



City of Colorado Springs

Investment Management Program Review

1. Market Environment and Strategies
2. Portfolio Activity Performance Review
3. 2012 Annual Performance
4. Broker/Dealer Review
5. Bank Credit Review
6. Investment Policy Review

February 20, 2013

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Emily Ferguson, Client Services Manager
Bruce Ely, Regional Director

TAB 1



ECONOMIC OVERVIEW

As happened throughout 2012, the effectiveness of U.S. monetary policy trumped that of fiscal policy once again in the fourth quarter. It now seems that Federal Reserve Chairman Ben Bernanke's creativity knows no bounds, as evidenced by the replacement of date-targeted monetary policy with discrete employment and inflation targeting.

The Fed announced in December that quantitative easing and other accommodative policies shall remain in place until unemployment falls below 6.5 percent or until forward inflation expectations climb above the Fed's two percent target. Monthly asset purchases are expected to exceed \$85 billion in 2013, implying that the Fed will purchase 100 percent of the net mortgage supply and 75 percent of net Treasury supply. These purchases will cause the Fed's balance sheet to swell from \$3 trillion to roughly \$4 trillion during 2013.

Investment returns for both the fourth quarter and the full year of 2012 provide evidence that accommodative monetary policy is benefiting financial assets. U.S. Aggregate Bond Index yields declined from 2.24 percent to 1.74 percent over the course of 2012. This yield compression resulted in a 4.21 percent total return for the year. Within the index, the investment grade credit sector provided an excess return over Treasuries of 6.93 percent for the year and 1.17 percent for the quarter.

Many other non-Treasury sectors also enjoyed positive excess returns. Without the support of monetary policy, however, it is likely that non-Treasury sectors would have underperformed in 2012. The growth-focused S & P 500 has reflected this concern by declining one percent in price for the fourth quarter.

OUTLOOK

Our central thesis for 2013 maintains that the U.S. Congress will eventually formulate better-late-than-never legislation, accommodative monetary policy will remain too powerful to ignore, and U.S. growth may eventually exceed consensus expectations by 2014. Clarity of fiscal and tax policy may entice large corporations with fortified balance sheets to begin hiring, thereby creating a positive feedback loop of consumer confidence and spending.

However, hiring and consumer-led exuberance take time to gain momentum, so their benefit to the economy and their perception in the markets will not arrive until the second half 2013, at the earliest. Our view is consistent with more of the same from the Federal Reserve, which should mean inflated financial asset prices and historically low bond yields. Non-treasury credit sectors are likely to prevail once again and government yields will likely migrate only modestly higher.



At the time of writing, Congress had indeed just formulated just-in-time legislation for tax rates while delaying sequestration by two months. In short, taxes on everyone are going up. Allowing the payroll tax holiday to expire returns Social Security contributions to 6.2 percent from 4.2 percent for all wages earned up to about \$113,000. Higher income earners will ultimately contribute more through higher tax rates, reduced deduction eligibility, and previously enacted healthcare surcharges. While many had pleaded for clarity on tax rates, the double-edged sword of tax clarity will now cut into the disposable income of American consumers.

Deferral of sequestration and its coincidence with the impending collision with the Federal debt ceiling in February are also critically important. Congressional conservatives will likely use the debt ceiling to pressure fiscal spending reform. This "debt ceiling cliff" will likely postpone major investment decision-making by at least a few more months and its outcome may also result in a downgrade of the U.S. government by ratings agencies.

Between higher taxes and prolonged uncertainty, range-bound or even lower government yields may be the case for much of 2013. The Fed has provided more clarity on its decision making, and monetary policy will likely remain accommodative and spreads tight throughout the year.

INTEREST RATES AND SPREAD RELATIONSHIPS

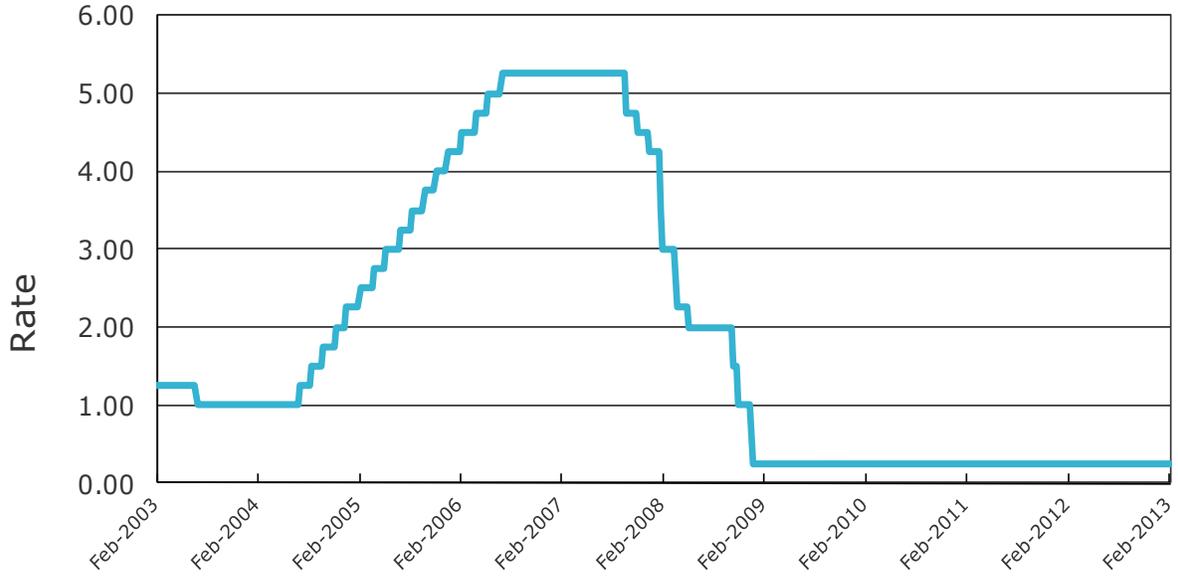
Interest rates in the two-year area remain low and range-bound. For all of 2012, the average yield on the two-year Treasury was 27 basis points. The high for the year of 39 basis points was reached on March 20 and the low was 20 basis points occurred on July 20. As of December 31, 2012, the two-year Treasury yielded 25 basis points.

Yields on agency discount notes are less than 15 basis points for maturities through the end of 2013. Short-term rates are anchored to the Fed, and the front-end of the curve is low and flat.

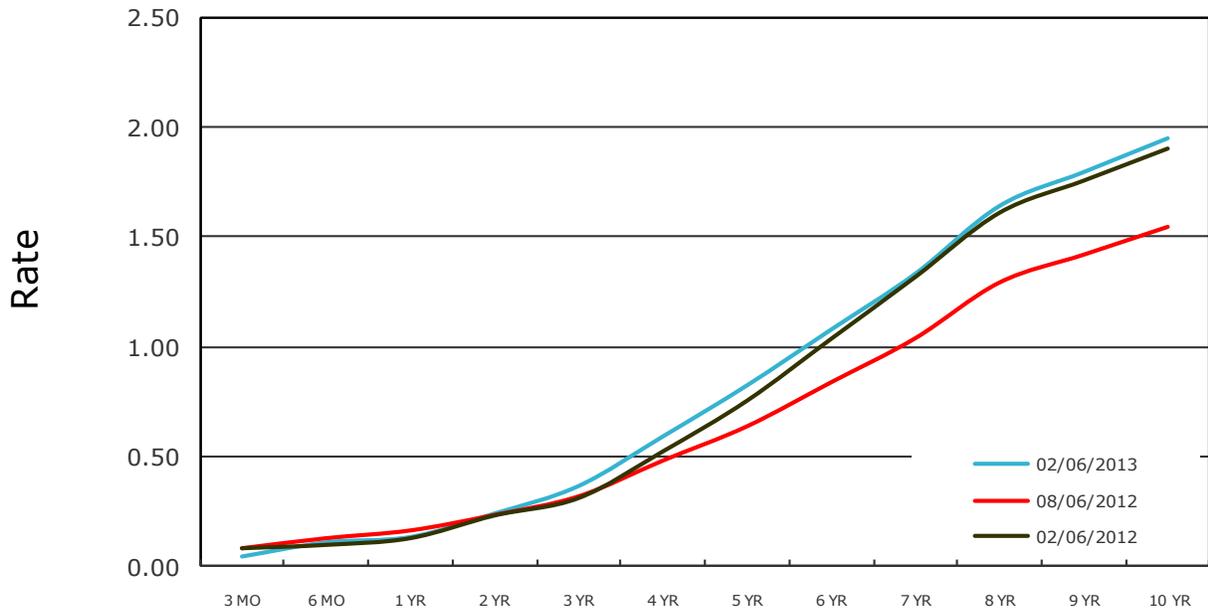
The yield differential between Treasury and instrumentality securities remains historically narrow, and in some areas of the curve the spread is non-existent. In the two-year area the spread is approximately 5 basis points, in the five-year area the spread is approximately 25 basis points.

The yield curve has flattened during 2012. The average spread gained by moving from a two-year Treasury note to a ten-year Treasury note reached a high for 2012 of 200 basis points in March, matching the five-year average. As of December 31, the spread was 151 basis points. Yields on ten-year maturities were volatile in 2012, with a high of 2.38 percent on March 19 and a low of 1.39 percent on July 24. As of year-end, the yield was 1.76 percent which was also the average yield for the ten-year Treasury for the year.

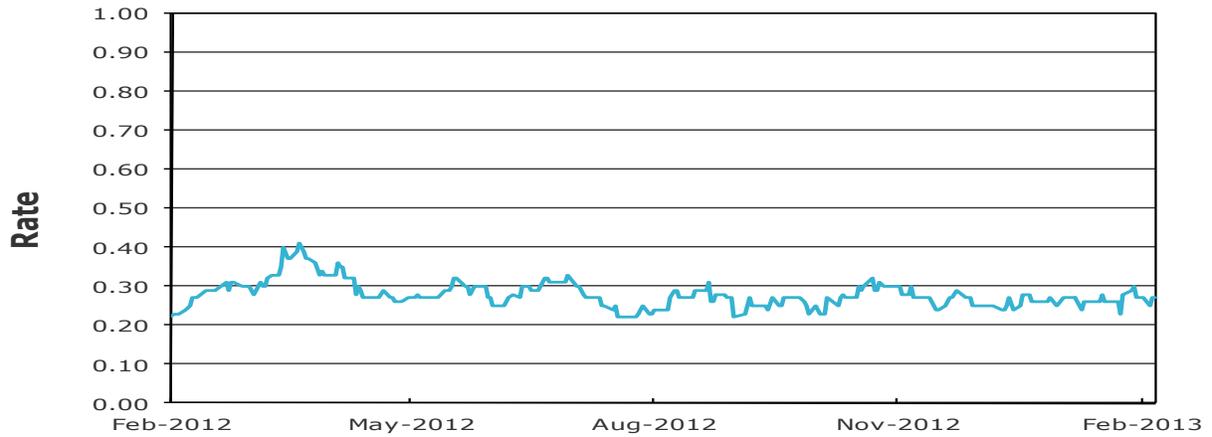
Fed Funds Target Rate



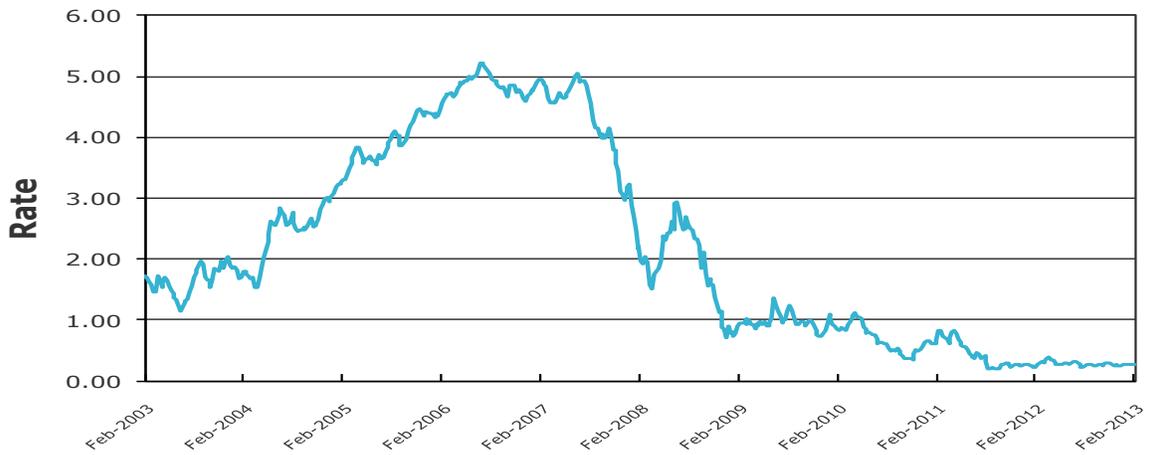
Comparative Historical Yield Curves



Daily Yield Two-Year Treasury Note



Weekly Yield Two-Year Treasury Note



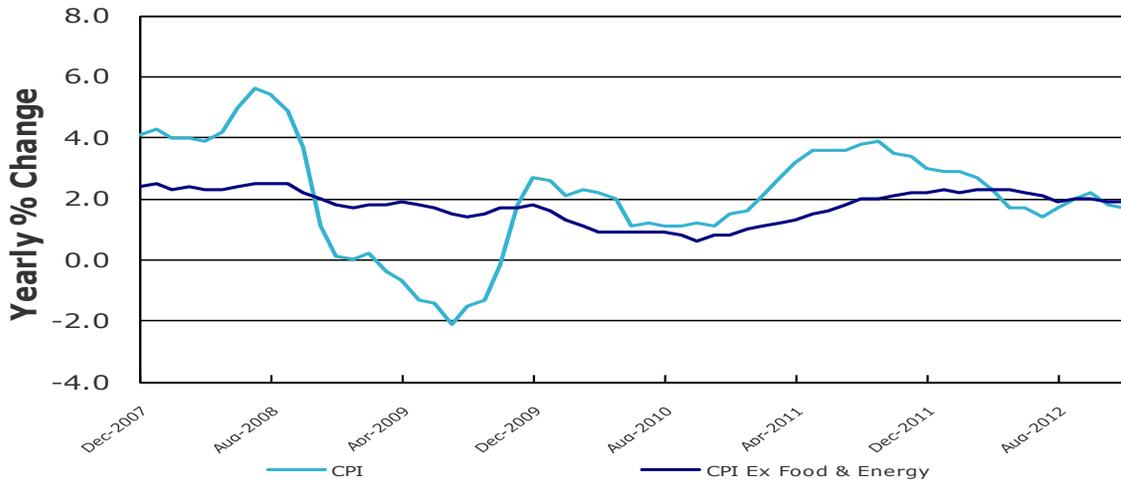
Spread Relationship Two-Year Treasury versus Ten-Year Treasury



Producer Price Index



Consumer Price Index



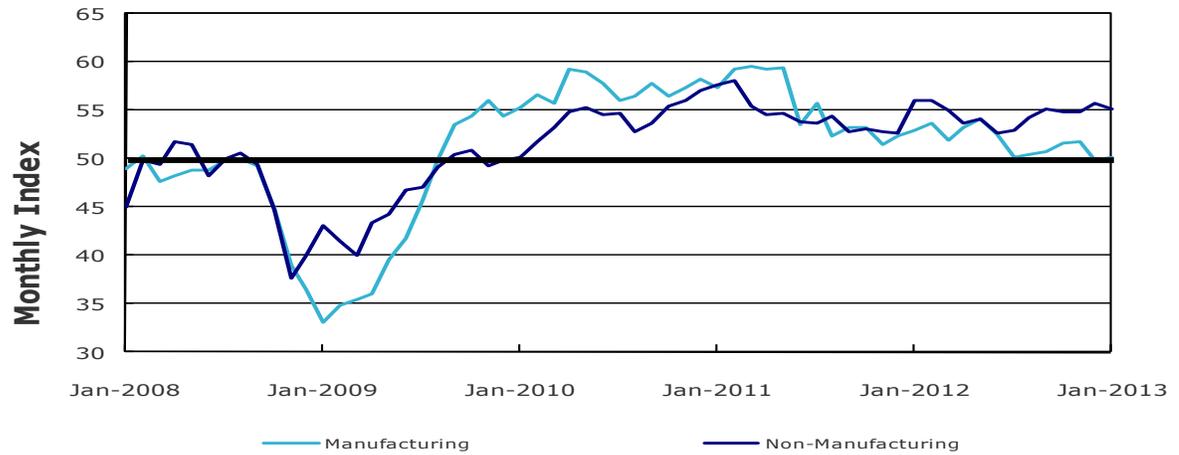
Oil



Gross Domestic Product



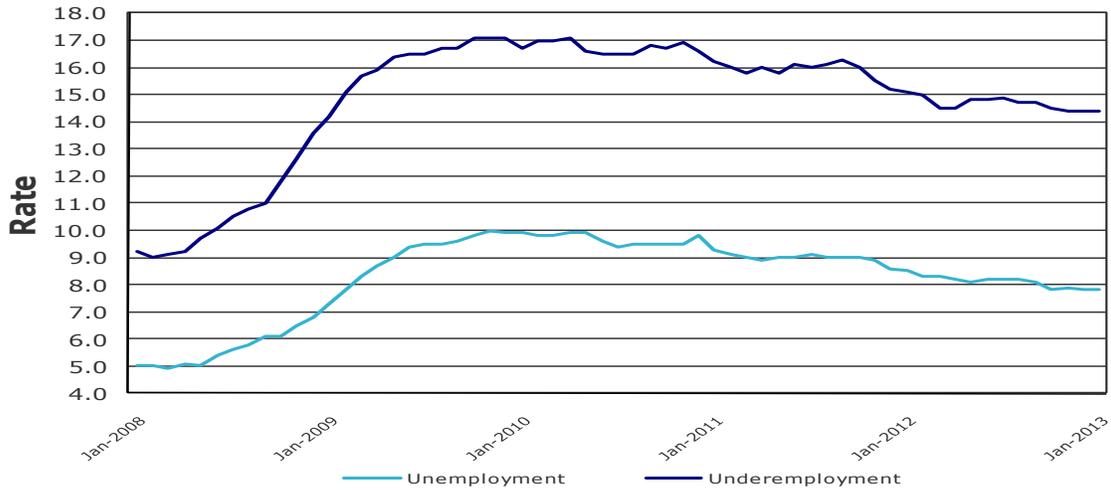
Institute for Supply Management Manufacturing and Non-Manufacturing Business Activity



