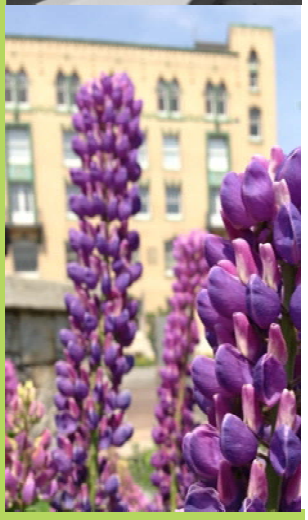
City of Colorado Springs
Comprehensive Annual Financial Report

2014

For the year ended December 31, 2014



Comprehensive Annual Financial Report

City of Colorado Springs Colorado

For the fiscal year ended December 31, 2014

Finance Department
Kara Skinner, Chief Financial Officer
Tracy Peters, Accounting Manager

Accounting Staff
Michael Fagan, Senior Accountant
Erin Garcia, Accountant II
Mary Murray, Senior Accountant
Rochelle Poell, Senior Accountant
Margie Tantanella, Senior Accountant

A special thanks to:
Marti Purdy, Accounting Technician

CITY OF COLORADO SPRINGS

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CITY OF COLORADO SPRINGS

INTRODUCTORY SECTION

CITY OF COLORADO SPRINGS

FINANCE OFFICE

June 5, 2015

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

Dear Honorable Mayor and Members of City Council:

The Comprehensive Annual Financial Report of the City of Colorado Springs for the fiscal year ended December 31, 2014, is hereby presented. State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report fulfills this requirement.

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

BKD, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Colorado Springs' financial statements for the year ended December 31, 2014. 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 450,000, the City is the second most populated city in Colorado and covers approximately 195 square miles.

30 South Nevada Avenue, Suite 202 • TEL 719-385-5919 FAX 719-385-5280
Mailing Address: Post Office Box 1575, Mail Code 220 • Colorado Springs, Colorado 80901-1575

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, courts, planning and zoning, building and code enforcement, mass transit, health and welfare, and economic development.

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

Effective October 1, 2012, the Memorial Health System (Health System) leased its facilities and transferred it operations to Poudre Valley Health Care, Inc., an affiliate of University of Colorado Health. Subsequent to September 30, 2012, the Health System continued to exist as an enterprise fund of the City for the purposes of carrying out its rights and duties under the Lease Agreement, including without limitation collecting lease payments, satisfying ongoing obligations and remitting funds to the Colorado Springs Health Foundation to be used for the purpose of addressing health issues in the City and Health System service area, and reviewing the Lessee's performance of its obligations under the Lease Agreement.

On November 2, 2010, the eligible electors of the City voted to amend the Charter to establish a strong mayor-council form of government having as its elective officers a Mayor and City Council. Pursuant to this form of government, 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. The Mayor is elected every four years and is limited to two consecutive terms. The Mayor is to be elected by a majority, and not a plurality, of votes cast for the office of Mayor according to a run-off election. Steve Bach was elected as Colorado Springs' first strong mayor in a run-off election on May 17, 2011. John Suthers was elected as the City's second strong mayor in a run-off election on May 19, 2015 and took office on June 2, 2015.

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. In April 2013, Council elected Keith King to serve as Council President and Merv Bennett to serve as President Pro Tem. In April 2015, following the April municipal election and the swearing in of newly elected Council members, Council elected Merv Bennett to serve as Council President and Jill Gaebler to serve as President Pro Tem.

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 Colorado Springs Urban Renewal Authority, Colorado Springs Downtown Development Authority and Greater Downtown Colorado Springs, Briargate Center, Barnes & Powers North, Barnes & Powers South, First & Main, First & Main North, First & Main No. 2, Interquest North, Interquest South, and Powers & Woodmen Commercial Business Improvement Districts. Public Authority for Colorado

Energy, Fountain Valley Authority, Aurora-Colorado Springs Joint Water Authority and Twin Lakes, Lake Meredith, Colorado Canal and Lake Henry Reservoir companies, and the Pikes Peak Regional Communications Network are included as Business-type component units.

LOCAL ECONOMY

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

The City relies most heavily on sales and use tax revenue which has increased steadily for the past five years. This increase in funding coupled with other strategic measures to find efficiencies have allowed the City to enhance critical core services, particularly public safety services. During 2014, the City strategically increased public safety staffing, increased funding for the General Fund capital improvement program, and increased parks maintenance.

The economy showed other signs of improvement, unemployment dramatically declined during 2014 from 7.2% to 5.2% and foreclosures continued to decrease. Providing business friendly environment to encourage private sector job growth is the one of the primary goals of the Executive Branch.

LONG-TERM STRATEGIC AND FINANCIAL PLANNING

As stated in the City Charter, the Mayor maintains a Strategic Plan (the Plan) that prioritizes goals for the City and establishes measurable outcomes. The current Plan was approved for 2014 and encompasses the years 2014 through 2018. The Plan details three primary goals, five objectives for each goal, and five key strategies to achieve each objective. The Strategic Plan and departmental breakthrough strategies incorporate the City's fervent commitment to delivering "best in class" municipal government and offer game-changing new ideas with real measurable outcomes.

Jobs - Support an increase in private sector civilians employed by an average of 6,000 per year by being the most business and citizen friendly city of our size in the United States of America.

Transforming City Government - Transform City Government to be fiscally sustainable within limited resources while delivering consistent quality core services.

Building Community - Build community through on-going dialog with our citizens and local, regional and state leaders; and by encouraging private sector and non-profit initiatives to improve the well-being of everyone.

In addition, the City uses a multi-year financial forecast model to have a longer term focus on financial issues and better plan for the future. The forecast is incorporated in the annual budget process and the budget document.

FINANCIAL POLICIES

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 25%. This goal was developed by the Government Finance Officers Association and is based upon an analysis of the City's specific risks.
- The City annually prepares a five-year capital improvement plan included in the annual budget document.
- The City is limited by City Charter Amendment #3, "Taxpayers Bill of Rights" and similar statewide constitutional amendments. These provisions limit the growth of "fiscal year spending" as defined in the amendments. These amendments also require voter approval for the issuance of general fund debt.

AWARDS AND ACKNOWLEDGEMENTS

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. This was the 24th consecutive year that the City has received this prestigious award. To receive this Certificate of Achievement award, the City must publish an easily readable and effectively organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,

Kara Skinner
Chief Financial Officer

Tracy Peters
Accounting Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Colorado Springs
Colorado

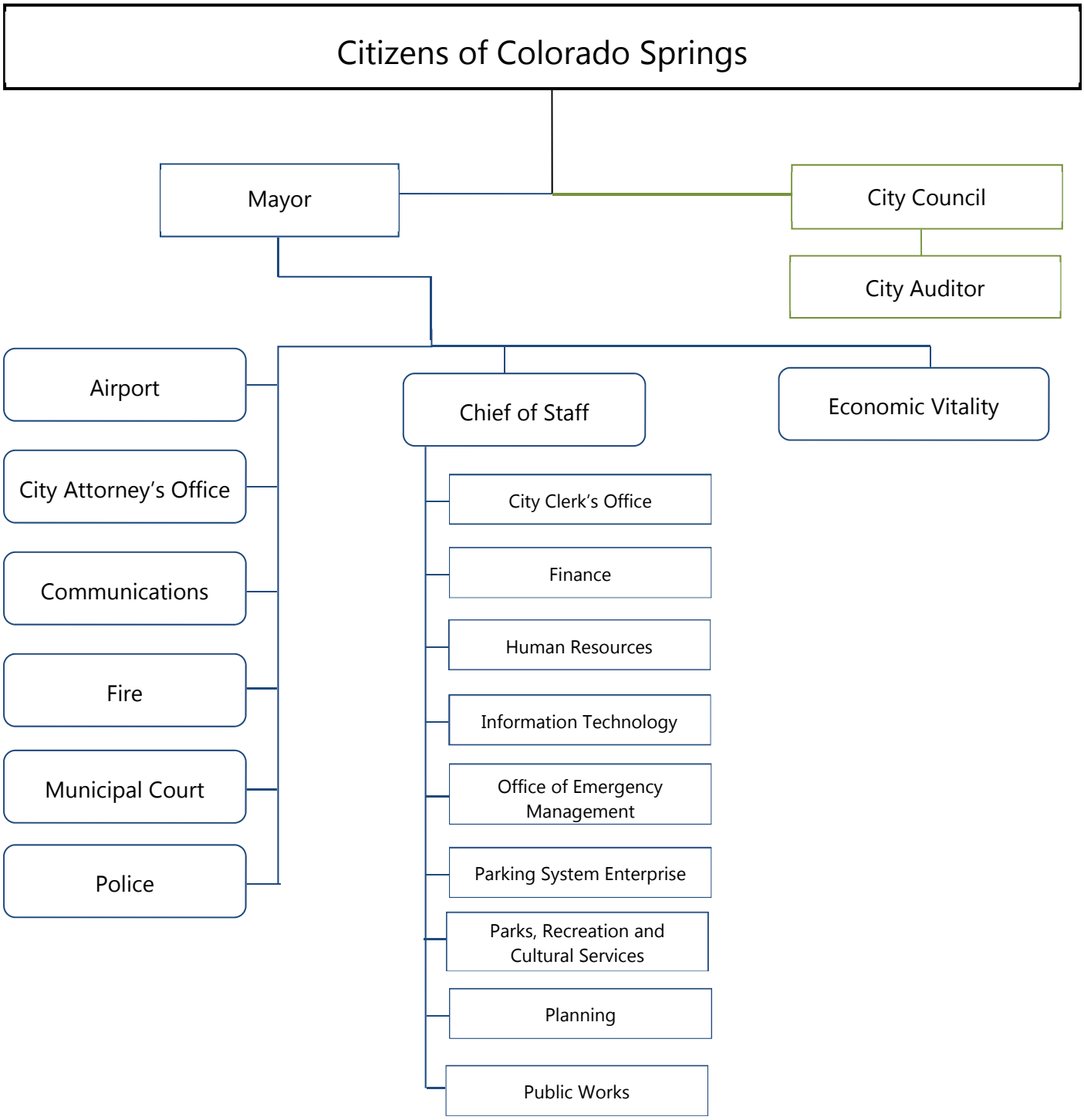
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF COLORADO SPRINGS, COLORADO

Municipal Government Organizational Chart



CITY OF COLORADO SPRINGS, COLORADO

Executive Branch
City Leadership

(as of December 31, 2014)

Mayor's Office

Bach, Steve	Mayor

Steve Bach
Mayor

Mayor's Executive Team

Carey, Peter	Police Chief
Cox, Steve	Chief of Staff
Massey, Wynetta	City Attorney
Riley, Christopher P.	Fire Chief

Department Heads

Aubrey, Cindy	Chief Communications Officer
Easton, Travis	Director, Public Works
Gallagher, Daniel	Aviation Director
Johnson, Sarah B.	City Clerk
Kane II, HayDen W.	Presiding Municipal Court Judge
Nehls, Carl	Chief Information Officer
Palus, Karen	Director, Parks, Recreation and Cultural Services
Skinner, Kara	Chief Financial Officer
Sullivan, Michael	Director, Human Resources
Wysocki, Peter	Director, Planning and Development

CITY OF COLORADO SPRINGS, COLORADO

Legislative Branch
City Council

Colorado Springs City Council

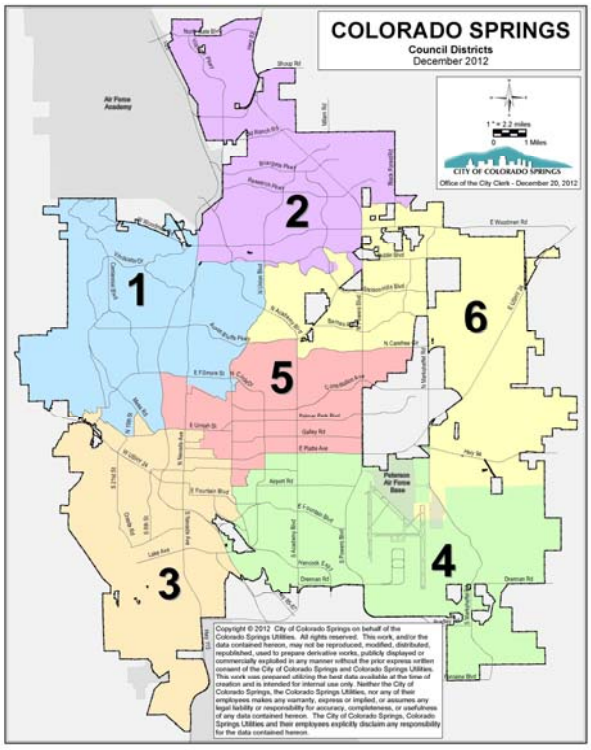
Front Row (from left to right):
Council Member Andy Pico, District 6
Council Member Helen Collins, District 4
Council Member Val Snider, At-Large
Council Member Jill Gaebler, District 5
Council Member Jan Martin, At-Large

Back Row (from left to right):
Council Member Don Knight, District 1
Council President Pro-Tem Merv Bennett, At Large
Council President Keith King, District 3
Council Member Larry Bagley, District 2

City Council's Direct Reports

Jerry Forte, Utilities Chief Executive Officer
Denny Nester, City Auditor

Council District Map



FINANCIAL SECTION

CITY OF COLORADO SPRINGS

BKD LLP
CPAs & Advisors

111 S. Tejon Street, Suite 800 // Colorado Springs, CO 80903-2286
719.471.4290 // fax 719.632.8087 // bkd.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Colorado Springs, Colorado (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. With the exception of Colorado Springs Health Foundation and the Pikes Peak Regional Communications Network, we did not audit the financial statements of the discretely presented component units, which represent 59.94 percent of total assets and 24.16 percent of total revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2014, respectively. Those financial statements were audited by other auditors, whose reports have been furnished to us and our opinion on the aggregate discretely presented component units, insofar as it related to the amounts of the aggregate discretely presented component units excluding the Colorado Springs Health Foundation and the Pikes Peak Regional Communications Network, is based solely on the reports of the other auditors. We did not audit the financial statements of Colorado Springs Utilities, included as an enterprise fund, or Public Authority for Colorado Energy, included as a blended component unit (enterprise fund), which represent 91.12 percent of total assets and 94.94 percent of total revenues of the enterprise funds as of and for the year ended December 31, 2014, respectively. Those financial statements were audited by other auditors, whose reports have been furnished to us and our opinion on the enterprise fund information, insofar as it relates to the amounts included for Colorado Springs Utilities and Public Authority for Colorado Energy,

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

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

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 opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and cash flows, where applicable thereof and the respective budgetary comparisons for the General Fund and Colorado Springs Utilities, Public Authority for Colorado Energy and Memorial Hospital for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Year Audited by Other Auditors

The 2013 financial statements, before they were restated for the matter discussed in Note IV.L, were audited by other auditors and their report thereon, dated June 13, 2014, expressed an unmodified opinion, based on their audit and the reports of other auditors.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefits information 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 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, and the other auditor's, 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 listed in the table of contents, and the Annual Statement of Receipts and Expenditures for Roads, Bridges, and Streets, 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 by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical section, 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 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 5, 2015

CITY OF COLORADO SPRINGS

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, 2014. Please read the information presented here in conjunction with the transmittal letter, located at the front of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the City's assets and deferred outflow of resources exceed its liabilities and deferred inflow of resources at December 31, 2014, by $3.1 billion (net position). Of the net position, $228.5 million is unrestricted and available to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by $119.6 million or 4.0% as a result of current year activity. The governmental net position increased by $25.0 million or 1.9%, and the business-type net position increased by $94.6 million or 5.6%.
- The City's governmental funds report combined ending fund balances of $116.4 million.
- The General Fund, the City's primary operating fund presented on a current financial resources basis, ended 2014 with a fund balance of $53.7 million or 21.0% of 2014 total General Fund expenditures and uses of other financing sources. Of this, $43.3 million is "unrestricted" which the Government Finance Officers Association (GFOA) defines as the sum of committed, assigned and unassigned fund balances. GFOA maintains a recommended best practice to maintain an unrestricted fund balance of at least 16.7% of expenditures and for the City recommends an unrestricted fund balance of 25% of expenditures. For 2014, the $43.3 million in unrestricted fund balance represents 16.9% of 2014 total General Fund expenditures and uses of other financing sources.
- The City's total long-term debt is $3.1 billion. This is a $22.1 million or 0.7% increase from 2013. The City's governmental activity debt decreased by $9.5 million and business-type activity debt increased $31.6 million. Colorado Springs Utilities (Utilities) issued a total of $112.5 million of Utilities' System Improvement Revenue Bonds, Series 2014A-1 and Series 2014A-2 to fund general system improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Major Features of the City's Government-wide and Fund Financial Statements

		Fund Statements		
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses; the utilities system, airport, and parking system	Instances in which the City is the trustee or agent for someone else's resources, such as the Old Hire pension plans
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Balance Sheet • Statement of revenues, expenses, and changes in net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus

Major Features of the City's Government-wide and Fund Financial Statements (Continued)				
		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
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 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 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 outflow of resources and liabilities and deferred inflow 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 2014. 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, health and welfare, culture and recreation, urban redevelopment and housing, economic 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, and development review program are intended to recover all or a significant portion of their costs through user fees and charges.
>
> ***Component units*** – Component units are legally separate entities for which the City is financially accountable. The City reports the following as component units: Fountain Valley Authority, Aurora-Colorado Springs Joint Water Authority, and several canal and reservoir companies: Twin Lakes, Lake Meredith, Colorado Canal, and Lake Henry; the Pikes Peak Regional Communications Network, the Colorado Springs Health Foundation and several business improvement districts: Colorado Springs Urban Renewal Authority, Colorado Springs Downtown Development Authority, Greater Downtown Colorado Springs, Briargate Center, Barnes & Powers North, Barnes & Powers South, First & Main, First & Main North, First & Main No. 2, Interquest North, Interquest South, and Powers & Woodmen Commercial Business Improvement Districts.

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 fleet[1], printing, self-insurance and various other activities of the City. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. However, the change in net position for internal service funds has been allocated between governmental activities and business-type activities on the statement of activities.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for Utilities, Public Authority for Colorado Energy (PACE), and Memorial Health System (Health System) 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.

[1] Beginning in 2014, the majority of fleet functions were transitioned to the General Fund with the outsourcing of fleet services; however, the internal service fund remained open to account for transition costs. The fund will be closed out at the end of 2015.

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 basic fiduciary fund financial statements are presented later 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

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and other information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information follows the basic financial statements. In addition, combining and individual fund statements and schedules as well as statistical and other information can be found in this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $3.1 billion at the close of 2014 which is $119.6 million more than at the close of 2013.

The following table reflects the condensed Statement of Net Position for 2014 with comparative information for 2013:

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

	Governmental Activities		Business-type Activities		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Current and other assets	$ 197,241	$ 200,223	$ 1,343,941	$ 1,699,043	$ 1,541,182	$ 1,899,267
Capital assets	1,310,768	1,299,654	3,936,893	3,683,532	5,247,661	4,983,185
Deferred outflows of resources	479	650	96,752	78,407	97,231	79,057
Total assets & deferred outflows of resources	**1,508,489**	**1,500,527**	**5,377,586**	**5,460,982**	**6,886,075**	**6,961,509**
Long-term liabilities	98,566	111,177	3,347,828	3,252,689	3,446,394	3,363,866
Other liabilities	44,020	37,640	243,116	516,040	287,136	553,680
Deferred inflows of resources	22,650	33,437	2,189	2,375	24,839	35,812
Total liabilities & deferred inflows of resources	**165,235**	**182,254**	**3,593,133**	**3,771,104**	**3,758,368**	**3,953,357**
Net position						
Net investment in capital assets	1,247,391	1,222,445	1,566,907	1,423,336	2,814,298	2,645,781
Restricted	23,557	20,966	61,331	42,190	84,888	63,157
Unrestricted	72,305	74,862	156,215	224,351	228,521	299,213
Total net position	**$ 1,343,254**	**$ 1,318,274**	**$ 1,784,453**	**$ 1,689,878**	**$ 3,127,707**	**$ 3,008,152**

Note: Immaterial differences may occur due to rounding.

By far the largest portion of the City's net position, 90.0%, reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to satisfy these liabilities.

The City's combined net position is $3.1 billion, of which $228.5 million is unrestricted. However, certain of these unrestricted funds are designated for specific, future purposes such as encumbrances and subsequent year expenses.

The net position of the business-type activities is $1.8 billion. However, this net position can only be used for the continuing operations of the utilities, airport, downtown parking facilities, golf courses, cemeteries, tourist highway and development review program.

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 2014 with comparative information for 2013. Overall, the City's net position increased during 2014 by $119.6 million. The increase is due to increases in both the governmental activities and the business-type activities.

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

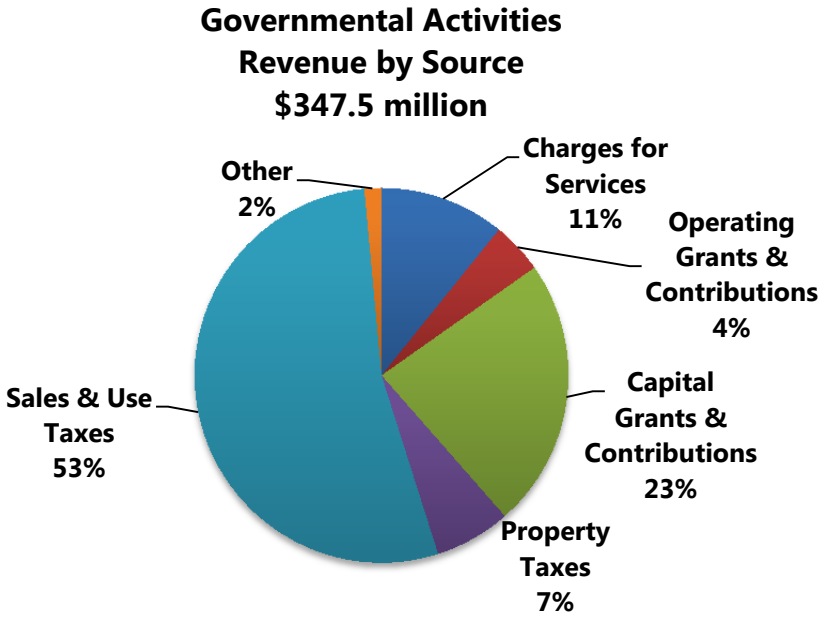
	Governmental Activities		Business-type Activities		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Revenues:						
Program revenues:						
Charges for services	$ 37,578	$ 26,857	$ 947,516	$ 906,545	$ 985,095	$ 933,402
Operating grants and contributions	15,400	21,515	-	-	15,400	21,515
Capital grants and contributions	80,882	60,360	60,238	57,956	141,120	118,316
General revenues:						
Property taxes	22,863	24,284	-	-	22,863	24,284
Other taxes	188,951	175,825	-	-	188,951	175,825
Investment earnings	1,379	1,102	4,535	4,071	5,914	5,173
Gain on sale of capital assets	327	996	-	-	327	996
Extraordinary item	-	-	-	(507)	-	(507)
Contributions to endowments	83	71	-	-	83	71
Total revenues	**347,463**	**311,010**	**1,012,290**	**968,065**	**1,359,753**	**1,279,075**
Expenses:						
General government	66,869	57,777	-	-	66,869	57,777
Public safety	168,665	158,518	-	-	168,665	158,518
Public works	78,015	80,476	-	-	78,015	80,476
Health and welfare	1,083	1,058	-	-	1,083	1,058
Culture and recreation	27,009	22,344	-	-	27,009	22,344
Urban redevelopment and housing	5,721	4,775	-	-	5,721	4,775
Economic development	3,811	3,293	-	-	3,811	3,293
Interest on long-term debt	3,398	4,683	-	-	3,398	4,683
Utilities	-	-	783,595	805,233	783,595	805,233
PACE	-	-	60,995	61,041	60,995	61,041
Health System	-	-	621	431	621	431
Non-major Enterprises	-	-	37,811	47,045	37,811	47,045
Total expenses	**354,572**	**332,924**	**883,021**	**913,750**	**1,237,593**	**1,246,674**
Increase in net position before transfers	(7,109)	(21,914)	129,269	54,315	122,160	32,401
Transfers	32,055	32,117	(32,055)	(32,117)	-	-
Change in net position	**24,946**	**10,203**	**97,214**	**22,199**	**122,160**	**32,401**
Net position - beginning	**1,318,274**	**1,309,120**	**1,689,878**	**1,673,328**	**3,008,152**	**2,982,448**
Prior period adjustment	**34**	**(1,049)**	**(2,639)**	**(5,649)**	**(2,605)**	**(6,698)**
Net position - ending	**$ 1,343,254**	**$ 1,318,274**	**$ 1,784,453**	**$ 1,689,878**	**$ 3,127,707**	**$ 3,008,152**

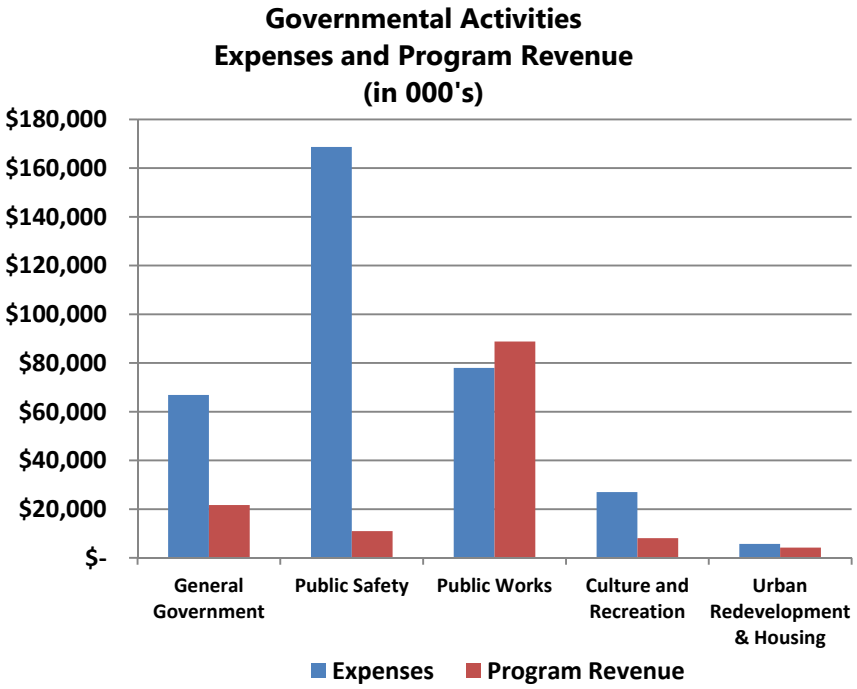
Note: Immaterial differences may occur due to rounding.

See Note IV.L. in the notes to the financial statements for information regarding the prior year restatements.

Governmental activities

Governmental activities increased the City's net position by $25.0 million or 1.9%, which accounts for 20.4% of the City's overall increase in net position.





Note: Exclusive of transfers.

For 2014, governmental activities revenue and expenses increased, with revenue increasing more than expenses, thus increasing net position. Revenue was up from 2013 by $36.5 million due primarily to increases in other taxes (which includes sales and use taxes and the lodgers and automobile taxes) and capital grants and contributions (which fluctuate greatly from year to year). Expenses increased $21.6 million from 2013. The most significant expense increases were the following:

- General government expenses increased $9.1 million largely due to a presentation change on the government-wide financial statements, there was a concomitant change to the presentation of revenues so there was no net impact to net position.

- Public safety expenses increased $10.1 million with the addition of 35.0 police department positions, funding the pay for performance, pay practices and increased medical plan costs for both police and fire, and funding to strategically hire to maintain full-strength staffing.

- Culture and recreation activities expenses increased $4.7 million due to increased watering expenses with the expiration of a pilot conservation water rate and due to an increase in grants received therefore grant funded expenses.

Public works program revenue, which includes capital grants and contributions, exceeded program costs during 2014 due to the timing of expenses and the receipt of grant funds, as most grants are reimbursements which can take some time to process.

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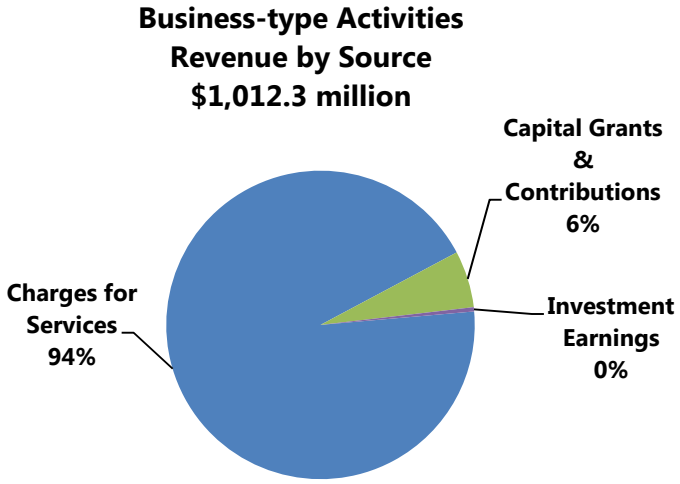
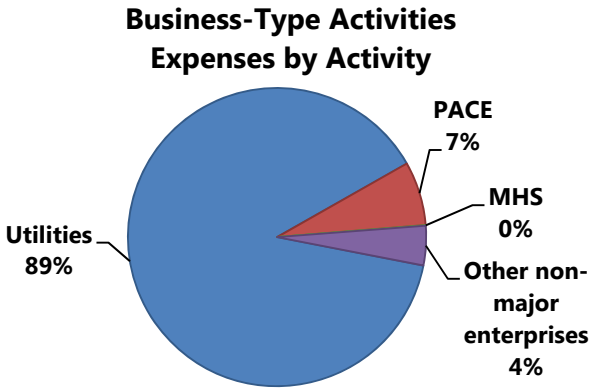
Business-type activities

Business-type activities increased the City's net position by $94.6 million or 5.6%, which accounts for 79.6% of the City's overall increase in net position.





Note: Exclusive of transfers.

For 2014, business-type activities net position increased largely due to the $104.3 million increase in Utilities' net position. Utilities' net position increased as operating revenues continued to exceed operating expenses and non-operating expenses decreased by nearly $43 million due to a smaller loss than in 2013 on derivative instruments. Operating revenues increased primarily due to increases in water and wastewater revenue of $22.9 million and $1.6 million, respectively, which were enhanced by increases in electric and natural gas revenues of $16.4 million and $4.2 million, respectively. Utilities' operating expenses increased $19.5 million or 2.9% from 2013 primarily due to increased natural gas and fuels purchased for the gas service and for electric generation.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds

As of the end of 2014, the City's governmental funds reported total combined fund balances of $116.4 million of which $34.0 million or approximately 29.2%, 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, $12.0 million, is primarily comprised of $11.5 million in endowments; and the *restricted* portion of fund balance, $43.4 million, is primarily comprised of $33.1 million in special revenue funds restricted balances and the $7.5 million TABOR emergency reserve.

The General Fund is the principal operating fund of the City. At the end of 2014, the General Fund's total fund balance was $53.7 million. The unrestricted fund balance of the General Fund was $43.3 million. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and unrestricted fund balance to total fund expenditures including uses of other financing sources. Total fund balance represents 21.0% of 2014 total General Fund expenditures while unrestricted fund balance represents 16.9% of 2014 total General Fund expenditures.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position as of December 31, 2014 and 2013 for the proprietary funds are as follows:

Unrestricted Net Position (in 000's)

	2014	2013	Variance
Utilities	$ 230,463	$ 284,728	$ (54,265)
PACE	(104,924)	(92,362)	(12,562)
Non-major enterprise funds	38,035	37,455	580
Internal service	(13,816)	(11,178)	(2,638)

Note: Immaterial differences may occur due to rounding.

While the total net position increased for Utilities and the Non-major enterprise funds, all propriety funds except the Non-major enterprise fund experienced a decline in unrestricted net position in 2014. The most significant decrease was the decrease in Utilities' unrestricted net position, and that decrease was primarily due to the increase in Utilities' net investment in capital assets, which is a component of restricted net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- $2.0 million increase due to a supplemental appropriation for emergency roadway repairs
- $0.5 million increase due to a supplemental appropriation for flood safety improvements

Also, per City Code, the City rolls over project budgets and encumbrances from the previous year totaling $16.3 million.

Total revenues, excluding other financing sources, are $4.4 million higher than the final budget due to a number of revenues coming in stronger than anticipated. Primarily, sales and use tax revenue (including penalty and interest) exceeds budget by $2.8 million, intergovernmental revenue exceeds budget by $1.1 million, and charges for services exceeds budget by $1.4 million, while miscellaneous revenue is short of budget by $785,040.

Total expenditures are $12.3 million less than the final budget as a number of budgeted projects take time to complete; there were vacancies across the organization which resulted in salary and benefit savings; and the City had an unusually wet summer which resulted in water utility bill savings when compared to budget.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

At the end of 2014, the City has $5.2 billion invested in a broad range of capital assets and infrastructure (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and other vehicles, infrastructure (including streets, alleys, traffic signals and signs, bridges, and drainage systems), enterprise plants, construction in process and intangible capital assets. This amount represents a net increase (including additions and deletions) of $264.5 million.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	$ 330,658	$ 327,519	$ 171,835	$ 171,835	$ 502,493	$ 499,354
Buildings	109,169	108,664	50,115	51,752	159,284	160,416
Improvements other than buildings	38,358	35,408	165,396	175,583	203,754	210,991
Machinery and equipment	32,257	38,737	15,459	16,659	47,716	55,396
Infrastructure	766,509	735,375	40,154	28,904	806,663	764,279
Utilities plant	-	-	2,640,598	2,559,891	2,640,598	2,559,891
Construction in progress	18,462	38,284	823,988	648,505	842,450	686,789
Intangible capital assets	15,355	15,666	29,348	30,404	44,703	46,070
Total	$ 1,310,768	$ 1,299,653	$ 3,936,893	$ 3,683,533	$ 5,247,661	$ 4,983,186

Note: Immaterial differences may occur due to rounding.

The most significant changes to capital assets for 2014 were for business-type activities. Specifically, in 2014, Utilities' capital assets, net increased $255.4 million or 7.5%. The increase is due primarily to capital improvements that are required to maintain and rehabilitate aging infrastructure in order to provide safe and reliable services to customers, to prepare for future demand and to meet environmental and regulatory requirements.

In 2014, Pikes Peak Rural Transportation Authority donated $23.3 million of infrastructure and developers donated of $22.5 million of infrastructure to governmental activities.

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

Long-term debt

The following schedule provides the debt outstanding at the end of 2014 and 2013. Total long-term debt outstanding is $3.1 billion.

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

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 13,590	$ 14,205	$ -	$ -	$ 13,590	$ 14,205
Sales tax revenue bonds	9,975	17,105	-	-	9,975	17,105
Certificates of participation	38,325	40,105	-	-	38,325	40,105
Revenue bonds	-	-	3,023,451	2,991,854	3,023,451	2,991,854
Notes payable	-	-	21,467	21,417	21,467	21,417
Total	$ 61,890	$ 71,415	$ 3,044,918	$ 3,013,271	$ 3,106,808	$ 3,084,686

Note: Immaterial differences may occur due to rounding.

During 2014, long-term debt for the governmental activities decreased $9.5 million and for business-type activities increased $31.6 million. Utilities issued debt to fund system improvements. Specifically, during 2014 Utilities issued $112.5 million of Utilities System Improvement Revenue Bonds.

The City's latest bond ratings are as follows:

Description	Moody's Rating	Standard & Poor's Rating	Fitch Rating
Sales & Use Tax Revenue Bonds	Aa2	AA+	N/A
Certificates of Participation	Aa2	AA-	N/A
Parking Revenue Bonds	not rated	not rated	not rated
Airport Revenue Bonds	Baa1	BBB+	BBB+
Utilities Revenue Bonds	Aa2	AA	AA
PACE Revenue Bonds	Baa2	A-	A

During 2014, Moody's Investors Service released a special comment *Anatomy of Successful US Cities* listing the City as one of the 34 "successful cities." These cities were able to maintain credit ratings by demonstrating resiliency during the economic downturn.

The current debt limitation for the City is $467.9 million or 10% of the assessed property valuation. The City has no outstanding general obligation debt as it relates to this debt

limit. The general obligation debt shown in the financial statements relate to the City's blended component units.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local Economic Indicators

During 2014, the local economy improved as indicated by three of the following four indicators: the local unemployment rate declined by 2.0% from 7.2% to 5.2%, foreclosures declined 1.9%, the number of single family housing permits issued decreased 13.2%, while the average sales price of single family/patio homes grew to a high of nearly $267,000 in July 2014, ending the year with a significant increase of 7.3% over December 2013.

Unemployment

2013	2014	% change
7.2	5.2	-2.0%

Unemployment rate for Colorado Springs

Source: Bureau of Labor Statistics Series Id # LAUCT081600000000003
Reported for the month of December

At a rate of 5.2% for December 2014, the City of Colorado Springs unemployment rate is down 2.0% from December 2013; and is unchanged from the end of Q3 2014. The Colorado statewide unemployment rate of 4.2% for December 2014 is only 1.0% below that of the City.

Foreclosures

2013	2014	% change
1,861	1,825	-1.9%

Number of foreclosures opened in El Paso County

Source: El Paso County Public Trustee Cumulative number of Foreclosures opened as of December

At the end of December, the number of foreclosures opened in El Paso County has decreased 1.9% from 2013. However, at the national level foreclosure starts were up 14% from December 2013. (Source: RealtyTrac Foreclosure Market Report, January 2015)

Single Family Permits

2013	2014	% change
1,541	1,337	-13.2%

Number of Single Family Permits

Source: Pikes Peak Regional Building Department
"Single Family: Number of Permits, By Year, Colorado Springs"

The number of single family housing permits decreased in 2014, resulting in a 13.2% decrease in permits issued over 2013, according to data from the PPRBD.

Average Sales Price	2013	2014	% change
	$238,273	$255,652	7.3%

Average Sales Price Single Family/Patio Homes

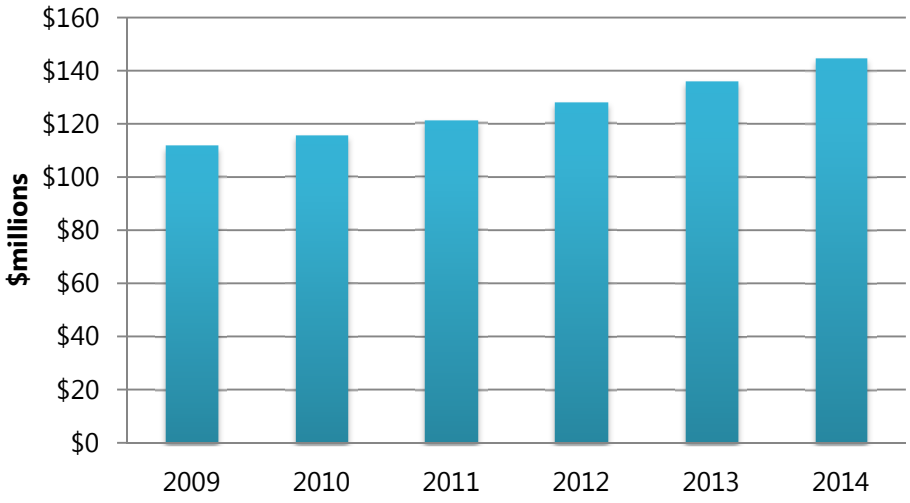
Source: PPAR Housing Statistics
Average Sales Price Single Family/Patio Homes as of December

The average sales price of single family/patio homes reached a high of nearly $267,500 in July 2014, ending the year with a significant increase of 7.3% over December 2013.

Sales and use tax revenue

The City's General Fund sales and use tax revenue was up $8.9 million or 6.5% from the same period in 2013 due to continued growth in all retail categories except Business Services and Department and Discount Stores.

City sales and use tax collections are primarily dependent upon the level of local economic activity, consumer confidence, tourist activity, and inflationary growth.



2015 Budget

The 2015 General Fund budget of nearly $258.7 million is 3.8% higher than the 2014 General Fund budget. At 57.2%, sales and use tax is the largest single source of General Fund revenue. 2015 sales and use tax is budgeted at $147.9 million, or 4.4% more than the 2014 budget.

To develop the balanced 2015 budget, City departments found operational savings and efficiencies of nearly $4.0 million that was redeployed to fund high priority needs, the City maximized the use of other non-General Fund funding sources, and the City strategically used a $1.5 million one-time draw from fund balance to fund one-time critical operational and capital needs for IT infrastructure and security, and police equipment. The budgeted fund balance draw will reduce the projected 2015 General Fund unrestricted fund balance to $41.8 million (which represents 16.2% of the 2015 original expenditure budget). The 2015 budget includes funding for a performance based salary increase, higher sworn pension costs, higher employee medical plan costs, 20 additional police officers, additional fire prevention and safety personnel, increased headway frequency on one bus route, improved pedestrian/transit accessibility on four bus routes as well as other high priority needs across the organization.

