

Comprehensive Annual Financial Report

For the year ended December 31, 2001



City of Colorado Springs,
Colorado

Comprehensive Annual Financial Report

of the

**City of Colorado Springs,
Colorado**

**For the fiscal year ended
December 31, 2001**

Finance Office

Steve Hilfers, Finance Director

Terri Velasquez, Accounting and Payroll Manager



CITY OF COLORADO SPRINGS

TABLE OF CONTENTS

	Exhibit	Page
INTRODUCTORY SECTION		
Letter of Transmittal		i-xxi
Certificate of Achievement in Financial Reporting		xxii
Organization Chart		xxiii
City Officials		xxiv
FINANCIAL SECTION		
Report of Independent Certified Public Accountants		1-2
General Purpose Financial Statements		
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units	A-1	4-5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Equity - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units	A-2	6-7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and All Budgeted Special Revenue Funds	A-3	8-9
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types, Non-Expendable Trust Funds, and Discretely Presented Component Units	A-4	10-11
Combined Statement of Cash Flows - All Proprietary Fund Types, Non-Expendable Trust Funds, and Discretely Presented Component Units	A-5	12-15
Statement of Changes in Plan Net Assets	A-6	16
Governmental Fund Type Component Units - Combining Balance Sheet	A-7	17
Governmental Fund Type Component Units - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	A-8	18
Proprietary Fund Type Component Units - Combining Balance Sheet	A-9	19
Proprietary Fund Type Component Units - Combining Statement of Revenues, Expenses and Changes in Retained Earnings	A-10	20
Proprietary Fund Type Component Units - Combining Statement of Cash Flows	A-11	21
Notes to Financial Statements		22-73
COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES		
General Fund		
Comparative Balance Sheets	B-1	76
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	B-2	77
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	B-3	78-81

Special Revenue Funds

Combining Balance Sheet - All Special Revenue Funds	C-1	84-85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	C-2	86-87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Special Revenue Funds	C-3	88-89
Combining Balance Sheet - Intergovernmental Grant Special Revenue Funds	C-4	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Intergovernmental Grant Special Revenue Funds	C-5	91
Combining Balance Sheet - Capital Improvement Special Revenue Funds	C-6	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Improvement Special Revenue Funds	C-7	93
Combining Balance Sheet - Improvement and Maintenance District Special Revenue Funds	C-8	94-95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Improvement and Maintenance District Special Revenue Funds	C-9	96-97
Schedule of Revenues - Budget and Actual - Improvement and Maintenance District Special Revenue Funds	C-10	98
Schedule of Expenditures - Budget and Actual - Improvement and Maintenance District Special Revenue Funds	C-11	99
Combining Balance Sheet - Public Improvements Special Revenue Funds	C-12	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Public Improvements Special Revenue Funds	C-13	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Improvements Special Revenue Funds	C-14	102-103
Combining Balance Sheet – Other Public Improvements Special Revenue Funds	C-15	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Other Public Improvement Special Revenue Funds	C-16	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual -Other Public Improvement Special Revenue Funds	C-17	106-107
Combining Balance Sheet - Other Special Revenue Funds	C-18	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Special Revenue Funds	C-19	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Other Special Revenue Funds	C-20	110-111

Capital Projects Fund

Comparative Balance Sheets - Capital Projects Funds	D-1	114
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds	D-2	115

Enterprise Funds

Combining Balance Sheet - All Enterprise Funds	E-1	118-121
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Enterprise Funds	E-2	122-123
Combining Statement of Cash Flows - All Enterprise Funds	E-3	124-127

Internal Service Funds

Combining Balance Sheet - All Internal Service Funds	F-1	130-131
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Internal Service Funds	F-2	132-133
Combining Statement of Cash Flows - All Internal Service Funds	F-3	134-135

Fiduciary Funds

Combining Balance Sheet - All Trust and Agency Funds	G-1	138-139
Combining Balance Sheet - All Expendable Trust Funds	G-2	140-141
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Expendable Trust Funds	G-3	142-143
Combining Balance Sheet - All Non-Expendable Trust Funds	G-4	144-145
Combining Statement of Revenues, Expenses and Changes in Fund Balances - All Non-Expendable Trust Funds	G-5	146-147
Combining Statement of Cash Flows - All Non-Expendable Trust Funds	G-6	148-149
Statement of Plan Net Assets	G-7	150
Statement of Changes in Plan Net Assets	G-8	151
Comparative Balance Sheets - Agency Fund	G-9	152
Statement of Changes in Assets and Liabilities - Agency Fund	G-10	153

General Fixed Assets

Comparative Schedule of General Fixed Assets by Source	H-1	156
Schedule of General Fixed Assets - By Function and Activity	H-2	157
Schedule of Changes in General Fixed Assets	H-3	158

General Long-Term and Other Debt

Comparative Schedule of General Long-Term and Other Debt	I-1	160
Schedule of Changes in General Long-Term and Other Debt	I-2	161

STATISTICAL SECTION

General Fund Revenues and Other Sources by Type	1	164
General Fund Expenditures and Other Uses by Function	2	165
General Fund Tax Revenues by Source	3	166
General Fund Sales and Use Tax Percentage Increase	4	167
Collection Costs and Required Refunds	5	168
Percentage of Sales and Use Tax Collected in Each Month	6	169
Assessed Valuations, Property Tax Levies and Collections	7	170
Direct and Overlapping Mill Levy Rates - Within City Limits	8	171
Assessed and Estimated Actual Value of Taxable Property	9	172
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	10	173
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures	11	174
Computation of Legal Debt Margin	12	175

	Exhibit	Page
Computation of Direct and Overlapping Debt	13	176
Value of New Construction	14	177
Principal Taxpayers	15	178
Demographic Statistics	16	179
Special Assessment Collections	17	180
Schedule of Coverage - Utilities Revenue Bonds	18	181
Schedule of Coverage - Hospital Revenue Bonds	19	182
Schedule of Coverage – Sales and Use Tax Revenue Bonds	20	183

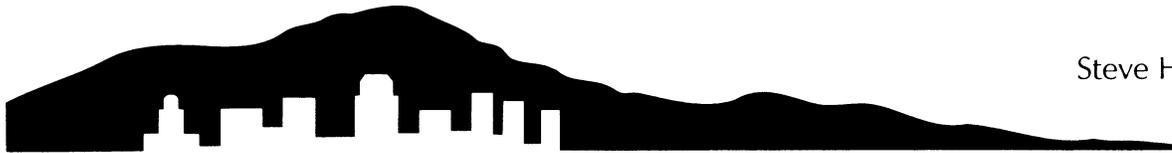
SUPPLEMENTARY INFORMATION

Summary of Debt Service Requirements to Maturity	S-1	186-187
General Obligation Bonds Debt Service Requirements to Maturity	S-2	188
Sales Tax Revenue Bonds Debt Service Requirements to Maturity	S-3	189
Certificates of Participation Debt Service Requirement to Maturity	S-4	190
Special Assessment Bonds Debt Service Requirements to Maturity	S-5	191-192
Hospital Revenue Bonds Debt Service Requirements to Maturity	S-6	193
Utilities Revenue Bonds Debt Service Requirements to Maturity	S-7	194-198
Airport Gross Income Fund Debt Service Requirements to Maturity	S-8	199-200
Parking System Revenue Bonds Debt Service Requirement to Maturity	S-9	201
City Investments at Market Value	S-10	202
Colorado Springs Utilities Summary of Selected Investment Statistics	S-11	203
Municipal Solid Waste Landfill Closure and Postclosure Care Cost	S-12	204
Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets	S-13	205-206

INTRODUCTORY SECTION



CITY OF COLORADO SPRINGS



CITY OF COLORADO SPRINGS

FINANCE OFFICE
Steve Hilfers, Finance Director

June 28, 2002

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, 2001 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 366,000 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

CURRENT TRENDS

The local economic expansion that began in 1992 has clearly extended into a tenth year. Economic data through the first eight months of 2001 reflected continued growth in the Colorado Springs economy. Most of the key indicators of local economic activity registered gains or improvement. However, signs that the national economic slowdown is impacting the Colorado Springs economy are becoming evident. Labor market data show a considerable deceleration in local employment growth and the local jobless rate has begun to edge upward in recent months, although it remains low by historical standards. The prospects for further slowing are clearly on the horizon as over 4,600 job layoffs have been announced by a number of advanced technology and manufacturing firms. The full impact of these layoffs has yet to appear in the local economic data as many of the affected individuals were provided severance packages that have yet to expire. Most of these layoffs are in response to lagging corporate profits and a downturn in new capital spending by businesses. Although the national economy appears to be in recession, the diverse nature of the Colorado Springs economy should help it weather any downturn.

Nevertheless, the local economy will be affected by the national economic downturn.

↪ Total non-agricultural wage and salary employment through the first seven months of 2001 was up just 2.2 percent over the same period of 2000. That rate of

LOCAL ECONOMIC SCORECARD				
Colorado Springs Area				
(Percent Change Over Prior Year)				
January - August				
Economic Indicator	2001	2000	Direction	Assessment
Unemployment Rate ** 1/	4.4	3.7	↑	Worse
Total Nonag Employment 1/	2.2	3.1	↓	Worse
Manufacturing Employment 1/	3.5	2.6	↑	Better
City Sales Tax Revenue	6.8	11.6	↓	Worse
Total New Const. Spending	4.2	28.0	↓	Worse
Residential Building Permits	18.9	14.0	↑	Better

* Is Colorado Springs better off or worse off than a year ago?
 ** Actual rate for July.
 1/ Data through July.

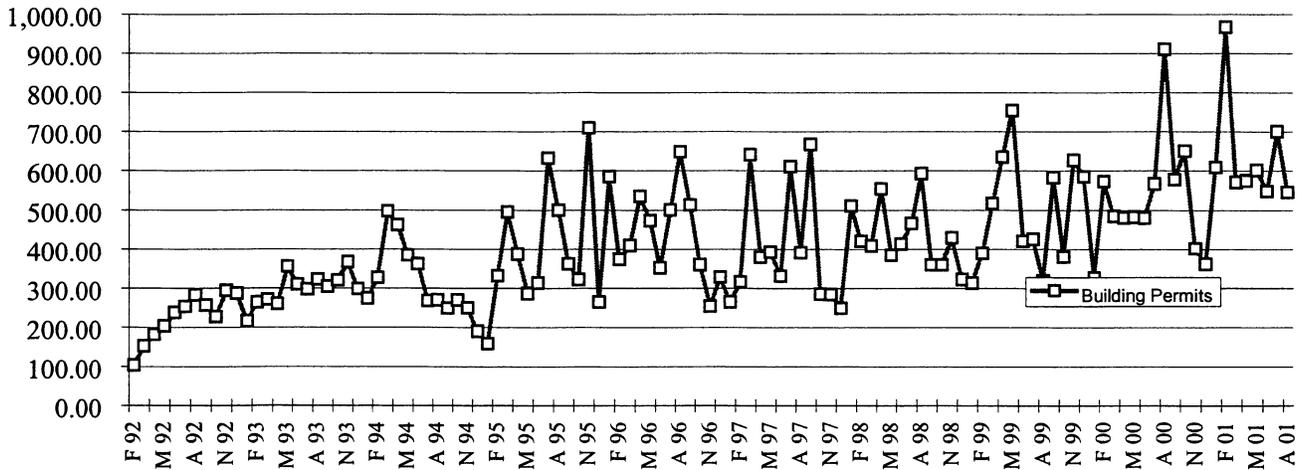
employment growth is down from the 3.1 percent posted in 2000 and appreciably below the 4.7 percent posted in 1999. Over the last 16 years (and 2 business cycles), annual employment growth in the Pikes Peak region has averaged 4.3 percent. Employment growth is generally considered to be the best indicator of local economic performance as it is a

good proxy of local income growth. If recent trends continue, 2001 could post the slowest employment growth rate for the region since 1991.

↪ Through the first seven months of 2001, the local unemployment rate averaged just 3.5 percent. Yet, by June the rate had climbed to 4.7 percent which is the highest monthly rate posted since September of 1998. The increases have been quite rapid, as the local unemployment rate had fallen to a new record-low 2.3 percent by the end of 2000. Nevertheless, the local jobless rate continues to be relatively low by historical standards although the local labor markets appear to have rapidly transitioned away from full-employment.

↪ Remarkably, local homebuilding activity continues at a near-record pace. Over 5,100 new dwelling units were permitted through the first eight months of 2001 with just under 4,000 of that total being for single family units. New homebuilding during 2001 could exceed the 6,300 new units started in 2000, which was the best year for area homebuilders since 1986. The surge in new homebuilding appears to be spurred by lower home mortgage interest rates in combination with a higher rate of new household formation and healthy gains in local incomes due to the strong labor market. Those factors typically drive the entry-level and move-up segments of the housing market, which have experienced the greatest demand. However, it appears that with a lagging stock market, many area residents have been viewing housing as a better investment alternative. The strong surge in demand for new homes does not appear to be unique to Colorado Springs as new home sales nationally are expected to reach a near-record level in 2001.

HOUSING MARKET CONDITIONS - BUILDING PERMITS, BY MONTH



SOURCE: Regional Building Dept.

↳ Prompted by the surge in residential construction spending, total new construction spending through August is up 4.3 percent over the same period last year. Residential spending was up 17.6 percent over the year although nonresidential spending was down almost 27 percent as several large manufacturing and retail projects were completed late last year.

CITY OF COLORADO SPRINGS SALES TAX REVENUE BY INDUSTRY 2001 - 2000 YTD COMPARISON

CATEGORY	YTD % CHANGE 1/
Utilities	36.03
Auto Dealers	1.04
Building Materials	3.80
Dept./Discount	1.59
Grocery	3.22
Auto Repair and Leases	-1.53
Clothing	6.34
Furniture/Appliances/Electronics	3.24
Restaurants	4.77
Hotel/Motel	-2.50
Misc. Retail	3.10
Sales to Business	-6.21

1/ February - August data.

↳ City Sales and Use Tax collections are up 6.8 percent through the first seven months of 2001. However, collections in recent months have moderated considerably in response to a slowing local economy. Total collections over the last three months are nearly flat when compared to the same period of 2000, when revenue from audits are excluded. Consumer confidence in the local economy appears to be waning somewhat in response to a number of layoffs of workers at several area

advanced technology firms. Purchases of such consumer durable goods as automobiles, appliances and furniture have moderated considerably in recent months despite lower interest rates and incentives being offered by many dealers. Investment in new plant and equipment by area manufacturers also appears to have weakened in recent months as revenues resulting from the Use Tax

component have dropped by more than 24 percent over the last three months when audit revenue is excluded. A portion of this drop was expected, however, as large capital investment programs at several area semiconductor-manufacturing facilities were completed earlier this year. Nevertheless, the recent revenue trend is also indicative of a general slowing in new capital investment in reaction to a weakening U.S. economy.

OUTLOOK FOR 2002

Although the national economy appears to be in recession, the diverse nature of the Colorado Springs economy should help it weather any downturn. Nevertheless, the local economy will be affected by a national recession. National economic trends clearly show a manufacturing sector that already is in recession, having contracted for 13 consecutive months. The advanced technology sector has also been one of the hardest hit by the national slowdown as the demand for new computers and telecommunications equipment dropped by over 21 percent during the first half of 2001. Colorado Springs has not escaped the impact of those trends as most of the 4,600 announced layoffs of workers have been in manufacturing and advanced technology.

These job losses and an anticipated slowing in local construction activity will likely serve to temper local economic growth considerably in 2002. Employment growth of just 1.5 percent is anticipated for 2002 with the local jobless rate edging up to the 5.5–6.0 percent range as the severance packages for the numerous laid off workers expire. This will serve to moderate local consumer confidence and spending which is reflected in slower City sales and use tax collections, which are projected to increase by just 2.7 percent in 2002. That rate of growth is less than projected inflation of 3.4 percent as measured by the Denver/Boulder Consumer Price Index. The declining stock market will also serve to blunt local consumer confidence as local residents feel less wealthy and are less apt to make major purchases.

Local residential construction activity, a principal buoy of the local economy in recent months, is also expected to slow considerably in 2002. The declining stock market combined with slower employment and income growth will likely trigger a reverse “wealth effect” and serve to discourage potential homebuyers from either purchasing a home or moving up to a larger house. New homebuilding is expected to fall by over one-third in 2002 to approximately 4,000 new units.

2001 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 superceded 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 2001, a number of accomplishments in the five goal areas of *Direction 2000* are notable.

2001 MAJOR STRATEGIC PLAN ACCOMPLISHMENTS

Growth Management

On March 27, 2001, City Council approved an ordinance adopting the new Comprehensive Plan. The new Plan will serve as the primary tool in defining growth management policies and programs. Funding of \$250,000 was included in 2001 for the implementation of the Plan. Additionally, the Parks System Capital Master Plan and Parks System Services Master Plan were completed and two new neighborhood parks and one community park were constructed in 2001. Also, master plans for two neighborhood parks were completed.

Transportation Improvements

In 2001, a consultant was hired to assist with the East-West Mobility Study. Implementation of the public involvement plan included:

- Establishment of a Citizen Resource Group (CRG)
- Establishment of a Technical Resource Committee
- Creation of a project website that provide information on all aspects of the study
- Extensive public outreach efforts
- Seven public open house meetings were held.

The East-West Mobility Study recommendations of the Citizen Resource Group were presented to City Council on November 26, 2001. The final study report including the CRG recommendations and staff recommendation is tentatively scheduled to be presented to City Council on January 21, 2002.

Also, funding of \$398,250 and 4.75 FTEs were added in the Transportation Engineering Unit to increase the frequency with which traffic signals are timed. While it

is recognized that these efforts will not resolve all traffic congestion problems, it is anticipated they will help improve the flow of traffic in the city during off-peak times.

Public Safety

A total of 48 additional police officers funded with Federal Universal Hiring Grants have been added over the last three years. To retain those officers, additional City funding of \$618,000 was necessary to replace the federal grant dollars that were phased out. A total of 11 additional police officers were also included in 2001 with 9 of those officers dedicated to the new Red Light Enforcement (aka Intersection Safety) Program. This Program is intended to reduce traffic accidents and fatalities. One additional Court clerk and an additional legal assistant were added to handle increased workload stemming from the enhanced red light enforcement effort. Two School Resource Officers were added to allow School District 20 to participate in the school resource officer program. Additionally, partial funding of \$205,322 was included for the Criminal Justice Information System to replace the current system that has exceeded its useful life. Finally, a police management consultant was hired in 2001 to help with the development and assessment of the Police Accountability and Service Standards (PASS) model data, analysis and results.

In Fire, a total of \$299,156 was added to adequately staff the City's Office of Emergency Management. Funding of \$417,303 was provided to operate an emergency medical squad for the southeast area of the City. This Unit helped the Fire Department meet the eight-minute first response standard of coverage for the City. Funding of \$293,540 was added to hire one engineer, two inspectors, and a special billing clerk to provide the staff necessary for Fire Prevention to keep up with the workload and reduce the turn around time on the review of new construction.

Also, in 2001, significant progress was made in the implementation of the new 800 MHz trunked radio system. In 2001, system construction began and a system manager was hired. This system was funded primarily through Springs Community Improvement Projects (SCIP) which provided \$18 million, but is being developed in cooperation with Colorado Springs Utilities and El Paso County.

Financial Support for City Services

In January 2001, City Council reviewed the SCIP 01 recommendations, made minor adjustments and agreed to present one question to voters in April 2001. The April municipal ballot asked voters to approve a 0.9% increase in the City's Sales and Use Tax to fund a list of 107 capital projects and public safety operating, personnel and equipment needs. Despite the overwhelming support, the ballot issue failed at the polls. Through the summer of 2001, City Council worked to identify approximately \$8.3 million of additional revenue to support a bond issue for SCIP 01 transportation and drainage capital improvement projects. Council identified the \$8.3 million from

increased fees and fines, and then placed two SCIP bond questions on the November 2001 ballot seeking authorization to issue up to \$63.47 million for transportation capital improvement projects and \$37.825 million for stormwater and flood control projects. The proposed bonds had no associated tax increase and were to be paid entirely from a pledge of the City's existing Sales and Use Tax. Voters did not support either bond question at the November 2001 election. Consequently, City Council decided to use the \$8.3 million, previously set aside for the SCIP 01 bond retirement, to accomplish unfunded SCIP projects on a pay-as-you-go basis. Subsequently, Council approved reducing the \$8.3 million by \$354,103 to balance the 2002 General Fund budget. While the 2002 Budget designates the \$7.9 million for SCIP capital improvement projects, City Council deferred until January 2002 the final selection of projects to be funded. Also, the November 2001 coordinated election ballot presented four other separate questions. The November 6, 2001 El Paso County coordinated election resulted in passage the 0.4% increase in the city sales and use tax for Police and Fire capital improvements projects and operations needs. The other three ballot issues failed.

For 2001, implementation of the new employee compensation system continued to be a strategic priority. A total of \$6.13 million was included for the third installment of the three-year plan for bringing employee compensation up to a competitive level. In addition to these salary and benefit adjustments, a total of \$2.26 million was reserved in 2001 for lump-sum performance incentive awards for employees who achieved superior or outstanding performance.

Finally, in accordance with a Strategic Plan mandate, the 2001 Budget included the establishment of a development review enterprise to be financially self-sufficient outside of the General Fund. A total of 6.5 FTE were transferred out of the General Fund and into this new enterprise fund. The new enterprise is funded through a 35 percent surcharge on building permit fees. The enterprise resulted in net savings of \$290,000 to the General Fund.

Downtown Revitalization

In 2001, revitalization of the downtown continued through the implementation of the Downtown Development Strategy. Key elements of the Strategy included expansion of the business improvement district and implementation of the pedestrian improvement project. The business improvement district was expanded in 2001. At the end of 2001, a total of 20 face blocks of the pedestrian improvements program were completed.

In November of 2001, renovation of Old City Hall was completed and City staff moved into the offices. State historical funds were obtained for City Council Chambers renovation which was completed in 2001. Additionally, state historical funds were secured for entry door restoration and rotunda skylight restoration.

In 2001, substantial progress continued in the implementation of the Lowell School redevelopment project in the south downtown area of the City. The Housing Authority relocated to the renovated Lowell School.

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, 2001 and 2000:

	<u>2001</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Taxes	\$132,361,209	\$131,290,950	.8%
Licenses and permits	445,352	402,523	10.6%
Intergovernmental	21,517,264	21,194,449	1.5%
Charges for services	33,662,626	31,078,225	8.3%
Fines and forfeits	3,992,880	3,444,419	15.9%
Other	6,683,931	7,794,289	(14.2%)
Transfers - in	2,885,451	4,205,517	(31.4%)
 Total	 \$201,548,713	 \$199,410,372	 1.1%

General fund revenues and other financing sources for 2001 increased \$2 million or 1.1% over those of 2000. Tax revenues increased \$1.1 million or 0.8% over 2000. Sales and use tax collections increased 0.4% or \$0.4 million and property tax collections increased 2.6% or \$0.4 million over comparable figures for 2000. Intergovernmental revenues increased 1.5% or \$0.3 million due to increases in State Highway Users Tax revenue. The Charges for Services category of revenue increased 8.3% or \$2.6 million over 2000 due primarily to increased payments in lieu of taxes from the Colorado Springs Utilities. Fines and forfeitures increased 15.9% or \$0.5 million due to increased collection efforts and increase in filings. The category of Other revenues decreased from 2000 in the amount of \$1.1 million due to unusual items in

2000, among which was an increase in earnings on investments and capital lease financing in 2000. Transfers-in from the Business Development Revolving Loan fund were down \$1.3 million from 2000.

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, 2001 and 2000:

	2001 Actual	2000 Actual	Percentage Increase (Decrease)
General government	\$33,530,288	\$31,021,293	8.1%
Public safety	88,978,576	83,877,836	6.1%
Public works	29,649,501	25,984,598	14.1%
Culture and recreation	15,873,911	14,173,845	12.0%
Urban redevelopment	4,035,643	3,645,729	10.7%
Other services	727,683	693,031	5.0%
Debt service	11,255,682	11,202,906	0.5%
Capital outlay	15,077,626	9,991,953	50.9%
Transfers - out	8,297,216	6,888,674	20.4%
 Total	 \$207,426,126	 \$187,479,865	 10.6%

General fund expenditures for 2001 increased \$19.9 million or 10.6% from 2000 expenditures. Public Safety expenditures increased \$5.1 million or 6.1% over 2000. This is reflective of Council's decision to direct additional resources to Public Safety. Public Works expenditures increased from 2000 by \$3.7 million due to increased participation in funding for the Transit system. Capital expenditures increased 50.9% or \$5.1 million due to projects such as video detection, police impound lot, police training academy, police parking garage, and various drainage projects. Transfers out increased \$1.4 million primarily due to a transfer of \$1 million to the Employee Benefits Self-Insurance fund. 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, 2001 is \$5.557 million. After deducting this and other necessary reserves and designations, the unreserved, undesignated fund balance of the General fund is approximately \$20.6 million or 9.5% of the 2002 General fund budget or 10.0% of actual 2001 General fund expenditures.

PROPRIETARY OPERATIONS

Colorado Springs Utilities

ELECTRIC RESOURCE PLAN

Colorado Springs Utilities will continue to rely on a diversified and environmentally friendly combination of resources to provide the highest-value electric services for its citizen-owners and customers. Generating units using low-sulfur coal and equipped with baghouse filtration systems will provide a low-cost and stable source of energy. Federal and Colorado Springs Utilities-owned hydroelectric generation will provide about 15% of our energy needs. Natural gas generating units will provide an increasing amount of Colorado Springs Utilities' electric needs. We will continue to offer a range of energy efficiency and demand-side management (DSM) programs, directed toward all customer classes, to encourage the efficient use of our products and services and to reduce our need for future thermal resources. DSM programs, alone, however, are insufficient to serve all of Colorado Springs Utilities' increasing loads. To provide the additional resources needed, we will make short-term purchases until 2003, when the 480 megawatt (MW) Front Range Power combined cycle generating unit (highly efficient and fueled by natural gas), located at the Nixon site, will be commissioned.

Colorado Springs Utilities will purchase increasing amounts of capacity from the Front Range Power unit over the next 20 years, as loads continue to grow. Supplementing these purchases, to reliably meet increasing customers' electric demands, Colorado Springs Utilities will expand its DSM programs and consider a wide range of other traditional and non-traditional electric resource options, of which one or more will be pursued to meet demands beginning in 2005. Those resource options include the addition of small hydroelectric units on the Colorado Springs Utilities water system, renewable energy sources, natural gas peaking and/or combined-cycle units, and coal-fueled capacity (available sometime after 2005), as well as long-term power purchases from other electric utilities or generation companies.

ENRON POWER SUPPLY CONTRACT

Colorado Springs Utilities contracted with Enron to purchase up to 150 MW of electric supply from October 1998 through September 2003. Overall, the contract has been beneficial to our customers helping to keep rates low, especially during periods of high electric market prices. However, as a result of Enron's bankruptcy filing on December 2, 2001 and subsequent failure to deliver contracted electrical power, Colorado Springs Utilities performed an extensive re-evaluation of projected loads and portfolio of resources, and revised the long term seasonal loads and electric resource outlook. For the summer season of 2002, we negotiated and signed contracts for 120 MW of replacement capacity and energy with Xcel Energy and Utilicorp. These purchase power agreements are the most dependable and the least cost option to meet customer loads and regional electric system reliability requirements. Colorado Springs Utilities will continue to evaluate projected loads and resources for the winter 2002/2003 season and secure replacement electric supply from the short-term electric market until the commercial operation of Front Range Power, expected prior to summer 2003.

REGIONAL WATER INFRASTRUCTURE

As part of the 1996 Water Resource Plan that was approved by the Colorado Springs City Council, the Southern Delivery System (SDS) was identified as the major project to meet our community's future water needs. The project is ultimately planned to deliver up to 74 million gallons per day by pumping water from Pueblo Reservoir through a 43 mile pipeline system to a future reservoir in the Banning Lewis Ranch area; Jimmy Camp Creek Reservoir. From this reservoir, water will be treated at the Jimmy Camp Creek Water Treatment Plant and then distributed to customers. The project is planned to be operational by 2008. This is a regional partnership with participation from Colorado Springs Utilities, City of Fountain and Security Water District. It will be financed, owned and operated by the Regional Water Infrastructure Authority. The SDS will give Colorado Springs Utilities greater operational flexibility by allowing us to use available storage capacity in Pueblo Reservoir and then deliver the additional capacity in order to continue to provide quality and reliable water to the citizen owners of Colorado Springs Utilities. In addition, the SDS project is considered the most economical and environmentally desirable approach to providing Colorado Springs with valuable water delivery.

