

Pueblo West Metropolitan District **Pueblo West, CO**



2016

Comprehensive Annual

Financial Report

Year Ended December 31, 2016



Pueblo West
COLORADO



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**PUEBLO WEST METROPOLITAN DISTRICT
PUEBLO WEST, COLORADO**

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2016

**PREPARED BY:
FINANCE DEPARTMENT**

**PUEBLO WEST METROPOLITAN DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2016**

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INTRODUCTORY SECTION



June 28, 2017

To the Board of Directors and the Residents of the Pueblo West Metropolitan District:

State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill the requirement for the fiscal year ended December 31, 2016.

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

McPherson, Breyfogle, Daveline, and Goodrich, PC, Certified Public Accountants, have issued an unmodified opinion on the Pueblo West Metropolitan District's financial statements for the year ended December 31, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Pueblo West Metropolitan District, established in 1969, is located in the south eastern part of the state and is considered to be one of the fastest growing communities in Pueblo County. It currently occupies 49.10 square miles and serves a population of approximately 30,000. The Pueblo West Metropolitan District is empowered to levy a property tax on both real and personal property located within its boundaries.

The Pueblo West Metropolitan District has operated under the council/manager form of government since 1969. Policy-making authority is vested in the Board of Directors consisting of five members, all elected on a non-partisan basis with elections held in May of even years. Board members serve four-year terms, with three members elected one election and two members elected in the next election. The Board appoints the

government's District Manager, who has the responsibility of all on-going management functions of the District.

The Pueblo West Metropolitan District provides a limited range of services, including fire protection and emergency medical services, the maintenance of streets and other infrastructure, parks and recreational activities, and is the local provider for water and wastewater services.

The Board is required to adopt a final budget by no later than December 15th of the fiscal year. This annual budget serves as the foundation for the Pueblo West Metropolitan District's financial planning and control. The budget is prepared by fund and department. Department heads may transfer resources within a department as deemed necessary. Transfers between funds, however, need special approval from the governing board.

Local Economy

Major industries located within the government's boundaries, or in close proximity, include light industrial which consists of manufacturing of specialty pipes, chemicals, rail car repair services, as well as several financial institutions and other commercial businesses. Pueblo West has the largest concentration of marijuana related industries in Pueblo County, Colorado.

The government's expenses related to providing the five basic services to the residents of Pueblo West have increased as the demand for services has increased. Revenue that supports general governmental activities such as, Streets and Roads and Fire Protection, have not increased proportionately to the growth rate of the District.

Charges for both water and wastewater services have increased to meet the operational costs for both systems. The increase in new construction has allowed the District to cover the growth related expansion to both systems. As commercial development increases, the required expansion to both systems may need to be funded by debt.

Long-term financial planning

Fund balance in the general fund increased for the first time in five years. This was primarily due to a slight increase in total revenues. While the Pueblo West Metropolitan District continues to strive to be debt free and limit the use of fund balance in the general fund, there are instances when reducing fund balance is necessary to ensure a strong financial future.

Road improvements, including addressing the 59 miles of non-accepted Pueblo County roads, will continue to be a major goal as well as the maintenance of the existing 344 miles of County accepted roads.

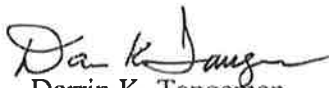
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pueblo West Metropolitan District for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the tenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance and administration departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Pueblo West Metropolitan District's finances.

Respectfully submitted,


Darrin K. Tangeman
District Manager


Tammy J. Nordyke
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

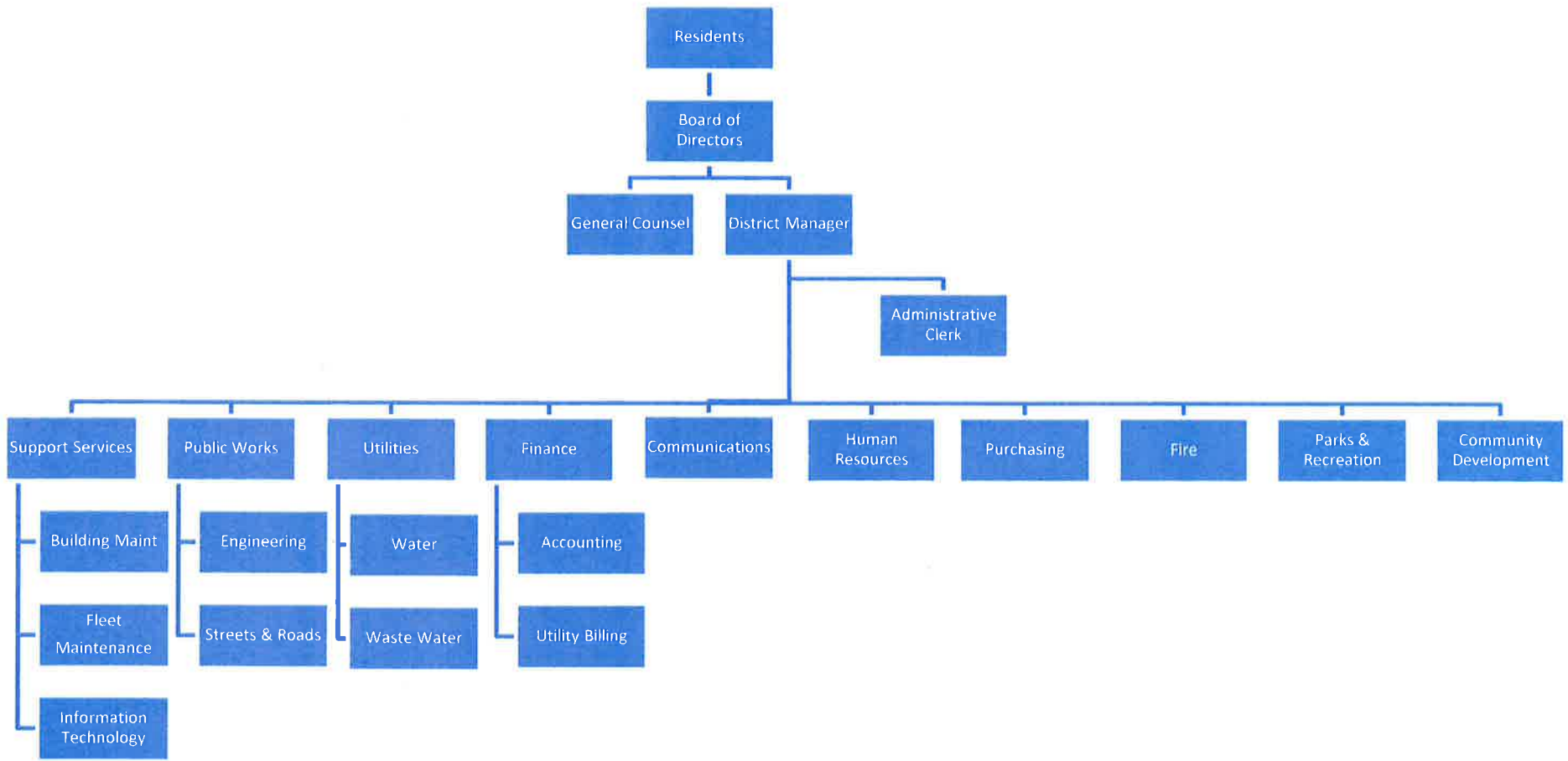
**Pueblo West Metropolitan District
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

-A-



BOARD OF DIRECTORS
As of December 31, 2016

JUDY LEONARD
Chairperson

MICHAEL FRENCH
Treasurer

TERRY ZUPAN
Secretary

BARBARA BERNARD
Director

MARK CARMEL
Director

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pueblo West Metropolitan District
Pueblo West, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the internal service fund type of Pueblo West Metropolitan District (the District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the internal service fund type as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison schedules on pages 53 through 56, the schedule of the District's proportionate share of the net pension liability on page 57 and the schedule of District contributions on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additional Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pueblo West Metropolitan District's basic financial statements. The individual fund schedules as listed in the table of contents on pages 59 through 64 and the other information labeled as the introductory section and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund schedules on pages 59 through 64 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules on pages 59 through 64 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

ke Pearson, Breyligh, Durham & Goodrich, PC

June 13, 2017

PUEBLO WEST METROPOLITAN DISTRICT, PUEBLO WEST, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

The discussion and analysis of the Pueblo West Metropolitan District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended December 31, 2016. It should be read in conjunction with the accompanying basic financial statements. This discussion and analysis includes a comparative analysis of government-wide data for year end 2015 and 2016.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Pueblo West Metropolitan District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending December 31, 2016 by \$98,292,543 (net position). Of this amount, \$38,832,587 (unrestricted net position) may be used to meet the government's ongoing obligations to the residents and creditors.
- The Pueblo West Metropolitan District's total net position increased by \$1,853,806 for the year ended December 31, 2016.
- As of December 31, 2016, the Pueblo West Metropolitan District's governmental funds reported combined ending fund balances of \$3,554,631 a decrease of \$233,408 during the year ended December 31, 2016.
- The total General Fund balance increased by \$11,449 for the fiscal year ended December 31, 2016.
- The District's total debt decreased by \$452,603 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to the Pueblo West Metropolitan District's basic financial statements. The Pueblo West Metropolitan District's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Pueblo West Metropolitan District's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the Pueblo West Metropolitan District's assets and deferred outflows of resources along with liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Pueblo West Metropolitan District is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the District's property tax base and the condition of the District's infrastructure (i.e. roads, drainage

improvements, water and sewer lines, etc.), to assess the overall health or financial condition of the District. The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting and the economic resources measurement focus.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

- **Governmental Activities** – Most of the District's basic services are reported here, including fire, streets and roads, parks and recreation, and general administration. Property taxes, specific ownership taxes and franchise fees finance most of these activities.
- **Business type Activities** – The District charges a fee to customers to help it cover all or most of the cost of certain services it provides. The District's water and waste water systems, swimming pool and community development are reported here.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by state law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The District's two kinds of funds – governmental and proprietary – utilize different accounting and approaches.

- **Governmental funds** – The majority of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long term effect of the government's near term financing decisions. The relationships or

differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The Pueblo West Metropolitan District maintains four individual government funds. Information is presented separately in the Government Funds Balance Sheet and in the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Parks Donation Fund, Capital Projects Fund, and Conservation Trust Fund, all of which are considered to be major funds.

- Proprietary funds – the District charges customers for services it provides to them. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District’s enterprise funds (a component of proprietary funds) are identical to the business type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.
- The Pueblo West Metropolitan District maintains four individual enterprise funds. The District uses enterprise funds to account for its water, waste water, swimming pool and community development activities. The funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, waste water, swimming pool and community development activities, all of which are considered to be major funds of the District.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

THE DISTRICT AS A WHOLE – Government –Wide Financial Analysis

The District’s combined net position was \$98,292,543 as of December 31, 2016. Analyzing the net position and net expenses of governmental and business-type activities separately, the business type activities net position is \$82,837,540. This analysis focuses on the net position (table 1) and changes in general revenues (table 2) and significant expenses of the District’s governmental and business-type activities.

By far the largest portion of the District’s net position (60%) reflects its net investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the District’s net investment in its capital assets is reported net of

related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1
Summary of Net Position
At December 31, 2016**

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|--------------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current and other assets | \$8,570,317 | \$9,026,896 | \$36,601,033 | \$32,712,644 | \$45,171,350 | \$41,739,560 |
| Capital Assets | 12,481,082 | 11,648,273 | 55,281,074 | 57,889,839 | 67,762,156 | 69,538,112 |
| Total Assets | <u>\$21,051,399</u> | <u>\$20,675,169</u> | <u>\$91,882,107</u> | <u>\$90,602,503</u> | <u>\$112,933,506</u> | <u>\$111,277,672</u> |
| Deferred outflows of resources | 350,082 | 98,127 | 207,022 | 241,915 | 557,104 | 340,042 |
| Long term liabilities outstanding | 889,936 | 134,429 | 8,402,730 | 9,626,714 | 9,292,666 | 9,761,143 |
| Other liabilities | 456,979 | 608,515 | 848,859 | 351,490 | 1,305,838 | 960,005 |
| Total liabilities | <u>1,346,915</u> | <u>742,944</u> | <u>9,251,589</u> | <u>9,978,204</u> | <u>10,598,504</u> | <u>10,721,148</u> |
| Deferred inflows of resources | 4,599,563 | 4,457,829 | - | - | 4,599,563 | 4,457,829 |
| Net position: | | | | | | |
| Net investment in capital assets | 11,713,622 | 11,648,273 | 47,114,165 | 48,537,759 | 58,827,787 | 60,186,032 |
| Restricted for - | | | | | | |
| Tabor | 210,000 | 200,000 | - | - | 210,000 | 200,000 |
| Parks and Recreation | 418,685 | 436,953 | - | - | 418,685 | 436,953 |
| Pension Related | 3,484 | 231,526 | - | - | 3,484 | 231,526 |
| Unrestricted | <u>3,109,212</u> | <u>3,055,771</u> | <u>35,723,375</u> | <u>32,328,455</u> | <u>38,832,587</u> | <u>35,384,226</u> |
| Total net position | <u>\$15,455,003</u> | <u>\$15,572,523</u> | <u>\$82,837,540</u> | <u>\$80,866,214</u> | <u>\$98,292,543</u> | <u>\$96,438,737</u> |

Governmental Activities

The District's general revenues increased when compared to the prior year by 4.28% or \$206,788. The primary reason for this increase was due to an increase of \$112,865 in specific ownership and other taxes. The assessed value of the property in the District increased by \$12,631,073 or 5.89%, as compared to the prior year primarily due to the assessment year. Since the District does not levy a sales tax, overall tax revenue has not been affected due to local and national economic changes. The District is now able to levy an excise tax on the first transfer of recreational marijuana from a cultivation facility. We are anticipating seeing growth in our overall tax revenue. Interest income in 2016 increased by \$17,840 compared to 2015. This is due to higher interest rates earned and a stable investment portfolio.

**Table 2
General Revenues**

| | 2016 | 2015 | Increase (Decrease) |
|------------------------------------|--------------------|--------------------|------------------------|
| Taxes | \$4,450,020 | \$4,337,155 | \$112,865 |
| Specific Ownership and other taxes | 549,823 | 473,740 | 76,083 |
| Unrestricted investment earnings | 34,891 | 17,051 | 17,840 |
| Total general revenues | <u>\$5,034,734</u> | <u>\$4,827,946</u> | <u>\$206,788</u> |

Governmental and Business type activities increased the District's net position by \$1,853,806. The key elements of this increase are as follows:

**Table 3
Changes in Net Position**

| | Governmental Activities | | Business type Activities | | Total | |
|---|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$315,258 | \$257,471 | \$12,035,001 | \$10,218,551 | \$12,350,259 | \$10,476,022 |
| Operating grants and contributions | 1,766,648 | 1,573,143 | 55,157 | - | 1,821,805 | 1,573,143 |
| Capital grants and Contributions | 24,012 | 532,879 | 1,407,917 | 879,416 | 1,431,929 | 1,412,295 |
| General Revenues: | | | | | | |
| Taxes | 4,450,020 | 4,337,155 | - | - | 4,450,020 | 4,337,155 |
| Specific Ownership and other taxes | 549,823 | 473,740 | - | - | 549,823 | 473,740 |
| Miscellaneous | 14,791 | 8,802 | - | 1,023 | 14,791 | 9,825 |
| Unrestricted investment earnings | 34,891 | 17,051 | 91,993 | 44,525 | 126,884 | 61,576 |
| Total Revenues | 7,155,443 | 7,200,241 | 13,590,068 | 11,143,515 | 20,745,511 | 18,343,756 |
| Expenses: | | | | | | |
| General government | 809,965 | 720,681 | - | - | 809,965 | 720,681 |
| Fire protection | 2,377,078 | 2,290,050 | - | - | 2,377,078 | 2,290,050 |
| Streets and roads | 2,626,296 | 2,423,215 | - | - | 2,626,296 | 2,423,215 |
| Engineering | 595,961 | 460,745 | - | - | 595,961 | 460,745 |
| Parks and Recreation | 986,251 | 953,660 | - | - | 986,251 | 953,660 |
| Interest on long-term debt | 12,683 | - | - | - | 12,683 | - |
| Water | - | - | 8,089,985 | 6,749,671 | 8,089,985 | 6,749,671 |
| Wastewater | - | - | 2,947,805 | 2,348,887 | 2,947,805 | 2,348,887 |
| Community Development | - | - | 342,210 | 306,221 | 342,210 | 306,221 |
| Swimming Pool | - | - | 103,471 | 110,531 | 103,471 | 110,531 |
| Total Expenses | 7,408,234 | 6,848,351 | 11,483,471 | 9,515,310 | 18,891,705 | 16,363,661 |
| Increase/Decrease in net position before transfers | (252,791) | 351,890 | 2,106,597 | 1,628,205 | 1,853,806 | 1,980,095 |
| Transfers | 135,271 | (424,863) | (135,271) | 424,863 | - | - |
| Increase/Decrease in net position | (117,520) | (72,973) | 1,971,326 | 2,053,068 | 1,853,806 | 1,980,095 |
| Net Position, January 1 | 15,572,523 | 15,645,496 | 80,866,214 | 78,813,146 | 96,438,737 | 94,458,642 |
| Net Position, December 31 | \$15,455,003 | \$15,572,523 | \$82,837,540 | \$80,866,214 | \$98,292,543 | \$96,438,737 |

The most significant governmental expenses for the District were in providing for public works, which incurred expenses of \$2,626,296. These expenses were offset by revenues collected from different sources, with the largest being from Highway Users Tax Fund (HUTF), which are \$1,418,266. The major component of public works is the Streets and Roads department. During 2016 the public works division graded over 68 miles of gravel road. Other significant governmental expenses for the District include providing for fire protection. During fiscal year 2016 expenses of \$2,377,078 were incurred in this area which is funded primarily through property tax revenue. During 2016 the fire department responded to 3,322 calls for service. Of these calls nearly 64% were emergency medical calls. Excluding capital items, approximately 72% of the fire department budget is used for personnel costs.

Business-type activities

Revenues of the District's business-like activities were \$12,035,001 for the fiscal year ending December 31, 2016. Expenses excluding transfers for the District's business-type activities were \$11,483,471, resulting in an increase of net position of 1,971,326. The change in net position is the result of several factors, including the following:

- The District's water department recorded charges for services of \$8,101,794, \$55,157 in operating grants and contributions and cash capital contributions of \$1,296,863 which represents plant investment fees. Excluding the cash capital contributions, the water department charges for services of \$8,101,794 exceeded expenses of \$8,089,985 by \$11,809. This was primarily due to an increase in water consumption and associated user fees as well as the availability to generate revenue by leasing excess water capacity to other entities. Plant investment fees are remaining stable as the building industry is slowly rebounding. The most significant capital expenditure by the water department included \$248,513 for the replacement of the 24" suction line that supplies the District with source water. It is anticipated that this asset will be in service by the second quarter of 2017.
- The District's wastewater department recorded charges for services of \$2,695,269 and cash capital contributions of \$103,572 which also represents plant investment fees. The wastewater department expenses of \$2,947,805 exceeded charges for services of \$2,695,269 by \$252,536. There were no significant capital improvements for 2016. Operating revenue was able to cover operating expenses for the sixth year in a row. This is directly related to the significant rate increase that went into effect in January of 2011. We are anticipating that this will become the norm and not a trend we are seeing.
- The District's community development department recorded charges for services of \$1,204,071 and no capital contributions. Charges for services of \$1,204,071 exceeded expenses of \$342,210 by \$861,861. This was primarily due to the increased interest in vacant land that the District has for sale. The most significant expenses of the community development department continue to be salaries and benefits.
- The District's swimming pool recorded expenses of \$103,471 which exceeded charges for services of \$33,867 by \$69,604. The most significant expenses of the swimming pool included contracted personnel expenses and natural gas for the heating of the outdoor swimming pool. Operating costs continue to increase due to increasing costs of utilities and chemicals.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2016, the District had \$67,762,155 invested in a broad range of capital assets, including fire equipment, buildings, parks facilities, roads, water rights, and water and sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deductions) of \$1,775,957 or 3 percent over the prior fiscal year.

The decrease in capital assets is attributed primarily to accumulated depreciation. The District added over \$2.5 million in capital assets during fiscal year ending December 31,

2016. The District purchased fire apparatus, fleet vehicles as well as started construction on numerous trails throughout the community. The District completed the construction of a combination maintenance/restroom facility at Lovell Park.

For additional information relating to the capital assets of the District please refer to note III D in the notes to the financial statements.

