

Comprehensive Annual Financial Report

For the year ended December 31, 2000



City of Colorado Springs,
Colorado

Comprehensive Annual Financial Report

of the

**City of Colorado Springs,
Colorado**

**For the fiscal year ended
December 31, 2000**

Finance Office

Steve Hilfers, Finance Director

Terri Velasquez, Accounting and Payroll Manager



CITY OF COLORADO SPRINGS

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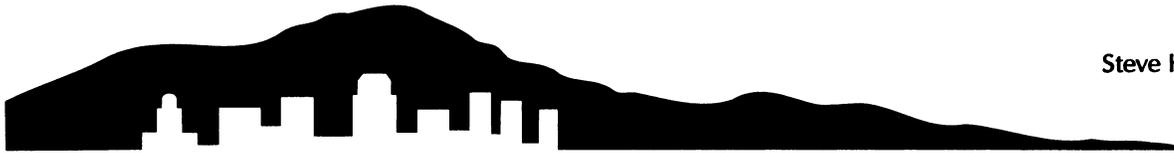
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INTRODUCTORY SECTION



CITY OF COLORADO SPRINGS



CITY OF COLORADO SPRINGS

June 7, 2001

The Honorable Mayor and Members of City Council
City of Colorado Springs, Colorado
30 South Nevada Avenue
Colorado Springs, Colorado 80903

Dear Mayor and Members of City Council:

The Comprehensive Annual Financial Report of the City of Colorado Springs for the fiscal year ended December 31, 2000, is hereby presented. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

INTRODUCTION

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and supplementary. The introductory section contains this transmittal letter, the City's organizational chart and a list of principal City officials. The financial section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, the independent auditors' report, and the notes to the financial statements and schedules. The statistical section contains selected financial and demographic information, generally presented on a multi-year basis. The supplementary information section contains the amortization schedules for all outstanding long-term debt of the City, Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets, and selected investment portfolio data.

REPORTING ENTITY

The City of Colorado Springs is a home-rule city, organized under provisions of the Colorado constitution, and having a council/manager form of government. The financial statements, schedules and statistical tables contained in this report include all

funds and account groups under the control of the City Council. The City provides a full range of municipal government services to approximately 358,400 residents.

These services include police and fire protection, traffic and street construction and maintenance, parks, recreation, cultural affairs, courts, planning and zoning, building and code enforcement, mass transit, health and welfare, and economic development.

Additionally, the City owns and operates major enterprise activities that include electric generation and distribution, natural gas distribution, waterworks, sewerage collection and treatment, municipal airport, golf courses, cemeteries, downtown parking facilities, the Pikes Peak highway and the Memorial Hospital.

The City Council has significant control over several legally separate entities. These entities have been judged as component units of the City and, accordingly, their financial data have been included in this report. Those entities are the Peregrine, Cottonwood, Spring Creek, and Number 98-1 General Improvement Districts, the Colorado Springs Urban Renewal Authority and the Downtown Colorado Springs Business Improvement District included as Governmental type funds, and the Fountain Valley Authority, the Aurora-Colorado Springs Joint Water Authority and the Twin Lakes, Lake Meredith, Lake Henry and Colorado Canal and Reservoir companies, included as Proprietary type funds.

ECONOMIC OVERVIEW AND OUTLOOK

The local economic expansion that began in 1992 clearly extended into a ninth year. Economic data for 2000 reflected continued healthy growth in the Colorado Springs economy. All of the key indicators of local economic activity registered gains or improvement. However, signs that the strong growth posted in recent years may begin to moderate are becoming evident. Employment growth is slowing, yet the local jobless rate continues to hover at a near record low level. This moderation does not appear to be the result of any general slowdown in the local economy, but is rather a manifestation of a scarcity of available workers. The local economy is in the odd position of not achieving its growth potential due to constraints on labor force growth. Although the national economy is showing definite signs of cooling, the diverse nature of the Colorado Springs economy should allow it to continue to grow at a healthy, yet more moderate, rate through 2001. Nevertheless, the local economy will not be unaffected by the national economic slowdown.

↳ Total non-agricultural wage and salary employment through 2000 was up 3.1 percent over 1999. That rate of employment growth is down appreciably from the 4.6 percent posted in 1999. Over the last 16 years (and 2 business cycles), annual employment growth in the Pikes Peak region has averaged 4.3 percent. The current slowing in employment growth results from a general lack of available workers to fill job openings. Employment growth is generally considered to be the best indicator of local economic performance as it is a good proxy of local income growth. Employment growth in 2000 was the slowest for the region since 1998.

LOCAL ECONOMIC SCORECARD				
Colorado Springs Area				
(Percent Change Over Prior Year)				
2000 - 1999				
Economic Indicators	2000	1999	Direction	Assessment *
Unemployment Rate **	2.3	2.8	↓	Better
Total Nonag Employment	3.1	4.6	↓	Worse
Manufacturing Employment	3.4	2.3	↑	Better
City Sales Tax Revenue	10.3	7.4	↑	Better
Total New Const. Spending	25.3	20.8	↑	Better
Residential Building Permits	5.8	13.9	↓	Worse

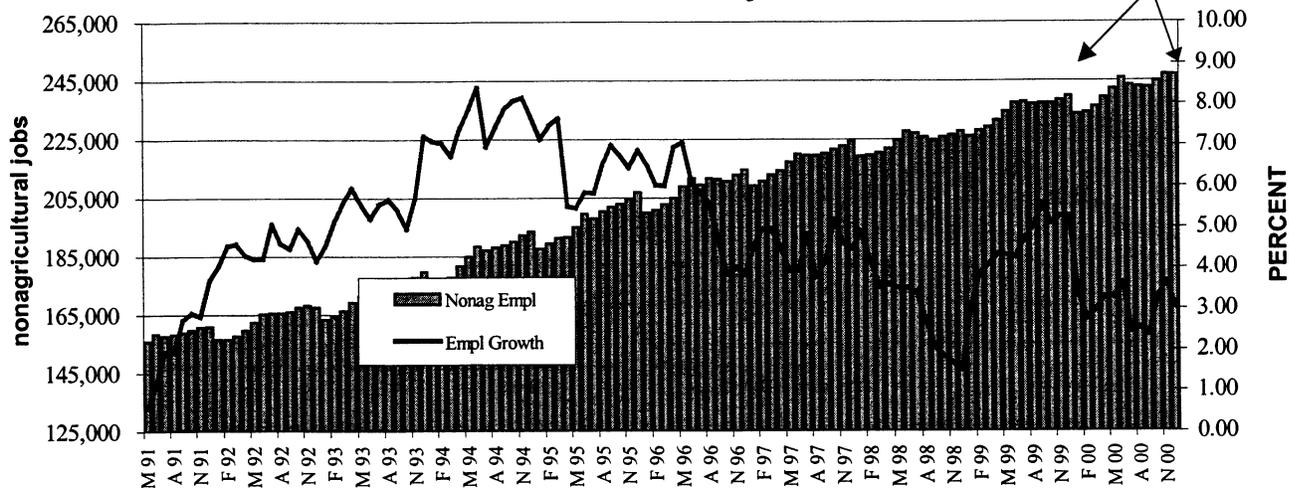
* Is Colorado Springs better off or worse off than a year ago?
 ** Actual rate for December.

↳ The local unemployment rate averaged just 3.2 percent during 2000. By December, the rate had dipped to a record-low 2.3 percent. The local jobless rate continues to be below the full-employment rate with general labor shortages continuing for both entry-level and skilled positions. This scarcity of labor is not unique to the Colorado Springs economy. Much of the growth in the Colorado Springs labor force has historically been through the in-migration of new workers attracted to Colorado Springs because of the strong employment opportunities and a superior quality of life offered in the Pikes Peak region. However, the national jobless rate continues to hover around 4 percent with tight labor market conditions evident in most regions of the United States. In that environment, workers are less apt to migrate to other regions in search of new employment opportunities. This has served to slow the in-migration of new workers to Colorado Springs and has prompted the scarcity of labor, which has effectively put an upper bound on the rate of local economic growth.

TOTAL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

**3.1% empl
growth during
2000**

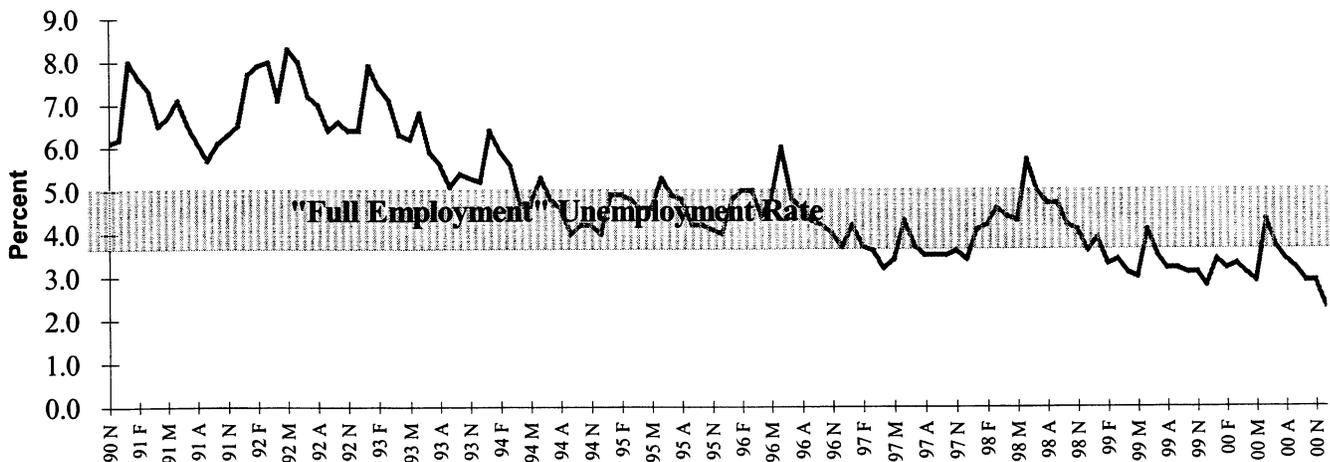
El Paso County



SOURCE: Colo. Division of Empl. & Training

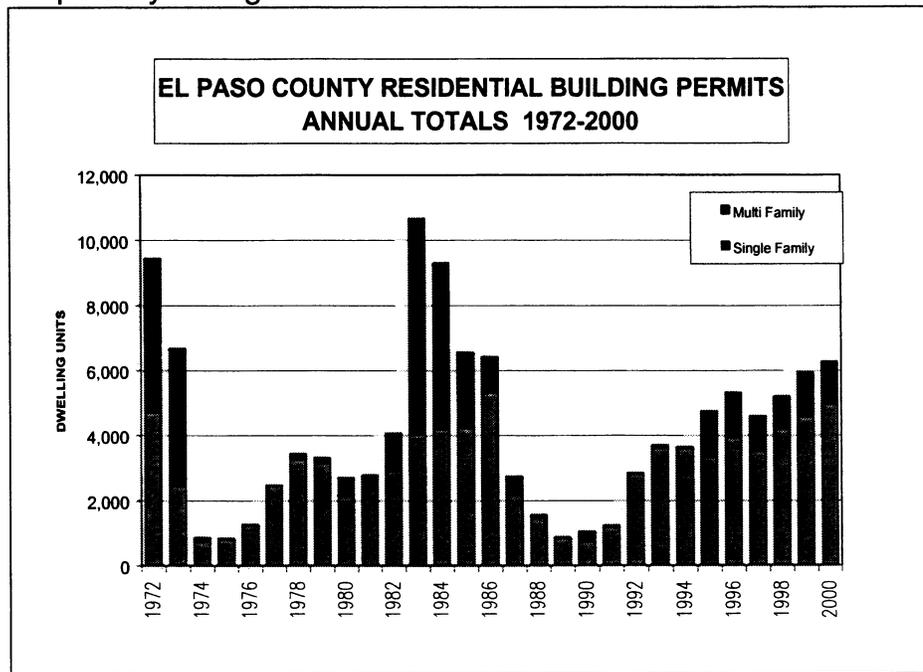
UNEMPLOYMENT RATE - EL PASO COUNTY

Non-Seasonally Adjusted



↪ 2000 was the best year for area homebuilders since 1986. Nearly, 6,300 new dwelling units were permitted during the year, up 5.8 percent from 1999. Single family units comprised 4,976 of total permits which was also the largest number started since 1986. A higher rate of new household formation and healthy gains in local incomes due to the strong labor market appear to continue to drive the entry-level and move-up segments of the local housing market. Nevertheless, somewhat higher home mortgage interest rates earlier in the year combined and soaring house prices served to temper overall housing sales. The total number of homes sold in the area through November was up only 1.6 percent from the same period of 1999. However, the average selling price of homes increased 8.3 percent over the year.

↪ Prompted by a surge in both residential and nonresidential construction spending,



total new construction spending during 2000 was up a strong 25.3 percent over the same period last year. Residential spending was up 14.3 percent over the year while nonresidential spending was up 55.4 percent over

the same period of 1999.

↪ City Sales and Use Tax collections posted a strong 10.3 percent advance during the 2000 fiscal year. Collections for 2000 totaled \$111.4 million. This increase is attributable to a combination of factors including:

- ◆ continued consumer confidence in the local economy bolstered by extraordinarily strong labor market conditions
- ◆ continued strong homebuilding and a surge in new commercial construction that has resulted in robust sales of building materials
- ◆ a double-digit increase in purchases of consumer durable goods including automobiles, furniture, and appliances
- ◆ and, a sizable jump in investment in new plant and equipment by area manufacturers.

KEY ECONOMIC INDICATORS						
Colorado Springs Area						
	1995	1996	1997	1998	1999	2000
<i>EMPLOYMENT</i>						
Unemployment Rate (%)	4.6	4.6	3.6	4.5	3.3	3.2
Actual Change	(0.2)	0.0	(1.0)	0.9	(1.2)	(0.1)
Wage & Salary Employment	197,400	208,200	217,500	224,100	234,400	241,600
Percent Change	6.56%	5.47%	4.47%	3.03%	4.60%	3.07%
Manufacturing Employment	24,800	25,100	26,300	27,000	27,700	28,600
Percent Change	2.94%	1.21%	4.78%	2.66%	2.59%	3.25%
<i>REAL ESTATE MARKET CONDITIONS</i>						
Residential Building Permits	4,758	5,326	4,807	5,214	5,941	6,286
Percent Change	25.11%	11.94%	-9.74%	8.47%	13.94%	5.81%
Total New Const. Spending (\$ millions)	490.7	663.9	589.4	702.6	848.8	1,063.2
Percent Change	18.61%	35.30%	-11.22%	19.21%	20.81%	25.26%
<i>SALES TAX COLLECTIONS</i>						
2% City Sales & Use Tax Rev. (\$ millions)	\$75.7	\$86.5	\$88.8	\$94.0	\$101.0	\$111.4
Percent Change	9.59%	14.27%	2.66%	5.88%	7.45%	10.30%
<i>POPULATION</i>						
Total Population - City of Colo Sprgs	325.6	331.6	338.0	344.7	350.2	358.4
Percent Change	2.43%	1.84%	1.93%	1.98%	1.60%	2.34%
<i>COST OF LIVING</i>						
Denver-Boulder CPI-U (1982-84 = 100)	148.0	153.1	158.1	161.9	166.7	172.6
Percent Change	4.34%	3.45%	3.27%	2.40%	2.96%	3.54%

OUTLOOK FOR 2001

Although a slowdown of the national economy has become evident, the diverse nature of the Colorado Springs economy should allow it to continue to grow at a healthy, yet more moderate, clip. Nevertheless, the local economy will not be unaffected by the national economic slowdown.

2001 should mark the tenth consecutive year of the local economic expansion, although growth is expected to moderate due to continued labor shortages and the recent slowing on the national scene. However, if the slowing of the U.S. economy turns from a "slowdown" to a "slump", the ramifications would be quickly felt in Colorado Springs. Sagging corporate profits stemming from a national economic recession would result in cutbacks in local spending and trimming of workforces by local corporate branches. Local consumer confidence appears to remain relatively strong as evidenced by recent City sales tax collections. However, a slumping national

economy and continued stock market volatility would serve to chill consumer confidence resulting in a decline in local spending on such big ticket items as new homes, appliances and autos. Thus, a somewhat cautious outlook for 2001 is merited.

Indeed, the impact of various factors likely to affect the local economy in 2001 is somewhat mixed.

Factors Affecting Local Economic Outlook	
	2001 Assessment
⇒ U.S. economic outlook: “slump” or “slowdown”?	↓
⇒ Labor Availability	↓
⇒ Energy Prices	?
⇒ Interest rate outlook	↑
⇒ Sagging stock market - reverse “Wealth Effect”	↓
⇒ Local consumer confidence	?
⇒ Outlook for semiconductors	↓
⇒ Number of new “basic” industry jobs created	↑
⇒ Comparative advantage	→
⇒ New construction	→
⇒ California power shortage	↑

Total employment growth of 2.75 percent is projected for 2001 with a slight increase in local unemployment anticipated. Employment growth will continue to be hampered by a lack of available workers. New homebuilding activity is anticipated to drop 16 percent in 2001 with a total of about 5,300 new units projected for 2001 as housing affordability becomes more of an issue. The entry-level and move-up segments have been fueling much of the recent new homebuilding. Those segments are not large enough to sustain the current rates of new homebuilding and tend to be more price sensitive.

2000 Major Initiatives

The Colorado Springs City Council adopted its first municipal government strategic plan in 1997. Updates to the plan were adopted by City Council at the beginning of 1998 and 1999. That three year plan was superseded by the adoption in 2000 of a new strategic plan called *Direction 2000*. The strategic plan is a major policy and management tool. *Direction 2000* identifies priority programs and projects, establishes policy guidelines, and generally defines a direction for governance in Colorado Springs. The Plan contains five major goal areas:

- ◆ Growth Management
- ◆ Transportation Improvements
- ◆ Public Safety
- ◆ Financial Support for City Services
- ◆ Downtown Revitalization

Direction 2000 is intended to play an important role in guiding decision-making and program planning in the City. The Plan establishes priorities, which along with other Council directives, govern program planning and resource allocation decisions for City operations. These program planning and resource allocation decisions in turn govern individual performance planning for all levels of City staff.

In 2000, a number of accomplishments in the five goal areas of *Direction 2000* are notable.

2000 MAJOR STRATEGIC PLAN ACCOMPLISHMENTS

Growth Management

During 2000, a first draft of the new Comprehensive Plan was completed. The new plan will serve as a primary tool in defining growth management policies and programs. Additionally, the Parks, Recreation and Trails Ten Year Master Plan was completed and approved by City Council during 2000. The plan addresses the capital needs for parks and recreational facilities and trails for the years 2000-2010.

Transportation Improvements

Work commenced on a East-West Mobility Study to examine the creation of a "beltway" around the City's core area and the potential for transportation improvements within the core area. Initial planning activities commenced and an extensive public involvement process was launched. A total of \$405,000 of federal funding was secured for the essential planning effort.

Public Safety

Implementation of the Fire Department's long-range plan was furthered in 2000 with the opening of fire Station 18 in the northwest section of the City. A total of \$1.27

million was provided to staff and equip that new fire station. Funds for the construction of the fire station were part of an \$88 million Springs Community Improvements Program (SCIP) sales tax revenue bond issue approved by voters in 1999. One and one-half additional Fire public education specialists were added permanently in 2000 to expand fire safety programs for children in schools and the elderly.

Matching funds were provided for a Federal Universal Hiring Grant which allowed the Police Department to add 30 additional patrol officers and hire six additional officers for the School Resource Officer (SRO) program. A total of 12 additional emergency response technicians were added in the Police communications center to address a burgeoning E-911 call load. Partial funding was also provided for the development of a new Criminal Justice Information System to replace the current system that has exceeded its useful life.

Significant progress was also made in the implementation of a new 800 MHz trunked radio system for use by all City departments. The new system is slated for initial operation in 2001. Funded largely through \$18 million provided through SCIP, the new system is being developed cooperatively with Colorado Springs Utilities and El Paso County.

Financial Support for City Services

Building on the successes from 1998-1999, the Springs Community Improvements Program (SCIP) transitioned into its next phase – SCIP 01. In response to escalating demands for better city services and infrastructure, the SCIP 01 process was expanded to include addressing critical public safety operations and maintenance needs in addition to funding capital projects throughout the community. Implemented in April 2000, the citizen-driven process resulted in City Council placing a .9% increase in the City Sales and Use Tax to fund 107 capital projects having a total cost of \$257 million along with ongoing annual funding of \$34.4 million to address operating needs in the Police, Fire and Public Works Departments. While the ballot question did not gain voter approval at the April 3, 2001 municipal election, various options and alternatives are being considered for funding the package of high priority projects and services.

A City development review enterprise was developed and approved by City Council for implementation in 2001. The new enterprise, to be funded through a surcharge on building permits issued through the Regional Building Department will result in 100% cost recovery for various City land development review services provided in zoning and building permit review.

Implementation of the new employee compensation system that recognizes and motivates increased job performance continued during 2000. A total of \$5.9 million was included for the second installment of the three-year plan for bringing employee compensation up to a competitive level.

Downtown Revitalization

Continued revitalization of the downtown was achieved through the continued implementation of the Downtown Development Strategy, key elements of which are expansion of the business improvement district and implementation of the downtown pedestrian improvements project. To date, a total of 14 face blocks of the pedestrian improvements program have been completed. These improvements are being financed through \$4.5 million of City Parking System enterprise revenue bonds issued in 1999. Additionally a feasibility study for expanding the boundaries of the Downtown Business Improvement District was completed during 2000 along with a proposed service plan for that new district.

Significant progress was made in implementation of the Lowell School redevelopment project in the south downtown area of the City. The Colorado Springs Urban Renewal Board (CURE) entered into a redevelopment agreement with a private developer for the project. A metropolitan district was conditionally approved by City Council and funding was secured for the construction of a parking garage at the City Police Operations Center which is adjacent to the redevelopment project.

Construction commenced on the renovation of Old City Hall. Originally constructed in 1905 as the seat of City government, the building is being renovated to house City Council chambers, offices for the Mayor, City Council and staff, offices for the City Manager and staff, and facilities for certain other City administrative functions. A total of \$7.265 million of certificates of participation were issued in 2000 by the Colorado Springs Public Facilities Authority with a portion of those COP proceeds being used to help finance the \$5.3 million renovation project. The relocation of City Council and City Manager staff offices to Old City Hall will allow other City staff, presently in leased space, to move into space that would be vacated in the City Administration Building resulting in improved operational efficiencies.

FINANCIAL INFORMATION

The City accounts for the operations of its Governmental fund types (General, Special Revenue, Capital Projects), and its Expendable Trust funds on the modified accrual basis of accounting in accordance with current governmental accounting standards. Using this basis, revenues are recorded when collected or susceptible to accrual. Susceptible to accrual means that they are measurable and available to pay current liabilities. Expenditures are recorded when the liability is incurred, except for interest on long-term debt. The accrual basis of accounting is used for the Proprietary fund types (Enterprise and Internal Service) and Non-Expendable Trust funds. Using this basis, revenues are recorded when earned and expenses when the liability is incurred. This method is similar to private, commercial accounting.

In developing and evaluating the City's accounting system, consideration is given to adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial

records used for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance requires that the cost of control should not exceed the benefits likely to be derived, and, that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above guidelines. We believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions.

As a recipient of federal and state financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations concerning those programs. This internal control structure is subject to periodic evaluation by City management and staff. These controls are subject to review and testing as a part of the annual, independent audit of the City. The reports required under provisions of the Single Audit Act are issued under separate cover by the audit firm of Grant Thornton LLP and are available for review at the City Finance office.

In accordance with City Charter, budgetary controls are maintained for all funds of the City. Annual budgets are adopted for all funds of the City, except for certain funds, which adopt project length budgets as described below. For those funds which adopt an annual budget, the official level of budgetary control is at the department level within a fund. Transfer of appropriation within the budget of a department may be authorized by the department head affected without City Council action. Transfers from one department to another or any supplemental appropriation over the amount of the original budget require City Council action.

Project length budgets are adopted for all Capital Project funds and for Intergovernmental Grant, Special Assessment and Capital Improvement type Special Revenue funds. Transfers of appropriation from one project to another or from one fund to another require City Council action unless the project has been substantially completed. If the project has been substantially completed, the City Manager may authorize the transfer of any unused appropriation to another project.

The City maintains an encumbrance accounting system as a means of accomplishing budgetary control. Appropriations for contractually encumbered amounts are reserved at year-end and re-appropriated in the ensuing year's budget.

Unused and unencumbered appropriations for funds which adopt an annual budget lapse at year end. Unused and unencumbered appropriations for funds which adopt a project length budget are carried over to ensuing years until such time as the project is complete.

GENERAL FUND OPERATIONS

Revenues and Other Financing Sources

The following table summarizes the revenues and other financing sources of the General fund for the years ended December 31, 2000 and 1999:

	<u>2000</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Taxes	\$131,290,950	\$119,361,794	10.0%
Licenses and permits	402,523	405,904	(.8%)
Intergovernmental	21,194,449	20,567,255	3.0%
Charges for services	31,078,225	28,884,406	7.6%
Fines and forfeits	3,444,419	3,198,674	7.7%
Other	7,794,289	4,962,797	57.1%
Transfers - in	4,205,517	2,444,502	72.0%
 Total	 \$199,410,372	 \$179,825,332	 10.9%

General fund revenues and other financing sources for 2000 increased \$19.6 million or 10.9% over those of 1999. Tax revenues increased \$11.9 million or 9.99% over 1999. Sales and use tax collections increased 10.3% or \$10.4 million and property tax collections increased 7.9% or \$1.2 million over comparable figures for 1999. Intergovernmental revenues increased 3.0% or \$.6 million due to increases in Federal Transit Administration revenue and State Highway Users Tax revenue. The Charges for Services category of revenue increased 7.6% or \$2.2 million over 1999 due primarily to increased payments in lieu of taxes from the Colorado Springs Utilities. Fines and forfeitures increased 7.7% or \$.2 million due to increased collection efforts and increase in filings. The category of Other revenues increased from 1999 in the amount of \$2.8 million due to increase in earnings on investments of \$2.1 million and capital lease financing increased \$.5 million. Transfers-in increased \$1.4 million due to transfer from the Business Development Revolving Loan fund.

Expenditures and Other Financing Uses

The following table summarizes the expenditures and other financing uses of the General fund for the years ended December 31, 2000 and 1999:

	2000 <u>Actual</u>	1999 <u>Actual</u>	Percentage Increase (Decrease)
General government	\$31,021,293	\$31,867,855	(2.7%)
Public safety	83,877,836	80,185,341	4.6%
Public works	25,984,598	27,211,602	(4.5%)
Culture and recreation	14,173,845	13,546,852	4.6%
Urban redevelopment	3,645,729	3,528,788	3.3%
Other services	693,031	660,369	4.9%
Debt service	11,202,906	7,452,641	50.3%
Capital outlay	9,991,953	9,415,605	6.1%
Transfers - out	6,888,674	18,797,839	(63.4%)
 Total	 \$187,479,865	 \$192,666,892	 (2.7%)

General fund expenditures for 2000 decreased \$5.2 million or 2.7% from 1999 expenditures. Public safety expenditures increased \$3.7 million. This is reflective of Council's direction to adequately fund police and fire services. Public Works expenditures decreased from 1999 by \$1.2 million due to 1999 bus purchases. Debt service increased 50.3% or \$3.8 million primarily due to the Sales Tax Revenue Bond Series 1999 principal and interest payments. Transfers out decreased \$11.9 million due to categorizing of capital improvements resources into Capital Projects funds in 1999 that did not occur in 2000. More detailed information regarding General fund financial activity can be found in Exhibits B-1 through B-3 of this report.

General Fund – Fund Balance

In accordance with its Charter, the City is required to maintain an "emergency reserve" in the amount of 3% of "fiscal year spending less debt service." This "reserve" can be used to meet any emergency except those caused by economic conditions, revenue shortfalls and salary or fringe benefit increases. Accordingly, the amount of this "emergency reserve" at December 31, 2000 is \$6.044 million. After deducting this and other necessary reserves and designations, the unreserved, undesignated fund balance of the General fund is approximately \$18 million or 8.9% of the 2001 General fund budget or 9.6% of actual 2000 General fund expenditures.

PROPRIETARY OPERATIONS

Colorado Springs Utilities

Colorado Springs Utilities (CSU) continues to position itself for a changing, more competitive future in all its markets but specifically in the energy markets. The severe dislocations that were evident in the national energy markets during calendar year 2000 and the early months of 2001 have reinforced the need to continue to address not only the availability of crucial energy supplies but to also pursue all prudent means

for controlling CSU's price exposure in the national and regional energy markets. Faced with these significant energy policy challenges and significant constraints in the Colorado transmission network, it has become increasingly difficult to assure that purchased power from outside the front range will be available during peak demand periods at any price, let alone at reasonable prices. Thus, the Utilities Front Range Power Project (a joint venture project with El Paso Energy to construct and operate a 480 MegaWatt (MW) combined cycle unit at the Nixon site) has taken on increasing importance and urgency. The Front Range Power Project will provide power to CSU and Excel Energy under long-term purchased power contracts and will have small amounts of merchant power available for the tight Western wholesale electric markets. CSU's power purchase contract provides that CSU will acquire increasing capacity in the unit, consistent with our load growth forecasts, until we are taking all the capacity in the unit by 2015. CSU and El Paso Energy are well advanced in getting this project completed. Current forecasts are that the 480 MW unit will achieve commercial operation by late spring 2003. The Front Range Power partnership is allowing CSU to reap the economies of scale of a larger generating unit while guaranteeing a reliable and economical source of supply for the community's anticipated growth over the next 10-15 years. The combined cycle unit will be constructed and owned by Front Range Power and thus will not necessitate bond issuance by CSU.

Finance System Replacement Project

The final leg of CSU's strategic plan to replace its legacy software systems was successfully completed at year-end (on time and under budget) when our financial analytic system (FHAS) was put into operation. FHAS provides a critical connection between our financial, human resources and payroll systems and our inventory/purchasing/work management system — RMS 2000. The new finance system will also play a crucial role in the integration of an Activity Based Costing System into our overall management information systems. FHAS provides CSU with a flexible, adaptable budgeting, accounting and financial reporting system. This gives CSU expanded access to real-time accounting information in many organizational dimensions and provides an efficient, automated budget and forecasting system that will greatly increase the efficiency for CSU.

Regional Infrastructure Authority

CSU establishes plans for needed expansions to the water and wastewater system over a 40 year planning horizon, as these infrastructure and water supply additions frequently have long lead times associated with various permitting activities, site acquisition and public process activities. Increasingly, permitting agencies are encouraging a regional view of water and wastewater infrastructure needs. From a financial perspective, regional partnerships provide numerous benefits related to the economies of scale of the project and to the benefits of off-balance sheet financing. CSU has been evaluating the advisability of using cooperative, regional partnerships for some of CSU's planned water and wastewater expansions for the last several years. Utilities Board gave CSU the approval to proceed with creating a Regional Infrastructure Authority with the power to construct and operate water, wastewater and stormwater projects with one or more regional partners. Being created with the City of Fountain, this independent legal entity's, first identified project is the initial phases of CSU's Southern Delivery Project which will construct significant additional water

delivery system capacity from Pueblo Reservoir to the Colorado Springs area and to regions south of the city. It will ultimately provide Colorado Springs with the ability to deliver and store water sufficient to supply the growing needs of this community to at least 2040. The ability to finance this infrastructure through a separate legal entity controlled by the city provides a measurable financial benefit to CSU and its customers.

Energy Crisis Impacts on CSU

Calendar year 2000 was a difficult year for utilities and their customers because of the unprecedented escalation that occurred in the market prices for both natural gas supplies and wholesale electric supply. The western U.S. was particularly hard hit by both phenomena and, although market prices for natural gas have shown some softening recently, the wholesale electric markets continue to reflect extreme instability and inefficiency. This pervasive energy crisis has created significant challenges for CSU from both a financial and a supply reliability standpoint. Actual expenditures for natural gas, fuel and purchased power for 2000 exceeded original budget estimates by over \$73 million. While CSU took timely and appropriate steps to manage the magnitude of these cost escalations to the extent possible, ultimately we had to adjust both our Electric Cost Adjustment (ECA) and Gas Cost Adjustment (GCA) rate components to begin to recoup these rising costs. Even so, we did incur energy costs for fiscal 2000 well in excess (approximately \$35 million) of what we were able to collect through rate adjustments. We continue to aggressively manage market purchases and daily operations to limit the increases passed through to CSU customers. CSU formed a new Energy Supply Department that consolidates all energy purchase and risk management activities in one organizational unit. We expect this group's enhanced focus will improve the effectiveness and efficiency of these supply activities for CSU. In addition, we have implemented necessary methodology changes to our ECA adjustment mechanism to allow more timely reflection of actual market conditions in the prices our customers see. This will ultimately provide better communication to CSU customers and will insure our financial stability so that we may continue to provide reliable, high quality service our customers expect.

Overall, while fiscal 2000 financial results for CSU were much weaker than originally anticipated, that outcome is solely a result of the unprecedented escalation in natural gas and purchased power prices over the latter part of the year. The significant cost constraint evident in non-fuel O&M expenses would have produced very positive results for both cash net income and debt service coverage absent the time lags inherent in our fuel cost recovery mechanisms.

Cash Flow

CSU focuses on a variety of measures of cash flow as our primary indicators of CSU's non-cash income statement entries (such as depreciation) is the trigger for CSU's annual Budget.

	BUDGET 2000	ACTUAL 2000
TOTAL CSU	\$ 41,044,019	\$ 32,334,229

Bond Issuance

In November 2000, CSU issued both its 2000A Variable Rate Subordinate Lien Improvement Revenue Bonds in the amount of \$110,000,000 and its 2000B Taxable revenue bonds in the amount of \$15,000,000. The 2000A Variable Rate bonds (CSU's first variable rate issue) were issued to generate \$54 million in new money for the capital expansion program and to fund a tender offer for selected maturities of CSU's outstanding 1998A and 1997A revenue bonds. Paine Webber was selected as the underwriter for the 2000A issue. As tender agent, Paine Webber received numerous offers to sell the subject bonds and CSU ultimately accepted offers on \$61.145 million of our 1998A and 1997A bonds. The majority of the bonds that were repurchased were the 2026 and 2027 maturities of our 1998A bonds (\$55.145 million). We also repurchased \$6.0 million of the 2026 maturities of our 1997A bonds. The tendered bonds were repurchased at attractive prices and, assuming an "all in" interest expense on the 2000A bonds of 4 percent, will generate total debt service savings of \$25.3 million, which translates into present value savings of \$13.7 million or 22.5 percent. We will reduce annual debt service by approximately \$775,000 as a result of this bond repurchase program.

The 2000B Taxable bonds were issued at a competitive sale on November 1 and were awarded to Griffin, Kubik, Stephens & Thompson with a bid of 7.53648 percent. The proceeds from this issue were used to fund CSU's continuing equity contributions to the Front Range Power Project.

Moody's and Standard and Poor's (S&P) accorded the 2000A variable rate issue their highest short term ratings, Aa2/VMIG 1 and AA/A-1+ ratings respectively, which reflect both the strength of our bond provisions and our AAA rated liquidity provider. The two rating agencies assigned Aa2 and AA ratings to the 2000B taxable bonds, identical to the ratings on all CSU's outstanding first and subordinate lien debt. In conjunction with their review of these new subordinate lien bond issues, S&P reaffirmed the "#2 business position" rating that CSU held since S&P realigned their ratings to be consistent with those used for investor-owned utilities. The ratings scale now runs from 1-10 with 1 being the highest rating possible. The #2 rating is the highest rating awarded to any utility with generating resources. Only a handful of other public power utilities have been granted a #2 rating on this "business position" scale. The business position assessment is designed to address the many factors that help define a utility's business strength. S&P focuses on four key areas in determining this rating: management, operations, competitive position and markets.

Rate Adjustments

During 2000, CSU did not request any base rate increase for its regulated services. Colorado Springs City Council approved three GCA adjustments to reflect the increasing costs for purchased natural gas. The combined impact increased the gas portion of the monthly bill for a typical residential customer by almost 50 percent. Although these combined adjustments were very significant, they were generally much less than those implemented by other Colorado gas distribution utilities due to the

successful hedging program CSU utilized. City Council also approved a small adjustment in the ECA in October 2000. Due to the material increases in wholesale electric supply costs and natural gas costs used for generating electric supply in the latter months of 2000, CSU received city council approval to modify ECA methodology to a forward-looking adjustment. This change resulted in about a 25 percent increase in the typical electric bill. CSU does not expect to request increases in any base rates during 2001. If national and regional energy markets continue to exhibit the volatility and inflationary trends that characterized 2000, additional increases in the ECA and GCA rate components may be necessary later in the year.

CSU continues developing a long-term rate strategy to accommodate two somewhat conflicting goals: (1) the need to periodically raise rates based on increasing infrastructure expansion and normal inflationary increases in O&M expenses and (2) the desire to provide our citizens and ratepayers with highly-competitive utility rates for all four services and a comprehensive three to five year schedule of projected rate increases resulting in stable or falling real utility prices for our consumers.

Debt Service Coverage (Rate covenant)

Net pledged revenue (used to compute the debt service coverage ratio) increased slightly. Increases in natural gas, electric fuel and purchased power costs, the significant savings in non-fuel O&M expenses and the timely adjustments in our ECA and GCA rate components prevented any decrease in the net revenues available for our debt service payments. Net operating revenue for 2000 (exclusive of depreciation and payments in-lieu-of taxes) increased by about \$1.7 million to \$91,366,104. Interest revenue available for debt service increased (\$879,901) to \$7,147,185. Because of the 2000A and 2000B new money issues, actual annual debt service increased substantially to \$57.6 million; the 2000 debt service coverage ratio therefore, decreased from the 2000 level of 2.13 to 2.04. It should be noted, however, that 2.04 is still a very healthy coverage ratio and absent the time lags that are inevitable with our fuel cost adjustment mechanisms in a rapidly inflating energy price environment, would have been well above the 2.0 coverage ratio that CSU has established as a long-term minimum target level.

Outlook

While CSU expects the next three to five years to continue showing significant local growth and the accompanying need to continue to expand our infrastructure, we have a structured forecast/planning process in place that is designed to aggressively manage CSU resource allocation issues. Our planning process is designed to achieve a prudent balance between planned price increases and use of external borrowing while insuring CSU meets customers' demands for reliable utility service. Over the next five years, we will be undertaking material expansions to our electric generating capacity (the Front Range Power Project discussed above), our water delivery capacity (the Otero Expansion and the Southern Delivery System) and to our wastewater treatment capacity (the Northern Reclamation Facility). Each of these infrastructure additions represents a major increase in existing capacity and has broad regional scope, making each a candidate for regional partnerships with other like providers. As

described above, CSU is pursuing each of these major projects as joint ventures with other regional entities, thus gaining valuable economies of scale and off-balance sheet financing advantages for CSU. In addition, we anticipate that the next three years will continue to reflect relatively high energy price levels. Despite the significant resource demands that these expected trends will place on CSU, our financial forecasts indicate that both our cash flow, accounting net income and debt service coverage results will remain healthy. Necessary price increases to CSU will still leave us in a very competitive position.