A second project, the Northern Water Reclamation Facility (Northern Facility), was developed as a part of the Wastewater Infrastructure Strategic Plan. This plan was approved by the Colorado Springs City Council in 2000. The facility will be located adjacent to Pikeview Reservoir, near Mark Dabling Blvd. and Garden of the Gods Road. The Northern Facility is the best near term solution for meeting the growing wastewater flows of the community. The first phase for the Northern Facility will have a 20 million per day capacity and will be operational in 2005. The second phase is planned to be an additional 10 million gallons per day and may be operational as early as 2009. Opportunities for regional partnerships are being explored. If a partnership is formed, the project will be financed, owned and operated by the Regional Water Infrastructure Authority.

VOLATILE ENERGY PRICE IMPACTS ON COLORADO SPRINGS UTILITIES

The year 2001 started out looking like a continuation of the volatile energy markets experienced in 2000, with predictions of summertime energy shortages in California spreading throughout the western U. S. The high wholesale prices of 2000 continued for the first few months of 2001. Colorado Springs Utilities was able to mitigate much of the negative impact on our purchases power expenses by an aggressive program of off-system electric sales. In addition, we expanded our risk management program to include hedging for electricity as well as natural gas. The high natural gas costs were being recovered in a more timely manner from customers since the gas cost adjustment mechanism included the prospective gas costs. In electricity, however, the electric cost adjustment mechanism still required that costs be recovered in arrears. In April, we implemented a new electric cost adjustment mechanism that allowed a more timely collection of increased cost. Although the dire predictions of shortages and even higher summertime prices did not materialize, due in part to conservation spurred by the higher prices as well as the price caps implemented by the Federal Energy Regulatory Commission (FERC), Colorado Springs Utilities formed a Risk

Management Department to ensure that the increased use of risk management tools to mitigate energy price volatility was subject to the appropriate internal controls.

CASH FLOW

Colorado Springs Utilities focuses on a variety of measures of cash flow as our primary indicators of the organization's financial health. Modified Cash Income (which is accounting net income adjusted for non-cash income statement entries such as depreciation) is the trigger for Colorado Springs Utilities' annual incentive payments and is one of our principal financial indicators.* Below shows overall Colorado Springs Utilities results for modified cash income during 2001 compared to budget.

Budget 2001: \$75,250,698 **Actual 2001:** \$66,589,730

*NOTE: The direct calculation of "Modified Cash Income" for 2001 is as follows:

Operating Revenue \$588,796,856
Less: Operating Expense \$(466,437,092)
Payments in lieu of taxes \$(23,056,454)
Plus: Interest Income \$9,914,887
Less: Interest on Long Term Bonds \$(41,905,236)
Other Interest Charges \$(423,226)
Misc. Deductions (Focus Fund) \$(300,005)
Total "Modified Cash Income" \$66,589,730

BOND ISSUANCE

In August 2001, Colorado Springs Utilities issued its 2001A Subordinate Lien Improvement and Refunding Revenue Bonds in the amount of \$300,790,000. Net proceeds of the 2001A Bonds were used: (a) to refund, along with other available funds of the utilities, the City's Utilities System Refunding Revenue Bonds, Series 1991A, Utilities System Refunding Revenue Bonds, Series 1991B, and Utilities System Revenue Bonds, Series 1991C, then currently outstanding in the principal amount of \$237,290,000; (b) to finance a variety of capital improvements to the Utilities System and (c) to purchase a Debt Service Reserve Surety Bond from Ambac Assurance Corporation for the purpose of funding the Reserve Fund for the 2001A Bonds. The repurchase of outstanding bonds produced a present value savings of \$25.7 million, or 10.8 percent present value savings as a percent of refunded par. The present value savings calculation incorporates total debt service savings of \$17.5 million and the release of a \$14 million Debt Service Reserve Fund requirement. Colorado Springs Utilities' annual debt service was reduced by approximately \$876,000 as a result of this bond repurchase program. The 2001A Bonds were issued at a competitive sale on August 1, 2001 and were awarded to UBS Paine Webber Incorporated. The Bonds were purchased at a price of \$308,696,655 (which represents the par amount of the Bonds, plus a premium of \$9,345,861, less an underwriting discount of \$1,439,206) plus accrued interest.

Moody's Investors Service and Standard & Poor's Credit Markets have assigned ratings of Aa2 and AA, respectively to the 2001A Bonds, identical to the ratings on all Colorado Springs Utilities' outstanding first and subordinate lien debt.

RATE ADJUSTMENTS

During 2001, Colorado Springs Utilities did not request any base rate increase for its regulated services. Colorado Springs City Council approved a gas cost adjustment (GCA) increase in early January which resulted in an increase in the gas portion of the residential bill by about 15 percent. In April, City Council approved an electric cost adjustment (ECA) increase of about 25 percent for residential customers. This increase was combined with a change in the ECA mechanism to provide that future adjustments are made to recover prospected costs, rather than historical costs. This action will ensure a more timely recovery of costs as well as provide better information to the customers of the costs of supplying the electricity. Due to significant reduction in energy prices in the second half of the year, Colorado Springs Utilities was able to file for an ECA reduction in July, a GCA and another ECA reduction in October, and a third ECA reduction beginning January 1, 2002. With these reductions, Colorado Springs Utilities' rates were back down to the level prior to the dramatic increase in prices in the winter of 2000 – 2001.

DEBT SERVICE (RATE COVENANT)

Net Pledged revenue (used to compute the debt service coverage (DSC) ratio) increased noticeably from the 2000 level of \$117,742,695 to \$187,054,673 in 2001. Rapid reductions in energy prices combined with the laggard effect of quarterly ECA & GCA rate component adjustments resulted in relatively high debt service coverage ratio of 3.14. Calendar year 2002 debt service coverage is expected to decline to a normal level given the adjustments that were made effective October 1, 2001 in both rate components and in January 2002 in the ECA.

Net Pledged Revenue

Operating Revenue \$588,796,856
Plus: Interest Revenue \$6,079,088
Development Fee \$21,874,217
Less: Operating Expenses* \$(429,695,488)
Total Net Pledged Revenue \$187,054,673
Total Debt Service \$59,488,971
DSC Ratio 3.14

*Note: Operating expense for purposes of calculating debt service coverage excludes amounts reported on the Income Statement for recognition of expenses in compliance of Financial Accounting Standard 133. These amounts are additional purchased gas expenses totaling \$36.6 million. Included in this total is a \$22.3 revenue transition adjustment for derivative instruments, which was developed and recorded in accordance with FAS 133 implementation requirements. Excluded are expenses for Manitou and Green Mountain Falls Franchise Fees of \$168,350.

OUTLOOK

Colorado Springs Utilities plans to continue planning and operating for significant local growth while focusing on its core values and mission: to provide exceptional value to the community and its citizen-owners. The values and mission will be achieved by effectively planning, constructing, financing and operating utility facilities to provide

responsive, safe and dependable core services. We also want to continue to deliver value-added products and services at fair prices, while responding to community needs and values, being an environmental steward, and maintaining financial soundness. Through the consolidation of engineering, operating, construction and maintenance operations for electric, gas and water resources, Colorado Springs Utilities expects to continue to extract value and savings in its day-to-day activities. Similar efficiencies are anticipated by the consolidation of all support activities. Both consolidations have led to decreases in employee headcount via attrition. In order to accomplish these goals, the planning process aligns strategic planning, business planning and financial planning to the organization's core values and mission. Balanced scorecards are used to measure and communicate organizational effectiveness in achieving the stated values and mission. Current planning initiatives include: analyzing multiple options for providing dependable cost-effective electrical generation to meet future load requirements; conducting discussions with governmental entities in the region to develop possible partnerships for constructing, financing and operating regional water and wastewater facilities thus utilizing valuable economies or scale; and developing an enterprise-wide risk management plan to mitigate identified business risks and provide stable pricing to our customers.

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 2001 of \$18.2 million, with operating revenues of \$304.7 million and operating expenses (including depreciation) of \$286.5 million. Total 2001 operating revenues increased \$39.9 million or 15% over those of 2000. Hospital net income for 2001 was \$19 million as compared to \$12.9 million for 2000.

Other Enterprise Operations

Remaining City enterprise operations posted the following net income (loss) for 2001:

Airport fund	\$1,176,689
Patty Jewett Golf fund	192,794
Valley Hi Golf fund	(57,305)
Pikes Peak Highway fund	(616,322)
Human Services Complex fund	99,823
Parking System fund	1,392,559
Cemetery fund	(2,815)
Development Review fund	137,777

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, 2001, the Support Services fund recorded a net loss of \$944,884 on operating revenues of \$24.3 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 2001 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, 2001, this fund had an unreserved retained earnings balance of approximately \$1.6 million.

At December 31, 2001, the Workers Compensation Self-Insurance fund had an unreserved retained earnings balance of \$1,561,175. This is the balance remaining after expensing and setting up reserves for all known claims at year-end.

At December 31, 2001, the Employee Benefits Self-Insurance fund had an unreserved retained earnings balance of \$1,254,234. 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 2002. 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 or for pension assets of sworn City employees. 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 2001 the City received cash gifts and donations and earned income on those assets for its various trust funds in the total amount of \$1,257,940. In accordance with the donors' intents, expenditures of \$1,065,755 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, 2001 was approximately \$33.4 million. City general obligation debt (excluding component units) of approximately \$21.7 million is a very low amount, representing \$59.20 per capita, a ratio of .007 to assessed valuation and .001 to estimated market value of taxable property in the City. The legal debt margin at December 31, 2001 is \$339.7 million.

Proprietary Fund Debt

Colorado Springs Utilities

At December 31, 2001 the Colorado Springs Utilities had outstanding long-term debt (less current portion) in the amount of \$888,959,590, composed of revenue bonds, notes payable, and capital lease obligations.

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, 2001 Memorial Hospital had outstanding long-term debt (less current portion) in the amount of \$137,237,000, composed of revenue bonds and capital lease obligations.

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 \$65.5 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 United States Treasury and Instrumentality obligations and repurchase agreements collateralized by these securities. 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, 2001, 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, 2001, the City is invested primarily in US Treasury and Instrumentality securities and repurchase agreements collateralized by these 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 \$107.5 million (fair value) 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, 2001, 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. Some component units were also audited by Grant Thornton LLP while others were audited by other auditors.

The City employs an Internal Auditor who reports directly to the City Council. That 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, 2000. 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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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.



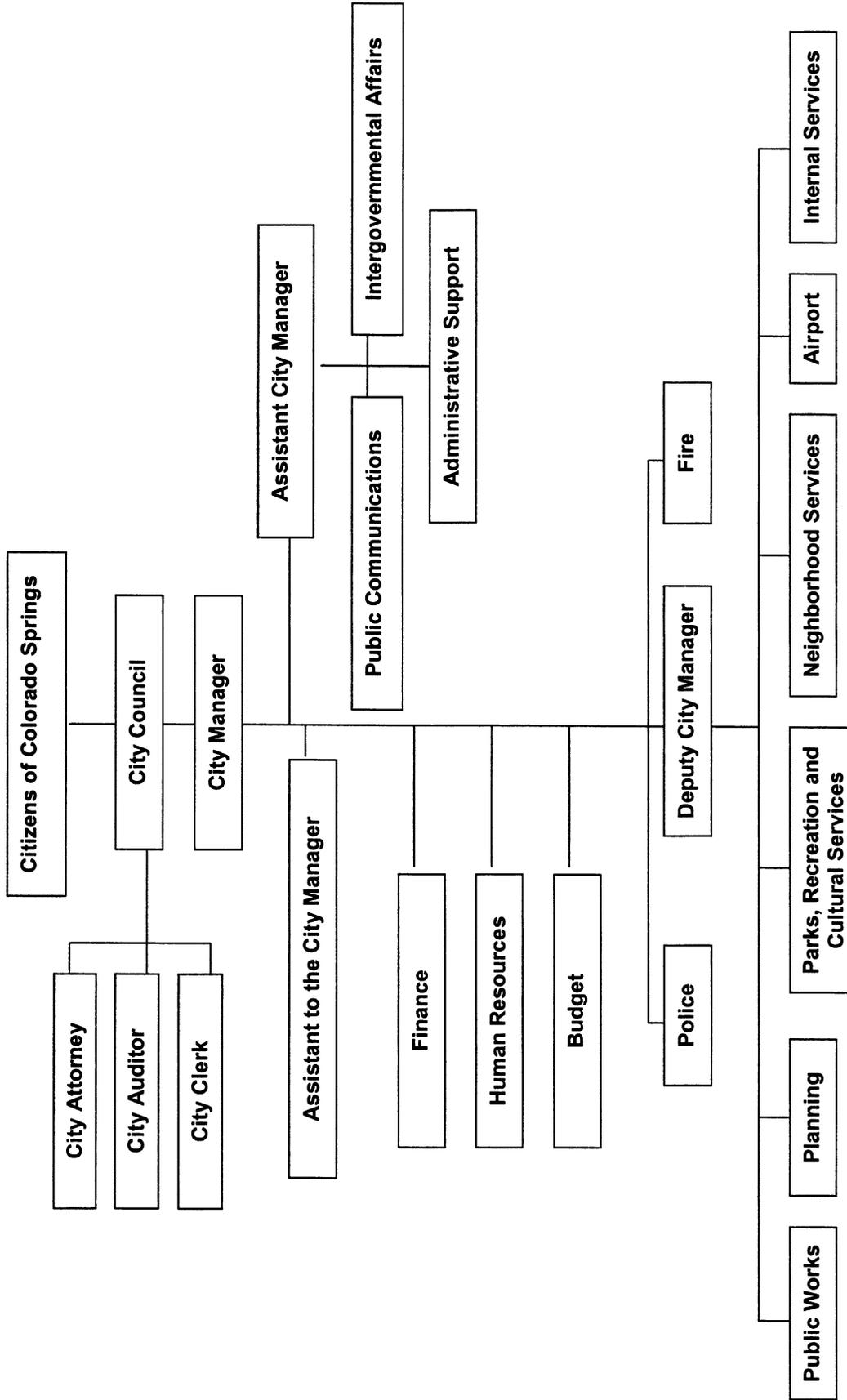
Thomas A. Arue
President

Jeffrey L. Esser
Executive Director



CITY OF COLORADO SPRINGS

City of Colorado Springs Organizational Chart



CITY OF COLORADO SPRINGS, COLORADO

Officials

City Council

Mary Lou Makepeace, Mayor

Sallie Clark
Ted Eastburn
James Null
Richard Skorman

Judy Noyes
Margaret Radford
Lionel Rivera
Charles Wingate

City Manager

Lorne C. Kramer

Deputy City Manager

David D. Nickerson

Assistant City Manager

Mary Collins

Paul D. Butcher
Parks, Recreation and Cultural Services

Ron Cousar
Neighborhood Services

Luis Velez
Police Chief

Steve Hilfers
Finance

Ron Mitchell
Internal Support Services

David S. Zelenok
Public Works

Manuel Navarro
Fire Chief

H. Quinn Peitz
City Planning

Mike Anderson
Budget

Ann Crossey
Human Resources

Council Appointees

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

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, 2001, as listed in the table of contents. 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 33 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 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 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, 2001, 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., the City adopted Financial Accounting Standards Board Statement No. 133 (FAS 133), *Accounting for Derivative Instruments and Hedging Activities*, for its proprietary fund types and Governmental Accounting Standards Board Statement No. 33 (GASB 33), *Accounting and Financial Reporting for Nonexchange Transactions*, during the year ended December 31, 2001. FAS 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. GASB 33 establishes accounting and reporting standards for nonexchange transactions, including contributed capital.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2002, on our consideration of the City's internal control over financial reporting and on 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, 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.

Colorado Springs, Colorado
March 22, 2002

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

GENERAL PURPOSE FINANCIAL STATEMENTS

**ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS
COMBINED BALANCE SHEET
December 31, 2001
With comparative totals for December 31, 2000**

	<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>
<u>ASSETS AND OTHER DEBITS</u>						
Cash and investments	\$40,142,661	17,856,600	23,777,535	192,622,882	13,725,086	4,555,243
Accounts, taxes, interest receivable-net	37,336,041	24,160,423	546,574	128,985,652	1,191,555	2,289,422
Inventories-at cost				33,444,182	724,352	
Due from other funds	5,506,592	113,311	248,336	158,818	35,610	1,717,966
Prepaid items, other assets	49,150			8,038,430		
Other assets				48,437,182		15,224
Restricted investments	545,518	47,335	34,443,775	200,062,698		358,151,871
Fixed assets-net of accumulated depreciation				2,117,272,533	3,512,188	
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	83,579,962	42,177,669	59,016,220	2,729,022,377	19,188,791	366,729,726
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>						
Liabilities						
Accounts payable and other liabilities	5,444,626	1,954,269	3,925,368	78,942,062	11,281,061	3,125,737
Accrued employee salaries, benefits	11,218,266	203,880		21,535,370	866,989	
Escrow and customer deposits	4,967,380			996,613		
Due to other funds	586,227	2,991,093	551,538	801,783	2,429,908	420,084
Other liabilities						67,262
Deferred revenue	21,239,551	19,209,992		606,392		
Accrued interest				5,357,141		
Current portion of long-term debt				19,415,890	219,051	
Revenue bonds payable				1,077,090,030		
Other long-term debt				22,804,321	761,781	
Fair value of derivative instruments				14,287,857		
Total liabilities	43,456,050	24,359,234	4,476,906	1,241,837,459	15,558,790	3,613,083
Equity (deficit) and other credits						
Investment in general fixed assets						
Contributions				655,581,468	1,230,087	
Retained earnings						
Reserved for debt service				6,118,785		
Bond reserve requirements				45,850,222		
Unreserved (deficit)				779,634,443	2,399,914	
Fund balances						
Reserved for						
Encumbrances	6,364,583	301,820	14,916,345			125,531
Debt service, prepaids	594,668	753,428				
Endowments						8,215,307
Employees' pension benefits						351,929,378
Emergency reserve	5,556,567					
Unreserved						
Designated for purposes of trust						2,846,427
Designated-subsequent year expenditures	6,966,345	4,841,505	39,622,969			
Undesignated	20,641,749	11,921,682				
Total equity (deficit) and other credits	40,123,912	17,818,435	54,539,314	1,487,184,918	3,630,001	363,116,643
Total liabilities, equity and other credits	\$83,579,962	42,177,669	59,016,220	2,729,022,377	19,188,791	366,729,726

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

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

<u>Account Groups</u>		2001 Primary Government Totals (Memorandum only)	2001 Governmental Fund Component Units	2001 Proprietary Fund Component Units	Reporting Entity Totals (Memorandum only)	
General Fixed Assets	General Long-Term and Other Debt				2001	2000 (as restated)
		292,680,007	149,571	1,931,636	294,761,214	265,802,937
		194,509,667	450,672	663,379	195,623,718	203,395,582
		34,168,534		37,880	34,206,414	31,904,195
		7,780,633			7,780,633	9,828,918
		8,087,580		2,866,793	10,954,373	7,250,335
		48,452,406			48,452,406	40,756,633
		593,251,197		2,050,125	595,301,322	653,681,550
273,899,712		2,394,684,433	143,170	81,725,700	2,476,553,303	2,361,038,724
	1,220,936	1,220,936			1,220,936	980,083
	144,095,749	144,095,749	846,988		144,942,737	152,006,387
273,899,712	145,316,685	3,718,931,142	1,590,401	89,275,513	3,809,797,056	3,726,645,344
		104,673,123	7,959	397,718	105,078,800	149,509,315
		33,824,505			33,824,505	34,983,708
		5,963,993			5,963,993	5,623,434
		7,780,633			7,780,633	9,828,918
		67,262			67,262	68,285
		41,055,935	448,920	2,135,021	43,639,876	42,410,235
		5,357,141		174,961	5,532,102	5,676,854
		19,634,941		2,945,561	22,580,502	23,971,591
		1,077,090,030		10,344,628	1,087,434,658	1,053,439,704
	145,316,685	168,882,787	846,988	90,839,921	260,569,696	266,333,549
		14,287,857			14,287,857	0
0	145,316,685	1,478,618,207	1,303,867	106,837,810	1,586,759,884	1,591,845,593
273,899,712		273,899,712	143,170		274,042,882	228,363,146
		656,811,555		614,940	657,426,495	657,426,494
		6,118,785		2,050,125	8,168,910	8,137,429
		45,850,222			45,850,222	58,689,179
		782,034,357		(20,227,362)	761,806,995	654,240,139
		21,708,279			21,708,279	32,651,093
		1,348,096			1,348,096	1,092,206
		8,215,307			8,215,307	8,215,037
		351,929,378			351,929,378	369,113,887
		5,556,567	5,060		5,561,627	6,050,428
		2,846,427			2,846,427	2,651,145
		51,430,819	138,304		51,569,123	80,707,574
		32,563,431			32,563,431	27,461,994
273,899,712	0	2,240,312,935	286,534	(17,562,297)	2,223,037,172	2,134,799,751
273,899,712	145,316,685	3,718,931,142	1,590,401	89,275,513	3,809,797,056	3,726,645,344

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, 2001

With comparative totals for the year ended December 31, 2000

	<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	\$132,361,209	12,411,868		
Licenses and permits	445,352			
Intergovernmental	21,517,264	27,720,126		
Charges for services	33,662,626	11,744		
Fines and forfeits	3,992,880			
Miscellaneous	6,123,931	5,606,699	5,034,350	1,245,906
Total revenues	198,103,262	45,750,437	5,034,350	1,245,906
Expenditures				
Current				
General government	33,530,288			
Public safety	88,978,576	6,418,149		
Public works	29,649,501	6,798,980		
Health and welfare	727,683			
Culture and recreation	15,873,911	588,429		1,053,991
Urban redevelopment and housing	4,035,643	6,387,100		
Economic development & opportunity		2,395,095		
Miscellaneous		478,857		
Debt service				
Principal and interest	11,255,682	1,370,624	281,685	
Issuance expense				
Capital outlay	15,077,626	20,956,139	43,621,570	
Total expenditures	199,128,910	45,393,373	43,903,255	1,053,991
Revenues over (under) expenditures	(1,025,648)	357,064	(38,868,905)	191,915
Other financing sources (uses)				
Capital lease financing	560,000	3,200,000		
Operating transfers - in	2,885,451		7,277,000	
Operating transfers - out	(8,297,216)	(1,152,483)		
Proceeds from sale of property				
Proceeds of bonds				
Proceeds of notes payable				
Total other financing sources (uses)	(4,851,765)	2,047,517	7,277,000	0
Revenues and other financing sources over (under) expenditures and other financing uses	(5,877,413)	2,404,581	(31,591,905)	191,915
Fund balances/equity - January 1	45,781,457	15,616,554	86,148,387	2,780,043
Residual equity transfer - in	219,868		185,835	
Residual equity transfer - out		(202,700)	(203,003)	
Fund balances/equity - December 31	\$40,123,912	17,818,435	54,539,314	2,971,958

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

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

2001 Primary Government Totals (Memorandum only)	2001 Component Units	Reporting Entity Totals (Memorandum only)	
		2001	2000
144,773,077	155,684	144,928,761	143,158,588
445,352		445,352	402,523
49,237,390		49,237,390	50,116,560
33,674,370		33,674,370	31,108,413
3,992,880		3,992,880	3,444,419
18,010,886	63,736	18,074,622	22,067,081
250,133,955	219,420	250,353,375	250,297,584
33,530,288		33,530,288	31,021,293
95,396,725		95,396,725	91,447,042
36,448,481	116,694	36,565,175	35,853,697
727,683		727,683	693,031
17,516,331		17,516,331	17,719,065
10,422,743	59,737	10,482,480	11,582,581
2,395,095		2,395,095	2,640,778
478,857	187,624	666,481	408,978
12,907,991		12,907,991	15,001,598
0		0	211,864
79,655,335		79,655,335	70,735,959
289,479,529	364,055	289,843,584	277,315,886
(39,345,574)	(144,635)	(39,490,209)	(27,018,302)
3,760,000		3,760,000	8,785,942
10,162,451		10,162,451	11,054,248
(9,449,699)		(9,449,699)	(9,500,267)
0		0	1,250,000
0		0	7,265,000
0		0	57,936
4,472,752	0	4,472,752	18,912,859
(34,872,822)	(144,635)	(35,017,457)	(8,105,443)
150,326,441	287,999	150,614,440	158,717,281
405,703		405,703	2,602
(405,703)		(405,703)	0
115,453,619	143,364	115,596,983	150,614,440

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, 2001**

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$135,600,540	132,361,209	(3,239,331)
Licenses and permits	619,963	445,352	(174,611)
Intergovernmental	21,276,205	21,517,264	241,059
Charges for services	33,193,053	33,662,626	469,573
Fines and forfeits	4,262,650	3,992,880	(269,770)
Miscellaneous	5,008,223	6,123,931	1,115,708
Total revenues	<u>199,960,634</u>	<u>198,103,262</u>	<u>(1,857,372)</u>
Expenditures			
Current			
General government	39,290,144	33,530,288	5,759,856
Public safety	93,934,352	88,978,576	4,955,776
Public works	30,972,215	29,649,501	1,322,714
Health and welfare	727,683	727,683	0
Culture and recreation	16,097,223	15,873,911	223,312
Urban redevelopment and housing	4,273,702	4,035,643	238,059
Economic development & opportunity			
Miscellaneous			0
Debt service			
Principal and interest	11,256,465	11,255,682	783
Capital outlay	21,772,469	15,077,626	6,694,843
Total expenditures	<u>218,324,253</u>	<u>199,128,910</u>	<u>19,195,343</u>
Revenues over (under) expenditures	<u>(18,363,619)</u>	<u>(1,025,648)</u>	<u>17,337,971</u>
Other financing sources (uses)			
Capital lease financing		560,000	560,000
Operating transfers - in	3,137,397	2,885,451	(251,946)
Operating transfers - out	(8,301,441)	(8,297,216)	4,225
Total other financing sources (uses)	<u>(5,164,044)</u>	<u>(4,851,765)</u>	<u>312,279</u>
Revenues and other financing sources over (under) expenditures and other financing uses - budget basis	(23,527,663)	(5,877,413)	17,650,250
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	(23,527,663)	(5,877,413)	17,650,250
Fund balances - January 1	45,781,457	45,781,457	0
Residual equity transfer - in		219,868	219,868
Residual equity transfer - (out)			
Fund balances - December 31	<u>\$22,253,794</u>	<u>40,123,912</u>	<u>17,870,118</u>

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)
5,687,207	5,509,227	(177,980)
26,000	11,744	(14,256)
<u>3,944,280</u>	<u>3,994,719</u>	<u>50,439</u>
<u>9,657,487</u>	<u>9,515,690</u>	<u>(141,797)</u>
4,363,869	3,308,791	1,055,078
319,801	119,608	200,193
3,593,560	2,395,095	1,198,465
227,200	176,833	50,367
1,148,235	1,148,835	(600)
<u>9,652,665</u>	<u>7,149,162</u>	<u>2,503,503</u>
<u>4,822</u>	<u>2,366,528</u>	<u>2,361,706</u>
<u>(1,105,935)</u>	<u>(1,152,483)</u>	<u>(46,548)</u>
<u>(1,105,935)</u>	<u>(1,152,483)</u>	<u>(46,548)</u>
(1,101,113)	1,214,045	2,315,158
	39,434,747	
	<u>(38,244,211)</u>	
	2,404,581	
	15,616,554	
	<u>(202,700)</u>	
	<u><u>17,818,435</u></u>	

