CITY OF COLORADO SPRINGS, COLORADO

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2025

COLORADO SPRINGS
OLYMPIC CITY USA

COLORADO SPRINGS

OLYMPIC CITY USA

Annual Comprehensive Financial Report

City of Colorado Springs Colorado

For the fiscal year ended December 31, 2025

Finance Department

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Kerry George, Assistant Finance Director
Tracy Peters, Accounting Manager

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Giovanni Villarreal, Accountant II

A special thanks to the Budget Division

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City of Colorado Springs
Colorado

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INTRODUCTORY SECTION

COLORADO
SPRINGS
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FINANCE DEPARTMENT

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

June 10, 2026

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, 2025. 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 controls established for this purpose. Because the cost of internal controls 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, 2025. 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, a health system which is operated by UCHealth, a municipal airport, parking facilities which include garages and meters, two golf courses, a tourist highway up to the Pikes Peak Summit Complex, two cemeteries, stormwater system operations and a development review enterprise.

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 2021 and Marketplace at Austin Bluffs), Colorado Springs Health Foundation, Colorado Springs Urban Renewal Authority, Colorado Springs Downtown Development Authority and Business Improvement Districts (Barnes & Powers North, Barnes & Powers South, Briargate Center, Creekwalk Marketplace, First & Main, First & Main No. 2, First & Main North, 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, 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.

2025 MILESTONES

The City achieved several significant milestones during 2025:

- Opened Fire Station 24, a state-of-the-art facility that is fully staffed and equipped, and strategically located to serve one of the fastest-growing areas of the community. The new station improved emergency response times within its district by nearly three minutes.

- Advanced public safety through increased enforcement efforts, with overall traffic enforcement rising 28% and school-zone enforcement increasing 213%. During this same period, robbery decreased 8%, burglary decreased 19%, murder decreased 38%, and motor-vehicle theft declined 42%.

- Implemented new technology to enhance safety operations. In addition to the continued expansion of the Real-Time Crime Center and the Drone as a First Responder program, the City deployed new speed-safety cameras to complement existing red-light enforcement systems.

- Continued investment in critical infrastructure. Across the city, 187 lane-miles were repaved and more than 74,000 potholes were repaired. The City also delivered major capital projects, including the Circle Drive Bridges, Grey Hawk Park, additional trails and connections along the Legacy Loop, and key community-serving facilities such as the new Colorado Springs Senior Center.

- Strengthened the local economy by establishing six economic development agreements, including Swire Coca-Cola’s $475 million manufacturing facility at Peak Innovation Park and Opus’ $63 million Forge at Peak Innovation project, both expected to generate new commercial activity and private-sector momentum.

- Expanded attainable housing options, with 1,700 new attainable homes for families, seniors, and young adults either completed or underway.

- Expanded compassionate homelessness initiatives. The City secured $860,000 to increase winter shelter capacity and launched a pilot program with Mountain Metro Transit to provide free transportation to warming centers during periods of extreme cold.

LONG-TERM STRATEGIC AND FINANCIAL PLANNING
As stated in the City Charter, the Mayor maintains a Strategic Plan that prioritizes goals for the City and establishes measurable outcomes.

The 2024-2028 Citywide Strategic Plan serves as the long-term vision for the future direction of the City. The foundation of the Strategic Plan is rooted in well-defined goals, strategic objectives and priorities, and measurable outcomes. It establishes organizational performance data and a continuous engagement loop with the community and City employees to inform City budgetary and policy decision making.

This plan is the result of countless hours of community engagement, thoughtful discussion, and collaborative effort. It reflects the voices and aspirations of our diverse neighborhoods, our vibrant business community, and our passionate residents.

Under the Strategic Plan, the City will create an annual short-term Strategic Doing Action Plan. The purpose of the Strategic Doing Action Plan is to intentionally move forward the visionary community ideas outlined in the 5-year Strategic Plan, into yearly action-oriented collaborations that result in measurable outcomes.

The Strategic Plan includes five priorities, with goals for each:

- Public Safety - Through preparedness, prevention, response, innovation, and engagement, help make Colorado Springs one of the safest cities.

- Infrastructure - Protect, maintain, and invest in safe, reliable, and accessible streets, waterways, walkways, parks, public spaces, and resources to promote a connected, resilient, and thriving community.

- Housing Solutions - Implement policies, foster community partnerships, and secure sustainable funding to increase housing choices so that residents have options that are right for them.

- Economic Vitality - Encourage and promote a resilient economy that attracts and retains diverse businesses and talent to create opportunities for a prosperous and enhanced quality of life.

- Community Activation - Mobilize community members to actively participate in local initiatives and take ownership of their own flourishing, to drive positive change.

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 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 was designated as a 2024 GFOA Triple Crown winner after successfully being awarded each of the required GFOA certificates.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was the 35th 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. We wish to express our sincere gratitude for the efforts of all of these people.

Sincerely,

Charae McDaniel

Charae McDaniel, Chief Financial Officer

Kerry Ann George

Kerry Ann George, Assistant Finance Director

Tracy Peters

Tracy Peters, Accounting Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Colorado Springs

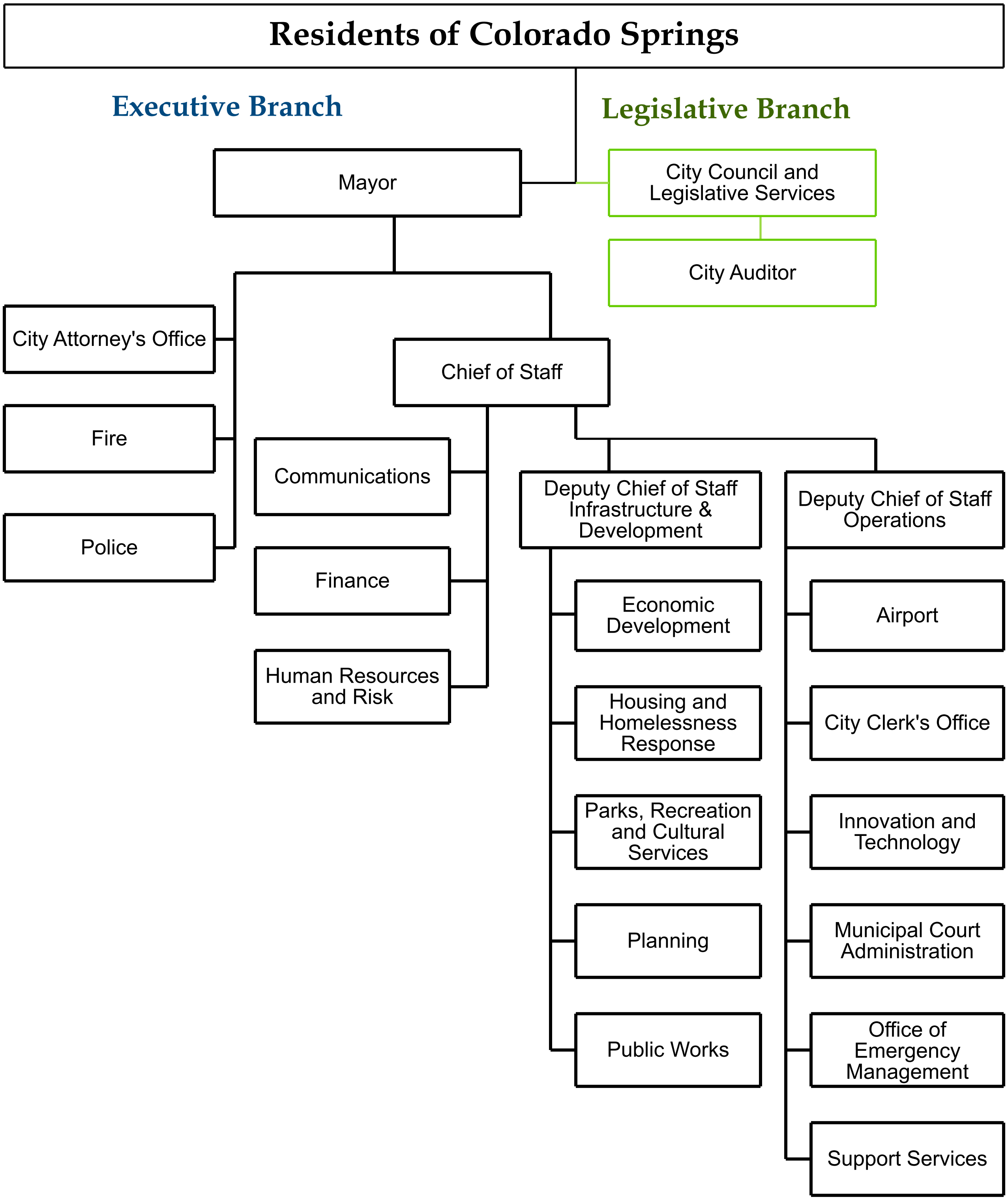
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

City Organizational Chart



As of December 31, 2025

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

Blessing "Yemi" Mobolade
Mayor

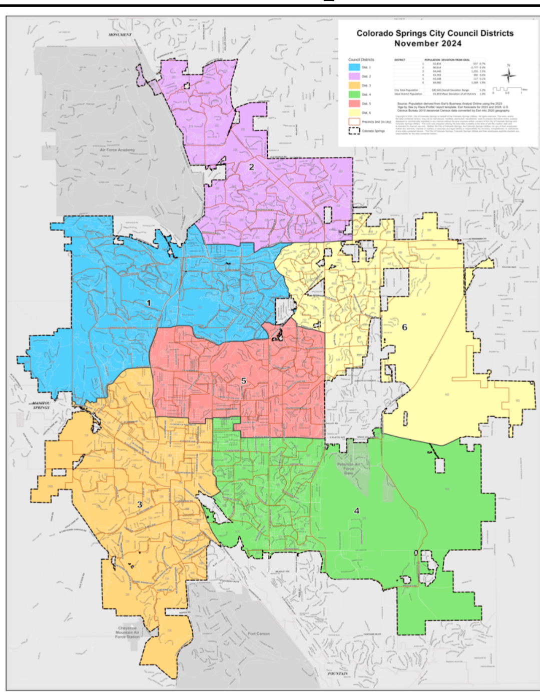
Department Heads

Chief Communications Officer	Jason Strickland
Chief Financial Officer	Charae McDaniel
Chief Housing and Homelessness Officer	Aimee Cox
Chief Human Resources and Risk Officer	Myra Romero
Chief Information Officer	Mary Weeks
Acting City Attorney	Marc Smith
City Clerk	Sarah Johnson
Director of Aviation	Alex Kovacs
Director of Support Services	Henry Martin
Economic Development Officer	Jessie Kimber
Fire Chief	Randy Royal
Regional Emergency Management and Recovery Director	Andrew Notbohm
Parks, Recreation and Cultural Services Director	Britt Haley
Planning Director	Kevin Walker
Public Works Director	Rich Mulledy
Police Chief	Adrian Vasquez
Presiding Municipal Court Judge/Court Administrator	HayDen W. Kane II

As of December 31, 2025

City Council

Council District Map



City Council District Map November 2024

As of December 31, 2025

Colorado Springs City Council

From left to right:

Council President Pro Tem Brian Risley, At Large

Councilmember Nancy Henjum, District 5

Councilmember Dave Donelson, District 1

Councilmember Kimberly Gold, District 4

Councilmember David Leinweber, At Large

Councilmember Brandy Williams, District 3

Councilmember Tom Bailey, District 2

Council President Lynette Crow-Iverson, At Large

Councilmember Roland Rainey, District 6

City Council's Direct Reports

City Auditor	Natalie Lovell
City Council Administrator	Emily Evans
Utilities Chief Executive Officer	Travas Deal

FINANCIAL SECTION

COLORADO SPRINGS

OLYMPIC CITY USA

Forvis Mazars, LLP
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Colorado Springs, CO 80903
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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, 2025, 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, based on our audit and the reports of the other auditors, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

With the exception of the Pikes Peak Regional Communications Network, we did not audit the financial statements of the discretely presented component units, which represent 99.35%, 98.49%, and 98.24%, respectively, of the assets, net position/deficit, and revenues of the aggregate discretely presented component units as of December 31, 2025. 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 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 88.56%, 81.45%, and

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91.98%, respectively, of the assets, net position, and total revenues of the enterprise funds as of and for the year ended December 31, 2025. 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.

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.

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.

- 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 and analysis, 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 financial 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 5, 2026

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, 2025. 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 by $5.5 billion as of December 31, 2025. This represents an increase in net position of $380.4 million, or 7.5%, resulting from 2025 activity.

    - Governmental activities reported an increase in net position of $183.1 million or 8.8%. This growth was primarily driven by capital asset donations from the Pikes Peak Rural Transportation Authority and private developers, partially offset by a reduction in the net pension liability.

    - Business-type activities reported an increase in net position of $197.2 million or 6.6%. The majority of this increase relates to Colorado Springs Utilities (Utilities), whose net position grew by $147.4 million due to higher operating revenues and additional capital contributions.

- The City's governmental funds ended the year with combined fund balances of $316.4 million, an increase of $26.4 million or 9.1%, from the prior year.

- The General Fund, the City's primary operating fund, ended 2025 with a total fund balance of $104.2 million, equivalent to 22.9% of total General Fund expenditures and other financing uses. Of this amount, $91.3 million was classified as "unrestricted", which the Government Finance Officers Association (GFOA) defines as the sum of committed, assigned and unassigned fund balances. GFOA recommends maintaining an unrestricted fund balance of at least 16.7% of expenditures. The City's target range of 16.7% to 25%. The 2025 unrestricted fund balance of $91.3 million represents 20.0% of total General Fund expenditures and other financing uses. Unrestricted fund balance increased by $0.9 million from 2024, while restricted fund balance decreased by $1.1 million due primarily to the use of restricted cash for capital purchases. Additional detail is provided in the General Fund Budgetary Highlights section.

- The City's total long-term debt was $3.6 billion at year-end, an increase of $572.6 million, or 18.9%, compared to 2024. Debt related to governmental activities increased by $7.4 million as new leases and subscriptions exceeded debt repayments. Business-type activity debt increased by $565.2 million, primarily 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 general government. Taxes, intergovernmental revenues and surplus revenue transfers finance most of these activities.
>
> ***Business-type activities*** – Other services such as water, sewer, gas, electric utilities, health system, airport, parking facilities, golf courses, cemeteries, tourist highway, development review and stormwater systems 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, Colorado Springs Downtown Development Authority, Colorado Springs Urban Renewal Authority and many business improvement districts: Barnes & Powers North, Barnes & Powers South, Briargate Center, 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.

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.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position is a useful measure of a government's overall financial condition. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $5.5 billion at the close of 2025. This represents an increase of $380.4 million compared to year-end 2024.

The following table reflects the condensed Statement of Net Position for 2025 with comparative information for 2024:

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 459,603	$ 465,793	$ 1,982,676	$ 1,639,605	$ 2,442,280	$ 2,105,398
Capital assets	2,203,042	2,030,018	5,851,932	5,315,068	8,054,974	7,345,087
Total assets	2,662,645	2,495,811	7,834,609	6,954,673	10,497,254	9,450,485
Deferred outflows of resources	119,813	157,768	99,293	131,910	219,106	289,677
Total assets and deferred outflows of resources	2,782,458	2,653,579	7,933,902	7,086,583	10,716,359	9,740,162
Noncurrent liabilities	395,922	422,707	4,156,286	3,601,400	4,552,209	4,024,107
Other liabilities	73,267	97,104	332,040	281,818	405,307	378,922
Total liabilities	469,189	519,811	4,488,326	3,883,218	4,957,515	4,403,029
Deferred inflows of resources	46,371	50,017	248,909	203,914	295,280	253,931
Total liabilities and deferred inflows of resources	515,560	569,828	4,737,235	4,087,132	5,252,795	4,656,960
Net position						
Net investment in capital assets	2,133,834	1,968,602	2,934,605	2,762,305	5,068,440	4,730,907
Restricted	30,044	29,761	61,834	66,035	91,878	95,796
Unrestricted	103,019	85,389	200,227	171,111	303,246	256,500
Total net position	$ 2,266,898	$ 2,083,752	$ 3,196,666	$ 2,999,451	$ 5,463,564	$ 5,083,202

Note: Immaterial differences may occur due to rounding

The City's investment in capital assets, net of related outstanding debt, totaled $5.1 billion. These capital assets are used to provide services to residents and are therefore not available to support future spending. Although the investment is reported net of related debt, the resources needed to repay that debt must come from other sources, as the capital assets themselves cannot be liquidated to satisfy the associated obligations.

Restricted net position decreased by $3.9 million primarily due to increased use of restricted passenger facility charge revenues by the Airport to fund capital improvement projects.

Unrestricted net position increased by $46.7 million, bringing the total to $303.2 million. Portions of unrestricted net position are designated for specific future purposes, such as encumbrances and subsequent-year expenses. The increase in governmental activities is primarily attributable to a decrease in net pension liability, which can fluctuate significantly from year to year. The increase in business-type activities resulted mainly from higher operating revenues at Utilities driven by base rate adjustments and cost-recovery mechanisms.

The net position of the business-type activities is $3.2 billion, an increase of $197.2 million from 2024. This change was largely driven by Colorado Springs Utilities, which contributed $147.4 million of the increase through higher operating revenues and capital contributions. Net position associated with business-type activities may only be used to support their ongoing operations, including the utilities, airport, parking facilities, golf courses, cemeteries, tourist highway, development review program, and stormwater activities. These resources cannot be used to offset decreases in governmental activities.

The following table presents revenues and expenses for both governmental and business-type activities for 2025, with comparative information for 2024. As noted earlier, the City's total net position increased by $380.4 million from 2024 to 2025. Governmental activities accounted for a $183.1 million, or 8.8%, increase, representing 48.2% of the total change. Business-type activities accounted for a $197.2 million, or 6.6%, increase, representing the remaining 51.8%.

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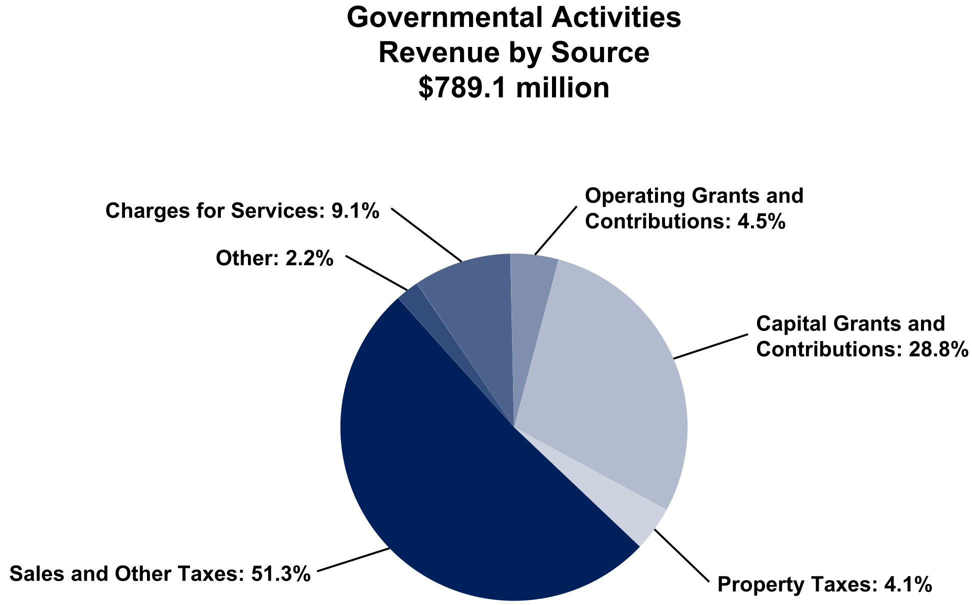
City of Colorado Springs
Changes in Net Position (in 000's)

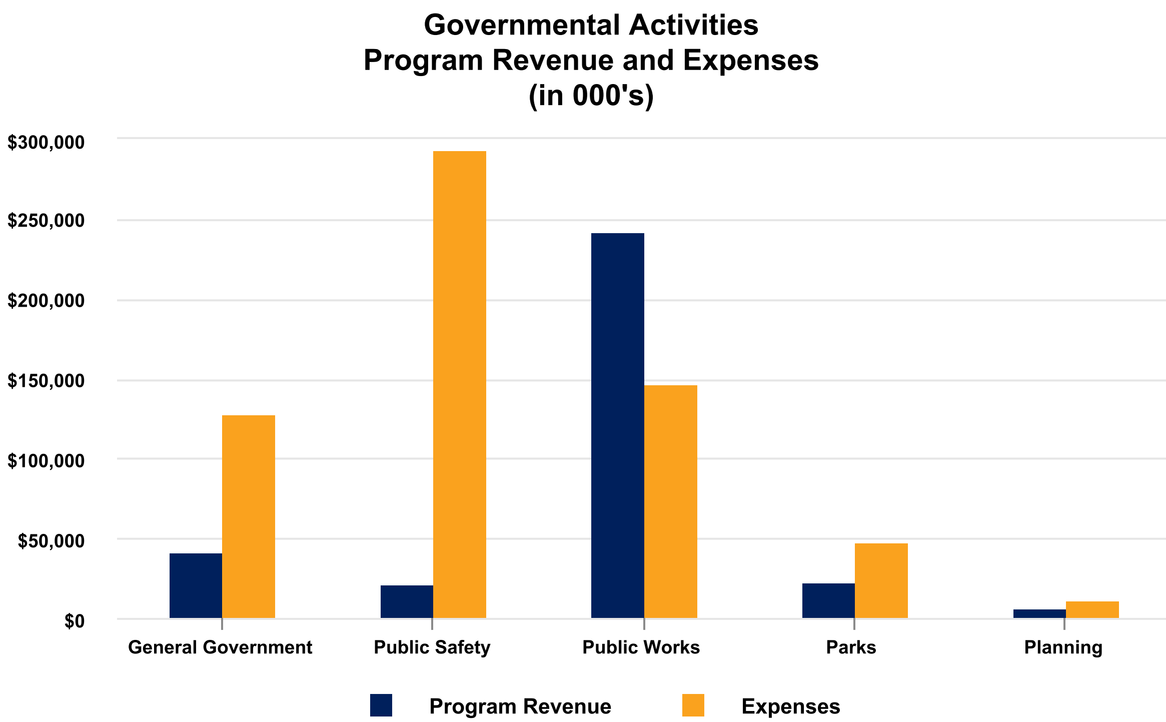
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 72,043	$ 70,754	$ 1,272,609	$ 1,155,890	$ 1,344,652	$ 1,226,644
Operating grants and contributions	35,349	41,109	—	—	35,349	41,109
Capital grants and contributions	226,944	173,981	107,011	88,821	333,955	262,802
General revenues:						
Property taxes	32,782	34,933	—	—	32,782	34,933
Sales and other taxes	404,763	398,622	—	—	404,763	398,622
Investment earnings	17,135	14,636	43,442	40,364	60,577	55,001
Gain on sale of capital assets	—	—	3,099	84	3,099	84
Contributions to endowments	111	126	—	—	111	126
Total revenues	789,128	734,160	1,426,160	1,285,160	2,215,288	2,019,320
Expenses:						
General government	128,579	135,577	—	—	128,579	135,577
Public safety	293,504	283,658	—	—	293,504	283,658
Public works	146,550	138,506	—	—	146,550	138,506
Parks	47,753	40,359	—	—	47,753	40,359
Planning	11,175	16,434	—	—	11,175	16,434
Interest on long-term debt	3,322	2,173	—	—	3,322	2,173
Utilities	—	—	1,060,039	938,208	1,060,039	938,208
PACE	—	—	55,247	56,139	55,247	56,139
MHS	—	—	2,473	2,526	2,473	2,526
Non-major enterprises	—	—	86,283	82,766	86,283	82,766
Total expenses	630,884	616,707	1,204,042	1,079,639	1,834,926	1,696,346
Change in net position before transfers	158,244	117,453	222,119	205,520	380,362	322,974
Transfers	24,903	34,249	(24,903)	(34,249)	—	—
Change in net position	183,146	151,703	197,216	171,271	380,362	322,974
Net position - January 1	2,083,752	1,932,049	2,999,451	2,828,179	5,083,202	4,760,228
Net position - December 31	$ 2,266,898	$ 2,083,752	$ 3,196,666	$ 2,999,451	$ 5,463,564	$ 5,083,202

Note: Immaterial differences may occur due to rounding.

Governmental Activities



Note: Exclusive of transfers.



Note: Exclusive of transfers.

For 2025, revenue from governmental activities exceeded expenses, resulting in an increase in net position attributable to current year activity. Revenue increased by $55.0 million from 2024, primarily due to higher capital contributions within Public Works. These contributions were driven by donated capital assets from the Pikes Peak Rural Transportation Authority and private developers.

Expenses increased $14.2 million from 2024. The most significant changes to expenses were the following:

- General government expenses decreased by $7.0 million, primarily due a decrease in net pension liability. Additional information on the pension changes can be found later in this report.

- Public safety expenses increased $9.8 million primarily due to a 2% compensation increase for all sworn positions to maintain competitive wages and support recruitment and retention efforts. In addition, the City added 20 sworn Police positions to address growing service demands associated with continued community growth.

- Public works expenses increased $8.0 million primarily due to continued investment in repairs and maintenance of existing roadways and increased depreciation expense on infrastructure.

- Housing and Homelessness Response expenses, reported in Planning, decreased by $5.3 million. This reduction was primarily the result of lower grant spending on emergency rental assistance as program activity declined during the year.

- Parks expenses increased $7.4 million primarily due to higher capital-related maintenance costs and losses recognized on the disposal of assets, including the former Senior Center building, which was demolished to make way for the construction of the new facility.

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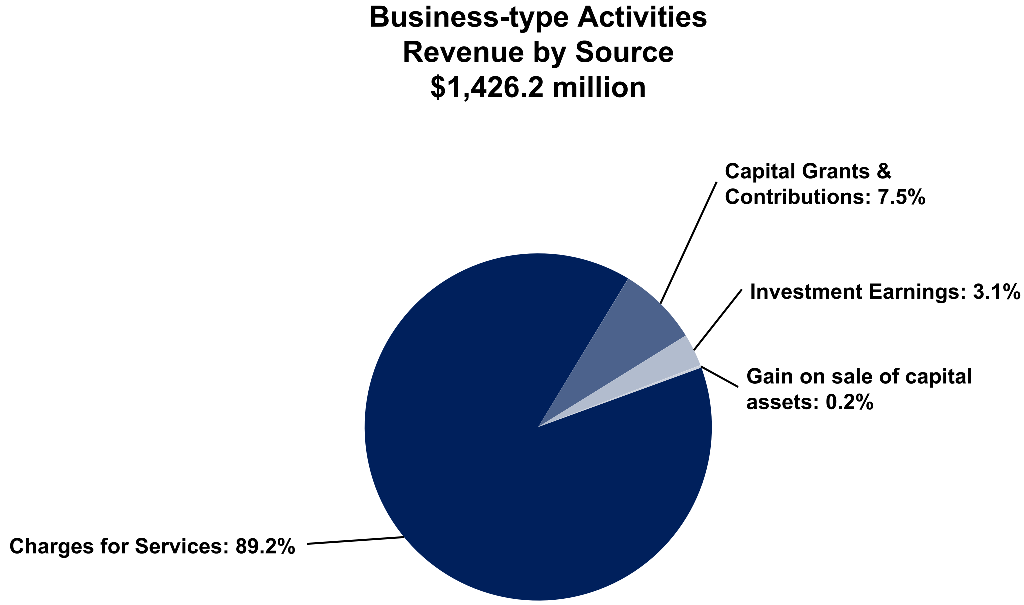
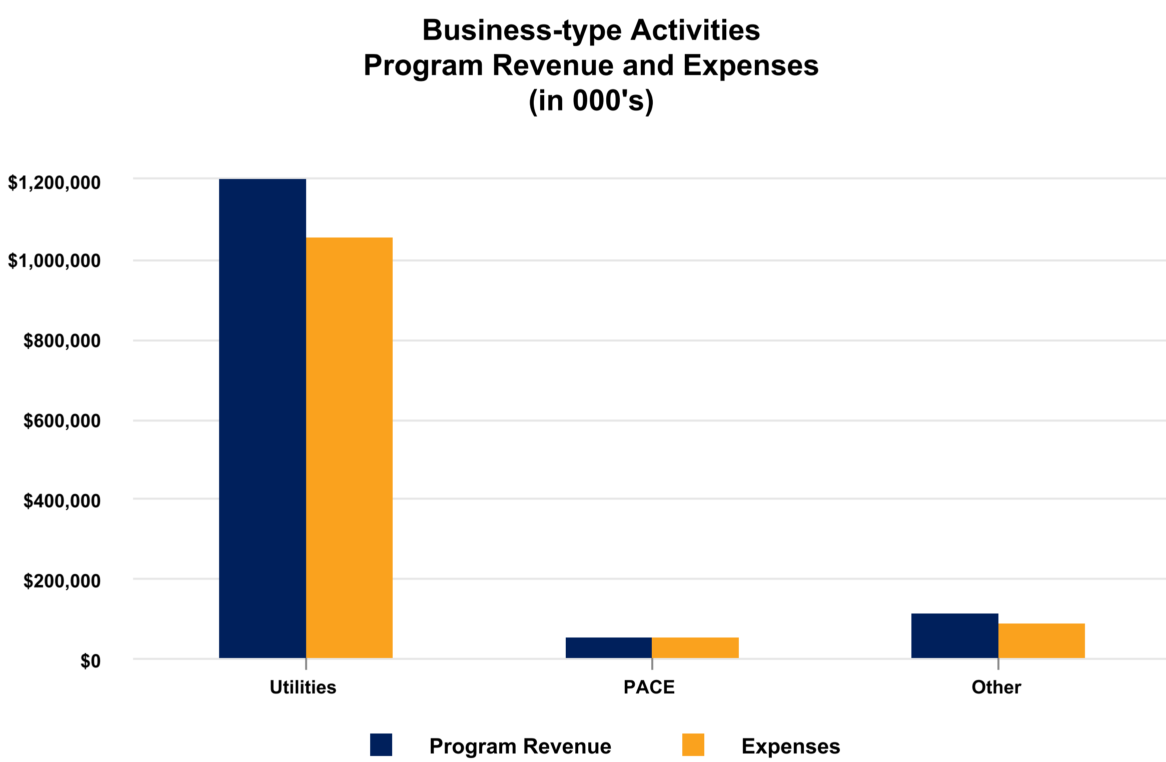
Business-type Activities



Note: Exclusive of transfers.



Note: Exclusive of transfers.

For 2025, revenue from business-type activities increased $141.0 million, while expenses increased by $124.4 million. The most significant revenue changes were as follows:

- Utilities reported a $114.8 million increase in operating revenues, driven primarily by higher electric, gas, and wastewater revenues. Electric and wastewater revenues grew by $60.2 million due to base rate increases. Gas revenues increased by $51.3 million as a result of cost recovery associated with higher fuel expenses. Utilities also reported a $22.9 million increase in capital contributions.

The most significant changes to expenses were as follows:

- Utilities' operating expenses increased by $94.6 million. This included a $36.2 million increase in administration and general expenses resulting from higher pension and OPEB costs. Purchased gas, production, and treatment expenses increased by $54.1 million due to higher fuel and gas costs and increased consumer demand.

- Interest expenses increased by $11.0 million compared to 2024, primarily due to Utilities' issuance of improvement revenue bonds and the related interest payments.

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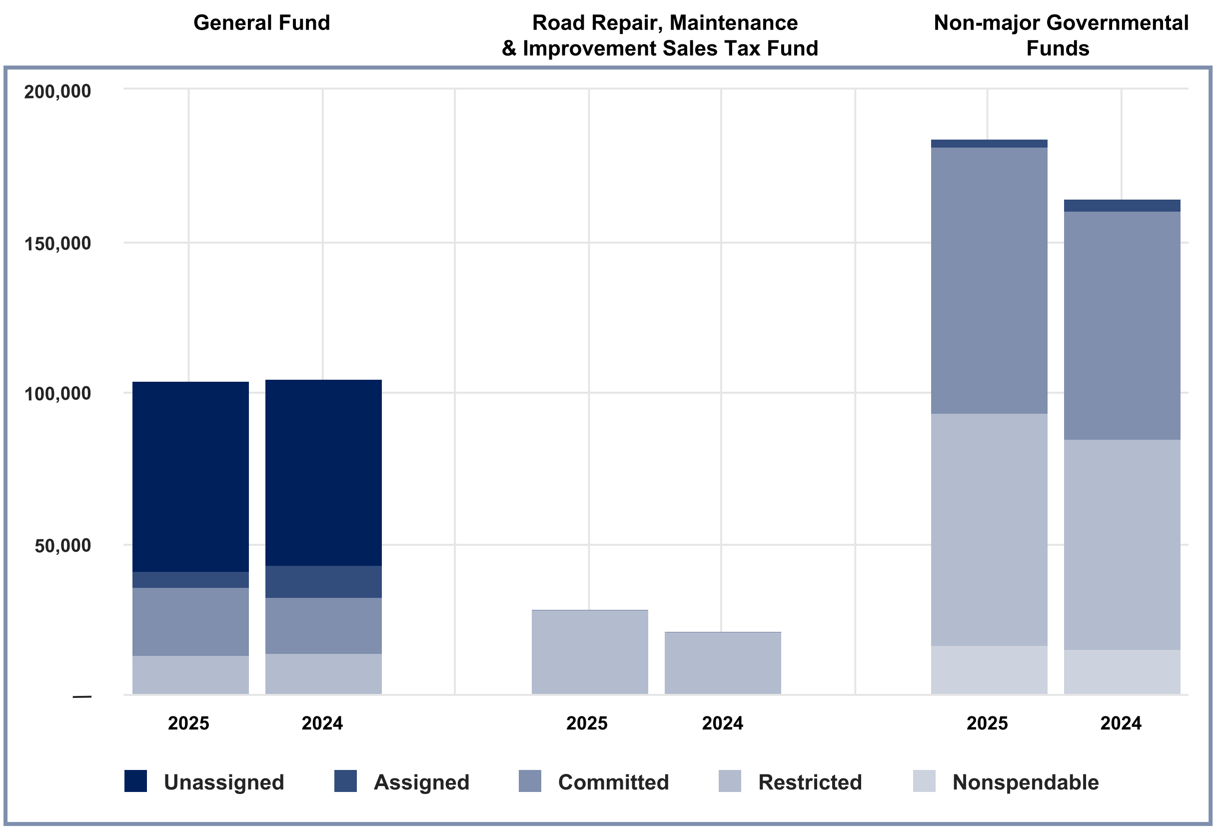
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds

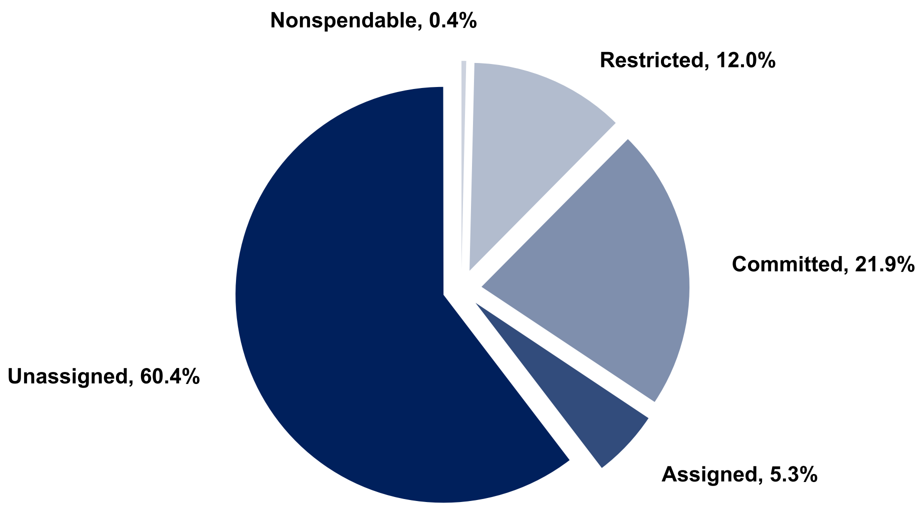
As of the end of 2025, the City's governmental funds reported total combined fund balances of $316.4 million, of which $62.7 million, or approximately 19.8%, was unassigned. *Unassigned fund balance* serves as an important indicator of the resources available for spending at year-end. The *nonspendable* portion of fund balance totaled $17.0 million, consisting primarily of endowments. The *restricted* portion of fund balance totaled $117.8 million, and was made up largely of $76.2 million in restricted balances within special revenue funds, $28.4 million in the Road Repair, Maintenance & Improvement Sales Tax fund and the $12.1 million TABOR emergency reserve.

Governmental Fund Balances
(in 000's)



The General Fund is the City's principal operating fund. At the end of 2025, the General Fund reported a total fund balance of $104.2 million, of which $91.3 million was classified as unrestricted. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and unrestricted fund balance to total General Fund expenditures including other financing uses. Total fund balance represented 22.9% of 2025 General Fund expenditures and other financing uses, while unrestricted fund balance represented 20.0%. The following chart presents the composition of General Fund balances for 2025.

General Fund Balances
$104.2 million



The City also reports the voter approved Road Repair, Maintenance and Improvement Sales Tax Fund as a major governmental fund. Based on the nature of the revenues, the fund balance is 100% restricted.

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, 2025 and 2024 for the proprietary funds are as follows:

	Unrestricted Net Position (in 000's)*		
	2025	2024	Change
Utilities	$ 274,516	$ 261,104	$ 13,412
PACE	(183,040)	(181,955)	(1,085)
Non-major enterprise funds	126,074	106,139	19,935
Internal service funds	(33,497)	(25,089)	(8,408)

Note: Immaterial differences may occur due to rounding.

Unrestricted net position for Utilities and non-major enterprise funds increased in 2025, while unrestricted net position for PACE and the internal service funds decreased. Utilities' increase was driven by higher operating revenues, primarily resulting from base rate adjustments. The increase for non-major enterprise funds was due to payables related to construction projects. PACE's decrease was attributable to significant interest expense. Internal service funds reported a notable rise in claims during 2025, reducing unrestricted net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2025, the General Fund's budget experienced a significant revenue shortfall as sales tax collections, a primary funding source representing approximately 60% of General Fund revenues, fell below budgeted expectations. The decline was primarily attributable to slower-than-anticipated sales tax activity, influenced by broader economic conditions including elevated interest rates and reduced consumer spending. Total revenue collected, excluding other financing sources, was less than the final budget by 3.1% or $12.2 million.

To address the revenue shortfall and maintain essential service levels, the City implemented a series of expenditure controls throughout the year. Departments were directed to identify savings equal to approximately 3.6% of their budgets, with police, fire and information technology assigned a reduced target of 2.6% to protect core public safety and operational functions. Cost-containment measures included holding vacancies open, limiting or eliminating discretionary spending, deferring capital projects and restricting non-essential purchases. Through these actions, the City aligned expenditures with revised revenue expectations, preserving fiscal stability for the remainder of the year while safeguarding public safety, infrastructure and other essential services. Total expenditures, excluding other financing uses, were $11.9 million less than the final budget.

Per City Code, the City rolled over unspent project budgets and encumbrances from the previous year totaling $29.3 million.

The Mayor may periodically recommend revisions to the City's appropriation ordinance to correct revenues or expenditures. Any such recommendations are submitted to City Council for consideration and adoption. No amendments were made to the General Fund budget in 2025.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

At the end of 2025, the City had $8.1 billion invested in a broad range of capital assets and infrastructure (net of accumulated depreciation and amortization). This reflects a net increase of $709.9 million from the prior year, including both additions and retirements of assets. The City's capital investment includes land; buildings and improvements; equipment and vehicles; infrastructure such as streets, alleys, traffic signals, signs, bridges, and drainage systems; enterprise utility plants; construction in progress; intangible capital assets; and assets recorded under leases and subscription-based arrangements.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 501,821	$ 480,119	$ 264,365	$ 259,908	$ 766,186	$ 740,027
Buildings	141,890	118,227	94,905	89,994	236,795	208,221
Improvements other than buildings	90,164	85,218	247,108	223,882	337,272	309,100
Machinery and equipment	77,291	80,740	15,480	16,269	92,771	97,009
Infrastructure	1,214,135	1,069,462	81,691	56,385	1,295,826	1,125,847
Utilities plant	—	—	4,400,555	4,083,841	4,400,555	4,083,841
Construction in progress	143,032	180,292	604,830	454,478	747,861	634,770
Intangible capital assets	7,833	8,665	133,513	116,986	141,347	125,651
Lease assets	8,003	1,112	615	768	8,618	1,880
Subscription assets	18,872	6,183	8,870	12,558	27,742	18,741
Total	$ 2,203,042	$ 2,030,018	$ 5,851,932	$ 5,315,068	$ 8,054,974	$ 7,345,087

Note: Immaterial differences may occur due to rounding.

The change in capital assets for 2025 reflects activity in both governmental and business-type activities. Governmental activities reported an increase of $173.0 million, primarily due to donated infrastructure. Business-type activities reported an increase of $536.9 million. Within business-type activities, Utilities' capital assets increased $480.2 million, or 9.9%, resulting from capital improvements necessary to maintain and rehabilitate aging infrastructure, ensure safe and reliable service to customers, and prepare for future demand while meeting environmental and regulatory requirements.

In 2025, Pikes Peak Rural Transportation Authority donated $89.7 million of infrastructure to governmental activities, a decrease of $3.6 million from 2024. Developers donated an additional $73.0 million of infrastructure, an increase of $50.6 million from the prior year. These donations continue to represent strong investment in the City's infrastructure and support ongoing growth and development within the community.

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 2025 and 2024. Total long-term debt outstanding at the end of 2025 is $3.6 billion.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 845	$ 1,125	$ —	$ —	$ 845	$ 1,125
Certificates of participation	31,590	32,905	—	—	31,590	32,905
Revenue bonds	—	—	3,519,936	2,950,120	3,519,936	2,950,120
Financed purchases	12,891	20,605	2,297	453	15,188	21,058
Notes payable	—	—	11,604	13,590	11,604	13,590
Leases payable	8,139	1,142	642	791	8,781	1,933
Subscription liabilities	14,691	4,960	6,068	10,397	20,759	15,357
Total	$ 68,156	$ 60,737	$ 3,540,547	$ 2,975,351	$ 3,608,703	$ 3,036,088

Note: Immaterial differences may occur due to rounding.

During 2025, long-term debt for the governmental activities increased $7.4 million reflecting new leases and subscription-based obligations that exceeded scheduled debt repayments. Business-type activities increased $565.2 million primarily due to Utilities’ issuance of refunding and improvement revenue bonds, which outpaced debt retired during the year..

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 $907.9 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.

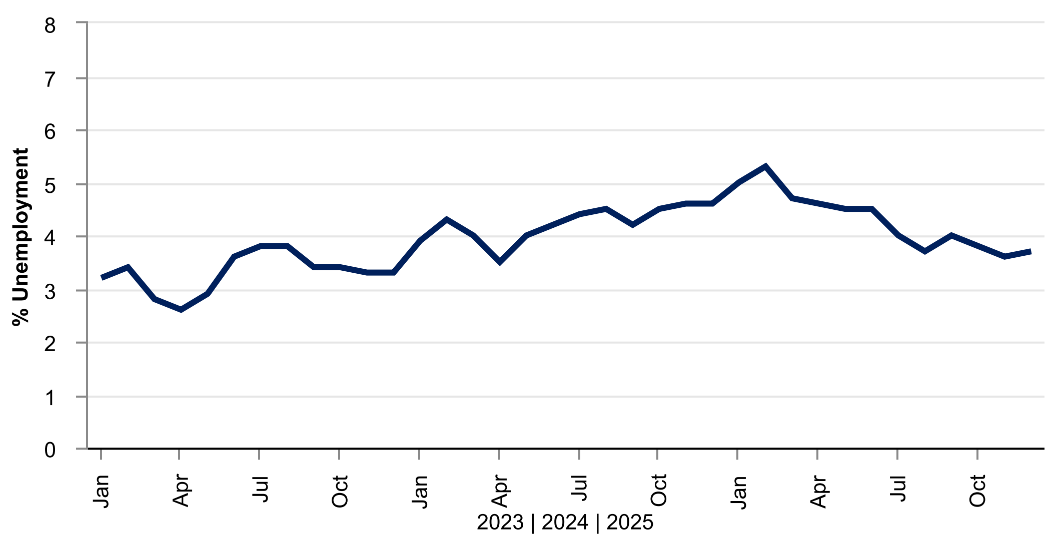
ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local Economic Indicators

During 2025, the local economy exhibited mixed performance. Overall economic activity remained subdued as elevated interest rates continued to dampen consumer spending, particularly for higher-cost, traditionally financed purchases. Despite these conditions, the labor market remained stable, with the unemployment rate holding at 3.7% in 2025. The hospitality sector showed signs of softening, as the 12-month moving average hotel occupancy rate declined from 64.1% at the beginning of the year to 62.5% in December.

