

City of Colorado Springs  
Parking System Enterprise

# 2016

## Financial Statements

For the year ended December 31, 2016



## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	4
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	9
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PARKING SYSTEM'S PROPORTIONATE SHARE OF NET PENSION LIABILITY	31
SCHEDULE OF PARKING SYSTEM'S CONTRIBUTIONS	32
SUPPLEMENTARY INFORMATION	
MONTHLY PERMIT RATES	34
SCHEDULE OF DEBT SERVICE COVERAGE	35

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the City of Colorado Springs Parking System (the Parking System), an enterprise fund of the City of Colorado Springs, Colorado, as of and for the year ended December 31, 2016 and the related notes to the financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parking System, an enterprise fund of the City of Colorado Springs, Colorado, as of December 31, 2016, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As discussed in Note A1, the financial statements of the Parking System are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities that is attributable to the transactions of the Parking System. They do not purport to, and do not, present fairly the financial position of the City of Colorado Springs, Colorado, as of December 31, 2016, and the changes in its financial position, or, where applicable its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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. 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by the missing information.

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

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The monthly permit rates and schedule of debt service coverage information listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*BKD, LLP*

Colorado Springs, Colorado  
June 12, 2017

Colorado Springs Parking System  
STATEMENT OF NET POSITION  
December 31, 2016

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and investments	\$ 7,262,619
Accounts receivable	2,175
Due from other City funds	<u>72,735</u>

Total current assets	<u>7,337,529</u>
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NONCURRENT ASSETS

Due from other City funds	<u>1,512,974</u>
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Capital assets

Land	2,072,246
Buildings	25,082,242
Improvements other than building	12,987,450
Machinery and equipment	347,382
Vehicles	19,952
Less accumulated depreciation	<u>(16,815,139)</u>

Total capital assets (net of accumulated depreciation)	<u>23,694,133</u>
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Total noncurrent assets	<u>25,207,107</u>
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Total assets	<u>32,544,636</u>
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DEFERRED OUTFLOWS OF RESOURCES

Loss on refunding	123,626
Pension - related amounts	<u>202,248</u>

Total deferred outflows of resources	<u>325,874</u>
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Total assets and deferred outflows of resources	<u>\$ 32,870,510</u>
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(continued)

The accompanying notes are an integral part of this statement.

Colorado Springs Parking System  
STATEMENT OF NET POSITION - Continued  
December 31, 2016

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 192,269
Accrued salaries and benefits	19,873
Current portion of compensated absences	3,932
Due to other City funds	10,269
Accrued interest payable	16,544
Current portion of revenue bonds payable	<u>710,000</u>

Total current liabilities	<u>952,887</u>
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NONCURRENT LIABILITIES

Compensated absences	74,699
Revenue bonds payable	7,460,000
Net pension liability	<u>725,183</u>

Total noncurrent liabilities	<u>8,259,882</u>
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Total liabilities	<u>9,212,769</u>
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DEFERRED INFLOWS OF RESOURCES

Pension - related amounts	<u>41,681</u>
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Total deferred outflows of resources	<u>41,681</u>
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NET POSITION

Net investment in capital assets	15,647,759
Unrestricted net position	<u>7,968,301</u>

Total net position	<u>23,616,060</u>
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Total liabilities, deferred inflows and net position	<u><u>\$ 32,870,510</u></u>
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The accompanying notes are an integral part of this statement.



Colorado Springs Parking System  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
Year Ended December 31, 2016

Operating revenues		
Parking garage and parking lot	\$	2,430,449
Parking meters		<u>2,162,481</u>
Total operating revenues		<u>4,592,930</u>
Operating expenses		
Salaries and benefits		551,455
Other operating expenses		1,312,931
Depreciation		<u>1,065,854</u>
Total operating expenses		<u>2,930,240</u>
Operating income		<u>1,662,690</u>
Nonoperating revenues (expenses)		
Investment earnings		117,637
Insurance reimbursement		6,509
Interest expense		(214,012)
Amortization of loss on refunding		<u>(18,078)</u>
Total nonoperating revenues (expenses)		<u>(107,944)</u>
Transfers in (out)		<u>(1,234)</u>
Change in net position		<u>1,553,512</u>
Total net position, beginning of year		<u>22,062,548</u>
Total net position, end of year	\$	<u><u>23,616,060</u></u>

The accompanying notes are an integral part of this statement.