As the utility industry continues to change and evolve, CSU will continue to focus on its core values and mission: to provide exceptional value to the community and its citizen-owners and benefit and value to its customers. We expect to continue comprehensive efforts to realign functions and organizational units to enhance our ability to manage all expenditures while we maintain exceptional levels of service and value to our customers. We will continue to refine and sharpen our competitive strategies, which are designed to distinguish CSU as a provider of both core and non-regulated utility services to its customers in a manner that provides unique value and benefit to the customer.

Memorial Hospital

The City owns the Memorial Hospital, a full service acute care hospital with 349 licensed beds. The Hospital was founded in 1904 and was operated as Beth El Hospital under the auspices of various Methodist groups until 1943, when it was acquired by the City and renamed Memorial Hospital. In 1949, City voters approved ordinances requiring the City to continue operation of the Hospital and establishing the Board of Trustees of Memorial Hospital. The Board of Trustees is responsible for operation and management of the Hospital.

The Hospital is licensed by the Colorado State Health Department and is accredited by the Joint Commission on Accreditation of Healthcare Organizations. The Hospital is a member of the Colorado Hospital Association, the American Hospital Association, and the Voluntary Hospitals of America/ Mountain States, Incorporated.

Memorial Hospital produced operating income in 2000 of \$11.2 million, with operating revenues of \$264.7 million and operating expenses (including depreciation) of \$253.5 million. Total 2000 operating revenues increased \$26.2 million or 11% over those of 1999. Hospital net income for 2000 was \$12.9 million as compared to \$8.8 million for 1999.

Other Enterprise Operations

Remaining City enterprise operations posted the following net income (loss) for 2000:

Airport fund	\$2,620,647
Patty Jewett Golf fund	113,453
Valley Hi Golf fund	(67,788)
Pikes Peak Highway fund	(223,772)
Human Services Complex fund	180,473
Parking System fund	1,526,334
Cemetery fund	(12,574)

More detailed information regarding the operations of the City enterprise funds can be found in Exhibits E-1 through E-3 of this report.

Internal Service Operations

The City maintains several internal service funds to account for goods and services exchanged between departments on a cost reimbursement basis. The user charges assessed by these funds and departments are intended to recover all costs associated with the provision of the goods and services. Should user fees prove to be too high or too low, fees in ensuing years are adjusted so as to return the operation to break-even.

The Support Services fund accounts for the activities of its fleet management, facilities management, land management, information services and risk and safety administration. Operating departments of all user funds are charged for goods and services provided by the fund. For the year ended December 31, 2000, the Support Services fund recorded a net loss of \$1,280,336 on operating revenues of \$22.7 million.

The City maintains three self-insurance funds in order to finance part of the risk in the general areas of workers compensation, employee benefits and general liability. These funds are also included as internal service funds.

An actuarial study was performed in late 1997 to assess the adequacy of funding for the Claims Reserve Self-Insurance fund. That study concluded that the unreserved fund balance existing at that time and projected future contributions are adequate to meet estimated liabilities. At December 31, 2000, this fund had an unreserved retained earnings balance of approximately \$1.4 million.

At December 31, 2000, the Workers Compensation Self-Insurance fund had an unreserved retained earnings balance of \$397,654. This is the balance remaining after expensing and setting up reserves for all known claims at year-end.

At December 31, 2000, the Employee Benefits Self-Insurance fund had an unreserved retained earnings balance of \$32,205. This is the balance remaining after expensing and setting up an estimated reserve for incurred but not reported claims.

Bi-annually the City Auditor audits the activities of the Claims Reserve and the Workers Compensation Reserve self-insurance funds. Management believes that adequate resources are available in each of the self-insurance funds to pay all claims during 2001. More detailed information concerning the activities of these funds can be found in these reports. Also, Exhibits F-1 through F-3 of this report contain more detailed information regarding each of the internal service funds.

Fiduciary Operations

Fiduciary funds (trust and agency funds) are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds. The City maintains five expendable trust funds, six non-expendable trust funds, one pension trust fund and one agency fund. The trust funds account for gifts/donations which are committed by agreement for a specific purpose. An expendable trust is one where the asset donated is expended along with any income produced by that asset. A non-expendable trust is one where, by agreement, only income from the original asset or corpus is expended and the corpus remains for the further production of income. During 2000 the City received cash gifts and donations and earned income on those assets for its various trust funds in the total amount of \$1,734,016. In accordance with the donors' intents, expenditures of \$1,452,705 were made from these funds during the year. More specific and detailed information concerning the activities of the trust and agency funds can be found in schedules G-1 through G-8 of this report.

Debt Administration

General Obligation Debt

The City's net direct general obligation debt supported by general property taxes, including component units, at December 31, 2000 was approximately \$36 million. City general obligation debt (excluding component units) of approximately \$24 million is a very low amount, representing \$66.27 per capita, a ratio of .007 to assessed valuation and .0011 to estimated market value of taxable property in the City. The legal debt margin at December 31, 2000 is \$296.3 million.

Proprietary Fund Debt

Colorado Springs Utilities

In November 2000, the Colorado Springs Utilities issued \$110,000,000 in System Subordinate Lien Revenue Bonds Series 2000A to finance a current refunding (through a tender offer) of \$6,000,000 of 1997A Improvement and

Refunding Revenue Bonds, \$55,145,000 of 1998A Subordinate Lien Improvement Revenue Bonds, and to finance a variety of capital improvements. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was below the net carrying amount of the old debt by \$3,619,225. This amount is being netted against the new debt and amortized over the old debt's life, which is shorter than the new debt. The transaction resulted in an economic gain of \$13,732,729 and a reduction of \$25,232,113 in future debt service payments.

Also, in November 2000, Colorado Springs Utilities issued \$15,000,000 of Utilities Subordinate Lien Revenue Bonds to finance the Utilities equity contribution to a Colorado limited liability company formed to finance the construction of a natural gas fired combined cycle electric generation facility.

Memorial Hospital

In August 2000, Memorial Hospital issued \$59,825,000 in Hospital Revenue Bonds. The bonds were issued to fund the costs of acquiring, constructing and equipping certain hospital and other healthcare related facilities. The bonds mature on December 15, 2030, have annual sinking fund requirements beginning in 2025, and are redeemable at any time on or after December 15, 2010 and have an interest rate of 6.375%.

At December 31, 2000 Memorial Hospital had outstanding long-term debt (less current portion) in the amount of \$138,414,000, composed of revenue bonds.

Colorado Springs Municipal Airport

During 1992 the City airport issued revenue bonds to finance a new terminal building, airfield improvements and other ancillary facilities. Again, in December 1996, Airport revenue bonds were issued to finance various parking and roadway improvements. At year-end Airport revenue bonds remain outstanding in the amount of \$67.2 million, less current portion.

Bond Ratings

The City's latest bond ratings are as follows:

	<u>Moody's</u>	<u>Standard & Poors</u>
General Obligation bonds	Aa3	AA
Certificates of Participation	A2	A
Sales and Use Tax Revenue bonds	A1	AA
Parking Revenue bonds (*insured)	Aaa*	n/a
Utilities Revenue bonds	Aa	AA
Hospital Revenue bonds	A	A
Airport Revenue bonds	n/a	BBB+

Further details regarding the long term obligations of the City can be found in the notes to the financial statements and in the supplementary section of this report.

CASH MANAGEMENT

The City attempts to remain abreast of current developments and procedures in cash management to ensure the safe, efficient, and profitable use of its idle cash resources. Idle funds are invested primarily in certificates of deposit, United States Treasury and Agency obligations and repurchase agreements collateralized by U.S. obligations. The City investment policy is designed to provide liquidity sufficient to cover normal cash operating requirements.

In accordance with Colorado State Statute, eligible public depositories are required to collateralize all public deposits with securities having a market value of at least 102% of the deposit. At December 31, 2000, all City deposits were held in eligible public depositories and were properly collateralized. All United States securities were purchased "payment upon delivery" and are held in safekeeping at the City's designated safe-keeping institution. Similarly, the City's agent takes possession of underlying collateral in the City's name for all repurchase agreements.

At December 31, 2000, the City is invested primarily in US Treasury and Agency securities and repurchase agreements collateralized by US Treasury securities. The pension fund is invested in real estate, equities and other securities. The notes to the financial statements provide further detail regarding investments of the City at year end.

The City's cash management portfolio of approximately \$107.6 million is rated as 'AAA/V1+' by Fitch IBCA. This is the highest rating that Fitch assigns and affirms the high credit quality and low volatility of the City's investment securities.

RISK MANAGEMENT

The City has established a risk management division to coordinate and administer a workers compensation, property and general liability insurance program for all its activities and operations. For workers compensation coverage, except for the Hospital,

the City has purchased commercial insurance to cover losses in excess of \$500,000 per occurrence. The City pays losses less than this amount through its Workers Compensation Self-Insurance fund. The Hospital purchases workers compensation coverage from the State Workers Compensation Insurance fund.

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

General liability coverage for the operations of the Utilities departments are purchased from commercial carriers for losses in excess of \$500,000. General liability coverage for the Hospital and the Airport is purchased from commercial carriers with varying deductibles. All other general liability coverage is self-insured.

OTHER INFORMATION

The City Charter requires an annual audit of the financial records of the City by an independent certified public accountant. The audit must be completed no later than six months after the end of the fiscal year. The audit for the year ended December 31, 2000, was performed by the firm of Grant Thornton LLP for all operations except Memorial Hospital, which utilized the firm of Stockman, Kast, Ryan & Co., P.C., and the audits of the twelve component units which were audited by other auditors.

The City employs an Internal Auditor who reports directly to the City Council. This office has the responsibility to examine and audit accounts and financial transactions of all City departments, offices and agencies. Examinations are conducted in order to ensure that financial records fairly and accurately reflect actual operations, that adequate controls are maintained to safeguard assets and that each department, office and agency complies with established plans, policies and procedures. The Internal Auditor also provides assistance to the external auditors in conducting the annual audit. However, due to reporting relationships, the internal auditor is not considered independent and, therefore, cannot issue the required independent annual audit report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Colorado Springs for its comprehensive annual financial report for the fiscal year ended December 31, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

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

Sincerely,


Steve Hilfers
Finance Director


Terri Velasquez
Accounting/Payroll Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Colorado Springs,
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

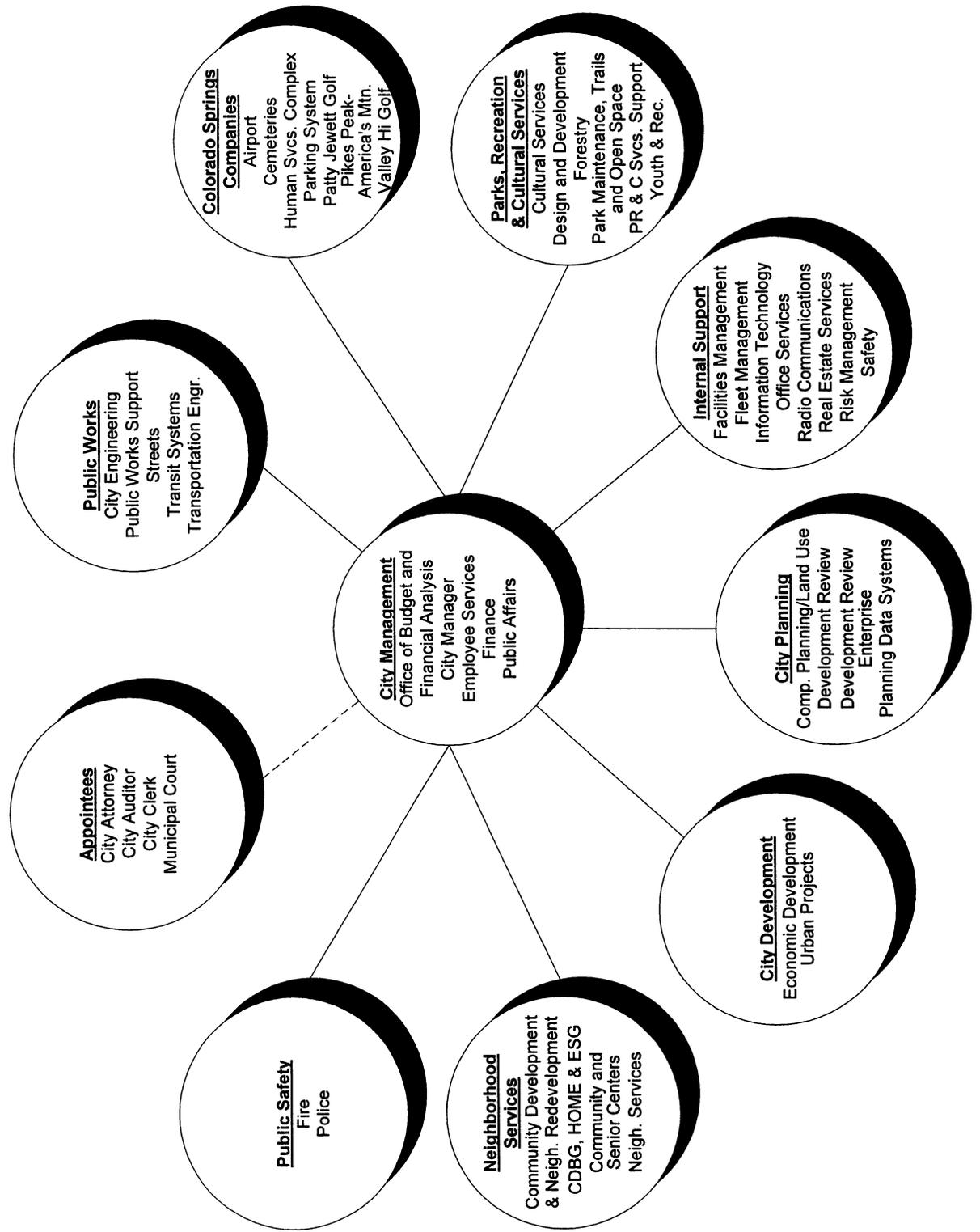
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

City of Colorado Springs Municipal Government Network



CITY OF COLORADO SPRINGS, COLORADO

Officials

City Council

Mary Lou Makepeace, Mayor

Linda Barley
Ted Eastburn
James Null
Richard Skorman

Judy Noyes
William Guman
Lionel Rivera
Leon Young

City Manager

James H. Mullen

Group Support Managers

Paul D. Butcher
Parks, Recreation and Cultural Services

Ron Cousar
Neighborhood Services

Carla L. Hartsell
City Management

Lorne C. Kramer
Police Chief

Charles L. Miller
City Development

Ron Mitchell
Internal Support Services

Manuel Navarro
Fire Chief

David D. Nickerson
Colorado Springs Companies

H. Quinn Peitz
City Planning

David S. Zelenok
Public Works

Kathryn M. Young, City Clerk
Patricia K. Kelly, City Attorney
Michael D. Hall, City Auditor



CITY OF COLORADO SPRINGS

FINANCIAL SECTION



CITY OF COLORADO SPRINGS

Report of Independent Certified Public Accountants

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

We have audited the accompanying general-purpose financial statements of the City of Colorado Springs, Colorado (the City), as of and for the year ended December 31, 2000. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the Memorial Hospital Fund, which represent 15 percent and 34 percent, respectively, of the assets and operating revenues of the reporting entity's enterprise funds nor did we audit the financial statements of six joint utility projects which are reported as, and comprise in their entirety, discretely presented proprietary fund component units. We also did not audit the financial statements of the Colorado Springs Peregrine General Improvement District, the Colorado Springs Cottonwood General Improvement District, the Colorado Springs Spring Creek General Improvement District and the Number 98-1 General Improvement District, all of which are blended governmental fund component units which represent 4 percent and 3 percent, respectively, of the assets and revenues of the reporting entity's special revenue funds. We also did not audit the Colorado Springs Urban Renewal Authority and the Downtown Colorado Springs Business Improvement District, which are reported as, and comprise in their entirety, discretely presented governmental fund component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Memorial Hospital Fund, the six joint utility projects, the Colorado Springs Peregrine General Improvement District, the Colorado Springs Cottonwood General Improvement District, the Colorado Springs Spring Creek General Improvement District, the Number 98-1 General Improvement District, the Colorado Springs Urban Renewal Authority, and the Downtown Colorado Springs Business Improvement District, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the aforementioned reports of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Colorado Springs, Colorado as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note IV.I, during 2000 the City included the pension trust fund which had been excluded in prior years.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2001, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, schedules and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information, except for the data included in the financial statements of the Memorial Hospital Fund, the six joint utility projects and the Colorado Springs Peregrine General Improvement District, the Colorado Springs Cottonwood General Improvement District, the Colorado Springs Spring Creek General Improvement District, the Number 98-1 General Improvement District, the Colorado Springs Urban Renewal Authority, and the Downtown Colorado Springs Business Improvement District, referred to above, which financial statements have been audited by other auditors and their reports thereon provided to us, has been subjected to the audit procedures applied in the audit of the general-purpose financial statements and, in our opinion, based upon our audit and the aforementioned reports of other auditors, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Colorado Springs, Colorado
March 15, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

**ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS
COMBINED BALANCE SHEET
December 31, 2000
With comparative totals for December 31, 1999**

<u>ASSETS AND OTHER DEBITS</u>	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>
Cash and investments	\$40,786,885	16,442,336	19,693,135	163,159,833	14,252,596	9,078,780
Accounts, taxes, interest receivable-net	38,239,577	26,252,639	72,181	133,821,588	1,069,764	2,938,199
Inventories-at cost				31,125,341	778,854	
Due from other funds	7,335,813	374,094	836,083	920,865	295,049	67,014
Prepaid items, other assets	112,123			4,946,226	115,040	
Other assets				40,740,022		16,611
Restricted investments	161,500	831,566	70,685,732	204,709,058		375,275,050
Fixed assets-net of accumulated depreciation				2,042,235,758	3,775,639	
Amount available for retirement of general long-term debt						
Amount to be provided for the payment of general long-term debt						
Total assets and other debits	86,635,898	43,900,635	91,287,131	2,621,658,691	20,286,942	387,375,654
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>						
Liabilities						
Accounts payable and other liabilities	4,258,975	3,092,054	4,567,309	118,931,662	13,646,883	4,108,000
Accrued employee salaries, benefits	11,019,062	196,646		22,885,695	882,305	
Escrow and customer deposits	4,729,247			893,993		
Due to other funds	105,116	3,302,958	571,435	90,398	2,668,609	3,090,402
Other liabilities						68,285
Deferred revenue	20,742,041	19,592,423		6,131,622	57,520	
Accrued interest				5,501,968		
Current portion of long-term debt		2,100,000		17,638,028	211,905	
Revenue bonds payable				1,040,810,817		
Other long-term debt				23,756,602	818,888	
Total liabilities	40,854,441	28,284,081	5,138,744	1,236,640,785	18,286,110	7,266,687
Equity (deficit) and other credits						
Investment in general fixed assets						
Contributions				650,643,106	1,230,087	
Retained earnings						
Reserved for debt service				6,118,785		
Bond reserve requirements				58,689,179		
Unreserved (deficit)				669,566,836	770,745	
Fund balances						
Reserved for						
Encumbrances	8,281,020	1,269,791	22,971,384			128,898
Debt service, prepaids	273,623	818,583				
Endowments						8,215,037
Employees' pension benefits						369,113,887
Emergency reserve	6,044,457					
Unreserved						
Designated for purposes of trust						2,651,145
Designated-subsequent year expenditures	13,182,350	4,066,193	63,177,003			
Undesignated	18,000,007	9,461,987				
Total equity (deficit) and other credits	45,781,457	15,616,554	86,148,387	1,385,017,906	2,000,832	380,108,967
Total liabilities, equity and other credits	\$86,635,898	43,900,635	91,287,131	2,621,658,691	20,286,942	387,375,654

The accompanying notes are an integral part of the financial statements.

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-1

<u>Account Groups</u>		2000	2000	2000	Reporting Entity	
General	General	Primary	Governmental	Proprietary	Totals	
Fixed	Long-Term	Government	Fund Component	Fund Component	(Memorandum only)	
Assets	and Other	Totals	Units	Units	2000	1999
	Debt	(Memorandum				(as restated)
		only)				
		263,413,565	193,377	2,195,995	265,802,937	238,395,513
		202,393,948	230,967	770,667	203,395,582	170,973,066
		31,904,195			31,904,195	38,295,062
		9,828,918			9,828,918	11,613,485
		5,173,389		3,267,537	8,440,926	36,403,480
		40,756,633			40,756,633	12,453
		651,662,906		2,018,644	653,681,550	585,528,437
228,219,976		2,274,231,373	143,170	82,960,410	2,357,334,953	2,209,253,569
	980,083	980,083			980,083	1,215,237
	151,159,399	151,159,399	846,988		152,006,387	144,598,996
228,219,976	152,139,482	3,631,504,409	1,414,502	91,213,253	3,724,132,164	3,436,289,298
		148,604,883	1,794	902,638	149,509,315	105,554,343
		34,983,708			34,983,708	29,471,277
		5,623,240	194		5,623,434	5,937,982
		9,828,918			9,828,918	11,613,485
		68,285			68,285	248,127
		46,523,606	134,357	1,317,428	47,975,391	47,269,237
		5,501,968		174,886	5,676,854	6,025,481
		19,949,933		4,021,658	23,971,591	19,743,195
		1,040,810,817		12,628,887	1,053,439,704	942,881,099
	152,139,482	176,714,972	846,988	90,577,661	268,139,621	254,588,603
0	152,139,482	1,488,610,330	983,333	109,623,158	1,599,216,821	1,423,332,829
228,219,976		228,219,976	143,170		228,363,146	179,971,380
		651,873,193		614,940	652,488,133	617,259,971
		6,118,785		2,018,644	8,137,429	8,038,079
		58,689,179			58,689,179	55,886,432
		670,337,581		(21,043,489)	649,294,092	669,598,307
		32,651,093			32,651,093	30,354,352
		1,092,206			1,092,206	1,215,237
		8,215,037			8,215,037	7,521,083
		369,113,887			369,113,887	315,963,936
		6,044,457	5,971		6,050,428	5,754,518
		2,651,145			2,651,145	2,994,422
		80,425,546	282,028		80,707,574	96,071,064
		27,461,994			27,461,994	22,327,688
228,219,976	0	2,142,894,079	431,169	(18,409,905)	2,124,915,343	2,012,956,469
228,219,976	152,139,482	3,631,504,409	1,414,502	91,213,253	3,724,132,164	3,436,289,298

The accompanying notes are an integral part of the financial statements.

ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/EQUITY

For the year ended December 31, 2000

With comparative totals for the year ended December 31, 1999

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Types</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
Revenues				
Taxes	\$131,290,950	11,714,459		
Licenses and permits	402,523			
Intergovernmental	21,194,449	28,922,111		
Charges for services	31,078,225	30,188		
Fines and forfeits	3,444,419			
Miscellaneous	7,102,026	7,971,321	5,876,459	1,037,070
Total revenues	194,512,592	48,638,079	5,876,459	1,037,070
Expenditures				
Current				
General government	31,021,293			
Public safety	83,877,836	7,569,206		
Public works	25,984,598	9,731,697		
Health and welfare	693,031			
Culture and recreation	14,173,845	2,092,905		1,452,315
Urban redevelopment and housing	3,645,729	7,789,030		
Economic development & opportunity		2,640,778		
Miscellaneous		311,451		
Debt service				
Principal and interest	11,202,906	2,228,793	319,899	
Issuance expense			211,864	
Capital outlay	9,991,953	25,591,395	35,152,611	
Total expenditures	180,591,191	57,955,255	35,684,374	1,452,315
Revenues over (under) expenditures	13,921,401	(9,317,176)	(29,807,915)	(415,245)
Other financing sources (uses)				
Capital lease financing	692,263	8,093,679		
Operating transfers - in	4,205,517		6,848,731	
Operating transfers - out	(6,888,674)	(2,611,593)		
Proceeds from sale of property				
Proceeds of bonds			7,265,000	
Proceeds of notes payable		57,936		
Total other financing sources (uses)	(1,990,894)	5,540,022	14,113,731	0
Revenues and other financing sources over (under) expenditures and other financing uses	11,930,507	(3,777,154)	(15,694,184)	(415,245)
Fund balances/equity - January 1	33,837,807	19,393,708	101,855,714	3,192,686
Residual equity transfer - in (out)	13,143		(13,143)	2,602
Fund balances/equity - December 31	\$45,781,457	15,616,554	86,148,387	2,780,043

The accompanying notes are an integral part of the financial statements.

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-2**

2000 Primary Government Totals (Memorandum only)	2000 Component Units	Reporting Entity Totals (Memorandum only)	
		2000	1999
143,005,409	153,179	143,158,588	130,319,458
402,523		402,523	405,904
50,116,560		50,116,560	47,137,964
31,108,413		31,108,413	28,656,539
3,444,419		3,444,419	3,198,674
21,986,876	80,205	22,067,081	15,757,893
250,064,200	233,384	250,297,584	225,476,432
31,021,293		31,021,293	31,867,855
91,447,042		91,447,042	83,767,435
35,716,295	137,402	35,853,697	34,838,978
693,031		693,031	660,369
17,719,065		17,719,065	18,703,541
11,434,759	147,822	11,582,581	10,267,571
2,640,778		2,640,778	3,149,113
311,451	97,527	408,978	277,589
13,751,598	1,250,000	15,001,598	9,526,974
211,864		211,864	465,968
70,735,959		70,735,959	39,367,801
275,683,135	1,632,751	277,315,886	232,893,194
(25,618,935)	(1,399,367)	(27,018,302)	(7,416,762)
8,785,942		8,785,942	193,023
11,054,248		11,054,248	23,454,654
(9,500,267)		(9,500,267)	(21,993,564)
0	1,250,000	1,250,000	
7,265,000		7,265,000	92,180,000
57,936		57,936	
17,662,859	1,250,000	18,912,859	93,834,113
(7,956,076)	(149,367)	(8,105,443)	86,417,351
158,279,915	437,366	158,717,281	72,299,930
2,602		2,602	
150,326,441	287,999	150,614,440	158,717,281

The accompanying notes are an integral part of the financial statements.

**GENERAL FUND AND ALL ANNUALLY BUDGETED SPECIAL REVENUE FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended December 31, 2000**

	<u>General Fund</u>		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Taxes	\$121,278,408	131,290,950	10,012,542
Licenses and permits	405,075	402,523	(2,552)
Intergovernmental	20,227,898	21,194,449	966,551
Charges for services	31,263,694	31,078,225	(185,469)
Fines and forfeits	3,285,000	3,444,419	159,419
Miscellaneous	6,602,070	7,102,026	499,956
Total revenues	183,062,145	194,512,592	11,450,447
Expenditures			
Current			
General government	33,865,345	31,021,293	2,844,052
Public safety	87,936,987	83,877,836	4,059,151
Public works	27,777,311	25,984,598	1,792,713
Health and welfare	693,031	693,031	0
Culture and recreation	14,550,647	14,173,845	376,802
Urban redevelopment and housing	3,973,847	3,645,729	328,118
Economic development & opportunity			
Miscellaneous			0
Debt service			
Principal and interest	11,203,057	11,202,906	151
Capital outlay	24,405,390	9,991,953	14,413,437
Total expenditures	204,405,615	180,591,191	23,814,424
Revenues over (under) expenditures	(21,343,470)	13,921,401	35,264,871
Other financing sources (uses)			
Capital lease financing		692,263	692,263
Operating transfers - in	4,568,827	4,205,517	(363,310)
Operating transfers - out	(6,893,404)	(6,888,674)	4,730
Total other financing sources (uses)	(2,324,577)	(1,990,894)	333,683
Revenues and other financing sources over (under) expenditures and other financing uses - budget basis	(23,668,047)	11,930,507	35,598,554
Project length funds:			
Add revenues and other sources			
Less expenditures and other uses			
Revenues and other financing sources over (under) expenditures and other financing uses-GAAP basis	(23,668,047)	11,930,507	35,598,554
Fund balances - January 1	33,837,807	33,837,807	0
Residual equity transfer - in		13,143	13,143
Fund balances - December 31	\$10,169,760	45,781,457	35,611,697

The accompanying notes are an integral part of the financial statements.

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-3**

**Annually Budgeted
Special Revenue Funds**

Budget	Actual	Variance Favorable (Unfavorable)
5,872,608	5,998,806	126,198
10,400	30,188	19,788
3,510,633	4,246,533	735,900
9,393,641	10,275,527	881,886
3,893,463	2,885,048	1,008,415
257,327	108,337	148,990
0		0
3,870,666	2,640,778	1,229,888
27,450	17,172	10,278
1,404,660	1,404,383	277
9,453,566	7,055,718	2,397,848
(59,925)	3,219,809	3,279,734
(2,068,593)	(2,611,593)	(543,000)
(2,068,593)	(2,611,593)	(543,000)
(2,128,518)	608,216	2,736,734
	46,514,167	
	(50,899,537)	
	(3,777,154)	
	19,393,708	
	15,616,554	

The accompanying notes are an integral part of the financial statements.

**ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT) / FUND BALANCES
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>2000 Primary Government Totals (Memorandum only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-expendable Trusts</u>	
Operating revenues				
Charges for services	\$762,978,434	22,679,834		785,658,268
Other operating revenues	4,401,000	24,691,719	200,565	29,293,284
Total operating revenues	767,379,434	47,371,553	200,565	814,951,552
Operating expenses				
Personal services	225,608,896	9,389,755		234,998,651
Other operating expenses	434,063,634	40,875,523	390	474,939,547
Depreciation	89,302,418	749,297		90,051,715
Total operating expenses	748,974,948	51,014,575	390	799,989,913
Operating income (loss)	18,404,486	(3,643,022)	200,175	14,961,639
Non-operating revenues (expenses)				
Investment income	21,045,572	1,195,156		22,240,728
Interest on long-term bonds	(55,766,758)			(55,766,758)
Other interest expense	(101,041)	(42,996)		(144,037)
Allowance for borrowed funds used during construction	2,730,842			2,730,842
Allowance for equity funds used during construction	1,484,072			1,484,072
Passenger facility charges	3,784,227			3,784,227
Amortization of debt expense	(887,672)			(887,672)
Other revenue (expense)	(1,651,574)	6,139	496,381	(1,149,054)
Total non-operating revenues (expenses)	(29,362,332)	1,158,299	496,381	(27,707,652)
Income (loss) before operating transfers	(10,957,846)	(2,484,723)	696,556	(12,746,013)
Operating transfers				
Transfers - in	177,967			177,967
Transfers - out	(1,731,948)			(1,731,948)
Total operating transfers	(1,553,981)	0	0	(1,553,981)
Net income (loss)	(12,511,827)	(2,484,723)	696,556	(14,299,994)
Retained earnings (accumulated deficit)/Fund balances - January 1	746,886,627	3,255,468	7,521,083	757,663,178
Residual equity transfer - out			(2,602)	(2,602)
Retained earnings (accumulated deficit)/Fund balances - December 31	\$734,374,800	770,745	8,215,037	743,360,582

The accompanying notes are an integral part of the financial statements.

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-4**

2000 Component Units	Reporting Entity Totals (Memorandum only)	
	2000	1999
7,218,442	792,876,710	692,995,066
	29,293,284	26,220,876
7,218,442	822,169,994	719,215,942
	234,998,651	221,766,696
2,652,702	477,592,249	397,012,985
1,782,194	91,833,909	83,131,240
4,434,896	804,424,809	701,910,921
2,783,546	17,745,185	17,305,021
236,739	22,477,467	10,841,531
(1,071,023)	(56,837,781)	(54,219,186)
(2,668,472)	(2,812,509)	(2,766,701)
	2,730,842	3,368,689
	1,484,072	1,969,962
	3,784,227	887,763
(33,106)	(920,778)	(927,045)
(1,653,252)	(2,802,306)	(882,123)
(5,189,114)	(32,896,766)	(41,727,110)
(2,405,568)	(15,151,581)	(24,422,089)
	177,967	182,473
	(1,731,948)	(1,643,563)
0	(1,553,981)	(1,461,090)
(2,405,568)	(16,705,562)	(25,883,179)
(16,619,277)	741,043,901	766,927,080
	(2,602)	
(19,024,845)	724,335,737	741,043,901

**ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED STATEMENT OF CASH FLOWS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>2000 Primary Government Totals (Memorandum only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-expendable Trusts</u>	
Cash flows from operating activities:				
Operating income (loss)	\$18,404,486	(3,643,022)	200,175	14,961,639
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations				
Depreciation, amortization and other	89,848,446	749,297		90,597,743
(Gain) loss on sale of fixed assets				0
Provision for loss on accounts receivable	2,511,852			2,511,852
Other revenue (expense)	(469,759)	6,139		(463,620)
(Increase) decrease in assets				
Accounts, interest receivable	(25,872,829)	(267,770)	(2,748)	(26,143,347)
Inventories	6,410,461	(19,594)		6,390,867
Due from other funds	(256,081)	375,738	(4,481)	115,176
Deferred debits, prepaid expenses	(1,496,214)	(115,040)		(1,611,254)
Other assets	(11,315,558)			(11,315,558)
Increase (decrease) in liabilities				
Accounts payable	39,801,251	(1,458,973)	246	38,342,524
Accrued employee salaries, benefits	5,649,126	32,958		5,682,084
Customer deposits	182,268			182,268
Due to other funds	(39,546)	744,304		704,758
Other liabilities	(283,200)	48,731		(234,469)
Net cash provided (used) by operating activities	123,074,703	(3,547,232)	193,192	119,720,663
Cash flows from non-capital financing activities:				
Repayment of notes payable				0
Interest on notes payable				0
Operating transfers - in	177,967			177,967
Operating transfers - out	(1,731,948)			(1,731,948)
Residual equity transfer - out			(2,602)	(2,602)
Net cash used by non-capital financing activities	(1,553,981)	0	(2,602)	(1,556,583)
Cash flows from capital and related financing activities:				
Increase in contributions in aid of construction, other contributions	28,650,086			28,650,086
Proceeds from issuance of revenue bonds				
Capital expenditures	(174,001,139)	(155,202)		(174,156,341)
Bond issuance costs	(1,642,000)			(1,642,000)
Proceeds of long-term debt	127,601,594			127,601,594
Proceeds from sale of assets	1,657,390			1,657,390
Repayment of capital lease obligations	(1,526,496)	(176,767)		(1,703,263)
Passenger facility charges	3,784,227			3,784,227
Repayment of long-term debt	(15,622,160)			(15,622,160)
Interest on long-term debt	(55,442,058)			(55,442,058)
Other interest payments	(131,610)	(42,996)		(174,606)
Advances for construction	(1,203,695)			(1,203,695)
Net cash used by capital and related financing activities	(\$87,875,861)	(374,965)	0	(88,250,826)

The accompanying notes are an integral part of the financial statements.

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-5**

(Page 1 of 2)

2000 Component Units	Reporting Entity Totals (Memorandum only)	
	2000	1999
2,783,546	17,745,185	17,305,021
1,741,223	92,338,966	87,414,143
	0	(1,251)
	2,511,852	4,354,224
26,143	(437,477)	(280,566)
(435,844)	(26,579,191)	2,579,772
	6,390,867	(11,315,146)
	115,176	18,807
(6,447)	(1,617,701)	155,876
	(11,315,558)	(7,848,595)
145,083	38,487,607	(6,494,192)
	5,682,084	(169,275)
	182,268	(134,056)
	704,758	199,281
18,749	(215,720)	1,918,217
4,272,453	123,993,116	87,702,260
(260,366)	(260,366)	(240,158)
(197,380)	(197,380)	(214,050)
	177,967	182,473
	(1,731,948)	(1,643,563)
	(2,602)	
(457,746)	(2,014,329)	(1,915,298)
	28,650,086	24,404,750
7,607,966	7,607,966	
(7,988,987)	(182,145,328)	(158,502,540)
(115,552)	(1,757,552)	(290,967)
	127,601,594	74,386,534
11,019	1,668,409	1,254,847
	(1,703,263)	(788,838)
	3,784,227	887,763
(1,235,000)	(16,857,160)	(15,951,155)
(933,944)	(56,376,002)	(53,590,022)
(1,316,345)	(1,490,951)	(1,398,913)
	(1,203,695)	(50,802)
(3,970,843)	(92,221,669)	(129,639,343)

(continued)

**ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED STATEMENT OF CASH FLOWS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>2000 Primary Government Totals (Memorandum only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-expendable Trusts</u>	
Cash flows from investing activities:				
Proceeds of restricted assets	\$0		123,963	123,963
Interest received on investments	15,847,734	831,327		16,679,061
Purchases of investments	(159,174,639)	(4,710,350)	(306,970)	(164,191,959)
Proceeds from sales and maturities of investments	123,369,428	7,924,843		131,294,271
Net cash provided (used) by investing activities	(19,957,477)	4,045,820	(183,007)	(16,094,664)
Net increase (decrease) in cash	13,687,384	123,623	7,583	13,818,590
Cash - January 1	11,476,623	220,708	6,114	11,703,445
Cash - December 31	25,164,007	344,331	13,697	25,522,035
Cash	25,164,007	344,331	13,697	25,522,035
Investments	137,995,826	13,908,265	549,003	152,453,094
Total cash and investments	\$163,159,833	14,252,596	562,700	177,975,129
Noncash investing, capital and financing activities:				
Amortization, charge off of debt discount and expense	\$887,672			887,672
Noncash contribution in aid of construction	3,930,045			3,930,045
Noncash acquisition of property, plant & equipment (incurrence of payable/capital lease obligation)	11,196,606	266,969		11,196,606
Unrealized gain (loss) on investments	4,698,477	106,832	496,381	5,301,690
Reconciliation of cash and cash equivalents:				
Non-expendable Trust Funds			\$562,700	
Expendable Trust and Agency Funds			8,516,080	
Total cash and investments			\$9,078,780	

The accompanying notes are an integral part of the financial statements.

