

CITY OF
COLORADO SPRINGS
COLORADO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

2022



FOR YEAR ENDED DECEMBER 31, 2022



**COLORADO
SPRINGS**

OLYMPIC CITY **USA**

Annual Comprehensive Financial Report

City of Colorado Springs
Colorado

For the fiscal year ended
December 31, 2022

Finance Department

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

Accounting Staff

Rochelle Kennedy, Accounting Supervisor
Jim Adams, Senior Accountant
Lucas Fetsch, Accountant II
Melanie McFarlane, Senior Accountant
Erin Phillips, Senior Accountant
Amy Tuten, Senior Accountant
Giovanni Villarreal, Accountant II

A special thanks to the Budget Division



**COLORADO
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TABLE OF CONTENTS

	Exhibit	Page
I. INTRODUCTORY SECTION		
Letter of Transmittal		i
GFOA Certificate of Achievement		vi
City Organizational Chart		vii
City Leadership		viii
City Council		ix
II. FINANCIAL SECTION		
Independent Auditor's Report		1
A. Management's Discussion and Analysis (MD&A)		5
B. Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	1	31
Statement of Activities	2	33
Fund Financial Statements		
Governmental Funds		
Balance Sheet and Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	3	34
Statement of Revenues, Expenditures and Changes in Fund Balances	4	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	37
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6	38
Proprietary Funds		
Balance Sheet	7	42
Statement of Revenues, Expenses and Changes in Net Position	8	45
Statement of Cash Flows	9	46
Fiduciary Funds		
Statement of Fiduciary Net Position	10	49
Statement of Changes in Fiduciary Net Position	11	50
Component Units		
Combining Statement of Net Position – Governmental Fund Component Units	12	52
Combining Statement of Activities – Governmental Fund Component Units	13	54
Combining Balance Sheet – Proprietary Fund Component Units	14	56
Combining Statement of Activities – Proprietary Fund Component Units	15	58

TABLE OF CONTENTS

	Exhibit	Page
Notes to Financial Statements		61
C. Required Supplementary Information Other than MD&A		
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) and Contributions – Colorado PERA	16	182
Schedule of the Changes in the City's Net Pension Liability and Contributions – Old Hire Fire and Police Pension Plans	17	186
Schedule of the Changes in the City's Net Pension Liability/(Asset) and Contributions – New Hire Fire and Police Pension Plans	18	194
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) and Contributions – Fire and Police Pension Plan – Statewide	19	202
Schedule of the City's Proportionate Share of the Net OPEB Liability and Contributions – Colorado PERA	20	206
Schedule of the Changes in the City's Total OPEB Liability – The City of Colorado Springs OPEB Plan	21	209
Schedule of the Changes in the City's Total OPEB Liability – Colorado Springs Utilities OPEB Plan	22	210
D. Combining and Individual Fund Statements and Schedules		
Major Proprietary Funds		
Schedule of Revenues and Expenses – Budget and Actual Comparison	A-1	212
Non-Major Governmental Funds		
Combining Balance Sheet	B-1	216
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	217
Special Revenue Funds		
Combining Balance Sheet – All Special Revenue Funds	C-1	222
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Special Revenue Funds	C-2	224
Combining Balance Sheet – Intergovernmental Grant Special Revenue Funds	C-3	226
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Intergovernmental Grant Special Revenue Funds	C-4	227
Combining Balance Sheet – Capital, Operations and Maintenance Special Revenue Funds	C-5	228
Combining Balance Sheet – Public Safety and Wildfire Mitigation	C-5A	231
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital, Operations and Maintenance Special Revenue Funds	C-6	232
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Public Safety and Wildfire Mitigation	C-6A	235

TABLE OF CONTENTS

	Exhibit	Page
Combining Balance Sheet – Improvement and Maintenance District Special Revenue Funds	C-7	236
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Improvement and Maintenance District Special Revenue Funds	C-8	238
Combining Balance Sheet – Public Improvements Special Revenue Funds	C-9	240
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Public Improvements Special Revenue Funds	C-10	241
Combining Balance Sheet – Other Public Improvements Special Revenue Funds	C-11	242
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Other Public Improvements Special Revenue Funds	C-12	243
Combining Balance Sheet – Other Special Revenue Funds	C-13	244
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Other Special Revenue Funds	C-14	245
Schedule of Revenues and Expenditures – Budget and Actual – All Special Revenue Funds	C-15	246
 Capital Projects Fund		
Balance Sheet	D-1	250
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	D-2	251
Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets	D-3	252
 Permanent Funds		
Combining Balance Sheet	E-1	256
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	E-2	257
Schedule of Revenues and Expenditures – Budget and Actual	E-3	258
 Non-Major Proprietary Funds - Enterprise Funds		
Combining Balance Sheet	F-1	260
Combining Statement of Revenues, Expenses and Changes in Net Position	F-2	264
Combining Statement of Cash Flows	F-3	266
Schedule of Revenues and Expenses – Budget and Actual – Budget Basis	F-4	270
 Non-Major Proprietary Funds - Internal Service Funds		
Combining Balance Sheet	G-1	272
Combining Statement of Revenues, Expenses and Changes in Net Position	G-2	274
Combining Statement of Cash Flows	G-3	276
Schedule of Revenues and Expenses – Budget and Actual – Budget Basis	G-4	280
 Fiduciary Funds		
Combining Statement of Fiduciary Net Position	H-1	282
Combining Statement of Changes in Fiduciary Net Position	H-2	283

TABLE OF CONTENTS

	Exhibit	Page
III. STATISTICAL SECTION		
Net Position by Component	Table 1	286
Changes in Net Position	Table 2	288
Fund Balances of Governmental Funds	Table 3	292
Changes in Fund Balances of Governmental Funds	Table 4	294
Sales and Use Tax Revenue	Table 5	296
Direct and Overlapping Sales and Use Tax Rates	Table 6	297
Principal Taxpayers	Table 7	298
Ratios of Outstanding Debt by Type	Table 8	299
Ratios of General Bonded Debt Outstanding	Table 9	300
Direct and Overlapping Governmental Activities Debt	Table 10	301
Legal Debt Margin Information	Table 11	302
Pledged Revenue Coverage	Table 12	303
Demographic and Economic Statistics	Table 13	304
Principal Employers	Table 14	305
Full-time Equivalent City Government Employees by Function/Program	Table 15	306
Operating Indicators by Function/Program	Table 16	308
Capital Asset Statistics by Function/Program	Table 17	310
Sales and Use Tax Revenue Required Refunds	Table 18	311
Assessed Valuations, Property Tax Levies and Collections	Table 19	312
Direct and Overlapping Mill Levy Rates – Within City Limits	Table 20	313
Municipal Solid Waste Landfill Closure and Postclosure Care Costs	Table 21	314

INTRODUCTORY SECTION



**COLORADO
SPRINGS**

OLYMPIC CITY **USA**



FINANCE DEPARTMENT

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

June 16, 2023

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

Dear Honorable Mayor and Members of City Council:

The Annual Comprehensive Financial Report of the City of Colorado Springs for the fiscal year ended December 31, 2022, is hereby presented. State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report fulfills this requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

FORVIS, LLP, Certified Public Accountants, have issued unmodified ("clean") opinions on the City of Colorado Springs' financial statements for the year ended December 31, 2022. 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 195 square miles.

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

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

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

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

In compliance with City Charter, the City prepares annual budgets and maintains budgetary controls for all funds in order to ensure compliance with the annual appropriation ordinance as approved by City Council. The legal level of budgetary control for all funds, other than the General Fund, is at the fund level. For the General Fund, the legal level of budgetary control is appropriating departments determined during the annual budget process. Additional information on the City's budget process is presented in Note II.A. in the notes to the financial statements.

The Council also has significant control over several legally separate entities. These entities are component units of the City and, accordingly, their financial data have been included in this report. The entities included as Governmental-type component units are the General Improvement Districts (Spring Creek, Briargate, Briargate 2021 and Market Place at Austin Bluffs), Colorado Springs Health Foundation, Colorado Springs Urban Renewal Authority, Colorado Springs Downtown Development Authority, and Business Improvement Districts (Barnes & Powers North, Barnes & Powers South, Briargate Center, Catalyst Campus, Creekwalk Marketplace, First & Main, First & Main No. 2, First & Main North, 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 (formerly USAFA Visitor's Center)). Public Authority for Colorado Energy (PACE), Fountain Valley Authority, Aurora-Colorado Springs Joint Water Authority and Twin Lakes, Lake Meredith, Colorado Canal and Lake Henry Reservoir companies and the Pikes Peak Regional Communications Network are included as Business-type component units.

LOCAL ECONOMY

In the November 2021 election, the voters approved Issue 2D, which allowed the City to retain and spend up to \$20 million of revenue collected in excess of the 2021 TABOR cap for the purpose of establishing a Wildfire Mitigation program, which is to be utilized solely to increase City-wide and Pikes Peak region wildfire mitigation and prevention efforts. The amount of revenue collected above the \$20 million, which was \$15.2 million, was refunded to residents. The ballot issue also allowed the City to reset the revenue limitations for 2022 and later years based upon the total revenues received in 2021.

Colorado Springs recently ranked the #2 most desirable city to live in the United States by U.S. News and World Report. This marks the sixth consecutive year the City has ranked in the top 10, based on its strong job market, population growth and a location that blends access to nature and the outdoors with vibrant metropolitan amenities.

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

- In 2013, under state legislation known as the Regional Tourism Act, Colorado Springs applied to the Colorado Economic Development Commission and secured \$120.5 million in state sales tax increment financing to support four local projects:
 - the **U.S. Olympic and Paralympic Museum** opened on July 30th, 2020, where people near and far can experience leading-edge technology and immerse themselves in the Olympic movement;
 - the **Hybl Sports Medicine and Performance Center at UCCS** opened in August 2020, a state-of-the-art facility that will attract physicians, researchers, athletes and students to explore human potential for excellence and injury recovery;
 - two downtown area stadiums, **Weidner Field** which opened in April 2021 and is the home of the **Colorado Springs Switchbacks Football Club** and other sports and community events; also **Robson Arena at Colorado College** is now the home of the Colorado College hockey team as of October 2021 and will host many other events;
 - the new **Air Force Academy Visitor Center** adjacent to I-25, and situated on a 59 acre development surrounded by office, hotel, recreation and dining amenities; construction on the U.S. Air Force Academy Visitor Center project began in July 2022 and is expected to be completed in 2024. The 32,000-square-foot Visitor Center will introduce guests to what life is like for cadets and may display aircraft, spacecraft and satellites within its main atrium.
- In the Summer of 2021, the new state-of-the-art Pikes Peak Summit Complex opened to the public after three years of construction, and is the highest altitude visitor center in the world.
- In November of 2019, voters in Colorado Springs passed Issue 2C2, agreeing to continue investment in our roads with approximately \$340 million over 5 years, 2021-2025, at a reduced sales tax rate of 0.57%. This is a continuation of Issue 2C which was passed by voters in November of 2015, for 2016-2020, at a sales tax rate of 0.62%. Funding received from 2C2 will allow for paving of over 850 lane miles in years 2021-2025.
- In November of 2017, voters passed Issue 2A, agreeing to invest in our stormwater program, including reinstating a stormwater fee which will allow us, over the next 20 years, not only to meet our various legal obligations, but to create the best stormwater program in Colorado.

General Fund dollars freed up by the passage of the stormwater fee in 2018 has allowed us to hire 120 police officers and 48 firefighters by the end of 2022. The additional sworn personnel are essential to reducing critical incident response times and making our public safety capabilities among the best in the country.

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LONG-TERM STRATEGIC AND FINANCIAL PLANNING

As stated in the City Charter, the Mayor maintains a Strategic Plan (Plan) that prioritizes goals for the City and establishes measurable outcomes. The 2022 Plan encompasses the years 2020 through 2024. The Plan details four platform goals, with objectives for each goal, and initiatives to achieve each objective. The Plan and initiatives incorporate the City's fervent commitment to delivering "best in class" municipal government and offer game-changing new ideas with real, measurable outcomes.

Promoting Job Creation - Collaborate with regional partners to attract a diverse economic base to Olympic City USA. This focus includes corporate and small businesses, entrepreneurial start-ups and Opportunity Zones to create diverse and sustainable economic growth.

Investing in Infrastructure - Continue to address infrastructure and transportation needs by providing smart and innovative mobility solutions to create a connected, safe, and accessible community. This should include trails and multi-modal access, as well as traditional modes of transit. Cultivate the City's natural amenities to reflect its majestic landscapes for today and the future.

Excelling in City Services - Provide excellent and sustainable delivery of core services by making data driven investments and decisions. Support continuous improvement and cross departmental collaboration to improve service delivery to residents and provide for their public safety.

Building Community & Collaborative Relationships - Provide strategic city services and community partnerships to improve citizen quality of life by reducing crime, reducing the number of persons experiencing chronic homelessness, increasing affordable housing opportunities, and facilitating community investment. Collaborate with other governmental agencies and military installations.

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 20% of the following year's expenditure budget.
- The City annually prepares a five-year capital improvement plan included in the annual budget document.
- Current operating expenditures will be funded with current operating revenues, approved grants, or the use of fund balance in accordance with fund balance policies.
- The City is limited by City Charter Amendment #3, "Taxpayers Bill of Rights" and similar statewide constitutional amendments. These provisions limit the growth of "fiscal year spending" as defined in the amendments. These amendments also require voter approval for the issuance of general fund debt.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) offers a number of certificate programs that recognize excellence in government finance. These certificates for excellence include one for the budget, the annual comprehensive financial report and the popular annual financial report. A government that submits and is awarded each of these certificates for a single fiscal year may also be designated as a GFOA Triple Crown winner. The City received this prestigious designation for its 2020 fiscal year reports, and the City will again be awarded the GFOA Triple Crown for 2021.

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2021. This was the 32nd consecutive year that the City has received this prestigious award. To receive this Certificate of Achievement award, the City must publish an easily readable and effectively organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,



Charae McDaniel, Chief Financial Officer



Kerry George, Assistant Finance Director



Tracy Peters, Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Colorado Springs
Colorado**

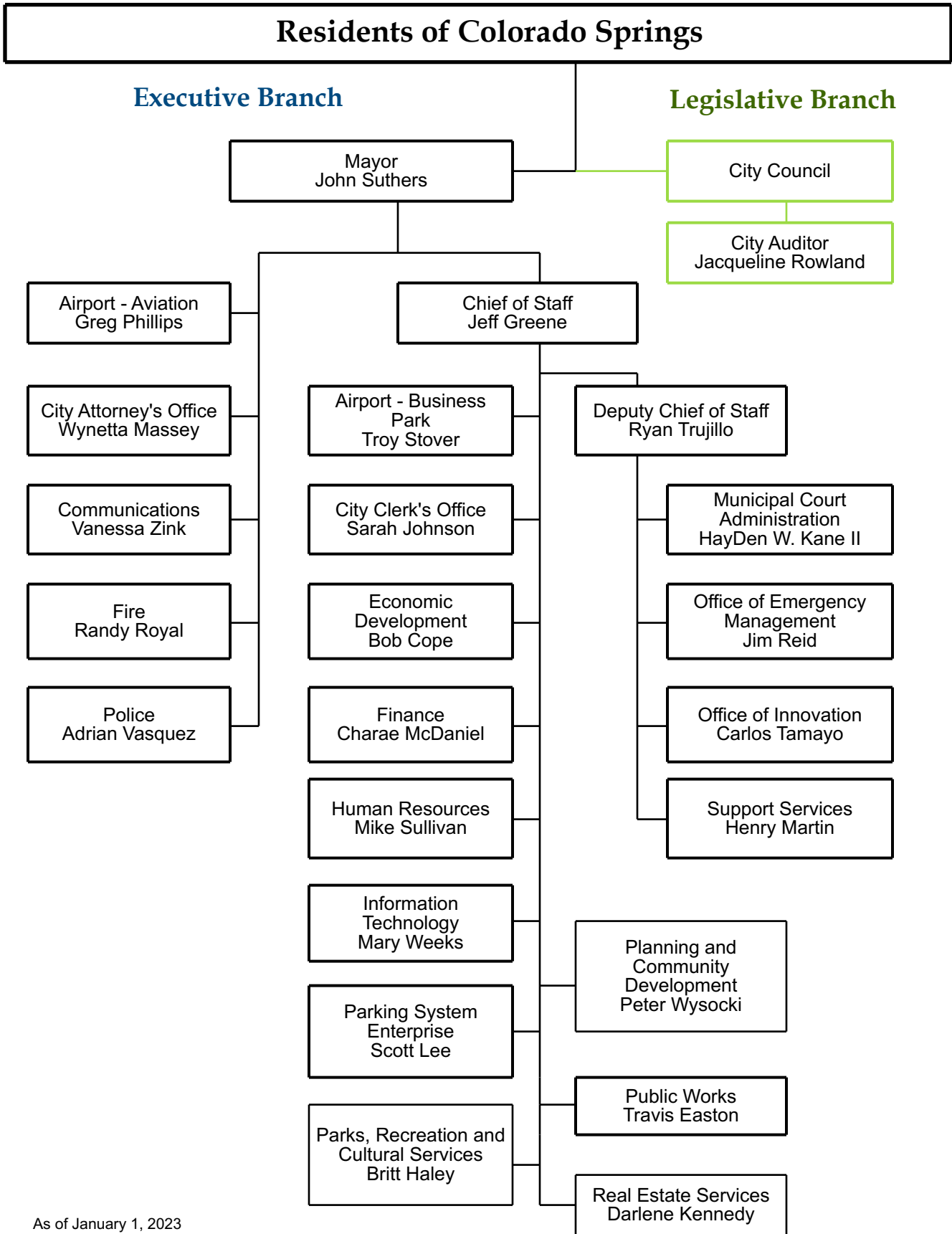
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

City Organizational Chart



As of January 1, 2023

City Leadership

Mayor’s Office

Mayor	John Suthers
Chief of Staff/Chief Administrative Officer	Jeff Greene
Deputy Chief of Staff	Ryan Trujillo

Department Heads

Chief Communications Officer	Vanessa Zink
Chief Financial Officer	Charae McDaniel
Chief Human Resources and Risk Officer	Mike Sullivan
Chief Information Officer	Mary Weeks
City Attorney	Wynetta Massey
City Clerk	Sarah Johnson
Director of Aviation	Greg Phillips
Fire Chief	Randy Royal
Office of Emergency Management Regional Director	Jim Reid
Parks, Recreation and Cultural Services Director	Britt Haley
Planning and Community Development Director	Peter Wysocki
Public Works Director	Travis Easton
Police Chief	Adrian Vasquez
Presiding Municipal Court Judge/Court Administrator	HayDen W. Kane II



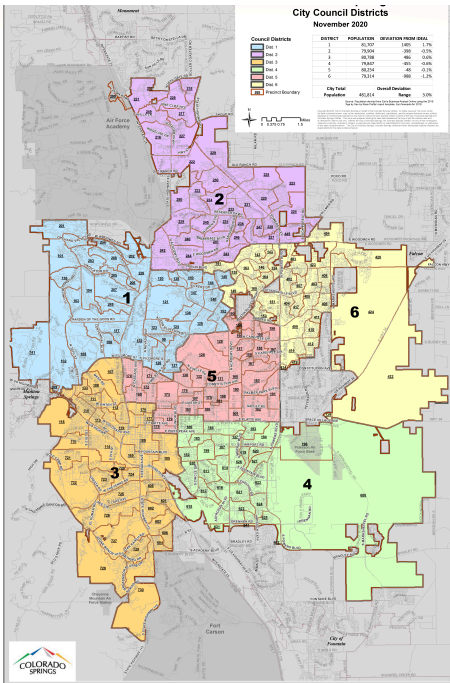
John Suthers
Mayor

As of December 31, 2022

City Council



Council District Map



Colorado Springs City Council

Front Row (from left to right):

- Councilmember Bill Murray, At Large
- Councilmember Dave Donelson, District 1
- Councilmember Yolanda Avila, District 4
- Council President Pro Tem Randy Helms, District 2
- Councilmember Stephannie Fortune, District 3
- Council President Tom Strand, At Large
- Councilmember Nancy Henjum, District 5
- Councilmember Wayne Williams, At Large
- Councilmember Mike O'Malley, District 6

City Council's Direct Reports

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

As of December 31, 2022



FINANCIAL SECTION



**COLORADO
SPRINGS**

OLYMPIC CITY **USA**



111 S. Tejon Street, Suite 800 / Colorado Springs, CO 80903

P 719.471.4290 / F 719.632.8087

forvis.com

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, 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, 2022, 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, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

With the exception of Colorado Springs Health Foundation, the Pikes Peak Regional Communications Network, and the MW Retail, the GSF, the Catalyst Campus and the Gold Hill North Business Improvement Districts (BIDs), we did not audit the financial statements of the discretely presented component units, which represent 68.53 percent, 10.20 percent, and 50.59 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2022. Those other discretely presented component unit financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts of the aggregate discretely presented component units, excluding the Colorado Springs Health Foundation, the Pikes Peak Regional Communications Network and the MW Retail, the GSF, the Catalyst Campus and the Gold Hill North BIDs, 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 88.14 percent, 83.30 percent, and 93.35 percent, respectively, of the assets, net position, and total revenues of the enterprise funds as of and for the year ended December 31, 2022. 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.

Emphasis of Matters

As discussed in Note IV. I. to the financial statements, in fiscal year 2022, the City adopted Governmental Accounting Standards Board Statement Number 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

- 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 and 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and the Annual Statement of Receipts and Expenditures for Roads, Bridges, and Streets as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and the Annual Statement of Receipts and Expenditures for Roads, Bridges, and Streets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and Members
of City Council and City Auditor
City of Colorado Springs
Page 4

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,LLP

Colorado Springs, Colorado
June 9, 2023

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, 2022. Please read the information presented here in conjunction with the transmittal letter, located at the front of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2022, by \$4.5 billion (net position). The City's net position increased by \$638.9 million or 16.5% as a result of current year activity.
 - The governmental net position increased by \$249.5 million or 15.8%. This is primarily due to the net impact of capital assets donated by the Pikes Peak Rural Transportation Authority and developers and a decrease in net pension liability.
 - The business-type net position increased by \$389.4 million or 17.0%, which was primarily due to an increase in Colorado Springs Utilities' (Utilities) net position of \$348.8 million, which was a combination of increased operating revenues, reduced operating expenses and increased investment gains.
- The City's governmental funds reported combined ending fund balances of \$294.9 million. This was a minor increase of \$0.2 million or 0.1%, from the prior year.
- The General Fund, the City's primary operating fund presented on a current financial resources basis, ended 2022 with a total fund balance of \$113.4 million or 26.3% of 2022 total General Fund expenditures and other financing uses. Of this, \$94.1 million was "unrestricted" which the Government Finance Officers Association (GFOA) defines as the sum of committed, assigned and unassigned fund balances. GFOA adopted a recommended best practice to maintain an unrestricted fund balance of at least 16.7% of expenditures and the City has adopted a target range of 16.7% to 20% of expenditures. For 2022 the \$94.1 million in unrestricted fund balance represents 21.8% of 2022 total General Fund expenditures and other financing uses. Unrestricted fund balance decreased from 2021 by \$2.1 million. Restricted fund balance decreased by \$33.4 million primarily due to disbursing the 2021 revenue received in excess of the Taxpayer's Bill of Rights (TABOR) limits. Additional information on TABOR is presented in Note IV.D.3 in the notes to the financial statements. See General Fund Budgetary Highlights for additional information on other General Fund changes.
- The City's total long-term debt is \$2.8 billion. This is a \$40.2 million or 1.4% increase from 2021. Governmental activity debt decreased by \$15.4 million due to debt repayments. The City's business-type activity debt increased by \$24.8 million largely due to new debt issuances for Utilities exceeding repayments.

(unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Major Features of the City’s Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses; the utilities system, airport, and parking system	Instances in which the City is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • 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/community development and general government. Taxes, intergovernmental revenues, and surplus revenue transfers finance most of these activities.

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

Component units – Component units are legally separate entities for which the City is financially accountable. The City reports the following as component units: Fountain Valley Authority, Aurora-Colorado Springs Joint Water Authority, and several canal and reservoir companies: Twin Lakes, Lake Meredith, Colorado Canal and Lake Henry; the Pikes Peak Regional Communications Network, the Colorado Springs Health Foundation and many business improvement districts: Barnes & Powers North, Barnes & Powers South, Briargate Center, Catalyst Campus, Creekwalk Marketplace, Colorado Springs Downtown Development Authority, Colorado Springs Urban Renewal Authority, First & Main, First & Main No. 2, First & Main North, 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 (formerly USAFA Visitor's Center).

Fund Financial Statements

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

(unaudited)

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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(unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4.5 billion at the close of 2022 which is \$638.9 million more than at the close of 2021.

The following table reflects the condensed Statement of Net Position for 2022 with comparative information for 2021:

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 538,733	\$ 468,311	\$ 1,650,887	\$ 1,411,358	\$ 2,189,620	\$ 1,879,670
Capital assets	1,781,557	1,612,911	4,721,892	4,470,675	6,503,450	6,083,586
Total assets	2,320,290	2,081,222	6,372,780	5,882,033	8,693,070	7,963,255
Deferred outflows of resources	77,036	93,314	75,159	126,956	152,195	220,270
Total assets and deferred outflows of resources	2,397,326	2,174,536	6,447,939	6,008,989	8,845,265	8,183,525
Long-term liabilities	212,757	303,738	3,152,833	3,309,509	3,365,590	3,613,247
Other liabilities	118,667	120,321	247,442	238,062	366,109	358,383
Total liabilities	331,424	424,058	3,400,275	3,547,571	3,731,699	3,971,629
Deferred inflows of resources	236,682	170,746	365,126	168,294	601,808	339,040
Total liabilities and deferred inflows of resources	568,106	594,805	3,765,401	3,715,864	4,333,507	4,310,669
Net position						
Net investment in capital assets	1,720,910	1,553,162	2,399,653	2,165,919	4,120,562	3,719,081
Restricted	92,232	89,745	73,168	53,141	165,400	142,886
Unrestricted	16,078	(63,176)	209,718	74,065	225,796	10,889
Total net position	<u>\$ 1,829,220</u>	<u>\$ 1,579,731</u>	<u>\$ 2,682,538</u>	<u>\$ 2,293,125</u>	<u>\$ 4,511,758</u>	<u>\$ 3,872,856</u>

Note: Immaterial differences may occur due to rounding

* The 2021 information was not restated for the effects of Governmental Accounting Standards Board Statement No. 87, Leases (GASB 87).

The City’s investment in capital assets, less any related debt used to acquire those assets that is still outstanding, is substantially the same as its total net position, at \$4.1 billion. The City uses capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to satisfy these liabilities.

(unaudited)

Restricted net position increased by \$22.5 million primarily due to the increase of pension assets, which are required to be held as restricted net position.

The total unrestricted net position is \$225.8 million. Certain unrestricted funds are designated for specific, future purposes such as encumbrances and subsequent year expenses. Significant changes in net pension liabilities as well as changes in derivative instruments combined to create a positive unrestricted net position at year-end. It is important to understand these items vary greatly from year to year.

The net position of the business-type activities is \$2.7 billion, a net increase of \$389.4 million from 2021. This change is primarily due to Utilities, which experienced increased operating revenues, decreased operating expenses and increased investment gains. This net position can only be used for the continuing operations of the utilities, airport, downtown parking facilities, golf courses, cemeteries, tourist highway, development review program, and stormwater activities. This amount cannot be used to make up for any decrease reported in governmental activities.

The following table shows revenues and expenses for both governmental and business-type activities for 2022 with comparative information for 2021. As noted earlier, the City's net position increased from 2021 to 2022 by \$638.9 million. Governmental activities increased the City's net position by \$249.5 million or 15.8%, which accounts for 39.0% of the City's overall change in net position. Business-type activities increased the City's net position by \$389.4 million or 17.0%, which accounts for 61.0% of the City's overall change in net position.

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(unaudited)

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 66,684	\$ 67,190	\$ 1,363,308	\$ 1,184,754	\$ 1,429,992	\$ 1,251,944
Operating grants and contributions	51,277	62,780	8,258	12,966	59,535	75,746
Capital grants and contributions	175,334	110,454	94,544	92,952	269,878	203,406
General revenues:						
Property taxes	29,560	27,818	—	—	29,560	27,818
Sales and other taxes	391,146	365,956	—	—	391,146	365,956
Investment earnings (loss)	(10,553)	133	10,424	4,707	(129)	4,840
Gain on sale of capital assets	—	—	1,143	140	1,143	140
Contributions to endowments	98	73	—	—	98	73
Total revenues	703,545	634,404	1,477,677	1,295,519	2,181,222	1,929,923
Expenses:						
General government	113,579	97,876	—	—	113,579	97,876
Public safety	200,641	228,309	—	—	200,641	228,309
Public works	124,506	137,529	—	—	124,506	137,529
Parks	33,028	33,604	—	—	33,028	33,604
Planning and community development	16,861	34,231	—	—	16,861	34,231
Interest on long-term debt	2,119	2,247	—	—	2,119	2,247
Utilities	—	—	921,495	988,254	921,495	988,254
PACE	—	—	57,684	58,349	57,684	58,349
MHS	—	—	2,528	2,616	2,528	2,616
Non-major enterprises	—	—	66,129	75,217	66,129	75,217
Special item - asset impairment	—	—	3,750	—	3,750	—
Total expenses	490,734	533,796	1,051,586	1,124,437	1,542,320	1,658,233
Change in net position before transfers	212,811	100,608	426,091	171,082	638,902	271,690
Transfers	36,678	38,104	(36,678)	(38,104)	—	—
Change in net position	249,489	138,712	389,413	132,979	638,902	271,690
Net position - beginning	1,579,731	1,441,019	2,293,125	2,160,146	3,872,856	3,601,165
Net position - ending	<u>\$ 1,829,220</u>	<u>\$ 1,579,731</u>	<u>\$ 2,682,538</u>	<u>\$ 2,293,125</u>	<u>\$ 4,511,758</u>	<u>\$ 3,872,856</u>

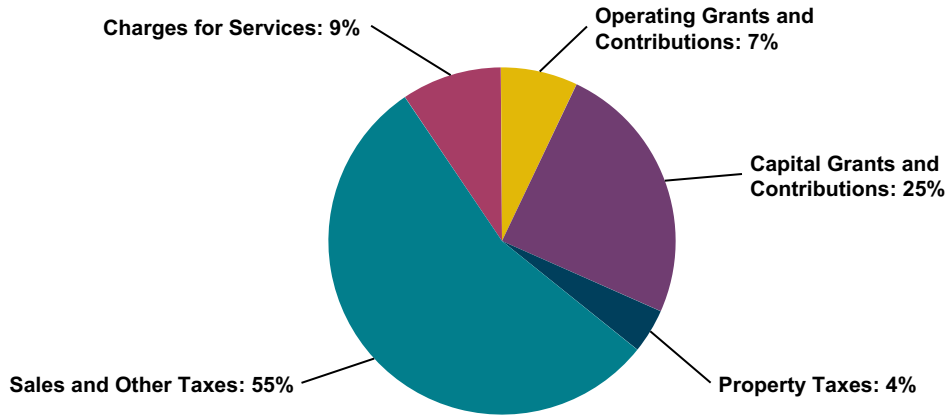
Note: Immaterial differences may occur due to rounding.

* The 2021 information was not restated for the effects of GASB 87.

(unaudited)

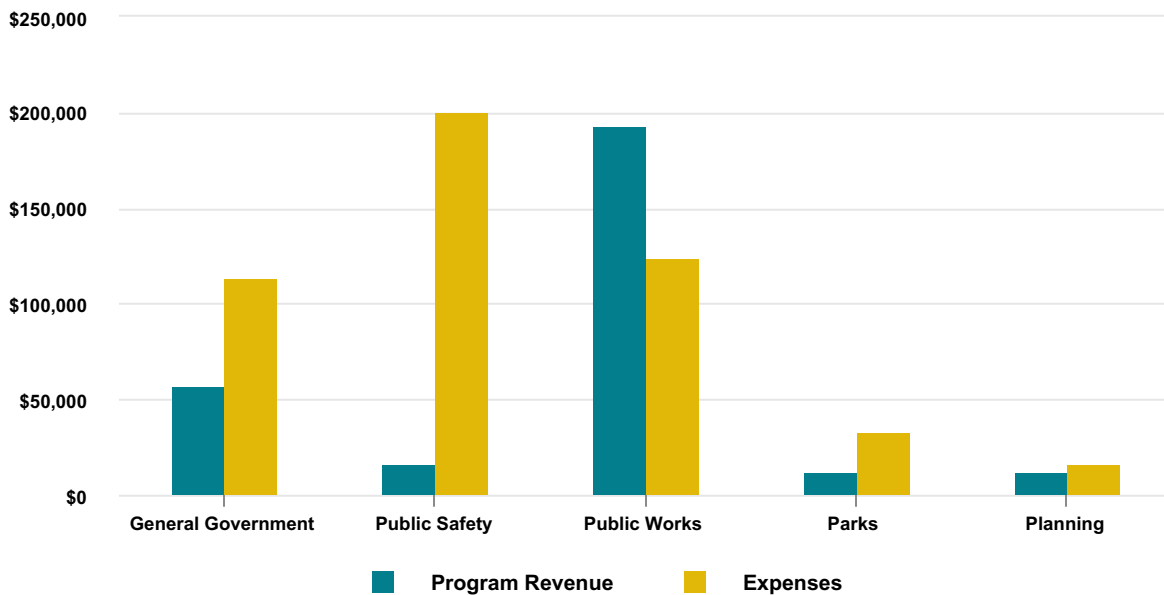
Governmental Activities

Governmental Activities
Revenue by Source
\$703.5 million



Note: Exclusive of transfers.

Governmental Activities
Program Revenue and Expenses
(in 000's)



Note: Exclusive of transfers.

(unaudited)

For 2022, governmental activities revenues were greater than the expenses, resulting in an increase in net position based upon current year activity. Revenue was up from 2021 by \$69.1 million primarily due to increases in capital grants which were federal grant reimbursements, contributions of capital assets donated by the Pikes Peak Rural Transportation Authority and developers, and sales tax revenue which resulted from a continued strong local economy. Expenses decreased \$43.1 million from 2021. The most significant changes to expenses were the following:

- General government expenses increased overall for 2022. The largest component of the increase was the expense for refunding \$15.2 million to residents, which was a portion of 2021 revenue received in excess of the Taxpayer's Bill of Rights (TABOR) limits. During fiscal year 2021, the revenue collected by the City exceeding the amounts otherwise allowed to be retained and spent under City Charter § 7-90 and Colorado Constitution Article X, § 20, known as TABOR, was \$35.2 million. Citizens approved a November, 2021 ballot item that allowed the City to retain and spend \$20.0 million of these funds for Wildfire Mitigation. The balance of the TABOR excess revenue was refunded to residents. Another component of the increase is that in 2021, over \$3.0 million of expenditures were offset by COVID-19 reimbursements. Without the expense offset in 2022, the expenses are higher. Finally, increases in contractual expenses for fuel were almost \$1.0 million higher than 2021 due to international conflict driving up energy prices, insurance premiums were over \$1.0 million higher due to insurance carriers reassessing risk after the 2020 social unrest and an increase in weather-related natural disasters and a large increase in the City's Animal Control contract as a result of the negotiations for a new contract. Offsetting these increases was a dramatic decrease in net pension liability of \$34.3 million due to actuarial assumption changes. This change resulted in decreased pension expense even as salaries from added positions and wage market movement were increasing. Additional information on the pension assumption changes can be found later in this report.
- Public safety expenses decreased \$27.7 million primarily due to less pension liability expense, only partially offset by increased salary and operating expenses. Pension liabilities decreased as the result of increased employer contributions combined with a favorable difference in sworn pension payment experience. This decrease directly impacts the pension expense for the sworn employees. These decreases were also partially offset by COVID-19 reimbursements in 2021 that were not received in 2022. Without these reimbursements in 2022, expenses are higher.
- Public works expenses decreased \$13.0 million primarily due to a change in the category of spending associated with the Road Repair, Maintenance and Improvement Sales Tax Fund. In 2019, voters approved a five-year extension (2021-2025) of a dedicated sales tax to be used for road improvements, which includes asphalt and concrete for sidewalks, curbs and gutters. Initially, the funding was mainly focused on major thoroughfares and the primary expense was for the asphalt overlay portion of the roadway improvements, which is categorized as capital outlay and expensed. The program has now moved to mainly residential and collector streets. For these areas, a larger portion of the spending is for required curb, gutter and sidewalk concrete work. The concrete work does not reflect as expenses, as it is a capitalized item. This has resulted in lower expenses being reflected in 2022 while spending remained constant.

(unaudited)

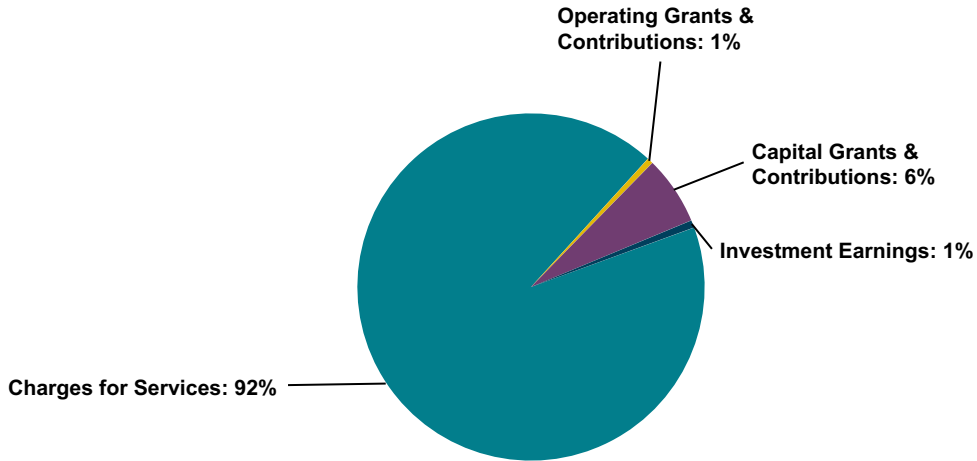
- Planning and community development expenses decreased by \$17.4 million due to spending of one-time COVID response grant funds in 2021 for programs such as Emergency Rental Assistance and Community Development Block Grant. The absence of these one-time funds in 2022 resulted in lower spending.

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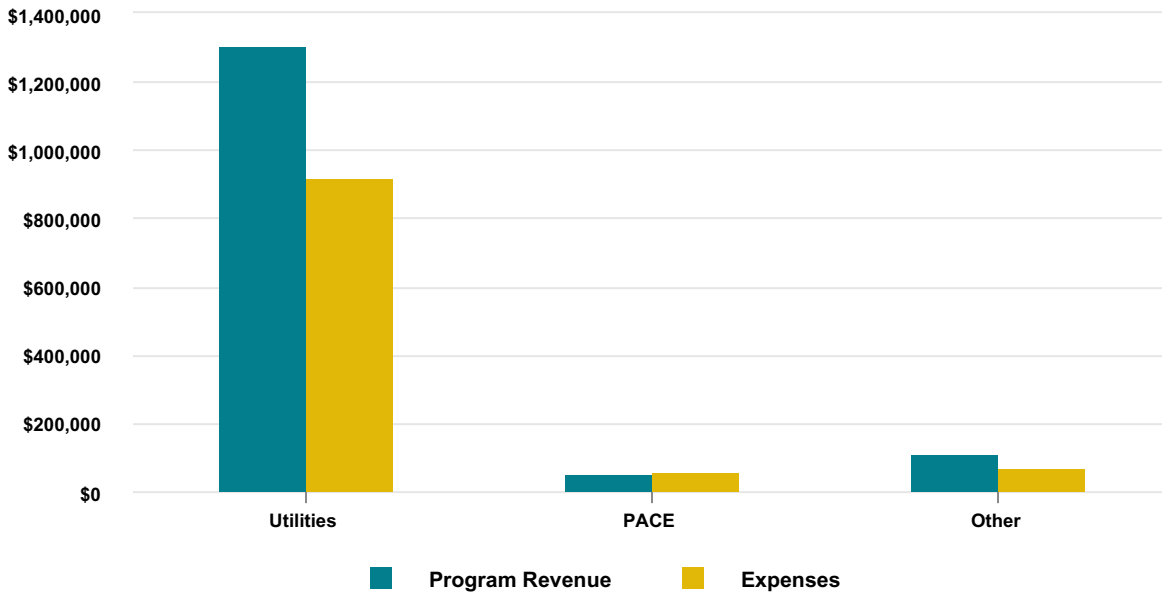
Business-type Activities

**Business-type Activities
Revenue by Source
\$1,477.7 million**



Note: Exclusive of transfers.

**Business-type Activities
Program Revenue and Expenses
(in 000's)**



Note: Exclusive of transfers.

(unaudited)

For 2022, business-type activities revenue increased \$182.2 million, while expenses decreased \$72.9 million. In 2022, the most significant changes to revenues were the following:

- Utilities' revenue experienced a net increase of \$167.6 million primarily due to increases in electric, natural gas and water revenues.
- The Airport experienced an increase in operating revenues of \$2.6 million due to increased passenger activity. The Airport also had a decrease in capital contributions of \$6.9 million due to lower COVID relief funds through the Airport Rescue Program.

The most significant changes to expenses were the following:

- Utilities' operating expenses decreased \$52.0 million primarily due to purchased power expense decreases related to a February 2021 weather event which resulted in high demand and fuel price surges for 2021. Additionally, Utilities experienced decreased pension and OPEB expenses. Additional information on the pension and OPEB changes can be found later in this report.
- Utilities' non-operating expenses decreased \$20.0 due to a reduced liability for derivative instruments.

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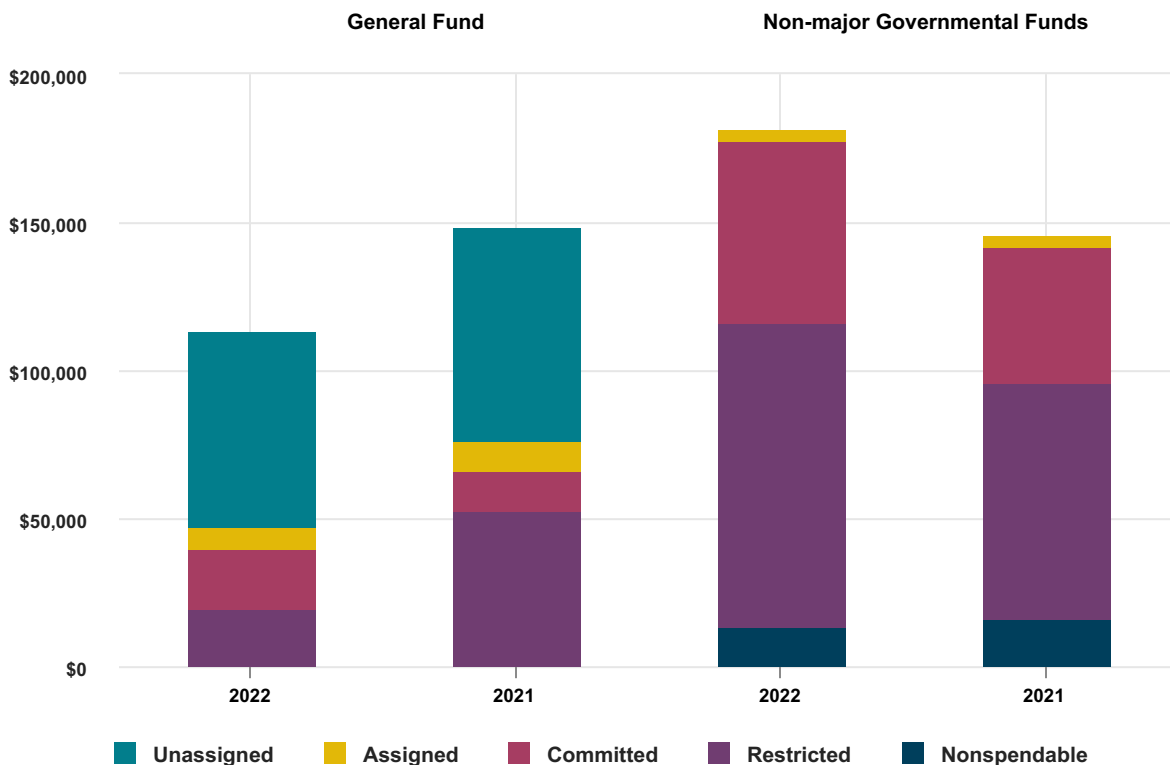
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FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental funds

As of the end of 2022, the City’s governmental funds reported total combined fund balances of \$294.9 million, of which \$66.0 million or approximately 22.4%, is unassigned. *Unassigned fund balance* serves as a useful measure of a government’s net resources available for spending at the end of the fiscal year. The *nonspendable* portion of fund balance, \$13.6 million, is primarily comprised of endowments; and the *restricted* portion of fund balance, \$122.3 million, is primarily comprised of \$102.7 million in special revenue funds restricted balances, \$4.7 million for the TABOR refund/retention and the \$11.4 million TABOR emergency reserve.

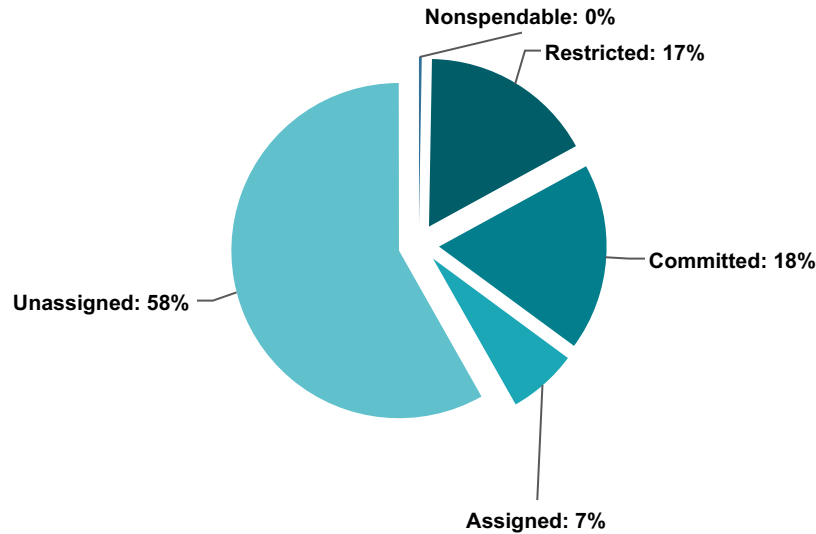
Governmental Fund Balances
(in 000's)



The General Fund is the principal operating fund of the City. At the end of 2022, the General Fund’s total fund balance was \$113.4 million. The unrestricted fund balance of the General Fund was \$94.1 million. As a measure of the General Fund’s liquidity, it is useful to compare both total fund balance and unrestricted fund balance to total fund expenditures including other financing uses. Total fund balance represents 26.3% of 2022 total General Fund expenditures and other financing uses while unrestricted fund balance represents 21.8% of 2022 total General Fund expenditures and other financing uses. The following chart shows the breakout of General Fund balances for 2022.

(unaudited)

**General Fund Balances
\$113.4 million**



Proprietary funds

The City’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position as of December 31, 2022 and 2021 for the proprietary funds are as follows:

	Unrestricted Net Position (in 000's) *		
	2022	2021	Change
Utilities	\$ 299,988	\$ 187,499	\$ 112,489
PACE	(175,349)	(170,094)	(5,255)
Non-major enterprise funds	95,216	66,572	28,644
Internal service funds	(19,006)	(20,779)	1,773

Note: Immaterial differences may occur due to rounding.

* The 2021 information was not restated for the effects of GASB 87.

Utilities', non-major enterprise funds', and internal service funds' unrestricted net position each increased due to healthy operations and decreased pension liability. PACE again experienced a decline in 2022, primarily due to significant interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- \$34.6 million increase due to a supplemental appropriation to the General Fund for a portion of the retention and refund of 2021 fiscal year revenue above the 2021 fiscal year revenue and spending limitations (TABOR cap). Voters approved the retention of \$20.0 million for a new Wildfire Mitigation program, with the remaining \$15.2 million in 2021 revenues above the TABOR cap, in addition to \$0.6 million of LART funding, refunded during 2022. This budget amendment allowed the transfer of the \$20.0 million from the General Fund into a special revenue fund for wildfire mitigation efforts.
- \$2.7 million increase to establish the Keep It Clean COS program which proactively aims to reduce litter and improve the appearance of public rights-of-way throughout the City.
- \$2.5 million increase to complete the replacement of the HVAC system at the Pioneers Museum.

Per City Code, the City rolled over unspent project budgets and encumbrances from the previous year totaling \$31.9 million.

Total revenues, excluding other financing sources, exceeded the final budget by 4.7% or \$15.3 million largely as a result of sales tax revenues. Sales and use tax revenue (including penalty and interest) exceeded budget by \$19.3 million due to a strong local economy. Fines fell short of budget by \$4.2 million due to delayed implementation of traffic enforcement efforts, which resulted in lower than anticipated traffic fine revenue. The charges for services for public safety and public works exceeded budget by \$2.4 million due to continued strong local development activity. Investment earnings fell short of budget by \$6.9 million largely due to lower investment returns.

Total expenditures, excluding other financing uses, were \$37.3 million less than the final budget. Capital outlay expenditures fell short of budget by \$24.7 million due to delays caused by supply-chain and contractor labor-shortage issues. Construction of capital projects tend to occur over more than one fiscal period, resulting in the carry forward of these unspent funds.

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(unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

At the end of 2022, the City had \$6.5 billion invested in a broad range of capital assets and infrastructure (net of accumulated depreciation and amortization). This investment in capital assets included land, buildings and improvements, equipment and other vehicles, infrastructure (including streets, alleys, traffic signals and signs, bridges and drainage systems), enterprise plants, construction in process, intangible capital assets and lease assets. This amount represented a net increase (including additions and deletions) of \$423.4 million.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 450,700	\$ 421,817	\$ 234,231	\$ 233,220	\$ 684,931	\$ 655,037
Buildings	108,105	107,745	95,303	98,514	203,409	206,259
Improvements other than buildings	70,003	65,102	195,548	203,652	265,551	268,754
Machinery and equipment	70,160	58,596	15,496	16,295	85,656	74,891
Infrastructure	956,514	887,845	42,316	39,008	998,831	926,853
Utilities plant	—	—	3,604,864	3,482,955	3,604,864	3,482,955
Construction in progress	117,396	62,648	454,714	323,055	572,110	385,703
Intangible capital assets	8,679	9,157	79,420	73,978	88,099	83,135
Lease assets	3,581	—	—	—	3,581	—
Total	\$ 1,785,138	\$ 1,612,910	\$ 4,721,892	\$ 4,470,675	\$ 6,507,031	\$ 6,083,586

Note: Immaterial differences may occur due to rounding.

* The 2021 information was not restated for the effects of GASB 87.

The change in capital assets for 2022 was due to both governmental and business-type activities. Governmental activities showed a continued increase due to donated infrastructure, the addition of lease assets per GASB 87, as well as land acquisitions for parks and open space. Business-type activities also showed an increase. Utilities’ capital assets increased \$243.4 million, or 6.0%, due to capital improvements required to maintain and rehabilitate aging infrastructure to provide safe and reliable services to customers, as well as construction to prepare for future demand and to meet environmental and regulatory requirements.

In 2022, Pikes Peak Rural Transportation Authority donated \$40.7 million of infrastructure and developers donated of \$76.5 million of infrastructure to governmental activities. These donated amounts remain strong as a result of continued local development.