Colorado Springs Parking System  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2016

Cash flows from operating activities	
Receipts from customers	\$ 4,252,959
Receipts from interfund services provided	360,306
Payments to suppliers	(1,059,880)
Payments to employees	(506,494)
Payments for interfund services used	<u>(198,589)</u>
Net cash provided by operating activities	<u>2,848,302</u>
Cash flows from capital and related financing activities	
Insurance reimbursement	6,509
Capital expenditures	(781,135)
Principal payments on revenue bonds	(695,000)
Interest payments on revenue bonds	<u>(215,420)</u>
Net cash used in capital and related financing activities	<u>(1,685,046)</u>
Cash flows from investing activities	
Interest received	89,974
Purchases of investments	(4,252,926)
Proceeds from sales and maturities of investments	2,870,434
Principal received for interfund loan	68,335
Interest received for interfund loan	<u>64,853</u>
Net cash used in investing activities	<u>\$ (1,159,330)</u>

(continued)

The accompanying notes are an integral part of this statement.

Colorado Springs Parking System  
STATEMENT OF CASH FLOWS - Continued  
Year Ended December 31, 2016

Net increase in cash and cash equivalents	\$	3,926
Cash and cash equivalents, beginning of year		270,512
Cash and cash equivalents, end of year	\$	274,438
Cash	\$	274,438
Investments		6,988,181
Cash and investments	\$	7,262,619
Reconciliation of cash and investments to the balance sheet		
Unrestricted cash and investments	\$	7,262,619
Restricted cash and investments		-
Cash and investments	\$	7,262,619
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$	1,662,690
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation		1,065,854
Pension - related items		37,403
Other expense		(1,234)
Decrease in assets		
Receivables		4,846
Due from other City funds		15,489
Increase in liabilities		
Accounts payable		53,725
Accrued salaries, benefits, and sick leave benefits		4,116
Due to other City funds		5,413
Net cash provided by operating activities	\$	2,848,302

Noncash capital and related financing and investing activities:

The Parking System had an unrealized loss on investments of \$37,191

The accompanying notes are an integral part of this statement.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Financial reporting entity*

The City of Colorado Springs (City) owns and operates the Colorado Springs Parking System (Parking System) which is responsible for providing convenient and affordable parking to all employees, customers and visitors to downtown Colorado Springs, Colorado.

The Parking System is an enterprise fund of the City. These financial statements present only the Parking System. These financial statements do not purport to, and do not, present fairly the financial position of the City, and the changes in its financial position and where applicable, its cash flows thereof in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The Parking Manager directs and manages the Parking System. The Parking Manager reports to the Chief of Staff. The Chief of Staff reports to the Mayor, who, in turn, is elected by the citizens of Colorado Springs. Major policy decisions are subject to the approval of the Mayor and the City Council.

2. *Measurement focus, basis of accounting and financial statement presentation*

Parking System funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Parking System distinguishes operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Parking System's principal ongoing operations. The principal operating revenues of the Parking System are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Parking System's policy to use restricted resources first, then unrestricted resources as they are needed.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

3. *Assets, deferred outflows, liabilities, deferred inflows and net position*

A. Deposits and investments

For purposes of the statement of cash flows, the Parking System’s cash includes cash on hand and demand deposit amounts in the pooled cash and investments account of the City.

In accordance with Colorado state statutes, the City is authorized to invest in obligations of the United States and certain of its 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; and guaranteed investment contracts. Investments are carried at market value. Interest income is accrued as realized.

B. Capital assets and depreciation

Capital assets are carried at historical cost. The Parking System capitalizes acquired property that is of a tangible nature, has an estimated useful life of one year or more, and has a value of at least \$5,000.

Depreciation of capital assets for the Parking System is provided for using the straight-line method based on the estimated service lives of the assets which are as follows:

Buildings	10 – 40 years
Improvements other than buildings	15 – 25 years
Machinery and equipment	5 – 15 years
Vehicles	3 – 15 years

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. There was no interest capitalized in 2016. Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expenses as incurred.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

C. Deferred outflows of resources and deferred inflows of resources

A deferred outflow of resource is a consumption of net position by the Parking System that is applicable to a future reporting period and a deferred inflow of resource is an acquisition of net position by the Parking System that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the statements of net position but are not recognized in the financial statements as revenues, expenses or changes in assets or liabilities until the period(s) to which they relate.