Retail Sales



Unemployment and Underemployment



Nonfarm Payrolls



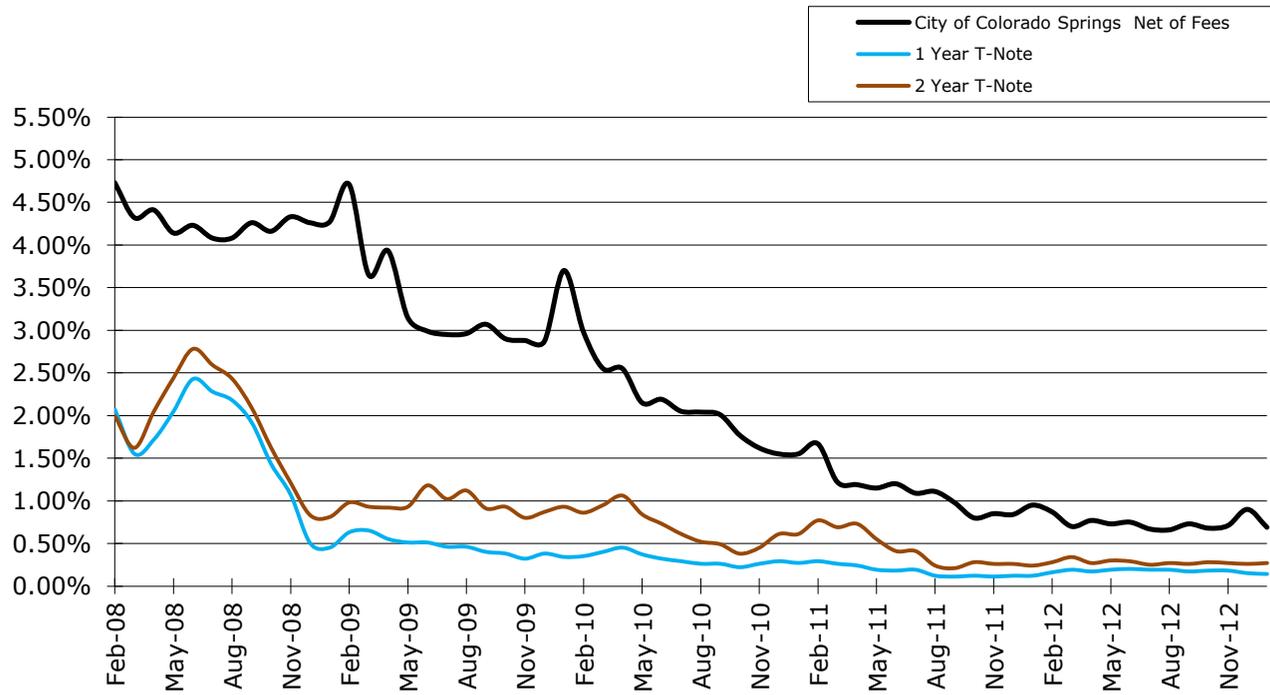
Existing Home Sales



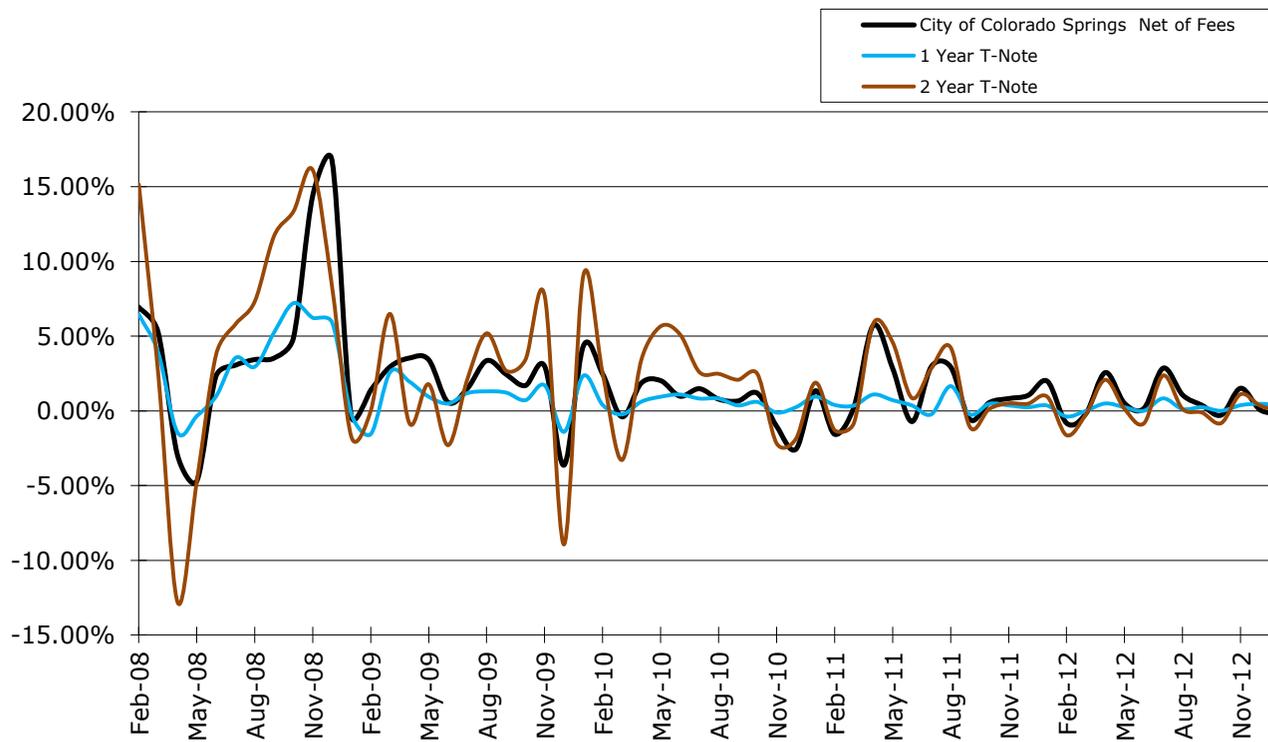
TAB 2

City of Colorado Springs Comparison Yields February 2008 through January 2013

Amortized Cost Basis

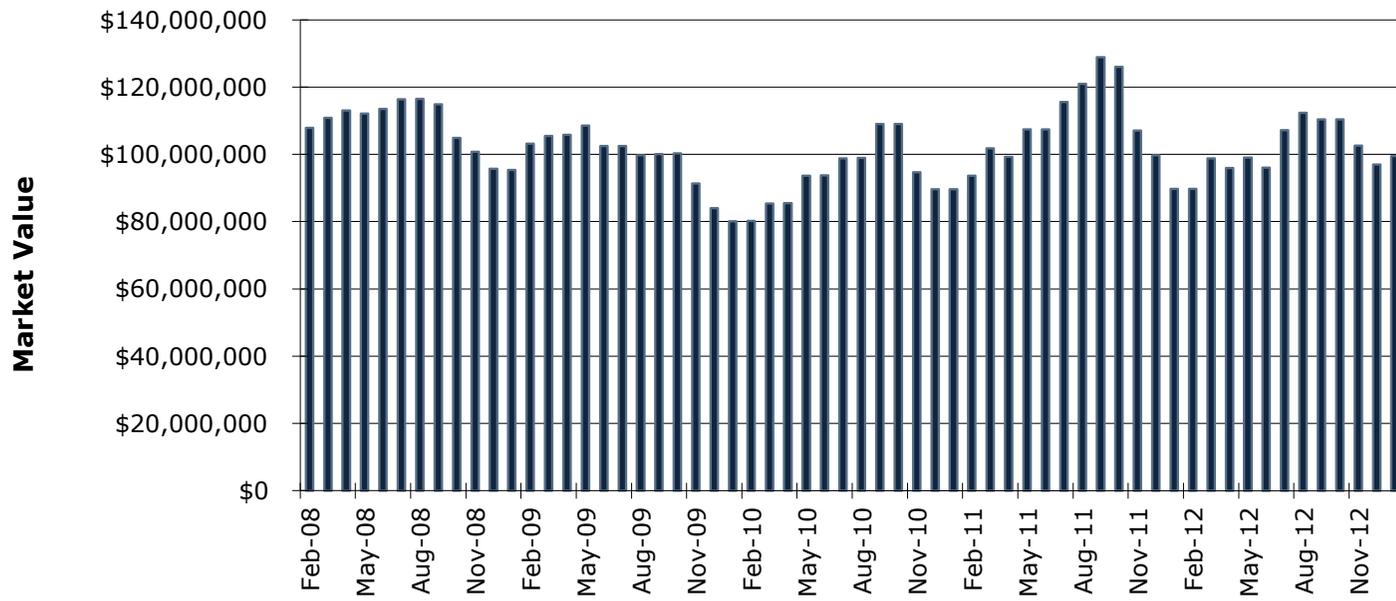


Fair Value Basis

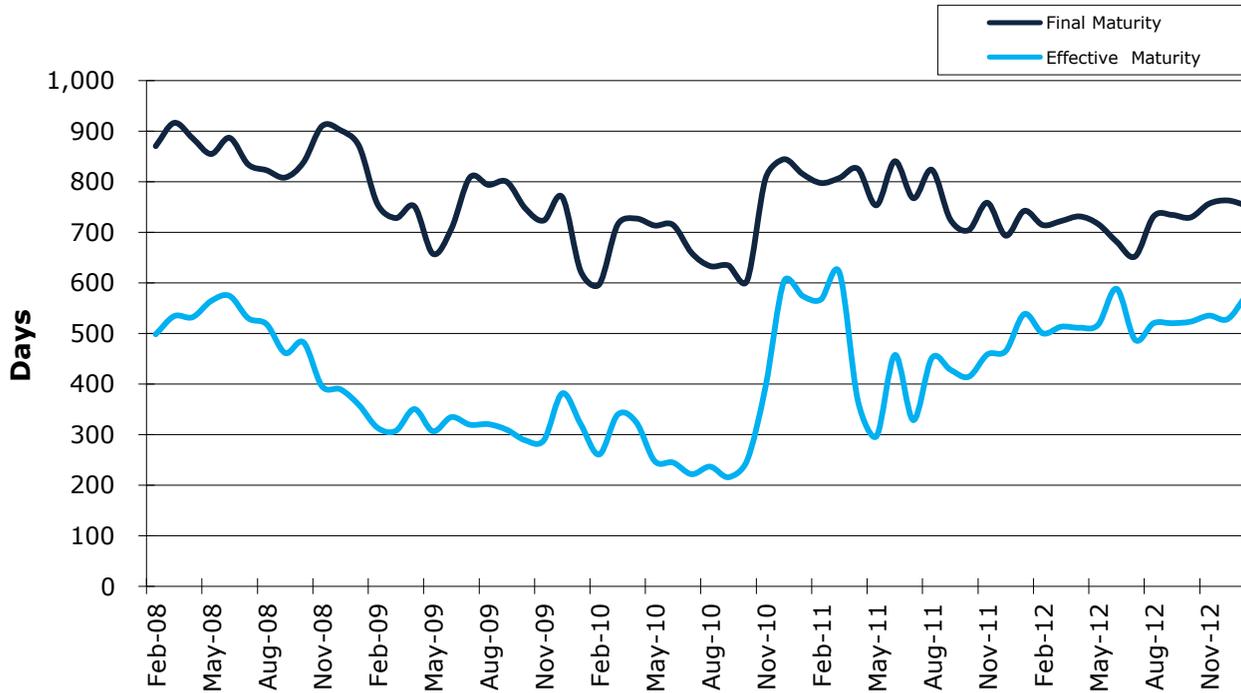


City of Colorado Springs Portfolio Size and Weighted Average Maturity February 2008 through January 2013

Portfolio Balance - Ending Market Value



Weighted Average Final Maturity and Weighted Average Effective Maturity





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CITY OF COLORADO SPRINGS

Report for the period January 1, 2013 - January 31, 2013

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

(This report was prepared on February 6, 2013)

Fixed Income Market Review January 31, 2013

U.S. Personal Consumption Expenditures

Chart 1

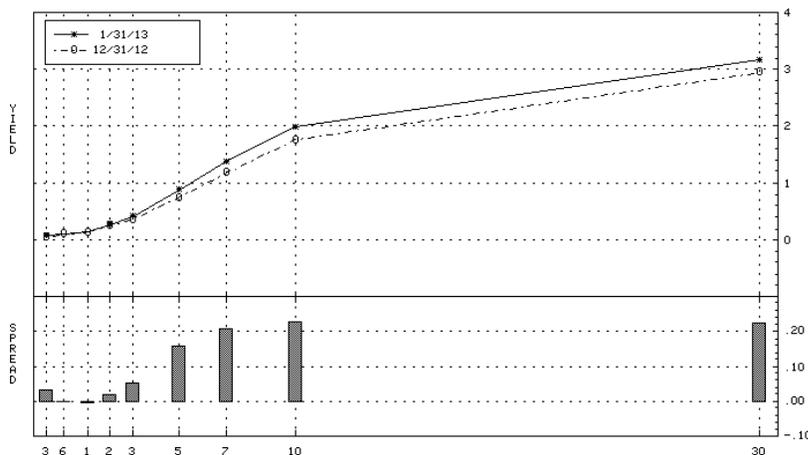
03/30/07 - 12/31/12



Treasury Yield Curves

Chart 2

12/31/12 - 01/31/13



Economic Indicators & Monetary Policy – The U.S. economy appears to have weakened in the final quarter of 2012 due to a contraction in defense spending, the greatest in 40 years. GDP fell to 0.1 percent in response to the reduction in government spending and a minimal gain in inventories. A closer look at the data, however, indicates economic strength as consumer spending and business spending accelerated. Household consumption, for example, increased at a 2.2 percent rate (Chart 1) and added 1.5 percentage points to GDP. Corporate spending climbed at a 12.4 percent rate and added 0.86 of a percentage point to GDP. The decline in government spending and small stockpile gain collectively subtracted 2.6 percentage points from GDP. During 2012, the economy expanded 2.2 percent after a 1.8 percent increase in 2011. Consumer spending makes up about 70 percent of the economy.

Consumers overcame pressures from superstorm Sandy, a contentious presidential race, and Federal budget uncertainty. Retail sales, an indicator of household spending, advanced 0.5 percent in December after an increase of 0.3 percent the previous month; the growth was primarily helped by rising home values, lower gasoline prices, chain store discounting, and job gains.

The unemployment rate increased in January to 7.9 percent from 7.8 percent the previous month. While the increase was due in part to revised census data, payrolls increased 157,000 in January which follows a revised 196,000 increase in the prior month. The economy has recovered 5.51 million of the 8.74 million jobs that were lost due to the recession. Greater employment advances, however, are needed to push down the jobless rate that Federal Reserve officials say is too high to further boost economic growth.

At its latest meeting that ended on January 30th, the FOMC kept the federal funds target rate at a range of 0 to 0.25 percent. Exceptionally low rates are expected as long as the unemployment rate remains above 6.5 percent and inflation remains at or below the 2.5 percent target.

Yield Curve & Spreads – Treasury yields generally increased in January due to signs of economic strength and negotiation of a budget agreement.

At the end of December, the 3-month Treasury bill yielded 0.07 percent, 6-month Treasury bill yielded 0.11 percent, 2-year Treasury yielded 0.26 percent, 5-year Treasury yielded 0.88 percent, 10-year Treasury yielded 1.99 percent, and the 30-year Treasury yielded 3.17 percent. (Chart 2)

Additional Information
January 31, 2013

A current version of the investment adviser brochure, for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.
Attention: Client Services
113 King Street
Armonk, NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at www.adviserinfo.sec.gov/.

**City of Colorado Springs
Activity and Performance Summary
for the period January 1, 2013 - January 31, 2013**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value		96,394,180.46
Additions		
Contributions	2,591,346.13	
Interest Received	77,271.21	
Accrued Interest Sold	0.00	
Gain on Sales	0.00	
Total Additions		2,668,617.34
Deductions		
Withdrawals	0.00	
Fees Paid	6,497.17	
Accrued Interest Purchased	5,566.67	
Loss on Sales	0.00	
Total Deductions		(12,063.84)
Accretion (Amortization) for the Period		(44,933.64)
Ending Amortized Cost Value		99,005,800.32
Ending Fair Value		99,476,984.20
Unrealized Gain (Loss)		471,183.88

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	1,129.54	0.00	0.00	1,129.54
Commercial Paper	0.00	1,412.21	0.00	1,412.21
U.S. Treasury	16,572.53	(9,106.44)	0.00	7,466.09
U.S. Instrumentality	66,635.41	(23,214.58)	0.00	43,420.83
Corporate	22,161.12	(13,542.88)	0.00	8,618.24
Sales and Maturities				
Commercial Paper	0.00	810.00	0.00	810.00
Corporate	1,770.83	(1,291.95)	0.00	478.88
Total	108,269.43	(44,933.64)	0.00	63,335.79

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15 %	0.15 %	0.14 %
Overnight Repo	0.17 %	0.20 %	0.11 %
3 Month T-Bill	0.08 %	0.08 %	0.07 %
6 Month T-Bill	0.12 %	0.12 %	0.09 %
1 Year T-Note	0.18 %	0.17 %	0.14 %
2 Year T-Note	0.28 %	0.27 %	0.27 %
5 Year T-Note	0.70 %	0.59 %	0.08 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	108,269.43	107,139.89
Accretion (Amortization)	(44,933.64)	(44,933.64)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	63,335.79	62,206.25
Average Daily Historical Cost	97,457,601.20	90,586,911.11
Annualized Return	0.77%	0.81%
Annualized Return Net of Fees	0.69%	0.72%
Annualized Return Year to Date Net of Fees	0.69%	0.72%
Weighted Average Effective Maturity in Days	574	631

**City of Colorado Springs
Activity and Performance Summary
for the period January 1, 2013 - January 31, 2013**

Fair Value Basis Activity Summary

Beginning Fair Value		96,935,064.71
Additions		
Contributions	2,591,346.13	
Interest Received	77,271.21	
Accrued Interest Sold	0.00	
Total Additions		2,668,617.34
Deductions		
Withdrawals	0.00	
Fees Paid	6,497.17	
Accrued Interest Purchased	5,566.67	
Total Deductions		(12,063.84)
Change in Fair Value for the Period		(114,634.01)
Ending Fair Value		99,476,984.20

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	1,129.54	0.00	1,129.54
Commercial Paper	0.00	618.00	618.00
U.S. Treasury	16,572.53	(24,082.50)	(7,509.97)
U.S. Instrumentality	66,635.41	(90,876.40)	(24,240.99)
Corporate	22,161.12	605.14	22,766.26
Sales and Maturities			
Commercial Paper	0.00	262.00	262.00
Corporate	1,770.83	(1,160.25)	610.58
Total	108,269.43	(114,634.01)	(6,364.58)

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.15 %	0.15 %	0.14 %
Overnight Repo	0.17 %	0.20 %	0.11 %
3 Month T-Bill	0.13 %	0.14 %	0.12 %
6 Month T-Bill	0.21 %	0.24 %	0.24 %
1 Year T-Note	0.23 %	0.26 %	0.35 %
2 Year T-Note	0.21 %	0.10 %	0.00 %
5 Year T-Note	0.86 %	-1.11 %	-7.54 %

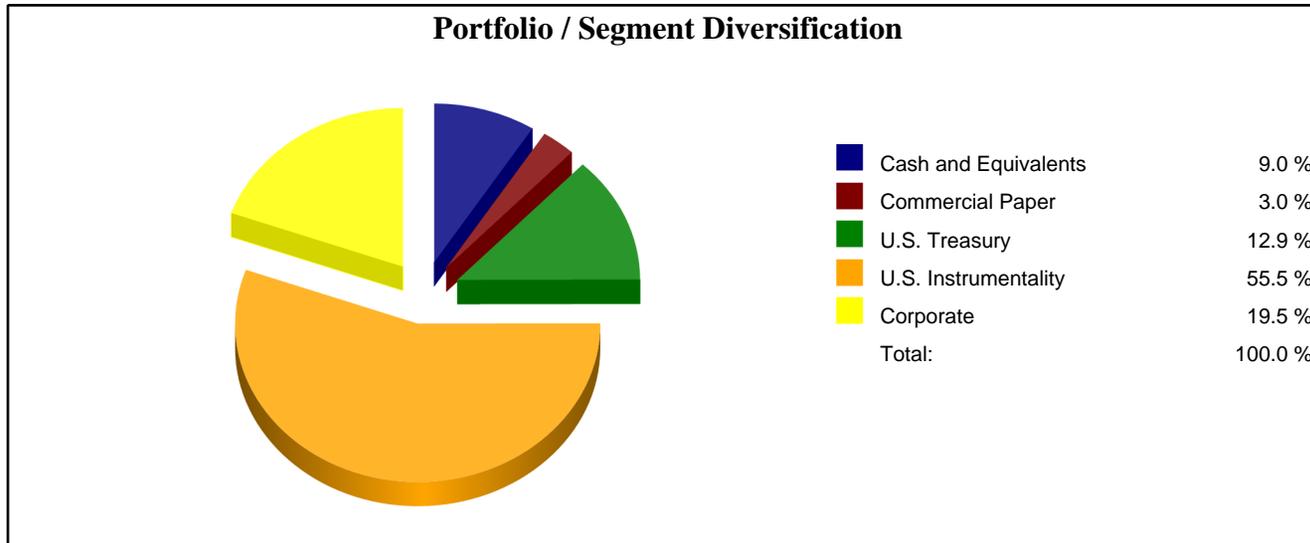
Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	108,269.43	107,139.89
Change in Fair Value	<u>(114,634.01)</u>	<u>(114,634.01)</u>
Total Income on Portfolio	(6,364.58)	(7,494.12)
Average Daily Historical Cost	97,457,601.20	90,586,911.11
Annualized Return	(0.08%)	(0.10%)
Annualized Return Net of Fees	(0.16%)	(0.18%)
Annualized Return Year to Date Net of Fees	(0.16%)	(0.18%)
Weighted Average Effective Maturity in Days	574	631

