,053
Total	<u>\$ 19,039,042</u>	<u>\$ 59,297,809</u>	<u>\$ 4,225,915</u>	<u>\$ 82,562,766</u>

The differences between expected and actual experience, changes of assumptions as well as the City's change in their proportion are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The LGDTF determined the average expected remaining service lives for active and inactive members at the beginning of the 2018 measurement period to be 2.35 years. The difference between expected and actual investment experience is amortized over a closed five-year period.

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

	Rate (%)
Price inflation	2.40
Real wage growth	1.10
Wage inflation	3.50
Salary increase, including wage inflation	3.50 - 10.45
Long-term investments rate of return, net of pension plan investment expenses, including price inflation	7.25
Future post-retirement benefit increases:	
PERA benefit structure hire prior to 1/1/07	0% through 2019 and 1.5% compounded annually thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as the October 28, 2016 actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more

frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	30 Year Expected Geometric Real Rate of Return (%)
US equity - large cap	21.20	4.30
US equity - small cap	7.42	4.80
Non US equity - developed	18.55	5.20
Non US equity - emerging	5.83	5.40
Core fixed income	19.32	1.20
High yield	1.38	4.30
Non US fixed income - developed	1.84	0.60
Emerging market debt	0.46	3.90
Core real estate	8.50	4.90
Opportunity fund	6.00	3.80
Private equity	8.50	6.60
Cash	1.00	0.20
Total	100.00	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions shown above. In addition, the following methods and assumptions were used:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reached 103%, at which point the AED and SAED will each drop 0.50%

every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position (FNP), as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.25%) or one percent higher (8.25%) than the current rate:

Sensitivity of the NPL:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's proportionate share of net pension liability	\$ 696,570,789	\$ 455,336,546	\$ 253,519,727

Subsequent event: During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law on May 20, 2019, and eliminated the 2.00% increase in the contribution rate required by SB 18-200 for members in the LGDTF. The impact of this change will be reflected in the subsequent fiscal year, for the measurement date December 31, 2019.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA LGDTF financial reports found at:

<https://www.copera.org/resources/forms-publications/2018-cafr>

Defined Contribution Plans

City employees, depending upon their position in the City as noted in the plan descriptions below, have access to up to four defined contribution plans: PERA 401(k), ICMA 457, ICMA 401(a).

PERA 401(k) Plan Description: The LGDTF members of the City may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Contributions are separate from others made to PERA. Title 24, Article 51, Part 14, of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

PERA 401(k) Funding Policy: The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$19,000 annually for 2019 calendar year). There is a catch-up provision that allows participants 50 and older who are contributing the maximum to contribute an additional \$6,000 annually to their accounts. The City does not contribute into the PERA 401(k) plan.

ICMA 457 Plan Description: Per authority of a City Council Resolution, members of the City may also voluntarily contribute to an ICMA 457 Plan, an Internal Revenue Code of 1986 section 457. The plan is administered by ICMA Retirement Corporation and the Vantage Trust Company.

ICMA 457 Funding Policy: The ICMA 457 plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$19,000 annually for 2019 calendar year). In addition, employees are eligible to contribute an additional \$6,000 annually if they are age 50 or older. There is an additional "pre-retirement" catch-up provision that allows employees to double their 457 contributions by funding an additional \$19,000 if they are within three years of retirement. The City does not contribute into the ICMA 457 plan.

ICMA 401(a) Plan Description: Per Title 24, Article 51 of CRS, as amended, the City and Utilities provide, to certain employees, the option to make a one-time irrevocable election to participate in an ICMA 401(a), a defined contribution plan, administered by ICMA Retirement Corporation, in lieu of participation in Colorado PERA.

ICMA 401(a) Funding Policy: The City contributes to the ICMA 401(a) at a rate of 10.0% of covered salary. The City's contributions to the ICMA 401(a) for the year ending December 31, 2019 was \$57,691.

PERA Defined Contribution Plan Description: Certain City employees hired after December 31, 2018 can elect to participate in Colorado PERA's defined contribution plan in lieu of participating in the defined benefit plan. Per Title 24, Article 51 of CRS, as amended, employees have 60 calendar days from their date of hire to make a choice between the defined benefit plan and the defined contribution plan. If they do not make an active choice in the 60 days, they automatically get enrolled in the PERA defined benefit plan. Additionally, effective January 1, 2019, employees will have a one-time option of switching between the PERA defined benefit and the defined contribution plans between years two and five of participation in PERA.

PERA Defined Contribution Funding Policy: The City contributes to the PERA defined contribution at a rate of 10.0% of covered salary. The City's contributions to the PERA defined contribution plan for the year ending December 31, 2019 was \$27,450.

2. Uniformed Employees

Defined Benefit Plans

City firefighters and police officers participate in one of five different defined benefit pension plans. Membership in the various plans is dependent upon the classification of the employee (fire or police) and the start date of the employee. The five plans, administered by the FPPA, are the Old Hire Fire Pension Plan, Old Hire Police Pension Plan, New Hire Fire Pension Plan, New Hire Police Pension Plan and the Statewide Defined Benefit Plan. FPPA uses the accrual basis of accounting. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position were calculated using this basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. FPPA issues a publicly available financial report that includes financial statements and required supplementary information for FPPA. That report may be obtained online at:

<http://www.fppaco.org/PDF/annual-reports/18.annual.report.pdf>

or by calling FPPA at (303) 770-3772 or by writing to:

Fire and Police Pension Association of Colorado
5290 DTC Parkway, Suite 100
Greenwood Village, CO 80111-2721

The following information regarding the discount rate applies to all five plans with the FPPA.

Discount Rate: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2018 are below:

Asset Class	Target Allocation (%)	30 Year Expected Geometric Real Rate of Return (%)
Global equity	37.00	8.03
Equity long/short	9.00	6.45
Private markets	24.00	10.00
Fixed income	15.00	2.90
Absolute return	9.00	5.08
Managed futures	4.00	5.35
Cash	2.00	2.52
Total	100.00%	

The discount rate used to measure the total pension liability for the New Hire and Statewide plans was 7.00% while the discount rate used for the Old Hire plans was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made based on actuarially determined rates based on the Board's funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all the projected future payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate determination does not use the Municipal Bond Index Rate.

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports found at:

<http://www.fppaco.org/PDF/annual-reports/18.annual.report.pdf>

Old Hire Defined Benefit Pension Plans

Plan Description: The Old Hire Pension Plans, agent multiple-employer, defined benefit pension plans, are part of the Public Employee Retirement System administered by the Fire and Police Pension Association of Colorado (FPPA). There are 221 local plans associated with the FPPA Affiliated Local Plans. The Affiliated Local Plans at FPPA represent the assets of numerous separate plans that have elected to affiliate with FPPA for plan administration and investment only. Each plan has a separate plan document and actuarial valuation and is governed by its own local pension board which has the authority to amend the plan benefits, such as cost of living increases. Funding for the Old Hire Pension Plans is the sole obligation of the City.

The Old Hire Pension Plans are for sworn fire and police employees hired before April 8, 1978. These plans are closed to new employees. Any amendments to the benefit-related provisions of the Old Hire plans may be made by the Old Hire Pension Boards.

Members in the Old Hire Pension Plans may be eligible for a normal retirement pension once the employee has attained the age of 50 and has at least 25 years of service. A member eligible for a normal retirement may separate from service and be paid a monthly benefit equal to one half of the final monthly value of their eligible salary. Eligible salary includes base pay, pay based on length of service and pay for mandatory overtime and annual leave pay that is part of the member's fixed periodic compensation. Members who work beyond the normal retirement eligibility can elect one of two options:

1. Effective January 1, 1996, members may elect to have their pension contributions placed in a Separate Retirement Account (SRA) which, at their option, will be paid out at the time of retirement, together with any investment earnings or losses, provided they have worked a minimum of 24 months beyond normal retirement eligibility.
2. A member who retires on or after July 1, 1998 after serving at least one full year beyond normal retirement eligibility, shall be eligible to receive a Supplemental Retirement Pension (SRP) equal to 3% of the eligible salary based upon the rank the member occupied on the date of retirement for each full year of service beyond the normal retirement eligibility up to a maximum of six years or 18%. In order to receive the SRP, the member must formally waive and relinquish any right to any and all monies contained in his/her SRA.

The City has elected to opt-out of the current Colorado law limiting annual benefit increases to 3% for benefits earned after January 1, 1980 known as the limited rank escalation. Instead, benefit increases are linked to pay increases for the active duty rank the member occupied on the date of retirement.

Actuarial assumptions: The following actuarial assumptions apply to both of the Old Hire Pension Plans.

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.00
Full rank escalation	3.50
Long-term investments rate of return, net pension plan investment expenses, including price inflation	7.50

Mortality rates were based on the RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB.

Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use on the December 31, 2016 valuations. The assumptions changes are incorporated into the total pension liability as of December 31, 2018.

The complete assumption set can be found in the actuarial valuation report as of December 31, 2018.

The assumptions that are based upon the actuary's recommendations are internally consistent and reasonably based on the actual past experience of the plan.

Old Hire Fire Defined Benefit Pension Plan

The benefit recipients and members of the Old Hire Fire Pension Plan as of December 31, 2018 are as follows:

Retirees and beneficiaries	178

There are no active or inactive, non-retired members in the plan.

Contributions to the plan are based on biennially completed actuarial valuations of the plan. The contributions for year ended December 31, 2019 were based on the actuarial valuation as of January 1, 2018. The annual required contribution is the sum of the normal cost of the plan and the amortization of the unfunded actuarially determined liability. Employer contributions recognized by the Old Hire Fire Pension Plan from the City were \$2,328,416 for the year ended December 31, 2019.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2019, the City reported a liability of \$25,223,296 for the Old Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

For the year ended December 31, 2019, the City's pension expense related to the Old Hire Fire Pension Plan was \$2,799,302.

At December 31, 2019, the City reported deferred outflows and deferred inflows of resources related to pensions for the Old Hire Fire Pension Plan from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,652,175
Contributions subsequent to the measurement date	2,328,416
Total	<u>\$ 4,980,591</u>

The \$2,328,416 reported as deferred outflows of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Difference Between Projected and Actual Earnings on Investment	Total Effect of Amortized Deferred Inflows/Outflows on Pension Expense
2020	\$ 1,193,577	\$ 1,193,577
2021	354,921	354,921
2022	51,000	51,000
2023	1,052,677	1,052,677
Total	<u>\$ 2,652,175</u>	<u>\$ 2,652,175</u>

Per GASB Statement No. 68, the difference between expected and actual investment experience is amortized over a closed five year period.

The following presents the City's net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%) than the current rate:

Sensitivity of the NPL:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	\$ 33,402,845	\$ 25,223,296	\$ 18,137,665

Below is a schedule of changes in the net pension liability for the Old Hire Fire Pension Plan for year ended December 31, 2019:

Total pension liability (TPL) - January 1, 2019	\$ 95,398,783
Service cost	—
Interest on the TPL	6,853,477
Benefit changes	—
Differences between expected and actual experience of the TPL	—
Changes in assumptions	—
Benefit payments, including refunds of employee contributions	(8,186,165)
Net change in TPL	(1,332,688)
Total pension liability - December 31, 2019	94,066,095
Plan fiduciary net position (FNP) - January 1, 2019	74,667,694
Employer contributions	2,286,697
Employee contributions	—
Net investment income	117,863
Benefit payments, including refunds of employee contributions	(8,186,165)
Pension plan administrative expense	(43,290)
Net change in FNP	(5,824,895)
Plan fiduciary net position - December 31, 2019	68,842,799
Net pension liability	\$ 25,223,296
Plan fiduciary net position as a percentage of the total pension liability	73.19%
Covered payroll	\$ —
Net pension liability as a percentage of covered payroll	N/A

Old Hire Police Defined Benefit Pension Plan

The benefit recipients and members of the Old Hire Police Pension Plan as of December 31, 2018 are as follows:

Retirees and beneficiaries 148

There are no active or inactive, non-retired members in the plan.

Contributions to the plan are based on biennially completed actuarial valuations of the plan. The contributions for year ended December 31, 2019 were based on the actuarial valuation as of January 1, 2018. The annual required contribution is the sum of the normal cost of the plan and the amortization of the unfunded actuarially determined liability. Employer contributions recognized by the Old Hire Police Pension Plan from the City were \$1,850,964 for the year ended December 31, 2019.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2019, the City reported a liability of \$20,813,223 for the Old Hire Police Pension Plan net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

For the year ended December 31, 2019, the City's pension expense related to the Old Hire Police Pension Plan was \$2,325,960.

At December 31, 2019, the City reported deferred outflows and deferred inflows of resources related to pensions for the Old Hire Police Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 2,245,218
Contributions subsequent to the measurement date	1,850,964
Total	<u>\$ 4,096,182</u>

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The \$1,850,964 reported as deferred outflows of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Difference Between Projected and Actual Earnings on Investment	Total Effect of Amortized Deferred Inflows/Outflows on Pension Expense
2020	\$ 1,008,156	\$ 1,008,156
2021	300,948	300,948
2022	45,003	45,003
2023	891,111	891,111
Total	<u>\$ 2,245,218</u>	<u>\$ 2,245,218</u>

Per GASB Statement No. 68 the difference between projected and actual investment experience is amortized over a closed five year period.

The following presents net pension liability calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percent lower (6.50%) or one percent higher (8.50%) than the current rate:

Sensitivity of the NPL:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	\$ 27,874,095	\$ 20,813,223	\$ 14,723,523

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Below is a schedule of changes in the net pension liability for the Old Hire Police Pension Plan for year ended December 31, 2019:

Total pension liability (TPL) - January 1, 2019	\$	80,146,168
Service cost		—
Interest on the TPL		5,758,923
Benefit changes		—
Differences between expected and actual experience of the TPL		—
Changes in assumptions		—
Benefit payments, including refunds of employee contributions		(6,844,786)
Net change in TPL		(1,085,863)
Total pension liability - December 31, 2019		79,060,305
Plan fiduciary net position (FNP) - January 1, 2019		63,196,268
Employer contributions		1,833,691
Employee contributions		—
Net investment income		98,302
Benefit payments, including refunds of employee contributions		(6,844,786)
Pension plan administrative expense		(36,393)
Net change in FNP		(4,949,186)
Plan fiduciary net position - December 31, 2019		58,247,082
Net pension liability	\$	20,813,223
Plan fiduciary net position as a percentage of the total pension liability		73.67%
Covered payroll	\$	—
Net pension liability as a percentage of covered payroll		N/A

New Hire Defined Benefit Pension Plans

Plan Description: The New Hire Pension Plans are single-employer defined benefit plans administered by the Fire and Police Pension Association of Colorado (FPPA). Effective October 1, 2006, the New Hire Pension Plans were incorporated into the Defined Benefit System by the FPPA Board pursuant to provisions of CRS 31-31-706(2)(a). Assets of the New Hire Pension Plans are held in trust with the FPPA Board acting as trustee. As trustee, FPPA collects, invests, administers and disburses monies related to the Defined Benefit Pension Plan.

The New Hire Pension Plans are for sworn fire and police employees hired after April 8, 1978 but before October 1, 2006. These plans are closed to new employees. Any amendments to the benefit-related provisions of the New Hire Pension Plans may be made by the FPPA Board, with the consent of the City, only upon approval of at least 65% of the then active members in the plan. In 2007 and 2011, members in the New Hire Pension Plans were allowed to make a one-time irrevocable election to switch from the New Hire Pension Plans to the Statewide Defined Benefit Pension Plan effective January 1, 2012.

New Hire Pension Plan - Fire Component

Members in the New Hire Pension Plan - Fire Component (New Hire Fire Pension Plan) may be eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service. Members who elect to retire on or after their normal retirement date shall be eligible for a monthly pension equal to 2% of final average salary (past 39 payroll periods) for each year of service for the first 10 years, plus 2.85% of the final average salary for each year of service in excess of 10 years. The maximum monthly pension is 77% and is earned upon completing 30 years of service. A member is eligible for an early retirement benefit after completion of 20 years of service and attainment of age 50. The early retirement benefit is reduced by 4.615% for each year that the member is less than age 55.

Cost-of-living adjustments begin on October 1 immediately before the retiree turns 65 or 10 years after benefits payment commence, whichever is earlier. The COLA increase reflects increases in the consumer price index but in no case can the increase be more than 3% for any one year.

Upon termination, a member may elect to have all contributions, along with 5% per annum, as interest, returned as a lump sum distribution. Alternatively, a member with at least 10 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's final average salary for each year of credited service for the first 10 years, plus 2.85% of final average salary for each year of credited service in excess of 10 years not to exceed 77%.

The benefit recipients and members of the New Hire Fire Pension Plan as of December 31, 2018 are as follows:

Retirees and beneficiaries	174
Inactive, non-retired members	6
Active members	96

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members within the plan as determined by the actuarial study. The City's

contribution rate shall never drop below the employee rate as set by the Board of the Fire and Police Pension Association. Eligible employees are required to contribute 10% of their FPPA-includable salary. For 2019, the City's employer contribution rate was set at 23.10%. The City also contributed an additional amount into the plan of \$1,410,263. Employer contributions recognized by the New Hire Fire Pension Plan from the City were \$3,562,759 for the year ended December 31, 2019.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2019, the City reported a liability of \$43,715,910 for the New Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

For the year ended December 31, 2019, the City's pension expense related to the New Hire Fire Pension Plan was \$9,412,464.

At December 31, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the New Hire Fire Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,899	\$ 1,007,125
Change of assumptions	6,145,435	—
Net difference between projected and actual earnings on pension plan investments	4,796,320	—
Contributions subsequent to the measurement date	3,562,759	—
Total	<u>\$ 14,512,413</u>	<u>\$ 1,007,125</u>

The \$3,562,759 reported as deferred outflows of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction to the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Earnings on Investments	Total Effect of Amortized Deferred Inflows/Outflows on Pension Expense
2020	\$ (752,606)	\$ 3,945,234	\$ 2,040,149	\$ 5,232,777
2021	(246,620)	2,200,201	653,919	2,607,500
2022	—	—	144,555	144,555
2023	—	—	1,957,697	1,957,697
Total	<u>\$ (999,226)</u>	<u>\$ 6,145,435</u>	<u>\$ 4,796,320</u>	<u>\$ 9,942,529</u>

The differences between expected and actual experience as well as changes of assumptions are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. FPPA determined the average expected remaining service lives for active and inactive members at the beginning of the 2018 measurement period to be 2.6556 years. The difference between expected and actual investment experience is amortized over a closed five-year period.

Actuarial assumptions: The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.00 - 14.00
Full rank escalation	2.40
Long-term investments rate of return, net pension plan investment expenses, including price inflation	7.00

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to the 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is .00015.

The assumptions that are based upon the actuary's recommendations are internally consistent and reasonably based on the actual past experience of the plan.

The following presents the City's net pension liability calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

Sensitivity of the NPL:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	\$ 68,667,939	\$ 43,715,910	\$ 23,266,390

Below is a schedule of changes in the net pension liability for the New Hire Fire Pension Plan for year ended December 31, 2019:

Total pension liability (TPL) - January 1, 2019	\$ 168,492,702
Service cost	2,007,404
Interest on the TPL	12,196,763
Benefit changes	—
Differences between expected and actual experience of the TPL	(915,934)
Changes in assumptions	8,912,225
Benefit payments, including refunds of employee contributions	(8,338,312)
Net change in TPL	13,862,146
Total pension liability - December 31, 2019	182,354,848
Plan fiduciary net position (FNP) - January 1, 2019	142,035,779
Employer contributions	4,058,332
Employee contributions	923,455
Net investment income	33,950
Benefit payments, including refunds of employee contributions	(8,338,312)
Pension plan administrative expense	(74,266)
Net change in FNP	(3,396,841)
Plan fiduciary net position - December 31, 2019	138,638,938
Net pension liability	<u>\$ 43,715,910</u>
Plan fiduciary net position as a percentage of the total pension liability	76.03%
Covered payroll	\$ 9,234,540
Net pension liability as a percentage of covered payroll	473.40%

New Hire Pension Plan - Police Component

Members in the New Hire Pension Plan - Police Component (New Hire Police Pension Plan) may be eligible for a normal retirement pension at any time after age 50, if the member has at least 25 years of service. The annual normal pension equals 2% of the member's final average salary (for the past 39 payroll periods) for each full year of credited service up to ten years plus 2.75% for each full year thereafter with a maximum benefit of 75%. A member is eligible for an early retirement benefit after completion of 20 years of service and attainment of age 45. The early retirement benefit is reduced by 7.5% for each year that the member is less than age 50.

Cost-of-living adjustments begin on October 1 immediately before the retiree turns 60 or 10 years after benefits payment commence, whichever is earlier. The COLA increase reflects increases in the consumer price index but in no case can the increase be more than 3% for any one year.

Upon termination, a member may elect to have all contributions, along with 5% per annum, as interest, returned as a lump sum distribution. Alternatively, a member with at least 10 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 50 equal to 2% of the member's final average salary (for the past 39 payroll periods) for each full year of credited service up to ten years plus 2.75% for each full year thereafter with a maximum benefit of 75%.

The benefit recipients and members of the New Hire Police Pension Plan as of December 31, 2018 are as follows:

Retirees and beneficiaries	319
Inactive, non-retired members	21
Active members	268

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members within the plan as determined by the actuarial study. The City's contribution rate shall never drop below the employee rate as set by the Board of the Fire and Police Pension Association. Eligible employees are required to contribute 8% of their FPPA-includable salary. For 2019, the City's employer contribution rate was originally set at 23.43%, but after a mid-year review the City dropped the contribution rate to 19.20%. The City also contributed an additional amount into the plan of \$811,520. Employer contributions recognized by the New Hire Police Pension Plan from the City were \$6,026,386 for the year ended December 31, 2019.

The Plan is allocated between the governmental activities and the business-type activities (the Airport) based on contributions. The allocation for the year ended December 31, 2019 (a December 31, 2018 measurement date) was 97.5644% and 2.4356% between the governmental activities and the business-type activities respectively. This is an increase from the prior year in the governmental activities of .1127% and a corresponding decrease in the business-type activities.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2019, the City reported a liability of \$71,861,358 for the New Hire Police Pension Plan net pension liability. The net pension liability

was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018.

For the year ended December 31, 2019, the City's pension expense related to the New Hire Police Pension Plan was \$16,110,716.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the New Hire Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,865,155	\$ 5,887,339
Change of assumptions	15,396,988	—
Net difference between projected and actual earnings on pension plan investments	10,673,679	—
Contributions subsequent to the measurement date	6,026,386	—
Total	<u>\$ 34,962,208</u>	<u>\$ 5,887,339</u>

The \$6,026,386 reported as deferred outflows of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction to the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Earnings on Investments	Total Effect of Amortized Deferred Inflows/Outflows on Pension Expense
2020	\$ (2,738,767)	\$ 7,558,739	\$ 4,435,900	\$ 9,255,872
2021	(588,570)	6,397,834	1,466,575	7,275,839
2022	305,153	1,440,415	381,369	2,126,937
2023	—	—	4,389,835	4,389,835
Total	<u>\$ (3,022,184)</u>	<u>\$ 15,396,988</u>	<u>\$ 10,673,679</u>	<u>\$ 23,048,483</u>

The differences between expected and actual experience as well as changes of assumptions are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. FPPA determined the average expected remaining service lives for active and inactive members at the beginning of the 2018 measurement period to be 3.2384 years. The difference between projected and actual investment experience is amortized over a closed five-year period.