REQUEST FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

CITY OF COLORADO SPRINGS

STATEMENT OF NET POSITION
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities
ASSETS					
Cash and investments	$ 107,766,502	$ 241,532,714	$ 349,299,216	$ 4,027,369	$ 2,178,561
Receivables (net of allowance for uncollectibles)	76,268,721	119,737,599	196,006,320	13,788,109	980,472
Lease receivable	-	104,537,611	104,537,611	-	-
Due from other governments	-	-	-	-	1,679,208
Inventories	123,511	55,751,311	55,874,822	-	127,081
Prepaids	405,347	504,324,826	504,730,173	290,067	5,622,321
Derivative instruments	-	-	-	71,220	-
Other	-	111,108,051	111,108,051	-	342,092
Restricted assets (temporarily):					
Cash and investments	12,387,429	205,584,924	217,972,353	83,222,938	2,313,239
Interest receivable	-	48,000	48,000	-	-
Investment in joint ventures	-	1,129,000	1,129,000	-	-
Capital assets nondepreciable:					
Land	330,658,115	171,835,285	502,493,400	-	65,147
Intangibles	-	18,293,000	18,293,000	-	-
Construction in progress	18,461,622	823,988,000	842,449,622	-	1,621,589
Capital assets (net of accumulated depreciation):					
Buildings	109,169,169	50,114,730	159,283,899	-	-
Improvements other than buildings	38,358,442	165,396,252	203,754,694	2,166,287	-
Machinery and equipment	32,257,174	15,458,427	47,715,601	32,359	-
Infrastructure	766,509,458	40,154,187	806,663,645	19,508,199	-
Utility plant	-	2,640,598,000	2,640,598,000	-	66,528,082
Intangibles	15,354,505	11,054,826	26,409,331	-	-
Unamortized bond insurance premium	289,973	186,840	476,813	-	-
Total assets	1,508,009,968	5,280,833,583	6,788,843,551	123,106,548	81,457,792
DEFERRED OUTFLOWS OF RESOURCES					
Deferred cash flow hedges - unrealized loss on derivative instruments	-	67,343,000	67,343,000	198,780	-
Loss on debt refundings	479,324	29,408,930	29,888,254	-	332,970
Total deferred outflows of resources	479,324	96,751,930	97,231,254	198,780	332,970
LIABILITIES					
Accounts payable and other liabilities	39,025,728	95,394,208	134,419,936	181,876	611,342
Contingent liabilities and promise to CSHF	-	118,927,976	118,927,976	-	-
Deposits payable	1,745,389	-	1,745,389	-	-
Funds held for others	146,390	-	146,390	2,787	-
Accrued interest payable	351,914	18,045,361	18,397,275	2,157,212	132,856
Internal balances	(6,938,555)	6,938,555	-	-	-
Unearned revenue					
Grants	8,311,734	-	8,311,734	-	-
Other	1,377,667	3,809,497	5,187,164	-	5,352,751
Noncurrent liabilities:					
Due within one year	11,729,981	79,877,813	91,607,794	2,884,351	6,038,943
Due in more than one year	86,835,635	3,267,950,406	3,354,786,041	82,608,115	47,923,578
Total liabilities	142,585,883	3,590,943,816	3,733,529,699	87,834,341	60,059,470
DEFERRED INFLOWS OF RESOURCES					
Gain on debt refundings	-	2,189,000	2,189,000	-	-
Property taxes	22,649,601	-	22,649,601	6,753,026	-
Total deferred inflows of resources	22,649,601	2,189,000	24,838,601	6,753,026	-
NET POSITION					
Net investment in capital assets	1,247,391,126	1,566,906,671	2,814,297,797	(4,759,789)	17,633,096
Restricted for:					
Debt service	2,085,408	60,777,375	62,862,783	9,534,701	2,219,339
Endowments:					
Expendable	285,816	-	285,816	-	-
Nonexpendable	11,540,728	-	11,540,728	-	-
Emergency reserve (TABOR)	7,545,241	-	7,545,241	56,065	-
Community health improvement	-	-	-	79,011,107	-
Capital Improvement	-	-	-	853,452	-
Other	2,100,000	553,168	2,653,168	-	-
Unrestricted	72,305,489	156,215,483	228,520,972	(55,977,575)	1,878,857
Total net position	$ 1,343,253,808	$ 1,784,452,697	$ 3,127,706,505	$ 28,717,961	$ 21,731,292

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

STATEMENT OF ACTIVITIES
For the year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Governmental Activities**	**Business-type Activities**
Primary government									
Governmental activities									
General government	$ 66,869,211	$ 20,374,166	$ 1,348,299	$ -	$ (45,146,746)	$ -	$ (45,146,746)	$ -	$ -
Public safety	168,664,690	6,413,558	4,279,258	284,708	(157,687,166)	-	(157,687,166)	-	-
Public works	78,015,459	7,897,929	4,391,622	76,534,079	10,808,171	-	10,808,171	-	-
Health and welfare	1,083,268	-	-	-	(1,083,268)	-	(1,083,268)	-	-
Culture and recreation	27,008,991	2,655,107	1,412,980	4,063,017	(18,877,887)	-	(18,877,887)	-	-
Urban redevelopment and housing	5,721,466	236,679	3,967,370	-	(1,517,417)	-	(1,517,417)	-	-
Economic development	3,811,264	1,000	-	-	(3,810,264)	-	(3,810,264)	-	-
Interest on long-term debt	3,397,967	-	-	-	(3,397,967)	-	(3,397,967)	-	-
Total governmental activities	354,572,316	37,578,439	15,399,529	80,881,804	(220,712,544)	-	(220,712,544)	-	-
Business-type activities									
Utilities	783,594,844	868,846,000	-	47,074,000	-	132,325,156	132,325,156	-	-
Public Authority for Colorado Energy	60,995,000	47,641,000	-	-	-	(13,354,000)	(13,354,000)	-	-
MHS	620,537	-	-	-	-	(620,537)	(620,537)	-	-
Other	37,810,511	31,029,462	-	13,164,372	-	6,383,323	6,383,323	-	-
Total business-type activities	883,020,892	947,516,462	-	60,238,372	-	124,733,942	124,733,942	-	-
Total primary government	$ 1,237,593,208	$ 985,094,901	$ 15,399,529	$ 141,120,176	$ (220,712,544)	$ 124,733,942	$ (95,978,602)	$ -	$ -
Component units									
Improvement districts/health foundation	$ 22,974,211	$ 256,955	$ 80,532,655	$ -	$ -	$ -	$ -	$ 57,815,399	$ -
Utilities	11,842,398	15,221,224	-	-	-	-	-	-	3,378,826
Total component units	$ 34,816,609	$ 15,478,179	$ 80,532,655	$ -	$ -	$ -	$ -	$ 57,815,399	$ 3,378,826
General revenues									
Property taxes					$ 22,862,535	$ -	$ 22,862,535	$ 5,697,173	$ -
Sales taxes					185,615,186	-	185,615,186	-	-
Specific ownership taxes					2,478,710	-	2,478,710	605,631	-
Occupational liquor taxes					266,803	-	266,803	-	-
Admissions tax					509,696	-	509,696	-	-
Bicycle excise tax					81,032	-	81,032	-	-
Miscellaneous					-	-	-	4,021,485	-
Loan Expiration					-	-	-	846,988	-
Investment earnings					1,379,491	4,534,754	5,914,245	265,421	17,588
Gain on sale of capital assets					326,919	-	326,919	-	-
Contributions to endowments					83,086	-	83,086	-	-
Transfers					32,055,000	(32,055,000)	-	-	-
Total general revenues and transfers					245,658,458	(27,520,246)	218,138,212	11,436,698	17,588
Change in net position					24,945,914	97,213,696	122,159,610	69,252,097	3,396,414
Net position - January 1, as previously stated					1,318,273,623	1,689,877,954	3,008,151,577	(40,534,136)	18,334,878
Prior period adjustment					34,271	(2,638,953)	(2,604,682)	-	-
Net position - January 1, restated					1,318,307,894	1,687,239,001	3,005,546,895	(40,534,136)	18,334,878
Net position - December 31					$ 1,343,253,808	$ 1,784,452,697	$ 3,127,706,505	$ 28,717,961	$ 21,731,292

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

GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 3

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	$ 47,930,503	$ 57,714,176	$ 105,644,679
Accounts receivable (net of allowance for uncollectibles)	3,669,804	8,328,432	11,998,236
Sales tax receivable	15,550,248	4,012,357	19,562,605
Loans receivable (net of allowance for uncollectibles)	7,993	20,144,928	20,152,921
Assessments receivable	7,325	-	7,325
Property taxes receivable			
Current	19,619,441	3,030,160	22,649,601
Delinquent	45,424	-	45,424
Prepaids	405,347	-	405,347
Due from other funds	7,285,455	1,104,774	8,390,229
Restricted investments	441,569	11,945,860	12,387,429
Total assets	94,963,109	106,280,687	201,243,796
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	7,123,405	5,084,102	12,207,507
Funds held for others	146,390	-	146,390
Accrued salaries and benefits	5,058,053	939,158	5,997,211
Due to other funds	2,141,065	4,378,767	6,519,832
Deposits payable	-	1,745,389	1,745,389
Escrow deposits	5,776,850	-	5,776,850
Unearned revenue			
Grants	-	8,311,734	8,311,734
Other	1,377,667	-	1,377,667
Total liabilities	21,623,430	20,459,150	42,082,580
Deferred inflows of resources			
Unavailable revenue - loans (net of allowance for uncollectibles)	7,993	20,144,928	20,152,921
Unavailable revenue - property taxes	19,619,441	3,030,160	22,649,601
Unavailable revenue - assessments	7,325	-	7,325
Total deferred inflows of resources	19,634,759	23,175,088	42,809,847
Fund balances			
Nonspendable	450,771	11,540,728	11,991,499
Restricted	9,996,781	33,433,127	43,429,908
Committed	6,369,071	16,622,140	22,991,211
Assigned	2,937,924	1,050,454	3,988,378
Unassigned	33,950,373	-	33,950,373
Total fund balances	53,704,920	62,646,449	116,351,369
Total liabilities, deferred inflows of resources and fund balances	$ 94,963,109	$ 106,280,687	

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.	1,310,413,402
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.	20,160,246
Interest on investments that is not available to pay for current-period expenditures is not reported in the funds.	355,355
Internal service funds are used by management to charge the costs of fleet, 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	(6,102,055)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(97,924,509)
Net position of governmental activities	$ 1,343,253,808

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, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 4

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 166,909,443	$ 44,904,519	$ 211,813,962
Licenses and permits	1,860,374	-	1,860,374
Intergovernmental	20,994,956	30,806,288	51,801,244
Charges for services	18,103,392	6,292,065	24,395,457
Endowments and donations	-	1,498,184	1,498,184
Other revenue	2,479,850	762,315	3,242,165
Interfund services provided	7,997,266	-	7,997,266
Investment earnings	653,111	735,258	1,388,369
Rental income	588,703	-	588,703
Total revenues	219,587,095	84,998,629	304,585,724
Expenditures			
Current			
General government	55,697,383	1,016,401	56,713,784
Public safety	126,360,597	33,468,996	159,829,593
Public works	23,313,489	15,101,297	38,414,786
Health and welfare	1,080,000	-	1,080,000
Culture and recreation	14,155,974	8,564,733	22,720,707
Urban development and housing	253,514	4,699,137	4,952,651
Economic development	-	3,799,765	3,799,765
Miscellaneous	-	14,708	14,708
Debt service			
Principal	8,857,742	4,476,639	13,334,381
Interest	2,416,174	1,021,591	3,437,765
Capital outlay	13,431,598	16,556,006	29,987,604
Total expenditures	245,566,471	88,719,273	334,285,744
Deficiency of revenues over expenditures	(25,979,376)	(3,720,644)	(29,700,020)
Other financing sources (uses)			
Transfers - in	32,507,146	10,204,472	42,711,618
Transfers - out	(10,204,472)	(452,146)	(10,656,618)
Proceeds from issuance of debt	-	8,960,000	8,960,000
Payment to bond escrow agent	-	(8,856,720)	(8,856,720)
Sale of capital assets	314,200	-	314,200
Total other financing sources	22,616,874	9,855,606	32,472,480
Net change in fund balances	(3,362,502)	6,134,962	2,772,460
Fund balances - January 1	57,067,422	56,511,487	113,578,909
Fund balances - December 31	$ 53,704,920	$ 62,646,449	$ 116,351,369

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, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 5

Net change in fund balances - total governmental funds	$	2,772,460
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(32,822,785)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		44,016,686
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		13,256,266
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.		(849,170)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(602,914)
Internal service funds are used by management to charge the costs of fleet management, insurance, and other services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		(824,629)
Change in net position of governmental activities	$	24,945,914

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, 2014

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

	Budgeted Amounts		2014	Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes				
General property taxes				
Current	$ 19,682,000	$ 19,682,000	$ 19,117,364	$ (564,636)
Penalty and interest	-	-	47,026	47,026
	19,682,000	19,682,000	19,164,390	(517,610)
Sales and use taxes	142,100,000	142,100,000	143,270,874	1,170,874
Penalty and interest	-	-	1,615,632	1,615,632
Specific ownership taxes	1,892,339	1,892,339	2,082,048	189,709
Occupational liquor taxes	279,200	279,200	266,803	(12,397)
Gross receipts business taxes				
Admissions tax	471,739	471,739	509,696	37,957
Total taxes	164,425,278	164,425,278	166,909,443	2,484,165
Licenses and permits				
Business licenses and permits	1,635,452	1,635,452	1,860,374	224,922
Intergovernmental				
State shared revenue				
Cigarette tax	859,796	859,796	1,010,724	150,928
Highway users tax-regular	16,751,074	16,751,074	17,488,954	737,880
Highway users tax-added fees	1,366,700	1,366,700	1,452,844	86,144
Severance tax	20,000	20,000	130,483	110,483
	18,997,570	18,997,570	20,083,005	1,085,435
El Paso County road and bridge	759,262	759,262	742,307	(16,955)
El Paso County shared fines	100,000	100,000	169,644	69,644
	859,262	859,262	911,951	52,689
Total intergovernmental	$ 19,856,832	$ 19,856,832	$ 20,994,956	$ 1,138,124

(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, 2014

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

	Budgeted Amounts		2014	Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Charges for services				
General government				
Court costs and charges	$ 4,898,258	$ 4,898,258	$ 5,688,208	$ 789,950
Planning, zoning, subdivision fees	383,422	383,422	665,262	281,840
Other fees	2,161,429	2,161,429	1,812,017	(349,412)
	7,443,109	7,443,109	8,165,487	722,378
Public safety				
Police services	3,599,230	3,599,230	4,368,112	768,882
Fire services	928,600	928,600	1,117,838	189,238
	4,527,830	4,527,830	5,485,950	958,120
Highways and streets				
Highway and street permits and fees	2,182,836	2,182,836	1,814,042	(368,794)
Signal maintenance	731,340	731,340	822,255	90,915
	2,914,176	2,914,176	2,636,297	(277,879)
Culture and recreation				
Sports programs	982,143	982,143	782,418	(199,725)
Ice center fees	369,285	369,285	321,255	(48,030)
Community centers	331,224	331,224	323,401	(7,823)
Other fees	181,725	181,725	388,584	206,859
	1,864,377	1,864,377	1,815,658	(48,719)
Total charges for services	16,749,492	16,749,492	18,103,392	1,353,900
Miscellaneous				
Other revenue	1,578,254	1,578,254	2,479,850	901,596
Interfund services provided	9,866,651	9,866,651	7,997,266	(1,869,385)
Investment earnings	406,000	406,000	653,111	247,111
Rental income	653,065	653,065	588,703	(64,362)
Total miscellaneous	12,503,970	12,503,970	11,718,930	(785,040)
Total revenues	$ 215,171,024	$ 215,171,024	$ 219,587,095	$ 4,416,071

(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, 2014

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

	Budgeted Amounts		2014	Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
Current expenditures				
General government				
Legislative				
City council	$ 953,258	$ 943,659	$ 863,575	$ 80,084
Clerk of the council	686,479	686,479	672,803	13,676
	1,639,737	1,630,138	1,536,378	93,760
Judicial	3,686,308	3,686,308	3,421,504	264,804
Executive	1,306,171	1,273,696	1,068,804	204,892
Financial	4,485,959	4,485,959	4,239,328	246,631
Law	4,936,470	4,874,646	4,419,531	455,115
Personnel	1,144,252	1,144,252	1,141,450	2,802
Admissions tax	1,559,024	1,559,024	1,478,642	80,382
Support services	12,179,822	12,580,161	12,170,393	409,768
Other	25,677,846	25,433,846	26,221,353	(787,507)
Total general government	56,615,589	56,668,030	55,697,383	970,647
Public safety				
Police	82,195,720	82,193,987	81,744,694	449,293
Fire	46,034,450	45,135,088	44,615,903	519,185
Total public safety	128,230,170	127,329,075	126,360,597	968,478
Public works				
Highways and streets				
Maintenance of condition	9,469,252	12,865,237	11,814,344	1,050,893
Traffic services	4,401,348	4,401,348	3,945,450	455,898
Engineering	5,524,118	4,104,185	3,783,324	320,861
	19,394,718	21,370,770	19,543,118	1,827,652
Transit	4,211,974	4,211,974	3,770,371	441,603
Total public works	23,606,692	25,582,744	23,313,489	2,269,255
Health and welfare				
Communicable disease	1,080,000	1,080,000	1,080,000	-
Culture and recreation	$ 15,946,416	$ 15,946,416	$ 14,155,974	$ 1,790,442

(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, 2014

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

	Budgeted Amounts		2014	Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Urban redevelopment and housing				
Community development	$ 270,291	$ 302,766	$ 253,514	$ 49,252
Debt service expenditures				
Principal payments	8,702,265	8,702,265	8,857,742	(155,477)
Interest payments	2,418,656	2,418,656	2,416,174	2,482
Total debt service	11,120,921	11,120,921	11,273,916	(152,995)
Capital outlay	13,956,225	19,822,352	13,431,598	6,390,754
Total expenditures	250,826,304	257,852,304	245,566,471	12,285,833
Deficiency of revenues over expenditures	(35,655,280)	(42,681,280)	(25,979,376)	16,701,904
Other financing sources (uses)				
Transfers - in				
Utilities surplus	31,680,000	31,680,000	32,055,000	375,000
Other funds	447,146	447,146	452,146	5,000
Transfers - out				
City funded capital improvement projects	(10,860,472)	(10,204,472)	(10,204,472)	-
Sale of capital assets	232,886	232,886	314,200	81,314
Total other financing sources (uses)	21,499,560	22,155,560	22,616,874	461,314
Net change in fund balance	(14,155,720)	(20,525,720)	(3,362,502)	17,163,218
Fund balance - January 1	57,067,422	57,067,422	57,067,422	-
Fund balance - December 31	$ 42,911,702	$ 36,541,702	$ 53,704,920	$ 17,163,218

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

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2014

	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	$ 194,917,000	$ 88,000	$ 8,596,600	$ 37,931,114	$ 241,532,714	$ 2,121,823
Cash and investments - restricted	40,088,000	-	-	7,119,033	47,207,033	-
Accounts receivable (net of allowance for uncollectibles)	100,103,272	6,880,000	-	3,378,056	110,361,328	1,497,254
Lease receivable	-	-	2,420,180	-	2,420,180	-
Interest receivable	136,000	-	-	-	136,000	-
Due from other funds	4,167,728	-	-	119,410	4,287,138	555,838
Inventories	55,570,000	-	-	181,311	55,751,311	123,511
Prepaids	9,162,000	18,687,000	-	57,826	27,906,826	-
Other	-	-	72,051	-	72,051	-
Total current assets	404,144,000	25,655,000	11,088,831	48,786,750	489,674,581	4,298,426
Noncurrent assets						
Cash and investments - restricted	148,559,000	6,507,000	-	3,311,891	158,377,891	-
Interest receivable - restricted	48,000	-	-	-	48,000	-
Lease receivable - net	-	-	102,117,431	-	102,117,431	-
Note receivable	-	-	-	1,970,266	1,970,266	-
Receivable from insurance provider, net	-	-	7,270,005	-	7,270,005	-
Due from other funds	-	-	-	1,652,428	1,652,428	-
Investment in joint ventures	1,129,000	-	-	-	1,129,000	-
Prepaids	-	476,418,000	-	-	476,418,000	-
Other	111,036,000	-	-	-	111,036,000	-
Capital assets nondepreciable:						
Land	150,273,000	-	-	21,562,285	171,835,285	13,000
Intangibles	18,293,000	-	-	-	18,293,000	-
Construction in progress	823,988,000	-	-	-	823,988,000	-
Depreciable capital assets:						
Buildings	-	-	-	100,560,498	100,560,498	343,556
Improvements other than buildings	-	-	-	279,246,766	279,246,766	396,917
Machinery and equipment	-	-	-	32,984,673	32,984,673	2,904,147
Infrastructure	-	-	-	48,243,184	48,243,184	-
Utility plant	4,596,734,000	-	-	-	4,596,734,000	-
Intangibles	43,760,000	-	-	652,942	44,412,942	34,891
Less accumulated depreciation and amortization	(1,989,400,000)	-	-	(190,005,641)	(2,179,405,641)	(3,337,425)
Unamortized bond insurance premium	-	-	-	186,840	186,840	-
Total noncurrent assets	3,904,420,000	482,925,000	109,387,436	300,366,132	4,797,098,568	355,086
Deferred outflows of resources						
Deferred cash flow hedges - unrealized loss on derivatives	67,343,000	-	-	-	67,343,000	-
Loss on debt refundings	29,149,000	-	-	259,930	29,408,930	-
Total deferred outflows of resources	96,492,000	-	-	259,930	96,751,930	-
Total assets and deferred outflows of resources	$ 4,405,056,000	$ 508,580,000	$ 120,476,267	$ 349,412,812	$ 5,383,525,079	$ 4,653,512

(continued)

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

PROPRIETARY FUNDS
BALANCE SHEET
December 31, 2014

	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	$ 74,804,808	$ -	$ 590,873	$ 4,350,550	$ 79,746,231	$ 14,982,330
Accrued liabilities	8,000	-	895,817	-	903,817	-
Accrued salaries and benefits	9,121,000	-	16	336,144	9,457,160	62,901
Compensated absences	7,880,000	-	-	46,400	7,926,400	11,186
Due to other funds	5,013,192	-	61,585	444,942	5,519,719	2,845,015
Unearned revenue	-	-	-	2,149,006	2,149,006	-
Accrued interest payable	13,019,000	4,990,000	-	36,361	18,045,361	-
Matured bonds payable	59,954,000	7,600,000	-	2,195,000	69,749,000	-
Notes payable	1,502,000	-	-	428,313	1,930,313	-
Capital lease payable	-	-	-	272,100	272,100	-
Other	5,287,000	-	-	-	5,287,000	-
Total current liabilities	176,589,000	12,590,000	1,548,291	10,258,816	200,986,107	17,901,432
Noncurrent liabilities						
Contingent liabilities and promise to CSHF	-	-	118,927,976	-	118,927,976	-
Compensated absences	6,036,000	-	-	881,621	6,917,621	212,536
Customer deposits	2,734,000	-	-	-	2,734,000	-
Unearned revenue	-	-	-	1,660,491	1,660,491	-
Revenue bonds payable, net	2,409,876,000	599,397,000	-	27,271,662	3,036,544,662	-
Notes payable	15,134,000	-	-	4,403,123	19,537,123	-
Customer advances for construction	7,268,000	-	-	-	7,268,000	-
Municipal solid waste landfill closure and postclosure care	4,211,000	-	-	-	4,211,000	-
Derivative instruments	187,853,000	-	-	-	187,853,000	-
Other long term liabilities	2,885,000	-	-	-	2,885,000	-
Total noncurrent liabilities	2,635,997,000	599,397,000	118,927,976	34,216,897	3,388,538,873	212,536
Total liabilities	2,812,586,000	611,987,000	120,476,267	44,475,713	3,589,524,980	18,113,968
Deferred inflows of resources						
Gain on debt refundings	2,189,000	-	-	-	2,189,000	-
Total deferred inflows of resources	2,189,000	-	-	-	2,189,000	-
Net position						
Net investment in capital assets	1,306,849,000	-	-	260,057,671	1,566,906,671	355,086
Restricted for passenger facility charges	-	-	-	553,168	553,168	-
Restricted for debt service	52,969,000	1,517,000	-	6,291,375	60,777,375	-
Unrestricted	230,463,000	(104,924,000)	-	38,034,885	163,573,885	(13,815,542)
Total net position	1,590,281,000	(103,407,000)	-	304,937,099	1,791,811,099	(13,460,456)
Total liabilities, deferred inflows of resources and net position	$ 4,405,056,000	$ 508,580,000	$ 120,476,267	$ 349,412,812		$ 4,653,512
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(7,358,402)	
Net position of business-type activities					$ 1,784,452,697	

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

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	$ 868,846,000	$ 47,641,000	$ -	$ 31,029,462	$ 947,516,462	$ 35,989,198
Total operating revenues	868,846,000	47,641,000	-	31,029,462	947,516,462	35,989,198
Operating expenses						
Salaries and benefits	165,536,489	-	-	10,806,889	176,343,378	2,539,793
Other operating expenses	401,383,511	18,565,000	-	11,294,441	431,242,952	36,133,550
Depreciation and amortization	119,842,000	-	-	17,013,703	136,855,703	79,105
Total operating expenses	686,762,000	18,565,000	-	39,115,033	744,442,033	38,752,448
Operating income (loss)	182,084,000	29,076,000	-	(8,085,571)	203,074,429	(2,763,250)
Nonoperating revenues (expenses)						
Derivative instruments	(30,067,000)	-	-	-	(30,067,000)	-
Investment earnings	2,184,000	909,000	620,537	821,217	4,534,754	36,727
Lease interest income	-	-	3,265,384	-	3,265,384	-
Interest expense	(77,485,000)	(41,610,000)	-	(1,876,496)	(120,971,496)	-
Passenger facility charges	-	-	-	1,616,131	1,616,131	-
Customer facility charges	-	-	-	915,699	915,699	-
Amortization expense	-	(820,000)	-	(17,744)	(837,744)	-
Gain on disposal of capital assets	-	-	-	21,248	21,248	12,720
Increase in contingent liabilities	-	-	(3,898,210)	-	(3,898,210)	-
Miscellaneous	12,548,000	-	12,289	706,015	13,266,304	-
Total nonoperating revenues (expenses)	(92,820,000)	(41,521,000)	-	2,186,070	(132,154,930)	49,447
Income (loss) before contributions, transfers, and extraordinary item	89,264,000	(12,445,000)	-	(5,899,501)	70,919,499	(2,713,803)
Capital contributions	47,074,000	-	-	13,164,372	60,238,372	-
Transfers - out	(31,454,000)	-	-	-	(31,454,000)	-
Transfers - other	(601,000)	-	-	-	(601,000)	-
Change in net position	104,283,000	(12,445,000)	-	7,264,871	99,102,871	(2,713,803)
Total net position - January 1, as previously stated	1,485,998,000	(90,962,000)	-	300,311,181		(10,746,653)
Prior period adjustment	-	-	-	(2,638,953)		-
Net position - January 1 as restated	1,485,998,000	(90,962,000)	-	297,672,228		(10,746,653)
Total net position - December 31	$ 1,590,281,000	$ (103,407,000)	$ -	$ 304,937,099		$ (13,460,456)

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(1,889,175)
Change in net position of business-type activities	$ 97,213,696

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

CITY OF COLORADO SPRINGS

PROPRIETARY FUNDS
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL COMPARISON
For the year ended December 31, 2014

	Colorado Springs Utilities		
	Final Budget	**Actual**	**Variance**
Operating revenues	$ 902,099,421	$ 868,846,000	$ (33,253,421)
Operating expenses			
Salaries and benefits	164,900,052	165,536,489	(636,437)
Other operating expenses	402,694,707	401,383,511	1,311,196
Depreciation and amortization	132,491,834	119,842,000	12,649,834
Total operating expenses	700,086,593	686,762,000	13,324,593
Operating income	202,012,828	182,084,000	(19,928,828)
Nonoperating revenues (expenses)			
Derivative instruments	-	(30,067,000)	(30,067,000)
Investment earnings	3,012,175	2,184,000	(828,175)
Lease interest income	-	-	-
Interest expense	(84,746,859)	(77,485,000)	7,261,859
Amortization expense	-	-	-
Increase in contingent liabilities	-	-	-
Miscellaneous	10,397,964	12,548,000	2,150,036
Total nonoperating revenues (expenses)	(71,336,720)	(92,820,000)	(21,483,280)
Income (loss) before contributions, transfers and extraordinary item	130,676,108	89,264,000	(41,412,108)
Capital contributions	37,171,002	47,074,000	9,902,998
Transfers - out	(32,396,240)	(32,055,000)	341,240
Increase (Decrease) in net position	$ 135,450,870	$ 104,283,000	$ (31,167,870)

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

Public Authority for Colorado Energy			Memorial Hospital		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
$ 47,640,430	$ 47,641,000	$ 570	$ -	$ -	$ -
-	-	-	-	-	-
18,592,225	18,565,000	27,225	-	-	-
-	-	-	-	-	-
18,592,225	18,565,000	27,225	-	-	-
29,048,205	29,076,000	27,795	-	-	-
-	-	-	-	-	-
909,138	909,000	(138)	180,000	620,537	440,537
-	-	-	5,612,112	3,265,384	(2,346,728)
(41,632,425)	(41,610,000)	22,425	-	-	-
(820,270)	(820,000)	270	-	-	-
-	-	-	-	(3,898,210)	(3,898,210)
-	-	-	(2,740,650)	12,289	2,752,939
(41,543,557)	(41,521,000)	22,557	3,051,462	-	(3,051,462)
(12,495,352)	(12,445,000)	50,352	3,051,462	-	(3,051,462)
-	-	-	-	-	-
-	-	-	-	-	-
$ (12,495,352)	$ (12,445,000)	$ 50,352	$ 3,051,462	$ -	$ (3,051,462)

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

	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	$ 867,328,000	$ 47,559,000	$ -	$ 31,678,014	$ 946,565,014	$ 8,586,280
Receipts from interfund services provided	14,116,000	-	-	507,402	14,623,402	26,532,361
Receipts from lease receivable	-	-	2,779,465	-	2,779,465	-
Payments to suppliers	(430,432,000)	(74,000)	(269,672,502)	(6,159,090)	(706,337,592)	(31,915,280)
Payments to employees	(177,907,000)	-	-	(10,788,371)	(188,695,371)	(3,025,344)
Payments for interfund services used	(11,182,000)	-	-	(3,999,251)	(15,181,251)	(2,583,454)
Other receipts, net	18,686,000	-	961,916	-	19,647,916	-
Net cash provided (used) by operating activities	280,609,000	47,485,000	(265,931,121)	11,238,704	73,401,583	(2,405,437)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental non-operating revenues provided	(31,613,000)	-	-	-	(31,613,000)	-
Transfers out to other funds	(791,000)	-	-	-	(791,000)	-
Repayment of advance from other funds	-	-	-	-	-	(2,371,617)
Advance from other funds	-	-	-	-	-	2,540,510
Repayment of long-term debt	-	(6,690,000)	-	-	(6,690,000)	-
Interest payments on long-term debt	-	(40,282,000)	-	-	(40,282,000)	-
Interest payments - other	-	(1,375,000)	-	-	(1,375,000)	-
Operating grant	2,207,000	-	-	239,662	2,446,662	-
Net cash provided (used) by noncapital financing activities	(30,197,000)	(48,347,000)	-	239,662	(78,304,338)	168,893
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	112,510,000	-	-	-	112,510,000	-
Capital contributions and advances	25,285,000	-	-	-	25,285,000	-
Bond issuance proceeds	-	-	-	251,442	251,442	-
Bond issuance costs and other related costs	16,103,000	-	-	(218,446)	15,884,554	-
Loan proceeds	-	-	-	2,336,000	2,336,000	-
Purchases of capital assets	(315,016,000)	-	-	(17,007,162)	(332,023,162)	-
Repayment of capital lease obligations	-	-	-	(376,449)	(376,449)	(2,488)
Principal paid on capital debt	(57,295,000)	-	-	(18,744,934)	(76,039,934)	-
Interest paid on capital debt	(105,263,000)	-	-	(1,535,753)	(106,798,753)	-
Interest paid - other	(9,000)	-	-	(15,848)	(24,848)	-
Proceeds from the sale of capital assets	1,253,000	-	-	134,272	1,387,272	12,720
Capital grant	12,969,000	-	-	13,507,502	26,476,502	-
Passenger facility charges	-	-	-	1,644,670	1,644,670	-
Customer facility charges	-	-	-	685,602	685,602	-
Other nonoperating revenue	-	-	-	619,423	619,423	-
Net cash provided (used) by capital and related financing activities	(309,463,000)	-	-	(18,719,681)	(328,182,681)	10,232
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	22,000,000	-	270,037,119	35,691,116	327,728,235	3,451,655
Purchases of investments	(49,126,000)	(69,000)	(4,721,274)	(25,173,342)	(79,089,616)	(1,165,313)
Interest and dividends received	2,174,000	909,000	620,537	718,187	4,421,724	33,359
Distributions from joint ventures	151,000	-	-	-	151,000	-
Principal received from interfund loan	-	-	-	63,089	63,089	-
Interest received from interfund loan	-	-	-	70,099	70,099	-
Net cash provided (used) by investing activities	(24,801,000)	840,000	265,936,382	11,369,149	253,344,531	2,319,701
Net increase (decrease) in cash and cash equivalents	(83,852,000)	(22,000)	5,261	4,127,834	(79,740,905)	93,389
Cash and cash equivalents - January 1	324,203,000	110,000	714,000	1,966,985	326,993,985	79,651
Cash and cash equivalents - December 31	240,351,000	88,000	719,261	6,094,819	247,253,080	173,040
Cash and cash equivalents	240,351,000	88,000	719,261	6,094,819	247,253,080	173,040
Investments	143,213,000	6,507,000	7,877,339	42,267,219	199,864,558	1,948,783
Total cash and investments	$ 383,564,000	$ 6,595,000	$ 8,596,600	$ 48,362,038	$ 447,117,638	$ 2,121,823

(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, 2014

	Business-type Activities Enterprise Funds					Governmental Activities
	Utilities	Public Authority for Colorado Energy	MHS	Other Non-Major Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ 182,084,000	$ 29,076,000	$ -	$ (8,085,571)	$ 203,074,429	$ (2,763,250)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	119,842,000	-	-	17,013,703	136,855,703	79,105
Other expense	(15,277,000)	-	-	-	(15,277,000)	-
(Increase) decrease in accounts receivable	4,997,000	(82,000)	900,332	775,489	6,590,821	(1,138,147)
Decrease in lease receivable	-	-	2,779,465	-	2,779,465	-
Decrease in due from other funds	-	-	-	17,385	17,385	267,590
(Increase) decrease in inventories	(5,957,000)	-	-	12,748	(5,944,252)	702,762
(Increase) decrease in prepaids	(318,000)	18,491,000	-	-	18,173,000	175,127
Decrease in other assets	4,570,000	-	-	-	4,570,000	-
Increase (decrease) in accounts and other payables	(11,018,000)	-	(122,374)	1,182,722	(9,957,652)	519,936
Increase (decrease) in accrued expenses	1,326,000	-	(810,400)	18,518	534,118	(485,551)
Increase in due to other funds	-	-	61,585	242,635	304,220	236,991
Decrease in contingent liability	-	-	(268,739,729)	-	(268,739,729)	-
Increase in other liabilities	360,000	-	-	61,075	421,075	-
Net cash provided (used) by operating activities	$ 280,609,000	$ 47,485,000	$ (265,931,121)	$ 11,238,704	$ 73,401,583	$ (2,405,437)
Noncash investing, capital and financing activities						
Amortization, charge-off of debt discount and expense	$ 1,718,000	$ 820,000	$ -	$ -	$ 2,538,000	$ -
Noncash acquisition of capital assets (incurrence of payable/capital lease obligation)	36,096,000	-	-	2,187,623	38,283,623	-
Noncash contributions in aid of construction	17,880,000	-	-	-	17,880,000	-
Increase (decrease) in fair value of investments	(30,067,000)	-	9,185	32,931	(30,024,884)	3,367

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

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 10

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and investments	$ -	$ 1,947,877
Accounts receivable		
(net of allowances for uncollectibles)	-	4,433
Due from component unit	-	2,787
Pension assets held in trust by Fire and Police Pension Association		
Cash	1,592,021	-
Fixed income	21,419,917	-
Global equity	56,733,835	-
Managed futures	6,368,084	-
Illiquid alternatives	27,643,272	-
Absolute return	16,354,396	-
Long/short equity	14,617,646	-
Total assets	144,729,171	1,955,097
LIABILITIES		
Payables	-	275,889
Due to component unit	-	1,679,208
Total liabilities	-	1,955,097
NET POSITION		
Net position held in trust for pension benefits	$ 144,729,171	$ -

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

FIDUCIARY FUNDS **CITY OF COLORADO SPRINGS**
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION **COLORADO**
For the fiscal year ended December 31, 2014 **Exhibit 11**

	Pension Trust Funds
Additions	
City contributions	$ 3,008,820
Participant contributions	6,534
Total contributions	3,015,354
Investment earnings:	
Interest and dividend income	1,802,712
Net increase in fair value of investments	8,982,241
Total investment gain	10,784,953
Less investment expenses	1,244,323
Net investment gain	9,540,630
Total additions	12,555,984
Deductions	
Benefits	(15,042,401)
Total deductions	(15,042,401)
Change in net position	(2,486,417)
Net position held in trust for pension benefits - January 1	147,215,588
Net position held in trust for pension benefits - December 31	$ 144,729,171

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

GOVERNMENTAL FUND COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2014

	Colorado Springs Health Foundation	Colorado Springs Urban Renewal Authority	Colorado Springs Downtown Development Authority	Greater Downtown Colorado Springs Business Improvement District	Briargate Center Business Improvement District	Barnes & Powers North Business Improvement District
ASSETS						
Cash and investments - unrestricted	$ 1,191,966	$ 140,182	$ 2,049,432	$ 403,715	$ 19,894	$ 27,368
Cash and investments - restricted	79,011,107	777,742	-	-	747,002	121,447
Accounts receivable (net of allowance for uncollectibles)	-	714,482	96,438	5,817	3,315	2,689
Due from component units	-	-	-	-	-	2,386
Note receivable	-	-	760,677	-	-	-
Assessments receivable	-	-	-	-	5,369,813	-
Property taxes receivable	-	2,535,686	1,210,773	509,929	355,940	303,224
Prepaids	-	500	2,950	8,217	271,119	-
Interest rate cap	-	-	-	-	71,220	-
Capital assets (net of accumulated depreciation):						
Machinery and equipment	-	-	-	32,359	-	-
Improvements	-	-	-	-	106,380	1,161,662
Infrastructure	-	-	-	-	6,613,024	301,530
Total assets	80,203,073	4,168,592	4,120,270	960,037	13,557,707	1,920,306
DEFERRED OUTFLOWS OF RESOURCES						
Accum decr in fair value of hedging derivative	-	-	-	-	198,780	-
Total deferred outflows of resources	-	-	-	-	198,780	-
LIABILITIES						
Accounts payable	2,073	34,088	1,515	1,279	4,803	8,498
Tax escrow	-	20,000	11,295	-	-	-
Due to component units	-	-	-	-	-	-
Due to other governments	2,787	-	-	-	-	
Grants payable	-	-	69,820	-	-	-
Accrued interest payable	-	1,950,166	-	-	33,739	19,988
Noncurrent liabilities:						
Due within one year	-	2,100,000	-	-	435,000	75,000
Due in more than one year	-	54,146,621	-	-	8,650,000	3,615,000
Total liabilities	4,860	58,250,875	82,630	1,279	9,123,542	3,718,486
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	2,535,686	1,210,773	509,929	355,940	303,224
Total deferred inflows of resources	-	2,535,686	1,210,773	509,929	355,940	303,224
NET POSITION						
Net investment in capital assets	-	-	-	32,359	(2,094,477)	(535,312)
Restricted for:						
Debt service	-	600,374	-	-	6,352,001	99,859
Emergency reserve	-	-	28,739	15,556	3,070	1,600
Community health improvement	79,011,107	-	-	-	-	-
Capital improvement	-	853,452	-	-	-	-
Unrestricted	1,187,106	(58,071,795)	2,798,128	400,914	16,411	(1,667,551)
Total net position	$ 80,198,213	$ (56,617,969)	$ 2,826,867	$ 448,829	$ 4,277,005	$ (2,101,404)

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

Barnes & Powers South Business Improvement District	First & Main Business Improvement District	First & Main Business Improvement District No 2	First & Main North Business Improvement District	Interquest North Business Improvement District	Interquest South Business Improvement District	Powers & Woodmen Commercial Business Improvement District	Total
$ 1,544	$ -	$ 48,274	$ 3,492	$ 86,825	$ -	$ 54,677	$ 4,027,369
79,351	57,964	1,200,490	40,342	897,887	24	289,582	83,222,938
860	4,730	54,838	1,515	17,296	102	2,511	904,593
-	-	-	-	-	-	-	2,386
-	-	-	-	-	-	-	760,677
-	-	-	-	-	-	-	5,369,813
92,379	164,887	443,754	165,496	681,713	15,562	273,683	6,753,026
-	-	3,232	1,583	-	1,233	1,233	290,067
-	-	-	-	-	-	-	71,220
-	-	-	-	-	-	-	32,359
-	-	-	898,245	-	-	-	2,166,287
93,685	1,302,801	3,836,958	365,083	5,470,550	-	1,524,568	19,508,199
267,819	1,530,382	5,587,546	1,475,756	7,154,271	16,921	2,146,254	123,108,934
-	-	-	-	-	-	-	198,780
-	-	-	-	-	-	-	198,780
-	1,555	10,266	1,997	5,612	7,007	2,068	80,761
-	-	-	-	-	-	-	31,295
2,386	-	-	-	-	-	-	2,386
-	-	-	-	-	-	-	2,787
-	-	-	-	-	-	-	69,820
3,548	10,731	29,608	51,986	44,873	-	12,573	2,157,212
40,000	20,000	65,000	44,351	80,000	-	25,000	2,884,351
615,000	1,500,667	4,115,000	1,721,212	6,255,000	144,008	1,845,607	82,608,115
660,934	1,532,953	4,219,874	1,819,546	6,385,485	151,015	1,885,248	87,836,727
92,379	164,887	443,754	165,496	681,713	15,562	273,683	6,753,026
92,379	164,887	443,754	165,496	681,713	15,562	273,683	6,753,026
(22,708)	(212,199)	(343,042)	(469,528)	(864,450)	-	(250,432)	(4,759,789)
75,803	50,408	1,219,367	-	861,080	-	275,809	9,534,701
-	-	1,800	700	3,000	400	1,200	56,065
-	-	-	-	-	-	-	79,011,107
-	-	-	-	-	-	-	853,452
(538,589)	(5,667)	45,793	(40,458)	87,443	(150,056)	(39,254)	(55,977,575)
$ (485,494)	$ (167,458)	$ 923,918	$ (509,286)	$ 87,073	$ (149,656)	$ (12,677)	$ 28,717,961