**City of Colorado Springs
Recap of Securities Held
January 31, 2013**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	9,004,847.83	9,004,847.83	9,004,847.83	0.00	1	1	9.02	0.19	0.00
Commercial Paper	2,991,903.34	2,998,684.44	2,999,502.00	817.56	29	29	3.00	0.56	0.04
U.S. Treasury	12,917,656.26	12,765,259.95	12,874,959.50	109,699.55	1,007	1,007	12.95	0.69	2.70
U.S. Instrumentality	55,417,315.00	54,883,980.82	55,213,605.90	329,625.08	895	573	55.54	0.95	1.54
Corporate	19,447,499.60	19,353,027.28	19,384,068.97	31,041.69	639	639	19.49	0.66	1.72
Total	99,779,222.03	99,005,800.32	99,476,984.20	471,183.88	753	574	100.00	0.78	1.54

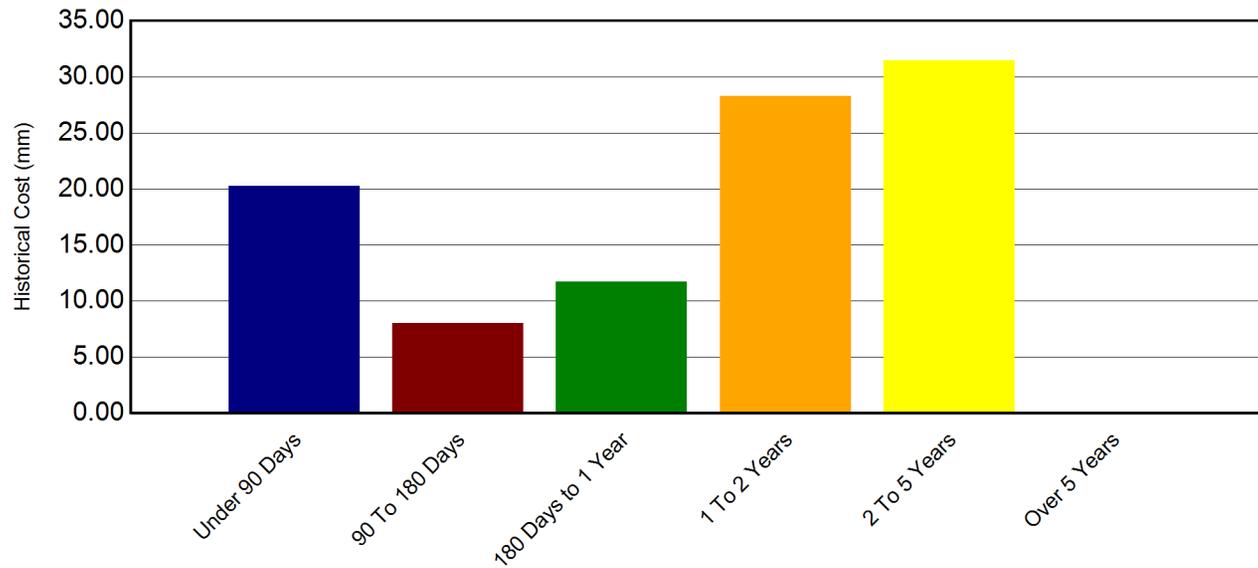
* Weighted Average Yield is calculated on a "yield to worst" basis.



**City of Colorado Springs
Maturity Distribution of Securities Held
January 31, 2013**

Maturity	Historical Cost	Percent
Under 90 Days	20,259,301.17	20.30 %
90 To 180 Days	8,005,680.00	8.02 %
180 Days to 1 Year	11,733,480.00	11.76 %
1 To 2 Years	28,298,716.79	28.36 %
2 To 5 Years	31,482,044.07	31.55 %
Over 5 Years	0.00	0.00 %
	99,779,222.03	100.00 %

Maturity Distribution



**City of Colorado Springs
Securities Held
January 31, 2013**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Cash and Equivalents													
CSIP	01/31/13	0.190V		9,004,847.83	9,004,847.83	9,004,847.83	9,004,847.83	0.00	1,129.54	1,129.54	0.00	9.02	0.19
					0.00	0.00	0.00						
TOTAL (Cash and Equivalents)				9,004,847.83	9,004,847.83	9,004,847.83	9,004,847.83	0.00	1,129.54	1,129.54	0.00	9.02	
					0.00	0.00	0.00						
Commercial Paper													
48802XHV1	08/27/12	0.000	02/20/13	2,000,000.00	1,994,886.67	1,999,451.11	1,999,822.00	370.89	0.00	0.00	0.00	2.00	0.53
KELLS FUNDING LLC					0.00	895.55	344.00						
4497W0QK7	09/21/12	0.000	03/19/13	1,000,000.00	997,016.67	999,233.33	999,680.00	446.67	0.00	0.00	0.00	1.00	0.61
ING Funding					0.00	516.66	274.00						
TOTAL (Commercial Paper)				3,000,000.00	2,991,903.34	2,998,684.44	2,999,502.00	817.56	0.00	0.00	0.00	3.00	
					0.00	1,412.21	618.00						
U.S. Treasury													
912828LZ1	08/31/11	2.125	11/30/14	2,500,000.00	2,638,867.19	2,578,032.36	2,585,155.00	7,122.64	0.00	4,524.38	9,194.71	2.64	0.40
T-Note					0.00	(3,626.70)	(3,420.00)						
912828PE4	08/23/11	1.250	10/31/15	3,000,000.00	3,067,968.75	3,044,512.87	3,071,484.00	26,971.13	0.00	3,193.69	9,684.07	3.07	0.70
T-Note					0.00	(1,377.14)	(4,452.00)						
912828PJ3	09/16/11	1.375	11/30/15	2,500,000.00	2,568,359.38	2,545,928.96	2,568,750.00	22,821.04	0.00	2,927.54	5,949.52	2.57	0.71
T-Note					0.00	(1,379.65)	(4,687.50)						
912828PS3	08/31/11	2.000	01/31/16	2,500,000.00	2,636,523.44	2,592,538.19	2,617,382.50	24,844.31	25,000.00	4,214.21	138.12	2.64	0.74
T-Note					0.00	(2,622.20)	(6,055.00)						
912828RF9	08/31/11	1.000	08/31/16	2,000,000.00	2,005,937.50	2,004,247.57	2,032,188.00	27,940.43	0.00	1,712.71	8,508.29	2.01	0.94
T-Note					0.00	(100.75)	(5,468.00)						
TOTAL (U.S. Treasury)				12,500,000.00	12,917,656.26	12,765,259.95	12,874,959.50	109,699.55	25,000.00	16,572.53	33,474.71	12.95	
					0.00	(9,106.44)	(24,082.50)						
U.S. Instrumentality													
31359MQV8	Call	09/29/10	02/21/13	2,000,000.00	2,191,480.00	2,004,371.69	2,005,074.00	702.31	0.00	7,916.66	42,222.22	2.20	0.71
FNMA			02/21/13		0.00	(6,776.12)	(7,382.00)						
31398AE24	08/26/10	1.750	02/22/13	3,000,000.00	3,068,820.00	3,001,586.41	3,002,814.00	1,227.59	0.00	4,375.00	23,187.50	3.08	0.82
FNMA					0.00	(2,341.84)	(3,930.00)						
31398A3L4	08/01/11	1.125	09/17/13	3,000,000.00	3,033,300.00	3,009,758.87	3,017,778.00	8,019.13	0.00	2,812.50	12,562.50	3.04	0.60
FNMA					0.00	(1,326.86)	(2,280.00)						
31331GCS6	05/31/11	3.875	10/07/13	2,000,000.00	2,146,760.00	2,042,321.49	2,050,440.00	8,118.51	0.00	6,458.34	24,541.67	2.15	0.72
FFCB					0.00	(5,290.18)	(5,942.00)						

**City of Colorado Springs
Securities Held
January 31, 2013**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield	
31398A4N9 FNMA	10/15/10	1.000	10/15/13	3,000,000.00	3,003,510.00 0.00	3,000,000.00 0.00	3,013,089.00 (1,494.00)	13,089.00	0.00	2,500.00	8,833.33	3.01	1.00	
3133XWKV0 FHLB	03/25/11	2.375	03/14/14	3,000,000.00	3,093,630.00 0.00	3,035,035.74 (2,675.14)	3,072,981.00 (4,893.00)	37,945.26	0.00	5,937.50	27,114.58	3.10	1.30	
3133XWE70 FHLB	02/24/11	2.500	06/13/14	2,200,000.00	2,265,648.00 0.00	2,227,076.40 (1,688.86)	2,267,852.40 (3,843.40)	40,776.00	0.00	4,583.33	7,333.33	2.27	1.57	
313370JS8 FHLB	07/28/11	1.375	09/12/14	3,000,000.00	3,034,680.00 0.00	3,017,856.25 (941.40)	3,053,175.00 (2,637.00)	35,318.75	0.00	3,437.50	15,927.08	3.04	1.00	
31398A6C1 FNMA	06/24/11	1.150	11/18/14	2,500,000.00	2,507,250.00 0.00	2,503,820.39 (180.82)	2,538,527.50 (1,795.00)	34,707.11	0.00	2,395.83	5,829.86	2.51	1.06	
3136FPNV5 FNMA	Call 06/30/11	2.125V	10/21/15 10/21/15	3,000,000.00	3,064,080.00 0.00	3,040,385.87 (1,262.06)	3,133,353.00 (5,550.00)	92,967.13	0.00	5,312.50	17,708.33	3.07	1.61	
313380L96 FHLB	08/23/12	0.500	11/20/15	3,000,000.00	2,999,040.00 0.00	2,999,171.35 25.13	3,008,841.00 (2,457.00)	9,669.65	0.00	1,250.00	2,958.33	3.01	0.51	
3134G3UV0 FHLMC	Call 07/06/12	0.750	11/23/15 05/23/13	2,000,000.00	2,004,000.00 0.00	2,001,383.18 (386.29)	2,003,182.00 (666.00)	1,798.82	0.00	1,250.00	2,833.33	2.01	0.52	
3134G3SE1 FHLMC	Call 03/21/12	1.000	03/21/16 03/21/14	2,000,000.00	2,000,132.00 0.00	2,000,074.68 (5.60)	2,013,902.00 (1,268.00)	13,827.32	0.00	1,666.66	7,222.22	2.00	1.00	
3133EAWZ7 FFCB	Call 07/31/12	0.790	07/11/16 07/11/13	3,000,000.00	3,001,680.00 0.00	3,000,779.13 (150.96)	3,006,390.00 (618.00)	5,610.87	11,850.00	1,975.00	1,316.67	3.01	0.73	
3136G0LL3 FNMA	Call 06/14/12	1.000	09/14/16 06/14/13	3,000,000.00	3,000,000.00 0.00	3,000,000.00 0.00	3,006,435.00 (1,833.00)	6,435.00	0.00	2,500.00	11,416.67	3.01	1.00	
3134G3S50 FHLMC	10/22/12	0.625	11/01/16	2,500,000.00	2,495,500.00 173.61	2,495,812.03 94.83	2,494,415.00 (6,620.00)	(1,397.03)	0.00	1,302.09	4,470.49	2.50	0.67	
313378WF4 FHLB	05/10/12	1.125	03/10/17	2,000,000.00	2,012,140.00 0.00	2,010,303.52 (213.23)	2,024,778.00 (10,902.00)	14,474.48	0.00	1,875.00	8,812.50	2.02	1.00	
3134G3SC5 FHLMC	Call 04/27/12	1.210	03/28/17 03/28/13	3,000,000.00	3,002,250.00 0.00	3,000,369.40 (208.21)	3,004,911.00 (1,152.00)	4,541.60	0.00	3,025.00	12,402.50	3.01	1.13	
3134G3ZP8 FHLMC	Call 08/08/12	1.000	08/08/17 02/08/13	3,000,000.00	3,000,000.00 0.00	3,000,000.00 0.00	2,999,364.00 (3,387.00)	(636.00)	0.00	2,500.00	14,416.67	3.01	1.00	
3136G0YF2 FNMA	Call 08/30/12	1.050	08/28/17 08/28/14	3,000,000.00	3,000,000.00 175.00	3,000,000.00 0.00	3,006,591.00 (13,791.00)	6,591.00	0.00	2,625.00	13,387.50	3.01	1.05	
313380EC7 FHLB	09/28/12	0.750	09/08/17	1,500,000.00	1,493,415.00 1,625.00	1,493,874.42 113.03	1,489,713.00 (8,436.00)	(4,161.42)	0.00	937.50	5,468.75	1.50	0.84	
TOTAL (U.S. Instrumentality)					54,700,000.00	55,417,315.00 1,973.61	54,883,980.82 (23,214.58)	55,213,605.90 (90,876.40)	329,625.08	11,850.00	66,635.41	269,966.03	55.54	

**City of Colorado Springs
Securities Held
January 31, 2013**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
Corporate													
459200GT2	09/04/12	1.000	08/05/13	1,500,000.00	1,509,630.00	1,505,318.06	1,505,557.50	239.44	0.00	1,250.00	7,333.33	1.51	0.30
IBM Corp					1,208.33	(891.13)	(1,315.50)						
64952WAX1	03/19/12	1.850	12/13/13	2,000,000.00	2,040,280.00	2,020,012.93	2,022,518.00	2,505.07	0.00	3,083.33	4,933.33	2.04	0.68
New York Life Global					0.00	(1,969.53)	340.00						
57629WBK5	03/26/12	2.875	04/21/14	1,500,000.00	1,559,805.00	1,535,123.57	1,543,362.00	8,238.43	0.00	3,593.75	11,979.17	1.56	0.93
MassMutual Global Fu					0.00	(2,452.32)	453.00						
459200GZ8	06/12/12	0.875	10/31/14	3,000,000.00	3,016,230.00	3,011,869.70	3,022,125.00	10,255.30	0.00	2,187.50	6,635.42	3.02	0.65
IBM Corp					0.00	(577.65)	(3,156.00)						
89233P5N2	08/30/12	1.250	11/17/14	2,578,000.00	2,618,474.60	2,610,719.89	2,612,372.47	1,652.58	0.00	2,685.42	6,624.03	2.62	0.54
Toyota Motor Credit					0.00	(1,550.94)	(2,044.36)						
59217GAM1	01/11/13	2.000	01/09/15	2,500,000.00	2,564,000.00	2,562,153.85	2,564,160.00	2,006.15	0.00	2,777.78	3,055.56	2.57	0.71
Met Life Glob					277.78	(1,846.15)	160.00						
084670AV0	06/12/12	3.200	02/11/15	2,000,000.00	2,125,860.00	2,095,622.59	2,103,748.00	8,125.41	0.00	5,333.33	30,222.22	2.13	0.81
Berkshire Hathaway					0.00	(4,005.81)	(1,688.00)						
64952WBH5	09/26/12	0.750	07/24/15	2,000,000.00	2,008,120.00	2,007,111.89	2,006,950.00	(161.89)	7,416.67	1,250.01	291.67	2.01	0.60
New York Life Global					0.00	(244.15)	9,680.00						
369604BE2	01/31/13	0.850	10/09/15	2,000,000.00	2,005,100.00	2,005,094.80	2,003,276.00	(1,818.80)	0.00	0.00	5,288.89	2.01	0.75
GENERAL ELECTRIC					5,288.89	(5.20)	(1,824.00)						
TOTAL (Corporate)				19,078,000.00	19,447,499.60	19,353,027.28	19,384,068.97	31,041.69	7,416.67	22,161.12	76,363.62	19.49	
					6,775.00	(13,542.88)	605.14						

GRAND TOTAL **98,282,847.83** **99,779,222.03** **99,005,800.32** **99,476,984.20** **471,183.88** **45,396.21** **106,498.60** **379,804.36** **100.00**
8,748.61 **(44,451.69)** **(113,735.76)**

V = variable rate, current rate shown, average rate for Cash & Equivalents

City of Colorado Springs
GASB 40 - Deposit and Investment Risk Disclosure
January 31, 2013

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>FNMA</u>												
31359MQV8	U.S. Instrumentality	4.750	02/21/2013	02/21/2013	AA+	Aaa	2,000,000.00	2,191,480.00	2.20	2,005,074.00	2.02	0.06
31398AE24	U.S. Instrumentality	1.750	02/22/2013		AA+	Aaa	3,000,000.00	3,068,820.00	3.08	3,002,814.00	3.02	0.06
3136G0LL3	U.S. Instrumentality	1.000	09/14/2016	06/14/2013	AA+	Aaa	3,000,000.00	3,000,000.00	3.01	3,006,435.00	3.02	0.37
31398A3L4	U.S. Instrumentality	1.125	09/17/2013		AA+	Aaa	3,000,000.00	3,033,300.00	3.04	3,017,778.00	3.03	0.62
31398A4N9	U.S. Instrumentality	1.000	10/15/2013		AA+	Aaa	3,000,000.00	3,003,510.00	3.01	3,013,089.00	3.03	0.70
3136G0YF2	U.S. Instrumentality	1.050	08/28/2017	08/28/2014	AA+	Aaa	3,000,000.00	3,000,000.00	3.01	3,006,591.00	3.02	1.56
31398A6C1	U.S. Instrumentality	1.150	11/18/2014		AA+	Aaa	2,500,000.00	2,507,250.00	2.51	2,538,527.50	2.55	1.78
3136FPNV5	U.S. Instrumentality	2.125	10/21/2015	10/21/2015	AA+	Aaa	3,000,000.00	3,064,080.00	3.07	3,133,353.00	3.15	2.64
ISSUER TOTAL							22,500,000.00	22,868,440.00	22.92	22,723,661.50	22.84	1.01
<u>FHLB</u>												
3133XWKV0	U.S. Instrumentality	2.375	03/14/2014		AA+	Aaa	3,000,000.00	3,093,630.00	3.10	3,072,981.00	3.09	1.10
3133XWE70	U.S. Instrumentality	2.500	06/13/2014		AA+	Aaa	2,200,000.00	2,265,648.00	2.27	2,267,852.40	2.28	1.35
313370JS8	U.S. Instrumentality	1.375	09/12/2014		AA+	Aaa	3,000,000.00	3,034,680.00	3.04	3,053,175.00	3.07	1.59
313380L96	U.S. Instrumentality	0.500	11/20/2015		AA+	Aaa	3,000,000.00	2,999,040.00	3.01	3,008,841.00	3.02	2.78
313378WF4	U.S. Instrumentality	1.125	03/10/2017		AA+	Aaa	2,000,000.00	2,012,140.00	2.02	2,024,778.00	2.04	3.99
313380EC7	U.S. Instrumentality	0.750	09/08/2017		AA+	Aaa	1,500,000.00	1,493,415.00	1.50	1,489,713.00	1.50	4.50
ISSUER TOTAL							14,700,000.00	14,898,553.00	14.93	14,917,340.40	15.00	2.31
<u>T-Note</u>												
912828LZ1	U.S. Treasury	2.125	11/30/2014		AA+	Aaa	2,500,000.00	2,638,867.19	2.64	2,585,155.00	2.60	1.80
912828PE4	U.S. Treasury	1.250	10/31/2015		AA+	Aaa	3,000,000.00	3,067,968.75	3.07	3,071,484.00	3.09	2.70
912828PJ3	U.S. Treasury	1.375	11/30/2015		AA+	Aaa	2,500,000.00	2,568,359.38	2.57	2,568,750.00	2.58	2.77
912828PS3	U.S. Treasury	2.000	01/31/2016		AA+	Aaa	2,500,000.00	2,636,523.44	2.64	2,617,382.50	2.63	2.92
912828RF9	U.S. Treasury	1.000	08/31/2016		AA+	Aaa	2,000,000.00	2,005,937.50	2.01	2,032,188.00	2.04	3.50
ISSUER TOTAL							12,500,000.00	12,917,656.26	12.95	12,874,959.50	12.94	2.70
<u>FHLMC</u>												
3134G3SC5	U.S. Instrumentality	1.210	03/28/2017	03/28/2013	AA+	Aaa	3,000,000.00	3,002,250.00	3.01	3,004,911.00	3.02	0.16
3134G3UV0	U.S. Instrumentality	0.750	11/23/2015	05/23/2013	AA+	Aaa	2,000,000.00	2,004,000.00	2.01	2,003,182.00	2.01	0.31
3134G3SE1	U.S. Instrumentality	1.000	03/21/2016	03/21/2014	AA+	Aaa	2,000,000.00	2,000,132.00	2.00	2,013,902.00	2.02	1.13
3134G3SS0	U.S. Instrumentality	0.625	11/01/2016		AA+	Aaa	2,500,000.00	2,495,500.00	2.50	2,494,415.00	2.51	3.69
3134G3ZP8	U.S. Instrumentality	1.000	08/08/2017	02/08/2013	AA+	Aaa	3,000,000.00	3,000,000.00	3.01	2,999,364.00	3.02	4.39
ISSUER TOTAL							12,500,000.00	12,501,882.00	12.53	12,515,774.00	12.58	2.06

