

Popular Annual Financial Report

For the year ended December 31, 2023

Prepared for the residents of Colorado Springs, Colorado

Colorado Springs, Olympic City USA

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The detailed financial reports for the City of Colorado Springs, including the Annual Comprehensive Financial Report, can be found at www.coloradosprings.gov/accounting.

Government Finance Officers Association of the United States and Canada (GFOA) has given the Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Colorado Springs for its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2022.

Chief Financial Officer's message

Dear Residents of Colorado Springs,

It is my privilege to present to you the Popular Annual Financial Report (PAFR) for the City of Colorado Springs. This report aims to provide financial transparency in an accessible and informative format. We take our responsibility as stewards of the City's financial resources seriously and we strive to provide customer-focused delivery of effective and efficient city services through solid financial management. I hope this report provides you with an opportunity to learn about and engage with the City's financial activities. The PAFR is a simplified and condensed version of the City's Annual Comprehensive Financial Report (ACFR), offering summary information on primary government funds and references to additional activities. I would like to express my gratitude to the hard-working staff of the City's Accounting Team for their continued excellence in financial reporting and their commitment to providing the annual financial report in an easy to follow format. Our staff is a dedicated group of proud public servants who work diligently to ensure the quality and accountability of the City's finances for our residents and stakeholders. For more detailed financial information, please visit the City's website at www.coloradosprings.gov. There you will find the City's Annual Budget, ACFR and other comprehensive reports. The website also provides information about job opportunities, City Council activities, parks, public safety and other services offered by the City of Colorado Springs, Olympic City, USA.

Sincerely, Charae McDaniel Chief Financial Officer

City Leadership

The City of Colorado Springs operates under a council-mayor form of government, often called the "strong mayor" governance model. The Mayor of the City is a full-time elected official and the City's chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The Mayor is responsible for budgeting, strategic planning and the business of running an efficient and effective city government.

Organizational Chart

Citizens of Colorado Springs

Executive Branch

- A. Mayor
- B. City Attorney
- C. Fire
- D. Police
- E. Chief of Staff
 - a. Communications
 - b. Finance
 - c. Human Resources & Risk
- F. Deputy Chief of Staff Operations
 - a. Airport (Aviation)
 - b. City Clerk
 - c. Technology & Innovation
 - d. Municipal Court Administration
 - e. Office of Community Affairs
 - f. Office of Emergency Management
 - g. Support Services
- G. Deputy Chief of Staff Infrastructure & Development
 - a. Airport (Economic Development)
 - b. Economic Development
 - c. Housing & Community Vitality
 - d. Parks, Recreation & Culture Services
 - e. Public Works

Executive Branch as of January 1, 2024

City Council

As elected officials, City Council is entrusted with the legislative authority to make new policies and establish new ordinances. Colorado Springs' City Council consists of nine members, six of whom represent one of six equally populated districts. The remaining three members are elected at-large. Significant control is maintained by Council over several legally separate entities that are component units of the City.

City Council Members

- Council President Pro Tem Lynette Crow-Iverson
 - o At Large
- Councilmember Brian Risley
 - o At Large
- Councilmember David Leinweber
 - o At Large
- Councilmember Dave Donelson
 - o District 1
- Council President Randy Helms
 - o District 2
- Councilmember Michelle Talarico
 - o District 3
- Councilmember Yolanda Avila
 - o District 4
- Councilmember Nancy Henjum
 - o District 5
- Councilmember Mike O'Malley
 - o District 6

Home of US Space Command Headquarters

In August 2023, the Biden Administration declared Colorado Springs the permanent home of the U.S. Space Command headquarters. This decision safeguards nearly 1,400 jobs and sustains an annual economic impact of \$1 billion linked to Space Command's headquarters in Colorado Springs. Retaining the headquarters in Colorado Springs is also anticipated to bolster tax revenues, spur development in housing and retail sectors and cultivate an appealing environment for business ventures. Colorado Springs cherishes its enduring bond with military partners, active duty personnel and veterans who call this great city home.

"Colorado Springs is the home of space." Quote From Mayor Yemi Mobolade, City of Colorado Springs

Local Economy

Nestled against the backdrop of the majestic Rocky Mountains, Colorado Springs boasts a vibrant economy fueled by innovation. Known for its thriving aerospace and defense sectors, the city is home to many industry leading companies. Colorado Springs embraces a diverse economic landscape, with flourishing industries in tourism, healthcare and national defense. With a blend of natural beauty and economic opportunity, Colorado Springs continues to be the city on a hill that shines brightly.

