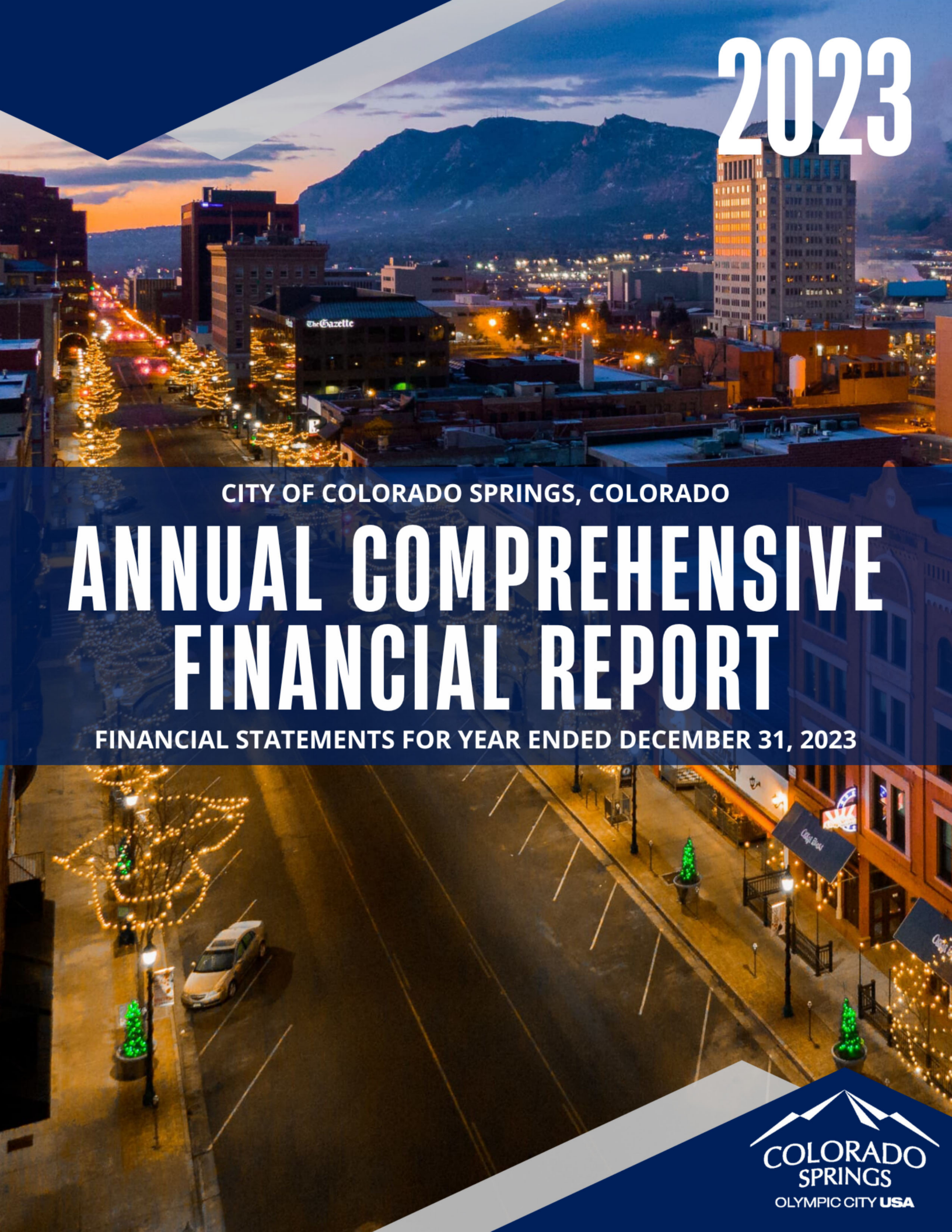




2023

CITY OF COLORADO SPRINGS, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2023



Annual Comprehensive Financial Report

City of Colorado Springs
Colorado

For the fiscal year ended
December 31, 2023

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
Lucas Fetsch, Accountant II
Melanie McFarlane, Senior Accountant
Erin Phillips, Senior Accountant
Amy Tuten, Senior Accountant
Giovanni Villarreal, Accountant II

A special thanks to the Budget Division



COLORADO
SPRINGS
OLYMPIC CITY USA

TABLE OF CONTENTS

	Exhibit	Page
I. INTRODUCTORY SECTION		
Letter of Transmittal		i
GFOA Certificate of Achievement		vi
City Organizational Chart		vii
City Leadership		viii
City Council		ix
II. FINANCIAL SECTION		
Independent Auditor's Report		1
A. Management's Discussion and Analysis (MD&A)		5
B. Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	1	31
Statement of Activities	2	33
Fund Financial Statements		
Governmental Funds		
Balance Sheet and Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	3	34
Statement of Revenues, Expenditures and Changes in Fund Balances	4	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	37
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6	38
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Road Repair, Maintenance and Improvement Sales Tax Fund	6A	42
Proprietary Funds		
Balance Sheet	7	43
Statement of Revenues, Expenses and Changes in Net Position	8	46
Statement of Cash Flows	9	47
Fiduciary Funds		
Statement of Fiduciary Net Position	10	50
Statement of Changes in Fiduciary Net Position	11	51
Component Units		
Combining Statement of Net Position – Governmental Fund Component Units	12	52

TABLE OF CONTENTS

	Exhibit	Page
Combining Statement of Activities – Governmental Fund Component Units	13	54
Combining Balance Sheet – Proprietary Fund Component Units	14	56
Combining Statement of Activities – Proprietary Fund Component Units	15	58
Notes to Financial Statements		59
C. Required Supplementary Information Other than MD&A		
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) and Contributions – Colorado PERA	16	188
Schedule of the Changes in the City's Net Pension Liability and Contributions – Old Hire Fire and Police Pension Plans	17	194
Schedule of the Changes in the City's Net Pension Liability and Contributions – New Hire Fire and Police Pension Plans	18	202
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) and Contributions – Fire and Police Pension Plan – Statewide	19	210
Schedule of the City's Proportionate Share of the Net OPEB Liability and Contributions – Colorado PERA	20	214
Schedule of the Changes in the City's Total OPEB Liability – The City of Colorado Springs OPEB Plan	21	218
Schedule of the Changes in the Utilities' Total OPEB Liability – Colorado Springs Utilities OPEB Plan	22	222
D. Combining and Individual Fund Statements and Schedules		
Major Proprietary Funds		
Schedule of Revenues and Expenses – Budget and Actual Comparison	A-1	226
Non-Major Governmental Funds		
Combining Balance Sheet	B-1	230
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	231
Special Revenue Funds		
Combining Balance Sheet – All Special Revenue Funds	C-1	236
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Special Revenue Funds	C-2	238
Combining Balance Sheet – Intergovernmental Grant Special Revenue Funds	C-3	240
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Intergovernmental Grant Special Revenue Funds	C-4	241
Combining Balance Sheet – Capital, Operations and Maintenance Special Revenue Funds	C-5	242
Combining Balance Sheet – Public Safety and Wildfire Mitigation	C-5A	245
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital, Operations and Maintenance Special Revenue Funds	C-6	246
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Public Safety and Wildfire Mitigation	C-6A	249

TABLE OF CONTENTS

	Exhibit	Page
Combining Balance Sheet – Improvement and Maintenance District		
Special Revenue Funds	C-7	250
Combining Statement of Revenues, Expenditures and Changes in Fund		
Balances – Improvement and Maintenance District Special Revenue Funds	C-8	252
Combining Balance Sheet – Public Improvements Special Revenue Funds	C-9	254
Combining Statement of Revenues, Expenditures and Changes in Fund		
Balances – Public Improvements Special Revenue Funds	C-10	255
Combining Balance Sheet – Other Public Improvements Special Revenue Funds	C-11	256
Combining Statement of Revenues, Expenditures and Changes in Fund		
Balances – Other Public Improvements Special Revenue Funds	C-12	257
Combining Balance Sheet – Other Special Revenue Funds	C-13	258
Combining Statement of Revenues, Expenditures and Changes in Fund		
Balances – Other Special Revenue Funds	C-14	259
Schedule of Revenues and Expenditures – Budget and Actual		
– All Special Revenue Funds	C-15	260
Capital Projects Fund		
Balance Sheet	D-1	264
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	D-2	265
Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets	D-3	266
Permanent Funds		
Combining Balance Sheet	E-1	270
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	E-2	271
Schedule of Revenues and Expenditures – Budget and Actual	E-3	272
Non-Major Proprietary Funds - Enterprise Funds		
Combining Balance Sheet	F-1	274
Combining Statement of Revenues, Expenses and Changes in Net Position	F-2	278
Combining Statement of Cash Flows	F-3	280
Schedule of Revenues and Expenses – Budget and Actual – Budget Basis	F-4	284
Non-Major Proprietary Funds - Internal Service Funds		
Combining Balance Sheet	G-1	286
Combining Statement of Revenues, Expenses and Changes in Net Position	G-2	288
Combining Statement of Cash Flows	G-3	290
Schedule of Revenues and Expenses – Budget and Actual – Budget Basis	G-4	294
Fiduciary Funds		
Combining Statement of Fiduciary Net Position	H-1	296
Combining Statement of Changes in Fiduciary Net Position	H-2	297

TABLE OF CONTENTS

	Exhibit	Page
III. STATISTICAL SECTION		
Net Position by Component	Table 1	300
Changes in Net Position	Table 2	302
Fund Balances of Governmental Funds	Table 3	306
Changes in Fund Balances of Governmental Funds	Table 4	308
Sales and Use Tax Revenue	Table 5	310
Direct and Overlapping Sales and Use Tax Rates	Table 6	311
Principal Taxpayers	Table 7	312
Ratios of Outstanding Debt by Type	Table 8	313
Ratios of General Bonded Debt Outstanding	Table 9	314
Direct and Overlapping Governmental Activities Debt	Table 10	315
Legal Debt Margin Information	Table 11	316
Pledged Revenue Coverage	Table 12	317
Demographic and Economic Statistics	Table 13	318
Principal Employers	Table 14	319
Full-time Equivalent City Government Employees by Function/Program	Table 15	320
Operating Indicators by Function/Program	Table 16	322
Capital Asset Statistics by Function/Program	Table 17	324
Sales and Use Tax Revenue Required Refunds	Table 18	325
Assessed Valuations, Property Tax Levies and Collections	Table 19	326
Direct and Overlapping Mill Levy Rates – Within City Limits	Table 20	327
Municipal Solid Waste Landfill Closure and Postclosure Care Costs	Table 21	328

INTRODUCTORY SECTION



COLORADO
SPRINGS

OLYMPIC CITY USA



FINANCE DEPARTMENT

30 South Nevada Avenue, Suite 202
Colorado Springs, CO 80903
719-385-5919

June 14, 2024

Honorable Mayor, Members of City Council and Residents of the City of Colorado Springs, Colorado:

I am pleased to present the Annual Comprehensive Financial Report of the City of Colorado Springs for the fiscal year ended December 31, 2023. This report fulfills the State requirement that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year.

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.

Forvis Mazars, LLP, Certified Public Accountants, have issued unmodified ("clean") opinions on the City of Colorado Springs' financial statements for the year ended December 31, 2023. 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 495,000, the City is the second most populated city in Colorado and covers approximately 202 square miles.

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 Space Force Base, the Air Force Academy, Fort Carson, Cheyenne Mountain Space Force Station, and Schriever Space Force Base located within or in close proximity to the City.

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, sewage 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.

In compliance with City Charter, 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. Additional information on the City's budget process is presented in Note II.A. in the notes to the financial statements.

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 (Briargate, Briargate 2021 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, Catalyst Campus, Creekwalk Marketplace, First & Main, First & Main No. 2, First & Main North, Gold Hill North, Greater Downtown Colorado Springs, Interquest North, Interquest South, Interquest Town Center, MW Retail, Park Union, Powers & Woodmen Commercial and True North Commons. 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.

2023 MAJOR INITIATIVES

Three of the main responsibilities of City government are ensuring the safety of our community, caring for our infrastructure and maintaining our parks, trails, and open spaces. The City has made achievements in each of these areas.

Safety of the community

During 2023, the Colorado Springs Police Department (CSPD) officially launched concurrent training academies, allowing more officers to be trained and able to join the force. This effort began after CSPD announced in late 2022 that it would be adopting a continuous hiring model. These academies now start every 15 weeks, allowing for almost four complete academies to take place in a single year.

The Colorado Springs Fire Department (CSFD) received the nation's top emergency medical service (EMS) award in 2023. The Congressional Fire Services Institute awarded CSFD the Excellence in Fire Service-Based EMS Award for its innovations in EMS delivery using a multi-tiered response program that dispatches appropriate resources and personnel based on the patient's actual needs.

Fire mitigation reduces wildfire risk to surrounding neighborhoods and public property, protects critical infrastructure, prevents post-storm erosion and conserves wildlife habitat and recreation resources. Fishers Canyon Open Space became the first large-scale opportunity for wild land fire mitigation in Colorado Springs. This mitigation holistically treated the 89.3 acres of densely populated mixed conifer landscape, stewarding a healthy and fire resilient forest for potentially up to 25 years. The project included chipping, harvesting, loading and hauling as a collaborative effort between the Parks, Recreation & Cultural Services Department, the Fire Department, City Forestry and Miller Timber of the Pacific Northwest.

Caring for infrastructure

During 2023, record rain fell across the city during the summer, setting one-, two- and three-month rainfall records. In the past, this type of flooding would have caused major flooding and widespread damage across the city. Due to the voter-supported \$50 million investment in stormwater infrastructure collected via fees from residents, the system held up exceptionally well.

Mountain Metro Transit (MMT) opened its new Transit Operations Facility in September. The new facility includes nearly 64,000 square feet of temperature-controlled bus storage space, accommodating 72 buses. It also contains more than 8,500 square feet of office space nearly double the previous fixed-route administration building. In addition, MMT was awarded a Federal Transportation Administration grant to purchase six new hybrid electric buses.

The Road Repair, Maintenance and Improvement (2C) program continued to positively impact city roadways in 2023, protecting taxpayers' investments by repaving more than 177 lane miles, replacing over 300,000 linear feet of curb and gutter, replacing over 800,000 square feet of sidewalk, with work continuing through the end of the year

Maintaining our parks, trails, and open spaces

In April 2023, Colorado Springs' voters passed an extension of the Trails, Open Space and Parks (TOPS) sales and use tax for 20 years with no increase to the tax. TOPS contributes to projects in every quadrant of the city. Open space purchases, like Red Rock Canyon Open Space, are hallmarks of the program.

Parks, Recreation & Cultural Services Department hired additional Urban Trail Rangers to provide a greater presence in the city's urban trail corridor. The new ranger program was approved by City Council in the 2023 budget with \$446,000 from the City's general fund to cover four staff and two new vehicles.

Remainder of page intentionally blank

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 City of Colorado Springs, under Mayor Yemi's leadership, has developed a 2024 Strategic Doing Framework. This document is informed by community input through Listening Tours and Solutions Team recommendations. It also includes input from City staff and City Councilmembers. This Framework does not represent every action the City will take in 2024. It represents what the community asked its municipal government to prioritize in the near term.

This Framework will help inform the City's long-term strategic plan, which is actively being developed and will be published in the summer of 2024. As part of the Strategic Plan implementation, annual Strategic Doing Frameworks will be a key deliverable from Mayor Yemi's Administration. The purpose is to move ideas and plans into action-oriented collaborations that result in measurable outcomes.

The intent of this Framework is to set ambitious goals, to be transparent about the work the City is doing on the community's behalf and to hold the Administration accountable to deliver measurable outcomes around each strategic priority. The five strategic priorities are:

- Public Safety
- Infrastructure
- Housing Solutions
- Economic Vitality
- Community Activation

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 ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) offers a number of certificate programs that recognize excellence in government finance. These certificates for excellence include one for the budget, the annual comprehensive financial report and the popular annual financial report. A government that submits and is awarded each of these certificates for a single fiscal year may also be designated as a GFOA Triple Crown winner. The City received this prestigious designation for its 2022 fiscal year reports, and the City will again be awarded the GFOA Triple Crown for 2022.

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 annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2022. This was the 33rd 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 ACFR. 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 ACFR 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**

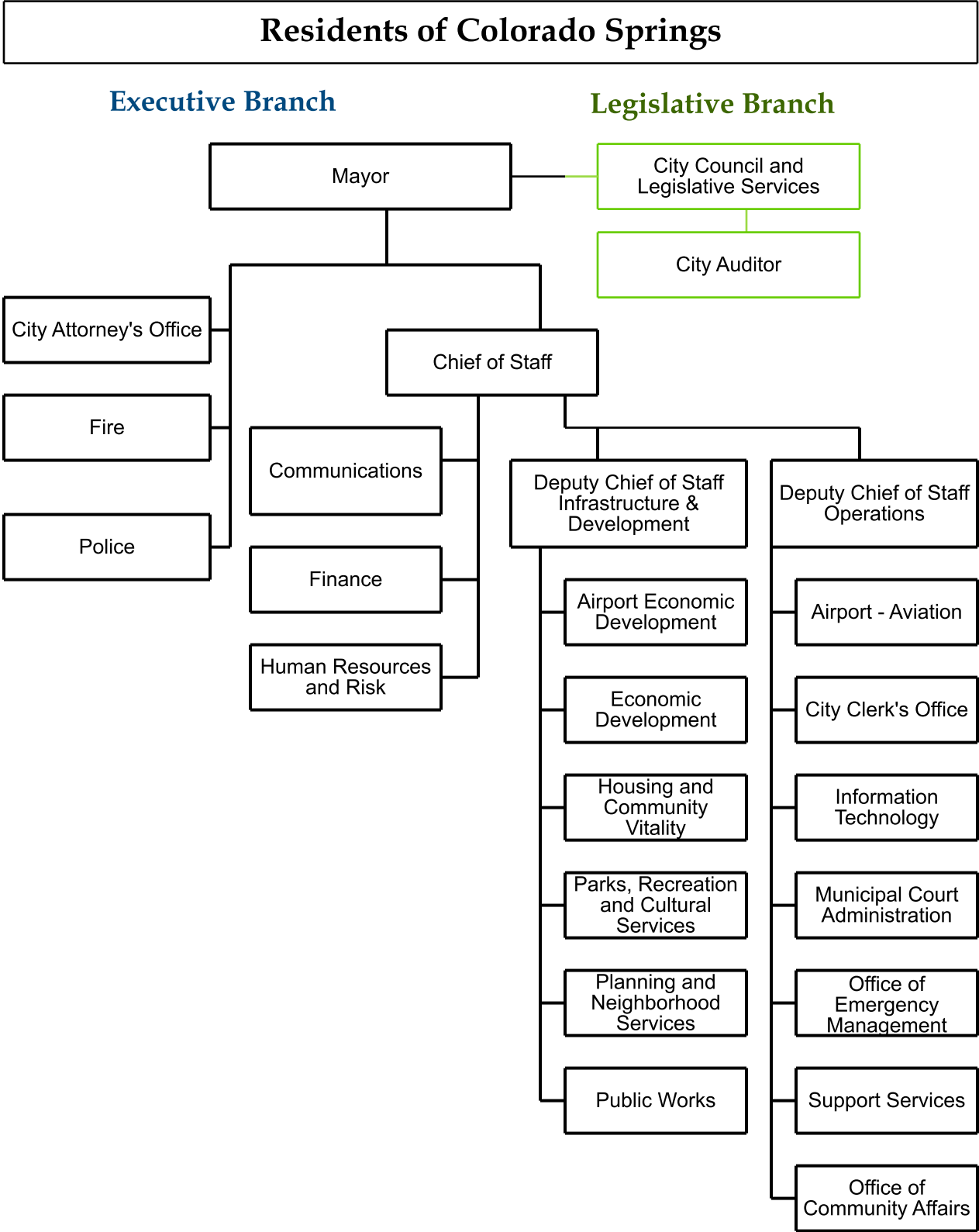
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

City Organizational Chart



As of December 31, 2023

City Leadership

Mayor's Office

Mayor	Blessing "Yemi" Mobolade
Chief of Staff/Chief Administrative Officer	Jamie Fabos
Deputy Chief of Staff - Operations	Ryan Trujillo
Deputy Chief of Staff - Infrastructure and Development	Travis Easton

Department Heads

Chief Communications Officer	Vanessa Zink
Chief Financial Officer	Charae McDaniel
Chief Housing and Community Vitality Officer	Robert Posey
Chief Human Resources and Risk Officer - Acting	Myra Romero
Chief Information Officer	Mary Weeks
City Attorney	Wynetta Massey
City Clerk	Sarah Johnson
Director of Aviation	Greg Phillips
Fire Chief	Randy Royal
Office of Emergency Management Regional Director	Andrew Notbohm
Parks, Recreation and Cultural Services Director	Britt Haley
Planning and Neighborhood Services Director	Peter Wysocki
Public Works Director - Acting	Gayle Sturdivant
Police Chief	Adrian Vasquez
Presiding Municipal Court Judge/Court Administrator	HayDen W. Kane II



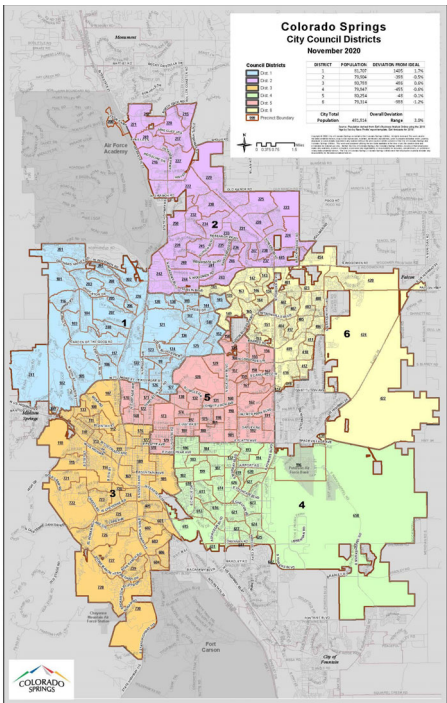
Blessing "Yemi" Mobolade
Mayor

City Council



City Council April 2023

Council District Map



City Council District Map November 2020
As of December 31, 2023

Colorado Springs City Council

- From left to right:*
- Council President Pro Tem Lynette Crow-Iverson, At Large
 - Councilmember Nancy Henjum, District 5
 - Councilmember Dave Donelson, District 1
 - Councilmember Yolanda Avila, District 4
 - Councilmember David Leinweber, At Large
 - Councilmember Michelle Talarico, District 3
 - Councilmember Mike O'Malley, District 6
 - Councilmember Brian Risley, At Large
 - Council President Randy Helms, District 2

City Council's Appointees

City Council Administrator	Emily Evans
City Auditor	Jacqueline Rowland
Utilities Chief Executive Officer	Travas Deal



FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 of Colorado Springs, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Road, Repair, Maintenance & Improvement Sales Tax funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 66.94 percent, 4.53 percent, and 66.44 percent, respectively, of the assets, net position/deficit, and revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2023. Those other discretely presented component unit 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 also did not audit the financial statements of Colorado Springs Utilities, included as a major enterprise fund of the City, or Public Authority for Colorado Energy, included as a blended component unit (major enterprise fund), which represent 88.23 percent, 82.58 percent, and 89.92 percent, respectively, of the assets, net position, and total revenues of the enterprise funds as of and for the year ended December 31, 2023. Those financial statements were audited by other auditors, whose reports have been furnished to us and our opinions on the major enterprise fund information and business-type activities, insofar as they relate to the amounts included for Colorado Springs Utilities and Public Authority for Colorado Energy, are based solely on the reports of the other auditors.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note IV. I. to the financial statements, in fiscal year 2023, the City adopted Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary 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 and the Annual Statement of Receipts and Expenditures for Roads, Bridges, and Streets 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund statements and schedules and the Annual Statement of Receipts and Expenditures for Roads, Bridges, and Streets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Colorado Springs, Colorado
June 7, 2024

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, 2023. 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 outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2023, by \$4.8 billion (net position). The City's net position increased by \$261.1 million or 5.8% as a result of current year activity.
- - The governmental net position increased by \$109.9 million or 6.0%. This is primarily due to the net impact of capital assets donated by the Pikes Peak Rural Transportation Authority and developers, offset by an increase in net pension liability.
 - The business-type net position increased by \$151.2 million or 5.6%, which was primarily due to an increase in Colorado Springs Utilities' (Utilities) net position of \$108.9 million, which was a combination of reduced operating expenses and increased investment gains.
- The City's governmental funds reported combined ending fund balances of \$292.3 million. This was an decrease of \$2.6 million or 0.9%, from the prior year.
- The General Fund, the City's primary operating fund, presented on a current financial resources basis, ended 2023 with a total fund balance of \$116.5 million or 28.0% of 2023 total General Fund expenditures and other financing uses. Of this, \$89.9 million was "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 2023 the \$89.9 million in unrestricted fund balance represents 21.6% of 2023 total General Fund expenditures and other financing uses. Unrestricted fund balance decreased from 2022 by \$4.2 million. Restricted fund balance increased by \$7.2 million primarily due to delays in acquisition expenses for vehicles as a result of supply chain issues for the local auto dealerships. See General Fund Budgetary Highlights for additional information on other General Fund changes.
- The City's total long-term debt is \$2.9 billion. This is a \$46.5 million or 1.6% increase from 2022. Governmental activity debt decreased by \$1.9 million due to debt repayments. The City's business-type activity debt increased by \$48.3 million largely due to new debt issuances for Utilities exceeding repayments.

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				
		Fund Statements		
	Government-wide 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 such as 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	- Balance sheet - Statement of revenues, expenses, and changes in net position - Statement of cash flows	- Statement of fiduciary net position - Statement of changes in 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 and community development 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 many business improvement districts: Barnes & Powers North, Barnes & Powers South, Briargate Center, Catalyst Campus, Creekwalk Marketplace, Colorado Springs Downtown Development Authority, Colorado Springs Urban Renewal Authority, First & Main, First & Main No. 2, First & Main North, Gold Hill North, Greater Downtown Colorado Springs, Interquest North, Interquest South, Interquest Town Center, MW Retail, Park Union, Powers & Woodmen Commercial and True North Commons.

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 and the Road Repair, Maintenance and Improvement Sales Tax Fund which are considered to be major funds. 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 funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has two fiduciary funds that are categorized as pension trust funds. The basic fiduciary fund financial statements provide combined information, while individual fund data are provided in the form of *combining statements* elsewhere in this report.

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

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.

Remainder of page intentionally blank

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 \$4.8 billion at the close of 2023 which is \$261.1 million more than at the close of 2022.

The following table reflects the condensed Statement of Net Position for 2023 with comparative information for 2022:

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 462,957	\$ 535,152	\$ 1,566,605	\$ 1,650,887	\$ 2,029,562	\$ 2,186,040
Capital assets	1,900,286	1,785,138	4,992,982	4,721,892	6,893,268	6,507,031
Total assets	2,363,243	2,320,290	6,559,586	6,372,780	8,922,829	8,693,070
Deferred outflows of resources	192,876	77,036	176,567	75,159	369,443	152,195
Total assets and deferred outflows of resources	2,556,119	2,397,326	6,736,153	6,447,939	9,292,273	8,845,265
Noncurrent liabilities	463,706	212,757	3,486,877	3,152,833	3,950,583	3,365,590
Other liabilities	98,914	118,667	222,743	247,442	321,658	366,109
Total liabilities	562,620	331,424	3,709,620	3,400,275	4,272,240	3,731,699
Deferred inflows of resources	54,399	236,682	191,739	365,126	246,138	601,808
Total liabilities and deferred inflows of resources	617,019	568,106	3,901,359	3,765,401	4,518,379	4,333,507
Net position						
Net investment in capital assets	1,838,051	1,720,910	2,570,372	2,399,653	4,408,423	4,120,562
Restricted	42,250	92,232	52,383	73,168	94,632	165,400
Unrestricted	58,799	16,078	212,039	209,718	270,839	225,796
Total net position	\$ 1,939,100	\$ 1,829,220	\$ 2,834,794	\$ 2,682,538	\$ 4,773,894	\$ 4,511,758

Note: Immaterial differences may occur due to rounding

* The 2022 information was not restated for the effects of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96).

The City's investment in capital assets, less any related debt used to acquire those assets that is still outstanding, is substantially the same as its total net position, at \$4.4 billion. The City uses capital assets to provide services to residents; 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.

Restricted net position decreased by \$70.8 million primarily due to a change in pensions, which were assets in 2022 and moved to a liability in 2023. While pension assets are required to be held as restricted net position, pension liabilities are presented as a reduction to unrestricted net position.

The total unrestricted net position increased by \$45.0 million, for a total of \$270.8 million. Certain unrestricted funds are designated for specific, future purposes such as encumbrances and subsequent year expenses. The increase is primarily due to investment earnings, which was partially offset by the decrease associated with the pension liability. It is important to understand these items vary greatly from year to year.

The net position of the business-type activities is \$2.8 billion, a net increase of \$151.2 million from 2022. This change was primarily driven by Utilities who contributed \$108.9 million to net position after experiencing decreased operating expenses and increased investment gains. 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 2023 with comparative information for 2022. As noted earlier, the City's net position increased from 2022 to 2023 by \$261.1 million. Governmental activities increased the City's net position by \$109.9 million or 6.0%, which accounts for 42.1% of the City's overall change in net position. Business-type activities increased the City's net position by \$151.2 million or 5.6%, which accounts for 57.9% of the City's overall change in net position.

Remainder of page intentionally blank

(unaudited)

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

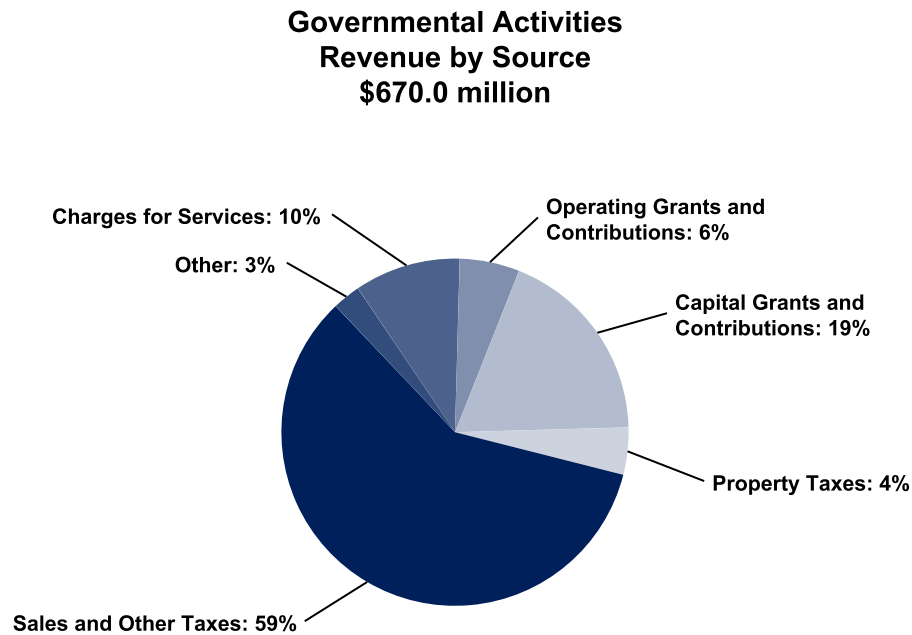
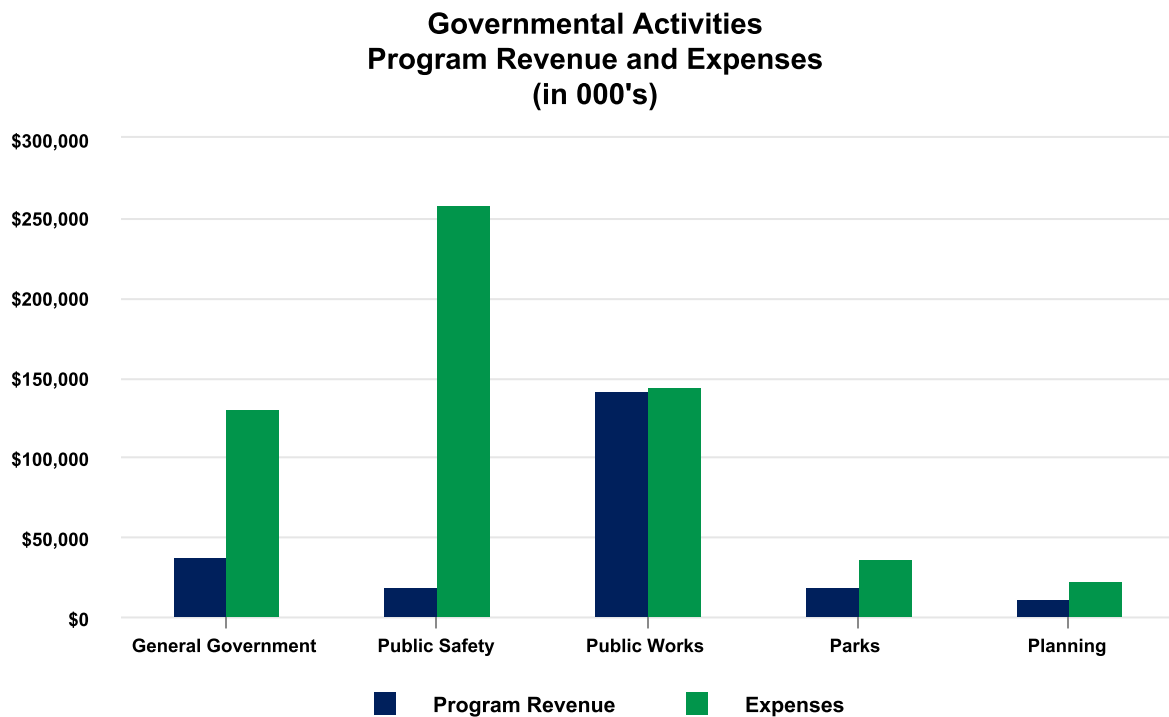
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 66,195	\$ 66,684	\$ 1,145,655	\$ 1,363,308	\$ 1,211,851	\$ 1,429,992
Operating grants and contributions	37,449	51,277	7,279	8,258	44,728	59,535
Capital grants and contributions	124,265	175,334	67,837	94,544	192,102	269,878
General revenues:						
Property taxes	29,276	29,560	—	—	29,276	29,560
Sales and other taxes	395,341	391,146	—	—	395,341	391,146
Investment earnings (loss)	17,401	(10,553)	41,073	10,424	58,473	(129)
Gain on sale of capital assets	—	—	2,599	1,143	2,599	1,143
Contributions to endowments	111	98	—	—	111	98
Total revenues	670,038	703,545	1,264,443	1,477,677	1,934,481	2,181,222
Expenses:						
General government	131,029	113,579	—	—	131,029	113,579
Public safety	258,793	200,641	—	—	258,793	200,641
Public works	144,773	124,506	—	—	144,773	124,506
Parks	36,285	33,028	—	—	36,285	33,028
Planning and community development	22,156	16,861	—	—	22,156	16,861
Interest on long-term debt	2,066	2,119	—	—	2,066	2,119
Utilities	—	—	942,399	921,495	942,399	921,495
PACE	—	—	56,973	57,684	56,973	57,684
MHS	—	—	2,636	2,528	2,636	2,528
Non-major enterprises	—	—	74,938	66,129	74,938	66,129
Special item - asset impairment	—	—	1,330	3,750	1,330	3,750
Total expenses	595,102	490,734	1,078,276	1,051,586	1,673,377	1,542,320
Change in net position before transfers	74,936	212,811	186,168	426,091	261,104	638,902
Transfers	34,943	36,678	(34,943)	(36,678)	—	—
Change in net position	109,880	249,489	151,224	389,413	261,104	638,902
Net position - beginning	1,829,220	1,579,731	2,682,538	2,293,125	4,511,758	3,872,856
Prior period adjustment **	—	—	1,032	—	1,032	—
Net position - ending	<u>\$ 1,939,100</u>	<u>\$ 1,829,220</u>	<u>\$ 2,834,794</u>	<u>\$ 2,682,538</u>	<u>\$ 4,773,894</u>	<u>\$ 4,511,758</u>

Note: Immaterial differences may occur due to rounding.

* The 2022 information was not restated for the effects of GASB 96.

** See Note III.O. for information on prior period adjustment.

(unaudited)

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

For 2023, governmental activities revenues were greater than expenses, resulting in an increase in net position based upon current year activity. Revenue was down from 2022 by \$33.5 million primarily due to decreases in grant contributions in the Public Works divisions of City Engineering and Transit Services. These reductions were partially offset by increased investment gains.

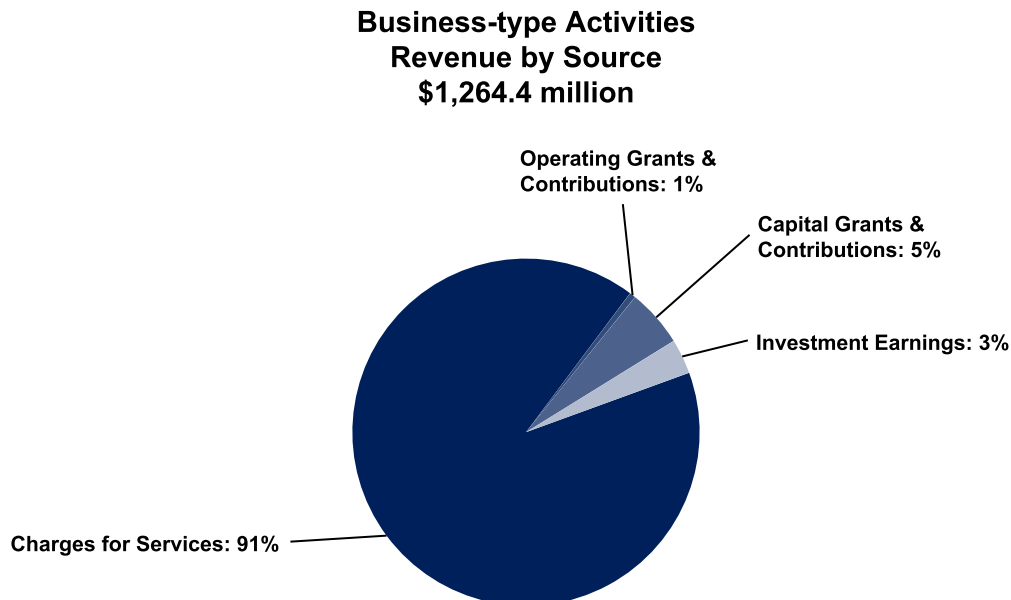
Expenses increased \$104.4 million from 2022. The most significant changes to expenses were the following:

- General government expenses increased by \$17.5 million, primarily due to an increase in net pension liability, offset by a reduction due to the removal of a \$15.2 million TABOR refund which was conducted in 2022. During 2021, revenue collected by the City exceeding the amounts otherwise allowed to be retained and spent under City Charter § 7-90 and Colorado Constitution Article X, § 20, known as TABOR, was \$35.2 million. Citizens approved a November 2021 ballot item that allowed the City to retain and spend \$20.0 million of these funds for Wildfire Mitigation. The remaining \$15.2 million of the TABOR excess revenue was refunded to residents. Additional information on the pension changes can be found later in this report.
- Public safety expenses increased \$58.2 million primarily due to the addition of 15 new sworn Police positions and 32 new sworn Fire positions. The sworn Police positions were added to address growing service demands related to city growth. The sworn Fire positions were added to staff 2 new fire stations scheduled to become operational in 2024 - Fire Station 24 in the Northeast part of the city and the inclusion of the existing fire station in Colorado Centre as Fire Station 25 in the Southeast part of the city. Finally, there was an increase for salary market increases for civilian and sworn, step increases for sworn and pay for performance for civilian employees.
- Public works expenses increased \$20.3 primarily due to the addition of 15 positions to address State mandated utility locates and increased service demands related to city growth, an increase in the contract cost for Mountain Metro Transit and the inclusion of salary market increases and pay for performance.
- Planning and community development expenses increased by \$5.3 million due to the addition of 5 positions for the Abandoned/Street Vehicle Enforcement team and the inclusion of salary market increases and pay for performance.

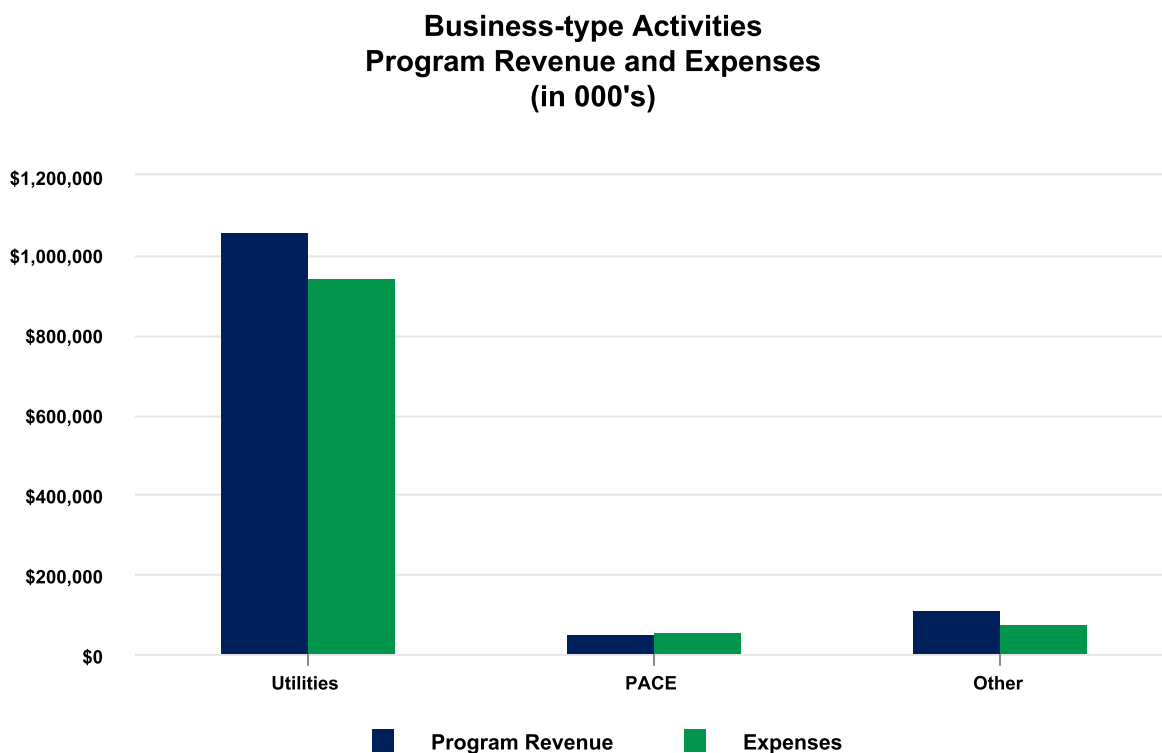
Remainder of page intentionally blank

(unaudited)

Business-type Activities



Note: Exclusive of transfers.



Note: Exclusive of transfers.

For 2023, business-type activities revenue decreased \$213.2 million, while expenses increased \$26.7 million. In 2023, the most significant changes to revenues were the following:

- Utilities' revenue experienced a net decrease of \$231.0 million primarily due to decreases in electric, natural gas and water revenues. Both electric and natural gas revenues decreased due to lower cost adjustment rates compared to 2022. Cooler and rainier summer weather in 2023 resulted in decreased water revenues.
- The Airport experienced an increase in operating revenues of \$6.4 million due to increased passenger activity. The Airport experienced an increase in investment earnings of \$4.3 million compared to 2022.

The most significant changes to expenses were the following:

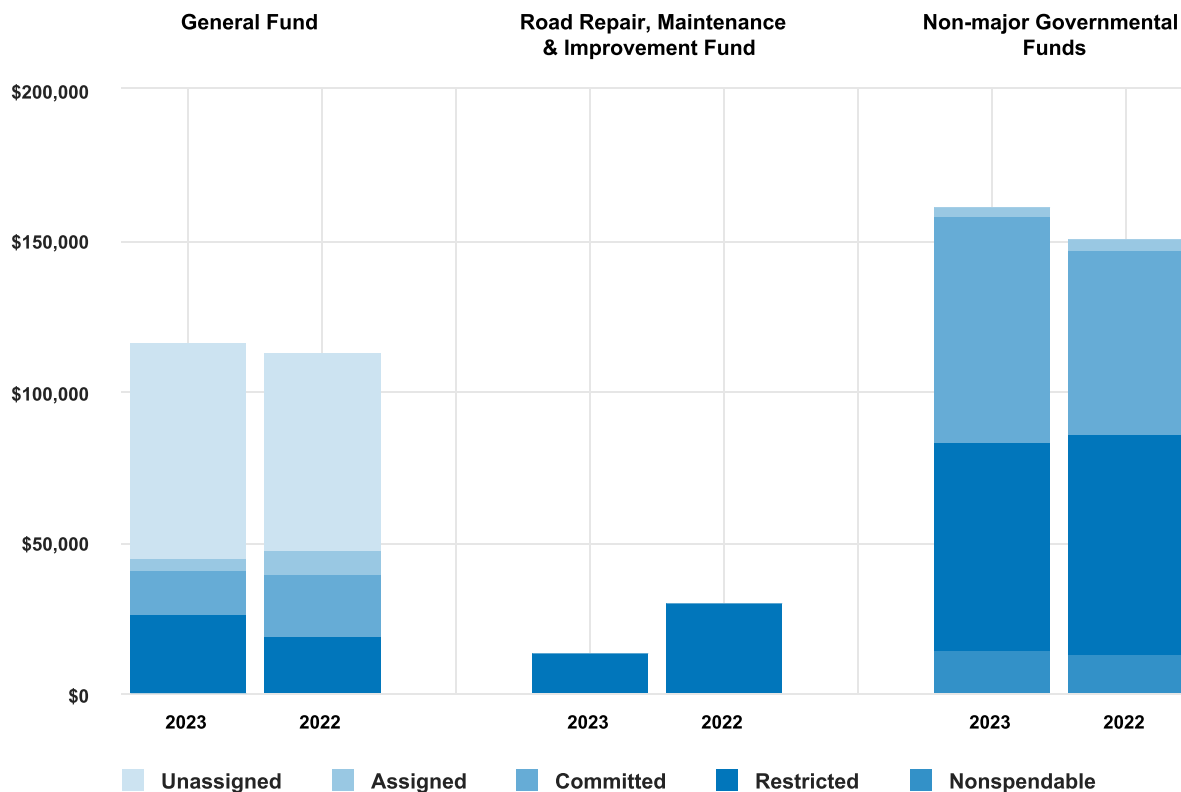
- Utilities' operating expenses decreased \$20.8 million due to purchased power expense decreases primarily related to lower gas prices and due to production and treatment decreases as a result of lower demand and lower fuel costs. These decreases were largely offset by increased pension and OPEB expenses.
- Pension expenses for all business-type activities increased by \$73.6 million as a result of increasing net pension liability. Additional information on the pension changes can be found later in this report.

Remainder of page intentionally blank

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds

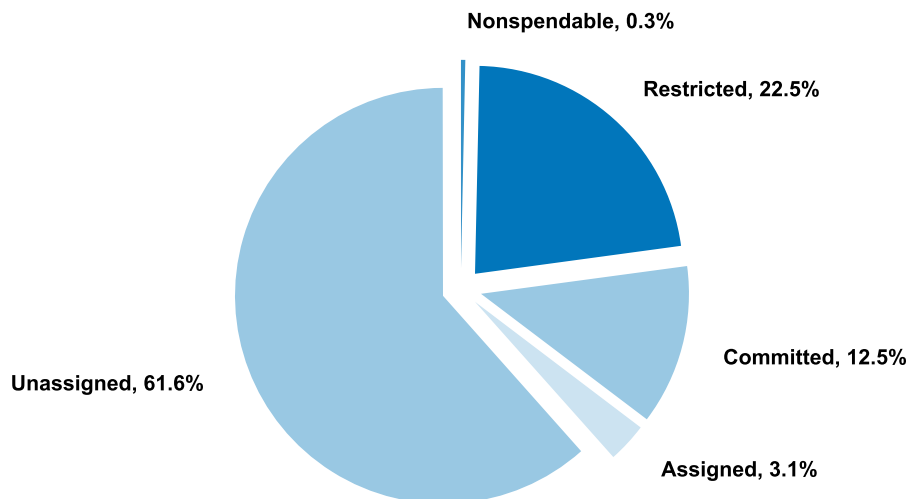
As of the end of 2023, the City's governmental funds reported total combined fund balances of \$292.3 million, of which \$71.7 million or approximately 24.5%, is unassigned. *Unassigned fund balance* serves as a useful measure of a government's net resources available for spending at the end of the fiscal year. The *nonspendable* portion of fund balance, \$14.8 million, is primarily comprised of endowments; and the *restricted* portion of fund balance, \$109.5 million, is primarily comprised of \$68.6 million in special revenue funds restricted balances, \$4.7 million for the TABOR refund and the \$11.6 million TABOR emergency reserve.

Governmental Fund Balances
(in 000's)

The General Fund is the principal operating fund of the City. At the end of 2023, the General Fund's total fund balance was \$116.5 million. The unrestricted fund balance of the General Fund was \$89.9 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 other financing uses. Total fund balance represents 28.0% of 2023 total General Fund expenditures and other financing uses while unrestricted fund balance represents 21.6% of 2023 total General Fund expenditures and other financing uses. The following chart shows the breakout of General Fund balances for 2023.

(unaudited)

General Fund Balances
\$116.5 million



In addition to the General Fund, the City's voter approved Road Repair, Maintenance and Improvement Fund is presented as a major governmental fund for 2023. Additional expenditures were identified for 2023, resulting in a \$16.0 million supplemental appropriation. This additional spending was possible after two prior years of sales tax collections being higher than anticipated. The fund ended the year with a reduced restricted fund balance of \$14.1 million after beginning the year at \$30.6 million.

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, 2023 and 2022 for the proprietary funds are as follows:

	Unrestricted Net Position (in 000's) *		
	2023	2022	Change
Utilities	\$ 303,554	\$ 299,988	\$ 3,566
PACE	(179,356)	(175,349)	(4,007)
Non-major enterprise funds	97,723	95,216	2,507
Internal service funds	(17,292)	(19,006)	1,714

Note: Immaterial differences may occur due to rounding.

* The 2022 information was not restated for the effects of GASB 96.

Utilities', non-major enterprise funds' and internal service funds' unrestricted net position each increased due to healthy operations and investment gains. PACE again experienced a decline in 2023, primarily due to significant interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of a year, City Council typically revises the City budget. The 2023 General Fund budget amendment is briefly summarized as follows:

- \$1.0 million increase due to a supplemental appropriation to the General Fund for additional capital costs for construction of Fire Station 24 and the remodel of Fire Station 25.

Per City Code, the City rolled over unspent project budgets and encumbrances from the previous year totaling \$27.2 million.

Total revenue collected, excluding other financing sources, was less than the final budget by 0.7% or \$2.7 million largely as a result of sales tax revenues. Sales and use tax revenue collections (including penalty and interest) were below budget by \$7.4 million due to economic slowing that occurred in 2023. That reduction was offset by investment earnings which exceeded the budget by \$4.4 million due to higher investment returns.

Total expenditures, excluding other financing uses, were \$38.2 million less than the final budget. During 2023, as the City observed that sales tax revenue was coming in under what was expected in the budget, the City put in place measures to reduce expenses. Starting in June, all vacant position postings, other than Police and Fire sworn positions, positions in the emergency call center and few other exceptions, were delayed by three months. In addition, all departments were requested to slow discretionary operational spending. Capital outlay expenditures came in under budget by \$9.7 million, mainly because of delays in the acquisition of vehicles, due to supply chain issues for the local auto dealerships. Construction of capital projects tends to occur over more than one fiscal period, resulting in the carry forward of these unspent funds.

Remainder of page intentionally blank

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital assets**

At the end of 2023, the City had \$6.9 billion invested in a broad range of capital assets and infrastructure (net of accumulated depreciation and amortization). This amount represented a net increase (including additions and deletions) of \$386.2 million. This investment in capital assets included 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, intangible capital assets, lease and subscription assets.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 468,872	\$ 450,700	\$ 257,411	\$ 234,231	\$ 726,283	\$ 684,931
Buildings	116,711	108,105	95,836	95,303	212,547	203,409
Improvements other than buildings	74,151	70,003	205,753	195,548	279,904	265,551
Machinery and equipment	75,182	70,160	17,396	15,496	92,578	85,656
Infrastructure	1,015,568	956,514	52,324	42,316	1,067,892	998,831
Utilities plant	—	—	3,841,596	3,604,864	3,841,596	3,604,864
Construction in progress	129,263	117,396	392,603	454,714	521,866	572,110
Intangible capital assets	9,491	8,679	111,481	79,420	120,972	88,099
Lease assets	3,390	3,581	922	—	4,312	3,581
Subscription assets	7,658	—	17,660	—	25,317	—
Total	\$ 1,900,286	\$ 1,785,138	\$ 4,992,982	\$ 4,721,892	\$ 6,893,268	\$ 6,507,031

Note: Immaterial differences may occur due to rounding.

* The 2022 information was not restated for the effects of GASB 96.