GOVERNMENTAL FUND COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the year ended December 31, 2014

		Program Revenues						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Colorado Springs Health Foundation	Colorado Springs Urban Renewal Authority	Colorado Springs Downtown Development Authority	Greater Downtown Colorado Springs Business Improvement District
Colorado Springs Health Foundation								
General government	$ 15,209	$ -	$ 80,200,919	$ -	$ 80,185,710			
Total	15,209	-	80,200,919	-	80,185,710			
Colorado Springs Urban Renewal Authority								
General government	963,908	256,955	21,894	-		$ (685,059)		
Dedication of capital assets	13,372,852	-	-	-		(13,372,852)		
Interest on long-term debt	3,939,884	-	-	-		(3,939,884)		
Total	18,276,644	256,955	21,894	-		(17,997,795)		
Colorado Springs Downtown Development Authority								
General government	957,970	-	-	-			$ (957,970)	
Greater Downtown Colorado Springs Business Improvement District								
General government	530,124	-	-	-				$ (530,124)
Public works	7,546	-	-	-				(7,546)
Total	537,670	-	-	-				(537,670)
Briargate Center Business Improvement District								
General government	298,502	-	280,258	-				
Interest on long-term debt	421,927	-	-	-				
Total	720,429	-	280,258	-				
Barnes & Powers North Business Improvement District								
General government	109,900	-	13,868	-				
Interest on long-term debt	248,332	-	-	-				
Total	358,232	-	13,868	-				
Barnes & Powers South Business Improvement District								
General government	18,545	-	-	-				
Interest on long-term debt	46,002	-	-	-				
Total	64,547	-	-	-				
First & Main Business Improvement District								
General government	75,390	-	-	-				
Interest on long-term debt	133,188	-	-	-				
Total	208,578	-	-	-				
First & Main Business Improvement District No. 2								
General government	212,533	-	15,716	-				
Interest on long-term debt	364,782	-	-	-				
Total	577,315	-	15,716	-				
First & Main North Business Improvement District								
General government	83,510	-	-	-				
Interest on long-term debt	109,107	-	-	-				
Total	192,617	-	-	-				
Interquest North Business Improvement District								
General government	239,874	-	-	-				
Interest on long-term debt	554,571	-	-	-				
Total	794,445	-	-	-				
Interquest South Business Improvement District								
General government	22,298	-	-	-				
Interest on long-term debt	7,658	-	-	-				
Total	29,956	-	-	-				
Powers & Woodmen Commercial Business Improvement District								
General government	79,511	-	-	-				
Interest on long-term debt	161,088	-	-	-				
Total	240,599	-	-	-				
Total component units	$ 22,974,211	$ 256,955	$ 80,532,655	$ -				
General revenues:								
Property taxes					-	2,072,404	741,747	506,645
Specific ownership taxes					-	-	299,384	55,110
Miscellaneous					-	3,528,320	3,758	24,939
Loan Expiration					-	846,988	-	-
Investment earnings					12,503	5,585	242,187	849
Total general revenues					12,503	6,453,297	1,287,076	587,543
Change in net position					80,198,213	(11,544,498)	329,106	49,873
Net position - January 1					-	(45,073,471)	2,497,761	398,956
Net position - December 31					$ 80,198,213	$ (56,617,969)	$ 2,826,867	$ 448,829

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

Changes in Net Position

Briargate Center Business Improvement District	Barnes & Powers North Business Improvement District	Barnes & Powers South Business Improvement District	First & Main Business Improvement District	First & Main Business Improvement District No. 2	First & Main North Business Improvement District	Interquest North Business Improvement District	Interquest South Business Improvement District	Powers & Woodmen Commercial Business Improvement District	Total
									$ 80,185,710
									(685,059)
									(13,372,852)
									(3,939,884)
									(957,970)
									(530,124)
									(7,546)
$ (18,244)									(18,244)
(421,927)									(421,927)
(440,171)									
	$ (96,032)								(96,032)
	(248,332)								(248,332)
	(344,364)								
		$ (18,545)							(18,545)
		(46,002)							(46,002)
		(64,547)							
			$ (75,390)						(75,390)
			(133,188)						(133,188)
			(208,578)						
				$ (196,817)					(196,817)
				(364,782)					(364,782)
				(561,599)					
					$ (83,510)				(83,510)
					(109,107)				(109,107)
					(192,617)				
						$ (239,874)			(239,874)
						(554,571)			(554,571)
						(794,445)			
							$ (22,298)		(22,298)
							(7,658)		(7,658)
							(29,956)		
								$ (79,511)	(79,511)
								(161,088)	(161,088)
								(240,599)	
									57,815,399
360,570	293,730	93,936	169,839	326,886	165,500	680,475	11,182	274,259	5,697,173
38,236	31,014	9,919	17,933	34,570	17,475	71,850	1,181	28,959	605,631
-	-	-	-	337,410	-	127,058	-	-	4,021,485
-	-	-	-	-	-	-	-	-	846,988
121	634	134	221	1,619	115	977	-	476	265,421
398,927	325,378	103,989	187,993	700,485	183,090	880,360	12,363	303,694	11,436,698
(41,244)	(18,986)	39,442	(20,585)	138,886	(9,527)	85,915	(17,593)	63,095	69,252,097
4,318,249	(2,082,418)	(524,936)	(146,873)	785,032	(499,759)	1,158	(132,063)	(75,772)	(40,534,136)
$ 4,277,005	$ (2,101,404)	$ (485,494)	$ (167,458)	$ 923,918	$ (509,286)	$ 87,073	$ (149,656)	$ (12,677)	$ 28,717,961

PROPRIETARY FUND COMPONENT UNITS
COMBINING BALANCE SHEET
December 31, 2014

	Fountain Valley Authority	Aurora - Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company	The Lake Meredith Reservoir Company
ASSETS				
Current assets				
Cash and investments	$ 1,058,316	$ 22,692	$ 377,499	$ 235,799
Accounts receivable (net of allowance for uncollectibles)	878,241	-	27,952	16
Inventories	127,081	-	-	-
Due from other governments	-	-	-	-
Prepaids	5,452,525	-	135,136	4,363
Total current assets	7,516,163	22,692	540,587	240,178
Noncurrent assets				
Restricted cash and cash equivalents	2,219,339	-	-	85,097
Other	-	-	274,279	10,070
Capital assets nondepreciable:				
Land	65,147	-	-	-
Construction in progress	1,621,589	-	-	-
Depreciable capital assets				
Utility plant	88,768,812	9,750,936	14,388,870	3,447,774
Less accumulated depreciation	(40,866,163)	(2,659,229)	(6,896,709)	(861,797)
Total noncurrent assets	51,808,724	7,091,707	7,766,440	2,681,144
Total assets	59,324,887	7,114,399	8,307,027	2,921,322
DEFERRED OUTFLOWS OF RESOURCES				
Loss on debt refunding	332,970	-	-	-
Total deferred outflows of resources	332,970	-	-	-
Total assets and deferred outflows of resources	59,657,857	7,114,399	8,307,027	2,921,322
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable	495,325	-	28,232	2,126
Unearned revenue	5,352,751	-	-	-
Accrued interest payable	102,914	-	-	22,761
Matured bonds payable	805,000	-	-	-
Notes payable	573,343	-	-	39,947
Capital lease payable	4,070,281	-	-	-
Total current liabilities	11,399,614	-	28,232	64,834
Noncurrent liabilities				
Revenue bonds, net of unamortized premiums	3,552,136	-	-	-
Notes payable	3,880,771	-	-	1,088,803
Capital lease payable	38,033,161	-	-	-
Total noncurrent liabilities	45,466,068	-	-	1,088,803
Total liabilities	56,865,682	-	28,232	1,153,637
Net position				
Net investment in capital assets	(992,337)	7,091,707	7,492,161	2,585,977
Restricted				
Debt service	2,219,339	-	-	-
Unrestricted	1,565,173	22,692	786,634	(818,292)
Total net position	2,792,175	7,114,399	8,278,795	1,767,685
Total liabilities and net position	$ 59,657,857	$ 7,114,399	$ 8,307,027	$ 2,921,322

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

The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
$ 393,814	$ 90,441	$ -	$ 2,178,561
10,815	-	63,448	980,472
-	-	-	127,081
-	-	1,679,208	1,679,208
28,362	1,935	-	5,622,321
432,991	92,376	1,742,656	10,587,643
-	8,803	-	2,313,239
25,334	32,409	-	342,092
-	-	-	65,147
-	-	-	1,621,589
2,397,560	1,275,012	-	120,028,964
(1,733,655)	(483,329)	-	(53,500,882)
689,239	832,895	-	70,870,149
1,122,230	925,271	1,742,656	81,457,792
-	-	-	332,970
-	-	-	332,970
1,122,230	925,271	1,742,656	81,790,762
34,713	2,776	48,170	611,342
-	-	-	5,352,751
4,356	2,825	-	132,856
-	-	-	805,000
54,292	4,577	-	672,159
-	-	491,503	4,561,784
93,361	10,178	539,673	12,135,892
-	-	-	3,552,136
245,708	94,865	-	5,310,147
-	-	1,028,134	39,061,295
245,708	94,865	1,028,134	47,923,578
339,069	105,043	1,567,807	60,059,470
663,905	791,683	-	17,633,096
-	-	-	2,219,339
119,256	28,545	174,849	1,878,857
783,161	820,228	174,849	21,731,292
$ 1,122,230	$ 925,271	$ 1,742,656	$ 81,790,762

PROPRIETARY FUND COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the year ended December 31, 2014

		Program Revenues			
	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	$ 6,826,353	$ 11,736,001	$ 4,909,648		
Aurora-Colorado Springs Joint Water Authority					
General government	138,999	317,045		$ 178,046	
The Twin Lakes Reservoir and Canal Company					
General government	956,931	975,249			$ 18,318
The Lake Meredith Reservoir Company					
General government	112,910	245,030			
The Colorado Canal Company					
General government	916,339	593,400			
The Lake Henry Reservoir Company					
General government	75,617	80,708			
Pikes Peak Regional Communications Network					
General government	2,815,249	1,273,791			
Total component units	$ 11,842,398	$ 15,221,224			
General revenues					
Investment earnings			914	24	985
Total general revenues			914	24	985
Change in net position			4,910,562	178,070	19,303
Net position - January 1			(2,118,387)	6,936,329	8,259,492
Net position - December 31			$ 2,792,175	$ 7,114,399	$ 8,278,795

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

The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Pikes Peak Regional Communications Network	Total
				$ 4,909,648
				178,046
				18,318
$ 132,120				132,120
	$ (322,939)			(322,939)
		$ 5,091		5,091
			$ (1,541,458)	(1,541,458)
				3,378,826
156	299	41	15,169	17,588
156	299	41	15,169	17,588
132,276	(322,640)	5,132	(1,526,289)	3,396,414
1,635,409	1,105,801	815,096	1,701,138	18,334,878
$ 1,767,685	$ 783,161	$ 820,228	$ 174,849	$ 21,731,292

CITY OF COLORADO SPRINGS

NOTES TO FINANCIAL STATEMENTS

CITY OF COLORADO SPRINGS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

1. Governmental Fund Type Component Units

General Improvement Districts – Cottonwood, Spring Creek, Briargate and Market Place at Austin Bluffs. General Improvement Districts (GIDs) were created under provisions of Colorado state statutes. Each district has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. GIDs are blended in the City financial statements. The GIDs are legally separate entities from the City. City Council sits as the Board of Directors for each of the GIDs. 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 formed under the provisions of City Council resolution 121-12, resulting from the lease of Memorial Health System (Health System) by University of Colorado Health (UCH). CSHF is a 501(c)(3) nonprofit corporation which receives funds and monies received by the City from the lease which are not held for other purposes in accordance with the agreements (see Note IV.H.5). In the future, the CSHF will make distributions from those funds for the purpose of addressing health issues in the Health System service area. CSHF is discretely

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

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

The following Proprietary fund type component units are reported as discretely presented component units. 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 with 18,000,000 gallons per day capacity approximately 17 miles south of the City. 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.

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. Utilities has a 66.7% participation share in the Aurora-Colorado Springs Joint Water Authority's project. This share was determined by the parties on the basis of their projected pumping demands, but 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.

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

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

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

The Pikes Peak Regional Communications Network (PPRCN) was established by an intergovernmental agreement between the City and El Paso County (the 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 the 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

Pension Trust Funds

The Old Hire Fire and Police Pension plans are agent, multiple employer defined benefit plans for fire and police uniformed employees. The plans are managed by the Fire and Police Pension Association (FPPA). FPPA performs certain administrative tasks in accordance with an agreement with the City. The City retains responsibility for the

governance of the Old Hire plans. These funds are reported separately 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 online at www.fppaco.org\toc_frames.html or by writing to:

Fire and Police Pension Association of Colorado
5290 DTC Parkway, Suite 100
Greenwood Village, CO 80111-2721
(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, Green Mountain Falls, Fountain, and the towns of Monument and Palmer Lake. A three-member commission appointed by the City, the County and a member selected by the remaining municipalities, governs the PPRBD. The City has not invested money in the PPRBD and the commission is required to set its fees so as to fully recover operating expenses. Since the City has only a residual equity interest, the equity method is not considered appropriate for this joint venture.

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

The City of Colorado Springs, along with 38 agencies within El Paso and Teller Counties, has entered into a joint venture to provide the technical infrastructure necessary to connect emergency 9-1-1 telephone callers with the proper communication center. The joint venture of the El Paso-Teller County Emergency Telephone Service Authority (E911 Authority), in which the City participates, is not considered a component unit and is,

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

The City of Colorado Springs Fire Department is a member of the Colorado Metropolitan Certification Board (CMCB), a joint venture along with the Denver Fire Department, Aurora Fire Department, the West Metro Fire Protection District, and Poudre Fire Authority that provides certification of fire training to its member fire departments. The CMCB is accredited by the National Board on Fire Service Professional Qualifications (ProBoard) for Fire Service Certification. The joint venture of the CMCB in which the City participates is not considered a component unit and is, therefore, not included in the City's reporting entity. The CMCB was formed in accordance with an intergovernmental agreement in 1996 and is governed by the four original charter members (departments) and a fifth voting seat determined by the Board annually. The five-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-fifth of the operational expenses associated with the CMCB.

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, with the exception of the agency fund, which has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period for all sales tax transactions or within 60 days of the end of the current fiscal period for all other transactions. Expenditures

are recognized when the related liability is incurred, with the exception of debt service expenditures and expenditures related to compensated absences and claims and judgments which are recorded when due.

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

- Utilities fund provides water and wastewater collection, treatment, and distribution system; electric generation, transmission, distribution and street light system; and gas distribution system.

- PACE fund provides natural gas to Utilities.

- MHS fund carries out its rights and duties under the Lease Agreement as described in Note IV.H.5.

Additionally, the City reports the following fund types:

- Special revenue funds account for revenue derived from specific sources that are restricted legally or by regulation.

- Capital projects funds account for financial resources used for the acquisition or construction of major capital facilities and infrastructure.

- Permanent funds account for the activities of resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the City's programs.

- Internal service funds account for the fleet maintenance[1], general liability insurance, workers' compensation insurance, health insurance, printing and mailing services, and radio services provided to other departments or agencies of the City on a cost-reimbursement basis.

- Fiduciary funds include Old Hire Police and Old Hire Fire pension trust funds, which account for the activities for these City police and fire pension plans. These funds accumulate resources for pension benefit payments to qualified public safety employees. Plan member contributions are recognized in the period in which employee services are performed and benefits and refunds paid are recorded when incurred regardless of when payment is made. Plan investments are reported at fair value, using quoted market prices. Also in the fiduciary funds is the miscellaneous depository agency which accounts for the resources that are held by the City in a purely custodial capacity. The agency fund is made up of timing between when the resources are collected and when the resources are paid out to the various entities, such as payroll withholdings.

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

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

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

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity

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 and certain of its instrumentalities; certain international

[1] Fleet maintenance includes run out transactions only. Beginning January 1, 2014, ongoing fleet maintenance is reported in the General Fund.

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

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

The City's Old Hire Police and Old Hire Fire Pension Plans are invested in an external investment pool through the FPPA. This investment pool also invests in real property, venture capital, equities, securities, and other investments.

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

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding and other outstanding balances at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

3. Inventories and Prepaid Items

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.

4. Restricted Assets

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

5. Capital Assets

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

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

Donated assets are valued at their estimated fair value on the date of receipt. The City does not capitalize historical treasure or works of art. It is the City's policy to capitalize interest costs that are incurred during construction of the assets of business-type activities.

Utilities plant is stated at cost. For constructed plant, cost includes contracted services, direct labor and materials, indirect charges for engineering, supervision, general and administrative costs, and an allowance for funds used during construction (AFUDC). The 2014 AFUDC rate of 4.25% is comprised of an interest rate on borrowed funds component and is applied to all major capital projects. Per Utilities' capitalization policy, the cost of additions to plant and replacement units of property in excess of $5,000 is capitalized. Maintenance costs and replacement of minor items of property are charged to expense as incurred. Depreciation of utility plant for Utilities is provided by using the straight-line method based on the estimated service lives of the assets. Estimated service lives for major assets are as follows:

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

6. Deferred Inflows/Outflows of Resources

If applicable to assets, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City only has two 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 reported in the government-wide statement of net position and the proprietary funds balance sheet. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

If applicable to liabilities, the statement of net position and balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. The first item, *unavailable revenue – property taxes,* is reported in the governmental funds balance sheets and government-wide statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position reports property tax revenues in the year in which the taxes are levied as an enforceable lien on the property. The second item, *gain on debt refundings*, is reported in both the government-wide statement of net position and proprietary funds balance sheet. Gains on debt refunding are deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item, *unavailable revenue – loans (net of allowance for uncollectables)*, is reported in the governmental funds balance sheet and special revenue funds balance sheet and are recognized as loans are repaid or written off.

7. Compensated Absences

City employees earn sick leave and vacation 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 that portion financed from expendable available financial resources is reported as a fund liability. 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 its interest rates on outstanding debt.

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

9. Fund Balance

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

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

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

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

Assigned fund balance is the portion of fund balance that reflects the City's intended use of resources but does not meet the criteria to be classified as committed. The City's Charter authorizes the Mayor or Mayor's designee to assign fund balance through the use of encumbrances. 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 general only 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 Council or voter documentation.

Unassigned fund balances indicate amounts in the General Fund that are not classified as non-spendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balances in other governmental funds are reported as unassigned once other purposes of that fund were reduced. For the General Fund, a negative 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 funds have available amounts, the funds will be first applied against the most restrictive fund balance classification.

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

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

10. Municipal Solid Waste Landfill Closure and Postclosure Care Costs

The City is subject to the Colorado Department of Public Health and Environment regulations, which require the City to incur closure and postclosure care costs for landfills. As of December 31, 2014, the Utilities fund recognized a liability of $4,211,630 for closure and postclosure care costs based upon landfill capacity used to date. The estimated total current cost of closure and postclosure care to be recognized for the Utilities fund landfills

is $7,661,980. The average landfill capacity used to date is 63.5%. The estimated remaining landfill lives vary from 18 to 88 years. As of December 31, 2014, the governmental activities recognized a liability of $269,860 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 five year independent assessment adjusted for inflation, the total closure and postclosure costs are $7,931,840. The last independent assessment was performed in 2012.

11. Derivative Instruments

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

All financial derivatives are stated on the balance sheet at fair value as of December 31, 2014, based on quoted market prices, current market conditions, or other estimates obtained from third-party broker dealers or valuation services.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that as the governmental funds measurement focus is on current financial resources, capital assets used in the operations of a government are not included in governmental funds. Such assets must be included in the government-wide statements. The details of this difference are as follows:

Capital assets, at historical cost	$ 1,992,171,737
Accumulated depreciation	(681,758,335)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 1,310,413,402

Another element of that reconciliation explains that certain revenues in the governmental funds are unavailable as they are not collected within the prescribed time period after year-end. Any receivable for earned but unavailable revenue must be eliminated for government-wide financial reporting. The details of this difference are as follows:

Unavailable revenue	$ 20,160,246
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 20,160,246

Another element of that reconciliation states that governmental funds may not report revenues until they are *available* and an adjustment is made on the government-wide net position for revenue relating to the subsequent period.

Interest on investments	$ 355,355
Net adjustment to increase *fund balance - total governmental funds to arrive at net position - governmental activities*	$ 355,355

Another element of that reconciliation explains that any internal service funds that primarily serve governmental funds are included as part of governmental activities for purposes of government-wide financial reporting. The details of this difference are as follows:

Internal service fund allocation	$ (6,102,055)
Net adjustment to decrease *fund balance - total governmental funds to arrive at net position - governmental activities*	$ (6,102,055)

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Another element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in funds. The details of this difference are as follows:

Bonds payable	$ (62,701,130)
Less: Unamortized bond insurance premium (to be amortized over life of debt)	289,973
Accrued interest payable	(351,914)
Capital lease payable	(1,132,272)
Drainage fees payable	(3,035,809)
Compensated absences	(15,491,994)
Municipal solid waste landfill	(269,860)
Pension obligation	(1,539,165)
Other post employment benefit obligation	(13,692,338)
Net adjustment to decrease *fund balance - total governmental funds to arrive at net position - governmental activities*	$ (97,924,509)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital outlay	$ 21,449,161
Depreciation expense	(54,271,946)
Net adjustments to decrease *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$ (32,822,785)

Another element of that reconciliation states that the net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position. The details of this difference are as follows:

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.	$ (1,705,306)
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.	45,721,992
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$ 44,016,686

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The details of this difference are as follows:

Debt incurred:	
Issuance of bonds	$ (8,960,000)
Principal repayments:	
Bond premium	65,220
Bond insurance premiums	(40,055)
General obligation debt (includes payment to bond escrow agent)	9,791,720
Sales tax revenue bonds	7,130,000
Certificates of participation	1,780,000
Capital leases	3,489,381
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$ 13,256,266

Another element of that reconciliation states that 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. The details of this difference are due to changes in the following:

Accrued interest	$ 39,798
Drainage fees	138,798
Compensated absences	(195,249)
Landfill closing costs	(3,988)
Net pension obligation	38,551
Net other post employment benefit obligation	(867,080)
Net adjustment to decrease *net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities*	$ (849,170)

Another element of that reconciliation states that revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. The details of this difference are as follows:

Unavailable revenue	$ (602,914)
Net adjustment to decrease *net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities*	$ (602,914)

Another element of that reconciliation states that internal service funds are used by management to charge the costs of fleet management, insurance, and other services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. The details of this difference are as follows:

Internal service fund activities	$ (824,629)
Net adjustment to decrease *net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities*	$ (824,629)

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with City Charter, the Mayor is required to submit a balanced budget to City Council on or before the first Monday in October each year. The budget is reviewed and modified if supported by a majority of City Council and an appropriation ordinance prepared to adopt the budget. According to City Charter, the appropriation ordinance is to be adopted no later than December 31 each year. City budgeting and accounting systems provide for program planning of expenditures by function and activity within the funds. Amendments to the original budget were not 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 is at the fund level. Transfer of appropriation within the budget of a department 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 the fund requires City Council action. The budget is prepared in a manner consistent with the Colorado Revised Statutes. However, unlike the financial basis of reporting, the City's budget is prepared completely on a modified accrual basis.

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

B. Excess of Expenditures over Appropriations

During 2014, expenditures exceeded appropriations for the Workers' Compensation Self-Insurance fund by $2,554,894 as a result of increased incidences, severity of claims and incurred but not reported claims adjustments. The Banning Lewis Ranch fund expenditures exceeded appropriations by $3,609. Current year revenues were higher than anticipated, and as a result, expenditures were greater. The Ballfield Capital Improvement fund, the Park Developer Easement fund, and the Therapeutic Recreation fund expenditures were over appropriations by $153, $195, and $111, respectively, as a result of unanticipated expenditures. Last, the Fleet Management fund expenditures were over appropriations by $174,980 due to an unanticipated inventory adjustment related to the outsourcing of fleet services.

C. Deficit Fund Equity

The Claims Reserve Self-Insurance fund and the Workers' Compensation Self-Insurance fund each had deficit fund equity as of December 31, 2014. The deficits in these internal service funds, $826,841 and $9,190,075, respectively, are the result of incurred but not reported claims. The Employee Benefits Self-Insurance fund had an accumulated deficit of $5,892,565. This internal service fund deficit decreased from the prior year. Public Authority for Colorado Energy, a proprietary fund, had deficit fund equity as of December 31, 2014. The deficit of $103,407,000 relates to bonds issued for prepaid natural gas contracts and capital assets. The following governmental fund component units have deficit fund equity at year end: CSURA $56,617,969, Barnes & Powers North BID $2,101,404, Barnes & Powers South BID $485,494, First & Main BID $167,458, First & Main North BID $509,286, Interquest South BID $149,656, and Powers & Woodmen Commercial BID $12,677. These deficits also relate to bonds 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.

IV. 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, consist of the following on December 31, 2014 (in 000's):

	Unrestricted Assets	Restricted Assets
Demand accounts (incl petty cash of $30,000)	$ 90,546	$ 157,226
Money market mutual funds	130	12,659
Colorado Statewide Investment Program (CSIP)	5,460	-
Colorado Liquid Asset Trust (COLOTRUST)	-	953
Repurchase agreements	-	6,315
US Treasury securities	99,870	10,352
US Instrumentality securities	123,327	22,228
Domestic corporate fixed-income securities	22,785	635
International securities - US dollars	2,021	-
Municipal bonds	2,776	245
Certificates of deposit	4,332	-
Domestic equities	-	840
Guaranteed investment contract	-	6,507
Mortgages pooled	-	12
Total	$ 351,247	$ 217,972

Reconciliation of total deposits and investments to the financial statements at December 31, 2014 (in 000's):

	Governmental Activities	Business-type Activities	Fiduciary	Total
Unrestricted	$ 107,767	$ 241,532	$ 1,948	$ 351,247
Restricted	12,387	205,585	-	217,972
Total	$ 120,154	$ 447,117	$ 1,948	$ 569,219

1. Deposits

The carrying amount of the City's deposits at December 31, 2014, was $247,742,000 and the bank balances were $260,886,000. Of the bank balances, $908,000 was covered by federal deposit insurance and $259,978,000 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.

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 trust funds, bond ordinance accounts and reserve accounts. Excluded from the City Investment Policy are Utilities funds and money held in bank checking accounts for operating purposes. Utilities has adopted individual investment policies to manage their investment portfolios. The investments of the City are reported in aggregate to include investments of money related to governmental and business-type activities, individual major funds and non-major funds. The City's investments are subject to interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

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

Credit risk: Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit (either principal, interest or both). The City Investment Policy authorizes the City to invest in obligations of the United States or agencies thereof, commercial paper 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.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investments in a single issuer. Concentration risk is defined by the GASB as positions of 5% or more in the securities of any one issuer. The City's pooled investments are in compliance with the City Investment Policy which limits investments with any single issuer other than the Federal Government to 5%. The securities of the Federal Government are defined as obligations of the United States and certain of its instrumentalities and are explicitly guaranteed by the United States Government. None of the City's pooled investments at December 31, 2014, were subject to concentration of credit risk.

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, were subject to custodial risk.

As of December 31, 2014, Utilities invested $6,315,000 in repurchase agreements. Underlying investments related to the repurchase agreements were in US Agency securities and other Government Sponsored Enterprises which carry an implied AAA credit rating. As of December 31, 2014, the City had the following investment maturities and credit quality distribution:

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Credit Quality Distribution for Securities as a Percentage of Total Investments:

	S&P Rating	% of Total
Money market mutual funds	AAA	2.70%
Money market mutual funds	BBB	0.62%
Money market mutual funds	BB	0.73%
Money market mutual funds	B	0.33%
Money market mutual funds	unrated	1.29%
Local investment pools	AAAm	0.30%
Repurchase agreements	unrated	1.96%
US Treasury securities	AA	34.29%
US Instrumentality securities	AA	45.28%
Domestic corporate fixed-income securities	AAA	1.79%
Domestic corporate fixed-income securities	AA	5.49%
Domestic corporate fixed-income securities	BB	0.01%
International securities - US dollars	AA	0.63%
Municipal bonds	AAA	0.07%
Municipal bonds	AA	0.87%
Certificates of deposit	AA	0.45%
Certificates of deposit	A	0.90%
Domestic equities	unrated	0.26%
Guaranteed investment contract	AA	1.01%
Guaranteed investment contract	A	1.02%
		100.00%

As of December 31, 2014, the City has invested $953,000 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 fair 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 Standard and Poor's. 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
999 18th Street, Suite 1230
Denver, CO 80202
www.colotrust.com

During 2014, the City invested in the PFM Funds Prime Series, Colorado Investors Class, a money market mutual fund (marketed as the Colorado Statewide Investment Program or CSIP). The Prime Series is a separate investment portfolio of PFM Funds (the Trust). The Trust is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The PFM Funds Prime Series invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions and is rated AAAm by Standard & Poor's. PFM Asset Management, LLC serves as the investment advisor, administrator and transfer agent. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA). U.S. Bank N.A. serves as the custodian and acts as safekeeping agent. As of December 31, 2014, the City had $5,460,000 invested in the PFM Funds Prime Series.

To obtain financial statements for PFM Funds Prime Series, Colorado Investors Class, you may visit its website at www.csipinvest.com.

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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, 2014 (in 000's):

	Demand Accounts	Money Market	COLOTRUST	Total
Governmental Activities:				
Colorado Springs Health Foundation	$ 1,192	$ 79,011	$ -	$ 80,203
Urban Renewal Authority	649	-	269	918
Downtown Development Authority	2,049	-	-	2,049
Greater Downtown Colorado Springs BID	404	-	-	404
Briargate Center BID	-	731	36	767
Barnes & Powers North BID	25	-	123	148
Barnes & Powers South BID	50	-	31	81
First & Main BID	11	-	47	58
First & Main BID No. 2	107	-	1,142	1,249
First & Main North BID	15	-	29	44
Interquest North BID	126	-	859	985
Interquest South BID	-	-	-	-
Powers & Woodmen Commercial BID	18	-	326	344
Sub-total	4,646	79,742	2,862	87,250
Business-type Activities:				
Fountain Valley Authority	2,093	1,185	-	3,278
Aurora-Colorado Springs Joint Water Authority	23	-	-	23
Various Canal & Reservoir Companies	1,191	-	-	1,191
Sub-total	3,307	1,185	-	4,492
Total	$ 7,953	$ 80,927	$ 2,862	$ 91,742

Note: Immaterial differences may occur due to rounding.

Reconciliation of total deposits and investments to the government-wide financial statements at December 31, 2014 (in 000's):

	Governmental Activities	Business-type Activities	Total
Unrestricted	$ 4,027	$ 2,179	$ 6,206
Restricted	83,223	2,313	85,536
Total	$ 87,250	$ 4,492	$ 91,742

The carrying amount of the deposits of the component units of the City at December 31, 2014, was $7,953,000, and the bank balances were $8,308,000. Of the bank balances, $2,493,000 was covered by federal deposit insurance, and $4,239,000 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, 2014, bank balances exceeded federally insured limits by approximately $1,577,000.

B. Receivables

Receivables for governmental funds, proprietary funds, fiduciary funds and component units at December 31, 2014, include the following (in 000's):

	General	Utilities	PACE	MHS	Non-Major & Other	Total
Interest	$ -	$ 136	$ -	$ -	$ -	$ 136
Taxes	35,215	-	-	-	13,795	49,010
Accounts	3,720	102,878	6,880	7,270	15,107	135,855
Lease	-	-	-	104,538	-	104,538
Assessments	7	-	-	-	5,370	5,377
Intergovernmental loans	-	-	-	-	20,616	20,616
Notes and loans	8	-	-	-	2,731	2,739
Gross receivables	38,950	103,014	6,880	111,808	57,619	318,271
Less: allowances for uncollectibles	(50)	(2,775)	-	-	(485)	(3,310)
Net receivables	$ 38,900	$ 100,239	$ 6,880	$ 111,808	$ 57,134	$ 314,961

Note: Immaterial differences may occur due to rounding.

Loans receivable of $20,615,928 are included in receivables - net of an allowance of $471,000 in the statement of net position as of December 31, 2014 for Community Development Division (CDD). These loans were funded with HOME (Federal Home Investment Partnership Act), CDBG (Community Development Block Grant), CHFA (Colorado Housing Finance Authority), and HOPE III (Homeownership Opportunity Program) funds.

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C. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances as of December 31, 2014, were:

Receivable Fund	Payable Fund	Amount
General Fund	Utilities	$ 3,769,523
	Non-major Governmental Funds	368,165
	Non-major Business-type Funds	304,769
	Internal Services	2,842,998
	Sub-Total	7,285,455
Utilities	General Fund	19,602
	Non-major Governmental Funds	4,004,870
	Non-major Business-type Funds	140,172
	Internal Services	2,017
	Component Unit	1,067
	Sub-Total	4,167,728
Non-major Governmental Funds	Utilities	1,099,042
	Sub-Total	1,099,042
Non-major Business-type Funds	General Fund	1,740,138
	Utilities	31,700
	Sub-Total	1,771,838
Internal Service Funds	General Fund	381,326
	Utilities	112,927
	MHS	61,585
	Sub-Total	555,838
Fiduciary Fund	Component Unit	2,787
	Sub-Total	2,787
Component Unit	Fiduciary	1,679,208
	Sub-Total	1,679,208
Total		$ 16,561,896

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 $1,740,138 due to Non-major Business-type Funds from the General Fund resulted from construction of the parking facility for the General Fund's use; $1,652,428 of the balance is due beyond one year.

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

	Transfers In:		
Transfers Out:	General Fund	Non-major Governmental Funds	Total
General fund	$ -	$ 10,204,472	$ 10,204,472
Non-major governmental funds	452,146	-	452,146
Utilities	32,055,000	-	32,055,000
	$ 32,507,146	$ 10,204,472	
Total transfers in			$ 42,711,618

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) to move capital assets from one fund to another fund when the fund using the capital asset changes.

D. Transfer of Surplus

As allowed by City charter, section 6-40(b), Utilities provides transfers of surplus to the City. These amounts are based on actual sales inside the City, and rates are fixed per kilowatt hour of electricity and per thousand cubic feet of natural gas. The money is transferred every month from Utilities to the General Fund of the City as they become available. Payments are recorded as transfers on the statement of revenues. In 2014, the amount paid was $31.5 million.

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E. Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (deferred inflows of resources). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At the end of 2014, the various components of unavailable revenue and unearned revenue reported in the government funds were as follows:

	Unavailable	Unearned
Loans	$ 20,152,921	$ -
Property taxes	22,649,601	-
Special assessment	7,325	-
Grant drawdowns prior to meeting all eligibility requirements	-	8,311,734
Other unearned revenue	-	1,377,667
Total unavailable/unearned revenue for governmental funds	$ 42,809,847	$ 9,689,401

F. Inventories

Inventories, exclusive of component units, are stated at average cost. Proprietary fund inventories consist of the following at December 31, 2014:

Materials and Supplies	$ 39,673,987
Fuel	16,200,835
Total	$ 55,874,822

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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 the year ended December 31, 2014 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 327,519	$ 3,139	$ -	$ 330,658
Construction in progress	38,284	18,159	(37,981)	18,462
Total capital assets not being depreciated	365,803	21,298	(37,981)	349,120
Capital assets being depreciated:				
Buildings	174,017	5,176	(404)	178,789
Improvements other than buildings	57,338	5,283	(204)	62,417
Machinery and equipment	137,106	5,525	(4,444)	138,187
Intangibles	18,860	1,384	(565)	19,679
Infrastructure	1,182,155	65,519	-	1,247,674
Total capital assets being depreciated	1,569,476	82,887	(5,617)	1,646,746
Less accumulated depreciation for:				
Buildings	(65,353)	(4,572)	305	(69,620)
Improvements other than buildings	(21,930)	(2,332)	203	(24,059)
Machinery and equipment	(98,369)	(11,807)	4,246	(105,930)
Intangibles	(3,194)	(1,255)	125	(4,324)
Infrastructure	(446,780)	(34,385)	-	(481,165)
Total accumulated depreciation	(635,626)	(54,351)	4,879	(685,098)
Total capital assets being depreciated, net	933,850	28,536	(738)	961,648
Governmental activities capital assets, net	$ 1,299,653	$ 49,834	$ (38,719)	$ 1,310,768

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 171,835	$ -	$ -	$ 171,835
Intangible	14,920	3,373	-	18,293
Construction in progress	648,505	368,046	(192,563)	823,988
Total capital assets not being depreciated	835,260	371,419	(192,563)	1,014,116
Capital assets being depreciated:				
Building	99,602	983	(24)	100,561
Improvements other than buildings	278,862	1,117	(732)	279,247
Machinery and equipment	32,923	1,006	(944)	32,985
Infrastructure	35,865	12,378	-	48,243
Utilities plant	4,414,651	194,372	(12,289)	4,596,734
Intangible	42,178	2,235	-	44,413
Total capital assets being depreciated	4,904,081	212,091	(13,989)	5,102,183
Less accumulated depreciation for:				
Building	(47,850)	(2,599)	3	(50,446)
Improvements other than buildings	(103,279)	(11,191)	619	(113,851)
Machinery and equipment	(16,265)	(2,023)	762	(17,526)
Infrastructure	(6,961)	(1,128)	-	(8,089)
Utilities plant	(1,854,760)	(111,258)	9,882	(1,956,136)
Intangible	(26,694)	(6,664)	-	(33,358)
Total accumulated depreciation	(2,055,809)	(134,863)	11,266	(2,179,406)
Total capital assets being depreciated, net	2,848,272	77,228	(2,723)	2,922,777
Business-type activities capital assets, net	$3,683,532	$ 448,647	$ (195,286)	$3,936,893

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

Depreciation expense was charged to governmental activities and business-type activities as of December 31, 2014, as follows (in 000's):

Governmental Activities:		Business-type Activities:	
General government	$ 7,278	Utilities	$ 117,849
Public safety	5,689	Non-major enterprise funds	17,014
Public works	37,869		
Culture and recreation	3,308		
Urban redevelopment and housing	128	Total depreciation expense	
Internal service funds	79	business-type activities	$ 134,863
Total depreciation expense governmental activities	$ 54,351		

The following schedules reflect the changes in discretely presented component unit capital assets for the year ended December 31, 2014 (in 000's):

	Beginning Balance	Increases*	Decreases*	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Construction in progress	$ 13,433	$ -	$ (13,433)	$ -
Capital assets being depreciated:				
Improvements	2,881	115	-	2,996
Machinery and equipment	169	30	(38)	161
Infrastructure	24,448	-	-	24,448
Total capital assets being depreciated	27,498	145	(38)	27,605
Less accumulated depreciation for:				
Improvements	(724)	(106)	-	(830)
Machinery and equipment	(147)	(18)	37	(128)
Infrastructure	(4,201)	(739)	-	(4,940)
Total accumulated depreciation	(5,072)	(863)	37	(5,898)
Total capital assets being depreciated, net	22,426	(718)	(1)	21,707
Governmental activities capital assets, net	$ 35,859	$ (718)	$ (13,434)	$ 21,707

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

	Beginning Balance	Increases*	Decreases*	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 65	$ -	$ -	$ 65
Construction in progress	1,487	665	(530)	1,622
Total capital assets not being depreciated	1,552	665	(530)	1,687
Capital assets being depreciated:				
Utilities plant	119,279	796	(46)	120,029
Less accumulated depreciation for:				
Utilities plant	(51,972)	(1,575)	46	(53,501)
Total capital assets being depreciated, net	67,307	(779)	-	66,528
Business-type activities Discretely presented component unit capital assets, net	$ 68,859	$ (114)	$ (530)	$ 68,215

* Includes transfers between categories.

Note: Immaterial differences may occur due to rounding.

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H. Leases

1. Operating Leases

Total rental expense on all operating leases, including month to month leases, for the year ended December 31, 2014, was $1,058,479 for governmental activities and $184,966 for business-type activities. The following is a schedule of the minimum rental payments for succeeding years ending December 31:

Year	Governmental Activities
2015	$ 939,879
2016	929,149
2017	913,322
2018	914,695
2019	907,819
2020-2022	1,192,538
Total	$ 5,797,402

2. Operating Leases (Component Units)

Total rental expense on all operating leases, including month-to-month leases, for the year ended December 31, 2014, was $0 for governmental activities and $54,624 for business-type activities.

The following is a schedule of the minimum rental payments for Pikes Peak Regional Communications Network for succeeding years ending December 31:

Year	Business-type Activities
2015	$ 45,762
2016	11,257
2017	11,257
2018	11,257
2019	11,257
2020-2021	13,974
Total	$ 104,764

3. Capital Leases

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

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, exclusive of component units, are as follows (in 000's):

Year	Governmental Activities	Business-type Activities
2015	$ 349	$ 279
2016	349	-
2017	196	-
2018	196	-
2019	33	-
2020-2022	99	-
Future minimum lease payments	1,222	279
Amount representing interest	(89)	(7)
Present value of net minimum payments	$ 1,133	$ 272

Note: Immaterial differences may occur due to rounding.

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

	Governmental Activities	Business-type Activities
Machinery and equipment	$ 2,747	$ 1,473
Accumulated depreciation	(1,548)	(994)
Net capitalized lease property	$ 1,199	$ 479

Note: Immaterial differences may occur due to rounding.

Amortization of the leased property is included in depreciation expense.