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, 2001
With comparative totals for the year ended December 31, 2000**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>2001 Primary Government Totals (Memorandum only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-expendable Trusts</u>	
Operating revenues				
Charges for services	\$917,335,560	24,264,563		941,600,123
Other operating revenues	6,164,000	27,728,855	146,004	34,038,859
Total operating revenues	923,499,560	51,993,418	146,004	975,638,982
Operating expenses				
Personal services	254,738,354	10,271,845		265,010,199
Other operating expenses	520,184,065	42,030,128	11,764	562,225,957
Depreciation	94,819,393	719,044		95,538,437
Total operating expenses	869,741,812	53,021,017	11,764	922,774,593
Operating income (loss)	53,757,748	(1,027,599)	134,240	52,864,389
Non-operating revenues (expenses)				
Investment income	20,879,824	789,338		21,669,162
Interest on long-term bonds	(54,157,630)			(54,157,630)
Other interest expense	(108,121)	(87,647)		(195,768)
Allowance for borrowed funds used during construction	2,099,123			2,099,123
Allowance for equity funds used during construction	1,218,075			1,218,075
Federal grants	802,450			802,450
Passenger facility charges	3,206,133			3,206,133
Amortization of debt expense	(877,624)			(877,624)
Gain (loss) on sale of fixed assets	(1,780,940)	(43,692)		(1,824,632)
Other revenue (expense)	48,286,404	(1,231)	(133,970)	48,151,203
Transition adjustment for derivative instruments	22,285,395			22,285,395
Total non-operating revenues (expenses)	41,853,089	656,768	(133,970)	42,375,887
Income (loss) before operating transfers	95,610,837	(370,831)	270	95,240,276
Operating transfers				
Transfers - in	128,455	2,000,000		2,128,455
Transfers - out	(2,841,207)			(2,841,207)
Total operating transfers	(2,712,752)	2,000,000	0	(712,752)
Net income (loss)	92,898,085	1,629,169	270	94,527,524
Retained earnings (accumulated deficit)/Fund balances - January 1, as previously reported	738,705,365	770,745	8,215,037	747,691,147
Residual equity transfer - out				
Adjustment for correction of depreciation calculation for addition of fixed assets and recognition of passenger facility charges as revenue when received				
Retained earnings (accumulated deficit)/Fund balances - January 1, as restated	738,705,365	770,745	8,215,037	747,691,147
Retained earnings (accumulated deficit)/Fund balances - December 31	\$831,603,450	2,399,914	8,215,307	842,218,671

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

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

2001 Component Units	Reporting Entity Totals (Memorandum only)	
	2001	2000 (as restated)
8,541,472	950,141,595	793,492,191
	34,038,859	29,293,284
8,541,472	984,180,454	822,785,475
	265,010,199	234,998,651
2,955,346	565,181,303	477,592,249
1,847,278	97,385,715	92,080,827
4,802,624	927,577,217	804,671,727
3,738,848	56,603,237	18,113,748
194,815	21,863,977	22,477,467
(1,101,753)	(55,259,383)	(56,837,781)
(2,659,233)	(2,855,001)	(2,812,509)
	2,099,123	2,730,842
	1,218,075	1,484,072
	802,450	0
	3,206,133	3,663,388
(31,845)	(909,469)	(920,778)
	(1,824,632)	0
91,295	48,242,498	(2,802,306)
	22,285,395	0
(3,506,721)	38,869,166	(33,017,605)
232,127	95,472,403	(14,903,857)
	2,128,455	177,967
	(2,841,207)	(1,731,948)
0	(712,752)	(1,553,981)
232,127	94,759,651	(16,457,838)
(18,409,364)	729,281,783	741,043,901
		(2,602)
		4,698,322
(18,409,364)	729,281,783	745,739,621
(18,177,237)	824,041,434	729,281,783

**ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED STATEMENT OF CASH FLOWS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>2001 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)	\$53,757,748	(1,027,599)	134,240	52,864,389
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	94,819,393	719,044		95,538,437
Amortization expense and other	240,734			240,734
Provision for loss on accounts receivable	2,050,776			2,050,776
Change in fair value of derivative instruments	36,573,252			36,573,252
Other revenue (expense)	2,019,757	(1,231)		2,018,526
(Increase) decrease in assets				
Accounts, interest receivable	722,544	(121,791)	771	601,524
Inventories	(2,321,377)	54,502		(2,266,875)
Due from other funds	764,585	259,439	10,689	1,034,713
Deferred debits, prepaid expenses	(3,092,204)	115,040		(2,977,164)
Other assets	(21,025,199)		(392,656)	(21,417,855)
Increase (decrease) in liabilities				
Accounts payable	(43,410,396)	(2,425,242)	(280)	(45,835,918)
Accrued employee salaries, benefits	(1,143,686)	(13,416)		(1,157,102)
Customer deposits	102,620			102,620
Due to other funds	711,385	(238,701)	6,373	479,057
Other liabilities	3,315,962			3,315,962
Net cash provided (used) by operating activities	124,085,894	(2,679,955)	(240,863)	121,165,076
Cash flows from non-capital financing activities:				
Repayment of notes payable				0
Interest on notes payable				0
Operating transfers - in	128,455	2,000,000		2,128,455
Operating transfers - out	(2,841,207)			(2,841,207)
Residual equity transfer - out				
Net cash provided (used) by non-capital financing activities	(2,712,752)	2,000,000	0	(712,752)
Cash flows from capital and related financing activities:				
Increase in contributions in aid of construction, other contributions	24,967,649			24,967,649
Proceeds from issuance of revenue bonds				
Capital expenditures	(144,274,583)	(394,387)		(144,668,970)
Bond issuance costs				0
Proceeds of long-term debt	57,808,705			57,808,705
Proceeds from sale of assets	296,196			296,196
Use of bond, escrow funds				
Proceeds from termination of interest agreement	1,900,000			1,900,000
Repayment of capital lease obligations	(872,836)	(154,859)		(1,027,695)
Federal grants	802,450			802,450
Passenger facility charges	3,206,133			3,206,133
Repayment of long-term debt	(8,854,500)			(8,854,500)
Interest on long-term debt	(53,553,981)			(53,553,981)
Other interest payments	(112,504)	(87,647)		(200,151)
Advances for construction	487,013			487,013
Net cash used by capital and related financing activities	(\$118,200,258)	(636,893)	0	(118,837,151)

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

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

(Page 1 of 2)

2001 Component Units	Reporting Entity Totals (Memorandum only)	
	2001	2000 (as restated)
3,738,848	56,603,237	18,113,748
1,847,278	97,385,715	92,080,827
(25,047)	215,687	505,057
	2,050,776	2,511,852
	36,573,252	0
24,885	2,043,411	(437,477)
107,288	708,812	(26,579,191)
(37,880)	(2,304,755)	6,390,867
	1,034,713	115,176
(3,016)	(2,980,180)	(1,617,701)
	(21,417,855)	(11,315,558)
(164,785)	(46,000,703)	38,487,607
	(1,157,102)	5,682,084
	102,620	182,268
	479,057	704,758
818,676	4,134,638	(215,720)
6,306,247	127,471,323	124,608,597
(283,623)	(283,623)	(260,366)
(171,045)	(171,045)	(197,380)
	2,128,455	177,967
	(2,841,207)	(1,731,948)
	0	(2,602)
(454,668)	(1,167,420)	(2,014,329)
	24,967,649	28,650,086
	0	7,607,966
(982,256)	(145,651,226)	(182,145,328)
	0	(1,757,552)
	57,808,705	127,601,594
66,536	362,732	1,670,246
3,028	3,028	(1,837)
	1,900,000	0
	(1,027,695)	(1,703,263)
	802,450	0
	3,206,133	3,784,227
(2,215,986)	(11,070,486)	(17,472,641)
(1,065,936)	(54,619,917)	(56,376,002)
(2,135,021)	(2,335,172)	(1,490,951)
	487,013	(1,203,695)
(6,329,635)	(125,166,786)	(92,837,150)

(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, 2001
With comparative totals for the year ended December 31, 2000**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>2001 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			537,049	537,049
Interest received on investments	\$19,852,586	569,839		20,422,425
Purchases of investments	(213,222,684)	(6,191,789)	(256,708)	(219,671,181)
Proceeds from sales and maturities of investments	191,737,241	7,765,038		199,502,279
Net cash provided (used) by investing activities	(1,632,857)	2,143,088	280,341	790,572
Net increase in cash	1,540,027	826,240	39,478	2,405,745
Cash - January 1	25,164,007	344,331	13,697	25,522,035
Cash - December 31	26,704,034	1,170,571	53,175	27,927,780
Cash	26,704,034	1,170,571	53,175	27,927,780
Investments	165,918,848	12,554,515	555,504	179,028,867
Total cash and investments	\$192,622,882	13,725,086	608,679	206,956,647
Noncash investing, capital and financing activities:				
Amortization, charge off of debt discount and expense	\$877,624			877,624
Noncash contribution in aid of construction	22,784,762			22,784,762
Noncash acquisition of property, plant & equipment (incurrence of payable/capital lease obligation)	11,871,012	125,727		11,996,739
Unrealized gain (loss) on investments	(429,922)	219,499	(133,970)	(344,393)
Reconciliation of cash and cash equivalents:				
Non-expendable Trust Funds			\$608,679	
Expendable Trust and Agency Funds			3,946,564	
Total cash and investments			<u>\$4,555,243</u>	

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

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

2001 Component Units	Reporting Entity Totals (Memorandum only)	
	2001	2000 (as restated)
	537,049	123,963
175,572	20,597,997	16,894,160
(2,860,969)	(222,532,150)	(166,578,246)
<u>3,377,414</u>	<u>202,879,693</u>	<u>133,709,271</u>
<u>692,017</u>	<u>1,482,589</u>	<u>(15,850,852)</u>
213,961	2,619,706	13,906,266
<u>649,553</u>	<u>26,171,588</u>	<u>12,265,322</u>
<u>863,514</u>	<u>28,791,294</u>	<u>26,171,588</u>
863,514	28,791,294	26,171,588
<u>1,068,122</u>	<u>180,096,989</u>	<u>153,999,536</u>
<u>1,931,636</u>	<u>208,888,283</u>	<u>180,171,124</u>
31,845	909,469	914,782
	22,784,762	1,833,396
	11,996,739	14,552,826
	(344,393)	2,179,006

STATEMENT OF CHANGES IN PLAN NET ASSETS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000

CITY OF COLORADO SPRINGS
COLORADO
Exhibit A-6

	Pension Trust Fund	Totals	
		2001	2000
Additions			
City and participant contributions	\$8,066,146	8,066,146	7,893,279
Other income	1,358,358	1,358,358	1,994,915
Investment earnings:			
Interest and dividend income	8,058,426	8,058,426	7,063,919
Rental income	1,218,439	1,218,439	1,603,856
Net increase (decrease) in fair value of investments	(23,239,992)	(23,239,992)	46,565,660
Total investment earnings	(13,963,127)	(13,963,127)	55,233,435
Less investment expenses	1,199,625	1,199,625	1,156,024
Net investment earnings	(15,162,752)	(15,162,752)	54,077,411
Total additions	(5,738,248)	(5,738,248)	63,965,605
Deductions			
Benefits	10,529,484	10,529,484	9,912,224
Refund	907,430	907,430	890,678
Administrative expenses	9,347	9,347	12,752
Total deductions	11,446,261	11,446,261	10,815,654
Net increase (decrease)	(17,184,509)	(17,184,509)	53,149,951
Net assets held in trust for pension benefits - January 1	369,113,887	369,113,887	315,963,936
Net assets held in trust for pension benefits - December 31	\$ 351,929,378	351,929,378	369,113,887

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

GOVERNMENTAL FUND TYPE
 COMPONENT UNITS
 COMBINING BALANCE SHEET
 December 31, 2001

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit A-7

With comparative totals for December 31, 2000

	Colorado Springs Urban Renewal Authority	Greater Downtown Colorado Springs Business Improvement District	Totals	
			2001	2000
<u>ASSETS AND OTHER DEBITS</u>				
Cash and investments	\$109,941	39,630	149,571	193,377
Accounts receivable-net				94,771
Taxes receivable		450,672	450,672	136,196
Fixed assets	100,000	43,170	143,170	143,170
Amount to be provided for the payment of general long-term debt	846,988		846,988	846,988
Total assets and other debits	1,056,929	533,472	1,590,401	1,414,502
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	7,959		7,959	1,794
Escrow deposits				194
Deferred revenue-property taxes		448,920	448,920	134,357
Other long-term debt	846,988		846,988	846,988
Total liabilities	854,947	448,920	1,303,867	983,333
Equity and other credits				
Investment in general fixed assets	100,000	43,170	143,170	143,170
Fund Balances				
Reserved for				
Emergency reserve		5,060	5,060	5,971
Unreserved				
Designated-subsequent year expenditures	101,982	36,322	138,304	282,028
Total equity and other credits	201,982	84,552	286,534	431,169
Total liabilities, equity and other credits	\$1,056,929	533,472	1,590,401	1,414,502

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**

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

For the year ended December 31, 2001

With comparative totals for the year ended December 31, 2000

	Colorado Springs Urban Renewal Authority	Greater Downtown Colorado Springs Business Improvement District	Totals	
			2001	2000
Revenues				
Taxes	\$0	155,684	155,684	153,179
Intergovernmental				
Miscellaneous	57,062	6,674	63,736	80,205
Total revenues	57,062	162,358	219,420	233,384
Expenditures				
Current				
Public works		116,694	116,694	137,402
Urban redevelopment and housing	59,737		59,737	147,822
Miscellaneous	135,666	51,958	187,624	97,527
Debt service - principal				1,250,000
Total expenditures	195,403	168,652	364,055	1,632,751
Revenues over (under) expenditures	(138,341)	(6,294)	(144,635)	(1,399,367)
Other financing sources				
Proceeds from the sale of property				1,250,000
Total other financing sources	0	0	0	1,250,000
Revenues and other financing sources over (under) expenditures	(138,341)	(6,294)	(144,635)	(149,367)
Fund balances - January 1	240,323	47,676	287,999	437,366
Fund balances - December 31	\$101,982	41,382	143,364	287,999

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

PROPRIETARY FUND TYPE
 COMPONENT UNITS
 COMBINING BALANCE SHEET
 December 31, 2001

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit A-9

With comparative totals for December 31, 2000

ASSETS	Fountain	Aurora-	The Twin	The Lake	The Colorado	The Lake	Totals	
	Valley	Colorado	Lakes	Meredith	Canal	Henry	2001	2000
	Authority	Spring	Reservoir	Reservoir	Company	Reservoir		(as restated)
		Joint Water	and Canal	Company	Company	Company		
		Authority	Company	Company	Company	Company		
Current assets								
Cash and investments	\$714,371	14,043	692,326	156,958	286,876	67,062	1,931,636	2,195,995
Accounts, interest receivable - net	595,744	8,970	14,078		44,107	480	663,379	770,667
Inventories-at cost	37,880						37,880	0
Prepaid expenses	2,206,014		11,208	3,800	10,263	1,780	2,233,065	1,411,373
Total current assets	3,554,009	23,013	717,612	160,758	341,246	69,322	4,865,960	4,378,035
Restricted assets								
Investments								
Reserve funds	969,517	987,093					1,956,610	1,900,059
Interest and principal retirement funds	93,515						93,515	118,585
Total restricted assets	1,063,032	987,093	0	0	0	0	2,050,125	2,018,644
Property, plant and equipment								
Utility plant	84,675,445	9,499,247	13,432,884	1,162,101	1,805,512	868,881	111,444,070	110,905,330
Less accumulated depreciation	(22,451,037)	(1,423,882)	(4,265,716)	(456,372)	(828,152)	(293,211)	(29,718,370)	(27,944,920)
Net property, plant and equipment in service	62,224,408	8,075,365	9,167,168	705,729	977,360	575,670	81,725,700	82,960,410
Construction in progress								
Net property, plant and equipment	62,224,408	8,075,365	9,167,168	705,729	977,360	575,670	81,725,700	82,960,410
Other assets								
Unamortized bond issuance costs	293,878	7,828					301,706	333,551
Other			274,279		25,334	32,409	332,022	332,022
Total other assets	293,878	7,828	274,279	0	25,334	32,409	633,728	665,573
Total assets	67,135,327	9,093,299	10,159,059	866,487	1,343,940	677,401	89,275,513	90,022,662
LIABILITIES AND EQUITY								
Current liabilities								
Accounts payable	213,146	18,208	54,145	40,495	71,688	36	397,718	902,638
Deferred revenue	2,135,021						2,135,021	1,317,428
Accrued interest	165,392	9,569					174,961	174,886
Current portion of long-term debt	685,987	1,930,000	329,574				2,945,561	4,021,658
Total current liabilities	3,199,546	1,957,777	383,719	40,495	71,688	36	5,653,261	6,416,610
Long-term debt (less current portion)								
Revenue bonds payable	10,344,628						10,344,628	12,628,887
Notes payable	7,021,473		1,578,267				8,599,740	9,222,793
Capital lease obligations	82,240,181						82,240,181	79,548,796
Total long-term debt	99,606,282	0	1,578,267	0	0	0	101,184,549	101,400,476
Total liabilities	102,805,828	1,957,777	1,961,986	40,495	71,688	36	106,837,810	107,817,086
Equity								
Contributions in aid of construction		614,940					614,940	614,940
Retained earnings:								
Reserved for debt service	1,063,032	987,093					2,050,125	2,018,644
Unreserved (deficit)	(36,733,533)	5,533,489	8,197,073	825,992	1,272,252	677,365	(20,227,362)	(20,428,008)
Total retained earnings (deficit)	(35,670,501)	6,520,582	8,197,073	825,992	1,272,252	677,365	(18,177,237)	(18,409,364)
Total equity	(35,670,501)	7,135,522	8,197,073	825,992	1,272,252	677,365	(17,562,297)	(17,794,424)
Total liabilities and equity	\$67,135,327	9,093,299	10,159,059	866,487	1,343,940	677,401	89,275,513	90,022,662

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, 2001
 With comparative totals for the year ended December 31, 2000

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit A-10

	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	
							2001	2000 (as restated)
Operating revenues								
Charges for services	\$6,147,988	1,048,982	793,511	203,153	274,949	72,889	8,541,472	7,833,923
Total operating revenues	6,147,988	1,048,982	793,511	203,153	274,949	72,889	8,541,472	7,833,923
Operating expenses								
Other operating expenses	2,140,206	9,160	422,967	76,393	257,371	49,249	2,955,346	2,652,702
Depreciation	1,460,436	94,954	199,494	11,322	72,936	8,136	1,847,278	1,782,194
Total operating expenses	3,600,642	104,114	622,461	87,715	330,307	57,385	4,802,624	4,434,896
Operating income (loss)	2,547,346	944,868	171,050	115,438	(55,358)	15,504	3,738,848	3,399,027
Non-operating revenues (expenses)								
Investment income	84,991	74,728	25,585	1,636	6,299	1,576	194,815	236,739
Interest on long-term bonds	(950,235)	(151,518)					(1,101,753)	(1,071,023)
Other interest expense	(2,488,188)		(171,045)				(2,659,233)	(2,668,472)
Amortization of debt expense	(16,189)	(15,656)					(31,845)	(33,106)
Other revenue (expense)	9,725		2,179	6,462	68,796	4,133	91,295	(1,653,252)
Total non-operating revenues (expenses)	(3,359,896)	(92,446)	(143,281)	8,098	75,095	5,709	(3,506,721)	(5,189,114)
Net income (loss)	(812,550)	852,422	27,769	123,536	19,737	21,213	232,127	(1,790,087)
Retained earnings (accumulated deficit) - January 1	(34,857,951)	5,668,160	8,169,304	702,456	1,252,515	656,152	(18,409,364)	(16,619,277)
Retained earnings (accumulated deficit) - December 31	(\$35,670,501)	6,520,582	8,197,073	825,992	1,272,252	677,365	(18,177,237)	(18,409,364)

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, 2001
 With comparative totals for the year ended December 31, 2000

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	
							2001	2000 (as restated)
Cash flows from operating activities:								
Operating income (loss)	\$2,547,346	944,868	171,050	115,438	(55,358)	15,504	3,738,848	3,399,027
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities								
Depreciation expense	1,460,436	94,954	199,494	11,322	72,936	8,136	1,847,278	1,782,194
Amortization expense and other			(21,438)	(774)	(2,835)		(25,047)	(40,971)
Other revenue (expense)	9,726		1,679	6,462	2,885	4,133	24,885	26,143
(Increase) decrease in assets								
Accounts, interest receivable	70,195		(13,242)		50,815	(480)	107,288	(435,844)
Inventories	(37,880)						(37,880)	0
Deferred debits, prepaid expenses	(7,176)	2,962	(2,943)		4,141		(3,016)	(6,447)
Increase (decrease) in liabilities								
Accounts payable	(73,655)	175	(48,881)	(42,239)	12,552	(12,737)	(164,785)	145,083
Other liabilities	818,676						818,676	18,749
Net cash provided (used) by operating activities	4,787,668	1,042,959	285,719	90,209	85,136	14,556	6,306,247	4,887,934
Cash flows from non-capital financing activities:								
Repayment of notes payable			(283,623)				(283,623)	(260,366)
Interest on notes payable			(171,045)				(171,045)	(197,380)
Net cash used by non-capital financing activities			(454,668)				(454,668)	(457,746)
Cash flows from capital and related financing activities:								
Proceeds from issuance of revenue bonds							0	7,607,966
Bond issuance costs							0	(115,552)
Capital expenditures	(899,253)		(33,048)		(46,413)	(3,542)	(982,256)	(7,988,987)
Proceeds from sale of assets							0	12,856
Use of bond, escrow funds		3,028					3,028	(1,837)
Repayment of long-term debt	(1,280,986)	(935,000)					(2,215,986)	(1,850,481)
Interest on long-term debt	(909,859)	(156,077)					(1,065,936)	(933,944)
Gain (loss) on sale of assets			500		66,036		66,536	
Other interest payments	(2,135,021)						(2,135,021)	(1,316,345)
Net cash used by capital and related financing activities	(5,225,119)	(1,088,049)	(32,548)	0	19,623	(3,542)	(6,329,635)	(4,586,324)
Cash flows from investing activities:								
Interest received on investments	84,991	55,485	25,585	1,636	6,299	1,576	175,572	215,099
Purchases of investments	(46,660)		(2,282,808)	(234,336)	(297,165)		(2,860,969)	(2,386,287)
Proceeds from sales and maturities of investments	417,414		2,450,000	210,000	300,000		3,377,414	2,415,000
Net cash provided (used) by investing activities	455,745	55,485	192,777	(22,700)	9,134	1,576	692,017	243,812
Net increase (decrease) in cash	18,294	10,395	(8,720)	67,509	113,893	12,590	213,961	87,676
Cash - January 1	244,850	3,648	201,317	4,449	140,817	54,472	649,553	561,877
Cash - December 31	263,144	14,043	192,597	71,958	254,710	67,062	863,514	649,553
Cash	263,144	14,043	192,597	71,958	254,710	67,062	863,514	649,553
Investments	451,227		499,729	85,000	32,166		1,068,122	1,546,442
Total cash and investments	\$714,371	14,043	692,326	156,958	286,876	67,062	1,931,636	2,195,995
Noncash investing, capital and financing activities:								
Amortization, charge-off of debt discount and expense	16,189	15,656					31,845	33,106

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 several major enterprise activities: Colorado Springs Utilities (CSU) provides electric generation and distribution, natural gas distribution, waterworks, sewage collection and treatment, Memorial Hospital, the municipal airport, Patti Jewett and Valley Hi golf courses, the Pikes Peak Highway, downtown parking facilities, Evergreen and Fairview cemeteries and development review.

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. City Council sits as the Board of Directors for each of the GIDs. Services provided by the GIDs are entirely for the benefit of the citizens of each respective district. The fiscal year-end for each of these districts is December 31.

Pension Trust Fund

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) and include the Old Hire Fire Pension Plan, the Old Hire Police Pension Plan, the New Hire Fire Pension Plan and the New Hire Police Pension Plan. 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.

Greater Downtown Colorado Springs Business Improvement District

The Greater 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 exclusively 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, 2001, 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 CSU has 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 administer a contract for 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 Memorial Hospital, an enterprise fund of the City. 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 2001. Memorial Hospital 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 instrumentalities; certain international agency securities; general obligation or revenue bonds of any state or local government of the U.S.; bankers acceptances of certain banks; certain commercial paper; local government investment pools; written repurchase agreements properly collateralized by certain authorized securities; certain money market funds; 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 15th, 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 of the tax year. The taxes are payable in two installments on February 28 and June 15, or in one installment due April 30. The City reports its property tax for which there is an enforceable legal claim as a receivable and a deferred revenue. Revenue is recorded in the ensuing year in the period for which the taxes were levied.

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, 2001 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, based upon current balances. The City has estimated the total future liability for all funds for this unused sick leave to be \$15,834,971 as of December 31, 2001. 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 \$9,522,679. 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, 2001 is as follows:

General fund	\$495,247
Special Revenue funds	22,450
Enterprise funds	5,040,930
Internal Service funds	753,663

City employees also earn vacation leave. The total amount of accumulated, unpaid vacation leave at year-end is accrued and shown on the balance sheet of the respective fund. These amounts at December 31, 2001, by fund type, are as follows:

General fund	\$5,944,670
Special Revenue funds	105,656
Enterprise funds	11,941,672
Internal Service funds	462,289

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. For certain debt issues, 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 2001, the Utilities fund recognized a liability of \$1,142,973 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 \$3,287,696. The average landfill capacity used to date is 34.6%. The estimated remaining landfill lives vary from 18 to 88 years. In 2001, the General Long-term Debt Account Group recognized a liability of \$491,246 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, to the fund, 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. 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

Three primary government funds, Valley Hi Golf fund, Pikes Peak Highway fund, and Support Services fund, had accumulated deficits in retained earnings of \$341,985, \$457,720 and \$2,037,915 as of December 31, 2001, respectively.

E. Expenditures in Excess of Appropriation

During 2001, expenditures exceeded appropriations for the Public Space & Development fund by \$16,738, and Cottonwood Creek Improvement District, a blended component unit, by \$3,761. Tree City USA's variance of \$26,195 was due to non-cash non-budgeted accounts receivable write offs.

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, 2001 (in 000's):

<u>Operating Expenses</u>	<u>Budget as Amended</u>	<u>Actual Operating Expenses</u>
Enterprise Funds:		
Utilities	\$486,791	\$486,791
Memorial Hospital	268,474	268,474
Airport	19,335	11,876
Patty Jewett Golf	1,822	1,433
Valley Hi Golf	1,085	931

Pikes Peak Highway	3,320	2,734
Human Services Complex	334	177
Parking System	2,177	883
Cemetery	1,516	1,128
Development Review	527	495

Internal Service Funds:

Support Services	\$26,154	\$24,378
Claims Reserve	1,000	533
Workers Compensation	4,853	3,223
Employee Benefits	26,013	24,169

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, 2001:

	<u>Current Assets</u>	<u>Restricted Assets</u>
Demand accounts (incl. petty cash of \$26,806)	\$36,823,038	\$396,591
Money market mutual funds	80,213	11,065,810
Repurchase agreements	80,233,196	150,884,158
U.S. Treasury securities	96,045,601	81,642,031
U.S. Instrumentality securities	73,459,950	7,484,656
Corporate securities	6,038,009	194,869,301
Real estate	0	21,698,974
Alternative investments	0	20,292,384
International equities	0	84,866,268
International fixed securities	0	15,891,088
Other investments	0	4,159,936
Total	\$292,680,007	\$593,251,197

1. Deposits

The carrying amount of the City's deposits at December 31, 2001 was \$37,192,823 and the bank balances were \$37,688,973. Of the bank balances, \$366,482 was covered by federal deposit insurance and \$37,322,491 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 except for Real Estate.

Category 1

Money market mutual funds	\$ 11,146,023
Repurchase agreements	231,117,354
U.S. Treasury securities	177,687,632
U.S. Instrumentality securities	80,944,606
Corporate securities	200,907,310
Alternative investments	20,292,384
International equities	84,866,268
International fixed securities	15,891,088
Other investments	4,159,936
Category 1 Total	\$827,012,601

Non Categorized

Real estate	21,698,974
-------------	------------

Total	\$848,711,575
--------------	----------------------

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 instrumentality 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, 2001:

	<u>Demand Accounts</u>	<u>Money Market</u>	<u>Bonds & Notes</u>
Governmental fund types:			
Urban Renewal Authority	(\$8,737)	\$118,678	\$0
Downtown Colorado Springs BID	0	39,630	0
Sub-total	(8,737)	158,308	0
Proprietary fund types:			
Fountain Valley Authority	714,371	1,063,032	0
Aurora-Colorado Springs Joint Water Authority	14,043	21,843	965,250
Various Canal & Reservoir Companies	586,327	0	616,895
Sub-total	1,314,741	1,084,875	1,582,145
Total	\$1,306,004	\$1,243,183	\$1,582,145

The carrying amount of the deposits of the component units of the City at December 31, 2001, was \$1,306,004 and the bank balances were \$1,539,512. Of the bank balances, \$605,766 was covered by federal deposit insurance and \$933,746 was collateralized in accordance with provisions of the Colorado Public Deposit Protection Act.