The change in capital assets for 2023 was due to both governmental and business-type activities. Governmental activities showed an increase due to donated infrastructure, land acquisitions for parks and open space and the addition of subscription assets. Business-type activities also showed an increase. Utilities' capital assets increased \$227.8 million, or 5.3%, due to capital improvements required to maintain and rehabilitate aging infrastructure to provide safe and reliable services to customers, as well as construction to prepare for future demand and to meet environmental and regulatory requirements.

In 2023, Pikes Peak Rural Transportation Authority donated \$48.8 million of infrastructure to governmental activities, which is an increase of \$8.1 million from 2022. Developers donated \$20.6 million of infrastructure to governmental activities. This \$55.9 million decrease was a result of a dramatic decrease in construction, particularly single-family homes. Increasing mortgage interest rates severely impacted the cost of buying a home. With fewer resulting home sales, new home construction decreased dramatically.

(unaudited)

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

Long-term debt

The following schedule provides the debt outstanding at the end of 2023 and 2022. Total long-term debt outstanding at the end of 2023 is \$2.9 billion.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 1,375	\$ 1,590	\$ —	\$ —	\$ 1,375	\$ 1,590
Certificates of participation	34,110	35,215	—	—	34,110	35,215
Revenue bonds	—	—	2,791,090	2,739,525	2,791,090	2,739,525
Financed purchases	24,953	25,504	728	603	25,681	26,107
Notes payable	—	—	15,526	18,888	15,526	18,888
Total	<u>\$ 60,438</u>	<u>\$ 62,309</u>	<u>\$ 2,807,344</u>	<u>\$ 2,759,016</u>	<u>\$ 2,867,782</u>	<u>\$ 2,821,325</u>

Note: Immaterial differences may occur due to rounding.

During 2023, long-term debt for the governmental activities decreased \$1.9 million due to debt repayments. Business-type activities increased \$48.3 million primarily due to Utilities' issuance of refunding and improvement revenue bonds exceeding debt repayments. The City's latest long-term bond ratings are as follows:

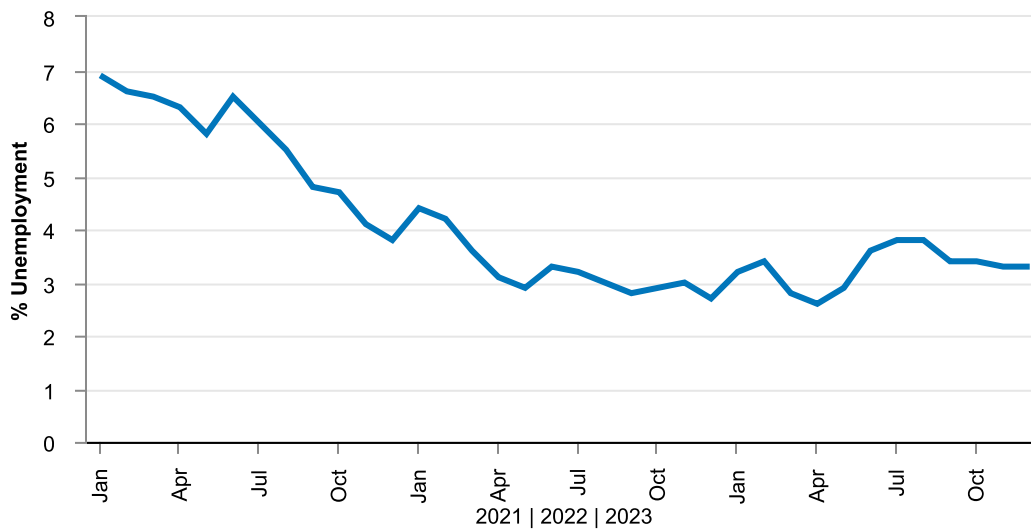
Description	Moody's Rating	Standard & Poor's Rating	Fitch Rating
Certificates of Participation	Aa2	AA	N/A
Pikes Peak America's Mountain Revenue Bonds	N/A	A	N/A
Parking Revenue Bonds	N/A	N/A	N/A
Utilities Revenue Bonds	Aa2	AA+	AA
PACE Revenue Bonds	A1	A-	AA-

The current general obligation debt limitation for the City is \$750.5 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.

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

During 2023, the local economy cooled, as pandemic-related economic payments and impacts faded. Employment is an exception to that and the unemployment rate remained steady at 3.3% in 2023. Hotel occupancy (12-month moving average) remained steady throughout the year, beginning the year at 67.1% and moving to 66.0% for December. Other portions of the economy slowed dramatically during 2023, particularly the single-family home sector, due to high interest rates which made buying a home more expensive. The number of single-family home sales declined by 23.1% and the number of residential building permits decreased 44.7%.

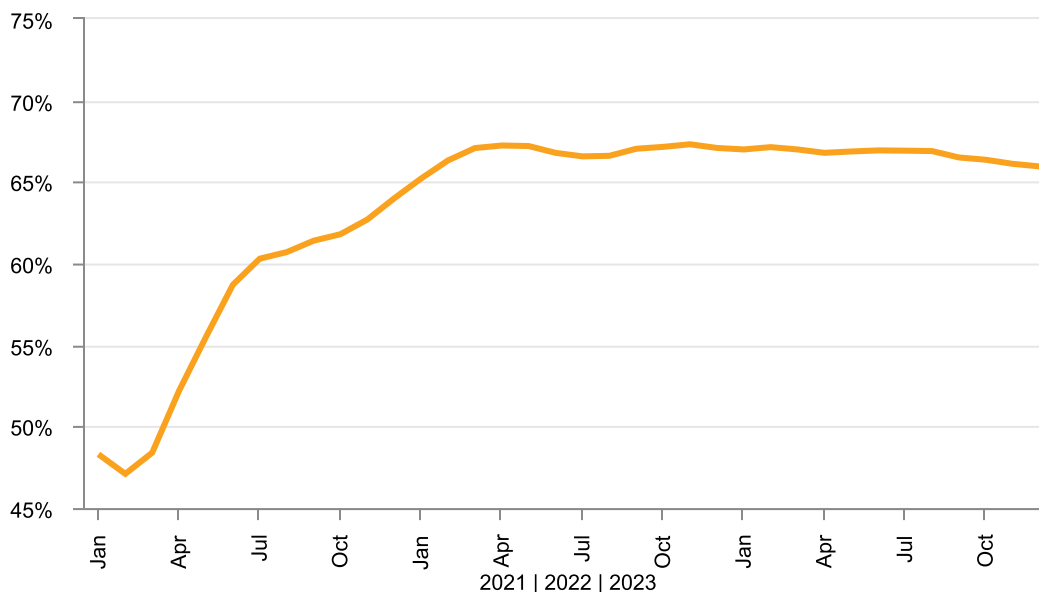
El Paso County Unemployment Rate

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

Remainder of page intentionally blank

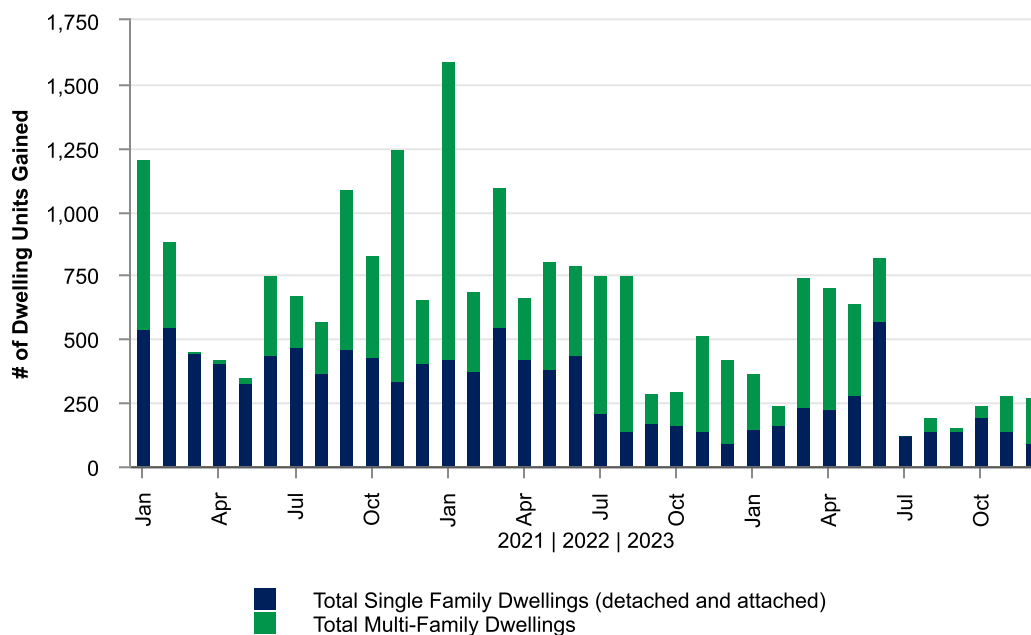
(unaudited)

Colorado Springs Hotel Occupancy Rate (12 Month Moving Average)



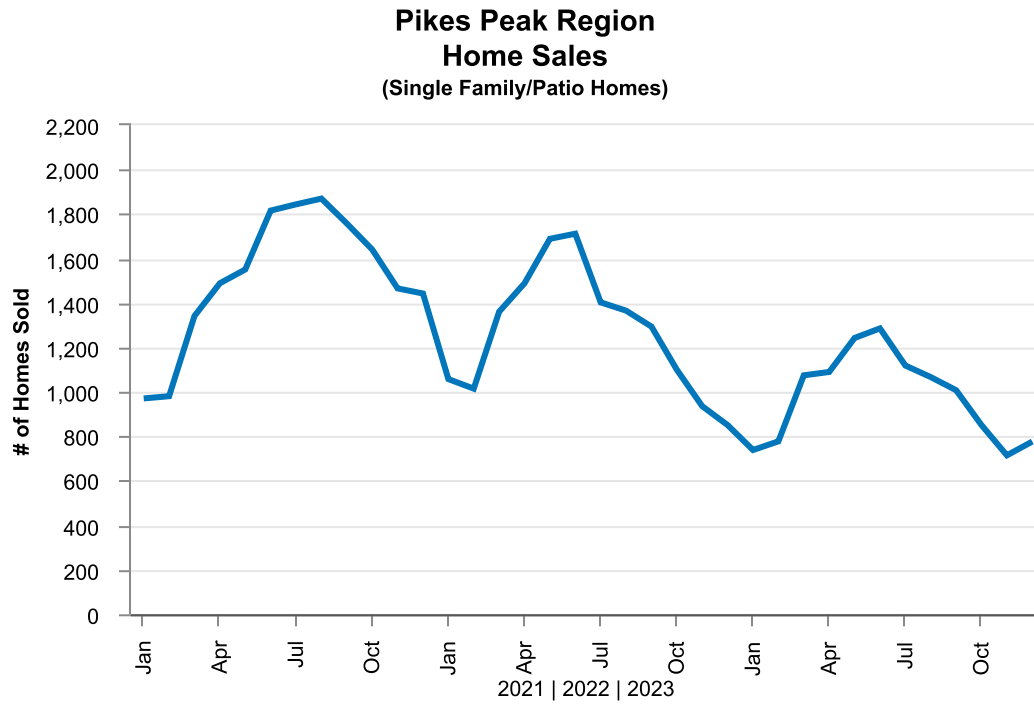
Source: University of Colorado Colorado Springs Economic Forum Dashboard

Pikes Peak Region Residential Building Permits



Source: Pikes Peak Regional Building Department

(unaudited)

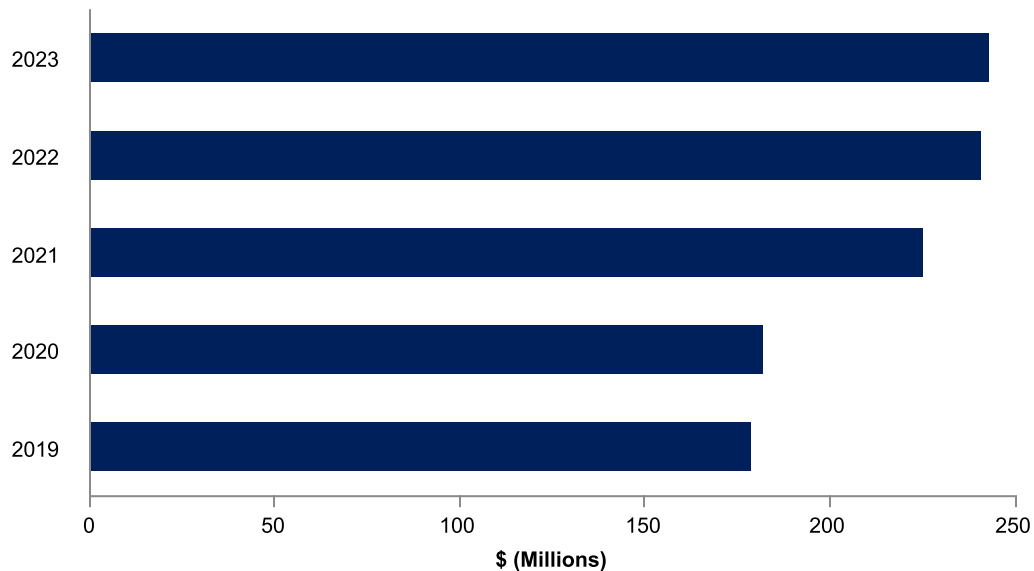


Source: Pikes Peak Association of Realtors

Remainder of page intentionally blank

Sales and use tax revenue

The City's General Fund sales and use tax revenue increased \$2.1 million or 0.9% from 2022. The local economy slowed in 2023, particularly in the industries typically impacted by slowing home sales, such as construction materials and furniture and fixtures. The hotel and restaurant sectors contributed to positive growth in sales tax for 2023. Sales 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**

Remainder of page intentionally blank

2024 Budget

The 2024 General Fund budget of \$428.3 million is 1.7% higher than the 2023 original General Fund budget. Sales and use tax is the single largest revenue source in the General Fund and it makes up 59.1% of total revenue. In 2024 sales and use tax is budgeted at \$252.7 million.

The 2024 budget addresses important strategic and operational goals which are reflected in the following important funding decisions:

- Elevation of Housing and Community Vitality to a stand-alone department and appointment of a Chief Housing Officer during 2023, who reports to the Deputy Chief of Staff of Infrastructure. This department focuses on affordable housing, neighborhood improvements, homeless service coordination and public facilities improvements.
- \$2.2 million of increased funding for in-sourcing fleet maintenance in order to increase the level of service and reduce turnaround times.
- \$1 million of increased funding for Information Technology for updating our backup technology at the Data Center and establishing a new Disaster Recovery location that will protect the City's ability to continue to provide services in the event of extreme weather events, a cybersecurity attack or other disaster.
- \$1.3 million of continued funding for the City's Americans with Disabilities Act operating and capital projects to maintain and improve accessibility.
- \$500,000 increased funding to address Information Technology core infrastructure, applications and cybersecurity.
- \$8.7 million for salary increases for civilian and Police and Fire sworn employees; step and market increases for Police and Fire sworn, pay progression for civilian employees and pay for performance for civilian employees.
- \$7.5 million for full-year funding for the portion of compensation and added positions that were phased in during 2023, increased costs for Police and Fire sworn pensions and for increased medical plan costs; net of decreases to worker's comp and life insurance costs that have no impact on benefit to employees.
- \$2.0 million to fund increased rates for insurance premiums, fuel and utilities, as well as contractual increases, including animal law enforcement services.
- \$1.9 million of matched funding to leverage \$15.4 million for critical infrastructure and transportation-related capital projects.

REQUEST FOR INFORMATION

This financial report is designed to provide our residents, 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.

Remainder of page intentionally blank



BASIC FINANCIAL STATEMENTS



STATEMENT OF NET POSITION
December 31, 2023

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
ASSETS					
Cash and investments	\$ 316,189,033	\$ 386,539,490	\$ 702,728,523	\$ 183,300,507	\$ 23,732,270
Receivables (net of allowance for uncollectibles)	121,377,517	396,986,130	518,363,647	23,414,860	2,016,555
Due from other governments	—	—	—	1,258	—
Due from primary government	—	—	—	—	4,009,607
Inventories	427,133	108,124,758	108,551,891	—	328,437
Prepays	456,244	331,933,389	332,389,633	264,765	45,409
Other	—	105,320,000	105,320,000	—	332,022
Restricted assets (temporarily):					
Cash and investments	24,507,015	236,837,975	261,344,990	74,684,161	1,680,535
Interest receivable	—	106,000	106,000	—	—
Investment in joint ventures	—	757,000	757,000	—	—
Capital assets nondepreciable:					
Land	468,872,019	257,411,359	726,283,378	865,977	66,347
Intangibles	—	56,666,000	56,666,000	422,900	—
Construction in progress	129,263,127	392,602,520	521,865,647	101,688,145	3,764,229
Capital assets (net of accumulated depreciation and amortization):					
Buildings	116,710,625	95,836,002	212,546,627	—	—
Improvements other than buildings	74,150,777	205,753,051	279,903,828	7,873,574	—
Machinery and equipment	75,182,117	17,395,865	92,577,982	117,839	72,806
Infrastructure	1,015,568,206	52,324,153	1,067,892,359	57,901,256	—
Utility plant	—	3,841,596,000	3,841,596,000	—	67,295,681
Intangibles	9,491,123	54,815,154	64,306,277	—	—
Subscription assets	7,657,647	17,659,603	25,317,250	—	—
Lease assets:					
Buildings	960,357	—	960,357	—	—
Equipment	2,430,069	922,000	3,352,069	—	76,715
Land	—	—	—	—	256,379
Total assets	2,363,243,009	6,559,586,449	8,922,829,458	450,535,242	103,676,992
DEFERRED OUTFLOWS OF RESOURCES					
Deferred cash flow hedges - unrealized loss on derivative instruments	—	11,088,000	11,088,000	—	—
Loss on debt refundings	995,944	20,615,875	21,611,819	3,150,196	—
Pension-related amounts	182,955,214	132,737,746	315,692,960	—	—
OPEB-related amounts	8,925,262	5,685,191	14,610,453	—	—
Asset retirement obligation	—	6,440,000	6,440,000	—	—
Total deferred outflows of resources	\$ 192,876,420	\$ 176,566,812	\$ 369,443,232	\$ 3,150,196	\$ —

(continued)

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

STATEMENT OF NET POSITION
December 31, 2023

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
LIABILITIES					
Accounts payable and other liabilities	\$ 50,858,256	\$ 113,150,880	\$ 164,009,136	\$ 8,301,960	\$ 2,278,840
Contingent liabilities and promise to CSHF	—	81,677,222	81,677,222	—	—
Deposits payable	27,552	—	27,552	—	—
Funds held for others	62,899	—	62,899	—	—
Accrued interest payable	300,018	16,559,557	16,859,575	2,672,040	14,221
Due to component unit	4,009,607	—	4,009,607	—	—
Due to other governments	—	—	—	506,141	—
Internal balances	(7,570,502)	7,570,502	—	—	—
Unearned revenue:					
Grants	45,877,833	—	45,877,833	—	—
Other	5,348,647	3,785,312	9,133,959	—	—
Noncurrent liabilities:					
Due within one year	31,588,808	144,254,036	175,842,844	10,330,128	309,441
Due in more than one year	432,117,072	3,342,622,751	3,774,739,823	339,440,219	933,847
Total liabilities	562,620,190	3,709,620,260	4,272,240,450	361,250,488	3,536,349
DEFERRED INFLOWS OF RESOURCES					
Gain on debt refundings	—	38,446,000	38,446,000	—	—
Property taxes	33,812,809	—	33,812,809	19,271,689	—
Pension-related amounts	5,811,932	3,754,449	9,566,381	—	—
OPEB-related amounts	14,040,308	6,797,086	20,837,394	—	—
Lease-related amounts	734,221	142,741,496	143,475,717	—	—
Total deferred inflows of resources	54,399,270	191,739,031	246,138,301	19,271,689	—
NET POSITION					
Net investment in capital assets	1,838,050,926	2,570,371,735	4,408,422,661	(8,457,144)	70,288,869
Restricted for:					
Debt service	215,528	25,991,100	26,206,628	33,756,023	1,680,535
Endowments:					
Expendable	537,734	—	537,734	—	—
Nonexpendable	14,413,590	—	14,413,590	—	—
Emergency reserve (TABOR)	11,555,375	—	11,555,375	161,169	—
Capital improvement	10,779,319	1,158,595	11,937,914	1,809,610	—
Other	4,748,128	25,233,122	29,981,250	1,616,914	—
Unrestricted	58,799,369	212,039,418	270,838,787	44,276,689	28,171,239
Total net position	\$ 1,939,099,969	\$ 2,834,793,970	\$ 4,773,893,939	\$ 73,163,261	\$ 100,140,643

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

STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

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	\$ 131,029,497	\$ 34,974,133	\$ 1,837,739	\$ 353,478	\$ (93,864,147)	\$ —	\$ (93,864,147)	\$ —	\$ —	
Public safety	258,792,574	6,539,453	12,077,338	811,175	(239,364,608)	—	(239,364,608)	—	—	
Public works	144,772,569	17,436,207	13,643,104	110,522,910	(3,170,348)	—	(3,170,348)	—	—	
Parks	36,284,727	3,635,833	2,653,094	12,577,833	(17,417,967)	—	(17,417,967)	—	—	
Planning and community development	22,155,798	3,609,674	7,237,372	—	(11,308,752)	—	(11,308,752)	—	—	
Interest on long-term debt	2,066,422	—	—	—	(2,066,422)	—	(2,066,422)	—	—	
Total governmental activities	595,101,587	66,195,300	37,448,647	124,265,396	(367,192,244)	—	(367,192,244)	—	—	
Business-type activities										
Utilities	942,399,085	1,005,708,000	—	52,931,000	—	116,239,915	116,239,915	—	—	
PACE	56,973,000	52,054,000	—	—	—	(4,919,000)	(4,919,000)	—	—	
MHS	2,635,609	—	—	—	—	(2,635,609)	(2,635,609)	—	—	
Other non-major enterprises	74,937,849	87,893,336	7,279,218	14,905,772	—	35,140,477	35,140,477	—	—	
Total business-type activities	1,076,945,543	1,145,655,336	7,279,218	67,836,772	—	143,825,783	143,825,783	—	—	
Total primary government	\$ 1,672,047,130	\$ 1,211,850,636	\$ 44,727,865	\$ 192,102,168	\$ (367,192,244)	\$ 143,825,783	\$ (223,366,461)	\$ —	\$ —	
Component units										
Governmental activities	\$ 54,774,678	\$ 1,216,770	\$ 6,523,143	\$ 1,138,111	\$ —	\$ —	\$ —	\$ (45,896,654)	\$ —	
Business-type activities	10,560,272	19,117,396	—	—	—	—	—	—	8,557,124	
Total component units	\$ 65,334,950	\$ 20,334,166	\$ 6,523,143	\$ 1,138,111	\$ —	\$ —	\$ —	\$ (45,896,654)	\$ 8,557,124	
General revenues										
Property taxes					\$ 29,275,607	\$ —	\$ 29,275,607	\$ 13,480,192	\$ —	
Sales taxes					390,885,602	—	390,885,602	20,343,097	—	
Specific ownership taxes					3,423,591	—	3,423,591	556,634	—	
Occupational liquor taxes					347,539	—	347,539	—	—	
Admissions tax					500,925	—	500,925	—	—	
Bicycle excise tax					183,638	—	183,638	—	—	
Public improvement fees					—	—	—	4,752,650	—	
Miscellaneous					—	—	—	56,127	—	
Investment earnings					17,400,612	41,072,749	58,473,361	28,847,719	220,290	
Gain on sale of capital assets					—	2,599,055	2,599,055	—	12,340	
Special item (Note III.G)					—	(1,330,000)	(1,330,000)	—	—	
Contributions to endowments					111,142	—	111,142	—	—	
Transfers					34,943,364	(34,943,364)	—	—	—	
Total general revenues and transfers					477,072,020	7,398,440	484,470,460	68,036,419	232,630	
Change in net position					109,879,776	151,224,223	261,103,999	22,139,765	8,789,754	
Net position - January 1, as previously stated					1,829,220,193	2,682,537,747	4,511,757,940	51,116,015	91,350,889	
Prior period adjustment					—	1,032,000	1,032,000	(92,519)	—	
Net position - January 1, restated					1,829,220,193	2,683,569,747	4,512,789,940	51,023,496	91,350,889	
Net position - December 31					\$ 1,939,099,969	\$ 2,834,793,970	\$ 4,773,893,939	\$ 73,163,261	\$ 100,140,643	

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

	General Fund	Road Repair, Maintenance & Improvement Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 115,371,849	\$ 8,014,943	\$ 178,579,097	\$ 301,965,889
Accounts receivable (net of allowance for uncollectibles)	10,365,567	—	22,210,446	32,576,013
Sales tax receivable (net of allowance for uncollectibles)	24,720,158	7,064,414	6,769,867	38,554,439
Loans receivable (net of allowance for uncollectibles)	—	—	13,808,933	13,808,933
Property taxes receivable				
Current	29,929,581	—	3,883,228	33,812,809
Delinquent	15,283	—	—	15,283
Inventories	384,206	—	—	384,206
Due from other funds	3,828,650	—	478,279	4,306,929
Restricted cash and investments	10,093,425	—	14,413,590	24,507,015
Total assets	\$ 194,708,719	\$ 15,079,357	\$ 240,143,440	\$ 449,931,516
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 13,258,233	\$ 940,462	\$ 9,850,104	\$ 24,048,799
Funds held for others	62,899	—	—	62,899
Accrued salaries and benefits	5,681,069	—	1,049,259	6,730,328
Due to other funds	2,480,675	—	4,062,281	6,542,956
Due to component unit	4,009,607	—	—	4,009,607
Deposits payable	27,552	—	—	27,552
Escrow deposits	17,368,914	—	—	17,368,914
Unearned revenue				
Grants	—	—	45,877,833	45,877,833
Other	5,348,647	—	—	5,348,647
Total liabilities	48,237,596	940,462	60,839,477	110,017,535
Deferred inflows of resources				
Unavailable revenue - loans (net of allowance for uncollectibles)	—	—	13,808,933	13,808,933
Unavailable revenue - property taxes	29,929,581	—	3,883,228	33,812,809
Total deferred inflows of resources	29,929,581	—	17,692,161	47,621,742
Fund balances				
Nonspendable	399,489	—	14,413,590	14,813,079
Restricted	26,254,344	14,138,895	69,141,632	109,534,871
Committed	14,519,799	—	74,863,565	89,383,364
Assigned	3,622,600	—	3,193,015	6,815,615
Unassigned	71,745,310	—	—	71,745,310
Total fund balances	116,541,542	14,138,895	161,611,802	292,292,239
Total liabilities, deferred inflows of resources and fund balances	\$ 194,708,719	\$ 15,079,357	\$ 240,143,440	\$ 449,931,516

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, 2023

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

Total fund balances - governmental funds \$ 292,292,239

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	\$ 2,939,989,302	
Less: Accumulated depreciation and amortization	(1,039,703,235)	
Less: Internal service fund net capital assets included above	(821,693)	
		1,899,464,374

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.	13,808,933

Interest on investments that is not available to pay for current-period expenditures is not reported in the funds.	1,382,415

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.	(7,081,723)

Long-term liabilities, such as 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	(37,203,878)	
Accrued interest payable	(292,394)	
Financed purchases	(24,953,698)	
Lease liabilities	(2,902,189)	
Subscription liabilities	(6,563,459)	
Drainage fees payable	(4,113,331)	
Compensated absences	(28,429,301)	
Municipal solid waste landfill	(103,061)	
Pension-related amounts	(125,371,567)	
OPEB-related amounts	(31,290,711)	
Lease-related amounts	1,076	
Subscription-related amounts	456,244	
		(260,766,269)

Net position of governmental activities	<u>\$ 1,939,099,969</u>

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, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 4

	General Fund	Road Repair, Maintenance & Improvement Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 275,421,358	\$ 72,171,271	\$ 77,024,273	\$ 424,616,902
Licenses, permits and fines	10,660,724	—	—	10,660,724
Intergovernmental	24,520,662	—	65,442,048	89,962,710
Charges for services	21,359,430	—	7,291,093	28,650,523
Endowments and donations	—	—	2,088,796	2,088,796
Interfund services provided	13,760,847	—	—	13,760,847
Investment earnings	6,617,460	1,531,250	8,548,480	16,697,190
Other revenue	8,616,891	292	5,950,934	14,568,117
Rental income	135,324	—	53,167	188,491
Total revenues	361,092,696	73,702,813	166,398,791	601,194,300
Expenditures				
Current				
General government	100,886,135	—	11,204,265	112,090,400
Public safety	191,216,782	—	58,745,851	249,962,633
Planning and community development	8,625,068	—	14,046,789	22,671,857
Public works	40,332,959	—	15,813,188	56,146,147
Parks	16,588,188	—	15,581,067	32,169,255
Debt service				
Principal	9,051,249	—	1,658,750	10,709,999
Principal - leases	2,033,676	—	301,899	2,335,575
Principal - subscriptions	3,931,944	—	278,855	4,210,799
Interest	1,528,013	—	377,381	1,905,394
Interest - leases	17,963	—	29,821	47,784
Interest - subscriptions	63,514	—	57,702	121,216
Capital outlay	31,725,795	90,172,457	47,591,210	169,489,462
Total expenditures	406,001,286	90,172,457	165,686,778	661,860,521
Excess (deficiency) of revenues over expenditures	(44,908,590)	(16,469,644)	712,013	(60,666,221)
Other financing sources (uses)				
Transfers - in	35,403,968	—	13,352,597	48,756,565
Transfers - out	(9,688,936)	—	(4,124,265)	(13,813,201)
Issuance of leases	1,517,105	—	—	1,517,105
Issuance of subscriptions	10,054,120	—	771,961	10,826,081
Financed purchases	8,839,411	—	—	8,839,411
Sale of capital assets	1,880,346	—	50,020	1,930,366
Total other financing sources (uses)	48,006,014	—	10,050,313	58,056,327
Net change in fund balances	3,097,424	(16,469,644)	10,762,326	(2,609,894)
Fund balances - January 1	113,444,118	30,608,539	150,849,476	294,902,133
Fund balances - December 31	\$ 116,541,542	\$ 14,138,895	\$ 161,611,802	\$ 292,292,239

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, 2023**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit 5**

Net change in fund balances - total governmental funds		\$ (2,609,894)	
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 or in the case of lease and subscription assets, the shorter of the lease or subscription term or useful life of the underlying asset, and reported as depreciation and amortization expense.			
Capital outlay	\$ 112,495,105		
Depreciation and amortization expense	(75,009,847)		
			37,485,258
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.	(2,894,444)		
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.	73,202,098		
			70,307,654
The issuance of long-term debt (i.e., bonds and financed purchases) 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:			
Financed purchases	(8,839,411)		
Principal repayments:			
General obligation debt	215,000		
Certificates of participation	1,105,000		
Financed purchases	9,389,999		
Deferred loss on refunding and related amortization	170,511		
Amortization of bond premium/discount	(62,247)		
			1,978,852
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	7,972		
Drainage fees	310,000		
Compensated absences	(1,848,015)		
Landfill closing costs	261,893		
Net pension-related amounts	(1,287,170)		
Net OPEB-related amounts	2,781,758		
Net lease-related amounts	539,738		
Net subscription-related amounts	601,750		
			1,367,926
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
			(100,365)
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.			
			1,450,345
Change in net position of governmental activities		\$ 109,879,776	

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, 2023

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

	Budgeted Amounts		2023 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes				
Current	\$ 26,055,412	\$ 26,055,412	\$ 26,059,445	\$ 4,033
Penalty and interest	—	—	38,398	38,398
Sales and use taxes	252,740,000	252,740,000	243,622,877	(9,117,123)
Penalty and interest	—	—	1,764,954	1,764,954
Specific ownership taxes	3,189,469	3,189,469	3,087,220	(102,249)
Occupational liquor taxes	340,000	340,000	347,539	7,539
Admission taxes	520,150	520,150	500,925	(19,225)
Total taxes	282,845,031	282,845,031	275,421,358	(7,423,673)
Licenses, permits and fines				
Business licenses and permits	3,611,440	3,611,440	3,478,789	(132,651)
Fines	8,984,482	8,984,482	7,181,935	(1,802,547)
Total licenses, permits and fines	12,595,922	12,595,922	10,660,724	(1,935,198)
Intergovernmental				
State shared revenue				
Cigarette tax	900,000	900,000	1,028,727	128,727
Highway users tax - regular	21,967,079	21,967,079	20,670,224	(1,296,855)
Highway users tax - added fees	1,575,000	1,575,000	1,442,406	(132,594)
Severance tax	130,000	130,000	198,553	68,553
Other governmental units				
El Paso County road and bridge	1,100,000	1,100,000	1,091,928	(8,072)
El Paso County shared fines	256,000	256,000	88,824	(167,176)
Total intergovernmental	\$ 25,928,079	\$ 25,928,079	\$ 24,520,662	\$ (1,407,417)

(continued)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2023

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

	Budgeted Amounts		2023 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges for services				
General government	\$ 5,304,345	\$ 5,304,345	\$ 5,165,204	\$ (139,141)
Parks	2,375,400	2,375,400	2,561,509	186,109
Planning and community development	2,073,735	2,073,735	1,957,607	(116,128)
Public safety	5,674,200	5,674,200	5,836,103	161,903
Public works	5,439,230	5,439,230	5,839,007	399,777
Total charges for services	20,866,910	20,866,910	21,359,430	492,520
Miscellaneous				
Interfund services provided	11,941,111	11,941,111	13,760,847	1,819,736
Investment earnings	2,218,000	2,218,000	6,617,460	4,399,460
Other revenue	7,266,882	7,266,882	8,616,891	1,350,009
Rental income	96,900	96,900	135,324	38,424
Total miscellaneous	21,522,893	21,522,893	29,130,522	7,607,629
Total revenues	\$ 363,758,835	\$ 363,758,835	\$ 361,092,696	\$ (2,666,139)

(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, 2023

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

	Budgeted Amounts		2023 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government				
City attorney	\$ 8,765,831	\$ 8,765,831	\$ 7,967,192	\$ 798,639
City auditor	1,976,103	1,976,103	1,861,260	114,843
City clerk	1,481,191	1,481,191	1,450,002	31,189
City council	1,114,652	1,114,652	1,098,234	16,418
Communications	1,772,143	1,772,143	1,647,066	125,077
Economic development	726,275	726,275	634,255	92,020
Finance	5,676,304	5,676,304	5,479,896	196,408
General costs	51,211,523	51,211,523	44,597,019	6,614,504
Human resources and risk	5,224,605	5,224,605	5,069,343	155,262
Information technology	19,403,322	19,403,322	18,449,509	953,813
Mayor's office	1,210,828	1,210,828	1,272,470	(61,642)
Municipal court	5,426,906	5,426,906	4,790,343	636,563
Office of innovation	1,385,624	1,385,624	1,198,936	186,688
Real estate services	723,043	723,043	687,269	35,774
Support services	5,202,427	5,202,427	4,683,341	519,086
Total general government	111,300,777	111,300,777	100,886,135	10,414,642
Public safety				
Fire and office of emergency management	73,094,978	73,094,978	70,275,425	2,819,553
Police	130,135,227	130,135,227	120,941,357	9,193,870
Total public safety	203,230,205	203,230,205	191,216,782	12,013,423
Planning and community development	9,569,552	9,569,552	8,625,068	944,484
Public works	44,239,028	44,239,028	40,332,959	3,906,069
Parks	\$ 17,760,399	\$ 17,760,399	\$ 16,588,188	\$ 1,172,211

(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, 2023

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

	Budgeted Amounts		2023 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt service expenditures				
Principal payments	\$ 9,122,369	\$ 9,122,369	\$ 9,051,249	\$ 71,120
Principal payments - leases	2,033,676	2,033,676	2,033,676	—
Principal payments - subscriptions	3,931,944	3,931,944	3,931,944	—
Interest payments	1,549,552	1,549,552	1,528,013	21,539
Interest payments - leases	17,963	17,963	17,963	—
Interest payments - subscriptions	63,514	63,514	63,514	—
Total debt service	16,719,018	16,719,018	16,626,359	92,659
Capital outlay	41,401,750	41,401,750	31,725,795	9,675,955
Total expenditures	444,220,729	444,220,729	406,001,286	38,219,443
Deficiency of revenues over expenditures	(80,461,894)	(80,461,894)	(44,908,590)	35,553,304
Other financing sources (uses)				
Transfers - in				
Utilities surplus	36,513,000	36,513,000	35,298,000	(1,215,000)
Other funds	95,866	95,866	105,968	10,102
Transfers - out				
City funded capital improvement projects	(8,688,936)	(9,688,936)	(9,688,936)	—
Issuance of leases	—	—	1,517,105	1,517,105
Issuance of subscriptions	—	—	10,054,120	10,054,120
Financed purchases	7,853,887	7,853,887	8,839,411	985,524
Sale of capital assets	1,058,503	1,058,503	1,880,346	821,843
Total other financing sources (uses)	36,832,320	35,832,320	48,006,014	12,173,694
Net change in fund balance	(43,629,574)	(44,629,574)	3,097,424	47,726,998
Fund balance - January 1	113,444,118	113,444,118	113,444,118	—
Fund balance - December 31	\$ 69,814,544	\$ 68,814,544	\$ 116,541,542	\$ 47,726,998

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

ROAD REPAIR, MAINTENANCE & IMPROVEMENT
SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 6-A

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 73,797,900	\$ 73,797,900	\$ 72,171,271	\$ (1,626,629)
Other revenue	—	—	292	292
Investment earnings	484,000	484,000	1,531,250	1,047,250
Total revenues	74,281,900	74,281,900	73,702,813	(579,087)
Expenditures				
Capital outlay	87,535,840	103,535,840	90,172,457	13,363,383
Total expenditures	87,535,840	103,535,840	90,172,457	13,363,383
Deficiency of revenues over expenditures	(13,253,940)	(29,253,940)	(16,469,644)	12,784,296
Net change in fund balance	(13,253,940)	(29,253,940)	(16,469,644)	12,784,296
Fund balance - January 1	30,608,539	30,608,539	30,608,539	—
Fund balance - December 31	\$ 17,354,599	\$ 1,354,599	\$ 14,138,895	\$ 12,784,296

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 7
(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
ASSETS AND DEFERRED						
OUTFLOWS OF RESOURCES						
Current assets						
Cash and investments - unrestricted	\$ 294,668,000	\$ 79,000	\$ 2,448,071	\$ 89,344,419	\$ 386,539,490	\$ 14,223,144
Cash and investments - restricted	56,909,000	—	—	1,279,269	58,188,269	—
Accounts receivable (net of allowance for uncollectibles)	134,060,000	7,501,000	—	22,778,255	164,339,255	524,082
Leases receivable	607,000	—	—	5,157,580	5,764,580	110,042
Notes receivable	—	—	3,193,828	232,501	3,426,329	—
Interest receivable	1,716,000	—	—	—	1,716,000	—
Due from other funds	5,034,000	—	—	4,719,001	9,753,001	31,110
Inventories	106,469,000	—	—	1,655,758	108,124,758	42,927
Prepays	11,805,000	20,422,000	—	25,389	32,252,389	—
Total current assets	611,268,000	28,002,000	5,641,899	125,192,172	770,104,071	14,931,305
Noncurrent assets						
Cash and investments - restricted	168,765,000	7,076,000	—	2,808,706	178,649,706	—
Interest receivable - restricted	106,000	—	—	—	106,000	—
Leases receivable	13,300,000	—	—	128,121,916	141,421,916	541,386
Notes receivable - net	—	—	76,626,323	3,691,727	80,318,050	—
Due from other funds	—	—	—	927,056	927,056	—
Investment in joint ventures	757,000	—	—	—	757,000	—
Prepays	—	299,681,000	—	—	299,681,000	—
Other	105,320,000	—	—	—	105,320,000	—
Capital assets nondepreciable:						
Land	215,872,000	—	—	41,539,359	257,411,359	13,000
Intangibles	56,666,000	—	—	—	56,666,000	—
Construction in progress	369,302,000	—	—	23,300,521	392,602,521	—
Capital assets depreciable and amortizable:						
Buildings	—	—	—	155,151,133	155,151,133	160,000
Improvements other than buildings	—	—	—	385,213,773	385,213,773	310,198
Machinery and equipment	—	—	—	47,094,108	47,094,108	578,284
Infrastructure	—	—	—	70,280,138	70,280,138	—
Utility plant	6,879,135,000	—	—	—	6,879,135,000	—
Intangibles	124,686,000	—	—	2,325,950	127,011,950	—
Lease assets - equipment	1,076,000	—	—	—	1,076,000	72,909
Subscription assets	26,963,000	—	—	1,542,925	28,505,925	573,596
Less accumulated depreciation and amortization	(3,120,154,000)	—	—	(287,012,200)	(3,407,166,200)	(886,294)
Total noncurrent assets	4,841,794,000	306,757,000	76,626,323	574,985,112	5,800,162,435	1,363,079
Total assets	5,453,062,000	334,759,000	82,268,222	700,177,284	6,570,266,506	16,294,384
Deferred outflows of resources						
Deferred cash flow hedges - unrealized loss on derivative instruments	11,088,000	—	—	—	11,088,000	—
Loss on debt refundings	20,577,000	—	—	38,875	20,615,875	—
Pension-related amounts	121,951,000	—	—	10,786,746	132,737,746	—
OPEB-related amounts	4,765,000	—	—	920,191	5,685,191	—
Asset retirement obligation	6,440,000	—	—	—	6,440,000	—
Total deferred outflows of resources	164,821,000	—	—	11,745,812	176,566,812	—
Total assets and deferred outflows of resources	\$ 5,617,883,000	\$ 334,759,000	\$ 82,268,222	\$ 711,923,096	\$ 6,746,833,318	\$ 16,294,384

(continued)

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

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 7
(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
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities						
Accounts payable	\$ 93,810,000	\$ —	\$ 591,000	\$ 10,044,275	\$ 104,445,275	\$ 2,628,536
Accrued salaries and benefits	2,442,000	—	—	540,390	2,982,390	81,679
Claims payable	3,397,000	—	—	—	3,397,000	14,449,000
Compensated absences	13,263,000	—	—	95,237	13,358,237	17,966
Due to other funds	8,238,000	—	—	130,646	8,368,646	106,494
Escrow deposits	—	—	—	2,353,215	2,353,215	—
Unearned revenue	—	—	—	107,745	107,745	—
Accrued interest payable	11,962,000	4,185,000	—	412,557	16,559,557	7,624
Matured bonds payable	98,910,000	18,555,000	—	1,385,000	118,850,000	—
Notes payable	464,000	—	—	1,471,990	1,935,990	—
Financed purchases payable	—	—	—	275,022	275,022	—
Lease liabilities	145,000	—	—	—	145,000	14,184
Subscription liabilities	4,848,000	—	—	356,787	5,204,787	128,516
OPEB liability	1,088,000	—	—	—	1,088,000	—
Other	3,370,000	—	—	—	3,370,000	—
Total current liabilities	241,937,000	22,740,000	591,000	17,172,864	282,440,864	17,433,999
Noncurrent liabilities						
Claims payable	—	—	—	—	—	14,449,000
Contingent liabilities and promise to CSHF	—	—	81,677,222	—	81,677,222	—
Compensated absences	6,764,000	—	—	1,809,490	8,573,490	341,331
Customer deposits	5,889,000	—	—	—	5,889,000	—
Unearned revenue	—	—	—	3,677,567	3,677,567	—
Revenue bonds payable, net	2,411,651,000	488,484,000	—	31,026,678	2,931,161,678	—
Notes payable	3,042,000	—	—	10,548,235	13,590,235	—
Financed purchases payable	—	—	—	453,741	453,741	—
Lease liabilities	791,000	—	—	—	791,000	45,188
Subscription liabilities	7,606,000	—	—	676,394	8,282,394	305,320
Customer advances for construction	31,091,000	—	—	—	31,091,000	—
Municipal solid waste landfill closure and postclosure care	22,395,000	—	—	—	22,395,000	—
Asset retirement obligation	7,513,000	—	—	—	7,513,000	—
Derivative instruments	34,951,000	—	—	—	34,951,000	—
Net pension liability	229,437,000	—	—	18,781,656	248,218,656	—
Net OPEB liability	27,229,000	—	—	1,926,557	29,155,557	—
Other long-term liabilities	557,000	—	—	—	557,000	—
Total noncurrent liabilities	2,788,916,000	488,484,000	81,677,222	68,900,318	3,427,977,540	15,140,839
Total liabilities	3,030,853,000	511,224,000	82,268,222	86,073,182	3,710,418,404	32,574,838
Deferred inflows of resources						
Gain on debt refundings	38,446,000	—	—	—	38,446,000	—
Pension-related amounts	3,320,000	—	—	434,449	3,754,449	—
OPEB-related amounts	5,772,000	—	—	1,025,086	6,797,086	—
Lease-related amounts	13,900,000	—	—	128,841,496	142,741,496	683,182
Total deferred inflows of resources	\$ 61,438,000	\$ —	\$ —	\$ 130,301,031	\$ 191,739,031	\$ 683,182

(continued)

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

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 7
(PAGE 3 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
Net position						
Net investment in capital assets	\$ 2,177,091,000	\$ —	\$ —	\$ 393,280,735	\$ 2,570,371,735	\$ 328,485
Restricted for debt service	21,093,000	2,891,000	—	2,007,100	25,991,100	—
Restricted for other	23,854,000	—	—	—	23,854,000	—
Restricted for passenger facility charges	—	—	—	1,379,122	1,379,122	—
Restricted for capital improvement	—	—	—	1,158,595	1,158,595	—
Unrestricted	303,554,000	(179,356,000)	—	97,723,331	221,921,331	(17,292,121)
Total net position	2,525,592,000	(176,465,000)	—	495,548,883	2,844,675,883	(16,963,636)
Total liabilities, deferred inflows of resources and net position	\$ 5,617,883,000	\$ 334,759,000	\$ 82,268,222	\$ 711,923,096		\$ 16,294,384
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(9,881,913)	
Net position of business-type activities					<u>\$ 2,834,793,970</u>	

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2023

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	\$ 1,005,708,000	\$ 52,054,000	\$ —	\$ 87,893,336	\$ 1,145,655,336	\$ 61,788,113
Total operating revenues	1,005,708,000	52,054,000	—	87,893,336	1,145,655,336	61,788,113
Operating expenses						
Salaries and benefits	230,684,000	—	—	23,257,752	253,941,752	4,226,381
Other operating expenses	440,140,000	20,285,000	—	31,816,602	492,241,602	56,006,759
Depreciation and amortization	181,917,000	—	—	24,424,649	206,341,649	185,984
Total operating expenses	852,741,000	20,285,000	—	79,499,003	952,525,003	60,419,124
Operating income	152,967,000	31,769,000	—	8,394,333	193,130,333	1,368,989
Nonoperating revenues (expenses)						
Derivative instruments gain	2,009,000	—	—	—	2,009,000	—
Investment earnings	29,455,000	1,126,000	120,394	4,847,024	35,548,418	340,198
Interest income from leases	—	—	—	3,009,116	3,009,116	12,828
Notes interest income	—	—	2,515,215	—	2,515,215	—
Interest expense	(91,099,000)	(35,868,000)	—	(1,778,421)	(128,745,421)	(16,439)
Passenger facility charges	—	—	—	4,614,807	4,614,807	—
Customer facility charges	—	—	—	1,536,420	1,536,420	—
Amortization expense	—	(820,000)	—	—	(820,000)	—
Gain on disposal of capital assets	—	—	—	2,599,055	2,599,055	—
Change in contingent liabilities	—	—	(2,635,609)	—	(2,635,609)	—
Other revenues	11,532,000	—	—	7,373,250	18,905,250	—
Other expenses	(12,261,000)	—	—	—	(12,261,000)	—
Total nonoperating revenues (expenses)	(60,364,000)	(35,562,000)	—	22,201,251	(73,724,749)	336,587
Income (loss) before contributions and transfers	92,603,000	(3,793,000)	—	30,595,584	119,405,584	1,705,576
Capital contributions	52,931,000	—	—	14,905,772	67,836,772	—
Transfers - in	—	—	—	354,636	354,636	—
Transfers - out	(35,298,000)	—	—	—	(35,298,000)	—
Special item (Note III.G)	(1,330,000)	—	—	—	(1,330,000)	—
Change in net position	108,906,000	(3,793,000)	—	45,855,992	150,968,992	1,705,576
Total net position - January 1	2,415,654,000	(172,672,000)	—	449,692,891		(18,669,212)
Prior period adjustment	1,032,000	—	—	—		—
Total net position - January 1, as restated	2,416,686,000	(172,672,000)	—	449,692,891		(18,669,212)
Total net position - December 31	<u>\$ 2,525,592,000</u>	<u>\$ (176,465,000)</u>	<u>\$ —</u>	<u>\$ 495,548,883</u>		<u>\$ (16,963,636)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					255,231	
Change in net position of business-type activities					<u>\$ 151,224,223</u>	

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, 2023

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	\$1,035,966,000	\$ 51,981,000	\$ —	\$ 79,247,694	\$1,167,194,694	\$ 12,658,462
Receipts from interfund services provided	5,229,000	—	—	815,951	6,044,951	49,385,904
Receipts from notes receivable	—	—	3,096,896	—	3,096,896	—
Payments to suppliers	(537,786,000)	(81,000)	(3,598,187)	(23,110,716)	(564,575,903)	(51,752,861)
Payments to employees	(247,096,000)	—	—	(24,631,240)	(271,727,240)	(4,199,667)
Payments for interfund services used	(31,727,000)	—	—	(10,204,262)	(41,931,262)	(1,855,799)
Other receipts	6,399,000	—	—	—	6,399,000	—
Net cash provided (used) by operating activities	230,985,000	51,900,000	(501,291)	22,117,427	304,501,136	4,236,039
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental non-operating revenues provided	(35,593,000)	—	—	—	(35,593,000)	—
Transfers - in	—	—	—	354,636	354,636	—
Transfers - out	(201,000)	—	—	—	(201,000)	—
Advance from other funds	—	—	—	—	—	102,632
Repayment of long-term debt	—	(16,955,000)	—	—	(16,955,000)	—
Interest payments on long-term debt	—	(34,498,000)	—	—	(34,498,000)	—
Interest payments - other	—	(1,500,000)	—	—	(1,500,000)	—
Principal received from interfund loan	—	—	—	90,374	90,374	—
Interest received from interfund loan	—	—	—	42,814	42,814	—
Operating grants	731,000	—	—	7,279,218	8,010,218	—
Net cash provided (used) by noncapital financing activities	(35,063,000)	(52,953,000)	—	7,767,042	(80,248,958)	102,632
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions and advances	30,532,000	—	—	—	30,532,000	—
Bond issuance proceeds	364,395,000	—	—	—	364,395,000	—
Premium related to bond issuance	42,653,000	—	—	—	42,653,000	—
Bond issuance costs and other related costs	(618,000)	—	—	—	(618,000)	—
Repayment and refunding of revenue bonds	(294,535,000)	—	—	—	(294,535,000)	—
Purchases of capital assets	(282,461,000)	—	—	(64,110,869)	(346,571,869)	(97,030)
Principal paid on capital debt	—	—	—	(4,533,448)	(4,533,448)	—
Interest paid on capital debt	(107,117,000)	—	—	(1,869,658)	(108,986,658)	—
Principal paid on leases	(140,000)	—	—	—	(140,000)	(13,767)
Interest paid on leases	(29,000)	—	—	—	(29,000)	(1,999)
Principal paid on subscriptions	(7,967,000)	—	—	(526,345)	(8,493,345)	(139,758)
Interest paid on subscriptions	(318,000)	—	—	(25,573)	(343,573)	(6,816)
Interest paid - other	(9,000)	—	—	—	(9,000)	—
Proceeds received on capital debt	—	—	—	409,209	409,209	—
Proceeds from the sale of capital assets	1,942,000	—	—	4,232,953	6,174,953	—
Principal received from leases	—	—	—	5,386,394	5,386,394	152,679
Interest received from leases	—	—	—	3,009,116	3,009,116	12,828
Capital grant	4,388,000	—	—	5,609,812	9,997,812	—
Passenger facility charges	—	—	—	4,382,956	4,382,956	—
Customer facility charges	—	—	—	1,516,887	1,516,887	—
Insurance settlement	—	—	—	1,782	1,782	—
Net cash provided (used) by capital and related financing activities	\$ (249,284,000)	\$ —	\$ —	\$ (46,516,784)	\$ (295,800,784)	\$ (93,863)