Deferred outflows of resources for the Parking System as of December 31, 2016 consist of deferred losses on previous debt refundings and pension-related amounts as shown in note D-2. Deferred inflows of resources for the Parking System as of December 31, 2016 consist of pension-related amounts.

D. Restricted net position

In accordance with applicable bond ordinance provisions and federal regulations, certain cash and investments are restricted and have been included in the accompanying statement of net position as restricted cash and investments. Additionally, the bond ordinance and federal regulations also require restriction of net position for specific purposes, including operating expense reserves, debt service reserves and approved capital improvement projects. Net position amounts required to be restricted are shown in the accompanying statement of net position as restricted net position.

E. Compensated absences

The Parking System's employees earn vacation and sick leave in varying amounts. The amount of accumulated, unpaid vacation and sick leave benefits at year-end is accrued and is included on the statement of net position in compensated absences.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. *Budgetary information*

In accordance with City Charter, the Parking System is required to submit a balanced budget to City Council on or before the third Monday of November of each year. The budget is reviewed and modified as appropriate and an appropriation ordinance is prepared to adopt the budget no later than December 31 of each year. Annual appropriations lapse at year-end. The budget of the Parking System is prepared on a modified accrual, non-GAAP, basis of accounting.

2. *Budget/GAAP reconciliation*

Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with US GAAP, a reconciliation of resultant basis, timing, and perspective for the year ended December 31, 2016, is presented below:

Operating expenses (US GAAP basis)	\$ 2,931,474
Nonoperating expenses (US GAAP basis)	232,090
	3,163,564
Less: Depreciation expense	(1,065,854)
Less: Amortization of loss on refunding	(18,078)
Less: Pension expense	(37,403)
Add: Capital expenditures	781,135
Add: Revenue bonds principal payments	695,000
Add: Other year end accrual entries	1,964
Expenditures (budgetary basis)	\$ 3,520,328
Appropriations	\$ 5,235,146

NOTE C – DETAILED NOTES

1. *Deposits and investments*

The City pools the cash and investments of its funds, including the Parking System. The City's pooled cash and investments as of December 31, 2016, amounted to \$184,499,479. The Parking System's allocated portion of pooled cash and investments as of December 31, 2016, was \$7,262,619. The Parking System's portion was approximately 3.94% of the total pooled cash and investments of the City as of December 31, 2016.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

The pooled cash and investments of the City and the Parking System as of December 31, 2016 are as follows:

	City	Parking System	
Cash on hand	\$ 44,916	\$ 1,770	
Deposits			
Demand, time deposits	6,920,510	272,668	
Total pooled cash	6,965,426	274,438	
Investments	177,534,053	6,988,181	
Total pooled cash and investments	\$ 184,499,479	\$ 7,262,619	

A. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that financial institutions pledge a single institution pool of collateral against all the uninsured public deposits it holds, and the market value of the securities in the pool is required to be in excess of one hundred two percent of the financial institution's total uninsured public deposits.

As of December 31, 2016, the bank balance of the City's bank deposits exclusive of cash not included in pooled cash and investments was \$18,425,639. Of the total bank deposits, \$560,680 was covered by Federal Depository Insurance and the remainder of \$17,864,959 was uninsured but collateralized in accordance with Colorado state law. The Parking System's share of those amounts as of December 31, 2016, was \$6,581 and \$266,087, respectively.

B. Investments

The City's investments are subject to interest rate, credit, concentration of credit and custodial credit risk. The City has adopted an Investment Policy authorizing all investments be made in accordance with Colorado revised statutes. As a means of limiting its exposure to fair value losses arising from rising interest the City's investment policy limits investment maturities to five years.



Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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's investment policy limits investment maturities to less than five years.

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 rated at least A-1 by Standard and Poor's, P-1 by Moody's or F-1 by Fitch, 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.