City of Colorado Springs
GASB 40 - Deposit and Investment Risk Disclosure
January 31, 2013

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>CSIP</u>												
	Cash and Equivalents	0.190			AAA	Aaa	9,004,847.83	9,004,847.83	9.02	9,004,847.83	9.05	0.00
ISSUER TOTAL							9,004,847.83	9,004,847.83	9.02	9,004,847.83	9.05	0.00
<u>FFCB</u>												
3133EAWZ7	U.S. Instrumentality	0.790	07/11/2016	07/11/2013	AA+	Aaa	3,000,000.00	3,001,680.00	3.01	3,006,390.00	3.02	0.44
31331GCS6	U.S. Instrumentality	3.875	10/07/2013		AA+	Aaa	2,000,000.00	2,146,760.00	2.15	2,050,440.00	2.06	0.67
ISSUER TOTAL							5,000,000.00	5,148,440.00	5.16	5,056,830.00	5.08	0.54
<u>IBM Corp</u>												
459200GT2	Corporate	1.000	08/05/2013		AA-	Aa3	1,500,000.00	1,509,630.00	1.51	1,505,557.50	1.51	0.51
459200GZ8	Corporate	0.875	10/31/2014		AA-	Aa3	3,000,000.00	3,016,230.00	3.02	3,022,125.00	3.04	1.73
ISSUER TOTAL							4,500,000.00	4,525,860.00	4.54	4,527,682.50	4.55	1.33
<u>New York Life Global Funding</u>												
64952WAX1	Corporate	1.850	12/13/2013		AA+	Aaa	2,000,000.00	2,040,280.00	2.04	2,022,518.00	2.03	0.86
64952WBH5	Corporate	0.750	07/24/2015		AA+	Aaa	2,000,000.00	2,008,120.00	2.01	2,006,950.00	2.02	2.45
ISSUER TOTAL							4,000,000.00	4,048,400.00	4.06	4,029,468.00	4.05	1.65
<u>Toyota Motor Credit</u>												
89233P5N2	Corporate	1.250	11/17/2014		AA-	Aa3	2,578,000.00	2,618,474.60	2.62	2,612,372.47	2.63	1.77
ISSUER TOTAL							2,578,000.00	2,618,474.60	2.62	2,612,372.47	2.63	1.77
<u>Met Life Glob</u>												
59217GAM1	Corporate	2.000	01/09/2015		AA-	Aa3	2,500,000.00	2,564,000.00	2.57	2,564,160.00	2.58	1.90
ISSUER TOTAL							2,500,000.00	2,564,000.00	2.57	2,564,160.00	2.58	1.90
<u>Berkshire Hathaway</u>												
084670AV0	Corporate	3.200	02/11/2015		AA+	Aa2	2,000,000.00	2,125,860.00	2.13	2,103,748.00	2.11	1.95
ISSUER TOTAL							2,000,000.00	2,125,860.00	2.13	2,103,748.00	2.11	1.95
<u>GENERAL ELECTRIC CO</u>												
369604BE2	Corporate	0.850	10/09/2015		AA+	Aa3	2,000,000.00	2,005,100.00	2.01	2,003,276.00	2.01	2.65
ISSUER TOTAL							2,000,000.00	2,005,100.00	2.01	2,003,276.00	2.01	2.65

City of Colorado Springs
GASB 40 - Deposit and Investment Risk Disclosure
January 31, 2013

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<u>KELLS FUNDING LLC</u>												
48802XHV1	Commercial Paper	0.000	02/20/2013		A-1+	P-1	2,000,000.00	1,994,886.67	2.00	1,999,822.00	2.01	0.00
ISSUER TOTAL							2,000,000.00	1,994,886.67	2.00	1,999,822.00	2.01	0.00
<u>MassMutual Global Funding</u>												
57629WBK5	Corporate	2.875	04/21/2014		AA+	Aa2	1,500,000.00	1,559,805.00	1.56	1,543,362.00	1.55	1.20
ISSUER TOTAL							1,500,000.00	1,559,805.00	1.56	1,543,362.00	1.55	1.20
<u>ING Funding</u>												
4497W0QK7	Commercial Paper	0.000	03/19/2013		A-1	P-1	1,000,000.00	997,016.67	1.00	999,680.00	1.00	0.13
ISSUER TOTAL							1,000,000.00	997,016.67	1.00	999,680.00	1.00	0.13

GRAND TOTAL

98,282,847.83 99,779,222.03 100.00 99,476,984.20 100.00 1.55

Highlighted totals are issuers representing 5.00% or more of the portfolio's market value

**City of Colorado Springs
Securities Purchased
January 1, 2013 - January 31, 2013**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<u>Cash and Equivalents</u>								
CSIP	01/03/2013	0.190V		2,584,848.96	100.000	2,584,848.96	0.00	0.19
CSIP	01/11/2013	0.190V		29,447.22	100.000	29,447.22	0.00	0.19
CSIP	01/22/2013	0.190V		5,000,000.00	100.000	5,000,000.00	0.00	0.19
CSIP	01/31/2013	0.190V		22,027.78	100.000	22,027.78	0.00	0.19
CSIP	01/31/2013	0.190V		1,129.54	100.000	1,129.54	0.00	0.19
TOTAL (Cash and Equivalents)				7,637,453.50		7,637,453.50	0.00	
<u>Corporate</u>								
59217GAM1 Met Life Glob	01/11/2013	2.000	01/09/2015	2,500,000.00	102.560	2,564,000.00	277.78	0.71
369604BE2 GENERAL ELECTRI	01/31/2013	0.850	10/09/2015	2,000,000.00	100.255	2,005,100.00	5,288.89	0.75
TOTAL (Corporate)				4,500,000.00		4,569,100.00	5,566.67	
GRAND TOTAL				12,137,453.50		12,206,553.50	5,566.67	

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Colorado Springs
Securities Sold and Matured
January 1, 2013 - January 31, 2013**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<u>Cash and Equivalents</u>													
CSIP	01/10/2013	0.190V		5,000,000.00	5,000,000.00	5,000,000.00	100.00	5,000,000.00	0.00	0.00	0.00	0.00	0.19
						0.00		0.00					
TOTAL (Cash and Equivalents)				5,000,000.00	5,000,000.00	5,000,000.00		5,000,000.00	0.00	0.00	0.00	0.00	
						0.00		0.00					
<u>Commercial Paper</u>													
48802XHQ2	01/28/2013	0.000	01/28/2013	2,000,000.00	1,994,600.00	2,000,000.00	100.00	2,000,000.00	0.00	0.00	0.00	0.00	0.55
KELLS FUNDING L						810.00		262.00					
TOTAL (Commercial Paper)				2,000,000.00	1,994,600.00	2,000,000.00		2,000,000.00	0.00	0.00	0.00	0.00	
						810.00		262.00					
<u>Corporate</u>													
59217GAA7	01/11/2013	2.500	01/11/2013	2,550,000.00	2,594,701.50	2,550,000.00	100.00	2,550,000.00	0.00	0.00	31,875.00	1,770.83	0.64
Met Life Glob						(1,291.95)		(1,160.25)					
TOTAL (Corporate)				2,550,000.00	2,594,701.50	2,550,000.00		2,550,000.00	0.00	0.00	31,875.00	1,770.83	
						(1,291.95)		(1,160.25)					
GRAND TOTAL				9,550,000.00	9,589,301.50	9,550,000.00		9,550,000.00	0.00	0.00	31,875.00	1,770.83	
						(481.95)		(898.25)					

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Colorado Springs
Transaction Report
for the period January 1, 2013 - January 31, 2013**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
01/03/2013		Bought	CE	CSIP		2,584,848.96	2,584,848.96	0.00	(2,584,848.96)	(2,584,848.96)
01/10/2013		Sold	CE	CSIP		5,000,000.00	5,000,000.00	0.00	5,000,000.00	2,415,151.04
01/11/2013		Bought	CE	CSIP		29,447.22	29,447.22	0.00	(29,447.22)	2,385,703.82
01/11/2013	3133EAWZ7	Interest	INS	FFCB	07/11/2016	3,000,000.00	0.00	11,850.00	11,850.00	2,397,553.82
01/11/2013	59217GAA7	Maturity	COR	Met Life Glob	01/11/2013	2,550,000.00	2,550,000.00	0.00	2,550,000.00	4,947,553.82
01/11/2013	59217GAA7	Interest	COR	Met Life Glob	01/11/2013	2,550,000.00	0.00	31,875.00	31,875.00	4,979,428.82
01/11/2013	59217GAM1	Bought	COR	Met Life Glob	01/09/2015	2,500,000.00	2,564,000.00	277.78	(2,564,277.78)	2,415,151.04
01/22/2013		Bought	CE	CSIP		5,000,000.00	5,000,000.00	0.00	(5,000,000.00)	(2,584,848.96)
01/24/2013	64952WBH5	Interest	COR	New York Life Global	07/24/2015	2,000,000.00	0.00	7,416.67	7,416.67	(2,577,432.29)
01/28/2013	48802XHQ2	Maturity	CP	KELLS FUNDING LLC	01/28/2013	2,000,000.00	2,000,000.00	0.00	2,000,000.00	(577,432.29)
01/31/2013		Interest	CE	CSIP		9,004,847.83	0.00	1,129.54	1,129.54	(576,302.75)
01/31/2013		Bought	CE	CSIP		23,157.32	23,157.32	0.00	(23,157.32)	(599,460.07)
01/31/2013	369604BE2	Bought	COR	GENERAL ELECTRIC	10/09/2015	2,000,000.00	2,005,100.00	5,288.89	(2,010,388.89)	(2,609,848.96)
01/31/2013	912828PS3	Interest	TSY	T-Note	01/31/2016	2,500,000.00	0.00	25,000.00	25,000.00	(2,584,848.96)
Portfolio Activity Total									(2,584,848.96)	

Net Contributions:	2,591,346.13
Net Withdrawals:	0.00

Fees Charged:	6,497.17
Fees Paid:	6,497.17

**City of Colorado Springs
Securities Bid and Offer
for the period 1/1/2013 - 1/31/2013**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	01/11/2013	MET 2 01/09/2015		RBC	2,500,000		102.560	0.705	UBS - FHLB 0.25% 01/16/15 @ YTM 0.28 MIZ - TSY NOTE 0.25% 01/15/15 @ YTM 0.26
BUY	01/31/2013	GE .85 10/09/2015		JEF	2,000,000		100.255	0.75	MOR - GE 0.85 10/09/15 @ YTM 0.73 RBC - GE 0.85 10/09/15 @ YTM 0.74

**City of Colorado Springs
Upcoming Cash Activity
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
02/05/2013	Interest	459200GT2	IBM Corp	1.000	08/05/2013		1,500,000.00	0.00	7,500.00	7,500.00
02/08/2013	Interest	3134G3ZP8	FHLMC	1.000	08/08/2017	02/08/2013	3,000,000.00	0.00	15,000.00	15,000.00
02/11/2013	Interest	084670AV0	Berkshire Hathaway	3.200	02/11/2015		2,000,000.00	0.00	32,000.00	32,000.00
02/20/2013	Maturity	48802XHV1	KELLS FUNDING LLC	0.520	02/20/2013		2,000,000.00	2,000,000.00	0.00	2,000,000.00
02/21/2013	Maturity	31359MQV8	FNMA	4.750	02/21/2013	02/21/2013	2,000,000.00	2,000,000.00	47,500.00	2,047,500.00
02/22/2013	Maturity	31398AE24	FNMA	1.750	02/22/2013		3,000,000.00	3,000,000.00	26,250.00	3,026,250.00
02/28/2013	Interest	912828RF9	T-Note	1.000	08/31/2016		2,000,000.00	0.00	10,000.00	10,000.00
02/28/2013	Interest	3136G0YF2	FNMA	1.050	08/28/2017	08/28/2014	3,000,000.00	0.00	15,750.00	15,750.00
03/08/2013	Interest	313380EC7	FHLB	0.750	09/08/2017		1,500,000.00	0.00	6,625.00	6,625.00
03/10/2013	Interest	313378WF4	FHLB	1.125	03/10/2017		2,000,000.00	0.00	11,250.00	11,250.00
03/12/2013	Interest	313370JS8	FHLB	1.375	09/12/2014		3,000,000.00	0.00	20,625.00	20,625.00
03/14/2013	Interest	3133XWKV0	FHLB	2.375	03/14/2014		3,000,000.00	0.00	35,625.00	35,625.00
03/14/2013	Interest	3136G0LL3	FNMA	1.000	09/14/2016	06/14/2013	3,000,000.00	0.00	15,000.00	15,000.00
03/17/2013	Interest	31398A3L4	FNMA	1.125	09/17/2013		3,000,000.00	0.00	16,875.00	16,875.00

END OF REPORTS



New York Office
113 King Street
Armonk, NY 10504
Tel: 866 766 3030
Fax: 914 765 3030

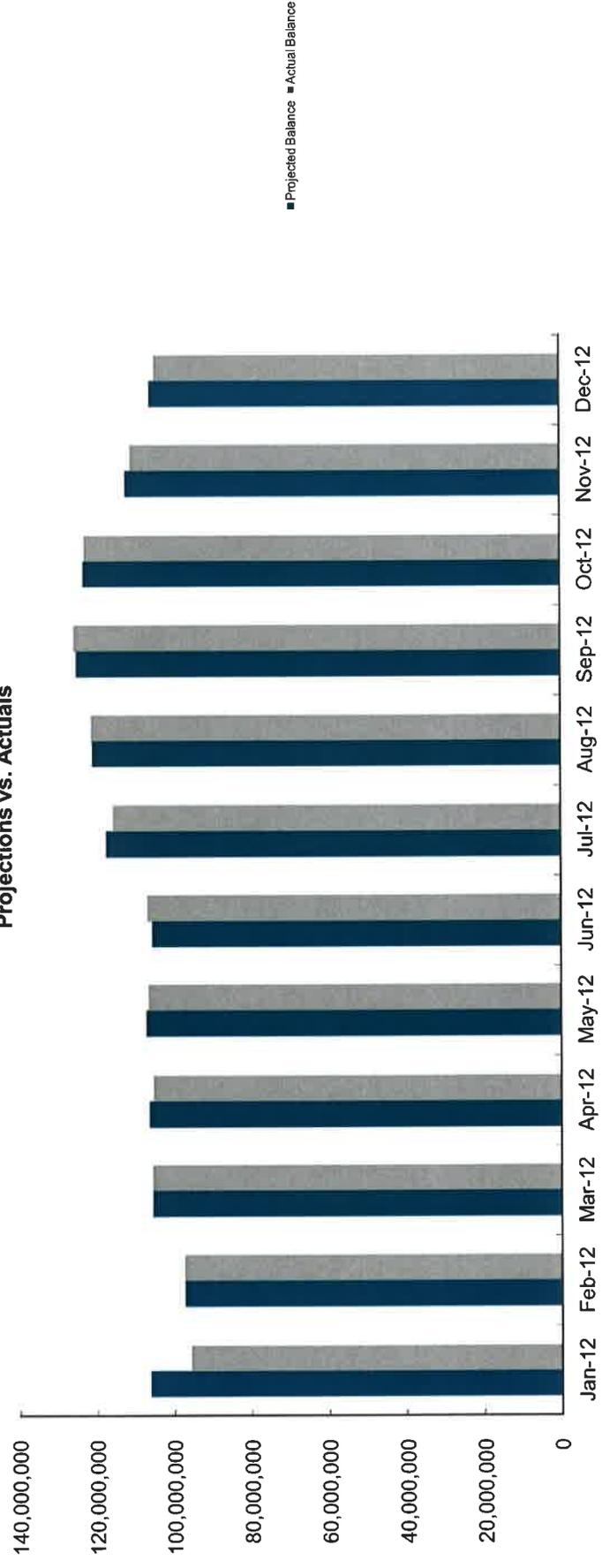
Colorado Office
1900 Sixteenth Street, Suite 200
Denver, CO 80202
Tel: 303 860 1100
Fax: 303 860 0016

For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.