(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, 2023

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	\$ 179,290,000	\$ —	\$ 973,326	\$ 35,252,120	\$ 215,515,446	\$ 868,819
Purchases of investments	(293,687,000)	(83,000)	(531,262)	(21,557,677)	(315,858,939)	(5,246,916)
Interest and dividends received	16,807,000	1,126,000	40,373	1,691,401	19,664,774	161,700
Distributions from joint ventures	107,000	—	—	—	107,000	—
Principal received on note receivable	—	—	—	306,687	306,687	—
Interest received on note receivable	—	—	—	270,273	270,273	—
Net cash provided (used) by investing activities	(97,483,000)	1,043,000	482,437	15,962,804	(79,994,759)	(4,216,397)
Net change in cash and cash equivalents	(150,845,000)	(10,000)	(18,854)	(669,511)	(151,543,365)	28,411
Cash and cash equivalents - January 1	365,086,000	89,000	57,409	2,091,133	367,323,542	195,591
Cash and cash equivalents - December 31	\$ 214,241,000	\$ 79,000	\$ 38,555	\$ 1,421,622	\$ 215,780,177	\$ 224,002
Cash and cash equivalents	\$ 214,241,000	\$ 79,000	\$ 38,555	\$ 1,421,622	\$ 215,780,177	\$ 224,002
Investments	306,101,000	7,076,000	2,409,516	92,010,772	407,597,288	13,999,142
Total cash and investments	\$ 520,342,000	\$ 7,155,000	\$ 2,448,071	\$ 93,432,394	\$ 623,377,465	\$ 14,223,144
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income	\$ 152,967,000	\$ 31,769,000	\$ —	\$ 8,394,333	\$ 193,130,333	\$ 1,368,989
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation and amortization expense	181,917,000	—	—	24,424,649	206,341,649	185,984
Other expense	(105,485,000)	—	—	—	(105,485,000)	—
Decrease (increase) in assets and outflows of resources						
Accounts receivable	38,224,000	(72,000)	—	2,047,086	40,199,086	393,069
Leases receivable	—	—	—	2,800,572	2,800,572	(595,067)
Notes receivable	—	—	3,096,896	—	3,096,896	—
Due from other funds	—	—	—	(1,468,144)	(1,468,144)	(846)
Inventories	(18,127,000)	—	—	(379,281)	(18,506,281)	(2,562)
Prepays	(604,000)	20,203,000	—	(25,389)	19,573,611	—
Other assets	13,789,000	—	—	—	13,789,000	—
Deferred outflows of resources - pensions	(88,171,000)	—	—	(7,851,384)	(96,022,384)	—
Deferred outflows of resources - OPEB	(996,000)	—	—	(108,031)	(1,104,031)	—
Net pension asset	20,171,000	—	—	1,512,514	21,683,514	—
Increase (decrease) in liabilities and inflows of resources						
Accounts and other payables	(17,585,000)	—	45,203	(982,739)	(18,522,536)	2,401,752
Accrued expenses	(1,004,000)	—	—	275,720	(728,280)	26,714
Due to other funds	—	—	—	(110,566)	(110,566)	(1,091)
Contingent liability	—	—	(3,643,390)	—	(3,643,390)	—
Other liabilities	2,766,000	—	—	(692,400)	2,073,600	—
Deferred inflows of resources - pensions	(171,567,000)	—	—	(13,967,406)	(185,534,406)	—
Deferred inflows of resources - OPEB	(657,000)	—	—	81,228	(575,772)	—
Deferred inflows of resources - leases	—	—	—	(10,516,803)	(10,516,803)	459,097
Net pension liabilities	229,436,000	—	—	18,781,656	248,217,656	—
Net OPEB liabilities	(4,089,000)	—	—	(98,188)	(4,187,188)	—
Net cash provided (used) by operating activities	\$ 230,985,000	\$ 51,900,000	\$ (501,291)	\$ 22,117,427	\$ 304,501,136	\$ 4,236,039

(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, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 9
(PAGE 3 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
Noncash investing, capital and financing activities						
Amortization, charge-off of debt discount and expense	\$ 3,754,000	\$ 820,000	\$ —	\$ —	\$ 4,574,000	\$ —
Noncash acquisition of capital assets (incurrence of payable/financed purchase obligation)	28,033,000	—	—	8,475,994	36,508,994	—
Noncash capital contributions	20,322,000	—	—	1,688,063	22,010,063	—
Change in fair value of derivative instruments	2,009,000	—	—	—	2,009,000	—
Change in fair value of investments	—	—	80,022	2,897,234	2,977,256	178,499

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

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 10

	Pension Trust Funds
<u>ASSETS</u>	
Pension assets held by Fire and Police Pension Association	
Pooled investment funds	\$ 111,822,844
Total pension assets held for pension benefits	<u>\$ 111,822,844</u>
<u>NET POSITION</u>	
Net position restricted for pensions	<u>\$ 111,822,844</u>

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

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 11

	Pension Trust Funds
Additions	
City contributions	\$ 5,196,854
Total contributions	5,196,854
Investment earnings:	
Net increase in fair value of investments	5,832,062
Interest, dividends and other	1,860,835
Total investment earnings	7,692,897
Less investment costs	628,153
Net investment earnings	7,064,744
Total additions	12,261,598
Deductions	
Benefits paid to participants or beneficiaries	16,098,406
Administrative expense	94,464
Total deductions	16,192,870
Net decrease in fiduciary net position	(3,931,272)
Net position restricted for pensions - January 1	115,754,116
Net position restricted for pensions - December 31	\$ 111,822,844

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

GOVERNMENTAL FUND COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2023

	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Catalyst Campus BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation	CS Urban Renewal Authority	First & Main BID
ASSETS									
Cash and investments - unrestricted	\$ 21,738	\$ 2,010	\$ 431,817	\$ —	\$ 4,629	\$ 1,922,357	\$178,550,596	\$ 906,364	\$ 4,566
Cash and investments - restricted	98,191	45,354	844,621	—	1,954,886	1,706,814	—	22,332,004	197,795
Accounts receivable (net of allowance for uncollectibles)	5,557	577	4,087	—	88,360	11,648	—	1,396,915	1,306
Due from other governments	—	—	—	—	—	—	—	1,258	—
Notes receivable	—	—	—	—	—	17,193	—	—	—
Assessments receivable	—	—	2,015,789	—	—	—	—	—	—
Property taxes receivable	431,559	89,490	518,588	—	198,174	3,416,356	—	11,059,514	235,705
Prepays	4,068	—	83,671	—	88,800	23,943	48,798	—	—
Capital assets (non-depreciable):									
Construction in progress	—	—	—	—	38,483,452	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—	—
Land	—	—	—	—	—	—	—	—	—
Capital assets (net of accumulated depreciation):									
Machinery and equipment	—	—	—	—	—	—	—	—	—
Improvements other than buildings	821,742	—	1,165,707	—	623,208	334,088	—	—	—
Infrastructure	180,839	56,183	8,478,625	—	—	546,951	—	—	815,748
Total assets	1,563,694	193,614	13,542,905	—	41,441,509	7,979,350	178,599,394	35,696,055	1,255,120
DEFERRED OUTFLOWS OF RESOURCES									
Loss on refunding	—	—	—	—	—	—	—	3,150,196	—
Total deferred outflows of resources	—	—	—	—	—	—	—	3,150,196	—
LIABILITIES									
Accounts payable	14,895	2,587	4,036	1,210	21,953	35,809	29,262	218,335	5,872
Escrows	—	—	—	—	—	—	—	110,054	—
Grants payable	—	—	—	—	—	—	314,573	—	—
Due to other governments	—	—	—	—	—	—	—	506,141	—
Accrued interest payable	14,923	1,138	15,561	—	162,972	—	—	1,794,801	8,819
Noncurrent liabilities:									
Due within one year	140,000	65,000	704,000	—	449,164	—	—	8,199,617	45,000
Due in more than one year	2,812,364	145,000	8,943,105	228,729	50,944,625	—	—	81,848,264	1,200,000
Total liabilities	2,982,182	213,725	9,666,702	229,939	51,578,714	35,809	343,835	92,677,212	1,259,691
DEFERRED INFLOWS OF RESOURCES									
Property taxes	431,559	89,490	518,588	—	198,174	3,416,356	—	11,059,514	235,705
Total deferred inflows of resources	431,559	89,490	518,588	—	198,174	3,416,356	—	11,059,514	235,705
NET POSITION									
Net investment in capital assets	(554,419)	18,866	719,593	—	(64,538)	881,039	—	—	(429,252)
Restricted for:									
Capital improvement	—	—	—	—	—	—	—	649,750	—
Debt service	81,468	44,216	2,163,668	—	232,154	—	—	13,371,606	188,976
Emergency reserve	1,800	—	7,700	—	4,900	89,900	—	—	—
TIF	—	—	—	—	—	1,616,914	—	—	—
Unrestricted	(1,378,896)	(172,683)	466,654	(229,939)	(10,507,895)	1,939,332	178,255,559	(78,911,831)	—
Total net position (deficit)	\$ (1,850,047)	\$ (109,601)	\$3,357,615	\$ (229,939)	\$ (10,335,379)	\$ 4,527,185	\$178,255,559	\$ (64,890,475)	\$ (240,276)

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

First & Main BID No. 2	First & Main North BID	Gold Hill North BID	Greater Downtown CS BID	Interquest North BID	Interquest South BID	Interquest Town Center BID	MW Retail BID	Park Union BID	Powers & Woodmen Commercial BID	True North Commons BID	Total
\$ 263,720	\$ 4,682	\$ 111	\$ 530,073	\$ 180,981	\$ 81,331	\$ 35,535	\$ 8,683	\$ 192,210	\$ 143,233	\$ 15,871	\$183,300,507
2,986,348	33,714	100	—	7,495,890	532,040	848,040	500	702,500	1,058,976	33,846,388	74,684,161
133,476	1,300	74	11,812	368,329	45,502	17,500	4,635	15,862	3,249	—	2,110,189
—	—	—	—	—	—	—	—	—	—	—	1,258
—	—	—	—	—	—	—	—	—	—	—	17,193
—	—	—	—	—	—	—	—	—	—	—	2,015,789
775,075	160,953	336	659,564	657,349	216,350	280,866	9,671	89,359	472,780	—	19,271,689
255	—	—	10,091	2,945	2,194	—	—	—	—	—	264,765
—	—	—	—	—	—	1,134,564	2,199,639	1,713,928	188,702	57,967,860	101,688,145
—	—	—	—	—	—	422,900	—	—	—	—	422,900
—	—	—	—	—	865,977	—	—	—	—	—	865,977
—	—	—	83,589	—	—	—	—	34,250	—	—	117,839
3,759,613	498,897	—	—	—	532,757	—	—	137,562	—	—	7,873,574
7,837,363	378,923	—	—	18,259,793	1,654,970	387,712	—	17,118,057	2,186,092	—	57,901,256
15,755,850	1,078,469	621	1,295,129	26,965,287	3,931,121	3,127,117	2,223,128	20,003,728	4,053,032	91,830,119	450,535,242
—	—	—	—	—	—	—	—	—	—	—	3,150,196
—	—	—	—	—	—	—	—	—	—	—	3,150,196
21,484	9,417	11,922	13,899	463,693	20,741	10,080	18,571	76,008	9,411	6,888,148	7,877,333
—	—	—	—	—	—	—	—	—	—	—	110,054
—	—	—	—	—	—	—	—	—	—	—	314,573
—	—	—	—	—	—	—	—	—	—	—	506,141
97,770	36,759	—	—	141,689	15,535	16,683	—	—	24,163	341,227	2,672,040
225,000	74,347	—	—	313,000	65,000	—	—	—	50,000	—	10,330,128
27,494,415	1,388,426	180,176	—	23,610,074	4,656,299	3,022,969	2,361,533	36,046,214	4,331,927	90,226,099	339,440,219
27,838,669	1,508,949	192,098	13,899	24,528,456	4,757,575	3,049,732	2,380,104	36,122,222	4,415,501	97,455,474	361,250,488
775,075	160,953	336	659,564	657,349	216,350	280,866	9,671	89,359	472,780	—	19,271,689
775,075	160,953	336	659,564	657,349	216,350	280,866	9,671	89,359	472,780	—	19,271,689
(3,470,105)	(347,487)	—	83,589	(2,795,641)	(131,267)	(397,854)	—	(1,301,096)	(668,572)	—	(8,457,144)
—	—	—	—	—	—	501,105	—	658,559	196	—	1,809,610
3,006,855	—	—	—	7,705,874	254,226	360,129	—	2,107	1,032,617	5,312,127	33,756,023
3,500	700	100	27,069	3,300	6,400	1,600	500	11,700	2,000	—	161,169
—	—	—	—	—	—	—	—	—	—	—	1,616,914
(12,398,144)	(244,646)	(191,913)	511,008	(3,134,051)	(1,172,163)	(668,461)	(167,147)	(15,579,123)	(1,201,490)	(10,937,482)	44,276,689
\$(12,857,894)	\$(591,433)	\$(191,813)	\$ 621,666	\$ 1,779,482	\$(1,042,804)	\$(203,481)	\$(166,647)	\$(16,207,853)	\$(835,249)	\$(5,625,355)	\$ 73,163,261

GOVERNMENTAL FUND COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Catalyst Campus BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation	CS Urban Renewal Authority	First & Main BID	First & Main BID No. 2
Program expenses										
General government	\$ 143,806	\$ 15,596	\$ 615,781	\$ 41,197	\$ 760,021	\$ 2,375,800	\$ 6,119,303	\$ 8,249,981	\$ 74,343	\$ 675,926
Public works	—	—	—	—	—	—	—	8,132,725	—	—
Interest on long-term debt	201,258	18,244	125,997	13,255	2,949,318	—	—	4,772,276	111,308	1,198,625
Total program expenses	345,064	33,840	741,778	54,452	3,709,339	2,375,800	6,119,303	21,154,982	185,651	1,874,551
Program revenues										
Charges for services	—	—	—	—	137,545	—	—	759,466	—	—
Operating grants and contributions	11,372	—	—	—	—	1,582,961	4,566,812	49,488	—	20,179
Capital grants and contributions	—	—	—	—	—	138,111	—	—	—	—
Total program revenues	11,372	—	—	—	137,545	1,721,072	4,566,812	808,954	—	20,179
Net revenues (expenses)	(333,692)	(33,840)	(741,778)	(54,452)	(3,571,794)	(654,728)	(1,552,491)	(20,346,028)	(185,651)	(1,854,372)
General revenues										
Property taxes	368,228	71,766	510,225	—	119,676	940,661	—	8,399,173	164,374	679,295
Specific ownership taxes	38,656	7,509	53,195	—	15,183	113,434	—	—	17,002	70,660
Incremental sales tax	—	—	—	—	321,691	—	—	18,826,632	—	—
Public improvement fees	—	—	—	—	455,847	—	—	—	—	789,454
Miscellaneous	—	—	—	—	1,347	22,586	—	—	—	—
Investment earnings	17,840	4,645	81,188	—	136,935	198,132	25,884,678	1,169,855	16,020	207,645
Total general revenues	424,724	83,920	644,608	—	1,050,679	1,274,813	25,884,678	28,395,660	197,396	1,747,054
Change in net position	91,032	50,080	(97,170)	(54,452)	(2,521,115)	620,085	24,332,187	8,049,632	11,745	(107,318)
Net position January 1, as previously stated	(1,941,079)	(159,681)	3,454,785	(175,487)	(7,814,264)	3,907,100	153,923,372	(72,940,107)	(252,021)	(12,750,576)
Prior period adjustment	—	—	—	—	—	—	—	—	—	—
Net position January 1, as restated	(1,941,079)	(159,681)	3,454,785	(175,487)	(7,814,264)	3,907,100	153,923,372	(72,940,107)	(252,021)	(12,750,576)
Net position - December 31	\$ (1,850,047)	\$ (109,601)	\$ 3,357,615	\$ (229,939)	\$ (10,335,379)	\$ 4,527,185	\$ 178,255,559	\$ (64,890,475)	\$ (240,276)	\$ (12,857,894)

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

First & Main North BID	Gold Hill North BID	Greater Downtown CS BID	Interquest North BID	Interquest South BID	Interquest Town Center BID	MW Retail BID	Park Union BID	Powers & Woodmen Commercial BID	True North Commons BID	Total
\$ 109,118	\$ 55,758	\$ 827,678	\$ 1,382,013	\$ 259,014	\$ 63,638	\$ 61,320	\$ 1,559,620	\$ 166,914	\$ 164,318	\$ 23,721,145
—	—	—	247,900	—	—	—	—	—	—	8,380,625
88,651	10,525	—	1,768,282	244,382	229,329	37,106	2,687,439	305,657	7,911,256	22,672,908
\$ 197,769	\$ 66,283	\$ 827,678	\$ 3,398,195	\$ 503,396	\$ 292,967	\$ 98,426	\$ 4,247,059	\$ 472,571	\$ 8,075,574	\$ 54,774,678
\$ —	\$ —	\$ 28,518	\$ —	\$ —	\$ —	\$ —	\$ 291,241	\$ —	\$ —	\$ 1,216,770
—	753	190,000	—	—	—	—	101,578	—	—	6,523,143
—	—	—	—	—	—	—	—	—	1,000,000	1,138,111
\$ —	\$ 753	\$ 218,518	\$ —	\$ —	\$ —	\$ —	\$ 392,819	\$ —	\$ 1,000,000	\$ 8,878,024
\$ (197,769)	\$ (65,530)	\$ (609,160)	\$ (3,398,195)	\$ (503,396)	\$ (292,967)	\$ (98,426)	\$ (3,854,240)	\$ (472,571)	\$ (7,075,574)	\$ (45,896,654)
\$ 162,047	\$ 542	\$ 587,998	\$ 599,353	\$ 163,820	\$ 237,632	\$ 2,714	\$ 68,729	\$ 403,959	\$ —	\$ 13,480,192
16,913	70	70,505	61,279	17,159	24,891	298	7,590	42,290	—	556,634
—	—	—	—	—	—	—	—	—	1,194,774	20,343,097
—	—	—	2,944,491	410,409	94,211	12,567	45,671	—	—	4,752,650
—	1	450	302	31,441	—	—	—	—	—	56,127
4,226	—	33,815	401,507	28,051	10,774	—	37,401	71,116	543,891	28,847,719
\$ 183,186	\$ 613	\$ 692,768	\$ 4,006,932	\$ 650,880	\$ 367,508	\$ 15,579	\$ 159,391	\$ 517,365	\$ 1,738,665	\$ 68,036,419
\$ (14,583)	\$ (64,917)	\$ 83,608	\$ 608,737	\$ 147,484	\$ 74,541	\$ (82,847)	\$ (3,694,849)	\$ 44,794	\$ (5,336,909)	\$ 22,139,765
(576,850)	(34,377)	538,058	1,170,745	(1,190,288)	(278,022)	(83,800)	(12,513,004)	(880,043)	(288,446)	51,116,015
—	(92,519)	—	—	—	—	—	—	—	—	(92,519)
(576,850)	(126,896)	538,058	1,170,745	(1,190,288)	(278,022)	(83,800)	(12,513,004)	(880,043)	(288,446)	51,023,496
\$ (591,433)	\$ (191,813)	\$ 621,666	\$ 1,779,482	\$ (1,042,804)	\$ (203,481)	\$ (166,647)	\$ (16,207,853)	\$ (835,249)	\$ (5,625,355)	\$ 73,163,261

PROPRIETARY FUND COMPONENT UNITS
COMBINING BALANCE SHEET
December 31, 2023

	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company
ASSETS			
Current assets			
Cash and investments	\$ 15,860,782	\$ 236,872	\$ 4,862,047
Accounts receivable (net of allowance for uncollectibles)	1,786,227	—	1,008
Inventories	328,437	—	—
Due from primary government	—	—	—
Prepays	30	—	15,546
Total current assets	17,975,476	236,872	4,878,601
Noncurrent assets			
Restricted cash and cash equivalents	1,595,438	—	—
Other	—	—	274,279
Capital assets nondepreciable:			
Land	65,147	—	—
Construction in progress	744,397	2,182,409	764,442
Capital assets depreciable and amortizable:			
Machinery and equipment	—	—	—
Utility plant	92,935,866	10,265,798	14,851,647
Lease assets:			
Equipment	—	—	—
Land	—	—	—
Less accumulated depreciation and amortization	(42,270,068)	(3,609,372)	(8,546,261)
Total noncurrent assets	53,070,780	8,838,835	7,344,107
Total assets	\$ 71,046,256	\$ 9,075,707	\$ 12,222,708
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	\$ 573,133	\$ 102,298	\$ 25,733
Due to primary government	—	—	—
Accrued interest payable	179	—	—
Notes payable	196,113	—	—
Lease liabilities	—	—	—
Total current liabilities	769,425	102,298	25,733
Noncurrent liabilities			
Notes payable	—	—	—
Lease liabilities	—	—	—
Total noncurrent liabilities	—	—	—
Total liabilities	769,425	102,298	25,733
Net position			
Net investment in capital assets	51,279,229	8,838,835	7,069,828
Restricted for debt service	1,595,438	—	—
Unrestricted	17,402,164	134,574	5,127,147
Total net position	70,276,831	8,973,409	12,196,975
Total liabilities and net position	\$ 71,046,256	\$ 9,075,707	\$ 12,222,708

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

CITY OF COLORADO SPRINGS

COLORADO

Exhibit 14

The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
\$ 1,133,359	\$ 1,111,779	\$ 527,431	\$ —	\$ 23,732,270
—	11,572	715	217,033	2,016,555
—	—	—	—	328,437
—	—	—	4,009,607	4,009,607
3,921	23,979	1,933	—	45,409
1,137,280	1,147,330	530,079	4,226,640	30,132,278
85,097	—	—	—	1,680,535
—	25,334	32,409	—	332,022
1,200	—	—	—	66,347
72,981	—	—	—	3,764,229
—	—	—	95,707	95,707
3,454,939	2,805,765	1,586,827	—	125,900,842
—	—	—	216,254	216,254
—	—	—	275,369	275,369
(1,252,287)	(2,283,277)	(643,896)	(181,430)	(58,786,591)
2,361,930	547,822	975,340	405,900	73,544,714
\$ 3,499,210	\$ 1,695,152	\$ 1,505,419	\$ 4,632,540	\$ 103,676,992
\$ 8,566	\$ 40,755	\$ 3,006	\$ 1,525,349	\$ 2,278,840
—	—	—	—	—
14,042	—	—	—	14,221
56,857	—	—	—	252,970
—	—	—	56,471	56,471
79,465	40,755	3,006	1,581,820	2,602,502
643,573	—	—	—	643,573
—	—	—	290,274	290,274
643,573	—	—	290,274	933,847
723,038	40,755	3,006	1,872,094	3,536,349
1,576,403	522,488	942,931	59,155	70,288,869
85,097	—	—	—	1,680,535
1,114,672	1,131,909	559,482	2,701,291	28,171,239
2,776,172	1,654,397	1,502,413	2,760,446	100,140,643
\$ 3,499,210	\$ 1,695,152	\$ 1,505,419	\$ 4,632,540	\$ 103,676,992

PROPRIETARY FUND COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 15

	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company	The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
Program expenses								
General government	\$ 6,753,864	\$ 163,225	\$ 931,405	\$ 106,831	\$ 907,771	\$ 79,905	\$ 1,617,271	\$ 10,560,272
Total program expenses	6,753,864	163,225	931,405	106,831	907,771	79,905	1,617,271	10,560,272
Program revenues								
Charges for services	13,141,754	1,283,800	1,501,036	247,876	1,007,809	164,029	1,771,092	19,117,396
Total program revenues	13,141,754	1,283,800	1,501,036	247,876	1,007,809	164,029	1,771,092	19,117,396
Net revenue	6,387,890	1,120,575	569,631	141,045	100,038	84,124	153,821	8,557,124
General revenues								
Investment earnings	144,351	10,475	2,217	626	758	149	61,714	220,290
Gain on disposal of capital assets	—	—	—	—	—	—	12,340	12,340
Total general revenues	144,351	10,475	2,217	626	758	149	74,054	232,630
Change in net position	6,532,241	1,131,050	571,848	141,671	100,796	84,273	227,875	8,789,754
Net position - January 1	63,744,590	7,842,359	11,625,127	2,634,501	1,553,601	1,418,140	2,532,571	91,350,889
Net position - December 31	\$ 70,276,831	\$ 8,973,409	\$ 12,196,975	\$ 2,776,172	\$ 1,654,397	\$ 1,502,413	\$ 2,760,446	\$ 100,140,643

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

NOTES TO FINANCIAL STATEMENTS



TABLE OF CONTENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	63
A. Reporting Entity	63
1. Governmental Fund Type Component Units	63
2. Proprietary Fund Type Component Units	64
3. Fiduciary Fund Type Component Units	66
4. Joint Ventures	67
B. Government-wide and Fund Financial Statements	68
C. Basis of Accounting	69
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance	71
1. Deposits and Investments	71
2. Receivables and Payables	71
3. Inventories and Prepaid Items	72
4. Restricted Assets	72
5. Capital Assets	72
6. Deferred Outflows/Inflows of Resources	73
7. Compensated Absences	74
8. Long-term Obligations	74
9. Leases	74
10. Subscriptions	75
11. Net Position/Fund Balance	75
12. Municipal Solid Waste Landfill Closure and Postclosure Care Costs	77
13. Derivative Instruments	77
II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	78
A. Budgetary Information	78
B. Excess of Expenditures/Expenses over Appropriations	78
C. Deficit Fund Equity	79
III. DETAILED NOTES ON ALL FUNDS	80
A. Unrestricted and Restricted Cash and Investments	80
1. Deposits	80
2. Investments	81
3. Component Unit Deposits and Investments	85
4. Fair Value Measurement	86
B. Receivables	89
1. Schedule of Receivables	89
2. Note Receivable - Memorial Health System	90
C. Interfund and Component Unit Receivables, Payables and Transfers	92
D. Transfer of Surplus	93
E. Unavailable/Unearned Revenue	94
F. Inventories	94
G. Capital Assets	95
H. Leases and Subscriptions	100

1. City as Lessee	100
2. City as Lessor	102
3. Subscriptions	107
I. Revolving Loan Agreement/Letter of Credit	110
J. Long-term Liabilities	110
1. Summary of Long-term Debt	112
2. Changes in Long-term Liabilities	116
3. Annual Debt Service Requirements of Long-term Debt	118
K. Industrial Development Revenue Bonds and Other Instruments Issued under the Colorado County and Municipality Development Revenue Bond Act	122
L. Fund Balances	123
M. Derivative Instruments and Interest Rate Swaps	124
N. Tax Abatements	129
O. Restatement of Net Position	130
IV. OTHER INFORMATION	131
A. Risk Management	131
B. Donor-restricted Endowments	132
C. Postemployment Benefits Other than Pensions	133
1. Colorado PERA Health Care Trust Fund	133
2. The City of Colorado Springs OPEB Plan	142
3. Colorado Springs Utilities OPEB Plan	149
D. Commitments and Contingent Liabilities	151
1. Construction and Purchase Commitments	151
2. Refunded Bonds	152
3. Charter Amendments	152
4. Litigation	153
5. Contingent Liabilities	153
6. Environmental Matters	153
E. Passenger Facility Charges	153
F. Customer Facility Charges	153
G. Joint Ventures - Utilities	154
H. Retirement Plans	155
1. Non-Uniformed Employees	156
2. Uniformed Employees	166
I. Accounting Changes	185
J. Subsequent Events	185

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Colorado Springs (City) is a home-rule city, organized under provisions of the Colorado Constitution and operates under a “council-mayor” 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 at 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 – Briargate, Briargate 2021 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. The Briargate GID was closed during 2023.

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 agreement between Memorial Health System (MHS System) and University of Colorado Health (UCH). CSHF is a 501(c)(3) nonprofit corporation which receives funds from the City originating from the agreement which are not held for other purposes in accordance with the agreements (see Note III.B.2). 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. 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 (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, Catalyst Campus, Creekwalk Marketplace, First & Main, First & Main No. 2, First & Main North, GSF, Gold Hill North, Greater Downtown Colorado Springs, Interquest North, Interquest South, Interquest Town Center, MW Retail, Park Union, Powers & Woodmen Commercial and True North Commons. 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 nor does the City appoint a voting majority of the BIDs' boards. 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. GSF had immaterial financial activity in 2023 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 Colorado Springs Utilities' (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 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 18.0 million 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 by each of 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 Utilities and the City of Aurora. 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 is a stakeholder in four canal and reservoir companies ranging from 51.9% to 77.2% which includes 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.

Pursuant to GASB Statement No. 90, *Majority Equity Interests*, Utilities performed an assessment of its investments which represent majority equity interests and determined that there are no material investment interests as of December 31, 2023. An annual assessment is performed and any future material interests will be recorded in the period they are identified.

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
Accounting Department
P.O. Box 1103, Mail Code 929
Colorado Springs, CO 80947-0929

Pikes Peak Regional Communications Network (PPRCN) - 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. Fiduciary Fund Type Component Units

Pension Trust Funds - The Colorado Springs Old Hire Fire and Police pension plans are single-employer closed plans with no active employees. The Fire and Police Pension Association (FPPA) invests the assets of these plans, in an investment structure approved by the City and administers the distribution of benefit payments to the retirees. However, the responsibility for determining the amounts of those benefit payments remains with the City. The City is also responsible for governance of the plans through the Old Hire Police and Fire Pension boards. The City constitutes the majority on both Old Hire boards and, therefore, has the ability to impose its will upon the plans. Financial burden remains with the City which is the sole source of the actuarially determined annual funding of the plans. As a result, the plans are reported separately as fiduciary component units of the City in exhibits H-1 and H-2.

FPPA issues a publicly available financial report that includes financial statements and required supplementary information for FPPA. That report may be obtained by outline at <https://fppaco.org/annual-reports.html> or by writing to:

Fire and Police Pension Association of Colorado
Stanford Place II
7979 East Tufts Avenue, Suite 900
Denver, CO 80237
(303) 770-3772

4. 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, Fountain, and the towns of Green Mountain Falls, 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, Manitou Springs and the towns of Green Mountain Falls, Ramah and Calhan, 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 2022, voters approved the extension of the expiring portion of the tax for capital improvements for another ten years starting in 2025 and running through 2034. PPRTA 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 ten-member board appointed by the member municipalities.

The City of Colorado Springs, along with multiple 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 \$1.35 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, West Metro Fire Protection District, South Metro Fire Protection District, Poudre Fire Authority, South Adams County Fire Department and Caste Rock Fire and 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 certifications. 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 (most recently updated in 2020) and is governed by the current eight voting members. The eight-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-eighth 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 PPRBD, PPRTA, E-911 Authority and 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
Accounting Department
P.O. Box 1103, Mail Code 929
Colorado Springs, CO 80947-0929

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.

Remainder of page intentionally blank

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. 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 funds:

- 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 Road Repair Maintenance & Improvement Sales Tax Fund is a special revenue fund that was established by voters in November 2015. The sole source of revenue is a 0.57% sales and use tax.

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 agreement as described in Note III.B.2.

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, but 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 consist of pension trust funds. These pension funds account for the activities of one City police and one City fire pension plan. Pension resources and benefit payments to qualified public safety employees for the Old Hire Police and Old Hire Fire pension plans occur in these fiduciary funds. Additional information on these plans is available in Note IV.H.2.

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 and amortization 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.11.

Remainder of page intentionally blank

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 Federal agency and US instrumentalities; 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 mutual 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 broader class of assets including fixed income instruments, domestic and global equities, real estate investment trusts and commodities. The investment vehicles used to gain exposure to the asset classes may include mutual funds, commingled trusts, separate accounts and limited partnerships.

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.

Disaggregated asset amounts for the pension trust funds are not available from FPPA.

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 15, 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.

Remainder of page intentionally blank

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, federal regulations 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 assets include tangible, intangible, lease and subscription assets. Capital outlays are recorded as expenditures of governmental funds in the fund financial statements and as assets in the government-wide and proprietary fund financial statements. Capital assets are recorded when their initial costs meet the City's capitalization thresholds of \$5,000 for general assets and \$500,000 for infrastructure assets. Lease assets are capitalized at the present value of all future lease payments at the commencement of the lease, plus lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives plus initial direct costs. Right-to-use subscription assets are recorded at the initial measurement of the subscription liability, plus subscription payments made before the commencement term, plus capitalizable initial implementation costs, less vendor incentives received. Depreciation and amortization are recorded on capital assets on a government-wide and proprietary fund basis using the straight-line method.

The following are the estimated useful lives used for the straight-line method of depreciation and amortization:

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
Lease and subscription assets	Varies*

*The shorter of lease or subscription term or useful life of the underlying asset.

Donated assets are valued at their estimated acquisition value on the date of receipt. The City does not capitalize historical treasures or works of art.

The City accounts for Asset Retirement Obligations (ARO) in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*. 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, 2023. Utilities recorded an ARO as of December 31, 2023 (see Note III.G).

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

In addition to assets, the statement of net position and balance sheet report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City 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, *loss on debt refundings*, is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third and fourth items recorded as a deferred outflow of resources are for pension-related amounts and other postemployment benefit (OPEB) related amounts as described below. The fifth item recorded as a deferred outflow of resources is an asset retirement obligation (ARO). An ARO is deferred and amortized over the remaining useful life of the underlying asset.

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items that qualify for reporting in this category. The first item, *gain on debt refundings*, is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item, *unavailable revenue*, comes from two sources: property taxes and loans. These amounts are initially deferred on the statement of net position/balance sheet and subsequently recognized on the statement of activities/statement of revenues, expenditures and changes in fund balance as an inflow of resources in a following fiscal year, when the amounts become

available for spending. The third and fourth items recorded as a deferred inflow of resources are for pension-related amounts and OPEB related amounts as described below. The fifth item, *lease-related amounts*, is deferred and recognized as revenue over the life of the lease using the straight-line method.

Deferred inflows and outflows of resources *related to pensions* as well as *related to OPEB* arise from differences between expected and actual experience with regard to economic and demographic factors, changes of 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 fiduciary net position measurement date are recorded as 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 employee classification and 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.

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. Additionally, any difference between the carrying amount of redeemed or defeased debt and its reacquisition price is deferred and amortized to interest expense using the straight-line method over the remaining life of the old debt or the life of the new debt, whichever is shorter. 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. Leases

During fiscal year 2022, the City implemented GASB Statement No. 87, *Leases* (GASB 87). The City compiled an inventory of lease agreements, analyzing each lease to determine if the lease met the definition of a lease in accordance with GASB 87. For qualifying leases, GASB 87 accounting principles were applied.

Leases are contracts that convey control of the right to use another entity's nonfinancial asset as specified for a period of time in an exchange or exchange-like transaction without the transfer of ownership of the asset. The lease term is the period of time where there is a noncancellable right to use the underlying asset.

For lessee contracts, lease assets and liabilities are reported at present value using the City's incremental borrowing rate. The right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Refer to Notes I.D.5, III.H.1 and III.J.2 for more information.

For lessor contracts, lease receivables and deferred inflows of resources are reported at present value using the City's incremental borrowing rate. Refer to Note III.H.2 for more information.

Leases between the City and air carriers are subject to external laws and regulations. For these regulated leases, the City recognizes inflows of resources based on the payment provisions of the lease agreement and lessor contract accounting policies do not apply.

10. Subscriptions

During fiscal year 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), effective January 1, 2023. The City compiled an inventory of software subscription agreements, analyzing each to determine if it met the definition of a subscription-based information technology arrangement (SBITA) in accordance with GASB 96. For qualifying SBITAs, GASB 96 accounting principles were applied.

SBITAs are contracts that convey control of the right to obtain the use of another entity's information technology as specified for a period of time in an exchange or exchange-like transaction. The City would also have the ability to obtain the present service capacity and determine the nature and use of the underlying information technology asset as specified in the contract. The SBITA's term is the period of time where there is a noncancellable right to use the underlying information technology.

SBITA assets and liabilities are reported at present value using the City's incremental borrowing rate. Additionally, the SBITA assets include capitalizable payments made prior to the commencement term, if present. The SBITA assets are amortized over the shorter of the subscription term or useful life of the underlying asset. Refer to Notes I.D.5, III.H.3 and III.J.2 for more information.

11. 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 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 are 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 nonspendable).

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 25.00% 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.

12. 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, 2023, the Utilities fund recognized a liability of \$22,395,066 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 \$25,886,925. The average landfill capacity used to date is 84.3%. The estimated remaining lives of landfills vary up to a maximum of 63 years. As of December 31, 2023, the governmental activities recognized a liability of \$103,061 for 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 \$25,989,986. The last independent assessment was completed in 2023.

13. Derivative Instruments

Utilities utilizes financial derivative instruments to manage exposure to fluctuating interest rates. All financial derivative instruments are stated at fair value as of December 31, 2023, based on third party valuation services.

Derivative instruments deemed effective by applying methods of evaluating effectiveness pursuant to GASB Statement No. 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 deferred cash flow hedge outflows or inflows on the government-wide statement of net position and the proprietary funds balance sheet. See Note III.M. for further discussion related to derivative instruments.

Remainder of page intentionally blank

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 is prepared to adopt the budget. According to City Charter, the appropriation ordinance is to be adopted no later than December 31st each year. The City's 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 applicable General Fund department head. Transfer of appropriation within the budget of the other funds may be authorized by approval of the applicable 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/Expenses over Appropriations

The following funds incurred an excess of expenditures/expenses over budgeted amounts for the year ending December 31, 2023:

Governmental Funds	Expenditures over Appropriations	Explanation for Excess
Banning Lewis Ranch Fund	\$ 14,948	Closing of the fund
Carryout Bag Fee Fund	212	Unanticipated bank and investment fees
Park Developer Easement Fund	69	Unanticipated bank and investment fees
Senior Programs Fund	36,906	Higher than anticipated operating costs
Therapeutic Recreation Fund	4,886	Closing of the fund
Proprietary Funds	Expenses over Appropriations	Explanation for Excess
Office Services Fund	\$ 38,723	Increased business activity and services provided

C. Deficit Fund Equity**Proprietary Funds**

The following proprietary funds have deficit fund equity at December 31, 2023. Public Authority for Colorado Energy's deficit is due to bonds issued for prepaid natural gas contracts and capital assets. The deficit fund equity for the claims reserve self insurance fund, workers' compensation self-insurance fund, and the employee benefits self-insurance fund is due to incurred, but not reported claims.

Proprietary Funds	Total Net Position
Public Authority for Colorado Energy	\$ (176,465,000)
Claims reserve self-insurance fund	(8,412,891)
Workers' compensation self-insurance fund	(8,060,589)
Employee benefits self-insurance fund	(2,674,892)

Governmental Fund Component Units

The following governmental fund component units have deficit fund equity at December 31, 2023. These deficits 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.

Governmental Fund Component Units	Total Net Position
Barnes & Powers North BID	\$ (1,850,047)
Barnes & Powers South BID	(109,601)
Catalyst Campus BID	(229,939)
Creekwalk Marketplace BID	(10,335,379)
CS Urban Renewal Authority	(64,890,475)
First & Main BID	(240,276)
First & Main BID No. 2	(12,857,894)
First & Main North BID	(591,433)
Gold Hill North BID	(191,813)
Interquest South BID	(1,042,804)
Interquest Town Center BID	(203,481)
MW Retail BID	(166,647)
Park Union BID	(16,207,853)
Powers & Woodmen Commercial BID	(835,249)
True North Commons BID	(5,625,355)

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 \$964,073,000 and consist of the following on December 31, 2023 (in 000's):

Investment Type	Unrestricted Assets	Restricted Assets	Total
Agency bonds	\$ 90,011	\$ 2,410	\$ 92,421
Demand accounts (incl petty cash of \$56)	36,850	24,462	61,312
Colorado Liquid Asset Trust (COLOTRUST)	134,713	54,420	189,133
Colorado Surplus Asset Trust Fund (CSAFE)	—	29,205	29,205
Corporate bonds	30,838	—	30,838
Domestic equities	—	1,468	1,468
Guaranteed investment contract	—	7,066	7,066
Money market mutual funds	—	9,728	9,728
Municipal bonds	21,097	—	21,097
Mutual funds	—	12,223	12,223
US instrumentality securities	94,357	—	94,357
US treasury securities	294,863	120,362	415,225
Total	<u>\$ 702,729</u>	<u>\$ 261,344</u>	<u>\$ 964,073</u>

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the financial statements at December 31, 2023 (in 000's):

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 316,189	\$ 386,539	\$ 702,728
Restricted	<u>24,507</u>	<u>236,838</u>	<u>261,345</u>
Total	<u>\$ 340,696</u>	<u>\$ 623,377</u>	<u>\$ 964,073</u>

Note: Immaterial differences may occur due to rounding.

1. Deposits

The carrying amount of the City's deposits at December 31, 2023, was \$61,256,000 and the bank balances were \$77,021,000. Of the bank balances, \$657,000 was covered by federal deposit insurance and \$76,364,000 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 five years or less. 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's 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's 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 of total investments in the securities of any one issuer. The City's pooled investments are in compliance with the City's investment policy which limits investments with any single issuer other than the Federal Government to 5% of total investments. 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, 2023, 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, 2023, were subject to custodial credit risk.

As of December 31, 2023, the City had the following investment maturities (in 000's):

Investment Type	Total	Weighted Average Maturity (Years)
Agency bonds	\$ 92,421	2.35
Colorado Liquid Asset Trust (COLOTRUST)	189,133	0.00
Colorado Surplus Asset Fund Trust (CSAFE)	29,205	0.00
Corporate bonds	30,838	1.50
Domestic equities	1,468	0.00
Guaranteed investment contract	7,066	14.87
Money market mutual funds	9,728	0.00
Municipal bonds	21,097	1.50
Mutual funds	12,223	0.00
US instrumentality securities	94,357	1.53
US treasury securities	415,225	2.33
Total investments	902,761	
Portfolio weighted average maturity		1.68
Reconciliation to total cash and investments		
Add:		
Cash on hand and in banks	61,312	
Total cash and investments	\$ 964,073	

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

As of December 31, 2023, the City had the following investment credit quality distribution:

Investment Type	Standard and Poor's (S&P) or Equivalent	% of Total Investments
Agency bonds	AA+	10.24
Corporate bonds	AA+	1.10
Corporate bonds	AA	0.65
Corporate bonds	AA-	1.66
Domestic equities	unrated	0.16
Guaranteed investment contract	A+	0.78
Local government investment pools	AAAm	20.95
Local government investment pools	unrated	3.24
Money market mutual funds	AAA	0.25
Money market mutual funds	unrated	0.85
Municipal bonds	AAA	0.89
Municipal bonds	AA+	0.92
Municipal bonds	AA	0.46
Municipal bonds	AA-	0.06
Mutual funds	unrated	1.35
US instrumentality securities	AA+	10.45
US treasury securities	AA+	33.41
US treasury securities	A-1+	12.58
		100.00

As of December 31, 2023, the City has invested \$189,133,000 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, 2023, the City has invested \$29,205,000 in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado Core, 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 \$2.00. 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 Colorado Core is unrated 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
5975 S. Quebec Street, Suite 330
Centennial, CO 80111
www.csafe.org

In addition to the above, the City is a participant in FPPA's Glide Path pool through its Pension Trust Fund fiduciary component unit. FPPA pools these, and other, deposits and invests them in accordance with State of Colorado statute. As of December 31, 2023, the City had pooled investment funds with FPPA of \$111,822,844.

The City reports as an increase or decrease in its pooled investment funds the City's share of unrealized gains, losses, income and expenses of the pool.

Remainder of page intentionally blank

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, 2023 (in 000's):

	Demand Accounts	Money Market Mutual Funds	Government Investment Pools	Alternative Investments	Total
Governmental Activities:					
Barnes & Powers North BID	\$ 15	\$ —	\$ 105	\$ —	\$ 120
Barnes & Powers South BID	—	—	47	—	47
Briargate Center BID	—	845	432	—	1,277
Creekwalk Marketplace BID	316	—	1,644	—	1,960
CS Downtown Development Authority	45	—	3,584	—	3,629
CS Health Foundation	2,606	159,619	—	16,325	178,550
CS Urban Renewal Authority	131	—	23,108	—	23,239
First & Main BID	—	—	202	—	202
First & Main BID No. 2	22	—	3,228	—	3,250
First & Main North BID	4	—	35	—	39
Greater Downtown CS BID	16	—	514	—	530
Interquest North BID	21	—	7,656	—	7,677
Interquest South BID	18	—	595	—	613
Interquest Town Center BID	5	—	878	—	883
MW Retail BID	9	—	—	—	9
Park Union BID	83	—	812	—	895
Powers & Woodmen Commercial BID	17	—	1,186	—	1,203
True North Commons BID	3,501	26,881	3,480	—	33,862
Subtotal	6,809	187,345	47,506	16,325	257,985
Business-type Activities:					
Fountain Valley Authority	17,456	—	—	—	17,456
Aurora-Colorado Springs Joint Water Authority	237	—	—	—	237
Various canal & reservoir companies	7,720	—	—	—	7,720
Subtotal	25,413	—	—	—	25,413
Total	\$ 32,222	\$ 187,345	\$ 47,506	\$ 16,325	\$ 283,398

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the government-wide financial statements at December 31, 2023 (in 000's):

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 183,301	\$ 23,732	\$ 207,033
Restricted	74,684	1,681	76,365
Total	\$ 257,985	\$ 25,413	\$ 283,398

Note: Immaterial differences may occur due to rounding.

The carrying amount of the deposits of the component units of the City at December 31, 2023, was \$32,222,000, and the bank balances were \$33,350,000. Of the bank balances, \$2,596,000 was covered by federal deposit insurance, and \$21,121,000 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, 2023, bank balances exceeded federally insured limits by approximately \$9,634,000.

4. Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), 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.

Remainder of page intentionally blank

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, 2023 (in 000's):

Assets	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments				
Agency bonds	\$ 92,421	\$ —	\$ 92,421	\$ —
Colorado Liquid Asset Trust (COLOTRUST)	189,133	(A)	(A)	(A)
Colorado Surplus Asset Fund Trust (CSAFE)	29,205	(A)	(A)	(A)
Corporate bonds	30,838	—	30,838	—
Domestic equities	1,468	1,468	—	—
Guaranteed investment contract	7,066	—	7,066	—
Money market mutual funds	9,728	9,728	—	—
Municipal bonds	21,097	—	21,097	—
Mutual funds	12,223	12,223	—	—
US instrumentality securities	94,357	—	94,357	—
US treasury securities	415,225	—	415,225	—
Total investments	<u>\$ 902,761</u>	<u>\$ 23,419</u>	<u>\$ 661,004</u>	<u>\$ —</u>
Liabilities				
Derivative instruments	\$ 34,951	\$ —	\$ 34,951	\$ —
Total derivative instruments	<u>\$ 34,951</u>	<u>\$ —</u>	<u>\$ 34,951</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' Boards of Trustees, elected by the participants, are 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. There are no limitations or restrictions on withdrawals.

Remainder of page intentionally blank

The following table reflects the fair value of the investments for component units of the City as of December 31, 2023 (in 000's):

Governmental Activities Assets	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments				
Alternative investments	\$ 16,325	(A)	(A)	(A)
Local government investment pools	47,506	(B)	(B)	(B)
Money market mutual funds	187,345	\$ 187,345	\$ —	\$ —
Total investments	<u>\$ 251,176</u>	<u>\$ 187,345</u>	<u>\$ —</u>	<u>\$ —</u>

Note: Immaterial differences may occur due to rounding.

(A) 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.

(B) 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' Boards of Trustees, elected by the participants, are 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. There are no limitations or restrictions on withdrawals.

Remainder of page intentionally blank

B. Receivables**1. Schedule of Receivables**

Receivables for governmental funds, proprietary funds and component units at December 31, 2023, include the following (in 000's):

	General Fund	Road Repair, Maintenance & Improvement Sales Tax Fund	Utilities	PACE	MHS	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Service Funds	Governmental Fund Component Units	Proprietary Fund Component Units	Total
Interest	\$ —	\$ —	\$ 1,822	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,822
Taxes	54,974	7,152	—	—	—	10,730	—	—	19,272	—	92,128
Accounts	10,416	—	137,217	7,501	—	22,210	22,828	524	2,110	2,017	204,823
Leases	—	—	13,907	—	—	—	133,280	651	—	—	147,838
Assessments	—	—	—	—	—	—	—	—	2,016	—	2,016
Intergovernmental loans	—	—	—	—	—	30,722	—	—	—	—	30,722
Notes and loans	—	—	—	—	79,820	—	3,924	—	17	—	83,761
Gross receivables	65,390	7,152	152,946	7,501	79,820	63,662	160,032	1,175	23,415	2,017	563,110
Less: allowances for uncollectibles	(359)	(88)	(3,157)	—	—	(16,989)	(50)	—	—	—	(20,643)
Net receivables	<u>\$ 65,031</u>	<u>\$ 7,064</u>	<u>\$ 149,789</u>	<u>\$ 7,501</u>	<u>\$ 79,820</u>	<u>\$ 46,673</u>	<u>\$ 159,982</u>	<u>\$ 1,175</u>	<u>\$ 23,415</u>	<u>\$ 2,017</u>	<u>542,467</u>
Governmental activities:											
Interest receivable											1,382
Lease receivable											52
Total governmental activities											<u>1,434</u>
Total net receivables											<u>\$ 543,901</u>

Note: Immaterial differences may occur due to rounding.

Loans receivable of \$13,808,933 are included in receivables - net of an allowance of \$16,911,791 in the statement of net position/balance sheet as of December 31, 2023, for Community Development Division. These loans were funded with HOME (Federal Home Investment Partnership Act), CDBG (Community Development Block Grant) and HOPE III (Homeownership Opportunity Program) funds.

Remainder of page intentionally blank

2. Note Receivable - 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 transferred to University of Colorado Health (UCH), under an agreement and related instruments approved by the electors of the City.

Under the agreement, the City transferred the MHS System facilities and operations to UCH. The agreement and related instruments contained transition provisions regarding liabilities assumed by UCH and certain liabilities which were not assumed. The term of the 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 agreement is subject to certain early termination provisions.

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

As of December 31, 2023, future minimum payments under the agreement consisted of the following (in 000's):

Year	Amount
2024	\$ 5,612
2025	5,612
2026	5,612
2027	5,612
2028	5,612
2029-2033	28,061
2034-2038	28,061
2039-2042	21,045
Future minimum payments	105,227
Amount representing discount interest	(25,407)
Present value of net minimum payments	<u>\$ 79,820</u>

Note: Immaterial differences may occur due to rounding.

UCH is also required to make margin sharing payments to MHS throughout the 40-year term of the agreement equal to 5% of the excess in any fiscal year of operating earnings before interest, taxes, depreciation and amortization (as defined in the agreement) 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 \$7.5 million. UCH is also obligated to spend an annual average of \$28 million for capital improvements during the term of the agreement and is obligated under the agreement 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, UCH has been in compliance with these capital investment requirements.

Concurrent with the transfer of facilities and operations under the agreement, MHS derecognized MHS System assets and UCH assumed liabilities relating to the MHS System operations and all related property and equipment. Certain assets and liabilities were specifically excluded from the 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 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 UCH throughout the term of the agreement.

The parties to the agreement may terminate the agreement at any time by mutual written agreement. The agreement may be terminated by either party in the event of certain default provisions, as defined. Upon the expiration or termination of the agreement, UCH must convey to the City the facilities and expansions to the facilities of the MHS System hospitals. UCH 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 UCH 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 agreement.

Colorado Springs Health Foundation - In connection with the 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 transaction for the purpose of addressing community health issues in the MHS System service area. In accordance with the agreement 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 proceeds will be transferred to CSHF and the manner in which CSHF will invest funds.

Third Party Payer Settlements - Pursuant to the 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 UCH.

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, UCH 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, UCH transferred \$2.6 million to the City. City Council approved Ordinance 17-43, approving the transfer of these funds, less audit fees, to CSHF. During 2021, UCH transferred \$3.9 million to the City. City Council approved Ordinance 21-15, approving the transfer of these funds, less audit fees, to CSHF. During 2023, City Council approved Ordinance 23-56, approving a \$1.5 million payment from MHS to UCH as the result of third-party payer settlements and other reconciliations.

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 transaction.

C. Interfund and Component Unit Receivables, Payables and Transfers

Interfund and component unit receivable and payable balances as of December 31, 2023, were:

Receivable Fund	Payable Fund	Amount
General Fund	Utilities	\$ 3,103,665
	Non-major Governmental Funds	622,353
	Internal Service Funds	102,632
		<u>3,828,650</u>
Utilities	General Fund	1,459,564
	Non-major Governmental Funds	3,439,928
	Non-major Enterprise Funds	130,646
	Internal Service Funds	3,862
		<u>5,034,000</u>
Non-major Governmental Funds	Utilities	478,279
		<u>478,279</u>
Non-major Enterprise Funds	General Fund	1,021,111
	Utilities	4,624,946
		<u>5,646,057</u>
Internal Service Funds	Utilities	31,110
		<u>31,110</u>
Component Unit	General Fund	4,009,607
		<u>4,009,607</u>
Total		<u><u>\$ 19,027,703</u></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 \$1,021,111 due to Non-major Enterprise Funds from the General Fund resulted from construction of the parking facility for the General Fund's use; \$927,056 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.

Individual fund transfers during the year were:

	Transfers In:					Total Transfers Out
	General Fund	Non-major Governmental Funds	Utilities	Non-major Enterprise Funds		
Transfers out:						
General Fund	\$ —	\$ 9,688,936	\$ —	\$ —	\$ —	\$ 9,688,936
Non-major Governmental Funds	105,968	3,663,661	—	354,636	—	4,124,265
Utilities	35,298,000	—	—	—	—	35,298,000
Total transfers in	\$ 35,403,968	\$ 13,352,597	\$ —	\$ 354,636	\$ —	\$ 49,111,201

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 close out a completed General Improvement District fund and a Public Improvements special revenue fund;
- 3) From Non-major Governmental Funds to Non-major Governmental Funds: to move LART contributions to finance various projects and to close out an Improvement and Maintenance District fund and a Public Improvements special revenue fund;
- 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.