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-5
(Continued)
(Page 2 of 2)

2000 Component Units	Reporting Entity Totals (Memorandum only)	
	2000	1999
	123,963	1,006,072
215,099	16,894,160	13,384,893
(2,386,287)	(166,578,246)	(193,154,464)
2,415,000	133,709,271	208,077,870
243,812	(15,850,852)	29,314,371
87,676	13,906,266	(14,538,010)
561,877	12,265,322	26,803,332
649,553	26,171,588	12,265,322
649,553	26,171,588	12,265,322
1,546,442	153,999,536	145,467,493
2,195,995	180,171,124	157,732,815
33,106	920,778	914,782
	3,930,045	1,833,396
	11,196,606	14,552,826
	5,301,690	2,179,006

STATEMENT OF CHANGES IN PLAN NET ASSETS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-6

	Pension Trust Fund	2000	Totals 1999 (as restated)
Additions			
City and participant contributions	\$7,893,279	7,893,279	6,736,933
Other income	1,994,915	1,994,915	2,017,408
Investment earnings:			
Interest and dividend income	7,063,919	7,063,919	7,427,604
Rental income	1,603,856	1,603,856	1,385,180
Net increase in fair value of investments	46,565,660	46,565,660	26,521,090
Total investment earnings	55,233,435	55,233,435	35,333,874
Less investment expenses	1,156,024	1,156,024	1,070,676
Net investment earnings	54,077,411	54,077,411	34,263,198
Total additions	63,965,605	63,965,605	43,017,539
Deductions			
Benefits	9,912,224	9,912,224	7,790,182
Refund	890,678	890,678	717,398
Administrative expenses	12,752	12,752	11,380
Total deductions	10,815,654	10,815,654	8,518,960
Net increase	53,149,951	53,149,951	34,498,579
Net assets held in trust for pension benefits - January 1	315,963,936	315,963,936	281,465,357
Net assets held in trust for pension benefits - December 31	\$ 369,113,887	369,113,887	315,963,936

The accompanying notes are an integral part of the financial statements.

**GOVERNMENTAL FUND TYPE
COMPONENT UNITS
COMBINING BALANCE SHEET
December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-7**

With comparative totals for December 31, 1999

	Colorado Springs Urban Renewal Authority	Downtown Colorado Springs Business Improvement District	Totals	
			2000	1999
<u>ASSETS AND OTHER DEBITS</u>				
Cash and investments	\$147,540	45,837	193,377	425,624
Accounts receivable-net	94,771		94,771	10,928
Taxes receivable		136,196	136,196	134,077
Fixed assets	100,000	43,170	143,170	1,453,193
Amount available for retirement of long-term debt				352,131
Amount to be provided for the payment of general long-term debt	846,988		846,988	897,869
Total assets and other debits	1,189,299	225,203	1,414,502	3,273,822
<u>LIABILITIES, FUND BALANCES AND OTHER CREDITS</u>				
Liabilities				
Accounts payable	1,794		1,794	622
Escrow deposits	194		194	260
Deferred revenue-property taxes		134,357	134,357	132,381
Other long-term debt	846,988		846,988	1,250,000
Total liabilities	848,976	134,357	983,333	1,383,263
Equity and other credits				
Investment in general fixed assets	100,000	43,170	143,170	1,453,193
Fund Balances				
Reserved for				
Debt service			0	352,131
Emergency reserve		5,971	5,971	4,518
Unreserved				
Designated-subsequent year expenditures	240,323	41,705	282,028	80,717
Total equity and other credits	340,323	90,846	431,169	1,890,559
Total liabilities, equity and other credits	\$1,189,299	225,203	1,414,502	3,273,822

The accompanying notes are an integral part of the financial statements.

**GOVERNMENTAL FUND TYPE
 COMPONENT UNITS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000
 With comparative totals for the year ended December 31, 1999**

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit A-8**

	Colorado Springs Urban Renewal Authority	Downtown Colorado Springs Business Improvement District	Totals	
			2000	1999
Revenues				
Taxes	\$0	153,179	153,179	142,035
Intergovernmental				1,600
Miscellaneous	71,904	8,301	80,205	22,326
Total revenues	71,904	161,480	233,384	165,961
Expenditures				
Current				
Public works		137,402	137,402	110,670
Urban redevelopment and housing	147,822		147,822	34,054
Miscellaneous	35,890	61,637	97,527	48,260
Debt service - principal	1,250,000		1,250,000	
Total expenditures	1,433,712	199,039	1,632,751	192,984
Revenues over (under) expenditures	(1,361,808)	(37,559)	(1,399,367)	(27,023)
Other financing sources				
Proceeds from the sale of property	1,250,000		1,250,000	0
Total other financing sources	1,250,000	0	1,250,000	0
Revenues and other financing sources over (under) expenditures	(111,808)	(37,559)	(149,367)	(27,023)
Fund balances - January 1	352,131	85,235	437,366	464,389
Fund balances - December 31	\$240,323	47,676	287,999	437,366

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPE
 COMPONENT UNITS
 COMBINING BALANCE SHEET
 December 31, 2000
 With comparative totals for December 31, 1999

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit A-9

ASSETS	Fountain Valley Authority	Aurora-Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company	The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Totals	
							2000	1999
Current assets								
Cash and investments	\$1,054,599	3,648	846,801	64,338	172,137	54,472	2,195,995	1,775,294
Accounts, interest receivable - net	665,939	8,970	836		94,922		770,667	334,823
Prepaid expenses	2,570,753	2,962	8,265	3,800	14,404	1,780	2,601,964	2,559,673
Total current assets	4,291,291	15,580	855,902	68,138	281,463	56,252	5,568,626	4,669,790
Restricted assets								
Investments								
Reserve funds	931,601	968,458					1,900,059	1,821,722
Interest and principal retirement funds	118,585						118,585	97,572
Total restricted assets	1,050,186	968,458	0	0	0	0	2,018,644	1,919,294
Property, plant and equipment								
Utility plant	84,145,755	9,499,247	13,431,697	1,162,101	1,801,191	865,339	110,905,330	105,043,915
Less accumulated depreciation	(20,990,602)	(1,328,927)	(4,098,084)	(445,049)	(797,183)	(285,075)	(27,944,920)	(26,527,643)
Net property, plant and equipment in service	63,155,153	8,170,320	9,333,613	717,052	1,004,008	580,264	82,960,410	78,516,272
Construction in progress								
Net property, plant and equipment	63,155,153	8,170,320	9,333,613	717,052	1,004,008	580,264	82,960,410	78,516,272
Other assets								
Unamortized bond issuance costs	310,067	23,484					333,551	251,105
Other			274,279		25,334	32,409	332,022	332,022
Total other assets	310,067	23,484	274,279	0	25,334	32,409	665,573	583,127
Total assets	68,806,697	9,177,842	10,463,794	785,190	1,310,805	668,925	91,213,253	85,688,483
LIABILITIES AND EQUITY								
Current liabilities								
Accounts payable	631,285	15,613	103,026	82,734	58,290	11,690	902,638	431,318
Deferred revenue	1,316,345					1,083	1,317,428	1,298,679
Accrued interest	160,757	14,129					174,886	73,550
Current portion of long-term debt	2,800,527	935,000	286,131				4,021,658	2,815,650
Total current liabilities	4,908,914	964,742	389,157	82,734	58,290	12,773	6,416,610	4,619,197
Long-term debt (less current portion)								
Revenue bonds payable	10,698,887	1,930,000					12,628,887	13,903,145
Notes payable	7,317,460		1,905,333				9,222,793	2,187,426
Capital lease obligations	81,354,868						81,354,868	80,983,052
Total long-term debt	99,371,215	1,930,000	1,905,333	0	0	0	103,206,548	97,073,623
Total liabilities	104,280,129	2,894,742	2,294,490	82,734	58,290	12,773	109,623,158	101,692,820
Equity								
Contributions in aid of construction		614,940					614,940	614,940
Retained earnings:								
Reserved for debt service	1,050,186	968,458					2,018,644	1,919,294
Unreserved (deficit)	(36,523,618)	4,699,702	8,169,304	702,456	1,252,515	656,152	(21,043,489)	(18,538,571)
Total retained earnings (deficit)	(35,473,432)	5,668,160	8,169,304	702,456	1,252,515	656,152	(19,024,845)	(16,619,277)
Total equity	(35,473,432)	6,283,100	8,169,304	702,456	1,252,515	656,152	(18,409,905)	(16,004,337)
Total liabilities and equity	\$68,806,697	9,177,842	10,463,794	785,190	1,310,805	668,925	91,213,253	85,688,483

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPE
 COMPONENT UNITS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 For the year ended December 31, 2000

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit A-10

With comparative totals for the year ended December 31, 1999

	Fountain Valley Authority	Aurora- Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company	The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Totals	
							2000	1999
Operating revenues								
Charges for services	\$4,852,943	1,018,800	892,750	36,755	353,718	63,476	7,218,442	6,626,451
Total operating revenues	4,852,943	1,018,800	892,750	36,755	353,718	63,476	7,218,442	6,626,451
Operating expenses								
Other operating expenses	1,860,910	10,289	391,689	132,970	217,268	39,576	2,652,702	2,348,376
Depreciation	1,402,558	94,954	199,161	10,269	67,116	8,136	1,782,194	1,782,580
Total operating expenses	3,263,468	105,243	590,850	143,239	284,384	47,712	4,434,896	4,130,956
Operating income (loss)	1,589,475	913,557	301,900	(106,484)	69,334	15,764	2,783,546	2,495,495
Non-operating revenues (expenses)								
Investment income	112,608	76,757	33,493	4,328	8,386	1,167	236,739	153,685
Interest on long-term bonds	(867,348)	(203,675)					(1,071,023)	(972,886)
Other interest expense	(2,471,092)		(197,380)				(2,668,472)	(2,649,903)
Amortization of debt expense	(17,450)	(15,656)					(33,106)	(30,096)
Other revenue (expense)	(1,682,988)		4,004	1,175	20,107	4,450	(1,653,252)	17,605
Total non-operating revenues (expenses)	(4,926,270)	(142,574)	(159,883)	5,503	28,493	5,617	(5,189,114)	(3,481,595)
Net income (loss)	(3,336,795)	770,983	142,017	(100,981)	97,827	21,381	(2,405,568)	(986,100)
Retained earnings (accumulated deficit) - January 1	(32,136,637)	4,897,177	8,027,287	803,437	1,154,688	634,771	(16,619,277)	(15,633,177)
Retained earnings (accumulated deficit) - December 31	(\$35,473,432)	5,668,160	8,169,304	702,456	1,252,515	656,152	(19,024,845)	(16,619,277)

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPE
 COMPONENT UNITS
 COMBINING STATEMENT OF CASH FLOWS
 For the year ended December 31, 2000
 With comparative totals for the year ended December 31, 1999

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit A-11

	Fountain Valley Authority	Aurora- Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company	The Lake Meredith Reservoir Company	The Colorado Canal Company	The Lake Henry Reservoir Company	Totals	
							2000	1999
Cash flows from operating activities:								
Operating income (loss)	\$1,589,475	913,557	301,900	(106,484)	69,334	15,764	2,783,546	2,495,495
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations								
Depreciation expense	1,402,558	94,954	199,161	10,269	67,116	8,136	1,782,194	1,782,580
Amortization expense and other			(31,365)	(3,395)	(6,211)		(40,971)	(22,795)
Other revenue (expense)	9,263		3,979	1,175	7,276	4,450	26,143	17,605
(Increase) decrease in assets								
Accounts, interest receivable	(370,659)		(477)		(64,708)		(435,844)	(284,436)
Deferred debits, prepaid expenses	(2,978)	582	(865)		(2,433)	(753)	(6,447)	3,946
Increase (decrease) in liabilities								
Accounts payable	69,718	(230)	3,745	60,849	6,298	4,703	145,083	10,109
Other liabilities	18,749						18,749	18,650
Net cash provided (used) by operating activities	2,716,126	1,008,863	476,078	(37,586)	76,672	32,300	4,272,453	4,021,154
Cash flows from non-capital financing activities:								
Repayment of notes payable			(260,366)				(260,366)	(240,158)
Interest on notes payable			(197,380)				(197,380)	(214,050)
Net cash used by non-capital financing activities			(457,746)				(457,746)	(454,208)
Cash flows from capital and related financing activities:								
Proceeds from issuance of revenue bonds	7,607,966						7,607,966	0
Bond issuance costs	(115,552)						(115,552)	0
Capital expenditures	(7,751,727)		(69,291)	(61,665)	(85,046)	(21,258)	(7,988,987)	(137,974)
Proceeds from sale of assets			25		12,831		12,856	0
Use of bond, escrow funds		(1,837)					(1,837)	49,235
Repayment of long-term debt	(350,000)	(885,000)					(1,235,000)	(1,160,000)
Interest on long-term debt	(726,030)	(207,914)					(933,944)	(943,148)
Other interest payments	(1,316,345)						(1,316,345)	(1,297,596)
Net cash used by capital and related financing activities	(2,651,688)	(1,094,751)	(69,266)	(61,665)	(72,215)	(21,258)	(3,970,843)	(3,489,483)
Cash flows from investing activities:								
Interest received on investments	112,608	55,117	33,493	4,328	8,386	1,167	215,099	162,338
Purchases of investments	(123,431)		(1,717,355)	(171,712)	(373,789)		(2,386,287)	(2,412,472)
Proceeds from sales and maturities of investments	15,000		1,850,000	170,000	380,000		2,415,000	2,109,000
Net cash provided (used) by investing activities	4,177	55,117	166,138	2,616	14,597	1,167	243,812	(141,134)
Net increase (decrease) in cash	68,615	(30,771)	115,204	(96,635)	19,054	12,209	87,676	(63,671)
Cash - January 1	176,235	34,419	86,113	101,084	121,763	42,263	561,877	625,548
Cash - December 31	244,850	3,648	201,317	4,449	140,817	54,472	649,553	561,877
Cash	244,850	3,648	201,317	4,449	140,817	54,472	649,553	561,877
Investments	809,749		645,484	59,889	31,320		1,546,442	1,213,417
Total cash and investments	\$1,054,599	3,648	846,801	64,338	172,137	54,472	2,195,995	1,775,294
Noncash investing, capital and financing activities:								
Amortization, charge-off of debt discount and expense	\$17,450	15,656					33,106	30,096
Noncash acquisition of plant in service (incurrence of payable)							0	70,404

The accompanying notes are an integral part of the financial statements.



CITY OF COLORADO SPRINGS

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Colorado Springs is a home-rule City, organized under provisions of the Colorado constitution, and having a council/manager form of government. The City provides services, as authorized by its charter, to advance the welfare and safety of the City and its residents.

The City's major activities or functions include police and fire protection, public works construction and maintenance, parks, recreation and cultural affairs, courts, planning and zoning, building and code enforcement, mass transit, health and welfare and economic development. Additionally, the City owns and operates major enterprise activities that include electric generation and distribution, natural gas distribution, waterworks, sewage collection and treatment, municipal airport, golf courses, cemeteries, downtown parking facilities, the Pikes Peak Highway and the Memorial Hospital.

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

Governmental Fund Type Component Units

General Improvement Districts - Peregrine, Cottonwood, Spring Creek and Number 98-1.

General Improvement Districts (GIDs) are created under provisions of Colorado state statute. Each district has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. GIDs are blended in the City of Colorado Springs' financial statements. The GIDs are legally separate

entities from the City of Colorado Springs. The City of Colorado Springs does, however, appoint a voting majority of the GIDs' boards and is able to impose its will on the GIDs. The City's board and the GIDs boards are substantively the same. Services provided by the GIDs are entirely for the benefit of the citizens of each respective district. In accordance with state statute, City Council serves as the ex officio Board of Directors of each GID. The fiscal year-end for each of these districts is December 31.

Pension Trust Fund

Many of the Fire and Police Pension plans are agent, multiple employer defined benefit plans for fire and police uniform employees. The plans are managed by the Fire and Police Pension Association (FPPA). Although FPPA manages the pension plans in accordance with relevant operating agreements, the City retains responsibility for the administration of the plans.

Colorado Springs Urban Renewal Authority

The Colorado Springs Urban Renewal Authority (CSURA) was formed under the provisions of Colorado state statute. The CSURA has the power to issue tax increment financing in order to acquire property. CSURA is discretely presented in the City of Colorado Springs' financial statements. CSURA is a legally separate entity from the City of Colorado Springs. The City of Colorado Springs does, however, appoint a voting majority of CSURA's board and is able to impose its will on CSURA. The City's board and CSURA's board are not substantively the same. Services provided by CSURA are entirely for the benefit of the citizens. The fiscal year-end for CSURA is December 31.

Downtown Colorado Springs Business Improvement District

The Downtown Colorado Springs Business Improvement District (BID) was created under provisions of Colorado state statute. The BID has the power to acquire, construct or install public improvements within its own boundaries and to finance such improvements by levying a general property tax upon the benefiting property. The BID is discretely presented in the City of Colorado Springs' financial statements. The BID is a legally separate entity from the City of Colorado Springs. The City of Colorado Springs does, however, appoint a voting majority of the BID's board and is able to impose its will on the BID. The City's board and the BID's board are not substantively the same. Services provided by BID are entirely for the benefit of the business community in the District. The fiscal year-end for the BID is December 31.

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

City of Colorado Springs Finance Office
City Administration Bldg., Suite 202
30 South Nevada Avenue
Colorado Springs, CO 80903

Proprietary Fund Type Component Units

The following Proprietary fund type component units are reported as discretely presented component units. They are legally separate from the City of Colorado Springs. The City Council appoints a voting majority of the Boards of Directors. The City Council can impose its will on the component units by removing its Directors at the Council's discretion. The City Council and the Boards of Directors of the component units are not substantially the same, and the component units do not provide services entirely to the City of Colorado Springs. Thus the component units are discretely presented.

Fountain Valley Authority

The Fountain Valley Authority (FVA) is a political subdivision of the state of Colorado formed in 1979 for the purpose of constructing and operating a water treatment plant for its five customers, each of which owns and operates a water system. The FVA, in which the City Utilities fund (CSU) has a 71.41 percent share, has entered into a water treatment and delivery contract with its five customers in which each customer agrees to pay FVA its proportionate share of all costs, including bonded indebtedness, whether or not such customer requests or receives any treated water. In addition, as part of the FVA project, the U.S. Department of Interior constructed a conduit from the Pueblo Reservoir to the site of the water treatment plant. These construction costs will be reimbursed to the Department of Interior (through the Southeastern Colorado Water Conservancy District), with interest, over a 40 year period by conveyance service rates assessed to each customer based upon scheduled acre feet of water to be conveyed.

Aurora-Colorado Springs Joint Water Authority

The Aurora-Colorado Springs Joint Water Authority (the Authority) is a political subdivision of the state of Colorado formed in 1983 for the purpose of developing water resources, systems or facilities for the benefit of the City of Aurora and the

City of Colorado Springs. As of December 31, 2000, the cities had approved one project, the acquisition and construction of a pipeline to transport raw water. The Authority, in which CSU has a 66.67 percent participating share, agrees to furnish water transmission services and to charge each city a transmission charge sufficient to cover annual project costs, including bonded indebtedness.

Canal and Reservoir Companies

CSU owns from 51.9 percent to 77.2 percent of the Colorado Canal, Twin Lakes, Lake Meredith and Lake Henry canal and reservoir companies. These companies have been formed for the purpose of acquiring and storing water. Due to the amount of ownership, the Utilities have significant influence over the operations of these companies.

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

Colorado Springs Utilities
Director of Finance & Management Services
121 S. Tejon Street, Suite 200
Colorado Springs, CO 80903

Joint Ventures

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

The City and El Paso County have entered into a joint venture to provide ambulance services. The joint venture of the El Paso County Emergency

Services Agency (ESA) in which the City participates is not considered a component unit and is, therefore, not included in the City's reporting entity. The ESA was formed in accordance with an intergovernmental agreement and is governed by a five-member board appointed by the City and County. It is intended that the ESA administer its fees so as to fully recover all expenses and the City does not invest in the ESA. Since the City has only a residual equity interest, the equity method is not considered appropriate for this joint venture.

CSU is involved in a joint venture, Front Range Power Company (FRP), whose purpose is to develop, finance, construct, and operate a new combined cycle natural gas fired electric generation facility to sell electric power generated by the facility on the wholesale power market. CSU has an ongoing financial interest in FRP because it has a 50 percent sharing ratio in the distributable cash of FRP. CSU also has an ongoing financial responsibility to FRP. CSU and El Paso Energy have jointly and severally guaranteed the timely payments of the contracts FRP has entered into. This guarantee is supplemented by a Contribution Agreement between the FRP members which clarifies that the intent of the guarantee is for each member to cover 50% of the guaranteed payments, if required. CSU has recorded its investment in FRP using the equity method, in other assets on the combined balance sheet.

Memorial Hospital Corporation (MHC), is a non-profit corporation that is controlled by the City Hospital fund. MHC has a 51% interest in The Surgery Center at Printers Park, L.L.C (SCPP), an entity that was formed to develop, manage and operate a surgical center in Colorado Springs. SCPP commenced operations during 2000. The City Hospital fund's financial statements reflect its interest in the member's equity and net loss of SCPP.

The financial statements of the PPRBD and the ESA may be obtained at the following address:

City of Colorado Springs Finance Office
City Administration Bldg., Suite 202
30 South Nevada Avenue
Colorado Springs, CO 80903

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

Colorado Springs Utilities
Director of Finance & Management Services
121 S. Tejon Street, Suite 200
Colorado Springs, CO 80903

The financial statements of the MHC and the SCPP may be obtained at the following address:

Memorial Hospital
Director of Finance
427 E. Colorado, Suite 208
Colorado Springs, CO 80903

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. Funds and account groups are independent fiscal and accounting entities with self-balancing accounts recording assets, liabilities, equities, revenues, and expenditures; carrying on specific activities or attaining certain objectives in accordance with state and local laws, regulations, restrictions, or other limitations. The various funds and account groups are summarized by fund type in the financial statements as follows:

Governmental funds

Governmental funds are used to account for the traditional municipal activities of the City. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means that the amount can be determined and "available" means collectible within the current period or soon enough thereafter to finance operations of the current period. The City considers revenues "available" if they are collected within 30 days of year-end. Revenues susceptible to accrual include taxpayer-assessed taxes, federal and state grants and state-shared revenues such as Highway Users and Cigarette taxes. Property taxes receivable at year-end are recorded as a receivable and deferred revenue since they are not available to finance expenditures of the current period. Special assessment revenues are recognized when received and assessments receivable at year-end are offset by a like amount of deferred revenue, since the available criterion has not been met. Governmental fund expenditures are accrued when the liability is incurred except for principal and interest payments on long-term debt, which are recognized when due.

The City reports deferred revenue on its general purpose financial statements. Deferred revenues arise when a potential revenue does not meet both the

“measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Operating statements prepared on this basis report increases (revenues) and decreases (expenditures) in net current assets. Only current assets and current liabilities are reported on the balance sheet, and the resulting fund balance is available for appropriation. Governmental funds include the following fund types:

The General fund is the general operating fund of the City. The accounting for all revenues and expenditures not accounted for in other funds is accomplished within this fund. Most essential government services and functions are provided from resources of the General fund.

Special Revenue funds are used to account for the proceeds of specific revenue sources, which require separate accounting due to legal or regulatory provisions or administrative actions.

Capital Projects funds are used to account for financial resources expended for the acquisition or construction of major capital facilities except for those financed from proprietary funds.

Proprietary funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded at the time the liability is incurred. Operating statements prepared on this basis report increases (revenues) and decreases (expenses) to total fund equity. All assets and liabilities of these funds, whether current or long-term, are reported on the balance sheet and the resulting fund equity indicates total net worth of the fund. The City applies applicable Financial Accounting Standards Board (FASB) pronouncements in accounting and reporting for its proprietary operations including those issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary funds include the following fund types:

Enterprise funds are used to account for activities, which are operated in a manner similar to private business enterprises where the intent is that costs

associated with providing goods and services are financed primarily by user charges.

Internal Service funds are used to account for goods and services furnished by a designated City department to other City departments on a cost reimbursement basis.

Fiduciary funds

Fiduciary funds are used to account for assets held by the City on behalf of outside parties, including other governments and other funds of the City, or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. When the City is obligated by the trust agreement to maintain the trust principal, and expend only the earnings, a non-expendable trust fund is established. When both the trust principal and its earnings may be spent, an expendable trust fund is established. Pension trust funds are used to account for the assets of a pension plan.

Expendable trust funds are accounted for in essentially the same manner as governmental funds also using the same measurement focus and basis of accounting. Non-expendable trust funds and Pension trust funds are accounted for in essentially the same manner as proprietary funds using the same measurement focus and basis of accounting.

Agency funds generally are used to account for assets that the City holds on behalf of others as their agent. Since agency funds are custodial in nature, they do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

Account groups

The General Fixed Assets Account Group is established to account for all fixed assets of the City other than those accounted for in proprietary or non-expendable trust funds. The General Long-Term Debt Account Group is established to account for all long-term obligations of the City except those accounted for in proprietary or non-expendable trust funds.

C. Assets, Liabilities and Equity**1. Deposits and Investments**

In accordance with City Code and Colorado state statutes, the City is authorized to invest in obligations of the United States and certain of its agencies; certain international agency securities; general obligation or revenue bonds of any state or local government of the U.S.; bankers acceptances of certain banks; certain commercial paper; local government investment pools; written repurchase agreements properly collateralized by certain authorized securities; certain money market funds; guaranteed investment contracts. The City's Fire and Police Pension Plans also invest in real property, alternative investments, equities, securities, and other investments. Investments are reported at fair value.

For purposes of the statements of cash flows, cash includes amounts on hand and in demand deposits, excluding any investments whether or not restricted.

Investments are stated at fair value based on quoted market prices, excluding component units.

2. Receivables and Payables

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

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

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

a receivable and a deferred revenue. Revenue is recorded in the ensuing year when the property tax is due for collection.

3. Inventories and Prepaid Items

Hospital inventories are stated at the lower of cost (first-in, first-out method) or market. All other inventories are stated at average cost.

Payments made to vendors for services that will benefit periods beyond December 31, 2000 are recorded as prepaid items.

4. Restricted Investments

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

5. Fixed Assets

Except for infrastructure assets, the City capitalizes acquired property that is of a tangible nature, has an estimated useful life of three years or more, and has a value of at least \$5,000.

General Fixed Assets are those acquired by governmental fund types and expendable trust funds. These assets are recognized as expenditures of those funds and capitalized at cost in the General Fixed Assets Account Group (GFAAG). Donated assets are capitalized at estimated fair value on the date of receipt. The City does not capitalize infrastructure assets such as streets, sidewalks, curbs, gutters, and storm drainage systems. Assets retired or otherwise disposed of in the GFAAG are removed from the balance sheet and any related proceeds are shown as an other financing source. Depreciation is not recorded in the accounts for these assets. It is the City's policy to capitalize interest costs of the enterprise funds which are incurred during construction.

Property, Plant, and Equipment assets owned by the proprietary fund types and non-expendable trust funds are stated at cost. Depreciation is recorded using the straight-line method over estimated useful lives as follows:

Buildings	25-40 years
Utility Plant	10-100 years
Improvements other than buildings	25 years
Machinery and equipment	5-10 years

Depreciation of these assets is charged as an expense against operations and accumulated depreciation is shown on the balance sheet of the respective fund.

6. Compensated Absences

City employees earn sick leave in varying amounts depending upon years of service. Upon retirement, police and fire employees and certain other employees may be paid for a maximum of 90 days and all other employees for a maximum of 30 days, of accumulated unused sick leave. The City has estimated the total future liability for all funds for this unused sick leave to be \$15,136,367 as of December 31, 2000. Of this amount, for governmental funds, the estimated long-term amount has been recorded as a liability in the General Long-Term Debt Account Group in the amount of \$9,046,823. The estimated current portion for governmental fund types has been recorded as a liability on the balance sheet of the respective funds. Also, for proprietary funds, the total estimated amount of accumulated, unused sick leave has been accrued on the balance sheet of the respective funds. The portion of estimated accumulated, unused sick leave recorded as a liability on the balance sheet of each respective fund type at December 31, 2000 is as follows:

General fund	\$542,810
Special Revenue funds	18,201
Enterprise funds	4,834,290
Internal Service funds	694,243

City employees also earn vacation. The total amount of accumulated, unpaid vacation at year-end is accrued and shown on the balance sheet of the respective fund. These amounts at December 31, 2000, by fund type, are as follows:

General fund	\$6,080,815
Special Revenue funds	104,524
Enterprise funds	10,495,044
Internal Service funds	465,434

7. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. The City enters into interest rate swap agreements to modify its interest rates on

outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

8. Unamortized Bond Issue Costs

For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

9. Fund Equity

The City reserves the fund balances of its various funds, as necessary, to indicate that portion of the fund balance that is not available for expenditure or which is legally segregated for a specific future use. Designation of portions of the fund balance of certain funds is used to indicate tentative plans for use in a future period. Contributed capital is recorded in proprietary funds that have received capital grants or contributions from other funds or customers. The category of "Bond requirement reserves" for the Airport enterprise fund consists of the following:

Operations and Maintenance	\$3,173,413
Reserve and Replacement	750,000
Prepaid Revenue (Coverage)	1,534,476
Total	\$5,457,889

10. Municipal Solid Waste Landfill Closure and Postclosure Care Costs

The City is subject to the Colorado Department of Public Health and Environment regulations which require the City to incur closure and postclosure care costs for landfills. In 2000, the Utilities fund recognized a liability of \$775,746 for closure and postclosure care costs based upon landfill capacity used to date. The estimated total current cost of closure and postclosure care to be recognized for the Utilities fund landfills is \$2,259,925. The average landfill capacity used to date is 33%. The estimated remaining landfill lives vary from 18 to 88 years. In 2000, the General Long-term Debt Account Group recognized a liability of \$527,838 for closure and postclosure care costs of the governmental fund landfills. There are no financial assurance requirements or restricted assets for the payment of closure and postclosure care costs. Estimates of closure and postclosure costs are stated in current dollars and shall be adjusted annually for inflation and changes in laws and regulations.

11. Memorandum Only Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. These totals do not present financial position, results of operations, or cash flows in accordance with GAAP. Neither is this data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of these totals.

12. Comparative Data

Comparative total data for the prior year have been presented in the financial statements in order to provide further understanding of changes in the City's financial position and operations. However, such data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Certain comparative data have been reclassified from previous reports in order to present such amounts in a manner consistent with the current year's financial statements.

13. Allowance for Equity/Borrowed Funds Used During Construction

Estimated interest earnings on funds used during construction, whether from internal equity or from the proceeds of borrowing, are captioned as Allowance for Equity or Borrowed funds and this amount is capitalized with the fixed assets so constructed. This is in accordance with accepted Utility accounting practices.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In conformance with City Charter and code, the City prepares annual budgets and maintains budgetary controls for all funds in order to ensure compliance with the annual appropriation ordinance as approved by City Council. The legal level of budgetary control for all funds is at the fund level.

Appropriations for the General fund and all funds which are not budgeted on a project-length basis lapse at year-end except for contractually encumbered and reserved appropriations. Project-length budgets are those where appropriations are initially made to individual projects and do not lapse until such time as the project is complete. Project-length budgets are adopted for all Capital projects funds as well as for Intergovernmental Grant, Capital Improvement and Special Assessment type Special Revenue funds. Accordingly, Schedule A-3, "Combined

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and all annually Budgeted Special Revenue Funds” does not display the activity of these project-length funds.

Budgets are also prepared for Proprietary and Non-Expendable Trust funds for management control purposes only. All budgets are prepared on the modified accrual basis and are reported as such on the statements.

Transfer of appropriation within the budget of a department may be authorized by approval of the affected department head. Such transfers are filed with the Finance Director but require no City Council action. Transfers from one department to another, from one fund to another, or, from project to project (in the case of Capital Improvement Special Revenue funds and Capital Projects funds), require City Council action. Any net increase of appropriation requires City Council action.

B. Budgetary Procedure

In accordance with City Charter, the City Manager is required to submit a balanced budget to City Council on or before the third Monday of November of each year. The budget is reviewed and modified as appropriate and an appropriation ordinance prepared to adopt the budget. City budgeting and accounting systems provide for program planning of expenditures by function and activity within the funds. Budgetary comparisons presented in the financial statements, however, are prepared in accordance with the Colorado uniform classification of accounts. Budgeted figures shown in the financial statements are final amounts, which may have been revised during the course of the year through action of the City Manager or Council, as appropriate. During 2000 debt issuance increased the original budget substantially. All other amendments to the original budget were not material in relation to the initial appropriation.

C. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of funds are recorded in order to reserve that portion of the appropriation, is employed in the governmental fund types and expendable trust funds. Outstanding encumbrances at year-end are reserved and a like amount is re-appropriated in the succeeding year's budget.

D. Individual Fund Deficits

Two primary government funds, Valley Hi Golf fund and Support Services fund, had accumulated deficits in retained earnings of \$284,680 and \$1,093,031 as of December 31, 2000, respectively.

E. Expenditures in Excess of Appropriation

During 2000, expenditures exceeded appropriations for the Garfield School Maintenance fund, the Claims Reserve Self-Insurance fund, and the Workers Compensation Self-Insurance fund by \$5,000, \$94,215 and \$584,505, respectively.

F. Proprietary Funds Combined Schedule of Operating Expenses to Budget - Non-GAAP Basis

For proprietary funds, the City adopts an annual budget prepared on the modified accrual basis of accounting. The following schedule presents a budget to actual comparison including operating expenses and excluding capital outlay, depreciation, debt service payments and component unit activities for the year ended December 31, 2000 (in 000's):

<u>Operating Expenses</u>	<u>Budget as Amended</u>	<u>Actual Operating Expenses</u>
Enterprise Funds:		
Utilities	\$403,462	\$403,462
Memorial Hospital	238,304	238,304
Airport	19,383	11,093
Patty Jewett Golf	1,683	1,350
Valley Hi Golf	1,060	854
Pikes Peak Highway	3,247	2,489
Human Services Complex	205	90
Parking System	2,187	971
Cemetery	2,155	1,059

Internal Service Funds:

Support Services	\$24,719	\$23,192
Claims Reserve	1,000	1,094
Workers Compensation	4,865	5,450
Employee Benefits	23,015	20,529

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**A. Unrestricted and Restricted Cash and Investments**

The City's restricted and unrestricted cash and investments, exclusive of component units, consists of the following on December 31, 2000:

	<u>Current Assets</u>	<u>Restricted Assets</u>
Demand accounts (incl. petty cash of \$26,822)	\$27,548,927	\$368,312
Certificates of deposit	14,947	30,000
Money market accounts	44,611	27,286,790
Repurchase agreements	56,010,907	89,014,499
U.S. Treasury securities	104,915,230	181,561,639
U.S. Agency securities	56,730,001	607,183
Capital lease, including internal capital leases	7,593,679	0
Commercial paper	4,973,400	0
Corporate securities	5,581,863	192,608,496
Real estate	0	25,198,277
Alternative investments	0	13,481,087
International equities	0	102,806,741
International fixed securities	0	14,327,643
Other investments	0	4,372,239
Total	\$263,413,565	\$651,662,906

1. Deposits

The carrying amount of the City's deposits at December 31, 2000 was \$27,890,417 and the bank balances were \$28,442,171. Of the bank balances, \$373,118 was covered by federal deposit insurance and \$28,069,053 was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (PDPA). The act requires eligible public depositories to collateralize all uninsured public deposits. The collateral is pooled and held in trust for all uninsured deposits as a group. Deposits are categorized to give an indication of credit risk. Credit risk category 1 includes deposits insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Accordingly, deposits collateralized under the provisions of PDPA have been classified as credit risk Category 2, and balances insured by federal deposit insurance as Category 1.

2. Investments

The City's investments, exclusive of its component units, are categorized below to give an indication of the level of credit risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the City's name. All City investments are Category 1.

	<u>Category 1</u>
Certificates of deposits	\$44,947
Money market accounts	27,331,401
Repurchase agreements	145,025,406
U.S. Treasury securities	286,476,869
U.S. Agency securities	57,337,184
Capital lease, including internal capital leases	7,593,679
Commercial paper	4,973,400
Corporate securities	198,190,359
Real estate	25,198,277
Alternative investments	13,481,087
International equities	102,806,741
International fixed securities	14,327,643
Other investments	4,372,239
Total	\$887,159,232

At year-end the City had entered into several repurchase agreements in order to temporarily invest excess cash. Underlying collateral for these agreements is composed of direct obligations of the U.S. Government or its agencies and fair value of this collateral exceeds 100% of carrying value.

3. Component Unit Deposits and Investments

Cash and investments of the component units of the City of Colorado Springs are reported at fair value and consist of the following at December 31, 2000:

	<u>Demand Accounts</u>	<u>Money Market</u>	<u>Bonds & Notes</u>
Governmental fund types:			
Urban Renewal Authority	\$20,057	\$127,483	\$0
Downtown Colorado Springs BID	0	45,837	0
Sub-total	20,057	173,320	0
 Proprietary fund types:			
Fountain Valley Authority	1,054,599	1,050,186	0
Aurora-Colorado Springs Joint Water Authority	3,648	23,978	944,480
Various Canal & Reservoir Companies	401,055	0	736,693
Sub-total	1,459,302	1,074,164	1,681,173
Total	\$1,479,359	\$1,247,484	\$1,681,173

The carrying amount of the deposits of the component units of the City at December 31, 2000, was \$2,726,843 and the bank balances were \$3,000,283. Of the bank balances, \$572,782 was covered by federal deposit insurance and \$2,427,501 was collateralized in accordance with provisions of the Colorado Public Deposit Protection Act.

In accordance with Colorado state statutes, the component units of the City are authorized to invest in obligations of the United States and certain of its agencies; certain international agency securities; general obligation or revenue bonds of any state or local government of the U.S.; bankers acceptances of certain banks, certain commercial paper; local government investment pools; written repurchase agreements properly collateralized by certain authorized securities; certain money market funds; guaranteed investment contracts. Investments are carried at fair value.

The investments of the component units are categorized below to give an indication of the level of credit risk assumed at year-end. All investments of the component units of the City are categorized as credit risk 1.

**Fair
Value**

U.S. Treasury Securities	\$1,681,173
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B. Accounts Receivable

Included in accounts receivable at December 31, 2000 are hospital patient receivables and unbilled utilities customer accounts in the amounts of \$49 million and \$23.5 million, respectively. Total accounts receivable have been reduced by allowances for doubtful accounts in the amount of \$14.8 million.