4. Capital Leases (Component Units)

Fountain Valley Authority leases various plant assets under a capital lease agreement expiring December 31, 2025. In 2014, PPRCN entered into a capital lease agreement as part of an upgrade to the network. This capital lease agreement will expire in 2017.

As of December 31, 2014, future minimum payments under these capital leases consisted of the following (in 000's):

Year	Business-type Activities
2015	$ 5,891
2016	5,891
2017	5,890
2018	5,353
2019	5,353
2020-2024	22,111
Future minimum lease payments	50,489
Amount representing interest	(6,865)
Present value of net minimum payments	$ 43,624

Note: Immaterial differences may occur due to rounding.

For the PPRCN lease, the equipment was not capitalized. Per the intergovernmental agreement between the City and the County, capital assets used in providing radio services are owned by the City and the County and are recorded in their respective financial statements. Property recorded under the capital lease for Fountain Valley Authority is as follows (in 000's):

Assets:	Business-type Activities
Utilities plant	$ 71,232
Accumulated depreciation	(25,548)
Net capitalized lease property	$ 45,684

Note: Immaterial differences may occur due to rounding.

Amortization of the plant cost has been included in depreciation expense for 2014.

5. Lease and Integration Agreements

As of July 2, 2012, a Health System Operating Lease Agreement (the Lease Agreement) was entered into between the City, UCH-MHS, a Colorado nonprofit corporation of which the University of Colorado Hospital Authority (UCH Authority) is the sole member, and Poudre Valley Health Care, Inc. (Poudre Valley). An Integration and Affiliation Agreement (the Integration Agreement) was also entered into as of July 2, 2012 between the City, University of Colorado Health (UC Health), and Poudre Valley. UC Health is a joint operating company of UCH Authority and Poudre Valley. On August 28, 2012, the City held a special municipal election in which voters approved the Lease Agreement. The effective date of the Lease Agreement and the Integration Agreement was October 1, 2012.

Pursuant to the Lease Agreement, the City leased facilities and transferred operations and Acquired Assets and Assumed Liabilities, which relate to the operations of the Health System, an enterprise fund of the City, to the Lessee. The Lessee was initially Poudre Valley, until UCH-MHS received approval in 2014 of its application for Internal Revenue Service Code Section 501(c)(3) status. The term of the Lease Agreement is initially 40 years, with the option in year nine upon mutual agreement of the parties to extend the term by additional one-year terms to be automatically added to the original term on each anniversary date of the effective date, commencing on the tenth anniversary of the effective date. The Lease Agreement is subject to certain early termination provisions.

As required under the Lease Agreement, on October 1, 2012, the Health System defeased all of its outstanding Hospital Revenue Bonds and repaid its note payable to a bank.

Pursuant to the terms of the Lease Agreement, as of October 1, 2012, the Lessee paid an initial payment to the City of $291,900,000. This initial payment was subject to certain adjustments based on the net working capital of the Health System as of the effective date, and included $1,900,000 as an estimate of the working capital surplus calculated pursuant to the agreement at closing. The Lessee also forwarded $5,000,000 to the Health System as a credit against any post-closing working capital adjustments.

During 2013, the Health System paid the lessee $12,385,000, consisting of a return of the $5,000,000 credit and $7,385,000 as a settlement of the working capital adjustments.

The Lease Agreement also provides for various payments to the Health System over the term of the Lease Agreement, including fixed payments of $467,676 per month for 30 years. UCH Authority has guaranteed the payment obligations of the Lessee under the Lease Agreement. The Health System recorded the present value of the future lease payments as a lease receivable using an imputed discount interest rate of approximately 3%.

As of December 31, 2014, future minimum payments under the capital lease consisted of the following (in 000's):

Year	Amount
2015	$ 5,612
2016	5,612
2017	5,612
2018	5,612
2019	5,612
2020-2024	28,061
2025-2029	28,061
2030-2034	28,061
2035-2039	28,061
2040-2042	15,432
Future minimum lease payments	155,736
Amount representing discount interest	(51,198)
Present value of net minimum payments	$ 104,538

Note: Immaterial differences may occur due to rounding.

The Lessee is required to make future Margin Sharing Payments to the Health System throughout the 40-year term of the Lease Agreement equal to 5% of the excess in any fiscal year of Operating EBITDA, as defined, over a baseline annual margin of 8%. No amounts have been recorded in the accompanying financial statements relating to these contingent future Margin Sharing Payments. The Lessee is also obligated to spend an annual average of $28,000,000 for capital improvements during the term of the Lease Agreement and UCH Authority is obligated under the Integration Agreement 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.

Concurrent with the lease of facilities and transfer of operations under the Lease Agreement, the Health System derecognized all Acquired Assets and Assumed Liabilities relating to its operations and all leased property and equipment. Certain assets and liabilities were specifically excluded from the Lease Agreement and remain as assets and liabilities of the Health System.

Each of the UC Health Parties 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 Health System hospitals as they existed as of October 1, 2012 for a period of two years beyond the expiration of the term of the Lease Agreement. The City has agreed that it generally will not provide any service within the city limits of Colorado Springs that competes with the services or operations of the Health

System hospitals being operated by the Lessee throughout the term of the Lease Agreement.

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

Contingent PERA Liability and Escrow Account - The City agreed in the Lease Agreement that it would indemnify and defend the UC Health Parties in the event of a claim by the Public Employees' Retirement Association of Colorado (PERA), and a certain portion of the purchase price was placed in an escrow account, as discussed below. PERA contended that the City and/or the Health System must comply with the termination of affiliation provisions (the Termination Provisions) found in the Colorado Revised Statutes with regard to the lease transaction. In addition, PERA contended that the Health System has been a separate PERA employer since 1952 and thus all of the PERA members at the Health System will be withdrawn from PERA as a result of the lease transaction. PERA contended the Termination Provisions provide that an entity that disaffiliates from PERA must pay certain amounts to account for any resulting underfunding of PERA's public pension system due to such disaffiliation.

The City denied that the Termination Provisions applied to or governed the lease transaction or that the Health System owed PERA any sums resulting therefrom. The City contended, among other things, that the lease transaction is a lease of a public hospital system to a nonprofit corporation organized under the laws of the State of Colorado for the purpose of conducting a hospital and hospital-related activities, and therefore does not constitute a "termination of affiliation" from PERA. The City also stated that the City will remain a participant in PERA. Accordingly, among other arguments, the City argued that the Termination Provisions do not apply.

During August of 2012, both PERA and the City filed separate lawsuits relating to this dispute. In September 2012 the City, PERA, and the UCH Parties, consisting of UC Health, UCH Authority, UCH-MHS and Poudre Valley, reached an agreement to resolve certain issues raised related to the lease transaction. Under the agreement, PERA agreed that it will not pursue any action or claim which seeks to invalidate the Lease Agreement or Integration Agreement and agreed to dismiss all claims against the UCH Parties. The remaining claims by PERA against the City and the Health System for payments PERA

alleged were due as a result of the lease transaction were asserted in a civil action brought in Denver District Court.

Pursuant to the September 2012 agreement, the City agreed to establish a $259 million escrow account relating to the PERA claims. Effective October 1, 2012, an Escrow Agreement was signed which required the Health System to deposit $259 million of the initial payment under the Lease Agreement in an Escrow Account which was supervised by the Court pending the final resolution of the dispute between PERA and the City. See the UCH Escrow Account section below regarding allocation of $50 million of the Escrow Account balance to a subaccount for the benefit of the UCH Parties. Pursuant to the Escrow Agreement, the escrow agent may release the Escrow Account funds upon the execution of a final settlement agreement that resolves all claims between the City and PERA regarding the lease transaction.

In September 2014, the Court approved a settlement agreement between PERA and the City under which the City did not admit any liability. Pursuant to the settlement, $190 million was paid solely from the Escrow Account to PERA in full satisfaction of PERA's claims.

UCH Escrow Account - In order to fulfill certain indemnification and other obligations to the UCH Parties under the Lease Agreement and the Guaranty by the Colorado Springs Health Foundation (Guaranty), $50 million of the $259 million deposited into the Escrow Account was allocated to a subaccount (the UCH Escrow Account).

At any time before October 1, 2017, the UCH Parties could make claims on the UCH Escrow Account for indemnifiable losses or obligations of the City or Foundation pursuant to the Lease Agreement, the Integration Agreement or the Guaranty. Such claims are subject to a dispute resolution process. Upon a final settlement of the PERA claims, the Escrow Agent was requested to disburse the balance of the funds remaining in the UCH Escrow Account to the Foundation, $50 million of which was to be held in a segregated account in accordance with the terms of the Lease Agreement and Guaranty. These segregated funds are to remain available to satisfy the indemnifiable losses or obligations of City or Foundation under the Lease Agreement and Guaranty, to the same extent as the UCH Escrow Account.

In late 2014, two former Health System employees commenced a lawsuit in state court asserting claims based upon the discontinuance of PERA participation after the effective date of the Lease, and seeking class action status for all Health System employees. The City has moved the case to federal district court and has filed a motion to dismiss the action which has been briefed. Though liability has been denied, any adverse judgment would constitute the kind of obligation for which the segregated funds held by the Foundation and other funds of the Foundation would be available for its satisfaction. The amount of any liability in the event of an adverse judgment cannot be reasonably estimated.

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

However, the differences between the actual settlements under third party payer agreements and the estimated settlements included in the working capital calculations discussed above will result in net payments to or from the Health System. Laws 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, 2014, no amount has been recorded for estimated differences from the settlement estimates used in the working capital calculations.

Recording of Contingent Liabilities - The ultimate amounts owed by the Health System relating to the above contingencies are not reasonably determinable. The Health System has recorded a liability which encompasses all contingent liabilities and a promise to give to the Foundation for all net proceeds of the lease transaction.

I. Revolving Loan Agreement/Line of Credit

Utilities entered into a Revolving Loan Agreement with U.S. Bank National Association (U.S. Bank) dated as of September 4, 2013 (the 2013 U.S. Bank Line of Credit), and a Revolving Loan Agreement with KeyBank National Association (KeyBank) dated as of September 4, 2013 (the 2013 KeyBank Line of Credit) together referred to as the "Credit Lines." As of December 31, 2013, Utilities may receive advances up to $25.0 million under the 2013 U.S. Bank Line of Credit, and $50.0 million under the 2013 KeyBank Line of Credit, for a total of $75.0 million to fund Utilities' operating needs and normal expenditures including, without limitation, regularly scheduled capital expenses. Utilities' repayment obligations under the Credit Lines are limited to the net pledged revenues on a subordinate basis to the parity bonds and certain related obligations. The 2013 Credit Lines expire on September 4, 2016. Utilities has entered into several agreements similar to the Credit Lines over the past several years, and to date, Utilities has not drawn on any such agreement.

J. Long-term Debt

During 2014, Utilities issued $58,515,000 of Utilities' System Improvement Revenue Bonds, Series 2014A-1 and $53,995,000 of Utilities' System Improvement Revenue Bonds, Series 2014A-2 to fund a portion of the Southern Delivery System project and a portion of general system capital improvements, respectively. These series and any subsequently issued and outstanding revenue bonds are equitably and ratably secured by a lien on net pledged revenues.

During 2014, the City issued $11,185,000 Airport System Revenue Refunding Bonds, Series 2014 to refund and defease outstanding Airport System Revenue Refunding Bonds, Series 2002A and pay certain costs of issuance. The reacquisition price was above the net carrying amount of the old debt by $211,363. This amount is recognized as deferred loss on refunding in the deferred outflows of resources on the statement of net position and is amortized over the old debt's life which is one year shorter than the life of the new debt. The current refunding reduced debt service payments by a total of $3,689,174 and resulted in a net present value savings of $1,527,444.

During 2014, the Briargate General Improvement District, a governmental fund component unit of the City, issued $8,960,000 General Obligation Bonds, Series 2014 to refund and defease outstanding General Obligation Bonds, Series 2004. The 2014 bonds are a general obligation of the District and are not an obligation of the City. The reacquisition price was above the net carrying amount of the old debt by $216,720. This amount is recognized as deferred loss on refunding in the deferred outflows of resources on the statement of net position and is amortized over the old debt's life of 7 years. While the current refunding increased debt service payments by $553,848 and projected a net present value savings of $1,008,345, it is unlikely the District would have been able to meet its originally scheduled obligations, resulting in increased interest paid to bond holders.

During 2007, the City approved a resolution authorizing the Colorado Springs Urban Renewal Authority to use 100% of the annual City general fund sales tax increments generated within the North Nevada Avenue corridor Urban Renewal area. The dedication of these sales tax increments shall be for a period not to exceed 23 years and is estimated to total $98,800,000. The increment will be utilized to support a bond issue that will fund needed infrastructure improvements and administrative expenses within the renewal area. As of December 31, 2014, $11,998,155 has been provided.

During 2012, the City approved a resolution authorizing the Colorado Springs Urban Renewal Authority to use 100% of the annual City general fund sales tax increments generated within the Ivywild Urban Renewal area. The dedication of these sales tax increments shall be for a period from January 24, 2012 through June 28, 2036. As of December 31, 2014, $29,925 has been provided.

During 2013, the City approved a resolution authorizing the Colorado Springs Urban Renewal Authority to use 50% of the annual City general fund sales tax increments generated within the Copper Ridge Metropolitan District area. The dedication of these sales tax increments shall be for a period not to exceed 25 years. As of December 31, 2014, $299,385 has been provided.

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. Sales tax revenue bonds are issued to finance the construction of various capital improvements. Sales tax revenues are used to repay principal and interest of the bonds. Certificates of participation are issued for particular projects and are

repaid from lease payments made by the City for use of the acquired property. Special assessment bonds and notes are used to finance projects, which benefit particular properties and are repaid solely from charges levied upon the benefiting properties. While principal and interest payments are intended to be paid solely from revenues derived from assessments levied upon the benefiting property, the City may choose to commit resources should the need arise. Proprietary fund principal and interest payments on revenue bonds and notes payable are pledged solely from revenues of the proprietary fund operation.

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

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1. Summary of Long-term Debt

The following table summarizes significant facts about the long-term debt outstanding at December 31, 2014:

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
Governmental Activities[1]					
General Obligation Bonds					
Spring Creek GID Series 2005	$ 2,695	$ 1,435	$ 311	5.900%	2007 - 2020
Briargate GID Series 2014	8,960	8,960	2,485	2.960	2015 - 2030
Marketplace at Austin Bluffs GID Series 2008	2,790	2,500	1,926	6.500	2010 - 2033
Cottonwood GID Series 2010	3,900	695	28	2.500 - 4.000	2010 - 2015
Sales Tax Revenue Bonds					
Series 2007	10,405	9,975	631	4.000 - 5.000	2009 - 2016
Certificates of Participation					
United States Olympic Committee Series 2009	31,470	30,775	25,701	2.000 - 5.000	2010 - 2039
Refunding COP Series 2011	13,485	7,550	903	1.000 - 5.000	2011 - 2020
Total Governmental Activities	$ 73,705	$ 61,890	$ 31,985		
Business-type Activities[2]					
Revenue Bonds - Utilities					
Series 2000A	$ 110,000	$ 110,000	$ 54,286	0.130%	2029
Series 2000B	15,000	6,815	1,896	7.500	2001 - 2020
Series 2002C	27,055	27,055	13,826	0.160	2027
Series 2004A	117,450	101,550	22,701	4.112	2010 - 2023
Series 2005A	100,000	90,870	54,479	4.710	2010 - 2035
Series 2005B	19,240	510	24	3.500 - 5.000	2009 - 2035
Series 2005C	16,050	250	10	3.750 - 5.125	2012 - 2045
Series 2006A	60,625	60,625	26,363	4.481	2015 - 2025
Series 2006B	75,000	70,600	39,440	4.119	2011 - 2036
Series 2007A	75,000	67,360	29,326	3.198	2008 - 2037
Series 2007B	87,275	87,275	47,725	5.295	2023 - 2026
Series 2007C	24,415	14,750	2,821	4.000 - 5.000	2008 - 2022
Series 2008A	50,000	44,575	27,654	4.269	2009 - 2038
Series 2008B	27,935	23,200	12,902	3.000 - 5.400	2009 - 2033
Series 2008C	41,975	41,075	48,268	4.500 - 5.500	2013 - 2048
Series 2008D	3,631	1,816	98	1.350	2008 - 2021
Series 2009A	60,750	53,105	25,656	2.250 - 5.000	2010 - 2033
Series 2009B	82,000	74,460	60,156	4.000 - 5.545	2010 - 2039
Series 2009C	66,455	63,495	43,489	5.475	2010 - 2028
Series 2009D	56,750	56,750	77,031	4.164 - 6.313	2016 - 2049
Series 2010A	139,835	123,050	56,921	0.600 - 5.467	2011 - 2040
Series 2010B	180,000	180,000	224,654	3.397 - 5.738	2016 - 2050
Series 2010C	50,000	46,245	28,024	3.881	2011 - 2040
Series 2010D	273,855	253,170	244,472	1.324 - 6.615	2011 - 2040
Series 2011A	167,490	126,475	52,633	2.000 - 5.000	2012 - 2033
Series 2012A	50,000	47,255	30,995	4.024	2012 - 2041
Series 2012B	108,015	107,640	59,346	3.000 - 5.000	2013 - 2043
Series 2012C	157,670	152,490	74,818	3.000 - 5.000	2013 - 2042
Series 2013A	97,580	97,380	69,337	1.500 - 5.000	2013 - 2045
Series 2013B-1	58,915	58,170	52,143	1.500 - 5.000	2014 - 2043
Series 2013B-2	68,645	67,865	61,786	2.000 - 5.000	2014 - 2043
Series 2014A-1	58,515	58,515	55,965	4.000 - 5.000	2019 - 2044
Series 2014A-2	53,995	53,995	51,561	4.000 - 5.000	2019 - 2044
Revenue Bonds - Public Authority for Colorado Energy					
Series 2008	653,210	626,410	653,660	5.750 - 6.500	2009 - 2038

(continued)

The following table summarizes significant facts about the long-term debt outstanding at December 31, 2014:

Debt Types	Original Issue Amount (in 000's)	Outstanding Principal Amount (in 000's)	Future Aggregate Interest Requirements (in 000's)	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
Business-type Activities[2] (continued)					
Revenue Bonds - Airport					
Series 2007A	$ 3,725	$ 1,950	$ 306	4.000 - 4.500%	2007 - 2021
Series 2007B	8,500	6,265	1,556	4.000 - 5.000	2007 - 2023
Series 2014	11,185	10,390	2,766	5.000	2014 - 2023
Revenue Bonds - Parking System					
Series 1999	9,300	2,560	310	3.000 - 4.750	1999 - 2018
Series 2006	7,665	7,490	2,878	3.375 - 4.500	2009 - 2027
Notes Payable					
Airport, 2006	3,048	1,970	1,645	8.500	2006 - 2030
Airport, 2008	600	93	3	3.000	2009 - 2015
Airport, 2014	2,336	2,336	333	2.500	2015 - 2024
Wastewater Facility - Utilities, 1998B	22,204	9,432	1,107	3.700 - 5.500	1999 - 2019
Drinking Water - Utilities, 2009	8,600	7,204	1,581	2.500	2011 - 2030
Water Pollution Control - Pikes Peak, 2003	1,000	432	58	4.000	2004 - 2020
Total Business-type Activities	$ 3,312,494	$ 3,044,918	$ 2,317,009		
Component Units[2]					
Special Assessment Revenue Bonds					
Briargate Center BID - Series 2006	$ 7,360	$ 5,120	$ 1,953	4.500 - 4.900%	2006 - 2027
Urban Renewal Authority - Series 2008A	47,125	43,490	28,682	7.000	2011 - 2029
[3] Urban Renewal Authority - Series 2008B	7,505	7,435	-	7.500	N/A
Limited Tax General Obligation Bonds					
Barnes & Powers North BID - Series 2007	4,000	3,690	3,373	6.500	2009 - 2036
Barnes & Powers South BID - Series 2007	835	655	306	6.500	2009 - 2026
First & Main BID - Series 2009	1,650	1,515	2,085	8.500	2009 - 2038
First & Main North BID - Series 2005	1,927	1,733	1,344	6.000	2005 - 2035
First & Main No. 2 BID - Series 2009	2,400	2,295	3,158	8.500	2011 - 2038
Interquest North BID - Series 2010	6,500	6,335	9,295	8.500	2012 - 2040
Powers & Woodmen Commercial BID - Series 2010	1,850	1,775	2,556	8.500	2011 - 2039
Revenue Bonds					
First & Main No. 2 BID - Series 2011	2,000	1,885	2,213	8.500	2011 - 2035
Fountain Valley Authority - Series 2013	5,255	4,190	333	2.000 - 3.000	2013 - 2019
Notes Payable and Lines of Credit					
Briargate Center BID, 2012	4,335	3,965	674	3.890	2012 - 2019
[3] Urban Renewal Authority, 2008	3,420	3,396	-	4.500	N/A
[3] Urban Renewal Authority, 2009	158	158	-	5.000	N/A
[3] Urban Renewal Authority, 2012	778	778	-	7.000	2013 - 2028
[3] First & Main BID, 2012	5	5	-	7.000	N/A
[3] First & Main North BID, 2006	28	21	-	7.000	N/A
[3] Interquest South BID, 2006	109	109	-	7.000	N/A
[3] Powers & Woodmen Commercial BID, 2006	67	67	-	7.000	N/A
Fountain Valley Authority	10,830	4,454	892	3.030 - 3.400	2001 - 2024
The Colorado Canal Company, 2014	300	300	46	5.000	2015 - 2019
The Lake Henry Reservoir Company, 2003	148	99	39	4.250	2006 - 2030
The Lake Meredith Reservoir Company, 2003	1,472	1,129	512	4.000	2005 - 2034
Total Component Units	$ 110,057	$ 94,599	$ 57,461		

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

[2]Exclusive of capital leases and other liabilities

[3]These items have no repayment schedule and therefore it is not possible to determine future aggregate interest requirements.

2. Changes in Long-term Liabilities

The City has issued and has long-term debt in various instruments. The following is a summary of transactions of the long-term liabilities, exclusive of discretely presented component units, for the year ended December 31, 2014 (in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One year
GOVERNMENTAL ACTIVITIES					
Bonds and notes payable:					
General obligation bonds	$ 14,205	$ 8,960	$ 9,575	$ 13,590	$ 1,400
Sales tax revenue bonds	17,105	-	7,130	9,975	7,340
Certificates of participation	40,105	-	1,780	38,325	1,875
Capital leases	4,622	-	3,489	1,133	318
	76,037	8,960	21,974	63,023	10,933
Add issuance premium	1,746	-	455	1,291	-
Total bonds and notes payable	77,783	8,960	22,429	64,314	10,933
Other liabilities:					
Municipal solid waste landfill	266	4	-	270	-
Compensated absences	15,516	16,020	15,821	15,715	786
Net pension obligation	1,612	2,929	3,002	1,539	-
Net OPEB obligation	12,825	2,541	1,674	13,692	-
Developer reimbursements	3,175	11	150	3,036	-
Total other liabilities	33,394	21,505	20,647	34,252	786
Governmental activities long-term liabilities	$ 111,177	$ 30,465	$ 43,076	$ 98,566	$ 11,719
BUSINESS-TYPE ACTIVITIES					
Bonds and notes payable:					
Revenue bonds	$ 2,991,854	$ 123,695	$ 92,098	$ 3,023,451	$ 69,749
Notes payable	21,417	2,336	2,286	21,467	1,930
Capital leases	649	-	377	272	272
	3,013,920	126,031	94,761	3,045,190	71,951
Add issuance premiums/discounts	69,405	17,816	4,378	82,843	-
Total bonds and notes payable	3,083,325	143,847	99,139	3,128,033	71,951
Other liabilities:					
Municipal solid waste landfill	4,107	104	-	4,211	-
Compensated absences	14,238	18,473	17,867	14,844	7,926
Customer deposits	2,174	1,521	961	2,734	-
Customer advances for construction	8,508	729	1,969	7,268	-
Net OPEB obligation	1,558	1,501	1,295	1,764	-
Derivative instruments	137,679	50,368	194	187,853	-
Other	1,099	22	-	1,121	-
Total other liabilities	169,363	72,718	22,286	219,795	7,926
Business-type activities long-term liabilities	$ 3,252,688	$ 216,565	$ 121,425	$ 3,347,828	$ 79,877

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, claims and judgments, net pension obligation, net OPEB obligation, 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, 2014 (in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One year
GOVERNMENTAL ACTIVITIES					
Limited tax general obligation bonds	$ 18,290	$ -	$ 292	$ 17,998	$ 314
Special assessment revenue bonds	57,315	-	1,270	56,045	2,400
Revenue bonds	1,915	-	30	1,885	35
Notes payable	9,509	-	1,010	8,499	135
Other	830	266	30	1,066	-
Governmental activities long-term liabilities	$ 87,859	$ 266	$ 2,632	$ 85,493	$ 2,884
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	$ 4,975	$ -	$ 785	$ 4,190	$ 805
Add issuance premiums	201	-	34	167	-
Notes payable	6,282	300	600	5,982	672
Capital leases	46,170	1,998	4,545	43,623	4,562
Business-type activities long-term liabilities	$ 57,628	$ 2,298	$ 5,964	$ 53,962	$ 6,039

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, 2014 (in 000's):

	Governmental Activities		Governmental Activities Component Units	
Year	Principal	Interest	Principal	Interest
2015	$ 1,400	$ 540	$ 314	$ 1,400
2016	735	483	342	1,376
2017	760	452	370	1,351
2018	790	420	388	1,323
2019	820	386	426	1,295
2020-2024	3,420	1,477	2,632	5,948
2025-2029	4,105	835	3,514	4,818
2030-2034	1,560	157	4,892	3,293
2035-2039	-	-	4,630	1,271
2040	-	-	490	42
Total	$ 13,590	$ 4,750	$ 17,998	$ 22,117

The following is a summary of revenue bond scheduled maturities as of December 31, 2014 (in 000's):

	Governmental Activities		Governmental Activities Component Units		Business-type Activities		Business-type Activities Component Units	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 7,340	$ 499	$ 35	$ 160	$ 69,749	$ 149,673	$ 805	$ 101
2016	2,635	132	40	157	77,179	146,677	820	85
2017	-	-	40	154	81,734	144,543	835	69
2018	-	-	45	150	86,715	141,850	850	52
2019	-	-	50	147	93,320	139,828	880	26
2020-2024	-	-	320	662	571,379	624,371	-	-
2025-2029	-	-	470	502	736,115	468,571	-	-
2030-2034	-	-	705	266	577,820	295,472	-	-
2035-2039	-	-	180	15	487,715	143,089	-	-
2040-2044	-	-	-	-	166,590	44,092	-	-
2045-2049	-	-	-	-	66,325	13,610	-	-
2050	-	-	-	-	8,810	506	-	-
Total	$ 9,975	$ 631	$ 1,885	$ 2,213	$3,023,451	$2,312,282	$ 4,190	$ 333

The following is a summary of certificates of participation scheduled maturities as of December 31, 2014 (in 000's):

	Governmental Activities	
Year	Principal	Interest
2015	$ 1,875	$ 1,779
2016	1,990	1,711
2017	2,100	1,641
2018	2,225	1,561
2019	1,020	1,456
2020-2024	3,670	6,744
2025-2029	5,610	5,792
2030-2034	8,530	4,170
2035-2039	11,305	1,750
Total	$ 38,325	$ 26,604

The following is a summary of special assessment bond scheduled maturities as of December 31, 2014 (in 000's):

	Governmental Activities Component Units	
Year	Principal	Interest
2015	$ 2,400	$ 3,293
2016	1,760	3,133
2017	2,045	3,014
2018	2,240	2,878
2019	2,430	2,728
2020-2024	15,685	10,895
2025-2029	22,050	4,694
Total	$ 48,610	$ 30,635

Urban Renewal Authority, a governmental component unit, issued special assessment bonds in 2008. These bonds are to be repaid exclusively from specified revenues, and therefore have no predetermined payback period. As such, these bonds are not listed in the above schedule. As of December 31, 2014, the outstanding principal balance is $7,435,000.

The following is a summary of notes payable scheduled maturities as of December 31, 2014 (in 000's):

	Governmental Activities Component Units		Business-type Activities		Business-type Activities Component Units	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 135	$ 156	$ 1,930	$ 780	$ 672	$ 253
2016	140	151	2,751	706	688	229
2017	145	146	2,753	620	714	211
2018	152	140	2,842	501	730	190
2019	3,393	81	3,017	368	774	150
2020-2024	-	-	4,091	1,213	1,711	309
2025-2029	-	-	3,366	522	358	111
2030-2034	-	-	717	17	335	36
Total	$ 3,965	$ 674	$ 21,467	$ 4,727	$ 5,982	$ 1,489

The governmental activities component units have additional combined notes payable and other long-term liabilities in the amount of $5,599,610. These amounts are to be repaid exclusively from specified revenues, and therefore have no predetermined payback period. As such, these amounts are not listed in the above schedule.

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

	Amount Pledged (in 000's)	Term of Commitment
Governmental Activities:		
Sales tax revenue bonds	$ 10,606	2009 - 2016
Business-type Activities:		
Utilities revenue bonds	4,019,192	2001 - 2050
PACE revenue bonds	1,280,070	2009 - 2038
Airport revenue bonds	23,233	2007 - 2023
Parking revenue bonds	13,238	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 Table 12.

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 course of several 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 (PABs) 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. PAB's were authorized to allow counties and municipalities to promote industry and develop trade or other economic activity by inducing profit or nonprofit enterprises to locate, expand or remain in their communities. The advantage to nonprofit entities that borrow through the City is that they borrow funds at lower interest rates because the bonds are exempt from federal and state income tax.

The City is not liable for the repayment of principal or interest on these bonds and related financial activity is not shown in the financial statements. The original issue amount of these bonds, in the aggregate, was $316 million. There were no PABs or industrial revenue bonds issued during 2014.

L. Restatement of Net Position

The December 31, 2013, net position has been restated for governmental activities due to the biannual actuarial analysis for OPEB. The December 31, 2013, net position has been restated for business-type activities due to several changes for the Airport. For further explanation of the changes see the Airport's financials.

	Primary Government	
	Governmental Activities	Business-type Activities
Beginning net position, as previously reported	$ 1,318,273,623	$ 1,689,877,954
OPEB adjustment	34,271	-
Airline revenues	-	(885,016)
Other charges	-	(1,961,211)
Other non-operating revenue	-	207,274
Beginning net position, as restated	$ 1,318,307,894	$ 1,687,239,001

M. Fund Balance

Fund balances of the governmental funds at December 31, 2014, include the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Fund Balances			
Nonspendable:			
Delinquent property taxes receivable	$ 45,424	$ -	$ 45,424
Prepaids	405,347	-	405,347
Endowment - CD Smith trust fund	-	840,312	840,312
Endowment - Cemetery endowment fund	-	10,098,678	10,098,678
Endowment - TOPS maintenance trust fund	-	601,738	601,738
Restricted:			
Emergency reserve - TABOR	7,545,241	-	7,545,241
Contingent liability - TABOR refund	2,100,000	-	2,100,000
Capital reserve - CAB	351,540	-	351,540
Bicycle Tax	-	328,137	328,137
Trails/Open Space	-	14,853,112	14,853,112
Conservation Trust	-	1,528,689	1,528,689
Cable Franchise	-	374,804	374,804
Public Safety Sales Tax	-	8,189,112	8,189,112
Special Improvement Maintenance Districts - ALL	-	940,943	940,943
Public Improvements - Banning Lewis Ranch	-	1,193,187	1,193,187
General Improvement Districts - ALL	-	1,773,868	1,773,868
Lodgers and Auto Rental Tax	-	241,468	241,468
Gift Trust - General Government	-	62,022	62,022
Gift Trust - Public Safety	-	525,394	525,394
Gift Trust - Public Works	-	1,118,882	1,118,882
Gift Trust - Culture and Recreation	-	2,017,693	2,017,693
Endowment - CD Smith trust fund	-	14,038	14,038
Endowment - Cemetery endowment fund	-	25,200	25,200
Endowment - TOPS maintenance trust fund	-	246,578	246,578
Committed:			
Public Improvements - Public Space and Development	-	5,949,022	5,949,022
Public Improvements - Subdivision Drainage	-	2,079,989	2,079,989
Public Improvements - Arterial Roadway	-	1,346,564	1,346,564
Public Improvements - Park Developer Easement	-	125,815	125,815
Ballfield Capital Improvements	-	89,004	89,004
Street Tree	-	105,074	105,074
Therapeutic Recreation	-	4,222	4,222
Budgeted draw from fund balance	1,500,000	-	1,500,000
Capital outlay - General government	447,040	6,922,450	7,369,490
Capital outlay - Public safety	40,900	-	40,900
Capital outlay - Public works	4,194,569	-	4,194,569
Capital outlay - Parks and recreation	75	-	75
Capital outlay - Urban Redevelopement	186,487	-	186,487
Assigned:			
Public Improvements - Public Space and Development	-	113,444	113,444
Public Improvements - Park Developer Easement	-	45,432	45,432
Public Improvements - Banning Lewis Ranch	-	48,408	48,408
Street Tree	-	3,483	3,483
Encumbrances - General government	1,210,592	-	1,210,592
Encumbrances - Public safety	431,286	-	431,286
Encumbrances - Public works	946,828	-	946,828
Encumbrances - Urban Redevelopement	43,337	-	43,337
Encumbrances - Parks and recreation	305,881	-	305,881
Encumbrances - Capital projects	-	839,687	839,687
Unassigned:	33,950,373	-	33,950,373
Total Fund Balance	$ 53,704,920	$ 62,646,449	$ 116,351,369

N. Derivatives and Interest Rate Swaps

1. Utilities Derivative Instruments

Utilities' financial derivatives are acquired with the objective of effectively hedging expected cash flows. Interest rate and natural gas hedges that are deemed effective, by applying methods of evaluating effectiveness pursuant to GASB 53 are recognized as cash flow hedges. Some financial derivatives do not meet the criteria for effectiveness and therefore are classified as investment derivatives. Changes in the fair value of cash flow hedge derivative instruments are reported as either a deferred outflow or inflow of resources on the statements of net position. Interest rate and natural gas hedges that are deemed ineffective are recognized as standalone investment derivatives. The change in the fair value of investment derivatives is recognized as non-operating revenue or expense on the statements of revenues, expenses and changes in net position.

Utilities has interest rate hedges based on both the Securities Industry and Financial Markets Association (SIFMA) index and the London Interbank Offered Rate (LIBOR) index. Utilities' interest rate derivatives based on 68% of 1-month LIBOR were classified as cash flow hedges. As of December 31, 2013, these derivatives are no longer effective pursuant to GASB 53 hedge effectiveness standards and are considered investment derivatives.

Utilities values interest rate derivatives based on valuations provided by George K. Baum and Company, and DerivActiv, L.L.C., third party valuation service providers for 2014 and 2013, respectively. Natural gas swap derivatives are valued using published pricing benchmarks obtained through independent sources or financial institutions dealing in these markets. Natural gas option derivatives are valued based on monthly quoted prices from approved counterparties. The fair values of the interest rate and natural gas derivatives are based on present value of their estimated future cash flows.

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SUMMARY OF DERIVATIVE INSTRUMENTS

The fair values and notional amounts of derivative instruments outstanding at December 31, 2014, classified by type and changes in fair value of such derivative instruments for the year then ended:

	2014 Changes in Fair Value		Fair Value at December 31, 2014		
	Classification	Amount	Classification	Amount	Notional
		(in thousands)			
Cash flow hedges					
Interest Rate Swaps	Deferred outflows	$ (20,301)	Derivative instruments	$ (67,343)	$ 222,720
Commodity Derivatives:					
Swap contracts	Deferred outflows	194	Derivative instruments	-	- MMBtu
Total Cash Flow Hedges		$ (20,107)		$ (67,343)	
Investment derivative					
Interest Rate Swaps	Derivative loss	$ (30,067)	Derivative instruments	$ (120,510)	$ 454,965
Total Investment Derivative		$ (30,067)		$ (120,510)	

Note: Immaterial differences may occur due to rounding.

Utilities employs interest rate swap derivatives that are designed to synthetically fix the cash flows on the 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.

Two primary types of commodity derivative instruments are utilized in Utilities' natural gas hedging program: fixed price forward swaps and option structures. These derivative agreements are designed to stabilize cash flow due to market price fluctuations related to expected purchases of natural gas. Utilities entered into option structures to manage natural gas price exposure above or below a designated strike price. As of December 31, 2014, Utilities has no natural gas derivatives in place to hedge 2015 natural gas exposures. Natural gas hedging activities for 2015 and beyond have been suspended pending results of an ongoing program evaluation.

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Summary of scheduled projected future cash flows for interest rate derivatives as of December 31, 2014:

December 31,	Projected Future Cash Flows In/(Out) for Hedging Derivatives (in thousands)
2015	$ (25,088)
2016	(24,681)
2017	(24,239)
2018	(23,766)
2019	(23,264)
2020-2024	(105,531)
2025-2029	(58,337)
2030-2034	(26,074)
2035-2039	(6,985)
2040-2041	(376)
	$ (318,341)

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, 2014:

	Notional Amount (in thousands)	Effective Date	Maturity Date	Terms	Counterparty
Cash flow hedges					
2005 SIFMA Swap	$ 68,045	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A
2005 SIFMA Swap	22,825	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	J. Aron & Co.
2007 Refunding SIFMA Swap (2012 Novation)	87,275	10/01/07	11/01/26	Pay 5.295%; receive SIFMA index	The Bank of New York Mellon
2008 SIFMA Swap	44,575	09/12/08	11/01/38	Pay 4.2686%; receive SIFMA index	Bank of America, N.A
Investment derivative					
2004 SIFMA Swap	101,550	08/18/04	11/01/23	Pay 4.1120%; receive SIFMA index	JP Morgan Chase Bank
2005 SIFMA Swap	430	09/15/05	11/01/35	Pay 4.7099%; receive SIFMA index	Bank of America, N.A
2006 Refunding LIBOR Swap	60,625	08/24/06	11/01/25	Pay 4.4810%; receive 68% of LIBOR	JP Morgan Chase Bank
2006 New Money LIBOR Swap	42,360	09/14/06	11/01/36	Pay 4.1185%; receive 68% of LIBOR	Morgan Stanley Capital Group Inc.
2006 New Money LIBOR Swap	28,240	09/14/06	11/01/36	Pay 4.1185%; receive 68% of LIBOR	JP Morgan Chase Bank
2007 New Money LIBOR Swap	40,416	09/13/07	11/01/37	Pay 3.198%; receive 68% of LIBOR	J. Aron & Co.
2007 New Money LIBOR Swap	26,944	09/13/07	11/01/37	Pay 3.198%; receive 68% of LIBOR	Morgan Stanley Capital Group Inc.
2009 LIBOR Swap (2012 Novation)	60,900	10/01/09	11/01/28	Pay 5.475%; receive 68% of LIBOR	Wells Fargo Bank, N.A.
2010 LIBOR Swap	46,245	10/26/10	11/01/40	Pay 3.8807%; receive 68% of LIBOR	Morgan Stanley Capital Group Inc.
2012 LIBOR Swap	47,255	03/15/12	11/01/41	Pay 4.0242%; receive 68% of LIBOR	Morgan Stanley Capital Group Inc.
Total Notional Amount for Interest Rate Swaps	$ 677,685				

Note: Immaterial differences may occur due to rounding.

2004 SIFMA Swap - If SIFMA averages more than 7% for 180 consecutive calendar days during the term of the 2004 SIFMA Swap, the 2004 SIFMA Swap will terminate by its terms and no payments by either party will be due.

2005 SIFMA Swap - During fourth quarter 2012, it was discovered that in 2008 Utilities redeemed a portion of its 2005A variable rate bond series through the issuance of the 2008D Clean Renewable Energy Bonds (CREBs). This transaction created an immaterial difference

between the notional size of the bond issuance and the interest rate swap hedge. The overhedged portion of the swap has therefore been declared an investment derivative.

Utilities had no fixed price natural gas swap agreements or option structures outstanding as of December 31, 2014.

RISK

Utilities routinely monitors and manages risks in the areas of Credit risk, Interest Rate risk and associated Basis risk, Natural Gas Price risk, Termination risk, Rollover risk, Market Access risk and Foreign Currency risk. These risks are discussed in detail below.

Credit Risk - Credit risk is the exposure resulting when the counterparty is unable or unwilling to fulfill its present and future financial obligations. Each of Utilities' interest rate or natural gas 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 and natural gas derivative transactions as similar between cash flow hedges and investment derivatives.

Counterparty credit rating at December 31:

Counterparty	Credit Rating 2014	Credit Rating 2013
J. Aron & Co.	Baa1/A-	Baa1/A-
JP Morgan Chase Bank	Aa3/A+	Aa3/A+
Bank of America, N.A.	A2/A	A2/A
Morgan Stanley Capital Group Inc.	Baa2/A-	Baa2/A-
Wells Fargo Bank, N.A.	Aa3/AA-	Aa3/AA-
The Bank of New York Mellon	Aa2/AA-	Aa2/AA-

The Energy Risk Management Policy requires that Utilities' counterparties to commodity transactions be on an approved counterparty list. To be on this list, counterparties must have a minimum rating of "Baa2" issued by Moody's, a minimum rating of "BBB" issued by S&P, a minimum rating of "BBB" issued by Fitch, or be specifically approved by Utilities' Risk Management Committee. The Energy Risk Management Policy limits the amount of counterparty credit exposure according to the counterparty's credit rating. To be on the interest rate counterparty transaction list, at the time of transaction execution, counterparties must have a minimum credit rating of "A-" category by at least one of the major credit rating agencies previously listed at the time of transaction 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.

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

At December 31, 2014, Utilities has posted approximately $25.9 million in collateral with the various counterparties to the swap agreements. Utilities' aggregate fair value of derivative instruments as of December 31, 2014, was approximately ($187.9) million.

The combined fair value of all derivative instruments, net of collateral postings, as of December 31, 2014 and 2013 was approximately ($162.0) million and ($131.1) million, respectively.