Lodger's and Auto Rental Tax Revenues

- 2023 - \$10,000,000
- 2022 - \$9,830,000
- 2021 - \$8,520,000
- 2020 - \$4,530,000
- 2019 - \$7,510,000

Pikes Peak Region Residential Building Permits Issued

Total Single Family Dwellings (detached & attached)

- January 2022 - 425
- February 2022 - 380
- March 2022 - 547
- April 2022 - 426
- May 2022 - 387
- June 2022 - 440
- July 2022 - 208
- August 2022 - 144
- September 2022 - 171
- October 2022 - 163
- November 2022 - 144
- December 2022 - 91
- January 2023 - 147
- February 2023 - 165
- March 2023 - 234
- April 2023 - 227
- May 2023 - 284
- June 2023 - 574
- July 2023 - 126
- August 2023 - 139

- September 2023 – 144
- October 2023 - 198
- November 2023 - 142
- December 2023 – 163

Total Multi Family Dwellings

- January 2022 - 1167
- February 2022 - 309
- March 2022 - 555
- April 2022 - 243
- May 2022 - 422
- June 2022 - 354
- July 2022 - 542
- August 2022 - 610
- September 2022 - 122
- October 2022 - 132
- November 2022 - 373
- December 2022 - 329
- January 2023 - 224
- February 2023 - 79
- March 2023 - 509
- April 2023 - 479
- May 2023 - 359
- June 2023 - 248
- July 2023 – 0
- August 2023 - 60
- September 2023 - 12
- October 2023 - 43
- November 2023 - 139
- December 2023 – 181

2023 Top Employers

1. Fort Carson
2. Peterson & Schriever Space Force bases, Cheyenne Mountain Space Force Station
3. United States Air Force Academy
4. UCHealth – Southern Colorado Region
5. School District #11 – Colorado Springs
6. City of Colorado Springs
7. School District #20 – Air Academy

8. CommonSpirit Health
9. Amazon
10. El Paso County

Mayor Yemi's First 100 Days

Mayor Yemi is committed to building a world-class American city for all Colorado Springs residents. Establishing the right government culture, improving community outreach and expanding opportunities for public input were his top priorities for 2023.

2023 Listening Tour with Mayor Yemi and City Council

Mayor Yemi and City Council members embarked on a seven stop tour to give the residents of Colorado Springs a new platform to engage with their elected officials. The tour featured collaborative discussions on important issues facing Colorado Springs, including public safety, housing, infrastructure, economic vitality and other city services.

Mayor Yemi's top three priorities of the first 100 days

- A. Build support with government officials
- B. Engage community and build public confidence
- C. Address our City's emerging and most pressing issues in the areas of public safety, infrastructure and economic development.

Gold Medal Moments

216 Lane miles repaved with 2c tax dollars

To improve infrastructure, the City has allocated 2C tax dollars towards repaving projects, resulting in the resurfacing of 216 lane miles of asphalt and over 50 miles of curb and gutter replacements in 2023. The City is dedicated to addressing critical infrastructure needs, ultimately improving the safety and efficiency of our roads for all commuters

52,000 Hours of wildfire mitigation work

The Wildfire Mitigation Fund, aimed at bolstering the city's defenses against the threat of wildfires, was approved by citizens in 2021. The City has successfully completed an impressive 52,000 hours of fire mitigation work.

87,032 Potholes repaired

Last year the city repaired a whopping 87,032 potholes. This extensive effort highlights the City's commitment to enhance driving experiences, reduce vehicle wear and tear and promote overall road safety. Pothole repair expenses are drawn from the City's General Fund. Residents can report potholes through the COS GO App.

Police respond to 250,000 calls for services

CSPD has exemplified its commitment to public safety by promptly addressing a staggering 250,000 calls for service throughout the City. This remarkable figure underscores the department's dedication to serving and protecting the community, as well as its responsiveness to the diverse needs and concerns of its residents.

COS airport welcomes over two million travelers

In 2023, Colorado Springs Airport showed continued growth welcoming 2,347,008 passengers through its gates and expanding routes offered with partner airlines. This significant influx accentuates the airport's growing importance as a regional hub and reflects the increasing popularity of Colorado Springs as a travel destination.