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

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.00 - 14.00
Long-term investments rate of return, net pension plan investment expenses, including price inflation	7.00
Cost of living	2.60

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to the 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is .00015.

The assumptions that are based upon the actuary's recommendations are internally consistent and reasonably based on the actual past experience of the plan.

The following presents net pension liability calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

Sensitivity of the NPL:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	\$ 128,613,142	\$ 71,861,358	\$ 25,837,825

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Below is a schedule of changes in the net pension liability for the New Hire Police Pension Plan for year ended December 31, 2019:

Total pension liability (TPL) - January 1, 2019	\$	342,817,503
Service cost		5,527,257
Interest on the TPL		25,073,851
Benefit changes		—
Differences between expected and actual experience of the TPL		4,145,156
Changes in assumptions		19,566,442
Benefit payments, including refunds of employee contributions		(13,899,402)
Net change in TPL		40,413,304
Total pension liability - December 31, 2019		383,230,807
Plan fiduciary net position (FNP) - January 1, 2019		315,606,098
Employer contributions		7,590,899
Employee contributions		2,222,616
Net investment income		(4,868)
Benefit payments, including refunds of employee contributions		(13,899,402)
Pension plan administrative expense		(145,894)
Net change in FNP		(4,236,649)
Plan fiduciary net position - December 31, 2019		311,369,449
Net pension liability	\$	71,861,358
Plan fiduciary net position as a percentage of the total pension liability		81.25%
Covered payroll	\$	23,500,297
Net pension liability as a percentage of covered payroll		305.79%

Statewide Defined Benefit Pension Plan

Plan Description: The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan covering a substantial number of full-time employees of participating fire or police departments in the State of Colorado hired after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2013, the Statewide Pension Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Statewide Pension Plan became effective January 1, 1980 and currently has 268 participating employer fire and police departments. Effective January 1, 1988, employers cannot withdraw from the plan per Colorado state statutes.

The Statewide Pension Plan is for City sworn fire and police employees hired after October 1, 2006. This plan is open to new employees. Any amendments to the benefit-related provisions of the Statewide Pension Plan may be made by the FPPA Board, only upon approval of at least 65% of the then active members in the plan with the exception of retirement age. Colorado state statutes were amended to allow the FPPA Board to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should be no less than age 55 and no greater than age 60.

Members in the Statewide Pension Plan may be eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service. The annual normal pension equals 2% of the member's highest three years' base salary year of credited service up to ten years, plus 2.5% for each year of service thereafter. A member is eligible for an early retirement benefit after completion of 30 years of service and attainment of age 50. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

Cost-of-living adjustments begin in October annually. The COLA increase reflects increases in the consumer price index but in no case can the increase be more than 3% for any one year.

Upon termination, a member may elect to have all contributions, along with 5% per annum, as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's highest three years' base salary for each full year of credited service up to ten years plus 2.5% for each full year thereafter.

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members within the plan as determined by the actuarial study. The contribution rates for this plan are set by state statute. Employer contribution rates can only be changed by amending state statute. Member contribution rates can be amended by state statute or by election of the membership. In 2014, the members elected to increase the member contribution rate to the plan beginning in 2015. Member contribution rates will increase by .5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8%. Eligible employees contributed 10.50% of their FPPA-includable salary with the employer contribution rate at 8%. Employer contributions recognized by the Statewide Pension Plan from the City were \$4,841,239 for the year ended December 31, 2019.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2019, the City reported a liability of \$9,380,877 as its proportionate share of the Statewide Pension Plan net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The City's proportion of the net pension liability was based on the City's contributions in relation to all participating employers in the plan.

At December 31, 2018, the City's proportion was 7.4200%, which was a decrease of .1065% from its proportion measured as of December 31, 2017. The City allocates its portion of the Statewide Pension Plan between governmental activities and business-type activities, based on contributions. This allocation for the year-ended December 31, 2019 (a December 31, 2018 measurement date) was 99.8911% and .1089% between the governmental activities and business-type activities respectively. This allocation is a decrease from the prior year in the governmental activities of .1089% and a corresponding increase in the business-type activities.

For the year ended December 31, 2019, the City's pension expense related to the Statewide Pension Plan was \$1,117,546.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Statewide Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,053,629	\$ 100,215
Change of assumptions	9,085,078	—
Net difference between projected and actual earnings on pension plan investments	7,379,504	—
Change in proportion	515,971	771,982
Contributions subsequent to the measurement date	4,841,239	—
Total	<u>\$ 33,875,421</u>	<u>\$ 872,197</u>

The \$4,841,239 reported as deferred outflows of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction in net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Earnings on Investments	Net Changes in Proportion	Total Effect of Amortized Deferred Inflows/Outflows on Pension Expense
2019	\$ 1,243,192	\$ 944,876	\$ 1,844,876	\$ (60,007)	\$ 3,972,937
2020	1,243,192	944,876	1,844,876	(60,007)	3,972,937
2021	1,243,192	944,876	1,844,876	(60,007)	3,972,937
2022	1,243,192	944,876	1,844,876	(60,007)	3,972,937
2023	1,243,192	944,876	—	(60,007)	2,128,061
Thereafter	5,737,454	4,360,698	—	44,024	10,142,176
Total	<u>\$ 11,953,414</u>	<u>\$ 9,085,078</u>	<u>\$ 7,379,504</u>	<u>\$ (256,011)</u>	<u>\$ 28,161,985</u>

The differences between expected and actual experience, changes of assumptions as well as the City's change in their proportion are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. FPPA determined the average expected remaining service lives for active and inactive members at the beginning of the 2018 measurement period to be 9.6151 years. The difference between projected and actual investment experience is amortized over a closed five-year period.

Actuarial assumptions: The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.25 - 11.25
Cost of living	0.00
Long-term investments rate of return, net pension plan investment expenses, including price inflation	7.00

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to the 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is .00015.

The assumptions that are based upon the actuary's recommendations are internally consistent and reasonably based on the actual past experience of the plan.

The following presents the City's proportionate share net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

Sensitivity of the NPL:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of net pension liability (asset)	\$ 36,377,916	\$ 9,380,877	\$ (13,012,677)

Defined Contribution Plan

Statewide Money Purchase Plan Description: Per Senate Bill 15-028, Fire and Police Chiefs are allowed to opt out of participation in the defined benefit plans into an alternative pension plan. The alternative pension plan must be the FPPA Statewide Hybrid Plan, the Statewide Money Purchase Plan or a locally administered money purchase plan. The Statewide Money Purchase Plan is a qualified defined contribution plan under section 401(a) of the IRS code of 1986.

Statewide Money Purchase Plan Funding Policy: The employee and employer contributions rates are set at a minimum of 8%, or such higher rate as approved locally. The City chose to set the rates, at plan inception, for both employee and employer. Each contribute at a rate of 10% each. The City contributions to the FPPA Statewide Money Purchase Plan for the year ending December 31, 2019 was \$2,569.

457 Plan Description: Per authority of a City Council Resolution, uniformed members of the City may also voluntarily contribute to an ICMA or a FPPA 457 Plan, an Internal Revenue Code of 1986 section 457. The ICMA plan is administered by ICMA Retirement Corporation and the Vantage Trust Company and the FPPA plan is administered by the Fire and Police Pension Association.

457 Funding Policy: The ICMA and FPPA 457 plans are funded by voluntary member contributions of up to a maximum limit set by the IRS (\$19,000 annually for 2019 calendar year). In addition, employees are eligible to contribute an additional \$6,000 annually if they are age 50 or older. There is an additional "pre-retirement" catch-up provision that allows employees to double their 457 contributions by funding an additional \$19,000 if they are within three years of retirement. The City does not contribute into the ICMA or FPPA 457 plans.

I. Accounting Changes

The City early adopted GASB Statement No. 83, *Certain Asset Retirement Obligations* in 2019. The objective of GASB Statement No. 83 was to establish uniform criteria for governments to recognize and measure certain asset retirement obligations, including obligations that may not have been previously reported. The City performed assessments of its legal obligations to perform future asset retirement activities related to its tangible capital assets and determined that there are no material obligations as of year-end. Annually, the City will perform assessments to evaluate if any material obligations exist. Any future material obligations identified will be recorded in the period identified.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was early adopted by the City during 2019. This statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The City would have been required to adopt GASB Statement No. 89 during a subsequent fiscal year. This statement requires prospective application of the provisions of the statement; therefore, no prior period restatement was made.

J. Subsequent Events

On November 12, 2019, Council approved changes to the water, wastewater, and electric rate schedules and rules and regulations effective January 1, 2020. On January 28, 2020, Council approved changes to the electric cost adjustment, gas cost adjustment, and supply credit rates effective February 1, 2020.

In May 2020, GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement was issued to provide temporary relief to governments during the COVID-19 pandemic by delaying the implementation date on certain standards that were initially effective for reporting periods beginning after June 15, 2018. The City elected to implement some standards scheduled for implementation during 2019, as reflected in Note IV.I, while electing to delay others as allowed by this statement. The City has chosen to delay the implementation of the following statements until fiscal year 2020:

GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on whether a government is controlling the assets of the fiduciary activity and 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. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Four distinct fiduciary fund types that should be reported, if applicable, include pension (and other employment benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Additionally, this statement provides for the recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Payments*. This statement seeks to improve consistency in the information disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. This statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For the notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

GASB Statement No. 90, *Majority Equity Interests*. This statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method.

As a result of the spread of a novel coronavirus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the City. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Years ended December 31,

CITY OF COLORADO SPRINGS
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Colorado PERA Local Government Division Trust Fund

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportionate share of					
total pension liability	\$ 1,893,691,502	\$ 1,920,057,454	\$ 1,896,397,997	\$ 1,742,453,960	\$ 1,725,945,784
Proportionate share of					
fiduciary net position	<u>(1,438,354,956)</u>	<u>(1,523,903,793)</u>	<u>(1,396,620,395)</u>	<u>(1,339,384,263)</u>	<u>(1,393,102,634)</u>
Proportionate share of					
net pension liability	<u>\$ 455,336,546</u>	<u>\$ 396,153,661</u>	<u>\$ 499,777,602</u>	<u>\$ 403,069,697</u>	<u>\$ 332,843,150</u>
Fiduciary net position as a percentage					
of total pension liability	75.96%	79.37%	73.65%	76.87%	80.72%
Covered payroll	\$ 236,427,277	\$ 225,147,540	\$ 216,649,184	\$ 208,704,241	\$ 204,135,871
Net pension liability as a percentage					
of covered payroll	192.59%	175.95%	230.69%	193.13%	163.05%
Proportion of net pension liability	36.2179%	35.5796%	37.0112%	36.5901%	37.1349%

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 15
(PAGE 2 OF 3)

Colorado PERA Local Government Division Trust Fund

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 32,516,796	\$ 32,516,796	\$ —	\$ 249,094,029	13.05
2018	30,705,118	30,705,118	—	236,427,277	12.99
2017	28,775,859	28,775,859	—	225,147,540	12.78
2016	27,723,419	27,723,419	—	216,649,184	12.80
2015	26,548,367	26,548,367	—	208,704,241	12.72

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

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Colorado PERA Local Government Division Trust Fund

Changes of assumptions -

- 2019 - The following major changes were made to plan provisions as part of SB 18-200: Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020 and an additional 0.50% effective July 14, 2021.
- 2017 - The investment return assumption was lowered from 7.50% to 7.25%. The price inflation assumption was lowered from 2.80% to 2.40%. The wage inflation assumption was lowered from 3.90% to 3.50%. The post-retirement mortality assumption for healthy lives was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of 73.0% factor applied to ages below 80 and a 108.0% factor applied to age 80 and above, projected to 2018, for males and a 78.0% factor applied to ages below 80 and a 109.0% factor applied to age 80 and above, projected to 2020, for females. For disabled retirees, the mortality assumption was changed to reflect 90.0% of RP-2014 Disabled Retiree Mortality Table. The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriated margin of improved mortality prospectively, the mortality rates incorporate a 70.0% factor applied to male rated and 55.0% factor applied to female rates. The rates of retirement, withdrawal and disability were revised to reflect more closely actual experience.

Changes in benefits -

- 2019 - The following major changes were made to plan provisions as part of SB 18-200: The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the Local Government Division. Annual increase (AI) cap is lowered from 2.00% per year to 1.50% per year. Initial AI waiting period is extended from one year after retirement to three years after retirement

Subsequent event -

- 2019 - During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law on May 20, 2019, and eliminated the 2.00% increase in the contribution rate required by SB 18-200 for members in the LGDTF. The impact of this change will be reflected in the subsequent fiscal year, for the measurement date December 31, 2019.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CITY'S NET PENSION LIABILITY
Years ended December 31,

CITY OF COLORADO SPRINGS
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EXHIBIT 16
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Old Hire Fire Defined Benefit Pension Plan

	2019	2018	2017	2016	2015
Total Pension Liability (TPL) - January 1	\$ 95,398,783	\$ 97,526,320	\$ 98,527,662	\$ 94,992,823	\$ 96,220,416
Service cost	—	—	—	—	—
Interest on the TPL	6,853,477	7,014,133	7,091,577	6,824,022	6,916,644
Benefit changes	—	—	—	—	—
Difference between expected and actual experience of the TPL	—	(985,133)	—	(1,442,156)	—
Changes in assumptions	—	—	—	6,312,216	—
Benefit payments, including refunds of employee contributions	(8,186,165)	(8,156,537)	(8,092,919)	(8,159,243)	(8,144,237)
Net change in TPL	(1,332,688)	(2,127,537)	(1,001,342)	3,534,839	(1,227,593)
Total Pension Liability - December 31	94,066,095	95,398,783	97,526,320	98,527,662	94,992,823
Plan Fiduciary Net Position (FNP) - January 1	74,667,694	70,493,833	73,326,035	78,504,844	80,007,825
Employer contributions	2,286,697	2,286,697	1,639,319	1,639,319	1,467,740
Employee contributions	—	—	—	—	—
Net investment income	117,863	10,078,024	3,737,918	1,450,492	5,299,069
Benefit payments, including refunds of employee contributions	(8,186,165)	(8,156,537)	(8,092,919)	(8,159,243)	(8,144,237)
Pension plan administrative expense	(43,290)	(34,323)	(116,520)	(109,377)	(125,553)
Net change in FNP	(5,824,895)	4,173,861	(2,832,202)	(5,178,809)	(1,502,981)
Plan Fiduciary Net Position - December 31	68,842,799	74,667,694	70,493,833	73,326,035	78,504,844
Net pension liability	\$ 25,223,296	\$ 20,731,089	\$ 27,032,487	\$ 25,201,627	\$ 16,487,979
Fiduciary net position as a percentage of total pension liability	73.19%	78.27%	72.28%	74.42%	82.64%
Covered payroll	\$ —	\$ —	\$ —	\$ —	\$ —
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to the Required Supplementary Information

Changes in benefits None

Changes of assumptions 2017 - Real return increased from 4.50% to 5.00%. Post-retirement mortality table updated to RP-2014 from RP-2000. Administrative expenses paid in the prior two fiscal years are included in the calculated annual contribution.

2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
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Old Hire Fire Defined Benefit Pension Plan

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 2,328,416	\$ 2,328,416	\$ —	\$ —	N/A
2018	2,286,697	2,286,697	—	—	N/A
2017	2,286,697	2,286,697	—	—	N/A
2016	1,639,319	1,639,319	—	—	N/A
2015	1,639,319	1,639,319	—	—	N/A

Notes to the Required Supplementary Information

Valuation date: January 1, 2018

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	19 years
Inflation	2.50%
Salary increase	N/A
Discount rate	7.50%
Cost of living adjust/full rank escalation	3.50%
Asset valuation method	5-year smoothed fair value
Retirement age	50 years of age
Mortality	Rates were based on RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected Scale BB

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CITY'S NET PENSION LIABILITY
Years ended December 31,

CITY OF COLORADO SPRINGS
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Old Hire Police Defined Benefit Pension Plan

	2019	2018	2017	2016	2015
Total Pension Liability (TPL) - January 1	\$ 80,146,168	\$ 81,444,517	\$ 82,286,576	\$ 80,928,590	\$ 81,933,276
Service cost	—	—	—	—	—
Interest on the TPL	5,758,923	5,859,424	5,922,411	5,813,424	5,891,079
Benefit changes	—	—	—	—	—
Difference between expected and actual experience of the TPL	—	(397,839)	—	(2,591,637)	—
Changes in assumptions	—	—	—	5,094,537	—
Benefit payments, including refunds of employee contributions	(6,844,786)	(6,759,934)	(6,764,470)	(6,958,338)	(6,895,765)
Net change in TPL	(1,085,863)	(1,298,349)	(842,059)	1,357,986	(1,004,686)
Total Pension Liability - December 31	79,060,305	80,146,168	81,444,517	82,286,576	80,928,590
Plan Fiduciary Net Position (FNP) - January 1	63,196,268	59,630,971	61,865,742	66,224,327	67,207,764
Employer contributions	1,833,691	1,833,691	1,466,935	1,466,935	1,541,080
Employee contributions	—	—	—	—	6,534
Net investment income	98,302	8,520,414	3,161,491	1,225,181	4,471,258
Benefit payments, including refunds of employee contributions	(6,844,786)	(6,759,934)	(6,764,470)	(6,958,338)	(6,895,765)
Pension plan administrative expense	(36,393)	(28,874)	(98,727)	(92,363)	(106,544)
Net change in FNP	(4,949,186)	3,565,297	(2,234,771)	(4,358,585)	(983,437)
Plan Fiduciary Net Position - December 31	58,247,082	63,196,268	59,630,971	61,865,742	66,224,327
Net pension liability	\$ 20,813,223	\$ 16,949,900	\$ 21,813,546	\$ 20,420,834	\$ 14,704,263
Fiduciary net position as a percentage of total pension liability	73.67%	78.85%	73.22%	75.18%	81.83%
Covered payroll	\$ —	\$ —	\$ —	\$ —	\$ 61,878
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	23763.31%

Notes to the Required Supplementary Information

Changes in benefits None

Changes of assumptions
2017 - Real return increased from 4.50% to 5.00%. Post-retirement mortality table updated to RP-2014 from RP-2000. Administrative expenses paid in the prior two fiscal years are included in the calculated annual contribution.
2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
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CITY OF COLORADO SPRINGS
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Old Hire Police Defined Benefit Pension Plan

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 1,850,964	\$ 1,850,964	\$ —	\$ —	N/A
2018	1,836,343	1,836,343	—	—	N/A
2017	1,833,691	1,833,691	—	—	N/A
2016	1,466,935	1,466,935	—	—	N/A
2015	1,466,935	1,466,935	—	—	N/A

Notes to the Required Supplementary Information

Valuation date: January 1, 2018

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	19 years
Inflation	2.50%
Salary increase	N/A
Discount rate	7.50%
Cost of living adjust/full rank escalation	3.50%
Asset valuation method	5-year smoothed fair value
Retirement age	50 years of age
Mortality	Rates were based on RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected Scale BB

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
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New Hire Pension Plan - Fire Component

	2019	2018	2017	2016	2015
Total Pension Liability (TPL) - January 1	\$ 168,492,702	\$ 163,542,442	\$ 157,971,179	\$ 145,875,351	\$ 138,255,953
Service cost	2,007,404	1,872,966	2,129,584	2,350,743	2,436,526
Interest on the TPL	12,196,763	12,030,879	11,644,318	11,152,618	10,261,170
Benefit changes	—	—	—	—	—
Difference between expected and actual experience of the TPL	(915,934)	(819,178)	(645,848)	55,903	238,938
Changes in assumptions	8,912,225	—	—	4,765,138	—
Benefit payments, including refunds of employee contributions	(8,338,312)	(8,134,407)	(7,556,791)	(6,228,574)	(5,317,236)
Net change in TPL	13,862,146	4,950,260	5,571,263	12,095,828	7,619,398
Total Pension Liability - December 31	182,354,848	168,492,702	163,542,442	157,971,179	145,875,351
Plan Fiduciary Net Position (FNP) - January 1	142,035,779	126,527,898	123,154,436	122,730,229	115,691,126
Employer contributions	4,058,332	4,181,089	3,485,586	3,437,596	3,341,129
Employee contributions	923,455	1,083,453	1,045,342	1,202,513	1,278,915
Net investment income	33,950	18,445,141	6,569,905	2,206,766	7,924,723
Benefit payments, including refunds of employee contributions	(8,338,312)	(8,134,407)	(7,556,791)	(6,228,574)	(5,317,236)
Pension plan administrative expense	(74,266)	(67,395)	(209,340)	(194,094)	(195,429)
Other	—	—	38,760	—	7,001
Net change in FNP	(3,396,841)	15,507,881	3,373,462	424,207	7,039,103
Plan Fiduciary Net Position - December 31	138,638,938	142,035,779	126,527,898	123,154,436	122,730,229
Net pension liability	<u>\$ 43,715,910</u>	<u>\$ 26,456,923</u>	<u>\$ 37,014,544</u>	<u>\$ 34,816,743</u>	<u>\$ 23,145,122</u>
Fiduciary net position as a percentage of total pension liability	76.03%	84.30%	77.37%	77.96%	84.13%
Covered payroll	\$ 9,234,540	\$ 9,517,994	\$ 10,367,032	\$ 11,910,879	\$ 12,789,129
Net pension liability as a percentage of covered payroll	473.40%	277.97%	357.04%	292.31%	180.97%

Notes to the Required Supplementary Information

Changes in benefits None

Changes of assumptions

2019 - Investment rate of return changed from 7.50% to 7.00%. 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality

2017 - Real return increased from 4.50% to 5.00%. Post-retirement mortality table updated to RP-2014 from RP-2000. Administrative expenses paid in the prior two fiscal years are included in the calculated annual contribution.