NOTES TO FINANCIAL STATEMENTS **DECEMBER 31, 2001**

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 instrumentalities; certain international agency securities; general obligation or revenue bonds of any state or local government of the U.S.; bankers acceptances of certain banks, certain commercial paper; local government investment pools; written repurchase agreements properly collateralized by certain authorized securities; certain money market funds; 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.

	<u>Fair Value</u>
U.S. Treasury Securities	\$1,582,145

B. Accounts Receivable

Included in accounts receivable at December 31, 2001 are hospital patient receivables and unbilled utilities customer accounts in the amounts of \$48.7 million and \$25.5 million, respectively. Total accounts receivable have been reduced by allowances for doubtful accounts in the amount of \$12 million.

C. Interfund Assets/Liabilities

Individual fund interfund receivable and payable balances as of December 31, 2001 were:

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2001**

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:	\$5,506,592	\$586,227
Special Revenue Funds:		
Community Development Block Grant	2,605	389,148
Home Investment Partnership	0	81,228
Grants	4,043	1,890,604
Sales and Use Tax Capital Improvements	0	254,721
Ballfield Capital Improvements	0	5,473
Bicycle Tax	0	4,133
Trails and Open Space	1,117	16,401
Conservation Trust	1,756	22,948
Cable Franchise	0	5,100
Old Colorado City Maintenance	0	1,826
Norwood Special Imp. Maint. District	0	4,991
Briargate Special Imp. Maint. District	0	7,213
Stetson Hills Imp. Maint. District	0	1,038
Woodstone Imp. Maint. District	0	900
Gateway Imp. Maint. District	0	99
Platte Avenue Imp. Maint. District	0	416
Public Space and Development	103,790	27,686
Subdivision Drainage	0	40,390
Arterial Roadway	0	8,207
Park Developer Easement	0	242
Peregrine General Improvement District	0	625
Cottonwood General Improvement District	0	8,235
Spring Creek General Improvement District	0	2,100
Lodgers and Auto Rental Tax	0	81,335
Tree City USA	0	8,369
Street Tree	0	111,797
Garfield School Maintenance	0	365
Business Development Revolving Loan	0	15,503
Sub-total	113,311	2,991,093
Capital Projects Funds:		
SCIP Construction	0	219,839
City Funded CIP Construction	248,336	331,699
Sub-total	248,336	551,538
Enterprise Funds:		
Airport	35,297	399,922

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2001**

Patty Jewett Golf	24,694	16,043
Valley Hi Golf	11,885	69,447
Pikes Peak Highway	81,559	235,644
Human Services Complex	3	6,931
Parking System	2,301	69,400
Cemetery	543	2,023
Development Review	2,536	2,373
Sub-total	158,818	801,783

Internal Service Funds:

Support Services	21,420	2,223,521
Claims Reserve Self-Insurance	0	103,682
Workers Compensation Self-Insurance	1,565	70,231
Employee Benefits Self-Insurance	12,625	32,474
Sub-total	35,610	2,429,908

Trust and Agency Funds:

Gift Trust	0	25,561
Therapeutic Recreation	0	192
Senior Programs	0	5,163
CD Smith	0	3,388
Perkins Trust	0	34
Sabine Trust	0	16
Woods Trust	0	39
TOPS Maintenance Trust	0	2,896
Miscellaneous Depository	1,717,966	382,795
Sub-total	1,717,966	420,084

Total **\$7,780,633** **\$7,780,633**

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, 2001 (in 000's):

Materials and Supplies	\$15,364
Fuel	18,805
Total	\$34,169

E. Changes in Fixed Assets

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

	Balance			Balance
	<u>1-1-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-01</u>
General Fixed Assets:				
Land	\$47,018	\$7,034	\$0	\$54,052
Building	56,175	162	0	56,337
Improvements other than buildings	5,043	0	0	5,043
Machinery & Equipment	82,154	9,503	2,694	88,963
Construction in progress	37,830	31,675	0	69,505
Total	\$228,220	\$48,374	\$2,694	\$273,900
	Balance			Balance
	<u>1-1-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-01</u>
Enterprise Funds:				
Land	\$21,474	\$4	\$0	\$21,478
Buildings	103,530	5,363	12,106	96,787
Improvements other than buildings	124,510	11,048	7,084	128,474
Machinery & Equipment	15,307	1,465	869	15,903
Utilities Plant	2,338,444	134,953	6,487	2,466,910
Hospital Plant	244,435	64,393	2,449	306,379
Construction in progress	111,411	126,943	168,316	70,038
Total	\$2,959,111	\$344,169	\$197,311	\$3,105,969
Accumulated Depreciation	913,172	94,819	19,294	988,697
Net Assets	\$2,045,939	\$249,350	\$178,017	\$2,117,272

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2001**

	Balance			Balance
	<u>1-1-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-01</u>
Internal Service Funds:				
Land	\$26	\$0	\$0	\$26
Buildings	260	27	0	287
Improvements other than buildings	403	0	0	403
Machinery & Equipment	8,547	464	948	8,063
Construction in progress	50	25	0	75
Total	\$9,286	\$516	\$948	\$8,854
Accumulated Depreciation	5,510	719	887	5,342
Net Assets	\$3,776	\$ (203)	\$61	\$3,512

	Balance			Balance
	<u>1-1-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-01</u>
Component Unit Fixed Assets:				
Land	\$100	\$0	\$0	\$100
Machinery & Equipment	43	0	0	43
Utilities Plant	110,905	613	74	111,444
Construction in Progress	0	0	0	0
Total	\$111,048	\$613	\$74	\$111,587
Accumulated Depreciation	27,945	1,847	74	29,718
Net Assets	\$83,103	(\$1,234)	\$0	\$81,869

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, 2001, 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>
2002	\$3,512	\$1,328	\$283
2003	4,145	1,428	283
2004	2,349	1,278	283
2005	1,878	141	223
2006	1,554	77	58
Thereafter	251	96	
Total minimum lease payments	\$13,689	\$4,348	\$1,130
Amount representing interest	3,077	604	149
Present value of minimum payments	\$10,612	\$3,744	\$981

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):

	General Fixed Assets	Enterprise Funds	Internal Service Funds
Cost	\$15,549	\$5,524	\$1,690
Accumulated Depreciation	0	1,686	672
Net Capitalized Lease Property	\$15,549	\$3,838	\$1,018

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

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

1. Summary of Long Term Debt

The following table summarizes significant facts about the long-term debt outstanding at December 31, 2001:

Fund and Debt Types	Debt Series	Date Issued	Original	Outstanding	Future Aggregate	Interest Rates	Maturity Dates of Serial Debt	
			Issue Amount	Principal Amount at December 31, 2001	Interest Requirements at December 31, 2001	of Debt Outstanding		
			\$	\$	\$	%		
General Long-Term Debt*								
General Obligation Bonds	Series 1993	November, 1993	23,830,000	19,875,000	5,456,139	2.800 - 5.250	1994 - 2009	
	B Interest Coupons	November, 1993	3,761,871	1,792,893	n/a	n/a	2000 - 2002	
	Cottonwood GID Series 1998	November, 1998	9,525,000	8,310,000	2,942,150	3.100 - 4.550	1999 - 2015	
	Spring Creek GID Series 1995	April, 1995	5,090,000	3,395,000	2,157,925	3.000 - 9.000	1996 - 2014	
Sales Tax Revenue Bonds	Series 1999	June, 1999	87,975,000	77,805,000	29,909,861	4.000-5.000	1999 - 2015	
Certificates of Participation	Hillside Recreation Center Series 1997	May, 1997	1,615,000	1,175,000	320,565	4.000 - 5.300	1997 - 2009	
	Skyview Softball Complex Series 1999	September, 1999	4,205,000	4,065,000	2,367,308	4.200-5.500	2001 - 2015	
	Old City Hall Project Series 2000	July, 2000	7,265,000	7,265,000	4,823,612	4.500-5.500	2002 - 2020	
	Special Assessments Obligations	Woodmen Valley Garden of the Gods Carmel ID Uintah Street ID 15th & Spring Broadmoor West	November, 1995 August, 1996 August, 1999 September, 1999 March, 2000 January, 2000	1,730,254 127,285 191,214 14,416 23,006 34,930	849,941 25,704 158,847 7,327 16,257 24,451	324,148 5,858 73,541 3,472 9,253 13,785	7.000 8.750 8.370 8.550 9.160 9.080	1995 - 2010 1996 - 2005 1999 - 2010 1999 - 2010 2000 - 2011 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 1992A	July, 1992	76,080,000	74,655,000	75,231,374	5.100 - 6.125	1993 - 2020	
	Series 1994A	January, 1994	118,470,000	116,080,000	102,083,764	4.500 - 5.125	1996 - 2023	
	Series 1996A	September, 1996	66,675,000	60,100,000	76,421,703	5.500 - 5.750	1997 - 2025	
	Series 1996B	September, 1996	3,500,000	2,035,000	464,550	6.600 - 7.350	1997 - 2006	
	Series 1997A	September, 1997	121,455,000	114,195,000	128,312,489	5.000 - 5.375	1998 - 2026	
	Series 1998A	October, 1998	94,965,000	39,820,000	36,021,061	4.625 - 5.000	2002 - 2027	
	Series 1999A	September, 1999	65,500,000	65,500,000	90,869,225	4.125-5.750	2002 - 2008	
	Series 2000A	November, 2000	110,000,000	110,000,000	128,128,000	4.650	2029	
	Series 2000B	November, 2000	15,000,000	14,630,000	13,179,750	7.50	2001 - 2015	
	Series 2001A	August, 2001	300,790,000	300,175,000	201,327,663	3.250-5.375	2029	
	Memorial Hospital	Project Series 1995	May, 1995	61,025,000	60,985,000	63,373,762	4.100 - 6.000	1995 - 2024
		Refunding Series 1995	May, 1995	29,265,000	19,135,000	5,646,700	4.100 - 6.000	1995 - 2010
		Series 2000	August, 2000	59,825,000	59,825,000	101,752,339	6.375	2025 - 2030
Airport	Series 1992A	September, 1992	47,390,000	41,650,000	42,424,645	6.150 - 6.750	1999 - 2021	
	Series 1992C	September, 1992	6,582,687	11,113,470	3,941,530	6.800 - 7.200	2002 - 2011	
	Series 1996A	December, 1996	12,450,000	11,215,000	7,080,216	4.000 - 5.250	1999 - 2021	
	Series 1996B	December, 1996	3,485,000	3,150,000	2,080,272	4.150 - 5.500	1999 - 2021	
Parking System	Series 1999	March, 1999	9,300,000	8,325,000	3,716,640	3.000 - 4.750	1999 - 2018	
Utilities - Notes Payable	Wastewater Facility	May, 1998	22,204,270	20,662,455	7,333,484	4.06	1999 - 2019	
Component Units **								
Revenue Bonds								
Fountain Valley Authority	Series 1996	April, 1996	12,225,000	11,375,000	6,874,886	5.200 - 5.625	1997 - 2019	
Aurora - Colorado Springs Joint Water Authority	Series 1992	June, 1992	9,415,000	1,930,000	100,258	3.000 - 5.950	1992 - 2002	
Notes Payable								
The Twin Lakes Reservoir and Canal Company	1996	1996	2,451,830	1,907,841	N/A	8.25	1998 - 2007	
Fountain Valley Authority	2000	2000	7,607,966	7,317,460	3,506,187	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, 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-01</u>
General Obligation Bonds	\$36,093	\$115	\$2,910	\$33,298
Sales Tax Revenue Bonds	81,885	0	4,080	77,805
Certificates of Participation	12,745	0	240	12,505
Special Assessment Bonds and Notes	1,204	0	121	1,083
Capital Leases	10,637	3,760	3,785	10,612
Municipal Solid Waste Landfill	528	0	37	491
Compensated Absences	9,047	476	0	9,523
Total	\$152,139	\$4,351	\$11,173	\$145,317

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, 2001 exclusive of discretely presented component units (in 000's):

	Principal Balance <u>1-1-01</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-01</u>
Revenue Bonds	\$1,057,078	\$282,931	\$245,106	\$1,094,903
Notes Payable	21,196	0	534	20,662
Capital Leases	5,093	747	1,114	4,726
Total	\$1,083,367	\$283,678	\$246,754	\$1,120,291

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, 2001, exclusive of component units (in 000's):

	General Obligation <u>Bonds</u>	Sales Tax Revenue <u>Bonds</u>	Certificates of <u>Participation</u>	Special Assessments Bonds and Notes <u>Payable</u>
2001	\$4,462	\$7,849	\$889	\$172
2002	4,517	7,848	1,128	172
2003	4,523	7,849	1,125	172
2004	4,548	7,848	1,127	172
2005	4,565	7,848	1,131	164
Thereafter	20,955	68,473	14,616	661

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, 2001, exclusive of component units (in 000's):

	Revenue <u>Bonds</u>
2002	\$76,768
2003	76,669
2004	76,671
2005	76,708
2006	76,663
Thereafter	1,806,237

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 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-01</u>
1993 Refunding Bonds	\$23,888	\$115	\$2,335	\$21,668
Component Units:				
Cottonwood Series 1998				
Refunding	8,745	0	435	8,310
Spring Creek Plan Bonds				
Series 1995	3,460	0	140	3,320
Total	\$36,093	\$115	\$2,910	\$33,298

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

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 \$33,031,399 is included in restricted cash and investments on the combined balance sheet as of December 31, 2001. 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>1-1-01</u>	Debt <u>Issued</u>	Debt <u>Retired</u>	Principal Balance <u>12-31-01</u>
1999 Sales Tax Revenue Bonds	\$81,885	\$0	\$4,080	\$77,805

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. 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 Skyview Softball Complex. 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 \$384,018 is included in restricted cash and investments on the combined balance sheet as of December 31, 2001. 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>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
1997 Hillside Certificates	\$1,275	\$0	\$100	\$1,175
1999 Skyview Softball Complex Certificates	4,205	0	140	4,065
2000 Old City Hall Project Certificates	7,265	0	0	7,265
Total	\$12,745	\$0	\$240	\$12,505

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 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
Bonds				
Woodmen Valley	\$941	\$0	\$91	\$850
Notes payable				
Garden of the Gods	\$31	\$0	\$5	\$26
Carmel ID	172	0	13	159
Prospect ID	3	0	3	0
Uintah Street ID	10	0	3	7
15 th & Spring ID	19	0	3	16
Broadmoor West	28	0	3	25
Total	\$263	\$0	\$30	\$233
Total bonds & notes payable	\$1,204	\$0	\$121	\$1,083

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 August 2001, the Utilities fund issued \$300,790,000 of subordinate lien improvement and refunding revenue bonds for a current refunding of \$196,230,000 of 1991A refunding revenue bonds, \$4,905,000 of 1991B refunding revenue bonds, \$36,155,000 of 1991C 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 above the net carrying amount of the old debt by \$18,603,234. 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 \$26,864,948 and a reduction of \$35,971,242 in future debt service payments.

Unamortized deferred amounts for Utilities refunded bonds in 1997, 2000, and 2001 were \$17,079,953 and its amortization was \$257,381 as of December 31, 2001.

The following table summarizes the transactions of revenue bonds for the Utilities fund during 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
Series 1991A	\$196,230	\$0	\$196,230	\$0
Series 1991B	4,905	0	4,905	0
Series 1991C	36,155	0	36,155	0
Series 1992A	74,835	0	180	74,655
Series 1994A	116,525	0	445	116,080
Series 1996A	61,525	0	1,425	60,100
Series 1996B	2,365	0	330	2,035
Series 1997A	114,615	0	420	114,195
Series 1998A	39,820	0	0	39,820
Series 1999A	65,500	0	0	65,500
Series 2000A	110,000	0	0	110,000
Series 2000B	15,000	0	370	14,630
Series 2001A	0	300,790	615	300,175
Deferred loss on Series 1995A	1,266	(18,603)	(257)	(17,080)
Total	\$838,741	\$282,187	\$240,818	\$880,110

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 during 2001 and the termination of the swap agreement resulted in the Hospital fund's realizing a gain of \$1,900,000.

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, 2001 was \$182,000.

The following is a summary of the outstanding revenue bond issues of the Hospital fund during 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
Series 1995	\$81,810	\$0	\$1,690	\$80,120
Series 2000	59,825	0	0	59,825
Series 1995 Deferred loss	(1,531)	0	(182)	(1,349)
Total	\$140,104	\$0	\$1,508	\$138,596

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 B bonds have been defeased. 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 2001.

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 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
Series 1992A	\$42,005	\$0	\$355	\$41,650
Series 1992C	12,783	744	1,670	11,857
Series 1996A	11,545	0	330	11,215
Series 1996B	3,240	0	90	3,150
Total	\$69,573	\$744	\$2,445	\$67,872

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 \$3,935,580 is unspent, are included in restricted investments in the combined balance sheet as of December 31, 2001. 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>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
1999 Parking System Revenue Bonds	\$8,660	\$0	\$335	\$8,325

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, 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
Notes Payable: Urban Renewal Authority	\$847	\$0	\$0	\$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, 2001 was \$640,372 and its amortization for the year then ended was \$35,741.

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, 2001 (in 000's):

	Principal Balance <u>1-1-01</u>	Debt Issued	Debt Retired	Principal Balance <u>12-31-01</u>
Revenue Bonds				
Fountain Valley Authority	\$11,750	\$0	\$375	\$11,375
Deferred Loss	(676)	0	(36)	(640)
Aurora-Colorado Springs Joint Water Authority	2,865	0	935	1,930
Total	\$13,939	\$0	\$1,274	\$12,665

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, 2001 (in 000's):

Proprietary Fund Types

	Fountain Valley Authority	Aurora- Colorado Springs Joint Water Authority	The Twin Lakes Reservoir and Canal Company	Total
Revenue Bonds				
2002	\$1,011	\$2,030	\$330	\$3,371
2003	1,016		352	1,368
2004	1,014		373	1,387
2005	1,012		396	1,408
2006	1,013		420	1,433
Thereafter	13,183		36	13,219

NOTES TO FINANCIAL STATEMENTS **DECEMBER 31, 2001**

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, 2001, was \$20,662,455, of which, \$565,510 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 changed 5.85%. Interest only was due from August 11, 1996 to January 11, 1998. Starting February 11, 1998 to December 31, 2001, the note requires monthly payments of \$38,022 with the remaining balance due in sixty monthly installments of \$36,349. The note is due January 11, 2007 and is secured by stockholders' assessments. As of December 31, 2001, \$1,907,841 principal was outstanding, of which, \$329,574 was current.

During 2001, 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 3.4%. 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, 2001, \$7,317,460 principal was outstanding, of which \$295,987 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, 2001, future minimum payments under the capital lease consisted of the following:

<u>Year ending</u> <u>December 31,</u>	
2002	\$3,058,244
2003	3,981,466
2004	4,904,689
2005	5,382,610
2006	5,382,610
Thereafter	93,964,791
Future minimum lease payments	\$116,674,410

Amount representing interest	34,434,229
Present value of net minimum lease payments	\$82,240,181

Property recorded under the capital lease is as follows:

December 31, 2001

Utilities plant	\$65,104,491
Accumulated amortization	(14,248,455)
Net capitalized leased property	\$50,856,036

Amortization of the plant cost has been included in depreciation expense and amounted to \$895,203 for 2001.

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 2001, there were no industrial development revenue bonds issued.

I. Operating Transfers

The following table summarizes operating transfers occurring between the funds of the City during 2001.

	Operating Transfers In	Operating Transfers Out
General fund	\$2,885,451	\$8,297,216
Special Revenue funds:		
Business Development		
Revolving Loan	0	160,040
Lodgers & Auto Rental Tax	0	992,443

Capital Projects funds:		
City Funded CIP	7,277,000	0
Sub-total governmental funds	10,162,451	9,449,699
Enterprise and Internal Service funds:		
Utilities	0	2,702,968
Airport	128,455	30,000
Patty Jewett Golf	0	17,057
Valley Hi Golf	0	11,371
Pikes Peak Highway	0	39,379
Human Services Complex	0	1,053
Parking System	0	29,481
Cemetery	0	9,898
Employee Benefit Self-Insurance	2,000,000	0
Sub-total proprietary funds	2,128,455	2,841,207
Total	\$12,290,906	\$12,290,906

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, 2001. 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. Actuarial valuations were performed in 1999 and 2001 for the Workers Compensation and Claims Reserve Self-Insurance funds, respectively. These valuations concluded that claims were asserted and recorded in a timely manner, making it unnecessary to accrue for incurred but not reported claims. During 2001 there were no significant reductions in insurance coverage from coverage as compared to 2000. 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 2000 and 2001 (in 000's):

	Claims O/S <u>1-1-00</u>	Claims Incurred	Claims Paid	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

	Claims O/S <u>1-1-01</u>	Claims Incurred	Claims Paid	Claims O/S <u>12-31-01</u>
Claims Reserve	\$1,057	\$411	\$484	\$984
Workers Compensation	6,002	2,727	4,052	4,677
Employee Benefits	2,973	24,232	23,941	3,264

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, 2001, 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	\$588,797	\$304,675	\$20,330	\$9,698	\$923,500
Depreciation	67,888	18,043	7,605	1,283	94,819
Operating income	34,118	18,158	848	634	53,758
Operating transfers in (out)	(2,703)	0	98	(108)	(2,713)
Net income	71,501	19,074	1,177	1,146	92,898
Fixed asset additions	134,953	64,393	15,769	129,053	344,168
Fixed asset deletions	6,487	2,449	19,663	163,773	192,372
Net working capital	166,176	43,999	31,607	7,289	249,071
Total Assets	2,050,270	411,942	226,611	40,199	2,729,022
Bonds and other long-term debt	888,960	137,237	65,468	8,229	1,099,894
Retained earnings	520,928	238,805	53,369	18,501	831,603
Total Equity	\$1,062,509	\$238,805	\$155,782	\$30,089	\$1,487,185

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 2001, the amount paid was \$22.943 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 2001, these benefits were provided to 768 retired employees at a cost of \$998,440.

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, 2001 the SCIP fund had construction contracts and commitments of approximately \$12.7 million related to the Series 1999 SCIP Revenue Bonds for the construction of various capital projects.

At December 31, 2001 the Utilities fund had construction contracts and commitments of approximately \$25.6 million and the Hospital had commitments for the purchase and construction of facilities and equipment in the amount of \$10.7 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 \$14.65 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:

Year ended December 31,	
2002	22,000,000
2003	22,000,000
2004	18,000,000
Total	\$62,000,000

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, 2001, 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 \$566,177 during the year 2001, leaving an outstanding liability of \$1,997,024 at December 31, 2001.

4. Refunded Bonds

In 1997 the City issued certificates of participation to refund the original 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, 2001, the City remains contingently liable for the outstanding principal balance of the refunded certificates in the amount of \$1,145,000.

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, 2001, the City remains contingently liable for the outstanding principal balance of \$192,830,000 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, 2001, the City remains contingently liable for the outstanding principal balance of the refunded bonds in the amount of \$20,680,000.

On November 24, 1998, the Cottonwood General Improvement District, a blended component unit of the City, 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.

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 2001 was less than the revenue limit.

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 \$19,025,912 is included in accounts, taxes, interest receivable - net in the combined balance sheet as of December 31, 2001. Of the loans receivable Community Development Department (CDD) has loans receivable of \$15,382,029 as of December 31, 2001. These loans were funded with HOME (Federal Home Investment Partnership Act), FHLB (Federal Home Loan Bank), CDBG (Community Development Block Grant), CHFA (Colorado Housing Finance Authority), and HOPE III (Homeownership Opportunity Program) funds. The majority of the loans require full repayment. Some loans carry monthly amortization and other loans are paid in full when the property is sold, the borrower moves from the property or the borrower dies. Only \$488,890

of the portfolio is eligible for forgiveness of debt. CDD partners with local lending institutions to provide rehabilitation funds to low and moderate income homeowners. A portion of these loans is forgiven monthly. This encourages long term home occupancy and local bank participation. All loans and grants are secured with the property as collateral.

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 \$38,909,662 or until April 1, 2003, whichever occurs first. PFC revenues are recognized when expenditures are made. Aggregate collections through December 31, 2001 total \$34,050,535.

G. Disclosures about Fair Value of Financial Instruments

Estimated fair values of proprietary fund financial instruments are as follows as of December 31, 2001:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and investments	\$206,347,968	\$206,347,968
Restricted cash and investments	200,062,698	200,062,698
Interest receivable	1,122,205	1,122,205
Long-term debt (including current maturities)	1,120,291,073	1,187,684,503
Accrued interest	5,357,141	5,357,141
Customer advances for construction	8,274,134	8,274,134

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 9.43% 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.). Also, beginning in 2001, a portion of the City of Colorado Springs' contribution (2% of covered salaries of PERA 401(k) Plan participants) is allocated to the Matchmaker Program (see note 1C.). The contribution requirements of Plan members and The City of Colorado Springs are established and may be amended by the PERA Board of Trustees. The City of Colorado Springs contributions to CSMDTF for the years ending December 31, 2001, 2000, 1999, were \$24,403,163, \$24,999,504, \$22,233,048, 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 9.43%, 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, 2001, 2000, and 1999 were \$268,435, \$199,996, and \$177,864, 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 PERA's 401(k) Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the plan provisions to the State Legislature.

The PERA 401(k) Plan is funded by voluntary member contributions of up to 23% of covered salary to a maximum limit set by the IRS (\$10,500 in 2001 and 2000), and employer matching contributions (2% of covered salary) required by the Matchmaker Program. The Matchmaker Program was established on January 1, 2001 and allows the PERA Board of Trustees to set a matching contribution annually based on the actuarial funding required by the defined benefit pension plan (see note 1A.). The City of Colorado Springs' contributions to the Matchmaker Program for the year ended December 31, 2001 were \$3,011,408. The PERA 401(k) member contributions from the City of Colorado Springs' contributions for the years ended December 31, 2001 and 2000, were \$9,849,474 and \$6,457,974, respectively.

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, 2000 (latest audited information available) has been presented herein along with comparative information for the year ended December 31, 1999. 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, 2001 membership in the plans was as follows: 911 active participants, 406 retirees and beneficiaries and 13 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>
1999	10.000	350,762	33.930	722,581
2000	10.000	322,834	10.000	196,412
2001	10.000	301,530	10.000	187,169

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>
1999	8	1,201,046	8	1,904,319
2000	8	1,342,993	8	2,110,338
2001	8	1,481,154	8	2,331,015

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. Accounting changes

The Utilities utilizes the purchase and the sale of natural gas based financial derivatives to stabilize the prices of the natural gas it buys for distribution to its retail customers and for use in its electric generation facilities. Currently, the Utilities purchases all of its natural gas needs from the market at the time of the need or under long term contracts that are priced at market. These purchasing arrangements subject the Utilities and its customers to the full volatility of the natural gas markets. Natural gas is currently one of the most volatile of the exchange-traded commodities. Use of these derivative products allows the Utilities to either lock in gas prices at levels that meet its rate objectives or to cap prices to ensure its customers are not subject to sharp price increases. Currently, this program focuses on only the winter months when gas prices have tended to be most volatile and when the Utilities' customers use the bulk of their annual consumption.

During the year ended December 31, 2001, the Utilities adopted Financial Accounting Standards Board Statement No.133 (FAS 133), *Accounting for Derivative Instruments and Hedging Activities*. Under FAS 133, the Utilities is required to record these derivatives (principally commodity swaps) at fair value on the balance sheet. The derivatives have not been designated as hedges by the Utilities. Under FAS 133, at the

date of initial application of the statement, the difference between a derivative's previous carrying amount and its fair value is reported as a transition adjustment and is presented in a manner similar to the cumulative effect of a change in accounting principle. As of December 31, 2001 the commodity swap agreements fair value was a liability of \$14,287,857, which is recorded as a liability as of December 31, 2001 on the Utilities' balance sheet. The transition adjustment amount for the year then ended included on the Utilities' statement of revenues, expenses and changes in retained earnings is in an increase to income of \$22,285,395.

During the year ended December 31, 2001, the City of Colorado Springs adopted Statement No. 33 of the Governmental Accounting Standards Board (GASB). GASB 33, *Accounting and Financial reporting for Nonexchange Transactions*, establishes accounting and financial reporting standards for nonexchange transactions, involving financial or capital resources. Under GASB 33 certain of these nonexchange transactions, such as contributions in aid of construction, should be recognized as revenue in the statement of revenues, expenses, and changes in retained earnings.