D. Transfer of Surplus

As allowed by City Charter, section 6-40(b), Utilities provides transfers of surplus to the City. These transfers are based on fixed rate per Kilo-watt hour of electricity, per one-thousand cubic feet at 14.65 psi of natural gas delivered and per cubic feet of water delivered within the City limits. The money is transferred from Utilities to the General Fund of the City as they become available. Payments are recorded as transfers on the statement of revenues. In 2023, the amount transferred was \$35.3 million.

Remainder of page intentionally blank

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 December 31, 2023, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Loans	\$ 13,808,933	\$ —
Property taxes	33,812,809	—
Grant drawdowns prior to meeting all eligibility requirements	—	45,877,833
Other unearned revenue	—	5,348,647
	<u>—</u>	<u>5,348,647</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 47,621,742</u>	<u>\$ 51,226,480</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. General fund and proprietary fund inventories, including internal service funds, consist of the following at December 31, 2023:

	General Fund	Proprietary Funds	Total Inventory
Materials and supplies	\$ —	\$ 85,555,735	\$ 85,555,735
Fuel	384,206	22,611,950	22,996,156
	<u>384,206</u>	<u>22,611,950</u>	<u>22,996,156</u>
Total inventories	<u>\$ 384,206</u>	<u>\$ 108,167,685</u>	<u>\$ 108,551,891</u>

Remainder of page intentionally blank

G. 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, 2023 (in 000's):

	Beginning Balance**	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 450,700	\$ 18,172	\$ —	\$ 468,872
Construction in progress	117,396	77,141	(65,274)	129,263
Total capital assets not being depreciated	568,096	95,313	(65,274)	598,135
Capital assets being depreciated and amortized:				
Buildings	214,519	13,941	(3,615)	224,845
Improvements other than buildings	115,913	9,152	(8,513)	116,552
Machinery and equipment	208,791	20,508	(20,703)	208,596
Intangibles	20,372	1,586	—	21,958
Infrastructure	1,677,464	103,964	(27,874)	1,753,554
Lease assets:				
Buildings	1,569	—	—	1,569
Equipment	3,071	1,796	(1,501)	3,366
Subscription assets	7,457	3,976	(18)	11,415
Total capital assets being depreciated and amortized	2,249,156	154,923	(62,224)	2,341,855
Less accumulated depreciation and amortization:				
Buildings	(106,413)	(5,094)	3,373	(108,134)
Improvements other than buildings	(45,909)	(4,321)	7,829	(42,401)
Machinery and equipment	(138,632)	(15,379)	20,597	(133,414)
Intangibles	(11,693)	(774)	—	(12,467)
Infrastructure	(720,950)	(43,879)	26,843	(737,986)
Lease assets:				
Buildings	(229)	(381)	—	(610)
Equipment	(831)	(1,605)	1,501	(935)
Subscription assets	—	(3,763)	6	(3,757)
Total accumulated depreciation and amortization	(1,024,657)	(75,196)	60,149	(1,039,704)
Total capital assets being depreciated and amortized, net	1,224,499	79,727	(2,075)	1,302,151
Governmental activities capital assets, net	<u>\$ 1,792,595</u>	<u>\$ 175,040</u>	<u>\$ (67,349)</u>	<u>\$ 1,900,286</u>

* Includes transfers between categories.

**The beginning balances are restated due to the implementation of GASB 96.

Note: Immaterial differences may occur due to rounding.

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, 2023 (in 000's):

	Beginning Balance**	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 234,231	\$ 25,322	\$ (2,142)	257,411
Intangibles	55,623	1,043	—	56,666
Construction in progress	454,714	631,850	(693,961)	392,603
Total capital assets not being depreciated	744,568	658,215	(696,103)	706,680
Capital assets being depreciated and amortized:				
Buildings	151,427	4,853	(1,129)	155,151
Improvements other than buildings	367,555	26,398	(8,738)	385,215
Machinery and equipment	43,581	5,153	(1,639)	47,095
Infrastructure	58,241	12,039	—	70,280
Utilities plant	6,599,911	780,121	(500,896)	6,879,136
Intangibles	83,066	45,221	(1,275)	127,012
Lease equipment	—	1,076	—	1,076
Subscription assets	20,050	8,462	(6)	28,506
Total capital assets being depreciated and amortized	7,323,831	883,323	(513,683)	7,693,471
Less accumulated depreciation and amortization:				
Buildings	(56,124)	(4,002)	811	(59,315)
Improvements other than buildings	(172,007)	(14,787)	7,332	(179,462)
Machinery and equipment	(28,085)	(3,088)	1,475	(29,698)
Infrastructure	(15,925)	(2,031)	—	(17,956)
Utilities plant	(2,995,047)	(316,454)	273,961	(3,037,540)
Intangibles	(59,269)	(13,476)	547	(72,198)
Lease equipment	—	(154)	—	(154)
Subscription assets	(4,749)	(6,097)	—	(10,846)
Total accumulated depreciation and amortization	(3,331,206)	(360,089)	284,126	(3,407,169)
Total capital assets being depreciated and amortized, net	3,992,625	523,234	(229,557)	4,286,302
Business-type activities capital assets, net	\$ 4,737,193	\$ 1,181,449	\$ (925,660)	\$ 4,992,982

* Includes transfers between categories.

**The beginning balances are restated due to the implementation of GASB 96.

Note: Immaterial differences may occur due to rounding.

Expenses for depreciation and amortization were charged to governmental activities and business-type activities as of December 31, 2023, as follows (in 000's):

Governmental Activities:

General government	\$ 8,415
Public safety	10,930
Public works	49,933
Parks	5,513
Planning and community development	219
Internal service funds	186
Total depreciation and amortization expense governmental activities	<u>\$ 75,196</u>

Business-type Activities:

Utilities	\$ 335,665
Non-major enterprise funds	24,424
Total depreciation and amortization expense business-type activities	<u>\$ 360,089</u>

Note: Immaterial differences may occur due to rounding.

Special Item

Decommissioning of Power Plants - In June 2020, the Utilities Board voted to approve an integrated resource plan that commits Utilities to providing cost-effective, resilient and environmentally sustainable power. The plan calls for grid modernization, integration of more cost-effective renewable energy and incorporation of new technologies like energy storage. It allows Utilities to achieve an 80.0% carbon reduction by 2030 and included a decision to decommission Martin Drake Power Plant (Drake) no later than December 31, 2022, Ray Nixon Power Plant no later than December 31, 2029 and Birdsall Power Plant no later than December 31, 2034. Drake Unit 5 was fully decommissioned in 2016. Drake was permanently shut down on September 1, 2022. In 2023, Utilities Board approved an update to the integrated resource plan that moved up the decommission dates for Birdsall 1 and 2, decommissioning no later than December 31, 2024 and Birdsall 3 decommissioning no later than December 31, 2026. As a result, Utilities had an additional \$1.3 million loss as a special item on the Statement of Revenues, Expenses and Changes in Net Position.

Asset Retirement Obligations

Utilities records asset retirement obligations (AROs) for its solid waste impoundments when a decommission date for a related tangible capital asset is known. Utilities recognized AROs for Ray Nixon Power Plant 1's four solar evaporation ponds, one equalization basin, one southwest pond and one northwest pond, that according to the Colorado Department of Public Health and Environment Regulations Pertaining to Solid Waste Sites and Facilities (6 CCR 1007-2, Part 1, Section 9) requires a closure plan implementation when an impoundment is taken out of service. The measurement of the ARO was based on the best estimate of the current value of outlays expected to be incurred and was provided by Utilities' environmental engineering staff. The associated costs are being amortized over the remaining useful life of Nixon 1, which is the decommissioning date of December 31, 2029. At December 31, 2023, the ARO deferred outflows were \$6,440,117.

The following schedule reflects the changes in discretely presented component unit capital assets for governmental activities for the year ended December 31, 2023 (in 000's):

	Beginning Balance**	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 866	\$ —	\$ —	\$ 866
Intangibles	422	249	(248)	423
Construction in progress	57,200	53,384	(8,895)	101,689
Total capital assets not being depreciated	58,488	53,633	(9,143)	102,978
Capital assets being depreciated:				
Improvements other than buildings	10,988	814	—	11,802
Machinery and equipment	174	103	(5)	272
Infrastructure	70,695	6,043	—	76,738
Total capital assets being depreciated	81,857	6,960	(5)	88,812
Less accumulated depreciation for:				
Improvements other than buildings	(3,283)	(646)	—	(3,929)
Machinery and equipment	(145)	(14)	5	(154)
Infrastructure	(16,198)	(2,639)	—	(18,837)
Total accumulated depreciation	(19,626)	(3,299)	5	(22,920)
Total capital assets being depreciated, net	62,231	3,661	—	65,892
Governmental activities capital assets, net	<u>\$ 120,719</u>	<u>\$ 57,294</u>	<u>\$ (9,143)</u>	<u>\$ 168,870</u>

* Includes transfers between categories.

** Restated

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

The following schedule reflects the changes in discretely presented component unit capital assets for business-type activities for the year ended December 31, 2023 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 65	\$ 1	\$ —	\$ 66
Construction in progress	1,805	4,548	(2,589)	3,764
Total capital assets not being depreciated	1,870	4,549	(2,589)	3,830
Capital assets being depreciated and amortized:				
Machinery and equipment	35	60	—	95
Utilities plant	124,578	3,233	(1,910)	125,901
Lease assets:				
Equipment	217	—	—	217
Land	275	—	—	275
Total capital assets being depreciated and amortized	125,105	3,293	(1,910)	126,488
Less accumulated depreciation and amortization for:				
Machinery and equipment	(13)	(10)	—	(23)
Utilities plant	(58,771)	(1,741)	1,908	(58,604)
Lease assets:				
Equipment	(69)	(70)	—	(139)
Land	(10)	(10)	—	(20)
Total accumulated depreciation and amortization	(58,863)	(1,831)	1,908	(58,786)
Total capital assets being depreciated and amortized, net	66,242	1,462	(2)	67,702
Business-type activities capital assets, net	<u>\$ 68,112</u>	<u>\$ 6,011</u>	<u>\$ (2,591)</u>	<u>\$ 71,532</u>

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

H. Leases and Subscriptions**1. City as Lessee****Governmental Activities (exclusive of discretely presented component units)**

The City has lease agreements for equipment and buildings, having original lease periods expiring between 2023 and 2027. Many contain multi-year renewal options that may be exercised, some that are considered likely to be exercised and are included in the December 31, 2023 lease liabilities. There were no variable lease payments made on equipment leases during the fiscal year ending December 31, 2023. Many of the City's building leases require additional rent payments for shared operating costs, which are not fixed amounts in the lease agreements and are excluded from the measurement of the lease liability. Additional rent payments for operating costs totaled \$178,494 for the fiscal year ended December 31, 2023. These lease agreements contain no material residual value guarantees.

The following is a schedule of future payments due over the remaining lease terms:

	Year Ending December 31,	Principal	Interest	Total
Equipment	2024	\$ 1,065,179	\$ 65,811	\$ 1,130,990
	2025	861,993	30,116	892,109
	2026	15,057	709	15,766
	2027	15,516	250	15,766
	Total	1,957,745	96,886	2,054,631
Buildings	2024	353,507	22,007	375,514
	2025	273,943	13,948	287,891
	2026	239,629	6,982	246,611
	2027	136,737	1,365	138,102
	Total	1,003,816	44,302	1,048,118
Total lease liabilities		\$ 2,961,561	\$ 141,188	\$ 3,102,749

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

Business-type Activities (exclusive of discretely presented component units)

Utilities leases railcars to transport coal to Ray Nixon Power Plant. The lease term expires in 2029. This lease agreement contains no material residual value guarantees or variable lease payment requirements based on usage or performance.

The following is a schedule of future payments due over the remaining lease term:

	Year Ending December 31,	Principal	Interest	Total
Railcars	2024	\$ 145,000	\$ 25,000	\$ 170,000
	2025	149,000	21,000	170,000
	2026	153,000	16,000	169,000
	2027	158,000	12,000	170,000
	2028	163,000	7,000	170,000
	2029	168,000	3,000	171,000
Total lease liabilities		<u>\$ 936,000</u>	<u>\$ 84,000</u>	<u>\$ 1,020,000</u>

Business-type Activities - Component units

Pikes Peak Regional Communications Network (PPRCN) has lease agreements for tower space and land, having original lease periods expiring between 2024 and 2050, some of which contain multi-year renewal options that may be exercised. These lease agreements contain no material residual value guarantees or variable lease payment requirements based on usage or performance.

The following is a schedule of future payments due over the remaining lease terms:

	Year Ending December 31,	Principal	Interest	Total
Tower space	2024	\$ 49,143	\$ 1,665	\$ 50,808
	2025	36,449	421	36,870
	Total	85,592	2,086	87,678
Land	2024	7,328	5,121	12,449
	2025	7,479	4,970	12,449
	2026	7,633	4,816	12,449
	2027	7,790	4,659	12,449
	2028	7,951	4,498	12,449
	2029-2033	42,278	19,969	62,247
	2034-2038	46,813	15,434	62,247
	2039-2043	51,836	10,411	62,247
	2044-2048	57,397	4,850	62,247
	2049-2050	24,648	253	24,901
	Total	261,153	74,981	336,134
Total lease liabilities		<u>\$ 346,745</u>	<u>\$ 77,067</u>	<u>\$ 423,812</u>

2. City as Lessor

Governmental Activities (exclusive of discretely presented component units)

The City leases retail space at Skyview Sports Complex and Acacia Park to separate retail vendors, all with current lease periods expiring during 2024. The lease at Acacia Park contains annual renewal options that may be exercised to extend the lease term through 2027, while the lease at Skyview Sports Complex has one remaining renewal option that was exercised in 2023 to extend the lease term through 2024. The lease at Skyview Sports Complex is a concessionaire agreement that in addition to paying fixed rent, requires the vendor to pay royalties and fees as a percentage of net sales, which are excluded from the measurement of the lease receivable. The royalties and fees totaled \$14,048 for fiscal year ended December 31, 2023. These lease agreements contain no material residual value guarantees.

The City leases radio tower sites to various telecommunication companies, with original lease periods expiring between 2027 and 2033, some of which contain multi-year renewal options that may be exercised. These lease agreements contain no material residual value guarantees. One agreement also has a revenue share provision whereby the City can receive ten percent of the rents collected by the tenant for any qualifying agreements. For the fiscal year ended December 31, 2023, there were no qualifying agreements.

Total lease revenue recognized during the fiscal year ended December 31, 2023 is as follows:

	Revenue	Interest	Total
Retail space	\$ 27,516	\$ 197	\$ 27,713
Radio tower sites	145,614	14,155	159,769
Total lease revenue	<u>\$ 173,130</u>	<u>\$ 14,352</u>	<u>\$ 187,482</u>

The following is the lease receivable schedule by year as of December 31, 2023:

	Year Ending December 31,	Principal	Interest	Total
Retail space	2024	\$ 6,441	\$ 110	\$ 6,551
Radio tower sites	2024	123,764	22,975	146,739
	2025	130,043	18,218	148,261
	2026	136,620	13,209	149,829
	2027	127,868	8,249	136,117
	2028	62,695	4,460	67,155
	2029 - 2033	116,112	6,288	122,400
		<u>697,102</u>	<u>73,399</u>	<u>770,501</u>
Total lease receivable		<u>\$ 703,543</u>	<u>\$ 73,509</u>	<u>\$ 777,052</u>

Business-type Activities (exclusive of discretely presented component units)

Utilities has entered into multiple fiber conduit lease contracts, with current lease periods expiring in various years through 2048. These lease agreements contain no material residual value guarantees or variable lease payment requirements based on usage or performance.

Total lease revenue recognized for the fiber conduit leases during the fiscal year ended December 31, 2023 is as follows:

Revenue	Interest	Total
\$ 316,202	\$ 166,075	\$ 482,277

The following is the lease receivable schedule by year as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 474,337	\$ 533,808	\$ 1,008,145
2025	500,695	515,881	1,016,576
2026	528,286	496,976	1,025,262
2027	408,352	479,237	887,589
2028	429,625	462,780	892,405
2029 - 2033	2,503,630	2,035,838	4,539,468
2034 - 2038	3,204,955	1,478,517	4,683,472
2039 - 2043	3,821,368	771,456	4,592,824
2044 - 2048	2,035,825	118,019	2,153,844
Total lease receivable	<u>\$ 13,907,073</u>	<u>\$ 6,892,512</u>	<u>\$ 20,799,585</u>

Utilities has lease agreements for pole attachments, which are regulated by the Colorado Revised Statutes § 35-5.5-108. These leases contain no material variable lease payment requirements based on usage or performance. Lease revenue from fixed rent was \$597,000 during the fiscal year ended December 31, 2023.

Remainder of page intentionally blank

Pikes Peak America's Mountain (PPAM) leases retail and dining space to a vendor who operates in the Pikes Peak Summit complex. The original lease term ends in 2025, but contains a five year renewal option. The lease is part of a concessionaire agreement where the annual fixed rent is set at the minimum guaranteed annual commission. Once annual sales exceed the amount used to calculate fixed rent, the vendor pays a percentage commission on all additional sales, with the percentages escalating as certain milestones are met. The commissions totaled \$2,348,824 for the fiscal year ended December 31, 2023. This lease agreement contains no material residual value guarantees.

Total fixed lease revenue recognized during the fiscal year ended December 31, 2023 is as follows:

Revenue	Interest	Total
\$ 1,227,531	\$ 60,231	\$ 1,287,762

The following is the lease receivable schedule by year as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 1,239,783	\$ 35,217	\$ 1,275,000
2025	1,265,312	9,688	1,275,000
Total lease receivable	<u>\$ 2,505,095</u>	<u>\$ 44,905</u>	<u>\$ 2,550,000</u>

Patty Jewett and Valley Hi golf courses lease the pro shops and driving ranges to a single vendor under separate lease agreements, which have original lease periods expiring between 2023 and 2029. The Patty Jewett lease contains multi-year renewal options, which are reasonably certain of exercise and are included in the December 31, 2023 lease receivable. These lease agreements contain no material residual value guarantees or variable lease payment requirements based on usage or performance.

Total lease revenue recognized for the pro shops and driving ranges during the fiscal year ended December 31, 2023 is as follows:

	Revenue	Interest	Total
Patty Jewett	\$ 9,699	\$ 1,295	\$ 10,994
Valley Hi	9,699	1,295	10,994
	<u>\$ 19,398</u>	<u>\$ 2,590</u>	<u>\$ 21,988</u>

Remainder of page intentionally blank

The following is the lease receivable schedule by year as of December 31, 2023:

	Year Ending December 31,	Principal	Interest	Total
Patty Jewett	2024	\$ 9,395	\$ 1,105	\$ 10,500
	2025	9,588	912	10,500
	2026	9,786	714	10,500
	2027	9,987	513	10,500
	2028	10,193	307	10,500
	2029	10,401	97	10,498
		59,350	3,648	62,998
Valley Hi	2024	9,395	1,105	10,500
	2025	9,588	912	10,500
	2026	9,786	714	10,500
	2027	9,987	513	10,500
	2028	10,193	307	10,500
	2029	10,401	97	10,498
		59,350	3,648	62,998
Total lease receivable		\$ 118,700	\$ 7,296	\$ 125,996

Remainder of page intentionally blank

The Airport leases facilities, infrastructure and land to various parties under both non-regulated and regulated lease agreements. The non-regulated leases are negotiated at arms-length and are not subject to regulation by external organizations. The regulated leases are airline carriers agreements that are regulated by the Federal Aviation Administration and are excluded from the measurement of the lease receivable.

The non-regulated leases have original lease terms expiring between 2024 and 2105, many of which contain multi-year renewal options that may be exercised. Some of these agreements require additional rent payments that are not fixed amounts and are excluded from the measurement of the lease receivable. Additional rent payments totaled \$2,307,742 for the fiscal year ended December 31, 2023. These lease agreements contain no material residual value guarantees.

Total lease revenue recognized for non-regulated leases during the fiscal year ended December 31, 2023 is as follows:

Revenue	Interest	Total
\$ 6,468,608	\$ 2,946,295	\$ 9,414,903

The following is the lease receivable schedule by year as of December 31, 2023:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 3,899,007	\$ 2,892,872	\$ 6,791,879
2025	3,574,908	2,813,771	6,388,679
2026	3,570,625	2,740,690	6,311,315
2027	3,643,077	2,667,548	6,310,625
2028	2,035,470	2,603,135	4,638,605
2029-2033	1,986,077	12,877,366	14,863,443
2034-2038	1,988,367	12,703,305	14,691,672
2039-2043	2,360,998	12,526,045	14,887,043
2044-2048	3,339,647	12,259,608	15,599,255
2049-2053	4,194,281	11,852,970	16,047,251
2054-2058	3,928,213	11,397,001	15,325,214
2059-2063	5,223,154	10,851,333	16,074,487
2064-2068	7,166,443	10,064,007	17,230,450
2069-2073	8,949,004	9,008,889	17,957,893
2074-2078	11,736,170	7,631,459	19,367,629
2079-2083	13,892,014	5,827,438	19,719,452
2084-2088	12,686,262	4,380,479	17,066,741
2089-2093	15,774,909	2,933,424	18,708,333
2094-2098	12,246,674	1,320,294	13,566,968
2099-2103	6,374,851	544,170	6,919,021
2104-2105	2,085,550	29,956	2,115,506
Total lease receivable	\$ 130,655,701	\$ 139,925,760	\$ 270,581,461

The regulated leases have current lease terms expiring in 2024 and 2026. Some of the regulated lease agreements terminated on December 31, 2023, but have been extended on month-to-month terms under letter agreements while new lease agreements are being negotiated. Certain agreements also require additional rent payments that are not fixed amounts and are excluded from the measurement of future minimum rents. For the year ended December 31, 2023, additional and fixed rents recognized totaled \$3,401,791 and \$1,760,884, respectively.

The following is a schedule of minimum rental payments for regulated leases as of December 31, 2023:

Year	Amount
2024	\$ 34,329
2025	23,054
2026	3,842
Total	<u>\$ 61,225</u>

3. Subscriptions

Governmental Activities (exclusive of discretely presented component units)

The City has SBITAs with original subscription periods expiring between 2024 and 2028. Many contain multi-year renewal options that may be exercised, some of which are reasonably certain of exercise and are included in the December 31, 2023 subscription liabilities. The City uses risk management software that requires additional payments for exceeding base claim/incident totals and/or allowable gigabytes for searchable file attachment hosting, but did not exceed any of these allowances during 2023. The City also uses a cloud computing platform and online portal, and is required to pay overage fees for exceeding its allotted usage. Overage fees of \$10,132 were paid in the fiscal year ended December 31, 2023.

The following is a schedule of future payments due over the remaining terms:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 3,887,761	\$ 104,958	\$ 3,992,719
2025	1,298,550	54,893	1,353,443
2026	1,081,291	24,131	1,105,422
2027	695,114	3,524	698,638
2028	34,579	86	34,665
Total subscription liabilities	<u>\$ 6,997,295</u>	<u>\$ 187,592</u>	<u>\$ 7,184,887</u>

Note: Immaterial differences may occur due to rounding.

Business-type Activities (exclusive of discretely presented component units)

Utilities has SBITAs with current subscription periods expiring from 2024 through 2030, some of which include user fees and per unit costs that are not fixed in the agreement. Utilities made payments of \$257,000 related to these costs in 2023.

The following is a schedule of future payments due over the remaining terms:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 4,848,000	\$ 274,000	\$ 5,122,000
2025	3,782,000	163,000	3,945,000
2026	1,634,000	84,000	1,718,000
2027	726,000	51,000	777,000
2028	747,000	30,000	777,000
2029 - 2030	717,000	10,000	727,000
Total subscription liabilities	<u>\$ 12,454,000</u>	<u>\$ 612,000</u>	<u>\$ 13,066,000</u>

The Airport has SBITAs with current subscription terms expiring in 2024 and 2026. They also have multi-year renewal options through 2030 that are reasonably certain of being exercised and are included in the measurement of the subscription liabilities. These arrangements contain no variable payment requirements based on usage or performance.

The following is a schedule of future payments due over the remaining terms:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 91,142	\$ 17,465	\$ 108,607
2025	94,856	14,224	109,080
2026	100,677	10,792	111,469
2027	106,794	7,141	113,935
2028	94,295	3,375	97,670
2029 - 2030	61,879	627	62,506
Total subscription liabilities	<u>\$ 549,643</u>	<u>\$ 53,624</u>	<u>\$ 603,267</u>

Remainder of page intentionally blank

The Parking System has SBITAs with current subscription terms expiring in 2024, some of which have multi-year renewal options through 2026 that are reasonably certain of being exercised and are included in the measurement of the subscription liabilities. These arrangements contain no variable payment requirements based on usage or performance.

The following is a schedule of future payments due over the remaining terms:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 201,951	\$ 3,177	\$ 205,128
2025	7,688	196	7,884
2026	1,965	6	1,971
Total subscription liabilities	<u>\$ 211,604</u>	<u>\$ 3,379</u>	<u>\$ 214,983</u>

The Developmental Review Enterprise has a SBITA with an original subscription term expiring in 2026. It also has annual renewal options through 2028 that are reasonably certain of being exercised and are included in the measurement of the subscription liabilities. This arrangement contains no variable payment requirements based on usage or performance.

The following is a schedule of future payments due over the remaining term:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 13,758	\$ 1,905	\$ 15,663
2025	14,921	1,315	16,236
2026	16,042	681	16,723
2027	17,225	—	17,225
Total subscription liabilities	<u>\$ 61,946</u>	<u>\$ 3,901</u>	<u>\$ 65,847</u>

The Stormwater Enterprise has SBITAs with current subscription terms expiring in 2024 and 2026. They also have multi-year renewal options through early 2028 that are reasonably certain of being exercised and are included in the measurement of the subscription liabilities. These arrangements contain no variable payment requirements based on usage or performance.

The following is a schedule of future payments due over the remaining terms:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 49,936	\$ 5,285	\$ 55,221
2025	57,640	3,378	61,018
2026	60,824	1,370	62,194
2027	41,588	—	41,588
Total subscription liabilities	<u>\$ 209,988</u>	<u>\$ 10,033</u>	<u>\$ 220,021</u>

I. Revolving Loan Agreement/Letter of Credit

On September 9, 2022, Utilities amended the Revolving Loan Agreement (Credit Line) with U.S. Bank National Association dated as of September 8, 2016. The available Credit Line will remain at \$75.0 million 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 Credit Line expires on September 8, 2025. 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 agreements.

J. Long-term Liabilities**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 financed purchases are issued for particular projects and are repaid from 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 2023, Utilities issued \$203,060,000 of Utilities System Improvement Revenue Bonds, Series 2023A and \$161,335,000 Utilities System Refunding Revenue Bonds, Series 2023B. The Series 2023A bonds were issued as new money bonds to finance a portion of the costs of a number of general capital improvements. The Series 2023A bonds, with a final maturity date of 2053, bear interest rates ranging from 3.00% to 5.25%. The Series 2023B bonds were used to refund all or a portion of the City's outstanding Utilities System Refunding Revenue Bonds, Series 2013A, Utilities System Improvement Revenue Bonds Series, 2013B-1 and Utilities System Improvement Revenue Bonds Series 2013B-2. The reacquisition price of the refunded bonds exceeded the net carrying amount of the old debt by \$16,252,096. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. As a result, the debt service payments were reduced by a total of \$25,632,917 resulting in a net present value savings of \$18,856,582. The Series 2023B bonds bear interest rates ranging from 5.00% to 5.25% and have a 2045 final maturity date.

During 2020, Interquest North Business Improvement District issued \$13,735,000 in Limited Tax General Obligation Bonds, Series 2020 to fund construction of public improvements. The District made its first draw in 2020 and made its final draw in 2023. The bonds mature in 2049 and bear 7.00% interest paid annually.

During 2023, CSURA issued Tax Increment Revenue Bonds Series 2023 in the amount of \$34,100,000. The 2023 bonds, with a final maturity date of 2030, bear an interest rate of 4.25%. The Series 2023 bonds were used to advance refund the outstanding balance of the Series 2017

bonds and pay bond issuance costs. As a result of the refunding, the debt service payments were reduced by \$1,642,142 resulting in a net present value savings of \$461,042.

Commercial Paper

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. Market conditions will determine if and when the City (on behalf of Utilities) will issue more commercial paper notes.

Arbitrage Rebate Payable

Section 148 of the Internal Revenue Code requires issuers of most types of tax-exempt bonds to rebate investment earnings in excess of bond yield to the United States Internal Revenue Service in installment payments made at least once every five years, with the final installment made when the last bond in the issue is redeemed.

The most recent arbitrage rebate analysis was completed as of December 31, 2023 by an independent consulting firm. Future computations of the rebate requirement on outstanding bond issues will be calculated annually, with an arbitrage rebate liability recorded for any issues that have a material amount due at the time of the calculation.

The City recorded an arbitrage rebate payable for its 2019 COPs in the amount of \$129,046. Utilities' bond issues did not carry any liability at December 31, 2023.

Sales Tax Increment Financings

The City has approved resolutions through the years authorizing CSURA to use a percentage of the annual City General Fund sales tax increments generated within certain areas. These funds are used to support the urban renewal revitalization projects within defined geographical areas throughout the City.

Below is a summary of those authorizations in effect as of December 31, 2023:

Year Resolution Adopted	Urban Renewal Project Plan	Percentage Authorized	Limitations
2023	Gold Hill Mesa Commercial	100.0%	Not to exceed 25 years
2023	Hancock Commons	50.0%	Not to exceed 25 years
2019	True North Commons	87.5%	Not to exceed 25 years
2018	Museum and Park	87.5%	Not to exceed 25 years
2018	Tejon and Costilla	87.5%	Not to exceed 25 years
2015	South Nevada Area	100.0%	Not to exceed 25 years
2013	Copper Ridge Metropolitan District Area	87.5%	Through 2044
2012	Ivywild	100.0%	Through June 28, 2036
2007	North Nevada Avenue Corridor	100.0%	Not to exceed 23 years and not to exceed \$98.8 million

1. Summary of Long-term Debt

The following is a summary of the total long-term debt as of December 31, 2023:

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Governmental Activities¹					
Certificates of Participation					
Refunding COP Series 2017	\$ 29,930	\$ 26,280	\$ 9,177	3.000 - 5.250	2018 - 2039
COP Series 2019	9,000	7,830	3,029	4.000 - 5.000	2020 - 2039
	38,930	34,110	12,206		
General Obligation Bonds - direct placement					
Marketplace at Austin Bluffs GID Series 2008	2,790	1,375	517	6.500	2010 - 2032
	2,790	1,375	517		
Financed Purchases - direct borrowing and direct placement					
Financed Purchase Series 2016 - Direct Placement	13,690	4,350	142	1.620	2017 - 2026
Financed Purchases	37,042	20,603	925	0.000 - 4.040	2019 - 2027
	50,732	24,953	1,067		
Total Governmental Activities	\$ 92,452	\$ 60,438	\$ 13,790		

(continued)

Remainder of page intentionally blank

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Business-type Activities²					
Revenue Bonds					
Utilities Revenue Bonds					
Series 2005A	\$ 100,000	\$ 63,220	\$ 20,835	resets weekly	2010 - 2035
Series 2006B	75,000	51,325	16,165	resets weekly	2011 - 2036
Series 2007A	75,000	47,900	12,213	resets weekly	2008 - 2037
Series 2008A	50,000	33,135	12,390	resets weekly	2009 - 2038
Series 2009B-2	64,450	54,810	27,989	4.949 - 5.545	2010 - 2039
Series 2009C	66,455	54,025	13,803	resets weekly	2010 - 2028
Series 2009D-2	56,750	48,990	47,702	4.164 - 6.313	2016 - 2049
Series 2010C	50,000	35,265	13,502	resets weekly	2011 - 2040
Series 2010D-4	107,260	107,260	98,755	6.615	2011 - 2040
Series 2012A	50,000	36,730	15,504	resets weekly	2012 - 2041
Series 2014A-1	58,515	53,060	30,696	4.000 - 5.000	2019 - 2044
Series 2014A-2	53,995	49,085	28,228	4.000 - 5.000	2019 - 2044
Series 2015A	82,795	60,340	27,286	3.000 - 5.000	2018 - 2048
Series 2017A-1	89,750	76,080	23,177	3.000 - 5.000	2018 - 2042
Series 2017A-2	84,340	75,440	56,463	2.500 - 5.000	2018 - 2047
Series 2017A-3	66,090	—	—	5.000	2018 - 2023
Series 2018A-1	125,645	94,060	8,766	3.000 - 5.000	2018 - 2026
Series 2018A-2	39,500	35,785	27,329	3.000 - 5.000	2019 - 2048
Series 2018A-3	4,810	3,230	854	5.000	2019 - 2033
Series 2018A-4	56,860	51,680	39,463	4.000 - 5.000	2019 - 2048
Series 2019A	84,090	84,090	24,627	5.000	2027 - 2029
Series 2020A	200,720	171,765	97,212	4.000 - 5.000	2020 - 2050
Series 2020B	50,980	32,855	4,966	5.000	2020 - 2028
Series 2020C	85,440	69,790	54,190	5.000	2020 - 2050
Series 2021A	38,715	26,285	7,192	5.000	2021 - 2033
Series 2021B	185,030	179,145	134,309	4.000 - 5.000	2021 - 2051
Series 2022A	127,425	121,960	48,925	4.000 - 5.000	2022 - 2042
Series 2022B	163,520	160,325	159,409	5.000 - 5.250	2022 - 2052
Series 2023A	203,060	203,060	205,479	3.000 - 5.250	2028 - 2053
Series 2023B	161,335	160,720	86,944	5.000 - 5.250	2023 - 2045
PACE Revenue Bonds Series 2008	653,210	519,070	325,742	5.750 - 6.500	2009 - 2038
PPAM Revenue Bonds Series 2018	30,050	27,535	21,158	3.750 - 5.250	2019 - 2048
	3,340,790	2,788,020	1,691,273		
Bonds and notes payable from direct borrowings and direct placements					
Parking System Revenue Bonds Series 2015 - direct placement	9,520	3,070	182	2.430	2015 - 2027
Airport, 2016	3,431	—	—	2.500	2017 - 2026
Airport, 2020	7,500	5,496	737	3.250	2021 - 2030
Airport, 2021	8,000	6,524	601	2.000	2022 - 2031
Drinking Water - Utilities, 2009	8,600	3,506	337	2.500	2011 - 2030
	27,531	15,526	1,675		
Financed Purchases	1,407	728	51	2.080 - 4.040	2020 - 2027
Total Business-type Activities	\$ 3,379,248	\$ 2,807,344	\$ 1,693,181		

(continued)

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Component Units ²					
Governmental Activities					
Limited Tax General Obligation Bonds					
Barnes & Powers North BID Series 2007	\$ 4,000	\$ 2,755	\$ 1,411	6.500	2009 - 2036
Barnes & Powers South BID Series 2007	835	210	28	6.500	2009 - 2026
First & Main BID Series 2009	1,650	1,245	1,005	8.500	2009 - 2038
First & Main North BID Series 2005	1,927	1,225	519	6.000	2005 - 2035
First & Main No. 2 BID Series 2009	2,400	1,885	1,523	8.500	2011 - 2038
First & Main No. 2 BID Series 2015	1,750	1,520	1,368	6.750	2015 - 2044
First & Main No. 2 BID Series 2022	3,941	3,941	6,072	6.500	2039 - 2051
Interquest North BID Series 2010	6,500	5,325	4,746	8.500	2012 - 2040
Interquest North BID Series 2016	4,765	4,530	5,069	8.500	2017 - 2045
Interquest North BID Series 2020	13,735	13,617	19,052	7.000	2020 - 2049
Interquest Town Center - Series 2020	2,860	2,860	3,556	7.000	2020 - 2049
Powers & Woodmen Commercial BID Series 2009	1,850	1,485	1,284	8.500	2011 - 2039
Powers & Woodmen Commercial BID Series 2022	2,519	2,519	3,705	6.500	2040 - 2050
	48,732	43,117	49,338		
Special Assessment Revenue Bonds					
Briargate Center BID Series 2006	7,360	1,880	242	4.500 - 4.900	2006 - 2027
CSURA Series 2018A	7,325	7,215	5,476	5.750	2021 - 2047
CSURA Series 2018B ³	1,156	1,086	—	8.125	N/A
	15,841	10,181	5,718		
Revenue Bonds					
First & Main No. 2 BID Series 2011	2,000	1,430	905	8.500	2011 - 2035
First & Main No. 2 BID Series 2015	1,725	1,440	960	6.750	2017 - 2039
First & Main No. 2 BID Series 2022	6,700	6,700	9,980	6.500	2036 - 2051
Interquest South BID Series 2017	4,000	3,785	2,929	4.500 - 5.000	2018 - 2047
Park Union BID Series 2020A ³	26,500	26,500	—	8.000	2020 - 2049
Creekwalk Marketplace Series 2019A	24,230	23,985	22,367	5.000 - 5.750	2020 - 2049
Creekwalk Marketplace Series 2019B ³	2,500	2,500	—	8.000	2049
Creekwalk Marketplace Series 2021A	11,040	11,040	10,965	5.000 - 5.750	2021 - 2049
Creekwalk Marketplace Series 2021B ³	2,500	2,500	—	8.000	2049
True North Commons BID Series 2022A	7,695	7,695	9,508	5.000	2042 - 2052
True North Commons BID Series 2022B	54,370	54,370	65,302	6.000 - 7.000	2026 - 2052
True North Commons BID Series 2022C ³	24,275	24,275	—	7.750	2023 - 2052
	167,535	166,220	122,916		
Bonds and notes payable from direct borrowings and direct placements					
Barnes & Powers North BID ³	322	125	—	7.000	N/A
Briargate Center BID 2018	3,380	1,951	305	4.770	2019 - 2028
Briargate Center BID 2019 ³	6,196	5,816	—	—	N/A
Catalyst Campus BID ³	198	198	—	8.000	N/A
Creekwalk Marketplace ³	8,358	8,358	—	8.000	N/A
First & Main North BID ³	387	162	—	7.000	N/A
Gold Hill North BID ³	96	161	—	8.000	N/A
Interquest South BID ³	2,405	711	—	7.000	N/A
Interquest Town Center BID ³	114	114	—	8.000	N/A
MW Retail BID ³	2,319	2,319	—	8.000	N/A
Park Union BID ³	1,446	1,446	—	6.000 - 8.000	N/A
True North Commons BID ³	185	185	—	7.000	N/A
CSURA 2012 ³	778	204	—	7.000	2013 - 2028
CSURA Series 2017	39,000	—	—	3.330	2018 - 2027
CSURA Series 2019	12,400	9,343	1,693	3.330	2020 - 2031
CSURA Series 2020 Refunding	52,575	36,955	3,754	2.050	2021 - 2030
CSURA Series 2020 Revenue	5,701	4,600	1,128	3.250 - 3.368	2021 - 2047
CSURA Series 2023	34,100	30,645	5,323	4.250	2023 - 2030
	169,960	103,293	12,203		
Financed Purchases					
Creekwalk Marketplace Signage	779	688	82	4.170 - 4.210	2023 - 2028
Total Governmental Activities	\$ 402,847	\$ 323,499	\$ 190,257		

(continued)

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Business-type Activities					
Fountain Valley Authority	\$ 10,830	\$ 197	\$ —	3.030	2001 - 2024
The Lake Meredith Reservoir Company, 2003	1,472	700	169	4.000	2005 - 2034
Total Business-type Activities	<u>12,302</u>	<u>897</u>	<u>169</u>		
Total Component Units	<u>\$ 415,149</u>	<u>\$ 324,396</u>	<u>\$ 190,426</u>		

¹Exclusive of municipal solid waste landfill and compensated absences

²Exclusive of other liabilities

³These items have no repayment schedule

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

2. Changes in Long-term Liabilities

The City has issued and has outstanding 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 year ended December 31, 2023 (in 000's):

	Beginning Balance*	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Certificates of participation	\$ 35,215	\$ —	\$ 1,105	\$ 34,110	\$ 1,205
Add issuance premium	2,885	—	171	2,714	—
	38,100	—	1,276	36,824	1,205
Bonds and notes payable from direct borrowings and direct placements					
General obligation bonds	1,590	—	215	1,375	125
Financed purchases	25,504	8,839	9,390	24,953	7,839
	27,094	8,839	9,605	26,328	7,964
Other liabilities					
Municipal solid waste landfill	365	—	262	103	—
Compensated absences	26,921	29,300	27,432	28,789	1,439
Lease liabilities	3,515	1,754	2,307	2,962	1,419
Subscription liabilities	7,457	3,846	4,306	6,997	3,888
Claims payable	26,667	48,339	46,108	28,898	14,449
Net pension liability	56,124	287,702	41,311	302,515	—
Net OPEB liability	29,547	—	3,371	26,176	1,225
Developer reimbursements	4,424	—	310	4,114	—
	155,020	370,941	125,407	400,554	22,420
Total governmental activities	\$ 220,214	\$ 379,780	\$ 136,288	\$ 463,706	\$ 31,589
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ 2,735,685	\$ 364,395	\$ 312,060	\$ 2,788,020	\$ 118,060
Add issuance premiums/(discounts)	244,831	42,653	28,563	258,921	—
	2,980,516	407,048	340,623	3,046,941	118,060
Bonds and notes payable from direct borrowings and direct placements					
Revenue bonds	3,840	—	770	3,070	790
Notes payable	18,888	—	3,362	15,526	1,936
Financed purchases	603	409	284	728	275
	23,331	409	4,416	19,324	3,001
Other liabilities					
Municipal solid waste landfill	5,970	16,425	—	22,395	—
Compensated absences	19,978	27,889	25,935	21,932	13,358
Lease liabilities	—	1,076	140	936	145
Subscription liabilities	13,181	7,259	6,953	13,487	5,205
Asset retirement obligation	—	7,513	—	7,513	—
Claims payable	2,502	33,623	32,728	3,397	3,397
Customer deposits	4,479	3,032	1,622	5,889	—
Customer advances for construction	28,747	21,174	18,830	31,091	—
Net pension liability	—	278,831	30,612	248,219	—
Net OPEB liability	34,431	—	4,187	30,244	1,088
Derivative instruments	35,364	—	413	34,951	—
Other	17,515	—	16,958	557	—
	162,167	396,822	138,378	420,611	23,193
Total business-type activities	\$ 3,166,014	\$ 804,279	\$ 483,417	\$ 3,486,876	\$ 144,254

*The beginning balances are restated due to the implementation of GASB 96.

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, 2023 (in 000's):

	Beginning Balance*	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Limited tax general obligation bonds	\$ 38,005	\$ 5,742	\$ 630	\$ 43,117	\$ 787
Special assessment revenue bonds	10,621	—	440	10,181	790
Revenue bonds	166,640	—	420	166,220	490
Add issuance premiums	120	—	5	115	—
Other	18,537	7,944	325	26,156	—
	<u>233,923</u>	<u>13,686</u>	<u>1,820</u>	<u>245,789</u>	<u>2,067</u>
Bonds and notes payable from direct borrowings and direct placements					
Revenue bonds	47,218	34,100	41,330	39,988	4,022
Notes payable	63,724	11,704	12,123	63,305	4,092
Financed purchases	359	420	91	688	149
	<u>111,301</u>	<u>46,224</u>	<u>53,544</u>	<u>103,981</u>	<u>8,263</u>
Total governmental activities	<u>\$ 345,224</u>	<u>\$ 59,910</u>	<u>\$ 55,364</u>	<u>\$ 349,770</u>	<u>\$ 10,330</u>
BUSINESS-TYPE ACTIVITIES					
Notes payable	\$ 1,136	\$ —	\$ 239	\$ 897	\$ 253
Lease liabilities	428	—	81	347	56
Total business-type activities	<u>\$ 1,564</u>	<u>\$ —</u>	<u>\$ 320</u>	<u>\$ 1,244</u>	<u>\$ 309</u>

*The beginning balances are restated due to the implementation of GASB 96 and removal of debt as further explained in Note III.O.

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

3. Annual Debt Service Requirements of Long-term Debt

The following is a summary of general obligation bond scheduled maturities as of December 31, 2023 (in 000's):

Year	Governmental Activities		Governmental Activities Component Units	
	Direct Placement		Principal	Interest
	Principal	Interest		
2024	\$ 125	\$ 96	\$ 787	\$ 3,081
2025	130	85	871	3,024
2026	140	77	941	2,960
2027	150	68	934	2,890
2028	160	59	1,001	2,821
2029-2033	670	132	6,332	12,857
2034-2038	—	—	7,927	10,154
2039-2043	—	—	8,394	7,218
2044-2048	—	—	11,751	3,931
2049-2051	—	—	4,179	402
Total	<u>\$ 1,375</u>	<u>\$ 517</u>	<u>\$ 43,117</u>	<u>\$ 49,338</u>

Note: Immaterial differences may occur due to rounding.

The City has outstanding direct placement general obligation bonds totaling \$1,375,000.

The following is a summary of revenue bond scheduled maturities as of December 31, 2023 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 490	\$ 6,891	\$ 118,060	\$ 144,366
2025	540	6,863	126,365	138,187
2026	1,415	6,833	126,750	131,718
2027	1,525	6,752	132,130	125,187
2028	1,795	6,665	149,865	118,182
2029-2033	13,565	31,356	693,325	487,715
2034-2038	21,415	25,987	669,070	299,653
2039-2043	26,645	18,559	345,165	150,046
2044-2048	23,585	10,418	270,295	76,968
2049-2053	19,470	2,591	156,995	19,251
Total	<u>\$ 110,445</u>	<u>\$ 122,915</u>	<u>\$ 2,788,020</u>	<u>\$ 1,691,273</u>

Note: Immaterial differences may occur due to rounding.

The governmental activities component units have additional revenue bonds in the amount of \$55,775,000. 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.

The following is a summary of direct placement revenue bond scheduled maturities as of December 31, 2023 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities	
	Direct Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2024	\$ 4,022	\$ 1,611	\$ 790	\$ 75
2025	4,628	1,446	810	55
2026	5,275	1,256	830	36
2027	5,956	1,040	640	16
2028	6,682	795	—	—
2029-2032	13,425	868	—	—
Total	<u>\$ 39,988</u>	<u>\$ 7,016</u>	<u>\$ 3,070</u>	<u>\$ 182</u>

Note: Immaterial differences may occur due to rounding.

CSURA has outstanding direct placement revenue bonds totaling \$39,988,000. If any principal or interest is not paid when due, interest on the unpaid amount shall become payable at up to 7.00% per annum or the same interest rate at which the bonds were issued, depending on which bond is in default. Parking has outstanding direct placement revenue bonds of \$3,070,000. In the event of default, a rate increase to 12.00% per annum would be applied to all remaining payment obligations.

The following is a summary of certificates of participation scheduled maturities as of December 31, 2023 (in 000's):

Year	Governmental Activities	
	Principal	Interest
2024	\$ 1,205	\$ 1,362
2025	1,315	1,302
2026	1,435	1,236
2027	1,555	1,164
2028	1,680	1,087
2029-2033	10,605	4,059
2034-2038	13,370	1,895
2039-2040	2,945	101
Total	<u>\$ 34,110</u>	<u>\$ 12,206</u>

Note: Immaterial differences may occur due to rounding.

The following is a summary of financed purchase scheduled maturities as of December 31, 2023 (in 000's):

Year	Governmental Activities		Business-type Activities		Governmental Activities Component Units	
	Direct Borrowing		Direct Borrowing		Direct Borrowing	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,839	\$ 439	\$ 275	\$ 22	\$ 149	\$ 29
2025	7,558	342	181	16	144	23
2026	6,845	208	188	10	147	17
2027	2,711	78	84	3	154	11
2028	—	—	—	—	94	4
Total	<u>\$ 24,953</u>	<u>\$ 1,067</u>	<u>\$ 728</u>	<u>\$ 51</u>	<u>\$ 688</u>	<u>\$ 84</u>

Note: Immaterial differences may occur due to rounding.

The City has financed purchases with outstanding balances totaling \$20,603,000 for governmental activities and \$728,000 for business-type activities.

The City also has a financed purchase arrangement in governmental activities with an outstanding balance of \$4,350,000. The arrangement would terminate with failure of the City to appropriate funds for payment and the City's right to possession of leased property would also terminate. The arrangement is collateralized by the Colorado Springs Police Department Sandcreek Substation.

Creekwalk Marketplace Business Improvement District has an outstanding financed purchase principal balance of \$688,000.

The following is a summary of special assessment bond scheduled maturities as of December 31, 2023 (in 000's):

Year	Governmental Activities Component Units	
	Principal	Interest
2024	\$ 790	\$ 507
2025	640	465
2026	680	432
2027	720	397
2028	215	360
2029-2033	1,345	1,597
2034-2038	1,960	1,143
2039-2043	1,410	567
2044-2048	1,335	250
Total	<u>\$ 9,095</u>	<u>\$ 5,718</u>

Note: Immaterial differences may occur due to rounding.

CSURA issued special assessment bonds in 2018. The bond is to be repaid exclusively from specified revenues, and therefore have no predetermined payback period. As such, the bond is not listed in the above schedule. As of December 31, 2023, the outstanding principal balance is \$1,086,000.

The following is a summary of notes payable scheduled maturities as of December 31, 2023 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities		Business-type Activities Component Units	
	Direct Borrowings		Direct Borrowings		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 4,092	\$ 1,019	\$ 1,936	\$ 394	\$ 253	\$ 28
2025	4,261	918	1,986	344	59	26
2026	4,423	817	2,038	292	62	24
2027	4,574	712	2,090	240	64	21
2028	4,893	604	2,145	185	61	18
2029-2033	20,204	1,059	5,331	220	398	52
2034-2037	1,059	57	—	—	—	—
Total	<u>\$ 43,506</u>	<u>\$ 5,186</u>	<u>\$ 15,526</u>	<u>\$ 1,675</u>	<u>\$ 897</u>	<u>\$ 169</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 \$19,799,000. 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.

For governmental activities component units, CSURA has outstanding direct borrowing notes payable of \$4,600,000 for a tax exempt note and \$36,955,000 for a refunding loan. If CSURA fails to make principal and interest payments when due on the refunding loan, it will trigger a rate increase event. Briargate BID has an outstanding refunding loan of \$1,951,000 that is collateralized by pledged revenue.

Included in business-type activities, Airport has outstanding direct borrowing notes payable totaling \$12,020,000. In the event of non-appropriation for payment of the Airport's principal and interest, the Colorado Department of Transportation (CDOT), as lender, may transfer jet fuel sales and use tax revenue otherwise payable to the Airport to be paid to the lender. In the event of default, CDOT has the right to terminate the contract. If terminated, the Airport must return any funds that have been disbursed and any accrued interest within forty-five days of the date of termination. Utilities has direct borrowing outstanding notes payable of \$3,506,000.

Business-type activities component units have outstanding direct borrowing notes payable of \$897,000. Of this total, Fountain Valley Authority has a note payable for \$196,000 that is collateralized by pledged revenue.

Over the years, the City has issued revenue bonds with pledged revenues as collateral. 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	\$ 3,585,788	2005 - 2053
PACE revenue bonds	844,812	2009 - 2038
Parking revenue bonds	3,252	2015 - 2027
PPAM revenue bonds	48,693	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 are 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. Recently, the City has prioritized affordable multi-family rental projects. The advantage to 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 using this allocation. The City now retains its allocations and works directly with requestors. During 2023, \$37.9 million of the City's PAB allocation was used on affordable housing, including \$21.2 million issued directly by the City and \$16.7 million issued by the Colorado Housing and Financing Authority.