2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 2 OF 4)

New Hire Pension Plan - Fire Component

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 3,562,759	\$ 3,562,759	\$ —	\$ 9,362,740	38.05
2018	4,071,111	4,071,111	—	9,234,540	44.09
2017	4,207,271	4,207,271	—	9,517,994	44.20
2016	3,477,722	3,477,722	—	10,367,032	33.55
2015	3,444,712	3,444,712	—	11,910,879	28.92

Notes to the Required Supplementary Information

Valuation date: January 1, 2018

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Inflation	2.50%
Salary increase	4.00 - 14.00% including inflation
Discount rate	7.00%
Asset valuation	5 year smoothed fair value
Retirement age	Age based rates for members with more than 25 years combined service & age starting at age 55 with 100% at age 60 years
Mortality	Rates were based on RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected Scale BB 55% multiplier for off-duty mortality increased by .00020 for on-duty Fire and Police experience

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CITY'S NET PENSION LIABILITY
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 3 OF 4)

New Hire Pension Plan - Police Component

	2019	2018	2017	2016	2015
Total Pension Liability (TPL) - January 1	\$ 342,817,503	\$ 331,007,540	\$ 319,975,168	\$ 297,810,707	\$ 281,166,840
Service cost	5,527,257	5,320,575	5,823,050	6,291,613	6,226,828
Interest on the TPL	25,073,851	24,542,529	23,779,327	22,785,151	20,973,736
Benefit changes	—	—	—	—	—
Difference between expected and actual experience of the TPL	4,145,156	(5,184,926)	(6,911,997)	(4,663,822)	(1,295,803)
Changes in assumptions	19,566,442	—	—	7,939,475	—
Benefit payments, including refunds of employee contributions	(13,899,402)	(12,868,215)	(11,658,008)	(10,187,956)	(9,260,894)
Net change in TPL	40,413,304	11,809,963	11,032,372	22,164,461	16,643,867
Total Pension Liability - December 31	383,230,807	342,817,503	331,007,540	319,975,168	297,810,707
Plan Fiduciary Net Position (FNP) - January 1	315,606,098	277,111,969	264,726,596	260,252,125	242,667,157
Employer contributions	7,590,899	8,433,311	7,512,099	7,916,242	7,728,841
Employee contributions	2,222,616	2,319,332	2,628,533	2,493,427	2,830,620
Net investment income	(4,868)	40,741,455	14,354,620	4,665,140	16,694,742
Benefit payments, including refunds of employee contributions	(13,899,402)	(12,868,215)	(11,658,008)	(10,187,956)	(9,260,894)
Pension plan administrative expense	(145,894)	(131,754)	(451,871)	(412,382)	(408,341)
Net change in FNP	(4,236,649)	38,494,129	12,385,373	4,474,471	17,584,968
Plan Fiduciary Net Position - December 31	311,369,449	315,606,098	277,111,969	264,726,596	260,252,125
Net pension liability	\$ 71,861,358	\$ 27,211,405	\$ 53,895,571	\$ 55,248,572	\$ 37,558,582
Fiduciary net position as a percentage of total pension liability	81.25%	92.06%	83.72%	82.73%	87.39%
Covered payroll	\$ 23,500,297	\$ 24,114,374	\$ 26,439,948	\$ 28,615,723	\$ 30,066,196
Net pension liability as a percentage of covered payroll	305.79%	112.84%	203.84%	193.07%	124.92%

Notes to the Required Supplementary Information

Changes in benefits None

Changes of assumptions

2019 - Investment rate of return changed from 7.50% to 7.00%. 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality

2017 - Real return increased from 4.50% to 5.00%. Post-retirement mortality table updated to RP-2014 from RP-2000. Administrative expenses paid in the prior two fiscal years are included in the calculated annual contribution.

2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 4 OF 4)

New Hire Pension Plan - Police Component

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 6,026,386	\$ 6,026,386	\$ —	\$ 24,709,177	24.39
2018	7,607,860	7,607,860	—	23,500,297	32.37
2017	8,471,261	8,471,261	—	24,114,374	35.13
2016	7,527,907	7,527,907	—	26,439,948	28.47
2015	7,969,055	7,969,055	—	28,615,723	27.85

Notes to the Required Supplementary Information

Valuation date: January 1, 2018

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Inflation	2.50%
Salary increase	4.00 - 14.00% including inflation
Discount rate	7.00%
Asset valuation	5 year smoothed fair value
Retirement age	Age based rates for members with more than 25 years combined service & age starting at age 50 with 100% at age 55 years
Mortality	Rates were based on RP-2014 Combined Mortality Table with Blue Collar Adjustment, projected Scale BB 55% multiplier for off-duty mortality increased by .00020 for on-duty Fire and Police experience

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 18
(PAGE 1 OF 3)

Fire & Police Pension Association Statewide Defined Benefit Pension Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportionate share					
of total pension liability	\$ 196,860,692	\$ 170,806,127	\$ 153,221,012	\$ 133,609,555	\$ 115,980,297
Proportionate share					
of fiduciary net position	<u>(187,479,815)</u>	<u>(181,634,116)</u>	<u>(150,482,259)</u>	<u>(133,737,080)</u>	<u>(123,899,253)</u>
Proportionate share					
of net pension liability (asset)	<u>\$ 9,380,877</u>	<u>\$ (10,827,989)</u>	<u>\$ 2,738,753</u>	<u>\$ (127,525)</u>	<u>\$ (7,918,956)</u>
Fiduciary net position as a percentage					
of total pension liability (asset)	95.23%	106.34%	98.21%	100.10%	106.83%
Covered payroll	\$ 49,702,739	\$ 43,974,999	\$ 38,790,638	\$ 35,068,719	\$ 31,535,933
Net pension liability (asset) as a					
percentage of covered payroll	18.87%	24.62%	7.06%	0.36%	25.11%
Proportion of net pension liability (asset)	7.4200%	7.5265%	7.5795%	7.2340%	7.0168%

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 18
(PAGE 2 OF 3)

Fire & Police Pension Association Statewide Defined Benefit Pension Plan

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 4,841,239	\$ 4,841,239	\$ —	\$ 59,417,629	8.15
2018	4,076,278	4,076,278	—	49,702,739	8.20
2017	3,579,520	3,579,520	—	43,974,999	8.14
2016	3,158,425	3,158,425	—	38,790,638	8.14
2015	2,976,381	2,976,381	—	35,068,719	8.49

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

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Fire & Police Pension Association Statewide Defined Benefit Pension Plan

Changes of assumptions -

- 2019 - The discount rate used in the valuation of the total pension liability changed from 7.50% to 7.00%
- 2017 - Effective January 1, 2016, the post-retirement mortality assumption for healthy lives was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for blue collar employees with scale BB. Beginning in 2015, members elected to increase member contribution rated 0.50% annually through 2022 when the contribution rate will reach 12.00%. Employer contribution rates will remain at 8.00%.
- 2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.

Changes in benefits - There are no changes to benefits.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
Year ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 19
(PAGE 1 OF 3)

Colorado PERA Health Care Trust Fund

	<u>2019</u>	<u>2018</u>
Proportionate share of total OPEB liability	\$ 46,022,463	\$ 43,535,412
Proportionate share of fiduciary net position	<u>(7,836,090)</u>	<u>(7,631,217)</u>
Proportionate share of net OPEB liability	<u>\$ 38,186,373</u>	<u>\$ 35,904,195</u>
Plan fiduciary net position as a percentage of total OPEB liability	17.03%	17.53%
Covered payroll	\$236,427,277	\$225,147,540
Proportionate share of the net OPEB liability as a percentage of covered employee payroll	16.15%	15.95%
Proportion of net OPEB liability	2.8067%	2.7627%

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 75.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Year ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 19
(PAGE 2 OF 3)

Colorado PERA Health Care Trust Fund

	Statutorily Determined Contributions	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2019	\$ 2,613,609	\$ 2,613,609	\$ —	\$ 249,094,029	1.05
2018	2,447,276	2,447,276	—	236,427,277	1.04

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 75.

Colorado PERA Health Care Trust Fund

Changes of assumptions - There are no changes to assumptions for year ended December 31, 2018, the plan measurement date.

Changes in benefits - There are no changes to benefits.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CITY'S TOTAL OPEB LIABILITY
Year ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 20

The City of Colorado Springs OPEB Plan

	2019	2018
Total OPEB Liability (TOL) - January 1	\$ 30,107,637	\$ 26,516,371
Service cost	739,173	434,507
Interest on the TOL	1,034,500	987,112
Benefit changes	—	—
Difference between expected and actual experience of the TOL	909,670	1,680,818
Changes in assumptions	(2,189,751)	2,162,428
Benefit payments, including refunds of employee contributions	(1,548,249)	(1,673,599)
Net change in TOL	(1,054,657)	3,591,266
Total OPEB Liability - December 31	\$ 29,052,980	\$ 30,107,637
Covered employee payroll	\$183,328,604	\$170,699,626 **
Total OPEB liability as a percentage of covered employee payroll	15.85%	17.64%

Notes to the Required Supplementary Information

Benefit changes	None
Actuarial assumption changes	2019 - The discount rate increased from 3.44% to 4.10% based on changes in the 20-year municipal bond rate. 2018 - The discount rate decreased from 3.78% to 3.44% based on changes in the 20-year municipal bond rate. Updated mortality, disability, turnover, retirement and salary scale assumptions were updated to reflect those from the FPPA 2018 Actuarial Experience study and the December 31, 2017 Colorado PERA pension valuation

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 75.

** This figure has been adjusted from what was reported in the previous year

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CSU'S TOTAL OPEB LIABILITY
Year ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 21

Colorado Springs Utilities OPEB Plan

	2019	2018
Total OPEB Liability (TOL) - January 1	\$ 21,624,000	\$ 21,390,000
Service cost	23,000	20,000
Interest on the TOL	723,000	786,000
Benefit changes	—	—
Difference between expected and actual experience of the TOL	(511,000)	(93,000)
Changes in assumptions	(1,389,000)	785,000
Benefit payments, including refunds of employee contributions	(1,242,000)	(1,264,000)
Net change in TOL	(2,396,000)	234,000
Total OPEB Liability - December 31	\$ 19,228,000	\$ 21,624,000
Covered employee payroll	\$ 3,530,000	\$ 5,683,000
Total OPEB liability as a percentage of covered employee payroll	544.70%	380.50%

Notes to the Required Supplementary Information

Changes in benefits	None
Changes of assumptions	2019 -The discount rate increased from 3.44% to 4.10% based on changes in the 20-year municipal bond rate. 2018 - The discount rate decreased from 3.78% to 3.44% based on changes in the 20-year municipal bond rate. Updated mortality, disability, turnover, retirement and salary scale assumptions were updated to reflect those from the FPPA 2018 Actuarial Experience study and the December 31, 2017 Colorado PERA pension valuation

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 75.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

PROPRIETARY FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL COMPARISON
For the year ended December 31, 2019

	Colorado Springs Utilities		
	Final Budget	Actual	Variance
Operating revenues	\$ 883,206,000	\$ 893,026,000	\$ 9,820,000
Operating expenses			
Salaries and benefits	203,450,000	200,639,000	2,811,000
Other operating expenses	329,479,000	269,643,000	59,836,000
Depreciation and amortization	163,487,000	160,155,000	3,332,000
Total operating expenses	696,416,000	630,437,000	65,979,000
Operating income	186,790,000	262,589,000	75,799,000
Nonoperating revenues (expenses)			
Derivative instruments	—	(11,365,000)	(11,365,000)
Investment earnings	2,027,000	10,231,000	8,204,000
Lease interest income	—	—	—
Interest expense	(98,733,000)	(97,992,000)	741,000
Amortization expense	—	—	—
Increase in contingent liabilities	—	—	—
Miscellaneous	8,264,000	(1,561,000)	(9,825,000)
Total nonoperating revenues (expenses)	(88,442,000)	(100,687,000)	(12,245,000)
Income (loss) before contributions and transfers	98,348,000	161,902,000	63,554,000
Capital contributions	41,190,000	64,939,000	23,749,000
Transfers - out	(33,669,000)	(36,349,000)	(2,680,000)
Increase (decrease) in net position	\$ 105,869,000	\$ 190,492,000	\$ 84,623,000

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-1

Public Authority for Colorado Energy			Memorial Hospital		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 50,103,269	\$ 50,108,000	\$ 4,731	\$ —	\$ —	\$ —
—	—	—	—	—	—
19,559,082	19,537,000	22,082	—	—	—
—	—	—	—	—	—
19,559,082	19,537,000	22,082	—	—	—
30,544,187	30,571,000	26,813	—	—	—
—	—	—	—	—	—
1,012,900	1,019,000	6,100	82,000	113,009	31,009
—	—	—	5,612,112	2,874,404	(2,737,708)
(39,118,950)	(39,168,000)	(49,050)	—	—	—
(820,270)	(820,000)	270	—	—	—
—	—	—	—	(4,378,328)	(4,378,328)
—	—	—	(5,694,112)	1,390,915	7,085,027
(38,926,320)	(38,969,000)	(42,680)	—	—	—
(8,382,133)	(8,398,000)	(15,867)	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
\$ (8,382,133)	\$ (8,398,000)	\$ (15,867)	\$ —	\$ —	\$ —



NON-MAJOR GOVERNMENTAL FUNDS

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2019**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-1**

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
<u>ASSETS</u>				
Cash and investments	\$ 74,731,945	\$ 31,991,603	\$ 397,494	\$ 107,121,042
Accounts receivable (net of allowance for uncollectibles)	33,682,679	—	8,470	33,691,149
Sales tax receivable	10,962,070	—	—	10,962,070
Loans receivable (net of allowance for uncollectibles)	10,049,521	—	—	10,049,521
Property taxes receivable	4,054,125	—	—	4,054,125
Restricted investments	500,000	—	13,199,141	13,699,141
Total assets	\$ 133,980,340	\$ 31,991,603	\$ 13,605,105	\$ 179,577,048
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 11,023,207	\$ 941,358	\$ 93	\$ 11,964,658
Accrued salaries and benefits	1,771,748	—	—	1,771,748
Deposits payable	424,039	—	—	424,039
Due to other funds	11,993,091	3,375,278	—	15,368,369
Unearned revenue				
Grants	13,364,210	—	—	13,364,210
Total liabilities	38,576,295	4,316,636	93	42,893,024
Deferred inflows of resources				
Unavailable revenue - property taxes	4,054,125	—	—	4,054,125
Unavailable revenue - loans (net of allowance for uncollectibles)	10,049,521	—	—	10,049,521
Total deferred inflows of resources	14,103,646	—	—	14,103,646
Fund balances				
Nonspendable	—	—	13,199,141	13,199,141
Restricted	66,018,488	—	405,871	66,424,359
Committed	14,977,136	18,706,831	—	33,683,967
Assigned	304,775	8,968,136	—	9,272,911
Total fund balances	81,300,399	27,674,967	13,605,012	122,580,378
Total liabilities, deferred inflows of resources and fund balances	\$ 133,980,340	\$ 31,991,603	\$ 13,605,105	\$ 179,577,048

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-2

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
Revenues				
Taxes	\$ 115,893,095	\$ —	\$ —	\$ 115,893,095
Intergovernmental	53,192,512	—	—	53,192,512
Charges for services	12,665,339	—	—	12,665,339
Endowments and donations	3,758,417	—	62,074	3,820,491
Other revenue	1,165,262	889,821	—	2,055,083
Investment earnings	2,122,744	927,081	2,061,210	5,111,035
Rental income	189,509	—	—	189,509
Total revenues	188,986,878	1,816,902	2,123,284	192,927,064
Expenditures				
Current				
General government	326,751	—	—	326,751
Public safety	52,159,342	—	—	52,159,342
Public works	34,258,462	—	—	34,258,462
Culture and recreation	10,704,731	—	85,124	10,789,855
Community development	7,614,921	—	—	7,614,921
Economic development	6,135,076	—	—	6,135,076
Miscellaneous	22,461	—	—	22,461
Debt service				
Principal	3,060,000	450,000	—	3,510,000
Interest	387,743	—	—	387,743
Capital outlay	56,320,885	5,014,490	—	61,335,375
Total expenditures	170,990,372	5,464,490	85,124	176,539,986
Excess (deficiency) of revenues over expenditures	17,996,506	(3,647,588)	2,038,160	16,387,078
Other financing sources (uses)				
Transfers - in	—	10,241,443	—	10,241,443
Transfers - out	(896,604)	—	(304,301)	(1,200,905)
Total other financing sources (uses)	(896,604)	10,241,443	(304,301)	9,040,538
Net change in fund balances	17,099,902	6,593,855	1,733,859	25,427,616
Fund balances - January 1	64,200,497	21,081,112	11,871,153	97,152,762
Fund balances - December 31	\$ 81,300,399	\$ 27,674,967	\$ 13,605,012	\$ 122,580,378



SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Intergovernmental Grant Funds:

Community Development Block Grant Fund
Home Investment Partnership Fund
Grants Fund

These Intergovernmental Grant Funds are used to account for the activities of the programs where the major source of funding is federal grants.

Capital, Operations and Maintenance Funds:

Ballfield Capital Improvements Fund
Bicycle Tax Fund
Trails/Open Space Fund
Conservation Trust Fund
Cable Franchise Fund
Public Safety Sales Tax Fund
Road Repair, Maintenance, and Improvement Sales Tax Fund

These funds are used to account for the activities of the fund where particular, earmarked, ongoing revenue sources are designated for various capital, operations and maintenance activities.

Improvement and Maintenance District Funds:

Old Colorado City Maintenance and Security District Fund
Norwood Special Improvement Maintenance District Fund
Briargate Special Improvement Maintenance District Fund
Stetson Hills Improvement Maintenance District Fund
Woodstone Improvement Maintenance District Fund
Gateway Improvement Maintenance District Fund
Platte Avenue Improvement Maintenance District Fund

These Improvement and Maintenance District Funds are used to account for the activities of the neighborhood district where revenues are derived from neighborhood taxes and/or assessments and used for specific neighborhood improvements or maintenance purposes.

SPECIAL REVENUE FUNDS CONT'D.

Public Improvements Funds:

Public Space and Development Fund (aka PLDO¹)
Subdivision Drainage Fund
Arterial Roadway Fund
Park Developer Easement Fund
Banning Lewis Ranch Fund

These Public Improvements Funds are used to account for the activities of the fund established to finance public infrastructure costs in accordance with City subdivision ordinances.

Other Public Improvements Funds:

Spring Creek General Improvement District
Briargate General Improvement District
Market Place at Austin Bluffs (MAB) General Improvement District

These Other Public Improvements Funds are used to account for the activities of the funds established to finance improvement district infrastructure costs.

Other Special Revenue Funds:

Lodgers and Auto Rental Tax Fund
Street Tree Fund
Gift Trust Fund
Senior Programs Fund
Therapeutic Recreation Fund

These Other Special Revenue Funds are used to account for the activities of the fund where ear-marked revenue is used for certain designated purposes.

¹Public Land Dedication Ordinance



ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	Intergovernmental Grant Funds	Capital Operations and Maintenance Funds
<u>ASSETS</u>		
Cash and investments	\$ —	\$ 49,089,731
Accounts receivable (net of allowance for uncollectibles)	31,589,716	9,324
Sales tax receivable	—	10,557,671
Loans receivable (net of allowance for uncollectibles)	10,049,521	—
Property taxes receivable	—	—
Restricted investments	—	—
Total assets	\$ 41,639,237	\$ 59,656,726
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities		
Accounts payable	\$ 5,990,770	\$ 4,512,780
Accrued salaries and benefits	246,475	1,487,113
Deposits payable	—	—
Due to other funds	11,988,261	3,903
Unearned revenue		
Grants	13,364,210	—
Total liabilities	31,589,716	6,003,796
Deferred inflows of resources		
Unavailable revenue - property taxes	—	—
Unavailable revenue - loans (net of allowance for uncollectibles)	10,049,521	—
Total deferred inflows of resources	10,049,521	—
Fund balances		
Restricted	—	53,639,898
Committed	—	13,032
Assigned	—	—
Total fund balances	—	53,652,930
Total liabilities, deferred inflows of resources and fund balances	\$ 41,639,237	\$ 59,656,726

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-1

Improvement and Maintenance District Funds	Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
\$ 1,122,005	\$ 18,220,589	\$ 989,022	\$ 5,310,598	\$ 74,731,945
21,418	38,534	16,382	2,007,305	33,682,679
—	—	—	404,399	10,962,070
—	—	—	—	10,049,521
2,248,065	—	1,806,060	—	4,054,125
—	—	500,000	—	500,000
\$ 3,391,488	\$ 18,259,123	\$ 3,311,464	\$ 7,722,302	\$ 133,980,340
\$ 71,411	\$ 90,319	\$ 3,751	\$ 354,176	\$ 11,023,207
38,160	—	—	—	1,771,748
—	424,039	—	—	424,039
—	927	—	—	11,993,091
—	—	—	—	13,364,210
109,571	515,285	3,751	354,176	38,576,295
2,248,065	—	1,806,060	—	4,054,125
—	—	—	—	10,049,521
2,248,065	—	1,806,060	—	14,103,646
1,033,852	3,120,834	1,501,653	6,722,251	66,018,488
—	14,318,229	—	645,875	14,977,136
—	304,775	—	—	304,775
1,033,852	17,743,838	1,501,653	7,368,126	81,300,399
\$ 3,391,488	\$ 18,259,123	\$ 3,311,464	\$ 7,722,302	\$ 133,980,340

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2019

	Inter-governmental Grant Funds	Capital Operations and Maintenance Funds	Improvement and Maintenance District Funds
Revenues			
Taxes	\$ —	\$ 104,468,491	\$ 2,147,498
Intergovernmental	47,852,222	5,340,290	—
Charges for services	—	129,315	—
Donations	—	—	—
Other revenue	1,165,262	—	—
Investment earnings	77,698	1,455,298	38,969
Rental income	—	—	—
Total revenues	49,095,182	111,393,394	2,186,467
Expenditures			
Current			
General government	—	—	—
Public safety	16,064,016	35,887,197	—
Public works	23,547,374	—	2,274,329
Culture and recreation	707,654	7,922,048	—
Community development	7,614,921	—	—
Economic development	—	—	—
Miscellaneous	—	—	—
Debt service			
Principal	—	240,000	—
Interest	—	7,800	—
Capital outlay	1,161,217	54,503,613	122,396
Total expenditures	49,095,182	98,560,658	2,396,725
Excess (deficiency) of revenues over expenditures	—	12,832,736	(210,258)
Other financing uses			
Transfers - out	—	(471,604)	—
Total other financing uses	—	(471,604)	—
Net change in fund balances	—	12,361,132	(210,258)
Fund balances - January 1	—	41,291,798	1,244,110
Fund balances - December 31	\$ —	\$ 53,652,930	\$ 1,033,852

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-2

Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
\$ —	\$ 1,768,311	\$ 7,508,795	\$ 115,893,095
—	—	—	53,192,512
12,536,024	—	—	12,665,339
—	—	3,758,417	3,758,417
—	—	—	1,165,262
456,432	59,175	35,172	2,122,744
—	—	189,509	189,509
12,992,456	1,827,486	11,491,893	188,986,878
—	—	326,751	326,751
—	—	208,129	52,159,342
8,367,520	—	69,239	34,258,462
—	—	2,075,029	10,704,731
—	—	—	7,614,921
—	—	6,135,076	6,135,076
—	22,461	—	22,461
—	2,820,000	—	3,060,000
—	379,943	—	387,743
533,659	—	—	56,320,885
8,901,179	3,222,404	8,814,224	170,990,372
4,091,277	(1,394,918)	2,677,669	17,996,506
—	—	(425,000)	(896,604)
—	—	(425,000)	(896,604)
4,091,277	(1,394,918)	2,252,669	17,099,902
13,652,561	2,896,571	5,115,457	64,200,497
\$ 17,743,838	\$ 1,501,653	\$ 7,368,126	\$ 81,300,399