Other segments of the regional economy demonstrated stronger growth, particularly in residential construction. The number of residential building permits increased by 48.2% due to several large multi-family development projects initiated during the year. Single-family home sales also grew modestly by 2.5%, signaling ongoing, if cautious, demand within the housing market. These indicators collectively reflect an economy adjusting to sustained higher interest rates, with some sectors experiencing contraction while others continued to expand.

El Paso County Unemployment Rate



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

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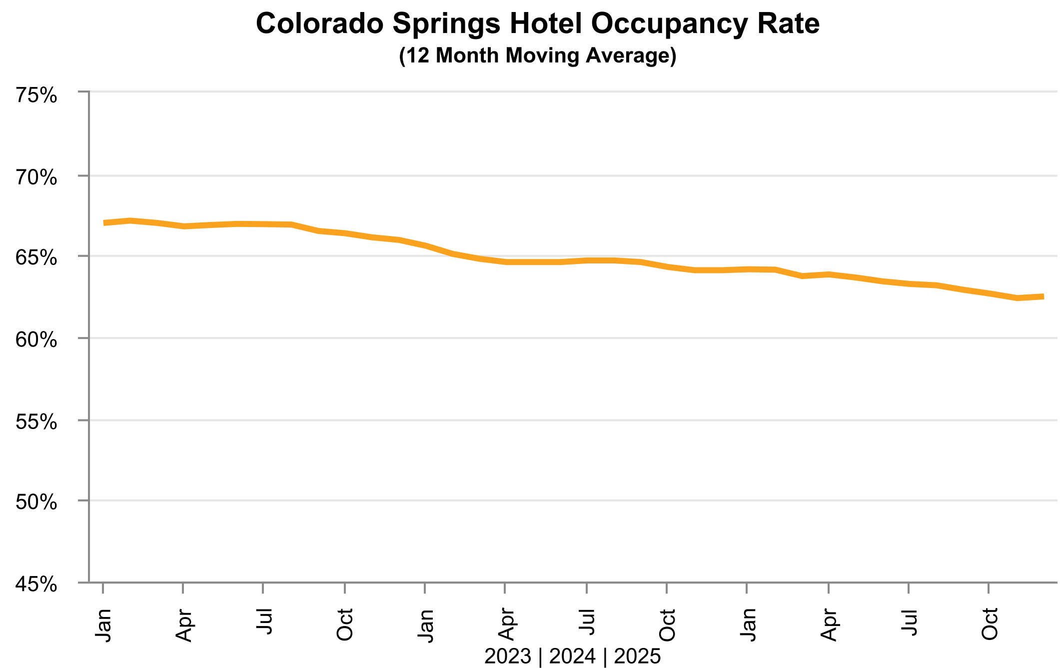
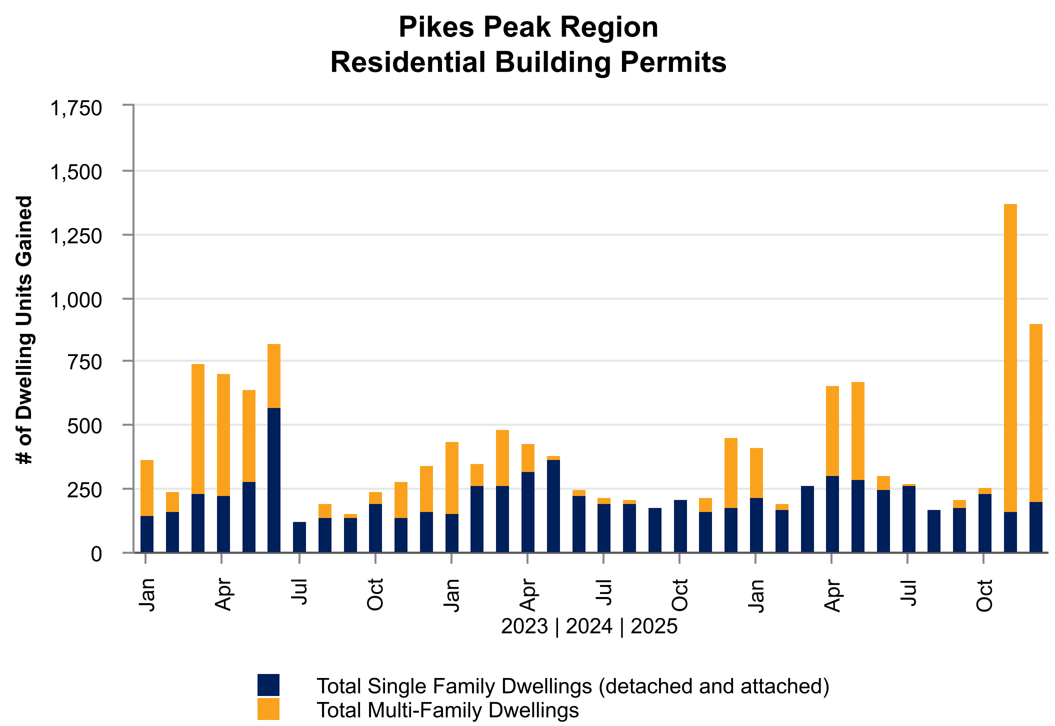
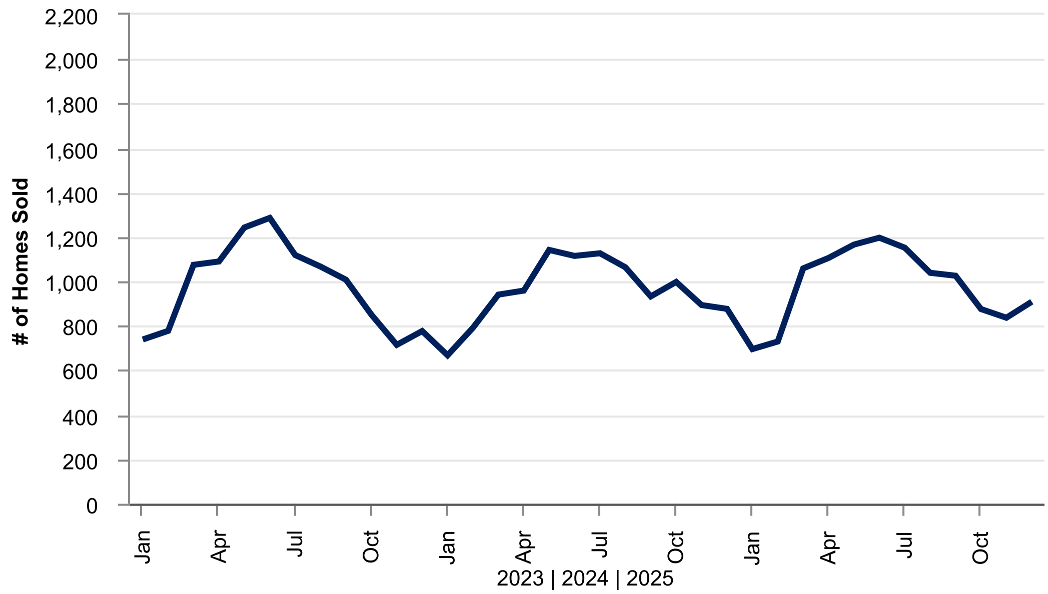


Source: University of Colorado Colorado Springs Economic Forum Dashboard



Source: Pikes Peak Regional Building Department

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



Source: Pikes Peak Association of Realtors

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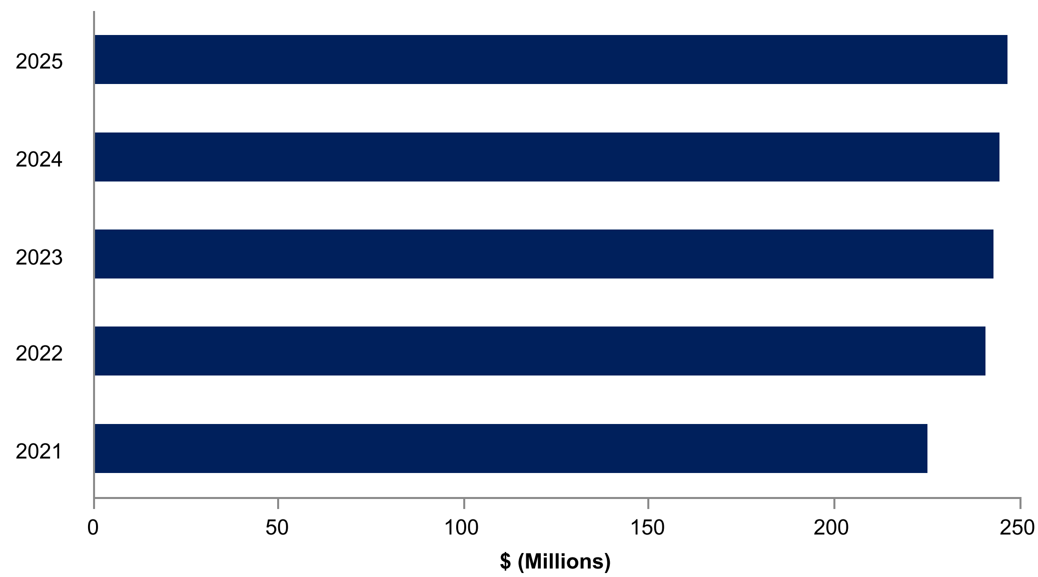
Sales and use tax revenue

The City's General Fund sales and use tax revenue increased $2.1 million or 0.8% from 2024. This modest growth occurred within the broader context of a largely flat local economy in 2025, as elevated interest rates continued to suppress consumer spending on higher-cost, traditionally financed purchases. As a result, industries typically affected by slowing home sales, such as construction materials and furniture and fixtures, experienced weaker activity. These areas contributed to the overall softness in sales tax collections noted throughout the year. Offsetting this weakness, the hotel and restaurant sectors generated steady gains, reflecting continued tourism activity and local demand. Sales tax collections remain closely tied to the level of local economic activity, consumer confidence, visitor spending and inflationary trends.

General Fund
Sales and Use Tax Revenue



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2026 Budget

The 2026 General Fund budget of $427.3 million is 2.5% lower than the 2025 original General Fund budget. Sales and use tax is the single largest revenue source, providing 59.1% of General Fund revenue. In 2026, the $251.8 million sales and use tax revenues budget is $9.7 million or 3.7% lower than the 2025 budget.

The 2026 expenditure budget matches anticipated 2026 revenues of $427.3 million, thereby reflecting a balanced budget without drawing from reserves. Rising costs in contracts, healthcare, and other unavoidable obligations required identifying $31 million in savings measures, including a furlough program and capital and operational efficiencies.

Most departments implemented expenditure reductions for 2026, however, the City has prioritized the following:

- Continue investment in Police and Fire operations, including preserving sworn staffing levels and step increases.

- Staff the new Fire Station #24 on the north side, continue wildfire prevention efforts and employ artificial intelligence tools to help improve evacuation planning and safety citywide.

- Continue to focus on citywide cleanup efforts through the Keep It Clean and Safe program.

- Continue to prioritize pothole repair and snowplow operations in the Public Works Operations and Maintenance team.

- Maintain funding for the Police Department's Homeless Outreach Team, which is an investment in our community's access to services and improved quality of life.

- Continue funding for the Homeless Outreach Program in the Fire Department; this program provides resources and navigation for access to healthcare, housing and mental and behavioral health resources.

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.

BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
ASSETS					
Cash and investments	$ 292,889,905	$ 416,697,024	$ 709,586,929	$ 238,735,905	$ 37,302,255
Receivables (net of allowance for uncollectibles)	148,420,184	449,976,451	598,396,635	31,493,182	2,426,880
Due from component unit	—	337	337	—	—
Due from other governments	—	—	—	1,507,371	—
Due from primary government	—	—	—	—	2,512,546
Inventories	368,276	128,794,492	129,162,768	—	237,676
Prepaids	—	300,828,983	300,828,983	286,895	48,674
Other	881,103	93,053,000	93,934,103	—	332,022
Restricted assets (temporarily):					
Cash and investments	17,043,799	588,629,080	605,672,879	73,909,441	390,724
Interest receivable	—	4,045,000	4,045,000	—	—
Investment in joint ventures	—	652,000	652,000	—	—
Capital assets nondepreciable:					
Land	501,821,064	264,365,405	766,186,469	865,977	66,347
Intangibles	—	64,054,000	64,054,000	422,900	—
Construction in progress	143,031,583	604,829,593	747,861,176	70,435,300	10,230,893
Capital assets (net of accumulated depreciation and amortization):					
Buildings	141,889,684	94,905,191	236,794,875	—	—
Improvements other than buildings	90,164,041	247,107,561	337,271,602	7,324,115	—
Machinery and equipment	77,291,448	15,479,985	92,771,433	75,536	76,995
Infrastructure	1,214,135,215	81,691,205	1,295,826,420	63,511,341	—
Utility plant	—	4,400,555,000	4,400,555,000	—	68,933,203
Intangibles	7,833,184	69,459,320	77,292,504	—	—
Subscription assets	18,872,459	8,869,959	27,742,418	—	—
Lease assets:					
Buildings	702,823	—	702,823	—	—
Equipment	7,300,217	615,000	7,915,217	—	836,374
Land	—	—	—	—	237,389
Total assets	2,662,644,985	7,834,608,586	10,497,253,571	488,567,963	123,631,978
DEFERRED OUTFLOWS OF RESOURCES					
Deferred cash flow hedges - unrealized loss on derivative instruments	—	7,815,000	7,815,000	—	—
Loss on debt refundings	871,451	13,402,438	14,273,889	3,056,837	—
Pension-related amounts	108,999,892	68,236,039	177,235,931	—	—
OPEB-related amounts	9,941,389	4,779,511	14,720,900	—	—
Asset retirement obligation	—	5,060,000	5,060,000	—	—
Total deferred outflows of resources	$ 119,812,732	$ 99,292,988	$ 219,105,720	$ 3,056,837	$ —

(continued)

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
LIABILITIES					
Accounts payable and other liabilities	$ 52,851,218	$ 209,259,969	$ 262,111,187	$ 3,003,931	$ 1,174,638
Contingent liabilities and promise to CSHF	—	76,256,909	76,256,909	—	—
Deposits payable	27,552	—	27,552	—	—
Funds held for others	66,298	—	66,298	—	—
Accrued interest payable	450,328	22,114,495	22,564,823	3,437,473	16,708
Due to component unit	2,512,546	—	2,512,546	—	—
Due to other governments	—	—	—	379,912	—
Due to primary government	—	—	—	—	337
Internal balances	(16,067,682)	16,067,682	—	—	—
Unearned revenue:					
Grants	24,933,912	—	24,933,912	—	—
Other	8,492,493	8,340,986	16,833,479	—	—
Noncurrent liabilities:					
Due within one year	37,600,522	158,894,438	196,494,960	13,011,332	100,715
Due in more than one year	358,321,771	3,997,391,944	4,355,713,715	375,113,941	9,424,550
Total liabilities	469,188,958	4,488,326,423	4,957,515,381	394,946,589	10,716,948
DEFERRED INFLOWS OF RESOURCES					
Gain on debt refundings	—	48,126,000	48,126,000	—	—
Property taxes	31,503,449	—	31,503,449	26,758,543	—
Pension-related amounts	3,996,083	239,037	4,235,120	—	—
OPEB-related amounts	9,866,583	5,741,674	15,608,257	—	—
Lease-related amounts	1,004,827	194,802,081	195,806,908	—	—
Total deferred inflows of resources	46,370,942	248,908,792	295,279,734	26,758,543	—
NET POSITION					
Net investment in capital assets	2,133,834,299	2,934,605,441	5,068,439,740	(28,746,452)	70,855,936
Restricted for:					
Debt service	253,069	28,722,656	28,975,725	35,505,156	390,724
Endowments:					
Expendable	643,053	—	643,053	—	—
Nonexpendable	16,593,145	—	16,593,145	—	—
Emergency reserve (TABOR)	12,059,004	—	12,059,004	197,700	—
Capital improvement	496,003	20,782,426	21,278,429	10,414,135	—
Other	—	12,329,000	12,329,000	—	—
Unrestricted	103,019,244	200,226,836	303,246,080	52,549,129	41,668,370
Total net position	$ 2,266,897,817	$ 3,196,666,359	$ 5,463,564,176	$ 69,919,668	$ 112,915,030

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
<u>Functions/Programs</u>									
Primary government									
Governmental activities									
General government	$ 128,579,185	$ 36,233,446	$ 2,109,942	$ 3,301,287	$ (86,934,510)	$ —	$ (86,934,510)	$ —	$ —
Public safety	293,504,276	9,556,167	11,730,773	315,692	(271,901,644)	—	(271,901,644)	—	—
Public works	146,550,384	19,946,492	13,086,556	209,513,156	95,995,820	—	95,995,820	—	—
Parks	47,753,400	3,568,190	5,379,627	13,813,739	(24,991,844)	—	(24,991,844)	—	—
Planning	11,174,703	2,739,125	3,041,953	—	(5,393,625)	—	(5,393,625)	—	—
Interest on long-term debt	3,322,212	—	—	—	(3,322,212)	—	(3,322,212)	—	—
Total governmental activities	630,884,160	72,043,420	35,348,851	226,943,874	(296,548,015)	—	(296,548,015)	—	—
Business-type activities									
Utilities	1,060,039,000	1,127,435,000	—	81,083,000	—	148,479,000	148,479,000	—	—
PACE	55,247,000	53,239,000	—	—	—	(2,008,000)	(2,008,000)	—	—
MHS	2,472,979	—	—	—	—	(2,472,979)	(2,472,979)	—	—
Other non-major enterprises	86,282,823	91,934,965	—	25,927,819	—	31,579,961	31,579,961	—	—
Total business-type activities	1,204,041,802	1,272,608,965	—	107,010,819	—	175,577,982	175,577,982	—	—
Total primary government	$1,834,925,962	$1,344,652,385	$ 35,348,851	$ 333,954,693	$ (296,548,015)	$ 175,577,982	$ (120,970,033)	$ —	$ —
Component units									
Governmental activities	$ 69,756,259	$ 1,352,241	$ 6,006,317	$ 3,295,697	$ —	$ —	$ —	$ (59,102,004)	$ —
Business-type activities	13,862,600	19,635,319	—	—	—	—	—	—	5,772,719
Total component units	$ 83,618,859	$ 20,987,560	$ 6,006,317	$ 3,295,697	$ —	$ —	$ —	$ (59,102,004)	$ 5,772,719
General revenues									
Property taxes					$ 32,781,979	$ —	$ 32,781,979	$ 18,829,663	$ —
Sales taxes					400,062,259	—	400,062,259	20,276,202	—
Specific ownership taxes					3,471,905	—	3,471,905	585,709	—
Occupational liquor taxes					352,196	—	352,196	—	—
Admissions tax					508,597	—	508,597	—	—
Bicycle excise tax					368,401	—	368,401	—	—
Public improvement fees					—	—	—	6,256,579	—
Miscellaneous					—	—	—	1,215,145	—
Investment earnings					17,135,452	43,441,763	60,577,215	33,543,077	1,017,300
Gain on sale of capital assets					—	3,098,788	3,098,788	—	348
Contributions to endowments					110,795	—	110,795	—	—
Transfers					24,902,693	(24,902,693)	—	—	—
Total general revenues and transfers					479,694,277	21,637,858	501,332,135	80,706,375	1,017,648
Change in net position					183,146,262	197,215,840	380,362,102	21,604,371	6,790,367
Net position - January 1, as previously reported					2,083,751,555	2,999,450,519	5,083,202,074	49,228,944	106,124,663
Restatement for change in reporting entity - removal of Catalyst Campus BID					—	—	—	279,939	—
Restatement for error corrections					—	—	—	(1,193,586)	—
Net position - January 1, as restated					2,083,751,555	2,999,450,519	5,083,202,074	48,315,297	106,124,663
Net position - December 31					$2,266,897,817	$3,196,666,359	$ 5,463,564,176	$ 69,919,668	$ 112,915,030

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	$ 88,960,803	$ 25,120,957	$ 170,180,056	$ 284,261,816
Accounts receivable (net of allowance for uncollectibles)	13,329,784	925	40,981,777	54,312,486
Sales tax receivable (net of allowance for uncollectibles)	26,158,485	7,446,338	7,505,809	41,110,632
Loans receivable (net of allowance for uncollectibles)	—	—	16,922,411	16,922,411
Property taxes receivable				
Current	27,396,494	—	4,106,955	31,503,449
Delinquent	55,454	—	—	55,454
Inventories	333,742	—	—	333,742
Due from other funds	16,094,283	—	1,131,843	17,226,126
Restricted cash and investments	450,654	—	16,593,145	17,043,799
Total assets	$ 172,779,699	$ 32,568,220	$ 257,421,996	$ 462,769,915
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 7,814,279	$ 4,144,570	$ 11,461,246	$ 23,420,095
Funds held for others	66,298	—	—	66,298
Accrued salaries and benefits	9,335,435	—	1,936,883	11,272,318
Due to other funds	829,168	—	14,306,099	15,135,267
Due to component unit	2,512,546	—	—	2,512,546
Deposits payable	27,552	—	—	27,552
Escrow deposits	12,102,123	—	—	12,102,123
Unearned revenue				
Grants	—	—	24,933,912	24,933,912
Other	8,492,493	—	—	8,492,493
Total liabilities	41,179,894	4,144,570	52,638,140	97,962,604
Deferred inflows of resources				
Unavailable revenue - loans (net of allowance for uncollectibles)	—	—	16,922,411	16,922,411
Unavailable revenue - property taxes	27,396,494	—	4,106,955	31,503,449
Total deferred inflows of resources	27,396,494	—	21,029,366	48,425,860
Fund balances				
Nonspendable	389,196	—	16,593,145	16,982,341
Restricted	12,555,007	28,423,650	76,825,780	117,804,437
Committed	22,859,726	—	88,233,814	111,093,540
Assigned	5,493,983	—	2,330,521	7,824,504
Unassigned	62,905,399	—	(228,770)	62,676,629
Total fund balances	104,203,311	28,423,650	183,754,490	316,381,451
Total liabilities, deferred inflows of resources and fund balances	$ 172,779,699	$ 32,568,220	$ 257,421,996	$ 462,769,915

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

Total fund balances - governmental funds		$ 316,381,451
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 are therefore not reported in the funds.		
Capital assets, at historical cost	$ 3,291,791,212	
Less: Accumulated depreciation and amortization	(1,088,749,494)	
Less: Internal service fund net capital assets included above	(466,334)	
		2,202,575,384
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 are therefore unavailable in the funds.		16,922,411
Interest on investments and leases that are not available to pay for current-period expenditures and are therefore not reported in the funds.		1,592,996
Other receivables that are not available to pay for current-period expenditures and therefore are reported as a deferred inflow of resources in the funds.		34,168
Payments before the commencement of the subscription agreement term in governmental activities are not financial resources and are therefore not reported in the funds.		881,103
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.		(15,912,827)
Long-term liabilities, such as bonds payable and net pension-related amounts, are not due and payable in the current period and are therefore not reported in the funds.		
Bonds payable	(34,808,800)	
Deferred loss on refunding, net of deferred gain	871,451	
Accrued interest payable	(447,301)	
Financed purchases	(12,891,571)	
Lease liabilities	(8,104,715)	
Subscription liabilities	(14,519,312)	
Drainage fees payable	(3,493,331)	
Compensated absences	(38,897,525)	
Municipal solid waste landfill	(109,334)	
Pension-related amounts	(117,431,555)	
OPEB-related amounts	(25,744,876)	
		(255,576,869)
Net position of governmental activities		$ 2,266,897,817

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
Revenues				
Taxes	$ 282,693,017	$ 73,391,746	$ 81,460,574	$ 437,545,337
Licenses, permits and fines	14,034,617	—	—	14,034,617
Intergovernmental	27,974,612	—	70,253,133	98,227,745
Charges for services	27,352,802	—	7,649,863	35,002,665
Endowments and donations	—	—	3,864,889	3,864,889
Interfund services provided	13,575,677	—	—	13,575,677
Investment earnings	6,115,233	1,225,010	9,361,991	16,702,234
Other revenue	6,831,908	—	1,356,175	8,188,083
Rental income	150,526	—	—	150,526
Total revenues	378,728,392	74,616,756	173,946,625	627,291,773
Expenditures				
Current				
General government	102,408,633	—	12,280,685	114,689,318
Parks	18,079,087	—	17,005,905	35,084,992
Planning	7,438,107	—	3,358,706	10,796,813
Public safety	213,208,104	—	60,829,026	274,037,130
Public works	41,702,556	—	15,423,187	57,125,743
Debt service				
Principal	8,039,389	—	2,117,667	10,157,056
Principal - leases	1,073,655	—	803,542	1,877,197
Principal - subscriptions	6,964,643	—	84,562	7,049,205
Interest	1,545,855	—	359,914	1,905,769
Interest - leases	131,765	—	138,538	270,303
Interest - subscriptions	1,135,038	—	20,389	1,155,427
Capital outlay	45,606,094	67,672,296	50,457,664	163,736,054
Total expenditures	447,332,926	67,672,296	162,879,785	677,885,007
Excess (deficiency) of revenues over expenditures	(68,604,534)	6,944,460	11,066,840	(50,593,234)
Other financing sources (uses)				
Transfers - in	37,312,000	—	8,420,226	45,732,226
Transfers - out	(8,420,226)	—	(2,966,136)	(11,386,362)
Issuance of leases	6,262,715	—	2,623,925	8,886,640
Issuance of subscriptions	31,394,218	—	530,766	31,924,984
Financed purchases	848,275	—	—	848,275
Sale of capital assets	962,430	—	10,925	973,355
Total other financing sources (uses)	68,359,412	—	8,619,706	76,979,118
Net change in fund balances	(245,122)	6,944,460	19,686,546	26,385,884
Fund balances - January 1	104,448,433	21,479,190	164,067,944	289,995,567
Fund balances - December 31	$ 104,203,311	$ 28,423,650	$ 183,754,490	$ 316,381,451

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

Net change in fund balances - total governmental funds		$ 26,385,884
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	$ 125,526,752	
Depreciation and amortization expense	(88,887,123)	
		36,639,629
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.	(4,096,255)	
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.	163,085,307	
Capital assets transferred to enterprise funds are not recorded in the governmental funds.	(9,443,171)	
		149,545,881
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	(848,275)	
Principal repayments:		
General obligation debt	280,000	
Certificates of participation	1,315,000	
Financed purchases	8,562,056	
Deferred loss on refunding and related amortization	170,511	
Amortization of bond premium/discount	(62,247)	
		9,417,045
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds.		
Accrued interest	9,287	
Drainage fees	310,000	
Compensated absences	1,180,483	
Landfill closing costs	(2,563)	
Net pension-related amounts	(6,276,061)	
Net OPEB-related amounts	2,784,013	
Net lease-related amounts	(1,705,827)	
Net subscription-related amounts	(29,354,425)	
		(33,055,093)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(494,149)
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.		(5,292,935)
Change in net position of governmental activities		$ 183,146,262

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	2025 Actual	(Negative)
Revenues				
Taxes				
General property taxes				
Current	$ 28,957,217	$ 28,957,217	$ 28,820,058	$ (137,159)
Penalty and interest	—	—	42,381	42,381
Sales and use taxes	261,503,203	261,503,203	247,286,908	(14,216,295)
Penalty and interest	—	—	2,589,948	2,589,948
Specific ownership taxes	3,189,469	3,189,469	3,092,929	(96,540)
Occupational liquor taxes	345,000	345,000	352,196	7,196
Admission taxes	520,150	520,150	508,597	(11,553)
Total taxes	294,515,039	294,515,039	282,693,017	(11,822,022)
Licenses, permits and fines				
Business licenses and permits	4,093,840	4,093,840	4,673,516	579,676
Fines	9,964,982	9,964,982	9,361,101	(603,881)
Total licenses, permits and fines	14,058,822	14,058,822	14,034,617	(24,205)
Intergovernmental				
State shared revenue				
Cigarette tax	1,100,000	1,100,000	713,136	(386,864)
Highway users tax - regular	23,797,561	23,797,561	23,950,277	152,716
Highway users tax - added fees	1,575,000	1,575,000	1,511,615	(63,385)
Retail marijuana	—	—	304,763	304,763
Severance tax	130,000	130,000	71,361	(58,639)
Other governmental units				
El Paso County road and bridge	1,100,000	1,100,000	1,339,740	239,740
El Paso County shared fines	225,000	225,000	83,720	(141,280)
Total intergovernmental	$ 27,927,561	$ 27,927,561	$ 27,974,612	$ 47,051

(continued)

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

	Budgeted Amounts Original	Budgeted Amounts Final	2025 Actual	Variance with Final Budget Positive (Negative)
Charges for services				
General government	$ 6,875,235	$ 6,875,235	$ 7,875,589	$ 1,000,354
Parks	2,954,951	2,954,951	2,633,141	(321,810)
Planning	1,873,735	1,873,735	1,816,270	(57,465)
Public safety	6,166,597	6,166,597	7,828,436	1,661,839
Public works	6,283,432	6,283,432	7,199,366	915,934
Total charges for services	24,153,950	24,153,950	27,352,802	3,198,852
Miscellaneous				
Interfund services provided	18,419,628	18,419,628	13,575,677	(4,843,951)
Investment earnings	3,923,000	3,923,000	6,115,233	2,192,233
Other revenue	7,771,074	7,771,074	6,831,908	(939,166)
Rental income	141,830	141,830	150,526	8,696
Total miscellaneous	30,255,532	30,255,532	26,673,344	(3,582,188)
Total revenues	$ 390,910,904	$ 390,910,904	$ 378,728,392	$ (12,182,512)

(continued)

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	2025 Actual	(Negative)
Expenditures				
General government				
City attorney	$ 10,171,579	$ 10,171,579	$ 9,520,005	$ 651,574
City auditor	2,264,608	2,264,608	1,930,672	333,936
City clerk	1,438,440	1,438,440	1,489,613	(51,173)
City council	1,304,848	1,304,848	1,259,898	44,950
Communications	1,850,910	1,850,910	1,785,242	65,668
Economic development	848,424	848,424	852,633	(4,209)
Finance	6,386,592	6,386,592	5,501,940	884,652
General costs	43,345,644	43,345,644	37,320,119	6,025,525
Housing and homelessness response	1,376,812	1,376,812	1,129,098	247,714
Human resources and risk	5,056,940	5,056,940	4,140,935	916,005
Innovation and technology	20,392,066	20,392,066	18,735,286	1,656,780
Mayor's office	2,452,798	2,452,798	2,164,441	288,357
Municipal court	5,414,360	5,414,360	5,120,828	293,532
Support services	13,139,285	13,139,285	11,457,923	1,681,362
Total general government	115,443,306	115,443,306	102,408,633	13,034,673
Parks	19,098,733	19,098,733	18,079,087	1,019,646
Planning	8,626,889	8,626,889	7,438,107	1,188,782
Public safety				
Fire and office of emergency management	79,240,565	79,240,565	79,288,817	(48,252)
Police	138,046,122	138,046,122	133,919,287	4,126,835
Total public safety	217,286,687	217,286,687	213,208,104	4,078,583
Public works	$ 49,518,296	$ 45,018,296	$ 41,702,556	$ 3,315,740

(continued)

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	2025 Actual	
Debt service expenditures				
Principal payments	$ 8,065,110	$ 8,065,110	$ 8,039,389	$ 25,721
Principal payments - leases	1,073,655	1,073,655	1,073,655	—
Principal payments - subscriptions	6,964,643	6,964,643	6,964,643	—
Interest payments	1,879,771	1,879,771	1,545,855	333,916
Interest payments - leases	131,765	131,765	131,765	—
Interest payments - subscriptions	1,135,038	1,135,038	1,135,038	—
Total debt service	19,249,982	19,249,982	18,890,345	359,637
Capital outlay	30,046,058	34,546,058	45,606,094	(11,060,036)
Total expenditures	459,269,951	459,269,951	447,332,926	11,937,025
Deficiency of revenues over expenditures	(68,359,047)	(68,359,047)	(68,604,534)	(245,487)
Other financing sources (uses)				
Transfers - in				
Utilities surplus	36,988,937	36,988,937	34,812,000	(2,176,937)
Other funds	2,500,000	2,500,000	2,500,000	—
Transfers - out				
City funded capital improvement projects	(8,420,226)	(8,420,226)	(8,420,226)	—
Issuance of leases	—	—	6,262,715	6,262,715
Issuance of subscriptions	—	—	31,394,218	31,394,218
Financed purchases	1,000,000	1,000,000	848,275	(151,725)
Sale of capital assets	987,503	987,503	962,430	(25,073)
Total other financing sources (uses)	33,056,214	33,056,214	68,359,412	35,303,198
Net change in fund balance	(35,302,833)	(35,302,833)	(245,122)	35,057,711
Fund balance - January 1	104,448,433	104,448,433	104,448,433	—
Fund balance - December 31	$ 69,145,600	$ 69,145,600	$ 104,203,311	$ 35,057,711

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current assets						
Cash and investments - unrestricted	$ 292,662,000	$ 68,000	$ 3,491,584	$ 120,475,440	$ 416,697,024	$ 8,628,089
Cash and investments - restricted	71,743,000	—	—	1,198,217	72,941,217	—
Accounts receivable (net of allowance for uncollectibles)	141,252,000	7,664,000	198,985	18,458,055	167,573,040	1,900,228
Leases receivable	1,658,000	—	—	5,998,834	7,656,834	114,971
Notes receivable	—	—	3,396,889	153,007	3,549,896	—
Interest receivable	1,110,000	—	—	8,745	1,118,745	5,805
Due from other funds	3,522,663	—	202,487	4,875,278	8,600,428	40,049
Due from component unit	337	—	—	—	337	—
Inventories	126,877,000	—	—	1,917,492	128,794,492	34,534
Prepaids	21,251,000	20,939,000	—	559,983	42,749,983	—
Total current assets	660,076,000	28,671,000	7,289,945	153,645,051	849,681,996	10,723,676
Noncurrent assets						
Cash and investments - restricted	505,611,000	7,254,000	—	2,822,863	515,687,863	—
Interest receivable	4,045,000	—	—	1,193,712	5,238,712	—
Leases receivable	64,643,000	—	—	131,009,231	195,652,231	305,322
Notes receivable - net	—	—	69,935,639	3,296,354	73,231,993	—
Due from other funds	—	—	—	727,292	727,292	—
Investment in joint ventures	652,000	—	—	—	652,000	—
Prepaids	—	258,079,000	—	—	258,079,000	—
Other	93,053,000	—	—	—	93,053,000	—
Capital assets nondepreciable:						
Land	218,451,000	—	—	45,914,405	264,365,405	13,000
Intangibles	64,054,000	—	—	—	64,054,000	—
Construction in progress	565,418,000	—	—	39,411,593	604,829,593	—
Capital assets depreciable and amortizable:						
Buildings	—	—	—	155,185,571	155,185,571	160,000
Improvements other than buildings	—	—	—	455,180,083	455,180,083	310,198
Machinery and equipment	—	—	—	50,651,277	50,651,277	549,339
Infrastructure	—	—	—	104,728,060	104,728,060	—
Utility plant	7,798,609,000	—	—	—	7,798,609,000	—
Intangibles	152,325,000	—	—	2,325,950	154,650,950	—
Lease assets - equipment	1,076,000	—	—	—	1,076,000	76,098
Subscription assets	32,445,000	—	—	1,803,324	34,248,324	601,116
Less accumulated depreciation and amortization	(3,507,651,000)	—	—	(327,995,044)	(3,835,646,044)	(1,243,417)
Total noncurrent assets	5,992,731,000	265,333,000	69,935,639	666,254,671	6,994,254,310	771,656
Total assets	6,652,807,000	294,004,000	77,225,584	819,899,722	7,843,936,306	11,495,332
Deferred outflows of resources						
Deferred cash flow hedges - unrealized loss on derivative instruments	7,815,000	—	—	—	7,815,000	—
Loss on debt refundings	13,383,000	—	—	19,438	13,402,438	—
Pension-related amounts	63,178,000	—	—	5,058,039	68,236,039	—
OPEB-related amounts	4,058,000	—	—	721,511	4,779,511	—
Asset retirement obligation	5,060,000	—	—	—	5,060,000	—
Total deferred outflows of resources	93,494,000	—	—	5,798,988	99,292,988	—
Total assets and deferred outflows of resources	$ 6,746,301,000	$ 294,004,000	$ 77,225,584	$ 825,698,710	$ 7,943,229,294	$ 11,495,332

(continued)

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities						
Accounts payable	$ 167,923,000	$ —	$ 968,675	$ 25,696,118	$ 194,587,793	$ 5,925,278
Accrued salaries and benefits	6,998,000	—	—	823,899	7,821,899	131,404
Claims payable	3,616,000	—	—	—	3,616,000	17,087,000
Compensated absences	21,549,000	—	—	112,736	21,661,736	23,176
Due to other funds	7,983,000	—	—	89,006	8,072,006	3,386,622
Escrow deposits	—	—	—	6,139,277	6,139,277	—
Unearned revenue	—	—	—	182,720	182,720	—
Accrued interest payable	17,889,000	3,881,000	—	344,495	22,114,495	3,027
Matured bonds payable	103,135,000	22,295,000	—	1,485,000	126,915,000	—
Notes payable	488,000	—	—	1,549,722	2,037,722	—
Financed purchases payable	—	—	—	528,068	528,068	—
Lease liabilities	153,000	—	—	—	153,000	15,635
Subscription liabilities	2,712,000	—	—	248,912	2,960,912	171,945
OPEB liability	1,022,000	—	—	—	1,022,000	—
Other	711,000	—	—	—	711,000	—
Total current liabilities	334,179,000	26,176,000	968,675	37,199,953	398,523,628	26,744,087
Noncurrent liabilities						
Claims payable	—	—	—	—	—	17,087,000
Contingent liabilities and promise to CSHF	—	—	76,256,909	—	76,256,909	—
Compensated absences	4,173,000	—	—	2,141,958	6,314,958	440,357
Customer deposits	7,527,000	—	—	—	7,527,000	—
Unearned revenue	—	—	—	8,158,266	8,158,266	—
Revenue bonds payable, net	3,218,959,000	447,495,000	—	27,961,417	3,694,415,417	—
Notes payable	2,078,000	—	—	7,488,185	9,566,185	—
Financed purchases payable	—	—	—	1,770,075	1,770,075	—
Lease liabilities	488,000	—	—	—	488,000	17,546
Subscription liabilities	2,444,000	—	—	661,577	3,105,577	—
Customer advances for construction	41,780,000	—	—	—	41,780,000	—
Municipal solid waste landfill closure and postclosure care	23,587,000	—	—	—	23,587,000	—
Asset retirement obligation	8,500,000	—	—	—	8,500,000	—
Derivative instruments	24,203,000	—	—	—	24,203,000	—
Net pension liability	142,347,000	—	—	11,890,663	154,237,663	—
Net OPEB liability	19,722,000	—	—	1,642,069	21,364,069	—
Other long-term liabilities	533,000	—	—	—	533,000	—
Total noncurrent liabilities	3,496,341,000	447,495,000	76,256,909	61,714,210	4,081,807,119	17,544,903
Total liabilities	3,830,520,000	473,671,000	77,225,584	98,914,163	4,480,330,747	44,288,990
Deferred inflows of resources						
Gain on debt refundings	48,126,000	—	—	—	48,126,000	—
Pension-related amounts	—	—	—	239,037	239,037	—
OPEB-related amounts	5,001,000	—	—	740,674	5,741,674	—
Lease-related amounts	65,101,000	—	—	129,701,081	194,802,081	442,565
Total deferred inflows of resources	$ 118,228,000	$ —	$ —	$ 130,680,792	$ 248,908,792	$ 442,565

(continued)

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Net position						
Net investment in capital assets	$ 2,469,183,000	$ —	$ —	$ 465,422,441	$ 2,934,605,441	$ 261,208
Restricted for debt service	23,354,000	3,373,000	—	1,995,656	28,722,656	—
Restricted for other	12,329,000	—	—	—	12,329,000	—
Restricted for capital improvement	18,171,000	—	—	2,611,426	20,782,426	—
Unrestricted	274,516,000	(183,040,000)	—	126,074,232	217,550,232	(33,497,431)
Total net position	2,797,553,000	(179,667,000)	—	596,103,755	3,213,989,755	(33,236,223)
Total liabilities, deferred inflows of resources and net position	$ 6,746,301,000	$ 294,004,000	$ 77,225,584	$ 825,698,710		$ 11,495,332
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(17,323,396)	
Net position of business-type activities					$ 3,196,666,359	

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues						
Charges for services	$ 1,127,435,000	$ 53,239,000	$ —	$ 91,934,965	$ 1,272,608,965	$ 66,699,308
Total operating revenues	1,127,435,000	53,239,000	—	91,934,965	1,272,608,965	66,699,308
Operating expenses						
Salaries and benefits	276,151,000	—	—	26,311,236	302,462,236	4,367,021
Other operating expenses	465,928,000	20,736,000	—	37,009,868	523,673,868	71,025,337
Depreciation and amortization	208,380,000	—	—	27,796,431	236,176,431	200,860
Total operating expenses	950,459,000	20,736,000	—	91,117,535	1,062,312,535	75,593,218
Operating income (loss)	176,976,000	32,503,000	—	817,430	210,296,430	(8,893,910)
Nonoperating revenues (expenses)						
Derivative instruments loss	(503,000)	—	—	—	(503,000)	—
Investment earnings	31,126,000	1,183,000	154,661	5,615,362	38,079,023	445,308
Interest income from leases	—	—	—	3,044,422	3,044,422	17,251
Notes interest income	—	—	2,318,318	—	2,318,318	—
Interest expense	(109,519,000)	(33,690,000)	—	(1,525,965)	(144,734,965)	(7,628)
Passenger facility charges	—	—	—	5,093,111	5,093,111	—
Customer facility charges	—	—	—	1,743,285	1,743,285	—
Amortization expense	—	(821,000)	—	—	(821,000)	—
Gain on disposal of capital assets	—	—	—	3,024,863	3,024,863	—
Change in contingent liabilities	—	—	(2,874,451)	—	(2,874,451)	—
Other revenues	7,501,000	—	401,472	92,250	7,994,722	—
Other expenses	(4,407,000)	—	—	—	(4,407,000)	—
Total nonoperating revenues (expenses)	(75,802,000)	(33,328,000)	—	17,087,328	(92,042,672)	454,931
Income (loss) before contributions and transfers	101,174,000	(825,000)	—	17,904,758	118,253,758	(8,438,979)
Capital contributions	81,083,000	—	—	35,370,990	116,453,990	—
Transfers - in	—	—	—	466,136	466,136	—
Transfers - out	(34,812,000)	—	—	—	(34,812,000)	—
Change in net position	147,445,000	(825,000)	—	53,741,884	200,361,884	(8,438,979)
Net position - January 1	2,650,108,000	(178,842,000)	—	542,361,871		(24,797,244)
Net position - December 31	$ 2,797,553,000	$ (179,667,000)	$ —	$ 596,103,755		$ (33,236,223)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(3,146,044)	
Change in net position of business-type activities					$ 197,215,840	