Custodial credit risk

Custodial 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. A designated portfolio manager places the City's investments 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 counter party's trust department or agent but not held in the City's name. None of the City's investments owned at December 31, 2014 and 2013 were subject to custodial risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investments in a single issuer. Concentration risk is defined by GASB as positions of 5% or more in the securities of any one issuer. The City's pooled investments are in compliance with the City Investment Policy which limits investments with any single issuer other than the Federal Government to 5%. The securities of the Federal Government are defined as obligations of the United States and certain of its instrumentalities. None of the City's investments owned at December 31, 2016 and 2015 were subject to concentration of credit risk.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

As of December 31, 2016 the detail of pooled cash and investment held for the City and for Parking is as follows:

<u>Investment Type</u>	<u>Value</u>	<u>Value Parking</u>	<u>Weighted Average Maturity (years)</u>
Money market mutual funds	\$ 34,235	\$ 1,348	0.00
Colorado Liquid Asset Trust (COLOTRUST)	12,256,332	482,440	0.00
US treasury securities	43,242,279	1,702,123	2.73
US instrumentality securities	59,880,210	2,357,033	2.41
Corporate fixed-income securities	39,975,363	1,573,530	1.52
Supra-national securities	2,267,026	89,236	2.53
Municipal bonds	6,568,288	258,544	2.68
Certificates of deposit	11,630,925	457,822	1.19
Mortgages pooled	1,679,395	66,105	1.96
Total value	<u>177,534,053</u>	<u>6,988,181</u>	
Portfolio weighted average maturity			2.05
Reconciliation to Total Cash and Investments			
Add:			
Cash on hand and in banks	<u>6,965,426</u>	<u>274,438</u>	
	<u>\$ 184,499,479</u>	<u>\$ 7,262,619</u>	

Credit Quality Distribution for Securities as a Percentage of Total Investments

	<u>S&amp;P Rating</u>	
Money market mutual funds	AAA	0.02%
Colorado Liquid Asset Trust (COLOTRUST)	AAAm	6.90%
US Treasury securities	AA	24.36%
US Instrumentality securities	AA	33.72%
Corporate fixed-income securities	AAA	2.39%
Corporate fixed-income securities	AA	20.13%
Supra-national securities	AAA	1.28%
Municipal bonds	AAA	0.81%
Municipal bonds	AA	2.89%
Certificate of deposit	AA	3.28%
Certificate of deposit	A	3.27%
Mortgages pooled	AA	0.95%
		<u>100.00%</u>

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

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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 pooled investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value 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.

The table reflects the fair value hierarchy of the City pooled investments proportional to Parking.

	12/31/2016	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
<u>Investments</u>				
Money market mutual funds	\$ 1,348	\$ 1,348	\$ -	\$ -
Colorado Liquid Asset Trust (COLOTRUST)	482,440 *	-	-	-
US treasury securities	1,702,123	-	1,702,123	-
US instrumentality securities	2,357,033	-	2,357,033	-
Corporate fixed-income securities	1,573,530	-	1,573,530	-
Supra-national securities	89,236	-	89,236	-
Municipal bonds	258,544	-	258,544	-
Certificates of deposit	457,822	-	457,822	-
Mortgages pooled	66,105	-	66,105	-
Total securities	\$ 6,988,181	\$ 1,348	\$ 6,504,393	\$ -

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

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

2. *Interfund receivables, payables and transfers*

The composition of interfund receivable balances of \$1,585,709 as of December 31, 2016, is as follows:

	<u>Current</u>	<u>Noncurrent</u>
Due from General Fund	\$ 71,119	\$ 1,512,974
Due from Utilities	<u>1,616</u>	<u>-</u>
Total due from other City funds	<u>\$ 72,735</u>	<u>\$ 1,512,974</u>

The composition of interfund payable balance of \$10,269 as of December 31, 2016, is as follows:

	<u>Current</u>	<u>Noncurrent</u>
Due to Utilities	\$ <u>10,269</u>	\$ <u>-</u>
Total due to other City funds	<u>\$ 10,269</u>	<u>\$ -</u>

During 2002, the Parking System financed a portion of the construction of a parking garage for the police department, which is part of the General Fund. An agreement was made between the General Fund and the Parking System for repayment of the interfund loan over 360 months beginning in March 2003 at an interest rate of 4 percent.