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

The impact of a future credit default on Utilities is dependent on market conditions that exist at the time of the event. As a result, the impact on Utilities' cash and liquidity position could be negative or positive. In consideration of this uncertainty and to minimize the impact of such an event on liquidity, as of December 31, 2014, 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 - Interest rate risk is the risk that changes in market interest rates will adversely affect Utilities' anticipated cash flows. Utilities is exposed to interest rate risk on its variable rate debt. Utilities utilizes fixed price swaps to offset cash flow exposures to variable rate debt. Utilities receives fixed rate swap payments against VRDOs based on SIFMA and LIBOR swap indices.

Basis Risk - Basis risk is 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 its 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 its hedged variable rate debt,

which is generally remarketed every 7 days. As of December 31, 2014, the weighted average interest rate on Utilities' variable rate debt was 0.063%, the SIFMA swap index rate was 0.03%, while 68% of the LIBOR was 0.116%.

Natural Gas Price Risk - Natural gas price risk is the risk that changes in natural gas market prices for physical delivery will adversely impact Utilities' anticipated cash flows. Utilities enters into fixed price swaps and options to offset anticipated natural gas price risks. The financial derivatives are priced identically to the underlying physical natural gas contracts, so that no basis risk exists.

Termination Risk - Termination risk is 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 exercise a termination option. 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 - Rollover risk is 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 that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in case of a termination option, if a counterparty exercises its 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 - Market access risk is 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 2014 and 2013 Utilities' long-term credit rating is "Aa2/AA/AA" by Moody's, S&P and Fitch, respectively.

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

V. 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 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. MHS is self-insured for workers' compensation claims up to $750,000 per claim and maintains reinsurance covering claims in excess of $750,000. A liability is recorded for unpaid workers' compensation claims. MHS exposure to workers' compensation claims is limited to operations prior to the lease of the system on October 1, 2012. Since October 1, 2012, MHS has had no employees.

MHS maintains malpractice insurance through a reciprocal risk retention group. The policy has a $25,000 deductible per occurrence and provides coverage up to $1.75 million per occurrence up to an aggregate of $5.5 million for claims filed within the period of the policy term. MHS also has $15 million of umbrella insurance coverage.

General liability coverage for the operations of Utilities is purchased from commercial carriers for losses in excess of $1,000,000 with a policy aggregate limit of $35,000,000. 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. The Colorado Governmental Immunity Act generally provides that the maximum amount that may be recovered against entities such as the City is $350,000 for any injury to one person in any single occurrence and $990,000 for any injury to two or more persons in any single occurrence. A liability is recorded for claims for which City is legally obligated to pay.

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

For medical claims coverage, the City has a reinsurance policy that provides coverage for claims in excess of $500,000. The City pays claims less than $500,000 through its Employee Benefits Self-Insurance fund. The City has recorded a liability for medical claims and an estimate of claims incurred but not reported. 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 incurred but not recorded, Health Reimbursement Account (HRA) and catastrophic claims.

There were no significant reductions in insurance coverage in 2014 as compared to coverage in 2013. Additionally, there were no settlements in excess of insurance coverage in the past three fiscal years.

The following is a summary of changes in outstanding reserves for 2014. The City's liability is included in accounts payable in the respective Internal Service Funds.

	2014 (in 000's)	2013 (in 000's)
Claims liabilities, beginning of year	$ 17,531	$ 21,174
Increases	49,951	51,383
Decreases	(50,258)	(55,026)
Claims liabilities, end of year	$ 17,224	$ 17,531

B. Donor-restricted Endowments

As of the end of 2014, the City maintained three donor-restricted endowment funds as follows:

	Fund Balance	Available for Spending
C.D. Smith Trust	$ 854,350	$ 14,038
Cemetery Endowment	10,123,878	25,200
TOPS Maintenance Trust	848,316	246,578

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.

C. Post-Employment Benefits Other than Pensions

In accordance with 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.

Retiree Health Care Benefits Program:

Access to Health Care Plans

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 One Health (formerly Extend Health) private medical plan exchange. "Grandfathered" retirees who have reached age 65 and are not Medicare-eligible are allowed to stay on the City's medical plans.

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

City's Contribution to Retiree Health Care Premium Costs

Medical Plan - The City's contribution to a retiree's medical plan premium varies as follows:

Retirees that were:	City pays:
Eligible to retire prior to January 1, 1979	The retiree's medical plan premium 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.

During 2014, these benefits were provided to 2,346 retired employees at a cost of $2,956,719. During 2013, these benefits were provided to 2,335 retired employees (count restated) at a cost of $2,967,771. In 2012, these benefits were provided to 2,498 retired employees at a cost of $2,886,863.

There is no direct cost to the City for those uniformed retirees that participate in the City's 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 in the City's plans. In addition, the vision plan is not self-funded but rather fully insured.

Retiree Life Insurance Benefits Program – 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

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 hers 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.

Retiree life insurance premiums were paid on behalf of 2,595 retirees for a total cost in 2014 of $12,226. During 2013, 2,565 premiums were paid on behalf of retirees for a total cost of $12,108. In 2012, 2,539 premiums were paid on behalf of retirees for a total cost of $12,951. All amounts paid are equal to required contributions.

Post-retirement health and life insurance benefits are considered to be an unfunded plan since there are no dedicated assets and retiree benefits are paid annually in an amount equal to the benefits distributed or claimed in that year (pay-as-you-go basis).

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.

Indirect Subsidy to Retiree Health Care Costs

Per GASB 45, and as calculated by the City's biennial Other Post-Employment Benefit (OPEB) actuarial report, there is a liability to the City as the City and active members indirectly subsidize the eligible retirees' health care costs through the underwriting of the health care plans as a whole. The actuarially accrued liability related to this subsidy is estimated to be approximately $19 million as of the January 1, 2013 report.

Annual OPEB cost and Net OPEB Obligation:

The City's and Utilities' annual OPEB cost (expense) is calculated based on the Annual Required Contribution to the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for 2014, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	$ 2,434,682
Interest on net OPEB obligation	577,137
Adjustment to annual required contribution	(470,473)
Annual OPEB cost (expense)	2,541,346
Contributions made	(1,674,266)
Increase in net OPEB obligation	867,080
Net OPEB obligation - beginning of year	12,825,258
Net OPEB obligation - end of year	$ 13,692,338

The following table shows the components of Utilities' annual OPEB cost for 2014, the amount actually contributed to the plan, and changes in Utilities' net OPEB obligation:

Annual required contribution	$ 1,555,000
Interest on net OPEB obligation	70,000
Adjustment to annual required contribution	(124,000)
Annual OPEB cost (expense)	1,501,000
Contributions made	(1,295,000)
Increase in net OPEB obligation	206,000
Net OPEB obligation - beginning of year	1,558,000
Net OPEB obligation - end of year	$ 1,764,000

The City's and Utilities' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 and the two preceding years were as follows:

	Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
City	12/31/2012	$ 2,314,559	68.9%	$ 11,956,491
	12/31/2013	2,534,120	65.7	12,825,258
	12/31/2014	2,541,346	65.9	13,692,338
Utilities	12/31/2012	$ 1,566,000	82.8%	$ 1,337,000
	12/31/2013	1,536,000	85.6	1,558,000
	12/31/2014	1,501,000	86.3	1,764,000

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the City's post-retirement benefit plan as of January 1, 2013. The retiree benefits included in the actuarial valuation are the medical benefits offered to a closed group of retirees, medical benefits provided to the City's uniformed employees and the life insurance benefits offered to retirees and current active employees, the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the January 1, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% annual discount rate based on the expected rate of return for investments on employer assets, which generally consist of short-term liquid investments. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable period of 30 years for the life benefit and average remaining lifetime of retirees for the medical benefit on an open basis. The amortization is calculated assuming a level percentage of projected payrolls. The assumed salary growth rate used was 3.8%, with 2.8% assumed for inflation. The medical trend rate used beginning in 2013 was 7.4% per year, grading to 4.7% over 71 years.

Utilities used a projected unit credit method. The assumptions included a 4.5% annual discount rate based on the expected rate of return for investments on employer assets, which generally consist of short-term liquid investments. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable period of 30 years for the life benefit and average remaining lifetime of retirees (17 years) for the medical benefit on an open basis. The amortization is calculated assuming a level percentage of projected payrolls. The cost trend rate applied on a select and ultimate basis was 8.0% and 5.0%, respectively.

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Funding Status and Funding Progress – The funded status of the plan as of January 1, 2013, the most recent actuarial valuation date was as follows:

	City OPEB Obligation	Utilities OPEB Obligation
Actuarial Accrued Liability (AAL)	$ 40,554,203	$ 18,000,000
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 40,554,203	$ 18,000,000
Funded Ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (active plan members)	$ 72,814,000	$11,781,000
UAAL as percentage of covered payroll	55.7%	152.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the Notes to Financial Statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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The schedule of funding progress as of January 1, 2013, the most recent actuarial valuation date was as follows:

City of Colorado Springs

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	([b-a]/c)
1/1/2009	$ -	$ 74,052,320	$ 74,052,320	0.0%	$ 87,346,062	84.8%
1/1/2011	-	39,410,869	39,410,869	0.0	76,284,715	51.7
1/1/2013	-	40,554,203	40,554,203	0.0	72,814,000	55.7

Colorado Springs Utilities

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	([b-a]/c)
1/1/2009	$ -	$ 17,074,000	$ 17,074,000	0.0%	$ 22,961,000	74.4%
1/1/2011	-	18,602,000	18,602,000	0.0	15,448,000	120.4
1/1/2013	-	18,000,000	18,000,000	0.0	11,781,000	152.8

D. Commitments and Contingent Liabilities

1. Construction and Purchase Commitments

Significant construction and purchase commitments of the City, as of December 31, 2014, are as follows (in millions):

General Fund	$ 3.8
Non-major governmental funds	15.1
Utilities	207.4
Non-major enterprise funds	1.1

2. Refunded Bonds

At various dates in prior years, Utilities has placed proceeds from refunding bond issues in irrevocable refunding escrow accounts. As of December 31, 2014, Utilities remains contingently liable for the outstanding principal balance of $72,565,000 in refunded bonds.

During 2012, MHS placed available funds in irrevocable refunding escrow accounts. As of December 31, 2014, MHS remains contingently liable for the outstanding principal balance of $83,755,000 in refunded bonds.

3. Charter Amendments

In April 1991, voters approved City Charter Amendment #3, entitled Taxpayers Bill of Rights (TABOR). In November 1992, voters adopted a similar statewide constitutional amendment. Both contain provisions which limit the amount of revenue the City may retain in any given year. TABOR permits a maximum annual percentage change in "fiscal year spending" (FYS) equivalent to the sum of inflation in the prior calendar year and annual local growth. Should FYS increase at a rate greater than that which the formula allows, the City must refund the "excess" in the ensuing year or seek voter approval to retain the "excess." TABOR also establishes a separate requirement for local governments that limits the increase in property tax revenue from year to year. Based upon the City's interpretation of the amendments, 2014 FYS exceeded the allowed amount by $2.1 million. Voters may be asked to retain the overage in November 2015; however, if not approved the excess will be refunded. This amount is included in the General Fund restricted fund balance.

On November 2, 2010, the eligible electors of the City voted to amend the Charter to establish a "council-mayor" form of government having as its elective officers a Mayor and City Council. Pursuant to this form of government, 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. The Mayor is elected every four years and is limited to two consecutive terms. The Mayor is to be elected by a majority, and not a plurality, of votes cast for the office of Mayor according to a run-off election. Steve Bach was elected as Colorado Springs' first strong Mayor in a run-off election on May 17, 2011. His term expires in 2015.

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.

Air Quality - In operating the Electric System, Utilities is subject to environmental requirements, which affect operating and capital costs of the System. Ongoing promulgation of new regulations under the Clean Air Act Amendments of 1990 and the Colorado Air Quality Control Act will have the effect of imposing more stringent air emission requirements for the Electric System's generating facilities, particularly the Nixon and Drake coal-fired units.

Drake Units 5, 6 and 7 (all coal-fired), Nixon Units 1 (coal-fired), 2 and 3 (both gas-fired), and Front Range Power Plant Units 1 and 2 (both gas-fired) are subject to the Clean Air Act Title IV Phase 2 Acid Rain Requirements. The Federal Clean Air Act requires that states develop State Implementation Plans (SIPs) that address how each state will control air pollution, including visibility impacts to Class I federal areas. The Environmental Protection Agency's (EPA) Regional Haze Rule requires that certain emission sources, such as power plants that may reasonably be anticipated to cause or contribute to visibility impairment in Class I areas to install Best Available Retrofit Technology (BART). Utilities is currently implementing its approved BART plan. The BART emission limits for nitrogen oxides (NOx) for Drake will be met by the installation of over fire air and ultra low NOx burners on Units 5, 6, and 7. The over fire air and ultra-low NOx burners were installed on Units 6 and 7 in 2014, while Unit 5 installation will be completed before December 31, 2017. The BART emission limits for SO2 for Drake will be met by scrubbers for Units 6 and 7 and dry sorbent injection for unit 5. The scrubber project for Drake Units 6 and 7 is currently underway. As of July 2014, the estimated remaining cost of these controls is $73.0 million. These controls must achieve compliance with emission limits no later than January 30, 2018. Utilities has sufficient emission allowances to satisfy its sulfur dioxide (SO2) allowance obligations.

Additionally, Colorado's Regional Haze SIP phases in emission limits for other stationary sources, such as Nixon, as part of "Reasonable Progress" towards natural levels of visibility under the Regional Haze Rule. Utilities is currently implementing its approved Rasonable Progress plan. The Reasonable Progress emission limits for NOx for Nixon will be met by the installation of over fire air and ultra low-NOx burners and the Reasonable Progress emission limits for SO2 will be met by the installation of a scrubber. The Nixon scrubber project began in late 2013. The most recent cost estimate update developed with Utilities' engineer in July 2014, shows the remaining cost of these controls is $126.0 million. These controls must achieve compliance with the emission limits by December 31, 2017.

For particulate matter control, both Nixon and Drake have been equipped with fabric filter baghouses. Currently these baghouses achieve a removal efficiency of greater than 95%. Through its BART and Reasonable Progress analysis of Drake and Nixon, the State has determined that the existing baghouses represent the most stringent controls for particulate matter and will be sufficient to meet BART and Reasonable Progress limits. Drake and Nixon certified compliance with BART and Reasonable Progress particulate emission limits in May 2013.

The Regional Haze Rules requirements for Drake and Nixon were approved by the State legislature in May 2011. The EPA approval of the SIP had an effective date of January 30, 2013. Utilities submitted its required proposed Compliance Schedule to the Air Pollution Control Division (APCD) of the Colorado Department of Public Health and Environment (CDPHE) on March 28, 2013. On November 4, 2013, Utilities was notified by the APCD that the compliance schedule proposed by Utilities was approved. Additional regulations, such as the ongoing review of the federal ozone standard, may necessitate the installation of additional pollution controls beyond those described above. While it is uncertain the extent to which these regulations will affect Utilities' power plants or operations, additional future pollution controls for NOx, i.e., post-combustion controls such as selective catalytic reduction, could potentially cost Utilities an additional $100.0 million to $166.0 million beyond 2020, depending on which units would be required to install additional controls.

In December 2011, the EPA's final Maximum Achievable Control Technology Rule was finalized as the Mercury and Air Toxics Standard. Utilities' emissions testing performed in recent years indicates that Utilities can comply with the limits in the Mercury and Air Toxics Standard for all of the Nixon and Drake coal-fired boilers with minimal capital investment. It is expected that the combination of planned scrubbers and existing baghouses will be adequate to meet these new standards. While additional monitoring, testing and reporting will be required, capital investment is estimated to be less than $1.0 million for all coal-fired units combined.

Since the publication of the greenhouse gas "endangerment finding" in 2009, new regulations, proposed regulations and policies have been developed to regulate carbon dioxide and other greenhouse gases. In 2012 and 2013, the EPA proposed carbon pollution New Source Performance Standards for new coal- and natural gas-fired power plants. This

rule has not been finalized. The proposed New Source Performance Standards for new sources establishes a preference for natural gas combined cycle over new coal-fired electric resources.

In May 2010, the EPA issued its final "Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule" (the Tailoring Rule) for regulating greenhouse gas emissions. Additionally, the EPA proposed its "Clean Power Plan" in June 2014, which would create a process for reducing carbon dioxide emissions from existing power plants on a state-by-state basis to reach a national reduction goal by 2030. The proposed rule is expected to be finalized in June 2015 and states would be required to submit plans for meeting their goals by June 2016, with EPA approval by June 2017. Colorado adopted the Tailoring Rule, restricting upgrades to existing fossil fuel units. With regards to the "Clean Power Plan," analysis and discussion of the proposed rule are ongoing at both Utilities and State level, and comments were submitted by Utilities in December 2014. As it is currently proposed, the "Clean Power Plan" would not necessarily result in closures of coal-fired generation, but could restrict utilization of such units to meet specific reduction goals and create additional reliance on natural gas-fired generation. Utilities continues to report its greenhouse gas emissions to the EPA and voluntarily through the climate registry.

In December 2014, the EPA issued a final rule regarding "Coal Combustion Residuals," which are also referred to as "coal combustion byproducts" or "coal ash." The rule establishes requirements for the impoundment and disposal of Coal Combustion Residuals under subtitle D of the Resource Conservation and Recovery Act as a non-hazardous waste. The rule is being evaluated for impacts to Utilities' operations. It is preliminarily estimated that the rule could increase Utilities' annual costs by less than $1.0 million annually, with additional capital expenditures needed in the future when the existing ash landfill reaches capacity. Utilities currently disposes of its Coal Combustion Residuals in a "dry" form at its Clear Spring Ranch Solids Handling and Disposal facility under a County solid waste disposal authorization known as a "Certificate of Designation."

In February 2012, the CDPHE adopted revisions to Section 9 (regarding waste impoundments) of its "Regulations Pertaining to Solid Waste Sites and Facilities." Additional capital investment in the range of $1.0 million to $9.0 million for existing impoundments at Drake and Nixon may be required to meet these revisions in the 2015 - 2017 timeframe. Utilities expects to receive clarity from the CDPHE in mid 2015 regarding the extent for impoundment related capital investment following their review of Utilities' preliminary impoundment classification submittals. The revised regulation will require both Drake and Nixon to obtain a "Certificate of Designation" from the City and El Paso County, respectively, and require that financial assurance be demonstrated for future closure of these impoundments.

In June 2013, the EPA proposed Effluent Limit Guidelines for electric power generating stations. EPA proposed eight regulatory options and identified a middle option as its preferred alternative. Nixon is a zero discharge facility and is unlikely to be affected by the

final version of the rule, regardless of the alternative selected. Some of the EPA's most stringent proposals could result in additional capital expenditures for improvements to Drake. The probability and extent of such costs is being assessed by Utilities. The proposed rule contemplates a compliance period between 2017 and 2022.

Wastewater Quality - Utilities operates the Las Vegas Street Wastewater Treatment Plant, which discharges treated wastewater to Fountain Creek, and the J.D. Phillips Water Reclamation Facility, which discharges treated wastewater to Monument Creek. Both facilities operate under the terms of Colorado Discharge Permit System (CDPS) permits issued in 2006 pursuant to the Federal Clean Water Act. Under the CDPS permits, Utilities is required to monitor wastewater discharges and report on a monthly basis the results of that monitoring to the CDPHE. In 2010, permit renewal applications were submitted to the CDPHE as required for both facilities. Draft permit renewals were received in late 2014. Utilities continues to operate under administrative extension of the existing permits until such time that renewed permits are issued.

In accordance with the CDPHE regulations, Utilities is subject to public health protection limits for E. coli and turbidity applicable to the distribution system for reclaimed wastewater used for nonpotable purposes. Utilities does not expect that additional capital or other expenditures will be required to comply with these regulations in the next several years.

The CDPS permits for the facilities require that when peak monthly throughput and treatment reach 80.0% of facility design capacity, Utilities must initiate engineering and financial planning for additional treatment capacity, and that construction must be commenced when peak monthly throughput and treatment is at 95.0% capacity. For both facilities, the throughput and treatment are currently below these capacity standards. Through December 31, 2014, peak monthly organic and hydraulic throughputs for the Las Vegas Street Wastewater Treatment Plant reached 42.1% and 42.4%, respectively. Through December 31, 2014, peak monthly organic and hydraulic throughputs for the J.D. Phillips Water Reclamation Facility reached 44.5% and 39.9%, respectively.

Utilities is actively engaged in the State's water quality regulatory rulemaking processes. A new ultraviolet disinfection system for the Las Vegas Street Wastewater Treatment Plant came on-line in January 2011 to both enable the facility to meet more stringent future E. coli limits, as well as reduce operational and regulatory risks associated with chlorine gas disinfection. The CDPHE changed Fountain and Monument Creeks' stream designations from "use-protected" to "reviewable" in July 2008. Utilities expects to see the first impact of this change in the discharge permit renewal negotiations begun in 2014. This change may ultimately result in more stringent effluent limits for pollutants that have been detected in the discharge but are not limited by the treatment facilities' current CDPS permits. Additionally, pollutants that are currently limited by the CDPS permits may undergo an "antidegradation" review that could result in more restrictive effluent limits. Reduced or

additional permitted effluent limits may necessitate additional wastewater treatment facility controls.

The CDPHE adopted regulations for reducing nutrients (nitrogen and phosphorus) in state waters through 2022 which became effective in September 2012. Additional capital investment will be required to meet these standards. Based on these regulations, approximately $3.1 million in capital investment will be required at the Las Vegas Street Wastewater Treatment Plant between 2015 - 2022. In July 2013, Utilities was awarded a $1.0 million construction grant from the State's Nutrient Grant Program to offset these costs. Current plans are for design in 2014/2015 with construction of plant upgrades from 2015 to 2017. The J.D. Phillips Water Reclamation Facility will be able to meet the proposed standards with a $1.5 million process improvement project, which was completed in 2014. However, some nutrient regulatory scenarios could result in much greater capital investment being required after 2022.

As required by discharge permits, Utilities has reported both sanitary sewer overflows (SSOs) and reclaimed wastewater releases to regulatory agencies. SSOs can be caused by blockages in the sewer lines due to debris, tree roots and grease or can be caused by vandalism, construction damage, pump or pipeline failures and severe flooding. In 2004, the CDPHE and Utilities entered into a Compliance Order on Consent (Consent Order), which addresses capacity and condition evaluations, along with the systematic repair, rehabilitation and replacement of portions of the wastewater collection system through the year 2012. The Consent Order was reviewed and approved by the EPA. The Consent Order was subsequently amended in 2005, 2006 and 2010 to resolve SSOs that occurred through December 2009. On January 29, 2013, Utilities submitted a "Notice of Completion" to the CDPHE for the Consent Order and subsequent amendments. In a letter dated March 8, 2013, the CDPHE informed Utilities that the "Notice of Completion" was satisfactory and Colorado Springs has fully responded to and met its obligations pursuant to the Consent Order. As a result, the CDPHE formally closed the Consent Order and no further action is required from Utilities on this matter.

The Clear Spring Ranch Solids Handling and Disposal Facility, which processes sludge from the Las Vegas Street Wastewater Treatment Plant and the J.D. Phillips Water Reclamation Facility, is currently regulated under a federal sludge disposal permit, the CDPHE's solid waste regulations, a County solid waste disposal authorization known as a "Certificate of Designation" and State air quality permits. Under these permits and related regulations, Utilities is required to frequently monitor sludge and ground water quality. In May 2013, the EPA reauthorized the general permit for sludge disposal, which expires on May 15, 2018. The solid waste disposal Certificate of Designation has no expiration date.

In February 2012, the CDPHE adopted revisions to Section 9 (regarding waste impoundments) of its "Regulations Pertaining to Solid Waste Sites and Facilities." Additional capital investment in the range of $7.0 to $15.0 million for existing impoundments at the Clear Spring Ranch Solids Handling and Disposal Facility may be

required to meet these revisions in the 2015-2017 timeframe. Utilities expects to receive clarity from the CDPHE in mid 2015 regarding the extent for impoundment-related capital investment following their review of Utilities' preliminary impoundment classification submittals. The revisions may require that the site's Certificate of Designation be amended and will require that financial assurance be demonstrated for any future closure of the impoundments. Demonstration of adequate financial assurance will be likely in 2015.

In 2009, a "Wastewater Integrated Master Plan" was drafted and internally reviewed. This plan addresses the 10-year capital improvement projects needed for the wastewater collection system, wastewater treatment facilities and Clear Spring Ranch Solids Handling and Disposal Facility. It analyzes current capacity and future growth needs for wastewater system components. The plan also addresses the impacts of new regulations and plans for capital improvements necessary to keep the facilities in compliance with the new regulations.

Drinking Water Quality - The Federal Safe Drinking Water Act, originally passed in 1974 and amended in 1986 and 1996, is enforced by federal and state agencies with responsibility over drinking water protection. The law requires actions by public water systems to protect drinking water from the source (e.g., rivers, reservoirs and groundwater wells) to the customer's tap. This regulatory oversight applies to the public water systems' storage, treatment and distribution facilities, as well as operational practices.

The Federal Safe Drinking Water Act authorizes the EPA to establish national health-based standards for the protection of drinking water from both naturally occurring and man-made contaminants. Additionally, the EPA maintains a list of unregulated contaminants that are not currently subject to any proposed or promulgated national primary drinking water regulation, but that are known or anticipated to occur in public water systems and may become subject to regulation in the future. As such, there is always the potential for new and or more stringent standards that may impose additional costs to Utilities, either to existing infrastructure or operations or to new water project development. Utilities' current long-term capital improvements forecast for the water system addresses normal repairs and replacements in the treatment and distribution facilities to maintain both operational reliability and compliance with the Federal Safe Drinking Water Act and applicable regulations. Utilities is required to provide a sufficient capacity and level of water treatment and disinfection necessary to meet EPA-established "maximum contaminant levels" for regulated contaminants, as well as provide regular monitoring for these contaminants in its treatment plants and distribution systems. Utilities' laboratory performs chemical, physical and biological analyses of its finished water supplies, and is certified by the CDPHE for the analysis of drinking water. The CDPHE and the EPA have the authority to enforce drinking water quality standards for the water supplied by the water system. The CDPHE periodically conducts compliance inspections of the water treatment processes and laboratory monitoring provided by Utilities. The laboratory is capable of meeting future analytical demands in response to system capacity additions and increased regulatory requirements. As part of the "consumer awareness" provisions of the Federal Safe Drinking Water Act,

Utilities is required to submit annual "consumer confidence reports" to its customers addressing the sources of its drinking water and the levels of regulated contaminants found in the drinking water through its monitoring programs. Utilities' annual water quality report to its customers consistently notes that the water treated and supplied by Utilities meets applicable primary drinking water quality standards. Other provisions of the Federal Safe Drinking Water Act require Utilities to maintain operator certifications, submit a source water assessment report to the CDPHE and maintain a cross-connection program.

Water Supply - Federal and state legislation often influences Utilities' water development activities. Such legislation and regulations promulgated by federal and state agencies generally implement environmental policies concerned with land use, appropriation and allocation of water resources and water quality. The constraints imposed by environmental laws and regulations could potentially limit Utilities' current system yield or further expansion of existing water projects (particularly transmountain projects), as well as prohibit new project development. The most significant of these are the National Environmental Policy Act (NEPA), the Federal Land Policy and Management Act, the Federal Wild and Scenic Rivers Act, the Clean Water Act and the Endangered Species Act.

As part of the environmental assessment process under NEPA, reasonable alternatives to the proposed project must also be evaluated and reviewed as part of the federal decision-making process. This requirement has had the effect of both delaying projects and increasing project costs. The Federal Land Policy and Management Act authorizes the federal government to grant easements or issue special use permits for rights-of-way for water facilities crossing or located upon federal property and requires that special use permits include conditions necessary to protect the environment. Upon renewal or reopening of the various special use permits that Utilities currently holds for the water system, additional conditions, such as minimum stream flows or bypass requirements, might be imposed that could reduce the yield of related parts of the water system in the future.

In addition, the federal government has designated large parcels of federally owned mountain land as controlled land use areas pending an evaluation for possible inclusion within the national wilderness preservation system. The inclusion of land within a wilderness area can render a water source unusable due to access restrictions and federal reserved water rights claims, or force a change to a less desirable, more expensive alternative development or operation plan.

The Federal Wild and Scenic Rivers Act is designed to protect certain free-flowing rivers identified by federal agencies and Congress has authority to designate segments of a river as wild, scenic, or recreational depending upon the presence of valued characteristics, such as recreational access, and other detracting factors, such as the degree of existing encroachment. Designation of a segment requires federal agencies to manage the river and adjacent lands to protect the identified valued characteristics and provides legal

support for the appropriation of a new federal water rights. Both of these effects present potential issues that could restrict the operations and development of the water system.

The Clean Water Act creates some potential for additional constraints on water operations and development activities. For example, in a United States Supreme Court case the court considered hydrologic modifications as "pollution" under the Federal Clean Water Act, and stated that instream flow requirements as special use permit conditions may be appropriate to protect designated stream uses. Similarly, recent federal courts of appeals decisions (outside Utilities' jurisdiction) raise the issue of whether a permit is necessary to transfer raw water from one water body to another. Such conditions, along with those imposed under Section 404 of the Clean Water Act (relating to dredge and fill permits), Section 401 (relating to state certification of water quality conditions), Section 303(d) (relating to impaired water bodies and wasteload allocations) and those which may be necessary to meet Section 319 (non-point source best management practices), as well as new watershed-based requirements may increase the costs of future operations of the water system and development of water resources. The EPA's emphasis on watershed planning and proposed modifications to the water quality standards program involve such issues as biological criteria, antidegradation review of permitted activities and standards for clean sediment and nutrients, which could further impact water project construction and operation.

Lastly, the Endangered Species Act (ESA) requires consultation with the U.S. Fish and Wildlife Service by a federal agency before the agency issues any authorization or permit for an activity. If the U.S. Fish and Wildlife Service determines that the proposed activity will have a detrimental impact on threatened or endangered species or their habitat, it must identify a reasonable and prudent alternative which would not jeopardize the species or result in the destruction of its habitat. This process can result in decreased project yields, increased project costs, or both. For example, in June 1998 the Preble's Meadow Jumping Mouse (PMJM), whose habitat includes some riparian areas in and around the City, was designated as a threatened species. This designation affects construction activities in those areas by requiring special permits, development of conservation plans and consultation with the U.S. Fish and Wildlife Service. In response to this, Utilities initiated a collaborative process, which includes other regional stakeholders, to develop an appropriate local conservation plan that will allow continued construction activities without unreasonable additional regulatory requirements. In 2010, the U.S. Fish and Wildlife Service designated critical habitat designation for the PMJM in a small portion of Utilities' service area. This designation has not had a significant impact on Utilities' projects or operations. In response to the PMJM presence, in 2012, Utilities requested, and was granted, a block clearance zone for the majority of Utilities' service area that eliminates the need for further permitting and compliance under the ESA for the PMJM.

In addition to these laws, the United States Forest Service is pursuing, or may pursue in the future, legal action in which it claims vested federal reserved water rights to water flowing in and through national forests and other federally owned lands. Some of these claimed

federal reserved water rights are or would be superior to some of the water rights owned by the City within Colorado's water allocation system. The areas of primary concern to the City are the Arapaho and White River National Forests, both of which were reserved in 1905. These forests, located within the Colorado River and Arkansas River drainages, encompass the sources of the City-owned rights and entitlements connected with the Homestake, Blue River, Twin Lakes and Fryingpan-Arkansas Projects.

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

In 1994, the City of Colorado Springs issued $6,093,000 aggregate principal amount of its Special Facility Bonds to finance the construction of service and storage facilities for rental car companies located on the Airport. The customer facility charge (CFC) was originally established to pay the debt service and expired on September 1, 2004. When the bonds were retired, there was an excess within the fund of $3,576,541. Per the bond documents, these funds were given to the Airport where $250,000 was set aside as reserved funds per the rental car agreement and is a component of net position.

An ordinance (04-32) was approved by the City Council on March 23, 2004, which allowed the Airport to continue to collect the CFC at the collection rate of $1.50 per rental car contract date until December 31, 2014. Due to the expiration of this ordinance and the change of city governance established by voter approved City Charter changes in 2010, the Director of Aviation has the authority to establish policy, procedures and rates necessary to operate the Airport. The Airport has established a Rental Car Company Customer Facility Charge Policy, in accordance with the rental car concession agreements, that extends the collection of CFC's at the $1.50 rate for an additional ten years. 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 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 following table lists the amount invested, equity in the entities' undistributed net earnings, and Utilities' net investment in the joint venture recorded on the balance sheet as of December 31, 2014 (in 000's):

Entity	Amount Invested	Undistributed Net Earnings	Utilities Investment
Young Gas Storage Company Ltd.	$ 500	$ 629	$ 1,129

There were no advances or loans outstanding to this entity as of December 31, 2014.

H. Retirement Plans

1. Non-Uniformed Employees

Defined Benefit Pension Plan

Plan Description: The City contributes to 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). LGDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees, except uniformed police and fire, are members of the LGDTF. The Mayor, direct reports of the Mayor, and elected officials of the City may exempt from membership. 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 www.copera.org/investments/pera-financial-reports or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy: Plan members and the City are required to contribute to the LGDTF a percentage of covered payroll according to state statutes (Title 24, Article 51, Part 4 of the CRS, as amended). The member contribution rate is 8% of covered salary and the City's total contribution rate is 13.7% of covered salary. The City's total contribution is composed of the following:

- 10.0% employer contribution rate - 1.02% of which is allocated for the Health Care Trust Fund (HCTF) (see note Post-employment Health Care Benefits)
- 2.2% amortization equalization disbursement (AED)
- 1.5% supplemental amortization equalization disbursement (SAED)

The AED and SAED are required additional contributions intended to increase the plans funded status with decreases mandated when the division's year-end funded status reaches 103%.

Beginning July 1, 2005, if the City rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree; however, no member contributions are required. The City contributions to LGDTF (including the amount contributed to the HCTF) for the years ending December 31, 2014, 2013, and 2012, were $28,040,175, $27,647,224, and $49,406,448 respectively, equal to its required contributions for each year.

Post-employment Health Care Benefits

Plan Description: The City contributes to HCTF, a cost-sharing multiple-employer post-employment health care plan administered by PERA. The HCTF is funded by City contributions at a rate of 1.02% of covered salary. This 1.02% is a portion of the 10.0% the City already contributes to PERA on behalf of the employees, not in addition to. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12, of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org/investments/pera-financial-reports or by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy: The City is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. This 1.02% is a portion of the 10.0% the City already contributes to PERA on behalf of the employees, not in addition to. No member contributions are required. The contribution requirements are established under Title 24, Article 51, Part 4, of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208, of the Colorado Revised Statutes, as amended. The City's contributions to HCTF for the years ending December 31, 2014, 2013, and 2012 were $2,083,189, $2,053,845, and $3,674,156, respectively, equal to its required contributions for each year.

Defined Contribution Plans

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

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

PERA 401(k) Funding Policy: The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS ($17,500 annually for 2014 calendar year). There is a catch-up provision that allows participants 50 and older who are contributing the maximum to contribute an additional $5,500 annually to their accounts.

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

ICMA 457 Funding Policy: The ICMA and FPPA 457 plans are funded by voluntary member contributions of up to a maximum limit set by the IRS ($17,500 annually for 2014 calendar year). In addition, employees are eligible to contribute an additional $5,500 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 $17,500 if they are within three years of retirement.

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

ICMA 401(a) Funding Policy: The City contributes to the ICMA 401(a) at a rate of 10.0% of covered salary. The City's contributions to the ICMA 401(a) for the years ending December 31, 2014, 2013, and 2012 were $102,774, $126,206 and $107,174 respectively.

2. Uniformed Employees

Defined Benefit Pension Plan

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 are the Old Hire Police Pension Plan, Old Hire Fire Pension Plan, New Hire Police Pension Plan, New Hire Fire Pension Plan and the Statewide Defined Benefit Plan.

Old Hire Police and Fire Pension Plan Description: The Old Hire plans are agent multiple-employer pension plans. The Old Hire plans are administered jointly by the City and the Fire and Police Pension Association (FPPA). FPPA performs certain administrative tasks in accordance with an agreement with the City in regards to the Old Hire plans. Provisions of these plans are established and amended by City Council in accordance with relevant state statute. The plans provide benefits to members based upon the provisions unique to that plan. The Old Hire pension plans are for sworn employees hired before April 8, 1978. These plans are closed to new employees. There were no active employees in 2014 in the Old Hire Fire Pension plan and one active employee in the Old Hire Police Plan for a portion of 2014.

Old Hire Police and Fire Pension Plan Funding Policy: The funding policy of each of the plans is based upon actuarially determined annual required contributions. Beginning in 2012, an actuarial analysis is undertaken bi-annually for both Old Hire Police and Old Hire Fire plans. The City makes contributions to the plan based on employee covered payroll in addition to an annual required contribution into these closed plans as determined by the bi-annual actuarial analysis. The contributions rates and amounts are as follows:

	Employee Contribution Rate	Employer Contribution Rate	Employer Contribution Of Covered Payroll	Employer Contribution Additional ARC
Police				
2014	10.00%	10.00%	$ 6,534	$ 1,534,546
2013	10.00	10.00	9,010	1,534,546
2012	10.00	10.00	8,308	1,407,209
Fire				
2014	10.00%	10.00%	$ -	$ 1,467,740
2013	10.00	10.00	-	1,467,740
2012	10.00	10.00	-	1,491,283

The contributions and funding ratios for these plans are also shown in Required Supplemental Information.

Annual Pension Cost

The City's annual pension cost and net pension obligation for the plans for 2014 were as follows:

	Old Hire Fire	Old Hire Police	Total
Annual required contribution	$ 1,467,740	$ 1,534,546	$ 3,002,286
Interest on net pension obligation	74,565	43,764	118,329
Adjustment to annual required contribution	(98,858)	(58,022)	(156,880)
Annual pension cost	1,443,447	1,520,288	2,963,735
Contributions made	(1,467,740)	(1,534,546)	(3,002,286)
Decrease in net pension obligation	(24,293)	(14,258)	(38,551)
Net pension obligation - beginning of year as previously reported	994,201	617,786	1,611,987
Prior year adjustment	-	(34,271)	(34,271)
Net pension obligation - beginning of year	994,201	583,515	1,577,716
Net pension obligation - end of year	$ 969,908	$ 569,257	$ 1,539,165

Other Information

Old Hire Fire (closed to new employees)	2014	2013	2012
Annual pension cost (APC)	$ 1,443,447	$ 1,445,471	$ 1,464,930
Percentage of APC contributed	102%	102%	102%
Net pension obligation	$ 969,908	$ 994,201	$ 1,016,470
Old Hire Police (closed to new employees)			
Annual pension cost (APC)	$ 1,520,288	$ 1,520,709	$ 1,390,834
Percentage of APC contributed	101%	101%	101%
Net pension obligation	$ 569,257	$ 617,785	$ 631,623

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Funding Status and Funding Progress – The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date was as follows:

	Old Hire Fire	Old Hire Police
Actuarial Accrued Liability (AAL)	$ 96,220,416	$ 81,933,276
Actuarial Value of Plan Assets	79,467,739	66,728,808
Unfunded Actuarial Accrued Liability (UAAL)	$ 16,752,677	$ 15,204,468
Funded Ratio (actuarial value of plan assets/AAL)	82.59%	81.44%
Covered payroll (active plan members)	$ -	$ 86,903
UAAL as a percentage of covered payroll	0%	17495.9%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and investment returns. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the Notes to Financial Statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The schedule of funding progress is as follows:

Old Hire Fire Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	([b-a]/c)
1/1/2011	$86,033,150	$101,316,280	$15,283,130	84.9%	$103,598	14752.3%
1/1/2012	82,076,708	97,604,971	15,528,263	84.1	-	-
1/1/2014	79,467,739	96,220,416	16,752,677	82.6	-	-
Old Hire Police Pension Plan						
1/1/2011	$71,997,024	$ 86,441,681	$14,444,657	83.3%	$ 83,074	17387.7%
1/1/2012	68,736,969	84,825,362	16,088,393	81.0	83,074	19366.3
1/1/2014	66,728,808	81,933,276	15,204,468	81.4	86,903	17495.9

Valuation and Actuarial Basis: The following methods of valuation and actuarial basis were used:

1) The valuation method states that the unfunded actuarial liability and the present value of future normal costs under the Entry Age Normal actuarial cost method are amortized over the lessor of 20 years or the average remaining life expectancy of the group, which is currently 19.12 years. 19 years was used.

2) The asset valuation method is based on a comparison of expected and actual asset values determined as follows:

   (a) At the beginning of each plan year, an expected actuarial asset value is calculated as the sum of the previous year's actuarial value increased with a year's interest at the plan valuation rate plus net cash flow (excluding expenses) adjusted for interest (at the same rate) to the end of the previous plan year. The interest rate of return, salary projection rate, inflation rate and post-retirement benefit increase assumptions are outlined in the Required Supplemental Information.

   (b) The difference between the expected actuarial asset value and the actual market value is the investment gain or loss for the previous plan year.

   (c) The final actuarial asset value is the expected actuarial value plus one third of the investment gain or loss for the previous plan year.

3) The reported compensation was annualized based on actual service credits for members who were credited with less than twelve months of service credits. Compensation is assumed to increase based on the salary scale assumption.

   (a) The Schedule of Funding Progress in the Required Supplemental Information presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

   (b) The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations, if applicable.