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

(unaudited)

Long-term debt

The following schedule provides the debt outstanding at the end of 2022 and 2021. Total long-term debt outstanding at the end of 2022 is \$2.8 billion.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 1,590	\$ 3,525	\$ —	\$ —	\$ 1,590	\$ 3,525
Certificates of participation	35,215	36,225	—	—	35,215	36,225
Revenue bonds	—	—	2,739,525	2,713,170	2,739,525	2,713,170
Lease/lease purchase	—	7,135	—	—	—	7,135
Financed purchases	25,504	—	603	—	26,107	—
Notes payable	—	—	18,888	21,074	18,888	21,074
Total	\$ 62,309	\$ 46,885	\$ 2,759,016	\$ 2,734,244	\$ 2,821,325	\$ 2,781,129

Note: Immaterial differences may occur due to rounding.

* The 2021 information was not restated for the effects of GASB 87.

During 2022, long-term debt for the governmental activities increased \$15.4 million due to debt repayments. Business-type activities increased \$24.8 million primarily due to the issuance of refunding and improvement revenue bonds exceeding debt repayments.

The City’s latest long-term bond ratings are as follows:

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

The current debt limitation for the City is \$740.0 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.

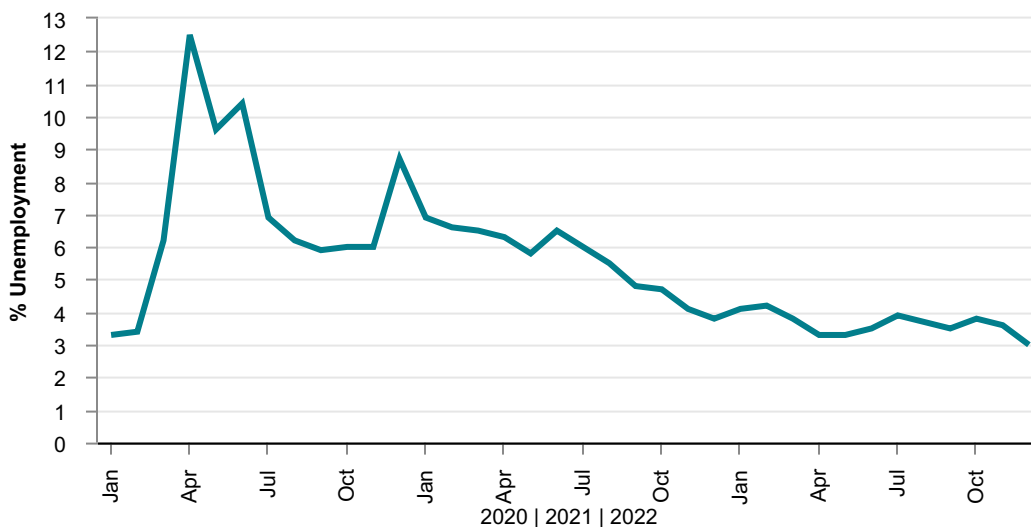
(unaudited)

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Local Economic Indicators

During 2022, the local economy showed continued resiliency in the recovery from the pandemic induced economic recession in 2020. The local unemployment rate continued a steady decline from the 12.5% high in April 2020, ending at 3.0% in 2022. Hotel occupancy (12-month moving average) began the year at 64.0% and climbed to 67.1% for December. Other portions of the economy slowed dramatically during 2022, particularly the single-family home sector. The number of single-family home sales declined by 15.9%, and the number of residential building permits decreased 5.2%.

El Paso County Unemployment Rate

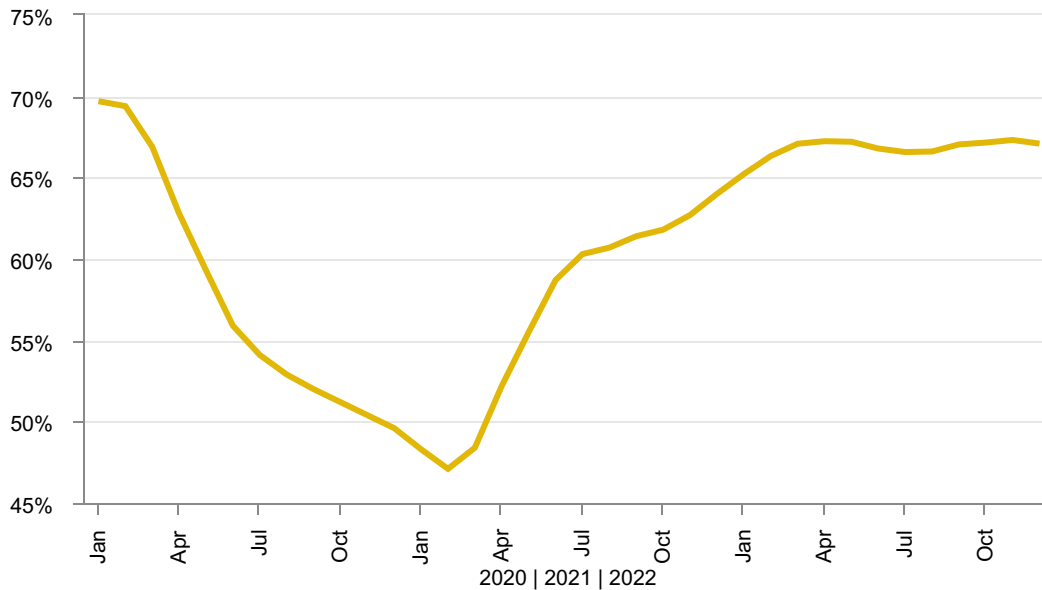


Source: US Bureau of Labor Statistics - Local Area Unemployment Statistics

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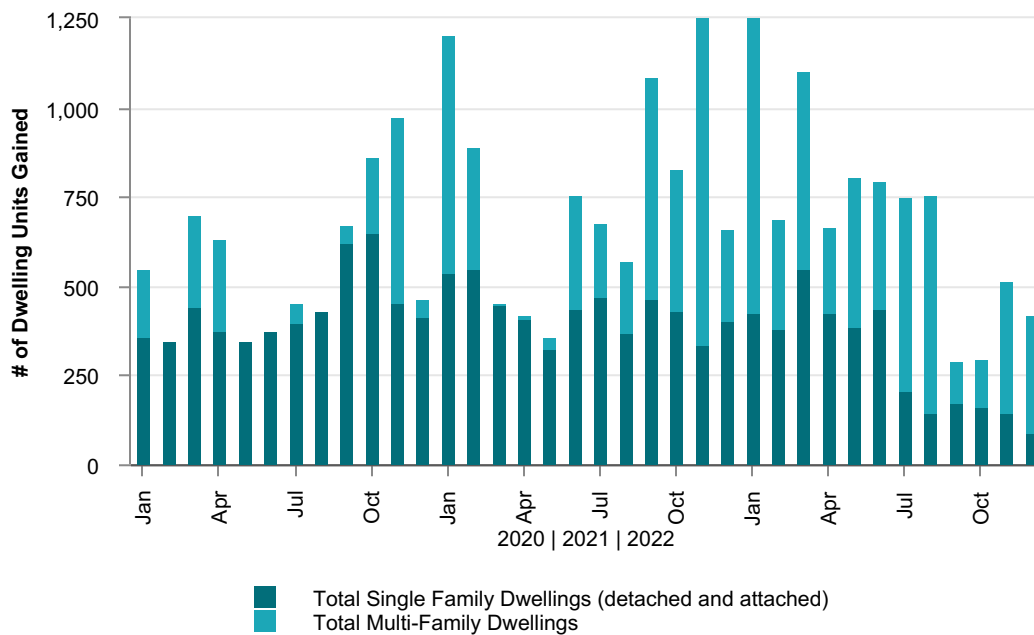
(unaudited)

**Colorado Springs Hotel Occupancy Rate
(12 Month Moving Average)**



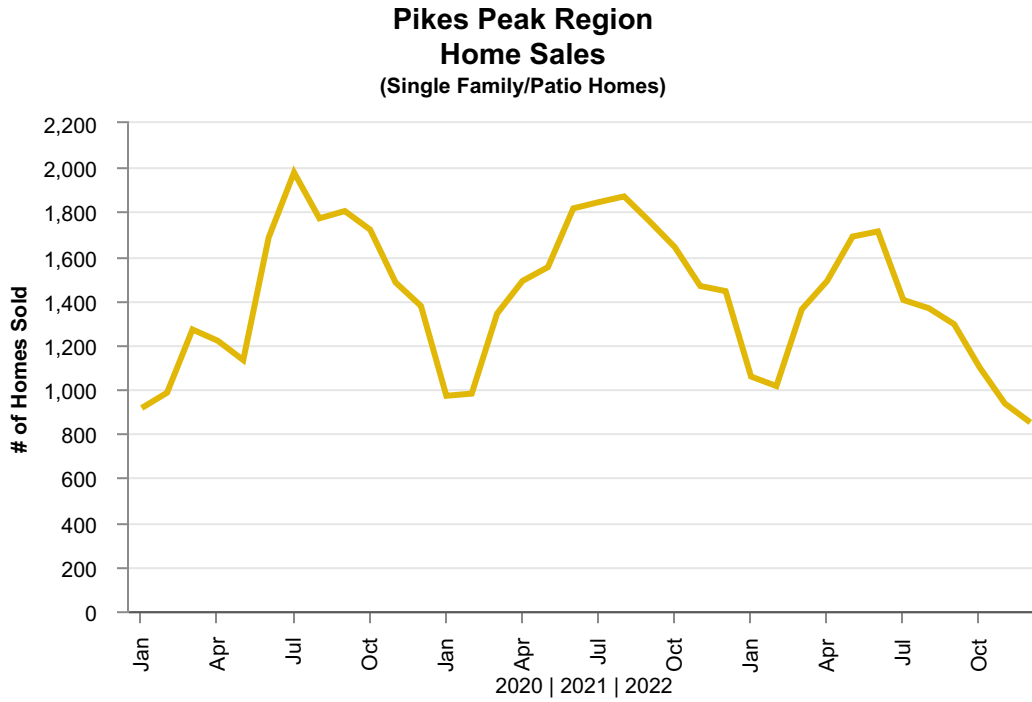
Source: University of Colorado Colorado Springs Economic Forum Dashboard

**Pikes Peak Region
Residential Building Permits**



Source: Pikes Peak Regional Building Department

(unaudited)



Source: Pikes Peak Association of Realtors

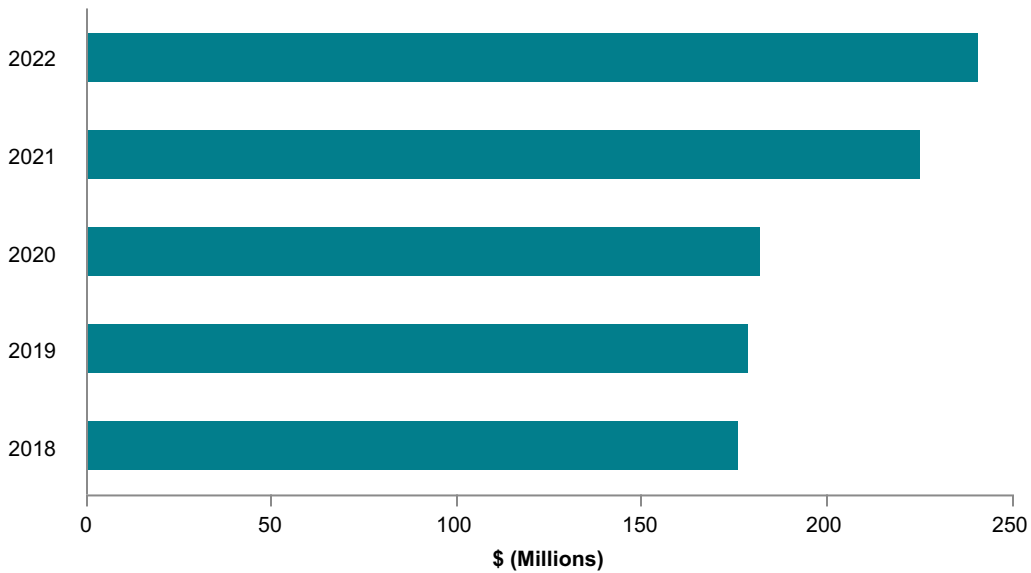
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(unaudited)

Sales and use tax revenue

The City’s General Fund sales and use tax revenue increased \$15.8 million or 7.0% from 2021. The local economy has continued to show resiliency after the pandemic induced recession of 2020. The hotel and restaurant sectors contributed strongly to City sales and use tax collections. Sales tax collections are primarily dependent upon the level of local economic activity, consumer confidence, tourist activity and inflationary growth.

**General Fund
Sales and Use Tax Revenue**



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(unaudited)

2023 Budget

The 2023 General Fund budget of approximately \$421.1 million is 6.1% higher than the 2022 original General Fund budget. At 60.0%, sales and use tax is the largest single source of General Fund revenue. 2023 sales and use tax is budgeted at \$252.7 million.

The 2023 budget addresses important strategic and operational goals which are reflected in the following important funding decisions:

- \$926,000 of increased funding for 15 new sworn Police positions that will be added towards the end of 2023, as well as vehicles for positions added during 2022
- \$1.63 million of increased funding for 32 new sworn Fire positions for 2 new fire stations scheduled to become operational in early 2024 (Fire Station 24 in the Northeast part of the city and the inclusion of the existing fire station in Colorado Centre as Fire Station 25 in the Southeast part of the city) and related one-time and ongoing operating costs
- Continued funding of \$928,000 for the 11 new positions that were added as part of the Keep It Clean COS campaign that was initiated last spring
- \$3.1 million for increased staffing across several city departments to address expanding demand for services, including additional staff for Parks, Recreation and Cultural services to provide 2 positions for Garden of the Gods park and 4 Rangers for urban park and trail safety, and for Public Works to provide 12 positions to address State mandated utility locates and address increased service demands related to city growth
- \$1.57 million continued funding for the City's Americans with Disabilities Act operating and capital programs, including a new Language Access Coordinator
- \$500,000 of continued funding to support shelter bed operations for the homeless population
- \$1.2 million additional funding to Mountain Metro Transit for increased contract and other operating costs to sustain transit services
- \$1.55 million increased funding to address Information Technology core infrastructure, applications and cybersecurity
- \$11.3 million for market salary increases for all civilian and sworn (Police and Fire) employees, step increases for sworn, pay progression for civilian employees and pay for performance for civilian employees
- \$3.6 million for full-year funding for the portion of compensation and added positions that were phased in during 2022, the conversion of certain hourly positions to regular positions and for increased medical plan costs
- \$10.1 million to fund increased rates for insurance premiums, fuel, and utility services, as well as contractual increases, including animal law enforcement services and election costs

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.

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BASIC FINANCIAL STATEMENTS



STATEMENT OF NET POSITION
December 31, 2022

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
ASSETS					
Cash and investments	\$ 348,016,901	\$ 428,914,767	\$ 776,931,668	\$ 159,649,926	\$ 18,533,033
Receivables (net of allowance for uncollectibles)	111,508,191	425,822,468	537,330,659	19,828,395	2,291,630
Due from component unit	—	2,917	2,917	—	—
Due from other governments	—	—	—	1,400	—
Due from primary government	—	—	—	—	5,583,516
Inventories	348,761	89,618,478	89,967,239	—	269,382
Prepays	—	351,508,000	351,508,000	247,174	104,462
Other	—	100,931,000	100,931,000	—	332,022
Restricted assets (temporarily):					
Cash and investments	16,916,101	231,643,104	248,559,205	115,809,605	2,094,594
Interest receivable	—	9,000	9,000	—	—
Net pension asset	58,362,449	21,683,514	80,045,963	—	—
Investment in joint ventures	—	754,000	754,000	—	—
Capital assets nondepreciable:					
Land	450,700,053	234,231,327	684,931,380	865,977	65,147
Intangibles	—	55,623,000	55,623,000	—	—
Construction in progress	117,396,108	454,713,673	572,109,781	56,242,263	1,805,840
Capital assets (net of accumulated depreciation and amortization):					
Buildings	108,105,467	95,303,146	203,408,613	—	—
Improvements other than buildings	70,002,931	195,548,211	265,551,142	7,705,459	—
Machinery and equipment	70,159,628	15,495,966	85,655,594	29,157	22,378
Infrastructure	956,514,234	42,316,419	998,830,653	55,877,483	—
Utility plant	—	3,604,864,000	3,604,864,000	—	65,806,070
Intangibles	8,679,041	23,796,751	32,475,792	—	—
Lease assets:					
Buildings	1,340,899	—	1,340,899	—	—
Equipment	2,239,729	—	2,239,729	—	147,052
Land	—	—	—	—	265,874
Total assets	2,320,290,493	6,372,779,741	8,693,070,234	416,256,839	97,321,000
DEFERRED OUTFLOWS OF RESOURCES					
Deferred cash flow hedges - unrealized loss on derivative instruments	—	9,492,000	9,492,000	—	—
Loss on debt refundings	1,058,190	24,370,594	25,428,784	3,993,573	—
Pension-related amounts	69,090,723	36,715,362	105,806,085	—	—
OPEB-related amounts	6,886,904	4,581,160	11,468,064	—	—
Total deferred outflows of resources	\$ 77,035,817	\$ 75,159,116	\$ 152,194,933	\$ 3,993,573	\$ —

(continued)

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

STATEMENT OF NET POSITION
December 31, 2022

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
LIABILITIES					
Accounts payable and other liabilities	\$ 52,502,569	\$ 131,297,606	\$ 183,800,175	\$ 5,353,825	\$ 4,380,188
Contingent liabilities and promise to CSHF	—	85,200,217	85,200,217	—	—
Deposits payable	451,311	—	451,311	—	—
Funds held for others	62,062	—	62,062	—	—
Accrued interest payable	138,070	16,111,456	16,249,526	2,305,751	23,234
Due to component unit	5,583,516	—	5,583,516	—	—
Due to other governments	—	—	—	1,177,094	—
Due to primary government	—	—	—	—	2,917
Internal balances	(7,965,670)	7,965,670	—	—	—
Unearned revenue:					
Grants	61,841,130	—	61,841,130	—	—
Other	6,054,005	6,866,717	12,920,722	—	—
Noncurrent liabilities:					
Due within one year	29,745,336	142,442,572	172,187,908	7,561,031	320,984
Due in more than one year	183,011,393	3,010,390,860	3,193,402,253	337,646,286	1,242,788
Total liabilities	331,423,722	3,400,275,098	3,731,698,820	354,043,987	5,970,111
DEFERRED INFLOWS OF RESOURCES					
Gain on debt refundings	—	29,105,000	29,105,000	—	—
Property taxes	29,612,215	—	29,612,215	15,170,414	—
Pension-related amounts	195,412,663	189,288,855	384,701,518	—	—
OPEB-related amounts	11,411,885	7,373,858	18,785,743	—	—
Lease-related amounts	245,632	139,358,299	139,603,931	—	—
Total deferred inflows of resources	236,682,395	365,126,012	601,808,407	15,170,414	—
NET POSITION					
Net investment in capital assets	1,720,909,853	2,399,652,565	4,120,562,418	(7,589,467)	67,303,189
Restricted for:					
Debt service	259,121	26,805,349	27,064,470	33,520,000	2,094,594
Endowments:					
Expendable	525,219	—	525,219	—	—
Nonexpendable	13,245,475	—	13,245,475	—	—
Emergency reserve (TABOR)	11,421,315	—	11,421,315	152,167	—
Capital improvement	3,670,626	—	3,670,626	824,381	—
Pension-related	58,362,449	21,683,514	80,045,963	—	—
Other	4,748,128	24,678,746	29,426,874	1,110,245	—
Unrestricted	16,078,007	209,717,573	225,795,580	23,018,685	21,953,106
Total net position	\$ 1,829,220,193	\$ 2,682,537,747	\$ 4,511,757,940	\$ 51,036,011	\$ 91,350,889

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

STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	
Primary government										
Governmental activities										
General government	\$ 113,579,258	\$ 28,436,464	\$ 24,245,744	\$ 4,778,940	\$ (56,118,110)	\$ —	\$ (56,118,110)	\$ —	\$ —	
Public safety	200,641,033	9,496,141	6,526,844	986,621	(183,631,427)	—	(183,631,427)	—	—	
Public works	124,506,436	22,776,974	7,565,042	163,248,922	69,084,502	—	69,084,502	—	—	
Parks	33,027,521	3,357,064	3,211,142	6,319,106	(20,140,209)	—	(20,140,209)	—	—	
Planning and community development	16,860,633	2,617,374	9,728,357	—	(4,514,902)	—	(4,514,902)	—	—	
Interest on long-term debt	2,119,369	—	—	—	(2,119,369)	—	(2,119,369)	—	—	
Total governmental activities	490,734,250	66,684,017	51,277,129	175,333,589	(197,439,515)	—	(197,439,515)	—	—	
Business-type activities										
Utilities	921,495,360	1,234,496,000	—	69,411,000	—	382,411,640	382,411,640	—	—	
PACE	57,684,000	51,532,000	—	—	—	(6,152,000)	(6,152,000)	—	—	
MHS	2,527,597	—	—	—	—	(2,527,597)	(2,527,597)	—	—	
Other non-major enterprises	66,129,072	77,280,383	8,257,594	25,133,065	—	44,541,970	44,541,970	—	—	
Total business-type activities	1,047,836,029	1,363,308,383	8,257,594	94,544,065	—	418,274,013	418,274,013	—	—	
Total primary government	\$ 1,538,570,279	\$ 1,429,992,400	\$ 59,534,723	\$ 269,877,654	\$ (197,439,515)	\$ 418,274,013	\$ 220,834,498	\$ —	\$ —	
Component units										
Governmental activities	\$ 51,335,449	\$ 822,906	\$ 10,902,245	\$ 404,975	\$ —	\$ —	\$ —	\$ (39,205,323)	\$ —	
Business-type activities	10,153,950	20,117,796	—	—	—	—	—	—	9,963,846	
Total component units	\$ 61,489,399	\$ 20,940,702	\$ 10,902,245	\$ 404,975	\$ —	\$ —	\$ —	\$ (39,205,323)	\$ 9,963,846	
General revenues										
Property taxes					\$ 29,560,154	\$ —	\$ 29,560,154	\$ 13,145,832	\$ —	
Sales taxes					386,903,902	—	386,903,902	23,585,658	—	
Specific ownership taxes					3,389,527	—	3,389,527	609,683	—	
Occupational liquor taxes					338,851	—	338,851	—	—	
Admissions tax					436,774	—	436,774	—	—	
Bicycle excise tax					76,594	—	76,594	—	—	
Public improvement fees					—	—	—	4,102,642	—	
Miscellaneous					—	—	—	280,070	—	
Investment earnings (loss)					(10,553,235)	10,423,768	(129,467)	(35,821,304)	45,500	
Gain on sale of capital assets					—	1,143,068	1,143,068	—	—	
Special item (Note III.G)					—	(3,750,000)	(3,750,000)	—	—	
Contributions to endowments					98,070	—	98,070	—	—	
Transfers					36,678,079	(36,678,079)	—	—	—	
Total general revenues and transfers					446,928,716	(28,861,243)	418,067,473	5,902,581	45,500	
Change in net position					249,489,201	389,412,770	638,901,971	(33,302,742)	10,009,346	
Net position - January 1, as previously stated					1,579,730,992	2,293,124,977	3,872,855,969	84,857,356	81,341,543	
Prior period adjustment					—	—	—	(518,603)	—	
Net position - January 1, restated					1,579,730,992	2,293,124,977	3,872,855,969	84,338,753	81,341,543	
Net position - December 31					\$ 1,829,220,193	\$ 2,682,537,747	\$ 4,511,757,940	\$ 51,036,011	\$ 91,350,889	

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

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 118,746,967	\$ 219,631,796	\$ 338,378,763
Accounts receivable (net of allowance for uncollectibles)	6,158,154	20,016,812	26,174,966
Sales tax receivable (net of allowance for uncollectibles)	25,216,407	14,054,406	39,270,813
Loans receivable (net of allowance for uncollectibles)	—	14,258,170	14,258,170
Property taxes receivable			
Current	26,397,601	3,214,614	29,612,215
Delinquent	10,507	—	10,507
Inventories	308,396	—	308,396
Due from other funds	4,434,334	—	4,434,334
Restricted cash and investments	3,670,626	13,245,475	16,916,101
Total assets	\$ 184,942,992	\$ 284,421,273	\$ 469,364,265
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 10,249,287	\$ 18,152,563	\$ 28,401,850
Funds held for others	62,062	—	62,062
Accrued salaries and benefits	5,268,248	1,028,759	6,297,007
Due to other funds	2,587,135	4,043,983	6,631,118
Due to component unit	5,583,516	—	5,583,516
Deposits payable	27,272	424,039	451,311
Escrow deposits	15,269,748	—	15,269,748
Unearned revenue			
Grants	—	61,841,130	61,841,130
Other	6,054,005	—	6,054,005
Total liabilities	45,101,273	85,490,474	130,591,747
Deferred inflows of resources			
Unavailable revenue - loans (net of allowance for uncollectibles)	—	14,258,170	14,258,170
Unavailable revenue - property taxes	26,397,601	3,214,614	29,612,215
Total deferred inflows of resources	26,397,601	17,472,784	43,870,385
Fund balances			
Nonspendable	318,903	13,245,475	13,564,378
Restricted	19,011,591	103,270,664	122,282,255
Committed	20,495,186	60,938,327	81,433,513
Assigned	7,594,965	4,003,549	11,598,514
Unassigned	66,023,473	—	66,023,473
Total fund balances	113,444,118	181,458,015	294,902,133
Total liabilities, deferred inflows of resources and fund balances	\$ 184,942,992	\$ 284,421,273	\$ 469,364,265

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

GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2022

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

Total fund balances - governmental funds	\$ 294,902,133
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, at historical cost	\$ 2,809,793,494
Less: Accumulated depreciation and amortization	(1,024,655,404)
Less: Internal service fund net capital assets included above	<u>(337,052)</u>
	1,784,801,038
Loans and assessments - certain long-term receivables are not available to pay for current-period expenditures because they are not collected within the prescribed time period after year-end and, therefore, are unavailable in the funds.	14,258,170
Interest on investments that is not available to pay for current-period expenditures is not reported in the funds.	1,033,543
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.	(8,532,068)
Long-term liabilities, such as bonds payable and net pension-related amounts, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(38,632,143)
Accrued interest payable	(138,070)
Financed purchases	(25,504,287)
Lease liabilities	(3,441,927)
Drainage fees payable	(4,423,330)
Compensated absences	(26,581,286)
Municipal solid waste landfill	(364,954)
Pension-related amounts	(124,084,397)
OPEB-related amounts	(34,072,469)
Lease-related amounts	<u>240</u>
	<u>(257,242,623)</u>
Net position of governmental activities	<u><u>\$ 1,829,220,193</u></u>

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

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 4

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 272,836,156	\$ 147,869,646	\$ 420,705,802
Licenses, permits and fines	10,296,502	—	10,296,502
Intergovernmental	24,392,148	81,253,394	105,645,542
Charges for services	21,323,678	13,736,557	35,060,235
Endowments and donations	—	4,592,386	4,592,386
Interfund services provided	11,093,965	—	11,093,965
Investment loss	(5,840,810)	(4,688,011)	(10,528,821)
Other revenue	9,244,430	1,896,178	11,140,608
Rental income	83,375	143,064	226,439
Total revenues	343,429,444	244,803,214	588,232,658
Expenditures			
Current			
General government	111,526,714	12,399,485	123,926,199
Public safety	191,013,053	55,719,878	246,732,931
Planning and community development	7,442,146	9,751,976	17,194,122
Public works	36,712,626	19,432,395	56,145,021
Parks	14,981,722	11,993,573	26,975,295
Debt service			
Principal	8,463,923	3,805,328	12,269,251
Principal - leases	1,272,445	158,850	1,431,295
Interest	1,589,623	467,633	2,057,256
Interest - leases	56,288	15,458	71,746
Capital outlay	21,708,047	132,768,104	154,476,151
Total expenditures	394,766,587	246,512,680	641,279,267
Deficiency of revenues over expenditures	(51,337,143)	(1,709,466)	(53,046,609)
Other financing sources (uses)			
Transfers - in	37,420,390	37,615,970	75,036,360
Transfers - out	(36,715,970)	(1,642,311)	(38,358,281)
Issuance of leases	3,451,023	1,424,044	4,875,067
Financed purchases	9,033,077	—	9,033,077
Sale of capital assets	2,639,924	23,976	2,663,900
Total other financing sources (uses)	15,828,444	37,421,679	53,250,123
Net change in fund balances	(35,508,699)	35,712,213	203,514
Fund balances - January 1	148,952,817	145,745,802	294,698,619
Fund balances - December 31	\$ 113,444,118	\$ 181,458,015	\$ 294,902,133

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit 5**

Net change in fund balances - total governmental funds	\$	203,514	
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 assets, the shorter of the lease term or useful life of the underlying asset, and reported as depreciation and amortization expense.			
Capital outlay	\$	117,486,684	
Depreciation and amortization expense		<u>(64,745,737)</u>	52,740,947
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.		(1,728,914)	
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.		<u>118,265,290</u>	116,536,376
The issuance of long-term debt (i.e., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.			
Debt incurred:			
Financed purchases		(9,033,077)	
Principal repayments:			
General obligation debt		1,935,000	
Certificates of participation		1,010,000	
Financed purchases		9,324,252	
Deferred loss on refunding and related amortization		170,511	
Amortization of bond premium/discount		<u>(62,247)</u>	3,344,439
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Accrued interest		9,633	
Drainage fees		(1,754,526)	
Compensated absences		(5,156,268)	
Landfill closing costs		(14,710)	
Net pension-related amounts		80,095,653	
Net OPEB-related amounts		1,913,948	
Net lease-related amounts		<u>(522,543)</u>	74,571,187
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			64,305
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.			<u>2,028,433</u>
Change in net position of governmental activities	\$		<u><u>249,489,201</u></u>

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2022

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

	Budgeted Amounts		2022 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes				
Current	\$ 25,189,916	\$ 25,189,916	\$ 26,054,499	\$ 864,583
Penalty and interest	—	—	35,797	35,797
Sales and use taxes	223,670,000	223,670,000	241,557,707	17,887,707
Penalty and interest	—	—	1,389,293	1,389,293
Specific ownership taxes	3,126,930	3,126,930	3,023,235	(103,695)
Occupational liquor taxes	325,000	325,000	338,851	13,851
Admission taxes	505,000	505,000	436,774	(68,226)
Total taxes	252,816,846	252,816,846	272,836,156	20,019,310
Licenses, permits and fines				
Business licenses and permits	3,739,251	3,739,251	3,524,886	(214,365)
Fines	10,979,482	10,979,482	6,771,616	(4,207,866)
Total licenses, permits and fines	14,718,733	14,718,733	10,296,502	(4,422,231)
Intergovernmental				
State shared revenue				
Cigarette tax	900,000	900,000	764,765	(135,235)
Highway users tax - regular	19,669,873	19,669,873	20,507,718	837,845
Highway users tax - added fees	1,575,000	1,575,000	1,611,354	36,354
Severance tax	130,000	130,000	272,525	142,525
Other governmental units				
El Paso County road and bridge	900,000	900,000	1,098,460	198,460
El Paso County shared fines	236,030	236,030	137,326	(98,704)
Total intergovernmental	\$ 23,410,903	\$ 23,410,903	\$ 24,392,148	\$ 981,245

(continued)

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2022

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

	Budgeted Amounts		2022 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges for services				
General government	\$ 5,193,082	\$ 5,193,082	\$ 5,220,160	\$ 27,078
Public safety	4,949,458	4,949,458	5,969,368	1,019,910
Planning and community development	2,069,737	2,069,737	1,816,735	(253,002)
Public works	4,508,230	4,508,230	5,918,063	1,409,833
Parks	2,316,368	2,316,368	2,399,352	82,984
Total charges for services	19,036,875	19,036,875	21,323,678	2,286,803
Miscellaneous				
Interfund services provided	10,349,162	10,349,162	11,093,965	744,803
Investment earnings (loss)	1,026,000	1,026,000	(5,840,810)	(6,866,810)
Other revenue	6,671,882	6,671,882	9,244,430	2,572,548
Rental income	76,900	76,900	83,375	6,475
Total miscellaneous	18,123,944	18,123,944	14,580,960	(3,542,984)
Total revenues	\$ 328,107,301	\$ 328,107,301	\$ 343,429,444	\$ 15,322,143

(continued)

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

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2022**

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

	Budgeted Amounts		2022 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government				
City attorney	\$ 8,361,291	\$ 8,361,291	\$ 7,431,086	\$ 930,205
City auditor	1,942,190	1,942,190	1,711,083	231,107
City clerk	1,364,018	1,364,018	1,303,537	60,481
City council	1,062,828	1,062,828	1,005,756	57,072
Communications	1,715,973	1,715,973	1,513,408	202,565
Economic development	654,245	654,245	498,623	155,622
Finance	5,324,800	5,324,800	4,993,817	330,983
General costs	44,950,599	56,800,542	55,705,629	1,094,913
Human resources and risk	4,444,365	4,444,365	4,555,153	(110,788)
Information technology	21,856,978	21,856,978	20,912,891	944,087
Mayor's office	1,195,504	1,195,504	925,524	269,980
Municipal court	5,118,460	5,118,460	5,075,852	42,608
Office of innovation	1,702,244	1,702,244	1,374,995	327,249
Procurement services	809,726	809,726	869,502	(59,776)
Real estate services	615,996	615,996	611,580	4,416
Support services	3,745,535	3,513,102	3,038,278	474,824
Total general government	104,864,752	116,482,262	111,526,714	4,955,548
Public safety				
Fire and office of emergency management	68,994,420	68,994,420	68,595,384	399,036
Police	126,261,739	125,210,808	122,417,669	2,793,139
Total public safety	195,256,159	194,205,228	191,013,053	3,192,175
Planning and community development				
	8,092,829	8,370,939	7,442,146	928,793
Public works				
	39,021,872	39,544,282	36,712,626	2,831,656
Parks				
	\$ 15,697,885	\$ 15,540,630	\$ 14,981,722	\$ 558,908

(continued)

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2022

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

	Budgeted Amounts		2022 Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt service expenditures				
Principal payments	\$ 8,535,043	\$ 8,535,043	\$ 8,463,923	\$ 71,120
Principal payments - leases	1,272,445	1,272,445	1,272,445	\$ —
Interest payments	1,605,479	1,605,479	1,589,623	15,856
Interest payments - leases	56,288	56,288	56,288	—
Total debt service	11,469,255	11,469,255	11,382,279	86,976
Capital outlay	37,829,776	46,437,442	21,708,047	24,729,395
Total expenditures	412,232,528	432,050,038	394,766,587	37,283,451
Deficiency of revenues over expenditures	(84,125,227)	(103,942,737)	(51,337,143)	52,605,594
Other financing sources (uses)				
Transfers - in				
Utilities surplus	35,854,818	35,854,818	37,278,636	1,423,818
Other funds	—	—	141,754	141,754
Transfers - out				
City funded capital improvement projects	(16,715,970)	(36,715,970)	(36,715,970)	—
Issuance of leases	—	—	3,451,023	3,451,023
Financed purchases	8,550,000	8,550,000	9,033,077	483,077
Sale of capital assets	1,633,800	1,633,800	2,639,924	1,006,124
Total other financing sources (uses)	29,322,648	9,322,648	15,828,444	6,505,796
Net change in fund balance	(54,802,579)	(94,620,089)	(35,508,699)	59,111,390
Fund balance - January 1	148,952,817	148,952,817	148,952,817	—
Fund balance - December 31	\$ 94,150,238	\$ 54,332,728	\$ 113,444,118	\$ 59,111,390

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

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 7
(PAGE 1 OF 3)

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
ASSETS AND DEFERRED						
OUTFLOWS OF RESOURCES						
Current assets						
Cash and investments - unrestricted	\$ 327,307,000	\$ 89,000	\$ 2,828,967	\$ 98,689,800	\$ 428,914,767	\$ 9,638,138
Cash and investments - restricted	53,588,000	—	—	4,354,755	57,942,755	—
Accounts receivable (net of allowance for uncollectibles)	172,212,624	7,429,000	—	16,958,419	196,600,043	917,150
Leases receivable	—	—	—	5,349,035	5,349,035	—
Notes receivable	—	—	3,096,897	306,687	3,403,584	—
Interest receivable	608,000	—	—	—	608,000	—
Due from other funds	5,109,459	—	—	3,247,175	8,356,634	30,263
Due from component unit	2,917	—	—	—	2,917	—
Inventories	88,342,000	—	—	1,276,478	89,618,478	40,365
Prepays	11,202,000	20,204,000	—	—	31,406,000	—
Total current assets	658,372,000	27,722,000	5,925,864	130,182,349	822,202,213	10,625,916
Noncurrent assets						
Cash and investments - restricted	164,738,000	6,993,000	—	1,969,349	173,700,349	—
Interest receivable - restricted	9,000	—	—	—	9,000	—
Leases receivable	—	—	—	136,117,428	136,117,428	209,040
Notes receivable - net	—	—	79,820,150	3,924,228	83,744,378	—
Net pension asset	20,171,000	—	—	1,512,514	21,683,514	—
Due from other funds	—	—	—	1,021,111	1,021,111	—
Investment in joint ventures	754,000	—	—	—	754,000	—
Prepays	—	320,102,000	—	—	320,102,000	—
Other	100,931,000	—	—	—	100,931,000	—
Capital assets nondepreciable:						
Land	211,425,000	—	—	22,806,327	234,231,327	13,000
Intangibles	55,623,000	—	—	—	55,623,000	—
Construction in progress	430,062,000	—	—	24,651,673	454,713,673	—
Capital assets depreciable and amortizable:						
Buildings	—	—	—	151,427,198	151,427,198	201,250
Improvements other than buildings	—	—	—	367,553,915	367,553,915	310,198
Machinery and equipment	—	—	—	43,580,417	43,580,417	487,202
Infrastructure	—	—	—	58,241,335	58,241,335	—
Utility plant	6,599,910,000	—	—	—	6,599,910,000	—
Intangibles	82,412,000	—	—	652,943	83,064,943	—
Lease assets - equipment	—	—	—	—	—	72,909
Less accumulated depreciation and amortization	(3,053,701,000)	—	—	(272,752,315)	(3,326,453,315)	(747,507)
Total noncurrent assets	4,612,334,000	327,095,000	79,820,150	540,706,123	5,559,955,273	546,092
Total assets	5,270,706,000	354,817,000	85,746,014	670,888,472	6,382,157,486	11,172,008
Deferred outflows of resources						
Deferred cash flow hedges - unrealized loss on derivative instruments	9,492,000	—	—	—	9,492,000	—
Loss on debt refundings	24,322,000	—	—	48,594	24,370,594	—
Pension-related amounts	33,780,000	—	—	2,935,362	36,715,362	—
OPEB-related amounts	3,769,000	—	—	812,160	4,581,160	—
Total deferred outflows of resources	71,363,000	—	—	3,796,116	75,159,116	—
Total assets and deferred outflows of resources	\$ 5,342,069,000	\$ 354,817,000	\$ 85,746,014	\$ 674,684,588	\$ 6,457,316,602	\$ 11,172,008

(continued)

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

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 7
(PAGE 2 OF 3)

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities						
Accounts payable	\$ 113,812,943	\$ —	\$ 545,797	\$ 9,105,459	\$ 123,464,199	\$ 2,457,781
Accrued salaries and benefits	6,109,000	—	—	453,246	6,562,246	76,183
Claims payable	2,502,000	—	—	—	2,502,000	18,132,500
Compensated absences	11,996,000	—	—	85,806	12,081,806	16,904
Due to other funds	6,965,057	—	—	241,214	7,206,271	4,953
Escrow deposits	—	—	—	56,161	56,161	—
Unearned revenue	—	—	—	2,604,897	2,604,897	—
Accrued interest payable	11,330,000	4,315,000	—	466,456	16,111,456	—
Matured bonds payable	107,125,000	16,955,000	—	1,340,000	125,420,000	—
Notes payable	453,000	—	—	1,789,850	2,242,850	—
Financed purchases payable	—	—	—	195,916	195,916	—
Lease liabilities	—	—	—	—	—	13,767
Other	1,215,000	—	—	—	1,215,000	—
Total current liabilities	261,508,000	21,270,000	545,797	16,339,005	299,662,802	20,702,088
Noncurrent liabilities						
Claims payable	—	—	—	—	—	8,534,500
Contingent liabilities and promise to CSHF	—	—	85,200,217	—	85,200,217	—
Compensated absences	6,264,000	—	—	1,630,346	7,894,346	321,174
Customer deposits	4,479,000	—	—	—	4,479,000	—
Unearned revenue	—	—	—	4,261,820	4,261,820	—
Revenue bonds payable, net	2,320,234,000	506,219,000	—	32,484,308	2,858,937,308	—
Notes payable	3,506,000	—	—	13,139,907	16,645,907	—
Financed purchases payable	—	—	—	407,554	407,554	—
Lease liabilities	—	—	—	—	—	59,373
Customer advances for construction	28,747,000	—	—	—	28,747,000	—
Municipal solid waste landfill closure and postclosure care	5,970,000	—	—	—	5,970,000	—
Derivative instruments	35,364,000	—	—	—	35,364,000	—
Net OPEB liability	32,406,000	—	—	2,024,745	34,430,745	—
Other long-term liabilities	17,515,000	—	—	—	17,515,000	—
Total noncurrent liabilities	2,454,485,000	506,219,000	85,200,217	53,948,680	3,099,852,897	8,915,047
Total liabilities	2,715,993,000	527,489,000	85,746,014	70,287,685	3,399,515,699	29,617,135
Deferred inflows of resources						
Gain on debt refundings	29,105,000	—	—	—	29,105,000	—
Pension-related amounts	174,887,000	—	—	14,401,855	189,288,855	—
OPEB-related amounts	6,430,000	—	—	943,858	7,373,858	—
Lease-related amounts	—	—	—	139,358,299	139,358,299	224,085
Total deferred inflows of resources	\$ 210,422,000	\$ —	\$ —	\$ 154,704,012	\$ 365,126,012	\$ 224,085

(continued)

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

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 7
(PAGE 3 OF 3)

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Net position						
Net investment in capital assets	\$ 2,053,237,000	\$ —	\$ —	\$ 346,415,565	\$ 2,399,652,565	\$ 337,052
Restricted for debt service	22,159,000	2,677,000	—	1,969,349	26,805,349	—
Restricted for other	20,099,000	—	—	—	20,099,000	—
Restricted for passenger facility charges	—	—	—	4,579,746	4,579,746	—
Restricted for pension-related	20,171,000	—	—	1,512,514	21,683,514	—
Unrestricted	299,988,000	(175,349,000)	—	95,215,717	219,854,717	(19,006,264)
Total net position	2,415,654,000	(172,672,000)	—	449,692,891	2,692,674,891	(18,669,212)
Total liabilities, deferred inflows of resources and net position	\$ 5,342,069,000	\$ 354,817,000	\$ 85,746,014	\$ 674,684,588		\$ 11,172,008
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(10,137,144)	
Net position of business-type activities					<u>\$ 2,682,537,747</u>	

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 8

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 1,234,496,000	\$ 51,532,000	\$ —	\$ 77,280,383	\$ 1,363,308,383	\$ 57,539,369
Total operating revenues	1,234,496,000	51,532,000	—	77,280,383	1,363,308,383	57,539,369
Operating expenses						
Salaries and benefits	215,308,000	—	—	16,078,720	231,386,720	3,524,888
Other operating expenses	494,754,000	20,082,000	—	30,896,120	545,732,120	51,860,361
Depreciation and amortization	163,486,000	—	—	23,313,933	186,799,933	42,074
Total operating expenses	873,548,000	20,082,000	—	70,288,773	963,918,773	55,427,323
Operating income	360,948,000	31,450,000	—	6,991,610	399,389,610	2,112,046
Nonoperating revenues (expenses)						
Derivative instruments gain	38,779,000	—	—	—	38,779,000	—
Investment earnings (loss)	7,135,000	1,083,000	(81,608)	(3,044,204)	5,092,188	(313,697)
Interest income from leases	—	—	—	2,722,375	2,722,375	5,594
Notes interest income	—	—	2,609,205	—	2,609,205	—
Interest expense	(90,030,000)	(36,782,000)	—	(1,846,989)	(128,658,989)	(230)
Passenger facility charges	—	—	—	4,292,024	4,292,024	—
Customer facility charges	—	—	—	1,441,275	1,441,275	—
Amortization expense	—	(820,000)	—	—	(820,000)	—
Gain on disposal of capital assets	—	—	—	1,143,068	1,143,068	—
Change in contingent liabilities	—	—	(2,527,597)	—	(2,527,597)	—
Miscellaneous	3,705,000	—	—	8,354,344	12,059,344	—
Total nonoperating revenues (expenses)	(40,411,000)	(36,519,000)	—	13,061,893	(63,868,107)	(308,333)
Income (loss) before contributions and transfers	320,537,000	(5,069,000)	—	20,053,503	335,521,503	1,803,713
Capital contributions	69,411,000	—	—	25,133,065	94,544,065	—
Transfers - in	—	—	—	712,921	712,921	—
Transfers - out	(37,279,000)	—	—	—	(37,279,000)	—
Transfers - other	(112,000)	—	—	—	(112,000)	—
Special item (Note III.G)	(3,750,000)	—	—	—	(3,750,000)	—
Change in net position	348,807,000	(5,069,000)	—	45,899,489	389,637,489	1,803,713
Total net position - January 1	2,066,847,000	(167,603,000)	—	403,793,402		(20,472,925)
Total net position - December 31	\$ 2,415,654,000	\$ (172,672,000)	\$ —	\$ 449,692,891		\$ (18,669,212)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(224,719)	
Change in net position of business-type activities					<u>\$ 389,412,770</u>	

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

PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the year ended December 31, 2022

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$1,164,880,000	\$ 51,465,000	\$ —	\$ 70,255,342	\$1,286,600,342	\$ 10,326,794
Receipts from interfund services provided	17,590,000	—	—	801,829	18,391,829	46,818,766
Receipts from notes receivable	—	—	3,002,907	—	3,002,907	—
Payments to suppliers	(548,545,000)	(80,000)	(4,666,658)	(16,290,061)	(569,581,719)	(47,513,571)
Payments to employees	(227,865,000)	—	—	(22,274,381)	(250,139,381)	(3,485,234)
Payments for interfund services used	(32,600,000)	—	—	(12,051,780)	(44,651,780)	(3,912,529)
Other receipts	3,014,000	—	—	—	3,014,000	—
Net cash provided (used) by operating activities	376,474,000	51,385,000	(1,663,751)	20,440,949	446,636,198	2,234,226
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental non-operating revenues provided	(37,280,000)	—	—	—	(37,280,000)	—
Transfers - in	—	—	—	712,921	712,921	—
Transfers - out	(863,000)	—	—	—	(863,000)	—
Proceeds from loan	—	15,875,000	—	—	15,875,000	—
Repayment of loan	—	(15,875,000)	—	—	(15,875,000)	—
Repayment of advance from other funds	—	—	—	—	—	(1,336,347)
Repayment of long-term debt	—	(15,475,000)	—	—	(15,475,000)	—
Interest payments on long-term debt	—	(35,445,000)	—	—	(35,445,000)	—
Interest payments - other	—	(1,455,000)	—	—	(1,455,000)	—
Principal received from interfund loan	—	—	—	86,836	86,836	—
Interest received from interfund loan	—	—	—	46,352	46,352	—
Operating grants	179,000	—	—	8,257,594	8,436,594	—
Net cash provided (used) by noncapital financing activities	(37,964,000)	(52,375,000)	—	9,103,703	(81,235,297)	(1,336,347)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions and advances	38,394,000	—	—	—	38,394,000	—
Bond issuance proceeds	290,945,000	—	—	—	290,945,000	—
Premium related to bond issuance	31,069,000	—	—	—	31,069,000	—
Bond issuance costs and other related costs	(1,337,000)	—	—	—	(1,337,000)	—
Repayment and refunding of revenue bonds	(247,825,000)	—	—	—	(247,825,000)	—
Purchases of capital assets	(326,405,000)	—	—	(28,565,819)	(354,970,819)	—
Repayment of financed purchase obligations	—	—	—	(203,172)	(203,172)	—
Principal paid on capital debt	—	—	—	(3,034,873)	(3,034,873)	—
Interest paid on capital debt	(103,469,000)	—	—	(1,952,603)	(105,421,603)	—
Interest paid - other	(4,000)	—	—	—	(4,000)	—
Principal received from leases	—	—	—	5,514,476	5,514,476	141,976
Interest received from leases	—	—	—	2,722,375	2,722,375	5,594
Proceeds from the sale of capital assets	978,000	—	—	1,618,823	2,596,823	—
Capital grant	4,451,000	—	—	16,642,213	21,093,213	—
Passenger facility charges	—	—	—	4,620,626	4,620,626	—
Customer facility charges	—	—	—	1,435,968	1,435,968	—
Net cash provided (used) by capital and related financing activities	\$ (313,203,000)	\$ —	\$ —	(1,201,986)	\$ (314,404,986)	\$ 147,570

(continued)

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

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

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

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	\$ 65,285,000	\$ —	\$ 2,488,440	\$ 6,388,272	\$ 74,161,712	\$ 2,952,057
Purchases of investments	(129,008,000)	(68,000)	(850,772)	(34,956,343)	(164,883,115)	(3,983,687)
Interest and dividends received	9,212,000	1,082,000	22,699	699,617	11,016,316	63,406
Distributions from joint ventures	170,000	—	—	—	170,000	—
Principal received on note receivable	—	—	—	314,870	314,870	—
Interest received on note receivable	—	—	—	283,757	283,757	—
Net cash provided (used) by investing activities	(54,341,000)	1,014,000	1,660,367	(27,269,827)	(78,936,460)	(968,224)
Net change in cash and cash equivalents	(29,034,000)	24,000	(3,384)	1,072,839	(27,940,545)	77,225
Cash and cash equivalents - January 1	394,120,000	65,000	60,793	1,018,294	395,264,087	118,366
Cash and cash equivalents - December 31	\$ 365,086,000	\$ 89,000	\$ 57,409	\$ 2,091,133	\$ 367,323,542	\$ 195,591
Cash and cash equivalents	\$ 365,086,000	\$ 89,000	\$ 57,409	\$ 2,091,133	\$ 367,323,542	\$ 195,591
Investments	180,547,000	6,993,000	2,771,558	102,922,771	293,234,329	9,442,547
Total cash and investments	\$ 545,633,000	\$ 7,082,000	\$ 2,828,967	\$ 105,013,904	\$ 660,557,871	\$ 9,638,138
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income	\$ 360,948,000	\$ 31,450,000	\$ —	\$ 6,991,610	\$ 399,389,610	\$ 2,112,046
Adjustments to reconcile operating income to net cash provided (used) by operating activities						
Depreciation and amortization expense	163,486,000	—	—	23,313,933	186,799,933	42,074
Other expense	(55,337,000)	—	—	—	(55,337,000)	—
Decrease (increase) in assets and outflows of resources						
Accounts receivable	(23,075,000)	(67,000)	—	339,540	(22,802,460)	(311,298)
Leases receivable	—	—	—	(17,316,335)	(17,316,335)	—
Notes receivable	—	—	3,002,907	—	3,002,907	—
Due from other funds	—	—	—	(511,736)	(511,736)	44,418
Inventories	(26,863,000)	—	—	(96,670)	(26,959,670)	(7,906)
Prepays	1,409,000	20,002,000	—	—	21,411,000	—
Other assets	9,285,000	—	—	—	9,285,000	—
Deferred outflows of resources - pensions	25,255,000	—	—	2,457,451	27,712,451	—
Deferred outflows of resources - OPEB	(617,000)	—	—	68,592	(548,408)	—
Net pension asset	(20,171,000)	—	—	(1,477,219)	(21,648,219)	—
Increase (decrease) in liabilities and inflows of resources						
Accounts and other payables	19,096,000	—	46,297	2,542,593	21,684,890	439,786
Accrued expenses	1,416,000	—	—	432,918	1,848,918	39,654
Due to other funds	—	—	—	108,546	108,546	2,383
Contingent liability	—	—	(4,712,955)	—	(4,712,955)	—
Other liabilities	4,945,000	—	—	1,571,628	6,516,628	—
Deferred inflows of resources - pensions	41,420,000	—	—	2,937,850	44,357,850	—
Deferred inflows of resources - OPEB	(309,000)	—	—	83,351	(225,649)	—
Deferred inflows of resources - leases	—	—	—	9,693,694	9,693,694	(126,931)
Net pension liabilities	(122,380,000)	—	—	(10,455,451)	(132,835,451)	—
Net OPEB liabilities	(2,034,000)	—	—	(243,346)	(2,277,346)	—
Net cash provided (used) by operating activities	\$ 376,474,000	\$ 51,385,000	\$ (1,663,751)	\$ 20,440,949	\$ 446,636,198	\$ 2,234,226