The City's Net Position

The Statement of Net Position provides an overview of the City of Colorado Springs' assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Essentially, net position is the difference between what the City owns and what the City owes. This measure serves as a key indicator of the City's financial health and stability. Over time, changes in net position can indicate whether the City's financial condition is improving or deteriorating.

For fiscal year 2023, the City saw a \$261.1 million increase in net position compared to 2022. Business-type activities, mainly utilities, accounted for \$151.2 million of this increase. The City's net position was \$4.8 billion for 2023. Of this, \$4.4 billion was invested in fixed capital assets. The City uses capital assets to provide services to residents; consequently, these assets are not available for future spending.

Over the past five years, the City has maintained a positive net position and has demonstrated consistent growth in both governmental and business-type activities. The graph below illustrates this upward trend. In 2023, total assets, represented by the yellow bar, reached \$9.3 billion, while liabilities, represented by the blue bar, totaled \$4.5 billion, resulting in a net position of \$4.8 billion.

Governmental activities

Most of the City's basic services are included here, such as public safety, public works, parks, planning/community development and general government. Sales and property taxes, grant contributions and internal services finance most of these activities.

Governmental activities is 40.6% of the City's Net Position.

Business-type activities

Other City services such as utilities, airport, parking facilities, golf courses, cemeteries, Pikes Peak highway and summit complex, development review program and stormwater are intended to recover all or a significant portion of their costs through user fees and charges. Business-type activities is 59.4% of the City's Net Position.

Five year trend net position of the City of Colorado Springs

2019 – \$3.6 billion

2020 – \$3.6 billion

2021 – \$3.9 billion

2022 – \$4.5 billion

2023 – \$4.8 billion

\$1.2 billion net position increase since 2019

Governmental Revenues & Expenses

Revenues

The City of Colorado Springs had revenue of \$670.0 million from governmental activities for fiscal year 2023, 66% of which was from sales and other taxes. The City's sales and use tax collections are primarily dependent upon the level of local economic activity, consumer confidence, tourist activity and inflationary growth. Revenues decreased \$33.5 million from the prior year primarily due to lower grant contributions offset by greater investment returns.

Governmental activities revenue past three years

2021 – \$634.5 million

2022 - \$703.5 million

2023 - \$670.0 million

Governmental activities revenue by source

- Sales & Use Taxes – 58.3%
- Operating and Capital Grants – 24.1%
- Charges for Services – 9.9%
- Property Taxes – 4.4%
- Other – 3.3%

Expenses

The City had governmental activity expenses of \$595.1 million for fiscal year 2023, which was an increase of \$104.4 million from the prior year. The increase was attributable to higher pension liability and increased salary and benefit costs. Additional positions were added for public safety, public works and planning to address growing service demands related to the City's growth.

Governmental activities revenue past three years

2021 – \$533.7 million

2022 - \$490.7 million

2023 - \$595.1 million

Governmental activities expense by function

- Public Safety – 43.6%
- Public Works – 24.4%
- General Government – 22.1%

- Parks – 6.1%
- Planning & Community Development – 3.8%

Sales and Use Tax

The City of Colorado Springs is a home-rule city and is authorized to levy and collect its own sales tax. Sales tax is levied upon sales, purchases and leases of tangible personal property and taxable services sold or leased by persons engaged in business within the City.

The combined sales and use tax rate in the City of Colorado Springs is 8.2%.

City of Colorado Springs city level tax rate – 3.07%

- 2c Road Tax - 0.57%
- Public Safety Sales Tax (PSST) - 0.40%
- Trails, Open Space and Parks Tax (TOPS) – 0.10%
- General Sales and Use Tax – 2.00%

Colorado State level tax 2.90%

El Paso County level tax 1.23%

PPRTA 1.00%

The City's principal operating fund, the General Fund, is supported by various revenue sources including sales and use taxes, property taxes, charges for services, intergovernmental revenues, fines, licenses and permits. For 2024, approximately \$252.7 million of the budget is estimated to be funded by sales and use tax.

Sales and use tax revenues

2019 - \$176.4 million

2020 - \$179.3 million

2021 – \$182.3 million

2022 - \$225.8 million

2023 - \$243.6 million

2024 (Budgeted) - \$252.7 million

Sales tax is 59% of General Fund revenue and is the largest single source of General Fund revenue.