In accordance with the provisions of GASB 33, the Utilities and the Airport have reported the effect of applying GASB 33 as a restatement of other income for the year ended December 31, 2000. The effect of the restatement for Utilities was to increase other income by \$31,453,840 for the year ended December 31, 2000. The effect of the restatement for Airport was to decrease PFC revenue by \$120,839 and increase capital grants revenue by \$3,774,332. Under the provisions of GASB 33, contributed capital arising from periods prior to implementation of this statement is not restated. Accordingly, the Utilities restated 2000 revenues for contributed capital for adoption of GASB 33 have been closed to contributions in aid of construction and the restatement has no effect on retained earnings as of December 31, 1999 or 2000. For 2001, the Utilities recognized \$47,752,411 of other income as a result of adopting GASB 33. The Airport restated 2000 capital grant revenue for adoption of GASB 33 has been closed to contributed capital and restatement as it relates to capital grants has no effect on retained earnings as of December 31, 1999 or 2000.

The Airport increased its depreciation expense by \$246,918 for the year ended December 31, 2000 to recognize depreciation on a building that should have been recognized as a fixed asset addition and contributed capital in a prior year. The correction decreased retained earning by \$987,673 as of January 1, 2000, increased fixed assets and contributed capital by \$4,938,362 and increased accumulated depreciation by \$1,234,591.

The Fountain Valley Authority increased its operating revenues by \$615,481 for the year ended December 31, 2000 to recognize an unscheduled conveyance payment, which was made by the Utilities. The correction decreased the net loss and the accumulated deficit of the Authority for the year ended December 31, 2000 by \$615,481. The combined balance sheet as of December 31, 2000 has been restated to

reflect the corrections of overstatements of prepaid expenses of \$1,190,591 and obligations under capital leases of \$1,806,072.

J. Subsequent Events

On January 1, 2002 the Utilities entered into \$15,000,000 revolving loan agreement with a bank, with interest at 90% of the bank's prime rate. The agreement will expire on December 31, 2002, unless extended by written agreement between the Utilities and the bank and is collateralized by the net pledged revenues of the Utilities. Proceeds from draws on this agreement will be used by the Utilities for the purchase of energy on the open market in the event of a forced outage of the system.

K. 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.



CITY OF COLORADO SPRINGS

**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, 2001 and 2000**

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

	2001	2000
<u>ASSETS</u>		
Cash and investments	\$40,142,661	40,786,885
Accounts receivable - net	4,418,745	4,381,411
Loans receivable	2,844,012	3,410,189
Property taxes receivable		
Current	18,395,539	17,331,852
Delinquent	195,455	169,643
Sales tax receivable	11,482,290	12,946,482
Due from other funds	5,506,592	7,335,813
Prepaid items	49,150	112,123
Restricted investments	545,518	161,500
	<hr/>	<hr/>
Total assets	83,579,962	86,635,898
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	5,444,626	4,258,975
Accrued employee salaries, benefits	11,218,266	11,019,062
Escrow deposits	4,967,380	4,729,247
Due to other funds	586,227	105,116
Deferred revenue		
Property taxes	18,395,539	17,331,852
Loans, other	2,844,012	3,410,189
	<hr/>	<hr/>
Total liabilities	43,456,050	40,854,441
	<hr/>	<hr/>
Fund balance		
Reserved for		
Encumbrances	6,364,583	8,281,020
Debt service	545,518	161,500
Prepays	49,150	112,123
Emergency reserve	5,556,567	6,044,457
Unreserved		
Designated - subsequent year expenditures	6,966,345	13,182,350
Undesignated	20,641,749	18,000,007
	<hr/>	<hr/>
Total fund balance	40,123,912	45,781,457
	<hr/>	<hr/>
Total liabilities and fund balance	\$83,579,962	86,635,898
	<hr/> <hr/>	<hr/> <hr/>

**GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ended December 31, 2001 and 2000**

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

	2001	2000
Revenues		
Taxes	\$132,361,209	\$131,290,950
Licenses and permits	445,352	402,523
Intergovernmental	21,517,264	21,194,449
Charges for services	33,662,626	31,078,225
Fines and forfeits	3,992,880	3,444,419
Miscellaneous	6,123,931	7,102,026
Total revenues	198,103,262	194,512,592
Expenditures		
Current		
General government	33,530,288	31,021,293
Public safety	88,978,576	83,877,836
Public works	29,649,501	25,984,598
Health and welfare	727,683	693,031
Culture and recreation	15,873,911	14,173,845
Urban redevelopment and housing	4,035,643	3,645,729
Debt service		
Principal and interest	11,255,682	11,202,906
Capital outlay	15,077,626	9,991,953
Total expenditures	199,128,910	180,591,191
Revenues over (under) expenditures	(1,025,648)	13,921,401
Other financing sources (uses)		
Capital lease financing	560,000	692,263
Operating transfers - in	2,885,451	4,205,517
Operating transfers - out	(8,297,216)	(6,888,674)
Total other financing sources (uses)	(4,851,765)	(1,990,894)
Revenues and other financing sources over (under) expenditures and other financing uses	(5,877,413)	11,930,507
Fund balance - January 1	45,781,457	33,837,807
Residual equity transfer - in	219,868	13,143
Fund balance - December 31	\$40,123,912	45,781,457

**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, 2001

With comparative actual totals for the year ended December 31, 2000

(PAGE 1 OF 4)

	Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Revenues				
Taxes				
General property taxes				
Current	\$16,831,790	16,991,029	159,239	16,657,336
Delinquent		40,872	40,872	(59,235)
Penalty and interest		25,533	25,533	26,328
	16,831,790	17,057,434	225,644	16,624,429
Sales and use taxes	115,534,000	111,826,511	(3,707,489)	111,393,526
Specific ownership taxes	2,695,658	2,910,209	214,551	2,762,144
Occupational liquor taxes	242,530	226,796	(15,734)	225,220
Gross receipts business taxes				
Admissions tax	296,562	340,259	43,697	285,631
Total taxes	135,600,540	132,361,209	(3,239,331)	131,290,950
Licenses and permits				
Business licenses and permits	619,963	445,352	(174,611)	402,523
Intergovernmental				
Federal operating grants				
DOT-FTA grant, subsidies	1,521,808	1,701,521	179,713	1,795,444
	1,521,808	1,701,521	179,713	1,795,444
State shared revenue				
Cigarette tax	1,297,000	1,532,672	235,672	1,461,667
Highway users tax-regular	13,375,862	13,171,633	(204,229)	13,013,057
Highway users tax-added fees	1,216,123	1,206,437	(9,686)	1,159,002
Severance tax	550	703	153	811
	15,889,535	15,911,445	21,910	15,634,537
Other governmental units				
El Paso County Road & Bridge	3,864,862	3,870,394	5,532	3,726,007
El Paso County shared fines		33,904	33,904	38,461
	3,864,862	3,904,298	39,436	3,764,468
Total intergovernmental	\$21,276,205	21,517,264	241,059	21,194,449

**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, 2001

With comparative actual totals for the year ended December 31, 2000

(PAGE 2 OF 4)

	Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Charges for services				
General government				
Payments in lieu of taxes	\$21,726,465	22,942,735	1,216,270	21,603,205
Court costs and charges	650,500	727,643	77,143	665,645
Planning, zoning, subdivision fees	747,600	674,492	(73,108)	873,106
Other fees	144,950	56,946	(88,004)	159,557
	<u>23,269,515</u>	<u>24,401,816</u>	<u>1,132,301</u>	<u>23,301,513</u>
Public safety				
Police services	3,098,753	1,859,736	(1,239,017)	1,445,167
Fire services	239,703	278,155	38,452	170,740
	<u>3,338,456</u>	<u>2,137,891</u>	<u>(1,200,565)</u>	<u>1,615,907</u>
Highways and streets				
Highway/street permits and fees	1,110,300	980,109	(130,191)	818,120
Signal maintenance	325,000	332,639	7,639	381,066
Transit system	2,553,234	2,970,383	417,149	2,652,503
	<u>3,988,534</u>	<u>4,283,131</u>	<u>294,597</u>	<u>3,851,689</u>
Culture and recreation				
Sports programs	745,475	875,032	129,557	843,117
Swimming pool fees	786,348	818,714	32,366	546,780
Ice Center fees	414,900	406,241	(8,659)	238,191
Community Centers	291,325	373,636	82,311	339,154
Other fees	358,500	366,165	7,665	341,874
	<u>2,596,548</u>	<u>2,839,788</u>	<u>243,240</u>	<u>2,309,116</u>
Total charges for services	<u>33,193,053</u>	<u>33,662,626</u>	<u>469,573</u>	<u>31,078,225</u>
Fines and forfeits	<u>4,262,650</u>	<u>3,992,880</u>	<u>(269,770)</u>	<u>3,444,419</u>
Miscellaneous				
Investment income	2,193,000	3,166,302	973,302	3,357,004
Other fees	2,815,223	2,957,629	142,406	3,745,022
Total miscellaneous	<u>5,008,223</u>	<u>6,123,931</u>	<u>1,115,708</u>	<u>7,102,026</u>
Total revenues	<u>\$199,960,634</u>	<u>198,103,262</u>	<u>(1,857,372)</u>	<u>194,512,592</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, 2001

With comparative actual totals for the year ended December 31, 2000

(PAGE 3 OF 4)

	Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Expenditures				
Current expenditures				
General government				
Legislative				
City Council	\$154,586	150,331	4,255	128,274
Clerk of the Council	947,578	836,904	110,674	706,336
	1,102,164	987,235	114,929	834,610
Judicial	3,338,388	3,086,598	251,790	2,845,530
Executive-City Manager	834,139	806,069	28,070	641,835
Financial	4,105,382	3,846,601	258,781	3,578,119
Law	3,162,097	2,944,321	217,776	2,722,954
Personnel	1,599,531	1,481,400	118,131	1,388,514
Planning and Zoning	3,617,071	3,152,481	464,590	3,252,985
Support Services	10,482,525	9,441,232	1,041,293	10,640,479
Other	11,048,847	7,784,351	3,264,496	5,116,267
Total general government	39,290,144	33,530,288	5,759,856	31,021,293
Public safety				
Police	59,114,385	55,911,832	3,202,553	52,646,859
Fire	34,819,967	33,066,744	1,753,223	31,230,977
Total public safety	93,934,352	88,978,576	4,955,776	83,877,836
Public works				
Highways and streets				
Maintenance of condition	7,565,889	7,548,974	16,915	6,955,618
Traffic services	4,552,870	4,442,686	110,184	3,766,289
Engineering	3,641,193	2,975,488	665,705	2,650,137
Street lighting	4,393,352	4,155,141	238,211	3,844,463
	20,153,304	19,122,289	1,031,015	17,216,507
Transit	10,818,911	10,527,212	291,699	8,768,091
Total public works	30,972,215	29,649,501	1,322,714	25,984,598
Health and welfare				
Communicable disease	727,683	727,683	0	693,031
Culture and recreation	\$16,097,223	15,873,911	223,312	14,173,845

**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, 2001

With comparative actual totals for the year ended December 31, 2000

(PAGE 4 OF 4)

	Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Urban redevelopment and housing				
Community development	\$4,273,702	4,035,643	238,059	3,645,729
Debt service expenditures				
Principal payments	6,415,000	6,415,000	0	6,227,000
Interest payments	4,841,465	4,840,682	783	4,975,906
Total debt service	11,256,465	11,255,682	783	11,202,906
Capital outlay	21,772,469	15,077,626	6,694,843	9,991,953
Total expenditures	218,324,253	199,128,910	19,195,343	180,591,191
Revenues over (under) expenditures	(18,363,619)	(1,025,648)	17,337,971	13,921,401
Other financing sources (uses)				
Capital lease financing		560,000	560,000	692,263
Operating transfers - in				
Utilities share of services	1,702,975	1,702,968	(7)	1,623,924
Other funds	1,434,422	1,182,483	(251,939)	2,581,593
Operating transfers - out				
Airport fund	(21,500)	(20,216)	1,284	(39,943)
Health insurance fund	(1,000,000)	(1,000,000)	0	
City funded CIP	(7,279,941)	(7,277,000)	2,941	(6,848,731)
Total other financing sources (uses)	(5,164,044)	(4,851,765)	312,279	(1,990,894)
Revenues and other financing sources over (under) expenditures and other financing uses	(23,527,663)	(5,877,413)	17,650,250	11,930,507
Fund balance - January 1	45,781,457	45,781,457	0	33,837,807
Residual equity transfer - in		219,868	219,868	13,143
Fund balance - December 31	\$22,253,794	40,123,912	17,870,118	45,781,457



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
Cable Franchise 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

**AII SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2001
 With comparative totals for December 31, 2000**

	Intergovernmental Grant Funds	Capital Improvement Funds	Improvement and Maintenance District Funds	Public Improvements Funds
<u>ASSETS</u>				
Cash and investments	\$0	6,059,866	1,459,195	6,972,127
Accounts receivable - net	5,503,352	9,382	25,323	273,145
Sales tax receivable		571,689		
Taxes receivable				
Loans receivable	15,913,914			
Assessments receivable				
Due from other funds	6,648	2,873		103,790
Restricted investments	47,335			
Total assets	21,471,249	6,643,810	1,484,518	7,349,062
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	1,267,038	392,295	19,470	264,798
Real estate tax payable	339			
Accrued employee salaries, benefits	132,347	46,109	25,424	
Due to other funds	2,360,980	308,776	16,483	76,525
Deferred revenue				
Loans	15,913,914			
Assessments				
Property taxes				
Grants	1,796,631			
Current portion of long-term debt				
Total liabilities	21,471,249	747,180	61,377	341,323
Fund balances				
Reserved for				
Encumbrances		227,641	1,654	
Debt service				
Unreserved				
Designated-subsequent year expenditures		4,642,022		
Undesignated		1,026,967	1,421,487	7,007,739
Total fund balances	0	5,896,630	1,423,141	7,007,739
Total liabilities and fund balances	\$21,471,249	6,643,810	1,484,518	7,349,062

**CITY OF COLORADO SPRINGS
COLORADO**

Exhibit C-1

Other Public Improvements Funds	Special Assessment District Funds	Other Special Revenue Funds	Totals	
			2001	2000
754,421	361,826	2,249,165	17,856,600 ^C	16,442,336
10,048	848	203,351	6,025,449 ^{AR}	7,483,212
		149,924	721,613 ^S	817,889
			0 ^T	779,948
	587	267,399	✓ 16,181,900 ^{LU}	15,889,043
	1,231,461		✓ 1,231,461 ^{AS}	1,282,547
			113,311 ^{Dnc}	374,094
			47,335 ^{Rest}	831,566
764,469	1,594,722	2,869,839	42,177,669	43,900,635
81		10,248	1,953,930	3,089,567
			339	2,487
			203,880	196,646
10,960		217,369	2,991,093	3,302,958
	587	267,399	✓ 16,181,900 ^L	15,889,043
	1,231,461		✓ 1,231,461 ^{AS}	1,282,547
			0 ^{PT}	764,159
			1,796,631 ^Q	1,656,674
			0	2,100,000
11,041	1,232,048	495,016	24,359,234	28,284,081
753,428		72,525	301,820	1,269,791
			753,428	818,583
		199,483	4,841,505	4,066,193
	362,674	2,102,815	11,921,682	9,461,987
753,428	362,674	2,374,823	17,818,435	15,616,554
764,469	1,594,722	2,869,839	42,177,669	43,900,635

**ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the year ended December 31, 2001

With comparative totals for the year ended December 31, 2000

	Intergovernmental Grant Funds	Capital Improvement Funds	Improvement and Maintenance District Funds	Public Improvements Funds
Revenues				
Taxes	\$0	6,902,641	1,268,086	
Intergovernmental	24,607,218	3,112,908		
Charges for services				
Miscellaneous	867,419	430,357	97,874	3,147,845
Total revenues	25,474,637	10,445,906	1,365,960	3,147,845
Expenditures				
Current				
Public safety	6,418,149			
Public works	3,490,189		1,265,856	2,042,935
Culture and recreation	468,821			
Urban redevelopment and housing	6,387,100			
Economic development				
Economic opportunity				
Miscellaneous	297,436			
Debt service				
Principal and interest				
Capital outlay	8,412,942	12,456,496		
Total expenditures	25,474,637	12,456,496	1,265,856	2,042,935
Revenues over (under) expenditures	0	(2,010,590)	100,104	1,104,910
Other financing sources (uses)				
Capital lease financing		3,200,000		
Operating transfers - out				
Proceeds of notes payable				
Total other financing sources (uses)	0	3,200,000	0	0
Revenues and other financing sources over (under) expenditures and other financing uses	0	1,189,410	100,104	1,104,910
Fund balances - January 1	0	4,893,055	1,323,037	5,902,829
Residual equity transfer - out		(185,835)		
Fund balances - December 31	\$0	5,896,630	1,423,141	7,007,739

CITY OF COLORADO SPRINGS
COLORADO
Exhibit C-2

Other Public Improvements Funds	Special Assessment District Fund	Other Special Revenue Funds	Totals	
			2001	2000
966,040		3,275,101	12,411,868	11,714,459
			27,720,126	28,922,111
		11,744	11,744	30,188
283,684	314,204	465,316	5,606,699	7,971,321
1,249,724	314,204	3,752,161	45,750,437	48,638,079
			6,418,149	7,569,206
			6,798,980	9,731,697
		119,608	588,429	2,092,905
			6,387,100	7,789,030
		2,381,879	2,381,879	2,635,778
		13,216	13,216	5,000
149,179	4,588	27,654	478,857	311,451
1,148,835	221,789		1,370,624	2,228,793
	86,701		20,956,139	25,591,395
1,298,014	313,078	2,542,357	45,393,373	57,955,255
(48,290)	1,126	1,209,804	357,064	(9,317,176)
			3,200,000	8,093,679
		(1,152,483)	(1,152,483)	(2,611,593)
			0	57,936
0	0	(1,152,483)	2,047,517	5,540,022
(48,290)	1,126	57,321	2,404,581	(3,777,154)
818,583	361,548	2,317,502	15,616,554	19,393,708
(16,865)			(202,700)	0
753,428	362,674	2,374,823	17,818,435	15,616,554

**ALL BUDGETED SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the year ended December 31, 2001**

	Improvement and Maintenance District Funds			Public Improvements Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$1,195,531	1,268,086	72,555			
Charges for services						
Miscellaneous	28,424	97,874	69,450	3,417,655	3,147,845	(269,810)
Total revenues	1,223,955	1,365,960	142,005	3,417,655	3,147,845	(269,810)
Expenditures						
Current						
Public works	1,296,381	1,265,856	30,525	3,067,488	2,042,935	1,024,553
Culture and recreation						
Economic development						
Economic opportunity						
Miscellaneous						
Debt service						
Principal and interest						
Total expenditures	1,296,381	1,265,856	30,525	3,067,488	2,042,935	1,024,553
Revenues over (under) expenditures	(72,426)	100,104	172,530	350,167	1,104,910	754,743
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	(72,426)	100,104	172,530	350,167	1,104,910	754,743
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	(72,426)	100,104	172,530	350,167	1,104,910	754,743
Fund balances - January 1	1,323,037	1,323,037	0	5,902,829	5,902,829	0
Beginning fund balances - project length funds						
Residual equity transfer - out						
Residual equity transfer - out, project length funds						
Fund balances - December 31	\$1,250,611	1,423,141	172,530	6,252,996	7,007,739	754,743

**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)
934,533	966,040	31,507	3,557,143	3,275,101	(282,042)	5,687,207	5,509,227	(177,980)
			26,000	11,744	(14,256)	26,000	11,744	(14,256)
31,341	283,684	252,343	466,860	465,316	(1,544)	3,944,280	3,994,719	50,439
965,874	1,249,724	283,850	4,050,003	3,752,161	(297,842)	9,657,487	9,515,690	(141,797)
						4,363,869	3,308,791	1,055,078
			319,801	119,608	200,193	319,801	119,608	200,193
			3,571,560	2,381,879	1,189,681	3,571,560	2,381,879	1,189,681
			22,000	13,216	8,784	22,000	13,216	8,784
227,200	149,179	78,021	0	27,654	(27,654)	227,200	176,833	50,367
1,148,235	1,148,835	(600)				1,148,235	1,148,835	(600)
1,375,435	1,298,014	77,421	3,913,361	2,542,357	1,371,004	9,652,665	7,149,162	2,503,503
(409,561)	(48,290)	361,271	136,642	1,209,804	1,073,162	4,822	2,366,528	2,361,706
			(1,105,935)	(1,152,483)	(46,548)	(1,105,935)	(1,152,483)	(46,548)
0	0	0	(1,105,935)	(1,152,483)	(46,548)	(1,105,935)	(1,152,483)	(46,548)
(409,561)	(48,290)	361,271	(969,293)	57,321	1,026,614	(1,101,113)	1,214,045	2,315,158
							39,434,747	
							(38,244,211)	
(409,561)	(48,290)	361,271	(969,293)	57,321	1,026,614		2,404,581	
818,583	818,583	0	2,317,502	2,317,502	0		10,361,951	
							5,254,603	
0	(16,865)	(16,865)					(16,865)	
							(185,835)	
409,022	753,428	344,406	1,348,209	2,374,823	1,026,614		17,818,435	

INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2001

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	\$701,172	222,797	4,579,383	5,503,352
Loans receivable	9,808,617	6,034,003	71,294	15,913,914
Due from other funds	2,605		4,043	6,648
Restricted investments	47,335			47,335
Total assets	10,559,729	6,256,800	4,654,720	21,471,249
<u>LIABILITIES</u>				
Liabilities				
Accounts payable	269,399	141,569	856,070	1,267,038
Real estate taxes payable	339			339
Accrued employee salaries, benefits	92,226		40,121	132,347
Due to other funds	389,148	81,228	1,890,604	2,360,980
Deferred revenue				
Loans	9,808,617	6,034,003	71,294	15,913,914
Grants			1,796,631	1,796,631
Total liabilities	\$10,559,729	6,256,800	4,654,720	21,471,249

**INTERGOVERNMENTAL GRANT SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2001**

**CITY OF COLORADO SPRINGS
 COLORADO**

Exhibit C-5

	Community Development Block Grant Fund	Home Investment Partnership Fund	Grants Fund	Total
Revenues				
Intergovernmental	\$4,248,598	1,155,627	19,202,993	24,607,218
Miscellaneous	478,632	192,011	196,776	867,419
Total revenues	4,727,230	1,347,638	19,399,769	25,474,637
Expenditures				
Current				
Public safety			6,418,149	6,418,149
Public works			3,490,189	3,490,189
Culture and Recreation			468,821	468,821
Urban redevelopment and housing	4,727,230	1,347,638	312,232	6,387,100
Miscellaneous			297,436	297,436
Capital Outlay			8,412,942	8,412,942
Total expenditures	4,727,230	1,347,638	19,399,769	25,474,637
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, 2001

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	Cable Franchise Fund	Total
ASSETS							
Cash and investments	\$266,012	508,088	388,584	2,094,054	2,313,269	489,859	6,059,866
Accounts receivable - net					9,382		9,382
Sales tax receivable				571,689			571,689
Due from other funds				1,117	1,756		2,873
Total assets	266,012	508,088	388,584	2,666,860	2,324,407	489,859	6,643,810
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	11,291	275		137,365	242,590	774	392,295
Accrued employee salaries, benefits				7,003	36,666	2,440	46,109
Due to other funds	254,721	5,473	4,133	16,401	22,948	5,100	308,776
Total liabilities	266,012	5,748	4,133	160,769	302,204	8,314	747,180
Fund balances							
Reserved for Encumbrances			7,552	77,320	34,815	107,954	227,641
Unreserved							
Designated - subsequent year expenditures		189,967	126,357	2,021,708	1,930,399	373,591	4,642,022
Undesignated		312,373	250,542	407,063	56,989		1,026,967
Total fund balances	0	502,340	384,451	2,506,091	2,022,203	481,545	5,896,630
Total liabilities and fund balances	\$266,012	508,088	388,584	2,666,860	2,324,407	489,859	6,643,810

CAPITAL IMPROVEMENT SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2001

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	Cable Franchise Fund	Total
Revenues							
Taxes	\$0		129,253	5,583,058		1,190,330	6,902,641
Intergovernmental					3,112,908		3,112,908
Miscellaneous	42,449	141,011	24,768	59,982	133,068	29,079	430,357
Total revenues	42,449	141,011	154,021	5,643,040	3,245,976	1,219,409	10,445,906
Expenditures							
Capital outlay	1,004,560	84,646	324,441	7,807,371	2,497,614	737,864	12,456,496
Total expenditures	1,004,560	84,646	324,441	7,807,371	2,497,614	737,864	12,456,496
Revenues over (under) expenditures	(962,111)	56,365	(170,420)	(2,164,331)	748,362	481,545	(2,010,590)
Other financing sources							
Capital lease financing				3,200,000			3,200,000
Total other financing sources	0	0	0	3,200,000	0	0	3,200,000
Revenues and other financing sources over (under) expenditures	(962,111)	56,365	(170,420)	1,035,669	748,362	481,545	1,189,410
Fund balances - January 1	1,147,946	445,975	554,871	1,470,422	1,273,841		4,893,055
Residual equity transfer - out	(185,835)						(185,835)
Fund balances - December 31	\$0	502,340	384,451	2,506,091	2,022,203	481,545	5,896,630

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2001**

	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	\$163,641	408,893	669,134	93,361
Accounts receivable - net	837	4,122	18,666	1,466
Total assets	164,478	413,015	687,800	94,827
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	4,654	4,883	7,839	539
Accrued employee salaries, benefits	4,885	3,685	16,854	
Due to other funds	1,826	4,991	7,213	1,038
Total liabilities	11,365	13,559	31,906	1,577
Fund balances				
Reserved for Encumbrances		551	1,103	
Unreserved Undesignated	153,113	398,905	654,791	93,250
Total fund balances	153,113	399,456	655,894	93,250
Total liabilities and fund balances	\$164,478	413,015	687,800	94,827

**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
76,956	9,136	38,074	1,459,195
182	50		25,323
<u>77,138</u>	<u>9,186</u>	<u>38,074</u>	<u>1,484,518</u>
240	116	1,199	19,470
900	99	416	25,424
<u>1,140</u>	<u>215</u>	<u>1,615</u>	<u>16,483</u>
			1,654
<u>75,998</u>	<u>8,971</u>	<u>36,459</u>	<u>1,421,487</u>
75,998	8,971	36,459	1,423,141
<u>77,138</u>	<u>9,186</u>	<u>38,074</u>	<u>1,484,518</u>

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2001**

	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	\$73,924	361,102	674,890	129,127
Miscellaneous	7,897	31,625	46,501	5,612
Total revenues	81,821	392,727	721,391	134,739
Expenditures				
Current				
Public Works	72,075	409,392	641,324	116,041
Total expenditures	72,075	409,392	641,324	116,041
Revenues over (under) expenditures	9,746	(16,665)	80,067	18,698
Fund balances - January 1	143,367	416,121	575,827	74,552
Fund balances - December 31	\$153,113	399,456	655,894	93,250

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

Woodstone Improvement Maintenance District Fund	Gateway Improvement Maintenance District Fund	Platte Avenue Improvement Maintenance District Fund	Total
16,052	4,404	8,587	1,268,086
3,958	446	1,835	97,874
20,010	4,850	10,422	1,365,960
15,896	3,912	7,216	1,265,856
15,896	3,912	7,216	1,265,856
4,114	938	3,206	100,104
71,884	8,033	33,253	1,323,037
75,998	8,971	36,459	1,423,141

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
For the year ended December 31, 2001**

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

Revenues:	Budget	Actual	Variance Favorable (Unfavorable)
Taxes:			
Old Colorado City Maintenance and Security District Fund	\$69,918	73,924	4,006
Norwood Special Improvement Maintenance District Fund	341,596	361,102	19,506
Briargate Special Improvement Maintenance District Fund	634,591	674,890	40,299
Stetson Hills Improvement Maintenance District Fund	121,670	129,127	7,457
Woodstone Improvement Maintenance District Fund	15,116	16,052	936
Gateway Improvement Maintenance District Fund	4,141	4,404	263
Platte Avenue Improvement Maintenance District Fund	8,499	8,587	88
Total taxes	1,195,531	1,268,086	72,555
Miscellaneous:			
Old Colorado City Maintenance and Security District Fund	6,270	7,897	1,627
Norwood Special Improvement Maintenance District Fund	5,225	31,625	26,400
Briargate Special Improvement Maintenance District Fund	12,540	46,501	33,961
Stetson Hills Improvement Maintenance District Fund	2,090	5,612	3,522
Woodstone Improvement Maintenance District Fund	1,045	3,958	2,913
Gateway Improvement Maintenance District Fund	209	446	237
Platte Avenue Improvement Maintenance District Fund	1,045	1,835	790
Total miscellaneous	28,424	97,874	69,450
Total revenues	\$1,223,955	1,365,960	142,005