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$1,187,932,000	$ 53,154,000	$ —	$ 86,466,521	$1,327,552,521	$ 14,660,157
Receipts from interfund services provided	17,471,000	—	—	819,879	18,290,879	52,917,484
Receipts from notes receivable	—	—	3,293,794	—	3,293,794	—
Payments to suppliers	(611,898,000)	(72,000)	(3,376,371)	(21,604,621)	(636,950,992)	(64,420,774)
Payments to employees	(299,263,000)	—	—	(26,361,429)	(325,624,429)	(4,406,407)
Payments for interfund services used	(1,588,000)	—	—	(12,319,191)	(13,907,191)	(3,251,017)
Other operating receipts	(200,000)	—	—	—	(200,000)	—
Net cash provided (used) by operating activities	292,454,000	53,082,000	(82,577)	27,001,159	372,454,582	(4,500,557)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental non-operating revenues provided	(35,098,000)	—	—	—	(35,098,000)	—
Transfers - in	—	—	—	466,136	466,136	—
Advance from other funds	—	—	—	—	—	1,012,601
Repayment of long-term debt	—	(20,335,000)	—	—	(20,335,000)	—
Interest payments on long-term debt	—	(32,300,000)	—	—	(32,300,000)	—
Interest payments - other	—	(1,550,000)	—	—	(1,550,000)	—
Principal received from interfund loan	—	—	—	97,887	97,887	—
Interest received from interfund loan	—	—	—	35,301	35,301	—
Other payments	(676,000)	—	—	—	(676,000)	—
Operating grants	1,461,000	—	—	—	1,461,000	—
Net cash provided (used) by noncapital financing activities	(34,313,000)	(54,185,000)	—	599,324	(87,898,676)	1,012,601
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	48,234,000	—	—	—	48,234,000	—
Bond issuance proceeds	738,160,000	—	—	—	738,160,000	—
Premium related to bond issuance	45,645,000	—	—	—	45,645,000	—
Bond issuance costs and other related costs	(2,715,000)	—	—	—	(2,715,000)	—
Purchases of capital assets	(556,695,000)	—	—	(63,735,169)	(620,430,169)	—
Principal paid on capital debt	(146,575,000)	—	—	(3,246,184)	(149,821,184)	—
Interest paid on capital debt	(125,208,000)	—	—	(1,572,401)	(126,780,401)	—
Principal paid on leases	(170,000)	—	—	—	(170,000)	(15,084)
Interest paid on leases	(21,000)	—	—	—	(21,000)	(1,270)
Principal paid on subscriptions	(5,394,000)	—	—	(549,774)	(5,943,774)	(155,623)
Interest paid on subscriptions	(195,000)	—	—	(30,140)	(225,140)	(8,715)
Interest paid - other	(275,000)	—	—	—	(275,000)	—
Proceeds from the sale of capital assets	2,656,000	—	—	2,997,911	5,653,911	—
Principal received from leases	—	—	—	6,373,855	6,373,855	121,093
Interest received from leases	—	—	—	2,457,353	2,457,353	11,446
Capital grant	4,265,000	—	—	40,230,494	44,495,494	—
Passenger facility charges	—	—	—	4,793,801	4,793,801	—
Customer facility charges	—	—	—	1,704,266	1,704,266	—
Net cash provided (used) by capital and related financing activities	$ 1,712,000	$ —	$ —	$ (10,575,988)	$ (8,863,988)	$ (48,153)

(continued)

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	$ 285,970,000	$ —	$ 876,108	$ 12,705,290	$ 299,551,398	$ 5,973,765
Purchases of investments	(503,899,000)	(101,000)	(874,995)	(32,799,099)	(537,674,094)	(2,734,732)
Interest and dividends received	29,133,000	1,183,000	98,695	3,428,833	33,843,528	300,612
Distributions from joint ventures	110,000	—	—	—	110,000	—
Principal received on note receivable	—	—	—	242,366	242,366	—
Interest received on note receivable	—	—	—	241,260	241,260	—
Net cash provided (used) by investing activities	(188,686,000)	1,082,000	99,808	(16,181,350)	(203,685,542)	3,539,645
Net change in cash and cash equivalents	71,167,000	(21,000)	17,231	843,145	72,006,376	3,536
Cash and cash equivalents - January 1	251,891,000	89,000	40,839	1,179,906	253,200,745	139,961
Cash and cash equivalents - December 31	$ 323,058,000	$ 68,000	$ 58,070	$ 2,023,051	$ 325,207,121	$ 143,497
Cash and cash equivalents	$ 323,058,000	$ 68,000	$ 58,070	$ 2,023,051	$ 325,207,121	$ 143,497
Investments	546,958,000	7,254,000	3,433,514	122,473,469	680,118,983	8,484,592
Total cash and investments	$ 870,016,000	$ 7,322,000	$ 3,491,584	$ 124,496,520	$1,005,326,104	$ 8,628,089
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ 176,976,000	$ 32,503,000	$ —	$ 817,430	$ 210,296,430	$ (8,893,910)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	208,380,000	—	—	27,796,431	236,176,431	200,860
Other expense	(54,456,000)	—	—	—	(54,456,000)	—
Decrease (increase) in assets and outflows of resources						
Accounts receivable	(5,863,000)	(85,000)	—	(4,656,514)	(10,604,514)	944,172
Leases receivable	—	—	—	(12,269,280)	(12,269,280)	—
Notes receivable	—	—	3,293,794	—	3,293,794	—
Due from other funds	—	—		(45,520)	(45,520)	54,470
Inventories	(16,558,000)	—	—	146,823	(16,411,177)	8,020
Prepaids	(4,219,000)	20,664,000	—	(469,923)	15,975,077	—
Other assets	(36,056,000)	—	—	—	(36,056,000)	—
Deferred outflows of resources - pensions	(26,339,000)	—	—	3,060,789	(23,278,211)	—
Deferred outflows of resources - OPEB	(169,000)	—	—	28,027	(140,973)	—
Increase (decrease) in liabilities and inflows of resources						
Accounts and other payables	84,208,000	—	(22,922)	3,488,434	87,673,512	3,143,226
Accrued expenses	(3,003,000)	—	—	(117,006)	(3,120,006)	(39,386)
Due to other funds	—	—	—	(78,790)	(78,790)	202,300
Contingent liability	—	—	(3,353,449)	—	(3,353,449)	—
Other liabilities	536,000	—	—	7,791,631	8,327,631	—
Deferred inflows of resources - pensions	(532,000)	—	—	210,653	(321,347)	—
Deferred inflows of resources - OPEB	452,000	—	—	(63,353)	388,647	—
Deferred inflows of resources - leases	—	—	—	4,531,122	4,531,122	(120,309)
Net pension liabilities	(25,608,000)	—	—	(2,976,528)	(28,584,528)	—
Net OPEB liabilities	(5,295,000)	—	—	(193,267)	(5,488,267)	—
Net cash provided (used) by operating activities	$ 292,454,000	$ 53,082,000	$ (82,577)	$ 27,001,159	$ 372,454,582	$ (4,500,557)

(continued)

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Noncash investing, capital and financing activities						
Amortization, charge-off of debt discount and expense	$ 3,603,000	$ 821,000	$ —	$ —	$ 4,424,000	$ —
Noncash acquisition of capital assets (incurrence of payable/financed purchase obligation)	29,070,000	—	—	21,709,260	50,779,260	—
Noncash capital contributions	32,850,000	—	—	9,443,171	42,293,171	—
Change in fair value of derivative instruments	(503,000)	—	—	—	(503,000)	—
Change in fair value of investments	—	—	55,966	1,909,970	1,965,936	144,696
Acquisition of right to use lease asset and liability	—	—	—	12,273,571	12,273,571	3,189
Acquisition of SBITA asset and liability	—	—	—	728,669	728,669	27,520

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

	Pension Trust Funds
ASSETS	
Pension assets held by Fire and Police Pension Association	
Pooled investment funds	$ 104,531,471
Total pension assets held for pension benefits	$ 104,531,471
NET POSITION	
Net position restricted for pensions	$ 104,531,471

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

	Pension Trust Funds
Additions	
City contributions	$ 5,280,260
Total contributions	5,280,260
Investment earnings:	
Net increase in fair value of investments	6,528,892
Interest, dividends and other	2,462,920
Total investment earnings	8,991,812
Less investment costs	722,840
Net investment earnings	8,268,972
Total additions	13,549,232
Deductions	
Benefits paid to participants or beneficiaries	15,728,905
Administrative expense	95,373
Total deductions	15,824,278
Net decrease in fiduciary net position	(2,275,046)
Net position restricted for pensions - January 1	106,806,517
Net position restricted for pensions - December 31	$ 104,531,471

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

GOVERNMENTAL FUND COMPONENT UNITS

COMBINING STATEMENT OF NET POSITION

December 31, 2025

	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation	CS Urban Renewal Authority	First & Main BID
ASSETS								
Cash and investments - unrestricted	$ 13,768	$ 3,051	$ 635,053	$ 35,781	$ 2,246,993	$227,438,781	$ 1,526,279	$ 1,534
Cash and investments - restricted	287,480	33,281	930,115	7,546,320	2,943,098	—	30,852,144	203,398
Accounts receivable								
(net of allowance for uncollectibles)	3,278	459	4,078	1,284,333	31,846	—	1,257,242	1,543
Due from other governments	23,007	—	—	2,356	—	—	2,106	—
Notes receivable	—	—	—	—	186,238	—	—	—
Assessments receivable	—	—	1,055,593	—	—	—	—	—
Property taxes receivable	501,761	52,811	379,892	322,981	4,630,304	—	17,447,032	243,840
Prepaids	4,282	—	55,995	100,096	33,099	44,970	15,285	—
Capital assets (non-depreciable):								
Construction in progress	—	—	—	41,337,636	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—
Land	—	—	—	—	—	—	—	—
Capital assets (net of accumulated depreciation):								
Machinery and equipment	—	—	—	—	—	—	—	—
Improvements other than buildings	707,877	—	992,926	311,604	324,667	—	—	—
Infrastructure	154,019	47,849	7,651,439	—	510,487	—	—	707,514
Total assets	1,695,472	137,451	11,705,091	50,941,107	10,906,732	227,483,751	51,100,088	1,157,829
DEFERRED OUTFLOWS OF RESOURCES								
Loss on refunding	—	—	—	1,136,221	—	—	1,920,616	—
Total deferred outflows of resources	—	—	—	1,136,221	—	—	1,920,616	—
LIABILITIES								
Accounts payable	11,720	—	24,339	34,533	403,918	3,338	761,948	3,077
Escrows	—	—	—	—	—	—	170,955	—
Grants payable	—	—	—	—	—	250,000	—	—
Due to other governments	—	3,510	—	—	—	—	333,003	—
Accrued interest payable	13,352	406	9,314	250,000	—	—	2,343,169	27,338
Noncurrent liabilities:								
Due within one year	160,000	75,000	863,000	160,370	—	—	10,169,524	50,000
Due in more than one year	2,448,572	—	7,254,105	68,281,448	—	—	61,087,170	4,390,000
Total liabilities	2,633,644	78,916	8,150,758	68,726,351	403,918	253,338	74,865,769	4,470,415
DEFERRED INFLOWS OF RESOURCES								
Property taxes	501,761	52,811	379,892	322,981	4,630,304	—	17,447,032	243,840
Total deferred inflows of resources	501,761	52,811	379,892	322,981	4,630,304	—	17,447,032	243,840
NET POSITION								
Net investment in capital assets	(526,147)	34,524	1,207,916	(1,175,492)	835,154	—	—	(442,486)
Restricted for:								
Capital improvement	—	—	—	18,230	2,815,098	—	2,455,357	—
Debt service	270,928	32,924	1,236,846	1,456,662	—	—	19,270,574	176,060
Emergency reserve	3,200	—	8,200	6,100	128,000	—	—	—
Unrestricted	(1,187,914)	(61,724)	721,479	(17,277,504)	2,094,258	227,230,413	(61,018,028)	(3,290,000)
Total net position (deficit)	$ (1,439,933)	$ 5,724	$3,174,441	$(16,972,004)	$ 5,872,510	$227,230,413	$ (39,292,097)	$ (3,556,426)

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
$ 194,644	$ 2,781	$ 7,185	$ 629,508	$ 5,193,238	$ 229,394	$ 52,465	$ 4,316	$ 329,145	$ 172,183	$ 19,806	$238,735,905
2,716,482	49,705	9,642,656	24,200	2,083,282	810,437	1,209,297	823,926	475,047	1,245,406	12,033,167	73,909,441
104,506	1,172	3	5,972	572,578	56,136	21,426	13,757	9,249	2,380	122,850	3,492,808
7,030	—	864	—	—	—	—	—	1,763	—	1,470,245	1,507,371
—	—	—	—	—	—	—	—	—	—	—	186,238
—	—	—	—	—	—	—	—	—	—	—	1,055,593
918,352	160,238	383	684,688	324,727	240,661	349,856	35,797	87,572	377,648	—	26,758,543
6,774	—	—	6,392	3,416	2,113	2,774	—	5,634	—	6,065	286,895
—	—	16,860,014	2,457	—	—	1,134,564	3,619,390	—	—	7,481,239	70,435,300
—	—	—	—	—	—	422,900	—	—	—	—	422,900
—	—	—	—	—	865,977	—	—	—	—	—	865,977
—	—	—	45,639	—	—	—	—	29,897	—	—	75,536
3,406,209	410,153	—	—	—	408,629	—	—	160,329	—	601,721	7,324,115
7,039,034	335,359	—	—	19,086,503	1,539,170	359,512	736,844	16,801,284	1,964,680	6,577,647	63,511,341
14,393,031	959,408	26,511,105	1,398,856	27,263,744	4,152,517	3,552,794	5,234,030	17,899,920	3,762,297	28,312,740	488,567,963
—	—	—	—	—	—	—	—	—	—	—	3,056,837
—	—	—	—	—	—	—	—	—	—	—	3,056,837
30,936	—	30,044	9	1,046,615	16,606	6,112	51,480	36,138	8,264	113,899	2,582,976
—	—	—	—	—	—	—	—	—	—	—	170,955
—	—	—	—	—	—	—	—	—	—	—	250,000
19,497	3,953	—	—	19,949	—	—	—	—	—	—	379,912
103,365	32,165	103,133	—	131,922	15,029	16,508	27,090	—	23,455	341,227	3,437,473
265,000	83,438	—	—	365,000	75,000	35,000	—	—	55,000	655,000	13,011,332
23,024,415	1,248,915	29,093,415	—	22,568,000	4,495,473	2,916,889	7,875,837	42,013,096	4,226,927	94,189,679	375,113,941
23,443,213	1,368,471	29,226,592	9	24,131,486	4,602,108	2,974,509	7,954,407	42,049,234	4,313,646	95,299,805	394,946,589
918,352	160,238	383	684,688	324,727	240,661	349,856	35,797	87,572	377,648	—	26,758,543
918,352	160,238	383	684,688	324,727	240,661	349,856	35,797	87,572	377,648	—	26,758,543
(4,207,663)	(326,641)	(12,233,401)	48,096	(1,670,778)	(247,878)	259,389	(2,579,203)	(4,648,924)	(1,069,765)	(2,003,153)	(28,746,452)
—	—	4,929,915	—	—	—	—	—	—	—	195,535	10,414,135
2,687,790	17,540	684,494	—	2,079,982	544,922	714,242	64,375	2,196	1,220,351	5,045,270	35,505,156
4,400	—	100	24,200	3,300	2,100	1,800	800	11,400	1,600	2,500	197,700
(8,453,061)	(260,200)	3,903,022	641,863	2,395,027	(989,396)	(747,002)	(242,146)	(19,601,558)	(1,081,183)	(70,227,217)	52,549,129
$ (9,968,534)	$ (569,301)	$ (2,715,870)	$ 714,159	$ 2,807,531	$ (690,252)	$ 228,429	$(2,756,174)	$(24,236,886)	$ (928,997)	$(66,987,065)	$ 69,919,668

GOVERNMENTAL FUND COMPONENT UNITS

COMBINING STATEMENT OF ACTIVITIES

For the year ended December 31, 2025

	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation	CS Urban Renewal Authority	First & Main BID	First & Main BID No. 2
Program expenses									
General government	$ 150,551	$ 14,864	$ 615,837	$ 532,603	$ 4,101,944	$ 8,537,369	$ 5,955,956	$ 3,292,487	$ 823,531
Public works	—	—	—	—	—	—	9,118,089	—	—
Interest on long-term debt	183,293	9,874	179,992	4,532,502	—	—	3,642,834	326,414	1,308,236
Total program expenses	333,844	24,738	795,829	5,065,105	4,101,944	8,537,369	18,716,879	3,618,901	2,131,767
Program revenues									
Charges for services	—	—	—	161,093	—	—	824,020	—	—
Operating grants and contributions	10,625	—	—	—	—	5,554,873	261,398	—	42,111
Capital grants and contributions	—	—	80,697	—	—	—	—	—	3,215,000
Total program revenues	10,625	—	80,697	161,093	—	5,554,873	1,085,418	—	3,257,111
Net revenues (expenses)	(323,219)	(24,738)	(715,132)	(4,904,012)	(4,101,944)	(2,982,496)	(17,631,461)	(3,618,901)	1,125,344
General revenues									
Property taxes	428,254	60,011	537,639	197,741	3,813,330	—	10,598,034	178,266	777,421
Specific ownership taxes	41,132	5,752	51,170	25,164	129,845	—	—	19,365	74,486
Incremental sales tax	—	—	—	255,655	—	—	18,407,979	—	—
Payment in lieu of tax fees	—	—	—	—	—	—	—	—	—
Public improvement fees	44,578	—	—	625,121	—	—	—	—	901,682
Miscellaneous	—	53	—	5,088	63,673	—	—	316	5,690
Investment earnings	23,087	3,377	80,129	289,868	270,046	29,973,135	1,331,485	18,642	154,786
Total general revenues	537,051	69,193	668,938	1,398,637	4,276,894	29,973,135	30,337,498	216,589	1,914,065
Change in net position	213,832	44,455	(46,194)	(3,505,375)	174,950	26,990,639	12,706,037	(3,402,312)	3,039,409
Net position January 1, as previously stated	(1,653,765)	(38,731)	3,220,635	(13,499,008)	5,697,560	200,239,774	(51,998,134)	(154,114)	(13,007,943)
Restatement for change in reporting entity - removal of Catalyst Campus BID	—	—	—	—	—	—	—	—	—
Restatement for error corrections	—	—	—	32,379	—	—	—	—	—
Net position - January 1	(1,653,765)	(38,731)	3,220,635	(13,466,629)	5,697,560	200,239,774	(51,998,134)	(154,114)	(13,007,943)
Net position - December 31	$ (1,439,933)	$ 5,724	$ 3,174,441	$ (16,972,004)	$ 5,872,510	$ 227,230,413	$ (39,292,097)	$ (3,556,426)	$ (9,968,534)

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
$ 88,792	$ 128,908	$ 824,798	$ 2,120,308	$ 335,525	$ 55,404	$ 135,474	$ 1,584,679	$ 163,053	$ 529,049	$ 29,991,132
—	—	—	—	—	—	—	—	—	6,089,302	15,207,391
80,318	1,567,221	—	1,616,276	189,433	227,870	751,738	3,141,051	289,793	6,510,891	24,557,736
169,110	1,696,129	824,798	3,736,584	524,958	283,274	887,212	4,725,730	452,846	13,129,242	69,756,259
—	—	110,202	—	—	—	—	256,926	—	—	1,352,241
—	11,939	—	—	—	—	—	125,371	—	—	6,006,317
—	—	—	—	—	—	—	—	—	—	3,295,697
—	11,939	110,202	—	—	—	—	382,297	—	—	10,654,255
(169,110)	(1,684,190)	(714,596)	(3,736,584)	(524,958)	(283,274)	(887,212)	(4,343,433)	(452,846)	(13,129,242)	(59,102,004)
153,455	371	626,235	589,650	215,235	233,230	22,908	86,198	311,681	4	18,829,663
14,709	35	74,948	59,291	20,679	28,736	2,196	8,330	29,871	—	585,709
—	—	—	—	—	—	—	—	—	1,612,568	20,276,202
—	—	—	—	—	—	—	—	—	978,502	978,502
—	—	—	2,985,484	381,657	149,825	100,037	49,689	—	1,018,506	6,256,579
686	—	—	345	2,874	3	407	—	—	157,508	236,643
4,354	364,000	35,364	327,614	45,704	50,409	22,155	30,981	69,618	448,323	33,543,077
173,204	364,406	736,547	3,962,384	666,149	462,203	147,703	175,198	411,170	4,215,411	80,706,375
4,094	(1,319,784)	21,951	225,800	141,191	178,929	(739,509)	(4,168,235)	(41,676)	(8,913,831)	21,604,371
(573,395)	(1,396,086)	692,208	2,581,731	(831,443)	49,500	(790,700)	(20,068,651)	(887,321)	(58,073,234)	49,228,944
—	—	—	—	—	—	—	—	—	—	279,939
—	—	—	—	—	—	(1,225,965)	—	—	—	(1,193,586)
(573,395)	(1,396,086)	692,208	2,581,731	(831,443)	49,500	(2,016,665)	(20,068,651)	(887,321)	(58,073,234)	48,315,297
$ (569,301)	$ (2,715,870)	$ 714,159	$ 2,807,531	$ (690,252)	$ 228,429	$ (2,756,174)	$ (24,236,886)	$ (928,997)	$ (66,987,065)	$ 69,919,668

COMBINING BALANCE SHEET

December 31, 2025

	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company
ASSETS			
Current assets			
Cash and investments	$ 28,651,133	$ 283,046	$ 5,095,624
Accounts receivable (net of allowance for uncollectibles)	2,063,597	—	410
Interest receivable	—	—	18,196
Inventories	237,676	—	—
Due from primary government	—	—	—
Prepaids	—	—	15,068
Total current assets	30,952,406	283,046	5,129,298
Noncurrent assets			
Restricted cash and cash equivalents	305,627	—	—
Other	—	—	274,279
Capital assets nondepreciable:			
Land	65,147	—	—
Construction in progress	698,942	—	9,531,951
Capital assets depreciable and amortizable:			
Machinery and equipment	—	—	—
Utility plant	95,544,157	12,578,936	15,056,437
Lease assets:			
Equipment	—	—	—
Land	—	—	—
Less accumulated depreciation and amortization	(45,143,973)	(3,938,428)	(8,978,513)
Total noncurrent assets	51,469,900	8,640,508	15,884,154
Total assets	$ 82,422,306	$ 8,923,554	$ 21,013,452
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	$ 548,629	$ 16,047	$ 410,010
Due to primary government	—	—	—
Accrued interest payable	—	—	—
Notes payable	—	—	—
Lease liabilities	—	—	—
Total current liabilities	548,629	16,047	410,010
Noncurrent liabilities			
Notes payable	—	—	7,843,887
Lease liabilities	—	—	—
Total noncurrent liabilities	—	—	7,843,887
Total liabilities	548,629	16,047	8,253,897
Net position			
Net investment in capital assets	51,164,273	8,640,508	7,765,988
Restricted for debt service	305,627	—	—
Unrestricted	30,403,777	266,999	4,993,567
Total net position	81,873,677	8,907,507	12,759,555
Total liabilities and net position	$ 82,422,306	$ 8,923,554	$ 21,013,452

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

The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
$ 1,336,663	$ 1,259,383	$ 676,406	$ —	$ 37,302,255
—	43,094	—	291,784	2,398,885
4,287	3,062	2,450	—	27,995
—	—	—	—	237,676
—	—	—	2,512,546	2,512,546
4,005	27,668	1,933	—	48,674
1,344,955	1,333,207	680,789	2,804,330	42,528,031
85,097	—	—	—	390,724
—	25,334	32,409	—	332,022
1,200	—	—	—	66,347
—	—	—	—	10,230,893
—	—	—	137,361	137,361
3,603,178	2,913,965	1,586,827	—	131,283,500
—	—	—	909,132	909,132
—	—	—	275,369	275,369
(1,340,314)	(2,260,021)	(689,048)	(171,104)	(62,521,401)
2,349,161	679,278	930,188	1,150,758	81,103,947
$ 3,694,116	$ 2,012,485	$ 1,610,977	$ 3,955,088	$ 123,631,978
$ 4,553	$ 62,082	$ 38,540	$ 94,777	$ 1,174,638
—	—	—	337	337
11,736	—	—	4,972	16,708
61,497	—	—	—	61,497
—	—	—	39,218	39,218
77,786	62,082	38,540	139,304	1,292,398
523,945	—	—	—	8,367,832
—	—	—	1,056,718	1,056,718
523,945	—	—	1,056,718	9,424,550
601,731	62,082	38,540	1,196,022	10,716,948
1,678,622	653,944	897,779	54,822	70,855,936
85,097	—	—	—	390,724
1,328,666	1,296,459	674,658	2,704,244	41,668,370
3,092,385	1,950,403	1,572,437	2,759,066	112,915,030
$ 3,694,116	$ 2,012,485	$ 1,610,977	$ 3,955,088	$ 123,631,978

	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	$ 8,494,596	$ 238,791	$ 1,596,166	$ 105,209	$ 1,091,377	$ 167,933	$ 2,168,528	$ 13,862,600
Total program expenses	8,494,596	238,791	1,596,166	105,209	1,091,377	167,933	2,168,528	13,862,600
Program revenues								
Charges for services	14,498,786	—	1,627,577	248,039	1,195,587	164,029	1,901,301	19,635,319
Total program revenues	14,498,786	—	1,627,577	248,039	1,195,587	164,029	1,901,301	19,635,319
Net revenue (expenses)	6,004,190	(238,791)	31,411	142,830	104,210	(3,904)	(267,227)	5,772,719
General revenues								
Investment earnings	775,073	795	111,929	26,116	21,131	13,751	68,505	1,017,300
Gain on sale of capital assets	—	—	—	—	—	—	348	348
Total general revenues	775,073	795	111,929	26,116	21,131	13,751	68,853	1,017,648
Change in net position	6,779,263	(237,996)	143,340	168,946	125,341	9,847	(198,374)	6,790,367
Net position - January 1	75,094,414	9,145,503	12,616,215	2,923,439	1,825,062	1,562,590	2,957,440	106,124,663
Net position - December 31	$ 81,873,677	$ 8,907,507	$ 12,759,555	$ 3,092,385	$ 1,950,403	$ 1,572,437	$ 2,759,066	$ 112,915,030

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

NOTES TO FINANCIAL STATEMENTS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Colorado Springs (City) is a home-rule city, organized under provisions of the Colorado Constitution 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 in the United States of America (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 GAAP, these financial statements present the primary government and its component units, 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 operations 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 2021 and Marketplace 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 both 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 residents of each respective district. The fiscal year-end for each of these districts is December 31.

Colorado Springs Health Foundation – Colorado Springs Health Foundation (CSHF) was established in 2012 under the provisions of City Council Resolution No. 121-12, resulting from the 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 residents. The fiscal year-end for CSURA is December 31.

Colorado Springs Downtown Development Authority – The Colorado Springs Downtown Development Authority (DDA) was established in 2007 by the City of Colorado Springs City Council. The DDA 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 DDA 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 DDA. The fiscal year-end for the DDA 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 and/or fees 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 and Catalyst Campus had immaterial financial activity in 2025 and are therefore 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, 2025. 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 and/or beneficiaries. 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

Pikes Peak Regional Building Department – 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. PPRBD was formed in accordance with intergovernmental agreements among affected local governments to administer and enforce building and construction codes on behalf of its member entities. Member entities are the City, the County, the cities of Manitou Springs and 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 PPRBD. The City has not invested money in 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.

Pikes Peak Rural Transportation Authority – 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.

El Paso-Teller County Emergency Telephone Service Authority – 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.

Colorado Centre Metropolitan District – The City's Fire Department has an agreement with the Colorado Centre Metropolitan District (CCMD) whereas the City will provide comprehensive fire suppression, fire prevention, review and inspection services, emergency medical services, emergency hazardous substances response services and other services incidental to the protection of persons and property in the CCMD. CCMD will pay the City an annual service fee that will be adjusted starting year three and every two years thereafter. The agreement commenced in January 2024 and continues through 2042.

Colorado Metropolitan Certification Board – 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, Arvada Fire Department, West Metro Fire Protection District, South Metro Fire Protection District, Poudre Fire Authority, South Adams County Fire Department and Castle 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 nine voting members. The nine-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-ninth of the operational expenses associated with the CMCB.

Young Gas Storage Company Ltd. – 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, CCMD 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.

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 capital project 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/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 retired 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 the ongoing operations of the propriety funds. 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.

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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.

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 government-wide and fund financial statements, as appropriate. 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 entered into a prepaid gas agreement effective June 11, 2008 and prepaid for delivery of natural gas with the proceeds from bonds issued. 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 the estimated useful life is greater than one year and 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, 2025. Utilities recorded an ARO as of December 31, 2025 (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 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 reports the following deferred outflows of resources:

- *Deferred cash flow hedges – unrealized loss on derivative instruments* is 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.

- *Loss on debt refundings* is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflow of resources for *pension-related amounts* and *other postemployment benefit (OPEB) related amounts* are described in the subsequent paragraphs.

- A*sset retirement obligation* 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 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 reports the following deferred inflows of resources:

- *Gain on debt refundings* is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- *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.

- Deferred inflow of resources recorded for *pension-related amounts* and *OPEB-related amounts* are described in the subsequent paragraph.

- *Lease-related amounts* are 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 earnings on investments, 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. Contributions made to the plans subsequent to the fiduciary net position measurement date are recorded as deferred outflows of resources and will be recognized as a reduction of their respective net pension or net OPEB liability in the following measurement period.

7. Compensated Absences

City employees earn vacation and sick leave in varying amounts depending upon employee classification and years of service. The amount of accumulated unpaid vacation at year end is accrued. Sick leave can be accumulated, but only a portion may be payable upon retirement. The liability for compensated absences is calculated based on the employee's current pay rate, and the probability that the leave will be used and/or paid out upon retirement. The City accrues these liabilities as 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

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

Subscription-based information technology arrangements (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. City 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 non-spendable, 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 non-spendable).

In the City's Financial Policies included in the annual budget document, the City's goal target range for the General Fund reserve – unrestricted fund balance is 16.67% to 25.00% 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 accrues a liability for solid waste landfill closure and postclosure care costs. The liability is determined by multiplying the closure and postclosure care costs in current dollars by the percent capacity of the landfill used. An independent assessment of postclosure landfill cost estimates is completed every five years and the City adjusts liabilities and expense recognition for any material differences. The last independent assessment was performed 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, 2025, 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.

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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.

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.

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B. Deficit Fund Equity

Governmental Fund

The Lodgers and Auto Rental Tax Fund has deficit fund equity at December 31, 2025. Revenue came in below budgeted expectations and spending commitments were higher than the available revenue.

Special Revenue Fund	Total Fund Balance
Lodgers and Auto Rental Tax fund	$ (228,770)

Proprietary Funds

The following proprietary funds have deficit fund equity at December 31, 2025. 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	$ (179,667,000)
Claims reserve self-insurance fund	(13,264,916)
Workers' compensation self-insurance fund	(17,134,181)
Employee benefits self-insurance fund	(3,558,604)

Governmental Fund Component Units

The following governmental fund component units have deficit fund equity at December 31, 2025. 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	$ (1,439,933)
Creekwalk Marketplace BID	(16,972,004)
CS Urban Renewal Authority	(39,292,097)
First & Main BID	(3,556,426)
First & Main BID No. 2	(9,968,534)
First & Main North BID	(569,301)
Gold Hill North BID	(2,715,870)
Interquest South BID	(690,252)
MW Retail BID	(2,756,174)
Park Union BID	(24,236,886)
Powers & Woodmen Commercial BID	(928,997)
True North Commons BID	(66,987,065)

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 and fiduciary funds, consist of the following on December 31, 2025 (in 000's):

Investment Type	Unrestricted Assets	Restricted Assets	Total
Agency bonds	$ 10,019	$ —	$ 10,019
Demand accounts (incl petty cash of $53)	33,639	30,684	64,323
Colorado Liquid Asset Trust (COLOTRUST)	218,880	110,601	329,481
Corporate bonds	36,954	—	36,954
Domestic equities	—	1,435	1,435
Guaranteed investment contract	—	7,241	7,241
Money market mutual funds	—	3,336	3,336
Municipal bonds	10,219	—	10,219
Mutual funds	—	14,368	14,368
US instrumentality securities	113,078	—	113,078
US treasury securities	286,798	438,008	724,806
Total	$ 709,587	$ 605,673	$ 1,315,260

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the financial statements at December 31, 2025 (in 000's):

	Governmental Activities	Business-type Activities	Total
Unrestricted	$ 292,890	$ 416,697	$ 709,587
Restricted	17,044	588,629	605,673
Total	$ 309,934	$ 1,005,326	$ 1,315,260

Note: Immaterial differences may occur due to rounding.

1. Deposits

The carrying amount of the City's deposits at December 31, 2025, was $64,270,000 and the bank balances were $71,034,000. Of the bank balances, $667,000 was covered by federal deposit insurance and $70,367,000 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 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, 2025, 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, 2025, were subject to custodial credit risk.

As of December 31, 2025, the City had the following investment maturities (in 000's):

Investment Type	Total	Weighted Average Maturity (Years)
Agency bonds	$ 10,019	1.03
Colorado Liquid Asset Trust (COLOTRUST)	329,481	0.00
Corporate bonds	36,954	1.44
Domestic equities	1,435	0.00
Guaranteed investment contract	7,241	12.87
Money market mutual funds	3,336	0.00
Municipal bonds	10,219	2.21
Mutual funds	14,368	0.00
US instrumentality securities	113,078	2.72
US treasury securities	724,806	1.97
Total investments	1,250,937	
Portfolio weighted average maturity		1.53
Reconciliation to total cash and investments		
Add:		
Cash on hand and in banks	64,323	
Total cash and investments	$ 1,315,260	

Note: Immaterial differences may occur due to rounding.

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As of December 31, 2025, 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+	0.80
Corporate bonds	AAA	0.29
Corporate bonds	AA+	0.64
Corporate bonds	AA	0.44
Corporate bonds	AA-	1.58
Domestic equities	unrated	0.12
Guaranteed investment contract	A+	0.58
Local government investment pools	AAAm	26.34
Money market mutual funds	AAA	0.16
Money market mutual funds	unrated	0.11
Municipal bonds	AAA	0.12
Municipal bonds	AA+	0.15
Municipal bonds	AA	0.54
Mutual funds	unrated	1.15
US instrumentality securities	AA+	9.04
US treasury securities	AA+	57.94
US treasury securities	A-1+	0.00
		100.00

As of December 31, 2025, the City has invested $329,481,000 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

In addition to the above, the City is a participant in FPPA's Glide Path pool through its pension trust funds. FPPA pools these, and other, deposits and invests them in accordance with State of Colorado statute. As of December 31, 2025, the City had pooled investment funds with FPPA of $104,531,471.

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.

3. Component Unit Deposits and Investments

Cash and investments of the component units of the City consist of the following at December 31, 2025 (in 000's):

	Demand Accounts	Money Market Mutual Funds	Local Government Investment Pools	Alternative Investments	Total
Governmental Activities:					
Barnes & Powers North BID	$ 8	$ —	$ 293	$ —	$ 301
Barnes & Powers South BID	—	—	36	—	36
Briargate Center BID	13	930	622	—	1,565
Creekwalk Marketplace BID	1,150	6,377	55	—	7,582
CS Downtown Development Authority	414	—	4,776	—	5,190
CS Health Foundation	3,444	205,289	—	18,706	227,439
CS Urban Renewal Authority	119	—	32,259	—	32,378
First & Main BID	—	—	205	—	205
First & Main BID No. 2	25	—	2,886	—	2,911
First & Main North BID	—	—	52	—	52
Gold Hill North BID	3,016	6,634	—	—	9,650
Greater Downtown CS BID	23	—	631	—	654
Interquest North BID	29	—	7,248	—	7,277
Interquest South BID	20	—	1,020	—	1,040
Interquest Town Center BID	1	—	1,261	—	1,262
MW Retail BID	2	762	65	—	829
Park Union BID	64	—	740	—	804
Powers & Woodmen Commercial BID	15	—	1,402	—	1,417
True North Commons BID	66	5,853	6,134	—	12,053
Subtotal	8,409	225,845	59,685	18,706	312,645
Business-type Activities:					
Fountain Valley Authority	16,386	—	12,571	—	28,957
Aurora-Colorado Springs Joint Water Authority	283	—	—	—	283
Various canal & reservoir companies	8,453	—	—	—	8,453
Subtotal	25,122	—	12,571	—	37,693
Total	$ 33,531	$ 225,845	$ 72,256	$ 18,706	$ 350,338

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the government-wide financial statements at December 31, 2025 (in 000's):

	Governmental Activities	Business-type Activities	Total
Unrestricted	$ 238,736	$ 37,302	$ 276,038
Restricted	73,909	391	74,300
Total	$ 312,645	$ 37,693	$ 350,338

Note: Immaterial differences may occur due to rounding.

The carrying amount of the deposits of the component units of the City at December 31, 2025, was $33,530,000, and the bank balances were $33,871,000. Of the bank balances, $2,792,000 was covered by federal deposit insurance, and $20,304,000 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. At December 31, 2025, their bank balances exceeded federally insured limits by approximately $10,774,000.

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

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

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

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

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The following table reflects the fair value of the City's investments and derivative instruments, exclusive of discretely presented component units, as of December 31, 2025 (in 000's):

		Fair Value Measurement Using		
Assets	Total	Level 1	Level 2	Level 3
Investments				
Agency bonds	$ 10,019	$ —	$ 10,019	$ —
Colorado Liquid Asset Trust (COLOTRUST)	329,481	(A)	(A)	(A)
Corporate bonds	36,954	—	36,954	—
Domestic equities	1,435	1,435	—	—
Guaranteed investment contract	7,241	(B)	(B)	(B)
Money market mutual funds	3,336	3,336	—	—
Municipal bonds	10,219	—	10,219	—
Mutual funds	14,368	14,368	—	—
US instrumentality securities	113,078	—	113,078	—
US treasury securities	724,806	—	724,806	—
Total investments	$ 1,250,937	$ 19,139	$ 895,076	$ —
Liabilities				
Derivative instruments	$ 24,203	$ —	$ 24,203	$ —
Total derivative instruments	$ 24,203	$ —	$ 24,203	$ —

Note: Immaterial differences may occur due to rounding.

(A) During the year, the City invested in COLOTRUST, a local government investment pool. The valuation is measured at net asset value and is designed to approximate the share value. The pool's Boards of Trustees, elected by the participants, are responsible for overseeing the management of the investment pool, including establishing operating standards and policies. COLOTRUST is designed to provide local governments with a convenient method for investing in short-term investments carefully chosen to provide maximum safety and liquidity, while still maximizing interest earnings. There are no limitations or restrictions on withdrawals.

(B) PACE has investments in guaranteed investment contracts that are stated at amortized cost.

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The following table reflects the fair value of the investments for component units of the City as of December 31, 2025 (in 000's):

		Fair Value Measurement Using		
Governmental Activities Assets	Total	Level 1	Level 2	Level 3
Investments				
Alternative investments	$ 18,706	(B)	(B)	(B)
Local government investment pools	59,685	(A)	(A)	(A)
Money market mutual funds	225,845	$ 225,845	$ —	$ —
US treasury securities	—	—	—	—
Total investments	$ 304,236	$ 225,845	$ —	$ —
Business-type Activities Assets				
Investments				
Local government investment pools	12,571	(A)	(A)	(A)
Total investments	12,571	—	—	—
Total	$ 316,807	$ 225,845	$ —	$ —

Note: Immaterial differences may occur due to rounding.

(A) During the year, component units of the City invested in COLOTRUST, a local government investment pool. The valuation is measured at net asset value and is designed to approximate the share value. The pool's Boards of Trustees, elected by the participants, are responsible for overseeing the management of the investment pool, including establishing operating standards and policies. COLOTRUST is designed to provide local governments with a convenient method for investing in short-term investments carefully chosen to provide maximum safety and liquidity, while still maximizing interest earnings. There are no limitations or restrictions on withdrawals.

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

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B. Receivables

1. Schedule of Receivables

Receivables for governmental funds, proprietary funds and component units at December 31, 2025, 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
Accounts	$ 13,380	$ 1	$153,122	$ 7,664	$ 199	$ 40,982	$ 18,538	$ 1,900	$ 3,493	$ 2,399	$ 241,678
Assessments	—	—	—	—	—	—	—	—	1,056	—	1,056
Intergovern-mental loans	—	—	—	—	—	34,685	—	—	—	—	34,685
Interest	—	—	5,155	—		—	1,202	6	—	28	6,391
Leases	—	—	66,301	—	—	—	137,008	420	—	—	203,729
Notes and loans	—	—	—	—	73,333	—	3,450	—	186	—	76,969
Taxes	53,811	7,503	—	—	—	11,663	—	—	26,758	—	99,735
Gross receivables	67,191	7,504	224,578	7,664	73,532	87,330	160,198	2,326	31,493	2,427	664,243
Less: allowances for uncollectibles	(251)	(57)	(11,870)	—	—	(17,813)	(80)	—	—	—	(30,071)
Net receivables	$ 66,940	$ 7,447	$212,708	$ 7,664	$ 73,532	$ 69,517	$ 160,118	$ 2,326	$ 31,493	$ 2,427	634,172

Governmental activities:	
Interest receivable	1,593
Lease receivable	597
Total governmental activities	2,190
Total net receivables	$ 636,362

Note: Immaterial differences may occur due to rounding.

Loans receivable of $16,922,411 are included in receivables - net of an allowance of $17,762,784 in the statement of net position/balance sheet as of December 31, 2025, 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.

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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, 2025, future minimum payments under the agreement consisted of the following (in 000's):

Year	Amount
2026	$ 5,612
2027	5,612
2028	5,612
2029	5,612
2030	5,612
2031-2035	28,061
2036-2040	28,061
2041-2042	9,821
Future minimum payments	94,003
Amount representing discount interest	(20,670)
Present value of net minimum payments	$ 73,333

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 MHS 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.

UCH and various other hospitals were part of a settlement agreement dated February 13, 2025, with the U.S Department of Health and Human Services, including the Centers for Medicare & Medicaid Services, to resolve claims concerning the Medicare outlier payments for inpatient services provided to patients of the hospitals discharged between October 1, 2006, and September 30, 2016. By separate agreement, UCH agreed to transfer funds to the City for the covered period prior to the transfer of operations to UCH. During 2025, UCH remitted $202.5 thousand for the full payment of funds due to the City per this agreement.

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.