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Actuarial plan assumptions:

	Old Hire Fire	Old Hire Police
Valuation date	1/1/2014	1/1/2014
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level dollar Open	Level dollar Open
Remaining amortization period	19 years	19 years
Asset valuation method	5-Year Smothed Market	5-Year Smothed Market
Investment rate of return	7.50%	7.50%
Projected salary increases	4.00%	4.00%
Inflation rate	3.0%	3.0%
Post retirment benefit increases	3.5%	3.5%

New Hire Police and Fire Pension Plan Description: The New Hire pension plans are single-employer defined benefit plans. The New Hire Police and Fire Pension Plans are for sworn employees hired after April 8, 1978 but before October 1, 2006. These plans are closed to new employees. Effective October 1, 2006, the New Hire Pension Plans were incorporated into the FPPA Defined Benefit System by the FPPA Board pursuant to provisions of CRS 31-31-706(2)(a). Assets of the New Hire plans are held in trust with the FPPA Board acting as trustee. Any amendments to the benefit-related provisions of the New Hire 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 plans to the Statewide Defined Benefit Pension Plan effective January 1, 2012.

New Hire Police and Fire Pension Plan Funding Policy: The funding policy of each of the plans is based upon actuarially determined annual required contributions. An actuarial analysis is undertaken annually for both plans. The City makes contributions to the plans based on employee covered payroll as well as making annual required contributions into these closed plans as determined by the annual actuarial analyses and these amounts are equal to their required contributions set for each year.

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The contribution rates and amounts are as follows:

	Employee Contribution Rate	Employer Contribution Rate	Employer Contribution Of Covered Payroll	Employer Contribution Additional ARC
Police				
2014	8.00%	19.94%	$ 6,534,398	$ 1,647,897
2013*	8.00	21.02	6,844,793	1,210,880
2012*	8.00	20.66	7,148,777	-
Fire				
2014	10.00%	18.04%	$ 2,454,648	$ 1,047,900
2013*	10.00	18.31	2,577,048	961,999
2012*	10.00	20.25	3,440,807	-

* Contribution amounts restated

Statewide Defined Benefit Pension Plan: The Statewide Defined Benefit Pension Plan is a cost-sharing multiple-employer defined benefit plan covering all uniformed employees hired by the City after October 1, 2006. In 2007 and 2011, members in the New Hire plans were allowed to make a one-time irrevocable election to switch from the New Hire plans to the Statewide Defined Benefit Plan effective January 1, 2012. Employers once had the option to elect to withdraw from the plan but changes in state statutes no longer allow withdrawals effective January 1, 1988.

Statewide Defined Benefit Pension Plan Funding Policy: At present, state law requires employers and employees to each contribute 8% of the members covered salary. The contribution rates are set at a level that enables all benefits to be fully funded at the retirement date of all members of the Statewide Defined Benefit Pension Plan. Colorado state statutes were amended in May 1983 to allow the FPPA trustees to change retirement age depending on the results of the bi-annual actuarial valuation and other circumstances. This retirement age should not be less than 55 or more than 60.

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The contributions rates and amounts are as follows:

	Employee Contribution Rate	Employer Contribution Rate	Employer Contribution Of Covered Payroll
Police			
2014	8.00%	8.00%	$ 1,386,654
2013*	8.00	8.00	910,844
2012*	8.00	8.00	831,546
Fire			
2014	8.00%	8.00%	$ 1,619,916
2013*	8.00	8.00	1,218,715
2012*	8.00	8.00	1,214,883

* Contribution amounts restated

In 2014, the members of the Statewide Defined Benefit Pension Plan voted in favor of increasing the member contribution rate to the plan by ½% per year phased in over 8 years, for a total of a 4% increase. This rate change is effective January 1, 2015.

Death and Disability Plan Description: The Death and Disability Plan is a cost-sharing multiple-employer defined benefit plan. The plan is used solely for the payment of death and disability benefits. The plan was established in 1980 pursuant to Colorado state statutes and has approximately 400 employer departments. All City sworn personnel hired after January 1, 1997 participate in the Death and Disability Plan.

Death and Disability Plan Funding Policy: Prior to 1997, the plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997, the State made a one-time contribution of $39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated. Since January 1, 2007 the contribution rate has been 2.6% of covered salary split evenly between employee and employer, each paying 1.3%. This percentage can vary depending on actuarial experience.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information. FPPA plans disclosed above are included in this financial report. The report can be obtained online at www.fppaco.org\toc_frames.html or by writing to: Fire and Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or by calling FPPA at 303-770-3772 or 1-800-332-3772.

Defined Contribution Plan

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

457 Funding Policy: The ICMA and FPPA 457 plans are funded by voluntary member contributions of up to a maximum limit set by the IRS ($17,500 annually for 2014 calendar year). In addition, employees are eligible to contribute an additional $5,500 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 $17,500 if they are within three years of retirement.

I. Subsequent Events

As a result of fluctuations in the SIFMA rate, LIBOR rate and other market rates since December 31, 2014, there may be a significant impact on Utilities' SWAP valuation and investment valuation subsequent to the date of this report. The amount of these impacts is not known.

On December 9, 2014, Council approved an increase to the electric rates that took effect January 1, 2015. On January 27, 2015, Council approved a decrease to the gas cost adjustment rate that took effect February 1, 2015.

Sierra Completions, a subsidiary of Sierra Nevada Corporation, announced plans on February 12, 2015, to locate in the City. Sierra Completions is planning to build an $88.0 million campus at the Airport which is expected to house more than 2,100 employees within five years.

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CITY OF COLORADO SPRINGS

REQUIRED SUPPLEMENTARY INFORMATION

Old Hire Fire Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	([b-a]/c)
1/1/2011	$ 86,033,150	$ 101,316,280	$ 15,283,130	84.9%	$ 103,598	14752.3%
1/1/2012	82,076,708	97,604,971	15,528,263	84.1	-	-
1/1/2014	79,467,739	96,220,416	16,752,677	82.6	-	-

Old Hire Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	([b-a]/c)
1/1/2011	$ 71,997,024	$ 86,441,681	$ 14,444,657	83.3%	$ 83,074	17387.7%
1/1/2012	68,736,969	84,825,362	16,088,393	81.0	83,074	19366.3
1/1/2014	66,728,808	81,933,276	15,204,468	81.4	86,903	17495.9

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIRE AND POLICE PENSION PLANS
Last three fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Exhibit 17

	Years ended December 31		
	2014	**2013**	**2012**
Old Hire Fire Pension Plan			
Annual required contribution (ARC)	$ 1,467,740	$ 1,467,740	$ 1,491,283
Actual contributions as percentage of ARC	100%	100%	100%
Old Hire Police Pension Plan			
Annual required contribution (ARC)	$ 1,534,546	$ 1,534,546	$ 1,407,209
Actual contributions as percentage of ARC	100%	100%	100%

Note: The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

SCHEDULE OF FUNDING PROGRESS **CITY OF COLORADO SPRINGS**
OTHER POST-EMPLOYMENT BENEFITS (OPEB) **COLORADO**
December 31, 2014 **Exhibit 18**

City of Colorado Springs

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	([b-a]/c)
1/1/2009	$ -	$ 74,052,320	$ 74,052,320	0.0	$ 87,346,062	84.8%
1/1/2011	-	39,410,869	39,410,869	0.0	76,284,715	51.7
1/1/2013	-	40,554,203	40,554,203	0.0	72,814,000	55.7

Colorado Springs Utilities

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	([b-a]/c)
1/1/2009	$ -	$ 17,074,000	$ 17,074,000	0.0	$ 1,549,000	1102.3%
1/1/2011	-	18,602,000	18,602,000	0.0	1,615,000	1151.8
1/1/2013	-	18,000,000	18,000,000	0.0	1,555,000	1157.6

* 1/1/2013 is the most recent actuarial valuation date

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF COLORADO SPRINGS

GENERAL FUND
BALANCE SHEET
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-1

	TOTAL
ASSETS	
Cash and investments	$ 47,930,503
Accounts receivable (net of allowance for uncollectibles)	3,669,804
Sales tax receivable	15,550,248
Loans receivable	7,993
Assessments receivable	7,325
Property taxes receivable	
Current	19,619,441
Delinquent	45,424
Prepaids	405,347
Due from other funds	7,285,455
Restricted investments	441,569
Total assets	94,963,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Accounts payable	7,123,405
Funds held for others	146,390
Accrued salaries and benefits	5,058,053
Due to other funds	2,141,065
Escrow deposits	5,776,850
Unearned revenue	
Other	1,377,667
Total liabilities	21,623,430
Deferred inflows of resources	
Unavailable revenue - loans	7,993
Unavailable revenue - property taxes	19,619,441
Unavailable revenue - assessments	7,325
Total deferred inflows of resources	19,634,759
Fund balance	
Nonspendable	450,771
Restricted	9,996,781
Committed	6,369,071
Assigned	2,937,924
Unassigned	33,950,373
Total fund balance	53,704,920
Total liabilities, deferred inflows of resources and fund balances	$ 94,963,109

GENERAL FUND
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
For the year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-2

		TOTAL
Revenues		
Taxes	$	166,909,443
Licenses and permits		1,860,374
Intergovernmental		20,994,956
Charges for services		18,103,392
Other revenue		2,479,850
Reimbursement - other funds		7,997,266
Investment earnings		653,111
Rental income		588,703
Total revenues		219,587,095
Expenditures		
Current		
General government		55,697,383
Public safety		126,360,597
Public works		23,313,489
Health and welfare		1,080,000
Culture and recreation		14,155,974
Urban redevelopment and housing		253,514
Debt service		
Principal		8,857,742
Interest		2,416,174
Capital outlay		13,431,598
Total expenditures		245,566,471
Deficiency of revenues over expenditures		(25,979,376)
Other financing sources (uses)		
Transfers - in		32,507,146
Transfers - out		(10,204,472)
Sale of capital assets		314,200
Total other financing sources (uses)		22,616,874
Net change in fund balance		(3,362,502)
Fund balance - January 1		57,067,422
Fund balance - December 31	$	53,704,920

NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-1

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
ASSETS				
Cash and investments	$ 46,208,220	$ 11,220,140	$ 285,816	$ 57,714,176
Accounts receivable (net of allowance for uncollectibles)	8,328,432	-	-	8,328,432
Sales tax receivable	4,012,357	-	-	4,012,357
Loans receivable (net of allowance for uncollectibles)	20,144,928	-	-	20,144,928
Property taxes receivable	3,030,160	-	-	3,030,160
Due from other funds	42,224	1,062,550	-	1,104,774
Restricted investments	405,132	-	11,540,728	11,945,860
Total assets	82,171,453	12,282,690	11,826,544	106,280,687
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	3,925,051	1,159,051	-	5,084,102
Accrued salaries and benefits	939,158	-	-	939,158
Deposits payable	1,745,389	-	-	1,745,389
Due to other funds	1,017,265	3,361,502	-	4,378,767
Unearned revenue				
Grants	8,311,734	-	-	8,311,734
Total liabilities	15,938,597	4,520,553	-	20,459,150
Deferred inflows of resources				
Unavailable revenue - property taxes	3,030,160	-	-	3,030,160
Unavailable revenue - loans (net of allowance for uncollectibles)	20,144,928	-	-	20,144,928
Total deferred inflows of resources	23,175,088	-	-	23,175,088
Fund balances				
Nonspendable	-	-	11,540,728	11,540,728
Restricted	33,147,311	-	285,816	33,433,127
Committed	9,699,690	6,922,450	-	16,622,140
Assigned	210,767	839,687	-	1,050,454
Total fund balances	43,057,768	7,762,137	11,826,544	62,646,449
Total liabilities, deferred inflows of resources and fund balances	$ 82,171,453	$ 12,282,690	$ 11,826,544	$ 106,280,687

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-2

	Special Revenue Funds	Capital Projects Fund	Permanent Funds	Total
Revenues				
Taxes	$ 44,904,519	$ -	$ -	$ 44,904,519
Intergovernmental	30,806,288	-	-	30,806,288
Charges for services	6,292,065	-	-	6,292,065
Endowments and donations	1,415,098	-	83,086	1,498,184
Other revenue	526,660	235,655	-	762,315
Investment earnings	427,695	82,239	225,324	735,258
Total revenues	84,372,325	317,894	308,410	84,998,629
Expenditures				
Current				
General government	1,016,401	-	-	1,016,401
Public safety	33,468,996	-	-	33,468,996
Public works	15,101,297	-	-	15,101,297
Culture and recreation	8,555,583	-	9,150	8,564,733
Urban development and housing	4,699,137	-	-	4,699,137
Economic development	3,799,765	-	-	3,799,765
Miscellaneous	14,708	-	-	14,708
Debt service				
Principal	2,104,764	2,371,875	-	4,476,639
Interest	895,095	126,496	-	1,021,591
Capital outlay	10,140,285	6,415,721	-	16,556,006
Total expenditures	79,796,031	8,914,092	9,150	88,719,273
Excess (deficiency) of revenues over expenditures	4,576,294	(8,596,198)	299,260	(3,720,644)
Other financing sources (uses)				
Transfers - in	-	10,204,472	-	10,204,472
Transfers - out	(452,146)	-	-	(452,146)
Proceeds from issuance of debt	8,960,000	-	-	8,960,000
Payment to refunded bond escrow agent	(8,856,720)	-	-	(8,856,720)
Total other financing sources (uses)	(348,866)	10,204,472	-	9,855,606
Net change in fund balances	4,227,428	1,608,274	299,260	6,134,962
Fund balances - January 1	38,830,340	6,153,863	11,527,284	56,511,487
Fund balances - December 31	$ 43,057,768	$ 7,762,137	$ 11,826,544	$ 62,646,449

CITY OF COLORADO SPRINGS

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Intergovernmental Grant Funds:

Community Development Block Grant Fund
Home Investment Partnership Fund
Grants Fund

These Intergovernmental Grant Funds are used to account for the activities of the programs where the major source of funding is federal grants.

Capital, Operations and Maintenance Funds:

Ballfield Capital Improvements Fund
Bicycle Tax Fund
Trails/Open Space Fund
Conservation Trust Fund
Cable Franchise Fund
Public Safety Sales Tax Fund

These funds are used to account for the activities of the fund where particular, ear-marked, on-going 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 PLDO[1])
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:

Cottonwood General Improvement District
Spring Creek General Improvement District
Briargate General Improvement District
Market Place at Austin Bluffs (MAB) General Improvement District

These Other Public Improvements Funds are used to account for the activities of the funds established to finance improvement district infrastructure costs.

Other Special Revenue Funds:

Lodgers and Auto Rental Tax Fund
Street Tree Fund
Gift Trust Fund
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.

[1] Public Land Dedication Ordinance

CITY OF COLORADO SPRINGS

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2014

	Inter-governmental Grant Funds	Capital Operations and Maintenance Funds
ASSETS		
Cash and investments	$ 3,817,155	$ 22,985,604
Accounts receivable (net of allowance for uncollectibles)	7,905,244	259,943
Sales tax receivable	-	3,783,322
Loans receivable (net of allowance for uncollectibles)	20,144,928	-
Property taxes receivable	-	-
Due from other funds	36,492	5,732
Restricted investments	-	-
Total assets	31,903,819	27,034,601
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	2,318,908	870,977
Accrued salaries and benefits	141,169	774,435
Deposits payable	-	-
Due to other funds	987,080	26,331
Unearned revenue		
Grants	8,311,734	-
Total liabilities	11,758,891	1,671,743
Deferred inflows of resources		
Unavailable revenue - property taxes	-	-
Unavailable revenue - loans (net of allowance for uncollectibles)	20,144,928	-
Total deferred inflows of resources	20,144,928	-
Fund balances		
Restricted	-	25,273,854
Committed	-	89,004
Assigned	-	-
Total fund balances	-	25,362,858
Total liabilities, deferred inflows of resources and fund balances	$ 31,903,819	$ 27,034,601

Improvement and Maintenance District Funds	Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
$ 991,766	$ 12,859,061	$ 1,350,476	$ 4,204,158	$ 46,208,220
15,734	27,113	18,660	101,738	8,328,432
-	-	-	229,035	4,012,357
-	-	-	-	20,144,928
1,683,739	-	1,346,421	-	3,030,160
-	-	-	-	42,224
-	-	405,132	-	405,132
2,691,239	12,886,174	3,120,689	4,534,931	82,171,453
40,598	238,924	400	455,244	3,925,051
23,554	-	-	-	939,158
-	1,745,389	-	-	1,745,389
2,405	-	-	1,449	1,017,265
-	-	-	-	8,311,734
66,557	1,984,313	400	456,693	15,938,597
1,683,739	-	1,346,421	-	3,030,160
-	-	-	-	20,144,928
1,683,739	-	1,346,421	-	23,175,088
940,943	1,193,187	1,773,868	3,965,459	33,147,311
-	9,501,390	-	109,296	9,699,690
-	207,284	-	3,483	210,767
940,943	10,901,861	1,773,868	4,078,238	43,057,768
$ 2,691,239	$ 12,886,174	$ 3,120,689	$ 4,534,931	$ 82,171,453

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2014

	Inter-governmental Grant Funds	Capital Operations and Maintenance Funds	Improvement and Maintenance District Funds
Revenues			
Taxes	$ -	$ 36,348,949	$ 1,873,715
Intergovernmental	26,639,091	4,167,197	-
Charges for services	-	1,084,705	-
Donations	-	-	-
Other revenue	525,660	-	1,000
Investment earnings	6,764	247,782	15,292
Total revenues	27,171,515	41,848,633	1,890,007
Expenditures			
Current			
General government	-	998,163	-
Public safety	6,113,898	26,915,842	-
Public works	8,989,126	-	2,071,073
Culture and recreation	1,945,738	5,646,004	-
Urban redevelopment and housing	4,699,137	-	-
Economic development	-	-	-
Miscellaneous	-	-	-
Debt service			
Principal	-	1,169,764	-
Interest	-	247,553	-
Capital outlay	5,423,616	4,586,532	7,679
Total expenditures	27,171,515	39,563,858	2,078,752
Excess (deficiency) of revenues over expenditures	-	2,284,775	(188,745)
Other financing sources/(uses)			
Transfers - out	-	-	-
Proceeds from issuance of debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	-	2,284,775	(188,745)
Fund balances - January 1	-	23,078,083	1,129,688
Fund balances - December 31	$ -	$ 25,362,858	$ 940,943

Public Improvements Funds	Other Public Improvements Funds	Other Special Revenue Funds	Total
$ -	$ 2,221,092	$ 4,460,763	$ 44,904,519
-	-	-	30,806,288
5,207,360	-	-	6,292,065
-	-	1,415,098	1,415,098
-	-	-	526,660
122,987	21,414	13,456	427,695
5,330,347	2,242,506	5,889,317	84,372,325
-	-	18,238	1,016,401
-	-	439,256	33,468,996
3,984,387	-	56,711	15,101,297
-	-	963,841	8,555,583
-	-	-	4,699,137
-	-	3,799,765	3,799,765
-	14,708	-	14,708
-	935,000	-	2,104,764
-	647,542	-	895,095
24,310	98,148	-	10,140,285
4,008,697	1,695,398	5,277,811	79,796,031
1,321,650	547,108	611,506	4,576,294
-	-	(452,146)	(452,146)
-	8,960,000	-	8,960,000
-	(8,856,720)	-	(8,856,720)
-	103,280	(452,146)	(348,866)
1,321,650	650,388	159,360	4,227,428
9,580,211	1,123,480	3,918,878	38,830,340
$ 10,901,861	$ 1,773,868	$ 4,078,238	$ 43,057,768

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
ASSETS				
Cash and investments	$ -	$ 4,123	$ 3,813,032	$ 3,817,155
Accounts receivable (net of allowance for uncollectibles)	443,791	272,600	7,188,853	7,905,244
Loans receivable (net of allowance for uncollectibles)	6,859,717	13,195,777	89,434	20,144,928
Due from other funds	-	-	36,492	36,492
Total assets	7,303,508	13,472,500	11,127,811	31,903,819
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities				
Accounts payable	163,875	3,466	2,151,567	2,318,908
Accrued salaries and benefits	18,541	277	122,351	141,169
Due to other funds	127,339	-	859,741	987,080
Unearned revenue				
Grants	134,036	272,980	7,904,718	8,311,734
Total liabilities	443,791	276,723	11,038,377	11,758,891
Deferred inflows of resources				
Unavailable revenue - loans (net of allowance for uncollectibles)	6,859,717	13,195,777	89,434	20,144,928
Total deferred inflows of resources	6,859,717	13,195,777	89,434	20,144,928
Total liabilities and deferred inflows of resources	$ 7,303,508	$ 13,472,500	$ 11,127,811	$ 31,903,819

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-4

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
Revenues				
Intergovernmental	$ 1,904,902	$ 1,509,409	$ 23,224,780	$ 26,639,091
Other revenue	172,271	353,149	240	525,660
Investment earnings	82	-	6,682	6,764
Total revenues	2,077,255	1,862,558	23,231,702	27,171,515
Expenditures				
Current				
Public safety	-	-	6,113,898	6,113,898
Public works	-	-	8,989,126	8,989,126
Culture and recreation	-	-	1,945,738	1,945,738
Urban redevelopment and housing	2,077,255	1,862,558	759,324	4,699,137
Capital outlay	-	-	5,423,616	5,423,616
Total expenditures	2,077,255	1,862,558	23,231,702	27,171,515
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, 2014

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
ASSETS			
Cash and investments	$ 88,204	$ 337,240	$ 14,264,010
Accounts receivable (net of allowance for uncollectibles)	800	-	-
Sales tax receivable	-	-	756,658
Due from other funds	-	890	-
Total assets	89,004	338,130	15,020,668
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	9,993	147,848
Accrued salaries and benefits	-	-	19,708
Due to other funds	-	-	-
Total liabilities	-	9,993	167,556
Fund balances			
Restricted	-	328,137	14,853,112
Committed	89,004	-	-
Total fund balances	89,004	328,137	14,853,112
Total liabilities and fund balances	$ 89,004	$ 338,130	$ 15,020,668

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-5

Conservation Trust Fund	Cable Franchise Fund	Public Safety Sales Tax Fund	Total
$ 1,716,720	$ 265,652	$ 6,313,778	$ 22,985,604
-	256,570	2,573	259,943
-	-	3,026,664	3,783,322
4,842	-	-	5,732
1,721,562	522,222	9,343,015	27,034,601
112,464	138,832	461,840	870,977
80,409	8,586	665,732	774,435
-	-	26,331	26,331
192,873	147,418	1,153,903	1,671,743
1,528,689	374,804	8,189,112	25,273,854
-	-	-	89,004
1,528,689	374,804	8,189,112	25,362,858
$ 1,721,562	$ 522,222	$ 9,343,015	$ 27,034,601

CAPITAL, OPERATIONS AND MAINTENANCE SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2014

	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund
Revenues			
Taxes	$ -	$ 81,032	$ 7,253,540
Intergovernmental	-	-	-
Charges for services	54,378	-	-
Investment earnings	1,473	3,858	144,247
Total revenues	55,851	84,890	7,397,787
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Culture and recreation	153	99,796	1,332,131
Debt service			
Principal	45,100	-	930,000
Interest	54,900	-	78,427
Capital outlay	-	28,653	2,963,053
Total expenditures	100,153	128,449	5,303,611
Excess (deficiency) of revenues over expenditures	(44,302)	(43,559)	2,094,176
Net change in fund balances	(44,302)	(43,559)	2,094,176
Fund balances - January 1	133,306	371,696	12,758,936
Fund balances - December 31	$ 89,004	$ 328,137	$ 14,853,112

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-6

Conservation Trust Fund	Cable Franchise Fund	Public Safety Sales Tax Fund	Total
$ -	$ -	$ 29,014,377	$ 36,348,949
4,167,197	-	-	4,167,197
-	1,030,327	-	1,084,705
22,488	2,442	73,274	247,782
4,189,685	1,032,769	29,087,651	41,848,633
-	998,163	-	998,163
-	-	26,915,842	26,915,842
4,213,924	-	-	5,646,004
174,900	-	19,764	1,169,764
112,048	-	2,178	247,553
496,814	-	1,098,012	4,586,532
4,997,686	998,163	28,035,796	39,563,858
(808,001)	34,606	1,051,855	2,284,775
(808,001)	34,606	1,051,855	2,284,775
2,336,690	340,198	7,137,257	23,078,083
$ 1,528,689	$ 374,804	$ 8,189,112	$ 25,362,858

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2014

	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	$ 62,811	$ 411,567	$ 128,771	$ 218,602
Accounts receivable (net of allowance for uncollectibles)	843	5,546	6,846	2,328
Property taxes receivable	87,725	593,001	735,431	249,129
Total assets	151,379	1,010,114	871,048	470,059
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	1,195	32,725	6,433	175
Accrued salaries and benefits	1,766	8,754	11,058	1,976
Due to other funds	-	-	2,405	-
Total liabilities	2,961	41,479	19,896	2,151
Deferred inflows of resources				
Unavailable revenue - property taxes	87,725	593,001	735,431	249,129
Total deferred inflows of resources	87,725	593,001	735,431	249,129
Fund balances				
Restricted	60,693	375,634	115,721	218,779
Total fund balances	60,693	375,634	115,721	218,779
Total liabilities, deferred inflows of resources and fund balances	$ 151,379	$ 1,010,114	$ 871,048	$ 470,059

Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
$ 80,235	$ 5,798	$ 83,982	$ 991,766
147	24	-	15,734
15,822	2,631	-	1,683,739
96,204	8,453	83,982	2,691,239
24	46	-	40,598
-	-	-	23,554
-	-	-	2,405
24	46	-	66,557
15,822	2,631	-	1,683,739
15,822	2,631	-	1,683,739
80,358	5,776	83,982	940,943
80,358	5,776	83,982	940,943
$ 96,204	$ 8,453	$ 83,982	$ 2,691,239

IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For year ended December 31, 2014

	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	$ 91,791	$ 659,712	$ 816,136	$ 277,000
Investment earnings	820	6,451	3,625	2,405
Miscellaneous	-	-	1,000	-
Total revenues	92,611	666,163	820,761	279,405
Expenditures				
Current				
Public works	103,050	778,619	935,976	195,430
Capital outlay	-	7,679	-	-
Total expenditures	103,050	786,298	935,976	195,430
Excess (deficiency) of revenues over expenditures	(10,439)	(120,135)	(115,215)	83,975
Net change in fund balances	(10,439)	(120,135)	(115,215)	83,975
Fund balances - January 1	71,132	495,769	230,936	134,804
Fund balances - December 31	$ 60,693	$ 375,634	$ 115,721	$ 218,779

Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
$ 17,612	$ 2,884	$ 8,580	$ 1,873,715
997	113	881	15,292
-	-	-	1,000
18,609	2,997	9,461	1,890,007
43,396	7,563	7,039	2,071,073
-	-	-	7,679
43,396	7,563	7,039	2,078,752
(24,787)	(4,566)	2,422	(188,745)
(24,787)	(4,566)	2,422	(188,745)
105,145	10,342	81,560	1,129,688
$ 80,358	$ 5,776	$ 83,982	$ 940,943

PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2014

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	$ 6,086,653	$ 2,063,455	$ 1,335,985	$ 171,247	$ 3,201,721	$ 12,859,061
Accounts receivable (net of allowance for uncollectibles)	-	16,534	10,579	-	-	27,113
Total assets	6,086,653	2,079,989	1,346,564	171,247	3,201,721	12,886,174
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	24,187	-	-	-	214,737	238,924
Deposits payable	-	-	-	-	1,745,389	1,745,389
Total liabilities	24,187	-	-	-	1,960,126	1,984,313
Fund balances						
Restricted	-	-	-	-	1,193,187	1,193,187
Committed	5,949,022	2,079,989	1,346,564	125,815	-	9,501,390
Assigned	113,444	-	-	45,432	48,408	207,284
Total fund balance	6,062,466	2,079,989	1,346,564	171,247	1,241,595	10,901,861
Total liabilities and fund balances	$ 6,086,653	$ 2,079,989	$ 1,346,564	$ 171,247	$ 3,201,721	$ 12,886,174

PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the year ended December 31, 2014

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	$ 1,165,382	$ 3,734,168	$ 230,929	$ -	$ 76,881	$ 5,207,360
Investment earnings	57,764	19,965	13,503	1,760	29,995	122,987
Total revenues	1,223,146	3,754,133	244,432	1,760	106,876	5,330,347
Expenditures						
Current						
Public works	7,277	3,861,864	104,817	195	10,234	3,984,387
Capital Outlay	24,310	-	-	-	-	24,310
Total expenditures	31,587	3,861,864	104,817	195	10,234	4,008,697
Excess (deficiency) of revenues over expenditures	1,191,559	(107,731)	139,615	1,565	96,642	1,321,650
Net change in fund balances	1,191,559	(107,731)	139,615	1,565	96,642	1,321,650
Fund balances - January 1	4,870,907	2,187,720	1,206,949	169,682	1,144,953	9,580,211
Fund balances - December 31	$ 6,062,466	$ 2,079,989	$ 1,346,564	$ 171,247	$ 1,241,595	$ 10,901,861

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-11

	Cottonwood General Improvement District	Spring Creek General Improvement District	Briargate General Improvement District	MAB General Improvement District	Total
ASSETS					
Cash and investments	$ 731,205	$ 285,540	$ 197,040	$ 136,691	$ 1,350,476
Accounts receivable (net of allowance for uncollectibles)	6,485	2,553	7,564	2,058	18,660
Property taxes receivable	-	277,144	849,695	219,582	1,346,421
Restricted investments	-	-	405,132	-	405,132
Total assets	737,690	565,237	1,459,431	358,331	3,120,689
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	-	150	-	250	400
Total liabilities	-	150	-	250	400
Deferred inflows of resources					
Unavailable revenue - property taxes	-	277,144	849,695	219,582	1,346,421
Total deferred inflows of resources	-	277,144	849,695	219,582	1,346,421
Fund balances					
Restricted	737,690	287,943	609,736	138,499	1,773,868
Total fund balances	737,690	287,943	609,736	138,499	1,773,868
Total liabilities, deferred inflows of resources and fund balances	$ 737,690	$ 565,237	$ 1,459,431	$ 358,331	$ 3,120,689

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-12

	Cottonwood General Improvement District	Spring Creek General Improvement District	Briargate General Improvement District	MAB General Improvement District	Total
Revenues					
Taxes	$ 772,805	$ 306,070	$ 896,862	$ 245,355	$ 2,221,092
Investment earnings	10,885	4,049	4,375	2,105	21,414
Total revenues	783,690	310,119	901,237	247,460	2,242,506
Expenditures					
Current					
Miscellaneous	4,123	3,290	4,123	3,172	14,708
Debt service					
Principal	675,000	195,000	-	65,000	935,000
Interest	44,675	96,170	339,972	166,725	647,542
Issuance expense	-	-	98,148	-	98,148
Total expenditures	723,798	294,460	442,243	234,897	1,695,398
Excess of revenues over expenditures	59,892	15,659	458,994	12,563	547,108
Other financing sources/(uses)					
Proceeds from issuance of debt	-	-	8,960,000	-	8,960,000
Payment to refunded bond escrow agent	-	-	(8,856,720)	-	(8,856,720)
Total financing uses	-	-	103,280	-	103,280
Net change in fund balances	59,892	15,659	562,274	12,563	650,388
Fund balances - January 1	677,798	272,284	47,462	125,936	1,123,480
Fund balances - December 31	$ 737,690	$ 287,943	$ 609,736	$ 138,499	$ 1,773,868

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Therapeutic Recreation Fund	Total
ASSETS					
Cash and investments	$ 333,521	$ 108,557	$ 3,757,858	$ 4,222	$ 4,204,158
Accounts receivable (net of allowances) for uncollectibles)	-	-	101,738	-	101,738
Sales tax receivable	229,035	-	-	-	229,035
Total assets	562,556	108,557	3,859,596	4,222	4,534,931
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	321,088	-	134,156	-	455,244
Due to other funds	-	-	1,449	-	1,449
Total liabilities	321,088	-	135,605	-	456,693
Fund balances					
Restricted	241,468	-	3,723,991	-	3,965,459
Committed	-	105,074	-	4,222	109,296
Assigned	-	3,483	-	-	3,483
Total fund balances	241,468	108,557	3,723,991	4,222	4,078,238
Total liabilities and fund balances	$ 562,556	$ 108,557	$ 3,859,596	$ 4,222	$ 4,534,931

OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-14

	Lodgers and Auto Rental Tax Fund	Street Tree Fund	Gift Trust Fund	Therapeutic Recreation Fund	Total
Revenues					
Taxes	$ 4,460,763	$ -	$ -	$ -	$ 4,460,763
Donations	-	-	1,415,098	-	1,415,098
Investment earnings	1,512	1,149	10,751	44	13,456
Total revenues	4,462,275	1,149	1,425,849	44	5,889,317
Expenditures					
Current					
General government	-	-	18,238	-	18,238
Public safety	-	-	439,256	-	439,256
Public works	-	-	56,711	-	56,711
Culture and recreation	-	124	963,606	111	963,841
Economic development	3,799,765	-	-	-	3,799,765
Total expenditures	3,799,765	124	1,477,811	111	5,277,811
Excess (deficiency) of revenues over expenditures	662,510	1,025	(51,962)	(67)	611,506
Other financing (uses)					
Transfers - out	(452,146)	-	-	-	(452,146)
Net change in fund balances	210,364	1,025	(51,962)	(67)	159,360
Fund balances - January 1	31,104	107,532	3,775,953	4,289	3,918,878
Fund balances - December 31	$ 241,468	$ 108,557	$ 3,723,991	$ 4,222	$ 4,078,238

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES-BUDGET AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Community Development Block Grant	$ 2,077,255	$ 2,077,255	$ -
Home Investment Partnership Fund	1,862,558	1,862,558	-
Grants Fund	23,231,702	23,231,702	-
Ballfield Capital Improvements Fund	100,000	55,851	(44,149)
Bicycle Tax Fund	95,000	84,890	(10,110)
Trails/Open Space Fund	7,230,000	7,397,787	167,787
Conservation Trust Fund	4,662,000	4,189,685	(472,315)
Cable Franchise Fund	998,000	1,032,769	34,769
Public Safety Sales Tax Fund	28,601,784	29,087,651	485,867
Old Colorado City Maintenance and Security District Fund	103,362	92,611	(10,751)
Norwood Special Improvement Maintenance District Fund	679,436	666,163	(13,273)
Briargate Special Improvement Maintenance District Fund	838,102	820,761	(17,341)
Stetson Hills Improvement Maintenance District Fund	285,240	279,405	(5,835)
Woodstone Improvement Maintenance District Fund	18,837	18,609	(228)
Gateway Improvement Maintenance District Fund	3,011	2,997	(14)
Platte Avenue Improvement Maintenance District Fund	9,205	9,461	256
Public Space and Development Fund	800,000	1,223,146	423,146
Subdivision Drainage Fund	4,000,000	3,754,133	(245,867)
Arterial Roadway Fund	250,000	244,432	(5,568)
Park Developer Easement Fund	-	1,760	1,760
Banning Lewis Ranch Fund	231,000	106,876	(124,124)
Cottonwood General Improvement District	763,720	783,690	19,970
Spring Creek General Improvement District	301,100	310,119	9,019
Briargate General Improvement District	9,843,723	9,861,237	17,514
MAB General Improvement District	240,811	247,460	6,649
Lodgers and Auto Rental Tax Fund	4,434,000	4,462,275	28,275
Street Tree Fund	2,000	1,149	(851)
Gift Trust Fund	1,900,000	1,425,849	(474,151)
Therapeutic Recreation Fund	300	44	(256)
Total revenues	$ 93,562,146	$ 93,332,325	$ (229,821)

(continued)

SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Community Development Block Grant	$ 2,077,255	$ 2,077,255	$ -
Home Investment Partnership Fund	1,862,558	1,862,558	-
Grants Fund	23,231,702	23,231,702	-
Ballfield Capital Improvements Fund	100,000	100,153	(153)
Bicycle Tax Fund	442,946	128,449	314,497
Trails/Open Space Fund	13,049,954	5,303,611	7,746,343
Conservation Trust Fund	5,847,745	4,997,686	850,059
Cable Franchise Fund	1,050,196	998,163	52,033
Public Safety Sales Tax Fund	31,717,007	28,035,796	3,681,211
Old Colorado City Maintenance and Security District Fund	132,546	103,050	29,496
Norwood Special Improvement Maintenance District Fund	949,905	786,298	163,607
Briargate Special Improvement Maintenance District Fund	976,652	935,976	40,676
Stetson Hills Improvement Maintenance District Fund	329,518	195,430	134,088
Woodstone Improvement Maintenance District Fund	49,600	43,396	6,204
Gateway Improvement Maintenance District Fund	8,120	7,563	557
Platte Avenue Improvement Maintenance District Fund	40,100	7,039	33,061
Public Space and Development Fund	924,966	31,587	893,379
Subdivision Drainage Fund	4,000,000	3,861,864	138,136
Arterial Roadway Fund	250,000	104,817	145,183
Park Developer Easement Fund	-	195	(195)
Banning Lewis Ranch Fund	6,625	10,234	(3,609)
Cottonwood General Improvement District	726,675	723,798	2,877
Spring Creek General Improvement District	298,170	294,460	3,710
Briargate General Improvement District	9,841,660	9,298,963	542,697
MAB General Improvement District	238,725	234,897	3,828
Lodgers and Auto Rental Tax Fund	4,387,312	4,251,911	135,401
Street Tree Fund	12,000	124	11,876
Gift Trust Fund	2,070,531	1,477,811	592,720
Therapeutic Recreation Fund	-	111	(111)
Total expenditures	$ 104,622,468	$ 89,104,897	$ 15,517,571

Note: Includes transfers.

CITY OF COLORADO SPRINGS

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

City Funded CIP Construction fund

CAPITAL PROJECTS FUND
BALANCE SHEET
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-1

	City Funded CIP Construction Fund
ASSETS	
Cash and investments	$ 11,220,140
Due from other funds	1,062,550
Total assets	12,282,690
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	1,159,051
Due to other funds	3,361,502
Total liabilities	4,520,553
Fund balances	
Committed	6,922,450
Assigned	839,687
Total fund balances	7,762,137
Total liabilities and fund balances	$ 12,282,690

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit D-2

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other revenue	$ 93,000	$ 235,655	$ 142,655
Investment earnings	54,000	82,239	28,239
Total revenues	147,000	317,894	170,894
Expenditures			
Debt service			
Principal	2,371,875	2,371,875	-
Interest	126,496	126,496	-
Capital outlay	14,472,554	6,415,721	8,056,833
Total expenditures	16,970,925	8,914,092	8,056,833
Deficiency of revenues over expenditures	(16,823,925)	(8,596,198)	8,227,727
Other financing sources (uses)			
Transfers - in	10,204,472	10,204,472	-
Total other financing sources (uses)	10,204,472	10,204,472	-
Net change in fund balance	(6,619,453)	1,608,274	8,227,727
Fund balance - January 1	6,153,863	6,153,863	-
Fund balance - December 31	$ (465,590)	$ 7,762,137	$ 8,227,727

ANNUAL STATEMENT OF RECEIPTS AND EXPENDITURES FOR ROADS, BRIDGES AND STREETS 2014

CITY OF COLORADO SPRINGS COLORADO Exhibit D-3 (PAGE 1 OF 2)

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Colorado Springs YEAR ENDING : December 2014
This Information From The Records Of: City of Colorado Springs	Prepared By: City of Colorado Springs Finance Office Phone: (719) 385-5919

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	11,299,776
3. Other local imposts (from page 2)	48,041,871
4. Miscellaneous local receipts (from page 2)	3,933,872
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	63,275,519
B. Private Contributions	
C. Receipts from State government (from page 2)	18,941,798
D. Receipts from Federal Government (from page 2)	499,047
E. Total receipts (A.7 + B + C + D)	82,716,364

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	39,780,163
2. Maintenance:	16,963,486
3. Road and street services:	
a. Traffic control operations	498,427
b. Snow and ice removal	2,270,785
c. Other	
d. Total (a. through c.)	2,769,212
4. General administration & miscellaneous	2,178,838
5. Highway law enforcement and safety	17,475,614
6. Total (1 through 5)	79,167,313
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	322,826
b. Redemption	3,226,225
c. Total (a. + b.)	3,549,051
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	3,549,051
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	82,716,364

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	7,739,774		3,226,225	4,513,549
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	82,716,364	82,716,364		0

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

ANNUAL STATEMENT OF RECEIPTS AND EXPENDITURES FOR ROADS, BRIDGES AND STREETS 2014

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

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING: December 2014

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	36,380
b. Other local imposts:		b. Traffic Fines & Penalities	3,897,492
1. Sales Taxes	47,299,564	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	742,307	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	48,041,871	h. Other	
c. Total (a. + b.)	48,041,871	i. Total (a. through h.)	3,933,872
	(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	17,488,954	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	499,047
c. Motor Vehicle Registrations	1,452,844	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.)	1,452,844	g. Total (a. through f.)	499,047
4. Total (1. + 2. + 3.f)	18,941,798	3. Total (1. + 2.g)	
			(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		1,770,834	1,770,834
b. Engineering Costs		2,474,507	2,474,507
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		20,431,592	20,431,592
(3). System Preservation	77,798	10,630,240	10,708,038
(4). System Enhancement & Operation		4,395,192	4,395,192
(5). Total Construction (1) + (2) + (3) + (4)	77,798	35,457,024	35,534,822
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	77,798	39,702,365	39,780,163
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

CITY OF COLORADO SPRINGS

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 funds' corpus with investment earnings used in accordance with trust provisions.