**IMPROVEMENT AND MAINTENANCE DISTRICT
SPECIAL REVENUE FUNDS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the year ended December 31, 2001**

**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	\$76,188	72,075	4,113
Norwood Special Improvement Maintenance District Fund	412,098	409,392	2,706
Briargate Special Improvement Maintenance District Fund	647,931	641,324	6,607
Stetson Hills Improvement Maintenance District Fund	130,109	116,041	14,068
Woodstone Improvement Maintenance District Fund	16,161	15,896	265
Gateway Improvement Maintenance District Fund	4,350	3,912	438
Platte Avenue Improvement Maintenance District Fund	9,544	7,216	2,328
Total expenditures	\$1,296,381	1,265,856	30,525

**PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2001**

**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	\$2,642,178	3,607,923	699,414	22,612	6,972,127
Accounts receivable - net	269,949	3,081	115		273,145
Due from other funds	103,790				103,790
Total assets	3,015,917	3,611,004	699,529	22,612	7,349,062
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	264,798				264,798
Due to other funds	27,686	40,390	8,207	242	76,525
Total liabilities	292,484	40,390	8,207	242	341,323
Fund balances					
Unreserved Undesignated	2,723,433	3,570,614	691,322	22,370	7,007,739
Total fund balances	2,723,433	3,570,614	691,322	22,370	7,007,739
Total liabilities and fund balances	\$3,015,917	3,611,004	699,529	22,612	7,349,062

**PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2001**

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

	Public Space and Development Fund	Subdivision Drainage Fund	Arterial Roadway Fund	Park Developer Easement Fund	Total
Revenues					
Miscellaneous	\$1,375,542	1,381,381	388,753	2,169	3,147,845
Total revenues	1,375,542	1,381,381	388,753	2,169	3,147,845
Expenditures					
Current Public works	527,571	1,323,455	191,909		2,042,935
Total expenditures	527,571	1,323,455	191,909	0	2,042,935
Revenues over expenditures	847,971	57,926	196,844	2,169	1,104,910
Fund balances - January 1	1,875,462	3,512,688	494,478	20,201	5,902,829
Fund balances - December 31	\$2,723,433	3,570,614	691,322	22,370	7,007,739

**PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
 For the year ended December 31, 2001**

	Public Space and Development Fund			Subdivision Drainage Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Miscellaneous	\$860,000	1,375,542	515,542	2,361,427	1,381,381	(980,046)
Total revenues	860,000	1,375,542	515,542	2,361,427	1,381,381	(980,046)
Expenditures						
Current Public works	510,833	527,571	(16,738)	2,361,427	1,323,455	1,037,972
Total expenditures	510,833	527,571	(16,738)	2,361,427	1,323,455	1,037,972
Revenues over expenditures	349,167	847,971	498,804	0	57,926	57,926
Fund balances - January 1	1,875,462	1,875,462	0	3,512,688	3,512,688	0
Fund balances - December 31	\$2,224,629	2,723,433	498,804	3,512,688	3,570,614	57,926

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-14

Arterial Roadway Fund			Park Developer Easement Fund			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
195,228	388,753	193,525	1,000	2,169	1,169	3,417,655	3,147,845	(269,810)
195,228	388,753	193,525	1,000	2,169	1,169	3,417,655	3,147,845	(269,810)
195,228	191,909	3,319	0	0	0	3,067,488	2,042,935	1,024,553
195,228	191,909	3,319	0	0	0	3,067,488	2,042,935	1,024,553
0	196,844	196,844	1,000	2,169	1,169	350,167	1,104,910	754,743
494,478	494,478	0	20,201	20,201	0	5,902,829	5,902,829	0
494,478	691,322	196,844	21,201	22,370	1,169	6,252,996	7,007,739	754,743

OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2001

CITY OF COLORADO SPRINGS
 COLORADO
 Exhibit C-15

	Peregrine General Improvement District	Cottonwood General Improvement District	Spring Creek General Improvement District	Total
<u>ASSETS</u>				
Cash and investments	\$57,991	568,731	127,699	754,421
Accounts receivable - net		6,952	3,096	10,048
Total assets	57,991	575,683	130,795	764,469
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable		40	41	81
Due to other funds	625	8,235	2,100	10,960
Total liabilities	625	8,275	2,141	11,041
Fund balances				
Reserved for debt service	57,366	567,408	128,654	753,428
Total fund balances	57,366	567,408	128,654	753,428
Total liabilities and fund balances	\$57,991	575,683	130,795	764,469

**OTHER PUBLIC IMPROVEMENTS SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2001**

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

	Peregrine General Improvement District	Cottonwood General Improvement District	Spring Creek General Improvement District	Number 98-1 General Improvement District	Total
Revenues					
Taxes	\$0	615,328	277,700	73,012	966,040
Miscellaneous	3,605	188,043	88,720	3,316	283,684
Total revenues	3,605	803,371	366,420	76,328	1,249,724
Expenditures					
Current					
Miscellaneous	3,250	12,211	7,170	126,548	149,179
Debt Service					
Principal and interest		801,235	347,600		1,148,835
Total expenditures	3,250	813,446	354,770	126,548	1,298,014
Revenues over (under) expenditures	355	(10,075)	11,650	(50,220)	(48,290)
Fund balances - January 1	57,011	577,483	117,004	67,085	818,583
Residual equity transfer - out				(16,865)	(16,865)
Fund balances - December 31	\$57,366	567,408	128,654	0	753,428

**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, 2001**

	Peregrine General Improvement District			Cottonwood General Improvement District		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$0	0	0	600,566	615,328	14,762
Miscellaneous	2,841	3,605	764	22,500	188,043	165,543
Total revenues	2,841	3,605	764	623,066	803,371	180,305
Expenditures						
Current						
Miscellaneous	58,250	3,250	55,000	8,450	12,211	(3,761)
Debt Service						
Principal and interest				801,235	801,235	0
Total expenditures	58,250	3,250	55,000	809,685	813,446	(3,761)
Revenues over (under) expenditures	(55,409)	355	55,764	(186,619)	(10,075)	176,544
Fund balances - January 1	57,011	57,011	0	577,483	577,483	0
Residual equity transfer - out						
Fund balances - December 31	\$1,602	57,366	55,764	390,864	567,408	176,544

Spring Creek General Improvement District			Number 98-1 General Improvement District			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
263,551	277,700	14,149	70,416	73,012	2,596	934,533	966,040	31,507
3,000	88,720	85,720	3,000	3,316	316	31,341	283,684	252,343
266,551	366,420	99,869	73,416	76,328	2,912	965,874	1,249,724	283,850
8,000	7,170	830	152,500	126,548	25,952	227,200	149,179	78,021
347,000	347,600	(600)				1,148,235	1,148,835	(600)
355,000	354,770	230	152,500	126,548	25,952	1,375,435	1,298,014	77,421
(88,449)	11,650	100,099	(79,084)	(50,220)	28,864	(409,561)	(48,290)	361,271
117,004	117,004	0	67,085	67,085	0	818,583	818,583	0
			0	(16,865)	(16,865)	0	(16,865)	(16,865)
28,555	128,654	100,099	(11,999)	0	11,999	409,022	753,428	344,406

OTHER SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2001

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	\$2,656		750,060	34,922	1,461,527	2,249,165
Accounts receivable - net	193,208	9,636			507	203,351
Sales tax receivable	149,924					149,924
Loans receivable					267,399	267,399
Total assets	345,788	9,636	750,060	34,922	1,729,433	2,869,839
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	462	100	9,012	674		10,248
Due to other funds	81,335	8,369	111,797	365	15,503	217,369
Deferred revenue - loans					267,399	267,399
Total liabilities	81,797	8,469	120,809	1,039	282,902	495,016
Fund balances						
Reserved for Encumbrances	63,322	184	235	8,784		72,525
Unreserved						
Designated - subsequent year expenditures		983	198,500			199,483
Undesignated	200,669		430,516	25,099	1,446,531	2,102,815
Total fund balances	263,991	1,167	629,251	33,883	1,446,531	2,374,823
Total liabilities and fund balances	\$345,788	9,636	750,060	34,922	1,729,433	2,869,839

**OTHER SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2001**

**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	\$3,275,101					3,275,101
Charges for services		11,744				11,744
Miscellaneous	1,524	451	174,204	24,065	265,072	465,316
Total revenues	3,276,625	12,195	174,204	24,065	265,072	3,752,161
Expenditures						
Current						
Culture and recreation		38,541	81,067			119,608
Economic development	2,224,819				157,060	2,381,879
Economic opportunity				13,216		13,216
Miscellaneous		27,654				27,654
Total expenditures	2,224,819	66,195	81,067	13,216	157,060	2,542,357
Revenues over (under) expenditures	1,051,806	(54,000)	93,137	10,849	108,012	1,209,804
Other financing uses						
Operating transfers - out	(992,443)				(160,040)	(1,152,483)
Revenues over (under) expenditures and other financing uses	59,363	(54,000)	93,137	10,849	(52,028)	57,321
Fund balances - January 1	204,628	55,167	536,114	23,034	1,498,559	2,317,502
Fund balances - December 31	\$263,991	1,167	629,251	33,883	1,446,531	2,374,823

OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the year ended December 31, 2001

	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	\$3,557,143	3,275,101	(282,042)						
Charges for services				26,000	11,744	(14,256)			
Miscellaneous	10,000	1,524	(8,476)	2,000	451	(1,549)	131,000	174,204	43,204
Total revenues	3,567,143	3,276,625	(290,518)	28,000	12,195	(15,805)	131,000	174,204	43,204
Expenditures									
Current									
Culture and recreation				40,000	38,541	1,459	279,801	81,067	198,734
Economic development	2,481,350	2,224,819	256,531						
Economic opportunity									
Miscellaneous					27,654	(27,654)			
Total expenditures	2,481,350	2,224,819	256,531	40,000	66,195	(26,195)	279,801	81,067	198,734
Revenues over (under) expenditures	1,085,793	1,051,806	(33,987)	(12,000)	(54,000)	(42,000)	(148,801)	93,137	241,938
Other financing uses									
Operating transfers - out	(1,089,050)	(992,443)	96,607						
Revenues over (under) expenditures and other financing uses	(3,257)	59,363	62,620	(12,000)	(54,000)	(42,000)	(148,801)	93,137	241,938
Fund balances - January 1	204,628	204,628	0	55,167	55,167	0	536,114	536,114	0
Fund balances - December 31	\$201,371	263,991	62,620	43,167	1,167	(42,000)	387,313	629,251	241,938

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)
						3,557,143	3,275,101	(282,042)
						26,000	11,744	(14,256)
22,000	24,065	2,065	301,860	265,072	(36,788)	466,860	465,316	(1,544)
22,000	24,065	2,065	301,860	265,072	(36,788)	4,050,003	3,752,161	(297,842)
						319,801	119,608	200,193
			1,090,210	157,060	933,150	3,571,560	2,381,879	1,189,681
22,000	13,216	8,784				22,000	13,216	8,784
						0	27,654	(27,654)
22,000	13,216	8,784	1,090,210	157,060	933,150	3,913,361	2,542,357	1,371,004
0	10,849	10,849	(788,350)	108,012	896,362	136,642	1,209,804	1,073,162
			(16,885)	(160,040)	(143,155)	(1,105,935)	(1,152,483)	(46,548)
0	10,849	10,849	(805,235)	(52,028)	753,207	(969,293)	57,321	1,026,614
23,034	23,034	0	1,498,559	1,498,559	0	2,317,502	2,317,502	0
23,034	33,883	10,849	693,324	1,446,531	753,207	1,348,209	2,374,823	1,026,614



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.

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 acquired or constructed using these 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.

Skyview Softball 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, 2001**

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

With comparative totals for December 31, 2000

	SCIP Construction Fund	City Funded CIP Construction Fund	Old City Hall Construction Fund	Totals	
				2001	2000
<u>ASSETS</u>					
Cash and investments	\$15,901,181	7,826,409	49,945	23,777,535	19,693,135
Accounts receivable - net	524,312	22,262		546,574	72,181
Due from other funds		248,336		248,336	836,083
Restricted investments	33,031,399		1,412,376	34,443,775	70,685,732
Total assets	49,456,892	8,097,007	1,462,321	59,016,220	91,287,131
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	2,756,582	864,380	304,406	3,925,368	4,567,309
Due to other funds	219,839	331,699		551,538	571,435
Total Liabilities	2,976,421	1,196,079	304,406	4,476,906	5,138,744
 Fund balances					
Reserved for Encumbrances	12,751,616	2,088,050	76,679	14,916,345	22,971,384
Unreserved Designated - subsequent year expenditures	33,728,855	4,812,878	1,081,236	39,622,969	63,177,003
Total fund balances	46,480,471	6,900,928	1,157,915	54,539,314	86,148,387
Total liabilities and fund balances	\$49,456,892	8,097,007	1,462,321	59,016,220	91,287,131

**CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 For the year ended December 31, 2001
 With comparative totals for the year ended December 31, 2000**

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

	SCIP Construction Fund	City Funded CIP Construction Fund	Skyview Softball Complex Construction Fund	Old City Hall Construction Fund	Totals	
					2001	2000
Revenues						
Interest income	\$4,035,878	613,008	34,645	350,819	5,034,350	5,876,459
Total revenues	<u>4,035,878</u>	<u>613,008</u>	<u>34,645</u>	<u>350,819</u>	<u>5,034,350</u>	<u>5,876,459</u>
Expenditures						
Debt service						
Interest payment			95,128	186,557	281,685	319,899
Issuance expense						211,864
Capital outlay	34,557,841	5,566,242		3,497,487	43,621,570	35,152,611
Total expenditures	<u>34,557,841</u>	<u>5,566,242</u>	<u>95,128</u>	<u>3,684,044</u>	<u>43,903,255</u>	<u>35,684,374</u>
Revenues under expenditures	<u>(30,521,963)</u>	<u>(4,953,234)</u>	<u>(60,483)</u>	<u>(3,333,225)</u>	<u>(38,868,905)</u>	<u>(29,807,915)</u>
Other financing sources (uses)						
Operating transfers - in		7,277,000			7,277,000	6,848,731
Proceeds from issuance of certificates of participation						7,265,000
Total other financing sources (uses)	<u>0</u>	<u>7,277,000</u>	<u>0</u>	<u>0</u>	<u>7,277,000</u>	<u>14,113,731</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(30,521,963)</u>	<u>2,323,766</u>	<u>(60,483)</u>	<u>(3,333,225)</u>	<u>(31,591,905)</u>	<u>(15,694,184)</u>
Fund balance - January 1	<u>77,002,434</u>	<u>4,391,327</u>	<u>263,486</u>	<u>4,491,140</u>	<u>86,148,387</u>	<u>101,855,714</u>
Residual equity transfer - in		185,835			185,835	0
Residual equity transfer - out			(203,003)		(203,003)	(13,143)
Fund balances - December 31	<u>\$46,480,471</u>	<u>6,900,928</u>	<u>0</u>	<u>1,157,915</u>	<u>54,539,314</u>	<u>86,148,387</u>



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.

Development Review fund – used to account for certain activities related to development review.

ALL ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2001
 With comparative totals for December 31, 2000

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
ASSETS					
Current assets					
Cash and investments	\$135,221,315	14,672,000	34,318,549	1,179,420	633,323
Accounts receivable - net	72,747,495	52,566,000	2,303,127	8,558	3,322
Interest receivable	1,118,553				
Inventories - at cost	31,224,729	2,154,000			
Due from other funds			35,297	24,694	11,885
Prepaid expenses	5,430,430	2,608,000			
Total current assets	245,742,522	72,000,000	36,656,973	1,212,672	648,530
Restricted assets					
Investments					
Reserve funds	33,010,786		6,118,785		
Interest and principal retirement funds	7,381,547	15,085,000			
Other restricted funds		134,531,000			
Total restricted assets	40,392,333	149,616,000	6,118,785	0	0
Property, plant and equipment					
Land			17,587,386	60,000	931,200
Buildings			82,457,679	1,216,828	225,944
Improvements other than buildings			116,794,124	1,248,043	1,235,074
Machinery and equipment			8,647,777	1,611,968	923,348
Utility plant	2,466,910,394				
Hospital plant		306,379,000			
Less accumulated depreciation and amortization	(806,794,289)	(123,432,000)	(45,992,643)	(2,392,395)	(1,288,377)
Net property, plant and equipment in service	1,660,116,105	182,947,000	179,494,323	1,744,444	2,027,189
Construction in progress	61,085,478	2,128,000	4,341,285	427,419	119,236
Net property, plant and equipment	1,721,201,583	185,075,000	183,835,608	2,171,863	2,146,425
Other assets					
Unamortized bond issuance costs	953,089	2,325,000			
Other	41,980,477	2,926,000			
Total other assets	42,933,566	5,251,000	0	0	0
Total assets	\$2,050,270,004	411,942,000	226,611,366	3,384,535	2,794,955

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	Development Review Fund	Totals	
					2001	2000 (as restated)
	506,346	5,632,710	265,601	193,618	192,622,882	163,159,833
114,791	5,498	33,336	81,320		127,863,447	132,274,960
		3,652			1,122,205	1,546,628
65,453					33,444,182	31,125,341
81,559	3	2,301	543	2,536	158,818	920,865
					8,038,430	4,946,226
261,803	511,847	5,671,999	347,464	196,154	363,249,964	333,973,853
					39,129,571	51,829,797
					22,466,547	41,806,278
		3,935,580			138,466,580	111,072,983
0	0	3,935,580	0	0	200,062,698	204,709,058
667	537,000	2,221,374	140,841		21,478,468	21,474,494
2,537,674	2,501,148	7,398,436	449,190		96,786,899	103,529,879
241,163	64,131	8,770,522	120,617		128,473,674	124,510,367
2,831,865	6,257	93,997	1,787,456		15,902,668	15,306,574
					2,466,910,394	2,338,443,717
					306,379,000	244,435,000
(3,321,199)	(885,574)	(3,794,601)	(795,548)		(988,696,626)	(913,171,683)
2,290,170	2,222,962	14,689,728	1,702,556	0	2,047,234,477	1,934,528,348
	533,211	1,292,432	84,153	26,842	70,038,056	111,411,181
2,290,170	2,756,173	15,982,160	1,786,709	26,842	2,117,272,533	2,045,939,529
		252,616			3,530,705	19,014,744
					44,906,477	21,725,278
0	0	252,616	0	0	48,437,182	40,740,022
2,551,973	3,268,020	25,842,355	2,134,173	222,996	2,729,022,377	2,625,362,462

(continued)

ALL ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2001
 With comparative totals for December 31, 2000

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable	\$36,432,126	13,047,000	1,222,358	82,568	39,991
Accrued employee salaries, benefits	7,788,336	13,100,000	419,468	37,903	15,689
Customer deposits	996,613				
Due to other funds			399,922	16,043	69,447
Deferred revenue			604,392		
Accrued interest	5,357,141				
Current portion of long-term debt	14,704,435	1,854,000	2,404,093		36,207
Fair value of derivative instruments	14,287,857				
Total current liabilities	79,566,508	28,001,000	5,050,233	136,514	161,334
Other liabilities					
Estimated liability for injury and damage claims	1,635,337	7,899,000			
Customer advances for construction	8,274,134				
Accrued sick leave benefits	4,410,395		310,995	36,654	16,232
Other	4,914,832				
Total other liabilities	19,234,698	7,899,000	310,995	36,654	16,232
Long-term debt (less current portion)					
Revenue bonds payable	866,820,047	136,821,513	65,468,470		
Notes payable	20,096,945				
Capital lease obligations	2,042,598	415,487			113,084
Total long-term debt	888,959,590	137,237,000	65,468,470	0	113,084
Total liabilities	987,760,796	173,137,000	70,829,698	173,168	290,650
Equity					
Contributions in aid of construction	541,581,493				
Other contributions			102,413,112	164,660	2,846,290
Retained earnings					
Reserved for debt service			6,118,785		
Bond reserve requirements	40,392,333		5,457,889		
Unreserved (deficit)	480,535,382	238,805,000	41,791,882	3,046,707	(341,985)
Total retained earnings (deficit)	520,927,715	238,805,000	53,368,556	3,046,707	(341,985)
Total equity	1,062,509,208	238,805,000	155,781,668	3,211,367	2,504,305
Total liabilities and equity	\$2,050,270,004	411,942,000	226,611,366	3,384,535	2,794,955

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

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Development Review Fund	Totals	
					2001	2000 (as restated)
18,567	3,037	300,021	9,584	22,577	51,177,829	95,674,578
67,969	2,209	26,509	52,464	24,823	21,535,370	22,885,695
					996,613	893,993
235,644	6,931	69,400	2,023	2,373	801,783	90,398
				2,000	606,392	566,466
					5,357,141	5,501,968
72,155		345,000			19,415,890	17,638,028
					14,287,857	0
394,335	12,177	740,930	64,071	51,773	114,178,875	143,251,126
					9,534,337	8,420,317
					8,274,134	7,787,121
124,164	3,207	30,239	75,598	33,446	5,040,930	4,834,290
					4,914,832	2,215,356
124,164	3,207	30,239	75,598	33,446	27,764,233	23,257,084
		7,980,000			1,077,090,030	1,040,810,817
136,207					20,096,945	20,662,455
					2,707,376	3,094,147
136,207	0	7,980,000	0	0	1,099,894,351	1,064,567,419
654,706	15,384	8,751,169	139,669	85,219	1,241,837,459	1,231,075,629
					541,581,493	541,581,493
2,354,987	2,511,251	3,347,680	361,995		113,999,975	113,999,975
					6,118,785	6,118,785
					45,850,222	58,689,179
(457,720)	741,385	13,743,506	1,632,509	137,777	779,634,443	673,897,401
(457,720)	741,385	13,743,506	1,632,509	137,777	831,603,450	738,705,365
1,897,267	3,252,636	17,091,186	1,994,504	137,777	1,487,184,918	1,394,286,833
2,551,973	3,268,020	25,842,355	2,134,173	222,996	2,729,022,377	2,625,362,462

**ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000**

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Operating revenues					
Charges for services	\$588,796,856	298,511,000	20,330,249	1,760,367	1,040,232
Other operating revenues		6,164,000			
Total operating revenues	588,796,856	304,675,000	20,330,249	1,760,367	1,040,232
Operating expenses					
Personal services	95,271,682	149,996,000	5,781,576	568,800	295,773
Other operating expenses	391,518,896	118,478,000	6,094,889	864,148	635,574
Depreciation	67,887,927	18,043,000	7,605,426	190,607	184,620
Total operating expenses	554,678,505	286,517,000	19,481,891	1,623,555	1,115,967
Operating income (loss)	34,118,351	18,158,000	848,358	136,812	(75,735)
Non-operating revenues (expenses)					
Investment income (loss)	10,328,128	7,242,000	2,424,609	72,750	39,645
Interest on long-term bonds	(42,237,512)	(7,118,000)	(4,432,092)		
Other interest expense	(90,950)				(199)
Allowance for borrowed funds used during construction	2,099,123				
Allowance for equity funds used during construction	1,218,075				
Federal grants			802,450		
Passenger facility charges			3,206,133		
Amortization of debt expense	(862,908)				
Gain (loss) on sale of fixed assets			(1,771,224)		(9,650)
Other revenue (expense)	47,346,151	792,000		289	5
Transition adjustment for derivative instruments	22,285,395				
Total non-operating revenues (expenses)	40,085,502	916,000	229,876	73,039	29,801
Income (loss) before operating transfers	74,203,853	19,074,000	1,078,234	209,851	(45,934)
Operating transfers					
Transfers - in			128,455		
Transfers - out	(2,702,968)		(30,000)	(17,057)	(11,371)
Total operating transfers	(2,702,968)	0	98,455	(17,057)	(11,371)
Net income (loss)	71,500,885	19,074,000	1,176,689	192,794	(57,305)
Retained earnings (accumulated deficit) - January 1, as previously reported	449,426,830	219,731,000	52,191,867	2,853,913	(284,680)
Adjustment for correction of depreciation calculation for addition of fixed assets and recognition of passenger facility charges as revenue when received					
Retained earnings (accumulated deficit) - January 1, as restated	449,426,830	219,731,000	52,191,867	2,853,913	(284,680)
Retained earnings (accumulated deficit) - December 31	\$520,927,715	238,805,000	53,368,556	3,046,707	(341,985)

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

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Development Review Fund	Totals 2000 (as restated)	
					2001	
2,512,633	298,213	2,510,360	953,734	621,916	917,335,560 6,164,000	762,978,434 4,401,000
2,512,633	298,213	2,510,360	953,734	621,916	923,499,560	767,379,434
1,406,892	38,990	315,307	658,389	404,945	254,738,354	225,608,896
1,327,202	138,076	567,751	469,344	90,185	520,184,065	434,063,634
336,229	50,354	342,633	178,597		94,819,393	89,549,336
3,070,323	227,420	1,225,691	1,306,330	495,130	869,741,812	749,221,866
(557,690)	70,793	1,284,669	(352,596)	126,786	53,757,748	18,157,568
(2,772)	30,083	520,839 (370,026)	213,551	10,991	20,879,824 (54,157,630)	21,045,572 (55,766,758)
(16,972)					(108,121)	(101,041)
					2,099,123	2,730,842
					1,218,075	1,484,072
					802,450	0
					3,206,133	3,663,388
		(14,716)			(877,624)	(887,672)
			(66)		(1,780,940)	0
491		1,274	146,194		48,286,404	(1,651,574)
					22,285,395	0
(19,253)	30,083	137,371	359,679	10,991	41,853,089	(29,483,171)
(576,943)	100,876	1,422,040	7,083	137,777	95,610,837	(11,325,603)
					128,455	177,967
(39,379)	(1,053)	(29,481)	(9,898)		(2,841,207)	(1,731,948)
(39,379)	(1,053)	(29,481)	(9,898)	0	(2,712,752)	(1,553,981)
(616,322)	99,823	1,392,559	(2,815)	137,777	92,898,085	(12,879,584)
158,602	641,562	12,350,947	1,635,324	0	738,705,365	746,886,627
						4,698,322
158,602	641,562	12,350,947	1,635,324	0	738,705,365	751,584,949
(457,720)	741,385	13,743,506	1,632,509	137,777	831,603,450	738,705,365

ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Cash flows from operating activities:					
Operating income (loss)	\$34,118,351	18,158,000	848,358	136,812	(75,735)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	67,887,927	18,043,000	7,605,426	190,607	184,620
Amortization and other	1,734	239,000			
Provision for loss on accounts receivable	2,050,776				
Change in fair value of derivative instruments	36,573,252				
Other revenue (expense)	1,265,504	606,000		289	5
(Increase) decrease in assets					
Accounts, interest receivable	487,678	1,605,000	(1,453,335)	4,880	2,596
Inventories	(2,049,388)	(204,000)			
Due from other funds			709,613	1,495	2,765
Deferred debits, prepaid expenses	(2,623,204)	(469,000)			
Other assets	(21,025,199)				
Increase (decrease) in liabilities					
Accounts payable	(43,146,061)	576,000	(646,602)	(36,982)	(31,856)
Accrued employee salaries, benefits	1,474,482	(2,747,000)	56,390	5,491	6,560
Customer deposits	102,620				
Due to other funds			397,058	13,066	(2,315)
Other liabilities	1,642,036	1,634,000	37,926		
Net cash provided (used) by operating activities	76,760,508	37,441,000	7,554,834	315,658	86,640
Cash flows from non-capital financing activities:					
Operating transfers - in			128,455		
Operating transfers - out	(2,702,968)		(30,000)	(17,057)	(11,371)
Net cash provided (used) by non-capital financing activities	(2,702,968)	0	98,455	(17,057)	(11,371)
Cash flows from capital and related financing activities:					
Increase in contributions in aid of construction, other contributions	24,967,649				
Capital expenditures	(105,048,638)	(29,005,000)	(6,570,022)	(370,859)	(88,492)
Bond issuance costs					
Proceeds of long-term debt	57,808,705				
Proceeds from sale of assets	296,196				
Proceeds from termination of interest agreement		1,900,000			
Repayment of capital lease obligations	(763,271)				(41,599)
Federal grants			802,450		
Passenger facility charges			3,206,133		
Repayment of long-term debt	(4,318,500)	(1,756,000)	(2,445,000)		
Interest on long-term debt	(42,377,956)	(7,118,000)	(3,687,999)		
Other interest payments	(95,333)				(199)
Advances for construction	487,013				
Net cash provided (used) by capital and related financing activities	(\$69,044,135)	(35,979,000)	(8,694,438)	(370,859)	(130,290)