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C. Interfund and Component Unit Receivables, Payables and Transfers

Interfund and component unit receivable and payable balances as of December 31, 2025, were:

Receivable Fund	Payable Fund	Amount
General Fund	Utilities	$ 2,037,706
	Non-major Governmental Funds	10,873,592
	Internal Service Funds	3,182,985
		16,094,283
Utilities	Non-major Governmental Funds	3,432,507
	Non-major Enterprise Funds	89,006
	Internal Service Funds	1,150
	Component Unit	337
		3,523,000
MHS	Internal Service Funds	202,487
		202,487
Non-major Governmental Funds	Utilities	1,131,843
		1,131,843
Non-major Enterprise Funds	General Fund	829,168
	Utilities	4,773,402
		5,602,570
Internal Service Funds	Utilities	40,049
		40,049
Component Unit	General Fund	2,512,546
		2,512,546
Total		$ 29,106,778

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 $829,169 due to Non-major Enterprise Funds from the General Fund resulted from construction of the parking facility for the General Fund’s use; $727,292 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:			
Transfers out:	General Fund	Non-major Governmental Funds	Non-major Enterprise Funds	Total Transfers Out
General Fund	$ —	$ 8,420,226	$ —	$ 8,420,226
Non-major Governmental Funds	2,500,000	—	466,136	2,966,136
Utilities	34,812,000	—	—	34,812,000
Total transfers in	$ 37,312,000	$ 8,420,226	$ 466,136	$ 46,198,362

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 transfer carryout bag fee revenues to support city clean-up programs;
3) From Non-major Governmental Funds to Non-major Enterprise Funds: to transfer the annual allocated earnings into the Cemetery Enterprise Fund; to transfer LART funding to Pikes Peak America's Mountain in support of a play space project;
4) 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 kilowatt-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. In addition, Utilities provides for other transfers when they enter into approved special contracts for water-related services that include a premium on fees and rates that benefit Utilities' ratepayers, fifty percent of the premium includes surplus revenue and may be appropriated to the general revenues of the City by the City Council in the annual budget and appropriation ordinance pursuant to the City Charter. Payments are recorded as transfers on the statement of revenues, expenditures and changes in fund balance. In 2025, the amount transferred was $34.8 million.

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E. Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (deferred inflows of resources). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At December 31, 2025, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Loans	$ 16,922,411	$ —
Property taxes	31,503,449	—
Grant drawdowns prior to meeting all eligibility requirements	—	24,933,912
Other unearned revenue	—	8,492,493
Total unavailable/unearned revenue for governmental funds	$ 48,425,860	$ 33,426,405

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, 2025:

	General Fund	Proprietary Funds	Total Inventory
Materials and supplies	$ —	$ 111,890,761	$ 111,890,761
Fuel	333,742	16,938,265	17,272,007
Total inventories	$ 333,742	$ 128,829,026	$ 129,162,768

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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, 2025 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 480,119	$ 21,702	$ —	$ 501,821
Construction in progress	180,292	118,129	(155,389)	143,032
Total capital assets not being depreciated	660,411	139,831	(155,389)	644,853
Capital assets being depreciated and amortized:				
Buildings	227,497	31,639	(3,370)	255,766
Improvements other than buildings	132,043	12,861	(2,704)	142,200
Machinery and equipment	224,281	13,783	(8,321)	229,743
Intangibles	21,834	—	(100)	21,734
Infrastructure	1,834,997	195,208	(69,440)	1,960,765
Lease assets:				
Buildings	1,731	44	(119)	1,656
Equipment	1,640	8,845	(2,031)	8,454
Subscription assets	13,822	34,173	(21,374)	26,621
Total capital assets being depreciated and amortized	2,457,845	296,553	(107,459)	2,646,939
Less accumulated depreciation and amortization:				
Buildings	(109,270)	(5,682)	1,076	(113,876)
Improvements other than buildings	(46,825)	(5,221)	10	(52,036)
Machinery and equipment	(143,542)	(17,173)	8,263	(152,452)
Intangibles	(13,169)	(822)	90	(13,901)
Infrastructure	(765,534)	(49,700)	68,604	(746,630)
Lease assets:				
Buildings	(686)	(386)	119	(953)
Equipment	(1,573)	(1,612)	2,031	(1,154)
Subscription assets	(7,639)	(8,492)	8,382	(7,749)
Total accumulated depreciation and amortization	(1,088,238)	(89,088)	88,575	(1,088,751)
Total capital assets being depreciated and amortized, net	1,369,607	207,465	(18,884)	1,558,188
Governmental activities capital assets, net	$ 2,030,018	$ 347,296	$ (174,273)	$ 2,203,041

* Includes transfers between categories.

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, 2025 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 259,908	$ 4,476	$ (19)	$ 264,365
Intangibles	60,099	3,955	—	64,054
Construction in progress	454,478	718,023	(567,671)	604,830
Total capital assets not being depreciated	774,485	726,454	(567,690)	933,249
Capital assets being depreciated and amortized:				
Buildings	147,051	8,793	(659)	155,185
Improvements other than buildings	418,889	40,213	(3,921)	455,181
Machinery and equipment	48,807	2,777	(933)	50,651
Infrastructure	76,649	28,079	—	104,728
Utilities plant	7,291,909	521,053	(14,352)	7,798,610
Intangibles	139,877	15,499	(725)	154,651
Lease equipment	1,076	—	—	1,076
Subscription assets	34,612	2,406	(2,770)	34,248
Total capital assets being depreciated and amortized	8,158,870	618,820	(23,360)	8,754,330
Less accumulated depreciation and amortization:				
Buildings	(57,057)	(3,837)	614	(60,280)
Improvements other than buildings	(195,009)	(16,909)	3,845	(208,073)
Machinery and equipment	(32,536)	(3,561)	926	(35,171)
Infrastructure	(20,264)	(2,773)	—	(23,037)
Utilities plant	(3,208,068)	(200,036)	10,049	(3,398,055)
Intangibles	(82,991)	(2,203)	2	(85,192)
Lease equipment	(308)	(154)	1	(461)
Subscription assets	(22,054)	(4,866)	1,542	(25,378)
Total accumulated depreciation and amortization	(3,618,287)	(234,339)	16,979	(3,835,647)
Total capital assets being depreciated and amortized, net	4,540,583	384,481	(6,381)	4,918,683
Business-type activities capital assets, net	$ 5,315,068	$ 1,110,935	$ (574,071)	$ 5,851,932

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

Expenses for capital asset related depreciation and amortization were charged to governmental activities and business-type activities as of December 31, 2025, as follows (in 000's):

Governmental Activities:		
General government	$	11,385
Public safety		13,163
Public works		57,968
Parks		6,195
Planning		176
Internal service funds		201
Total depreciation and amortization expense governmental activities	$	89,088
Business-type Activities:		
Utilities	$	206,495
Non-major enterprise funds		27,796
Total depreciation and amortization expense business-type activities		234,291
Accumulated depreciation due to asset transfer from governmental activities		48
Total	$	234,339

Note: Immaterial differences may occur due to rounding.

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, 2025, the ARO deferred outflows were $5,060,000.

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The following schedule reflects the changes in discretely presented component unit capital assets for governmental activities for the year ended December 31, 2025 (in 000's):

	Beginning Balance**	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 866	$ —	$ —	$ 866
Intangibles	423	—	—	423
Construction in progress	78,014	19,057	(26,636)	70,435
Total capital assets not being depreciated	79,303	19,057	(26,636)	71,724
Capital assets being depreciated:				
Improvements other than buildings	11,819	774	—	12,593
Machinery and equipment	247	54	—	301
Infrastructure	79,221	9,101	—	88,322
Total capital assets being depreciated	91,287	9,929	—	101,216
Less accumulated depreciation for:				
Improvements other than buildings	(4,568)	(701)	—	(5,269)
Machinery and equipment	(178)	(47)	—	(225)
Infrastructure	(21,600)	(3,211)	—	(24,811)
Total accumulated depreciation	(26,346)	(3,959)	—	(30,305)
Total capital assets being depreciated, net	64,941	5,970	—	70,911
Governmental activities capital assets, net	$ 144,244	$ 25,027	$ (26,636)	$ 142,635

* Includes transfers between categories.

** Restated.

Note: Immaterial differences may occur due to rounding.

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The following schedule reflects the changes in discretely presented component unit capital assets for business-type activities for the year ended December 31, 2025 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 66	$ —	$ —	$ 66
Construction in progress	10,248	2,310	(2,327)	10,231
Total capital assets not being depreciated	10,314	2,310	(2,327)	10,297
Capital assets being depreciated and amortized:				
Machinery and equipment	137	—	—	137
Utilities plant	128,771	2,706	(194)	131,283
Lease assets:				
Equipment	331	725	(147)	909
Land	275	—	—	275
Total capital assets being depreciated and amortized	129,514	3,431	(341)	132,604
Less accumulated depreciation and amortization for:				
Machinery and equipment	(40)	(20)	—	(60)
Utilities plant	(60,518)	(2,013)	182	(62,349)
Lease assets:				
Equipment	(143)	(77)	147	(73)
Land	(29)	(9)	—	(38)
Total accumulated depreciation and amortization	(60,730)	(2,119)	329	(62,520)
Total capital assets being depreciated and amortized, net	68,784	1,312	(12)	70,084
Business-type activities capital assets, net	$ 79,098	$ 3,622	$ (2,339)	$ 80,381

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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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 2026 and 2029. A building lease has a one-year renewal option that may be exercised. For one of the City's equipment leases, a fixed rent is paid monthly to cover the minimum usage of the equipment, which is not included in the lease liability. If the minimum usage is exceeded, additional rent is charged for the overage. Additional rent payments for overages totaled $1,567 for the fiscal year ended December 31, 2025. 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 $173,930 for the fiscal year ended December 31, 2025. 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			
2026	$ 1,718,691	$ 341,590	$ 2,060,281
2027	1,812,387	247,894	2,060,281
2028	1,884,175	150,340	2,034,515
2029	1,965,551	47,968	2,013,519
Total	7,380,804	787,792	8,168,596
Buildings			
2026	386,527	21,740	408,267
2027	240,774	9,662	250,436
2028	68,139	4,485	72,624
2029	61,652	1,118	62,770
Total	757,092	37,005	794,097
Total lease liabilities	$ 8,137,896	$ 824,797	$ 8,962,693

Note: Immaterial differences may occur due to rounding.

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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			
2026	$ 153,000	$ 16,000	$ 169,000
2027	158,000	12,000	170,000
2028	163,000	7,000	170,000
2029	167,000	3,000	170,000
Total lease liabilities	$ 641,000	$ 38,000	$ 679,000

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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 2025 and 2050. The tower space leases contain multi-year renewal options that may be exercised, some of which are reasonably certain of exercise and are included in the December 31, 2025 lease liability. 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			
2026	$ 36,145	$ 55,180	$ 91,325
2027	36,928	58,452	95,380
2028	45,554	54,065	99,619
2029	16,316	52,544	68,860
2030	7,606	52,075	59,681
2031-2035	90,483	245,700	336,183
2036-2040	217,422	191,595	409,017
2041-2045	403,696	77,506	481,202
Total	854,150	787,117	1,641,267
Land			
2026	3,073	9,376	12,449
2027	7,790	4,659	12,449
2028	7,951	4,498	12,449
2029	8,114	4,335	12,449
2030	8,281	4,168	12,449
2031-2035	44,037	18,210	62,247
2036-2040	48,761	13,486	62,247
2041-2045	53,993	8,254	62,247
2046-2050	59,786	2,461	62,247
Total	241,786	69,447	311,233
Total lease liabilities	$ 1,095,936	$ 856,564	$ 1,952,500

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, with current lease periods expiring in 2025 and 2026, respectively. The lease at Skyview Sports Complex contains renewal options that may be exercised to extend the lease term through 2029 that are considered likely to be exercised and are included in the December 31, 2025 lease receivable. The lease at Acacia Park has one remaining renewal option that may be exercised through 2027. 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 were excluded from the measurement of the lease receivable. The royalties and fees totaled $46,626 for fiscal year ended December 31, 2025. 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, 2025, there were no qualifying agreements.

The City leases a building to a venue management and production company. The original lease term expires in 2030, but contains multi-year renewal options that may be exercised to extend the lease term into 2050. The agreement contains no material residual value guarantees or variable lease payment requirements based on usage or performance.

The City leases land to a local stable. The original lease term expires in 2034, but contains multi-year renewal options that may be exercised to extend the lease term into 2049. This lease agreement contains no material residual value guarantees or variable lease payment requirements based on usage or performance.

Total lease revenue recognized during the fiscal year ended December 31, 2025 is as follows:

	Revenue	Interest	Total
Retail space	$ 12,340	$ 1,314	$ 13,654
Radio tower sites	134,776	18,218	152,994
Building	27,724	6,621	34,345
Land	12,344	5,543	17,887
Total lease revenue	$ 187,184	$ 31,696	$ 218,880

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 2046. 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, 2025 is as follows:

Revenue	Interest	Total
$ 2,226,739	$ 1,911,906	$ 4,138,645

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 $733,099 during the fiscal year ended December 31, 2025.

Pikes Peak America's Mountain (PPAM) leases retail and dining space to a vendor who operates in the Pikes Peak Summit complex and has a current term expiring in 2030. 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 $2,467,833 for the fiscal year ended December 31, 2025. This lease agreement contains no material residual value guarantees.

Total fixed lease revenue recognized during the fiscal year ended December 31, 2025 is as follows:

Revenue	Interest	Total
$ 1,227,531	$ 9,688	$ 1,237,219

Patty Jewett and Valley Hi golf courses lease the pro shops and driving ranges to a single vendor under separate lease agreements. The Patty Jewett lease contains multi-year renewal options that can extend the contract through 2029. The original lease term ended in 2024 and the agreement is in a holdover period while the 2025 and 2026 renewal options are being exercised. It is reasonably certain that all of the renewal options will be exercised through 2029 and are included in the December 31, 2025 lease receivable. The Valley Hi lease expires in 2029. 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, 2025 is as follows:

	Revenue	Interest	Total
Patty Jewett	$ 9,699	$ 912	$ 10,611
Valley Hi	9,699	912	10,611
	$ 19,398	$ 1,824	$ 21,222

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 (FAA) and are excluded from the measurement of the lease receivable.

The non-regulated leases have original lease terms expiring between 2026 and 2105. Many of them contain multi-year renewal options that may be exercised, some of which are reasonably certain of exercise and are included in the December 31, 2025 lease receivable. 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 $3,245,282 for the fiscal year ended December 31, 2025. These lease agreements contain no material residual value guarantees.

Total lease revenue recognized for non-regulated leases during the fiscal year ended December 31, 2025 is as follows:

Revenue	Interest	Total
$ 6,495,521	$ 3,032,910	$ 9,528,431

The regulated leases have current lease terms expiring in 2026 and 2028. One regulated lease agreement terminated in 2024, but is in a month-to-month holdover period while a new lease agreement is 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, 2025, additional and fixed rents recognized totaled $6,634,453 and $1,299,379, respectively.

The following is a schedule of minimum rental payments for regulated leases as of December 31, 2025:

Year	Amount
2026	$ 1,816,718
2027	1,804,357
2028	1,804,357
Total	$ 5,425,432

3. **Subscriptions**

Governmental Activities (exclusive of discretely presented component units)

The City has SBITAs with original subscription periods expiring between 2026 and 2030. 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, 2025 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 2025. 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 $29,538 were paid in the fiscal year ended December 31, 2025.

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

Year Ending December 31,	Principal	Interest	Total
2026	$ 5,913,044	$ 847,955	$ 6,760,999
2027	6,152,375	233,749	6,386,124
2028	1,738,189	96,623	1,834,812
2029	873,317	15,404	888,721
2030	14,332	83	14,415
Total subscription liabilities	$ 14,691,257	$ 1,193,814	$ 15,885,071

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 2026 through 2030, some of which include user fees and per unit costs that are not fixed in the agreement. Utilities made payments of $211,000 related to these costs in 2025.

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

Year Ending December 31,	Principal	Interest	Total
2026	$ 2,712,000	$ 93,000	$ 2,805,000
2027	1,030,000	58,000	1,088,000
2028	697,000	30,000	727,000
2029	717,000	10,000	727,000
Total subscription liabilities	$ 5,156,000	$ 191,000	$ 5,347,000

The Airport has SBITAs with current subscription terms expiring from 2026 through 2028. Some 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
2026	$ 136,551	$ 34,334	$ 170,885
2027	161,202	13,706	174,908
2028	152,567	7,249	159,816
2029	124,694	1,610	126,304
Total subscription liabilities	$ 575,014	$ 56,899	$ 631,913

The Parking System has SBITAs with current subscription terms expiring in 2026 and 2030. Some contain multi-year renewal options that may be exercised, one of which is reasonably certain of exercise and is included in the December 31, 2025 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
2026	$ 39,527	$ 9,547	$ 49,074
2027	40,163	6,941	47,104
2028	42,118	4,986	47,104
2029	44,168	2,936	47,104
2030	37,853	811	38,664
Total subscription liabilities	$ 203,829	$ 25,221	$ 229,050

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
2026	$ 14,835	$ 1,888	$ 16,723
2027	17,225	—	17,225
Total subscription liabilities	$ 32,060	$ 1,888	$ 33,948

The Stormwater Enterprise has SBITAs with current subscription terms expiring in 2026. They also have multi-year renewal options through 2027 and 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
2026	$ 57,999	$ 13,983	$ 71,982
2027	41,587	—	41,587
Total subscription liabilities	$ 99,586	$ 13,983	$ 113,569

I. Revolving Loan Agreement/Letter of Credit

On July 8, 2025, 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 are 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, 2028. 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 2025, Utilities issued $700,000,000 of Utilities System Improvement Revenue Bonds, Series 2025A and $38,160,000 Utilities System Refunding Revenue Bonds, Series 2025B. The Series 2025A bonds were issued as new money bonds to finance a portion of the costs of a number of general capital improvements. The Series 2025A bonds, with a final maturity date of 2055, bear interest rates ranging from 5.00% to 5.25%. The Series 2025B bonds were used to refund a portion of the City's outstanding Utilities System Refunding Revenue Bonds, Series 2015A. The reacquisition price of the refunded bonds exceeded the net carrying amount of the old debt by $488,000. 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 $11,861,000 resulting in a net present value savings of $3,619,000. The Series 2025B bonds bear an interest rate of 5.00% and have a 2031 final maturity date.

During 2025, First & Main BID issued $3,290,000 in Series 2025 Limited Tax General Obligation Bonds. The proceeds from the sale of bonds were used to finance street improvements. The bonds bear an interest rate of 7.00% and have a 2055 final maturity date.

During 2025, First & Main BID No. 2 issued $1,480,000 in Series 2025 Limited Tax General Obligation Bonds. The proceeds from the sale of bonds were used to reimburse the developer for capital infrastructure costs and to pay bond issuances costs. The bonds bear an interest rate of 7.00% and have a 2055 final maturity date.

During 2025, MW Retail BID issued $1,140,000 of Special Revenue Bonds, Series 2025A and $2,280,000 Subordinate Special Revenue Bonds, Series 2025B. The Series 2025A bonds were issued for the purpose of reimbursing the costs of public improvements, funding the reserve fund and paying the issuance costs. The Series 2025A bonds, with a final maturity date of 2054, bear an interest rate of 6.375%. The Series 2025B bonds were used for reimbursing the costs of public improvements and paying amounts due under a reimbursement agreement. The Series 2025B bonds are structured as cash flow bonds and bear an interest rate of 7.875% and have a 2055 final maturity date.

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 Notes). The maximum principal amount of the 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, 2025 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 in the amount of $63,979 at December 31, 2025. Utilities' bond issues did not carry any liability at December 31, 2025.

Municipal Solid Waste Landfill Closure and Postclosure Care Cost

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, 2025, the Utilities fund recognized a liability of $23,587,000 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 $27,127,972. The average landfill capacity used to date is 85.1%. The estimated remaining lives of landfills vary up to a maximum of 61 years. As of December 31, 2025, the governmental activities recognized a liability of $109,334 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 $27,237,306. The last independent assessment was completed in 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, 2025:

Year Resolution Adopted	Urban Renewal Project Plan	Percentage Authorized	Limitations
2024	OneVeLa	87.5%	Not to exceed 25 years
2023	City Gate 2.0	100.0%	Not to exceed 25 years
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
2012	Ivywild	100.0%	Through June 28, 2036
2010	Copper Ridge Metropolitan District Area	87.5%	Not to exceed 25 years and not to exceed $13.5 million
2004	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, 2025:

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
GOVERNMENTAL ACTIVITIES[1]				
Certificates of Participation				
Refunding COP Series 2017	$ 29,930	$ 24,460	3.000 - 5.250	2018 - 2039
COP Series 2019	9,000	7,130	4.000 - 5.000	2020 - 2039
	38,930	31,590		
General Obligation Bonds - direct placement				
Marketplace at Austin Bluffs GID Series 2008	2,790	845	6.500	2010 - 2031
	2,790	845		
Financed Purchases - direct borrowing and direct placement				
Financed Purchase Series 2016 - Direct Placement	13,690	1,475	1.620	2017 - 2026
Financed Purchases	37,373	11,416	0.000 - 4.838	2019 - 2029
	51,063	12,891		
Total governmental activities	$ 92,783	$ 45,326		

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Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
BUSINESS-TYPE ACTIVITIES[2]				
Revenue Bonds				
Utilities Revenue Bonds				
Series 2005A	$ 100,000	$ 55,095	resets weekly	2010 - 2035
Series 2006B	75,000	45,525	resets weekly	2011 - 2036
Series 2007A	75,000	42,420	resets weekly	2008 - 2037
Series 2008A	50,000	29,900	resets weekly	2009 - 2038
Series 2009B-2	64,450	49,500	4.949 - 5.545	2010 - 2039
Series 2009C	66,455	51,975	resets weekly	2010 - 2028
Series 2009D-2	56,750	46,710	4.164 - 6.313	2016 - 2049
Series 2010C	50,000	32,245	resets weekly	2011 - 2040
Series 2010D-4	107,260	107,260	6.615	2011 - 2040
Series 2012A	50,000	33,830	resets weekly	2012 - 2041
Series 2015A	82,795	7,040	3.000 - 5.000	2018 - 2048
Series 2017A-1	89,750	70,255	3.000 - 5.000	2018 - 2042
Series 2017A-2	84,340	71,710	2.500 - 5.000	2018 - 2047
Series 2018A-1	125,645	22,435	3.000 - 5.000	2018 - 2026
Series 2018A-2	39,500	34,090	3.000 - 5.000	2019 - 2048
Series 2018A-3	4,810	2,485	5.000	2019 - 2033
Series 2018A-4	56,860	49,230	4.000 - 5.000	2019 - 2048
Series 2019A	84,090	84,090	5.000	2027 - 2029
Series 2020A	200,720	154,025	4.000 - 5.000	2020 - 2050
Series 2020B	50,980	20,190	5.000	2020 - 2028
Series 2020C	85,440	67,215	5.000	2020 - 2050
Series 2021A	38,715	21,940	5.000	2021 - 2033
Series 2021B	185,030	172,660	4.000 - 5.000	2021 - 2051
Series 2022A	127,425	107,030	4.000 - 5.000	2022 - 2042
Series 2022B	163,520	160,325	5.000 - 5.250	2022 - 2052
Series 2023A	203,060	203,060	3.000 - 5.250	2028 - 2053
Series 2023B	161,335	155,985	5.000 - 5.250	2023 - 2045
Series 2024A	289,020	289,020	5.000 - 5.250	2030 - 2054
Series 2024B	89,190	86,565	5.000	2024 - 2054
Series 2025A	700,000	700,000	5.000 - 5.250	2025 - 2055
Series 2025B	38,160	38,160	5.000	2025 - 2031
PACE Revenue Bonds Series 2008	653,210	480,181	5.750 - 6.500	2009 - 2038
PPAM Revenue Bonds Series 2018	30,050	26,315	3.750 - 5.250	2019 - 2048
	4,278,560	3,518,466		
Bonds and notes payable from direct borrowings and direct placements				
Parking System Revenue Bonds Series 2015 - direct placement	9,520	1,470	2.430	2015 - 2027
Airport, 2020	7,500	4,049	3.250	2021 - 2030
Airport, 2021	8,000	4,989	2.000	2022 - 2031
Drinking Water - Utilities, 2009	8,600	2,566	2.500	2011 - 2030
	24,100	11,604		
Financed Purchases	3,074	2,297	2.999 - 7.500	2022 - 2032
Total business-type activities	$ 4,315,254	$ 3,533,837		

(continued)

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (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	$ 2,465	6.500	2009 - 2036
Barnes & Powers South BID Series 2007	835	75	6.500	2009 - 2026
First & Main BID Series 2009	1,650	1,150	8.500	2009 - 2038
First & Main BID Series 2025	3,290	3,290	7.000	2026 - 2055
First & Main North BID Series 2005	1,927	1,072	6.000	2005 - 2035
First & Main No. 2 BID Series 2009	2,400	1,750	8.500	2011 - 2038
First & Main No. 2 BID Series 2015	1,750	1,450	6.750	2015 - 2044
First & Main No. 2 BID Series 2022	3,941	3,941	6.500	2039 - 2051
First & Main No. 2 BID Series 2025	1,480	1,480	7.000	2026 - 2055
Gold Hill North BID Series 2024A	22,100	22,100	5.600	2030 - 2054
Gold Hill North BID Series 2024B[3]	2,345	2,345	8.000	N/A
Interquest North BID Series 2010	6,500	4,980	7.000	2012 - 2040
Interquest North BID Series 2016	4,765	4,450	6.500	2017 - 2045
Interquest North BID Series 2020	13,735	13,503	7.000	2020 - 2049
Interquest Town Center - Series 2020	2,860	2,830	7.000	2020 - 2049
Powers & Woodmen Commercial BID Series 2009	1,850	1,385	8.500	2011 - 2039
Powers & Woodmen Commercial BID Series 2022	2,519	2,519	6.500	2040 - 2050
	77,947	70,785		
Special Assessment Revenue Bonds				
Briargate Center BID Series 2006	7,360	1,025	4.500 - 4.900	2006 - 2027
CSURA Series 2018A	7,325	7,215	5.750	2021 - 2047
CSURA Series 2018B[3]	1,156	1,086	8.125	N/A
	15,841	9,326		
Revenue Bonds				
Creekwalk Marketplace BID Series 2024A	50,000	50,000	6.000	2029 - 2054
Creekwalk Marketplace BID Series 2024B[3]	15,000	15,000	8.000	N/A
First & Main No. 2 BID Series 2011	2,000	1,275	8.500	2011 - 2035
First & Main No. 2 BID Series 2015	1,725	1,335	6.750	2017 - 2039
First & Main No. 2 BID Series 2022	6,700	6,700	6.500	2036 - 2051
Interquest South BID Series 2017	4,000	3,650	4.500 - 5.000	2018 - 2047
MW Retail BID Series 2024	4,190	4,190	6.000	2027 - 2054
MW Retail BID Series 2025A	1,140	1,140	6.375	2027 - 2054
MW Retail BID Series 2025B[3]	2,280	2,280	7.875	N/A
Park Union BID Series 2020A[3]	26,500	26,500	8.000	N/A
True North Commons BID Series 2022A	7,695	7,695	5.000	2042 - 2052
True North Commons BID Series 2022B	54,370	54,370	6.000 - 7.000	2026 - 2052
True North Commons BID Series 2022C[3]	24,275	24,275	7.750	N/A
	199,875	198,410		
Bonds and notes payable from direct borrowings and direct placements				
Barnes & Powers North BID[3]	322	74	7.000	N/A
Briargate Center BID Series 2018	3,380	1,276	4.770	2019 - 2028
Briargate Center BID Series 2019[3]	6,196	5,816	—	N/A
Creekwalk Marketplace[3]	8,759	1,401	8.000	N/A
CSURA Series 2019	12,400	7,983	3.300	2020 - 2031
CSURA Series 2020 Refunding	52,575	25,881	2.050	2021 - 2030
CSURA Series 2020 Revenue	5,701	3,907	3.250 - 3.368	2021 - 2047
CSURA Series 2023	34,100	23,355	4.250	2023 - 2030
CSURA Series 2025 Ivywild	1,932	1,830	6.350	2026 - 2035
First & Main North BID[3]	387	162	7.000	N/A
Gold Hill North BID[3]	17,225	4,377	8.000	N/A
Interquest South BID[3]	2,405	591	7.000	N/A
Interquest Town Center BID[3]	114	86	8.000	N/A
MW Retail BID[3]	2,957	212	8.000	N/A
Park Union BID[3]	1,807	1,807	6.000 - 8.000	N/A
True North Commons BID[3]	295	295	7.000	N/A
	150,555	79,053		
Financed Purchases				
Creekwalk Marketplace Signage	779	386	4.170 - 4.210	2023 - 2028
Total governmental activities	$ 444,997	$ 357,960		

(continued)

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
BUSINESS-TYPE ACTIVITIES				
The Twin Lakes Reservoir and Canal Co., 2024[3]	$ 7,844	$ 7,844	—	N/A
The Lake Meredith Reservoir Company, 2003	1,472	585	4.000	2005 - 2034
Total business-type activities	$ 9,316	$ 8,429		

[1]Exclusive of municipal solid waste landfill and compensated absences

[2]Exclusive of other liabilities

[3]These items have no repayment schedule

Note: Immaterial differences may occur due to rounding.

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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, 2025 (in 000's):

	Beginning Balance	Additions/ Adjustments	Reductions/ Adjustments	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Certificates of participation	$ 32,905	$ —	$ (1,315)	$ 31,590	$ 1,435
Add issuance premium	2,543	—	(171)	2,372	—
	35,448	—	(1,486)	33,962	1,435
Bonds and notes payable from direct borrowings and direct placements					
General obligation bonds	1,125	—	(280)	845	140
Financed purchases	20,605	848	(8,562)	12,891	7,853
	21,730	848	(8,842)	13,736	7,993
Other liabilities					
Municipal solid waste landfill	107	3	—	110	—
Compensated absences	40,593	30,915	(32,146)	39,362	1,968
Lease liabilities	1,142	8,890	(1,893)	8,139	2,105
Subscription liabilities	4,960	31,953	(22,222)	14,691	5,913
Claims payable	33,872	56,757	(56,455)	34,174	17,087
Net pension liability	255,455	13,497	(46,517)	222,435	—
Net OPEB liability	25,596	2,573	(2,349)	25,820	1,100
Developer reimbursements	3,804	—	(311)	3,493	—
	365,529	144,588	(161,893)	348,224	28,173
Total governmental activities	$ 422,707	$ 145,436	$ (172,221)	$ 395,922	$ 37,601
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	$ 2,947,840	$ 738,161	$ (167,535)	$ 3,518,466	$ 126,085
Add issuance premiums/(discounts)	278,934	45,645	(23,186)	301,393	—
	3,226,774	783,806	(190,721)	3,819,859	126,085
Bonds and notes payable from direct borrowings and direct placements					
Revenue bonds	2,280	—	(810)	1,470	830
Notes payable	13,590	—	(1,986)	11,604	2,038
Financed purchases	453	2,145	(301)	2,297	528
	16,323	2,145	(3,097)	15,371	3,396
Other liabilities					
Municipal solid waste landfill	23,215	372	—	23,587	—
Compensated absences	30,534	2,322	(4,880)	27,976	21,661
Lease liabilities	791	—	(149)	642	153
Subscription liabilities	10,397	729	(5,058)	6,068	2,961
Asset retirement obligation	7,687	813	—	8,500	—
Claims payable	4,041	68,385	(68,810)	3,616	3,616
Customer deposits	6,867	1,944	(1,284)	7,527	—
Customer advances for construction	40,878	60,321	(59,419)	41,780	—
Net pension liability	182,822	36,143	(64,727)	154,238	—
Net OPEB liability	27,874	921	(6,409)	22,386	1,022
Derivative instruments	22,665	1,538	—	24,203	—
Other	532	1	—	533	—
	358,303	173,489	(210,736)	321,056	29,413
Total business-type activities	$ 3,601,400	$ 959,440	$ (404,554)	$ 4,156,286	$ 158,894

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, 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, 2025 (in 000's):

	Beginning Balance*	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Limited tax general obligation bonds	$ 66,888	$ 4,770	$ (873)	$ 70,785	$ 943
Special assessment revenue bonds	9,806	—	(480)	9,326	1,255
Revenue bonds	195,195	3,420	(205)	198,410	875
Add issuance premiums	111	—	(5)	106	—
Other	27,810	7,348	(5,099)	30,059	—
	299,810	15,538	(6,662)	308,686	3,073
Bonds and notes payable from direct borrowings and direct placements					
Revenue bonds	36,598	—	(5,260)	31,338	5,275
Notes payable	57,924	11,905	(22,114)	47,715	4,503
Financed purchases	540	—	(154)	386	160
	95,062	11,905	(27,528)	79,439	9,938
Total governmental activities	$ 394,872	$ 27,443	$ (34,190)	$ 388,125	$ 13,011
BUSINESS-TYPE ACTIVITIES					
Notes payable	$ 6,999	$ 1,489	$ (59)	$ 8,429	$ 62
Lease liabilities	447	725	(76)	1,096	39
Total business-type activities	$ 7,446	$ 2,214	$ (135)	$ 9,525	$ 101

*Restated

Note: Immaterial differences may occur due to rounding.

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3. Annual Debt Service Requirements of Long-term Debt

The following is a summary of general obligation bond scheduled maturities as of December 31, 2025 (in 000's):

	Governmental Activities		Governmental Activities Component Units	
	Direct Placement			
Year	Principal	Interest	Principal	Interest
2026	$ 140	$ 55	$ 943	$ 4,464
2027	150	46	936	4,398
2028	160	36	1,003	4,331
2029	170	26	1,086	4,260
2030	180	15	1,167	4,183
2031-2035	45	3	9,903	19,259
2036-2040	—	—	11,833	15,610
2041-2045	—	—	15,880	11,344
2046-2050	—	—	17,658	5,572
2051-2055	—	—	8,031	1,537
Total	$ 845	$ 181	$ 68,440	$ 74,958

Note: Immaterial differences may occur due to rounding.

The City has outstanding direct placement general obligation bonds totaling $845,000.

Gold Hill North BID issued general obligation bonds in 2024. 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, 2025, the outstanding principal balance is $2,345,000.

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The following is a summary of revenue bond scheduled maturities as of December 31, 2025 (in 000's):

	Governmental Activities Component Units		Business-type Activities	
Year	Principal	Interest	Principal	Interest
2026	$ 875	$ 8,234	$ 126,085	$ 182,287
2027	950	8,179	131,430	175,463
2028	1,145	8,121	149,125	168,491
2029	1,425	8,050	158,670	160,885
2030	2,245	7,961	168,440	152,651
2031-2035	17,985	37,053	763,625	642,110
2036-2040	26,935	30,065	705,305	433,106
2041-2045	27,810	20,817	473,595	282,678
2046-2050	26,510	12,709	486,900	165,018
2051-2054	24,475	3,771	355,291	50,567
Total	$ 130,355	$ 144,960	$ 3,518,466	$ 2,413,256

Note: Immaterial differences may occur due to rounding.

The governmental activities component units have additional revenue bonds in the amount of $68,055,000. 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, 2025 (in 000's):

	Governmental Activities Component Units		Business-type Activities	
	Direct Placement		Direct Placement	
Year	Principal	Interest	Principal	Interest
2026	$ 5,275	$ 1,256	$ 830	$ 36
2027	5,956	1,040	640	16
2028	6,682	795	—	—
2029	6,484	521	—	—
2030	4,221	257	—	—
2031-2033	2,720	90	—	—
Total	$ 31,338	$ 3,959	$ 1,470	$ 52

Note: Immaterial differences may occur due to rounding.

CSURA has outstanding direct placement revenue bonds totaling $31,338,000. 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 $1,470,000. 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, 2025 (in 000's):

	Governmental Activities	
Year	Principal	Interest
2026	$ 1,435	$ 1,236
2027	1,555	1,164
2028	1,680	1,087
2029	1,820	1,003
2030	1,970	908
2031-2035	11,900	3,169
2036-2039	11,230	975
Total	$ 31,590	$ 9,542

Note: Immaterial differences may occur due to rounding.

The following is a summary of financed purchase scheduled maturities as of December 31, 2025 (in 000's):

	Governmental Activities		Business-type Activities		Governmental Activities Component Units	
	Direct Borrowing		Direct Borrowing		Direct Borrowing	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 7,853	$ 356	$ 528	$ 81	$ 160	$ 13
2027	3,763	182	375	124	167	6
2028	1,098	57	310	102	59	1
2029	177	9	330	81	—	—
2030	—	—	233	59	—	—
2031-2032	—	—	521	62	—	—
Total	$ 12,891	$ 604	$ 2,297	$ 509	$ 386	$ 20

Note: Immaterial differences may occur due to rounding.

The City has financed purchases with outstanding balances totaling $11,416,000 for governmental activities and $2,297,000 for business-type activities.

The City also has a financed purchase arrangement in governmental activities with an outstanding balance of $1,475,000. The arrangement would terminate with failure of the City to appropriate funds for payment and the City's right of possession of leased property would also terminate. The arrangement is collateralized by the Colorado Springs Police Department Sandcreek Substation.

Creekwalk Marketplace BID has an outstanding financed purchase principal balance of $386,000.

The following is a summary of special assessment bond scheduled maturities as of December 31, 2025 (in 000's):

	Governmental Activities Component Units	
Year	Principal	Interest
2026	$ 1,255	$ 465
2027	720	397
2028	215	360
2029	225	348
2030	250	335
2031-2035	1,570	1,436
2036-2040	2,260	910
2041-2045	735	423
2046-2047	1,010	106
Total	$ 8,240	$ 4,780

Note: Immaterial differences may occur due to rounding.

CSURA issued special assessment bonds in 2018. The bonds are to be repaid exclusively from specified revenues and therefore have no predetermined payback period. As such, the bonds are not listed in the above schedule. As of December 31, 2025, the outstanding principal balance is $1,086,000.

The following is a summary of notes payable scheduled maturities as of December 31, 2025 (in 000's):

	Governmental Activities Component Units		Business-type Activities		Business-type Activities Component Units	
	Direct Borrowings		Direct Borrowings		Direct Borrowings	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 4,503	$ 830	$ 2,038	$ 292	$ 62	$ 24
2027	4,699	720	2,090	240	63	21
2028	5,026	604	2,145	185	67	19
2029	4,648	474	2,201	130	69	16
2030	10,634	367	2,257	73	72	13
2031-2035	3,152	438	873	17	252	23
2036	232	12	—	—	—	—
Total	$ 32,894	$ 3,445	$ 11,604	$ 937	$ 585	$ 116

Note: Immaterial differences may occur due to rounding.

The governmental activities and business-type activities component units have combined notes payable in the amount of $14,821,000 and $7,844,000, respectively. 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 schedules.

For governmental activities component units, CSURA has outstanding direct borrowing notes payable of $3,907,000 for a tax exempt note and $25,881,000 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 $1,276,000 that is collateralized by pledged revenue.

Included in business-type activities, Airport has outstanding direct borrowing notes payable totaling $9,038,000. 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 $2,566,000.

Business-type activities component units have outstanding direct borrowing notes payable of $585,000.

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	$ 5,156,755	2008 - 2055
PACE revenue bonds	730,166	2009 - 2038
Parking revenue bonds	1,521	2015 - 2027
PPAM revenue bonds	44,800	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 from these bonds have been used to finance private sector activities related to business development, construction and expansion.

Private Activity Bonds (PABs) are a form of tax-exempt financing in which the City acts as the conduit issuer under the County and Municipality Development Revenue Bond Act, section 29-3-101 et seq. C.R.S. PABs are authorized for the purpose of enabling counties and municipalities to promote industry and develop trade or other forms of economic activity by inducing profit or nonprofit enterprises to locate, expand or remain in their communities. An advantage to borrowers is the ability to access lower interest rates because the bonds are exempt from federal income tax.

The City currently prioritizes allocating its PABs to qualified residential rental projects. These PABs are secured by the property financed and are payable solely from specific revenue streams related to the project. As such, the City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Prior to 2018, the City assigned its annual PAB allocation to El Paso County. The City now retains its own allocation and works directly with applicants. During 2025, $112.5 million in PABs were issued under the City's allocation for affordable housing.

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L. Fund Balances

Fund balances of the governmental funds at December 31, 2025, include the following:

	General Fund	Road Repair, Maintenance & Improvement Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:				
Delinquent property taxes receivable	$ 55,454	$ —	$ —	$ 55,454
Inventories	333,742	—	—	333,742
Endowments - CD Smith trust fund	—	—	1,434,718	1,434,718
Endowment - Cemetery endowment fund	—	—	14,397,087	14,397,087
Endowment - TOPS maintenance trust fund	—	—	761,340	761,340
Total nonspendable	389,196	—	16,593,145	16,982,341
Restricted:				
Emergency reserve - TABOR	12,059,004	—	—	12,059,004
Capital reserve - general government	450,654	—	—	450,654
Capital reserve - parks	45,349	—	—	45,349
Bicycle Tax	—	—	720,982	720,982
Trails/Open Space	—	—	31,946,791	31,946,791
Conservation Trust	—	—	1,803,775	1,803,775
Public Safety Sales Tax	—	—	10,397,184	10,397,184
Road Repair, Maintenance, & Improvement Sales Tax	—	28,423,650	—	28,423,650
Wildfire Mitigation	—	—	18,087,162	18,087,162
Special Improvement Maintenance Districts	—	—	1,331,577	1,331,577
General Improvement Districts	—	—	1,194,504	1,194,504
Carryout Bag Fee	—	—	305,836	305,836
Retail Marijuana Tax	—	—	2,224,220	2,224,220
Gift Trust - general government	—	—	2,204,742	2,204,742
Gift Trust - public safety	—	—	526,757	526,757
Gift Trust - public works	—	—	11,953	11,953
Gift Trust - parks	—	—	5,427,244	5,427,244
Endowment - CD Smith trust fund	—	—	427,813	427,813
Endowment - Cemetery endowment fund	—	—	27,432	27,432
Endowment - TOPS maintenance trust fund	—	—	187,808	187,808
Total restricted	12,555,007	28,423,650	76,825,780	117,804,437
Committed:				
Public improvements - Public Space and Development	—	—	22,426,380	22,426,380
Public improvements - Subdivision Drainage	—	—	23,304,783	23,304,783
Public improvements - Arterial Roadway	—	—	3,534,406	3,534,406
Ballfield Capital Improvements	—	—	129,866	129,866
Street Tree	—	—	102,213	102,213
Senior Programs	—	—	207,743	207,743
Capital outlay - general government	10,537,254	—	23,277,915	33,815,169
Capital outlay - public safety	1,465,358	—	596,483	2,061,841
Capital outlay - planning	1,222,139	—	—	1,222,139
Capital outlay - public works	9,536,325	—	14,362,744	23,899,069
Capital outlay - parks	98,650	—	291,281	389,931
Total committed	22,859,726	—	88,233,814	111,093,540
Assigned:				
Encumbrances - general government	3,071,193	—	—	3,071,193
Encumbrances - public safety	734,979	—	—	734,979
Encumbrances - planning and neighborhood services	58,873	—	—	58,873
Encumbrances - public works	1,432,505	—	—	1,432,505
Encumbrances - parks	196,433	—	—	196,433
Encumbrances - capital projects	—	—	2,330,521	2,330,521
Total assigned	5,493,983	—	2,330,521	7,824,504
Unassigned:	62,905,399	—	(228,770)	62,676,629
Total unassigned	62,905,399	—	(228,770)	62,676,629
Total fund balances	$ 104,203,311	$ 28,423,650	$ 183,754,490	$ 316,381,451

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 other 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 stand alone other derivative instruments. The change in the fair value of other derivative instruments is recognized as nonoperating revenues (expenses) on the statement of revenues, expenses and changes in net position or other derivative instruments.

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. 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, 2025, classified by type and changes in fair value of such derivative instruments, are outlined below (in 000's) :

	Changes in Fair Value		Fair Value		
	Classification	Amount	Classification	Amount	Notional
Cash Flow Hedges					
Interest Rate Swaps	Deferred outflows	$ 1,035	Derivative instruments	$ (7,815)	$ 85,025
Total Cash Flow Hedges		$ 1,035		$ (7,815)	
Other Derivative Instruments					
Interest Rate Swaps	Derivative loss	$ (503)	Derivative instruments	$ (16,388)	$ 206,395
Total Other Derivative Instruments		$ (503)		$ (16,388)	

Note: Immaterial differences may occur due to rounding.

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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, 2025 (in 000's):

Year Ended December 31,	Projected Future Cash Flows In/(Out) for Hedging Derivative Instruments	
2026	$	(4,940)
2027		(4,654)
2028		(4,070)
2029		(2,767)
2030		(2,496)
2031-2035		(7,927)
2036-2040		(1,524)
2041		(31)
Total	$	(28,409)

Note: Immaterial differences may occur due to rounding.