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2019

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-3

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
<u>ASSETS</u>				
Accounts receivable (net of allowance for uncollectibles)	\$ 4,672,236	\$ 2,642,934	\$ 24,274,546	\$ 31,589,716
Loans receivable (net of allowance for uncollectibles)	3,853,638	6,110,097	85,786	10,049,521
Total assets	\$ 8,525,874	\$ 8,753,031	\$ 24,360,332	\$ 41,639,237
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Liabilities				
Accounts payable	\$ 1,040,912	\$ 215,294	\$ 4,734,564	\$ 5,990,770
Accrued salaries and benefits	26,399	—	220,076	246,475
Due to other funds	343,371	179,705	11,465,185	11,988,261
Unearned revenue				
Grants	3,261,554	2,247,935	7,854,721	13,364,210
Total liabilities	4,672,236	2,642,934	24,274,546	31,589,716
Deferred inflows of resources				
Unavailable revenue - loans (net of allowance for uncollectibles)	3,853,638	6,110,097	85,786	10,049,521
Total deferred inflows of resources	3,853,638	6,110,097	85,786	10,049,521
Total liabilities and deferred inflows of resources	\$ 8,525,874	\$ 8,753,031	\$ 24,360,332	\$ 41,639,237

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-4

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
Revenues				
Intergovernmental	\$ 3,218,931	\$ 3,475,939	\$ 41,157,352	\$ 47,852,222
Other revenue	162,359	363,166	639,737	1,165,262
Investment earnings	129	29,225	48,344	77,698
Total revenues	3,381,419	3,868,330	41,845,433	49,095,182
Expenditures				
Current				
Public safety	—	—	16,064,016	16,064,016
Public works	—	—	23,547,374	23,547,374
Culture and recreation	—	—	707,654	707,654
Community development	3,381,419	3,868,330	365,172	7,614,921
Capital outlay	—	—	1,161,217	1,161,217
Total expenditures	3,381,419	3,868,330	41,845,433	49,095,182
Net change in fund balances	—	—	—	—
Fund balances - January 1	—	—	—	—
Fund balances - December 31	\$ —	\$ —	\$ —	\$ —

CAPITAL, OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund	Conservation Trust Fund
<u>ASSETS</u>				
Cash and investments	\$ 12,221	\$ 165,331	\$ 19,877,683	\$ 1,466,062
Accounts receivable (net of allowance for uncollectibles)	811	—	—	—
Sales tax receivable	—	75	960,026	—
Total assets	\$ 13,032	\$ 165,406	\$ 20,837,709	\$ 1,466,062
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ —	\$ 16,125	\$ 1,011,451	\$ 42,225
Accrued salaries and benefits	—	—	69,644	166,047
Due to other funds	—	—	—	—
Total liabilities	—	16,125	1,081,095	208,272
Fund balances				
Restricted	—	149,281	19,756,614	1,257,790
Committed	13,032	—	—	—
Total fund balances	13,032	149,281	19,756,614	1,257,790
Total liabilities and fund balances	\$ 13,032	\$ 165,406	\$ 20,837,709	\$ 1,466,062

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-5

Cable Franchise Fund	Public Safety Sales Tax Fund	Road Repair, Maintenance, & Improvement Sales Tax Fund	Total
\$ —	\$ 8,811,982	\$ 18,756,452	\$ 49,089,731
—	8,513	—	9,324
—	3,839,924	5,757,646	10,557,671
\$ —	\$ 12,660,419	\$ 24,514,098	\$ 59,656,726
\$ —	\$ 468,447	\$ 2,974,532	\$ 4,512,780
—	1,251,422	—	1,487,113
—	3,903	—	3,903
—	1,723,772	2,974,532	6,003,796
—	10,936,647	21,539,566	53,639,898
—	—	—	13,032
—	10,936,647	21,539,566	53,652,930
\$ —	\$ 12,660,419	\$ 24,514,098	\$ 59,656,726

CAPITAL, OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2019

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund	Conservation Trust Fund
Revenues				
Taxes	\$ —	\$ 57,612	\$ 9,329,907	\$ —
Intergovernmental	—	—	—	5,340,290
Charges for services	79,033	—	—	—
Investment earnings	1,238	5,194	576,823	24,696
Total revenues	80,271	62,806	9,906,730	5,364,986
Expenditures				
Current				
Public safety	—	—	—	—
Culture and recreation	—	—	3,296,224	4,625,824
Debt service				
Principal	83,191	—	—	156,809
Interest	2,710	—	—	5,090
Capital outlay	22	73,382	3,646,695	296,587
Total expenditures	85,923	73,382	6,942,919	5,084,310
Excess (deficiency) of revenues over expenditures	(5,652)	(10,576)	2,963,811	280,676
Other financing uses				
Transfers - out	—	—	—	—
Net change in fund balances	(5,652)	(10,576)	2,963,811	280,676
Fund balances - January 1	18,684	159,857	16,792,803	977,114
Fund balances - December 31	\$ 13,032	\$ 149,281	\$ 19,756,614	\$ 1,257,790

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-6

Cable Franchise Fund	Public Safety Sales Tax Fund	Road Repair, Maintenance, & Improvement Sales Tax Fund	Total
\$ —	\$ 37,320,658	\$ 57,760,314	\$ 104,468,491
—	—	—	5,340,290
—	50,282	—	129,315
3,628	304,089	539,630	1,455,298
3,628	37,675,029	58,299,944	111,393,394
—	35,887,197	—	35,887,197
—	—	—	7,922,048
—	—	—	240,000
—	—	—	7,800
—	2,248,340	48,238,587	54,503,613
—	38,135,537	48,238,587	98,560,658
3,628	(460,508)	10,061,357	12,832,736
(471,604)	—	—	(471,604)
(467,976)	(460,508)	10,061,357	12,361,132
467,976	11,397,155	11,478,209	41,291,798
\$ —	\$ 10,936,647	\$ 21,539,566	\$ 53,652,930

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Briargate Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
<u>ASSETS</u>				
Cash and investments	\$ 50,537	\$ 297,165	\$ 480,955	\$ 192,740
Accounts receivable (net of allowance for uncollectibles)	1,125	7,533	9,181	3,130
Property taxes receivable	112,287	794,733	981,420	336,071
Total assets	\$ 163,949	\$ 1,099,431	\$ 1,471,556	\$ 531,941
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 765	\$ 62,065	\$ 6,072	\$ 1,617
Accrued salaries and benefits	3,688	13,318	17,148	4,006
Total liabilities	4,453	75,383	23,220	5,623
Deferred inflows of resources				
Unavailable revenue - property taxes	112,287	794,733	981,420	336,071
Total deferred inflows of resources	112,287	794,733	981,420	336,071
Fund balances				
Restricted	47,209	229,315	466,916	190,247
Total fund balances	47,209	229,315	466,916	190,247
Total liabilities, deferred inflows of resources and fund balances	\$ 163,949	\$ 1,099,431	\$ 1,471,556	\$ 531,941

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-7

Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
\$ 55,163	\$ 12,314	\$ 33,131	\$ 1,122,005
200	36	213	21,418
19,853	3,701	—	2,248,065
\$ 75,216	\$ 16,051	\$ 33,344	\$ 3,391,488
\$ 63	\$ 276	\$ 553	\$ 71,411
—	—	—	38,160
63	276	553	109,571
19,853	3,701	—	2,248,065
19,853	3,701	—	2,248,065
55,300	12,074	32,791	1,033,852
55,300	12,074	32,791	1,033,852
\$ 75,216	\$ 16,051	\$ 33,344	\$ 3,391,488

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2019

	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Briargate Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
Revenues				
Taxes	\$ 114,479	\$ 763,152	\$ 917,917	\$ 317,305
Investment earnings	1,519	11,594	18,102	5,822
Total revenues	115,998	774,746	936,019	323,127
Expenditures				
Current				
Public works	113,800	776,957	900,934	450,962
Capital outlay	22,500	43,519	12,858	43,519
Total expenditures	136,300	820,476	913,792	494,481
Excess (deficiency) of revenues over expenditures	(20,302)	(45,730)	22,227	(171,354)
Net change in fund balances	(20,302)	(45,730)	22,227	(171,354)
Fund balances - January 1	67,511	275,045	444,689	361,601
Fund balances - December 31	\$ 47,209	\$ 229,315	\$ 466,916	\$ 190,247

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-8

	Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
\$	20,234	\$ 3,588	\$ 10,823	\$ 2,147,498
	1,068	232	632	38,969
	21,302	3,820	11,455	2,186,467
	19,566	3,208	8,902	2,274,329
	—	—	—	122,396
	19,566	3,208	8,902	2,396,725
	1,736	612	2,553	(210,258)
	1,736	612	2,553	(210,258)
	53,564	11,462	30,238	1,244,110
\$	55,300	\$ 12,074	\$ 32,791	\$ 1,033,852

PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-9

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Park Developer Easement Fund	Banning Lewis Ranch Fund	Total
ASSETS						
Cash and investments	\$ 5,252,147	\$ 6,798,656	\$ 2,232,857	\$ 182,185	\$ 3,754,744	\$ 18,220,589
Accounts receivable (net of allowance for uncollectibles)	—	—	—	—	38,534	38,534
Total assets	\$ 5,252,147	\$ 6,798,656	\$ 2,232,857	\$ 182,185	\$ 3,793,278	\$ 18,259,123
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 90,319	\$ —	\$ —	\$ —	\$ —	\$ 90,319
Deposits payable	—	—	—	—	424,039	424,039
Due to other funds	927	—	—	—	—	927
Total liabilities	91,246	—	—	—	424,039	515,285
Fund balances						
Restricted	—	—	—	—	3,120,834	3,120,834
Committed	5,160,901	6,798,656	2,232,857	125,815	—	14,318,229
Assigned	—	—	—	56,370	248,405	304,775
Total fund balance	5,160,901	6,798,656	2,232,857	182,185	3,369,239	17,743,838
Total liabilities and fund balances	\$ 5,252,147	\$ 6,798,656	\$ 2,232,857	\$ 182,185	\$ 3,793,278	\$ 18,259,123

PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-10

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Park Developer Easement Fund	Banning Lewis Ranch Fund	Total
Revenues						
Charges for services	\$ 2,046,543	\$ 9,487,092	\$ 588,630	\$ —	\$ 413,759	\$ 12,536,024
Investment earnings	140,082	185,321	62,388	3,353	65,288	456,432
Total revenues	2,186,625	9,672,413	651,018	3,353	479,047	12,992,456
Expenditures						
Current						
Public works	—	8,146,716	210,614	75	10,115	8,367,520
Capital outlay	533,659	—	—	—	—	533,659
Total expenditures	533,659	8,146,716	210,614	75	10,115	8,901,179
Excess of revenues over expenditures	1,652,966	1,525,697	440,404	3,278	468,932	4,091,277
Net change in fund balances	1,652,966	1,525,697	440,404	3,278	468,932	4,091,277
Fund balances - January 1	3,507,935	5,272,959	1,792,453	178,907	2,900,307	13,652,561
Fund balances - December 31	\$ 5,160,901	\$ 6,798,656	\$ 2,232,857	\$ 182,185	\$ 3,369,239	\$ 17,743,838

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2019

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-11

	Spring Creek General Improvement District	Briargate General Improvement District	MAB General Improvement District	Total
<u>ASSETS</u>				
Cash and investments	\$ 213,533	\$ 592,199	\$ 183,290	\$ 989,022
Accounts receivable (net of allowance for uncollectibles)	1,252	12,072	3,058	16,382
Property taxes receivable	107,384	1,436,899	261,777	1,806,060
Restricted investments	—	500,000	—	500,000
Total assets	\$ 322,169	\$ 2,541,170	\$ 448,125	\$ 3,311,464
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 1,167	\$ 1,167	\$ 1,417	\$ 3,751
Total liabilities	1,167	1,167	1,417	3,751
Deferred inflows of resources				
Unavailable revenue - property taxes	107,384	1,436,899	261,777	1,806,060
Total deferred inflows of resources	107,384	1,436,899	261,777	1,806,060
Fund balances				
Restricted	213,618	1,103,104	184,931	1,501,653
Total fund balances	213,618	1,103,104	184,931	1,501,653
Total deferred inflows of resources and fund balances	\$ 322,169	\$ 2,541,170	\$ 448,125	\$ 3,311,464

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-12

	Spring Creek General Improvement District	Briargate General Improvement District	MAB General Improvement District	Total
Revenues				
Taxes	\$ 126,879	\$ 1,362,151	\$ 279,281	\$ 1,768,311
Investment earnings	7,544	47,076	4,555	59,175
Total revenues	134,423	1,409,227	283,836	1,827,486
Expenditures				
Current				
Miscellaneous	6,952	8,276	7,233	22,461
Debt service				
Principal	260,000	2,470,000	90,000	2,820,000
Interest	31,565	212,528	135,850	379,943
Total expenditures	298,517	2,690,804	233,083	3,222,404
Excess (deficiency) of revenues over expenditures	(164,094)	(1,281,577)	50,753	(1,394,918)
Net change in fund balances	(164,094)	(1,281,577)	50,753	(1,394,918)
Fund balances - January 1	377,712	2,384,681	134,178	2,896,571
Fund balances - December 31	\$ 213,618	\$ 1,103,104	\$ 184,931	\$ 1,501,653

OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-13

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Therapeutic Recreation Fund	Total
<u>ASSETS</u>						
Cash and investments	\$ 1,730,117	\$ 92,868	\$ 2,972,265	\$ 510,616	\$ 4,732	\$ 5,310,598
Accounts receivable (net of allowances for uncollectibles)	—	—	1,956,437	50,868	—	2,007,305
Sales tax receivable	404,399	—	—	—	—	404,399
Total assets	\$ 2,134,516	\$ 92,868	\$ 4,928,702	\$ 561,484	\$ 4,732	\$ 7,722,302
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 43,722	\$ —	\$ 297,245	\$ 13,209	\$ —	\$ 354,176
Total liabilities	43,722	—	297,245	13,209	—	354,176
Fund balances						
Restricted	2,090,794	—	4,631,457	—	—	6,722,251
Committed	—	92,868	—	548,275	4,732	645,875
Total fund balances	2,090,794	92,868	4,631,457	548,275	4,732	7,368,126
Total liabilities and fund balances	\$ 2,134,516	\$ 92,868	\$ 4,928,702	\$ 561,484	\$ 4,732	\$ 7,722,302

OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-14

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Therapeutic Recreation Fund	Total
Revenues						
Taxes	\$ 7,508,795	\$ —	\$ —	\$ —	\$ —	\$ 7,508,795
Donations	—	—	3,725,788	32,629	—	3,758,417
Investment earnings	14,995	2,889	—	17,201	87	35,172
Rental income	—	—	—	189,509	—	189,509
Total revenues	7,523,790	2,889	3,725,788	239,339	87	11,491,893
Expenditures						
Current						
General government	—	—	326,751	—	—	326,751
Public safety	—	—	208,129	—	—	208,129
Public works	—	—	69,239	—	—	69,239
Culture and recreation	—	38	1,843,536	231,453	2	2,075,029
Economic development	6,135,076	—	—	—	—	6,135,076
Total expenditures	6,135,076	38	2,447,655	231,453	2	8,814,224
Excess of revenues over expenditures	1,388,714	2,851	1,278,133	7,886	85	2,677,669
Other financing uses						
Transfers - out	(425,000)	—	—	—	—	(425,000)
Net change in fund balances	963,714	2,851	1,278,133	7,886	85	2,252,669
Fund balances - January 1	1,127,080	90,017	3,353,324	540,389	4,647	5,115,457
Fund balances - December 31	\$ 2,090,794	\$ 92,868	\$ 4,631,457	\$ 548,275	\$ 4,732	\$ 7,368,126

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-15
(PAGE 1 OF 2)

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Community Development Block Grant	\$ 3,381,419	\$ 3,381,419	\$ —
Home Investment Partnership Fund	3,868,330	3,868,330	—
Grants Fund	41,845,433	41,845,433	—
Ballfield Capital Improvements Fund	79,400	80,271	871
Bicycle Tax Fund	82,400	62,806	(19,594)
Trails/Open Space Fund	9,649,000	9,906,730	257,730
Conservation Trust Fund	4,894,878	5,364,986	470,108
Cable Franchise Fund	—	3,628	3,628
Public Safety Sales Tax Fund	37,529,625	37,675,029	145,404
Road Repair, Maintenance & Improvement Sales Tax Fund	50,319,000	58,299,944	7,980,944
Old Colorado City Maintenance and Security District Fund	120,869	115,998	(4,871)
Norwood Special Improvement Maintenance District Fund	803,380	774,746	(28,634)
Briargate Special Improvement Maintenance District Fund	972,906	936,019	(36,887)
Stetson Hills Improvement Maintenance District Fund	338,734	323,127	(15,607)
Woodstone Improvement Maintenance District Fund	22,026	21,302	(724)
Gateway Improvement Maintenance District Fund	4,023	3,820	(203)
Platte Avenue Improvement Maintenance District Fund	9,272	11,455	2,183
Public Space and Development Fund	2,288,000	2,186,625	(101,375)
Subdivision Drainage Fund	10,000,000	9,672,413	(327,587)
Arterial Roadway Fund	1,000,000	651,018	(348,982)
Park Developer Easement Fund	—	3,353	3,353
Banning Lewis Ranch Fund	40,000	479,047	439,047
Spring Creek General Improvement District	129,031	134,423	5,392
Briargate General Improvement District	1,401,250	1,409,227	7,977
MAB General Improvement District	279,770	283,836	4,066
Lodgers and Auto Rental Tax Fund	7,524,000	7,523,790	(210)
Street Tree Fund	1,700	2,889	1,189
Gift Trust Fund	1,900,000	3,725,788	1,825,788
Senior Programs Fund	173,000	239,339	66,339
Therapeutic Recreation Fund	200	87	(113)
Total revenues	\$ 178,657,646	\$ 188,986,878	\$ 10,329,232
			(continued)

SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-15
(PAGE 2 OF 2)

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Community Development Block Grant	\$ 3,381,419	\$ 3,381,419	\$ —
Home Investment Partnership Fund	3,868,330	3,868,330	—
Grants Fund	41,845,433	41,845,433	—
Ballfield Capital Improvements Fund	86,000	85,923	77
Bicycle Tax Fund	231,934	73,382	158,552
Trails/Open Space Fund	16,857,231	6,942,919	9,914,312
Conservation Trust Fund	5,364,845	5,084,310	280,535
Cable Franchise Fund	600,000	471,604	128,396
Public Safety Sales Tax Fund	45,312,649	38,135,537	7,177,112
Road Repair, Maintenance & Improvement Sales Tax Fund	60,622,117	48,238,587	12,383,530
Old Colorado City Maintenance and Security District Fund	142,211	136,300	5,911
Norwood Special Improvement Maintenance District Fund	901,011	820,476	80,535
Briargate Special Improvement Maintenance District Fund	1,000,793	913,792	87,001
Stetson Hills Improvement Maintenance District Fund	522,628	494,481	28,147
Woodstone Improvement Maintenance District Fund	29,394	19,566	9,828
Gateway Improvement Maintenance District Fund	6,082	3,208	2,874
Platte Avenue Improvement Maintenance District Fund	16,843	8,902	7,941
Public Space and Development Fund	3,710,623	533,659	3,176,964
Subdivision Drainage Fund	10,000,000	8,146,716	1,853,284
Arterial Roadway Fund	1,000,000	210,614	789,386
Park Developer Easement Fund	—	75	(75)
Banning Lewis Ranch Fund	4,400	10,115	(5,715)
Spring Creek General Improvement District	297,965	298,517	(552)
Briargate General Improvement District	2,689,228	2,690,804	(1,576)
MAB General Improvement District	238,850	233,083	5,767
Lodgers and Auto Rental Tax Fund	6,647,196	6,560,076	87,120
Street Tree Fund	35,531	38	35,493
Gift Trust Fund	1,958,058	2,447,655	(489,597)
Senior Programs Fund	287,000	231,453	55,547
Therapeutic Recreation Fund	100	2	98
Total expenditures	\$ 207,657,871	\$ 171,886,976	\$ 35,770,895

Note: Includes transfers



CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

City Funded CIP Construction Fund

**CAPITAL PROJECTS FUND
BALANCE SHEET
December 31, 2019**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-1**

	City Funded CIP Construction Fund
<u>ASSETS</u>	
Cash and investments	<u>\$ 31,991,603</u>
Total assets	<u><u>\$ 31,991,603</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts payable	\$ 941,358
Due to other funds	<u>3,375,278</u>
Total liabilities	<u>4,316,636</u>
Fund balances	
Committed	18,706,831
Assigned	<u>8,968,136</u>
Total fund balances	<u>27,674,967</u>
Total liabilities and fund balances	<u><u>\$ 31,991,603</u></u>

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-2

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other revenue	\$ —	\$ 889,821	\$ 889,821
Investment earnings	350,710	927,081	576,371
Total revenues	350,710	1,816,902	1,466,192
Expenditures			
Debt service			
Principal	450,000	450,000	—
Capital outlay	29,669,455	5,014,490	24,654,965
Total expenditures	30,119,455	5,464,490	24,654,965
Deficiency of revenues over expenditures	(29,768,745)	(3,647,588)	26,121,157
Other financing sources			
Transfers - in	10,241,443	10,241,443	—
Total other financing sources	10,241,443	10,241,443	—
Net change in fund balance	(19,527,302)	6,593,855	26,121,157
Fund balance - January 1	21,081,112	21,081,112	—
Fund balance - December 31	\$ 1,553,810	\$ 27,674,967	\$ 26,121,157

**ANNUAL STATEMENT OF RECEIPTS
AND EXPENDITURES FOR
ROADS, BRIDGES AND STREETS
2019**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-3
(PAGE 1 OF 2)**

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Colorado Springs YEAR ENDING : December 2019	
This Information From The Records Of: City of Colorado Springs		Prepared By: City of Colorado Springs Finance Office Phone: (719) 385-5224	
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)	91,274,412
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	14,310,308
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	460,370
2. General fund appropriations	4,801,652	b. Snow and ice removal	4,458,012
3. Other local imposts (from page 2)	104,147,108	c. Other	
4. Miscellaneous local receipts (from page 2)	5,244,343	d. Total (a. through c.)	4,918,382
5. Transfers from toll facilities		4. General administration & miscellaneous	5,584,753
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	22,251,489
a. Bonds - Original Issues		6. Total (1 through 5)	138,339,344
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)	114,193,103	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	—
C. Receipts from State government (from page 2)	25,678,341	2. Notes:	
D. Receipts from Federal Government (from page 2)	180,521	a. Interest	
E. Total receipts (A.7 + B + C + D)	140,051,965	b. Redemption	
		c. Total (a. + b.)	—
		3. Total (1.c + 2.c)	—
		C. Payments to State for highways	1,712,621
		D. Payments to toll facilities	—
		E. Total disbursements (A.6 + B.3 + C + D)	140,051,965
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	D. Ending Balance
—	140,051,965	140,051,965	—
E. Reconciliation			
—			
Notes and Comments:			

**ANNUAL STATEMENT OF RECEIPTS
AND EXPENDITURES FOR
ROADS, BRIDGES AND STREETS
2019**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-3
(PAGE 2 OF 2)**

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	

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	253,166
b. Other local imposts:		b. Traffic Fines & Penalties	4,991,177
1. Sales Taxes	100,509,371	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	784,246	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	2,853,491	g. Other Misc. Receipts	
6. Total (1. through 5.)	104,147,108	h. Other	
c. Total (a. + b.)	104,147,108	i. Total (a. through h.)	5,244,343
	(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	24,091,059	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	180,521
c. Motor Vehicle Registrations	1,587,282	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,587,282	g. Total (a. through f.)	180,521
4. Total (1. + 2. + 3.f)	25,678,341	3. Total (1. + 2.g)	180,521
	(Carry forward to page 1)		(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	576	402,658	403,234
b. Engineering Costs	819,591	8,069,587	8,889,178
c. Construction:			
(1). New Facilities			—
(2). Capacity Improvements	796,778	8,285,875	9,082,653
(3). System Preservation	9,689,495	54,682,713	64,372,208
(4). System Enhancement & Operation	—	8,527,139	8,527,139
(5). Total Construction (1) + (2) + (3) + (4)	10,486,273	71,495,727	81,982,000
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	11,306,440	79,967,972	91,274,412
			(Carry forward to page 1)
Notes and Comments:			



PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs for the benefit of the City or its citizenry.