Maturities for the interfund loan are as follows as of December 31, 2016:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 71,119	\$ 62,069
2018	74,016	59,172
2019	77,032	56,156
2020	80,170	53,018
2021	83,436	49,752
2022-2026	471,028	194,912
2027-2031	575,123	90,817
2032-2033	<u>152,169</u>	<u>3,845</u>
Totals	<u>\$ 1,584,093</u>	<u>\$ 569,741</u>

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

3. *Capital assets*

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning balance	Increase	Decrease	Ending Balance
Capital assets being depreciated:				
Buildings	\$ 25,082,242	\$ -	\$ -	\$ 25,082,242
Improvements other than buildings	12,206,315	781,135	-	12,987,450
Machinery and equipment	347,382	-	-	347,382
Vehicles	19,952	-	-	19,952
Total capital assets being depreciated	<u>37,655,891</u>	<u>781,135</u>	<u>-</u>	<u>38,437,026</u>
Less accumulated depreciation for:				
Buildings	(10,843,254)	(596,907)	-	(11,440,161)
Improvements other than buildings	(4,567,167)	(456,485)	-	(5,023,652)
Machinery and equipment	(318,912)	(12,462)	-	(331,374)
Vehicles	(19,952)	-	-	(19,952)
Total accumulated depreciation	<u>(15,749,285)</u>	<u>(1,065,854)</u>	<u>-</u>	<u>(16,815,139)</u>
Total capital assets being depreciated, net	<u>\$ 21,906,606</u>	<u>\$ (284,719)</u>	<u>-</u>	<u>\$ 21,621,887</u>
Capital assets not being depreciated:				
Land	2,072,246	-	-	2,072,246
Total capital assets not being depreciated	<u>2,072,246</u>	<u>-</u>	<u>-</u>	<u>2,072,246</u>
Capital assets, net	<u>\$ 23,978,852</u>	<u>\$ (284,719)</u>	<u>\$ -</u>	<u>\$ 23,694,133</u>

4. *Revenue bonds payable*

In 2015, The City of Colorado Springs issued \$9,520,000 Parking System Revenue Refunding Bonds, Series 2015 to current refund and defease outstanding Parking System Revenue Refunding Bonds, Series 1999 and Series 2006 and to pay certain costs of issuance.

The reacquisition price for the Series 1999 and Series 2006 Bonds was above the net carrying amount of the old debt by \$33,437 and \$126,345, respectfully. These amounts are recognized as a deferred loss on refunding in the deferred outflows of resources on the Statement of Net Position. The loss is amortized over the old debt's life, which is four years for the Series 1999 Bonds and 13 years for the Series 2006 Bonds.

The Series 2015 Bonds mature from 2015 to 2027 and have a coupon interest rate of 2.43%.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

Maturities of the Parking System Revenue Bonds and related interest expense are as follows as of December 31, 2016:

Year ending December 31,	Principal	Interest	Total
2017	\$ 710,000	\$ 198,531	\$ 908,531
2018	720,000	181,278	901,278
2019	700,000	163,782	863,782
2020	715,000	146,772	861,772
2021	735,000	129,398	864,398
2022-2026	3,950,000	370,575	4,320,575
2027	640,000	15,552	655,552
	<u>\$ 8,170,000</u>	<u>\$ 1,205,888</u>	<u>\$ 9,375,888</u>

Over the years, Parking has issued revenue bonds with pledged revenues as collateral. The revenue bonds have been issued as Parking revenue bonds to finance construction projects.

	Amount Pledged	Term of Commitment
Parking Revenue Bonds	\$9,375,888	1999 - 2027

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 Schedule of Debt Service Coverage in the Supplementary Information section of these financials.

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Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

5. *Changes in long-term liabilities*

Long-term liabilities activity for the year ended December 31, 2016, was as follows:

	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due within one year
Revenue Bonds	\$ 8,865,000	\$ -	\$ (695,000)	\$ 8,170,000	\$ 710,000
Compensated absences accrued sick leave benefits	76,669	68,163	(66,201)	78,631	3,932
Net pension liability	644,231	130,361	(49,409)	725,183	-
Long-term liabilities	<u>\$ 9,585,900</u>	<u>\$ 198,524</u>	<u>\$ (810,610)</u>	<u>\$ 8,973,814</u>	<u>\$ 713,932</u>

NOTE D – OTHER INFORMATION

1. *Risk management*

The City has established a risk management division to coordinate and administer workers' compensation, property and general liability insurance programs for all its activities and operations. 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 its Workers' Compensation Self-Insurance fund. The Parking System is included in the Workers' Compensation Self-Insurance program.