Remainder of page intentionally blank

L. Fund Balances

Fund balances of the governmental funds at December 31, 2023, include the following:

	General Fund	Road Repair, Maintenance & Improvement Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:				
Delinquent property taxes receivable	\$ 15,283	\$ —	\$ —	\$ 15,283
Inventories	384,206	—	—	384,206
Endowments - CD Smith trust fund	—	—	1,468,456	1,468,456
Endowment - Cemetery endowment fund	—	—	12,253,522	12,253,522
Endowment - TOPS maintenance trust fund	—	—	691,612	691,612
Total nonspendable	399,489	—	14,413,590	14,813,079
Restricted:				
Emergency reserve - TABOR	11,555,375	—	—	11,555,375
TABOR refund	3,919,650	—	828,478	4,748,128
Capital reserve - general government	6,532,030	—	—	6,532,030
Capital reserve - public safety	3,561,395	—	—	3,561,395
Capital reserve - parks	685,894	—	—	685,894
Bicycle Tax	—	—	335,973	335,973
Trails/Open Space	—	—	18,281,661	18,281,661
Conservation Trust	—	—	3,863,335	3,863,335
Public Safety Sales Tax	—	—	16,492,381	16,492,381
Road Repair, Maintenance, & Improvement Sales Tax	—	14,138,895	—	14,138,895
Wildfire Mitigation	—	—	18,578,500	18,578,500
Special Improvement Maintenance Districts	—	—	843,593	843,593
General Improvement Districts	—	—	678,179	678,179
Lodgers and Auto Rental Tax	—	—	557,254	557,254
Carryout Bag Fee	—	—	1,216,879	1,216,879
Gift Trust - general government	—	—	333,176	333,176
Gift Trust - public safety	—	—	489,028	489,028
Gift Trust - public works	—	—	184,580	184,580
Gift Trust - parks	—	—	5,920,881	5,920,881
Endowment - CD Smith trust fund	—	—	335,424	335,424
Endowment - Cemetery endowment fund	—	—	24,131	24,131
Endowment - TOPS maintenance trust fund	—	—	178,179	178,179
Total restricted	26,254,344	14,138,895	69,141,632	109,534,871
Committed:				
Public improvements - Public Space and Development	—	—	15,885,791	15,885,791
Public improvements - Subdivision Drainage	—	—	18,531,064	18,531,064
Public improvements - Arterial Roadway	—	—	2,913,054	2,913,054
Public improvements - Park Developer Easement	—	—	125,815	125,815
Ballfield Capital Improvements	—	—	50,102	50,102
Street Tree	—	—	96,984	96,984
Senior Programs	—	—	411,346	411,346
Capital outlay - general government	7,800,678	—	12,919,696	20,720,374
Capital outlay - public safety	3,201,508	—	10,642,712	13,844,220
Capital outlay - planning	293,622	—	—	293,622
Capital outlay - public works	2,846,890	—	12,492,643	15,339,533
Capital outlay - parks	377,101	—	794,358	1,171,459
Total committed	14,519,799	—	74,863,565	89,383,364
Assigned:				
Public improvements - Park Developer Easement	—	—	65,505	65,505
Encumbrances - general government	2,278,466	—	—	2,278,466
Encumbrances - public safety	415,002	—	—	415,002
Encumbrances - planning	137,834	—	—	137,834
Encumbrances - public works	610,780	—	—	610,780
Encumbrances - parks	180,518	—	—	180,518
Encumbrances - capital projects	—	—	3,127,510	3,127,510
Total assigned	3,622,600	—	3,193,015	6,815,615
Unassigned:	71,745,310	—	—	71,745,310
Total unassigned	71,745,310	—	—	71,745,310
Total fund balances	\$ 116,541,542	\$ 14,138,895	\$ 161,611,802	\$ 292,292,239

M. Derivative Instruments and Interest Rate Swaps

Utilities' financial derivative instruments 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 Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), are recognized as cash flow hedges. Financial derivative instruments that do not meet the effectiveness criteria are classified as investment derivative instruments. Changes in the fair value of cash flow hedge derivative instruments are reported as either deferred outflows or inflows of resources on the government-wide statement of net position and the proprietary funds balance sheet. Interest rate hedges that are deemed ineffective are recognized as standalone investment derivative instruments. The change in the fair value of investment derivative instruments is recognized as nonoperating revenues (expenses) on the statement 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.

Utilities values interest rate derivative instruments based on valuations provided by Stifel, a third-party valuation service provider for 2023. The fair values of the interest rate derivative instruments are based on present value of their estimated future cash flows and account for the risk of nonperformance.

Summary of Derivative Instruments

The fair value and notional amount of derivative instruments outstanding at December 31, 2023, classified by type and changes in fair value of such derivative instruments, are outlined below (in 000's) :

	Changes in Fair Value		Fair Value		Notional
	Classification	Amount	Classification	Amount	
<u>Cash Flow Hedges</u>					
Interest Rate Swaps	Deferred outflows	\$ 1,594	Derivative instruments	\$ (11,088)	\$ 96,379
Total Cash Flow Hedges		<u>\$ 1,594</u>		<u>\$ (11,088)</u>	
<u>Investment Derivative Instruments</u>					
Interest Rate Swaps	Derivative gain	\$ 2,009	Derivative instruments	\$ (23,862)	\$ 225,651
Total Investment Derivative Instruments		<u>\$ 2,009</u>		<u>\$ (23,862)</u>	

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

Utilities employs interest rate swap derivative instruments 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 derivative instruments as of December 31, 2023 (in 000's):

December 31,	Projected Future Cash Flows In/(Out) for Hedging Derivative Instruments
2024	\$ (1,893)
2025	(1,821)
2026	(1,746)
2027	(1,653)
2028	(1,377)
2029-2033	(2,526)
2034-2038	(637)
2039-2041	(54)
Total	<u>\$ (11,707)</u>

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

Summary of Utilities' pay-fixed interest rate swap agreements outstanding as of December 31, 2023 (in 000's):

	Notional Amount	Effective Date	Maturity Date	Trade Details	Counterparty
<u>Cash Flow Hedges</u>					
2005A SIFMA Swap	\$ 47,332	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2005A SIFMA Swap	15,913	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	J. Aron & Company
2008A SIFMA Swap	33,135	09/12/08	11/01/38	Pay 4.2686%; receive SIFMA index	Bank of America, N.A.
<u>Investment Derivative Instruments</u>					
2005A SIFMA Swap	406	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2006B New Money LIBOR Swap	20,530	09/14/06	11/01/36	Pay 4.1185%; receive 68% of SOFR + Spread (LIBOR)	JPMorgan Chase Bank, N.A.
2006B New Money LIBOR Swap	30,795	09/14/06	11/01/36	Pay 4.1185%; receive 68% of SOFR + Spread (LIBOR)	Morgan Stanley Capital Services, Inc.
2007A New Money LIBOR Swap	28,740	09/13/07	11/01/37	Pay 3.1980%; receive 68% of SOFR + Spread (LIBOR)	J. Aron & Company
2007A New Money LIBOR Swap	19,160	09/13/07	11/01/37	Pay 3.1980%; receive 68% of SOFR + Spread (LIBOR)	Morgan Stanley Capital Services, Inc.
2009C LIBOR Swap (2012 Novation)	54,025	10/01/09	11/01/28	Pay 5.4750%; receive 68% of SOFR + Spread (LIBOR)	Wells Fargo Bank, N.A.
2010C LIBOR Swap	35,265	10/26/10	11/01/40	Pay 3.8807%; receive 68% of SOFR + Spread (LIBOR)	Morgan Stanley Capital Services, Inc.
2012A LIBOR Swap	36,730	03/15/12	11/01/41	Pay 4.0242%; receive 68% of SOFR + Spread (LIBOR)	Morgan Stanley Capital Services, Inc.
Total Notional Amount for Interest Rate Swaps	<u>\$ 322,031</u>				

Note: Immaterial differences may occur due to rounding.

2005A SIFMA Swap - During the fourth quarter of 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 over-hedged portion of the swap has therefore been declared an investment derivative instrument.

Risk

Utilities routinely monitors and manages risks in the areas of credit, interest rate and associated basis, termination, rollover, market access and foreign currency risks. 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 instrument transactions as similar between cash flow hedges and investment derivative instruments.

Long-term counterparty credit ratings from Moody's and S&P at December 31, 2023:

Counterparty	Credit Rating
J. Aron & Co.	A2/BBB+
JP Morgan Chase Bank, N.A.	A1/A-
Bank of America, N.A.	A1/A-
Morgan Stanley Capital Services, Inc.	A1/A-
Wells Fargo Bank, N.A.	A1/BBB+

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, 2023, 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 the International Swaps and Derivatives Association agreements with collateral threshold limits as specified in each agreement. As the mark to market value of a fixed price financial derivative instrument 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 instrument agreement or call option increases, Utilities' counterparties may be required to post collateral.

For the year ending December 31, 2023, Utilities did not post any dollars in collateral with various counterparties to the swap agreements. Utilities' aggregate fair value of derivative instruments as of December 31, 2023 was approximately (\$34.9) million.

The combined fair value of all derivative instruments, net of collateral postings, as of December 31, 2023 was approximately (\$34.9) 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 instrument 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, 2023, Utilities has total lines of credit available in the amount of \$75.0 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 for a portion of the variable rate debt. Utilities receives fixed rate swap payments against VRDOs based on SIFMA and Secured Overnight Financing Rate (SOFR) plus spread 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, 2023, the weighted average interest rate on Utilities' variable rate debt was 3.01%, the SIFMA swap index rate was 3.87%, while 68.00% of the SOFR plus spread was 3.66%. As of June 30, 2023, the United Kingdom's Financial Conduct Authority, which regulated LIBOR, discontinued LIBOR as a representative benchmark. The International Swaps and Derivatives Association, Inc. has released its IBOR Fallbacks Protocol (the "Protocol"), which allows contract participants that adhere to the "Protocol" to amend previous LIBOR-based Swaps to include new fallback provisions that result in the Secured Overnight Financing Rate replacing LIBOR in such contracts. Per the Protocol, the index on the swaps has converted to a fallback rate based on SOFR. The language in the existing swap documents has not changed, but a Fallback Rate Supplement to the ISDA Definitions has been released and incorporated. Per the Protocol, the index on LIBOR-based swaps has converted to SOFR plus a spread. The spread is calculated based on a 5-year historical difference between LIBOR and SOFR.

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 2023, Utilities' long-term credit ratings are "Aa2/AA+" by Moody's and S&P, 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.

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 Statement No. 77, *Tax Abatement Disclosures*, 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 payment 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, 2023, under this program the City has "abatements" of sales/use taxes totaling \$166,193 as follows:

Type of Business	Number of Agreements	Sales/Use Tax "Abatements" (Payments based upon Sales/Use Taxes Paid)
Hotel/entertainment	1	\$ 102,792
Software sales	1	63,401
		<u>\$ 166,193</u>

O. Restatement of Net Position**Restatement of Net Position for Colorado Springs Utilities**

Utilities implemented GASB 96 effective with financial statements issued beginning January 1, 2023. This implementation resulted in a restatement of Utilities' beginning net position to \$2,416,686,000, an increase of \$1,032,000.

	Utilities
Beginning net position, as previously reported	\$ 2,415,654,000
Cumulative effect of GASB 96 implementation	1,032,000
Beginning net position, as restated	<u>\$ 2,416,686,000</u>

Restatement of Net Position for Governmental Fund Component Units

Beginning net position for the governmental activities component units has been restated for one BID. Beginning net position is restated for Gold Hill North BID. This district restated its beginning net position to account for additional other debt.

	Governmental Activities Component Units
Beginning net position, as previously reported	\$ 51,116,015
Gold Hill North BID, other debt	(92,519)
Beginning net position, as restated	<u>\$ 51,023,496</u>

Remainder of page intentionally blank

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 and Utilities. 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). During 2023, the Workers' Compensation Self-Insurance fund paid a settlement in the amount of \$3.0 million. The City received insurance proceeds that were netted with the settlement and reported as other operating expenses.

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 \$1,250,000 or up to \$1,000,000 for law enforcement liability related to use of force claims. The Colorado Governmental Immunity Act currently provides that the maximum amount that may be recovered against entities such as the City is \$424,000 for any injury to one person in any single occurrence and \$1,195,000 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 2023, the City is reporting auto liability case reserves of \$57,000 and IBNR reserves of \$230,000 as reflected in the 2023 actuary report.

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

For medical claims coverage, the City has a reinsurance policy that provides coverage for claims in excess of \$525,000 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 and catastrophic claims.

During 2023, the following changes took effect in the Utilities' property policy: The deductible for the 7FA units at Front Range increased to \$3,500,000 and the deductible for the remaining gas fired generating units and substations increased to \$2,000,000 per occurrence. Further, there were exclusions around cyber security and sanctions. Additionally, the insurance carrier for the cyber security policy changed during 2023. Aside from these changes, there were no other significant reductions in insurance coverage as compared to 2022. No loss occurred that required settlements in excess of coverage in the past three years.

The following is a summary of changes in outstanding reserves for 2023 and 2022. Claim liabilities are included in claims payable in Utilities and the respective internal service funds (in 000's).

	Utilities	Internal Service Funds
Claim liabilities - December 31, 2021	\$ 2,427	\$ 25,796
2022 Increases	28,954	41,605
2022 Decreases	(28,879)	(40,734)
Claim liabilities - December 31, 2022	2,502	26,667
2023 Increases	33,623	48,339
2023 Decreases	(32,728)	(46,108)
Claim liabilities - December 31, 2023	\$ 3,397	\$ 28,898

B. Donor-restricted Endowments

As of December 31, 2023, the City maintained three donor-restricted endowment funds as follows:

	Fund Balances	Available for Spending
C.D. Smith Trust	\$ 1,803,880	\$ 335,424
Cemetery Endowment	12,277,653	24,131
TOPS Maintenance Trust	869,791	178,179

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.

Remainder of page intentionally blank

C. Postemployment Benefits Other than Pensions

The City's former and 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 as of December 31, 2023 (in 000's).

	Total/Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
GOVERNMENTAL ACTIVITIES				
PERA Health Care Trust Fund	\$ 8,097	\$ 3,453	\$ 2,852	\$ 398
City OPEB Plan	18,079	5,472	11,189	(786)
Total governmental activities	26,176	8,925	14,041	(388)
BUSINESS-TYPE ACTIVITIES				
PERA Health Care Trust Fund	16,172	4,409	6,410	(200)
City OPEB Plan	755	188	387	(19)
Utilities OPEB Plan	13,317	1,088	—	(2,256)
Total business-type activities	30,244	5,685	6,797	(2,475)
TOTAL				
PERA Health Care Trust Fund	24,269	7,862	9,262	198
City OPEB Plan	18,834	5,660	11,576	(805)
Utilities OPEB Plan	13,317	1,088	—	(2,256)
Total	\$ 56,420	\$ 14,610	\$ 20,838	\$ (2,863)

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 and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report that can be obtained at:

https://www.copera.org/files/ff845b8ac/2022_ACFR.pdf

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

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

Benefits Provided: 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 health benefits program 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.

Benefit Structure: 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% 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% 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 \$3,421,484 for the year ended 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2023 the City reported a liability of \$24,268,368 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The City's proportion of the net OPEB liability was based on its contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the City's proportion was 2.9723%, which was an increase of 0.1179% from its proportion measured as of December 31, 2021.

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, 2023 (a December 31, 2022 measurement date) was 87.3583% and 12.6417% 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 0.4887% 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, 2023 the City recognized OPEB expense of \$198,088.

At December 31, 2023, 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	\$ 3,203	\$ 5,869,403
Net difference between projected and actual earnings on OPEB plan investments	1,485,255	—
Changes of assumptions or other inputs	390,052	2,688,102
Changes in proportion	2,562,357	704,371
Contributions subsequent to the measurement date	3,421,484	—
Total	<u>\$ 7,862,351</u>	<u>\$ 9,261,876</u>

The \$3,421,484 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, 2024. 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	Changes of Assumptions or Other Inputs	Net Changes in Proportion	Net Effect of Amortized Deferred Amounts on OPEB Expense
2024	\$ (1,985,085)	\$ 79,264	\$ (513,543)	\$ 411,364	\$ (2,008,000)
2025	(1,976,804)	271,993	(568,203)	330,779	(1,942,235)
2026	(941,801)	464,710	(579,573)	394,259	(662,405)
2027	(563,000)	669,288	(262,508)	412,846	256,626
2028	(331,389)	—	(299,298)	255,717	(374,970)
Thereafter	(68,121)	—	(74,925)	53,021	(90,025)
Total	<u>\$ (5,866,200)</u>	<u>\$ 1,485,255</u>	<u>\$ (2,298,050)</u>	<u>\$ 1,857,986</u>	<u>\$ (4,821,009)</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 2022 measurement period to be 6.24 years. The difference between expected and actual investment experience is amortized over a closed five year period.

Remainder of page intentionally blank

Actuarial Assumptions: The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Rate (%)
Actuarial cost method	Entry age
Price inflation	2.30
Real wage growth	0.70
Wage inflation	3.00
Salary increases, including wage inflation	3.20-11.30
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	—
PERACare Medicare plans	6.50 in 2022 gradually decreasing to 4.50 in 2030
Medicare Part A premiums	3.75 in 2022 gradually increasing to 4.50 in 2029

The total OPEB liability for the HCTF as of the December 31, 2022 measurement date was adjusted to reflect the disaffiliation, allowable under CRS § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022 measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2 and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Remainder of page intentionally blank

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male) %	Annual Increase (Female) %
65-69	3.0	1.5
70	2.9	1.6
71	1.6	1.4
72	1.4	1.5
73	1.5	1.6
74	1.5	1.5
75	1.5	1.4
76	1.5	1.5
77	1.5	1.5
78	1.5	1.6
79	1.5	1.5
80	1.4	1.5
81 and older	0.0	0.0

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923	\$ 1,634
70	1,976	1,561	676	534	2,229	1,761
75	2,128	1,681	728	575	2,401	1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,514	\$ 5,542	\$ 4,227	\$ 3,596	\$ 6,752	\$ 5,739
70	7,553	5,966	4,901	3,872	7,826	6,185
75	8,134	6,425	5,278	4,169	8,433	6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

All costs are subject to 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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A

premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, 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 Plans (%)	Medicare Part A Premiums (%)
2022	6.50	3.75
2023	6.25	4.00
2024	6.00	4.00
2025	5.75	4.00
2026	5.50	4.25
2027	5.25	4.25
2028	5.00	4.25
2029	4.75	4.50
Thereafter	4.50	4.50

Mortality assumptions used in the December 31, 2021 valuation for the determination of the total pension liability for the LGDTF as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits are updated to reflect the change in costs for the 2022 plan year.
- The December 31, 2021 valuation utilizes premium information as of January 1, 2022 as the initial per capita health care cost. As of that date, PERACare health benefits administration has been performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

Effective for the December 31, 2022 measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021 actuarial valuation.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020 meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

Remainder of page intentionally blank

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation (%)	30 Year Expected Geometric Real Rate of Return (%)
Global equity	54.00	5.60
Fixed income	23.00	1.30
Private equity	8.50	7.10
Real estate	8.50	4.40
Alternatives	6.00	4.70
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%.

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 percentage point lower or higher than the current rates:

	1% Decrease	Current Trend Rates (%)	1% Increase
Initial PERACare Medicare trend rate	5.25	6.25	7.25
Ultimate PERACare Medicare trend rate	3.50	4.50	5.50
Initial Medicare Part A trend rate	3.00	4.00	5.00
Ultimate Medicare Part A trend rate	3.50	4.50	5.50
Proportionate share of the net OPEB liability	\$ 23,581,222	\$ 24,268,368	\$ 25,015,530

Discount Rate: The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. 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, 2022, 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 3.00%.
- 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.
- Estimated transfer of dollars into the HCTF representing a portion of the purchase services agreements intended to cover the costs associated with OPEB benefits.
- 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%. There was no change in the discount rate from the prior measurement date.

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 percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.25	7.25	8.25
Proportionate share of the net OPEB liability	\$ 28,133,937	\$ 24,268,368	\$ 20,961,595

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

https://www.copera.org/files/ff845b8ac/2022_ACFR.pdf

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 Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (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 the City's medical benefit plans, but have access to the Via Benefits 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 Via Benefits 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 City Mayor and Mayoral Appointees
- \$6,000 for City Department Heads and other City Executives
- \$3,000 for all other City retirees

The medical benefit recipients and members of the City's OPEB plan, as of the most recent valuation, are as follows:

Number of retirees receiving benefits	1,940
Number of beneficiaries receiving benefits	18
Number of active employees	2,888

Only retirees are eligible for medical benefits with City OPEB, all of whom are inactive employees. Thus, there are no inactive non-retirees eligible for City OPEB medical benefits.

Benefit Payments

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

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

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:

- \$11.88 for Mayor and Mayoral Appointees
- \$7.92 for City Department Heads and other City Executives
- \$3.96 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 \$1,276,537 for the year ended December 31, 2023.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2023, the City reported a liability of \$18,833,854 for total OPEB liability. The total OPEB liability was measured as of December 31, 2022, 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, Public Authority for Colorado Energy (PACE) and Memorial Health Solutions (MHS) based on benefit payments. This allocation for the year-ended December 31, 2023, (a December 31, 2022 measurement date) was 95.98249% and 4.01751% between governmental activities and business-type activities, respectively. This allocation is a decrease from the prior year in the governmental activities of 0.00944% and a corresponding increase in the business-type activities.

For the year ended December 31, 2023 the City recognized OPEB expense of \$(805,340).

At December 31, 2023, 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	\$ 2,038,258	\$ 6,430,864
Changes of assumptions or other inputs	2,345,307	5,144,655
Benefit payments subsequent to the measurement date	1,276,537	—
Total	<u>\$ 5,660,102</u>	<u>\$ 11,575,519</u>

The \$1,276,537 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, 2024.

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	Changes of Assumptions or Other Inputs	Net Effect of Amortized Deferred Amounts on OPEB expense
2024	\$ (1,183,582)	\$ (229,361)	\$ (1,412,943)
2025	(1,183,582)	(229,361)	(1,412,943)
2026	(1,299,010)	(32,226)	(1,331,236)
2027	(1,282,020)	(280,703)	(1,562,723)
2028	(37,467)	(524,550)	(562,017)
Thereafter	593,055	(1,503,147)	(910,092)
Total	<u>\$ (4,392,606)</u>	<u>\$ (2,799,348)</u>	<u>\$ (7,191,954)</u>

The differences between expected and actual experience and changes of assumptions or other inputs 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 life of active and inactive members at the beginning of the 2022 measurement period was determined to be 8.5 years.

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

	Rate %
Measurement Date	December 31, 2022
Actuarial cost method	Entry age, level % of pay
Wage inflation (civilian)	3.20
Wage inflation (uniform)	3.20
Salary increases, including wage inflation	3.50 - 11.25
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	N/A
Discount rate ¹	3.72

¹Source: Bond Buyer 20-Bond GO index

The health care cost trend assumption is incorporated to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching ultimate trend rate:

Expense Type	Select (%)	Ultimate (%)
Pre-Medicare medical and prescription benefits	7.0	4.0
Medicare benefits	6.0	4.0
Stop loss fees	7.0	4.0
Administrative fees	4.0	4.0

Per capita health claim costs of expected retiree claims were developed using 24 months of historical claim experience through June 2023. The annual age 60 and 70 claim costs for retirees and their spouses are provided in the table below:

Per Capita Cost	Age 60	Age 70
Premier	\$ 18,539	\$ 9,773
Advantage	11,909	6,303

Mortality Assumptions: Mortality rates originated from Pub-2010 headcount weighted base mortality table, projected generationally using scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general as applicable).

Age Based Morbidity Assumptions: The assumed per capita health claim costs remain unchanged from prior year and were adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study, with sample rates shown below:

Sample Age	Male (%)	Female (%)
45	4.6	1.6
50	6.2	4.2
55	5.4	2.4
60	4.7	3.6
65	1.7	2.4
70	1.8	2.0
75	1.2	1.3
80	0.8	1.1

Retirees who retire on or after January 1, 1979 and were hired before August 1, 1988 are eligible for a retiree subsidy of \$91.40 and are assumed to participate in the program.

Primary changes in assumptions since the prior valuation include the following:

- The discount rate was updated from 2.06% to 3.72%.
- The mortality assumption was updated to utilize the most recent generational scale MP-2021 to reflect Society of Actuaries' recent mortality study.
- The medical and prescription trend rate was reset from 7.00% to 7.50%, grading down at 0.25% with an ultimate rate of 4.00%.
- The most recent retirement, termination and disability assumptions were used from the CoPERA and FPPA valuations as of 2022.

Primary changes in experience since the previous measurement date include an overall decrease in the liability attributed to the following:

- A larger active and retired population since the last valuation.
- The per capita health claim costs were higher than anticipated, however contributions increased at a similar rate.

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

	1% Decrease	Current Trend Rate (%)	1% Increase
Health care cost trend rates	6.00 - 3.00	7.00 - 4.00	8.00 - 5.00
Total OPEB liability	\$ 18,387,000	\$ 18,834,000	\$ 19,401,000

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 3.72% based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability calculated using the discount rate of 3.72%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	2.72	3.72	4.72
Total OPEB liability	\$ 21,002,000	\$ 18,834,000	\$ 17,008,000

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.

Remainder of page intentionally blank

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, 2023, with a measurement date of December 31, 2022.

Total OPEB liability (TOL) - beginning of year	22,671,789
Service cost	157,024
Interest	456,352
Changes in benefit terms	—
Differences between expected and actual experience	2,010,982
Changes of assumptions or other inputs	(5,110,715)
Benefit payments	(1,351,578)
Net changes to TOL	<u>(3,837,935)</u>
Total OPEB liability (TOL) - end of year	<u>\$ 18,833,854</u>
Plan fiduciary net position as a percentage of total OPEB liability	— %
Covered employee payroll	\$ 248,010,781
Total OPEB liability as a percentage of covered employee payroll	7.59 %

Remainder of page intentionally blank

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 \$0.142/\$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 life insurance benefits.

As of the most recent actuarial valuation of the plan, 1,149 retired members or beneficiaries and 3 active employees were covered by the benefit terms.

The prior actuarial valuation had 1,212 retired members or beneficiaries and 10 active employees that were covered by the benefit terms.

Utilities total OPEB liability as of December 31, 2023 of \$13,317,000 was measured as of December 31, 2022 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:

Measurement date	December 31, 2022
Actuarial cost method	Entry age
Inflation	3.20%
Salary increases	3.20 - 11.30%
Discount rate	3.72%
Health care cost trend rates	
PERA premiums	6.00%
Medicare Part B	4.00%

Healthy mortality assumptions for active members were based on the Pub-2010 mortality table with generational scale MP-2021.

The retirement, termination and salary scale rates used in the December 31, 2023 valuation were based on the 2020 Colorado PERA Actuarial Experience Study.

Changes in the Total OPEB Liability: Below is a schedule of changes in the total OPEB liability for the Utilities' OPEB plan for year ended December 31, 2023, with a measurement date of December 31, 2022.

Total OPEB liability (TOL) - beginning of year	\$ 16,693,000
Service cost	1,000
Interest	29,000
Changes in benefit terms	—
Differences between expected and actual experience	(95,000)
Changes of assumptions or other inputs	(2,139,000)
Benefit payments	(1,172,000)
Net changes to TOL	<u>(3,376,000)</u>
Total OPEB liability (TOL) - end of year	<u>\$ 13,317,000</u>
Fiduciary net position as a percentage of total OPEB liability	— %
Covered employee payroll	\$ 667,000
Total OPEB liability as a percentage of covered employee payroll	1,996.55 %

Changes of Assumptions: The discount rate was updated from 2.06% to 3.72%. The mortality projection scale was updated from MP-2019 to MP-2021 to reflect the Society of Actuaries' recent mortality study. None of the termination or retirement probabilities were updated as a new experience study has not been created since 2020 for the CoPera valuation. The postemployment health plan provisions, census and remainder of assumptions can be found in the Actuarial Valuation report dated May 4, 2023.

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 3.72% based on a yield or index rate for 20-year, tax-exempt general obligation municipal bond.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability calculated using the discount rate of 3.72%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	2.72	3.72	4.72
Total OPEB liability	\$ 14,516,000	\$ 13,317,000	\$ 12,252,000

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 percentage point lower or higher than the current health care cost trend rates:

	1% Decrease	Current Trend Rates (%)	1% Increase
Initial PERA premiums trend rate	5.00	6.00	7.00
Ultimate PERA premiums trend rate	3.00	4.00	5.00
Medicare Part B	3.00	4.00	5.00
Total OPEB liability	\$ 13,184,000	\$ 13,317,000	\$ 13,450,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended December 31, 2023, Utilities recognized OPEB expense of \$(2,256,389). At December 31, 2023, Utilities reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Benefit payments subsequent to the measurement date	\$ 1,088,000

The \$1,088,000 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, 2024.

D. Commitments and Contingent Liabilities

1. Construction and Purchase Commitments

Significant construction and purchase commitments of the City, as of December 31, 2023, are as follows (in millions):

General Fund	\$ 7.4
Road Repair, Maintenance & Improvement	
Sales Tax Fund	2.2
Non-major governmental funds	29.1
Utilities	180.8
Non-major enterprise funds	31.8

On April 27, 2016, the City entered into an Intergovernmental Agreement (IGA) with Pueblo County, 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 be spent on capital improvement projects benefiting 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 the 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. The fees were imposed beginning July 1, 2018. It was initially anticipated that this revenue stream would be sufficient to fund the IGA financial commitments. In February 2021, City Council voted to increase the fees in July 2021, July 2022 and July 2023 in order to meet the financial obligations of the Stormwater Enterprise imposed by federal or state permits, the IGA obligations and to comply with the federally mandated consent decree dated January 22, 2021.

Other contractual commitments include subscription-based information technology arrangements (SBITAs) for which the subscription term had not yet commenced at year-end. Additional information on SBITAs can be found in Note III.H.3.

2. Refunded Bonds

The City places proceeds from advance refunding bond issues in irrevocable refunding escrow accounts. As of December 31, 2023, the City has no outstanding principal balances for 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.

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. 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.

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 Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, 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 per day 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, 2023 is (in 000's):

Entity	Amount Invested	Undistributed Net Earnings	Utilities' Investment
Young Gas Storage Company Ltd.	\$ 500	\$ 257	\$ 757

Remainder of page intentionally blank

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				
PERA	\$ 123,687	\$ 68,984	\$ 617	\$ 15,614
Old Hire Fire	37,608	6,961	—	2,875
Old Hire Police	25,277	5,492	—	2,026
New Hire Fire	40,141	14,255	—	5,410
New Hire Police	67,570	31,482	—	9,635
FPPA Statewide	8,232	55,781	5,195	5,869
Total governmental activities	302,515	182,955	5,812	41,429
BUSINESS-TYPE ACTIVITIES				
PERA	247,336	132,201	3,716	18,901
Old Hire Fire	—	—	—	—
Old Hire Police	—	—	—	—
New Hire Fire	—	—	—	—
New Hire Police	864	405	—	(126)
FPPA Statewide	19	131	39	9
Total business-type activities	248,219	132,737	3,755	18,784
TOTAL				
PERA	371,023	201,185	4,333	34,515
Old Hire Fire	37,608	6,961	—	2,875
Old Hire Police	25,277	5,492	—	2,026
New Hire Fire	40,141	14,255	—	5,410
New Hire Police	68,434	31,887	—	9,509
FPPA Statewide	8,251	55,912	5,234	5,878
Total	<u>\$ 550,734</u>	<u>\$ 315,692</u>	<u>\$ 9,567</u>	<u>\$ 60,213</u>

Note: Immaterial differences may occur due to rounding.

Remainder of page intentionally blank

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/asset, 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions.

PERA issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for LGDTF. That report may be obtained online at:

https://www.copera.org/files/ff845b8ac/2022_ACFR.pdf

or by writing to:

Colorado PERA
1301 Pennsylvania Street
Denver, Colorado 80203

or by calling PERA at 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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases (AI) in the CRS, once certain criteria are met. Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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 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. and § 24-51-413. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

The employee contribution requirements are summarized in the table below:

	January 1, 2022 Through June 30, 2022 Rate (%) ¹	July 1, 2022 Through December 31, 2022 Rate (%) ¹	January 1, 2023 Through December 31, 2023 Rate (%) ¹
Employee contribution rate	8.50	9.00	9.00

¹Contribution rates for the LGDTF are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

The employer contribution requirements are summarized in the table below:

	January 1, 2022 Through June 30, 2022 Rate (%) ¹	July 1, 2022 Through December 31, 2022 Rate (%) ¹	January 1, 2023 Through December 31, 2023 Rate (%) ¹
Employer contribution rate	10.50	11.00	11.00
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f)	(1.02)	(1.02)	(1.02)
Amount apportioned to the LGDTF	9.48	9.98	9.98
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411	2.20	2.20	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS § 24-51-411	1.50	1.50	1.50
Defined Contribution Supplement as specified in CRS § 24-51-415	0.03	0.03	0.06
Total employer contribution rate to the LGDTF	13.21	13.71	13.74

¹Rates are expressed as a percentage 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 \$45,788,612 for the year ended December 31, 2023.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2023, the City reported a liability of \$371,023,119 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total pension liability to December 31, 2022. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2022, the City's proportion was 37.0075%, which was an increase of 0.1746% from its proportion measured as of December 31, 2021.

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, 2023 (a December 31, 2022 measurement date) was 87.3583% and 12.6417% between the governmental activities and business-type activities, respectively. This allocation is a decrease from the prior year in the governmental activities of .4846% 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, 2023 the City's pension expense related to the PERA LGDTF was \$34,515,034.

At December 31, 2023, 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	\$ —	\$ 1,849,953
Net difference between projected and actual earnings on pension plan investments	151,469,068	—
Changes of assumptions and other inputs	—	—
Changes in proportion	3,927,398	2,482,550
Contributions subsequent to the measurement date	45,788,612	—
Total	<u>\$ 201,185,078</u>	<u>\$ 4,332,503</u>

The \$45,788,612 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/asset in the year ended December 31, 2024.

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	Net Effect of Amortized Deferred Amounts on Pension Expense
2024	\$ (1,570,355)	\$ (15,254,401)	\$ 1,313,511	\$ (15,511,245)
2025	(279,598)	22,528,021	131,337	22,379,760
2026	—	55,445,345	—	55,445,345
2027	—	88,750,103	—	88,750,103
Total	<u>\$ (1,849,953)</u>	<u>\$ 151,469,068</u>	<u>\$ 1,444,848</u>	<u>\$ 151,063,963</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 2022 measurement period to be 2.19 years. The difference between expected and actual investment experience is amortized over a closed five-year period.

Remainder of page intentionally blank

Actuarial Assumptions: The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Actuarial cost method	Entry age
Price inflation	2.30
Real wage growth	0.70
Wage inflation	3.00
Salary increase, including wage inflation	3.20-11.30
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25
Discount rate	7.25
Future post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 ¹	1.00 compounded annually thereafter
PERA benefit structure hired after 12/31/06 ¹	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The total pension liability as of the December 31, 2022 measurement date, was adjusted to reflect the disaffiliation, as allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022 measurement date.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, valuations were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board during the November 20, 2020 Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation (%)	30 Year Expected Geometric Real Rate of Return (%)
Global equity	54.00	5.60
Fixed income	23.00	1.30
Private equity	8.50	7.10
Real estate	8.50	4.40
Alternatives	6.00	4.70
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 nominal rate of return assumption of 7.25%.

Remainder of page intentionally blank

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 cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- 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 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. 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 required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect 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 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, 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 fiduciary net position 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 the above assumptions and methods, 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, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Remainder of page intentionally blank

Sensitivity of the City's Proportionate Share of Net Pension Liability to Changes in the Discount Rate: 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 percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.25	7.25	8.25
City's proportionate share of net pension liability	\$ 622,854,454	\$ 371,023,119	\$ 160,198,640

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/files/ff845b8ac/2022_ACFR.pdf

Defined Contribution Plans

City employees, depending upon their position in the City as noted in the plan descriptions below, have access to up to five defined contribution plans: PERAPlus 401(k), MissionSquare Retirement 457, MissionSquare Roth IRA, ICMA 401(a) and PERA Defined Contribution.

PERAPlus 401(k) Plan Description: The LGDTF members of the City may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan, traditional or Roth), 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 PERA Board of Trustees. PERA issues a publicly available annual comprehensive financial report which includes additional information on the Voluntary Investment Program, which can be obtained at www.copera.org/investments/pera-financial-reports.

PERAPlus 401(k) Funding Policy: The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$22,500 annually for 2023 calendar year). There is a catch-up provision that allows participants 50 and older who are contributing the maximum to contribute an additional \$7,500 annually to their accounts. The City does not contribute to the PERA 401(k) plan.

MissionSquare Retirement 457 Plan Description: City employees may also voluntarily contribute to MissionSquare Retirement 457 Plan (traditional or Roth), Internal Revenue Code Section 457. New employees are automatically enrolled in the plan upon hire and must opt out if they do not wish to participate. The plan is administered by MissionSquare Retirement and the Vantage Trust Company.

MissionSquare Retirement 457 Funding Policy: The MissionSquare Retirement 457 plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$22,500 annually for 2023 calendar year). In addition, employees are eligible to contribute an additional \$7,500 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 \$22,500 if they are within three years of retirement. The City does not contribute to the MissionSquare Retirement 457 plan.

MissionSquare Roth IRA Plan Description: City employees may also voluntarily contribute to MissionSquare Roth IRA, Internal Revenue Code Section 408(a). This plan is administered by MissionSquare Retirement.

MissionSquare Roth IRA Funding Policy: The MissionSquare Roth IRA plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$6,500 annually for 2023 calendar year). In addition, employees are eligible to contribute an additional \$1,000 annually if they are age 50 or older. The City does not contribute to the MissionSquare Roth IRA plan.

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

MissionSquare Retirement 401(a) Funding Policy: The City contributes to the MissionSquare Retirement 401(a) at a rate of 10.0% of covered salary. The City's contribution to the MissionSquare Retirement 401(a) for the year ending December 31, 2023 was \$10,649. The City does not make a contribution to the plan for City Council members.

PERA Defined Contribution (PERA DC) Plan Description: Certain City employees hired after January 1, 2019, have the option to participate in the LGDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan). The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the CRS, as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The PERA DC Plan is also included in PERA's Annual Comprehensive Financial Report referred to above.

PERA Defined Contribution Funding Policy: All participating employees in the PERA DC Plan and the City are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates are summarized in the tables below:

	January 1, 2022 Through June 30, 2022 Rate (%)	July 1, 2022 Through December 31, 2022 Rate (%)	January 1, 2023 Through December 31, 2023 Rate (%)
Employee contribution rates	8.50	9.00	9.00
Employer contribution rates (on behalf of participating employees)	10.00	10.00	10.00

Remainder of page intentionally blank

Additionally the employers are required to contribute AED and SAED to the LGDTF as follows:

	January 1, 2022 Through June 30, 2022 Rate (%) ¹	July 1, 2023 Through December 31, 2023 Rate (%) ¹	January 1, 2023 Through December 31, 2023 Rate (%) ¹
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411	2.20	2.20	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS § 24-51-411	1.50	1.50	1.50
Automatic Adjustment Provision (AAP) as specified in CRS § 24-51-413	0.50	1.00	1.00
Defined Contribution Supplement as specified in CRS § 24-51-415	0.03	0.03	0.06
Total employer contribution rate to the LGDTF	4.23	4.73	4.76

¹Contribution rates for the DC Plan are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the CRS, as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the CRS. As a result, forfeitures do not reduce pension expense. The City's contribution to the PERA DC Plan for the year ending December 31, 2023 was \$117,233.

Remainder of page intentionally blank

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:

<https://www.fppaco.org/PDF/annual-reports/2022-Annual-Report-FPPA.pdf>

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

Fire and Police Pension Association of Colorado
Stanford Place II
7979 East Tufts Avenue, Suite 900
Denver, CO 80237

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 nominal rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2022 are presented on the following page.

Remainder of page intentionally blank

Old Hire Fire Pension Plan and Old Hire Police Pension Plan:

Asset Class	Target Allocation (%)	Long-term Expected Nominal Rate of Return (%)
Global equity	17.00	8.70
Equity long/short	6.00	6.70
Private capital	30.00	10.20
Fixed income rates	30.00	4.90
Fixed income credit	6.00	6.60
Absolute return	6.00	6.90
Cash	5.00	4.40
Total	100.00	

New Hire Fire Pension Plan, New Hire Police Pension Plan and the Statewide Defined Benefit Plan:

Asset Class	Target Allocation (%)	Long-term Expected Rate of Return (%) ¹
Global equity	35.00	8.93
Equity long/short	6.00	7.47
Private capital	34.00	10.31
Fixed income rates	10.00	5.45
Fixed income credit	5.00	6.90
Absolute return	9.00	6.49
Cash	1.00	3.92
Total	100.00	

¹Nominal rate of return for New Hire plans and real rate of return for Statewide plan

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 6.50%. 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:

<https://www.fppaco.org/PDF/annual-reports/2022-Annual-Report-FPPA.pdf>

Old Hire Defined Benefit Pension Plans

Plan Description: The Old Hire Pension Plans, 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 211 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 single-employer 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.

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, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Wage inflation	2.50
Long-term investment rate of return, net pension plan investment expenses, including price inflation	6.50

Mortality rates were based on the RP-2014 Mortality Tables projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the sale for all years.

The complete assumption set can be found in the actuarial valuation report as of December 31, 2022.

The assumptions that are based upon the actuary's recommendations are internally consistent and reasonable 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 January 1, 2022 are as follows:

Retirees and beneficiaries	163

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, 2023 were based on the actuarial valuation as of January 1, 2022. 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 \$3,076,512 for the year ended December 31, 2023.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2023, the City reported a liability of \$37,608,453 for the Old Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

For the year ended December 31, 2023, the City's pension expense related to the Old Hire Fire Pension Plan was \$2,875,378.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Fire Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 3,884,895	\$ —
Contributions subsequent to the measurement date	3,076,512	—
Total	<u>\$ 6,961,407</u>	<u>\$ —</u>

The \$3,076,512 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, 2024. 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 Investments	Net Effect of Amortized Deferred Amounts on Pension Expense
2024	\$ (15,246)	\$ (15,246)
2025	714,743	714,743
2026	1,219,078	1,219,078
2027	1,966,320	1,966,320
Total	<u>\$ 3,884,895</u>	<u>\$ 3,884,895</u>

Per GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), the difference between expected and actual investment experience is amortized over a closed five year period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the City's net pension liability calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	5.50	6.50	7.50
City's net pension liability	\$ 45,774,649	\$ 37,608,453	\$ 30,481,271

Below is a schedule of changes in the net pension liability for the Old Hire Fire Pension Plan for year ended December 31, 2023, with a measurement date of December 31, 2022:

Total pension liability (TPL) - beginning of year	\$ 102,446,312
Service cost	—
Interest on the TPL	6,366,830
Benefit changes	—
Differences between expected and actual experience of the TPL	—
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(9,133,967)
Net change in TPL	(2,767,137)
Total pension liability - end of year	99,679,175
Plan fiduciary net position (FNP) - beginning of year	73,430,895
Employer contributions	3,076,512
Employee contributions	—
Net investment income	(5,253,921)
Benefit payments, including refunds of employee contributions	(9,133,967)
Pension plan administrative expense	(48,797)
Net change in FNP	(11,360,173)
Plan fiduciary net position - end of year	62,070,722
Net pension liability	<u>\$ 37,608,453</u>
Plan fiduciary net position as a percentage of the total pension liability	62.27 %
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 January 1, 2022 are as follows:

Retirees and beneficiaries 130

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, 2023 were based on the actuarial valuation as of January 1, 2022. 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 \$2,120,342 for the year ended December 31, 2023.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2023, the City reported a liability of \$25,276,750 for the Old Hire Police Pension Plan net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

For the year ended December 31, 2023, the City's pension expense related to the Old Hire Police Pension Plan was \$2,025,896.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 3,371,895	\$ —
Contributions subsequent to the measurement date	2,120,342	—
Total	<u>\$ 5,492,237</u>	<u>\$ —</u>

Remainder of page intentionally blank

The \$2,120,342 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, 2024. 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 Investments	Net Effect of Amortized Deferred Amounts on Pension Expense
2024	\$ 4,423	\$ 4,423
2025	620,778	620,778
2026	1,055,200	1,055,200
2027	1,691,494	1,691,494
Total	<u>\$ 3,371,895</u>	<u>\$ 3,371,895</u>

Per GASB 68 the difference between projected and actual investment experience is amortized over a closed five year period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents net pension liability calculated using the discount rate of 6.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	5.50	6.50	7.50
City's net pension liability	\$ 32,013,370	\$ 25,276,750	\$ 19,430,457

Remainder of page intentionally blank

Below is a schedule of changes in the net pension liability for the Old Hire Police Pension Plan for year ended December 31, 2023, with a measurement date of December 31, 2022:

Total pension liability (TPL) - beginning of year	\$ 81,001,107
Service cost	—
Interest on the TPL	5,038,608
Benefit changes	—
Differences between expected and actual experience of the TPL	—
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(7,079,571)
Net change in TPL	(2,040,963)
Total pension liability - end of year	78,960,144
Plan fiduciary net position (FNP) - beginning of year	63,191,841
Employer contributions	2,120,342
Employee contributions	—
Net investment income	(4,509,892)
Benefit payments, including refunds of employee contributions	(7,079,571)
Pension plan administrative expense	(39,326)
Net change in FNP	(9,508,447)
Plan fiduciary net position - end of year	53,683,394
Net pension liability	<u>\$ 25,276,750</u>
Plan fiduciary net position as a percentage of the total pension liability	67.99 %
Covered payroll	\$ —
Net pension liability as a percentage of covered payroll	N/A

Remainder of page intentionally blank

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, 2008 and January 1, 2012, respectively.

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 upon serving ten years or more and attaining age fifty-five on the date the member ceases service. Alternatively, they may qualify upon reaching a combination of age and service equal to 80 or more beginning with a minimum age of 50. 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 (past 39 payroll periods) for each year of credited service for the first 10 years, plus 2.85% for each year of service thereafter with a maximum benefit of 77%.

The benefit recipients and members of the New Hire Fire Pension Plan as of January 1, 2023 are as follows:

Retirees and beneficiaries	196
Inactive, non-retired members	5
Active members	68

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 2023, the City's employer contribution rate was set at 26%. Employer contributions recognized by the New Hire Fire Pension Plan from the City were \$3,801,959 for the year ended December 31, 2023.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2023, the City reported a liability of \$40,140,528 for the New Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

For the year ended December 31, 2023, the City's pension expense related to the New Hire Fire Pension Plan was \$5,409,856.

At December 31, 2023 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	\$ 787,437	\$ —
Change of assumptions or other inputs	398,550	—
Net difference between projected and actual earnings on pension plan investments	9,267,265	—
Contributions subsequent to the measurement date	3,801,959	—
Total	<u>\$ 14,255,211</u>	<u>\$ —</u>

The \$3,801,959 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, 2024.

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 or Other Inputs	Net Difference Between Projected and Actual Earnings on Investments	Net Effect of Amortized Deferred Amounts on Pension Expense
2024	\$ 787,437	\$ 398,550	\$ (783,073)	\$ 402,914
2025	—	—	1,246,427	1,246,427
2026	—	—	3,082,191	3,082,191
2027	—	—	5,721,720	5,721,720
Total	<u>\$ 787,437</u>	<u>\$ 398,550</u>	<u>\$ 9,267,265</u>	<u>\$ 10,453,252</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 2022 measurement period to be 1.3467 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 January 1, 2023 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
Long-term investment 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 Annuitant 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 0.00015.

The actuarial assumptions shown above are associated with the actuarially determined contribution for the fiscal year ending December 31, 2022. The actuarial assumptions were changed for the actuarial valuation as of January 1, 2023 and as such, the total pension liability was measured using those assumptions.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: 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 percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.00	7.00	8.00
City's net pension liability	\$ 67,005,963	\$ 40,140,528	\$ 17,920,482

Remainder of page intentionally blank

Below is a schedule of changes in the net pension liability for the New Hire Fire Pension Plan for year ended December 31, 2023, with a measurement date of December 31, 2022:

Total pension liability (TPL) - beginning of year	\$ 200,348,152
Service cost	1,812,608
Interest on the TPL	13,844,021
Benefit changes	1,674,672
Differences between expected and actual experience of the TPL	3,058,671
Changes of assumptions or other inputs	1,548,101
Benefit payments, including refunds of employee contributions	(10,061,649)
Net change in TPL	11,876,424
Total pension liability - end of year	212,224,576
Plan fiduciary net position (FNP) - beginning of year	191,047,929
Employer contributions	4,852,915
Employee contributions	1,704,634
Net investment income	(15,361,338)
Benefit payments, including refunds of employee contributions	(10,061,649)
Pension plan administrative expense	(98,443)
Net change in FNP	(18,963,881)
Plan fiduciary net position - end of year	172,084,048
Net pension liability	<u>\$ 40,140,528</u>
Plan fiduciary net position as a percentage of the total pension liability	81.09 %
Covered payroll	\$ 8,431,574
Net pension liability as a percentage of covered payroll	476.07 %

Remainder of page intentionally blank

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 January 1, 2023 are as follows:

Retirees and beneficiaries	411
Inactive, non-retired members	20
Active members	168

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 2023, the City's employer contribution rate was set at 26%. Employer contributions recognized by the New Hire Police Pension Plan from the City were \$7,242,719 for the year ended December 31, 2023.

The Plan is allocated between the governmental activities and the business-type activities based on contributions. The allocation for the year ended December 31, 2023 (a December 31, 2022 measurement date) was 98.7380% and 1.2620% between the governmental activities and the business-type activities respectively. This is an increase from the prior year in the governmental activities of 0.0617% 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, 2023, the City reported a liability of \$68,433,294 for the New Hire Police Pension Plan net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

For the year ended December 31, 2023, the City's pension expense related to the New Hire Police Pension Plan was \$9,508,810.

At December 31, 2023, 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	\$ 1,609,992	\$ —
Changes of assumptions or other inputs	1,576,490	—
Net difference between projected and actual earnings on pension plan investments	21,458,055	—
Contributions subsequent to the measurement date	7,242,719	—
Total	<u>\$ 31,887,256</u>	<u>\$ —</u>

The \$7,242,719 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, 2024.

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,	Difference Between Expected and Actual Experience	Changes of Assumptions or Other Inputs	Net Difference Between Projected and Actual Earnings on Investments	Net Effect of Amortized Deferred Amounts on Pension Expense
2024	\$ 1,609,992	\$ 1,576,490	\$ (1,705,013)	\$ 1,481,469
2025	—	—	2,876,558	2,876,558
2026	—	—	7,117,417	7,117,417
2027	—	—	13,169,093	13,169,093
Total	<u>\$ 1,609,992</u>	<u>\$ 1,576,490</u>	<u>\$ 21,458,055</u>	<u>\$ 24,644,537</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 2022 measurement period to be 1.5136 years. The difference between projected and actual investment experience is amortized over a closed five-year period.

Remainder of page intentionally blank

Actuarial Assumptions: The total pension liability in the January 1, 2023 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
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 Annuitant 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 0.00015.

The actuarial assumptions shown above are associated with the actuarially determined contribution for the fiscal year ending December 31, 2022. The actuarial assumptions were changed for the actuarial valuation as of January 1, 2023 and as such, the total pension liability was measured using those assumptions.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: 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 percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.00	7.00	8.00
City's net pension liability)	\$ 132,414,783	\$ 68,433,294	\$ 16,198,202

Remainder of page intentionally blank

Below is a schedule of changes in the net pension liability for the New Hire Police Pension Plan for year ended December 31, 2023, with a measurement date of December 31, 2022:

Total pension liability (TPL) - beginning of year	\$ 439,518,863
Service cost	4,718,493
Interest on the TPL	30,573,964
Benefit changes	—
Differences between expected and actual experience of the TPL	4,744,711
Changes of assumptions or other inputs	4,645,981
Benefit payments, including refunds of employee contributions	(19,506,346)
Net change in TPL	25,176,803
Total pension liability - end of year	464,695,666
Plan fiduciary net position (FNP) - beginning of year	439,916,229
Employer contributions	9,595,340
Employee contributions	1,778,683
Net investment income	(35,342,236)
Benefit payments, including refunds of employee contributions	(19,506,346)
Pension plan administrative expense	(179,298)
Net change in FNP	(43,653,857)
Plan fiduciary net position - end of year	396,262,372
Net pension liability	<u>\$ 68,433,294</u>
Plan fiduciary net position as a percentage of the total pension liability	85.27 %
Covered payroll	\$ 19,060,165
Net pension liability as a percentage of covered payroll	359.04 %

Statewide Defined Benefit Pension Plan

Plan Description: The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in the state of Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023, Statewide Defined Benefit Plan and Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes Defined Benefit Component of the Statewide Retirement Plan.

Members in the Statewide Pension Plan may be eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the

member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal pension benefit is 2% of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under the Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of thirty years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5% 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.

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates increased by 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2022, members of the Plan and their employers are contributing at a rate of 12% and 9% respectively, of pensionable earnings for a total contribution rate of 21%.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

Employer contributions recognized by the Statewide Pension Plan from the City were \$8,550,933 for the year ended December 31, 2023.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2023, the City reported a liability of \$8,251,363 as its proportionate share of the Statewide Pension Plan net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. 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, 2022, the City's proportion was 9.2962%, which was an increase of 0.4263% from its proportion measured as of December 31, 2021. 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, 2023 (a December 31, 2022 measurement date) was 99.7688% and 0.2311% between the governmental activities and business-type activities respectively. This allocation is an increase from the prior year in the governmental activities of 0.0184% and a corresponding decrease in the business-type activities.

For the year ended December 31, 2023, the City's pension expense related to the Statewide Pension Plan was \$5,878,303.

At December 31, 2023, 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	\$ 17,861,347	\$ 1,012,802
Changes of assumptions or other inputs	10,571,119	—
Net difference between projected and actual earnings on pension plan investments	18,672,595	—
Changes in proportion	255,777	4,221,076
Contributions subsequent to the measurement date	8,550,933	—
Total	<u>\$ 55,911,771</u>	<u>\$ 5,233,878</u>

The \$8,550,933 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, 2024. 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 or Other Inputs	Net Difference Between Projected and Actual Earnings on Investments	Net Changes in Proportion	Net Effect of Amortized Deferred Amounts on Pension Expense
2024	\$ 1,921,069	\$ 1,205,318	\$ 4,668,149	\$ (657,968)	\$ 7,136,568
2025	1,921,069	1,205,318	4,668,149	(631,864)	7,162,672
2026	1,921,069	1,205,318	4,668,149	(583,579)	7,210,957
2027	1,921,069	1,205,318	4,668,148	(555,725)	7,238,810
2028	1,921,069	1,205,318	—	(576,652)	2,549,735
Thereafter	7,243,200	4,544,529	—	(959,511)	10,828,218
Total	<u>\$ 16,848,545</u>	<u>\$ 10,571,119</u>	<u>\$ 18,672,595</u>	<u>\$ (3,965,299)</u>	<u>\$ 42,126,960</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 2022 measurement period to be 8.7704 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 January 1, 2023 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
Long-term investment 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 Pub-2010 Safety Health Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to the 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the City's proportionate share net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.00	7.00	8.00
City's proportionate share of net pension liability/(asset)	\$ 56,883,833	\$ 8,251,363	\$ (32,032,063)

Defined Contribution Plan

In addition to PERAPlus 401(k), MissionSquare Retirement 457 and MissionSquare Roth IRA, uniformed employees also have access to the following defined contribution plans.