City of Colorado Springs
Cash Flow Projections - All Funds

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
Fund Balances													
Cash Receipts													
Sales Tax	16,970,963	10,481,473	12,035,527	13,817,803	12,752,722	13,215,874	15,009,030	13,999,240	14,531,311	15,218,986	13,422,802	13,086,042	164,543,773
County Receipts	271,415	1,324,136	7,841,927	1,366,812	5,202,504	2,383,118	6,855,272	693,222	459,231	352,729	583,704	287,283	26,621,353
Grants	2,297,096	2,217,050	1,815,657	1,025,598	1,568,826	1,815,741	1,634,973	1,855,383	1,797,424	2,280,385	2,273,863	2,536,800	23,138,796
Airport (Operating and Grants)	1,613,692	2,367,597	1,306,336	2,177,398	3,688,794	4,719,595	7,590,451	4,733,200	3,103,521	2,101,544	3,452,339	6,106,962	42,963,409
Airport PFCs and CFCs	139,620	190,097	18,362	183,935	262,156	271,745	357,921	234,004	305,426	282,925	330,771	108,290	2,685,472
Surplus CSU (formerly PILT)	3,471,769	3,020,221	3,020,221	2,471,768	2,214,443	2,234,206	2,318,086	2,495,766	2,398,913	2,083,209	2,460,711	2,543,285	30,773,191
State Shared Revenue	1,361,745	1,423,397	1,549,222	1,429,689	1,487,487	1,702,273	1,637,427	1,717,841	1,816,983	1,674,307	1,610,494	1,633,686	19,044,451
Stormwater Enterprise	48,569	30,193	233,225	21,014	23,482	75,985	170,540	63,418	7,402	8,768	77,968	170	760,454
Other Revenues	7,204,322	4,015,961	9,427,794	6,133,685	5,834,367	6,652,633	7,029,498	7,675,172	6,425,660	5,315,144	5,315,144	8,203,737	79,138,020
plug	33,379,191	25,106,588	37,250,301	28,627,722	33,057,781	33,071,170	41,603,198	33,467,246	30,846,871	29,220,047	29,527,796	34,508,255	389,669,019
Cash Disbursements													
Payroll & Benefits	15,077,300	14,593,146	14,815,721	14,859,311	14,806,859	22,201,387	16,149,769	15,069,085	15,037,337	14,919,615	21,584,031	15,137,000	194,254,563
Accounts Payable	12,808,122	8,482,018	6,515,241	8,460,681	11,493,301	3,561,461	11,978,036	9,463,333	10,686,777	10,921,055	5,795,363	17,184,434	119,349,422
Human Svcs and Senior Prog	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service	0	0	0	740,838	1,213,842	1,336,181	96,304	0	0	1,483,429	10,848,844	4,706,181	20,425,619
Personnel Additional	2,898,482	0	0	0	0	0	0	0	0	0	0	0	2,898,482
Regional Building/Final	2,077,453	0	0	0	0	0	0	0	0	0	0	0	2,077,453
CIP & SPECIAL FUNDS													
TOPS	32,524	48,860	48,453	85,535	73,086	264,829	166,243	305,007	159,215	605,255	444,176	259,842	2,693,025
Lottery	181,975	204,918	425,000	241,102	281,718	469,338	309,363	360,764	261,180	270,484	294,624	263,583	3,349,082
LART	0	0	0	0	0	0	0	0	0	0	0	0	0
Cable Franchise	40,871	83,918	78,637	62,274	210,321	81,566	403,791	408,000	339,000	369,060	500,000	250,000	3,519,885
Public Safety	1,787	23,504	25,970	35,457	20,568	20,115	126,101	112,440	56,133	144,855	32,580	97,442	1,127,138
CITY/Unk'd CIP	2,395,802	208,002	540,195	4,301	341,418	1,295,059	(604,497)	2,024,047	(375,914)	131,459	70,506	23,386	494,497
Airport	1,106,655	442,792	4,270,674	2,830,913	3,614,136	4,905,276	1,148,284	1,410,884	752,899	1,588,991	304,112	4,234,966	5,586,347
Stormwater	55,310	5,557	14,839	31,103	26,134	19,122	20,913	433,740	21,277	23,036	21,277	(557,152)	26,610,592
Supplemental Expenditures	0	0	0	0	0	0	1,808	2,638	1,064	12,634	2,048	0	92,766
Capital Fund	17,585	33,030	130,082	13,215	78,272	82,452	1,808	2,638	1,064	12,634	2,048	0	224,634
Total Disbursements	36,693,966	24,125,747	29,078,945	27,580,764	32,359,855	34,586,786	29,801,249	29,675,036	27,014,934	30,763,908	40,467,256	40,731,682	382,920,029
plug	(3,314,775)	980,841	8,171,456	1,637,958	657,926	(1,515,616)	11,801,549	3,792,210	3,831,937	(1,541,009)	(10,839,460)	(6,223,471)	
Projected Net Change													
Maturing Principal Dollars													
Net Surplus/Shortage													
Projected Balance													
Actual Balance (Close)	109,679,123	97,345,189	105,516,645	106,554,603	107,212,529	105,695,913	117,498,862	121,291,072	125,123,009	123,582,000	112,642,540	106,419,113	106,419,113
US Bank Operating Account		89,800,000	98,872,000	95,988,000	98,107,000	96,100,344	107,157,000	112,278,394	110,442,840	110,588,129	102,686,310	97,161,970	97,161,970
Portfolio Rebalancing		7,666,270	6,822,042	9,459,758	7,579,616	10,801,748	8,763,844	9,423,884	15,662,236	12,650,393	8,661,153	7,859,345	7,859,345
Total Investments		95,770,758	105,798,042	106,457,758	106,686,616	107,002,092	115,920,844	121,702,278	126,105,076	123,238,522	111,347,463	105,021,315	105,021,315
Actual Net Change		(13,908,365)	1,695,512	8,329,772	1,228,658	315,476	8,918,752	5,781,434	4,402,798	(2,866,554)	(11,891,059)	(6,326,148)	

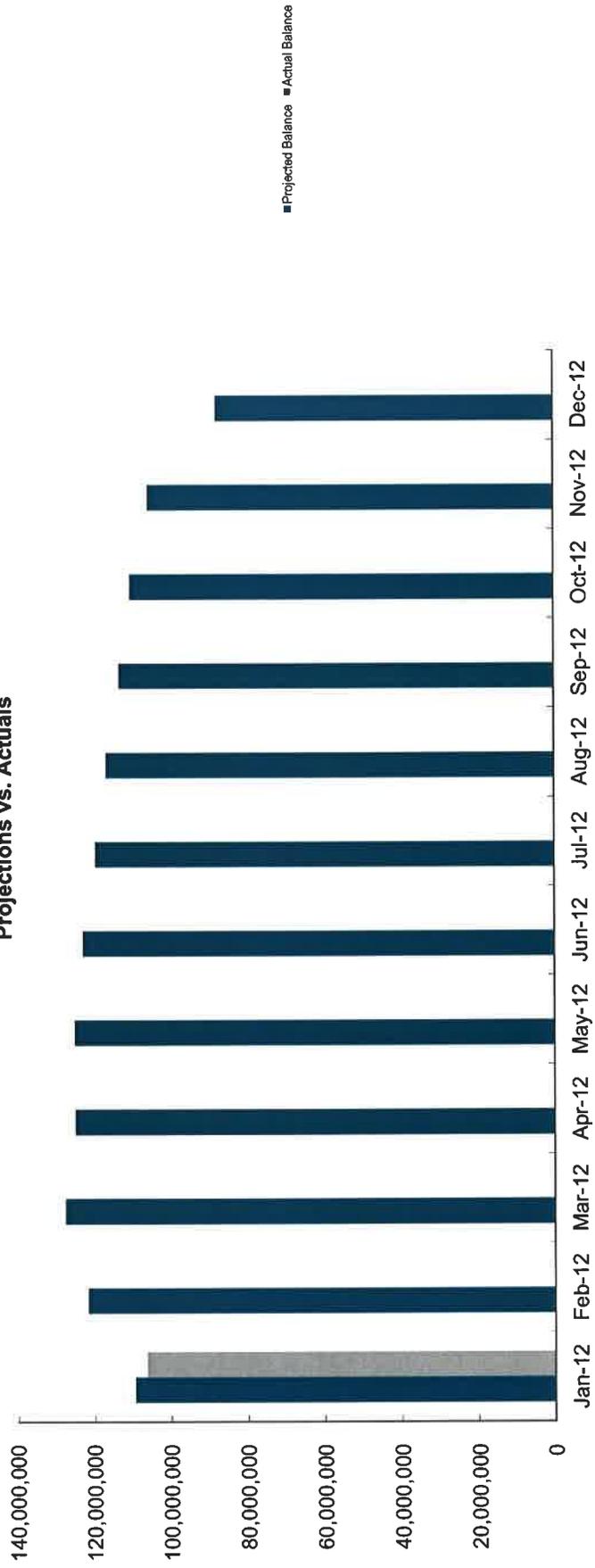
Colorado Springs 2012 Cash Flow Balance
Projections vs. Actuals



City of Colorado Springs
Cash Flow Projections - All Funds

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
Fund Balances													
Cash Receipts													
Sales Tax	17,224,297	10,637,935	12,215,187	14,024,068	12,943,088	13,413,154	15,233,077	14,208,214	14,748,227	15,446,167	13,623,171	13,283,414	167,000,000
County Receipts	273,236	1,333,022	7,694,532	1,375,984	5,237,416	2,399,110	5,894,565	697,874	462,313	355,096	587,621	299,211	26,800,000
Grants	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	4,083,333	49,000,000
Airport (Operating and Grants)	1,259,242	1,846,086	1,020,153	1,697,790	2,876,275	3,690,634	5,918,527	3,690,634	2,419,919	1,638,644	2,691,904	4,761,802	33,500,000
Airport PFCs and CFCs	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	2,600,000
Utilities Surplus Revenue	3,497,357	3,079,324	3,042,481	2,490,006	2,233,786	2,250,673	2,335,171	2,514,161	2,417,601	2,096,563	2,478,847	2,562,030	31,000,000
State Shared Revenue	1,358,567	1,419,975	1,545,606	1,426,352	1,484,015	1,698,300	1,633,605	1,713,831	1,812,742	1,670,399	1,606,735	1,629,873	19,000,000
Other Revenues	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	5,925,000	71,100,000
Total Receipts	33,636,699	28,541,342	35,942,979	31,239,200	34,999,381	33,666,262	41,239,946	33,049,713	32,085,802	31,433,869	31,213,278	32,751,329	400,000,000
Cash Disbursements													
Payroll & Benefits	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	15,692,308	204,000,000
Accounts Payable	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	11,533,333	138,400,000
Debt Service	0	0	0	780,256	1,069,391	1,251,319	96,304	0	0	1,522,028	10,989,391	4,601,319	20,310,008
CIP & SPECIAL FUNDS													
TOPS	21,736	32,654	32,382	57,164	48,845	176,990	111,103	203,841	106,406	538,165	897,056	173,657	2,400,000
LART	0	0	470,896	249,336	276,998	387,797	447,397	452,060	375,609	408,915	553,995	276,998	3,900,000
Cable Franchise	36,281	74,452	69,767	55,250	196,597	72,366	111,877	99,757	49,801	128,516	28,905	86,451	1,000,000
Public Safety	1,817	23,766	26,259	35,852	10,886	20,339	5,191	86,045	100,067	95,042	71,291	23,646	500,000
City Funded CIP	791,667	791,667	791,667	791,667	791,667	791,667	791,667	791,667	791,667	791,667	791,667	791,667	9,500,000
Airport	623,805	248,595	2,407,317	1,595,745	2,037,236	2,765,033	647,271	795,295	424,398	895,691	171,424	2,387,189	15,000,000
Total Disbursements	29,457,397	16,320,892	30,043,069	33,690,524	34,781,890	35,779,598	44,570,966	35,911,025	35,531,821	34,270,036	35,943,767	50,566,872	300,010,008
Projected Net Change	4,379,332	12,220,450	5,899,910	(2,451,424)	217,892	(2,113,320)	(3,331,021)	(2,661,312)	(3,446,019)	(2,836,967)	(4,730,489)	(17,815,543)	1,989,992
Measuring Principal Dollars													
Net Surplus/Shortage	4,379,332	28,225,297	9,899,910	(2,451,424)	2,217,892	(896,074)	(331,021)	(1,381,312)	2,053,981	2,163,033	(4,730,489)	(15,815,543)	1,989,992
Projected Balance	105,021,315	121,621,097	127,521,007	125,069,583	125,287,275	123,173,949	119,842,928	115,981,617	113,535,597	110,698,631	105,968,141	88,152,598	
Actual Balance (CoS)	99,779,222												
US Bank Operating Account	6,539,596												
Portfolio Reallocation	106,316,818												
Actual Net Change	1,297,503												

**Colorado Springs 2013 Cash Flow Balance
Projections vs. Actuals**



City of Colorado Springs
Cash Flow Projections - All Funds

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
Fund Balances													
Cash Receipts													
Sales Tax	15,666,377	10,273,040	10,406,710	13,322,579	12,183,699	12,305,604	14,473,087	14,534,608	13,085,489	13,958,019	12,242,855	11,848,133	154,300,000
County Receipts	255,511	1,077,454	7,418,469	1,306,455	4,434,213	2,514,079	5,630,466	604,822	426,858	352,251	542,564	236,839	24,800,000
Grants	0	0	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	61,600,000
Airport (Operating and Grants)	0	0	983,127	420,950	457,413	3,498,028	3,574,526	3,923,142	5,009,946	4,776,851	6,368,803	1,290,614	30,892,780
Airport PFCs and CFCs	208,387	591,380	281,447	229,477	322,145	248,448	275,138	172,572	294,435	317,752	287,348	434,559	3,236,978
Surplus CSU(formerly PILT)	3,146,183	3,318,429	2,993,085	2,745,367	2,359,642	2,327,259	2,212,956	2,458,612	2,458,863	2,060,457	2,427,323	3,090,823	31,600,000
State Shared Revenue	1,296,415	1,500,047	1,477,544	1,548,216	1,682,128	1,536,503	1,722,824	1,699,532	1,928,724	1,863,953	1,573,755	1,790,358	19,600,000
Other Revenues	0	0	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	87,200,000
Total Receipts	20,580,250	16,956,687	38,654,581	34,490,764	36,427,260	37,382,505	42,929,554	38,291,751	38,096,639	38,219,452	38,338,112	33,578,204	413,945,758
Cash Disbursements													
Payroll & Benefits	16,196,822	14,652,444	14,634,726	14,759,764	15,012,910	14,990,684	22,876,964	15,483,421	14,920,939	14,802,489	14,860,567	23,785,459	197,000,000
Accounts Payable	0	0	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	140,578,000
Precision Additional	0	0	0	0	990,031	1,521,219	916,735	0	0	1,442,610	1,744,194	12,196,219	18,811,008
Debt Service	1,900,000	0	0	0	0	0	0	0	0	0	0	0	1,900,000
CIP & SPECIAL FUNDS													
TOPS	1,595,711	76,953	160,562	122,681	161,438	103,225	96,307	120,774	242,835	(43,420)	557,102	89,834	3,287,000
Lottery	143,896	195,029	229,779	228,266	256,535	282,357	410,942	265,078	238,482	220,062	489,799	140,774	3,100,000
LART	31,837	0	255,832	483,238	44,344	625,367	397,961	397,961	682,218	327,666	454,812	114,764	3,816,000
Cable Franchise	23,697	111,834	49,121	74,487	113,075	85,364	150,745	116,681	69,847	138,917	56,318	129,904	1,119,000
Public Safety	0	5,567	8,604	49,438	82,638	108,252	28,930	25,416	59,186	85,418	46,552	0	500,000
CITY funded CIP	925,617	106,709	86,649	152,236	277,692	113,313	(32,496)	95,823	82,304	1,173,921	2,866,115	52,117	5,900,000
Supplemental Expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0
General Fund	29,457,367	16,320,892	30,043,069	33,690,624	34,781,900	35,779,588	44,570,966	35,911,025	35,531,821	34,270,836	35,043,767	50,566,872	416,868,717
Total Disbursements	(8,877,117)	635,795	8,611,512	800,139	1,645,370	1,602,817	(1,641,413)	2,380,726	2,564,818	3,948,816	2,394,345	(16,988,668)	(2,922,959)
Projected Net Change													
Multiplying Principal Dollars	0	0	5,000,000	1,500,000	0	2,200,000	0	6,000,000	3,000,000	3,000,000	7,578,000	0	0
Net Surplus/Shortage	55,090,896	19,820,892	32,043,069	35,690,624	34,781,890	40,779,588	44,570,966	38,911,025	35,531,821	34,270,836	43,943,767	50,566,872	65,229,639
Projected Balance	88,152,598	79,275,481	79,911,276	88,522,788	90,968,297	92,571,214	90,929,802	93,310,528	95,875,346	99,823,962	102,218,307	85,229,639	
Actual Balance (Cust)													
US Bank Operating Account													
Portfolio Reallocation													
Actual Net Change													

City of Colorado Springs
Cash Flow Projections - All Funds

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Fund Balances													
Cash Receipts													
Sales Tax	15,666,377	10,273,040	10,406,710	13,322,579	12,163,699	12,305,604	14,473,087	14,534,908	13,085,489	13,958,019	12,242,655	11,848,133	154,300,000
County Receipts	255,511	1,077,454	7,418,489	1,306,455	4,434,213	2,514,079	5,630,466	604,822	428,858	352,251	542,564	236,839	24,800,000
Grants	0	0	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	61,600,000
Airport (Operating and Grants)	0	591,380	983,127	420,950	457,413	3,498,028	3,572,526	3,923,142	5,009,946	4,776,851	6,968,803	1,290,614	30,892,780
Airport PFCs and CFCs	208,387	165,230	281,447	229,477	322,145	248,448	275,138	172,572	294,435	287,348	287,348	434,589	3,238,978
Utilities Surplus Revenue	3,146,183	3,318,429	2,963,095	2,745,367	2,359,642	2,327,269	2,212,856	2,459,612	2,458,863	2,060,457	2,427,323	3,060,823	31,600,000
State Shared Revenue	1,296,415	1,500,047	1,477,544	1,548,216	1,662,128	1,536,503	1,722,824	1,699,532	1,828,724	1,863,953	1,573,755	1,790,358	19,600,000
Other Revenues	0	0	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	87,200,000
Total Receipts	20,580,250	16,956,687	38,654,581	34,490,764	36,427,280	37,382,505	42,929,554	38,291,751	38,096,639	38,219,452	38,538,112	33,578,204	473,945,758
Cash Disbursements													
Payroll & Benefits	16,186,622	14,652,444	14,634,726	14,792,764	15,012,910	14,990,664	22,876,964	15,483,421	14,920,939	14,802,499	14,860,567	23,795,459	197,000,000
Accounts Payable	0	0	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	140,578,000
Pension Additional	0	0	0	0	990,031	1,521,219	916,735	0	0	1,442,610	1,744,194	12,196,219	18,811,008
Debt Service	1,900,000	0	0	0	0	0	0	0	0	0	0	0	1,900,000
CIP & SPECIAL FUNDS													
TOPS	1,595,711	76,953	160,562	122,681	161,438	103,225	99,307	120,774	242,835	(43,420)	557,102	89,834	3,287,000
Lottery	143,896	195,029	229,779	228,266	256,535	292,357	410,942	265,078	238,482	220,062	488,799	140,774	3,100,000
LART	31,837	0	255,832	483,238	44,344	625,367	387,961	397,961	682,218	327,666	454,812	114,764	3,816,000
Cable Franchise	23,697	111,834	49,121	74,497	113,075	85,364	150,745	116,681	68,847	138,917	56,318	129,904	1,119,000
Public Safety	0	5,567	8,604	49,438	82,638	108,252	28,930	25,416	59,186	59,418	46,552	85,418	500,000
CITY funded CIP	925,617	106,709	86,649	152,236	277,692	113,313	(32,496)	95,823	82,304	1,173,921	2,866,115	52,117	5,900,000
Supplemental Expenditures													
General Fund	29,457,367	16,320,892	30,043,069	33,690,624	34,781,690	35,779,588	44,570,966	35,911,025	35,531,821	34,270,836	35,943,767	50,566,872	476,869,717
Total Disbursements	(8,877,117)	635,795	8,611,512	800,139	1,645,370	1,602,917	(1,641,413)	2,380,726	2,554,818	3,948,616	2,384,345	(16,588,668)	(2,922,959)
Projected Net Change	2,500,000	2,000,000	0	0	0	0	2,000,000	0	0	8,000,000	5,500,000	0	
Maturing Principal Dollars	55,690,696	19,820,892	32,043,069	36,690,624	34,781,690	49,779,588	44,570,966	38,911,025	35,531,821	34,270,836	43,943,767	50,566,872	
Net Surplus/Shortage	76,352,522	76,988,316	85,599,829	86,389,968	88,046,338	89,648,255	88,006,843	90,387,569	92,952,387	96,901,003	99,295,348	82,306,680	
Projected Balance	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639	85,229,639
Actual Balance (Cost)													
US Bank Operating Account													
Portfolio Reconciliation													
Actual Net Change													