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Summary of Utilities' pay-fixed interest rate swap agreements outstanding as of December 31, 2025 (in 000's):

	Notional Amount	Effective Date	Maturity Date	Trade Details	Counterparty
Cash Flow Hedges					
2005A SIFMA Swap	$ 41,214	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2005A SIFMA Swap	13,881	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	J. Aron & Company
2008A SIFMA Swap	29,900	09/12/08	11/01/38	Pay 4.2686%; receive SIFMA index	Bank of America, N.A.
Other Derivative Instruments					
2005A SIFMA Swap	430	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2006B New Money LIBOR Swap	18,210	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	27,315	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	25,452	09/13/07	11/01/37	Pay 3.1980%; receive 68% of SOFR + Spread (LIBOR)	J. Aron & Company
2007A New Money LIBOR Swap	16,968	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)	51,975	10/01/09	11/01/28	Pay 5.4750%; receive 68% of SOFR + Spread (LIBOR)	Wells Fargo Bank, N.A.
2010C LIBOR Swap	32,245	10/26/10	11/01/40	Pay 3.8807%; receive 68% of SOFR + Spread (LIBOR)	Morgan Stanley Capital Services, Inc.
2012A LIBOR Swap	33,830	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	$ 291,420				

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 other 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 other 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 other derivative instruments.

Long-term counterparty credit ratings from Moody's and S&P at December 31, 2025:

Counterparty	Credit Rating
J. Aron & Co.	A2/BBB+
JPMorgan Chase Bank, N.A.	Aa2/AA-
Bank of America, N.A.	Aa2/A+
Morgan Stanley Capital Services, Inc.	Aa3/A+
Wells Fargo Bank, N.A.	Aa2/A+

The Financial Risk Management Plan requires that Utilities' counterparties to financial instruments be on an approved counterparty list. To be on the interest rate counterparty transaction list, at the time of transaction execution, counterparties must have a minimum credit rating in the "A-" category by at least one of the major credit rating agencies 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, 2025, 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, 2025, 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, 2025 was approximately ($24.3) million.

The combined fair value of all derivative instruments, net of collateral postings, as of December 31, 2025 was approximately ($24.3) 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, 2025, 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, 2025, the weighted average interest rate on Utilities' variable rate debt was 2.31%, the SIFMA swap index rate was 2.36%, while 68.00% of the SOFR plus spread was 2.71%. 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.(ISDA) has released its Interbank Offered Rate Fallbacks Protocol (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 SOFR 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 2025, 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, 2025, the City did not make any payments considered "abatements" of sales/use taxes under this program.

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O. Restatement of Net Position

Beginning net position for the governmental activities component units has been restated for three BIDs. Beginning net position has been restated to reflect a change in financial reporting entity related to the removal of Campus Catalyst BID. Campus Catalyst BID had minimal financial activity and qualified for an audit exemption for 2025. MW Retail BID restated beginning net position to correct an error related to capital assets. During 2024, MW Retail BID did not record the conveyance of capital assets to other entities, resulting in an overstatement of capital asset balances. Creekwalk Marketplace BID restated beginning net position to correct errors related to prepaid legal expenses and recording additional expenses.

	Governmental Activities Component Units
Beginning net position, as previously reported	$ 49,228,944
Campus Catalyst BID: change in reporting entity - removal	279,939
MW Retail BID: error correction	(1,225,965)
Creekwalk Marketplace BID: error corrections	$ 32,379
Beginning net position, as restated	$ 48,315,297

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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 exceeding $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).

General liability coverage for the operations of Utilities is purchased from commercial carriers for losses exceeding $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 2025, the City, including Utilities, is reporting auto liability case reserves of $88,000 and IBNR reserves of $379,000 as reflected in the 2025 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 exceeding $525,000 specific deductible per person, along with $300,000 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 2025, no changes took effect in the Utilities' property policy. No loss occurred that required settlements in excess of coverage in the past three years.

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The following is a summary of changes in outstanding reserves for 2025 and 2024. 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, 2023	$ 3,397	$ 28,898
2024 Increases	36,779	53,752
2024 Decreases	(36,135)	(48,776)
Claim liabilities - December 31, 2024	4,041	33,874
2025 Increases	68,385	56,757
2025 Decreases	(68,810)	(56,457)
Claim liabilities - December 31, 2025	$ 3,616	$ 34,174

B. Donor-restricted Endowments

As of December 31, 2025, the City maintained three donor-restricted endowment funds as follows:

	Fund Balances	Available for Spending
C.D. Smith Trust	$ 1,862,531	$ 427,813
Cemetery Endowment	14,424,519	27,432
TOPS Maintenance Trust	949,148	187,808

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

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C. Postemployment Benefits Other than Pensions

The City's former and current civilian and sworn (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 total/net OPEB liabilities, deferred outflows/inflows of resources, and OPEB expenses associated with each of the plans as of December 31, 2025 (in 000's).

	Total/Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
GOVERNMENTAL ACTIVITIES				
PERA Health Care Trust Fund	$ 4,719	$ 2,351	$ 2,709	$ (143)
City OPEB Plan	21,100	7,590	7,158	(292)
Total governmental activities	25,819	9,941	9,867	(435)
BUSINESS-TYPE ACTIVITIES				
PERA Health Care Trust Fund	9,417	3,440	5,534	(1,031)
City OPEB Plan	959	318	208	10
Utilities OPEB Plan	12,010	1,022	—	(111)
Total business-type activities	22,386	4,780	5,742	(1,132)
TOTAL				
PERA Health Care Trust Fund	14,136	5,791	8,243	(1,174)
City OPEB Plan	22,059	7,908	7,366	(282)
Utilities OPEB Plan	12,010	1,022	—	(111)
Total	$ 48,205	$ 14,721	$ 15,609	$ (1,567)

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 (C.R.S.), 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://content.copera.org/wp-content/uploads/2025/06/Annual-Comprehensive-Financial-Report.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 enrolled in PERA 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.

C.R.S. § 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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 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, C.R.S. § 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 on behalf of benefit recipients not covered by Medicare Part A.

Contributions: Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., 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 $3,945,005 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2025 the City reported a liability of $14,136,287 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The City’s proportion of the net OPEB liability was based on its contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the City's proportion was 2.9562%, which was a decrease of 0.0093% from its proportion measured as of December 31, 2023.

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, 2025 (a December 31, 2024 measurement date) was 87.3568% and 12.6432% between the governmental activities and business-type activities, respectively, excluding Utilities. This allocation is an increase from the prior year in the governmental activities of 0.2326% and a corresponding decrease 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, 2025 the City recognized OPEB expense of ($1,173,839).

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At December 31, 2025, 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	$ —	$ 3,117,635
Net difference between projected and actual earnings on OPEB plan investments	48,314	—
Changes of assumptions or other inputs	161,946	4,518,457
Changes in proportion	1,635,532	606,798
Contributions subsequent to the measurement date	3,945,005	—
Total	$ 5,790,797	$ 8,242,890

The $3,945,005 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, 2026. 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
2026	$ (1,172,075)	$ 147,252	$ (1,146,088)	$ 374,645	$ (1,796,266)
2027	(794,959)	346,310	(830,596)	396,172	(883,073)
2028	(564,767)	(315,628)	(867,661)	239,866	(1,508,190)
2029	(302,973)	(129,620)	(645,927)	37,353	(1,041,167)
2030	(192,854)	—	(551,796)	3,517	(741,133)
Thereafter	(90,007)	—	(314,443)	(22,819)	(427,269)
Total	$ (3,117,635)	$ 48,314	$ (4,356,511)	$ 1,028,734	$ (6,397,098)

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 2024 measurement period to be 6.59 years. The difference between projected and actual earnings on investments is amortized over a closed five-year period.

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Actuarial Assumptions: The total OPEB liability in the December 31, 2023 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	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 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 were 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.

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Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male) %	Annual Increase (Female) %
65-68	2.2	2.3
69	2.8	2.2
70	2.7	1.6
71	3.1	0.5
72	2.3	0.7
73	1.2	0.8
74	0.9	1.5
75-85	0.9	1.3
86 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	$ 1,710	$ 1,420	$ 585	$ 486	$ 1,897	$ 1,575
70	1,921	1,589	657	544	2,130	1,763
75	2,122	1,670	726	571	2,353	1,853

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	$ 6,536	$ 5,429	$ 4,241	$ 3,523	$ 7,063	$ 5,866
70	7,341	6,073	4,764	3,941	7,933	6,563
75	8,110	6,385	5,262	4,143	8,763	6,900

The 2024 Medicare Part A premium is $505 per month.

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

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. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Year	PERACare Medicare Plans[1] (%)	MAPD PPO #21 (%)	Medicare Part A Premiums (%)
2024	16.00	105.00	3.50
2025	6.75	8.55	3.75
2026	6.50	8.10	3.75
2027	6.25	7.65	4.00
2028	6.00	7.20	4.00
2029	5.75	6.75	4.25
2030	5.50	6.30	4.25
2031	5.25	5.85	4.25
2032	5.00	5.40	4.25
2033	4.75	4.95	4.50
2034+	4.50	4.50	4.50

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023 valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Retirement Status	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

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

- Per capita health care costs in effect as of the December 31, 2023, 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 were updated to reflect the change in costs for the 2024 plan year.

- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.

- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	3.40%-13.00%

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

- Participation rates were reduced.

- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$ 1,824	$ 6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Retirement Status	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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.

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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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. 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	51.00	5.00
Fixed income	23.00	2.60
Private equity	10.00	7.60
Real estate	10.00	4.10
Alternatives	6.00	5.20
Total	100.00	

Note: 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 table 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[1]	5.75	6.75	7.75
Ultimate PERACare Medicare trend rate	3.50	4.50	5.50
Initial MAPD PPO#2 trend rate[1]	7.55	8.55	9.55
Ultimate MAPD PPO#2 trend rate	3.50	4.50	5.50
Initial Medicare Part A trend rate[1]	2.75	3.75	4.75
Ultimate Medicare Part A trend rate	3.50	4.50	5.50
Proportionate share of the net OPEB liability	$ 13,754,796	$ 14,136,287	$ 14,566,662

[1]For the January 1, 2025, plan year.

Discount Rate: The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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, 2024, 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 transfers 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.

- As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the projection test indicates the fiduciary net position for the HCTF 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 did 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 table 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	$ 17,323,451	$ 14,136,287	$ 11,387,370

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://content.copera.org/wp-content/uploads/2025/06/Annual-Comprehensive-Financial-Report.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: Sworn 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. Both sworn 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:

For retirement dates on or prior to December 31, 2023:
- $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

For retirement dates on or after January 1, 2024:
- $12,000 for City Mayor and Mayoral Appointees
- $9,000 for City Department Heads and other City Executives
- $6,000 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	2,029
Number of beneficiaries receiving benefits	18
Number of active employees	2,787

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:

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

There is no direct cost to the City for those sworn 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:

For retirement dates on or prior to December 31, 2023:
- $11.88 for Mayor and Mayoral Appointees
- $7.92 for City Department Heads and other City Executives
- $3.96 for all other City retirees

For retirement dates on or after January 1, 2024:
- $15.84 for Mayor and Mayoral Appointees
- $11.88 for City Department Heads and other City Executives
- $7.92 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 $1,151,395 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2025, the City reported a liability of $22,059,463 for total OPEB liability. The total OPEB liability was measured as of December 31, 2024, 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 System (MHS) based on benefit payments. This allocation for the year-ended December 31, 2025, (a December 31, 2024 measurement date) was 95.6524% and 4.3476% between governmental activities and business-type activities, respectively. This allocation is a decrease from the prior year in the governmental activities of 0.3300% and a corresponding increase in the business-type activities.

For the year ended December 31, 2025 the City recognized OPEB expense of $(281,804).

At December 31, 2025, 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	$ 5,072,358	$ 3,332,629
Changes of assumptions or other inputs	1,684,350	4,032,738
Benefit payments subsequent to the measurement date	1,151,395	—
Total	$ 7,908,103	$ 7,365,367

The $1,151,395 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, 2026.

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
2026	$ (822,406)	$ (14,185)	$ (836,591)
2027	(805,416)	(262,661)	(1,068,077)
2028	439,137	(506,508)	(67,371)
2029	712,925	(578,508)	134,417
2030	712,925	(582,546)	130,379
Thereafter	1,502,564	(403,980)	1,098,584
Total	$ 1,739,729	$ (2,348,388)	$ (608,659)

Note: Immaterial differences may occur due to rounding

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 2024 measurement period was determined to be 8.9 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, 2024
Actuarial cost method	Entry age, level % of pay
Wage inflation	3.40
Salary increases, including wage inflation	3.40 - 13.00
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	N/A
Discount rate[1]	4.08

[1]Source: Bond Buyer 20-Bond GO index

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are applied on a select and ultimate basis. Select trends are reduced 0.39% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate:

Expense Type	Select (%)	Ultimate (%)
Pre-Medicare medical and prescription benefits	8.5	4.0
Medicare benefits	7.5	4.0
Stop loss fees	8.5	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 2025. The annual age claim costs for retirees and their spouses are provided in the table below:

	Premier		Advantage	
Age	Male	Female	Male	Female
25	$4,093	$8,400	$2,651	$5,441
35	6,354	12,924	4,115	8,370
45	9,908	13,785	6,417	8,928
55	16,909	18,632	10,951	12,067
64	26,601	25,524	17,229	16,531
65	11,827	11,541	6,756	6,593
75	13,846	13,970	7,910	7,981
85	14,633	15,318	8,359	8,751

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.

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 3.26% to 4.08%
- The trend rates were updated to an initial rate of 8.50% (7.50% for Post-65) grading down to an ultimate rate of 4.00%. The Select trend rates are updated to reflect the higher than anticipated rising healthcare costs environment.
- The most recent retirement, termination, disability, and salary increase assumptions were used from the CoPERA and FPPA valuations as of 2024.

Primary changes in experience since the previous measurement date include the following:

- Updated census information, and higher than expected claims experience, along with lower than expected contributions.

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	7.50 - 3.00	8.50 - 4.00	9.50 - 5.00
Total OPEB liability	$ 20,282,000	$ 22,059,463	$ 23,588,000

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 4.08% 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 4.08%, 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
	3.08	4.08	5.08
Total OPEB liability	$ 24,054,000	$ 22,059,463	$ 19,786,000

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.

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, 2025, with a measurement date of December 31, 2024.

Total OPEB liability (TOL) - beginning of year	$ 19,152,398
Service cost	171,407
Interest	608,550
Changes in benefit terms	—
Differences between expected and actual experience	4,241,775
Changes of assumptions or other inputs	(801,392)
Benefit payments	(1,313,275)
Net changes to TOL	2,907,065
Total OPEB liability (TOL) - end of year	$ 22,059,463
Plan fiduciary net position as a percentage of total OPEB liability	— %
Covered employee payroll	$ 287,224,546
Total OPEB liability as a percentage of covered employee payroll	7.68 %

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3. Colorado Springs Utilities OPEB Plan

In accordance with the City Code, Utilities offers a health care plan to retirees with Utilities' contribution determined by the 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 in 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, 1,057 retired members or beneficiaries and 2 active employees were covered by the benefit terms.

Utilities total OPEB liability as of December 31, 2025 of $12,010,000 was measured as of December 31, 2024 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, 2024
Actuarial cost method	Entry age
Inflation	3.40%
Salary increases	3.40 - 13.00%
Discount rate	4.08%
Health care cost trend rates	
PERA premiums	7.75%
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, 2025 valuation were based on the 2024 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, 2025, with a measurement date of December 31, 2024.

Total OPEB liability (TOL) - beginning of year	$ 13,151,000
Service cost	1,000
Interest	411,000
Changes in benefit terms	—
Differences between expected and actual experience	327,000
Changes of assumptions or other inputs	(839,000)
Benefit payments	(1,041,000)
Net changes to TOL	(1,141,000)
Total OPEB liability (TOL) - end of year	$ 12,010,000
Fiduciary net position as a percentage of total OPEB liability	— %
Covered employee payroll	$ 487,000
Total OPEB liability as a percentage of covered employee payroll	2,466.12 %

Changes of Assumptions: The discount rate was updated from 3.26% to 4.08%.

Discount Rate: The plan is pay-as-you-go. Since there are no dedicated assets and retiree benefits are paid annually in an amount equal to the benefits distributed, the discount rate used was 4.08% 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 4.08%, 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
	3.08	4.08	5.08
Total OPEB liability	$ 13,064,000	$ 12,010,000	$ 11,100,000

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	6.75	7.75	8.75
Ultimate PERA premiums trend rate	3.00	4.00	5.00
Medicare Part B	3.00	4.00	5.00
Total OPEB liability	$ 11,890,000	$ 12,010,000	$ 12,130,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended December 31, 2025, Utilities recognized OPEB expense of $(111,335). At December 31, 2025, Utilities reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Benefit payments subsequent to the measurement date	$ 1,022,000

The $1,022,000 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, 2026.

D. Commitments and Contingent Liabilities

1. Construction and Purchase Commitments

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability. Encumbrances outstanding at December 31, 2025 are as follows (in millions):

General Fund	$ 10.6
Road Repair, Maintenance & Improvement Sales Tax Fund	1.9
Non-major governmental funds	72.2
Utilities	894.1
Non-major enterprise funds	20.3

Multi-Year Funding

The City stipulates that appropriations for capital projects do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. As of December 31, 2025, the City had various unspent appropriations for the acquisition and construction of projects which totaled $138.4 million.

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) Permit. A substantial portion of the expenditures required by the IGA will also serve to fulfill the City's obligations under the MS4 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 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 11, 2021.

Other contractual commitments include subscription-based information technology arrangements (SBITAs) for which the term had not yet commenced at December 31, 2025. These subscriptions will commence throughout 2026, with terms ranging up to year 2035. The combined future commitment is $50.3 million. 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, 2025, 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 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 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, 2025 is (in 000's):

Entity	Amount Invested	Undistributed Net Earnings	Utilities' Investment
Young Gas Storage Company Ltd.	$ 500	$ 152	$ 652

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H. Retirement Plans

The City's former or current civilian and sworn (firefighters and police officers) employees are eligible to participate in one of six defined benefit pension plans. Civilian employees participate in the Public Employees' Retirement Association of Colorado (PERA) and sworn employees participate in one of five plans administered by the Fire and Police Pension Association (FPPA). More detailed notes regarding each plan follow. 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	$ 76,578	$ 32,191	$ 547	$ 18,976
Old Hire Fire	36,317	6,820	—	3,165
Old Hire Police	24,982	5,215	—	2,318
New Hire Fire	33,041	6,682	—	4,837
New Hire Police	51,517	13,531	—	7,399
FPPA Statewide	—	44,562	3,449	16,099
Total governmental activities	222,435	109,001	3,996	52,794
BUSINESS-TYPE ACTIVITIES				
PERA	153,430	67,945	207	35,793
Old Hire Fire	—	—	—	—
Old Hire Police	—	—	—	—
New Hire Fire	—	—	—	—
New Hire Police	808	180	—	108
FPPA Statewide	—	111	32	34
Total business-type activities	154,238	68,236	239	35,935
TOTAL				
PERA	230,008	100,136	754	54,769
Old Hire Fire	36,317	6,820	—	3,165
Old Hire Police	24,982	5,215	—	2,318
New Hire Fire	33,041	6,682	—	4,837
New Hire Police	52,325	13,711	—	7,507
FPPA Statewide	—	44,673	3,481	16,133
Total	$ 376,673	$ 177,237	$ 4,235	$ 88,729

Note: Immaterial differences may occur due to rounding.

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1. **Civilian Employees**

Defined Benefit Pension Plan

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

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://content.copera.org/wp-content/uploads/2025/06/Annual-Comprehensive-Financial-Report.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 sworn police officers and firefighters, 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 C.R.S. § 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.

- The 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 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 five 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 generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) 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 C.R.S. § 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.

The City and its eligible employees are required to contribute to the LGDTF at a rate set by Colorado state statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413.

The employee contribution requirements are summarized in the table below:

	January 1, 2024 Through December 31, 2024 Rate (%)[1]	January 1, 2025 Through December 31, 2025 Rate (%)[1]
Employee contribution rate	9.00	9.00

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

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The employer contribution requirements are summarized in the table below:

	January 1, 2024 Through December 31, 2024 Rate (%)[1]	January 1, 2025 Through December 31, 2025 Rate (%)[1]
Employer contribution rate	11.00	11.00
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)	(1.02)
Amount apportioned to the LGDTF	9.98	9.98
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50	1.50
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08	0.11
Total employer contribution rate to the LGDTF	13.76	13.79

[1]Rates are expressed as a percentage of salary as defined in C.R.S. § 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 $53,397,525 for the year ended December 31, 2025.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2025, the City reported a liability of $230,008,189 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total pension liability to December 31, 2024. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2024, the City's proportion was 37.4851%, which was a decrease of 0.0449% from its proportion measured as of December 31, 2023.

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, 2025 (a December 31, 2024 measurement date) was 87.3569% and 12.6431% between the governmental activities and business-type activities, respectively. This allocation is an increase from the prior year in the governmental activities of 0.2327% and a corresponding decrease 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, 2025 the City's pension expense related to the PERA LGDTF was $54,768,423.

At December 31, 2025, 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	$ 17,355,755	$ —
Net difference between projected and actual earnings on pension plan investments	21,644,265	—
Changes of assumptions and other inputs	6,788,128	—
Changes in proportion	950,631	754,329
Contributions subsequent to the measurement date	53,397,525	—
Total	$ 100,136,304	$ 754,329

The $53,397,525 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, 2026.

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 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 Pension Expense
2026	$ 16,219,876	$ 19,524,226	$ 6,343,834	$ 183,429	$ 42,271,365
2027	1,135,879	53,260,717	444,294	12,873	54,853,763
2028	—	(36,635,833)	—	—	(36,635,833)
2029	—	(14,504,845)	—	—	(14,504,845)
Total	$ 17,355,755	$ 21,644,265	$ 6,788,128	$ 196,302	$ 45,984,450

The differences between expected and actual experience, changes of assumptions, as well as the City's change in 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 2024 measurement period to be 2.07 years. The difference between projected and actual earnings on investments is amortized over a closed five-year period.

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Actuarial Assumptions: The total pension liability in the December 31, 2023 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	1.00 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.

As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Retirement Status	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll-forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	3.40%-13.00%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Retirement Status	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting.

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	51.00	5.00
Fixed income	23.00	2.60
Private equity	10.00	7.60
Real estate	10.00	4.10
Alternatives	6.00	5.20
Total	100.00	

Note: 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%.

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.

- As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

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.

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 1-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	$ 503,441,592	$ 230,008,189	$ 292,759

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

https://content.copera.org/wp-content/uploads/2025/06/Annual-Comprehensive-Financial-Report.pdf

Defined Contribution Plans

Civilian 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), Nationwide 457, Nationwide Deemed IRA, Nationwide 401(a) and PERA Defined Contribution.

PERAPlus 401(k) Plan Description: City employees 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 C.R.S., 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:

https://content.copera.org/wp-content/uploads/2025/08/peraplus-annual-report-2024.pdf

PERAPlus 401(k) Funding Policy: The PERAPlus 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS ($23,500 in 2025). Employees may choose to contribute to a traditional account, a Roth account, or a combination of both. There is a catch-up provision that allows participants age fifty and older who are contributing the maximum to contribute an additional $7,500 annually to their account and participants age 60 to 63 an additional $11,250 (includes the $7,500 age 50 catch-up). The City does not contribute to the PERA 401(k) plan.

Nationwide 457 Plan Description: City employees may also voluntarily contribute to the Nationwide 457 Plan, an Internal Revenue Code Section 457. Employees may choose to contribute to a traditional account, a Roth account, or a combination of both. New employees are automatically enrolled in the traditional account upon hire and must opt out if they do not wish to participate. The plan is administered by Nationwide Retirement Solutions and Nationwide Life Insurance Company.

Nationwide 457 Funding Policy: The Nationwide 457 plan is funded by voluntary member contributions of up to a maximum limit set by the IRS ($23,500 annually for 2025 calendar year). In addition, employees are eligible to contribute an additional $7,500 annually if they are age 50 or older and participants age 60 to 63 an additional $11,250 (includes the $7,500 age 50 catch-up). There is an additional “pre-retirement” catch-up provision that allows employees to double their 457 contributions by funding an additional $23,500 if they are within three years of retirement. The City does not contribute to the Nationwide 457 plan.

Nationwide Deemed IRA Plan Description: City employees may also voluntarily contribute to Nationwide Deemed IRA, Internal Revenue Code Section 408(a). The plan is administered by Nationwide Retirement Solutions and Nationwide Life Insurance Company.

Nationwide Deemed IRA Funding Policy: The Nationwide Deemed IRA plan is funded by voluntary member contributions of up to a maximum limit set by the IRS ($7,000 annually for 2025 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 Nationwide Deemed IRA plan.

Nationwide 401(a) Plan Description: Per Title 24, Article 51 of C.R.S., 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 Nationwide 401(a), a defined contribution plan, administered by Nationwide, in lieu of participation in Colorado PERA.

Nationwide 401(a) Funding Policy: The City contributes to the Nationwide 401(a) at a rate of 10.0% of covered salary. The City’s contribution to the Nationwide 401(a) for the year ending December 31, 2025 was $7,129. 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 C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERA DC Plan. That report can be obtained at:

https://content.copera.org/wp-content/uploads/2025/08/peraplus-annual-report-2024.pdf

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, 2024 Through December 31, 2024 Rate (%)	January 1, 2025 Through December 31, 2025 Rate (%)
Employee contribution rates	9.00	9.00
Employer contribution rates (on behalf of participating employees)	10.00	10.00

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

	January 1, 2024 Through December 31, 2024 Rate (%)[1]	January 1, 2025 Through December 31, 2025 Rate (%)[1]
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50	1.50
Automatic Adjustment Provision (AAP) as specified in C.R.S. § 24-51-413	1.00	1.00
Additional Contribution Supplement as specified in C.R.S. § 24-51-415	0.08	0.11
Total employer contribution rate to the LGDTF	4.78	4.81

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

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., 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 C.R.S. As a result, forfeitures do not reduce pension expense. The City's contribution to the PERA DC Plan for the year ending December 31, 2025 was $328,902.

2. Sworn Employees

Defined Benefit Plans

City firefighters, police officers and sworn retirees are participants 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 Retirement 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/files/91c3fb59a/FPPA-Annual-Report.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, 2024 are presented on the following page.

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Old Hire Fire and Police Pension Plans:

Asset Class	Target Allocation (%)	Long-term Expected Nominal Rate of Return (%)
Cash	5.00	5.50
Fixed Income - Rates	30.00	5.40
Fixed Income - Credit	6.00	5.90
Diversifiers	6.00	7.40
Long Short	6.00	7.00
Global Public Equity	17.00	8.30
Private Markets	30.00	10.20
Total	100.00	

New Hire Fire and Police Pension Plans and the Statewide Retirement Plan:

Asset Class	Target Allocation (%)	Long-term Expected Rate of Return (%)[1]
Cash	4.00	4.20
Fixed Income - Rates	7.00	5.00
Fixed Income - Credit	7.00	6.50
Diversifiers	9.00	5.70
Long Short	6.00	6.20
Global Public Equity	33.00	7.00
Private Markets	34.00	8.80
Total	100.00	

[1]Nominal 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/files/91c3fb59a/FPPA-Annual-Report.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 FPPA. There are 212 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 op-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, 2024 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 scale for all years.

The complete assumption set can be found in the actuarial valuation report as of January 1, 2024.

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, 2024 are as follows:

Retirees and beneficiaries	151

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, 2025 were based on the actuarial valuation as of January 1, 2024. 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 $3,159,918 for the year ended December 31, 2025.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2025, the City reported a liability of $36,317,362 for the Old Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2025, the City's pension expense related to the Old Hire Fire Pension Plan was $3,165,073.

At December 31, 2025, the City reported deferred outflows of resources related to pensions for the Old Hire Fire Pension Plan from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 3,659,904
Contributions subsequent to the measurement date	3,159,918
Total	$ 6,819,822

The $3,159,918 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, 2026. Other amounts reported as deferred outflows 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
2026	$ 1,340,658	$ 1,340,658
2027	2,087,900	2,087,900
2028	121,580	121,580
2029	109,766	109,766
Total	$ 3,659,904	$ 3,659,904

The difference between projected and actual earnings on investments 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	$ 43,453,527	$ 36,317,362	$ 30,040,222

Below is a schedule of changes in the net pension liability for the Old Hire Fire Pension Plan for year ended December 31, 2025, with a measurement date of December 31, 2024:

Total pension liability (TPL) - beginning of year	$ 96,345,374
Service cost	—
Interest on the TPL	5,972,303
Benefit changes	—
Differences between expected and actual experience of the TPL	—
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(9,070,376)
Net change in TPL	(3,098,073)
Total pension liability - end of year	93,247,301
Plan fiduciary net position (FNP) - beginning of year	59,829,080
Employer contributions	3,076,512
Employee contributions	—
Net investment income	3,146,665
Benefit payments, including refunds of employee contributions	(9,070,376)
Pension plan administrative expense	(51,942)
Net change in FNP	(2,899,141)
Plan fiduciary net position - end of year	56,929,939
Net pension liability	$ 36,317,362
Plan fiduciary net position as a percentage of the total pension liability	61.05 %
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, 2024 are as follows:

Retirees and beneficiaries 123

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, 2025 were based on the actuarial valuation as of January 1, 2024. 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, 2025.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2025, the City reported a liability of $24,982,111 for the Old Hire Police Pension Plan net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2025, the City’s pension expense related to the Old Hire Police Pension Plan was $2,317,856.

At December 31, 2025, the City reported deferred outflows of resources related to pensions for the Old Hire Police Pension Plan from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 3,094,346
Contributions subsequent to the measurement date	2,120,342
Total	$ 5,214,688

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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, 2026. Other amounts reported as deferred outflows 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
2026	$ 1,144,537	$ 1,144,537
2027	1,780,831	1,780,831
2028	89,335	89,335
2029	79,643	79,643
Total	$ 3,094,346	$ 3,094,346

The difference between projected and actual earnings on investments 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	$ 30,923,076	$ 24,982,111	$ 19,785,280

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Below is a schedule of changes in the net pension liability for the Old Hire Police Pension Plan for year ended December 31, 2025, with a measurement date of December 31, 2024:

Total pension liability (TPL) - beginning of year	$ 77,090,253
Service cost	—
Interest on the TPL	4,786,374
Benefit changes	—
Differences between expected and actual experience of the TPL	—
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(7,017,938)
Net change in TPL	(2,231,564)
Total pension liability - end of year	74,858,689
Plan fiduciary net position (FNP) - beginning of year	51,993,764
Employer contributions	2,120,342
Employee contributions	—
Net investment income	2,823,333
Benefit payments, including refunds of employee contributions	(7,017,938)
Pension plan administrative expense	(42,923)
Net change in FNP	(2,117,186)
Plan fiduciary net position - end of year	49,876,578
Net pension liability	$ 24,982,111
Plan fiduciary net position as a percentage of the total pension liability	66.63 %
Covered payroll	$ —
Net pension liability as a percentage of covered payroll	N/A

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New Hire Defined Benefit Pension Plans

Plan Description: The New Hire Pension Plans are single-employer defined benefit plans administered by 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 C.R.S. 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. 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.

<u>New Hire Pension Plan - Fire Component</u>

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 payments 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, 2025 are as follows:

Retirees and beneficiaries	210
Inactive, non-retired members	4
Active members	51

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 2025, the City's employer contribution rate was set at 26%. Employer contributions recognized by the New Hire Fire Pension Plan from the City were $4,584,054 for the year ended December 31, 2025.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2025, the City reported a liability of $33,040,962 for the New Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

For the year ended December 31, 2025, the City's pension expense related to the New Hire Fire Pension Plan was $4,836,727.

At December 31, 2025, the City reported deferred outflows of resources related to pensions for the New Hire Fire Pension Plan from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	2,097,484
Contributions subsequent to the measurement date	4,584,054
Total	$ 6,681,538

The $4,584,054 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, 2026.

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Other amounts reported as deferred outflows 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
2026	$ 1,181,377	$ 1,181,377
2027	3,820,906	3,820,906
2028	(1,900,812)	(1,900,812)
2029	(1,003,987)	(1,003,987)
Total	$ 2,097,484	$ 2,097,484

The difference between projected and actual earnings on investments is amortized over a closed five-year period.

Actuarial Assumptions: The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.25 - 11.75
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 Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. 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, 2024. The actuarial assumptions were changed for the actuarial valuation as of January 1, 2025 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	$ 60,334,374	$ 33,040,962	$ 10,015,105

Below is a schedule of changes in the net pension liability for the New Hire Fire Pension Plan for year ended December 31, 2025, with a measurement date of December 31, 2024:

Total pension liability (TPL) - beginning of year	$ 219,669,255
Service cost	1,442,829
Interest on the TPL	15,018,972
Benefit changes	—
Differences between expected and actual experience of the TPL	2,025,082
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(11,667,850)
Net change in TPL	6,819,033
Total pension liability - end of year	226,488,288
Plan fiduciary net position (FNP) - beginning of year	182,390,329
Employer contributions	4,512,409
Employee contributions	751,660
Net investment income	17,559,657
Benefit payments, including refunds of employee contributions	(11,667,850)
Pension plan administrative expense	(98,879)
Net change in FNP	11,056,997
Plan fiduciary net position - end of year	193,447,326
Net pension liability	$ 33,040,962
Plan fiduciary net position as a percentage of the total pension liability	85.41 %
Covered payroll	$ 6,820,800
Net pension liability as a percentage of covered payroll	484.41 %

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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 benefit payments 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, 2025 are as follows:

Retirees and beneficiaries	434
Inactive, non-retired members	28
Active members	133

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 2025, the City's employer contribution rate was set at 26%. Employer contributions recognized by the New Hire Police Pension Plan from the City were $8,904,940 for the year ended December 31, 2025.

The Plan is allocated between the governmental activities and the business-type activities based on contributions. The allocation for the year ended December 31, 2025 (a December 31, 2024 measurement date) was 98.4566% and 1.5434% between the governmental activities and the business-type activities respectively. This is an increase from the prior year in the governmental activities of 0.0565% 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, 2025, the City reported a liability of $52,324,403 for the New Hire Police Pension Plan net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

For the year ended December 31, 2025, the City's pension expense related to the New Hire Police Pension Plan was $7,507,047.

At December 31, 2025, the City reported deferred outflows of resources related to pensions for the New Hire Police Pension Plan from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	4,805,635
Contributions subsequent to the measurement date	8,904,940
Total	$ 13,710,575

The $8,904,940 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, 2026.

Other amounts reported as deferred outflows 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
2026	$ 2,730,720	$ 2,730,720
2027	8,782,396	8,782,396
2028	(4,386,696)	(4,386,696)
2029	(2,320,785)	(2,320,785)
Total	$ 4,805,635	$ 4,805,635

The difference between projected and actual earnings on investments is amortized over a closed five-year period.

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Actuarial Assumptions: The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.25 - 11.75
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 use the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. 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, 2024. The actuarial assumptions were changed for the actuarial valuation as of January 1, 2025 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/(asset)	$ 117,812,201	$ 52,324,403	$ (1,340,076)

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Below is a schedule of changes in the net pension liability for the New Hire Police Pension Plan for year ended December 31, 2025, with a measurement date of December 31, 2024:

Total pension liability (TPL) - beginning of year	$ 485,151,089
Service cost	3,889,406
Interest on the TPL	33,318,899
Benefit changes	—
Differences between expected and actual experience of the TPL	1,616,067
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(22,223,045)
Net change in TPL	16,601,327
Total pension liability - end of year	501,752,416
Plan fiduciary net position (FNP) - beginning of year	421,250,409
Employer contributions	8,273,004
Employee contributions	1,675,284
Net investment income	40,654,746
Benefit payments, including refunds of employee contributions	(22,223,045)
Pension plan administrative expense	(202,385)
Net change in FNP	28,177,604
Plan fiduciary net position - end of year	449,428,013
Net pension liability	$ 52,324,403
Plan fiduciary net position as a percentage of the total pension liability	89.57 %
Covered payroll	$ 17,315,396
Net pension liability as a percentage of covered payroll	302.18 %

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Statewide Retirement Plan

Plan Description: The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The City is a participant in the Defined Benefit and Money Purchase components of the Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at https://www.fppaco.org/files/91c3fb59a/FPPA-Annual-Report.pdf.

Benefits Provided: The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 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.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions: Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contribution rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2025, the total combined member and employer contribution rate was 22.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

The Fire Chief and Police Chief are the only City employees currently eligible to join the Money Purchase Component of the Plan.

Employer contributions recognized by the Statewide Retirement Plan from the City were $10,931,913 for the year ended December 31, 2025.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2025, the City reported a liability of $0 as its proportionate share of the Statewide Retirement Plan net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. 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, 2024, the City's proportion was 8.9852%, which was a decrease of 0.1440% from its proportion measured as of December 31, 2023. The City allocates its portion of the Statewide Retirement Plan between governmental activities and business-type activities, based on contributions. This allocation for the year ended December 31, 2025 (a December 31, 2024 measurement date) was 99.7562% and 0.2438% between the governmental activities and business-type activities respectively. This allocation is a decrease from the prior year in the governmental activities of 0.0257% and a corresponding increase in the business-type activities.

For the year ended December 31, 2025, the City's pension expense related to the Statewide Retirement Plan was $16,132,845.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Statewide Retirement Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 21,591,405	$ 675,366
Changes of assumptions or other inputs	7,727,364	—
Net difference between projected and actual earnings on pension plan investments	3,067,262	—
Changes in proportion	1,355,061	2,805,425
Contributions subsequent to the measurement date	10,931,913	—
Total	$ 44,673,005	$ 3,480,791

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The $10,931,913 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, 2026. 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
2026	$ 5,888,486	$ 2,175,483	$ 766,816	$ (405,526)	$ 8,425,259
2027	8,968,132	3,313,249	766,816	(377,672)	12,670,525
2028	113,967	42,105	766,816	(398,599)	524,289
2029	439,540	162,387	766,814	(351,592)	1,017,149
2030	2,196,636	811,540	—	(103,966)	2,904,210
Thereafter	3,309,278	1,222,600	—	186,991	4,718,869
Total	$ 20,916,039	$ 7,727,364	$ 3,067,262	$ (1,450,364)	$ 30,260,301

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 2024 measurement period to be 8.3043 years. The difference between projected and actual earnings on investments is amortized over a closed five-year period.

Actuarial Assumptions: The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.25 - 11.75
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 Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. 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	$ 43,847,145	$ —	$ —

Defined Contribution Plan

In addition to PERAPlus 401(k), Nationwide 457 and Nationwide Deemed IRA, sworn employees 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 Retirement 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 has decided to set the rates for both employee and employer at 10%. The City contributions to the FPPA Statewide Money Purchase Plan for the year ending December 31, 2025 were $20,115.

FPPA 457 Plan Description: Sworn 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 ($23,500 annually for 2025 calendar year). In addition, employees are eligible to contribute an additional $7,500 annually if they are age 50 or older and participants age 60 to 63 an additional $11,250 (includes the $7,500 age 50 catch-up). There is an additional "pre-retirement" catch-up provision that allows employees to double their 457 contributions by funding an additional $23,500 if they are within three years of retirement. The City does not contribute to the FPPA 457 plan.

I. Subsequent Events

On October 28, 2025, City Council approved changes to the electric rate schedules effective January 1, 2026 and April 1, 2026. In addition, changes to Utilities' rules and regulations were approved effective January 1, 2026.

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

	2025	2024	2023
Proportionate share of total pension liability	$2,408,994,073	$2,301,006,209	$2,181,648,710
Proportionate share of fiduciary net position	(2,178,985,884)	(2,025,520,682)	(1,810,625,591)
Proportionate share of net pension liability/(asset)	$ 230,008,189	$ 275,485,527	$ 371,023,119
Fiduciary net position as a percentage of total pension liability	90.45 %	88.03 %	82.99 %
Covered payroll	$ 341,861,219	$ 318,613,333	$ 292,258,661
Net pension liability/(asset) as a percentage of covered payroll	67.28 %	86.46 %	126.95 %
Proportion of net pension liability/(asset)	37.4851 %	37.5300 %	37.0075 %

* 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 presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

2022	2021	2020	2019	2018	2017	2016
$2,120,978,802	$2,073,021,396	$1,928,523,285	$1,893,691,502	$1,920,057,454	$1,896,397,997	$1,742,453,960
(2,152,558,159)	(1,884,016,250)	(1,663,608,112)	(1,438,354,956)	(1,523,903,793)	(1,396,620,395)	(1,339,384,263)
$ (31,579,357)	$ 189,005,146	$ 264,915,173	$ 455,336,546	$ 396,153,661	$ 499,777,602	$ 403,069,697
101.49 %	90.88 %	86.26 %	75.96 %	79.37 %	73.65 %	76.87 %
$ 275,496,362	$ 266,314,402	$ 249,094,029	$ 236,427,277	$ 225,147,540	$ 216,649,184	$ 208,704,241
(11.46)%	70.97 %	106.35 %	192.59 %	175.95 %	230.69 %	193.13 %
36.8329 %	36.2685 %	36.2208 %	36.2179 %	35.5796 %	37.0112 %	36.5901 %

Colorado PERA Local Government Division Trust Fund

Fiscal Year	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 53,397,525	$ 53,397,525	$ —	$386,337,915	13.82
2024	50,420,428	50,420,428	—	341,861,219	14.75
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

* 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 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

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023
- As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022
- As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were $25 million and $1 million, respectively.

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021
- 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 C.R.S. § 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

- 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.

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

	2025	2024	2023
Total Pension Liability (TPL) - January 1	$ 96,345,374	$ 99,679,175	$ 102,446,312
Interest on the TPL	5,972,303	6,189,699	6,366,830
Difference between expected and actual experience of the TPL	—	484,088	—
Changes of assumptions or other inputs	—	(959,082)	—
Benefit payments, including refunds of employee contributions	(9,070,376)	(9,048,506)	(9,133,967)
Net change in TPL	(3,098,073)	(3,333,801)	(2,767,137)
Total Pension Liability - December 31	93,247,301	96,345,374	99,679,175
Plan Fiduciary Net Position (FNP) - January 1	59,829,080	62,070,722	73,430,895
Employer contributions	3,076,512	3,076,512	3,076,512
Net investment income	3,146,665	3,782,814	(5,253,921)
Benefit payments, including refunds of employee contributions	(9,070,376)	(9,048,506)	(9,133,967)
Pension plan administrative expense	(51,942)	(52,462)	(48,797)
Net change in FNP	(2,899,141)	(2,241,642)	(11,360,173)
Plan Fiduciary Net Position - December 31	56,929,939	59,829,080	62,070,722
Net pension liability	$ 36,317,362	$ 36,516,294	$ 37,608,453
Fiduciary net position as a percentage of total pension liability	61.05 %	62.10 %	62.27 %
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 presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

2022	2021	2020	2019	2018	2017	2016
$ 104,712,193	$ 107,110,925	$ 94,066,095	$ 95,398,783	$ 97,526,320	$ 98,527,662	$ 94,992,823
6,524,317	6,672,051	6,731,045	6,853,477	7,014,133	7,091,577	6,824,022
24,748	—	7,956,514	—	(985,133)	—	(1,442,156)
—	—	7,153,963	—	—	—	6,312,216
(8,814,946)	(9,070,783)	(8,796,692)	(8,186,165)	(8,156,537)	(8,092,919)	(8,159,243)
(2,265,881)	(2,398,732)	13,044,830	(1,332,688)	(2,127,537)	(1,001,342)	3,534,839
102,446,312	104,712,193	107,110,925	94,066,095	95,398,783	97,526,320	98,527,662
71,040,765	70,910,402	68,842,799	74,667,694	70,493,833	73,326,035	78,504,844
3,076,512	2,328,416	2,328,416	2,286,697	2,286,697	1,639,319	1,639,319
8,168,995	6,913,872	8,573,590	117,863	10,078,024	3,737,918	1,450,492
(8,814,946)	(9,070,783)	(8,796,692)	(8,186,165)	(8,156,537)	(8,092,919)	(8,159,243)
(40,431)	(41,142)	(37,711)	(43,290)	(34,323)	(116,520)	(109,377)
2,390,130	130,363	2,067,603	(5,824,895)	4,173,861	(2,832,202)	(5,178,809)
73,430,895	71,040,765	70,910,402	68,842,799	74,667,694	70,493,833	73,326,035
$ 29,015,417	$ 33,671,428	$ 36,200,523	$ 25,223,296	$ 20,731,089	$ 27,032,487	$ 25,201,627
71.68 %	67.84 %	66.20 %	73.19 %	78.27 %	72.28 %	74.42 %
$ —	$ —	$ —	$ —	$ —	$ —	$ —
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Old Hire Fire Defined Benefit Pension Plan

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 3,159,918	$ 3,159,918	$ —	$ —	N/A
2024	3,076,512	3,076,512	—	—	N/A
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

Notes to Schedule of Contributions

Valuation date:	January 1, 2022
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 presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 68.