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 Internal Revenue Code.

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, 2023 were \$15,696.

FPPA 457 Plan Description: Uniformed employees of the City may also voluntarily contribute to FPPA 457 Plan (traditional or Roth), Internal Revenue Code Section 457. The FPPA plan is administered by the FPPA and Fidelity Investments.

FPPA 457 Funding Policy: The FPPA 457 plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$22,500 annually for 2023 calendar year). In addition, employees are eligible to contribute an additional \$7,500 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 \$22,500 if they are within three years of retirement. The City does not contribute to the FPPA 457 plan.

I. Accounting Changes

GASB 96 was implemented by the City during 2023. This statement establishes a single model for accounting and financial reporting for subscription-based information technology arrangements for government end users. Under GASB 96, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset, and, in certain circumstances, a deferred outflow of resources. The implementation did not have an impact on the beginning net position or fund balance as of January 1, 2023. Additional disclosure information can be found in Notes I.D.10 and III.H.3 of the notes to financial statements.

J. Subsequent Events

On November 14, 2023, City Council approved changes to the natural gas, electric and water rate schedules and changes to rules and regulations effective January 1, 2024. On January 9, 2024, City Council approved changes to the gas cost adjustment rates effective January 15, 2024.

On February 13, 2024, City Council approved Ordinance 24-06, appropriating \$4.7 million for the refund of the 2022 fiscal revenue above the 2022 fiscal year revenue and spending limitations (TABOR cap). This refund was processed in March 2024 as a credit on eligible electric customer utility accounts with Colorado Springs Utilities, less the cost to administer the refund.

On April 9, 2024, City Council approved a \$10.0 million settlement on an outstanding legal claim. This litigation arose from disputes related to the Utilities’ Tollefson Water Treatment Plant.

Remainder of page intentionally blank



REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY/(ASSET)
Years ended December 31,

Colorado PERA Local Government Division Trust Fund

	2023	2022	2021
Proportionate share of total pension liability	\$2,181,648,710	\$2,120,978,802	\$2,073,021,396
Proportionate share of fiduciary net position	(1,810,625,591)	(2,152,558,159)	(1,884,016,250)
Proportionate share of net pension liability/(asset)	<u>\$ 371,023,119</u>	<u>\$ (31,579,357)</u>	<u>\$ 189,005,146</u>
 Fiduciary net position as a percentage of total pension liability	 82.99 %	 101.49 %	 90.88 %
 Covered payroll	 \$ 292,258,661	 \$ 275,496,362	 \$ 266,314,402
 Net pension liability/(asset) as a percentage of covered payroll	 126.95 %	 (11.46)%	 70.97 %
 Proportion of net pension liability/(asset)	 37.0075 %	 36.8329 %	 36.2685 %

* Notes to the Required Supplementary Information regarding changes in plan provisions, assumptions or other inputs 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.

2020	2019	2018	2017	2016	2015
\$1,928,523,285	\$1,893,691,502	\$1,920,057,454	\$1,896,397,997	\$1,742,453,960	\$1,725,945,784
(1,663,608,112)	(1,438,354,956)	(1,523,903,793)	(1,396,620,395)	(1,339,384,263)	(1,393,102,634)
\$ 264,915,173	\$ 455,336,546	\$ 396,153,661	\$ 499,777,602	\$ 403,069,697	\$ 332,843,150
86.26 %	75.96 %	79.37 %	73.65 %	76.87 %	80.72 %
\$ 249,094,029	\$ 236,427,277	\$ 225,147,540	\$ 216,649,184	\$ 208,704,241	\$ 204,135,871
106.35 %	192.59 %	175.95 %	230.69 %	193.13 %	163.05 %
36.2208 %	36.2179 %	35.5796 %	37.0112 %	36.5901 %	37.1349 %

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 16
(PAGE 2 OF 4)

Colorado PERA Local Government Division Trust Fund

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 45,788,612	\$ 45,788,612	\$ —	\$318,613,333	14.37
2022	41,113,522	41,113,522	—	292,258,661	14.07
2021	36,484,054	36,484,054	—	275,496,362	13.24
2020	33,908,959	33,908,959	—	266,314,402	12.73
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 plan provisions, assumptions or other inputs 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 City's fiscal year end December 31 in accordance with GASB Statement No. 68.

Significant Changes in Plan Provisions, Assumptions or Other Inputs Affecting Trends in Actuarial Information (Measurement Date)

Colorado PERA Local Government Division Trust Fund

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

The following legislation, enacted in 2022, was reflected to the extent possible in the actuarial valuation:

- HB 22-1029, effective upon enactment in 2022, requires the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023 direct distribution will be reduced by \$190 million (actual dollars) to \$35 million (actual dollars) due to a negative instrument return in 2022.
- The total pension liability for the Local Government Division, as of the December 31, 2022 measurement date, was adjusted to reflect the disaffiliation, as allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022 measurement date.

2021 Changes in Plan Provisions, Assumptions or Other Inputs Since 2020

- Member contribution rates increased by 0.50%
- Employer contribution rates increased by 0.50%
- Annual increase (AI) cap was lowered from 1.25% per year to 1.00% per year.

2020 Changes in Plan Provisions, Assumptions or Other Inputs Since 2019

- Price inflation assumption was lowered from 2.40% to 2.30%
- Wage inflation assumption was lowered from 3.50% to 3.00%
- Salary scale assumptions were altered to align with the revised economic assumptions and to better reflect actual experience.
- Pre-retirement, post-retirement and disability mortality assumptions for active and retired lives were changed from static mortality tables represented by the RP-2014 Mortality tables, with adjustments for credibility and gender, to generational mortality tables represented by various tables presented in the Pub-2010 *Public Retirement Plans Mortality Tables Report*, projected using MP-2019 projection scale and adjusted for credibility and gender. In addition, a separate beneficiary mortality table was adopted.
- Rates of termination/withdrawal, retirement and disability were revised to more closely reflect actual experience.

2019 Changes in Plan Provisions, Assumptions or Other Inputs Since 2018

- Senate Bill (SB) 18-200 was enacted on June 4, 2018, which included the adoption of the automatic adjustment provision (AAP). The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increase by 0.50%
 - Employer contribution rates increase by 0.50%
 - Annual Increase (AI) cap is lowered from 1.50% per year to 1.25% per year.
- House Bill (HB) 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.

2018 Changes in Plan Provisions, Assumptions or Other Inputs Since 2017

The following changes were made to the plan provisions as part of SB 18-200:

- Member contribution rates increased by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020 and an additional 0.50% effective July 14, 2021.
- Annual Increase (AI) cap is lowered from 2.00% per year to 1.5% per year.
- Initial AI waiting period is extended from one year after retirement to three years after retirement.
- AI payments are suspended for 2018 and 2019.
- 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.

2017 Changes in Plan Provisions, Assumptions or Other Inputs Since 2016

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had significant effect on trends in actuarial information.

2016 Changes in Plan Provisions, Assumptions or Other Inputs Since 2015

- 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 incorporated 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.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The single equivalent interest rate was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.

2015 Changes in Plan Provisions, Assumptions or Other Inputs Since 2014

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35.0% of the future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

2014 Changes in Plan Provisions, Assumptions or Other Inputs Since 2013

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.



REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CITY'S NET PENSION LIABILITY
Years ended December 31,

Old Hire Fire Defined Benefit Pension Plan

	2023	2022	2021
Total Pension Liability (TPL) - January 1	\$ 102,446,312	\$ 104,712,193	\$ 107,110,925
Interest on the TPL	6,366,830	6,524,317	6,672,051
Difference between expected and actual experience of the TPL	—	24,748	—
Changes of assumptions or other inputs	—	—	—
Benefit payments, including refunds of employee contributions	(9,133,967)	(8,814,946)	(9,070,783)
Net change in TPL	(2,767,137)	(2,265,881)	(2,398,732)
Total Pension Liability - December 31	99,679,175	102,446,312	104,712,193
Plan Fiduciary Net Position (FNP) - January 1	73,430,895	71,040,765	70,910,402
Employer contributions	3,076,512	3,076,512	2,328,416
Net investment income	(5,253,921)	8,168,995	6,913,872
Benefit payments, including refunds of employee contributions	(9,133,967)	(8,814,946)	(9,070,783)
Pension plan administrative expense	(48,797)	(40,431)	(41,142)
Net change in FNP	(11,360,173)	2,390,130	130,363
Plan Fiduciary Net Position - December 31	62,070,722	73,430,895	71,040,765
Net pension liability	\$ 37,608,453	\$ 29,015,417	\$ 33,671,428
Fiduciary net position as a percentage of total pension liability	62.27 %	71.68 %	67.84 %
Covered payroll	\$ —	\$ —	\$ —
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A

* Notes to the Required Supplementary Information regarding changes in plan provisions, assumptions or other inputs can be found on page five 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.

	2020		2019		2018		2017		2016		2015
\$	94,066,095	\$	95,398,783	\$	97,526,320	\$	98,527,662	\$	94,992,823	\$	96,220,416
	6,731,045		6,853,477		7,014,133		7,091,577		6,824,022		6,916,644
	7,956,514		—		(985,133)		—		(1,442,156)		—
	7,153,963		—		—		—		6,312,216		—
	(8,796,692)		(8,186,165)		(8,156,537)		(8,092,919)		(8,159,243)		(8,144,237)
	13,044,830		(1,332,688)		(2,127,537)		(1,001,342)		3,534,839		(1,227,593)
	107,110,925		94,066,095		95,398,783		97,526,320		98,527,662		94,992,823
	68,842,799		74,667,694		70,493,833		73,326,035		78,504,844		80,007,825
	2,328,416		2,286,697		2,286,697		1,639,319		1,639,319		1,467,740
	8,573,590		117,863		10,078,024		3,737,918		1,450,492		5,299,069
	(8,796,692)		(8,186,165)		(8,156,537)		(8,092,919)		(8,159,243)		(8,144,237)
	(37,711)		(43,290)		(34,323)		(116,520)		(109,377)		(125,553)
	2,067,603		(5,824,895)		4,173,861		(2,832,202)		(5,178,809)		(1,502,981)
	70,910,402		68,842,799		74,667,694		70,493,833		73,326,035		78,504,844
\$	36,200,523	\$	25,223,296	\$	20,731,089	\$	27,032,487	\$	25,201,627	\$	16,487,979
	66.20 %		73.19 %		78.27 %		72.28 %		74.42 %		82.64 %
\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
	N/A		N/A		N/A		N/A		N/A		N/A

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 2 OF 5)

Old Hire Fire Defined Benefit Pension Plan

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 3,076,512	\$ 3,076,512	\$ —	\$ —	N/A
2022	3,076,512	3,076,512	—	—	N/A
2021	3,076,512	3,076,512	—	—	N/A
2020	2,328,416	2,328,416	—	—	N/A
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 Schedule of Contributions

Valuation date: January 1, 2020

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	N/A
Remaining amortization period	N/A
Inflation	2.50%
Salary increase	N/A
Investment rate of return	6.50%
Asset valuation method	5-year smoothed fair value
Retirement age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant 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.

* 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,

Old Hire Police Defined Benefit Pension Plan

	2023	2022	2021
Total Pension Liability (TPL) - January 1	\$ 81,001,107	\$ 84,328,821	\$ 86,010,185
Interest on the TPL	5,038,608	5,261,647	5,365,252
Difference between expected and actual experience of the TPL	—	(1,720,424)	—
Changes of assumptions or other inputs	—	—	—
Benefit payments, including refunds of employee contributions	(7,079,571)	(6,868,937)	(7,046,616)
Net change in TPL	(2,040,963)	(3,327,714)	(1,681,364)
Total Pension Liability - December 31	78,960,144	81,001,107	84,328,821
Plan Fiduciary Net Position (FNP) - January 1	63,191,841	60,979,935	60,285,047
Employer contributions	2,120,342	2,120,342	1,850,964
Employee contributions	—	—	—
Net investment income	(4,509,892)	6,992,242	5,923,388
Benefit payments, including refunds of employee contributions	(7,079,571)	(6,868,937)	(7,046,616)
Pension plan administrative expense	(39,326)	(31,741)	(32,848)
Net change in FNP	(9,508,447)	2,211,906	694,888
Plan Fiduciary Net Position - December 31	53,683,394	63,191,841	60,979,935
Net pension liability	<u>\$ 25,276,750</u>	<u>\$ 17,809,266</u>	<u>\$ 23,348,886</u>
Fiduciary net position as a percentage of total pension liability	67.99 %	78.01 %	72.31 %
Covered payroll	\$ —	\$ —	\$ —
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A

* Notes to the Required Supplementary Information regarding changes in plan provisions, assumptions or other inputs can be found on page five 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.

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 3 OF 5)

	2020		2019		2018		2017		2016		2015
\$	79,060,305	\$	80,146,168	\$	81,444,517	\$	82,286,576	\$	80,928,590	\$	81,933,276
	5,670,286		5,758,923		5,859,424		5,922,411		5,813,424		5,891,079
	2,284,694		—		(397,839)		—		(2,591,637)		—
	6,035,154		—		—		—		5,094,537		—
	(7,040,254)		(6,844,786)		(6,759,934)		(6,764,470)		(6,958,338)		(6,895,765)
	6,949,880		(1,085,863)		(1,298,349)		(842,059)		1,357,986		(1,004,686)
	86,010,185		79,060,305		80,146,168		81,444,517		82,286,576		80,928,590
	58,247,082		63,196,268		59,630,971		61,865,742		66,224,327		67,207,764
	1,850,964		1,833,691		1,833,691		1,466,935		1,466,935		1,541,080
	—		—		—		—		—		6,534
	7,258,087		98,302		8,520,414		3,161,491		1,225,181		4,471,258
	(7,040,254)		(6,844,786)		(6,759,934)		(6,764,470)		(6,958,338)		(6,895,765)
	(30,832)		(36,393)		(28,874)		(98,727)		(92,363)		(106,544)
	2,037,965		(4,949,186)		3,565,297		(2,234,771)		(4,358,585)		(983,437)
	60,285,047		58,247,082		63,196,268		59,630,971		61,865,742		66,224,327
\$	25,725,138	\$	20,813,223	\$	16,949,900	\$	21,813,546	\$	20,420,834	\$	14,704,263
	70.09 %		73.67 %		78.85 %		73.22 %		75.18 %		81.83 %
\$	—	\$	—	\$	—	\$	—	\$	—	\$	61,878
	N/A		N/A		NA		NA		NA		23763.31 %

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 4 OF 5)

Old Hire Police Defined Benefit Pension Plan

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 2,120,342	\$ 2,120,342	\$ —	\$ —	N/A
2022	2,120,342	2,120,342	—	—	N/A
2021	2,120,342	2,120,342	—	—	N/A
2020	1,850,964	1,850,964	—	—	N/A
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 Schedule of Contributions

Valuation date: January 1, 2020

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	N/A
Remaining amortization period	N/A
Inflation	2.50%
Salary increase	N/A
Investment rate of return	6.50%
Asset valuation method	5-year smoothed fair value
Retirement age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant 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.

* 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.

Significant Changes in Plan Provisions, Assumptions or Other Inputs Affecting Trends in Actuarial Information (Measurement Date)

Old Hire Defined Benefit Pension Plans

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2021 Changes in Plan Provisions, Assumptions or Other Inputs Since 2020

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2020 Changes in Plan Provisions, Assumptions or Other Inputs Since 2019

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2019 Changes in Plan Provisions, Assumptions or Other Inputs Since 2018

- Investment rate of return decreased from 7.50% to 6.50%.
- Post-retirement mortality table updated to 2006 central rates from the RP-2014 Annuitant 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.

2018 Changes in Plan Provisions, Assumptions or Other Inputs Since 2017

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2017 Changes in Plan Provisions, Assumptions or Other Inputs Since 2016

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2016 Changes in Plan Provisions, Assumptions or Other Inputs Since 2015

- Real rate of 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.

2015 Changes in Plan Provisions, Assumptions or Other Inputs Since 2014

- 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.

2014 Changes in Plan Provisions, Assumptions or Other Inputs Since 2013

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CITY'S NET PENSION LIABILITY
Years ended December 31,

New Hire Pension Plan - Fire Component

	2023	2022	2021
Total Pension Liability (TPL) - January 1	\$ 200,348,152	\$ 198,111,391	\$ 191,759,280
Service cost	1,812,608	1,954,328	1,966,951
Interest on the TPL	13,844,021	13,605,790	13,173,456
Benefit changes	1,674,672	—	—
Difference between expected and actual experience of the TPL	3,058,671	(3,883,098)	312,764
Changes of assumptions or other inputs	1,548,101	—	—
Benefit payments, including refunds of employee contributions	(10,061,649)	(9,440,259)	(9,101,060)
Net change in TPL	11,876,424	2,236,761	6,352,111
Total Pension Liability - December 31	212,224,576	200,348,152	198,111,391
Plan Fiduciary Net Position (FNP) - January 1	191,047,929	169,623,376	154,007,661
Employer contributions	4,852,915	5,101,472	4,000,147
Employee contributions	1,704,634	896,954	976,570
Net investment income	(15,361,338)	24,947,971	19,812,461
Benefit payments, including refunds of employee contributions	(10,061,649)	(9,440,259)	(9,101,060)
Pension plan administrative expense	(98,443)	(81,585)	(72,403)
Other	—	—	—
Net change in FNP	(18,963,881)	21,424,553	15,615,715
Plan Fiduciary Net Position - December 31	172,084,048	191,047,929	169,623,376
Net pension liability	\$ 40,140,528	\$ 9,300,223	\$ 28,488,015
Fiduciary net position as a percentage of total pension liability	81.09 %	95.36 %	85.62 %
Covered payroll	\$ 8,431,574	\$ 8,969,538	\$ 9,765,687
Net pension liability as a percentage of covered payroll	476.07 %	103.69 %	291.72 %

* Notes to the Required Supplementary Information regarding changes in plan provisions, assumptions or other inputs can be found on page five 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.

	2020	2019	2018	2017	2016	2015
\$	182,354,848	\$ 168,492,702	\$ 163,542,442	\$ 157,971,179	\$ 145,875,351	\$ 138,255,953
	1,902,086	2,007,404	1,872,966	2,129,584	2,350,743	2,436,526
	12,524,201	12,196,763	12,030,879	11,644,318	11,152,618	10,261,170
	—	—	—	—	—	—
	3,755,612	(915,934)	(819,178)	(645,848)	55,903	238,938
	—	8,912,225	—	—	4,765,138	—
	(8,777,467)	(8,338,312)	(8,134,407)	(7,556,791)	(6,228,574)	(5,317,236)
	9,404,432	13,862,146	4,950,260	5,571,263	12,095,828	7,619,398
	191,759,280	182,354,848	168,492,702	163,542,442	157,971,179	145,875,351
	138,638,938	142,035,779	126,527,898	123,154,436	122,730,229	115,691,126
	3,583,394	4,058,332	4,181,089	3,485,586	3,437,596	3,341,129
	936,275	923,455	1,083,453	1,045,342	1,202,513	1,278,915
	19,700,611	33,950	18,445,141	6,569,905	2,206,766	7,924,723
	(8,777,467)	(8,338,312)	(8,134,407)	(7,556,791)	(6,228,574)	(5,317,236)
	(74,090)	(74,266)	(67,395)	(209,340)	(194,094)	(195,429)
	—	—	—	38,760	—	7,001
	15,368,723	(3,396,841)	15,507,881	3,373,462	424,207	7,039,103
	154,007,661	138,638,938	142,035,779	126,527,898	123,154,436	122,730,229
\$	37,751,619	\$ 43,715,910	\$ 26,456,923	\$ 37,014,544	\$ 34,816,743	\$ 23,145,122
	80.31 %	76.03 %	84.30 %	77.37 %	77.96 %	84.13 %
\$	9,362,740	\$ 9,234,540	\$ 9,517,994	\$ 10,367,032	\$ 11,910,879	\$ 12,789,129
	403.21 %	473.40 %	277.97 %	357.04 %	292.31 %	180.97 %

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 18
(PAGE 2 OF 5)

New Hire Pension Plan - Fire Component

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 3,801,959	\$ 3,801,959	\$ —	\$ 7,604,161	50.00
2022	4,850,694	4,850,694	—	8,431,574	57.53
2021	5,111,063	5,111,063	—	8,969,538	56.98
2020	4,788,124	4,788,124	—	9,765,687	49.03
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 Schedule of Contributions

Valuation date: January 1, 2021

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	17 years
Inflation	2.50%
Salary increase	4.25 - 11.25% including inflation
Investment rate of return	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	Pre-retirement: 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. Increased by 0.00015 for on-duty related Fire and Police experience. Post-retirement: 2006 central rates from the RP-2014 Annuitant 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.

* 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 THE CHANGES IN THE
CITY'S NET PENSION LIABILITY/(ASSET)
Years ended December 31,

New Hire Pension Plan - Police Component

	2023	2022	2021
Total Pension Liability (TPL) - January 1	\$ 439,518,863	\$ 426,548,638	\$ 409,776,854
Service cost	4,718,493	5,317,591	5,741,905
Interest on the TPL	30,573,964	29,434,842	28,344,817
Difference between expected and actual experience of the TPL	4,744,711	(4,362,819)	(1,871,246)
Changes of assumptions or other inputs	4,645,981	—	—
Benefit payments, including refunds of employee contributions	(19,506,346)	(17,419,389)	(15,443,692)
Net change in TPL	25,176,803	12,970,225	16,771,784
Total Pension Liability - December 31	464,695,666	439,518,863	426,548,638
Plan Fiduciary Net Position (FNP) - January 1	439,916,229	387,912,905	349,383,584
Employer contributions	9,595,340	10,511,399	6,589,565
Employee contributions	1,778,683	1,837,829	2,105,304
Net investment income	(35,342,236)	57,229,368	45,419,986
Benefit payments, including refunds of employee contributions	(19,506,346)	(17,419,389)	(15,443,692)
Pension plan administrative expense	(179,298)	(155,883)	(141,842)
Net change in FNP	(43,653,857)	52,003,324	38,529,321
Plan Fiduciary Net Position - December 31	396,262,372	439,916,229	387,912,905
Net pension liability/(asset)	\$ 68,433,294	\$ (397,366)	\$ 38,635,733
Fiduciary net position as a percentage of total pension liability	85.27 %	100.09 %	90.94 %
Covered payroll	\$ 19,060,165	\$ 21,134,307	\$ 25,086,796
Net pension liability/(asset) as a percentage of covered payroll	359.04 %	(1.88)%	154.01 %

* Notes to the Required Supplementary Information regarding changes in plan provisions, assumptions or other inputs can be found on page five 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.

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 18
(PAGE 3 OF 5)

	2020		2019		2018		2017		2016		2015
\$	383,230,807	\$	342,817,503	\$	331,007,540	\$	319,975,168	\$	297,810,707	\$	281,166,840
	5,523,169		5,527,257		5,320,575		5,823,050		6,291,613		6,226,828
	26,516,398		25,073,851		24,542,529		23,779,327		22,785,151		20,973,736
	8,879,893		4,145,156		(5,184,926)		(6,911,997)		(4,663,822)		(1,295,803)
	—		19,566,442		—		—		7,939,475		—
	(14,373,413)		(13,899,402)		(12,868,215)		(11,658,008)		(10,187,956)		(9,260,894)
	26,546,047		40,413,304		11,809,963		11,032,372		22,164,461		16,643,867
	409,776,854		383,230,807		342,817,503		331,007,540		319,975,168		297,810,707
	311,369,449		315,606,098		277,111,969		264,726,596		260,252,125		242,667,157
	6,053,042		7,590,899		8,433,311		7,512,099		7,916,242		7,728,841
	2,000,225		2,222,616		2,319,332		2,628,533		2,493,427		2,830,620
	44,477,485		(4,868)		40,741,455		14,354,620		4,665,140		16,694,742
	(14,373,413)		(13,899,402)		(12,868,215)		(11,658,008)		(10,187,956)		(9,260,894)
	(143,204)		(145,894)		(131,754)		(451,871)		(412,382)		(408,341)
	38,014,135		(4,236,649)		38,494,129		12,385,373		4,474,471		17,584,968
	349,383,584		311,369,449		315,606,098		277,111,969		264,726,596		260,252,125
\$	60,393,270	\$	71,861,358	\$	27,211,405	\$	53,895,571	\$	55,248,572	\$	37,558,582
	85.26 %		81.25 %		92.06 %		83.72 %		82.73 %		87.39 %
\$	24,709,177	\$	23,500,297	\$	24,114,374	\$	26,439,948	\$	28,615,723	\$	30,066,196
	244.42 %		305.79 %		112.84 %		203.84 %		193.07 %		124.92 %

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 18
(PAGE 4 OF 5)

New Hire Pension Plan - Police Component

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2023	\$ 7,242,719	\$ 7,242,719	\$ —	\$ 17,669,863	40.99
2022	9,137,018	9,137,018	—	19,060,165	47.94
2021	10,530,459	10,530,459	—	21,134,307	49.83
2020	6,457,477	6,457,477	—	25,086,796	25.74
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 Schedule of Contributions

Valuation date: January 1, 2021

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	17 years
Inflation	2.50%
Salary increase	4.25 - 11.25% including inflation
Investment rate of return	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	Pre-retirement: 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. Increased by 0.00015 for on-duty related Fire and Police experience. Post-retirement: 2006 central rates from the RP-2014 Annuitant 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.

* 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.

Significant Changes in Plan Provisions, Assumptions or Other Inputs Affecting Trends in Actuarial Information (Measurement Date)

New Hire Defined Benefit Pension Plans

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2021 Changes in Plan Provisions, Assumptions or Other Inputs Since 2020

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2020 Changes in Plan Provisions, Assumptions or Other Inputs Since 2019

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2019 Changes in Plan Provisions, Assumptions or Other Inputs Since 2018

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2018 Changes in Plan Provisions, Assumptions or Other Inputs Since 2017

- Investment rate of return changed from 7.50% to 7.00%.
- Post-retirement mortality table updated to 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 Changes in Plan Provisions, Assumptions or Other Inputs Since 2016

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2016 Changes in Plan Provisions, Assumptions or Other Inputs Since 2015

- 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.

2015 Changes in Plan Provisions, Assumptions or Other Inputs Since 2014

- 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.

2014 Changes in Plan Provisions, Assumptions or Other Inputs Since 2013

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

* 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,

Fire & Police Pension Association Statewide Defined Benefit Pension Plan

	2023	2022	2021
Proportionate share of total pension liability	\$ 348,802,128	\$ 297,374,357	\$ 279,617,600
Proportionate share of fiduciary net position	(340,550,765)	(345,443,598)	(298,408,921)
Proportionate share of net pension liability/(asset)	<u>\$ 8,251,363</u>	<u>\$ (48,069,241)</u>	<u>\$ (18,791,321)</u>
 Fiduciary net position as a percentage of total pension liability/(asset)	 97.63 %	 116.16 %	 106.72 %
 Covered payroll	 \$ 80,875,445	 \$ 71,346,564	 \$ 69,522,397
 Net pension liability/(asset) as a percentage of covered payroll	 10.20 %	 67.37 %	 27.03 %
 Proportion of net pension liability/(asset)	 9.2962 %	 8.8699 %	 8.6556 %

* 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.

2020		2019		2018		2017		2016		2015	
\$	235,645,678	\$	196,860,692	\$	170,806,127	\$	153,221,012	\$	133,609,555	\$	115,980,297
	(240,210,779)		(187,479,815)		(181,634,116)		(150,482,259)		(133,737,080)		(123,899,253)
\$	(4,565,101)	\$	9,380,877	\$	(10,827,989)	\$	2,738,753	\$	(127,525)	\$	(7,918,956)
	101.94 %		95.23 %		106.34 %		98.21 %		100.10 %		106.83 %
\$	59,417,629	\$	49,702,739	\$	43,974,999	\$	38,790,638	\$	35,068,719	\$	31,535,933
	7.68 %		18.87 %		24.62 %		7.06 %		0.36 %		25.11 %
	8.0718 %		7.4200 %		7.5265 %		7.5795 %		7.2340 %		7.0168 %

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 19
(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
2023	\$ 8,550,933	\$ 8,550,933	\$ —	\$ 89,434,475	9.56
2022	7,301,723	7,301,723	—	80,875,445	9.03
2021	6,143,515	6,143,515	—	71,346,564	8.61
2020	5,413,015	5,413,015	—	69,522,397	7.79
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.

* 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.

***Significant Changes in Plan Provisions, Assumptions or Other Inputs Affecting Trends in Actuarial Information
(Measurement Date)***

Fire & Police Pension Association Statewide Defined Benefit Pension Plan

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

- House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Retirement Plan became the Defined Benefit Component of the Statewide Retirement Plan.

2021 Changes in Plan Provisions, Assumptions or Other Inputs Since 2020

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2020 Changes in Plan Provisions, Assumptions or Other Inputs Since 2019

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2019 Changes in Plan Provisions, Assumptions or Other Inputs Since 2018

- House Bill 20-1044 was signed into law on April 1, 2020. Included in the bill is a provision to increase the benefits of the members of the Statewide Defined Benefit Plan through a Rule of 80 provision effective January 1, 2021. This provision provides for a normal retirement as early as age 50 if the member's age combined with years of service totals at least 80. The impact of this change was not included in the Total Pension Liability or the Collective Pension Expense as of the December 31, 2019 measurement period. The impact of the benefit adjustment for the City cannot be estimated, but will be reflected in the December 31, 2020 measurement period.

2018 Changes in Plan Provisions, Assumptions or Other Inputs Since 2017

- The discount rate used in the valuation of the total pension liability changed from 7.50% to 7.00%.

2017 Changes in Plan Provisions, Assumptions or Other Inputs Since 2016

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2016 Changes in Plan Provisions, Assumptions or Other Inputs Since 2015

- 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%.

2015 Changes in Plan Provisions, Assumptions or Other Inputs Since 2014

- 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.

2014 Changes in Plan Provisions, Assumptions or Other Inputs Since 2013

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

* 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 OPEB LIABILITY
Year ended December 31,

Colorado PERA Health Care Trust Fund

	2023	2022	2021
Proportionate share of total OPEB liability	\$ 39,507,414	\$ 40,620,868	\$ 39,028,759
Proportionate share of fiduciary net position	(15,239,046)	(16,006,425)	(12,792,042)
Proportionate share of net OPEB liability	<u>\$ 24,268,368</u>	<u>\$ 24,614,443</u>	<u>\$ 26,236,717</u>
Plan fiduciary net position as a percentage of total OPEB liability	38.57 %	39.40 %	32.78 %
Covered payroll	\$ 292,258,661	\$ 275,496,365	\$ 266,314,402
Proportionate share of the net OPEB liability as a percentage of covered payroll	8.30 %	8.93 %	9.85 %
Proportion of net OPEB liability	2.9723 %	2.8545 %	2.7611 %

* 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.

2020		2019		2018
41,231,367	\$	46,022,463	\$	43,535,412
(10,096,722)		(7,836,090)		(7,631,217)
31,134,645	\$	38,186,373	\$	35,904,195

24.49 % 17.03 % 17.53 %

249,094,029 \$ 236,427,277 \$ 225,147,540

12.50 % 16.15 % 15.95 %

2.7699 % 2.8067 % 2.7627 %

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S CONTRIBUTIONS
Years ended December 31,

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 20
(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
2023	\$ 3,421,484	\$ 3,421,484	\$ —	\$ 318,613,333	1.07
2022	3,135,631	3,135,631	—	292,258,661	1.07
2021	2,836,353	2,836,353	—	275,496,365	1.03
2020	2,691,471 **	2,691,471	—	266,314,402	1.01
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.

Significant Changes in Plan Provisions, Assumptions or Other Inputs Affecting Trends in Actuarial Information (Measurement Date)

Colorado PERA Health Care Trust Fund

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

- The total OPEB liability for the Health Care Trust Fund (HCTF) as of the December 31, 2022 measurement date, was adjusted to reflect the disaffiliation, allowable under CRS § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of December 31, 2022 measurement date.

2021 Changes in Plan Provisions, Assumptions or Other Inputs Since 2020

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2020 Changes in Plan Provisions, Assumptions or Other Inputs Since 2019

- Price inflation assumption was lowered from 2.4% per year to 2.3%
- Wage inflation assumption was lowered from 3.5% per year to 3.0%
- Salary scale assumptions were altered to align with revised economic assumptions to more closely reflect actual experience.
- Pre-retirement, post-retirement and disability mortality assumptions for active and retired lives were changed from static mortality tables represented by the RP-2014 mortality tables, with adjustments for credibility and gender, to a generational mortality table represented by various tables presented in *Pub-2010 Public Retirement Plans Mortality Tables Report*, projected using MP-2019 projection scale and adjusted for credibility and gender. In addition, a separate beneficiary mortality table was adopted.
- Rates of termination and withdrawal, retirement and disability were revised to more accurately reflect actual experience.
- The health care cost trend rates were updated for December 2019 funding valuation and reflected in the total OPEB liability as of the December 31, 2020 measurement date.

2019 Changes in Plan Provisions, Assumptions or Other Inputs Since 2018

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2018 Changes in Plan Provisions, Assumptions or Other Inputs Since 2017

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

2017 Changes in Plan Provisions, Assumptions or Other Inputs Since 2016

- There were no changes made to plan provisions, actuarial methods or assumptions, or other inputs that had a significant effect on trends in actuarial information.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
CITY'S TOTAL OPEB LIABILITY
Years ended December 31,

The City of Colorado Springs OPEB Plan

	2023	2022	2021
Total OPEB Liability (TOL) - January 1	\$ 22,671,789	\$ 23,093,544	\$ 31,694,639
Service cost	157,024	157,024	755,413
Interest on the TOL	456,352	479,985	869,136
Difference between expected and actual experience of the TOL	2,010,982	—	(10,902,174)
Changes of assumptions or other inputs	(5,110,715)	160,796	2,136,079
Benefit payments, including refunds of employee contributions	(1,351,578)	(1,219,560)	(1,459,549)
Net change in TOL	(3,837,935)	(421,755)	(8,601,095)
Total OPEB Liability - December 31	\$ 18,833,854	\$ 22,671,789	\$ 23,093,544
Covered employee payroll	\$ 248,010,781	\$ 224,978,171	\$ 218,386,539
Total OPEB liability as a percentage of covered employee payroll	7.59 %	10.08 %	10.57 %

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page two 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.

2020	2019	2018
\$ 29,052,980	\$ 30,107,637	\$ 26,516,371
735,267	739,173	434,507
1,190,620	1,034,500	987,112
(206,820)	909,670	1,680,818
2,435,234	(2,189,751)	2,162,428
(1,512,642)	(1,548,249)	(1,673,599)
2,641,659	(1,054,657)	3,591,266
<u>\$ 31,694,639</u>	<u>\$ 29,052,980</u>	<u>\$ 30,107,637</u>
\$ 203,394,298	\$ 183,328,604	\$ 170,699,626
15.58 %	15.85 %	17.64 %

Significant Changes in Plan Provisions, Assumptions or Other Inputs Affecting Trends in Actuarial Information (Measurement Date)

The City of Colorado Springs OPEB Plan

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

- The discount rate was updated from 2.06 % to 3.72%.
- The mortality assumption was updated to utilize the most recent generational scale MP-2021 to reflect the Society of Actuaries' recent mortality study.
- The medical and prescription trend rate was reset to 7.00% to 7.50% grading down at 0.25% with an ultimate rate of 4.00%.
- The most recent, retirement termination and disability assumptions were used from CoPERA and FPPA valuations as of 2022.

2021 Changes in Plan Provisions, Assumptions or Other Inputs Since 2020

- The discount rate decreased from 2.12% to 2.06% based on the changes in the 20-year municipal bond rate.
- The retirement, termination and salary scale rates were updated to the rates from PERA as of December 31, 2021.

2020 Changes in Plan Provisions, Assumptions or Other Inputs Since 2019

- The discount rate decreased from 2.74% to 2.12% based on the changes in the 20-year municipal bond rate.
- The trend rates were reset to 6.25% grading down by 0.25% to 4.0%. The Medicare Part B premium ultimate rate used was changed to 4.0%.
- The retirement, termination and salary scale rates were updated to the rates from PERA as of December 31, 2020.
- The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2020 to reflect the Society of Actuaries' recent mortality study.

2019 Changes in Plan Provisions, Assumptions or Other Inputs Since 2018

- The discount rate decreased from 4.10% to 2.74% based on changes in the 20-year municipal bond rate.
- The future trend rates on the PERA premiums were lowered.

2018 Changes in Plan Provisions, Assumptions or Other Inputs Since 2017

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

2017 Changes in Plan Provisions, Assumptions or Other Inputs Since 2016

- 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.



REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CHANGES IN THE
UTILITIES' TOTAL OPEB LIABILITY
Years ended December 31,

Colorado Springs Utilities OPEB Plan

	2023	2022	2021
Total OPEB Liability (TOL) - January 1	\$ 16,693,000	\$ 17,448,000	\$ 21,179,000
Service cost	1,000	7,000	12,000
Interest on the TOL	29,000	357,000	565,000
Difference between expected and actual experience of the TOL	(95,000)	—	(5,151,000)
Changes of assumptions or other inputs	(2,139,000)	100,000	1,988,000
Benefit payments, including refunds of employee contributions	(1,172,000)	(1,219,000)	(1,145,000)
Net change in TOL	(3,376,000)	(755,000)	(3,731,000)
Total OPEB Liability - December 31	\$ 13,317,000	\$ 16,693,000	\$ 17,448,000
Covered employee payroll	\$ 667,000	\$ 1,219,000	\$ 1,183,000
Total OPEB liability as a percentage of covered employee payroll	1,996.60 %	1,369.40 %	1,474.89 %

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page two 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.

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 22
(PAGE 1 OF 2)

2020	2019	2018
\$ 19,228,000	\$ 21,624,000	\$ 21,390,000
11,000	23,000	20,000
764,000	723,000	786,000
(492,000)	(511,000)	(93,000)
2,877,000	(1,389,000)	785,000
(1,209,000)	(1,242,000)	(1,264,000)
1,951,000	(2,396,000)	234,000
<u>\$ 21,179,000</u>	<u>\$ 19,228,000</u>	<u>\$ 21,624,000</u>
\$ 2,207,000	\$ 3,530,000	\$ 5,683,000
959.63 %	544.70 %	380.50 %

Significant Changes in Plan Provisions, Assumptions or Other Inputs Affecting Trends in Actuarial Information (Measurement Date)

Colorado Springs Utilities OPEB Plan

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

- The discount rate was updated from 2.06 % to 3.72%
- The mortality projection scale was updated from MP-2019 to MP-2021 to reflect the Society of Actuaries' recent mortality study.
- None of the termination or retirement probabilities were updated as a new experience study has not been created since 2020 for the CoPERA valuation.

2021 Changes in Plan Provisions, Assumptions or Other Inputs Since 2020

- The discount rate was updated from 2.12% to 2.06%.
- The retirement, termination and salary scale rates were updated to the rates from PERA as of December 31, 2021.

2020 Changes in Plan Provisions, Assumptions or Other Inputs Since 2019

- The discount rate decreased from 2.74% to 2.12%.
- The retirement, termination and salary scale rates were updated from the PERA rates as of December 31, 2020.
- The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to PUB-2010 mortality table with generational scale MP-2020 to reflect the Society of Actuaries' recent mortality study.
- Trend rates were reset to 6.25% grading down by 0.25% to 4.0%. The Medicare Part B premium ultimate rate used was changed to 4.0%.

2019 Changes in Plan Provisions, Assumptions or Other Inputs Since 2018

- The discount decreased from 4.10% to 2.74% based on changes in the 20-year municipal bond rate.
- The future trend rates on the PERA premiums were lowered.

2018 Changes in Plan Provisions, Assumptions or Other Inputs Since 2017

- The discount rate increased 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 premiums were updated.

2017 Changes in Plan Provisions, Assumptions or Other Inputs Since 2016

- The discount rate decreased from 3.78% to 3.44% based on changes in the 20-year municipal bond rate.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

PROPRIETARY FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL COMPARISON
For the year ended December 31, 2023

	Colorado Springs Utilities		
	Budget	Actual	Variance
Operating revenues	\$ 1,267,813,000	\$ 1,005,708,000	\$ (262,105,000)
Operating expenses			
Salaries and benefits	240,115,000	230,684,000	9,431,000
Other operating expenses	661,368,000	440,140,000	221,228,000
Depreciation and amortization	166,158,000	181,917,000	(15,759,000)
Total operating expenses	1,067,641,000	852,741,000	214,900,000
Operating income	200,172,000	152,967,000	(47,205,000)
Nonoperating revenues (expenses)			
Derivative instruments gain	—	2,009,000	2,009,000
Investment earnings	5,923,000	29,455,000	23,532,000
Notes interest income	—	—	—
Interest expense	(92,457,000)	(91,099,000)	1,358,000
Amortization expense	—	—	—
Change in contingent liabilities	—	—	—
Other revenue	5,918,000	11,532,000	5,614,000
Other expense	(1,219,000)	(12,261,000)	(11,042,000)
Total nonoperating revenues (expenses)	(81,835,000)	(60,364,000)	21,471,000
Income (loss) before contributions and transfers	118,337,000	92,603,000	(25,734,000)
Capital contributions	56,286,000	52,931,000	(3,355,000)
Transfers - out	(36,513,000)	(35,298,000)	1,215,000
Special item	—	(1,330,000)	(1,330,000)
Change in net position	\$ 138,110,000	\$ 108,906,000	\$ (29,204,000)

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-1

Public Authority for Colorado Energy			Memorial Health System		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 52,054,000	\$ 52,054,000	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
20,323,000	20,285,000	38,000	—	—	—
—	—	—	—	—	—
20,323,000	20,285,000	38,000	—	—	—
31,731,000	31,769,000	38,000	—	—	—
—	—	—	—	—	—
1,102,000	1,126,000	24,000	67,300	120,394	53,094
—	—	—	5,612,112	2,515,215	(3,096,897)
(35,803,000)	(35,868,000)	(65,000)	—	—	—
(820,000)	(820,000)	—	—	—	—
—	—	—	(7,115,000)	(2,635,609)	4,479,391
—	—	—	—	—	—
—	—	—	—	—	—
(35,521,000)	(35,562,000)	(41,000)	(1,435,588)	—	1,435,588
(3,790,000)	(3,793,000)	(3,000)	(1,435,588)	—	1,435,588
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
\$ (3,790,000)	\$ (3,793,000)	\$ (3,000)	\$ (1,435,588)	\$ —	\$ 1,435,588



NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-1

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
<u>ASSETS</u>				
Cash and investments	\$ 133,490,121	\$ 44,560,305	\$ 528,671	\$ 178,579,097
Accounts receivable (net of allowance for uncollectibles)	22,029,282	172,101	9,063	22,210,446
Sales tax receivable (net of allowance for uncollectibles)	6,769,867	—	—	6,769,867
Loans receivable (net of allowance for uncollectibles)	13,808,933	—	—	13,808,933
Property taxes receivable	3,883,228	—	—	3,883,228
Due from other funds	278,279	200,000	—	478,279
Restricted investments	—	—	14,413,590	14,413,590
Total assets	\$ 180,259,710	\$ 44,932,406	\$ 14,951,324	\$ 240,143,440
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 8,307,932	\$ 1,542,172	\$ —	\$ 9,850,104
Accrued salaries and benefits	1,049,259	—	—	1,049,259
Due to other funds	648,966	3,413,315	—	4,062,281
Unearned revenue				
Grants	45,877,833	—	—	45,877,833
Total liabilities	55,883,990	4,955,487	—	60,839,477
Deferred inflows of resources				
Unavailable revenue - property taxes	3,883,228	—	—	3,883,228
Unavailable revenue - loans (net of allowance for uncollectibles)	13,808,933	—	—	13,808,933
Total deferred inflows of resources	17,692,161	—	—	17,692,161
Fund balances				
Nonspendable	—	—	14,413,590	14,413,590
Restricted	68,603,898	—	537,734	69,141,632
Committed	38,014,156	36,849,409	—	74,863,565
Assigned	65,505	3,127,510	—	3,193,015
Total fund balances	106,683,559	39,976,919	14,951,324	161,611,802
Total liabilities, deferred inflows of resources and fund balances	\$ 180,259,710	\$ 44,932,406	\$ 14,951,324	\$ 240,143,440

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-2

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
Revenues				
Taxes	\$ 77,024,273	\$ —	\$ —	\$ 77,024,273
Intergovernmental	65,442,048	—	—	65,442,048
Charges for services	7,291,093	—	—	7,291,093
Endowments and donations	1,977,654	—	111,142	2,088,796
Other revenue	3,276,035	2,674,899	—	5,950,934
Investment earnings	6,511,465	607,601	1,429,414	8,548,480
Rental income	53,167	—	—	53,167
Total revenues	161,575,735	3,282,500	1,540,556	166,398,791
Expenditures				
Current				
General government	11,204,265	—	—	11,204,265
Public safety	58,745,851	—	—	58,745,851
Planning and community development	14,046,789	—	—	14,046,789
Public works	15,813,188	—	—	15,813,188
Parks	15,575,777	—	5,290	15,581,067
Debt service				
Principal	458,750	1,200,000	—	1,658,750
Principal - leases	301,899	—	—	301,899
Principal - subscriptions	241,838	37,017	—	278,855
Interest	367,838	9,543	—	377,381
Interest - leases	29,821	—	—	29,821
Interest - subscriptions	55,719	1,983	—	57,702
Capital outlay	40,992,355	6,598,855	—	47,591,210
Total expenditures	157,834,090	7,847,398	5,290	165,686,778
Excess (deficiency) of revenues over expenditures	3,741,645	(4,564,898)	1,535,266	712,013
Other financing sources (uses)				
Transfers - in	264,875	13,087,722	—	13,352,597
Transfers - out	(3,769,629)	—	(354,636)	(4,124,265)
Issuance of subscriptions	696,997	74,964	—	771,961
Sale of capital assets	50,020	—	—	50,020
Total other financing sources (uses)	(2,757,737)	13,162,686	(354,636)	10,050,313
Net change in fund balances	983,908	8,597,788	1,180,630	10,762,326
Fund balances - January 1	105,699,651	31,379,131	13,770,694	150,849,476
Fund balances - December 31	\$ 106,683,559	\$ 39,976,919	\$ 14,951,324	\$ 161,611,802



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
Public Safety and Wildfire Mitigation Funds**

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:

Briargate General Improvement District
Market Place at Austin Bluffs (MAB) General Improvement District
Briargate General Improvement District 2021

These Other Public Improvements Funds are used to account for the activities of the funds established to finance improvement district infrastructure costs and the continued maintenance costs.