City of Colorado Springs
Cash Flow Projections - All Funds

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Fund Balances													
Cash Receipts													
Sales Tax	15,666,377	10,273,040	10,406,710	13,322,579	12,183,659	12,305,604	14,473,067	14,534,608	13,085,469	13,958,019	12,242,655	11,846,133	154,300,000
County Receipts	255,511	1,077,454	7,419,469	1,306,455	4,434,213	2,514,079	5,630,466	604,822	426,658	352,251	542,564	236,839	24,800,000
Grants	0	0	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	6,160,000	61,600,000
Amount (Operating and Grants)	0	591,390	993,127	420,950	457,413	3,498,028	3,572,526	3,923,142	5,009,946	4,776,851	6,368,803	1,290,614	30,892,780
Airport PFCs and CFCs	206,387	165,230	281,447	229,477	322,145	248,448	275,138	172,572	294,435	317,752	287,348	3,236,978	3,236,978
Utilities Surplus Revenue	3,146,183	3,318,429	2,993,085	2,745,367	2,359,642	2,327,259	2,212,956	2,459,612	2,458,863	2,060,457	2,427,323	3,090,823	31,600,000
State Shared Revenue	1,296,415	1,500,047	1,477,544	1,548,216	1,662,128	1,536,503	1,722,824	1,699,532	1,928,724	1,863,953	1,573,355	1,790,358	19,600,000
Other Revenues	0	0	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	8,720,000	87,200,000
Total Receipts	20,590,250	16,956,687	38,654,581	34,490,764	36,427,260	37,362,505	42,929,554	38,291,751	38,096,639	38,219,452	38,338,112	33,578,204	413,945,758
Cash Disbursements													
Payroll & Benefits	16,186,622	14,652,444	14,634,726	14,792,764	15,012,910	14,990,684	22,676,964	15,483,421	14,920,939	14,802,489	14,860,567	23,785,459	197,000,000
Accounts Payable	0	0	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	14,057,800	140,578,000
Pension Additional	0	0	0	0	990,031	1,521,219	916,735	0	0	1,442,610	1,744,194	12,196,219	18,811,008
Debt Services	1,900,000												1,900,000
CIP & SPECIAL FUNDS													
TOPS	1,595,711	76,953	160,562	122,681	161,438	103,225	89,307	120,774	242,835	(43,420)	557,102	89,834	3,287,000
Lottery	143,896	195,029	229,779	228,266	256,535	282,357	410,942	265,078	238,482	220,062	488,799	140,774	3,100,000
LART	31,837	0	255,832	483,238	44,344	625,832	397,961	387,961	682,218	327,666	454,812	114,764	3,816,000
Cable Franchise	23,897	111,834	49,121	74,497	113,075	150,745	150,745	116,681	68,847	136,917	56,318	129,904	1,119,000
Public Safety	0	5,967	8,604	49,438	82,638	108,252	28,930	25,416	59,166	85,418	46,552	46,552	500,000
CITY funded CIP	925,617	106,709	86,648	152,236	277,692	113,313	(32,496)	95,823	82,304	1,173,921	2,866,115	52,117	5,900,000
Supplemental Expenditures													
Capital Fund	29,457,367	16,320,892	30,043,069	33,690,624	34,781,890	35,779,598	44,570,966	35,911,025	35,531,821	34,270,836	35,543,767	50,566,872	416,868,717
Total Disbursements	(8,877,117)	635,795	8,611,512	800,139	1,645,370	1,602,917	(1,641,413)	2,380,726	2,564,818	3,948,616	2,394,345	(16,886,688)	(2,922,959)
Net Surplus/Shortage	2,500,000	55,096,896	32,043,069	36,690,624	34,781,890	40,779,598	44,570,966	36,911,025	35,531,821	34,270,836	43,943,767	50,566,872	79,383,720
Projected Net Change													
Maturing Principal Dollars													
Net Surplus/Shortage	82,306,680	73,429,562	82,676,870	83,477,009	85,122,379	86,725,296	85,083,883	87,464,610	90,028,428	93,978,044	96,372,389	79,383,720	
Actual Balance (Cost)													
US Bank Operating Account													
Portfolio Reallocation													
Actual Net Change													

Additional Maturities 03/17-09/17: \$6.5 million

TAB 3



Cutwater Asset Management
1900 Sixteenth Street, Suite 200
Denver, CO 80202
Tel: 303 860 1100
Fax: 303 860 0016

CITY OF COLORADO SPRINGS

Report for the period January 1, 2012 - December 31, 2012

Please contact Accounting by calling the number above or email camreports@cutwater.com with questions concerning this report.

(This report was prepared on January 18, 2013)

**City of Colorado Springs
Activity and Performance Summary
for the period January 1, 2012 - December 31, 2012**

Amortized Cost Basis Activity Summary

Beginning Amortized Cost Value		99,218,809.04
Additions		
Contributions	0.00	
Interest Received	1,388,336.28	
Accrued Interest Sold	11,848.96	
Gain on Sales	25,886.60	
Total Additions		1,426,071.84
Deductions		
Withdrawals	3,542,654.97	
Fees Paid	79,693.99	
Accrued Interest Purchased	97,822.58	
Loss on Sales	0.00	
Total Deductions		(3,720,171.54)
Accretion (Amortization) for the Period		(530,528.88)
Ending Amortized Cost Value		96,394,180.46
Ending Fair Value		96,935,064.71
Unrealized Gain (Loss)		540,884.25

Detail of Amortized Cost Basis Return

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
Current Holdings				
Cash and Equivalents	22,023.78	0.00	0.00	22,023.78
Commercial Paper	0.00	9,958.89	0.00	9,958.89
U.S. Treasury	195,114.84	(107,514.60)	0.00	87,600.24
U.S. Instrumentality	670,668.26	(271,105.97)	0.00	399,562.29
Corporate	189,916.25	(124,338.99)	0.00	65,577.26
Sales and Maturities				
Commercial Paper	0.00	19,675.41	0.00	19,675.41
U.S. Treasury	37,637.70	(11,766.71)	0.00	25,870.99
U.S. Instrumentality	177,736.82	(31,491.93)	10,116.62	156,361.51
Corporate	43,489.58	(13,944.98)	15,769.98	45,314.58
Total	1,336,587.23	(530,528.88)	25,886.60	831,944.95

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.15 %	0.17 %
Overnight Repo	0.17 %	0.21 %	0.22 %
3 Month T-Bill	0.07 %	0.08 %	0.06 %
6 Month T-Bill	0.11 %	0.13 %	0.12 %
1 Year T-Note	0.17 %	0.18 %	0.15 %
2 Year T-Note	0.28 %	0.26 %	0.26 %
5 Year T-Note	0.76 %	0.68 %	0.70 %

Summary of Amortized Cost Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	1,336,587.23	1,314,563.45
Accretion (Amortization)	(530,528.88)	(530,528.88)
Realized Gain (Loss) on Sales	<u>25,886.60</u>	<u>25,886.60</u>
Total Income on Portfolio	831,944.95	809,921.17
Average Daily Historical Cost	99,636,166.49	91,208,973.09
Annualized Return	0.83%	0.89%
Annualized Return Net of Fees	0.75%	0.80%
Annualized Return Year to Date Net of Fees	0.75%	0.80%
Weighted Average Effective Maturity in Days	528	565

**City of Colorado Springs
Activity and Performance Summary
for the period January 1, 2012 - December 31, 2012**

Fair Value Basis Activity Summary

Beginning Fair Value		99,687,973.54
Additions		
Contributions	0.00	
Interest Received	1,388,336.28	
Accrued Interest Sold	11,848.96	
Total Additions		1,400,185.24
Deductions		
Withdrawals	3,542,654.97	
Fees Paid	79,693.99	
Accrued Interest Purchased	97,822.58	
Total Deductions		(3,720,171.54)
Change in Fair Value for the Period		(432,922.53)
Ending Fair Value		96,935,064.71

Detail of Fair Value Basis Return

	Interest Earned	Change in Fair Value	Total Income
Current Holdings			
Cash and Equivalents	22,023.78	0.00	22,023.78
Commercial Paper	0.00	12,118.66	12,118.66
U.S. Treasury	195,114.84	(39,161.50)	155,953.34
U.S. Instrumentality	670,668.26	(190,661.80)	480,006.46
Corporate	189,916.25	(107,577.02)	82,339.23
Sales and Maturities			
Commercial Paper	0.00	18,859.63	18,859.63
U.S. Treasury	37,637.70	(30,937.00)	6,700.70
U.S. Instrumentality	177,736.82	(97,388.50)	80,348.32
Corporate	43,489.58	1,825.00	45,314.58
Total	1,336,587.23	(432,922.53)	903,664.70

Annualized Comparative Rates of Return

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.14 %	0.15 %	0.17 %
Overnight Repo	0.17 %	0.21 %	0.22 %
3 Month T-Bill	0.12 %	0.14 %	0.12 %
6 Month T-Bill	0.19 %	0.24 %	0.24 %
1 Year T-Note	0.23 %	0.34 %	0.47 %
2 Year T-Note	0.29 %	0.50 %	0.35 %
5 Year T-Note	2.29 %	1.63 %	-3.90 %

Summary of Fair Value Basis Return for the Period

	Total Portfolio	Excl. Cash Eq.
Interest Earned	1,336,587.23	1,314,563.45
Change in Fair Value	<u>(432,922.53)</u>	<u>(432,922.53)</u>
Total Income on Portfolio	903,664.70	881,640.92
Average Daily Historical Cost	99,636,166.49	91,208,973.09
Annualized Return	0.91%	0.97%
Annualized Return Net of Fees	0.83%	0.88%
Annualized Return Year to Date Net of Fees	0.83%	0.88%
Weighted Average Effective Maturity in Days	528	565

END OF REPORTS



New York Office
113 King Street
Armonk, NY 10504
Tel: 866 766 3030
Fax: 914 765 3030

Colorado Office
1900 Sixteenth Street, Suite 200
Denver, CO 80202
Tel: 303 860 1100
Fax: 303 860 0016

For any questions concerning this report please contact accounting either by phone or email to camreports@cutwater.com.

TAB 4



City of Colorado Springs

Approved Broker/Dealers

February 2013

Broker/Dealer	Contact	Title	State	Telephone
Barclays Capital	Peter Bjursten	Director	CA	(415) 263-3370
Citigroup Global Markets	Jonathan Olsen	Vice President	NY	(212) 723-6075
Goldman, Sachs & Co.	Randy Rogers	Vice President	IL	(312) 655-4631
J.P. Morgan Securities	Richard Drozd	Executive Director	NY	(212) 834-3774
Jefferies & Company	Ryan Greenawalt	Senior Vice President	NY	(212) 284-2083
Merrill Lynch, Pierce, Fenner & Smith	Steve Sperry	Director	IL	(312) 869-6714
Mizuho Securities USA	David Conley	Vice President	NY	(212) 205-7550
Morgan Stanley Smith Barney	Angela Leach Pizzichini	Senior Vice President	CO	(303) 316-5110
Raymond James Morgan Keegan	Michael Peyser	Senior Vice President	NY	(212) 508-5210
RBC Capital Markets	John Styrbicki	Managing Director	MN	(612) 371-7845
UBS Financial Services	Paul G. Arevian	First Vice President	CO	(303) 820-5015
Wunderlich Securities	Becky Walker	Senior Vice President	IL	(312) 368-0411

City of Colorado Springs Trade Summary

for the period January 1, 2012 to December 31, 2012

<u>Broker</u>	<u>B/S</u>	<u>Long Description</u>	<u>Cusip</u>	<u>Settlement Date</u>	<u>Amount</u>	<u>Price</u>	<u>Yield</u>
Citigroup	B	GEN ELEC CAP CRP 1 7/8 09/16/13	36962G4Q4	01/13/12	2,500,000	101.007	1.26511
Citigroup	B	KELLS FUND LLC 05/10/12 CP	48802WKN7	01/31/12	2,000,000	0.590	0.59097
Citigroup	B	MET LIFE GLOB 2 1/2 01/11/13	59217GAA7	01/31/12	2,550,000	101.753	0.63516
Citigroup	B	KELLS FUND LLC 08/24/12 CP	48802WMF2	03/20/12	2,000,000	0.600	0.60157
Citigroup	B	RABOBANK USA FIN 09/26/12 CP	74977KJS9	03/28/12	2,500,000	0.500	0.50127
Citigroup	B	BERKSHIRE HATHWY 3.2 02/11/15	084670AV0	06/12/12	2,000,000	106.293	0.80714
Citigroup	B	FREDDIE MAC 0 3/4 11/23/15	3134G3UV0	07/06/12	2,000,000	100.200	0.52195
Jefferies & Co.	B	IBM CORP 0 7/8 10/31/14	459200GZ8	06/12/12	3,000,000	100.541	0.64584
Jefferies & Co.	B	TOYOTA MTR CRED 1 1/4 11/17/14	89233P5N2	08/30/12	2,578,000	101.570	0.53559
Merrill Lynch	B	FREDDIE MAC 1 03/21/16	3134G3SE1	03/21/12	2,000,000	100.007	0.99666
Merrill Lynch	B	FREDDIE MAC 1.21 03/28/17	3134G3SC5	04/27/12	3,000,000	100.075	1.12752
Merrill Lynch	B	FED HOME LN BANK 1 1/8 03/10/17	313378WF4	05/10/12	2,000,000	100.607	0.99604
Merrill Lynch	B	ING (US) FUNDING 11/01/12 CP	4497W0L14	07/31/12	3,000,000	0.380	0.38037
Merrill Lynch	B	ING (US) FUNDING 03/19/13 CP	4497W0QK7	09/21/12	1,000,000	0.600	0.60180
Merrill Lynch	B	FREDDIE MAC 0 5/8 11/01/16	3134G3S50	10/22/12	2,500,000	99.820	0.67039
Merrill Lynch	B	FED HOME LN BANK 0 3/4 09/08/17	313380EC7	09/28/12	1,500,000	99.561	0.84076
Mizuho Securities	B	FED FARM CREDIT 0.79 07/11/16	3133EAWZ7	07/31/12	3,000,000	100.056	0.73032
Mizuho Securities	B	FANNIE MAE 1.05 08/28/17 0000	3136G0YF2	08/30/12	3,000,000	100.000	1.04999
Morgan Stanley	B	KELLS FUND LLC 01/28/13 CP	48802XHQ2	08/01/12	2,000,000	0.540	0.54146
Morgan Stanley	B	FED HOME LN BANK 0 1/2 11/20/15	313380L96	08/23/12	3,000,000	99.968	0.50999
Morgan Stanley	B	KELLS FUND LLC 02/20/13 CP	48802XHV1	08/27/12	2,000,000	0.520	0.52133
Morgan Stanley	B	IBM CORP 1 08/05/13	459200GT2	09/04/12	1,500,000	100.642	0.30021
RBC	B	NEW YORK LIFE GL 1.85 12/13/13	64952WAX1	03/19/12	2,000,000	102.014	0.67903
RBC	B	MASSMUTUAL GLBL 2 7/8 04/21/14	57629WBK5	03/26/12	1,500,000	103.987	0.92525
RBC	B	NEW YORK LIFE GL 0 3/4 07/24/15	64952WBH5	09/26/12	2,000,000	100.406	0.60493
RBC	S	GEN ELEC CAP CRP 1 7/8 09/16/13	36962G4Q4	12/17/12	2,500,000	101.080	0.42548
UBS Financial	B	FHLMC-CALL10/12 0 1/2 10/18/13	3134G2W73	01/06/12	2,500,000	100.050	0.43591
UBS Financial	B	UBS FINANCE (DE) 03/30/12 CP	90262CCW5	01/31/12	1,500,000	0.310	0.31016
UBS Financial	B	FNMA-CALL09/12 1 03/28/17	3136FT3Z0	03/30/12	2,000,000	99.875	1.00101
UBS Financial	B	FANNIE MAE 1 09/14/16 0000	3136G0LL3	06/14/12	3,000,000	100.000	1.00008
UBS Financial	B	FHLMC-CALL02/13 1 08/08/17	3134G3ZP8	08/08/12	3,000,000	100.000	1.00000

TAB 5

BANK CREDIT RATING REPORT

City of Colorado Springs

BANK NAME	LOCATION	TYPE	REG ID	PEER GROUP RATING				
				SEP12	JUN12	MAR12	DEC11	SEP11
Compass Bank	Birmingham, AL	BK	19048	52	49	45	10	34
JPMorgan Chase Bank NA	Columbus, OH	BK	628	43	42	41	41	40
US Bank NA	Cincinnati, OH	BK	6548	70	68	66	65	62
Wells Fargo Bank NA	Sioux Falls, SD	BK	3511	58	55	53	50	49

Notes: Minimum Highline 30 for depository, 20 for custodian, 30 for CDs

Compass Bank

Birmingham, AL
Regulatory ID #19048

BANK KEY FINANCIAL DATA

	SEP12	JUN12	MAR12	DEC11	SEP11	DEC10	DEC09	DEC08
Assets (Thousands)	67,930,005	65,982,103	65,360,552	63,106,987	64,456,646	63,293,260	64,608,091	62,251,283
HIGHLINE PEER GROUP RATING	52	49	45	10	34	18	1	6

RATING COMPONENTS

Capital Adequacy

Core Capital as % of Assets	8.70	8.58	8.58	8.83	9.17	8.62	7.76	6.18
Peer Group Ranking	33	36	33	41	43	46	37	28

Asset Quality

Non-Performing as % of Loans	2.44	2.91	3.44	3.78	4.36	5.01	5.93	3.40
Peer Group Ranking	31	26	24	20	17	22	24	25

Earnings

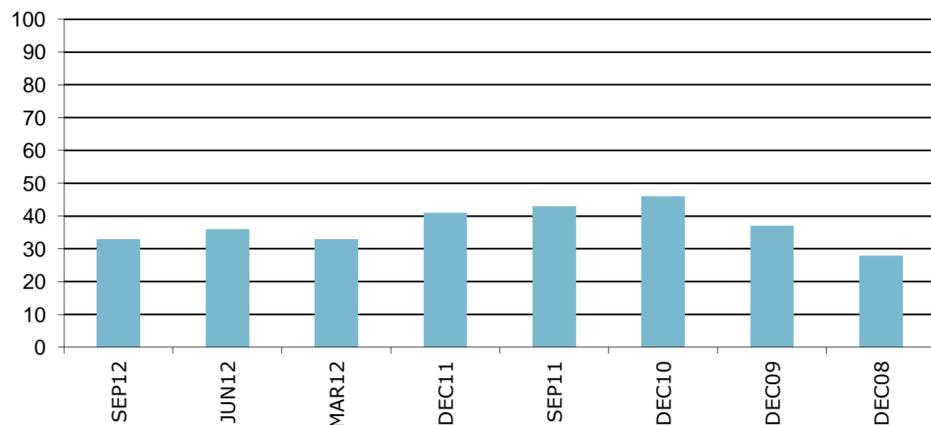
YTD Operating Profit as % of Assets	1.14	1.18	1.09	-2.61	0.55	-0.49	-3.46	-0.44
Peer Group Ranking	33	35	30	0	16	7	13	26