Table 4
Capital Assets
Net of Depreciation

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|-------------------------|--------------|--------------------------|--------------|---------------|--------------|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Land | \$3,633,625 | \$3,633,625 | \$217,020 | \$237,526 | \$3,850,645 | \$3,871,151 |
| Water rights | - | - | 12,916,318 | 12,916,318 | 12,916,318 | 12,916,318 |
| Construction in progress | 760,994 | 554,629 | 3,908,793 | 1,721,583 | 4,669,787 | 2,276,212 |
| SDS | - | - | 5,683,630 | 5,659,161 | 5,683,630 | 5,659,161 |
| Buildings | 2,646,019 | 2,669,286 | 12,050,094 | 11,021,377 | 14,696,113 | 13,690,663 |
| Improvements | 2,742,863 | 2,854,893 | - | - | 2,742,863 | 2,854,893 |
| Infrastructure | 132,550 | 119,266 | 18,523,264 | 19,119,912 | 18,655,814 | 19,239,178 |
| Machinery & equipment | 1,732,222 | 2,649,383 | 4,590,720 | 4,605,196 | 6,322,942 | 7,254,579 |
| Totals | \$11,648,273 | \$12,481,082 | \$57,889,839 | \$55,281,073 | \$ 69,538,112 | \$67,762,155 |

This year's major additions over \$25,000 include:

| | |
|---------------------------------------|--------------------|
| Two 2016 Rosenbauer Fire Pumps | \$902,514 |
| Parks Maintenance/Restroom Building | 109,230 |
| 2016 Isuzu Flatbed Truck | 67,054 |
| 2016 Camera Van | 203,559 |
| McCulloch Water Distribution Pipeline | 119,442 |
| 24" Suction Line | 248,513 |
| 2016 F-550 XL Truck | 38,601 |
| Southern Delivery System | 147,020 |
| Total | <u>\$1,835,933</u> |

The District's fiscal year 2017 capital budget calls for it to spend over \$14.4 million for capital projects. The estimated capital expenditures for parks and recreation are \$1,840,940 for the extension and creation of walking/biking trails. The estimated capital expenditures for water department are \$9,866,500 and includes \$4,300,000 for phase I construction of the Wildhorse pipeline. The water department is also budgeting \$100,000 towards shared costs for the Southern Delivery System. The estimated capital expenditures for the waste water department are \$2,730,000 and includes \$1,000,000 for the construction of lift station overflow retention basin and \$300,000 for the assessment/design of the treatment plant for nutrient handling.

Debt

At year-end, the District had \$9,141,392 in long-term debt as compared to \$9,593,995 at the end of the prior fiscal year, a decrease of approximately 5% as shown in Table 5. For

additional information relating to the outstanding debt of the District please refer to note III E in the notes to the financial statements.

**Table 5
Outstanding Debt**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|-----------|--------------------------|-------------|-------------|-------------|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Capital leases | \$- | \$767,460 | \$- | \$- | \$- | \$767,460 |
| Revenue bonds (backed by fee revenues) | - | - | 9,593,995 | 8,373,932 | 9,593,995 | 8,373,932 |
| Totals | \$- | \$767,460 | \$9,593,995 | \$8,373,932 | \$9,593,995 | \$9,141,392 |

THE DISTRICT'S FUNDS

At the close of the District's fiscal year on December 31, 2016, the governmental funds of the district reported a combined fund balance of \$3,554,631. This ending fund balance includes a decrease of \$233,408 for the District's governmental funds. The primary reason was due to the completion of the combination maintenance building/restroom at Lovell Park along with the cash purchase of vehicles. In addition these other changes in fund balances should be noted:

- The District's general fund balance of \$2,972,027 increased by \$11,449 from prior year fund balance. This was primarily due to increased revenues.
- The District's capital project fund balance of \$144,037 decreased by \$228,845 from prior year fund balance. This was due to the completion of various capital projects.
- The District's conservation trust fund balance of \$418,685 decreased by \$18,268 from prior year fund balance. This was primarily due to the completion of capital projects.

General Fund Budgetary Highlights

During fiscal year 2016, one budget amendment was made for the General Fund.

For fiscal year 2016, actual expenditures on a budgetary basis were \$7,763,065 as compared to the budget amount of \$8,039,835. The \$276,770 positive variance was due to savings achieved through a series of expenditure reductions.

For fiscal year 2016, actual revenues on a budgetary basis were \$7,774,514 as compared to the budget amount of \$7,582,317. The majority of the \$192,197 positive variance was due to an increase in collections of highway users tax and specific ownership taxes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET'S AND RATES

The District's elected officials consider many factors when setting the fiscal year 2017 budget, mill levy, and fees that will be charged for the business-type activities. The mill

levy is determined by utilizing the Pueblo County Assessor's assessed valuation of property within the boundaries of the District tied to cost of living as determined by the Denver-Boulder-Greeley CPI and then comparing that amount to the Gallagher Act (5.5%) and TABOR.

The General Fund's largest single revenue source is property taxes. The property tax rate for FY 2016 is \$0.20193 per \$1,000 valuation. Of this tax rate, 100% is utilized for General Fund activities. The estimated property tax revenue for FY 2017 is \$4,595,449.

The largest revenue source for the water fund is metered sales to general customers, estimated at \$7,196,200 based on three tier water rates. It is anticipated that a rate increase will be proposed to the Board in June of 2017. The second largest revenue source for the water fund is plant investment fees (PIF), estimated at \$1,187,500. The PIF for FY 2016 varies by meter size, charges range from \$10,597 to \$115,993, the majority being collected at the rate of \$10,597. This rate was last increased in January 2011.

The largest revenue source for the waste water fund is for sewer usage fees, estimated at \$2,768,028 based on rates per 1,000 gallons. It is anticipated that a rate increase will be proposed to the Board in June of 2017. The second largest revenue source for the waste water fund is plant investment fee (PIF), estimated at \$27,020. The PIF for FY 2016 varies by meter size, charges range from \$4,320 to \$45,228, the majority being collected at the rate of \$4,320. This rate was last increased in January 2011.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the Pueblo West Metropolitan District, 109 E. Industrial Blvd., Pueblo West, CO 81007.

BASIC FINANCIAL STATEMENTS

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2016

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 6,634,739 | \$ 5,076,371 | \$ 11,711,110 |
| Restricted certificates of deposit | - | 320,000 | 320,000 |
| Certificates of deposit | 7,225,038 | - | 7,225,038 |
| Investments | 9,415,986 | - | 9,415,986 |
| Receivables | 4,890,990 | 6,606,520 | 11,497,510 |
| Internal balances | (19,609,002) | 19,609,002 | - |
| Inventories | - | 4,532,140 | 4,532,140 |
| Net pension asset | 3,484 | - | 3,484 |
| Other assets | 9,082 | 457,000 | 466,082 |
| Capital assets - | | | |
| Land, intangibles and construction in progress | 4,188,254 | 14,875,427 | 19,063,681 |
| Other capital assets, net of depreciation | 8,292,828 | 40,405,647 | 48,698,475 |
| Total capital assets | 12,481,082 | 55,281,074 | 67,762,156 |
| TOTAL ASSETS | 21,051,399 | 91,882,107 | 112,933,506 |
| Deferred outflows of resources - | | | |
| Deferred amount on refunding | - | 207,022 | 207,022 |
| Pension related | 350,082 | - | 350,082 |
| | 350,082 | 207,022 | 557,104 |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 456,979 | 848,859 | 1,305,838 |
| Long-term liabilities - | | | |
| Due within one year | 246,318 | 674,959 | 921,277 |
| Due in more than one year | 643,618 | 7,727,771 | 8,371,389 |
| Total liabilities | 1,346,915 | 9,251,589 | 10,598,504 |
| Deferred inflows of resources - | | | |
| Property taxes | 4,595,449 | - | 4,595,449 |
| Pension related | 4,114 | - | 4,114 |
| | 4,599,563 | - | 4,599,563 |
| NET POSITION | | | |
| Net investment in capital assets | 11,713,622 | 47,114,165 | 58,827,787 |
| Restricted for - | | | |
| Tabor | 210,000 | - | 210,000 |
| Parks and recreation | 418,685 | - | 418,685 |
| Pension related | 3,484 | - | 3,484 |
| Unrestricted | 3,109,212 | 35,723,375 | 38,832,587 |
| TOTAL NET POSITION | \$ 15,455,003 | \$ 82,837,540 | \$ 98,292,543 |

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|--------------------------------|----------------------|---------------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| PRIMARY GOVERNMENT | | | | |
| Governmental activities - | | | | |
| General government | \$ 809,965 | \$ 100,369 | \$ - | \$ - |
| Fire protection | 2,377,078 | 51,662 | 79,101 | 24,012 |
| Streets and roads | 2,626,296 | 20,325 | 1,505,378 | - |
| Engineering | 595,961 | - | - | - |
| Parks and recreation | 986,251 | 142,902 | 182,169 | - |
| Interest on long-term debt | 12,683 | - | - | - |
| Total governmental activities | <u>7,408,234</u> | <u>315,258</u> | <u>1,766,648</u> | <u>24,012</u> |
| Business-type activities | | | | |
| Water | 8,089,985 | 8,101,794 | 55,157 | 1,296,863 |
| Wastewater | 2,947,805 | 2,695,269 | - | 103,572 |
| Community development | 342,210 | 1,204,071 | - | - |
| Swimming pool | 103,471 | 33,867 | - | 7,482 |
| Total business-type activities | <u>11,483,471</u> | <u>12,035,001</u> | <u>55,157</u> | <u>1,407,917</u> |
| TOTAL | <u>\$ 18,891,705</u> | <u>\$ 12,350,259</u> | <u>\$ 1,821,805</u> | <u>\$ 1,431,929</u> |

General revenues -
Taxes -
 Property taxes
 Specific ownership and other taxes
Unrestricted investment earnings
Miscellaneous
Transfers
 Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position
Primary Government

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|---------------|
| \$ (709,596) | \$ - | \$ (709,596) |
| (2,222,303) | - | (2,222,303) |
| (1,100,593) | - | (1,100,593) |
| (595,961) | - | (595,961) |
| (661,180) | - | (661,180) |
| (12,683) | - | (12,683) |
| (5,302,316) | - | (5,302,316) |
| - | 1,363,829 | 1,363,829 |
| - | (148,964) | (148,964) |
| - | 861,861 | 861,861 |
| - | (62,122) | (62,122) |
| - | 2,014,604 | 2,014,604 |
| (5,302,316) | 2,014,604 | (3,287,712) |
| 4,450,020 | - | 4,450,020 |
| 549,823 | - | 549,823 |
| 34,891 | 91,993 | 126,884 |
| 14,791 | - | 14,791 |
| 135,271 | (135,271) | - |
| 5,184,796 | (43,278) | 5,141,518 |
| (117,520) | 1,971,326 | 1,853,806 |
| 15,572,523 | 80,866,214 | 96,438,737 |
| \$ 15,455,003 | \$ 82,837,540 | \$ 98,292,543 |

**PUEBLO WEST METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

| | General Fund | Conservation Trust Fund | Parks Donation Fund | Capital Projects Fund | Total Governmental Funds |
|---|-------------------------|-------------------------------|---------------------------|-----------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 6,634,739 | \$ - | \$ - | \$ - | \$ 6,634,739 |
| Certificates of deposit | 7,225,038 | - | - | - | 7,225,038 |
| Investments | 9,415,986 | - | - | - | 9,415,986 |
| Accrued interest receivable | 4,554 | - | - | - | 4,554 |
| Taxes receivable | 4,665,365 | - | - | - | 4,665,365 |
| Due from other funds | - | 419,560 | 23,078 | 148,178 | 590,816 |
| Receivable from other governments | 108,721 | - | - | - | 108,721 |
| Other receivables | 112,350 | - | - | - | 112,350 |
| Prepaid items | 9,082 | - | - | - | 9,082 |
| TOTAL ASSETS | \$28,175,835 | \$ 419,560 | \$ 23,078 | \$ 148,178 | \$ 28,766,651 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 363,046 | \$ 875 | \$ 3,196 | \$ 4,141 | \$ 371,258 |
| Accrued liabilities | 60,805 | - | - | - | 60,805 |
| Due to other funds | 20,184,508 | - | - | - | 20,184,508 |
| TOTAL LIABILITIES | 20,608,359 | 875 | 3,196 | 4,141 | 20,616,571 |
| Deferred inflows of resources - Property taxes | 4,595,449 | - | - | - | 4,595,449 |
| FUND BALANCES | | | | | |
| Nonspendable | 9,082 | - | - | - | 9,082 |
| Restricted | 210,000 | 418,685 | - | - | 628,685 |
| Committed | - | - | 19,882 | - | 19,882 |
| Assigned | 11,594 | - | - | 144,037 | 155,631 |
| Unassigned | 2,741,351 | - | - | - | 2,741,351 |
| TOTAL FUND BALANCES | 2,972,027 | 418,685 | 19,882 | 144,037 | 3,554,631 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$28,175,835 | \$ 419,560 | \$ 23,078 | \$ 148,178 | \$ 28,766,651 |

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016**

| | | |
|---|--------------------|----------------------|
| Amounts reported for governmental activities are different because: | | \$ 3,554,631 |
| Total fund balances - governmental funds | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds | | |
| The cost of capital assets is | \$ 19,243,789 | |
| Accumulated depreciation is | <u>(6,908,246)</u> | 12,335,543 |
| Recognition and measurement of the net pension asset, together with pension-related deferred outflows of resources and deferred inflows of resources in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting are not financial resources and, therefore, are not reported in governmental funds | | |
| Net pension asset | 3,484 | |
| Deferred outflows of resources | 350,082 | |
| Deferred inflows of resources | <u>(4,114)</u> | 349,452 |
| An internal service fund is used by the District's management to charge the cost of fleet and facility maintenance and information technology to individual departments. The assets and liabilities of the internal service fund is included with governmental activities in the statement of net position | | |
| Net position of internal service fund | 109,142 | |
| Cumulative portion of internal service fund net operating income attributed to business-type activities | <u>(53,911)</u> | 55,231 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consists of: | | |
| Obligation under capital lease | (767,460) | |
| Compensated absences | <u>(72,394)</u> | <u>(839,854)</u> |
| Total net position - governmental activities | | <u>\$ 15,455,003</u> |

The accompanying notes are an integral part of this statement.

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

| | General Fund | Conservation Trust Fund | Parks Donation Fund | Capital Projects Fund | Total Governmental Funds |
|---|---------------------|-------------------------------|---------------------------|-----------------------------|--------------------------------|
| REVENUES | | | | | |
| Property taxes | \$ 4,450,020 | \$ - | \$ - | \$ - | \$ 4,450,020 |
| Specific ownership taxes | 370,318 | - | - | - | 370,318 |
| Highway users tax | 1,418,266 | - | - | - | 1,418,266 |
| Franchise taxes | 136,924 | - | - | - | 136,924 |
| Other taxes | 42,581 | - | - | - | 42,581 |
| Intergovernmental | 79,101 | 168,391 | - | 59,258 | 306,750 |
| Charges for services | 315,258 | - | - | - | 315,258 |
| Investment earnings | 33,063 | 1,828 | - | - | 34,891 |
| Other | 14,791 | - | 13,778 | 27,854 | 56,423 |
| TOTAL REVENUES | 6,860,322 | 170,219 | 13,778 | 87,112 | 7,131,431 |
| EXPENDITURES | | | | | |
| Current - | | | | | |
| Streets and roads | 1,850,091 | - | - | 615,382 | 2,465,473 |
| Fire protection | 2,215,116 | - | - | - | 2,215,116 |
| Engineering | 574,115 | - | - | - | 574,115 |
| Parks and recreation | 721,932 | 35,098 | 11,522 | - | 768,552 |
| Administration | 783,871 | - | - | - | 783,871 |
| Debt service - | | | | | |
| Principal | 146,732 | - | - | - | 146,732 |
| Interest | 12,683 | - | - | - | 12,683 |
| Capital outlay | 1,091,796 | 238,389 | - | 117,575 | 1,447,760 |
| TOTAL EXPENDITURES | 7,396,336 | 273,487 | 11,522 | 732,957 | 8,414,302 |
| EXCESS (DEFICIENCY) OF | | | | | |
| REVENUES OVER EXPENDITURES | (536,014) | (103,268) | 2,256 | (645,845) | (1,282,871) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Issuance of capital lease | 914,192 | - | - | - | 914,192 |
| Transfers in | - | 85,000 | - | 502,000 | 587,000 |
| Transfers out | (366,729) | - | - | (85,000) | (451,729) |
| TOTAL OTHER FINANCING SOURCES (USES) | 547,463 | 85,000 | - | 417,000 | 1,049,463 |
| CHANGE IN FUND BALANCES | 11,449 | (18,268) | 2,256 | (228,845) | (233,408) |
| FUND BALANCES, January 1 | 2,960,578 | 436,953 | 17,626 | 372,882 | 3,788,039 |
| FUND BALANCES, December 31 | \$ 2,972,027 | \$ 418,685 | \$ 19,882 | \$ 144,037 | \$ 3,554,631 |

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

Amounts reported for governmental activities are different because:

Total net change in fund balances - governmental funds \$ (233,408)

Capital outlays are reported in governmental funds as expenditures. However, for governmental activities these costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense.

| | | |
|----------------------|------------------|---------|
| Capital outlay | \$ 1,447,760 | |
| Depreciation expense | <u>(609,501)</u> | 838,259 |

In the statement of activities, contributions of capital assets are reported as program revenues. However, the contributions do not represent current financial resources and thus are not reported in the funds

24,012

In the statement of activities, the disposition of capital assets generates a gain or loss and is reported as such. The gain or loss on disposition is not a current financial resource or use and thus is not reported in the funds

(739)

Recognition and measurement of the changes in the net pension asset, together with changes in the pension-related deferred outflows of resources and deferred inflows of resources prepared using the economic resources measurement focus and the accrual basis of accounting are not financial resources and, therefore, are not reported in governmental funds as such. Rather, pension expenditures are reported in the governmental funds when paid.

| | | |
|----------------------|---------------|--------|
| Pension expense | (57,009) | |
| Pension expenditures | <u>81,578</u> | 24,569 |

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES (Cont'd.)
YEAR ENDED DECEMBER 31, 2016**

The governmental funds report the proceeds from the issuance of debt obligations as an other financing source and the repayments of principal on this debt obligation as an expenditure. Interest expense is recognized as an expenditure in the governmental funds when it is due, while interest expense is recognized when incurred in the statement of activities. Net effect of these differences in the treatment of these debt obligations follows:

| | | |
|--|----------------|-----------|
| Issuance of capital lease obligation | (914,192) | |
| Principal payments on capital lease obligation | <u>146,732</u> | (767,460) |

An internal service fund is used by the District to charge the cost of fleet and facility maintenance and information technology to individual departments. The net revenue (expense) of the internal service fund is reported with governmental activities

| | | |
|--|---------------|---------|
| Net operating loss from internal service fund | (21,192) | |
| Net operating loss attributed to business-type activities. | <u>13,746</u> | (7,446) |

In the statement of activities, certain operating expenses such as compensated absences (vacation and sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually paid. This year compensated absences earned (\$292,417) were less than amounts paid (\$287,724)

4,693

| | |
|--|---------------------|
| Change in net position - governmental activities | <u>\$ (117,520)</u> |
|--|---------------------|

The accompanying notes are an integral part of this statement.

**PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|--|--|----------------------------|---|
| | <u>Water Fund</u> | <u>Wastewater Fund</u> | <u>Community Development Fund</u> |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 5,076,371 | \$ - | \$ - |
| Restricted certificates of deposit | - | 320,000 | - |
| Accounts receivable, net | 732,853 | 395,057 | 5,895 |
| Due from other funds | 13,547,095 | 5,176,618 | 825,153 |
| Inventories | 205,992 | 7,211 | 4,318,937 |
| TOTAL CURRENT ASSETS | <u>19,562,311</u> | <u>5,898,886</u> | <u>5,149,985</u> |
| NONCURRENT ASSETS | | | |
| Capital assets - | | | |
| Land | 177,989 | 46,850 | - |
| Buildings and improvements | 606,244 | 15,823,170 | - |
| Treatment plant | 11,222,056 | - | - |
| Sources of supply | 8,584,650 | - | - |
| Collection, transmission and distribution system | 34,415,049 | 12,750,878 | - |
| Storage system | 2,642,403 | - | - |
| Equipment | 6,068,911 | 1,355,562 | 32,412 |
| Pool | - | - | - |
| Water rights | 12,916,318 | - | - |
| Southern delivery system | 5,830,651 | - | - |
| Accumulated depreciation | (40,292,745) | (18,740,462) | (32,412) |
| Construction in progress | 1,689,395 | 32,188 | - |
| Total capital assets | <u>43,860,921</u> | <u>11,268,186</u> | <u>-</u> |
| Other assets - | | | |
| Notes receivable | 5,472,715 | - | - |
| Option to acquire land | 457,000 | - | - |
| Total other assets | <u>5,929,715</u> | <u>-</u> | <u>-</u> |
| TOTAL NONCURRENT ASSETS | <u>49,790,636</u> | <u>11,268,186</u> | <u>-</u> |
| TOTAL ASSETS | <u>69,352,947</u> | <u>17,167,072</u> | <u>5,149,985</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred amount on refunding | 207,022 | - | - |

The accompanying notes are an integral part of this statement.

| <u>Business-Type Activities Enterprise Funds</u> | | <u>Governmental Activities</u> |
|--|-------------------|--------------------------------------|
| <u>Swimming Pool Fund</u> | <u>Total</u> | <u>Internal Service Fund</u> |
| \$ - | \$ 5,076,371 | \$ - |
| - | 320,000 | - |
| - | 1,133,805 | - |
| 6,225 | 19,555,091 | 38,601 |
| - | 4,532,140 | - |
| <u>6,225</u> | <u>30,617,407</u> | <u>38,601</u> |
| 12,687 | 237,526 | - |
| 80,241 | 16,509,655 | - |
| - | 11,222,056 | - |
| - | 8,584,650 | - |
| - | 47,165,927 | - |
| - | 2,642,403 | - |
| 48,525 | 7,505,410 | 446,885 |
| 508,363 | 508,363 | - |
| - | 12,916,318 | - |
| - | 5,830,651 | - |
| (497,849) | (59,563,468) | (301,346) |
| - | 1,721,583 | - |
| <u>151,967</u> | <u>55,281,074</u> | <u>145,539</u> |
| - | 5,472,715 | - |
| - | 457,000 | - |
| - | 5,929,715 | - |
| <u>151,967</u> | <u>61,210,789</u> | <u>-</u> |
| <u>158,192</u> | <u>91,828,196</u> | <u>184,140</u> |
| - | 207,022 | - |

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION (Cont'd.)
PROPRIETARY FUNDS
DECEMBER 31, 2016

| LIABILITIES | Business-Type Activities - Enterprise Funds | | |
|---|---|----------------------------|---|
| | <u>Water Fund</u> | <u>Wastewater Fund</u> | <u>Community Development Fund</u> |
| CURRENT LIABILITIES | | | |
| Accounts payable | \$ 750,147 | \$ 13,034 | \$ 7,761 |
| Accrued payroll | 26,176 | 9,115 | 3,399 |
| Accrued compensated absences | 11,014 | 3,671 | 1,154 |
| Accrued interest payable | 3,418 | 34,989 | - |
| Bonds payable | 425,000 | 234,120 | - |
| TOTAL CURRENT LIABILITIES | 1,215,755 | 294,929 | 12,314 |
| NONCURRENT LIABILITIES | | | |
| Accrued compensated absences | 9,011 | 3,004 | 945 |
| Bonds and notes payable (net of unamortized bond premium) | 3,700,000 | 4,014,811 | - |
| TOTAL NONCURRENT LIABILITIES | 3,709,011 | 4,017,815 | 945 |
| TOTAL LIABILITIES | 4,924,766 | 4,312,744 | 13,259 |
| NET POSITION | | | |
| Net investment in capital assets | 39,942,943 | 7,019,255 | - |
| Unrestricted | 24,692,260 | 5,835,073 | 5,136,726 |
| TOTAL NET POSITION | \$ 64,635,203 | \$ 12,854,328 | \$ 5,136,726 |

Cumulative portion of internal service fund net operating
income attributed to business-type activities

The accompanying notes are an integral part of this statement.

| <u>Business-Type Activities</u> <u>Enterprise Funds</u> | | <u>Governmental</u> <u>Activities</u> |
|--|----------------------|--|
| <u>Swimming</u> <u>Pool Fund</u> | <u>Total</u> | <u>Internal</u> <u>Service</u> <u>Fund</u> |
| \$ 820 | \$ 771,762 | \$ 14,640 |
| - | 38,690 | 10,276 |
| - | 15,839 | 27,545 |
| - | 38,407 | - |
| - | 659,120 | - |
| <u>820</u> | <u>1,523,818</u> | <u>52,461</u> |
| - | 12,960 | 22,537 |
| - | <u>7,714,811</u> | - |
| - | <u>7,727,771</u> | <u>22,537</u> |
| <u>820</u> | <u>9,251,589</u> | <u>74,998</u> |
| 151,967 | 47,114,165 | 184,140 |
| <u>5,405</u> | <u>35,669,464</u> | <u>(74,998)</u> |
| <u>\$ 157,372</u> | <u>82,783,629</u> | <u>\$ 109,142</u> |
| | <u>53,911</u> | |
| | <u>\$ 82,837,540</u> | |

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|---|--|----------------------------|---|
| | <u>Water Fund</u> | <u>Wastewater Fund</u> | <u>Community Development Fund</u> |
| OPERATING REVENUES | | | |
| Charges for services | \$ 7,934,016 | \$ 2,672,325 | \$ 1,204,071 |
| Tap connection fees | 160,406 | 22,944 | - |
| Water lease and other | 7,372 | - | - |
| TOTAL OPERATING REVENUES | <u>8,101,794</u> | <u>2,695,269</u> | <u>1,204,071</u> |
| OPERATING EXPENSES | | | |
| Salaries | 1,406,974 | 485,182 | 153,916 |
| Payroll taxes | 101,029 | 34,060 | 10,734 |
| Pension and benefits | 277,931 | 91,011 | 41,714 |
| Parts and supplies | 720,315 | 178,104 | 19,232 |
| Repairs and maintenance | 470,765 | 176,840 | 3,725 |
| Cost of sales | - | - | 34,505 |
| Uniforms and safety | 14,158 | 6,254 | - |
| Training, education and travel | 21,462 | 7,450 | 4,357 |
| Legal expense | 39,681 | - | 2,892 |
| Outside services | 602,082 | 494,326 | 53,117 |
| Insurance | 54,563 | 17,136 | 5,328 |
| Utilities | 1,060,077 | 298,992 | 7,035 |
| Lease and rental | 8,440 | 600 | 1,558 |
| Water assessment | 493,403 | - | - |
| Depreciation | 2,430,739 | 1,044,914 | - |
| Office expenses | 64,193 | 31,505 | 3,674 |
| TOTAL OPERATING EXPENSES | <u>7,765,812</u> | <u>2,866,374</u> | <u>341,787</u> |
| OPERATING INCOME (LOSS) | <u>335,982</u> | <u>(171,105)</u> | <u>862,284</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 81,027 | 10,966 | - |
| Interest and fiscal charges | (160,457) | (77,506) | - |
| Debt issuance expenses | (56,549) | - | - |
| Operating grant | 55,157 | - | - |
| Loss on disposal of capital assets | (97,831) | - | - |
| TOTAL NONOPERATING REVENUES (EXPENSES) | <u>(178,653)</u> | <u>(66,540)</u> | <u>-</u> |

The accompanying notes are an integral part of this statement.

| Business-Type Activities Enterprise Funds | | Governmental Activities |
|--|-------------------|-----------------------------|
| Swimming Pool Fund | Total | Internal Service Fund |
| \$ 33,867 | \$ 11,844,279 | \$ 958,444 |
| - | 183,350 | - |
| - | 7,372 | - |
| <u>33,867</u> | <u>12,035,001</u> | <u>958,444</u> |
| - | 2,046,072 | 486,260 |
| - | 145,823 | 35,015 |
| - | 410,656 | 135,043 |
| 14,304 | 931,955 | 61,964 |
| - | 651,330 | 21,031 |
| - | 34,505 | - |
| 833 | 21,245 | 8,180 |
| 723 | 33,992 | 12,707 |
| - | 42,573 | - |
| 53,928 | 1,203,453 | 124,474 |
| 1,683 | 78,710 | 7,693 |
| 15,306 | 1,381,410 | 15,309 |
| - | 10,598 | 1,415 |
| - | 493,403 | - |
| 16,632 | 3,492,285 | 39,631 |
| - | 99,372 | 30,914 |
| <u>103,409</u> | <u>11,077,382</u> | <u>979,636</u> |
| <u>(69,542)</u> | <u>957,619</u> | <u>(21,192)</u> |
| - | 91,993 | - |
| - | (237,963) | - |
| - | (56,549) | - |
| - | 55,157 | - |
| - | (97,831) | - |
| <u>-</u> | <u>(245,193)</u> | <u>-</u> |

Cont'd.

PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (Cont'd.)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|---|--|----------------------------|---|
| | <u>Water Fund</u> | <u>Wastewater Fund</u> | <u>Community Development Fund</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | \$ 157,329 | \$ (237,645) | \$ 862,284 |
| Capital contributions | 1,296,863 | 103,572 | - |
| Transfers in | 306,729 | - | - |
| Transfers out | <u>-</u> | <u>-</u> | <u>(472,000)</u> |
| CHANGES IN NET POSITION | 1,760,921 | (134,073) | 390,284 |
| TOTAL NET POSITION, January 1 | <u>62,874,282</u> | <u>12,988,401</u> | <u>4,746,442</u> |
| TOTAL NET POSITION, December 31 | <u>\$ 64,635,203</u> | <u>\$ 12,854,328</u> | <u>\$ 5,136,726</u> |

Operating loss from internal service fund
attributed to business-type activities

Change in net position

The accompanying notes are an integral part of this statement.

| <u>Business-Type Activities</u> <u>Enterprise Funds</u> | | <u>Governmental</u> <u>Activities</u> |
|--|------------------|--|
| <u>Swimming</u> <u>Pool Fund</u> | <u>Total</u> | <u>Internal</u> <u>Service</u> <u>Fund</u> |
| \$ (69,542) | \$ 712,426 | \$ (21,192) |
| 7,482 | 1,407,917 | - |
| 30,000 | 336,729 | - |
| <u>-</u> | <u>(472,000)</u> | <u>-</u> |
| (32,060) | 1,985,072 | (21,192) |
| <u>189,432</u> | - | <u>130,334</u> |
| <u>\$ 157,372</u> | - | <u>\$ 109,142</u> |

(13,746)

\$ 1,971,326

**PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

| | Business-Type Activities - Enterprise Funds | | |
|--|---|--------------------|----------------------------------|
| | Water Fund | Wastewater Fund | Community Development Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 8,039,084 | \$ 2,679,031 | \$ 1,203,793 |
| Cash paid for goods and services | (3,478,761) | (1,363,737) | (237,131) |
| Cash paid to employees | (1,400,727) | (482,892) | (152,203) |
| Receipts for interfund services | - | - | - |
| Payments for interfund services | <u>(2,739,365)</u> | <u>(402,517)</u> | <u>(342,459)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>420,231</u> | <u>429,885</u> | <u>472,000</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in | 306,729 | - | - |
| Transfers out | <u>-</u> | <u>-</u> | <u>(472,000)</u> |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>306,729</u> | <u>-</u> | <u>(472,000)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Capital contributions | 1,296,863 | 103,572 | - |
| Acquisition and construction of capital assets | (654,141) | (221,898) | - |
| Issuance of bonds payable | 4,565,000 | - | - |
| Principal paid on bonds and notes payable | (5,530,000) | (234,120) | - |
| Interest and fiscal charges paid on bonds and notes payable | (178,979) | (88,405) | - |
| Acquisition of notes receivable | <u>(306,729)</u> | <u>-</u> | <u>-</u> |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(807,986)</u> | <u>(440,851)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of certificate of deposit | - | (320,000) | - |
| Investment earnings | <u>81,027</u> | <u>10,966</u> | <u>-</u> |
| NET CASH PROVIDED BY (USED) IN INVESTING ACTIVITIES | <u>81,027</u> | <u>(309,034)</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 1 | (320,000) | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>5,076,370</u> | <u>320,000</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 5,076,371</u> | <u>\$ -</u> | <u>\$ -</u> |

The accompanying notes are an integral part of this statement.

| Business-Type Activities Enterprise Funds | | Governmental Activities |
|--|---------------------|-----------------------------|
| Swimming Pool Fund | Total | Internal Service Fund |
| \$ 33,867 | \$ 11,955,775 | \$ 959,328 |
| (86,764) | (5,166,393) | (460,634) |
| - | (2,035,822) | (491,711) |
| 22,897 | 22,897 | 3,925 |
| - | (3,484,341) | - |
| <u>(30,000)</u> | <u>1,292,116</u> | <u>10,908</u> |
| 30,000 | 336,729 | - |
| - | (472,000) | - |
| <u>30,000</u> | <u>(135,271)</u> | <u>-</u> |
| - | 1,400,435 | - |
| - | (876,039) | - |
| - | 4,565,000 | - |
| - | (5,764,120) | - |
| - | (267,384) | - |
| - | (306,729) | - |
| <u>-</u> | <u>(1,248,837)</u> | <u>-</u> |
| - | (320,000) | - |
| - | 91,993 | - |
| <u>-</u> | <u>(228,007)</u> | <u>-</u> |
| - | (319,999) | - |
| <u>-</u> | <u>5,396,370</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ 5,076,371</u> | <u>\$ -</u> |

Cont'd.

**PUEBLO WEST METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS (Cont'd.)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

| | Business-Type Activities - Enterprise Funds | | |
|--|---|--------------------|----------------------------------|
| | Water Fund | Wastewater Fund | Community Development Fund |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 335,982 | \$ (171,105) | \$ 862,284 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities - | | | |
| Depreciation | 2,430,739 | 1,044,914 | - |
| Loss on disposal of capital assets | (97,831) | - | - |
| Change in assets and liabilities - | | | |
| Accounts receivable | (62,710) | (16,238) | (278) |
| Due from general fund | (2,739,365) | (402,517) | (342,459) |
| Prepaid expenses | 146 | 49 | 24 |
| Inventories | 26,714 | 6,121 | (53,312) |
| Accounts payable | 520,309 | (33,629) | 4,028 |
| Accrued expenses | 6,247 | 2,290 | 1,713 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 420,231 | \$ 429,885 | \$ 472,000 |
| SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | |
| Contributions of capital assets | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of this statement.

| <u>Business-Type Activities - Enterprise Funds</u> | | <u>Governmental Activities</u> |
|--|---------------------|--------------------------------------|
| <u>Swimming Pool Fund</u> | <u>Total</u> | <u>Internal Service Fund</u> |
| \$ (69,542) | \$ 957,619 | \$ (21,192) |
| 16,633 | 3,492,286 | 39,631 |
| - | (97,831) | - |
| - | (79,226) | 884 |
| 22,897 | (3,461,444) | 3,925 |
| - | 219 | 74 |
| - | (20,477) | - |
| 12 | 490,720 | (6,963) |
| - | 10,250 | (5,451) |
| <u>\$ (30,000)</u> | <u>\$ 1,292,116</u> | <u>\$ 10,908</u> |
| <u>\$ 7,482</u> | <u>\$ 7,482</u> | <u>\$ -</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pueblo West Metropolitan District (the District) operates as a special district under the laws of the state of Colorado and is governed by an elected five member board of directors. The District provides the following services as allowed for special districts: streets and roads, fire protection, engineering, parks and recreation, water and sanitation, and general administrative services.

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting standards and financial accounting principles. The more significant accounting and reporting principles and practices used by the District are described below:

A. REPORTING ENTITY

As noted above, the District is a special district under Colorado law and operates with an elected five member board of directors. In defining the reporting entity for financial reporting purposes, management has considered the inclusion of potential component units in the District's reporting entity by applying criteria outlined by generally accepted accounting principles. As such, oversight responsibility is determined by selection of governing authority, ability to significantly influence operations, potential for providing specific financial benefits or impose specific financial burdens, fiscal dependency, and whether exclusion of a potential component unit would be misleading. Based on the above, the District's reporting entity does not include any component units as defined by generally accepted accounting principles.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule include charges between the business-type activities/enterprise funds and the general fund. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or activity. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or activity; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, specific ownership and other taxes, or other unrestricted revenues.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fund financial statements for the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied, while grants and similar items are recognized as revenue when all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, franchise and other taxes, grant and entitlement revenues, interest and charges for services are considered revenues susceptible to accrual. Contributions and miscellaneous revenue are recorded as revenues when received in cash because they are not generally measurable until that time. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Business-type activities and all proprietary funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, if any, liabilities and deferred inflows of revenues, if any, associated with the operation of these activities and funds are included on the statement of net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operation. The principal operating revenues of the District's water utility, wastewater utility, community development and swimming pool activity are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GOVERNMENTAL FUNDS

The District reports the following major governmental funds:

- The general fund is the primary operating fund of the District and is always classified as a major fund. The general fund is used to account for all financial resources of the District except those required to be accounted for in a separate fund. Major revenue sources include property taxes, specific ownership taxes and franchise taxes. Primary expenditures include general government, fire protection, engineering, parks and recreation and streets and roads.
- The conservation trust is a special revenue fund used to account for funds received from the Colorado Lottery. As stipulated by law, expenditures are limited to parks and recreation activities.
- The parks donation fund is a special revenue fund used to account for contributions received for park projects and activities.
- The capital projects fund is used to account for major capital outlays. Funds are generally provided by intergovernmental revenue, along with transfers from other funds.

PROPRIETARY FUNDS

The following is a description of the major proprietary funds of the District:

- The water fund accounts for the operations of the District's water utility. Activities of the fund include administration, operation and maintenance of the water system, along with the accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

- The wastewater fund accounts for the operations of the District's wastewater utility. Activities of the fund include administration, operations and maintenance of the wastewater system, along with the accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.
- The community development fund was created January 1, 2013 and was the result of a combination of the previously reported land sales fund and committee of architecture fund. The community development fund accounts for revenues received from the sale of District-owned property acquired in 1992 from MCO Properties, Inc. and also accounts for the activities associated with the maintenance of high standards of architecture and construction, together with the enhancement of the aesthetic properties and structural soundness of the subdivided lands within the District's recorded tracts. Activities include administration and costs of sales for properties sold and these costs are financed by charges to customers.
- The swimming pool fund accounts for the operations of the District's swimming pool. Activities include administration and operation and maintenance with costs financed through charges to customers and a transfer from the general fund.

OTHER FUND TYPES

The District reports the following other fund types:

- The internal service fund is used to account for the financing of goods or services provided by one department of the District to other departments of the District, generally on a cost reimbursement basis. The internal service fund of the District provides fleet and facility maintenance and information technology services to other District departments.

D. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, along with interest and non-interest bearing demand deposits. Investments include local government investment pools.

In accordance with generally accepted accounting principles, the District records certain investments, if held by the District, at fair value with any related unrealized gain or loss included as part of investment income.

The District's funds held at the local government investment pool (Colorado Surplus Asset Trust Fund aka CSAFE) are reported at cost as allowed under generally accepted accounting principles. CSAFE is an external investment pool that is not registered with the SEC as an investment company but has policies that they will and do operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value in computing share prices if certain conditions are met. The regulatory oversight for the CSAFE investment pool rests with the Colorado Securities Commission. CSAFE does not limit the District in any way by imposing restrictions on withdrawals, nor does CSAFE have the authority to impose liquidity fees or redemption gates.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

E. CASH EQUIVALENTS

For purposes of the statement of cash flows, the District considers cash and cash equivalents to be cash on hand together with demand deposits.

F. PROPERTY TAX REVENUES

Property taxes were levied on December 15, 2016 based on the assessed value of property as certified by the County Assessor by the previous October 10. Assessed values are a percentage of actual values. A reevaluation of all property must be made every two years. The last reevaluation date was January 1, 2016 for the 2014 base year specified by state law.

The taxes levied on December 15, 2016 reflect 2016 property taxes that will be collected in 2017 by the Pueblo County Treasurer. Taxes collected by the Treasurer are remitted to the District on a monthly basis. These taxes are due January 2, 2017 and may be paid in two installments (February 28 and June 15) or they may be paid in full April 30. Taxes not paid in accordance with this schedule accrue interest and penalty charges and are subject to liens if not paid by November, 2017.

G. INTERFUND RECEIVABLES/PAYABLE

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" and "due to other funds" in the fund financial statements. The due from general fund reflects individual fund claims on the cash, certificates of deposit, and investments of the general fund. In addition, investment revenue is allocated to certain funds based on their average claim outstanding.

H. INVENTORIES

Inventories in the water and wastewater enterprise funds are recorded at cost (first-in, first-out basis) and consist of parts and expendable supplies. Land inventory in the community development enterprise fund is recorded at estimated fair value at the date of contribution to the District. Inventories are capitalized under the consumption method whereby expenditures are capitalized as inventory until used or sold.

I. PREPAID ITEMS

Prepaid items represent payments made for expenditures to be charged to a future accounting period and are capitalized under the consumption method.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

J. CAPITAL ASSETS

Capital assets, which include land, intangible assets, buildings, infrastructure, other improvements, machinery and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization level was established at \$5,000 generally while no capitalization threshold was established for infrastructure. Infrastructure is capitalized only if the outlay meets the criteria established for capitalization which includes (1) increasing the capacity or operating efficiency or (2) extending the useful life of the asset. These levels were set so as to maintain a balance between accountability and managing the costs of recording and tracking these assets. Capital assets are defined as assets with an initial individual cost or estimated cost that equals or exceeds the limits identified above and have a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at acquired value at the time received. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed when material. During the year ended December 31, 2016, no interest was capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|-------------------------|------------------------------------|-------------------------------------|
| Buildings | 5-50 | 5-50 |
| Improvements | 10-50 | - |
| Intangibles | - | 34 |
| Infrastructure - | | |
| Roads | 50 | - |
| Signal light | 20 | - |
| Water system | - | 10-50 |
| Wastewater system | - | 10-40 |
| Machinery and equipment | 5-15 | 3-10 |

K. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees are allowed to accumulate these benefits up to predetermined maximums and are compensated for these accumulated benefits either through paid time off or at termination or retirement.

Accumulated vacation and sick leave is accrued when earned in the government-wide and the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

L. LONG-TERM LIABILITIES

In the government-wide financial statements and the fund financial statements for the proprietary funds, long-term debt and other similar long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as bond insurance costs, if any, are deferred and amortized over the life of the obligation using the interest method. Other bond issue costs are recognized in the current period.

In the governmental fund financial statements, bond premium and discounts, as well as bond issue costs, are recognized during the current period. The face amount of the debt issue, along with the related discount or premium, if any, is reported as other financing sources while debt issue costs are reported as debt service expenditures.

M. PENSIONS

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of revenues related to pensions, and pension expense, information about the fiduciary net position of the Fire and Police Pension Association statewide defined benefit pension plan (FPPA plan) and additions to/deductions from the FPPA plan's fiduciary net position have been determined on the same basis as they are reported by FPPA's plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. FUND EQUITY

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for the District's governmental funds consist of the following:

- Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, long-term notes receivable and fund advances, if any.
- Restricted – includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.
- Committed – includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the board of directors. Commitments may be modified or changed only by the board of directors approving a new resolution.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

- Assigned – includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District Manager and the Director of Finance to which assigned amounts are to be used for specific purposes based on the passage of a resolution of the board of directors. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.
- Unassigned – includes amounts that do not meet any of the above criteria. The District reports positive unassigned fund balances only in the general fund and negative unassigned fund balances may be reported in all funds.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

In the government-wide financial statements and proprietary fund financial statements, equity is classified as net position and displayed in the following categories:

- Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – consists of net position with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for net position use, it is the District's policy to use restricted resources first and then use unrestricted resources as they are needed.