PERMANENT FUNDS
COMBINING BALANCE SHEET
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-1

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
ASSETS				
Cash and investments	$ 14,038	$ 25,200	$ 246,578	$ 285,816
Restricted investments	840,312	10,098,678	601,738	11,540,728
Total assets	854,350	10,123,878	848,316	11,826,544
FUND BALANCES				
Fund balances				
Nonspendable	840,312	10,098,678	601,738	11,540,728
Restricted	14,038	25,200	246,578	285,816
Total fund balances	854,350	10,123,878	848,316	11,826,544
Total liabilities and fund balances	$ 854,350	$ 10,123,878	$ 848,316	$ 11,826,544

PERMANENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-2

	C.D. Smith Trust Fund	Cemetery Endowment Fund	TOPS Maintenance Trust Fund	Total
Revenues				
Endowments	$ -	$ 83,086	$ -	$ 83,086
Investment earnings	99,924	117,161	8,239	225,324
Total revenues	99,924	200,247	8,239	308,410
Expenditures				
Current				
Culture and recreation	8,257	-	893	9,150
Total expenditures	8,257	-	893	9,150
Excess of revenues over expenditures	91,667	200,247	7,346	299,260
Fund balances - January 1	762,683	9,923,631	840,970	11,527,284
Fund balances - December 31	$ 854,350	$ 10,123,878	$ 848,316	$ 11,826,544

PERMANENT FUNDS **CITY OF COLORADO SPRINGS**
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL **COLORADO**
For the year ended December 31, 2014 **Exhibit E-3**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
C.D. Smith Trust Fund	$ 75,000	$ 99,924	$ 24,924
Cemetery Endowment Fund	250,000	200,247	(49,753)
TOPS Maintenance Trust Fund	11,500	8,239	(3,261)
Total revenues	$ 336,500	$ 308,410	$ (28,090)
Expenditures			
C.D. Smith Trust Fund	$ 75,000	$ 8,257	$ 66,743
Cemetery Endowment Fund	250,000	-	250,000
TOPS Maintenance Trust Fund	11,500	893	10,607
Total expenditures	$ 336,500	$ 9,150	$ 327,350

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 Highway fund
Used to account for the activities of the Pikes Peak Highway.

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.

NON-MAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2014

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets			
Cash and investments - unrestricted	$ 19,300,194	$ 787,083	$ 352,980
Cash and investments - restricted	7,119,033	-	-
Accounts receivable (net of allowance for uncollectibles)	3,019,041	17,073	2,098
Prepaids	57,826	-	-
Due from other funds	30,609	-	-
Inventories	126,625	-	-
Total current assets	29,653,328	804,156	355,078
Noncurrent assets			
Cash and investments - restricted	2,451,953	-	-
Note receivable	1,970,266	-	-
Due from other funds	-	-	-
Capital assets:			
Land	18,416,793	60,000	931,200
Buildings	68,240,563	1,969,651	282,508
Improvements other than buildings	250,662,795	2,025,918	1,510,289
Machinery and equipment	25,792,587	2,577,904	1,044,886
Infrastructure	48,243,184	-	-
Intangibles	652,942	-	-
Less accumulated depreciation	(157,515,144)	(4,891,739)	(2,443,438)
Unamortized bond insurance premium	87,462	-	-
Total noncurrent assets	259,003,401	1,741,734	1,325,445
Deferred outflows of resources			
Loss on debt refunding	259,930	-	-
Total deferred outflows of resources	259,930	-	-
Total assets and deferred outflows of resources	$ 288,916,659	$ 2,545,890	$ 1,680,523

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-1
(PAGE 1 OF 2)

Pikes Peak Highway Fund	Parking Fund	Cemetery Fund	Development Review Fund	Total
$ 9,479,173	$ 5,132,810	$ 106,478	$ 2,772,396	$ 37,931,114
-	-	-	-	7,119,033
20,345	21,157	298,342	-	3,378,056
-	-	-	-	57,826
5,466	83,335	-	-	119,410
54,686	-	-	-	181,311
9,559,670	5,237,302	404,820	2,772,396	48,786,750
-	859,938	-	-	3,311,891
-	-	-	-	1,970,266
-	1,652,428	-	-	1,652,428
667	2,072,246	81,379	-	21,562,285
4,390,641	25,082,242	514,720	80,173	100,560,498
11,616,920	11,661,420	1,689,135	80,289	279,246,766
2,675,565	367,334	355,213	171,184	32,984,673
-	-	-	-	48,243,184
-	-	-	-	652,942
(8,620,843)	(14,698,076)	(1,650,642)	(185,759)	(190,005,641)
-	99,378	-	-	186,840
10,062,950	27,096,910	989,805	145,887	300,366,132
-	-	-	-	259,930
-	-	-	-	259,930
$ 19,622,620	$ 32,334,212	$ 1,394,625	$ 2,918,283	$ 349,412,812

(continued)

NON-MAJOR ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2014

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	$ 4,104,642	$ 12,914	$ 3,315
Accrued salaries and benefits	219,711	18,870	7,788
Compensated absences	28,389	3,928	946
Due to other funds	107,633	10,020	6,062
Unearned revenue	1,171,484	17,775	2,040
Accrued interest payable	-	-	-
Matured bonds payable	1,565,000	-	-
Notes payable	363,299	-	-
Capital lease payable	-	88,480	86,403
Total current liabilities	7,560,158	151,987	106,554
Noncurrent liabilities			
Compensated absences	539,391	74,634	17,980
Unearned revenue	1,660,491	-	-
Revenue bonds payable, net	17,912,066	-	-
Notes payable	4,036,466	-	-
Total noncurrent liabilities	24,148,414	74,634	17,980
Total liabilities	31,708,572	226,621	124,534
Net position			
Net investment in capital assets	231,140,113	1,653,254	1,239,042
Restricted for passenger facility charges	553,168	-	-
Restricted for debt service	5,006,437	-	-
Unrestricted	20,508,369	666,015	316,947
Total net position	257,208,087	2,319,269	1,555,989
Total liabilities and net position	$ 288,916,659	$ 2,545,890	$ 1,680,523

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-1
(PAGE 2 OF 2)

Pikes Peak Highway Fund	Parking Fund	Cemetery Fund	Development Review Fund	Total
$ 52,773	$ 154,799	$ 14,131	$ 7,976	$ 4,350,550
34,645	16,110	13,126	25,894	336,144
4,347	3,392	2,977	2,421	46,400
2,460	13,271	3,491	302,005	444,942
-	-	-	957,707	2,149,006
-	36,361	-	-	36,361
-	630,000	-	-	2,195,000
65,014	-	-	-	428,313
97,217	-	-	-	272,100
256,456	853,933	33,725	1,296,003	10,258,816
82,601	64,454	56,554	46,007	881,621
-	-	-	-	1,660,491
-	9,359,596	-	-	27,271,662
366,657	-	-	-	4,403,123
449,258	9,424,050	56,554	46,007	34,216,897
705,714	10,277,983	90,279	1,342,010	44,475,713
9,534,062	15,355,508	989,805	145,887	260,057,671
-	-	-	-	553,168
425,000	859,938	-	-	6,291,375
8,957,844	5,840,783	314,541	1,430,386	38,034,885
18,916,906	22,056,229	1,304,346	1,576,273	304,937,099
$ 19,622,620	$ 32,334,212	$ 1,394,625	$ 2,918,283	$ 349,412,812

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ended December 31, 2014

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Operating revenues			
Charges for services	$ 15,294,147	$ 2,026,110	$ 1,010,584
Operating expenses			
Salaries and benefits	6,704,119	689,179	299,058
Other operating expenses	6,007,945	1,088,756	659,583
Depreciation	14,777,596	271,218	156,218
Total operating expenses	27,489,660	2,049,153	1,114,859
Operating income (loss)	(12,195,513)	(23,043)	(104,275)
Nonoperating revenues (expenses)			
Investment earnings	310,177	7,232	3,711
Interest expense	(1,380,836)	(3,044)	(5,284)
Passenger facility charges	1,616,131	-	-
Customer facility charges	915,699	-	-
Amortization expense	-	-	-
Gain (loss) on disposal of capital assets	10,937	825	-
Miscellaneous	706,015	-	-
Total nonoperating revenues (expenses)	2,178,123	5,013	(1,573)
Income (loss) before contributions and transfers	(10,017,390)	(18,030)	(105,848)
Capital contributions	13,164,372	-	-
Change in net position	3,146,982	(18,030)	(105,848)
Total net position - January 1, as previously stated	256,700,058	2,337,299	1,661,837
Prior period adjustment	(2,638,953)	-	-
Total net position - January 1, restated	254,061,105	2,337,299	1,661,837
Total net position - December 31	$ 257,208,087	$ 2,319,269	$ 1,555,989

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-2

Pikes Peak Highway Fund	Parking Fund	Cemetery Fund	Development Review Fund	Total
$ 5,944,652	$ 4,347,628	$ 1,025,119	$ 1,381,222	$ 31,029,462
1,205,645	540,520	482,288	886,080	10,806,889
1,218,161	1,141,419	816,016	362,561	11,294,441
689,037	1,031,467	80,939	7,228	17,013,703
3,112,843	2,713,406	1,379,243	1,255,869	39,115,033
2,831,809	1,634,222	(354,124)	125,353	(8,085,571)
76,120	121,970	280,500	21,507	821,217
(26,668)	(460,664)	-	-	(1,876,496)
-	-	-	-	1,616,131
-	-	-	-	915,699
-	(17,744)	-	-	(17,744)
33,683	(24,197)	-	-	21,248
-	-	-	-	706,015
83,135	(380,635)	280,500	21,507	2,186,070
2,914,944	1,253,587	(73,624)	146,860	(5,899,501)
-	-	-	-	13,164,372
2,914,944	1,253,587	(73,624)	146,860	7,264,871
16,001,962	20,802,642	1,377,970	1,429,413	300,311,181
-	-	-	-	(2,638,953)
16,001,962	20,802,642	1,377,970	1,429,413	297,672,228
$ 18,916,906	$ 22,056,229	$ 1,304,346	$ 1,576,273	$ 304,937,099

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 15,841,411	$ 2,023,731	$ 1,009,722
Receipts from interfund services provided	112,303	-	-
Payments to suppliers	(2,721,061)	(577,296)	(356,116)
Payments to employees	(6,708,282)	(678,954)	(295,042)
Payments for interfund services used	(2,066,073)	(526,431)	(307,015)
Net cash provided (used) by operating activities	4,458,298	241,050	51,549
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grant	239,662	-	-
Net cash provided by noncapital financing activities	239,662	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(15,814,984)	(75,616)	-
Repayment of capital lease obligations	(39,606)	(86,971)	(83,801)
Loan proceeds	2,336,000	-	-
Principal paid on capital debt	(18,087,444)	-	-
Interest paid on capital debt	(1,053,729)	-	-
Interest paid - other	-	(3,044)	(5,284)
Proceeds from sale of capital assets	124,660	825	-
Capital grant	13,507,502	-	-
Bond issuance proceeds	251,442	-	-
Bond issuance costs	(218,446)	-	-
Passenger facility charges	1,644,670	-	-
Customer facility charges	685,602	-	-
Other nonoperating revenue	619,423	-	-
Net cash used by capital and related financing activities	(16,044,910)	(164,806)	(89,085)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	28,883,217	400,121	249,474
Purchases of investments	(14,941,171)	(432,269)	(193,858)
Interest and dividends received	271,815	7,094	3,560
Principal received from interfund loan	-	-	-
Interest recevied from interfund loan	-	-	-
Net cash provided (used) by investing activities	14,213,861	(25,054)	59,176
Net increase in cash and cash equivalents	2,866,911	51,190	21,640
Cash and cash equivalents - January 1	848,573	12,999	7,146
Cash and cash equivalents - December 31	3,715,484	64,189	28,786
Cash and cash equivalents	3,715,484	64,189	28,786
Investments	25,155,696	722,894	324,194
Total cash and investments	$ 28,871,180	$ 787,083	$ 352,980

CITY OF COLORADO SPRINGS
COLORADO
Exhibit F-3
(PAGE 1 OF 2)

Pikes Peak Highway Fund	Parking Fund	Cemetery Fund	Development Review Fund	Total
$ 5,981,558	$ 4,007,093	$ 979,684	$ 1,834,815	$ 31,678,014
-	352,497	-	42,602	507,402
(934,915)	(963,731)	(409,137)	(196,834)	(6,159,090)
(1,203,879)	(547,159)	(480,276)	(874,779)	(10,788,371)
(287,399)	(240,445)	(404,641)	(167,247)	(3,999,251)
3,555,365	2,608,255	(314,370)	638,557	11,238,704
-	-	-	-	239,662
-	-	-	-	239,662
(236,232)	(784,379)	(40,121)	(55,830)	(17,007,162)
(166,071)	-	-	-	(376,449)
-	-	-	-	2,336,000
(62,490)	(595,000)	-	-	(18,744,934)
(19,148)	(462,876)	-	-	(1,535,753)
(7,520)	-	-	-	(15,848)
6,989	1,798	-	-	134,272
-	-	-	-	13,507,502
-	-	-	-	251,442
-	-	-	-	(218,446)
-	-	-	-	1,644,670
-	-	-	-	685,602
-	-	-	-	619,423
(484,472)	(1,840,457)	(40,121)	(55,830)	(18,719,681)
2,714,066	2,207,043	137,943	1,099,252	35,691,116
(5,205,996)	(2,818,960)	(58,478)	(1,522,610)	(25,173,342)
77,100	51,473	280,376	26,769	718,187
-	63,089	-	-	63,089
-	70,099	-	-	70,099
(2,414,830)	(427,256)	359,841	(396,589)	11,369,149
656,063	340,542	5,350	186,138	4,127,834
116,986	937,989	3,334	39,958	1,966,985
773,049	1,278,531	8,684	226,096	6,094,819
773,049	1,278,531	8,684	226,096	6,094,819
8,706,124	4,714,217	97,794	2,546,300	42,267,219
$ 9,479,173	$ 5,992,748	$ 106,478	$ 2,772,396	$ 48,362,038

(continued)

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (12,195,513)	$ (23,043)	$ (104,275)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	14,777,596	271,218	156,218
Change in assets and liabilities			
(Increase) decrease in accounts receivable	787,872	(952)	2,522
(Increase) decrease in due from other funds	-	-	-
Decrease in inventories	2,921	-	-
Increase (decrease) in accounts and other payables	1,273,243	(12,610)	(4,340)
Increase (decrease) in accrued expenses	(4,163)	10,225	4,016
Increase (decrease) in due to other funds	(55,353)	(2,363)	793
Increase (decrease) in other liabilities	(128,305)	(1,425)	(3,385)
Net cash provided (used) by operating activities	$ 4,458,298	$ 241,050	$ 51,549
Noncash investing, capital and financing activities			
Noncash acquisition of capital assets (incurrence of payable/capital lease obligation)	2,187,623	-	-
Increase (decrease) in fair value of investments	38,362	139	151

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

Pikes Peak Highway Fund	Parking Fund	Cemetery Fund	Development Review Fund	Total
$ 2,831,809	$ 1,634,222	$ (354,124)	$ 125,353	$ (8,085,571)
689,037	1,031,467	80,939	7,228	17,013,703
38,148	(6,665)	(45,436)	-	775,489
(1,242)	18,627	-	-	17,385
9,827	-	-	-	12,748
(9,502)	(67,203)	2,593	541	1,182,722
1,766	(6,639)	2,013	11,300	18,518
(4,478)	4,446	(355)	299,945	242,635
-	-	-	194,190	61,075
$ 3,555,365	$ 2,608,255	$ (314,370)	$ 638,557	$ 11,238,704
-	-	-	-	2,187,623
(981)	398	124	(5,262)	32,931

NON-MAJOR ENTERPRISE FUNDS **CITY OF COLORADO SPRINGS**
SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL-BUDGET BASIS **COLORADO**
For the year ended December 31, 2014 **Exhibit F-4**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Airport Fund	$ 34,321,602	$ 31,968,179	$ (2,353,423)
Patty Jewett Golf Fund	2,075,118	2,034,028	(41,090)
Valley Hi Golf Fund	1,153,596	1,014,144	(139,452)
Pikes Peak Highway Fund	3,695,314	6,028,742	2,333,428
Parking Fund	4,649,278	4,534,087	(115,191)
Cemetery Fund	1,273,715	1,305,495	31,780
Development Review Fund	1,611,102	1,407,991	(203,111)
Total revenues	$ 48,779,725	48,292,666	$ (487,059)
Reconciliation to GAAP:			
Add: Gain/(loss) on disposal of assets		11,636	
Add: Increase in fair value of investments		32,931	
Less: Interfund loan principal payments		(63,089)	
Revenues (US GAAP basis)		$ 48,274,144	

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Airport Fund	$ 34,271,649	$ 28,816,483	$ 5,455,166
Patty Jewett Golf Fund	2,058,516	1,908,721	149,795
Valley Hi Golf Fund	1,273,471	1,045,499	227,972
Pikes Peak Highway Fund	4,845,955	2,907,075	1,938,880
Parking Fund	4,809,971	3,529,953	1,280,018
Cemetery Fund	1,386,335	1,336,217	50,118
Development Review Fund	1,724,488	1,297,256	427,232
Total expenses	$ 50,370,385	40,841,204	$ 9,529,181
Reconciliation to GAAP:			
Add: Depreciation expense		17,013,703	
Add: Amortization expense		17,744	
Add: Other year-end accrual entries		17,683	
Less: Capital expenditures		(14,491,728)	
Less: Capital lease principal payments		(336,843)	
Less: Capital debt principal payments		(2,052,490)	
Expenditures (US GAAP basis)		$ 41,009,273	

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.

Fleet Management fund
Used to account for centralized fleet management.

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, 2014

	Fleet Management Fund	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
ASSETS			
Current assets			
Cash and investments	$ 795,409	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	1,092	-	836,266
Inventories	77,695	-	-
Due from other funds	381,326	-	38,184
Total current assets	1,255,522	-	874,450
Noncurrent assets			
Capital assets:			
Land	-	-	-
Buildings	142,306	-	-
Improvements other than buildings	396,917	-	-
Machinery and equipment	2,441,943	-	41,433
Intangibles	34,891	-	-
Less accumulated depreciation	(2,681,429)	-	(34,579)
Total noncurrent assets	334,628	-	6,854
Total assets	1,590,150	-	881,304
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	56,274	651,143	10,001,980
Accrued salaries and benefits	3,217	6,235	17,297
Compensated absences	-	1,184	2,228
Due to other funds	2,488	145,781	7,535
Total current liabilities	61,979	804,343	10,029,040
Noncurrent liabilities			
Compensated absences	-	22,498	42,339
Total noncurrent liabilities	-	22,498	42,339
Total liabilities	61,979	826,841	10,071,379
Net position			
Net investment in capital assets	334,628	-	6,854
Unrestricted	1,193,543	(826,841)	(9,196,929)
Total net position	1,528,171	(826,841)	(9,190,075)
Total liabilities and net position	$ 1,590,150	$ -	$ 881,304

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-1

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ -	$ 137,103	$ 1,189,311	$ 2,121,823
590,795	25,137	43,964	1,497,254
-	42,756	3,060	123,511
81,586	54,742	-	555,838
672,381	259,738	1,236,335	4,298,426
-	-	13,000	13,000
-	-	201,250	343,556
-	-	-	396,917
-	225,791	194,980	2,904,147
-	-	-	34,891
-	(225,774)	(395,643)	(3,337,425)
-	17	13,587	355,086
672,381	259,755	1,249,922	4,653,512
4,147,348	9,995	115,590	14,982,330
7,558	17,619	10,975	62,901
1,142	5,154	1,478	11,186
2,387,194	-	302,017	2,845,015
6,543,242	32,768	430,060	17,901,432
21,704	97,917	28,078	212,536
21,704	97,917	28,078	212,536
6,564,946	130,685	458,138	18,113,968
-	17	13,587	355,086
(5,892,565)	129,053	778,197	(13,815,542)
(5,892,565)	129,070	791,784	(13,460,456)
$ 672,381	$ 259,755	$ 1,249,922	$ 4,653,512

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the year ended December 31, 2014

	Fleet Management Fund	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
Operating revenues			
Charges for services	$ 260,982	$ 811,504	$ 7,380,903
Operating expenses			
Salaries and benefits	485,146	212,767	628,433
Other operating expenses	496,341	658,048	9,916,289
Depreciation	74,666	-	3,500
Total operating expenses	1,056,153	870,815	10,548,222
Operating income (loss)	(795,171)	(59,311)	(3,167,319)
Nonoperating revenues			
Investment earnings	12,403	26	11,482
Gain on disposal of capital assets	12,720	-	-
Total nonoperating revenues	25,123	26	11,482
Change in net position	(770,048)	(59,285)	(3,155,837)
Total net position - January 1	2,298,219	(767,556)	(6,034,238)
Total net position - December 31	$ 1,528,171	$ (826,841)	$ (9,190,075)

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-2

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ 24,542,955	$ 1,524,209	$ 1,468,645	$ 35,989,198
272,817	585,908	354,722	2,539,793
23,076,175	1,020,779	965,918	36,133,550
-	418	521	79,105
23,348,992	1,607,105	1,321,161	38,752,448
1,193,963	(82,896)	147,484	(2,763,250)
-	1,864	10,952	36,727
-	-	-	12,720
-	1,864	10,952	49,447
1,193,963	(81,032)	158,436	(2,713,803)
(7,086,528)	210,102	633,348	(10,746,653)
$ (5,892,565)	$ 129,070	$ 791,784	$ (13,460,456)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

	Fleet Management Fund	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 50,793	$ -	$ 1,785,844
Receipts from interfund services provided	376,104	823,004	4,903,933
Payments to suppliers	(16,466)	(717,987)	(6,946,395)
Payments to employees	(978,109)	(209,586)	(638,609)
Payments for interfund services used	(188,329)	(1,201)	(1,043,001)
Net cash provided (used) by operating activities	(756,007)	(105,770)	(1,938,228)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayment of advance from other funds	-	(40,037)	-
Advance from other funds	-	145,781	7,535
Net cash provided by noncapital financing activities	-	105,744	7,535
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Repayment of capital lease obligations	(2,488)	-	-
Proceeds from sales of capital assets	12,720	-	-
Net cash provided by capital and related financing activities	10,232	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,207,992	-	1,886,134
Purchases of investments	(436,842)	-	-
Interest and dividends received	11,249	26	9,103
Net cash provided (used) by investing activities	782,399	26	1,895,237
Net increase (decrease) in cash and cash equivalents	36,624	-	(35,456)
Cash and cash equivalents - January 1	28,242	-	35,456
Cash and cash equivalents - December 31	64,866	-	-
Cash and cash equivalents	64,866	-	-
Investments	730,543	-	-
Total cash and investments	$ 795,409	$ -	$ -

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ 5,963,815	$ 186,051	$ 599,777	$ 8,586,280
18,215,441	1,345,439	868,440	26,532,361
(23,124,331)	(664,775)	(445,326)	(31,915,280)
(270,602)	(575,960)	(352,478)	(3,025,344)
(839,937)	(340,630)	(170,356)	(2,583,454)
(55,614)	(49,875)	500,057	(2,405,437)
(2,331,580)	-	-	(2,371,617)
2,387,194	-	-	2,540,510
55,614	-	-	168,893
-	-	-	(2,488)
-	-	-	12,720
-	-	-	10,232
-	131,171	226,358	3,451,655
-	(75,297)	(653,174)	(1,165,313)
-	1,762	11,219	33,359
-	57,636	(415,597)	2,319,701
-	7,761	84,460	93,389
-	3,420	12,533	79,651
-	11,181	96,993	173,040
-	11,181	96,993	173,040
-	125,922	1,092,318	1,948,783
$ -	$ 137,103	$ 1,189,311	$ 2,121,823

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2014

	Fleet Management Fund	Claims Reserve Self-Insurance Fund	Workers' Compensation Self-Insurance Fund
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	$ (795,171)	$ (59,311)	$ (3,167,319)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	74,666	-	3,500
Change in assets and liabilities			
(Increase) decrease in accounts receivable	41,999	-	(836,266)
(Increase) decrease in due from other funds	123,916	11,500	145,140
Decrease in inventories	687,832	-	-
Decrease in prepaids	-	-	175,127
Increase (decrease) in accounts and other payables	(388,591)	(61,140)	1,808,857
Increase (decrease) in accrued expenses	(492,963)	3,181	(10,176)
Increase (decrease) in due to other funds	(7,695)	-	(57,091)
Net cash provided (used) by operating activities	$ (756,007)	$ (105,770)	$ (1,938,228)
Noncash investing, capital and financing activities			
Increase (decrease) in fair value of investments	$ 1,154	$ -	$ 2,378

Employee Benefits Self-Insurance Fund	Office Services Fund	Radio Communications Fund	Total
$ 1,193,963	$ (82,896)	$ 147,484	$ (2,763,250)
-	418	521	79,105
(358,554)	15,935	(1,261)	(1,138,147)
(5,145)	(8,654)	833	267,590
-	14,866	64	702,762
-	-	-	175,127
(888,093)	508	48,395	519,936
2,215	9,948	2,244	(485,551)
-	-	301,777	236,991
$ (55,614)	$ (49,875)	$ 500,057	$ (2,405,437)
$ -	$ 102	$ (267)	$ 3,367

INTERNAL SERVICES FUND **CITY OF COLORADO SPRINGS**
SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL-BUDGET BASIS **COLORADO**
For the year ended December 31, 2014 **Exhibit G-4**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fleet Management Fund	$ -	$ 284,951	$ 284,951
Claims Reserve Self-Insurance Fund	1,000,000	811,530	(188,470)
Workers' Compensation Self-Insurance Fund	8,000,000	7,390,006	(609,994)
Employee Benefits Self-Insurance Fund	32,480,995	24,542,955	(7,938,040)
Office Services Fund	1,785,297	1,525,972	(259,325)
Radio Communications Fund	1,884,275	1,479,864	(404,411)
Total revenues	$ 45,150,567	36,035,278	$ (9,115,289)
Reconciliation to GAAP:			
Add: Increase in fair value of investments		3,367	
Revenues (US GAAP basis)		$ 36,038,645	

	Final Budget	Actual	Variance Positive (Negative)
Expenses			
Fleet Management Fund	$ 500,000	$ 674,980	$ (174,980)
Claims Reserve Self-Insurance Fund	1,000,000	868,564	131,436
Workers' Compensation Self-Insurance Fund	8,000,000	10,554,894	(2,554,894)
Employee Benefits Self-Insurance Fund	32,480,996	23,347,154	9,133,842
Office Services Fund	1,828,785	1,584,208	244,577
Radio Communications Fund	1,949,641	1,317,987	631,654
Total expenses	$ 45,759,422	38,347,787	$ 7,411,635
Reconciliation to GAAP:			
Add: Depreciation expense		79,105	
Add: Other year-end accrual entries		325,556	
Expenditures (US GAAP basis)		$ 38,752,448	

Note: Includes transfers

FIDUCIARY FUNDS

Fiduciary funds are used to account for the assets held by the City in a trustee capacity or as an agent for other agencies, individuals, private organizations or governmental units and cannot be used to support City programs.

Pension Trust:

Fire and Police Pension Trust funds
Used to account for assets of the Colorado Springs Fire and Police pension plans. Includes Old Hire Fire and Old Hire Police Trust funds.

Agency*:*

Miscellaneous Depository Agency fund
Used to account for assets that the City holds on behalf of others as their agent.

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total
ASSETS			
Pension assets held in trust by Fire and Police Pension Association			
Cash	$ 863,553	$ 728,468	$ 1,592,021
Fixed income	11,618,717	9,801,200	21,419,917
Global equity	30,773,899	25,959,936	56,733,835
Managed futures	3,454,214	2,913,870	6,368,084
Illiquid alternatives	14,994,425	12,648,847	27,643,272
Absolute return	8,871,047	7,483,349	16,354,396
Long/short equity	7,928,989	6,688,657	14,617,646
Total pension assets held in trust for pension benefits	78,504,844	66,224,327	144,729,171
NET POSITION			
Net position held in trust for pension benefits	$ 78,504,844	$ 66,224,327	$ 144,729,171

FIDUCIARY FUNDS **CITY OF COLORADO SPRINGS**
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION **COLORADO**
For the year ended December 31, 2014 **Exhibit H-2**

	Old Hire Fire Pension Trust Fund	Old Hire Police Pension Trust Fund	Total
Additions			
City contributions	$ 1,467,740	$ 1,541,080	$ 3,008,820
Participant contributions	-	6,534	6,534
Total contributions	1,467,740	1,547,614	3,015,354
Investment earnings:			
Interest and dividend income	977,732	824,980	1,802,712
Net increase in fair value of investments	4,871,647	4,110,594	8,982,241
Total investment gain	5,849,379	4,935,574	10,784,953
Less investment expenses	674,663	569,660	1,244,323
Net investment gain	5,174,716	4,365,914	9,540,630
Total additions	6,642,456	5,913,528	12,555,984
Deductions			
Benefits	(8,145,436)	(6,896,965)	(15,042,401)
Total deductions	(8,145,436)	(6,896,965)	(15,042,401)
Change in net position	(1,502,980)	(983,437)	(2,486,417)
Net position held in trust for pension benefits - January 1	80,007,824	67,207,764	147,215,588
Net position held in trust for pension benefits - December 31	$ 78,504,844	$ 66,224,327	$ 144,729,171

AGENCY FUND
BALANCE SHEET
December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-3

	Miscellaneous Depository Fund
ASSETS	
Cash and investments	$ 1,947,877
Accounts receivable (net of allowance for uncollectibles)	4,433
Due from component unit	2,787
Total assets	1,955,097
LIABILITIES	
Accounts payable	275,889
Due to component unit	1,679,208
Total liabilities	$ 1,955,097

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES
For the year ended December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-4

	Beginning balance	Debits	Credits	Ending balance
ASSETS				
Miscellaneous depository fund				
Cash and investments	$ 733,620	$ 182,698,962	$ 181,484,705	$ 1,947,877
Accounts receivable (net of allowance for uncollectibles)	884,726	4,182	884,475	4,433
Due from component unit	-	2,787	-	2,787
Total assets	1,618,346	182,705,931	182,369,180	1,955,097
LIABILITIES				
Miscellaneous depository fund				
Accounts payable	-	180,264,528	180,540,417	275,889
Due to component unit	1,618,346	-	60,862	1,679,208
Total liabilities	$ 1,618,346	$ 180,264,528	$ 180,601,279	$ 1,955,097

CITY OF COLORADO SPRINGS

STATISTICAL SECTION

The statistical section includes six categories of information:

Financial Trend Analysis:

This section is intended to assist in understanding and assessing how the City's financial position has changed over time. Tables 1 through 4 include current and prior years information on net position and fund balances.

Revenue Capacity Analysis:

This section is intended to assist in understanding and assessing factors affecting the City's ability to generate its own source revenues. The City's largest own source revenue is the City's sales tax. Tables 5 through 7 provide data related to the City's sales tax collected, direct and overlapping sales and use tax rates and the City's taxpayers by industry.

Debt Capacity Analysis:

This section is intended to assist in understanding and assessing the City's tax burden and its ability to issue additional debt. Tables 8 through 12 outline various debt analysis including direct and overlapping debt, legal debt margin and pledged revenue coverage.

Demographic and Economic Analysis:

This section is intended to assist in (1) understanding the socioeconomic environment within which the City operates and (2) providing information to facilitate comparisons of financial statement information over time and among governments. Tables 13 through 15 provide information on various demographic and economic statistics, principal employers, and full time equivalent City government employees.

Operating Analysis:

This section is intended to provide contextual information about the City's operations and resources to assist in using the financial statement information in understanding the City's economic condition. Tables 16 and 17 provide statistical information on operating indicators and capital assets.

Other Information:

Other tables required for disclosure are also included in this section. Tables 18 through 21 provide sales and use tax revenue collection costs and required refunds, assessed valuations, property tax levies and collections, direct and overlapping mill levy rates, landfill closure and postclosure costs.

CITY OF COLORADO SPRINGS

NET POSITION BY COMPONENT
Last ten fiscal years

Table 1

	Fiscal Year									
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Governmental activities										
Net investment in capital assets	$ 1,247,391,126	$ 1,222,445,299	$ 1,204,660,019	$ 1,189,009,759	$ 1,036,479,446	$ 977,962,432	$ 987,792,618	$ 943,951,873	$ 792,111,419	$ 737,918,070
Restricted	23,557,193	20,966,471	19,196,709	18,374,171	22,531,964	22,552,285	18,016,585	19,959,764	19,626,343	18,110,760
Unrestricted	72,305,489	74,861,853	85,263,142	71,001,838	58,151,603	41,262,028	48,519,165	73,002,127	69,855,088	76,136,180
Total governmental activities net position	$ 1,343,253,808	$ 1,318,273,623	$ 1,309,119,870	$ 1,278,385,768	$ 1,117,163,013	$ 1,041,776,745	$ 1,054,328,368	$ 1,036,913,764	$ 881,592,850	$ 832,165,010
Business-type activities										
Net investment in capital assets	$ 1,566,906,671	$ 1,423,336,171	$ 1,313,687,876	$ 1,302,975,565	$ 1,302,421,603	$ 1,331,520,235	$ 1,299,158,955	$ 1,327,314,557	$ 1,282,203,625	$ 1,136,184,516
Restricted	61,330,543	42,190,406	81,754,874	127,607,494	89,960,386	47,970,871	46,335,511	66,201,848	57,715,492	64,247,486
Unrestricted	156,215,483	224,351,377	351,354,252	607,184,465	628,422,810	583,939,576	310,245,990	491,602,189	464,250,952	620,409,743
Total business-type activities net position	$ 1,784,452,697	$ 1,689,877,954	$ 1,746,797,002	$ 2,037,767,524	$ 2,020,804,799	$ 1,963,430,682	$ 1,655,740,456	$ 1,885,118,594	$ 1,804,170,069	$ 1,820,841,745
Primary government										
Net investment in capital assets	$ 2,814,297,797	$ 2,645,781,470	$ 2,518,347,895	$ 2,491,985,324	$ 2,338,901,049	$ 2,309,482,667	$ 2,286,951,573	$ 2,271,266,430	$ 2,074,315,044	$ 1,874,102,586
Restricted	84,887,736	63,156,877	100,951,583	145,981,665	112,492,350	70,523,156	64,352,096	86,161,612	77,341,835	82,358,246
Unrestricted	228,520,972	299,213,230	436,617,394	678,186,303	686,574,413	625,201,604	358,765,155	564,604,316	534,106,040	696,545,923
Total primary government net position	$ 3,127,706,505	$ 3,008,151,577	$ 3,055,916,872	$ 3,316,153,292	$ 3,137,967,812	$ 3,005,207,427	$ 2,710,068,824	$ 2,922,032,358	$ 2,685,762,919	$ 2,653,006,755

CITY OF COLORADO SPRINGS
COLORADO
Table 2
(PAGE 1 OF 2)

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year									
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Expenses										
Governmental activities:										
General government	$ 66,869,211	$ 57,776,797	$ 58,618,337	$ 48,067,151	$ 46,363,125	$ 56,677,795	$ 92,816,914	$ 79,497,564	$ 72,426,781	$ 66,069,123
Public safety	168,664,690	158,517,649	149,168,556	149,930,831	150,429,316	145,663,748	123,712,015	126,767,912	127,123,546	116,674,354
Public works	78,015,459	80,476,208	74,045,666	67,067,654	61,479,834	83,647,759	69,909,340	79,445,004	70,720,058	71,137,000
Health and welfare	1,083,268	1,057,832	1,274,298	1,214,081	1,205,744	1,230,831	1,181,013	1,146,634	1,061,100	896,675
Culture and recreation	27,008,991	22,344,456	22,238,048	21,789,448	21,616,273	25,192,163	22,674,396	25,899,084	23,336,913	27,454,595
Urban redevelopment and housing	5,721,466	4,775,034	6,803,814	5,032,806	6,160,987	4,966,112	6,034,237	4,917,290	6,505,047	5,615,284
Economic development	3,811,264	3,292,753	2,711,136	2,619,256	2,042,321	3,170,529	2,814,646	2,894,876	2,862,511	2,577,708
Economic opportunities	-	-	-	-	-	-	3,242	73,758	24,045	12,163
Interest on long-term debt	3,397,967	4,683,225	4,867,183	5,020,740	5,630,651	5,391,628	5,058,419	4,758,426	6,064,813	6,411,059
Miscellaneous	-	-	-	-	-	-	-	-	480,442	574,337
Total governmental activities expenses	354,572,316	332,923,954	319,727,038	300,741,967	294,928,251	325,940,565	324,204,222	325,400,548	310,605,256	297,422,298
Business-type activities:										
Utilities	783,594,844	805,232,795	749,375,429	818,668,053	796,131,627	725,181,046	999,877,783	737,871,365	794,957,734	567,771,779
PACE	60,995,000	61,041,000	-	-	-	-	-	-	-	-
MHS	620,537	431,000	431,645,000	560,894,000	540,440,000	555,196,000	556,297,000	500,198,000	412,148,000	374,257,000
Airport	-	-	-	24,874,856	25,341,755	25,469,043	26,371,427	26,044,121	45,455,853	24,707,950
Parking	-	-	-	3,843,908	3,089,064	4,014,468	3,938,954	3,064,208	2,517,840	2,483,200
Other	37,810,511	47,044,893	43,356,373	12,391,209	16,213,845	23,269,243	17,131,141	14,015,113	10,457,158	9,178,016
Total business-type activities expenses	883,020,892	913,749,688	1,224,376,802	1,420,672,026	1,381,216,291	1,333,129,800	1,603,616,305	1,281,192,807	1,265,536,585	978,397,945
Total primary government expenses	$ 1,237,593,208	$ 1,246,673,642	$ 1,544,103,840	$ 1,721,413,993	$ 1,676,144,542	$ 1,659,070,365	$ 1,927,820,527	$ 1,606,593,355	$ 1,576,141,841	$ 1,275,820,243
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 20,374,166	$ 11,468,448	$ 14,284,808	$ 16,781,325	$ 16,515,016	$ 15,631,509	$ 20,985,541	$ 20,396,377	$ 20,650,157	$ 21,090,902
Public safety	6,413,558	4,796,826	5,032,930	4,585,702	4,909,599	4,299,642	3,760,245	3,733,389	4,639,941	3,665,390
Public works	7,897,929	7,647,033	5,189,248	4,681,309	6,357,708	6,812,214	8,598,594	7,876,596	10,389,741	10,337,995
Culture and recreation	2,655,107	2,394,630	2,343,078	2,901,620	3,124,277	3,315,582	3,460,517	3,298,029	3,287,652	3,181,267
Urban redevelopment and housing	236,679	550,014	2,126,074	297,530	98,933	859,437	2,071,374	1,121,879	2,800,362	791,692
Economic development	1,000	-	-	-	-	36,996	6,841	27,748	120,061	36,278
Operating grants and contributions	15,399,529	21,514,697	20,121,901	25,377,676	24,110,968	19,289,013	15,004,443	22,917,770	13,806,989	60,461,831
Capital grants and contributions	80,881,804	60,360,011	77,975,257	176,593,370	105,822,052	58,880,735	78,130,974	198,295,183	93,664,188	34,263,627
Total governmental activities program revenues	$ 133,859,772	$ 108,731,659	$ 127,073,296	$ 231,218,532	$ 160,938,553	$ 109,125,128	$ 132,018,529	$ 257,666,971	$ 149,359,091	$ 133,828,982

(continued)

Note: The city adopted GASB Statement No. 61 in 2013, which requires PACE to be presented as a blended component unit.
In 2012, Airport and Parking were moved from major funds to non-major funds and are presented as Other.

CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Business-type activities:										
Charges for services:										
Utilities	$ 868,846,000	$ 823,760,000	$ 849,746,000	$ 830,522,000	$ 797,546,000	$ 743,780,000	$ 756,774,000	$ 721,355,652	$ 678,530,612	$ 671,846,586
PACE	47,641,000	47,085,000	-	-	-	-	-	-	-	-
MHS	-	-	415,872,000	551,709,000	550,074,000	543,987,000	553,072,000	507,694,000	425,091,000	397,956,000
Airport	-	-	-	20,360,155	19,209,227	21,302,693	25,607,276	25,532,810	25,411,477	24,714,030
Parking	-	-	-	3,831,263	3,715,448	3,631,086	3,733,694	3,504,273	3,200,612	2,785,403
Other	31,029,462	35,699,603	33,843,316	9,612,131	9,826,784	24,489,550	25,138,274	24,683,395	8,732,533	8,528,184
Capital grants and contributions	60,238,372	57,956,449	68,939,203	46,543,219	50,430,938	42,733,907	44,401,587	64,979,269	91,230,189	57,521,098
Total business-type activities program revenues	1,007,754,834	964,501,052	1,368,400,519	1,462,577,768	1,430,802,397	1,379,924,236	1,408,726,831	1,347,749,399	1,232,196,423	1,163,351,301
Total primary government program revenues	$ 1,141,614,606	$ 1,073,232,711	$ 1,495,473,815	$ 1,693,796,300	$ 1,591,740,950	$ 1,489,049,364	$ 1,540,745,360	$ 1,605,416,370	$ 1,381,555,514	$ 1,297,180,283
Net (expense)/revenue										
Governmental activities	$ (220,712,544)	$ (224,192,295)	$ (192,653,742)	$ (69,523,435)	$ (133,989,698)	$ (216,815,437)	$ (192,185,693)	$ (67,733,577)	$ (161,246,165)	$ (163,593,316)
Business-type activities	124,733,942	50,751,364	144,023,717	41,905,742	49,586,106	46,794,436	(194,889,474)	66,556,592	(33,340,162)	184,953,356
Total primary government net (expense) revenue	$ (95,978,602)	$ (173,440,931)	$ (48,630,025)	$ 46,822,216	$ (59,393,064)	$ (135,281,753)	$ (141,218,406)	$ (448,052,599)	$ (116,729,961)	$ (263,431,449)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	$ 22,862,535	$ 24,283,843	$ 22,897,112	$ 24,473,652	$ 24,326,164	$ 26,275,090	$ 25,741,077	$ 22,696,117	$ 21,906,181	$ 20,485,055
Sales taxes	185,615,186	172,706,230	163,975,846	155,546,936	148,782,961	143,214,662	150,111,070	163,816,420	158,461,159	153,812,340
Specific ownership taxes	2,478,710	2,343,653	2,222,285	2,190,174	2,311,600	2,761,330	3,024,451	3,179,212	3,094,339	3,146,062
Occupational liquor taxes	266,803	264,539	259,820	257,561	256,153	253,747	254,711	259,320	256,852	253,228
Admissions tax	509,696	432,317	476,030	449,533	490,236	447,568	398,694	313,008	440,766	405,455
Bicycle excise tax	81,032	78,760	90,536	86,091	95,547	89,579	91,074	109,226	111,463	122,757
Investment earnings	1,379,491	1,102,409	1,783,647	1,291,703	1,734,681	2,676,486	3,809,609	7,515,253	6,637,647	3,657,449
Gain on sale of capital assets	326,919	995,844	-	748,077	572,920	1,516,412	275,399	87,244	51,479	16,576
Contributions to endowments	83,086	70,965	78,943	73,080	78,543	84,680	94,795	99,192	90,505	83,980
Transfers	32,055,000	32,116,530	33,145,262	30,235,004	30,727,161	26,109,574	25,799,417	24,979,499	24,558,860	24,359,629
Total governmental activities	245,658,458	234,395,090	224,929,481	215,351,811	209,375,966	203,429,128	209,600,297	223,054,491	215,609,251	206,342,531
Business-type activities:										
Investment earnings	4,534,754	4,070,731	18,412,607	3,492,224	30,445,172	44,279,364	(8,689,259)	39,371,432	35,910,334	24,999,934
Loss on defeasance and repayment of long term debt	-	-	(47,903,000)	-	-	-	-	-	-	-
Extraordinary item	-	(507,000)	-	-	-	-	-	-	-	-
Special item - conveyance of assets	-	-	(372,358,584)	(1,015,237)	-	-	-	-	-	-
Transfers	(32,055,000)	(32,116,530)	(33,145,262)	(30,235,004)	(30,727,161)	(26,109,574)	(25,799,417)	(24,979,499)	(24,558,860)	(24,359,629)
Total business-type activities	(27,520,246)	(28,552,799)	(434,994,239)	(27,758,017)	(281,989)	18,169,790	(34,488,676)	14,391,933	11,351,474	640,305
Total primary government	$ 218,138,212	$ 205,842,291	$ (210,064,758)	$ 187,593,794	$ 209,093,977	$ 221,598,918	$ 175,111,621	$ 237,446,424	$ 226,960,725	$ 206,982,836
Change in net position										
Governmental activities	$ 24,945,914	$ 10,202,795	$ 32,275,739	$ 23,625,092	$ 139,852,531	$ 69,439,430	$ (7,215,140)	$ 30,868,798	$ 147,875,674	$ 45,096,366
Business-type activities	97,213,696	22,198,565	(290,970,522)	210,790,918	9,848,382	16,877,735	41,108,355	(241,474,973)	(37,644,910)	(101,544,979)
Total primary government	$ 122,159,610	$ 32,401,360	$ (258,694,783)	$ 234,416,010	$ 149,700,913	$ 86,317,165	$ 33,893,215	$ (210,606,175)	$ 110,230,764	$ (56,448,613)

Note: The City adopted GASB Statement No. 61 in 2013, which requires PACE to be presented as a blended component unit.
In 2012, Airport and Parking were moved from major funds to non-major funds and are presented as Other.