(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	\$ 5,740,000	\$ 820,000	\$ —	\$ —	\$ 6,560,000	\$ —
Noncash acquisition of capital assets (incurrence of payable/financed purchase obligation)	26,254,000	—	—	5,728,263	31,982,263	—
Noncash capital contributions	32,955,000	—	—	1,368,022	34,323,022	—
Change in fair value of derivative instruments	38,779,000	—	—	—	38,779,000	—
Change in fair value of investments	—	—	104,307	(4,092,269)	(3,987,962)	(377,103)

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

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 10

	Pension Trust Funds
<u>ASSETS</u>	
Pension assets held by Fire and Police Pension Association	
Pooled investment funds	\$ 115,754,116
Total pension assets held for pension benefits	<u>\$ 115,754,116</u>
<u>NET POSITION</u>	
Net position restricted for pensions	<u>\$ 115,754,116</u>

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

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 11

	Pension Trust Funds
Additions	
City contributions	\$ 5,196,854
Total contributions	<u>5,196,854</u>
Investment earnings (loss):	
Net decrease in fair value of investments	(10,650,185)
Interest, dividends and other	1,658,134
Total investment loss	<u>(8,992,051)</u>
Less investment costs	771,762
Net investment loss	<u>(9,763,813)</u>
Total additions	<u>(4,566,959)</u>
Deductions	
Benefits paid to participants or beneficiaries	16,213,538
Administrative expense	88,123
Total deductions	<u>16,301,661</u>
Net decrease in fiduciary net position	(20,868,620)
Net position restricted for pensions - January 1	<u>136,622,736</u>
Net position restricted for pensions - December 31	<u>\$ 115,754,116</u>

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



GOVERNMENTAL FUND COMPONENT UNITS
 COMBINING STATEMENT OF NET POSITION
 December 31, 2022

	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Catalyst Campus BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation	CS Urban Renewal Authority	First & Main BID
ASSETS									
Cash and investments - unrestricted	\$ 31,697	\$ 3,505	\$ 373,772	\$ —	\$ —	\$ 1,894,196	\$155,180,753	\$ 750,126	\$ —
Cash and investments - restricted	48,873	51,432	831,402	—	3,741,407	1,197,845	—	26,440,971	172,216
Accounts receivable (net of allowance for uncollectibles)	7,127	478	4,299	—	34,881	68,344	—	1,216,948	1,349
Due from other governments	—	—	—	—	—	—	—	1,400	—
Notes receivable	—	—	—	—	—	48,454	—	—	—
Assessments receivable	—	—	2,462,838	—	—	—	—	—	—
Property taxes receivable	369,168	71,702	507,962	—	118,891	2,558,669	—	8,486,274	162,420
Prepays	3,864	—	105,150	—	38,800	26,854	7,933	1,017	—
Capital assets (non-depreciable):									
Construction in progress	—	—	—	—	35,896,936	402,965	—	—	—
Land	—	—	—	—	—	—	—	—	—
Capital assets (net of accumulated depreciation):									
Machinery and equipment	—	—	—	—	—	—	—	—	—
Improvements other than buildings	878,674	—	1,249,697	—	—	346,785	—	—	—
Infrastructure	194,249	60,350	8,892,218	—	—	—	—	—	869,865
Total assets	1,533,652	187,467	14,427,338	—	39,830,915	6,544,112	155,188,686	36,896,736	1,205,850
DEFERRED OUTFLOWS OF RESOURCES									
Loss on refunding	—	—	—	—	—	—	—	3,993,573	—
Total deferred outflows of resources	—	—	—	—	—	—	—	3,993,573	—
LIABILITIES									
Accounts payable	11,271	3,983	43,905	8,933	27,546	78,343	2,523	169,519	1,349
Escrows	—	—	—	—	—	—	—	141,938	—
Grants payable	—	—	—	—	—	—	1,262,791	—	—
Due to other governments	—	—	—	—	—	—	—	443,565	—
Accrued interest payable	15,654	1,463	18,581	—	163,993	—	—	1,424,444	9,102
Noncurrent liabilities:									
Due within one year	135,000	60,000	670,000	—	316,802	—	—	5,769,002	40,000
Due in more than one year	2,943,638	210,000	9,732,105	166,554	47,017,947	—	—	97,395,674	1,245,000
Total liabilities	3,105,563	275,446	10,464,591	175,487	47,526,288	78,343	1,265,314	105,344,142	1,295,451
DEFERRED INFLOWS OF RESOURCES									
Property taxes	369,168	71,702	507,962	—	118,891	2,558,669	—	8,486,274	162,420
Total deferred inflows of resources	369,168	71,702	507,962	—	118,891	2,558,669	—	8,486,274	162,420
NET POSITION									
Net investment in capital assets	(559,795)	12,371	483,032	—	—	346,785	—	—	(415,135)
Restricted for:									
Capital improvement	—	—	—	—	—	—	—	824,185	—
Debt service	31,519	49,969	2,635,639	—	—	—	—	16,446,643	163,114
Emergency reserve	1,700	—	7,000	—	100	87,600	—	—	—
TIF	—	—	—	—	—	1,110,245	—	—	—
Unrestricted	(1,414,503)	(222,021)	329,114	(175,487)	(7,814,364)	2,362,470	153,923,372	(90,210,935)	—
Total net position	\$(1,941,079)	\$(159,681)	\$3,454,785	\$(175,487)	\$(7,814,264)	\$ 3,907,100	\$153,923,372	\$(72,940,107)	\$(252,021)

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

First & Main BID No. 2	First & Main North BID	GSF 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
\$ 247,656	\$ 2,122	\$ 18,804	\$ —	\$ 513,385	\$ 264,758	\$ 7,008	\$ 19,280	\$ 3,642	\$ 195,864	\$ 134,087	\$ 9,271	\$159,649,926
3,558,049	21,085	200	—	—	5,271,367	314,953	923,870	100	671,900	957,399	71,606,536	115,809,605
81,414	1,341	212	—	12,853	603,114	69,904	11,745	4	29,026	3,650	—	2,146,689
—	—	—	—	—	—	—	—	—	—	—	—	1,400
—	—	—	—	—	—	—	—	—	—	—	—	48,454
—	—	—	—	—	—	—	—	—	—	—	—	2,462,838
674,725	161,487	—	—	593,766	585,325	163,912	237,633	2,714	71,905	403,861	—	15,170,414
3,864	1,932	2,403	—	16,509	1,932	2,136	—	—	31,017	1,932	1,831	247,174
—	—	—	—	—	—	—	—	—	1,713,928	188,702	18,039,732	56,242,263
—	—	—	—	—	—	865,977	—	—	—	—	—	865,977
—	—	—	—	8,957	—	—	—	—	20,200	—	—	29,157
3,936,315	543,269	—	—	—	—	594,821	—	—	155,898	—	—	7,705,459
8,236,527	404,453	—	—	—	13,470,776	1,712,870	1,780,900	—	17,958,477	2,296,798	—	55,877,483
16,738,550	1,135,689	21,619	—	1,145,470	20,197,272	3,731,581	2,973,428	6,460	20,848,215	3,986,429	89,657,370	416,256,839
—	—	—	—	—	—	—	—	—	—	—	—	3,993,573
—	—	—	—	—	—	—	—	—	—	—	—	3,993,573
20,390	10,828	26,342	22,524	13,646	318,691	21,605	3,295	5,853	89,883	11,201	3,057,466	3,949,096
—	—	—	—	—	—	—	—	—	—	—	—	141,938
—	—	—	—	—	—	—	—	—	—	—	—	1,262,791
733,529	—	—	—	—	—	—	—	—	—	—	—	1,177,094
126,067	38,866	—	—	—	109,446	15,742	16,683	—	—	24,483	341,227	2,305,751
215,000	70,227	—	—	—	185,000	55,000	—	—	—	45,000	—	7,561,031
27,719,415	1,431,131	75,281	11,853	—	17,828,065	4,665,610	2,993,839	81,693	33,199,431	4,381,927	86,547,123	337,646,286
28,814,401	1,551,052	101,623	34,377	13,646	18,441,202	4,757,957	3,013,817	87,546	33,289,314	4,462,611	89,945,816	354,043,987
674,725	161,487	—	—	593,766	585,325	163,912	237,633	2,714	71,905	403,861	—	15,170,414
674,725	161,487	—	—	593,766	585,325	163,912	237,633	2,714	71,905	403,861	—	15,170,414
(3,085,740)	(347,812)	—	—	8,957	(2,320,000)	(61,573)	235,663	—	(630,125)	(1,256,095)	—	(7,589,467)
—	—	—	—	—	—	—	—	—	—	196	—	824,381
2,769,375	—	—	—	—	5,715,749	63,527	242,230	—	—	930,720	4,471,515	33,520,000
3,200	600	200	—	23,367	6,700	4,200	1,200	100	14,200	2,000	—	152,167
—	—	—	—	—	—	—	—	—	—	—	—	1,110,245
(12,437,411)	(229,638)	(80,204)	(34,377)	505,734	(2,231,704)	(1,196,442)	(757,115)	(83,900)	(11,897,079)	(556,864)	(4,759,961)	23,018,685
\$(12,750,576)	\$(576,850)	\$(80,004)	\$(34,377)	\$538,058	\$1,170,745	\$(1,190,288)	\$(278,022)	\$(83,800)	\$(12,513,004)	\$(880,043)	\$(288,446)	\$51,036,011

GOVERNMENTAL FUND COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

	Program Revenues				Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Barnes & Powers North BID	Barnes & Powers South BID	Briargate Center BID	Catalyst Campus BID	Creekwalk Marketplace BID	CS Downtown Development Authority	CS Health Foundation
General government											
Barnes & Powers North BID	\$ 138,505	\$ —	\$ 9,533	\$ —							
Barnes & Powers South BID	13,756	—	—	—							
Briargate Center BID	632,239	—	—	—							
Catalyst Campus BID	158,378	—	—	—							
Creekwalk Marketplace BID	93,976	—	—	—							
CS Downtown Development Authority	2,574,528	—	1,369,045	404,975							
CS Health Foundation	7,017,256	—	7,204,600	—							
CS Urban Renewal Authority	7,114,703	465,264	29,877	—							
First & Main BID	73,574	—	—	—							
First & Main BID No. 2	687,217	—	19,405	—							
First & Main North BID	103,916	—	—	—							
Gazette St. Francis (GSF) BID	66,635	—	—	—							
Gold Hill North BID	34,097	—	—	—							
Greater Downtown CS BID	784,639	26,437	165,000	—							
Interquest North BID	1,019,353	—	—	—							
Interquest South BID	192,701	—	—	—							
Interquest Town Center BID	62,936	—	—	—							
MW Retail BID	37,941	—	—	—							
Park Union BID	1,654,648	331,205	104,785	—							
Powers & Woodmen Commercial BID	156,253	—	—	—							
True North Commons BID	438,705	—	2,000,000	—							
Subtotal					\$ (128,972)	\$ (13,756)	\$ (632,239)	\$ (158,378)	\$ (93,976)	\$ (800,508)	\$ 187,344
Public works											
CS Urban Renewal Authority	7,293,280	—	—	—							
Interquest South BID	335,169	—	—	—							
Subtotal					—	—	—	—	—	—	—
Interest on long-term debt											
Barnes & Powers North BID	209,472	—	—	—							
Barnes & Powers South BID	21,912	—	—	—							
Briargate Center BID	140,445	—	—	—							
Catalyst Campus BID	17,109	—	—	—							
Creekwalk Marketplace BID	2,756,222	—	—	—							
CS Urban Renewal Authority	4,232,100	—	—	—							
First & Main BID	114,678	—	—	—							
First & Main BID No. 2	1,369,070	—	—	—							
First & Main North BID	91,904	—	—	—							
Gazette St. Francis (GSF) BID	2,907	—	—	—							
Gold Hill North BID	280	—	—	—							
Interquest North BID	1,481,650	—	—	—							
Interquest South BID	244,803	—	—	—							
Interquest Town Center BID	209,313	—	—	—							
MW Retail BID	4,485	—	—	—							
Park Union BID	2,408,247	—	—	—							
Powers & Woodmen Commercial BID	350,581	—	—	—							
True North Commons BID	6,995,866	—	—	—							
Subtotal					(209,472)	(21,912)	(140,445)	(17,109)	(2,756,222)	—	—
Total component units	\$ 51,335,449	\$ 822,906	\$ 10,902,245	\$ 404,975	(338,444)	(35,668)	(772,684)	(175,487)	(2,850,198)	(800,508)	187,344
General revenues:											
Property taxes					370,125	56,225	504,555	—	58,565	910,294	—
Specific ownership taxes					38,451	5,840	52,580	—	6,929	107,996	—
Incremental sales tax					—	—	—	—	—	—	—
Public improvement fees					—	—	—	—	206,732	—	—
Miscellaneous					—	—	—	—	972	198,457	—
Investment earnings (loss)					5,823	1,762	20,201	—	63,901	76,856	(37,159,197)
Total general revenues					414,399	63,827	577,336	—	337,099	1,293,603	(37,159,197)
Change in net position					75,955	28,159	(195,348)	(175,487)	(2,513,099)	493,095	(36,971,853)
Net position - January 1, as previously stated					(2,017,034)	(187,840)	3,650,133	—	(4,782,562)	3,414,005	190,895,225
Prior period adjustment					—	—	—	—	(518,603)	—	—
Net position - January 1, as restated					(2,017,034)	(187,840)	3,650,133	—	(5,301,165)	3,414,005	190,895,225
Net position - December 31					\$ (1,941,079)	\$ (159,681)	\$ 3,454,785	\$ (175,487)	\$ (7,814,264)	\$ 3,907,100	\$ 153,923,372

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

Changes in Net Position

CS Urban Renewal Authority	First & Main BID	First & Main BID No. 2	First & Main North BID	GSF 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
														\$ (128,972)
														(13,756)
														(632,239)
														(158,378)
														(93,976)
														(800,508)
														187,344
														(6,619,562)
														(73,574)
														(667,812)
														(103,916)
														(66,635)
														(34,097)
														(593,202)
														(1,019,353)
														(192,701)
														(62,936)
														(37,941)
														(1,218,658)
														(156,253)
														1,561,295
\$ (6,619,562)	\$ (73,574)	\$ (667,812)	\$ (103,916)	\$ (66,635)	\$ (34,097)	\$ (593,202)	\$ (1,019,353)	\$ (192,701)	\$ (62,936)	\$ (37,941)	\$ (1,218,658)	\$ (156,253)	\$ 1,561,295	(10,925,830)
														(7,293,280)
														(335,169)
(7,293,280)	—	—	—	—	—	—	—	(335,169)	—	—	—	—	—	(7,628,449)
														(209,472)
														(21,912)
														(140,445)
														(17,109)
														(2,756,222)
														(4,232,100)
														(114,678)
														(1,369,070)
														(91,904)
														(2,907)
														(280)
														(1,481,650)
														(244,803)
														(209,313)
														(4,485)
														(2,408,247)
														(350,581)
														(6,995,866)
(4,232,100)	(114,678)	(1,369,070)	(91,904)	(2,907)	(280)	—	(1,481,650)	(244,803)	(209,313)	(4,485)	(2,408,247)	(350,581)	(6,995,866)	(20,651,044)
(18,144,942)	(188,252)	(2,036,882)	(195,820)	(69,542)	(34,377)	(593,202)	(2,501,003)	(772,673)	(272,249)	(42,426)	(3,626,905)	(506,834)	(5,434,571)	(39,205,323)
7,524,636	151,290	643,159	158,288	—	—	560,331	1,385,245	155,373	170,751	443	60,136	436,416	—	13,145,832
—	16,492	67,814	16,399	—	—	66,438	145,792	16,255	17,754	47	6,253	44,643	—	609,683
18,920,939	—	—	—	—	—	—	—	—	—	—	—	—	4,664,719	23,585,658
—	—	728,980	—	—	—	—	2,784,994	230,421	81,502	—	70,013	—	—	4,102,642
—	—	—	—	6,071	—	—	43,249	—	—	—	31,321	—	—	280,070
453,616	4,796	55,614	713	—	—	11,456	109,715	6,964	159	—	24,534	20,377	481,406	(35,821,304)
26,899,191	172,578	1,495,567	175,400	6,071	—	638,225	4,468,995	409,013	270,166	490	192,257	501,436	5,146,125	5,902,581
8,754,249	(15,674)	(541,315)	(20,420)	(63,471)	(34,377)	45,023	1,967,992	(363,660)	(2,083)	(41,936)	(3,434,648)	(5,398)	(288,446)	(33,302,742)
(81,694,356)	(236,347)	(12,209,261)	(556,430)	(16,533)	—	493,035	(797,247)	(826,628)	(275,939)	(41,864)	(9,078,356)	(874,645)	—	84,857,356
—	—	—	—	—	—	—	—	—	—	—	—	—	—	(518,603)
(81,694,356)	(236,347)	(12,209,261)	(556,430)	(16,533)	—	493,035	(797,247)	(826,628)	(275,939)	(41,864)	(9,078,356)	(874,645)	—	84,338,753
\$ (72,940,107)	\$ (252,021)	\$ (12,750,576)	\$ (576,850)	\$ (80,004)	\$ (34,377)	\$ 538,058	\$ 1,170,745	\$ (1,190,288)	\$ (278,022)	\$ (83,800)	\$ (12,513,004)	\$ (880,043)	\$ (288,446)	\$ 51,036,011

PROPRIETARY FUND COMPONENT UNITS
 COMBINING BALANCE SHEET
 December 31, 2022

	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company
ASSETS			
Current assets			
Cash and investments	\$ 10,634,307	\$ 857,228	\$ 4,612,237
Accounts receivable (net of allowance for uncollectibles)	1,662,554	200,000	1,166
Inventories	269,382	—	—
Due from primary government	—	—	—
Prepays	1,316	—	68,246
Total current assets	12,567,559	1,057,228	4,681,649
Noncurrent assets			
Restricted cash and cash equivalents	2,009,497	—	—
Other	—	—	274,279
Capital assets nondepreciable:			
Land	65,147	—	—
Construction in progress	844,114	414,367	474,378
Capital assets depreciable and amortizable:			
Machinery and equipment	—	—	—
Utility plant	92,124,283	9,940,819	14,636,450
Lease assets:			
Equipment	—	—	—
Land	—	—	—
Less accumulated depreciation and amortization	(42,736,013)	(3,504,106)	(8,430,661)
Total noncurrent assets	52,307,028	6,851,080	6,954,446
Total assets	\$ 64,874,587	\$ 7,908,308	\$ 11,636,095
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	\$ 741,081	\$ 65,949	\$ 10,968
Due to primary government	—	—	—
Accrued interest payable	7,896	—	—
Notes payable	184,907	—	—
Lease liabilities	—	—	—
Total current liabilities	933,884	65,949	10,968
Noncurrent liabilities			
Notes payable	196,113	—	—
Lease liabilities	—	—	—
Total noncurrent liabilities	196,113	—	—
Total liabilities	1,129,997	65,949	10,968
Net position			
Net investment in capital assets	49,916,511	6,851,080	6,680,167
Restricted for debt service	2,009,497	—	—
Unrestricted	11,818,582	991,279	4,944,960
Total net position	63,744,590	7,842,359	11,625,127
Total liabilities and net position	\$ 64,874,587	\$ 7,908,308	\$ 11,636,095

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

CITY OF COLORADO SPRINGS

COLORADO

Exhibit 14

The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
\$ 1,056,943	\$ 941,727	\$ 430,591	\$ —	18,533,033
—	23,260	716	403,934	2,291,630
—	—	—	—	269,382
—	—	—	5,583,516	5,583,516
3,923	29,044	1,933	—	104,462
1,060,866	994,031	433,240	5,987,450	26,782,023
85,097	—	—	—	2,094,594
—	25,334	32,409	—	332,022
—	—	—	—	65,147
72,981	—	—	—	1,805,840
—	—	—	35,510	35,510
3,456,139	2,833,132	1,586,827	—	124,577,650
—	—	—	216,254	216,254
—	—	—	275,369	275,369
(1,208,274)	(2,271,206)	(621,320)	(91,829)	(58,863,409)
2,405,943	587,260	997,916	435,304	70,538,977
\$ 3,466,809	\$ 1,581,291	\$ 1,431,156	\$ 6,422,754	\$ 97,321,000
\$ 62,370	\$ 27,690	\$ 13,016	\$ 3,459,114	4,380,188
—	—	—	2,917	2,917
15,338	—	—	—	23,234
54,670	—	—	—	239,577
—	—	—	81,407	81,407
132,378	27,690	13,016	3,543,438	4,727,323
699,930	—	—	—	896,043
—	—	—	346,745	346,745
699,930	—	—	346,745	1,242,788
832,308	27,690	13,016	3,890,183	5,970,111
2,320,846	561,926	965,507	7,152	67,303,189
85,097	—	—	—	2,094,594
228,558	991,675	452,633	2,525,419	21,953,106
2,634,501	1,553,601	1,418,140	2,532,571	91,350,889
\$ 3,466,809	\$ 1,581,291	\$ 1,431,156	\$ 6,422,754	\$ 97,321,000

PROPRIETARY FUND COMPONENT UNITS
 COMBINING STATEMENT OF ACTIVITIES
 For the year ended December 31, 2022

	Program Revenues		Changes in Net Position		
	Expenses	Charges for Services	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company
Fountain Valley Authority					
General government	\$ 6,178,455	\$ 14,635,918	\$ 8,457,463		
Aurora-Colorado Springs Joint Water Authority					
General government	179,937	1,000,000		\$ 820,063	
The Twin Lakes Reservoir and Canal Company					
General government	855,600	1,545,965			\$ 690,365
The Lake Meredith Reservoir Company					
General government	134,133	247,886			
The Colorado Canal Company					
General government	827,838	858,950			
The Lake Henry Reservoir Company					
General government	83,288	164,029			
Pikes Peak Regional Communications Network					
General government	1,894,699	1,665,048			
Total component units	\$ 10,153,950	\$ 20,117,796			
Investment earnings			1,005	75	521
Total general revenues			1,005	75	521
Change in net position			8,458,468	820,138	690,886
Total net position - January 1			55,286,122	7,022,221	10,934,241
Total net position - December 31			\$ 63,744,590	\$ 7,842,359	\$ 11,625,127

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

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit 15

Changes in Net Position

The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
				\$ 8,457,463
				820,063
				690,365
\$ 113,753				113,753
	\$ 31,112			31,112
		\$ 80,741		80,741
			\$ (229,651)	(229,651)
				9,963,846
147	178	35	43,539	45,500
147	178	35	43,539	45,500
113,900	31,290	80,776	(186,112)	10,009,346
2,520,601	1,522,311	1,337,364	2,718,683	81,341,543
\$ 2,634,501	\$ 1,553,601	\$ 1,418,140	\$ 2,532,571	\$ 91,350,889



NOTES TO FINANCIAL STATEMENTS



TABLE OF CONTENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	65
A. Reporting Entity	65
1. Governmental Fund Type Component Units	65
2. Proprietary Fund Type Component Units	66
3. Fiduciary Fund Type Component Units	68
4. Joint Ventures	69
B. Government-wide and Fund Financial Statements	70
C. Basis of Accounting	71
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance	73
1. Deposits and Investments	73
2. Receivables and Payables	73
3. Inventories and Prepaid Items	74
4. Restricted Assets	74
5. Capital Assets	74
6. Deferred Outflows/Inflows of Resources	75
7. Compensated Absences	76
8. Long-term Obligations	76
9. Leases	76
10. Net Position/Fund Balance	77
11. Municipal Solid Waste Landfill Closure and Postclosure Care Costs	79
12. Derivative Instruments	79
II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	80
A. Budgetary Information	80
B. Excess of Expenditures/Expenses over Appropriations	80
C. Deficit Fund Equity	81
III. DETAILED NOTES ON ALL FUNDS	82
A. Unrestricted and Restricted Cash and Investments	82
1. Deposits	82
2. Investments	83
3. Component Unit Deposits and Investments	87
4. Fair Value Measurement	88
B. Receivables	91
1. Schedule of Receivables	91
2. Note Receivable - Memorial Health System	92
C. Interfund and Component Unit Receivables, Payables and Transfers	94
D. Transfer of Surplus	95
E. Unavailable/Unearned Revenue	96
F. Inventories	96
G. Changes in Capital Assets	97
H. Leases	102
1. City as Lessee	102
2. City as Lessor	103

I. Revolving Loan Agreement/Letter of Credit	107
J. Long-term Debt	107
1. Summary of Long-term Debt	110
2. Changes in Long-term Liabilities	114
3. Annual Debt Service Requirements of Long-term Debt	116
K. Industrial Development Revenue Bonds and Other Instruments Issued under the Colorado County and Municipality Development Revenue Bond Act	120
L. Fund Balances	121
M. Derivative Instruments and Interest Rate Swaps	122
N. Tax Abatements	127
O. Restatement of Net Position	127
IV. OTHER INFORMATION	128
A. Risk Management	128
B. Donor-restricted Endowments	129
C. Postemployment Benefits Other than Pensions	130
1. Colorado PERA Health Care Trust Fund	130
2. The City of Colorado Springs OPEB Plan	138
3. Colorado Springs Utilities OPEB Plan	144
D. Commitments and Contingent Liabilities	146
1. Construction and Purchase Commitments	146
2. Refunded Bonds	147
3. Charter Amendments	147
4. Litigation	148
5. Contingent Liabilities	148
6. Environmental Matters	148
E. Passenger Facility Charges	148
F. Customer Facility Charges	148
G. Joint Ventures - Utilities	149
H. Retirement Plans	150
1. Non-Uniformed Employees	151
2. Uniformed Employees	161
I. Accounting Changes	180
J. Subsequent Events	180

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

1. Governmental Fund Type Component Units

General Improvement Districts – Briargate, Briargate 2021, Market Place at Austin Bluffs and Spring Creek. General Improvement Districts (GIDs) were created under provisions of Colorado state statutes. Each district has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The GIDs are legally separate entities from the City. Because City Council sits as the Board of Directors for each of the GIDs, and the City can impose its will over the GIDs, their financials are blended in the City financial statements. Services provided by the GIDs are entirely for the benefit of the citizens of each respective district. The fiscal year-end for each of these districts is December 31.

Colorado Springs Health Foundation – Colorado Springs Health Foundation (CSHF) was established in 2012 under the provisions of City Council Resolution No. 121-12, resulting from the 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. The CSURA has the power to issue tax increment financing in order to acquire property and fund improvements.

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

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

Business Improvement Districts – Barnes & Powers North, Barnes & Powers South, Briargate Center, Catalyst Campus, Creekwalk Marketplace, First & Main, First & Main No. 2, First & Main North, Gold Hill North, GSF, Greater Downtown Colorado Springs, Interquest North, Interquest South, Interquest Town Center, MW Retail, Park Union, Powers & Woodmen Commercial and True North Commons (formerly USAFA Visitor's Center). Business Improvement Districts (BIDs) were created under provisions of Colorado state statutes. The BIDs have the power to acquire, construct or install public improvements within their own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The BIDs are discretely presented in the City's financial statements. The BIDs are legally separate entities from the City. The City does, however, approve the budgets and is able to impose its will on the BIDs. The City's board and the BID boards are not substantively the same nor does the City appoint a voting majority of the BIDs board. 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.

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 each by the remaining four participants. Fountain Valley Authority is a component unit due to the nature and significance of its relationship to the City.

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

Aurora-Colorado Springs Joint Water Authority – The Aurora-Colorado Springs Joint Water Authority has constructed a 66-inch diameter pipeline from the Twin Lakes Dam, which is located approximately 12 miles south of Leadville, Colorado, to connect with the Otero Pumping Station intake pipeline located approximately 10 miles north of Buena Vista, Colorado. The sole participants and customers of the Aurora-Colorado Springs Joint Water Authority are 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 owns from 51.9% to 77.2% in four canal and reservoir companies which include The Twin Lakes Reservoir and Canal Company, The Lake Meredith Reservoir Company, The Colorado Canal Company and The Lake Henry Reservoir Company. This ownership interest represents proportionate ownership and control of the companies' facilities and water rights. The water rights add significant physical water to the water supply portfolio in addition to allowing for exchange, storage, staging and delivery of Utilities' water supply.

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

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

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

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

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

3. Fiduciary Fund Type Component Units

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

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

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

4. Joint Ventures

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

The City has joined with the County, Manitou Springs and the towns of Green Mountain Falls, Ramah and Calhan, in a joint venture to provide infrastructure improvements for their various municipalities. The joint venture, Pikes Peak Rural Transportation Authority (PPRTA), is not considered a component unit of the City and is, therefore, not included in the City's reporting entity. PPRTA is funded with a 1% sales and use tax approved by voters in November 2004. In 2022, voters approved the extension of the expiring portion of the tax for capital improvements for another ten years starting in 2025 and running through 2034. PPRTA funds are allocated to the various municipalities and are to be used for capital projects, maintenance programs, and transit services. PPRTA is governed by a ten-member board appointed by the member municipalities.

The City of Colorado Springs, along with multiple agencies within El Paso and Teller Counties, has entered into a joint venture to provide the technical infrastructure necessary to connect emergency 9-1-1 telephone callers with the proper communication center. The joint venture of the El Paso-Teller County Emergency Telephone Service Authority (E911 Authority), in which the City participates, is not considered a component unit and is, therefore, not included in the City's reporting entity. The E911 Authority was formed by an intergovernmental agreement in 1989 and is governed by a nine-member board appointed by the City (3 members), El Paso County (2 members), Teller County (1 member), and the Board itself (3 members) from a list of qualified nominees. The E911 Authority is funded entirely by a \$1.35 per phone line tariff applied to every wire line and wireless telephone with a subscriber address within the two-county area. The funds are used to maintain the emergency telephone system infrastructure, call-answering and processing equipment, back-up power supplies, and furnishings at each of the communication centers in the two county service area.

The City's Fire Department is a member of the Colorado Metropolitan Certification Board (CMCB), a joint venture along with the Denver Fire Department, Aurora Fire Department, West Metro Fire Protection District, South Metro Fire Protection District, Poudre Fire Authority, South Adams County Fire Department, and 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 eight voting members. The eight-member board is comprised of Training Chiefs appointed by each Department's Fire Chief. It is intended that each of the CMCB member governments cover one-eighth of the operational expenses associated with the CMCB.

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

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

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Interfund activity has been eliminated in the process of consolidating the government-wide financial statements, except for the interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period for all sales tax transactions or within 60 days of the end of the current fiscal period for all other transactions. Expenditures are recognized when the related liability is incurred, with the exception of debt service expenditures and expenditures related to compensated absences and claims and judgments which are recorded when due.

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

- Utilities fund provides water and wastewater collection, treatment, and distribution system; electric generation, transmission, distribution and street light system; and gas distribution system.
- PACE fund provides natural gas to Utilities.
- MHS fund carries out its rights and duties under the agreement as described in Note III.B.2.

Additionally, the City reports the following fund types:

- Special revenue funds account for revenue derived from specific sources that are restricted legally or by regulation.
- Capital projects funds account for financial resources used for the acquisition or construction of major capital facilities and infrastructure.
- Permanent funds account for the activities of resources that are legally restricted to the extent that earnings, but not principal, may be used for purposes that support the City's programs.

- Internal service funds account for general liability insurance, workers' compensation insurance, health insurance, printing and mailing services, and radio services provided to other departments or agencies of the City on a cost-reimbursement basis.
- Fiduciary funds consist of pension trust funds. These pension funds account for the activities of one City police and one City fire pension plan. Pension resources and benefit payments to qualified public safety employees for the Old Hire Police and Old Hire Fire pension plans occur in these fiduciary funds. Additional information on these plans is available in Note IV.H.2.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are surplus revenue and other charges between the General Fund and Utilities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general policy, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. The policy differs for special revenue and permanent funds as discussed in Note D.10.

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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 US instrumentalities; certain international agency securities; general obligation or revenue bonds of any state or local government of the U.S.; bankers acceptances of certain banks; certain commercial paper; local government investment pools; written repurchase agreements properly collateralized by certain authorized securities; certain money market funds; negotiable and time certificates of deposit; corporate bonds; and guaranteed investment contracts.

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

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

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

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 both government-wide and fund financial statements. At the combining and individual fund reporting level, an equal amount of fund balance is considered non-spendable as the amount is not available for general appropriation.

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

4. Restricted Assets

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

5. Capital Assets

Capital assets include tangible, intangible and lease assets. Capital outlays are recorded as expenditures of governmental funds in the fund financial statements and as assets in the government-wide and proprietary fund financial statements. Capital assets are recorded when their initial costs meet the City’s capitalization thresholds of \$5,000 for general assets and \$500,000 for infrastructure assets. Lease assets are capitalized at the present value of all future lease payments at the commencement of the lease, plus lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives plus initial direct costs. Depreciation and amortization are recorded on capital and lease 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 assets	Varies*

*The shorter of lease 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 treasure or works of art.

GASB Statement No. 83, *Certain Asset Retirement Obligations* was effective for the City in 2019. The City performed an assessment of its legal obligations to perform future asset retirement activities related to its tangible capital assets and determined there are no material obligations as of December 31, 2022. An annual assessment is performed, and any future material obligations will be recorded in the period they are identified.

Utilities computes depreciation and amortization on plant in service on a straight-line, service-life basis. Depreciation is calculated using the following estimated maximum service lives for major asset classifications:

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category. The first item is *deferred cash flow hedges – unrealized loss on derivative instruments* reported in the government-wide statement of net position and the proprietary funds balance sheet. This amount is recognized when the interest rate cap is exercised. The second item, *loss on debt refundings*, is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third and fourth items recorded as a deferred outflow of resources are for pension-related amounts and other postemployment benefit (OPEB) related amounts as described below.

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items that qualify for reporting in this category. The first item, *gain on debt refundings*, is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item, *unavailable revenue*, comes from two sources: property taxes and loans. These amounts are initially deferred on the statement of net position and subsequently recognized on the statement of activities as an inflow of resources in the following fiscal year, when the amounts become available for spending. The third and fourth items recorded as a deferred inflow of resources are for pension-related amounts and OPEB related amounts as described below. The fifth item, *lease-related amounts*, is deferred and recognized as revenue over the life of the lease using the straight-line method.

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

7. Compensated Absences

City employees earn sick leave and vacation leave in varying amounts depending upon years of service. The City accrues compensated absences in the government-wide and proprietary fund financial statements. A liability for the amount is reported in governmental funds only if they have matured, for example as a result of employee resignations and retirements.

8. Long-term Obligations

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

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

9. Leases

During fiscal year 2022, the City implemented Governmental Accounting Standards Board Statement No. 87, *Leases* (GASB 87). Leases having a greater than twelve month lease term are analyzed to determine if the arrangement is subject to GASB 87. If the City is found to be either the lessee or the lessor in the agreement, GASB 87 accounting principles are applied.

City as Lessee

The City as a lessee recognizes a lease liability and a lease asset at the commencement of a lease, unless the lease is considered short-term or transfers ownership of the underlying assets. The City recognizes short-term lease payments as outflows of resources (expense) based on the lease agreement's payment provisions. The lease liability and lease asset are measured based on the net present value of the remaining lease payments on the lease commencement date, discounted using the City's incremental borrowing rate. Remeasurement of the lease

liability occurs when there is a change in the lease term and/or there are other changes that are likely to have a significant impact on the lease liability. When a lease is either partially or fully terminated, the City will reduce the carrying value of the lease payable and the lease asset and record a gain or loss for the difference.

The City applies lease payments first to any accrued interest liability, then to the lease principal due for that period. Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset. Variable lease payments are based on usage or performance of the underlying assets and are not included in the lease liability calculations and are recognized as outflows of resources in the periods in which the obligation for the payments are incurred.

City as Lessor

In agreements where the City is a lessor, a lease receivable and a deferred inflow of resources are recognized. The lease receivable is measured using the present value of the remaining lease payments at the commencement date, discounted using the City's incremental borrowing rate. The deferred inflow of resources is measured as the value recorded for the lease receivable plus any payments received at or prior to the commencement of the lease term that relate to future periods.

The City applies lease payments received first to any accrued interest receivable, then to the lease principal due for that period. Deferred inflows of resources are recognized as rent revenue on a straight-line basis over the term of the lease. Remeasurement of the lease receivable occurs when there is a change in the lease term and/or there are other changes that are likely to have a significant impact on the lease receivable. In the case of a partial or full lease termination, the City will reduce the carrying value of the lease receivable and related deferred inflow of resources and record a gain or loss for the difference. For lease agreements that are short-term, the City recognizes lease payments received as inflows of resources (revenue) based on the payment provisions of the lease agreement.

Regulated Leases

The leases between the City and air carriers are subject to external laws and regulations. As permitted by GASB 87, the City recognizes inflows of resources based on the payment provisions of the lease agreement, and the accounting policies under "City as Lessor" do not apply to these leases.

10. Net Position/Fund Balance

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

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

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

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

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

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

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

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

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

In the City's Financial Policies included in the annual budget document, the City's goal target range for the General Fund reserve – unrestricted fund balance is 16.67% to 25.00% of the following year's expenditure budget. The target for the unrestricted General Fund balance would exclude the TABOR emergency reserves but include other categories of fund balance that are committed, assigned or unassigned.

11. Municipal Solid Waste Landfill Closure and Postclosure Care Costs

The City is subject to the Colorado Department of Public Health and Environment regulations, which require the City to incur closure and postclosure care costs for landfills. As of December 31, 2022, the Utilities fund recognized a liability of \$5,970,419 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 \$9,453,369. The average landfill capacity used to date is 69.5%. As of December 31, 2022, the governmental activities recognized a liability of \$364,954 for closure and postclosure care costs in the government-wide financial statements. There are no financial assurance requirements or restricted assets for the payment of closure and postclosure care costs. Estimates are stated in current dollars and shall be adjusted annually for inflation and changes in laws and regulations. An independent assessment is done every five years to verify this cost. Based on the last independent assessment adjusted for inflation, the total closure and postclosure costs for governmental and business-type activities combined are \$9,818,323. The last independent assessment was completed in 2018.

12. Derivative Instruments

Utilities uses financial derivative instruments to manage its exposure to fluctuating natural gas prices through the use of natural gas hedge contracts as well as its exposure to changing interest rates through the use of interest rate swaps. See Note III.M. for further discussion related to derivative instruments and interest rate swaps.

All financial derivative instruments are stated on the balance sheet at fair value as of December 31, 2022, based on quoted market prices, current market conditions, or other estimates obtained from third-party broker dealers or valuation services.

Derivative instruments deemed effective by applying methods of evaluating effectiveness pursuant to GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, are recognized as cash flow hedges. Changes in the fair value of cash flow hedge derivative instruments are reported as either a deferred cash flow hedge outflow or inflow on the government-wide statement of net position and the proprietary funds balance sheet.

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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 prepared to adopt the budget. According to City Charter, the appropriation ordinance is to be adopted no later than December 31st each year. City budgeting and accounting systems provide for program planning of expenditures by function and activity within the funds. Amendments to the original budget were material in relation to the initial appropriation.

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

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

B. Excess of Expenditures/Expenses over Appropriations

The following funds incurred an excess of expenditures/expenses over budgeted amounts for the year ending December 31, 2022:

Governmental Funds	Expenditures over Appropriations	Explanation for Excess
Ballfield Capital Improvements Fund	\$ 24	Increased bank and investment fees
Briargate SIMD Fund	110,167	Unanticipated vehicle replacement
Park Developer Easement Fund	75	Unanticipated bank and investment fees
Proprietary Funds	Expenses over Appropriations	Explanation for Excess
Claims Reserve Self-Insurance Fund	\$ 1,334,159	Significant claim payouts
Office Services Fund	78,570	Unanticipated employee retirement payouts as well as increased supply purchases

C. Deficit Fund Equity**Proprietary Funds**

The following proprietary funds have deficit fund equity at December 31, 2022. 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	\$ (172,672,000)
Claims reserve self-insurance fund	(5,368,224)
Workers' compensation self-insurance fund	(11,468,639)
Employee benefits self-insurance fund	(3,693,461)

Governmental Fund Component Units

The following governmental fund component units have deficit fund equity at December 31, 2022. 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	\$ (1,941,079)
Barnes & Powers South BID	(159,681)
Catalyst Campus BID	(175,487)
Creekwalk Marketplace BID	(7,814,264)
CS Urban Renewal Authority	(72,940,107)
First & Main BID	(252,021)
First & Main BID No. 2	(12,750,576)
First & Main North BID	(576,850)
GSF BID	(80,004)
Gold Hill North BID	(34,377)
Interquest South BID	(1,190,288)
Interquest Town Center BID	(278,022)
MW Retail BID	(83,800)
Park Union BID	(12,513,004)
Powers & Woodman Commercial BID	(880,043)
True North Commons BID	(288,446)

III. DETAILED NOTES ON ALL FUNDS

A. Unrestricted and Restricted Cash and Investments

The City’s restricted and unrestricted cash and investments, exclusive of component units, total \$1,025,491,000 and consist of the following on December 31, 2022 (in 000’s):

Investment Type	Unrestricted Assets	Restricted Assets	Total
Demand accounts (incl petty cash of \$58)	\$ 20,637	\$ 22,018	\$ 42,655
Colorado Liquid Asset Trust (COLOTRUST)	245,088	50,521	295,609
Colorado Surplus Asset Trust Fund (CSAFE)	—	131,190	131,190
Corporate bonds	36,391	—	36,391
Domestic equities	—	1,460	1,460
Domestic partnership	—	425	425
Federal agency bonds	11,677	—	11,677
Guaranteed investment contract	—	6,993	6,993
Money market mutual funds	358	2,087	2,445
Municipal bonds	26,787	—	26,787
Mutual funds	—	10,586	10,586
US instrumentality securities	159,571	—	159,571
US treasury securities	276,423	23,279	299,702
Total	\$ 776,932	\$ 248,559	\$ 1,025,491

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the financial statements at December 31, 2022 (in 000’s):

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 348,017	\$ 428,915	\$ 776,932
Restricted	16,916	231,643	248,559
Total	\$ 364,933	\$ 660,558	\$ 1,025,491

Note: Immaterial differences may occur due to rounding.

1. Deposits

The carrying amount of the City’s deposits at December 31, 2022, was \$42,597,000 and the bank balances were \$64,205,000. Of the bank balances, \$666,000 was covered by federal deposit insurance and \$63,539,000 was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (CPDPA). The collateral is pooled and held in trust for all uninsured deposits as a group. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 per depositor, per insured bank, for each account ownership category. Therefore, the City’s deposits are not subject to custodial credit risk.

2. Investments

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

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

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

Concentration of credit risk - Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investments in a single issuer. Concentration risk is defined by the GASB as positions of 5% or more of total investments in the securities of any one issuer. The City's pooled investments are in compliance with the City's investment policy which limits investments with any single issuer other than the Federal Government to 5% of total investments. The securities of the Federal Government are defined as obligations of the United States Treasury and are explicitly guaranteed by the United States Government. None of the City's pooled investments at December 31, 2022, 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, 2022, were subject to custodial credit risk.

As of December 31, 2022, the City had the following investment maturities (in 000's):

Investment Type	Total	Weighted Average Maturity (Years)
Colorado Liquid Asset Trust (COLOTRUST)	\$ 295,609	0.00
Colorado Surplus Asset Fund Trust (CSAFE)	131,190	0.00
Corporate bonds	36,391	1.91
Domestic equities	1,460	0.00
Domestic partnership	425	0.00
Federal agency bonds	11,677	1.88
Guaranteed investment contract	6,993	15.87
Money market mutual funds	2,445	0.00
Municipal bonds	26,787	1.92
Mutual funds	10,586	0.00
US instrumentality securities	159,571	1.42
US treasury securities	299,702	2.81
Total investments	982,836	
 Portfolio weighted average maturity		 1.35
 Reconciliation to total cash and investments		
Add:		
Cash on hand and in banks	42,655	
 Total cash and investments	\$ 1,025,491	

Note: Immaterial differences may occur due to rounding.

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As of December 31, 2022, the City had the following investment credit quality distribution:

Investment Type	Standard and Poor's (S&P) or Equivalent	% of Total Investments
Corporate bonds	AAA	0.29
Corporate bonds	AA+	0.41
Corporate bonds	AA	0.89
Corporate bonds	AA-	1.98
Corporate bonds	A+	0.13
Domestic equities	unrated	0.15
Domestic partnership	unrated	0.04
Federal agency bonds	AA+	1.19
Guaranteed investment contract	A+	0.71
Local government investment pools	AAAm	30.08
Local government investment pools	unrated	13.35
Money market mutual funds	AAA	0.25
Municipal bonds	AAA	0.94
Municipal bonds	AA+	1.12
Municipal bonds	AA	0.47
Municipal bonds	AA-	0.19
Mutual funds	unrated	1.08
US instrumentality securities	AAA	2.21
US instrumentality securities	AA+	14.03
US treasury securities	AAA	10.23
US treasury securities	AA+	20.26
		100.00

As of December 31, 2022, the City has invested \$295,609,000 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool.

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

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

As of December 31, 2022, the City has invested \$131,190,000 in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado Core, an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$2.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool.

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

CSAFE
5975 S. Quebec Street, Suite 330
Centennial, CO 80111
www.csafe.org

In addition to the above, the City is a participant in FPPA's Glide Path pool through its Pension Trust Fund fiduciary component unit. FPPA pools these, and other, deposits and invests them in accordance with State of Colorado statute. As of December 31, 2022, the City had pooled investment funds with FPPA of \$115,754,116.

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.

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3. Component Unit Deposits and Investments

Cash and investments of the component units of the City are reported at fair value and consist of the following at December 31, 2022 (in 000's):

	Demand Accounts	Money Market Mutual Funds	Government Investment Pools	Alternative Investments	Total
Governmental Activities:					
Barnes & Powers North BID	\$ 5	\$ —	\$ 76	\$ —	\$ 81
Barnes & Powers South BID	—	—	55	—	55
Briargate Center BID	4	780	421	—	1,205
Creekwalk Marketplace BID	10	—	3,732	—	3,742
CS Downtown Development Authority	498	—	2,594	—	3,092
CS Health Foundation	5,045	133,291	—	16,845	155,181
CS Urban Renewal Authority	693	—	26,498	—	27,191
First & Main BID	—	—	172	—	172
First & Main BID No. 2	18	—	3,788	—	3,806
First & Main North BID	2	—	21	—	23
GSF BID	19	—	—	—	19
Greater Downtown CS BID	11	—	502	—	513
Interquest North BID	5	—	5,531	—	5,536
Interquest South BID	5	—	317	—	322
Interquest Town Center BID	943	—	—	—	943
MW Retail BID	4	—	—	—	4
Park Union BID	160	—	708	—	868
Powers & Woodmen Commercial BID	17	—	1,074	—	1,091
True North Commons BID	255	71,361	—	—	71,616
	<u>7,694</u>	<u>205,432</u>	<u>45,489</u>	<u>16,845</u>	<u>275,460</u>
Business-type Activities:					
Fountain Valley Authority	12,644	—	—	—	12,644
Aurora-Colorado Springs Joint Water Authority	857	—	—	—	857
Various canal & reservoir companies	7,127	—	—	—	7,127
	<u>20,628</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,628</u>
Total	<u>\$ 28,322</u>	<u>\$ 205,432</u>	<u>\$ 45,489</u>	<u>\$ 16,845</u>	<u>\$ 296,088</u>

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the government-wide financial statements at December 31, 2022 (in 000's):

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 159,650	\$ 18,533	\$ 178,183
Restricted	115,810	2,095	117,905
Total	<u>\$ 275,460</u>	<u>\$ 20,628</u>	<u>\$ 296,088</u>

Note: Immaterial differences may occur due to rounding.

The carrying amount of the deposits of the component units of the City at December 31, 2022, was \$28,322,000, and the bank balances were \$28,624,000. Of the bank balances, \$2,917,000 was covered by federal deposit insurance, and \$14,079,000 was collateralized in accordance with provisions of the CPDPA. The Colorado Springs Health Foundation and the various canal companies are not public entities. Their excess balances above federal deposit insurance are not covered by the CPDPA. The various canal companies are publicly traded. At December 31, 2022, bank balances exceeded federally insured limits by approximately \$11,621,000.

4. Fair Value Measurement

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

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

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

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

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

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

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The following table reflects the fair value of the City's investments and derivative instruments, exclusive of discretely presented component units, as of December 31, 2022 (in 000's):

Assets	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments				
Colorado Liquid Asset Trust (COLOTRUST)	\$ 295,609	(A)	(A)	(A)
Colorado Surplus Asset Fund Trust (CSAFE)	131,190	(A)	(A)	(A)
Corporate bonds	36,391	—	36,391	—
Domestic equities	1,460	1,460	—	—
Domestic partnership	425	—	—	425
Federal agency bonds	11,677	—	11,677	—
Guaranteed investment contract	6,993	—	6,993	—
Money market mutual funds	2,445	2,445	—	—
Municipal bonds	26,787	—	26,787	—
Mutual funds	10,586	10,586	—	—
US instrumentality securities	159,571	—	159,571	—
US treasury securities	299,702	—	299,702	—
Total investments	\$ 982,836	\$ 14,491	\$ 541,121	\$ 425
Liabilities				
Derivative instruments	\$ 35,364	\$ —	\$ 35,364	\$ —
Total derivative instruments	\$ 35,364	\$ —	\$ 35,364	\$ —

Note: Immaterial differences may occur due to rounding.

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

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The following table reflects the fair value of the investments for component units of the City as of December 31, 2022 (in 000's):

Governmental Activities Assets	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments				
Alternative investments	\$ 16,845	(A)	(A)	(A)
Local government investment pools	45,489	(B)	(B)	(B)
Money market mutual funds	205,432	\$ 205,432	\$ —	\$ —
Total investments	<u>\$ 267,766</u>	<u>\$ 205,432</u>	<u>\$ —</u>	<u>\$ —</u>

Note: Immaterial differences may occur due to rounding.