Cemetery Endowment Fund

Used to account for the investment activities of the Cemetery Endowment corpus with investment earnings used to finance cemetery operations.

C.D. Smith and TOPS Maintenance Trust Funds

Used to account for the investment activities of each fund's corpus with investment earnings used in accordance with trust provisions.

PERMANENT FUNDS
COMBINING BALANCE SHEET
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-1

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
<u>ASSETS</u>				
Cash and investments	\$ 174,214	\$ 13,043	\$ 210,237	\$ 397,494
Accounts receivable	7,383	1,087	—	8,470
Restricted investments	1,023,082	11,535,806	640,253	13,199,141
Total assets	\$ 1,204,679	\$ 11,549,936	\$ 850,490	\$ 13,605,105
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 93	\$ —	\$ —	\$ 93
Total liabilities	93	—	—	93
Fund balances				
Nonspendable	1,023,082	11,535,806	640,253	13,199,141
Restricted	181,504	14,130	210,237	405,871
Total fund balances	1,204,586	11,549,936	850,490	13,605,012
Total liabilities and fund balances	\$ 1,204,679	\$ 11,549,936	\$ 850,490	\$ 13,605,105

PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-2

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
Revenues				
Endowments	\$ —	\$ 62,074	\$ —	\$ 62,074
Investment earnings	272,757	1,769,470	18,983	2,061,210
Total revenues	272,757	1,831,544	18,983	2,123,284
Expenditures				
Current				
Culture and recreation	64,455	—	20,669	85,124
Total expenditures	64,455	—	20,669	85,124
Excess (deficiency) of revenues over expenditures	208,302	1,831,544	(1,686)	2,038,160
Other financing uses				
Transfers - out	—	(304,301)	—	(304,301)
Total other financing uses	—	(304,301)	—	(304,301)
Net change in fund balance	208,302	1,527,243	(1,686)	1,733,859
Fund balances - January 1	996,284	10,022,693	852,176	11,871,153
Fund balances - December 31	\$ 1,204,586	\$ 11,549,936	\$ 850,490	\$ 13,605,012

PERMANENT FUNDS

CITY OF COLORADO SPRINGS

SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL

COLORADO

For the year ended December 31, 2019

Exhibit E-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
C.D. Smith Trust Fund	\$ 75,000	\$ 272,757	\$ 197,757
Cemetery Endowment Fund	250,000	1,831,544	1,581,544
TOPS Maintenance Trust Fund	4,600	18,983	14,383
Total revenues	<u>\$ 329,600</u>	<u>\$ 2,123,284</u>	<u>\$ 1,793,684</u>
Expenditures			
C.D. Smith Trust Fund	\$ 110,750	\$ 64,455	\$ 46,295
Cemetery Endowment Fund	250,000	304,301	(54,301)
TOPS Maintenance Trust Fund	30,506	20,669	9,837
Total expenditures	<u>\$ 391,256</u>	<u>\$ 389,425</u>	<u>\$ 1,831</u>

Note: Includes transfers.

NON-MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds account for the acquisition, operations and maintenance of the City's facilities and services supported by user charges or those for which the City has decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Airport Fund

Used to account for the activities of the City owned municipal airport.

Patty Jewett Golf Fund

Used to account for the activities of the City owned golf course.

Valley Hi Golf Fund

Used to account for the activities of the City owned golf course.

Pikes Peak America's Mountain Fund

Used to account for the activities of Pikes Peak America's Mountain.

Parking Fund

Used to account for the activities of the City owned parking system.

Cemetery Fund

Used to account for the activities of the two City owned cemeteries.

Development Review Fund

Used to account for the final implementation of City land use regulations and fire codes.

Stormwater Fund

Used to account for activities related to stormwater capital improvements and maintenance.

NON-MAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
<u>ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES</u>				
Current assets				
Cash and investments - unrestricted	\$ 15,399,472	\$ 1,623,687	\$ 419,943	\$ 21,967,594
Cash and investments - restricted	2,536,105	—	—	15,500,277
Accounts receivable (net of allowance for uncollectibles)	8,627,749	19,594	5,985	89,437
Due from other funds	—	—	—	—
Inventories	796,920	—	—	44,506
Total current assets	27,360,246	1,643,281	425,928	37,601,814
Noncurrent assets				
Cash and investments - restricted	—	—	—	1,967,608
Lease receivable	2,139,030	—	—	—
Note receivable	2,456,582	—	—	—
Due from other funds	—	—	—	—
Capital assets:				
Land	17,629,239	60,000	931,200	667
Buildings	66,025,560	1,815,451	282,508	3,587,757
Construction in progress	4,062,597	—	—	31,505,339
Improvements other than buildings	293,327,191	2,358,668	1,510,289	11,634,428
Machinery and equipment	30,568,986	2,657,111	1,131,458	4,024,034
Infrastructure	50,865,137	—	—	—
Intangibles	661,903	—	—	—
Less accumulated depreciation	(203,082,965)	(5,611,398)	(2,742,537)	(10,567,090)
Total noncurrent assets	264,653,260	1,279,832	1,112,918	42,152,743
Deferred outflows of resources				
Loss on debt refunding	—	—	—	—
Pension-related amounts	3,123,182	235,731	99,476	433,165
OPEB-related amounts	156,148	20,636	6,395	46,388
Total deferred outflows of resources	3,279,330	256,367	105,871	479,553
Total assets and deferred outflows of resources	\$ 295,292,836	\$ 3,179,480	\$ 1,644,717	\$ 80,234,110

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-1
(PAGE 1 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 9,801,127	\$ 991,079	\$ 7,272,659	\$ 2,466,571	\$ 59,942,132
—	—	—	—	18,036,382
25,476	41,684	102,130	2,126,358	11,038,413
81,479	—	—	1,188,180	1,269,659
—	—	—	—	841,426
9,908,082	1,032,763	7,374,789	5,781,109	91,128,012
—	—	—	—	1,967,608
—	—	—	—	2,139,030
—	—	—	—	2,456,582
1,281,757	—	—	—	1,281,757
2,072,246	81,379	—	—	20,774,731
25,082,242	514,720	80,173	—	97,388,411
200,000	—	—	1,032,678	36,800,614
15,494,424	1,745,366	80,289	—	326,150,655
376,822	483,675	250,022	4,002,847	43,494,955
—	—	—	5,762,438	56,627,575
—	—	—	—	661,903
(20,187,708)	(2,185,400)	(199,656)	(2,524,028)	(247,100,782)
24,319,783	639,740	210,828	8,273,935	342,643,039
77,751	—	—	—	77,751
182,508	153,826	387,350	3,280,111	7,895,349
13,859	35,879	22,441	298,425	600,171
274,118	189,705	409,791	3,578,536	8,573,271
\$ 34,501,983	\$ 1,862,208	\$ 7,995,408	\$ 17,633,580	\$ 442,344,322

(continued)

NON-MAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>				
Current liabilities				
Accounts payable	\$ 5,342,723	\$ 28,495	\$ 12,267	\$ 5,830,443
Accrued salaries and benefits	411,614	25,861	11,360	69,720
Compensated absences	29,833	4,055	1,569	4,325
Due to other funds	15,239	1,427	960	334
Unearned revenue	236,117	9,250	2,125	—
Accrued interest payable	38,885	—	—	121,424
Matured bonds payable	—	—	—	490,000
Notes payable	565,720	—	—	—
Capital lease payable	79,378	—	83,087	—
Total current liabilities	6,719,509	69,088	111,368	6,516,246
Noncurrent liabilities				
Compensated absences	566,825	77,052	29,804	82,175
Unearned revenue	1,961,588	—	—	—
Revenue bonds payable, net	—	—	—	31,257,199
Notes payable	3,163,523	—	—	—
Net pension liability	10,041,364	945,201	399,086	1,714,815
Net OPEB liability	1,170,480	161,899	54,087	350,958
Total noncurrent liabilities	16,903,780	1,184,152	482,977	33,405,147
Total liabilities	23,623,289	1,253,240	594,345	39,921,393
Deferred inflows of resources				
Pension-related amounts	123,122	3,270	631	11,558
OPEB-related amounts	30,977	7,487	1,622	19,148
Total deferred inflows of resources	154,099	10,757	2,253	30,706
Net position				
Net investment in capital assets	256,249,027	1,279,832	1,029,831	18,571,462
Restricted for passenger facility charges	1,432,951	—	—	—
Restricted for debt service	—	—	—	1,967,608
Unrestricted	13,833,470	635,651	18,288	19,742,941
Total net position	271,515,448	1,915,483	1,048,119	40,282,011
Total liabilities, deferred inflows of resources and net position	\$ 295,292,836	\$ 3,179,480	\$ 1,644,717	\$ 80,234,110

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-1
(PAGE 2 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 347,222	\$ 7,021	\$ 3,626	\$ 1,255,678	\$ 12,827,475
30,968	23,784	62,189	273,596	909,092
1,029	2,630	2,132	17,000	62,573
26,764	318	—	593	45,635
—	—	2,143,289	—	2,390,781
12,231	—	—	—	172,540
715,000	—	—	—	1,205,000
—	—	—	—	565,720
—	—	—	—	162,465
1,133,214	33,753	2,211,236	1,546,867	18,341,281
19,554	49,976	40,503	323,001	1,188,890
—	969,118	—	—	2,930,706
5,325,000	—	—	—	36,582,199
—	—	—	—	3,163,523
721,846	580,480	1,565,423	3,685,954	19,654,169
101,996	234,354	193,351	308,670	2,575,795
6,168,396	1,833,928	1,799,277	4,317,625	66,095,282
7,301,610	1,867,681	4,010,513	5,864,492	84,436,563
55,332	3,886	63	—	197,862
9,138	14,202	3,789	470	86,833
64,470	18,088	3,852	470	284,695
17,075,777	639,740	210,828	8,273,935	303,330,432
—	—	—	—	1,432,951
—	—	—	—	1,967,608
10,060,126	(663,301)	3,770,215	3,494,683	50,892,073
27,135,903	(23,561)	3,981,043	11,768,618	357,623,064
\$ 34,501,983	\$ 1,862,208	\$ 7,995,408	\$ 17,633,580	\$ 442,344,322

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2019

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
Operating revenues				
Charges for services	\$ 18,064,525	\$ 2,292,222	\$ 1,063,346	\$ 12,265,501
Operating expenses				
Salaries and benefits	7,454,447	593,676	249,201	1,134,912
Other operating expenses	7,945,334	1,197,743	709,302	3,718,275
Depreciation	17,170,844	185,755	127,275	740,827
Total operating expenses	32,570,625	1,977,174	1,085,778	5,594,014
Operating income (loss)	(14,506,100)	315,048	(22,432)	6,671,487
Nonoperating revenues (expenses)				
Investment earnings	880,371	51,377	13,876	1,296,271
Interest expense	(107,011)	(1,278)	(2,602)	(1,396,046)
Passenger facility charges	3,423,557	—	—	—
Customer facility charges	1,508,555	—	—	—
Gain/(loss) on disposal of capital assets	1,306,824	(64,244)	—	(8,414)
Miscellaneous	787,416	—	—	—
Total nonoperating revenues (expenses)	7,799,712	(14,145)	11,274	(108,189)
Income (loss) before contributions and transfers	(6,706,388)	300,903	(11,158)	6,563,298
Capital contributions	20,506,471	—	—	—
Transfers - in	—	—	—	—
Change in net position	13,800,083	300,903	(11,158)	6,563,298
Total net position - January 1	257,715,365	1,614,580	1,059,277	33,718,713
Total net position - December 31	\$271,515,448	\$ 1,915,483	\$ 1,048,119	\$ 40,282,011

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-2

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 4,898,715	\$ 1,058,977	\$ 2,858,805	\$ 16,290,088	\$ 58,792,179
462,126	397,392	1,099,439	6,572,797	17,963,990
2,067,791	1,029,547	572,780	3,431,297	20,672,069
1,163,679	80,642	24,569	241,449	19,735,040
3,693,596	1,507,581	1,696,788	10,245,543	58,371,099
1,205,119	(448,604)	1,162,017	6,044,545	421,080
355,142	32,643	218,003	65,455	2,913,138
(172,083)	—	—	—	(1,679,020)
—	—	—	—	3,423,557
—	—	—	—	1,508,555
—	30,102	—	(571)	1,263,697
—	—	—	—	787,416
183,059	62,745	218,003	64,884	8,217,343
1,388,178	(385,859)	1,380,020	6,109,429	8,638,423
—	—	—	1,757,377	22,263,848
—	304,301	—	—	304,301
1,388,178	(81,558)	1,380,020	7,866,806	31,206,572
25,747,725	57,997	2,601,023	3,901,812	326,416,492
\$ 27,135,903	\$ (23,561)	\$ 3,981,043	\$ 11,768,618	\$ 357,623,064

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 18,899,237	\$ 2,289,798	\$ 1,060,504	\$ 13,478,200
Receipts from interfund services provided	138,365	—	—	—
Payments to suppliers	(5,720,669)	(700,221)	(377,189)	(2,893,499)
Payments to employees	(8,402,849)	(767,077)	(316,257)	(1,471,129)
Payments for interfund services used	(1,903,611)	(511,114)	(333,389)	(406,722)
Net cash provided (used) by operating activities	3,010,473	311,386	33,669	8,706,850
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant	426,694	—	—	—
Transfers - in	—	—	—	—
Net cash provided by noncapital financing activities	426,694	—	—	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(29,216,382)	(305,527)	—	(16,876,824)
Payments from accounts payable incurred for capital asset additions	—	—	—	(1,720,717)
Repayment of capital lease obligations	(76,842)	(88,028)	(81,796)	—
Principal paid on capital debt	(551,922)	—	—	(400,000)
Interest paid on capital debt	(107,029)	—	—	(1,519,685)
Interest paid - other	(5,153)	(1,278)	(2,602)	—
Proceeds from sale of capital assets	2,040,555	3,995	—	31,995
Capital grant	14,392,592	—	—	—
Passenger facility charges	3,370,833	—	—	—
Customer facility charges	1,440,991	—	—	—
Insurance settlement	2,291,835	—	—	—
Miscellaneous	97,757	—	—	—
Net cash provided (used) by capital and related financing activities	(6,322,765)	(390,838)	(84,398)	(20,485,231)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	8,767,458	817,205	240,081	6,725,377
Purchases of investments	(8,350,166)	(755,556)	(195,414)	(10,222,262)
Interest and dividends received	356,719	30,004	8,126	349,462
Principal received on lease/note receivable	235,489	—	—	—
Interest received on lease/note receivable	278,787	—	—	—
Principal received from interfund loan	—	—	—	—
Interest received from interfund loan	—	—	—	—
Release of restricted investments	—	—	—	15,255,457
Net cash provided (used) by investing activities	1,288,287	91,653	52,793	12,108,034
Net increase (decrease) in cash and cash equivalents	(1,597,311)	12,201	2,064	329,653
Cash and cash equivalents - January 1	2,333,125	60,923	16,848	659,680
Cash and cash equivalents - December 31	\$ 735,814	\$ 73,124	\$ 18,912	\$ 989,333
Cash and cash equivalents	\$ 735,814	\$ 73,124	\$ 18,912	\$ 989,333
Investments	17,199,763	1,550,563	401,031	38,446,146
Total cash and investments	\$ 17,935,577	\$ 1,623,687	\$ 419,943	\$ 39,435,479

CITY OF COLORADO SPRINGS

COLORADO

Exhibit F-3

(PAGE 1 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 4,580,744	\$ 1,099,649	\$ 2,600,029	\$ 15,522,049	\$ 59,530,210
331,670	—	47,103	554,353	1,071,491
(1,387,238)	(520,091)	(311,837)	(2,580,178)	(14,490,922)
(627,871)	(528,174)	(1,350,892)	(5,856,799)	(19,321,048)
(502,189)	(518,036)	(260,368)	(991,563)	(5,426,992)
2,395,116	(466,652)	724,035	6,647,862	21,362,739
—	—	—	—	426,694
—	304,301	—	—	304,301
—	304,301	—	—	730,995
(641,972)	—	(54,904)	(5,764,556)	(52,860,165)
—	—	(28,526)	—	(1,749,243)
—	—	—	—	(246,666)
(700,000)	—	—	—	(1,651,922)
(163,782)	—	—	—	(1,790,496)
—	—	—	—	(9,033)
—	30,102	—	—	2,106,647
—	—	—	614,941	15,007,533
—	—	—	—	3,370,833
—	—	—	—	1,440,991
—	—	—	—	2,291,835
—	—	—	—	97,757
(1,505,754)	30,102	(83,430)	(5,149,615)	(33,991,929)
3,485,735	578,858	2,704,912	—	23,319,626
(4,560,794)	(461,182)	(3,384,213)	(1,465,495)	(29,395,082)
181,153	18,979	129,653	45,031	1,119,127
—	—	—	—	235,489
—	—	—	—	278,787
77,032	—	—	—	77,032
56,156	—	—	—	56,156
—	—	—	—	15,255,457
(760,718)	136,655	(549,648)	(1,420,464)	10,946,592
128,644	4,406	90,957	77,783	(951,603)
312,759	40,228	236,574	33,301	3,693,438
\$ 441,403	\$ 44,634	\$ 327,531	\$ 111,084	\$ 2,741,835
\$ 441,403	\$ 44,634	\$ 327,531	\$ 111,084	\$ 2,741,835
9,359,724	946,445	6,945,128	2,355,487	77,204,287
\$ 9,801,127	\$ 991,079	\$ 7,272,659	\$ 2,466,571	\$ 79,946,122

(continued)

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (14,506,100)	\$ 315,048	\$ (22,432)	\$ 6,671,487
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	17,170,844	185,755	127,275	740,827
Decrease (increase) in assets and outflows of resources				
Accounts receivable	3,082,407	(75)	(2,141)	1,210,860
Due from other funds	—	—	—	1,839
Inventories	(331,340)	—	—	7,948
Deferred outflows of resources - pensions	(1,803,352)	(108,283)	(45,676)	(200,133)
Deferred outflows of resources - OPEB	(29,072)	(2,085)	(781)	(3,839)
Increase (decrease) in liabilities and inflows of resources				
Accounts and other payables	760,181	2,191	3,603	418,546
Accrued expenses	84,851	8,544	5,064	21,470
Due to other funds	(107,787)	(15,782)	(4,880)	(8,439)
Other liabilities	(2,109,330)	(2,350)	(700)	—
Deferred inflows of resources - pensions	(1,623,866)	(187,596)	(74,438)	(348,331)
Deferred inflows of resources - OPEB	21,698	3,801	817	11,039
Net pension liabilities	2,367,464	110,707	46,934	183,745
Net OPEB liabilities	33,875	1,511	1,024	(169)
Net cash provided (used) by operating activities	\$ 3,010,473	\$ 311,386	\$ 33,669	\$ 8,706,850
Noncash investing, capital and financing activities				
Noncash acquisition of capital assets (incurrence of payable)	\$ 3,993,986	\$ —	\$ —	\$ 5,366,751
Noncash capital contributions	3,047,999	—	—	—
Change in fair value of investments	240,840	21,373	5,750	255,705

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-3
(PAGE 2 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 1,205,119	\$ (448,604)	\$ 1,162,017	\$ 6,044,545	\$ 421,080
1,163,679	80,642	24,569	241,449	19,735,040
15,007	(1,976)	(28,438)	(71,963)	4,203,681
(1,309)	—	—	(141,724)	(141,194)
—	—	—	—	(323,392)
(70,872)	(76,304)	(175,872)	(3,021,069)	(5,501,561)
(1,369)	(3,508)	(2,350)	(277,634)	(320,638)
161,485	(6,881)	575	(137,747)	1,201,953
(2,562)	(11,468)	14,649	19,607	140,155
16,880	(1,699)	—	(2,696)	(124,403)
—	42,648	(183,236)	—	(2,252,968)
(87,122)	(127,002)	(271,951)	—	(2,720,306)
8,440	10,994	2,296	470	59,555
(6,005)	78,203	177,848	3,685,954	6,644,850
(6,255)	(1,697)	3,928	308,670	340,887
<u>\$ 2,395,116</u>	<u>\$ (466,652)</u>	<u>\$ 724,035</u>	<u>\$ 6,647,862</u>	<u>\$ 21,362,739</u>

\$ —	\$ —	\$ —	\$ 1,030,560	\$ 10,391,297
—	—	—	—	3,047,999
117,834	13,664	88,350	20,424	763,940

**NON-MAJOR ENTERPRISE FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL-BUDGET BASIS
For the year ended December 31, 2019**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-4**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Airport Fund	\$ 59,983,495	\$ 44,930,055	\$ (15,053,440)
Patty Jewett Golf Fund	2,484,016	2,322,226	(161,790)
Valley Hi Golf Fund	1,221,311	1,071,472	(149,839)
Pikes Peak America's Mountain Fund	10,794,566	13,306,067	2,511,501
Parking Fund	4,920,538	5,136,023	215,485
Cemetery Fund	1,565,330	1,382,257	(183,073)
Development Review Fund	2,537,050	2,988,458	451,408
Stormwater Fund	30,371,624	18,092,496	(12,279,128)
Total revenues	\$ 113,877,930	89,229,054	\$ (24,648,876)

Reconciliation to GAAP:

Add: Gain/(loss) on disposal of assets	1,263,697
Add: Increase in fair value of investments	763,940
Revenues (US GAAP basis)	<u>\$ 91,256,691</u>

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Airport Fund	\$ 75,382,350	\$ 46,348,384	\$ 29,033,966
Patty Jewett Golf Fund	2,475,153	2,359,176	115,977
Valley Hi Golf Fund	1,207,292	1,111,063	96,229
Pikes Peak America's Mountain Fund	51,799,819	29,311,959	22,487,860
Parking Fund	6,284,072	4,206,342	2,077,730
Cemetery Fund	1,554,405	1,560,252	(5,847)
Development Review Fund	2,090,069	1,990,160	99,909
Stormwater Fund	33,939,902	16,133,196	17,806,706
Total expenses	\$ 174,733,062	103,020,532	\$ 71,712,530

Reconciliation to GAAP:

Add: Depreciation expense	19,735,040
Less: Other year-end accrual entries	(1,549,388)
Less: Capital expenditures	(59,257,477)
Less: Capital debt principal payments	(1,898,588)
Expenses (US GAAP basis)	<u>\$ 60,050,119</u>

Note: Includes transfers

NON-MAJOR PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Claims Reserve Self-Insurance Fund

Used to account for self-insurance activities of the City (except Utilities) in the area of general liability.