O. INTERFUND TRANSACTIONS

Interfund 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 a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

P. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY PRINCIPLES

The District adheres to the following procedures in establishing its budgets.

On or before October 15 of each year, the district manager submits to the Board of Directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. The District adopts budgets for all funds and the District uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets for all funds. In addition, appropriations lapse at the end of the year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The Board of Directors may amend the original adopted budget during the year by passing a new resolution to reflect current needs and during 2016 the expenditure estimates for certain but not all funds were amended.

For each legally adopted annual operating budget, budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed total appropriations for that fund.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is not employed in the formal budgetary process.

III. DETAILED NOTES FOR ALL FUNDS

A. CASH, CERTIFICATES OF DEPOSIT AND INVESTMENTS

Cash, certificates of deposit and investments are summarized as follows:

| | |
|---|-------------------------|
| Cash on hand | \$ 1,225 |
| Demand deposits | <u>11,709,885</u> |
| | <u>\$ 11,711,110</u> |
| Certificates of deposit, including restricted certificates of deposit totaling \$320,000 | <u>\$ 7,545,038</u> |
| Investments – | |
| ColoTrust local government investment pool | \$ 8,415,746 |
| CSAFE local government investment pool | <u>1,000,240</u> |
| | <u>\$ 9,415,986</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

DEPOSITS

At December 31, 2016, the carrying amount of the District's deposits, including certificates of deposit, was \$19,254,923 and the bank balance was \$19,416,252. Of the bank balance, \$1,497,571 was covered by federal depository insurance and \$17,918,681 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The market value of the collateral that each institution pledges as security must be equal to at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. At December 31, 2016, deposits with a bank balance of \$17,918,681 are uninsured but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution's agent in the District's name.

INVESTMENTS

The District is subject to the provisions of Colorado Revised Statutes 24-75-601 which are entitled "Concerning Investment in Securities by Public Entities". This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. Government and agency securities, certain bonds of political subdivisions, bankers acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed investment contracts and U.S. dollar-denominated corporate or bank debt. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

As of December 31, 2016, the District has the following investments and maturities:

| <u>Investment Type</u> | Carrying Value Amortized Cost | Fair Value | Investment Maturity (in years) Less Than 1 |
|--|--|---------------------|---|
| CSAFE local government investment pool | \$ 1,000,240 | \$ 1,000,240 | \$ 1,000,240 |
| ColoTrust local government investment pool | - | 8,415,746 | 8,415,746 |
| | <u>\$ 1,000,240</u> | <u>\$ 9,415,986</u> | <u>\$ 9,415,986</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – State law provides that local government investment pools may only invest in securities in which all participating local governments may individually invest. The District has no investment policy that would further limit its investment choices. As of December 31, 2016, the District's investment in Colo Trust and CSAFE is rated AAAM by Standard and Poor's and Moody's.

The District categorizes, if applicable, its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements as of December 31, 2016 consist of the District's Colo Trust holdings and are not subject to the fair value hierarchy disclosures as outlined under generally accepted accounting principles.

B. RECEIVABLES

Receivables at December 31, 2016 consist of the following

| | Governmental Activities | | | | | <u>Total</u> |
|--|-------------------------|--|------------------------------------|--------------------------------------|--------------------------------------|---------------------|
| | <u>General Fund</u> | <u>Conservation Trust Fund</u> | <u>Parks Donation Fund</u> | <u>Capital Projects Fund</u> | <u>Internal Service Fund</u> | |
| Taxes – | | | | | | |
| Property Specific ownership | \$ 4,595,449 | \$ - | \$ - | \$ - | \$ - | \$ 4,595,449 |
| Franchise | 28,852 | - | - | - | - | 28,852 |
| Marijuana | 36,362 | - | - | - | - | 36,362 |
| Interest | 4,702 | - | - | - | - | 4,702 |
| Accounts | 4,554 | - | - | - | - | 4,554 |
| Other governments | 112,350 | - | - | - | - | 112,350 |
| | 108,721 | - | - | - | - | 108,721 |
| | 4,890,990 | - | - | - | - | 4,890,990 |
| Less: allowance for uncollectible accounts | - | - | - | - | - | - |
| | <u>\$ 4,890,990</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,890,990</u> |

The property taxes receivable noted above is reported as a deferred inflow of resources in both the statement of net position and the governmental funds balance sheet as it represents taxes levied for a future period.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

| | Business-Type Activities | | | | Total |
|---|--------------------------|--------------------|----------------------------------|--------------------------|---------------------|
| | Water Fund | Wastewater Fund | Community Development Fund | Swimming Pool Fund | |
| Accounts | \$ 762,853 | \$ 399,874 | \$ 5,895 | \$ - | \$ 1,168,622 |
| Notes | <u>5,472,715</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,472,715</u> |
| | 6,235,568 | 399,874 | 5,895 | - | 6,641,337 |
| Less: allowance for uncollectible accounts | <u>(30,000)</u> | <u>(4,817)</u> | <u>-</u> | <u>-</u> | <u>(34,817)</u> |
| | <u>\$ 6,205,568</u> | <u>\$ 395,057</u> | <u>\$ 5,895</u> | <u>\$ -</u> | <u>\$ 6,606,520</u> |
| Amounts not scheduled for collection during the subsequent year | <u>\$ 5,472,715</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,472,715</u> |

The notes receivable reported above are the result of an intergovernmental agreement with the County of Pueblo, Colorado (the County) related to the acquisition of and operation of Desert Hawk golf course at Pueblo West. The golf course is considered an activity of the County and, in accordance with the agreement, the District advanced \$1,450,000 towards the purchase of the golf course with \$170,000 of this advance considered a non-interest bearing loan and the remaining \$1,280,000 considered an irrevocable option to acquire the title to all or some of the additional properties identified in the agreement. Since finalizing the intergovernmental agreement with the County, the District has exercised its option to acquire certain of the identified properties totaling \$823,000, thus reducing the option balance to \$457,000 at December 31, 2016. This amount is reported with other assets in the government-wide statement of net position. The agreement also provides that the charges for untreated water provided by the District to the golf course until January 1, 2011 that are not covered by the annual revenues of the golf course shall be treated as non-interest bearing loans. The District is also required to annually advance, beginning in 2001, 50% of all cash disbursements in excess of revenues that will also be considered non-interest bearing loans. This provision was changed for the calendar year 2005 going forward such that the District would fund one-half of the annual debt service requirements, along with certain other modifications. Repayment of all of these notes and advances is solely from the excess revenues over cash disbursements of the golf course and is limited to \$500,000 per year.

A summary of the notes receivable/other assets under this agreement at December 31, 2016 is as follows:

| | |
|--|---------------------|
| Non-interest bearing note receivable for operating/debt service subsidy | \$ 3,937,887 |
| Non-interest bearing note receivable for acquisition of capital assets/other items | 255,000 |
| Non-interest bearing note receivable for water provided | <u>1,279,828</u> |
| | 5,472,715 |
| Option to acquire land | <u>457,000</u> |
| | <u>\$ 5,929,715</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

C. INTERFUND RECEIVABLES/PAYABLES/TRANSFERS

The following interfund receivables and payables are included in the fund financial statements at December 31, 2016:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|----------------------------|---------------------------------|------------------------------|
| Governmental funds – | | |
| General fund | \$ - | \$ 20,184,508 |
| Conservation trust | 419,560 | - |
| Parks donation fund | 23,078 | - |
| Capital projects fund | <u>148,178</u> | <u>-</u> |
| | <u>590,816</u> | <u>20,184,508</u> |
| Enterprise funds – | | |
| Water fund | 13,547,095 | - |
| Wastewater fund | 5,176,618 | - |
| Community development fund | 825,153 | - |
| Swimming pool fund | <u>6,225</u> | <u>-</u> |
| | <u>19,955,091</u> | <u>-</u> |
| Internal service fund | <u>38,601</u> | <u>-</u> |
| | <u>\$ 20,184,508</u> | <u>\$ 20,184,508</u> |

The amounts reported as due from other funds and due to other funds are reflective of the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. All amounts reflected as due from other funds are expected to be collected in the subsequent year.

Transfers for the year ended December 31, 2016 are as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|----------------------------|---------------------|----------------------|
| Governmental funds – | | |
| General fund | \$ - | \$ 366,729 |
| Conservation trust fund | 85,000 | - |
| Capital projects fund | <u>502,000</u> | <u>85,000</u> |
| Total governmental funds | <u>587,000</u> | <u>451,729</u> |
| Enterprise funds – | | |
| Water fund | 306,729 | - |
| Community development fund | - | 472,000 |
| Swimming pool fund | <u>30,000</u> | <u>-</u> |
| Total enterprise funds | <u>336,729</u> | <u>472,000</u> |
| | <u>\$ 923,729</u> | <u>\$ 923,729</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

The transfer from the community development to the capital projects fund totaling \$472,000 reflects the fund's share of the capital outlay costs reported in the capital projects fund. The transfer of \$306,729 from the general fund to the water fund represents the effect of the debt service subsidy provided to the County under the intergovernmental agreement as described in Note III (B). The transfer of \$30,000 from the general fund to the swimming pool fund represents an operating subsidy. The transfer of \$85,000 from the capital projects fund to the conservation trust fund represents the fund's share of the expenditures reported in the conservation trust fund. Finally, the transfer of \$30,000 from the general fund to the capital projects fund reflects the fund's share of the capital projects fund expenditures.

D. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2016 was as follows:

| | Balance January 1, <u>2016</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2016</u> |
|--|--------------------------------------|---------------------|---------------------|--|
| Governmental activities – | | | | |
| Nondepreciable assets – | | | | |
| Land | \$ 3,633,625 | \$ - | \$ - | \$ 3,633,625 |
| Construction in progress | <u>760,994</u> | <u>180,369</u> | <u>(386,734)</u> | <u>554,629</u> |
| Total capital assets not being depreciated | <u>4,394,619</u> | <u>180,369</u> | <u>(386,734)</u> | <u>4,188,254</u> |
| Depreciable assets – | | | | |
| Buildings | 3,671,546 | 109,230 | - | 3,780,776 |
| Improvements | 3,794,402 | 316,308 | - | 4,110,710 |
| Infrastructure | 423,148 | - | - | 423,148 |
| Machinery and equipment | <u>6,002,390</u> | <u>1,263,505</u> | <u>(78,109)</u> | <u>7,187,786</u> |
| Total capital assets being depreciated | <u>13,891,486</u> | <u>1,689,043</u> | <u>(78,109)</u> | <u>15,502,420</u> |
| Less: accumulated depreciation for – | | | | |
| Buildings | (1,025,527) | (85,963) | - | (1,111,490) |
| Improvements | (1,051,539) | (204,278) | - | (1,255,817) |
| Infrastructure | (290,598) | (13,284) | - | (303,882) |
| Machinery and equipment | <u>(4,270,168)</u> | <u>(345,607)</u> | <u>77,372</u> | <u>(4,538,403)</u> |
| Total accumulated depreciation | <u>(6,637,832)</u> | <u>(649,132)</u> | <u>77,372</u> | <u>(7,209,592)</u> |
| Capital assets being depreciated, net | <u>7,253,654</u> | <u>1,039,911</u> | <u>(737)</u> | <u>8,292,828</u> |
| Total governmental activities capital assets, net | <u>\$ 11,648,273</u> | <u>\$ 1,220,280</u> | <u>\$ (387,471)</u> | <u>\$ 12,481,082</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

| | Balance January 1, <u>2016</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2016</u> |
|---|--------------------------------------|---------------------|-----------------------|--|
| Business-type activities – | | | | |
| Nondepreciable assets – | | | | |
| Land | \$ 217,020 | \$ 20,506 | \$ - | \$ 237,526 |
| Construction in progress | 9,592,423 | 529,174 | (8,400,014) | 1,721,583 |
| Intangible assets – | | | | |
| Water rights | <u>12,916,318</u> | <u>-</u> | <u>-</u> | <u>12,916,318</u> |
| Total capital assets not being depreciated | <u>22,725,761</u> | <u>549,680</u> | <u>(8,400,014)</u> | <u>14,875,427</u> |
| Depreciable assets – | | | | |
| Buildings | 28,203,332 | 57,248 | (20,506) | 28,240,074 |
| Infrastructure | 55,940,453 | 2,452,526 | - | 58,392,979 |
| Machinery and equipment | 7,091,476 | 413,934 | - | 7,505,410 |
| Intangible asset – | | | | |
| Southern delivery system | <u>-</u> | <u>5,830,651</u> | <u>-</u> | <u>5,830,651</u> |
| Total capital assets being depreciated | <u>91,235,261</u> | <u>8,754,359</u> | <u>(20,506)</u> | <u>99,969,114</u> |
| Less: accumulated depreciation for – | | | | |
| Buildings | (16,153,238) | (1,065,459) | - | (17,218,697) |
| Infrastructure | (37,417,189) | (1,855,878) | - | (39,273,067) |
| Machinery and equipment | (2,500,756) | (399,458) | - | (2,900,214) |
| Intangible asset – | | | | |
| Southern delivery system | <u>-</u> | <u>(171,490)</u> | <u>-</u> | <u>(171,490)</u> |
| Total accumulated depreciation | <u>(56,071,183)</u> | <u>(3,492,285)</u> | <u>-</u> | <u>(59,563,468)</u> |
| Capital assets being depreciated, net | <u>35,164,078</u> | <u>5,262,074</u> | <u>(20,506)</u> | <u>40,405,646</u> |
| Total business-type activities capital assets, net | <u>\$ 57,889,839</u> | <u>\$ 5,811,754</u> | <u>\$ (8,420,520)</u> | <u>\$ 55,281,073</u> |

The amount reported above for the southern delivery system represents the District's beneficial interest in Colorado Springs Utilities southern delivery system water project. The construction of the project was completed in 2016 with an in service date of April, 2016. The District will continue to incur ongoing operating costs.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

Depreciation expense was charged to functions/programs as follows:

| | | |
|----------------------------|-----------|------------------|
| Governmental activities – | | |
| General government | \$ | 29,682 |
| Fire protection | | 186,996 |
| Engineering | | 24,591 |
| Parks and recreation | | 230,236 |
| Streets and roads | | <u>177,627</u> |
| | <u>\$</u> | <u>649,132</u> |
| Business-type activities – | | |
| Water fund | \$ | 2,430,739 |
| Wastewater fund | | 1,044,914 |
| Swimming pool fund | | <u>16,632</u> |
| | <u>\$</u> | <u>3,492,285</u> |

E. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities in the government-wide financial statements for the year ended December 31, 2016:

| | Balance January 1, <u>2016</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2016</u> | Due Within <u>One Year</u> |
|-----------------------------------|--------------------------------------|---------------------|---------------------|--|----------------------------------|
| Governmental activities | | | | | |
| Obligation under capital lease | \$ - | \$ 914,192 | \$ (146,732) | \$ 767,460 | \$ 178,955 |
| Compensated absences | <u>134,429</u> | <u>335,505</u> | <u>(347,458)</u> | <u>122,476</u> | <u>67,363</u> |
| Total governmental activities | <u>\$ 134,429</u> | <u>\$ 1,249,697</u> | <u>\$ (494,190)</u> | <u>\$ 889,936</u> | <u>\$ 246,318</u> |

The liability for the obligation under capital lease is serviced by the general fund, while the compensated absences liability is serviced by the general fund and the internal service fund.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

| | Balance January 1, <u>2016</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2016</u> | Due Within <u>One Year</u> |
|--|--------------------------------------|-------------------------|---------------------------|--|----------------------------------|
| Business-type activities | | | | | |
| Revenue bonds – | | | | | |
| Water and waste- water refunding revenue, series 2005 | \$ 5,090,000 | \$ - | \$ (5,090,000) | \$ - | \$ - |
| Unamortized premium | 11,891 | - | (11,891) | - | - |
| Water and wastewater refunding revenue, series 2016 | - | 4,565,00 | (440,000) | 4,125,000 | 425,000 |
| Note payable – | | | | | |
| Clean water series 2011A | 4,348,779 | - | (234,120) | 4,114,659 | 234,120 |
| Unamortized premium | 143,325 | - | (9,052) | 134,273 | - |
| Compensated absences | <u>32,719</u> | <u>188,498</u> | <u>(192,418)</u> | <u>28,799</u> | <u>15,839</u> |
| Total business-type activities | <u>\$ 9,626,714</u> | <u>\$ 4,753,498</u> | <u>\$ (5,977,481)</u> | <u>\$ 8,402,731</u> | <u>\$ 674,959</u> |

The water and wastewater refunding series 2016 bonds are serviced by the District's water fund; the clean water series 2011A note payable is serviced by the District's wastewater fund and the compensated absences liability is serviced by the water, wastewater and community development funds.

The following is a description of each individual issue for the governmental activities:

Obligation Under Capital Lease

\$914,192 obligation under capital lease; interest rate of 1.8%; due in monthly installments of \$15,941 through February, 2021; obligation is subject to annual appropriation

\$ 767,460

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

The debt service requirements for the obligation under capital lease are as follows:

| <u>Year ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|-------------------|------------------|-------------------|
| 2017 | \$ 178,955 | \$ 12,343 | \$ 191,298 |
| 2018 | 182,203 | 9,095 | 191,298 |
| 2019 | 185,510 | 5,788 | 191,298 |
| 2020 | 188,877 | 2,421 | 191,298 |
| 2021 | 31,915 | 48 | 31,963 |
| | <u>\$ 767,460</u> | <u>\$ 29,695</u> | <u>\$ 797,155</u> |

The carrying value of the asset that was acquired as a result of this obligation under capital lease was \$889,979 at December 31, 2016.

The following is a description of each individual issue for the business-type activities:

Revenue

\$4,565,000 series 2016 water and wastewater revenue refunding bonds; interest rate of 1.89%; due in semi-annual installments including principal and interest ranging from \$499,887 to \$504,9030 through December, 2025 \$ 4,125,000

Note

\$5,232,582 clean water note payable series 2011A with Colorado Water Resources and Power Development Authority; interest rate of 2.23%; due in annual installments including principal, interest and administrative fees ranging from \$313,023 to \$322,524 through August, 2032 4,114,659

Total business-type activities \$ 8,239,659

The debt service requirements for the revenue bonds and note payable are as follows:

| <u>Year ending December 31,</u> | <u>Revenue Bonds</u> | | |
|---------------------------------|----------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2017 | \$ 425,000 | \$ 77,963 | \$ 502,963 |
| 2018 | 435,000 | 69,930 | 504,930 |
| 2019 | 440,000 | 61,708 | 501,708 |
| 2020 | 450,000 | 53,393 | 503,393 |
| 2021 | 455,000 | 44,887 | 499,887 |
| 2022-2025 | 1,920,000 | 91,665 | 2,011,665 |
| | <u>\$ 4,125,000</u> | <u>\$ 399,546</u> | <u>\$ 4,524,546</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

| <u>Year ending December 31,</u> | Note Payable | | |
|---------------------------------|---------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2017 | \$ 234,120 | \$ 46,717 | \$ 280,837 |
| 2018 | 239,973 | 42,799 | 282,772 |
| 2019 | 239,973 | 40,827 | 280,800 |
| 2020 | 245,826 | 37,789 | 283,615 |
| 2021 | 245,826 | 35,036 | 280,862 |
| 2022-2026 | 1,258,395 | 141,209 | 1,399,604 |
| 2027-2031 | 1,346,190 | 74,596 | 1,420,786 |
| 2032 | 304,356 | 3,880 | 308,236 |
| | <u>\$ 4,114,659</u> | <u>\$ 422,853</u> | <u>\$ 4,537,512</u> |

The above-described series 2016 revenue refunding bonds and clean water series 2011A note payable are secured by the irrevocable first lien on the net revenues of the District's water and wastewater enterprise funds. The loan agreement requires the establishment of a reserve fund equal to three months of operating expenses excluding depreciation. The required reserve has been established in accordance with the loan agreement. The series 2016 refunding bonds and the clean water series 2011A note payable do not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision or limitation, nor are they considered or held to be general obligations of the District.

On April 5, 2016, the District issued \$4,565,000 of water and wastewater refunding bonds with an interest rate of 1.89% to currently refund \$5,090,000 of outstanding series 2005 water and wastewater refunding bonds with an average interest rate of 4.09%. The net proceeds of \$4,508,451 (after payment of \$56,549 of issue costs) plus an additional \$653,280 were used to liquidate the balance due on the series 2005 bonds.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$230,024. This difference, reported in the accompanying financial statements of the water enterprise fund and the statement of net position as a deferred outflow of resources on refunding, is being charged to operations through the year 2025 using the effective interest method. The District completed the current refunding to reduce its total debt service payments over the next 9 years by \$1,379,302 and to obtain an economic gain (difference between the percent value of the old and new debt service payments) of \$562,597.

F. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

FPPA's statewide defined benefit pension plans (FPPA plan) is a cost-sharing multiple-employer defined benefit pension plan. The FPPA plan is administered by the Fire and Police Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained from FPPA's website at <http://www.fppaco.org>.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefits earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the FPPA plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

The FPPA plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the FPPA plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the FPPA plan and their employers contribute at the rate of 8.5 percent and 8.0 percent, respectively, of base salary for a total contribution rate of 16.5 percent beginning in 2015. In 2014, the members elected to increase the member contribution rate to the FPPA plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary beginning in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Based on the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

The contribution rate for members and employers of affiliated social security employers is 4.25 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.25 percent beginning in 2015. Based on the 2014 member election, members of the affiliated social security group will have their required contribution rate increased 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the pension plan from the District were \$81,578 for the year ended December 31, 2016.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the District reported an asset of \$3,484 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total net pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. The District's proportion of the net pension asset was based on the District's share of contributions to the FPPA Plan for the calendar year 2015 relative to the total contributions of participating employers to the FPPA Plan.