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

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

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B. Receivables

1. Schedule of Receivables

Receivables for governmental funds, proprietary funds and component units at December 31, 2022, include the following (in 000's):

	General Fund	Utilities	PACE	MHS	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Service Funds	Governmental Fund Component Units	Proprietary Fund Component Units	Total
Interest	\$ —	\$ 617	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 617
Taxes	52,021	—	—	—	17,482	—	—	15,170	—	84,673
Accounts	6,208	175,069	7,429	—	20,017	16,988	917	2,147	2,292	231,067
Leases	—	—	—	—	—	141,466	209	—	—	141,675
Assessments	—	—	—	—	—	—	—	2,463	—	2,463
Intergovernmental loans	—	—	—	—	29,956	—	—	—	—	29,956
Notes and loans	—	—	—	82,917	—	4,231	—	48	—	87,196
Gross receivables	58,229	175,686	7,429	82,917	67,455	162,685	1,126	19,828	2,292	577,647
Less: allowances for uncollectibles	(446)	(2,856)	—	—	(15,911)	(30)	—	—	—	(19,243)
Net receivables	\$ 57,783	\$ 172,830	\$ 7,429	\$ 82,917	\$ 51,544	\$ 162,655	\$ 1,126	\$ 19,828	\$ 2,292	558,404

Governmental activities:	
Interest receivable	1,034
Lease receivable	22
Total governmental activities	1,056
Total net receivables	\$ 559,460

Note: Immaterial differences may occur due to rounding.

Loans receivable of \$14,258,170 are included in receivables - net of an allowance of \$15,698,213 in the statement of net position/balance sheet as of December 31, 2022, for Community Development Division. These loans were funded with HOME (Federal Home Investment Partnership Act), CDBG (Community Development Block Grant), CHFA (Colorado Housing Finance Authority), and HOPE III (Homeownership Opportunity Program) funds.

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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, 2022, future minimum payments under the agreement consisted of the following (in 000's):

Year	Amount
2023	\$ 5,612
2024	5,612
2025	5,612
2026	5,612
2027	5,612
2028-2032	28,061
2033-2037	28,061
2038-2042	<u>26,657</u>
Future minimum payments	110,839
Amount representing discount interest	<u>(27,922)</u>
Present value of net minimum payments	<u><u>\$ 82,917</u></u>

Note: Immaterial differences may occur due to rounding.

UCH is also required to make Margin Sharing Payments to MHS throughout the 40-year term of the agreement equal to 5% of the excess in any fiscal year of Operating EBITDA (as defined in the agreement) over a baseline annual margin of 8%. While no amounts have been recorded in the accompanying financial statements relating to future contingent Margin Sharing Payments, since 2015, MHS has received and recognized \$7.5 million. UCH is also obligated to spend an annual average of \$28 million for capital improvements during the term of the agreement and is obligated under the agreement related instruments to provide \$3 million annually for 40 years to fund the development of a branch of the University of Colorado, School of Medicine in Colorado Springs. To the best of the City's knowledge, UCH has been in compliance with these capital investment requirements.

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

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

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

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

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

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

However, the differences between the actual settlements under third-party payer agreements and the estimated settlements included in the working capital calculations discussed above will result in net payments to or from the Health System. Laws and regulations that govern these payer systems, including Medicare and Medicaid, are extremely complex. As a result, the actual settlements could be materially different from the estimated settlement amounts used in the working capital calculations. As of December 31, 2015, UCH identified approximately \$5.3 million due to the City as a result of third-party payer settlements to date, as well as other

reconciliations. During 2016, City Council approved Ordinance 16-37, approving the transfer of these funds, less audit fees, to CSHF. During 2017, UCH transferred \$2.6 million to the City. City Council approved Ordinance 17-43, approving the transfer of these funds, less audit fees, to CSHF. During 2021, UCH transferred \$3.9 million to the City. City Council approved Ordinance 21-15, approving the transfer of these funds, less audit fees, to CSHF.

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

C. Interfund and Component Unit Receivables, Payables and Transfers

Individual fund interfund and component unit receivable and payable balances as of December 31, 2022, were:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utilities	\$ 3,777,993
	Non-major Governmental Funds	611,092
	Non-major Enterprise Funds	45,249
		<u>4,434,334</u>
Utilities	General Fund	1,475,650
	Non-major Governmental Funds	3,432,891
	Non-major Enterprise Funds	195,965
	Internal Service Funds	4,953
	Component Unit	2,917
		<u>5,112,376</u>
Non-major Enterprise Funds	General Fund	1,111,485
	Utilities	3,156,801
		<u>4,268,286</u>
Internal Service Funds	Utilities	30,263
		<u>30,263</u>
Component Unit	General Fund	5,583,516
		<u>5,583,516</u>
Total		<u>\$ 19,428,775</u>

Note: Immaterial differences may occur due to rounding.

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

The majority of the balance of \$1,111,485 due to Non-major Business-type Funds from the General Fund resulted from construction of the parking facility for the General Fund’s use; \$1,021,111 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 out:	Transfers In:				
	General Fund	Non-major Governmental Funds	Utilities	Non-major Enterprise Funds	Total Transfers Out
General Fund	\$ —	\$ 36,715,970	\$ —	\$ —	\$ 36,715,970
Non-major Governmental Funds	29,390	900,000	—	712,921	1,642,311
Utilities	37,391,000	—	—	—	37,391,000
Total transfers in	\$ 37,420,390	\$ 37,615,970	\$ —	\$ 712,921	\$ 75,749,281

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

- 1) From General Fund into Non-major Governmental Funds: voter approved funding for Wildfire Mitigation and to move unrestricted revenues collected in the General Fund to finance various capital projects;
- 2) From Non-major Governmental Funds to General Fund: to close out a completed General Improvement District fund into the General Fund;
- 3) From Non-major Governmental Funds to Non-major Governmental Funds: to move LART contributions to finance various capital projects;
- 4) From Non-major Governmental Funds to Non-major Enterprise Funds: to move the annual allocated earnings into the Cemetery Enterprise Fund;
- 5) From Utilities to General Fund: to transfer Utilities surplus detailed in Note III.D. below plus some other minor cost sharing projects between the two funds.

D. Transfer of Surplus

As allowed by City Charter, section 6-40(b), Utilities provides transfers of surplus to the City. These amounts are based on actual sales inside the City, and rates are fixed per kilowatt hour of electricity, per thousand cubic feet of natural gas, and per cubic feet of water. The money is transferred every month from Utilities to the General Fund of the City as they become available. Payments are recorded as transfers on the statement of revenues. In 2022, the amount transferred was \$37.3 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, 2022, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Loans	\$ 14,258,170	\$ —
Property taxes	29,612,215	—
Grant drawdowns prior to meeting all eligibility requirements	—	61,841,130
Other unearned revenue	—	6,054,005
	<u>—</u>	<u>6,054,005</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 43,870,385</u>	<u>\$ 67,895,135</u>

F. Inventories

Inventories held for resale, exclusive of component units, are reported at the lower of cost or market. Inventories of supplies are reported at cost. General fund and proprietary fund inventories, including internal service funds, consist of the following at December 31, 2022:

	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Total Inventory</u>
Materials and supplies	\$ —	\$ 79,578,573	\$ 79,578,573
Fuel	308,396	10,080,270	10,388,666
	<u>308,396</u>	<u>10,080,270</u>	<u>10,388,666</u>
Total inventories	<u>\$ 308,396</u>	<u>\$ 89,658,843</u>	<u>\$ 89,967,239</u>

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G. Changes in Capital Assets

The following schedule reflects the changes in capital assets, exclusive of discretely presented component units, for governmental activities for the year ended December 31, 2022 (in 000's):

	Beginning Balance**	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 421,817	\$ 28,883	\$ —	\$ 450,700
Construction in progress	62,648	82,664	(27,916)	117,396
Total capital assets not being depreciated	484,465	111,547	(27,916)	568,096
Capital assets being depreciated and amortized:				
Buildings	209,173	5,354	(8)	214,519
Improvements other than buildings	110,601	9,970	(4,658)	115,913
Machinery and equipment	190,924	24,745	(6,878)	208,791
Intangibles	20,342	30	—	20,372
Infrastructure	1,581,565	110,039	(14,140)	1,677,464
Lease assets:				
Buildings	659	910	—	1,569
Equipment	2,262	1,117	(308)	3,071
Total capital assets being depreciated and amortized	2,115,526	152,165	(25,992)	2,241,699
Less accumulated depreciation and amortization:				
Buildings	(101,427)	(4,994)	8	(106,413)
Improvements other than buildings	(45,499)	(3,888)	3,478	(45,909)
Machinery and equipment	(132,328)	(13,008)	6,704	(138,632)
Intangibles	(11,185)	(508)	—	(11,693)
Infrastructure	(693,720)	(41,024)	13,794	(720,950)
Lease assets:				
Buildings	—	(229)	—	(229)
Equipment	—	(1,137)	306	(831)
Total accumulated depreciation and amortization	(984,159)	(64,788)	24,290	(1,024,657)
Total capital assets being depreciated and amortized, net	1,131,367	87,377	(1,702)	1,217,042
Governmental activities capital assets, net	\$ 1,615,832	\$ 198,924	\$ (29,618)	\$ 1,785,138

* Includes transfers between categories.

** Due to implementation of GASB 87 lease reporting in the current fiscal year, the beginning balance is restated.

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, 2022 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 233,220	\$ 1,017	\$ (6)	\$ 234,231
Intangibles	49,075	6,548	—	55,623
Construction in progress	323,055	319,583	(187,924)	454,714
Total capital assets not being depreciated	605,350	327,148	(187,930)	744,568
Capital assets being depreciated:				
Buildings	150,988	727	(288)	151,427
Improvements other than buildings	360,917	6,758	(120)	367,555
Machinery and equipment	41,981	2,096	(496)	43,581
Infrastructure	53,169	5,177	(105)	58,241
Utilities plant	6,323,081	419,313	(142,483)	6,599,911
Intangibles	83,066	—	—	83,066
Total capital assets being depreciated	7,013,202	434,071	(143,492)	7,303,781
Less accumulated depreciation for:				
Buildings	(52,474)	(3,863)	213	(56,124)
Improvements other than buildings	(157,267)	(14,762)	22	(172,007)
Machinery and equipment	(25,686)	(2,859)	460	(28,085)
Infrastructure	(14,161)	(1,773)	9	(15,925)
Utilities plant	(2,840,126)	(175,340)	20,419	(2,995,047)
Intangibles	(58,163)	(1,106)	—	(59,269)
Total accumulated depreciation	(3,147,877)	(199,703)	21,123	(3,326,457)
Total capital assets being depreciated, net	3,865,325	234,368	(122,369)	3,977,324
Business-type activities capital assets, net	\$ 4,470,675	\$ 561,516	\$ (310,299)	\$ 4,721,892

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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Depreciation and amortization expense were charged to governmental activities and business-type activities as of December 31, 2022, as follows (in 000's):

Governmental Activities:

General government	\$ 5,406
Public safety	7,873
Public works	46,299
Parks	5,006
Planning	162
Internal service funds	<u>42</u>
Total depreciation and amortization expense governmental activities	<u>\$ 64,788</u>

Business-type Activities:

Utilities	\$ 176,390
Non-major enterprise funds	<u>23,313</u>
Total depreciation and amortization expense business-type activities	<u>\$ 199,703</u>

Note: Immaterial differences may occur due to rounding.

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The following schedule reflects the changes in discretely presented component unit capital assets for governmental activities for the year ended December 31, 2022 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 866	\$ —	\$ —	\$ 866
Construction in progress	31,823	24,419	—	56,242
Total capital assets not being depreciated	32,689	24,419	—	57,108
Capital assets being depreciated:				
Buildings	1,805	—	(1,805)	—
Improvements other than buildings	10,447	541	—	10,988
Machinery and equipment	174	—	—	174
Infrastructure	72,104	307	(335)	72,076
Total capital assets being depreciated	84,530	848	(2,140)	83,238
Less accumulated depreciation for:				
Buildings	(100)	(45)	145	—
Improvements other than buildings	(2,831)	(452)	—	(3,283)
Machinery and equipment	(133)	(12)	—	(145)
Infrastructure	(13,718)	(2,480)	—	(16,198)
Total accumulated depreciation	(16,782)	(2,989)	145	(19,626)
Total capital assets being depreciated, net	67,748	(2,141)	(1,995)	63,612
Governmental activities capital assets, net	\$ 100,437	\$ 22,278	\$ (1,995)	\$ 120,720

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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The following schedule reflects the changes in discretely presented component unit capital assets for business-type activities for the year ended December 31, 2022 (in 000's):

	Beginning** Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 65	\$ —	\$ —	\$ 65
Construction in progress	1,225	2,170	(1,590)	1,805
Total capital assets not being depreciated	1,290	2,170	(1,590)	1,870
Capital assets being depreciated and amortized:				
Machinery and equipment	35	—	—	35
Utilities plant	124,070	1,940	(1,432)	124,578
Lease assets:				
Equipment	192	30	(5)	217
Land	275	—	—	275
Total capital assets being depreciated and amortized	124,572	1,970	(1,437)	125,105
Less accumulated depreciation and amortization for:				
Machinery and equipment	(8)	(5)	—	(13)
Utilities plant	(57,481)	(1,771)	481	(58,771)
Lease assets:				
Equipment	—	(74)	5	(69)
Land	—	(10)	—	(10)
Total accumulated depreciation and amortization	(57,489)	(1,860)	486	(58,863)
Total capital assets being depreciated and amortized, net	67,083	110	(951)	66,242
Business-type activities capital assets, net	\$ 68,373	\$ 2,280	\$ (2,541)	\$ 68,112

* Includes transfers between categories.

** Due to implementation of GASB 87 lease reporting in the current fiscal year, the beginning balance is restated.

Note: Immaterial differences may occur due to rounding.

Special Item

Decommissioning of Power Plants - In June 2020, the Utilities Board voted to approve an integrated resource plan that commits Utilities to providing cost-effective, resilient, and environmentally sustainable power. The plan calls for grid modernization, integration of more cost-effective renewable energy, and incorporation of new technologies like energy storage. It allows Utilities to achieve an 80.0% carbon reduction by 2030 and included a decision to decommission Martin Drake Power Plant (Drake) no later than December 31, 2022, Ray Nixon Power Plant, no later than December 31, 2029 and Birdsall Power Plant no later than December 31, 2034. This further accelerated Drake's decommission date from the previous decision by the Utilities Board in November 2015 to close and decommission Drake no later than 2035. Drake Unit 5 was fully decommissioned in 2016. Drake was permanently shut down on September 1, 2022. As a result of Drake shutting down four months ahead of schedule, Utilities recorded a \$3.8 million loss in 2022 as a special item on the Statement of Revenues, Expenses and Changes in Net Position.

H. Leases

1. City as Lessee

Governmental Activities (exclusive of discretely presented component units)

The City has lease agreements for equipment and buildings, having original lease periods expiring between 2023 and 2027. Many contain multi-year renewal options that may be exercised, some of which are reasonably certain of exercise and are included in the December 31, 2022 lease liabilities. There were no variable lease payments made on equipment leases during the fiscal year ending December 31, 2022. 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 \$125,993 for the fiscal year ended December 31, 2022. 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	2023	\$ 1,190,234	\$ 49,885	\$ 1,240,119
	2024	553,868	26,250	580,118
	2025	381,602	10,399	392,001
	2026	15,057	709	15,766
	2027	15,516	250	15,766
	Total	2,156,277	87,493	2,243,770
Buildings	2023	354,973	31,144	386,117
	2024	353,507	22,007	375,514
	2025	273,943	13,948	287,891
	2026	239,629	6,982	246,611
	2027	136,737	1,365	138,102
	Total	1,358,789	75,446	1,434,235
Total lease liabilities		\$ 3,515,066	\$ 162,939	\$ 3,678,005

Note: Immaterial differences may occur due to rounding.

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Business-type Activities - Component units

Pikes Peak Regional Communications Network (PPRCN) is the only City business-type activity component unit with leases during 2022. PPRCN has lease agreements for tower space and land, having original lease periods expiring between 2024 and 2050, some of which contain multi-year renewal options that may be exercised. These lease agreements contain no material residual value guarantees or variable lease payment requirements based on usage or performance.

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

	Year Ending December 31,	Principal	Interest	Total
Tower space	2023	\$ 74,227	\$ 3,544	\$ 77,771
	2024	49,143	1,665	50,808
	2025	36,449	421	36,870
	Total	159,819	5,630	165,449
Land	2023	7,180	5,269	12,449
	2024	7,328	5,121	12,449
	2025	7,479	4,970	12,449
	2026	7,633	4,816	12,449
	2027	7,790	4,659	12,449
	2028-2032	41,425	20,823	62,248
	2033-2037	45,869	16,378	62,247
	2038-2042	50,790	11,457	62,247
	2043-2047	56,239	6,008	62,247
	2048-2050	36,600	748	37,348
	Total	268,333	80,249	348,582
Total lease liabilities		\$ 428,152	\$ 85,879	\$ 514,031

2. City as Lessor**Governmental Activities (exclusive of discretely presented component units)**

The City leases retail space at Golf Acres Shopping Center, Skyview Sports Complex and Acacia Park to various retail vendors, all with original lease periods expiring during 2023. The leases at Skyview Sports Complex and Acacia Park contain annual renewal options that may be exercised. The lease at Skyview Sports Complex is a concessionaire agreement that in addition to paying fixed rent, requires the vendor to pay royalties and fees as a percentage of net sales, which are excluded from the measurement of the lease receivable. The royalties and fees totaled \$31,750 for fiscal year ended December 31, 2022. 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 2023 and 2031, some of which contain multi-year renewal options that may be exercised. These lease agreements contain no material residual value guarantees or variable lease payment requirements based on usage or performance.

Total lease revenue recognized during the fiscal year ended December 31, 2022 is as follows:

	Revenue	Interest	Total
Retail space	\$ 71,928	\$ 992	\$ 72,920
Radio tower sites	126,931	5,594	132,525
	<u>\$ 198,859</u>	<u>\$ 6,586</u>	<u>\$ 205,445</u>

The following is the lease receivable schedule by year as of December 31, 2022:

	Year Ending December 31,	Revenue	Interest	Total
Retail space	2023	\$ 21,786	\$ 107	\$ 21,893
Radio tower sites	2023	75,055	3,144	78,199
	2024	17,990	2,410	20,400
	2025	18,361	2,039	20,400
	2026	18,739	1,661	20,400
	2027	19,125	1,275	20,400
	2028 - 2031	59,770	1,430	61,200
		<u>209,040</u>	<u>11,959</u>	<u>220,999</u>
Total lease receivable		<u>\$ 230,826</u>	<u>\$ 12,066</u>	<u>\$ 242,892</u>

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

Pikes Peak America's Mountain (PPAM) leases retail and dining space to a vendor who operates in the Pikes Peak Summit complex. The original lease term ends in 2025, but contains a five year renewal option. The lease is part of a concessionaire agreement where the annual fixed rent is set at the minimum guaranteed annual commission. Once annual sales exceed the amount used to calculate fixed rent, the vendor pays a percentage commission on all additional sales, with the percentages escalating as certain milestones are met. The commissions totaled \$1,543,225 for the fiscal year ended December 31, 2022. This lease agreement contains no material residual value guarantees.

Total fixed lease revenue recognized during the fiscal year ended December 31, 2022 is as follows:

	Revenue	Interest	Total
Retail and dining	\$ 1,227,531	\$ 84,741	\$ 1,312,272

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The following is the lease receivable schedule by year as of December 31, 2022:

	Year Ending December 31,	Revenue	Interest	Total
Retail and dining	2023	\$ 1,214,769	\$ 60,231	\$ 1,275,000
	2024	1,239,783	35,217	1,275,000
	2025	1,265,312	9,688	1,275,000
Total lease receivable		<u>\$ 3,719,864</u>	<u>\$ 105,136</u>	<u>\$ 3,825,000</u>

Patty Jewett and Valley Hi golf courses lease the pro shops and driving ranges to a single vendor under separate lease agreements, which have original lease periods expiring between 2023 and 2029. The Patty Jewett lease contains multi-year renewal options, which are reasonably certain of exercise and are included in the December 31, 2022 lease receivable. These lease agreements contain no material residual value guarantees or variable lease payment requirements based on usage or performance.

Total lease revenue recognized for the pro shops and driving ranges during the fiscal year ended December 31, 2022 is as follows:

	Revenue	Interest	Total
Patty Jewett	\$ 9,715	\$ 1,450	\$ 11,165
Valley Hi	9,715	1,450	11,165
	<u>\$ 19,430</u>	<u>\$ 2,900</u>	<u>\$ 22,330</u>

The following is the lease receivable schedule by year as of December 31, 2022:

	Year Ending December 31,	Revenue	Interest	Total
Patty Jewett	2023	\$ 9,205	\$ 1,295	\$ 10,500
	2024	9,395	1,105	10,500
	2025	9,588	912	10,500
	2026	9,786	714	10,500
	2027	9,987	513	10,500
	2028 - 2029	20,595	405	21,000
			<u>68,556</u>	<u>4,944</u>
Valley Hi	2023	9,205	1,295	10,500
	2024	9,395	1,105	10,500
	2025	9,588	912	10,500
	2026	9,786	714	10,500
	2027	9,987	513	10,500
	2028 - 2029	20,595	405	21,000
			<u>68,556</u>	<u>4,944</u>
Total lease receivable		<u>\$ 137,112</u>	<u>\$ 9,888</u>	<u>\$ 147,000</u>

The Airport leases facilities, infrastructure, and land to various parties, with original lease terms expiring between 2023 and 2105, many of which contain multi-year renewal options that may be exercised. The Airport has both non-regulated and regulated lease agreements. The non-regulated leases are those negotiated at arms-length and are not subject to regulation by external organizations. As most of the Airport's agreements with the airline carriers are regulated by the Federal Aviation Administration, they are regulated leases and are excluded from the measurement of the lease receivable. Some of these leases, both non-regulated and regulated, require additional rent payments that are not fixed amounts in the lease agreements and are excluded from the measurement of the non-regulated lease receivable and regulated lease future minimum rents. Additional rent payments for non-regulated and regulated leases total \$3,039,459 and \$4,082,064, respectively, for the fiscal year ending December 31, 2022. These lease agreements contain no material residual value guarantees.

Total lease revenue recognized for non-regulated leases during the fiscal year ended December 31, 2022 is as follows:

	Revenue	Interest	Total
Non-regulated	\$ 6,375,680	\$ 2,634,734	\$ 9,010,414

The following is the lease receivable schedule by year as of December 31, 2022:

	Year Ending December 31,	Revenue	Interest	Total
Non-regulated	2023	\$ 4,115,856	\$ 2,919,892	\$ 7,035,748
	2024	3,562,536	2,841,214	6,403,750
	2025	3,481,248	2,768,948	6,250,196
	2026	3,484,578	2,698,378	6,182,956
	2027	3,607,214	2,626,162	6,233,376
	2028 - 2032	3,376,624	12,722,364	16,098,988
	2033 - 2037	2,208,841	12,523,777	14,732,618
	2038 - 2042	2,507,871	12,296,602	14,804,473
	2043 - 2047	3,444,895	11,994,530	15,439,425
	2048 - 2052	4,539,135	11,558,863	16,097,998
	2053 - 2057	4,375,793	11,061,657	15,437,450
	2058 - 2062	5,334,926	10,522,888	15,857,814
	2063 - 2067	7,257,958	9,790,268	17,048,226
	2068 - 2072	9,013,588	8,833,042	17,846,630
	2073 - 2077	11,407,400	7,637,385	19,044,785
	2078 - 2082	14,490,768	6,087,353	20,578,121
	2083 - 2087	12,120,790	4,633,541	16,754,331
	2088 - 2092	15,116,169	3,248,515	18,364,684
	2093 - 2097	14,574,776	1,591,513	16,166,289
	2098 - 2102	6,129,243	671,696	6,800,939
	2103 - 2105	3,459,278	85,299	3,544,577
Total lease receivable		\$ 137,609,487	\$ 139,113,887	\$ 276,723,374

Lease revenue from fixed rent in the regulated lease agreements totals \$1,930,873 during the fiscal year ended December 31, 2022.

The following is a schedule of minimum rental payments for regulated leases as of December 31, 2022:

Year	Amount
2023	\$ 1,699,886
2024	2,010
2025	2,010
2026	335
Total	<u>\$ 1,704,241</u>

I. Revolving Loan Agreement/Letter of Credit

On September 9, 2022, Utilities amended the Revolving Loan Agreement (Credit Line) with U.S. Bank National Association dated as of September 8, 2016. The available Credit Line will remain \$75.0 million to fund Utilities' operating needs and normal expenditures including, without limitation, regularly scheduled capital expenses. Utilities' repayment obligations under the Credit Line is limited to the net pledged revenues on a subordinate basis to the parity bonds and certain related obligations. The Credit Line expires on September 8, 2025. Utilities has entered into agreements similar to this Credit Line over the past several years and to date, Utilities has not drawn on any such agreement.

J. Long-term Debt

The City has outstanding long-term debt in the form of several instruments. General obligation bonds are direct obligations that pledge the full faith and credit of the City for the repayment of principal and interest. Certificates of participation and 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 2022, Utilities issued \$127,425,000 of Utilities System Refunding Revenue Bonds, Series 2022A and \$163,520,000 Utilities System Improvement Revenue Bonds, Series 2022B. The Series 2022A bonds were used to refund all or a portion of the City's outstanding Utilities System Refunding Revenue Bonds, Series 2012B and Utilities System Revenue Bonds, Series 2012C-1 and 2012C-2. The Series 2022A bonds, with a final maturity date of 2042, bear interest rates ranging from 4.00% to 5.00%. The reacquisition price of the refunded bonds exceeded the net carrying amount of the old debt by \$16,124,096. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. As a result, the debt service payments were reduced by a total of \$14,056,233 resulting in a net present value savings of \$10,069,038. The Series 2022B bonds were issued as new money bonds to finance a portion of the

costs of a number of general capital improvements. The Series 2022B bonds bear interest rates ranging from 5.00% to 5.25% and have a 2052 final maturity date.

During 2022, First & Main Business Improvement District No. 2 issued \$3,941,000 in Limited Tax General Obligation Bonds, Series 2022 (GO Bonds) and \$6,700,000 in Public Improvement Fee Revenue Bonds, Series 2022 (PIF Bonds). The proceeds from the sale of the bonds were used to reimburse the developer for capital infrastructure costs and to pay bond issuance costs. Both the Series 2022 GO Bonds and Series 2022 PIF Bonds have a final maturity date of 2051 and bear an interest rate of 6.50% paid annually. The Series 2022 GO Bonds are subject to mandatory sinking fund redemptions.

During 2022, Powers & Woodmen Commercial Business Improvement District issued \$2,519,000 in Limited Tax General Obligation Bonds, Series 2022 GO Bonds for the purpose of financing public improvements and to pay bond issuance costs. The Series 2022 GO Bonds have a final maturity date of 2050 and bear an interest rate of 6.50% paid annually.

During 2022, True North Commons Business Improvement District issued Special Revenue Bonds, Series 2022A and Special Revenue Bonds, Taxable Series 2022B for \$7,695,000 and \$54,370,000, respectively. The proceeds from the sale of bonds were used to pay a portion of the project costs, fund a Reserve Fund, partially fund the Surplus Fund, fund capitalized interest and to pay bond issuance costs. The Series 2022A bear an interest rate of 5.00% and the Series 2022B bear interest rates ranging from 6.00% to 7.00% paid semi-annually with a final maturity of 2052. In addition, the district issued Subordinate Special Revenue Bonds, Series 2022C for \$24,275,000. The proceeds of the Series 2022C bonds were used to pay a portion of the project costs and to pay bond issuance costs. The Series 2022C bonds bear an interest rate of 7.75% paid annually and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest.

On November 24, 2015, City Council approved Ordinance 15-83 authorizing the issuance of up to \$150.0 million in commercial paper notes ("Series A Notes" and "Series B Notes" collectively the "Notes"). The maximum principal amount of the commercial paper notes which may be outstanding at any time is limited to \$75.0 million for each series. In October 2018, Utilities terminated the Irrevocable Transferable Direct-Pay Letters of Credit for the Notes and suspended the commercial paper program. Market conditions will determine if and when the City (on behalf of Utilities) will issue more commercial paper notes.

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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, 2022:

Year Resolution Adopted	Urban Renewal Project Plan	Percentage Authorized	Limitations
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	Gold Hill Mesa Commercial	75.0%	Not to exceed 25 years
2015	South Nevada Area	100.0%	Not to exceed 25 years
2013	Copper Ridge Metropolitan District Area	87.5%	Through 2044
2012	Ivywild	100.0%	Through June 28, 2036
2007	North Nevada Avenue Corridor	100.0%	Not to exceed 23 years and not to exceed \$98.8 million

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1. Summary of Long-term Debt

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Governmental Activities¹					
Certificates of Participation					
Refunding COP Series 2017	\$ 29,930	\$ 27,060	\$ 10,241	3.000 - 5.250	2018 - 2039
COP Series 2019	9,000	8,155	3,382	4.000 - 5.000	2020 - 2039
	<u>38,930</u>	<u>35,215</u>	<u>13,623</u>		
General Obligation Bonds - direct placement					
Marketplace at Austin Bluffs GID Series 2008	2,790	1,590	628	6.500	2010 - 2033
	<u>2,790</u>	<u>1,590</u>	<u>628</u>		
Financed Purchases - direct borrowing and direct placement					
Financed Purchase Series 2016 - Direct Placement	13,690	5,755	235	1.620	2017 - 2026
Financed Purchases	41,804	19,749	566	0.000 - 4.460	2007 - 2027
	<u>55,494</u>	<u>25,504</u>	<u>801</u>		
Total Governmental Activities	<u>\$ 97,214</u>	<u>\$ 62,309</u>	<u>\$ 15,052</u>		

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Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Business-type Activities²					
Revenue Bonds					
Utilities Revenue Bonds					
Series 2005A	\$ 100,000	\$ 66,995	\$ 24,106	resets weekly	2010 - 2035
Series 2006B	75,000	54,025	18,460	resets weekly	2011 - 2036
Series 2007A	75,000	50,500	13,851	resets weekly	2008 - 2037
Series 2008A	50,000	34,645	13,917	resets weekly	2009 - 2038
Series 2009B-2	64,450	57,335	31,123	4.949 - 5.545	2010 - 2039
Series 2009C	66,455	54,975	16,955	resets weekly	2010 - 2028
Series 2009D-2	56,750	50,075	50,768	4.164 - 6.313	2016 - 2049
Series 2010C	50,000	36,690	14,966	resets weekly	2011 - 2040
Series 2010D-4	107,260	107,260	105,851	6.615	2011 - 2040
Series 2012A	50,000	38,095	17,084	resets weekly	2012 - 2041
Series 2013A	97,580	86,760	36,963	1.500 - 5.000	2014 - 2045
Series 2013B-1	58,915	48,350	30,989	1.500 - 5.000	2014 - 2043
Series 2013B-2	68,645	56,705	36,550	2.000 - 5.000	2014 - 2043
Series 2014A-1	58,515	54,260	33,305	4.000 - 5.000	2019 - 2044
Series 2014A-2	53,995	50,165	30,641	4.000 - 5.000	2019 - 2044
Series 2015A	82,975	65,745	30,372	3.000 - 5.000	2018 - 2048
Series 2017A-1	89,750	79,170	26,786	3.000 - 5.000	2018 - 2042
Series 2017A-2	84,340	77,175	60,322	2.500 - 5.000	2018 - 2047
Series 2017A-3	66,090	3,130	157	5.000	2018 - 2023
Series 2018A-1	125,645	124,345	14,984	3.000 - 5.000	2018 - 2026
Series 2018A-2	39,500	36,590	29,093	3.000 - 5.000	2019 - 2048
Series 2018A-3	4,810	3,575	1,033	5.000	2019 - 2033
Series 2018A-4	56,860	52,815	42,032	4.000 - 5.000	2019 - 2048
Series 2019A	84,090	84,090	28,832	5.000	2027 - 2029
Series 2020A	200,720	179,695	105,285	4.000 - 5.000	2020 - 2050
Series 2020B	50,980	38,740	6,904	5.000	2020 - 2028
Series 2020C	85,440	77,310	58,056	5.000	2020 - 2050
Series 2021A	38,715	29,560	8,670	5.000	2021 - 2033
Series 2021B	185,030	182,160	142,097	4.000 - 5.000	2021 - 2051
Series 2022A	127,425	127,100	55,119	4.000 - 5.000	2022 - 2042
Series 2022B	163,520	163,520	167,709	5.000 - 5.250	2022 - 2052
PACE Revenue Bonds Series 2008	653,210	536,025	350,242	5.750 - 6.500	2009 - 2038
PPAM Revenue Bonds Series 2018	30,050	28,105	22,539	3.750 - 5.250	2019 - 2048
	<u>3,201,715</u>	<u>2,735,685</u>	<u>1,625,761</u>		
Bonds and notes payable from direct borrowings and direct placements					
Parking System Revenue Bonds Series 2015 - direct placement	9,520	3,840	275	2.430	2015 - 2027
Airport, 2016	3,431	1,475	93	2.500	2017 - 2026
Airport, 2020	7,500	6,186	938	3.250	2021 - 2030
Airport, 2021	8,000	7,269	746	2.000	2022 - 2031
Drinking Water - Utilities, 2009	8,600	3,958	434	2.500	2011 - 2030
	<u>27,531</u>	<u>18,888</u>	<u>2,211</u>		
Financed Purchases	998	603	33	2.080 - 2.990	2020 - 2026
Total Business-type Activities	<u>\$ 3,239,764</u>	<u>\$ 2,759,016</u>	<u>\$ 1,628,280</u>		

(continued)

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Component Units²					
Governmental Activities					
Limited Tax General Obligation Bonds					
Barnes & Powers North BID Series 2007	\$ 4,000	\$ 2,890	\$ 1,599	6.500	2009 - 2036
Barnes & Powers South BID Series 2007	835	270	46	6.500	2009 - 2026
First & Main BID Series 2009	1,650	1,285	1,115	8.500	2009 - 2038
First & Main North BID Series 2005	1,927	1,296	597	6.000	2005 - 2035
First & Main No. 2 BID Series 2009	2,400	1,945	1,688	8.500	2011 - 2038
First & Main No. 2 BID Series 2015	1,750	1,555	1,473	6.750	2015 - 2044
First & Main No. 2 BID Series 2022	3,941	3,941	6,338	6.500	2023 - 2051
Interquest North BID Series 2010	6,500	5,475	5,212	8.500	2012 - 2040
Interquest North BID Series 2016	4,765	4,565	5,365	8.500	2017 - 2045
Interquest North BID - Series 2020	13,735	7,875	11,532	7.000	2020 - 2049
Interquest Town Center - Series 2020	2,860	2,860	3,756	7.000	2020 - 2049
Powers & Woodmen Commercial BID Series 2010	1,850	1,529	1,412	8.500	2011 - 2039
Powers & Woodmen Commercial BID Series 2022	2,519	2,519	3,875	6.500	2023 - 2050
	<u>48,732</u>	<u>38,005</u>	<u>44,008</u>		
Special Assessment Revenue Bonds					
Briargate Center BID Series 2006	7,360	2,320	360	4.500 - 4.900	2006 - 2007
Urban Renewal Authority Series 2018A	7,325	7,215	5,876	5.750	2021 - 2047
Urban Renewal Authority Series 2018B ³	1,156	1,086	—	8.125	N/A
	<u>15,841</u>	<u>10,621</u>	<u>6,236</u>		
Revenue Bonds					
First & Main No. 2 BID Series 2011	2,000	1,500	1,032	8.500	2011 - 2035
First & Main No. 2 BID Series 2015	1,725	1,490	1,060	6.750	2017 - 2039
First & Main No. 2 BID Series 2022	6,700	6,700	10,433	6.500	2023 - 2051
Interquest South BID Series 2017	4,000	3,840	3,118	4.500 - 5.000	2018 - 2047
Park Union BID Series 2020A ³	26,500	26,500	—	8.000	2020 - 2049
Creekwalk Marketplace Series 2019A	24,230	24,230	23,716	5.000 - 8.000	2020 - 2049
Creekwalk Marketplace Series 2019B3	2,500	2,500	—	8.000	2049
Creekwalk Marketplace Series 2021A	11,040	11,040	11,584	5.000 - 5.750	2021 - 2049
Creekwalk Marketplace Series 2021B ³	2,500	2,500	—	8.000	2021 - 2049
True North Commons BID - Series 2022A	7,695	7,695	9,893	5.000	2023 - 2052
True North Commons BID - Series 2022B	54,370	54,370	69,012	6.000 - 7.000	2023 - 2052
True North Commons BID - Series 2022C ³	24,275	24,275	—	7.750	2023 - 2052
	<u>167,535</u>	<u>166,640</u>	<u>129,848</u>		
Bonds and notes payable from direct borrowings and direct placements					
Barnes & Powers North BID ³	322	125	—	7.000	N/A
Briargate Center BID 2018	3,380	2,266	414	4.770	2019 - 2028
Briargate Center BID 2019 ³	6,196	5,818	—	—	N/A
Catalyst Campus BID ³	149	149	—	8.000	N/A
Creekwalk Marketplace ³	5,352	5,352	—	7.000	N/A
First & Main North BID ³	366	141	—	7.000	N/A
Gold Hill North BID ³	12	12	—	8.000	N/A
GSF BID ³	72	72	—	8.000	N/A
Interquest South BID ³	2,405	711	—	7.000	N/A
Interquest Town Center BID ³	114	114	—	8.000	N/A
MW Retail BID ³	76	76	—	8.000	N/A
Park Union BID ³	1,146	1,146	—	7.000	N/A
True North Commons BID ³	181	85	—	7.000	N/A
Urban Renewal Authority, 2012 ²	778	324	—	7.000	2013 - 2028
Urban Renewal Authority Series 2017	39,000	36,400	5,514	3.330	2018 - 2027
Urban Renewal Authority Series 2019	12,400	10,818	2,298	3.330	2020 - 2031
Urban Renewal Authority, Series 2020 Refunding	52,575	42,276	4,920	2.050	2021 - 2047
Urban Renewal Authority, Series 2020 Revenue	5,701	5,045	1,393	3.250	2021 - 2047
	<u>130,225</u>	<u>110,930</u>	<u>14,539</u>		
Financed Purchases					
Creekwalk Marketplace Signage	359	359	23	2.210	2023 - 2027
Total Governmental Activities	<u>\$ 362,692</u>	<u>\$ 326,555</u>	<u>\$ 194,654</u>		

(continued)

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rate of Debt Outstanding (%)	Maturity Dates of Serial Debt
Business-type Activities					
Fountain Valley Authority	\$ 10,830	\$ 381	\$ 13	3.030 - 4.400	2001 - 2024
The Lake Meredith Reservoir Company, 2003	1,472	755	200	4.000	2005 - 2034
Total Business-type Activities	12,302	1,136	213		
Total Component Units	\$ 374,994	\$ 327,691	\$ 194,867		

¹Exclusive of municipal solid waste landfill and compensated absences

²Exclusive of other liabilities

³These items have no repayment schedule

Note: Immaterial differences may occur due to rounding.

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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, 2022 (in 000's):

	Beginning Balance*	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Certificates of participation	\$ 36,225	\$ —	\$ 1,010	\$ 35,215	\$ 1,105
Add issuance premium	3,056	—	171	2,885	—
	<u>39,281</u>	<u>—</u>	<u>1,181</u>	<u>38,100</u>	<u>1,105</u>
Bonds and notes payable from direct borrowings and direct placements					
General obligation bonds	3,525	—	1,935	1,590	115
Financed purchases	25,797	9,033	9,326	25,504	7,501
	<u>29,322</u>	<u>9,033</u>	<u>11,261</u>	<u>27,094</u>	<u>7,616</u>
Other liabilities					
Municipal solid waste landfill	350	15	—	365	—
Compensated absences	21,735	31,181	25,995	26,921	1,346
Lease liabilities	4,948	—	1,433	3,515	1,545
Claims payable	25,796	41,605	40,734	26,667	18,133
Net pension liability	180,313	—	124,189	56,124	—
Net OPEB liability	30,068	1,825	2,346	29,547	—
Developer reimbursements	2,669	2,065	310	4,424	—
	<u>265,879</u>	<u>76,691</u>	<u>195,007</u>	<u>147,563</u>	<u>21,024</u>
Total governmental activities	<u>\$ 334,482</u>	<u>\$ 85,724</u>	<u>\$ 207,449</u>	<u>\$ 212,757</u>	<u>\$ 29,745</u>
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ 2,708,580	\$ 290,945	\$ 263,840	\$ 2,735,685	\$ 124,651
Add issuance premiums/(discounts)	246,104	31,070	32,343	244,831	—
	<u>2,954,684</u>	<u>322,015</u>	<u>296,183</u>	<u>2,980,516</u>	<u>124,651</u>
Bonds and notes payable from direct borrowings and direct placements					
Revenue bonds	4,590	—	750	3,840	770
Notes payable	21,074	—	2,186	18,888	2,243
Financed purchases	286	520	203	603	195
	<u>25,950</u>	<u>520</u>	<u>3,139</u>	<u>23,331</u>	<u>3,208</u>
Other liabilities					
Municipal solid waste landfill	5,521	449	—	5,970	—
Compensated absences	19,923	25,201	25,146	19,978	12,082
Claims payable	2,427	28,954	28,879	2,502	2,502
Customer deposits	4,355	1,585	1,461	4,479	—
Customer advances for construction	23,480	29,605	24,338	28,747	—
Net pension liability	132,836	14,994	147,830	—	—
Net OPEB liability	36,707	2,958	5,234	34,431	—
Derivative instruments	93,035	—	57,671	35,364	—
Other	13,018	4,523	26	17,515	—
	<u>331,302</u>	<u>108,269</u>	<u>290,585</u>	<u>148,986</u>	<u>14,584</u>
Total business-type activities	<u>\$ 3,311,936</u>	<u>\$ 430,804</u>	<u>\$ 589,907</u>	<u>\$ 3,152,833</u>	<u>\$ 142,443</u>

*The beginning balances are restated due to the implementation of GASB 87 and the addition of claims payable.

Note: Immaterial differences may occur due to rounding.

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

Component Units

The following is a summary of long-term debt transactions for component units of the City for the year ended December 31, 2022 (in 000's):

	Beginning Balance*	Additions	Reductions	Ending Balance	Amounts Due within One Year
GOVERNMENTAL ACTIVITIES					
Limited tax general obligation bonds	\$ 32,136	\$ 6,460	\$ 591	\$ 38,005	\$ 630
Special assessment revenue bonds	11,041	—	420	10,621	615
Revenue bonds	73,760	93,040	160	166,640	420
Add issuance premiums	—	124	4	120	—
Other	11,475	7,073	16	18,532	—
	<u>128,412</u>	<u>106,697</u>	<u>1,191</u>	<u>233,918</u>	<u>1,665</u>
Bonds and notes payable from direct borrowings and direct placements					
Revenue bonds	48,672	—	1,454	47,218	1,939
Notes payable	80,317	3,617	20,222	63,712	3,885
Financed purchases	—	359	—	359	72
	<u>128,989</u>	<u>3,976</u>	<u>21,676</u>	<u>111,289</u>	<u>5,896</u>
Total governmental activities	<u>\$ 257,401</u>	<u>\$ 110,673</u>	<u>\$ 22,867</u>	<u>\$ 345,207</u>	<u>\$ 7,561</u>
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ —	\$ —	\$ —	\$ —	\$ —
Add issuance premiums	—	—	—	—	—
Notes payable	1,362	—	226	1,136	240
Lease liabilities	467	32	71	428	81
Financed purchases	1,403	—	1,403	—	—
Total business-type activities	<u>\$ 3,232</u>	<u>\$ 32</u>	<u>\$ 1,700</u>	<u>\$ 1,564</u>	<u>\$ 321</u>

*Due to implementation of GASB 87 lease reporting in the current fiscal year, the beginning balance is 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, 2022 (in 000's):

Year	Governmental Activities		Governmental Activities Component Units	
	Direct Placement		Principal	Interest
	Principal	Interest		
2023	\$ 115	\$ 103	\$ 630	\$ 2,742
2024	125	96	749	2,680
2025	130	88	825	2,624
2026	140	79	890	2,563
2027	150	70	877	2,498
2028-2032	910	191	5,530	11,396
2033-2037	20	1	7,325	8,984
2038-2042	—	—	7,157	6,241
2043-2047	—	—	8,713	3,576
2048-2051	—	—	5,309	704
Total	<u>\$ 1,590</u>	<u>\$ 628</u>	<u>\$ 38,005</u>	<u>\$ 44,008</u>

Note: Immaterial differences may occur due to rounding.

The City has outstanding direct placement general obligation bonds totaling \$1,590,000.

The following is a summary of revenue bond scheduled maturities as of December 31, 2022 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 420	\$ 6,932	\$ 124,651	\$ 141,502
2024	490	6,891	123,320	134,512
2025	540	6,863	127,155	128,231
2026	1,415	6,833	127,585	121,720
2027	1,525	6,752	133,000	115,150
2028-2032	11,950	32,090	681,675	465,763
2033-2037	20,110	27,253	642,010	296,893
2038-2042	25,605	20,177	394,300	139,687
2043-2047	24,480	11,945	240,385	65,899
2048-2052	24,330	4,112	141,604	16,404
Total	<u>\$ 110,865</u>	<u>\$ 129,848</u>	<u>\$ 2,735,685</u>	<u>\$ 1,625,761</u>

Note: Immaterial differences may occur due to rounding.

The governmental activities component units have additional revenue bonds in the amount of \$55,775,000. This amount is to be repaid exclusively from specified revenues, and therefore has no predetermined payback period. As such, this amount is not listed in the above schedule.

The following is a summary of direct placement revenue bond scheduled maturities as of December 31, 2022 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities	
	Direct Placement		Direct Placement	
	Principal	Interest	Principal	Interest
2023	\$ 1,939	\$ 1,569	\$ 770	\$ 93
2024	2,232	1,505	790	75
2025	2,628	1,431	810	55
2026	3,030	1,343	830	36
2027	30,236	1,243	640	16
2028-2031	7,153	721	—	—
Total	<u>\$ 47,218</u>	<u>\$ 7,812</u>	<u>\$ 3,840</u>	<u>\$ 275</u>

Note: Immaterial differences may occur due to rounding.

CSURA has outstanding direct placement revenue bonds totaling \$47,218,000. If any principal or interest is not paid when due, interest on the unpaid amount shall become payable at up to 7.00% per annum or the same interest rate at which the bonds were issued, depending on which bond is in default. Parking has outstanding direct placement revenue bonds of \$3,840,000. 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, 2022 (in 000's):

Year	Governmental Activities	
	Principal	Interest
2023	\$ 1,105	\$ 1,417
2024	1,205	1,362
2025	1,315	1,302
2026	1,435	1,236
2027	1,555	1,164
2028-2032	9,870	4,514
2033-2037	12,930	2,329
2038-2039	5,800	299
Total	<u>\$ 35,215</u>	<u>\$ 13,623</u>

Note: Immaterial differences may occur due to rounding.

The following is a summary of financed purchase scheduled maturities as of December 31, 2022 (in 000's):

Year	Governmental Activities		Business-type Activities		Governmental Activities Component Units	
	Direct Borrowing		Direct Borrowing		Direct Borrowing	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 7,501	\$ 335	\$ 195	\$ 13	\$ 72	\$ 8
2024	6,162	228	198	11	73	6
2025	5,863	149	103	6	75	5
2026	5,089	77	107	3	77	3
2027	889	12	—	—	62	1
Total	<u>\$ 25,504</u>	<u>\$ 801</u>	<u>\$ 603</u>	<u>\$ 33</u>	<u>\$ 359</u>	<u>\$ 23</u>

Note: Immaterial differences may occur due to rounding.

The City has financed purchases with outstanding balances totaling \$19,749,000 for governmental activities and \$603,000 for business-type activities.

The City also has a financed purchase arrangement in governmental activities with an outstanding balance of \$5,755,000. The arrangement would terminate with failure of the City to appropriate funds for payment and the City's right to possession of leased property would also terminate. The arrangement is collateralized by the Colorado Springs Police Department Sandcreek Substation.

Creekwalk Marketplace Business Improvement District has an outstanding financed purchase principal balance of \$359,000.

The following is a summary of special assessment bond scheduled maturities as of December 31, 2022 (in 000's):

Year	Governmental Activities Component Units	
	Principal	Interest
2023	\$ 615	\$ 529
2024	615	496
2025	640	465
2026	680	432
2027	720	397
2028-2032	1,250	1,669
2033-2037	1,820	1,248
2038-2042	1,715	665
2043-2047	1,480	335
Total	<u>\$ 9,535</u>	<u>\$ 6,236</u>

Note: Immaterial differences may occur due to rounding.

CSURA issued special assessment bonds in 2018. The bond is to be repaid exclusively from specified revenues, and therefore have no predetermined payback period. As such, the bond is not listed in the above schedule. As of December 31, 2022, the outstanding principal balance is \$1,086,000.

The following is a summary of notes payable scheduled maturities as of December 31, 2022 (in 000's):

Year	Governmental Activities Component Units		Business-type Activities		Business-type Activities Component Units	
	Direct Borrowings		Direct Borrowings		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,885	\$ 1,157	\$ 2,243	\$ 479	\$ 240	\$ 43
2024	4,092	1,067	2,300	422	253	29
2025	4,261	967	2,359	362	59	26
2026	4,423	866	2,420	302	61	24
2027	4,575	760	2,090	240	58	21
2028-2032	26,614	1,773	7,476	406	465	70
2033-2036	1,738	137	—	—	—	—
Total	<u>\$ 49,588</u>	<u>\$ 6,727</u>	<u>\$ 18,888</u>	<u>\$ 2,211</u>	<u>\$ 1,136</u>	<u>\$ 213</u>

Note: Immaterial differences may occur due to rounding.

The governmental activities component units have additional combined notes payable and other long-term liabilities in the amount of \$14,124,000. These amounts are to be repaid exclusively from specified revenues, and therefore have no predetermined payback period. As such, these amounts are not listed in the above schedule.

For governmental activities component units, CSURA has outstanding direct borrowing notes payable of \$5,045,000 for a tax exempt note and \$42,277,000 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 \$2,266,000 that is collateralized by pledged revenue.

Included in business-type activities, Airport has outstanding direct borrowing notes payable totaling \$14,930,000. In the event of non-appropriation for payment of the Airport's principal and interest, the Colorado Department of Transportation (CDOT), as lender, may transfer jet fuel sales and use tax revenue otherwise payable to the Airport to be paid to the lender. In the event of default, CDOT has the right to terminate the contract. If terminated, the Airport must return any funds that have been disbursed and any accrued interest within forty-five days of the date of termination. Utilities has direct borrowing outstanding notes payable of \$3,958,000.

Business-type activities component units have outstanding direct borrowing notes payable of \$1,136,000. Of this total, Fountain Valley Authority has a note payable for \$381,000 that is collateralized by pledged revenue.

Over the years, the City has issued revenue bonds with pledged revenues as collateral. These bonds were issued to finance various construction projects within each of the issuing funds, with the pledged revenue coming from the respective fund.

	Amount Pledged (in 000's)	Term of Commitment
Business-type activities:		
Utilities revenue bonds	\$ 3,424,535	2001 - 2052
PACE revenue bonds	886,267	2009 - 2038
Parking revenue bonds	4,115	1999 - 2027
PPAM revenue bonds	50,644	2019 - 2048

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

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

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

The City is not liable for the repayment of principal or interest on these bonds and related financial activity is not shown in the financial statements. Prior to 2018, the City assigned its annual allocation to El Paso County. It is possible that PABs, or industrial revenue bonds, were issued using this allocation. The City now retains its allocations and works directly with requestors. During 2022, \$46.5 million in PABs were issued under the City's allocation.