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	Development Review Fund	Totals	
					2001	Totals 2000 (as restated)
(557,690)	70,793	1,284,669	(352,596)	126,786	53,757,748	18,157,568
336,229	50,354	342,633	178,597		94,819,393	89,549,336
					240,734	546,028
					2,050,776	2,511,852
					36,573,252	0
491		1,274	146,194		2,019,757	(469,759)
49,382	(4,498)	6,075	24,766		722,544	(25,872,829)
(65,453)				(2,536)	(2,321,377)	6,410,461
(64,203)	12,098	98,671	4,146		764,585	(256,081)
					(3,092,204)	(1,496,214)
					(21,025,199)	(11,315,558)
(85,371)	(136,599)	73,793	705	22,577	(43,410,396)	39,801,251
(9,556)	481	(2,805)	14,002	58,269	(1,143,686)	5,649,126
					102,620	182,268
232,482	5,342	61,779	1,600	2,373	711,385	(39,546)
				2,000	3,315,962	(283,200)
(163,689)	(2,029)	1,866,089	17,414	209,469	124,085,894	123,074,703
					128,455	177,967
(39,379)	(1,053)	(29,481)	(9,898)		(2,841,207)	(1,731,948)
(39,379)	(1,053)	(29,481)	(9,898)	0	(2,712,752)	(1,553,981)
					24,967,649	28,650,086
(289,344)	(60,143)	(2,680,663)	(134,580)	(26,842)	(144,274,583)	(174,001,139)
					0	(1,642,000)
					57,808,705	127,601,594
					296,196	1,657,390
					1,900,000	0
(67,966)					(872,836)	(1,526,496)
					802,450	0
					3,206,133	3,784,227
		(335,000)			(8,854,500)	(15,622,160)
		(370,026)			(53,553,981)	(55,442,058)
(16,972)					(112,504)	(131,610)
					487,013	(1,203,695)
(374,282)	(60,143)	(3,385,689)	(134,580)	(26,842)	(118,200,258)	(87,875,861)

(continued)

ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
 For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000

	Utilities Fund	Memorial Hospital Fund	Airport Fund	Patty Jewett Golf Fund	Valley Hi Golf Fund
Cash flows from investing activities:					
Interest received on investments	\$9,809,850	7,443,000	1,854,668	53,545	29,449
Purchases of investments	(183,983,003)	(9,980,000)	(15,467,603)	(532,071)	(285,711)
Proceeds from sales and maturities of investments	170,739,766		15,442,392	602,890	329,624
Net cash provided (used) by investing activities	(3,433,387)	(2,537,000)	1,829,457	124,364	73,362
Net increase (decrease) in cash	1,580,018	(1,075,000)	788,308	52,106	18,342
Cash - January 1	8,390,765	15,747,000	792,969	48,483	35,673
Cash - December 31	9,970,783	14,672,000	1,581,277	100,589	54,015
Cash	9,970,783	14,672,000	1,581,277	100,589	54,015
Investments	125,250,532		32,737,272	1,078,831	579,309
Total cash and investments	\$135,221,315	14,672,000	34,318,549	1,179,420	633,324
Noncash investing, capital and financing activities:					
Amortization, charge-off of debt discount and expense	\$862,908				
Noncash contributions in aid of construction	22,784,762				
Noncash acquisition of property, plant, and equipment (incurrence of payable/capital lease obligation)	11,250,122	430,000			190,890
Unrealized gain (loss) on investments			(569,941)	19,205	10,196

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

Pikes Peak Highway Fund	Human Services Complex Fund	Parking System Fund	Cemetery Fund	Development Review Fund	Totals 2001	Totals 2000 (as restated)
1,576	22,088 (228,428)	423,445 (2,538,700)	208,577 (119,821)	6,388 (87,347)	19,852,586 (213,222,684)	15,847,734 (159,174,639)
561,759	299,716	3,806,130	56,632	(101,668)	191,737,241	123,369,428
563,335	93,376	1,690,875	145,388	(182,627)	(1,632,857)	(19,957,477)
(14,015)	30,151	141,794	18,323	0	1,540,027	13,687,384
14,015	13,034	117,741	4,327	0	25,164,007	11,476,623
0	43,185	259,535	22,650	0	26,704,034	25,164,007
	43,185	259,535	22,650	0	26,704,034	25,164,007
	463,161	5,373,175	242,950	193,618	165,918,848	137,995,826
0	506,346	5,632,710	265,600	193,618	192,622,882	163,159,833
		14,716			877,624	887,672
					22,784,762	3,930,045
(4,348)	7,995	97,394	4,974	4,603	11,871,012 (429,922)	11,196,606 4,698,477



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 area of general liability.

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, 2001
With comparative totals for December 31, 2000**

	Support Services Fund	Claims Reserve Self-Insurance Fund	Workers Compensation Self-Insurance Fund	Employee Benefits Self-Insurance Fund
<u>ASSETS</u>				
Current assets				
Cash and investments	\$0	2,735,189	6,476,473	4,513,424
Accounts receivable - net	1,074,562		5,978	111,015
Inventories - at cost	724,352			
Due from other funds	21,420		1,565	12,625
Prepaid expenses				
Total current assets	1,820,334	2,735,189	6,484,016	4,637,064
Property, plant and equipment				
Land	25,720			
Buildings	280,489		6,850	
Improvements other than buildings	403,200			
Machinery and equipment	7,784,251		278,792	
Less accumulated depreciation	(5,266,260)		(76,230)	
Net property, plant and equipment in service	3,227,400	0	209,412	0
Construction in progress	75,376			
Net property, plant and equipment	3,302,776	0	209,412	0
Total assets	5,123,110	2,735,189	6,693,428	4,637,064
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Accounts payable	1,125,153	1,009,087	5,042,802	3,350,356
Accrued employee salaries, benefits	855,073		11,916	
Due to other funds	2,223,521	103,682	70,231	32,474
Deferred revenue				
Current portion of long-term debt	219,051			
Total current liabilities	4,422,798	1,112,769	5,124,949	3,382,830
Other liabilities				
Accrued sick leave benefits	746,359		7,304	
Long-term debt (less current portion)				
Capital lease obligations	761,781			
Total liabilities	5,930,938	1,112,769	5,132,253	3,382,830
Equity				
Contributed capital	1,230,087			
Retained earnings				
Unreserved (deficit)	(2,037,915)	1,622,420	1,561,175	1,254,234
Total equity	(807,828)	1,622,420	1,561,175	1,254,234
Total liabilities and equity	\$5,123,110	2,735,189	6,693,428	4,637,064

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

Totals	
2001	2000
13,725,086	14,252,596
1,191,555	1,069,764
724,352	778,854
35,610	295,049
0	115,040
15,676,603	16,511,303
25,720	25,720
287,339	259,939
403,200	403,200
8,063,043	8,546,674
(5,342,490)	(5,509,894)
3,436,812	3,725,639
75,376	50,000
3,512,188	3,775,639
19,188,791	20,286,942
10,527,398	12,952,640
866,989	882,305
2,429,908	2,668,609
0	57,520
219,051	211,905
14,043,346	16,772,979
753,663	694,243
761,781	818,888
15,558,790	18,286,110
1,230,087	1,230,087
2,399,914	770,745
3,630,001	2,000,832
19,188,791	20,286,942

**ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000**

	Support Services Fund	Claims Reserve Self-Insurance Fund	Workers Compensation Self-Insurance Fund	Employee Benefits Self-Insurance Fund
Operating revenues				
Charges for services	\$24,264,563			
Other operating revenues		550,004	4,004,072	23,174,779
Total operating revenues	24,264,563	550,004	4,004,072	23,174,779
Operating expenses				
Personal services	10,129,113		142,732	
Other operating expenses	14,248,545	532,822	3,080,252	24,168,509
Depreciation	699,219		19,825	
Total operating expenses	25,076,877	532,822	3,242,809	24,168,509
Operating income (loss)	(812,314)	17,182	761,263	(993,730)
Non-operating revenues (expenses)				
Investment income		171,321	402,258	215,759
Other interest expense	(87,647)			
Gain (loss) on sale of fixed assets	(43,692)			
Other revenue (expense)	(1,231)			
Total non-operating revenues (expenses)	(132,570)	171,321	402,258	215,759
Income (loss) before operating transfers	(944,884)	188,503	1,163,521	(777,971)
Transfers - in				2,000,000
Net income (loss)	(944,884)	188,503	1,163,521	1,222,029
Retained earnings (accumulated deficit) - January 1	(1,093,031)	1,433,917	397,654	32,205
Retained earnings (accumulated deficit) - December 31	(\$2,037,915)	1,622,420	1,561,175	1,254,234

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

Totals	
2001	2000
24,264,563	22,679,834
27,728,855	24,691,719
51,993,418	47,371,553
10,271,845	9,389,755
42,030,128	40,875,523
719,044	749,297
53,021,017	51,014,575
(1,027,599)	(3,643,022)
789,338	1,195,156
(87,647)	(42,996)
(43,692)	0
(1,231)	6,139
656,768	1,158,299
(370,831)	(2,484,723)
2,000,000	0
1,629,169	(2,484,723)
770,745	3,255,468
770,745	3,255,468
2,399,914	770,745

**ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000**

	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)	(\$812,314)	17,182	761,263	(993,730)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	699,219		19,825	
Other revenue (expense)	(1,231)			
(Increase) decrease in assets				
Accounts, interest receivable	(153,115)		141,735	(110,411)
Inventories	54,502			
Due from other funds	(20,836)	50,541	150,814	78,920
Prepaid expenses			115,040	
Increase (decrease) in liabilities				
Accounts payable	(4,487)	(88,969)	(1,325,643)	(1,006,143)
Accrued employee salaries, benefits	42,583		1,521	
Due to other funds	704,912	103,682	(1,079,769)	32,474
Other liabilities			(57,520)	
Net cash provided (used) by operating activities	509,233	82,436	(1,272,734)	(1,998,890)
Cash flows from non-capital financing activities:				
Operating transfers - in				2,000,000
Net cash provided (used) by non-capital financing activities	0	0	0	2,000,000
Cash flows from capital and related financing activities:				
Capital expenditures	(266,727)		(127,660)	
Repayment of capital lease obligations	(154,859)			
Other interest payments	(87,647)			
Net cash used by capital and related financing activities	(509,233)	0	(127,660)	0
Cash flows from investing activities:				
Interest received on investments		124,888	304,299	140,652
Purchases of investments		(1,233,924)	(2,921,727)	(2,036,138)
Proceeds from sales and maturities of investments	0	1,199,927	4,389,600	2,175,511
Net cash provided by investing activities	0	90,891	1,772,172	280,025
Net increase in cash	0	173,327	371,778	281,135
Cash - January 1	0	59,949	180,581	103,801
Cash - December 31	0	233,276	552,359	384,936
Cash	0	233,276	552,359	384,936
Investments	0	2,501,913	5,924,114	4,128,488
Total cash and investments	\$0	2,735,189	6,476,473	4,513,424
Noncash investing, capital and financing activities:				
Noncash acquisition of plant in service (incurrence of payable)	\$125,727			
Unrealized gain (loss) on investments		46,433	97,959	75,107

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

Totals	Totals
2001	2000
(1,027,599)	(3,643,022)
719,044	749,297
(1,231)	6,139
(121,791)	(267,770)
54,502	(19,594)
259,439	375,738
115,040	(115,040)
(2,425,242)	(1,458,973)
44,104	32,958
(238,701)	744,304
(57,520)	48,731
<u>(2,679,955)</u>	<u>(3,547,232)</u>
<u>2,000,000</u>	<u>0</u>
<u>2,000,000</u>	<u>0</u>
(394,387)	(155,202)
(154,859)	(176,767)
(87,647)	(42,996)
<u>(636,893)</u>	<u>(374,965)</u>
569,839	831,327
(6,191,789)	(4,710,350)
<u>7,765,038</u>	<u>7,924,843</u>
<u>2,143,088</u>	<u>4,045,820</u>
826,240	123,623
<u>344,331</u>	<u>220,708</u>
<u>1,170,571</u>	<u>344,331</u>
1,170,571	344,331
<u>12,554,515</u>	<u>13,908,265</u>
<u>13,725,086</u>	<u>14,252,596</u>
125,727	266,969
219,499	363,829



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.

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, 2001
With comparative totals for December 31, 2000**

	Expendable Trust Funds	Non-expendable Trust Funds	Pension Trust Fund
<u>ASSETS</u>			
Cash and investments	\$3,051,172	608,679	
Accounts receivable - net	32,574	2,382	1,526
Interest receivable			1,680,677
Due from other funds			
Other assets			15,224
Restricted investments		7,610,630	350,541,241
Total assets	3,083,746	8,221,691	352,238,668
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	80,872	11	242,028
Due to other funds	30,916	6,373	
Other liabilities			67,262
Total liabilities	111,788	6,384	309,290
Fund balances			
Reserved for			
Encumbrances	125,531		
Parks endowments		262,734	
Library endowments		7,952	
Senior center endowments		956,967	
Cemetery perpetual care endowments		6,987,654	
Reserved for employees' pension benefits			351,929,378
Unreserved			
Designated for purposes of trust	2,846,427		
Total fund balances	2,971,958	8,215,307	351,929,378
Total liabilities and fund balances	\$3,083,746	8,221,691	352,238,668

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

Agency Funds	Totals	
	2001	2000
895,392	4,555,243	9,078,780
572,263	608,745	1,184,576
	1,680,677	1,753,623
1,717,966	1,717,966	67,014
	15,224	16,611
	358,151,871	375,275,050
3,185,621	366,729,726	387,375,654
2,802,826	3,125,737	4,108,000
382,795	420,084	3,090,402
	67,262	68,285
3,185,621	3,613,083	7,266,687
	125,531	128,898
	262,734	261,276
	7,952	7,977
	956,967	870,483
	6,987,654	7,075,301
	351,929,378	369,113,887
	2,846,427	2,651,145
0	363,116,643	380,108,967
3,185,621	366,729,726	387,375,654

**ALL EXPENDABLE TRUST FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2001
 With comparative totals for December 31, 2000**

	Gift Trust Fund	Therapeutic Recreation Fund	Cultural Affairs Fund	City Manager Contract Fund
<u>ASSETS</u>				
Cash and investments	\$2,487,132	17,638	500	60,622
Accounts receivable - net	32,084			
Due from other funds				
Total assets	2,519,216	17,638	500	60,622
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	80,872			
Due to other funds	25,561	192		
Total liabilities	106,433	192	0	0
Fund balances				
Reserved for Encumbrances	125,531			
Unreserved				
Designated for purposes of trust	2,287,252	17,446	500	60,622
Total fund balances	2,412,783	17,446	500	60,622
Total liabilities and fund balances	\$2,519,216	17,638	500	60,622

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

Senior Programs Fund	Totals	
	2001	2000
485,280	3,051,172	2,798,035
490	32,574	7,288
	0	55,714
<u>485,770</u>	<u>3,083,746</u>	<u>2,861,037</u>
	80,872	80,994
<u>5,163</u>	<u>30,916</u>	<u>0</u>
<u>5,163</u>	<u>111,788</u>	<u>80,994</u>
	125,531	128,898
<u>480,607</u>	<u>2,846,427</u>	<u>2,651,145</u>
<u>480,607</u>	<u>2,971,958</u>	<u>2,780,043</u>
<u>485,770</u>	<u>3,083,746</u>	<u>2,861,037</u>

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

For the year ended December 31, 2001

With comparative totals for the year ended December 31, 2000

	651 Gift Trust Fund	654 Therapeutic Recreation Fund	655 Cultural Affairs Fund	City Manager Contract Fund
Revenues				
Miscellaneous revenue				
Donations	\$1,019,421			
Investment income	181,009	831		
Total revenues	1,200,430	831	0	0
Expenditures				
Culture and recreation				
Designated community projects	1,053,991	0	0	0
Total expenditures	1,053,991	0	0	0
Revenues over (under) expenditures	146,439	831	0	0
Fund balances - January 1	2,266,344	16,615	500	60,622
Residual equity transfer - in				
Fund balances - December 31	\$2,412,783	17,446	500	60,622

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

<i>653</i> Senior Programs Fund	Totals	
	2001	2000
14,229	1,033,650	880,633
30,416	212,256	156,437
44,645	1,245,906	1,037,070
0	1,053,991	1,452,315
0	1,053,991	1,452,315
44,645	191,915	(415,245)
435,962	2,780,043	3,192,686
		2,602
480,607	2,971,958	2,780,043

**ALL NON-EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
December 31, 2001
With comparative totals for December 31, 2000**

	Cemetery Endowment Fund	C.D. Smith Trust Fund	Perkins Trust Fund	Sabine Trust Fund
<u>ASSETS</u>				
Cash and investments	\$4,092	330,905	3,107	1,441
Accounts receivable - net	240	2,142		
Due from other funds				
Restricted investments	6,983,322	627,308		
Total assets	6,987,654	960,355	3,107	1,441
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable				
Due to other funds		3,388	34	16
Total liabilities	0	3,388	34	16
Fund balances				
Reserved for				
Parks endowments				
Library endowments			3,073	1,425
Senior center endowments		956,967		
Cemetery perpetual care endowments	6,987,654			
Total fund balances	6,987,654	956,967	3,073	1,425
Total liabilities and fund balances	\$6,987,654	960,355	3,107	1,441

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

Woods Trust Fund	TOPS Maintenance Trust Fund	Totals	
		2001	2000
3,493	265,641	608,679	562,700
		2,382	3,153
		0	10,689
		7,610,630	7,638,786
3,493	265,641	8,221,691	8,215,328
	11	11	291
39	2,896	6,373	0
39	2,907	6,384	291
	262,734	262,734	261,276
3,454		7,952	7,977
		956,967	870,483
		6,987,654	7,075,301
3,454	262,734	8,215,307	8,215,037
3,493	265,641	8,221,691	8,215,328

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

For the year ended December 31, 2001

With comparative totals for the year ended December 31, 2000

	Cemetery Endowment Fund	C.D. Smith Trust Fund	Perkins Trust Fund
Operating revenues			
Miscellaneous Endowments	\$78,091		
Interest income		54,716	148
Total operating revenues	78,091	54,716	148
Operating expenses			
Miscellaneous			156
Total operating expenses	0	0	156
Operating income	78,091	54,716	(8)
Non-operating revenue (expenses)			
Net increase (decrease) in the fair value of investments	(165,738)	31,768	
Total non-operating revenue (expenses)	(165,738)	31,768	0
Net income (loss)	(87,647)	86,484	(8)
Fund balances - January 1	7,075,301	870,483	3,081
Reidual equity transfer - out			
Fund balances - December 31	\$6,987,654	956,967	3,073

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

Sabine Trust Fund	Woods Trust Fund	TOPS Maintenance Trust Fund	Totals	
			2001	2000
			78,091	129,745
71	173	12,805	67,913	70,820
71	173	12,805	146,004	200,565
76	185	11,347	11,764	390
76	185	11,347	11,764	390
(5)	(12)	1,458	134,240	200,175
			(133,970)	496,381
0	0	0	(133,970)	496,381
(5)	(12)	1,458	270	696,556
1,430	3,466	261,276	8,215,037	7,521,083
				(2,602)
1,425	3,454	262,734	8,215,307	8,215,037

**ALL NON-EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000**

	Cemetery Endowment Fund	C. D. Smith Trust Fund	Perkins Trust Fund
Cash flows from operating activities			
Operating income (loss)	\$78,091	54,716	(8)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
(Increase) decrease in assets			
Accounts receivable	1,050	(279)	
Due from other funds	170	5,094	62
Other assets	(367,656)	(25,000)	
Increase in liabilities			
Accounts payable	(45)		
Due to other funds		3,388	34
Net cash provided (used) by operating activities	(288,390)	37,919	88
Noncapital financing activities			
Residual equity transfer - out			
Cash flows from investing activities			
Proceeds from sale of restricted assets	290,370	123,381	1,421
Purchase of investments	(1,726)	(139,557)	(1,311)
Net cash provided (used) by investing activities	288,644	(16,176)	110
Net increase in cash	254	21,743	198
Cash - January 1	103	7,166	73
Cash - December 31	357	28,909	271
Cash	357	28,909	271
Investments	3,735	301,996	2,836
Total cash and investments	\$4,092	330,905	3,107
Noncash investing activities			
Unrealized gain (loss) on investments	(\$165,738)	31,768	

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

Sabine Trust Fund	Woods Trust Fund	TOPS Maintenance Trust Fund	Totals	
			2001	2000
(5)	(12)	1,458	134,240	200,175
30	73	5,260	771 10,689 (392,656)	(2,748) (4,481) 0
(72) 16	(174) 39	11 2,896	(280) 6,373	246 0
(31)	(74)	9,625	(240,863)	193,192
			0	(2,602)
729 (608)	1,765 (1,473)	119,383 (112,033)	537,049 (256,708)	123,963 (306,970)
121	292	7,350	280,341	(183,007)
90	218	16,975	39,478	7,583
36	87	6,232	13,697	6,114
126	305	23,207	53,175	13,697
126 1,315	305 3,188	23,207 242,434	53,175 555,504	13,697 549,003
1,441	3,493	265,641	608,679	562,700
			(133,970)	496,381

STATEMENT OF PLAN NET ASSETS
December 31, 2001
With comparative totals for December 31, 2000

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-7

	Pension Trust Fund	Totals	
		2001	2000
<u>ASSETS</u>			
Accounts receivable - net	\$1,526	1,526	11,698
Interest receivable	1,680,677	1,680,677	1,753,623
Other assets	15,224	15,224	16,611
Restricted investments	350,541,241	350,541,241	367,636,264
Total assets	352,238,668	352,238,668	369,418,196
<u>LIABILITIES</u>			
Accounts payable	242,028	242,028	236,024
Other liabilities	67,262	67,262	68,285
Total liabilities	309,290	309,290	304,309
Net assets - reserved for employees' pension benefits	\$351,929,378	351,929,378	369,113,887

STATEMENT OF CHANGES IN PLAN NET ASSETS
For the year ended December 31, 2001
With comparative totals for the year ended December 31, 2000

CITY OF COLORADO SPRINGS
COLORADO
Exhibit G-8

	Pension Trust Fund	Totals	
		2001	2000
Additions			
City and participant contributions	\$8,066,146	8,066,146	7,893,279
Other income	1,358,358	1,358,358	1,994,915
Investment earnings:			
Interest and dividend income	8,058,426	8,058,426	7,063,919
Rental income	1,218,439	1,218,439	1,603,856
Net increase (decrease) in fair value of investments	(23,239,992)	(23,239,992)	46,565,660
Total investment earnings (loss)	(13,963,127)	(13,963,127)	55,233,435
Less investment expenses	1,199,625	1,199,625	1,156,024
Net investment earnings (loss)	(15,162,752)	(15,162,752)	54,077,411
Total additions	(5,738,248)	(5,738,248)	63,965,605
Deductions			
Benefits	10,529,484	10,529,484	9,912,224
Refund	907,430	907,430	890,678
Administrative expenses	9,347	9,347	12,752
Total deductions	11,446,261	11,446,261	10,815,654
Net increase (decrease)	(17,184,509)	(17,184,509)	53,149,951
Net assets held in trust for pension benefits - January 1	369,113,887	369,113,887	315,963,936
Net assets held in trust for pension benefits - December 31	\$ 351,929,378	351,929,378	369,113,887

**AGENCY FUND
COMPARATIVE BALANCE SHEETS
December 31, 2001 and 2000**

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

	Miscellaneous Depository Fund	Totals	
		2001	2000
<u>ASSETS</u>			
Cash and investments	\$895,392	895,392	5,718,045
Accounts receivable - net	572,263	572,263	1,162,437
Due from other funds	1,717,966	1,717,966	611
Total assets	3,185,621	3,185,621	6,881,093
<u>LIABILITIES</u>			
Accounts payable	2,802,826	2,802,826	3,790,691
Due to other funds	382,795	382,795	3,090,402
Total liabilities	\$3,185,621	3,185,621	6,881,093

**AGENCY FUND
STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES
For the year ended December 31, 2001**

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

ASSETS

	Beginning balance	Debits	Credits	Ending balance
Miscellaneous depository fund				
Cash and investments	\$5,718,045	150,967,805	155,790,458	895,392
Accounts receivable - net	1,162,437	2,298,885	2,889,059	572,263
Due from other funds	611	1,718,418	1,063	1,717,966
Total assets	6,881,093	154,985,108	158,680,580	3,185,621

LIABILITIES

	Beginning balance	Debits	Credits	Ending balance
Miscellaneous depository fund				
Accounts payable	3,790,691	11,757,360	10,769,495	2,802,826
Due to other funds	3,090,402	3,181,413	473,806	382,795
Total liabilities	\$6,881,093	14,938,773	11,243,301	3,185,621



CITY OF COLORADO SPRINGS

GENERAL FIXED ASSETS

**COMPARATIVE SCHEDULE OF
GENERAL FIXED ASSETS BY SOURCE
December 31, 2001 AND 2000**

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

	<u>2001</u>	<u>2000</u>
General fixed assets		
Land	\$54,052,049	47,017,872
Buildings	56,336,737	56,174,301
Improvements other than buildings	5,043,587	5,043,587
Machinery and equipment	88,962,333	82,154,139
Construction in progress	69,505,006	37,830,077
	<hr/>	<hr/>
Total general fixed assets	<u>273,899,712</u>	<u>228,219,976</u>

Investment in general fixed assets by source

General fund	120,331,956	112,361,858
Special revenue funds	39,310,081	34,764,886
General obligation bond issues	9,094,463	9,094,463
Gifts	908,002	908,002
Grants	45,023,046	36,822,195
Other contributions	21,025,844	195,785
Other long term debt issues	38,206,320	34,072,787
	<hr/>	<hr/>
Total investment in general fixed assets by source	<u>\$273,899,712</u>	<u>228,219,976</u>

**SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
December 31, 2001**

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

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	Total
General Government:						
Legislative	\$0			309,117	5,610,284	5,919,401
Judicial		45,495	525	201,487	9,915,375	10,162,882
Executive		20,459	750	196,461		217,670
Finance	8,462,900	22,880,737	67,600	3,487,904		34,899,141
Law				210,917		210,917
Human Resources		38,497		6,295		44,792
Planning and Development		8,005		299,246		307,251
Other		5,197		201,380	88,823	295,400
Total General Government	8,462,900	22,998,390	68,875	4,912,807	15,614,482	52,057,454
Public Safety:						
Police	4,574,986	15,333,595	96,025	17,425,450	1,693,585	39,123,641
Fire	5,270,750	3,714,030	75,399	18,055,605	16,048,786	43,164,570
Total Public Safety	9,845,736	19,047,625	171,424	35,481,055	17,742,371	82,288,211
Public Works:						
Highways and streets	907,560	5,261,638	514,623	38,619,733	9,463,467	54,767,021
Culture and Recreation:	34,613,454	8,051,116	4,126,517	9,672,050	26,684,686	83,147,823
Urban Redevelopment and Housing:						
Community development	222,399	977,968	162,148	276,688		1,639,203
Total General Fixed Assets	\$54,052,049	56,336,737	5,043,587	88,962,333	69,505,006	273,899,712