Liquidity

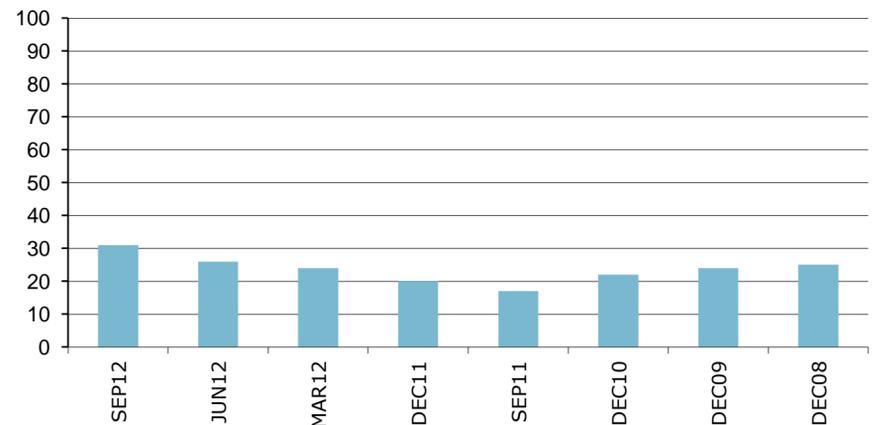
Liquid Assets as % of Liabilities	14.22	11.19	12.91	11.74	11.22	9.97	6.23	5.51
Peer Group Ranking	60	52	61	56	49	51	27	27

PEER GROUP RANKINGS

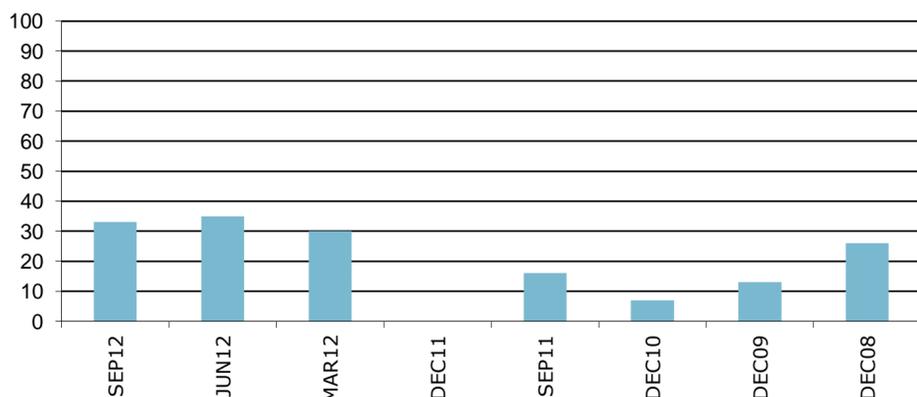
Capital Adequacy



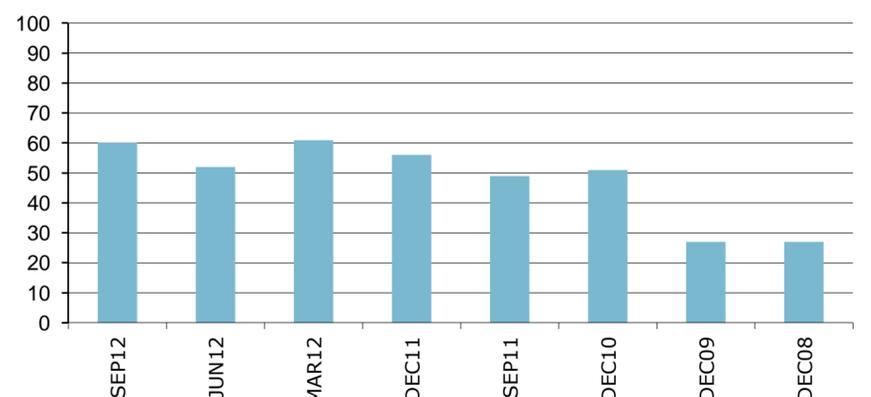
Asset Quality



Earnings



Liquidity



Highline Financial, a Thomson Reuters company, provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution's health using weighted criteria to evaluate the industry's condition as a whole (ratios and respective weights are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater disclaims any liability for any use of the content of this report.

JPMorgan Chase Bank NA

Columbus, OH
Regulatory ID #628

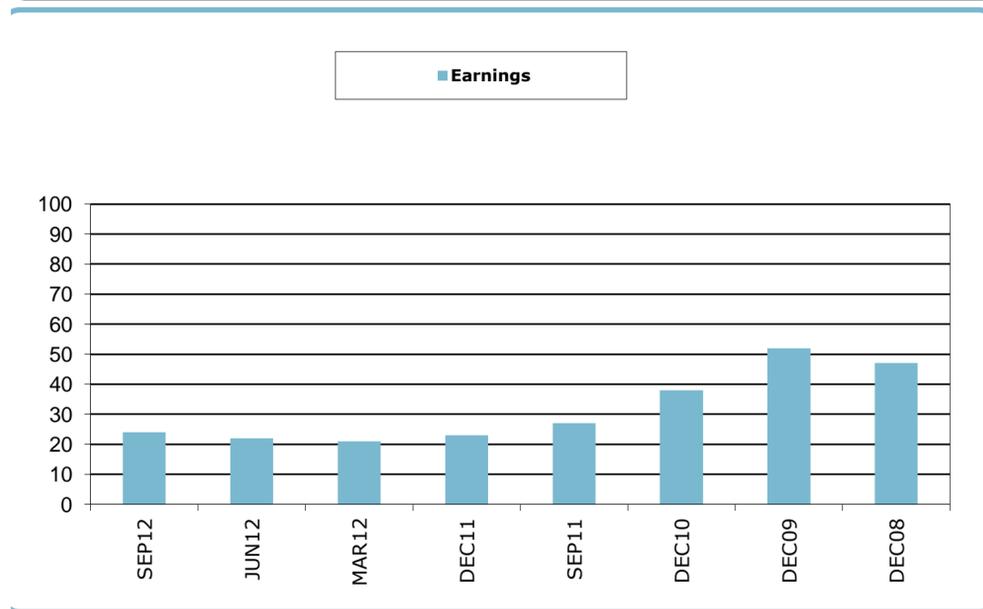
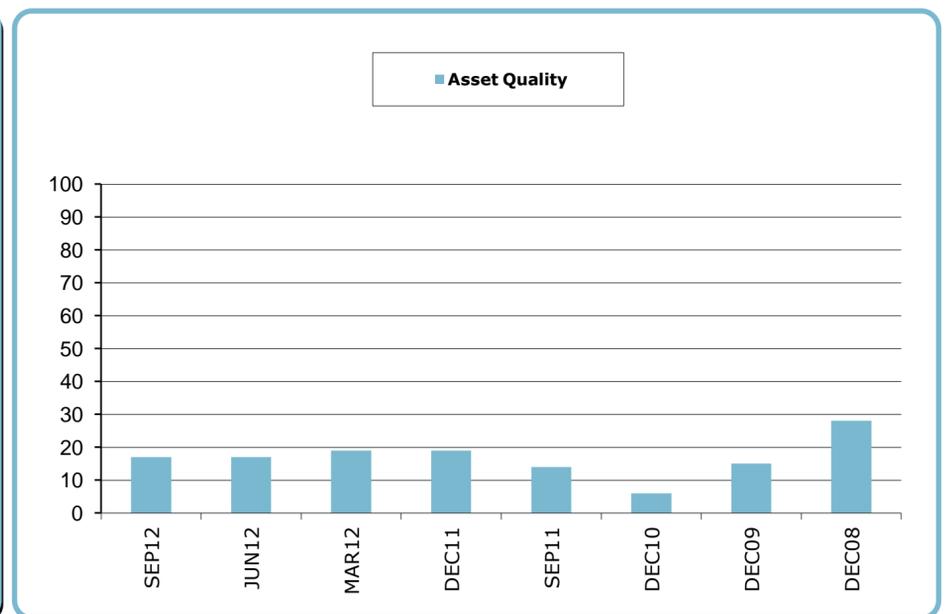
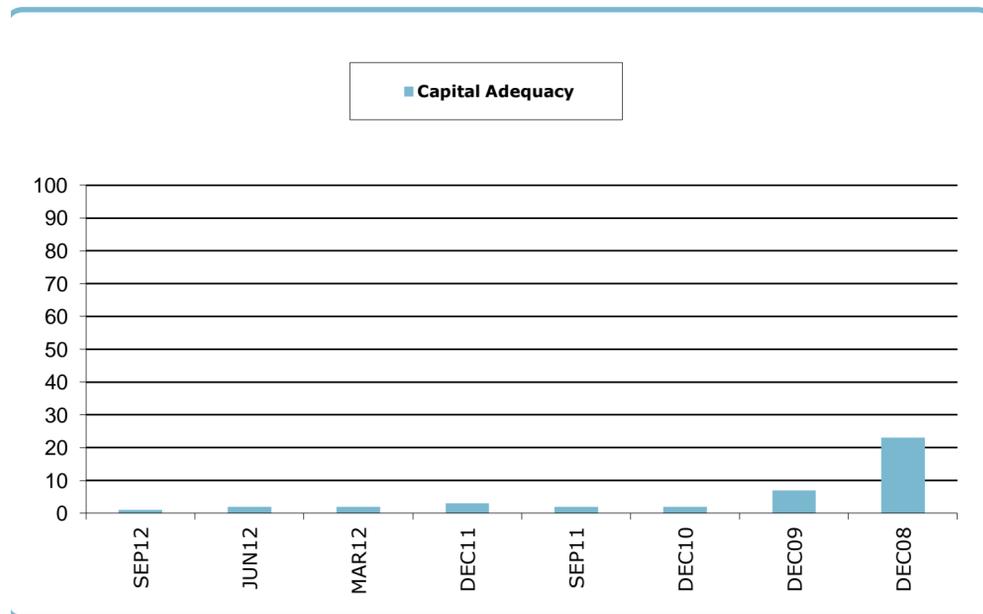
BANK KEY FINANCIAL DATA

	SEP12	JUN12	MAR12	DEC11	SEP11	DEC10	DEC09	DEC08
Assets (Thousands)	1,850,218,000	1,812,837,000	1,842,569,000	1,811,678,000	1,826,387,000	1,631,621,000	1,627,684,000	1,746,242,000
HIGHLINE PEER GROUP RATING	43	42	41	41	40	26	17	21

RATING COMPONENTS

Capital Adequacy								
Core Capital as % of Assets	5.97	5.71	5.71	5.50	5.48	5.69	5.99	5.76
Peer Group Ranking	1	2	2	3	2	2	7	23
Asset Quality								
Non-Performing as % of Loans	3.59	3.53	3.77	3.86	4.38	5.94	6.64	3.18
Peer Group Ranking	17	17	19	19	14	6	15	28
Earnings								
YTD Operating Profit as % of Assets	0.85	0.74	0.78	0.85	0.91	0.79	0.63	0.65
Peer Group Ranking	24	22	21	23	27	38	52	47
Liquidity								
Liquid Assets as % of Liabilities	46.64	45.55	46.42	46.92	49.70	45.39	42.15	48.68
Peer Group Ranking	92	91	92	92	92	91	92	88

PEER GROUP RANKINGS



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US Bank NA

Cincinnati, OH
Regulatory ID #6548

BANK KEY FINANCIAL DATA

	SEP12	JUN12	MAR12	DEC11	SEP11	DEC10	DEC09	DEC08
Assets (Thousands)	342,627,272	342,822,712	330,227,426	330,470,810	319,449,271	302,259,544	276,376,130	261,775,591
HIGHLINE PEER GROUP RATING	70	68	66	65	62	50	34	41

RATING COMPONENTS

Capital Adequacy

Core Capital as % of Assets	8.82	8.43	8.43	8.08	7.99	7.58	6.15	5.53
Peer Group Ranking	39	33	26	21	20	17	10	17

Asset Quality

Non-Performing as % of Loans	1.41	1.49	1.70	1.85	2.13	2.57	3.25	1.75
Peer Group Ranking	66	63	61	60	54	59	60	60

Earnings

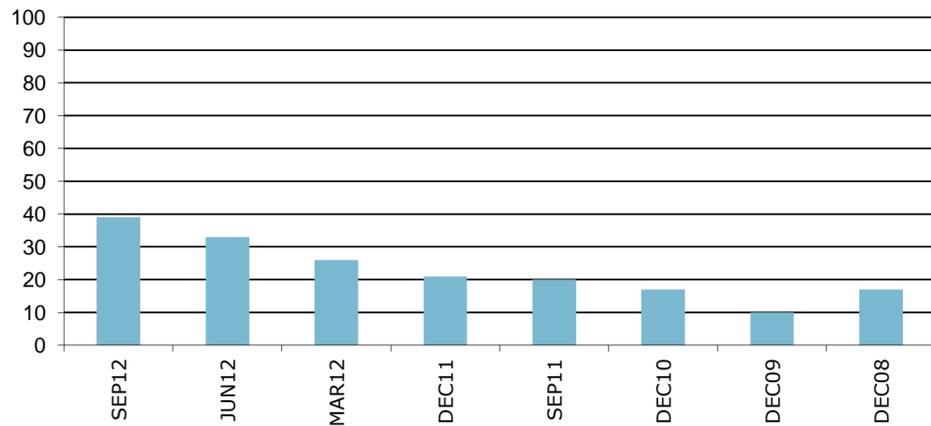
YTD Operating Profit as % of Assets	2.26	2.22	2.17	2.09	2.01	1.47	1.18	2.01
Peer Group Ranking	84	83	77	78	78	67	64	82

Liquidity

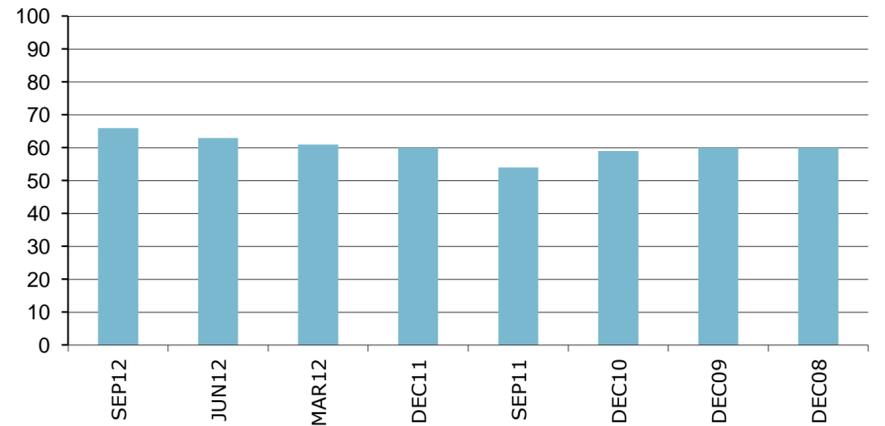
Liquid Assets as % of Liabilities	4.31	6.22	4.45	5.93	6.19	8.65	5.78	6.20
Peer Group Ranking	20	30	17	26	20	45	22	31

PEER GROUP RANKINGS

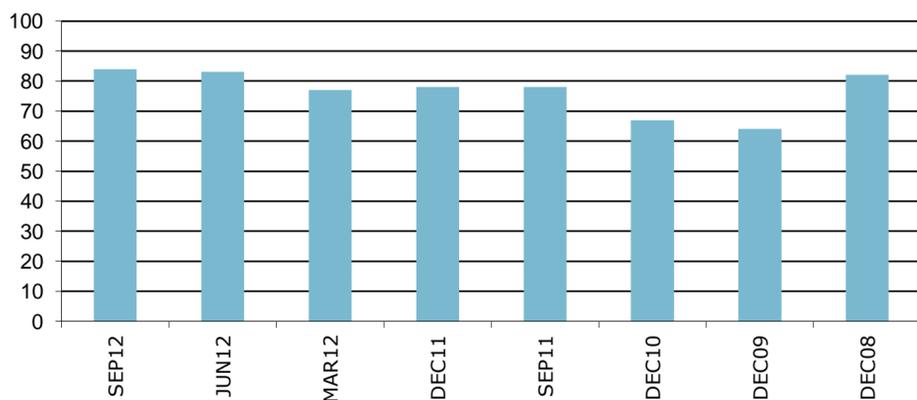
■ Capital Adequacy



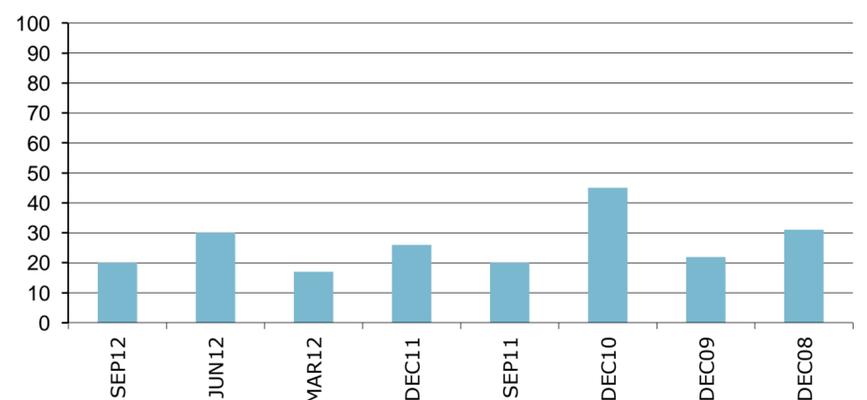
■ Asset Quality



■ Earnings



■ Liquidity



Highline Financial, a Thomson Reuters company, provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution's health using weighted criteria to evaluate the industry's condition as a whole (ratios and respective weights are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater disclaims any liability for any use of the content of this report.