C. Interfund Assets/Liabilities

Individual fund interfund receivable and payable balances as of December 31, 2000 were:

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2000**

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:	\$7,335,813	\$105,116
Special Revenue Funds:		
Community Development Block Grant	143	474,748
Home Investment Partnership Grants	0	97,142
Sales and Use Tax Capital Improvements	35,832	2,731,068
Ballfield Capital Improvements	32,977	0
Bicycle Tax	8,620	0
Trails and Open Space	13,148	0
Conservation Trust	52,686	0
Old Colorado City Maintenance	35,510	0
Norwood Special Imp. Maint. District	3,078	0
Briargate Special Imp. Maint. District	8,487	0
Stetson Hills Imp. Maint. District	12,394	0
Woodstone Imp. Maint. District	1,604	0
Gateway Imp. Maint. District	1,467	0
Platte Avenue Imp. Maint. District	168	0
Public Space and Development	705	0
Subdivision Drainage	41,607	0
Arterial Roadway	74,821	0
Park Developer Easement	12,273	0
Tree City USA	407	0
Street Tree	461	0
Garfield School Maintenance	10,699	0
Business Development Revolving Loan	250	0
Sub-total	26,757	0
	374,094	3,302,958
Capital Projects Funds:		
SCIP Construction	391,668	269,940
City Funded CIP Construction	444,415	178,000
Adult Sports Complex Construction	0	100,941
Old City Hall Construction	0	22,554
Sub-total	836,083	571,435

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2000****Enterprise Funds:**

Airport	744,909	2,864
Patty Jewett Golf	26,189	2,977
Valley Hi Golf	14,650	71,762
Pikes Peak Highway	17,356	3,162
Human Services Complex	12,101	1,589
Parking System	100,971	7,621
Cemetery	4,689	423
Sub-total	920,865	90,398

Internal Service Funds:

Support Services	584	1,518,609
Claims Reserve Self-Insurance	50,541	0
Workers Compensation Self-Insurance	152,379	1,150,000
Employee Benefits Self-Insurance	91,545	0
Sub-total	295,049	2,668,609

Trust and Agency Funds:

Gift Trust	46,676	0
Therapeutic Recreation	335	0
Senior Programs	8,703	0
Cemetery Endowment	170	0
CD Smith	5,094	0
Perkins Trust	62	0
Sabine Trust	30	0
Woods Trust	73	0
TOPS Maintenance Trust	5,260	0
Miscellaneous Depository	611	3,090,402
Sub-total	67,014	3,090,402

Total **\$9,828,918** **\$9,828,918**

The City's policy is to liquidate interfund receivables and payables as soon as practical, generally within one year.

D. Inventories

Proprietary fund inventories, exclusive of component units, are stated at average cost, except Hospital inventories, which are carried at the lower of cost or market. Proprietary fund inventories consist of the following at December 31, 2000 (in 000's):

Materials and Supplies	\$15,527
Fuel	16,377
Total	\$31,904

E. Changes in Fixed Assets

The following schedule reflects the changes in fixed assets for the reporting period (in 000's):

	<u>Balance</u> <u>1-1-00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-00</u>
General Fixed Assets:				
Land	\$29,290	\$17,728	\$0	\$47,018
Building	55,431	744	0	56,175
Improvements other than buildings	5,043	0	0	5,043
Machinery & Equipment	73,435	10,002	1,283	82,154
Construction in progress	15,319	22,511	0	37,830
Total	\$178,518	\$50,985	\$1,283	\$228,220

	<u>Balance</u> <u>1-1-00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-00</u>
Enterprise Funds:				
Land	\$21,474	\$0	\$0	\$21,474
Buildings	98,441	151	0	98,592
Improvements other than buildings	117,702	6,808	0	124,510
Machinery & Equipment	14,041	1,526	260	15,307
Utilities Plant	2,223,906	125,371	10,833	2,338,444
Hospital Plant	233,117	17,958	6,640	244,435
Construction in progress	86,791	28,248	3,628	111,411
Total	\$2,795,472	\$180,062	\$21,361	\$2,954,173
Accumulated Depreciation	848,809	63,128	0	911,937
Net Assets	\$1,946,663	\$116,934	\$21,361	\$2,042,236

	Balance			Balance
	<u>1-1-00</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-00</u>
Internal Service Funds:				
Land	\$26	\$0	\$0	\$26
Buildings	233	27	0	260
Improvements other than buildings	403	0	0	403
Machinery & Equipment	8,045	520	18	8,547
Construction in progress	173	50	173	50
Total	\$8,880	\$597	\$191	\$9,286
Accumulated Depreciation	4,777	750	17	5,510
Net Assets	\$4,103	\$ (153)	\$174	\$3,776

	Balance			Balance
	<u>1-1-00</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-00</u>
Component Unit Fixed Assets:				
Land	\$1,435	\$0	\$1,335	\$100
Machinery & Equipment	18	25	0	43
Utilities Plant	105,044	5,861	0	110,905
Construction in Progress	0	0	0	0
Total	\$106,497	\$5,886	\$1,335	\$111,048
Accumulated Depreciation	26,528	1,417	0	27,945
Net Assets	\$79,969	\$4,469	\$1,335	\$83,103

F. Leases**Capital Leases**

The City has entered into various capital lease commitments in order to acquire land, machinery and equipment. Land, machinery and equipment so acquired was capitalized in the General Fixed Assets Account Group for those assets

acquired for governmental fund use or, in the case of a proprietary fund, on the balance sheet of that respective proprietary fund. All related lease payments are subject to annual appropriation and made from the acquiring fund. Should the City not appropriate monies for these payments, the land, machinery or equipment would revert to the lessor.

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2000, exclusive of component units, are as follows (in 000's):

<u>Year</u>	<u>General Long-Term Debt</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
2001	\$3,336	\$1,178	\$292
2002	4,094	1,181	292
2003	3,456	1,277	292
2004	662	1,121	247
2005	271		102
Thereafter	64		15
Total minimum lease payments	\$11,883	\$4,757	\$1,240
Amount representing interest	1,246	826	209
Present value of minimum payments	\$10,637	\$3,931	\$1,031

These capital leases represent agreements for certain equipment and machinery, which have been included as assets of the General Fixed Asset Account Group and the proprietary funds as follows (in 000's):

	<u>General Fixed Assets</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Cost	\$13,929	\$4,764	\$1,564
Accumulated Depreciation	0	776	481
Net Capitalized Lease Property	\$13,929	\$3,988	\$1,083

G. Long-Term Debt

The City has outstanding long-term debt in the form of several instruments. General Obligation bonds are direct obligations that pledge the full faith and credit of the City for the repayment of principal and interest. Sales Tax Revenue bonds are issued to finance the construction of various capital improvements. Sales Tax revenues are used to repay principal and interest of the bonds. Certificate of participation debt is issued for particular projects and is paid from lease payments made by the City for use of the acquired property. Special assessment bonds and notes are used to finance projects which benefit particular properties and are repaid solely from charges levied upon the benefiting properties. While principal and interest payments are intended to be paid solely from revenues derived from assessments levied upon the benefiting property, the City may choose to commit resources should the need arise. Proprietary fund principal and interest payments on revenue bonds and notes payable are pledged solely from revenues of the proprietary fund operation.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. Summary of Long-Term Debt*

The following table summarizes significant facts about the long-term debt outstanding at December 31, 2000:

Fund and Debt Types	Debt Series	Date Issued	Original Issue Amount	Outstanding Principal Amount at December 31, 2000	Future Aggregate Interest Requirements at December 31, 2000	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
			\$	\$	\$	%	
General Long-Term Debt*							
General Obligation Bonds	Series 1993	November, 1993	23,830,000	20,405,000	6,722,893	2.800 - 5.250	1994 - 2009
	B Interest Coupons	November, 1993	3,761,871	3,483,443	n/a	n/a	2000 - 2002
	Cottonwood GID Series 1998	November, 1998	9,525,000	8,745,000	3,308,385	3.100 - 4.550	1999 - 2015
	Spring Creek GID Series 1995	April, 1995	5,090,000	3,460,000	2,365,525	3.000 - 9.000	1996 - 2014
Sales Tax Revenue Bonds	Series 1999	June, 1999	87,975,000	81,885,000	33,676,920	4.000-5.000	1999 - 2015
Certificates of Participation	Hillside Recreation Center Series 1997	May, 1997	1,615,000	1,275,000	385,105	4.000 - 5.300	1997 - 2009
	Adult Sports Complex Series 1999	September, 1999	4,205,000	4,205,000	2,582,573	4.200-5.500	2001 - 2015
	Old City Hall Project Series 2000	July, 2000	7,265,000	7,265,000	4,965,158	4.500-5.500	2002 - 2020
Special Assessments Obligations	Woodmen Valley	November, 1995	1,730,254	941,550	339,006	7.000	1995 - 2010
	Garden of the Gods	August, 1996	127,285	31,022	8,598	8.750	1996 - 2005
	Carmel ID	August, 1999	191,214	171,806	88,525	8.370	1999 - 2010
	Prospect ID	August, 1999	3,580	3,217	1,657	8.370	1999 - 2010
	Uintah Street ID	September, 1999	14,416	10,192	5,377	8.550	1999 - 2010
	15th & Spring	March, 2000	23,006	19,379	12,183	9.160	2000 - 2011
	Broadmoor West	January, 2000	34,930	27,507	17,124	9.080	2000 - 2011
Notes Payable							
Urban Renewal Authority	1990	July, 1990	1,250,000	846,988	0	0.000	N/A
Proprietary Funds **							
Revenue Bonds							
Utilities	Series 1991A	April, 1991	236,950,000	196,230,000	117,213,992	6.100 - 6.875	1996 - 2015
	Series 1991B	April, 1991	42,835,000	4,905,000	1,807,466	6.100 - 6.875	1996 - 2009
	Series 1991C	April, 1991	65,090,000	36,155,000	50,596,988	6.750	2019 - 2021
	Series 1992A	July, 1992	76,080,000	74,835,000	79,748,789	5.100 - 6.125	1993 - 2020
	Series 1994A	January, 1994	118,470,000	116,525,000	108,007,329	4.500 - 5.125	1996 - 2023
	Series 1996A	September, 1996	66,675,000	61,525,000	79,952,328	5.500 - 5.750	1997 - 2025
	Series 1996B	September, 1996	3,500,000	2,365,000	635,234	6.600 - 7.350	1997 - 2006
	Series 1997A	September, 1997	121,455,000	114,615,000	134,413,648	5.000 - 5.375	1998 - 2026
	Series 1998A	October, 1998	94,965,000	39,820,000	37,925,986	4.625 - 5.000	2002 - 2027
	Series 1999A	September, 1999	65,500,000	65,500,000	94,557,869	4.125-5.750	2002 - 2008
	Series 2000A	November, 2000	110,000,000	110,000,000	132,217,700	4.650	2029
	Series 2000B	November, 2000	15,000,000	15,000,000	14,348,500	7.50	2001 - 2015
	Memorial Hospital	Project Series 1995	May, 1995	61,025,000	60,990,000	67,031,092	4.100 - 6.000
Refunding Series 1995		May, 1995	29,265,000	20,820,000	6,783,502	4.100 - 6.000	1995 - 2010
Series 2000		August, 2000	59,825,000	59,825,000	105,566,183	6.375	2025 - 2030
Airport	Series 1992A	September, 1992	47,390,000	42,005,000	45,354,168	6.150 - 6.750	1999 - 2021
	Series 1992C	September, 1992	6,582,687	12,783,470	3,941,530	6.800 - 7.200	2002 - 2011
	Series 1996A	December, 1996	12,450,000	11,545,000	7,667,124	4.000 - 5.250	1999 - 2021
	Series 1996B	December, 1996	3,485,000	3,240,000	2,251,840	4.150 - 5.500	1999 - 2021
Parking System	Series 1999	March, 1999	9,300,000	8,660,000	4,086,667	3.000 - 4.750	1999 - 2018
Utilities - Notes Payable	Wastewater Facility	May, 1998	22,204,270	21,195,955	7,975,863	4.06	1999 - 2019
Component Units **							
Revenue Bonds							
Fountain Valley Authority	Series 1996	April, 1996	12,225,000	11,750,000	7,515,674	5.200 - 5.625	1997 - 2019
Aurora - Colorado Springs Joint Water Authority	Series 1992	June, 1992	9,415,000	2,865,000	256,336	3.000 - 5.950	1992 - 2002
Notes Payable							
The Twin Lakes Reservoir and Canal Company	1996	1996	2,451,830	2,191,464	N/A	8.25	1998 - 2007
Fountain Valley Authority	2000	2000	7,607,966	7,607,966	3,775,258	3.4	2001 - 2019

*Exclusive of capital leases, municipal solid waste landfill and compensated absences (see note III.G.2) and discount accretion

**Exclusive of capital leases and deferred losses

2. Changes in General Long-Term Debt

The City has issued and has outstanding in its General Long-Term Debt Account Group long-term debt in various instruments. The following is a summary of transactions of the General Long-Term Debt Account Group, exclusive of discretely presented component units, for the year ended December 31, 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-00</u>
General Obligation Bonds	\$38,740	\$180	\$2,827	\$36,093
Limited Tax Obligation Bonds	338	0	338	0
Sales Tax Revenue Bonds	85,800	0	3,915	81,885
Certificates of Participation	5,575	7,265	95	12,745
Special Assessment Bonds and Notes	1,365	58	219	1,204
Capital Leases	4,189	8,786	2,338	10,637
Municipal Solid Waste Landfill	510	18	0	528
Compensated Absences	8,046	1,001	0	9,047
Total	\$144,563	\$17,308	\$9,732	\$152,139

Changes in Long-Term Debt of Proprietary Funds

The following is a summary of long-term debt transactions of the Proprietary funds for the year ended December 31, 2000 exclusive of discretely presented component units (in 000's):

	Principal Balance <u>1-1-00</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-00</u>
Revenue Bonds	\$943,762	\$189,189	\$75,873	\$1,057,078
Notes Payable	21,708	0	512	21,196
Capital Leases	6,039	612	1,689	4,962
Total	\$971,509	\$189,801	\$78,074	\$1,083,236

3. Annual Debt Service Requirements of Long-Term Debt

The following is a summary of annual debt service requirements of principal and interest on long-term debt of the General Long-Term Debt Account Group as of December 31, 2000, exclusive of component units (in 000's):

	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Special Assessments Bonds and Notes Payable
2001	\$4,630	\$7,847	\$661	\$177
2002	4,669	7,849	889	177
2003	4,517	7,848	1,128	177
2004	4,523	7,849	1,125	177
2005	4,548	7,848	1,127	177
Thereafter	25,603	76,321	15,748	852

Annual Debt Service Requirements of Long-Term Debt of the Proprietary Funds

The following is a summary of annual debt service requirements of principal and interest on long-term debt of the Proprietary Funds as of December 31, 2000, exclusive of component units (in 000's):

	Revenue Bonds
2001	\$75,834
2002	75,982
2003	75,936
2004	75,934
2005	75,917
Thereafter	1,771,848

4. CHANGES IN DEBT ISSUES

General Obligation Bonds

General obligation bonds are collateralized by the full faith and credit of the City. The City intends to retire its general obligation debt, plus interest, from future general revenues of the City.

The following table summarizes the transactions for general obligation bonds during 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-00</u>
1993 Refunding Bonds	\$26,020	\$180	\$2,312	\$23,888
Component Units				
Cottonwood Series 1998				
Refunding	9,160	0	415	8,745
Spring Creek Plan Bonds				
Series 1995	3,560	0	100	3,460
Total	\$38,740	\$180	\$2,827	\$36,093

Debt issued for the 1993 Series B Interest Coupon Bonds represents annual accretion of the discount.

Limited Tax Obligation Bonds

In September 1992, the City issued \$1,010,000 of Limited Tax Obligation Bonds for the purpose of financing certain infrastructure improvements within the Peregrine Improvement District. The 1992 bonds bear interest at 8.35%. The bonds mature in specified series beginning 2001 through 2003. Debt service payments on these bonds are to be paid from ad valorem taxes levied on all taxable property in the district. The bonds are a general obligation of the district, but are not an obligation of the City. There is no obligation for the city to levy taxes with respect to the bonds. The bonds were retired during 2000.

	Principal Balance <u>1-1-00</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-00</u>
1992 Peregrine	\$338	\$0	\$338	\$0

Sales Tax Revenue Bonds

In June 1999, the City issued \$87,975,000 of Sales Tax Revenue Bonds to finance the construction of various capital improvements. The unspent balance of \$64,614,733 is included in cash and investments in the combined balance sheet as of December 31, 2000. The 1999 revenue bonds bear interest from 4% to 5%. The revenue bonds mature in specified series beginning in 1999 through 2015. Revenue used to repay principal and interest of the bonds is derived from Sales Tax revenues.

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
1999 Sales Tax Revenue Bonds	\$85,800	\$0	\$3,915	\$81,885

Certificates of Participation

In May 1997, the City issued \$1,615,000 of Certificates of Participation in order to advance refund its Series 1989 Certificates of Participation then outstanding in the amount of \$1,520,000. The 1997 certificates bear interest from 4% to 5.3% and mature serially through 2009. The City reduced its aggregate debt service payments by approximately \$204,195 over the next 13 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately \$137,467. Revenues used to repay principal and interest of the certificates are derived solely from lease payments made for use of the Hillside Recreation Facility. Net proceeds of the 1997 issue were deposited in an irrevocable trust that will provide for all future debt service payments on the refunded 1989 certificates. Accordingly, neither the trust assets nor the liability for the refunded certificates are shown on the City's financial statements.

In September 1999, the City issued \$4,205,000 of Certificates of Participation to finance the construction of the adult sports complex. The unspent balance of \$756,480 is included in cash and investments in the combined balance sheet as of December 31, 2000. The 1999 certificates bear interest from 4.2% to 5.5%. The certificates mature in specified series beginning 2001 through 2015. Revenue used to repay principal and interest of the certificates is derived solely from annually appropriated base rentals.

In July 2000, the City issued \$7,265,000 of Certificates of Participation to finance the renovation of the Old City Hall facility. The unspent balance of \$5,314,519 is included in cash and investments in the combined balance sheet as of December 31, 2000. The 2000 certificates bear interest from 4.5% to 5.5%. The certificates mature in specified series beginning 2002 through 2020. Revenue used to repay principal and interest of the certificates is derived solely from annually appropriated base rentals.

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
1997 Hillside Certificates	\$1,370	\$0	\$95	\$1,275
1999 Adult Sports Complex Certificates	4,205	0	0	4,205
2000 Old City Hall Project Certificates	0	7,265	0	7,265
Total	\$5,575	\$7,265	\$95	\$12,745

Special Assessment Bonds and Notes (with Governmental Commitment)

Special assessment bonds and notes are issued to finance public improvements, which benefit specific taxpayers. While principal and interest repayments are intended to be paid solely from revenues derived from assessments levied upon the benefiting taxpayer, the City may choose to commit general governmental resources should the need arise. The following table summarizes the transactions for special assessment bonds and notes during 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
Bonds				
1991 District	\$60	\$0	\$60	\$0
Woodmen Valley	1,041	0	100	941
Total	\$1,101	0	160	941

Notes payable

Garden of the Gods	\$56	\$0	\$25	\$31
Carmel ID	191	0	19	172
Prospect ID	4	0	1	3
Uintah Street ID	13	0	3	10
15 th & Spring ID	0	23	4	19
Broadmoor West	0	35	7	28
Total	\$264	58	59	263

Total bonds & notes payable

\$1,365	\$58	\$219	\$1,204
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Revenue Bonds - Utilities Fund

The Utilities fund has issued and has outstanding revenue bonds to finance various capital project needs. The principal and interest payments of these bonds are made solely from revenues of the Utilities operations.

In November 2000, the City of Colorado Springs issued \$110,000,000 in Utilities System Subordinate Lien Revenue Bonds Series 2000A to finance a current refunding (through a tender offer) of \$6,000,000 of 1997A Improvement and Refunding Revenue Bonds, \$55,145,000 of 1998A Subordinate Lien Improvement Revenue Bonds, and to finance a variety of capital improvements. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was below the net carrying amount of the old debt by \$3,619,225. This amount is being netted against the new debt and amortized over the old debt's life, which is shorter than the new debt. The transaction resulted in an economic gain of \$13,732,729 and a reduction of \$25,232,113 in future debt service payments.

The City of Colorado Springs also in November 2000 issued \$15,000,000 of Utilities Subordinate Lien Revenue Bonds to finance the Utilities equity contribution to a Colorado limited liability company formed to finance the construction of a natural gas fired combined cycle electric generation facility.

Unamortized deferred amounts for Utilities refunded bonds in 1997 and 2000 were \$(1,265,900) and its amortization was \$199,097 as of December 31, 2000.

The following table summarizes the transactions of revenue bonds for the Utilities fund during 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-00</u>
Series 1991A	\$204,030	\$0	\$7,800	\$196,230
Series 1991B	5,295	0	390	4,905
Series 1991C	36,155	0	0	36,155
Series 1992A	75,015	0	180	74,835
Series 1994A	116,950	0	425	116,525
Series 1996A	62,890	0	1,365	61,525
Series 1996B	2,675	0	310	2,365
Series 1997A	121,015	0	6,400	114,615
Series 1998A	94,965	0	55,145	39,820
Series 1999A	65,500	0	0	65,500
Series 2000A	0	110,000	0	110,000
Series 2000B	0	15,000	0	15,000
Deferred loss on Series 1995A	(2,553)	3,620	(199)	1,266
Total	\$781,937	\$128,620	\$71,816	\$838,741

Revenue Bonds - Hospital Fund

In August 2000, the Hospital issued \$59,825,000 in Hospital Revenue Bonds. The bonds were issued to fund the costs of acquiring, constructing and equipping certain hospital and other healthcare related facilities. The bonds mature on December 15, 2030, have annual sinking fund requirements beginning in 2025, and are redeemable at any time on or after December 15, 2010 and have an interest rate of 6.375%.

The Hospital fund has entered into an interest rate sweep agreement for \$59,825,000 of its 2000 Series revenue bonds. Based on the swap agreement, the counterparty to the swap owes interest calculated at a fixed rate of 5.07% to the Hospital fund. In return, the Hospital owes the counterparty interest based on a variable rate that matches the BMA Municipal Swap Index. Only the net differences in interest payments is actually exchanged with the counterparty. The \$59,825,000 in bond principal is not exchanged; it is only the basis on which the interest payments are calculated.

The Hospital fund continues to pay interest to the bondholders at the fixed rate provided by the bonds. However, during the term of the swap agreement, the Hospital fund effectively pays a variable rate on the debt. The debt service requirements to maturity for these bonds are based on the fixed rate. The swap

agreement was terminated subsequent to December 31, 2000 and the termination of the swap agreement resulted in the Hospital fund's realizing a gain of \$1,900,000.

In May 1995, the Hospital fund issued \$90,290,000 in Hospital Revenue Bonds. The proceeds are being used to defease, in-substance, the Hospital Revenue Bonds, Series 1987 and Series 1990, and to provide additional funds for the expansion and renovation of the Hospital's facilities.

In connection with the defeasance of the Series 1987 and Series 1990 bonds, a deferred loss of approximately \$2,556,000 was recorded and is being amortized to interest expense over the remaining life of the defeased bonds in accordance with GASB 23. Amortization for the year ended December 31, 2000 was \$183,000. The Series 1995 bonds have interest rates ranging from 4.1% to 6.0% and mature in various annual installments through 2010 and one installment each in 2015 and 2024. The bonds with a maturity date of 2015 have annual sinking fund requirements beginning in 2011 and the bonds with a maturity date of 2024 have annual sinking fund requirements beginning in 2016. Principal and interest payments of these bonds are made solely from revenues of the Hospital fund.

The following is a summary of the outstanding revenue bond issues of the Hospital fund during 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
Series 1995	\$83,420	\$0	\$1,610	\$81,810
Series 2000	0	59,825	0	59,825
Series 1995 Deferred loss	(1,714)	0	(183)	(1,531)
Total	\$81,706	\$59,825	\$1,427	\$140,104

Revenue Bonds - Airport Fund

In 1992 the City issued Series 1992A, 1992B and 1992C airport revenue bonds. The bonds are special obligations of the City and do not constitute a debt of the City nor a pledge of the full faith, credit or taxing power of the City. The bonds are special obligations of the City where all required debt service payments related to these bonds will be paid by Airport fund net pledged revenues as defined in the Bond Ordinance. The Series A bonds are term bonds maturing

serially from 1993 through 2021. The Series C bonds are capital appreciation bonds, which mature at their accreted value per the offering from 2002 through 2011. The \$744,000 shown in debt issued represents interest accretion of the Series C bonds for 2000.

In 1996, the City issued \$15,935,000 in airport revenue bonds. The proceeds were used to expand the parking facilities, the existing airport terminal, and the apron areas of the airfield at the Colorado Springs Municipal Airport. The Series 1996 bonds have interest rates ranging from 4.0% to 5.5% and mature in various annual installments from 1999 through 2022. The Series 1996 bonds are special and limited obligations of the City and do not constitute a debt or indebtedness of the City. All required debt service payments related to these bonds will be paid by Airport fund net pledged revenues as defined in the Bond Ordinance.

The following table summarizes the revenue bond transactions of the Airport fund during 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
Series 1992A	\$43,910	\$0	\$1,905	\$42,005
Series 1992C	12,039	744	0	12,783
Series 1996A	11,860	0	315	11,545
Series 1996B	3,325	0	85	3,240
Total	\$71,134	\$744	\$2,305	\$69,573

Revenue Bonds – Parking System Fund

In March 1999, the City issued \$9,300,000 of Parking Revenue Bonds to finance the cost of acquiring parcels of land, developing a two-level parking structure on such parcels and constructing certain parking and pedestrian-related improvements in the downtown area. The proceeds, of which \$5,722,983 is unspent, are included in restricted investments in the combined balance sheet as of December 31, 2000. The 1999 revenue bonds bear interest from 3% to 4.75%. The revenue bonds mature in specified series beginning in 1999 through

2018. The 1999 bonds are special obligations of the City payable solely from net revenues of the Parking System.

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
1999 Parking System Revenue Bonds	\$8,985	\$0	\$325	\$8,660

Changes in Long-Term Debt of Component Units

Governmental Fund Types

The following is a summary of long-term debt transactions of governmental fund type component units of the City for the year ended December 31, 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
Notes Payable: Urban Renewal Authority	\$1,250	\$0	\$403	\$847

Proprietary Fund Types

In April 1996, Fountain Valley Authority issued \$12,225,000 of Series 1996 refunding revenue bonds with an average interest rate of 5.51% to advance refund its Series 1991 refunding revenue bonds with interest rates ranging from 6.40% to 6.875% and a par value of \$12,785,000. \$1,055,000 of the Series 1991 bonds were not refunded. The net proceeds of the bonds were used to purchase U.S. Government securities and these securities were placed in an irrevocable trust with an escrow agent to provide debt service payments on the refunded bonds. The refunding met the requirements of an in-substance debt defeasance and \$12,785,000 of the Series 1991 refunding revenue bonds was removed from the Authority's balance sheet. As a result of the advance refunding, the Authority reduced its total debt service requirements by \$5,370,614, which resulted in an economic gain of \$792,485. The deferred amount of refunding of \$819,081 is amortized as a component of interest expense over the shorter of the remaining life of the refunded Series 1991 debt

or the life of the Series 1996 debt. The Series 1996 bonds mature in specified annual amounts beginning in 1997, with final payment due in 2019. The unamortized deferred amount on refunding as of December 31, 2000 was \$676,113 and its amortization for the year then ended was \$35,742.

The following is a summary of long-term debt transactions of proprietary fund type component units of the City for the year ended December 31, 2000 (in 000's):

	Principal Balance <u>1-1-00</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-00</u>
Revenue Bonds				
Fountain Valley Authority	\$12,100	\$0	\$350	\$11,750
Deferred Loss	(712)	0	(36)	(676)
Aurora-Colorado Springs Joint Water Authority	3,750	0	885	2,865
Total	\$15,138	\$0	\$1,199	\$13,939

Annual Debt Service Requirements of Long-Term Debt of Component Units

The following is a summary of annual debt service requirements of principal and interest on long-term debt of the component units of the City as of December 31, 2000 (in 000's):

Proprietary Fund Types

	<u>Fountain Valley Authority</u>	<u>Aurora- Colorado Springs Joint Water Authority</u>	<u>The Twin Lakes Reservoir and Canal Companies</u>	<u>Total</u>
Revenue Bonds				
2000	\$1,012	\$1,093	\$264	\$2,369
2001	1,016	1,091	287	2,394
2002	1,011	2,030	312	3,353
2003	1,016		338	1,354
2004	1,015		367	1,382
Thereafter	15,208		883	16,091

Notes and Loans Payable

During 1998, the Utilities obtained a loan in the amount of \$22,204,270 from the Colorado Water Resources and Power Development Authority (Authority) to finance a portion of the cost of a wastewater treatment facility. The Authority issued bonds to finance the loan. The outstanding principal of the loan as of December 31, 2000, was \$21,195,955, of which, \$533,500 was current. The loan currently requires interest at 4.06% payable semi-annually and principal payments due annually with the last payment due in 2019. The terms of the loan may be amended or modified under certain conditions.

During 1996, The Twin Lakes Reservoir and Canal Company obtained a note payable to a bank bearing interest at the rate of 8.25% to January 11, 2002 when the rate of changes to 165 basis points over the five year U.S. Treasury securities' rate. Interest only was due from August 11, 1996 to January 11, 1998. Starting February 11, 1998 to January 11, 2002, the note requires monthly payments of \$38,022 with the remaining balance due in sixty monthly installments. The note is due January 11, 2007 and is secured by stockholders' assessments. As of December 31, 2000, \$2,191,464 principal was outstanding, of which, \$286,131 was current.

During 2000, Fountain Valley Authority obtained a loan in the amount of \$7,607,966 from the Colorado Water Resources and Power Development Authority, with interest at 4.4%. The proceeds of the loan were used to pay for the relocation and replacement of a portion of the FVA conduit. The loan is due in 2019 and is secured by a pledge of all net revenues of FVA. As of December 31, 2000, \$7,607,966 principal was outstanding, of which \$290,506 was current.

Lease (Component Units)

Fountain Valley Authority leases various utilities plant under a capital lease agreement expiring December 31, 2025. As of December 31, 2000, future minimum payments under the capital lease consisted of the following:

Year ending December 31,	
2001	\$2,135,021
2002	3,058,244
2003	3,981,466
2004	4,904,689
2005	5,382,610
Thereafter	101,915,169
Future minimum lease payments	\$121,377,199

Amount representing interest	37,887,310
Present value of net minimum lease payments	\$83,489,889

Property recorded under the capital lease is as follows:

December 31, 2000

Utilities plant	\$65,104,491
Accumulated amortization	(13,353,252)
Net capitalized leased property	\$51,751,239

Amortization of the plant cost has been included in depreciation expense and amounted to \$838,444 for 2000.

H. Industrial Development Revenue Bonds

The City has lent its name to various industrial development revenue bond issues over the course of several years. Proceeds of these bond issues were used to finance various private activities relating to business expansion, construction and development. The City is not liable for the repayment of principal or interest on these bonds and related financial activity is not shown in the financial statements. The original issue amount of these bonds, in the aggregate, was \$168 million. During 2000, there were no industrial development revenue bonds issued.

I. Changes in Contributed Capital Accounts

Changes in the contributed capital accounts of the enterprise funds during 2000 are as follows (in 000's):

	Balance <u>1-1-00</u>	Contributions in aid of <u>Construction</u>	Federal <u>Grants</u>	Balance <u>12-31-00</u>
Utilities	\$510,128	\$31,453	\$0	\$541,581
Airport	93,700	0	3,775	97,475

J. Operating Transfers

The following table summarizes operating transfers occurring between the funds of the City during 2000.

	Operating Transfers <u>In</u>	Operating Transfers <u>Out</u>
General fund	\$4,205,517	\$6,888,674
Special Revenue funds:		
Business Development		
Revolving Loan	0	1,443,000
Lodgers & Auto Rental Tax	0	1,168,593
Capital Projects funds:		
City Funded CIP	6,848,731	0
Sub-total governmental funds	11,054,248	9,500,267
Enterprise funds:		
Utilities	0	1,623,924
Airport	147,967	0
Patty Jewett Golf	0	17,023
Valley Hi Golf	0	11,349
Pikes Peak Highway	30,000	39,300
Human Services Complex	0	1,051
Parking System	0	29,423
Cemetery	0	9,878
Sub-total proprietary funds	177,967	1,731,948
Total	\$11,232,215	\$11,232,215

IV. OTHER INFORMATION

A. Risk Management

The City has established a risk management division to coordinate and administer workers compensation, property and general liability insurance programs for all its activities and operations. For workers compensation coverage, except for the Hospital, the City has purchased commercial insurance to cover losses in excess of \$500,000 per occurrence. The City pays losses less

than this amount through its Workers Compensation Self-Insurance fund. The Hospital purchases workers compensation coverage from the State Workers Compensation Insurance fund.

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

General liability coverage for the operations of the Utilities departments is purchased from commercial carriers for losses in excess of \$500,000. General liability coverage for the Hospital and the Airport is purchased from commercial carriers with varying deductibles. All other general liability coverage is self-insured. It is the practice of the City to expense and record as a liability those claims where a liability has been incurred and the amount of ultimate settlement can be reasonably estimated.

Incurred but not reported claims have been accrued for the Employee Benefits Self-Insurance fund based upon an actuarial estimate at December 31, 2000. Incurred but not reported claims have not been accrued for the Workers Compensation Self-Insurance fund, however, that amount is not believed to be material to these statements. An actuarial valuation was performed for the Claims Reserve Self-Insurance fund during 1997. That valuation concluded that claims were asserted and recorded in a timely manner, making it unnecessary to accrue for incurred but not reported claims. During 2000 there were no significant reductions in insurance coverage from coverage as compared to 1999. Settlements have not exceeded insurance coverage for the past three fiscal years.

The following is a summary of changes in outstanding reserves for the Claims Reserve, Workers Compensation, and Employee Benefits Self-Insurance funds for 1999 and 2000 (in 000's):

	Claims O/S <u>1-1-99</u>	Claims <u>Incurred</u>	Claims <u>Paid</u>	Claims O/S <u>12-31-99</u>
Claims Reserve	\$945	\$604	\$607	\$942
Workers Compensation	4,477	4,099	2,998	5,578
Employee Benefits	2,340	11,537	11,233	2,644

	Claims O/S <u>1-1-00</u>	Claims <u>Incurred</u>	Claims <u>Paid</u>	Claims O/S <u>12-31-00</u>
Claims Reserve	\$942	\$947	\$832	\$1,057
Workers Compensation	5,578	4,987	4,563	6,002
Employee Benefits	2,644	21,738	21,409	2,973

B. Segment Information For Enterprise Funds

The City maintains several enterprise funds, which provide utility, hospital, airport, golf, tourist highway, parking, cemetery, and senior citizen services. Segment information for the City enterprise funds for the year ended December 31, 2000, exclusive of component units, is as follows (in 000's):

	<u>Utilities</u>	<u>Hospital</u>	<u>Airport</u>	<u>Other Funds</u>	<u>Total</u>
Operating revenues	\$475,217	\$264,743	\$18,726	\$8,693	\$767,379
Depreciation	66,047	15,232	6,974	1,049	89,302
Operating income	5,708	11,207	658	831	18,404
Operating transfers in (out)	(1,624)	0	148	(78)	(1,554)
Net income (loss)	(29,538)	12,889	2,621	1,516	(12,512)
Contributions	31,453	0	3,775	0	35,228
Fixed asset additions	125,371	38,446	11,397	4,848	180,062
Fixed asset deletions	14,345	6,640	374	2	21,361
Net working capital	109,762	46,040	22,273	7,083	185,158
Total Assets	1,962,989	394,549	224,956	39,165	2,621,659
Bonds and other long-term debt	850,409	138,414	67,210	8,534	1,064,567

Retained earnings	449,427	219,731	47,861	17,356	734,375
Total Equity	\$991,008	\$219,731	\$145,336	\$28,943	\$1,385,018

C. Payments In Lieu Of Taxes

The Utilities fund annually pays to the General fund, in lieu of taxes, an amount equal to 8 percent of the gross, inside City revenues of the electric and gas divisions after elimination of intra-departmental sales and gas "tracking riders." This amount is included as revenue and expense in the income statements of the General and Utilities funds, respectively. In 2000, the amount paid was \$21.603 million.

D. Post-Retirement Health Care and Life Insurance Benefits

In accordance with the City Personnel Policy, the City offers a health care plan to retirees with a City contribution determined by City Council. Employees retiring prior to 1979 receive this health care plan without cost to the employee. Those retiring on or after 1979 and hired prior to August 1, 1988 receive a limited City contribution not to exceed \$91.40 per month. During 2000, these benefits were provided to 768 retired employees at a cost of \$971,111.

Post-retirement health care benefits are funded through current revenue sources appropriated and accounted for in the City's annual budget.

E. Commitments and Contingent Liabilities**1. Construction and Purchase Commitments**

At December 31, 2000 the SCIP fund had construction contracts and commitments of approximately \$18.5 million related to the Series 1999 SCIP Revenue Bonds for the construction of various capital projects.

At December 31, 2000 the Utilities fund had construction contracts and commitments of approximately \$12.2 million and the Hospital had commitments for the purchase and construction of facilities and equipment in the amount of \$22 million.

2. Coal Purchase Commitments

During 1987, the City Council approved the Utilities' renegotiated reduced long-term contract commitments with Colowyo Coal Company for the purchase of coal. In 1994 Colorado Springs Utilities entered into an additional ten-year coal supply agreement, commencing January 1, 1995, with another supplier to purchase a minimum of 600,000 tons of coal annually at a base price of \$13.50 per ton. Utilities also purchased spot coal at reduced prices. The following schedule sets forth the minimum annual payments for coal at current prices (excluding freight charges) which the Utilities is required to make under the terms of the 1987 and 1994 contracts, whether or not it is able to take delivery:

<u>Year ended</u> <u>December 31,</u>	
2001	\$27,000,000
2002	27,000,000
2003	27,000,000
2004	27,000,000
Total	\$108,000,000

3. Metex Metropolitan District

In 1991 the City was a party to an intergovernmental agreement between the City, El Paso County and the Metex Metropolitan district for the purpose of assisting Metex in its annual debt service payments to bondholders. Specifically, pursuant to that agreement, effective with property taxes collected in 1992, the County agreed to increase, up to .5 mills, its Road and Bridge fund mill levy and appropriate this revenue to Metex. Similarly, the City, effective at the same date, agreed to appropriate its share of this mill levy revenue to Metex. Metex, then, used these revenues to assist in its annual debt service payments. The agreement provided for this assistance until such time as the bonds were retired, the assessed valuation in the district had grown to such a level as to make the Metex mill levy sufficient to meet annual debt service costs without City or County assistance or one of the parties decided to terminate the agreement. The agreement further provided that such financial assistance from the City and County would constitute a liability on the part of Metex and that repayment would ultimately be made, if financially feasible, from the net revenue available after debt service payments and reasonable operating expenses of Metex. Such repayment would be made until such time as the total liability is satisfied or through the year 2016 (Termination Date). To the extent that the City and County are partially repaid by the Termination Date, it is understood that the

amounts remaining unpaid represent a contribution to be made by the City and County.