COLORADO SPRINGS
OLYMPIC CITY USA

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

	2025	2024	2023
Total Pension Liability (TPL) - January 1	$ 77,090,253	$ 78,960,144	$ 81,001,107
Interest on the TPL	4,786,374	4,906,895	5,038,608
Difference between expected and actual experience of the TPL	—	948,975	—
Changes of assumptions or other inputs	—	(675,861)	—
Benefit payments, including refunds of employee contributions	(7,017,938)	(7,049,900)	(7,079,571)
Net change in TPL	(2,231,564)	(1,869,891)	(2,040,963)
Total Pension Liability - December 31	74,858,689	77,090,253	78,960,144
Plan Fiduciary Net Position (FNP) - January 1	51,993,764	53,683,394	63,191,841
Employer contributions	2,120,342	2,120,342	2,120,342
Net investment income	2,823,333	3,281,930	(4,509,892)
Benefit payments, including refunds of employee contributions	(7,017,938)	(7,049,900)	(7,079,571)
Pension plan administrative expense	(42,923)	(42,002)	(39,326)
Net change in FNP	(2,117,186)	(1,689,630)	(9,508,447)
Plan Fiduciary Net Position - December 31	49,876,578	51,993,764	53,683,394
Net pension liability	$ 24,982,111	$ 25,096,489	$ 25,276,750
Fiduciary net position as a percentage of total pension liability	66.63 %	67.45 %	67.99 %
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 presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

2022	2021	2020	2019	2018	2017	2016
$ 84,328,821	$ 86,010,185	$ 79,060,305	$ 80,146,168	$ 81,444,517	$ 82,286,576	$ 80,928,590
5,261,647	5,365,252	5,670,286	5,758,923	5,859,424	5,922,411	5,813,424
(1,720,424)	—	2,284,694	—	(397,839)	—	(2,591,637)
—	—	6,035,154	—	—	—	5,094,537
(6,868,937)	(7,046,616)	(7,040,254)	(6,844,786)	(6,759,934)	(6,764,470)	(6,958,338)
(3,327,714)	(1,681,364)	6,949,880	(1,085,863)	(1,298,349)	(842,059)	1,357,986
81,001,107	84,328,821	86,010,185	79,060,305	80,146,168	81,444,517	82,286,576
60,979,935	60,285,047	58,247,082	63,196,268	59,630,971	61,865,742	66,224,327
2,120,342	1,850,964	1,850,964	1,833,691	1,833,691	1,466,935	1,466,935
6,992,242	5,923,388	7,258,087	98,302	8,520,414	3,161,491	1,225,181
(6,868,937)	(7,046,616)	(7,040,254)	(6,844,786)	(6,759,934)	(6,764,470)	(6,958,338)
(31,741)	(32,848)	(30,832)	(36,393)	(28,874)	(98,727)	(92,363)
2,211,906	694,888	2,037,965	(4,949,186)	3,565,297	(2,234,771)	(4,358,585)
63,191,841	60,979,935	60,285,047	58,247,082	63,196,268	59,630,971	61,865,742
$ 17,809,266	$ 23,348,886	$ 25,725,138	$ 20,813,223	$ 16,949,900	$ 21,813,546	$ 20,420,834
78.01 %	72.31 %	70.09 %	73.67 %	78.85 %	73.22 %	75.18 %
$ —	$ —	$ —	$ —	$ —	$ —	$ —
N/A	N/A	N/A	N/A	NA	NA	NA

Old Hire Police Defined Benefit Pension Plan

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 2,120,342	$ 2,120,342	$ —	$ —	N/A
2024	2,120,342	2,120,342	—	—	N/A
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

Notes to Schedule of Contributions

Valuation date: January 1, 2022

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 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

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023
- 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.

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022
- 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.

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.

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

New Hire Pension Plan - Fire Component

	2025	2024	2023
Total Pension Liability (TPL) - January 1	$ 219,669,255	$ 212,224,576	$ 200,348,152
Service cost	1,442,829	1,715,009	1,812,608
Interest on the TPL	15,018,972	14,534,300	13,844,021
Benefit changes	—	—	1,674,672
Difference between expected and actual experience of the TPL	2,025,082	2,093,805	3,058,671
Changes of assumptions or other inputs	—	—	1,548,101
Benefit payments, including refunds of employee contributions	(11,667,850)	(10,898,435)	(10,061,649)
Net change in TPL	6,819,033	7,444,679	11,876,424
Total Pension Liability - December 31	226,488,288	219,669,255	212,224,576
Plan Fiduciary Net Position (FNP) - January 1	182,390,329	172,084,048	191,047,929
Employer contributions	4,512,409	3,808,730	4,852,915
Employee contributions	751,660	1,180,856	1,704,634
Net investment income	17,559,657	16,319,562	(15,361,338)
Benefit payments, including refunds of employee contributions	(11,667,850)	(10,898,435)	(10,061,649)
Pension plan administrative expense	(98,879)	(104,432)	(98,443)
Other	—	—	—
Net change in FNP	11,056,997	10,306,281	(18,963,881)
Plan Fiduciary Net Position - December 31	193,447,326	182,390,329	172,084,048
Net pension liability	$ 33,040,962	$ 37,278,926	$ 40,140,528
Fiduciary net position as a percentage of total pension liability	85.41 %	83.03 %	81.09 %
Covered payroll	$ 6,820,800	$ 7,604,161	$ 8,431,574
Net pension liability as a percentage of covered payroll	484.41 %	490.24 %	476.07 %

* 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 presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

2022	2021	2020	2019	2018	2017	2016
$ 198,111,391	$ 191,759,280	$ 182,354,848	$ 168,492,702	$ 163,542,442	$ 157,971,179	$ 145,875,351
1,954,328	1,966,951	1,902,086	2,007,404	1,872,966	2,129,584	2,350,743
13,605,790	13,173,456	12,524,201	12,196,763	12,030,879	11,644,318	11,152,618
—	—	—	—	—	—	—
(3,883,098)	312,764	3,755,612	(915,934)	(819,178)	(645,848)	55,903
—	—	—	8,912,225	—	—	4,765,138
(9,440,259)	(9,101,060)	(8,777,467)	(8,338,312)	(8,134,407)	(7,556,791)	(6,228,574)
2,236,761	6,352,111	9,404,432	13,862,146	4,950,260	5,571,263	12,095,828
200,348,152	198,111,391	191,759,280	182,354,848	168,492,702	163,542,442	157,971,179
169,623,376	154,007,661	138,638,938	142,035,779	126,527,898	123,154,436	122,730,229
5,101,472	4,000,147	3,583,394	4,058,332	4,181,089	3,485,586	3,437,596
896,954	976,570	936,275	923,455	1,083,453	1,045,342	1,202,513
24,947,971	19,812,461	19,700,611	33,950	18,445,141	6,569,905	2,206,766
(9,440,259)	(9,101,060)	(8,777,467)	(8,338,312)	(8,134,407)	(7,556,791)	(6,228,574)
(81,585)	(72,403)	(74,090)	(74,266)	(67,395)	(209,340)	(194,094)
—	—	—	—	—	38,760	—
21,424,553	15,615,715	15,368,723	(3,396,841)	15,507,881	3,373,462	424,207
191,047,929	169,623,376	154,007,661	138,638,938	142,035,779	126,527,898	123,154,436
$ 9,300,223	$ 28,488,015	$ 37,751,619	$ 43,715,910	$ 26,456,923	$ 37,014,544	$ 34,816,743
95.36 %	85.62 %	80.31 %	76.03 %	84.30 %	77.37 %	77.96 %
$ 8,969,538	$ 9,765,687	$ 9,362,740	$ 9,234,540	$ 9,517,994	$ 10,367,032	$ 11,910,879
103.69 %	291.72 %	403.21 %	473.40 %	277.97 %	357.04 %	292.31 %

New Hire Pension Plan - Fire Component

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 4,584,054	$ 4,584,054	$ —	$ 6,034,041	75.97
2024	4,525,403	4,525,403	—	6,820,800	66.35
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

Notes to Schedule of Contributions

Valuation date:	January 1, 2023
Methods and assumptions used to determine contributions	
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	15 years
Inflation	2.50%
Salary increase	4.25 - 11.75% including inflation
Investment rate of return	7.00%
Asset valuation	5 year smoothed fair value
Retirement age	Age based rates from 55 until 100% retirement at age 60. Formulaic rates for those meeting Rule of 80 prior to age 55.
Mortality	Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Increased by 0.00015 for on-duty related experience. Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.

* 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

	2025	2024	2023
Total Pension Liability (TPL) - January 1	$ 485,151,089	$ 464,695,666	$ 439,518,863
Service cost	3,889,406	4,107,572	4,718,493
Interest on the TPL	33,318,899	31,928,046	30,573,964
Difference between expected and actual experience of the TPL	1,616,067	5,688,823	4,744,711
Changes of assumptions or other inputs	—	—	4,645,981
Benefit payments, including refunds of employee contributions	(22,223,045)	(21,269,018)	(19,506,346)
Net change in TPL	16,601,327	20,455,423	25,176,803
Total Pension Liability - December 31	501,752,416	485,151,089	464,695,666
Plan Fiduciary Net Position (FNP) - January 1	421,250,409	396,262,372	439,916,229
Employer contributions	8,273,004	7,247,607	9,595,340
Employee contributions	1,675,284	1,596,508	1,778,683
Net investment income	40,654,746	37,625,620	(35,342,236)
Benefit payments, including refunds of employee contributions	(22,223,045)	(21,269,018)	(19,506,346)
Pension plan administrative expense	(202,385)	(212,680)	(179,298)
Net change in FNP	28,177,604	24,988,037	(43,653,857)
Plan Fiduciary Net Position - December 31	449,428,013	421,250,409	396,262,372
Net pension liability/(asset)	$ 52,324,403	$ 63,900,680	$ 68,433,294
Fiduciary net position as a percentage of total pension liability	89.57 %	86.83 %	85.27 %
Covered payroll	$ 17,315,396	$ 17,669,863	$ 19,060,165
Net pension liability/(asset) as a percentage of covered payroll	302.18 %	361.64 %	359.04 %

* 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 presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

2022	2021	2020	2019	2018	2017	2016
$ 426,548,638	$ 409,776,854	$ 383,230,807	$ 342,817,503	$ 331,007,540	$ 319,975,168	$ 297,810,707
5,317,591	5,741,905	5,523,169	5,527,257	5,320,575	5,823,050	6,291,613
29,434,842	28,344,817	26,516,398	25,073,851	24,542,529	23,779,327	22,785,151
(4,362,819)	(1,871,246)	8,879,893	4,145,156	(5,184,926)	(6,911,997)	(4,663,822)
—	—	—	19,566,442	—	—	7,939,475
(17,419,389)	(15,443,692)	(14,373,413)	(13,899,402)	(12,868,215)	(11,658,008)	(10,187,956)
12,970,225	16,771,784	26,546,047	40,413,304	11,809,963	11,032,372	22,164,461
439,518,863	426,548,638	409,776,854	383,230,807	342,817,503	331,007,540	319,975,168
387,912,905	349,383,584	311,369,449	315,606,098	277,111,969	264,726,596	260,252,125
10,511,399	6,589,565	6,053,042	7,590,899	8,433,311	7,512,099	7,916,242
1,837,829	2,105,304	2,000,225	2,222,616	2,319,332	2,628,533	2,493,427
57,229,368	45,419,986	44,477,485	(4,868)	40,741,455	14,354,620	4,665,140
(17,419,389)	(15,443,692)	(14,373,413)	(13,899,402)	(12,868,215)	(11,658,008)	(10,187,956)
(155,883)	(141,842)	(143,204)	(145,894)	(131,754)	(451,871)	(412,382)
52,003,324	38,529,321	38,014,135	(4,236,649)	38,494,129	12,385,373	4,474,471
439,916,229	387,912,905	349,383,584	311,369,449	315,606,098	277,111,969	264,726,596
$ (397,366)	$ 38,635,733	$ 60,393,270	$ 71,861,358	$ 27,211,405	$ 53,895,571	$ 55,248,572
100.09 %	90.94 %	85.26 %	81.25 %	92.06 %	83.72 %	82.73 %
$ 21,134,307	$ 25,086,796	$ 24,709,177	$ 23,500,297	$ 24,114,374	$ 26,439,948	$ 28,615,723
(1.88)%	154.01 %	244.42 %	305.79 %	112.84 %	203.84 %	193.07 %

New Hire Pension Plan - Police Component

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 8,904,940	$ 8,904,940	$ —	$ 15,079,837	59.05
2024	8,270,864	8,270,864	—	17,315,396	47.77
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

Notes to Schedule of Contributions

Valuation date: January 1, 2023

Methods and assumptions used to determine contributions	
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	15 years
Inflation	2.50%
Salary increase	4.25 - 11.75% 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: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Increased by 0.00015 for on-duty related experience. Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.

* 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

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023
- Mortality Table updated to Pub-2010 and MP-2020 Ultimate projection scale. With 60% multiplier for off-duty mortality. Increased by 0.00015 for on-duty related experience.

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022
- 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.

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.

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 Retirement Plan

	2025	2024	2023
Proportionate share of total pension liability	$ 423,769,301	$ 384,534,276	$ 348,802,128
Proportionate share of fiduciary net position	(423,769,301)	(384,534,276)	(340,550,765)
Proportionate share of net pension liability/(asset)	$ —	$ —	$ 8,251,363
Fiduciary net position as a percentage of total pension liability/(asset)	100.00 %	100.00 %	97.63 %
Covered payroll	$ 98,246,335	$ 89,434,475	$ 80,875,445
Net pension liability/(asset) as a percentage of covered payroll	— %	— %	10.20 %
Proportion of net pension liability/(asset)	8.9852 %	9.1292 %	9.2962 %

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

* Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

2022	2021	2020	2019	2018	2017	2016
$ 297,374,357	$ 279,617,600	$ 235,645,678	$ 196,860,692	$ 170,806,127	$ 153,221,012	$ 133,609,555
(345,443,598)	(298,408,921)	(240,210,779)	(187,479,815)	(181,634,116)	(150,482,259)	(133,737,080)
$ (48,069,241)	$ (18,791,321)	$ (4,565,101)	$ 9,380,877	$ (10,827,989)	$ 2,738,753	$ (127,525)
116.16 %	106.72 %	101.94 %	95.23 %	106.34 %	98.21 %	100.10 %
$ 71,346,564	$ 69,522,397	$ 59,417,629	$ 49,702,739	$ 43,974,999	$ 38,790,638	$ 35,068,719
67.37 %	27.03 %	7.68 %	18.87 %	24.62 %	7.06 %	0.36 %
8.8699 %	8.6556 %	8.0718 %	7.4200 %	7.5265 %	7.5795 %	7.2340 %

Fire & Police Pension Association Statewide Retirement Plan

Fiscal Year	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 10,931,913	$ 10,931,913	$ —	$ 103,748,075	10.54
2024	9,957,910	9,957,910	—	98,246,335	10.14
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

* Notes to the Required Supplementary Information regarding changes in assumptions and benefits can be found on page three of this exhibit.

* 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 Retirement Plan

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023
- Mortality Table updated to Pub-2010 and MP-2020 Ultimate projection scale. With 60% multiplier for off-duty mortality. Increased by 0.00015 for on-duty related experience.

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022
- 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
Years ended December 31,

Colorado PERA Health Care Trust Fund

	2025	2024	2023
Proportionate share of total OPEB liability	$ 35,193,674	$ 39,312,637	$ 39,507,414
Proportionate share of fiduciary net position	(21,057,387)	(18,146,413)	(15,239,046)
Proportionate share of net OPEB liability	$ 14,136,287	$ 21,166,224	$ 24,268,368
Plan fiduciary net position as a percentage of total OPEB liability	59.83 %	46.16 %	38.57 %
Covered payroll	$ 341,861,219	$ 318,613,333	$ 292,258,661
Proportionate share of the net OPEB liability as a percentage of covered payroll	4.14 %	6.64 %	8.30 %
Proportion of net OPEB liability	2.9562 %	2.9655 %	2.9723 %

* 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.

2022	2021	2020	2019	2018
40,620,868	39,028,759	41,231,367	$ 46,022,463	$ 43,535,412
(16,006,425)	(12,792,042)	(10,096,722)	(7,836,090)	(7,631,217)
24,614,443	26,236,717	31,134,645	$ 38,186,373	$ 35,904,195
39.40 %	32.78 %	24.49 %	17.03 %	17.53 %
275,496,365	266,314,402	249,094,029	$ 236,427,277	$ 225,147,540
8.93 %	9.85 %	12.50 %	16.15 %	15.95 %
2.8545 %	2.7611 %	2.7699 %	2.8067 %	2.7627 %

Colorado PERA Health Care Trust Fund

Fiscal Year	Statutorily Determined Contributions	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 3,945,005	$ 3,945,005	$ —	$ 386,337,915	1.02
2024	3,733,825	3,733,825	—	341,861,219	1.09
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)

<u>**Colorado PERA Health Care Trust Fund**</u>

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023
- As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022
- As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023 and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1 million and $25 million, respectively.

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 C.R.S. § 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

	2025	2024	2023
Total OPEB Liability (TOL) - January 1	$ 19,152,398	$ 18,833,854	$ 22,671,789
Service cost	171,407	144,151	157,024
Interest on the TOL	608,550	679,480	456,352
Difference between expected and actual experience of the TOL	4,241,775	—	2,010,982
Changes of assumptions or other inputs	(801,392)	919,758	(5,110,715)
Benefit payments, including refunds of employee contributions	(1,313,275)	(1,424,845)	(1,351,578)
Net change in TOL	2,907,065	318,544	(3,837,935)
Total OPEB Liability - December 31	$ 22,059,463	$ 19,152,398	$ 18,833,854
Covered employee payroll	$ 287,224,546	$ 268,526,498	$ 248,010,781
Total OPEB liability as a percentage of covered employee payroll	7.68 %	7.13 %	7.59 %

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.

2022	2021	2020	2019	2018
$ 23,093,544	$ 31,694,639	$ 29,052,980	$ 30,107,637	$ 26,516,371
157,024	755,413	735,267	739,173	434,507
479,985	869,136	1,190,620	1,034,500	987,112
—	(10,902,174)	(206,820)	909,670	1,680,818
160,796	2,136,079	2,435,234	(2,189,751)	2,162,428
(1,219,560)	(1,459,549)	(1,512,642)	(1,548,249)	(1,673,599)
(421,755)	(8,601,095)	2,641,659	(1,054,657)	3,591,266
$ 22,671,789	$ 23,093,544	$ 31,694,639	$ 29,052,980	$ 30,107,637
$ 224,978,171	$ 218,386,539	$ 203,394,298	$ 183,328,604	$170,699,626
10.08 %	10.57 %	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

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023
- The discount rate was updated from 3.26% to 4.08%.
- The trend rates were updated to an initial rate of 8.50% (7.50% for Post-65) grading down to an ultimate rate of 4.00%. The Select trend rates were updated to reflect the higher than anticipated rising healthcare costs environment.
- The most recent retirement, termination, disability, and salary increase assumptions were used from the CoPERA and FPPA valuations as of 2024.

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022
- The discount rate was updated from 3.72% to 3.26%.

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

	2025	2024	2023
Total OPEB Liability (TOL) - January 1	$ 13,151,000	$ 13,317,000	$ 16,693,000
Service cost	1,000	1,000	1,000
Interest on the TOL	412,000	474,000	29,000
Difference between expected and actual experience of the TOL	327,000	—	(95,000)
Changes of assumptions or other inputs	(840,000)	498,000	(2,139,000)
Benefit payments, including refunds of employee contributions	(1,041,000)	(1,139,000)	(1,172,000)
Net change in TOL	(1,141,000)	(166,000)	(3,376,000)
Total OPEB Liability - December 31	$ 12,010,000	$ 13,151,000	$ 13,317,000
Covered employee payroll	$ 487,000	$ 476,000	$ 667,000
Total OPEB liability as a percentage of covered employee payroll	2,466.10 %	2,762.70 %	1,996.60 %

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.

2022	2021	2020	2019	2018
$ 17,448,000	$ 21,179,000	$ 19,228,000	$ 21,624,000	$21,390,000
7,000	12,000	11,000	23,000	20,000
357,000	565,000	764,000	723,000	786,000
—	(5,151,000)	(492,000)	(511,000)	(93,000)
100,000	1,988,000	2,877,000	(1,389,000)	785,000
(1,219,000)	(1,145,000)	(1,209,000)	(1,242,000)	(1,264,000)
(755,000)	(3,731,000)	1,951,000	(2,396,000)	234,000
$ 16,693,000	$ 17,448,000	$ 21,179,000	$ 19,228,000	$21,624,000
$ 1,219,000	$ 1,183,000	$ 2,207,000	$ 3,530,000	$5,683,000
1,369.40 %	1,474.89 %	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

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023
- The discount rate was updated from 3.26% to 4.08%
- The retirement, termination and salary scale rates were updated to the rates from PERA as of December 31, 2024

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022
- The discount rate was updated from 3.72% to 3.26%.

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

	Road Repair, Maintenance & Improvement Sales Tax Fund		
	Budget	Actual	Variance
Revenues			
Taxes	$ 73,797,900	$ 73,391,746	$ (406,154)
Investment earnings	473,000	1,225,010	752,010
Total revenues	74,270,900	74,616,756	345,856
Expenditures			
Capital outlay	93,867,029	67,672,296	26,194,733
Total expenditures	93,867,029	67,672,296	26,194,733
Excess (deficiency) of revenues over expenditures	(19,596,129)	6,944,460	26,540,589
Net change in fund balance	(19,596,129)	6,944,460	26,540,589
Fund balance - January 1	21,479,190	21,479,190	—
Fund balance - December 31	$ 1,883,061	$ 28,423,650	$ 26,540,589

PROPRIETARY FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
For the year ended December 31, 2025

	Colorado Springs Utilities		
	Budget	**Actual**	**Variance**
Operating revenues	$ 1,319,950,000	$ 1,127,435,000	$ (192,515,000)
Operating expenses			
Salaries and benefits	328,063,000	276,151,000	51,912,000
Other operating expenses	604,052,000	465,928,000	138,124,000
Depreciation and amortization	201,492,000	208,380,000	(6,888,000)
Total operating expenses	1,133,607,000	950,459,000	183,148,000
Operating income	186,343,000	176,976,000	(9,367,000)
Nonoperating revenues (expenses)			
Derivative instruments loss	—	(503,000)	(503,000)
Investment earnings	14,980,000	31,126,000	16,146,000
Notes interest income	—	—	—
Interest expense	(116,604,000)	(109,519,000)	7,085,000
Amortization expense	—	—	—
Change in contingent liabilities	—	—	—
Other revenue	5,805,000	7,501,000	1,696,000
Other expense	(2,161,000)	(4,407,000)	(2,246,000)
Total nonoperating revenues (expenses)	(97,980,000)	(75,802,000)	22,178,000
Income (loss) before contributions and transfers	88,363,000	101,174,000	12,811,000
Capital contributions	70,392,000	81,083,000	10,691,000
Transfers - out	(37,138,000)	(34,812,000)	2,326,000
Change in net position	$ 121,617,000	$ 147,445,000	$ 25,828,000

Public Authority for Colorado Energy			Memorial Health System		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
$ 53,239,000	$ 53,239,000	$ —	$ —	$ —	$ —
—	—	—	—	—	—
20,765,000	20,736,000	29,000	—	—	—
—	—	—	—	—	—
20,765,000	20,736,000	29,000	—	—	—
32,474,000	32,503,000	29,000	—	—	—
—	—	—	—	—	—
1,164,000	1,183,000	19,000	104,800	154,661	49,861
—	—	—	5,612,112	2,318,318	(3,293,794)
(33,641,000)	(33,690,000)	(49,000)	—	—	—
(820,000)	(821,000)	(1,000)	—	—	—
—	—	—	(5,646,989)	(2,874,451)	2,772,538
—	—	—	—	401,472	401,472
—	—	—	—	—	—
(33,297,000)	(33,328,000)	(31,000)	69,923	—	(69,923)
(823,000)	(825,000)	(2,000)	69,923	—	(69,923)
—	—	—	—	—	—
—	—	—	—	—	—
$ (823,000)	$ (825,000)	$ (2,000)	$ 69,923	$ —	$ (69,923)

COLORADO SPRINGS
OLYMPIC CITY USA

NON-MAJOR GOVERNMENTAL FUNDS

	Special Revenue Funds		Capital Projects Fund		Permanent Funds		Total
ASSETS							
Cash and investments	$	122,801,458	$	46,745,571	$	633,027	$ 170,180,056
Accounts receivable (net of allowance for uncollectibles)		40,799,650		172,101		10,026	40,981,777
Sales tax receivable (net of allowance for uncollectibles)		7,505,809		—		—	7,505,809
Loans receivable (net of allowance for uncollectibles)		16,922,411		—		—	16,922,411
Property taxes receivable		4,106,955		—		—	4,106,955
Due from other funds		—		1,131,843		—	1,131,843
Restricted investments		—		—		16,593,145	16,593,145
Total assets	$	192,136,283	$	48,049,515	$	17,236,198	$ 257,421,996
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	$	7,703,183	$	3,758,063	$	—	$ 11,461,246
Accrued salaries and benefits		1,936,883		—		—	1,936,883
Due to other funds		10,873,591		3,432,508		—	14,306,099
Unearned revenue							
Grants		24,933,912		—		—	24,933,912
Total liabilities		45,447,569		7,190,571		—	52,638,140
Deferred inflows of resources							
Unavailable revenue - property taxes		4,106,955		—		—	4,106,955
Unavailable revenue - loans (net of allowance for uncollectibles)		16,922,411		—		—	16,922,411
Total deferred inflows of resources		21,029,366		—		—	21,029,366
Fund balances							
Nonspendable		—		—		16,593,145	16,593,145
Restricted		76,182,727		—		643,053	76,825,780
Committed		49,705,391		38,528,423		—	88,233,814
Assigned		—		2,330,521		—	2,330,521
Unassigned		(228,770)		—		—	(228,770)
Total fund balances		125,659,348		40,858,944		17,236,198	183,754,490
Total liabilities, deferred inflows of resources and fund balances	$	192,136,283	$	48,049,515	$	17,236,198	$ 257,421,996

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
Revenues				
Taxes	$ 81,460,574	$ —	$ —	$ 81,460,574
Intergovernmental	70,253,133	—	—	70,253,133
Charges for services	7,649,863	—	—	7,649,863
Endowments and donations	3,754,094	—	110,795	3,864,889
Other revenue	1,356,175	—	—	1,356,175
Investment earnings	6,295,833	1,447,312	1,618,846	9,361,991
Total revenues	170,769,672	1,447,312	1,729,641	173,946,625
Expenditures				
Current				
General government	12,280,685	—	—	12,280,685
Parks	16,971,700	—	34,205	17,005,905
Planning	3,358,706	—	—	3,358,706
Public safety	60,829,026	—	—	60,829,026
Public works	15,423,187	—	—	15,423,187
Debt service				
Principal	550,000	1,567,667	—	2,117,667
Principal - leases	341,196	462,346	—	803,542
Principal - subscriptions	84,562	—	—	84,562
Interest	312,676	47,238	—	359,914
Interest - leases	27,952	110,586	—	138,538
Interest - subscriptions	20,389	—	—	20,389
Capital outlay	45,130,890	5,326,774	—	50,457,664
Total expenditures	155,330,969	7,514,611	34,205	162,879,785
Excess (deficiency) of revenues over expenditures	15,438,703	(6,067,299)	1,695,436	11,066,840
Other financing sources (uses)				
Transfers - in	—	8,420,226	—	8,420,226
Transfers - out	(2,600,000)	—	(366,136)	(2,966,136)
Issuance of leases	72,740	2,551,185	—	2,623,925
Issuance of subscriptions	530,766	—	—	530,766
Sale of capital assets	10,925	—	—	10,925
Total other financing sources (uses)	(1,985,569)	10,971,411	(366,136)	8,619,706
Net change in fund balances	13,453,134	4,904,112	1,329,300	19,686,546
Fund balances - January 1	112,206,214	35,954,832	15,906,898	164,067,944
Fund balances - December 31	$ 125,659,348	$ 40,858,944	$ 17,236,198	$ 183,754,490

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 programs whose 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
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
Subdivision Drainage Fund
Arterial Roadway 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:

Marketplace 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
Retail Marijuana Tax Fund

These Other Special Revenue Funds are used to account for the activities of the funds where earmarked revenue is used for certain designated purposes.

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2025

	Intergovernmental Grant Funds	Capital, Operations and Maintenance Funds
ASSETS		
Cash and investments	$ 896,521	$ 59,459,550
Accounts receivable (net of allowance for uncollectibles)	40,593,668	—
Sales tax receivable (net of allowance for uncollectibles)	—	6,567,149
Loans receivable (net of allowance for uncollectibles)	16,922,411	—
Property taxes receivable	—	—
Total assets	$ 58,412,600	$ 66,026,699
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 6,131,717	$ 1,447,119
Accrued salaries and benefits	409,426	1,493,820
Due to other funds	10,015,134	—
Unearned revenue		
Grants	24,933,912	—
Total liabilities	41,490,189	2,940,939
Deferred inflows of resources		
Unavailable revenue - property taxes	—	—
Unavailable revenue - loans (net of allowance for uncollectibles)	16,922,411	—
Total deferred inflows of resources	16,922,411	—
Fund balances		
Restricted	—	62,955,894
Committed	—	129,866
Unassigned	—	—
Total fund balances	—	63,085,760
Total liabilities, deferred inflows of resources and fund balances	$ 58,412,600	$ 66,026,699

Improvement and Maintenance District Funds	Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
$ 1,344,496	$ 49,266,982	$ 1,196,041	$ 10,637,868	$ 122,801,458
14,695	—	16,569	174,718	40,799,650
—	—	—	938,660	7,505,809
—	—	—	—	16,922,411
1,915,903	—	2,191,052	—	4,106,955
$ 3,275,094	$ 49,266,982	$ 3,403,662	$ 11,751,246	$ 192,136,283
$ 10,223	$ 1,413	$ 1,860	$ 110,851	$ 7,703,183
17,391	—	16,246	—	1,936,883
—	—	—	858,457	10,873,591
—	—	—	—	24,933,912
27,614	1,413	18,106	969,308	45,447,569
1,915,903	—	2,191,052	—	4,106,955
—	—	—	—	16,922,411
1,915,903	—	2,191,052	—	21,029,366
1,331,577	—	1,194,504	10,700,752	76,182,727
—	49,265,569	—	309,956	49,705,391
—	—	—	(228,770)	(228,770)
1,331,577	49,265,569	1,194,504	10,781,938	125,659,348
$ 3,275,094	$ 49,266,982	$ 3,403,662	$ 11,751,246	$ 192,136,283

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2025

	Intergovernmental Grant Funds	Capital, Operations and Maintenance Funds	Improvement and Maintenance District Funds
Revenues			
Taxes	$ —	$ 64,716,758	$ 1,955,407
Intergovernmental	64,389,084	5,864,049	—
Charges for services	—	136,862	—
Donations	—	—	—
Other revenue	597,712	—	—
Investment earnings	1,295,700	2,673,938	51,312
Total revenues	66,282,496	73,391,607	2,006,719
Expenditures			
Current			
General government	1,554,970	—	—
Parks	1,385,020	10,224,116	1,807,823
Planning	3,294,885	—	—
Public safety	9,862,143	50,853,710	—
Public works	13,236,782	—	—
Debt service			
Principal	—	270,000	—
Principal - leases	—	290,575	27,335
Principal - subscriptions	—	84,562	—
Interest	—	239,551	—
Interest - leases	—	14,921	7,037
Interest - subscriptions	—	20,389	—
Capital outlay	36,948,696	6,530,515	236,509
Total expenditures	66,282,496	68,528,339	2,078,704
Excess (deficiency) of revenues over expenditures	—	4,863,268	(71,985)
Other financing sources (uses)			
Transfers - out	—	—	—
Issuance of leases	—	72,740	—
Issuance of subscriptions	—	530,766	—
Sale of capital assets	—	—	3,325
Total other financing sources (uses)	—	603,506	3,325
Net change in fund balances	—	5,466,774	(68,660)
Fund balances - January 1	—	57,618,986	1,400,237
Fund balances - December 31	$ —	$ 63,085,760	$ 1,331,577

Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
$ —	$ 2,343,109	$ 12,445,300	$ 81,460,574
—	—	—	70,253,133
7,513,001	—	—	7,649,863
—	—	3,754,094	3,754,094
—	—	758,463	1,356,175
2,163,992	53,603	57,288	6,295,833
9,676,993	2,396,712	17,015,145	170,769,672
—	6,685	10,719,030	12,280,685
—	2,071,446	1,483,295	16,971,700
—	—	63,821	3,358,706
—	—	113,173	60,829,026
1,970,336	—	216,069	15,423,187
—	280,000	—	550,000
—	23,286	—	341,196
—	—	—	84,562
—	73,125	—	312,676
—	5,994	—	27,952
—	—	—	20,389
1,415,170	—	—	45,130,890
3,385,506	2,460,536	12,595,388	155,330,969
6,291,487	(63,824)	4,419,757	15,438,703
—	—	(2,600,000)	(2,600,000)
—	—	—	72,740
—	—	—	530,766
—	7,600	—	10,925
—	7,600	(2,600,000)	(1,985,569)
6,291,487	(56,224)	1,819,757	13,453,134
42,974,082	1,250,728	8,962,181	112,206,214
$ 49,265,569	$ 1,194,504	$ 10,781,938	$ 125,659,348

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
ASSETS				
Cash and investments	$ —	$ 896,521	$ —	$ 896,521
Accounts receivable (net of allowance for uncollectibles)	925,896	1,089,683	38,578,089	40,593,668
Loans receivable (net of allowance for uncollectibles)	7,640,508	9,281,903	—	16,922,411
Total assets	$ 8,566,404	$ 11,268,107	$ 38,578,089	$ 58,412,600
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts payable	$ 370,680	$ 1,888	$ 5,759,149	$ 6,131,717
Accrued salaries and benefits	6,176	5,877	397,373	409,426
Due to other funds	300,278	—	9,714,856	10,015,134
Unearned revenue				
Grants	248,762	1,978,439	22,706,711	24,933,912
Total liabilities	925,896	1,986,204	38,578,089	41,490,189
Deferred inflows of resources				
Unavailable revenue - loans (net of allowance for uncollectibles)	7,640,508	9,281,903	—	16,922,411
Total deferred inflows of resources	7,640,508	9,281,903	—	16,922,411
Total liabilities and deferred inflows of resources	$ 8,566,404	$ 11,268,107	$ 38,578,089	$ 58,412,600

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
Revenues				
Intergovernmental	$ 1,273,528	$ 695,274	$ 62,420,282	$ 64,389,084
Other revenue	48,624	446,940	102,148	597,712
Investment earnings	—	12,716	1,282,984	1,295,700
Total revenues	1,322,152	1,154,930	63,805,414	66,282,496
Expenditures				
Current				
General government	—	—	1,554,970	1,554,970
Parks	—	—	1,385,020	1,385,020
Planning	1,322,152	1,154,930	817,803	3,294,885
Public safety	—	—	9,862,143	9,862,143
Public works	—	—	13,236,782	13,236,782
Capital outlay	—	—	36,948,696	36,948,696
Total expenditures	1,322,152	1,154,930	63,805,414	66,282,496
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, 2025

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
ASSETS			
Cash and investments	$ 129,866	$ 691,621	$ 31,092,026
Sales tax receivable (net of allowance for uncollectibles)	—	35,274	1,306,376
Total assets	$ 129,866	$ 726,895	$ 32,398,402
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ —	$ 5,913	$ 378,617
Accrued salaries and benefits	—	—	72,994
Total liabilities	—	5,913	451,611
Fund balances			
Restricted	—	720,982	31,946,791
Committed	129,866	—	—
Total fund balances	129,866	720,982	31,946,791
Total liabilities and fund balances	$ 129,866	$ 726,895	$ 32,398,402

Conservation Trust Fund	Public Safety and Wildfire Mitigation Funds	Total
$ 2,029,223	$ 25,516,814	$ 59,459,550
—	5,225,499	6,567,149
$ 2,029,223	$ 30,742,313	$ 66,026,699
$ 88,881	$ 973,708	$ 1,447,119
136,567	1,284,259	1,493,820
225,448	2,257,967	2,940,939
1,803,775	28,484,346	62,955,894
—	—	129,866
1,803,775	28,484,346	63,085,760
$ 2,029,223	$ 30,742,313	$ 66,026,699

	Public Safety Sales Tax Fund	Wildfire Mitigation Fund	Total
ASSETS			
Cash and investments	$ 7,428,008	$ 18,088,806	$ 25,516,814
Sales tax receivable (net of allowance for uncollectibles)	5,225,499	—	5,225,499
Total assets	$ 12,653,507	$ 18,088,806	$ 30,742,313
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 972,064	$ 1,644	$ 973,708
Accrued salaries and benefits	1,284,259	—	1,284,259
Total liabilities	2,256,323	1,644	2,257,967
Fund balances			
Restricted	10,397,184	18,087,162	28,484,346
Total fund balances	10,397,184	18,087,162	28,484,346
Total liabilities and fund balances	$ 12,653,507	$ 18,088,806	$ 30,742,313

CAPITAL, OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2025

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
Revenues			
Taxes	$ —	$ 368,401	$ 12,844,481
Intergovernmental	—	—	—
Charges for services	67,212	—	15,841
Investment earnings	3,043	15,625	1,350,689
Total revenues	70,255	384,026	14,211,011
Expenditures			
Current			
Parks	32	—	4,127,754
Public safety	—	—	—
Debt service			
Principal	—	—	—
Principal - leases	—	—	—
Principal - subscriptions	—	—	4,770
Interest	—	—	—
Interest - leases	—	—	—
Interest - subscriptions	—	—	230
Capital outlay	—	156,347	3,133,984
Total expenditures	32	156,347	7,266,738
Excess (deficiency) of revenues over expenditures	70,223	227,679	6,944,273
Other financing sources			
Issuance of leases	—	—	—
Issuance of subscriptions	—	—	—
Total other financing sources	—	—	—
Net change in fund balances	70,223	227,679	6,944,273
Fund balances - January 1	59,643	493,303	25,002,518
Fund balances - December 31	$ 129,866	$ 720,982	$ 31,946,791

Conservation Trust Fund	Public Safety and Wildfire Mitigation Funds	Total
$ —	$ 51,503,876	$ 64,716,758
5,864,049	—	5,864,049
—	53,809	136,862
60,546	1,244,035	2,673,938
5,924,595	52,801,720	73,391,607
6,096,330	—	10,224,116
—	50,853,710	50,853,710
75,600	194,400	270,000
9,522	281,053	290,575
—	79,792	84,562
67,074	172,477	239,551
478	14,443	14,921
—	20,159	20,389
619,822	2,620,362	6,530,515
6,868,826	54,236,396	68,528,339
(944,231)	(1,434,676)	4,863,268
28,677	44,063	72,740
—	530,766	530,766
28,677	574,829	603,506
(915,554)	(859,847)	5,466,774
2,719,329	29,344,193	57,618,986
$ 1,803,775	$ 28,484,346	$ 63,085,760

	Public Safety Sales Tax Fund	Wildfire Mitigation Fund	Total
Revenues			
Taxes	$ 51,503,876	$ —	$ 51,503,876
Charges for services	53,809	—	53,809
Investment earnings	406,978	837,057	1,244,035
Total revenues	51,964,663	837,057	52,801,720
Expenditures			
Current			
Public safety	50,139,950	713,760	50,853,710
Debt service			
Principal	194,400	—	194,400
Principal - leases	281,053	—	281,053
Principal - subscriptions	79,792	—	79,792
Interest	172,477	—	172,477
Interest - leases	14,443	—	14,443
Interest - subscriptions	20,159	—	20,159
Capital outlay	2,608,686	11,676	2,620,362
Total expenditures	53,510,960	725,436	54,236,396
Excess (deficiency) of revenues over expenditures	(1,546,297)	111,621	(1,434,676)
Other financing sources			
Issuance of leases	44,063	—	44,063
Issuance of subscriptions	530,766	—	530,766
Total other financing sources	574,829	—	574,829
Net change in fund balances	(971,468)	111,621	(859,847)
Fund balances - January 1	11,368,652	17,975,541	29,344,193
Fund balances - December 31	$ 10,397,184	$ 18,087,162	$ 28,484,346

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2025

	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
ASSETS			
Cash and investments	$ 85,829	$ 895,338	$ 285,654
Accounts receivable (net of allowance for uncollectibles)	788	10,049	3,612
Property taxes receivable	204,984	1,166,814	509,636
Total assets	$ 291,601	$ 2,072,201	$ 798,902
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 1,755	$ 7,647	$ 165
Accrued salaries and benefits	3,242	11,215	2,934
Total liabilities	4,997	18,862	3,099
Deferred inflows of resources			
Unavailable revenue - property taxes	204,984	1,166,814	509,636
Total deferred inflows of resources	204,984	1,166,814	509,636
Fund balances			
Restricted	81,620	886,525	286,167
Total fund balances	81,620	886,525	286,167
Total liabilities, deferred inflows of resources and fund balances	$ 291,601	$ 2,072,201	$ 798,902

Woodstone Improvement Maintenance District Fund		Gateway Improvement Maintenance District Fund		Platte Avenue Improvement Maintenance District Fund		Total
$	36,528	$ 13,067	$	28,080	$	1,344,496
	201	45		—		14,695
	26,670	7,799		—		1,915,903
$	63,399	$ 20,911	$	28,080	$	3,275,094
$	606	$ 50	$	—	$	10,223
	—	—		—		17,391
	606	50		—		27,614
	26,670	7,799		—		1,915,903
	26,670	7,799		—		1,915,903
	36,123	13,062		28,080		1,331,577
	36,123	13,062		28,080		1,331,577
$	63,399	$ 20,911	$	28,080	$	3,275,094

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2025

	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
Revenues			
Taxes	$ 163,688	$ 1,234,720	$ 510,976
Investment earnings	2,814	34,656	11,398
Total revenues	166,502	1,269,376	522,374
Expenditures			
Current			
Parks	150,844	1,114,234	503,653
Debt service			
Principal - leases	—	19,236	8,099
Interest - leases	—	4,952	2,085
Capital outlay	—	200,419	36,090
Total expenditures	150,844	1,338,841	549,927
Excess (deficiency) of revenues over expenditures	15,658	(69,465)	(27,553)
Other financing sources			
Sale of capital assets	—	760	2,565
Total other financing sources	—	760	2,565
Net change in fund balances	15,658	(68,705)	(24,988)
Fund balances - January 1	65,962	955,230	311,155
Fund balances - December 31	$ 81,620	$ 886,525	$ 286,167

Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
$ 28,395	$ 6,991	$ 10,637	$ 1,955,407
1,184	400	860	51,312
29,579	7,391	11,497	2,006,719
25,322	5,842	7,928	1,807,823
—	—	—	27,335
—	—	—	7,037
—	—	—	236,509
25,322	5,842	7,928	2,078,704
4,257	1,549	3,569	(71,985)
—	—	—	3,325
—	—	—	3,325
4,257	1,549	3,569	(68,660)
31,866	11,513	24,511	1,400,237
$ 36,123	$ 13,062	$ 28,080	$ 1,331,577

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Total
ASSETS				
Cash and investments	$ 22,427,793	$ 23,304,783	$ 3,534,406	$ 49,266,982
Total assets	$ 22,427,793	$ 23,304,783	$ 3,534,406	$ 49,266,982
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 1,413	$ —	$ —	$ 1,413
Total liabilities	1,413	—	—	1,413
Fund balances				
Committed	22,426,380	23,304,783	3,534,406	49,265,569
Total fund balances	22,426,380	23,304,783	3,534,406	49,265,569
Total liabilities and fund balances	$ 22,427,793	$ 23,304,783	$ 3,534,406	$ 49,266,982

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Total
Revenues				
Charges for services	$ 4,405,576	$ 2,951,766	$ 155,659	$ 7,513,001
Investment earnings	968,253	1,038,031	157,708	2,163,992
Total revenues	5,373,829	3,989,797	313,367	9,676,993
Expenditures				
Current				
Public works	—	1,966,400	3,936	1,970,336
Capital outlay	1,415,170	—	—	1,415,170
Total expenditures	1,415,170	1,966,400	3,936	3,385,506
Net change in fund balances	3,958,659	2,023,397	309,431	6,291,487
Fund balances - January 1	18,467,721	21,281,386	3,224,975	42,974,082
Fund balances - December 31	$ 22,426,380	$ 23,304,783	$ 3,534,406	$ 49,265,569

	MAB General Improvement District	Briargate General Improvement District 2021	Total
ASSETS			
Cash and investments	$ 255,369	$ 940,672	$ 1,196,041
Accounts receivable (net of allowance for uncollectibles)	2,527	14,042	16,569
Property taxes receivable	361,799	1,829,253	2,191,052
Total assets	$ 619,695	$ 2,783,967	$ 3,403,662
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 250	$ 1,610	$ 1,860
Accrued salaries and benefits	—	16,246	16,246
Total liabilities	250	17,856	18,106
Deferred inflows of resources			
Unavailable revenue - property taxes	361,799	1,829,253	2,191,052
Total deferred inflows of resources	361,799	1,829,253	2,191,052
Fund balances			
Restricted	257,646	936,858	1,194,504
Total fund balances	257,646	936,858	1,194,504
Total liabilities, deferred inflows of resources and fund balances	$ 619,695	$ 2,783,967	$ 3,403,662

	MAB General Improvement District	Briargate General Improvement District 2021	Total
Revenues			
Taxes	$ 358,957	$ 1,984,152	$ 2,343,109
Investment earnings	12,251	41,352	53,603
Total revenues	371,208	2,025,504	2,396,712
Expenditures			
Current			
General government	6,685	—	6,685
Parks	—	2,071,446	2,071,446
Debt service			
Principal	280,000	—	280,000
Principal - leases	—	23,286	23,286
Interest	73,125	—	73,125
Interest - leases	—	5,994	5,994
Total expenditures	359,810	2,100,726	2,460,536
Excess (deficiency) of revenues over expenditures	11,398	(75,222)	(63,824)
Other financing sources			
Sale of capital assets	—	7,600	7,600
Total other financing sources	—	7,600	7,600
Net change in fund balances	11,398	(67,622)	(56,224)
Fund balances - January 1	246,248	1,004,480	1,250,728
Fund balances - December 31	$ 257,646	$ 936,858	$ 1,194,504

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Carryout Bag Fee Fund	Retail Marijuana Tax Fund	Total
ASSETS							
Cash and investments	$ —	$ 102,213	$ 8,177,531	$ 245,851	$ 197,026	$ 1,915,247	$ 10,637,868
Accounts receivable (net of allowance for uncollectibles)	—	—	65,908	—	108,810	—	174,718
Sales tax receivable (net of allowance for uncollectibles)	629,687	—	—	—	—	308,973	938,660
Total assets	$ 629,687	$ 102,213	$ 8,243,439	$ 245,851	$ 305,836	$ 2,224,220	$ 11,751,246
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ —	$ —	$ 72,743	$ 38,108	$ —	$ —	$ 110,851
Due to other funds	858,457	—	—	—	—	—	858,457
Total liabilities	858,457	—	72,743	38,108	—	—	969,308
Fund balances							
Restricted	—	—	8,170,696	—	305,836	2,224,220	10,700,752
Committed	—	102,213	—	207,743	—	—	309,956
Unassigned	(228,770)	—	—	—	—	—	(228,770)
Total fund balances	(228,770)	102,213	8,170,696	207,743	305,836	2,224,220	10,781,938
Total liabilities and fund balances	$ 629,687	$ 102,213	$ 8,243,439	$ 245,851	$ 305,836	$ 2,224,220	$ 11,751,246

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Carryout Bag Fee Fund	Retail Marijuana Tax Fund	Total
Revenues							
Taxes	$ 10,268,978	$ —	$ —	$ —	$ —	$ 2,176,322	$ 12,445,300
Donations	—	—	3,566,250	187,844	—	—	3,754,094
Other revenue	—	—	—	—	758,463	—	758,463
Investment earnings	—	3,068	—	4,908	1,219	48,093	57,288
Total revenues	10,268,978	3,068	3,566,250	192,752	759,682	2,224,415	17,015,145
Expenditures							
Current							
General government	10,594,792	—	124,033	—	10	195	10,719,030
Parks	—	34	1,304,145	179,116	—	—	1,483,295
Planning	—	—	63,821	—	—	—	63,821
Public safety	—	—	113,173	—	—	—	113,173
Public works	—	—	216,069	—	—	—	216,069
Total expenditures	10,594,792	34	1,821,241	179,116	10	195	12,595,388
Excess (deficiency) of revenues over expenditures	(325,814)	3,034	1,745,009	13,636	759,672	2,224,220	4,419,757
Other financing uses							
Transfers - out	(100,000)	—	—	—	(2,500,000)	—	(2,600,000)
Total other financing uses	(100,000)	—	—	—	(2,500,000)	—	(2,600,000)
Net change in fund balances	(425,814)	3,034	1,745,009	13,636	(1,740,328)	2,224,220	1,819,757
Fund balances - January 1	197,044	99,179	6,425,687	194,107	2,046,164	—	8,962,181
Fund balances - December 31	$ (228,770)	$ 102,213	$ 8,170,696	$ 207,743	$ 305,836	$ 2,224,220	$ 10,781,938

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Community Development Block Grant	$ 1,322,152	$ 1,322,152	$ —
Home Investment Partnership Fund	1,154,930	1,154,930	—
Grants Fund	63,805,414	63,805,414	—
Ballfield Capital Improvements Fund	83,100	70,255	(12,845)
Bicycle Tax Fund	84,700	384,026	299,326
Trails/Open Space Fund	13,924,925	14,211,011	286,086
Conservation Trust Fund	6,641,700	5,953,272	(688,428)
Public Safety Sales Tax Fund	53,542,533	52,539,492	(1,003,041)
Wildfire Mitigation Fund	669,000	837,057	168,057
Old Colorado City Maintenance and Security District Fund	166,591	166,502	(89)
Norwood Special Improvement Maintenance District Fund	1,271,321	1,270,136	(1,185)
Stetson Hills Improvement Maintenance District Fund	524,192	524,939	747
Woodstone Improvement Maintenance District Fund	30,308	29,579	(729)
Gateway Improvement Maintenance District Fund	7,334	7,391	57
Platte Avenue Improvement Maintenance District Fund	11,487	11,497	10
Public Space and Development Fund	2,794,000	5,373,829	2,579,829
Subdivision Drainage Fund	10,000,000	3,989,797	(6,010,203)
Arterial Roadway Fund	1,000,000	313,367	(686,633)
MAB General Improvement District	363,700	371,208	7,508
Briargate General Improvement District 2021	2,016,175	2,033,104	16,929
Lodgers and Auto Rental Tax Fund	10,500,000	10,268,978	(231,022)
Street Tree Fund	3,400	3,068	(332)
Gift Trust Fund	4,100,000	3,566,250	(533,750)
Senior Programs Fund	23,400	192,752	169,352
Carryout Bag Fee Fund	724,000	759,682	35,682
Retail Marijuana Tax Fund	—	2,224,415	2,224,415
Total revenues	$ 174,764,362	$ 171,384,103	$ (3,380,259)

Note: Includes transfers.

(continued)

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Community Development Block Grant	$ 1,322,152	$ 1,322,152	$ —
Home Investment Partnership Fund	1,154,930	1,154,930	—
Grants Fund	63,805,414	63,805,414	—
Ballfield Capital Improvements Fund	115	32	83
Bicycle Tax Fund	336,412	156,347	180,065
Trails/Open Space Fund	22,181,528	7,266,738	14,914,790
Conservation Trust Fund	9,020,007	6,868,826	2,151,181
Public Safety Sales Tax Fund	57,864,569	53,510,960	4,353,609
Wildfire Mitigation Fund	1,224,657	725,436	499,221
Old Colorado City Maintenance and Security District Fund	177,241	150,844	26,397
Norwood Special Improvement Maintenance District Fund	1,776,342	1,338,841	437,501
Stetson Hills Improvement Maintenance District Fund	634,179	549,927	84,252
Woodstone Improvement Maintenance District Fund	31,589	25,322	6,267
Gateway Improvement Maintenance District Fund	8,172	5,842	2,330
Platte Avenue Improvement Maintenance District Fund	13,129	7,928	5,201
Public Space and Development Fund	6,835,391	1,415,170	5,420,221
Subdivision Drainage Fund	10,000,000	1,966,400	8,033,600
Arterial Roadway Fund	1,000,000	3,936	996,064
MAB General Improvement District	360,625	359,810	815
Briargate General Improvement District 2021	2,300,922	2,100,726	200,196
Lodgers and Auto Rental Tax Fund	10,742,257	10,694,792	47,465
Street Tree Fund	170	34	136
Gift Trust Fund	4,223,659	1,821,241	2,402,418
Senior Programs Fund	150,800	179,116	(28,316)
Carryout Bag Fee Fund	2,501,200	2,500,010	1,190
Retail Marijuana Tax Fund	—	195	(195)
Total expenditures	$ 197,665,460	$ 157,930,969	$ 39,734,491

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

	City Funded CIP Construction Fund
ASSETS	
Cash and investments	$ 46,745,571
Accounts receivable	172,101
Due from other funds	1,131,843
Total assets	$ 48,049,515
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	$ 3,758,063
Due to other funds	3,432,508
Total liabilities	7,190,571
Fund balance	
Committed	38,528,423
Assigned	2,330,521
Total fund balance	40,858,944
Total liabilities and fund balance	$ 48,049,515

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2025

CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-2

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment earnings	$ 1,601,000	$ 1,447,312	$ (153,688)
Total revenues	1,601,000	1,447,312	(153,688)
Expenditures			
Debt service			
Principal	1,567,667	1,567,667	—
Principal - leases	462,346	462,346	—
Interest	47,238	47,238	—
Interest - leases	110,586	110,586	—
Capital outlay	52,140,018	5,326,774	46,813,244
Total expenditures	54,327,855	7,514,611	46,813,244
Deficiency of revenues over expenditures	(52,726,855)	(6,067,299)	46,659,556
Other financing sources			
Transfers - in	8,420,226	8,420,226	—
Issuance of leases	—	2,551,185	2,551,185
Total other financing sources	8,420,226	10,971,411	2,551,185
Net change in fund balance	(44,306,629)	4,904,112	49,210,741
Fund balance - January 1	35,954,832	35,954,832	—
Fund balance - December 31	$ (8,351,797)	$ 40,858,944	$ 49,210,741

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado
THIS INFORMATION FROM THE RECORDS OF: City of Colorado Springs	PREPARED BY: Finance Office accountants@coloradosprings.gov	REPORT YEAR ENDING (mm/yyyy): 12/2025

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. Total (1 - (2 through 4))				

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	1,487,448
b. Non-property taxes and assessments imposts	176,621,639	b. Other misc. local receipts	4,581,906
c. Total (a + b)	176,621,639	**c. Total (a + b)**	6,069,354

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State government		**D. Receipts from Federal government**	
1. Highway-user taxes (from Item I.C.5.)	23,950,276	1. FHWA (from Item I.D.5.)	—
2. State general funds		2. Other Federal agencies:	—
3. Other State funds:			
a. State bond proceeds			
b. Non-State bond proceeds	1,511,615		
c. Total (a + b)	1,511,615		
4. Total (1 + 2 + 3c)	25,461,891	**3. Total (1 + 2)**	—

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-of-way costs	5,095,423
b. Engineering costs	4,075,186
c. Construction costs	161,412,208
d. Total capital outlay (a + b + c)	170,582,817

FORM FHWA-536 (Rev. 02-2025) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
A. Receipts from local sources:		**A. Local highway expenditures:**	
1. Local highway-user taxes		1. Capital outlay (from page 1, Item III.A1.d)	170,582,817
a. Motor fuel (from Item I.A.1)		2. Maintenance:	32,310,731
b. Motor vehicle (from Item I.B.1)		3. Road and street services:	
c. Total (a + b)		a. Snow and ice removal	2,063,750
2. General fund appropriations	32,897,201	b. Other & traffic control operations	610,345
3. Other local imposts (from page 1, Item II.A3.c)	176,621,639	**c. Total (a + b)**	2,674,095
4. Miscellaneous local receipts (from page 1, Item II.A4.c)	6,069,354	4. General administration & miscellaneous	7,899,904
5. Transfers from toll facilities	—	5. Highway law enforcement and safety	26,868,974
6. Proceeds of sale of bonds and notes:		**6. Total (1 through 5)**	240,336,521
a. Bonds - original issues	—	**B. Debt service on local obligations:**	
b. Bonds - refunding issues	—	1. Bonds:	
c. Notes	—	a. Interest	—
d. Total (a + b + c)	—	b. Redemption	—
7. Total (1 through 6)	215,588,194	**c. Total (a + b)**	—
B. Private contributions	—	2. Notes:	
C. Receipts from State government (from page 1, Item II.C.4)	25,461,891	a. Interest	—
D. Receipts from Federal government (from page 1, Item II.D.3)	—	b. Redemption	—
E. Total receipts (A.7 + B + C + D)	241,050,085	**c. Total (a + b)**	—
		3. Total (1c + 2c)	—
		C. Payments to State for highways	713,564
		D. Payments to toll facilities	—
		E. Total expenditures (A6 + B3 + C + D)	241,050,085

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)	—	—	—	—

FORM FHWA-536 (Rev. 02-2025) 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 residents.

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.

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
ASSETS				
Cash and investments	$ 417,787	$ 27,432	$ 187,808	$ 633,027
Accounts receivable	10,026	—	—	10,026
Restricted investments	1,434,718	14,397,087	761,340	16,593,145
Total assets	$ 1,862,531	$ 14,424,519	$ 949,148	$ 17,236,198
FUND BALANCES				
Nonspendable	$ 1,434,718	$ 14,397,087	$ 761,340	$ 16,593,145
Restricted	427,813	27,432	187,808	643,053
Total fund balances	$ 1,862,531	$ 14,424,519	$ 949,148	$ 17,236,198

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
Revenues				
Endowments	$ —	$ 110,795	$ —	$ 110,795
Investment earnings (loss)	(67,309)	1,648,333	37,822	1,618,846
Total revenues	(67,309)	1,759,128	37,822	1,729,641
Expenditures				
Current				
Parks	1,266	32,877	62	34,205
Total expenditures	1,266	32,877	62	34,205
Excess (deficiency) of revenues over expenditures	(68,575)	1,726,251	37,760	1,695,436
Other financing uses				
Transfers - out	—	(366,136)	—	(366,136)
Total other financing uses	—	(366,136)	—	(366,136)
Net change in fund balances	(68,575)	1,360,115	37,760	1,329,300
Fund balances - January 1	1,931,106	13,064,404	911,388	15,906,898
Fund balances - December 31	$ 1,862,531	$ 14,424,519	$ 949,148	$ 17,236,198

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
C.D. Smith Trust Fund	$ 75,000	$ (67,309)	$ (142,309)
Cemetery Endowment Fund	393,400	1,759,128	1,365,728
TOPS Maintenance Trust Fund	6,300	37,822	31,522
Total revenues	$ 474,700	$ 1,729,641	$ 1,254,941

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
C.D. Smith Trust Fund	$ 75,000	$ 1,266	$ 73,734
Cemetery Endowment Fund	393,400	399,013	(5,613)
TOPS Maintenance Trust Fund	31,951	62	31,889
Total expenditures	$ 500,351	$ 400,341	$ 100,010

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, 2025

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets				
Cash and investments - unrestricted	$ 37,422,470	$ 4,659,232	$ 1,354,025	$ 8,438,259
Cash and investments - restricted	1,165,299	—	—	—
Accounts receivable (net of allowance for uncollectibles)	17,328,149	—	—	22,129
Interest receivable	8,745	—	—	—
Leases receivable	5,012,334	9,786	9,786	966,928
Notes receivable	153,007	—	—	—
Prepaid expenses	439,585	5,338	—	—
Due from other funds	—	—	—	—
Inventories	1,803,205	—	—	114,287
Total current assets	63,332,794	4,674,356	1,363,811	9,541,603
Noncurrent assets				
Cash and investments - restricted	827,207	—	—	1,995,656
Interest receivable	1,193,712	—	—	—
Leases receivable	126,573,163	30,582	30,582	4,374,904
Notes receivable	3,296,354	—	—	—
Due from other funds	—	—	—	—
Capital assets:				
Land	40,105,602	60,000	931,200	667
Buildings	55,826,810	1,828,235	455,747	71,420,680
Construction in progress	31,358,976	—	—	—
Improvements other than buildings	400,813,248	8,372,015	4,181,969	10,744,276
Machinery and equipment	35,518,959	3,184,938	1,294,352	6,874,750
Subscription assets	975,013	97,740	—	5,947
Infrastructure	42,610,165	—	—	—
Intangibles	2,325,950	—	—	—
Less accumulated depreciation and amortization	(266,969,158)	(5,292,917)	(1,664,277)	(19,473,620)
Total noncurrent assets	474,456,001	8,280,593	5,229,573	75,943,260
Total assets	537,788,795	12,954,949	6,593,384	85,484,863
Deferred outflows of resources				
Loss on debt refunding	—	—	—	—
Pension-related amounts	2,490,112	181,498	82,240	516,507
OPEB-related amounts	345,800	41,723	11,761	78,386
Total deferred outflows of resources	2,835,912	223,221	94,001	594,893
Total assets and deferred outflows of resources	$ 540,624,707	$ 13,178,170	$ 6,687,385	$ 86,079,756

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
$ 20,097,655	$ 1,454,222	$ 10,984,161	$ 36,065,416	$ 120,475,440
—	32,918	—	—	1,198,217
51,277	28,097	188,932	839,471	18,458,055
—	—	—	—	8,745
—	—	—	—	5,998,834
—	—	—	—	153,007
—	115,060	—	—	559,983
105,541	—	—	4,769,737	4,875,278
—	—	—	—	1,917,492
20,254,473	1,630,297	11,173,093	41,674,624	153,645,051
—	—	—	—	2,822,863
—	—	—	—	1,193,712
—	—	—	—	131,009,231
—	—	—	—	3,296,354
727,292	—	—	—	727,292
2,072,246	81,379	—	2,663,311	45,914,405
25,059,206	514,720	80,173	—	155,185,571
2,929,374	—	—	5,123,243	39,411,593
24,503,973	4,134,878	80,289	2,349,435	455,180,083
1,748,118	731,610	450,746	847,804	50,651,277
266,128	—	182,990	275,506	1,803,324
3,415,751	—	—	58,702,144	104,728,060
—	—	—	—	2,325,950
(27,970,072)	(1,109,151)	(521,532)	(4,994,317)	(327,995,044)
32,752,016	4,353,436	272,666	64,967,126	666,254,671
53,006,489	5,983,733	11,445,759	106,641,750	819,899,722
19,438	—	—	—	19,438
318,731	141,090	469,467	858,394	5,058,039
55,918	65,560	73,576	48,787	721,511
394,087	206,650	543,043	907,181	5,798,988
$ 53,400,576	$ 6,190,383	$ 11,988,802	$ 107,548,931	$ 825,698,710

(continued)

NON-MAJOR ENTERPRISE FUNDS

COMBINING BALANCE SHEET

December 31, 2025

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Current liabilities				
Accounts payable	$ 18,763,175	$ 46,258	$ 95,679	$ 130,680
Accrued salaries and benefits	430,448	21,765	8,409	74,611
Compensated absences	53,221	6,922	2,834	14,749
Due to other funds	37,281	9,558	6,010	23,768
Unearned revenue	182,720	—	—	—
Escrow deposits	—	—	—	—
Accrued interest payable	229,221	—	—	107,528
Matured bonds payable	—	—	—	655,000
Notes payable	1,549,722	—	—	—
Financed purchases payable	—	340,366	106,404	—
Subscription liabilities	136,551	—	—	—
Total current liabilities	21,382,339	424,869	219,336	1,006,336
Noncurrent liabilities				
Compensated absences	1,011,198	131,510	53,843	280,227
Unearned revenue	1,736,635	—	—	—
Revenue bonds payable, net	—	—	—	27,321,417
Notes payable	7,488,185	—	—	—
Net pension liability	5,864,033	415,540	184,976	1,216,408
Net OPEB liability	768,849	108,639	32,125	199,780
Financed purchases payable	—	1,685,492	—	—
Subscription liabilities	438,463	—	—	—
Total noncurrent liabilities	17,307,363	2,341,181	270,944	29,017,832
Total liabilities	38,689,702	2,766,050	490,280	30,024,168
Deferred inflows of resources				
Pension-related amounts	67,903	14,307	5,611	59,008
OPEB-related amounts	277,424	33,638	11,628	99,783
Lease-related amounts	124,281,659	38,795	38,795	5,341,832
Total deferred inflows of resources	124,626,986	86,740	56,034	5,500,623
Net position				
Net investment in capital assets	318,095,644	6,224,153	5,012,491	41,596,283
Restricted for debt service	—	—	—	1,995,656
Restricted for passenger facility charges	1,751,301	—	—	—
Restricted for capital improvement	827,207	—	—	—
Unrestricted	56,633,867	4,101,227	1,128,580	6,963,026
Total net position	377,308,019	10,325,380	6,141,071	50,554,965
Total liabilities, deferred inflows of resources and net position	$ 540,624,707	$ 13,178,170	$ 6,687,385	$ 86,079,756

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
$ 3,753,311	$ 83,207	$ 65,861	$ 2,757,947	$ 25,696,118
49,452	21,250	71,887	146,077	823,899
4,000	3,593	7,465	19,952	112,736
10,527	1,862	—	—	89,006
—	—	—	—	182,720
—	—	6,139,277	—	6,139,277
3,713	—	1,207	2,826	344,495
830,000	—	—	—	1,485,000
—	—	—	—	1,549,722
—	81,298	—	—	528,068
39,527	—	14,835	57,999	248,912
4,690,530	191,210	6,300,532	2,984,801	37,199,953
75,991	68,268	141,829	379,092	2,141,958
—	1,512,211	—	4,909,420	8,158,266
640,000	—	—	—	27,961,417
—	—	—	—	7,488,185
742,139	295,500	1,222,323	1,949,744	11,890,663
87,410	183,986	137,633	123,647	1,642,069
—	84,583	—	—	1,770,075
164,302	—	17,225	41,587	661,577
1,709,842	2,144,548	1,519,010	7,403,490	61,714,210
6,400,372	2,335,758	7,819,542	10,388,291	98,914,163
—	—	51,831	40,377	239,037
32,510	49,800	64,207	171,684	740,674
—	—	—	—	129,701,081
32,510	49,800	116,038	212,061	130,680,792
27,391,896	4,119,785	240,606	62,741,583	465,422,441
—	—	—	—	1,995,656
—	—	—	—	1,751,301
—	32,918	—	—	860,125
19,575,798	(347,878)	3,812,616	34,206,996	126,074,232
46,967,694	3,804,825	4,053,222	96,948,579	596,103,755
$ 53,400,576	$ 6,190,383	$ 11,988,802	$ 107,548,931	$ 825,698,710

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2025

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
Operating revenues				
Charges for services	$ 31,376,329	$ 3,796,814	$ 1,680,071	$ 10,577,104
Operating expenses				
Salaries and benefits	13,121,709	902,505	402,007	2,713,041
Other operating expenses	13,788,143	1,496,174	846,458	3,633,602
Depreciation and amortization	20,798,619	402,618	229,647	2,739,413
Total operating expenses	47,708,471	2,801,297	1,478,112	9,086,056
Operating income (loss)	(16,332,142)	995,517	201,959	1,491,048
Nonoperating revenues (expenses)				
Investment earnings	2,010,811	195,205	59,031	376,320
Interest expense	(280,920)	—	(6,271)	(1,154,865)
Passenger facility charges	5,093,111	—	—	—
Customer facility charges	1,743,285	—	—	—
Gain (loss) on disposal of capital assets	2,877,077	182,968	(15,014)	14,203
Interest income from leases	3,032,910	912	912	9,688
Miscellaneous	92,250	—	—	—
Total nonoperating revenues (expenses)	14,568,524	379,085	38,658	(754,654)
Income (loss) before contributions and transfers	(1,763,618)	1,374,602	240,617	736,394
Capital contributions	25,659,346	2,916,445	3,846,990	—
Transfers - in	—	—	—	100,000
Change in net position	23,895,728	4,291,047	4,087,607	836,394
Net position - January 1	353,412,291	6,034,333	2,053,464	49,718,571
Total net position - December 31	$377,308,019	$ 10,325,380	$ 6,141,071	$ 50,554,965

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
$ 9,416,872	$ 1,638,260	$ 3,735,318	$ 29,714,197	$ 91,934,965
1,583,794	734,452	2,294,634	4,559,094	26,311,236
3,932,736	1,263,951	830,350	11,218,454	37,009,868
1,821,370	171,466	90,842	1,542,456	27,796,431
7,337,900	2,169,869	3,215,826	17,320,004	91,117,535
2,078,972	(531,609)	519,492	12,394,193	817,430
1,010,790	63,878	437,110	1,462,217	5,615,362
(69,357)	(9,859)	(1,315)	(3,378)	(1,525,965)
—	—	—	—	5,093,111
—	—	—	—	1,743,285
—	(58,911)	—	24,540	3,024,863
—	—	—	—	3,044,422
—	—	—	—	92,250
941,433	(4,892)	435,795	1,483,379	17,087,328
3,020,405	(536,501)	955,287	13,877,572	17,904,758
—	2,679,736	—	268,473	35,370,990
—	366,136	—	—	466,136
3,020,405	2,509,371	955,287	14,146,045	53,741,884
43,947,289	1,295,454	3,097,935	82,802,534	542,361,871
$ 46,967,694	$ 3,804,825	$ 4,053,222	$ 96,948,579	$ 596,103,755

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 20,042,454	$ 3,810,439	$ 1,673,127	$ 9,333,647
Receipts from interfund services provided	158,894	—	—	—
Payments to suppliers	(8,370,145)	(1,133,203)	(382,360)	(2,293,726)
Payments to employees	(13,238,570)	(941,104)	(439,176)	(2,657,911)
Payments for interfund services used	(3,013,883)	(626,267)	(456,958)	(1,225,038)
Net cash provided (used) by operating activities	(4,421,250)	1,109,865	394,633	3,156,972
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers - in	—	—	—	100,000
Principal received from interfund loan	—	—	—	—
Interest received from interfund loan	—	—	—	—
Net cash provided by noncapital financing activities	—	—	—	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(46,412,786)	(360,536)	(139,214)	(216,903)
Principal paid on capital debt	(1,510,328)	(119,400)	(103,315)	(625,000)
Interest paid on capital debt	(270,767)	—	(6,271)	(1,230,100)
Principal paid on subscriptions	(165,136)	(97,740)	—	—
Interest paid on subscriptions	(17,290)	—	—	—
Principal received from leases	5,093,658	9,588	9,588	1,261,021
Interest received from leases	2,441,550	912	912	13,979
Proceeds from sale of capital assets	2,940,560	15,718	2,304	14,789
Capital grant	38,238,065	—	—	—
Passenger facility charges	4,793,801	—	—	—
Customer facility charges	1,704,266	—	—	—
Net cash provided (used) by capital and related financing activities	6,835,593	(551,458)	(235,996)	(782,214)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	5,850,213	518,236	151,933	—
Purchases of investments	(9,670,136)	(1,167,608)	(339,320)	(2,647,448)
Interest and dividends received	1,158,607	121,809	37,699	246,303
Principal received on note receivable	242,366	—	—	—
Interest received on note receivable	241,260	—	—	—
Net cash provided (used) by investing activities	(2,177,690)	(527,563)	(149,688)	(2,401,145)
Net change in cash and cash equivalents	236,653	30,844	8,949	73,613
Cash and cash equivalents - January 1	405,113	46,645	13,571	66,728
Cash and cash equivalents - December 31	$ 641,766	$ 77,489	$ 22,520	$ 140,341
Cash and cash equivalents	$ 641,766	$ 77,489	$ 22,520	$ 140,341
Investments	38,773,210	4,581,743	1,331,505	10,293,574
Total cash and investments	$ 39,414,976	$ 4,659,232	$ 1,354,025	$ 10,433,915

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
$ 9,009,948	$ 1,822,794	$ 6,960,722	$ 33,813,390	$ 86,466,521
509,953	—	77,751	73,281	819,879
(2,602,035)	(773,823)	(193,099)	(5,856,230)	(21,604,621)
(1,475,562)	(713,004)	(2,273,209)	(4,622,893)	(26,361,429)
(668,231)	(508,770)	(572,831)	(5,247,213)	(12,319,191)
4,774,073	(172,803)	3,999,334	18,160,335	27,001,159
—	366,136	—	—	466,136
97,887	—	—	—	97,887
35,301	—	—	—	35,301
133,188	366,136	—	—	599,324
(5,303,873)	—	—	(11,301,857)	(63,735,169)
(810,000)	(78,141)	—	—	(3,246,184)
(55,404)	(9,859)	—	—	(1,572,401)
(216,494)	—	(14,379)	(56,025)	(549,774)
(6,000)	—	(1,857)	(4,993)	(30,140)
—	—	—	—	6,373,855
—	—	—	—	2,457,353
—	—	—	24,540	2,997,911
—	—	—	1,992,429	40,230,494
—	—	—	—	4,793,801
—	—	—	—	1,704,266
(6,391,771)	(88,000)	(16,236)	(9,345,906)	(10,575,988)
5,957,608	227,300	—	—	12,705,290
(5,036,493)	(364,638)	(4,148,063)	(9,425,393)	(32,799,099)
651,539	40,841	269,253	902,782	3,428,833
—	—	—	—	242,366
—	—	—	—	241,260
1,572,654	(96,497)	(3,878,810)	(8,522,611)	(16,181,350)
88,144	8,836	104,288	291,818	843,145
246,107	15,350	78,394	307,998	1,179,906
$ 334,251	$ 24,186	$ 182,682	$ 599,816	$ 2,023,051
$ 334,251	$ 24,186	$ 182,682	$ 599,816	$ 2,023,051
19,763,404	1,462,954	10,801,479	35,465,600	122,473,469
$ 20,097,655	$ 1,487,140	$ 10,984,161	$ 36,065,416	$ 124,496,520

(continued)

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	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)	$ (16,332,142)	$ 995,517	$ 201,959	$ 1,491,048
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization expense	20,798,619	402,618	229,647	2,739,413
Decrease (increase) in assets and outflows of resources				
Accounts receivable	(4,703,637)	23,325	2,755	(20,218)
Leases receivable	(6,931,739)	—	—	(5,337,541)
Due from other funds	—	—	—	—
Inventories	146,384	—	—	439
Deferred outflows of resources - pensions	1,387,979	107,812	41,638	432,560
Deferred outflows of resources - OPEB	(13,060)	(8,391)	(1,926)	(2,943)
Prepaids	(439,585)	(5,338)	—	—
Increase (decrease) in liabilities and inflows of resources				
Accounts and other payables	2,782,589	(259,141)	5,782	110,026
Accrued expenses	(101,620)	(20,839)	(23,879)	15,678
Due to other funds	(85,279)	1,183	1,358	4,704
Other liabilities	24,182	—	—	—
Deferred inflows of resources - pensions	48,597	13,750	4,157	57,327
Deferred inflows of resources - OPEB	(17,128)	(5,316)	(378)	(1,531)
Deferred inflows of resources - leases	436,218	(9,699)	(9,699)	4,114,302
Net pension liabilities	(1,342,475)	(126,316)	(53,988)	(420,352)
Net OPEB liabilities	(79,153)	700	(2,793)	(25,940)
Net cash provided (used) by operating activities	$ (4,421,250)	$ 1,109,865	$ 394,633	$ 3,156,972

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
Noncash investing, capital and financing activities				
Noncash acquisition of capital assets (incurrence of payable)	$ 14,857,000	$ 1,600,000	$ 80,096	$ —
Noncash capital contributions	—	2,916,445	3,846,990	—
Change in fair value of investments	610,944	73,396	21,332	130,017
Acquisition of right to use lease asset and liability	6,931,739	—	—	5,341,832
Acquisition of SBITA asset and liability	262,887	97,740	—	—

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
$ 2,078,972	$ (531,609)	$ 519,492	$ 12,394,193	$ 817,430
1,821,370	171,466	90,842	1,542,456	27,796,431
106,694	184,535	(46,327)	(203,641)	(4,656,514)
—	—	—	—	(12,269,280)
(3,665)	—	—	(41,855)	(45,520)
—	—	—	—	146,823
185,430	45,341	393,764	466,265	3,060,789
3,061	(22,855)	15,229	58,912	28,027
—	(25,000)	—	—	(469,923)
663,190	6,294	64,422	115,272	3,488,434
18,352	21,841	(9,122)	(17,417)	(117,006)
(820)	64	—	—	(78,790)
—	—	3,349,480	4,417,969	7,791,631
(853)	(336)	50,164	37,847	210,653
(56)	(17,728)	8,745	(29,961)	(63,353)
—	—	—	—	4,531,122
(87,809)	(31,593)	(400,346)	(513,649)	(2,976,528)
(9,793)	26,777	(37,009)	(66,056)	(193,267)
$ 4,774,073	$ (172,803)	$ 3,999,334	$ 18,160,335	$ 27,001,159
$ 2,978,437	$ 67,770	$ —	$ 2,125,957	$ 21,709,260
—	2,679,736	—	—	9,443,171
323,951	23,038	167,857	559,435	1,909,970
—	—	—	—	12,273,571
368,042	—	—	—	728,669

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Airport Fund	$ 71,441,418	$ 66,278,306	$ (5,163,112)
Patty Jewett Golf Fund	3,466,979	3,935,142	468,163
Valley Hi Golf Fund	1,520,549	1,720,874	200,325
Pikes Peak America's Mountain Fund	11,453,750	10,985,080	(468,670)
Parking Fund	12,100,852	10,201,598	(1,899,254)
Cemetery Fund	2,042,545	2,045,236	2,691
Development Review Fund	3,214,750	4,004,570	789,820
Stormwater Fund	29,190,991	30,752,986	1,561,995
Total revenues	$ 134,431,834	129,923,792	$ (4,508,042)
Reconciliation to GAAP:			
Add: Gain (loss) on disposal of assets		3,024,863	
Add: Capital assets contributed		9,443,171	
Add: Increase in fair value of investments		1,909,970	
Add: Other year-end accrual entries		2,083,588	
Revenues (US GAAP basis)		$ 146,385,384	

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Airport Fund	$ 180,223,348	$ 83,154,083	$ 97,069,265
Patty Jewett Golf Fund	4,609,775	2,846,611	1,763,164
Valley Hi Golf Fund	1,745,466	1,614,232	131,234
Pikes Peak America's Mountain Fund	13,167,084	8,378,962	4,788,122
Parking Fund	25,087,275	14,564,790	10,522,485
Cemetery Fund	2,013,834	2,162,267	(148,433)
Development Review Fund	4,090,686	3,124,220	966,466
Stormwater Fund	56,561,168	27,879,387	28,681,781
Total expenses	$ 287,498,636	143,724,552	$ 143,774,084
Reconciliation to GAAP:			
Add: Depreciation and amortization expense		27,796,431	
Less: Capital asset purchases		(74,666,979)	
Less: Capital asset-related principal payments		(3,795,958)	
Less: Other year-end accrual entries		(414,546)	
Expenses (US GAAP basis)		$ 92,643,500	

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, 2025

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
ASSETS		
Current assets		
Cash and investments	$ —	$ 2,856,634
Accounts receivable (net of allowance for uncollectibles)	—	—
Interest receivable	—	—
Leases receivable	—	—
Inventories	—	—
Due from other funds	—	8,384
Total current assets	—	2,865,018
Noncurrent assets		
Leases receivable	—	—
Capital assets:		
Land	—	—
Buildings	—	—
Improvements other than buildings	—	—
Machinery and equipment	—	35,485
Lease assets - equipment	—	—
Subscription assets	286,798	314,318
Less accumulated depreciation and amortization	(198,552)	(238,423)
Total noncurrent assets	88,246	111,380
Total assets	$ 88,246	$ 2,976,398
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities		
Accounts payable	$ 131	$ 47,439
Due to other funds	3,182,985	—
Lease liabilities	—	—
Subscription liabilities	77,826	94,119
Accrued interest payable	1,368	1,562
Accrued salaries and benefits	26,642	40,200
Compensated absences	2,210	6,063
Claims payable	5,010,000	9,903,000
Total current liabilities	8,301,162	10,092,383
Noncurrent liabilities		
Lease liabilities	—	—
Compensated absences	42,000	115,196
Claims payable	5,010,000	9,903,000
Total noncurrent liabilities	5,052,000	10,018,196
Total liabilities	13,353,162	20,110,579
Deferred inflows of resources		
Lease-related amounts	—	—
Total deferred inflows of resources	—	—
Net position		
Net investment in capital assets	10,420	17,261
Unrestricted	(13,275,336)	(17,151,442)
Total net position	(13,264,916)	(17,134,181)
Total liabilities, deferred inflows of resources and net position	$ 88,246	$ 2,976,398

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ 5,028,663	$ 484,141	$ 258,651	$ 8,628,089
1,831,588	31,927	36,713	1,900,228
—	—	5,805	5,805
—	—	114,971	114,971
—	26,626	7,908	34,534
22,088	9,577	—	40,049
6,882,339	552,271	424,048	10,723,676
—	—	305,322	305,322
—	—	13,000	13,000
—	—	160,000	160,000
—	—	310,198	310,198
—	261,829	252,025	549,339
—	76,098	—	76,098
—	—	—	601,116
—	(206,230)	(600,212)	(1,243,417)
—	131,697	440,333	771,656
$ 6,882,339	$ 683,968	$ 864,381	$ 11,495,332
$ 5,844,112	$ 19,868	$ 13,728	$ 5,925,278
202,487	—	1,150	3,386,622
—	15,635	—	15,635
—	—	—	171,945
—	97	—	3,027
18,096	24,982	21,484	131,404
1,412	8,221	5,270	23,176
2,174,000	—	—	17,087,000
8,240,107	68,803	41,632	26,744,087
—	17,546	—	17,546
26,836	156,192	100,133	440,357
2,174,000	—	—	17,087,000
2,200,836	173,738	100,133	17,544,903
10,440,943	242,541	141,765	44,288,990
—	—	442,565	442,565
—	—	442,565	442,565
—	98,516	135,011	261,208
(3,558,604)	342,911	145,040	(33,497,431)
(3,558,604)	441,427	280,051	(33,236,223)
$ 6,882,339	$ 683,968	$ 864,381	$ 11,495,332

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2025

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
Operating revenues		
Charges for services	$ 1,053,072	$ 6,945,529
Operating expenses		
Salaries and benefits	858,737	1,373,663
Other operating expenses	912,707	10,257,814
Depreciation and amortization	66,184	70,570
Total operating expenses	1,837,628	11,702,047
Operating loss	(784,556)	(4,756,518)
Nonoperating revenues (expenses)		
Investment earnings	—	187,747
Interest income from leases	—	—
Interest expense	(3,088)	(3,285)
Total nonoperating revenues (expenses)	(3,088)	184,462
Change in net position	(787,644)	(4,572,056)
Net position - January 1	(12,477,272)	(12,562,125)
Net position - December 31	$ (13,264,916)	$ (17,134,181)

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ 55,584,705	$ 1,632,882	$ 1,483,120	$ 66,699,308
584,088	816,238	734,295	4,367,021
57,751,675	1,278,346	824,795	71,025,337
—	36,838	27,268	200,860
58,335,763	2,131,422	1,586,358	75,593,218
(2,751,058)	(498,540)	(103,238)	(8,893,910)
214,636	26,220	16,705	445,308
—	—	17,251	17,251
—	(1,255)	—	(7,628)
214,636	24,965	33,956	454,931
(2,536,422)	(473,575)	(69,282)	(8,438,979)
(1,022,182)	915,002	349,333	(24,797,244)
$ (3,558,604)	$ 441,427	$ 280,051	$ (33,236,223)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 34,572	$ 797,871
Receipts from interfund services provided	1,018,500	6,169,336
Payments to suppliers	(1,139,708)	(8,183,523)
Payments to employees	(848,451)	(1,360,973)
Payments for interfund services used	(960)	(2,126,402)
Net cash provided (used) by operating activities	(936,047)	(4,703,691)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advance from other funds	1,012,601	—
Net cash provided by noncapital financing activities	1,012,601	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal received from leases	—	—
Interest received from leases	—	—
Principal payments on leases	—	—
Interest payments on leases	—	—
Principal payments on subscriptions	(72,198)	(83,425)
Interest payments on subscriptions	(4,356)	(4,359)
Net cash provided (used) by capital and related financing activities	(76,554)	(87,784)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	—	5,332,927
Purchases of investments	—	(715,876)
Interest and dividends received	—	132,834
Net cash provided (used) by investing activities	—	4,749,885
Net change in cash and cash equivalents	—	(41,590)
Cash and cash equivalents - January 1	—	89,100
Cash and cash equivalents - December 31	$ —	$ 47,510
Cash and cash equivalents	$ —	$ 47,510
Investments	—	2,809,124
Total cash and investments	$ —	$ 2,856,634

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ 13,055,185	$ 606,068	$ 166,461	$ 14,660,157
43,456,622	1,073,361	1,199,665	52,917,484
(54,075,037)	(862,767)	(159,739)	(64,420,774)
(641,328)	(806,627)	(749,028)	(4,406,407)
(53,446)	(410,289)	(659,920)	(3,251,017)
1,741,996	(400,254)	(202,561)	(4,500,557)
—	—	—	1,012,601
—	—	—	1,012,601
—	—	121,093	121,093
—	—	11,446	11,446
—	(15,084)	—	(15,084)
—	(1,270)	—	(1,270)
—	—	—	(155,623)
—	—	—	(8,715)
—	(16,354)	132,539	(48,153)
—	517,866	122,972	5,973,765
(1,832,711)	(121,327)	(64,818)	(2,734,732)
137,658	17,676	12,444	300,612
(1,695,053)	414,215	70,598	3,539,645
46,943	(2,393)	576	3,536
36,690	10,445	3,726	139,961
$ 83,633	$ 8,052	$ 4,302	$ 143,497
$ 83,633	$ 8,052	$ 4,302	$ 143,497
4,945,030	476,089	254,349	8,484,592
$ 5,028,663	$ 484,141	$ 258,651	$ 8,628,089

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
Reconciliation of operating loss to net cash provided (used) by operating activities		
Operating loss	$ (784,556)	$ (4,756,518)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation and amortization expense	66,184	70,570
Decrease in assets		
Accounts receivable	—	9,200
Due from other funds	—	12,478
Inventories	—	—
Increase (decrease) in liabilities and inflows of resources		
Accounts and other payables	(227,961)	(52,111)
Accrued expenses	10,286	12,690
Due to other funds	—	—
Deferred inflows of resources - leases	—	—
Net cash provided (used) by operating activities	$ (936,047)	$ (4,703,691)
Noncash investing, capital and financing activities		
Change in fair value of investments	$ —	$ 54,913
Acquisition of right to use lease asset and liability	—	—
Acquisition of SBITA asset and liability	—	27,520

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ (2,751,058)	$ (498,540)	$ (103,238)	$ (8,893,910)
—	36,838	27,268	200,860
917,777	13,880	3,315	944,172
9,325	32,667	—	54,470
—	1,751	6,269	8,020
3,420,705	3,539	(946)	3,143,226
(57,240)	9,611	(14,733)	(39,386)
202,487	—	(187)	202,300
—	—	(120,309)	(120,309)
$ 1,741,996	$ (400,254)	$ (202,561)	$ (4,500,557)
$ 76,978	$ 8,544	$ 4,261	$ 144,696
—	3,189	—	3,189
—	—	—	27,520

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Claims Reserve Self-Insurance Fund	$ 1,045,500	$ 1,053,072	$ 7,572
Workers' Compensation Self-Insurance Fund	4,148,291	4,965,488	817,197
Employee Benefits Self-Insurance Fund	51,272,544	55,722,363	4,449,819
Office Services Fund	1,515,039	1,650,558	135,519
Radio Communications Fund	1,647,998	1,507,795	(140,203)
Total revenues	$ 59,629,372	64,899,276	$ 5,269,904
Reconciliation to GAAP:			
Add: Increase in fair value of investments		144,696	
Add: Other year-end accrual entries		2,117,895	
Revenues (US GAAP basis)		$ 67,161,867	

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Claims Reserve Self-Insurance Fund	$ 2,295,538	$ 2,068,509	$ 227,029
Workers' Compensation Self-Insurance Fund	8,570,083	9,632,052	(1,061,969)
Employee Benefits Self-Insurance Fund	53,305,935	57,826,116	(4,520,181)
Office Services Fund	2,066,920	2,102,943	(36,023)
Radio Communications Fund	1,862,268	1,569,189	293,079
Total expenses	$ 68,100,744	73,198,809	$ (5,098,065)
Reconciliation to GAAP:			
Add: Depreciation and amortization expense		200,860	
Less: Capital asset-related principal payments		(170,707)	
Add: Other year-end accrual entries		2,371,884	
Expenses (US GAAP basis)		$ 75,600,846	

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.