Workers' Compensation Self-Insurance Fund

Used to account for the self-insurance activities related to employee workers' compensation.

Employee Benefits Self-Insurance Fund

Used to account for self-insurance activities of the City employee benefit program (except Utilities).

Office Services Fund

Used to account for printing and mailing services.

Radio Communications Fund

Used to account for radio services.

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
<u>ASSETS</u>		
Current assets		
Cash and investments	\$ 1,472,902	\$ 1,483,481
Accounts receivable (net of allowance for uncollectibles)	—	9,637
Inventories	—	—
Prepays	475	1,425
Due from other funds	—	9,819
Total current assets	1,473,377	1,504,362
Noncurrent assets		
Capital assets:		
Land	—	—
Buildings	—	—
Improvements other than buildings	—	—
Machinery and equipment	—	41,433
Less accumulated depreciation	—	(41,433)
Total noncurrent assets	—	—
Total assets	\$ 1,473,377	\$ 1,504,362
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities		
Accounts payable	\$ 29,439	\$ 67,627
Claims payable	2,366,000	9,271,000
Accrued salaries and benefits	9,665	44,932
Compensated absences	730	2,338
Due to other funds	—	—
Total current liabilities	2,405,834	9,385,897
Noncurrent liabilities		
Claims payable	—	9,271,000
Compensated absences	13,865	44,417
Total noncurrent liabilities	13,865	9,315,417
Total liabilities	2,419,699	18,701,314
Net position		
Net investment in capital assets	—	—
Unrestricted	(946,322)	(17,196,952)
Total net position	(946,322)	(17,196,952)
Total liabilities and net position	\$ 1,473,377	\$ 1,504,362

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-1

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ —	\$ 1,083,750	\$ 555,373	\$ 4,595,506
240,970	43,572	20,983	315,162
—	24,728	9,025	33,753
—	—	—	1,900
38,535	9,184	—	57,538
279,505	1,161,234	585,381	5,003,859
—	—	13,000	13,000
—	—	201,250	201,250
—	—	310,198	310,198
—	270,184	194,980	506,597
—	(222,637)	(491,305)	(755,375)
—	47,547	228,123	275,670
\$ 279,505	\$ 1,208,781	\$ 813,504	\$ 5,279,529
\$ 2,031,275	\$ 13,518	\$ 32,933	\$ 2,174,792
3,186,000	—	—	14,823,000
22,776	29,528	27,773	134,674
1,701	6,489	2,624	13,882
2,622,196	—	330	2,622,526
7,863,948	49,535	63,660	19,768,874
—	—	—	9,271,000
32,319	123,289	49,858	263,748
32,319	123,289	49,858	9,534,748
7,896,267	172,824	113,518	29,303,622
—	47,547	228,123	275,670
(7,616,762)	988,410	471,863	(24,299,763)
(7,616,762)	1,035,957	699,986	(24,024,093)
\$ 279,505	\$ 1,208,781	\$ 813,504	\$ 5,279,529

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2019

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
Operating revenues		
Charges for services	\$ 1,663,299	\$ 8,316,217
Operating expenses		
Salaries and benefits	187,478	925,196
Other operating expenses	813,303	7,633,699
Depreciation	—	—
Total operating expenses	1,000,781	8,558,895
Operating income (loss)	662,518	(242,678)
Nonoperating revenues		
Investment earnings	34,742	46,808
Change in net position	697,260	(195,870)
Total net position - January 1	(1,643,582)	(17,001,082)
Total net position - December 31	\$ (946,322)	\$ (17,196,952)

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-2

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 34,934,537	\$ 1,927,897	\$ 1,138,317	\$ 47,980,267
929,687	641,277	601,722	3,285,360
32,789,348	1,101,198	836,638	43,174,186
—	9,257	19,015	28,272
33,719,035	1,751,732	1,457,375	46,487,818
1,215,502	176,165	(319,058)	1,492,449
—	30,377	21,901	133,828
1,215,502	206,542	(297,157)	1,626,277
(8,832,264)	829,415	997,143	(25,650,370)
\$ (7,616,762)	\$ 1,035,957	\$ 699,986	\$ (24,024,093)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 75,054	\$ 87,129
Receipts from interfund services provided	1,587,770	8,227,485
Payments to suppliers	(773,285)	(6,274,089)
Payments to employees	(184,797)	(923,884)
Payments for interfund services used	(1,439)	(1,176,123)
Net cash provided (used) by operating activities	703,303	(59,482)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of advance from other funds	—	—
Advance from other funds	—	—
Net cash used by noncapital financing activities	—	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	—	—
Net cash used by capital and related financing activities	—	—
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	238	563,156
Purchases of investments	(685,391)	(519,426)
Interest and dividends received	21,079	27,378
Net cash provided (used) by investing activities	(664,074)	71,108
Net increase (decrease) in cash and cash equivalents	39,229	11,626
Cash and cash equivalents - January 1	27,105	55,184
Cash and cash equivalents - December 31	\$ 66,334	\$ 66,810
Cash and cash equivalents	\$ 66,334	\$ 66,810
Investments	1,406,568	1,416,671
Total cash and investments	\$ 1,472,902	\$ 1,483,481

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-3
(PAGE 1 OF 2)

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 8,139,059	\$ 488,360	\$ 320,731	\$ 9,110,333
26,923,996	1,420,337	828,266	38,987,854
(31,230,125)	(729,080)	(315,577)	(39,322,156)
(393,764)	(620,613)	(588,914)	(2,711,972)
(2,264,832)	(365,401)	(495,817)	(4,303,612)
1,174,334	193,603	(251,311)	1,760,447
(3,796,530)	—	—	(3,796,530)
2,622,196	—	—	2,622,196
(1,174,334)	—	—	(1,174,334)
—	(17,000)	—	(17,000)
—	(17,000)	—	(17,000)
—	326,367	492,867	1,382,628
—	(504,305)	(258,433)	(1,967,555)
—	17,804	12,943	79,204
—	(160,134)	247,377	(505,723)
—	16,469	(3,934)	63,390
—	32,339	28,946	143,574
\$ —	\$ 48,808	\$ 25,012	\$ 206,964
\$ —	\$ 48,808	\$ 25,012	\$ 206,964
—	1,034,942	530,361	4,388,542
\$ —	\$ 1,083,750	\$ 555,373	\$ 4,595,506

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2019

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ 662,518	\$ (242,678)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation expense	—	—
Decrease (increase) in assets		
Accounts receivable	—	1,498
Prepays	(475)	(1,425)
Due from other funds	—	(1,676)
Inventories	—	—
Increase (decrease) in liabilities		
Accounts and other payables	38,579	183,487
Accrued expenses	2,681	1,312
Due to other funds	—	—
Net cash provided (used) by operating activities	\$ 703,303	\$ (59,482)
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ 13,663	\$ 19,430

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-3
(PAGE 2 OF 2)

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 1,215,502	\$ 176,165	\$ (319,058)	\$ 1,492,449
—	9,257	19,015	28,272
150,059	(10,523)	10,680	151,714
—	—	—	(1,900)
(21,541)	(8,677)	—	(31,894)
—	(998)	(1,305)	(2,303)
(181,355)	7,715	28,388	76,814
11,669	20,664	12,808	49,134
—	—	(1,839)	(1,839)
<u>\$ 1,174,334</u>	<u>\$ 193,603</u>	<u>\$ (251,311)</u>	<u>\$ 1,760,447</u>
\$ —	\$ 12,573	\$ 8,958	\$ 54,624

INTERNAL SERVICES FUND
SCHEDULE OF REVENUES AND
EXPENSES-BUDGET AND ACTUAL-BUDGET BASIS
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Claims Reserve Self-Insurance Fund	\$ 1,562,866	\$ 1,684,378	\$ 121,512
Workers' Compensation Self-Insurance Fund	7,529,200	8,343,595	814,395
Employee Benefits Self-Insurance Fund	32,866,319	34,934,537	2,068,218
Office Services Fund	1,713,249	1,945,701	232,452
Radio Communications Fund	1,177,868	1,151,260	(26,608)
Total revenues	<u><u>\$ 44,849,502</u></u>	<u><u>48,059,471</u></u>	<u><u>\$ 3,209,969</u></u>

Reconciliation to GAAP:

Add: Increase in fair value of investments	54,624
Revenues (US GAAP basis)	<u><u>\$ 48,114,095</u></u>

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Claims Reserve Self-Insurance Fund	\$ 1,562,866	\$ 999,579	\$ 563,287
Workers' Compensation Self-Insurance Fund	9,000,000	8,566,412	433,588
Employee Benefits Self-Insurance Fund	34,946,920	33,714,994	1,231,926
Office Services Fund	1,713,248	1,728,483	(15,235)
Radio Communications Fund	1,669,889	1,433,076	236,813
Total expenses	<u><u>\$ 48,892,923</u></u>	<u><u>46,442,544</u></u>	<u><u>\$ 2,450,379</u></u>

Reconciliation to GAAP:

Add: Depreciation expense	28,272
Add: Other year-end accrual entries	17,002
Expenditures (US GAAP basis)	<u><u>\$ 46,487,818</u></u>

Note: Includes transfers

FIDUCIARY FUNDS

Fiduciary funds are used to account for the assets held by the City in a trustee capacity or as an agent for other agencies, individuals, private organizations or governmental units and cannot be used to support City programs.

Miscellaneous Depository Agency Fund

Used to account for assets that the City holds on behalf of others as their agent.

AGENCY FUND
BALANCE SHEET
December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-1

	<u>Miscellaneous Depository Fund</u>
<u>ASSETS</u>	
Cash and investments	\$ 97,802
Total assets	<u>\$ 97,802</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 97,802
Total liabilities	<u>\$ 97,802</u>

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES
For the year ended December 31, 2019

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-2

	Beginning balance	Debits	Credits	Ending balance
<u>ASSETS</u>				
Miscellaneous depository fund				
Cash and investments	\$ 7,327,715	\$ 273,142,054	\$ 280,371,967	\$ 97,802
Accounts receivable (net of allowance for uncollectibles)	—	85,989	85,989	—
Due from component unit	478	—	478	—
Total assets	\$ 7,328,193	\$ 273,228,043	\$ 280,458,434	\$ 97,802
<u>LIABILITIES</u>				
Miscellaneous depository fund				
Accounts payable	\$ 2,460	\$ 4,141,715	\$ 4,237,057	\$ 97,802
Due to component unit	7,325,733	7,897,813	572,080	—
Total liabilities	\$ 7,328,193	\$ 12,039,528	\$ 4,809,137	\$ 97,802



STATISTICAL SECTION

The statistical section includes six categories of information:

Financial Trend Analysis:

This section is intended to assist in understanding and assessing how the City's financial position has changed over time. Tables 1 through 4 include current and prior years information on net position and fund balances.

Revenue Capacity Analysis:

This section is intended to assist in understanding and assessing factors affecting the City's ability to generate its own source revenues. The City's largest own source revenue is the City's sales tax. Tables 5 through 7 provide data related to the City's sales tax collected, direct and overlapping sales and use tax rates and the City's taxpayers by industry.

Debt Capacity Analysis:

This section is intended to assist in understanding and assessing the City's tax burden and its ability to issue additional debt. Tables 8 through 12 outline various debt analysis including direct and overlapping debt, legal debt margin and pledged revenue coverage.

Demographic and Economic Analysis:

This section is intended to assist in (1) understanding the socioeconomic environment within which the City operates and (2) providing information to facilitate comparisons of financial statement information over time and among governments. Tables 13 through 15 provide information on various demographic and economic statistics, principal employers, and full time equivalent City government employees.

Operating Analysis:

This section is intended to provide contextual information about the City's operations and resources to assist in using the financial statement information in understanding the City's economic condition. Tables 16 and 17 provide statistical information on operating indicators and capital assets.

Other Information:

Other tables required for disclosure are also included in this section. Tables 18 through 21 provide sales and use tax revenue collection costs and required refunds, assessed valuations, property tax levies and collections, direct and overlapping mill levy rates, landfill closure and postclosure costs.

NET POSITION BY COMPONENT
Last ten fiscal years

	Fiscal Year			
	2019	2018	2017	2016
Governmental activities				
Net investment in capital assets	\$ 1,413,603,440	\$ 1,379,549,497	\$ 1,320,601,473	\$ 1,248,000,610
Restricted	36,632,780	47,078,513	38,015,920	43,747,103
Unrestricted	(81,798,147)	(130,182,875)	(100,500,356)	(89,121,095)
Total governmental activities net position	\$ 1,368,438,073	\$ 1,296,445,135	\$ 1,258,117,037	\$ 1,202,626,618
Business-type activities				
Net investment in capital assets	\$ 2,229,703,432	\$ 2,109,118,989	\$ 1,962,444,943	\$ 1,872,057,076
Restricted	57,212,559	41,771,236	46,297,314	51,102,001
Unrestricted	(59,476,898)	(136,986,951)	(69,559,753)	(49,050,476)
Total business-type activities net position	\$ 2,227,439,093	\$ 2,013,903,274	\$ 1,939,182,504	\$ 1,874,108,601
Primary government				
Net investment in capital assets	\$ 3,643,306,872	\$ 3,488,668,486	\$ 3,283,046,416	\$ 3,120,057,686
Restricted	93,845,339	88,849,749	84,313,234	94,849,104
Unrestricted	(141,275,045)	(267,169,826)	(170,060,109)	(138,171,571)
Total primary government net position	\$ 3,595,877,166	\$ 3,310,348,409	\$ 3,197,299,541	\$ 3,076,735,219

**CITY OF COLORADO SPRINGS
COLORADO
Table 1**

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 1,246,630,036	\$ 1,247,391,126	\$ 1,222,445,299	\$ 1,204,660,019	\$ 1,189,009,759	\$ 1,036,479,446
28,406,351	23,557,193	20,966,471	19,196,709	18,374,171	22,531,964
(79,724,995)	72,305,489	74,861,853	85,263,142	71,001,838	58,151,603
<u>\$ 1,195,311,392</u>	<u>\$ 1,343,253,808</u>	<u>\$ 1,318,273,623</u>	<u>\$ 1,309,119,870</u>	<u>\$ 1,278,385,768</u>	<u>\$ 1,117,163,013</u>
\$ 1,731,137,866	\$ 1,566,906,671	\$ 1,423,336,171	\$ 1,313,687,876	\$ 1,302,975,565	\$ 1,302,421,603
69,882,674	61,330,543	42,190,406	81,754,874	127,607,494	89,960,386
(63,038,610)	156,215,483	224,351,377	351,354,252	607,184,465	628,422,810
<u>\$ 1,737,981,930</u>	<u>\$ 1,784,452,697</u>	<u>\$ 1,689,877,954</u>	<u>\$ 1,746,797,002</u>	<u>\$ 2,037,767,524</u>	<u>\$ 2,020,804,799</u>
\$ 2,977,767,902	\$ 2,814,297,797	\$ 2,645,781,470	\$ 2,518,347,895	\$ 2,491,985,324	\$ 2,338,901,049
98,289,025	84,887,736	63,156,877	100,951,583	145,981,665	112,492,350
(142,763,605)	228,520,972	299,213,230	436,617,394	678,186,303	686,574,413
<u>\$ 2,933,293,322</u>	<u>\$ 3,127,706,505</u>	<u>\$ 3,008,151,577</u>	<u>\$ 3,055,916,872</u>	<u>\$ 3,316,153,292</u>	<u>\$ 3,137,967,812</u>

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year			
	2019	2018	2017	2016
Expenses				
Governmental activities:				
General government	\$ 75,779,622	\$ 109,660,430	\$ 101,607,259	\$ 65,304,997
Public safety	230,131,163	181,773,131	187,325,052	190,623,311
Planning	12,198,087	7,957,832	7,924,192	—
Planning/community development	—	—	—	22,968,689
Public works	118,032,617	141,233,041	130,509,017	120,721,459
Parks	29,426,437	26,268,032	26,088,482	28,826,273
Health and welfare	—	—	—	—
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Interest on long-term debt	2,047,097	1,975,934	2,289,562	2,415,117
Total governmental activities	467,615,023	468,868,400	455,743,564	430,859,846
Business-type activities:				
Utilities	741,238,248	818,765,578	793,109,339	681,776,411
PACE	59,525,000	59,945,000	60,277,000	60,545,000
MHS	2,987,413	3,052,496	3,035,965	3,175,469
Airport	—	—	—	—
Parking	—	—	—	—
Other non-major enterprises	54,212,096	40,715,626	42,098,307	36,515,165
Total business-type activities	857,962,757	922,478,700	898,520,611	782,012,045
Total primary government expenses	\$ 1,325,577,780	\$ 1,391,347,100	\$ 1,354,264,175	\$ 1,212,871,891
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 25,884,456	\$ 27,461,626	\$ 16,985,911	\$ 20,800,595
Public safety	7,154,791	6,951,073	7,355,565	6,742,276
Planning	2,132,235	2,061,979	2,019,143	—
Public works	16,962,729	14,883,995	12,470,148	12,632,805
Parks	3,044,391	3,018,873	2,866,225	3,341,163
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Operating grants and contributions	36,420,060	24,963,955	18,571,546	20,758,053
Capital grants and contributions	82,048,509	100,366,905	121,233,985	59,514,382
Total governmental activities	\$ 173,647,171	\$ 179,708,406	\$ 181,502,523	\$ 123,789,274

Notes: The City adopted GASB Statement No. 61 in 2013, which requires PACE to be presented as a blended component unit.
In 2012, Airport and Parking were moved from major funds to non-major funds and are presented as Other.

Fiscal Year						
2015	2014	2013	2012	2011	2010	
\$ 64,459,559	\$ 66,869,211	\$ 57,776,797	\$ 58,618,337	\$ 48,067,151	\$ 46,363,125	
168,628,903	168,664,690	158,517,649	149,168,556	149,930,831	150,429,316	
—	—	—	—	—	—	
12,523,168	—	—	—	—	—	
83,608,555	78,015,459	80,476,208	74,045,666	67,067,654	61,479,834	
24,400,726	—	—	—	—	—	
—	1,083,268	1,057,832	1,274,298	1,214,081	1,205,744	
—	27,008,991	22,344,456	22,238,048	21,789,448	21,616,273	
—	5,721,466	4,775,034	6,803,814	5,032,806	6,160,987	
—	3,811,264	3,292,753	2,711,136	2,619,256	2,042,321	
2,875,505	3,397,967	4,683,225	4,867,183	5,020,740	5,630,651	
356,496,416	354,572,316	332,923,954	319,727,038	300,741,967	294,928,251	
672,816,293	783,594,844	805,232,795	749,375,429	818,668,053	796,131,627	
60,810,000	60,995,000	61,041,000	—	—	—	
3,285,813	620,537	431,000	431,645,000	560,894,000	540,440,000	
—	—	—	—	24,874,856	25,341,755	
—	—	—	—	3,843,908	3,089,064	
39,347,633	37,810,511	47,044,893	43,356,373	12,391,209	16,213,845	
776,259,739	883,020,892	913,749,688	1,224,376,802	1,420,672,026	1,381,216,291	
\$ 1,132,756,155	\$ 1,237,593,208	\$ 1,246,673,642	\$ 1,544,103,840	\$ 1,721,413,993	\$ 1,676,144,542	
\$ 19,975,243	\$ 20,374,166	\$ 11,468,448	\$ 14,284,808	\$ 16,781,325	\$ 16,515,016	
6,930,898	6,413,558	4,796,826	5,032,930	4,585,702	4,909,599	
—	—	—	—	—	—	
9,695,070	7,897,929	7,647,033	5,189,248	4,681,309	6,357,708	
2,940,722	—	—	—	—	—	
—	2,655,107	2,394,630	2,343,078	2,901,620	3,124,277	
—	236,679	550,014	2,126,074	297,530	98,933	
—	1,000	—	—	—	—	
22,588,951	15,399,529	21,514,697	20,121,901	25,377,676	24,110,968	
47,827,449	80,881,804	60,360,011	77,975,257	176,593,370	105,822,052	
\$ 109,958,333	\$ 133,859,772	\$ 108,731,659	\$ 127,073,296	\$ 231,218,532	\$ 160,938,553	

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year			
	2019	2018	2017	2016
Business-type activities:				
Charges for services:				
Utilities	\$ 893,026,000	\$ 890,477,000	\$ 839,822,000	\$ 793,293,000
PACE	50,108,000	49,628,000	49,148,000	48,654,000
MHS	—	—	—	—
Airport	—	—	—	—
Parking	—	—	—	—
Other non-major enterprises	58,792,179	47,893,293	36,013,711	32,830,447
Capital grants and contributions	87,202,848	70,293,975	61,096,647	76,081,834
Total business-type activities	1,089,129,027	1,058,292,268	986,080,358	950,859,281
Total primary government program revenues	\$ 1,262,776,198	\$ 1,238,000,674	\$ 1,167,582,881	\$ 1,074,648,555
Net revenue (expense)				
Governmental activities	\$ (293,967,852)	\$ (289,159,994)	\$ (274,241,041)	\$ (307,070,572)
Business-type activities	231,166,270	135,813,568	87,559,747	168,847,236
Total primary government net revenue (expense)	\$ (62,801,582)	\$ (153,346,426)	\$ (186,681,294)	\$ (138,223,336)
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$ 23,841,133	\$ 23,475,282	\$ 22,190,678	\$ 23,390,221
Sales taxes	292,419,454	286,918,740	268,547,457	252,544,859
Specific ownership taxes	3,279,689	3,374,149	3,395,628	2,846,855
Occupational liquor taxes	315,546	304,686	291,426	280,240
Admissions tax	575,495	605,403	503,955	503,199
Bicycle excise tax	57,612	78,284	77,140	85,746
Investment earnings	8,122,461	2,259,245	1,645,386	1,147,142
Gain on sale of capital assets	1,242,627	1,376,263	1,260,228	2,389,154
Contributions to endowments	62,074	70,976	1,338,973	171,160
Transfers	36,044,699	30,141,965	30,480,589	31,027,222
Total governmental activities	365,960,790	348,604,993	329,731,460	314,385,798
Business-type activities:				
Investment earnings	17,150,551	12,406,763	7,994,745	8,117,657
Gain on sale of capital assets	1,263,697	—	—	—
Loss on defeasance and repayment of long-term debt	—	—	—	—
Extraordinary item	—	—	—	—
Special item	—	—	—	(9,811,000)
Transfers	(36,044,699)	(30,141,965)	(30,480,589)	(31,027,222)
Total business-type activities	(17,630,451)	(17,735,202)	(22,485,844)	(32,720,565)
Total primary government general revenues and other changes	\$ 348,330,339	\$ 330,869,791	\$ 307,245,616	\$ 281,665,233
Change in net position				
Governmental activities	\$ 71,992,938	\$ 59,444,999	\$ 55,490,419	\$ 7,315,226
Business-type activities	213,535,819	118,078,366	65,073,903	136,126,671
Total primary government change in net position	\$ 285,528,757	\$ 177,523,365	\$ 120,564,322	\$ 143,441,897

Notes: The City adopted GASB Statement No. 61 in 2013, which requires PACE to be presented as a blended component unit. In 2012, Airport and Parking were moved from major funds to non-major funds and are presented as Other.