During the life of the agreement, through December 31, 1999, the City had contributed the total amount of \$2,931,495 to Metex. Beginning with the calendar year 2000, Metex assessed valuation had grown sufficiently such that a partial repayment of the liability was possible. Accordingly, the City received the amount of \$368,294 during the year 2000, leaving an outstanding liability of \$2,563,201 at December 31, 2000.

4. Refunded Bonds

On November 24, 1998, the Cottonwood General Improvement District issued \$9,525,000 general obligation refunding bonds. The 1998 bonds carry an interest rate ranging from 3.1% to 4.55%. Annual maturities range from \$365,000 to \$770,000 with the final payment due 2015. Cottonwood reduced its aggregate debt service payments by approximately \$2,703,597 and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately \$1,515,627.

In 1997 the City issued certificates of participation to refund the 1989 issue. The proceeds of these refunding certificates of participation were deposited with an escrow agent. Since it is expected that these funds, along with related investment interest, will provide sufficient amounts for the payment of all principal and interest on remaining due dates, the escrow accounts and the related liability accounts are not included in the General Long-Term Debt Account Group. At December 31, 2000, the City remains contingently liable for the outstanding principal balance of the refunded certificates in the amount of \$1,230,000.

At various dates in prior years, the Utilities fund has placed proceeds from refunding bond issues in irrevocable refunding escrow accounts. The monies deposited in the irrevocable escrow accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, would provide amounts sufficient for payment of all principal and interest on each remaining payment date, either through regular maturities or designated prior redemption dates. In accordance with the provisions of the escrow agreements, the City has furnished the escrow agents with certificates of independent certified public accountants as to the adequacy of the earnings and principal maturities of the U.S. Treasury obligations being sufficient to pay the refunded bond issues. Accordingly, the escrow accounts and the refunded bonds are not included in the Utilities fund balance sheet. As of December 31, 2000, the City remains contingently liable for the outstanding principal balance of \$271,405,000 in refunding bonds.

In 1993 the City issued general obligation bonds to refund an earlier bond issue. The proceeds of these refunding bonds were deposited with an escrow agent. Since it is expected that these funds, along with related investment interest, will provide sufficient amounts for the payment of all principal and interest on remaining due dates, the escrow accounts and the related liability accounts are not included in the General Long-Term Debt Account Group. At December 31, 2000, the City remains contingently liable for the outstanding principal balance of the refunded bonds in the amount of \$22,580,000.

5. Charter Amendment

In April 1991, voters approved City Charter Amendment #3, entitled the "Taxpayers Bill of Rights." A similar statewide constitutional amendment was passed in November 1992. One of the provisions of both measures is a limitation on the amount that "fiscal year spending" (FYS) can increase from year to year. The formula for computing the increase takes into consideration inflation and net growth in assessed valuation. Should FYS increase at a rate greater than that which the formula allows, the City must refund the "excess" in the ensuing year or seek voter approval to retain the "excess."

Based upon the City's interpretation of the amendments, FYS for the year 2000 exceeded the amount allowed by \$1,958,968.

6. Litigation

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

7. Loans Receivable

Loans receivable of \$19,299,232 included in accounts, taxes, interest receivable - net in the combined balance sheet as of December 31, 2000, contain provisions in some of the loan documents for the forgiveness of all or some of the debt up to \$12,535,142. Forgiveness is based upon meeting certain criteria, principally the period of time the loan is outstanding. Accordingly, these accounts may not be repaid to the City, but will be forgiven by the City if such loan conditions are met.

F. Passenger Facility Charges

The Federal Aviation Administration (FAA) authorized the City Airport to impose a Passenger Facility Charge (PFC) per qualifying passenger commencing March 1, 1993. Net receipts from these charges are restricted for use on FAA approved PFC projects. The City has been authorized to collect PFC revenues in the aggregate amount of \$32,675,839 or until April 1, 2005, whichever occurs first. PFC revenues are recognized when expenditures are made. Aggregate collections through December 31, 2000 total \$31,065,407.

G. Disclosures about Fair Value of Financial Instruments

Estimated fair values of proprietary fund financial instruments are as follows as of December 31, 2000:

	Carrying Amount	Fair Value
Cash and investments	\$177,412,429	\$177,412,429
Restricted cash and investments	204,709,058	204,709,058
Interest receivable	1,546,628	1,546,628
Long-term debt (including current maturities)	1,083,236,240	1,163,065,751
Accrued interest	5,501,968	5,501,968
Customer advances for construction	7,787,121	7,787,121

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Cash and investments, restricted cash and investments, and interest receivable

Carrying amount approximates fair value because of the short maturity of most of these instruments. Fair values of some investments are estimated based upon quoted market prices for those or similar instruments.

Long-term debt (including current maturities)

Fair value of the long-term debt instruments is estimated based upon quoted market prices of that debt in the secondary bond markets.

Accrued interest and customer advances for construction

The carrying amount approximates fair value because of the short maturity of these instruments.

H. Retirement Plans**1. Non-Uniformed Employees****A. Defined Benefit Pension Plan**

Plan Description: The City of Colorado Springs contributes to the Combined State and Municipal Division Trust Fund (CSMDTF), a cost sharing multiple employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). CSMDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All permanent employees, except uniformed police and fire of the City of Colorado Springs are members of the CSMDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for CSMDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy: Plan members and the City of Colorado Springs are required to contribute at a rate set by statute. The contribution requirements of plan members and the City of Colorado Springs are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the City of Colorado Springs is 10.0% of covered salary. A portion of the City of Colorado Springs' contribution (1.1% of covered salary) is allocated for the Health Care Trust Fund (See Note H.1.B.) The City of Colorado Springs contributions to CSMDTF for the years ending December 31, 2000, 1999, 1998, were \$24,999,504, \$22,233,048, \$20,878,696, respectively, equal to their required contributions for each year.

B. Postemployment Healthcare Benefits

Plan Description: The City of Colorado Springs contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy: The City of Colorado Springs is required to contribute at a rate of 1.1%, as a part of the total contribution of 10%, of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City of Colorado Springs are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The City of Colorado Springs' contributions to HCTF for the years ending December 31, 2000, 1999, and 1998 were \$1,999,960, \$1,933,308, and \$1,815,539, respectively, equal to their required contributions for each year.

C. Defined Contribution Plan

Plan Description: The (CSMDTF) members (See Note H.1.A.) of the City of Colorado Springs may voluntarily contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(k) defined contribution plan administered by the PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the VIP provisions to the State Legislature.

The VIP is funded by voluntary member contributions of up to 23% of covered salary to a maximum limit set by the IRS (\$10,500 in 1999). No employer contributions are required and the City of Colorado Springs made no contributions in 2000.

2. Uniformed Employees

Plan description: All full-time fire and police officers of the City participate in one of four agent, multiple employer, defined benefit pension plans, depending upon their status as a police or fire officer and their hire date (Old Hire/New Hire), administered jointly by the City and the Colorado Fire and Police Pension Association (FPPA). The plans are included as the pension trust fund. Information for the year ended December 31, 1999 (latest audited information available) has been presented herein along with comparative information for the year ended December 31, 1998. The FPPA performs certain administrative tasks in accordance with an agreement with the City. There are approximately 160 participating employers in the FPPA agent multiple-employer plan. Provisions of the plans are established and amended by City Council in accordance with relevant state statute. The plans provide benefits to members upon retirement based upon the provisions unique to that plan. As of January 1, 2000 membership in the plans was as follows: 899 active participants, 318 retirees and beneficiaries and 15 vested terminated employees.

Summary of significant accounting policies: The pension trust fund uses the accrual basis of accounting. Plan member contributions are recognized in the

period in which employee services are performed and benefits and refunds paid are recorded when incurred regardless of when payment is made. Plan investments are reported at fair value, using quoted market prices, except for real estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from the financial statements of the partnerships, and guaranteed investment contracts which are recorded at contract value. The funding policy of each of the plans provides for actuarially determined rates of contribution based upon an actuarial analysis undertaken bi-annually. City Council has the authority to establish and amend contribution rates in accordance with the actuarial analysis. The following table illustrates the City contributions for the years ended December 31:

Employees hired before April, 1978 (Old Hire):

<u>Year</u>	<u>Fire</u>		<u>Police</u>	
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
1998	12.184	470,614	26.860	722,581
1999	10.000	350,762	33.930	722,581
2000	10.000	322,834	10.000	196,412

Employees hired on or after April, 1978 (New Hire):

<u>Year</u>	<u>Fire</u>		<u>Police</u>	
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
1998	8	1,037,683	8	1,727,080
1999	8	1,201,046	8	1,904,319
2000	8	1,342,993	8	2,110,338

Disability benefits to police and fire officers and death benefits to their survivors are provided by the State of Colorado through a Death and Disability Plan administered by the FPPA. Benefits are established by state statute and are available for all fire and police officers in accordance with plan provisions.

FPPA issues a publicly available financial report that includes financial statements and required supplementary information for FPPA. That report may be obtained by writing to:

Fire and Police Pension Association
Two DTC
5290 DTC Parkway, Suite 100
Englewood, Colorado 80111-2721
(303) 770-3772.

I. Prior Period Adjustment

The comparative December 31, 1999 financial statements have been adjusted to include the pension trust fund which had been excluded in prior years. Fund balance has been increased by \$281,465,357 as of January 1, 1999 to reflect the restatement. The net increase in net assets held in trust for pension benefits increased by \$34,498,579 for the year ended December 31, 1999 as a result of the restatement.

J. Future Effect of Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. GASB 34 is required to be adopted for periods beginning after June 15, 2001 and will be applicable to the City’s December 31, 2002 financial statements. GASB 34 establishes that the basic financial statements and required supplementary information for governments should consist of management’s discussion and analysis, government-wide financial statements, consisting of a statement of net assets and a statement of activities using the accrual basis of accounting, fund financial statements that report governmental fund financial statements using the modified accrual basis of accounting and that report proprietary fund financial statements using the accrual basis of accounting, notes to the financial statements, and required supplementary information.

**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES**



CITY OF COLORADO SPRINGS

GENERAL FUND

The General Fund accounts for all financial resources of the City except those required to be accounted for in another fund. Most traditional, tax-supported services and programs of the City are accounted for in this fund.

**GENERAL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2000 and 1999**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-1**

<u>ASSETS</u>	<u>2000</u>	<u>1999</u>
Cash and investments	\$40,786,885	32,290,064
Accounts receivable - net	4,381,411	3,432,839
Loans receivable	3,410,189	3,881,495
Property taxes receivable		
Current	17,331,852	16,980,831
Delinquent	169,643	255,250
Sales tax receivable	12,946,482	11,390,035
Due from other funds	7,335,813	8,720,138
Prepaid items	112,123	
Restricted investments	161,500	161,500
Total assets	86,635,898	77,112,152
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	4,258,975	5,772,636
Accrued employee salaries, benefits	11,019,062	10,559,884
Escrow deposits	4,729,247	5,225,997
Due to other funds	105,116	853,502
Deferred revenue		
Property taxes	17,331,852	16,980,831
Loans, other	3,410,189	3,881,495
Total liabilities	40,854,441	43,274,345
Fund balance		
Reserved for		
Encumbrances	8,281,020	10,242,935
Debt service	161,500	161,500
Prepays	112,123	
Emergency reserve	6,044,457	5,750,000
Unreserved		
Designated - subsequent year expenditures	13,182,350	5,393,972
Undesignated	18,000,007	12,289,400
Total fund balance	45,781,457	33,837,807
Total liabilities and fund balance	\$86,635,898	77,112,152

**GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ended December 31, 2000 and 1999**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-2**

	2000	1999
Revenues		
Taxes	\$131,290,950	119,361,794
Licenses and permits	402,523	405,904
Intergovernmental	21,194,449	20,567,255
Charges for services	31,078,225	28,884,406
Fines and forfeits	3,444,419	3,198,674
Miscellaneous	7,102,026	4,769,774
Total revenues	194,512,592	177,187,807
Expenditures		
Current		
General government	31,021,293	31,867,855
Public safety	83,877,836	80,185,341
Public works	25,984,598	27,211,602
Health and welfare	693,031	660,369
Culture and recreation	14,173,845	13,546,852
Urban redevelopment and housing	3,645,729	3,528,788
Debt service		
Principal and interest	11,202,906	7,452,641
Capital outlay	9,991,953	9,415,605
Total expenditures	180,591,191	173,869,053
Revenues over expenditures	13,921,401	3,318,754
Other financing sources (uses)		
Capital lease financing	692,263	193,023
Operating transfers - in	4,205,517	2,444,502
Operating transfers - out	(6,888,674)	(18,797,839)
Total other financing sources (uses)	(1,990,894)	(16,160,314)
Revenues and other financing sources over (under) expenditures and other financing uses	11,930,507	(12,841,560)
Fund balance - January 1	33,837,807	46,679,367
Residual equity transfer - in	13,143	
Fund balance - December 31	\$45,781,457	33,837,807

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-3**

For the year ended December 31, 2000

With comparative actual totals for December 31, 1999

(PAGE 1 OF 4)

	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
Revenues				
Taxes				
General property taxes				
Current	\$16,487,463	16,657,336	169,873	15,285,626
Delinquent		(59,235)	(59,235)	102,940
Penalty and interest		26,328	26,328	21,421
	16,487,463	16,624,429	136,966	15,409,987
Sales and use taxes	101,935,000	111,393,526	9,458,526	100,971,342
Specific ownership taxes	2,338,803	2,762,144	423,341	2,470,627
Occupational liquor taxes	230,900	225,220	(5,680)	218,921
Gross receipts business taxes				
Admissions tax	286,242	285,631	(611)	290,917
Total taxes	121,278,408	131,290,950	10,012,542	119,361,794
Licenses and permits				
Business licenses and permits	405,075	402,523	(2,552)	405,904
Intergovernmental				
Federal operating grants				
DOT-FTA grants, subsidies	943,047	1,795,444	852,397	1,386,924
	943,047	1,795,444	852,397	1,386,924
State shared revenue				
Cigarette tax	1,253,000	1,461,667	208,667	1,498,605
Highway users tax - regular	13,035,089	13,013,057	(22,032)	12,632,349
Highway users tax - added fees	1,209,175	1,159,002	(50,173)	1,153,374
Severance tax	1,000	811	(189)	546
	15,498,264	15,634,537	136,273	15,284,874
Other governmental units				
El Paso County Road & Bridge	3,786,587	3,726,007	(60,580)	3,851,800
El Paso County shared fines	0	38,461	38,461	43,657
	3,786,587	3,764,468	(22,119)	3,895,457
Total intergovernmental	\$20,227,898	21,194,449	966,551	20,567,255

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-3**

For the year ended December 31, 2000

With comparative actual totals for the year ended December 31, 1999

(PAGE 2 OF 4)

	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
Charges for services				
General government				
Payments in lieu of taxes	\$21,076,613	21,603,205	526,592	19,798,029
Court costs and charges	648,000	665,645	17,645	635,649
Planning, zoning, subdivision fees	832,000	873,106	41,106	512,178
Other fees	78,900	159,557	80,657	57,619
	<u>22,635,513</u>	<u>23,301,513</u>	<u>666,000</u>	<u>21,003,475</u>
Public safety				
Police services	2,251,720	1,445,167	(806,553)	1,765,201
Fire services	168,100	170,740	2,640	134,072
	<u>2,419,820</u>	<u>1,615,907</u>	<u>(803,913)</u>	<u>1,899,273</u>
Highways and streets				
Highway and street permits	1,028,945	818,120	(210,825)	735,043
Signal maintenance	375,000	381,066	6,066	263,939
Transit system	2,726,115	2,652,503	(73,612)	2,526,880
	<u>4,130,060</u>	<u>3,851,689</u>	<u>(278,371)</u>	<u>3,525,862</u>
Culture and recreation				
Sports programs	756,000	843,117	87,117	850,920
Swimming pool fees	538,070	546,780	8,710	503,470
Ice Center fees	190,000	238,191	48,191	381,971
Community Centers	298,311	339,154	40,843	311,589
Other fees	295,920	341,874	45,954	407,846
	<u>2,078,301</u>	<u>2,309,116</u>	<u>230,815</u>	<u>2,455,796</u>
Total charges for services	<u>31,263,694</u>	<u>31,078,225</u>	<u>(185,469)</u>	<u>28,884,406</u>
Fines and forfeits	<u>3,285,000</u>	<u>3,444,419</u>	<u>159,419</u>	<u>3,198,674</u>
Miscellaneous				
Investment income	1,818,004	3,357,004	1,539,000	1,231,409
Other	4,784,066	3,745,022	(1,039,044)	3,538,365
Total miscellaneous	<u>6,602,070</u>	<u>7,102,026</u>	<u>499,956</u>	<u>4,769,774</u>
Total revenues	<u>\$183,062,145</u>	<u>194,512,592</u>	<u>11,450,447</u>	<u>177,187,807</u>

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-3**

For the year ended December 31, 2000

With comparative actual totals for the year ended December 31, 1999

(PAGE 3 OF 4)

	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
Expenditures				
Current expenditures				
General government				
Legislative				
City Council	\$129,000	128,274	726	141,427
Clerk of the Council	731,115	706,336	24,779	792,475
	860,115	834,610	25,505	933,902
Judicial	2,994,981	2,845,530	149,451	2,806,309
Executive - City Manager	670,334	641,835	28,499	657,058
Financial	3,758,501	3,578,119	180,382	3,413,827
Law	2,882,363	2,722,954	159,409	2,637,218
Personnel	1,487,632	1,388,514	99,118	1,345,580
Planning and zoning	3,491,918	3,252,985	238,933	3,328,150
Support Services	11,196,235	10,640,479	555,756	9,232,765
Other	6,523,266	5,116,267	1,406,999	7,513,046
Total general government	33,865,345	31,021,293	2,844,052	31,867,855
Public safety				
Police	55,236,015	52,646,859	2,589,156	50,851,611
Fire	32,700,972	31,230,977	1,469,995	29,333,730
Total public safety	87,936,987	83,877,836	4,059,151	80,185,341
Public works				
Highways and streets				
Maintenance of condition	7,058,175	6,955,618	102,557	7,896,147
Traffic services	3,837,240	3,766,289	70,951	3,864,598
Engineering	3,048,798	2,650,137	398,661	2,416,251
Street lighting	3,716,907	3,844,463	(127,556)	3,803,071
	17,661,120	17,216,507	444,613	17,980,067
Transit	10,116,191	8,768,091	1,348,100	9,231,535
Total public works	27,777,311	25,984,598	1,792,713	27,211,602
Health and welfare				
Communicable disease	693,031	693,031	0	660,369
Culture and recreation	\$14,550,647	14,173,845	376,802	13,546,852

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit B-3**

For the year ended December 31, 2000

With comparative actual totals for the year ended December 31, 1999

(PAGE 4 OF 4)

	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
Urban redevelopment and housing				
Community development	\$3,973,847	3,645,729	328,118	3,528,788
Debt service expenditures				
Principal payments	6,227,150	6,227,000	150	4,365,000
Interest payments	4,975,907	4,975,906	1	3,087,641
Total debt service	11,203,057	11,202,906	151	7,452,641
Capital outlay	24,405,390	9,991,953	14,413,437	9,415,605
Total expenditures	204,405,615	180,591,191	23,814,424	173,869,053
Revenues over (under) expenditures	(21,343,470)	13,921,401	35,264,871	3,318,754
Other financing sources (uses)				
Capital lease financing		692,263	692,263	193,023
Operating transfers - in				
Utilities share of services	1,625,528	1,623,924	(1,604)	1,534,884
Other funds	2,943,299	2,581,593	(361,706)	909,618
Operating transfers - out				
Airport fund	(44,176)	(39,943)	4,233	(43,794)
SCIP fund			0	(11,604,045)
City funded CIP	(6,849,228)	(6,848,731)	497	(7,150,000)
Total other financing sources (uses)	(2,324,577)	(1,990,894)	333,683	(16,160,314)
Revenues and other financing sources over (under) expenditures and other financing uses	(23,668,047)	11,930,507	35,598,554	(12,841,560)
Fund balance - January 1	33,837,807	33,837,807	0	46,679,367
Residual equity transfer - in		13,143	13,143	
Fund balance - December 31	\$10,169,760	45,781,457	35,611,697	33,837,807



CITY OF COLORADO SPRINGS

SPECIAL REVENUE FUNDS

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

Intergovernmental Grant Funds:

**Community Development Block Grant Fund
Home Investment Partnership Fund
Grants Fund**

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

Capital Improvement Funds:

**Sales & Use Tax Capital Improvements Fund
Ballfield Capital Improvements Fund
Bicycle Tax Fund
Trails/Open Space Fund
Conservation Trust Fund**

These Capital Improvement Funds are used to account for the activities of the fund where particular, ear-marked, on-going revenue sources are designated for various capital improvement projects.

Improvement and Maintenance District Funds:

**Old Colorado City Maintenance and Security District
Norwood Special Improvement Maintenance District Fund
Briargate Special Improvement Maintenance District Fund
Stetson Hills Improvement Maintenance District Fund
Woodstone Improvement Maintenance District Fund
Gateway Improvement Maintenance District Fund
Platte Avenue Improvement Maintenance District Fund**

These Improvement and Maintenance District Funds are used to account for the activities of the neighborhood district where revenues are derived from neighborhood taxes and/or assessments and used for specific neighborhood improvements or maintenance purposes.

Public Improvements Funds:

**Public Space and Development Fund
Subdivision Drainage Fund
Arterial Roadway Fund
Park Developer Easement Fund**

These Public Improvements Funds are used to account for the activities of the fund established to finance public infrastructure costs in accordance with City subdivision ordinances.

SPECIAL REVENUE FUNDS CONT'D.

Other Public Improvements Funds:

**Peregrine General Improvement District
Cottonwood General Improvement District
Spring Creek General Improvement District
Number 98-1 General Improvement District**

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

Special Assessment District Fund:

The Special Assessment District Fund is used to account for the activities of Special Assessment districts created to finance neighborhood improvements where revenues are derived from assessments placed upon the benefiting property.

Other Special Revenue Funds:

**Lodgers and Auto Rental Tax Fund
Tree City U.S.A. Fund
Street Tree Fund
Garfield School Maintenance Fund
Business Development Revolving Loan Fund**

These Other Special Revenue Funds are used to account for the activities of the fund where ear-marked revenue is used for certain designated purposes.



CITY OF COLORADO SPRINGS

**ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2000
With comparative totals for December 31, 1999**

	Intergovernmental Grant Funds	Capital Improvement Funds	Improvement and Maintenance District Funds
<u>ASSETS</u>			
Cash and investments	\$0	6,789,904	1,321,381
Accounts receivable - net	7,292,018	1,264	15,365
Sales tax receivable		644,025	
Taxes receivable			
Loans receivable	15,583,089		
Assessments receivable			
Due from other funds	35,975	142,941	27,903
Restricted investments	28,772		
Total assets	22,939,854	7,578,134	1,364,649
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	2,279,502	529,479	15,710
Real estate taxes payable	2,487		
Accrued employee salaries, benefits	115,144	55,600	25,902
Due to other funds	3,302,958		
Deferred revenue			
Loans	15,583,089		
Assessments			
Property taxes			
Grants	1,656,674		
Current portion of long-term debt		2,100,000	
Total liabilities	22,939,854	2,685,079	41,612
Fund balances			
Reserved for			
Encumbrances		1,165,978	72,425
Debt service			
Unreserved			
Designated - subsequent year expenditures		3,116,286	
Undesignated		610,791	1,250,612
Total fund balances	0	4,893,055	1,323,037
Total liabilities and fund balances	\$22,939,854	7,578,134	1,364,649

**CITY OF COLORADO SPRINGS
COLORADO
EXHIBIT C-1**

Public Improvements Funds	Other Public Improvements Funds	Special Assessment District Fund	Other Special Revenue Funds	Totals	
				2000	1999
5,896,573		360,700	2,073,778	16,442,336	17,637,660
135,774		848	37,943	7,483,212	5,596,247
			173,864	817,889	576,474
	779,948			779,948	1,075,880
		637	305,317	15,889,043	13,872,005
		1,282,547		1,282,547	1,352,285
129,108			38,167	374,094	1,063,986
	802,794			831,566	724,077
6,161,455	1,582,742	1,644,732	2,629,069	43,900,635	41,898,614
258,626			6,250	3,089,567	1,593,605
				2,487	5,410
				196,646	260,689
				3,302,958	1,390,926
		637	305,317	15,889,043	13,872,005
		1,282,547		1,282,547	1,352,285
	764,159			764,159	1,058,266
				1,656,674	2,971,720
				2,100,000	0
258,626	764,159	1,283,184	311,567	28,284,081	22,504,906
12,003			19,385	1,269,791	1,184,010
	818,583			818,583	701,606
			949,907	4,066,193	7,469,804
5,890,826		361,548	1,348,210	9,461,987	10,038,288
5,902,829	818,583	361,548	2,317,502	15,616,554	19,393,708
6,161,455	1,582,742	1,644,732	2,629,069	43,900,635	41,898,614

**ALL SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000
 With comparative totals for the year ended December 31, 1999**

	Intergovernmental Grant Funds	Capital Improvement Funds	Improvement and Maintenance District Funds
Revenues			
Taxes	\$0	5,715,653	1,134,844
Intergovernmental	25,920,716	3,001,395	
Charges for services			
Miscellaneous	2,692,676	690,121	100,791
Total revenues	28,613,392	9,407,169	1,235,635
Expenditures			
Current			
Public safety	7,569,206		
Public works	6,846,649		1,071,418
Culture and recreation	1,984,568		
Urban redevelopment and housing	7,789,030		
Economic development			
Economic opportunity			
Miscellaneous	293,151		
Debt service			
Principal and interest		500,000	
Capital outlay	4,130,788	21,371,456	
Total expenditures	28,613,392	21,871,456	1,071,418
Revenues over (under) expenditures	0	(12,464,287)	164,217
Other financing sources (uses)			
Capital lease financing		8,093,679	
Operating transfers-out			
Proceeds of notes payable			
Total other financing sources (uses)	0	8,093,679	0
Revenues and other financing sources over (under) expenditures and other financing uses	0	(4,370,608)	164,217
Fund balances - January 1	0	9,263,663	1,158,820
Fund balances - December 31	\$0	4,893,055	1,323,037

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-2

Public Improvements Funds	Other Public Improvements Funds	Special Assessment District Fund	Other Special Revenue Funds	Totals	
				2000	1999
	1,297,896		3,566,066	11,714,459	10,815,629
				28,922,111	26,569,109
			30,188	30,188	21,222
3,340,653	240,636	341,991	564,453	7,971,321	6,513,232
3,340,653	1,538,532	341,991	4,160,707	48,638,079	43,919,192
				7,569,206	3,582,094
1,813,630				9,731,697	7,516,706
			108,337	2,092,905	4,422,899
				7,789,030	6,704,729
			2,635,778	2,635,778	3,143,182
			5,000	5,000	5,931
	17,172	1,128		311,451	229,329
	1,404,383	324,410		2,228,793	2,037,858
		89,151		25,591,395	16,915,687
1,813,630	1,421,555	414,689	2,749,115	57,955,255	44,558,415
1,527,023	116,977	(72,698)	1,411,592	(9,317,176)	(639,223)
				8,093,679	0
			(2,611,593)	(2,611,593)	(3,163,775)
		57,936		57,936	0
0	0	57,936	(2,611,593)	5,540,022	(3,163,775)
1,527,023	116,977	(14,762)	(1,200,001)	(3,777,154)	(3,802,998)
4,375,806	701,606	376,310	3,517,503	19,393,708	23,196,706
5,902,829	818,583	361,548	2,317,502	15,616,554	19,393,708

**ALL BUDGETED SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
 For the year ended December 31, 2000**

	Improvement and Maintenance District Funds			Public Improvements Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$1,101,594	1,134,844	33,250			
Charges for services						
Miscellaneous	28,424	100,791	72,367	2,505,083	3,340,653	835,570
Total revenues	1,130,018	1,235,635	105,617	2,505,083	3,340,653	835,570
Expenditures						
Current						
Public works	1,324,218	1,071,418	252,800	2,569,245	1,813,630	755,615
Culture and recreation						
Economic development						
Economic opportunity						
Miscellaneous						
Debt service						
Principal and interest						
Total expenditures	1,324,218	1,071,418	252,800	2,569,245	1,813,630	755,615
Revenues over (under) expenditures	(194,200)	164,217	358,417	(64,162)	1,527,023	1,591,185
Other financing uses						
Operating transfers-out						
Total other financing uses	0	0	0	0	0	0
Revenues and other sources over (under) expenditures and other uses-budget basis	(194,200)	164,217	358,417	(64,162)	1,527,023	1,591,185
Add revenues and other financing sources from project length special revenue funds						
Less expenditures and other financing uses from project length special revenue funds						
Revenues and other financing sources over (under) expenditures and other uses-GAAP basis	(194,200)	164,217	358,417	(64,162)	1,527,023	1,591,185
Fund balances - January 1	1,158,820	1,158,820	0	4,375,806	4,375,806	0
Beginning fund balances-project length funds						
Fund balances - December 31	\$964,620	1,323,037	358,417	4,311,644	5,902,829	1,591,185

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-3**

Other Public Improvements Funds			Other Special Revenue Funds			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
1,250,847	1,297,896	47,049	3,520,167	3,566,066	45,899	5,872,608	5,998,806	126,198
			10,400	30,188	19,788	10,400	30,188	19,788
27,750	240,636	212,886	949,376	564,453	(384,923)	3,510,633	4,246,533	735,900
1,278,597	1,538,532	259,935	4,479,943	4,160,707	(319,236)	9,393,641	10,275,527	881,886
						3,893,463	2,885,048	1,008,415
			257,327	108,337	148,990	257,327	108,337	148,990
			3,870,666	2,635,778	1,234,888	3,870,666	2,635,778	1,234,888
			0	5,000	(5,000)	0	5,000	(5,000)
27,450	17,172	10,278				27,450	17,172	10,278
1,404,660	1,404,383	277				1,404,660	1,404,383	277
1,432,110	1,421,555	10,555	4,127,993	2,749,115	1,378,878	9,453,566	7,055,718	2,397,848
(153,513)	116,977	270,490	351,950	1,411,592	1,059,642	(59,925)	3,219,809	3,279,734
			(2,068,593)	(2,611,593)	(543,000)	(2,068,593)	(2,611,593)	(543,000)
0	0	0	(2,068,593)	(2,611,593)	(543,000)	(2,068,593)	(2,611,593)	(543,000)
(153,513)	116,977	270,490	(1,716,643)	(1,200,001)	516,642	(2,128,518)	608,216	2,736,734
							46,514,167	
							(50,899,537)	
(153,513)	116,977	270,490	(1,716,643)	(1,200,001)	516,642		(3,777,154)	
701,606	701,606	0	3,517,503	3,517,503	0		9,753,735	
							9,639,973	
548,093	818,583	270,490	1,800,860	2,317,502	516,642		15,616,554	

**INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-4**

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
<u>ASSETS</u>				
Accounts receivable - net	\$615,403	279,462	6,397,153	7,292,018
Loans receivable	9,894,321	5,598,042	90,726	15,583,089
Due from other funds	143		35,832	35,975
Restricted investments	28,772			28,772
Total assets	10,538,639	5,877,504	6,523,711	22,939,854
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	91,602	182,320	2,005,580	2,279,502
Real estate taxes payable	2,487			2,487
Accrued employee salaries, benefits	75,481		39,663	115,144
Due to other funds	474,748	97,142	2,731,068	3,302,958
Deferred revenue				
Loans	9,894,321	5,598,042	90,726	15,583,089
Grants			1,656,674	1,656,674
Total liabilities	10,538,639	5,877,504	6,523,711	22,939,854
Total liabilities and fund balances	\$10,538,639	5,877,504	6,523,711	22,939,854

**INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-5**

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
Revenues				
Intergovernmental	\$3,583,983	1,563,302	20,773,431	25,920,716
Miscellaneous	1,770,952	210,579	711,145	2,692,676
Total revenues	5,354,935	1,773,881	21,484,576	28,613,392
Expenditures				
Current				
Public safety			7,569,206	7,569,206
Public works			6,846,649	6,846,649
Culture and recreation			1,984,568	1,984,568
Urban redevelopment and housing	5,354,935	1,773,881	660,214	7,789,030
Miscellaneous			293,151	293,151
Capital outlay			4,130,788	4,130,788
Total expenditures	5,354,935	1,773,881	21,484,576	28,613,392
Revenues over (under) expenditures	0	0	0	0
Fund balances - January 1	0	0	0	0
Fund balances - December 31	\$0	0	0	0

**CAPITAL IMPROVEMENT SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-6**

	Sales & Use Tax Capital Improvements Fund	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund	Conservation Trust Fund	Total
ASSETS						
Cash and investments	\$1,156,211	437,929	540,459	2,954,445	1,700,860	6,789,904
Accounts receivable - net			1,264			1,264
Sales tax receivable				644,025		644,025
Due from other funds	32,977	8,620	13,148	52,686	35,510	142,941
Total assets	1,189,188	446,549	554,871	3,651,156	1,736,370	7,578,134
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	41,242	574		69,175	418,488	529,479
Accrued employee salaries, benefits				11,559	44,041	55,600
Current portion of long-term debt				2,100,000		2,100,000
Total liabilities	41,242	574	0	2,180,734	462,529	2,685,079
Fund balances						
Reserved for Encumbrances	242,282		249,644	490,995	183,057	1,165,978
Unreserved						
Designated - subsequent year expenditures	769,828	164,041	112,206	979,427	1,090,784	3,116,286
Undesignated	135,836	281,934	193,021			610,791
Total fund balances	1,147,946	445,975	554,871	1,470,422	1,273,841	4,893,055
Total liabilities and fund balances	\$1,189,188	446,549	554,871	3,651,156	1,736,370	7,578,134

**CAPITAL IMPROVEMENT SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-7**

	Sales & Use Tax Capital Improvements Fund	Ballfield Capital Improvements Fund	Bicycle Tax Fund	Trails/Open Space Fund	Conservation Trust Fund	Total
Revenues						
Taxes	\$0		146,044	5,569,609		5,715,653
Intergovernmental					3,001,395	3,001,395
Miscellaneous	136,167	132,100	42,935	246,985	131,934	690,121
Total revenues	136,167	132,100	188,979	5,816,594	3,133,329	9,407,169
Expenditures						
Debt service				500,000		500,000
Capital outlay	1,162,902	234,626	127,545	16,740,495	3,105,888	21,371,456
Total expenditures	1,162,902	234,626	127,545	17,240,495	3,105,888	21,871,456
Revenues over (under) expenditures	(1,026,735)	(102,526)	61,434	(11,423,901)	27,441	(12,464,287)
Other financing sources						
Capital lease financing				8,093,679		8,093,679
Total other financing sources	0	0	0	8,093,679	0	8,093,679
Revenues and other financing sources over (under) expenditures	(1,026,735)	(102,526)	61,434	(3,330,222)	27,441	(4,370,608)
Fund balances - January 1	2,174,681	548,501	493,437	4,800,644	1,246,400	9,263,663
Fund balances - December 31	\$1,147,946	445,975	554,871	1,470,422	1,273,841	4,893,055

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2000**

	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Briargate Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
<u>ASSETS</u>				
Cash and investments	\$146,403	411,200	579,435	72,446
Accounts receivable - net	877	4,041	8,764	1,437
Due from other funds	3,078	8,487	12,394	1,604
Total assets	150,358	423,728	600,593	75,487
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	2,205	2,361	8,896	935
Accrued employee salaries, benefits	4,786	5,246	15,870	
Total liabilities	6,991	7,607	24,766	935
Fund balances				
Reserved for Encumbrances		65,276	800	6,349
Unreserved Undesignated	143,367	350,845	575,027	68,203
Total fund balances	143,367	416,121	575,827	74,552
Total liabilities and fund balances	\$150,358	423,728	600,593	75,487

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-8

Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
71,443	7,906	32,548	1,321,381
194	52		15,365
1,467	168	705	27,903
73,104	8,126	33,253	1,364,649
1,220	93		15,710
			25,902
1,220	93	0	41,612
			72,425
71,884	8,033	33,253	1,250,612
71,884	8,033	33,253	1,323,037
73,104	8,126	33,253	1,364,649

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2000**

	121	130	133	134
	Old Colorado City Maintenance and Security District Fund	Norwood Special Improvement Maintenance District Fund	Briargate Special Improvement Maintenance District Fund	Stetson Hills Improvement Maintenance District Fund
Revenues				
Taxes	\$72,451	305,277	609,632	118,564
Miscellaneous	8,084	32,547	48,414	5,620
Total revenues	80,535	337,824	658,046	124,184
Expenditures				
Current Public works	66,637	272,574	593,266	120,666
Total expenditures	66,637	272,574	593,266	120,666
Revenues over expenditures	13,898	65,250	64,780	3,518
Fund balances - January 1	129,469	350,871	511,047	71,034
Fund balances - December 31	\$143,367	416,121	575,827	74,552

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-9

<i>135</i>	<i>136</i>	<i>137</i>	
Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
15,981	4,361	8,578	1,134,844
3,777	466	1,883	100,791
19,758	4,827	10,461	1,235,635
6,930	4,200	7,145	1,071,418
6,930	4,200	7,145	1,071,418
12,828	627	3,316	164,217
59,056	7,406	29,937	1,158,820
71,884	8,033	33,253	1,323,037

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-10**

Revenues:	Budget	Actual	Variance Favorable (Unfavorable)
Taxes:			
Old Colorado City Maintenance and Security District Fund	\$68,384	72,451	4,067
Norwood Special Improvement Maintenance District Fund	315,132	305,277	(9,855)
Briargate Special Improvement Maintenance District Fund	578,046	609,632	31,586
Stetson Hills Improvement Maintenance District Fund	112,159	118,564	6,405
Woodstone Improvement Maintenance District Fund	15,124	15,981	857
Gateway Improvement Maintenance District Fund	4,250	4,361	111
Platte Avenue Improvement Maintenance District Fund	8,499	8,578	79
Total taxes	1,101,594	1,134,844	33,250
Miscellaneous:			
Old Colorado City Maintenance and Security District Fund	6,270	8,084	1,814
Norwood Special Improvement Maintenance District Fund	5,225	32,547	27,322
Briargate Special Improvement Maintenance District Fund	12,540	48,414	35,874
Stetson Hills Improvement Maintenance District Fund	2,090	5,620	3,530
Woodstone Improvement Maintenance District Fund	1,045	3,777	2,732
Gateway Improvement Maintenance District Fund	209	466	257
Platte Avenue Improvement Maintenance District Fund	1,045	1,883	838
Total miscellaneous	28,424	100,791	72,367
Total revenues	\$1,130,018	1,235,635	105,617