Other Special Revenue Funds:

Lodgers and Auto Rental Tax Fund
Street Tree Fund
Gift Trust Fund
Senior Programs Fund
Carryout Bag Fee 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, 2023

	Intergovernmental Grant Funds	Capital, Operations and Maintenance Funds
<u>ASSETS</u>		
Cash and investments	\$ 31,666,468	\$ 53,835,428
Accounts receivable (net of allowance for uncollectibles)	21,559,754	13,368
Sales tax receivable (net of allowance for uncollectibles)	—	6,220,428
Loans receivable (net of allowance for uncollectibles)	13,808,933	—
Property taxes receivable	—	—
Due from other funds	—	—
Total assets	\$ 67,035,155	\$ 60,069,224
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities		
Accounts payable	\$ 6,555,963	\$ 1,577,857
Accrued salaries and benefits	170,072	862,803
Due to other funds	622,354	26,612
Unearned revenue		
Grants	45,877,833	—
Total liabilities	53,226,222	2,467,272
Deferred inflows of resources		
Unavailable revenue - property taxes	—	—
Unavailable revenue - loans (net of allowance for uncollectibles)	13,808,933	—
Total deferred inflows of resources	13,808,933	—
Fund balances		
Restricted	—	57,551,850
Committed	—	50,102
Assigned	—	—
Total fund balances	—	57,601,952
Total liabilities, deferred inflows of resources and fund balances	\$ 67,035,155	\$ 60,069,224

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	
\$	862,508	\$	37,302,565	\$	676,027	\$	9,147,125	\$	133,490,121
	12,829		232,001		13,901		197,429		22,029,282
	—		—		—		549,439		6,769,867
	—		—		—		—		13,808,933
	1,763,113		—		2,120,115		—		3,883,228
	—		—		—		278,279		278,279
\$	2,638,450	\$	37,534,566	\$	2,810,043	\$	10,172,272	\$	180,259,710
\$	22,150	\$	13,337	\$	4,959	\$	133,666	\$	8,307,932
	9,594		—		6,790		—		1,049,259
	—		—		—		—		648,966
	—		—		—		—		45,877,833
	31,744		13,337		11,749		133,666		55,883,990
	1,763,113		—		2,120,115		—		3,883,228
	—		—		—		—		13,808,933
	1,763,113		—		2,120,115		—		17,692,161
	843,593		—		678,179		9,530,276		68,603,898
	—		37,455,724		—		508,330		38,014,156
	—		65,505		—		—		65,505
	843,593		37,521,229		678,179		10,038,606		106,683,559
\$	2,638,450	\$	37,534,566	\$	2,810,043	\$	10,172,272	\$	180,259,710

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023

	Intergovernmental Grant Funds	Capital, Operations and Maintenance Funds	Improvement and Maintenance District Funds
Revenues			
Taxes	\$ —	\$ 63,504,921	\$ 1,629,416
Intergovernmental	58,645,907	6,796,141	—
Charges for services	—	151,044	—
Donations	—	—	—
Other revenue	811,448	1,250,000	—
Investment earnings	2,525,174	2,232,694	15,656
Rental income	—	—	—
Total revenues	61,982,529	73,934,800	1,645,072
Expenditures			
Current			
General government	686,873	—	—
Public safety	8,213,696	50,345,468	—
Planning and community development	13,512,891	—	—
Public works	12,579,942	—	—
Parks	2,196,786	9,669,029	1,432,067
Debt service			
Principal	—	243,750	—
Principal - leases	—	245,175	30,631
Principal - subscriptions	—	241,838	—
Interest	—	264,488	—
Interest - leases	—	28,268	839
Interest - subscriptions	—	55,719	—
Capital outlay	24,792,341	16,083,745	80,733
Total expenditures	61,982,529	77,177,480	1,544,270
Excess (deficiency) of revenues over expenditures	—	(3,242,680)	100,802
Other financing sources (uses)			
Transfers - in	—	—	—
Transfers - out	—	—	(264,875)
Issuance of subscriptions	—	696,997	—
Sale of capital assets	—	32,000	—
Total other financing sources (uses)	—	728,997	(264,875)
Net change in fund balances	—	(2,513,683)	(164,073)
Fund balances - January 1	—	60,115,635	1,007,666
Fund balances - December 31	\$ —	\$ 57,601,952	\$ 843,593

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-2

Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
\$ —	\$ 1,884,719	\$ 10,005,217	\$ 77,024,273
—	—	—	65,442,048
7,140,049	—	—	7,291,093
—	—	1,977,654	1,977,654
—	—	1,214,587	3,276,035
1,704,978	14,310	18,653	6,511,465
—	—	53,167	53,167
8,845,027	1,899,029	13,269,278	161,575,735
—	13,629	10,503,763	11,204,265
—	—	186,687	58,745,851
—	—	533,898	14,046,789
3,231,814	—	1,432	15,813,188
—	1,393,979	883,916	15,575,777
—	215,000	—	458,750
—	26,093	—	301,899
—	—	—	241,838
—	103,350	—	367,838
—	714	—	29,821
—	—	—	55,719
35,536	—	—	40,992,355
3,267,350	1,752,765	12,109,696	157,834,090
5,577,677	146,264	1,159,582	3,741,645
—	264,875	—	264,875
(3,244,653)	(10,101)	(250,000)	(3,769,629)
—	—	—	696,997
—	18,020	—	50,020
(3,244,653)	272,794	(250,000)	(2,757,737)
2,333,024	419,058	909,582	983,908
35,188,205	259,121	9,129,024	105,699,651
\$ 37,521,229	\$ 678,179	\$ 10,038,606	\$ 106,683,559

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-3

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
<u>ASSETS</u>				
Cash and investments	\$ —	\$ 824,720	\$ 30,841,748	\$ 31,666,468
Accounts receivable (net of allowance for uncollectibles)	762,536	1,359,427	19,437,791	21,559,754
Loans receivable (net of allowance for uncollectibles)	6,013,724	7,782,959	12,250	13,808,933
Total assets	\$ 6,776,260	\$ 9,967,106	\$ 50,291,789	\$ 67,035,155
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Liabilities				
Accounts payable	\$ 104,354	\$ 755,895	\$ 5,695,714	\$ 6,555,963
Accrued salaries and benefits	27,424	—	142,648	170,072
Due to other funds	622,354	—	—	622,354
Unearned revenue				
Grants	8,404	1,428,252	44,441,177	45,877,833
Total liabilities	762,536	2,184,147	50,279,539	53,226,222
Deferred inflows of resources				
Unavailable revenue - loans (net of allowance for uncollectibles)	6,013,724	7,782,959	12,250	13,808,933
Total deferred inflows of resources	6,013,724	7,782,959	12,250	13,808,933
Total liabilities and deferred inflows of resources	\$ 6,776,260	\$ 9,967,106	\$ 50,291,789	\$ 67,035,155

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-4

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
Revenues				
Intergovernmental	\$ 3,309,735	\$ 1,912,851	\$ 53,423,321	\$ 58,645,907
Other revenue	158,091	567,688	85,669	811,448
Investment earnings	—	970	2,524,204	2,525,174
Total revenues	3,467,826	2,481,509	56,033,194	61,982,529
Expenditures				
Current				
General government	—	—	686,873	686,873
Public safety	—	—	8,213,696	8,213,696
Planning and community development	3,467,826	2,481,509	7,563,556	13,512,891
Public works	—	—	12,579,942	12,579,942
Parks	—	—	2,196,786	2,196,786
Capital outlay	—	—	24,792,341	24,792,341
Total expenditures	3,467,826	2,481,509	56,033,194	61,982,529
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, 2023

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
<u>ASSETS</u>			
Cash and investments	\$ 50,102	\$ 313,247	\$ 17,654,515
Accounts receivable (net of allowance for uncollectibles)	—	—	—
Sales tax receivable (net of allowance for uncollectibles)	—	23,886	1,239,308
Total assets	\$ 50,102	\$ 337,133	\$ 18,893,823
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ —	\$ 1,160	\$ 577,663
Accrued salaries and benefits	—	—	34,499
Due to other funds	—	—	—
Total liabilities	—	1,160	612,162
Fund balances			
Restricted	—	335,973	18,281,661
Committed	50,102	—	—
Total fund balances	50,102	335,973	18,281,661
Total liabilities and fund balances	\$ 50,102	\$ 337,133	\$ 18,893,823

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-5

Conservation Trust Fund	Public Safety and Wildfire Mitigation Funds	Total
\$ 3,957,627	\$ 31,859,937	\$ 53,835,428
—	13,368	13,368
—	4,957,234	6,220,428
\$ 3,957,627	\$ 36,830,539	\$ 60,069,224
\$ 8,726	\$ 990,308	\$ 1,577,857
85,566	742,738	862,803
—	26,612	26,612
94,292	1,759,658	2,467,272
3,863,335	35,070,881	57,551,850
—	—	50,102
3,863,335	35,070,881	57,601,952
\$ 3,957,627	\$ 36,830,539	\$ 60,069,224



PUBLIC SAFETY AND WILDFIRE MITIGATION
COMBINING BALANCE SHEET
December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-5A

	Public Safety Sales Tax Fund	Wildfire Mitigation Fund	Total
ASSETS			
Cash and investments	\$ 13,263,030	\$ 18,596,907	\$ 31,859,937
Accounts receivable (net of allowance for uncollectibles)	13,368	—	13,368
Sales tax receivable (net of allowance for uncollectibles)	4,957,234	—	4,957,234
Total assets	\$ 18,233,632	\$ 18,596,907	\$ 36,830,539
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 971,901	\$ 18,407	\$ 990,308
Accrued salaries and benefits	742,738	—	742,738
Due to other funds	26,612	—	26,612
Total liabilities	1,741,251	18,407	1,759,658
Fund balances			
Restricted	16,492,381	18,578,500	35,070,881
Total fund balances	16,492,381	18,578,500	35,070,881
Total liabilities and fund balances	\$ 18,233,632	\$ 18,596,907	\$ 36,830,539

CAPITAL, OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
Revenues			
Taxes	\$ —	\$ 183,638	\$ 12,664,066
Intergovernmental	—	—	—
Charges for services	96,682	—	4,800
Investment earnings	1,005	3,231	688,766
Other revenue	—	—	1,250,000
Total revenues	97,687	186,869	14,607,632
Expenditures			
Current			
Public safety	—	—	—
Parks	—	—	4,043,988
Debt service			
Principal	—	—	—
Principal - leases	—	—	—
Principal - subscriptions	—	—	—
Interest	—	—	—
Interest - leases	—	—	—
Interest - subscriptions	—	—	—
Capital outlay	247,022	27,952	10,391,254
Total expenditures	247,022	27,952	14,435,242
Excess (deficiency) of revenues over expenditures	(149,335)	158,917	172,390
Other financing sources			
Issuance of subscriptions	—	—	13,938
Sale of capital assets	—	—	32,000
Total other financing sources	—	—	45,938
Net change in fund balances	(149,335)	158,917	218,328
Fund balances - January 1	199,437	177,056	18,063,333
Fund balances - December 31	\$ 50,102	\$ 335,973	\$ 18,281,661

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-6

		Public Safety and Wildfire Mitigation Funds		Total
Conservation Trust Fund				
\$	—	\$	50,657,217	\$ 63,504,921
	6,796,141		—	6,796,141
	—		49,562	151,044
	42,524		1,497,168	2,232,694
	—		—	1,250,000
	6,838,665		52,203,947	73,934,800
	—		50,345,468	50,345,468
	5,625,041		—	9,669,029
	68,250		175,500	243,750
	—		245,175	245,175
	—		241,838	241,838
	74,057		190,431	264,488
	—		28,268	28,268
	—		55,719	55,719
	66,295		5,351,222	16,083,745
	5,833,643		56,633,621	77,177,480
	1,005,022		(4,429,674)	(3,242,680)
	—		683,059	696,997
	—		—	32,000
	—		683,059	728,997
	1,005,022		(3,746,615)	(2,513,683)
	2,858,313		38,817,496	60,115,635
\$	3,863,335	\$	35,070,881	\$ 57,601,952



**PUBLIC SAFETY AND WILDFIRE MITIGATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-6A**

	Public Safety Sales Tax Fund	Wildfire Mitigation Fund	Total
Revenues			
Taxes	\$ 50,657,217	\$ —	\$ 50,657,217
Charges for services	49,562	—	49,562
Investment earnings	729,552	767,616	1,497,168
Total revenues	51,436,331	767,616	52,203,947
Expenditures			
Current			
Public safety	49,623,901	721,567	50,345,468
Debt service			
Principal	175,500	—	175,500
Principal - leases	245,175	—	245,175
Principal - subscriptions	241,838	—	241,838
Interest	190,431	—	190,431
Interest - leases	28,268	—	28,268
Interest - subscriptions	55,719	—	55,719
Capital outlay	4,889,772	461,450	5,351,222
Total expenditures	55,450,604	1,183,017	56,633,621
Deficiency of revenues over expenditures	(4,014,273)	(415,401)	(4,429,674)
Other financing sources			
Issuance of subscriptions	683,059	—	683,059
Total other financing sources	683,059	—	683,059
Net change in fund balances	(3,331,214)	(415,401)	(3,746,615)
Fund balances - January 1	19,823,595	18,993,901	38,817,496
Fund balances - December 31	\$ 16,492,381	\$ 18,578,500	\$ 35,070,881

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2023

	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	\$ 37,653	\$ 554,826	\$ —	\$ 189,158
Accounts receivable (net of allowance for uncollectibles)	1,057	8,500	—	3,061
Property taxes receivable	151,353	1,114,763	—	465,977
Total assets	\$ 190,063	\$ 1,678,089	\$ —	\$ 658,196
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 1,044	\$ 13,691	\$ —	\$ 7,159
Accrued salaries and benefits	1,789	6,346	—	1,459
Total liabilities	2,833	20,037	—	8,618
Deferred inflows of resources				
Unavailable revenue - property taxes	151,353	1,114,763	—	465,977
Total deferred inflows of resources	151,353	1,114,763	—	465,977
Fund balances				
Restricted	35,877	543,289	—	183,601
Total fund balances	35,877	543,289	—	183,601
Total liabilities, deferred inflows of resources and fund balances	\$ 190,063	\$ 1,678,089	\$ —	\$ 658,196

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
\$ 44,497	\$ 10,455	\$ 25,919	\$ 862,508
175	36	—	12,829
25,412	5,608	—	1,763,113
\$ 70,084	\$ 16,099	\$ 25,919	\$ 2,638,450
\$ 213	\$ 43	\$ —	\$ 22,150
—	—	—	9,594
213	43	—	31,744
25,412	5,608	—	1,763,113
25,412	5,608	—	1,763,113
44,459	10,448	25,919	843,593
44,459	10,448	25,919	843,593
\$ 70,084	\$ 16,099	\$ 25,919	\$ 2,638,450

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023

	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	\$ 143,929	\$ 1,031,113	\$ —	\$ 414,983
Investment earnings	627	10,337	—	3,508
Total revenues	144,556	1,041,450	—	418,491
Expenditures				
Current				
Parks	129,769	897,449	—	375,127
Debt service				
Principal - leases	—	21,555	—	9,076
Interest - leases	—	590	—	249
Capital outlay	1,708	79,025	—	—
Total expenditures	131,477	998,619	—	384,452
Excess of revenues over expenditures	13,079	42,831	—	34,039
Other financing sources				
Transfers - out	—	—	(264,875)	—
Total other financing sources	—	—	(264,875)	—
Net change in fund balances	13,079	42,831	(264,875)	34,039
Fund balances - January 1	22,798	500,458	264,875	149,562
Fund balances - December 31	\$ 35,877	\$ 543,289	\$ —	\$ 183,601

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	
\$ 23,667	\$ 5,099	\$ 10,625	\$ 1,629,416	
668	139	377	15,656	
24,335	5,238	11,002	1,645,072	
16,961	3,607	9,154	1,432,067	
—	—	—	30,631	
—	—	—	839	
—	—	—	80,733	
16,961	3,607	9,154	1,544,270	
7,374	1,631	1,848	100,802	
—	—	—	(264,875)	
—	—	—	(264,875)	
7,374	1,631	1,848	(164,073)	
37,085	8,817	24,071	1,007,666	
\$ 44,459	\$ 10,448	\$ 25,919	\$ 843,593	

PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2023

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	\$ 15,897,691	\$ 18,300,500	\$ 2,913,054	\$ 191,320	\$ —	\$ 37,302,565
Accounts receivable (net of allowance for uncollectibles)	1,437	230,564	—	—	—	232,001
Total assets	\$ 15,899,128	\$ 18,531,064	\$ 2,913,054	\$ 191,320	\$ —	\$ 37,534,566
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 13,337	\$ —	\$ —	\$ —	\$ —	\$ 13,337
Total liabilities	13,337	—	—	—	—	13,337
Fund balances						
Committed	15,885,791	18,531,064	2,913,054	125,815	—	37,455,724
Assigned	—	—	—	65,505	—	65,505
Total fund balances	15,885,791	18,531,064	2,913,054	191,320	—	37,521,229
Total liabilities and fund balances	\$ 15,899,128	\$ 18,531,064	\$ 2,913,054	\$ 191,320	\$ —	\$ 37,534,566

PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023

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	\$ 2,411,039	\$ 4,152,229	\$ 152,742	\$ —	\$ 424,039	\$ 7,140,049
Investment earnings	498,228	1,099,810	104,325	2,615	—	1,704,978
Total revenues	2,909,267	5,252,039	257,067	2,615	424,039	8,845,027
Expenditures						
Current						
Public works	—	3,229,473	2,272	69	—	3,231,814
Capital outlay	35,536	—	—	—	—	35,536
Total expenditures	35,536	3,229,473	2,272	69	—	3,267,350
Excess of revenues over expenditures	2,873,731	2,022,566	254,795	2,546	424,039	5,577,677
Other financing sources						
Transfers - out	—	—	—	—	(3,244,653)	(3,244,653)
Total other financing sources	—	—	—	—	(3,244,653)	(3,244,653)
Net change in fund balances	2,873,731	2,022,566	254,795	2,546	(2,820,614)	2,333,024
Fund balances - January 1	13,012,060	16,508,498	2,658,259	188,774	2,820,614	35,188,205
Fund balances - December 31	\$ 15,885,791	\$ 18,531,064	\$ 2,913,054	\$ 191,320	\$ —	\$ 37,521,229

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2023

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-11

	Briargate General Improvement District	MAB General Improvement District	Briargate General Improvement District 2021	Total
<u>ASSETS</u>				
Cash and investments	\$ —	\$ 220,759	\$ 455,268	\$ 676,027
Accounts receivable (net of allowance for uncollectibles)	—	2,217	11,684	13,901
Property taxes receivable	—	333,463	1,786,652	2,120,115
Total assets	\$ —	\$ 556,439	\$ 2,253,604	\$ 2,810,043
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ —	\$ —	\$ 4,959	\$ 4,959
Accrued salaries and benefits	—	—	6,790	6,790
Total liabilities	—	—	11,749	11,749
Deferred inflows of resources				
Unavailable revenue - property taxes	—	333,463	1,786,652	2,120,115
Total deferred inflows of resources	—	333,463	1,786,652	2,120,115
Fund balances				
Restricted	—	222,976	455,203	678,179
Total fund balances	—	222,976	455,203	678,179
Total liabilities, deferred inflows of resources and fund balances	\$ —	\$ 556,439	\$ 2,253,604	\$ 2,810,043

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-12

	Briargate General Improvement District	MAB General Improvement District	Briargate General Improvement District 2021	Total
Revenues				
Taxes	\$ 276	\$ 300,612	\$ 1,583,831	\$ 1,884,719
Investment earnings	185	4,862	9,263	14,310
Total revenues	461	305,474	1,593,094	1,899,029
Expenditures				
Current				
General government	7,498	6,131	—	13,629
Parks	—	—	1,393,979	1,393,979
Debt service				
Principal	—	215,000	—	215,000
Principal - leases	—	—	26,093	26,093
Interest	—	103,350	—	103,350
Interest - leases	—	—	714	714
Total expenditures	7,498	324,481	1,420,786	1,752,765
Excess (deficiency) of revenues over expenditures	(7,037)	(19,007)	172,308	146,264
Other financing sources (uses)				
Transfers - in	—	—	264,875	264,875
Transfers - out	(10,101)	—	—	(10,101)
Sale of capital assets	—	—	18,020	18,020
Total other financing sources (uses)	(10,101)	—	282,895	272,794
Net change in fund balances	(17,138)	(19,007)	455,203	419,058
Fund balances - January 1	17,138	241,983	—	259,121
Fund balances - December 31	\$ —	\$ 222,976	\$ 455,203	\$ 678,179

OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-13

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Carryout Bag Fee Fund	Therapeutic Recreation Fund	Total
ASSETS							
Cash and investments	\$ 843,853	\$ 96,984	\$ 6,715,401	\$ 411,346	\$ 1,079,541	\$ —	\$ 9,147,125
Accounts receivable (net of allowance for uncollectibles)	—	—	60,091	—	137,338	—	197,429
Sales tax receivable (net of allowance for uncollectibles)	549,439	—	—	—	—	—	549,439
Due from other funds	—	—	278,279	—	—	—	278,279
Total assets	\$ 1,393,292	\$ 96,984	\$ 7,053,771	\$ 411,346	\$ 1,216,879	\$ —	\$ 10,172,272
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	7,560	—	126,106	—	—	—	133,666
Total liabilities	7,560	—	126,106	—	—	—	133,666
Fund balances							
Restricted	1,385,732	—	6,927,665	—	1,216,879	—	9,530,276
Committed	—	96,984	—	411,346	—	—	508,330
Total fund balances	1,385,732	96,984	6,927,665	411,346	1,216,879	—	10,038,606
Total liabilities and fund balances	\$ 1,393,292	\$ 96,984	\$ 7,053,771	\$ 411,346	\$ 1,216,879	\$ —	\$ 10,172,272

OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-14

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Carryout Bag Fee Fund	Therapeutic Recreation Fund	Total
Revenues							
Taxes	\$ 10,005,217	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,005,217
Donations	—	—	1,961,126	16,528	—	—	1,977,654
Other revenue	5,000	—	—	—	1,209,587	—	1,214,587
Investment earnings	3,359	1,326	—	6,431	7,504	33	18,653
Rental income	—	—	—	53,167	—	—	53,167
Total revenues	10,013,576	1,326	1,961,126	76,126	1,217,091	33	13,269,278
Expenditures							
Current							
General government	10,317,881	—	185,670	—	212	—	10,503,763
Public safety	—	—	186,687	—	—	—	186,687
Planning and community development	—	—	533,898	—	—	—	533,898
Public works	—	—	1,432	—	—	—	1,432
Parks	—	36	683,048	195,896	—	4,936	883,916
Total expenditures	10,317,881	36	1,590,735	195,896	212	4,936	12,109,696
Excess (deficiency) of revenues over expenditures	(304,305)	1,290	370,391	(119,770)	1,216,879	(4,903)	1,159,582
Other financing uses							
Transfers - out	(250,000)	—	—	—	—	—	(250,000)
Total other financing uses	(250,000)	—	—	—	—	—	(250,000)
Net change in fund balances	(554,305)	1,290	370,391	(119,770)	1,216,879	(4,903)	909,582
Fund balances - January 1	1,940,037	95,694	6,557,274	531,116	—	4,903	9,129,024
Fund balances - December 31	\$ 1,385,732	\$ 96,984	\$ 6,927,665	\$ 411,346	\$ 1,216,879	\$ —	\$ 10,038,606

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-15
(PAGE 1 OF 2)

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Community Development Block Grant	\$ 3,467,826	\$ 3,467,826	\$ —
Home Investment Partnership Fund	2,481,509	2,481,509	—
Grants Fund	56,033,194	56,033,194	—
Ballfield Capital Improvements Fund	82,200	97,687	15,487
Bicycle Tax Fund	84,700	186,869	102,169
Trails/Open Space Fund	13,193,000	14,653,570	1,460,570
Conservation Trust Fund	5,927,139	6,838,665	911,526
Public Safety and Wildfire Mitigation Funds	52,307,838	52,887,006	579,168
Old Colorado City Maintenance and Security District Fund	144,143	144,556	413
Norwood Special Improvement Maintenance District Fund	1,049,179	1,041,450	(7,729)
Briargate Special Improvement Maintenance District Fund	—	—	—
Stetson Hills Improvement Maintenance District Fund	423,871	418,491	(5,380)
Woodstone Improvement Maintenance District Fund	24,716	24,335	(381)
Gateway Improvement Maintenance District Fund	5,155	5,238	83
Platte Avenue Improvement Maintenance District Fund	11,087	11,002	(85)
Public Space and Development Fund	2,479,000	2,909,267	430,267
Subdivision Drainage Fund	10,000,000	5,252,039	(4,747,961)
Arterial Roadway Fund	1,000,000	257,067	(742,933)
Park Developer Easement Fund	—	2,615	2,615
Banning Lewis Ranch Fund	—	424,039	424,039
Briargate General Improvement District	1,000	461	(539)
MAB General Improvement District	304,400	305,474	1,074
Briargate General Improvement District 2021	1,988,982	1,875,989	(112,993)
Lodgers and Auto Rental Tax Fund	10,043,661	10,013,576	(30,085)
Street Tree Fund	1,700	1,326	(374)
Gift Trust Fund	4,100,000	1,961,126	(2,138,874)
Senior Programs Fund	66,400	76,126	9,726
Carryout Bag Fee Fund	—	1,217,091	1,217,091
Therapeutic Recreation Fund	80	33	(47)
Total revenues	\$ 165,220,780	\$ 162,587,627	\$ (2,633,153)

Note: Includes transfers.

(continued)

SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-15
(PAGE 2 OF 2)

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Community Development Block Grant	\$ 3,467,826	\$ 3,467,826	\$ —
Home Investment Partnership Fund	2,481,509	2,481,509	—
Grants Fund	56,033,194	56,033,194	—
Ballfield Capital Improvements Fund	247,154	247,022	132
Bicycle Tax Fund	255,999	27,952	228,047
Trails/Open Space Fund	26,997,361	14,435,242	12,562,119
Conservation Trust Fund	7,159,610	5,833,643	1,325,967
Public Safety and Wildfire Mitigation Funds	67,325,063	56,633,621	10,691,442
Old Colorado City Maintenance and Security District Fund	145,022	131,477	13,545
Norwood Special Improvement Maintenance District Fund	1,174,178	998,619	175,559
Briargate Special Improvement Maintenance District Fund	383,832	264,875	118,957
Stetson Hills Improvement Maintenance District Fund	469,166	384,452	84,714
Woodstone Improvement Maintenance District Fund	38,572	16,961	21,611
Gateway Improvement Maintenance District Fund	6,844	3,607	3,237
Platte Avenue Improvement Maintenance District Fund	18,937	9,154	9,783
Public Space and Development Fund	6,664,376	35,536	6,628,840
Subdivision Drainage Fund	10,000,000	3,229,473	6,770,527
Arterial Roadway Fund	1,000,000	2,272	997,728
Park Developer Easement Fund	—	69	(69)
Banning Lewis Ranch Fund	3,229,705	3,244,653	(14,948)
Briargate General Improvement District	17,912	17,599	313
MAB General Improvement District	325,850	324,481	1,369
Briargate General Improvement District 2021	1,597,398	1,420,786	176,612
Lodgers and Auto Rental Tax Fund	10,938,510	10,567,881	370,629
Street Tree Fund	35,947	36	35,911
Gift Trust Fund	4,290,177	1,590,735	2,699,442
Senior Programs Fund	158,990	195,896	(36,906)
Carryout Bag Fee Fund	—	212	(212)
Therapeutic Recreation Fund	50	4,936	(4,886)
Total expenditures	\$ 204,463,182	\$ 161,603,719	\$ 42,859,463

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, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-1

	City Funded CIP Construction Fund
<u>ASSETS</u>	
Cash and investments	\$ 44,560,305
Accounts receivable	172,101
Due from other funds	<u>200,000</u>
Total assets	<u>\$ 44,932,406</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Accounts payable	\$ 1,542,172
Due to other funds	<u>3,413,315</u>
Total liabilities	<u>4,955,487</u>
 Fund balance	
Committed	36,849,409
Assigned	<u>3,127,510</u>
Total fund balance	<u>39,976,919</u>
Total liabilities and fund balance	<u>\$ 44,932,406</u>

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-2

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other revenue	\$ 2,622,816	\$ 2,674,899	\$ 52,083
Investment earnings	553,000	607,601	54,601
Total revenues	3,175,816	3,282,500	106,684
Expenditures			
Debt service			
Principal	1,200,000	1,200,000	—
Principal - subscriptions	37,017	37,017	—
Interest	9,543	9,543	—
Interest - subscriptions	1,983	1,983	—
Capital outlay	44,762,306	6,598,855	38,163,451
Total expenditures	46,010,849	7,847,398	38,163,451
Deficiency of revenues over expenditures	(42,835,033)	(4,564,898)	38,270,135
Other financing sources			
Transfers - in	13,072,775	13,087,722	14,947
Issuance of subscriptions	—	74,964	74,964
Total other financing sources	13,072,775	13,162,686	89,911
Net change in fund balance	(29,762,258)	8,597,788	38,360,046
Fund balance - January 1	31,379,131	31,379,131	—
Fund balance - December 31	\$ 1,616,873	\$ 39,976,919	\$ 38,360,046

**ANNUAL STATEMENT OF RECEIPTS
AND EXPENDITURES FOR
ROADS, BRIDGES AND STREETS
2023**

**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 2023		
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)	153,113,582	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	26,571,713	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a.+b.)		a. Traffic control operations	494,243	
2. General fund appropriations	58,431,310	b. Snow and ice removal	2,063,782	
3. Other local imposts (from page 2)	131,825,716	c. Other		
4. Miscellaneous local receipts (from page 2)	3,648,686	d. Total (a. through c.)	2,558,025	
5. Transfers from toll facilities		4. General administration & miscellaneous	7,192,527	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	25,333,040	
a. Bonds - Original Issues		6. Total (1 through 5)	214,768,887	
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)	193,905,712	b. Redemption		
B. Private Contributions	—	c. Total (a. + b.)	—	
C. Receipts from State government (from page 2)	22,112,630	2. Notes:		
D. Receipts from Federal Government (from page 2)	—	a. Interest		
E. Total receipts (A.7 + B + C + D)	216,018,342	b. Redemption		
		c. Total (a. + b.)	—	
		3. Total (1.c + 2.c)	—	
		C. Payments to State for highways	1,249,455	
		D. Payments to toll facilities	—	
		E. Total disbursements (A.6 + B.3 + C + D)	216,018,342	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	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
	—	216,018,342	216,018,342	—
Notes and Comments:				

**ANNUAL STATEMENT OF RECEIPTS
AND EXPENDITURES FOR
ROADS, BRIDGES AND STREETS
2023**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-3
(PAGE 2 OF 2)**

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2023	
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	274,931
b. Other local imposts:		b. Traffic Fines & Penalties	3,373,755
1. Sales Taxes	127,646,568	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,091,928	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,087,220	g. Other Misc. Receipts	
6. Total (1. through 5.)	131,825,716	h. Other	
c. Total (a. + b.)	131,825,716	i. Total (a. through h.)	3,648,686
	(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	20,670,224	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	—
c. Motor Vehicle Registrations	1,442,406	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.)	1,442,406	g. Total (a. through f.)	—
4. Total (1. + 2. + 3.f)	22,112,630	3. Total (1. + 2.g)	—
	(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	644,520	1,290,223	1,934,743
b. Engineering Costs	3,329,209	3,506,026	6,835,235
c. Construction:			
(1). New Facilities	—	5,562,297	5,562,297
(2). Capacity Improvements	2,808,659	8,153,150	10,961,809
(3). System Preservation	20,240,447	99,230,655	119,471,102
(4). System Enhancement & Operation	22,274	8,326,122	8,348,396
(5). Total Construction (1) + (2) + (3) + (4)	23,071,380	121,272,224	144,343,604
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	27,045,109	126,068,473	153,113,582
			(Carry forward to page 1)
Notes and Comments:			

FORM FHWA-536 (Rev.1-05)

PREVIOUS EDITIONS OBSOLETE



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, 2023

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	\$ 326,361	\$ 24,131	\$ 178,179	\$ 528,671
Accounts receivable	9,063	—	—	9,063
Restricted investments	1,468,456	12,253,522	691,612	14,413,590
Total assets	\$ 1,803,880	\$ 12,277,653	\$ 869,791	\$ 14,951,324
<u>FUND BALANCES</u>				
Nonspendable	\$ 1,468,456	\$ 12,253,522	\$ 691,612	\$ 14,413,590
Restricted	335,424	24,131	178,179	537,734
Total fund balances	\$ 1,803,880	\$ 12,277,653	\$ 869,791	\$ 14,951,324

PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-2

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
Revenues				
Endowments	\$ —	\$ 111,142	\$ —	\$ 111,142
Investment earnings	47,709	1,344,182	37,523	1,429,414
Total revenues	47,709	1,455,324	37,523	1,540,556
Expenditures				
Current				
Parks	4,122	—	1,168	5,290
Total expenditures	4,122	—	1,168	5,290
Excess of revenues over expenditures	43,587	1,455,324	36,355	1,535,266
Other financing uses				
Transfers - out	—	(354,636)	—	(354,636)
Total other financing uses	—	(354,636)	—	(354,636)
Net change in fund balances	43,587	1,100,688	36,355	1,180,630
Fund balances - January 1	1,760,293	11,176,965	833,436	13,770,694
Fund balances - December 31	\$ 1,803,880	\$ 12,277,653	\$ 869,791	\$ 14,951,324

PERMANENT FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
C.D. Smith Trust Fund	\$ 75,000	\$ 47,709	\$ (27,291)
Cemetery Endowment Fund	387,550	1,455,324	1,067,774
TOPS Maintenance Trust Fund	3,100	37,523	34,423
Total revenues	\$ 465,650	\$ 1,540,556	\$ 1,074,906
Expenditures			
C.D. Smith Trust Fund	\$ 75,000	\$ 4,122	\$ 70,878
Cemetery Endowment Fund	387,550	354,636	32,914
TOPS Maintenance Trust Fund	31,987	1,168	30,819
Total expenditures	\$ 494,537	\$ 359,926	\$ 134,611

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, 2023

	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	\$ 31,368,656	\$ 3,491,933	\$ 948,613	\$ 3,277,902
Cash and investments - restricted	922,280	—	—	—
Accounts receivable (net of allowance for uncollectibles)	20,923,106	25,395	2,760	18,751
Leases receivable	3,899,007	9,395	9,395	1,239,783
Notes receivable	232,501	—	—	—
Prepaid subscription	—	—	—	—
Due from other funds	—	—	—	2,410
Inventories	1,614,500	—	—	41,258
Total current assets	58,960,050	3,526,723	960,768	4,580,104
Noncurrent assets				
Cash and investments - restricted	801,606	—	—	2,007,100
Leases receivable	126,756,694	49,955	49,955	1,265,312
Notes receivable	3,691,727	—	—	—
Due from other funds	—	—	—	—
Capital assets:				
Land	36,262,265	60,000	931,200	667
Buildings	56,047,592	1,834,148	282,508	71,332,786
Construction in progress	10,852,191	22,115	—	14,758
Improvements other than buildings	348,598,684	3,389,119	1,510,289	10,744,276
Machinery and equipment	33,287,678	2,990,101	1,409,721	6,411,124
Subscription assets	679,881	—	—	—
Infrastructure	38,807,337	—	—	—
Intangibles	2,325,950	—	—	—
Less accumulated depreciation and amortization	(234,071,376)	(6,063,698)	(2,559,726)	(14,165,966)
Total noncurrent assets	424,040,229	2,281,740	1,623,947	77,610,057
Total assets	483,000,279	5,808,463	2,584,715	82,190,161
Deferred outflows of resources				
Loss on debt refunding	—	—	—	—
Pension-related amounts	5,193,244	382,314	172,933	1,111,932
OPEB-related amounts	377,648	35,121	11,296	68,621
Total deferred outflows of resources	5,570,892	417,435	184,229	1,180,553
Total assets and deferred outflows of resources	\$ 488,571,171	\$ 6,225,898	\$ 2,768,944	\$ 83,370,714

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-1
(PAGE 1 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 19,627,300	\$ 1,518,159	\$ 7,148,898	\$ 21,962,958	\$ 89,344,419
—	356,989	—	—	1,279,269
179,217	12,730	99,656	1,516,640	22,778,255
—	—	—	—	5,157,580
—	—	—	—	232,501
25,389	—	—	—	25,389
138,059	—	—	4,578,532	4,719,001
—	—	—	—	1,655,758
19,969,965	1,887,878	7,248,554	28,058,130	125,192,172
—	—	—	—	2,808,706
—	—	—	—	128,121,916
—	—	—	—	3,691,727
927,056	—	—	—	927,056
2,072,246	81,379	—	2,131,602	41,539,359
25,059,206	514,720	80,173	—	155,151,133
2,126,676	—	—	10,284,781	23,300,521
16,813,568	1,745,366	80,289	2,332,182	385,213,773
1,393,255	460,517	408,206	733,506	47,094,108
404,548	—	182,990	275,506	1,542,925
—	—	—	31,472,801	70,280,138
—	—	—	—	2,325,950
(25,138,906)	(2,422,242)	(336,396)	(2,253,890)	(287,012,200)
23,657,649	379,740	415,262	44,976,488	574,985,112
43,627,614	2,267,618	7,663,816	73,034,618	700,177,284
38,875	—	—	—	38,875
633,693	254,925	1,301,120	1,736,585	10,786,746
58,570	45,443	110,476	213,016	920,191
731,138	300,368	1,411,596	1,949,601	11,745,812
\$ 44,358,752	\$ 2,567,986	\$ 9,075,412	\$ 74,984,219	\$ 711,923,096
(continued)				

NON-MAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2023

	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	\$ 6,961,971	\$ 24,536	\$ 6,491	\$ 163,603
Accrued salaries and benefits	266,802	13,872	6,081	48,881
Compensated absences	47,488	5,300	2,504	8,986
Due to other funds	86,230	8,347	5,112	19,605
Unearned revenue	107,745	—	—	—
Escrow deposits	—	—	—	—
Accrued interest payable	287,358	—	—	112,611
Matured bonds payable	—	—	—	595,000
Notes payable	1,471,990	—	—	—
Financed purchases payable	—	97,521	100,315	—
Subscription liabilities	91,142	—	—	—
Total current liabilities	9,320,726	149,576	120,503	948,686
Noncurrent liabilities				
Compensated absences	902,263	100,701	47,569	170,729
Unearned revenue	1,985,250	—	—	—
Revenue bonds payable, net	—	—	—	28,746,678
Notes payable	10,548,235	—	—	—
Net pension liability	9,032,455	707,111	324,577	1,886,965
Net OPEB liability	889,292	108,059	36,652	238,323
Financed purchases payable	—	—	209,718	—
Subscription liabilities	458,501	—	—	—
Total noncurrent liabilities	23,815,996	915,871	618,516	31,042,695
Total liabilities	33,136,722	1,065,447	739,019	31,991,381
Deferred inflows of resources				
Pension-related amounts	79,182	8,921	9,187	12,934
OPEB-related amounts	385,173	52,888	16,022	108,097
Lease-related amounts	126,270,051	58,192	58,192	2,455,061
Total deferred inflows of resources	126,734,406	120,001	83,401	2,576,092
Net position				
Net investment in capital assets	280,220,334	2,134,264	1,263,959	44,995,967
Restricted for debt service	—	—	—	2,007,100
Restricted for passenger facility charges	1,379,122	—	—	—
Restricted for capital improvement	801,606	—	—	—
Unrestricted	46,298,981	2,906,186	682,565	1,800,174
Total net position	328,700,043	5,040,450	1,946,524	48,803,241
Total liabilities, deferred inflows of resources and net position	\$ 488,571,171	\$ 6,225,898	\$ 2,768,944	\$ 83,370,714

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-1
(PAGE 2 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 343,615	\$ 14,804	\$ 2,048	\$ 2,527,207	\$ 10,044,275
29,247	12,397	78,886	84,224	540,390
4,602	3,742	7,719	14,896	95,237
10,506	846	—	—	130,646
—	—	—	—	107,745
—	—	2,353,215	—	2,353,215
6,217	—	574	5,797	412,557
790,000	—	—	—	1,385,000
—	—	—	—	1,471,990
—	77,186	—	—	275,022
201,951	—	13,758	49,936	356,787
1,386,138	108,975	2,456,200	2,682,060	17,172,864
87,430	71,106	146,662	283,030	1,809,490
—	1,200,866	—	491,451	3,677,567
2,280,000	—	—	—	31,026,678
—	—	—	—	10,548,235
993,611	431,944	2,180,285	3,224,708	18,781,656
96,129	157,851	189,103	211,148	1,926,557
—	244,023	—	—	453,741
9,653	—	48,188	160,052	676,394
3,466,823	2,105,790	2,564,238	4,370,389	68,900,318
4,852,961	2,214,765	5,020,438	7,052,449	86,073,182
4,953	12,283	10,869	296,120	434,449
42,167	85,842	73,637	261,260	1,025,086
—	—	—	—	128,841,496
47,120	98,125	84,506	557,380	130,301,031
19,487,864	58,531	353,316	44,766,500	393,280,735
—	—	—	—	2,007,100
—	—	—	—	1,379,122
—	356,989	—	—	1,158,595
19,970,807	(160,424)	3,617,152	22,607,890	97,723,331
39,458,671	255,096	3,970,468	67,374,390	495,548,883
\$ 44,358,752	\$ 2,567,986	\$ 9,075,412	\$ 74,984,219	\$ 711,923,096

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2023

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
Operating revenues				
Charges for services	\$ 29,818,202	\$ 3,311,973	\$ 1,337,865	\$ 9,951,664
Operating expenses				
Salaries and benefits	11,907,103	785,738	381,193	2,609,401
Other operating expenses	14,452,742	1,464,099	867,598	3,112,272
Depreciation and amortization	18,811,608	250,402	139,193	2,650,497
Total operating expenses	45,171,453	2,500,239	1,387,984	8,372,170
Operating income (loss)	(15,353,251)	811,734	(50,119)	1,579,494
Nonoperating revenues (expenses)				
Investment earnings	2,790,037	103,205	48,671	280,598
Interest expense	(343,599)	(4,016)	(9,204)	(1,304,832)
Passenger facility charges	4,614,807	—	—	—
Customer facility charges	1,536,420	—	—	—
Gain (loss) on disposal of capital assets	2,884,297	—	176,500	(470,346)
COVID-19 recovery grant	7,279,218	—	—	—
Interest income from leases	2,946,295	1,295	1,295	60,231
Miscellaneous	92,250	—	—	—
Total nonoperating revenues (expenses)	21,799,725	100,484	217,262	(1,434,349)
Income (loss) before contributions and transfers	6,446,474	912,218	167,143	145,145
Capital contributions	14,516,045	—	—	—
Transfers - in	—	—	—	—
Change in net position	20,962,519	912,218	167,143	145,145
Total net position - January 1	307,737,524	4,128,232	1,779,381	48,658,096
Total net position - December 31	\$328,700,043	\$ 5,040,450	\$ 1,946,524	\$ 48,803,241

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-2

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 10,459,072	\$ 1,422,903	\$ 2,447,214	\$ 29,144,443	\$ 87,893,336
1,467,331	502,683	2,829,103	2,775,200	23,257,752
3,162,814	1,358,469	779,875	6,618,733	31,816,602
1,529,139	81,745	52,752	909,313	24,424,649
6,159,284	1,942,897	3,661,730	10,303,246	79,499,003
4,299,788	(519,994)	(1,214,516)	18,841,197	8,394,333
640,559	76,955	336,754	570,245	4,847,024
(110,375)	—	(574)	(5,821)	(1,778,421)
—	—	—	—	4,614,807
—	—	—	—	1,536,420
44	8,560	—	—	2,599,055
—	—	—	—	7,279,218
—	—	—	—	3,009,116
—	—	1,782	—	94,032
530,228	85,515	337,962	564,424	22,201,251
4,830,016	(434,479)	(876,554)	19,405,621	30,595,584
—	—	—	389,727	14,905,772
—	354,636	—	—	354,636
4,830,016	(79,843)	(876,554)	19,795,348	45,855,992
34,628,655	334,939	4,847,022	47,579,042	449,692,891
\$ 39,458,671	\$ 255,096	\$ 3,970,468	\$ 67,374,390	\$ 495,548,883

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 24,968,925	\$ 3,297,652	\$ 1,328,388	\$ 8,717,752
Receipts from interfund services provided	202,222	—	—	—
Payments to suppliers	(14,266,919)	(815,682)	(427,576)	(2,109,476)
Payments to employees	(12,057,342)	(868,055)	(393,554)	(2,663,317)
Payments for interfund services used	(1,943,509)	(757,927)	(451,118)	(1,026,145)
Net cash provided (used) by operating activities	(3,096,623)	855,988	56,140	2,918,814
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant	7,279,218	—	—	—
Transfers - in	—	—	—	—
Principal received from interfund loan	—	—	—	—
Interest received from interfund loan	—	—	—	—
Net cash provided by noncapital financing activities	7,279,218	—	—	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(43,340,404)	(132,255)	—	(4,121,853)
Principal paid on capital debt	(2,909,533)	(95,533)	(100,382)	(570,000)
Interest paid on capital debt	(383,288)	(4,016)	(9,204)	(1,379,838)
Principal paid on subscriptions	(146,884)	—	—	—
Interest paid on subscriptions	(16,646)	—	—	—
Principal received from leases	4,153,215	9,205	9,205	1,214,769
Interest received from leases	2,946,295	1,295	1,295	60,231
Proceeds received on capital debt	—	—	—	—
Proceeds from sale of capital assets	4,199,504	—	—	24,889
Capital grant	1,706,118	—	—	—
Passenger facility charges	4,382,956	—	—	—
Customer facility charges	1,516,887	—	—	—
Insurance settlement	—	—	—	—
Net cash provided (used) by capital and related financing activities	(27,891,780)	(221,304)	(99,086)	(4,771,802)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	28,955,994	79,173	216,831	2,427,417
Purchases of investments	(7,178,762)	(757,794)	(205,861)	(800,216)
Interest and dividends received	773,685	43,043	27,854	178,217
Principal received on note receivable	306,687	—	—	—
Interest received on note receivable	270,273	—	—	—
Net cash provided (used) by investing activities	23,127,877	(635,578)	38,824	1,805,418
Net change in cash and cash equivalents	(581,308)	(894)	(4,122)	(47,570)
Cash and cash equivalents - January 1	1,089,862	55,889	19,062	99,195
Cash and cash equivalents - December 31	\$ 508,554	\$ 54,995	\$ 14,940	\$ 51,625
Cash and cash equivalents	\$ 508,554	\$ 54,995	\$ 14,940	\$ 51,625
Investments	32,583,988	3,436,938	933,673	5,233,377
Total cash and investments	\$ 33,092,542	\$ 3,491,933	\$ 948,613	\$ 5,285,002

CITY OF COLORADO SPRINGS

COLORADO

Exhibit F-3

(PAGE 1 OF 2)

Parking Fund		Cemetery Fund		Development Review Fund		Stormwater Fund		Total
\$	9,951,253	\$	1,489,636	\$	2,350,544	\$	27,143,544	\$ 79,247,694
	472,762		—		50,421		90,546	815,951
	(2,398,989)		(768,983)		(295,071)		(2,028,020)	(23,110,716)
	(1,378,384)		(557,958)		(2,711,265)		(4,001,365)	(24,631,240)
	(647,200)		(595,185)		(489,483)		(4,293,695)	(10,204,262)
	5,999,442		(432,490)		(1,094,854)		16,911,010	22,117,427
	—		—		—		—	7,279,218
	—		354,636		—		—	354,636
	90,374		—		—		—	90,374
	42,814		—		—		—	42,814
	133,188		354,636		—		—	7,767,042
	(1,510,222)		—		(75,475)		(14,930,660)	(64,110,869)
	(770,000)		(88,000)		—		—	(4,533,448)
	(93,312)		—		—		—	(1,869,658)
	(192,899)		—		(121,044)		(65,518)	(526,345)
	(8,903)		—		—		(24)	(25,573)
	—		—		—		—	5,386,394
	—		—		—		—	3,009,116
	—		409,209		—		—	409,209
	—		8,560		—		—	4,232,953
	—		—		—		3,903,694	5,609,812
	—		—		—		—	4,382,956
	—		—		—		—	1,516,887
	—		—		1,782		—	1,782
	(2,575,336)		329,769		(194,737)		(11,092,508)	(46,516,784)
	437,299		456,029		2,679,377		—	35,252,120
	(4,259,374)		(750,121)		(1,551,402)		(6,054,147)	(21,557,677)
	259,908		33,415		109,792		265,487	1,691,401
	—		—		—		—	306,687
	—		—		—		—	270,273
	(3,562,167)		(260,677)		1,237,767		(5,788,660)	15,962,804
	(4,873)		(8,762)		(51,824)		29,842	(669,511)
	313,986		32,672		164,412		316,055	2,091,133
\$	309,113	\$	23,910	\$	112,588	\$	345,897	\$ 1,421,622
\$	309,113	\$	23,910	\$	112,588	\$	345,897	\$ 1,421,622
	19,318,187		1,851,238		7,036,310		21,617,061	92,010,772
\$	19,627,300	\$	1,875,148	\$	7,148,898	\$	21,962,958	\$ 93,432,394

(continued)

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	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)	\$(15,353,251)	\$ 811,734	\$ (50,119)	\$ 1,579,494
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization expense	18,811,608	250,402	139,193	2,650,497
Decrease (increase) in assets and outflows of resources				
Accounts receivable	1,844,433	(4,623)	220	(3,974)
Leases receivable	2,800,572	—	—	—
Due from other funds	—	—	—	(2,410)
Inventories	(394,819)	—	—	15,538
Deferred outflows of resources - pensions	(3,787,539)	(281,054)	(120,706)	(833,971)
Deferred outflows of resources - OPEB	(118,873)	(10,022)	(1,924)	2,245
Net pension asset	759,178	59,501	29,699	143,570
Prepaid subscription	—	—	—	—
Increase (decrease) in liabilities and inflows of resources				
Accounts and other payables	(1,278,255)	(97,968)	(2,669)	(46,867)
Accrued expenses	120,740	(13,102)	6,362	26,940
Due to other funds	(84,616)	(11,542)	(8,426)	7,983
Other liabilities	(22,181)	—	—	—
Deferred inflows of resources - pensions	(6,198,670)	(541,730)	(248,214)	(1,249,591)
Deferred inflows of resources - OPEB	68,978	8,444	2,613	8,425
Deferred inflows of resources - leases	(9,269,874)	(9,699)	(9,699)	(1,227,531)
Net pension liabilities	9,032,455	707,111	324,577	1,886,965
Net OPEB liabilities	(26,509)	(11,464)	(4,767)	(38,499)
Net cash provided (used) by operating activities	\$ (3,096,623)	\$ 855,988	\$ 56,140	\$ 2,918,814
Noncash investing, capital and financing activities				
Noncash acquisition of capital assets (incurrence of payable)	\$ 5,276,625	\$ —	\$ —	\$ —
Noncash capital contributions	1,688,063	—	—	—
Change in fair value of investments	1,746,079	60,162	24,397	153,499

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

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 4,299,788	\$ (519,994)	\$ (1,214,516)	\$ 18,841,197	\$ 8,394,333
1,529,139	81,745	52,752	909,313	24,424,649
(5,668)	27,127	107,418	82,153	2,047,086
—	—	—	—	2,800,572
(29,389)	—	—	(1,436,345)	(1,468,144)
—	—	—	—	(379,281)
(423,131)	(195,230)	(935,506)	(1,274,247)	(7,851,384)
(23,435)	(3,284)	(41,460)	88,722	(108,031)
65,762	30,777	151,248	272,779	1,512,514
(25,389)	—	—	—	(25,389)
148,078	(3,503)	(4,448)	302,893	(982,739)
30,512	8,896	30,222	65,150	275,720
(5,894)	(2,197)	—	(5,874)	(110,566)
—	39,607	(153,665)	(556,161)	(692,400)
(570,668)	(314,722)	(1,299,979)	(3,543,832)	(13,967,406)
8,120	16,668	16,616	(48,636)	81,228
—	—	—	—	(10,516,803)
993,611	431,944	2,180,285	3,224,708	18,781,656
8,006	(30,324)	16,179	(10,810)	(98,188)
\$ 5,999,442	\$ (432,490)	\$ (1,094,854)	\$ 16,911,010	\$ 22,117,427

\$ —	\$ —	\$ —	\$ 3,199,369	\$ 8,475,994
—	—	—	—	1,688,063
337,837	43,540	226,962	304,758	2,897,234

**NON-MAJOR ENTERPRISE FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL-BUDGET BASIS
For the year ended December 31, 2023**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-4**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Airport Fund	\$ 222,736,263	\$ 61,847,195	\$ (160,889,068)
Patty Jewett Golf Fund	3,209,238	3,355,817	146,579
Valley Hi Golf Fund	1,408,576	1,362,940	(45,636)
Pikes Peak America's Mountain Fund	8,372,350	10,126,232	1,753,882
Parking Fund	11,014,125	10,852,168	(161,957)
Cemetery Fund	1,894,153	1,810,954	(83,199)
Development Review Fund	3,095,150	2,558,788	(536,362)
Stormwater Fund	74,906,194	29,799,657	(45,106,537)
Total revenues	\$ 326,636,049	121,713,751	\$ (204,922,298)

Reconciliation to GAAP:

Add: Gain (loss) on disposal of assets	2,599,055
Less: Other year-end accrual entries	(76,624)
Add: Increase in fair value of investments	2,897,234
Revenues (US GAAP basis)	<u>\$ 127,133,416</u>

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Airport Fund	\$ 275,928,197	\$ 77,074,847	\$ 198,853,350
Patty Jewett Golf Fund	2,887,240	2,563,964	323,276
Valley Hi Golf Fund	1,435,581	1,370,945	64,636
Pikes Peak America's Mountain Fund	13,655,495	11,395,792	2,259,703
Parking Fund	18,599,655	7,161,654	11,438,001
Cemetery Fund	2,409,558	2,006,662	402,896
Development Review Fund	4,029,062	3,716,678	312,384
Stormwater Fund	91,946,470	24,161,880	67,784,590
Total expenses	\$ 410,891,258	129,452,422	\$ 281,438,836

Reconciliation to GAAP:

Add: Depreciation and amortization expense	24,424,649
Less: Other year-end accrual entries	(1,507,428)
Less: Capital asset purchases	(66,032,426)
Less: Capital asset-related principal payments	(5,059,793)
Expenses (US GAAP basis)	<u>\$ 81,277,424</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, 2023

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
<u>ASSETS</u>		
Current assets		
Cash and investments	\$ —	\$ 8,882,844
Accounts receivable (net of allowance for uncollectibles)	—	8,213
Leases receivable	—	—
Inventories	—	—
Due from other funds	—	6,489
Total current assets	—	8,897,546
Noncurrent assets		
Leases receivable	—	—
Capital assets:		
Land	—	—
Buildings	—	—
Improvements other than buildings	—	—
Machinery and equipment	—	35,485
Lease assets - equipment	—	—
Subscription assets	286,798	286,798
Less accumulated depreciation and amortization	(66,184)	(101,669)
Total noncurrent assets	220,614	220,614
Total assets	\$ 220,614	\$ 9,118,160
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities		
Accounts payable	\$ 247	\$ 42,048
Due to other funds	102,632	2,340
Lease liabilities	—	—
Subscription liabilities	64,258	64,258
Accrued interest payable	3,812	3,812
Accrued salaries and benefits	12,845	25,826
Compensated absences	1,203	4,590
Claims payable	4,136,500	8,398,000
Total current liabilities	4,321,497	8,540,874
Noncurrent liabilities		
Lease liabilities	—	—
Subscription liabilities	152,660	152,660
Compensated absences	22,848	87,215
Claims payable	4,136,500	8,398,000
Total noncurrent liabilities	4,312,008	8,637,875
Total liabilities	8,633,505	17,178,749
Deferred inflows of resources		
Lease-related amounts	—	—
Total deferred inflows of resources	—	—
Net position		
Net investment in capital assets	3,696	3,696
Unrestricted	(8,416,587)	(8,064,285)
Total net position	(8,412,891)	(8,060,589)
Total liabilities, deferred inflows of resources and net position	\$ 220,614	\$ 9,118,160

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-1

Employee Benefits Self-Insurance Fund		Office Services Fund		Radio Communications Fund		Total
\$	3,315,304	\$	1,165,562	\$	859,434	\$ 14,223,144
	449,941		54,039		11,889	524,082
	—		—		110,042	110,042
	—		28,246		14,681	42,927
	—		24,621		—	31,110
	3,765,245		1,272,468		996,046	14,931,305
	—		—		541,386	541,386
	—		—		13,000	13,000
	—		—		160,000	160,000
	—		—		310,198	310,198
	—		290,774		252,025	578,284
	—		72,909		—	72,909
	—		—		—	573,596
	—		(172,765)		(545,676)	(886,294)
	—		190,918		730,933	1,363,079
\$	3,765,245	\$	1,463,386	\$	1,726,979	\$ 16,294,384
\$	2,532,820	\$	31,633	\$	21,788	\$ 2,628,536
	—		—		1,522	106,494
	—		14,184		—	14,184
	—		—		—	128,516
	—		—		—	7,624
	14,699		14,163		14,146	81,679
	3,181		5,088		3,904	17,966
	1,914,500		—		—	14,449,000
	4,465,200		65,068		41,360	17,433,999
	—		45,188		—	45,188
	—		—		—	305,320
	60,437		96,665		74,166	341,331
	1,914,500		—		—	14,449,000
	1,974,937		141,853		74,166	15,140,839
	6,440,137		206,921		115,526	32,574,838
	—		—		683,182	683,182
	—		—		683,182	683,182
	—		131,546		189,547	328,485
	(2,674,892)		1,124,919		738,724	(17,292,121)
	(2,674,892)		1,256,465		928,271	(16,963,636)
\$	3,765,245	\$	1,463,386	\$	1,726,979	\$ 16,294,384

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2023

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
Operating revenues		
Charges for services	\$ 1,132,494	\$ 10,430,297
Operating expenses		
Salaries and benefits	618,650	1,378,789
Other operating expenses	3,516,095	5,759,573
Depreciation and amortization	66,184	66,184
Total operating expenses	4,200,929	7,204,546
Operating income (loss)	(3,068,435)	3,225,751
Nonoperating revenues (expenses)		
Investment earnings	30,988	189,519
Interest income from leases	—	—
Interest expense	(7,220)	(7,220)
Total nonoperating revenues (expenses)	23,768	182,299
Change in net position	(3,044,667)	3,408,050
Total net position - January 1	(5,368,224)	(11,468,639)
Total net position - December 31	<u>\$ (8,412,891)</u>	<u>\$ (8,060,589)</u>

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-2

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 46,576,304	\$ 2,156,276	\$ 1,492,742	\$ 61,788,113
741,056	771,856	716,030	4,226,381
44,867,760	1,107,919	755,412	56,006,759
—	26,348	27,268	185,984
45,608,816	1,906,123	1,498,710	60,419,124
967,488	250,153	(5,968)	1,368,989
51,081	36,626	31,984	340,198
—	—	12,828	12,828
—	(1,999)	—	(16,439)
51,081	34,627	44,812	336,587
1,018,569	284,780	38,844	1,705,576
(3,693,461)	971,685	889,427	(18,669,212)
\$ (2,674,892)	\$ 1,256,465	\$ 928,271	\$ (16,963,636)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 122,994	\$ 1,188,473
Receipts from interfund services provided	1,009,500	9,243,655
Payments to suppliers	(1,225,023)	(5,036,704)
Payments to employees	(617,741)	(1,372,519)
Payments for interfund services used	(1,407)	(1,019,674)
Net cash provided (used) by operating activities	(711,677)	3,003,231
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advance from other funds	102,632	—
Net cash provided by noncapital financing activities	102,632	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	—	—
Principal received from leases	—	—
Interest received from leases	—	—
Principal payments on leases	—	—
Interest payments on leases	—	—
Principal payments on subscriptions	(69,879)	(69,879)
Interest payments on subscriptions	(3,408)	(3,408)
Net cash provided (used) by capital and related financing activities	(73,287)	(73,287)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	665,569	—
Purchases of investments	—	(2,995,832)
Interest and dividends received	3,545	88,826
Net cash provided (used) by investing activities	669,114	(2,907,006)
Net increase (decrease) in cash and cash equivalents	(13,218)	22,938
Cash and cash equivalents - January 1	13,218	116,959
Cash and cash equivalents - December 31	\$ —	\$ 139,897
Cash and cash equivalents	\$ —	\$ 139,897
Investments	—	8,742,947
Total cash and investments	\$ —	\$ 8,882,844

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-3
(PAGE 1 OF 2)

Employee Benefits Self-Insurance Fund		Office Services Fund		Radio Communications Fund		Total
\$	10,832,465	\$	328,283	\$	186,247	\$ 12,658,462
	36,168,526		1,798,986		1,165,237	49,385,904
	(44,423,515)		(793,577)		(274,042)	(51,752,861)
	(733,418)		(764,980)		(711,009)	(4,199,667)
	(52,185)		(306,871)		(475,662)	(1,855,799)
	1,791,873		261,841		(109,229)	4,236,039
	—		—		—	102,632
	—		—		—	102,632
	—		(97,030)		—	(97,030)
	—		—		152,679	152,679
	—		—		12,828	12,828
	—		(13,767)		—	(13,767)
	—		(1,999)		—	(1,999)
	—		—		—	(139,758)
	—		—		—	(6,816)
	—		(112,796)		165,507	(93,863)
	—		88,379		114,871	868,819
	(1,811,634)		(252,942)		(186,508)	(5,246,916)
	42,095		13,990		13,244	161,700
	(1,769,539)		(150,573)		(58,393)	(4,216,397)
	22,334		(1,528)		(2,115)	28,411
	29,879		19,885		15,650	195,591
\$	52,213	\$	18,357	\$	13,535	\$ 224,002
\$	52,213	\$	18,357	\$	13,535	\$ 224,002
	3,263,091		1,147,205		845,899	13,999,142
\$	3,315,304	\$	1,165,562	\$	859,434	\$ 14,223,144

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	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)	\$ (3,068,435)	\$ 3,225,751
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization expense	66,184	66,184
Decrease (increase) in assets		
Accounts receivable	—	1,014
Leases receivable	—	—
Due from other funds	—	817
Inventories	—	—
Increase (decrease) in liabilities and inflows of resources		
Accounts and other payables	2,289,665	(295,969)
Accrued expenses	909	6,270
Due to other funds	—	(836)
Deferred inflows of resources - leases	—	—
Net cash provided (used) by operating activities	\$ (711,677)	\$ 3,003,231
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ 27,443	\$ 100,694

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

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 967,488	\$ 250,153	\$ (5,968)	\$ 1,368,989
—	26,348	27,268	185,984
407,518	(10,175)	(5,288)	393,069
—	—	(595,067)	(595,067)
17,169	(18,832)	—	(846)
—	5,084	(7,646)	(2,562)
392,060	2,387	13,609	2,401,752
7,638	6,876	5,021	26,714
—	—	(255)	(1,091)
—	—	459,097	459,097
\$ 1,791,873	\$ 261,841	\$ (109,229)	\$ 4,236,039

\$ 8,986	\$ 22,636	\$ 18,740	\$ 178,499

INTERNAL SERVICES FUND
SCHEDULE OF REVENUES AND
EXPENSES-BUDGET AND ACTUAL-BUDGET BASIS
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Claims Reserve Self-Insurance Fund	\$ 1,089,900	\$ 1,136,039	\$ 46,139
Workers' Compensation Self-Insurance Fund	7,920,950	9,513,192	1,592,242
Employee Benefits Self-Insurance Fund	43,468,505	46,618,399	3,149,894
Office Services Fund	1,971,959	2,170,266	198,307
Radio Communications Fund	1,556,798	1,535,523	(21,275)
Total revenues	\$ 56,008,112	60,973,419	\$ 4,965,307

Reconciliation to GAAP:

Add: Increase in fair value of investments	178,499
Add: Other year-end accrual entries	989,221
Revenues (US GAAP basis)	<u>\$ 62,141,139</u>

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Claims Reserve Self-Insurance Fund	\$ 2,363,900	\$ 1,890,825	\$ 473,075
Workers' Compensation Self-Insurance Fund	8,643,034	6,472,763	2,170,271
Employee Benefits Self-Insurance Fund	45,712,615	45,418,575	294,040
Office Services Fund	1,941,165	1,979,888	(38,723)
Radio Communications Fund	1,769,031	1,474,871	294,160
Total expenses	\$ 60,429,745	57,236,922	\$ 3,192,823

Reconciliation to GAAP:

Add: Depreciation and amortization expense	185,984
Less: Capital asset purchases	(97,030)
Less: Capital asset-related principal payments	(145,901)
Add: Other year-end accrual entries	3,255,588
Expenses (US GAAP basis)	<u>\$ 60,435,563</u>

Note: Includes transfers

FIDUCIARY FUNDS

Fiduciary funds are used to report Old Hire Fire and Old Hire Police pension trust funds, which account for the activities in these City Fire and Police pension plans. These funds accumulate resources for pension benefit payments to qualified public safety employees.

FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-1

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total
<u>ASSETS</u>			
Pension assets held by Fire and Police Pension Association			
Pooled investment funds	\$ 59,829,080	\$ 51,993,764	\$ 111,822,844
Total pension assets held for pension benefits	<u>\$ 59,829,080</u>	<u>\$ 51,993,764</u>	<u>\$ 111,822,844</u>
<u>NET POSITION</u>			
Net position restricted for pensions	<u>\$ 59,829,080</u>	<u>\$ 51,993,764</u>	<u>\$ 111,822,844</u>

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
For the year ended December 31, 2023

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-2

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total
Additions			
City contributions	\$ 3,076,512	\$ 2,120,342	\$ 5,196,854
Total contributions	3,076,512	2,120,342	5,196,854
Investment earnings:			
Net increase in fair value of investments	3,121,464	2,710,598	5,832,062
Interest, dividends and other	998,265	862,570	1,860,835
Total investment earnings	4,119,729	3,573,168	7,692,897
Less investment costs	336,915	291,238	628,153
Net investment earnings	3,782,814	3,281,930	7,064,744
Total additions	6,859,326	5,402,272	12,261,598
Deductions			
Benefits paid to participants or beneficiaries	9,048,506	7,049,900	16,098,406
Administrative expense	52,462	42,002	94,464
Total deductions	9,100,968	7,091,902	16,192,870
Net decrease in fiduciary net position	(2,241,642)	(1,689,630)	(3,931,272)
Net position restricted for pensions - January 1	62,070,722	53,683,394	115,754,116
Net position restricted for pensions - December 31	\$ 59,829,080	\$ 51,993,764	\$ 111,822,844



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 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			
	2023	2022	2021	2020
Governmental activities				
Net investment in capital assets	\$ 1,838,050,926	\$ 1,720,909,853	\$ 1,553,161,705	\$ 1,480,807,235
Restricted	42,249,674	92,232,333	89,745,144	40,763,006
Unrestricted	58,799,369	16,078,007	(63,175,857)	(80,551,115)
Total governmental activities net position	\$ 1,939,099,969	\$ 1,829,220,193	\$ 1,579,730,992	\$ 1,441,019,126
Business-type activities				
Net investment in capital assets	\$ 2,570,371,735	\$ 2,399,652,565	\$ 2,165,919,222	\$ 2,090,953,267
Restricted	52,382,817	73,167,609	53,140,896	67,324,018
Unrestricted	212,039,418	209,717,573	74,064,859	1,869,084
Total business-type activities net position	\$ 2,834,793,970	\$ 2,682,537,747	\$ 2,293,124,977	\$ 2,160,146,369
Primary government				
Net investment in capital assets	\$ 4,408,422,661	\$ 4,120,562,418	\$ 3,719,080,927	\$ 3,571,760,502
Restricted	94,632,491	165,399,942	142,886,040	108,087,024
Unrestricted	270,838,787	225,795,580	10,889,002	(78,682,031)
Total primary government net position	\$ 4,773,893,939	\$ 4,511,757,940	\$ 3,872,855,969	\$ 3,601,165,495

**CITY OF COLORADO SPRINGS
COLORADO
Table 1**

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 1,413,603,440	\$ 1,379,549,497	\$ 1,320,601,473	\$ 1,248,000,610	\$ 1,246,630,036	\$ 1,247,391,126
36,632,780	47,078,513	38,015,920	43,747,103	28,406,351	23,557,193
(81,798,147)	(130,182,875)	(100,500,356)	(89,121,095)	(79,724,995)	72,305,489
<u>\$ 1,368,438,073</u>	<u>\$ 1,296,445,135</u>	<u>\$ 1,258,117,037</u>	<u>\$ 1,202,626,618</u>	<u>\$ 1,195,311,392</u>	<u>\$ 1,343,253,808</u>
\$ 2,229,703,432	\$ 2,109,118,989	\$ 1,962,444,943	\$ 1,872,057,076	\$ 1,731,137,866	\$ 1,566,906,671
57,212,559	41,771,236	46,297,314	51,102,001	69,882,674	61,330,543
(59,476,898)	(136,986,951)	(69,559,753)	(49,050,476)	(63,038,610)	156,215,483
<u>\$ 2,227,439,093</u>	<u>\$ 2,013,903,274</u>	<u>\$ 1,939,182,504</u>	<u>\$ 1,874,108,601</u>	<u>\$ 1,737,981,930</u>	<u>\$ 1,784,452,697</u>
\$ 3,643,306,872	\$ 3,488,668,486	\$ 3,283,046,416	\$ 3,120,057,686	\$ 2,977,767,902	\$ 2,814,297,797
93,845,339	88,849,749	84,313,234	94,849,104	98,289,025	84,887,736
(141,275,045)	(267,169,826)	(170,060,109)	(138,171,571)	(142,763,605)	228,520,972
<u>\$ 3,595,877,166</u>	<u>\$ 3,310,348,409</u>	<u>\$ 3,197,299,541</u>	<u>\$ 3,076,735,219</u>	<u>\$ 2,933,293,322</u>	<u>\$ 3,127,706,505</u>

CHANGES IN NET POSITION

Last ten fiscal years

	Fiscal Year			
	2023	2022	2021	2020
Expenses				
Governmental activities:				
General government	\$ 131,029,497	\$ 113,579,258	\$ 97,875,879	\$ 99,253,639
Public safety	258,792,574	200,641,033	228,308,702	245,421,258
Planning	—	—	—	—
Planning and community development	22,155,798	16,860,633	34,230,738	11,967,295
Public works	144,772,569	124,506,436	137,529,243	138,423,494
Parks	36,284,727	33,027,521	33,604,107	27,732,987
Health and welfare	—	—	—	—
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Interest on long-term debt	2,066,422	2,119,369	2,247,332	2,414,226
Total governmental activities	595,101,587	490,734,250	533,796,001	525,212,899
Business-type activities:				
Utilities	942,399,085	921,495,360	988,254,359	764,323,344
PACE	56,973,000	57,684,000	58,349,000	58,949,000
MHS	2,635,609	2,527,597	2,616,309	2,945,094
Other non-major enterprises	74,937,849	66,129,072	75,216,983	53,259,512
Total business-type activities	1,076,945,543	1,047,836,029	1,124,436,651	879,476,950
Total primary government expenses	\$ 1,672,047,130	\$ 1,538,570,279	\$ 1,658,232,652	\$ 1,404,689,849
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 34,974,133	\$ 28,436,464	\$ 28,668,757	\$ 25,017,621
Public safety	6,539,453	9,496,141	8,125,925	6,500,328
Planning	—	—	—	—
Planning and community development	3,609,674	2,617,374	5,065,099	5,502,211
Public works	17,436,207	22,776,974	22,262,058	21,772,133
Parks	3,635,833	3,357,064	3,068,559	2,220,471
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Operating grants and contributions	37,448,647	51,277,129	62,779,812	73,426,500
Capital grants and contributions	124,265,396	175,333,589	110,453,890	81,129,207
Total governmental activities	\$ 227,909,343	\$ 293,294,735	\$ 240,424,100	\$ 215,568,471

CITY OF COLORADO SPRINGS
COLORADO
Table 2
(PAGE 1 OF 2)

Fiscal Year						
2019	2018	2017	2016	2015	2014	
\$ 75,779,622	\$ 109,660,430	\$ 101,607,259	\$ 65,304,997	\$ 64,459,559	\$ 66,869,211	
230,131,163	181,773,131	187,325,052	190,623,311	168,628,903	168,664,690	
12,198,087	7,957,832	7,924,192	—	—	—	
—	—	—	22,968,689	12,523,168	—	
118,032,617	141,233,041	130,509,017	120,721,459	83,608,555	78,015,459	
29,426,437	26,268,032	26,088,482	28,826,273	24,400,726	—	
—	—	—	—	—	1,083,268	
—	—	—	—	—	27,008,991	
—	—	—	—	—	5,721,466	
—	—	—	—	—	3,811,264	
2,047,097	1,975,934	2,289,562	2,415,117	2,875,505	3,397,967	
467,615,023	468,868,400	455,743,564	430,859,846	356,496,416	354,572,316	
741,238,248	818,765,578	793,109,339	681,776,411	672,816,293	783,594,844	
59,525,000	59,945,000	60,277,000	60,545,000	60,810,000	60,995,000	
2,987,413	3,052,496	3,035,965	3,175,469	3,285,813	620,537	
54,212,096	40,715,626	42,098,307	36,515,165	39,347,633	37,810,511	
857,962,757	922,478,700	898,520,611	782,012,045	776,259,739	883,020,892	
\$ 1,325,577,780	\$ 1,391,347,100	\$ 1,354,264,175	\$ 1,212,871,891	\$ 1,132,756,155	\$ 1,237,593,208	
\$ 25,884,456	\$ 27,461,626	\$ 16,985,911	\$ 20,800,595	\$ 19,975,243	\$ 20,374,166	
7,154,791	6,951,073	7,355,565	6,742,276	6,930,898	6,413,558	
2,132,235	2,061,979	2,019,143	—	—	—	
—	—	—	—	—	—	
16,962,729	14,883,995	12,470,148	12,632,805	9,695,070	7,897,929	
3,044,391	3,018,873	2,866,225	3,341,163	2,940,722	—	
—	—	—	—	—	2,655,107	
—	—	—	—	—	236,679	
—	—	—	—	—	1,000	
36,420,060	24,963,955	18,571,546	20,758,053	22,588,951	15,399,529	
82,048,509	100,366,905	121,233,985	59,514,382	47,827,449	80,881,804	
\$ 173,647,171	\$ 179,708,406	\$ 181,502,523	\$ 123,789,274	\$ 109,958,333	\$ 133,859,772	

CHANGES IN NET POSITION

Last ten fiscal years

	Fiscal Year			
	2023	2022	2021	2020
Business-type activities:				
Charges for services:				
Utilities	\$ 1,005,708,000	\$ 1,234,496,000	\$ 1,065,754,000	\$ 884,352,000
PACE	52,054,000	51,532,000	51,042,000	50,567,000
Other non-major enterprises	87,893,336	77,280,383	67,957,911	54,813,785
Operating grants and contributions	7,279,218	8,257,594	12,965,767	—
Capital grants and contributions	67,836,772	94,544,065	92,952,205	81,513,770
Total business-type activities	1,220,771,326	1,466,110,042	1,290,671,883	1,071,246,555
Total primary government program revenues	\$ 1,448,680,669	\$ 1,759,404,777	\$ 1,531,095,983	\$ 1,286,815,026
Net revenue (expense)				
Governmental activities	\$ (367,192,244)	\$ (197,439,515)	\$ (293,371,901)	\$ (309,644,428)
Business-type activities	143,825,783	418,274,013	166,235,232	191,769,605
Total primary government net revenue (expense)	\$ (223,366,461)	\$ 220,834,498	\$ (127,136,669)	\$ (117,874,823)
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$ 29,275,607	\$ 29,560,154	\$ 27,817,945	\$ 27,477,739
Sales taxes	390,885,602	386,903,902	361,657,264	295,619,090
Specific ownership taxes	3,423,591	3,389,527	3,590,096	3,358,601
Occupational liquor taxes	347,539	338,851	327,883	324,337
Admissions tax	500,925	436,774	284,149	157,444
Bicycle excise tax	183,638	76,594	96,158	100,802
Investment earnings (loss)	17,400,612	(10,553,235)	133,202	8,414,431
Gain on sale of capital assets	—	—	—	1,265,590
Contributions to endowments	111,142	98,070	73,351	66,576
Transfers	34,943,364	36,678,079	38,103,719	45,440,871
Total governmental activities	477,072,020	446,928,716	432,083,767	382,225,481
Business-type activities:				
Investment earnings	41,072,749	10,423,768	4,707,275	12,067,326
Gain on sale of capital assets	2,599,055	1,143,068	139,820	2,406,216
Special item	(1,330,000)	(3,750,000)	—	(228,095,000)
Transfers	(34,943,364)	(36,678,079)	(38,103,719)	(45,440,871)
Total business-type activities	7,398,440	(28,861,243)	(33,256,624)	(259,062,329)
Total primary government general revenues and other changes	\$ 484,470,460	\$ 418,067,473	\$ 398,827,143	\$ 123,163,152
Change in net position				
Governmental activities	\$ 109,879,776	\$ 249,489,201	\$ 138,711,866	\$ 72,581,053
Business-type activities	151,224,223	389,412,770	132,978,608	(67,292,724)
Total primary government change in net position	\$ 261,103,999	\$ 638,901,971	\$ 271,690,474	\$ 5,288,329

CITY OF COLORADO SPRINGS
COLORADO
Table 2
(PAGE 2 OF 2)

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 893,026,000	\$ 890,477,000	\$ 839,822,000	\$ 793,293,000	\$ 830,821,000	\$ 868,846,000
50,108,000	49,628,000	49,148,000	48,654,000	48,150,000	47,641,000
58,792,179	47,893,293	36,013,711	32,830,447	31,592,365	31,029,462
—	—	—	—	—	—
87,202,848	70,293,975	61,096,647	76,081,834	46,213,579	60,238,372
1,089,129,027	1,058,292,268	986,080,358	950,859,281	956,776,944	1,007,754,834
\$ 1,262,776,198	\$ 1,238,000,674	\$ 1,167,582,881	\$ 1,074,648,555	\$ 1,066,735,277	\$ 1,141,614,606
\$ (293,967,852)	\$ (289,159,994)	\$ (274,241,041)	\$ (307,070,572)	\$ (246,538,083)	\$ (220,712,544)
231,166,270	135,813,568	87,559,747	168,847,236	180,517,205	124,733,942
\$ (62,801,582)	\$ (153,346,426)	\$ (186,681,294)	\$ (138,223,336)	\$ (66,020,878)	\$ (95,978,602)
\$ 23,841,133	\$ 23,475,282	\$ 22,190,678	\$ 23,390,221	\$ 22,540,418	\$ 22,862,535
292,419,454	286,918,740	268,547,457	252,544,859	190,269,766	185,615,186
3,279,689	3,374,149	3,395,628	2,846,855	2,611,736	2,478,710
315,546	304,686	291,426	280,240	273,125	266,803
575,495	605,403	503,955	503,199	469,933	509,696
57,612	78,284	77,140	85,746	83,080	81,032
8,122,461	2,259,245	1,645,386	1,147,142	1,082,201	1,379,491
1,242,627	1,376,263	1,260,228	2,389,154	135,015	326,919
62,074	70,976	1,338,973	171,160	80,485	83,086
36,044,699	30,141,965	30,480,589	31,027,222	30,725,000	32,055,000
365,960,790	348,604,993	329,731,460	314,385,798	248,270,759	245,658,458
17,150,551	12,406,763	7,994,745	8,117,657	7,111,047	4,534,754
1,263,697	—	—	—	—	—
—	—	—	(9,811,000)	—	—
(36,044,699)	(30,141,965)	(30,480,589)	(31,027,222)	(30,725,000)	(32,055,000)
(17,630,451)	(17,735,202)	(22,485,844)	(32,720,565)	(23,613,953)	(27,520,246)
\$ 348,330,339	\$ 330,869,791	\$ 307,245,616	\$ 281,665,233	\$ 224,656,806	\$ 218,138,212
\$ 71,992,938	\$ 59,444,999	\$ 55,490,419	\$ 7,315,226	\$ 1,732,676	\$ 24,945,914
213,535,819	118,078,366	65,073,903	136,126,671	156,903,252	97,213,696
\$ 285,528,757	\$ 177,523,365	\$ 120,564,322	\$ 143,441,897	\$ 158,635,928	\$ 122,159,610

FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2023	2022	2021	2020
General fund				
Nondisposable	\$ 399,489	\$ 318,903	\$ 275,710	\$ 314,487
Restricted	26,254,344	19,011,591	52,418,171	19,726,250
Committed	14,519,799	20,495,186	13,725,459	16,606,280
Assigned	3,622,600	7,594,965	10,250,941	7,516,635
Unassigned	71,745,310	66,023,473	72,282,536	82,295,044
Total general fund	\$ 116,541,542	\$ 113,444,118	\$ 148,952,817	\$ 126,458,696
All other governmental funds				
Nondisposable	\$ 14,413,590	\$ 13,245,475	\$ 16,097,721	\$ 14,709,687
Restricted	83,280,527	103,270,664	79,964,077	58,126,794
Committed	74,863,565	60,938,327	45,724,029	42,929,762
Assigned	3,193,015	4,003,549	3,959,975	4,222,562
Total all other governmental funds	\$ 175,750,697	\$ 181,458,015	\$ 145,745,802	\$ 119,988,805

CITY OF COLORADO SPRINGS
COLORADO
Table 3

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 267,873	\$ 299,253	\$ 291,430	\$ 365,732	\$ 384,475	\$ 450,771
21,453,968	21,315,406	22,881,977	30,049,266	7,545,287	9,996,781
8,619,660	14,812,118	10,470,218	5,234,626	6,150,522	6,369,071
3,271,255	5,218,259	7,783,758	4,042,429	3,629,733	2,937,924
51,208,209	31,892,186	32,322,036	29,290,407	32,707,058	33,950,373
<u>\$ 84,820,965</u>	<u>\$ 73,537,222</u>	<u>\$ 73,749,419</u>	<u>\$ 68,982,460</u>	<u>\$ 50,417,075</u>	<u>\$ 53,704,920</u>
\$ 13,199,141	\$ 11,410,452	\$ 12,294,033	\$ 11,162,249	\$ 11,195,086	\$ 11,540,728
66,424,359	53,061,975	51,226,624	48,084,352	34,619,120	33,433,127
33,683,967	29,880,201	23,078,768	23,230,678	21,439,222	16,622,140
9,272,911	2,800,134	1,845,149	856,356	245,488	1,050,454
<u>\$ 122,580,378</u>	<u>\$ 97,152,762</u>	<u>\$ 88,444,574</u>	<u>\$ 83,333,635</u>	<u>\$ 67,498,916</u>	<u>\$ 62,646,449</u>

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2023	2022	2021	2020
Revenues				
Taxes	\$ 424,616,902	\$ 420,705,802	\$ 393,773,495	\$ 327,038,013
Licenses and permits	—	—	—	—
Licenses, permits and fines	10,660,724	10,296,502	10,263,799	8,702,782
Intergovernmental	89,962,710	105,645,542	106,170,371	107,556,349
Charges for services	28,650,523	35,060,235	34,816,704	33,326,352
Endowments and donations	2,088,796	4,592,386	1,499,854	3,005,744
Other revenue	14,568,117	11,140,608	9,703,812	7,721,596
Interfund services provided	13,760,847	11,093,965	10,574,577	8,045,494
Investment earnings (loss)	16,697,190	(10,528,821)	178,952	8,239,439
Rental income	188,491	226,439	220,465	268,537
Total revenues	601,194,300	588,232,658	567,202,029	503,904,306
Expenditures				
General government	112,090,400	123,926,199	92,264,862	87,782,199
Public safety	249,962,633	246,732,931	229,451,344	210,066,967
Planning	—	—	—	—
Planning and community development	22,671,857	17,194,122	34,418,944	11,845,861
Public works	56,146,147	56,145,021	54,874,846	57,250,219
Parks	32,169,255	26,975,295	28,777,268	22,936,508
Health and welfare	—	—	—	—
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Miscellaneous	—	—	—	—
Debt service				
Principal	10,709,999	12,269,251	10,382,098	10,216,347
Principal - leases	2,335,575	1,431,295	—	—
Principal - subscriptions	4,210,799	—	—	—
Interest	1,905,394	2,057,256	2,255,702	2,451,305
Interest - leases	47,784	71,746	—	—
Interest - subscriptions	121,216	—	—	—
Issuance expense	—	—	—	—
Capital outlay	169,489,462	154,476,151	110,146,029	109,264,107
Total expenditures	661,860,521	641,279,267	562,571,093	511,813,513
Excess (deficiency) of revenues over expenditures	(60,666,221)	(53,046,609)	4,630,936	(7,909,207)
Other financing sources (uses)				
Transfers - in	48,756,565	75,036,360	47,812,339	40,271,985
Transfers - out	(13,813,201)	(38,358,281)	(10,712,466)	(5,097,427)
Issuance of debt	—	—	—	—
Payment on refunding bonds	—	—	—	—
Premium on bonds issued	—	—	—	—
Issuance of leases	1,517,105	4,875,067	—	—
Issuance of subscriptions	10,826,081	—	—	—
Financed purchases	8,839,411	9,033,077	4,154,688	10,515,217
Loss on investments	—	—	—	—
Sale of capital assets	1,930,366	2,663,900	2,365,621	1,265,590
Total other financing sources (uses)	58,056,327	53,250,123	43,620,182	46,955,365
Net change in fund balances	\$ (2,609,894)	\$ 203,514	\$ 48,251,118	\$ 39,046,158
Debt service as a percentage of noncapital expenditures	3.5 %	3.0 %	2.5 %	2.9 %

**CITY OF COLORADO SPRINGS
COLORADO
Table 4**

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 320,488,929	\$ 314,756,544	\$ 295,006,284	\$ 279,651,120	\$ 216,248,058	\$ 211,813,962
—	—	—	—	—	1,860,374
10,068,157	7,873,189	6,327,465	6,571,781	7,216,901	—
80,885,614	68,996,748	69,428,549	59,298,336	57,047,283	51,801,244
29,685,094	26,834,822	25,891,928	26,036,068	22,254,241	24,395,457
3,820,491	1,845,510	3,236,664	2,037,905	2,154,590	1,498,184
7,893,331	7,604,283	3,476,744	5,799,418	3,404,021	3,242,165
7,502,200	6,917,339	6,762,691	7,022,399	7,613,978	7,997,266
7,882,201	1,986,453	1,571,506	1,143,834	1,059,514	1,388,369
419,232	478,850	407,287	419,745	249,746	588,703
468,645,249	437,293,738	412,109,118	387,980,606	317,248,332	304,585,724
83,717,293	76,027,262	73,012,905	52,896,927	55,772,800	56,713,784
212,865,070	187,304,322	177,723,464	170,809,396	168,750,783	159,829,593
12,073,572	7,780,318	7,858,733	15,740,999	—	—
—	—	—	—	10,279,313	—
56,847,630	58,917,887	60,324,119	51,168,691	46,688,517	38,414,786
25,189,127	23,364,222	23,585,967	25,670,280	21,701,668	—
—	—	—	—	—	1,080,000
—	—	—	—	—	22,720,707
—	—	—	—	—	4,952,651
—	—	—	—	—	3,799,765
22,461	18,199	18,417	22,597	24,352	14,708
9,166,475	6,864,565	5,143,602	6,067,329	10,933,009	13,334,381
—	—	—	—	—	—
—	—	—	—	—	—
1,997,549	1,990,333	2,443,203	2,414,008	2,916,884	3,437,765
—	—	—	—	—	—
—	—	—	—	—	—
266,544	—	270,998	—	—	—
88,763,142	105,294,562	87,074,558	75,270,238	30,211,685	29,987,604
490,908,863	467,561,670	437,455,966	400,060,465	347,279,011	334,285,744
(22,263,614)	(30,267,932)	(25,346,848)	(12,079,859)	(30,030,679)	(29,700,020)
45,095,199	43,771,245	39,343,387	47,515,435	45,666,562	42,711,618
(11,017,348)	(12,096,375)	(8,862,798)	(16,799,425)	(13,768,280)	(10,656,618)
9,000,000	—	29,930,000	13,690,000	—	8,960,000
—	—	(31,647,240)	—	—	(8,856,720)
1,602,734	—	1,988,238	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
13,051,761	5,712,792	3,212,931	1,844,224	—	—
—	—	—	—	(438,002)	—
1,242,627	1,376,261	1,260,228	229,729	135,021	314,200
58,974,973	38,763,923	35,224,746	46,479,963	31,595,301	32,472,480
\$ 36,711,359	\$ 8,495,991	\$ 9,877,898	\$ 34,400,104	\$ 1,564,622	\$ 2,772,460
2.6 %	2.2 %	2.0 %	2.4 %	4.4 %	5.4 %

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
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%
2020	186,289,844	37,257,968	57,756,132	9,314,492	3.12%
2021	231,164,344	46,232,869	65,918,263	11,558,217	3.07%
2022	247,792,362	49,558,474	70,629,394	12,389,616	3.07%
2023	247,665,340	49,532,941	70,598,057	12,383,237	3.07%

Source: City Sales Tax Division Reports.

**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 (%)	Road Repair Maintenance and Improvement Tax (%)	Total Direct (%)	El Paso County Sales Tax (%)	Pikes Peak Rural Transportation Authority Tax (%)	
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 ¹	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
2020	2.00	0.40	0.10	0.62	3.12	1.23	1.00	5.35
2021	2.00	0.40	0.10	0.57 ¹	3.07	1.23	1.00	5.30
2022	2.00	0.40	0.10	0.57	3.07	1.23	1.00 ²	5.30
2023	2.00	0.40	0.10	0.57	3.07	1.23	1.00	5.30

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 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.

²In November 2022, voters in EPC, Colorado Springs, Manitou Springs, Green Mountain Falls, Ramah and Calhan 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 2034.

PRINCIPAL TAXPAYERS

CITY OF COLORADO SPRINGS COLORADO Table 7

SALES AND USE TAXPAYERS BY INDUSTRY

Current year and nine years ago

Industry	Fiscal Year 2023			Fiscal Year 2014		
	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
Building materials	\$ 63,823,891	1	16.52 %	\$ —	—	— %
Miscellaneous retail	61,441,287	2	15.90 %	22,747,610	2	12.63 %
Restaurants	52,636,268	3	13.62 %	22,186,471	3	12.32 %
Auto dealers	52,150,132	4	13.50 %	21,245,745	4	11.80 %
Department and discount stores	29,227,409	5	7.56 %	19,913,467	5	11.06 %
Miscellaneous non-retail	—	—	—	24,472,292	1	13.59 %
	<u>\$ 259,278,987</u>		<u>67.10 %</u>	<u>\$ 110,565,585</u>		<u>61.40 %</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 2023	
		Assessed Valuation	Percentage of Total City Assessed Value
Amazon.Com Services LLC	eCommerce fulfilment service	\$ 115,624,270	1.54 %
Cellco Partnership (f/k/a Verizon Wireless)	Utility	91,883,100	1.22 %
Broadmoor Hotel Inc	Resort hotel	44,116,110	0.59 %
Comcast of Colorado	Utility	43,736,480	0.58 %
Ent Credit Union	Banking services	23,776,510	0.32 %
Wal-Mart Real Estate	Discount retail	22,186,090	0.30 %
TRP Colorado Springs LLC	Investment services	20,435,970	0.27 %
Federal Express Corp (Fedex)	Data center	19,504,700	0.26 %
Palmer Center Owner LLC	Real estate company	19,114,290	0.25 %
Watermark at Tutt Blvd CO LLC	Real estate company	14,164,780	0.19 %
		<u>\$ 414,542,300</u>	<u>5.52 %</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

Governmental Activities (in 000's)									
Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Financed Purchases	Lease Liabilities	Subscription Liabilities			
2014	\$ 13,624	\$ 10,081	\$ 39,476	\$ 1,133	\$ —	\$ —			
2015	12,190	2,635	37,512	814	—	—			
2016	11,455	—	35,433	15,641	—	—			
2017	10,695	—	34,632	16,570	—	—			
2018	9,805	—	32,176	18,619	—	—			
2019	6,985	—	41,594	26,350	—	—			
2020	5,130	—	40,372	29,499	—	—			
2021	3,525	—	39,281	25,797	—	—			
2022	1,590	—	38,100	25,504	3,515	—			
2023	1,375	—	36,824	24,953	2,962	6,997			

Business-Type Activities (in 000's)						Total Primary Government (in 000's)	Percentage of Personal Income ¹	Per Capita
Fiscal Year	Revenue Bonds	Notes Payable	Financed Purchases	Lease Liabilities	Subscription Liabilities			
2014	\$ 3,106,294	\$ 21,467	\$ 272	\$ —	\$ —	\$ 3,192,347	10.98 %	\$ 7,197
2015	3,042,226	54,169	—	—	—	3,149,546	10.39	6,982
2016	2,952,994	103,077	888	—	—	3,119,488	9.85	6,774
2017	2,969,753	30,130	651	—	—	3,062,431	9.09	6,554
2018	3,011,814	12,126	409	—	—	3,084,949	8.54	6,499
2019	2,879,823	8,981	162	—	—	2,963,895	7.77	6,194
2020	2,861,582	14,490	378	—	—	2,951,451	7.23	6,151
2021	2,959,274	21,074	286	—	—	3,049,237	6.81	6,321
2022	2,984,356	18,888	603	—	—	3,072,556	6.56	6,333
2023	3,050,011	15,526	728	936	13,487	3,153,799	6.55	6,430

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
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 (in 000's) ²	City General Obligation Bonds (in 000's)	Assessed Value of Property (in 000's)	Percentage of Assessed Value of Property	Per Capita ¹
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	—	—
2020	5,130	5,130	—	6,280,902	—	—
2021	3,525	3,525	—	6,220,352	—	—
2022	1,590	1,590	—	7,400,356	—	—
2023	1,375	1,375	—	7,504,519	—	—

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
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, 2023**

**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	71.78 %	\$ 67,895,000	\$ 48,736,996	\$ —	\$ —
Harrison School District #2	93.08 %	213,170,153	198,419,708	213,170,153	198,419,708
Widefield School District #3	22.81 %	68,767,209	15,685,035	50,914,759	11,613,090
Fountain/Fort Carson School District #8	0.03 %	37,817,821	12,095	817,821	262
Colorado Springs School District #11	91.47 %	22,215,361	20,320,905	9,780,361	8,946,323
Cheyenne Mountain School District #12	95.65 %	47,447,091	45,382,221	47,447,091	45,382,221
Manitou School District #14	9.57 %	3,952,354	378,289	48,136	4,607
Academy School District #20	87.07 %	259,197,735	225,676,002	259,197,735	225,676,002
Ellicott School District #22	0.49 %	6,233,433	30,598	30,861	151
Falcon School District #49	53.45 %	233,444,900	124,777,364	6,784,824	3,626,519
Barnes & Powers North BID	100.00 %	2,952,364	2,952,364	2,952,364	2,952,364
Barnes & Powers South BID	100.00 %	210,000	210,000	210,000	210,000
Briargate Center BID	100.00 %	9,647,105	9,647,105	9,647,105	9,647,105
Catalyst Campus BID	100.00 %	228,729	228,729	228,729	228,729
Creekwalk Marketplace BID	100.00 %	51,393,789	51,393,789	51,393,789	51,393,789
CS Urban Renewal Authority	100.00 %	90,047,881	90,047,881	90,047,881	90,047,881
First & Main BID	100.00 %	1,245,000	1,245,000	1,245,000	1,245,000
First & Main No.2 BID	100.00 %	27,719,415	27,719,415	27,719,415	27,719,415
First & Main North BID	100.00 %	1,462,773	1,462,773	1,462,773	1,462,773
Gold Hill North BID	100.00 %	180,176	180,176	180,176	180,176
Interquest North BID	100.00 %	23,923,074	23,923,074	23,923,074	23,923,074
Interquest South BID	100.00 %	4,721,299	4,721,299	4,721,299	4,721,299
Interquest Town Center BID	100.00 %	3,022,969	3,022,969	3,022,969	3,022,969
MW Retail BID	100.00 %	2,361,533	2,361,533	2,361,533	2,361,533
Park Union BID	100.00 %	36,046,214	36,046,214	36,046,214	36,046,214
Powers & Woodmen BID	100.00 %	4,381,927	4,381,927	4,381,927	4,381,927
True Commons North BID	100.00 %	90,226,099	90,226,099	90,226,099	90,226,099
Total overlapping debt			1,029,189,560		843,439,230
City direct debt			73,111,000		36,287,000
Total direct and overlapping debt			<u>\$ 1,102,300,560</u>		<u>\$ 879,726,230</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 24, 2021. 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) and other types of debt, net of related premiums, discounts, and adjustments.

LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years
(in 000's)

CITY OF COLORADO SPRINGS
COLORADO
Table 11

Legal debt margin calculation for fiscal year 2023

Assessed value-2022 for 2023 taxes \$7,504,519

Debt limit (10% of assessed value)¹ 750,452

Debt applicable to limit:

General obligation bonds —

Total net debt applicable to limit —

Legal debt margin \$ 750,452

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 750,452	\$ 740,036	\$ 622,035	\$ 628,090	\$ 550,808	\$ 541,479	\$ 504,841	\$ 498,558	\$ 467,862	\$ 460,821
Total net debt applicable to limit	—	—	—	—	—	—	—	—	—	—
Legal debt limit	<u><u>\$ 750,452</u></u>	<u><u>\$ 740,036</u></u>	<u><u>\$ 622,035</u></u>	<u><u>\$ 628,090</u></u>	<u><u>\$ 550,808</u></u>	<u><u>\$ 541,479</u></u>	<u><u>\$ 504,841</u></u>	<u><u>\$ 498,558</u></u>	<u><u>\$ 467,862</u></u>	<u><u>\$ 460,821</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹Based upon the last preceding assessment per City Charter § 7-80(b).

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	
2014	\$ 906,466	\$ 566,921	\$ 339,545	\$ 57,295	\$ 105,303	2.09	\$ 4,382	\$ 1,804	\$ 2,579	\$ 595	\$ 463	2.44	
2015	868,080	493,616	374,463	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	362,194	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	417,336	81,947	104,036	2.24	5,080	2,515	2,565	700	164	2.97	
2020	947,570	505,838	441,731	89,045	107,245	2.25	5,191	2,420	2,771	715	147	3.22	
2021	1,119,194	783,162	336,032	88,715	100,014	1.78	8,039	2,652	5,387	735	129	6.23	
2022	1,280,119	788,898	491,220	102,283	103,469	2.39	10,050	3,556	6,494	750	112	7.54	
2023	1,054,337	686,697	367,640	107,356	107,117	1.71	10,719	4,039	6,680	770	93	7.74	

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	
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	\$ 6,141	\$ —	\$ —	—	
2019			31,590	11,680	37,813	0.64	13,562	4,853	8,709	400	1,551	4.46	
2020			31,890	12,860	37,098	0.64	10,825	5,585	5,240	490	1,457	2.69	
2021			32,017	14,120	36,310	0.63	9,839	3,213	6,626	515	1,433	3.40	
2022			32,533	15,475	35,445	0.64	9,663	4,918	4,744	540	1,407	2.44	
2023			32,895	16,955	34,498	0.64	10,292	5,722	4,571	570	1,380	2.34	

Airport 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
2014	\$ 16,081	\$ 12,712	\$ 3,369	\$ 1,395	\$ 1,172	1.31	\$ 144,887		\$ 7,130	\$ 713	18.47
2015	17,270	12,782	4,488	1,565	862	1.85	148,056		7,340	499	18.89
2016	15,822	11,822	4,000	990	473	2.74	156,716		2,635	132	56.64
2017	13,900	14,373	(473)	1,040	423	(0.32) ¹	—		—	—	—
2018	—	—	—	—	—	—	—		—	—	—
2019	—	—	—	—	—	—	—		—	—	—
2020	—	—	—	—	—	—	—		—	—	—
2021	—	—	—	—	—	—	—		—	—	—
2022	—	—	—	—	—	—	—		—	—	—
2023	—	—	—	—	—	—	—		—	—	—

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹The 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 Capita Personal Income ²	Unemployment Rate ³
2014	443,553 *	\$ 29,082,644	\$ 42,379	4.9 %
2015	451,067 *	30,319,650	43,447	3.8 %
2016	460,505 *	31,668,303	44,458	3.0 %
2017	467,285 *	33,681,400	46,529	3.1 %
2018	474,691 *	36,128,371	49,007	3.6 %
2019	478,506 *	38,125,082	51,120	2.8 %
2020	479,828 *	40,832,263	54,166	6.7 %
2021	482,436 *	44,803,161	58,736	3.8 %
2022	485,143 *	46,856,609	61,217	2.7 %
2023	490,457 *	48,157,418 *	62,649 *	3.3 % *

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

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

CITY OF COLORADO SPRINGS
COLORADO
Table 14

Employer	2023		2014	
	Rank	Percentage of Total County Employment	Rank	Percentage of Total County Employment
Fort Carson	1	13.2 %	1	10.4 %
Peterson SFB, Schriever SFB, & Cheyenne Mountain SFS ¹	2	6.5 %	2/3	6.4 %
United States Air Force Academy	3	3.0 %	4	2.5 %
UCHealth Southern Colorado Region	4	2.8 %	7	1.0 %
School District #11 - Colorado Springs	5	1.5 %	5	1.3 %
City of Colorado Springs ²	6	1.2 %	9	0.8 %
School District #20 - Air Academy	7	1.2 %	6	1.1 %
CommonSpirit Health (f/k/a Penrose/Centura)	8	1.2 %	8	0.9 %
Amazon	9	1.2 %	—	— %
El Paso County	10	1.1 %	10	0.7 %
		<u>32.9 %</u>		<u>25.1 %</u>

Source: The Colorado Springs Chamber & Economic Development Corporation and U.S. Department of Labor, Bureau of Labor Statistics for El Paso County, CO

¹Space Force Bases (SFB) were previously tracked individually but are now consolidated.

²City 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	445.75	422.25	375.25	366.25	341.75	326.75	308.25	257.25	256.25	256.25
Public safety	1,830.50	1,731.00	1,633.00	1,612.00	1,584.00	1,516.00	1,478.00	1,471.00	1,470.50	1,407.75
Public works	306.50	274.00	259.00	189.00	188.00	187.00	245.00	212.00	208.00	207.50
Culture and recreation	—	—	—	—	—	—	—	—	—	114.25
Parks	231.25	173.50	163.00	162.75	158.75	147.75	139.75	138.75	132.75	—
Planning	—	—	—	—	55.00	44.00	40.00	—	—	—
Planning and community development	70.00	65.00	57.00	57.00	—	—	—	63.00	33.00	—
Urban redevelopment and housing	—	—	—	—	—	—	—	—	—	32.00
Utilities	1,951.00	1,888.25	1,818.00	1,825.75	1,821.50	1,824.00	1,824.00	1,824.00	1,824.00	1,874.00
Airport	122.00	117.00	106.00	104.00	102.00	100.00	98.00	95.00	93.00	96.00
Parking	18.50	16.00	10.00	11.00	10.00	9.50	8.50	8.50	8.50	8.50
Stormwater	36.00	33.00	31.00	73.00	73.00	67.00	—	—	—	—
Other non-major enterprise funds	66.50	61.00	58.00	52.00	51.00	50.00	50.00	51.00	49.50	47.00
Total	5,078.00	4,781.00	4,510.25	4,452.75	4,385.00	4,272.00	4,191.50	4,120.50	4,075.50	4,043.25

Sources: Various City departments and Utilities.



OPERATING INDICATORS BY FUNCTION/PROGRAM
Last ten fiscal years

Function/Program	Fiscal Year		
	2023	2022	2021
General government			
Internal audits completed	23	24	24
Summons filed	77,713	60,611	57,096
Contractual transactions ¹	7,219	6,866	3,759
Workers compensation claims	418	366	363
Public safety			
Emergency response time - Police	16	13	12
Percent of emergency incident arrival within 8 minutes - Fire ²	65	85	66
Violent and property crime rates (per 1,000 population)	47	37	42
Emergency incidents (per 10,000 population) ²	1,557	756	1,444
Public works ³			
Miles resurfaced	216	365	851
Fixed route transit revenue hours of service	234,480	194,147	163,655
Painted lane miles	271	514	871
Culture and recreation			
Cultural services attendance ⁴	4,492,434	4,404,778	287,780
Street and park trees	102,372	150,000	350,000
Acres of parks maintained	17,632	16,858	15,641
Recreation service program participants	324,703	325,661	241,904
Community development			
Projects managed	5	5	6
Affordable housing developed and rehabilitated	293	121	220
Clients assisted	71	11	499
Utilities			
Total metered customers ⁵	608,288	602,151	591,836
Annual natural gas moved through pipes (thousands of mcf)	22,634	23,904	23,603
Electric use (thousands of MWh)	4,641	4,832	4,839
Water use (millions of gallons)	21,400	23,600	24,400
Wastewater treatment (millions of gallons)	12,756	13,191	13,465
Airport			
Passenger boardings (in thousands)	1,179	1,075	936
Airline revenue per enplaned passengers	\$ 14.60	\$ 13.13	\$ 11.82
Parking			
Revenues collected per space - on-street	\$ 2,180	\$ 2,137	\$ 1,685
Revenues collected per space - off-street	\$ 1,509	\$ 1,379	\$ 1,088
Other			
Cemetery - burial services	609	661	683
Golf courses - rounds played	159,418	149,845	161,570
Pikes Peak America's Mountain - number of visitors	459,780	449,776	550,381

Sources: City and Utilities staff reports and websites.

¹ The City implemented additional functionality within its financial system, changing the way this number is calculated starting in 2022.

² Beginning in 2022, revised standards for fire services delivery changed the definition and categorization of an emergency incident, thereby altering how response times are calculated and reported.

³ Maintenance programs may be funded by City and other entity sources.

⁴ Beginning in 2022, attendance numbers include visitation to Garden of the Gods Park.

⁵ Some customers have multiple services and may be counted more than once.

**CITY OF COLORADO SPRINGS
COLORADO
Table 16**

Fiscal Year						
2020	2019	2018	2017	2016	2015	2014
32	26	35	33	26	39	33
44,683	43,491	29,625	22,000	29,731	36,676	37,928
2,622	3,366	3,431	3,434	3,350	3,533	2,255
373	440	380	346	405	353	426
11	12	12	12	14	13	13
71	86	87	88	89	88	89
42	43	43	38	40	40	40
1,316	1,407	1,450	1,472	1,471	1,417	1,340
1,106	701	995	1,432	1,133	187	115
182,242	197,014	179,546	163,025	150,399	130,653	120,031
1,304	886	1,147	1,414	830	801	1,465
221,351	476,964	484,281	451,689	379,938	343,124	324,337
350,000	300,000	284,094	284,600	284,800	213,207	213,874
15,592	14,875	14,831	14,479	14,807	15,063	14,527
244,307	755,482	763,555	791,234	765,539	664,283	646,744
6	5	8	9	6	6	6
193	127	48	295	108	69	156
628	156	83	295	108	69	156
579,315	579,315	579,315	558,570	558,570	547,764	540,990
21,892	21,892	21,891	22,354	22,603	23,816	20,602
4,850	4,850	4,750	4,580	4,700	4,800	4,600
24,900	24,900	23,600	23,700	21,900	21,600	28,700
13,717	13,717	13,717	13,717	14,699	13,870	15,586
364	844	866	850	656	598	623
\$ 8.08	\$ 4.48	\$ 4.68	\$ 4.71	\$ 6.06	\$ 9.39	\$ 8.80
\$ 984	\$ 1,016	\$ 947	\$ 916	\$ 895	\$ 853	\$ 967
\$ 876	\$ 873	\$ 858	\$ 995	\$ 983	\$ 838	\$ 855
526	629	621	621	630	587	600
153,946	148,033	156,930	170,008	156,734	147,877	164,299
527,418	592,569	597,233	498,722	482,963	415,092	345,701

**CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 17**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public safety										
Police										
Area commands (stations)	4	4	4	4	4	4	4	4	4	4
Patrol units	342	326	293	277	233	237	211	197	171	171
Fire										
Stations	24	23	23	23	22	22	22	22	21	21
Emergency units	87	85	84	84	84	84	84	84	84	84
Public works										
Streets (lane miles)	6,456	6,273	6,257	6,232	6,134	5,973	5,849	5,688	5,688	5,636
Major bridges	229	228	225	223	223	223	223	224	223	223
Signalized intersections	641	630	625	612	609	606	591	585	584	574
Transit buses	70	71	60	61	61	60	56	49	45	43
Culture and recreation										
Parks and open space locations	255	216	206	206	205	205	205	205	205	204
Sports complexes	5	5	5	4	4	4	4	4	4	4
Community centers	5	5	5	5	4	4	4	5	5	4
Utilities										
Electric distribution lines (miles)	4,008	3,976	3,942	3,839	3,839	3,831	3,808	3,316	3,316	3,316
Natural gas pipe (miles)	2,750	2,737	2,692	2,586	2,586	2,576	2,539	2,488	2,432	2,408
Water distribution lines (miles)	2,555	2,512	2,505	2,152	2,152	2,139	2,117	2,068	2,300	2,040
Airport										
Number of runways	3	3	3	3	3	3	3	3	3	3
Parking										
Number of parking spaces - on-street	2,870	2,852	2,870	2,553	2,453	2,415	2,415	2,416	2,417	2,400
Number of parking spaces - off-street	2,681	2,681	2,681	2,681	2,681	2,706	2,706	2,703	2,703	2,703

Sources: City and Utilities staff reports and websites.

**SALES AND USE TAX REVENUE
REQUIRED REFUNDS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 18**

Fiscal Year	Required Refunds
2014	\$ 1,173,501
2015	916,479
2016	1,496,130
2017	514,490
2018	621,042
2019	395,621
2020	1,518,106
2021	908,401
2022	955,888
2023	994,299

Note: This table reflects values for the General Fund only.

**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
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	5,414,777	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%
2020	6,280,902	24,311,078	23,479,175	96.6%	14,628	20,394	0.1%
2021	6,220,352	25,361,893	23,869,463	94.1%	10,778	12,975	0.1%
2022	7,400,356	26,486,009	26,054,499	98.4%	5,890	10,507	—%
2023	7,504,519	26,397,601	26,059,445	98.7%	10,097	15,283	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
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
2020	4.279	7.035	51.558	3.731	0.902	67.505
2021	4.279	7.692	51.104	3.855	0.942	67.872
2022	3.929	6.696	44.054	3.490	0.839	59.008
2023	3.929	4.809	42.821	3.512	0.887	55.958

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.
 The 2022 and 2023 City mill levy includes a temporary mill levy credit of .35 mills.

**MUNICIPAL SOLID WASTE LANDFILL
CLOSURE AND POSTCLOSURE CARE COSTS
December 31, 2023**

**CITY OF COLORADO SPRINGS
COLORADO
Table 21**

Facility	Closure Costs	Postclosure Costs	Total Cost	Percentage of Capacity Used	Estimated Lifespan in Years
Hancock	\$ —	\$ 103,061	\$ 103,061	N/A	N/A
Clear Spring - gravel pit 1	166,600	813,897	980,497	100%	n/a
Clear Spring - gravel pit 2 C&D solids	225,167	99,363	324,530	80.94%	46
Clear Spring - ash disposal	17,626,830	1,333,899	18,960,729	100.00%	63
Clear Spring - biosolids	3,544,935	716,034	4,260,969	48.35%	47
Northfield Recovery Pond	—	109,715	109,715	100.00%	—
Grit Solid Waste Disposal Area	534,451	716,034	1,250,485	1.70%	30
Total cost	<u>\$ 22,097,983</u>	<u>\$ 3,892,003</u>	<u>\$ 25,989,986</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, Northfield Recovery Pond and Grit Solid Waste Disposal Area are recognized on a capacity used basis in the Utilities fund on Exhibit 7; total costs are estimated at \$25,886,925. 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 independent assessment completed in 2023.