CITY OF COLORADO SPRINGS
COLORADO
Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS
Last ten fiscal years

	Fiscal Year									
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
General fund										
Nonspendable	$ 450,771	$ 133,289	$ 132,999	$ 609,243	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	9,996,781	8,182,418	7,547,036	7,547,034	-	-	-	-	-	-
Committed	6,369,071	5,565,912	3,857,623	1,231,321	-	-	-	-	-	-
Assigned	2,937,924	8,070,526	3,212,142	3,415,078	-	-	-	-	-	-
Unassigned	33,950,373	35,115,277	47,194,174	37,994,759	-	-	-	-	-	-
Reserved	-	-	-	-	9,908,610	10,491,562	9,152,823	8,711,416	8,706,621	7,590,511
Unreserved	-	-	-	-	34,078,702	15,926,061	22,864,229	31,775,420	24,119,856	31,626,013
Total general fund	$ 53,704,920	$ 57,067,422	$ 61,943,974	$ 50,797,435	$ 43,987,312	$ 26,417,623	$ 32,017,052	$ 40,486,836	$ 32,826,477	$ 39,216,524
All other governmental funds										
Nonspendable	$ 11,540,728	$ 11,049,247	$ 10,440,549	$ 9,721,218	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	33,433,127	30,599,345	32,237,097	26,971,406	-	-	-	-	-	-
Committed	16,622,140	14,015,208	11,107,290	10,824,498	-	-	-	-	-	-
Assigned	1,050,454	847,687	32,259	120,349	-	-	-	-	-	-
Reserved	-	-	-	-	10,873,354	10,310,723	8,863,762	11,248,348	10,919,723	10,520,249
Unreserved, reported in:										
Special revenue funds	-	-	-	-	28,817,032	29,662,100	30,108,294	34,247,414	36,559,557	32,027,399
Capital projects funds	-	-	-	-	6,539,942	5,113,092	9,040,858	12,450,314	11,328,784	14,262,602
Total all other governmental funds	$ 62,646,449	$ 56,511,487	$ 53,817,195	$ 47,637,471	$ 46,230,328	$ 45,085,915	$ 48,012,914	$ 57,946,076	$ 58,808,064	$ 56,810,250

Note: The City adopted GASB Statement 54 in 2011 which requires new fund balance classifications for governmental funds

CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 4

	Fiscal Year									
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Revenues										
Taxes	$ 211,813,962	$ 200,109,342	$ 189,921,630	$ 183,003,947	$ 176,388,909	$ 173,181,802	$ 179,790,693	$ 190,409,468	$ 184,419,011	$ 178,378,079
Licenses and permits	1,860,374	1,940,283	1,761,529	870,688	798,583	557,894	650,977	701,441	980,916	667,337
Intergovernmental	51,801,244	49,448,348	51,689,187	62,487,615	85,204,897	57,833,164	53,351,302	60,601,329	54,367,954	43,158,722
Charges for services	24,395,457	22,180,061	20,532,487	21,739,662	24,779,523	25,266,767	29,323,793	29,058,970	33,375,567	32,821,512
Endowments and donations	1,498,184	1,282,267	1,584,805	1,315,079	1,680,204	1,614,763	1,699,147	1,326,375	2,636,147	3,634,011
Other revenue	3,242,165	2,410,136	4,742,492	4,468,747	2,989,985	2,311,184	4,415,975	3,601,664	2,321,482	2,725,085
Interfund services provided	7,997,266	-	-	-	-	-	-	-	-	-
Investment earnings	1,388,369	1,115,418	1,752,286	1,327,990	1,822,435	2,902,795	3,331,460	6,960,170	5,572,923	3,111,062
Rental income	588,703	589,610	570,703	605,115	723,937	773,764	767,989	697,917	746,082	660,478
Total revenues	304,585,724	279,075,465	272,555,119	275,818,843	294,388,473	264,442,133	273,331,336	293,357,334	284,420,082	265,156,286
Expenditures										
General government	56,713,784	56,098,731	48,772,398	47,390,554	42,203,955	50,559,017	82,353,801	72,231,643	66,991,217	57,177,292
Public safety	159,829,593	149,890,554	145,044,874	141,877,121	141,338,332	135,143,416	113,724,157	116,345,694	119,126,698	110,140,218
Public works	38,414,786	38,659,424	32,353,857	31,816,336	33,423,255	50,726,314	37,188,794	41,998,578	40,554,899	38,190,123
Health and welfare	1,080,000	1,040,000	1,270,179	1,209,861	1,214,390	1,227,493	1,173,833	1,134,100	1,061,100	896,675
Culture and recreation	22,720,707	18,044,391	18,718,313	18,216,191	21,079,762	22,621,993	21,611,217	22,303,042	20,390,415	20,104,499
Urban redevelopment and housing	4,952,651	4,402,839	6,531,559	4,877,732	6,082,959	4,922,150	5,957,329	5,670,270	6,840,243	5,787,915
Economic development	3,799,765	3,237,248	2,702,372	2,610,152	2,056,965	3,161,932	2,797,534	2,863,231	2,830,396	2,557,373
Economic opportunities	-	-	-	-	-	-	3,222	72,952	23,775	12,067
Miscellaneous	14,708	670,525	1,160,787	3,374,694	1,077,315	581,673	815,688	602,980	514,049	660,481
Debt service										
Principal	13,334,381	14,397,183	13,352,897	12,225,107	12,435,183	9,894,252	10,051,894	8,772,742	10,904,822	13,769,724
Interest	3,437,765	4,803,195	5,079,904	5,258,816	5,811,077	4,782,855	4,909,523	5,080,129	6,127,357	6,381,097
Issuance Expense	-	-	-	188,001	77,358	1,028,220	-	-	-	-
Capital outlay	29,987,604	24,582,564	16,958,479	29,006,978	41,390,901	56,397,757	46,673,145	41,240,465	33,440,043	42,296,100
Total expenditures	334,285,744	315,826,654	291,945,619	298,051,543	308,191,452	341,047,072	327,260,137	318,315,826	308,805,014	297,973,564
Deficiency of revenues under expenditures	(29,700,020)	(36,751,189)	(19,390,500)	(22,232,700)	(13,802,979)	(76,604,939)	(53,928,801)	(24,958,492)	(24,384,932)	(32,817,278)
Other financing sources (uses)										
Transfers - in	42,711,618	42,406,999	40,886,014	39,793,341	46,854,998	34,325,645	39,019,942	39,631,621	42,599,569	45,172,685
Transfers - out	(10,656,618)	(10,622,278)	(6,740,752)	(7,877,337)	(16,127,837)	(9,666,071)	(11,720,525)	(16,897,772)	(18,040,709)	(20,490,444)
Issuance of debt	8,960,000	-	-	13,485,000	3,900,000	65,930,000	2,790,000	10,476,900	-	2,695,000
Payment on refunding bonds	(8,856,720)	-	-	(16,262,864)	(4,221,551)	(38,707,635)	-	(11,161,225)	-	-
Premium on bonds issued	-	-	-	563,751	201,552	2,370,180	-	953,410	-	-
Debt issuance cost	-	-	-	-	-	(752,657)	-	(256,106)	-	-
Capital lease financing	-	1,776,674	2,402,394	-	1,337,000	13,059,230	5,158,766	8,540,289	-	1,218,293
Sale of capital assets	314,200	1,007,534	169,107	748,075	572,919	1,519,819	277,672	213,641	369,085	646,863
Total other financing sources (uses)	32,472,480	34,568,929	36,716,763	30,449,966	32,517,081	68,078,511	35,525,855	31,500,758	24,927,945	29,242,397
Net change in fund balances	$ 2,772,460	$ (2,182,260)	$ 17,326,263	$ 8,217,266	$ 18,714,102	$ (8,526,428)	$ (18,402,946)	$ 6,542,266	$ 543,013	$ (3,574,881)
Debt service as a percentage of noncapital expenditures	5.4%	6.5%	7.4%	6.9%	6.7%	4.7%	5.0%	4.8%	6.1%	8.6%

Note: Prior to 2014 reimbursements from other funds were offset against its corresponding expense. This change was implemented to provide better comparisons to budget.

SALES AND USE TAX REVENUE
Last ten fiscal years

Table 5

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax	Trails, Open Space and Parks Sales and Use Tax	Total Direct Tax Rate
2005	$ 118,648,568	$ 23,660,221	$ 5,932,430	2.50%
2006	122,626,114	24,478,592	6,131,306	2.50%
2007	125,661,571	25,131,496	6,283,079	2.50%
2008	115,961,702	23,190,497	5,798,084	2.50%
2009	111,023,593	22,195,799	5,551,180	2.50%
2010	117,428,817	23,485,755	5,871,441	2.50%
2011	121,845,027	24,369,005	6,092,251	2.50%
2012	128,711,178	25,742,236	6,435,558	2.50%
2013	136,082,127	27,216,425	6,804,106	2.50%
2014	146,272,479	29,254,496	7,313,623	2.50%

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

	City Direct Rates				Overlapping Rates		
Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax	Trails, Open Space and Parks Sales and Use Tax	Total Direct	El Paso County Sales Tax	Pikes Peak Rural Transportation Authority Tax	Total Direct and Overlapping Rates
2005	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%[1]	4.50%
2006	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%	4.50%
2007	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%	4.50%
2008	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%	4.50%
2009	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%	4.50%
2010	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%	4.50%
2011	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%	4.50%
2012	2.00%	0.40%	0.10%	2.50%	1.00%	1.00%[2]	4.50%
2013	2.00%	0.40%	0.10%	2.50%	1.23%[3]	1.00%	3.50%
2014	2.00%	0.40%	0.10%	2.50%	1.23%	1.00%	4.73%

Note: In April 1991, voters approved City Charter Amendment #3, entitled the "Taxpayers Bill of Rights." A similar statewide constitutional amendment was passed in November 1992. One of the provisions of this amendment is that advance voter approval is necessary for any new tax or tax increase.

[1]In November 2004, voters in El Paso County (EPC), Colorado Springs, Manitou Springs, and Green Mountain Falls approved the new Pikes Peak Rural Transportation Authority (PPRTA) 1% sales and use tax. The new tax was effective as of January 1, 2005.

[2]In November 2012, voters in EPC, Colorado Springs, Manitou Springs, Green Mountain Falls, and Ramah approved an extension of the capital portion of PPRTA, which is 55% of the 1-cent sales and use tax. This extends the PPRTA tax through 2024.

[3]In November 2012, voters in EPC approved an increase to the EPC sales tax rate by .23 of 1-cent. The increased tax rate was effective as of January 1, 2013. The sales tax increase has a sunset date of January 1, 2021. The .23% is to be used for public safety critical needs as explained in EPC Resoultion No. 12-309.

SALES AND USE TAXPAYERS BY INDUSTRY
Current year and nine years ago

Industry	Fiscal Year 2014 Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Fiscal Year 2005 Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Miscellaneous non-retail	$ 24,472,292	1	13.59%	$ 21,236,850	3	11.94%
Miscellaneous retail	22,747,610	2	12.63%	24,284,180	1	13.66%
Restaurants	22,186,471	3	12.32%	19,963,444	5	11.23%
Auto Dealers	21,245,745	4	11.80%	-	N/A	0.00%
Department and discount stores	19,913,467	5	11.06%	20,810,428	4	11.70%
Building materials	-	N/A	0.00%	21,899,790	2	12.32%
	$ 110,565,585		61.40%	$ 108,194,692		60.85%

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 2014 Assessed Valuation	Percentage of Total City Assessed Value
Cellco Partnership (f/k/a Verizon Wireless)	Utility	$ 56,368,120	1.22%
Qwest Corporation	Utility	51,055,100	1.11%
Wal-Mart Real Estate	Discount retail	41,581,060	0.90%
Broadmoor Hotel Inc.	Resort hotel	31,413,850	0.68%
DPIX	Imaging solutions manufacturer	27,163,880	0.59%
Federal Express Corp	Mail and Shipping	25,455,400	0.55%
Coyote Garrison Chapel Hills LLC	Retail	14,425,570	0.31%
Palmer Center Ltd.	Real estate company	13,688,640	0.30%
Citadel Drive Holdings LLC	Retail	12,704,150	0.28%
Progressive Direct Insurance Co.	Insurance	12,296,710	0.27%
		$ 286,152,480	6.21%

Source: El Paso County Treasurer's office.

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

RATIOS OF OUTSTANDING DEBT BY TYPE
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 8

	Governmental Activities (in 000's)					Business-Type Activities (in 000's)					
Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Special Assessment Bonds & Notes	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases	Total Primary Government (in 000's)	Percentage of Personal Income[1]	Per Capita[1]
2005	$ 29,195	$ 59,670	$ 23,915	$ 536	$ 3,808	$ 1,775,026	$ 19,101	$ 676	$ 1,911,927	9.49%	$ 4,991
2006	25,935	54,645	22,475	405	2,656	1,833,365	19,651	637	1,959,769	9.12%	5,001
2007	22,490	50,830	20,995	364	9,928	1,881,485	23,277	463	2,009,832	8.81%	5,090
2008	21,725	47,370	19,450	222	13,633	1,960,981	22,687	2,380	2,088,448	8.76%	5,206
2009	18,050	43,615	49,135	111	23,590	2,044,188	98,022	2,683	2,279,394	9.71%	5,590
2010	16,980	37,280	47,575	-	21,316	2,550,918	100,979	2,360	2,777,408	11.23%	6,655
2011	16,145	30,750	43,440	-	17,913	2,501,884	94,979	1,391	2,706,502	10.25%	6,340
2012	15,270	24,030	41,805	-	16,190	2,285,310	30,558	1,208	2,414,371	8.56%	5,619
2013	14,272	17,544	41,345	-	4,622	3,061,246	21,417	649	3,161,095	10.49%	7,212
2014	13,624	10,081	39,476	-	1,133	3,106,294	21,467	272	3,192,347	11.41%	7,151

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Beginning with 2013, debt amounts are net of related premiums, discounts, and adjustments.

[1]Personal 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]
2005	$ 29,195	$ 17,885	$ 11,310	$ 4,103,863	0.28%	$ 30
2006	25,935	17,360	8,575	4,215,419	0.20%	21.88
2007	22,490	16,705	5,785	4,738,226	0.12%	14.65
2008	21,725	18,790	2,935	4,773,750	0.06%	7.32
2009	18,050	18,050	-	4,948,368	-	-
2010	16,980	16,980	-	4,938,341	-	-
2011	16,145	16,145	-	4,601,619	-	-
2012	15,270	15,270	-	4,600,222	-	-
2013	14,272	14,272	-	4,608,210	-	-
2014	13,624	13,624	-	4,678,625	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Beginning with 2013, debt amounts are net of related premiums, discounts, and adjustments.

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

[2]Non-City Obligations represent general obligation bonds of the City's blended component units. These bonds are to be repaid solely by funds provided by the property owners within the geographical boundaries of the component units.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2014

CITY OF COLORADO SPRINGS
COLORADO
Table 10

Governmental Unit	Estimated Percentage Applicable	Debt Outstanding	Estimated Share of Overlapping Debt	Debt Outstanding (Excluding COPs)	Estimated Share of Overlapping Debt (Excluding COPs)
El Paso County	72.71%	$ 162,811,861	$ 118,377,334	$ 4,496,861	$ 3,269,580
Harrison School District #2	93.02%	50,855,484	47,307,118	50,855,484	47,307,118
Widefield School District #3	4.00%	16,885,213	675,823	11,750,213	470,297
Fountain/Fort Carson School District #8	0.03%	9,144,350	3,091	3,154,350	1,066
Colorado Springs School District #11	91.90%	196,594,939	180,671,615	177,174,939	162,824,549
Cheyenne Mountain School District #12	97.29%	14,782,666	14,381,776	14,782,666	14,381,776
Manitou School District #14	9.68%	5,490,555	531,546	5,490,555	531,546
Academy School District #20	83.69%	150,926,994	126,305,938	148,961,994	124,661,493
Ellicott School District #22	0.36%	2,752,247	9,781	2,302,247	8,182
Falcon School District #49	49.16%	123,565,122	60,740,438	39,665,926	19,498,429
Barnes & Powers North BID	100.00%	3,690,000	3,690,000	3,690,000	3,690,000
Barnes & Powers South BID	100.00%	655,000	655,000	655,000	655,000
Briargate Center BID	100.00%	9,085,000	9,085,000	9,085,000	9,085,000
First & Main BID	100.00%	1,520,667	1,520,667	1,520,667	1,520,667
First & Main #2 BID	100.00%	4,180,000	4,180,000	4,180,000	4,180,000
First & Main North BID	100.00%	1,765,563	1,765,563	1,765,563	1,765,563
Interquest North BID	100.00%	6,335,000	6,335,000	6,335,000	6,335,000
Interquest South BID	100.00%	144,008	144,008	144,008	144,008
Powers & Woodmen BID	100.00%	1,870,607	1,870,607	1,870,607	1,870,607
Colorado Springs Urban Renewal Authority	100.00%	56,246,621	56,246,621	56,246,621	56,246,621
Subtotal, overlapping debt			634,496,926		458,446,502
City direct debt			64,314,000		24,838,000
Total direct and overlapping debt			$ 698,810,926		$ 483,284,502

Sources: Assessed value data used to estimate applicable percentages is provided by the El Paso County Assessor's office final certification letter dated November 29, 2013. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.
Debt Outstanding values include General Obligation bonds, Certificates of Participation (COP), Capital Leases, and other types of debt, net of related premiums, discounts, and adjustments.

CITY OF COLORADO SPRINGS
COLORADO
Table 11

LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years

	Fiscal Year									
	2014	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Debt limit	$ 467,862,480	$ 460,821,039	$ 460,022,289	$ 460,161,902	$ 493,834,140	$ 494,836,820	$ 477,374,953	$ 473,822,587	$ 421,541,959	$ 410,386,307
Total net debt applicable to limit	-	-	-	-	-	-	2,935,000	5,785,000	8,575,000	11,310,000
Legal debt margin	$ 467,862,480	$ 460,821,039	$ 460,022,289	$ 460,161,902	$ 493,834,140	$ 494,836,820	$ 474,439,953	$ 468,037,587	$ 412,966,959	$ 399,076,307
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%	0.61%	1.22%	2.03%	2.76%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value - 2014 for 2015 taxes	$ 4,678,624,800
Debt limit (10% of assessed value)	467,862,480
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	-
Legal debt margin	$ 467,862,480

PLEDGED REVENUE COVERAGE
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 12

Fiscal Year	Utilities Revenue Bonds: Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage	MHS Revenue Bonds: Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage
2005	$ 716,218,779	$ 516,369,158	$ 199,849,621	$ 17,256,540	$ 63,524,157	2.47	$ 435,369,989	$ 375,481,034	$ 59,888,955	$ 20,840,000	$ 1,921,706	2.63
2006	718,507,863	531,512,370	186,995,493	18,298,215	68,756,629	2.15	479,344,468	417,945,851	61,398,617	20,840,000	1,921,706	2.70
2007	763,754,405	565,046,685	198,707,720	17,905,225	73,260,972	2.18	575,864,553	514,228,163	61,636,390	20,840,000	1,921,706	2.71
2008	788,601,365	627,795,505	160,805,860	7,551,592	71,836,148	2.03	594,401,435	551,705,616	42,695,819	20,840,000	3,355,759	1.76
2009	769,135,361	593,636,333	175,499,028	9,681,357	71,763,387	2.15	589,191,456	527,057,252	62,134,204	7,652,250	17,429,644	2.48
2010	832,076,083	626,317,175	205,758,908	16,111,357	75,711,638	2.24	627,273,174	552,291,480	74,981,694	7,652,250	17,429,644	2.99
2011	871,787,767	602,713,246	269,074,521	27,597,493	101,451,007	2.09	616,377,763	566,986,955	49,390,808	8,152,250	16,983,655	1.96
2012	896,096,459	558,294,875	337,801,584	47,440,949	103,701,547	2.23	-	-	-	-	-	- [3]
2013	862,957,000	548,838,000	314,119,000	52,285,000	101,908,000	2.04	-	-	-	-	-	-
2014	906,466,000	566,921,000	339,545,000	57,294,870	105,303,452	2.09	-	-	-	-	-	-

Fiscal Year	Airport Revenue Bonds: Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage	Parking Revenue Bonds: Applicable Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage
2005	$ 22,648,070	$ 13,216,784	$ 9,431,286	$ 2,167,466	$ 3,660,882	1.62	$ 2,930,862	$ 1,462,482	$ 1,468,380	$ 385,000	$ 315,938	2.09
2006	23,602,795	13,804,532	9,798,263	2,175,370	3,659,313	1.68	3,445,591	1,224,171	2,221,420	400,000	549,684	2.34
2007	23,855,188	14,722,292	9,132,896	2,101,895	3,546,516	1.62	3,833,722	1,476,778	2,356,944	420,000	607,173	2.29
2008	24,147,143	14,537,476	9,609,667	3,525,250	2,100,363	1.71	4,020,690	1,388,731	2,631,959	435,000	590,373	2.57
2009	23,444,173	14,914,375	8,529,798	1,729,912	3,503,526	1.63	3,790,011	1,443,133	2,346,878	480,000	572,973	2.23
2010	21,065,961	15,380,368	5,685,593	1,295,000	2,272,688	1.59 [2]	3,780,270	1,719,442	2,060,828	505,000	553,929	1.95
2011	21,995,280	14,399,903	7,595,377	3,020,000	2,217,513	1.45 [2]	3,897,747	1,540,444	2,357,303	525,000	533,119	2.23
2012	21,305,660	14,342,230	6,963,430	3,180,000	2,056,363	1.33	3,868,184	1,518,912	2,349,272	545,000	510,979	2.22
2013	20,439,990	13,313,623	7,126,367	3,350,000	1,886,638	1.36 [2]	3,964,899	1,783,408	2,181,491	570,000	487,746	2.06
2014	16,172,316	12,712,066	3,460,250	1,395,000	1,171,863	1.35	4,382,324	1,803,631	2,578,693	595,000	462,876	2.44

Fiscal Year	Public Authority for Colorado Energy Revenue Bonds: Applicable Revenues	Debt Service: Principal	Debt Service: Interest	Coverage	Sales and Use Tax Revenue Bonds: Sales and Use Tax Collections	Debt Service: Principal	Debt Service: Interest	Coverage	Special Assessment Bonds: Special Assessment Collections	Debt Service: Principal	Debt Service: Interest	Coverage
2005	N/A	N/A	N/A	N/A	$ 120,215,439	$ 4,820,000	$ 3,027,771	15.32	$ 193,015	$ 138,769	$ 53,707	1.00
2006	N/A	N/A	N/A	N/A	123,813,924	5,025,000	2,822,921	15.78	192,999	143,432	43,155	1.03
2007	N/A	N/A	N/A	N/A	127,794,303	3,465,000	2,354,133	21.96	147,986	125,895	32,566	0.93
2008	N/A	N/A	N/A	N/A	116,933,775	3,460,000	2,501,993	19.61	186,850	154,600	27,704	1.02
2009	N/A	N/A	N/A	N/A	111,942,192	1,250,000	1,047,208	48.73 [1]	134,318	122,912	17,296	0.96
2010	N/A	N/A	N/A	N/A	115,684,401	6,335,000	1,511,650	14.74	112,351	120,833	8,302	0.87
2011	N/A	N/A	N/A	N/A	121,249,546	6,530,000	1,321,000	15.44	-	-	-	-
2012	N/A	N/A	N/A	N/A	128,018,959	6,720,000	1,124,350	16.32	-	-	-	-
2013	$ 29,604,567	$ 5,795,000	$ 40,615,637	0.64 [4]	134,751,082	6,925,000	922,000	17.17	-	-	-	-
2014	29,984,493	6,690,000	40,282,425	0.64	144,886,506	7,130,000	713,450	18.47	-	-	-	-

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

[1] In 2009, the City refunded the remaining 1999 Sales and Use Tax Revenue Bonds. The refunding resulted in a one-time decrease in current year debt service and increase in the coverage rate.
[2] Restated
[3] MHS revenue bonds defeased in 2012.
[4] The City adopted GASB Statement No. 61 in 2013, which requires PACE to be presented as a blended component unit.

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]
2005	383,071	$ 20,147,935	$ 34,278	5.2%
2006	391,846	21,479,738	35,649	4.5%
2007	394,858	22,803,097	37,413	4.2%
2008	401,186	23,827,202	38,391	5.5%
2009	407,733	23,486,546	37,221	8.5%
2010	420,529 **	24,722,493	37,999	9.6%
2011	426,881 *	26,408,772	39,994	9.4%
2012	432,416 *	26,626,591 *	40,330 *	9.2%
2013	438,338 *	27,534,537 *	41,169 *	8.0% *
2014	446,439 *	27,980,799 *	41,250 *	5.1% *

Sources:
[1]Colorado Department of Local Affairs, Demography section. Prior years adjusted to reflect figures per the 2014 City of Colorado Springs budget.
[2]U.S. Department of Commerce, Bureau of Economic Analysis for Colorado Springs Metropolitan Statistical Area (MSA) per November 2013 report.
[3]U.S. Department of Labor, Bureau of Labor Statistics for City of Colorado Springs

* Estimate
** Census

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 14

Employer	2014 Rank	2014 Percentage of Total County Employment	2005 Rank	2005 Percentage of Total County Employment
Fort Carson Army Post	1	10.38%	1	5.88%
Peterson Air Force Base	2	3.89%	3	1.88%
Schriever Air Force Base[2]	3	2.50%	-	-
United States Air Force Academy	4	2.48%	2	2.25%
Colorado Springs School District #11	5	1.30%	4	1.23%
Academy School District #20	6	1.05%	7	0.83%
Memorial Hospital-UCHealth	7	1.03%	5	1.16%
Penrose-St. Francis Health Services	8	0.93%	6	0.96%
City of Colorado Springs[1]	9	0.75%	8	0.79%
El Paso County	10	0.69%	-	-
Hewlett Packard (Compaq Comuter Corporation)	-	-	10	0.68%
Lockheed Martin	-	-	9	0.68%
		25.00%		16.34%

Source: The Colorado Springs Regional Business Alliance.

[1]City of Colorado Springs includes the total of all full-time equivalent employees (FTE's) in all funds and enterprises except Colorado Springs Utilities and Memorial Health System.
[2]Schriever Air Force Base previously known as Falcon Air Force Base.

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 15

	Fiscal year ended December 31									
Function/Program	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
General government	256.25	253.15	285.08	239.80	263.80	263.30	314.55	278.25	270.50	271.00
Public safety	1,407.75	1,382.75	1,366.75	1,421.75	1,392.75	1,450.25	1,484.00	1,479.75	1,479.75	1,462.75
Public works	207.50	274.00	281.00	267.00	281.00	309.50	309.75	299.75	304.75	307.75
Culture and recreation	114.25	112.75	111.50	119.25	102.50	190.00	204.35	196.75	191.50	197.75
Urban redevelopment and housing	32.00	31.00	34.00	41.00	34.00	46.00	54.00	54.00	54.00	63.00
Utilities	1,874.00	1,859.00	1,859.00	1,856.00	1,856.00	1,911.00	1,848.00	1,929.75	1,956.75	1,930.00
MHS [1]	-	-	-	3,555.00	3,487.50	3,812.00	4,075.40	4,075.00	3,333.00	3,050.00
Airport	96.00	121.00	122.00	121.00	121.00	121.00	121.00	118.00	118.00	117.00
Parking	8.50	7.50	7.50	7.50	7.50	8.00	8.00	8.00	8.00	8.00
Other non-major enterprise funds	47.00	47.00	49.00	68.50	99.50	102.50	113.50	108.00	70.50	70.50
Total	4,043.25	4,088.15	4,115.83	7,696.80	7,645.55	8,213.55	8,532.55	8,547.25	7,786.75	7,477.75

Notes: Function/Program FTE count previously included all other non-Enterprise and non-General Fund positions in General Government. Historical full-time equivalent (FTE) count has been updated to reflect the department in which staff resides.

[1] Beginning in 2012, as a result of the MHS lease, MHS figures are no longer included.

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last ten fiscal years

Function/Program	2014	2013	2012
General government			
Internal audits completed	33	26	26
Summons filed	37,928	29,066	34,499
Contractual transactions	2,255	2,726	2,897
Workers compensation claims	426	451	386
Public safety			
Emergency response time - Police	12.5	13.3	11.6
Percent of emergency incident arrival within 8 minutes - Fire	88.5	89.5	90
Violent and property crime rates (per 1,000 population) [3]	40.5	46.1	40.0
Emergency incidents (per 10,000 population)	1,340	1,284	1,272
Public works			
Miles resurfaced	115	109	178
Fixed route transit revenue hours of service	120,031	108,441	112,877
Painted lane miles	943	862	914
Culture and recreation			
Cultural Services attendance	324,337	256,389	192,280
Street and park trees	213,874	214,670	218,000
Acres of parks maintained	14,527	16,277	16,184
Recreation Service program participants	646,744	602,271	691,105
Urban redevelopment and housing [6]			
Projects managed	6	12	17
Affordable housing developed and rehabilitated	156	122	135
Clients assisted [1]	156	122	288
Utilities			
Total metered customers [2]	540,990	537,096	537,096
Annual natural gas moved through pipes (thousands of mcf)	20,602	23,376	23,376
Electric use (thousands of MWh)	4,600	4,600	4,600
Water use (millions of gallons)	28,700	27,800	27,800
Wastewater treatment (millions of gallons)	15,586	15,586	15,586
MHS [5]			
Admissions	-	-	17,420
Outpatient visits	-	-	280,982
Emergency visits	-	-	101,550
Births	-	-	3,286
Airport			
Passenger boardings (in thousands)	623	650	822
Airline revenue per enplaned passengers	$ 8.80	$ 13.86	$ 8.46
Parking			
Revenues collected per space - on-street	$ 967	$ 737	$ 729
Revenues collected per space - off-street	$ 855	$ 862	$ 767
Other			
Cemetery - burial services	600	603	601
Development Review - plans reviewed [4]	4,961	5,555	10,535
Golf courses - rounds played	164,299	161,015	188,546
Pikes Peak Highway - number of visitors	345,701	284,879	265,332

Sources: City, MHS and Utilities staff reports and websites.

[1] For 2009, number reported is the total households assisted rather than total individual clients.
[2] Some customers have multiple services and may be counted more than once.
[3] For 2012, the Violent and Property crime rate reported is an estimate based on 2013 Budget.
[4] For 2013, the Development Review Enterprise no longer reviews commercial plans.
[5] Beginning in 2012, as a result of the MHS lease, MHS figures are no longer included.
[6] The Housing Development Division experienced a reduction in funding in 2013 due to the sequestration and loss of key personnel.

Fiscal Year						
2011	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
26	23	22	24	25	14	96
36,678	42,761	41,900	51,745	56,840	63,636	70,805
2,636	3,350	4,900	4,900	4,208	3,727	5,082
418	417	480	493	530	539	565
11.4	10.6	10.3	9.9	11.6	11.2	11.8
89.4	89.5	89.8	90.6	89.9	90.0	90.0
42.0	40.7	45.0	44.3	46.5	51.9	55.5
1,266	1,179	1,120	1,129	1,133	1,155	1,160
148	50	37	55	112	144	144
124,011	121,700	176,354	216,732	214,145	211,166	135,808
1,449	1,288	1,659	1,822	2,153	1,350	1,313
256,547	176,883	182,500	191,400	124,911	138,646	85,939
126,602	127,000	123,600	123,600	123,600	122,514	118,500
16,143	15,428	13,804	13,539	12,895	12,884	12,562
691,786	971,711	973,147	1,111,000	1,106,296	1,012,360	1,110,609
2	4	8	7	9	9	7
188	334	305	152	230	332	250
188	334	91	401	180	192	401
530,208	530,208	521,878	526,421	524,000	517,884	508,655
24,020	24,026	29,200	24,301	24,895	22,755	22,910
4,630	4,630	4,400	5,213	4,827	4,548	4,593
23,700	23,700	24,100	28,002	25,680	26,410	26,975
15,586	15,586	12,800	13,550	12,902	12,810	13,262
25,633	27,980	29,713	30,357	30,096	27,805	27,774
384,655	385,500	398,426	393,251	360,528	322,983	309,173
135,517	132,175	130,513	126,224	113,492	101,797	98,167
4,604	4,802	5,000	4,876	4,884	4,546	4,430
814	869	892	998	1,034	1,017	1,031
$ 9.77	$ 8.59	$ 7.98	$ 7.48	$ 6.71	$ 6.51	$ 6.98
$ 791	$ 776	$ 779	$ 873	$ 879	$ 816	$ 619
$ 793	$ 727	$ 722	$ 779	$ 893	$ 879	$ 714
698	615	624	664	661	674	704
9,645	8,802	8,957	11,594	14,451	13,625	15,630
173,011	203,025	203,820	202,305	201,070	203,530	201,909
265,124	255,000	267,500	254,419	270,528	256,560	257,309

	Fiscal Year									
Function/Program	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Public safety										
Police										
Area commands (stations)	4	4	4	4	4	4	4	4	4	4
Patrol units	171	181	185	205	228	200	241	294	285	330
Fire										
Stations	21	21	20	20	20	20	20	20	20	20
Emergency units	84	77	75	73	74	75	69	90	73	69
Public works										
Streets (centerline miles)	NA	NA	NA	NA	NA	NA	1,576	1,576	1,542	1,450
Streets (lane miles) [1]	5,636	5,620	5,609	5,609	5,609	7,431	NA	NA	NA	NA
Major bridges	223	215	215	212	206	209	205	170	83	83
Signalized intersections	574	569	565	563	564	565	564	545	515	500
Transit buses	43	43	43	57	57	58	94	128	102	86
Culture and recreation										
Parks and open space locations	204	201	201	200	199	199	198	198	184	178
Sports complexes	4	5	5	5	5	5	7	7	6	6
Community centers	4	4	4	4	6	8	7	7	7	5
Utilities										
Electric distribution lines (miles)	3,316	3,316	3,316	3,451	3,451	3,451	3,451	3,432	3,319	2,892
Natural gas pipe (miles)	2,408	2,408	2,408	2,400	2,400	2,320	2,320	2,278	2,160	2,104
Water distribution lines (miles)	2,040	2,015	2,015	2,010	2,010	1,892	1,892	1,780	1,738	1,800
MHS [2]										
Number of hospital beds	-	-	-	671	671	671	717	717	477	477
Health care facilities	-	-	-	16	17	16	15	15	15	15
Airport										
Number of runways	3	3	3	3	3	3	3	3	3	3
Parking										
Number of parking spaces - on-street	2,417	2,400	2,400	2,389	2,360	2,360	2,389	2,404	2,360	2,360
Number of parking spaces - off-street	2,703	2,703	2,703	2,703	2,703	2,703	2,703	2,136	2,136	2,136

Sources: City, MHS and Utilities staff reports and websites.

[1] Streets Division began recording street miles as lane miles rather than centerline miles in 2008/2009. In 2014, 2009-2013 updated to reflect only City lane miles.

[2] Beginning in 2012, as a result of the MHS lease, MHS figures are no longer included.

SALES AND USE TAX REVENUE **CITY OF COLORADO SPRINGS**
COLLECTION COSTS AND REQUIRED REFUNDS **COLORADO**
Last ten fiscal years **Table 18**

Fiscal Year	Collection Cost	Required Refunds
2005	$ 2,102,833	$ 1,476,970
2006	2,138,951	797,409
2007	2,382,311	297,007
2008	2,266,785	1,359,304
2009	1,317,980	633,732
2010	197,192 [1]	1,866,153
2011	-	518,744
2012	-	564,879
2013	-	534,003
2014	-	1,173,501

Note: This table reflects values for the General Fund only.

[1]Retailer fee was eliminated in 2010.

ASSESSED VALUATIONS, PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 19

Fiscal Year	Assessed Valuation (in 000's)	Total Tax Levy	Total Current Collections	Collections as a Percent of Levy	Current Year Outstanding Delinquent Taxes	All Years Outstanding Delinquent Taxes	All Years Delinquent Taxes as a Percent of Levy
2005	$ 3,783,803	$ 18,707,124	$ 18,172,673	97.1%	$ 64,741	$ 204,446	1.1%
2006	4,103,863	20,289,499	19,543,229	96.3%	64,551	214,833	1.1%
2007	4,215,420	20,841,035	20,022,230	96.1%	30,970	175,434	0.8%
2008	4,738,226	23,425,810	22,750,839	97.1%	56,121	138,455	0.6%
2009	4,773,750	23,601,422	23,007,963	97.5%	77,498	146,802	0.6%
2010	4,948,368	21,174,070	20,666,136	97.6%	49,593	97,882	0.5%
2011	4,938,341	21,131,161	20,617,424	97.6%	50,327	105,906	0.5%
2012	4,601,619	19,690,330	19,208,455	97.6%	52,186	132,999	0.7%
2013	4,600,223	19,684,353	19,226,023	97.7%	50,149	133,289	0.7%
2014	4,608,210	19,718,537	19,164,390	97.2%	21,534	45,424	0.2%

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.

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
2005	4.944	8.012	42.094	3.495	0.947	59.492
2006	4.944	7.673	43.813	3.296	0.943	60.669
2007	4.944	7.710	44.045	3.515	0.941	61.155
2008	4.944	7.514	44.045	3.325	0.915	60.743
2009	4.944	7.748	44.054	3.540	0.943	61.229
2010	4.279	7.531	42.183	3.468	0.940	58.401
2011	4.279	7.717	42.493	3.556	0.947	58.992
2012	4.279	7.597	44.004	3.999	0.947	60.826
2013	4.279	7.663	43.445	4.000	0.944	60.331
2014	4.279	7.714	44.264	4.000	0.940	61.197

Notes: Fiscal year is the year of collection.
Certification of assessed valuation and mill levies is done in the year prior to the year of collection.
Rates include levies for operations and debt service.
Representative sample of overlapping districts, other overlapping district mill levies vary.

MUNICIPAL SOLID WASTE LANDFILL **CITY OF COLORADO SPRINGS**
CLOSURE AND POSTCLOSURE CARE COSTS **COLORADO**
December 31, 2014 **Table 21**

Facility	Closure Costs	Postclosure Costs	Total Cost	Percentage of Capacity Used
Hancock	$ 265,460	$ 4,400	$ 269,860	n/a
Clear Spring Gravel Pit 1	77,309	875,688	952,997	
Clear Spring Gravel Pit 1 C&D Solids				100.00%
Clear Spring Gravel Pit 1 Monofill				70.71%
Clear Spring Gravel Pit 2 C&D Solids	137,315	35,142	172,457	57.93%
Clear Spring - Ash Disposal	1,755,460	1,053,854	2,809,314	67.79%
Clear Spring - Biosolids	2,659,245	1,067,967	3,727,212	40.94%
Total Cost	$ 4,894,789	$ 3,037,051	$ 7,931,840	

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.

Liabilities for the Clear Spring (formerly Hanna Ranch) facilities are recognized on a capacity used basis in the Utilities fund; total costs for the Clear Spring facilities based on capacity used are estimated at $7,661,980. The total costs from the above table are based on the last 5 year independent assessment adjusted by inflation.