**SCHEDULE OF CHANGES IN GENERAL
FIXED ASSETS
For the year ended December 31, 2001**

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

	Balance 01/01/2001	Additions	Deletions	Balance 12/31/2001
Land				
General government	\$8,462,900			8,462,900
Public safety	6,287,148	3,558,588		9,845,736
Public works	907,560			907,560
Culture and recreation	31,137,865	3,475,589		34,613,454
Urban redevelopment and housing	222,399			222,399
Sub-total land	47,017,872	7,034,177	0	54,052,049
Buildings				
General government	22,998,390			22,998,390
Public safety	19,047,625			19,047,625
Public works	5,261,638			5,261,638
Culture and recreation	7,888,680	162,436		8,051,116
Urban redevelopment and housing	977,968			977,968
Sub-total buildings	56,174,301	162,436	0	56,336,737
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	4,583,196	354,362	24,751	4,912,807
Public safety	33,400,565	3,116,794	1,036,304	35,481,055
Public works	35,027,446	5,214,055	1,621,768	38,619,733
Culture and recreation	8,866,244	817,442	11,636	9,672,050
Urban redevelopment and housing	276,688			276,688
Sub-total machinery and equipment	82,154,139	9,502,653	2,694,459	88,962,333
Construction in progress				
General government	12,063,809	3,550,673		15,614,482
Public safety	11,254,494	6,487,877		17,742,371
Public works	4,470,340	4,993,127		9,463,467
Culture and recreation	10,041,434	16,643,252		26,684,686
Sub-total construction in progress	37,830,077	31,674,929	0	69,505,006
Total General Fixed Assets	\$228,219,976	48,374,195	2,694,459	273,899,712

GENERAL LONG-TERM AND OTHER DEBT

**COMPARATIVE SCHEDULE OF
GENERAL LONG-TERM AND OTHER DEBT
December 31, 2001 and 2000**

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

	2001	2000
Amount available for retirement of general long-term debt	\$1,220,936	980,083
Amount to be provided for the payment of general long-term debt		
General obligation bonds	32,076,957	35,113,360
Sales tax revenue bonds	77,805,000	81,885,000
Certificates of participation	12,505,000	12,745,000
Special assessment bonds with governmental commitment	1,082,527	1,204,673
Capital lease obligations	10,612,340	10,636,705
Municipal solid waste landfill obligations	491,246	527,838
Compensated absences	9,522,679	9,046,823
Total amount to be provided for the payment of general long-term debt	144,095,749	151,159,399
Total	145,316,685	152,139,482
General long-term debt		
General obligation bonds		
Refunding - 1993	19,875,000	20,405,000
Supplemental "B" interest coupons	1,792,893	3,483,443
Cottonwood series 1998 refunding	8,310,000	8,745,000
Spring Creek plan bonds series 1995	3,320,000	3,460,000
Sales tax revenue bond 1999	77,805,000	81,885,000
Certificates of participation		
Series 1997	1,175,000	1,275,000
Series 1999	4,065,000	4,205,000
Series 2000	7,265,000	7,265,000
Special assessment bonds with governmental commitment		
Woodmen valley water district	849,941	941,550
1991 Improvement district		
Garden of the Gods ID	25,704	31,022
Carmel ID	158,847	171,806
Prospect ID	0	3,217
Uintah Street ID	7,327	10,192
15th & Spring ID	16,257	19,379
Broadmoor West ID	24,451	27,507
Capital lease obligations	10,612,340	10,636,705
Municipal solid waste landfill obligations	491,246	527,838
Compensated absences	9,522,679	9,046,823
Total general long-term debt	\$145,316,685	152,139,482

**SCHEDULE OF CHANGES IN GENERAL
LONG-TERM AND OTHER DEBT
For the year ended December 31, 2001**

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

	Balance 01/01/2001	Debt Issued	Debt Retired	Balance 12/31/2001
General obligation bonds				
Refunding - 1993	\$20,405,000		530,000	19,875,000
Supplemental "B" interest coupons	3,483,443	114,450	1,805,000	1,792,893
Cottonwood series 1998 refunding	8,745,000		435,000	8,310,000
Spring Creek plan bonds series 1995	3,460,000		140,000	3,320,000
Sales tax revenue bond series 1999	81,885,000		4,080,000	77,805,000
Certificates of participation				
Series 1997	1,275,000		100,000	1,175,000
Series 1999	4,205,000		140,000	4,065,000
Series 2000	7,265,000			7,265,000
Special assessment bonds and notes				
Woodmen Valley water district	941,550		91,609	849,941
Garden of the Gods ID	31,022		5,318	25,704
Carmel ID	171,806		12,959	158,847
Prospect ID	3,217		3,217	0
Uintah Street ID	10,192		2,865	7,327
15th & Spring ID	19,379		3,122	16,257
Broadmoor West ID	27,507		3,056	24,451
Capital lease obligations	10,636,705	3,760,000	3,784,365	10,612,340
Municipal solid waste landfill obligations	527,838		36,592	491,246
Compensated absences	9,046,823	475,856		9,522,679
Total general long-term debt	\$152,139,482	4,350,306	11,173,103	145,316,685



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	Intergovernmental	Charges for Services	Fines and Forfeits	Other	Total
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
2001	132,361,209	445,352	21,517,264	33,662,626	3,992,880	9,569,382	201,548,713

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
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
2001	33,530,288	88,978,576	29,649,501	15,873,911	11,255,682	28,138,168	207,426,126

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
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
2001	16,991,029	40,872	25,533	2,910,209	567,055	111,826,511	132,361,209

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
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%
2001	111,826,511	0.39%

**SALES AND USE TAX REVENUE
COLLECTION COSTS AND REQUIRED REFUNDS
Last eight 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
2001	3,146,904	1,098,357

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

**CITY OF COLORADO SPRINGS
COLORADO
Table 6**

Month	2001	2000	1999	1998	1997	1996	1995	1994
January	7.30%	6.66%	6.45%	7.02%	6.89%	6.94%	6.78%	6.77%
February	7.32%	6.95%	6.81%	7.17%	6.96%	6.73%	6.30%	6.90%
March	8.89%	8.15%	8.61%	8.43%	8.90%	8.65%	8.04%	8.46%
April	7.77%	7.25%	7.07%	7.65%	7.19%	7.59%	7.10%	7.65%
May	7.90%	7.88%	7.83%	7.95%	8.00%	8.60%	8.03%	8.11%
June	10.73%	9.58%	9.48%	9.60%	9.45%	9.26%	9.02%	9.22%
July	8.09%	8.21%	8.30%	8.44%	8.31%	8.02%	8.49%	8.18%
August	7.85%	8.34%	8.39%	8.40%	8.41%	8.64%	8.97%	8.83%
September	9.09%	8.70%	9.30%	9.24%	9.59%	8.77%	9.53%	8.82%
October	7.74%	9.13%	7.94%	7.51%	7.70%	8.14%	8.24%	8.15%
November	7.20%	7.69%	8.38%	8.17%	7.58%	7.64%	8.20%	8.04%
December	10.12%	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%	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
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%
2001	3,322,468	17,685,563	16,991,029	96.1%	54,864	195,455	1.1%

Notes: Collections are net of positive and negative abatements.
Fiscal year is the year of collection.
Certification of assessed valuation and mill levies is done in the year prior to the year of collection.

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

**CITY OF COLORADO SPRINGS
COLORADO
Table 8**

Fiscal Year	City	County Government	School District No 11	Library District	Water Conservancy District	Total
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
2001	5.323	8.339	40.061	3.446	0.865	58.034

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.

**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%
2001	3,322,468	22,007,456	15.1%

Notes:

Fiscal year is the year of collection.

Estimated Actual Valuation 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
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
2001	366,000	3,322,468	33,297,893	1.0%	90.98

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:

Colorado Division of Local Government, May 2001, Table 5. Intercensal Population Estimates for Counties/Municipalities, 1990-2000

2001 data is an 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
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%
2001	6,415,000	4,840,682	11,255,682	207,426,126	5.4%

**COMPUTATION OF LEGAL DEBT MARGIN
at December 31, 2001**

**CITY OF COLORADO SPRINGS
COLORADO
Table 12**

Assessed valuation - 2001 for 2002 taxes \$3,730,305,780

Debt limit 10 percent of assessed valuation 373,030,578

Amount of debt:

Bonded debt	1,070,441,863
Special assessment debt	1,082,527
Certificates of participation	<u>12,505,000</u>
	<u>1,084,029,390</u>

Less: Deductions allowed by City charter

Revenue bonds	1,048,773,970
Special assessment debt	1,082,527
Certificates of participation	<u>12,505,000</u>
	<u>1,062,361,497</u>

Total debt applicable to limit 21,667,893

Legal debt margin \$351,362,685

**COMPUTATION OF DIRECT AND
OVERLAPPING DEBT
at December 31, 2001**

**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	\$3,322,467,570	\$21,667,893	100.00%	\$21,667,893
Overlapping Debt:				
El Paso County	4,270,330,190	0	100.00%	0
Pikes Peak Library District	4,045,073,800	1,980,000	81.77%	1,619,046
Harrison School District #2	487,381,950	31,210,000	93.11%	29,059,631
Widefield School District #3	184,156,070	17,586,302	2.95%	518,796
Colorado Springs School District #11	1,927,569,120	91,055,000	91.65%	83,451,908
Cheyenne Mtn. School District #12	246,885,500	28,628,813	96.94%	27,752,771
Manitou School District #14	77,244,320	11,980,000	12.14%	1,454,372
Air Academy School District #20	787,024,480	103,577,456	82.36%	85,306,393
Falcon School District #49	189,733,240	33,125,000	30.43%	10,079,938
Metex Metropolitan District	90,619,220	9,614,900	56.17%	5,400,689
Colorado Springs Cottonwood General Improvement District	53,194,340	8,310,000	100.00%	8,310,000
Colorado Springs Spring Creek General Improvement District	4,317,000	3,320,000	100.00%	3,320,000
Total Overlapping Debt				<u>256,273,543</u>
Total Direct General Obligation and Overlapping Debt				<u><u>\$277,941,436</u></u>

Sources:

- (1) El Paso County Colorado Abstract of Assessment for 2000 (2000 taxes due in 2001)
- (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 22, 2000 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)
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
2001	1,322	217,539	7,111	772,572

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

PRINCIPAL TAXPAYERS
December 31, 2001

CITY OF COLORADO SPRINGS
COLORADO
Table 15

Taxpayer	Type of Business	2000 Assessed Valuation	Percentage of Total Assessed Value
Atmel Corporation	Semiconductor Manufacturer	\$60,065,660	1.808%
U.S. West	Telecommunications	53,062,700	1.597%
M.C.I. Inc.	Telecommunications	45,707,840	1.376%
Agilent Technologies Inc	Computer Manufacturer	28,844,390	0.868%
Broadmoor Hotel	Resort Hotel	26,258,170	0.790%
LSI Logic Corporation	Semiconductor Manufacturer	20,370,740	0.613%
Vitesse Semiconductor Corporation	Semiconductor Manufacturer	13,581,000	0.409%
Macerich Citadel LP	Real Estate Developer	13,086,250	0.394%
Wal-Mart	Retail	10,951,140	0.330%
Palmer Center Ltd	Real Estate Company	10,798,120	0.325%
Total		<u>\$282,726,010</u>	<u>8.510%</u>

Note:

Based on City's assessed valuation of \$3,322,467,570 upon which 2001 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)
1992	295,454	7.20%	2.59	\$31,082	\$19,400
1993	306,363	6.20%	2.59	34,192	19,856
1994	315,704	4.80%	2.58	36,686	20,461
1995	323,502	4.60%	2.58	39,180	21,763
1996	330,300	4.60%	2.58	40,602	23,184
1997	334,300	3.60%	2.58	42,023	24,356
1998	340,800	4.50%	2.57	44,124	26,071
1999	351,269	3.30%	2.50	46,110	27,255
2000	358,400	3.20%	2.50	48,185	30,177
2001	366,000	4.19%	2.50	50,353	31,082

Sources:

(1) Colorado Division of local Government, May 2001, Table 5. Intercensal Population Estimates for Counties and Municipalities, 1990-2000; 2001 data is an 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 and EPC Statistical Profile 2001; 2001 data is an Office of Budget and Financial Analysis Estimate

(4) Pikes Peak Area Council of Governments 2001 El Paso County Statistical Profile; 2001 data is an Office of Budget and Financial Analysis Estimate

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
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
2001	1,282,547	140,861	191,947	1,231,461

**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
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
2001	588,796,856	401,742,182	187,054,674	59,488,971	3.14

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
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
2001	313,661,744	267,639,911	46,021,833	12,312,288	3.74

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, 2001**

**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%
2001	111,826,511	7,847,059	14.25%



CITY OF COLORADO SPRINGS

SUPPLEMENTARY INFORMATION

**SUMMARY OF DEBT SERVICE
REQUIREMENTS TO MATURITY
at December 31, 2001**

**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
2002	\$4,461,873	\$7,848,659	\$888,855	\$171,738
2003	4,517,365	7,847,821	1,127,843	171,741
2004	4,522,750	7,849,334	1,125,428	171,740
2005	4,548,295	7,847,771	1,126,826	171,741
2006	4,565,265	7,847,921	1,131,671	163,850
2007	4,567,215	7,849,359	1,129,814	163,850
2008	4,587,480	7,846,659	1,131,329	163,850
2009	4,644,750	7,846,419	1,325,822	163,851
2010	1,346,337	7,844,918	972,417	163,849
2011	1,331,688	7,849,500	970,418	6,374
2012	1,298,852	7,847,750	976,948	
2013	1,494,053	7,845,500	976,477	
2014	879,252	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				
2028				
2028				
2030				
Total	\$43,570,210	\$107,714,861	\$20,016,485	\$1,512,584

**SUMMARY OF DEBT SERVICE
REQUIREMENTS TO MATURITY
at December 31, 2001**

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

Fiscal Year	Revenue Bonds	Total
2002	\$76,768,193	\$90,139,318
2003	76,669,240	90,334,010
2004	76,670,987	90,340,239
2005	76,707,608	90,402,241
2006	76,663,137	90,371,844
2007	76,634,773	90,345,011
2008	76,563,120	90,292,438
2009	76,348,838	90,329,680
2010	76,589,474	86,916,995
2011	77,187,976	87,345,956
2012	77,434,035	87,557,585
2013	78,166,409	88,482,439
2014	78,617,372	88,322,166
2015	79,042,277	86,521,672
2016	79,551,772	80,532,232
2017	79,651,985	80,632,130
2018	79,693,357	80,675,772
2019	78,985,026	79,966,741
2020	81,273,014	81,896,539
2021	81,270,174	81,897,899
2022	75,147,701	75,147,701
2023	75,148,701	75,148,701
2024	75,117,994	75,117,994
2025	75,130,082	75,130,082
2026	54,287,251	54,287,251
2027	42,135,988	42,135,988
2028	70,849,644	70,849,644
2029	149,102,438	149,102,438
2030	12,307,588	12,307,588
Total	\$2,189,716,154	\$2,362,530,294

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

**GENERAL OBLIGATION BOND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	General refunding Series 93		Accretion of B Coupons	Cottonwood General Improvement District 1998 Refunding	
	Principal	Interest	Principal	Principal	Interest
2002	\$520,000	\$1,039,922	\$1,792,893	\$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	\$19,875,000	\$5,179,517	\$1,792,893	\$8,310,000	\$2,942,150

Fiscal Year	Spring Creek General Improvement District Plan Bond Series 1995		Total General Obligation Bond Requirements
	Principal	Interest	
2002	\$100,000	\$203,700	\$4,461,873
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	70,000	5,775	879,252
2015			805,035
Total	\$3,320,000	\$2,150,650	\$43,570,210

**SALES TAX REVENUE BOND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Sales Tax Revenue Bond Series 1999			
Fiscal Year	Principal	Interest	Total Requirements
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	1,889,918	7,844,918
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	\$77,805,000	\$29,909,861	\$107,714,861

**CERTIFICATES OF PARTICIPATION
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Hillside Recreation Center Series 1997		Skyview Softball Complex Series 1999		Old City Hall Project Series 2000		Total Certificate of Participation Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	
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	174,477	285,000	328,672	1,129,814
2008	140,000	25,035	190,000	166,017	295,000	315,277	1,131,329
2009	335,000	17,755	200,000	156,802	315,000	301,265	1,325,822
2010			210,000	146,902	330,000	285,515	972,417
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	\$1,175,000	\$320,565	\$4,065,000	\$2,367,308	\$7,265,000	\$4,823,612	\$20,016,485

**SPECIAL ASSESSMENT BONDS AND NOTES
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Woodmen Valley ID		Uintah Street ID	
	Principal	Interest	Principal	Interest
2002	\$70,959	\$59,496	\$573	\$626
2003	75,926	54,529	623	577
2004	81,240	49,214	676	524
2005	86,927	43,527	734	466
2006	93,012	37,442	796	404
2007	99,523	30,931	864	336
2008	106,490	23,965	938	262
2009	113,944	16,510	1,018	182
2010	121,920	8,534	1,105	95
Total	\$849,941	\$324,148	\$7,327	\$3,472

Fiscal Year	Garden of the Gods ID		Carmel ID	
	Principal	Interest	Principal	Interest
2002	\$5,641	\$2,249	\$12,525	\$13,295
2003	6,135	1,755	13,574	12,247
2004	6,672	1,219	14,710	11,111
2005	7,256	635	15,941	9,880
2006			17,275	8,546
2007			18,721	7,100
2008			20,288	5,533
2009			21,986	3,835
2010			23,827	1,994
Total	\$25,704	\$5,858	\$158,847	\$73,541

**SPECIAL ASSESSMENT BONDS AND NOTES
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	15th & Spring ID		Broadmoor West ID		Total Requirements
	Principal	Interest	Principal	Interest	
2002	\$1,062	\$1,489	\$1,603	\$2,220	\$171,738
2003	1,159	1,392	1,749	2,075	171,741
2004	1,265	1,286	1,907	1,916	171,740
2005	1,381	1,170	2,081	1,743	171,741
2006	1,508	1,043	2,270	1,554	163,850
2007	1,646	905	2,476	1,348	163,850
2008	1,796	754	2,701	1,123	163,850
2009	1,962	590	2,946	878	163,851
2010	2,141	410	3,213	610	163,849
2011	2,337	214	3,505	318	6,374
Total	\$16,257	\$9,253	\$24,451	\$13,785	1,512,584

**HOSPITAL REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

**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	
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	\$60,985,000	\$63,373,762	\$19,135,000	\$5,646,700	\$59,825,000	\$101,752,339	\$310,717,801

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Utilities Series 1992A		Utilities Series 1994A	
	Principal	Interest	Principal	Interest
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				
2027				
2028				
2029				
Total	\$74,655,000	\$75,231,374	\$116,080,000	\$102,083,764

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Utilities Series 1996A		Utilities Series 1996B	
	Principal	Interest	Principal	Interest
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				
2027				
2028				
2029				
Total	\$60,100,000	\$76,421,703	\$2,035,000	\$464,550

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

**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
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
2029						
Total	\$114,195,000	\$128,312,489	\$39,820,000	\$36,021,061	\$65,500,000	\$90,869,225

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Utilities Series 2000A		Utilities Series 2000B	
	Principal	Interest	Principal	Interest
2002		\$4,400,000	\$395,000	\$1,097,250
2003		4,400,000	420,000	1,067,625
2004		4,400,000	450,000	1,036,125
2005		4,400,000	480,000	1,002,375
2006		4,400,000	510,000	966,375
2007		4,400,000	545,000	928,125
2008		4,400,000	580,000	887,250
2009		4,400,000	620,000	843,750
2010		4,400,000	660,000	797,250
2011		4,400,000	705,000	747,750
2012		4,400,000	760,000	694,875
2013		4,400,000	815,000	637,875
2014		4,400,000	875,000	576,750
2015		4,400,000	940,000	511,125
2016		4,400,000	1,010,000	440,625
2017		4,400,000	1,090,000	364,875
2018		4,400,000	1,170,000	283,125
2019		4,400,000	1,255,000	195,375
2020		4,400,000	1,350,000	101,250
2021		4,400,000		
2022		4,400,000		
2023		4,400,000		
2024		4,400,000		
2025		4,400,000		
2026		4,400,000		
2027		4,400,000		
2028		4,400,000		
2029	\$110,000,000	4,400,000		
Total	\$110,000,000	\$123,200,000	\$14,630,000	\$13,179,750

Note: Does not include revenue bonds of component units.

**UTILITIES REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Utilities Series 2001A		Total
	Principal	Interest	Utilities Fund Revenue Bond Requirements
2002	\$10,225,000	\$15,161,795	\$59,634,027
2003	10,640,000	14,701,670	59,538,951
2004	11,145,000	14,189,545	59,534,504
2005	11,715,000	13,678,845	59,576,267
2006	12,235,000	13,134,945	59,524,111
2007	12,825,000	12,525,433	59,495,829
2008	13,430,000	11,872,070	59,427,786
2009	14,190,000	11,197,683	59,216,708
2010	14,350,000	10,481,676	59,449,886
2011	15,655,000	9,750,719	60,045,755
2012	16,650,000	8,951,394	60,292,441
2013	12,390,000	8,056,456	61,023,161
2014	19,825,000	7,390,494	61,484,372
2015	21,230,000	6,324,900	61,892,315
2016	2,085,000	5,183,788	62,396,328
2017	2,200,000	5,084,750	62,498,553
2018	2,320,000	4,969,250	62,545,964
2019	2,965,000	4,853,250	62,559,332
2020	11,195,000	4,705,000	64,842,982
2021	30,985,000	4,145,250	64,845,179
2022	3,705,000	2,596,000	64,849,057
2023	3,895,000	2,410,750	64,851,757
2024	4,085,000	2,216,000	64,822,250
2025	4,395,000	2,011,750	62,821,238
2026	4,655,000	1,792,000	41,974,963
2027	4,850,000	1,559,250	29,825,000
2028	5,010,000	1,316,750	58,541,613
2029	21,325,000	1,066,250	136,791,250
Total	\$300,175,000	\$201,327,663	\$1,744,301,579

Note: Does not include revenue bonds of component units.

**AIRPORT GROSS INCOME FUND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Series 1992A		Series 1992C	
	Principal	Interest	Principal	Interest
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	1,675,000	
2008	560,000	2,723,745	871,447	\$803,553
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	\$41,650,000	\$42,424,645	\$11,857,470	\$3,197,530

**AIRPORT GROSS INCOME FUND
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Series 1996A		Series 1996B		Total Requirements
	Principal	Interest	Principal	Interest	
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	\$11,215,000	\$7,080,216	\$3,150,000	\$2,080,272	\$122,655,133

**PARKING SYSTEM REVENUE BONDS
DEBT SERVICE REQUIREMENTS
TO MATURITY
at December 31, 2001**

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

Fiscal Year	Series 1999		Total Requirements
	Principal	Interest	
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	\$8,325,000	\$3,716,641	\$12,041,641

CITY INVESTMENTS
AT MARKET VALUE
at December 31, 2001

CITY OF COLORADO SPRINGS
COLORADO
Table S-10

MANAGEMENT COMPANY	MARKET VALUE	WEIGHTED AVERAGE YIELD	WEIGHTED AVERAGE MATURITY (DAYS)
CASH MANAGEMENT INVESTMENTS:			
MBIA Municipal Investors			
Cash Management Account			
Repurchase agreements	\$11,194,798	1.60%	1
U.S. Treasury bills/notes	37,634,980	5.01%	343
U.S Instrumentality obligations	58,684,476	5.99%	710
Sub-total	107,514,254		
MBIA Municipal Investors			
Reserve Account			
U.S. Treasury bills/notes	1,463,718	5.98%	238
U.S Instrumentality obligations	7,618,838	5.30%	809
Other	3,069,181	5.89%	402
Sub-total	12,151,737		
Stein Roe			
Reserve Account			
U.S. Treasury bills/notes	869,892	*	n/a
U.S Instrumentality obligations	6,924,775	*	n/a
Other	2,695,258	*	n/a
Sub-total	10,489,925		
DEBT SERVICE RESERVES:			
Lehman Brothers			
Airport 1992 Bond Reserve	4,938,157	6.20%	296
Bayeische Landesbank			
Airport 1996 Bond Reserve	1,180,628	5.52%	6935
BONDS/CERTIFICATES OF PARTICIPATION PROCEEDS:			
Ambac			
1999 Sales Tax Revenue	33,031,399	5.13%	n/a
MBIA Municipal Investors			
Repurchase Agreement	3,935,580	1.60%	1
Bank of Cherry Creek			
U.S. Treasury bills/notes	384,018	*	n/a
Bank of Cherry Creek			
Repurchase Agreement	1,412,377	*	n/a
OTHER INVESTMENTS:			
Capital Lease Security			
2000 Lease - TOPS Maintenance	5,593,679	7.73%	380
Merrill Lynch			
C.D. Smith Trust	627,308	n/a	n/a
Oppenheimer Inc.			
Cemetery Endowment	6,763,709	n/a	n/a
Sub-total	57,866,855		
Total Investments	\$188,022,771		

* Information is not available.

Note: Investments of the Utilities 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, 2001**

**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	\$56,000,000	2.9580%	480
CNB OPERATING ACCOUNT	8,585,061	2.0563%	1
P&I AND REBATE FUNDS T-BILLS	7,791,733	2.6949%	155
2001A ACQUISITION FUND US BANK ACCOUNT	1,012,933	2.0563%	1
2001A ACQUISITION FUND REPURCHASE AGREEMENT	69,038,398	3.5070%	165
COPE T-NOTE	213,000	3.8210%	119
COMMON BOND RESERVE FUND T-NOTES, T-BONDS	30,011,000	6.3770%	558
TOTAL	\$172,652,125	3.7109%	325.85

**MUNICIPAL SOLID WASTE LANDFILL
CLOSURE AND POSTCLOSURE CARE COSTS
at December 31, 2001**

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

Facility	Closure Costs	Postclosure Costs	Total Cost	Percentage of Capacity Used
Hancock	\$209,817	\$281,429	\$491,246	n/a
Transit				n/a
Hanna Ranch - Gravel Pit #1	612,958	280,603	893,561	35.40%
Hanna Ranch - Ash Disposal	1,125,487	114,335	1,239,822	42.85%
Hanna Ranch - Solids Disposal	<u>352,970</u>	<u>801,343</u>	<u>1,154,313</u>	25.59%
Total Cost	<u>\$2,301,232</u>	<u>\$1,477,710</u>	<u>\$3,778,942</u>	

Note:

Percentage of capacity used does not apply to the Hancock facility. The entire liability for this facility 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 2001
This Information From The Records Of (example - City of _ or County of _):	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)	15,552,198
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	8,429,992
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	6,443,362
2. General fund appropriations	28,210,537	b. Snow and ice removal	561,858
3. Other local imposts (from page 2)	11,091,313	c. Other	860,659
4. Miscellaneous local receipts (from page 2)	2,797,545	d. Total (a. through c.)	7,865,879
5. Transfers from toll facilities		4. General administration & miscellaneous	4,515,377
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	22,596,759
a. Bonds - Original Issues		6. Total (1 through 5)	58,960,205
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	2,352,082
7. Total (1 through 6)	42,099,395	b. Redemption	3,340,543
B. Private Contributions		c. Total (a. + b.)	5,692,625
C. Receipts from State government (from page 2)	13,171,633	2. Notes:	
D. Receipts from Federal Government (from page 2)	745,751	a. Interest	
E. Total receipts (A.7 + B + C + D)	56,016,779	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	5,692,625
		C. Payments to State for highways	7,882
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	64,660,712

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	52,340,420	73,248	3,340,543	49,073,125
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

Notes and Comments:
Unspent balances beginning of year is \$41,745,483 and \$33,101,550 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 2001	
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 Assesments		a. Interest on investments	1,707,524
b. Other local imposts:		b. Other	
1. Sales Taxes	269,839	c. Transfers	
2. Traffic Fines	2,834,434	d. Capital Credits	
3. Specific Ownership Tax	2,910,209	e. Sale of Assets	
4. Motor Vehicle Registration	1,206,437	f. Fees/Licenses/Permits	
5. From Cities/Counties	3,870,394	g. Service Performed	
6. Total (1. through 5.)	11,091,313	h. Refunds of Expenditures	1,090,021
c. Total (a. + b.)	11,091,313	i. Total (a. through h.)	2,797,545
	(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	13,171,633	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. Motor Vehicle Registration	1,206,437	d. Mineral Leasing	
d. (Specify)		e. Pay Lieu of Tax	
e. (Specify)		f. Other Federal (CDBG)	745,751
f. Total (a. through e.)	1,206,437	g. Total (a. through f.)	745,751
4. Total (1. + 2. + 3.f)	14,378,070	3. Total (1. + 2.g)	745,751
			(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		640,366	640,366
b. Engineering Costs		1,412,394	1,412,394
c. Construction:			
(1). Capacity Improvements		6,330,304	6,330,304
(2). System Preservation		5,003,672	5,003,672
(3). Safety And Other		2,165,462	2,165,462
(4). Total Construction (1)+(2)+(3)	0	13,499,438	13,499,438
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	15,552,198	15,552,198
			(Carry forward to page 1)
Notes and Comments:			