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L. Fund Balances

Fund balances of the governmental funds at December 31, 2022, include the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>			
Delinquent property taxes receivable	\$ 10,507	\$ —	\$ 10,507
Inventories	308,396	—	308,396
Endowments - CD Smith trust fund	—	1,460,456	1,460,456
Endowment - Cemetery endowment fund	—	11,128,491	11,128,491
Endowment - TOPS maintenance trust fund	—	656,528	656,528
Total nonspendable	318,903	13,245,475	13,564,378
<u>Restricted:</u>			
Emergency reserve - TABOR	11,421,315	—	11,421,315
TABOR refund/retention	3,919,650	828,478	4,748,128
Capital reserve - public safety	2,894,147	—	2,894,147
Capital reserve - parks	776,479	—	776,479
Bicycle Tax	—	177,056	177,056
Trails/Open Space	—	18,063,333	18,063,333
Conservation Trust	—	2,858,313	2,858,313
Public Safety Sales Tax	—	19,823,595	19,823,595
Road Repair, Maintenance, & Improvement Sales Tax	—	30,608,539	30,608,539
Wildfire Mitigation	—	18,993,901	18,993,901
Special Improvement Maintenance Districts - ALL	—	1,007,666	1,007,666
Public improvements - Banning Lewis Ranch	—	2,456,610	2,456,610
General Improvement Districts - ALL	—	259,121	259,121
Lodgers and Auto Rental Tax	—	1,111,559	1,111,559
Gift Trust - general government	—	265,351	265,351
Gift Trust - public safety	—	530,061	530,061
Gift Trust - public works	—	132,885	132,885
Gift Trust - parks	—	5,628,977	5,628,977
Endowment - CD Smith trust fund	—	299,837	299,837
Endowment - Cemetery endowment fund	—	48,474	48,474
Endowment - TOPS maintenance trust fund	—	176,908	176,908
Total restricted	19,011,591	103,270,664	122,282,255
<u>Committed:</u>			
Public improvements - Public Space and Development	—	13,012,060	13,012,060
Public improvements - Subdivision Drainage	—	16,508,498	16,508,498
Public improvements - Arterial Roadway	—	2,658,259	2,658,259
Public improvements - Park Developer Easement	—	125,815	125,815
Ballfield Capital Improvements	—	199,437	199,437
Street Tree	—	95,694	95,694
Senior Programs	—	531,116	531,116
Therapeutic Recreation	—	4,903	4,903
Capital outlay - general government	5,708,356	27,802,545	33,510,901
Capital outlay - public safety	4,509,910	—	4,509,910
Capital outlay - planning	375,000	—	375,000
Capital outlay - public works	2,214,877	—	2,214,877
Capital outlay - parks	7,687,043	—	7,687,043
Total committed	20,495,186	60,938,327	81,433,513
<u>Assigned:</u>			
Public improvements - Park Developer Easement	—	62,959	62,959
Public improvements - Banning Lewis Ranch	—	364,004	364,004
Encumbrances - general government	2,463,525	—	2,463,525
Encumbrances - public safety	675,442	—	675,442
Encumbrances - planning	547,756	—	547,756
Encumbrances - public works	2,757,732	—	2,757,732
Encumbrances - parks	1,150,510	—	1,150,510
Encumbrances - capital projects	—	3,576,586	3,576,586
Total assigned	7,594,965	4,003,549	11,598,514
<u>Unassigned:</u>			
Total unassigned	66,023,473	—	66,023,473
Total fund balances	<u>\$ 113,444,118</u>	<u>\$ 181,458,015</u>	<u>\$ 294,902,133</u>

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 53 are recognized as cash flow hedges. Financial derivative instruments that do not meet the effectiveness criteria are classified as investment derivative instruments. Changes in the fair value of cash flow hedge derivative instruments are reported as either deferred outflows or inflows of resources on the government-wide statement of net position and the proprietary funds balance sheet. Interest rate hedges that are deemed ineffective are recognized as standalone investment derivative instruments. The change in the fair value of investment derivative instruments is recognized as nonoperating revenues (expenses) on the statement of revenues, expenses and changes in net position.

Utilities has interest rate hedges based on both the Securities Industry and Financial Markets Association (SIFMA) index and the London Interbank Offered Rate (LIBOR) index. Historically, Utilities' interest rate derivative instruments based on 68.00% of 1-month LIBOR were classified as cash flow hedges. As of December 31, 2013, these LIBOR-based derivative instruments are no longer effective pursuant to GASB 53 hedge effectiveness standards and are considered investment derivative instruments.

Utilities values interest rate derivative instruments based on valuations provided by Stifel, a third-party valuation service provider for 2022. 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, 2022, classified by type and changes in fair value of such derivative instruments (in 000's):

	Changes in Fair Value		Fair Value		
	Classification	Amount	Classification	Amount	Notional
<u>Cash Flow Hedges</u>					
Interest Rate Swaps	Deferred outflows	\$ 18,892	Derivative instruments	\$ (9,492)	\$ 101,640
Total Cash Flow Hedges		<u>\$ 18,892</u>		<u>\$ (9,492)</u>	
<u>Investment Derivative Instruments</u>					
Interest Rate Swaps	Derivative instruments loss	\$ 38,779	Derivative instruments	\$ (25,872)	\$ 234,715
Total Investment Derivative Instruments		<u>\$ 38,779</u>		<u>\$ (25,872)</u>	

Note: Immaterial differences may occur due to rounding.

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, 2022 (in 000's):

December 31,	Projected Future Cash Flows In/(Out) for Hedging Derivative Instruments
2023	\$ (14,100)
2024	(13,508)
2025	(12,890)
2026	(12,242)
2027	(11,523)
2028-2032	(35,809)
2033-2037	(13,791)
2038-2041	(1,672)
Total	<u>\$ (115,535)</u>

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, 2022 (in 000's):

	Notional Amount	Effective Date	Maturity Date	Trade Details	Counterparty
<u>Cash Flow Hedges</u>					
2005A SIFMA Swap	\$ 50,139	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2005A SIFMA Swap	16,856	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	J. Aron & Company
2008A SIFMA Swap	34,645	09/12/08	11/01/38	Pay 4.2686%; receive SIFMA index	Bank of America, N.A.
<u>Investment Derivative Instruments</u>					
2005A SIFMA Swap	430	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A.
2006B New Money LIBOR Swap	21,610	09/14/06	11/01/36	Pay 4.1185%; receive 68% of LIBOR	JPMorgan Chase Bank, N.A.
2006B New Money LIBOR Swap	32,415	09/14/06	11/01/36	Pay 4.1185%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
2007A New Money LIBOR Swap	30,300	09/13/07	11/01/37	Pay 3.1980%; receive 68% of LIBOR	J. Aron & Company
2007A New Money LIBOR Swap	20,200	09/13/07	11/01/37	Pay 3.1980%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
2009C LIBOR Swap (2012 Novation)	54,975	10/01/09	11/01/28	Pay 5.4750%; receive 68% of LIBOR	Wells Fargo Bank, N.A.
2010C LIBOR Swap	36,690	10/26/10	11/01/40	Pay 3.8807%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
2012A LIBOR Swap	38,095	03/15/12	11/01/41	Pay 4.0242%; receive 68% of LIBOR	Morgan Stanley Capital Services, Inc.
Total Notional Amount for Interest Rate Swaps	<u>\$ 336,355</u>				

Note: Immaterial differences may occur due to rounding.

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

Risk

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

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

Long-term counterparty credit ratings from Moody's and S&P at December 31, 2022:

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

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

The Energy Risk Management Plan requires that Utilities' counterparties to commodity transactions be on an approved counterparty list. To be on this list, counterparties must have the necessary contracts in place for the commodity being transacted and have adequate credit or credit facilities in place to cover assumed transactions. The Energy Risk Management Plan limits the amount of counterparty credit exposure according to the counterparty's credit rating. At December 31, 2022, 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, 2022, 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, 2022 was approximately (\$35.4) million.

The combined fair value of all derivative instruments, net of collateral postings, as of December 31, 2022 was approximately (\$35.4) 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, 2022, 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 LIBOR swap indices.

Basis Risk - The risk that arises when variable rates or prices of a derivative instrument and a hedged item are based on different reference rates. Utilities is exposed to basis risk on pay-fixed interest rate swap hedging derivative instruments because the variable rate payments received by Utilities on these hedging derivative instruments are based on a rate or index other than interest rates. Utilities pays on hedged variable rate debt, which is generally remarketed every 7 days. As of December 31, 2022, the weighted average interest rate on Utilities' variable rate debt was 0.102%, the SIFMA swap index rate was 3.66%, while 68.00% of the LIBOR was 2.99%.

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 2022, 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 77, the substance of the agreements meet the definition of "tax abatements" as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

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

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

The City did not have any "abatements" of sales/use taxes under this program for the fiscal year ended December 31, 2022.

O. Restatement of Net Position*Restatement of Net Position for Governmental Fund Component Units*

The January 1, 2022 net position for Creekwalk Marketplace Business Improvement District, a governmental fund component unit, has been restated. The statement of net position was restated to account for subordinate bond interest accrued in previous years as follows:

	Creekwalk Marketplace BID
Beginning net position, as previously reported	\$ (4,782,562)
Restatement for subordinate bond interest	(518,603)
Beginning net position, as restated	<u>\$ (5,301,165)</u>

IV. OTHER INFORMATION

A. Risk Management

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

General liability coverage for the operations of Utilities is purchased from commercial carriers for losses in excess of \$1,000,000. General liability coverage for the Airport is purchased from commercial carriers with varying deductibles. The City and its enterprises are self-insured for general liability coverage up to \$1,250,000 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 2022, the City is reporting auto liability case reserves of \$408,000 and IBNR reserves of \$182,000 as reflected in the 2022 actuary report.

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

For medical claims coverage, the City has a reinsurance policy that provides coverage for claims in excess of \$525,000 specific deductible per person, along with \$200,000 aggregating specific deductible. The City pays for medical claims through its Employee Benefits Self-Insurance fund. The City has recorded a liability for medical claims and an estimate of IBNR. Utilities is self-insured up to \$400,000 per individual for medical and self-insured for a limited dental benefit, and is fully insured for the vision plan. Utilities pays claims and associated plan expenses through its Employee Benefits Self-Insurance fund. Utilities maintains a reinsurance policy should a covered medical claim exceed \$400,000 and has a fully funded reserve account for claims IBNR, Health Reimbursement Account and catastrophic claims.

During 2022, the following changes took effect in the Utilities property policy: Front Range combustion turbines deductible increased to \$1,500,000, flood deductible increased to \$500,000 per location, with a minimum deductible of \$1,000,000. Additionally, the insurance carrier for the cyber policy changed during 2022. Aside from these changes, there were no other significant reductions in insurance coverage as compared to 2021. In the past three years, no loss occurred that required settlements in excess of coverage.

The following is a summary of changes in outstanding reserves for 2022 and 2021. Claim liabilities are included in claims payable in Utilities and the respective internal service funds (in 000's).

	<u>Utilities</u>	<u>Internal Service Funds</u>
Claim liabilities - December 31, 2020	\$ 3,355	\$ 28,421
2021 Increases	29,579	34,608
2021 Decreases	<u>(30,507)</u>	<u>(37,233)</u>
Claim liabilities - December 31, 2021	<u>2,427</u>	<u>25,796</u>
2022 Increases	28,954	41,605
2022 Decreases	<u>(28,879)</u>	<u>(40,734)</u>
Claim liabilities - December 31, 2022	<u><u>\$ 2,502</u></u>	<u><u>\$ 26,667</u></u>

B. Donor-restricted Endowments

As of December 31, 2022, the City maintained three donor-restricted endowment funds as follows:

	<u>Fund Balances</u>	<u>Available for Spending</u>
C.D. Smith Trust	\$ 1,760,293	\$ 299,837
Cemetery Endowment	11,176,965	48,474
TOPS Maintenance Trust	833,436	176,908

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

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C. Postemployment Benefits Other than Pensions

The City's former or current non-uniformed and uniformed (firefighters and police officers) employees are eligible to participate in various defined benefit postemployment benefit other than pension (OPEB) plans. More detailed notes regarding each plan follows. Below is a table that summarizes the net OPEB liabilities, deferred outflows and inflows of resources, and OPEB expenses associated with each of the plans as of December 31, 2022 (in 000's).

	Total/Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
GOVERNMENTAL ACTIVITIES				
PERA Health Care Trust Fund	\$ 7,818	\$ 2,315	\$ 2,762	\$ 259
City OPEB Plan	21,729	4,572	8,650	173
Total governmental activities	29,547	6,887	11,412	432
BUSINESS-TYPE ACTIVITIES				
PERA Health Care Trust Fund	16,796	3,267	7,098	(225)
City OPEB Plan	943	195	276	27
Utilities OPEB Plan	16,693	1,119	—	401
Total business-type activities	34,432	4,581	7,374	203
TOTAL				
PERA Health Care Trust Fund	24,614	5,582	9,860	34
City OPEB Plan	22,672	4,767	8,926	200
Utilities OPEB Plan	16,693	1,119	—	401
Total	<u>\$ 63,979</u>	<u>\$ 11,468</u>	<u>\$ 18,786</u>	<u>\$ 635</u>

Note: Immaterial differences may occur due to rounding.

1. Colorado PERA Health Care Trust Fund

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

Plan Description: Eligible employees of the City are provided with OPEB through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as

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

https://www.copera.org/files/b5edb9d7a/2021+ACFR_reduced.pdf

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

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

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

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

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

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$3,135,631 for the year ended 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2022 the City reported a liability of \$24,614,443 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The City's proportion of the net OPEB liability was based on its contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the City's proportion was 2.8544%, which was an increase of 0.0934% from its proportion measured as of December 31, 2020.

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. 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, 2022 (a December 31, 2021 measurement date) was 87.8470% and 12.1530% 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 2.2880% 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, 2022 the City recognized OPEB expense of \$34,138.

At December 31, 2022, 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	\$ 36,457	\$ 5,838,404
Net difference between projected and actual earnings on OPEB plan investments	—	1,526,988
Changes of assumptions or other inputs	509,235	1,336,298
Changes in proportion	1,901,548	1,158,502
Contributions subsequent to the measurement date	3,135,631	—
Total	<u>\$ 5,582,871</u>	<u>\$ 9,860,192</u>

The \$3,135,631 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, 2023. 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
2023	\$ (1,600,881)	\$ (390,325)	\$ (192,795)	\$ 42,751	\$ (2,141,250)
2024	(1,632,256)	(564,575)	(192,795)	190,430	(2,199,196)
2025	(1,624,273)	(377,582)	(244,581)	109,845	(2,136,591)
2026	(632,215)	(194,506)	(255,594)	173,325	(908,990)
2027	(266,446)	—	48,526	191,912	(26,008)
Thereafter	(45,876)	—	10,176	34,783	(917)
Total	<u>\$ (5,801,947)</u>	<u>\$ (1,526,988)</u>	<u>\$ (827,063)</u>	<u>\$ 743,046</u>	<u>\$ (7,412,952)</u>

The differences between expected and actual experience, and the City's change in proportion in the plan are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The HCTF determined the average expected remaining service lives for active and inactive members at the beginning of the 2021 measurement period to be 6.18 years. The difference between expected and actual investment experience is amortized over a closed five year period.

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Actuarial Assumptions: The total OPEB liability in the December 31, 2020 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	4.50 in 2021 6.00 in 2022 gradually decreasing to 4.50 in 2029
Medicare Part A premiums	3.75 in 2021 gradually increasing to 4.50 in 2029

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums are assumed for 2021 for the PERA benefit structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	\$ 633	\$ 230	\$ 591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In

addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans (%)	Medicare Part A Premiums (%)
2021	4.50	3.75
2022	6.00	3.75
2023	5.80	4.00
2024	5.60	4.00
2025	5.40	4.00
2026	5.10	4.25
2027	4.90	4.25
2028	4.70	4.25
2029	4.50	4.50
Thereafter	4.50	4.50

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for the LGDTF as shown below, reflect generational mortality and were applied, as applicable in the determination of the total OPEB liability for the HCTF but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits are updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

Asset Class	Target Allocation (%)	30 Year Expected Geometric Real Rate of Return (%)
Global equity	54.00	5.60
Fixed income	23.00	1.30
Private equity	8.50	7.10
Real estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00	

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

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

	1% Decrease	Current Trend Rates (%)	1% Increase
Initial PERACare Medicare trend rate	3.50	4.50	5.50
Ultimate PERACare Medicare trend rate	3.50	4.50	5.50
Initial Medicare Part A trend rate	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	\$ 23,907,405	\$ 24,614,443	\$ 25,433,092

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfer of dollars into the HCTF representing a portion of the purchase services agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.25	7.25	8.25
Proportionate share of the net OPEB liability	\$ 28,586,884	\$ 24,614,443	\$ 21,220,947

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

https://www.copera.org/files/b5edb9d7a/2021+ACFR_reduced.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 75 as the plan is pay-as-you-go.

Plan Description: Uniformed employees who retire from active service with the City and who begin receiving pension benefit payments are eligible to participate in the City’s medical benefits plan as a retiree until the retiree reaches Medicare-eligible age, currently 65. Beginning January 1, 2011, retirees who reach age 65 and are Medicare-eligible are no longer eligible to participate in the City’s medical benefit plans, but have access to the Via Benefits private medical plan exchange. “Grandfathered” retirees who have reached age 65 and are not Medicare-eligible are allowed to stay on the City’s medical plans.

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

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

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

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

Number of retirees receiving benefits	1,886
Number of beneficiaries receiving benefits	22
Number of active employees	2,484

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 uniformed retirees that participate in the medical benefits plan as the retirees are responsible for their full medical plan premium cost.

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

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

- \$11.88 for Mayor and Mayoral Appointees
- \$7.92 for City Department Heads and other City Executives
- \$3.96 for all other City retirees

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

Employer benefit payments recognized from the City were \$1,345,806 for the year ended December 31, 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: As of December 31, 2022, the City reported a liability of \$22,671,789 for total OPEB liability. The total OPEB liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

The City allocates its OPEB plan between governmental activities and business-type activities, except Utilities, Public Authority for Colorado Energy (PACE) and Memorial Health Solutions (MHS) based on benefit payments. This allocation for the year-ended December 31, 2022, (a December 31, 2021 measurement date) was 95.99193% and 4.00807% between governmental activities and business-type activities, respectively. This allocation is an increase from the prior year in the governmental activities of 0.15159% and a corresponding decrease in the business-type activities.

For the year ended December 31, 2022 the City recognized OPEB expense of \$200,363.

At December 31, 2022, 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	\$ 392,812	\$ 7,979,982
Changes of assumptions or other inputs	3,027,575	945,569
Benefit payments subsequent to the measurement date	1,345,806	—
Total	<u>\$ 4,766,193</u>	<u>\$ 8,925,551</u>

The \$1,345,806 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, 2023. 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
2023	\$ (1,419,904)	\$ 371,227	\$ (1,048,677)
2024	(1,419,904)	371,227	(1,048,677)
2025	(1,419,904)	371,227	(1,048,677)
2026	(1,535,333)	568,361	(966,972)
2027	(1,518,342)	319,885	(1,198,457)
Thereafter	(273,783)	80,079	(193,704)
Total	<u>\$ (7,587,170)</u>	<u>\$ 2,082,006</u>	<u>\$ (5,505,164)</u>

The differences between expected and actual experience and changes of assumptions or other inputs are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The average expected remaining service life of active and inactive members at the beginning of the 2021 measurement period was determined to be 7.2 years.

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

Actuarial cost method	Entry age, level % of pay
Wage inflation (civilian)	3.20
Wage inflation (uniform)	3.20
Salary increases, including wage inflation	3.20 - 11.30
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	N/A
Discount rate ¹	2.06

¹Source: 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 based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching ultimate trend rate:

Expense Type	Select (%)	Ultimate (%)
Pre-Medicare medical and prescription benefits	7.0	4.0
Post-Medicare trend rate (Part B)	6.0	4.0
Medicare benefits	6.5	4.0
Stop loss fees	7.5	4.0
Administrative fees	4.0	4.0

Per capita health costs of expected retiree claims were developed using 24 months of historical claim experience through June 2021. The annual age 60 and 70 claim costs for retirees and their spouses are provided in the table below:

Per Capita Cost	Age 60	Age 70
Premier	\$ 15,600	\$ 8,300
Advantage	10,400	5,300
Future retirees	12,400	6,500

Mortality Assumptions: Mortality rates originated from Pub-2010 headcount weighted mortality table with generational scale MP-2020, applied for general and safety personnel.

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

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

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

Primary changes in assumptions since the previous measurement date of December 31, 2020 include:

- The discount rate, which decreased from 2.12% to 2.06% is the only applicable change in the roll forward valuation. The postemployment health plan provisions, census and remainder of assumptions can be found in the actuarial valuation report dated October 15, 2021.

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

	1% Decrease	Current Trend Rate (%)	1% Increase
Health care cost trend rates	6.00 - 3.00	7.00 - 4.00	8.00 - 5.00
Total OPEB liability	\$ 22,250,000	\$ 22,671,789	\$ 23,209,000

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 2.06% 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 2.06%, 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
	1.06	2.06	3.06
Total OPEB liability	\$ 25,303,000	\$ 22,671,789	\$ 20,609,000

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, 2022, with a measurement date of December 31, 2021.

Total OPEB liability (TOL) - beginning of year	\$ 23,093,544
Service cost	157,024
Interest	479,985
Changes in benefit terms	—
Differences between expected and actual experience	—
Changes of assumptions or other inputs	160,796
Benefit payments	(1,219,560)
Net changes to TOL	<u>(421,755)</u>
Total OPEB liability (TOL) - end of year	<u>\$ 22,671,789</u>
Plan fiduciary net position as a percentage of total OPEB liability	— %
Covered employee payroll	\$ 224,978,171
Total OPEB liability as a percentage of covered employee payroll	10.08 %

3. Colorado Springs Utilities OPEB Plan

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

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

As of the most recent actuarial valuation of the plan, 1,212 retired members or beneficiaries and 10 active employees were covered by the benefit terms.

Utilities total OPEB liability as of December 31, 2022 of \$16,693,000 was measured as of December 31, 2021 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, 2021
Actuarial cost method	Entry age
Inflation	3.20%
Salary increases	3.20 - 11.30%
Discount rate	2.06%
Health care cost trend rates	
PERA premiums	6.25%
Medicare Part B	4.00%

Healthy mortality assumptions for active members were based on the Pub-2010 mortality table with generational scale MP-2020.

The retirement, termination and salary scale rates used in the December 31, 2021 valuation were based on the 2020 Colorado PERA Actuarial Experience Study.

Changes in the Total OPEB Liability: Below is a schedule of changes in the total OPEB liability for the Utilities' OPEB plan for year ended December 31, 2022, with a measurement date of December 31, 2021.

Total OPEB liability (TOL) - beginning of year	\$ 17,448,000
Service cost	7,000
Interest	357,000
Changes in benefit terms	—
Differences between expected and actual experience	—
Changes of assumptions or other inputs	100,000
Benefit payments	(1,219,000)
Net changes to TOL	<u>(755,000)</u>
Total OPEB liability (TOL) - end of year	<u>\$ 16,693,000</u>
Fiduciary net position as a percentage of total OPEB liability	— %
Covered employee payroll	\$ 1,219,000
Total OPEB liability as a percentage of covered employee payroll	1,369.40 %

Changes of Assumptions: The discount rate is the only applicable change in the roll forward valuation. The postemployment health plan provisions, census and remainder of assumptions can be found in the Actuarial Valuation report dated October 15, 2021.

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 2.06% 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 2.06%, 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
Total OPEB liability	\$ 18,630,000	\$ 16,693,000	\$ 15,174,000

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

	1% Decrease	Current Trend Rates (%)	1% Increase
Initial PERA premiums trend rate	5.25	6.25	7.25
Ultimate PERA premiums trend rate	3.00	4.00	5.00
Medicare Part B	3.00	4.00	5.00
Total OPEB liability	\$ 16,526,000	\$ 16,693,000	\$ 16,778,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended December 31, 2022, Utilities recognized OPEB expense of \$400,935. At December 31, 2022, Utilities reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Benefit payments subsequent to the measurement date	\$ 1,119,000

The \$1,119,000 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, 2023.

D. Commitments and Contingent Liabilities

1. Construction and Purchase Commitments

Significant construction and purchase commitments of the City, as of December 31, 2022, are as follows (in millions):

General Fund	\$ 17.1
Non-major governmental funds	46.5
Utilities	147.7
Non-major enterprise funds	13.8

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

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

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

In November 2017, City voters approved reestablishment of Stormwater User Service Fees to be imposed upon all developed or improved property within the City. This approval directs that the revenues derived therefrom will be collected by an enterprise fund and used only for the stormwater system capital and operating expenses, performance of MS4 Discharge Permit obligations, and meeting the obligations arising under intergovernmental agreements entered into prior to June 1, 2016, which includes the IGA. The voter authorization also allows the fees to be increased by City Council if necessary to comply with federal law, a court order, or to meet IGA obligations. The fees were imposed beginning July 1, 2018. It was initially anticipated that this revenue stream would be sufficient to fund the IGA financial commitments. In February 2021, City Council voted to increase the fees in July 2021, July 2022 and July 2023 in order to meet the financial obligations of the Stormwater Enterprise imposed by federal or state permits, the IGA obligations and to comply with the federally mandated consent decree dated January 22, 2021.

2. Refunded Bonds

The City placed proceeds from advance refunding bond issues and in-substance defeasances in irrevocable refunding escrow accounts. As of December 31, 2022, the City remains contingently liable for the outstanding principal balance of \$28,455,000 in refunded bonds and debt defeased in-substance.

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. The City's 2022 "excess" is \$4.7 million. The City will either refund through a Colorado Springs Utilities credit or will seek voter approval during 2023 to retain.

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

4. Litigation

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

5. Contingent Liabilities

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grant. Such audits could lead to reimbursements to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. Management believes disallowances, if any, resulting from any such audits would be immaterial.

6. Environmental Matters

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

E. Passenger Facility Charges

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

F. Customer Facility Charges

The Airport has established a Rental Car Company Customer Facility Charge Policy, in accordance with the rental car concession agreements. In 2018, the Airport entered into a new agreement that extends the collection of customer facility charges (CFCs) at the \$2.50 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, 2022 is (in 000's):

Entity	Amount Invested	Undistributed Net Earnings	Utilities' Investment
Young Gas Storage Company Ltd.	\$ 500	\$ 254	\$ 754

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H. Retirement Plans

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

	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
GOVERNMENTAL ACTIVITIES					
PERA	\$ —	\$ (10,021)	\$ 21,643	\$ 86,855	\$ (20,610)
Old Hire Fire	29,015	—	3,077	4,909	226
Old Hire Police	17,809	—	2,120	4,190	(1,880)
New Hire Fire	9,300	—	4,853	19,830	(4,904)
New Hire Police	—	(392)	9,226	43,198	(7,052)
FPPA Statewide	—	(47,949)	28,171	36,431	(5,852)
Total governmental activities	56,124	(58,362)	69,090	195,413	(40,072)
BUSINESS-TYPE ACTIVITIES					
PERA	—	(21,558)	36,735	188,546	(54,384)
Old Hire Fire	—	—	—	—	—
Old Hire Police	—	—	—	—	—
New Hire Fire	—	—	—	—	—
New Hire Police	—	(6)	(89)	617	(434)
FPPA Statewide	—	(120)	70	126	(20)
Total business-type activities	—	(21,684)	36,716	189,289	(54,838)
TOTAL					
PERA	—	(31,579)	58,378	275,401	(74,994)
Old Hire Fire	29,015	—	3,077	4,909	226
Old Hire Police	17,809	—	2,120	4,190	(1,880)
New Hire Fire	9,300	—	4,853	19,830	(4,904)
New Hire Police	—	(398)	9,137	43,815	(7,486)
FPPA Statewide	—	(48,069)	28,241	36,557	(5,872)
Total	\$ 56,124	\$ (80,046)	\$ 105,806	\$ 384,702	\$ (94,910)

Note: Immaterial differences may occur due to rounding.

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1. Non-Uniformed Employees

Defined Benefit Pension Plan

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

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

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

https://www.copera.org/files/b5edb9d7a/2021+ACFR_reduced.pdf

or by writing to:

Colorado PERA
1301 Pennsylvania Street
Denver, Colorado 80203

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

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

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

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

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

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

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

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

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

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713 and 1714.

The City and its eligible employees are required to contribute to the LGDTF at a rate set by Colorado state statutes. The contribution requirements are established under CRS § 24-51-401, et seq and § 24-51-413. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

The employee contribution requirements are summarized in the table below:

	January 1, 2021 Through December 31, 2021 Rate (%) ¹	January 1, 2022 Through June 30, 2022 Rate (%) ¹	July 1, 2022 Through December 31, 2022 Rate (%) ¹
Employee contribution rate	8.50	8.50	9.00

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

The employer contribution requirements are summarized in the table below:

	January 1, 2021 Through December 31, 2021 Rate (%) ¹	January 1, 2022 Through June 30, 2022 Rate (%) ¹	July 1, 2022 Through December 31, 2022 Rate (%) ¹
Employer contribution rate	10.50	10.50	11.00
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f)	(1.02)	(1.02)	(1.02)
Amount apportioned to the LGDTF	9.48	9.48	9.98
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411	2.20	2.20	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS § 24-51-411	1.50	1.50	1.50
Defined Contribution Supplement as specified in CRS § 24-51-415	0.02	0.03	0.03
Total employer contribution rate to the LGDTF	13.20	13.21	13.71

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$41,113,522 for the year ended December 31, 2022.

Net Pension Liability/Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2022, the City reported an asset of \$31,579,357 for its proportionate share of the net pension liability/asset. The net pension liability/asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The City's proportion of the net pension liability/asset was based on the City's contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the City's proportion was 36.8329%, which was an increase of 0.5644% from its proportion measured as of December 31, 2020.

The City and Utilities report contributions to the LGDTF independent of each other; therefore all pension related amounts, including net pension liability/asset, 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, 2022 (a December 31, 2021 measurement date) was 87.8429% and 12.1571% between the governmental activities and business-type activities respectively. This allocation is an increase from the prior year in the governmental activities of 2.2839% 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, 2022 the City's pension expense related to the PERA LGDTF was \$(74,994,037).

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the PERA LGDTF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,543,531	\$ 527,545
Net difference between projected and actual earnings on pension plan investments	—	273,168,540
Changes of assumptions and other inputs	10,705,188	—
Changes in proportion	5,015,782	1,705,065
Contributions subsequent to the measurement date	41,113,522	—
Total	\$ 58,378,023	\$ 275,401,150

The \$41,113,522 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, 2023.

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

Year Ended December 31,	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Investments	Changes of Assumptions or Other Inputs	Net Changes in Proportion	Net Effect of Amortized Deferred Amounts on Pension Expense
2023	\$ 1,117,844	\$ (70,596,506)	\$ 10,705,188	\$ 2,689,428	\$ (56,084,046)
2024	(101,858)	(103,514,543)	—	621,289	(102,995,112)
2025	—	(65,909,422)	—	—	(65,909,422)
2026	—	(33,148,069)	—	—	(33,148,069)
Total	\$ 1,015,986	\$ (273,168,540)	\$ 10,705,188	\$ 3,310,717	\$ (258,136,649)

The differences between expected and actual experience, changes of assumptions as well as the City's change in their proportion are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The LGDTF determined the average expected remaining service lives for active and inactive members at the beginning of the 2021 measurement period to be 2.24 years. The difference between expected and actual investment experience is amortized over a closed five-year period.

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Actuarial Assumptions: The total pension liability in the December 31, 2020 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 hire prior to 1/1/07 ¹	1.00 compounded annually thereafter
PERA benefit structure hired after 12/31/06 ¹	Financed by the Annual Increase Reserve (AIR)

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

The total pension liability as of December 31, 2021 includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

Asset Class	Target Allocation (%)	30 Year Expected Geometric Real Rate of Return (%)
Global equity	54.00	5.60
Fixed income	23.00	1.30
Private equity	8.50	7.10
Real estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00	

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

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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 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the City's Proportionate Share of Net Pension Liability/Asset to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability/asset calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.25	7.25	8.25
City's proportionate share of net pension liability/(asset)	\$ 216,527,030	\$ (31,579,357)	\$ (239,109,653)

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

https://www.copera.org/files/b5edb9d7a/2021+ACFR_reduced.pdf

Defined Contribution Plans

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

PERA 401(k) Plan Description: The LGDTF members of the City may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Contributions are separate from others made to PERA. Title 24, Article 51, Part 14, of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the PERA Board of Trustees. PERA issues a publicly available annual comprehensive financial report which includes additional information on the Voluntary Investment Program, which can be obtained at www.copera.org/investments/pera-financial-reports.

PERA 401(k) Funding Policy: The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$20,500 annually for 2022 calendar year). There is a catch-up provision that allows participants 50 and older who are contributing the maximum to contribute an additional \$6,500 annually to their accounts. The City does not contribute to the PERA 401(k) plan.

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

Mission Square Retirement 457 Funding Policy: The Mission Square Retirement 457 plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$20,500 annually for 2022 calendar year). In addition, employees are eligible to contribute an additional \$6,500 annually if they are age 50 or older. There is an additional "pre-retirement" catch-up provision that allows employees to double their 457 contributions by funding an additional \$20,500 if they are within three years of retirement. The City does not contribute to the Mission Square Retirement 457 plan.

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

Mission Square Retirement 401(a) Funding Policy: The City contributes to the Mission Square Retirement 401(a) at a rate of 10.0% of covered salary. The City’s contribution to the Mission Square Retirement 401(a) for the year ending December 31, 2022 was \$11,334.

PERA Defined Contribution (PERA DC) Plan Description: Certain City employees hired after December 31, 2018 can elect to participate in Colorado PERA's defined contribution plan in lieu of participating in the defined benefit plan. The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the CRS, as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. Per Title 24, Article 51 of CRS, as amended, employees have 60 calendar days from their date of hire to make a choice between the defined benefit plan and the defined contribution plan. If they do not make an active choice in the 60 days, they automatically are enrolled in the PERA defined benefit plan. Additionally, effective January 1, 2019, employees will have a one-time option of switching between the PERA defined benefit and the defined contribution plans between years two and five of participation in PERA.

PERA Defined Contribution Funding Policy: All participating employees in the PERA DC Plan and the 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, 2021 Through December 31, 2021 Rate (%)	January 1, 2022 Through June 30, 2022 Rate (%)	July 1, 2022 Through December 31, 2022 Rate (%)
Employee contribution rates	8.50	8.50	9.00
Employer contribution rates (on behalf of participating employees)	10.00	10.00	10.00

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

	January 1, 2021 Through December 31, 2021 Rate (%) ¹	January 1, 2022 Through June 30, 2022 Rate (%) ¹	July 1, 2022 Through December 31, 2022 Rate (%) ¹
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411	2.20	2.20	2.20
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS § 24-51-411	1.50	1.50	1.50
Automatic Adjustment Provision (AAP) as specified in CRS § 24-51-413	0.50	0.50	1.00
Defined Contribution Supplement as specified in CRS § 24-51-415	0.02	0.03	0.03
Total employer contribution rate to the LGDTF	4.22	4.23	4.73

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

Contribution requirements are established under Title 24, Article 51, Section 1505 of the CRS, as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the CRS. As a result, forfeitures do not reduce pension expense. The City's contribution to the PERA DC Plan for the year ending December 31, 2022 was \$77,340.

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2. Uniformed Employees

Defined Benefit Plans

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

<https://www.fppaco.org/PDF/annual-reports/2021-Annual-Report-FPPA.pdf>

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

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

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

Discount Rate: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2021 are presented on the following page.

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

Asset Class	Target Allocation (%)	Long-term Expected Nominal Rate of Return (%)
Global equity	17.00	7.80
Equity long/short	6.00	6.90
Private capital	28.00	10.50
Fixed income rates	32.00	2.30
Fixed income credit	6.00	3.50
Absolute return	6.00	5.60
Cash	5.00	0.10
Total	<u>100.00</u>	

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

Asset Class	Target Allocation (%)	Long-term Expected Rate of Return (%) ¹
Global equity	39.00	8.23
Equity long/short	8.00	6.87
Private capital	26.00	10.63
Fixed income rates	10.00	4.01
Fixed income credit	5.00	5.25
Absolute return	10.00	5.60
Cash	2.00	2.32
Total	<u>100.00</u>	

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

The discount rate used to measure the total pension liability for the New Hire and Statewide plans was 7.00%, while the discount rate used for the Old Hire plans was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made based on actuarially determined rates based on the Board's funding policy. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all the projected future payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

<https://www.fppaco.org/PDF/annual-reports/2021-Annual-Report-FPPA.pdf>

Old Hire Defined Benefit Pension Plans

Plan Description: The Old Hire Pension Plans, defined benefit pension plans, are part of the Public Employee Retirement System administered by the Fire and Police Pension Association of Colorado (FPPA). There are 214 local plans associated with the FPPA Affiliated Local Plans. The Affiliated Local Plans at FPPA represent the assets of numerous separate plans that have elected to affiliate with FPPA for plan administration and investment only. Each plan has a separate plan document and actuarial valuation and is governed by its own local pension board which has the authority to amend the plan benefits, such as cost of living increases. Funding for the Old Hire Pension Plans is the sole obligation of the City.

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

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

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

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

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

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

Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the December 31, 2019 valuations. The assumptions changes are incorporated into the total pension liability as of December 31, 2021.

The complete assumption set can be found in the actuarial valuation report as of December 31, 2021.

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 December 31, 2021 are as follows:

Retirees and beneficiaries 163

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

Contributions to the plan are based on biennially completed actuarial valuations of the plan. The contributions for year ended December 31, 2022 were based on the actuarial valuation as of January 1, 2020. The annual required contribution is the sum of the normal cost of the plan and the amortization of the unfunded actuarially determined liability. Employer contributions recognized by the Old Hire Fire Pension Plan from the City were \$3,076,512 for the year ended December 31, 2022.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2022, the City reported a liability of \$29,015,417 for the Old Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

For the year ended December 31, 2022, the City's pension expense related to the Old Hire Fire Pension Plan was \$226,136.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Fire Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ —	\$ 4,909,275
Contributions subsequent to the measurement date	3,076,512	—
Total	<u>\$ 3,076,512</u>	<u>\$ 4,909,275</u>

The \$3,076,512 reported as deferred outflows of resources related to pensions, resulting from contributions made subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Difference Between Projected and Actual Earnings on Investments</u>	<u>Net Effect of Amortized Deferred Amounts on Pension Expense</u>
2023	\$ (928,890)	\$ (928,890)
2024	(1,981,566)	(1,981,566)
2025	(1,251,577)	(1,251,577)
2026	(747,242)	(747,242)
Total	<u>\$ (4,909,275)</u>	<u>\$ (4,909,275)</u>

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

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

	1% Decrease	Current Discount Rate (%)	1% Increase
	5.50	6.50	7.50
City's net pension liability	\$ 37,684,897	\$ 29,015,417	\$ 21,473,562

Below is a schedule of changes in the net pension liability for the Old Hire Fire Pension Plan for year ended December 31, 2022, with a measurement date of December 31, 2021:

Total pension liability (TPL) - beginning of year	\$ 104,712,193
Service cost	—
Interest on the TPL	6,524,317
Benefit changes	—
Differences between expected and actual experience of the TPL	24,748
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(8,814,946)
Net change in TPL	(2,265,881)
Total pension liability - end of year	102,446,312
Plan fiduciary net position (FNP) - beginning of year	71,040,765
Employer contributions	3,076,512
Employee contributions	—
Net investment income	8,168,995
Benefit payments, including refunds of employee contributions	(8,814,946)
Pension plan administrative expense	(40,431)
Net change in FNP	2,390,130
Plan fiduciary net position - end of year	73,430,895
Net pension liability	<u>\$ 29,015,417</u>
Plan fiduciary net position as a percentage of the total pension liability	71.68 %
Covered payroll	\$ —
Net pension liability as a percentage of covered payroll	N/A

Old Hire Police Defined Benefit Pension Plan

The benefit recipients and members of the Old Hire Police Pension Plan as of December 31, 2021 are as follows:

Retirees and beneficiaries 130

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

Contributions to the plan are based on biennially completed actuarial valuations of the plan. The contributions for year ended December 31, 2022 were based on the actuarial valuation as of January 1, 2020. 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, 2022.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2022, the City reported a liability of \$17,809,266 for the Old Hire Police Pension Plan net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

For the year ended December 31, 2022, the City’s pension expense related to the Old Hire Police Pension Plan was \$(1,879,882).

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ —	\$ 4,190,035
Contributions subsequent to the measurement date	2,120,342	—
Total	\$ 2,120,342	\$ 4,190,035

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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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Difference Between Projected and Actual Earnings on Investments	Net Effect of Amortized Deferred Amounts on Pension Expense
2023	\$ (795,957)	\$ (795,957)
2024	(1,687,070)	(1,687,070)
2025	(1,070,715)	(1,070,715)
2026	(636,293)	(636,293)
Total	<u>\$ (4,190,035)</u>	<u>\$ (4,190,035)</u>

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

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

	1% Decrease	Current Discount Rate (%)	1% Increase
	5.50	6.50	7.50
City's net pension liability	\$ 24,929,882	\$ 17,809,266	\$ 11,649,188

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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, 2022, with a measurement date of December 31, 2021:

Total pension liability (TPL) - beginning of year	\$ 84,328,821
Service cost	—
Interest on the TPL	5,261,647
Benefit changes	—
Differences between expected and actual experience of the TPL	(1,720,424)
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(6,868,937)
Net change in TPL	<u>(3,327,714)</u>
Total pension liability - end of year	81,001,107
Plan fiduciary net position (FNP) - beginning of year	60,979,935
Employer contributions	2,120,342
Employee contributions	—
Net investment income	6,992,242
Benefit payments, including refunds of employee contributions	(6,868,937)
Pension plan administrative expense	(31,741)
Net change in FNP	<u>2,211,906</u>
Plan fiduciary net position - end of year	63,191,841
Net pension liability	<u><u>\$ 17,809,266</u></u>
Plan fiduciary net position as a percentage of the total pension liability	78.01 %
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 the Fire and Police Pension Association of Colorado (FPPA). Effective October 1, 2006, the New Hire Pension Plans were incorporated into the Defined Benefit System by the FPPA Board pursuant to provisions of CRS 31-31-706(2)(a). Assets of the New Hire Pension Plans are held in trust with the FPPA Board acting as trustee. As trustee, FPPA collects, invests, administers and disburses monies related to the Defined Benefit Pension Plan.

The New Hire Pension Plans are for sworn fire and police employees hired after April 8, 1978 but before October 1, 2006. These plans are closed to new employees. Any amendments to the benefit-related provisions of the New Hire Pension Plans may be made by the FPPA Board, with the consent of the City, only upon approval of at least 65% of the then active members in the plan. In 2007 and 2011, members in the New Hire Pension Plans were allowed to make a one-time irrevocable election to switch from the New Hire Pension Plans to the Statewide Defined Benefit Pension Plan effective January 1, 2008 and January 1, 2012, respectively.

New Hire Pension Plan - Fire Component

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

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

Upon termination, a member may elect to have all contributions, along with 5% per annum, as interest, returned as a lump sum distribution. Alternatively, a member with at least 10 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's final average salary (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 December 31, 2021 are as follows:

Retirees and beneficiaries	185
Inactive, non-retired members	8
Active members	78

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 2022, the City’s employer contribution rate was set at 26%. Employer contributions recognized by the New Hire Fire Pension Plan from the City were \$4,850,694 for the year ended December 31, 2022.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2022, the City reported a liability of \$9,300,223 for the New Hire Fire Pension Plan net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

For the year ended December 31, 2022, the City’s pension expense related to the New Hire Fire Pension Plan was \$(4,903,529).

At December 31, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the New Hire Fire Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,374	\$ 1,663,551
Net difference between projected and actual earnings on pension plan investments	—	18,166,714
Contributions subsequent to the measurement date	4,850,694	—
Total	<u>\$ 4,853,068</u>	<u>\$ 19,830,265</u>

The \$4,850,694 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, 2023.

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

Year Ended December 31,	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Investments	Net Effect of Amortized Deferred Amounts on Pension Expense
2023	\$ (1,661,177)	\$ (4,547,096)	\$ (6,208,273)
2024	—	(6,504,794)	(6,504,794)
2025	—	(4,475,294)	(4,475,294)
2026	—	(2,639,530)	(2,639,530)
Total	<u>\$ (1,661,177)</u>	<u>\$ (18,166,714)</u>	<u>\$ (19,827,891)</u>

The differences between expected and actual experience as well as changes of assumptions are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. FPPA determined the average expected remaining service lives for active and inactive members at the beginning of the 2021 measurement period to be 1.7495 years. The difference between expected and actual investment experience is amortized over a closed five-year period.

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

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.25 - 11.25
Cost of living	2.50
Long-term investment rate of return, net pension plan investment expenses, including price inflation	7.00

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to the 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 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/Asset to Changes in the Discount Rate: The following presents the City’s net pension liability/asset calculated using the discount rate of 7.00%, as well as what the City’s net pension liability/asset 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)	\$ 35,358,382	\$ 9,300,223	\$ (12,185,381)

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Below is a schedule of changes in the net pension liability for the New Hire Fire Pension Plan for year ended December 31, 2022, with a measurement date of December 31, 2021:

Total pension liability (TPL) - beginning of year	\$ 198,111,391
Service cost	1,954,328
Interest on the TPL	13,605,790
Benefit changes	—
Differences between expected and actual experience of the TPL	(3,883,098)
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(9,440,259)
Net change in TPL	<u>2,236,761</u>
Total pension liability - end of year	200,348,152
Plan fiduciary net position (FNP) - beginning of year	169,623,376
Employer contributions	5,101,472
Employee contributions	896,954
Net investment income	24,947,971
Benefit payments, including refunds of employee contributions	(9,440,259)
Pension plan administrative expense	(81,585)
Net change in FNP	<u>21,424,553</u>
Plan fiduciary net position - end of year	191,047,929
Net pension liability	<u><u>\$ 9,300,223</u></u>
Plan fiduciary net position as a percentage of the total pension liability	95.36 %
Covered payroll	\$ 8,969,538
Net pension liability as a percentage of covered payroll	103.69 %

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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 benefits payment commence, whichever is earlier. The COLA increase reflects increases in the consumer price index but in no case can the increase be more than 3% for any one year.

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

The benefit recipients and members of the New Hire Police Pension Plan as of December 31, 2021 are as follows:

Retirees and beneficiaries	380
Inactive, non-retired members	21
Active members	199

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 2022, the City's employer contribution rate was set at 26%. Employer contributions recognized by the New Hire Police Pension Plan from the City were \$9,137,018 for the year ended December 31, 2022.

The Plan is allocated between the governmental activities and the business-type activities based on contributions. The allocation for the year ended December 31, 2022 (a December 31, 2021 measurement date) was 98.6763% and 1.3237% between the governmental activities and the business-type activities respectively. This is an increase from the prior year in the governmental activities of 0.0838% and a corresponding decrease in the business-type activities.

Net Pension Liability/Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2022, the City reported an asset of \$397,366 for the New Hire Police Pension Plan net pension liability/asset. The net pension liability/asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of December 31, 2021.

For the year ended December 31, 2022, the City's pension expense related to the New Hire Police Pension Plan was \$(7,486,464).

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the New Hire Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 2,111,744
Changes of assumptions or other inputs	—	—
Net difference between projected and actual earnings on pension plan investments	—	41,702,587
Contributions subsequent to the measurement date	9,137,018	—
Total	<u>\$ 9,137,018</u>	<u>\$ 43,814,331</u>

The \$9,137,018 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/asset in the year ended December 31, 2023.

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

Year Ended December 31,	Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Investments	Net Effect of Amortized Deferred Amounts on Pension Expense
2023	\$ (2,111,744)	\$ (10,484,270)	\$ (12,596,014)
2024	—	(14,874,106)	(14,874,106)
2025	—	(10,292,535)	(10,292,535)
2026	—	(6,051,676)	(6,051,676)
Total	<u>\$ (2,111,744)</u>	<u>\$ (41,702,587)</u>	<u>\$ (43,814,331)</u>

The differences between expected and actual experience as well as changes of assumptions are amortized over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. FPPA determined the average expected remaining service lives for active and inactive members at the beginning of the 2021 measurement period to be 1.7284 years. The difference between projected and actual investment experience is amortized over a closed five-year period.

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

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.25 - 11.25
Cost of living	2.50
Long-term investments rate of return, net pension plan investment expenses, including price inflation	7.00

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to the 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 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/Asset to Changes in the Discount Rate: The following presents net pension liability/asset calculated using the discount rate of 7.00%, as well as what the City’s net pension liability/asset 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)	\$ 61,265,263	\$ (397,366)	\$ (50,631,254)

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Below is a schedule of changes in the net pension liability/asset for the New Hire Police Pension Plan for year ended December 31, 2022, with a measurement date of December 31, 2021:

Total pension liability (TPL) - beginning of year	\$ 426,548,638
Service cost	5,317,591
Interest on the TPL	29,434,842
Benefit changes	—
Differences between expected and actual experience of the TPL	(4,362,819)
Changes of assumptions or other inputs	—
Benefit payments, including refunds of employee contributions	(17,419,389)
Net change in TPL	12,970,225
Total pension liability - end of year	439,518,863
Plan fiduciary net position (FNP) - beginning of year	387,912,905
Employer contributions	10,511,399
Employee contributions	1,837,829
Net investment income	57,229,368
Benefit payments, including refunds of employee contributions	(17,419,389)
Pension plan administrative expense	(155,883)
Net change in FNP	52,003,324
Plan fiduciary net position - end of year	439,916,229
Net pension liability/(asset)	\$ (397,366)
Plan fiduciary net position as a percentage of the total pension liability	100.09 %
Covered payroll	\$ 21,134,307
Net pension liability/(asset) as a percentage of covered payroll	(1.88)%

Statewide Defined Benefit Pension Plan

Plan Description: The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan covering a substantial number of full-time employees of participating fire or police departments in the State of Colorado hired after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Statewide Pension Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Statewide Pension Plan became effective January 1, 1980 and currently has 244 participating employer fire and police departments. Effective January 1, 1988, employers cannot withdraw from the plan per Colorado state statutes.

The Statewide Pension Plan is for City sworn fire and police employees hired after October 1, 2006. This plan is open to new employees. Any amendments to the benefit-related provisions of the Statewide Pension Plan may be made by the FPPA Board, only upon approval of at least 65% of the then active members in the plan with the exception of retirement age. Colorado state

statutes were amended to allow the FPPA Board to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should be no less than age 55 and no greater than age 60.

Members in the Statewide Pension Plan may be eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80). The annual normal pension equals 2% of the member's highest three years' base salary year of credited service up to ten years, plus 2.5% for each year of service thereafter. A member is eligible for an early retirement benefit after completion of 30 years of service and attainment of age 50. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

Cost-of-living adjustments begin in October annually. The COLA increase reflects increases in the consumer price index but in no case can the increase be more than 3% for any one year.

Upon termination, a member may elect to have all contributions, along with 5% per annum, as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's highest three years' base salary for each full year of credited service up to ten years plus 2.5% for each full year thereafter.

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members within the Plan as determined by the actuarial study. The contribution rates for this plan are set by state statute. Employer contribution rates can only be changed by amending state statute. Member contribution rates can be amended by state statute or by election of the membership. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase by 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions increase 5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at a rate of 11.5% and 8.5% respectively, of pensionable earnings for a total contribution rate of 20%. Employer contributions recognized by the Statewide Pension Plan from the City were \$7,301,723 for the year ended December 31, 2022.

Net Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2022, the City reported an asset of \$48,069,241 as its proportionate share of the Statewide Pension Plan net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The City's proportion of the net pension asset was based on the City's contributions in relation to all participating employers in the plan.