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-11**

Expenditures:	Budget	Actual	Variance Favorable (Unfavorable)
Current:			
Public works:			
Old Colorado City Maintenance and Security District Fund	\$86,654	66,637	20,017
Norwood Special Improvement Maintenance District Fund	468,357	272,574	195,783
Briargate Special Improvement Maintenance District Fund	605,786	593,266	12,520
Stetson Hills Improvement Maintenance District Fund	133,249	120,666	12,583
Woodstone Improvement Maintenance District Fund	16,169	6,930	9,239
Gateway Improvement Maintenance District Fund	4,459	4,200	259
Platte Avenue Improvement Maintenance District Fund	9,544	7,145	2,399
Total expenditures	\$1,324,218	1,071,418	252,800

**PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-12**

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Park Developer Easement Fund	Total
<u>ASSETS</u>					
Cash and investments	\$1,958,793	3,435,804	482,182	19,794	5,896,573
Accounts receivable - net	133,688	2,063	23		135,774
Due from other funds	41,607	74,821	12,273	407	129,108
Total assets	2,134,088	3,512,688	494,478	20,201	6,161,455
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	258,626				258,626
Total liabilities	258,626	0	0	0	258,626
Fund balances					
Reserved for Encumbrances	12,003				12,003
Unreserved Undesignated	1,863,459	3,512,688	494,478	20,201	5,890,826
Total fund balances	1,875,462	3,512,688	494,478	20,201	5,902,829
Total liabilities and fund balances	\$2,134,088	3,512,688	494,478	20,201	6,161,455

**PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-13**

	151 Public Space and Development Fund	152 Subdivision Drainage Fund	153 Arterial Roadway Fund	150 Park Developer Easement Fund	Total
Revenues					
Miscellaneous	\$1,048,535	2,113,597	177,444	1,077	3,340,653
Total revenues	1,048,535	2,113,597	177,444	1,077	3,340,653
Expenditures					
Current Public works	712,841	943,596	157,193		1,813,630
Total expenditures	712,841	943,596	157,193	0	1,813,630
Revenues over expenditures	335,694	1,170,001	20,251	1,077	1,527,023
Fund balances - January 1	1,539,768	2,342,687	474,227	19,124	4,375,806
Fund balances - December 31	\$1,875,462	3,512,688	494,478	20,201	5,902,829

**PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
 For the year ended December 31, 2000**

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	Public Space and Development Fund			Subdivision Drainage Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Miscellaneous	\$660,000	1,048,535	388,535	1,667,500	2,113,597	446,097
Total revenues	660,000	1,048,535	388,535	1,667,500	2,113,597	446,097
Expenditures						
Current Public works	724,845	712,841	12,004	1,667,500	943,596	723,904
Total expenditures	724,845	712,841	12,004	1,667,500	943,596	723,904
Revenues over (under) expenditures	(64,845)	335,694	400,539	0	1,170,001	1,170,001
Fund balances - January 1	1,539,768	1,539,768	0	2,342,687	2,342,687	0
Fund balances - December 31	\$1,474,923	1,875,462	400,539	2,342,687	3,512,688	1,170,001

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Arterial Roadway Fund			Park Developer Easement Fund			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
176,900	177,444	544	683	1,077	394	2,505,083	3,340,653	835,570
176,900	177,444	544	683	1,077	394	2,505,083	3,340,653	835,570
176,900	157,193	19,707	0	0	0	2,569,245	1,813,630	755,615
176,900	157,193	19,707	0	0	0	2,569,245	1,813,630	755,615
0	20,251	20,251	683	1,077	394	(64,162)	1,527,023	1,591,185
474,227	474,227	0	19,124	19,124	0	4,375,806	4,375,806	0
474,227	494,478	20,251	19,807	20,201	394	4,311,644	5,902,829	1,591,185

**OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2000**

	150 Peregrine General Improvement District	151 Cottonwood General Improvement District	158 Spring Creek General Improvement District
<u>ASSETS</u>			
Taxes receivable	\$3,398	540,491	235,259
Restricted investments	53,613	568,466	114,430
Total assets	57,011	1,108,957	349,689
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Deferred revenue - property taxes		531,474	232,685
Total liabilities	0	531,474	232,685
Fund balances			
Reserved for debt service	57,011	577,483	117,004
Total fund balances	57,011	577,483	117,004
Total liabilities and fund balances	\$57,011	1,108,957	349,689

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-15**

**Number 98-1
 General
 Improvement**

District	Total
800	779,948
66,285	802,794
<u>67,085</u>	<u>1,582,742</u>
	<u>764,159</u>
<u>0</u>	<u>764,159</u>
<u>67,085</u>	<u>818,583</u>
<u>67,085</u>	<u>818,583</u>
<u>67,085</u>	<u>1,582,742</u>

**OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000**

	Peregrine General Improvement District	Cottonwood General Improvement District	Spring Creek General Improvement District
Revenues			
Taxes	\$279,555	740,731	211,730
Miscellaneous	16,732	140,582	82,077
Total revenues	296,287	881,313	293,807
Expenditures			
Current			
Miscellaneous	7,000	4,633	5,499
Debt service			
Principal and interest	366,223	795,760	242,400
Total expenditures	373,223	800,393	247,899
Revenues over (under) expenditures	(76,936)	80,920	45,908
Fund balances - January 1	133,947	496,563	71,096
Fund balances - December 31	\$57,011	577,483	117,004

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-16**

Number 98-1 General Improvement District	Total
65,880	1,297,896
1,245	240,636
<hr/>	
67,125	1,538,532
<hr/>	
40	17,172
<hr/>	
	1,404,383
<hr/>	
40	1,421,555
<hr/>	
67,085	116,977
0	701,606
<hr/>	
67,085	818,583
<hr/> <hr/>	

**OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
 For the year ended December 31, 2000**

	Peregrine General Improvement District			Cottonwood General Improvement District		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 271,740	279,555	7,815	712,038	740,731	28,693
Miscellaneous	5,500	16,732	11,232	20,000	140,582	120,582
Total revenues	277,240	296,287	19,047	732,038	881,313	149,275
Expenditures						
Current						
Miscellaneous	8,500	7,000	1,500	8,450	4,633	3,817
Debt service						
Principal and interest	366,500	366,223	277	795,760	795,760	0
Total expenditures	375,000	373,223	1,777	804,210	800,393	3,817
Revenues over (under) expenditures	(97,760)	(76,936)	20,824	(72,172)	80,920	153,092
Fund balances - January 1	133,947	133,947	0	496,563	496,563	0
Fund balances - December 31	\$36,187	57,011	20,824	424,391	577,483	153,092

Spring Creek General Improvement District			Number 98-1 General Improvement District			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
203,884	211,730	7,846	63,185	65,880	2,695	1,250,847	1,297,896	47,049
500	82,077	81,577	1,750	1,245	(505)	27,750	240,636	212,886
204,384	293,807	89,423	64,935	67,125	2,190	1,278,597	1,538,532	259,935
8,000	5,499	2,501	2,500	40	2,460	27,450	17,172	10,278
242,400	242,400	0				1,404,660	1,404,383	277
250,400	247,899	2,501	2,500	40	2,460	1,432,110	1,421,555	10,555
(46,016)	45,908	91,924	62,435	67,085	4,650	(153,513)	116,977	270,490
71,096	71,096	0	0	0	0	701,606	701,606	0
25,080	117,004	91,924	62,435	67,085	4,650	548,093	818,583	270,490

**OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-18**

	Lodgers and Auto Rental Tax Fund	Tree City U.S.A. Fund	Street Tree Fund	Garfield School Maintenance Fund	Business Development Revolving Loan Fund	Total
<u>ASSETS</u>						
Cash and investments	\$33,264	19,686	528,815	20,211	1,471,802	2,073,778
Accounts receivable - net		35,370		2,573		37,943
Sales tax receivable	173,864					173,864
Loans receivable					305,317	305,317
Due from other funds		461	10,699	250	26,757	38,167
Total assets	207,128	55,517	539,514	23,034	1,803,876	2,629,069
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	2,500	350	3,400			6,250
Deferred revenue - loans					305,317	305,317
Total liabilities	2,500	350	3,400	0	305,317	311,567
Fund balances						
Reserved for Encumbrances	2,500				16,885	19,385
Unreserved						
Designated-subsequent year expenditures	756	12,000	148,801		788,350	949,907
Undesignated	201,372	43,167	387,313	23,034	693,324	1,348,210
Total fund balances	204,628	55,167	536,114	23,034	1,498,559	2,317,502
Total liabilities and fund balances	\$207,128	55,517	539,514	23,034	1,803,876	2,629,069

**OTHER SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-19**

	Lodgers and Auto Rental Tax Fund	Tree City U.S.A. Fund	Street Tree Fund	Garfield School Maintenance Fund	Business Development Revolving Loan Fund	Total
Revenues						
Taxes	\$3,566,066					3,566,066
Charges for services		30,188				30,188
Miscellaneous	1,870	1,499	161,172	15,215	384,697	564,453
Total revenues	3,567,936	31,687	161,172	15,215	384,697	4,160,707
Expenditures						
Current						
Culture and recreation		24,821	83,516			108,337
Economic development	2,488,170				147,608	2,635,778
Economic opportunity				5,000		5,000
Total expenditures	2,488,170	24,821	83,516	5,000	147,608	2,749,115
Revenues over expenditures	1,079,766	6,866	77,656	10,215	237,089	1,411,592
Other financing uses						
Operating transfers-out	(1,168,593)				(1,443,000)	(2,611,593)
Revenues over (under) expenditures and other financing uses	(88,827)	6,866	77,656	10,215	(1,205,911)	(1,200,001)
Fund balances - January 1	293,455	48,301	458,458	12,819	2,704,470	3,517,503
Fund balances - December 31	\$204,628	55,167	536,114	23,034	1,498,559	2,317,502

OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the year ended December 31, 2000

	Lodgers and Auto Rental Tax Fund			Tree City U.S.A. Fund			Street Tree Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$3,520,167	3,566,066	45,899						
Charges for services				10,400	30,188	19,788			
Miscellaneous	32,000	1,870	(30,130)	2,000	1,499	(501)	125,000	161,172	36,172
Total revenues	3,552,167	3,567,936	15,769	12,400	31,687	19,287	125,000	161,172	36,172
Expenditures									
Current									
Culture and recreation				25,000	24,821	179			
Economic development							232,327	83,516	148,811
Economic opportunity	2,538,290	2,488,170	50,120						
Total expenditures	2,538,290	2,488,170	50,120	25,000	24,821	179	232,327	83,516	148,811
Revenues over (under) expenditures	1,013,877	1,079,766	65,889	(12,600)	6,866	19,466	(107,327)	77,656	184,983
Other financing uses									
Operating transfers-out	(1,168,593)	(1,168,593)	0						
Revenues over (under) expenditures and other financing uses	(154,716)	(88,827)	65,889	(12,600)	6,866	19,466	(107,327)	77,656	184,983
Fund balances - January 1	293,455	293,455	0	48,301	48,301	0	458,458	458,458	0
Fund balances - December 31	\$138,739	204,628	65,889	35,701	55,167	19,466	351,131	536,114	184,983

Garfield School Maintenance Fund			Business Development Revolving Loan Fund			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						3,520,167	3,566,066	45,899
						10,400	30,188	19,788
1,000	15,215	14,215	789,376	384,697	(404,679)	949,376	564,453	(384,923)
1,000	15,215	14,215	789,376	384,697	(404,679)	4,479,943	4,160,707	(319,236)
						257,327	108,337	148,990
0	5,000	(5,000)	1,332,376	147,608	1,184,768	3,870,666	2,635,778	1,234,888
						0	5,000	(5,000)
0	5,000	(5,000)	1,332,376	147,608	1,184,768	4,127,993	2,749,115	1,378,878
1,000	10,215	9,215	(543,000)	237,089	780,089	351,950	1,411,592	1,059,642
			(900,000)	(1,443,000)	(543,000)	(2,068,593)	(2,611,593)	(543,000)
1,000	10,215	9,215	(1,443,000)	(1,205,911)	237,089	(1,716,643)	(1,200,001)	516,642
12,819	12,819	0	2,704,470	2,704,470	0	3,517,503	3,517,503	0
13,819	23,034	9,215	1,261,470	1,498,559	237,089	1,800,860	2,317,502	516,642



CITY OF COLORADO SPRINGS

CAPITAL PROJECTS FUNDS

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

1989 Various Purpose Bonds Construction fund

In 1989 the City issued \$27,500,000 of General Obligation bonds to finance an extension of Powers Boulevard and to construct a new Police Operations building. The 1989 Various Purpose Bonds Construction fund is used to account for the disposition of these bond proceeds.

SCIP Construction fund

In 1999 the City issued \$87,975,000 of Sales Tax Revenue bonds to finance various capital improvements. The SCIP Construction fund is used to account for the capital improvements costs through the disposition of the bond proceeds.

City Funded CIP Construction fund

In 1999 the City created a new fund to account for various City funded capital improvements. The City Funded CIP Construction fund receives annual transfers from the General fund.

Adult Sports Complex Construction fund

In 1999 the City issued \$4,205,000 of certificates of participation to finance the adult sports complex facility. The Adult Sports Complex Construction fund is used to account for the facility construction costs through the disposition of the certificate of participation proceeds.

Old City Hall Construction fund

In 2000 the City issued \$7,265,000 of certificates of participation to finance the Old City Hall facility renovation. The Old City Hall Construction fund is used to account for the facility renovation costs through the disposition of the certificate of participation proceeds.

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

December 31, 2000

With comparative totals for December 31, 1999

CITY OF COLORADO SPRINGS

COLORADO

Exhibit D-1

	SCIP	City	Adult	Old	Totals	
	Construction	Funded	Sports	City	2000	1999
	Fund	CIP	Complex	Hall		
		Fund	Construction	Construction		
			Fund	Fund		
ASSETS						
Cash and investments	\$15,454,787	4,238,348			19,693,135	21,372,546
Accounts receivable - net	66,655	5,526			72,181	36,643
Due from other funds	391,668	444,415			836,083	437,981
Restricted investments	64,614,733		756,480	5,314,519	70,685,732	86,066,250
Total assets	80,527,843	4,688,289	756,480	5,314,519	91,287,131	107,913,420
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	3,255,469	118,962	392,053	800,825	4,567,309	1,283,732
Due to other funds	269,940	178,000	100,941	22,554	571,435	4,773,974
Total liabilities	3,525,409	296,962	492,994	823,379	5,138,744	6,057,706
Fund balances						
Reserved for						
Encumbrances	18,530,331	1,119,735	162,400	3,158,918	22,971,384	18,729,143
Unreserved						
Designated-subsequent year expenditures	58,472,103	3,271,592	101,086	1,332,222	63,177,003	83,126,571
Total fund balances	77,002,434	4,391,327	263,486	4,491,140	86,148,387	101,855,714
Total liabilities and fund balances	\$80,527,843	4,688,289	756,480	5,314,519	91,287,131	107,913,420

**CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000
 With comparative totals for the year ended December 31, 1999**

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit D-2**

	1989 Various	SCIP	City	Adult	Old	Totals	
	Purpose Bonds		Funded	Sports	City	2000	1999
	Construction	Construction	Construction	Construction	Construction		
	Fund	Fund	Fund	Fund	Fund		
Revenues							
Charges for services						0	62,500
Miscellaneous							
Investment income	\$0	5,233,308	531,607	99,362	12,182	5,876,459	2,114,931
Total revenues	0	5,233,308	531,607	99,362	12,182	5,876,459	2,177,431
Expenditures							
Debt Service							
Interest payment				196,046	123,853	319,899	36,475
Issuance expense					211,864	211,864	465,968
Capital outlay		24,017,732	5,803,368	2,881,186	2,450,325	35,152,611	13,036,509
Total expenditures	0	24,017,732	5,803,368	3,077,232	2,786,042	35,684,374	13,538,952
Revenues under expenditures	0	(18,784,424)	(5,271,761)	(2,977,870)	(2,773,860)	(29,807,915)	(11,361,521)
Other financing sources (uses)							
Operating transfers - in			6,848,731			6,848,731	21,010,152
Operating transfers -out						0	(31,950)
Proceeds from issuance of certificates of participation					7,265,000	7,265,000	92,180,000
Total other financing sources (uses)	0	0	6,848,731	0	7,265,000	14,113,731	113,158,202
Revenues and other financing sources over (under) expenditures and other financing uses	0	(18,784,424)	1,576,970	(2,977,870)	4,491,140	(15,694,184)	101,796,681
Fund balances - January 1	13,143	95,786,858	2,814,357	3,241,356	0	101,855,714	59,033
Residual equity transfer - out	(13,143)					(13,143)	0
Fund balances - December 31	\$0	77,002,434	4,391,327	263,486	4,491,140	86,148,387	101,855,714



CITY OF COLORADO SPRINGS

ENTERPRISE FUNDS

Enterprise Funds account for the acquisition, operations and maintenance of the City's facilities and services supported by user charges or those for which the City has decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Utilities fund - used to account for the activities related to the provision of water, wastewater, electric generation and transmission, and natural gas distribution services.

Memorial Hospital fund - used to account for all activities of the City owned hospital.

Airport fund - used to account for the activities of the municipal airport.

Patty Jewett Golf fund - used to account for the activities of the City owned golf course.

Valley Hi Golf fund – used to account for the activities of the City owned golf course.

Pikes Peak Highway fund - used to account for the activities of the Pikes Peak Highway.

Human Services Complex fund - used to account for the City owned Senior Citizen Center complex.

Parking System fund - used to account for the activities of City owned parking garages and parking meter activity.

Cemetery fund - used to account for the activities of the two City owned cemeteries.

**ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2000
With comparative totals for December 31, 1999**

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
<u>ASSETS</u>					
Current assets					
Cash and investments	\$106,590,310	15,747,000	32,822,621	1,178,928	648,699
Accounts receivable - net	74,748,489	56,343,000	849,793	13,438	5,918
Interest receivable	1,546,628				
Inventories - at cost	29,175,341	1,950,000			
Due from other funds			744,909	26,189	14,650
Prepaid expenses	2,807,226	2,139,000			
Total current assets	214,867,994	76,179,000	34,417,323	1,218,555	669,267
Restricted assets					
Investments					
Reserve funds	45,711,012		6,118,785		
Interest and principal retirement funds	7,520,278	34,286,000			
Other restricted funds		105,350,000			
Total restricted assets	53,231,290	139,636,000	6,118,785	0	0
Property, plant and equipment					
Land			17,583,412	60,000	931,200
Buildings			84,262,297	1,216,828	225,944
Improvements other than buildings			118,527,361	1,178,613	1,235,074
Machinery and equipment			8,117,284	1,613,069	958,243
Utility plant	2,338,443,717				
Hospital plant		244,435,000			
Less accumulated depreciation and amortization	(743,401,216)	(107,319,000)	(49,302,539)	(2,344,053)	(1,399,630)
Net property, plant and equipment in service	1,595,042,501	137,116,000	179,187,815	1,724,457	1,950,831
Construction in progress	64,421,058	36,571,000	5,231,873	267,154	110,482
Net property, plant and equipment	1,659,463,559	173,687,000	184,419,688	1,991,611	2,061,313
Other assets					
Unamortized bond issuance costs	14,470,412	4,277,000			
Other	20,955,278	770,000			
Total other assets	35,425,690	5,047,000	0	0	0
Total assets	\$1,962,988,533	394,549,000	224,955,796	3,210,166	2,730,580

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

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Totals	
				2000	1999
580,122	539,488	4,873,549	179,116	163,159,833	138,501,944
164,173	1,000	43,064	106,085	132,274,960	108,155,653
				1,546,628	1,359,507
				31,125,341	37,535,802
17,356	12,101	100,971	4,689	920,865	664,784
				4,946,226	4,889,012
761,651	552,589	5,017,584	289,890	333,973,853	291,106,702
				51,829,797	48,075,690
				41,806,278	23,075,697
		5,722,983		111,072,983	103,672,386
0	0	5,722,983	0	204,709,058	174,823,773
667	537,000	2,221,374	140,841	21,474,494	21,474,494
2,537,674	2,501,148	7,398,436	449,190	98,591,517	98,441,240
241,163	64,131	3,184,125	79,900	124,510,367	117,702,264
2,685,187	37,767	156,822	1,738,202	15,306,574	14,040,894
				2,338,443,717	2,223,905,517
				244,435,000	233,117,000
(3,127,636)	(866,730)	(3,514,793)	(661,495)	(911,937,092)	(848,809,664)
2,337,055	2,273,316	9,445,964	1,746,638	1,930,824,577	1,859,871,745
	473,068	4,252,393	84,153	111,411,181	86,791,407
2,337,055	2,746,384	13,698,357	1,830,791	2,042,235,758	1,946,663,152
		267,332		19,014,744	18,731,948
				21,725,278	9,639,720
0	0	267,332	0	40,740,022	28,371,668
3,098,706	3,298,973	24,706,256	2,120,681	2,621,658,691	2,440,965,295

**ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2000
With comparative totals for December 31, 1999**

<u>LIABILITIES AND EQUITY</u>	<u>Utilities Fund</u>	<u>Memorial Hospital Fund</u>	<u>Airport Fund</u>	<u>Patty Jewett Golf Fund</u>	<u>Valley Hi Golf Fund</u>
Current liabilities					
Accounts payable	\$79,110,557	12,602,000	3,237,715	119,550	71,847
Accrued employee salaries, benefits	6,416,709	15,847,000	409,072	30,497	11,493
Customer deposits	893,993				
Due to other funds			2,864	2,977	71,762
Deferred revenue			6,131,622		
Accrued interest	5,501,968				
Current portion of long-term debt	13,182,509	1,690,000	2,362,553		
Total current liabilities	105,105,736	30,139,000	12,143,826	153,024	155,102
Other liabilities					
Estimated liability for injury and damage claims	2,155,317	6,265,000			
Customer advances for construction	7,787,121				
Accrued sick leave benefits	4,307,540		265,001	38,569	13,868
Other	2,215,356				
Total other liabilities	16,465,334	6,265,000	265,001	38,569	13,868
Long-term debt (less current portion)					
Revenue bonds payable	826,860,900	138,414,000	67,210,917		
Notes payable	20,662,455				
Capital lease obligations	2,885,785				
Total long-term debt	850,409,140	138,414,000	67,210,917	0	0
Total liabilities	971,980,210	174,818,000	79,619,744	191,593	168,970
Equity					
Contributions in aid of construction	541,581,493				
Other contributions			97,474,750	164,660	2,846,290
Retained earnings					
Reserved for debt service			6,118,785		
Bond reserve requirements	53,231,290		5,457,889		
Unreserved (deficit)	396,195,540	219,731,000	36,284,628	2,853,913	(284,680)
Total retained earnings (deficit)	449,426,830	219,731,000	47,861,302	2,853,913	(284,680)
Total equity	991,008,323	219,731,000	145,336,052	3,018,573	2,561,610
Total liabilities and equity	\$1,962,988,533	394,549,000	224,955,796	3,210,166	2,730,580

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

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Totals	
				2000	1999
103,938	139,636	280,456	8,879	95,674,578	53,947,484
92,916	2,335	29,217	46,456	22,885,695	17,756,644
				893,993	711,725
3,162	1,589	7,621	423	90,398	129,203
				6,131,622	5,712,786
				5,501,968	5,951,931
67,966		335,000		17,638,028	16,735,824
267,982	143,560	652,294	55,758	148,816,282	100,945,597
				8,420,317	7,968,585
				7,787,121	8,990,816
108,773	2,600	30,335	67,604	4,834,290	4,314,215
				2,215,356	2,611,535
108,773	2,600	30,335	67,604	23,257,084	23,885,151
		8,325,000		1,040,810,817	928,977,954
				20,662,455	21,195,955
208,362				3,094,147	3,659,067
208,362	0	8,325,000	0	1,064,567,419	953,832,976
585,117	146,160	9,007,629	123,362	1,236,640,785	1,078,663,724
				541,581,493	510,127,653
2,354,987	2,511,251	3,347,680	361,995	109,061,613	105,287,291
				6,118,785	6,118,785
				58,689,179	55,886,432
158,602	641,562	12,350,947	1,635,324	669,566,836	684,881,410
158,602	641,562	12,350,947	1,635,324	734,374,800	746,886,627
2,513,589	3,152,813	15,698,627	1,997,319	1,385,017,906	1,362,301,571
3,098,706	3,298,973	24,706,256	2,120,681	2,621,658,691	2,440,965,295

ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Operating revenues					
Charges for services	\$475,216,617	260,342,000	18,725,533	1,593,299	903,627
Other operating revenues		4,401,000			
Total operating revenues	475,216,617	264,743,000	18,725,533	1,593,299	903,627
Operating expenses					
Personal services	83,826,338	133,534,000	5,150,092	549,710	272,274
Other operating expenses	319,635,288	104,770,000	5,942,798	800,728	581,978
Depreciation	66,046,768	15,232,000	6,974,633	201,387	158,443
Total operating expenses	469,508,394	253,536,000	18,067,523	1,551,825	1,012,695
Operating income (loss)	5,708,223	11,207,000	658,010	41,474	(109,068)
Non-operating revenues (expenses)					
Investment income	10,428,341	6,838,000	2,605,622	88,966	52,629
Interest on long-term bonds	(46,632,940)	(4,182,000)	(4,571,892)		
Other interest expense	(84,924)				
Allowance for borrowed funds used during construction	2,730,842				
Allowance for equity funds used during construction	1,484,072				
Passenger facility charges			3,784,227		
Amortization of debt expense	(872,957)				
Other revenue (expense)	(674,333)	(974,000)	(3,287)	36	
Total non-operating revenues (expenses)	(33,621,899)	1,682,000	1,814,670	89,002	52,629
Income (loss) before operating transfers	(27,913,676)	12,889,000	2,472,680	130,476	(56,439)
Operating transfers					
Transfers - in			147,967		
Transfers - out	(1,623,924)			(17,023)	(11,349)
Total operating transfers	(1,623,924)	0	147,967	(17,023)	(11,349)
Net income (loss)	(29,537,600)	12,889,000	2,620,647	113,453	(67,788)
Retained earnings (accumulated deficit) - January 1	478,964,430	206,842,000	45,240,655	2,740,460	(216,892)
Retained earnings (accumulated deficit) - December 31	\$449,426,830	219,731,000	47,861,302	2,853,913	(284,680)

CITY OF COLORADO SPRINGS
COLORADO
Exhibit E-2

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Totals	
				2000	1999
2,462,541	272,897	2,491,417	970,503	762,978,434 4,401,000	665,790,084 3,843,000
2,462,541	272,897	2,491,417	970,503	767,379,434	669,633,084
1,308,516	37,145	293,374	637,447	225,608,896	212,971,717
1,180,574	52,851	677,556	421,861	434,063,634	352,862,849
216,614	50,354	268,945	153,274	89,302,418	80,630,606
2,705,704	140,350	1,239,875	1,212,582	748,974,948	646,465,172
(243,163)	132,547	1,251,542	(242,079)	18,404,486	23,167,912
44,798	48,977	698,856 (379,926)	239,383	21,045,572 (55,766,758) (101,041)	10,099,336 (53,246,300) (116,798)
(16,117)				2,730,842	3,368,689
				1,484,072	1,969,962
				3,784,227	887,763
		(14,715)		(887,672)	(896,949)
10				(1,651,574)	(853,928)
28,691	48,977	304,215	239,383	(29,362,332)	(38,788,225)
(214,472)	181,524	1,555,757	(2,696)	(10,957,846)	(15,620,313)
30,000				177,967	182,473
(39,300)	(1,051)	(29,423)	(9,878)	(1,731,948)	(1,643,563)
(9,300)	(1,051)	(29,423)	(9,878)	(1,553,981)	(1,461,090)
(223,772)	180,473	1,526,334	(12,574)	(12,511,827)	(17,081,403)
382,374	461,089	10,824,613	1,647,898	746,886,627	763,968,030
158,602	641,562	12,350,947	1,635,324	734,374,800	746,886,627

ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Cash flows from operating activities:					
Operating income (loss)	\$5,708,223	11,207,000	658,010	41,474	(109,068)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	66,046,768	15,232,000	6,974,633	201,387	158,443
Amortization and other	11,315	538,000	(3,287)		
Gain on sale of fixed assets					
Provision for loss on accounts receivable	2,511,852				
Other revenue (expense)	(164,805)	(305,000)		36	
(Increase) decrease in assets					
Accounts, interest receivable	(19,612,940)	(5,859,000)	(237,630)	(539)	3,994
Inventories	5,706,506	692,000			
Due from other funds			(222,809)	(1,288)	(3,662)
Deferred debits, prepaid expenses	(1,057,214)	(439,000)			
Other assets	(11,315,558)				
Increase (decrease) in liabilities					
Accounts payable	40,569,491	(1,510,000)	507,337	80,878	67,448
Accrued employee salaries, benefits	621,433	5,103,000	(86,550)	(884)	(3,269)
Customer deposits	182,268				
Due to other funds			(49,859)	2,963	(4,745)
Other liabilities	(1,262,777)	560,000	419,577		
Net cash provided (used) by operating activities	87,944,562	25,219,000	7,959,422	324,027	109,141
Cash flows from non-capital financing activities:					
Operating transfers - in			147,967		
Operating transfers - out	(1,623,924)			(17,023)	(11,349)
Net cash provided (used) by non-capital financing activities	(1,623,924)	0	147,967	(17,023)	(11,349)
Cash flows from capital and related financing activities:					
Increase in contributions in aid of construction, other contributions	24,875,764		3,774,322		
Capital expenditures	(110,620,917)	(49,106,000)	(9,517,722)	(271,575)	(155,868)
Bond issuance costs		(1,642,000)			
Proceeds of long-term debt	67,776,594	59,825,000			
Proceeds from sale of assets	1,657,390				
Repayment of capital lease obligations	(1,442,937)				
Passenger facility charges			3,784,227		
Repayment of long-term debt	(11,382,160)	(1,610,000)	(2,305,000)		
Interest on long-term debt	(47,052,334)	(4,182,000)	(3,827,798)		
Other interest payments	(115,493)				
Advances for construction	(1,203,695)				
Net cash provided (used) by capital and related financing activities	(\$77,507,788)	3,285,000	(8,091,971)	(271,575)	(155,868)

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

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Totals	
				2000	1999
(243,163)	132,547	1,251,542	(242,079)	18,404,486	23,167,912
216,614	50,354	268,945	153,274	89,302,418	80,630,606
				546,028	4,305,698
				0	(1,251)
				2,511,852	4,354,224
10				(469,759)	(288,833)
(113,449)		(24,102)	(29,163)	(25,872,829)	2,298,092
11,955				6,410,461	(11,285,630)
(508)	(3,896)	(38,518)	14,600	(256,081)	188,740
				(1,496,214)	151,930
				(11,315,558)	(6,915,223)
57,207	131,215	197,561	(299,886)	39,801,251	(10,223,801)
7,176	107	11,725	(3,612)	5,649,126	(352,104)
				182,268	(134,056)
2,596	1,589	7,487	423	(39,546)	(902,691)
				(283,200)	1,899,567
(61,562)	311,916	1,674,640	(406,443)	123,074,703	86,893,180
30,000				177,967	182,473
(39,300)	(1,051)	(29,423)	(9,878)	(1,731,948)	(1,643,563)
(9,300)	(1,051)	(29,423)	(9,878)	(1,553,981)	(1,461,090)
(64,800)	(473,068)	(2,986,393)	(804,796)	28,650,086	24,404,750
				(174,001,139)	(157,661,154)
				(1,642,000)	(290,967)
				127,601,594	74,386,534
				1,657,390	1,205,612
(83,559)				(1,526,496)	(836,702)
				3,784,227	887,763
		(325,000)		(15,622,160)	(14,791,155)
		(379,926)		(55,442,058)	(52,646,874)
(16,117)				(131,610)	(101,317)
				(1,203,695)	(50,802)
(164,476)	(473,068)	(3,691,319)	(804,796)	(87,875,861)	(125,494,312)

ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Cash flows from investing activities:					
Interest received on investments	\$6,118,980	6,838,000	1,902,478	64,168	37,866
Purchases of investments	(116,209,829)	(29,487,000)	(10,847,568)	(382,799)	(207,563)
Proceeds from sales and maturities of investments	108,511,828		9,402,623	317,978	254,943
Net cash provided (used) by investing activities	(1,579,021)	(22,649,000)	457,533	(653)	85,246
Net increase (decrease) in cash	7,233,829	5,855,000	472,951	34,776	27,170
Cash - January 1	1,156,936	9,892,000	320,018	13,707	8,503
Cash - December 31	8,390,765	15,747,000	792,969	48,483	35,673
 Cash	 8,390,765	 15,747,000	 792,969	 48,483	 35,673
Investments	98,199,545		32,029,652	1,130,445	613,026
Total cash and investments	\$106,590,310	15,747,000	32,822,621	1,178,928	648,699
 Noncash investing, capital and financing activities:					
Amortization, charge-off of debt discount and expense	\$872,957				
Noncash contributions in aid of construction	3,930,045				
Noncash acquisition of property, plant, and equipment (incurrence of payable/capital lease obligation)	10,782,492				
Unrealized gain (loss) on investments		3,810,000	703,144	24,798	14,763

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

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Totals	
				2000	1999
28,786 (191,725)	35,054 (178,296)	601,929 (1,610,662)	220,473 (59,197)	15,847,734 (159,174,639)	12,329,176 (181,426,635)
402,275	309,995	3,120,707	1,049,079	123,369,428	194,574,761
239,336	166,753	2,111,974	1,210,355	(19,957,477)	25,477,302
3,998	4,550	65,872	(10,762)	13,687,384	(14,584,920)
10,017	8,484	51,869	15,089	11,476,623	26,061,543
14,015	13,034	117,741	4,327	25,164,007	11,476,623
14,015 566,107	13,034 526,454	117,741 4,755,808	4,327 174,789	25,164,007 137,995,826	11,476,623 127,025,321
580,122	539,488	4,873,549	179,116	163,159,833	138,501,944
		14,715		887,672 3,930,045	884,686 1,833,396
359,887 16,012	13,923	54,227 96,927	18,910	11,196,606 4,698,477	14,482,422 3,317,922



CITY OF COLORADO SPRINGS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Support Services fund - used to account for centralized fleet management, facilities management, information services and risk and safety administration activities.

Claims Reserve Self-Insurance fund - used to account for self-insurance activities of the City (except Utilities and Hospital) in the areas of general liability and property coverage.

Workers Compensation Self-Insurance fund - used to account for the self-insurance activities related to employee workers compensation (except Hospital).

Employee Benefits Self-Insurance fund - used to account for self-insurance activities of the City employee benefit program (except Hospital).

**ALL INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET**

December 31, 2000

With comparative totals for December 31, 1999

	Support Services Fund	Claims Reserve Self-Insurance Fund	Workers Compensation Self-Insurance Fund	Employee Benefits Self-Insurance Fund
ASSETS				
Current assets				
Cash and investments	\$0	2,481,432	7,474,609	4,296,555
Accounts receivable - net	921,447		147,713	604
Inventories - at cost	778,854			
Due from other funds	584	50,541	152,379	91,545
Prepaid expenses			115,040	
Total current assets	1,700,885	2,531,973	7,889,741	4,388,704
Property, plant and equipment				
Land	25,720			
Buildings	259,939			
Improvements other than buildings	403,200			
Machinery and equipment	8,361,904		184,770	
Less accumulated depreciation	(5,426,701)		(83,193)	
Net property, plant and equipment in service	3,624,062	0	101,577	0
Construction in progress	50,000			
Net property, plant and equipment	3,674,062	0	101,577	0
Total assets	5,374,947	2,531,973	7,991,318	4,388,704
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable	1,129,640	1,098,056	6,368,445	4,356,499
Accrued employee salaries, benefits	872,840		9,465	
Due to other funds	1,518,609		1,150,000	
Deferred revenue			57,520	
Current portion of long-term debt	211,905			
Total current liabilities	3,732,994	1,098,056	7,585,430	4,356,499
Other liabilities				
Accrued sick leave benefits	686,009		8,234	
Long-term debt (less current portion)				
Capital lease obligations	818,888			
Total liabilities	5,237,891	1,098,056	7,593,664	4,356,499
Equity				
Contributed capital	1,230,087			
Retained earnings				
Unreserved (deficit)	(1,093,031)	1,433,917	397,654	32,205
Total equity	137,056	1,433,917	397,654	32,205
Total liabilities and equity	\$5,374,947	2,531,973	7,991,318	4,388,704

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit F-1**

Totals	
2000	1999
14,252,596	16,979,637
1,069,764	801,994
778,854	759,260
295,049	670,787
115,040	0
16,511,303	19,211,678
25,720	25,720
259,939	232,826
403,200	403,200
8,546,674	8,045,635
(5,509,894)	(4,777,184)
3,725,639	3,930,197
50,000	172,568
3,775,639	4,102,765
20,286,942	23,314,443
12,952,640	14,411,613
882,305	894,060
2,668,609	1,924,305
57,520	8,789
211,905	191,721
16,772,979	17,430,488
694,243	649,530
818,888	748,870
18,286,110	18,828,888
1,230,087	1,230,087
770,745	3,255,468
2,000,832	4,485,555
20,286,942	23,314,443

ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999

	Support Services Fund	Claims Reserve Self-Insurance Fund	Workers Compensation Self-Insurance Fund	Employee Benefits Self-Insurance Fund
Operating revenues				
Charges for services	\$22,679,834			
Other operating revenues		585,004	3,828,919	20,277,796
Total operating revenues	22,679,834	585,004	3,828,919	20,277,796
Operating expenses				
Personal services	9,236,430		153,325	
Other operating expenses	13,955,972	1,094,215	5,296,381	20,528,955
Depreciation	730,911		18,386	
Total operating expenses	23,923,313	1,094,215	5,468,092	20,528,955
Operating income (loss)	(1,243,479)	(509,211)	(1,639,173)	(251,159)
Non-operating revenues (expenses)				
Investment income		200,837	589,437	404,882
Other interest expense	(42,996)			
Other revenue (expense)	6,139			
Total non-operating revenues (expenses)	(36,857)	200,837	589,437	404,882
Net income (loss)	(1,280,336)	(308,374)	(1,049,736)	153,723
Retained earnings (accumulated deficit) - January 1	187,305	1,742,291	1,447,390	(121,518)
Retained earnings (accumulated deficit) - December 31	(\$1,093,031)	1,433,917	397,654	32,205

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit F-2**

Totals	Totals
2000	1999
22,679,834	20,578,531
24,691,719	22,248,099
47,371,553	42,826,630
9,389,755	8,794,979
40,875,523	41,792,862
749,297	718,054
51,014,575	51,305,895
(3,643,022)	(8,479,265)
1,195,156	588,510
(42,996)	0
6,139	(9,338)
1,158,299	579,172
(2,484,723)	(7,900,093)
3,255,468	11,155,561
770,745	3,255,468

ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999

	Support Services Fund	Claims Reserve Self-Insurance Fund	Workers Compensation Self-Insurance Fund	Employee Benefits Self-Insurance Fund
Cash flows from operating activities:				
Operating income (loss)	(\$1,243,479)	(509,211)	(1,639,173)	(251,159)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	730,911		18,386	
Other revenue (expense)	6,139			
(Increase) decrease in assets				
Accounts, interest receivable	(119,665)		(147,713)	(392)
Inventories	(19,594)			
Due from other funds	380,996	(7,619)	(28,033)	30,394
Prepaid expenses			(115,040)	
Increase (decrease) in liabilities				
Accounts payable	(4,086)	150,222	630,477	(2,235,586)
Accrued employee salaries, benefits	37,179		(4,221)	
Due to other funds	607,473		136,831	
Other liabilities	(909)	(159)	51,112	(1,313)
Net cash provided (used) by operating activities	374,965	(366,767)	(1,097,374)	(2,458,056)
Cash flows from capital and related financing activities:				
Capital expenditures	(155,202)			
Repayment of capital lease obligations	(176,767)			
Other interest payments	(42,996)			
Net cash used by capital and related financing activities	(374,965)	0	0	0
Cash flows from investing activities:				
Interest received on investments		142,168	412,589	276,570
Purchases of investments		(820,090)	(2,470,288)	(1,419,972)
Proceeds from sales and maturities of investments	0	1,070,226	3,231,894	3,622,723
Net cash provided by investing activities	0	392,304	1,174,195	2,479,321
Net increase in cash	0	25,537	76,821	21,265
Cash - January 1	0	34,412	103,760	82,536
Cash - December 31	0	59,949	180,581	103,801
Cash	0	59,949	180,581	103,801
Investments	0	2,421,483	7,294,028	4,192,754
Total cash and investments	\$0	2,481,432	7,474,609	4,296,555
Noncash investing, capital and financing activities:				
Noncash acquisition of plant in service (incurrence of payable)	266,969			
Unrealized gain (loss) on investments		58,669	176,848	128,312

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit F-3**

Totals	Totals
2000	1999
(3,643,022)	(8,479,265)
749,297	718,054
6,139	(9,338)
(267,770)	507,862
(19,594)	(29,516)
375,738	(171,643)
(115,040)	0
(1,458,973)	3,719,455
32,958	182,829
744,304	1,101,972
48,731	0
(3,547,232)	(2,459,590)
(155,202)	(703,412)
(176,767)	47,864
(42,996)	0
(374,965)	(655,548)
831,327	893,379
(4,710,350)	(9,065,639)
7,924,843	11,394,109
4,045,820	3,221,849
123,623	106,711
220,708	113,997
344,331	220,708
344,331	220,708
13,908,265	16,758,929
14,252,596	16,979,637
266,969	216,999
363,829	(256,997)



CITY OF COLORADO SPRINGS

FIDUCIARY FUNDS

Fiduciary funds are used to account for the assets held by the City in a trustee capacity or as an agent for other agencies, individuals, private organizations or governmental units. Included in the Fiduciary Funds are expendable and non-expendable trust funds and agency funds.