Fiscal Year						
2015	2014	2013	2012	2011	2010	
\$ 830,821,000	\$ 868,846,000	\$ 823,760,000	\$ 849,746,000	\$ 830,522,000	\$ 797,546,000	
48,150,000	47,641,000	47,085,000	—	—	—	
—	—	—	415,872,000	551,709,000	550,074,000	
—	—	—	—	20,360,155	19,209,227	
—	—	—	—	3,831,263	3,715,448	
31,592,365	31,029,462	35,699,603	33,843,316	9,612,131	9,826,784	
46,213,579	60,238,372	57,956,449	68,939,203	46,543,219	50,430,938	
956,776,944	1,007,754,834	964,501,052	1,368,400,519	1,462,577,768	1,430,802,397	
\$ 1,066,735,277	\$ 1,141,614,606	\$ 1,073,232,711	\$ 1,495,473,815	\$ 1,693,796,300	\$ 1,591,740,950	
\$ (246,538,083)	\$ (220,712,544)	\$ (224,192,295)	\$ (192,653,742)	\$ (69,523,435)	\$ (133,989,698)	
180,517,205	124,733,942	50,751,364	144,023,717	41,905,742	49,586,106	
\$ (66,020,878)	\$ (95,978,602)	\$ (173,440,931)	\$ (48,630,025)	\$ (27,617,693)	\$ (84,403,592)	
\$ 22,540,418	\$ 22,862,535	\$ 24,283,843	\$ 22,897,112	\$ 24,473,652	\$ 24,326,164	
190,269,766	185,615,186	172,706,230	163,975,846	155,546,936	148,782,961	
2,611,736	2,478,710	2,343,653	2,222,285	2,190,174	2,311,600	
273,125	266,803	264,539	259,820	257,561	256,153	
469,933	509,696	432,317	476,030	449,533	490,236	
83,080	81,032	78,760	90,536	86,091	95,547	
1,082,201	1,379,491	1,102,409	1,783,647	1,291,703	1,734,681	
135,015	326,919	995,844	—	748,077	572,920	
80,485	83,086	70,965	78,943	73,080	78,543	
30,725,000	32,055,000	32,116,530	33,145,262	30,235,004	30,727,161	
248,270,759	245,658,458	234,395,090	224,929,481	215,351,811	209,375,966	
7,111,047	4,534,754	4,070,731	18,412,607	3,492,224	30,445,172	
—	—	—	—	—	—	
—	—	—	(47,903,000)	—	—	
—	—	(507,000)	—	—	—	
—	—	—	(372,358,584)	(1,015,237)	—	
(30,725,000)	(32,055,000)	(32,116,530)	(33,145,262)	(30,235,004)	(30,727,161)	
(23,613,953)	(27,520,246)	(28,552,799)	(434,994,239)	(27,758,017)	(281,989)	
\$ 224,656,806	\$ 218,138,212	\$ 205,842,291	\$ (210,064,758)	\$ 187,593,794	\$ 209,093,977	
\$ 1,732,676	\$ 24,945,914	\$ 10,202,795	\$ 32,275,739	\$ 145,828,376	\$ 75,386,268	
156,903,252	97,213,696	22,198,565	(290,970,522)	14,147,725	49,304,117	
\$ 158,635,928	\$ 122,159,610	\$ 32,401,360	\$ (258,694,783)	\$ 159,976,101	\$ 124,690,385	

FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2019	2018	2017	2016
General fund				
Nonspendable	\$ 267,873	\$ 299,253	\$ 291,430	\$ 365,732
Restricted	21,453,968	21,315,406	22,881,977	30,049,266
Committed	8,619,660	14,812,118	10,470,218	5,234,626
Assigned	3,271,255	5,218,259	7,783,758	4,042,429
Unassigned	51,208,209	31,892,186	32,322,036	29,290,407
Reserved	—	—	—	—
Unreserved	—	—	—	—
Total general fund	\$ 84,820,965	\$ 73,537,222	\$ 73,749,419	\$ 68,982,460
All other governmental funds				
Nonspendable	\$ 13,199,141	\$ 11,410,452	\$ 12,294,033	\$ 11,162,249
Restricted	66,424,359	53,061,975	51,226,624	48,084,352
Committed	33,683,967	29,880,201	23,078,768	23,230,678
Assigned	9,272,911	2,800,134	1,845,149	856,356
Reserved	—	—	—	—
Unreserved, reported in:				
Special revenue funds	—	—	—	—
Capital projects funds	—	—	—	—
Total all other governmental funds	\$ 122,580,378	\$ 97,152,762	\$ 88,444,574	\$ 83,333,635

Note: The City adopted GASB Statement 54 in 2011 which requires new fund balance classifications for governmental funds.

CITY OF COLORADO SPRINGS
COLORADO
Table 3

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 384,475	\$ 450,771	\$ 133,289	\$ 132,999	\$ 609,243	\$ —
7,545,287	9,996,781	8,182,418	7,547,036	7,547,034	—
6,150,522	6,369,071	5,565,912	3,857,623	1,231,321	—
3,629,733	2,937,924	8,070,526	3,212,142	3,415,078	—
32,707,058	33,950,373	35,115,277	47,194,174	37,994,759	—
—	—	—	—	—	9,908,610
—	—	—	—	—	34,078,702
<u>\$ 50,417,075</u>	<u>\$ 53,704,920</u>	<u>\$ 57,067,422</u>	<u>\$ 61,943,974</u>	<u>\$ 50,797,435</u>	<u>\$ 43,987,312</u>
\$ 11,195,086	\$ 11,540,728	\$ 11,049,247	\$ 10,440,549	\$ 9,721,218	\$ —
34,619,120	33,433,127	30,599,345	32,237,097	26,971,406	—
21,439,222	16,622,140	14,015,208	11,107,290	10,824,498	—
245,488	1,050,454	847,687	32,259	120,349	—
—	—	—	—	—	10,873,354
—	—	—	—	—	28,817,032
—	—	—	—	—	6,539,942
<u>\$ 67,498,916</u>	<u>\$ 62,646,449</u>	<u>\$ 56,511,487</u>	<u>\$ 53,817,195</u>	<u>\$ 47,637,471</u>	<u>\$ 46,230,328</u>

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2019	2018	2017	2016
Revenues				
Taxes	\$ 320,488,929	\$ 314,756,544	\$ 295,006,284	\$ 279,651,120
Licenses and permits	—	—	—	—
Licenses, permits and fines	10,068,157	7,873,189	6,327,465	6,571,781
Intergovernmental	80,885,614	68,996,748	69,428,549	59,298,336
Charges for services	29,685,094	26,834,822	25,891,928	26,036,068
Endowments and donations	3,820,491	1,845,510	3,236,664	2,037,905
Other revenue	7,893,331	7,604,283	3,476,744	5,799,418
Interfund services provided	7,502,200	6,917,339	6,762,691	7,022,399
Investment earnings	7,882,201	1,986,453	1,571,506	1,143,834
Rental income	419,232	478,850	407,287	419,745
Total revenues	468,645,249	437,293,738	412,109,118	387,980,606
Expenditures				
General government	83,717,293	76,027,262	73,012,905	52,896,927
Public safety	212,865,070	187,304,322	177,723,464	170,809,396
Planning	12,073,572	7,780,318	7,858,733	15,740,999
Planning/housing	—	—	—	—
Public works	56,847,630	58,917,887	60,324,119	51,168,691
Parks	25,189,127	23,364,222	23,585,967	25,670,280
Health and welfare	—	—	—	—
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Miscellaneous	22,461	18,199	18,417	22,597
Debt service				
Principal	9,166,475	6,864,565	5,143,602	6,067,329
Interest	1,997,549	1,990,333	2,443,203	2,414,008
Issuance expense	266,544	—	270,998	—
Capital outlay	88,763,142	105,294,562	87,074,558	75,270,238
Total expenditures	490,908,863	467,561,670	437,455,966	400,060,465
Deficiency of revenues under expenditures	(22,263,614)	(30,267,932)	(25,346,848)	(12,079,859)
Other financing sources (uses)				
Transfers - in	45,095,199	43,771,245	39,343,387	47,515,435
Transfers - out	(11,017,348)	(12,096,375)	(8,862,798)	(16,799,425)
Issuance of debt	9,000,000	—	29,930,000	13,690,000
Payment on refunding bonds	—	—	(31,647,240)	—
Premium on bonds issued	1,602,734	—	1,988,238	—
Capital lease financing	13,051,761	5,712,792	3,212,931	1,844,224
Loss on investments	—	—	—	—
Sale of capital assets	1,242,627	1,376,261	1,260,228	229,729
Total other financing sources (uses)	58,974,973	38,763,923	35,224,746	46,479,963
Net change in fund balances	\$ 36,711,359	\$ 8,495,991	\$ 9,877,898	\$ 34,400,104
Debt service as a percentage of noncapital expenditures	2.6%	2.2%	2.0%	2.4%

Note: Prior to 2014, reimbursements from other funds were offset against its corresponding expense. This change was implemented to provide better comparisons to budget.

CITY OF COLORADO SPRINGS
COLORADO
Table 4

Fiscal Year						
2015	2014	2013	2012	2011	2010	
\$ 216,248,058	\$ 211,813,962	\$ 200,109,342	\$ 189,921,630	\$ 183,003,947	\$ 176,388,909	
—	1,860,374	1,940,283	1,761,529	870,688	798,583	
7,216,901	—	—	—	—	—	
57,047,283	51,801,244	49,448,348	51,689,187	62,487,615	85,204,897	
22,254,241	24,395,457	22,180,061	20,532,487	21,739,662	24,779,523	
2,154,590	1,498,184	1,282,267	1,584,805	1,315,079	1,680,204	
3,404,021	3,242,165	2,410,136	4,742,492	4,468,747	2,989,985	
7,613,978	7,997,266	—	—	—	—	
1,059,514	1,388,369	1,115,418	1,752,286	1,327,990	1,822,435	
249,746	588,703	589,610	570,703	605,115	723,937	
317,248,332	304,585,724	279,075,465	272,555,119	275,818,843	294,388,473	
55,772,800	56,713,784	56,098,731	48,772,398	47,390,554	42,203,955	
168,750,783	159,829,593	149,890,554	145,044,874	141,877,121	141,338,332	
—	—	—	—	—	—	
10,279,313	—	—	—	—	—	
46,688,517	38,414,786	38,659,424	32,353,857	31,816,336	33,423,255	
21,701,668	—	—	—	—	—	
—	1,080,000	1,040,000	1,270,179	1,209,861	1,214,390	
—	22,720,707	18,044,391	18,718,313	18,216,191	21,079,762	
—	4,952,651	4,402,839	6,531,559	4,877,732	6,082,959	
—	3,799,765	3,237,248	2,702,372	2,610,152	2,056,965	
24,352	14,708	670,525	1,160,787	3,374,694	1,077,315	
10,933,009	13,334,381	14,397,183	13,352,897	12,225,107	12,435,183	
2,916,884	3,437,765	4,803,195	5,079,904	5,258,816	5,811,077	
—	—	—	—	188,001	77,358	
30,211,685	29,987,604	24,582,564	16,958,479	29,006,978	41,390,901	
347,279,011	334,285,744	315,826,654	291,945,619	298,051,543	308,191,452	
(30,030,679)	(29,700,020)	(36,751,189)	(19,390,500)	(22,232,700)	(13,802,979)	
45,666,562	42,711,618	42,406,999	40,886,014	39,793,341	46,854,998	
(13,768,280)	(10,656,618)	(10,622,278)	(6,740,752)	(7,877,337)	(16,127,837)	
—	8,960,000	—	—	13,485,000	3,900,000	
—	(8,856,720)	—	—	(16,262,864)	(4,221,551)	
—	—	—	—	563,751	201,552	
—	—	1,776,674	2,402,394	—	1,337,000	
(438,002)	—	—	—	—	—	
135,021	314,200	1,007,534	169,107	748,075	572,919	
31,595,301	32,472,480	34,568,929	36,716,763	30,449,966	32,517,081	
\$ 1,564,622	\$ 2,772,460	\$ (2,182,260)	\$ 17,326,263	\$ 8,217,266	\$ 18,714,102	
4.4%	5.4%	6.5%	7.4%	6.9%	6.7%	

SALES AND USE TAX REVENUE
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 5

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax	Road Repair Maintenance and Improvement Tax	Trails, Open Space and Parks Sales and Use Tax	Total Direct Tax Rate
2010	\$ 117,428,817	\$ 23,485,755	\$ —	\$ 5,871,441	2.50%
2011	118,569,370	23,713,874	—	5,928,467	2.50%
2012	126,925,671	25,385,133	—	6,346,282	2.50%
2013	134,068,394	26,813,678	—	6,703,421	2.50%
2014	142,102,152	28,420,430	—	7,105,106	2.50%
2015	148,658,292	29,731,659	—	7,432,914	2.50%
2016	162,067,524	32,413,507	49,743,080	8,103,376	3.12%
2017	170,186,924	34,037,386	52,744,961	8,509,345	3.12%
2018	181,242,818	36,248,564	56,176,843	9,062,141	3.12%
2019	185,508,324	37,101,665	57,539,153	9,275,416	3.12%

Source: City Sales Tax Division Reports.

Note: Prior to 2011, revenues presented include audit revenues.

**DIRECT AND OVERLAPPING
SALES AND USE TAX RATES**
Last ten fiscal years

**CITY OF COLORADO SPRINGS
COLORADO**
Table 6

Fiscal Year	City Direct Rates					Overlapping Rates		Total Direct and Overlapping Rates (%)
	City Sales and Use Tax (%)	Public Safety Sales and Use Tax (%)	Trails, Open Space and Parks Sales and Use Tax (%)	2C Road Repair & Maintenance Tax (%)	Total Direct (%)	El Paso County Sales Tax (%)	Pikes Peak Rural Transportation Authority Tax (%)	
2010	2.00	0.40	0.10	0.00	2.50	1.00	1.00	4.50
2011	2.00	0.40	0.10	0.00	2.50	1.00	1.00	4.50
2012	2.00	0.40	0.10	0.00	2.50	1.00	1.00 ¹	4.50
2013	2.00	0.40	0.10	0.00	2.50	1.23 ²	1.00	4.73
2014	2.00	0.40	0.10	0.00	2.50	1.23	1.00	4.73
2015	2.00	0.40	0.10	0.00	2.50	1.23	1.00	4.73
2016	2.00	0.40	0.10	0.62 ³	3.12	1.23	1.00	5.35
2017	2.00	0.40	0.10	0.62	3.12	1.23	1.00	5.35
2018	2.00	0.40	0.10	0.62	3.12	1.23	1.00	5.35
2019	2.00	0.40	0.10	0.62	3.12	1.23	1.00	5.35

Note: In April 1991, voters approved City Charter Amendment #3, entitled the "Taxpayers Bill of Rights." A similar statewide constitutional amendment was passed in November 1992. One of the provisions of this amendment is that advance voter approval is necessary for any new tax or tax increase.

¹In November 2012, voters in EPC, Colorado Springs, Manitou Springs, Green Mountain Falls, and Ramah approved an extension of the capital portion of PPRTA, which is 55% of the 1-cent sales and use tax. This extends the PPRTA tax through 2024.

²In November 2012, voters in EPC approved an increase to the EPC sales tax rate by .23 of 1-cent. The increased tax rate was effective as of January 1, 2013. The sales tax increase has a sunset date of January 1, 2021. The .23% is to be used for public safety critical needs as explained in EPC Resolution No. 12-309.

³In November 2015, voters in Colorado Springs approved a sales and use tax of .62 of 1-cent to be used for road repair and maintenance. The increased tax rate was effective as of January 1, 2016, with a sunset date of January 1, 2021. On November 5, 2019, voters approved a five year extension with a lower rate. The extended tax rate represents a reduction from .62 to .57 of 1-cent from January 1, 2021, through December 31, 2025.

PRINCIPAL TAXPAYERS

CITY OF COLORADO SPRINGS COLORADO Table 7

SALES AND USE TAXPAYERS BY INDUSTRY

Current year and nine years ago

Industry	Fiscal Year 2019			Fiscal Year 2010		
	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Miscellaneous non-retail	\$ 40,880,667	1	14.04%	\$ 16,857,241	4	11.51%
Restaurants	37,517,182	2	12.88%	19,196,666	2	13.10%
Auto dealers	34,865,376	3	11.97%	15,611,742	5	10.66%
Building material	32,329,195	4	11.10%	11,902,125	6	8.12%
Miscellaneous retail	30,960,020	5	10.63%	19,667,784	1	13.43%
Departments and discount stores	—	—	—	18,926,424	3	12.92%
	<u>\$ 176,552,440</u>		<u>60.62%</u>	<u>\$ 102,161,982</u>		<u>69.74%</u>

Source: Sales Tax Division.

Note: Due to requirements under the City Charter, the names of the ten largest revenue payers are confidential. The industry categories listed provide alternative information regarding the sources of the City's revenue.

PROPERTY TAXPAYERS Current year

Taxpayer	Type of Business	Fiscal Year 2019	
		Assessed Valuation	Percentage of Total City Assessed Value
Cellco Partnership (f/k/a Verizon Wireless)	Utility	\$ 103,153,370	1.87%
Wal-Mart Real Estate	Discount retail	52,278,140	0.95%
Broadmoor Hotel Inc	Resort hotel	37,900,890	0.69%
Comcast of Colorado	Utility	27,463,970	0.50%
Dpix LLC	Imaging solutions manufacturer	20,394,050	0.37%
SAP America Inc	Software developer	15,820,950	0.29%
Palmer Center LTD	Real estate company	15,381,330	0.28%
Great Wolf Lodge of Colorado LLC	Resort hotel	14,569,860	0.26%
Progressive Direct Insurance Co	Insurance corporation	14,516,260	0.26%
2424GOTG LLC	Real estate company	13,077,150	0.24%
		<u>\$ 314,555,970</u>	<u>5.71%</u>

Source: El Paso County Treasurer's office.

Note: See Table 19 for the City's assessed value information.

Property taxpayer information is included for continuing disclosure requirements on bonds. As such, only current year data is presented.

**RATIOS OF OUTSTANDING
DEBT BY TYPE
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 8**

Fiscal Year	Governmental Activities (in 000's)				Business-Type Activities (in 000's)				Total Primary Government (in 000's)	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Lease/Lease Purchase	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases			
2010	\$ 16,980	\$ 37,280	\$ 47,575	\$ —	\$ 21,316	\$ 2,550,918	\$ 100,979	\$ 2,360	\$ 2,777,408	11.23%	\$ 6,602
2011	16,145	30,750	43,440	—	17,913	2,501,884	94,979	1,391	2,706,502	10.25	6,326
2012	15,270	24,030	41,805	—	16,190	2,285,310	30,558	1,208	2,414,371	8.88	5,568
2013	14,272	17,544	41,345	—	4,622	3,061,246	21,417	649	3,161,095	11.45	7,209
2014	13,624	10,081	39,476	—	1,133	3,106,294	21,467	272	3,192,347	10.98	7,207
2015	12,190	2,635	37,512	—	814	3,042,226	54,169	—	3,149,546	10.39	6,990
2016	11,455	—	35,433	13,690	1,951	2,952,994	103,077	888	3,119,488	9.85	6,781
2017	10,695	—	34,632	12,445	4,125	2,969,753	30,130	651	3,062,431	9.09	6,556
2018	9,805	—	32,176	11,150	7,469	3,011,814	12,126	409	3,084,949	8.61	6,509
2019	6,985	—	41,593	9,835	16,514	2,879,823	8,981	162	2,963,893	7.77	6,169

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Beginning with 2013, debt amounts are net of related premiums, discounts, and adjustments.

¹Personal income and population data was updated for prior years and can be found on Table 13.

**RATIOS OF GENERAL BONDED
DEBT OUTSTANDING**
Last ten fiscal years

**CITY OF COLORADO SPRINGS
COLORADO**
Table 9

Fiscal Year	General Obligation Bonds (in 000's)	Less: Non-City Obligations ² (in 000's)	City General Obligation Bonds (in 000's)	Assessed Value of Property (in 000's)	Percentage of Assessed Value of Property	Per Capita ¹
2010	\$ 16,980	\$ 16,980	—	\$ 4,948,368	—	\$ —
2011	16,145	16,145	—	4,938,341	—	—
2012	15,270	15,270	—	4,601,619	—	—
2013	14,272	14,272	—	4,600,222	—	—
2014	13,624	13,624	—	4,608,210	—	—
2015	12,190	12,190	—	4,678,625	—	—
2016	11,455	11,455	—	4,985,582	—	—
2017	10,695	10,695	—	5,048,413	—	—
2018	9,805	9,805	—	5,414,794	—	—
2019	6,985	6,985	—	5,508,082	—	—

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Beginning with 2013, debt amounts are net of related premiums, discounts, and adjustments.

¹Population data can be found on Table 13.

²Non-City Obligations represent general obligation bonds of the City's blended component units. These bonds are to be repaid solely by funds provided by the property owners within the geographical boundaries of the component units.

**DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2019**

**CITY OF COLORADO SPRINGS
COLORADO
Table 10**

Governmental Unit	Estimated Percentage Applicable	Debt Outstanding	Estimated Share of Overlapping Debt	Debt Outstanding (Excluding COPs)	Estimated Share of Overlapping Debt (Excluding COPs)
El Paso County	72.65%	\$ 119,824,679	\$ 87,053,866	\$ 4,584,679	\$ 3,330,817
Harrison School District #2	91.62%	147,908,448	135,509,604	147,908,448	135,509,604
Widefield School District #3	3.27%	60,334,550	1,975,506	60,334,550	1,975,506
Fountain/Fort Carson School District #8	0.04%	12,641,876	4,761	361,876	136
Colorado Springs School District #11	90.93%	121,391,214	110,385,786	111,315,018	101,223,106
Cheyenne Mountain School District #12	97.41%	59,954,958	58,403,816	59,954,958	58,403,816
Manitou School District #14	10.31%	1,637,517	168,834	1,637,517	168,834
Academy School District #20	85.30%	264,759,274	225,838,256	264,759,274	225,838,256
Ellicott School District #22	0.17%	1,757,491	2,984	1,757,491	2,984
Falcon School District #49	51.51%	157,814,818	81,290,776	4,986,258	2,568,433
Barnes & Powers North BID	100.00%	3,465,960	3,465,960	3,465,960	3,465,960
Barnes & Powers South BID	100.00%	435,000	435,000	435,000	435,000
Briargate Center BID	100.00%	12,455,605	12,455,605	12,455,605	12,455,605
Creekwalk Marketplace BID	100.00%	27,257,809	27,257,809	27,257,809	27,257,809
CS Downtown Development Authority	100.00%	1,350,000	1,350,000	1,350,000	1,350,000
First & Main BID	100.00%	1,390,000	1,390,000	1,390,000	1,390,000
First & Main #2 BID	100.00%	25,771,935	25,771,935	25,771,935	25,771,935
First & Main North BID	100.00%	1,736,732	1,736,732	1,736,732	1,736,732
Interquest North BID	100.00%	12,019,200	12,019,200	12,019,200	12,019,200
Interquest South BID	100.00%	4,221,428	4,221,428	4,221,428	4,221,428
Interquest Town Center BID	100.00%	17,382	17,382	17,382	17,382
Powers & Woodmen BID	100.00%	4,019,535	4,019,535	4,019,535	4,019,535
Southwest Downtown BID	100.00%	837,506	837,506	837,506	837,506
USAFA Visitor's Center BID	100.00%	78,991	78,991	78,991	78,991
Colorado Springs Urban Renewal Authority	100.00%	115,287,586	115,287,586	115,287,586	115,287,586
Total overlapping debt			910,978,858		739,366,161
City direct debt			74,927,000		33,334,000
Total direct and overlapping debt			<u>\$ 985,905,858</u>		<u>\$ 772,700,161</u>

Sources: Assessed value data used to estimate applicable percentages is provided by the El Paso County Assessor's office final certification letter dated November 21, 2018. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City.

This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Debt Outstanding values include General Obligation bonds, Certificates of Participation (COP), Capital Leases, and other types of debt, net of related premiums, discounts, and adjustments.

¹Based upon the last preceding assessment per City Charter § 7-80(b).

PLEDGED REVENUE COVERAGE
Last ten fiscal years
(in 000's)

CITY OF COLORADO SPRINGS
COLORADO
Table 12

Utilities Revenue Bonds							Parking Revenue Bonds					
Fiscal Year	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2010	\$ 832,076	\$ 626,317	\$ 205,759	\$ 16,111	\$ 75,712	2.24	\$ 3,780	\$ 1,719	\$ 2,061	\$ 505	\$ 554	1.95
2011	871,788	602,713	269,075	27,597	101,451	2.09	3,898	1,540	2,358	525	533	2.23
2012	896,096	558,295	337,801	47,441	103,702	2.23	3,868	1,519	2,349	545	511	2.22
2013	862,958	548,839	314,119	52,285	101,908	2.04	3,965	1,783	2,182	570	488	2.06
2014	906,466	566,921	339,545	57,295	105,303	2.09	4,382	1,804	2,578	595	463	2.44
2015	868,080	493,616	374,464	61,457	105,828	2.24	4,498	2,104	2,394	655	433	2.20
2016	837,827	495,749	342,078	68,637	106,472	1.95	4,683	1,751	2,932	695	215	3.22
2017	883,994	521,799	362,195	71,980	103,440	2.06	4,768	1,902	2,866	710	199	3.15
2018	940,065	548,679	391,386	75,614	106,924	2.14	4,855	2,114	2,741	720	181	3.04
2019	946,907	529,572	417,335	81,947	104,036	2.24	5,080	3,378	1,702	700	164	1.97
Public Authority for Colorado Energy Revenue Bonds							Pikes Peak America's Mountain Revenue Bonds					
Fiscal Year			Net Applicable Revenues	Debt Service Principal	Debt Service Interest	Coverage	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2010			N/A	N/A	N/A	N/A	—	—	—	—	—	—
2011			N/A	N/A	N/A	N/A	—	—	—	—	—	—
2012			N/A	N/A	N/A	N/A	—	—	—	—	—	—
2013			\$ 29,605	\$ 5,795	\$ 40,616	0.64	—	—	—	—	—	—
2014			29,984	6,690	40,282	0.64	—	—	—	—	—	—
2015			30,313	7,600	39,898	0.64	—	—	—	—	—	—
2016			30,627	8,535	39,461	0.64	—	—	—	—	—	—
2017			30,953	9,535	38,970	0.64	—	—	—	—	—	—
2018			31,291	10,580	38,422	0.64	\$ 10,672	\$ 4,532	\$ 6,140	\$ —	\$ —	N/A
2019			31,590	11,680	37,813	0.64	13,562	4,853	8,709	400	1,551	4.46
MHS Revenue Bonds							Sales and Use Tax Revenue Bonds					
Fiscal Year	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Sales and Use Tax Collections		Debt Service Principal	Debt Service Interest	Coverage	
2010	\$ 627,273	\$ 552,291	\$ 74,982	\$ 7,652	\$ 17,430	2.99	\$ 115,684		\$ 6,335	\$ 1,512	14.74	
2011	616,378	566,987	49,391	8,152	16,984	1.96	121,250		6,530	1,321	15.44	
2012	—	—	—	—	—	—	128,019		6,720	1,124	16.32	
2013	—	—	—	—	—	—	134,751		6,925	922	17.17	
2014	—	—	—	—	—	—	144,887		7,130	713	18.47	
2015	—	—	—	—	—	—	148,056		7,340	499	18.89	
2016	—	—	—	—	—	—	156,716		2,635	132	56.64	
2017	—	—	—	—	—	—	—		—	—	—	
2018	—	—	—	—	—	—	—		—	—	—	
2019	—	—	—	—	—	—	—		—	—	—	
Airport Revenue Bonds							Special Assessment Bonds					
Fiscal Year	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Special Assessment Collections		Debt Service Principal	Debt Service Interest	Coverage	
2010	\$ 21,066	\$ 15,380	\$ 5,686	\$ 1,295	\$ 2,273	1.59	\$ 112		\$ 121	\$ 8	0.87	
2011	21,995	14,400	7,595	3,020	2,218	1.45	—		—	—	—	
2012	21,306	14,342	6,964	3,180	2,056	1.33	—		—	—	—	
2013	20,440	13,314	7,126	3,350	1,887	1.36	—		—	—	—	
2014	16,081	12,712	3,369	1,395	1,172	1.31	—		—	—	—	
2015	17,270	12,782	4,488	1,565	862	1.85	—		—	—	—	
2016	15,822	11,822	4,000	990	473	2.74	—		—	—	—	
2017	13,900	14,373	(473)	1,040	423	(0.32)	—		—	—	—	
2018	N/A	N/A	N/A	N/A	N/A	N/A	—		—	—	—	
2019	N/A	N/A	N/A	N/A	N/A	N/A	—		—	—	—	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹The City adopted GASB Statement No. 61 in 2013, which requires PACE to be presented as a blended component unit.

²The Airport believes that it is in compliance with the bond covenants based on the second criteria stated in the bond documents. Under the second criteria, the calculated debt service coverage is 4.81. These bonds were defeased in 2018.

**DEMOGRAPHIC AND
ECONOMIC STATISTICS**
Last ten fiscal years

**CITY OF COLORADO SPRINGS
COLORADO**
Table 13

Fiscal Year	Population ¹	Personal Income (in 000's) ²	Per Capital Personal Income ²	Unemployment Rate ³
2010	420,716 **	\$ 24,722,493	\$ 37,999	9.6%
2011	427,863 *	26,408,772	39,994	9.4%
2012	433,580 *	27,180,204	40,622	9.2%
2013	438,468 *	27,596,635	40,680	8.0%
2014	442,940 *	29,082,644	42,379	5.1%
2015	450,587 *	30,319,650	43,447	4.0%
2016	460,018 *	31,668,303	44,458	3.2%
2017	467,108 *	33,681,400	46,529	3.4%
2018	473,928 *	35,832,538	48,492	4.6%
2019	480,419 *	38,121,063 *	50,538 *	2.8% *

Sources:

¹Colorado Department of Local Affairs, Demography section.

²U.S. Department of Commerce, Bureau of Economic Analysis for Colorado Springs, CO Metropolitan Statistical Area (MSA).

³U.S. Department of Labor, Bureau of Labor Statistics for City of Colorado Springs, CO MSA.

* Estimate

** Census

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

CITY OF COLORADO SPRINGS
COLORADO
Table 14

Employer	2019		2010	
	Rank	Percentage of Total County Employment	Rank	Percentage of Total County Employment
Fort Carson	1	11.5%	1	10.6%
United States Air Force Academy	2	2.9%	4	2.8%
Peterson Air Force Base	3	2.8%	2	4.8%
UCHealth - Memorial Health System	4	2.3%	5	2.0%
Schriever Air Force Base	5	2.1%	3	3.4%
School District # 11 - Colorado Springs	6	1.3%	6	1.7%
Penrose-St. Francis Health Services	7	1.2%	7	1.3%
School District # 20 - Air Academy	8	1.2%	8	1.2%
City of Colorado Springs ¹	9	0.9%	9	1.0%
El Paso County	10	0.9%	10	0.9%
		<u>27.1%</u>		<u>29.7%</u>

Source: The Colorado Springs Chamber & Economic Development Corporation

¹City of Colorado Springs includes the total of all full-time equivalent employees (FTE's) in all funds and enterprises except Colorado Springs Utilities and Memorial Health System.

**FULL-TIME EQUIVALENT CITY
GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 15**

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	341.75	326.75	308.25	257.25	256.25	256.25	253.15	285.08	239.80	263.80
Public safety	1,584.00	1,516.00	1,478.00	1,471.00	1,470.50	1,407.75	1,382.75	1,366.75	1,421.75	1,392.75
Public works	188.00	187.00	245.00	212.00	208.00	207.50	274.00	281.00	267.00	281.00
Culture and recreation	—	—	—	—	—	114.25	112.75	111.50	119.25	102.50
Parks	158.75	147.75	139.75	138.75	132.75	—	—	—	—	—
Planning	55.00	44.00	40.00	—	—	—	—	—	—	—
Planning/community development	—	—	—	63.00	33.00	—	—	—	—	—
Urban redevelopment and housing	—	—	—	—	—	32.00	31.00	34.00	41.00	34.00
Utilities	1,821.50	1,824.00	1,824.00	1,824.00	1,824.00	1,874.00	1,859.00	1,859.00	1,856.00	1,856.00
MHS ¹	—	—	—	—	—	—	—	—	3,555.00	3,487.50
Airport	102.00	100.00	98.00	95.00	93.00	96.00	121.00	122.00	121.00	121.00
Parking	10.00	9.50	8.50	8.50	8.50	8.50	7.50	7.50	7.50	7.50
Stormwater ²	73.00	67.00	—	—	—	—	—	—	17.00	38.00
Other non-major enterprise funds	51.00	50.00	50.00	51.00	49.50	47.00	47.00	49.00	51.50	61.50
Total	4,385.00	4,272.00	4,191.50	4,120.50	4,075.50	4,043.25	4,088.15	4,115.83	7,696.80	7,645.55

Sources: Various City departments and Utilities.

Notes: Function/Program FTE count previously included all other non-Enterprise and non-General Fund positions in General Government. Historical full-time equivalent (FTE) count has been updated to reflect the department in which staff resides.

¹ Beginning in 2012, as a result of the MHS lease, MHS figures are no longer included.

² In November 2017, the voters of Colorado Springs approved Issue 2A, which establishes and authorizes a stormwater fee. The fee was effective as of July 1, 2018, at which time 67 FTEs from general government were transferred into the enterprise.



OPERATING INDICATORS BY FUNCTION/PROGRAM
Last ten fiscal years

Function/Program	Fiscal Year		
	2019	2018	2017
General government			
Internal audits completed	26	35	33
Summons filed	43,491	29,625	22,000
Contractual transactions	3,366	3,431	3,434
Workers compensation claims	440	380	346
Public safety			
Emergency response time - Police	12	12	12
Percent of emergency incident arrival within 8 minutes - Fire	86	87	88
Violent and property crime rates (per 1,000 population)	43	43	38
Emergency incidents (per 10,000 population)	1,407	1,450	1,472
Public works ¹			
Miles resurfaced	701	995	1,432
Fixed route transit revenue hours of service	197,014	179,546	163,025
Painted lane miles	886	1,147	1,414
Culture and recreation			
Cultural services attendance	476,964	484,281	451,689
Street and park trees	300,000	284,094	284,600
Acres of parks maintained	14,875	14,831	14,479
Recreation service program participants	755,482	763,555	791,234
Urban redevelopment and housing			
Projects managed	5	8	9
Affordable housing developed and rehabilitated	127	48	295
Clients assisted	156	83	295
Utilities			
Total metered customers ²	579,315	579,315	558,570
Annual natural gas moved through pipes (thousands of mcf)	21,892	21,891	22,354
Electric use (thousands of MWh)	4,850	4,750	4,580
Water use (millions of gallons)	24,900	23,600	23,700
Wastewater treatment (millions of gallons)	13,717	13,717	13,717
MHS ³			
Admissions	—	—	—
Outpatient visits	—	—	—
Emergency visits	—	—	—
Births	—	—	—
Airport			
Passenger boardings (in thousands)	844	866	850
Airline revenue per enplaned passengers	\$ 4.48	\$ 4.68	\$ 4.71
Parking			
Revenues collected per space - on-street	\$ 1,016	\$ 947	\$ 916
Revenues collected per space - off-street	\$ 873	\$ 858	\$ 995
Other			
Cemetery - burial services	629	621	621
Golf courses - rounds played	148,033	156,930	170,008
Pikes Peak America's Mountain - number of visitors	592,569	597,233	498,722

Sources: City, MHS and Utilities staff reports and websites.

¹ Maintenance programs may be funded by City and other entity sources.

² Some customers have multiple services and may be counted more than once.

³ Beginning in 2012, as a result of the MHS lease, MHS figures are no longer included.

Fiscal Year						
2016	2015	2014	2013	2012	2011	2010
26	39	33	26	26	26	23
29,731	36,676	37,928	29,066	34,499	36,678	42,761
3,350	3,533	2,255	2,726	2,897	2,636	3,350
405	353	426	451	386	418	417
14	13	13	13	12	11	11
89	88	89	90	90	89	90
40	40	40	46	40	42	41
1,471	1,417	1,340	1,284	1,272	1,266	1,179
1,133	187	115	109	178	148	50
150,399	130,653	120,031	108,441	112,877	124,011	121,700
830	801	1,465	1,355	1,398	1,449	1,288
379,938	343,124	324,337	256,389	192,280	256,547	176,883
284,800	213,207	213,874	214,670	218,000	126,602	127,000
14,807	15,063	14,527	16,277	16,184	16,143	15,428
765,539	664,283	646,744	602,271	691,105	691,786	971,711
6	6	6	12	17	2	4
108	69	156	122	135	188	334
108	69	156	122	288	188	334
558,570	547,764	540,990	537,096	537,096	530,208	530,208
22,603	23,816	20,602	23,376	23,376	24,020	24,026
4,700	4,800	4,600	4,600	4,600	4,630	4,630
21,900	21,600	28,700	27,800	27,800	23,700	23,700
14,699	13,870	15,586	15,586	15,586	15,586	15,586
—	—	—	—	17,420	25,633	27,980
—	—	—	—	280,982	384,655	385,500
—	—	—	—	101,550	135,517	132,175
—	—	—	—	3,286	4,604	4,802
656	598	623	650	822	814	869
\$ 6.06	\$ 9.39	\$ 8.80	\$ 13.86	\$ 8.46	\$ 9.77	\$ 8.59
\$ 895	\$ 853	\$ 967	\$ 737	\$ 729	\$ 791	\$ 776
\$ 983	\$ 838	\$ 855	\$ 862	\$ 767	\$ 793	\$ 727
630	587	600	603	601	698	615
156,734	147,877	164,299	161,015	188,546	173,011	203,025
482,963	415,092	345,701	284,879	265,332	265,124	255,000

**CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 17**

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public safety										
Police										
Area commands (stations)	4	4	4	4	4	4	4	4	4	4
Patrol units	233	237	211	197	171	171	181	185	205	228
Fire										
Stations	22	22	22	22	21	21	21	20	20	20
Emergency units	84	84	84	84	84	84	77	75	73	74
Public works										
Streets (lane miles)	6,134	5,973	5,849	5,688	5,688	5,636	5,620	5,609	5,609	5,609
Major bridges	223	223	223	224	223	223	215	215	212	206
Signalized intersections	609	606	591	585	584	574	569	565	563	564
Transit buses	61	60	56	49	45	43	43	43	57	57
Culture and recreation										
Parks and open space locations	205	205	205	205	205	204	201	201	200	199
Sports complexes	4	4	4	4	4	4	5	5	5	5
Community centers	4	4	4	5	5	4	4	4	4	6
Utilities										
Electric distribution lines (miles)	3,839	3,831	3,808	3,316	3,316	3,316	3,316	3,316	3,451	3,451
Natural gas pipe (miles)	2,586	2,576	2,539	2,488	2,432	2,408	2,408	2,408	2,400	2,400
Water distribution lines (miles)	2,152	2,139	2,117	2,068	2,300	2,040	2,015	2,015	2,010	2,010
MHS ¹										
Number of hospital beds	—	—	—	—	—	—	—	—	671	671
Health care facilities	—	—	—	—	—	—	—	—	16	17
Airport										
Number of runways	3	3	3	3	3	3	3	3	3	3
Parking										
Number of parking spaces - on-street	2,403	2,453	2,415	2,415	2,416	2,417	2,400	2,400	2,389	2,360
Number of parking spaces - off-street	2,681	2,681	2,706	2,706	2,703	2,703	2,703	2,703	2,703	2,703

Sources: City, MHS and Utilities staff reports and websites.

¹ Beginning in 2012, as a result of the MHS lease, MHS figures are no longer included.

**SALES AND USE TAX REVENUE
COLLECTION COSTS AND REQUIRED REFUNDS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 18**

Fiscal Year	Collection Cost¹	Required Refunds
2010	\$ 1,971,921	\$ 1,866,153
2011	—	518,744
2012	—	564,879
2013	—	534,003
2014	—	1,173,501
2015	—	916,479
2016	—	1,496,130
2017	—	514,490
2018	—	621,042
2019	—	395,621

Note: This table reflects values for the General Fund only.

¹Retailer fee was eliminated in 2010.

**ASSESSED VALUATIONS, PROPERTY TAX
LEVIES AND COLLECTIONS**
Last ten fiscal years

**CITY OF COLORADO SPRINGS
COLORADO**
Table 19

Fiscal Year	Assessed Valuation (in 000's)	Total Tax Levy	Total Current Collections	Collections as a Percent of Levy	Current Year Outstanding Delinquent Taxes	All Years Outstanding Delinquent Taxes	All Years Delinquent Taxes as a Percent of Levy
2010	\$ 4,948,368	\$ 21,174,070	\$ 20,666,136	97.6%	\$ 49,593	\$ 97,882	0.5%
2011	4,938,341	21,131,161	20,617,424	97.6%	50,327	105,906	0.5%
2012	4,601,619	19,690,330	19,208,455	97.6%	52,186	132,999	0.7%
2013	4,600,223	19,684,353	19,226,023	97.7%	50,149	133,289	0.7%
2014	4,608,210	19,718,537	19,164,390	97.2%	21,534	45,424	0.2%
2015	4,678,625	20,019,838	19,469,574	97.3%	25,572	44,165	0.2%
2016	4,985,582	21,333,306	20,014,822	93.8% ¹	31,404	51,934	0.2%
2017	5,048,413	19,368,851	18,751,296	96.8%	7,002	30,799	0.2%
2018	5,414,794	20,663,441	19,939,068	96.5%	7,494	24,685	0.1%
2019	5,508,082	21,019,928	20,324,600	96.7%	3,315	12,579	0.1%

Notes: Collections are net of positive and negative abatements.

Fiscal year is the year of collection.

Certification of assessed valuation and mill levies is done in the year prior to the year of collection.

¹ During 2015, in the ordinance certifying the tax levy for 2015 taxes payable in 2016, City Council approved a temporary property tax credit on all taxable business personal property equal to one-half (1/2) of the gross mill levy (tax credit equal to 2.139 mills). El Paso County (EPC) was unable to reflect the temporary tax credit on the assessment rolls and property tax statements due to the timing of the request by the City. As a result, the full mill levy was assessed and the City processed refunds to effect the temporary BPPT credit. The artificially high mill levy assessment negatively impacted the collections percentage calculation for 2016. For 2017, the temporary BPPT credit was correctly reflected as a lower tax levy by EPC.

**DIRECT AND OVERLAPPING MILL LEVY
RATES - WITHIN CITY LIMITS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 20**

Fiscal Year	City	County Government	School District No 11	Library District	Water Conservancy District	Total
2010	4.279	7.531	42.183	3.468	0.940	58.401
2011	4.279	7.717	42.493	3.556	0.947	58.992
2012	4.279	7.597	44.004	3.999	0.947	60.826
2013	4.279	7.663	43.445	4.000	0.944	60.331
2014	4.279	7.714	44.264	4.000	0.940	61.197
2015	4.279	7.791	43.165	4.000	0.940	60.175
2016	4.279	7.869	40.803	3.857	0.941	57.749
2017	4.279	7.919	40.878	3.957	0.940	57.973
2018	4.279	7.965	52.499	3.812	0.939	69.494
2019	4.279	8.068	56.084	4.000	0.944	73.375

Notes: Fiscal year is the year of collection.
 Certification of assessed valuation and mill levies is done in the year prior to the year of collection.
 Rates include levies for operations and debt service.
 Representative sample of overlapping districts, other overlapping district mill levies vary.

**MUNICIPAL SOLID WASTE LANDFILL
CLOSURE AND POSTCLOSURE CARE COSTS
December 31, 2019**

**CITY OF COLORADO SPRINGS
COLORADO
Table 21**

Facility	Closure Costs	Postclosure Costs	Total Cost	Percentage of Capacity Used	Estimated Lifespan in Years
Hancock	\$ 335,767	\$ 4,204	\$ 339,971	N/A	N/A
Clear Spring Gravel Pit 1	92,120	700,345	792,465	88.87-100.00%	12-33
Clear Spring Gravel Pit 2 C&D solids	150,868	66,078	216,946	65.39%	50
Clear Spring - Ash disposal	2,002,156	974,229	2,976,385	72.21%	46
Clear Spring - Biosolids	2,792,762	1,196,815	3,989,577	45.59%	81
Total cost	<u>\$ 5,373,673</u>	<u>\$ 2,941,671</u>	<u>\$ 8,315,344</u>		

Notes: Percentage of capacity used does not apply to the Hancock facility. The entire liability for this facility is recognized on the Government-wide Statement of Net Position under governmental activities.

Liabilities for the Clear Spring (formerly Hanna Ranch) facilities are recognized on a capacity used basis in the Utilities fund on Exhibit 7; total costs for the Clear Spring facilities based on capacity used are estimated at \$7,975,373. The liability is recognized on the Government-wide Statement of Net Position under business-type activities. The total costs from the above table are based on the last 5 year independent assessment adjusted by inflation.