At December 31, 2021, the City's proportion was 8.8699%, which was an increase of 0.2143% from its proportion measured as of December 31, 2020. The City allocates its portion of the Statewide Pension Plan between governmental activities and business-type activities, based on contributions. This allocation for the year-ended December 31, 2022 (a December 31,

2021 measurement date) was 99.7504% and 0.2496% between the governmental activities and business-type activities respectively. This allocation is a decrease from the prior year in the governmental activities of 0.0618% and a corresponding increase in the business-type activities.

For the year ended December 31, 2022, the City's pension expense related to the Statewide Pension Plan was \$(5,872,024).

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Statewide Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,764,762	\$ 1,121,110
Changes of assumptions or other inputs	6,855,017	—
Net difference between projected and actual earnings on pension plan investments	—	32,170,645
Changes in proportion	319,620	3,264,708
Contributions subsequent to the measurement date	7,301,723	—
Total	\$ 28,241,122	\$ 36,556,463

The \$7,301,723 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/asset in the year ended December 31, 2023. 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
2023	\$ 1,403,680	\$ 761,034	\$ (8,042,661)	\$ (466,623)	\$ (6,344,570)
2024	1,403,680	761,034	(8,042,661)	(466,623)	(6,344,570)
2025	1,403,680	761,034	(8,042,661)	(440,519)	(6,318,466)
2026	1,403,680	761,034	(8,042,662)	(392,234)	(6,270,182)
2027	1,403,680	761,034	—	(364,380)	1,800,334
Thereafter	5,625,252	3,049,847	—	(814,709)	7,860,390
Total	\$ 12,643,652	\$ 6,855,017	\$ (32,170,645)	\$ (2,945,088)	\$ (15,617,064)

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 2021 measurement period to be 9.0075 years. The difference between projected and actual investment experience is amortized over a closed five-year period.

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

	Rate (%)
Wage inflation	2.50
Salary increase, including wage inflation	4.25 - 11.25
Cost of living	0.00
Long-term investment rate of return, net pension plan investment expenses, including price inflation	7.00

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to the 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 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/Asset to Changes in the Discount Rate: The following presents the City’s proportionate share net pension liability/asset calculated using the discount rate of 7.00%, as well as what the City’s proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Discount Rate (%)	1% Increase
	6.00	7.00	8.00
City’s proportionate share of net pension liability/(asset)	\$ (6,629,047)	\$ (48,069,241)	\$ (82,400,133)

Defined Contribution Plan

Statewide Money Purchase Plan Description: Per Senate Bill 15-028, Fire and Police Chiefs are allowed to opt out of participation in the defined benefit plans into an alternative pension plan. The alternative pension plan must be the FPPA Statewide Hybrid Plan, the Statewide Money Purchase Plan or a locally administered money purchase plan. The Statewide Money Purchase Plan is a qualified defined contribution plan under section 401(a) of the IRS code of 1986.

Statewide Money Purchase Plan Funding Policy: The employee and employer contributions rates are set at a minimum of 8%, or such higher rate as approved locally. The City chose to set the rates, at plan inception, for both employee and employer. Each contribute at a rate of 10% each. The City contributions to the FPPA Statewide Money Purchase Plan for the year ending December 31, 2022 were \$4,065.

457 Plan Description: Per authority of a City Council resolution, uniformed members of the City may also voluntarily contribute to a Mission Square Retirement, a FPPA 457 Plan, or a FPPA Roth 457 Plan, each an Internal Revenue Code of 1986 section 457. The Mission Square Retirement plan is administered by Mission Square Retirement and the Vantage Trust Company and the FPPA plan is administered by the FPPA and Fidelity Investments.

457 Funding Policy: The Mission Square Retirement and FPPA 457 plans are funded by voluntary member contributions of up to a maximum limit set by the IRS (\$20,500 annually for 2022 calendar year). In addition, employees are eligible to contribute an additional \$6,500 annually if they are age 50 or older. There is an additional “pre-retirement” catch-up provision that allows employees to double their 457 contributions by funding an additional \$20,500 if they are within three years of retirement. The City does not contribute to the Mission Square Retirement or FPPA 457 plans.

I. Accounting Changes

GASB Statement No. 87, *Leases* (GASB 87), was implemented by the City during 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and a right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the City's leasing activities. The adoption of GASB 87 had no effect on beginning net position or fund balance as of January 1, 2022. Additional disclosure information can be found in Notes I.D.9 and III.H of the notes to financial statements.

J. Subsequent Events

On November 8, 2022, City Council approved changes to the natural gas, electric, water and wastewater rate schedules and changes to regulations and transmission tariff effective January 1, 2023. Certain other changes to electric rate schedules were approved for effective dates of June 1 and October 1, 2023. On February 28, 2023 City Council approved changes to the electric cost adjustment and gas cost adjustment rates effective March 1, 2023.

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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

	2022	2021	2020
Proportionate share of total pension liability	\$2,120,978,802	\$2,073,021,396	\$1,928,523,285
Proportionate share of fiduciary net position	(2,152,558,159)	(1,884,016,250)	(1,663,608,112)
Proportionate share of net pension liability/(asset)	<u>\$ (31,579,357)</u>	<u>\$ 189,005,146</u>	<u>\$ 264,915,173</u>
Fiduciary net position as a percentage of total pension liability	101.49 %	90.88 %	86.26 %
Covered payroll	\$ 275,496,362	\$ 266,314,402	\$ 249,094,029
Net pension liability/(asset) as a percentage of covered payroll	(11.46)%	70.97 %	106.35 %
Proportion of net pension liability/(asset)	36.8329 %	36.2685 %	36.2208 %

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

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

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

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

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 16
(PAGE 2 OF 3)

Colorado PERA Local Government Division Trust Fund

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2022	\$ 41,113,522	\$ 41,113,522	\$ —	\$292,258,661	14.07
2021	36,484,054	36,484,054	—	275,496,362	13.24
2020	33,908,959	33,908,959	—	266,314,402	12.73
2019	32,516,796	32,516,796	—	249,094,029	13.05
2018	30,705,118	30,705,118	—	236,427,277	12.99
2017	28,775,859	28,775,859	—	225,147,540	12.78
2016	27,723,419	27,723,419	—	216,649,184	12.80
2015	26,548,367	26,548,367	—	208,704,241	12.72

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

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Colorado PERA Local Government Division Trust Fund

Changes of assumptions -

- 2022 - Member as well as employer contribution rates increased by 0.50%. Additionally, annual increase cap was lowered from 1.25% per year to 1.00% per year.
- 2021 - The price inflation assumption was lowered from 2.40% to 2.30%. The wage inflation assumption was lowered from 3.50% to 3.00%. The salary scale assumptions were altered to align with the revised economic assumptions and to better reflect actual experience. The 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.
- 2020 - 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.
- 2019 - The following major changes were made to plan provisions as part of SB 18-200: Member contribution rates increased by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020 and an additional 0.50% effective July 14, 2021. (See subsequent event regarding HB 19-1217 for more information.)
- 2017 - The investment return assumption was lowered from 7.50% to 7.25%. The price inflation assumption was lowered from 2.80% to 2.40%. The wage inflation assumption was lowered from 3.90% to 3.50%. The post-retirement mortality assumption for healthy lives was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of 73.0% factor applied to ages below 80 and a 108.0% factor applied to age 80 and above, projected to 2018, for males and a 78.0% factor applied to ages below 80 and a 109.0% factor applied to age 80 and above, projected to 2020, for females. For disabled retirees, the mortality assumption was changed to reflect 90.0% of RP-2014 Disabled Retiree Mortality Table. The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriated margin of improved mortality prospectively, the mortality rates 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.

Changes in benefits -

- 2019 - The following major changes were made to plan provisions as part of SB 18-200: The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increased from three to five years for the Local Government Division. Annual increase (AI) cap was lowered from 2.00% per year to 1.50% per year. Initial AI waiting period was extended from one year after retirement to three years after retirement.

Subsequent event -

- 2020 - Subsequent to December 31, 2019, as a result of the COVID-19 pandemic, the global economic outlook changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA's investment portfolio, as well the short-medium term impact on the Trust Fund's membership and demographics, remains uncertain.
- 2019 - During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law on May 20, 2019, and eliminated the 2.00% increase in the contribution rate required by SB 18-200 for members in the LGDTF. The impact of this change was reflected in the subsequent fiscal year, for the measurement date December 31, 2019.

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

Old Hire Fire Defined Benefit Pension Plan

	2022	2021	2020
Total Pension Liability (TPL) - January 1	\$ 104,712,193	\$ 107,110,925	\$ 94,066,095
Service cost	—	—	—
Interest on the TPL	6,524,317	6,672,051	6,731,045
Benefit changes	—	—	—
Difference between expected and actual experience of the TPL	24,748	—	7,956,514
Changes of assumptions or other inputs	—	—	7,153,963
Benefit payments, including refunds of employee contributions	(8,814,946)	(9,070,783)	(8,796,692)
Net change in TPL	(2,265,881)	(2,398,732)	13,044,830
Total Pension Liability - December 31	102,446,312	104,712,193	107,110,925
Plan Fiduciary Net Position (FNP) - January 1	71,040,765	70,910,402	68,842,799
Employer contributions	3,076,512	2,328,416	2,328,416
Employee contributions	—	—	—
Net investment income	8,168,995	6,913,872	8,573,590
Benefit payments, including refunds of employee contributions	(8,814,946)	(9,070,783)	(8,796,692)
Pension plan administrative expense	(40,431)	(41,142)	(37,711)
Net change in FNP	2,390,130	130,363	2,067,603
Plan Fiduciary Net Position - December 31	73,430,895	71,040,765	70,910,402
Net pension liability	\$ 29,015,417	\$ 33,671,428	\$ 36,200,523
Fiduciary net position as a percentage of total pension liability	71.68 %	67.84 %	66.20 %
Covered payroll	\$ —	\$ —	\$ —
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A

Notes to the Required Supplementary Information

Changes in benefits	None
Changes of assumptions	<p>2020 - 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.</p> <p>2017 - 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.</p> <p>2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.</p>

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 1 OF 4)

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

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

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 2 OF 4)

Old Hire Fire Defined Benefit Pension Plan

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2022	\$ 3,076,512	\$ 3,076,512	\$ —	\$ —	N/A
2021	3,076,512	3,076,512	—	—	N/A
2020	2,328,416	2,328,416	—	—	N/A
2019	2,328,416	2,328,416	—	—	N/A
2018	2,286,697	2,286,697	—	—	N/A
2017	2,286,697	2,286,697	—	—	N/A
2016	1,639,319	1,639,319	—	—	N/A
2015	1,639,319	1,639,319	—	—	N/A

Notes to the Required Supplementary Information

Valuation date: January 1, 2020

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	N/A
Remaining amortization period	N/A
Inflation	2.50%
Salary increase	N/A
Investment rate of return	6.50%
Asset valuation method	5-year smoothed fair value
Retirement age	50 years of age
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. Disabled (pre-1890): Post-retirement rates set forward three years.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 68.



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

Old Hire Police Defined Benefit Pension Plan

	2022	2021	2020
Total Pension Liability (TPL) - January 1	\$ 84,328,821	\$ 86,010,185	\$ 79,060,305
Service cost	—	—	—
Interest on the TPL	5,261,647	5,365,252	5,670,286
Benefit changes	—	—	—
Difference between expected and actual experience of the TPL	(1,720,424)	—	2,284,694
Changes of assumptions or other inputs	—	—	6,035,154
Benefit payments, including refunds of employee contributions	(6,868,937)	(7,046,616)	(7,040,254)
Net change in TPL	(3,327,714)	(1,681,364)	6,949,880
Total Pension Liability - December 31	81,001,107	84,328,821	86,010,185
Plan Fiduciary Net Position (FNP) - January 1	60,979,935	60,285,047	58,247,082
Employer contributions	2,120,342	1,850,964	1,850,964
Employee contributions	—	—	—
Net investment income	6,992,242	5,923,388	7,258,087
Benefit payments, including refunds of employee contributions	(6,868,937)	(7,046,616)	(7,040,254)
Pension plan administrative expense	(31,741)	(32,848)	(30,832)
Net change in FNP	2,211,906	694,888	2,037,965
Plan Fiduciary Net Position - December 31	63,191,841	60,979,935	60,285,047
Net pension liability	\$ 17,809,266	\$ 23,348,886	\$ 25,725,138
Fiduciary net position as a percentage of total pension liability	78.01 %	72.31 %	70.09 %
Covered payroll	\$ —	\$ —	\$ —
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A

Notes to the Required Supplementary Information

Changes in benefits	None
Changes of assumptions	<p>2020 - 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.</p> <p>2017 - Real return increased from 4.50% to 5.00%. Post-retirement mortality table updated to RP-2014 from RP-2000. Administrative expenses paid in the prior two fiscal years are included in the calculated annual contribution.</p> <p>2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.</p>

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 68.

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 17
(PAGE 3 OF 4)

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

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

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

Old Hire Police Defined Benefit Pension Plan

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2022	\$ 2,120,342	\$ 2,120,342	\$ —	\$ —	N/A
2021	2,120,342	2,120,342	—	—	N/A
2020	1,850,964	1,850,964	—	—	N/A
2019	1,850,964	1,850,964	—	—	N/A
2018	1,836,343	1,836,343	—	—	N/A
2017	1,833,691	1,833,691	—	—	N/A
2016	1,466,935	1,466,935	—	—	N/A
2015	1,466,935	1,466,935	—	—	N/A

Notes to the Required Supplementary Information

Valuation date: January 1, 2020

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	N/A
Remaining amortization period	N/A
Inflation	2.50%
Salary increase	N/A
Investment rate of return	6.50%
Asset valuation method	5-year smoothed fair value
Retirement age	50 years of age
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. Disabled (pre-1980): Post-retirement rates set forward three years.

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

New Hire Pension Plan - Fire Component

	2022	2021	2020
Total Pension Liability (TPL) - January 1	\$ 198,111,391	\$ 191,759,280	\$ 182,354,848
Service cost	1,954,328	1,966,951	1,902,086
Interest on the TPL	13,605,790	13,173,456	12,524,201
Benefit changes	—	—	—
Difference between expected and actual experience of the TPL	(3,883,098)	312,764	3,755,612
Changes of assumptions or other inputs	—	—	—
Benefit payments, including refunds of employee contributions	(9,440,259)	(9,101,060)	(8,777,467)
Net change in TPL	2,236,761	6,352,111	9,404,432
Total Pension Liability - December 31	200,348,152	198,111,391	191,759,280
Plan Fiduciary Net Position (FNP) - January 1	169,623,376	154,007,661	138,638,938
Employer contributions	5,101,472	4,000,147	3,583,394
Employee contributions	896,954	976,570	936,275
Net investment income	24,947,971	19,812,461	19,700,611
Benefit payments, including refunds of employee contributions	(9,440,259)	(9,101,060)	(8,777,467)
Pension plan administrative expense	(81,585)	(72,403)	(74,090)
Other	—	—	—
Net change in FNP	21,424,553	15,615,715	15,368,723
Plan Fiduciary Net Position - December 31	191,047,929	169,623,376	154,007,661
Net pension liability	\$ 9,300,223	\$ 28,488,015	\$ 37,751,619
Fiduciary net position as a percentage of total pension liability	95.36 %	85.62 %	80.31 %
Covered payroll	\$ 8,969,538	\$ 9,765,687	\$ 9,362,740
Net pension liability as a percentage of covered payroll	103.69 %	291.72 %	403.21 %

Notes to the Required Supplementary Information

Changes in benefits	None
Changes of assumptions	<p>2019 - Investment rate of return changed from 7.50% to 7.00%. 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality</p> <p>2017 - Real return increased from 4.50% to 5.00%. Post-retirement mortality table updated to RP-2014 from RP-2000. Administrative expenses paid in the prior two fiscal years are included in the calculated annual contribution.</p> <p>2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.</p>

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

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

**CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 18
(PAGE 2 OF 4)**

New Hire Pension Plan - Fire Component

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2022	\$ 4,850,694	\$ 4,850,694	\$ —	\$ 8,431,574	57.53
2021	5,111,063	5,111,063	—	8,969,538	56.98
2020	4,788,124	4,788,124	—	9,765,687	49.03
2019	3,562,759	3,562,759	—	9,362,740	38.05
2018	4,071,111	4,071,111	—	9,234,540	44.09
2017	4,207,271	4,207,271	—	9,517,994	44.20
2016	3,477,722	3,477,722	—	10,367,032	33.55
2015	3,444,712	3,444,712	—	11,910,879	28.92

Notes to the Required Supplementary Information

Valuation date: January 1, 2020

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Inflation	2.50%
Salary increase	4.25 - 11.25% including inflation
Investment rate of return	7.00%
Asset valuation	5 year smoothed fair value
Retirement age	Age based rates for members with more than 25 years combined service & age starting at age 55 with 100% at age 60 years
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Increased by 0.00015 for on-duty related Fire and Police experience. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

* Information determined under the provisions of GASB 68 is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 68.



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

	2022	2021	2020
Total Pension Liability (TPL) - January 1	\$ 426,548,638	\$ 409,776,854	\$ 383,230,807
Service cost	5,317,591	5,741,905	5,523,169
Interest on the TPL	29,434,842	28,344,817	26,516,398
Benefit changes	—	—	—
Difference between expected and actual experience of the TPL	(4,362,819)	(1,871,246)	8,879,893
Changes of assumptions or other inputs	—	—	—
Benefit payments, including refunds of employee contributions	(17,419,389)	(15,443,692)	(14,373,413)
Net change in TPL	12,970,225	16,771,784	26,546,047
Total Pension Liability - December 31	439,518,863	426,548,638	409,776,854
Plan Fiduciary Net Position (FNP) - January 1	387,912,905	349,383,584	311,369,449
Employer contributions	10,511,399	6,589,565	6,053,042
Employee contributions	1,837,829	2,105,304	2,000,225
Net investment income	57,229,368	45,419,986	44,477,485
Benefit payments, including refunds of employee contributions	(17,419,389)	(15,443,692)	(14,373,413)
Pension plan administrative expense	(155,883)	(141,842)	(143,204)
Net change in FNP	52,003,324	38,529,321	38,014,135
Plan Fiduciary Net Position - December 31	439,916,229	387,912,905	349,383,584
Net pension liability/(asset)	\$ (397,366)	\$ 38,635,733	\$ 60,393,270
Fiduciary net position as a percentage of total pension liability	100.09 %	90.94 %	85.26 %
Covered payroll	\$ 21,134,307	\$ 25,086,796	\$ 24,709,177
Net pension liability/(asset) as a percentage of covered payroll	(1.88)%	154.01 %	244.42 %

Notes to the Required Supplementary Information

Changes in benefits	None
Changes of assumptions	<p>2019 - 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</p> <p>2017 - Real return increased from 4.50% to 5.00%. Post-retirement mortality table updated to RP-2014 from RP-2000. Administrative expenses paid in the prior two fiscal years are included in the calculated annual contribution.</p> <p>2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.</p>

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CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 18
(PAGE 3 OF 4)

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

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

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

New Hire Pension Plan - Police Component

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2022	\$ 9,137,018	\$ 9,137,018	\$ —	\$ 19,060,165	47.94
2021	10,530,459	10,530,459	—	21,134,307	49.83
2020	6,457,477	6,457,477	—	25,086,796	25.74
2019	6,026,386	6,026,386	—	24,709,177	24.39
2018	7,607,860	7,607,860	—	23,500,297	32.37
2017	8,471,261	8,471,261	—	24,114,374	35.13
2016	7,527,907	7,527,907	—	26,439,948	28.47
2015	7,969,055	7,969,055	—	28,615,723	27.85

Notes to the Required Supplementary Information

Valuation date: January 1, 2020

Methods and assumptions used to determine contributions

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Inflation	2.50%
Salary increase	4.25 - 11.25% including inflation
Investment rate of return	7.00%
Asset valuation	5 year smoothed fair value
Retirement age	Age based rates for members with more than 25 years combined service & age starting at age 50 with 100% at age 55 years.
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Increased by 0.00015 for on-duty related Fire and Police experience. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

Fire & Police Pension Association Statewide Defined Benefit Pension Plan

	<u>2022</u>		<u>2021</u>		<u>2020</u>
Proportionate share of total pension liability	\$ 297,374,357	\$	279,617,600	\$	235,645,678
Proportionate share of fiduciary net position	(345,443,598)		(298,408,921)		(240,210,779)
Proportionate share of net pension liability/(asset)	<u>\$ (48,069,241)</u>	<u>\$</u>	<u>(18,791,321)</u>	<u>\$</u>	<u>(4,565,101)</u>
Fiduciary net position as a percentage of total pension liability/(asset)	116.16 %		106.72 %		101.94 %
Covered payroll	\$ 71,346,564	\$	69,522,397	\$	59,417,629
Net pension liability/(asset) as a percentage of covered payroll	67.37 %		27.03 %		7.68 %
Proportion of net pension liability/(asset)	8.8699 %		8.6556 %		8.0718 %

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

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**CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 19
(PAGE 1 OF 3)**

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

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

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 19
(PAGE 2 OF 3)

Fire & Police Pension Association Statewide Defined Benefit Pension Plan

	Statutorily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2022	\$ 7,301,723	\$ 7,301,723	\$ —	\$ 80,875,445	9.03
2021	6,143,515	6,143,515	—	71,346,564	8.61
2020	5,413,015	5,413,015	—	69,522,397	7.79
2019	4,841,239	4,841,239	—	59,417,629	8.15
2018	4,076,278	4,076,278	—	49,702,739	8.20
2017	3,579,520	3,579,520	—	43,974,999	8.14
2016	3,158,425	3,158,425	—	38,790,638	8.14
2015	2,976,381	2,976,381	—	35,068,719	8.49

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

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Fire & Police Pension Association Statewide Defined Benefit Pension Plan

Changes of assumptions -

- 2019 - The discount rate used in the valuation of the total pension liability changed from 7.50% to 7.00%.
- 2017 - Effective January 1, 2016, the post-retirement mortality assumption for healthy lives was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for blue collar employees with scale BB. Beginning in 2015, members elected to increase member contribution rate 0.50% annually through 2022 when the contribution rate will reach 12.00%. Employer contribution rates will remain at 8.00%.
- 2016 - Price inflation changed from 3.00% to 2.50%. Post-retirement mortality rate was based on RP-2014 mortality tables for blue collar employees with scale BB.

Changes in benefits - There are no changes to benefits.

Subsequent event -

- 2020 - 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.

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

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit 20
(PAGE 1 OF 3)**

Colorado PERA Health Care Trust Fund

	2022	2021	2020	2019	2018
Proportionate share of total OPEB liability	\$ 40,620,868	\$ 39,028,759	\$ 41,231,367	\$ 46,022,463	\$ 43,535,412
Proportionate share of fiduciary net position	(16,006,425)	(12,792,042)	(10,096,722)	(7,836,090)	(7,631,217)
Proportionate share of net OPEB liability	<u>\$ 24,614,443</u>	<u>\$ 26,236,717</u>	<u>\$ 31,134,645</u>	<u>\$ 38,186,373</u>	<u>\$ 35,904,195</u>
Plan fiduciary net position as a percentage of total OPEB liability	39.40 %	32.78 %	24.49 %	17.03 %	17.53 %
Covered payroll	\$275,496,365	\$266,314,402	\$249,094,029	\$236,427,277	\$225,147,540
Proportionate share of the net OPEB liability as a percentage of covered payroll	8.93 %	9.85 %	12.50 %	16.15 %	15.95 %
Proportion of net OPEB liability	2.8545 %	2.7611 %	2.7699 %	2.8067 %	2.7627 %

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

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 75.

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

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 20
(PAGE 2 OF 3)

Colorado PERA Health Care Trust Fund

	Statutorily Determined Contributions	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
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

** Updated

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

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the City's fiscal year end December 31 in accordance with GASB Statement No. 75.

Colorado PERA Health Care Trust Fund

Changes of assumptions -

- 2020 - The salary scale assumptions were revised to align with revised economic assumptions to more closely reflect actual experience. Rates of termination and withdrawal, retirement and disability were revised to more accurately reflect actual experience. The price inflation assumption decreased from 2.4% per year to 2.3% per year. The wage inflation assumption decreased from 3.5% per year to 3.0% per year. The health care cost trend rate has been updated for Medicare Part A premiums as of December, 2020, measurement date. 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.

Changes in benefits - There were no changes to benefits.

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

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 21

The City of Colorado Springs OPEB Plan

	2022	2021	2020	2019	2018
Total OPEB Liability (TOL) - January 1	\$ 23,093,544	\$ 31,694,639	\$ 29,052,980	\$ 30,107,637	\$ 26,516,371
Service cost	157,024	755,413	735,267	739,173	434,507
Interest on the TOL	479,985	869,136	1,190,620	1,034,500	987,112
Difference between expected and actual experience of the TOL	—	(10,902,174)	(206,820)	909,670	1,680,818
Changes of assumptions or other inputs	160,796	2,136,079	2,435,234	(2,189,751)	2,162,428
Benefit payments, including refunds of employee contributions	(1,219,560)	(1,459,549)	(1,512,642)	(1,548,249)	(1,673,599)
Net change in TOL	(421,755)	(8,601,095)	2,641,659	(1,054,657)	3,591,266
Total OPEB Liability - December 31	\$ 22,671,789	\$ 23,093,544	\$ 31,694,639	\$ 29,052,980	\$ 30,107,637
Covered employee payroll	\$224,978,171	\$218,386,539	\$203,394,298	\$183,328,604	\$170,699,626
Total OPEB liability as a percentage of covered employee payroll	10.08 %	10.57 %	15.58 %	15.85 %	17.64 %

Notes to the Required Supplementary Information

Changes of assumptions -

- 2022 - The discount rate decreased from 2.12% to 2.06% and is the only applicable change in the roll forward valuation.
- 2021 - 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.
- 2020 - 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.
- 2019 - The discount rate increased from 3.44% to 4.10% based on changes in the 20-year municipal bond rate.
- 2018 - The discount rate decreased from 3.78% to 3.44% based on changes in the 20-year municipal bond rate. Updated mortality, disability, turnover, retirement and salary scale assumptions were updated to reflect those from the FPPA 2018 Actuarial Experience study and the December 31, 2017 Colorado PERA pension valuation.

Changes in benefits - There are no changes to benefits.

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

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 75.

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

CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT 22

Colorado Springs Utilities OPEB Plan

	2022	2021	2020	2019	2018
Total OPEB Liability (TOL) - January 1	\$ 17,448,000	\$ 21,179,000	\$ 19,228,000	\$21,624,000	\$ 21,390,000
Service cost	7,000	12,000	11,000	23,000	20,000
Interest on the TOL	357,000	565,000	764,000	723,000	786,000
Benefit changes	—	—	—	—	—
Difference between expected and actual experience of the TOL	—	(5,151,000)	(492,000)	(511,000)	(93,000)
Changes of assumptions or other inputs	100,000	1,988,000	2,877,000	(1,389,000)	785,000
Benefit payments, including refunds of employee contributions	(1,219,000)	(1,145,000)	(1,209,000)	(1,242,000)	(1,264,000)
Net change in TOL	(755,000)	(3,731,000)	1,951,000	(2,396,000)	234,000
Total OPEB Liability - December 31	\$ 16,693,000	\$ 17,448,000	\$ 21,179,000	\$19,228,000	\$ 21,624,000

Covered employee payroll \$ 1,219,000 \$ 1,183,000 \$ 2,207,000 \$3,530,000 \$ 5,683,000

Total OPEB liability as a percentage of covered employee payroll 1,369.40 % 1,474.89 % 959.63 % 544.70 % 380.50 %

Notes to the Required Supplementary Information

Changes in benefits None

Changes of assumptions

2022 - The discount rate decreased from 2.12% to 2.06% and is the only applicable change in the roll forward valuation.

2021 - The discount rate decreased from 2.74% to 2.12% based on changes in the 20-year municipal bond rate. 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%.

2020 - 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.

2019 - The discount rate increased from 3.44% to 4.10% based on changes in the 20-year municipal bond rate.

2018 - The discount rate decreased from 3.78% to 3.44% based on changes in the 20-year municipal bond rate. Updated mortality, disability, turnover, retirement and salary scale assumptions were updated to reflect those from the FPPA 2018 Actuarial Experience study and the December 31, 2017 Colorado PERA pension valuation.

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

* Information determined under the provisions of GASB 75 is not available for years prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date in accordance with GASB Statement No. 75.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

PROPRIETARY FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL COMPARISON
For the year ended December 31, 2022

	Colorado Springs Utilities		
	Final Budget	Actual	Variance
Operating revenues	\$ 1,015,818,000	\$ 1,234,496,000	\$ 218,678,000
Operating expenses			
Salaries and benefits	219,016,000	215,308,000	3,708,000
Other operating expenses	384,709,000	494,754,000	(110,045,000)
Depreciation and amortization	162,366,000	163,486,000	(1,120,000)
Total operating expenses	766,091,000	873,548,000	(107,457,000)
Operating income	249,727,000	360,948,000	111,221,000
Nonoperating revenues (expenses)			
Derivative instruments gain	—	38,779,000	38,779,000
Investment earnings (loss)	2,942,000	7,135,000	4,193,000
Notes interest income	—	—	—
Interest expense	(93,340,000)	(90,030,000)	3,310,000
Amortization expense	—	—	—
Change in contingent liabilities	—	—	—
Miscellaneous	4,770,000	3,705,000	(1,065,000)
Total nonoperating revenues (expenses)	(85,628,000)	(40,411,000)	45,217,000
Income (loss) before contributions and transfers	164,099,000	320,537,000	156,438,000
Capital contributions	52,509,000	69,411,000	16,902,000
Transfers - in	—	—	—
Transfers - out	(35,855,000)	(37,391,000)	(1,536,000)
Special item	—	(3,750,000)	(3,750,000)
Change in net position	\$ 180,753,000	\$ 348,807,000	\$ 168,054,000

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-1

Public Authority for Colorado Energy			Memorial Health System		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 51,532,000	\$ 51,532,000	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
20,108,000	20,082,000	26,000	—	—	—
—	—	—	—	—	—
20,108,000	20,082,000	26,000	—	—	—
31,424,000	31,450,000	26,000	—	—	—
—	—	—	—	—	—
1,068,000	1,083,000	15,000	33,300	(81,608)	(114,908)
—	—	—	5,612,112	2,609,205	(3,002,907)
(36,750,000)	(36,782,000)	(32,000)	—	—	—
(820,000)	(820,000)	—	—	—	—
—	—	—	(7,280,289)	(2,527,597)	4,752,692
—	—	—	—	—	—
(36,502,000)	(36,519,000)	(17,000)	(1,634,877)	—	1,634,877
(5,078,000)	(5,069,000)	9,000	(1,634,877)	—	1,634,877
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
\$ (5,078,000)	\$ (5,069,000)	\$ 9,000	\$ (1,634,877)	\$ —	\$ 1,634,877



NON-MAJOR GOVERNMENTAL FUNDS

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-1**

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
<u>ASSETS</u>				
Cash and investments	\$ 183,456,663	\$ 35,658,846	\$ 516,287	\$ 219,631,796
Accounts receivable (net of allowance for uncollectibles)	19,835,778	172,102	8,932	20,016,812
Sales tax receivable (net of allowance for uncollectibles)	14,054,406	—	—	14,054,406
Loans receivable (net of allowance for uncollectibles)	14,258,170	—	—	14,258,170
Property taxes receivable	3,214,614	—	—	3,214,614
Restricted investments	—	—	13,245,475	13,245,475
Total assets	\$ 234,819,631	\$ 35,830,948	\$ 13,770,694	\$ 284,421,273
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 17,104,519	\$ 1,048,044	\$ —	\$ 18,152,563
Accrued salaries and benefits	1,028,759	—	—	1,028,759
Deposits payable	424,039	—	—	424,039
Due to other funds	640,210	3,403,773	—	4,043,983
Unearned revenue				
Grants	61,841,130	—	—	61,841,130
Total liabilities	81,038,657	4,451,817	—	85,490,474
Deferred inflows of resources				
Unavailable revenue - property taxes	3,214,614	—	—	3,214,614
Unavailable revenue - loans (net of allowance for uncollectibles)	14,258,170	—	—	14,258,170
Total deferred inflows of resources	17,472,784	—	—	17,472,784
Fund balances				
Nonspendable	—	—	13,245,475	13,245,475
Restricted	102,745,445	—	525,219	103,270,664
Committed	33,135,782	27,802,545	—	60,938,327
Assigned	426,963	3,576,586	—	4,003,549
Total fund balances	136,308,190	31,379,131	13,770,694	181,458,015
Total liabilities, deferred inflows of resources and fund balances	\$ 234,819,631	\$ 35,830,948	\$ 13,770,694	\$ 284,421,273

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-2

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
Revenues				
Taxes	\$ 147,869,646	\$ —	\$ —	\$ 147,869,646
Intergovernmental	81,253,394	—	—	81,253,394
Charges for services	13,736,557	—	—	13,736,557
Endowments and donations	4,494,316	—	98,070	4,592,386
Other revenue	1,896,178	—	—	1,896,178
Investment earnings (loss)	(2,857,348)	347,805	(2,178,468)	(4,688,011)
Rental income	143,064	—	—	143,064
Total revenues	246,535,807	347,805	(2,080,398)	244,803,214
Expenditures				
Current				
General government	12,399,485	—	—	12,399,485
Public safety	55,719,878	—	—	55,719,878
Planning and community development	9,751,976	—	—	9,751,976
Public works	19,432,395	—	—	19,432,395
Parks	11,988,208	—	5,365	11,993,573
Debt service				
Principal	2,167,500	1,637,828	—	3,805,328
Principal - leases	158,850	—	—	158,850
Interest	445,945	21,688	—	467,633
Interest - leases	15,458	—	—	15,458
Capital outlay	125,671,094	7,097,010	—	132,768,104
Total expenditures	237,750,789	8,756,526	5,365	246,512,680
Excess (deficiency) of revenues over expenditures	8,785,018	(8,408,721)	(2,085,763)	(1,709,466)
Other financing sources (uses)				
Transfers - in	20,000,000	17,615,970	—	37,615,970
Transfers - out	(929,390)	—	(712,921)	(1,642,311)
Issuance of leases	1,424,044	—	—	1,424,044
Sale of capital assets	23,976	—	—	23,976
Total other financing sources (uses)	20,518,630	17,615,970	(712,921)	37,421,679
Net change in fund balances	29,303,648	9,207,249	(2,798,684)	35,712,213
Fund balances - January 1	107,004,542	22,171,882	16,569,378	145,745,802
Fund balances - December 31	\$ 136,308,190	\$ 31,379,131	\$ 13,770,694	\$ 181,458,015



SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Intergovernmental Grant Funds:

**Community Development Block Grant Fund
Home Investment Partnership Fund
Grants Fund**

These Intergovernmental Grant Funds are used to account for the activities of the programs where the major source of funding is federal grants.

Capital, Operations and Maintenance Funds:

**Ballfield Capital Improvements Fund
Bicycle Tax Fund
Trails/Open Space Fund
Conservation Trust Fund
Public Safety and Wildfire Mitigation
Road Repair, Maintenance & Improvement Sales Tax Fund**

These funds are used to account for the activities of the fund where particular, earmarked, ongoing revenue sources are designated for various capital, operations and maintenance activities.

Improvement and Maintenance District Funds:

**Old Colorado City Maintenance and Security District Fund
Norwood Special Improvement Maintenance District Fund
Briargate Special Improvement Maintenance District Fund
Stetson Hills Improvement Maintenance District Fund
Woodstone Improvement Maintenance District Fund
Gateway Improvement Maintenance District Fund
Platte Avenue Improvement Maintenance District Fund**

These Improvement and Maintenance District Funds are used to account for the activities of the neighborhood district where revenues are derived from neighborhood taxes and/or assessments and used for specific neighborhood improvements or maintenance purposes.

SPECIAL REVENUE FUNDS CONT'D.

Public Improvements Funds:

Public Space and Development Fund (aka PLDO¹)
Subdivision Drainage Fund
Arterial Roadway Fund
Park Developer Easement Fund
Banning Lewis Ranch Fund

These Public Improvements Funds are used to account for the activities of the fund established to finance public infrastructure costs in accordance with City subdivision ordinances.

Other Public Improvements Funds:

Spring Creek General Improvement District
Briargate General Improvement District
Market Place at Austin Bluffs (MAB) General Improvement District
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.

Other Special Revenue Funds:

Lodgers and Auto Rental Tax Fund
Street Tree Fund
Gift Trust Fund
Senior Programs Fund
Therapeutic Recreation Fund

These Other Special Revenue Funds are used to account for the activities of the fund where ear-marked revenue is used for certain designated purposes.

¹Public Land Dedication Ordinance



**ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2022**

	Intergovernmental Grant Funds	Capital, Operations and Maintenance Funds
<u>ASSETS</u>		
Cash and investments	\$ 48,871,920	\$ 89,122,458
Accounts receivable (net of allowance for uncollectibles)	19,618,143	11,440
Sales tax receivable (net of allowance for uncollectibles)	—	13,503,045
Loans receivable (net of allowance for uncollectibles)	14,258,170	—
Property taxes receivable	—	—
Total assets	\$ 82,748,233	\$ 102,636,943
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities		
Accounts payable	\$ 5,855,782	\$ 11,071,495
Accrued salaries and benefits	192,629	816,642
Deposits payable	—	—
Due to other funds	600,522	24,632
Unearned revenue		
Grants	61,841,130	—
Total liabilities	68,490,063	11,912,769
Deferred inflows of resources		
Unavailable revenue - property taxes	—	—
Unavailable revenue - loans (net of allowance for uncollectibles)	14,258,170	—
Total deferred inflows of resources	14,258,170	—
Fund balances		
Restricted	—	90,524,737
Committed	—	199,437
Assigned	—	—
Total fund balances	—	90,724,174
Total liabilities, deferred inflows of resources and fund balances	\$ 82,748,233	\$ 102,636,943

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-1

Improvement and Maintenance District Funds	Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
\$ 1,044,298	\$ 35,569,372	\$ 250,800	\$ 8,597,815	\$ 183,456,663
25,656	45,052	8,571	126,916	19,835,778
—	—	—	551,361	14,054,406
—	—	—	—	14,258,170
1,485,392	—	1,729,222	—	3,214,614
\$ 2,555,346	\$ 35,614,424	\$ 1,988,593	\$ 9,276,092	\$ 234,819,631
\$ 40,095	\$ 2,180	\$ 250	\$ 134,717	\$ 17,104,519
19,488	—	—	—	1,028,759
—	424,039	—	—	424,039
2,705	—	—	12,351	640,210
—	—	—	—	61,841,130
62,288	426,219	250	147,068	81,038,657
1,485,392	—	1,729,222	—	3,214,614
—	—	—	—	14,258,170
1,485,392	—	1,729,222	—	17,472,784
1,007,666	2,456,610	259,121	8,497,311	102,745,445
—	32,304,632	—	631,713	33,135,782
—	426,963	—	—	426,963
1,007,666	35,188,205	259,121	9,129,024	136,308,190
\$ 2,555,346	\$ 35,614,424	\$ 1,988,593	\$ 9,276,092	\$ 234,819,631

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2022

	Intergovernmental Grant Funds	Capital, Operations and Maintenance Funds	Improvement and Maintenance District Funds
Revenues			
Taxes	\$ —	\$ 134,208,885	\$ 2,835,524
Intergovernmental	75,131,738	6,121,656	—
Charges for services	—	157,831	—
Donations	—	—	—
Other revenue	896,178	—	—
Investment earnings (loss)	970,956	(2,839,859)	14,742
Rental income	—	—	—
Total revenues	76,998,872	137,648,513	2,850,266
Expenditures			
Current			
General government	98,430	—	—
Public safety	7,712,718	47,725,905	—
Planning and community development	9,447,809	—	—
Public works	12,400,549	—	2,804,777
Parks	1,398,572	8,975,589	—
Debt service			
Principal	—	232,500	—
Principal - leases	—	105,756	53,094
Interest	—	276,113	—
Interest - leases	—	12,784	2,674
Capital outlay	45,940,794	77,018,304	283,943
Total expenditures	76,998,872	134,346,951	3,144,488
Excess (deficiency) of revenues over expenditures	—	3,301,562	(294,222)
Other financing sources (uses)			
Transfers - in	—	20,000,000	—
Transfers - out	—	—	—
Issuance of leases	—	1,264,237	159,807
Sale of capital assets	—	—	23,976
Total other financing sources (uses)	—	21,264,237	183,783
Net change in fund balances	—	24,565,799	(110,439)
Fund balances - January 1	—	66,158,375	1,118,105
Fund balances - December 31	\$ —	\$ 90,724,174	\$ 1,007,666

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-2

Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
\$ —	\$ 1,000,626	\$ 9,824,611	\$ 147,869,646
—	—	—	81,253,394
13,578,726	—	—	13,736,557
—	—	4,494,316	4,494,316
—	—	1,000,000	1,896,178
(1,027,503)	9,555	14,761	(2,857,348)
—	—	143,064	143,064
12,551,223	1,010,181	15,476,752	246,535,807
—	15,123	12,285,932	12,399,485
—	—	281,255	55,719,878
—	—	304,167	9,751,976
4,207,528	—	19,541	19,432,395
—	—	1,614,047	11,988,208
—	1,935,000	—	2,167,500
—	—	—	158,850
—	169,832	—	445,945
—	—	—	15,458
2,428,053	—	—	125,671,094
6,635,581	2,119,955	14,504,942	237,750,789
5,915,642	(1,109,774)	971,810	8,785,018
—	—	—	20,000,000
—	(29,390)	(900,000)	(929,390)
—	—	—	1,424,044
—	—	—	23,976
—	(29,390)	(900,000)	20,518,630
5,915,642	(1,139,164)	71,810	29,303,648
29,272,563	1,398,285	9,057,214	107,004,542
\$ 35,188,205	\$ 259,121	\$ 9,129,024	\$ 136,308,190

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-3

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
<u>ASSETS</u>				
Cash and investments	\$ —	\$ 1,240,666	\$ 47,631,254	\$ 48,871,920
Accounts receivable (net of allowance for uncollectibles)	1,221,659	654,226	17,742,258	19,618,143
Loans receivable (net of allowance for uncollectibles)	6,390,980	7,781,404	85,786	14,258,170
Total assets	\$ 7,612,639	\$ 9,676,296	\$ 65,459,298	\$ 82,748,233
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Liabilities				
Accounts payable	\$ 588,472	\$ 152,419	\$ 5,114,891	\$ 5,855,782
Accrued salaries and benefits	24,261	—	168,368	192,629
Due to other funds	600,522	—	—	600,522
Unearned revenue				
Grants	8,404	1,742,473	60,090,253	61,841,130
Total liabilities	1,221,659	1,894,892	65,373,512	68,490,063
Deferred inflows of resources				
Unavailable revenue - loans (net of allowance for uncollectibles)	6,390,980	7,781,404	85,786	14,258,170
Total deferred inflows of resources	6,390,980	7,781,404	85,786	14,258,170
Total liabilities and deferred inflows of resources	\$ 7,612,639	\$ 9,676,296	\$ 65,459,298	\$ 82,748,233

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-4

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
Revenues				
Intergovernmental	\$ 4,690,248	\$ 675,908	\$ 69,765,582	\$ 75,131,738
Other revenue	88,737	671,524	135,917	896,178
Investment earnings	—	7,401	963,555	970,956
Total revenues	4,778,985	1,354,833	70,865,054	76,998,872
Expenditures				
Current				
General government	—	—	98,430	98,430
Public safety	—	—	7,712,718	7,712,718
Planning and community development	4,778,985	1,354,833	3,313,991	9,447,809
Public works	—	—	12,400,549	12,400,549
Parks	—	—	1,398,572	1,398,572
Capital outlay	—	—	45,940,794	45,940,794
Total expenditures	4,778,985	1,354,833	70,865,054	76,998,872
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, 2022

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
<u>ASSETS</u>			
Cash and investments	\$ 199,437	\$ 197,459	\$ 17,709,294
Accounts receivable (net of allowance for uncollectibles)	—	—	—
Sales tax receivable (net of allowance for uncollectibles)	—	11,267	1,260,420
Total assets	\$ 199,437	\$ 208,726	\$ 18,969,714
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ —	\$ 31,670	\$ 865,746
Accrued salaries and benefits	—	—	40,635
Due to other funds	—	—	—
Total liabilities	—	31,670	906,381
Fund balances			
Restricted	—	177,056	18,063,333
Committed	199,437	—	—
Total fund balances	199,437	177,056	18,063,333
Total liabilities and fund balances	\$ 199,437	\$ 208,726	\$ 18,969,714

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-5

Conservation Trust Fund	Public Safety and Wildfire Mitigation	Road Repair, Maintenance & Improvement Sales Tax Fund	Total
\$ 3,030,758	\$ 35,540,849	\$ 32,444,661	\$ 89,122,458
—	11,440	—	11,440
—	5,041,680	7,189,678	13,503,045
\$ 3,030,758	\$ 40,593,969	\$ 39,634,339	\$ 102,636,943
\$ 86,467	\$ 1,061,812	\$ 9,025,800	\$ 11,071,495
85,978	690,029	—	816,642
—	24,632	—	24,632
172,445	1,776,473	9,025,800	11,912,769
2,858,313	38,817,496	30,608,539	90,524,737
—	—	—	199,437
2,858,313	38,817,496	30,608,539	90,724,174
\$ 3,030,758	\$ 40,593,969	\$ 39,634,339	\$ 102,636,943



**PUBLIC SAFETY AND WILDFIRE MITIGATION
COMBINING BALANCE SHEET
December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-5A**

	Public Safety Sales Tax Fund	Wildfire Mitigation	Total
<u>ASSETS</u>			
Cash and investments	\$ 16,519,531	\$ 19,021,318	\$ 35,540,849
Accounts receivable (net of allowance for uncollectibles)	11,440	—	11,440
Sales tax receivable (net of allowance for uncollectibles)	5,041,680	—	5,041,680
Total assets	\$ 21,572,651	\$ 19,021,318	\$ 40,593,969
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 1,034,395	\$ 27,417	\$ 1,061,812
Accrued salaries and benefits	690,029	—	690,029
Due to other funds	24,632	—	24,632
Total liabilities	1,749,056	27,417	1,776,473
Fund balances			
Restricted	19,823,595	18,993,901	38,817,496
Total fund balances	19,823,595	18,993,901	38,817,496
Total liabilities and fund balances	\$ 21,572,651	\$ 19,021,318	\$ 40,593,969

CAPITAL, OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2022

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
Revenues			
Taxes	\$ —	\$ 76,594	\$ 12,537,359
Intergovernmental	—	—	—
Charges for services	101,148	—	1,115
Investment earnings (loss)	1,352	2,163	(583,653)
Total revenues	102,500	78,757	11,954,821
Expenditures			
Current			
Public safety	—	—	—
Parks	—	—	3,547,840
Debt service			
Principal	—	—	—
Principal - leases	—	—	—
Interest	—	—	—
Interest - leases	—	—	—
Capital outlay	57	109,489	5,641,773
Total expenditures	57	109,489	9,189,613
Excess (deficiency) of revenues over expenditures	102,443	(30,732)	2,765,208
Other financing sources			
Transfers - in	—	—	—
Issuance of leases	—	—	—
Total other financing sources	—	—	—
Net change in fund balances	102,443	(30,732)	2,765,208
Fund balances - January 1	96,994	207,788	15,298,125
Fund balances - December 31	\$ 199,437	\$ 177,056	\$ 18,063,333

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-6

Conservation Trust Fund	Public Safety and Wildfire Mitigation	Road Repair, Maintenance & Improvement Sales Tax Fund	Total
\$ —	\$ 50,152,256	\$ 71,442,676	\$ 134,208,885
6,121,656	—	—	6,121,656
—	55,553	15	157,831
17,767	(1,241,843)	(1,035,645)	(2,839,859)
6,139,423	48,965,966	70,407,046	137,648,513
—	47,725,905	—	47,725,905
5,427,749	—	—	8,975,589
65,100	167,400	—	232,500
—	105,756	—	105,756
77,312	198,801	—	276,113
—	12,784	—	12,784
89,279	2,814,635	68,363,071	77,018,304
5,659,440	51,025,281	68,363,071	134,346,951
479,983	(2,059,315)	2,043,975	3,301,562
—	20,000,000	—	20,000,000
—	1,264,237	—	1,264,237
—	21,264,237	—	21,264,237
479,983	19,204,922	2,043,975	24,565,799
2,378,330	19,612,574	28,564,564	66,158,375
\$ 2,858,313	\$ 38,817,496	\$ 30,608,539	\$ 90,724,174



**PUBLIC SAFETY AND WILDFIRE MITIGATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-6A**

	Public Safety Sales Tax Fund	Wildfire Mitigation	Total
Revenues			
Taxes	\$ 50,152,256	\$ —	\$ 50,152,256
Charges for services	55,553	—	55,553
Investment earnings (loss)	(503,852)	(737,991)	(1,241,843)
Total revenues	49,703,957	(737,991)	48,965,966
Expenditures			
Current			
Public safety	47,457,797	268,108	47,725,905
Debt service			
Principal	167,400	—	167,400
Principal - leases	105,756	—	105,756
Interest	198,801	—	198,801
Interest - leases	12,784	—	12,784
Capital outlay	2,814,635	—	2,814,635
Total expenditures	50,757,173	268,108	51,025,281
Deficiency of revenues over expenditures	(1,053,216)	(1,006,099)	(2,059,315)
Other financing sources			
Transfers - in	—	20,000,000	20,000,000
Issuance of leases	1,264,237	—	1,264,237
Total other financing sources	1,264,237	20,000,000	21,264,237
Net change in fund balances	211,021	18,993,901	19,204,922
Fund balances - January 1	19,612,574	—	19,612,574
Fund balances - December 31	\$ 19,823,595	\$ 18,993,901	\$ 38,817,496

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2022

	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Briargate Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
ASSETS				
Cash and investments	\$ 24,839	\$ 519,222	\$ 276,150	\$ 153,268
Accounts receivable (net of allowance for uncollectibles)	1,109	9,482	11,538	3,298
Property taxes receivable	131,437	946,552	—	381,016
Total assets	\$ 157,385	\$ 1,475,256	\$ 287,688	\$ 537,582
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,240	\$ 22,009	\$ 10,816	\$ 4,955
Accrued salaries and benefits	1,910	6,237	9,292	2,049
Due to other funds	—	—	2,705	—
Total liabilities	3,150	28,246	22,813	7,004
Deferred inflows of resources				
Unavailable revenue - property taxes	131,437	946,552	—	381,016
Total deferred inflows of resources	131,437	946,552	—	381,016
Fund balances				
Restricted	22,798	500,458	264,875	149,562
Total fund balances	22,798	500,458	264,875	149,562
Total liabilities, deferred inflows of resources and fund balances	\$ 157,385	\$ 1,475,256	\$ 287,688	\$ 537,582

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-7

Woodstone Improvement District Maintenance Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
\$ 37,097	\$ 9,049	\$ 24,673	\$ 1,044,298
190	39	—	25,656
21,693	4,694	—	1,485,392
<hr/>			
\$ 58,980	\$ 13,782	\$ 24,673	\$ 2,555,346
<hr/>			
\$ 202	\$ 271	\$ 602	\$ 40,095
—	—	—	19,488
—	—	—	2,705
<hr/>			
202	271	602	62,288
<hr/>			
21,693	4,694	—	1,485,392
<hr/>			
21,693	4,694	—	1,485,392
<hr/>			
37,085	8,817	24,071	1,007,666
<hr/>			
37,085	8,817	24,071	1,007,666
<hr/>			
\$ 58,980	\$ 13,782	\$ 24,673	\$ 2,555,346
<hr/>			

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2022**

	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Briargate Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
Revenues				
Taxes	\$ 143,008	\$ 1,044,157	\$ 1,186,160	\$ 422,585
Investment earnings	254	6,026	6,248	1,684
Total revenues	143,262	1,050,183	1,192,408	424,269
Expenditures				
Current				
Public works	136,342	952,124	1,218,486	458,432
Debt service				
Principal - leases	—	20,176	24,423	8,495
Interest - leases	—	1,016	1,230	428
Capital outlay	6,705	25,070	252,168	—
Total expenditures	143,047	998,386	1,496,307	467,355
Excess (deficiency) of revenues over expenditures	215	51,797	(303,899)	(43,086)
Other financing sources				
Issuance of leases	—	60,727	73,511	25,569
Sale of capital assets	—	2,840	20,176	960
Total other financing sources	—	63,567	93,687	26,529
Net change in fund balances	215	115,364	(210,212)	(16,557)
Fund balances - January 1	22,583	385,094	475,087	166,119
Fund balances - December 31	\$ 22,798	\$ 500,458	\$ 264,875	\$ 149,562

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-8

Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
\$ 24,310	\$ 4,906	\$ 10,398	2,835,524
284	46	200	14,742
24,594	4,952	10,598	2,850,266
25,755	65	13,573	2,804,777
—	—	—	53,094
—	—	—	2,674
—	—	—	283,943
25,755	65	13,573	3,144,488
(1,161)	4,887	(2,975)	(294,222)
—	—	—	159,807
—	—	—	23,976
—	—	—	183,783
(1,161)	4,887	(2,975)	(110,439)
38,246	3,930	27,046	1,118,105
\$ 37,085	\$ 8,817	\$ 24,071	\$ 1,007,666

PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-9

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Park Developer Easement Fund	Banning Lewis Ranch Fund	Total
ASSETS						
Cash and investments	\$ 12,969,188	\$ 16,508,498	\$ 2,658,259	\$ 188,774	\$ 3,244,653	\$ 35,569,372
Accounts receivable (net of allowance for uncollectibles)	45,052	—	—	—	—	45,052
Total assets	\$ 13,014,240	\$ 16,508,498	\$ 2,658,259	\$ 188,774	\$ 3,244,653	\$ 35,614,424
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 2,180	\$ —	\$ —	\$ —	\$ —	\$ 2,180
Deposits payable	—	—	—	—	424,039	424,039
Total liabilities	2,180	—	—	—	424,039	426,219
Fund balances						
Restricted	—	—	—	—	2,456,610	2,456,610
Committed	13,012,060	16,508,498	2,658,259	125,815	—	32,304,632
Assigned	—	—	—	62,959	364,004	426,963
Total fund balances	13,012,060	16,508,498	2,658,259	188,774	2,820,614	35,188,205
Total liabilities and fund balances	\$ 13,014,240	\$ 16,508,498	\$ 2,658,259	\$ 188,774	\$ 3,244,653	\$ 35,614,424

**PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2022**

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-10**

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Park Developer Easement Fund	Banning Lewis Ranch Fund	Total
Revenues						
Charges for services	\$ 4,432,000	\$ 8,922,221	\$ 224,505	\$ —	\$ —	\$ 13,578,726
Investment earnings (loss)	(414,784)	(552,758)	(84,678)	1,359	23,358	(1,027,503)
Total revenues	4,017,216	8,369,463	139,827	1,359	23,358	12,551,223
Expenditures						
Current						
Public works	—	4,202,887	3,273	75	1,293	4,207,528
Capital outlay	2,428,053	—	—	—	—	2,428,053
Total expenditures	2,428,053	4,202,887	3,273	75	1,293	6,635,581
Net change in fund balances	1,589,163	4,166,576	136,554	1,284	22,065	5,915,642
Fund balances - January 1	11,422,897	12,341,922	2,521,705	187,490	2,798,549	29,272,563
Fund balances - December 31	\$ 13,012,060	\$ 16,508,498	\$ 2,658,259	\$ 188,774	\$ 2,820,614	\$ 35,188,205

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-11

	Spring Creek General Improvement District	Briargate General Improvement District	MAB General Improvement District	Briargate General Improvement District 2021	Total
ASSETS					
Cash and investments	\$ —	\$ 10,891	\$ 239,909	\$ —	\$ 250,800
Accounts receivable (net of allowance for uncollectibles)	—	6,247	2,324	—	8,571
Property taxes receivable	—	—	276,318	1,452,904	1,729,222
Total assets	\$ —	\$ 17,138	\$ 518,551	\$ 1,452,904	\$ 1,988,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ —	\$ —	\$ 250	\$ —	\$ 250
Total liabilities	—	—	250	—	250
Deferred inflows of resources					
Unavailable revenue - property taxes	—	—	276,318	1,452,904	1,729,222
Total deferred inflows of resources	—	—	276,318	1,452,904	1,729,222
Fund balances					
Restricted	—	17,138	241,983	—	259,121
Total fund balances	—	17,138	241,983	—	259,121
Total liabilities, deferred inflows of resources and fund balances	\$ —	\$ 17,138	\$ 518,551	\$ 1,452,904	\$ 1,988,593

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-12

	Spring Creek General Improvement District	Briargate General Improvement District	MAB General Improvement District	Briargate General Improvement District 2021	Total
Revenues					
Taxes	\$ —	\$ 706,995	\$ 293,631	\$ —	\$ 1,000,626
Investment earnings	186	6,604	2,765	—	9,555
Total revenues	186	713,599	296,396	—	1,010,181
Expenditures					
Current					
General government	4,973	5,080	5,070	—	15,123
Debt service					
Principal	—	1,725,000	210,000	—	1,935,000
Interest	—	52,453	117,379	—	169,832
Total expenditures	4,973	1,782,533	332,449	—	2,119,955
Deficiency of revenues over expenditures	(4,787)	(1,068,934)	(36,053)	—	(1,109,774)
Other financing uses					
Transfers - out	(29,390)	—	—	—	(29,390)
Total other financing uses	(29,390)	—	—	—	(29,390)
Net change in fund balances	(34,177)	(1,068,934)	(36,053)	—	(1,139,164)
Fund balances - January 1	34,177	1,086,072	278,036	—	1,398,285
Fund balances - December 31	\$ —	\$ 17,138	\$ 241,983	\$ —	\$ 259,121

OTHER SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-13

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Therapeutic Recreation Fund	Total
ASSETS						
Cash and investments	\$ 1,393,676	\$ 95,694	\$ 6,570,662	\$ 532,880	\$ 4,903	\$ 8,597,815
Accounts receivable (net of allowance for uncollectibles)	—	—	116,329	10,587	—	126,916
Sales tax receivable (net of allowance for uncollectibles)	551,361	—	—	—	—	551,361
Total assets	\$ 1,945,037	\$ 95,694	\$ 6,686,991	\$ 543,467	\$ 4,903	\$ 9,276,092
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 5,000	\$ —	\$ 129,717	\$ —	\$ —	\$ 134,717
Due to other funds	—	—	—	12,351	—	12,351
Total liabilities	5,000	—	129,717	12,351	—	147,068
Fund balances						
Restricted	1,940,037	—	6,557,274	—	—	8,497,311
Committed	—	95,694	—	531,116	4,903	631,713
Total fund balances	1,940,037	95,694	6,557,274	531,116	4,903	9,129,024
Total liabilities and fund balances	\$ 1,945,037	\$ 95,694	\$ 6,686,991	\$ 543,467	\$ 4,903	\$ 9,276,092

**OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-14**

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Senior Programs Fund	Therapeutic Recreation Fund	Total
Revenues						
Taxes	\$ 9,824,611	\$ —	\$ —	\$ —	\$ —	\$ 9,824,611
Donations	—	—	4,391,322	102,994	—	4,494,316
Other revenue	1,000,000	—	—	—	—	1,000,000
Investment earnings	8,942	997	—	4,787	35	14,761
Rental income	—	—	—	143,064	—	143,064
Total revenues	10,833,553	997	4,391,322	250,845	35	15,476,752
Expenditures						
Current						
General government	12,140,144	—	145,788	—	—	12,285,932
Public safety	—	—	281,255	—	—	281,255
Planning and community development	—	—	304,167	—	—	304,167
Public works	—	—	19,541	—	—	19,541
Parks	—	37	1,394,708	219,300	2	1,614,047
Total expenditures	12,140,144	37	2,145,459	219,300	2	14,504,942
Excess (deficiency) of revenues over expenditures	(1,306,591)	960	2,245,863	31,545	33	971,810
Other financing uses						
Transfers - out	(900,000)	—	—	—	—	(900,000)
Total other financing uses	(900,000)	—	—	—	—	(900,000)
Net change in fund balances	(2,206,591)	960	2,245,863	31,545	33	71,810
Fund balances - January 1	4,146,628	94,734	4,311,411	499,571	4,870	9,057,214
Fund balances - December 31	\$ 1,940,037	\$ 95,694	\$ 6,557,274	\$ 531,116	\$ 4,903	\$ 9,129,024

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-15
(PAGE 1 OF 2)

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Community Development Block Grant	\$ 4,778,985	\$ 4,778,985	\$ —
Home Investment Partnership Fund	1,354,833	1,354,833	—
Grants Fund	70,865,054	70,865,054	—
Ballfield Capital Improvements Fund	79,100	102,500	23,400
Bicycle Tax Fund	84,700	78,757	(5,943)
Trails/Open Space Fund	11,624,500	11,954,821	330,321
Conservation Trust Fund	5,191,270	6,139,423	948,153
Public Safety and Wildfire Mitigation	65,923,682	70,230,203	4,306,521
Road Repair, Maintenance & Improvement Sales Tax Fund	65,638,950	70,407,046	4,768,096
Old Colorado City Maintenance and Security District Fund	142,786	143,262	476
Norwood Special Improvement Maintenance District Fund	1,051,962	1,113,750	61,788
Briargate Special Improvement Maintenance District Fund	1,198,430	1,286,095	87,665
Stetson Hills Improvement Maintenance District Fund	426,534	450,798	24,264
Woodstone Improvement Maintenance District Fund	24,897	24,594	(303)
Gateway Improvement Maintenance District Fund	5,080	4,952	(128)
Platte Avenue Improvement Maintenance District Fund	10,787	10,598	(189)
Public Space and Development Fund	2,331,000	4,017,216	1,686,216
Subdivision Drainage Fund	10,000,000	8,369,463	(1,630,537)
Arterial Roadway Fund	1,000,000	139,827	(860,173)
Park Developer Easement Fund	—	1,359	1,359
Banning Lewis Ranch Fund	28,600	23,358	(5,242)
Spring Creek General Improvement District	500	186	(314)
Briargate General Improvement District	716,300	713,599	(2,701)
MAB General Improvement District	298,700	296,396	(2,304)
Briargate General Improvement District 2021	—	—	—
Lodgers and Auto Rental Tax Fund	8,700,514	10,833,553	2,133,039
Street Tree Fund	800	997	197
Gift Trust Fund	3,900,000	4,391,322	491,322
Senior Programs Fund	211,400	250,845	39,445
Therapeutic Recreation Fund	100	35	(65)
Total revenues	\$ 255,589,464	\$ 267,983,827	\$ 12,394,363

Note: Includes transfers.

(continued)

SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-15
(PAGE 2 OF 2)

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Community Development Block Grant	\$ 4,778,985	\$ 4,778,985	\$ —
Home Investment Partnership Fund	1,354,833	1,354,833	—
Grants Fund	70,865,054	70,865,054	—
Ballfield Capital Improvements Fund	33	57	(24)
Bicycle Tax Fund	280,161	109,489	170,672
Trails/Open Space Fund	20,262,360	9,189,613	11,072,747
Conservation Trust Fund	6,436,077	5,659,440	776,637
Public Safety and Wildfire Mitigation	55,470,349	51,025,281	4,445,068
Road Repair, Maintenance & Improvement Sales Tax Fund	81,623,276	68,363,071	13,260,205
Old Colorado City Maintenance and Security District Fund	143,868	143,047	821
Norwood Special Improvement Maintenance District Fund	1,126,179	998,386	127,793
Briargate Special Improvement Maintenance District Fund	1,386,140	1,496,307	(110,167)
Stetson Hills Improvement Maintenance District Fund	478,678	467,355	11,323
Woodstone Improvement Maintenance District Fund	30,738	25,755	4,983
Gateway Improvement Maintenance District Fund	5,574	65	5,509
Platte Avenue Improvement Maintenance District Fund	21,503	13,573	7,930
Public Space and Development Fund	9,071,092	2,428,053	6,643,039
Subdivision Drainage Fund	10,000,000	4,202,887	5,797,113
Arterial Roadway Fund	1,000,000	3,273	996,727
Park Developer Easement Fund	—	75	(75)
Banning Lewis Ranch Fund	3,146	1,293	1,853
Spring Creek General Improvement District	34,937	34,363	574
Briargate General Improvement District	1,783,560	1,782,533	1,027
MAB General Improvement District	333,500	332,449	1,051
Briargate General Improvement District 2021	—	—	—
Lodgers and Auto Rental Tax Fund	13,452,038	13,040,144	411,894
Street Tree Fund	35,798	37	35,761
Gift Trust Fund	4,359,911	2,145,459	2,214,452
Senior Programs Fund	241,400	219,300	22,100
Therapeutic Recreation Fund	50	2	48
Total expenditures	\$ 284,579,240	\$ 238,680,179	\$ 45,899,061

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

	<u>City Funded CIP Construction Fund</u>
<u>ASSETS</u>	
Cash and investments	\$ 35,658,846
Accounts receivable	<u>172,102</u>
Total assets	<u>\$ 35,830,948</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts payable	\$ 1,048,044
Due to other funds	<u>3,403,773</u>
Total liabilities	<u>4,451,817</u>
Fund balances	
Committed	27,802,545
Assigned	<u>3,576,586</u>
Total fund balances	<u>31,379,131</u>
Total liabilities and fund balances	<u>\$ 35,830,948</u>

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-2**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment earnings	\$ 266,000	\$ 347,805	\$ 81,805
Total revenues	<u>266,000</u>	<u>347,805</u>	<u>81,805</u>
Expenditures			
Debt service			
Principal	1,637,828	1,637,828	—
Interest	21,688	21,688	—
Capital outlay	34,875,955	7,097,010	27,778,945
Total expenditures	<u>36,535,471</u>	<u>8,756,526</u>	<u>27,778,945</u>
Deficiency of revenues over expenditures	<u>(36,269,471)</u>	<u>(8,408,721)</u>	<u>27,860,750</u>
Other financing sources			
Transfers - in	17,615,970	17,615,970	—
Total other financing sources	<u>17,615,970</u>	<u>17,615,970</u>	<u>—</u>
Net change in fund balance	(18,653,501)	9,207,249	27,860,750
Fund balance - January 1	<u>22,171,882</u>	<u>22,171,882</u>	<u>—</u>
Fund balance - December 31	<u>\$ 3,518,381</u>	<u>\$ 31,379,131</u>	<u>\$ 27,860,750</u>

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Colorado Springs YEAR ENDING : December 2022
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This Information From The Records Of: City of Colorado Springs	Prepared By: City of Colorado Springs Finance Office Phone: (719) 385-5224
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	137,437,166
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	26,348,785
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	475,425
2. General fund appropriations	36,712,194	b. Snow and ice removal	2,778,594
3. Other local imposts (from page 2)	139,777,305	c. Other	
4. Miscellaneous local receipts (from page 2)	3,617,930	d. Total (a. through c.)	3,254,019
5. Transfers from toll facilities		4. General administration & miscellaneous	7,778,165
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	25,071,048
a. Bonds - Original Issues		6. Total (1 through 5)	199,889,183
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	—	a. Interest	
7. Total (1 through 6)	180,107,429	b. Redemption	
B. Private Contributions	—	c. Total (a. + b.)	—
C. Receipts from State government (from page 2)	22,119,072	2. Notes:	
D. Receipts from Federal Government (from page 2)	101,177	a. Interest	
E. Total receipts (A.7 + B + C + D)	202,327,678	b. Redemption	
		c. Total (a. + b.)	—
		3. Total (1.c + 2.c)	—
		C. Payments to State for highways	2,438,495
		D. Payments to toll facilities	—
		E. Total disbursements (A.6 + B.3 + C + D)	202,327,678

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	—			—
1. Bonds (Refunding Portion)				
B. Notes (Total)				—

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	—	202,327,678	202,327,678	—	—

Notes and Comments:

**ANNUAL STATEMENT OF RECEIPTS
AND EXPENDITURES FOR
ROADS, BRIDGES AND STREETS
2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-3
(PAGE 2 OF 2)**

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2022	
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	118,029
b. Other local imposts:		b. Traffic Fines & Penalties	3,499,901
1. Sales Taxes	135,655,610	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,098,460	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,023,235	g. Other Misc. Receipts	
6. Total (1. through 5.)	139,777,305	h. Other	
c. Total (a. + b.)	139,777,305	i. Total (a. through h.)	3,617,930
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	20,507,718	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	101,177
c. Motor Vehicle Registrations	1,611,354	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,611,354	g. Total (a. through f.)	101,177
4. Total (1. + 2. + 3.f)	22,119,072	3. Total (1. + 2.g)	101,177
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	205,168	629,810	834,978
b. Engineering Costs	3,641,480	5,190,701	8,832,181
c. Construction:			
(1). New Facilities	—	13,579,009	13,579,009
(2). Capacity Improvements	292,986	6,881,086	7,174,072
(3). System Preservation	9,871,753	90,585,154	100,456,907
(4). System Enhancement & Operation	—	6,560,019	6,560,019
(5). Total Construction (1) + (2) + (3) + (4)	10,164,739	117,605,268	127,770,007
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	14,011,387	123,425,779	137,437,166
			(Carry forward to page 1)
Notes and Comments:			

FORM FHWA-536 (Rev.1-05)

PREVIOUS EDITIONS OBSOLETE



PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs for the benefit of the City or its citizenry.

Cemetery Endowment Fund

Used to account for the investment activities of the Cemetery Endowment corpus with investment earnings used to finance cemetery operations.

C.D. Smith and TOPS Maintenance Trust Funds

Used to account for the investment activities of each fund's corpus with investment earnings used in accordance with trust provisions.

PERMANENT FUNDS
 COMBINING BALANCE SHEET
 December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit E-1

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
<u>ASSETS</u>				
Cash and investments	\$ 290,905	\$ 48,474	\$ 176,908	\$ 516,287
Accounts receivable	8,932	—	—	8,932
Restricted investments	1,460,456	11,128,491	656,528	13,245,475
Total assets	\$ 1,760,293	\$ 11,176,965	\$ 833,436	\$ 13,770,694
<u>FUND BALANCES</u>				
Nonspendable	\$ 1,460,456	\$ 11,128,491	\$ 656,528	\$ 13,245,475
Restricted	299,837	48,474	176,908	525,219
Total fund balances	\$ 1,760,293	\$ 11,176,965	\$ 833,436	\$ 13,770,694

PERMANENT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit E-2

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
Revenues				
Endowments	\$ —	\$ 98,070	\$ —	\$ 98,070
Investment earnings (loss)	(46,411)	(2,144,620)	12,563	(2,178,468)
Total revenues	(46,411)	(2,046,550)	12,563	(2,080,398)
Expenditures				
Current				
Parks	5,295	—	70	5,365
Total expenditures	5,295	—	70	5,365
Excess (deficiency) of revenues over expenditures	(51,706)	(2,046,550)	12,493	(2,085,763)
Other financing uses				
Transfers - out	—	(712,921)	—	(712,921)
Total other financing uses	—	(712,921)	—	(712,921)
Net change in fund balance	(51,706)	(2,759,471)	12,493	(2,798,684)
Fund balances - January 1	1,811,999	13,936,436	820,943	16,569,378
Fund balances - December 31	\$ 1,760,293	\$ 11,176,965	\$ 833,436	\$ 13,770,694

PERMANENT FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
C.D. Smith Trust Fund	\$ 75,000	\$ (46,411)	\$ (121,411)
Cemetery Endowment Fund	387,550	(2,046,550)	(2,434,100)
TOPS Maintenance Trust Fund	1,700	12,563	10,863
Total revenues	\$ 464,250	\$ (2,080,398)	\$ (2,544,648)
Expenditures			
C.D. Smith Trust Fund	\$ 75,000	\$ 5,295	\$ 69,705
Cemetery Endowment Fund	756,518	712,921	43,597
TOPS Maintenance Trust Fund	27,003	70	26,933
Total expenditures	\$ 858,521	\$ 718,286	\$ 140,235

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, 2022

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
<u>ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES</u>				
Current assets				
Cash and investments - unrestricted	\$ 49,350,247	\$ 2,754,045	\$ 939,308	\$ 4,888,044
Cash and investments - restricted	4,354,755	—	—	—
Accounts receivable (net of allowance for uncollectibles)	11,386,651	20,772	2,980	14,777
Leases receivable	4,115,856	9,205	9,205	1,214,769
Notes receivable	306,687	—	—	—
Due from other funds	—	—	—	—
Inventories	1,219,681	—	—	56,797
Total current assets	70,733,877	2,784,022	951,493	6,174,387
Noncurrent assets				
Cash and investments - restricted	—	—	—	1,969,349
Leases receivable	133,493,631	59,351	59,351	2,505,095
Notes receivable	3,924,228	—	—	—
Net pension asset	759,178	59,501	29,699	143,570
Due from other funds	—	—	—	—
Capital assets:				
Land	17,550,285	60,000	931,200	667
Buildings	55,613,619	1,815,451	282,508	68,061,521
Construction in progress	14,509,526	—	520,000	—
Improvements other than buildings	330,048,674	3,389,119	1,510,289	11,634,428
Machinery and equipment	30,378,782	2,928,956	1,112,728	6,444,087
Infrastructure	38,807,337	—	—	—
Intangibles	652,943	—	—	—
Less accumulated depreciation	(224,171,585)	(5,843,595)	(2,816,460)	(12,342,192)
Total noncurrent assets	401,566,618	2,468,783	1,629,315	78,416,525
Total assets	472,300,495	5,252,805	2,580,808	84,590,912
Deferred outflows of resources				
Loss on debt refunding	—	—	—	—
Pension-related amounts	1,405,705	101,260	52,227	277,961
OPEB-related amounts	258,775	25,099	9,372	70,866
Total deferred outflows of resources	1,664,480	126,359	61,599	348,827
Total assets and deferred outflows of resources	\$ 473,964,975	\$ 5,379,164	\$ 2,642,407	\$ 84,939,739

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-1
(PAGE 1 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 15,472,261	\$ 1,609,950	\$ 8,101,735	\$ 15,574,210	\$ 98,689,800
—	—	—	—	4,354,755
173,549	39,857	207,073	5,112,760	16,958,419
—	—	—	—	5,349,035
—	—	—	—	306,687
104,989	—	—	3,142,186	3,247,175
—	—	—	—	1,276,478
15,750,799	1,649,807	8,308,808	23,829,156	130,182,349
—	—	—	—	1,969,349
—	—	—	—	136,117,428
—	—	—	—	3,924,228
65,762	30,777	151,248	272,779	1,512,514
1,021,111	—	—	—	1,021,111
2,072,246	81,379	—	2,110,550	22,806,327
25,059,206	514,720	80,173	—	151,427,198
741,408	—	—	8,880,739	24,651,673
16,813,568	1,745,366	80,289	2,332,182	367,553,915
1,252,781	396,846	332,731	733,506	43,580,417
—	—	—	19,433,998	58,241,335
—	—	—	—	652,943
(23,609,767)	(2,340,497)	(283,643)	(1,344,576)	(272,752,315)
23,416,315	428,591	360,798	32,419,178	540,706,123
39,167,114	2,078,398	8,669,606	56,248,334	670,888,472
48,594	—	—	—	48,594
210,562	59,695	365,614	462,338	2,935,362
35,135	42,159	69,016	301,738	812,160
294,291	101,854	434,630	764,076	3,796,116
\$ 39,461,405	\$ 2,180,252	\$ 9,104,236	\$ 57,012,410	\$ 674,684,588

(continued)

NON-MAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2022

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>				
Current liabilities				
Accounts payable	\$ 4,430,440	\$ 122,504	\$ 9,160	\$ 647,459
Accrued salaries and benefits	232,244	13,866	5,873	45,469
Compensated absences	43,178	5,955	2,196	7,809
Due to other funds	170,846	19,889	13,539	11,623
Unearned revenue	98,017	—	—	—
Escrow deposits	—	—	—	—
Accrued interest payable	343,694	—	—	114,986
Matured bonds payable	—	—	—	570,000
Notes payable	1,789,850	—	—	—
Financed purchases payable	—	95,534	100,382	—
Total current liabilities	7,108,269	257,748	131,150	1,397,346
Noncurrent liabilities				
Compensated absences	820,391	113,154	41,723	148,378
Unearned revenue	2,109,111	—	—	—
Revenue bonds payable, net	—	—	—	29,414,308
Notes payable	13,139,907	—	—	—
Net OPEB liability	915,801	119,523	41,419	276,822
Financed purchases payable	—	97,521	310,033	—
Total noncurrent liabilities	16,985,210	330,198	393,175	29,839,508
Total liabilities	24,093,479	587,946	524,325	31,236,854
Deferred inflows of resources				
Pension-related amounts	6,277,852	550,651	257,401	1,262,525
OPEB-related amounts	316,195	44,444	13,409	99,672
Lease-related amounts	135,539,925	67,891	67,891	3,682,592
Total deferred inflows of resources	142,133,972	662,986	338,701	5,044,789
Net position				
Net investment in capital assets	248,459,824	2,156,876	1,129,850	43,377,216
Restricted for debt service	—	—	—	1,969,349
Restricted for passenger facility charges	4,579,746	—	—	—
Restricted for pension-related	759,178	59,501	29,699	143,570
Unrestricted	53,938,776	1,911,855	619,832	3,167,961
Total net position	307,737,524	4,128,232	1,779,381	48,658,096
Total liabilities, deferred inflows of resources and net position	\$ 473,964,975	\$ 5,379,164	\$ 2,642,407	\$ 84,939,739

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit F-1
 (PAGE 2 OF 2)

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 180,016	\$ 18,308	\$ 6,496	\$ 3,691,076	\$ 9,105,459
23,650	10,163	50,100	71,881	453,246
3,356	3,409	7,647	12,256	85,806
16,400	3,043	—	5,874	241,214
—	—	2,506,880	—	2,604,897
—	—	—	56,161	56,161
7,776	—	—	—	466,456
770,000	—	—	—	1,340,000
—	—	—	—	1,789,850
—	—	—	—	195,916
1,001,198	34,923	2,571,123	3,837,248	16,339,005
63,761	64,778	145,298	232,863	1,630,346
—	1,161,258	—	991,451	4,261,820
3,070,000	—	—	—	32,484,308
—	—	—	—	13,139,907
88,123	188,175	172,924	221,958	2,024,745
—	—	—	—	407,554
3,221,884	1,414,211	318,222	1,446,272	53,948,680
4,223,082	1,449,134	2,889,345	5,283,520	70,287,685
575,621	327,005	1,310,848	3,839,952	14,401,855
34,047	69,174	57,021	309,896	943,858
—	—	—	—	139,358,299
609,668	396,179	1,367,869	4,149,848	154,704,012
18,538,036	397,814	209,550	32,146,399	346,415,565
—	—	—	—	1,969,349
—	—	—	—	4,579,746
65,762	30,777	151,248	272,779	1,512,514
16,024,857	(93,652)	4,486,224	15,159,864	95,215,717
34,628,655	334,939	4,847,022	47,579,042	449,692,891
\$ 39,461,405	\$ 2,180,252	\$ 9,104,236	\$ 57,012,410	\$ 674,684,588

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2022

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
Operating revenues				
Charges for services	\$ 23,461,700	\$ 2,935,256	\$ 1,289,744	\$ 9,572,933
Operating expenses				
Salaries and benefits	8,358,523	535,980	274,216	1,673,574
Other operating expenses	10,664,347	1,477,026	784,706	3,244,661
Depreciation	18,400,459	240,022	15,984	2,664,520
Total operating expenses	37,423,329	2,253,028	1,074,906	7,582,755
Operating income (loss)	(13,961,629)	682,228	214,838	1,990,178
Nonoperating revenues (expenses)				
Investment loss	(1,520,175)	(83,491)	(29,809)	(129,334)
Interest expense	(389,333)	(5,962)	—	(1,331,957)
Passenger facility charges	4,292,024	—	—	—
Customer facility charges	1,441,275	—	—	—
Gain on disposal of capital assets	1,136,208	200	—	4,860
COVID-19 recovery grant	8,257,594	—	—	—
Interest income from leases	2,634,734	1,450	1,450	84,741
Miscellaneous	92,250	—	—	—
Total nonoperating revenues (expenses)	15,944,577	(87,803)	(28,359)	(1,371,690)
Income (loss) before contributions and transfers	1,982,948	594,425	186,479	618,488
Capital contributions	17,469,344	—	—	—
Transfers - in	—	—	—	—
Change in net position	19,452,292	594,425	186,479	618,488
Total net position - January 1	288,285,232	3,533,807	1,592,902	48,039,608
Total net position - December 31	\$307,737,524	\$ 4,128,232	\$ 1,779,381	\$ 48,658,096

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-2

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 9,945,111	\$ 1,519,794	\$ 3,095,347	\$ 25,460,498	\$ 77,280,383
953,780	330,183	2,161,322	1,791,142	16,078,720
3,084,245	1,399,326	938,541	9,303,268	30,896,120
1,310,783	80,642	45,030	556,493	23,313,933
5,348,808	1,810,151	3,144,893	11,650,903	70,288,773
4,596,303	(290,357)	(49,546)	13,809,595	6,991,610
(461,233)	(53,596)	(247,318)	(519,248)	(3,044,204)
(119,737)	—	—	—	(1,846,989)
—	—	—	—	4,292,024
—	—	—	—	1,441,275
—	1,800	—	—	1,143,068
—	—	—	—	8,257,594
—	—	—	—	2,722,375
—	—	—	4,500	96,750
(580,970)	(51,796)	(247,318)	(514,748)	13,061,893
4,015,333	(342,153)	(296,864)	13,294,847	20,053,503
—	—	—	7,663,721	25,133,065
—	712,921	—	—	712,921
4,015,333	370,768	(296,864)	20,958,568	45,899,489
30,613,322	(35,829)	5,143,886	26,620,474	403,793,402
\$ 34,628,655	\$ 334,939	\$ 4,847,022	\$ 47,579,042	\$ 449,692,891

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund	Pikes Peak America's Mountain Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 17,868,548	\$ 2,927,644	\$ 1,286,465	\$ 8,372,540
Receipts from interfund services provided	146,410	—	—	—
Payments to suppliers	(4,390,622)	(625,985)	(344,878)	(2,270,184)
Payments to employees	(11,161,405)	(792,727)	(368,636)	(2,118,327)
Payments for interfund services used	(3,911,445)	(749,117)	(460,917)	(930,017)
Net cash provided (used) by operating activities	(1,448,514)	759,815	112,034	3,054,012
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant	8,257,594	—	—	—
Transfers - in	—	—	—	—
Principal received from interfund loan	—	—	—	—
Interest received from interfund loan	—	—	—	—
Net cash provided by noncapital financing activities	8,257,594	—	—	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(14,112,991)	(1,009,847)	—	(2,096,126)
Repayment of financed purchase obligations	—	(93,587)	(109,585)	—
Principal paid on capital debt	(1,744,873)	—	—	(540,000)
Interest paid on capital debt	(428,266)	(5,962)	—	(1,406,838)
Principal received from leases	4,306,118	9,050	9,050	1,190,258
Interest received from leases	2,634,734	1,450	1,450	84,741
Proceeds from sale of capital assets	1,580,226	200	—	36,597
Capital grant	13,368,960	—	—	—
Passenger facility charges	4,620,626	—	—	—
Customer facility charges	1,435,968	—	—	—
Net cash provided (used) by capital and related financing activities	11,660,502	(1,098,696)	(99,085)	(2,731,368)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	—	1,158,586	269,233	1,140,990
Purchases of investments	(18,794,117)	(828,240)	(282,484)	(1,470,011)
Interest and dividends received	343,101	22,209	6,656	42,936
Principal received on note receivable	314,870	—	—	—
Interest received on note receivable	283,757	—	—	—
Net cash provided (used) by investing activities	(17,852,389)	352,555	(6,595)	(286,085)
Net increase in cash and cash equivalents	617,193	13,674	6,354	36,559
Cash and cash equivalents - January 1	472,669	42,215	12,708	62,636
Cash and cash equivalents - December 31	\$ 1,089,862	\$ 55,889	\$ 19,062	\$ 99,195
Cash and cash equivalents	\$ 1,089,862	\$ 55,889	\$ 19,062	\$ 99,195
Investments	52,615,140	2,698,156	920,246	6,758,198
Total cash and investments	\$ 53,705,002	\$ 2,754,045	\$ 939,308	\$ 6,857,393

	Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$	9,426,795	\$ 1,598,594	\$ 2,895,074	\$ 25,879,682	\$ 70,255,342
	449,809	—	98,239	107,371	801,829
	(2,820,884)	(759,702)	(480,917)	(4,596,889)	(16,290,061)
	(1,151,896)	(515,820)	(2,553,105)	(3,612,465)	(22,274,381)
	(524,241)	(639,774)	(463,555)	(4,372,714)	(12,051,780)
	5,379,583	(316,702)	(504,264)	13,404,985	20,440,949
	—	—	—	—	8,257,594
	—	712,921	—	—	712,921
	86,836	—	—	—	86,836
	46,352	—	—	—	46,352
	133,188	712,921	—	—	9,103,703
	(755,071)	—	—	(10,591,784)	(28,565,819)
	—	—	—	—	(203,172)
	(750,000)	—	—	—	(3,034,873)
	(111,537)	—	—	—	(1,952,603)
	—	—	—	—	5,514,476
	—	—	—	—	2,722,375
	—	1,800	—	—	1,618,823
	—	—	—	3,273,253	16,642,213
	—	—	—	—	4,620,626
	—	—	—	—	1,435,968
	(1,616,608)	1,800	—	(7,318,531)	(1,201,986)
	805,305	91,884	2,922,274	—	6,388,272
	(4,653,065)	(484,170)	(2,436,483)	(6,007,773)	(34,956,343)
	104,991	10,119	65,224	104,381	699,617
	—	—	—	—	314,870
	—	—	—	—	283,757
	(3,742,769)	(382,167)	551,015	(5,903,392)	(27,269,827)
	153,394	15,852	46,751	183,062	1,072,839
	160,592	16,820	117,661	132,993	1,018,294
\$	313,986	\$ 32,672	\$ 164,412	\$ 316,055	\$ 2,091,133
\$	313,986	\$ 32,672	\$ 164,412	\$ 316,055	\$ 2,091,133
	15,158,275	1,577,278	7,937,323	15,258,155	102,922,771
\$	15,472,261	\$ 1,609,950	\$ 8,101,735	\$ 15,574,210	\$ 105,013,904

(continued)

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	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)	\$(13,961,629)	\$ 682,228	\$ 214,838	\$ 1,990,178
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	18,400,459	240,022	15,984	2,664,520
Decrease (increase) in assets and outflows of resources				
Accounts receivable	438,666	2,104	6,435	24,455
Leases receivable	(17,222,287)	(47,024)	(47,024)	—
Due from other funds	—	—	—	2,684
Inventories	(84,917)	—	—	(11,753)
Deferred outflows of resources - pensions	655,039	86,361	35,373	232,468
Deferred outflows of resources - OPEB	(43,745)	2,449	(652)	9,264
Net pension asset	(723,883)	(59,501)	(29,699)	(143,570)
Increase (decrease) in liabilities and inflows of resources				
Accounts and other payables	2,351,818	95,754	(27,583)	66,210
Accrued expenses	171,785	18,002	11,422	78,462
Due to other funds	95,379	6,168	6,495	(9,998)
Other liabilities	490,272	—	—	—
Deferred inflows of resources - pensions	1,567,797	98,063	67,210	297,951
Deferred inflows of resources - OPEB	(37,881)	(7,514)	(1,784)	(22,907)
Deferred inflows of resources - leases	10,846,607	37,309	37,309	(1,227,531)
Net pension liabilities	(4,408,815)	(390,155)	(175,868)	(891,931)
Net OPEB liabilities	16,821	(4,451)	(422)	(4,490)
Net cash provided (used) by operating activities	\$ (1,448,514)	\$ 759,815	\$ 112,034	\$ 3,054,012
Noncash investing, capital and financing activities				
Noncash acquisition of capital assets (incurrence of payable)	\$ 1,466,841	\$ —	\$ 520,000	\$ 436,987
Noncash capital contributions	1,368,022	—	—	—
Change in fair value of investments	(2,147,032)	(105,700)	(36,465)	(190,612)

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

Parking Fund	Cemetery Fund	Development Review Fund	Stormwater Fund	Total
\$ 4,596,303	\$ (290,357)	\$ (49,546)	\$ 13,809,595	\$ 6,991,610
1,310,783	80,642	45,030	556,493	23,313,933
(69,292)	20,626	(77,602)	(5,852)	339,540
—	—	—	—	(17,316,335)
785	—	—	(515,205)	(511,736)
—	—	—	—	(96,670)
(30,267)	52,188	304,293	1,121,996	2,457,451
(12,810)	8,082	(1,148)	107,152	68,592
(65,762)	(30,777)	(151,248)	(272,779)	(1,477,219)
(266,809)	(1,536)	(5,738)	330,477	2,542,593
29,241	9,630	40,248	74,128	432,918
5,928	1,385	—	3,189	108,546
—	58,175	(24,430)	1,047,611	1,571,628
200,330	33,094	331,523	341,882	2,937,850
(2,492)	(10,040)	(4,814)	170,783	83,351
—	—	—	—	9,693,694
(324,304)	(240,052)	(905,571)	(3,118,755)	(10,455,451)
7,949	(7,762)	(5,261)	(245,730)	(243,346)
\$ 5,379,583	\$ (316,702)	\$ (504,264)	\$ 13,404,985	\$ 20,440,949

\$ 105,066	\$ —	\$ —	\$ 3,199,369	\$ 5,728,263
—	—	—	—	1,368,022
(612,575)	(63,714)	(312,542)	(623,629)	(4,092,269)

**NON-MAJOR ENTERPRISE FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL-BUDGET BASIS
For the year ended December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-4**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Airport Fund	\$ 73,991,536	\$ 58,275,778	\$ (15,715,758)
Patty Jewett Golf Fund	2,968,354	2,958,915	(9,439)
Valley Hi Golf Fund	1,280,680	1,297,850	17,170
Pikes Peak America's Mountain Fund	8,133,400	9,718,952	1,585,552
Parking Fund	7,873,144	10,096,453	2,223,309
Cemetery Fund	2,585,822	2,242,833	(342,989)
Development Review Fund	2,992,400	3,160,571	168,171
Stormwater Fund	34,698,507	33,233,100	(1,465,407)
Total revenues	\$ 134,523,843	120,984,452	\$ (13,539,391)

Reconciliation to GAAP:

Add: Gain on disposal of assets	1,143,068
Less: Decrease in fair value of investments	(4,092,269)
Revenues (US GAAP basis)	<u>\$ 118,035,251</u>

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Airport Fund	\$ 109,135,847	\$ 37,517,925	\$ 71,617,922
Patty Jewett Golf Fund	3,520,073	3,380,676	139,397
Valley Hi Golf Fund	1,268,399	1,263,203	5,196
Pikes Peak America's Mountain Fund	13,824,816	8,331,465	5,493,351
Parking Fund	13,720,121	5,949,414	7,770,707
Cemetery Fund	2,585,972	1,917,443	668,529
Development Review Fund	3,925,669	3,494,381	431,288
Stormwater Fund	44,970,479	26,261,001	18,709,478
Total expenses	\$ 192,951,376	88,115,508	\$ 104,835,868

Reconciliation to GAAP:

Add: Depreciation expense	23,313,933
Less: Other year-end accrual entries	(6,297,442)
Less: Capital asset purchases	(29,758,192)
Less: Capital debt principal payments	(3,238,045)
Expenses (US GAAP basis)	<u>\$ 72,135,762</u>

Note: Includes transfers

NON-MAJOR PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Claims Reserve Self-Insurance Fund

Used to account for self-insurance activities of the City (except Utilities) in the area of general liability.

Workers' Compensation Self-Insurance Fund

Used to account for the self-insurance activities related to employee workers' compensation.

Employee Benefits Self-Insurance Fund

Used to account for self-insurance activities of the City employee benefit program (except Utilities).

Office Services Fund

Used to account for printing and mailing services.

Radio Communications Fund

Used to account for radio services.

**INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 2022**

ASSETS	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
Current assets		
Cash and investments	\$ 651,344	\$ 5,763,381
Accounts receivable (net of allowance for uncollectibles)	—	9,227
Inventories	—	—
Due from other funds	—	7,306
Total current assets	651,344	5,779,914
Noncurrent assets		
Lease receivable	—	—
Capital assets:		
Land	—	—
Buildings	—	—
Improvements other than buildings	—	—
Machinery and equipment	—	41,433
Lease assets - equipment	—	—
Less accumulated depreciation and amortization	—	(41,433)
Total noncurrent assets	—	—
Total assets	\$ 651,344	\$ 5,779,914
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities		
Accounts payable	\$ 29,581	\$ 65,015
Claims payable	5,954,000	8,534,500
Accrued salaries and benefits	10,143	25,513
Compensated absences	1,292	4,292
Lease liabilities	—	—
Due to other funds	—	3,176
Total current liabilities	5,995,016	8,632,496
Noncurrent liabilities		
Claims payable	—	8,534,500
Compensated absences	24,552	81,557
Lease liabilities	—	—
Total noncurrent liabilities	24,552	8,616,057
Total liabilities	6,019,568	17,248,553
Deferred inflows of resources		
Lease-related amounts	—	—
Total deferred inflows of resources	—	—
Net position		
Net investment in capital assets	—	—
Unrestricted	(5,368,224)	(11,468,639)
Total net position	(5,368,224)	(11,468,639)
Total liabilities, deferred inflows of resources and net position	\$ 651,344	\$ 5,779,914

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-1**

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 1,472,350	\$ 979,891	\$ 771,172	\$ 9,638,138
857,459	43,864	6,600	917,150
—	33,330	7,035	40,365
17,168	5,789	—	30,263
<u>2,346,977</u>	<u>1,062,874</u>	<u>784,807</u>	<u>10,625,916</u>
—	—	209,040	209,040
—	—	13,000	13,000
—	—	201,250	201,250
—	—	310,198	310,198
—	193,744	252,025	487,202
—	72,909	—	72,909
—	(146,416)	(559,658)	(747,507)
—	120,237	425,855	546,092
<u>\$ 2,346,977</u>	<u>\$ 1,183,111</u>	<u>\$ 1,210,662</u>	<u>\$ 11,172,008</u>
\$ 2,325,760	\$ 29,246	\$ 8,179	\$ 2,457,781
3,644,000	—	—	18,132,500
12,302	14,885	13,340	76,183
2,919	4,708	3,693	16,904
—	13,767	—	13,767
—	—	1,777	4,953
<u>5,984,981</u>	<u>62,606</u>	<u>26,989</u>	<u>20,702,088</u>
—	—	—	8,534,500
55,457	89,447	70,161	321,174
—	59,373	—	59,373
<u>55,457</u>	<u>148,820</u>	<u>70,161</u>	<u>8,915,047</u>
<u>6,040,438</u>	<u>211,426</u>	<u>97,150</u>	<u>29,617,135</u>
—	—	224,085	224,085
—	—	224,085	224,085
—	120,237	216,815	337,052
(3,693,461)	851,448	672,612	(19,006,264)
<u>(3,693,461)</u>	<u>971,685</u>	<u>889,427</u>	<u>(18,669,212)</u>
<u>\$ 2,346,977</u>	<u>\$ 1,183,111</u>	<u>\$ 1,210,662</u>	<u>\$ 11,172,008</u>

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2022

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
Operating revenues		
Charges for services	\$ 1,020,450	\$ 9,997,712
Operating expenses		
Salaries and benefits	384,651	1,172,563
Other operating expenses	3,425,017	7,211,318
Depreciation and amortization	—	—
Total operating expenses	3,809,668	8,383,881
Operating income (loss)	(2,789,218)	1,613,831
Nonoperating revenues (expenses)		
Investment loss	(8,709)	(190,508)
Interest income from leases	—	—
Interest expense	—	—
Total nonoperating revenues (expenses)	(8,709)	(190,508)
Change in net position	(2,797,927)	1,423,323
Total net position - January 1	(2,570,297)	(12,891,962)
Total net position - December 31	\$ (5,368,224)	\$ (11,468,639)

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-2**

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 42,770,787	\$ 2,054,967	\$ 1,695,453	\$ 57,539,369
557,528	729,619	680,527	3,524,888
39,269,945	1,131,252	822,829	51,860,361
—	14,806	27,268	42,074
39,827,473	1,875,677	1,530,624	55,427,323
2,943,314	179,290	164,829	2,112,046
(57,569)	(32,174)	(24,737)	(313,697)
—	—	5,594	5,594
—	(230)	—	(230)
(57,569)	(32,404)	(19,143)	(308,333)
2,885,745	146,886	145,686	1,803,713
(6,579,206)	824,799	743,741	(20,472,925)
\$ (3,693,461)	\$ 971,685	\$ 889,427	\$ (18,669,212)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 2,162	\$ 350,350
Receipts from interfund services provided	1,019,000	9,670,189
Payments to suppliers	(2,890,494)	(5,813,840)
Payments to employees	(374,335)	(1,147,932)
Payments for interfund services used	(7,899)	(1,713,741)
Net cash provided (used) by operating activities	(2,251,566)	1,345,026
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of advance from other funds	—	—
Net cash used by noncapital financing activities	—	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal received from leases	—	—
Interest received from leases	—	—
Net cash provided by capital and related financing activities	—	—
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	2,412,713	406,613
Purchases of investments	(195,883)	(1,733,256)
Interest and dividends received	9,259	37,324
Net cash provided (used) by investing activities	2,226,089	(1,289,319)
Net increase (decrease) in cash and cash equivalents	(25,477)	55,707
Cash and cash equivalents - January 1	38,695	61,252
Cash and cash equivalents - December 31	\$ 13,218	\$ 116,959
Cash and cash equivalents	\$ 13,218	\$ 116,959
Investments	638,126	5,646,422
Total cash and investments	\$ 651,344	\$ 5,763,381

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-3
(PAGE 1 OF 2)

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 9,321,290	\$ 294,920	\$ 358,072	\$ 10,326,794
33,126,287	1,757,376	1,245,914	46,818,766
(37,708,608)	(768,396)	(332,233)	(47,513,571)
(546,218)	(754,241)	(662,508)	(3,485,234)
(1,326,485)	(365,438)	(498,966)	(3,912,529)
2,866,266	164,221	110,279	2,234,226
(1,336,347)	—	—	(1,336,347)
(1,336,347)	—	—	(1,336,347)
—	—	141,976	141,976
—	—	5,594	5,594
—	—	147,570	147,570
—	132,731	—	2,952,057
(1,504,506)	(294,688)	(255,354)	(3,983,687)
4,466	6,353	6,004	63,406
(1,500,040)	(155,604)	(249,350)	(968,224)
29,879	8,617	8,499	77,225
—	11,268	7,151	118,366
\$ 29,879	\$ 19,885	\$ 15,650	\$ 195,591
\$ 29,879	\$ 19,885	\$ 15,650	\$ 195,591
1,442,471	960,006	755,522	9,442,547
\$ 1,472,350	\$ 979,891	\$ 771,172	\$ 9,638,138

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

	Claims Reserve Self-Insurance Fund	Workers' Compensation Self- Insurance Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (2,789,218)	\$ 1,613,831
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization expense	—	—
Decrease (increase) in assets		
Accounts receivable	712	(9,152)
Due from other funds	—	31,979
Inventories	—	—
Increase (decrease) in liabilities and inflows of resources		
Accounts and other payables	526,624	(319,439)
Accrued expenses	10,316	24,631
Due to other funds	—	3,176
Deferred inflows of resources - leases	—	—
Net cash provided (used) by operating activities	\$ (2,251,566)	\$ 1,345,026
Noncash investing, capital and financing activities		
Change in fair value of investments	\$ (17,968)	\$ (227,832)

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

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
\$ 2,943,314	\$ 179,290	\$ 164,829	\$ 2,112,046
—	14,806	27,268	42,074
(317,673)	(20,649)	35,464	(311,298)
(5,539)	17,978	—	44,418
—	(5,275)	(2,631)	(7,906)
234,854	2,693	(4,946)	439,786
11,310	(24,622)	18,019	39,654
—	—	(793)	2,383
—	—	(126,931)	(126,931)
<u>\$ 2,866,266</u>	<u>\$ 164,221</u>	<u>\$ 110,279</u>	<u>\$ 2,234,226</u>

\$ (62,035) \$ (38,527) \$ (30,741) \$ (377,103)

**INTERNAL SERVICES FUND
SCHEDULE OF REVENUES AND
EXPENSES-BUDGET AND ACTUAL-BUDGET BASIS
For the year ended December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-4**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Claims Reserve Self-Insurance Fund	\$ 1,078,400	\$ 1,029,709	\$ (48,691)
Workers' Compensation Self-Insurance Fund	8,846,650	10,035,036	1,188,386
Employee Benefits Self-Insurance Fund	39,915,193	42,775,253	2,860,060
Office Services Fund	1,815,649	2,061,320	245,671
Radio Communications Fund	1,659,098	1,707,051	47,953
Total revenues	<u>\$ 53,314,990</u>	57,608,369	<u>\$ 4,293,379</u>

Reconciliation to GAAP:

Less: Decrease in fair value of investments	(377,103)
Revenues (US GAAP basis)	<u>\$ 57,231,266</u>

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Claims Reserve Self-Insurance Fund	\$ 1,928,391	\$ 3,262,550	\$ (1,334,159)
Workers' Compensation Self-Insurance Fund	9,342,434	7,715,277	1,627,157
Employee Benefits Self-Insurance Fund	42,113,487	39,170,703	2,942,784
Office Services Fund	1,813,402	1,891,972	(78,570)
Radio Communications Fund	1,705,478	1,488,546	216,932
Total expenses	<u>\$ 56,903,192</u>	53,529,048	<u>\$ 3,374,144</u>

Reconciliation to GAAP:

Add: Depreciation and amortization expense	42,074
Add: Other year-end accrual entries	1,856,431
Expenses (US GAAP basis)	<u>\$ 55,427,553</u>

Note: Includes transfers

FIDUCIARY FUNDS

Fiduciary funds are used to report Old Hire Fire and Old Hire Police pension trust funds, which account for the activities in these City Fire and Police pension plans. These funds accumulate resources for pension benefit payments to qualified public safety employees.

FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-1

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total Pension Trust Funds
<u>ASSETS</u>			
Pension assets held by Fire and Police Pension Association			
Pooled investment funds	\$ 62,070,722	\$ 53,683,394	\$ 115,754,116
Total assets	<u>\$ 62,070,722</u>	<u>\$ 53,683,394</u>	<u>\$ 115,754,116</u>
<u>NET POSITION</u>			
Net position restricted for pensions	<u>\$ 62,070,722</u>	<u>\$ 53,683,394</u>	<u>\$ 115,754,116</u>

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
For the year ended December 31, 2022

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-2

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total Pension Trust Funds
Additions			
City contributions	\$ 3,076,512	\$ 2,120,342	\$ 5,196,854
Total contributions	<u>3,076,512</u>	<u>2,120,342</u>	<u>5,196,854</u>
Investment earnings (loss):			
Net decrease in fair value of investments	(5,730,066)	(4,920,119)	(10,650,185)
Interest, dividends and other	891,097	767,037	1,658,134
Total investment loss	<u>(4,838,969)</u>	<u>(4,153,082)</u>	<u>(8,992,051)</u>
Less investment costs	414,952	356,810	771,762
Net investment loss	<u>(5,253,921)</u>	<u>(4,509,892)</u>	<u>(9,763,813)</u>
Total additions	<u>(2,177,409)</u>	<u>(2,389,550)</u>	<u>(4,566,959)</u>
Deductions			
Benefits paid to participants or beneficiaries	9,133,967	7,079,571	16,213,538
Administrative expense	48,797	39,326	88,123
Total deductions	<u>9,182,764</u>	<u>7,118,897</u>	<u>16,301,661</u>
Net decrease in fiduciary net position	(11,360,173)	(9,508,447)	(20,868,620)
Net position restricted for pensions - January 1	<u>73,430,895</u>	<u>63,191,841</u>	<u>136,622,736</u>
Net position restricted for pensions - December 31	<u>\$ 62,070,722</u>	<u>\$ 53,683,394</u>	<u>\$ 115,754,116</u>



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			
	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	\$ 1,720,909,853	\$ 1,553,161,705	\$ 1,480,807,235	\$ 1,413,603,440
Restricted	92,232,333	89,745,144	40,763,006	36,632,780
Unrestricted	16,078,007	(63,175,857)	(80,551,115)	(81,798,147)
Total governmental activities net position	\$ 1,829,220,193	\$ 1,579,730,992	\$ 1,441,019,126	\$ 1,368,438,073
Business-type activities				
Net investment in capital assets	\$ 2,399,652,565	\$ 2,165,919,222	\$ 2,090,953,267	\$ 2,229,703,432
Restricted	73,167,609	53,140,896	67,324,018	57,212,559
Unrestricted	209,717,573	74,064,859	1,869,084	(59,476,898)
Total business-type activities net position	\$ 2,682,537,747	\$ 2,293,124,977	\$ 2,160,146,369	\$ 2,227,439,093
Primary government				
Net investment in capital assets	\$ 4,120,562,418	\$ 3,719,080,927	\$ 3,571,760,502	\$ 3,643,306,872
Restricted	165,399,942	142,886,040	108,087,024	93,845,339
Unrestricted	225,795,580	10,889,002	(78,682,031)	(141,275,045)
Total primary government net position	\$ 4,511,757,940	\$ 3,872,855,969	\$ 3,601,165,495	\$ 3,595,877,166

**CITY OF COLORADO SPRINGS
COLORADO
Table 1**

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 1,379,549,497	\$ 1,320,601,473	\$ 1,248,000,610	\$ 1,246,630,036	\$ 1,247,391,126	\$ 1,222,445,299	
47,078,513	38,015,920	43,747,103	28,406,351	23,557,193	20,966,471	
(130,182,875)	(100,500,356)	(89,121,095)	(79,724,995)	72,305,489	74,861,853	
\$ 1,296,445,135	\$ 1,258,117,037	\$ 1,202,626,618	\$ 1,195,311,392	\$ 1,343,253,808	\$ 1,318,273,623	
\$ 2,109,118,989	\$ 1,962,444,943	\$ 1,872,057,076	\$ 1,731,137,866	\$ 1,566,906,671	\$ 1,423,336,171	
41,771,236	46,297,314	51,102,001	69,882,674	61,330,543	42,190,406	
(136,986,951)	(69,559,753)	(49,050,476)	(63,038,610)	156,215,483	224,351,377	
\$ 2,013,903,274	\$ 1,939,182,504	\$ 1,874,108,601	\$ 1,737,981,930	\$ 1,784,452,697	\$ 1,689,877,954	
\$ 3,488,668,486	\$ 3,283,046,416	\$ 3,120,057,686	\$ 2,977,767,902	\$ 2,814,297,797	\$ 2,645,781,470	
88,849,749	84,313,234	94,849,104	98,289,025	84,887,736	63,156,877	
(267,169,826)	(170,060,109)	(138,171,571)	(142,763,605)	228,520,972	299,213,230	
\$ 3,310,348,409	\$ 3,197,299,541	\$ 3,076,735,219	\$ 2,933,293,322	\$ 3,127,706,505	\$ 3,008,151,577	

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year			
	2022	2021	2020	2019
Expenses				
Governmental activities:				
General government	\$ 113,579,258	\$ 97,875,879	\$ 99,253,639	\$ 75,779,622
Public safety	200,641,033	228,308,702	245,421,258	230,131,163
Planning	—	—	—	12,198,087
Planning and community development	16,860,633	34,230,738	11,967,295	—
Public works	124,506,436	137,529,243	138,423,494	118,032,617
Parks	33,027,521	33,604,107	27,732,987	29,426,437
Health and welfare	—	—	—	—
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Interest on long-term debt	2,119,369	2,247,332	2,414,226	2,047,097
Total governmental activities	490,734,250	533,796,001	525,212,899	467,615,023
Business-type activities:				
Utilities	921,495,360	988,254,359	764,323,344	741,238,248
PACE	57,684,000	58,349,000	58,949,000	59,525,000
MHS	2,527,597	2,616,309	2,945,094	2,987,413
Other non-major enterprises	66,129,072	75,216,983	53,259,512	54,212,096
Total business-type activities	1,047,836,029	1,124,436,651	879,476,950	857,962,757
Total primary government expenses	\$ 1,538,570,279	\$ 1,658,232,652	\$ 1,404,689,849	\$ 1,325,577,780
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 28,436,464	\$ 28,668,757	\$ 25,017,621	\$ 25,884,456
Public safety	9,496,141	8,125,925	6,500,328	7,154,791
Planning	—	—	—	2,132,235
Planning and community development	2,617,374	5,065,099	5,502,211	—
Public works	22,776,974	22,262,058	21,772,133	16,962,729
Parks	3,357,064	3,068,559	2,220,471	3,044,391
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Operating grants and contributions	51,277,129	62,779,812	73,426,500	36,420,060
Capital grants and contributions	175,333,589	110,453,890	81,129,207	82,048,509
Total governmental activities	\$ 293,294,735	\$ 240,424,100	\$ 215,568,471	\$ 173,647,171

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 109,660,430	\$ 101,607,259	\$ 65,304,997	\$ 64,459,559	\$ 66,869,211	\$ 57,776,797	
181,773,131	187,325,052	190,623,311	168,628,903	168,664,690	158,517,649	
7,957,832	7,924,192	—	—	—	—	
—	—	22,968,689	12,523,168	—	—	
141,233,041	130,509,017	120,721,459	83,608,555	78,015,459	80,476,208	
26,268,032	26,088,482	28,826,273	24,400,726	—	—	
—	—	—	—	1,083,268	1,057,832	
—	—	—	—	27,008,991	22,344,456	
—	—	—	—	5,721,466	4,775,034	
—	—	—	—	3,811,264	3,292,753	
1,975,934	2,289,562	2,415,117	2,875,505	3,397,967	4,683,225	
468,868,400	455,743,564	430,859,846	356,496,416	354,572,316	332,923,954	
818,765,578	793,109,339	681,776,411	672,816,293	783,594,844	805,232,795	
59,945,000	60,277,000	60,545,000	60,810,000	60,995,000	61,041,000	
3,052,496	3,035,965	3,175,469	3,285,813	620,537	431,000	
40,715,626	42,098,307	36,515,165	39,347,633	37,810,511	47,044,893	
922,478,700	898,520,611	782,012,045	776,259,739	883,020,892	913,749,688	
\$ 1,391,347,100	\$ 1,354,264,175	\$ 1,212,871,891	\$ 1,132,756,155	\$ 1,237,593,208	\$ 1,246,673,642	

\$ 27,461,626	\$ 16,985,911	\$ 20,800,595	\$ 19,975,243	\$ 20,374,166	\$ 11,468,448	
6,951,073	7,355,565	6,742,276	6,930,898	6,413,558	4,796,826	
2,061,979	2,019,143	—	—	—	—	
—	—	—	—	—	—	
14,883,995	12,470,148	12,632,805	9,695,070	7,897,929	7,647,033	
3,018,873	2,866,225	3,341,163	2,940,722	—	—	
—	—	—	—	2,655,107	2,394,630	
—	—	—	—	236,679	550,014	
—	—	—	—	1,000	—	
24,963,955	18,571,546	20,758,053	22,588,951	15,399,529	21,514,697	
100,366,905	121,233,985	59,514,382	47,827,449	80,881,804	60,360,011	
\$ 179,708,406	\$ 181,502,523	\$ 123,789,274	\$ 109,958,333	\$ 133,859,772	\$ 108,731,659	

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year			
	2022	2021	2020	2019
Business-type activities:				
Charges for services:				
Utilities	\$ 1,234,496,000	\$ 1,065,754,000	\$ 884,352,000	\$ 893,026,000
PACE	51,532,000	51,042,000	50,567,000	50,108,000
Other non-major enterprises	77,280,383	67,957,911	54,813,785	58,792,179
Operating grants and contributions	8,257,594	12,965,767	—	—
Capital grants and contributions	94,544,065	92,952,205	81,513,770	87,202,848
Total business-type activities	1,466,110,042	1,290,671,883	1,071,246,555	1,089,129,027
Total primary government program revenues	\$ 1,759,404,777	\$ 1,531,095,983	\$ 1,286,815,026	\$ 1,262,776,198
Net revenue (expense)				
Governmental activities	\$ (197,439,515)	\$ (293,371,901)	\$ (309,644,428)	\$ (293,967,852)
Business-type activities	418,274,013	166,235,232	191,769,605	231,166,270
Total primary government net revenue (expense)	\$ 220,834,498	\$ (127,136,669)	\$ (117,874,823)	\$ (62,801,582)
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	\$ 29,560,154	\$ 27,817,945	\$ 27,477,739	\$ 23,841,133
Sales taxes	386,903,902	361,657,264	295,619,090	292,419,454
Specific ownership taxes	3,389,527	3,590,096	3,358,601	3,279,689
Occupational liquor taxes	338,851	327,883	324,337	315,546
Admissions tax	436,774	284,149	157,444	575,495
Bicycle excise tax	76,594	96,158	100,802	57,612
Investment earnings (loss)	(10,553,235)	133,202	8,414,431	8,122,461
Gain on sale of capital assets	—	—	1,265,590	1,242,627
Contributions to endowments	98,070	73,351	66,576	62,074
Transfers	36,678,079	38,103,719	45,440,871	36,044,699
Total governmental activities	446,928,716	432,083,767	382,225,481	365,960,790
Business-type activities:				
Investment earnings	10,423,768	4,707,275	12,067,326	17,150,551
Gain on sale of capital assets	1,143,068	139,820	2,406,216	1,263,697
Extraordinary item	—	—	—	—
Special item	(3,750,000)	—	(228,095,000)	—
Transfers	(36,678,079)	(38,103,719)	(45,440,871)	(36,044,699)
Total business-type activities	(28,861,243)	(33,256,624)	(259,062,329)	(17,630,451)
Total primary government general revenues and other changes	\$ 418,067,473	\$ 398,827,143	\$ 123,163,152	\$ 348,330,339
Change in net position				
Governmental activities	\$ 249,489,201	\$ 138,711,866	\$ 72,581,053	\$ 71,992,938
Business-type activities	389,412,770	132,978,608	(67,292,724)	213,535,819
Total primary government change in net position	\$ 638,901,971	\$ 271,690,474	\$ 5,288,329	\$ 285,528,757

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 890,477,000	\$ 839,822,000	\$ 793,293,000	\$ 830,821,000	\$ 868,846,000	\$ 823,760,000	
49,628,000	49,148,000	48,654,000	48,150,000	47,641,000	47,085,000	
47,893,293	36,013,711	32,830,447	31,592,365	31,029,462	35,699,603	
—	—	—	—	—	—	
70,293,975	61,096,647	76,081,834	46,213,579	60,238,372	57,956,449	
1,058,292,268	986,080,358	950,859,281	956,776,944	1,007,754,834	964,501,052	
<u>\$ 1,238,000,674</u>	<u>\$ 1,167,582,881</u>	<u>\$ 1,074,648,555</u>	<u>\$ 1,066,735,277</u>	<u>\$ 1,141,614,606</u>	<u>\$ 1,073,232,711</u>	
\$ (289,159,994)	\$ (274,241,041)	\$ (307,070,572)	\$ (246,538,083)	\$ (220,712,544)	\$ (224,192,295)	
135,813,568	87,559,747	168,847,236	180,517,205	124,733,942	50,751,364	
<u>\$ (153,346,426)</u>	<u>\$ (186,681,294)</u>	<u>\$ (138,223,336)</u>	<u>\$ (66,020,878)</u>	<u>\$ (95,978,602)</u>	<u>\$ (173,440,931)</u>	
\$ 23,475,282	\$ 22,190,678	\$ 23,390,221	\$ 22,540,418	\$ 22,862,535	\$ 24,283,843	
286,918,740	268,547,457	252,544,859	190,269,766	185,615,186	172,706,230	
3,374,149	3,395,628	2,846,855	2,611,736	2,478,710	2,343,653	
304,686	291,426	280,240	273,125	266,803	264,539	
605,403	503,955	503,199	469,933	509,696	432,317	
78,284	77,140	85,746	83,080	81,032	78,760	
2,259,245	1,645,386	1,147,142	1,082,201	1,379,491	1,102,409	
1,376,263	1,260,228	2,389,154	135,015	326,919	995,844	
70,976	1,338,973	171,160	80,485	83,086	70,965	
30,141,965	30,480,589	31,027,222	30,725,000	32,055,000	32,116,530	
348,604,993	329,731,460	314,385,798	248,270,759	245,658,458	234,395,090	
12,406,763	7,994,745	8,117,657	7,111,047	4,534,754	4,070,731	
—	—	—	—	—	—	
—	—	—	—	—	(507,000)	
—	—	(9,811,000)	—	—	—	
(30,141,965)	(30,480,589)	(31,027,222)	(30,725,000)	(32,055,000)	(32,116,530)	
(17,735,202)	(22,485,844)	(32,720,565)	(23,613,953)	(27,520,246)	(28,552,799)	
<u>\$ 330,869,791</u>	<u>\$ 307,245,616</u>	<u>\$ 281,665,233</u>	<u>\$ 224,656,806</u>	<u>\$ 218,138,212</u>	<u>\$ 205,842,291</u>	
\$ 59,444,999	\$ 55,490,419	\$ 7,315,226	\$ 1,732,676	\$ 24,945,914	\$ 10,202,795	
118,078,366	65,073,903	136,126,671	156,903,252	97,213,696	22,198,565	
<u>\$ 177,523,365</u>	<u>\$ 120,564,322</u>	<u>\$ 143,441,897</u>	<u>\$ 158,635,928</u>	<u>\$ 122,159,610</u>	<u>\$ 32,401,360</u>	

FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2022	2021	2020	2019
General fund				
Nonspendable	\$ 318,903	\$ 275,710	\$ 314,487	\$ 267,873
Restricted	19,011,591	52,418,171	19,726,250	21,453,968
Committed	20,495,186	13,725,459	16,606,280	8,619,660
Assigned	7,594,965	10,250,941	7,516,635	3,271,255
Unassigned	66,023,473	72,282,536	82,295,044	51,208,209
Total general fund	\$ 113,444,118	\$ 148,952,817	\$ 126,458,696	\$ 84,820,965
All other governmental funds				
Nonspendable	\$ 13,245,475	\$ 16,097,721	\$ 14,709,687	\$ 13,199,141
Restricted	103,270,664	79,964,077	58,126,794	66,424,359
Committed	60,938,327	45,724,029	42,929,762	33,683,967
Assigned	4,003,549	3,959,975	4,222,562	9,272,911
Total all other governmental funds	\$ 181,458,015	\$ 145,745,802	\$ 119,988,805	\$ 122,580,378

**CITY OF COLORADO SPRINGS
COLORADO
Table 3**

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 299,253	\$ 291,430	\$ 365,732	\$ 384,475	\$ 450,771	\$ 133,289	
21,315,406	22,881,977	30,049,266	7,545,287	9,996,781	8,182,418	
14,812,118	10,470,218	5,234,626	6,150,522	6,369,071	5,565,912	
5,218,259	7,783,758	4,042,429	3,629,733	2,937,924	8,070,526	
31,892,186	32,322,036	29,290,407	32,707,058	33,950,373	35,115,277	
\$ 73,537,222	\$ 73,749,419	\$ 68,982,460	\$ 50,417,075	\$ 53,704,920	\$ 57,067,422	
\$ 11,410,452	\$ 12,294,033	\$ 11,162,249	\$ 11,195,086	\$ 11,540,728	\$ 11,049,247	
53,061,975	51,226,624	48,084,352	34,619,120	33,433,127	30,599,345	
29,880,201	23,078,768	23,230,678	21,439,222	16,622,140	14,015,208	
2,800,134	1,845,149	856,356	245,488	1,050,454	847,687	
\$ 97,152,762	\$ 88,444,574	\$ 83,333,635	\$ 67,498,916	\$ 62,646,449	\$ 56,511,487	

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year			
	2022	2021	2020	2019
Revenues				
Taxes	\$ 420,705,802	\$ 393,773,495	\$ 327,038,013	\$ 320,488,929
Licenses and permits	—	—	—	—
Licenses, permits and fines	10,296,502	10,263,799	8,702,782	10,068,157
Intergovernmental	105,645,542	106,170,371	107,556,349	80,885,614
Charges for services	35,060,235	34,816,704	33,326,352	29,685,094
Endowments and donations	4,592,386	1,499,854	3,005,744	3,820,491
Other revenue	11,140,608	9,703,812	7,721,596	7,893,331
Interfund services provided	11,093,965	10,574,577	8,045,494	7,502,200
Investment earnings (loss)	(10,528,821)	178,952	8,239,439	7,882,201
Rental income	226,439	220,465	268,537	419,232
Total revenues	588,232,658	567,202,029	503,904,306	468,645,249
Expenditures				
General government	123,926,199	92,264,862	87,782,199	83,717,293
Public safety	246,732,931	229,451,344	210,066,967	212,865,070
Planning	—	—	—	12,073,572
Planning and community development	17,194,122	34,418,944	11,845,861	—
Public works	56,145,021	54,874,846	57,250,219	56,847,630
Parks	26,975,295	28,777,268	22,936,508	25,189,127
Health and welfare	—	—	—	—
Culture and recreation	—	—	—	—
Urban redevelopment and housing	—	—	—	—
Economic development	—	—	—	—
Miscellaneous	—	—	—	22,461
Debt service				
Principal	12,269,251	10,382,098	10,216,347	9,166,475
Principal - leases	1,431,295	—	—	—
Interest	2,057,256	2,255,702	2,451,305	1,997,549
Interest - leases	71,746	—	—	—
Issuance expense	—	—	—	266,544
Capital outlay	154,476,151	110,146,029	109,264,107	88,763,142
Total expenditures	641,279,267	562,571,093	511,813,513	490,908,863
Deficiency of revenues under expenditures	(53,046,609)	4,630,936	(7,909,207)	(22,263,614)
Other financing sources (uses)				
Transfers - in	75,036,360	47,812,339	40,271,985	45,095,199
Transfers - out	(38,358,281)	(10,712,466)	(5,097,427)	(11,017,348)
Issuance of debt	—	—	—	9,000,000
Payment on refunding bonds	—	—	—	—
Premium on bonds issued	—	—	—	1,602,734
Issuance of leases	4,875,067	—	—	—
Financed purchases	9,033,077	4,154,688	10,515,217	13,051,761
Loss on investments	—	—	—	—
Sale of capital assets	2,663,900	2,365,621	1,265,590	1,242,627
Total other financing sources (uses)	53,250,123	43,620,182	46,955,365	58,974,973
Net change in fund balances	\$ 203,514	\$ 48,251,118	\$ 39,046,158	\$ 36,711,359

Debt service as a percentage of noncapital expenditures 3.0 % 2.5 % 2.9 % 2.6 %

Note: Prior to 2014, reimbursements from other funds were offset against its corresponding expense. This change was implemented to provide better comparisons to budget.

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 314,756,544	\$ 295,006,284	\$ 279,651,120	\$ 216,248,058	\$ 211,813,962	\$ 200,109,342	
—	—	—	—	1,860,374	1,940,283	
7,873,189	6,327,465	6,571,781	7,216,901	—	—	
68,996,748	69,428,549	59,298,336	57,047,283	51,801,244	49,448,348	
26,834,822	25,891,928	26,036,068	22,254,241	24,395,457	22,180,061	
1,845,510	3,236,664	2,037,905	2,154,590	1,498,184	1,282,267	
7,604,283	3,476,744	5,799,418	3,404,021	3,242,165	2,410,136	
6,917,339	6,762,691	7,022,399	7,613,978	7,997,266	—	
1,986,453	1,571,506	1,143,834	1,059,514	1,388,369	1,115,418	
478,850	407,287	419,745	249,746	588,703	589,610	
437,293,738	412,109,118	387,980,606	317,248,332	304,585,724	279,075,465	
76,027,262	73,012,905	52,896,927	55,772,800	56,713,784	56,098,731	
187,304,322	177,723,464	170,809,396	168,750,783	159,829,593	149,890,554	
7,780,318	7,858,733	15,740,999	—	—	—	
—	—	—	10,279,313	—	—	
58,917,887	60,324,119	51,168,691	46,688,517	38,414,786	38,659,424	
23,364,222	23,585,967	25,670,280	21,701,668	—	—	
—	—	—	—	1,080,000	1,040,000	
—	—	—	—	22,720,707	18,044,391	
—	—	—	—	4,952,651	4,402,839	
—	—	—	—	3,799,765	3,237,248	
18,199	18,417	22,597	24,352	14,708	670,525	
6,864,565	5,143,602	6,067,329	10,933,009	13,334,381	14,397,183	
—	—	—	—	—	—	
1,990,333	2,443,203	2,414,008	2,916,884	3,437,765	4,803,195	
—	—	—	—	—	—	
—	270,998	—	—	—	—	
105,294,562	87,074,558	75,270,238	30,211,685	29,987,604	24,582,564	
467,561,670	437,455,966	400,060,465	347,279,011	334,285,744	315,826,654	
(30,267,932)	(25,346,848)	(12,079,859)	(30,030,679)	(29,700,020)	(36,751,189)	
43,771,245	39,343,387	47,515,435	45,666,562	42,711,618	42,406,999	
(12,096,375)	(8,862,798)	(16,799,425)	(13,768,280)	(10,656,618)	(10,622,278)	
—	29,930,000	13,690,000	—	8,960,000	—	
—	(31,647,240)	—	—	(8,856,720)	—	
—	1,988,238	—	—	—	—	
—	—	—	—	—	—	
5,712,792	3,212,931	1,844,224	—	—	1,776,674	
—	—	—	(438,002)	—	—	
1,376,261	1,260,228	229,729	135,021	314,200	1,007,534	
38,763,923	35,224,746	46,479,963	31,595,301	32,472,480	34,568,929	
\$ 8,495,991	\$ 9,877,898	\$ 34,400,104	\$ 1,564,622	\$ 2,772,460	\$ (2,182,260)	
2.2 %	2.0 %	2.4 %	4.4 %	5.4 %	6.5 %	

SALES AND USE TAX REVENUE
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 5

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax	Road Repair Maintenance and Improvement Tax	Trails, Open Space and Parks Sales and Use Tax	Total Direct Tax Rate
2013	\$ 134,068,394	\$ 26,813,678	\$ —	\$ 6,703,421	2.50%
2014	142,102,152	28,420,430	—	7,105,106	2.50%
2015	148,658,292	29,731,659	—	7,432,914	2.50%
2016	162,067,524	32,413,507	49,743,080	8,103,376	3.12%
2017	170,186,924	34,037,386	52,744,961	8,509,345	3.12%
2018	181,242,818	36,248,564	56,176,843	9,062,141	3.12%
2019	185,508,324	37,101,665	57,539,153	9,275,416	3.12%
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%

Source: City Sales Tax Division Reports.

**DIRECT AND OVERLAPPING
SALES AND USE TAX RATES**
Last ten fiscal years

**CITY OF COLORADO SPRINGS
COLORADO**
Table 6

Fiscal Year	City Direct Rates					Overlapping Rates		Total Direct and Overlapping Rates (%)
	City Sales and Use Tax (%)	Public Safety Sales and Use Tax (%)	Trails, Open Space and Parks Sales and Use Tax (%)	Road Repair Maintenance and Improvement Tax (%)	Total Direct (%)	El Paso County Sales Tax (%)	Pikes Peak Rural Transportation Authority Tax (%)	
2013	2.00	0.40	0.10	0.00	2.50	1.23	1.00	4.73
2014	2.00	0.40	0.10	0.00	2.50	1.23	1.00	4.73
2015	2.00	0.40	0.10	0.00	2.50	1.23	1.00	4.73
2016	2.00	0.40	0.10	0.62 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

Note: In April 1991, voters approved City Charter Amendment #3, entitled the "Taxpayers Bill of Rights." A similar statewide constitutional amendment was passed in November 1992. One of the provisions of this amendment is that advance voter approval is necessary for any new tax or tax increase.

¹In November 2015, voters in Colorado Springs approved a sales and use tax of .62 of 1-cent to be used for road repair and maintenance. The increased tax rate was effective as of January 1, 2016, with a sunset date of January 1, 2021. On November 5, 2019, voters approved a five year extension with a lower rate. The extended tax rate represents a reduction from .62 to .57 of 1-cent from January 1, 2021, through December 31, 2025.

²In November 2022, voters in EPC, Colorado Springs, Manitou Springs, Green Mountain Falls, Ramah and Calhan approved an extension of the capital portion of PPRTA, which is 55% of the 1-cent sales and use tax. This extends the PPRTA tax through 2034.

PRINCIPAL TAXPAYERS

SALES AND USE TAXPAYERS BY INDUSTRY

Current year and nine years ago

Industry	Fiscal Year 2022			Fiscal Year 2013		
	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Building materials	\$ 65,060,106	1	16.95 %	\$ 15,031,304	5	9.73 %
Miscellaneous retail	58,702,180	2	15.29 %	21,942,045	1	14.20 %
Auto dealers	50,493,586	3	13.15 %	—	—	— %
Restaurants	49,491,336	4	12.89 %	19,707,635	3	12.76 %
Department and discount stores	30,220,825	5	7.87 %	17,515,820	4	11.34 %
Miscellaneous non-retail	—	—	—	21,084,928	2	13.65 %
	<u>\$ 253,968,033</u>		<u>66.15 %</u>	<u>\$ 95,281,732</u>		<u>61.68 %</u>

Source: Sales Tax Division.

Note: Due to requirements under the City Charter, the names of the ten largest revenue payers are confidential. The industry categories listed provide alternative information regarding the sources of the City's revenue.

PROPERTY TAXPAYERS

Current year

Taxpayer	Type of Business	Fiscal Year 2022	
		Assessed Valuation	Percentage of Total City Assessed Value
Amazon.Com Services LLC	eCommerce fulfillment service	\$ 114,620,100	1.55 %
Cellco Partnership	Utility	98,024,020	1.32 %
Broadmoor Hotel Inc	Resort hotel	47,161,920	0.64 %
Comcast of Colorado	Utility	36,009,230	0.49 %
Qwest Corporation	Utility	29,387,600	0.40 %
Federal Express Corp (Fedex)	Data center	27,138,500	0.37 %
Ent Credit Union	Banking services	22,693,400	0.31 %
Wal-Mart Real Estate	Discount retail	18,675,960	0.25 %
Palmer Center Owner LLC	Real estate company	17,284,010	0.23 %
TRP Colorado Springs LLC	Investment services	16,081,760	0.22 %
		<u>\$ 427,076,500</u>	<u>5.78 %</u>

Source: El Paso County Treasurer's office.

Note: See Table 19 for the City's assessed value information.

Property taxpayer information is included for continuing disclosure requirements on bonds. As such, only current year data is presented.

**RATIOS OF OUTSTANDING
DEBT BY TYPE
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 8**

Fiscal Year	Governmental Activities (in 000's)				Business-Type Activities (in 000's)			Total Primary Government (in 000's)	Percentage of Personal Income ¹	Per Capita
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Financed Purchases	Revenue Bonds	Notes Payable	Financed Purchases			
2013	\$ 14,272	\$ 17,544	\$ 41,345	\$ 4,622	\$3,061,246	\$ 21,417	\$ 649	\$ 3,161,095	11.45 %	\$7,191
2014	13,624	10,081	39,476	1,133	3,106,294	21,467	272	3,192,347	10.98	7,197
2015	12,190	2,635	37,512	814	3,042,226	54,169	—	3,149,546	10.39	6,982
2016	11,455	—	35,433	15,641	2,952,994	103,077	888	3,119,488	9.85	6,774
2017	10,695	—	34,632	16,570	2,969,753	30,130	651	3,062,431	9.09	6,554
2018	9,805	—	32,176	18,619	3,011,814	12,126	409	3,084,949	8.54	6,499
2019	6,985	—	41,594	26,350	2,879,823	8,981	162	2,963,895	7.77	6,194
2020	5,130	—	40,372	29,499	2,861,582	14,490	378	2,951,451	7.23	6,155
2021	3,525	—	39,281	25,797	2,959,274	21,074	286	3,049,237	6.81	6,301
2022	1,590	—	38,100	25,504	2,984,356	18,888	603	3,069,041	5.83	5,780

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Debt amounts are net of related premiums, discounts, and adjustments.

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

**RATIOS OF GENERAL BONDED
DEBT OUTSTANDING**
Last ten fiscal years

**CITY OF COLORADO SPRINGS
COLORADO**
Table 9

Fiscal Year	General Obligation Bonds (in 000's)	Less: Non-City Obligations (in 000's) ²	City General Obligation Bonds (in 000's)	Assessed Value of Property (in 000's)	Percentage of Assessed Value of Property	Per Capita ¹
2013	\$ 14,272	\$ 14,272	\$ —	4,600,222	—	\$ —
2014	13,624	13,624	—	4,608,210	—	—
2015	12,190	12,190	—	4,678,625	—	—
2016	11,455	11,455	—	4,985,582	—	—
2017	10,695	10,695	—	5,048,413	—	—
2018	9,805	9,805	—	5,414,794	—	—
2019	6,985	6,985	—	5,508,082	—	—
2020	5,130	5,130	—	6,280,902	—	—
2021	3,525	3,525	—	6,220,352	—	—
2022	1,590	1,590	—	7,400,356	—	—

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Debt amounts are net of related premiums, discounts, and adjustments.

¹Population data can be found on Table 13.

²Non-City Obligations represent general obligation bonds of the City's blended component units. These bonds are to be repaid solely by funds provided by the property owners within the geographical boundaries of the component units.

**DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Table 10**

Governmental Unit	Estimated Percentage Applicable	Debt Outstanding	Estimated Share of Overlapping Debt	Debt Outstanding (Excluding COPs)	Estimated Share of Overlapping Debt (Excluding COPs)
El Paso County	71.70 %	\$ 78,797,524	\$ 56,501,005	\$ 1,017,524	\$ 729,606
Harrison School District #2	92.09 %	221,170,648	203,685,545	221,170,648	203,685,545
Widefield School District #3	13.11 %	71,202,635	9,335,113	52,856,993	6,929,884
Fountain/Fort Carson School District #8	0.03 %	11,333,598	3,595	1,198,598	380
Colorado Springs School District #11	92.11 %	83,352,973	76,777,703	69,442,973	63,964,989
Cheyenne Mountain School District #12	97.67 %	50,691,359	49,512,391	50,691,359	49,512,391
Manitou School District #14	9.78 %	4,136,500	404,410	66,500	6,501
Academy School District #20	85.19 %	277,438,344	236,336,039	277,438,344	236,336,039
Ellicott School District #22	0.15 %	6,583,389	9,934	73,333	111
Falcon School District #49	51.79 %	243,098,626	125,894,716	7,557,968	3,914,083
Barnes & Powers North BID	100.00 %	3,078,638	3,078,638	3,078,638	3,078,638
Barnes & Powers South BID	100.00 %	270,000	270,000	270,000	270,000
Briargate Center BID	100.00 %	10,402,105	10,402,105	10,402,105	10,402,105
Catalyst Campus BID	100.00 %	166,554	166,554	166,554	166,554
Creekwalk Marketplace BID	100.00 %	47,334,749	47,334,749	47,334,749	47,334,749
CS Urban Renewal Authority	100.00 %	103,164,676	103,164,676	103,164,676	103,164,676
First & Main BID	100.00 %	1,285,000	1,285,000	1,285,000	1,285,000
First & Main No.2 BID	100.00 %	27,934,415	27,934,415	27,934,415	27,934,415
First & Main North BID	100.00 %	1,501,358	1,501,358	1,501,358	1,501,358
GSF BID	100.00 %	75,281	75,281	75,281	75,281
Gold Hill North BID	100.00 %	11,853	11,853	11,853	11,853
Interquest North BID	100.00 %	18,013,065	18,013,065	18,013,065	18,013,065
Interquest South BID	100.00 %	4,720,610	4,720,610	4,720,610	4,720,610
Interquest Town Center BID	100.00 %	2,993,839	2,993,839	2,993,839	2,993,839
MW Retail BID	100.00 %	81,693	81,693	81,693	81,693
Park Union BID	100.00 %	33,199,431	33,199,431	33,199,431	33,199,431
Powers & Woodmen BID	100.00 %	4,426,927	4,426,927	4,426,927	4,426,927
True Commons North BID	100.00 %	86,547,123	86,547,123	86,547,123	86,547,123
Total overlapping debt			1,103,667,768		910,286,846
City direct debt			65,194,000		27,094,000
Total direct and overlapping debt			\$ 1,168,861,768		\$ 937,380,846

Sources: Assessed value data used to estimate applicable percentages is provided by the El Paso County Assessor's office final certification letter dated November 24, 2021. Debt outstanding data provided by each governmental unit.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City.

This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Debt outstanding values include general obligation bonds, certificates of participation (COP) and other types of debt, net of related premiums, discounts, and adjustments.

LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years
(in 000's)

Legal debt margin calculation for fiscal year 2022

Assessed value-2021 for 2022 taxes \$7,400,356

Debt limit (10% of assessed value)¹ 740,036

Debt applicable to limit:

General obligation bonds —

Total net debt applicable to limit —

Legal debt margin \$ 740,036

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 740,036	\$ 622,035	\$ 628,090	\$ 550,808	\$ 541,479	\$ 504,841	\$ 498,558	\$ 467,862	\$ 460,821	\$ 460,022
Total net debt applicable to limit	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Legal debt limit	<u><u>\$ 740,036</u></u>	<u><u>\$ 622,035</u></u>	<u><u>\$ 628,090</u></u>	<u><u>\$ 550,808</u></u>	<u><u>\$ 541,479</u></u>	<u><u>\$ 504,841</u></u>	<u><u>\$ 498,558</u></u>	<u><u>\$ 467,862</u></u>	<u><u>\$ 460,821</u></u>	<u><u>\$ 460,022</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Utilities Revenue Bonds							Parking Revenue Bonds					
Fiscal Year	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2013	\$ 862,958	\$ 548,839	\$ 314,119	\$ 52,285	\$ 101,908	2.04	\$ 3,965	\$ 1,783	\$ 2,181	\$ 570	\$ 488	2.06
2014	906,466	566,921	339,545	57,295	105,303	2.09	4,382	1,804	2,579	595	463	2.44
2015	868,080	493,616	374,463	61,457	105,828	2.24	4,498	2,104	2,394	655	433	2.20
2016	837,827	495,749	342,078	68,637	106,472	1.95	4,683	1,751	2,932	695	215	3.22
2017	883,994	521,799	362,194	71,980	103,440	2.06	4,768	1,902	2,866	710	199	3.15
2018	940,065	548,679	391,386	75,614	106,924	2.14	4,855	2,114	2,741	720	181	3.04
2019	946,907	529,572	417,336	81,947	104,036	2.24	5,080	2,515	2,565	700	164	2.97
2020	947,570	505,838	441,731	89,045	107,245	2.25	5,191	2,420	2,771	715	147	3.22
2021	1,119,194	783,162	336,032	88,715	100,014	1.78	8,039	2,652	5,387	735	129	6.23
2022	1,280,119	788,898	491,220	102,283	103,469	2.39	10,050	3,556	6,494	750	112	7.54

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	
2013	\$ 29,605	\$ 5,795	\$ 40,616	0.64	—	—	—	—	—	—	
2014	29,984	6,690	40,282	0.64	—	—	—	—	—	—	
2015	30,313	7,600	39,898	0.64	—	—	—	—	—	—	
2016	30,627	8,535	39,461	0.64	—	—	—	—	—	—	
2017	30,953	9,535	38,970	0.64	—	—	—	—	—	—	
2018	31,291	10,580	38,422	0.64	\$ 10,672	\$ 4,532	\$ 6,141	\$ —	\$ —	—	
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	34,445	0.65	9,663	4,918	4,744	540	1,407	2.44	

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	
2013	\$ 20,440	\$ 13,314	\$ 7,126	\$ 3,350	\$ 1,887	1.36	\$ 134,751	\$ 6,925	\$ 922	17.17	
2014	16,081	12,712	3,369	1,395	1,172	1.31	144,887	7,130	713	18.47	
2015	17,270	12,782	4,488	1,565	862	1.85	148,056	7,340	499	18.89	
2016	15,822	11,822	4,000	990	473	2.74	156,716	2,635	132	56.64	
2017	13,900	14,373	(473)	1,040	423	(0.32) ¹	—	—	—	—	
2018	—	—	—	—	—	—	—	—	—	—	
2019	—	—	—	—	—	—	—	—	—	—	
2020	—	—	—	—	—	—	—	—	—	—	
2021	—	—	—	—	—	—	—	—	—	—	
2022	—	—	—	—	—	—	—	—	—	—	

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

¹The Airport believes that it is in compliance with the bond covenants based on the second criteria stated in the bond documents. Under the second criteria, the calculated debt service coverage is 4.81. These bonds were defeased in 2018.

**DEMOGRAPHIC AND
ECONOMIC STATISTICS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 13**

Fiscal Year	Population ¹	Personal Income (in 000's) ²	Per Capita Personal Income ²	Unemployment Rate ³
2013	439,614 *	\$ 27,596,635	\$ 40,680	6.7 %
2014	443,553 *	29,082,644	42,379	4.9 %
2015	451,067 *	30,319,650	43,447	3.8 %
2016	460,505 *	31,668,303	44,458	3.0 %
2017	467,285 *	33,681,400	46,529	3.1 %
2018	474,691 *	36,128,371	49,007	3.6 %
2019	478,506 *	38,125,082	51,120	2.8 %
2020	479,548 *	40,832,263	54,166	6.7 %
2021	483,953 *	44,803,161	58,736	3.8 %
2022	488,315 *	48,400,511 *	62,935 *	3.0 % *

Sources:

¹Colorado Department of Local Affairs, Demography section.

²U.S. Department of Commerce, Bureau of Economic Analysis for Colorado Springs, CO Metropolitan Statistical Area (MSA).

³U.S. Department of Labor, Bureau of Labor Statistics for City of Colorado Springs, CO MSA.

*Estimate

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

CITY OF COLORADO SPRINGS
COLORADO
Table 14

Employer	2022		2013	
	Rank	Percentage of Total County Employment	Rank	Percentage of Total County Employment
Fort Carson	1	13.6 %	1	12.3 %
Peterson SFB, Schriever SFB, & Cheyenne Mountain SFS ¹	2	10.3 %	2/4	7.3 %
United States Air Force Academy	3	3.1 %	3	3.8 %
UCHealth Southern Colorado Region	4	2.9 %	5	1.8 %
School District #11 - Colorado Springs	5	2.1 %	6	1.5 %
School District #20 - Air Academy	6	1.2 %	7	1.1 %
City of Colorado Springs ²	7	1.2 %	9	0.9 %
Amazon	8	1.2 %	—	— %
El Paso County	9	1.2 %	10	0.8 %
Penrose St. Francis Health Services / Centura	10	1.0 %	8	1.1 %
		<u>37.8 %</u>		<u>30.6 %</u>

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

¹Space Force Bases (SFB) were previously tracked individually but are now consolidated.

²City of Colorado Springs includes the total of all full-time equivalent employees (FTE's) in all funds and enterprises except Colorado Springs Utilities and Memorial Health System.

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 15**

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government	422.25	375.25	366.25	341.75	326.75	308.25	257.25	256.25	256.25	253.15
Public safety	1,731.00	1,633.00	1,612.00	1,584.00	1,516.00	1,478.00	1,471.00	1,470.50	1,407.75	1,382.75
Public works	274.00	259.00	189.00	188.00	187.00	245.00	212.00	208.00	207.50	274.00
Culture and recreation	—	—	—	—	—	—	—	—	114.25	112.75
Parks	173.50	163.00	162.75	158.75	147.75	139.75	138.75	132.75	—	—
Planning	—	—	—	55.00	44.00	40.00	—	—	—	—
Planning and community development	65.00	57.00	57.00	—	—	—	63.00	33.00	—	—
Urban redevelopment and housing	—	—	—	—	—	—	—	—	32.00	31.00
Utilities	1,888.25	1,818.00	1,825.75	1,821.50	1,824.00	1,824.00	1,824.00	1,824.00	1,874.00	1,859.00
Airport	117.00	106.00	104.00	102.00	100.00	98.00	95.00	93.00	96.00	121.00
Parking	16.00	10.00	11.00	10.00	9.50	8.50	8.50	8.50	8.50	7.50
Stormwater	33.00	31.00	73.00	73.00	67.00	—	—	—	—	—
Other non-major enterprise funds	61.00	58.00	52.00	51.00	50.00	50.00	51.00	49.50	47.00	47.00
Total	4,781.00	4,510.25	4,452.75	4,385.00	4,272.00	4,191.50	4,120.50	4,075.50	4,043.25	4,088.15

Sources: Various City departments and Utilities.



OPERATING INDICATORS BY FUNCTION/PROGRAM
Last ten fiscal years

Function/Program	Fiscal Year		
	2022	2021	2020
General government			
Internal audits completed	24	24	32
Summons filed	60,611	57,096	44,683
Contractual transactions ¹	6,866	3,759	2,622
Workers compensation claims	366	363	373
Public safety			
Emergency response time - Police	13	12	11
Percent of emergency incident arrival within 8 minutes - Fire ²	85	66	71
Violent and property crime rates (per 1,000 population)	37	42	42
Emergency incidents (per 10,000 population) ²	756	1,444	1,316
Public works ³			
Miles resurfaced	365	851	1,106
Fixed route transit revenue hours of service	194,147	163,655	182,242
Painted lane miles	514	871	1,304
Culture and recreation			
Cultural services attendance ⁴	4,404,778	287,780	221,351
Street and park trees	150,000	350,000	350,000
Acres of parks maintained	16,858	15,641	15,592
Recreation service program participants	325,661	241,904	244,307
Community development			
Projects managed	5	6	6
Affordable housing developed and rehabilitated	121	220	193
Clients assisted	11	499	628
Utilities			
Total metered customers ⁵	602,151	591,836	579,315
Annual natural gas moved through pipes (thousands of mcf)	23,904	23,603	21,892
Electric use (thousands of MWh)	4,832	4,839	4,850
Water use (millions of gallons)	23,600	24,400	24,900
Wastewater treatment (millions of gallons)	13,191	13,465	13,717
Airport			
Passenger boardings (in thousands)	1,075	936	364
Airline revenue per enplaned passengers	\$ 13.13	\$ 11.82	\$ 8.08
Parking			
Revenues collected per space - on-street	\$ 2,137	\$ 1,685	\$ 984
Revenues collected per space - off-street	\$ 1,379	\$ 1,088	\$ 876
Other			
Cemetery - burial services	661	683	526
Golf courses - rounds played	149,845	161,570	153,946
Pikes Peak America's Mountain - number of visitors	449,776	550,381	527,418

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						
2019	2018	2017	2016	2015	2014	2013
26	35	33	26	39	33	26
43,491	29,625	22,000	29,731	36,676	37,928	29,066
3,366	3,431	3,434	3,350	3,533	2,255	2,726
440	380	346	405	353	426	451
12	12	12	14	13	13	13
86	87	88	89	88	89	90
43	43	38	40	40	40	46
1,407	1,450	1,472	1,471	1,417	1,340	1,284
701	995	1,432	1,133	187	115	109
197,014	179,546	163,025	150,399	130,653	120,031	108,441
886	1,147	1,414	830	801	1,465	1,355
476,964	484,281	451,689	379,938	343,124	324,337	256,389
300,000	284,094	284,600	284,800	213,207	213,874	214,670
14,875	14,831	14,479	14,807	15,063	14,527	16,277
755,482	763,555	791,234	765,539	664,283	646,744	602,271
5	8	9	6	6	6	12
127	48	295	108	69	156	122
156	83	295	108	69	156	122
579,315	579,315	558,570	558,570	547,764	540,990	537,096
21,892	21,891	22,354	22,603	23,816	20,602	23,376
4,850	4,750	4,580	4,700	4,800	4,600	4,600
24,900	23,600	23,700	21,900	21,600	28,700	27,800
13,717	13,717	13,717	14,699	13,870	15,586	15,586
844	866	850	656	598	623	650
\$ 4.48	\$ 4.68	\$ 4.71	\$ 6.06	\$ 9.39	\$ 8.80	\$ 13.86
\$ 1,016	\$ 947	\$ 916	\$ 895	\$ 853	\$ 967	\$ 737
\$ 873	\$ 858	\$ 995	\$ 983	\$ 838	\$ 855	\$ 862
629	621	621	630	587	600	603
148,033	156,930	170,008	156,734	147,877	164,299	161,015
592,569	597,233	498,722	482,963	415,092	345,701	284,879

**CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 17**

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public safety										
Police										
Area commands (stations)	4	4	4	4	4	4	4	4	4	4
Patrol units	326	293	277	233	237	211	197	171	171	181
Fire										
Stations	23	23	23	22	22	22	22	21	21	21
Emergency units	85	84	84	84	84	84	84	84	84	77
Public works										
Streets (lane miles)	6,273	6,257	6,232	6,134	5,973	5,849	5,688	5,688	5,636	5,620
Major bridges	228	225	223	223	223	223	224	223	223	215
Signalized intersections	630	625	612	609	606	591	585	584	574	569
Transit buses	71	60	61	61	60	56	49	45	43	43
Culture and recreation										
Parks and open space locations	216	206	206	205	205	205	205	205	204	201
Sports complexes	5	5	4	4	4	4	4	4	4	5
Community centers	5	5	5	4	4	4	5	5	4	4
Utilities										
Electric distribution lines (miles)	3,976	3,942	3,839	3,839	3,831	3,808	3,316	3,316	3,316	3,316
Natural gas pipe (miles)	2,737	2,692	2,586	2,586	2,576	2,539	2,488	2,432	2,408	2,408
Water distribution lines (miles)	2,512	2,505	2,152	2,152	2,139	2,117	2,068	2,300	2,040	2,015
Airport										
Number of runways	3	3	3	3	3	3	3	3	3	3
Parking										
Number of parking spaces - on-street	2,852	2,870	2,553	2,453	2,415	2,415	2,416	2,417	2,400	2,400
Number of parking spaces - off-street	2,681	2,681	2,681	2,681	2,706	2,706	2,703	2,703	2,703	2,703

Sources: City and Utilities staff reports and websites.

**SALES AND USE TAX REVENUE
REQUIRED REFUNDS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 18**

Fiscal Year	Required Refunds
2013	\$ 534,003
2014	1,173,501
2015	916,479
2016	1,496,130
2017	514,490
2018	621,042
2019	395,621
2020	1,518,106
2021	908,401
2022	955,888

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
2013	\$ 4,600,223	\$ 19,684,353	\$ 19,226,023	97.7%	\$ 50,149	\$ 133,289	0.7%
2014	4,608,210	19,718,537	19,164,390	97.2%	21,534	45,424	0.2%
2015	4,678,625	20,019,838	19,469,574	97.3%	25,572	44,165	0.2%
2016	4,985,582	21,333,306	20,014,822	93.8% ¹	31,404	51,934	0.2%
2017	5,048,413	19,368,851	18,751,296	96.8%	7,002	30,799	0.2%
2018	5,414,777	20,663,441	19,939,068	96.5%	7,494	24,685	0.1%
2019	5,508,082	21,019,928	20,324,600	96.7%	3,315	12,579	0.1%
2020	6,280,902	24,311,078	23,479,175	96.6%	14,628	20,394	0.1%
2021	6,220,352	25,361,893	23,869,463	94.1%	10,778	12,975	0.1%
2022	7,400,356	26,486,009	26,054,499	98.4%	5,890	10,507	—%

Notes: Collections are net of positive and negative abatements.

Fiscal year is the year of collection.

Certification of assessed valuation and mill levies is done in the year prior to the year of collection.

¹ During 2015, in the ordinance certifying the tax levy for 2015 taxes payable in 2016, City Council approved a temporary property tax credit on all taxable business personal property equal to one-half (1/2) of the gross mill levy (tax credit equal to 2.139 mills). El Paso County (EPC) was unable to reflect the temporary tax credit on the assessment rolls and property tax statements due to the timing of the request by the City. As a result, the full mill levy was assessed and the City processed refunds to effect the temporary BPPT credit. The artificially high mill levy assessment negatively impacted the collections percentage calculation for 2016. For 2017, the temporary BPPT credit was correctly reflected as a lower tax levy by EPC.

**DIRECT AND OVERLAPPING MILL LEVY
RATES - WITHIN CITY LIMITS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 20**

Fiscal Year	City	County Government	School District No 11	Library District	Water Conservancy District	Total
2013	4.279	7.663	43.445	4.000	0.944	60.331
2014	4.279	7.714	44.264	4.000	0.940	61.197
2015	4.279	7.791	43.165	4.000	0.940	60.175
2016	4.279	7.869	40.803	3.857	0.941	57.749
2017	4.279	7.919	40.878	3.957	0.940	57.973
2018	4.279	7.965	52.499	3.812	0.939	69.494
2019	4.279	8.068	56.084	4.000	0.944	73.375
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

Notes: Fiscal year is the year of collection.
 Certification of assessed valuation and mill levies is done in the year prior to the year of collection.
 Rates include levies for operations and debt service.
 Representative sample of overlapping districts, other overlapping district mill levies vary.
 The 2022 City mill levy includes a temporary mill levy credit of .35 mills.

**MUNICIPAL SOLID WASTE LANDFILL
CLOSURE AND POSTCLOSURE CARE COSTS
December 31, 2022**

**CITY OF COLORADO SPRINGS
COLORADO
Table 21**

Facility	Closure Costs	Postclosure Costs	Total Cost	Percentage of Capacity Used	Estimated Lifespan in Years
Hancock	\$ 360,441	\$ 4,513	\$ 364,954	N/A	N/A
Clear Spring - gravel pit 1	106,634	810,686	917,320	88.87-100.00%	9-30
Clear Spring - gravel pit 2 C&D solids	174,638	76,489	251,127	76.56%	47
Clear Spring - ash disposal	2,317,604	1,127,722	3,445,326	73.25%	43
Clear Spring - biosolids	3,232,773	1,385,378	4,618,151	47.93%	78
Northfield Recovery Pond	—	221,445	221,445	100.00%	—
Total cost	\$ 6,192,090	\$ 3,626,233	\$ 9,818,323		

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 and Northfield Recovery Pond are recognized on a capacity used basis in the Utilities fund on Exhibit 7; total costs for the Clear Spring facilities and Northfield Recovery Pond are estimated at \$9,453,369. The liability is recognized on the Government-wide Statement of Net Position under business-type activities. The total costs from the above table are based on the last 5 year independent assessment adjusted by inflation.