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total
ASSETS			
Pension assets held by Fire and Police Pension Association			
Pooled investment funds	$ 55,641,114	$ 48,890,357	$ 104,531,471
Total pension assets held for pension benefits	$ 55,641,114	$ 48,890,357	$ 104,531,471
NET POSITION			
Net position restricted for pensions	$ 55,641,114	$ 48,890,357	$ 104,531,471

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total
Additions			
City contributions	$ 3,159,918	$ 2,120,342	$ 5,280,260
Total contributions	3,159,918	2,120,342	5,280,260
Investment earnings:			
Net increase in fair value of investments	3,471,403	3,057,489	6,528,892
Interest, dividends and other	1,312,274	1,150,646	2,462,920
Total investment earnings	4,783,677	4,208,135	8,991,812
Less investment costs	385,318	337,522	722,840
Net investment earnings	4,398,359	3,870,613	8,268,972
Total additions	7,558,277	5,990,955	13,549,232
Deductions			
Benefits paid to participants or beneficiaries	8,794,451	6,934,454	15,728,905
Administrative expense	52,651	42,722	95,373
Total deductions	8,847,102	6,977,176	15,824,278
Net decrease in fiduciary net position	(1,288,825)	(986,221)	(2,275,046)
Net position restricted for pensions - January 1	56,929,939	49,876,578	106,806,517
Net position restricted for pensions - December 31	$ 55,641,114	$ 48,890,357	$ 104,531,471

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			
	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	$ 2,133,834,299	$ 1,968,601,699	$ 1,838,050,926	$ 1,720,909,853
Restricted	30,044,274	29,760,888	42,249,674	92,232,333
Unrestricted	103,019,244	85,388,968	58,799,369	16,078,007
Total governmental activities net position	$ 2,266,897,817	$ 2,083,751,555	$ 1,939,099,969	$ 1,829,220,193
Business-type activities				
Net investment in capital assets	$ 2,934,605,441	$ 2,762,304,892	$ 2,570,371,735	$ 2,399,652,565
Restricted	61,834,082	66,034,738	52,382,817	73,167,609
Unrestricted	200,226,836	171,110,889	212,039,418	209,717,573
Total business-type activities net position	$ 3,196,666,359	$ 2,999,450,519	$ 2,834,793,970	$ 2,682,537,747
Primary government				
Net investment in capital assets	$ 5,068,439,740	$ 4,730,906,591	$ 4,408,422,661	$ 4,120,562,418
Restricted	91,878,356	95,795,626	94,632,491	165,399,942
Unrestricted	303,246,080	256,499,857	270,838,787	225,795,580
Total primary government net position	$ 5,463,564,176	$ 5,083,202,074	$ 4,773,893,939	$ 4,511,757,940

Fiscal Year											
2021		**2020**		**2019**		**2018**		**2017**		**2016**	
$	1,553,161,705	$	1,480,807,235	$	1,413,603,440	$	1,379,549,497	$	1,320,601,473	$	1,248,000,610
	89,745,144		40,763,006		36,632,780		47,078,513		38,015,920		43,747,103
	(63,175,857)		(80,551,115)		(81,798,147)		(130,182,875)		(100,500,356)		(89,121,095)
$	1,579,730,992	$	1,441,019,126	$	1,368,438,073	$	1,296,445,135	$	1,258,117,037	$	1,202,626,618
$	2,165,919,222	$	2,090,953,267	$	2,229,703,432	$	2,109,118,989	$	1,962,444,943	$	1,872,057,076
	53,140,896		67,324,018		57,212,559		41,771,236		46,297,314		51,102,001
	74,064,859		1,869,084		(59,476,898)		(136,986,951)		(69,559,753)		(49,050,476)
$	2,293,124,977	$	2,160,146,369	$	2,227,439,093	$	2,013,903,274	$	1,939,182,504	$	1,874,108,601
$	3,719,080,927	$	3,571,760,502	$	3,643,306,872	$	3,488,668,486	$	3,283,046,416	$	3,120,057,686
	142,886,040		108,087,024		93,845,339		88,849,749		84,313,234		94,849,104
	10,889,002		(78,682,031)		(141,275,045)		(267,169,826)		(170,060,109)		(138,171,571)
$	3,872,855,969	$	3,601,165,495	$	3,595,877,166	$	3,310,348,409	$	3,197,299,541	$	3,076,735,219

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year			
	2025	**2024**	**2023**	**2022**
Expenses				
Governmental activities:				
General government	$ 128,579,185	$ 135,577,342	$ 131,029,497	$ 113,579,258
Public safety	293,504,276	283,657,549	258,792,574	200,641,033
Planning	11,174,703	16,434,214	22,155,798	16,860,633
Public works	146,550,384	138,505,830	144,772,569	124,506,436
Parks	47,753,400	40,358,722	36,284,727	33,027,521
Interest on long-term debt	3,322,212	2,173,245	2,066,422	2,119,369
Total governmental activities	630,884,160	616,706,902	595,101,587	490,734,250
Business-type activities:				
Utilities	1,060,039,000	938,208,000	942,399,085	921,495,360
PACE	55,247,000	56,139,000	56,973,000	57,684,000
MHS	2,472,979	2,526,227	2,635,609	2,527,597
Other non-major enterprises	86,282,823	82,766,173	74,937,849	66,129,072
Total business-type activities	1,204,041,802	1,079,639,400	1,076,945,543	1,047,836,029
Total primary government expenses	$ 1,834,925,962	$ 1,696,346,302	$ 1,672,047,130	$ 1,538,570,279
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 36,233,446	$ 32,439,025	$ 34,974,133	$ 28,436,464
Public safety	9,556,167	7,215,700	6,539,453	9,496,141
Planning	2,739,125	6,804,859	3,609,674	2,617,374
Public works	19,946,492	20,626,710	17,436,207	22,776,974
Parks	3,568,190	3,667,318	3,635,833	3,357,064
Operating grants and contributions	35,348,851	41,108,507	37,448,647	51,277,129
Capital grants and contributions	226,943,874	173,980,519	124,265,396	175,333,589
Total governmental activities	$ 334,336,145	$ 285,842,638	$ 227,909,343	$ 293,294,735

Fiscal Year					
2021	**2020**	**2019**	**2018**	**2017**	**2016**
$ 97,875,879	$ 99,253,639	$ 75,779,622	$ 109,660,430	$ 101,607,259	$ 65,304,997
228,308,702	245,421,258	230,131,163	181,773,131	187,325,052	190,623,311
34,230,738	11,967,295	12,198,087	7,957,832	7,924,192	22,968,689
137,529,243	138,423,494	118,032,617	141,233,041	130,509,017	120,721,459
33,604,107	27,732,987	29,426,437	26,268,032	26,088,482	28,826,273
2,247,332	2,414,226	2,047,097	1,975,934	2,289,562	2,415,117
533,796,001	525,212,899	467,615,023	468,868,400	455,743,564	430,859,846
988,254,359	764,323,344	741,238,248	818,765,578	793,109,339	681,776,411
58,349,000	58,949,000	59,525,000	59,945,000	60,277,000	60,545,000
2,616,309	2,945,094	2,987,413	3,052,496	3,035,965	3,175,469
75,216,983	53,259,512	54,212,096	40,715,626	42,098,307	36,515,165
1,124,436,651	879,476,950	857,962,757	922,478,700	898,520,611	782,012,045
$ 1,658,232,652	$ 1,404,689,849	$ 1,325,577,780	$ 1,391,347,100	$ 1,354,264,175	$ 1,212,871,891
$ 28,668,757	$ 25,017,621	$ 25,884,456	$ 27,461,626	$ 16,985,911	$ 20,800,595
8,125,925	6,500,328	7,154,791	6,951,073	7,355,565	6,742,276
5,065,099	5,502,211	2,132,235	2,061,979	2,019,143	—
22,262,058	21,772,133	16,962,729	14,883,995	12,470,148	12,632,805
3,068,559	2,220,471	3,044,391	3,018,873	2,866,225	3,341,163
62,779,812	73,426,500	36,420,060	24,963,955	18,571,546	20,758,053
110,453,890	81,129,207	82,048,509	100,366,905	121,233,985	59,514,382
$ 240,424,100	$ 215,568,471	$ 173,647,171	$ 179,708,406	$ 181,502,523	$ 123,789,274

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year			
	2025	2024	2023	2022
Business-type activities:				
Charges for services:				
Utilities	$ 1,127,435,000	$ 1,012,680,000	$ 1,005,708,000	$ 1,234,496,000
PACE	53,239,000	52,612,000	52,054,000	51,532,000
Other non-major enterprises	91,934,965	90,597,901	87,893,336	77,280,383
Operating grants and contributions	—	—	7,279,218	8,257,594
Capital grants and contributions	107,010,819	88,821,204	67,836,772	94,544,065
Total business-type activities	1,379,619,784	1,244,711,105	1,220,771,326	1,466,110,042
Total primary government program revenues	$ 1,713,955,929	$ 1,530,553,743	$ 1,448,680,669	$ 1,759,404,777
Net revenue (expense)				
Governmental activities	$ (296,548,015)	$ (330,864,264)	$ (367,192,244)	$ (197,439,515)
Business-type activities	175,577,982	165,071,705	143,825,783	418,274,013
Total primary government net revenue (expense)	$ (120,970,033)	$ (165,792,559)	$ (223,366,461)	$ 220,834,498
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	$ 32,781,979	$ 34,932,964	$ 29,275,607	$ 29,560,154
Sales taxes	400,062,259	394,005,991	390,885,602	386,903,902
Specific ownership taxes	3,471,905	3,426,636	3,423,591	3,389,527
Occupational liquor taxes	352,196	352,034	347,539	338,851
Admissions tax	508,597	629,140	500,925	436,774
Bicycle excise tax	368,401	208,250	183,638	76,594
Investment earnings (loss)	17,135,452	14,636,306	17,400,612	(10,553,235)
Gain on sale of capital assets	—	—	—	—
Contributions to endowments	110,795	126,395	111,142	98,070
Transfers	24,902,693	34,249,251	34,943,364	36,678,079
Total governmental activities	479,694,277	482,566,967	477,072,020	446,928,716
Business-type activities:				
Investment earnings	43,441,763	40,364,370	41,072,749	10,423,768
Gain on sale of capital assets	3,098,788	84,279	2,599,055	1,143,068
Special item	—	—	(1,330,000)	(3,750,000)
Transfers	(24,902,693)	(34,249,251)	(34,943,364)	(36,678,079)
Total business-type activities	21,637,858	6,199,398	7,398,440	(28,861,243)
Total primary government general revenues and other changes	$ 501,332,135	$ 488,766,365	$ 484,470,460	$ 418,067,473
Change in net position				
Governmental activities	$ 183,146,262	$ 151,702,703	$ 109,879,776	$ 249,489,201
Business-type activities	197,215,840	171,271,103	151,224,223	389,412,770
Total primary government change in net position	$ 380,362,102	$ 322,973,806	$ 261,103,999	$ 638,901,971

	Fiscal Year					
	2021	**2020**	**2019**	**2018**	**2017**	**2016**
	$ 1,065,754,000	$ 884,352,000	$ 893,026,000	$ 890,477,000	$ 839,822,000	$ 793,293,000
	51,042,000	50,567,000	50,108,000	49,628,000	49,148,000	48,654,000
	67,957,911	54,813,785	58,792,179	47,893,293	36,013,711	32,830,447
	12,965,767	—	—	—	—	—
	92,952,205	81,513,770	87,202,848	70,293,975	61,096,647	76,081,834
	1,290,671,883	1,071,246,555	1,089,129,027	1,058,292,268	986,080,358	950,859,281
	$ 1,531,095,983	$ 1,286,815,026	$ 1,262,776,198	$ 1,238,000,674	$ 1,167,582,881	$ 1,074,648,555
	$ (293,371,901)	$ (309,644,428)	$ (293,967,852)	$ (289,159,994)	$ (274,241,041)	$ (307,070,572)
	166,235,232	191,769,605	231,166,270	135,813,568	87,559,747	168,847,236
	$ (127,136,669)	$ (117,874,823)	$ (62,801,582)	$ (153,346,426)	$ (186,681,294)	$ (138,223,336)
	$ 27,817,945	$ 27,477,739	$ 23,841,133	$ 23,475,282	$ 22,190,678	$ 23,390,221
	361,657,264	295,619,090	292,419,454	286,918,740	268,547,457	252,544,859
	3,590,096	3,358,601	3,279,689	3,374,149	3,395,628	2,846,855
	327,883	324,337	315,546	304,686	291,426	280,240
	284,149	157,444	575,495	605,403	503,955	503,199
	96,158	100,802	57,612	78,284	77,140	85,746
	133,202	8,414,431	8,122,461	2,259,245	1,645,386	1,147,142
	—	1,265,590	1,242,627	1,376,263	1,260,228	2,389,154
	73,351	66,576	62,074	70,976	1,338,973	171,160
	38,103,719	45,440,871	36,044,699	30,141,965	30,480,589	31,027,222
	432,083,767	382,225,481	365,960,790	348,604,993	329,731,460	314,385,798
	4,707,275	12,067,326	17,150,551	12,406,763	7,994,745	8,117,657
	139,820	2,406,216	1,263,697	—	—	—
	—	(228,095,000)	—	—	—	(9,811,000)
	(38,103,719)	(45,440,871)	(36,044,699)	(30,141,965)	(30,480,589)	(31,027,222)
	(33,256,624)	(259,062,329)	(17,630,451)	(17,735,202)	(22,485,844)	(32,720,565)
	$ 398,827,143	$ 123,163,152	$ 348,330,339	$ 330,869,791	$ 307,245,616	$ 281,665,233
	$ 138,711,866	$ 72,581,053	$ 71,992,938	$ 59,444,999	$ 55,490,419	$ 7,315,226
	132,978,608	(67,292,724)	213,535,819	118,078,366	65,073,903	136,126,671
	$ 271,690,474	$ 5,288,329	$ 285,528,757	$ 177,523,365	$ 120,564,322	$ 143,441,897

FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2025	**2024**	**2023**	**2022**
General fund				
Nonspendable	$ 389,196	$ 434,891	$ 399,489	$ 318,903
Restricted	12,555,007	13,613,836	26,254,344	19,011,591
Committed	22,859,726	18,353,197	14,519,799	20,495,186
Assigned	5,493,983	10,940,250	3,622,600	7,594,965
Unassigned	62,905,399	61,106,259	71,745,310	66,023,473
Total general fund	$ 104,203,311	$ 104,448,433	$ 116,541,542	$ 113,444,118
All other governmental funds				
Nonspendable	$ 16,593,145	$ 15,276,566	$ 14,413,590	$ 13,245,475
Restricted	105,249,430	90,988,725	83,280,527	103,270,664
Committed	88,233,814	75,367,559	74,863,565	60,938,327
Assigned	2,330,521	3,914,284	3,193,015	4,003,549
Unassigned	(228,770)	—	—	—
Total all other governmental funds	$ 212,178,140	$ 185,547,134	$ 175,750,697	$ 181,458,015

Fiscal Year					
2021	**2020**	**2019**	**2018**	**2017**	**2016**
$ 275,710	$ 314,487	$ 267,873	$ 299,253	$ 291,430	$ 365,732
52,418,171	19,726,250	21,453,968	21,315,406	22,881,977	30,049,266
13,725,459	16,606,280	8,619,660	14,812,118	10,470,218	5,234,626
10,250,941	7,516,635	3,271,255	5,218,259	7,783,758	4,042,429
72,282,536	82,295,044	51,208,209	31,892,186	32,322,036	29,290,407
$ 148,952,817	$ 126,458,696	$ 84,820,965	$ 73,537,222	$ 73,749,419	$ 68,982,460
$ 16,097,721	$ 14,709,687	$ 13,199,141	$ 11,410,452	$ 12,294,033	$ 11,162,249
79,964,077	58,126,794	66,424,359	53,061,975	51,226,624	48,084,352
45,724,029	42,929,762	33,683,967	29,880,201	23,078,768	23,230,678
3,959,975	4,222,562	9,272,911	2,800,134	1,845,149	856,356
—	—	—	—	—	—
$ 145,745,802	$ 119,988,805	$ 122,580,378	$ 97,152,762	$ 88,444,574	$ 83,333,635

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2025	2024	2023	2022
Revenues				
Taxes	$ 437,545,337	$ 433,555,015	$ 424,616,902	$ 420,705,802
Licenses, permits and fines	14,034,617	12,428,303	10,660,724	10,296,502
Intergovernmental	98,227,745	96,015,690	89,962,710	105,645,542
Charges for services	35,002,665	34,365,516	28,650,523	35,060,235
Endowments and donations	3,864,889	3,262,969	2,088,796	4,592,386
Other revenue	8,188,083	7,114,874	14,568,117	11,140,608
Interfund services provided	13,575,677	13,054,978	13,760,847	11,093,965
Investment earnings (loss)	16,702,234	13,829,255	16,697,190	(10,528,821)
Rental income	150,526	137,719	188,491	226,439
Total revenues	627,291,773	613,764,319	601,194,300	588,232,658
Expenditures				
General government	114,689,318	122,453,264	112,090,400	123,926,199
Parks	35,084,992	38,682,864	32,169,255	26,975,295
Planning	10,796,813	16,405,018	22,671,857	17,194,122
Public safety	274,037,130	272,381,334	249,962,633	246,732,931
Public works	57,125,743	57,196,161	56,146,147	56,145,021
Miscellaneous	—	—	—	—
Debt service				
Principal	10,157,056	10,262,917	10,709,999	12,269,251
Principal - leases	1,877,197	1,702,289	2,335,575	1,431,295
Principal - subscriptions	7,049,205	4,851,580	4,210,799	—
Interest	1,905,769	1,936,850	1,905,394	2,057,256
Interest - leases	270,303	90,835	47,784	71,746
Interest - subscriptions	1,155,427	154,177	121,216	—
Issuance expense	—	—	—	—
Capital outlay	163,736,054	135,597,902	169,489,462	154,476,151
Total expenditures	677,885,007	661,715,191	661,860,521	641,279,267
Excess (deficiency) of revenues over expenditures	(50,593,234)	(47,950,872)	(60,666,221)	(53,046,609)
Other financing sources (uses)				
Transfers - in	45,732,226	42,526,780	48,756,565	75,036,360
Transfers - out	(11,386,362)	(6,998,480)	(13,813,201)	(38,358,281)
Issuance of debt	—	—	—	—
Payment on refunding bonds	—	—	—	—
Premium on bonds issued	—	—	—	—
Issuance of leases	8,886,640	1,601,326	1,517,105	4,875,067
Issuance of subscriptions	31,924,984	2,807,180	10,826,081	—
Financed purchases	848,275	4,459,570	8,839,411	9,033,077
Sale of capital assets	973,355	1,257,824	1,930,366	2,663,900
Total other financing sources (uses)	76,979,118	45,654,200	58,056,327	53,250,123
Net change in fund balances	$ 26,385,884	$ (2,296,672)	$ (2,609,894)	$ 203,514
Debt service as a percentage of noncapital expenditures	4.1 %	3.4 %	3.5 %	3.0 %

Fiscal Year					
2021	**2020**	**2019**	**2018**	**2017**	**2016**
$ 393,773,495	$ 327,038,013	$ 320,488,929	$ 314,756,544	$ 295,006,284	$ 279,651,120
10,263,799	8,702,782	10,068,157	7,873,189	6,327,465	6,571,781
106,170,371	107,556,349	80,885,614	68,996,748	69,428,549	59,298,336
34,816,704	33,326,352	29,685,094	26,834,822	25,891,928	26,036,068
1,499,854	3,005,744	3,820,491	1,845,510	3,236,664	2,037,905
9,703,812	7,721,596	7,893,331	7,604,283	3,476,744	5,799,418
10,574,577	8,045,494	7,502,200	6,917,339	6,762,691	7,022,399
178,952	8,239,439	7,882,201	1,986,453	1,571,506	1,143,834
220,465	268,537	419,232	478,850	407,287	419,745
567,202,029	503,904,306	468,645,249	437,293,738	412,109,118	387,980,606
92,264,862	87,782,199	83,717,293	76,027,262	73,012,905	52,896,927
28,777,268	22,936,508	25,189,127	23,364,222	23,585,967	25,670,280
34,418,944	11,845,861	12,073,572	7,780,318	7,858,733	15,740,999
229,451,344	210,066,967	212,865,070	187,304,322	177,723,464	170,809,396
54,874,846	57,250,219	56,847,630	58,917,887	60,324,119	51,168,691
—	—	22,461	18,199	18,417	22,597
10,382,098	10,216,347	9,166,475	6,864,565	5,143,602	6,067,329
—	—	—	—	—	—
—	—	—	—	—	—
2,255,702	2,451,305	1,997,549	1,990,333	2,443,203	2,414,008
—	—	—	—	—	—
—	—	—	—	—	—
—	—	266,544	—	270,998	—
110,146,029	109,264,107	88,763,142	105,294,562	87,074,558	75,270,238
562,571,093	511,813,513	490,908,863	467,561,670	437,455,966	400,060,465
4,630,936	(7,909,207)	(22,263,614)	(30,267,932)	(25,346,848)	(12,079,859)
47,812,339	40,271,985	45,095,199	43,771,245	39,343,387	47,515,435
(10,712,466)	(5,097,427)	(11,017,348)	(12,096,375)	(8,862,798)	(16,799,425)
—	—	9,000,000	—	29,930,000	13,690,000
—	—	—	—	(31,647,240)	—
—	—	1,602,734	—	1,988,238	—
—	—	—	—	—	—
—	—	—	—	—	—
4,154,688	10,515,217	13,051,761	5,712,792	3,212,931	1,844,224
2,365,621	1,265,590	1,242,627	1,376,261	1,260,228	229,729
43,620,182	46,955,365	58,974,973	38,763,923	35,224,746	46,479,963
$ 48,251,118	$ 39,046,158	$ 36,711,359	$ 8,495,991	$ 9,877,898	$ 34,400,104
2.5 %	2.9 %	2.6 %	2.2 %	2.0 %	2.4 %

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax	Road Repair Maintenance and Improvement Sales Tax	Trails, Open Space and Parks Sales and Use Tax	Total Direct Tax Rate
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%
2024	250,418,864	50,083,772	71,370,141	12,520,944	3.07%
2025	251,666,969	50,333,394	71,727,321	12,583,348	3.07%

Source: City Sales Tax Division Reports.

	City Direct Rates					Overlapping Rates		
Fiscal Year	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 Sales Tax (%)	Total Direct (%)	El Paso County Sales Tax (%)	Pikes Peak Rural Transportation Authority Tax (%)	Total Direct and Overlapping Rates (%)
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
2024	2.00	0.40	0.10	0.57[1]	3.07	1.23	1.00	5.30
2025	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.

[1]Colorado Springs voters approved a five-year sales and use tax increase of 0.62 of 1-cent effective as of January 1, 2016, to be used for road repairs and maintenance. Prior to the end date, voters approved a five-year extension at a reduced rate of 0.57 of 1-cent. During 2024, voters approved a ten-year extension of the current rate through December 31, 2035.

[2]In 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.

SALES AND USE TAXPAYERS BY INDUSTRY

Current year and nine years ago

Industry	Fiscal Year 2025 Sales and Use Tax Amount	Fiscal Year 2025 Rank	Fiscal Year 2025 Percentage of Total City Sales and Use Tax	Fiscal Year 2016 Sales and Use Tax Amount	Fiscal Year 2016 Rank	Fiscal Year 2016 Percentage of Total City Sales and Use Tax
Miscellaneous retail	$ 55,493,461	1	14.11 %	$ 30,410,061	4	11.82 %
Building materials	53,329,189	2	14.06 %	—	—	—
Restaurants	51,838,809	3	13.18 %	33,448,321	1	13.01 %
Auto dealers	55,580,562	4	14.13 %	32,330,134	3	12.57 %
Department and discount stores	40,607,837	5	10.32 %	27,423,932	5	10.66 %
Miscellaneous non-retail	—	—	—	32,353,745	2	12.58 %
	$ 256,849,858		65.80 %	$ 155,966,193		60.64 %

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 2025 Assessed Valuation	Fiscal Year 2025 Percentage of Total City Assessed Value
Cellco Partnership (f/k/a Verizon Wireless)	Utility	$ 102,213,700	1.13 %
Amazon.Com Services LLC	eCommerce fulfilment service	97,078,340	1.07 %
West Virginia LLC (f/k/a Comcast of Colorado)	Utility	65,457,500	0.72 %
Wal-Mart Real Estate	Discount retail	48,107,680	0.53 %
Broadmoor Hotel Inc	Resort hotel	44,769,500	0.49 %
Provident Group Falcon Properties	Real estate company	29,718,780	0.33 %
Mountain View Electric Association Inc	Utility	27,365,100	0.30 %
Ent Credit Union	Banking services	24,097,100	0.27 %
2424GOTG LLC	Real estate company	21,016,100	0.23 %
Palmer Center Owner	Real estate company	20,827,740	0.23 %
		$ 480,651,540	5.30 %

Source: El Paso County Treasurer's office.

Note: See Table 19 for the City's assessed value information.
Property taxpayer information is included for continuing disclosure requirements on bonds. As such, only current year data is presented.

RATIOS OF OUTSTANDING DEBT BY TYPE
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 8

Fiscal Year	Governmental Activities (in 000's)				
	General Obligation Bonds	Certificates of Participation	Financed Purchases	Lease Liabilities	Subscription Liabilities
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
2024	1,125	35,448	20,605	1,142	4,960
2025	845	33,962	12,891	8,139	14,691

Fiscal Year	Business-Type Activities (in 000's)							
	Revenue Bonds	Notes Payable	Financed Purchases	Lease Liabilities	Subscription Liabilities	Total Primary Government (in 000's)	Percentage of Personal Income[1]	Per Capita
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	6.44	6,461
2024	3,229,054	13,590	453	791	10,397	3,317,565	6.39	6,742
2025	3,821,329	11,604	2,297	642	6,068	3,912,468	7.12	7,907

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.

[1]Personal income and population data was updated for prior years and can be found on Table 13.

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]
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	—	—
2024	1,125	1,125	—	9,026,171	—	—
2025	845	845	—	9,079,163	—	—

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.

[1]Population data can be found on Table 13.

[2]Non-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, 2025

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	70.69 %	$ 79,343,223	$ 56,085,082	$ 8,257,958	$ 5,837,275
Harrison School District #2	92.85 %	196,550,563	182,489,232	196,550,563	182,489,232
Widefield School District #3	19.22 %	72,363,170	13,909,246	46,885,417	9,012,054
Fountain/Fort Carson School District #8	0.03 %	34,031,007	10,330	476,007	144
Colorado Springs School District #11	93.27 %	150,007,319	139,913,433	17,057,711	15,909,910
Cheyenne Mountain School District #12	97.65 %	41,031,750	40,066,865	41,031,750	40,066,865
Manitou School District #14	9.00 %	3,670,958	330,523	84,880	7,642
Academy School District #20	85.06 %	252,764,945	214,995,897	252,764,945	214,995,897
Ellicott School District #22	1.00 %	5,580,255	55,787	1,053,917	10,536
Falcon School District #49	62.12 %	211,257,578	131,234,738	3,383,666	2,101,958
Barnes & Powers North BID	100.00 %	2,608,572	2,608,572	2,608,572	2,608,572
Barnes & Powers South BID	100.00 %	75,000	75,000	75,000	75,000
Briargate Center BID	100.00 %	8,117,105	8,117,105	8,117,105	8,117,105
Creekwalk Marketplace BID	100.00 %	68,441,818	68,441,818	68,441,818	68,441,818
CS Urban Renewal Authority	100.00 %	71,256,694	71,256,694	71,256,694	71,256,694
First & Main BID	100.00 %	4,440,000	4,440,000	4,440,000	4,440,000
First & Main No.2 BID	100.00 %	23,289,415	23,289,415	23,289,415	23,289,415
First & Main North BID	100.00 %	1,332,353	1,332,353	1,332,353	1,332,353
Gold Hill North BID	100.00 %	29,093,415	29,093,415	29,093,415	29,093,415
Interquest North BID	100.00 %	22,933,000	22,933,000	22,933,000	22,933,000
Interquest South BID	100.00 %	4,570,473	4,570,473	4,570,473	4,570,473
Interquest Town Center BID	100.00 %	2,951,889	2,951,889	2,951,889	2,951,889
MW Retail BID	100.00 %	7,875,837	7,875,837	7,875,837	7,875,837
Park Union BID	100.00 %	42,013,096	42,013,096	42,013,096	42,013,096
Powers & Woodmen BID	100.00 %	4,281,927	4,281,927	4,281,927	4,281,927
True Commons North BID	100.00 %	94,844,679	94,844,679	94,844,679	94,844,679
Total overlapping debt			1,167,216,406		858,556,786
City direct debt			70,528,000		36,566,000
Total direct and overlapping debt			$ 1,237,744,406		$ 895,122,786

Sources: Assessed value data used to estimate applicable percentages is provided by the El Paso County Assessor's office final certification. 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.

(in 000's)

Legal debt margin calculation for fiscal year 2025

Assessed value-2024 for 2025 taxes	$9,079,163
Debt limit (10% of assessed value)[1]	907,916
Debt applicable to limit:	
General obligation bonds	—
Total net debt applicable to limit	—
Legal debt margin	$ 907,916

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	$ 907,916	$ 902,617	$ 750,452	$ 740,036	$ 622,035	$ 628,090	$ 550,808	$ 541,479	$ 504,841	$ 498,558
Total net debt applicable to limit	—	—	—	—	—	—	—	—	—	—
Legal debt limit	$ 907,916	$ 902,617	$ 750,452	$ 740,036	$ 622,035	$ 628,090	$ 550,808	$ 541,479	$ 504,841	$ 498,558
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%

[1]Based upon the last preceding assessment per City Charter § 7-80(b).

(in 000's)

	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
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
2024	1,060,986	688,224	372,763	99,356	112,034	1.76	10,863	4,892	5,972	790	75	6.91
2025	1,189,770	746,554	443,216	105,411	125,947	1.92	10,068	4,489	5,580	810	55	6.45

	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
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
2024	33,257	18,555	33,459	0.64	10,843	6,075	4,768	595	1,351	2.45
2025	33,686	20,335	32,299	0.64	10,963	6,347	4,616	625	1,322	2.37

	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
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	—	—	—	—	—	—	—	—	—	—
2024	—	—	—	—	—	—	—	—	—	—
2025	—	—	—	—	—	—	—	—	—	—

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1]The 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.

Fiscal Year	Population[1]		Personal Income (in 000's)[2]		Per Capita Personal Income[2]		Unemployment Rate[3]	
2016	460,505	*	$ 30,742,259		$ 44,505		2.8 %	
2017	467,285	*	32,462,334		46,160		3.0 %	
2018	474,691	*	34,353,625		48,014		3.5 %	
2019	478,507	*	36,620,938		50,511		2.9 %	
2020	480,640	*	39,840,175		54,293		6.5 %	
2021	483,172	*	43,996,423		59,550		4.0 %	
2022	485,754	*	45,843,625		61,728		2.8 %	
2023	488,164	*	48,997,589		65,598		3.6 %	
2024	492,069	*	51,891,592		68,934		4.5 %	
2025	494,798	*	54,956,527	*	72,440	*	3.6 %	*

Sources:

[1]Colorado Department of Local Affairs, Demography section.

[2]U.S. Department of Commerce, Bureau of Economic Analysis for El Paso County, CO.

[3]U.S. Department of Labor, Bureau of Labor Statistics for City of Colorado Springs, CO Metropolitan Statistical Area (MSA).

Note: Historical personal income figures have been restated at the county level following the Bureau of Economic Analysis' discontinuation of MSA-level reporting.

*Estimate

	2025		2016	
Employer	Rank	Percentage of Total County Employment	Rank	Percentage of Total County Employment
Fort Carson	1	11.5 %	1	11.6 %
Peterson SFB, Schriever SFB, & Cheyenne Mountain SFS[1]	2	5.8 %	2/3	7.2 %
United States Air Force Academy	3	4.1 %	5	2.2 %
UCHealth Southern Colorado Region	4	3.1 %	4	2.4 %
School District #11 - Colorado Springs	5	1.5 %	7	1.5 %
City of Colorado Springs[2]	6	1.3 %	11	0.9 %
School District #20 - Colorado Springs	7	1.2 %	8	1.3 %
El Paso County	8	1.2 %	10	1.1 %
Colorado Springs Utilities	9	0.8 %	14	0.7 %
University of Colorado, Colorado Springs	10	0.6 %	15	0.6 %
		31.1 %		29.5 %

Source: The Colorado Springs Chamber & Economic Development Corporation and U.S. Department of Labor, Bureau of Labor Statistics for El Paso County, CO

[1]Space Force Bases (SFB) and the Space Force Station (SFS) were previously tracked individually but are now consolidated.

[2]City 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.

	Fiscal Year									
Function/Program	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General government	472.00	473.25	445.75	422.25	375.25	366.25	341.75	326.75	308.25	257.25
Public safety	1,857.50	1,833.25	1,830.50	1,731.00	1,633.00	1,612.00	1,584.00	1,516.00	1,478.00	1,471.00
Public works	361.25	357.00	306.50	274.00	259.00	189.00	188.00	187.00	245.00	212.00
Parks	212.00	234.25	231.25	173.50	163.00	162.75	158.75	147.75	139.75	138.75
Planning	29.00	31.00	70.00	65.00	57.00	57.00	55.00	44.00	40.00	63.00
Utilities	2,071.25	2,046.00	1,951.00	1,888.25	1,818.00	1,825.75	1,821.50	1,824.00	1,824.00	1,824.00
Airport	132.00	123.00	122.00	117.00	106.00	104.00	102.00	100.00	98.00	95.00
Parking	21.00	22.00	18.50	16.00	10.00	11.00	10.00	9.50	8.50	8.50
Stormwater	37.50	36.50	36.00	33.00	31.00	73.00	73.00	67.00	—	—
Other non-major enterprise funds	67.50	67.50	66.50	61.00	58.00	52.00	51.00	50.00	50.00	51.00
Total	5,261.00	5,223.75	5,078.00	4,781.00	4,510.25	4,452.75	4,385.00	4,272.00	4,191.50	4,120.50

Sources: Various City departments and Utilities.

COLORADO SPRINGS
OLYMPIC CITY USA

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last ten fiscal years

Function/Program	Fiscal Year 2025	2024	2023
General government			
Internal audits completed	28	27	23
Summons filed	87,904	86,936	77,713
Contractual transactions[1]	6,352	6,960	7,219
Workers compensation claims	488	464	418
Public safety			
Emergency response time (minutes) - Police	11	14	11
Percent of emergency incident arrival within 8 minutes - Fire[2]	66	60	65
Violent and property crime rates (per 1,000 population)	38	44	47
Emergency incidents (per 10,000 population)[2]	1,622	1,542	1,557
Public works[3]			
Miles resurfaced	360	165	216
Fixed route transit revenue hours of service	255,940	245,237	234,480
Painted lane miles	230	226	271
Culture and recreation			
Cultural services attendance[4]	4,100,853	5,449,378	4,492,434
Street and park trees	100,313	102,259	102,372
Acres of parks maintained	19,638	18,996	17,632
Recreation service program participants	715,614	451,094	324,703
Community development			
Projects managed	3	2	5
Affordable housing developed and rehabilitated	222	60	293
Clients assisted	8	78	71
Utilities			
Total metered customers[5]	623,069	614,240	608,288
Annual natural gas moved through pipes (thousands of mcf)	23,904	21,958	22,634
Electric use (thousands of MWh)	4,130	4,840	4,641
Water use (millions of gallons)	21,876	21,381	21,400
Wastewater treatment (millions of gallons)	12,988	12,963	12,756
Airport			
Passenger boardings (in thousands)	1,231	1,240	1,179
Airline revenue per enplaned passengers	$ 14.46	$ 14.13	$ 13.69
Parking			
Revenues collected per space - on-street	$ 1,816	$ 1,962	$ 2,180
Revenues collected per space - off-street	$ 1,335	$ 1,584	$ 1,509
Other			
Cemetery - burial services	606	599	609
Golf courses - rounds played	181,016	171,726	159,418
Pikes Peak America's Mountain - number of visitors	405,601	448,084	459,780

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.

Fiscal Year

2022	2021	2020	2019	2018	2017	2016
24	24	32	26	35	33	26
60,611	57,096	44,683	43,491	29,625	22,000	29,731
6,866	3,759	2,622	3,366	3,431	3,434	3,350
366	363	373	440	380	346	405
13	12	11	12	12	12	14
85	66	71	86	87	88	89
37	42	42	43	43	38	40
756	1,444	1,316	1,407	1,450	1,472	1,471
365	851	1,106	701	995	1,432	1,133
194,147	163,655	182,242	197,014	179,546	163,025	150,399
514	871	1,304	886	1,147	1,414	830
4,404,778	287,780	221,351	476,964	484,281	451,689	379,938
150,000	350,000	350,000	300,000	284,094	284,600	284,800
16,858	15,641	15,592	14,875	14,831	14,479	14,807
325,661	241,904	244,307	755,482	763,555	791,234	765,539
5	6	6	5	8	9	6
121	220	193	127	48	295	108
11	499	628	156	83	295	108
602,151	591,836	579,315	579,315	579,315	558,570	558,570
23,904	23,603	21,892	21,892	21,891	22,354	22,603
4,832	4,839	4,850	4,850	4,750	4,580	4,700
23,600	24,400	24,900	24,900	23,600	23,700	21,900
13,191	13,465	13,717	13,717	13,717	13,717	14,699
1,075	936	364	844	866	850	656
$ 13.13	$ 11.82	$ 8.08	$ 4.48	$ 4.68	$ 4.71	$ 6.06
$ 2,137	$ 1,685	$ 984	$ 1,016	$ 947	$ 916	$ 895
$ 1,379	$ 1,088	$ 876	$ 873	$ 858	$ 995	$ 983
661	683	526	629	621	621	630
149,845	161,570	153,946	148,033	156,930	170,008	156,734
449,776	550,381	527,418	592,569	597,233	498,722	482,963

	Fiscal Year									
Function/Program	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Public safety										
Police										
Area commands (stations)	4	4	4	4	4	4	4	4	4	4
Patrol units	352	348	342	326	293	277	233	237	211	197
Fire										
Stations	25	24	24	23	23	23	22	22	22	22
Emergency units	90	88	87	85	84	84	84	84	84	84
Public works										
Streets (lane miles)	6,487	6,421	6,456	6,273	6,257	6,232	6,134	5,973	5,849	5,688
Major bridges	229	228	229	228	225	223	223	223	223	224
Signalized intersections	714	707	641	630	625	612	609	606	591	585
Transit buses	70	67	70	71	60	61	61	60	56	49
Culture and recreation										
Parks and open space locations	255	255	255	216	206	206	205	205	205	205
Sports complexes	5	5	5	5	5	4	4	4	4	4
Community centers	5	5	5	5	5	5	4	4	4	5
Utilities										
Electric distribution lines (miles)	4,026	4,018	4,008	3,976	3,942	3,839	3,839	3,831	3,808	3,316
Natural gas pipe (miles)	2,790	2,756	2,750	2,737	2,692	2,586	2,586	2,576	2,539	2,488
Water distribution lines (miles)	2,574	2,566	2,555	2,512	2,505	2,152	2,152	2,139	2,117	2,068
Airport										
Number of runways	3	3	3	3	3	3	3	3	3	3
Parking										
Number of parking spaces - on-street	2,719	3,015	2,870	2,852	2,870	2,553	2,453	2,415	2,415	2,416
Number of parking spaces - off-street	3,007	2,681	2,681	2,681	2,681	2,681	2,681	2,706	2,706	2,703

Sources: City and Utilities staff reports and websites.

Fiscal Year	Required Refunds
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
2024	962,617
2025	1,166,354

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
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	12,975	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%
2024	9,026,171	31,695,133	30,858,491	97.4%	27,498	41,423	0.1%
2025	9,079,163	29,306,908	28,820,058	98.3%	20,165	55,454	0.2%

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

Fiscal Year	City	County Government	School District No 11	Library District	Water Conservancy District	Total
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
2024	3.579	7.192	40.069	3.061	0.888	54.789
2025	3.554	7.320	40.605	3.140	0.750	55.369

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 City's authorized mill levy is 4.279. In fiscal years 2022-2025, temporary mill levy credits have been provided.

Facility	Closure Costs	Postclosure Costs	Total Cost	Percentage of Capacity Used	Estimated Lifespan in Years
Hancock	$ —	$ 109,334	$ 109,334	N/A	N/A
Clear Spring - gravel pit 1	—	858,441	858,441	100.00%	N/A
Clear Spring - gravel pit 2 C&D solids	237,490	104,801	342,291	92.35%	N/A
Clear Spring - coal combustion residual	18,591,529	1,406,900	19,998,429	100.00%	61
Clear Spring - biosolids	3,738,946	755,222	4,494,168	49.42%	45
Northfield Recovery Pond	—	115,720	115,720	100.00%	N/A
Grit Solid Waste Disposal Area	563,701	755,222	1,318,923	5.83%	28
Total cost	$ 23,131,666	$ 4,105,640	$ 27,237,306		

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 $27,127,972. 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.