At December 31, 2015, the District's proportion was 0.198 percent, which was a decrease of 0.007 percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the District recognized pension expense of \$57,009. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ - | \$ 4,114 |
| Net difference between projected and actual earnings on pension plan investments | 177,330 | - |
| Difference between actual and expected experience | 28,179 | - |
| Changes in assumptions | 54,728 | - |
| Changes in proportionate share | 8,314 | - |
| Differences between contributions recognized and proportionate share of contributions | (47) | - |
| Contributions subsequent to the measurement date | <u>81,578</u> | <u>-</u> |
| | <u>\$ 350,082</u> | <u>\$ 4,114</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

\$81,578 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement rate will be recognized as an increase in the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| | |
|-------------------------|-------------------|
| Year Ended December 31, | |
| 2017 | \$ 54,851 |
| 2018 | 54,851 |
| 2019 | 54,851 |
| 2020 | 50,453 |
| 2021 | 9,422 |
| Thereafter | <u>39,962</u> |
| | <u>\$ 264,390</u> |

Actuarial assumptions

The actuarial valuations for the FPPA Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

| <u>Asset Class</u> | <u>Total Pension Liability</u> | <u>Actuarially Determined Contributions</u> |
|--------------------------------------|--------------------------------|---|
| Actuarial valuation date | January 1, 2016 | January 1, 2015 |
| Actuarial method | Entry age normal | Entry age normal |
| Amortization method | Level % of payroll, open | Level % of payroll, open |
| Amortization period | 30 years | 30 years |
| Long-term investment rate of return* | 7.50 percent | 7.50 percent |
| Projected salary increases* | 4.0 – 14.0 percent | 4.0 – 14.0 percent |
| Cost of living adjustments (COLA) | 0.00 percent | 0.00 percent |
| *Includes inflation at | 2.5 percent | 3.0 percent |

In determining the total pension liability, the RP-2014 mortality tables for blue collar employees, projected with scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 mortality tables for blue collar employees, projected with scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 mortality tables for blue collar healthy annuitants, projected with scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

In determining the actuarially determined contributions, the RP-2000 combined mortality table with blue collar adjustment, projected with scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 combined mortality table with blue collar adjustment, projected with scale AA is used in the projection of post-retirement benefits.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, based on their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the roll forward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January, 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the fund's target asset allocation as of December 31, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>10 Year Expected Geometric Real Rate of Return</u> |
|-----------------------|--------------------------|---|
| Global Equity | 37.0% | 6.3% |
| Equity Long/short | 10.0% | 4.7% |
| Illiquid Alternatives | 20.0% | 8.0% |
| Fixed Income | 16.0% | 1.5% |
| Absolute Return | 11.0% | 4.1% |
| Managed Futures | 4.0% | 3.0% |
| Cash | <u>2.0%</u> | 0.0% |
| Total | <u>100.0%</u> | |

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which established the contractually required rates under Colorado statutes. Based on those assumptions, the FPPA plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.50%.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

Regarding the sensitivity of the net pension (asset) liability to changes in the single discount rate, the following presents the plan's net pension (asset) liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower and one percent higher:

| | 1% Decrease <u>(6.50%)</u> | Current Discount Rate <u>(7.50%)</u> | 1% Increase <u>(8.50%)</u> |
|--|----------------------------------|--|----------------------------------|
| Proportionate share of the net pension liability (asset) | \$ <u>488,089</u> | \$ <u>(3,484)</u> | \$ <u>(411,227)</u> |

Pension plan fiduciary net position

Detailed information about the FPPA's fiduciary net position is available in the FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

Payable to the pension plan

At December 31, 2016, the District reported a payable of \$9,071 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2016.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

III. DETAILED NOTES FOR ALL FUNDS (Cont'd.)

G. DEFINED CONTRIBUTION PENSION PLAN

The District contributes to an Internal Revenue Code (IRC) 401(c) plan (the Plan) for all its full time employees and the Plan is administered by the International City Managers Association, R.C.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Board of Directors. The Plan allows employees to defer a portion of their compensation as provided by the IRC. Employees may defer 5% of their compensation and the District has elected to contribute 5% of each participant's compensation. For the year ended December 31, 2016, employer contributions totaled \$229,178 and the District recognized pension expense of \$229,178.

The employees are fully vested in their own contributions and the earnings on those contributions, along with the District's contributions and earnings on those contributions upon the completion of 30 days of service.

H. NET POSITION

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2016 for governmental activities is as follows:

| | |
|----------------------|-------------------|
| Tabor | \$ 210,000 |
| Parks and recreation | 418,685 |
| Pension related | <u>3,484</u> |
| | <u>\$ 632,169</u> |

Restricted for tabor – This represents approximately 3% of the District's 2016 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the District's net position can be used for declared emergencies only and the District must maintain 3% or more of its fiscal year spending in this restricted account.

Restricted for parks and recreation – This caption represents the fund balance of the conservation trust fund.

Restricted for pension related – This caption represents the District's proportionate share of the net pension asset of the statewide cost-sharing, multiple-employer defined benefit pension plan (FPPA plan).

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

I. FUND BALANCES

At December 31, 2016, fund balances for governmental funds consist of the following:

| | Governmental Activities | | | | <u>Total</u> |
|----------------------------------|----------------------------|--|------------------------------------|--------------------------------------|----------------------------|
| | <u>General Fund</u> | <u>Conservation Trust Fund</u> | <u>Parks Donation Fund</u> | <u>Capital Projects Fund</u> | |
| Fund balances – | | | | | |
| Nonspendable – | | | | | |
| Prepaid items | \$ 9,082 | \$ - | \$ - | \$ - | \$ 9,082 |
| Restricted - | | | | | |
| Labor | 210,000 | - | - | - | 210,000 |
| Parks and recreation | - | 418,685 | - | - | 418,685 |
| Committed – | | | | | |
| Parks and recreation | - | - | 19,882 | - | 19,882 |
| Assigned – | | | | | |
| Subsequent years expenditures | 11,594 | - | - | 144,037 | 155,631 |
| Unassigned | <u>2,741,351</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,741,351</u> |
| Total fund balances | <u>\$ 2,972,027</u> | <u>\$ 418,685</u> | <u>\$ 19,882</u> | <u>\$ 144,037</u> | <u>\$ 3,554,031</u> |

IV. OTHER NOTES DISCLOSURES

A. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. Risks of loss from property and casualty coverage, errors and omissions and injuries to employees are covered by the District's participation in the Colorado Special District's property and liability and workmen's compensation pools which is a separate independent governmental public entity risk pool formed through intergovernmental agreement by member special districts to provide defined liability, property and workmen's compensation coverage. The aggregate limit of losses paid by the pool for property claims is limited to \$1,000,000 with commercial company reinsurance covering any losses in excess of that amount up to \$3,000,000. All other risks of loss are handled by the purchase of commercial insurance. Settled claims from the liability pool and commercial policies have not exceeded the insurance coverage in the last three years.

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

IV. OTHER NOTES DISCLOSURES (Cont'd.)

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

New Hire Fire and Police Death and Disability

The District contributes to the statewide, cost-sharing, multiple-employer death and disability plan administered by the Colorado Fire and Police Pension Association (FPPA). The statewide plan provides death and disability benefits for those new hires employed after January 1, 1997 and their beneficiaries. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes the statewide death and disability plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 303-770-3772 in the Denver metro area or 1-800-332-3772 from outside the metro area.

Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of plan members of the District are established under Title 31, Article 30, part 10 of the CRS, as amended. The contribution rate for members is 1.30% of covered salary and for the District the contribution rate is also 1.30% of covered salary. The District contributions to the statewide death and disability plan for the years ended December 31, 2016, 2015 and 2014 were \$13,272, \$12,938 and \$12,019, equal to its required contributions for each year.

C. COMMITMENTS AND CONTINGENCIES

Colorado voters passed an amendment to the state constitution in November 1992 which contains several limitations, including revenue raising, spending abilities and other specific requirements affecting state and local governments. The amendment, commonly known as the Tabor amendment, is complex and subject to judicial interpretation; however, the District believes it is in compliance with the requirements of the amendment. The District has made certain interpretations of the amendment's language in order to determine its compliance.

As discussed in Note III B, the District entered into an intergovernmental agreement with the County of Pueblo to fund one-half of the debt service requirements for the Desert Hawk golf course at Pueblo West. The following is a summary of the estimated future commitments associated with this provision of the intergovernmental agreement:

| | |
|-------------------------|---------------------|
| Year Ended December 31, | |
| 2017 | \$ 306,350 |
| 2018 | 306,788 |
| 2019 | 306,775 |
| 2020 | 303,813 |
| 2021 | 304,812 |
| Later years | 914,188 |
| | <u>\$ 2,442,726</u> |

At December 31, 2016, the District had various construction commitments outstanding totaling approximately \$3,775,940, all of which have been included in the 2017 approved budget.

REQUIRED SUPPLEMENTARY INFORMATION

**PUEBLO WEST METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

| | <u>Budgeted Amounts</u> | | <u>Actual Budget Basis</u> | Variance |
|---|-------------------------|------------------|--------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | With Final Budget Positive (Negative) |
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Property taxes | \$ 4,468,049 | \$ 4,468,049 | \$ 4,450,020 | \$ (18,029) |
| Specific ownership taxes | 320,000 | 320,000 | 370,318 | 50,318 |
| Highway users tax | 1,325,000 | 1,325,000 | 1,418,266 | 93,266 |
| Franchise taxes | 110,000 | 110,000 | 136,924 | 26,924 |
| Other taxes | 63,885 | 63,885 | 42,581 | (21,304) |
| Investment revenue | 15,000 | 15,000 | 33,063 | 18,063 |
| Recreation programs | 136,200 | 136,200 | 137,085 | 885 |
| Other revenues | 139,525 | 229,991 | 272,065 | 42,074 |
| Issuance of capital lease | - | 914,192 | 914,192 | - |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>6,577,659</u> | <u>7,582,317</u> | <u>7,774,514</u> | <u>192,197</u> |
| EXPENDITURES AND OTHER FINANCING USES | | | | |
| Current - | | | | |
| Streets and roads | 2,039,445 | 2,095,740 | 1,992,130 | 103,610 |
| Fire protection | 2,312,078 | 3,282,504 | 3,324,288 | (41,784) |
| Engineering | 590,799 | 590,799 | 574,115 | 16,684 |
| Parks and recreation | 748,695 | 748,695 | 721,932 | 26,763 |
| Administration | 900,227 | 900,227 | 783,871 | 116,356 |
| Transfers out | 421,870 | 421,870 | 366,729 | 55,141 |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>7,013,074</u> | <u>8,039,835</u> | <u>7,763,065</u> | <u>276,770</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | | | | |
| | (435,415) | (457,518) | 11,449 | 468,967 |
| FUND BALANCE, January 1 | <u>435,415</u> | <u>457,518</u> | <u>2,960,578</u> | <u>2,503,060</u> |
| FUND BALANCE, December 31 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,972,027</u> | <u>\$ 2,972,027</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2016**

| | <u>Budgeted Amounts</u> | | <u>Actual Budget Basis</u> | Variance |
|--|-------------------------|----------------|--------------------------------|--|
| | <u>Original</u> | <u>Final</u> | | <u>With Final Budget Positive (Negative)</u> |
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Intergovernmental | \$ 135,000 | \$ 135,000 | \$ 168,391 | \$ 33,391 |
| Investment earnings | 1,500 | 1,500 | 1,828 | 328 |
| Transfers in | <u>-</u> | <u>-</u> | <u>85,000</u> | <u>85,000</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCE | <u>136,500</u> | <u>136,500</u> | <u>255,219</u> | <u>118,719</u> |
| EXPENDITURES | | | | |
| Current programs/projects | - | - | 35,098 | (35,098) |
| Capital outlay | <u>520,707</u> | <u>520,707</u> | <u>238,389</u> | <u>282,318</u> |
| TOTAL EXPENDITURES | <u>520,707</u> | <u>520,707</u> | <u>273,487</u> | <u>247,220</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES | | | | |
| | (384,207) | (384,207) | (18,268) | 365,939 |
| FUND BALANCE, January 1 | <u>384,207</u> | <u>384,207</u> | <u>436,953</u> | <u>52,746</u> |
| FUND BALANCE, December 31 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 418,685</u> | <u>\$ 418,685</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
PARKS DONATION FUND
YEAR ENDED DECEMBER 31, 2016**

| | <u>Budgeted Amounts</u> | | <u>Actual Budget Basis</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|--------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Donations | \$ 7,200 | \$ 8,700 | \$ 13,778 | \$ 5,078 |
| TOTAL REVENUES | <u>7,200</u> | <u>8,700</u> | <u>13,778</u> | <u>5,078</u> |
| EXPENDITURES | | | | |
| Current programs/projects | 7,200 | 11,625 | 11,522 | 103 |
| Capital outlay | - | - | - | - |
| TOTAL EXPENDITURES | <u>7,200</u> | <u>11,625</u> | <u>11,522</u> | <u>103</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | (2,925) | 2,256 | 5,181 |
| FUND BALANCE, January 1 | <u>-</u> | <u>2,925</u> | <u>17,626</u> | <u>14,701</u> |
| FUND BALANCE, December 31 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,882</u> | <u>\$ 19,882</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016**

BUDGETARY INFORMATION

The District adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules.

On or before the first board meeting in October, the district manager submits to the board of directors a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of directors to obtain taxpayer comments. The District adopts budgets for all its funds, including proprietary funds, and each fund uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of directors may amend the original adopted budget during the year by passing a new resolution to reflect current needs and during 2016 the expenditure estimates were amended for certain funds.

For each legally adopted budget, budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed appropriations for that fund.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation, is not employed in the formal budgetary process. In addition, appropriations lapse at year end.

**PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
FIRE AND POLICE PENSION ASSOCIATION
NEW HIRE FIRE AND POLICE PLAN**

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|--------------|--------------|
| District's proportion of the net pension liability (asset) | (.198%) | (.20515%) | (.20547%) |
| District's proportionate share of the net pension liability (asset) | \$ (3,484) | \$ (231,526) | \$ (183,724) |
| District's covered-employee payroll | \$ 958,138 | \$ 1,003,940 | \$ 928,324 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | (.364%) | (23.06%) | (19.79%) |
| Plan fiduciary net position as a percentage of the total pension liability | 100.10% | 106.80% | 105.80% |

Note: This schedule is intended to present information for 10 years. Since the implementation of GASB 68 became effective for the year ended December 31, 2015, only three years of the required supplementary information is reported and additional years will be added as the information becomes available.

**PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION
NEW HIRE FIRE AND POLICE PLAN**

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-----------------|-----------------|-----------------|
| Contractually required contribution | \$ 76,651 | \$ 79,616 | \$ 73,805 |
| Contributions in relation to the contractually required contribution | <u>(76,651)</u> | <u>(79,616)</u> | <u>(73,805)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered-employee payroll | \$ 958,138 | \$ 1,003,940 | \$ 928,324 |
| Contributions as a percentage of covered-employee payroll | 8.00% | 7.93% | 7.95% |

Note: This schedule is intended to present information for 10 years. Since the implementation of GASB 68 became effective for the year ended December 31, 2015, only three years of the required supplementary information is reported and additional years will be added as the information becomes available.

ADDITIONAL INFORMATION

CAPITAL PROJECTS FUND

**PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2016**

| | <u>Final Budget</u> | <u>Actual Budget Basis</u> | Variance With Final Budget Positive (Negative) |
|---|-------------------------|--------------------------------|---|
| REVENUES AND OTHER FINANCING SOURCES | | | |
| Intergovernmental | \$ 928,243 | \$ 59,258 | \$ (868,985) |
| Other | 108,500 | 27,854 | (80,646) |
| Transfers in | <u>502,000</u> | <u>502,000</u> | <u>-</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>1,538,743</u> | <u>589,112</u> | <u>(949,631)</u> |
| EXPENDITURES AND OTHER FINANCING USES | | | |
| Current programs/projects | - | 615,382 | (615,382) |
| Capital projects | 1,824,043 | 117,575 | 1,706,468 |
| Transfers out | <u>-</u> | <u>85,000</u> | <u>(85,000)</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>1,824,043</u> | <u>817,957</u> | <u>1,006,086</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | (285,300) | (228,845) | 56,455 |
| FUND BALANCE, January 1 | <u>285,300</u> | <u>372,882</u> | <u>87,582</u> |
| FUND BALANCE, December 31 | <u>\$ -</u> | <u>\$ 144,037</u> | <u>\$ 144,037</u> |

ENTERPRISE FUNDS

PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER FUND
YEAR ENDED DECEMBER 31, 2016

| | <u>Final Budget</u> | <u>Actual Budget Basis</u> | Variance With Final Budget Positive <u>(Negative)</u> |
|---|-------------------------|--------------------------------|--|
| REVENUES AND OTHER FINANCING SOURCES | | | |
| Water usage | \$ 7,140,000 | \$ 7,703,748 | \$ 563,748 |
| Transfer fees | 15,000 | 20,295 | 5,295 |
| Penalty billing fee | 100,000 | 95,215 | (4,785) |
| Turn on fees | 40,000 | 42,016 | 2,016 |
| Hydrant water | 35,700 | 62,844 | 27,144 |
| Tap connection fees/plant investment fees | 534,375 | 1,457,269 | 922,894 |
| Interest | 40,000 | 81,027 | 41,027 |
| Other | 7,000 | 72,427 | 65,427 |
| Prior year unexpended balance | <u>5,840,285</u> | <u>-</u> | <u>(5,840,285)</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>13,752,360</u> | <u>9,534,841</u> | <u>(4,217,519)</u> |
| EXPENDITURES | | | |
| Current - | | | |
| Salaries | 1,443,385 | 1,409,993 | 33,392 |
| Payroll taxes | 110,269 | 101,029 | 9,240 |
| Employee pension and benefits | 335,211 | 277,931 | 57,280 |
| Operating parts, material and supplies | 950,996 | 720,315 | 230,681 |
| Repairs and maintenance | 486,190 | 470,765 | 15,425 |
| Uniforms and safety | 26,725 | 14,158 | 12,567 |
| Training, education and travel | 41,451 | 21,462 | 19,989 |
| Legal expense | 50,000 | 39,681 | 10,319 |
| Outside services | 989,226 | 602,082 | 387,144 |
| Insurance | 46,000 | 54,563 | (8,563) |
| Utilities | 1,026,350 | 1,060,077 | (33,727) |
| Lease and rental | 8,300 | 8,440 | (140) |
| Water assessments | 553,041 | 493,403 | 59,638 |
| Southern delivery system | - | 147,021 | (147,021) |
| Office | 83,866 | 64,193 | 19,673 |
| Contingency | 68,500 | - | 68,500 |
| Capital outlay | 6,952,550 | 652,086 | 6,300,464 |
| Debt service - | | | |
| Principal | 525,000 | 525,000 | - |
| Interest and issuance costs | 55,300 | 71,915 | (16,615) |
| TOTAL EXPENDITURES | <u>13,752,360</u> | <u>6,734,114</u> | <u>7,018,246</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 2,800,727</u> | <u>\$ 2,800,727</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WASTEWATER FUND
YEAR ENDED DECEMBER 31, 2016**

| | <u>Final Budget</u> | <u>Actual Budget Basis</u> | Variance With Final Budget Positive <u>(Negative)</u> |
|---|-------------------------|--------------------------------|--|
| REVENUES AND OTHER FINANCING SOURCES | | | |
| Charges for services | \$ 2,769,508 | \$ 2,672,325 | \$ (97,183) |
| Tap connection fees/plant investment fees | 27,020 | 126,516 | 99,496 |
| Interest | 5,000 | 10,966 | 5,966 |
| Prior year unexpended balance | <u>1,275,587</u> | <u>-</u> | <u>(1,275,587)</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>4,077,115</u> | <u>2,809,807</u> | <u>(1,267,308)</u> |
| EXPENDITURES | | | |
| Current - | | | |
| Salaries | 487,770 | 486,188 | 1,582 |
| Payroll taxes | 37,264 | 34,060 | 3,204 |
| Employee pension and benefits | 114,512 | 91,011 | 23,501 |
| Uniforms and safety | 7,750 | 6,254 | 1,496 |
| Operating parts, materials and supplies | 268,252 | 178,104 | 90,148 |
| Repairs and maintenance | 208,137 | 176,840 | 31,297 |
| Training, education and travel | 11,792 | 7,450 | 4,342 |
| Legal | 1,200 | - | 1,200 |
| Outside services | 607,067 | 494,326 | 112,741 |
| Insurance | 19,000 | 17,136 | 1,864 |
| Utilities | 310,825 | 298,992 | 11,833 |
| Rentals | 800 | 600 | 200 |
| Office | 59,722 | 31,505 | 28,217 |
| Contingency | 22,500 | - | 22,500 |
| Capital outlay | 1,598,000 | 221,897 | 1,376,103 |
| Debt service - | | | |
| Principal | 234,120 | 234,120 | - |
| Interest | <u>88,404</u> | <u>88,404</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u>4,077,115</u> | <u>2,366,887</u> | <u>1,710,228</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 442,920</u> | <u>\$ 442,920</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
YEAR ENDED DECEMBER 31, 2016**

| | <u>Final Budget</u> | <u>Actual Budget Basis</u> | Variance With Final Budget Positive <u>(Negative)</u> |
|--|-------------------------|--------------------------------|--|
| REVENUES AND OTHER FINANCING SOURCES | | | |
| Charges for services | \$ 728,150 | \$ 1,204,071 | \$ 475,921 |
| Prior year unexpended balance | <u>200,334</u> | <u>-</u> | <u>(200,334)</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>928,484</u> | <u>1,204,071</u> | <u>275,587</u> |
| EXPENDITURES AND OTHER FINANCING USES | | | |
| Current - | | | |
| Salaries | 157,273 | 153,811 | 3,462 |
| Payroll taxes | 12,024 | 10,734 | 1,290 |
| Employee benefits | 44,573 | 41,714 | 2,859 |
| Parts and supplies | 2,900 | 19,232 | (16,332) |
| Repairs and maintenance | 21,914 | 3,725 | 18,189 |
| Uniforms and safety | 150 | - | 150 |
| Training, education and travel | 5,500 | 4,357 | 1,143 |
| Legal | 1,000 | 2,892 | (1,892) |
| Outside services | 179,200 | 140,934 | 38,266 |
| Insurance | 6,000 | 5,328 | 672 |
| Utilities | 4,550 | 7,035 | (2,485) |
| Lease and rental | 3,800 | 1,558 | 2,242 |
| Office | 8,750 | 3,674 | 5,076 |
| Contingency | 8,850 | - | 8,850 |
| Transfers out | <u>472,000</u> | <u>472,000</u> | <u>-</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>928,484</u> | <u>866,994</u> | <u>61,490</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 337,077</u> | <u>\$ 337,077</u> |

PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SWIMMING POOL FUND
YEAR ENDED DECEMBER 31, 2016

| | <u>Final</u> | <u>Actual</u> | Variance With |
|---|----------------|---------------------|--------------------|
| | <u>Budget</u> | <u>Budget Basis</u> | Final Budget |
| | | | Positive |
| | | | <u>(Negative)</u> |
| REVENUES AND OTHER FINANCING SOURCES | | | |
| Admissions | \$ 27,470 | \$ 19,997 | \$ (7,473) |
| Lessons | 12,764 | 9,370 | (3,394) |
| Intergovernmental | 171,500 | - | (171,500) |
| Other | 4,650 | 4,500 | (150) |
| Transfers in | 84,000 | 30,000 | (54,000) |
| Prior year unexpended balance | <u>18,517</u> | <u>-</u> | <u>(18,517)</u> |
| TOTAL REVENUES AND OTHER | <u>318,901</u> | <u>63,867</u> | <u>(255,034)</u> |
| FINANCING SOURCES | | | |
| EXPENDITURES | | | |
| Current - | | | |
| Operating parts, materials and supplies | 26,131 | 14,304 | 11,827 |
| Uniforms and safety | 1,200 | 833 | 367 |
| Repairs and maintenance | - | - | - |
| Training, education and travel | 720 | 723 | (3) |
| Outside services | 44,750 | 53,928 | (9,178) |
| Insurance | 1,700 | 1,683 | 17 |
| Utilities | 12,575 | 15,306 | (2,731) |
| Lease and rental | 150 | - | 150 |
| Office | 975 | - | 975 |
| Capital outlay | <u>230,700</u> | <u>-</u> | <u>230,700</u> |
| TOTAL EXPENDITURES | <u>318,901</u> | <u>86,777</u> | <u>232,124</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (22,910)</u> | <u>\$ (22,910)</u> |

INTERNAL SERVICE FUND

**PUEBLO WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INTERNAL SERVICE FUND
YEAR ENDED DECEMBER 31, 2016**

| | <u>Final Budget</u> | <u>Actual Budget Basis</u> | Variance With Final Budget Positive (Negative) |
|---|-------------------------|--------------------------------|---|
| REVENUES AND OTHER FINANCING SOURCES | | | |
| Charges for services and other revenue | \$ 1,095,942 | \$ 958,444 | \$ (137,498) |
| Prior year unexpended balance | <u>48,241</u> | <u>-</u> | <u>(48,241)</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>1,144,183</u> | <u>958,444</u> | <u>(185,739)</u> |
| EXPENDITURES | | | |
| Current - | | | |
| Salaries | 569,259 | 493,521 | 75,738 |
| Payroll taxes | 43,549 | 35,015 | 8,534 |
| Pension and benefits | 156,970 | 135,043 | 21,927 |
| Parts and supplies | 48,800 | 61,964 | (13,164) |
| Repairs and maintenance | 31,800 | 21,031 | 10,769 |
| Uniforms and safety | 7,950 | 8,180 | (230) |
| Training, education and travel | 16,000 | 12,707 | 3,293 |
| Outside services | 136,300 | 124,474 | 11,826 |
| Insurance | 9,600 | 7,693 | 1,907 |
| Utilities | 18,430 | 15,309 | 3,121 |
| Lease and rental | 4,600 | 1,415 | 3,185 |
| Office | 22,650 | 30,914 | (8,264) |
| Contingency | 4,275 | - | 4,275 |
| Capital outlay | <u>74,000</u> | <u>-</u> | <u>74,000</u> |
| TOTAL EXPENDITURES | <u>1,144,183</u> | <u>947,266</u> | <u>196,917</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 11,178</u> | <u>\$ 11,178</u> |

STATISTICAL SECTION

This part of the Pueblo West Metropolitan District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time | 65 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source which is the property tax | 70 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future. | 79 |
| Demographics and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 84 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 86 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**PUEBLO WEST METROPOLITAN DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|----------------------|----------------------|----------------------|
| Governmental Activities | | | |
| Net investment in capital assets | \$ 8,390,410 | \$ 9,267,195 | \$ 9,209,009 |
| Restricted | 176,000 | 215,000 | 205,000 |
| Unrestricted | <u>7,368,431</u> | <u>7,093,282</u> | <u>8,090,276</u> |
| Total Governmental Activities Net Position | <u>\$ 15,934,841</u> | <u>\$ 16,575,477</u> | <u>\$ 17,504,285</u> |
| Business-Type Activities | | | |
| Net investment in capital assets | \$ 44,372,483 | \$ 44,789,449 | \$ 44,809,019 |
| Restricted | - | - | - |
| Unrestricted | <u>24,013,815</u> | <u>24,950,490</u> | <u>24,703,974</u> |
| Total Business-Type Activities Net Position | <u>\$ 68,386,298</u> | <u>\$ 69,739,939</u> | <u>\$ 69,512,993</u> |
| Primary Government | | | |
| Net investment in capital assets | \$ 52,762,893 | \$ 54,056,644 | \$ 54,018,028 |
| Restricted | 176,000 | 215,000 | 205,000 |
| Unrestricted | <u>31,382,246</u> | <u>32,043,772</u> | <u>32,794,250</u> |
| Total Primary Government Net Position | <u>\$ 84,321,139</u> | <u>\$ 86,315,416</u> | <u>\$ 87,017,278</u> |

| <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 9,492,669 | \$ 9,516,008 | \$ 9,871,461 | \$ 10,715,959 | \$ 11,036,104 | \$ 11,648,273 | \$ 11,713,622 |
| 215,000 | 591,849 | 386,089 | 797,814 | 844,579 | 868,479 | 632,169 |
| <u>7,884,203</u> | <u>7,276,838</u> | <u>5,900,492</u> | <u>4,372,224</u> | <u>3,764,813</u> | <u>3,055,771</u> | <u>3,109,212</u> |
| <u>\$ 17,591,872</u> | <u>\$ 17,384,695</u> | <u>\$ 16,158,042</u> | <u>\$ 15,885,997</u> | <u>\$ 15,645,496</u> | <u>\$ 15,572,523</u> | <u>\$ 15,455,003</u> |
| | | | | | | |
| \$ 43,385,754 | \$ 43,416,020 | \$ 44,858,506 | \$ 47,750,064 | \$ 50,781,294 | \$ 48,537,759 | \$ 47,114,165 |
| - | - | - | - | - | - | - |
| <u>27,381,921</u> | <u>29,073,301</u> | <u>30,110,962</u> | <u>29,137,110</u> | <u>28,031,852</u> | <u>32,328,455</u> | <u>35,723,375</u> |
| <u>\$ 70,767,675</u> | <u>\$ 72,489,321</u> | <u>\$ 74,969,468</u> | <u>\$ 76,887,174</u> | <u>\$ 78,813,146</u> | <u>\$ 80,866,214</u> | <u>\$ 82,837,540</u> |
| | | | | | | |
| \$ 52,878,423 | \$ 52,932,028 | \$ 54,729,967 | \$ 58,466,023 | \$ 61,817,398 | \$ 60,186,032 | \$ 58,827,787 |
| 215,000 | 591,849 | 386,089 | 797,814 | 844,579 | 868,479 | 632,169 |
| <u>35,266,124</u> | <u>36,350,139</u> | <u>36,011,454</u> | <u>33,509,334</u> | <u>31,796,665</u> | <u>35,384,226</u> | <u>38,832,587</u> |
| <u>\$ 88,359,547</u> | <u>\$ 89,874,016</u> | <u>\$ 91,127,510</u> | <u>\$ 92,773,171</u> | <u>\$ 94,458,642</u> | <u>\$ 96,438,737</u> | <u>\$ 98,292,543</u> |

PUEBLO WEST METROPOLITAN DISTRICT
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|----------------------|----------------------|----------------------|
| EXPENSES | | | |
| Governmental activities - | | | |
| General government | \$ 556,534 | \$ 723,089 | \$ 684,120 |
| Fire protection | 1,090,387 | 1,644,059 | 1,772,505 |
| Streets and roads | 2,818,955 | 2,852,208 | 2,678,916 |
| Engineering | 718,755 | 881,458 | 558,708 |
| Parks and recreation | 516,020 | 520,432 | 543,959 |
| Interest on long-term debt | 2,895 | 1,632 | 329 |
| Total governmental activities expenses | <u>5,703,546</u> | <u>6,622,878</u> | <u>6,238,537</u> |
| Business-type activities - | | | |
| Water | 5,773,523 | 5,934,043 | 5,725,240 |
| Wastewater | 1,682,264 | 1,856,680 | 2,254,264 |
| Community Development | 158,769 | 174,156 | 111,368 |
| Swimming pool | 79,513 | 98,440 | 93,518 |
| Total business-type activities expenses | <u>7,694,069</u> | <u>8,063,319</u> | <u>8,184,390</u> |
| | | | |
| TOTAL PRIMARY GOVERNMENT EXPENSES | <u>\$ 13,397,615</u> | <u>\$ 14,686,197</u> | <u>\$ 14,422,927</u> |
| | | | |
| PROGRAM REVENUE | | | |
| Governmental activities - | | | |
| Charges for services | \$ 127,987 | \$ 134,880 | \$ 131,440 |
| Operating grants and contributions | 1,232,475 | 1,684,413 | 1,383,333 |
| Capital grants and contributions | 31,214 | - | - |
| Total governmental activities program revenue | <u>1,391,676</u> | <u>1,819,293</u> | <u>1,514,773</u> |
| Business-type activities - | | | |
| Charges for services - | | | |
| Water | | | |
| Water Usage | 4,618,496 | 5,296,453 | 5,361,843 |
| Transfer Fee | 5,362 | 4,398 | 3,717 |
| Penalty | 104,080 | 101,961 | 100,294 |
| Turn On Fees | 40,110 | 44,282 | 47,625 |
| Hydrant Water | 43,515 | 32,813 | 34,429 |
| Other | 883,346 | 326,039 | 133,940 |
| Sewer | | | |
| Sewer Usage | 1,459,428 | 1,484,489 | 1,564,798 |
| Other | 72,988 | 34,790 | 12,268 |
| Community Development | | | |
| Sale of Land | 1,178,636 | 190,273 | 19,017 |
| Fees | - | - | - |
| Other | - | - | - |
| Swimming pool | 37,365 | 37,825 | 32,732 |
| Operating grants and contributions | - | - | - |
| Capital grants and contributions | <u>2,830,924</u> | <u>1,580,597</u> | <u>697,689</u> |
| Total business-type activities program revenue | <u>11,274,250</u> | <u>9,133,920</u> | <u>8,008,352</u> |
| | | | |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUE | <u>12,665,926</u> | <u>10,953,213</u> | <u>9,523,125</u> |

| <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 710,421 | \$ 936,551 | \$ 712,532 | \$ 976,111 | \$ 721,486 | \$ 720,681 | \$ 809,965 |
| 1,890,433 | 1,939,248 | 2,141,209 | 2,325,217 | 2,331,469 | 2,290,050 | 2,377,078 |
| 2,990,261 | 2,757,047 | 3,249,171 | 1,919,384 | 2,191,051 | 2,423,215 | 2,626,296 |
| 449,190 | 506,865 | 524,118 | 536,402 | 368,695 | 460,745 | 595,961 |
| 621,037 | 746,488 | 769,596 | 861,289 | 973,160 | 953,660 | 986,251 |
| 8,918 | 13,482 | 9,178 | 4,670 | 30 | - | 12,683 |
| <u>6,670,260</u> | <u>6,899,681</u> | <u>7,405,804</u> | <u>6,623,073</u> | <u>6,585,891</u> | <u>6,848,351</u> | <u>7,408,234</u> |
| 6,233,923 | 6,799,199 | 6,292,882 | 6,145,983 | 6,720,609 | 6,749,671 | 8,089,985 |
| 2,168,514 | 2,224,750 | 2,219,385 | 2,692,734 | 2,583,930 | 2,348,887 | 2,947,805 |
| 184,402 | 200,800 | 223,560 | 228,823 | 356,743 | 306,221 | 342,210 |
| 72,343 | 95,417 | 106,092 | 111,883 | 85,623 | 110,531 | 103,471 |
| <u>8,659,182</u> | <u>9,320,166</u> | <u>8,841,919</u> | <u>9,179,423</u> | <u>9,746,905</u> | <u>9,515,310</u> | <u>11,483,471</u> |
| <u>\$ 15,329,442</u> | <u>\$ 16,219,847</u> | <u>\$ 16,247,723</u> | <u>\$ 15,802,496</u> | <u>\$ 16,332,796</u> | <u>\$ 16,363,661</u> | <u>\$ 18,891,705</u> |
| \$ 147,873 | \$ 251,023 | \$ 264,155 | \$ 255,219 | \$ 244,512 | \$ 257,471 | \$ 315,258 |
| 1,622,897 | 1,422,149 | 1,482,990 | 1,488,512 | 1,661,097 | 1,573,143 | 1,766,648 |
| - | 216,091 | 38,702 | - | - | 532,879 | 24,012 |
| <u>1,770,770</u> | <u>1,889,263</u> | <u>1,785,847</u> | <u>1,743,731</u> | <u>1,905,609</u> | <u>2,363,493</u> | <u>2,105,918</u> |
| 6,309,250 | 7,428,036 | 7,533,404 | 7,000,054 | 7,029,050 | 6,719,285 | 7,640,016 |
| 3,363 | 10,182 | 9,437 | 12,092 | 34,083 | 17,936 | 20,295 |
| 103,077 | 99,300 | 99,320 | 101,019 | 99,497 | 201,290 | 95,215 |
| 40,607 | 46,395 | 44,697 | 46,277 | 47,991 | 43,141 | 42,016 |
| 30,779 | 45,434 | 65,711 | 78,818 | 72,798 | 45,359 | 62,844 |
| 222,690 | 199,992 | 76,993 | 57,071 | 134,274 | 155,459 | 241,408 |
| 1,604,564 | 1,886,746 | 2,323,541 | 2,649,983 | 2,709,502 | 2,599,635 | 2,342,781 |
| 13,613 | 6,504 | 7,678 | 12,044 | 18,633 | 14,711 | 352,488 |
| - | 31,019 | - | - | 575,842 | 345,500 | 1,135,282 |
| 59,835 | 35,430 | 31,718 | 34,656 | 37,134 | 42,538 | 67,441 |
| 218 | - | 132 | - | 172 | 152 | 1,348 |
| 34,183 | 36,904 | 39,329 | 34,464 | 24,787 | 33,545 | 33,867 |
| - | - | - | - | - | - | 55,157 |
| <u>874,201</u> | <u>578,049</u> | <u>478,607</u> | <u>443,058</u> | <u>471,969</u> | <u>879,416</u> | <u>1,407,917</u> |
| <u>9,296,380</u> | <u>10,403,991</u> | <u>10,710,567</u> | <u>10,469,536</u> | <u>11,255,732</u> | <u>11,097,967</u> | <u>13,498,075</u> |
| <u>11,067,150</u> | <u>12,293,254</u> | <u>12,496,414</u> | <u>12,213,267</u> | <u>13,161,341</u> | <u>13,461,460</u> | <u>15,603,993</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---|-------------------------|---------------------------|---------------------------|
| NET (EXPENSE) REVENUE | | | |
| Governmental activities | (4,311,870) | (4,803,585) | (4,723,764) |
| Business-type activities | <u>3,580,181</u> | <u>1,070,601</u> | <u>(176,038)</u> |
| TOTAL PRIMARY GOVERNMENT NET EXPENSE | \$ <u>(731,689)</u> | \$ <u>(3,732,984)</u> | \$ <u>(4,899,802)</u> |
| GENERAL REVENUE AND OTHER CHANGES IN NET POSITION | | | |
| Governmental activities - | | | |
| Property taxes | \$ 3,457,046 | \$ 4,423,837 | \$ 4,575,988 |
| Franchise and other taxes | 497,901 | 574,393 | 563,697 |
| Unrestricted investment earnings | 396,422 | 220,770 | 122,065 |
| Other | 55,963 | 9,265 | 72,351 |
| Transfers | <u>3,597,721</u> | <u>215,956</u> | <u>318,471</u> |
| Total governmental activities | <u>8,005,053</u> | <u>5,444,221</u> | <u>5,652,572</u> |
| Business-type activities - | | | |
| Unrestricted investment earnings | 922,834 | 498,996 | 267,563 |
| Other | - | - | - |
| Transfers | <u>(3,597,721)</u> | <u>(215,956)</u> | <u>(318,471)</u> |
| Total business-type activities | <u>(2,674,887)</u> | <u>283,040</u> | <u>(50,908)</u> |
| TOTAL PRIMARY GOVERNMENT | \$ <u>5,330,166</u> | \$ <u>5,727,261</u> | \$ <u>5,601,664</u> |
| CHANGE IN NET POSITION | | | |
| Governmental activities | \$ 3,693,183 | \$ 640,636 | \$ 928,808 |
| Business-type activities | <u>905,294</u> | <u>1,353,641</u> | <u>(226,946)</u> |
| TOTAL PRIMARY GOVERNMENT | \$ <u>4,598,477</u> | \$ <u>1,994,277</u> | \$ <u>701,862</u> |

| <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (4,899,490) | (5,010,418) | (5,619,957) | (4,879,342) | (4,680,282) | (4,484,858) | (5,302,316) |
| <u>637,198</u> | <u>1,083,825</u> | <u>1,868,648</u> | <u>1,290,113</u> | <u>1,508,827</u> | <u>1,582,657</u> | <u>2,014,604</u> |
| <u>\$ (4,262,292)</u> | <u>\$ (3,926,593)</u> | <u>\$ (3,751,309)</u> | <u>\$ (3,589,229)</u> | <u>\$ (3,171,455)</u> | <u>\$ (2,902,201)</u> | <u>\$ (3,287,712)</u> |
| | | | | | | |
| \$ 4,720,733 | \$ 4,750,576 | \$ 4,429,426 | \$ 4,428,058 | \$ 4,305,666 | \$ 4,337,155 | \$ 4,450,020 |
| 515,981 | 480,014 | 436,692 | 427,280 | 438,844 | 473,740 | 549,823 |
| 115,499 | 52,853 | 24,781 | 30,186 | 19,319 | 17,051 | 34,891 |
| 24,964 | 10,423 | 16,187 | 17,221 | 40,714 | 8,802 | 14,791 |
| <u>(390,100)</u> | <u>(490,625)</u> | <u>(513,782)</u> | <u>(552,977)</u> | <u>(364,762)</u> | <u>(424,863)</u> | <u>135,271</u> |
| <u>4,987,077</u> | <u>4,803,241</u> | <u>4,393,304</u> | <u>4,349,768</u> | <u>4,439,781</u> | <u>4,411,885</u> | <u>5,184,796</u> |
| | | | | | | |
| 227,384 | 147,196 | 97,717 | 60,735 | 52,383 | 44,525 | 91,993 |
| - | - | - | 13,881 | - | 1,023 | - |
| <u>390,100</u> | <u>490,625</u> | <u>513,782</u> | <u>552,977</u> | <u>364,762</u> | <u>424,863</u> | <u>(135,271)</u> |
| <u>617,484</u> | <u>637,821</u> | <u>611,499</u> | <u>627,593</u> | <u>417,145</u> | <u>470,411</u> | <u>(43,278)</u> |
| | | | | | | |
| <u>\$ 5,604,561</u> | <u>\$ 5,441,062</u> | <u>\$ 5,004,803</u> | <u>\$ 4,977,361</u> | <u>\$ 4,856,926</u> | <u>\$ 4,882,296</u> | <u>\$ 5,141,518</u> |
| | | | | | | |
| \$ 87,587 | \$ (207,177) | \$ (1,226,653) | \$ (529,574) | \$ (240,501) | \$ (72,973) | \$ (117,520) |
| <u>1,254,682</u> | <u>1,721,646</u> | <u>2,480,147</u> | <u>1,917,706</u> | <u>1,925,972</u> | <u>2,053,068</u> | <u>1,971,326</u> |
| | | | | | | |
| <u>\$ 1,342,269</u> | <u>\$ 1,514,469</u> | <u>\$ 1,253,494</u> | <u>\$ 1,388,132</u> | <u>\$ 1,685,471</u> | <u>\$ 1,980,095</u> | <u>\$ 1,853,806</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| GENERAL FUND | | | | |
| Reserved | \$ 176,000 | \$ 215,000 | \$ 205,000 | \$ 215,000 |
| Unreserved | <u>6,027,348</u> | <u>6,052,789</u> | <u>6,246,705</u> | <u>6,804,960</u> |
| TOTAL GENERAL FUND | <u>\$ 6,203,348</u> | <u>\$ 6,267,789</u> | <u>\$ 6,451,705</u> | <u>\$ 7,019,960</u> |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - |
| Unreserved reported in - | | | | |
| Special revenue funds | 292,709 | 341,199 | 448,963 | 443,030 |
| Capital project funds | <u>1,509,075</u> | <u>1,219,219</u> | <u>1,960,302</u> | <u>1,264,312</u> |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | <u>\$ 1,801,784</u> | <u>\$ 1,560,418</u> | <u>\$ 2,409,265</u> | <u>\$ 1,707,342</u> |
| GENERAL FUND | | | | |
| Nonspendable | | | | |
| Restricted | | | | |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| TOTAL GENERAL FUND | | | | |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Nonspendable | | | | |
| Restricted | | | | |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | | | | |

Notes:

In FY 2011 the District implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

| <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| - | 3,863 | 2,515 | 9,630 | 9,566 | 9,082 |
| 206,000 | 198,000 | 198,000 | 198,000 | 200,000 | 210,000 |
| - | - | - | - | - | - |
| 622,036 | 3,481,481 | 1,494,146 | 939,973 | 435,415 | 11,594 |
| 5,631,071 | 2,728,854 | 2,876,105 | 2,261,982 | 2,315,597 | 2,741,351 |
| <u>\$ 6,459,107</u> | <u>\$ 6,412,198</u> | <u>\$ 4,570,766</u> | <u>\$ 3,409,585</u> | <u>\$ 2,960,578</u> | <u>\$ 2,972,027</u> |
| - | - | - | - | - | - |
| 385,849 | 188,089 | 342,285 | 389,050 | 436,953 | 418,685 |
| 1,420,907 | 8,216 | 9,492 | 5,055 | 17,626 | 19,882 |
| - | 10,923 | 265,366 | 749,434 | 372,882 | 144,037 |
| - | - | - | - | - | - |
| <u>\$ 1,806,756</u> | <u>\$ 207,228</u> | <u>\$ 617,143</u> | <u>\$ 1,143,539</u> | <u>\$ 827,461</u> | <u>\$ 582,604</u> |

PUEBLO WEST METROPOLITAN DISTRICT
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|---------------------|---------------------|---------------------|
| Revenues | | | |
| Taxes | \$ 5,080,328 | \$ 6,068,664 | \$ 6,353,778 |
| Intergovernmental | 107,094 | 613,979 | 169,240 |
| Charges for services | 127,987 | 134,880 | 131,440 |
| Investment earnings | 396,422 | 220,770 | 122,065 |
| Other | 55,963 | 9,265 | 72,351 |
| Total Revenues | <u>5,767,794</u> | <u>7,047,558</u> | <u>6,848,874</u> |
| Expenditures | | | |
| Current - | | | |
| Streets and roads | 2,683,036 | 2,738,817 | 2,545,907 |
| Fire protection | 965,325 | 1,477,160 | 1,583,277 |
| Engineering | 697,426 | 867,493 | 540,620 |
| Parks & recreation | 440,366 | 440,696 | 467,128 |
| General and administration | 517,514 | 656,706 | 668,124 |
| Capital outlay | 2,229,673 | 1,215,440 | 307,463 |
| Debt service - | | | |
| Principal | 41,233 | 42,495 | 21,734 |
| Interest | 2,895 | 1,632 | 329 |
| Total Expenditures | <u>7,577,468</u> | <u>7,440,439</u> | <u>6,134,582</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,809,674)</u> | <u>(392,881)</u> | <u>714,292</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | 4,090,584 | 2,041,707 | 1,900,435 |
| Transfers out | (492,863) | (1,825,751) | (1,581,964) |
| Capital leases | - | - | - |
| Total Other Financing Sources (Uses) | <u>3,597,721</u> | <u>215,956</u> | <u>318,471</u> |
| Net Change in Fund Balances | <u>\$ 1,788,047</u> | <u>\$ (176,925)</u> | <u>\$ 1,032,763</u> |
| Debt Service as a Percentage of Noncapital Expenditures | <u>0.83%</u> | <u>0.71%</u> | <u>0.38%</u> |

| <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|
| \$ 6,521,491 | \$ 6,525,619 | \$ 6,170,660 | \$ 6,174,882 | \$ 6,090,150 | \$ 6,216,050 | \$ 6,418,109 |
| 318,009 | 335,747 | 204,779 | 168,968 | 305,279 | 677,499 | 306,750 |
| 147,873 | 251,023 | 264,155 | 255,219 | 244,512 | 257,471 | 315,258 |
| 115,499 | 52,853 | 24,781 | 30,186 | 19,319 | 17,051 | 34,891 |
| 45,075 | 17,887 | 20,656 | 17,221 | 50,750 | 27,169 | 56,423 |
| <u>7,147,947</u> | <u>7,183,129</u> | <u>6,685,031</u> | <u>6,646,476</u> | <u>6,710,010</u> | <u>7,195,240</u> | <u>7,131,431</u> |
| 2,878,388 | 2,745,048 | 3,130,312 | 1,846,275 | 2,068,974 | 2,291,852 | 2,465,473 |
| 1,680,873 | 1,845,577 | 2,003,572 | 2,163,055 | 2,170,722 | 2,185,767 | 2,215,116 |
| 432,141 | 505,967 | 520,734 | 535,993 | 362,955 | 446,796 | 574,115 |
| 528,382 | 670,850 | 654,773 | 748,773 | 815,063 | 767,007 | 768,552 |
| 677,432 | 925,373 | 714,725 | 706,379 | 685,840 | 698,674 | 783,871 |
| 1,142,963 | 339,893 | 672,335 | 1,403,305 | 755,243 | 1,145,366 | 1,447,760 |
| 121,236 | 112,338 | 107,732 | 112,067 | 116,527 | - | 146,732 |
| - | 8,897 | 13,503 | 9,169 | 4,709 | - | 12,683 |
| <u>7,461,415</u> | <u>7,153,943</u> | <u>7,817,686</u> | <u>7,525,016</u> | <u>6,980,033</u> | <u>7,535,462</u> | <u>8,414,302</u> |
| <u>(313,468)</u> | <u>29,186</u> | <u>(1,132,655)</u> | <u>(878,540)</u> | <u>(270,023)</u> | <u>(340,222)</u> | <u>(1,282,871)</u> |
| 684,296 | 1,319,587 | 335,204 | 1,726,215 | 1,058,000 | 81,000 | 587,000 |
| (1,074,396) | (1,810,212) | (848,986) | (2,279,192) | (1,422,762) | (505,863) | (451,729) |
| 569,900 | - | - | - | - | - | 914,192 |
| <u>179,800</u> | <u>(490,625)</u> | <u>(513,782)</u> | <u>(552,977)</u> | <u>(364,762)</u> | <u>(424,863)</u> | <u>1,049,463</u> |
| <u>\$ (133,668)</u> | <u>\$ (461,439)</u> | <u>\$ (1,646,437)</u> | <u>\$ (1,431,517)</u> | <u>\$ (634,785)</u> | <u>\$ (765,085)</u> | <u>\$ (233,408)</u> |
| <u>1.92%</u> | <u>1.78%</u> | <u>1.70%</u> | <u>1.98%</u> | <u>1.95%</u> | <u>0.00%</u> | <u>2.29%</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

| <u>Fiscal Year</u> | <u>Property</u> | <u>Specific Ownership</u> | <u>Highway Users</u> | <u>Franchise</u> | <u>Other Taxes (1)</u> | <u>Total</u> |
|--------------------|-----------------|-------------------------------|--------------------------|------------------|----------------------------|--------------|
| 2007 | 3,457,046 | 409,958 | 1,125,381 | 87,943 | - | 5,080,328 |
| 2008 | 4,423,837 | 481,818 | 1,070,434 | 92,575 | - | 6,068,664 |
| 2009 | 4,575,988 | 467,687 | 1,214,093 | 96,010 | - | 6,353,778 |
| 2010 | 4,720,733 | 416,817 | 1,284,777 | 99,164 | - | 6,521,491 |
| 2011 | 4,750,576 | 383,241 | 1,295,029 | 96,773 | - | 6,525,619 |
| 2012 | 4,429,426 | 336,093 | 1,304,542 | 100,599 | - | 6,170,660 |
| 2013 | 4,428,058 | 322,939 | 1,319,544 | 104,341 | - | 6,174,882 |
| 2014 | 4,305,666 | 328,439 | 1,345,640 | 110,405 | - | 6,090,150 |
| 2015 | 4,337,155 | 352,132 | 1,405,155 | 121,608 | - | 6,216,050 |
| 2016 | 4,450,020 | 370,318 | 1,418,266 | 136,924 | 42,581 | 6,375,528 |
| Change | | | | | | |
| 2007-2016 | 22% | -11% | 21% | 36% | 100% | 20% |

(1) In FY2016 the District started collecting Excise Tax at the rate of 1%. The rate will increase by 1% for two years.

**PUEBLO WEST METROPOLITAN DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

| <u>Collection Year</u> | <u>Total Levy</u> | <u>Current Collection</u> | <u>Percentage of Levy</u> | <u>Delinquent Taxes Collected (1)</u> | <u>Total Tax Collection</u> | <u>Percentage of Levy</u> |
|----------------------------|-------------------|-------------------------------|-------------------------------|---|---------------------------------|-------------------------------|
| 2007 | 3,451,339 | 3,446,844 | 99.87% | 753 | 3,447,597 | 99.89% |
| 2008 | 4,409,579 | 4,408,741 | 99.98% | 1,853 | 4,410,593 | 100.02% |
| 2009 | 4,573,312 | 4,565,127 | 99.82% | (1,789) | 4,563,338 | 99.78% |
| 2010 | 4,760,553 | 4,707,812 | 98.89% | (2,171) | 4,705,641 | 98.85% |
| 2011 | 4,741,257 | 4,734,770 | 99.86% | 1,614 | 4,736,383 | 99.90% |
| 2012 | 4,427,847 | 4,414,106 | 99.69% | 3,231 | 4,417,337 | 99.76% |
| 2013 | 4,430,550 | 4,414,768 | 99.64% | 3,262 | 4,418,030 | 99.72% |
| 2014 | 4,298,659 | 4,287,501 | 99.74% | 8,231 | 4,295,732 | 99.93% |
| 2015 | 4,329,945 | 4,321,963 | 99.82% | 5,651 | 4,327,614 | 99.95% |
| 2016 | 4,453,049 | 4,440,787 | 99.72% | 861 | 4,441,648 | 99.74% |

(1) Pueblo County Treasurer only reports delinquent tax collections by year of collection and not by year of levy which may cause collections as a percentage of levy to exceed 100%.

**PUEBLO WEST METROPOLITAN DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS**

| <u>Budget Year</u> | <u>Residential</u> | <u>Commercial</u> | <u>Vacant</u> | <u>Industrial</u> | <u>Agricultural</u> |
|--------------------|--------------------|-------------------|---------------|-------------------|---------------------|
| 2007 | 115,608,330 | 22,939,360 | 22,341,400 | 6,014,390 | 98,260 |
| 2008 | 139,337,370 | 28,138,860 | 39,450,910 | 6,928,540 | 117,080 |
| 2009 | 146,434,860 | 30,744,290 | 36,790,330 | 8,022,920 | 117,080 |
| 2010 | 151,038,320 | 33,823,820 | 36,380,070 | 8,232,230 | 111,120 |
| 2011 | 152,510,851 | 32,237,992 | 35,933,953 | 8,420,462 | 112,683 |
| 2012 | 143,709,151 | 31,683,127 | 28,789,019 | 8,769,961 | 98,931 |
| 2013 | 144,662,128 | 31,534,982 | 28,399,562 | 8,361,505 | 98,931 |
| 2014 | 141,116,535 | 31,793,730 | 22,210,552 | 8,408,237 | 357,718 |
| 2015 | 142,111,701 | 31,509,252 | 22,017,415 | 8,730,045 | 492,700 |
| 2016 | 154,695,062 | 32,629,106 | 19,762,001 | 8,233,482 | 1,263,848 |

Note: Property in Colorado is reassessed every two years. Tax rates are per \$1,000 of assessed value. The assessed value of taxable property is determined by multiplying the "actual" value times an assessment ratio. The assessment ratio of residential property changes every two years based on a constitutionally-mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the property year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment requires that statewide residential assessed values must be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain the 45%/55% ratio, the commercial assesment rate is established at 29% of the actual value of commercial property and the residential assessment rate fluctuates. The assessment rate of residential property by collection year was:

| <u>Year</u> | |
|-------------|-------|
| 2007 - 2016 | 7.96% |

Source: Pueblo County Assessor

| <u>Natural Resources</u> | <u>State Assessed</u> | <u>Total Assessed</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Value</u> | <u>Value as a % of Actual Value</u> |
|--------------------------|-----------------------|-----------------------|------------------------------|-------------------------------|-------------------------------------|
| 90 | 3,915,760 | 170,917,590 | 20.193 | 1,627,776,118 | 10.50% |
| 35,120 | 4,363,800 | 218,371,680 | 20.193 | 2,022,914,686 | 10.79% |
| 33,100 | 4,164,170 | 226,306,750 | 20.193 | 2,107,864,274 | 10.74% |
| 35,460 | 6,131,600 | 235,752,620 | 20.193 | 2,177,623,681 | 10.83% |
| 31,296 | 5,974,010 | 235,221,247 | 20.193 | 2,199,745,926 | 10.69% |
| 28,916 | 6,197,230 | 219,276,335 | 20.193 | 2,065,967,840 | 10.61% |
| 27,445 | 6,325,645 | 219,410,198 | 20.193 | 2,075,115,382 | 10.57% |
| 25,679 | 8,975,255 | 212,878,669 | 20.193 | 2,020,276,425 | 10.54% |
| 22,562 | 9,544,344 | 214,428,019 | 20.193 | 2,034,689,490 | 10.54% |
| 1,857 | 10,473,736 | 227,059,092 | 19.838 | 2,140,777,281 | 10.61% |

**PUEBLO WEST METROPOLITAN DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

| Collection <u>Year</u> | <u>Basic Rate</u> | <u>Debt Service</u> | <u>Total Direct</u> | <u>Pueblo County</u> | <u>School District 70</u> |
|---------------------------|-------------------|---------------------|---------------------|----------------------|-------------------------------|
| 2007 | 20.193 | - | 20.193 | 28.020 | 49.859 |
| 2008 | 20.193 | - | 20.193 | 31.708 | 41.873 |
| 2009 | 20.193 | - | 20.193 | 31.195 | 40.804 |
| 2010 | 20.193 | - | 20.193 | 31.118 | 40.804 |
| 2011 | 20.193 | - | 20.193 | 31.677 | 39.297 |
| 2012 | 20.193 | - | 20.193 | 30.872 | 39.297 |
| 2013 | 20.193 | - | 20.193 | 30.959 | 39.243 |
| 2014 | 20.193 | - | 20.193 | 30.750 | 39.033 |
| 2015 | 20.193 | - | 20.193 | 30.769 | 39.653 |
| 2016 | 19.828 | - | 19.828 | 30.710 | 39.995 |

Notes:

The District's basic property tax rate may be increased only by a majority vote of the District's residents. Rates for debt service, if any, are set based on each year's requirements.

Overlapping rates are those governments that apply to property owners within the Pueblo West Metropolitan District. Not all overlapping rates apply to all Pueblo West property owners. For example, although the county rate applies to all District property owners, the rates for the various conservancy districts apply to only property owners whose property is located within that District's geographic boundaries.

Tax rates are per \$1,000 of assessed valuation.

Source: Pueblo County Assessor

| Pueblo City-County <u>Library</u> | Southeast Colorado Water Conservancy <u>District</u> | Lower Arkansas Valley Water Conservancy <u>District</u> | Turkey Creek Conservancy <u>District</u> |
|---|---|---|---|
| 5.250 | 0.943 | 1.446 | - |
| 5.250 | 0.915 | 1.502 | - |
| 5.261 | 0.943 | 1.503 | - |
| 5.302 | 0.940 | 1.502 | - |
| 5.413 | 0.947 | 1.502 | - |
| 5.268 | 0.947 | 1.502 | - |
| 5.293 | 0.944 | 1.502 | - |
| 5.258 | 0.944 | 1.503 | - |
| 5.262 | 0.940 | 1.503 | - |
| 5.255 | 0.941 | 1.503 | - |

**PUEBLO WEST METROPOLITAN DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

| <u>Taxpayer</u> | 2016 | | <u>Percentage of Total Assessed Valuation</u> |
|--------------------------------|---|-------------|---|
| | <u>Taxable Assessed Valuation</u> | <u>Rank</u> | |
| Black Hills Corporation | \$ 4,672,809.00 | 1 | 2.06% |
| Wal-Mart Real Estate Business | \$ 3,185,754.00 | 2 | 1.40% |
| San Isabel Electric Assn, Inc. | \$ 1,651,539.00 | 3 | 0.73% |
| Comcast of Colorado IV LLC | \$ 1,511,195.00 | 4 | 0.67% |
| Public Service Co of Colorado | \$ 1,394,298.00 | 5 | 0.61% |
| Andrews Family LLP | \$ 1,240,300.00 | 6 | 0.55% |
| Kuna Entrprises I LP | \$ 1,107,081.00 | 7 | 0.49% |
| Qwest Corporation | \$ 1,026,200.00 | 8 | 0.45% |
| Riverbend Pueblo West | \$ 737,688.00 | 9 | 0.32% |
| Tri State Gen & Transm Assoc | \$ 720,608.00 | 10 | 0.32% |
| J-M Manufacturing Co., Inc. | \$ - | | - |
| Ferguson Enterprises, Inc. | \$ - | | - |
| Pueblo West Property Dev LLC | \$ - | | - |
| Safeway Stores Inc #1760 | \$ - | | - |
| | \$ 17,247,472.00 | | 7.60% |

Source: Pueblo County Assessor

2007

| <u>Taxable Assessed Valuation</u> | <u>Rank</u> | <u>Percentage of Total Assessed Valuation</u> |
|---|-------------|---|
| \$ 1,698,960.00 | 2 | 0.99% |
| \$ 2,487,260.00 | 1 | 1.46% |
| - | | - |
| - | | - |
| - | | - |
| \$ 1,286,750.00 | 3 | 0.75% |
| \$ 1,148,130.00 | 4 | 0.67% |
| \$ 906,600.00 | 6 | 0.53% |
| - | | - |
| \$ 560,400.00 | 9 | 0.33% |
| \$ 963,990.00 | 5 | 0.56% |
| \$ 664,450.00 | 7 | 0.39% |
| \$ 660,780.00 | 8 | 0.39% |
| \$ 529,730.00 | 10 | 0.31% |
| <u>\$ 10,907,050.00</u> | | <u>6.38%</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, WATER ENTERPRISE
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Water Usage</u> | <u>Transfer Fees</u> | <u>Penalty</u> | <u>Turn On Fees</u> | <u>Hydrant Water</u> |
|--------------------|--------------------|----------------------|----------------|---------------------|----------------------|
| 2007 | 4,618,496 | 5,362 | 104,080 | 40,110 | 43,515 |
| 2008 | 5,296,453 | 4,398 | 101,961 | 44,282 | 32,813 |
| 2009 | 5,361,843 | 3,717 | 100,294 | 47,625 | 34,429 |
| 2010 | 6,309,250 | 3,363 | 103,077 | 40,608 | 30,779 |
| 2011 | 7,428,036 | 10,182 | 99,300 | 46,395 | 45,434 |
| 2012 | 7,533,404 | 9,437 | 99,320 | 44,697 | 65,711 |
| 2013 | 7,000,054 | 12,092 | 101,019 | 46,277 | 78,818 |
| 2014 | 7,029,050 | 34,083 | 99,497 | 47,991 | 72,798 |
| 2015 | 6,719,285 | 17,936 | 201,290 | 43,141 | 45,359 |
| 2016 | 7,640,016 | 20,295 | 95,215 | 42,016 | 62,844 |

*Tap connection includes tap fee and plant investment fee.

| <u>Tap Connection*</u> | <u>Interest</u> | <u>Other</u> | <u>Transfers In</u> |
|------------------------|-----------------|--------------|---------------------|
| 2,913,789 | 669,397 | 604,515 | 236,644 |
| 1,636,590 | 356,487 | 168,218 | 244,044 |
| 700,677 | 230,737 | 56,939 | 239,529 |
| 906,450 | 204,331 | 124,081 | 260,550 |
| 392,425 | 130,844 | 154,268 | 317,612 |
| 467,806 | 86,453 | 25,168 | 317,782 |
| 441,972 | 53,495 | 10,412 | 318,477 |
| 432,684 | 46,137 | 84,425 | 308,762 |
| 885,723 | 39,217 | 62,055 | 308,863 |
| 1,457,269 | 81,027 | 241,408 | 306,729 |

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, WASTEWATER FUND
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Charges For Service</u> | <u>Tap Connection*</u> | <u>Proceeds From Issuance Of</u> | | | <u>Transfers In</u> |
|--------------------|--------------------------------|------------------------|--------------------------------------|-----------------|--------------|---------------------|
| | | | <u>Note</u> | <u>Interest</u> | <u>Other</u> | |
| 2007 | 1,459,428 | 262,696 | - | 57,599 | 6,258 | 3,585,312 |
| 2008 | 1,484,489 | 136,618 | - | 99,620 | - | - |
| 2009 | 1,564,798 | 86,281 | - | 24,178 | - | - |
| 2010 | 1,604,564 | 79,972 | - | 22,275 | - | - |
| 2011 | 1,886,746 | 28,684 | 5,340,000 | 16,352 | - | - |
| 2012 | 2,323,541 | 50,804 | - | 11,264 | - | - |
| 2013 | 2,649,986 | 61,670 | - | 7,240 | 12,000 | - |
| 2014 | 2,709,502 | 36,768 | - | 6,246 | 12,069 | - |
| 2015 | 2,599,635 | 102,831 | - | 5,308 | - | - |
| 2016 | 2,656,017 | 126,516 | - | 10,966 | - | - |

*Tap connection includes tap fee and plant investment fee.