For major property coverage, the City has purchased commercial insurance policies with varying deductibles. All deductibles related to these policies are paid from the budget of the individual department so affected. The Parking System is included in the property coverage of the City.

No claims were incurred in excess of the coverage for 2016, 2015 or 2014.

2. *Retirement plans*

A. 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 the Public Employees' Retirement Association of Colorado ("PERA"). The City allocates pension-related items to the Parking System in accordance with GASB 68. Allocations to the Parking System are based on amounts contributed for Parking System employees as a percentage of the total

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

<https://www.copera.org/resources/forms-publications/2015-cafr-0>

or by writing to:

Colorado PERA,  
1301 Pennsylvania Street  
Denver, Colorado 80203

or by calling PERA at:

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

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



Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

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

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

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

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

The LGDTF of Colorado PERA is currently open to new entrants.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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

Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

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

<sup>1</sup>Rates are expressed as a % of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Parking System is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Parking System were \$49,409 for the year ended December 31, 2016.

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Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

*Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*

As of December 31, 2016, the Parking System reported a liability of \$725,183 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015.

At December 31, 2015, the Parking System's proportion was 0.0658%, which was an decrease of 0.0060% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Parking System's pension expense related to the PERA LGDTF was \$86,812.

At December 31, 2016, the Parking System 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	\$ 5,441	\$ 25
Net difference between projected and actual earnings on investments	139,603	-
Changes of assumptions	-	13,283
Changes in proportion	7,795	28,373
Contributions subsequent to the measurement date	49,409	N/A
Total	<u>\$ 202,248</u>	<u>\$ 41,681</u>

The \$49,409 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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 investment	Changes of assumptions	Net changes in proportion	Total effect of amortized deferred inflows/outflows on pension expense
2017	\$ 4,363	\$ 36,901	\$ (10,712)	\$ (15,211)	\$ 15,341
2018	\$ 1,053	\$ 36,901	\$ (2,571)	\$ (5,368)	\$ 30,016
2019	\$ -	\$ 36,901	\$ -	\$ -	\$ 36,901
2020	\$ -	\$ 28,901	\$ -	\$ -	\$ 28,901
	<u>\$ 5,416</u>	<u>\$ 139,603</u>	<u>\$ (13,283)</u>	<u>\$ (20,579)</u>	<u>\$ 111,158</u>

The differences between expected and actual experience, changes of assumptions, as well as the Parking System'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 LGDTF determined the average expected remaining service lives for active and inactive members at the beginning of the 2015 measurement period to be 2.24 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, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Rate (%)
Price inflation	2.80
Real wage growth	1.10
Wage inflation	3.90
Salary increase, including wage inflation	3.9-10.85
Long-term investments rate of return, net of pension plan investment expenses, including price inflation	7.50
Future post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	2.00
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

Changes in assumptions or other inputs since the December 31, 2013 actuarial valuation include:

- Programming changes
  - Valuation of the full survivor benefit without any reduction for possible remarriage
  - Reflection of the employer match on separate benefits for all eligible years
  - Reflection of one year of service eligibility for survivor annuity benefit
  - Refinement of the 18 month annual increase timing
  - Refinement to directly value certain and life, modified cash refund and pop-up benefit forms
  
- Methodology changes
  - Recognition of merit salary increases in the first projection year
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members
  - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions shown above. In addition, the following methods and assumptions were used:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

- Assumed that employee contributions will be made at the current contribution rate. 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, including current and 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 included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits reserve, as appropriate. As the ad hoc post-retirement benefit increased financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e. the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e. the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

Colorado Springs Parking System  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	10 Year expected geometric real rate of return (%)
US Equity - Large Cap	26.76	5.00
US Equity - Small Cap	4.40	5.19
Non US Equity - Developed	22.06	5.29
Non US Equity - Emerging	6.24	6.76
Core Fixed Income	24.05	0.98
High Yield	1.53	2.64
Long Duration Gov't/Credit	0.53	1.57
Emerging Market Bonds	0.43	3.04
Real Estate	7.00	5.09
Private Equity	7.00	7.15
<b>Total</b>	<b>100%</b>	

\* 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 7.50%.