2C Road Improvements

The 2C Road Improvements plan is a voter approved sales tax, serving as the main source for rebuilding and improving the condition of our existing roadway infrastructure in Colorado Springs. The sales tax revenues apply only to roads and adjacent concrete. All paving and improvement operations are contracted out to the private sector, adding jobs and keeping tax dollars in our local economy. In terms of lane miles, the City has repaved the distance from Colorado Springs to Athens, Georgia. We need to keep paving the whole way to Athens, Greece, to resurface our entire existing road system.

2C Stats

- 1,655 lane miles paved
- 296 curb & gutter (miles)
- 3,616,838 sidewalk (square feet)
- 9,422 total ramps
- 1,564,715 curb & gutter (linear feet)

2C Revenue and Expenses

Revenue

- 2021 - \$67 million
- 2022 - \$70.4 million
- 2023 - \$73.7 million

Expenses

- 2021 - \$56.8 million
- 2022 - \$68.4 million
- 2023 - \$90.2 million

To learn more about 2C and the City's other Special Revenue funds please refer to the Annual Comprehensive Financial Report. Special revenue funds are programs that have specific revenue sources and are legally restricted to be spent in specific ways.

Capital Project Highlights

Antler's dog park

Downtown is getting a new dog park! Construction on the new ADA accessible dog park located in Antlers Park is now underway. This project is part of the Downtown Historic Parks Master Plan. Once complete, the space will include two separate play areas and will feature a large fence with double gates, synthetic turf, a sitting area, play amenities and a dog water station. The park is expected to be completed in 2024.

Pioneer's Museum renovation

The Colorado Springs Pioneers Museum (CSPM) is undergoing an eight-month, \$6.2 million capital project to install a state-of-the-art HVAC system. This project will also allow the museum to create a new exhibition gallery, renovate an existing gallery and construct a publicly-viewable collections processing and exhibit preparation workspace - all while preserving the historic 1903 El Paso County Courthouse.

Senior center renovation

The Colorado Springs Senior Center in the Golf Acres shopping complex has served tens of thousands of residents since 1986. The renovation of the senior center started in October 2023 and is projected to be completed the summer of 2025. The new center will be about 23,000 square feet, maximize the available space for parking, improve accessibility and add more functional outdoor space. The project is funded by the American Rescue Plan Act.

Mountain Metropolitan Transit Campus expansion

Mountain Metropolitan Transit is the primary source of public transportation services for the City of Colorado Springs and the greater Pikes Peak region. The expansion project included a new 72,000 square foot bus storage facility that accommodates 72 transit vehicles with electric bus charging infrastructure and a new administrative office space for contract operations and transit bus drivers.

Demographics

Colorado Springs stands proud as Olympic City USA, where a rich tapestry of achievement, national pride and unwavering dedication intertwines harmoniously with the breathtaking splendor of Pikes Peak, America's Mountain. Colorado Springs has ranked in the top 10 of U.S. News Best Places to Live listing for six consecutive years and is only one of two cities in Colorado to place in the top 10 as well as ranking second in the country in the "Most Desirable" category.

- El Paso County's unemployment rate as of Dember 2023 was 3.5%
- Colorado Springs 2023 Population was 490,457
- 744,215 residents in greater Colorado Springs and surrounding area
- \$62,649 per capita personal income
- \$78,568 median household income
- 36.0 is the median age
- 2.91 is the average household size
- 43.8% of residents have earned a bachelor's degree (persons age 25 years +)
- 17.96% of residents have earned a graduate or professional degree (persons age 25 years +)
- 85.3% high school graduation rate (in Colorado springs & surrounding areas)
- 12 colleges and universities
- 15+ K-12 school districts

Colorado Springs metro population growth per year

- 2014 – 3939
- 2015 - 7514
- 2016 - 9438
- 2017 - 6780
- 2018 - 7406
- 2019 - 3815
- 2020 - 1322
- 2021 - 2608
- 2022 - 2707
- 2023 – 5314

City Contact Numbers and Other Important Numbers

- Emergency Services: 911
- Community Services & information: 211
- Municipal Government Services: 311
- Traffic Information: 511
- Underground Public Utility Location: 811
- Suicide Prevention Lifeline: 988
- Main: 719-385-2489
- Police Non-Emergency: 719-444-7000
- Fire Non-Emergency: 719-385-5950
- Mountain Metro: 719-385-7433
- Colorado Springs Utilities: 719-448-4800
- City Council: 719-385-5986

City Administration Address

30 South Nevada Avenue

Colorado Springs, CO 80903