Expendable Trusts:

Gift Trust fund - used to account for the activities of various gifts and donations to the City.

Therapeutic Recreation fund - used to account for gifts and donations received for a specific Parks and Recreation program.

Cultural Affairs fund - used to account for gifts and donations received for a specific Parks and Recreation program.

City Manager Contract fund - used to account for set-aside of salary in accordance with the City Manager employment contract.

Senior Programs fund - used to account for gifts and donations received for a specific Parks and Recreation program.

Non-Expendable Trusts:

Cemetery Endowment fund - used to account for the investment activities of the Cemetery Endowment corpus with investment earnings used to finance cemetery operations.

Krupinski, C.D. Smith, Perkins, Sabin, Woods, and TOPS Maintenance Trust funds - used to account for the investment activities of each funds' corpus with investment earnings used in accordance with trust provisions.

Pension Trust:

Pension Trust fund – used to account for assets of the Colorado Springs Fire and Police pension plans.

Agency:

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

**ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 2000
With comparative totals for December 31, 1999**

	Expendable Trust Funds	Non-expendable Trust Funds	Pension Trust Fund	Agency Funds
<u>ASSETS</u>				
Cash and investments	\$2,798,035	562,700		5,718,045
Accounts receivable - net	7,288	3,153	11,698	1,162,437
Interest receivable			1,753,623	
Due from other funds	55,714	10,689		611
Other assets			16,611	
Restricted investments		7,638,786	367,636,264	
Total assets	2,861,037	8,215,328	369,418,196	6,881,093
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	80,994	291	236,024	3,790,691
Due to other funds				3,090,402
Other liabilities			68,285	
Total liabilities	80,994	291	304,309	6,881,093
Fund balances				
Reserved for				
Encumbrances	128,898			
Parks endowments		261,276		
Museum endowments				
Library endowments		7,977		
Senior center endowments		870,483		
Cemetery perpetual care endowments		7,075,301		
Reserved for employees' pension benefits			369,113,887	
Unreserved				
Designated for purposes of trust	2,651,145			
Total fund balances	2,780,043	8,215,037	369,113,887	0
Total liabilities and fund balances	\$2,861,037	8,215,328	369,418,196	6,881,093

**CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit G-1**

Totals	
2000	1999 (as restated)
9,078,780	9,412,744
1,184,576	303,765
1,753,623	1,422,335
67,014	55,809
16,611	12,453
<u>375,275,050</u>	<u>321,833,543</u>
<u>387,375,654</u>	<u>333,040,649</u>

4,108,000	3,573,242
3,090,402	2,541,575
68,285	248,127
<u>7,266,687</u>	<u>6,362,944</u>

128,898	198,264
261,276	198,706
	2,602
7,977	7,927
870,483	739,920
7,075,301	6,571,928
369,113,887	315,963,936
<u>2,651,145</u>	<u>2,994,422</u>
<u>380,108,967</u>	<u>326,677,705</u>
<u>387,375,654</u>	<u>333,040,649</u>

**ALL EXPENDABLE TRUST FUNDS
 COMBINING BALANCE SHEET
 December 31, 2000
 With comparative totals for December 31, 1999**

	Gift Trust Fund	Therapeutic Recreation Fund	Cultural Affairs Fund
<u>ASSETS</u>			
Cash and investments	\$2,293,374	16,280	500
Accounts receivable-net	7,288		
Due from other funds	46,676	335	
Total assets	2,347,338	16,615	500
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	80,994		
Total liabilities	80,994	0	0
Fund balances			
Reserved for Encumbrances	128,898		
Unreserved Designated for purposes of trust	2,137,446	16,615	500
Total fund balances	2,266,344	16,615	500
Total liabilities and fund balances	\$2,347,338	16,615	500

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-2**

City Manager Contract Fund	Senior Programs Fund	Totals	
		2000	1999
60,622	427,259	2,798,035	3,197,121
		7,288	22
	8,703	55,714	49,491
60,622	435,962	2,861,037	3,246,634
		80,994	53,948
0	0	80,994	53,948
		128,898	198,264
60,622	435,962	2,651,145	2,994,422
60,622	435,962	2,780,043	3,192,686
60,622	435,962	2,861,037	3,246,634

**ALL EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2000
 With comparative totals for the year ended December 31, 1999**

	651 Gift Trust Fund	652 Therapeutic Recreation Fund	655 Cultural Affairs Fund
Revenues			
Miscellaneous revenue			
Donations	\$816,527		
Investment income	133,558	887	5
Total revenues	950,085	887	5
Expenditures			
Culture and recreation			
Designated community projects	1,452,315		
Total expenditures	1,452,315	0	0
Revenues over (under) expenditures	(502,230)	887	5
Fund balances - January 1	2,765,972	15,728	495
Residual equity transfer - in	2,602		
Fund balances - December 31	\$2,266,344	16,615	500

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-3**

<i>652</i> City Manager Contract Fund	<i>653</i> Senior Programs Fund	Totals	
		2000	1999
	64,106	880,633	1,903,240
	21,987	156,437	122,801
0	86,093	1,037,070	2,026,041
		1,452,315	733,790
0	0	1,452,315	733,790
0	86,093	(415,245)	1,292,251
60,622	349,869	3,192,686	1,900,435
		2,602	
60,622	435,962	2,780,043	3,192,686

**ALL NON-EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
December 31, 2000
With comparative totals for December 31, 1999**

	Cemetery Endowment Fund	C. D. Smith Trust Fund	Perkins Trust Fund	Sabine Trust Fund
<u>ASSETS</u>				
Cash and investments	\$4,226	294,400	3,019	1,472
Accounts receivable - net	1,290	1,863		
Due from other funds	170	5,094	62	30
Restricted investments	7,069,660	569,126		
Total assets	7,075,346	870,483	3,081	1,502
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	45			72
Total liabilities	45	0	0	72
Fund balances				
Reserved for				
Parks endowments				
Museum endowments				
Library endowments			3,081	1,430
Senior center endowments		870,483		
Cemetery perpetual care endowments	7,075,301			
Total fund balances	7,075,301	870,483	3,081	1,430
Total liabilities and fund balances	\$7,075,346	870,483	3,081	1,502

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-4**

Woods Trust Fund	TOPS Maintenance Trust Fund	Totals	
		2000	1999
3,567	256,016	562,700	475,940
		3,153	405
73	5,260	10,689	6,208
		7,638,786	7,038,575
3,640	261,276	8,215,328	7,521,128
<hr/>			
		291	45
174			
<hr/>			
		291	45
174	0		
<hr/>			
	261,276	261,276	198,706
			2,602
3,466		7,977	7,927
		870,483	739,920
		7,075,301	6,571,928
<hr/>			
3,466	261,276	8,215,037	7,521,083
<hr/>			
3,640	261,276	8,215,328	7,521,128
<hr/>			

**ALL NON-EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES**

For the year ended December 31, 2000

With comparative totals for the year ended December 31, 1999

	Cemetery Endowment Fund	Krupinski Memorial Fund	C. D. Smith Trust Fund
Operating revenues			
Miscellaneous:			
Endowments	\$79,745		
Interest income			57,810
Total operating revenues	<u>79,745</u>	<u>0</u>	<u>57,810</u>
Operating expenses			
Miscellaneous			
Total operating expenses	<u>0</u>	<u>0</u>	<u>0</u>
Operating income	<u>79,745</u>	<u>0</u>	<u>57,810</u>
Non-operating revenue (expenses)			
Net increase (decrease) in the fair value of investments	<u>423,628</u>		<u>72,753</u>
Total non-operating revenue (expenses)	<u>423,628</u>	<u>0</u>	<u>72,753</u>
Net income	503,373	0	130,563
Fund balances - January 1	<u>6,571,928</u>	<u>2,602</u>	<u>739,920</u>
Residual equity transfer - out		<u>(2,602)</u>	
Fund balances - December 31	<u>\$7,075,301</u>	<u>0</u>	<u>870,483</u>

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-5**

Perkins Trust Fund	Sabine Trust Fund	Woods Trust Fund	TOPS Maintenance Trust Fund	Totals	
				2000	1999
			50,000	129,745	77,725
166	80	194	12,570	70,820	52,052
166	80	194	62,570	200,565	129,777
144	72	174		390	8,898
144	72	174	0	390	8,898
22	8	20	62,570	200,175	120,879
				496,381	(36,462)
0	0	0	0	496,381	(36,462)
22	8	20	62,570	696,556	84,417
3,059	1,422	3,446	198,706	7,521,083	7,436,666
				(2,602)	0
3,081	1,430	3,466	261,276	8,215,037	7,521,083

**ALL NON-EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the year ended December 31, 2000
 With comparative totals for the year ended December 31, 1999**

	Cemetery Endowment Fund	Krupinski Memorial Fund	C. D. Smith Trust Fund	Perkins Trust Fund
Cash flows from operating activities:				
Operating income	\$79,745		57,810	22
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
(Increase) decrease in assets				
Accounts receivable	(885)		(1,863)	
Due from other funds	(170)	40	(2,094)	(15)
Other assets				
Increase in liabilities				
Accounts payable				
Net cash provided (used) by operating activities	78,690	40	53,853	7
Noncapital financing activities				
Residual equity transfer - out		(2,602)		
Cash flows from investing activities:				
Proceeds from sale of restricted assets	1,342	3,241	90,373	1,008
Purchase of investments	(80,000)	(732)	(140,445)	(981)
Net cash provided (used) by investing activities	(78,658)	2,509	(50,072)	27
Net increase (decrease) in cash	32	(53)	3,781	34
Cash - January 1	71	53	3,385	39
Cash - December 31	103	0	7,166	73
Cash	103		7,166	73
Investments	4,123		287,234	2,946
Total cash and investments	\$4,226	0	294,400	3,019
Noncash investing activities:				
Unrealized gain on investments	423,628		72,753	

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-6**

Sabine Trust Fund	Woods Trust Fund	TOPS Maintenance Trust Fund	Totals	
			2000	1999
8	20	62,570	200,175	120,879
(8)	(20)	(2,214)	(2,748) (4,481) 0	58,254 1,710 (933,372)
72	174		246	45
72	174	60,356	193,192	(752,484)
			(2,602)	0
424 (478)	1,029 (1,159)	26,546 (83,175)	123,963 (306,970)	1,006,072 (249,718)
(54)	(130)	(56,629)	(183,007)	756,354
18	44	3,727	7,583	3,870
18	43	2,505	6,114	2,244
36	87	6,232	13,697	6,114
36 1,436	87 3,480	6,232 249,784	13,697 549,003	6,114 469,826
1,472	3,567	256,016	562,700	475,940
			496,381	(881,919)

STATEMENT OF PLAN NET ASSETS
December 31, 2000
With comparative totals for December 31, 1999

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-7

	Pension Trust Fund	Totals	
		2000	1999
<u>ASSETS</u>			
Accounts receivable - net	\$11,698	11,698	18,946
Interest receivable	1,753,623	1,753,623	1,422,335
Other assets	16,611	16,611	12,453
Restricted investments	367,636,264	367,636,264	314,794,968
Total assets	369,418,196	369,418,196	316,248,702
<u>LIABILITIES</u>			
Accounts payable	236,024	236,024	36,639
Other liabilities	68,285	68,285	248,127
Total liabilities	304,309	304,309	284,766
Net assets - reserved for employees' pension benefits	\$369,113,887	369,113,887	315,963,936

STATEMENT OF CHANGES IN PLAN NET ASSETS
For the year ended December 31, 2000
With comparative totals for the year ended December 31, 1999

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-8

	Pension Trust Fund	Totals	
		2000	1999
Additions			
City and participant contributions	\$7,893,279	7,893,279	6,736,933
Other income	1,994,915	1,994,915	2,017,408
Investment earnings:			
Interest and dividend income	7,063,919	7,063,919	7,427,604
Rental income	1,603,856	1,603,856	1,385,180
Net increase in fair value of investments	46,565,660	46,565,660	26,521,090
Total investment earnings	55,233,435	55,233,435	35,333,874
Less investment expenses	1,156,024	1,156,024	1,070,676
Net investment earnings	54,077,411	54,077,411	34,263,198
Total additions	63,965,605	63,965,605	43,017,539
Deductions			
Benefits	9,912,224	9,912,224	7,790,182
Refund	890,678	890,678	717,398
Administrative expenses	12,752	12,752	11,380
Total deductions	10,815,654	10,815,654	8,518,960
Net increase	53,149,951	53,149,951	34,498,579
Net assets held in trust for pension benefits - January 1	315,963,936	315,963,936	281,465,357
Net assets held in trust for pension benefits - December 31	\$ 369,113,887	369,113,887	315,963,936

**AGENCY FUND
COMPARATIVE BALANCE SHEETS
December 31, 2000 and 1999**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-9**

	Miscellaneous	Totals	
	Depository Fund	2000	1999
<u>ASSETS</u>			
Cash and investments	\$5,718,045	5,718,045	5,739,683
Accounts receivable - net	1,162,437	1,162,437	284,392
Due from other funds	611	611	110
Total assets	6,881,093	6,881,093	6,024,185
<u>LIABILITIES</u>			
Accounts payable	3,790,691	3,790,691	3,482,610
Due to other funds	3,090,402	3,090,402	2,541,575
Total liabilities	\$6,881,093	6,881,093	6,024,185

**AGENCY FUND
STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES
For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-10**

ASSETS

	Beginning balance	Debits	Credits	Ending balance
Miscellaneous depository fund				
Cash and investments	\$5,739,683	141,300,622	141,322,260	5,718,045
Accounts receivable - net	284,392	1,391,943	513,898	1,162,437
Due from other funds	110	611	110	611
Total assets	6,024,185	142,693,176	141,836,268	6,881,093

LIABILITIES

	Beginning balance	Debits	Credits	Ending balance
Miscellaneous depository fund				
Accounts payable	3,482,610	11,730,398	12,038,479	3,790,691
Due to other funds	2,541,575	2,550,417	3,099,244	3,090,402
Total liabilities	\$6,024,185	14,280,815	15,137,723	6,881,093



CITY OF COLORADO SPRINGS

GENERAL FIXED ASSETS

**COMPARATIVE SCHEDULE OF
GENERAL FIXED ASSETS BY SOURCE
December 31, 2000 AND 1999**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-1**

	2000	1999
General fixed assets		
Land	\$47,017,872	29,289,893
Buildings	56,174,301	55,430,767
Improvements other than buildings	5,043,587	5,043,587
Machinery and equipment	82,154,139	73,435,098
Construction in progress	37,830,077	15,318,842
Total general fixed assets	228,219,976	178,518,187
Investment in general fixed assets by source		
General fund	112,361,858	107,203,845
Special revenue funds	34,764,886	26,575,480
General obligation bonds	9,094,463	9,094,463
Gifts	908,002	908,002
Grants	36,822,195	31,481,733
Other contributions	195,785	195,785
Other long term debt	34,072,787	3,058,879
Total investment in general fixed assets by source	\$228,219,976	178,518,187

**SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-2**

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:						
Legislative	\$0	726,624		309,117	1,109,490	2,145,231
Judicial		45,495	525	201,487	9,915,375	10,162,882
Executive		20,459	750	196,461		217,670
Finance	8,462,900	22,154,113	67,600	3,316,948	1,038,944	35,040,505
Law				235,668		235,668
Human Resources		38,497		6,295		44,792
Planning and Development		8,005		288,464		296,469
Other		5,197		28,756		33,953
Total General Government	8,462,900	22,998,390	68,875	4,583,196	12,063,809	48,177,170
Public Safety:						
Police	3,076,504	15,333,595	96,025	16,198,846	965,729	35,670,699
Fire	3,210,644	3,714,030	75,399	17,201,719	10,288,765	34,490,557
Total Public Safety	6,287,148	19,047,625	171,424	33,400,565	11,254,494	70,161,256
Public Works:						
Highways and streets	907,560	5,261,638	514,623	35,027,446	4,470,340	46,181,607
Culture and Recreation:	31,137,865	7,888,680	4,126,517	8,866,244	10,041,434	62,060,740
Urban Redevelopment and Housing:						
Community development	222,399	977,968	162,148	276,688		1,639,203
Total General Fixed Assets	\$47,017,872	56,174,301	5,043,587	82,154,139	37,830,077	228,219,976

**SCHEDULE OF CHANGES IN GENERAL
FIXED ASSETS
For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit H-3**

	Balance 01/01/2000	Additions	Deletions	Balance 12/31/2000
Land				
General government	\$8,462,900			8,462,900
Public safety	3,758,715	2,528,433		6,287,148
Public works	907,560			907,560
Culture and recreation	15,938,319	15,199,546		31,137,865
Urban redevelopment and housing	222,399			222,399
Sub-total land	29,289,893	17,727,979	0	47,017,872
Buildings				
General government	22,271,766	726,624		22,998,390
Public safety	19,045,145	2,480		19,047,625
Public works	5,261,638			5,261,638
Culture and recreation	7,874,250	14,430		7,888,680
Urban redevelopment and housing	977,968			977,968
Sub-total buildings	55,430,767	743,534	0	56,174,301
Improvements other than buildings				
General government	68,875			68,875
Public safety	171,424			171,424
Public works	514,623			514,623
Culture and recreation	4,126,517			4,126,517
Urban redevelopment and housing	162,148			162,148
Sub-total improvements other than buildings	5,043,587	0	0	5,043,587
Machinery and equipment				
General government	4,560,279	22,917		4,583,196
Public safety	26,641,623	7,177,851	418,909	33,400,565
Public works	34,169,425	1,689,720	831,699	35,027,446
Culture and recreation	7,787,083	1,111,784	32,623	8,866,244
Urban redevelopment and housing	276,688			276,688
Sub-total machinery and equipment	73,435,098	10,002,272	1,283,231	82,154,139
Construction in progress				
General government	9,915,375	2,148,434		12,063,809
Public safety	1,439,972	9,814,522		11,254,494
Public works	1,154,530	3,315,810		4,470,340
Culture and recreation	2,808,965	7,232,469		10,041,434
Sub-total construction in progress	15,318,842	22,511,235	0	37,830,077
Total General Fixed Assets	\$178,518,187	50,985,020	1,283,231	228,219,976

GENERAL LONG-TERM AND OTHER DEBT

**COMPARATIVE SCHEDULE OF
GENERAL LONG-TERM AND OTHER DEBT
December 31, 2000 and 1999**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit I-1**

	2000	1999
Amount available for retirement of general long-term debt	\$980,083	863,106
Amount to be provided for the payment of general long-term debt		
General obligation bonds	35,113,360	37,876,604
Limited tax obligation bond		338,000
Sales tax revenue bond	81,885,000	85,800,000
Certificates of participation	12,745,000	5,575,000
Special assessment bonds with governmental commitment	1,204,673	1,364,905
Capital lease obligations	10,636,705	4,189,474
Municipal solid waste landfill	527,838	510,482
Compensated absences	9,046,823	8,046,662
Total amount to be provided for the payment of general long-term debt	151,159,399	143,701,127
Total	152,139,482	144,564,233
General long-term debt		
General obligation bonds		
Refunding - 1993	20,405,000	20,975,000
Supplemental "B" interest coupons	3,483,443	5,044,710
Cottonwood series 1998 refunding	8,745,000	9,160,000
Spring Creek plan bonds series 1995	3,460,000	3,560,000
Limited tax obligation bond		
Peregrine series 1992		338,000
Sales tax revenue bond 1999	81,885,000	85,800,000
Certificates of participation		
Hillside recreation center	1,275,000	1,370,000
Recreation facilities authority		
Adult sports complex	4,205,000	4,205,000
Old city hall project series 2000	7,265,000	
Special assessment bonds with governmental commitment		
Woodmen valley water district	941,550	1,040,629
1991 Improvement district		60,000
Garden of the Gods	31,022	56,472
Carmel ID	171,806	191,214
Prospect ID	3,217	3,580
Uintah Street ID	10,192	13,010
15th & Spring	19,379	
Broadmoor West	27,507	
Capital lease obligations	10,636,705	4,189,474
Municipal solid waste landfill	527,838	510,482
Compensated absences	9,046,823	8,046,662
Total general long-term debt	\$152,139,482	144,564,233

**SCHEDULE OF CHANGES IN GENERAL
LONG-TERM AND OTHER DEBT
For the year ended December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Exhibit I-2**

	Balance 01/01/2000	Debt Issued	Debt Retired	Balance 12/31/2000
General obligation bonds				
Refunding - 1993	\$20,975,000		570,000	20,405,000
Supplemental "B" interest coupons	5,044,710	180,733	1,742,000	3,483,443
Cottonwood series 1998 refunding	9,160,000		415,000	8,745,000
Spring Creek plan bonds series 1995	3,560,000		100,000	3,460,000
Limited tax obligation bond				
Peregrine series 1992	338,000		338,000	0
Sales tax revenue bond 1999				
	85,800,000		3,915,000	81,885,000
Certificates of participation				
Hillside recreation center	1,370,000		95,000	1,275,000
Adult sports complex	4,205,000			4,205,000
Old city hall project series 2000		7,265,000		7,265,000
Special assessment bonds and notes				
Woodmen Valley water district	1,040,629		99,079	941,550
1991 Improvement district	60,000		60,000	0
Garden of the Gods	56,472		25,450	31,022
Carmel ID	191,214		19,408	171,806
Prospect ID	3,580		363	3,217
Uintah Street ID	13,010		2,818	10,192
15th & Spring		23,006	3,627	19,379
Broadmoor West		34,930	7,423	27,507
Capital lease obligations				
	4,189,474	8,785,942	2,338,711	10,636,705
Municipal solid waste landfill				
	510,482	17,356		527,838
Compensated absences				
	8,046,662	1,000,161		9,046,823
Total general long-term debt				
	<u>\$144,564,233</u>	<u>17,307,128</u>	<u>9,731,879</u>	<u>152,139,482</u>



CITY OF COLORADO SPRINGS

STATISTICAL SECTION

**GENERAL FUND REVENUES AND
OTHER SOURCES BY TYPE
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 1**

Fiscal Year	Taxes	Licenses and Permits	Intergovern- mental	Charges for Services	Fines and Forfeits	Other	Total
1991	\$68,999,268	\$219,185	\$13,655,036	\$15,802,776	\$1,470,183	\$9,320,307	\$109,466,755
1992	72,117,255	227,561	14,277,482	16,915,504	1,553,162	8,584,939	113,675,903
1993	76,960,975	239,423	14,957,621	19,304,134	1,655,398	8,462,143	121,579,694
1994	82,971,199	257,610	15,145,852	21,966,704	1,675,972	7,236,530	129,253,867
1995	90,453,606	256,213	15,430,242	22,802,171	1,693,146	7,795,212	138,430,590
1996	102,645,973	268,198	16,506,362	24,573,965	2,842,550	4,974,936	151,811,984
1997	103,461,077	268,068	17,490,001	25,108,553	2,980,450	13,257,018	162,565,167
1998	110,931,933	387,932	20,775,551	26,890,767	2,766,577	10,995,166	172,747,926
1999	119,361,794	405,904	20,567,255	28,884,406	3,198,674	7,407,299	179,825,332
2000	131,290,950	402,523	21,194,449	31,078,225	3,444,419	11,999,806	199,410,372

Note: Includes General fund revenues and other sources only.

**GENERAL FUND EXPENDITURES AND
OTHER USES BY FUNCTION
Last Ten Fiscal Years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 2**

Fiscal Year	General Government	Public Safety	Public Works	Culture and Recreation	Debt Service	Other	Total
1991	\$13,069,943	\$49,529,502	\$15,837,214	\$12,068,684	\$4,744,605	\$16,473,118	\$111,723,066
1992	12,053,244	51,290,716	13,574,988	12,049,304	2,882,905	16,583,312	108,434,469
1993	12,840,842	56,467,368	14,305,914	12,605,692	2,884,755	20,911,869	120,016,440
1994	12,649,148	59,318,275	14,857,927	11,191,275	3,451,838	22,247,946	123,716,409
1995	14,071,739	64,256,923	15,965,408	11,740,457	3,362,909	25,110,482	134,507,918
1996	15,094,130	70,460,527	16,445,526	12,577,233	3,361,749	32,829,054	150,768,219
1997	26,104,069	72,616,860	23,440,850	12,618,318	3,403,988	16,922,261	155,106,346
1998	28,677,419	75,955,634	25,415,070	13,241,179	3,360,207	29,683,304	176,332,813
1999	31,867,855	80,185,341	27,211,602	13,546,852	7,452,641	32,402,601	192,666,892
2000	31,021,293	83,877,836	25,984,598	14,173,845	11,202,906	21,219,387	187,479,865

Note: Includes General fund expenditures and other uses only.

**GENERAL FUND TAX REVENUES
BY SOURCE
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 3**

Fiscal Year	Current Property Taxes	Delinquent Property Taxes	Penalty and Interest on Taxes	Specific Ownership Taxes	Other Business Taxes	Sales and Use Taxes	Total Taxes
1991	\$15,876,312	\$154,135	\$33,371	\$1,329,686	\$1,861,820	\$49,743,944	\$68,999,268
1992	12,961,498	155,861	40,785	1,295,140	1,501,122	56,162,849	72,117,255
1993	13,161,508	58,971	47,175	1,419,838	1,047,261	61,226,222	76,960,975
1994	12,198,106	46,569	20,803	1,561,799	603,377	68,540,545	82,971,199
1995	12,582,110	42,950	26,128	1,736,475	382,724	75,683,219	90,453,606
1996	13,630,055	(1,833)	26,938	1,918,160	399,202	86,673,451	102,645,973
1997	13,906,466	1,038	20,108	2,172,767	423,663	86,937,035	103,461,077
1998	14,826,651	100,092	21,386	2,174,795	486,610	93,322,399	110,931,933
1999	15,285,626	102,940	21,421	2,470,627	509,838	100,971,342	119,361,794
2000	16,657,336	(59,235)	26,328	2,762,144	510,851	111,393,526	131,290,950

Note: Includes General fund tax revenues only.

**GENERAL FUND SALES AND USE TAX
PERCENTAGE INCREASE
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 4**

Fiscal Year	Sales and Use Tax Collections	Percentage Increase Over Prior Year
1991	\$49,743,944	0.23%
1992	56,162,849	12.90%
1993	61,226,222	9.02%
1994	68,540,545	11.95%
1995	75,683,219	10.42%
1996	86,673,451	14.52%
1997	86,937,035	0.30%
1998	93,322,399	7.34%
1999	100,971,342	8.20%
2000	111,393,526	10.32%

COLLECTION COSTS AND REQUIRED REFUNDS
Last seven fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 5

Fiscal Year	Collection Cost	Required Refunds
1994	\$1,923,137	\$1,129,671
1995	2,032,639	809,686
1996	2,319,236	1,621,315
1997	2,401,931	1,842,984
1998	2,575,208	638,490
1999	2,786,155	1,110,831
2000	3,088,355	773,330

**PERCENTAGE OF SALES AND USE TAX
COLLECTED IN EACH MONTH
Last seven fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 6**

Month	2000	1999	1998	1997	1996	1995	1994
January	6.66%	6.45%	7.02%	6.89%	6.94%	6.78%	6.77%
February	6.95%	6.81%	7.17%	6.96%	6.73%	6.30%	6.90%
March	8.15%	8.61%	8.43%	8.90%	8.65%	8.04%	8.46%
April	7.25%	7.07%	7.65%	7.19%	7.59%	7.10%	7.65%
May	7.88%	7.83%	7.95%	8.00%	8.60%	8.03%	8.11%
June	9.58%	9.48%	9.60%	9.45%	9.26%	9.02%	9.22%
July	8.21%	8.30%	8.44%	8.31%	8.02%	8.49%	8.18%
August	8.34%	8.39%	8.40%	8.41%	8.64%	8.97%	8.83%
September	8.70%	9.30%	9.24%	9.59%	8.77%	9.53%	8.82%
October	9.13%	7.94%	7.51%	7.70%	8.14%	8.24%	8.15%
November	7.69%	8.38%	8.17%	7.58%	7.64%	8.20%	8.04%
December	11.48%	11.44%	10.42%	11.02%	11.02%	11.30%	10.87%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

**CITY OF COLORADO SPRINGS
COLORADO**
Table 7

Fiscal Year	Assessed Valuation (in 000's)	Total Tax Levy	Total Current Collections	Collections as a Percent of Levy	Current Year Outstanding Delinquent Taxes	All Years Outstanding Delinquent Taxes	All Years Delinquent Taxes as a Percent of Levy
1991	\$2,277,496	\$16,548,410	\$15,876,312	95.9%	\$189,426	\$387,716	2.3%
1992	1,934,970	13,544,842	13,194,987	97.4%	81,475	154,227	1.1%
1993	1,938,256	13,567,851	13,161,508	97.0%	34,173	125,787	0.9%
1994	1,820,592	12,505,703	12,198,106	97.5%	49,796	132,667	1.1%
1995	1,877,999	12,900,036	12,582,110	97.5%	63,127	145,177	1.1%
1996	2,128,294	14,025,519	13,630,055	97.2%	26,883	78,270	0.6%
1997	2,245,461	14,458,582	13,906,466	96.2%	29,442	86,965	0.6%
1998	2,793,988	15,665,948	14,826,651	94.6%	105,514	161,193	1.0%
1999	2,889,454	16,201,255	15,285,626	94.3%	113,319	255,250	1.6%
2000	3,255,179	17,327,379	16,657,336	96.1%	35,478	169,643	1.0%

Notes: Collections are net of positive and negative abatements.

Fiscal year is the year of collection.

Certification of assessed valuation and mill levies is done in the year prior to the year of collection.

Due to state mandated revaluation of property, City assessed valuation nearly doubled from 1987 to 1988. State law, however, limited property tax revenue to a factor of the previous year, causing the City mill levy to decrease accordingly.

**DIRECT AND OVERLAPPING MILL LEVY
RATES - WITHIN CITY LIMITS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 8**

Fiscal Year	City	County Government	School District No 11	Library District	Water Conservancy District	Total
1991	7.266	11.000	38.779	3.252	0.807	61.104
1992	7.000	12.000	41.033	3.252	0.969	64.254
1993	7.000	12.000	41.033	4.167	0.969	65.169
1994	6.869	12.000	40.930	4.431	0.969	65.199
1995	6.869	12.000	40.930	4.431	0.969	65.199
1996	6.590	11.405	38.865	4.107	0.944	61.911
1997	6.439	11.405	45.975	4.059	0.954	68.832
1998	5.607	9.430	39.808	3.493	0.812	59.150
1999	5.607	9.430	39.895	3.548	0.848	59.328
2000	5.323	8.339	36.630	3.336	0.826	54.454

Notes: Fiscal year is the year of collection.
 Certification of assessed valuation and mill levies is done in the year prior to the year of collection.
 Rates include levies for operations and debt service.
 Due to state mandated revaluation of property, City assessed valuation nearly doubled from 1987 to 1988. State law, however, limited property tax revenue to a factor of the previous year, causing the City mill levy to decrease accordingly.

**ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 9**

Fiscal Year	Assessed Valuation (in 000's)	Estimated Actual Valuation (in 000's)	Ratio of Total Assessed to Total Estimated Value
1991	\$2,277,496	\$10,041,783	22.7%
1992	1,934,970	10,101,544	19.2%
1993	1,938,256	10,223,895	19.0%
1994	1,820,592	10,224,837	17.8%
1995	1,877,999	10,598,258	17.7%
1996	2,128,294	13,926,138	15.3%
1997	2,245,461	14,530,272	15.5%
1998	2,793,988	18,219,145	15.3%
1999	2,889,454	18,866,756	15.3%
2000	3,255,179	21,402,262	15.2%

Notes: Fiscal year is the year of collection.
Estimated values provided by data from El Paso
County Assessor's Office.

**RATIO OF NET GENERAL OBLIGATION BONDED
DEBT TO ASSESSED VALUE AND NET GENERAL
OBLIGATION BONDED DEBT PER CAPITA
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 10**

Fiscal Year	Population(1)	Assessed Valuation (in 000's)	General Bonded Debt	Ratio of Bonded Debt To Assessed Valuation	Bonded Debt Per Capita
1991	284,490	\$2,277,496	\$38,160,000	1.7%	134.13
1992	295,454	1,934,970	35,860,000	1.9%	121.37
1993	306,363	1,938,256	36,729,410	1.9%	119.89
1994	315,704	1,820,592	34,912,030	1.9%	110.58
1995	323,502	1,877,999	33,329,517	1.8%	103.03
1996	330,300	2,128,294	31,652,071	1.5%	95.83
1997	334,300	2,245,461	29,879,624	1.3%	89.38
1998	340,800	2,793,988	42,029,624	1.5%	123.33
1999	351,269	2,889,454	38,739,710	1.3%	110.29
2000	358,400	3,255,179	36,093,443	1.1%	100.71

Notes: Fiscal year is the year of collection
Certification of assessed valuation and mill levies is done in the
year prior to the year of collection.

Sources: (1) US Bureau of Census for 1990, 1991-1998 Colorado
Division of Local Government and 1999 Office of Budget and Financial
Analysis Estimate

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL
FUND EXPENDITURES
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 11**

Fiscal Year	Principal	Interest	Total Debt Service	Total Expenditures And Other Uses of General Fund	Ratio of Debt Service to General Fund Expenditures
1991	\$2,160,000	\$2,584,605	\$4,744,605	\$111,723,066	4.2%
1992	2,300,000	582,905	2,882,905	108,434,469	2.7%
1993	2,430,000	454,755	2,884,755	120,016,440	2.4%
1994	2,020,000	1,431,838	3,451,838	123,716,409	2.8%
1995	1,785,000	1,577,909	3,362,909	134,507,918	2.5%
1996	1,880,000	1,481,749	3,361,749	150,768,219	2.2%
1997	1,975,000	1,428,988	3,403,988	155,106,346	2.2%
1998	2,075,000	1,285,207	3,360,207	176,332,813	1.9%
1999	4,365,000	3,087,641	7,452,641	192,666,891	3.9%
2000	6,227,000	4,975,906	11,202,906	187,479,865	6.0%

**COMPUTATION OF LEGAL DEBT MARGIN
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table 12**

Assessed valuation - 2000 for 2001 taxes		<u><u>\$3,322,467,570</u></u>
Debt limit 10 percent of assessed valuation		332,246,757
Amount of debt:		
	Bonded debt	1,174,577,819
	Special assessment debt	1,204,673
	Certificates of participation	<u>12,745,000</u>
		<u>1,188,527,492</u>
Less: Deductions allowed by City charter		
	Revenue bonds	1,138,484,376
	Special assessment bonds & notes	1,204,673
	Certificates of participation	<u>12,745,000</u>
		<u>1,152,434,049</u>
Total debt applicable to limit		<u>36,093,443</u>
Legal debt margin		<u><u>\$296,153,314</u></u>

**COMPUTATION OF DIRECT AND
OVERLAPPING DEBT
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table 13**

	Assessed Valuation(1)	Outstanding General Obligation Debt(2)	Applicable to City:	
			Percent(3)	Amount
City of Colorado Springs	\$3,255,179,160	\$23,888,443	100.00%	\$23,888,443
Overlapping Debt:				
El Paso County	4,143,072,830		0.00%	0
Pikes Peak Library District	3,924,136,280	3,790,000	82.93%	3,143,047
Harrison School District #2	476,021,000	29,250,874	92.38%	27,021,957
Widefield School District #3	178,137,360	18,736,302	1.89%	354,116
Colorado Springs School District #11	1,913,567,520	95,700,000	91.33%	87,402,810
Cheyenne Mtn. School District #12	241,226,190	34,553,719	96.42%	33,316,696
Manitou School District #14	77,496,050	3,995,000	13.32%	532,134
Air Academy School District #20	743,913,300	111,437,456	81.83%	91,189,270
Falcon School District #49	169,213,820	33,960,000	28.69%	9,743,124
Metex Metropolitan District	79,850,890	14,086,534	80.31%	11,312,895
Colorado Springs Cottonwood General Improvement District	46,376,080	8,745,000	100.00%	8,745,000
Colorado Springs Peregrine General Improvement District	24,467,130		100.00%	0
Colorado Springs Spring Creek General Improvement District	4,310,890	3,460,000	100.00%	3,460,000
Total Overlapping Debt				<u>276,221,049</u>
Total Direct General Obligation and Overlapping Debt				<u>\$300,109,492</u>

Sources: (1) El Paso County Colorado Abstract of Assessment for 1999 (1999 taxes due in 2000)
(2) Outstanding General Obligation Debt as of 12/31/00 provided verbally from individual taxing entity
(3) Percent applicable to City is based on the November 24, 1999 final certification letter from the El Paso County Assessor

VALUE OF NEW CONSTRUCTION
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 14

Fiscal Year	Commercial Construction		Residential Construction	
	Permits	Value (\$000'S)	Dwelling Units Gained	Value (\$000'S)
1991	729	\$30,300	1,232	\$110,011
1992	744	59,050	2,855	245,677
1993	793	94,438	3,710	299,774
1994	806	81,324	3,803	348,642
1995	946	140,383	4,758	352,256
1996	1,139	207,965	5,325	431,682
1997	1,145	155,526	4,807	433,922
1998	1,238	180,776	5,214	521,857
1999	1,219	249,129	5,941	599,679
2000	1,341	365,955	6,270	694,178

Note: Construction activity statistics provided by the Pikes Peak Regional Building Department for its service area.