The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

The following presents the Parking System's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Parking System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate:

Colorado Springs Parking System  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2016

Sensitivity of the NPL:

	1 % Decrease	Current Discount Rate	1 % Increase
	6.5%	7.50%	8.50%
Parking's proportionate share of the net pension liability	\$ 1,111,779	\$ 725,183	\$ 404,539

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

<https://www.copera.org/resources/forms-publications/2015-cafr-0>

**B. Defined Contribution Plan**

**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. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

**Funding Policy:** The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,000 in 2016). There is a catch-up provision that allows participants age fifty and older who are contributing the maximum to contribute an additional \$6,000 annually to their account.

**3. *Postemployment Benefits other than Pensions***

In accordance with the City Code, the City provides retiree health care and life insurance benefits to current and future retirees of the City. Employees who terminate prior to retirement eligibility are not eligible to participate in the programs. The City provides both access to and/or subsidies for health care plans based upon the retiree's employee group, employment dates and retirement eligibility dates. Also, the level of retiree life insurance benefit coverage depends upon the retiree's final position within the City. During 2016, the Parking System provided these benefits to two retired employees at a cost of \$2,203. During 2015, these benefits were provided to two retired employees at a cost of \$2,203. In 2014, these benefits were provided to two retired employees at a cost of \$2,203.

Postemployment benefits other than pensions are funded through current revenue sources appropriated and accounted for in the City's annual budget.



REQUIRED SUPPLEMENTARY INFORMATION

**Colorado Springs Parking System**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PARKING SYSTEM'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**Period ending December 31,**

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**Colorado PERA Local Government Division Trust Fund**

	<u>2016</u>	<u>2015</u>
Proportionate share of total pension liability	\$ 3,134,937	\$ 3,340,637
Proportionate share of fiduciary net position	(2,409,754)	(2,696,406)
Proportionate share of net pension liability	<u>\$ 725,183</u>	<u>\$ 644,231</u>
Fiduciary net position as a percentage of total pension liability	76.87%	80.72%
Covered employee payroll	\$ 379,110	\$ 397,976
Net pension liability as a percentage of covered employee payroll	191.29%	161.88%
Proportion of net pension liability	0.0658%	0.0719%

**Notes to the Required Supplementary Information**

There were no significant changes to benefit assumptions and/or actuarial methods for the year ended December 31, 2015, the plan measurement date.

\* 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 most recent fiscal year-end (December 31) in accordance with GASB Statement No. 68.

**Colorado Springs Parking System**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PARKING SYSTEM'S CONTRIBUTIONS**  
**Last fiscal year ending December 31,**

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**Colorado PERA Local Government Division Trust Fund**

	<b>Statutorily Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Actual Contributions as a % of Covered Payroll</b>
2016	\$ 49,409	\$ 49,409	\$ -	\$ 378,492	13.05
2015	48,565	48,565	-	379,110	12.81

**Notes to the Required Supplementary Information**

There were no significant changes to benefit assumptions and/or actuarial methods for the year ended December 31, 2015, the plan measurement date.

\* 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 most recent fiscal year-end (December 31) in accordance with GASB Statement No. 68.

OTHER SUPPLEMENTARY INFORMATION

Colorado Springs Parking System  
MONTHLY PERMIT RATES  
December 31, 2016  
(unaudited)

Facility	Monthly Permit Rates
Parking Structure #1	\$80 Reserved, \$60 Unassigned *
Parking Structure #2 and #3	\$60 *
Parking Lot #4	\$25
Parking Lot #5	\$50

\* For 75 or more permits from one account, monthly rate is discounted to \$50.

Colorado Springs Parking System  
 SCHEDULE OF DEBT SERVICE COVERAGE  
 December 31, 2016  
 (unaudited)

Fiscal Year	Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	3,868,184	1,518,912	2,349,272	545,000	510,979	2.22
2013	3,964,899	1,783,408	2,181,491	570,000	487,746	2.06
2014	4,382,324	1,803,631	2,578,693	595,000	462,876	2.44
2015	4,497,570	2,103,547	2,394,023	655,000	432,974	2.20
2016	4,682,904	1,750,728	2,932,176	695,000	215,420	3.22