Wells Fargo Bank NA

Sioux Falls, SD
Regulatory ID #3511

BANK KEY FINANCIAL DATA

	SEP12	JUN12	MAR12	DEC11	SEP11	DEC10	DEC09	DEC08
Assets (Thousands)	1,218,796,000	1,180,190,000	1,181,817,000	1,161,490,000	1,142,254,000	1,102,278,000	608,778,000	538,958,000
HIGHLINE PEER GROUP RATING	58	55	53	50	49	39	42	26

RATING COMPONENTS

Capital Adequacy

Core Capital as % of Assets	8.21	8.15	8.15	8.31	8.50	8.53	7.48	5.36
Peer Group Ranking	23	27	31	27	29	44	31	14

Asset Quality

Non-Performing as % of Loans	3.60	3.66	4.04	4.19	4.37	5.36	4.80	1.54
Peer Group Ranking	16	13	14	16	15	12	38	63

Earnings

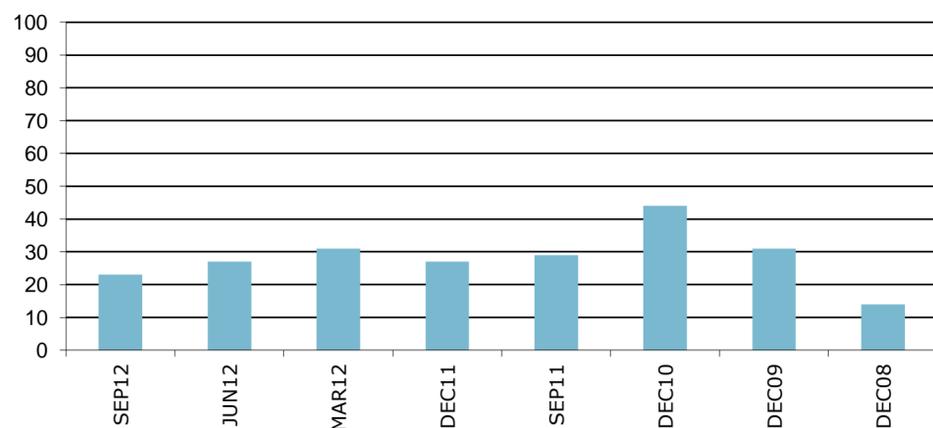
YTD Operating Profit as % of Assets	2.16	2.07	2.01	1.82	1.82	1.74	2.32	0.86
Peer Group Ranking	79	75	72	72	69	75	86	55

Liquidity

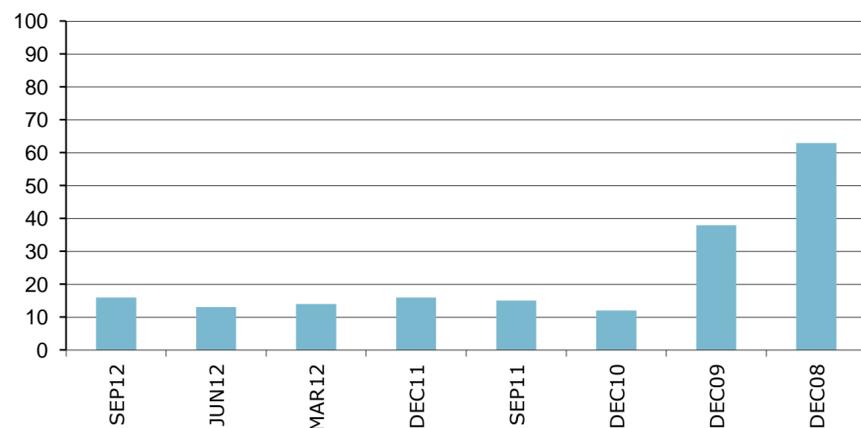
Liquid Assets as % of Liabilities	17.34	12.59	16.40	14.99	16.64	14.44	11.78	12.30
Peer Group Ranking	66	58	66	63	67	68	55	57

PEER GROUP RANKINGS

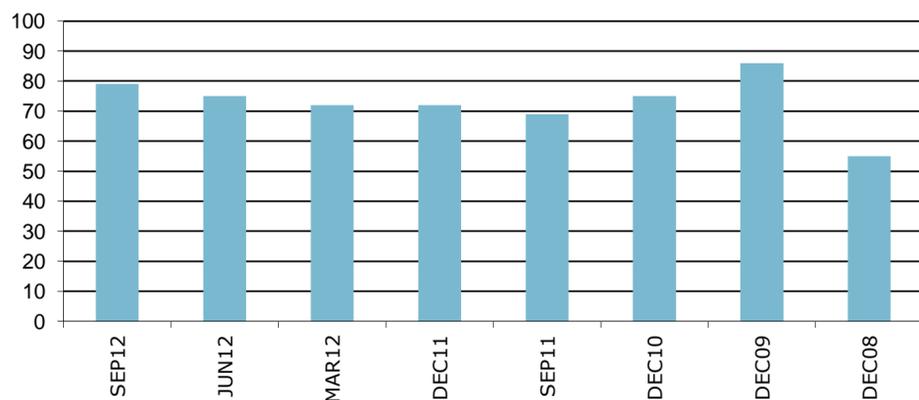
Capital Adequacy



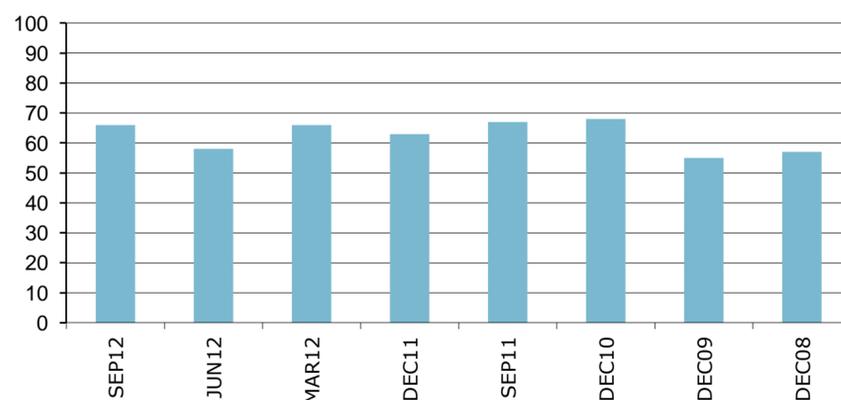
Asset Quality



Earnings



Liquidity



Highline Financial, a Thomson Reuters company, provides the data for this report. The Peer Group Rating information is a solvency rating and is calculated on a quarterly basis using four key ratios: capital adequacy, asset quality, earnings strength, and liquidity. The calculation encompasses both current and historical data, and assesses an institution's health using weighted criteria to evaluate the industry's condition as a whole (ratios and respective weights are adjusted to meet industry changes). The information in this report is believed to be reliable, however, the accuracy, timeliness, and completeness of the content is not guaranteed and should not be relied upon as a basis for any investment decision. This report does not constitute advice and Cutwater disclaims any liability for any use of the content of this report.

TAB 6

City of Colorado Springs

Investment Policy November 22, 2011

The City of Colorado Springs ("the City") is a Colorado home rule municipality operating under its City Charter. The City functions under the direction of an elected Mayor. Existing Colorado State Statutes provide home rule municipalities with legal authority to promulgate and implement local standards for cash and investment management operations. The purpose of this Investment Policy is to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City of Colorado Springs.

This Investment Policy was adopted by the City Council of the City of Colorado Springs by resolution on September 28, 1993. It was revised on November 8, 1994, February 27, 1996; October 8, 1996; October 26, 1999; February 12, 2002; March 9, 2004; May 24, 2005; July 11, 2006; April 24, 2007; June 24, 2008; May 26, 2009; May 25, 2010; and November 22, 2011. It replaces any previous investment guidelines formulated by members of City staff.

SCOPE

The provisions of this Investment Policy (the "Policy") shall apply to all investable funds of the City of Colorado Springs (the "Portfolio"). Operating accounts, Reserve accounts and Bond Ordinance accounts shall be subject to the standards of this Policy, but may be managed by persons not under this Policy, and each manager of these funds shall establish guidelines pertaining to the following areas: delegation of authority, authorized securities and transactions, portfolio maturities and liquidity requirements, reporting and the selection of broker/dealers and custodians. Utility funds, hospital funds, endowment funds, and moneys held in bank checking accounts for operating purposes shall be excluded from the provisions of this Policy. This Policy shall not restrict ability of the City to invest funds according to the limitations imposed by bond resolutions or indentures of trust adopted by the City for the funds held by a trustee under bond resolutions.

All excess cash, except for cash in certain restricted and special accounts, shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance. Interest earnings shall be distributed to the individual funds not less than annually.

OBJECTIVES

The Portfolio shall be invested in accordance with all applicable City policies, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

- Preservation of capital and protection of investment principal.

- Maintenance of sufficient liquidity to meet anticipated cash flows.
- Diversification to avoid incurring unreasonable market risks.
- Attainment of a market rate of return.

DELEGATION OF AUTHORITY

The City Council establishes investment policy (City Code 1.6.102). The Mayor is charged with direct control of the City revenues (Article VII, City Charter). The City's Chief Financial Officer is responsible for the investment and custody of the City's investable funds, as well as the City's internal procedures affecting those funds. The Chief Financial Officer and designees shall implement the policies promulgated by City Council (City Code 1.2.602).

The following cites from the Code of the City of Colorado Springs shall apply:

Chapter 1: Administration, Personnel and Finance

Article 2: Officers of the City

Part 6: Powers and Duties of the Chief Financial Officer

1-2-602: The Chief Financial Officer shall receive all monies belonging to the City, shall determine depositories and accounts and invest surplus cash in accord with approved policies.

Article 6: City Funds

Part 1: General Provisions

1-6-102 (A): Authorized by State Statutes: Any monies of the City which are not presently required in the conduct of its respective affairs may be invested in securities in a manner authorized by Colorado statutes and as directed by City Council.

The Chief Financial Officer shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The Chief Financial Officer may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to the Controller and other specifically authorized staff members. The Chief Financial Officer shall maintain a list of persons authorized to transact securities business for the City of Colorado Springs. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The City Council has adopted Resolution 157-91, establishing the City Investment Advisory Committee. This committee, chaired by the City's Chief Financial Officer, meets semi-annually to make recommendations to City staff and the City Council regarding the investment policies and procedures of the City. Members of this committee are appointed by City Council and may include up to two City Council members. The Chief Financial Officer shall attend meetings of the Investment Advisory Committee.

The City may engage the support services of outside professionals in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's assets shall be CRS 15-1-304, Standard for Investments which in general states that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of the property of another, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The Chief Financial Officer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Mayor and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Mayor any material financial interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City.

In addition, all covered persons (defined as officials, appointees, administrative officers, employees, independent contractors and volunteers) shall annually complete the City's requirement for ethics training, per City Code § 1.3.107.

AUTHORIZED SECURITIES AND TRANSACTIONS

Subject to the limitations of this Policy, all investments and depositories authorized by the following state statutes shall be allowed by the City: Colorado Revised Statutes: C.R.S. 11-10.5-101 *et seq*, Public Deposit Protection Act; C.R.S. 11-47-101 *et seq*, Savings and Loan Association Public Deposit Protection Act; C.R.S. 24-75-601 *et seq*, Funds Legal Investments; C.R.S. 24-75-601 *et. seq.*, Depositories; and C.R.S. 24-75-702, Local governments – authority to pool surplus funds. Any revisions or extensions of these sections of the C.R.S. will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these statutes conflict with

this Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so and the existing Policy shall govern the City's investments. In such instances, after consultation with the City's investment adviser, the City Attorney, and the Investment Advisory Committee, a recommended course of action will be presented to City Council for approval.

Maturity restrictions shall be calculated from settlement date to maturity date. For investment securities that can be redeemed prior to maturity (i.e. bonds with a put option), the redemption date will be considered the effective maturity date for the bonds.

Portfolio percentage restrictions by security type and issuer are applicable only on the date of purchase of the investment and are applicable to the total Portfolio. While each individual portfolio shall be managed within these limits, the Chief Financial Officer may authorize an individual portfolio to exceed the limits subject to the overall limits within the Portfolio. The Portfolio will be limited to an aggregate exposure of 50% for the following investment types: Municipal Bonds, Corporate Bonds, Commercial Paper, Time Certificates of Deposit and Banker's Acceptances.

The City has further defined the eligible types of securities and transactions as follows:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips or those for which the full faith and credit of the United States are pledged for the payment of principal and interest with maturities not exceeding five years from the date of trade settlement. 100% of the Portfolio may be invested in U.S. Treasury Obligations.
2. Federal Instrumentality Securities: Federal agency or United States government sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, and with maturities not exceeding five years from the date of trade settlement. The total investment in any one issuer shall not exceed 35% of the City's portfolio and no more than 85% of the City's portfolio may be invested in Federal Instrumentality Securities. Subordinated debt may not be purchased.
3. Time Certificates of Deposit with maturities not exceeding one year, in FDIC insured state or nationally chartered banks or savings banks. Certificates of Deposit (CDs) exceeding the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act and may be purchased only from banks having a Highline ~~Banking Data Services~~ Financial Rating of 30 or better at the time of purchase, or from banks that, in the judgment of the Chief Financial Officer, offering adequate safety to the City. No more than 5% of the Portfolio can be invested in time certificates of deposit (non-negotiable CDs). No more than 2% of the Portfolio may be invested in CDs of a single institution.
4. Corporate Bonds of any United States dollar denominated corporation organized and operating within the United States with a net worth in excess of \$250 million. The debt must be rated at least AA- or the equivalent by at least two Nationally Recognized Statistical Ratings Organizations (NRSROs). Maximum maturities of such securities shall not exceed three years from the date of trade settlement. No more than 35% of the Portfolio may be invested in corporate bonds and no more than 5% may be invested with a single corporation.

5. Municipal Bonds: General and Revenue obligations of any state in the United States or any political subdivision, institution, or authority of such a governmental entity. General obligations shall be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs. Revenue obligations shall be rated at least AAA or the equivalent at the time of purchase by at least two NRSROs. ~~General and Revenue obligations of any state in the United States or any political subdivision, institution, or authority of such a governmental entity. Municipal bonds must be rated one of the two highest categories or the equivalent by two NRSROs with maturities not exceeding three years.~~

For short term or variable rate instruments ("Short Term Municipal Bonds"), the securities must be rated "A-1", "P1" or higher, or the equivalent, by a NRSRO.

On a combined basis, no more than 20% of the Portfolio may be invested in Municipal Bonds and Short Term Municipal Bonds and no more than 5% of the portfolio may be invested with a single issuer. The maximum maturity shall be limited to three years.

For Pre-Refunded Municipal Bonds ("Pre-Refunded Municipal Bonds") which are secured by an escrow of U.S. treasury securities or State and Local Government Series securities, no more than 40% of the Portfolio may be invested in Pre-Refunded Municipal Bonds and no more than 5% may be invested with a single issuer.

6. Commercial Paper with maturities not exceeding 270 days from the date of trade settlement that is rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated by each service that publishes a rating on the issuer of at least A or the equivalent. Furthermore, the issuer's commercial paper program's size shall exceed \$200 million. Commercial paper may not exceed 30% of the Portfolio and no more than 5% may be invested with a single issuer.
7. Eligible Bankers Acceptances with maturities not exceeding 180 days from the date of trade settlement and issued by FDIC insured state or national banks with combined capital and surplus of at least \$250 million. Bankers Acceptances ("BA") shall be rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. If the issuing bank has senior long-term debt, it shall be rated at the time of purchase A or the equivalent. No more than 20% of the Portfolio may be invested in BAs and no more than 5% may be invested with a single institution.
8. Repurchase Agreements with maturities of 180 days or less collateralized by U.S. Treasury Obligations and Federal Instrumentality Securities listed in Items 1 and 2 above with the maturity of the collateral not exceeding 10 years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with dealers who have executed a City approved Master Repurchase Agreement with the City and who are

recognized as Primary Dealers by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure. ~~Repurchase Agreement counterparties, if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent.~~—The Chief Financial Officer shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the broker/dealers who have an executed Master Repurchase Agreement with the City.

The City may utilize Tri-party Repurchase Agreements provided that the City is satisfied that it has a perfected interest in the securities used as collateral and that the City has a properly executed Tri-party Agreement with both the counterparty and custodian bank.

No more than 50% of the Portfolio may be invested in repurchase agreements and no more than 10% may be invested with a single counterparty.

9. Local Government Investment Pools ("LGIP") authorized under C.R.S. 24-75-702, that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAM or the equivalent.

A maximum of 100% of the Portfolio may be invested in LGIPs with a single LGIP constituting no more than 50% of the Portfolio.

10. Money Market Mutual Funds registered under the Investment Company Act of 1940 and are authorized under C.R.S. 24-75-601 that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 4) have a rating of AAAM or the equivalent.

A maximum of 100% of the Portfolio may be invested in money market funds with a single fund constituting no more than 50% of the Portfolio.

11. Obligations of the City of Colorado Springs: General obligation bonds, revenue bonds, certificate of participation or other debt securities issued by or guaranteed wholly, partially or morally by the City of Colorado Springs, Colorado, or its departments.

Securities that have been downgraded below minimum ratings described herein may be sold or held at the City's discretion. The Portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

It is the intent of the City that the foregoing list of authorized securities be strictly interpreted. Any deviation from this list must be preapproved by the Chief Financial Officer in writing.

The City recognizes that bond proceeds may, from time to time, be subject to the provisions of the Internal Revenue Code, Federal Arbitrage Regulations, as amended. Due to the legal complexities of arbitrage law and the necessary immunization of yield levels to correspond to anticipated cash flow schedules, the reinvestment of such debt

issuance may, upon the advice of Bond Counsel or financial advisors, deviate from the maturity limitation provisions of this Policy with written approval of the Chief Financial Officer.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the City will not invest in securities maturing more than five years from the date of trade settlement. The City shall maintain at least 5% of its Operating Account portfolio in instruments maturing in 30 days or less. The duration of the Portfolio shall at no time exceed three years.

SELECTION OF BROKER/DEALERS

The Chief Financial Officer shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure;
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c-3 (Uniform Net Capital Rule).

Broker/dealers will be selected by the Chief Financial Officer on the basis of their expertise in public cash management and their ability to provide services for the City's account. Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Colorado and as such are subject to the provisions of the Colorado Revised Statutes, including but not limited to C.R.S. 24-75-601.

The City may engage the services of one or more professional investment advisory firms to assist in the management of the Portfolio. Such investment advisors may purchase and sell investment securities in accordance with this Policy and may utilize their own approved list of broker/dealers. Such approved broker/dealer list shall comply with the criteria listed above and shall be provided to the City on an annual basis.

In the event that the City does not utilize an external investment advisor, each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The City's Chief Financial Officer shall maintain each approved firm's most recent Broker/Dealer Information Request form. Such broker/dealers must attest in writing that they have received a copy of this policy.

The City may purchase Commercial Paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 6 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be documented.

If the City is offered a security for which there is no other readily available competitive offering, then the City will document quotations for comparable or alternative securities.

SELECTION OF BANKS

The Chief Financial Officer shall maintain a list of banks approved to provide depository and other banking services for the City. To be eligible for authorization, a bank must be a member of the FDIC, shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq. as evidenced by a certificate issued by the State Banking Board and shall have a Highline ~~Banking Data Services~~Financial Peer Group Rating of 30 or better on a scale of zero to 99 with 99 being the highest quality for the most recent reporting quarter before the time of selection, or in the judgment of the Chief Financial Officer offer adequate safety to the City.

SAFEKEEPING AND CUSTODY

The Chief Financial Officer shall select one or more banks to provide safekeeping and custodial services for the City. A City approved Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. To be eligible for designation as the City's safekeeping and custodian bank, a financial institution shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq., be a Federal Reserve member financial institution and have a Highline ~~Banking Data Services~~Financial Peer Group Rating of 20 or better on a scale of zero to 99 with 99 being the highest quality for the most recent reporting quarter before the time of selection, or, in the judgment of the Chief Financial Officer, offer adequate safety to the City.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. It is the intent of the City that all securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by ~~either~~ book entry ~~or physical delivery~~ and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

Safekeeping receipts or customer confirmations shall be issued for each transaction and evidence that the securities are held for the City as "customer". The custodian also shall be required to furnish the City a list of holdings on at least a monthly basis.

PORTFOLIO PERFORMANCE

The investment and cash management portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements.

REPORTING

The Chief Financial Officer shall prepare an annual report to the Mayor and the City Council on the investment earnings and performance results of the City's investment portfolio. The report shall include an overview of the investments held by the City and the current market value of the portfolio.

The Chief Financial Officer shall present to the Investment Advisory Committee, at least semi-annually, a review of the portfolio's adherence to appropriate risk levels and a comparison between the portfolio's total return and the established investment objectives and goals.

Monthly reports to the Chief Financial Officer will include the following information:

- monthly rate of return
- cumulative and annual performance compared to the performance benchmarks
- monthly allocation to the major asset classes
- a list of purchases and sales during the month
- a list of current issues held in the portfolio, along with the years to maturity for each.

Annual reports to the Chief Financial Officer will be in compliance with the Governmental Accounting Standards Board No. 40 and will include the following:

- weighted average maturity or duration in years
- credit ratings of the investments.

POLICY REVISIONS

This Investment Policy shall be reviewed annually by the Chief Financial Officer and the Investment Advisory Committee. This Policy may be amended by the City Council as conditions warrant.

AUTHORIZED INVESTMENT SUMMARY

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions
U.S. Treasuries	100%	100%	5 years	N/A
U.S. Agencies	85%	35%	5 years	N/A
Municipal Bonds	20%	5%	3 years	AA-
Pre-Refunded Municipal Bonds	40%	5%	3 years	AA-
Corporate Bonds	35%	5%	3 years	AA-
Commercial Paper	30%	5%	270 days	A-1
Time Deposit/CD	5%	2%	1 year	30+
Banker Acceptances	20%	5%	180 days	A-1
Repurchase Agreements	50%	10%	180 days	A-1
Local Government Investment Pool	100%	50%	N/A	AAAm
Money Market Funds	100%	50%	N/A	AAAm

Note: The Portfolio will be limited to an aggregate exposure of 50% for the following investment types: Municipal Bonds, Corporate Bonds, Commercial Paper, Time Certificates of Deposit and Bankers Acceptances.