Source: Pikes Peak Regional Building Department (PPRBD)
 Construction activity statistics provided for PPRBD's service area.

PRINCIPAL TAXPAYERS
December 31, 2000

CITY OF COLORADO SPRINGS
COLORADO
Table 15

Taxpayer	Type of Business	2000 Assessed Valuation	Percentage of Total Assessed Value
Atmel Corporation	Semiconductor Manufacturer	\$71,595,260	2.199%
U.S. West	Telecommunications	47,037,900	1.445%
M.C.I. Inc.	Telecommunications	41,639,410	1.279%
Symbios Logic Inc.	Semiconductor Manufacturer	33,565,150	1.031%
Broadmoor Hotel	Resort Hotel	25,559,710	0.785%
Hewlett Packard	Computer Manufacturer	15,998,280	0.491%
United Services Auto Assoc.	Insurance Company	10,315,510	0.317%
AT & T Communications	Telecommunications	10,095,130	0.310%
GGp Ltd. Partnership	Real Estate Developer	9,881,160	0.304%
Massachusetts Mutual Life Ins Co	Insurance Company	9,712,540	0.298%
Total		\$275,400,050	8.460%

Note: Based on City's assessed valuation of \$3,255,179,160 upon which 2000 taxes were levied and collected.

Source: El Paso County Treasurer's Office

DEMOGRAPHIC STATISTICS
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 16

Fiscal Year	Population(1)	Total Unemployment Rate(2)	Average Household Size(3)	Median Household Income(4)	Per Capita Income(3)
1991	284,490	6.30%	2.60	\$30,118	\$17,651
1992	295,454	6.90%	2.59	31,082	18,300
1993	306,363	5.90%	2.59	31,891	18,841
1994	315,704	4.70%	2.58	33,472	19,612
1995	323,502	4.20%	2.58	35,153	20,606
1996	330,300	5.10%	2.58	37,086	21,686
1997	334,300	3.70%	2.58	39,682	23,928
1998	340,800	4.50%	2.57	41,944	24,707
1999	351,269	3.30%	2.50	43,196	25,991
2000	358,400	3.00%	2.39	48,185	28,598

- Sources:(1) US Bureau of Census for 1990
1991-1999 Colorado Division of Local Government
2000 Office of Budget and Financial Analysis Estimate
(2) Bureau of Labor Statistics, Colorado Springs, MSA
(3) Pikes Peak Area Council of Governments
Housing Market Analysis, El Paso County, CO 2001
(4) Pikes Peak Area Council of Governments
2000 El Paso County Statistical Profile

SPECIAL ASSESSMENT COLLECTIONS
Last ten fiscal years

CITY OF COLORADO SPRINGS
COLORADO
Table 17

Fiscal Year	Assessments Receivable Beginning of Year	Assessments Certified During Year	Assessments Collected During Year	Assessments Receivable End of Year
1991	\$914,080	\$279,333	\$496,346	\$697,067
1992	697,067	1,977,676	1,892,801	781,942
1993	781,942	54,082	291,157	544,867
1994	544,867	64,296	136,777	472,386
1995	472,386	1,972,986	744,238	1,701,134
1996	1,701,134	138,327	275,842	1,563,619
1997	1,563,619	(2,706)	172,142	1,388,771
1998	1,388,771	3,382	150,398	1,241,755
1999	1,241,755	425,146	314,616	1,352,285
2000	1,352,285	130,421	200,159	1,282,547

**SCHEDULE OF COVERAGE
UTILITIES REVENUE BONDS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 18**

Fiscal Year	Applicable Revenues	Operating Expenses	Net Revenue Available for Debt Service	Required Annual Debt Service	Debt Service Coverage
1991	\$285,500,742	\$196,403,033	\$89,097,709	\$34,558,415	2.58
1992	306,198,442	197,107,471	109,090,971	34,205,716	3.19
1993	315,301,969	211,164,527	104,137,442	34,181,848	3.05
1994	332,352,118	224,547,485	107,804,633	34,504,628	3.12
1995	336,631,482	226,049,308	110,582,174	37,594,236	2.94
1996	370,957,991	249,119,902	121,838,089	41,927,713	2.91
1997	389,440,747	276,016,154	113,424,593	46,030,681	2.46
1998	416,531,223	292,415,168	124,116,055	52,916,465	2.35
1999	403,721,143	287,512,452	116,208,691	56,788,496	2.05
2000	475,216,617	351,095,646	124,120,971	58,697,857	2.11

Note: Net available for debt service determined in accordance with respective bond ordinances.

**SCHEDULE OF COVERAGE
HOSPITAL REVENUE BONDS
Last ten fiscal years**

**CITY OF COLORADO SPRINGS
COLORADO
Table 19**

Fiscal Year	Applicable Revenues	Operating Expenses	Net Revenue Available for Debt Service	Required Annual Debt Service	Debt Service Coverage
1991	\$112,359,000	\$91,065,000	\$21,294,000	\$2,785,000	7.65
1992	131,333,000	110,982,000	20,351,000	2,806,000	7.25
1993	155,016,000	130,525,000	24,491,000	2,828,000	8.66
1994	168,396,000	138,624,000	29,772,000	3,216,000	9.26
1995	189,531,000	153,241,000	36,290,000	4,337,000	8.37
1996	188,461,000	152,096,000	36,365,000	7,542,000	4.82
1997	207,855,000	166,164,000	41,691,000	7,231,000	5.77
1998	223,395,930	188,605,852	34,790,078	6,486,943	5.36
1999	244,183,612	215,475,788	28,707,824	6,486,943	4.43
2000	271,549,474	237,585,151	33,964,323	12,312,288	2.76

Note: Net available for debt service determined in accordance with respective bond ordinances.

**SCHEDULE OF COVERAGE
SALES AND USE TAX REVENUE BONDS
For December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table 20**

Fiscal Year	Sales and Use Tax Collections	Required Annual Debt Service	Debt Service Coverage
1999	\$100,971,342	\$4,363,910	23.14%
2000	111,393,526	7,848,446	14.19%



CITY OF COLORADO SPRINGS

SUPPLEMENTARY INFORMATION

**SUMMARY OF DEBT SERVICE
REQUIREMENTS TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
TABLE S-1**

Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bond	Certificates of Participation	Special Assessment Bonds and Notes
2001	\$4,630,300	\$7,847,059	\$661,351	\$176,983
2002	4,669,334	7,848,659	888,855	176,983
2003	4,517,365	7,847,821	1,127,843	176,985
2004	4,522,750	7,849,334	1,125,428	176,984
2005	4,548,295	7,847,771	1,126,826	176,985
2006	4,565,265	7,847,921	1,131,671	169,060
2007	4,567,215	7,849,359	1,129,815	169,059
2008	4,587,480	7,846,659	1,131,330	169,059
2009	4,644,750	7,846,419	1,325,823	169,058
2010	1,346,337	7,844,919	972,418	169,060
2011	1,331,688	7,849,500	970,418	6,927
2012	1,298,852	7,847,750	976,948	
2013	1,494,053	7,845,500	976,477	
2014	961,527	7,847,000	978,542	
2015	805,035	5,696,250	978,110	
2016			980,460	
2017			980,145	
2018			982,415	
2019			981,715	
2020			623,525	
2021			627,725	
2022				
2023				
2024				
2025				
2026				
2027				
Total	\$48,490,246	\$115,561,920	\$20,677,836	\$1,737,143

**SUMMARY OF DEBT SERVICE
REQUIREMENTS TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
TABLE S-1
(Continued)**

Fiscal Year	Revenue Bonds	Total
2001	\$75,833,858	\$89,149,551
2002	75,981,696	89,565,527
2003	75,935,550	89,605,564
2004	75,933,845	89,608,340
2005	75,916,537	89,616,414
2006	75,900,977	89,614,894
2007	75,889,866	89,605,313
2008	75,859,669	89,594,196
2009	75,568,056	89,554,105
2010	75,613,010	85,945,743
2011	75,644,170	85,802,703
2012	75,688,203	85,811,753
2013	75,627,866	85,943,896
2014	75,647,715	85,434,784
2015	75,728,665	83,208,060
2016	74,899,446	75,879,906
2017	74,983,698	75,963,843
2018	75,020,569	76,002,984
2019	74,298,239	75,279,954
2020	76,594,714	77,218,239
2021	75,138,424	75,766,149
2022	69,022,701	69,022,701
2023	69,018,951	69,018,951
2024	68,992,994	68,992,994
2025	68,899,332	68,899,332
2026	48,016,251	48,016,251
2027	35,902,738	35,902,738
2028	64,698,894	64,698,894
2029	126,887,188	126,887,188
2030	12,307,588	12,307,588
Total	\$2,151,451,410	\$2,337,918,555

Note: Does not include long-term obligations of component units.

**GENERAL OBLIGATION BOND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
TABLE S-2**

Fiscal Year	General refunding Series 93		Accretion of B Coupons Principal	Cottonwood General Improvement District 1998 Refunding	
	Principal	Interest		Principal	Interest
2001	\$530,000	\$1,266,754	\$1,759,711	\$435,000	\$366,235
2002	520,000	1,316,544	1,723,732	455,000	350,358
2003	2,385,000	969,895		470,000	333,295
2004	2,500,000	857,800		490,000	315,200
2005	2,620,000	737,800		505,000	295,845
2006	2,745,000	609,420		525,000	275,645
2007	2,885,000	472,170		550,000	254,645
2008	3,030,000	325,035		570,000	232,645
2009	3,190,000	167,475		595,000	209,275
2010				620,000	183,987
2011				645,000	157,638
2012				675,000	129,902
2013				705,000	100,203
2014				735,000	68,477
2015				770,000	35,035
Total	\$20,405,000	\$6,722,893	\$3,483,443	\$8,745,000	\$3,308,385

Fiscal Year	Spring Creek General Improvement District Plan Bond Series 1995		Total General Obligation Bond Requirements
	Principal	Interest	
2001	\$65,000	\$207,600	\$4,630,300
2002	100,000	203,700	4,669,334
2003	145,000	214,175	4,517,365
2004	155,000	204,750	4,522,750
2005	180,000	209,650	4,548,295
2006	185,000	225,200	4,565,265
2007	195,000	210,400	4,567,215
2008	235,000	194,800	4,587,480
2009	285,000	198,000	4,644,750
2010	370,000	172,350	1,346,337
2011	390,000	139,050	1,331,688
2012	390,000	103,950	1,298,852
2013	620,000	68,850	1,494,053
2014	145,000	13,050	961,527
2015			805,035
Total	\$3,460,000	\$2,365,525	\$48,490,246

**SALES TAX REVENUE BOND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-3**

Sales Tax Revenue Bond Series 1999			
Fiscal Year	Principal	Interest	Total Requirements
2001	\$4,080,000	\$3,767,059	\$7,847,059
2002	4,255,000	3,593,659	7,848,659
2003	4,435,000	3,412,821	7,847,821
2004	4,625,000	3,224,334	7,849,334
2005	4,820,000	3,027,771	7,847,771
2006	5,025,000	2,822,921	7,847,921
2007	5,240,000	2,609,359	7,849,359
2008	5,460,000	2,386,659	7,846,659
2009	5,700,000	2,146,419	7,846,419
2010	5,955,000	1,889,919	7,844,919
2011	6,235,000	1,614,500	7,849,500
2012	6,545,000	1,302,750	7,847,750
2013	6,870,000	975,500	7,845,500
2014	7,215,000	632,000	7,847,000
2015	5,425,000	271,250	5,696,250
Total	\$81,885,000	\$33,676,920	\$115,561,920

**CERTIFICATES OF PARTICIPATION
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-4**

Fiscal Year	Hillside Recreation Center		Recreation Facilities Authority Adult Sports Complex		Old City Hall Project Series 2000		Total Certificate of Participation Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	
2001	\$100,000	\$64,540	\$140,000	\$215,265		\$141,546	\$661,351
2002	100,000	59,790	145,000	209,385		374,680	888,855
2003	110,000	54,940	150,000	203,223	\$235,000	374,680	1,127,843
2004	115,000	49,550	155,000	196,773	245,000	364,105	1,125,428
2005	120,000	43,915	165,000	189,953	255,000	352,958	1,126,826
2006	125,000	37,915	175,000	182,528	270,000	341,228	1,131,671
2007	130,000	31,665	180,000	174,478	285,000	328,672	1,129,815
2008	140,000	25,035	190,000	166,018	295,000	315,277	1,131,330
2009	335,000	17,755	200,000	156,803	315,000	301,265	1,325,823
2010			210,000	146,903	330,000	285,515	972,418
2011			220,000	136,403	345,000	269,015	970,418
2012			235,000	125,183	365,000	251,765	976,948
2013			245,000	112,962	385,000	233,515	976,477
2014			260,000	99,855	405,000	213,687	978,542
2015			275,000	85,685	425,000	192,425	978,110
2016			290,000	70,560	450,000	169,900	980,460
2017			305,000	54,320	475,000	145,825	980,145
2018			325,000	37,240	500,000	120,175	982,415
2019			340,000	19,040	530,000	92,675	981,715
2020					560,000	63,525	623,525
2021					595,000	32,725	627,725
Total	\$1,275,000	\$385,105	\$4,205,000	\$2,582,573	\$7,265,000	\$4,965,158	\$20,677,836

**SPECIAL ASSESSMENT BONDS AND NOTES
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-5**

Fiscal Year	Woodmen Valley		Uintah Street ID	
	Principal	Interest	Principal	Interest
2001	\$68,147	\$65,909	\$685	\$871
2002	72,917	61,138	744	813
2003	78,022	56,034	808	749
2004	83,483	50,573	877	680
2005	89,327	44,729	952	605
2006	95,580	38,476	1,033	524
2007	102,271	31,785	1,121	436
2008	109,429	24,626	1,217	340
2009	117,089	16,966	1,321	236
2010	125,286	8,770	1,434	123
Total	\$941,551	\$399,006	\$10,192	\$5,377

Fiscal Year	Garden of the Gods		Carmel ID	
	Principal	Interest	Principal	Interest
2001	\$5,210	\$2,714	\$11,653	\$14,380
2002	5,665	2,259	12,628	13,405
2003	6,161	1,763	13,685	12,348
2004	6,700	1,224	14,831	11,202
2005	7,286	638	16,072	9,961
2006			17,417	8,616
2007			18,875	7,158
2008			20,455	5,578
2009			22,167	3,866
2010			24,022	2,011
Total	\$31,022	\$8,598	\$171,805	\$88,525

**SPECIAL ASSESSMENT BONDS AND NOTES
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-5
(Continued)**

Fiscal Year	Prospect ID		15th & Spring		Broadmoor West	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$218	\$269	\$1,094	\$1,775	\$1,560	\$2,498
2002	237	251	1,194	1,675	1,701	2,356
2003	256	231	1,304	1,566	1,856	2,202
2004	278	210	1,423	1,446	2,024	2,033
2005	301	187	1,554	1,316	2,208	1,849
2006	326	161	1,696	1,173	2,409	1,649
2007	353	134	1,851	1,018	2,627	1,430
2008	383	104	2,021	849	2,866	1,191
2009	415	72	2,206	663	3,126	931
2010	450	38	2,408	461	3,410	647
2011			2,628	241	3,720	338
Total	\$3,217	\$1,657	\$19,379	\$12,183	\$27,507	\$17,124

Fiscal Year	Total Requirements
2001	\$176,983
2002	176,983
2003	176,985
2004	176,984
2005	176,985
2006	169,060
2007	169,059
2008	169,059
2009	169,058
2010	169,060
2011	6,927
Total	\$1,737,143

**HOSPITAL REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-6**

Fiscal Year	Project Bonds Series 1995		Refunding Bonds Series 1995		Refunding Bonds Series 2000		Total Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	
2001	\$5,000	\$3,657,330	\$1,685,000	\$1,136,802		\$3,813,844	\$10,297,976
2002	5,000	3,657,080	1,770,000	1,052,552		3,813,844	10,298,476
2003	5,000	3,656,826	1,860,000	962,282		3,813,844	10,297,952
2004	5,000	3,656,566	1,955,000	865,562		3,813,844	10,295,972
2005	5,000	3,656,300	2,060,000	761,948		3,813,844	10,297,092
2006	10,000	3,656,030	2,170,000	650,708		3,813,844	10,300,582
2007	10,000	3,655,480	2,290,000	531,358		3,813,844	10,300,682
2008	210,000	3,654,920	2,215,000	403,118		3,813,844	10,296,882
2009	225,000	3,642,950	2,340,000	276,862		3,813,844	10,298,656
2010	235,000	3,630,010	2,475,000	142,310		3,813,844	10,296,164
2011	2,870,000	3,616,500				3,813,844	10,300,344
2012	3,040,000	3,444,300				3,813,844	10,298,144
2013	3,225,000	3,261,900				3,813,844	10,300,744
2014	3,415,000	3,068,400				3,813,844	10,297,244
2015	3,620,000	2,863,500				3,813,844	10,297,344
2016	3,840,000	2,646,300				3,813,844	10,300,144
2017	4,070,000	2,415,900				3,813,844	10,299,744
2018	4,315,000	2,171,700				3,813,844	10,300,544
2019	4,570,000	1,912,800				3,813,844	10,296,644
2020	4,845,000	1,638,600				3,813,844	10,297,444
2021	5,135,000	1,347,900				3,813,844	10,296,744
2022	5,445,000	1,039,800				3,813,844	10,298,644
2023	5,770,000	713,100				3,813,844	10,296,944
2024	6,115,000	366,900				3,813,844	10,295,744
2025					\$8,495,000	3,813,844	12,308,844
2026					9,040,000	3,272,288	12,312,288
2027					9,615,000	2,695,988	12,310,988
2028					10,225,000	2,083,031	12,308,031
2029					10,880,000	1,431,188	12,311,188
2030					11,570,000	737,588	12,307,588
Total	\$60,990,000	\$67,031,092	\$20,820,000	\$6,783,502	\$59,825,000	\$105,566,183	\$321,015,777

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-7**

Fiscal Year	Utilities Series 1991A		Utilities Series 1991B		Utilities Series 1991C	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$8,290,000	\$12,953,129	\$420,000	\$328,793		\$2,440,463
2002	8,815,000	12,426,714	440,000	302,122		2,440,462
2003	9,380,000	11,862,554	475,000	273,963		2,440,463
2004	9,985,000	11,252,854	500,000	243,087		2,440,462
2005	10,650,000	10,591,348	535,000	209,963		2,440,463
2006	11,370,000	9,872,473	575,000	173,850		2,440,462
2007	12,145,000	9,099,313	610,000	134,750		2,440,463
2008	12,975,000	8,264,344	650,000	92,813		2,440,462
2009	13,870,000	7,372,313	700,000	48,125		2,440,463
2010	14,820,000	6,418,750				2,440,462
2011	15,790,000	5,455,450				2,440,463
2012	16,810,000	4,429,100				2,440,462
2013	11,955,000	3,336,450				2,440,463
2014	19,070,000	2,559,375				2,440,462
2015	20,305,000	1,319,825				2,440,463
2016						2,440,462
2017						2,440,463
2018						2,440,462
2019					\$515,000	2,440,463
2020					8,640,000	2,405,700
2021					27,000,000	1,822,500
2022						
2023						
2024						
2025						
2026						
Total	\$196,230,000	\$117,213,992	\$4,905,000	\$1,807,466	\$36,155,000	\$50,596,988

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-7
(Continued)**

Fiscal Year	Utilities Series 1992A		Utilities Series 1994A	
	Principal	Interest	Principal	Interest
2001	\$180,000	\$4,517,415	\$445,000	\$5,923,565
2002	200,000	4,507,875	465,000	5,903,540
2003	200,000	4,497,075	485,000	5,882,615
2004	210,000	4,486,275	505,000	5,860,790
2005	230,000	4,474,725	530,000	5,838,065
2006	245,000	4,461,845	555,000	5,813,685
2007	260,000	4,448,064	580,000	5,788,155
2008	275,000	4,433,244	605,000	5,760,895
2009	285,000	4,417,431	635,000	5,731,855
2010	300,000	4,401,044	1,410,000	5,700,740
2011	325,000	4,383,794	1,485,000	5,630,240
2012	345,000	4,365,106	1,545,000	5,555,990
2013	365,000	4,345,269	7,515,000	5,478,740
2014	385,000	4,323,369	1,620,000	5,102,990
2015	410,000	4,300,269	1,700,000	5,021,990
2016	12,505,000	4,275,669	11,350,000	4,936,990
2017	13,270,000	3,525,369	11,915,000	4,358,140
2018	14,070,000	2,729,169	12,480,000	3,750,475
2019	14,925,000	1,884,969	12,615,000	3,110,875
2020	15,850,000	970,813	5,185,000	2,464,356
2021			4,645,000	2,198,625
2022			33,700,000	1,960,569
2023			4,555,000	233,444
2024				
2025				
2026				
Total	\$74,835,000	\$79,748,789	\$116,525,000	\$108,007,329

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-7
(Continued)**

Fiscal Year	Utilities Series 1996A		Utilities Series 1996B	
	Principal	Interest	Principal	Interest
2001	\$1,425,000	\$3,530,625	\$330,000	\$170,684
2002	205,000	3,452,250	355,000	147,584
2003	215,000	3,440,975	380,000	122,290
2004	230,000	3,429,150	405,000	94,930
2005	235,000	3,416,500	430,000	65,568
2006	250,000	3,403,575	465,000	34,178
2007	265,000	3,389,825		
2008	280,000	3,375,250		
2009	290,000	3,359,150		
2010	305,000	3,342,475		
2011	325,000	3,324,938		
2012	340,000	3,306,250		
2013	360,000	3,286,700		
2014	380,000	3,266,000		
2015	400,000	3,244,150		
2016	420,000	3,221,150		
2017	445,000	3,197,000		
2018	470,000	3,171,413		
2019	495,000	3,144,388		
2020	525,000	3,115,925		
2021	555,000	3,085,738		
2022	585,000	3,053,825		
2023	615,000	3,020,188		
2024	27,735,000	2,984,825		
2025	24,175,000	1,390,063		
2026				
Total	<u>\$61,525,000</u>	<u>\$79,952,328</u>	<u>\$2,365,000</u>	<u>\$635,234</u>

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-7
(Continued)**

Fiscal Year	Utilities Series 1997A		Utilities Series 1998A		Utilities Series 1999A	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$420,000	\$6,101,164		\$1,904,925		\$3,688,644
2002	440,000	6,080,164	\$715,000	1,904,925	\$290,000	3,688,644
2003	455,000	6,058,164	720,000	1,871,856	305,000	3,676,681
2004	480,000	6,035,414	750,000	1,838,556	325,000	3,663,719
2005	500,000	6,011,414	760,000	1,803,869	355,000	3,649,906
2006	525,000	5,986,414	765,000	1,768,719	370,000	3,634,375
2007	1,070,000	5,960,164	770,000	1,733,338	390,000	3,617,725
2008	1,120,000	5,906,664	800,000	1,697,725	405,000	3,599,688
2009	1,175,000	5,850,664	555,000	1,660,725	425,000	3,580,450
2010	1,235,000	5,791,914	630,000	1,635,056	450,000	3,559,731
2011	1,300,000	5,730,164	670,000	1,605,919	470,000	3,537,231
2012	1,365,000	5,665,164	765,000	1,574,931	495,000	3,513,731
2013	1,485,000	5,595,208	740,000	1,539,550	525,000	3,488,363
2014	1,505,000	5,517,988	800,000	1,505,325	550,000	3,461,456
2015	1,590,000	5,438,975	880,000	1,468,325	600,000	3,432,581
2016	1,670,000	5,355,500	105,000	1,426,525	610,000	3,401,081
2017	1,760,000	5,267,825	180,000	1,421,538	650,000	3,369,056
2018	1,860,000	5,175,425	265,000	1,412,988	685,000	3,334,119
2019	1,950,000	5,077,775	265,000	1,400,400	725,000	3,297,300
2020	2,055,000	4,975,400	2,540,000	1,387,813	765,000	3,257,425
2021	2,020,000	4,867,513	2,665,000	1,267,703	795,000	3,215,350
2022	2,135,000	4,761,463	2,800,000	1,140,575	840,000	3,171,625
2023	32,720,000	4,649,375	3,350,000	1,007,575	870,000	3,125,425
2024	11,380,000	2,890,675	4,310,000	823,175	920,000	3,077,575
2025	16,650,000	2,279,000	2,910,000	618,450	965,000	3,026,975
2026	25,750,000	1,384,063			1,020,000	2,973,900
2027			10,110,000	505,500	5,485,000	2,915,250
2028					45,215,000	2,599,863
Total	\$114,615,000	\$134,413,653	\$39,820,000	\$37,925,986	\$65,500,000	\$94,557,869

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-7
(Continued)**

Fiscal Year	Utilities Series 2000A		Utilities Series 2000B		Total Utilities Fund Revenue Bond Requirements
	Principal	Interest	Principal	Interest	
2001		\$4,089,700	\$370,000	\$1,168,750	\$58,697,857
2002		4,576,000	395,000	1,097,250	58,847,530
2003		4,576,000	420,000	1,067,625	58,805,261
2004		4,576,000	450,000	1,036,125	58,797,362
2005		4,576,000	480,000	1,002,375	58,785,196
2006		4,576,000	510,000	966,375	58,761,951
2007		4,576,000	545,000	928,125	58,750,922
2008		4,576,000	580,000	887,250	58,724,335
2009		4,576,000	620,000	843,750	58,435,926
2010		4,576,000	660,000	797,250	58,473,422
2011		4,576,000	705,000	747,750	58,501,949
2012		4,576,000	760,000	694,875	58,546,609
2013		4,576,000	815,000	637,875	58,484,618
2014		4,576,000	875,000	576,750	58,514,715
2015		4,576,000	940,000	511,125	58,578,703
2016		4,576,000	1,010,000	440,625	57,744,002
2017		4,576,000	1,090,000	364,875	57,830,266
2018		4,576,000	1,170,000	283,125	57,873,176
2019		4,576,000	1,255,000	195,375	57,872,545
2020		4,576,000	1,350,000	101,250	60,164,682
2021		4,576,000			58,713,429
2022		4,576,000			58,724,057
2023		4,576,000			58,722,007
2024		4,576,000			58,697,250
2025		4,576,000			56,590,488
2026		4,576,000			35,703,963
2027		4,576,000			23,591,750
2028		4,576,000			52,390,863
2029	\$110,000,000	4,576,000			114,576,000
Total	\$110,000,000	\$132,217,700	\$15,000,000	\$14,348,500	\$1,688,900,834

Note: Does not include revenue bonds of component units.

**AIRPORT GROSS INCOME FUND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-8**

Fiscal Year	Series 1992A		Series 1992C	
	Principal	Interest	Principal	Interest
2001	\$355,000	\$2,929,523	\$1,670,000	
2002	380,000	2,906,270	1,670,000	
2003	400,000	2,881,000	1,670,000	
2004	430,000	2,854,200	1,670,000	
2005	460,000	2,825,175	1,670,000	
2006	490,000	2,793,435	1,675,000	
2007	520,000	2,759,625	1,267,084	\$407,916
2008	560,000	2,723,745	535,363	1,139,637
2009	595,000	2,685,105	494,912	1,180,088
2010	640,000	2,644,050	461,111	1,213,889
2011	2,360,000	2,599,890		
2012	2,520,000	2,437,050		
2013	2,700,000	2,260,650		
2014	2,880,000	2,071,650		
2015	3,090,000	1,870,050		
2016	3,305,000	1,653,750		
2017	3,535,000	1,422,400		
2018	3,780,000	1,174,950		
2019	4,045,000	910,350		
2020	4,330,000	627,200		
2021	4,630,000	324,100		
Total	\$42,005,000	\$45,354,168	\$12,783,470	\$3,941,530

**AIRPORT GROSS INCOME FUND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-8
(Continued)**

Fiscal Year	Series 1996A		Series 1996B		Total Requirements
	Principal	Interest	Principal	Interest	
2001	\$330,000	\$586,908	\$90,000	\$171,568	\$6,132,999
2002	340,000	572,718	95,000	167,563	6,131,551
2003	355,000	557,758	100,000	163,240	6,126,998
2004	375,000	541,782	105,000	158,590	6,134,572
2005	390,000	524,532	110,000	153,603	6,133,310
2006	410,000	506,202	115,000	148,268	6,137,905
2007	430,000	486,522	120,000	142,576	6,133,723
2008	450,000	465,452	125,000	136,516	6,135,713
2009	470,000	442,952	130,000	130,078	6,128,135
2010	495,000	418,982	140,000	123,253	6,136,285
2011	520,000	393,490	145,000	115,833	6,134,213
2012	550,000	366,450	155,000	108,076	6,136,576
2013	575,000	337,575	160,000	99,550	6,132,775
2014	605,000	307,388	170,000	90,750	6,124,788
2015	640,000	275,625	180,000	81,400	6,137,075
2016	675,000	242,025	190,000	71,500	6,137,275
2017	710,000	206,588	200,000	61,050	6,135,038
2018	745,000	169,312	210,000	50,050	6,129,312
2019	785,000	130,200	220,000	38,500	6,129,050
2020	825,000	88,988	235,000	26,400	6,132,588
2021	870,000	45,675	245,000	13,476	6,128,251
Total	\$11,545,000	\$7,667,124	\$3,240,000	\$2,251,840	\$128,788,132

**PARKING SYSTEM REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-9**

Fiscal Year	Principal	Interest	Total Requirements
2001	\$335,000	\$370,026	\$705,026
2002	345,000	359,139	704,139
2003	360,000	345,339	705,339
2004	375,000	330,939	705,939
2005	385,000	315,939	700,939
2006	400,000	300,539	700,539
2007	420,000	284,539	704,539
2008	435,000	267,739	702,739
2009	455,000	250,339	705,339
2010	475,000	232,139	707,139
2011	495,000	212,664	707,664
2012	515,000	191,874	706,874
2013	540,000	169,729	709,729
2014	565,000	145,968	710,968
2015	595,000	120,543	715,543
2016	625,000	93,025	718,025
2017	655,000	63,650	718,650
2018	685,000	32,537	717,537
Total	\$8,660,000	\$4,086,667	\$12,746,667

CITY INVESTMENTS
AT MARKET VALUE
at December 31, 2000

CITY OF COLORADO SPRINGS
COLORADO
Table S-10

MANAGEMENT COMPANY	MARKET VALUE	WEIGHTED AVERAGE YIELD	WEIGHTED AVERAGE MATURITY (DAYS)
CASH MANAGEMENT INVESTMENTS:			
American Money Management			
Cash Management Account			
Repurchase agreements	\$10,143,361	5.65%	1
U.S. Treasury bills/notes	49,406,225	5.86%	505
U.S Agency obligations	43,708,363	6.54%	750
Comercial Paper	4,973,400	6.92%	30
Sub-total	108,231,349		
American Money Management			
Reserve Account			
U.S. Treasury bills/notes	2,047,117	5.82%	514
U.S Agency obligations	6,551,747	6.34%	965
Other	2,946,700	6.43%	398
Sub-total	11,545,564		
Stein Roe			
Reserve Account			
U.S. Treasury bills/notes	1,247,163	*	n/a
U.S Agency obligations	6,469,891	*	n/a
Other	2,635,163	*	n/a
Sub-total	10,352,217		
DEBT SERVICE RESERVES:			
Lehman Brothers			
Airport 1992 Bond Reserve	4,938,157	6.20%	7,300
Bayeische Landesbank			
Airport 1996 Bond Reserve	1,180,628	5.52%	7,300
BONDS/CERTIFICATES OF PARTICIPATION PROCEEDS:			
Ambac			
1999 Sales Tax Revenue	64,614,733	5.13%	n/a
Bank of America			
1999 Parking Revenue	5,722,983	4.94%	n/a
Merrill Lynch			
1999 Certificates of Participation	756,480	5.15%	n/a
J P Morgan			
2000 Certificates of Participation	5,314,519	6.17%	n/a
OTHER INVESTMENTS:			
Capital Lease Security			
2000 Lease - Big Johnson	7,593,679	7.73%	745
Wells Fargo			
C.D. Smith Trust	539,126	n/a	n/a
Oppenheimer Inc.			
Cemetery Endowment	6,839,865	n/a	n/a
Sub-total	97,500,170		
Total Investments	\$227,629,300		

* Information is not available.

Note: Investments of the Utilites fund are presented in Table S-11.

Excludes component units, pension investments and the Memorial Hospital.

**COLORADO SPRINGS UTILITIES
SUMMARY OF SELECTED INVESTMENT STATISTICS
December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
TABLE S-11**

FUND AND SECURITY TYPE	PAR VALUE	WEIGHTED AVERAGE YIELD TO MATURITY	WEIGHTED AVERAGE DAYS TO MATURITY
CURRENT INVESTMENTS T-BILLS, T-NOTES	\$52,000,000	5.9900%	357
CNB OPERATING ACCOUNT	8,550,434	6.4299%	1
P&I AND REBATE FUNDS T-BILLS	7,426,726	5.9472%	149
INJURIES & DAMAGES RESERVES T-NOTES	86,000	5.1600%	30
2000A ACQUISITION FUND REPURCHASE AGREEMENT	45,867,545	6.4050%	120
COPE T-NOTE	246,000	5.2810%	99
COMMON BOND RESERVE FUND T-NOTES, T-BONDS	43,256,000	6.7270%	1,085
TOTAL	\$157,432,704	6.3337%	458

**MUNICIPAL SOLID WASTE LANDFILL
CLOSURE AND POSTCLOSURE CARE COSTS
at December 31, 2000**

**CITY OF COLORADO SPRINGS
COLORADO
Table S-12**

Facility	Closure Costs	Postclosure Costs	Total Cost	Percentage of Capacity Used
Hancock	\$194,065	\$232,943	\$427,008	n/a
Transit	88,809	12,021	100,830	n/a
Hanna Ranch - Gravel Pit #1	384,637	115,866	500,503	34.60%
Hanna Ranch - Ash Disposal	964,461	110,001	1,074,462	40.45%
Hanna Ranch - Solids Disposal	103,970	580,990	684,960	24.52%
Total Cost	\$1,735,942	\$1,051,821	\$2,787,763	

Note:

Percentage of capacity used does not apply to the Hancock and Transit facilities. The entire liability for these two facilities is recognized in the General Long-term Debt Account Group. Liabilities for the Hanna Ranch facilities are recognized on a capacity used basis in the Utilities fund.

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

CITY OF COLORADO SPRINGS
COLORADO
TABLE S-13

Form Approved
OMB No. 2125-0032

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Colorado Springs
		YEAR ENDING : December 2000
This Information From The Records Of (example - City of _ or County of _): City of Colorado Springs	Prepared By: Phone:	Sallie M. Stokes (719)-385-5211

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	10,061,332
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,632,754
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	4,747,530
2. General fund appropriations	23,910,901	b. Snow and ice removal	506,491
3. Other local imposts (from page 2)	10,392,926	c. Other	743,101
4. Miscellaneous local receipts (from page 2)	2,470,650	d. Total (a. through c.)	5,997,122
5. Transfers from toll facilities		4. General administration & miscellaneous	3,725,166
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	21,196,566
a. Bonds - Original Issues		6. Total (1 through 5)	48,612,940
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	2,443,147
7. Total (1 through 6)	36,774,477	b. Redemption	3,251,162
B. Private Contributions		c. Total (a. + b.)	5,694,309
C. Receipts from State government (from page 2)	14,081,057	2. Notes:	
D. Receipts from Federal Government (from page 2)	683,957	a. Interest	
E. Total receipts (A.7 + B + C + D)	51,539,491	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	5,694,309
		C. Payments to State for highways	14,544
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	54,321,793

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	55,475,913	115,669	3,251,162	52,340,420
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

Notes and Comments:

Unspent balances beginning of year is 44,527,785 and 41,745,483 end of year.

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

CITY OF COLORADO SPRINGS
COLORADO
TABLE S-13
(Continued)

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2000	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	2,219,435
b. Other local imposts:		b. Other	
1. Sales Taxes	436,471	c. Transfers	
2. Traffic Fines	2,309,302	d. Capital Credits	
3. Specific Ownership Tax	2,762,144	e. Sale of Assets	
4. Motor Vehicle Registration	1,159,002	f. Fees/Licenses/Permits	
5. From Cities/Counties	3,726,007	g. Service Performed	
6. Total (1. through 5.)	10,392,926	h. Refunds of Expenditures	251,215
c. Total (a. + b.)	10,392,926	i. Total (a. through h.)	2,470,650
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	13,013,057	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. (Specify) CML	1,068,000	d. Mineral Leasing	
d. (Specify)		e. Pay Lieu of Tax	
e. (Specify)		f. Other Federal (CDBG)	683,957
f. Total (a. through e.)	1,068,000	g. Total (a. through f.)	683,957
4. Total (1. + 2. + 3.f)	14,081,057	3. Total (1. + 2.g)	683,957
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
			TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			117,862
b. Engineering Costs			3,108,650
c. Construction:			
(1). Capacity Improvements			164,286
(2). System Preservation			6,381,915
(3). Safety And Other			288,619
(4). Total Construction (1)+(2)+(3)		0	6,834,820
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)		0	10,061,332
			(Carry forward to page 1)
Notes and Comments:			