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, COMMUNITY DEVELOPMENT
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Land Sales</u> | <u>Fees</u> | <u>Interest</u> | <u>Transfer In</u> | <u>Other</u> |
|--------------------|-------------------|-------------|-----------------|--------------------|--------------|
| 2007 | 1,178,636 | - | 195,838 | - | - |
| 2008 | 190,273 | - | 42,889 | - | - |
| 2009 | 19,017 | - | 12,648 | - | - |
| 2010 | - | 59,835 | 778 | 149,550 | 218 |
| 2011 | 31,019 | 35,430 | - | 131,013 | - |
| 2012 | - | 31,718 | - | 169,000 | 132 |
| 2013 | - | 34,656 | - | 174,500 | - |
| 2014 | 575,842 | 37,134 | - | - | 172 |
| 2015 | 345,500 | 42,538 | - | - | 152 |
| 2016 | 1,135,282 | 67,440 | - | - | 1,348 |

**PUEBLO WEST METROPOLITAN DISTRICT
REVENUE BY SOURCE, SWIMMING POOL
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Admissions</u> | <u>Lessons</u> | <u>Other</u> | <u>Transfers In</u> |
|--------------------|-------------------|----------------|--------------|---------------------|
| 2007 | 20,886 | 13,092 | 3,387 | 52,000 |
| 2008 | 21,466 | 12,374 | 3,985 | 40,000 |
| 2009 | 17,892 | 10,695 | 4,145 | 42,000 |
| 2010 | 19,006 | 11,115 | 4,062 | 40,000 |
| 2011 | 21,736 | 10,468 | 4,700 | 42,000 |
| 2012 | 21,785 | 12,994 | 4,550 | 27,000 |
| 2013 | 19,201 | 11,638 | 3,625 | 60,000 |
| 2014 | 13,616 | 7,556 | 3,615 | 56,000 |
| 2015 | 17,302 | 11,368 | 4,875 | 116,000 |
| 2016 | 19,997 | 9,370 | 4,500 | 30,000 |

**PUEBLO WEST METROPOLITAN DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

| <u>Year</u> | <u>Government Activities</u> | <u>Business-Type Activities</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income*</u> | <u>Per Capita</u> |
|-------------|------------------------------|--|---|---|-----------------------|
| | <u>Capital Leases</u> | <u>Revenue Bonds & Notes</u> | | | |
| 2007 | 64,229 | 7,170,510 | 7,234,739 | | 227.92 |
| 2008 | 21,734 | 6,921,067 | 6,942,801 | | 214.87 |
| 2009 | - | 6,656,626 | 6,656,626 | | 204.84 |
| 2010 | 448,664 | 6,382,184 | 6,830,848 | | 245.02 |
| 2011 | 336,326 | 11,870,800 | 12,207,126 | | 404.02 |
| 2012 | 228,594 | 11,322,356 | 11,550,950 | | 379.12 |
| 2013 | 116,527 | 10,760,422 | 10,876,949 | | 382.64 |
| 2014 | - | 10,192,635 | 10,192,635 | | 360.57 |
| 2015 | - | 9,593,995 | 9,593,995 | | 335.44 |
| 2016 | 767,460 | 8,373,932 | 9,141,392 | | 301.48 |

* Information not readily available for Pueblo West Metropolitan District.

**PUEBLO WEST METROPOLITAN DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS**

| <u>Year</u> | <u>General Obligation Bonds</u> | <u>Less: Amounts Available in Debt Service Fund</u> | <u>Net General Bonded Debt</u> | <u>Percentage of Estimated Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|-------------|---|---|--|---|-----------------------|
| 2007 | - | - | 0.00 | 0.00% | - |
| 2008 | - | - | 0.00 | 0.00% | - |
| 2009 | - | - | 0.00 | 0.00% | - |
| 2010 | - | - | 0.00 | 0.00% | - |
| 2011 | - | - | 0.00 | 0.00% | - |
| 2012 | - | - | 0.00 | 0.00% | - |
| 2013 | - | - | 0.00 | 0.00% | - |
| 2014 | - | - | 0.00 | 0.00% | - |
| 2015 | - | - | 0.00 | 0.00% | - |
| 2016 | - | - | 0.00 | 0.00% | - |

**PUEBLO WEST METROPOLITAN DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2016**

| | <u>Debt Outstanding</u> | <u>Percentage Applicable</u> | <u>Share of Overlapping Debt</u> |
|---|-----------------------------|----------------------------------|--|
| Direct Debt | \$ - | 100.00% | - |
| Overlapping Debt - | | | |
| Pueblo County - General Obligation or Revenue | 3,145,000 | 20.54% | 645,921 |
| Pueblo County - Certificates of Participation | 83,445,000 | 20.54% | 17,137,967 |
| Pueblo County - Loans | - | 20.54% | - |
| Pueblo County - Capital Leases | 1,173,437 | 20.54% | 241,001 |
| School District 70 - General Obligation or Revenue | 80,945,000 | 20.54% | 16,624,516 |
| School District 70 - Certificates of Participation | 7,770,000 | 20.54% | 1,595,806 |
| School District 70 - Capital Leases | 5,871,279 | 20.54% | 1,205,846 |
| Pueblo Regional Library - Certificates of Participation | 9,650,000 | 20.54% | 1,981,921 |
| Southeast Colorado Water Conservancy District | <u>23,426,225</u> | 20.54% | <u>4,811,287</u> |
| Total Direct and Overlapping Debt | <u>\$ 215,425,941</u> | 20.54% | <u>\$ 44,244,264</u> |

Sources: Assessed value data used to estimate applicable percentages provided by the Pueblo County Assessor. Debt outstanding provided by individual taxing entity.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Pueblo West Metropolitan District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and the businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**PUEBLO WEST METROPOLITAN DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

| <u>Year</u> | <u>Assessed Valuation</u> | <u>Debt Limit Percentage</u> | <u>Debt Limit</u> | <u>Debt Applicable to Limit</u> | <u>Legal Debt Margin</u> | <u>As a Percentage of Debt Limit</u> |
|-------------|-------------------------------|--------------------------------------|-----------------------|---|----------------------------------|--|
| 2007 | 170,917,590 | 50% | 85,458,795 | - | 50% | 0% |
| 2008 | 218,371,680 | 50% | 109,185,840 | - | 50% | 0% |
| 2009 | 226,306,750 | 50% | 113,153,375 | - | 50% | 0% |
| 2010 | 235,752,620 | 50% | 117,876,310 | - | 50% | 0% |
| 2011 | 235,221,247 | 50% | 117,610,624 | - | 50% | 0% |
| 2012 | 219,276,335 | 50% | 109,638,168 | - | 50% | 0% |
| 2013 | 219,410,198 | 50% | 109,705,099 | - | 50% | 0% |
| 2014 | 212,878,669 | 50% | 106,439,335 | - | 50% | 0% |
| 2015 | 214,428,019 | 50% | 107,214,010 | - | 50% | 0% |
| 2016 | 227,059,092 | 50% | 113,529,546 | - | 50% | 0% |

**PUEBLO WEST METROPOLITAN DISTRICT
 PLEDGED REVENUE COVERAGE LAST TEN YEARS
 WASTEWATER AND WATER ENTERPRISE FUNDS**

| <u>Year</u> | <u>Gross Revenues</u> | <u>Expense</u> | <u>Net Revenue Available for Debt Service</u> | <u>Debt Service Requirements</u> | | | <u>Coverage</u> |
|-------------|-----------------------|----------------|---|----------------------------------|-----------------|--------------|-----------------|
| | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 2007 | 13,643,561 | 8,321,926 | 5,321,635 | 275,000 | 316,066 | 591,066 | 9.0035 |
| 2008 | 8,905,822 | 5,090,911 | 3,814,911 | 275,000 | 305,066 | 580,066 | 6.5767 |
| 2009 | 7,956,603 | 5,889,334 | 2,067,269 | 290,000 | 295,441 | 585,441 | 3.5311 |
| 2010 | 9,202,144 | 5,594,144 | 3,608,000 | 300,000 | 284,249 | 584,249 | 6.1754 |
| 2011 | 10,094,470 | 6,260,121 | 3,834,349 | 536,561 | 322,167 | 858,728 | 4.4651 |
| 2012 | 10,681,173 | 5,396,011 | 5,285,162 | 536,561 | 360,050 | 896,611 | 5.8946 |
| 2013 | 12,178,716 | 6,044,183 | 6,134,533 | 551,561 | 349,138 | 900,699 | 6.8109 |
| 2014 | 10,558,867 | 7,338,869 | 3,219,998 | 557,414 | 330,446 | 887,860 | 3.6267 |
| 2015 | 10,677,255 | 5,704,747 | 4,972,508 | 588,267 | 312,380 | 900,647 | 5.5210 |
| 2016 | 12,252,655 | 7,307,579 | 4,945,076 | 759,120 | 160,319 | 919,439 | 5.3784 |

**PUEBLO WEST METROPOLITAN DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

| <u>Year</u> | <u>Population(1)</u> | <u>Per Capita Income(2)</u> | <u>Age(3)</u> | <u>School Enrollment(4)</u> | <u>Unemployment Rate(5)</u> | <u>Consumer Price Index(6)</u> |
|-------------|----------------------|---------------------------------|---------------|---------------------------------|---------------------------------|--|
| 2007 | 31,743 | 23,971 | 35.6 | 4,908 | 4.1% | 2.20% |
| 2008 | 32,312 | 25,440 | 35.3 | 4,851 | 6.1% | 3.90% |
| 2009 | 32,497 | 25,297 | 35.3 | 4,749 | 8.6% | -0.65% |
| 2010 | 27,879 | 24,453 | 35.2 | 5,066 | 9.0% | 1.87% |
| 2011 | 30,214 | 24,110 | 35.3 | 5,093 | 8.3% | 3.69% |
| 2012 | 30,468 | 24,581 | 37.8 | 5,110 | 7.5% | 1.94% |
| 2013 | 28,426 | 27,315 | 38.1 | 5,171 | 6.2% | 2.77% |
| 2014 | 28,268 | 27,428 | 38.3 | 5,188 | 4.0% | 2.77% |
| 2015 | 28,601 | 27,926 | 38.6 | 5,304 | 3.9% | 1.18% |
| 2016 | 30,322 | 27,025 | 38.7 | 5,317 | 3.0% | 2.77% |

(1) 2007 through 2009 population calculated by taking number of built units multiplied by 2.8 residents per unit. 2010 through 2016 population provided by Pueblo County GIS.

(2) Information provided by Pueblo County Government GIS Department.

(3) 2010 figure provided by U.S. Census Bureau. 2007 - 2009 and 2011 - 2016 information provided by Pueblo County GIS.

(4) 2006 - 2013, 2016 provided by Pueblo Rural School District 70. 2014 - 2015 provided <https://cde.state.co.us>

(5) <https://www.colorado.gov/pacific/dola/inflation-denver-boulder-greeley-consumer-price-index>

**PUEBLO WEST METROPOLITAN DISTRICT
PRINCIPAL EMPLOYERS
NINE YEAR PRIOR AND CURRENT YEAR**

| <u>Employer</u> | <u>Employees</u> | <u>2016 Rank</u> | <u>Percentage of Total District Employment</u> | <u>Employees</u> | <u>2007 Rank</u> | <u>Percentage of Total District Employment</u> |
|---------------------------------|------------------|------------------|--|------------------|------------------|--|
| WalMart Supercenter | 335 | 1 | 5.8% | | | |
| K R Swerdfeger Construction | 250 | 2 | 4.3% | 300 | 1 | 8.6% |
| ASI Constructors | 200 | 3 | 3.5% | | | |
| Vision Mechanical | 200 | 4 | 3.5% | | | |
| Safeway | 110 | 5 | 1.9% | | | |
| PSC | 100 | 7 | 1.7% | 100 | 2 | 2.9% |
| San Isabel Electric Assn., Inc. | 100 | 6 | 1.7% | 84 | 4 | 2.4% |
| Andrews Produce, Inc. | 90 | 8 | 1.6% | 90 | 3 | 2.6% |
| Pueblo West Family Fun Center | 55 | 9 | 1.0% | | | 0.0% |
| JM Eagle Co | 54 | 10 | 0.9% | 54 | 10 | 1.6% |
| Desert Sage Elementary School | | | | 68 | 5 | 2.0% |
| Ferguson Enterprises, Inc. | | | | 66 | 6 | 1.9% |
| Sierra Vista Elementary School | | | | 65 | 7 | 1.9% |
| Pueblo West High School | | | | 61 | 8 | 1.8% |
| Pueblo West Elementary School | | | | 60 | 9 | 1.7% |

Source: Pueblo County Government GIS Department.

Percentage of employment was derived by dividing number of employees per business by total employees for all companies within the boundaries of Pueblo West Metropolitan District.

Total for 2007 was 3,474 Total for 2016 was 5,752

**PUEBLO WEST METROPOLITAN DISTRICT
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS**

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-------------------------|-------------|-------------|-------------|-------------|
| General Government | 17.0 | 19.0 | 19.0 | 19.0 |
| Fire - | | | | |
| Firefighters & officers | 12.0 | 15.0 | 15.0 | 15.0 |
| Command Staff | 3.0 | 3.0 | 3.0 | 3.0 |
| Streets and roads - | | | | |
| Engineering | 4.5 | 3.0 | 2.0 | 3.0 |
| Maintenance | 12.0 | 12.0 | 11.0 | 11.5 |
| Culture and recreation | 6.5 | 6.0 | 7.0 | 6.0 |
| Community Development | 1.0 | 0.0 | 0.0 | 3.0 |
| Swimming pool | 2.0 | 2.0 | 2.0 | 2.0 |
| Water/Sewer* | <u>32.5</u> | <u>30.0</u> | <u>29.0</u> | <u>29.0</u> |
| Total | <u>90.5</u> | <u>90.0</u> | <u>88.0</u> | <u>91.5</u> |

Source: Finance Office

*The employees for the Water Utility and WasteWater Utility are shared.

| <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------|-------------|-------------|--------------|--------------|--------------|
| 19.0 | 19.0 | 19.0 | 22.0 | 22.0 | 24.5 |
| 15.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 5.0 |
| 11.5 | 11.0 | 14.0 | 12.0 | 12.0 | 12.0 |
| 6.0 | 7.0 | 7.0 | 7.0 | 7.0 | 8.0 |
| 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>29.0</u> | <u>27.0</u> | <u>30.0</u> | <u>31.0</u> | <u>31.0</u> | <u>33.0</u> |
| <u>89.5</u> | <u>92.0</u> | <u>98.0</u> | <u>100.0</u> | <u>100.0</u> | <u>107.5</u> |

**PUEBLO WEST METROPOLITAN DISTRICT
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

| | 2007 | 2008 | 2009 | 2010 |
|--|-------|--------|--------|--------|
| Community Development and Land Sales | | | | |
| Number of single family home plans reviewed | 325 | 161 | 85 | 77 |
| Number of multi family home plans reviewed | 14 | 8 | - | - |
| Number of commercial plans reviewed | 14 | 7 | 5 | 2 |
| Number of accessory permits | 977 | 733 | 509 | 619 |
| Commercial lot sales | 5 | 1 | 1 | - |
| Residential lot sales | 2 | - | - | - |
| Fire | | | | |
| Number of fire calls answered | 444 | 514 | 505 | 521 |
| Number of medical calls answered | 1,399 | 1,626 | 1,435 | 1,598 |
| Number of inspections | 301 | 412 | 155 | 271 |
| Streets and Roads | | | | |
| Street grading (miles) | 63.86 | 92.37 | 78.64 | 93.63 |
| Culture and Recreation | | | | |
| Number of programs offered | 29 | 115 | 116 | 120 |
| Attendance for programs | 3,141 | 10,000 | 11,250 | 12,500 |
| Swimming Pool | | | | |
| Swimming pool admissions | 9,400 | 10,885 | 11,000 | 11,000 |
| Swim lesson attendance | 1,106 | 1,472 | 1,000 | 1,000 |
| Water | | | | |
| New connections | 421 | 222 | 76 | 83 |
| Water main breaks | 15 | 28 | 16 | 14 |
| Average daily consumption (thousands of gallons) | 3,802 | 4,510 | 4,416 | 4,756 |
| Wastewater | | | | |
| Average daily sewage treatment (thousands of gallons) | 1,265 | 1,147 | 1,142 | 1,149 |

Source: Various government departments

Note: Indicators are not available for the general government function.

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------|--------|--------|--------|--------|--------|
| 52 | 35 | 47 | 47 | 87 | 141 |
| - | - | - | - | - | - |
| 1 | 5 | 1 | 4 | 7 | 9 |
| 613 | 595 | 552 | 577 | 629 | 634 |
| 1 | - | - | 3 | 8 | 16 |
| - | - | - | - | 1 | - |
| 555 | 621 | 569 | 622 | 555 | 747 |
| 1,667 | 1,759 | 1,785 | 1,895 | 2,170 | 2,142 |
| 325 | 220 | 280 | 306 | 265 | 433 |
| 76.34 | 46.40 | 211.10 | 79.00 | 65.00 | 68.00 |
| 120 | 120 | 123 | 120 | 115 | 113 |
| 12,500 | 12,500 | 12,550 | 12,550 | 12,000 | 12,000 |
| 11,000 | 13,999 | 12,150 | 12,200 | 11,500 | 11,350 |
| 1,000 | 890 | 900 | 900 | 780 | 800 |
| 41 | 36 | 42 | 35 | 60 | 116 |
| 16 | 16 | 31 | 20 | 11 | 10 |
| 4,871 | 5,073 | 4,717 | 4,652 | 4,608 | 5,002 |
| 1,050 | 1,180 | 1,221 | 1,193 | 1,465 | 1,505 |

**PUEBLO WEST METROPOLITAN DISTRICT
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|--|-------------|-------------|-------------|-------------|
| Fire | | | | |
| Fire stations | 3 | 3 | 3 | 3 |
| Streets and Roads | | | | |
| Paved/Chipsealed streets (miles) | 221.39 | 227.60 | 228.97 | 218.67 |
| Gravel roads (miles) | 156.69 | 150.48 | 149.11 | 128.08 |
| Non-accepted roads (miles) | 56.80 | 56.80 | 55.43 | 57.03 |
| Traffic signals | 3 | 4 | 4 | 4 |
| Culture and Recreation | | | | |
| Parks acreage | 47.50 | 73.50 | 293.50 | 293.50 |
| Parks | 5 | 5 | 5 | 5 |
| Swimming pools | 1 | 1 | 1 | 1 |
| Tennis courts | 4 | 4 | 4 | 4 |
| Softball fields | 3 | 3 | 3 | 3 |
| Cattail Crossing (Pond) - Acres | 3.75 | 3.75 | 3.75 | 3.75 |
| Trails - miles | 2.30 | 2.30 | 2.30 | 7.60 |
| Water | | | | |
| Water mains (miles) | 407 | 407 | 409 | 410 |
| Fire hydrants | 2,035 | 2,103 | 2,108 | 2,119 |
| Maximum daily capacity (thousands of gallons) | 16,000 | 16,000 | 16,000 | 16,000 |
| Wastewater | | | | |
| Sanitary sewers (miles) | 115 | 118 | 121 | 126 |
| Average daily treatment capacity (thousands of gallons) | 1,800 | 1,800 | 1,800 | 1,800 |

Source: Various government departments

Note: Indicators are not available for the general government function.

| <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 3 | 3 | 3 | 3 | 3 | 3 |
| 218.67 | 218.67 | 218.67 | 218.67 | 218.67 | 209.12 |
| 128.08 | 128.08 | 128.08 | 128.08 | 128.08 | 135.86 |
| 57.03 | 57.03 | 57.03 | 57.03 | 57.03 | 59.92 |
| 4 | 4 | 6 | 6 | 6 | 6 |
| 293.50 | 293.50 | 298.50 | 298.50 | 298.50 | 298.50 |
| 5 | 5 | 6 | 6 | 6 | 6 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 |
| 7.60 | 12.70 | 12.70 | 12.70 | 14.70 | 16.30 |
| 411 | 411 | 411 | 411 | 411 | 411 |
| 2109 | 2,111 | 2,114 | 2,116 | 2,121 | 2,133 |
| 16,000 | 16,000 | 16,000 | 24,000 | 24,000 | 26,000 |
| 126 | 126 | 126 | 126 | 126 | 126 |
| 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |